



THE ECONOMIC IMPACT OF MINNESOTA GOLF

Executive Summary

The game of golf drives significant economic activity across the State of Minnesota. The industry’s impact includes not only direct golf facility operational expenditures and capital investments, but also golf-related manufacturing and retail spending, golf tourism, and new golf-related residential construction.

Key Findings

In 2016, Minnesota’s \$1.555 billion of direct golf economy activity generated secondary and tertiary activity that resulted in:

- \$2.301 billion of direct, indirect, and induced economic output;
- 24,933 direct, indirect, and induced jobs;
- \$743.2 million in wages and benefits; and
- \$201.3 million in state and local tax revenue.

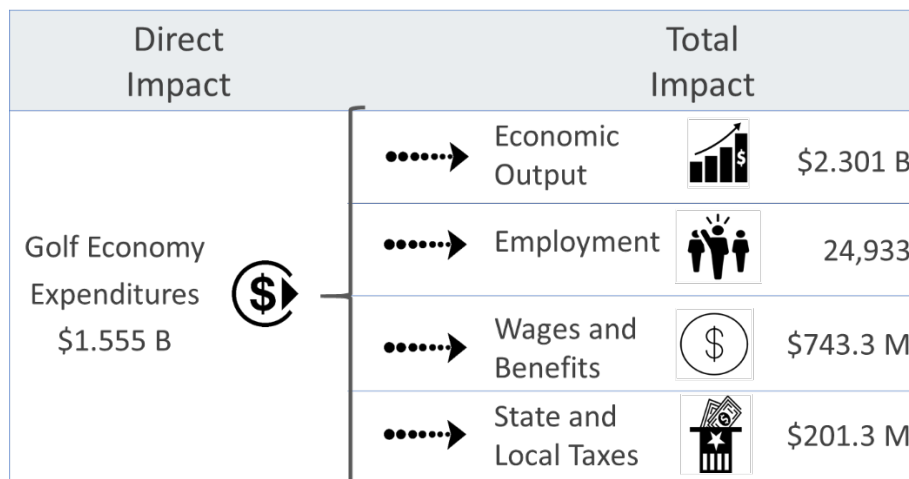
Study Highlights

- Minnesota’s 447 facilities are local economic drivers generating \$725.5 million in economic activity statewide.
- Golf supports the state’s tourism industry, attracting travelers to different parts of the state. Travelers who played golf while on a day

trip or overnight trip in Minnesota generated \$480.6 million in visitor spending.

- Golf championships also drive tourism. In 2016, Minnesota hosted the Ryder Cup Championship, which drew 295,000 spectators and generated \$47.7 million in visitor spending.
- In 2019, Minnesota will host the KPMG Women’s PGA Championship, and, in 2028, Minnesota will become the first U.S. venue to host the Ryder Cup for a second time.
- Minnesota is home to Par Aide, a global manufacturer of golf course equipment, and Toro, which manufactured its first golf mower in 1921, and continues to design and manufactures golf mowers for the global market.

Figure 1 Minnesota Golf’s Total Economic Impact 2016



Source: TEconomy Partners, LLC



Table 1. Minnesota's Direct Golf Economy by Industry Segment:
2006 and 2016 (\$M)

	2006	2016	CAGR
CORE INDUSTRIES			
Golf Facility Operations	\$552.7*	\$725.5	2.8%
Golf Course Capital Investments (investment and new construction)	\$43.6	\$67.9	4.5%
Golf-Related Supplies (retail and manufacturing)	\$154.1	\$148.5	-0.4%
Major Golf Tournaments and Associations	\$9.6	\$10.3	0.7%
Golf Charitable Events	\$52.4	\$64.0	2.0%
Total Core Industries	\$794.3	\$1,016.3	2.5%
ENABLED INDUSTRIES			
Golf Tourism	\$426.2*	\$480.6	1.2%
Golf Real Estate (new home construction and realized premium)	\$149.3*	\$58.2	-9.0%
Total Enabled Industries	\$537.5	\$538.8	0.02%
TOTAL GOLF ECONOMY	\$1,331.8	\$1,555.1	1.6%
TOTAL DIRECT IMPACT FOR IMPACT ANALYSIS	\$1,260.8	\$1,404.0	1.1%

Note: * Recalculated. See full report for explanations.

Over the past 10 years Minnesota's golf economy has weathered a Great Recession and a correction in its total number of golf facilities with a net decline of 39 facilities. However, Table 1 shows that, compared to 2006, Minnesota's remaining 447 facilities showed strong growth in operations revenue and capital investment in 2016.

Looking beyond the green, Golf Tourism and Golf-Related Manufacturing, within Golf-Related Supplies, were strengths (CAGR of 1.2% and 1.5%).

In 2016, the state's largest golf industry sectors were:

- Golf Facility Operations (\$725.5M),
- Golf Tourism (\$480.6M),
- Golf-Related Supplies (\$148.5M), and
- Golf Facility Capital Investments (\$67.9M).

Charitable Impact

Minnesota golf facilities hosted charitable events that generated \$64.0 million in net proceeds and in-kind contributions for beneficiary organizations. These range from smaller, but highly impactful charitable golf events that raise money for local hospitals, youth development organizations, medical research, guide dog organizations, college scholarships, etc., to major events like the Best Buy Charity Classic that raised \$2.8 million for technical skills training for underserved teens and Tee It Up for the Troops Minnesota that raised \$688,000 for military families. The TEconomy survey found that the average Minnesota facility hosts 11 charitable events each year which raises \$15,959 in net proceeds per event for charitable and nonprofit organizations.

See full report for methodology and explanations of underlying data and calculations at: <https://golf2020.com/research/>

