



THE NORTH CAROLINA GOLF ECONOMY

SUMMARY REPORT

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



Impact

North Carolina's golf industry generated a total economic impact of \$5.3 billion in 2007, supporting nearly 69,000 jobs with wage income of \$1.7 billion.

North Carolina Golf's Economic Impact

With 558 courses, 30 golf resorts, and several championship golf events, golf in the Tar Heel State is more than an enjoyable pastime—it is a key industry contributing to the vitality of North Carolina's economy.

In 2007, the size of North Carolina's direct golf economy was approximately \$2.6 billion. This is comparable to revenues generated by key industries in the state, such as scientific R&D services (\$2.5 billion), agricultural crops (\$2.9 billion), and semiconductor and other electronic components manufacturing (\$2.9 billion).

Golf brings visitors to the state, spurs new residential construction, generates retail sales, and creates demand for a myriad of goods and services. **In 2007, North Carolina's golf industry generated a total economic impact of \$5.3 billion, supporting nearly 69,000 jobs with \$1.7 billion of wage income.**

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

Golf's Impact on North Carolina's Economy (2007)

Industry	Direct (\$ M)	Indirect	Induced	Total Output (\$ M)	Total Jobs	Total Wage Income (\$ M)
Golf Facility Operations	\$1,030.8			\$2,155.7	32,734	\$714.2
Golf Course Capital Investments*	\$153.2			\$223.1	2,115	\$69.6
Golfer Supplies	\$158.4			\$343.6	2,836	\$86.7
Tournaments & Associations	\$35.8			\$82.8	1,124	\$32.1
Real Estate **	\$740.4			\$1,402.2	13,292	\$437.1
Hospitality / Tourism	\$507.8			\$1,096.3	16,566	\$355.8
TOTAL	\$2,626.4			\$5,303.7	68,667	\$1,695.5

Note: Economic impact is calculated on \$2,395.7 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 (\$91.0 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 (\$571.9 million) is included.



Industries

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

Core Industries

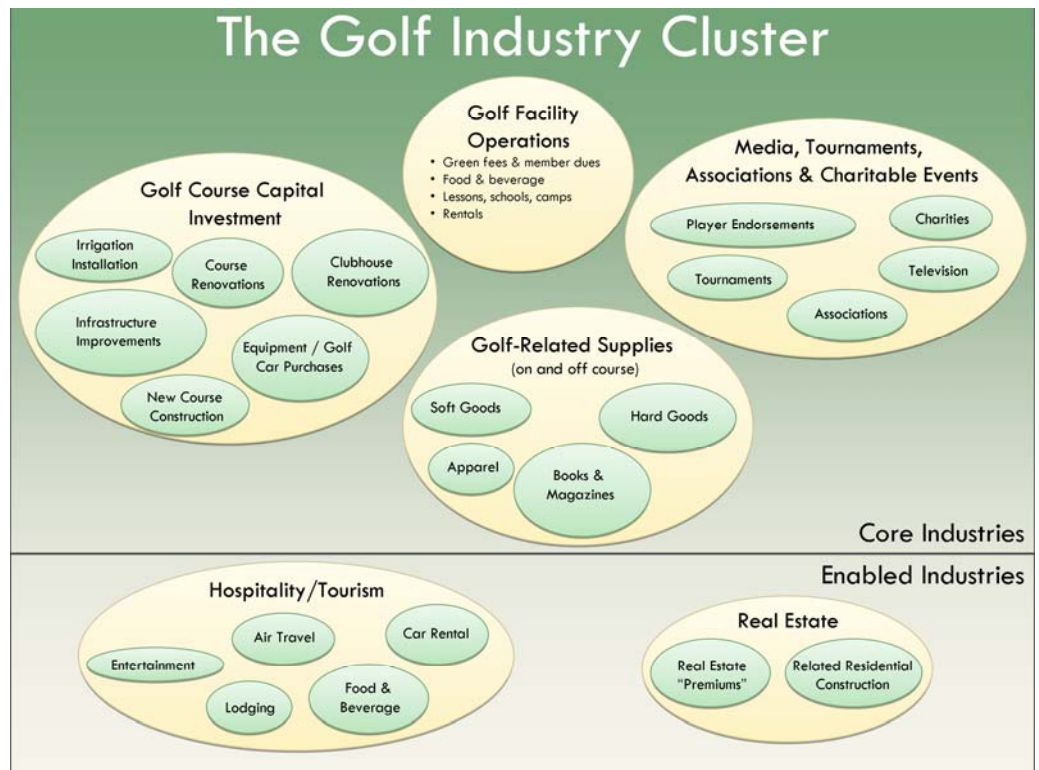
Golf Facility Operations: North Carolina's 558 golf courses, 47 stand-alone ranges, and 58 miniature golf facilities generated over \$1.0 billion of revenues in 2007. This amount is comparable to the combined revenues of all other major spectator sports—auto racing, football, basketball, baseball, and soccer.

Golf Course Capital Investments: North Carolina golf facilities made \$153.2 million of capital investments in 2007: \$62.2 million in existing facilities and \$91.0 million in the construction of new courses.

Golfer Supplies: Out-of-state shipments by North Carolina manufacturers (Golf Pride, Jacobsen, John Deere, Peter Millar, etc.) of

golf grips, turf maintenance equipment, golf apparel, and other products were approximately \$76.8 million in 2007. In addition, the margin made on state retail sales of golf equipment, apparel, and media totaled \$81.6 million.

Major Tournaments and Associations: North Carolina hosted 5 professional golf championships in 2007, including two PGA TOUR events, two Champions Tour events, and one Nationwide Tour event. In 2007, these events generated \$31.9 million, excluding the tournament purse and costs for TV broadcasting. State golf associations generated \$3.9 million in revenues.



Enabled Industries

Golf Real Estate: Driven by strong population and economic growth, new golf-related real estate construction in North Carolina totaled \$571.9 million in 2007. The estimated "golf premium" on home sales in existing golf community developments was \$168.5 million.

Hospitality/Tourism: SRI estimates that North Carolina's 30 golf resorts and other premier facilities spurred \$507.8 million of golf-related tourism spending in 2007.



Future

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

Size of the North Carolina Golf Economy in Comparison to Other Industries, 2007 (\$ billion)

Scientific R&D Services	\$2.5
Golf	\$2.6
Agricultural Crops	\$2.9
Semiconductor and Other Electronic Components Manufacturing	\$2.9

Source for non-golf data: U.S. Department of Agriculture, Economic Research Service (2008), North Carolina: Leading Commodities for Cash Receipts, 2007. U.S. Census Bureau (2005), 2002 Economic Census, Geographic Series: Scientific R&D Services (NAICS 5417) and Semiconductor and Other Electronic Components Manufacturing (NAICS 3344). 2002 revenues adjusted to 2007 dollars using the GDP deflator.

- The importance of golf in North Carolina extends beyond the golf facilities themselves. With \$2.6 billion of direct economic activity in 2007, the sheer size of the game of golf makes it a major industry in its own right and a significant contributor to the North Carolina economy.
- North Carolina's golf industry is comparable in size to other important industries in the state, including scientific R&D services, agricultural crops, and semiconductor and other electronic components manufacturing.
- In 2007, golf facilities represented the largest golf industry segment in terms of revenue, followed by golf real estate, and golf-related tourism.

North Carolina Golf Gives Back

- North Carolina golf course owners, operators, and golf professionals are happy to serve as access points for fundraising by local service organizations.
- Numerous charitable events are hosted on North Carolina's golf courses each year, benefiting organizations, such as Teach for America, the Autism Society of North Carolina, the MacKay Foundation for Cancer Research, and the Crosby Scholars Community Partnership.
- Many not-for-profit youth organizations, such as The First Tee, introduce thousands of North Carolina youths to the game and values of golf.
- The total amount of charitable giving attributed to the game of golf in North Carolina exceeded \$132.4 million in 2007.

The full version of The North Carolina Golf Economy report is available at:
<http://www.golf2020.com>

