

THE WISCONSIN GOLF ECONOMY

SUMMARY REPORT

This report was commissioned by
GOLF 20/20 for the
Wisconsin Golf Alliance,
and prepared by SRI International.



Impact

Wisconsin's golf industry generated a total economic impact of \$2.4 billion in 2008, supporting 38,431 jobs with wage income of \$771.5 million.

Wisconsin's Golf's Economic Impact

Host of the 2010 PGA Championship and home to nearly 500 golf facilities, golf in the Badger State is more than an enjoyable pastime—it is a key industry contributing to the vitality of Wisconsin's economy.

In 2008, the size of Wisconsin's direct golf economy was approximately \$1.2 billion. Golf is comparable to revenues generated by other key industries in the state, such as medical device manufacturing (\$2.4 billion), corn production (\$1.7 billion), and breweries (\$851.3 million).

Golf brings visitors to the state, spurs new residential construction, generates retail

sales, and creates demand for a myriad of goods and services. **In 2008, Wisconsin's golf industry generated a total economic impact of \$2.4 billion, supporting over 38,400 jobs with \$771.5 million of wage income.**

The continued health and growth of the golf industry has a direct bearing on future jobs, commerce, economic development, and tax revenues for a large number of Wisconsin's communities and industries.

Golf's Impact on Wisconsin's Economy (2008)						
Industry	Direct (\$ M)	Indirect	Induced	Total Output (\$ M)	Total Jobs	Total Wage Income (\$ M)
Golf Facility Operations	\$579.9	→	→	\$1,179.9	20,635	\$396.1
Golf Course Capital Investments*	\$44.0	→	→	\$30.9	278	\$9.7
Golfer Supplies	\$58.7	→	→	\$122.1	1,506	\$37.5
Tournaments & Associations	\$8.5	→	→	\$19.4	268	\$6.8
Real Estate **	\$57.2	→	→	\$109.9	987	\$34.7
Hospitality / Tourism	\$408.1	→	→	\$902.8	14,757	\$286.6
TOTAL	\$1,156.4	→	→	\$2,365.0	38,431	\$771.5

Note: To calculate golf's total economic impact, SRI subtracted from the direct golf economy impact of \$1,156.4 million the portion of capital investment that is investment in existing facilities (\$31.1 million of \$44.0 million) and the portion of real estate that is the realized golf premium associated with the sale of real estate in existing developments (\$11.3 million of \$57.2 million). This is because:

*Golf course capital investments—Only new course construction has an indirect and induced economic impact. Other types of facility capital investment are typically financed through facility revenues and, therefore, are omitted to avoid double-counting.

**Real Estate—Only golf residential construction has an indirect and induced impact. The golf premium associated with golf real estate is considered a transfer of assets rather than new economic activity.

The Wisconsin Golf Economic Impact Study was supported by:



Industries

The golf economy begins with the golf facilities themselves and with other core industries that produce goods and services used to operate facilities and to play the game (e.g., equipment and apparel, turf maintenance, course construction, club management). The game of golf further enables other industries, including golf tourism and golf real estate development.

Core Industries

Golf Facility Operations: Wisconsin's 499 golf courses, 31 stand-alone ranges, and 45 miniature golf facilities generated over \$579.9 million of revenues in 2008—comparable to the revenue of all other spectator sports combined.

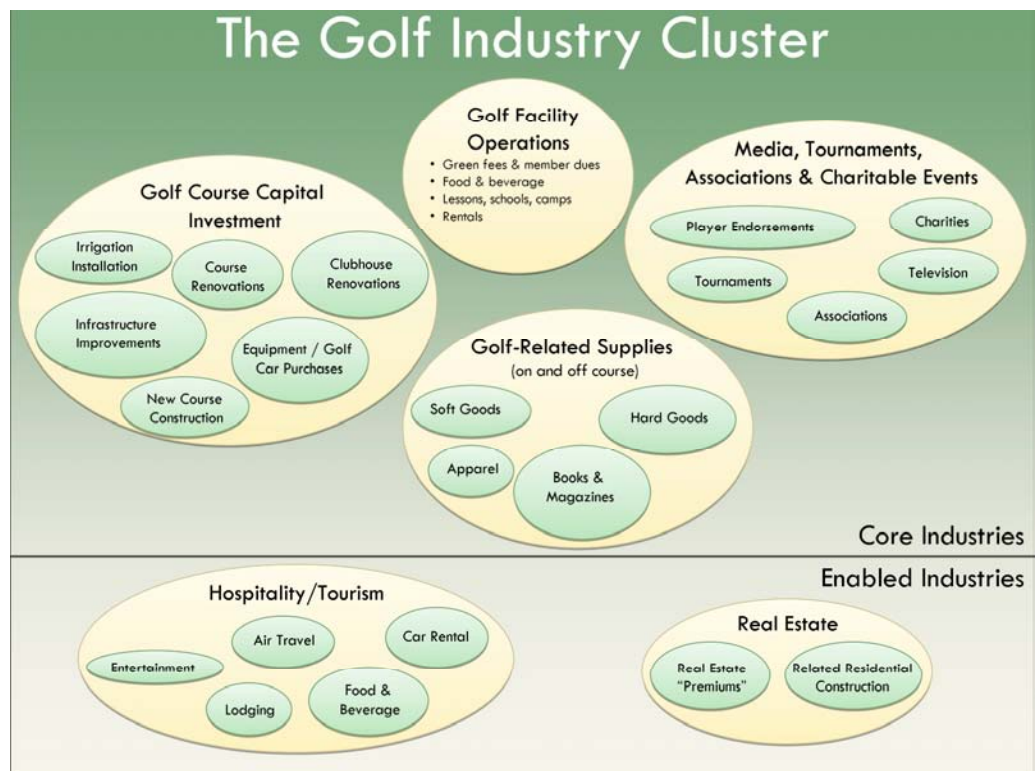
Golf Course Capital Investments: Wisconsin's golf facilities made \$44.0 million of capital investments in 2008: \$31.1 million in existing facilities and \$12.9 million in the construction of new courses.

Golfer Supplies: Out-of-state shipments by Wisconsin golf equipment and accessories manufacturers (e.g., The Prestwick Golf Group, Golf Solutions, Professional Golf

Software, etc.) were approximately \$3.1 million in 2008. In addition, retailers and golf facilities earned \$55.6 million on the sale of \$137.2 million of golf equipment, apparel, and media.

Major Tournaments and Associations:

In 2008, Wisconsin hosted one major golf championship, the PGA Tour's US Bank Championship, which generated approximately \$3.5 million in direct tournament revenue, excluding the tournament purse and costs for TV broadcasting. State golf associations generated a combined \$5.0 million in revenues.



Enabled Industries

Golf Real Estate: In 2008, many golf communities were mid-way through build out, with new home construction deeply curtailed by the economic downturn. Golf residential construction totaled \$45.9 million. The "golf premium" generated by sales of existing golf community homes was \$11.3 million.

Hospitality/Tourism: SRI estimates that Wisconsin golf resorts, golf courses, and golf events spurred \$408.1 million of golf-related tourism spending in 2008.



Future

The continued health and growth of the golf industry has a direct bearing on future jobs, commerce, economic development, and tax revenues for a large number of Wisconsin's communities and industries.

Size of the Wisconsin Golf Economy in Comparison to Other Industries, 2008 (\$ billion)

Medical Device Manufacturing	\$2.4
Corn Production	\$1.7
Golf	\$1.2
Breweries	\$0.9

Source for non-golf data: U.S. Census Bureau (2010), 2007 Economic Census, Geographic Series: Electromedical & Electrotherapeutic Apparatus Manufacturing (NAICS 334510). U.S. Census Bureau (2005), 2002 Economic Census, Geographic Series: Breweries (NAICS 31212). Revenues adjusted to 2008 dollars using the GDP deflator. U.S. Department of Agriculture, Economic Research Service (2010), "Top Commodities, Exports, and Counties." Wisconsin State Fact Sheet.

- The importance of golf in Wisconsin extends beyond the golf facilities themselves. With \$1.4 billion of direct economic activity in 2008, the sheer size of the game of golf makes it a major industry in its own right and a significant contributor to Wisconsin's economy.
- Wisconsin's golf industry is comparable in size to other important industries in the state, including corn production, medical equipment & supplies manufacturing, and breweries.
- In 2008, golf facilities represented the largest golf industry segment in terms of revenue, followed by golf-related tourism.

Wisconsin Golf Gives Back

- Wisconsin golf course owners, club managers, and golf professionals are happy to serve as access points for fundraising by local service organizations.
- Numerous charitable events are hosted on Wisconsin's golf courses each year, benefiting organizations, such as Midwest Athletes Against Childhood Cancer, Inc. (the MACC Fund), the Children's Hospital of Wisconsin, the Geneva National Foundation, cancer research, support for people with disabilities and many others.
- Many not-for-profit organizations, such as The First Tee chapters of Wisconsin, the WPGA Junior Foundation, the WSGA Foundation and the Learning Through Golf Foundation, introduce Wisconsin youths to the game and values of golf.
- The total amount of charitable giving attributed to the game of golf in Wisconsin approached \$46.0 million in 2008.



The full version of The Wisconsin Golf Economy report is available at:

<http://www.golf2020.com>