

Revenue Profile of Golf Courses In Georgia

2002



Conversion Table

U.S.		
<i>Abbr.</i>	<i>Unit</i>	<i>Approximate Metric Equivalent</i>
Length		
mi	mile	1.609 kilometers
yd	yard	0.9144 meters
ft or'	foot	30.48 centimeters
in or"	inch	2.54 centimeters
Area		
sq mi or mi ²	square mile	2.59 square kilometers
acre	acre	0.405 hectares or 4047 square meters
sq ft or ft ²	square foot	0.093 square meters
Volume/Capacity		
gal	gallon	3.785 liters
qt	quart	0.946 liters
pt	pint	0.473 liters
fl oz	fluid ounce	29.573 milliliters or 28.416 cubic centimeters
bu	bushel	35.238 liters
cu ft or ft ³	cubic foot	0.028 cubic meters
Mass/Weight		
ton	ton	0.907 metric ton
lb	pound	0.453 kilogram
oz	ounce	28.349 grams

Metric		
<i>Abbr.</i>	<i>Unit</i>	<i>Approximate U.S. Equivalent</i>
Length		
km	kilometer	0.62 mile
m	meter	39.37 inches or 1.09 yards
cm	centimeter	0.39 inch
mm	millimeter	0.04 inch
Area		
ha	hectare	2.47 acres
Volume/Capacity		
liter	liter	61.02 cubic inches or 1.057 quarts
ml	milliliter	0.06 cubic inch or 0.034 fluid ounce
cc	cubic centimeter	0.061 cubic inch or 0.035 fluid ounce
Mass/Weight		
MT	metric ton	1.1 tons
kg	kilogram	2.205 pounds
g	gram	0.035 ounce
mg	milligram	3.5 x 10 ⁻⁵ ounce



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Revenue Profile of Golf Courses in Georgia

W. J. Florkowski, G. Landry and C. Waltz

Introduction

Most economic development has traditionally focused on manufacturing and commercial services as sources of employment and income. However, recreation and tourism-related industries have become important employers in many communities and states (Barkley and Simmons, 1989).

The golf course industry is an important but often overlooked sector generating jobs and local taxes in Georgia, where 430 courses existed in 2000. The number of courses has been growing steadily and the growth is expected to continue. Several reasons drive the construction of new facilities. Georgia's population continues to grow at a rate higher than the national average. Increasing real incomes and changing lifestyles encourage this type of leisure activity. Furthermore, in some areas the increasing popularity of gated communities has led to the construction of a golf course as a part of a development. These upscale neighborhoods combine home ownership with the prime location on or near a course.

The objective of this report is to provide insights about the economic importance of golf course facilities in terms of generated jobs, revenues, and expenses. Most golf courses provide a wide array of services such as a swimming pool, tennis courts, and/or dining facilities. These facilities attract entire families, to many of whom the game is of secondary importance. Golf itself provides for specialized services, all of which offer opportunities to supplement revenues from fees. The operation of a facility is associated with the purchase of many items and services. The purchases range from utilities to irrigation equipment. Many purchases are from local suppliers and have a stimulating effect on the area economy. Finally, many golf courses provide permanent and seasonal jobs. Employment opportunities include a number of positions requiring specialized skills. Golf courses provide a variety of jobs in food service, game-related services, auxiliary recreational services, and administration of the whole facility. Because of their location, typically away from industrial or retail complexes, golf courses offer jobs to those residing in the vicinity. For some communities, these jobs are important

because of scarcity of other employers and because the employees and golfers generate tax revenues by realizing purchases of goods and services outside the golf facility.

The rapid urbanization in Georgia has communities and businesses examining recreational opportunities to meet projected growth demands or to attract future growth. For many years in the 1990s the rate of new golf course development in Georgia was among the highest in the nation. These courses provide recreational opportunities and generate revenues. Golf is a major attraction at most of the state's resorts and many housing developments. Much of the revenue generated in some areas may be attributable to golf facilities. Community leaders often are interested in the local economic impact associated with such a facility because of the impact on employment and local spending.

The golf course industry is a significant part of the urban agriculture industry, which generated more than \$5.7 billion in revenue in 2001. This report provides information never before collected on a comparable scale from facilities existing in Georgia. Presented information offers a glimpse of the full economic impact of an important sector of the state's economy. The report contains details on golf course age, size, and the total number of rounds played. Additionally, details about the revenue sources of golf courses and the distribution of revenues from each source are provided. Since little information has been documented about the job generating potential of a golf course, this report provides insights about permanent, seasonal, full-time, and part-time employment. This report also provides information of revenues from golf-related services.

Information provided by this report should be useful to golf course managers in assessing the position of their facility against the industry trends. This information should help investors better evaluate the economic feasibility of a new development. Revenue and expense sources and the distribution of various categories will enable thorough evaluation of any planned investment in a golf course facility and aid in the formulation of a competitive business plan.

The Survey

The survey was conducted in the spring of 1999 among managers of golf courses listed in the membership directory of the Georgia Golf Course Superintendents Association. The list contained 352 addresses. The two mailings of the questionnaire revealed that several addressees were not golf courses (13 addresses), were no longer in business (two addresses) or the mail could not be delivered (two addresses). One facility was identified as a double listing. The two mailings of the questionnaire, separated by the mailing of a post card reminder, yielded 149 responses. The return rate, after accounting for facilities that were misidentified or could not be reached was 44.6 percent. Given the self-administered nature of the survey and the extent of the shared information, this response rate was high.

Results

The information collected should be useful to the golf industry and the surrounding service sectors. However, the volume of information also poses difficulties in summarizing the responses informatively. In this report, graphs are used as the primary presentation tool. Below each graph, the number of responses used for the specific summary is noted. This was done because a number of responses were provided by fewer respondents than the total number of returned questionnaires. The primary reason for fewer responses was the non-applicability of a specific question to a golf facility — for example, no part-time year-round workers were employed or no locker services were offered. Occasionally, in the case of financial information, the respondent could not or chose not to provide detailed figures. However, the information available still gives

an unprecedented overview of the economic profile of Georgia golf courses. Information presented in this report can serve as an indicator of the importance of various activities in golf facilities in other states, especially in the southeastern United States.

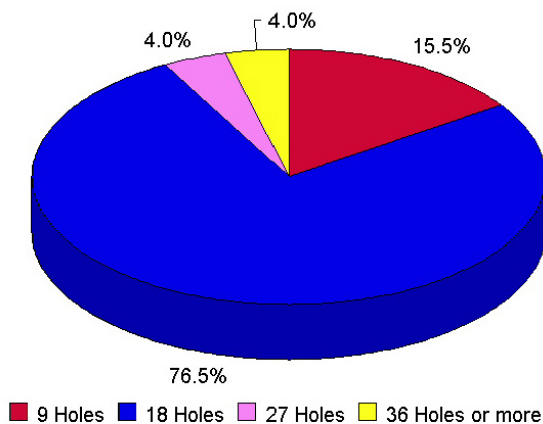
Size

Two physical measures of golf course size, length and number of holes, indicate the structure of a golf course. According to the length of the golf course, 97 percent of facilities were classified as “regulation” courses, while only 3 percent were classified as “short.” A typical round of golf consists of 18 holes as was the size of three-fourths of the courses (Figure 1). Sixteen percent of the courses had 9 holes and 8 percent had 27 holes or more.

The length of the course and the number of holes are important in attracting players. A measure of frequency of play can be determined by the number of rounds played. Figure 2 shows the percent distribution of responding facilities by the number of rounds played. More than one-half of the courses reported between 25,001 and 50,000 rounds played in 1998. Another 21 percent reported between 15,001 and 25,000 rounds played. Few courses, about 3 percent, reported fewer than 5,000 rounds. These facilities included courses that had begun operation in 1998 and may not have been accessible for the full 12 months. Fewer than 1 percent of courses reported the number of played rounds in excess of 100,000.

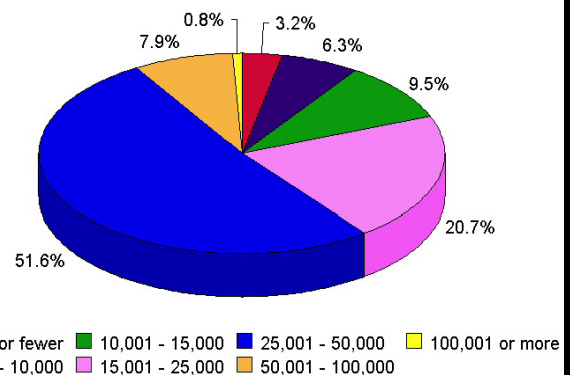
Some golf courses in Georgia are located in areas frequented by both in-state and out-of-state tourists. Generally courses reported tourists played no more than 5,000 rounds in 1998; about 43 percent reported between 1,001 and 5,000 rounds and nearly 28 percent indicated no more than 1,000 rounds played by tourists, respectively.

Figure 1. Golf Course Size



Based on 149 responses.
Source: Florkowski and Landry

Figure 2. Total Number of Rounds Played in 1998



Based on 126 responses.
Source: Florkowski and Landry

Number of Employees

The number of employees was reported in four areas of each facility excluding the course maintenance, which was reported in an earlier survey by Florkowski and Landry. Figure 3 shows the distribution of pro-shop employees in four employment categories: full-time, part-time, full-time seasonal, and part-time seasonal. Eighty-four percent of golf courses employed no more than five full-time employees in the pro shop. About 80 percent of courses employed fewer than six part-time, full-time seasonal, or part-time seasonal people. Few facilities employed more than 11 persons in full-time positions. However, total percentage of the three highest categories was similar for the year-round and seasonal full-time employees. It is worth mentioning that full-time seasonal positions were limited to only 26 facilities. A few golf courses, 1.5 percent, employed in excess of 25 employees in the pro-shop. Figures 3-6 have the same legend to aid in interpretation.

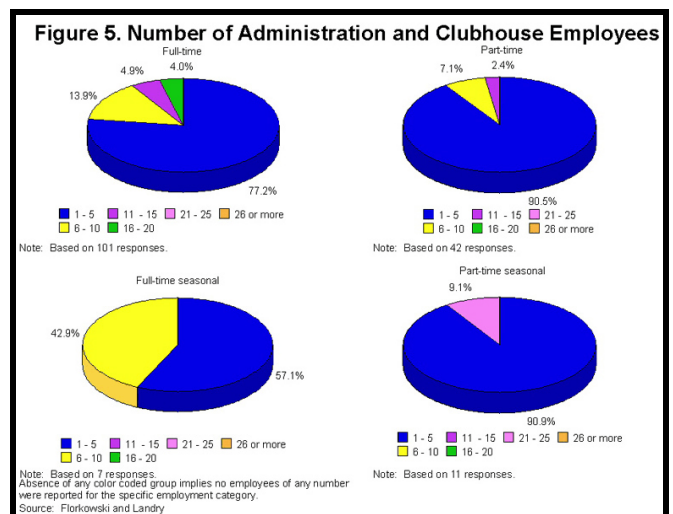
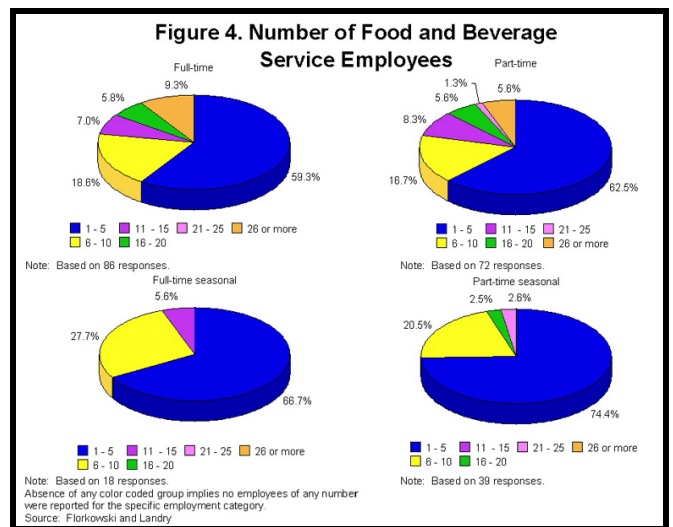
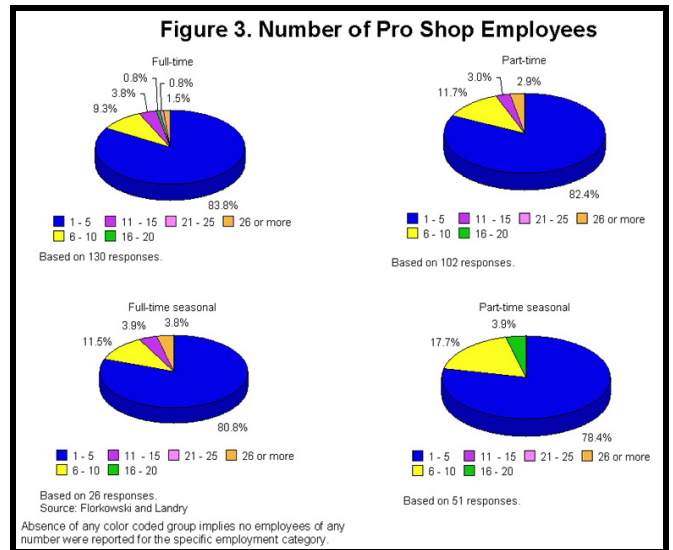
Food and beverage services were a source of full and part-time employment for a substantial number of people on a year-round basis (Figure 4). Almost 60 percent of all participating facilities employed up to five employees full-time year-round, while another 19 percent employed in such positions between six and ten employees. Twenty-two percent of facilities reporting food and beverage employment indicated more than 10 workers in full-time or part-time positions. Seasonal employment was likely to be limited to five or fewer employees and seldom exceeded ten persons.

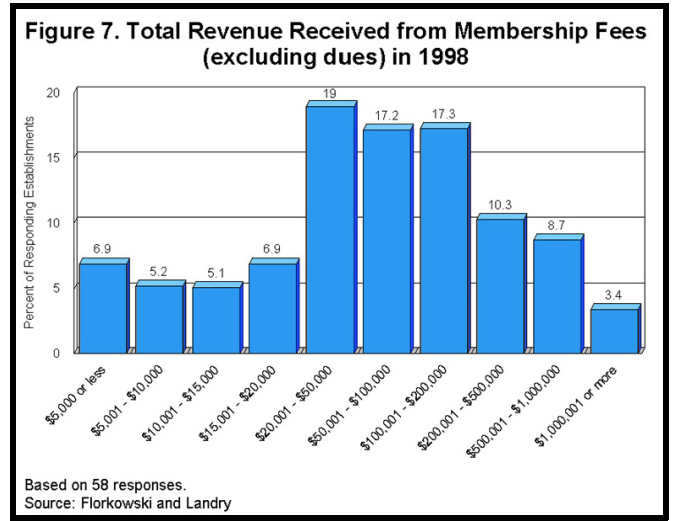
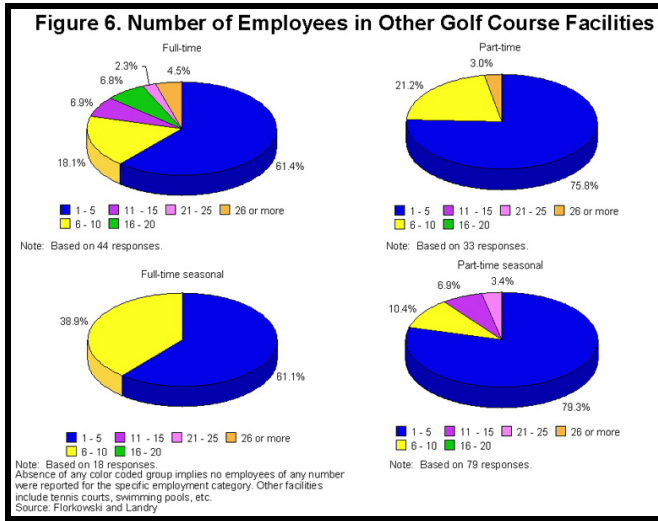
Administration and clubhouse employment is shown on Figure 5. More than 75 percent of golf courses employed five or fewer full-time workers, while more than 90 percent employed a similar number as part-time year-round employees. Very few courses employed seasonal workers in this employment category.

Fewer than a third of the respondents provided employment figures for "other facilities." Among 44 respondents reporting full-time year round employment, 60 percent had five or fewer workers (Figure 6, page 8). In this employment category, other positions were filled by even smaller numbers of golf courses. About 75 percent of courses indicated having part-time year round workers, while none of the respondents offered full-time seasonal positions to more than 10 persons. The category "other facilities" included swimming pools, tennis courts, and gyms that are supplemental services to the game of golf. These services are offered by only some facilities and others do not generate significant revenues.

Revenues

Reported revenues varied because of the type of golf course and the services offered. Private facilities charge membership dues and fees. Semi-private, public, or "for a fee" courses





charge a fee for each round played. Other revenue categories are typically associated with the game or are generated by additional amenities such as food and beverage services which were the most prominent for these revenue categories.

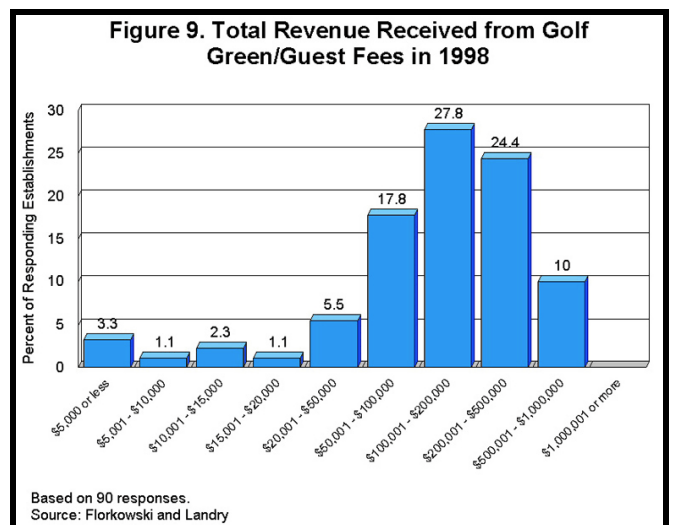
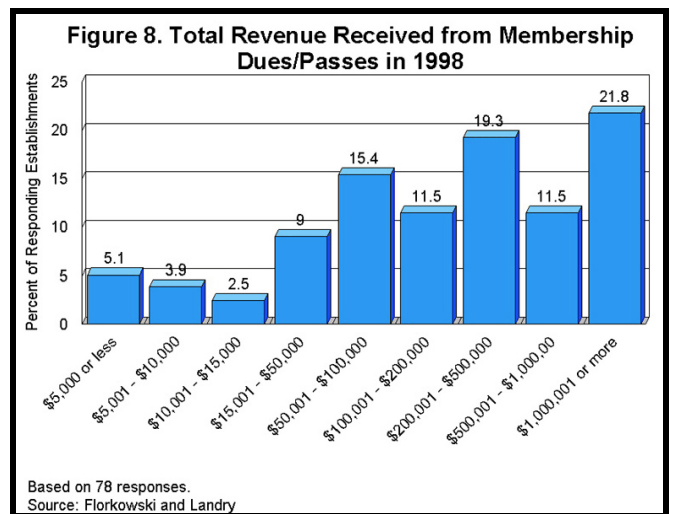
This summary of revenues by source offers unique insights into the financial performance of a golf course. Although the revenues from playing the game dominate, it is interesting to observe that in many cases game-related services can generate substantial revenues. Ignoring such services may negatively affect the financial standing and, consequently, the survivability of the course.

Revenues from Fees

Membership fees. Fees are paid for service provided by the golf course facility and vary with the amount and service mix purchased by a golfer. Figure 7 shows the distribution of membership fees reported by 58 golf courses. About 18 percent of responding facilities fell into each of the following categories: between \$20,001 and \$50,000; \$50,001 and \$100,000; and \$100,001 and \$200,000. Almost 9 percent reported obtaining between \$500,001 and \$1 million, while at more than 3 percent of courses revenues exceeded \$1 million. A significant portion, 25 percent, of courses reported membership revenues of less than \$20,001.

Membership dues. These fees are paid by members to the club. Revenues from dues were reported by 78 courses. Nearly 22 percent reported membership dues larger than \$1 million (Figure 8). More than one-half of the facilities obtained at least \$200,001 from dues. Another 27 percent reported their revenues from dues between \$50,000 and \$200,000.

Revenues from green and guest fees. The largest percentage (27.8) earned between \$100,001 and \$200,000 (Figure 9) in revenues from green and guest fees. The second



largest group (24.4 percent) reported between \$200,001 and \$500,000. Nearly 16 percent earned more than \$1 million, while slightly more than 13 percent reported revenues of \$50,000 or less.

Revenues from Golf-Related Services

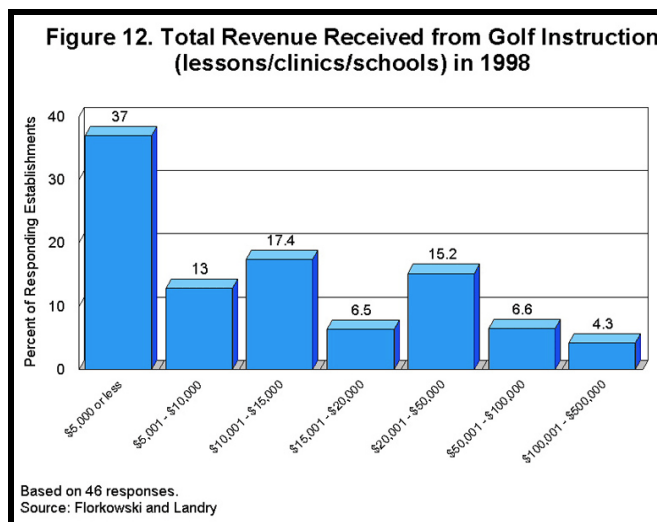
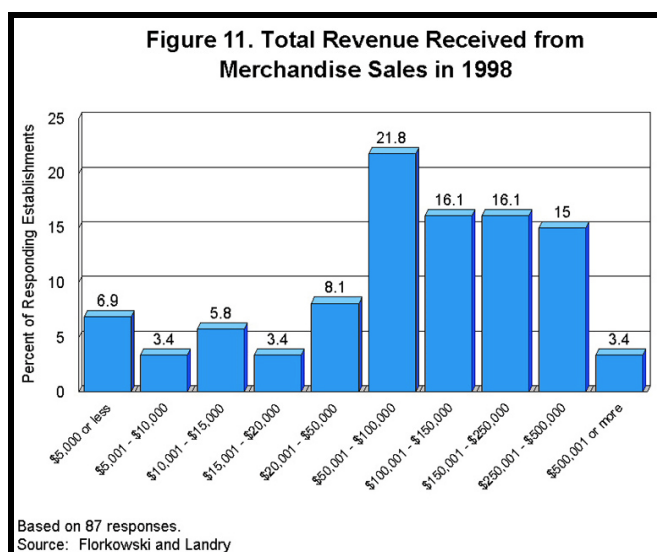
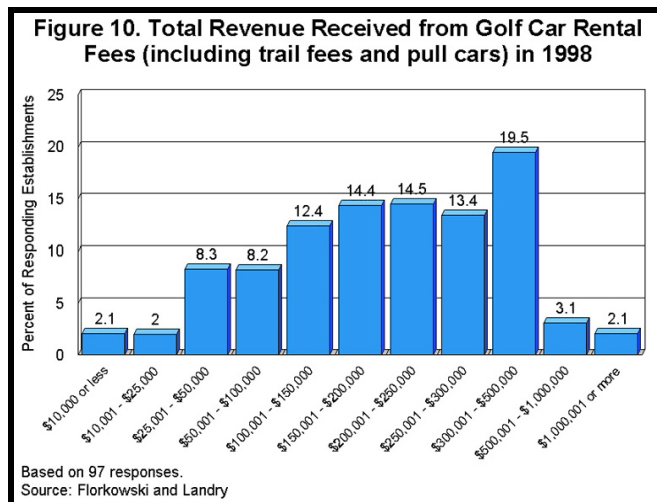
Golf-related services provided by golf courses on a selective basis were separated into eight categories discussed below. Some courses, especially those with a large number of holes and number of rounds played, offered a wide array of services. Other facilities supply only the most important services that assure meeting expectations of players. According to survey results, additional services can be a source of substantial revenues and can improve the bottom line of any facility.

Golf car rental fees. Golf car renting service was the basic service provided for golfers, and 97 respondents provided revenue figures. As shown in Figure 10, the largest single revenue category was between \$300,001 and \$500,000 in revenues and represented nearly 20 percent of respondents. Fifty-four percent were fairly evenly distributed among four revenue categories from \$100,001 to \$300,000. Sixteen percent earned between \$25,001 and \$100,000 and about 5 percent of facilities earned more than one-half million dollars.

Merchandise sales. This category includes apparel sales from the pro shop and items required for the game of golf, e.g., golf balls, gloves. For a significant number of golf courses merchandise sales appeared to have been an important revenue category (Figure 11). The largest single category, nearly 22 percent earned between \$50,001 and \$100,000. However, more than 47 percent reported earnings fairly evenly distributed among three categories from \$100,001 to \$500,000. More than 3 percent of respondents reported earnings exceeding one-half million dollars in merchandise sales, while on the other end of the spectrum, more than 27 percent earned from less than \$5,000 to \$50,000.

Revenues from golf instruction. These revenues were generated by lessons and clinics held at golf courses (Figure 12). Fewer than one-third of the golf courses reported revenues in this category. Although 37 percent earned less than \$5,001, another 26 percent reported revenues of \$20,001 or more. Among those in the highest category, more than four percent earned in excess of \$100,000.

Tournament operations. Tournament revenues were reported by relatively few facilities. Such sporting events require extra effort and resources on the part of a golf course personnel, while the benefits may be unclear. Often, tournaments were associated with a broader image-building program intended to continually attract players and generate green fees.



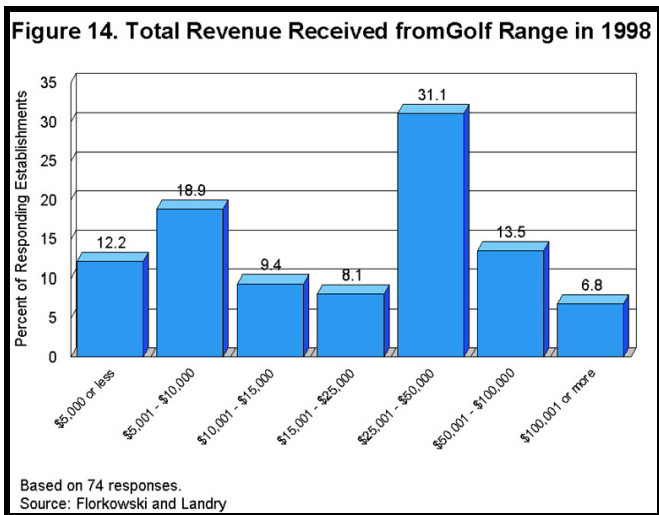
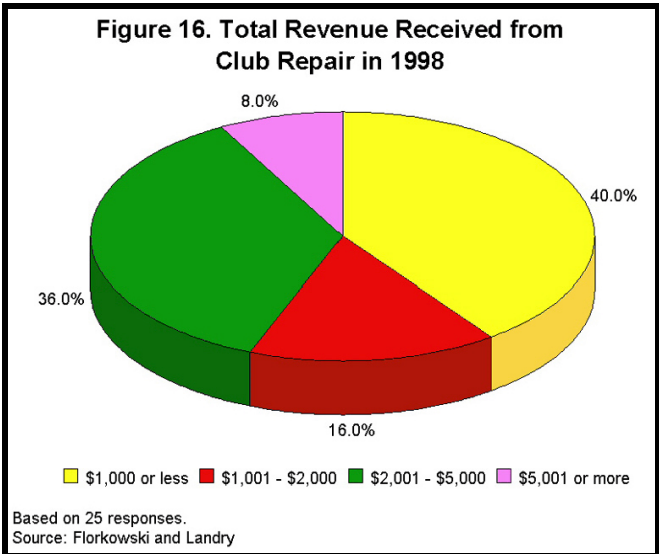
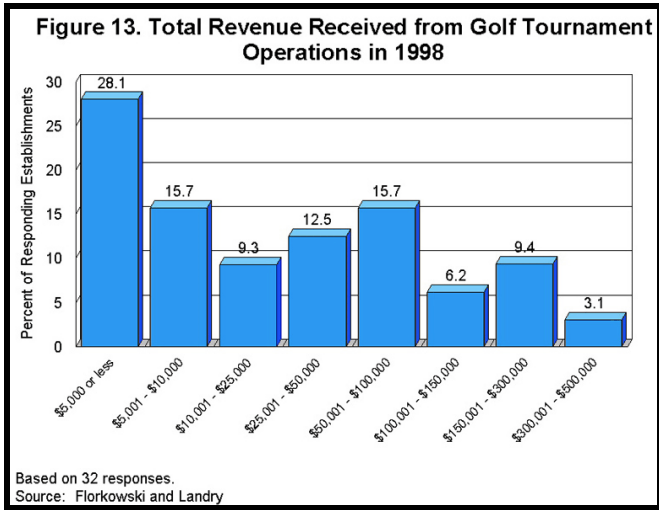
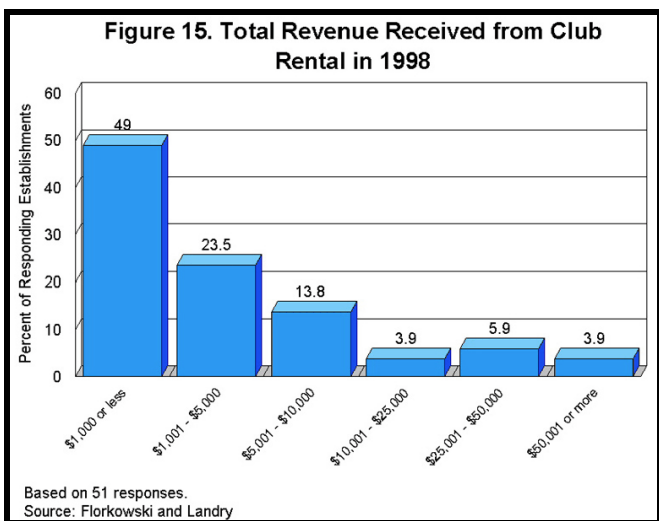


Figure 13 shows 28 percent earned less than \$5,000, while more than 27 percent earned between \$25,000 and \$100,000. Nineteen percent of courses earned more than \$100,000, and 25 percent reported between \$5,001 and \$25,000.

Golf range revenues. A golf range allows players to practice their skills without actually playing a round of golf. Some players may practice on a golf range more often than playing because of time constraints. A golf range requires the operator to allocate an additional turf area. Thirty-one percent of facilities earned between \$25,001 and \$50,000 (Figure 14), while about 20 percent fell into the two highest revenue categories and earned more than \$50,000. Thirty-one percent of courses earned less than \$10,001.



Club rental revenues. Club rental was a minor revenue source (Figure 15) because most players own their clubs. Club rental services are used primarily by visitors, tourists, or novice players. Almost one-half of the courses earned no more than \$1,000 from rental fees. About 37 percent reported revenues between \$1,001 and \$10,000. For a few (3.9 percent), these revenues were in excess of \$50,000.

Club repair revenues. Only 25 responding courses offered club repair service, according to survey results. This service is highly specialized and few have the necessary skills and experience. Among the four revenue categories, two included about 75 percent of all facilities providing this service (Figure 16). Forty percent earned \$1,000 or less, while 36 percent earned between \$2,001 and \$5,000.

Revenues from handicapping service. This type of service was provided more broadly than the previous two types of services and generated a higher level of revenues (Figure 17). Nearly 43 percent of golf courses reported revenues ranging from \$1,001 to \$5,000 and nearly 21 percent of courses earned between \$5,001 and \$10,000. The two highest revenue categories (from \$10,001 to more than \$15,000) included 21 percent of facilities.

Food and beverage sales. Food and beverage service is commonly offered at golf course facilities. The quality of service and selection differs widely from a simple, self-service bar to a full menu table. The game of golf often extends beyond the game itself and players commonly share some time socializing after the game. Food and beverage services provide such a socializing opportunity.

Figure 18 shows the surprisingly high revenues received from food sales. More than 20 percent earned between \$100,000 and \$250,000. Even more surprising, more than 23 percent of courses reported more than one-half of a million dollars from food sales. On the lower end of the spectrum, more than 25 percent of courses reported between \$25,001 and \$100,000. These services certainly are income generating ventures. Additionally, because of the nature of the service, food sales also generate employment (Figure 4, page).

The value of beverage sales (Figure 19) was generally lower than food sales but still quite substantial. The largest category, nearly 25 percent, of clubs reported earnings of between \$100,001 and \$250,000. Although slightly more than 31 percent of golf courses earned no more than \$25,000, nearly 30 percent reported sales between \$25,001 and \$100,000. On the other end of the spectrum, nearly 15 percent had beverage sales that exceeded \$250,000.

Total Revenues

Revenues from all areas of operation suggest the concentration of facilities in two middle revenue categories (Figure 20, page 12). One-fourth of the courses reported between \$1,000,001 and \$2,000,000 in total revenues, while another 22.7 percent earned between \$2,000,001 and \$5,000,000. The third largest category, more than 19 percent of respondents, generated between \$500,001 and \$1,000,000. This category was followed by nearly 15 percent of courses with revenue between \$150,001 and \$500,000. On opposite ends of the spectrum, just over 10 percent reported \$250,000 or less in revenue while 8 percent reported more than \$5,000,000.

Revenues of about \$2 million annually are needed to recuperate the cost of investment at today prices excluding the cost of the purchase or the lease of land. About one-third of the courses had such a level of earnings, but the majority of

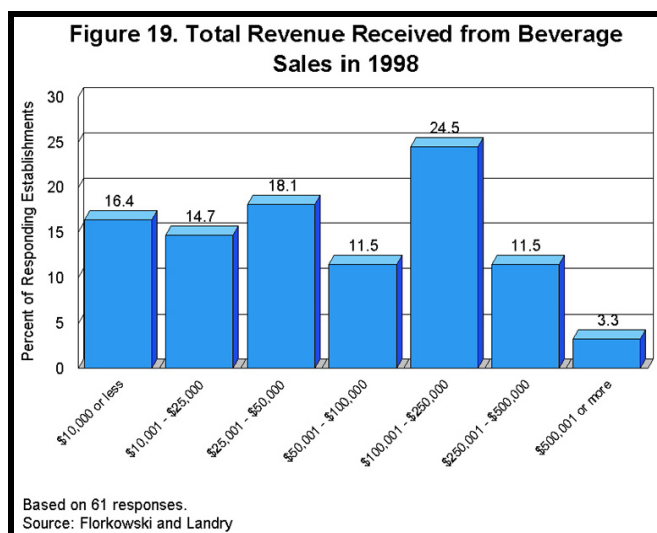
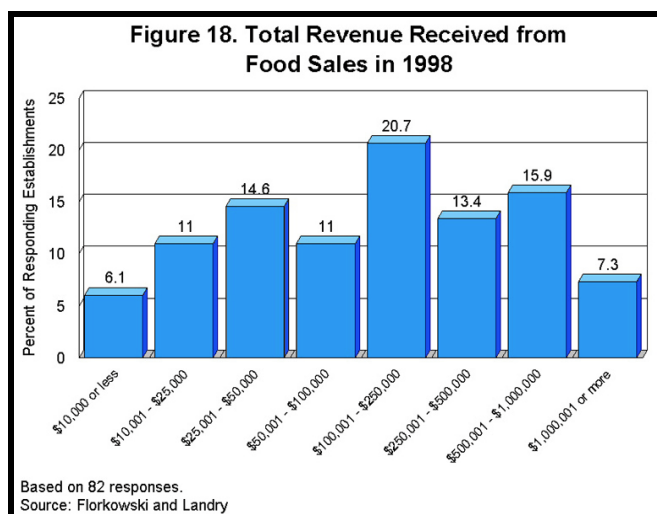
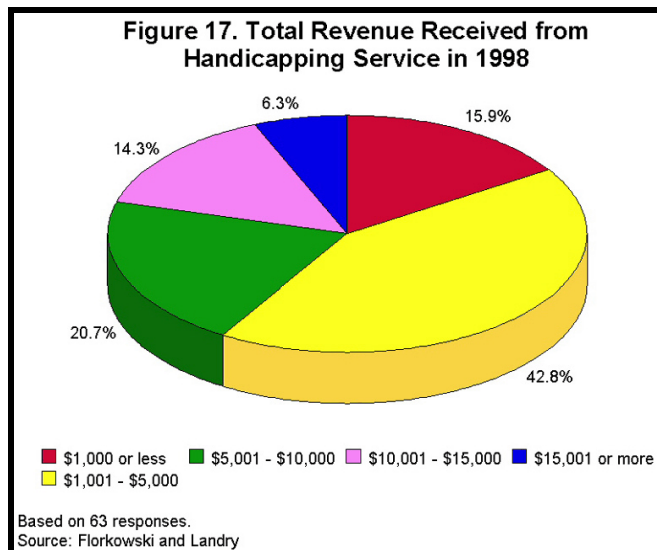
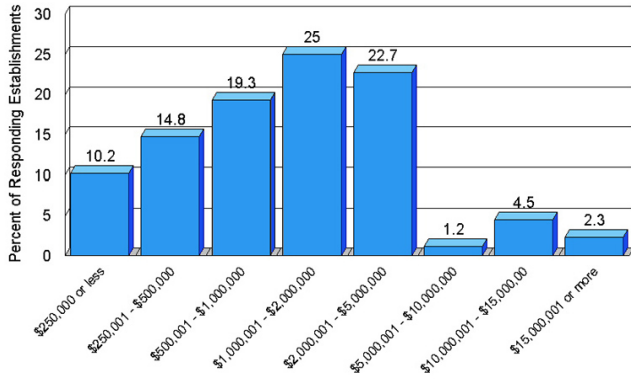


Figure 20. Total Facility Revenues from All Areas of Operation in 1998



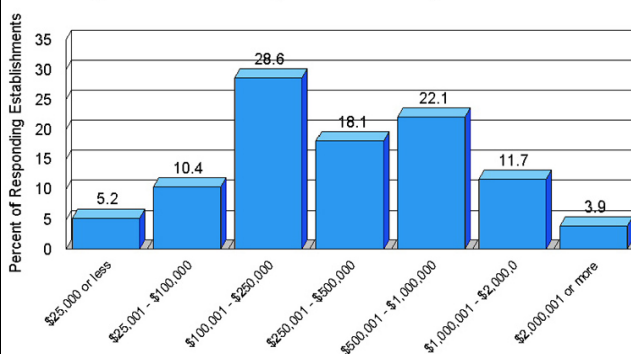
Based on 88 responses.
Source: Florkowski and Landry

facilities have been in existence for a period of time and were constructed at a lower cost. However, some courses may have difficulty generating revenues that could permit periodic renovation and modernization of the playing area. Such courses could either close or depend on funds from either a public body (if publicly owned) or private investors.

Expenses

The category total expenses includes wages, salaries and benefits for the facility, excluding turf and landscape maintenance. Figure 21 shows the distribution of expenses across seven categories. Almost 29 percent of courses reported expenses between \$100,001 and \$250,000. The next two categories included 18.1 percent and 22.1 percent of respondents, with expenses above one-quarter of a million and one-half million dollars, respectively. More than 15 percent had expenses more than \$1,000,000 while another 15 percent had less than \$100,001 in expenses.

Figure 21. Total Expenses Facility-Wide in 1998

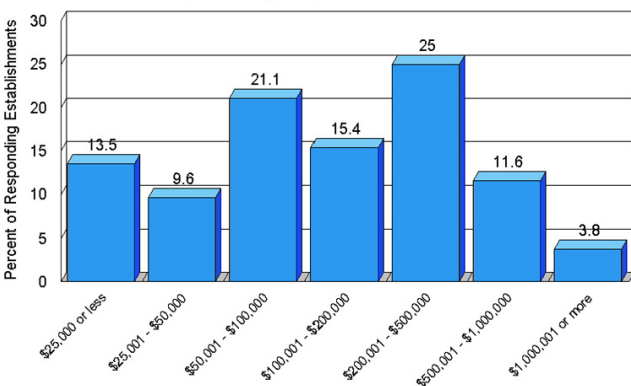


Based on 77 responses.
Source: Florkowski and Landry

Expenses on wages, salaries, and benefits in the food and beverage operating department were substantial. According to Figure 22 more than 20 percent of the facilities reported expenses between \$50,001 and \$100,000 and 25 percent spent between \$200,001 and \$500,000, respectively. Another 15 percent was included in the in-between category with expenses ranging from \$100,001 to \$200,000. More than 22 percent of courses spent less than \$50,001, but over 15 percent spent more than \$500,001.

The category of general and administrative expenses for a facility is shown on Figure 23 (page 13). As the relatively high revenue and expenses might suggest, the administrative expenses are comparable. Twenty-two percent of clubs reported these expenses to be between \$100,001 and \$250,000 and \$250,001 and \$500,000. Twenty-six percent reported between \$14,001 and \$100,000, while 12 percent reported more than \$500,000.

Figure 22. Total Expenses for the Food and Beverage Operating Department in 1998

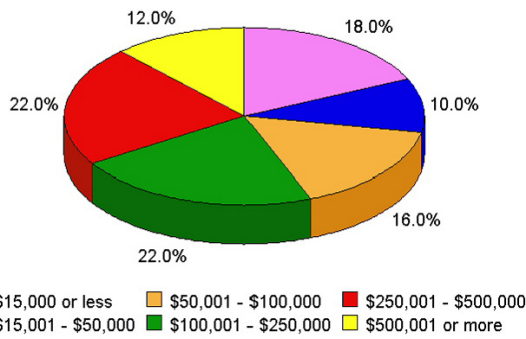


Based on 52 responses.
Source: Florkowski and Landry

Expenses for advertising, marketing, and promotion. Some golf courses choose to spend on advertising and promotion. Such spending was reported by 53 facilities, *i.e.*, about a third of the courses. Figure 24 (page 13) shows that 45 percent of reporting facilities did not spend more than \$5,000 and 66 percent spent \$10,000 or less. A small number of golf courses, however, spent a sizable amount on advertising, marketing and promotion; nearly 21 percent of courses reported spending between \$25,001 and \$50,000 and just less than 4 percent spent in excess of \$50,000. It is possible that the newly opened facilities were among those spending most in this expense category.

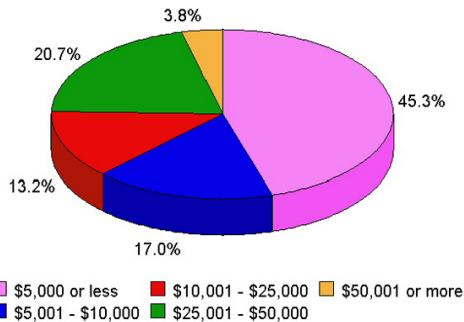
Utility expenses. Prices for utility services vary across Georgia and across golf facilities because of the array of

Figure 23. Total General and Administrative Expenses Facility-Wide in 1998



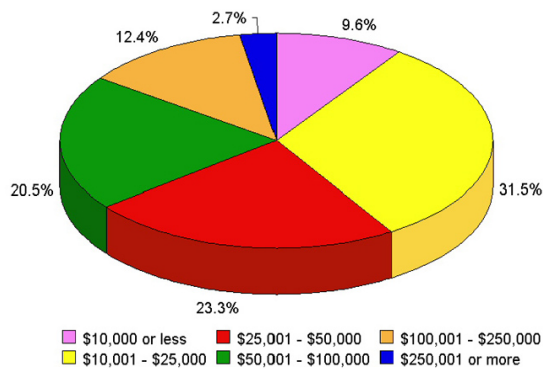
Based on 50 responses.
Source: Florkowski and Landry

Figure 24. Total Expenses for Advertising, Marketing, and Promotions Facility-Wide in 1998



Based on 53 responses.
Source: Florkowski and Landry

Figure 25. Total Expenses for Utilities Facility-Wide in 1998



Based on 73 responses.
Source: Florkowski and Landry

services provided. The operation of dining halls, swimming pools, tennis courts and gyms can substantially increase the utility bill. More than 90 percent of reporting golf courses (Figure 25, had utility expenses exceed \$10,000. More than 31 percent spent between \$10,001 and \$25,100, and nearly 59 percent paid more than \$25,100 for utilities. A significant number, 15 percent, spent more than \$100,000. From the standpoint of operating the facility, utility bills must be paid regardless of the number of rounds played. These costs are fixed because they are related to regular maintenance, routine services, and enhanced security of the premises.

Respondent Characteristics

This survey was intended for golf course club managers because the nature of questions required a thorough knowledge of the performance of the whole facility, employment structure, revenue structure and major expenses. More than 76 percent of managers responded (Figure 26, page 14) to this survey and the remainder delegated the task to their staff.

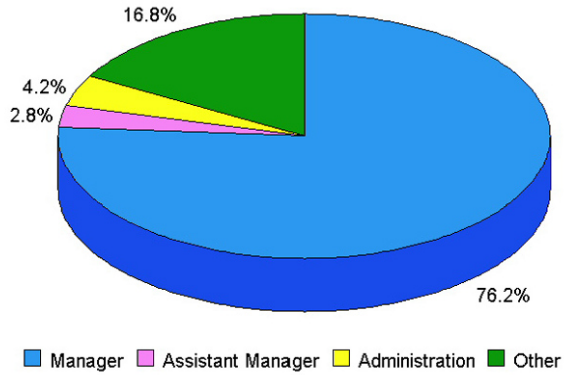
Nearly 91 percent of the respondents were male (Figure 27, page 14). The largest groups included those in their forties (Figure 28, page 14) or thirties. About 19 percent were 50 years old or older and nearly nine percent were 60 years old or older. Despite mostly middle age of managers, the overwhelming majority, 82.3 percent, worked for no more than 10 years at the facility (Figure 29, page 14). Only about 10 percent spent more than 15 years at the facility.

Job mobility of managers is further illustrated by the total working experience on a golf course (Figure 30, page 14). More than 43 percent had 10 years or fewer experience working on a golf course. Another 39.8 percent accumulated between 11 years and 20 years of experience; 16.7 percent had more than 20 years of experience in the industry. Experienced managers are potentially very important for the whole economic performance of a facility and can determine the success or survival of the enterprise. Eighty-six percent of survey respondents had some college education (Figure 31, page 14).

Concluding Remarks

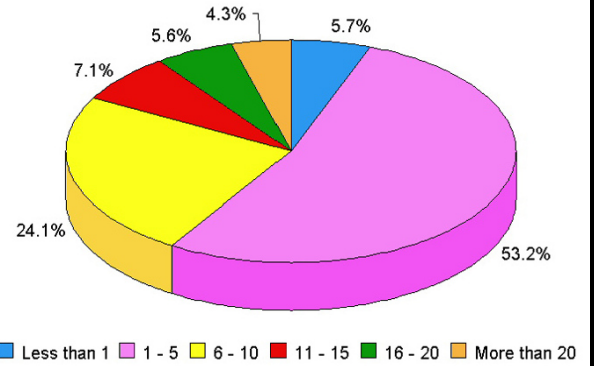
The need to obtain insights about the performance of the golf course led to the survey of managers. Respondents provided sufficient information to create a good overview of the industry in terms of its contribution to job creation, revenue sources, and major expense categories. Table 1 (page 16) shows median values of golf course characteristics, fees, and revenues based on the responses collected from this survey. Although the median values are not based on all golf courses in Georgia, they provide a reference point in evaluating the position of individual golf courses against the industry.

Figure 26. Position of Respondents



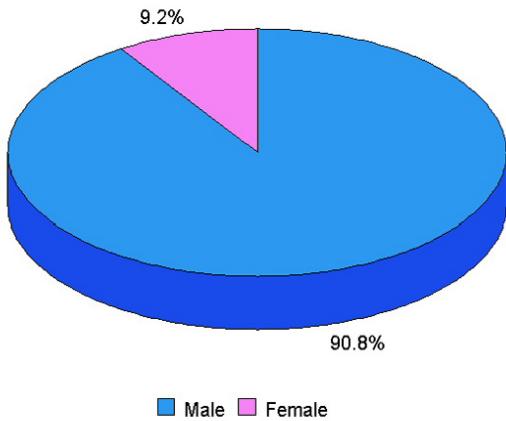
Based on 143 responses.
Source: Florkowski and Landry

Figure 29. Number of Years Worked at Facility



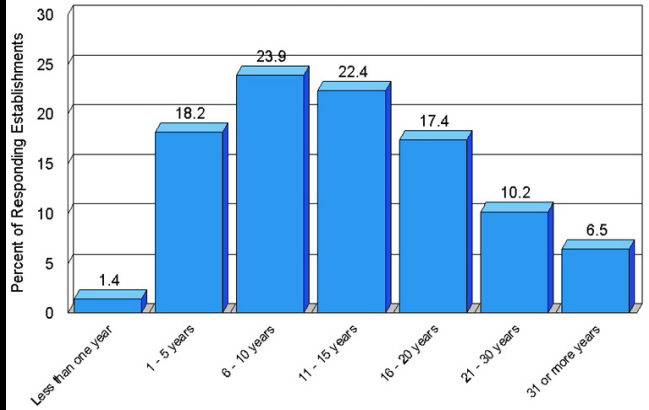
Based on 141 responses.
Source: Florkowski and Landry

Figure 27. Gender of Respondents



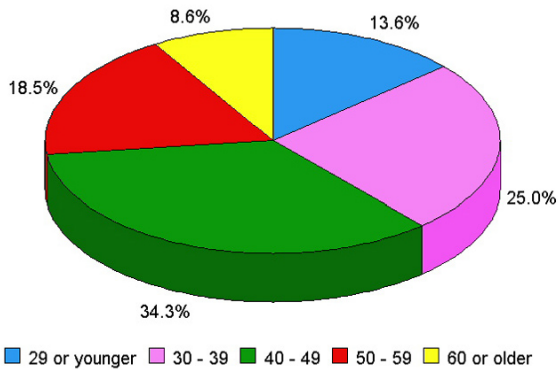
Based on 141 responses.
Source: Florkowski and Landry

Figure 30. Number of Years Total Experience Working on Golf Course



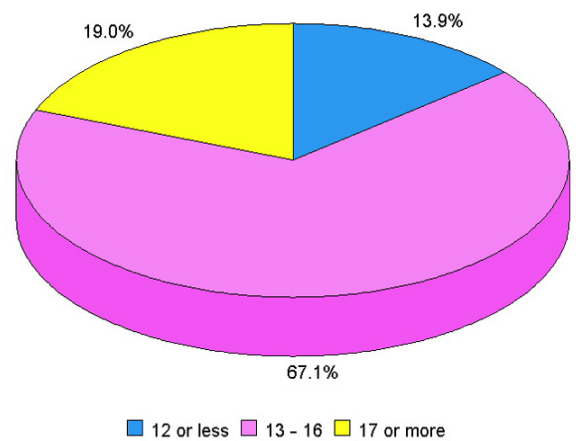
Based on 138 responses.
Source: Florkowski and Landry

Figure 28. Age of Respondents



Based on 140 responses.
Source: Florkowski and Landry

Figure 31. Number of Years of Schooling Received by Respondent



Based on 137 responses.
Source: Florkowski and Landry

The median age of a golf course in Georgia is 28 years and the median number of played rounds was 28,000 in 1998 (Table 1). The median value of the membership fees was \$62,973 and membership dues \$225,651. Golf green and guest fees and golf cart fees were also large sources of revenues: the median values were \$178,280 and 207,053, respectively. Among revenue categories, merchandise sales had a median value of \$100,000 and the median value of caddie services was \$65,000. Food and beverage sales reported the median value of \$ 243,850.

Medians of selected expense categories indicate that wages, salaries and benefits were the largest among all reported categories (Table 2, page 17). The large expense categories were general and administrative expenses of the facility and food and beverage department that had median values of \$93,500 and \$145,000, respectively. The category “other expenses facility wide” had a median value of \$240,000 and could include expenses related to course maintenance. The summary of major trends observed from the data suggests the following:

Rounds Played

- the majority of golf courses host between 25,000 and 50,000 rounds of golf per year;

Job Generation

- food and beverage service generated the largest number of permanent, full time jobs in the club house followed by the pro shop. Other golf course facilities, including amenities such as swimming pools and tennis courts, offered few jobs because of the seasonal nature of various forms of recreation and the limited number of courses offering such services;

Revenue Sources

- membership dues and passes were the most important revenue source followed by membership fees;
- among golf-related services, the golf car rental service generated the largest income, but merchandise sales also earned substantial revenues;
- these revenue sources were followed by the handicapping service and tournament operations;
- revenues from membership fees and dues were greater than food sales, which were followed by beverage sales;
- two largest groups of golf courses reported total revenues between one and \$2 million followed by those earning from \$2 to \$5 million;

Expenses

- as with most service industries, personnel expenses are a major expense item;
- expenses for food and beverages were among the largest expense categories;
- although many golf courses reported administrative and general expenses below \$100,000, some expenses exceeded a half million dollars;
- marketing, advertising, and promotion expenses were generally very low;
- beside food and beverage expenses, utility bills were often high despite the primary use of irrigation water from surface sources (Florkowski and Landry);

Respondent Characteristics

- respondents were mostly managers, males, with at least some college education, in their thirties and forties with about five years of experience of working at the facility and about 15 years of experience in the industry.

The cumulative income and employment effects by golf courses for labor, goods and services do not represent the total contribution of the industry to the state economy. These expenditures, like those of other generators of basic income, constitute only the first round of the economic impact and the total contribution can multiply as the income passes throughout the economy.

Golf facility revenues accrue as a result of spending at the courses, pro shops, and restaurants. These earnings are then passed on to the staffs, local businesses and out of state suppliers of goods and services to golf courses. The direct expenditures to local households and businesses will set in motion the multiplier effect associated with additional rounds of “indirect” and “induced” expenditures as the household and business undertake local purchases with the revenues and income earned from the facility.

References

- Florkowski, W. J., and G. Landry. 2002. *An Economic Profile of Golf Courses in Georgia: Course and Landscape Maintenance*. University of Georgia College of Agricultural and Environmental Sciences Research Report 681, <http://www.ces.uga.edu/ES-pubs/RR681.pdf>, 16p.
- Barkley, D.L., and L. Simmons. 1989. *Contribution of the Golf Industry to the Arizona Economy*. Technical Bull. 263. Dept. of Agric. Economics, College of Agriculture, The University of Arizona.

Table 1. Median Values of Georgia Golf Course Characteristics Based on Results of the 1999 Manager Survey

Characteristics/fees and revenues	Median
Characteristics	
Year of establishment	1974
Regulation yards	6,550
Rounds played	28,000
Rounds played by tourists only	3,000
Fees (in \$)	
Fees for one round (18 holes) played on a weekday	25
Fees for one round (18 holes) played on a weekend	30
Fees for nine hole option	15
Membership fees	62,973
Membership dues	225,651
Golf Green/Guest fees	178,280
Golf car fees	207,053
Revenues (in \$)	
Merchandise sales	100,000
Golf instruction	10,678
Tournament operations	22,000
Golf range	29,000
Club rental	1,053
Club repair	2,000
Handicapping service	3,800
Caddie service	65,000
Golf bag storage	9,034
Locker fees	4,730
Food sales	160,000
Beverage sales	55,000
Other food and beverage income	28,850
Total facility revenues	1,280,000

Table 2. Median Expense Values of Georgia Golf Course Characteristics Based on Results of the 1999 Manager Survey, in \$*

Expense category	Median
Wages, salaries, benefits for food & beverage operating department	136,000
Wages, salaries, benefits facility wide	342,690
Supplies for food & beverage operating department	16,000
Supplies facility wide	40,000
General & administrative for food & beverage operating department	93,500
General & administrative facility wide	145,000
Advertising, marketing, and promotion for food & beverage operating department	3,300
Advertising, marketing, and promotion facility wide	7,800
Utilities for food & beverage operating department	10,000
Utilities facility wide	35,000
Other expenses for food & beverage operating department	48,500
Other expenses facility wide	240,000

* Does not include expenses for food and beverage purchases, which were not provided from the survey.



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Reviewed March 2009

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