

Study quantifies golf's economic impact

Report says game pumps \$17.5 billion into marketplace

By PETER BLAIS

Golf's \$17.5 billion in direct and indirect economic benefits, combined with its ability to raise adjacent property values, provide green space and add recreational amenities, is one of the "most powerful combinations of positive effects" ever witnessed by a researcher who has done hundreds of economic impact studies for various industries.

"Very few businesses produce these types of numbers and the wide range of benefits provided by golf courses," said Frank Mahady of Massachusetts-based FXM Associates, authors of the recently released *Economic Impact of Golf Course Operations on the Local, Regional and National Economy* prepared for the National Golf Foundation.

NGF commissioned the study for use by developers, owners and others to explain the benefits of golf projects to local, state and regional officials as well as special-interest groups. The report confirms the positive benefits of golf previously chronicled in a handful of regional economic impact studies.

Direct expenditures include salaries, wages and tips earned by course employees, according to the draft report. Additional jobs are created at companies where the course purchases its equipment, supplies and services. Direct expenditures made by individuals and businesses resulting from payments for those goods and services in turn expand jobs and income indirectly throughout the nation.

Other local and regional benefits include property taxes paid by privately owned facilities and operating surpluses generated by municipal ones. Golf courses raise the values of nearby real estate thereby raising a locality's tax base. And golf courses make a community more attractive to businesses and households seeking to relocate.

Nationally, the direct economic impact of the country's 12,380 regulation golf facilities (as of 1989) exceeded \$5.5 billion, the report states. That included \$2.3 billion in wages and 265,000 full- and part-time jobs.

The indirect impact was much greater — \$12 billion spread throughout the national economy in support of the \$5.5 billion in direct expenditures.

Overall, golf course operations produced 376,000 full- and part-time jobs in addition to generating \$350 million in local taxes, \$530 million in state taxes and \$1.8 billion in federal taxes.

The report states that private facilities tend to have a greater economic impact than public ones because of their more extensive food and beverage operations as well as other amenities (tennis, swimming pools, etc.)

For example, a sample of 776 18-hole courses revealed that private courses employed an average of 60 people, generated \$564,000 in wages and had total expenditures of \$1.28 million. That is approximately twice the impact of daily-fee (24 employees, \$248,000 in wages and \$612,000 total expenditures) and municipal (26 employees, \$221,000 in wages and \$527,000 total expenditures) courses.

Motivating more state and regional golf associations to conduct economic impact studies was one of the major reasons for producing the NGF report. Local studies have been conducted in Arizona, Alabama and Texas.

The 1988 University of Arizona report is particularly interesting because it was commissioned by an anti-development interest group seeking to show a meager contribution from the golf industry.

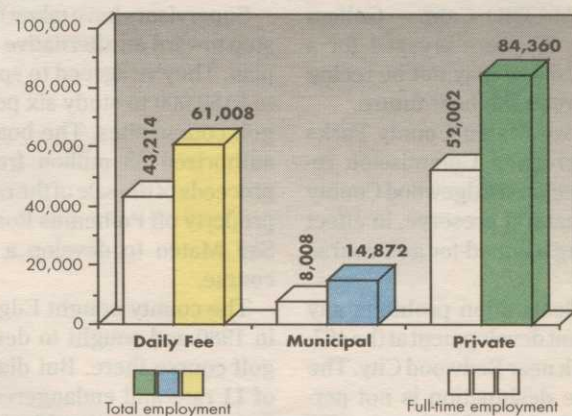
"It proved just the opposite, and showed

golf to be the engine we knew it was," said Ed Gowan, executive director of the Arizona Golf Association. "It's been extremely effective in getting people who have a voice in Arizona politics to make their comments about golf quite responsible and in keeping with the facts."

"What Arizona needs now is what every locality in the country will need someday, and that's hard data," Gowan said. "If you are in favor of golf, you should uncover as much evidence as you can about golf's positive effects."

Courses with larger budgets have a greater local economic impact, unless the larger course buys most of its materials and supplies from outside the area, according to the report. But that is largely negated by the fact that wages are a major portion of a course budget. Employees live and spend most of their wages locally.

Employment at U.S. golf courses



Source: National Golf Foundation

Figures for 1989

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