The Florida Golf Economy

Full Report

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GOLF 20/20 VISION FOR THE FUTURE

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ACRONYMS

CMAA	Club Managers Association of America
FLCMAA	Florida Chapter of the Club Managers Association of America
FGCOA	Florida Golf Course Owners Association
FGCSA	Florida Golf Course Superintendents Association
FSGA	Florida State Golf Association
GAF	Golf Association of Florida
GCBAA	Golf Course Builders Association of America
GRAA	Golf Range Association of America
GCSAA	Golf Course Superintendents Association of America
HFTP	Hospitality & Financial Technology Professionals
LPGA	Ladies Professional Golf Association
NGCOA	National Golf Course Owners Association
NFPGA	North Florida Section of the Professional Golfers Association
PGA	Professional Golfers' Association of America
SFPGA	South Florida Section of the Professional Golfers Association
USGA	United States 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 Florida. With 1,128 courses and several championship golf events, golf in the "Sunshine State" is more than an enjoyable pastime—it is a key industry contributing to the vitality of Florida's economy. In 2007, the size of Florida's direct golf economy was approximately $7.5 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, Florida's golf industry generated approximately $13.8 billion of direct, indirect and induced economic output, $4.7 billion of wage income and over 167,000 jobs in 2007.

With $7.5 billion in direct annual revenues, the golf industry supports economic activity comparable to several other important industries in the state: amusement and theme parks ($4.0 billion), medical equipment and supplies manufacturing ($4.4 billion), agricultural products ($7.8 billion), and hotels and motels ($11.2 billion).[1]

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 Florida, to bring consistency to the industry measurement and reporting process. This report describes and analyzes Florida's golf industry including the revenues and economic impact generated by the industry. Such analysis will assist Florida's industry stakeholders[2] 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

[1] U.S. Department of Agriculture, Economic Research Service (2008), Florida: Leading Commodities for Cash Receipts, 2007. U.S. Census Bureau (2005), 2002 Economic Census, Geographic Series: Medical Equipment & Supplies Manufacturing (NAICS 3391), Amusement & Theme Parks (NAICS 71311), and Hotels (except casino hotels) & Motels (NAICS 72111). 2002 revenues adjusted to 2007 dollars using the GDP deflator.

[2] Key industry stakeholders comprising the Florida Golf Impact Task Force include representatives from the Florida Chapter of the Club Managers Association of America, Florida Golf Course Owners Association, the Florida Golf Course Superintendents Association, the Florida State Golf Association, the Golf Association of Florida, and the Florida Gulf Coast Chapter of the Hospitality & Financial Technology Professionals, and the North Florida and South Florida Sections of the PGA.

- Building credibility and recognition of the golf industry as a significant business sector and a driver of economic activity in the state.

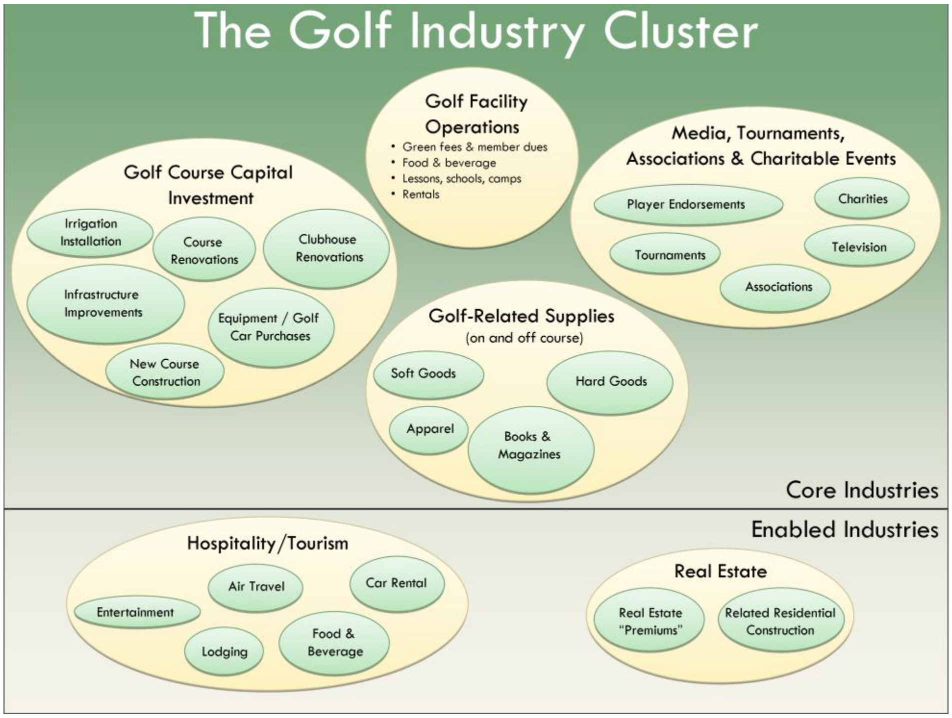
II. ANALYTICAL FRAMEWORK

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**
Golf Facility Operations		
# of golf course facilities by type	2008 PGA Facility Database (2007 data)	2002 Economic Census; state task force; 2008 NGF Facility Database
Avg. revenues by type of facility	2007 and 2008 PGA Facility Operations Survey (2006 and 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
Golf Course Capital Investments		
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 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
Golf-Related Supplies		
Golf-related manufacturing exports	Company annual reports; SEC filings; interviews	Company interviews; state task force
Golf equipment	National Sporting Goods Association (2007 data)	2006 PGA Compensation Survey (2005 data)
Golf apparel	National Sporting Goods Association (2007 data)	2006 PGA Compensation Survey (2005 data)
Golf media	Magazine Publishers of America for golf magazine sales; *Bowker Annual of Library and Book Trade Information* (2006 data)	Amazon and Barnes & Noble for top golf book sales
Major Tournaments		
# 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
Associations & Charitable Events		
# 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
Real Estate		
# 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**
Hospitality/Tourism		
# 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 FLORIDA'S GOLF ECONOMY

SRI estimates the total size of Florida's golf economy in 2007 was approximately $7.5 billion. This estimate is comprised of $4.4 billion in core industries and an additional $3.1 billion in enabled industries, as illustrated in the table below.

Size of Florida's Golf Economy in 2007 by Segment ($ million)	
Core Industries	
Golf Facility Operations	$3,449.4
Golf Course Construction and Capital Investment	$352.9
Golf-Related Supplies (retail margin and manufacturing exports)	$206.1
Major Golf Tournaments and Associations	$377.0
TOTAL CORE INDUSTRIES	***$4,385.4***
Enabled Industries	
Real Estate	$1,382.4
Hospitality/Tourism	$1,705.1
TOTAL ENABLED INDUSTRIES	***$3,087.5***
TOTAL GOLF ECONOMY	**$7,472.9**

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. Florida's 1,128 golf courses, 75 stand-alone ranges, and 84 miniature golf facilities generated over $3.4 billion of revenues in 2007.

Florida Golf Facility Revenues in 2007 ($ millions)	
Golf Facilities	**$3,387.8**
Practice Ranges & Alternative Facilities	**$61.6**
TOTAL[1]	**$3,449.4**

Note: [1] 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, Florida's golf facilities generate revenues comparable to all other spectator sports in the state combined—auto and horse racing, football, basketball, and baseball. Spectator sports excluding golf generated revenues of $1.8 billion in 2002, or $2.0 billion in 2007 inflation-adjusted dollars.[3]

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 Florida's golf course capital investment is divided into two segments: (1) capital investment at existing facilities and (2) new course construction. Together, Florida's golf facilities made $352.9 million worth of capital investments in 2007: $189.3 million of investments at existing facilities and $163.6 million for the construction of new courses. In 2007, NGF data indicate that Florida ranked first among all states in the country in 18-hole equivalent new course openings, indicating the continuing prominence, popularity and vitality of the game in the Sunshine State.[4]

Florida Golf Course Construction and Capital Investment in 2007 ($ millions)	
Golf Course Capital Investment[1]	$189.3
New Course Construction	$163.6
TOTAL	**$352.9**

Note: [1] 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.

[3] U.S. Census Bureau (2005). *Florida: 2002, 2002 Economic Census, Arts, Entertainment & Recreation Geographic Series*, April 2005.

[4] NGF data show that, nationally, total 18-hole equivalent golf course openings (new courses and expansions) fell from 220 in 2002 to 113 in 2007. In 2007, Florida ranked first in the country in new course openings with 19 new 18-hole equivalent openings, followed by California (8.5), Colorado (8.0), Virginia (5.5), and North Carolina (5). See Table 2: "State/Regional Openings in 18-hole Equivalents, 2007" in NGF (2008). *Golf Facilities in the U.S., 2008 edition*.

Golf-Related Supplies

In 2007, Florida golfers spent significant sums on golf balls, golf clubs, golf apparel, and golf instructional books and media. 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. Florida is home to a number of small producers of golf apparel, custom and high-end golf clubs, golf cars and golf accessories, e.g., Nicklaus Golf Equipment, Pole-Kat Golf, Diversified Golf Cars, etc. Florida is also home to Perry Ellis, the designer and producer of the Callaway®, PING®, PGA TOUR®, and other golf apparel brands, and *Golfweek* magazine, produced by Turnstile Publishing Company in Orlando, Florida. The value of products manufactured and sold in Florida 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, SRI includes these companies' value-added shipments in our analysis here.

In 2007, Florida manufacturers' total value-added shipment of golf-related products was approximately $28.5 million. On the retail side, Florida retailers and golf facilities earned approximately $177.6 million on the sale of $446.3 million of golf equipment, apparel, and media in 2007. In total, the Golfer Supplies segment contributed $206.1 million in revenues to the Florida economy.

Florida Manufacturers' Value-Added Exports of Golf-Related Products in 2007 ($ millions)	
TOTAL	**$28.5**

Florida Retailers' Net Revenues on Consumer Purchases of Golfer Supplies in 2007 ($ millions)		
	Total purchases	**Retail sales margin**
Golf Equipment (retail margin)	**$339.5**	**$135.1**
Golf Apparel (retail margin)	**$104.2**	**$41.5**
Golf Media (retail margin)	**$2.5**	**$1.0**
TOTAL	**$446.3**	**$177.6**

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 Florida. The national headquarters of The Professional Golfers' Association (PGA) of America, the PGA TOUR, the Ladies Professional Golf

Association (LPGA), the World Golf Foundation (WGF) and the Executive Women's Golf Association (EWGA) are located in Florida. State-level affiliates of the national golf associations include the North Florida and South Florida Sections of the PGA, the Golf Association of Florida, the Florida Golf Course Superintendents Association, the Florida Chapter of the Club Manager's Association of America, and the Florida Chapter of the National Golf Course Owners Association. Other golf associations include the Florida State Golf Association, the Florida Women's State Golf Association, and regional seniors and junior golf associations. Florida hosts multiple chapters of the The First Tee, a World Golf Foundation program which aims to introduce youth to the game and values of golf. In 2007, Florida golf associations generated well over $1 billion of revenues, and approximately $251.9 million of this economic activity stayed in Florida.

Major Tournaments

As one of the largest golf states, Florida hosted 20 major golf championships in 2007, including 11 PGA TOUR events, two LPGA Tour events, six Champions Tour events, and one Nationwide Tour event. Two of Florida's annual PGA TOUR events include the Players Championship held at TPC Sawgrass in Ponte Vedra Beach and the WGC-CA Championship, played since 2007 at the Blue Monster Course of the Doral Golf Resort & Spa in Doral. The PLAYERS Championship offers the largest prize of any golf tournament ($9 million in 2007). The WGC-CA Championship was won by Tiger Woods in 2007, and is one of three annual World Golf Championships. The Del Webb Father/Son Challenge at Champions Gate Golf Resort is an annual two-person Champions Tour golf tournament played by PGA TOUR and Champions Tour golfers and their sons for the Willie Park Trophy, in memory of the father and son British Open champions, Willie Park Sr. and Willie Park Jr. The ADT Championship at West Palm Beach, now the Stanford Financial Tour Championship, is the season-ending golf tournament for the LPGA Tour, offering a first prize of $1 million, the highest in women's golf. Altogether, golf events in Florida generated approximately $125.2 million in 2007, excluding the tournament purse, tournament expenses in other states, and costs for TV broadcasting.

Florida's Major Golf Tournaments & State Golf Association Revenues in 2007 ($ millions)	
Major tournaments	**$125.2**
Associations	**$251.9**
TOTAL	**$377.0**

Charitable Giving

Florida's golf industry is a top contributor to charitable organizations. All the major PGA TOUR, LPGA Tour, Champions Tour, and Nationwide Tour events that are played in Florida raise significant funds for charities and organizations. For example, the South Florida Golf Foundation partners with the WGC-CA Championship to donate over $15 million to local South Florida charities including Miami Children's Hospital, First Tee Miami, the Make-A-Wish Foundation, and Baptist Children's Hospital. Proceeds from the Children's Miracle Network Classic presented by Wal-Mart, a PGA TOUR event played at the Walt Disney World Resort, support more than 170 children's hospitals across North America. Another PGA TOUR event, the Honda Classic in Palm Beach Gardens, has donated over $16 million since 1972 to multiple youth-oriented charities including the Nicklaus Children's Health Care Foundation, the First Tee National School Program, Boy Scouts of America, and others. The ACE Group Classic, a Champions Tour event played in Naples, has donated over $2 million to various charities in the past 20 years, including the American Red Cross, the Alzheimer's Support Network, Big Brothers/Big Sisters Southwest Florida, and many others.

Additionally, numerous local golf events have raised substantial funds for local and national charities. A few examples of these local events include:

- The South Florida Section of the PGA's Republic Services Charity Pro-Am at Parkland Golf Club raised $55,000 in 2007 benefitting Jack and Jill Children's Center, the Boys and Girls Clubs of Broward County, and the South Florida PGA Charitable Foundation.
- The Southwest Chapter of this Section raised $100,000 through their Tournament of Charities benefitting numerous Southwest Florida charities and scholarship funds.
- FLCMAA's Seminole Region has raised over $1 million for Special Olympics since 2000 through their Annual Golf Tournament and Gala held at Boca West Country Club.
- Five of the FLCMAA regional events netted a collective $800,000 in 2007, which supported the families of fallen U.S. troops and military families impacted by the extended deployments through the U.S. Marines Welfare Fund and the Tee It Up For The Troops program.
- The Lexington Country Club in Fort Myers hosts an annual Charity Classic golf tournament which raised approximately $130,000 in 2007 for Barbara's Friends, the cancer fund for The Children's Hospital of Southwest Florida.
- The HFTP Florida Gulf Coast Chapter also sponsors a golf tournament which donates approximately $10,000 per year to Barbara's Friends.

Golf course owners, operators, and golf professionals 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 Florida to be $312.0 million in 2007.

Charitable Giving by Florida Golf Industry in 2007 ($ millions)	
TOTAL	**$312.0**

B. Enabled Industries

Real Estate

Real estate developers use amenities to attract new home buyers, and golf is a key amenity in Florida real estate developments. According to NGF data, Florida led the country in new golf facility openings in 2007, and many of these new facilities included a golf real estate component. Growth in the development of golf communities in Florida followed the rise in the national real estate market which peaked in 2005 in terms of new home starts and existing home sales.[5] In 2007, Florida experienced a significant decline in the number of total single family home starts, from over 200 million housing starts in 2005 to less than 50 million in 2007. This decline in new home starts continued in 2008 and 2009. While new golf home construction had decreased considerably in 2007, golf real estate developments still generated significant economic activity relative to 2009 through the construction of new single family homes and townhomes/villas.

For example, in 2007, large developments were underway at Heritage Bay in Naples, on the Southwest Florida coast; Venetian Bay in New Smyrna Beach, near Daytona; and Amelia National Golf and Country Club on Amelia Island, near Jacksonville. Examples of golf community developments elsewhere in the state include: the Bear's Club, a premier golf community centered around a signature Jack Nicklaus course in Jupiter (Palm Beach); the Club at Renaissance, a new golf community nestled around an 18-hole Arthur Hills golf course in Ft. Myers; and the Founders Club, a private golf community featuring a Robert Trent Jones, Jr., course in Sarasota.

New golf-related real estate construction generated $805.5 million in 2007. Furthermore, in 2007 there were more than 605 golf communities in Florida, and we estimate the "golf" premium associated with the sale of real estate in these developments to be $576.9 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.

Florida' Golf Real Estate Revenues in 2007 ($ millions)	
Golf-Related Residential Construction	**$805.5**
Realized Golf Premium	**$576.9**
TOTAL	**$1,382.4**

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.

[5] National Association of Realtors data.

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 Florida, golf is an important tourism segment, along-side trips to the beach, aquariums, theme parks and wetlands. Florida's golf resorts help the state attract conventions and business meetings, and both amateur and professional golf tournaments draw people to courses in different parts of the state. The state's "VISIT FLORIDA®" website features golf as a key recreational activity (http://visitflorida.com/golfing/). In 2007, SRI estimates golf-related tourism spending in Florida was $1.71 billion[6] ($1.57 billion from domestic visitors and $0.14 billion from international visitors). This is based on the following golf trip and associated expenditure data for Florida residents and non-residents: (1) an estimated 2.03 million *day* trips with average spending of $62 per day, (2) an estimated 3.17 million domestic *overnight* trips with average spending of $454 per trip, and (3) an estimated 0.29 million international *overnight* trips with average spending of $476 per trip. The average length of a domestic overnight trip in Florida is over five days, significantly longer than other states.

Florida's Golf-Related Travel Expenditures in 2007	
# of day trips	2,026,274
Average travel $ per day trip	$62.16
# of domestic overnight trips	3,169,300
Average travel $ per domestic overnight trip	$454.10
# of international overnight trips	293,904
Average travel $ per international overnight trip	$476.18
Total	**$1.71 billion**

[6] SRI's estimate of $1.71 billion in total golf-related tourism spending in Florida in 2007 differs from previous estimates of $4.0 billion in golf visitor spending in 2004 (The Washington Economics Group, Inc., *The Economic Impact of Sports and Recreation Activities in Florida*, prepared for the Florida Sports Foundation, Inc., 2005) and $5.4 billion in direct golf visitor spending in 2000 (John Haydu and Alan Hodges, *Economic Dimensions of the Florida Golf Course Industry*, University of Florida Institute for Food and Agricultural Sciences, 2002). This discrepancy is due to methodological and data source differences; SRI's estimates are derived from VISIT FLORIDA® Research data, while the other two studies utilize National Golf Foundation and other survey data.

IV. GOLF'S ECONOMIC IMPACT IN FLORIDA

Golf's impact on the Florida 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 $7.5 billion Florida golf industry supported:

- A total economic impact of $13.8 billion for the state of Florida including the indirect and induced economic impacts stimulated by golf sector activity;
- A total impact of nearly 167,377 jobs; and
- Total wage income of $4.7 billion.

Golf's Impact on Florida's Economy						
Industry	Direct	Indirect	Induced	TOTAL OUTPUT ($ million)	TOTAL JOBS	TOTAL WAGE INCOME ($ million)
Golf Facility Operations	$3,449.4			$6,904.6	85,932	$2,367.3
Golf Course Capital Investment*	$352.9			$365.8	3,255	$121.6
Golf-Related Supplies	$206.1			$410.4	4,311	$126.3
Tournaments & Associations	$377.0			$849.3	9,596	$297.7
Real Estate **	$1,382.4			$1,800.6	16,024	$598.8
Hospitality/Tourism	$1,705.1			$3,487.0	48,259	$1,171.8
TOTAL	**$7,472.9**			**$13,817.7**	**167,377**	**$4,683.5**

Note: Economic impact is calculated on $6,706.7 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 ($163.6 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 ($805.5 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[7]; 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 Florida in 2007 or the latest available year.

Estimates of Florida Golf Facilities from Various Sources, 2002-2007

	2002 Census (# of facilities minus resorts & municipal)[1]	2007 PGA (# of facilities)[2]	2007 NGF (# of facilities)[3]	2007 NGF (# of 18-hole equivalent courses)[3]
PRIVATE	**134**	**429**	**415**	**511.5**
PUBLIC	**500**	**637**	**574**	**606**
Daily fee/ semi-private		494		
Municipal		143		
Military				
University				
RESORT		**53**	**71**	**94**
TOTAL	**634**	**1,119**	**1,060**	**1,211.5**

Sources: [1] U.S. Census Bureau, *2002 Economic Census*.
[2] Professional Golfers' Association of America (2008). *Facility Database*.

[7] However, on-course merchandise sales are subtracted from facility revenue, because on-course merchandise sales are included in the Golfer Supplies industry segment.

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

The facility number totals from the two organizations fall within an extremely narrow range, PGA's 1,119 golf facilities versus NGF's 1,060 facilities. After analysis of the different golf facility numbers, SRI used the PGA's facility numbers as the basis for our assessment, with the exception of resorts. Because of the larger range between NGF's and PGA's count of golf resorts, SRI used an average of these two estimates, 62, after consultation with the Florida Golf Impact Task Force.

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[8] 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.

[8] The most recent Economic Census is the 2007 Economic Census, but state-level data on golf facilities will not be publicly available until 2010.

Estimates of Florida Average Revenue per Facility Data From Different Sources, 2002-2007			
	Census (2002)[1]	PGA (2007)[2]	NGF (2005)[4,5]
Private facility	$4,616,701	$4,636,880[3]	$3,564,339
Daily fee facility	$2,039,740	$2,208,575	$2,152,883
Resort facility	X	$4,659,208	X
Municipal/military/university facility	X	$1,908,777	X
Driving range	X	X	$350,000
Miniature golf	$358,738	X	X

Sources: [1] U.S. Census Bureau, *2002 Economic Census*.
[2] Professional Golfers' Association of America (2008). *Operations Survey*.
[3] The private facility estimate is a weighted average of the *2007 Clubs: Florida Trends in Private Clubs* survey (McGladrey & Pullen, LLP, 2008) estimate for private clubs with concessioned pro shops ($5,678,000) and the PGA estimate for private facilities ($3,933,311).
[4] NGF (2006). *Operating & Financial Performance Profiles of 18-hole Golf Facilities in the U.S., 2006 edition*.
[5] Golf Range Association of America (2007).

Average revenue data from the Census (2002), PGA (2007) and NGF (2005) are presented above. Note that NGF's average revenue figure for private facilities is a national average, not a Florida average, and the NGF average revenue figure for daily fee facilities is a Sunbelt regional average. The Census revenue data is typically lower than the PGA data because of the five year time lag. In the case of Florida private golf facilities, the Census's average private facility figure ($4,616,701 in 2002) is higher than the PGA's ($3,933,311 in 2007), and expressed in 2007 dollars the Census figure would be even higher: $5,309,248.

In consultation with the Florida Golf Impact Task Force, SRI calculated total traditional facility revenues using PGA average revenue data for daily fee facilities, municipal/military/university facilities, and resorts. The final private facility revenue estimate ($4,636,880) was recalculated as a weighted average using data from both the PGA survey and the *2007 Clubs: Florida Trends in Private Clubs* (McGladrey & Pullen, LLP).[9] Driving range revenues were calculated using the Golf Range Association of America's estimate of average revenue figure for golf ranges in 2006, and miniature golf facilities were calculated using Census (2002) data. SRI adjusted the Census data for inflation over the 2002-2007 period using the GDP deflator.

2007 Golf Facility Operations Revenues		
Facility type	Calculation	Estimate
Private facilities	Average revenue[1]	$4,448,694
	Number of facilities	429
	Total revenue [1]	**$1,908,489,579**

[9] The *2007 Clubs: Florida Trends in Private Clubs* survey by McGladrey & Pullen, LLP found average operations revenue for private clubs with concessioned pro shops of $5,678,000.

2007 Golf Facility Operations Revenues		
Facility type	**Calculation**	**Estimate**
Daily fee/semi-private facilities	Average revenue[1]	$1,998,357
	Number of facilities	494
	Total revenue [2]	**$987,188,352**
Municipal/military/university facilities	Average revenue[1]	$1,756,576
	Number of facilities	143
	Total revenue [4]	**$251,190,321**
Resort facilities	Average revenue[1]	$3,885,233
	Number of facilities	62
	Total revenue [3]	**$240,884,468**
Driving ranges	Average revenue	$350,000
	Number of facilities	75
	Total revenue	**$26,250,000**
	Adjusted for inflation [5][2]	**$26,956,443**
Miniature golf facilities	Average revenue	$358,738
	Number of facilities	84
	Total revenue	**$30,133,992**
	Adjusted for inflation [6][2]	**$34,654,366**
TOTAL	**Sum [1] to [6]**	**$3,449,363,529**

Note: [1] 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. [2] 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*. Driving range average revenue data from the Golf Range Association of America (2007). 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.

Florida Golf Course Construction and Capital Investment in 2007 ($ millions)	
Golf Course Capital Investment[1]	$189.3
New Course Construction	$163.6
TOTAL	**$352.9**

Note: [1] 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 Florida capital investment calculations. We estimated average facility investments in Florida using the known distribution and type characteristics of facilities in the state. (See preceding section on number of facilities for sources.) SRI's calculations imply that Florida's public golf courses invested an average of $150,954, and Florida's private facilities invested an average of $217,680 in 2007, for a total capital investment of $189.3 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 19.0 new 18-hole equivalent golf courses opened in Florida and that 21.5 were under construction.

An estimate for the average investment for each new golf course in Florida 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 Coastal Lowlands 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 Florida is $8.1 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 21.5 courses under construction in 2007 and the 19.0 new openings invest an average of $4.0 million each, for a total of $163.6 million.

C. Golf-Related Supplies

This section explains our methodology for calculating Florida manufacturers' exports of golf club components, golf swing trainers, golf umbrellas and other golf accessories used by golfers. 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. 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.

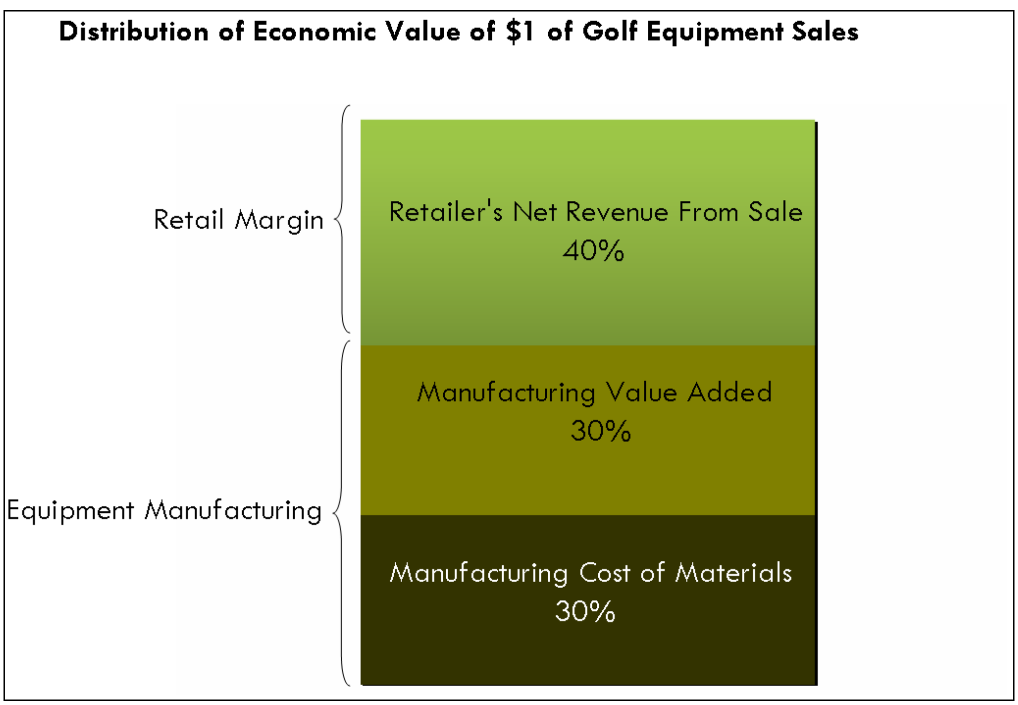
SRI began by working with the Florida Golf Impact Task Force to identify major manufacturers of golf-related products in the state. We identified a small number of companies designing and manufacturing golf apparel, custom and high-end golf clubs, golf cars, and golf accessories in Florida—e.g., Perry Ellis, Nicklaus Golf Equipment, Pole-Kat Golf, Diversified Golf Cars, etc. We then conducted research on these companies to ascertain: (1) if they had production facilities in Florida, (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*.

Florida Manufacturers' Value-Added Exports of Golf-Related Products in 2007 ($ millions)	
TOTAL	**$28.5**

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 South Atlantic region accounted for 29.0% of these purchases, or $178.6 million. Within the South Atlantic region, one can estimate Florida's 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. Florida represents 37.6% of total 18-hole equivalent courses in the South Atlantic region, so this weight was applied to the region total ($178.6 million) to estimate $67.2 million of individual golf club sales in the state of Florida in 2007. Further, retail margins on final sales suggest that 39.8%, or $26.7 million, of total sales was retained in the Florida economy. (See graphic below.)



Florida's On-Course and Off-Course Golf Equipment & Apparel Purchases, 2007		
Category	**Calculation**	**Estimate ($ million)**
Golf club sets	South Atlantic region's sales	$349.1
	FL's courses-based weight	37.6%
	FL's share of sales [1]	**$131.4**
Golf apparel	South Atlantic region's sales	$277.0
	FL's courses-based weight	37.6%
	FL's share of sales, [2]	**$104.2**
Golf balls	South Atlantic region's sales	$263.6
	FL's courses-based weight	37.6%
	FL's share of sales, [3]	**$99.2**
Golf clubs	South Atlantic region's sales	$178.6
	FL's courses-based weight	37.6%
	FL's share of sales, [4]	**$67.2**
Golf bags	South Atlantic region's sales	$59.8
	FL's courses-based weight	37.6%
	FL's share of sales, [5]	**$22.5**
Golf shoes	South Atlantic region's sales	$51.2
	FL's courses-based weight	37.6%
	FL's share of sales, [6]	**$19.3**
TOTAL	**Sum of [1] to [6]**	**$443.8**
Retail sales margin	**Multiply TOTAL by 39.8%**	**$176.6**

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. *Golfweek* magazine is published by Turnstile Publishing Company in Orlando. Since magazine publishing is classified as part of the manufacturing sector, SRI included *Golfweek's* revenues in the "Manufacturing" section above. 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. SRI 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 $2,517,000 with a retail sales margin of $1,002,000. 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 Florida, 2007	
Category	**Estimate**
Florida retail book sales[1]	**$599,389,352**
Golf books as % of total book sales	**0.4%**
Total retail golf book sales	**$2,517,435**
Retail sales margin	**$1,001,939**

Note: [1]Adjusted for inflation into 2007 dollars using the appropriate GDP deflator.
Sources: Florida 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.

Florida Retailers' Net Revenues on Consumer Purchases of Golfer Supplies in 2006 ($ millions)		
	Total purchases	**Retail sales margin**
Golf Equipment (retail margin)	**$339.5**	**$135.1**
Golf Apparel (retail margin)	**$104.2**	**$41.5**
Golf Media (retail margin)	**$2.5**	**$1.0**
TOTAL	**$446.3**	**$177.6**

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 worked with the Florida Golf Impact Task Force to collect revenue data for the largest state or regional golf organizations. These included The Professional Golfers' Association (PGA) of America, the PGA TOUR, the Ladies Professional Golf Association (LPGA), the World Golf Foundation (WGF), the Executive Women's Golf Association (EWGA), North Florida and South Florida Sections of the PGA, the Golf Association of Florida, the Florida Golf Course Superintendents Association, the Florida Chapter of the Club Manager's Association of America, the Florida Chapter of the National Golf Course Owners Association, Florida State Golf Association, and the Florida Women's State Golf Association, as well as multiple chapters of junior golf associations, The First Tee, and other allied organizations.

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

Florida's Major Golf Tournaments & State Golf Association Revenues in 2007 ($ millions)	
Major tournaments	**$125.2**
Associations	**$251.9**
TOTAL	**$377.0**

Charitable Events. Overall, SRI estimates that the amount of charitable giving attributed to the game of golf in Florida to be $312.0 million in 2007.[10] This estimate is derived from a national study[11] 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 Florida Golf Industry in 2007 ($ millions)	
TOTAL	**$312.0**

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.

Florida's Golf Real Estate Revenues in 2007 ($ millions)	
Golf-Related Residential Construction	**$805.5**
Realized Golf Premium	**$576.9**
TOTAL	**$1,382.4**

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 Florida 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

[10] SRI based its calculation on the number of rounds played in Florida in 2006, and adjusted the figures for inflation based on the CPI inflation rate, cross-referenced with the rate of increase in charitable giving in the United States during this period.

[11] National Golf Foundation (2002). *The Charitable Impact Report,* November 2002.

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 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 37 golf communities were under development, to varying degrees, in Florida in 2007. Developments ranged from the 3,500-unit TPC at Wakefield Plantation development in Raleigh to the 320-unit Club at Longview development. In 2007, an average of 40 single family homes and 28 townhouses/villas were constructed per course. These new homes had a weighted average construction cost of $476,000 for single family homes and $215,000 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 $805.5 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.[12] Multiplying the approximately 605 existing Florida golf communities by 1,122, the average number of housing units per golf course, we arrive at a total of 678,690 golf community homes. In 2007, the home turnover rate (percentage of homes sold relative to the total housing stock) was 3.4 percent in Florida. 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 Florida's golf real estate premium was $576.9 million in 2007.

F. Hospitality/Tourism

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. SRI defines a "golf trip" as a trip in which a Florida resident or non-resident travels 50-plus miles to, through, or within the state and plays golf while on this trip. This includes visitors who make "day trips," as well as overnight trips. In 2007, VISIT FLORIDA®, the State of Florida's tourism promotion agency, estimated that approximately 77.3

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[12] The $25,000 average premium estimate is based on interviews with real estate developers. This is in line with the 2000 finding that "residential property located near a golf course had a total valuation that was $19,954 [$23,908 in 2007 inflation-adjusted dollars] greater than residential properties not near golf courses" (University of Florida Institute for Food and Agricultural Sciences, *Golf – A Major Economic Player in Florida*, 2002, https://www.communicationsmgr.com/projects/1349/docs/EconImpactExecSum2.pdf)

million *domestic*, overnight visitors came to Florida, and that 4.1 percent of those visitors played golf while on a trip.[13] In addition, VISIT FLORIDA® estimated that approximately 7.2 million *international*, overnight visitors came to Florida in 2007, and SRI made a conservative assumption that 4.1 percent of those visitors played golf while on a trip.[14]

To estimate the number of Florida *day* trips, SRI used Global Insight tourist survey data on the breakdown between overnight and day trips for Palm Beach County, Florida. This survey data indicated that day trips accounted for 39 percent of total trips and domestic overnight trips accounted for 61 percent of total trips in 2004.[15] While the share of overnight trips is relatively higher than one might find in other states, the length of visitor trips to Florida (5.3 days) tend to be significantly longer than visitor trips to other states (2-3 days, on average), so it is reasonable to assume that Florida would also have a higher ratio of overnight to day trips.[16] For comparison, recent surveys find that day trips accounted for 50.3 percent of total trips in Texas and 52.1 percent of total trips in North Carolina. Based on the Palm Beach County survey data, SRI estimates there were approximately 49.4 million Florida day trips in 2007.

The VISIT FLORIDA® survey data indicates there were 3,169,300 domestic overnight golf trips (4.1 percent of the 77.3 million total domestic overnight trips) and 293,904 international overnight golf trips (4.1 percent of the 7.2 million total international overnight trips) made in 2007. Assuming the number of day trips at the state level is similar to that for Palm Beach County, SRI estimates the number of Florida golf day trips made in 2007 was 2,026,000 (or 4.1 percent of the estimated 49.4 million Florida day trips).

Therefore, SRI estimates approximately 5,489,478 total golf trips (day and overnight trips) were made in 2007. This figure includes trips to Florida golf resort destinations (of which Florida has 62), 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 many professional and amateur golf

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[13] VISIT FLORIDA® Research. http://media.visitflorida.org/research.php Note that a visitor is considered a unique trip / "person-stay." VISIT FLORIDA® only tracks overnight visitors because this is their largest and primary audience.

[14] VISIT FLORIDA® Research reported 4.683 million non-Canadian overseas visitors and 2.485 million Canadian visitors to Florida in 2007, totaling 7.168 million international visitors. 7.6% of the non-Canadian overseas visitors reported playing either golf and/or tennis during their trip, so SRI's assumption that 4.1% of international visitors played golf while on a trip falls in line with that statistic. http://media.visitflorida.org/research.php

[15] Global Insight in partnership with D.K. Shifflet & Associates. *City Tourism Impact: The Economic Impact of Travel & Tourism in Palm Beach County, Florida (2004),* September 2005, p. 6. http://www.pbcgov.com/touristdevelopment/pdf/PalmBeachCountyCTI.pdf

[16] Compared to Florida's average length of stay of 5.3 days for domestic, overnight, out-of-state visitors, the average length of stay for overnight visitors tends to range from 2 to 3+ days in other states, e.g., 2.1 days in Texas (2007), 2.81 nights in California (2006), 3.0 nights in North Carolina (2005), 3.7 days in Illinois (2007), and 3.9 days in Massachusetts (2004), and in New York, 87% of overnight visitors stay 1-3 days (2006).

tournaments played annually in Florida. For example, in 2007 an estimated 206,000 spectators turned out to watch the PGA TOUR Players Championship held in Ponte Vedra Beach, which offers the highest prize fund of any golf tournament ($9 million in 2007).[17,18]

Florida's 5,489,478 total golf trips seem plausible given the PGA of America's estimate of 40.2 million rounds played in Florida in 2005. This translates into approximately 13.6 percent of total rounds played on Florida courses being played by golfers from other parts of Florida or from out of the state.

Average spending per golf trip. SRI estimated that average spending per golf trip in Florida in 2007 was $62 per day trip, $454 per domestic overnight trip, and $476 per international 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 *day* 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[19] and adjusted average trip spending based upon relative price levels in Florida vis-à-vis the rest of the country.

To estimate average domestic *overnight* golf trip expenditure, we attributed 60 percent of the average trip expenditure ($756.84)[20] for domestic, overnight, out-of-state visitors in 2007 to golf ($454.10).[21] Unfortunately, no data is collected specifically on spending by golf travelers.

[17] Tom Stevens, Alan Hodges and David Mulkey. University of Florida, Institute of Food and Agricultural Sciences, Food and Resource Economics Department. *Economic Impact of THE PLAYERS Championship Golf Tournament at Ponte Vedra Beach, Florida, May 2007*. October 2, 2007, p. 3. http://www.economicimpact.ifas.ufl.edu/publications/PGA%20Players%20Championship%2007.pdf

[18] Twenty major golf championships were played in Florida in 2007, including eleven PGA TOUR events, six Champions Tour events, one Nationwide Tour event, and two LPGA events. These tournaments attract thousands of spectators from across the state, country and internationally. For example, approximately 110,000 spectators turn out for the PGA TOUR WGC-CA Championship in Miami, and 83,500 spectators turned out for the 2007 PGA TOUR Honda Classic in Palm Beach Gardens. See https://svrnsweb1.pgatourhq.com/Tour/WebTemplate/media.nsf/2c47cc31e412bc4985256e6e00287832/cb65894420d3b59e85257556004e55fe/$FILE/ATTMQERC/R4-notes-p.pdf and http://www.palmbeachpost.com/business/content/local_news/epaper/2009/03/31/0331hondanumbers.html

[19] 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.

[20] VISIT FLORIDA® Research. http://media.visitflorida.org/research.php SRI calculated the average trip expenditure ($756.84) by multiplying the average length of stay (5.3 days) by the average trip expenditure per person per day ($142.80) as reported by VISIT FLORIDA® for domestic, overnight, out-of-state visitors in 2007.

[21] The average domestic golf overnight trip expenditure of $454.10 in 2007 estimated by SRI is comparable to the $435.78 travel-related spending estimate per golf trip in 2004 estimated by The Washington Economics Group, Inc. (*The Economic Impact of Sports and Recreation Activities in Florida*, prepared for the Florida Sports Foundation, Inc., 2005).

Tourism is a primary industry in Florida, and there are multiple attractions drawing visitors to the State in addition to golf. Therefore, there is a high likelihood that visitors to Florida who report playing golf may also spend time at Florida's theme parks, beaches, and other attractions, especially since the average length of stay for domestic overnight visitors in Florida is 5.3 days, significantly longer than for other states. Based on the approximate length of golf-related trips in other states (2-3 days) relative to the 5.3-day average stay in Florida, SRI attributed roughly 60 percent of the trip duration and associated trip expenditure for domestic, overnight, out-of-state visitors to golf.

Similarly, to estimate average international *overnight* golf trip expenditure, SRI attributed 30 percent of the average expenditure ($1,587.25) for international, overnight visitors in 2007 to golf ($476.18).[22] The average length of stay for an international visitor in Florida is 13.2 days.[23] Based on the approximate length of golf-related trips in other states (2-3 days) relative to the 13.2-day average stay in Florida, SRI attributed roughly 30 percent of the trip duration and associated trip expenditure for international, overnight visitors to golf.

Multiplying the total number of golf trips (day, domestic overnight, and international overnight) by average spending per golf trip (day, domestic overnight, and international overnight), SRI found that golf-related tourism spending in Florida was approximately $126.0 million for golf *day* trips, $1,439.2 million for domestic *overnight* golf trips, and $140.0 million for international *overnight* golf trips, totaling $1.71 billion.

Florida's Golf-Related Travel Expenditures in 2007	
# Golf person day trips	2,026,274
Average travel $ per person per day trip	$62.16
# of domestic overnight trips	3,169,300
Average travel $ per domestic overnight trip	$454.10
# of international overnight trips	293,904
Average travel $ per international overnight trip	$476.18
Total	**$1.71 billion**

[22] VISIT FLORIDA® Research reported that the average trip expenditure for non-Canadian overseas visitors was $1886.00, and the average trip expenditure for Canadian visitors was $1,024.35. SRI then calculated a weighted average of $1,587.25 for the average trip expenditure for all international visitors. http://media.visitflorida.org/research.php

[23] VISIT FLORIDA® Research reported that the average length of stay for non-Canadian overseas visitors was 11.1 days, and the average length of stay for Canadian visitors was 17.2 days. SRI then calculated a weighted average of 13.2 days for the average length of stay for all international visitors. http://media.visitflorida.org/research.php

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 Florida's golf economy.

Golf's Impact on Florida's Economy						
Industry	**Direct**	**Indirect**	**Induced**	**TOTAL OUTPUT ($ million)**	**TOTAL JOBS**	**TOTAL WAGE INCOME ($ million)**
Golf Facility Operations	$3,449.4	→	→	$6,904.6	85,932	$2,367.3
Golf Course Capital Investment*	$352.9	→	→	$365.8	3,255	$121.6
Golf-Related Supplies	$206.1	→	→	$410.4	4,311	$126.3
Tournaments & Associations	$377.0	→	→	$849.3	9,596	$297.7
Real Estate **	$1,382.4	→	→	$1,800.6	16,024	$598.8
Hospitality/Tourism	$1,705.1	→	→	$3,487.0	48,259	$1,171.8
TOTAL	**$7,472.9**	→	→	**$13,817.7**	**167,377**	**$4,683.5**

Note: Economic impact is calculated on $6,706.7 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 ($163.6 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 ($805.5 million) is included.

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