

# THE CALIFORNIA GOLF ECONOMY

## SUMMARY REPORT

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



## Impact

California's golf industry generated a total economic impact of \$15.1 billion in 2006, supporting nearly 160,000 jobs with wage income of \$4.8 billion.

# California Golf's Economic Impact

With 3 million golfers, 926 courses, and a large number of annual golf events, golf in the Golden State is more than an enjoyable pastime—it is a key industry contributing to the vitality of California's economy.

In 2006, the size of California's direct golf economy was approximately \$6.9 billion. This is comparable to revenues generated by important industries in the state, such as biotechnology-focused research and development (\$4.6 billion), wineries (\$8.2 billion), and semiconductor and related device manufacturing (\$10.9 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 2006, California's golf industry generated a total economic impact of \$15.1 billion, supporting nearly 160,000 jobs with \$4.8 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 California's communities and industries.

### Multiplier Impacts on California's Economy (2006)

Industry	Direct (\$ M)	Indirect	Induced	Total Output (\$ M)	Total Jobs	Total Wage Income (\$ M)
<b>Golf Facility Operations</b>	\$2,846.3			\$6,466.8	76,748	\$2,170.9
<b>Golf Course Capital Investments*</b>	\$325.3			\$415.1	3,343	\$134.7
<b>Golfer Supplies</b>	\$951.8			\$2,228.1	14,480	\$572.1
<b>Tournaments &amp; Associations</b>	\$137.2			\$351.7	4,249	\$131.7
<b>Real Estate **</b>	\$1,365.2			\$2,600.8	20,942	\$843.8
<b>Hospitality / Tourism</b>	\$1,245.3			\$3,039.8	40,230	\$984.4
<b>TOTAL</b>	<b>\$6,871.1</b>			<b>\$15,102.3</b>	<b>159,992</b>	<b>\$4,837.6</b>

Note: Economic impact is calculated on \$6,369.2 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 (\$1,025.0 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

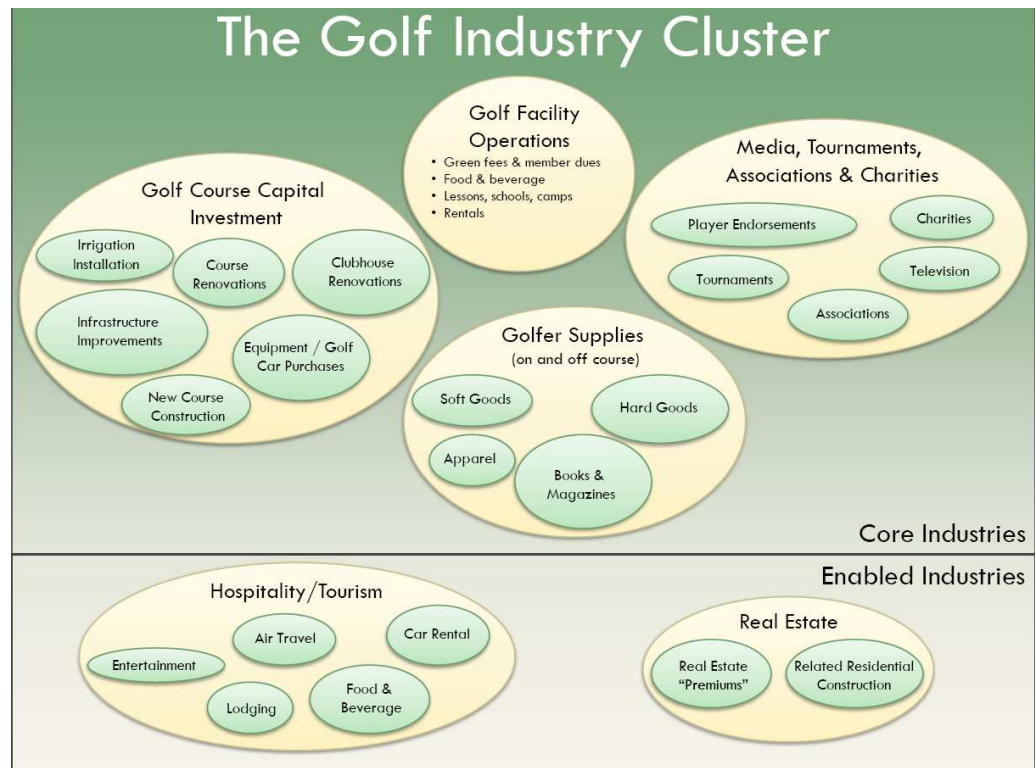
**Golf Facility Operations:** California's 926 golf courses, 109 stand-alone ranges, and 73 miniature golf facilities generated \$2.8 billion of revenues in 2006. This amount is comparable to the combined revenues of all other major spectator sports—football, baseball, basketball, and soccer.

**Golf Course Capital Investments:** California golf facilities made \$325.3 million of capital investments in 2006: \$161.7 million in existing facilities and \$163.6 million in the construction of new courses.

**Golfer Supplies:** Out-of-state shipments by California manufacturers (Acushnet, Ashworth, Callaway Golf, Cleveland Golf, TaylorMade-adidas Golf, etc.) of golf clubs,

golf apparel, and other products were approximately \$794.8 million in 2006. In addition, the margin made on state retail sales of golf equipment, apparel, and media totaled \$157.0 million.

**Major Tournaments and Associations:** As one of the largest golf states, California hosted 16 professional golf championships in 2006, including seven PGA TOUR, three LPGA Tour, four Champions Tour, and two Nationwide Tour events. In 2006, these events generated \$95.8 million, excluding the tournament purse and costs for TV broadcasting. State golf associations generated \$41.4 million in 2006 revenues.



## Enabled Industries

**Golf Real Estate:** New golf-related real estate construction generated \$1.0 billion in 2006 and the estimated "golf premium" on sales in existing golf community developments was \$340.2 million.

**Hospitality/Tourism:** In 2006, SRI estimates golf-related tourism spending in California was \$1.2 billion.



## 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 California's communities and industries.

### Size of the California Golf Economy in Comparison to Other Industries, 2006 (\$ billion)

Biotechnology Research and Development Services	\$4.6
<b>Golf</b>	<b>\$6.9</b>
Wineries	\$8.2
Semiconductor and Related Device Manufacturing	\$10.9

Source for non-golf data: U.S. Census Bureau (2005), 2002 Economic Census, Geographic Series: Research and Development in Biotechnology (NAICS 54171023), Wineries (NAICS 31213), and Semiconductor and Related Device Manufacturing (NAICS 334413). 2002 revenues adjusted to 2006 dollars using the GDP deflator.

- The importance of golf in California extends beyond the golf facilities themselves. With \$6.9 billion of direct economic activity in 2006, the sheer size of the game of golf makes it a major industry in its own right and a significant contributor to the California economy.
- California's golf industry is larger than biotechnology research and development services, and comparable in size to other important industries in the state, including wineries and semiconductor and related device manufacturing.
- In 2006, golf facilities represented the largest golf industry segment in terms of revenue, followed by golf real estate, and golf-related tourism.

### California Golf Gives Back

- California golf course owners, operators, and golf professionals continue to serve as access points for fundraising by local service organizations.
- Numerous charitable events are hosted on California's golf courses each year, benefiting organizations, such as United Way, the Make-A-Wish Foundation, Boys and Girls Clubs, and numerous local youth programs, hospitals and charitable foundations.
- The Irvine-based Tiger Woods Foundation, along with numerous First Tee chapters throughout the state, remain committed to providing character development programs for youth.
- The total amount of charitable giving attributed to the game of golf in California exceeded \$323.4 million in 2006.



The full version of The California Golf Economy report is available at <http://www.cagolf.org/> and <http://www.golf2020.com>