



THE NORTH CAROLINA GOLF ECONOMY

SUMMARY

This report was commissioned by
GOLF 20/20 for the
North Carolina Alliance for Golf
and prepared by SRI International





The Economic Impact of North Carolina Golf

North Carolina's \$2.3 billion golf industry generated a total economic impact of \$4.2 billion in 2011, supporting nearly 53,000 jobs with wage income of \$1.3 billion.

With 556 golf facilities, golf in the "Tar Heel State" is a key industry contributing to the vitality of North Carolina's economy.

In 2011, the size of North Carolina's direct golf economy was approximately \$2.3 billion. This is comparable to revenues generated by other key industries in the state, such as scientific R&D services (\$3.4 billion), agricultural crops (\$3.6 billion), and semiconductor and other electronic components manufacturing (\$3.6 billion).

Golf brings visitors to the state, spurs new residential construction, generates retail sales, and creates demand for a myriad of

goods and services. **In 2011, North Carolina's golf industry generated a total economic impact of \$4.2 billion, supporting nearly 53,000 jobs with \$1.3 billion of wage income.**

These figures represent a decline from 2007 when the state's golf industry generated a total economic impact of \$5.3 billion, and more than 68,600 jobs with \$1.7 billion of wage income. The decline stems from a historic contraction in new golf home construction and the housing market overall, as well as a significant decline in new golf course construction in 2011 compared to 2007.

Size and Impact of North Carolina's Golf Economy, 2011, and Comparison to 2007

Industry	2007	2011	Indirect Impact	Induced Impact	2011 Total Impact		
	Direct (\$ M)	Direct (\$ M)			Total Output (\$ M)	Total Jobs	Total Wage Income (\$ M)
Golf Facility Operations	\$1,030.8	\$1,154.8	→	→	\$2,200.2	31,514	\$688.9
Golf Course Capital Investments*	\$153.2	\$86.4	→	→	\$41.3	392	\$13.3
Golf-Related Supplies	\$158.4	\$246.1	→	→	\$497.4	3,846	\$124.3
Tournaments & Associations	\$35.8	\$35.9	→	→	\$76.6	910	\$28.6
Real Estate**	\$740.4	\$249.6	→	→	\$338.5	3,217	\$109.1
Hospitality/Tourism	\$507.8	\$557.9	→	→	\$1,087.5	13,092	\$324.9
TOTAL	\$2,626.4	\$2,330.7	→	→	\$4,241.5	52,972	\$1,289.2

Note: To calculate golf's total economic impact, SRI subtracted from the direct golf economy impact of \$4.242 billion the portion of capital investment that is investment in existing facilities (\$67.4 million of \$86.4 million) and the portion of real estate that is the realized golf premium associated with the sale of real estate in existing developments (\$94.3 million of \$249.6 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.

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

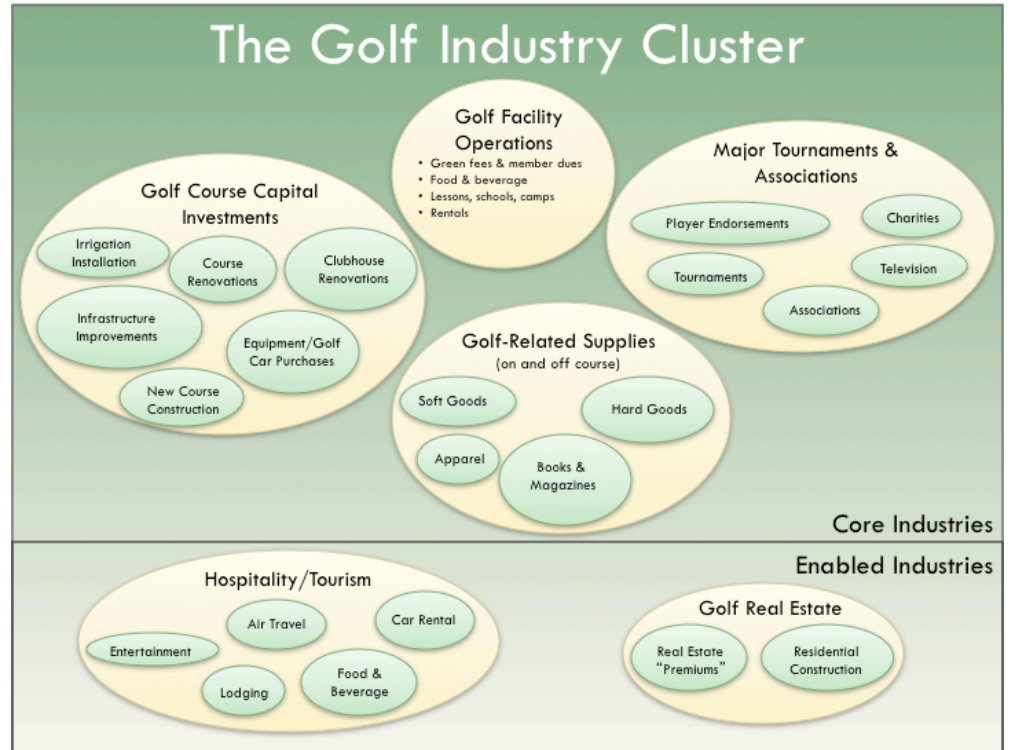
Golf Facility Operations: North Carolina's 556 golf courses, 52 stand-alone ranges, and 44 miniature golf facilities generated \$1.155 billion of revenues in 2011. Golf revenues approach the combined revenues of all other professional spectator sports—auto racing, football, basketball, baseball, soccer, etc.

Golf Course Capital Investments: North Carolina's golf facilities made \$86.4 million of capital investments in 2011: \$67.4 million in existing facilities and \$18.9 million in the construction of new courses.

Golf-Related Supplies: Out-of-state shipments by North Carolina manufacturers of golf grips, turf maintenance equipment, and golf apparel

(e.g., Golf Pride, Jacobsen, John Deere, Peter Millar, etc.) were approximately \$174.1 million in 2011. In addition, the margin made on state retail sales of golf equipment, apparel, and media totaled approximately \$72.0 million.

Major Tournaments and Associations: In 2011, North Carolina hosted five professional golf championships, including two PGA TOUR events, two Champions Tour events, and one Nationwide Tour event. These events generated \$31.0 million, excluding the tournament purse and costs for TV broadcasting. State golf associations generated \$4.9 million in revenues.



Enabled Industries

Golf Real Estate: Golf-related residential construction totaled \$155.3 million in 2011. The "golf premium" generated by sales in North Carolina's 168 golf communities was \$94.3 million.

Hospitality/Tourism: SRI estimates that golf drew day-trippers and tourists to courses in different parts of the state spurring \$557.9 million in tourism spending in 2011.



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 North Carolina's communities and industries.



Size of the North Carolina's Golf Economy in Comparison to Other Industries, 2011 (\$ billion)

Golf	\$2.3
Scientific R&D Services	\$3.4
Agricultural Crops	\$3.6
Semiconductor and Other Electronic Components Manufacturing	\$3.6

Source for non-golf data: U.S. Department of Agriculture, Economic Research Service (2012), North Carolina: Leading Commodities for Cash Receipts, 2011. U.S. Census Bureau (2012), 2007 Economic Census, Geographic Series: Scientific R&D Services (NAICS 5417) and Semiconductor and Other Electronic Components Manufacturing (NAICS 3344). 2007 revenues adjusted to 2011 dollars using the GDP deflator.

- The importance of golf in North Carolina extends beyond the golf facilities themselves. With \$2.3 billion of direct economic activity in 2011, the sheer size of the game of golf makes it a major industry in its own right and a significant contributor to North Carolina's economy.
- North Carolina's golf industry is comparable in size to other important industries in the state, including scientific R&D services, agricultural crops, and semiconductor and other electronic components manufacturing.
- In 2011, golf facilities represented the largest golf industry segment in terms of revenue followed by golf hospitality/tourism.

North Carolina Golf Gives Back

- North Carolina golf course owners, club managers, and PGA professionals are happy to serve as access points for fundraising by local service organizations.
- Numerous charitable events are hosted on North Carolina's golf courses each year, benefiting organizations such as Teach for America, Levine's Children's Hospital, The V Foundation for Cancer Research, UNC Lineberger Comprehensive Cancer Center, local chapters of The Boys & Girls Clubs, educational foundations, youth organizations, outreach programs and numerous others.
- Many not-for-profit organizations, such as The Carolinas Golf Foundation and several First Tee chapters across the state, support and introduce North Carolina youths to the game and values of golf.
- The total amount of charitable giving attributed to the game of golf in North Carolina approached \$145.8 million in 2011.

The full version of The North Carolina Golf Economy report is available at:

<http://www.golf2020.com>