

SEPT 2024

**THE CONTRIBUTIONS OF GOLF TO
THE STATE OF MINNESOTA**

2023 IMPACT REPORT

ECONOMIC AND QUALITY OF LIFE

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**Executive
Summary**

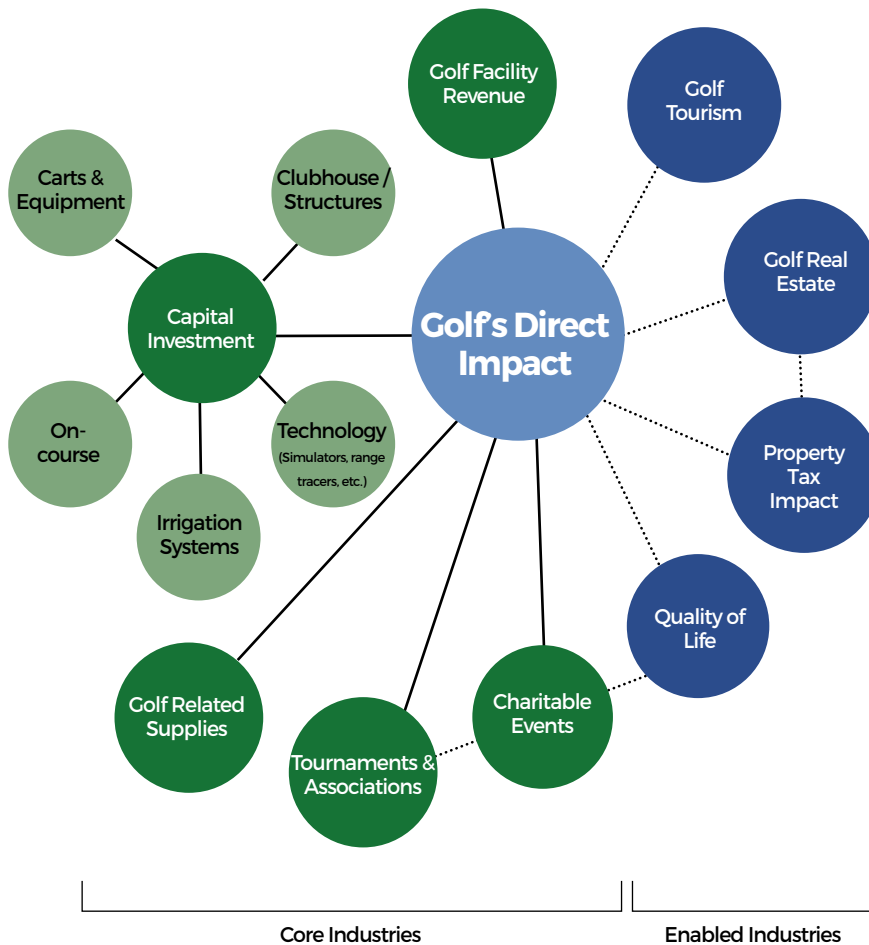


The logo for MGA (Midwest Golf Association) features a stylized blue and white icon of a golf ball on a tee next to the letters 'MGA' in a bold, green, sans-serif font.

EXECUTIVE SUMMARY

ECONOMIC CONTRIBUTION HIGHLIGHTS

In 2023, the size of Minnesota's direct golf economy was approximately **\$1.867 billion**, while the NGF estimates that the industry contributed just over **\$3.04 billion** (direct, indirect and induced) to the wider Minnesota economy in 2023. The golf facilities and driving ranges contributed over 41% of this total direct impact (\$774.7M). Golf supports more than **34,800 jobs with \$1.2 billion of wage income** and more than **\$311 million in state and local taxes**.



Total Impact

\$3.04B

Total Contribution



Direct Economic Output

\$1.867B



Employment

34,829 JOBS



Wages and Benefits

\$1.207B



State & Local + Federal Taxes

\$593.5M

\$311.1 - State & Local Taxes
\$282.4 - Federal Taxes

A summary of the direct economic impact of golf on the State of Minnesota is shown below:

CORE INDUSTRIES



577,000 Individual Golfers



425 Golf Facilities

NGF estimates there are approximately **577,700 individual golfers** over the age of 6 in Minnesota, and these golfers played **approximately 7.96 million rounds** in 2023. The State hosted **an additional 870,000+ rounds played by visitors** to Minnesota, many of whom come from the states and provinces that neighbor Minnesota, like Wisconsin, Iowa, Illinois, Ontario, Canada and the Dakotas (8.83 million rounds played in Minnesota in 2023).

Minnesota has a total of 425 golf facilities (380 public and 45 private), plus 49 other “off-course” facilities like stand-alone driving ranges, golf entertainment centers and indoor simulators. There are 55 golf facilities connected to residential real estate and/or resorts with real estate in the state.



\$774.6M Total Consumer Spending

Total consumer spending at golf facilities for items including initiation fees, member/passholder dues, green fees, cart fees, range fees, golf shop merchandise and food/ beverage sales, exceeded **\$774.6 million** in 2023, an amount that is about 6.8% higher than the estimate in 2016 (\$725.5 million), despite 22 fewer golf facilities (425 vs. 447 in the 2016 report). The golf facilities in Minnesota directly employed more than 18,500 jobs (both part-time and full-time) and supported an additional 3,470 jobs (22,050 total jobs from golf facilities).



183 Golf-related Companies

Minnesota is also home to 183 other companies who provide golf products and services including development, turf, golf cart distribution, manufacturing, and other general services. Significant examples include the equipment and irrigation company Toro with headquarters in Bloomington, the golf products company Par Aide in St. Paul and the large construction conglomerate with significant golf experience Duinick in Prinsburg. The direct economic contribution attributable to golf from all these companies totaled **\$144.9 million** in 2023, supporting at least 2,735 jobs in the state.



\$214.7M Gross Retail Sales

Minnesota retailers earned a **\$93.6 million margin on \$214.7 million** of gross retail sales of golf balls, bags, gloves, clubs, shoes, apparel and other equipment in 2023. Of this volume of gross sales, \$155.0 million gross sales and **\$67.5 million of margin** came from off-course retail outlets (including online) **supporting 970 jobs**. The remaining \$59.7+/- million came from on-course pro shops (included in total golf consumer facility spending noted above).



\$141.9M Capital Investments

In 2023, Minnesota golf facilities invested close to **\$141.9 million** in capital improvements for golf course renovations, enhancements, structure replacements, new equipment, supporting close to **1,450 additional jobs**. An estimated 57% of Minnesota golf facilities began or continued large-scale capital projects in 2023 that were not included in regular operating expense.



76 Golf Associations & Tournaments

Minnesota is home to 70 separate golf associations, including the Twin Cities Junior Golf Program, Minnesota Golf Charities, Midwest Golf Course Owner’s Association and the Minnesota Junior PGA. The total revenue generated from these Minnesota golf associations and foundations was \$6.5 million in 2023.

In professional golf, Minnesota hosted one PGA Tour event (3M Championship) at TPC Twin Cities in July, as well as other state and local events and qualifiers. These events generated just over **\$15.0 million in direct spending and raised at least \$1.5 million for charity**.



\$67.1M Raised for Charities

Golf facilities in Minnesota raised as much as **\$64.1 million** for charities in 2023, hosting an estimated 1,860+ charity golf events and other non-golf (clubhouse) fundraisers. The most significant of these included large events held at Hazeltine National GC that raised over \$7.5 million for charity. Professional golf events in MN raised another \$1.5 million in 2023 and other significant giving channeled through golf includes charitable foundations that raised an additional \$1.5 million in 2023. **Total charitable giving through golf is estimated at over \$67.1 million in 2023.**

Total Direct Economic Contribution of the Golf Sector State of Minnesota (\$ Millions)

CORE CONTRIBUTION	Direct Impact 2023	Direct Impact 2016
Golf Facility Operations*	\$774.6	\$725.5
Capital Investments	\$ 141.9	\$ 67.9
Golf-Related Supplies**	\$123.9	\$148.5
Tournaments & Associations	\$ 21.5	\$ 10.3
Charitable Events	\$ 67.1	\$ 64.0
TOTAL CORE INDUSTRIES	\$1,217.6M	\$1,016.2M

* Revenue from golf facility operations including on-course merchandise sold.

**Total retail sales do not include on-course merchandise sold.

ENABLED INDUSTRIES



\$539.2 Golf Tourism

In addition to the above, there are other golf-related economic impacts, including:

The Minnesota Office Explore Minnesota reported over 80.2 million total visitors to Minnesota in 2023, spending as much as \$14.1 billion. NGF research indicates that about 428,000 overnight trips were made to Minnesota in 2023 by visitors seeking to participate in golf, plus an additional 710,000 trips of more than 50 miles made to the State during the year. These 1.14 million **traveling golfers are estimated to have contributed \$539.2 million to the Minnesota economy** (excluding direct spending at golf facilities – already counted). When considering the total spend at golf facilities, the **Minnesota golf travel market was at least \$669.6 million** in 2023. These visitors added just over **6,000 jobs** from induced and indirect activity such as transportation, lodging, meals and other entertainment.



\$100.4M Golf-related Residential Construction



\$9.4M Property Tax

The presence of golf courses located within, or in immediate proximity to, residential communities add value to real estate in Minnesota through: (1) construction of new homes in golf communities; (2) renovation of older homes in older golf communities; and (3) the net gain in property tax to local jurisdictions from a defined “golf premium.” The total impacts from these sources in 2023.

- ⊕ NGF counted 55 golf communities in Minnesota that were active in building new homes in 2023, **generating \$95.8 million in construction activity.**
- ⊕ NGF estimated that approximately two homes in each of the 9 golf communities built before 1970 have undergone a replacement or significant renovation in 2023, **generating \$4.6 million in construction activity.**
- ⊕ The NGF estimated the “golf premium” associated with all golf communities in the state to be upwards of \$897 million, with a 2023 property tax impact of **\$9.4 million in net gain for local taxing authorities** to be used for education and other local initiatives funded by property tax revenue.

\$1,217.6M

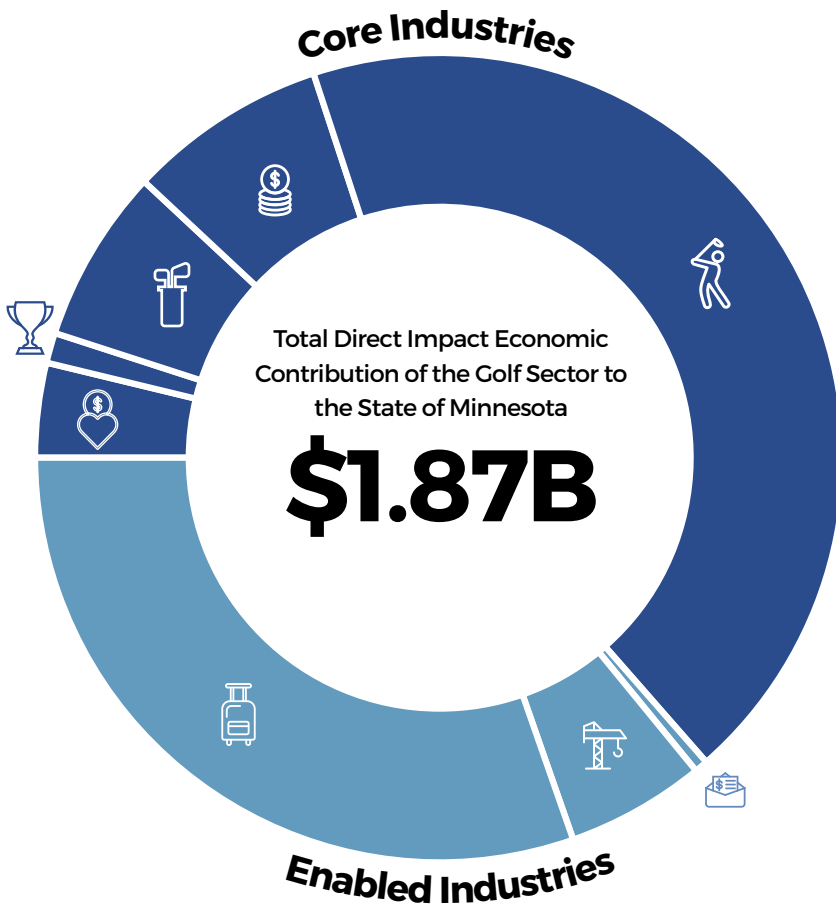
TOTAL CORE INDUSTRIES

\$648.9M

TOTAL ENABLED INDUSTRIES

Property tax impact is the net gain for local taxing authorities

SUMMARY OF DIRECT ECONOMIC CONTRIBUTION



\$1,217.6M

\$774.6M
Golf Facility Revenue*

\$141.9M
Capital Investments

\$212.4M
Golf-related Supplies**

\$ 21.5M
Tournaments & Associations

\$ 67.1M
Charitable Impact



\$ 648.9M

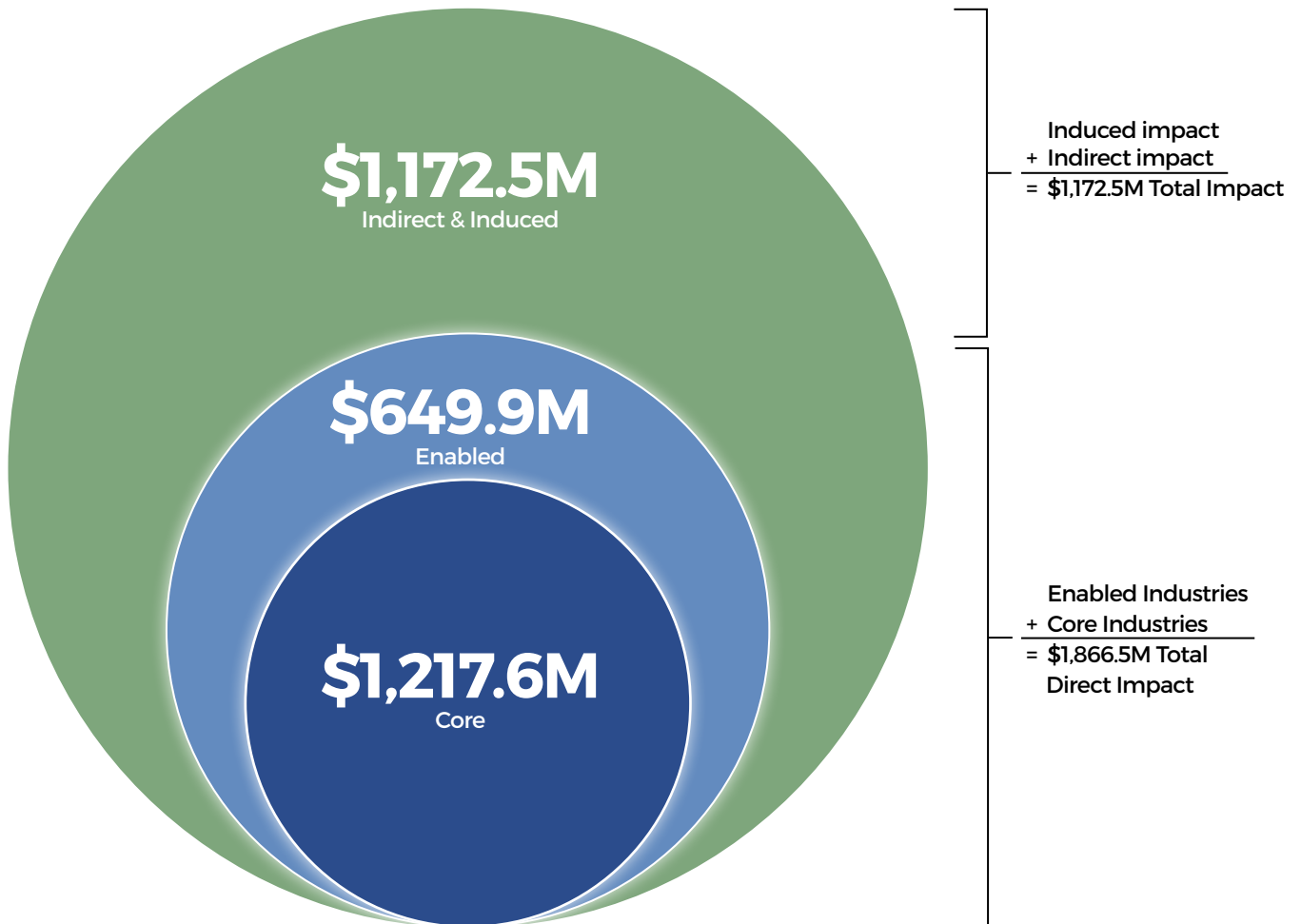
\$539.2M
Golf Tourism

\$100.4M
Golf-Related Residential Construction

\$ 9.4M
Property Tax Impact***

* Revenue from golf facility operations including on-course merchandise sold.
 **Total retail sales do not include on-course merchandise sold.
 *** Property tax impact of \$9.4 million is the net gain for local taxing authorities

\$3,039,000,000



TOTAL EMPLOYMENT

34,829 Jobs

WAGES & BENEFITS

\$1,207M

STATE, LOCAL & FEDERAL TAXES

\$593.5M

NON-ECONOMIC CONTRIBUTION HIGHLIGHTS

Golf continues to be more than just an enjoyable pastime in Minnesota, it is a key industry contributing to the overall economy and quality of life in Minnesota. In addition to the economic contribution noted above, there are other impacts that golf has on the State of Minnesota, including:

- ⊕ Golf provides upwards of 44,600 acres of green space within the State and provides affordable outdoor recreation to nearly 578,000 Minnesotans. Virtually all of the golf facilities in Minnesota surveyed by NGF in 2023 (98%) participated in at least one program for fostering the growth of the game in 2023, with 85% offering some type of formal junior golf program. Minnesota's First Tee had over 5,650 kids enrolled in 2023 and 58 schools with First Tee programming. Youth on Course MN had 102 participating public golf courses, 16,500 members (ages 6-18) who posted 79,091 rounds. MGA (MN Golf Association subsidized the YOC facilities for these rounds, captured under the golf facility operations section). Minnesota golf courses also report a high level of programs for adaptive golfers, military & veteran golfers and specialized beginner programs like WELCOME2GOLF or Get Golf Ready.
- ⊕ Golf courses can elevate the quality of life in communities in which they are present by helping to improve the health and well-being of citizens and by providing additional social, youth/family activities and programming. As traditional golf is not an option for some, golf facilities have introduced other amenities and activities to their offerings, such as driving ranges, practice facilities, golf simulators, bike/walking trails, bird watching, space for snow/winter sports and public and/or non-profit meeting space availability.
- ⊕ Only about 67% of the total golf course acreage in Minnesota is irrigated, with the primary source of irrigation water coming from surface/ponds/run-off water (42%). Approximately 44% of Minnesota golf courses have had an irrigation audit performed on the property, and of the facilities performing the audit, 59% have made adjustments within the last few years resulting in an estimated 7% savings in water use.
- ⊕ Black golfers have a long history in Minnesota, with notable events, figures and golf courses, including one of the most well known, Solomon Hughes Sr. and his impact on black golfer's rights at Hiawatha Golf Course. This course became a social and recreational hub for the Black community in Minneapolis, particularly the Southside neighborhood. Black golfers were allowed to play on the course, but they were not permitted to use the clubhouse facilities or obtain an official handicap. In 2021, the Minneapolis Park Board renamed the clubhouse in honor of Solomon Hughes Sr. (pictured below), a Black golfer who played a role in ending segregation in professional golf.
- ⊕ Other notable events, courses and black golfer history include:
 - ⊕ The Twin City Golf Club: Founded in 1931, this was an organization for African American golfers.
 - ⊕ The Upper Midwest Bronze Open Tournament: Created in the late 1930s by promoter Jimmy Slemmons, this tournament attracted Black golfers from across the country.
 - ⊕ Eddie Manderville: A leader and mentor in the Minneapolis African American community helped establish Black Women on Course, a group that works to get Black women into golf. He also volunteered for the MGA and served on the MGA Board of Directors from 1990 to 1999. The clubhouse at Theodore Wirth Park was renamed the Eddie Manderville Chalet in December 2023 and highlights Manderville's legacy and the contributions of other Black golfers.
 - ⊕ Beyond End of Season Golf Invitational: Hosted by Ghanaian-born Collins Oppong at the Crystal Lake Golf Club in Lakeville, Minnesota, this tournament was created to encourage more Black people to play golf.



What Minnesota Golf Gives Back

10,700 Full Time

Minnesota golf facilities reported providing ~3,000, full-time year round positions annually, plus an additional 7,700 full-time seasonal positions.



15,500 Part Time

Minnesota golf facilities provide ~15,500 part-time positions annually, including 1,200 volunteer workers.

Minnesota Golf courses are used by the public for other activities besides golf. The three most popular include:

65% - Snow/winter sports

55% - Public and/or non-profit meeting space

33% - Bike/walking trails



74%

of golf facilities hosted a non-golf charitable event.

85%

of golf facilities hosted a charitable golf event in 2023.

Organized league golf encourages community socializing and camaraderie. League play in MN accounts for 5% of total resident rounds. 9-hole leagues = 4%; 18-hole leagues = 1%. **After work** league group play is the most popular and is offered at nearly **85%** of MN facilities.



Environmental impact programs MN facilities have implemented:

- 65%** - Provide natural areas with dead trees, undisturbed brush piles and "no-mow" areas
- 65%** - installation of bat boxes, bird houses, etc. to encourage wildlife habitation
- 61%** - Sprinkler head upgrades to reduce water usage and enhance target watering initiative (reducing water and electricity used for irrigation)
- 46%** - Annual and perennial garden beds designed to provide food for wildlife and attract butterflies and bees
- 42%** - Wildlife Sanctuary
- 39%** - Audubon Certification
- 31%** - Natural water algae controls (water flow, natural bank areas and mechanical aerators (fountains))
- 15%** - On property honeybee hives
- 12%** - USGA or similar review/audit

Minnesota golf courses are growing the game - offering a wide range of programming.

MN golf facilities are providing the next generation of golfers with multiple junior programs and learning opportunities.



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