THE GOLF ECONOMY REPORT

DECEMBER 22, 2002

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GOLF 20/20

VISION FOR THE FUTURE

TABLE OF CONTENTS

The Golf Economy Report

I. SUMMARY OF RESULTS

Golf provides lifelong recreational opportunities and enjoyment for millions of people in the United States. Since the first U.S. 18-hole golf course was constructed in 1893, the game has grown to some 36 million participants and over 15,000 regulation courses in 2000. As a spectator sport, tournament golf took off in the 1920's with the emergence of charismatic personalities like Tommy Armour and Robert T. Jones, Jr. Golf reached into American homes with the advent of television and the star quality of players like Arnold Palmer and Jack Nicklaus. Fast forward a couple of decades and we see that golf shirts are trendy as casual wear; golf has its own television channel; Tiger Woods is one of America's favorite athletes; and millions of Americans and Europeans are glued to their televisions during the Ryder Cup.

Beyond its sport and recreational value, golf forms the nucleus of a major industry cluster that generates jobs, commerce, economic development, and tax revenues for communities throughout the country. **The U.S. golf economy is significant, accounting for $62.2 billion worth of goods and services in the year 2000.** Although many economic studies have been conducted on the national, state, and local level, there has been no consistent framework which captures the many dimensions of golf's economic contributions to the U.S. economy. GOLF 20/20 has funded this project to assess the size and the components of the national golf economy as a first step in filling this research gap.

A. ANALYTIC FRAMEWORK

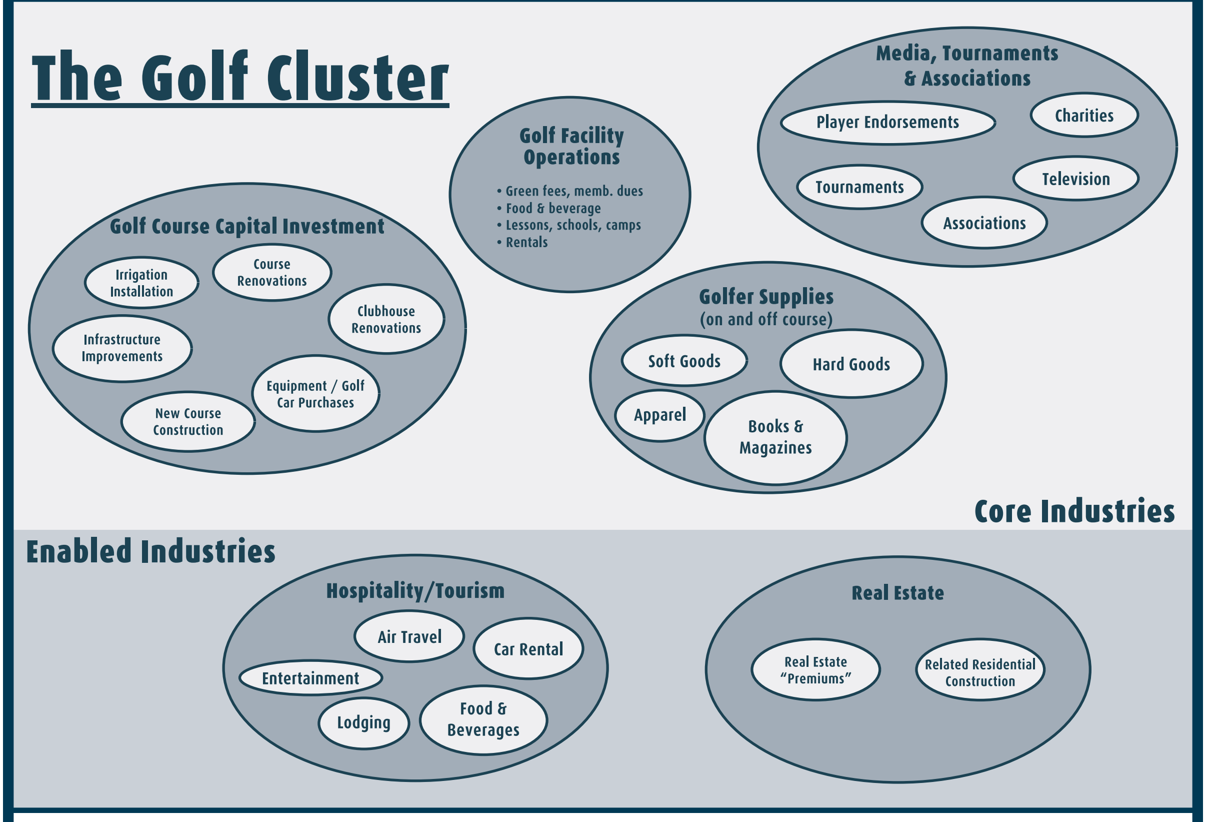
The aim of this study was to develop a comprehensive estimate of the size of the U.S. golf economy.[1] There are a number of ways to go about determining the size of an industry. Our approach was to divide the golf economy into its component parts, estimate the size of each part in terms of its sales of goods and services, and then add the parts to calculate the size of the overall golf industry.

Understanding the scope of the industry, where the golf industry begins and ends, is the first step in estimating the size of the golf economy. When people think of the economics of golf, they are likely to think of golf courses, golf equipment and apparel manufacturers, and the highly visible golf tournaments. However, they may not know of the vast number of related industries that support or are enhanced by golf. A group of supporting and interrelated industries constitutes an economic cluster–in this case "the golf cluster."

Our map of the golf cluster includes two main segments: core industries and enabled industries (see figure right). It begins with the golf facilities themselves, and those industries that produce goods and services used to play the game and operate facilities, such as golf equipment manufacturers, course designers, turf maintenance, and club management services. These industries provide the essential inputs that make playing golf at thousands of facilities possible. The game of golf further enables a number of

[1] This approach is distinct from the concept of gross product or gross national product (GNP), which is a strictly defined economics term aimed at determining the total "value-added" created by a nation or a sector. This approach departs from GNP in several key aspects. First of all, as GNP is value-added, it requires that inputs be subtracted from total sales. Second, several elements, such as charitable contributions and property appreciation, are considered transfers of assets, and therefore not part of GNP. These and other components are included in the present study because they contribute to a more comprehensive understanding of the golf economy.

industries, such as golf-related tourism and real estate, through peoples' interest in the game. Activities in these industries are closely linked to golf, but also have other economic levers. For example, some business travelers may extend their trips to play a round of golf. Therefore, this part of the tourism industry is enhanced by golf-related goods and services, but it often has other business- or leisure-related primary motivators.



Once the boundaries of the golf industry are defined, it is possible to estimate the size of each segment and total them for an overall estimate of the golf economy. However, this process is complicated by the fact that, while most of these industries produce golf-related goods and services, the firms themselves are not exclusively part of the golf industry. For example, Nike produces golf shoes, but also basketball shoes. Therefore, in general, our procedure has been to include only those firms and sales that are directly attributable to the game of golf. In doing so, we use a number of different estimation techniques, depending on available data, to ensure that our final estimates are robust and reasonable.

It was beyond the scope of this study to undertake significant primary research. Instead, our focus was to create a coherent picture of the golf economy based on a broad set of existing sources. Above and beyond the challenge of using data based on different definitions or survey techniques, there were several areas where little golf-specific data were available. In these areas, SRI developed calculations based on a review of available literature and interviews with industry experts.

B. THE SIZE OF THE GOLF ECONOMY

SRI estimates that the overall golf economy was approximately $62.2 billion in the year 2000. This estimate is comprised of $38.8 billion in core industries, and an additional $23.4 billion in enabled industries as shown in the table below.[2]

Size of the Golf Economy in 2000 by Segment ($ millions)	
Core Industries	
Golf Facility Operations	$20,496
Golf Course Capital Investment	$7,812
Golfer Supplies	$5,982
Media, Tournaments, Charities, and Associations	$4,493
Total Core Industries	**$38,783**
Enabled Industries	
Real Estate	$9,904
Hospitality/Tourism	$13,480
Total Enabled Industries	**$23,384**
TOTAL GOLF ECONOMY	**$62,167**

It is interesting to note that in a study of similar scope analyzing the game in 1987,[3] the golf industry was projected to grow to between $25.2 billion (no growth scenario) and $57.8 billion (most optimistic growth scenario) by the year 2000. Direct comparisons are complicated due to methodological differences between these two studies, but the estimates presented in this report suggest that growth in the golf industry through the 1990's exceeded the most optimistic scenario envisioned in the late 1980's.

The growth in the golf economy since 1987 can be attributed to a number of factors. These include growth in the number and diversity of players, the increasing importance of golf real estate, expansion of the golf tourism industry, and one of the longest economic expansions in our nation's history (1992-2000).

The size of the golf economy is significant. Unfortunately, directly comparable figures that encompass both core and enabled industries do not exist for other sports sectors. To place the golf economy in context, it is roughly the size of the motion picture and sound recording industry ($57.8 billion) and is only slightly less than the total retail electronics and appliance market ($70.2 billion). (See table below).

Size of the Golf Economy in in Comparison to Other Industries ($ billions)	
Mining (except oil and gas)	$51.6
Amusement, gambling, and recreation	$55.9
Motion pictures and sound recording	$57.8
Golf (including core and enabled industries)	**$62.2**
Electronics and appliances (retail)	$70.2
Furniture and home furnishings (retail)	$74.1

Source: U.S. Census Bureau, Statistical Abstract of the United States: 2001, p. 480.

[2] All figures, unless otherwise noted, have been adjusted to year 2000 dollars using the implicit GDP price index (sometimes known as the GDP deflator).

[3] NGF and McKinsey & Co. (1988). "Strategic Plan for the Growth of Golf".

The following discussion of the golf economy is broken down into two primary sections: core industries and enabled industries. The contents of each specific component and the estimates are presented for each section.

C. CORE INDUSTRIES

Golf Facility Operations

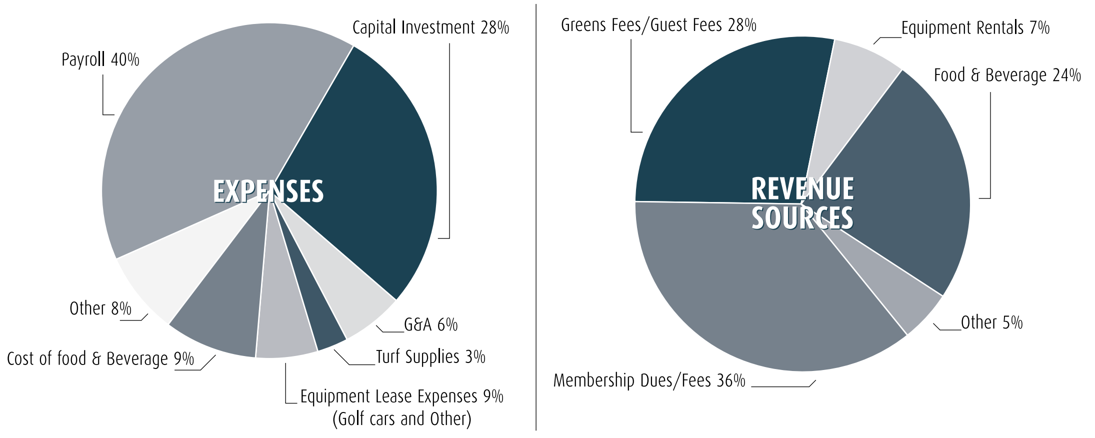
Golf course facilities - where golfers play the game, take lessons, play in tournaments, and relax with a sandwich and refreshment afterwards - represent the largest and most central component of the golf economy. Golf facilities in the United States produced $20.5 billion of goods and services for golfers and the general public in 2000 (see table below). Moreover, revenue at golf facilities grew by close to 10 percent per annum between 1997 and 2000.

Golf Facilities Revenue in 2000 ($ millions)	
Golf Courses (non-resort)	$17,354
Resort Facilities	$2,156
Driving Ranges	$662
Non-traditional Facilities	$323
TOTAL	**$20,495**

Golf facility revenue is quite impressive on its own, but even more so when compared to other popular sports. For example, all spectator sports, including such all-American games as professional baseball and football, brought in $13.6 billion. The gaming industry has annual revenues of approximately $15.1 billion.[4]

The revenue that flows through golf facilities comes mostly from golfers directly engaged in the game (i.e., greens fees, membership fees, and golf car rentals) and from their associated spending on food and beverages. That revenue supports a host of supply sectors including golf and landscape equipment vendors, food and beverage providers, turfgrass industries, and irrigation equipment and services (see graphic below).[5]

GOLF FACILITIES EXPENSES & REVENUE SOURCES



Note: Many expenses associated with areas such as turf maintenance or food and beverage service are counted in Payroll or Capital Investment. SOURCES: NGF & U.S. Census Bureau

[4] U.S. Census Bureau (2001). *Summary: Survey of Arts, Entertainment and Recreation*, Tables 1a, 1b.

[5] Note that the golf facilities segment of this study does not include merchandise sales (which are included in the *Golfer Supplies* section) or capital investments (included in the *Capital Investments* section).

Golf Course Capital Investment

Golf course capital investment includes renovations and investments at existing facilities and the construction of new golf course facilities. This component totaled approximately $7.8 billion in 2000. Much like higher-end hotels, golf courses spend a great deal of money keeping their facilities up to member/market standards. Purchases of goods and services for golf course and clubhouse renovation, installation of irrigation systems, new turf maintenance equipment, golf cars, infrastructure improvements, etc., make up the capital investment in existing facilities. Given the large number of domestic golf facilities, aggregate capital investments per annum are substantial, totaling $5.6 billion in 2000.

In addition to maintaining, expanding, and renovating existing facilities, considerable investment is made each year in constructing new golf courses. Approximately 482 facilities were under construction in 2000. These investments include the fees for designing and creating the golf courses, as well as the capital invested in the associated clubhouses, pro shops, landscaping, irrigation systems, etc. The total investment in constructing new golf course facilities amounted to approximately $2.2 billion in 2000.

Golf Course Capital Investment in 2000 ($ millions)	
Existing Facility Capital Investment	$5,646
New Golf Course Construction	$2,166
TOTAL	**$7,812**

Golfer Supplies

Each year golfers spend a sizeable sum on Titleist golf balls, Big Bertha drivers, Cutter & Buck shirts, instructional books by golf professionals, and magazines like *Golf Digest*. In 2000, golfers spent nearly $6 billion on supplies of golf equipment, apparel and golf-related books and magazines. (Other media, such as television, are treated in a subsequent component).

With sales of nearly $4.1 billion, the golf equipment industry stands out as the largest sports equipment industry. For example, spending on golf equipment was nearly eight times greater than spending on downhill ski equipment ($495 million) and more than three times greater than spending on camping equipment ($1.4 billion) in 2000.[6]

Consumer Spending on Golfer Supplies in 2000 ($ millions)	
Equipment	$4,096
Apparel	$989
Magazines	$737
Books	$160

The U.S. golf apparel market (close to $1 billion) has grown rapidly in the 1990s, averaging 11 percent growth per year since 1994.[7] High sales have been driven, in part, by the popularity of polo shirts and short-sleeve shirts with golf-associated

[6] National Sporting Goods Association, Mt Prospect, IL, *The Sporting News Market in 2000*, and prior issues.

[7] This rate of growth slowed in the late 1990's, averaging only one percent growth per annum from 1997 on.

brands (Ashworth, Cutter & Buck, Nike Golf, etc.) that are worn off the course, as well as on.

Magazines dedicated to golf represent approximately $737 million per year in advertising and subscription revenues. These magazines range from large general-interest golf magazines, such as *Golf Digest* and *Golf World*, to regional and specialty magazines, such as *Luxury Golf Homes and Resorts* and *Washington Golf Monthly*. A large number of books related to golf are written each year – golf course and resort guides, instructional books, golfer biographies, histories of the game, etc. Some of these have become national best sellers, such as Tiger Woods' *How I Play Golf*. Approximately $160 million in golf books were sold in 2000 in the United States.

Media, Tournaments, Charities, and Associations

This portion of the golf cluster encompasses industries related to media, advertising, and entertainment, where consumers see golf as a source of entertainment as well as a participation sport. It further includes industry and player associations, as well as charitable giving through golf events.

Major golf tournaments directed by the PGA TOUR, the PGA of America, the USGA and the LPGA generated approximately $871 million in 2000. This tournament revenue includes fees generated by selling broadcast rights to tournaments; corporate sponsorship of events; and spectator ticket sales and merchandise purchases.

Some golfers are themselves mini-advertising and product endorsement industries, often earning more off the golf course than on the golf course. For example, Tiger Woods is estimated to earn $61 million annually in product endorsements, compared to $10 million in tournament winnings in 2002.[8] Endorsement earnings come from both golf-related industries (club and apparel manufacturers) as well as completely unrelated industries such as breakfast cereals (Wheaties) or car manufacturers. While golf superstars are the most visible of these endorsement recipients, countless other professional golfers receive smaller sums for playing the game and endorsing products. All together, golfers received approximately $255 million in endorsement earnings in the year 2000.

There are numerous golf associations representing different segments of the industry (e.g., individual golfers, course owners, merchandisers, etc). These associations provide valuable services to their members, including updates on equipment and rules, personal job and retirement benefits, certification, professional development assistance, referral services, and information sharing. The aggregate economic size of these associations was approximately $167 million in 2000.[9]

Some 140,000 fundraising events are held on golf courses each year, raising about $3.2 billion for charitable causes across the country.[10] Golfers typically pay fees to play charity golf tournaments at their local golf club or a neighboring facility, with proceeds going to local charities or local branches of national charitable foundations. Revenues accruing to golf courses have been included in the Golf Facilities segment above, and the portion going to charitable causes is included here.

[8] Sokolove (2002).

[9] A small number of associations (through representing a large share of economic impact) secure a large percentage of their revenues from professional golf tournaments. These tournament-related activities are included exclusively in the "Tournaments" segment above.

[10] National Golf Foundation (2002). "The Impact of Golf on Charitable Giving in the U.S."

Golf-Related Media, Tournament, Association, and Charity Revenues in 2000 ($ millions)	
Major Tournaments	$871
Player Endorsements	$255
Associations	$167
Charities	$3,200
TOTAL	**$4,493**

D. ENABLED INDUSTRIES

Real Estate

Developers are increasingly tying golf facilities to real estate developments - either for vacation homes or primary residences. Golf affects real estate on two fronts: new golf-related residential construction and the impact of newly constructed golf courses on nearby housing values. An estimated 56,000 golf course homes were constructed in 2000 at a total cost of $8.4 billion. This is almost four percent of the total 1.5 million homes constructed and $264 billion in new residential construction put in place in 2000 in the United States.[11] Additionally, new golf courses increased real estate values by some $1.5 billion. In total, we estimate the value of goods and services linked to golf-related real estate at approximately $9.9 billion in 2000.

Golf-Related Real Estate in 2000 ($ millions)	
Golf-related Residential Construction	$8,400
Real Estate Premium	$1,504
TOTAL	**$9,904**

Hospitality/Tourism

Golf, as a primary motivating factor for travel or as another enjoyable activity while on travel, has increased in popularity over the past decade. Golf resorts attract business meetings and vacationers, and golf is often a secondary activity for those visiting friends and family. Core golf enthusiasts follow professional golfers, like Tiger Woods or Annika Sorenstam, and thousands of fans attend major tournaments, such as the annual Masters Tournament in Augusta, Georgia, or the Ryder Cup when it is played on home turf. They also travel to play famous golf courses (e.g., Pebble Beach) or try out new regional golf courses. In 2000, golf-related travel expenditures amounted to an estimated $13.5 billion, including travel to play golf or to watch tournaments. According to the National Golf Foundation, the number of golf travelers rose from 7.9 million in 1989 to 11.8 million in 1998, reflecting an annual growth rate of 4.6 percent over these nine years.

Golf-Related Travel Expenditure in 2000 ($ millions)	
Tournament-related Travel	$435
Personal Golf Travel	$13,044
TOTAL	**$13,479**

[11] National Association of Home Builders, Economics Division, Washington, DC. (as cited in U.S. Census Bureau, Statistical Abstract of the United States: 2001, Table No. 937); and U.S. Census Bureau, Current Construction Reports, Series C30, Value of Construction, monthly (as cited in U.S. Census Bureau, Statistical Abstract of the United States: 2001, Table No. 930.

Golf travel expenditures can be broken down into four main categories of spending: lodging, transportation, food, and entertainment. In 2000, golf travelers spent an average $5.1 billion on lodging, $3.9 billion on transportation, $2.6 billion on food, and $1.4 billion on entertainment while on domestic golf trips.

Breakdown of Golf Travel Expenditure in 2000 ($ millions)	
Expenditure Category	**Aggregate Expenditures**
Lodging	$5,087
Transportation	$3,913
Food	$2,609
Entertainment	$1,435
TOTAL	**$13,044**

E. CONCLUSIONS AND RECOMMENDATIONS FOR FUTURE RESEARCH

1. **The game of golf drives a large cluster of supporting and enabled industries, which generated $62 billion in goods and services in 2000.** Consequently, the continued popularity and growth of golf, in terms of the numbers of golfers and rounds played, will have a direct bearing on future jobs, commerce, economic development, and tax revenues for a large number of communities and industries. As highlighted in this study, golf's economic impact extends beyond those industries which are most commonly associated with golf – e.g., golf equipment and apparel manufacturing; golf facilities services, maintenance and construction; and golf tournaments. A sizable portion of golf-related economic activities are associated with the construction and sales of golf-related residential real estate, business and vacation tourism involving golf, and fundraising for charitable organizations.

2. **The game and the golf industry have grown rapidly over the past decades. SRI's estimates of the golf economy in 2000 are consistent with the most optimistic projections made in the late 1980's.** Today, golf is a sports and recreational mainstay in America. In many regions and communities, the golf lifestyle is seamlessly woven into the culture. However, in the context of the current economic slowdown, it may be difficult for the industry to continue its historical growth trajectory. Renewed emphasis on introducing the game to people of all ages, ethnicities, and economic backgrounds will be required to continue growth and secure the future. Additionally, the industry will need to invest in robust player development strategies to ensure that a high percentage of new participants continue to develop their enthusiasm for the game and make the concomitant investments of personal time and financial resources.

What is a golfer's value to the industry? Based on the numbers from this study, we can make the following general estimates:

Annual Spending in the Golf Economy by Participant Segment ($ millions)			
GOLFER TYPE	CORE INDUSTRIES	ENABLED INDUSTRIES	TOTAL GOLF ECONOMY
Occasional (1-7 rounds/yr)	$5,042	$3,040	$8,082
Core (8-24 rounds/yr)	$11,247	$6,781	$18,028
Avid (25+ rounds/yr)	$22,494	$13,563	$36,057
Total (all participants)	$38,783	$23,384	$62,167
Contribution per Participant by Segment ($ per participant per year)			
	CORE INDUSTRIES	ENABLED INDUSTRIES	TOTAL GOLF ECONOMY
Occasional	$255	$154	$409
Core	$1,420	$856	$2,276
Avid	$2,717	$1,638	$4,355
Weighted Average	$1,077	$650	$1,727

Estimates based on 36 million participants (23% avid, 22% core, 55% occasional) and a breakdown of total spending of: avid 58%, core 29%, and occasional 13% (Source: NGF, 2002. *The Spending Report*).

Although the golf industry must continue to invest in exposing people to the game and retaining new golfers, which is the best group to target in order to best leverage promotional activities? For example, while occasional golfers represent the largest player segment, they spend the least amount per player per year and represent the smallest total expenditures. A simple calculation suggests that an occasional golfer spends about $8,163 over 20 years, a core golfer spends about $45,526 over 20 years, and an avid golfer spends about $87,094 over the same period of time. Thus, industry programs that transition players into the core or avid categories may have a substantially greater ROI than programs that generate new occasional golfers.

3. **SRI's focus in this study has been to develop a picture of the golf economy based primarily on the existing body of research.** This presented particular challenges in several areas where there is little golf-specific data available. In these areas, SRI has had to develop calculations based on a review of available literature and conversations with industry experts. This experience suggests the golf industry should consider conducting research to resolve these uncertainties in order to provide a more robust understanding of the golf economy in the following areas:

- **Hospitality/Tourism.** In general, there is a lack of reliable information regarding the number of people who travel and play golf. Details are lacking on such items as their spending patterns, length of stay, size of parties, and especially the degree to which golf motivated their travel.
- **Real Estate.** Golf courses clearly have an effect on real estate values, but this impact is little understood and poorly quantified. Similarly, the number and characteristics of golf-related residential housing is only loosely accounted for in existing data.

4. **Developing a clear understanding of what it takes to transform occasional golfers into core or avid players may have a significant long-term payoff.** Is the industry placing enough emphasis on investments that help understand what the transition involves, and then creating large-scale player development programs to achieve specific transition objectives? In the short term,

this and many other questions need to be answered. If the development of other industries can be used as a guide, it is clear that a well articulated investment strategy will be important for the golf industry to continue its major economic contributions and growth.

5. **Complete the next step of this economic analysis: Estimate the economic impact of the golf industry.** This current study generated a model of the golf economy and estimated the total value of goods and services for the year 2000. This information can be used as a framework to measure industry growth over time. It also provides the necessary information to estimate a series of economic effects (direct, indirect, induced, and catalytic) and benefit streams (e.g., employment, income, taxes). This type of impact information is important for government agencies and policymakers who make decisions affecting the growth of the golf industry.

II. DETAILED METHODOLOGY & SOURCES

This section outlines in more detail the methodologies and sources used to construct estimates of each element in the golf economy. The table below presents the summary data for segments of the core and enabled industries. These numbers are discussed in detail throughout this section. As this is not an accounting exercise, estimates are subject to some uncertainty. This is especially true for those segments for which reliable data is scarce and the amount of goods and services is not easily quantified. Ranges are therefore used to provide a better sense of these uncertainties. In each category we present low, best, and high estimates. The previous section of this report described the golf economy using the best estimates for each component. The low estimate is based on very conservative figures and more narrow assumptions, while the high estimate is based on more encompassing assumptions.

Size of the Golf Economy in 2000 by Segment ($ millions)			
	Low	**Best**	**High**
Core Industries			
Golf Facility Operations	$17,457	$20,496	$22,142
Golf Course Capital Investment	$5,890	$7,812	$8,649
Golfer Supplies	$5,378	$5,982	$6,644
Media, Tournaments, Associations & Charities	$4,260	$4,493	$4,878
Total Core Industries	**$32,985**	**$38,783**	**$42,313**
Enabled Industries			
Real Estate	$0	$9,904	$20,372
Hospitality/Tourism	$6,590	$13,480	$33,691
Total Embedded Industries	$6,590	$23,384	$54,063
Grand Total	**$39,575**	**$62,167**	**$96,376**

A. GOLF FACILITY OPERATIONS

The golf facilities segment is one of the most well studied and surveyed segments of the golf economy, offering a wide range of data that SRI has integrated into a comprehensive national estimate of the total goods and services sold.[12] Using data from the U.S. Census Bureau supplemented with industry facility surveys, SRI estimated the average revenue collected at the average golf facility. This was then multiplied by the number of golf facilities in the country to arrive at the total revenue in each of four facility segments: (1) non-resort golf course facilities, (2) resort facilities, (3) golf ranges, and (4) non-traditional facilities.

- ***Average Revenue per Facility.*** There have been numerous estimates of the sales of goods and services at golf course facilities at the national and state levels, as well as surveys or revenues conducted by various industry associations. These estimates vary widely from $775,000[13] per facility per annum in Minnesota to over $5 million per annum among the Club Managers Association of America members responding to a CMAA annual survey. The major factors in this variation are associated with facility location, type, and size.

These estimates of facility revenue come primarily from surveys – this is the case for data on golf facilities at the state level, as well as National Golf Foundation (NGF) and association data. In addition, the Census Bureau carries out a census of all economic establishments in the country, including golf course facilities. Whereas facility surveys are often based on low response rates (less than 30 percent), all establishments are required by law to respond to the Census Bureau.

Nevertheless, the Census Bureau numbers also have several drawbacks. First, some types of facilities are not included in the Census Bureau survey. These include resort facilities, many municipal facilities, and establishments without payrolls. Second, the survey is only conducted every five years, so the most recent data available are based on the 1997 survey. (The 2002 survey questionnaires are about to be mailed, but the data will not be released until 2004.) Even with these drawbacks, with 11,668 golf facility respondents in 1997, the Census Bureau is undoubtedly the most comprehensive survey of golf facilities available, and SRI used this data as the basis for the "best" estimate of average facility revenue per year ($1.2 million).

SRI adjusted the Census Bureau's 1997 data to year 2000 dollars to account for changes in the price level between 1997 and 2000. However, adjusting for inflation ignores changes in real facility revenue between 1997 and 2000. While NGF discourages direct comparisons of the data published in its Operating & Financial Performance Profiles of Golf Facilities in the U.S. series, the NGF data imply a growth in average golf facility revenue, in real terms, of 9.5 percent per annum between 1997 and 2000. Applying this growth rate to the 1997 Census data gives us average golf course facility revenue of $1.3 million in 2000. SRI uses this average facility revenue in calculating the "high" estimate.

Golf Resort Facilities. The Census Bureau data do not include golf facilities with hotels, i.e., golf resort facilities, as these are classified under a separate "Accommodation" (721) section for which detailed golf operations figures are not available. Accordingly, resort facilities are dealt with separately using an estimate from a 1998 survey of 586 resort facilities carried out by NGF (reported in 1999). As expected, golf resort facilities have a higher average revenue per facility than traditional 18-hole facilities, approximately $2 million per annum.

Driving Ranges. NGF, as part of its annual Operating & Financial Performance Profiles of Golf Facilities in the U.S. series, surveys golf "practice facilities," which are primarily driving ranges. Although the response rate in this study was very low (11 percent), the survey provides revenue information for such facilities. In 2000, the median annual revenue of practice facilities was $236,000.

[12] Note that spending on golf equipment and merchandise is excluded from the golf facilities estimate, as this is included in the "Golfer Supplies" segment below.

[13] Figures may not correspond to those in original sources, because they have been converted to year 2000 dollars.

Non-traditional Golf Facilities. The Census Bureau excludes driving ranges, but does cover non-traditional miniature golf facilities in the census. In 1997, the 1,041 miniature golf facilities surveyed had an average facility revenue of $311,000.

Average Revenue per Facility in 2000 ($ millions)			
	Low	**Best**	**High**
Traditional 18-hole facility[1]	$1,212	$1,212	$1,327
Golf resort facility[2]	—	$2,072	—
Practice facility[3]	—	$236	—
Non-traditional golf facility[4]	—	$311	—

Note: [1,4] Low and best estimates are based on the U.S. Census Bureau's 1997 Economic Census and the "Arts, Entertainment, and Recreation" subject series summary, Tables 2A and 2B. The average facility revenue is the total "industry" revenue line divided by the number of establishments in these tables. Merchandise sales have not been included, and the figures have been adjusted for inflation to year 2000 dollars using the implicit GDP deflator.
[1] The high estimate uses Census Bureau data as a basis and adjusts the average facility revenue for real facility revenue growth between 1997-2000 using NGF data (1998, 2001).
[2,3] NGF. *Operating & Financial Performance Profiles of Golf Facilities in The U.S.* series, 1998, 2001.

- ***Number of Golf Facilities.*** The World Golf Foundation's 2002 Facilities, Rounds, Interest and Participation Report, commonly referred to as the "FRIP Report," forms the basis for the number of each type of facility. These data are supplemented with Census Bureau numbers on non-traditional facilities, NGF data on the number of golf resort facilities (which are included in the FRIP Report, but are not separately reported), and Sportometrics (2001) figures on driving ranges. For the "low" estimate of golf courses, we have used the Census Bureau's numbers in order to account for the fact that there may be many very small facilities counted in the FRIP report, but that were not included in facility revenue studies.

Number of Golf Facilities in 2000	
Category	**Number of Facilities**
Golf Courses[1]	15,357
Golf Resort Facilities[2]	1,041
Golf Courses (excluding resorts)[3]	14,316
Driving Ranges[4]	1,041
Non-traditional Facilities[5]	2,805

Sources: [1] World Golf Federation, 2002 Facilities, Rounds, Interest and Participation Report.
[2] NGF, 2001 Operating & Financial Performance Profiles series.
[3] Line [1] – [2]
[4] Census Bureau (1997).
[5] Sportometrics (2001).

Golf Facility Operations in 2000 ($ millions)				
		Low	**Best**	**High**
Golf Courses (non-resort)	Average revenue	$1.2	$1.2	$1.3
	Number of Facilities	11,809	14,316	14,316
	Total revenue [1]	**$14,315.6**	**$17,354.7**	**$19,000.6**
Golf resort facilities	Average revenue	$2.1	$2.1	$2.1
	Number of Facilities	1,041	1,041	1,041
	Total revenue [2]	**$2,156.4**	**$2,156.4**	**$2,156.4**
Driving Ranges	Average revenue	$0.24	$0.24	$0.24
	Number of Facilities	2,805	2,805	2,805
	Total revenue [3]	**$661.8**	**$661.8**	**$661.8**
Non-traditional facilities	Average revenue	$0.3	$0.3	$0.3
	Number of Facilities	1,041	1,041	1,041
	Total revenue [4]	**$323.3**	**$323,3**	**$323.3**
GRAND TOTAL		**$17,457.1**	**$20,496.2**	**$22,142.1**

Note: Total golf course facility revenue was calculated by summing individual totals by category, [1] – [4].

B. GOLF COURSE CAPITAL INVESTMENT

The average annual capital investment per facility was calculated and multiplied by the total number of golf facilities to estimate total capital investment at existing facilities. For new golf course construction, we took the average number of new golf courses under construction in a given year and multiplied this by the average amount spent on such construction.

- ***Average Existing Facility Capital Investment.*** To calculate average capital investment, SRI used NGF data reported in the *2001 Operating & Financial Performance Profiles of Golf Facilities in the U.S.* series.[14] Average capital investment per course was calculated for each type of course (daily fee, private, and municipal). A weighted average was then calculated using these investment figures and the number of each type of course.

Golf Facility Capital Investment in 2000			
	Weighted average investment per facility	**Number of facilities**	**Total investment ($ millions)**
Low	$359,477	11,809	**$4,342**
Best	$359,477	15,357	**$5,646**

- ***Number of Golf Facilities.*** Low and best estimates for the total number of golf course facilities were taken from two different sources. The lower number of facilities, 11,809, was obtained from the U.S. Census Bureau's last Economic Census in 1997. The best estimate, 15,357 facilities, comes from the World Golf Foundation's 2002 Facilities, Rounds, Interest and Participation Report. (See "Number of Golf Facilities" discussion in the Golf Facility Operations section above.)

[14] Reported capital investment data are for 1999. Therefore, a GNP deflator was used to change 1999 capital investment figures into year 2000 dollars. While this adjustment captures the change in prices between 1999 and 2000, it does not compensate for a change in the number of renovation/investment projects undertaken or an increase (decrease) in the average investment per project. It is assumed that the same level of investment was undertaken by golf facilities in 1999 as 2000.

- ***New Golf Course Construction.*** Several Urban Land Institute reports estimate the total cost of developing a golf facility. These estimates include "hard" costs (the actual construction of the course), building improvements and equipment costs, and "soft" costs (design fees, permits, construction management, etc.) Assuming that the typical golf course takes two years to build, SRI derived a figure for the annual amount spent on a golf course under construction.

  NGF provided the "best" estimate of the number of golf courses under construction in 2000 in its 2001 Golf Facilities in the U.S. report. The "high" estimate increases the number of golf courses under construction above NGF's estimate in order to account for construction at practice facilities and non-traditional facilities.

Investment in New Golf Course Construction in 2000			
	Low	**Best**	**High**
# of courses under construction	482	482	520
Avg. construction $ per year (000)	$3,211	$4,493	$5,775
Total investment (000)	$1,547,702	$2,165,626	$3,003,000

Sources: Based upon data from NGF, *2001 Golf Facilities in the U.S.*; Desmond Muirhead and Guy L. Rando, *Golf Course Development and Real Estate.* Washington, DC: Urban Land Institute, 1994; and David A. Mulvihill, et al., *Golf Course Development in Residential Communities.* Washington, DC: Urban Land Institute, 2001.

C. GOLFER SUPPLIES

For this segment, the objective was to quantify golfers' purchases of golf equipment (both hard and soft goods), golf apparel, and golf-related books and magazines. The approach involved consolidating estimates of annual spending on each subcomponent and cross-checking these estimates to validate their accuracy.

- ***Golf Equipment.*** To calculate total spending on golf equipment, SRI collected data from a number of sources: (1) the National Golf Foundation's golfer survey, (2) the National Sporting Goods Association (NSGA) surveys, (3) Golf Datatech's point-of-sales, and (4) the Census Bureau's manufacturer survey. Annual sales of major golf equipment manufacturers were also collected from annual reports.

  The lowest estimates came from 1997 Census Bureau wholesale data (the value of product shipments from manufacturers of golf clubs, balls, bags, and other equipment) and Golf Datatech's point-of-sales data, which cover on-course and golf specialty shop sales. The highest estimate ($4.4 billion) came from NGF's golf consumer survey data which incorporated spending on golf equipment at all types of retailers, e.g., online, mass merchants, warehouse clubs, custom makers, etc., in addition to pro shops and golf specialty shops. A slightly lower estimate ($3.8 billion) came from the National Sporting Goods Association, which is the largest, longest running, and most frequently updated survey of consumer sporting goods purchases. NSGA conducts a 100,000-household consumer panel survey each year and has published this data for the past 20 years in its The Sporting Goods Market publication. These data are comparable across years.

  In the end, the Census Bureau figure ($2.9 billion) was not used because it is dated and only reflects manufacturer sales, neglecting the total value added through the retail chain. Golf Datatech's estimate ($2.2 billion) was also not used because it is too narrow, excluding purchases made outside of golf shops and golf specialty stores. Therefore, the best estimate was derived by taking the average of NSGA's and NGF's estimates of annual spending on golf equipment.

Consumer Spending on Golf Equipment, 1990-2000 ($ millions in current year dollars)									
	1990	**1993**	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**
Low[1]	$2,740	$2,998	$2,985	$3,419	$3,791	$3,942	$3,878	$3,775	$3,805
High[2]	—	—	—	—	—	—	$4,476	$4,290	$4,388*
Point-of-sales[3]	—	—	—	—	—	—	—	—	$2,230
Wholesale[4]	—	—	—	—	—	$2,940	—	—	—

Sources: [1] National Sporting Goods Association (NSGA), Mt. Prospect, IL, *The Sporting Goods Market in 2000*, and prior issues: in the U.S. Census Bureau, *Statistical Abstract of the United States: 2001.*

[2] National Golf Foundation (NGF), *Golf Consumer Spending in the U.S., 2000 edition.*

[3] Golf Datatech.

[4] U.S. Census Bureau, *1997 Economic Census.*

Note: * NGF's 2000 golf equipment spending estimate was derived from 1999 data using the GDP implicit price deflator to translate the estimate into 2000 dollars. This assumes that spending in real terms on golf equipment did not differ substantially between 1999 and 2000.

Consumer Spending on Golf Equipment in 2000 ($ millions)			
	Low	**Best**	**High**
Golf equipment	$3,805	$4,096	$4,388

- ***Golf Apparel.*** SRI used NSGA annual data on golf apparel spending, which is collected through consumer surveys and published annually in The Sporting Goods Market report. SRI also spoke with general managers and presidents of major golf apparel manufacturers to validate these numbers. NSGA's annual golf apparel spending figure ($979 million) was very close to the figure ($1 billion) estimated by stakeholders in the golf apparel market. The best estimate was obtained by taking the average of the two.

Consumer Spending on Golf Apparel, 1993-2000 ($ millions in current year dollars)									
		1993	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**
Golf apparel		$274	$455	$651	$862	$933	$953	$957	$979*

Sources: National Sporting Goods Association (NSGA), Mt. Prospect, IL, *The Sporting Goods Market in 2000*, and prior issues (copyright).

Note: * NSGA's 2000 golf apparel spending estimate was derived from 1999 data using the GDP implicit price deflator to translate the estimate into 2000 dollars. This assumes that spending on golf apparel in real terms did not differ substantially between 1999 and 2000.

Consumer Spending on Golf Apparel in 2000 ($ millions)			
	Low	**Best**	**High**
Golf apparel	$979	$989	$1,000

- ***Golf Magazines.*** Circulation and revenue numbers are available for only a small set of golf magazines.[15] For those magazines, we calculated the average revenue (including revenue from subscribers, newsstand sales and advertisers) per unit circulation. The total circulation of 20 golf related magazines[16] was then multiplied by average revenue per unit circulation for an estimate of total magazine sales. All data are from AdAge.com, the New York Times Annual Report, and EP Magazine's circulation database.

[15] Revenue information has been identified for the five largest magazines.

[16] These include the following magazines: Golf Digest, Golf Magazine, Golf World, T&L Golf, Golf for Women, Golf World Business, Golf Digest Woman, PGA Tour Partners, Executive Golfer, Florida Golfer, Fore (Southern CA), Golf Illustrated, Golf Tips, The Golfer, Golf Week, Luxury Golf Homes & Resorts. Maximum Golf, Senior Golfer, and Washington Golf Monthly.

Available circulation numbers do not cover all golf-related magazines (although they do cover the largest magazines), and the relationship between revenues and circulation is most likely not linear (small regional magazines may not earn as much per subscriber as the larger magazines). This "best" estimate is therefore adjusted upward and downward for the "low" and "high" estimates to account for this lack of information.

Total Golf Magazine Revenues in 2000 ($ '000)		
Category		**Source**
[1] Total golf magazine circulation	6,354,467	AdAge.com. *NYT Annual Report*, and *EP Magazine*
[2] Revenues of golf magazines with revenue figures	$448,316	AdAge.com. *NYT Annual Report*, and *EP Magazine*
[3] Circulation of golf magazines with revenue figures	3,854,749	AdAge.com. *NYT Annual Report*, and *EP Magazine*
[4] Average revenue per circulation	$0.116	Divide [2] by [3]
[5] Total golf magazine revenues	$737,118	Multiply [4] by [1]

Consumer Spending on Golf Magazines in 2000 ($ millions)			
	Low	**Best**	**High**
Golf magazines	$500	$737	$1,000

- ***Golf Books.*** A large number of books related to golf are sold each year. These include golf course guides, self-help books (how to improve your golf swing/golf score), golfer biographies, histories of the game of golf, fiction based on golf (The Legend of Bagger Vance), etc. No comprehensive estimates of the sales of golf books have been developed. Therefore, SRI constructed an estimate by analyzing total book sales and top-selling book lists.

Annual data on the total number of books sold and the value of consumer book expenditures are tracked by the Book Industry Study Group. To calculate the sales of golf books relative to total book sales, estimates of (1) sports books as a percentage of total book sales and (2) golf books as a percentage of sports book sales were obtained. Low estimates for these items came from the Annual Library & Book Trade Almanac 2000 and the American Booksellers Association, respectively. Estimates from Amazon.com were used as the high estimates in each category. Low, best, and high estimates for golf books as a percentage of total book sales were then calculated by multiplying the aforementioned percentages. By using these calculated percentages with the dollar value of total books sold in 2000, SRI arrived at its final dollar values for consumer spending on golf books in 2000.

Consumer Book Expenditures, 1995-2000 ($ millions in current year dollars)				
1995	**1997**	**1998**	**1999**	**2000**
$25.154	$27,021	$28,786	$30,021	$32,050

Source: Book Industry Study Group, Inc., New York, NY, Book Industry Trends 2000 in U.S. Census Bureau, *Statistical Abstract of the United States*: 2001, No. 1134.

Sales of Golf Books in 2000				
Category	Estimates ($ millions)			Source
	Low	Best	High	
[1] Total book sales	$32,050	$32,050	$32,050	*Book Industry Trends 2000*
[2] Sports as % of total books	2.1%		4.0%	Low: *Annual Library & Book Trade Almanac* High: Amazon.com
[3] Golf as % of sports books	14.0%		20.0%	Low: Annual Booksellers Association High: Amazon.com
[4] Golf as % of total books	0.3%	0.5%	0.8%	Multiply [2] by [3]
[5] Total golf book sales	$94	$160	$256	Multiply [4] by [1]

D. MEDIA, TOURNAMENTS, ASSOCIATIONS & CHARITIES

- ***Major Tournament Revenue.*** Tournament revenue is estimated directly by adding the tournament-related revenue of major tour operators - the PGA TOUR, the USGA, the PGA of America, and the LPGA. For our "best" and "high" estimates, we adjust this figure upwards to account for the existence of additional large tournaments run by other operators and the possibility that these major tournament operators do not capture all tournament revenue.17 This estimate does not attempt to include revenue from the far more numerous club tournaments held at golf facilities. Such tournaments are already captured in the Golf Facility Operations section above and in the Charities segment below.

- ***Associations.*** The size of golf associations was estimated by aggregating the annual revenues of major associations18 and developing an estimate of the size of smaller associations for which revenue data are not available. Our low estimate assumes that the largest associations represent all significant association revenue. The best estimate assumes the smaller associations receive half the revenue of the largest, and the high estimate assumes the smaller associations are equal in revenue to the largest.

  Tournament-related activities have not been included in this segment, as they are dealt with above. Furthermore, association line items that are either counted elsewhere in this study (for example, because they are transfers from other segments), or because they are not golf-related (e.g., investment revenue), are not included in this association component.

Major Association Revenue in 2000 (Thousands)						
	USGA	PGA of America	LPGA	GCSAA	NGCOA	Total
Member Dues	$18,569	$2,209	–	$3,717	$634	$25,129
Member/other services	$20,778	$23,622	–	$8,107	$1,229	$53,736
Conferences	–	–	–	$6,945	$636	$7,681
Total	$39,347	$25,831	$24,655*	$18,769	$2,499	$111,102

*SRI estimate based on aggregate LPGA revenue. Total based on sum across columns.

- ***Charities.*** NGF has conducted the only study to estimate revenue raised through charitable golf events. Their study, which surveyed a targeted sample of around 1,000 facilities and a number of charitable organizations, is used for this segment.[19]

[19] NGF (2002). "The Impact of Golf on Charitable Giving in the U.S."

- ***Player Endorsements.*** While comprehensive numbers for this category are not generally available, media reports indicate that the top 10 golf endorsement earners take in at least $128 million in endorsements.[20] There are many more players that earn product endorsements, though far less than the top earners. We therefore adjust these numbers upwards for the "best" estimate (assuming other endorsement earners take in as much as the top 10 earners) and "high" estimate (which assumes others earn one and a half times much as the top 10 earners).

Tournament, Association, and Charity Revenues in 2000 ($ millions)			
	Low	**Best**	**High**
Major Tournaments	$821	$871	$1,045
Associations	$111	$167	$250
Charities	$3,200	$3,200	$3,200
Player Endorsements	$128	$255	$383
Total	**$4,260**	**$4,493**	**$4,878**

E. REAL ESTATE

- ***Golf-Related Residential Construction.*** To calculate the amount of golf-related residential construction, we multiplied the number of such homes estimated to be under construction in a given year by an estimate of average construction costs ($150,000 for the "best" estimate and $200,000 for the high estimate). The number of homes under construction assumes there are an average of 400-600 home sites on each residential golf course and that it takes approximately six years to fully build out a course.[21] This is multiplied by the stock of residential golf course facilities under six years old (estimated from NGF data) to arrive at the total number of homes under construction on golf course developments in the year 2000.

Total Golf-Related Residential Construction in 2000 ($ millions)				
	Low	Best	High	Note
[1] # Golf courses with active development	–	840	840	
[2] # Lots per golf course	–	400	600	
[3] Total # lots res. under development	–	336,000	504,000	Multiply [1] by [2]
[4] Fraction of lots under construction each year	–	1/6	1/6	
[5] # Lots under construction	–	56,000	84,000	Multiply [3] by [4]
[6] Construction cost $/home (in millions)	–	$0.15	$0.20	
[5] TOTAL	$0	$8,400	$16,800	Multiply [5] by [6]

- ***Real Estate "Premium."*** To estimate the real estate premium that golf courses added to the economy in 2000, we calculated the lot premium on two types of lots at golf facilities - frontage lots and all other lots not adjacent to the course - and multiplied that premium by an estimate of the number of such lots created during the year on new golf courses.

[20] This includes both golf-specific and non-golf related endorsements. See: Golf World Feb 2001 as cited in Widener, David (2001). "The Endorsement game: It's big business." Texas Golfer Magazine.com www.texasgolfermagazine.com/articles_july01endorse.html <visited 8/16/02>.

[21] These variables are SRI estimates based on industry reports and interviews with golf real estate developers.

A literature survey and discussions with industry experts show that there is enormous variety in estimates of the premiums associated with new housing and lots associated with golf courses. The few academic valuation studies that have been undertaken suggest a modest premium from being near a golf course of some four to seven percent of the value of a home, although these studies are restrictive in terms of what to attribute to the golf course.[22] On the other hand, experts close to the golf residential development business indicate they are able to receive much higher premiums of 10 to 50 percent for homes in golf course communities (depending on their proximity to the course, water, views, and other amenities). We were conservative in our estimates of premium—using a premium of 10 percent as the "best" estimate and 15 percent for the "high" estimate based on these studies and interviews.

Total Golf Real Estate "Premium" Created in 2000

	Low	Best	High	Note
[1] # Residential golf courses completed	–	188	188	
[2] # Lots with golf frontage per course	–	100	200	
[3] Total # lots w/ golf frontage	–	18,800	37,600	Multiply [1] by [2]
[4] Premium per golf frontage lot	–	$50,000	$75,000	
[5] Total frontage premium created ($ million)	–	$940	$2,820	Multiply [3] by [4]
[6] # Non-adjacent lots per course	–	300	400	
[7] Total # non-adjacent lots	–	56,400	75,200	Multiply [1] by [6]
[8] Premium per non-adjacent lot	–	$10,000	$10,000	
[9] Total non-adjacent premium created ($million)	–	$564	$752	
TOTAL ($ million)	$0	$1,504	$3,572	Add [5] and [9]

Sources: [1] World Golf Foundation, 2002 *Facilities, Rounds, Interest and Participation Report* and NGF, *2001 Operating & Financial Performance Profiles Series*.
[2] SRI estimate.
[4] SRI estimate based on Urban Land Institute, p.22, and interviews with industry experts.
[6] Golf Research Group.
[8] SRI estimate based on Urban Land Institute data, p.22, and interviews with industry experts.

F. HOSPITALITY/TOURISM

For this segment, SRI estimated the amount spent by travelers (off-course) while on trips related to golf. It is divided into two main components - golf travel and tournament travel. For golf travel, SRI multiplied average spending per trip by the total number of golf trips.

- ***Average Spending per Trip.*** For average spending per trip, SRI used annual domestic travel expenditure data collected through surveys by NGF. For comparison, SRI also examined data on average spending per trip collected by the Bureau of Labor Statistics. Both the BLS and NGF data are based on consumer surveys, although NGF surveyed golfers, while BLS surveyed the general population.

[22] See Rinehart & Pompe (1999); Bible & Hsieh (2001); Asabere & Huffman (1996); Quang & Grudnitski (1995).

Average Expenditures per Trip in 1998	
NGF (golf traveler)	**BLS (average traveler)**
$851	$697

Sources: NGF. U.S. Golf Travel Market, 1998.
U.S. Bureau of Labor Statistics. *Issues in Labor Statistics* (August 1999).
Note: The U.S. Bureau of Labor survey was conducted in 1997. The expenditure figure was adjusted for inflation to year 1998 dollars for comparison with NGF's expenditure figure.

Since the NGF and BLS surveys characterize different populations of travelers, "average spending per trip" data differ. NGF's expenditure data reflect spending by a very narrow population of travelers, golf travelers. On the other hand, BLS' expenditure data represent spending on trips by the "average" domestic traveler, whatever the purpose of the trip may be. Although NGF and BLS average spending per trip figures are reasonably close, we use NGF numbers because they are more indicative of golf travel spending.

NGF calculates average spending per trip for Business Golf Travelers, Vacation Golf Travelers, Golf-Only Golf Travelers, and All Golf Travelers. SRI uses the NGF average trip expenditure figure for each category (rather than the overall average of $851/golf trip). While NGF's data was adjusted for inflation, this only captures changes in the price level between 1998-2000 and not changes in the level of spending. Therefore, we have assumed that tourism spending in real terms did not change significantly over this period.

- ***Number of Golf Travelers and Average Number of Trips.*** NGF's 1998 survey serves as the basis for the number of golf travelers and the number of golf trips. NGF estimated that in 1998, there were 11.8 million golf travelers, defined as people who played golf while on a trip. On average, each golf traveler went on 2.8 golf trips in a given year. Therefore, in 1998 the total number of golf trips taken was 33 million. Of this total, 32 percent (10.6 million trips) were trips planned with the sole intent of playing golf; we call these "golf specific" trips. The other 68 percent of the trips were "golf incidental" trips: 15.5 million golf vacation trips (combining golf with beach, resort, or other activities), and 6.9 million golf business trips.

The estimates in the following tables use the figures discussed above on the number of golf-related trips and average spending per trip. A smaller percentage of travel expenditures has been attributed to golf where golf is not the primary activity on the trip. For example, for the low estimate, 100 percent of travel expenditures for "golf specific" trips are attributed to the game of golf, but none of the expenditures for incidental golf trips are included. At the other extreme, for the high estimate, 100 percent of travel expenditures for golf specific and golf incidental trips are attributed to golf. In the case of the best estimate, 100 percent of travel expenditures for "golf specific" trips is attributed to golf, but only 30 percent of the expenditures for vacation trips and 15 percent of the expenditures for business trips.

Golf-Related Travel Expenditures in 2000 – Low Estimate				
		GOLF INCIDENTAL		
TYPE OF TRIP	GOLF SPECIFIC	VACATION	BUSINESS	
# Golf trips	10,572,800	15,528,800	6,938,400	
Average travel $	$571	$1,153	$1,122	
Weight (% attributable to golf)	100%	0%	0%	
Total (1998$ millions)	$6,037	$0	$0	$6,037
Total (2000$ millions)	$6,262	$0	$0	**$6,262**

Source: Number of golf trips and average travel expenditure data reported in NGF, *U.S. Golf Travel Market, 1998.*

Golf-Related Travel Expenditures in 2000 – Best Estimate				
		GOLF INCIDENTAL		
TYPE OF TRIP	GOLF SPECIFIC	VACATION	BUSINESS	
# Golf trips	10,572,800	15,528,800	6,938,400	
Average travel $	$571	$1,153	$1,122	
Weight (% attributable to golf)	100%	30%	15%	
Total (1998$ millions)	$6,037	$5,371	$1,168	$12,576
Total (2000$ millions)	$6,262	$5,571	$1,211	**$13,044**

Source: Number of golf trips and average travel expenditure data reported in NGF, *U.S. Golf Travel Market, 1998.*

Golf-Related Travel Expenditures in 2000 – High Estimate				
		GOLF INCIDENTAL		
TYPE OF TRIP	GOLF SPECIFIC	VACATION	BUSINESS	
# Golf trips	10,572,800	15,528,800	6,938,400	
Average travel $	$571	$1,153	$1,122	
Weight (% attributable to golf)	100%	100%	100%	
Total (1998$ millions)	$6,037	$17,905	$7,785	$31,727
Total (2000$ millions)	$6,262	$18,571	$8,075	**$32,908**

Source: Number of golf trips and average travel expenditure data reported in NGF, *U.S. Golf Travel Market, 1998.*

- ***Spending Breakdown.*** Using NGF's average expenditures per golf trip figures, we calculated the average amount spent on each category per trip. Lodging accounted for 39 percent of total trip expenditures, transportation for 30 percent, food for 20 percent, and entertainment for 11 percent. National aggregate expenditures were derived by multiplying these respective percentages by SRI's "best" estimate of the total size of the golf travel market. The breakdown of golf trip expenditures by category is shown below.

Breakdown of Golf Travel Expenditures by Expenditures Category, 2000 ($ million)	
Lodging	$5,087
Transportation	$3,913
Food	$2,609
Entertainment	$1,435

Sources: SRI estimates and NGF, *U.S. Golf Travel Market, 1998.*

- ***Tournament-Related Travel.*** In addition to the revenues that major tournaments directly generate, they are also major spectator events, sometimes inducing fans to travel long distances to see their golf heroes. A handful of studies have examined the economic impact of golf tournaments,[23] and include estimates of related travel spending. These studies indicate that tournament-related travel expenditures are about as large as on-course consumer tournament spending, which in turn is approximately half of total tournament revenues. This implies tournament-related travel of about $436 million in 2000.

Tournament Related Travel in 2000 ($ millions)			
	Low	**Best**	**High**
Tournament related travel	$328	$436	$784

[23] See: Woods, Lou (2000), "NE Florida Impact of the Tournament Players Championship." and Sheila Backman (2000), "The Impact on South Carolina of the MCI Classic Tournament."

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