



THE ALABAMA GOLF ECONOMY

SUMMARY REPORT

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



Impact

Alabama's golf industry generated a total economic impact of \$1.5 billion in 2010, supporting 21,221 jobs with wage income of \$458.8 million.

Alabama Golf's Economic Impact

Home to 252 golf facilities, including the eleven sites that comprise the Robert Trent Jones Golf Trail, and playing host to two LPGA Tour events and a Champions Tour event in 2010, golf is more than a recreational pastime in the "Heart of Dixie." Golf is a key industry contributing to the vitality of Alabama's economy.

In 2010, the size of Alabama's direct golf economy was approximately \$808.1 million. This is comparable to revenues generated by key industries in the state, such as the production of resin, rubber and artificial fibers (\$2.5 billion), aerospace products and parts (\$1.3 billion), and crops

(\$818.7 million).

Golf brings visitors to the state, spurs new residential construction, generates retail sales, and creates demand for a myriad of goods and services. **In 2010, Alabama's golf industry generated a total economic impact of \$1.5 billion, supporting 21,221 jobs with \$458.8 million 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 Alabama's communities and industries.

Golf's Impact on Alabama's Economy (2010)						
Industry	Direct (\$ M)	Indirect	Induced	Total Output (\$ M)	Total Jobs	Total Wage Income (\$ M)
Golf Facility Operations	\$473.4	→	→	\$890.7	13,835	\$278.3
Golf Course Capital Investments*	\$25.0	→	→	\$12.3	117	\$3.9
Golf-Related Supplies	\$21.2	→	→	\$39.9	460	\$11.8
Tournaments & Associations	\$11.5	→	→	\$22.1	233	\$8.0
Real Estate **	\$55.0	→	→	\$87.1	834	\$27.9
Hospitality / Tourism	\$222.0	→	→	\$437.5	5,741	\$128.9
TOTAL	\$808.1	→	→	\$1,489.6	21,221	\$458.8

Note: To calculate golf's total economic impact, SRI subtracted from the direct golf economy impact of \$808.1 million the portion of capital investment that is investment in existing facilities (\$19.6 million of \$25.0 million) and the portion of real estate that is the realized golf premium associated with the sale of real estate in existing developments (\$16.7 million of \$55.0 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

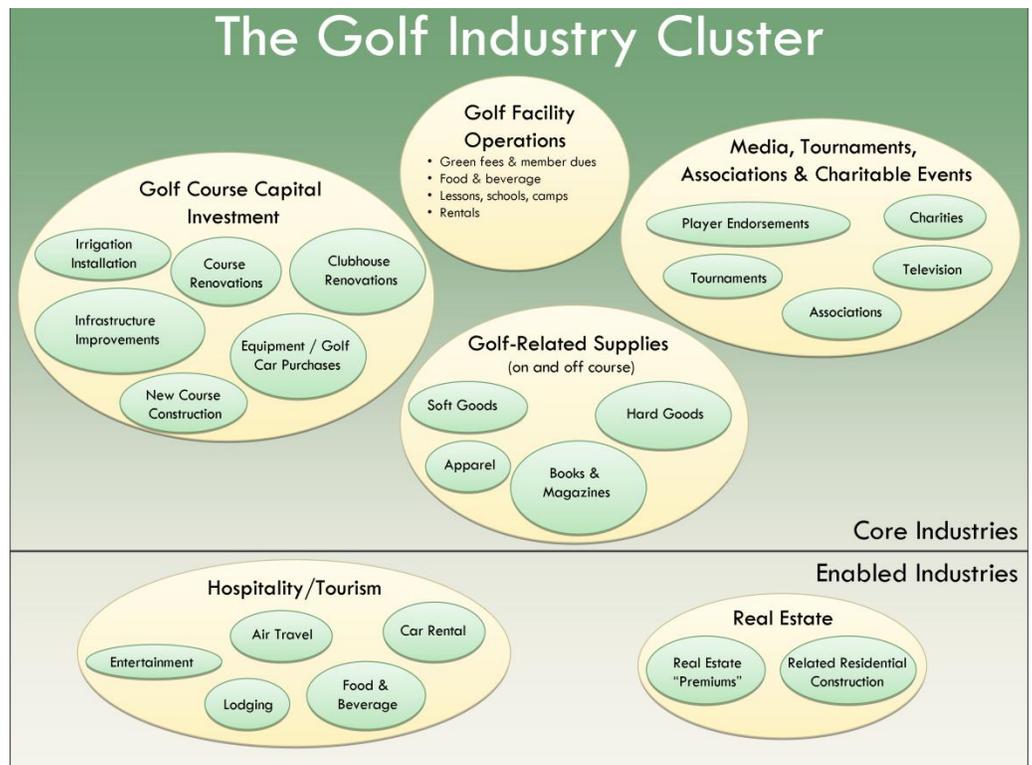
Golf Facility Operations: Alabama's 252 golf courses, 9 stand-alone ranges, and 10 miniature golf facilities generated \$473.4 million of revenues in 2010. Golf facility revenues far exceed the combined annual revenue of University of Alabama and Auburn University football and basketball program revenues, which were approximately \$158.4 million in 2009-10.

Golf Course Capital Investments: Alabama's golf facilities made \$25.0 million of capital investments in 2010: \$19.6 million in existing facilities and \$5.4 million in the construction of new courses.

Golf-Related Supplies: Out-of-state shipments by Alabama golf bag,

equipment, and magazine companies (e.g., Boggy Golf, *Golf South* Magazine, Just Golf, T.P. Mills Company, etc.), along with turf producers (e.g., Coosa Valley, Beck's, and Craft Turf Farms, etc.), were approximately \$4.9 million in 2010. In addition, the margin made on state retail sales of golf equipment, apparel, and media totaled \$16.3 million.

Major Tournaments and Associations: Alabama hosted three professional golf championships in 2010, including two LPGA Tour events and a Champions Tour event. These events generated \$9.0 million, excluding the tournament purse and costs for TV broadcasting. State golf associations generated \$2.5 million in revenues.



Enabled Industries

Golf Real Estate: Golf-related residential construction totaled \$38.3 million in 2010. The "golf premium" generated by sales in Alabama's 45 golf communities was \$16.7 million.

Hospitality/Tourism: SRI estimates that golf drew Alabama day trippers and tourists to courses in different parts of the state generating \$222.0 million of golf-related spending.



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 Alabama's communities and industries.



Size of Alabama's Golf Economy in Comparison to Other Industries, 2010 (\$ billion)

Resin, rubber and artificial fibers mfg	\$2.52
Aerospace product and parts mfg	\$1.28
Crops	\$0.82
Golf	\$0.81

Source for non-golf data: U.S. Department of Agriculture, Economic Research Service (2010), Alabama: Leading Commodities for Cash Receipts, 2010. U.S. Census Bureau (2010), 2007 Economic Census, Geographic Series: Resin, Rubber and Artificial Fibers Manufacturing (NAICS 3252) and Aerospace Product and Parts Manufacturing (NAICS 3364). 2007 revenues adjusted to 2010 dollars using the GDP deflator.

- The importance of golf in Alabama extends beyond the golf facilities themselves. With \$808.1 million of direct economic activity in 2010, the sheer size of the game of golf makes it a major industry in its own right and a significant contributor to Alabama's economy.
- Alabama's golf industry is comparable in size to other important industries in the state, including crop production; resin, rubber and artificial fiber manufacturing; and aerospace product and parts manufacturing.
- In 2010, golf facilities represented the largest golf industry segment in terms of revenue followed by golf tourism.

Alabama Golf Gives Back

- Alabama golf course owners, club managers, and golf professionals are happy to serve as access points for fundraising by local service organizations.
- Numerous charitable events are hosted on Alabama's golf courses each year, benefiting organizations such as Camp Smile-A-Mile, Children's Hospital of Alabama, local chapters of Habitat for Humanity, Boys and Girls Clubs, community health organizations, and many others.
- Many not-for-profit organizations, such as the First Tee program, the Dixie Section PGA Foundation, the Alabama Junior Golf Association, and other local golf associations introduce Alabama youths to the game and values of golf.
- The total amount of charitable giving attributed to the game of golf in Alabama approached \$25.3 million in 2010.

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