Much of golf industry untouched by recession

By Charles von Brecht

Depending on where and when you read this, you're most likely going to or coming from the GCSAA show. For those of you not attending this year's event in New Orleans, I can say only that you're missing quite an extravaganza.

As we go to press, the latest GCSAA report says more than 16,000 participants are expected. It also states that 95 percent of available exhibit space is rented; 550 supplier companies are going to participate; and there are 80 first-time exhibitors.

This doesn't sound like a recession, does it?

I recall a quick exhibitor count from 1989 (our first time at the show) of about 400. That's a 37.5 percent increase in three years!

I will be interested to talk to the new exhibitors to see what they are peddling and why they have come to the show. My guess is, they have products or services marketed to other industries that are not faring so well and are looking to our industry as a new market.

Is the golf course industry entering the recession as well as it seems to be? I think it is... and here's why.

1. Golf courses are still being built and new courses are opening. I suggested a few months ago that we'd see an average of 150 to 200 new courses opened per year in this decade. I was wrong.

The National Golf Foundation says 351 new courses and additions opened in 1991, and 250 to 300 are expected to open in 1992. In fact, an estimated 531 are under construction.

2. The RTC has taken over some courses that were not doing well and selling those properties (often at bargain prices) to qualified owners and management groups who know how to make the operations profitable.

3. The recession has definitely hurt many of this country's big corporations, which, in turn, has led to people losing their jobs. General Motors, for example, says it's going to lay off 75,000 employees over the next few years.

This is staggering! But from what I read, none of these 75,000 will enter unemployment with only their last paycheck. Many will take early retirement; some will get extended severance from GM and unions.

What do you think many of these people will do in their added spare time? They're going to spend more time in leisure activities... like golf! New retirees will most likely head for the public courses where they can play for reasonable rates. But what's happening at the private facilities around the country?

No doubt the real estate-related private clubs are hurting. (See related story on page 31.)

Many have closed down totally until new buyers are found. What about old-line clubs in large cities? Friends in St. Louis tell me the waiting period at a few of the clubs is not long, but you're still going to wait at Old Warson and Bellever.

And I'll bet there aren't many members leaving Augusta National, Fine Valley or Cypress Point!

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It surely has questions to ask of the great universities that might not be on golf's agenda. This would be a simple way to be assured that all the bases are being covered and that a solid foundation of data and conclusions are developed upon which society can rely.

And the Sierra Club surely should participate in the evaluation of the results and decisions as to follow up research and study.

When the results are finally in, the RTC should be invited to participate in the deliberations within the golf industry as it decides what changes will be made in the design, construction, planting and maintenance of courses.

It would and should be a consultative process, not necessarily easy, but certainly preferable to belated shootouts before planning commissions and state authorities.

Forecast Golf Marketing & Financial Systems, Inc. has some important institutions in recent years, and I recommend that the Sierra Club (and I include its sister institutions such as Audubon, NRDC and a number of others) be invited into the process, to understand and participate in the design of the recessions.

It is not the writers view, of a treaty which accomplishes, including multi-million-dollar funding for research into insecticides, water resources and the effects of chemical.

People around the golf industry started snickering three years ago when, after the first Golf Summit, the National Golf Foundation made — and has continued to make — the bold pronouncement that we needed to add a course a day in the United States through the year 2000.

But the golf industry is doing this all by itself. There is no meaningful consultative process taking place with the Sierra Clubs of our country, now, at the onset of this massive research effort.

And without open participation of such groups at the start, the results of the studies are less likely to be generally accepted as the basis for future decision-making. (We Americans are skeptical about naked scientific findings, and with good reason, as we have experienced scandals and mistakes from other industries that are not faring so well and are looking to our industry as a new market.

Are you seated? If so, remain there. If not, do or so find a soft place to fall.

According to the latest data from the NGF, 351 new courses and additions opened in 1991. That represents the most since 1971.

The source according to NGF figures, another 583 courses are under construction.

Forecast Golf Marketing & Financial Systems, Inc. has some different, but no less heartening figures. The Richmond, Va., firm lists 321 courses opening in 1991 and 577 under construction or on hold. Forecast adds that 974 courses have been planned or approved. Daily-fee facilities continue to be stressed around the country — far outnumbering municipal, private, resort and military. And municipal courses are growing in number. So, more affordable.