

THE CONNECTICUT GOLF ECONOMY

SUMMARY REPORT

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



Impact

Connecticut's golf industry generated a total economic impact of \$1.1 billion in 2008, supporting nearly 11,570 jobs with wage income of \$336.6 million. Golf is a major industry with a profound impact on the state's economic, environmental and social agendas.

Connecticut's Golf's Economic Impact

Home to 185 golf facilities and the PGA Tour's Travelers Championship, golf in the Constitution State is more than an enjoyable pastime—it is a key industry contributing to the vitality of Connecticut's economy.

In 2008, the size of Connecticut's direct golf economy was approximately \$637.7 million. While financial and insurance services are a pillar of Connecticut's economy, golf is comparable to revenues generated by other key industries in the state, such as accounting and tax preparation (\$1.5 billion), "fast food" restaurants (\$1.3 billion), and

nurseries/greenhouses (\$273.8 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 2008, Connecticut's golf industry generated a total economic impact of \$1.1 billion, supporting nearly 11,570 jobs with \$336.6 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 Connecticut's communities and industries.

Golf's Impact on Connecticut's Economy (2008)						
Industry	Direct (\$ M)	Indirect	Induced	Total Output (\$ M)	Total Jobs	Total Wage Income (\$ M)
Golf Facility Operations	\$425.6	→	→	\$783.7	8,830	\$250.5
Golf Course Capital Investments*	\$59.8	→	→	\$8.1	61	\$2.6
Golfer Supplies	\$70.5	→	→	\$134.3	933	\$37.1
Tournaments & Associations	\$14.0	→	→	\$28.0	399	\$10.3
Real Estate **	\$20.9	→	→	\$24.4	182	\$7.7
Hospitality / Tourism	\$46.9	→	→	\$89.7	1,165	\$28.4
TOTAL	\$637.7	→	→	\$1,068.2	11,570	\$336.6

Note: To calculate golf's total economic impact, SRI subtracted from the direct golf economy impact of \$637.7 million the portion of capital investment that is investment in existing facilities (\$55.8 million of \$59.8 million) and the portion of real estate that is the realized golf premium associated with the sale of real estate in existing developments (\$8.9 million of \$20.9 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

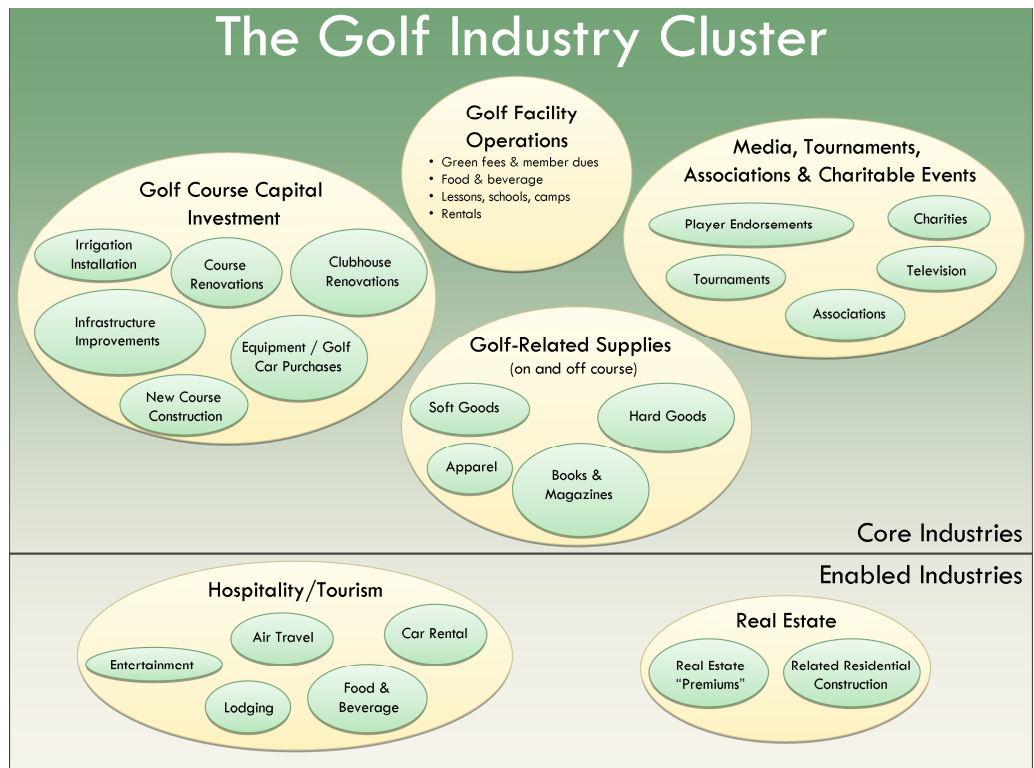
Golf Facility Operations: Connecticut's 185 golf courses, stand-alone ranges, and miniature golf facilities generated over \$425.6 million of revenues in 2008.

Golf Course Capital Investments: Connecticut's golf facilities made \$59.8 million of capital investments in 2008: \$55.8 million in existing facilities and \$4.0 million in the construction of new courses.

Golfer Supplies: Out-of-state shipments by Connecticut publishers, golf apparel and equipment manufacturers (e.g., Golf Digest Publications, Fairway & Greene, Ashdown Golf, Roll-Master Golf, etc.) were approximately \$44.2 million in 2008. In addition, retailers and golf facilities earned

\$26.3 million on the sale of \$65.0 million of golf equipment, apparel, and media.

Major Tournaments and Associations: Connecticut hosts the annual Travelers Championship, a PGA Tour event. It is one of the state's largest sporting events and is played in late June one week after the U.S Open. This event generated \$9.9 million in direct tournament revenue, excluding the tournament purse and costs for TV broadcasting. Connecticut also hosts the ING New England Golf Classic, which is an LPGA developmental tour event. State golf associations generated a combined \$4.1 million in revenues.



Enabled Industries

Golf Real Estate: As one of the oldest and most densely populated golf states, the real estate adjacent to most existing golf courses is largely built out. In 2008, golf-related residential construction totaled \$12.0 million. The "golf premium" generated by sales of existing golf community homes was \$8.9 million.

Hospitality/Tourism: SRI estimates that Connecticut's golf courses, golf resorts, and Travelers Championship spurred \$46.9 million of golf-related tourism spending in 2008.



Future

Golf is important to Connecticut for the diverse group of businesses the game supports, the people it employs, the tax revenue it creates, the tourism it spawns, the charity it generates, and the environmental leadership it provides.

Size of the Connecticut Golf Economy in Comparison to Other Industries, 2008 (\$ billion)

Accounting, Tax Preparation & Bookkeeping Services	\$1.5
Limited-Service ("Fast Food") Restaurants	\$1.3
Golf	\$0.6
Greenhouses/Nurseries	\$0.3

Source for non-golf data: U.S. Census Bureau (2005), 2002 Economic Census, Geographic Series: Accounting, Tax Preparation & Bookkeeping Services (NAICS 5412). U.S. Census Bureau (2010), 2007 Economic Census, Geographic Series: Limited-Service Restaurants (NAICS 722211). 2002 and 2007 revenues adjusted to 2008 dollars using the GDP deflator. U.S. Department of Agriculture, Economic Research Service (2010). "Top Commodities, Exports, and Counties," Connecticut State Fact Sheet.

- The importance of golf in Connecticut extends beyond the golf facilities themselves. With \$637.7 million of direct economic activity in 2008, the sheer size of the game of golf makes it a major industry in its own right and a significant contributor to Connecticut's economy.
- Connecticut's golf industry is comparable in size to other important industries in the state, including accounting, tax preparation & bookkeeping services; "fast food" restaurants; and greenhouses/nurseries.
- In 2008, golf facilities represented the largest golf industry segment in terms of revenue, followed by golf-related tourism and golf real estate.

Connecticut Golf Gives Back

- Connecticut 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 Connecticut's golf courses each year, benefiting organizations, such as the Greater Hartford Jaycees (supporting scholarships and grants to residents and service organization in Greater Hartford), Paul Newman's "Hole in the Wall Gang" Camp (for children with cancer and other serious illnesses), Saint Francis Hospital and Medical Center, the Hartford Hospital, Kent's volunteer firefighters, and many others.
- Many not-for-profit organizations, such as The First Tee of Connecticut and the Connecticut Section PGA Golf Foundation, introduce Connecticut youths to the game and values of golf.
- The total amount of charitable giving attributed to the game of golf in Connecticut approached \$32.0 million in 2008.



The full version of The Connecticut Golf Economy report is available at:

<http://www.golf2020.com>