



# THE ILLINOIS GOLF ECONOMY

## FULL REPORT

This report was commissioned by  
GOLF 20/20 for the  
Illinois Golf Task Force,  
and prepared by SRI International.





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## ACRONYMS

CDGA	Chicago District Golf Association
CMAA	Club Managers Association of America
GCBA	Golf Course Builders Association of America
GRAA	Golf Range Association of America
GCSAA	Golf Course Superintendents Association of America
IAPD	Illinois Association of Park Districts
IJGA	Illinois Junior Golf Association
IPGA	Illinois Section of the Professional Golfers Association
LPGA	Ladies Professional Golf Association
MAGCS	Midwest Association of Golf Course Superintendents
IGCOA	Illinois Golf Course Owners Association
NGCOA	National Golf Course Owners Association
PGA	Professional Golfers' Association of America
SIGA	Southern Illinois Golf Association
USGA	United States Golf Association
WGA	Western Golf Association
WGF	World Golf Foundation

## I. STUDY OVERVIEW

Golf goes hand-in-hand with the natural beauty, the vibrant economy, and the high quality of life found in Illinois. With 683 courses and several championship golf events, golf in the “Prairie State” is more than an enjoyable pastime—it is a key industry contributing to the vitality of Illinois’ economy. In 2007, the size of Illinois’ direct golf economy was approximately \$2.1 billion. Golf brings visitors to the state, drives new construction and residential development, generates retail sales, and creates demand for a myriad of goods and services. When the total economic impact of these golf-related activities is considered, Illinois’ golf industry generated approximately \$4.8 billion of direct, indirect and induced economic output, \$1.5 billion of wage income, and over 50,000 jobs in 2007.

With \$2.1 billion in direct annual revenues, the golf industry supports economic activity comparable to several other important industries in the state: industrial machinery manufacturing (\$1.9 billion), agricultural livestock and poultry (\$2.5 billion), and TV broadcasting and wireless communications equipment manufacturing (\$2.9 billion).<sup>1</sup>

Historically, many state-level economic studies surrounding the game of golf have been conducted across the country. However, no comprehensive, standardized framework was employed in these prior studies. This made it difficult to monitor a state’s industry growth over time, and to make state-to-state or regional comparisons. To ameliorate this problem, SRI International and GOLF 20/20 are currently working with key golf stakeholders in several states, including Illinois, to bring consistency to the industry measurement and reporting process. This report describes and analyzes Illinois’ golf industry including the revenues and economic impact generated by the industry. Such analysis will assist Illinois’ industry stakeholders<sup>2</sup> in raising awareness of the impact of golf to state and local policymakers.

There are many potential uses for such an analysis:

- Defining the range of core and enabled industries associated with the game of golf;
- Clearly articulating, for policymakers and regulatory agencies, the employment and revenue-generating contributions of the golf industry to the state economy; and
- Building credibility and recognition of the golf industry as a significant business sector and a driver of economic activity in the state.

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<sup>1</sup> U.S. Census Bureau. 2002 Economic Census. SRI used the GDP implicit price deflator to inflate 2002 industry revenue data to 2007 dollars.

<sup>2</sup> Key industry stakeholders comprising the Illinois Golf Task Force include representatives from the Chicago District Golf Association (CDGA), the Illinois Association of Park Districts (IAPD), the Illinois Junior Golf Association (IJGA), the Illinois Section of the Professional Golfers Association (IPGA), the Midwest Association of Golf Course Superintendents (MAGCS), the Southern Illinois Golf Association (SIGA), and the Western Golf Association (WGA).

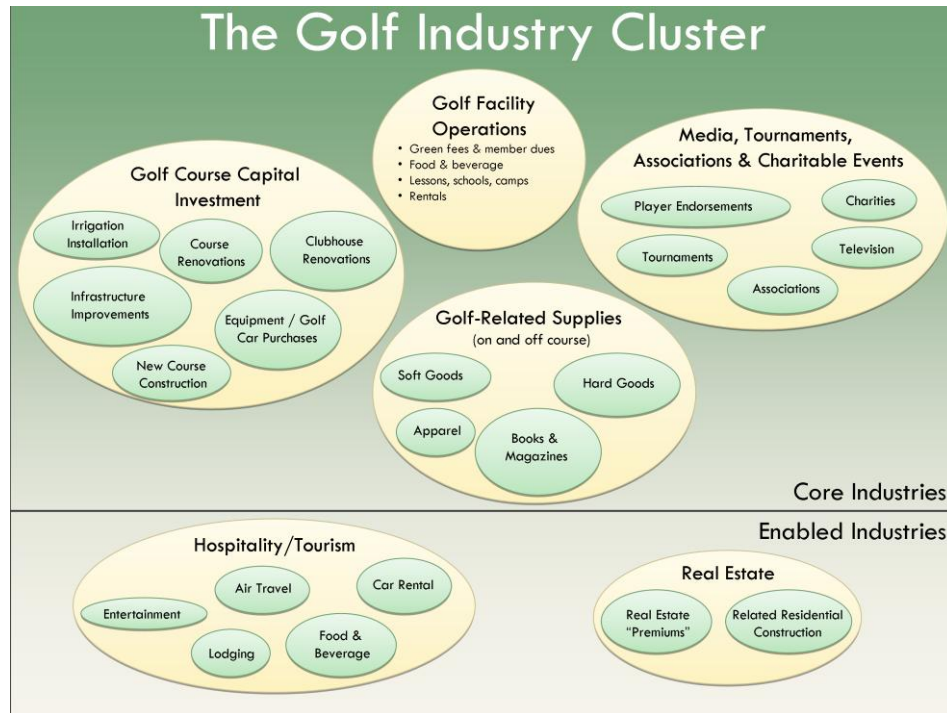
## II. ANALYTICAL FRAMEWORK

Current economic studies of the golf industry in different states emphasize various factors and outcomes. For example, one may focus largely on the turf industry, while another might examine the impact of sports and recreation-related tourism more broadly. Ideally, one would want to include all the key activities and industries that are enabled by and benefit from the game of golf. To meet this goal, SRI has developed a standardized, economic impact framework that can be employed to measure a comprehensive set of golf-driven industry components. This state-level framework draws on the conceptual model of the golf economy developed in SRI's 2000 national-level *The Golf Economy Report* and the 2005 state-level *The Virginia Golf Economy Report*.

### A. Golf Industry Cluster Definition

To arrive at economic impact, one must first estimate the size of the golf economy in the state. This entails mapping out where the golf industry begins and ends, and then estimating the size of each of these industry segments. We divide the golf industry cluster into two main categories: (1) core industries and (2) enabled industries (see figure). The golf industry cluster begins with the golf facilities themselves and with those other core industries that produce goods and services used to operate facilities and to play the game: golf equipment and golf apparel manufacturers, golf course architects and course builders, turf maintenance equipment and service providers, and club management services. The game of golf further enables a number of other industries, such as golf-related tourism and real estate development.

We detail these industry segments and estimate their size in the following section. Having defined the core and enabled golf industries, it is possible to estimate the size of each industry segment and to total them for an overall estimate of the size of the golf economy. Multipliers can then be applied to calculate the ripple effects of these economic activities in terms of: (1) impact on total state economic output and (2) impact on total state employment. However, this process is complicated by the fact that, while most of these industries produce golf-related goods and services, the firms themselves may not limit their activities exclusively to the golf industry. For example, Nike produces golf shoes, but also running, tennis, basketball, and other shoes. Therefore, in general, our approach is to include only those firms and sales that are directly attributable to the game of golf. In so doing, we use a number of different estimation techniques to ensure that our final estimates are reasonable and robust.



Moreover, additional data challenges and location factors make estimation more difficult at the state level than the national level. For example, many of the major golf equipment manufacturers have production facilities in just a few states. Similarly, several of the major golf association headquarters are located in Florida. The presence of such firms, associations, or a number of well-known courses will change the size of golf's economic impact in the state considerably. Therefore, one should consider the size of the golf economy and the game's economic impact in the state in relation to the size of the overall economy and other major industries in that state.

## B. Data Sources

SRI developed its framework for measuring state golf economies based on a broad set of existing sources and data. Although there have been several state-level impact studies conducted in the past, by numerous golf constituencies, few have used a similar methodology, resulting in very different estimates depending on the golf economy elements included. A great deal of data is collected on the golf economy by many organizations on a regular basis. For example, government agencies, national golf associations, and national associations in the enabled industries collect data on different industry elements periodically—annually, every few years, or every five years. In addition, these data are based on a relatively consistent set of inputs by large numbers of constituents. Therefore, the principal challenges involve acquiring the data, inflating or deflating the estimates for the proper target year, and then combining them to represent the entire golf economy in the target year. The core and enabled industry indicators and data sources we have identified are as follows:

## State Golf Economy Indicators and Data Sources

Indicator	Primary source	Cross-validation source
<b>Golf Facility Operations</b>		
# of golf course facilities by type	PGA Facility Database, multiple years ( 2005-2007 data)	2002 Economic Census; state task force; NGF Facility Database, multiple years
Avg. revenues by type of facility	PGA Facility Operations Survey, multiple years (2005-2007 data)	2002 Economic Census; National Golf Foundation; state task force
# of rounds by facility type	2006 PGA Compensation Survey (2005 data)	National Golf Foundation
<b>Golf Course Capital Investments</b>		
Avg. capital investment by type of facility	GCSAA Compensation Survey (2005, 2007 data)	National Golf Foundation; State task force
Number of golf courses under construction in current year	National Golf Foundation (2007, 2008 data)	NGF Construction database; state task force
Avg. cost of construction per new course	Golf Course Builders Association of America	State task force; interviews with golf course builders in state
<b>Golf-Related Supplies</b>		
Golf-related manufacturing exports	Company annual reports; SEC filings; interviews	Company interviews; state task force
Golf equipment	National Sporting Goods Association (2007, 2008 data)	2006 PGA Compensation Survey (2005 data)
Golf apparel	National Sporting Goods Association (2007, 2008 data)	2006 PGA Compensation Survey (2005 data)
Golf media	Magazine Publishers of America for golf magazine sales; <i>Bowker Annual of Library and Book Trade Information</i> (2007, 2008 data)	Amazon and Barnes & Noble for top golf book sales
<b>Major Tournaments</b>		
# of major tournaments held in state	State task force	Major golf associations
Visitor attendance at tournaments, tournament revenues	Major golf associations	State task force or state associations
<b>Associations &amp; Charitable Events</b>		
# of major state-level golf associations	State counterparts of national golf associations	State task force
Annual revenues/budgets	State golf associations	State task force
# of employees	State golf associations	State task force
Revenues raised through charitable golf events	National Golf Foundation	Sampling of golf professionals to identify # of tournaments and average amount raised
<b>Real Estate</b>		
# of residential golf courses under construction	National Golf Foundation; real estate/development agencies	Interviews with golf course architects and real estate developers
# of lots per course	Interviews with golf course architects and real estate developers	Golf Course Builders Association of America, National Golf Course Owners Association,
Avg. construction costs per home and real estate premium	Interviews with real estate developers	Golf Course Builders Association of America, National Golf Course Owners

State Golf Economy Indicators and Data Sources		
Indicator	Primary source	Cross-validation source
<b>Hospitality/Tourism</b>		
# of golf travelers or # of golf-related trips to the state	D.K. Shifflet & Associates	State department of tourism/recent surveys/studies
Avg. spending per traveler or per trip	D.K. Shifflet & Associates	State department of tourism/recent surveys/studies; National Golf Foundation

### III. THE SIZE OF ILLINOIS' GOLF ECONOMY

SRI estimates the total size of Illinois' golf economy in 2007 was approximately \$2.1 billion. This estimate is comprised of \$1.5 billion in core industries and an additional \$0.6 billion in enabled industries, as illustrated in the table below.

Size of Illinois' Golf Economy in 2007 by Segment (\$ million)	
<b>Core Industries</b>	
Golf Facility Operations	<b>\$1,221.3</b>
Golf Course Construction and Capital Investment	<b>\$72.7</b>
Golf-Related Supplies (retail margin and manufacturing exports)	<b>\$191.1</b>
Major Golf Tournaments and Associations	<b>\$38.2</b>
<b>TOTAL CORE INDUSTRIES</b>	<b>\$1,523.3</b>
<b>Enabled Industries</b>	
Real Estate	<b>\$262.0</b>
Hospitality/Tourism	<b>\$333.0</b>
<b>TOTAL ENABLED INDUSTRIES</b>	<b>\$595.0</b>
<b>TOTAL GOLF ECONOMY</b>	<b>\$2,118.3</b>

#### A. Core Industries

##### Golf Facility Operations

At the center of any golf economy lies the golf facilities—the largest component in terms of revenues. The revenue that flows through a golf facility comes primarily from greens fees, membership fees, golf cart rentals, lessons, and associated spending on food and beverages. This revenue, in turn, supports a host of supply sectors including golf equipment manufacturers, food and beverage providers, and turfgrass equipment and maintenance service providers. Illinois' 683 golf courses, 45 stand-alone ranges, and 48 miniature golf facilities generated over \$1.2 billion of revenues in 2007.

Illinois Golf Facility Revenues in 2007 (\$ millions)	
Golf Facilities	<b>\$1,197.8</b>
Practice Ranges & Alternative Facilities	<b>\$23.6</b>
<b>TOTAL<sup>1</sup></b>	<b>\$1,221.3</b>

Note: <sup>1</sup> Golf facility revenues exclude on-course merchandise sales, which are included in the Golfer Supplies industry segment.

This is a sizeable industry, but even more significant when compared to other popular revenue-generating sports. For example, Illinois' golf facilities generate revenues comparable to all other spectator sports in the state combined—including horse racing, football, basketball, and baseball. Spectator sports excluding golf generated revenues of \$946 million in 2002, or \$1.1 billion in 2007 inflation-adjusted dollars.<sup>3</sup>

### Golf Course Capital Investments

Golf facilities generate economic impacts beyond operational revenues through investments to upgrade and maintain facilities and infrastructure, and through the construction, expansion and renovation of courses. These investments create employment in the construction and maintenance industries and often involve the purchase of significant amounts of equipment and supplies from companies within the state. SRI's estimate of Illinois' golf course capital investment is divided into two segments: (1) capital investment at existing facilities and (2) new course construction. Together, Illinois' golf facilities made \$72.7 million worth of capital investments in 2007: \$43.1 million of investments at existing facilities and \$29.6 million for the construction of new courses.

Illinois Golf Course Construction and Capital Investment in 2007 (\$ millions)	
Golf Course Capital Investment <sup>1</sup>	<b>\$43.1</b>
New Course Construction	<b>\$29.6</b>
<b>TOTAL</b>	<b>\$72.7</b>

Note: <sup>1</sup> Only the New Course Construction category is included in the economic impact analysis, because it represents new economic output or activity. Golf course capital investment is typically financed through golf facility revenues, so including both Golf Course Capital Investment and Golf Facility Operations in economic impact analysis would result in double-counting.

### Golf-Related Supplies

In 2007, Illinois golfers spent significant sums on golf balls, golf clubs, golf apparel, and golf instructional books and DVDs. The economic value that accrues to a state comes from both the production of these golf-related goods, as well as retail sales of such items. Illinois is home to a

<sup>3</sup> U.S. Census Bureau (2005). *Illinois: 2002 Economic Census, Arts, Entertainment & Recreation Geographic Series*, July 2005.

number of golf equipment and related companies with manufacturing operations and/or headquarters in the state—Wilson Sporting Goods, Bettinardi Putter Company, Fortune Brands (Acushnet), and Wittek Golf Supplies, among others. The value of products manufactured and sold in Illinois is already captured in the retail portion of the Golfer Supplies segment. However, the proportion of production that is shipped to other states and countries is not. Therefore, we include these companies’ value-added shipments in our analysis, here.

In 2007, Illinois manufacturers’ total value-added shipment of golf-related products was approximately \$118.9 million. On the retail side, Illinois retailers and golf facilities earned approximately \$72.2 million on the sale of \$181.4 million of golf equipment, apparel, and media in 2007. In total, the Golfer Supplies segment contributed \$191.1 million in revenues to the Illinois economy.

<b>Illinois Manufacturers’ Value-Added Exports of Golf-Related Products in 2007 (\$ millions)</b>	
<b>TOTAL</b>	<b>\$118.9</b>

<b>Illinois Retailers’ Net Revenues on Consumer Purchases of Golfer Supplies in 2007 (\$ millions)</b>		
	<b>Total purchases</b>	<b>Retail sales margin</b>
<b>Golf Equipment (retail margin)</b>	<b>\$88.9</b>	<b>\$35.4</b>
<b>Golf Apparel (retail margin)</b>	<b>\$90.2</b>	<b>\$35.9</b>
<b>Golf Media (retail margin)</b>	<b>\$2.3</b>	<b>\$0.9</b>
<b>TOTAL</b>	<b>\$181.4</b>	<b>\$72.2</b>

Note: This includes on-course and off-course purchases of golf equipment, apparel and media. Column does not sum due to rounding.

### State Golf Associations, Tournaments and Charitable Events

#### *Associations*

Numerous associations represent the game of golf in Illinois. The largest golf associations include the Chicago District Golf Association (CDGA), the Illinois Section of the PGA, the Western Golf Association, the Southern Illinois Golf Association, the Midwest Association of Golf Course Superintendents, and the Greater Chicago Club Manager’s Association, as well as women’s golf associations, such as the Chicago Women’s District Golf Association and the Executive Women’s Golf Association (Chicago Chapter). The Illinois Junior Golf Association and multiple chapters of

the First Tee program in the state support the development of young golfers.<sup>4</sup> The Sunshine Through Golf Foundation, the charitable arm of the CDGA, is also an important contributor to the game of golf in Illinois. This foundation runs the largest grassroots camp golf program for individuals with disabilities in the country, and is also involved in junior golf and turf grass research. In 2007, Illinois golf associations generated total revenues of \$13.4 million.

### *Major Tournaments*

Illinois hosted four major golf championships in 2007, including two PGA TOUR events, an LPGA event, and a Nationwide Tour event. Since 2000, the TPC at Deere Run in Silvis, IL, has hosted the PGA TOUR’s John Deere Classic each July. The BMW Championship, played later in the year, was held at Cog Hill Golf and Country Club near Chicago in 2007. It is a favorite PGA TOUR event of Tiger Woods whose 2007 win at Cog Hill marked the 60<sup>th</sup> in his career and his fourth at Cog Hill. The LPGA State Farm Classic, historically played at The Rail Golf Course in Springfield, IL, moved to Panther Creek Country Club (also in Springfield) in 2007. The LaSalle Bank Open, a Nationwide Tour event, was played at The Glen Club in Glenview, IL, in 2007.<sup>5</sup> Altogether, golf events in Illinois generated approximately \$24.8 million in 2007, excluding the tournament purse and costs for TV broadcasting.

<b>Illinois’ Major Golf Tournaments &amp; State Golf Association Revenues in 2007 (\$ millions)</b>	
<b>Major tournaments</b>	<b>\$24.8</b>
<b>Associations</b>	<b>\$13.4</b>
<b>TOTAL</b>	<b>\$38.2</b>

### *Charitable Giving*

Illinois’ golf industry makes substantial contributions to a variety of charities. In addition to monies raised at local golf club events, golf serves as a vehicle for a variety of big charitable events. For example, the John Deere Classic’s “Birdies for Charity” program ranks first for the most dollars given to charity per capita of any PGA TOUR event. The John Deere Classic generated \$4.6 million in 2007 for over 700 nonprofits in Illinois. The BMW Championship channels its charitable monies toward the Evans Scholars Foundation, which provides full college tuition and housing grants to deserving caddies. In 2007, the LPGA State Farm Classic contributed over \$340,000 to ten Central Illinois charities, such as St. Jude Children’s Research Hospital, the United Cerebral Palsy of Land of Lincoln and Contact Ministries. The LaSalle Bank Open (Bank of America Open) raised over \$57,000 for Chicagoland nonprofits including the Great Lakes Adaptive Sports Association. Golf course owners, operators, and golf professionals

<sup>4</sup> First Tee chapters in Illinois include those in Aurora, Chicago, Decatur, Joliet, Macomb, Northeastern Illinois/North Chicago, Quincy, and Rockford.

<sup>5</sup> Sponsorship changed to Bank of America in 2008, and the Bank of America did not renew sponsorship for the tournament in 2009.

are happy to serve as access points for annual fundraising by local service organizations. In total, SRI estimates that the amount of charitable giving attributed to the game of golf in Illinois to be \$113.2 million in 2007.

Charitable Giving by Illinois Golf Industry in 2007 (\$ millions)	
<b>TOTAL</b>	<b>\$113.2</b>

## B. Enabled Industries

### Real Estate

Real estate developers use amenities to attract new home buyers, and golf courses are a key amenity. This is especially true for a number of active adult, retirement communities being developed in the greater Chicago metropolitan area. New golf homes are being constructed at the Carillon Club in Naperville, the Residency at Bowes Creek in Elgin, and Whisper Creek in Huntley, among others. In addition, there are a number of golf communities under development at new and existing courses across the state: Fyre Lake National in Sherrard (a new Jack Nicklaus course set to open in 2010), Bull Valley near Woodstock (rated among America’s toughest 50 courses by *Golf Digest* in 2007), and Stone Creek in Urbana. This new golf-related construction generated approximately \$202.0 million for the Illinois economy in 2007. Furthermore, in 2007, there were approximately 87 golf communities in Illinois, and SRI estimates the “golf” premium associated with the sale of real estate in these developments to be \$60.0 million. The premium is the additional amount a buyer is willing to pay for a home or property located on a golf course or within a golf community.

Illinois’s Golf Real Estate Revenues in 2007 (\$ millions)	
<b>Golf-Related Residential Construction</b>	<b>\$202.0</b>
<b>Realized Golf Premium</b>	<b>\$60.0</b>
<b>TOTAL</b>	<b>\$262.0</b>

Note: The sale of existing homes is considered a transfer of assets rather than new economic output, so the golf premium that is realized in the sale of an existing home is not included in the economic impact analysis.

### Hospitality/Tourism

Across the country, golf has enjoyed increasing popularity among travelers, whether it is the primary motivation for a trip or is connected to other recreational time spent with friends and family, or business colleagues. In Illinois, golf is an important tourism segment, alongside trips to the beach, lakes, and historic sites. The state’s “Enjoy Illinois” tourism website features golf as a

key sport activity (<http://www.enjoyillinois.com>). In 2007, SRI estimates golf-related tourism spending in Illinois was \$333.0 million.

Illinois' Golf-Related Travel Expenditures in 2007	
# of day trips	939,162
Average travel \$ per day trip	\$58.02
# of overnight trips	630,120
Average travel \$ per overnight trip	\$442.05
<b>TOTAL</b>	<b>\$333.0 million</b>

This is based on the following estimates of golf trips and associated expenditures by Illinois residents and non-residents: (1) an estimated 939,162 *day* trips with average golf trip spending of \$58, and (2) an estimated 630,120 *overnight* trips with average trip spending of \$442.








#### **IV. GOLF'S ECONOMIC IMPACT IN ILLINOIS**

Golf's impact on the Illinois economy includes both the direct effects of economic activity in the core and enabled golf industries, as well as the indirect and induced (or multiplier) effects on the overall economy. In economics, the idea of the multiplier is that changes in the level of economic activity in one industry impacts other industries throughout the economy. For example, a fraction of each dollar spent at a golf course is, in turn, spent by the golf course to purchase goods and services for golf course operation—these are indirect effects. In addition, golf course employees spend their disposable income on personal goods and services, and this stimulates economic activity in a myriad of other industries—these are induced effects.

Therefore, golf's total (direct plus multiplier) economic impact includes both the direct employment and wage income of those employed in golf-related industries, as well as the secondary employment and wages supported in other sectors of the economy through subsequent purchases of goods and services by golf industry employees.

In 2007, the \$2.1 billion Illinois golf industry supported:

- A total economic impact of \$4.8 billion for the state of Illinois including the indirect and induced economic impacts stimulated by golf sector activity;
- A total impact of over 50,000 jobs; and
- Total wage income of \$1.5 billion.

Golf's Impact on Illinois' Economy						
Industry	Direct	Indirect	Induced	TOTAL OUTPUT (\$ million)	TOTAL JOBS (\$ million)	TOTAL WAGE INCOME (\$ million)
Golf Facility Operations	\$1,221.3			\$2,781.8	31,299	\$897.7
Golf Course Capital Investment*	\$72.7			\$77.3	575	\$23.8
Golf-Related Supplies	\$191.1			\$471.6	3,239	\$124.7
Tournaments & Associations	\$38.2			\$96.9	997	\$34.4
Real Estate **	\$262.0			\$527.8	3,922	\$162.4
Hospitality/Tourism	\$333.0			\$818.9	10,434	\$255.5
<b>TOTAL</b>	<b>\$2,118.3</b>			<b>\$4,774.3</b>	<b>50,466</b>	<b>\$1,498.5</b>

Note: Economic impact is calculated on \$2,015.23 million of direct golf economy revenues. Portions of two industry segments included in direct economy calculations are excluded from economic impact estimation.

\*Golf Course Capital Investments—only new course construction (\$29.6 million) is included for this category as other types of facility capital investment are typically financed through facility revenues and, therefore, are omitted to avoid double-counting.

\*\*Real Estate—the golf premium associated with golf real estate is considered a transfer of assets rather than new economic activity, so only golf-related residential construction (\$202.0 million) is included.

## V. DETAILED METHODOLOGY & DATA SOURCES

A key challenge in this study was to identify reliable state-level data sources and to develop methodologies for measuring the size of industry components for which cross-state estimates do not exist in straightforward metrics, e.g., golf real estate and off-course purchases of golf apparel and equipment. This section describes each of the core and enabled industries included in the golf economy and SRI's approach to measuring each of these segments.

### A. Golf Facility Operations

For this industry segment, we analyzed the number of golf facilities and average facility revenue data to derive a total facility operations estimate. Revenues for this segment include: annual or monthly membership fees, greens fees, range fees, and cart rental fees; purchases of golf

apparel and equipment in pro shops<sup>6</sup>; golf lessons; tournament entry fees; consumption of food and beverages; etc.

**Number of golf course facilities.** Many golf organizations track the number of golf facilities in a state: the National Golf Foundation (NGF), the PGA of America, and state/regional golf associations, among others. The U.S. Census Bureau also surveys golf course facilities as business establishments in its Economic Census every five years. However, these organizations' calculations of the total numbers of golf courses in each state, by type of facility, are not always consistent with each other due to: (1) absence of data for courses which are not members (e.g., PGA tracks those courses with a PGA member) or for particular subsets of courses (e.g., municipal facilities and golf resorts are not tracked by the Census), (2) facility closures and openings, and (3) inconsistency in the classification of courses, especially resorts.

In some surveys, golf facilities are allowed to self-classify themselves. In others, the surveying organization classifies the facility based on specific criteria. This can mean the difference between a small number of resorts (e.g., a figure that includes five-star accommodation located on or adjacent to an 18-hole course) or a much larger number of resorts (e.g., three-star hotel accommodation located near a daily fee golf course). Similarly, a resort with two 18-hole golf courses could be counted as two golf facilities or as one depending on the reporting organization. Fortunately, the variances caused by these data collection issues are very small, and thus do not materially impact the overall analysis. The table below presents slightly differing estimates for the number of golf course facilities in Illinois in 2007 or the latest available year.

Estimates of Illinois Golf Facilities from Various Sources, 2002-2007				
	2002 Census (# of facilities minus resorts & municipal) <sup>1</sup>	2007 PGA (# of facilities) <sup>2</sup>	2007 NGF (# of facilities) <sup>3</sup>	2007 NGF (# of 18-hole equivalent courses) <sup>3</sup>
<b>PRIVATE</b>	<b>174</b>	<b>197</b>	<b>171</b>	<b>159</b>
<b>PUBLIC</b>	<b>335</b>	<b>447</b>	<b>502</b>	<b>440</b>
Daily fee/ semi-private		265		
Municipal				
Military		182		
University				
<b>RESORT</b>		<b>10</b>	<b>10</b>	<b>12.5</b>
<b>TOTAL</b>	<b>509</b>	<b>654</b>	<b>683</b>	<b>611.5</b>

Sources: <sup>1</sup> U.S. Census Bureau, *2002 Economic Census*.

<sup>2</sup> Professional Golfers' Association of America (2008). *Facility Database*.

<sup>6</sup> However, on-course merchandise sales are subtracted from facility revenue, because on-course merchandise sales are included in the Golfer Supplies industry segment.

<sup>3</sup> NGF (2007). Total Facility Supply Tables 5-10, *Golf Facilities in the U.S., 2008 edition*, pp.5-10.

After analysis of different golf facility numbers in collaboration with the Illinois Golf Task Force, SRI used the NGF's facility numbers as the basis for our assessment. The PGA and NGF facility estimates fall within a narrow range: NGF's 683 versus PGA's 654 facilities. NGF facility numbers are typically higher because the PGA's numbers may miss facilities without a PGA professional. Looking at facility breakdowns by type, the PGA has slightly higher facility numbers in the private facility categories, and NGF has a slightly higher number in the public facility category. Therefore, the differences are likely to be largely due to classification issues.

**Average revenues per facility.** The SRI team collected average revenue data from a variety of sources. Here again, the data challenge was that average facility revenues will vary significantly depending on: (1) the number of holes (e.g., a 9-hole course versus a 18-hole course) and (2) the type of facility—whether a golf course facility is private, daily fee, resort, municipal, etc.

The U.S. Census Bureau collects revenue data for golf course facilities as part of its Economic Census of all U.S. establishments every five years. Whereas facility surveys conducted by private sector organizations are often based on low response rates (less than 30 percent), all establishments are required by law to respond to the Census Bureau survey. However, the Census Bureau data has several limitations. Many types of facilities are not included in the survey: (1) resort facilities, (2) municipal and military facilities, (3) stand-alone driving ranges and (4) golf course facilities without payroll. In addition, in 2002 the national economy was just emerging from an economic recession which is likely to have negatively impacted the golf industry. Still, the latest 2002 Economic Census<sup>7</sup> contains revenue, payroll, and employment data on 12,261 golf facilities broken down by state. This provides a robust estimate with which to compare other available golf facility revenue data.

The PGA recently began collecting revenue data for all 50 states on an annual basis through its Annual Operations Survey. The latest available data are from 2007. In addition, PGA revenue data are broken down by type of facility for categories for which Census data are not available—resorts, municipal courses, and military courses.

As an additional validity check, we also examined NGF revenue data. However, it is important to note that NGF does not provide state-level facility data. It presents average revenue data for: (1) public (daily fee) facilities for two regions (Sunbelt and Frostbelt) by fee level (mid-range and premium) and (2) private facilities—a national average—by fee level (mid-range and premium). For the table, below, SRI calculated a single NGF national average revenue figure for each category by using the sample size and mean.

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<sup>7</sup> The most recent Economic Census is the 2007 Economic Census, but state-level data on golf facilities will not be publicly available until 2009 or 2010.

Estimates of Illinois Average Revenue per Facility Data From Different Sources, 2002-2007			
	Census (2002) <sup>1</sup>	PGA (2007) <sup>2</sup>	NGF (2005) <sup>3,4</sup>
Private facility	\$2,133,879	\$3,176,270	\$3,564,339
Daily fee facility	\$963,606	\$1,477,498	\$1,291,582
Resort facility	X	\$2,523,560	X
Municipal/military/university facility	X	\$1,556,194	X
Driving range	X	X	\$251,638
Miniature golf	\$195,917	X	X

Sources: <sup>1</sup> U.S. Census Bureau, *2002 Economic Census*.

<sup>2</sup> Professional Golfers' Association of America (2008). *Operations Survey*.

<sup>3</sup> NGF (2006). *Operating & Financial Performance Profiles of 18-hole Golf Facilities in the U.S., 2006 edition*.

<sup>4</sup> Golf Range Association of America and NGF (2003). *Profile of Golf Practice Facility Operations 2003*.

Average revenue data from the Census (2002), PGA (2007), and NGF (2005) are presented above. Note that the NGF average revenue figure for private facilities is a national average, not an Illinois average, and the NGF average revenue figure for daily fee facilities is a Frostbelt regional average, not Illinois specific. The 2002 Census average revenue data for both types of facilities is lower than the 2007 PGA data, given inflation and economic growth from 2002-2007.

In consultation with the Illinois golf task force, SRI calculated total traditional facility revenues using PGA average revenue data for private facilities, daily fee facilities, resort facilities, and municipal/military/university facilities. Driving range revenues were calculated using the Golf Range Association of America's estimate of average revenue figure for golf ranges in 2003, and miniature golf facilities were calculated using Census (2002) data. We adjusted the Golf Range Association and Census data for inflation to 2007 dollars using the GDP deflator.

2007 Golf Facility Operations Revenues		
Facility type	Calculation	Estimate
Private facilities	Average revenue <sup>1</sup>	\$2,870,300
	Number of facilities	171
	<b>Total revenue [1]</b>	<b>\$490,821,218</b>
Daily fee/semi-private facilities	Average revenue <sup>1</sup>	\$1,318,075
	Number of facilities	298
	<b>Total revenue [2]</b>	<b>\$392,786,269</b>
Municipal/military/university facilities	Average revenue <sup>1</sup>	\$1,427,197
	Number of facilities	204
	<b>Total revenue [4]</b>	<b>\$291,148,277</b>
Resort facilities	Average revenue <sup>1</sup>	\$2,300,165
	Number of facilities	10
	<b>Total revenue [3]</b>	<b>\$23,001,651</b>
Driving ranges	Average revenue	\$251,638

2007 Golf Facility Operations Revenues		
Facility type	Calculation	Estimate
	Number of facilities	45
	<b>Total revenue</b>	<b>\$11,323,710</b>
	<b>Adjusted for inflation<sup>2</sup> [5]</b>	<b>\$12,751,040</b>
Miniature golf facilities	Average revenue	\$195,917
	Number of facilities	48
	<b>Total revenue</b>	<b>\$9,404,000</b>
	<b>Adjusted for inflation<sup>2</sup> [6]</b>	<b>\$10,814,686</b>
<b>TOTAL</b>	<b>Sum [1] to [6]</b>	<b>\$1,221,323,142</b>

Note: <sup>1</sup> In this table, on-course merchandise sales have been subtracted from average facility revenue, because on-course merchandise sales are included in the Golf-Related Supplies industry segment. <sup>2</sup> Total revenues have been adjusted for inflation into 2007 dollars using the appropriate GDP deflator. Sources: Golf facilities average revenue data are from the PGA of America (2008), *Operations Survey 2007*. Note that for resort revenue, we used a 2006-07 PGA average. In 2006 and 2007, Illinois resort responses to the PGA survey were too low to be statistically significant, in which case the PGA estimates average revenue for Illinois resorts by combining data from several surrounding states. In 2007, average resort revenue was reported as \$3,016,652 compared to \$2,030,468 in 2006—a large discrepancy which is why we took the average. Driving range average revenue data from the Golf Range Association of America (2006). Miniature golf facilities average revenue data are from the *2002 Economic Census*.

## B. Golf Course Capital Investment

To calculate golf course capital investments, SRI collected data on two major types of investment: (1) capital investment at existing facilities and (2) new course construction.

Illinois Golf Course Construction and Capital Investment in 2007 (\$ millions)	
Golf Course Capital Investment <sup>1</sup>	<b>\$43.1</b>
New Course Construction	<b>\$29.6</b>
<b>TOTAL</b>	<b>\$72.7</b>

Note: <sup>1</sup> Only the New Course Construction category is included in the economic impact analysis, because it represents new economic output or activity. Golf course capital investment is typically financed through golf facility revenues, so including both Golf Course Capital Investment and Golf Facility Operations in economic impact analysis would result in double-counting.

**Investment at existing courses.** Golf course capital investment includes improvements to greens and tees, repaving of cart paths, purchases of new turf maintenance equipment and irrigations systems, and renovations of the clubhouse, proshop and maintenance buildings. Maintenance expenses are not included. SRI examined golf course capital investment from two sources: NGF and the GCSAA. The GCSAA data comes from golf course capital budget questions included in its 2005 and 2007 Compensation Surveys. The 2007 data is broken down by: (1) type of facility, (2) number of holes at the facility and (3) agronomic region. The NGF's *2006 Operating and Financial Performance Profile* presents estimates of capital expenditures at: (1) public facilities by fee level (mid-range and premium) and divided into two regions (Sunbelt and Frostbelt); and

(2) private facilities by size (those with revenues of less than \$3 million and those with revenues above \$3 million).

After review of both data sets, SRI applied the GCSAA data to our Illinois capital investment calculations. We estimated average facility investments in Illinois using the known distribution and type characteristics of facilities in the state. (See preceding section on number of facilities for sources.) SRI’s calculations indicate that Illinois’ public golf courses invested an average of \$58,574, and Illinois’ private facilities invested an average of \$76,405 in 2007, for a total capital investment of \$43.1 million.

**New course construction.** The NGF’s *Golf Facilities in the U.S.* series is the only national source for estimates of the number of new golf courses under construction in each state. In 2007, NGF estimated that 4.0 new 18-hole equivalent golf courses opened in Illinois and that 4.0 were under construction.

An estimate for the average investment for each new golf course in Illinois is derived from the Golf Course Builders Association of America’s *2008 Guide to Estimating Cost for Golf Course Construction*. This database of golf course construction costs is based on a survey of golf course builders around the country and is divided into four construction regions. Using the values provided for the Central Plains region and the average (“normal”) costs for each of the various construction categories (see box below), we estimate the average investment required to build a new golf course in Illinois is \$7.4 million.

To Build a Golf Course: Required Investments	
Mobilization	Greens Construction
Layout and Staking	Tees
Erosion Control	Bunkers
Clearing	Bridges
Selective Clearing	Bulkheading
Topsoil	Cart Paths
Excavation	Fine Grading
Rough Shaping	Seeding and/or Grassing
Drainage	
Irrigation	

This investment, however, is not entirely expended over one year but is rather disbursed over several years. Assuming the average course takes approximately two years to complete, we estimate the 4.0 courses under construction in 2007 and the 4.0 new openings represented an average annual investment of \$3.7 million each, for a total of \$29.5 million. In addition, there was new construction of a 3-hole course, Ruffled Feathers in Lemont, in 2007 not reported in the NGF estimates. The total estimated cost of this project was approximately \$250,000, which

translates to an annual investment of \$125,000. This brings Illinois' total new course construction investment in 2007 to \$29.6 million.

### C. Golf-Related Supplies

This section explains our methodology for capturing the economic activity of Illinois manufacturers of golf equipment and accessories. We also detail our methodology for calculating the retail margin for on-course and off-course purchases of golf equipment, golf apparel, and golf media.

**Manufacturing Exports.** The economic value created by golfer supplies consists of two components: (1) value-added production and (2) the retail sales margin. On the manufacturing, or production side, we are concerned with the value-added production of golf equipment, golf apparel, and golf accessories. This is the value of the company's wholesale revenues minus the cost of production inputs, and this value-added production is attributable to the state in which the golf club or golf ball is manufactured.

SRI began by working with the Illinois golf task force to identify major manufacturers of golf-related products in the state. We identified a number of companies manufacturing golf equipment and accessories in Illinois—Wilson Sporting Goods, Bettinardi Putter Company, Wittek Golf Supplies, Tour Edge, HammY Putters, etc. We then conducted research on these companies to ascertain: (1) if they had production facilities in Illinois, (2) the total value of their golf-related sales, and (3) the percentage of these sales that were out-of-state. Finally, we extrapolated value-added output from each company's revenues using value-added data from the Census's *Survey of Manufacturers*. In addition, we estimated the golf-related economic activity generated by Fortune Brands being headquartered in Chicago. Fortune Brands owns Acushnet, the manufacturer of Titleist, Footjoy, and Cobra golf products. In total, the value-added production and shipment of golf equipment and accessories from Illinois companies totaled \$118.9 million.

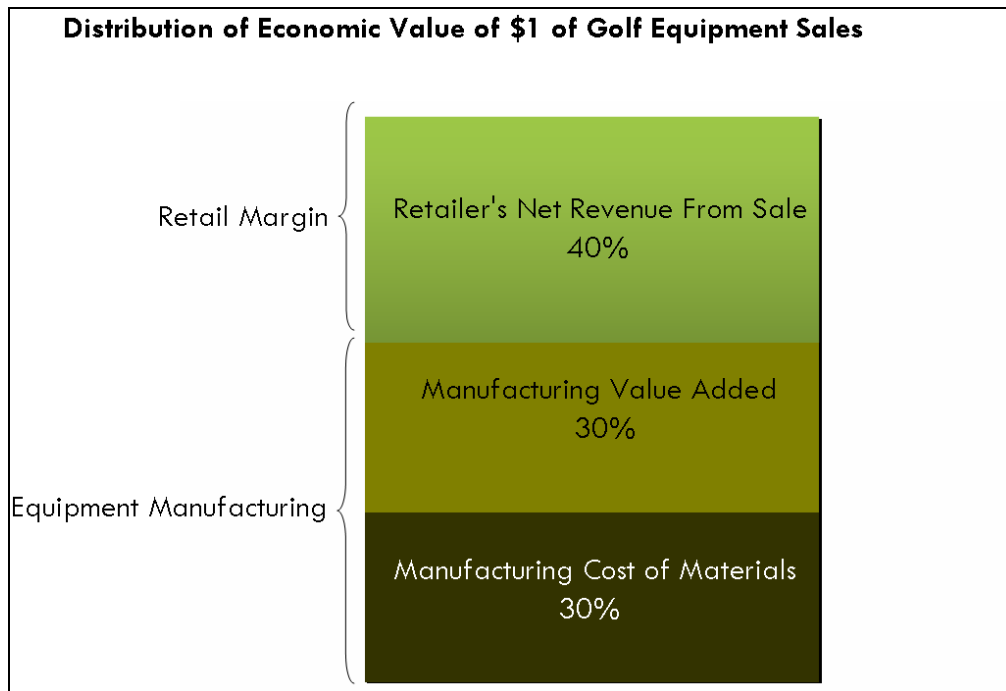
Illinois Manufacturers' Value-Added Exports of Golf-Related Products in 2007 (\$ millions)	
TOTAL	\$118.9

**Retail Margin.** On the retail side, the economic value is derived from the margin the retailer makes from the sale of the golf club, i.e., the net revenues accruing to retailers after covering the cost of purchasing the golf equipment or apparel from the wholesaler/producer.

To calculate this margin, we first estimate total sales of golf apparel and equipment at the state level and then apply the requisite retail margin percentage for economic impact analysis. In our

national level study for GOLF 20/20, SRI was able to collect national sales data from a number of sources: (1) the NGF, (2) the National Sporting Goods Association (NSGA), (3) Golf Datatech, and (4) the Census Bureau. Unfortunately, the relatively small sample size for the majority of these surveys do not allow for publication of reliable state-level estimates by these organizations. However, each year the NSGA conducts a 100,000-household consumer panel survey for its annual *The Sporting Goods Market* publication. SRI uses these data in conjunction with the PGA's golf facilities data for each state to derive state-level estimates of golf equipment and apparel sales.

For example, in 2007, NSGA reported total U.S. off-course and on-course purchases of individual golf clubs to be \$615.8 million. The NSGA survey found the East North Central region accounted for 7.3% of these purchases, or \$45.0 million. Within the East North Central region, one can estimate Illinois' share of purchases by creating a rounds- or courses-based weight. Using either approach yields similar weights, since the number of rounds played is highly correlated with the number of 18-hole equivalent courses in a state ( $r=0.93$ ). SRI used the number of 18-hole equivalent courses in each state, as it was easier to verify than estimated number of rounds played. Illinois represents 20.0% of total 18-hole equivalent courses in the East North Central region, so this weight was applied to the region total (\$45.0 million) to estimate \$9.0 million of individual golf club sales in the state of Illinois in 2007. Further, retail margins on final sales suggest that 39.8%, or \$3.6 million, of total sales was retained in the Illinois economy. (See graphic below.)



Illinois' On-Course and Off-Course Golf Equipment & Apparel Purchases, 2007		
Category	Calculation	Estimate (\$ million)
<b>Golf club sets</b>	East North Central region's sales	\$155.6
	IL's courses-based weight	20.0%
	<b>IL's share of sales [1]</b>	<b>\$31.1</b>
<b>Golf apparel</b>	East North Central region's sales	\$451.0
	IL's courses-based weight	20.0%
	<b>IL's share of sales, [2]</b>	<b>\$90.2</b>
<b>Golf balls</b>	East North Central region's sales	\$142.7
	IL's courses-based weight	20.0%
	<b>IL's share of sales, [3]</b>	<b>\$28.6</b>
<b>Golf clubs</b>	East North Central region's sales	\$45.0
	IL's courses-based weight	20.0%
	<b>IL's share of sales, [4]</b>	<b>\$9.0</b>
<b>Golf bags</b>	East North Central region's sales	\$56.9
	IL's courses-based weight	20.0%
	<b>IL's share of sales, [5]</b>	<b>\$11.4</b>
<b>Golf shoes</b>	East North Central region's sales	\$44.4
	IL's courses-based weight	20.0%
	<b>IL's share of sales, [6]</b>	<b>\$8.9</b>
<b>TOTAL</b>	<b>Sum of [1] to [6]</b>	<b>\$179.2</b>
<b>Retail sales margin</b>	<b>Multiply TOTAL by 39.8%</b>	<b>\$71.3</b>

Source: National Sporting Goods Association (2007). *The Sporting Goods Market in 2007*, Mt. Prospect, IL: NSGA.

**Golf media.** Similar to golf equipment, golf media's economic contribution to the state economy has two components: value-added production and the retail sales margin. On the production side, the economic impact created by the publication of magazines or books is attributable to the state in which the magazine or book is published. On the retail side, the economic impact is derived from the margin the retailer makes from the sale of golf media, i.e., the net revenues accruing to retailers after covering the cost of purchasing the media from the wholesalers/producers. For golf magazines, we identified national golf publications with the largest circulations and the state in which they are published—no national golf magazines were published in Illinois in 2007. Similarly, no major publishers of golf books are located in the state. However, we calculated a weight to estimate the percentage of book retailers' sales attributable to the sale of golf books in stores. Total retail golf book sales in 2007 were estimated to be \$2,263,443 with a retail sales margin of \$900,850. Golf videos and DVDs are more difficult. In SRI's previous national-level study, we were not able to identify a source with data on the annual sales of golf-specific videos/DVDs. In the case of this current state-level study, this category was also omitted due to the absence of a reliable data source.

On-Course and Off-Course Sales of Golf Books in Illinois, 2007	
Category	Estimate
Illinois retail book sales <sup>1</sup>	\$538,914,973
Golf books as % of total book sales	0.4%
Total retail golf book sales	\$2,263,443
Retail sales margin	\$900,850

Note: <sup>1</sup>Adjusted for inflation into 2007 dollars using the appropriate GDP deflator.  
Sources: Illinois retail book sales data from the 2002 Economic Census. Estimated percentage of golf books among total book sales derived from the 2006 Bowker Annual of Library & Book Trade Information and American Booksellers Association data.

Illinois Retailers' Net Revenues on Consumer Purchases of Golfer Supplies in 2007 (\$ millions)		
	Total purchases	Retail sales margin
Golf Equipment (retail margin)	\$88.9	\$35.4
Golf Apparel (retail margin)	\$90.2	\$35.9
Golf Media (retail margin)	\$2.3	\$0.9
<b>TOTAL</b>	<b>\$181.4</b>	<b>\$72.2</b>

Note: This includes on-course and off-course purchases of golf equipment, apparel and media. Column does not sum due to rounding.

#### D. State Golf Associations, Tournaments & Charitable Events

**Associations.** SRI gathered revenue data for the largest state or regional golf organizations from these organizations' 990 income tax filings. These included the Chicago District Golf Association (CDGA), the Western Golf Association, the Illinois Section of the PGA, the Southern Illinois Golf Association, the Midwest Association of Golf Course Superintendents, the Greater Chicago Club Manager's Association, the Chicago Women's District Golf Association, the Executive Women's Golf Association (Chicago Chapter), the Illinois Junior Golf Association, and the Sunshine Through Golf Foundation, as well as multiple chapters of The First Tee, and other allied organizations.

**Major Tournaments.** In 2007, Illinois hosted four professional golf events. We subtracted the tournament purse and cost of television broadcasting from total tournament revenues to estimate the revenues that remained in the state.

Illinois' Major Golf Tournaments & State Golf Association Revenues in 2007 (\$ millions)	
Major tournaments	\$24.8
Associations	\$13.4
<b>TOTAL</b>	<b>\$38.2</b>

**Charitable Events.** Overall, SRI estimates that the amount of charitable giving attributed to the game of golf in Illinois to be \$113.2 million in 2007. This estimate is derived from a national study<sup>8</sup> based on the number of charitable golf outings/events held; the discounted fees, services and staff time for these events; as well as the charitable giving associated with professional golf tournaments. Charitable giving is not included in economic impact estimation because it is a direct transfer of income. Nevertheless, it is an important golf industry contribution to the state.

Charitable Giving Generated by Illinois Golf Industry in 2007 (\$ millions)	
<b>TOTAL</b>	<b>\$113.2</b>

## E. Real Estate

In analyzing golf-related residential real estate, SRI collected data on two components: (1) new golf-related residential construction and (2) the “golf” premium associated with the sale of golf community homes.

Illinois' Golf Real Estate Revenues in 2007 (\$ millions)	
Golf-Related Residential Construction	\$202.0
Realized Golf Premium	\$60.0
<b>TOTAL</b>	<b>\$262.0</b>

Note: The sale of existing homes is considered a transfer of assets rather than new economic output, so the golf premium that is realized in the sale of an existing home is not included in the economic impact analysis.

**Golf-related residential construction.** For this industry segment, SRI worked with Illinois golf real estate developers to arrive at estimates of the number of courses with active real estate development, the size of the development, the average number of homes under construction in a given year, and the average construction costs per type of home (i.e., townhouse or single family home). The number of courses with active development was derived from new course openings over the past five years, golf task force input and online research. Construction values varied considerably depending on such factors as the location of golf communities within the

<sup>8</sup> National Golf Foundation (2002). *The Charitable Impact Report*, November 2002.

state, the proportion of townhouses versus single family homes and overall real estate market conditions (e.g., high-growth metro regions versus more rural parts of the state).

SRI estimates that approximately eight golf communities were under development, to varying degrees, in Illinois in 2007. Developments ranged from the 5,500-unit Sun City Huntley community in Huntley to the 236-unit Whitetail Ridge Golf Community in Yorkville. In 2007, an average of 120 single family homes (the median was 35) and 90 townhouses/villas were constructed per course. However, townhomes were not a feature of every new development. Single family homes were the primary housing unit on many of the new courses. New homes had an average construction cost of \$364,000 for single family homes and \$228,000 for townhomes/villas. Multiplying the total number of each type of unit under construction with the average construction cost per unit yielded a total 2007 golf-related residential construction figure of \$202.0 million.

**Realized golf premium.** The “golf” premium is the extra value a homeowner can expect to receive on the sale of a housing unit located in a golf community that is above and beyond the premium associated with a home’s other features or amenities (e.g., square footage, fixtures, landscaping, etc.). Through industry interviews, SRI arrived at a conservative estimate of this premium of \$25,000 per unit. Multiplying the approximately 87 existing Illinois golf communities by 589, the mean number of housing units per golf course, we arrive at a total of 50,949 golf community homes. In 2007, the home turnover rate (percentage of homes sold relative to the total housing stock) was 4.7 percent in Illinois. Therefore, the realized golf premium was calculated by multiplying the home turnover rate by the total number of golf community homes by the average golf premium per unit. SRI estimates Illinois’ golf real estate premium was approximately \$60.0 million in 2007.

## **F. Hospitality/Tourism**

Across the country, golf has enjoyed increasing popularity among travelers, whether it is the primary motivation for a trip or is connected to other recreational time spent with friends and family, or business colleagues. In Illinois, golf is an important tourism segment, alongside trips to the beach, lakes, and historic sites. The state’s “Enjoy Illinois” tourism website features golf as a key sport activity (<http://www.enjoyillinois.com>). In 2007, SRI estimates golf-related tourism spending in Illinois was \$333.0 million. This is based on the following estimates of golf trips and associated expenditures by Illinois residents and non-residents: (1) an estimated 939,162 *day* trips with average golf trip spending of \$58, and (2) an estimated 630,120 *overnight* trips with average trip spending of \$442.

Illinois' Golf-Related Travel Expenditures in 2007	
# of day trips	939,162
Average travel \$ per day trip	\$58.02
# of overnight trips	630,120
Average travel \$ per overnight trip	\$442.05
<b>TOTAL</b>	<b>\$333.0 million</b>

### Hospitality/Tourism—Methodology

Although a large and critical golf industry segment, there are no national sources of state-level golf tourism data. SRI calculates a state's total golf tourism revenues by collecting data for two types of figures: (1) the annual number of golf-related trips and (2) average spending per trip.

**Number of golf-related trips.** A number of organizations conduct surveys monitoring changes in trip volume and traveler preferences. Some of these surveys include golf participation questions. Many states used to subscribe to the Travel Industry Association (TIA) of America's TravelScope® statistics. However, in 2005, TIA ceased collecting this primary data, and a new data set was created based on a national survey conducted by D.K. Shifflet & Associates (DKSA). SRI used DKSA data for total number of visitor trips in Illinois (88.7 million in 2007).<sup>9</sup>

In 2007, DKSA estimated that approximately 2.0 percent of Illinois' leisure visitors reported they played golf while on a trip.<sup>10</sup> The percent of business visitors (which comprise 23 percent of all visitors to Illinois) who played golf while on a trip was not available, so SRI conservatively assumed that 1.0 percent of business visitors played golf while on a trip.<sup>11</sup> Therefore, using these two estimates to calculate a weighted average, the percentage of all Illinois' visitors who played golf while on a trip is calculated to be 1.77 percent, which amounts to 1.57 million golf trips in Illinois in 2007. This figure includes trips to Illinois golf resort destinations (of which Illinois has 10), as well as trips to play golf courses in other parts of the state. People also travel to watch the golf pros and upcoming golf talent battle it out at the professional and amateur golf tournaments played annually in Illinois. For example, nearly 100,000 spectators turned out to watch the John Deere Classic hosted by the TPC at Deere Run in Silvis.<sup>12</sup>

<sup>9</sup> D. K. Shifflet & Associates. *Illinois & Chicago: 2007 Total Leisure Visitor Profile*, p. 20.  
[http://www.tourism.uiuc.edu/itf/DKshifflet/IL\\_2007\\_YE\\_Performance\\_Public\\_Version.pdf](http://www.tourism.uiuc.edu/itf/DKshifflet/IL_2007_YE_Performance_Public_Version.pdf)

<sup>10</sup> D. K. Shifflet & Associates. *Illinois & Chicago: 2007 Total Leisure Visitor Profile*, p. 95.  
[http://www.tourism.uiuc.edu/itf/DKshifflet/IL\\_2007\\_YE\\_Performance\\_Public\\_Version.pdf](http://www.tourism.uiuc.edu/itf/DKshifflet/IL_2007_YE_Performance_Public_Version.pdf)

<sup>11</sup> Typically, business visitors will be less likely to play golf than leisure visitors. Also, in other states, the percent of visitors who play golf while on a trip typically ranges from 0.85 to 2.7 percent.

<sup>12</sup> [http://www.jdclassic.org/volunteers/fact\\_sheet.htm](http://www.jdclassic.org/volunteers/fact_sheet.htm)

Using SRI’s estimate of golf trips (1.57 million) and DKSA’s estimate of the percent of day trips (59.8%) versus overnight trips (40.2%), SRI calculated that 939,162 Illinois golf *day* trips and 630,120 golf *overnight* trips were made in 2007.<sup>13</sup> SRI defines a “golf trip” as a trip in which a Illinois resident or non-resident travels 50-plus miles to, through, or within the state and plays golf while on this trip.<sup>14</sup> This figure (1.57 million total golf trips, day and overnight) seems plausible given the PGA of America’s estimate of 16.2 million rounds played in Illinois in 2005.<sup>15</sup> This translates into approximately 9.7 percent of total rounds played on Illinois courses being played by golfers from other parts of Illinois or from other states.

**Average spending per golf trip.** SRI estimated that average spending per golf trip in Illinois in 2007 was \$58 per day trip and \$442 per overnight trip. This includes spending on accommodation, local transportation, food and beverage, entertainment, gifts and so on. Greens fees and cart fees are not included as they are already captured in the Golf Facility Operations revenues. To estimate average golf trip expenditure, we began with national golf trip survey data from the National Golf Foundation’s *The U.S. Golf Travel Market, 2003 Edition* report<sup>16</sup> and adjusted average trip spending based upon cost of living in Illinois vis-à-vis the rest of the country, as well as other average trip expenditure data (e.g., DKSA. Multiplying the total number of golf trips (day and overnight) by average spending per golf trip (day and overnight), SRI found that golf-related tourism spending in Illinois was approximately \$54.5 million for *day* trips and \$278.5 million for *overnight* trips, totaling \$333.0 million.

Illinois’ Golf-Related Travel Expenditures in 2007	
# Golf person day trips	939,162
Average travel \$ per person per day trip	\$58.02
# Golf person overnight trips	630,120
Average travel \$ per person per overnight trip	\$442.05
<b>Total</b>	<b>\$333.0 million</b>

<sup>13</sup> Total overnight and day trips in Illinois in 2007: D. K. Shifflet & Associates. *Illinois & Chicago: 2007 Total Leisure Visitor Profile*, p. 22.

[http://www.tourism.uiuc.edu/itf/DKshifflet/IL\\_2007\\_YE\\_Performance\\_Public\\_Version.pdf](http://www.tourism.uiuc.edu/itf/DKshifflet/IL_2007_YE_Performance_Public_Version.pdf)

<sup>14</sup> Golf trips also include spectators who travel to watch the professional golf tournaments held in Illinois each year—including two PGA TOUR events and an LPGA event. For example, the BMW Championship held at Cog Hill Golf and Country Club in 2007 drew approximately 20,000 spectators and the LPGA State Farm Classic at the Panther Creek Country Club typically attracts approximately 60,000 spectators. See <http://www.sportsbusinessdaily.com/article/114762> and <http://www.visit-springfieldillinois.com/events/eventdetail.asp?id=444>.

<sup>15</sup> 2005 was the most recent year for which the rounds data was available.

<sup>16</sup> See “Average Travel Spending” table on p.16 in NGF (2003), *U.S. Golf Travel Market*, available at: <http://www.ngf.org/cgi/catalogsearchdetail.asp?ITEMNUMBER=99MR002>. SRI adjusted for inflation from 2002-2007, since 2002 is NGF’s most recent on golf travel survey.

## G. Golf's Economic Impact








The impact of golf on a state's economy includes both the direct impact of the sector itself (its core and enabled industries), as well as the indirect and induced (or multiplier) impacts that are supported by golf industry employment and expenditures.

**Direct economic impact.** The direct economic impact of golf is simply the size of the golf industry cluster within the state economy in terms of revenues. The "state golf economy" can be calculated by adding together the size of each of the core and enabled industries calculated in the sections above:

Direct Impact of the State Golf Economy	
Core Industries	+ Golf Facility Operations
	+ Golf Course Capital Investment
	+ Golf-Related Supplies
	+ Media, Tournaments, Associations
Enabled Industries	+ Real Estate
	+ Hospitality/Tourism
= Size of State Golf Economy	

**Indirect/induced economic impact (multiplier impact).** Golf course facilities and the companies that provide goods and services to the golf industry, in turn, purchase goods and services from other companies. These purchases are considered the "indirect" impacts of the golf sector. Furthermore, the employees directly employed by the golf sector will spend much of their incomes in the region, creating more spending and more jobs in the economy. These impacts are considered "induced" impacts. Together, the indirect and induced impacts make up the multiplier impact of the golf economy.

Multiplier values vary from region to region, based on the unique characteristics of the state's or region's economy. Industries with more extensive linkages to other industries within the local economy will have a greater multiplier effect on final economic activity relative to the initial, direct effect. Conversely, economies and industry sectors dependent on a large share of imported supply will have smaller multiplier effects. For this study, the RIMS II (Regional Input-Output Multipliers), calculated by the U.S. Bureau of Economic Analysis, were used to calculate the multiplier impact of Illinois' golf economy.

<b>Golf's Impact on Illinois' Economy</b>						
<b>Industry</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>TOTAL OUTPUT (\$ million)</b>	<b>TOTAL JOBS (\$ million)</b>	<b>TOTAL WAGE INCOME (\$ million)</b>
<b>Golf Facility Operations</b>	\$1,221.3			\$2,781.8	31,299	\$897.7
<b>Golf Course Capital Investment*</b>	\$72.7			\$77.3	575	\$23.8
<b>Golf-Related Supplies</b>	\$191.1			\$471.6	3,239	\$124.7
<b>Tournaments &amp; Associations</b>	\$38.2			\$96.9	997	\$34.4
<b>Real Estate **</b>	\$262.0			\$527.8	3,922	\$162.4
<b>Hospitality/Tourism</b>	\$333.0			\$818.9	10,434	\$255.5
<b>TOTAL</b>	<b>\$2,118.3</b>			<b>\$4,774.3</b>	<b>50,466</b>	<b>\$1,498.5</b>

Note: Economic impact is calculated on \$2,015.23 million of direct golf economy revenues. Portions of two industry segments included in direct economy calculations are excluded from economic impact estimation.

\*Golf Course Capital Investments—only new course construction (\$29.6 million) is included for this category as other types of facility capital investment are typically financed through facility revenues and, therefore, are omitted to avoid double-counting.

\*\*Real Estate—the golf premium associated with golf real estate is considered a transfer of assets rather than new economic activity, so only golf-related residential construction (\$202.0 million) is included.

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