



Key Findings Report

Economic Impact of Golf in Canada

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Prepared for

National Allied Golf Associations



The Canadian Society
of Club Managers
La Société canadienne
des directeurs de clubs

CANADIAN GOLF
SUPERINTENDENTS
ASSOCIATION



L'ASSOCIATION
CANADIENNE DES
SURINTENDANTS
DE GOLF



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Economic Impact Study of Golf in Canada

A ground-breaking study conducted by the National Allied Golf Associations (NAGA)

Highlights

MAY 29, 2014 - Based on a nation-wide survey of nearly 15,000 golfersⁱ and over 300 golf coursesⁱⁱ in 10 provinces and three territories, the **Economic Impact Study (EIS) of Golf in Canada** (“Measuring the game of golf in Canada”) provides a comprehensive update to the landmark study of the economic impact of the golf industry in Canada which was conducted by SNG Solutions Inc. in 2008-09 (2009 Study).

This study provides quantitative evidence updated in 2014 of the economic significance of Golf to the Canadian, provincial and territorial economies, through primary research provided by golfers and course operators across Canada. 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 jobs and household income at the national, provincial and territorial scales.

Economic Impact of Golf in Canada – summary

The golf industry in Canada accounts for about \$19.7 billion in **direct spending** on:

- memberships and green fees (\$5.0 billion);
- golf equipment (\$3.2 billion);
- golf apparel (\$0.86 billion);
- charitable contributions at events (\$0.53 billion);
- spending by Canadian golfers on other golf related goods and services (such as instructions, publications, pay TV, transportation and fuel to their home courses, etc.) (\$2.5 billion);
- golf related travel by Canadian golfers in Canada, excluding their home course (\$1.5 billion);
- golf related travel and on-course spending outside of Canada by Canadian golfers (\$4.6 billion);
- golf related travel in Canada by foreign golfers \$1.2 billion (not including on-course spending); and
- capital additions and improvements at courses (\$0.4 billion).

Based on direct, indirect and induced impacts, Canada’s 2013 golf cluster economic impact accounts for about \$14.3 billion of Canada’s **Gross Domestic Product (GDP)**, up from \$12.2 billion in 2008.

Other economic contributions of golf in Canada include:

- 300,100 jobs (340,000 from the 2009 Study);
- \$8.3 billion in household income (\$8.2 billion from the 2009 Study);
- \$1.4 billion in property and other indirect taxes (\$1.3 billion from the 2009 Study); and,
- \$2.2 billion in federal and provincial income taxes (\$2.6 billion from the 2009 Study).

Golf in Canada generates an estimated \$36.8 billion in total **gross production** (see end notes for definitions) through the combination of direct, indirect and induced spending impacts.

The total direct economic activity (total direct sales, golf related travel, capital spending) resulting from the Canadian Golf Industry is estimated at \$19.7 billion. Direct revenues generated directly by golf courses and their facilities, and stand-alone driving and practice ranges (\$5.0 billion) rivals the revenues generated by **all other** participation sports and recreation facilities combined (**\$4.8 billion**) in Canadaⁱⁱⁱ.

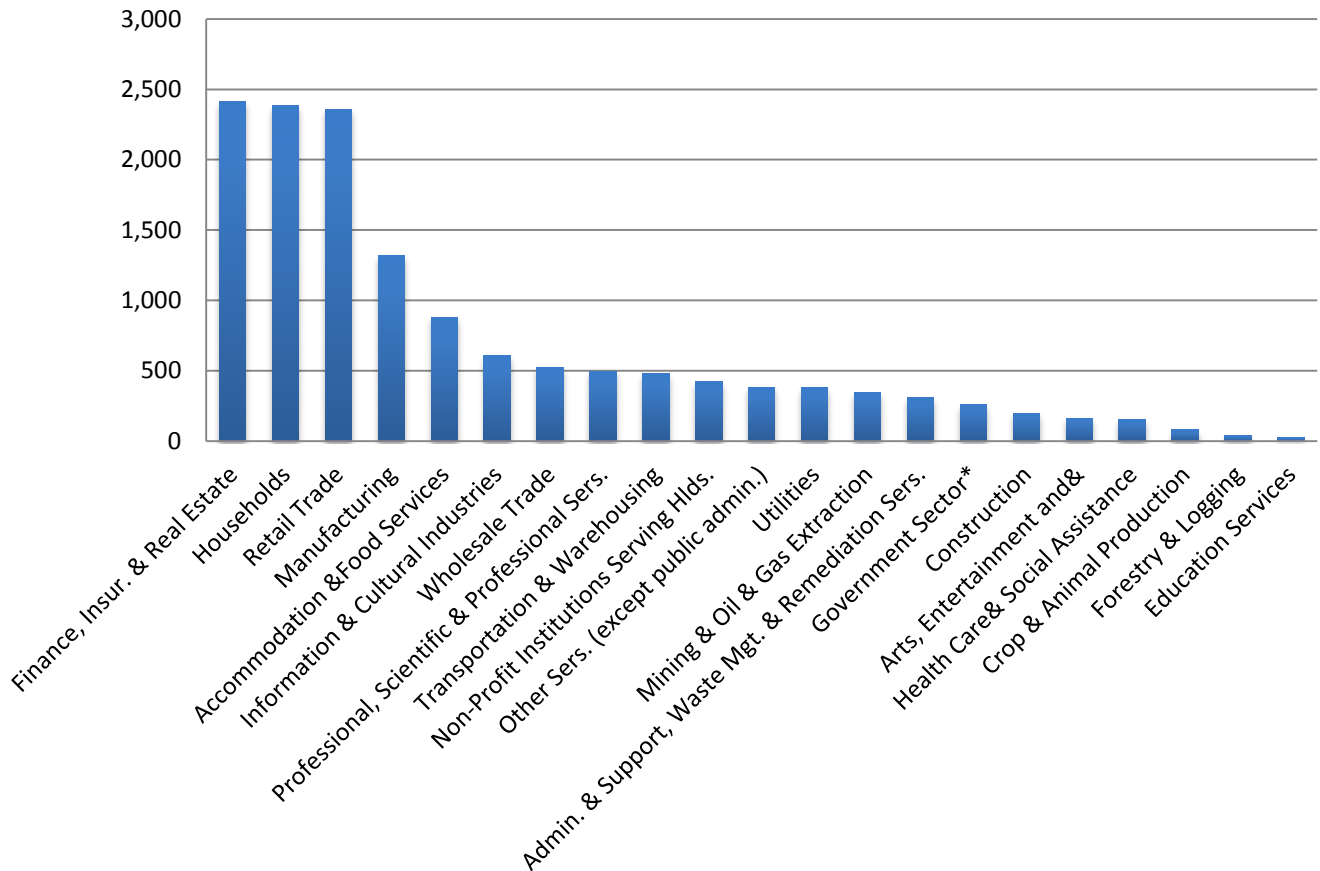
Additional key benefits and impacts of golf in Canada include:

- **Environmental Benefits** – Over 175,000 hectares of green space managed by approximately 2,308 golf course operators, including 30,000 hectares of unmanaged wildlife habitat under golf course stewardship.
- **Golf Participation** –SNG estimates, based on starts reported by operators and rounds played reported by Canadian golfers, that approximately 60 million rounds of golf were played in 2013 (approximately 70 million in 2008).
- A recent study by NAVICOM reports that there are close to 5.7 million golfers in Canada.^{iv}
- **Employment Opportunities** – The Canadian Golf Industry provides an excellent employment opportunity, with as many as 37% of those working at Canadian golf courses being students.
- **Charitable Activity** – In 2013 there were nearly 37,000 charitable events hosted at Canadian courses (25,000 in 2008). Using conservative estimates, these events raise more than \$533 million (\$473 million in 2008 dollars) for charitable causes across Canada.
- **Golf Tourism** – Canadian travellers make more than 1 million trips involving golf^v, spending \$2.5 billion annually on golf-related travel within Canada (including on-course spending at courses visited). Foreign visiting golfers spent \$1.6 billion on golf related travel and on-course spending.

Aside from households, which command 16.7% of the gross GDP effects of golf, Canada's Finance, Insurance & Real Estate, Retail Trade and Manufacturing sectors are impacted the most by Canadian golf, commanding 16.9%, 16.6% and 9.3% respectively of Golf's GDP impacts in Canada.

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

Golf Related Annual Impacts, Total Canadian GDP Effected by Economic Sector (\$ millions 2013\$)



Golf Big Picture – comparing 2014 to 2009 study findings

Without doubt, the 2014 study of the Economic Impact of Golf in Canada will be compared to economic impact findings from the 2009 study (note that the 2009 study is largely based on data collected in 2008 and the 2014 study is based on data collected in 2013).

Since the release of the 2009 study, the Canadian economy had endured with the rest of the global economy what has since become known and referred to as the Global Economic Crisis. What started out as a mortgage crisis in the US quickly spread throughout the global financial system, exposing the risks, weaknesses, and interconnectedness of the global economy. Estimates from the time suggest trillions of dollars in financial losses – the greatest single event financial loss in history – leaving no sector of the economy untouched.

It is in this very challenging context that the results of the 2014 Economic Impact of Golf in Canada study must be considered. On the surface, and in terms of the major summary statistics presented in this report, it would seem that the Canadian Golf Economy has remained relatively unchanged between 2008 and 2013.

In reality, the Canada Golf Economy has more likely recovered to pre-Global Economic Crisis levels, maintaining some of the key metrics in terms of revenues and level of play, in the wake of both the 2008 global recession and the ongoing demographic shift that has been taking place in golf since about 2000.

NAGA's Golf Behavior Study highlights the equilibrium that the industry has attained. "Among the population of approximately 5.7 million golfers, the number of people entering the game is equal to the number of people leaving the game (18% or approximately 1.026 million people). There are some golfers playing more, playing less or playing the same amount of golf, but overall there is no growth in the number of people playing" (NAVICOM, 2012).^{vi}

The Golf Behavior Study also highlights that golfers are playing fewer rounds, with the majority of rounds being played by a limited number of avid golfers, the rate of youth being introduced to the game of golf is less today than it has been for previous generations.

In spite of these challenging overarching conditions, the Canadian Golf Industry has "maintained the base" economic impact demonstrated in 2008. The 2014 study (based on 2013 data) shows that:

- While rounds played are down (26,100 per course in 2013 from 28,700 in 2008), revenues are equivalent to 2008 levels.
- 2013 operating expenditures are in line with 2008 spending.
- Capital spending (e.g., course improvements, infrastructure) in 2013, at \$650 million, nearly \$140 million more than the \$511 million (2013\$) in 2008.
- Courses are providing their services with fewer workers, with employment down in 2013 by as much as 20% from 2008 levels and courses employer fewer students (37% from 43% in 2008).
- Canadian golfers increased their spending on golf and golf related travel outside of Canada from \$1.9 billion (2013\$) in 2008 to \$4.6 billion in 2013.
- For their part, golfers still managed to spend slightly more on golf in Canada: \$15.6 billion (2013\$) in 2013 compared to \$14 billion (2013\$) in 2008.

The following report provides an overview of the methodology and key findings from the 2014 study of the Economic Impact of Golf in Canada in 2013.

About the Study

This study is a follow-up to the 2009 ground-breaking study conducted by Strategic Networks Group, Inc. (SNG), led by Thomas McGuire, VP SNG Solutions, and was based almost entirely on primary research of the supply (golf courses) and demand (golfers) of golf in Canada through a nation-wide survey process managed by SNG's VP of Operations, Gary Dunmore. 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 associates of SNG. This input-output (I-O) model was customized to track golf-industry related economic activity across Canada.

SNG's project team for this study included Michael Curri (President of SNG), Thomas McGuire (SNG's VP SNG Solutions and Project Manager for this study), Gary Dunmore (SNG's VP of Operations), Thibaud Chatel (SNG's Analyst), John Jozsa (SNG Associate), and Dr. William Schaffer (Associate of SNG and Professor Emeritus, Georgia Institute of Technology).

About NAGA

The National Allied Golf Association (NAGA) is an organization whose purpose is to improve golf across all sectors in Canada. NAGA's objective is to ensure a strong future for Canadian golf.

Acknowledgements

There are many contributors to this study that must be acknowledged. This includes the NAGA Board of Directors and the NAGA association presidents, as well as the many golfers across Canada who offered their time and completed surveys on their experiences with golf. A special thanks is owed to the Canadian course operators who participated in this study by sharing information about their operations through the survey, in-depth interviews and the pre-testing of earlier versions of the operator survey.

Contact information

National Allied Golf Associations (NAGA)

Jeff Calderwood, NAGA Chair
613-226-3616 ext. 20
jcalderwood@ngcoa.ca

Strategic Networks Group, Inc. (SNG)

Thomas McGuire
VP SNG Solutions Inc.
mcguire@sngroup.com
+1.902.431.6972

Michael Curri
President, SNG Solutions Inc.
mcurri@sngroup.com
+1.613.277.2588

Core Findings

The following results emerge as the core findings from SNG's primary and secondary research into the economic impact of Golf in Canada.

SNG estimates that the annual total direct sales associated with golf in Canada is about **\$19.7 billion** (golf related expenditures in Canada, golf related travel outside of Canada, annual capital spending by golf courses and driving ranges).

Economic Impact of Golf in Canada

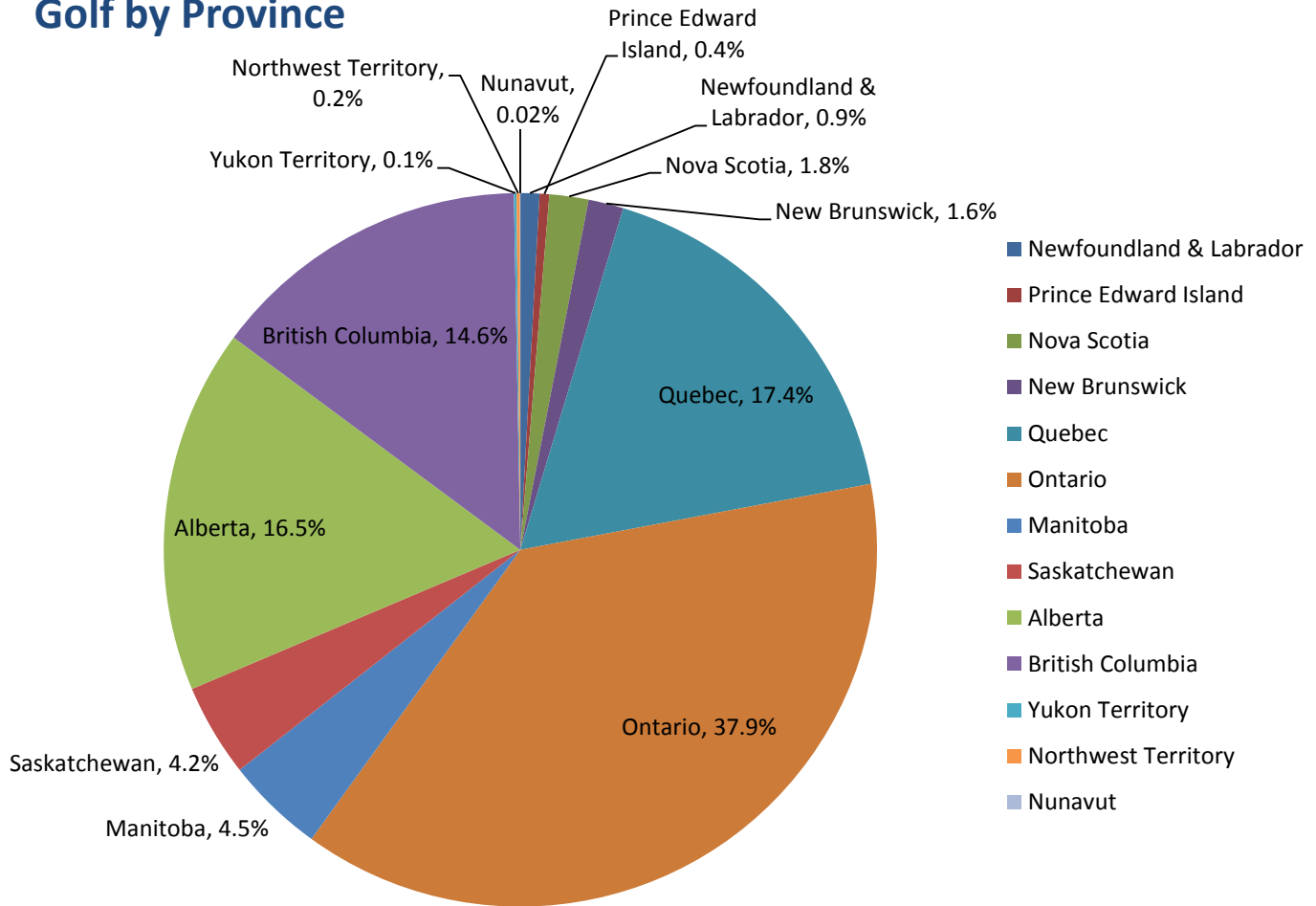
- The Canadian golf industry directly employs almost **126,000** people, Canada-wide, in a variety of occupations including equipment manufacturing, course operations, golf professional services, and a variety of other aspects of course operations from food services to maintenance.
- Total employment through direct, indirect and induced economic effects swells to 300,000 people Canada-wide.
- Total household income for those employed at golf courses and country clubs and stand-alone driving ranges is estimated at **\$1.9 billion** and **\$8.4 billion** Canada-wide when direct, indirect, and induced effects are added.
- The Canadian Golf Industry provides an excellent employment opportunity for students, with as many as **37%** of those employed at Canadian golf courses being students. Students earn good incomes and are exposed to networking opportunities that will support their careers paths in the years to come.
- The total direct economic activity (total golf related expenditures) resulting from the Canadian Golf Industry is estimated at \$19.7 billion.
- The Canadian Golf industry contributes an estimated \$14.3 billion (2013\$) to Canada's Gross Domestic Product (GDP).

2009 Comparison

- The Canadian golf industry employed 155,000 people.
- Total employment including direct, indirect and induced was 342,000.
- Household income Canada-wide for those employed at golf courses was \$1.7 billion and \$8.2 billion when indirect and induced effects were added.
- Students represented 43% of golf course employees.
- The total direct economic activity resulting from the Canadian Golf industry was \$16.4 billion.
- It was estimated that the Canadian golf industry contributes \$12.2 billion to Canada's GDP.

*Note: All 2009 values are from the 2009 Economic Impact of Golf Study and have been adjusted to 2013 dollars. Data from the 2009 study pertains to the 2008 operating year. Data from the 2014 study pertains to the 2013 operating year.

Golf by Province



Canadian Golf Participation

- The game of golf is played by an estimated 5.7 to 6 million Canadians each year^{vii}.
- Based on participation, golf is the number one recreational activity in Canada, played by more Canadians than hockey^{viii} and soccer^{ix}, offering a participatory sport wide range of age groups.
- SNG estimates that 60 million rounds of golf were played in 2013 by Canadians.
- Based on SNG’s primary research the golf industry in Canada accounts for about \$19.7 billion in spending on:
 - memberships and green fees (\$5.0 billion);
 - golf equipment (\$3.2 billion);
 - golf apparel (\$0.9 billion);
 - charitable contributions at events (\$0.5 billion);
 - spending by Canadian golfers on other golf related spending (such as instructions, publications, pay TV, transportation and fuel to their home courses, etc.) (\$2.5 billion);

- golf related travel by Canadian golfers in Canada (\$1.5 billion);
- golf related travel and on-course spending outside of Canada by Canadian golfers (\$4.6 billion);
- golf related travel in Canada by foreign golfers \$1.2 billion (not including on-course spending); and
- capital additions and improvements at courses (\$0.4 billion).

2009 Comparison

- There were 2.5 million Canadians participating as core golfers.
- An estimated 70 million rounds were played in the year.
- Canadian golfers spent an estimated total of \$14.1 billion on golf, which includes:
 - related equipment (\$2.26B);
 - memberships and fees (4.41B);
 - golf apparel (\$0.75B);
 - spending in non-golf industries, such as transportation, fuel, media, food and entertainment (\$2.48B);
 - golf-related travel within Canada (\$1.94B);
 - charitable spending (\$0.43B);
 - golf related travel outside of Canada (\$1.83B).

Canadian Golf Courses, Country Clubs, & Practice Ranges

- There are 2,308 golf courses and practice ranges in Canada, with the majority of practice ranges identified in this study having operational, or business linkages, to a golf course.^x
- From SNG’s primary research, Canadian golf courses occupy more than an estimated **175,000** hectares of land. This includes managed green spaces estimated at more than **145,000** hectares and nearly **30,000** hectares of unmanaged wildlife.
- Canadian golf courses and practice ranges spent about \$4.6 billion (not including capital spending) in 2013 on:
 - wages and salaries, payroll taxes and benefits;
 - course operations;
 - pro shop and retail sales;
 - food and beverage services;
 - office and administration;
 - provincial, federal and municipal taxes;
 - charitable donations and other operational expenses; and
 - allocations to corporate surplus (i.e., net operating income after cash expenses).

In 2013, Canadian golf courses and practice facilities invested \$650 million in facility related capital expenditures through course and facility related maintenance, expansions and improvements.

2009 Comparison

- Canadian golf courses spent an estimated \$5.06 billion on:
 - wages and salaries, payroll taxes and benefits;
 - course operations;
 - pro shop and retail sales;
 - food and beverage services;
 - office and administration;
 - provincial, federal and municipal taxes; and,
 - charitable donations and other operational expenses.
- Canadian golf courses invested \$515.3 million in facility related capital expenditures through course and facility related maintenance, expansions and improvements.

Canadian Tourism and the Role of Golf

- Canadian golfers spent about \$1.5 billion in 2013 on golf related travel within Canada (not including on-course spending) and \$4.6 billion on golf related travel outside of Canada (including off- as well as on-course spending).
- Including estimates for foreign golf-related off-course travel and related spending that occurred due to golf, and including foreign golf-related off-course travel and other spending that occurred due to golf adds \$760 million (an additional 5.0%) to GDP and increases jobs by 12,500 (an additional 4.0%). (Note: These impacts are included in our reporting of total impacts.)

2009 Comparison

- Canadian golfers spent an estimated \$1.94 billion on golf related travel in Canada and \$1.83 billion on golf related travel outside of Canada.

Canadian Charities Benefiting from Golf

- Based on SNG’s primary research, each year there are more than 36,000 (25,000 in 2008) charitable events hosted at Canadian courses.
- Through these events, the Canadian Golf industry facilitated about \$475 million in fund-raising for charitable causes across Canada. Money is raised by golf-related and non-golf related events hosted at Canadian courses and by the donations to charitable events paid by tournament and event participants through entrance fees and donations from private and corporate donors, and non-golfers alike.
- In addition to charitable funds raised, Canadian golf courses themselves contributed \$23.6 million in 2013 in cash donations and another \$34.5 million through in-kind support.

2009 Comparison

- There were more than 25,000 charitable events hosted at Canadian golf courses.
- Canadian golf courses facilitated about \$440 million in charitable fund-raising.
- Canadian golf courses themselves contributed \$8.6 million in cash donations and \$19.4 million through in-kind support.
- The total incremental impact on home values was estimated to be \$1.5 billion.
- Golf courses and stand-alone driving ranges earned gross revenue of \$5.1 billion.

Comparing Golf to Other Industries^{xi}

SNG found that golf courses and stand-alone driving ranges earned gross revenue of **\$5.0 billion** in 2013. Based on Statistics Canada information that provides operator revenues for other sectors, golf courses earn more gross revenue than “skiing facilities” in Canada (\$980 million in 2012), more than “fitness and recreational sports centres” (\$2.4 billion in 2012), more than “amusement parks and arcades” (\$470 million in 2006), and more than “all other amusement and recreation industries, (excluding gambling)” (\$2 billion in 2012).

Golf courses also earn more operating revenues than “promoters of performing arts and sports” (\$2.4 billion in 2012) and “spectator sports” (\$2.8 billion 2012), which includes the gross revenues earned by the National Hockey League in Canada.^{xii}

Provincial Summaries

The following provincial summaries provide the cumulative impacts of golf for each of the 10 provinces and three territories. Impacts provided are the results of the combined effects of direct, indirect and induced economic impacts.

British Columbia

The game of golf contributes an estimated **\$2.08 billion** toward **British Columbia's** Gross Domestic Product (GDP) at market prices (\$1.66 billion in 2009). This includes:

- 44,000 jobs (47,000 in 2009);
- \$1.27 billion in household income (\$1.14 billion in 2009);
- \$167 million in property and other indirect taxes (\$168 million in 2009); and about
- \$298 million in federal and provincial income taxes (\$269 million in 2009).

Golf in **British Columbia** generates \$4.97 billion in total gross production through direct, indirect and induced spending impacts.

The total direct economic activity (total direct sales) resulting from the **British Columbia's** Golf Industry is estimated at \$2.88 billion. Of this total, the revenues generated directly by golf courses, and their associated facilities is estimated at \$849 million.

Alberta

The game of golf contributes an estimated **\$2.40 billion** toward **Alberta's** Gross Domestic Product (GDP) (\$1.78 billion in 2009). This includes:

- 43,000 jobs (50,000 in 2009);
- \$1.3 billion in household income (\$1.14 billion in 2009);
- \$82.9 million in property and other indirect taxes (\$145 million in 2009); and about
- \$309 million in federal and provincial income taxes (\$281 million).

Golf in **Alberta** generates \$5.88 billion in total gross production through direct, indirect and induced spending impacts.

The total direct economic activity (total direct sales) resulting from the **Alberta's** Golf Industry is estimated at \$2.88 billion. Of this total, the revenues generated directly by golf courses, and their associated facilities is estimated at \$859 million.

Saskatchewan

The game of golf contributed an estimated **\$599 million** toward **Saskatchewan's** Gross Domestic Product (GDP) (\$484 million in 2009). This includes:

- 17,000 jobs (22,000 jobs in 2009);
- \$352 million in household income (\$333 million in 2009);
- \$36.6 million in property and other indirect taxes (\$43.7 million in 2009); and about
- \$81.3 million in federal and provincial income taxes (\$77.1 million in 2009).

Golf in **Saskatchewan** generates \$1.38 billion in total gross production through direct, indirect and induced spending impacts.

The total direct economic activity (total direct sales) resulting from the **Saskatchewan's** Golf Industry is estimated at \$915.8 million. Of this total, the revenues generated directly by golf courses, and their associated facilities is estimated at \$351.5 million.

Manitoba

The game of golf contributed an estimated **\$636 million** toward **Manitoba's** Gross Domestic Product (GDP) (\$491 million in 2009). This includes:

- 16,000 jobs (18,000 jobs in 2009);
- \$379 million in household income (\$335 million in 2009);
- \$51.0 million in property and other indirect taxes (\$48.1 million in 2009); and about
- \$101 million in federal and provincial income taxes (\$82.4 million in 2009).

Golf in **Manitoba** generates \$1.56 billion in total gross production through direct, indirect and induced spending impacts.

The total direct economic activity (total direct sales) resulting from the **Manitoba's** Golf Industry is estimated at \$952.4 million. Of this total, the revenues generated directly by golf courses, and their associated facilities is estimated at \$279.5 million.

Ontario

The game of golf contributed an estimated **\$5.40 billion** toward **Ontario's** Gross Domestic Product (GDP) (\$4.76 billion in 2009). This includes:

- 110,000 jobs (124,000 in 2009);
- \$3.20 billion in household income (\$3.22 billion in 2009);
- \$365 million in property and other indirect taxes (\$539 million in 2009); and about
- \$716 million in federal and provincial income taxes (\$752 million in 2009).

Golf in **Ontario** generates \$14.6 billion in total gross production through direct, indirect and induced spending impacts.

The total direct economic activity (total direct sales) resulting from the **Ontario's** Golf Industry is estimated at \$7.46 billion. Of this total, the revenues generated directly by golf courses, and their associated facilities is estimated at \$1.70 billion.

Quebec

The game of golf contributed an estimated **\$2.48 billion** toward **Quebec's** Gross Domestic Product (GDP) (\$2.25 billion in 2009). This includes:

- 52,000 jobs (58,000 jobs in 2009);
- \$1.43 billion in household income (\$1.47 billion in 2009);
- \$221 million in property and other indirect taxes (\$247 million in 2009); and about
- \$640 million in federal and provincial income taxes (\$457 million in 2009).

Golf in **Quebec** generates \$6.58 billion in total gross production through direct, indirect and induced spending impacts.

The total direct economic activity (total direct sales) resulting from the **Quebec's** Golf Industry is estimated at \$3.47 billion. Of this total, the revenues generated directly by golf courses, and their associated facilities is estimated at \$742 million.

New Brunswick

The game of golf contributed an estimated **\$227 million** toward **New Brunswick's** Gross Domestic Product (GDP) (\$242 million in 2009). This includes:

- 5,700 jobs (7,100 jobs in 2009);
- \$134 million in household income (\$164 million in 2009);
- \$19.1 million in property and other indirect taxes (\$24.7 million in 2009); and about
- \$40.9 million in federal and provincial income taxes (\$42.5 million in 2009).

Golf in **New Brunswick** generates \$654 million in total gross production through direct, indirect and induced spending impacts.

The total direct economic activity (total direct sales) resulting from the **New Brunswick's** Golf Industry is estimated at \$413 million. Of this total, the revenues generated directly by golf courses, and their associated facilities is estimated at \$64.1 million.

Nova Scotia

The game of golf contributed an estimated **\$253 million** toward **Nova Scotia's** Gross Domestic Product (GDP) (\$287 million in 2009). This includes:

- 6,300 jobs (8,900 jobs in 2009);
- \$150 million in household income (\$202 million in 2009);
- \$21.2 million in property and other indirect taxes (\$27.6 million in 2009); and about
- \$48.2 million in federal and provincial income taxes (\$51.3 million in 2009).

Golf in **Nova Scotia** generates \$658 million in total gross production through direct, indirect and induced spending impacts.

The total direct economic activity (total direct sales) resulting from the **Nova Scotia's** Golf Industry is estimated at \$385 million. Of this total, the revenues generated directly by golf courses, and their associated facilities is estimated at \$81.3 million.

Prince Edward Island

The game of golf contributed an estimated **\$62.6 million** toward **Prince Edward Island's** Gross Domestic Product (GDP) (\$66.2 million in 2009). This includes:

- 2,000 jobs (2,600 jobs in 2009);
- \$39.6 million in household income (\$50.5 million in 2009);
- \$6.3 million in property and other indirect taxes (\$6.1 million in 2009); and about
- \$10.5 million in federal and provincial income taxes (\$11.3 million in 2009).

Golf in **Prince Edward Island** generates \$147 million in total gross production through direct, indirect and induced spending impacts.

The total direct economic activity (total direct sales) resulting from the **Prince Edward Island's** Golf Industry is estimated at \$105 million. Of this total, the revenues generated directly by golf courses, and their associated facilities is estimated at \$34.4 million.

Newfoundland and Labrador

The game of golf contributed an estimated **\$123 million** toward **Newfoundland and Labrador's** Gross Domestic Product (GDP) (\$137 million in 2009). This includes:

- 2,700 jobs (3,600 jobs in 2009);
- \$63.6 million in household income (\$83.1 million in 2009);
- \$5.8 million in property and other indirect taxes (\$8.7 million in 2009); and about
- \$14.0 million in federal and provincial income taxes (\$20.8 million in 2009).

Golf in **Newfoundland and Labrador** generates \$315 million in total gross production through direct, indirect and induced spending impacts.

The total direct economic activity (total direct sales) resulting from the **Newfoundland and Labrador's** Golf Industry is estimated at \$234 million. Of this total, the revenues generated directly by golf courses, and their associated facilities is estimated at \$25.2 million.

Yukon

The game of golf contributed an estimated **\$16.9 million** toward **Yukon's** Gross Domestic Product (GDP) (\$14.8 million in 2009). This includes:

- 420 jobs (410 jobs in 2009);
- \$11.1 million in household income (\$10.8 million in 2009);
- \$0.5 million in property and other indirect taxes (\$1.1 million in 2009); and about
- \$1.5 million in federal and provincial income taxes (\$2.2 million in 2009).

Golf in **Yukon** generates \$37.5 million in total gross production through direct, indirect and induced spending impacts.

The total direct economic activity (total direct sales) resulting from the **Yukon's** Golf Industry is estimated at \$21.1 million. Of this total, the revenues generated directly by golf courses, and their associated facilities is estimated at \$11.0 million.

Northwest Territories

The game of golf contributed an estimated **\$21.7 million** toward the **Northwest Territories'** Gross Domestic Product (GDP) (\$22.9 million in 2009). This includes:

- 340 jobs (470 jobs in 2009);
- \$10.6 million in household income (\$13.8 million in 2009);
- \$0.5 million in property and other indirect taxes (\$1.5 million in 2009); and about
- \$2.5 million in federal and provincial income taxes (\$3.5 million in 2009).

Golf in the **Northwest Territories** generates \$49.6 million in total gross production through direct, indirect and induced spending impacts.

The total direct economic activity (total direct sales) resulting from the **Northwest Territories'** Golf Industry is estimated at \$18.7 million. Of this total, the revenues generated directly by golf courses, and their associated facilities is estimated at \$8.3 million.

Nunavut

The game of golf contributed an estimated **\$2.8 million** toward **Nunavut's** Gross Domestic Product (GDP) (\$2 million in 2009). This includes:

- 40 jobs (30 jobs in 2009);
- \$1.7 million in household income (\$1.37 million in 2009);
- \$0.1 million in property and other indirect taxes (\$0.1 million in 2009); and about
- \$0.2 million in federal and provincial income taxes (\$0.3 million in 2009).

Golf in **Nunavut** generates \$8.0 million in total gross production through indirect and induced spending impacts.

The total direct economic activity (total direct sales) resulting from the **Nunavut's** Golf Industry is estimated at \$1.9 million.

Study Methodology

The methodology for this study, conducted by Strategic Networks Group (SNG Inc.), centred on primary survey research and use of inter-regional input-output impact modelling. The survey research included a **nation-wide survey of nearly 15,000 golfers and a nation-wide survey of more than 300 golf courses**.

Surveys invitations were e-mailed to Canadian based **golf course operators**, using mailing lists provided by NAGA and their partners.

The web-based survey of golf course operators collected expenditure details from golf courses. These data were combined with results from a series of very detailed operator interviews. This survey and interview process profiled the financial operation of golf courses across Canada and their relationship with supporting industries. Data collected by this survey included:

- province in which the course is located;
- number of holes;
- layout of the course (18-hole regulation length, 9 hole regulation length, 18-hole executive length, 9 hole executive length, 18-hole "Par 3", nine hole "Par 3");
- type of membership access (private, semiprivate, public/municipal); and
- details of revenues and expenditures.

The golfer survey was made available online and distributed through the web to mailing lists provided by the study sponsor. It was also advertised through golf related print and electronic publications. The **golfer survey** collected information from Canadian golfers that described their:

- expenditures on golf equipment and supplies;
- expenditures on golf play and related services;
- participation at and spending on golf-related charity events;
- expenditures on golf activities during personal and business travel; property ownership in golf-oriented developments; and,
- golfer personal profile information.

Secondary sources were also referenced, including Golf 20/20, Statistics Canada, the RCGA, NGCOA, and CSCM.

“Golf Cluster”

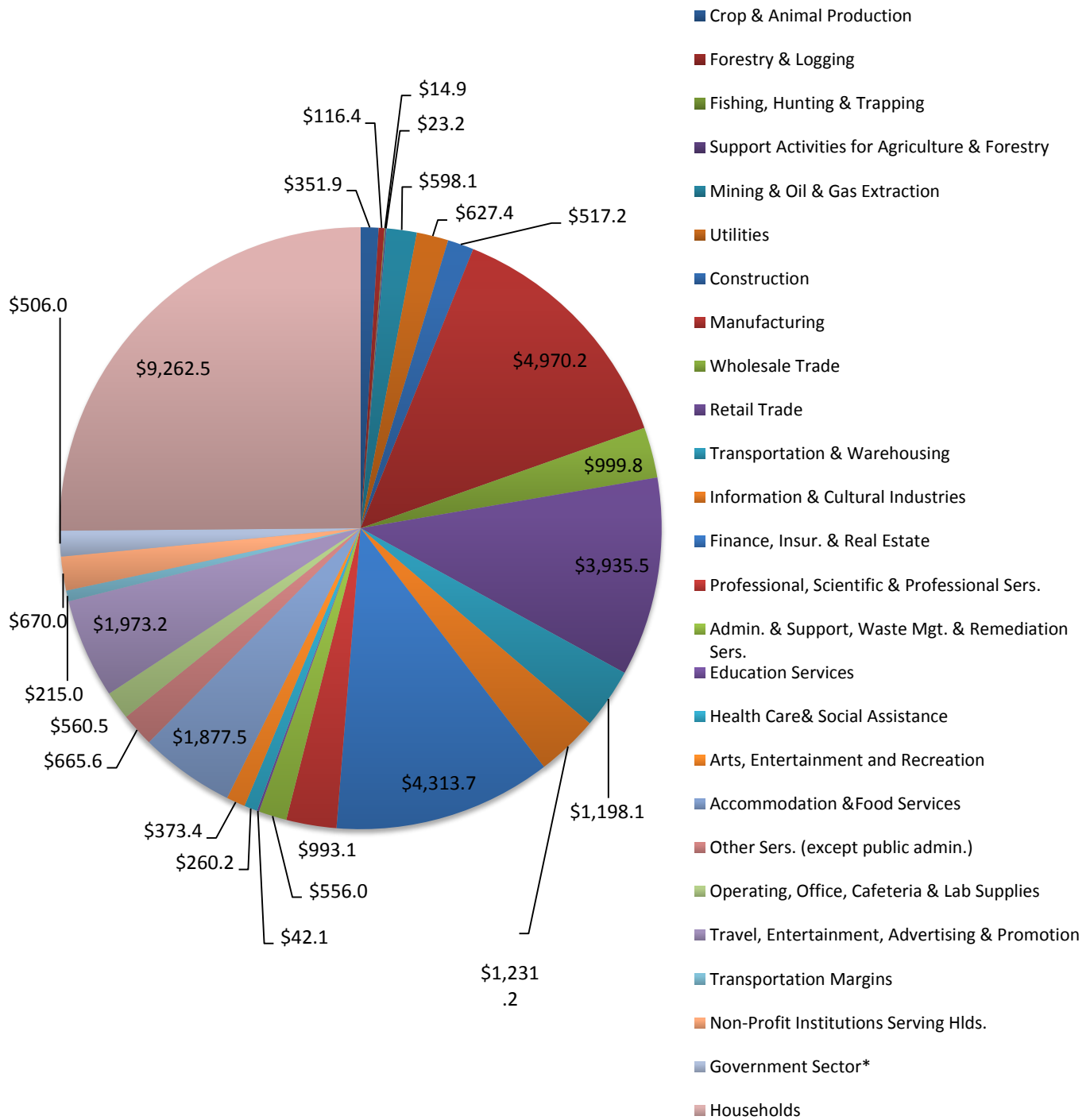
The concept of a golf cluster was put forward in the Golf 20/20 studies. SNG assessed the Canadian golf market using the “Golf Cluster” definition. SNG’s applied a different methodology, “mapping” the various industrial components of the Canadian “golf cluster” using Input-Output (I-O) tables to track the inter-industry linkages in “golf’s” production function. This approach provides an advantage wherein the mapping can be compared to the accepted “Golf Cluster” definition. SNG’s methodology allows verification of the completeness of the “golf cluster” definition in a Canadian context.

The following table shows the distribution of direct and spin-off impacts on gross production, by industry, caused by golf in Canada.

Impacts on Gross Production (millions, 2013\$)

Industry	Direct (Initial)	Indirect + Induced	Total
Crop & Animal Production	\$39.5	\$312.4	\$351.9
Forestry & Logging	\$2.8	\$113.6	\$116.4
Fishing, Hunting & Trapping	\$3.3	\$11.6	\$14.9
Support Activities for Agriculture & Forestry	\$2.7	\$20.5	\$23.2
Mining & Oil & Gas Extraction	\$72.5	\$525.5	\$598.1
Utilities	\$181.1	\$446.3	\$627.4
Construction	\$259.5	\$257.7	\$517.2
Manufacturing	\$1,793.8	\$3,176.4	\$4,970.2
Wholesale Trade	\$171.3	\$828.5	\$999.8
Retail Trade	\$2,659.1	\$1,276.5	\$3,935.5
Transportation & Warehousing	\$38.6	\$1,159.5	\$1,198.1
Information & Cultural Industries	\$237.2	\$994.0	\$1,231.2
Finance, Insurance & Real Estate	\$128.5	\$4,185.2	\$4,313.7
Professional, Scientific & Professional Services	\$93.5	\$899.6	\$993.1
Admin. & Support, Waste Mgt. & Remediation Services	\$87.5	\$468.5	\$556.0
Education Services	\$4.4	\$37.7	\$42.1
Health Care & Social Assistance	\$0.0	\$260.2	\$260.2
Arts, Entertainment and Recreation	\$145.8	\$227.5	\$373.4
Accommodation & Food Services	\$1,076.8	\$800.7	\$1,877.5
Other Services (except public admin.)	\$268.2	\$397.3	\$665.6
Operating, Office, Cafeteria & Lab Supplies	\$24.9	\$535.6	\$560.5
Travel, Entertainment, Advertising & Promotion	\$1,267.7	\$705.5	\$1,973.2
Transportation Margins	\$23.4	\$191.6	\$215.0
Non-Profit Institutions Serving Households	\$367.2	\$302.9	\$670.0
Government Sector*	\$93.2	\$412.8	\$506.0
Households	\$1,664.7	\$7,597.8	\$9,262.5
Total	\$10,707.2	\$26,145.5	\$36,852.7

Golf's Impacts on Gross Production (i.e., Gross Sales)



Measuring Indirect Impacts

Indirect impacts are the result of re-spending by industries that supply goods and services to the golf sector and by industries that supply the suppliers. For example, when a golf course purchases fertilizer, the fertilizer producer must purchase inputs (e.g. potash, labour, commodities imported into Canada) to produce the fertilizer. In turn, the potash industry must purchase inputs (e.g. diesel fuel, labour, commodities imported into Canada) to produce the potash). The rounds of spending continue until the effects 'leak out' of Canada due to imports. Our inter-regional input-output impact models provided estimates of the indirect economic impact of the direct expenditures in Canada.

Measuring Induced Impacts

Statistics Canada does not publish the results of re-spending of household income as part of its inter-regional input-output modelling service. To overcome this shortcoming, we acquired industry production, industry input, final demand, inter-provincial trade flow, international trade-flow and industry employment data for each province and territory, for 26 industries and 56 commodities. We then constructed a proprietary inter-regional input-output model with a wider array of impact estimation options than the Statistics Canada model.

Glossary of Terms

Terms discussed in this report are defined below:

- **Direct Effects/Impacts** – These include the cash operating expenditures and gross profit before taxes and depreciation of golf courses and driving ranges;
- **Indirect Effects/Impacts** – These include the cash operating expenditures and gross profit before taxes and depreciation of all industries that supply goods and services to golf courses and driving ranges and to industries that produce goods and services for golf courses and driving ranges (for example, the production of fertilizer for sale to a golf course is an indirect effect, as is the production of goods and services that provide inputs to the fertilizer manufacturer).
- **Induced Effects/Impacts** – Induced effects measure the purchases of households when they re-spend the income they earn working directly for golf courses and driving ranges and industries that produce the indirect impacts.
- **Spin-off Effects** – These are the sum total of the indirect and induced impacts.
- **Total Economic Impact** – The sum of the direct, indirect and induced impacts.
- **Gross Domestic Product (GDP) at Market Prices** – The golf industry’s contribution to GDP (at market prices) is the:
 - sum of its wages and salaries, supplementary labour income, mixed income, other operating surplus, indirect taxes on production and indirect taxes on products;
 - less subsidies on production and subsidies on products.
- **Gross Production** – This is the sum of all sales by an industry.
- **Gross Effects/Impacts** – The full economic effects as they pertain to direct, indirect and induced effects without removal of impacts that might otherwise have occurred. For example, if the game of golf did not exist one would expect that the money spent on golf would be spent on other activities, which would also result in direct, indirect and induced impacts. The incremental impact would be the difference between the total impacts of golf versus the total impacts of alternative spending.

Statistical Summary Tables

The combined impacts of the Canadian Golf Industry are summarized in the following tables.

EMPLOYMENT IMPACT

- Total direct employment by golf courses is estimated at about 126,000

Summary Gross Golf Course Employment Impacts (Jobs), Canada

Type of Employment	Average Per Operator	All Operators
Full-time, year round	7.3	17,024
Part-time, year round	5.1	11,782
Full-time, seasonal	24.7	57,420
Part-time, seasonal	17.0	39,569
Total Direct Employment	54.2	125,794

Summary Gross Golf Related Household Income Impacts (in millions), Canada

The total gross golf related household income in 2013 was \$8.4 billion.

Region	Household Income*		
	Direct + 1st Round Indirect Household Income	Indirect + Induced Household Income	Total Household Income
Canada	\$4,253.9	\$4,113.7	\$8,367.5
Federal Government			
Newfoundland & Labrador	\$35.8	\$27.8	\$63.6
Prince Edward Island	\$24.2	\$15.4	\$39.6
Nova Scotia	\$77.4	\$72.6	\$150.0
New Brunswick	\$74.1	\$59.5	\$133.6
Quebec	\$711.3	\$717.7	\$1,429.0
Ontario	\$1,570.9	\$1,634.9	\$3,205.7
Manitoba	\$207.1	\$172.1	\$379.2
Saskatchewan	\$216.4	\$135.2	\$351.6
Alberta	\$663.0	\$661.1	\$1,324.1
British Columbia	\$661.0	\$606.7	\$1,267.8
Yukon Territory	\$6.7	\$4.4	\$11.1
Northwest Territory	\$5.5	\$5.2	\$10.6
Nunavut	\$0.5	\$1.1	\$1.7

SUMMARY OF GDP IMPACTS

Summary of Gross Golf Related GDP Impacts (in millions), Canada

The total golf related GDP impact in 2013 was \$14.3 billion.

Region	GDP @ Market Prices		
	Direct + 1st Round Indirect GDP	Indirect + Induced GDP	Total GDP
Canada	\$5,757.8	\$8,496.2	\$14,253.9
Federal Government			
Newfoundland & Labrador	\$51.1	\$71.5	\$122.6
Prince Edward Island	\$30.5	\$32.1	\$62.6
Nova Scotia	\$102.8	\$149.7	\$252.5
New Brunswick	\$102.3	\$124.2	\$226.5
Quebec	\$995.6	\$1,481.2	\$2,476.9
Ontario	\$2,150.5	\$3,255.4	\$5,405.9
Manitoba	\$277.1	\$358.7	\$635.7
Saskatchewan	\$272.5	\$326.3	\$598.9
Alberta	\$896.0	\$1,458.8	\$2,354.7
British Columbia	\$863.2	\$1,213.0	\$2,076.2
Yukon Territory	\$8.2	\$8.7	\$16.9
Northwest Territory	\$7.0	\$14.6	\$21.7
Nunavut	\$0.9	\$1.9	\$2.8

SUMMARY OF GROSS PRODUCTION IMPACTS

Gross Production is the final statistic generated by the I-O model. This is the sum of all sales by industry resulting from the spending being modelled. The gross production figure is interpreted as the amount of sales generated in each industry through the original expenditures in relation to total Golf related and Golf generated spending.

Gross Production is the combination of the direct spending within the golf industry and the indirect and induced industry expenditures that result throughout supporting industries – also known as the Golf Cluster.

Summary of Golf Related Gross Production Impacts (in millions), Canada

Total golf related gross production impact in 2013 was \$36.9 billion.

Impacts on Gross Production (millions, 2013\$)			
Industry	Direct (Initial)	Indirect + Induced	Total
Crop & Animal Production	\$39.5	\$312.4	\$351.9
Forestry & Logging	\$2.8	\$113.6	\$116.4
Fishing, Hunting & Trapping	\$3.3	\$11.6	\$14.9
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Arts, Entertainment and Recreation	\$145.8	\$227.5	\$373.4
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Government Sector	\$93.2	\$412.8	\$506.0
Households	\$1,664.7	\$7,597.8	\$9,262.5
Total	\$10,707.2	\$26,145.5	\$36,852.7

SNG Solutions, Inc.

2-137 Second Avenue
Ottawa, Ontario, Canada

Michael Curri

President, SNG Solutions Inc.
and Strategic Networks Group, Inc.

mcurri@sngroup.com

 +1.613.277.2588

Your contact for this project:

Thomas McGuire

VP, SNG Solutions Inc.

mguire@sngroup.com

 +1.902.431.6972

www.sngroup.com/sng-solutions

Endnotes

- ⁱ The golfer survey results are accurate to +/- 0.98 percentage points, 19 times out of 20. Survey data is extrapolated to Canada based on an estimated population of 5.9M golfers.
- ⁱⁱ The course survey results are accurate to +/- 4.61 percentage points, 19 times out of 20. Survey data is extrapolated to Canada based on an estimated population of 2,301 courses.
- ⁱⁱⁱ 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.
- ^{iv} CANADIAN GOLF CONSUMER BEHAVIOUR STUDY, Conducted by NAVICOM on behalf of the National Allied Golf Associations, FINDINGS REPORT (Published September 12, 2012)
- ^v Canadian Travel Market, Golfing While on Trips Of One or More Nights: A Profile Report, October 3, 2007; www.tourism.gov.on.ca/english/research/travel_activities/CDN_TAMS_2006_Golf_Oct2007.pdf
- ^{vi} FINDINGS REPORT: CANADIAN GOLF CONSUMER BEHAVIOUR STUDY; Conducted by NAVICOM on behalf of the National Allied Golf Associations; (Published September 12, 2012)
- ^{vii} CANADIAN GOLF CONSUMER BEHAVIOUR STUDY, Conducted by NAVICOM on behalf of the National Allied Golf Associations, FINDINGS REPORT (Published September 12, 2012)
- ^{viii} As of 2013, Canada has 625,152 registered ice hockey players. Of these, 91,379 are over the age of 20 and 446,543 are 20 years old or younger: International Ice Hockey Federation Survey of Players; <http://www.iihf.com/iihf-home/the-iihf/survey-of-players/>
- ^{ix} As of 2012, there are 845,313 registered soccer players in Canada. Of which, 42% are female. 44% of all Canadian youths play soccer. Ontario has the highest participation rate with 41.79%, followed by Quebec with 22.08% and British Columbia at 14.09%. Canadian Soccer Association 2012 Annual Report: http://www.canadasoccer.com/files/CanadaSoccer_2012_Annual_Report.pdf
- ^x Based on a review of publically available data sources, we identified more than 500 practices ranges across Canada. Approximately 400 of these were associated with a golf course.
- ^{xi} Comparison years are from 2006 to 2007 based on publically available results from Statistics Canada's **Annual Survey of Service Industries: Spectator Sports, Event Promoters, Artists and Related Industries**. Statistics Canada, CANSIM, table [361-0013](#) and Catalogue no. [63-246-X](#); www.statcan.gc.ca/daily-quotidien/080605/dq080605c-eng.htm
- ^{xii} The Annual Survey of Service Industries: Spectator Sports, Event Promoters, Artists and Related Industries covers four North American Industry Classification System industry groups: spectator sports (7112), promoters of performing arts, sports and similar events (7113), agents and managers for artists, athletes, entertainers and other public figures (7114), and independent artists, writers and performers (7115) www.statcan.gc.ca/daily-quotidien/090316/dq090316c-eng.htm

