Golf outlook remains bullish

Despite tight money, course construction stayed healthy and golf equipment sales and number of golfers showed steady growth.

By ROGER GANEM

The year 1966 was unique in the field of golf business. In the first six months it was reported that golf course development was continuing at about the same pace as in 1965, the year all records were set. Then, with the stop-action of a well-hit wedge shot, the forward movement of the first half seemed to come to a quick halt. Some called it a slump, but was it?

Last year there were 281 standard course openings, a far cry from the all-time high of 346 the previous year, but it approximates the 292 in 1964 and the 283 in 1961. Golf course construction did not reach the 200 level until 1960, when 247 were opened for play. Thus, many consider the 281 new courses opened last year a healthy, secure sign, especially when one couples this with the record number of regulation length courses that saw fit to add to their facilities. All in all, 122 new additions to existing layouts were made, about a 14% increase over the 104 additions in 1965. In Par-3 golf, 63 new courses were constructed in 1966 and 9 additions to existing courses were made, compared to a record 115 and 11, respectively, in the previous year.

The year of the tight money actually showed important golf business gains.

"It all indicates that going operations are finding it somewhat easier to obtain necessary financing," states Harry C. Eckhoff, Executive Director of the National Golf Foundation. "It was tight money that contributed to the downturn, not only in golf construction, but also in new housing, construction of commercial buildings and projects such as shopping centers, etc. The record number of courses that improved their existing facilities is a good barometer of golf's secure future.

"This trend is continuing. Of the 281 new regulation courses opened during the year, 59% were semi-private, 29% private, 10% municipal and 2% other, or collegiate, industrial, etc. For the 122 additions opened during the same period, 44% were semi-private, 38% private, 11% municipal and 7% other.

"New course construction for golf facilities throughout the nation in 1966 is down 14% compared to 1965, the record year. Our figures indicate that there were 532 courses (regulation, Par-3s and additions to existing courses) in some stage of construction at the end of 1966, compared to 622 in 1965."

"The leading states in golf course activity are: California with 50 courses under construction at the beginning of 1967—45 are standard length courses, 5 are par 3s; Michigan 41 total, 37 standard, 4 par 3s; Pennsylvania, 30 and 6, total 36; New York 23 and 5, total 28; Ohio is 27 and 1 for a total of 28.

"In the planned and prospective stages at the start of 1967, there are 998 courses —both standard and par 3. Leading states are: Ohio, 61 standard and 13 par 3s, total 74. Michigan, 56 and 7, total 63. New York, 55 and 7, total 62. California, 38 and 17, total 55. Pennsylvania, 40 and 7, total 47. Texas, 43 and 3, total 46."

In 1966 approximately 8,525,000 persons played 15 rounds or more. This represents an increase of 775,000 golfers from the previous year. Another 1,500,000 played less than 15 rounds.

New municipal courses and improvements to existing municipal layouts continue to lag behind the private and semi-private courses, but there's a big story to be told about the part they play in the golf picture, Dr. Eckhoff says.

"In Milwaukee during the past 11 years golf play has increased from 360,452 rounds per year to 661,292 rounds," he points out, "an increase of 85 percent, and all still played on the same number of courses. One typical county course in Milwaukee averages 600 rounds of golf per day on week ends and 500 rounds per day during the week. This county has six regulation length 18-hole courses, one regulation 9 and five par 3 courses to serve its 1,100,000 population.

"Another interesting observation, one which I am sure is duplicated in numerous municipalities, is the tremendous growth in junior and senior golf play. During the past 11 years combined junior and senior golf play jumped from 35,949 rounds to 105,904 rounds, an increase of 300 percent.

"While municipal golf courses comprise only 13% of the nation's golfing facilities, they handle over 40 percent of the nation's golf play. Semi-private courses comprise about 40% of the nation's courses and also serve about 40 percent of the nation's golfers. This leaves about 20 percent of the golfing population as private country club members. Private clubs constitute about 47 percent of the nation's total courses.

"Golf has become the most talked about game in the nation. And golfers are spending millions for equipment.

Figures compiled by the Athletic Goods Manufacturing Association in its 1965 Census Report, the latest available, show

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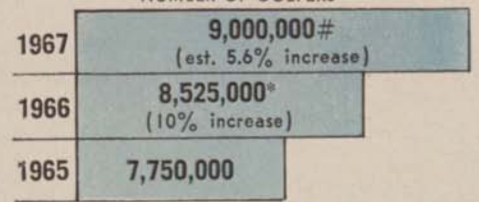
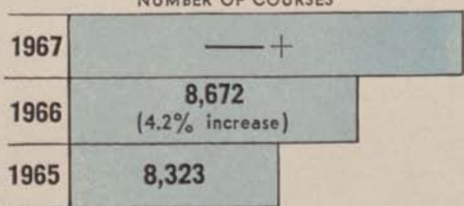
NUMBER OF GOLFERS

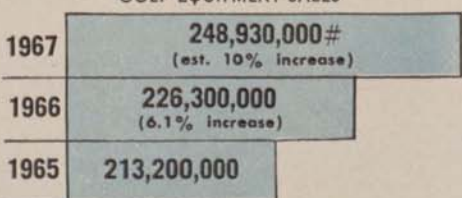


*Plus approximately 1,500,000 golfers who play less than 15 rounds a year.

NUMBER OF COURSES



GOLF EQUIPMENT SALES



+ No estimate possible at press time.
# Estimated.

1965 AGMA CENSUS REPORT

ITEM	Unit of Measure	QUANTITY 1965	QUANTITY 1964	VALUE 1965	VALUE 1964
Golf Club irons	each	8,223,636	7,649,060	49,419,071	44,213,328
Golf Club woods	each	3,318,108	3,082,514	28,527,977	26,225,771
Golf Clubs	each	11,541,744	10,731,574	77,947,048	70,439,099
Golf Balls	dozen	7,272,120	6,145,199	49,631,851	43,473,126
Golf Bags	each	941,434	863,492	10,718,599	10,086,682
Golf carts	each	——	172,174	——	2,774,725
Other golf equipment	——	——	——	1,701,054	1,475,414
				139,998,552	128,249,046

GOLF OUTLOOK

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that golf equipment sales of $139,998, 552, a 9.3% increase over 1964, account for nearly 60% of the total sales in athletic goods of $271,776,690. The AGMA annual recapitulates the sales of golf equipment, baseball and softball equipment, inflated goods, boxing gloves, tennis, badminton and related equipment, helmets and pads, athletic shoes, athletic clothing, bowling bags and miscellaneous items. The amounts reported are on the basis of selling prices, including Federal Excise Tax. A chart of golf equipment sales for 1964 and 1965 is on page 71. (In 1964, the respective totals were $128, 249,046 and $250,254,463.)

The Athletic Goods Manufacturing Association breaks down golf equipment sales in the following categories: golf clubs, irons, golf clubs, woods, golf balls, golf bags and "other golf equipment". In the 1965 report golf club carts' sales figures have been withheld to avoid disclosure of individual company sales. All items are listed in various price ranges.

The irons are classified as costing $3.50 and below, $3.51 to $5.00, $5.01 to $7.50, $7.51 and over. Of interest is the fact that the lowest priced irons were the most popular, with the highest priced irons a close second. The totals are 2,645, 249 individual clubs, or 32% of all irons, for the least expensive, to 2,560,472, or 31% for the most expensive. However, their values are $7,903,339 to $26,681, 223, compared to their 1964 values of $5,486,846 and $21,939,317.

The woods sell to jobbers and distributors at $5.20 and below, $5.21 to $7.50, $7.51 to $11.00 and $11.01 and over. The 1965 leader was the most expensive, 1,03 2,126 pieces, 31.1%, over the least expensive, 1,030,028, or 31.0% of total sales. The respective values are $15,093, 813, and $4,377,807. This represents a big jump from 1964 figures which were 924,998 ($13,051,285, 30% of total) and 706,338 ($2,784,197, 22% of the total).

Golf balls are listed in three price categories: $5.10 and below, $5.11 to $7.50 and $7.51 and over. As in 1964 and 1963, the most expensive ball was the most popular by a wide margin over the least expensive. The figures: Most expensive sold 3,588,061 dozen ($31,768,709, 49% of sales) in 1965 to 3,361,503

RATIO OF GOLF COURSES TO POPULATION BY STATES

State	1966 Population	Total Courses	Pop. Per Course
South Dakota	682,000	86	7,930
Vermont	405,000	51	7,941
North Dakota	650,000	74	8,784
Wyoming	329,000	34	9,676
New Hampshire	681,000	69	9,870
Kansas	2,250,000	218	10,321
Nebraska	1,456,000	139	10,475
Maine	983,000	90	10,922
Iowa	2,747,000	250	10,988
Montana	702,000	48	14,625
Idaho	694,000	47	14,766
Minnesota	3,576,000	238	15,025
Wisconsin	4,161,000	262	15,882
Nevada	454,000	26	17,462
Oklahoma	2,458,000	139	17,683
Arizona	1,618,000	91	17,780
New Mexico	1,022,000	57	17,930
Oregon	1,955,000	106	18,443
Rhode Island	898,000	48	18,708
Indiana	4,918,000	259	18,988
West Virginia	1,794,000	93	19,290
South Carolina	2,586,000	131	19,740
Colorado	1,977,000	100	19,770
Connecticut	2,875,000	145	19,828
North Carolina	5,000,000	249	20,080
Florida	5,941,000	293	20,276
Michigan	8,374,000	402	20,831
Ohio	10,305,000	484	21,291
Washington	2,980,000	138	21,594
Kentucky	3,183,000	146	21,801
Massachusetts	5,383,000	240	22,429
Hawaii	718,000	32	22,438
Virginia	4,507,000	189	23,847
Texas	10,752,000	450	23,893
Mississippi	2,327,000	97	23,990
Illinois	10,722,000	442	24,258
Missouri	4,508,000	185	24,368
Georgia	4,459,000	181	24,635
Arkansas	1,955,000	78	25,064
Alabama	3,517,000	138	25,485
Pennsylvania	11,582,000	452	25,624
Utah	1,008,000	38	26,526
Tennessee	3,883,000	146	26,596
Delaware	512,000	19	26,947
California	18,918,000	574	32,958
New York	18,258,000	527	34,645
Louisiana	3,603,000	99	36,394
New Jersey	6,898,000	168	41,060
Maryland & D.C.	4,421,000	101	43,772
Alaska	272,000	3	90,667
Total	195,857,000	8672	22.585

dozen ($30,113,034, 54% of sales) in 1964 and 2,965,014 ($27,187,404, 52% of sales) in 1963. The least expensive golf ball cleared 2,000,000 in sales for the first time, just doing so at 2,007,598, but it represents a sizeable dollar increase over the 1,668,017 dozen sold in 1964. The percentage of total sales, however, remained practically the same.

Golf bags are presented in four ranges, $6.00 and below, $6.01 to $15.00, $15.01 to $24.00 and $24.01 and over. As in the past, the $6.01 category showed the most sales, at 424,744 bags, with the lowest priced bag in second place, at 342,809. The respective percentage of total sales are 45% and 37½%.

Additional figures on golf equipment sales have been presented by the National Association of Sporting Goods Dealers. Consumer golf sales, according to Bob Youngblood, Assistant Director of the Association, reached $226,300,000, an increase of 6.1% over the $213,200,000 in 1965. "This makes golf the fastest growing of all categories. It would not be surprising to see a 10% increase this year, similar to the annual growth rate of the past ten years."

"Real estate men and community planners continue to use centrally located golf courses as an assist in selling home sites," Mr. Eckhoff remarked recently. "Even high rise luxury apartments are being built with a golf course complex. Seventeen percent of all the new regulation length golf courses opened for play in 1965 were part of a real estate development. Par 3 and executive type courses (Par - 60s) are also beginning to play a role in golf real estate ventures with 15 percent of all new courses of this type falling in the golf real estate category.

Golf has had its greatest growth in the United States during the past fifteen years. Since 1950, golfers have more than doubled. The estimated number of golfers per 1000 population in 1950 was 22. Today it is 52 per 1000.

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GOLF OUTLOOK

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"Golf course development in recent years is the most tangible and convincing proof of the extent and stable nature of golf growth's. Capital invested in golf facilities in the United States today totals over $2 billion, 50 million. Over $200, 000,000 is spent annually to maintain the nation's golf courses. The estimated acreage devoted to golf is 837,000.

During the twelve months of 1967 many golf courses plan additional facility improvements or expansion. According to a NGF sampling survey, about 54% will be making golf course improvements; 40% will expand parking facilities; 34% plan to procure powered golf cars; 24% plan to improve dining facilities and 23% plan to modernize their pro shops.

"Interestingly, the sun never sets on the empire of golf. Today more than 12 million people are playing on more than 11,000 courses around the world. •