



THE MASSACHUSETTS GOLF ECONOMY

SUMMARY

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GOLF 20/20 for the
Alliance of Massachusetts Golf Organizations
and prepared by SRI International





Massachusetts' \$1.7 billion golf industry generated a total economic impact of \$2.7 billion in 2012, supporting nearly 25,500 jobs with wage income of \$796.8 million.

The Economic Impact of Massachusetts Golf

With 376 golf facilities, golf in the "Bay State" is a key industry contributing to the vitality of Massachusetts' economy.







In 2012, the size of Massachusetts' direct golf economy was approximately \$1.7 billion. This is comparable to revenues generated by other key industries in the state, such as fitness and recreational sports centers (\$1.5 billion), semiconductor manufacturing (\$1.7 billion), and medical equipment manufacturing (\$3.5 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 2012, Massachusetts' golf industry generated a total economic impact of \$2.7 billion,**

supporting nearly 25,500 jobs with \$796.8 million of wage income.

These figures represent growth in direct impact, but a decline in total impact from 2006 (when this study was previously commissioned), because the sectors that declined had higher economic multipliers than the sectors that grew. The great recession of 2007-2009 resulted in a decline in new golf home construction and golf-related manufacturing, which did not return to 2006 levels. In 2006, the state's golf industry generated a total economic impact of \$3.3 billion, and 31,700 jobs with \$950 million of wage income. The 2012 total impact numbers were lower despite growth in golf facility operations and golf tourism/hospitality.

Massachusetts' Golf Economy, 2012 versus 2006

Industry	2006	2012	2012 Total Impact				
	Direct (\$ M)		Direct (\$ M)	Indirect Impact	Induced Impact	Total Output (\$ M)	Total Jobs
Golf Facility Operations	\$649.4	\$793.2			\$1,131.4	14,164	\$355.2
Golf Course Capital Investments*	\$60.5	\$66.9			\$7.8	52	\$2.5
Golf-Related Supplies	\$528.3	\$461.9			\$946.3	4,863	\$245.5
Tournaments & Associations	\$19.0	\$18.6			\$29.2	240	\$10.3
Real Estate**	\$60.3	\$30.2			\$53.5	360	\$17.1
Hospitality/Tourism	\$292.4	\$366.7			\$542.4	5,803	\$166.3
TOTAL	\$1,610.0	\$1,737.5			\$2,710.6	25,481	\$796.8

Note: To calculate golf's total economic impact, SRI subtracted from the direct golf economy impact of \$1.737 billion the portion of capital investment that is investment in existing facilities (\$63.2 million of \$66.9 million) and the portion of real estate that is the realized golf premium associated with the sale of real estate in existing developments (\$4.7 million of \$30.2 million). This is because:

*Golf course capital investments—Only new course construction has an indirect and induced economic impact. Other types of facility capital investment are typically financed through facility revenues and, therefore, are omitted to avoid double counting.

**Real Estate—Only golf residential construction has an indirect and induced impact. The golf premium associated with golf real estate is considered a transfer of assets rather than new economic activity.

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

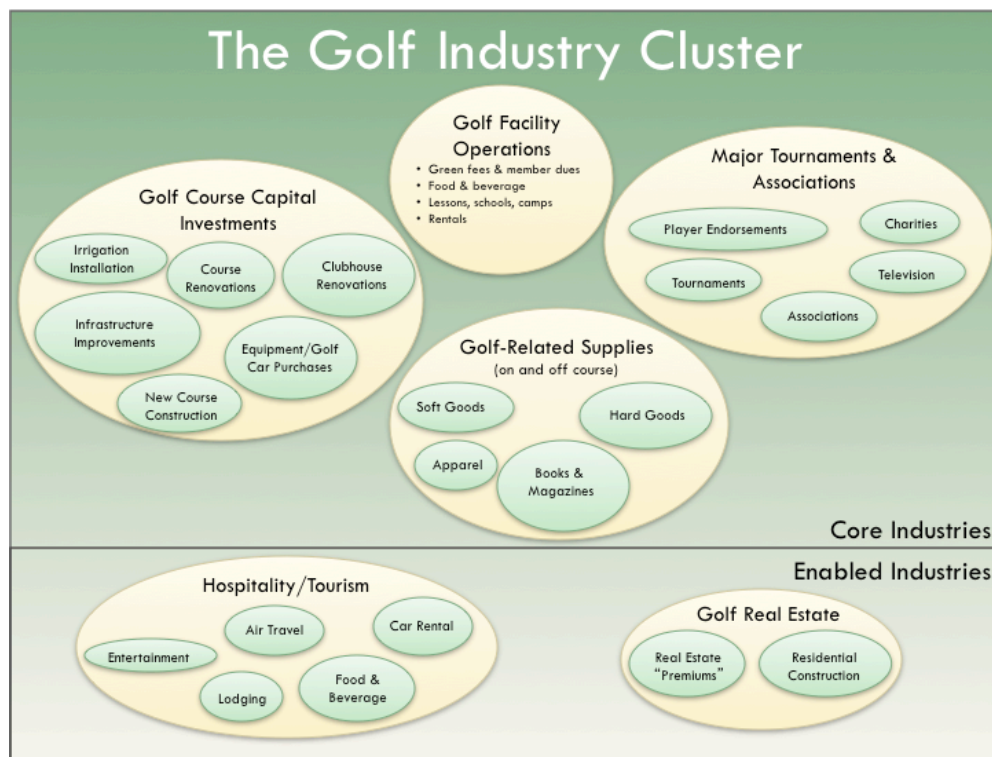
Golf Facility Operations: Massachusetts' 376 golf facilities, 53 stand-alone ranges, and 38 miniature golf facilities generated \$793.2 million of revenues in 2012. Golf revenues were comparable to the combined revenues of all other spectator sports—football, baseball, basketball, hockey, and soccer, etc.

Golf Course Capital Investments: Massachusetts' golf facilities made \$66.9 million of capital investments in 2012: \$63.2 million in existing facilities and \$3.7 million in the construction of new courses.

Golf-Related Supplies: Out-of-state value-added shipments of golf products by Massachusetts manufacturers (e.g., Acushnet, which manufactures the Titleist

brand of clubs and golf balls; Callaway Golf; Etonic; New Balance Golf; Ahead; Champ Spikes; and others) were approximately \$425.7 million in 2012. In addition, the margin made on state retail sales of golf equipment, apparel, and media totaled approximately \$36.2 million.

Major Tournaments and Associations: In 2012, Massachusetts hosted one major golf championship: the Deutsche Bank Championship, a PGA TOUR event. In-state expenditures to host this event, along with spending by regional, state, and local golf associations to support junior and amateur events and other activities, generated \$18.6 million.



Enabled Industries

Golf Real Estate: Golf-related residential construction totaled \$25.5 million in 2012. The "golf premium" generated by sales in Massachusetts' 37 golf communities was \$4.7 million.

Hospitality/Tourism: SRI estimates that golf drew day-trippers and tourists to courses in different parts of the state spurring \$366.7 million in tourism spending in 2012.



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 Massachusetts' communities and industries.



Size of Massachusetts' Golf Economy in Comparison to Other Industries, 2012 (\$ billion)

Fitness and Recreational Sports Centers	\$1.5
Semiconductor and Other Electronic Components Manufacturing	\$1.7
Golf	\$1.7
Medical Equipment and Supplies Manufacturing	\$3.5

Source for non-golf data: U.S. Census Bureau (2010), 2007 Economic Census, Geographic Series: Fitness and Recreational Sports Centers (NAICS 71394), Semiconductor and Other Electronic Components Manufacturing (NAICS 3344), and Medical Equipment and Supplies Manufacturing (NAICS 3391). 2007 revenues adjusted to 2012 dollars using the GDP deflator.

- The importance of golf in Massachusetts extends beyond the golf facilities themselves. With \$1.7 billion of direct economic activity in 2012, the sheer size of the game of golf makes it a major industry in its own right and a significant contributor to Massachusetts' economy.
- Massachusetts' golf industry is comparable in size to other important industries in the state, including fitness and recreational sports centers, semiconductor and other electronic components manufacturing, and medical equipment and supplies manufacturing.
- In 2012, golf facilities represented the largest golf industry segment in terms of revenue followed by golf-related manufacturing and golf hospitality/tourism.

Massachusetts Golf Gives Back

- Massachusetts golf course owners, club managers, and PGA professionals are happy to serve as access points for fundraising by local service organizations.
- Massachusetts' golf industry makes substantial contributions to a variety of charities. At the championship level, the Deutsche Bank Championship has raised more than \$24 million for charitable causes since its inception in 2003. Also significant are a number of nonprofit organizations that leverage Massachusetts golf events to raise money for cancer care and research and for need-based scholarships—e.g., Jimmy Fund Golf, Golf Fights Cancer, and the Francis Ouimet Scholarship Fund.
- At the local level, smaller events hosted by golf clubs support Massachusetts' junior golfers, aid children with serious illnesses, support programs to end homelessness, and support the outreach of many other charitable organizations throughout the state. Examples include the Hole in the Wall Gang, Heading Home, and Boys and Girls Clubs, among many others.
- The total amount of charitable giving attributed to the game of golf in Massachusetts was roughly \$74.3 million in 2012.

The full version of The Massachusetts Golf Economy report is available at:
<http://www.golf2020.com/research/economic-impact-reports.aspx>