EXECUTIVE SUMMARY

Economic impact study of golf for Canada

A ground-breaking study conducted by NAGA

HIGHLIGHTS

AUGUST 14, 2009 - Based on a nation-wide survey of more than 4,000 golfers[1] and 350 golf courses[2] in 10 provinces and three territories, the **Economic impact study (EIS) of golf for Canada** ("Measuring the game of golf in Canada")[3] provides the first comprehensive and independent assessment of the economic impact of the golf industry in Canada.

This study provides new quantitative evidence of the economic significance of the sport to the Canadian, provincial and territorial economies, through primary research augmented by secondary information sources. The results demonstrate the substantial role golf has in the economy of Canada in terms of:

- Golf's "Gross Domestic Product" in Canada – including all goods and services that are directly and indirectly related to the game, with analysis of who benefits from golf, and to what extent; and
- Other spin-off economic impacts such as employment and household income at the national, provincial and territorial scales.

ECONOMIC IMPACT OF GOLF FOR CANADA

The game of golf accounts for an estimated **$11.3 billion** of Canada's Gross Domestic Product (GDP), which includes:

- 341,794 jobs;
- $7.6 billion in household income;
- $1.2 billion in property and other indirect taxes; and,
- $1.9 billion in income taxes.

[1] The golfer survey results are accurate to +/- 1.55 percentage points, 19 times out of 20. Survey data is extrapolated to Canada based on an estimated population of 5.9M golfers.

[2] The course survey results are accurate to +/- 4.76 percentage points, 19 times out of 20. Survey data is extrapolated to Canada based on an estimated population of 2,397 courses.

[3] RFP issued May 2008

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Golf in Canada generates an estimated $29.4 billion in total gross production through direct, indirect and induced spending impacts.

> The total direct economic activity (total direct sales) resulting from the Canadian Golf Industry is estimated at **$13.6 billion**. Of this total, the revenues generated directly by golf courses and their facilities and stand-alone driving and practice ranges (**$4.7 billion**) rivals the revenues generated by **all other** participation sports and recreation facilities combined (**$4.8 billion**) in Canada[4].

Additional key benefits and impact of golf in Canada include:

- ***Environmental Benefits*** – Over 200,000 hectares of green space managed by golf course operators, including 41,000 hectares of unmanaged wildlife habitat under golf course stewardship.
- ***Golf Participation*** –SNG estimates that approximately 70 million rounds of golf were played in 2008, a level of play that was as much as 10% lower than the average number of rounds based on prior years. [5]
- According to IPSOS Reid, there are an estimated 6 million Canadian golfers.[6] According to RCGA sources, Canadian golf participation rates are among the highest in the world.[7]
- ***Employment Opportunities*** – The Canadian Golf Industry provides an excellent employment opportunity, with as many as 43% of those employed at Canadian golf courses being students.
- ***Estimated Impact on Property Values*** – The location of houses adjacent to golf courses provides benefits to homeowners that stem from higher home values compared to similar homes that are not adjacent to courses. The total incremental impact on home values is estimated at $1.4 billion.
- ***Charitable Activity*** – Each year there are at least 25,000 charitable events hosted at Canadian courses. Using conservative estimates, these events raise more than $439 million for charitable causes across Canada.
- ***Golf Tourism*** – Canadian travellers make more than 1 million trips involving golf, spending an estimated $1.9 billion annually on golf-related travel within Canada.

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[4] These recreational facilities include skiing, fitness and recreational sports centres, amusement parks and arcades, and all other amusement and recreation industries, except gambling. Source: Statistics Canada. Table 361-0015 - Amusement and recreation, summary statistics, by North American Industry Classification System (NAICS), annual, CANSIM..

[5] Based on SNG's survey of courses, the number of rounds played in 2008 was down as much as 10%.

[6] In a 2006 Ipsos Reid found determined there were 5,953,000 million golfers (playing one more rounds) in Canada.

[7]Royal Canadian Golf Association

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Aside from households, which command more that 25% of the gross economic effects of golf, Canada's manufacturing sector is impacted the most by Canadian golf related expenditures, commanding **13%** of Golf's gross economic impacts in Canada. This is followed by the finance, insurance and real estate services and retail trade sectors.

From many perspectives the game of Golf is a significant contributor to the economies of each province and for Canada overall.

ABOUT THE STUDY

This ground-breaking study was conducted by Strategic Networks Group, Inc. (SNG), led by Thomas McGuire, VP North America, and was based almost entirely on primary research of the supply (golf courses) and demand (golfers) of golf in Canada. SNG also used a newly built customized inter-regional input-output impact model, developed by noted economists Dr. William Schaffer, Professor Emeritus, Georgia Institute of Technology, and John Jozsa, Jozsa Management & Economics - both are associates of SNG. This I-O model was customized to track golf-industry related economic activity across Canada.

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