



# THE NEW JERSEY GOLF ECONOMY

## SUMMARY REPORT

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



## Impact

New Jersey's golf industry generated a total economic impact of \$2.9 billion in 2010, supporting over 27,700 jobs with wage income of \$857.5 million.

# New Jersey Golf's Economic Impact

With 298 golf facilities, golf in the Garden State is more than an enjoyable pastime—it is a key industry contributing to the vitality of New Jersey's economy.

In 2010, the size of New Jersey's direct golf economy was approximately \$1.4 billion. This is comparable to revenues generated by key industries in the state, such as financial transactions processing (\$1.72 billion), agricultural crops (\$1.04 billion), and pharmaceutical and medicine manufacturing (\$15.45 billion).

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, New Jersey's golf industry generated a total economic impact of \$2.9 billion, supporting over 27,700 jobs with \$857.5 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 New Jersey's communities and industries.

Golf's Impact on New Jersey's Economy (2010)						
Industry	Direct (\$ M)	Indirect	Induced	Total Output (\$ M)	Total Jobs	Total Wage Income (\$ M)
<b>Golf Facility Operations</b>	\$965.2	→	→	\$2,015.1	20,399	\$608.8
<b>Golf Course Capital Investments*</b>	\$58.1	→	→	\$24.5	160	\$7.6
<b>Golf-Related Supplies</b>	\$27.2	→	→	\$54.3	481	\$15.9
<b>Tournaments &amp; Associations</b>	\$65.0	→	→	\$157.8	1,181	\$45.2
<b>Real Estate **</b>	\$56.5	→	→	\$86.7	567	\$26.9
<b>Hospitality / Tourism</b>	\$254.1	→	→	\$542.5	4,925	\$153.1
<b>TOTAL</b>	<b>\$1,426.1</b>	→	→	<b>\$2,881.1</b>	<b>27,713</b>	<b>\$857.5</b>

Note: To calculate golf's total economic impact, SRI subtracted from the direct golf economy impact of \$1.426 billion the portion of capital investment that is investment in existing facilities (\$47.1 million of \$58.1 million) and the portion of real estate that is the realized golf premium associated with the sale of real estate in existing developments (\$17.4 million of \$56.5 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.

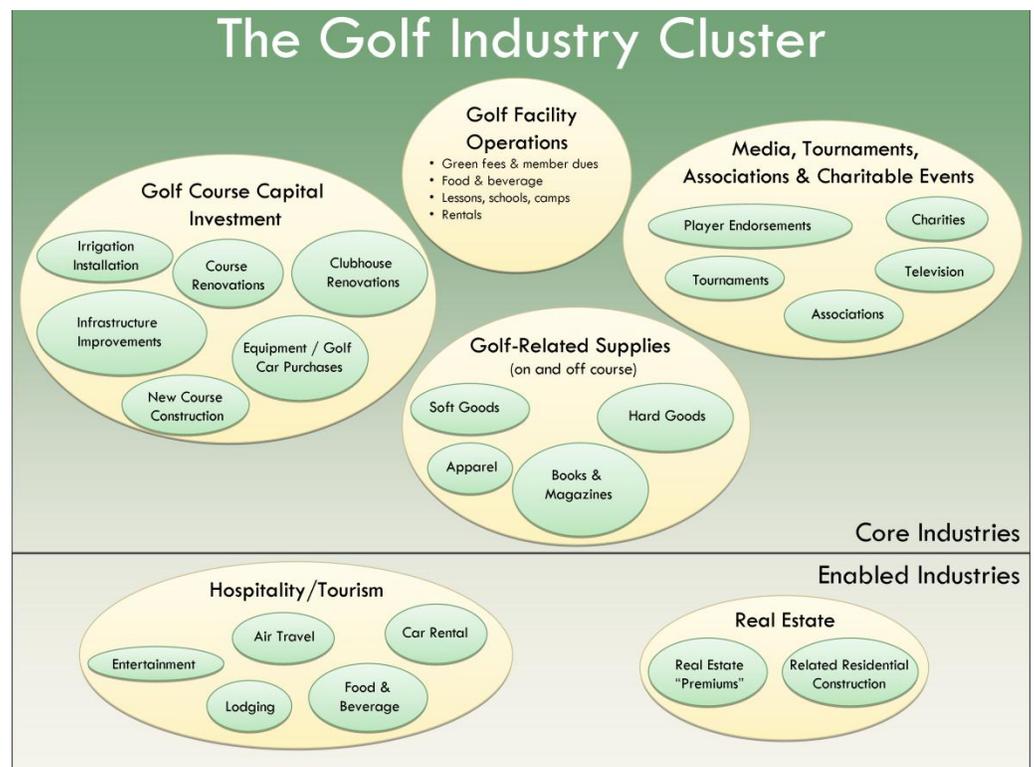
## Core Industries

**Golf Facility Operations:** Golf's 298 golf courses, 46 stand-alone ranges, and 56 miniature golf facilities generated \$965.2 million of revenues in 2010. Golf revenues exceed the combined revenues of all other major spectator sports combined—football, hockey, basketball, and other popular spectator sports.

**Golf Course Capital Investments:** New Jersey's golf facilities made \$58.1 million of capital investments in 2010: \$47.1 million in existing facilities and \$11.0 million in the construction of new courses.

**Golf-Related Supplies:** On- and off-course retail sales of golf clubs, golf apparel, golf media, and accessories generated approximately \$70.0 million. The margin made on these retail sales totaled \$27.2 million.

**Major Tournaments and Associations:** In 2010, New Jersey hosted The Barclays (a PGA TOUR event), the Sybase Match Play Championship (an LPGA Tour event), and the ShopRite LPGA Classic (another LPGA Tour event). In 2010, these three events combined with the golf associations in New Jersey generated \$65.0 million in revenues.



## Enabled Industries

**Golf Real Estate:** Golf-related residential construction totaled \$39.0 million in 2010. The "golf premium" generated by sales in New Jersey's 38 golf communities was \$17.4 million.

**Hospitality/Tourism:** SRI estimates that golf drew New Jersey day trippers and tourists to courses in different parts of the state generating \$254.1 million of golf-related spending in 2010.



## 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 New Jersey's communities and industries.



### Size of New Jersey's Golf Economy in Comparison to Other Industries, 2010 (\$ billions)

Pharmaceutical and medicine manufacturing	\$15.45
Financial transactions processing	\$1.72
<b>Golf</b>	<b>\$1.43</b>
Crops (e.g., greenhouse/nursery, blueberries, tomatoes, peaches)	\$1.04

Source for non-golf data: U.S. Department of Agriculture, Economic Research Service (2011), New Jersey: Leading Commodities for Cash Receipts, 2010. U.S. Census Bureau (2010), 2007 Economic Census, Geographic Series: Financial Transactions Processing, Reserve, and Clearinghouse Activities (NAICS 52232) and Pharmaceutical and Medicine Manufacturing (NAICS 3254). 2007 revenues adjusted to 2010 dollars using the GDP deflator.

- The importance of golf in New Jersey extends beyond the golf facilities themselves. With \$1.4 billion 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 New Jersey's economy.
- New Jersey's golf industry is comparable in size to other important industries in the state, including financial transactions processing, crop production, and pharmaceutical and medicine manufacturing.
- In 2010, golf facilities represented the largest golf industry segment in terms of revenue followed by golf tourism.

### New Jersey Golf Gives Back

- New Jersey golf course owners, club managers, and PGA professionals are happy to serve as access points for fundraising by local service organizations.
- Numerous charitable events are hosted on New Jersey's golf courses each year, benefiting organizations such as Children's Aid and Family Services, Somerset Medical Center, the AtlantiCare Foundation, the Boys & Girls Club of Atlantic City, the Ronald McDonald House of Southern New Jersey, local chapters of the First Tee, the New Jersey Golf Foundation, St. Jude Children's Research Hospital, Children's Specialized Hospital, local schools, community health organizations, and many others.
- Many not-for-profit organizations, such as the New Jersey Golf Foundation and the First Tee program, introduce New Jersey youths to the game and values of golf.
- The total amount of charitable giving attributed to the game of golf in New Jersey approached \$45.5 million in 2010.

The full version of The New Jersey Golf Economy report is available at:

<http://www.golf2020.com>