

The Economic Impact of Golf In South Carolina

By

Dudley Jackson
Research Director
South Carolina Department of Parks, Recreation and Tourism

For

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For more information, you may contact the South Carolina Department of Parks, Recreation and Tourism at (803) 734-1051 or the South Carolina Golf Course Owners Association at (843) 722-7799.

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EXECUTIVE SUMMARY

In 1786, America's first golf course was built in Charleston, South Carolina. Today, there are over 300 hundred golf courses around the state in settings that vary from ocean views and marshes on the coast to mountain vistas in the upstate. Golf Digest ranks South Carolina among the nation's top golf destinations. Golf generates more income than any other single entertainment or recreation activity in South Carolina.

Economic Impact

In 2018, golf courses and the off-course expenditures of visiting golfers had a total economic impact (direct, indirect and induced) in South Carolina of:

- **\$2.59 billion in output or sales,**
- **31,434 jobs,**
- **\$857 million in wages and income**
- **\$309 million in federal, state and local taxes.** Green fees and club membership dues generated **\$12.4 million in admissions tax revenue alone**, accounting for 35% of state admissions tax collections.

Note: The impacts of real estate sales in golf communities and off-site purchases of golf equipment by local golfers are not included in these totals.

Golf Course Statistics

- Overall, the **average number of rounds played was 27,062** per 18-hole course in 2018. By region and type of course, the average was highest in the coastal region (35,052) and at public courses (32,663).
- In 2018, the **average revenue from membership dues, green fees and cart fees per paid round was \$52.78**. By region and type of course, the average was highest in the coastal region (\$70.64) and at private courses (\$140.57).

Traveling Golfers in South Carolina

- In addition to revenues collected at golf courses, travelers in South Carolina that played golf during their trip spent **\$870 million** off-course at hotels, restaurants, and other retail and entertainment venues.
- The top golf destinations in the state were **Myrtle Beach (55%), Hilton Head Island (31%), and Charleston (24%)**.
- The top out-of-state origin markets are Ohio (17%), North Carolina (11%), Pennsylvania (9%), New York (9%), and Georgia (6%). South Carolina residents accounted for 16% of golf trips in the state.
- The **median age of golf visitors was 48** with a **median household income of \$100,000 to \$125,000**.

Methodology

In 1993, a golf course survey was developed in cooperation with the South Carolina Golf Course Owners Association to collect data on facility characteristics, rounds played, course revenues and operational expenditures. It was administered to owners of public and private golf courses around the state reporting on the previous year's performance (1992). This golf course survey has been repeated every few years with reports published in 1994, 1998, 2002, 2006, 2008, 2012, 2016 and now in 2019.

For the current report, seventy surveys were completed by members of the South Carolina Golf Course Owners Association, representing ninety one 18-hole equivalent golf courses, reporting on 2018 performance. The sample represents 52% of the member courses in the coastal region (Myrtle Beach Area, Charleston and Lowcountry Chapters) and 76% of member courses in the non-coastal region (Midlands and Upstate Chapters). For the economic impact analysis, course revenues and expenditures were projected using sample responses in the two regions (coastal vs. non-coastal) weighted by the sample to population ratios noted in the appendix.

After 1994, data on the expenditures of traveling golfers in South Carolina was included to expand the scope of the report. From 1998 to 2006, data on traveling golfers was obtained from the Travel Industry Association of America's national travel survey *TravelScope*. Beginning with the 2008 report, data on traveling golfers was obtained from *Travels America*, a national travel survey of TNS. *Travels America* provides detailed trip expenditure data, maximizing the accuracy of the economic impact attributed to visiting golfers.

IMPLAN, an input-output analysis tool, has been used in all years to estimate the economic impact on output, jobs, income, and taxes generated. IMPLAN software and economic data is revised each year so annual estimates derived using IMPLAN may not be comparable with previous years.

Golf Course Revenues and Rounds Played

Revenues at golf facilities accrue from sales at the pro shops and restaurants/snack bars, as well as the expenditures by patrons to play a round of golf and participate in other golf related activities. Total revenues and expenditures of golf courses were analyzed in order to measure the aggregate impact of golf course operations on the state's economy.

Statewide revenues from green fees, cart fees and membership dues combined were \$406 million and represented 66% of total revenues. Food and beverage purchases were \$82 million. Retail purchases at pro shops, including clothing and equipment, were \$64 million. Projected total revenues of South Carolina's golf facilities were estimated to be \$611 million in 2018.

Table 1
Course Revenues

Type of Revenue	Total (\$millions)	% of Total
Green fees, cart fees, Membership dues	406	66%
Food and Beverage	82	13%
Retail / Pro Shop	64	10%
Initiation Fees	16	3%
Other (range fees, lessons/clinics, Club rentals, other)	43	7%
Total Revenues	\$611 million	100%

The average number of rounds played per 18-hole course was 27,062 in 2018. The average number of rounds played differed by region and type of course. The average was 32,052 in the coastal region versus 22,241 inland. The average was 32,663 at public courses, 16,996 at private courses and 27,958 at resort courses.

The average revenue from green and cart fees or membership dues per paid round was \$52.78. The average was \$70.64 in the coastal area versus \$35.51 inland. The average was \$47.22 at public courses, \$140.57 at private courses and \$56.17 at resort courses.

Golf Course Operating Expenses

Statewide golf course operating expenses were projected to total \$497 million. Wages and salaries were the largest budget category and represented 40% of expenses. A break-out of these expenditures is shown in Table 2 below.

Table 2
Course Operating Expenses

Type of Expenditure	Total (\$millions)	% of Total
Wages & Salaries	200	40%
General Administration	55	11%
Retail/Pro Shop Expenses	41	8%
Food and Beverage Expenses	33	7%
Equipment Leases	28	6%
Fertilizers	21	4%
Utilities	19	4%
Other Expenses	22	4%
Property Tax	15	3%
Insurance	14	3%
Equipment Repair	23	5%
Admissions Tax	12	2%
Marketing	11	2%
Irrigation	3	1%
Total Expense	\$497 million	100%

Operational expenditures averaged \$1.6 million per 18-hole equivalent course, excluding capital expenditures.

Golf Course Capital Expenditures

The statewide total capital expenditures at existing golf courses were estimated at \$54 million in 2018. The average of reported capital expenditures per 18-hole equivalent course was \$172 thousand.

For more details on rounds, revenues and expenses, see the table *Golf Course Statistics by Region and Type of Course* in the Appendix.

Visiting Golfers and Expenditures

According to the TNS national survey *Travels America*, approximately 5 percent of all domestic trips (around 680,000 travel parties) to South Carolina include playing golf. The average length of stay on golf trips is around four nights with hotels being the preferred lodging (35%), followed by rental home & condos (19%). In addition to golfing, they enjoy the beaches, shopping, fine dining, sightseeing, historic attractions and museums. Trips to South Carolina that include golf occur most frequently in spring (32%), followed by summer (26%), fall (21%), and winter (21%).

About sixteen percent of golf trips originate in-state. The top out-of-state origin markets are Ohio (17%), North Carolina (11%), Pennsylvania (9%), New York (9%), and Georgia (6%). The typical golf visitor is a 48 year old white male with a household income of \$100,000 to \$125,000 (based on median demographics).

Travelers in South Carolina that played golf during their trip spent **\$870 million** off-course at hotels, restaurants, and other retail and entertainment venues.

For more details, see the table *U.S. Golf Trips to South Carolina* in the Appendix.

Economic Impact analysis

As an industry, golf has economic value to the state in the same way that other industries do, and in some ways that other industries do not. As is the case with similar sized manufacturing industries, golf has quantifiable impacts on the economy - creating demand for the goods and services of other businesses, creating jobs and incomes for the state's residents, and creating tax revenues for state and local governments. Furthermore, it is a major tourism draw that brings business to the hospitality industry. On the home front, it enhances the quality of life for South Carolina's residents, providing important recreational and spectator opportunities.

Direct Impacts

The direct effects from the initial revenues of golf courses and off-course expenditures by visiting golfers produced \$1.43 billion in output or sales, 22,510 jobs and \$485 million in wages and personal income.

Table 3
Direct Effect on Output, Jobs and Income

IMPLAN Codes	Sector Descriptions	Output or Sales** (\$millions)	Employment	Wages or Income (\$millions)
	Golf Courses*	611	11,188	200
499	Hotels and motels, including casino hotels	288	2,361	85
502	Limited-service restaurants	127	1,559	29
501	Full-service restaurants	119	2,448	56
496	Other amusement and recreation industries	92	1,358	33
406	Retail - Miscellaneous store retailers	81	2,142	39
412	Transit and ground passenger transportation	31	706	12
62	Maintenance and repair construction of nonresidential structures	21	126	7
	All Other industries	56	622	25
	Total	\$1.43 billion	22,510	\$485 million

*Revenues, jobs and payroll are projected from courses that reported data for this study. These were treated as direct impacts and were not run through IMPLAN.

**For retail sectors, the output amounts shown are retail mark-up, not gross sales.

Indirect and Induced Effects

Expenditures associated with golf course operations did not occur in an economic vacuum. Many South Carolina industries benefited from the indirect and induced effects produced after the direct influx of \$1.43 billion dollars into the economy.

The total industrial output or economic impact of golf in the state of South Carolina was \$2.59 billion in 2018. The direct economic impact was \$1.43 billion, while indirect and induced effects added an additional \$1.16 billion. Thus, the average combined multiplier associated with the study was 1.82. That is, 82 cents of every dollar in direct output was re-spent in the state's economy.

The top recipients of the indirect and induced rounds of spending are shown in Table 4.

Table 4
Indirect and Induced Effects on Output

IMPLAN Codes	Sector Descriptions	Output or Sales (\$millions)
440	Real estate	92
461	Management of companies and enterprises	72
441	Owner-occupied dwellings	68
404	Retail - Sporting goods, hobby, musical instrument and book stores	42
395	Wholesale trade	40
502	Limited-service restaurants	40
437	Insurance carriers	38
49	Electric power transmission and distribution	33
445	Commercial and industrial machinery and equipment rental and leasing	30
501	Full-service restaurants	30
	All Other industries	678
	Total	\$1.16 billion

Total Impacts

In 2018, the golf industry in South Carolina supported \$2.59 billion in sales, 31,434 full time jobs, and \$857 million in income generated by the direct, indirect and induced effects of golf course operations and off-course expenditures of visiting golfers.

Table 5
Total Effect on Output, Jobs and Income

IMPLAN Codes	Sector Descriptions	Output or Sales (\$millions)	Employment	Wages or Income (\$millions)
	Golf Courses (Direct Only)*	611	11,000	200
499	Hotels and motels, including casino hotels	289	2,369	85
502	Limited-service restaurants	167	2,054	38
501	Full-service restaurants	149	3,069	70
496	Other amusement and recreation industries	94	1,390	33
440	Real estate	92	517	11
406	Retail - Miscellaneous store retailers	84	2,221	40
461	Management of companies and enterprises	72	358	31
441	Owner-occupied dwellings	68	0	0
404	Retail - Sporting goods, hobby, musical instrument and book stores	42	949	20
395	Wholesale trade	40	180	13
	All Other Industries	881	7,328	316
	Total	\$2.59 billion	31,434	\$857 million

*Revenues, jobs and payroll are projected from courses that reported data for this study. These were treated as direct impacts and were not run through IMPLAN.

Fiscal Impact

Golfers paid \$12.4 million in admissions tax to the state, accounting for 35% of total admissions tax collections in calendar year 2018.

Local, state and federal government agencies shared the benefits from the economic activity surrounding golf with combined tax revenues of \$309 million. From the impact assessment of golf course operations and off-course expenditures by visiting golfers, it was estimated that \$158 million were generated in state and local taxes, while \$151 million were paid in federal taxes.

Additional Impacts

In 2018, 135,000 people attended The RBC Heritage Golf Tournament. The Heritage is one of only a few major sporting events held in South Carolina each year and the only recurring PGA TOUR event in the state. This mega event held annually at Harbour Town Golf Links at Sea Pines Resort on Hilton Head Island infuses \$96 million into the state's economy*. While uncertainty about the Heritage's future loomed following the loss of Verizon as the event's title sponsor, both the tournament and its profound impact on South Carolina's tourism economy were secured when RBC assumed the role of title sponsor beginning in 2012, along with a supplemental presenting sponsorship commitment from Boeing.

In May 2019, South Carolina welcomes the US Women's Open to Charleston. Aside from the finale in November, the US Women's open is the largest event on the 2019 LPGA Tour with a purse of \$5 million. Some recent LPGA events have drawn as much as 100,000 attendees. The USGA predicts the economic impact of this event to be \$25 million.

* Most recent Heritage Impact Data is from 2014.

APPENDIX

Survey of South Carolina Golf Facility Revenues and Expenses Occurring in 2018

1. Facility location (by SC Golf Course Owners Association region)

- ☐ Myrtle Beach Area ☐ Charleston
☐ Lowcountry ☐ Midlands / Upstate

2. Type of facility

- ☐ Private (members and their guests only)
☐ Resort (golf facility affiliated with a lodging component)
☐ Public (at least limited access)

3. Reporting for # of holes

(You can report for multiple courses or do separate surveys by course.)

- ☐ 9 holes
☐ 18 holes
☐ 27 holes
☐ 36 holes
☐ 45 holes
☐ _____holes

4. Fiscal year for which you are reporting (If not reporting on calendar-year 2018, then report on most recent 12 month fiscal year)

Beginning MO/YR _____
Ending MO/YR _____

5. Rounds played (in 18 hole equivalents) in the fiscal year reported

Daily-fee _____
Member _____
Complimentary _____

6A. Total Gross Revenues (including concessions) in the fiscal year reported

- | | |
|---|---|
| <input type="checkbox"/> Less than \$1.0 mil. | <input type="checkbox"/> \$1.0-1.999 mil. |
| <input type="checkbox"/> \$2.0-2.999 mil. | <input type="checkbox"/> \$3.0-3.999 mil. |
| <input type="checkbox"/> \$4.0-4.999 mil. | <input type="checkbox"/> \$5.0-0.999 mil. |
| <input type="checkbox"/> \$6.0-6.999 mil. | <input type="checkbox"/> \$7.0-7.999 mil. |
| <input type="checkbox"/> \$8.0-8.999 mil. | <input type="checkbox"/> \$9.0-9.999 mil. |
| <input type="checkbox"/> \$10.0-10.999 mil. | <input type="checkbox"/> \$11.0-11.999 mil. |
| <input type="checkbox"/> \$12.0-12.999 mil. | <input type="checkbox"/> \$13.0-13.999 mil. |
| <input type="checkbox"/> \$14.0-14.999 mil. | <input type="checkbox"/> \$15.0-15.999 mil. |
| <input type="checkbox"/> \$16.0-16.999 mil. | <input type="checkbox"/> \$17.0-17.999 mil. |
| <input type="checkbox"/> \$18.0-18.999 mil. | <input type="checkbox"/> \$19.0 mil. + |

6B. Break-down of revenues Dollar Amount

Initiation Fees	_____
Membership Dues	_____
Green Fees	_____
Golf Car Rentals	_____
Other Rentals	_____
Driving Range	_____
Pro Shop Merchandise	_____
Food and Beverage	_____
Other (Specify):	_____
_____	_____
_____	_____
_____	_____

QUESTIONNAIRE: (continued)

7A. Total Operating Expenses (including concessions) in the fiscal year reported

- | | |
|---|---|
| <input type="checkbox"/> Less than \$1.0 mil. | <input type="checkbox"/> \$1.0-1.999 mil. |
| <input type="checkbox"/> \$2.0-2.999 mil. | <input type="checkbox"/> \$3.0-3.999 mil. |
| <input type="checkbox"/> \$4.0-4.999 mil. | <input type="checkbox"/> \$5.0-0.999 mil. |
| <input type="checkbox"/> \$6.0-6.999 mil. | <input type="checkbox"/> \$7.0-7.999 mil. |
| <input type="checkbox"/> \$8.0-8.999 mil. | <input type="checkbox"/> \$9.0-9.999 mil. |
| <input type="checkbox"/> \$10.0-10.999 mil. | <input type="checkbox"/> \$11.0 mil. + |

7B. Number of employees

Full-time _____
Part-time/seasonal _____

7C. Break-down of operating expenses

Dollar Amount

Full time wages	_____
Part time or seasonal wages	_____
General administrative	_____
Equipment maintenance/repair	_____
Irrigation water	_____
Fertilizers and chemicals	_____
Golf car or equipment leases	_____
Pro shop merchandise	_____
Cost of food and beverage	_____
Advertising/marketing	_____
Property tax	_____
Amusement tax	_____
Facility insurance	_____
Utilities	_____
Other (specify):	_____
_____	_____
_____	_____
_____	_____

8A. Total Capital Expenditures in the fiscal year reported

- | | |
|---|---|
| <input type="checkbox"/> Less than \$1.0 mil. | <input type="checkbox"/> \$1.0-1.999 mil. |
| <input type="checkbox"/> \$2.0-2.999 mil. | <input type="checkbox"/> \$3.0-3.999 mil. |
| <input type="checkbox"/> \$4.0-4.999 mil. | <input type="checkbox"/> \$5.0-5.999 mil. |
| <input type="checkbox"/> \$6.0-6.999 mil. | <input type="checkbox"/> \$7.0 mil. + |

8B. Break-down of capital expenditures

Dollar Amount

Course renovation	_____
Irrigation system/water source	_____
Clubhouse/building expansion	_____
New vehicles/equipment	_____
Other (specify):	_____
_____	_____
_____	_____
_____	_____

9. OPTIONAL - SCPRT keeps your information strictly confidential. However, if you wish you can report the course(s) for which you are reporting here:

U.S. Golf Trips to South Carolina

	2017 ¹
# of Trips* (projected total)	679,000
Median Length of stay (nights)	4.0
Median Party Size (in same household)	2.0
% of Parties with Children	23%
Off-Course Expenditures (projected total)	\$870 million
Destinations: Myrtle Beach	55%
Charleston	24%
Hilton Head Island	31%
Columbia	10%
Greenville/Spartanburg	9%
Quarter of Visit: Winter	21%
Spring	32%
Summer	26%
Fall	21%
Trip Purpose: Friends/Relatives	34%
Outdoor Recreation	31%
Entertainment/Sightseeing	8%
Other pleasure/Personal	18%
Transportation: Automobile	76%
Airplane	22%
Lodging**: Rental Home/Condo	19%
Time Share	14%
Hotel	35%
Personal/2 nd Home	13%
Activities: Golf	100%
Beaches	57%
Shopping	49%
Fine Dining	33%
Rural Sightseeing	21%
Museums	20%
Urban Sightseeing	18%
Historic Sites/Churches	16%
Top State Origins	Ohio (17%) South Carolina (16%) North Carolina (11%) Pennsylvania (9%) New York (9%) Georgia (6%)
Median Age of Head of Household	48
Median Household Income	\$100,000-\$125,000

¹ When this report was published, 2018 data on SC golfer travel spending was not yet available.

*Projections, averages and percentages represent trips, not individual visitors.

**More than one type of accommodations were used on some trips.

Golf Course Statistics by Region and Type of Course

Average Annual Revenues and Rounds Played per 18-hole Course

Number of Rounds:	Coastal	Non-Coastal	Private	Resort	Public	Statewide
Daily-fee	19,571	10,604	4,101	19,605	18,005	15,011
Members	9,925	10,999	15,342	5,759	10,575	10,471
Total Paid Rounds	28,324	20,104	18,547	30,516	27,610	24,143
Complimentary	2,752	525	652	2,330	2,957	1,619
Overall	32,052	22,241	16,996	27,958	32,663	27,062
Course Revenues:						
Initiation Fees	\$224,931	\$17,792	\$503,368	\$60,031	\$68,473	\$119,582
Membership Dues	\$624,180	\$434,248	\$2,282,422	\$178,332	\$328,585	\$527,583
Green Fees*	\$963,436	\$194,768	\$197,622	\$1,080,945	\$540,813	\$572,498
Cart Fees	\$635,568	\$183,892	\$158,138	\$919,727	\$561,292	\$405,849
Club Rentals	\$33,843	\$56,316	\$36,714	\$35,899	\$22,092	\$45,273
Range	\$27,242	\$17,779	\$22,025	\$20,564	\$26,463	\$22,429
Other	\$350,894	\$76,180	\$418,418	\$339,960	\$258,600	\$211,177
Overall	\$2,860,093	\$980,976	\$3,618,706	\$2,635,458	\$1,806,319	\$1,904,391
Pro Shop Revenues:						
Gross Retail Sales	\$345,673	\$126,342	\$435,948	\$340,453	\$180,720	\$234,123
Club House Revenues:						
Food & Beverage Sales	\$493,511	\$157,171	\$1,093,084	\$280,950	\$382,935	\$322,451
Revenue Totals:						
Dues & Green & Cart	\$1,990,668	\$785,324	\$2,855,554	\$2,122,118	\$1,341,702	\$1,377,641
Overall Revenues**	\$2,979,163	\$1,074,708	\$4,373,353	\$2,638,627	\$2,042,329	\$2,010,574
Revenue per Paid Round:						
Dues & Green & Cart	\$70.64	\$35.51	\$140.57	\$56.17	\$47.22	\$52.78
Overall Revenues**	\$106.01	\$48.60	\$235.79	\$86.47	\$72.38	\$76.81

*Some Green Fees include Cart Fees

**Excludes Initiation Fees

Average Annual Operating Expenses Per 18-Hole Course

Full-Time Employees	23	9	40	22	17	16
Part-Time/Seasonal	27	16	23	23	26	21
Overall Operating Budget	\$2,191,677	\$1,013,296	3,788,805	\$2,071,384	\$1,653,764	1,592,363
Employee Wages	\$932,056	\$372,829	1,730,176	\$848,755	\$682,221	647,638
Property Tax	\$70,204	\$37,759	\$119,898	\$72,161	\$50,743	53,703
Capital Expenditures	\$400,051	\$131,261	1,784,000	\$255,211	\$154,875	263,347

Characteristics of Golf Courses Participating in the Study

# of Respondents	58	12	10	12	48	70
	83%	17%	14%	17%	69%	100%
18-hole Course Equivalents Represented by Sample	78	13	13	26	52	91
	86%	14%	14%	29%	57%	100%
Projected 18-hole Course Equivalents	58	12	10	12	48	70
	83%	17%	14%	17%	69%	100%

Notes:

1. 'Averages' defined as the mean of non-zero responses per 18-hole course. The statewide average is weighted by region, coastal (49%) and non-coastal (51%). These percentages are estimated from the SCPRT product database.
2. The NGF estimates 316 18 Hole Equivalent Golf Courses in South Carolina for 2018.

**SCGCOA Member Response Rate for
Survey of South Carolina Golf Facility Revenues and Expenses Occurring in 2018**

	Coastal Member Facilities	Non-Coastal Member Facilities
SCGCOA 18 Hole Equivalent Member Courses*	148	17
SCGCOA 18 Hole Equivalent Member Golf Courses Responding	78	13
Response Rate	52%	76%

*Per the NCGCOA, March 2019