



THE TEXAS GOLF ECONOMY

SUMMARY REPORT

THE TEXAS GOLF ALLIANCE

CONTRIBUTING MEMBERS



*THIS REPORT WAS COMMISSIONED BY
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AND PREPARED BY SRI INTERNATIONAL*



Impact

Texas's golf industry generated a total economic impact of \$7.4 billion in 2006, creating 98,859 jobs with wage income of \$2.4 billion.

Texas Golf's Economic Impact

With 907 courses and ranked as the third most popular location for new golf community development over the last five years, golf is more than an enjoyable pastime in the Lone Star State—it is a key industry contributing to the vitality of Texas's economy.

In 2006, the size of Texas's direct golf economy was approximately \$3.4 billion. This is comparable to revenues generated by important industries in the state, such as printed circuit assembly (\$1.9 billion), scientific research and development services (\$3.4 billion), and soft drink and

ice manufacturing (\$3.9 billion).

Golf brings visitors to the state, drives new residential construction, generates retail sales, and creates demand for a myriad of goods and services. **In 2006, Texas's golf industry generated a total economic impact of \$7.4 billion, creating 98,859 jobs with \$2.4 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 Texas's communities and industries.

Multiplier Impacts on Texas's Economy (2006)

Industry	Direct (\$ M)	Indirect	Induced	Total Output (\$ M)	Total Jobs	Total Wage Income (\$ M)
Golf Facility Operations	\$1,688.6			\$3,866.2	57,478	\$1,271.3
Golf Course Capital Investments*	\$167.4			\$177.1	1,516	\$55.5
Golfer Supplies	\$118.9			\$273.0	2,654	\$79.3
Tournaments & Associations	\$78.2			\$197.2	2,382	\$71.0
Real Estate **	\$559.1			\$994.2	8,510	\$311.8
Hospitality / Tourism	\$758.2			\$1,882.2	26,319	\$594.9
TOTAL	\$3,370.4			\$7,389.9	98,859	\$2,383.9

Note: Economic impact is calculated on \$3,077.8 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 (\$65.6 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 (\$368.3 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

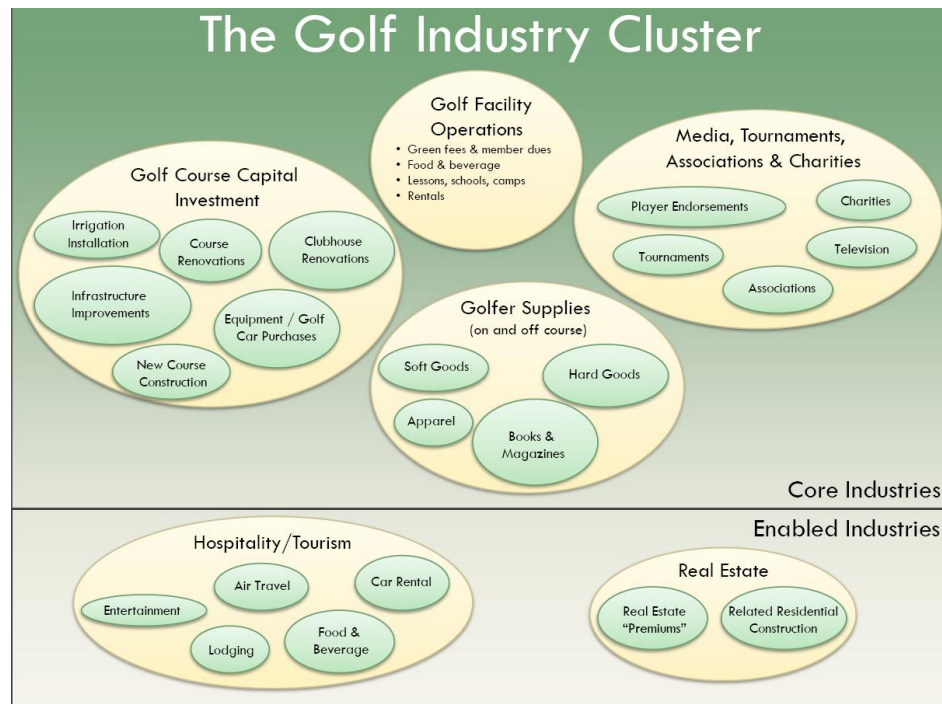
Golf Facility Operations: Texas's 907 golf courses, 94 stand-alone ranges, and 80 miniature golf facilities generated \$1.7 billion of revenues in 2006. This amount exceeded the combined revenues of all other major spectator sports—football, baseball, basketball, and soccer.

Golf Course Capital Investments: Texas golf facilities made \$167.4 million of capital investments in 2006: \$101.8 million in existing facilities and \$65.6 million in the construction of new courses.

Golfer Supplies: Out-of-state shipments by Texas manufacturers (Adams Golf, Nike Golf, United Sports Technologies, etc.) of golf clubs, golf shafts, and other products were approximately \$23.5 million in 2006.

In addition, the margin made on state retail sales of golf equipment, apparel, and media totaled \$95.4 million.

Major Tournaments and Associations: In 2006, Texas hosted eight major golf championships: four PGA TOUR events, three Champions Tour events, and one Nationwide Tour event. In 2006, these events generated \$56.5 million, excluding the tournament purse and costs for TV broadcasting. The Texas Golf Association and other state golf associations generated \$21.7 million in 2006 revenues.



Enabled Industries

Golf Real Estate: New golf-related real estate construction generated \$368.3 million in 2006 and the estimated "golf premium" on sales in existing golf community developments was \$190.8 million.

Hospitality/Tourism: In 2006, SRI estimates golf-related tourism spending in Texas was \$758.2 million.



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 Texas's communities and industries.

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

Printed Circuit (Electronics) Assembly	\$1.9
Golf	\$3.4
Scientific Research and Development (R&D) Services	\$3.4
Soft Drinks and Ice	\$3.9

Source for non-golf data: U.S. Census Bureau (2005), 2002 Economic Census, Geographic Series: Printed Circuit Assembly (Electronic Assembly) Manufacturing (NAICS 334418), Scientific Research and Development Services (NAICS 5417), and Soft Drink and Ice Manufacturing (NAICS 31211). 2002 revenues adjusted to 2006 dollars using the GDP deflator.

- The importance of golf in Texas extends beyond the golf facilities themselves. With \$3.4 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 Texas economy.
- Texas's golf industry is larger than the printed circuit (electronics) assembly industry, and comparable in size to other important industries in the state, including scientific R&D services, and soft drinks and ice manufacturing.
- In 2006, golf facilities represented the largest golf industry segment, followed by golf-related hospitality and tourism, and real estate.

Texas Golf Gives Back

- Texas golf course owners, operators, and golf professionals are happy to serve as access points for fundraising by local service organizations.
- In addition to the money raised at professional tournaments, numerous charitable events are hosted on Texas's golf courses each year, benefiting both national organizations like the American Cancer Society, as well as local hospitals, schools, and non-profit organizations.
- The total amount of charitable giving attributed to the game of golf in Texas exceeded \$163.1 million in 2006.



The full version of The Texas Golf Economy report is available at <http://www.txga.org>