

GOLF
20/20
VISION FOR
THE FUTURE

INDUSTRY REPORT FOR
2002

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I. OVERVIEW

In 2002, the World Golf Foundation, through its GOLF 20/20 initiative, authored its first Industry Report, which reviewed the state of golf industry in the United States in 2001. It marked the first time that information had been gathered from a variety of sources and presented together in an effort to identify meaningful trends, opportunities and areas of concern, and to present the information in a manner that will help guide future growth efforts.

It followed an industry-wide effort to standardize indicators and definitions, in order to enable consistency in the measurement of the game's growth and development. At the same time, new measurement instruments were implemented to ensure more accurate and relevant information.

The Report was successful in accomplishing its goals. It revealed, for example, that golf is not losing participants, but it is losing rounds, indicating that people are not leaving the game but they are playing less. This has spurred the industry to begin strategically addressing the issue of frequency. The Report also revealed tremendous potential for growth in participation among minorities, which interest has grown tremendously, and it looked at participation and new course development together for the first.

In addition, we want to continue to measure our progress toward the three targets set forth by World Golf Foundation Chairman Tim Finchem at the first GOLF 20/20 conference in November of 2000. Those targets for the year 2020 were:

Reach 55 million participants. This means adding about one million participants per year between 2000 and 2020. For the sake of perspective, we looked at this in terms of adding 500,000 participants per year on the attraction side, and retaining an additional 500,000 per year who would otherwise leave the game.

Reach one billion rounds played. An ambitious target given current levels, to be sure. This target will be adjusted periodically based on the rate of new course development, determination of optimal rounds-per-course levels and other variables.

Achieve a comparable level of interest in the U.S. to professional football. This is an ambitious target also, but the increase in interest in golf since 1980 and a small decrease in interest in the NFL in the same period has cut the margin between the two in half. This target helps us keep our focus partially on interest, which is critical to parts of our business and serves as a feeder system to participation.

II. SOURCES OF INFORMATION

GOLF 20/20 has relied on a variety of sources for the information contained within this report. The National Golf Foundation continues to be the leading resource for much of the information on participation and golf facility development, and the NGF has formed an alliance with the National Golf Course Owners Association for rounds measurement. The following companies and organizations have contributed to this report:

- | | |
|--|-------------------------------|
| ESPN Sports Poll | Nielsen Media Research |
| National Climatic Data Center | PGA of America |
| National Golf Course Owners Association | PGA TOUR |
| National Golf Foundation | United States Census |

III. COURSE DEVELOPMENT

A lot of attention has been given in the media in recent years to the alleged oversupply of golf courses. We know that rounds have declined; yet the planning and opening of courses continues at a fairly significant rate. There has been additional pressure on course operators in recent years to maintain adequate revenue levels, and the consumer has benefited from decreases in cost.

Much of the oversupply has been in the area of high-end daily fee courses. Also, golf is unique in terms of product development in that many golf courses are added to the national inventory not to become successful independent business enterprises, but rather to sell real estate or as a resort amenity. In many cases, the golf course's profitability is a secondary priority, and that has been a factor in the current supply and demand imbalance.

It is not GOLF 20/20's objective to influence or discourage the development of golf courses. But we do feel it is important to take a broad look at course development in hopes that this information will contribute to appropriate levels of development and a more intelligent marketplace.

A. TOTAL NUMBER OF 18-HOLE EQUIVALENT COURSES

The most effective way to measure the development of golf courses in the U.S. is to look at "18-hole equivalent" courses, as opposed to just "courses," which may have only nine holes, or "facilities," which may have multiple courses. This will help ensure consistency. Below are the numbers for regulation courses, short courses (executive and par-three) and total courses.

Regulation Courses

Date	Number of Courses	Percent Increase	Openings **
12/31/98	12,347.0	2.6%	304
12/31/99	12,690.0	2.8%	340
12/31/00	13,032.5	2.7%	365.5
12/31/01	13,288.0	2.0%	260
12/31/02	13,446.5	1.2%	199
12/31/03*	13,608.0	1.2%	194

Short Courses (Executive and Par-3)

Date	Number of Courses	Percent Increase	Openings **
12/31/98	1,181.5	1.7%	23.5
12/31/99	1,216.5	3.0%	35.5
12/31/00	1,235.5	1.6%	33.0
12/31/01	1,261.5	2.1%	24.0
12/31/02	1,278.5	1.3%	21.0
12/31/03*	1,295.0	1.3%	17.0

Total Courses

Date	Number of Courses	Percent Increase	Openings**
12/31/98	13,528.5	2.5%	327.5
12/31/99	13,906.5	2.8%	375.5
12/31/00	14,268.0	2.6%	398.5
12/31/01	14,549.5	2.0%	284.0
12/31/02	14,725.0	1.2%	220.0
12/31/03*	14,903.0	1.2%	211.0

*Projected

**Excluding reconstructions

The trend is clear. Over the past two years, percentage of increase in new regulation and short courses has settled in at a 20-year low rate. And competitiveness in the marketplace seems to be impacting types of new courses as well. The percentage of new courses that are public access (daily fee or municipal) has dropped from 80% in 2001 to 75% in 2002, to a projected 74% in 2003.

B. CLOSINGS

As part of last year's report, we started to take a more refined look at course closings, and some numbers are available for 2002, and to date in 2003.

In 2002, 35 18-hole equivalent courses were reported as having closed. Most actually did close in 2002, although two were discovered to have closed in 2000 and six in 2001 after trying unsuccessfully to reopen. Fourteen of the closures were due to land conversion to housing developments, and other real estate or other land use. Five closed due to financial difficulties, two experienced weather catastrophes and the remainder closed for unknown reasons. Of the courses that closed, 97% were public access. States with the most closures were Georgia with nine, Florida (eight) and Pennsylvania (five).

As of March 17, 2003, nine 18-hole equivalents were identified as having closed in 2003. One 18-hole facility is actually keeping nine holes open and selling nine. Other reasons for closing: sold to a church, wells ran dry, flooding and financial difficulties. All were daily fee. Four were in Texas and three were in Mississippi.

IV. ROUNDS

Rounds of golf are logical and important indicators of golf participation, but traditionally have been difficult to measure. Prior to 2002, the National Golf Foundation computed rounds by surveying consumers, asking them how many rounds they played in the previous year, and projecting averages across the total number of golfers over the age of 12. This exercise proved valuable for determining play levels and numbers of occasional, core and avid golfers. But for calculating rounds it was inefficient; consumers tend to estimate their number of annual rounds on the high side.

At the GOLF 20/20 conference in 2001, the NGF and the National Golf Course Owners Association reached an alliance to partner on measuring rounds by surveying facilities directly. This endeavor has the support of some of the largest multi-owner and management companies, and the endorsement of the PGA of America, Golf Course Superintendents Association of America and the Club Managers Association, among others.

A. MEASUREMENT

In early 2003, all 15,827 golf facilities in the U.S. were invited to participate in this second annual effort, and 2,282 responded with their 2001 and 2002 rounds played data, a response rate of 14.4 percent. The sample size ensures accuracy to within +/-2.0 percent.

B. DEFINITION

One of the problems in measuring rounds has been the use of different definitions. Do we count complimentary rounds or just paid rounds? Do we use cart fees to determine rounds? Is any "start" a round, no matter how many holes are played? For the rounds played survey, we used the following accepted industry definition: "A round is defined as one person who tees off in an authorized start on a golf course." In this case, "authorized" simply means the start occurred through the proper channels at the facility, and doesn't include people who wander onto the course to play a few holes in the evening, for example.

This definition, then, is the one that was provided to the 15,827 courses in requesting their rounds information. Given these two components – the facility-based survey, and the consistent definition – we believe we now have the opportunity to effectively measure rounds of golf, apples to apples, year to year.

C. SAMPLE SIZES AND RESPONSE RATES - 2003

	Number of facilities	Sample Size	Response Rate
United States	15,827	2,282	14.4%
Northeast	2,575	270	10.4%
Mid Atlantic	1,091	164	14.9%
Southeast	2,042	294	14.3%
Central/South Florida	776	102	12.6%
Gulf Coast	771	136	17.5%
South Central	954	111	11.4%
Lower Midwest	3,110	407	13.1%
Upper Midwest	2,123	292	13.7%
Mountain	446	107	23.8%
Southwest	1,344	293	21.7%
Northwest	595	106	17.8%

D. 2002 ROUNDS

Total rounds played in the U.S. in 2002 were 502.4 million, down three percent from 2001. The only regions where rounds increased were South Florida and the Gulf Coast.

	2002	2001	2000	% Change 2001-2002
Total U.S.	502.4	518.1	518.4	-3.0%
Region				
1. Northeast	67.6	71.1	69.4	-4.9%
2. Mid Atlantic	30.9	31.7	30.6	-2.5%
3. Southeast	62.5	65.8	64.8	-5.1%
4. Central/South Florida	36.6	36.5	35.4	0.3%
5. Gulf Coast	29.2	28.8	29.2	1.4%
6. South Central	32.5	32.5	32.2	-0.1%
7. Lower Midwest	85.6	90.5	92.3	-5.4%
8. Upper Midwest	52.6	55.0	58.3	-4.4%
9. Mountain	19.2	19.7	18.4	-2.3%
10. Southwest	64.4	64.5	65.0	-0.2%
11. Northwest	21.4	22.0	22.7	-2.7%
Facility Type				
9-Hole	113.7	117.6	123.4	-3.3%
18-Hole	300.5	310.7	306.9	-3.3%
27+ Hole	88.2	89.8	88.1	-1.8%
Course Access				
Public	377.4	388.9	390.1	-3.0%
Private	125.1	129.2	128.3	-3.2%

The single most important factor impacting rounds played continues to be weather. The Rounds Report asked participating courses for the reasons for either an increase or decrease in rounds, and in both cases weather was the #1 reason stated.

Specifically, of the golf courses reporting a decrease in rounds from 2001 to 2002:

- Sixty-two percent cited weather as the leading reason, with a regional high of 82 percent in the Mountain region and a regional low of 12 percent in the Northwest.
- Forty-one percent cited the poor economy in 2002, 27 percentage points higher than in 2001.
- Other reasons cited include new courses in the area (15 percent), too many courses (eight percent), membership declines (six percent), renovations (five percent) 9/11 (three percent) and poor course conditions (three percent).

Of the golf courses reporting an increase in rounds from 2001 to 2002:

- Thirty-three percent cited weather as the leading reason, more than double the next most frequently cited reasons: course conditions (16 percent), advertising/marketing (14 percent) and improved management (10 percent).
- Regionally, weather was cited most frequently as the reason for an increase in the Northeast (50 percent), Mid Atlantic (50 percent), Mountain (48 percent) and Southwest (47 percent).
- Other reasons cited included golfer segment changes (nine percent), increase in membership (seven percent), discounted rounds (six percent) and renovations (five percent).

E. WEATHER

Weather is far and away the biggest factor impacting rounds of golf. In 2002 the nation experienced relatively normal weather patterns and below average levels of precipitation in many areas of the country, especially the West. But information provided by the National Climactic Data Center gives us some insight into geographic areas where rounds dropped off more severely (Northeast, Southeast, Lower Midwest and Upper Midwest.)

- In 2002 we had the sixth wettest June in history. There was record precipitation in Indiana, and nearly so in much of Ohio and Tennessee. It was the third all-time wettest July in Texas, with well above normal rainfall in the Upper Midwest.
- In August, the Upper Midwest experienced 190% of normal precipitation.
- In September, rainfall was much higher than normal across the Southeast (Kentucky, Tennessee, Mississippi and Alabama, especially), and also in New Mexico.
- October 2002 was the wettest month across the country since January 1999 (44 months). Hurricane Lili and other tropical storms had a tremendous impact in the Gulf Coast and Southeast, and some 30 states experienced above normal rainfall, including many in the Upper and Lower Midwest as well as the Southeast.

V. INTEREST

In measuring the health of golf as a game and as an industry, interest goes hand-in-hand with participation. Indeed, high levels of interest were one impetus behind the establishment of GOLF 20/20 as a growth initiative: if interest is high and participation is flat, developing a conversion strategy would seem to be a key to fostering growth.

Sustaining high levels of interest is important, then, not only for interest-related industry segments such as media, but also as a source of “latent demand” and thus a conduit to greater levels of participation.

Interest is measured in two ways: by measuring and comparing television ratings, and by quantifying fans through surveys to the general population.

A. VIEWERS

The source for the following information on television ratings is Nielsen Media Research.

Household Ratings for All Golf (Network and Cable)

The average household rating for telecasts of golf (excluding anthology shows, celebrity events, etc.) has remained fairly constant over the past seven years. (In last year’s report we outlined only average ratings per event. This year we have added average rating *weighted by the duration of the telecast*, a more thorough television rating measurement.)

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Average Rating	1.12	1.15	1.02	1.11	1.10	1.01	1.09
Weighted by Duration Of Telecast	1.29	1.37	1.25	1.41	1.41	1.29	1.34

To have the average rating *of all golf*, when factoring in the length of the telecasts, actually rise by almost 4% over the past seven years is quite extraordinary given that the proliferation of viewing choices has negatively impacted nearly every sports television property during that period.

Household Ratings for PGA TOUR Golf (Network Only)

The PGA TOUR is often regarded as the portal into the game in terms of interest – golf’s Chamber of Commerce, if you will – and consequently it’s important to keep an eye on the ratings for TOUR events. These numbers reflect networks telecasts only, and they do include the major championships:

<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
3.0	3.5	3.2	3.2	3.4	3.6	3.4

Household Ratings: Comparison of Sports on Network Television

The ratings here for “all golf” are different from numbers above because they reflect network telecasts only and do not include cable ratings.

	1996 Ratings	2002 Ratings	Percentage + / -
MLB	7.2	5.9	- 18.0 %
NBA	7.7	4.7	- 39.0 %
NFL	13.7	11.8	- 13.8 %
NHL	2.6	2.0	- 23.0 %
NCAA Basketball	3.8	3.3	- 13.1 %
NASCAR	5.2	5.5	+ 5.8 %
All Golf	2.6	2.5	- 3.8 %
PGA TOUR Golf	3.0	3.4	+ 13.3 %

B. FANS

To measure the “fan” side of interest in golf, we utilize ESPN Sports Poll, a service of TNS Intersearch. This poll is a 30-minute questionnaire conducted by telephone to approximately 2,000 people per month to remove the bias of seasonality.

Golf in Comparison to Other Sports

In the ESPN Sports Poll in 2002, professional golf was again listed eighth in terms of respondents who say they are fans of the game. The top 10 in 2002 (with percentage increase or decrease from 2001):

Pro Football	67.2 (+ 0.6 %)	College Basketball	47.0 (- 2.0 %)
Pro Baseball	58.8 (- 1.3 %)	NASCAR	45.1 (- 0.2 %)
College Football	56.2 (+ 0.7 %)	Pro Golf	39.8 (- 0.5 %)
NBA	50.9 (- 1.4 %)	Boxing	38.8 (- 1.8 %)
Figure Skating	49.7 (+ 0.8%)	WNBA	35.8 (- 7.0 %)

In 1996, golf was 10th, with 34.6% of respondents claiming to be fans. Golf’s 15% rise in that time frame far exceeds any other sport, with the exception of auto racing, which has benefited from NASCAR’s popularity over those six years.

Increase or decrease in percentage of respondents claiming to be fans, between 1996 and 2002:

Auto Racing *	+ 28.6 %	Boxing	- 7.3 %
Pro Golf	+ 15.0 %	Pro Soccer	- 11.6 %
Pro Tennis	- 4.6 %	College Basketball	- 15.3 %
Pro Football	- 5.1%	Pro Hockey	- 16.0 %
Pro Baseball	- 6.4 %	Pro Basketball	- 16.4 %
College Football	- 7.1 %	Figure Skating	- 18.9 %

* Reflects all auto racing, including NASCAR.

Comparison of Spectator Sports

In 2002, golf was ninth among respondents who were asked their favorite spectator sport (excluding the 8.4% who checked “none”). Golf was eighth in 2001, but was passed in '02 by professional soccer.

Pro Football	21.6	College Basketball	4.5
Pro Baseball	12.8	Pro Hockey	3.7
Pro Basketball	9.3	NASCAR	3.0
College Football	6.9	Pro Soccer	2.5
		Pro Golf	2.0

C. DEMOGRAPHIC INSIGHTS

The ESPN Sports Poll breaks down its results by demographic categories such as age, gender and race. It also measures both fans and avid fans. Here is a comparison of those results between 1996 and 2002:

Males 12+	1996	2002	Increase
Fans	43.7%	46.8%	7.1 %
Avid Fans	12.3%	14.5%	17.9 %
Females 12+	1996	2002	Increase
Fans	26.1%	27.2%	4.2%
Avid Fans	5.3%	8.1%	58.5%
Ages 12-17	1996	2002	Increase
Fans	29.4%	32.6%	10.9%
Avid Fans	4.1%	5.7%	39.0%
Caucasians	1996	2002	Increase
Fans	37.6%	40.8%	8.5%
Avid Fans	10.1%	11.9%	17.8%
African-Americans	1996	2002	Increase
Fans	24.2%	42.0%	73.6%
Avid Fans	2.5%	12.0%	380.0%
Hispanics	1996	2002	Increase
Fans	25.1%	32.0%	27.5%
Avid Fans	5.0%	6.9%	38.0%

These numbers confirm an encouraging trend and an extraordinary opportunity. The increase of fans and avid fans among youngsters 12-17 is consistent with the participation growth among juniors, and reinforces how important it is for the future of the game to capitalize on that interest.

The remarkable rise in interest among African-Americans and Hispanics has not abated, and indicates that efforts to diversify the game's participation base have the potential for success.

D. FAVORITE ATHLETE

In 2002 Michael Jordan and Tiger Woods remained one-two in the answer to the question about respondents' favorite athlete. Although Jordan (9.8%) and Woods (5.0%) remain the only two athletes with more than 2.1% of the votes, they both dropped somewhat from 2001 levels (11.3% and 6.1%, respectively).

Michael Jordan	9.8%	Shaquille O' Neal	1.7%
Tiger Woods	5.0%	Emmitt Smith	1.4%
Kobe Bryant	2.1%	Derek Jeter	1.2%
Brett Favre	2.1%	Joe Montana	1.1%
Allen Iverson	1.8%	Jeff Gordan	1.1%

VI. PARTICIPATION

A. DEFINITION

Prior to 2000, we looked at participation in golf primarily as people over the age of 18 who played at least one round of golf per year. But in GOLF 20/20's inaugural year of 2000, we decided it was important to look at a broader definition of participation, one that includes people who frequent only alternative facilities or golf ranges.

The National Golf Foundation determined that in 2000 there were 36 million participants in the U.S. That led to the establishment of the 20-year participation goal of reaching 55 million participants by the year 2020.

B. 2002 PARTICIPATION LEVELS

The National Golf Foundation's 2002 edition of Golf Participation in the U.S. was issued earlier this year, indicating a slight decline in total participation (primarily because of a significant decrease in range users), a slight increase in golfers, and a very encouraging increase in juniors.

Year	Number of Participants (in 000s)			% Change
	2000	2001	2002	2001-2002
Total Participants	36,000	37,100	36,700	-1.1%
Golfers (18+)	25,400	25,800	26,200	1.6%
Juniors (5-17)	4,000	4,400	6,100	38.6%
Alternative Users	1,700	2,000	1,300	-35.0%
Range Users	4,900	4,900	3,100	-36.7%

C. GOLFER SEGMENTS

One of the biggest concerns that arose from the 2001 Industry Report was the apparent backward migration of core golfers (8-24 rounds per year) and avid golfers (25+ rounds per year), resulting in a large increase in occasional golfers (1-7 rounds per year). This information came from golfers themselves, and was asked in January of 2002.

There was no question that golfers were playing fewer rounds, but was the drop-off really this dramatic? Since the question was asked just months after the terrorist attacks of September 11, 2001, the answers received from golfers polled could have been psychologically skewed somewhat, with a portion of the drop-off more perception than reality.

The results in 2002 indicate the possibility that perceived lower play rates might have been a minor factor, but no more than that. Although the number of core golfers did rebound considerably, there was another loss of avid golfers, those most important to the game's economy.

Year	Occasional	Core	Avid
	(In 000s)		
1991	11,480	6,133	5,348
1994	11,463	6,058	5,113
1997	10,619	7,897	5,602
2000	10,961	7,399	6,276
2001	14,190	5,676	5,934
2002	13,624	6,812	5,764

The loss of avid golfers would seem to be reflected in the average number of rounds per golfer:

Year	Golfers	Rounds	Average Rounds/Golfer
2000	25.4 m	518.4 m	20.41
2001	25.8 m	518.1 m	20.08
2002	26.2 m	502.4 m	19.18

GOLF 20/20 has commissioned a study on the issue of frequency and recovering lost rounds. The results of that study will be reported at the 2003 GOLF 20/20 conference, October 19-21.

D. OTHER REPORTS

The National Sporting Goods Association does an annual study of participation through a survey to 20,000 pre-screened households. This is for age seven and over, and the question was “Did you play *more than once* in 2002.”

The top 20 activities listed for 2002, along with the percentage of increase or decrease from 2001:

1. Exercise Walking	82.2 million	+ 5.0%
2. Vacation/Overnight Camping	55.4	+ 13.8%
3. Swimming	54.7	- 0.2%
4. Exercising with Equipment	50.2	+ 14.4%
5. Fishing	44.2	- 0.5%
6. Bowling	43.9	+ 4.8%
7. Bicycle Riding	41.4	+ 6.1%
8. Billiards/Pool	35.3	+ 7.8%
9. Hiking	30.5	+ 17.0%
10. Aerobic Exercising	29.0	+ 10.4%
11. Basketball	28.9	+ 3.0%
12. Golf	28.3	+ 6.1%
13. Weight Lifting	28.1	+ 17.4%
14. Motor/Power Boating	26.6	+ 11.4%
15. Running/Jogging	24.7	+ 0.9%
16. Hunting with Firearms	19.5	+ 1.6%
17. Target Shooting	18.9	+ 9.6%
18. Roller Skating (in-line)	18.8	- 2.0%
19. Dart Throwing	18.5	+ 9.4%
20. Baseball	15.6	+ 5.1%

(The activity with the highest growth percentage between 2001 and 2002 was paintball, which rose 24.4% to 6.9 million participants.)

The ESPN Sports Poll, as it does every year, asked participants in the poll: “Do you play golf?” In 2002, 19.2% of persons over the age of 12 indicated that they do play golf. Given the U.S. Census projection of 236,290,312 people in America over the age of 12, that works out to 45.6 million people who say that they play. People who just play miniature golf may answer yes to this question, but as we said last year, it is still a pretty strong confirmation of significant latent demand. The figure of 19.3% is down from 20.2% in 2001, but up from 18.9% in 1996.

VII. SUMMARY

Given the information included in this report, the biggest area of concern for the golf industry is the loss of rounds, reflected most vividly in the loss of avid golfers. People are just playing golf less frequently. The results of this year's study on frequency and recovery will give us more insight into the problem and hopefully help determine solutions. We do know that we cannot blame the loss of rounds solely on weather. And while the economy is definitely an issue, we suspect that the biggest factor is simply time, and a subtle shift in priorities over how to spend it.

And while new national programs for both kids and adults will have significant impact in the years ahead, the key to reversing the trend will be creativity at the local level. Individual facilities that can communicate with their customers most effectively, and market their inventory with imagination, will have the most success.

And there is reason to be encouraged as the economy begins to rebound. Facility development continues to lessen in response to the marketplace. Interest in golf remains very strong. The signals indicating significant latent demand are still prevalent. And the numbers on both interest and participation for youngsters are very encouraging and bode well for the future.

A few specific comments:

Interest in golf remains high, both in terms of fans and television viewers, as reflected in all information from 2002. And it is carrying forward this year as a compelling Masters Tournament overshadowed the controversy there, and Annika Sorenstam's performance in the Colonial attracted new viewers and generated a great deal of positive attention to the game.

In other words, the timing would seem to be excellent for the golf industry's focus on player development, and for programs like Link Up 2 Golf to make a difference in the years ahead.

There is still growing interest and tremendous untapped potential in the minority communities, especially among African-Americans and Hispanics. GOLF 20/20 is undertaking a study in 2003 give us a clearer picture of minority participation. From that information, 20/20's Diversity Task Force will develop specific participation targets for the years ahead, and recommend specific programs and opportunities.

We are not concerned a great deal by the drop-off in the overall participation numbers from 2001 to 2002, because it reflects by a seemingly aberrant shift in the number of golf range users indicated in the NGF's Participation Report. We hesitate to put much importance in a sudden decline to 3.1 million range users after two years consecutively at 4.9 million. Indeed, the Golf Range Association of America indicates that its member ranges detected no appreciable decline in adult visits. In any case, we would expect these numbers to return to a more normal level for 2003 and have a corresponding impact on the overall participation numbers.

Despite the expected correction in the number of core golfers, the loss of rounds among those who play the game regularly is an ongoing concern, and recovering lost rounds should be a priority. Research being conducted this year among 1000 golfers who are playing at least 20% less golf should offer insights into why they are playing less, and what would return them to previous levels of play.

The current trends in course development will continue. Specifically:

- The percentage of real-estate oriented courses, where profitability issues can be offset by the increase in land values, will continue to increase, and courses driven by real estate will be more than half of the new courses added within a year or two.
- The resistance to building high-end daily fee courses will increase, a healthy trend.
- The number of private courses added each year will remain fairly consistent, and private courses will continue to decrease in terms of percentage of the total inventory.
- Finally, this year's report emphasizes the importance to golf's future vitality of focusing on the youth segment. Fans (+11%) and avid fans (+39%) have increased significantly over the past six years among 12-17 year olds. The increase in junior participants (ages 5-17) from 4.4 million to 6.1 million seems a bit abnormal and may fall back somewhat next year, but it still indicates that some of that interest is being converted into participation. Local and national junior programs are definitely having an impact, and the timing would seem to be right for the National School Golf Program that will be tested this upcoming school year.

And again, perhaps the biggest reason for optimism is that the golf industry continues to work together to ensure the future, continues to form alliances in the best interests of the game, continues to look for creative ways to bring new people into contact with golf and strengthen the connection with those who already play. If that collaborative spirit remains vital, the golf industry will be well positioned to embark on a new era of prosperity.