



SUMMARY REPORT:

UTAH GOLF ECONOMIC AND ENVIRONMENTAL IMPACT

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



Impact

Utah's golf industry generated a total economic impact of \$805.6 million in 2012, supporting 9,625 jobs with wage income of \$250.1 million.

Utah Golf's Economic Impact

Utah is for outdoor enthusiasts, and no one knows this better than golfers. Set amongst the state's natural wonders and wide-open spaces, Utah's 120 golf facilities represent more than a recreational pastime. Golf is a key industry contributing to the vitality of Utah's economy.

In 2012, the size of Utah's direct golf economy was approximately \$400 million. The golf industry has played a critical and essential role in rounding out the state's tourism industry, outside of the ski season and in other parts of the state, from the Wasatch Front to small, rural communities, and from the high country valleys in the

north to the mild climates of St. George in the southwest and Moab in the east.

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, Utah's golf industry generated a total economic impact of \$805.6 million, supporting 9,625 jobs with \$250.1 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 Utah's communities and industries.

Golf's Impact on Utah's Economy (2012)						
Industry	Direct (\$ M)	Indirect	Induced	Total Output (\$ M)	Total Jobs	Total Wage Income (\$ M)
Golf Facility Operations	\$186.9	→	→	\$386.4	5,106	\$119.0
Golf Course Capital Investments*	\$24.5	→	→	\$27.0	255	\$8.9
Golf-Related Supplies	\$27.6	→	→	\$46.9	535	\$14.7
Tournaments & Associations	\$4.3	→	→	\$10.2	107	\$3.2
Real Estate **	\$64.7	→	→	\$128.5	1,216	\$42.2
Hospitality / Tourism	\$91.3	→	→	\$206.6	2,405	\$62.1
TOTAL	\$399.2	→	→	\$805.6	9,625	\$250.1

Note: To calculate golf's total economic impact, SRI subtracted from the direct golf economy impact of \$399.2 million the portion of capital investment that is investment in existing facilities (\$13.1 million of \$24.5 million) and the portion of real estate that is the realized golf premium associated with the sale of real estate in existing developments (\$10.3 million of \$64.7 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

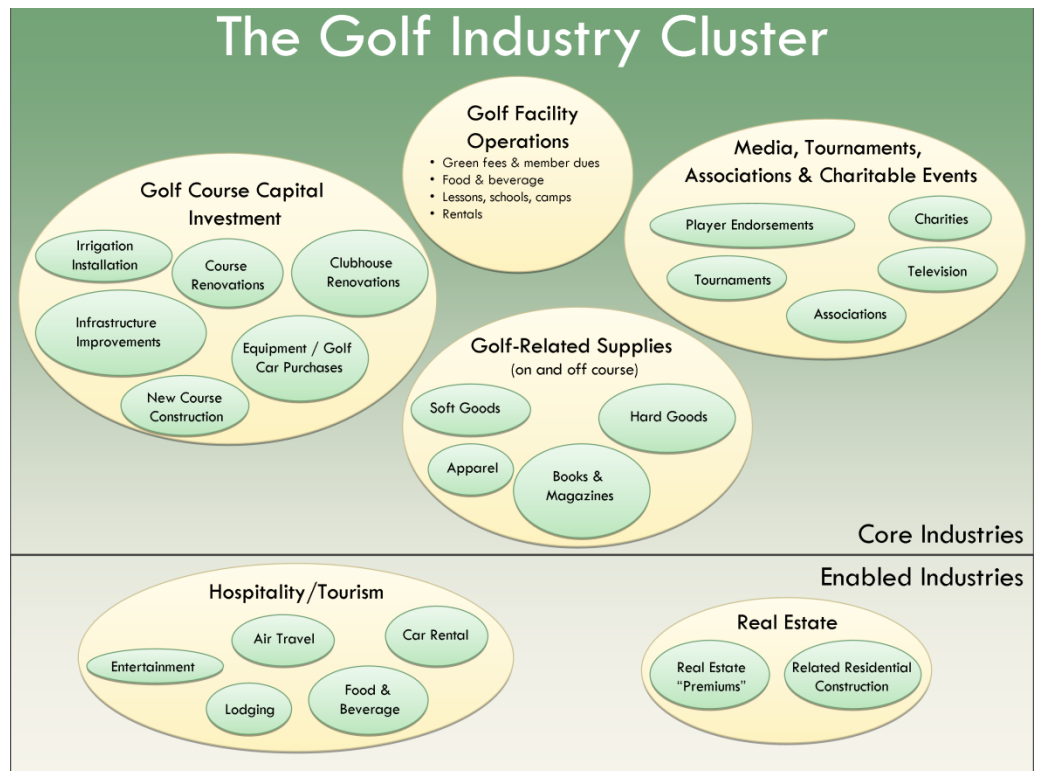
Golf Facility Operations: Utah's 120 golf courses, 3 stand-alone ranges, and 3 miniature golf facilities generated \$186.9 million of revenues in 2012.

Golf Course Capital Investments: Utah's golf facilities made \$24.5 million of capital investments in 2012: \$13.1 million in existing facilities and \$11.4 million in the construction of new courses.

Golf-Related Supplies: Out-of-state shipments by Utah golf equipment and golf-related software companies (e.g., OGIO International, TruGolf, Swing Master Golf, and Vision Perfect Software, etc.)

were approximately \$6.1 million in 2012. In addition, the margin made on state retail sales of golf equipment, apparel, and media totaled \$21.5 million.

Major Tournaments and Associations: Utah hosted one professional golf championship in 2012, the Utah Championship Web.com Tour event. In-state expenditures to host this event, along with spending by state and local golf associations to support junior and amateur events, generated \$4.3 million. (The tournament figure excludes the tournament purse and costs for TV broadcasting.)



Enabled Industries

Golf Real Estate: Golf-related residential construction totaled \$54.4 million in 2012. The "golf premium" generated by sales in Utah's 25 golf communities was \$10.3 million.

Hospitality/Tourism: SRI estimates that golf drew day-trippers and tourists to courses in different parts of the state generating \$91.3 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 Utah's communities and industries.



Size of Utah's Golf Economy in Comparison to Other Industries 2012 (\$ million)

Fitness and Recreational Sports Centers	\$145.8
Medical Devices Manufacturing	\$262.2
Basic Chemical Manufacturing	\$295.7
Golf	\$399.2

Sources: U.S. Census Bureau (2013), 2007 Economic Census, Geographic Series: Fitness and Recreational Sports Centers (NAICS 71394), Electromedical and Electrotherapeutic Apparatus Manufacturing (NAICS 334510), and Basic Chemical Manufacturing (NAICS 3251). 2007 revenues adjusted to 2012 dollars using the GDP deflator.

- The importance of golf in Utah extends beyond the golf facilities themselves. With nearly \$400 million in 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 Utah's economy.
- Utah's golf industry is comparable in size to other important industries in the state, including fitness and recreational sports centers, medical devices manufacturing, and basic chemical manufacturing.
- In addition, Utah's golf industry has played a critical and essential role in rounding out the state's tourism industry outside of the ski season and in other parts of the state.
- In 2012, golf facilities represented the largest golf industry segment in terms of revenue followed by golf tourism and real estate.

Utah Golf Gives Back

- Utah 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 Utah's golf courses each year, benefiting organizations such as Special Olympics-Utah, the Huntsman Cancer Institute, The Children's Justice Centers, Junior League of Salt Lake City, United Way of Salt Lake, Boys & Girls Clubs, community health organizations, and many others.
- Many not-for-profit organizations, such as the First Tee program and The Utah Section of The PGA's Utah Junior Golf Foundation, and other local golf associations introduce Utah youths to the game and values of golf.
- The total amount of charitable giving attributed to the game of golf in Utah approached \$11.2 million in 2012.

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

<http://www.golf2020.com>

Water

Water is a key resource for the Utah golf industry—as is the case with many other industries. However, Utah golf courses account for **less than 1% of total diverted water** in the state, and the economic return on the water used by the golf industry is much higher than any other water-diverting agricultural crop.

Utah Golf's Environmental Impact

Water is an important resource for the Utah golf industry, as in many other industries—e.g., agriculture, industry, hotels and restaurants, etc. However, Utah is the second most arid state in the country, averaging only 13 inches of precipitation annually. At the same time, Utah has experienced the third-fastest population growth in the country, and this trend is expected to continue in coming decades. Therefore, stewardship of the land, especially as it relates to the use of precious water resources, is paramount for the golf industry and local communities.

Utah golf courses:

- Represent 3.9% of the turfgrass in the state;
- Consume 0.8% of diverted water used for agricultural irrigation;
- Account for 0.65% of total diverted water; and
- Generate significantly higher economic returns per acre-foot of water used, resulting in much greater economic output, jobs and income for state residents.

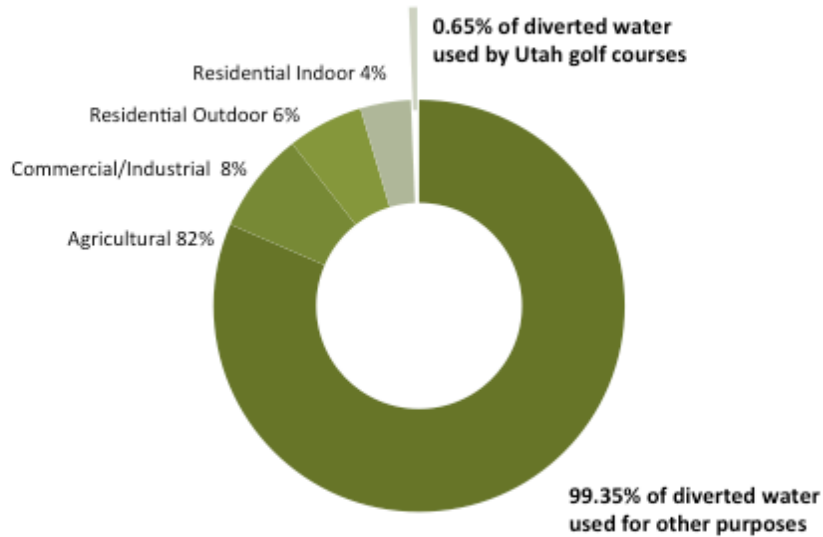
Utah Golf Water Usage and Economic Returns Comparisons

	Irrigated Acreage	Revenue per Irrigated Acre	Revenue per Acre-ft of Water
Golf courses	11,536	\$16,035	\$5,529
Alfalfa	580,000	\$774	\$365
Other hay	180,000	\$336	\$190
Winter wheat	124,000	\$397	\$325
Other spring wheat	20,000	\$506	\$337
All major crops, total	904,000	\$629	\$329

Sources: SRI calculations based on survey data from the The Environmental Institute for Golf (2009). *Golf Course Environmental Profile, Volume II: Water Use and Conservation Practices on U.S. Golf Courses*; U.S. Department of Agriculture, National Agricultural Statistics Service (2012), *Utah Agricultural Statistics 2012 Annual Report*; Hill, R.W., Barker, J.B. and Lewis, C.S. (2011), "Crop and Wetland Consumptive Use and Open Water Surface Evaporation for Utah," Utah State University.



Breakdown of Utah's Use of Diverted Water, 2010



Source for golf course water consumption: SRI calculation based on survey data from The Environmental Institute for Golf (2009). *Golf Course Environmental Profile, Volume II: Water Use and Conservation Practices on U.S. Golf Courses*.

Source for other types of water consumption: Utah Office of Legislative Research and General Counsel (2012), *How Utah Water Works*, and Utah Division of Water Resources (2010), *Municipal and Industrial Water Use in Utah*.

Conservation

The Utah golf industry continues to proactively pursue conservation strategies to reduce its environmental footprint and reduce water consumption at Utah golf courses.

As shown in the chart above, agriculture accounts for 82% of total diverted water consumed in the state. Water consumed by households for drinking, washing, maintaining landscapes, etc., accounts for 10%, while commercial/industrial use accounts for 8% of diverted water consumed.

By comparison, Utah golf courses account for less than 1% (approximately 0.65%) of total diverted water consumed in the state.

The Utah golf industry aggressively pursues conservation strategies to reduce its environmental footprint by enhancing natural landscapes and limiting water consumption.

Examples of these initiatives include:

- Conducting soil moisture and sprinkler system audits to improve irrigation efficiency with new technology and infrastructure;
- Managing customer expectations—more natural landscapes, increase in non-irrigated areas in the rough or out-of-play, firmer ground on less played parts of the fairway; and
- Investing in research and continuing education for golf course superintendents and turfgrass specialists, such as studies by Utah State University and Utah water resource agencies to better understand water requirements for specific weather regions.



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