

APRIL 2024

THE CONTRIBUTIONS OF GOLF TO
THE STATE OF MICHIGAN

2023 IMPACT REPORT

ECONOMIC AND QUALITY OF LIFE

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INTRODUCTION AND SUMMARY

Long hailed widely as the “Automotive Capital of the World,” Michigan in the 1990s developed another lesser known but fitting distinction as “America’s Summer Golf Capital.” At the time, golf’s popularity was booming and the Great Lakes State held the same appeal for visitors throughout the Midwest and beyond as it does today: temperate weather, natural beauty, a convenient, centralized U.S. location also close to the Canadian border, and the nation’s longest freshwater coastline at nearly 3,300 linear miles. The importance of Michigan golf tourism is exemplified by the International Association of Golf Tour Operators hosting its North America convention at Boyne Mountain’s Mountain Grand Lodge & Spa in Boyne Falls in June 2024.

Outside of the coastal, warm weather states of Florida and California, it can be argued that no U.S. state has a more substantial footprint in the world of recreational golf than Michigan. Michigan is 11th in the U.S. in size and 10th in population but ranks 4th in golf facilities. MI has 3.0% of the total U.S. population but has 5.1% of golf facilities and 5.5% of golf holes!

At the start of 2024, Michigan had 709 golf facilities (859 courses), almost all of which are classified as “small businesses” under the U.S. Census definition*.

Total consumer spending at Michigan golf facilities surpassed \$1.24 billion, annual revenues that comprise a noteworthy portion of the state’s broader and robust outdoor recreation industry (boating, skiing, recreational vehicles, biking, etc.).

Michigan is best known for its ties to the automotive world and has prominence in industries such as aerospace parts, breakfast cereals, general purpose machinery, household appliances, medical equipment, and pharmaceuticals, but golf too contributes significantly to the state’s overall economy and quality of life while supporting an increasingly wide range of jobs.

Golf also indirectly supports other Michigan businesses that serve and supply golf courses, drive tourist spending and support sales by retailers. Events held at the state’s golf facilities serve as valuable fundraising vehicles for a wide array of charities and foundations. The total direct expenditures generated by Michigan’s golf industries was approximately \$3 billion in 2023, a 36% increase from the state’s previous economic impact estimate in 2006.

It’s a bountiful supply that stretches from Detroit in the Southeast end of the state to the far reaches of the Upper Peninsula, which touches three of the five Great Lakes as it extends approximately 370 miles from the edge of Ontario to the Wisconsin border. Consider that TPC Michigan in Detroit is farther from Portage Lake Golf Course in Houghton, Michigan, on the Upper Peninsula (U.P.) than it is from the nation’s capital in Washington D.C.

With a rich golf history that dates to 1890, there are more courses in Michigan than the number of family-run farms (775) involved in commercial apple production – one of the largest and most valuable crops grown in the state.

Michigan added over 350 golf courses in the 1960s and 1970s, an era that saw a dramatic rise in the development of public golf across the nation. Perhaps even more pivotal were the nearly 250 courses that opened in Michigan in the 1990s, 26% more than any other state in the country during a decade that further cemented its status as a haven for summer golf. Among those that debuted during this stretch included Arcadia Bluffs, Bay Harbor, and Manistee National Golf & Resort.

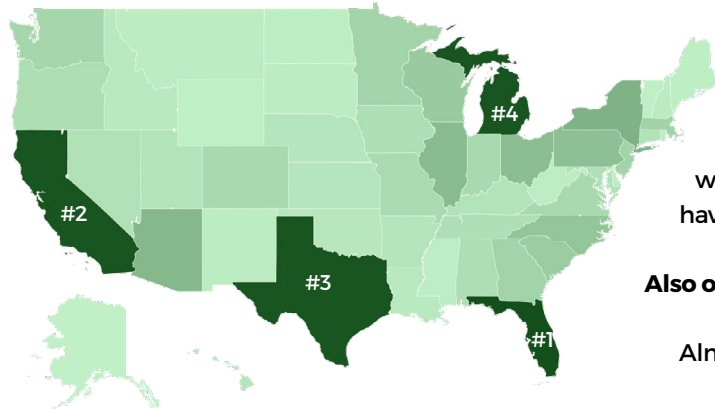
Golf is predominantly a publicly accessible recreation activity in Michigan.

Michigan has 604 daily fee and municipal facilities (742 courses), meaning that over 85% of the total golf facility supply in Michigan is publicly accessible in some form, notably higher than the 73% national average. A healthy number of those are resorts, as Michigan trails only California and Florida when it comes to golf-centric resorts, surpassing other golf-rich destination states like Texas, Arizona, and the Carolinas.

Indeed, golf travel is big business in Michigan. Data within this report estimates that more than 1.85 million golfers travel to Michigan for golf and spend more than \$1 billion annually.

* U.S. Census defines “small business” as under \$40 million in revenue and fewer than 500 employees.

Given its rich supply of resorts, favorable summer weather, and proximity to the Great Lakes, other Midwest states and Canada, Michigan is a strong “import” state when it comes to play at its courses from those outside its borders. Non-residents play about three of every 10 rounds in Michigan. Only a handful of states have a larger proportion of annual rounds played by visitors, the most prominent of which are in the Sunbelt (Arizona, Florida, and South Carolina) or driven heavily by tourism (Hawaii).



Nationwide, only Florida, California and Texas have a higher volume of annual rounds played than Michigan. That’s in part because of the tourism component, but also because Michigan has approximately 900,000 residents who play traditional, green-grass golf. Only seven U.S. states have more golfers.

Also of note, golf is generally very affordable in Michigan.

Almost 60% of the state’s public facilities are in the NGF-defined “Value” price segment (under \$50) – the majority being privately-owned daily fee courses, many of them long-time family businesses. Just over 88% of public golf facilities in Michigan are priced below \$80 for a round of golf (peak-season weekend green fee, with cart) compared to the national average of 74%. This is further supported by facility data collected in 2024 that shows average revenue derived from golf playing fees was \$40.82 in Michigan compared to \$49.45 for the total U.S.

Among its recreational golf ranks, Michigan is home to one of the most active junior golf programs in the nation, with almost 35,000 participating in youth programs at golf facilities, schools, and community centers throughout the state.

Approximately four out of five (79%) Michigan golf facilities have active junior, women’s, disabled, or military golf programs, according to NGF facility surveys, helping provide greater access to the game while diversifying its participant base and promoting the game’s health and continued growth.

From an environmental and sustainability perspective, golf courses are responsible users of energy and resources and are taking active steps to implement environmentally-friendly practices and enhance golf’s impact on the environment. Golf courses reported ongoing efforts to expand natural (not maintained) areas, reduce water usage and make accommodations for wildlife.

Beyond its significance in the recreational golf market, Michigan has a noteworthy history within the professional game.

Oakland Hills has hosted the U.S. Open six times, most recently in 1996, and is scheduled to host the men’s major championship again in 2034 and 2051. The Detroit-area club has also hosted the PGA Championship on three occasions as well as the U.S. Senior Open (won by Arnold Palmer in 1981), and the Ryder Cup in 2004.

Three other PGA Championships were held in Michigan during the Match Play era (various sites pre-1957), while the U.S. Women’s Open and U.S. Amateur Championship have each been played in the state three times. The Senior PGA Championship has made biennial appearances at Harbor Shores in Benton Harbor since 2012.

The PGA Tour’s Buick Open had a history that spanned six decades in Grand Blanc, with Tiger Woods winning the last event in 2009. Years ago, during the auto industry’s halcyon days, executives at Ford, GM and Chrysler played golf at clubs and courses around the Detroit area. Union workers did too.

The PGA Tour returned to Michigan in 2019 with the Rocket Mortgage Classic, the first tour event ever held in the Detroit area. Senior golfers on the PGA Champions Tour have played in the Ally Challenge at Warwick Hills in Grand Blanc since 2018, and the LPGA held two events in Michigan in 2023 (the Meijer LPGA at Blythefield CC in Belmont, and the Dow Great Lakes Invitational at Midland CC in Midland).

Golf facility: A business location where golf can be played on one or more golf courses.

Golf course: A tract of land designed to play golf which contains at least 6, and typically, 9 or 18 holes of golf.

GENERAL LIMITING CONDITIONS

This report is based on information collected from direct National Golf Foundation Consulting, Inc. (“NGF”) research completed for the State of Michigan in 2023 and 2024 for the data year of 2023

General

Every reasonable effort has been exerted in order that the data contained in the written report reflects the most accurate and timely information possible, and is believed to be reliable. However, no responsibility will be assumed for inaccuracies in reporting by sources used to collect data from golf facilities, associations and other data source used in preparing the report.

Custom NGF Facility Survey – 2024

NGF conducted a survey among golf facility operators in Michigan in an effort to gather inputs that would assist in the quantification of golf’s economic impact in the state. Key survey questions centered around operational data like rounds played, revenues and expenses, as well as capital expenditures, information on employment/staffing and charitable impacts.

With the support of the cooperative effort between the Michigan Golf Alliance and the NGF, data collection took place in the winter of 2023-24. Of the 709 open golf facilities in Michigan, a total of 179 completed the survey for a response rate of 25.2%. Survey responses were reviewed and weighted by type (public/private, number of holes, etc.) to properly match and be representative of the mix of golf facilities in Michigan. Due to a limited response in some of the facility segments, additional data from NGF’s similar survey for the total U.S. were used to augment the Michigan sample and add statistical confidence to the estimates.

IMPLAN Economic Modeling

The IMPLAN economic modeling system was used to derive estimates of several direct and secondary economic impacts (including value added, employment, and labor income). The methodology and calculations were prepared and reviewed for soundness and accuracy by Dr. Terry L. Clower, the Northern Virginia Chair and Professor of Public Policy at George Mason University.

Acknowledgements

This report was prepared by National Golf Foundation Consulting, Inc. in agreement with the Michigan Golf Alliance and its affiliated umbrella organizations – Golf Association of Michigan, the Michigan PGA, Michigan Chapter of the Golf Course Superintendent’s Association, Michigan Golf Course Association, Michigan Turfgrass Foundation and the Greater Michigan Chapter of the Club Management Association of America. The study was conducted by David Lorentz, Richard Singer, Clark Brown, Ed Getherall and Jodi Reilly at NGF, with support from Dr. Terry L. Clower the Northern Virginia Chair and Professor of Public Policy at George Mason University (also Director of GMU’s Center for Regional Analysis).

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ECONOMIC AND QUALITY OF LIFE

The Emerald Golf Course

**Executive
Summary**



EXECUTIVE SUMMARY

ECONOMIC CONTRIBUTION HIGHLIGHTS

In 2023, the size of Michigan's direct golf economy was approximately **\$2.997 billion**, while the NGF estimates that the industry contributed just over **\$6 billion** (direct, indirect and induced) to the wider Michigan economy in 2023. Golf supports more than **61,000 jobs** with **\$1.795 billion of wage and benefits income** and more than **\$821 million in state and local taxes**.



Total Impact

\$6.079B

Total Contribution



Direct Impact

\$2.997B



Employment

61,116 JOBS



Wages and Benefits

\$1.795B



State & Local + Federal Taxes

\$821.4M

\$413.0 - State & Local Taxes
\$408.4 - Federal Taxes

CORE INDUSTRIES

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



\$1.24B 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 **\$1.24 billion in 2023**, an amount that is about 8.0% higher than the estimate in 2006 (\$1.15 billion), despite 156 fewer golf facilities (709 vs. 865 in the 2006 report). Golf facility operations supported more than **26,800 jobs** (both part-time and full-time).



\$235.2M Capital Investments

In 2023, Michigan golf facilities invested close to **\$235.2 million** in capital investments for golf course renovations, enhancements, structure replacements, new equipment and at least one brand new golf course (High Point GC in Williamsburg), supporting close to **2,875 additional jobs**. An estimated 67% of Michigan golf facilities began or continued large-scale capital projects in 2023 that were not included in regular operating expenses.



\$419.7M Gross Retail Sales

Michigan retailers earned a **\$183.0 million margin on \$419.7 million of gross retail sales** of golf balls, bags, gloves, clubs, shoes, apparel and other equipment in 2023. Of this volume of gross sales, \$320.2 million came from off-course retail outlets (including online). The remaining \$99.5+/- million came from on-course pro shops (included in total golf consumer facility spending noted above).

353 Golf-related Companies

Michigan is also home to 353 other companies who provide golf products and services including development, turf, golf cart distribution, manufacturing, and other general services. One significant example is the putter grip-maker Super Stroke headquartered in Wixom. The direct economic contribution attributable to golf from **these companies totaled \$78.8 million in 2023, supporting at least 3,617 jobs in the state.**



77 Golf Associations

Michigan is home to 77 separate golf associations and foundations, in addition to MGA associations (Greater MI Chapter of Club Management Association of America, Golf Association of Michigan, MI Chapter of GCSAA, MI Golf Course Association, MI Turfgrass Foundation and Michigan PGA) they also include foundations like Game of Your Life Foundation, Eagles for Children and the Midnight Golf Program. The total revenue generated from these Michigan golf associations and foundations was **\$16.8 million** in 2023.

\$36.0M Consumer Spending

In professional golf, Michigan hosted one PGA Tour event (Rocket Mortgage Classic), one PGA Champions Tour event (Ally Challenge) and two LPGA Tour events (Dow Great Lakes Bay and LPGA Meijer), plus LPGA's development tour event the Epon Tour FireKeepers Casino Hotel Championship, in 2023. These events generated just under **\$36.0 million in direct spending and raised \$4.3 million for charity.**



\$110.1M Raised for Charities

Golf facilities in Michigan raised as much as **\$104.3 million for charities** in 2023, hosting an estimated 4,880 charity golf events and other non-golf (clubhouse) fundraisers. The most significant of these included large events at American Dunes GC and Harbor Shores Resort that raised over \$1.5 million for charity. In addition, golf facilities donated \$4.9M in gift certificates to non-profit (charitable) organizations in 2023 of free rounds of golf, merchandise, free lessons, high school or college golf rounds/gifts, etc.). Professional golf events in MI raised another \$4.3 million in 2023 and other significant giving channeled through golf includes charitable foundations that raised an additional \$1.5 million in 2023. **Total charitable impact through golf is estimated at over \$110.1 million in 2023.**



896,683

Individual Golfers

NGF estimates there are **approximately 896,700 individual golfers** over the age of 6 in Michigan, and these golfers played **approximately 16.42 million rounds** in 2023. Michigan hosted an **additional 2.58 million+ rounds played by visitors** to Michigan, many of whom come from the states (and provinces) that neighbor Michigan, like Ohio, Indiana, Illinois, Wisconsin and Ontario, Canada (total 19.0 million rounds played in Michigan in 2023).



709

Golf Facilities

Michigan has a total of 709 golf facilities (604 public and 105 private), plus 45 stand-alone driving ranges and at least 81 other “golf entertainment” venues (mostly indoor simulators). There are 116 golf facilities connected to residential real estate and/or resorts with real estate in the state.

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

| | Direct Impact 2023 | Direct Impact 2006* |
|------------------------------|--------------------|---------------------|
| Golf Facility Operations** | \$1,240.8 | \$1,149.0 |
| Capital Investments | \$235.2 | \$70.9 |
| Golf-Related Supplies*** | \$399.0 | \$124.5 |
| Tournaments & Associations | \$52.8 | \$16.1 |
| Charitable Impact**** | \$110.1 | \$118.1 |
| TOTAL CORE INDUSTRIES | \$2,037.9 | \$1,478.6 |

* From The Michigan Golf Economy by SRI International, 2006.

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

***Includes total retail sales, but excludes merchandise sold at on-course pro shops (incl. in golf operations).

****SRI did not include Charitable Impact in the economic impact estimations.

ENABLED INDUSTRIES

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



756,000

Overnight Trips

Michigan Office of Tourism (MOT) A.K.A Travel Michigan, reported over 125 million total visitors to Michigan in 2022. NGF research indicates that about 756,000 overnight trips were made to Michigan in 2023 by visitors seeking to participate in golf, plus an additional 1.0 million trips of more than 50 miles made to the State during the year. These 1.85 million travelling golfers are estimated to have contributed **\$831.6 million** to the Michigan economy (excluding direct spending at golf facilities – already counted). When considering the total spend at golf facilities, the Michigan golf travel market was at least \$1.03 billion in 2023. These visitors added almost 19,216 jobs from induced and indirect activity such as transportation, lodging, meals, retail and other entertainment.

The presence of golf courses located within, or in immediate proximity to, residential communities add value to real estate in Michigan 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:



\$91.9M

Golf-related Residential Construction

NGF counted 43 golf communities in Michigan that were active in building new homes in 2023, **generating \$91.9 million in construction activity**. NGF estimated that approximately two homes in each of the 20 golf communities built before 1970 have undergone a replacement or significant renovation in 2023, **generating \$7.9 million in construction activity**.

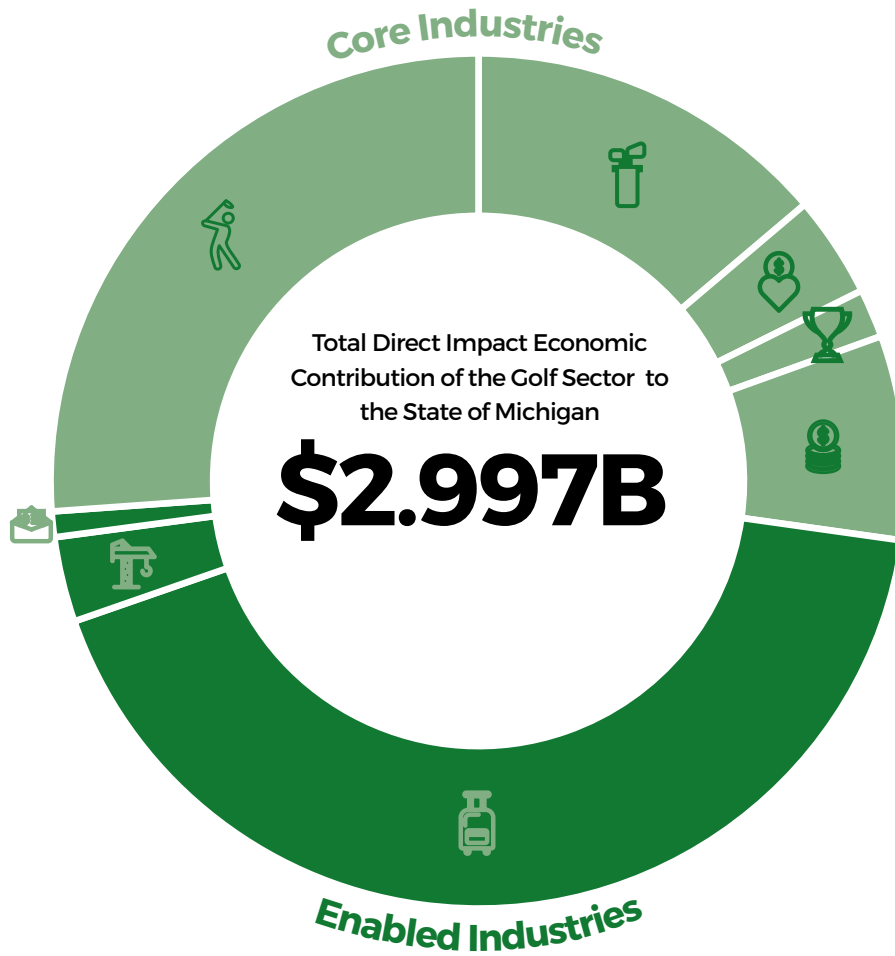


\$27.8M

Property Tax

The NGF estimated the “golf premium” associated with all golf communities in the state to be upwards of \$1.72 billion, with a 2023 property tax impact of **\$27.8 million in net gain for local taxing authorities** to be used for education and other local initiatives funded by property tax revenue.

SUMMARY OF ECONOMIC CONTRIBUTION



\$2,037.9M

\$1,240.8M
Golf Facility Revenue*

\$235.2M
Capital Investments

\$399.0M
Golf-related Supplies**

\$52.8M
Tournaments & Associations

\$110.1M
Charitable Impact



\$959.3M

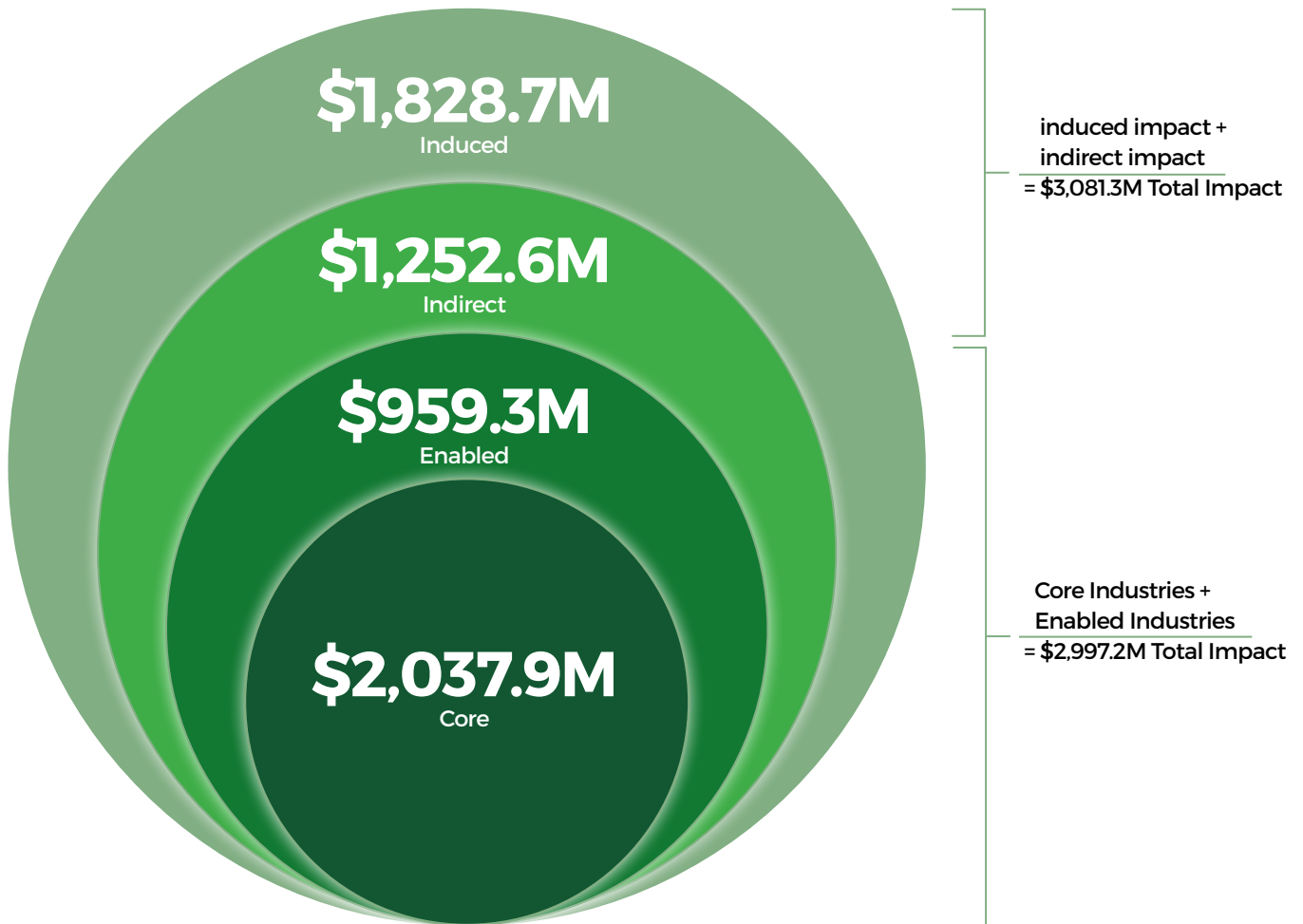
\$831.6M
Golf Tourism

\$99.8M
Golf-Related Residential Construction**

\$27.9M
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 \$27.9 million is the net gain for local taxing authorities

\$6,078,500,000



TOTAL EMPLOYMENT

61,116 Jobs

WAGES & BENEFITS

\$1,795M

STATE, LOCAL & FEDERAL TAXES

\$821.1M

NON-ECONOMIC CONTRIBUTION HIGHLIGHTS

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

- ➔ Golf provides upwards of **92,200 acres of professionally managed green space** within the State and provides affordable outdoor recreation to nearly 896,000 Michigan residents. The vast majority of golf facilities in Michigan surveyed by NGF in 2023 (82%) participated in at least one program for fostering the growth of the game in 2023, with 79% offering some type of formal junior golf program. Michigan golf courses also report a high level of programs for disabled golfers, military & veteran golfers and specialized beginner programs like WELCOME2GOLF or Get Golf Ready.
- ➔ Michigan has almost 90 separate locations that host an active First Tee program and 92 that offer a Youth on Course offering. Approximately 35,000 school-age children participated in various youth golf programs in schools, community centers and golf facilities in Michigan in 2023.
- ➔ Golf courses provide unique employment opportunities for a wide range of individuals of all ages and employment types (full-time / part-time). NGF has estimated that as many as 2,990 (13% of all part-time staff) persons under the age of 21, and as many as 4,140 (18% of part-time staff) citizens over the age of 65 were employed at golf facilities in 2023.
- ➔ 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 Michigan is irrigated, with the primary source of irrigation water coming from ground / well water (42%), surface or run-off (37%), reclaim (7%) and other (14%). Approximately 37% of Michigan golf courses have had an irrigation audit performed on the property, and of the facilities performing the audit, 52% have made adjustments within the last few years resulting in an estimated 14% savings in water use.
- ➔ Michigan golf courses have implemented the following environmental impact programs at their golf facility as of 2023 (top six responses):
 - ➔ Expanded natural “no mow” areas – 69%
 - ➔ Sprinkler upgrades to reduce water use – 60%
 - ➔ Added garden beds or honeybee hives – 50%
 - ➔ Added bat boxes or bird houses – 36%
 - ➔ Natural water algae controls – 32%
 - ➔ Wildlife sanctuary – 10%



Top 2023 Golf Facilities Benefits

Michigan junior golf programs reached
35,000 KIDS



13%: <21

of all golf facility part-time staff are under the age of 21



Charitable Impact thru golf
\$110.1 MILLION



18%: >65

of all golf facility part-time staff are over the age of 65

90

Locations that offer a First Tee Program thru four separate MI Chapters

92

Locations that offer Youth on Course

92%

of golf facilities provided at least one program for fostering the growth of the game in 2023.



Golf Facilities in MI provide

92,274 acres of green space

67%

are actively maintained and irrigated



Golf courses can

IMPROVE THE HEALTH AND WELL-BEING OF CITIZENS

MICHIGAN GOLF MARKET



Kimberly Dinh - 2023 US Women's Mid-Am Champion, 2021 Michigan Women's Amateur Champion, and three-time GAM Women's Player of the Year.

Michigan is in the Great Lakes region of the United States, covers a land area of 96,716 square miles, and is home to an estimated population of 10.1 million people in 2023 . Michigan is the 10th-largest state by population and the 11th-largest by area but has a presence in golf that exceeds this ranking. Its capital is Lansing, and its largest city is Detroit, which is among the nation’s most populous and largest metropolitan economies. Michigan has had a stable population, with a slight increase (0.16%) in compound annual growth percentage of population between the 2010 and 2023 (projected) U.S. Census compared to 0.63% increase for the total U.S.⁴.

A key defining feature of Michigan is the two separate peninsulas separated by the Straits of Mackinac, a five-mile channel that joins Lake Huron to Lake Michigan. Michigan has the longest freshwater coastline of any state in the United States, being bordered by four of the five Great Lakes and Lake St. Clair. This adds to the visitor appeal of the state and results in a high level of visitation that clearly impacts golf facilities in the state. Michigan has two distinct climate regions - with the southern and central parts of the Lower Peninsula showing a milder climate with hot summers and cold winters and a northern tier (part of the Lower Peninsula and the entire Upper Peninsula) showing a more severe climate of shorter summers and longer cold winters. Some parts of the state average temperatures below freezing from December through March. This makes Michigan a seasonal/weather dependent golf market, with a large portion of golf facilities closing entirely for the winter.

MICHIGAN ECONOMIC OVERVIEW

Demographic Overview

| Summary Demographics | Michigan | U.S. |
|--------------------------------------|------------|-------------|
| Population 2000 | 9,938,438 | 281,398,967 |
| Population 2010 | 9,883,643 | 308,745,560 |
| Compound Annual Growth % (2000-2010) | -0.06% | 0.93% |
| Population 2023 | 10,087,869 | 335,052,630 |
| Compound Annual Growth % (2010-2023) | 0.16% | 0.63% |
| Population 2028 Projected | 10,265,851 | 348,764,821 |
| Median Household Income (2023) | \$71,120 | \$80,504 |
| Median Age (2023) | 40.0 | 38.7 |

Source: Applied Geographic Systems (AGS) / GbBIS²

Economic Highlights

Michigan has a diverse economy with a gross state product of \$645.3 billion in 2023, ranking 14th of the 50 states. The total number of employer establishments is estimated at around 222,500 with total statewide employment estimated to be just under 3.86 million. Products and services include automobiles, food products, information technology, aerospace, military equipment, furniture, and mining of copper and iron ore. The “Big-3” automakers (GM, Ford, Chrysler) remain the largest companies in Michigan although their economic profile has declined since a peak in the early 1970’s. The large economy and variety of sectors tend to support higher-than-average participation in golf. In recent years tourism has played an ever-important role in the state’s economy, with the state welcoming 125+ million visitors who spent more than \$27.3 billion in 2022.³

1 United States Census (2023 - projected)
 2 Applied Geographic Systems (AGS) via GbBIS. “Demographics Profile output report”. April 2022, ngfgolfmap.com
 3 Michigan Office of Tourism – Economic Impact of Tourism Report (2022)

Golf in The State of Michigan

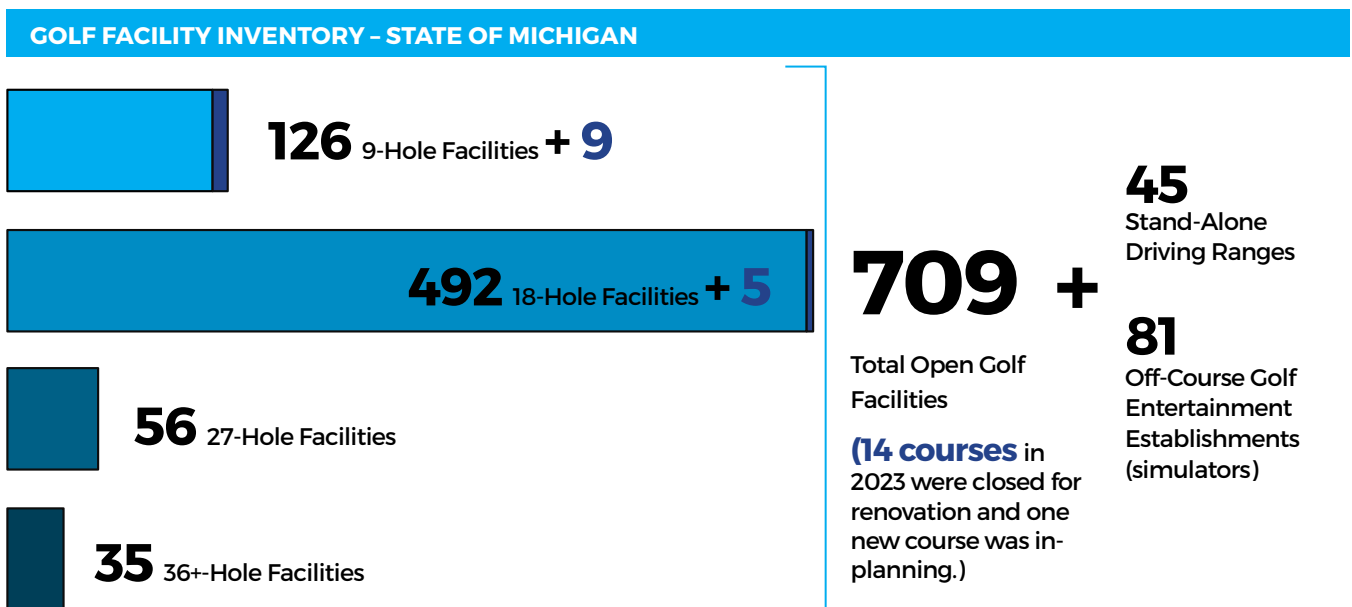
Golf is an important component to the overall Michigan experience, and the golf courses in the State are predominantly small businesses that are open and available to the public. Over 85% of all Michigan golf courses are public, compared to 74% for the total U.S. Although golf has become increasingly tied to residential and resort developments in recent years, Michigan has a tradition of golf that dates all the way back to the opening of the Ann Arbor Golf & Outing Club in 1890, with a total of 12 golf facilities open and operating in Michigan before 1900.

Michigan Golf Market⁴

In 2023, there are 604 public golf facilities and 105 private golf clubs in operation in Michigan, for a total of 709 facilities. In addition, there were 45 stand-alone driving ranges in the State and an additional 81 off-course specialty golf entertainment establishments with some type of golf simulator technology, though most of these are smaller operations. Other notes about Michigan golf courses:

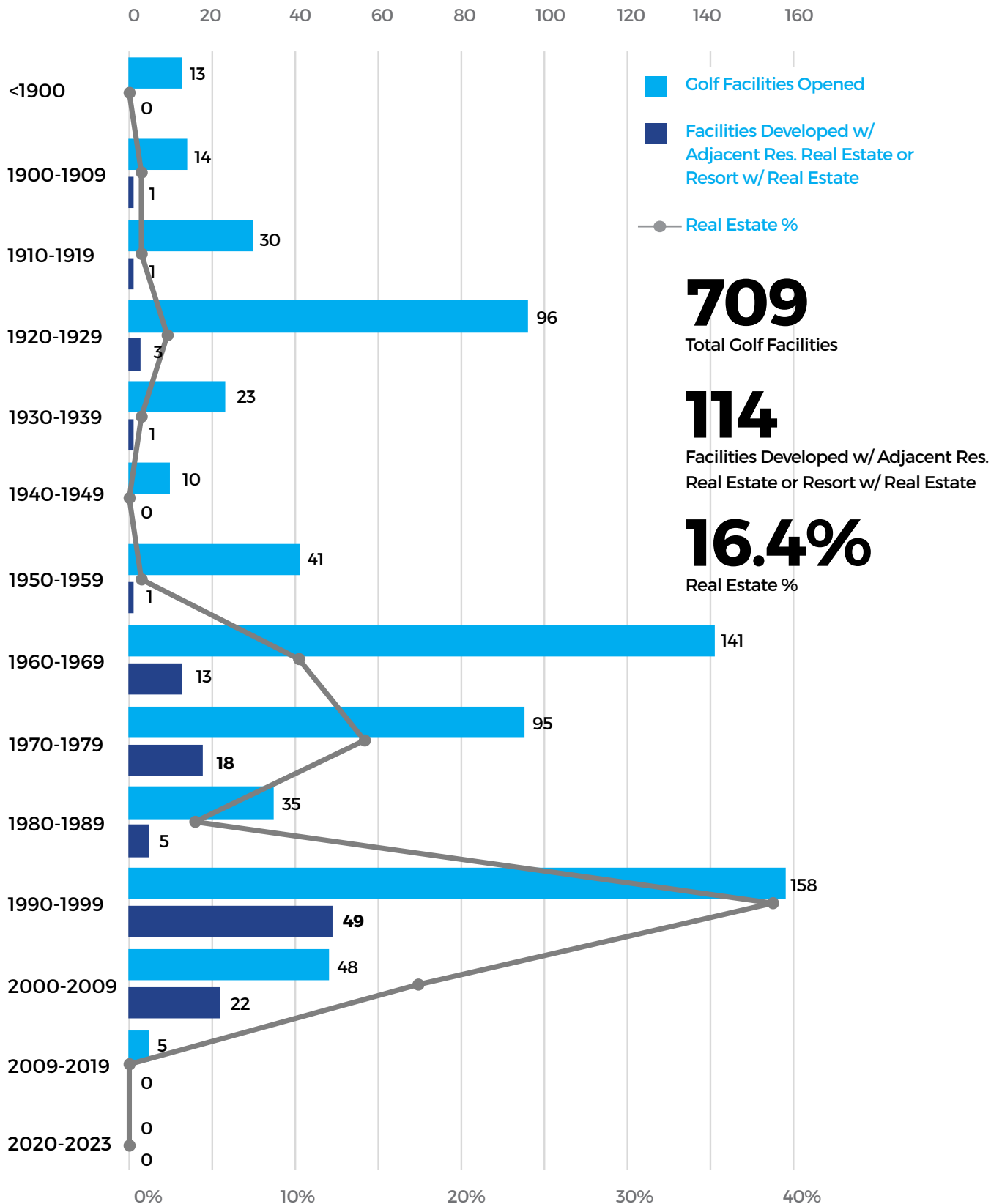
- ➔ Michigan's public access golf courses represent a high level of affordability with nearly 60% of all MI golf facilities (360 of the 604) in the NGF-defined "Value" price segment (peak green + cart fees under \$50). With only 71 public facilities in the "Premium" segment (over \$80), more than 88% of public golf facilities in Michigan are priced below \$80 for a round of golf with cart, compared to 74% for the total U.S.
- ➔ There are 114 golf facilities connected to residential real estate and/or resorts in the State, including 17 golf facilities in Michigan that have both a residential and resort component. Golf's connection to resorts is long-established in Michigan, with the state home to 48 defined "golf resorts," including several that date back to before 1930, including the Harbor Beach GC (1896), Petoskey-Bay View Country Club (1915) and Indian Lake Hills (1925) among the oldest golf resorts in the country.

New golf course construction has come in several "waves" of development in the State's history, with 175 facilities (24.7% of the total golf facility inventory in the state) developed before 1940, 237 developed in the 1960s and 1970s (33.4%), and 213 (30.0%) built after 1990 (compared to 26% for the total U.S. built after 1990). The last new golf courses added to Michigan were Stoatin Brae at Gull Lake View Golf Resort and Arcadia Bluffs South Course in 2017-2019:



⁴ Proprietary Research, National Golf Foundation 2023

Golf Facility Development by Decade and by Type - State of Michigan



GOLF FACILITY OPERATIONS



The Cardinal At Saint John's Resort

FINDING



\$1,240.8M

Golf Facility Revenue*

Direct NGF research into the actual performance at Michigan golf facilities in 2024 shows average revenue in 2023 by type of facility as follows:

Average Golf Facility Revenue by Facility Type - State of Michigan (2023)

| Facility Type | No. of Facilities | 2023 Total Average Revenue* |
|--------------------------------|-------------------|-----------------------------|
| 9-Hole Courses | 126 | \$698,000 |
| 18-Hole Public (Value/Std.) | 361 | \$1,109,000 |
| 18-Hole Public (Premium) | 52 | \$1,528,000 |
| Public 27+ Holes | 80 | \$3,284,000 |
| 18-Hole Private | 79 | \$3,006,000 |
| Private 27+ Holes | 11 | \$11,708,000 |
| Total No. of Facilities | 709 | |

*Source: NGF survey of facilities 2023 (n=179) (figures rounded)

The NGF also found that 500 of the 709 golf facilities (70.5%) have a driving range with at least 10 tee stations, and Michigan also has 45 stand-alone driving range facilities that are a mix of large and small operations with revenues ranging from around \$50,000 to as high as \$10.0 million in any one location. The 81 golf simulator locations had a total of 324 simulators (avg. 4 per location) with an average of \$10,000 per simulator (\$40,000 per location). Utilizing these findings, the Statewide revenue from direct golf facility operations is estimated as follows:

5 Facility Operators. (2023, March). State of Michigan Golf Operations Survey. (National Golf Foundation, Interviewer)



2023 Michigan Net Amateur - Tanglewood Golf Club

In Michigan and elsewhere, the golf facility is at the core of the overall golf economy.

The golf facility economy includes all revenues generated from green fees, cart fees, membership fees and initiation fees, as well as ancillary golf course purchases such as merchandise, food and beverage, banquets and other revenue. The revenue collected from all of these sources is assumed to be the basis for all expenditures required to operate the facility, and golf facility operators are subject to the same inflationary pressures as any other small business, especially as it relates to the cost of labor.

Total Golf Facility Revenue Summary – State of Michigan (2023)

| Type of Revenue | Total (\$ Millions) | % of Total |
|-----------------------------------|---------------------|-------------|
| Golf Playing Fees | \$496.1 | 40.0% |
| Membership Dues | \$269.6 | 21.7% |
| Retail Sales* | \$99.5 | 8.0% |
| Restaurant | \$306.8 | 24.7% |
| Lessons | \$7.9 | 0.6% |
| Other (clubhouse, banquets, etc.) | \$35.3 | 2.9% |
| Driving Ranges** | \$25.7 | 2.1% |
| TOTAL REVENUES | \$1,240.9 | 100% |

*Includes revenue from stand-alone ranges + golf entertainment centers (Carl's Golfland, TopGolf, etc.).

**Includes revenue from stand-alone ranges and golf simulators.

Notes:

- ➔ The \$1,240.8 million in total golf facility revenue in 2023 is 8% higher than the \$1,149.0 million estimated in 2006
- ➔ Total average revenue per golf facility is \$1.75 million in 2023 / compared to \$1.328 million estimated in 2006 (31.8% increase in revenue per facility). The data supports that total expenses to operate these facilities are comparable to revenue and have experienced the same total growth since 2006.
- ➔ It seems as though the reduction in total golf facilities in Michigan since 2006 has helped the remaining courses improve economic performance and increase total revenue generated on a per-facility basis
- ➔ Michigan golf facilities employed an estimated 26,762 persons in 2023 (23,013 part-time and 3,749 full-time). Many of the part time employees are under 21 (13%) and over 65 (18%).
- ➔ NGF custom survey research in 2024 indicates that the golf courses in Michigan hosted a total of 18.76 million rounds of golf, or approximately 26,568 rounds per facility. This volume of golf activity is relatively strong for Michigan given the State's climate and relatively short golf season. The total U.S. averages 30,615 rounds per 18 holes in 2023 across all climates. The facilities surveyed by NGF in 2024 estimated that approximately 86.4% of these rounds emanated from inside Michigan, while the remaining 13.6% (2.56 million rounds) came from outside the State (tourists and visitors).
- ➔ The average revenue from green, cart and membership fees in the State was \$40.82 per round of golf, plus additional revenue from ancillary items such as driving range (\$1.37), total F&B (\$16.36), pro shop merchandise (\$5.31) and other items/lessons (\$2.30). This data supports the affordability of golf in Michigan as the state's golf facilities show lower revenues per round for golf fees and memberships (\$40.82 in MI and \$49.45 in U.S.), with other revenues comparable to the national average:

APPROACH

What is Measured

Golf Facility revenue includes all receipts generated from green fees, cart fees, membership fees and initiation fees, as well as ancillary purchases at the golf course facility such as merchandise, food and beverage, banquets and other items. The revenue collected from all of these sources is assumed to be the basis for all expenditures required to operate the facility.

How it's Measured

Golf facility revenue 2023 data comes from the 2024 Michigan golf facility survey conducted by NGF (and augmented with other surveys of U.S. golf facilities conducted by NGF in 2023), which collected data on reported revenues by type for each of the six classes of golf facilities (n=179). This data was scrutinized to account for outliers, with several Michigan golf facilities showing extraordinary revenues and performance that were excluded from average calculations and re-introduced as unique records for final calculations.

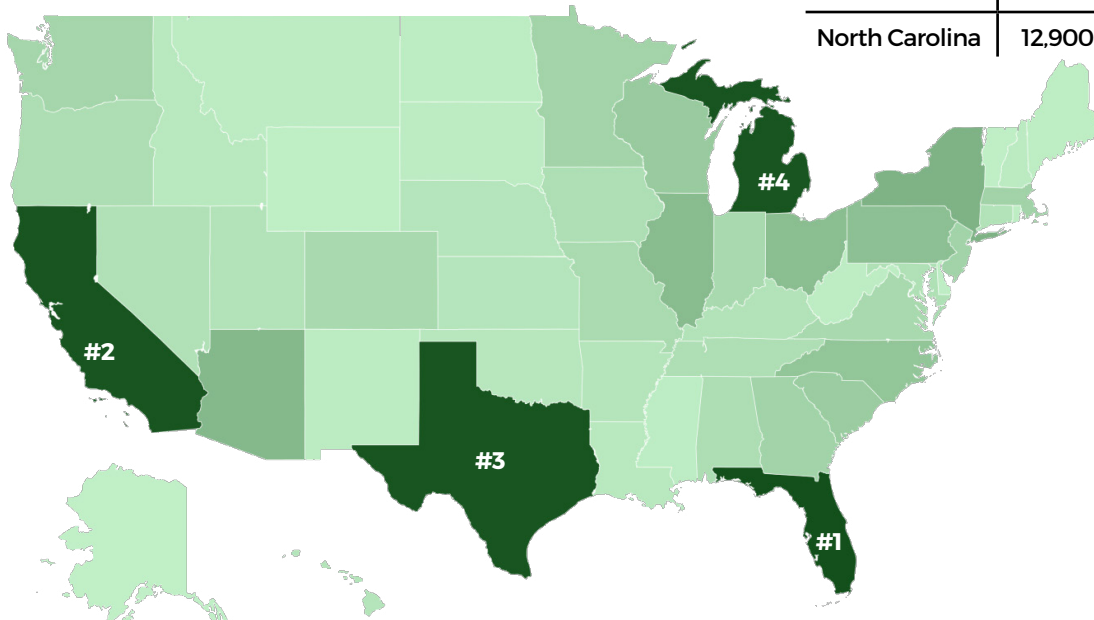
The revenues generated from driving ranges was applied to only those golf facilities that had a driving range with at least 10 tee stations on site (500 of the 709 facilities), plus additional revenue assumed for 45 stand-alone ranges and 81 defined golf simulator locations in the State. Of the 45 stand-alone ranges, six were identified as having unique performance in golf entertainment, retail and/or food-beverage performance and were excluded from average calculations and re-introduced as unique records for final calculations (e.g. TopGolf Detroit, Carl's Golfland, etc.).

WHERE MICHIGAN GOLF RANKS

Michigan ranks **fourth** in total rounds played in 2023 despite ranking 8th in total golfers, indicating that it is an import market (golfers from other states visiting Michigan to golf)



| State | Total State Rounds | Ttl Rounds Rank |
|-----------------|--------------------|-----------------|
| Florida | 47,300,000 | 1 |
| California | 45,900,000 | 2 |
| Texas | 20,900,000 | 3 |
| Michigan | 19,900,000 | 4 |
| New York | 18,200,000 | 5 |
| Arizona | 16,500,000 | 6 |
| Illinois | 15,600,000 | 7 |
| Ohio | 15,100,000 | 8 |
| Pennsylvania | 14,420,000 | 9 |
| North Carolina | 12,900,000 | 10 |



Public Access Facilities

| Total Facilities | Total Public | Value | Standard |
|------------------|--------------|-------|----------|
| Florida ● | MI ● | MI ● | FL ● |
| California ● | CA ● | OH ● | CA ● |
| New York ● | FL ● | NY ● | MI ● |
| Michigan ● | NY ● | TX ● | TX ● |
| Texas ● | TX ● | IA ● | WI ● |
| Pennsylvania ● | OH ● | IL ● | MN ● |
| Illinois ● | IL ● | PA ● | IL ● |
| Ohio ● | PA ● | WI ● | PA ● |
| North Carolina ● | WI ● | IN ● | NY ● |
| Wisconsin ● | MN ● | MN ● | NC ● |

Michigan leads the country in the number of public access facilities and also ranks first for offering the most "value" facilities in the U.S. (facilities with green fees including cart that are less than \$50 per round).

GOLF FACILITY CAPITAL INVESTMENT



Doon Brae Short Course at The Highlands at Harbor Springs



\$235.2M

Capital investment

In 2023, Michigan golf facilities invested nearly \$235.2 million in capital investments for new facilities and renovations to greens, fairways, bunkers, infrastructure, equipment, and structures. This included several large-scale capital projects at Michigan golf facilities like the major \$20.0 million renovation at Pine Lake Country Club, the \$5.0 million clubhouse enhancement at Edgewood Country Club, a nearly \$3.9 million renovation and new short course addition at The Mines GC and the \$2.3 million clubhouse renovation at Kent Country Club. Further, NGF identified one brand new facility under construction in Williamsburg set to open in 2024. In all, NGF research found that 67% of Michigan golf facilities began or continued capital projects in 2023 (defined as new construction or major renovation to the course and/or related facilities) that were not included as part of operating expenses.

The most significant golf facility capital expenditures undertaken in Michigan in 2023 and reported to NGF via survey (and additional research) were significant enough to review separately, and included:

- ➔ **Boyne Golf**
invested in a new 9-hole short courses and new irrigation at both Crooked Tree & Highlands Resort.
- ➔ **Edgewood Country Club**
\$5.0M new clubhouse w/ new pro shop, cart storage, + new indoor simulators.
- ➔ **High Pointe Golf Club**
A new golf course in Williamsburg is set to open in 2024. This is a re-introduction of an older golf course that closed in 2009.
- ➔ **Kent Country Club**
\$2.3M clubhouse renovation.
- ➔ **Manistee National Golf & Resort**
Opened a new 9-hole par-3 course in 2023.
- ➔ **The Mines Golf Course**
\$3.9M for a new short-course, cart paths, and equipment.
- ➔ **Pine Lake Country Club**
\$20.0M+ clubhouse upgrade + golf course renovation (project over 3 years).
- ➔ **Warren Valley Golf Course**
Completed clubhouse improvements, greens renovation, new irrigation & drainage + new cart paths.

APPROACH

What is Measured

Capital investments are major improvements outside of normal maintenance and operating expenditures by golf facilities for turf maintenance and grounds upkeep. Golf facilities periodically make major investments to improve greens and tees, renovate clubhouses and other buildings, and purchase turf maintenance equipment and irrigation systems. In addition to capital investments by existing facilities, construction of new golf courses constitutes the other major type of capital investment.

How it's Measured

Golf facility capital investment data comes from the 2024 Michigan golf facility survey conducted by NGF (and augmented with other surveys of U.S. golf facilities conducted by NGF in 2023), which included a question about specific large-scale capital projects undertaken in 2022 outside of normal operating expense (n=179). For this study, NGF used reported average capital investment by facility type, with outliers removed, and applied the appropriate averages to the total golf facility census for the State. The unique outliers were then added back in as they represented significant individual projects as noted above.

Edgewood Country Club

Boyer Golf - Doon Brae Short Course



**Boyer Golf - The Highlands Resort
Donald Ross Course - Hole 16**



Manistee National Golf & Resort



High Pointe Golf Club



Warren Valley Golf Course






ECONOMIC IMPACT ESTIMATE CALCULATION

Michigan Golf Facility Capital Investment

| Facility Type | No. | On-Course Capital | Unique Projects | CH/Structures Capital | Unique Projects | Carts/ Equipment |
|----------------|------------|---------------------|---------------------|-----------------------|---------------------|---------------------|
| 9-Hole Courses | 126 | \$3,430,000 | \$8,000,000 | \$1,890,000 | \$0 | \$1,260,000 |
| 18H Pub (V/S)* | 361 | \$30,440,000 | \$3,900,000 | \$32,090,000 | \$0 | \$3,600,000 |
| 18H Pub (Pre)* | 52 | \$4,720,000 | \$12,300,000 | \$10,440,000 | \$1,900,000 | \$2,400,000 |
| Pub 27+ * | 80 | \$24,730,000 | \$6,000,000 | \$13,260,000 | \$5,500,000 | \$7,030,000 |
| 18H Prvt * | 79 | \$14,540,000 | \$6,250,000 | \$22,800,000 | \$6,500,000 | \$4,350,000 |
| 27+ Prvt | 11 | \$3,050,000 | \$0 | \$2,890,000 | \$0 | \$1,930,000 |
| Total | 709 | \$80,910,000 | \$36,450,000 | \$83,370,000 | \$13,900,000 | \$20,570,000 |

* Unique projects included 11 specific golf renovation, enhancement or new construction projects that were identified through direct research in Michigan in 2023 and 2024. Several facility operators that provided data on capital investment to NGF requested that their investments not be specifically identified in this report.
V=Value, S=Standard, Pre=Premium.

Summary of Michigan Golf Facility Capital Investment

| Type | Expenses |
|--|----------------------|
|  Total On-Course Capital Expenditures (Incl Irrigation) | \$117,360,000 |
|  Total Clubhouse + Structures | \$97,270,000 |
|  Total Carts & Equipment | \$20,570,000 |
| Total Capital Expenditures in MI – 2023 | \$235,200,000 |



GOLF RELATED SUPPLIES

Super Stroke Grips captured from Super Stroke's website
<https://superstrokeusa.com/collections/putter-grips>.

Golf retail sales comprises golf balls, bags, gloves, clubs, shoes, apparel and other equipment. NGF estimates that golfers spent \$419.7 million on consumer purchases used primarily for golf in Michigan in 2023. These items were purchased at golf courses and other golf retail outlets, including specialty stores, sporting goods stores, mass merchants and online. An estimated 24% of these purchases are presumed to be made at on-course retail outlets (pro shops) that were counted previously in the economic estimate from golf course operations.

The economic value created by golfer supplies consists of three components: (1) manufacturing cost of materials; (2) manufacturing value added; and (3) retailer's net revenue from sales. Michigan includes significant manufacturers of golf-related supplies in the state, leading to important contributions from items #1 and #2 above

GOLF RETAIL IMPACT

Consumer purchases of golf apparel, equipment, and shoes drive significant economic activity. Michigan off-course retailers earned a \$139.6 million margin on \$320.2 million of off-course gross retail sales of golf retail in 2023 (NGF previously estimated \$99.5 million in on-course retail).

| Total Retail Sales ⁶ | Total U.S. Sales Volume (\$ Millions) | Value Attributed to Michigan (\$ Millions) |
|--|---------------------------------------|--|
| Clubs | \$2,993.30 | \$163.70 |
| Balls | \$1,250.70 | \$68.40 |
| Bags/Gloves/Shoes | \$1,369.50 | \$74.90 |
| Other Equipment | \$561.30 | \$30.70 |
| Apparel | \$1,500.00 | \$82.03 |
| Total | \$7,674.80 | \$419.73 |
| % Attributed to On-Course Retail | 45% | 24% |
| Net Total Off-Course Retail | \$4,213.47 | \$320.20 |
| Retail Sales Margin % ⁷ | 43.6% | 43.6% |
| Off-Course Retail Sales Total (Margin) | | |
| Manufacturing Out of State Shipments (Value Added) | \$1,837.07 | \$139.61 |

⁶ National Golf Foundation (2023), Irwin Broh Research and the Sporting Goods Market: 2019 Edition. NSA- National Sporting Association 2019

⁷ US Census Annual Retail Trade Survey

⁶ Irwin Broh Research. The Sporting Goods Market: 2019 Edition. NSA - National Sporting Association. 2019

⁷ <https://www.census.gov/programs-surveys/arts.html>

APPROACH

What is Measured

This segment captures the net revenue (known as retail margin) that accrues to Michigan retailers from spending by golfers on golf equipment, golf shoes, and golf apparel. Like golfers, golf facilities also make purchases of goods to facilitate the game and facility operations.

How it's Measured

Data to calculate on-course and off-course retail spending on golf equipment, golf shoes, and golf apparel comes from the National Sporting Goods Association's annual survey of 100,000 households. Sales for different categories of purchases are broken down by geographic region, and NGF estimated state-level sales to be 5.47% of the national total, based on Michigan's share of total golf holes in the U.S. ($12,966 / 237,084 = 5.47\%$).

The estimation of economic impact is based upon the retail margin that accrues to Michigan companies that sell golf equipment and apparel. The U.S. Census Bureau's Annual Retail Trade Survey reports the retail margin for different industry sectors. NGF used the most recent retail margin available for sporting goods stores (43.6% in 2021) to estimate the retail margin accruing to Michigan companies. The retail margin is the net revenue accruing to the business after paying for the cost of goods from the wholesaler or manufacturer.

SERVICES AND MANUFACTURING IMPACT



\$524.8M

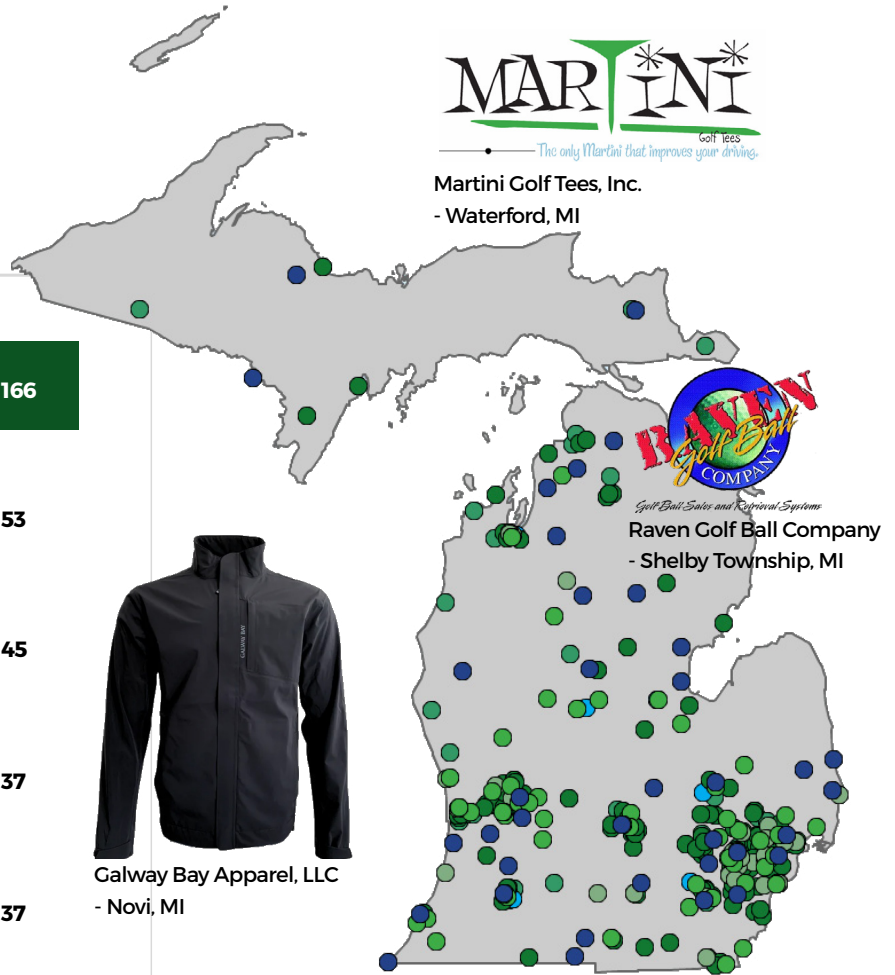
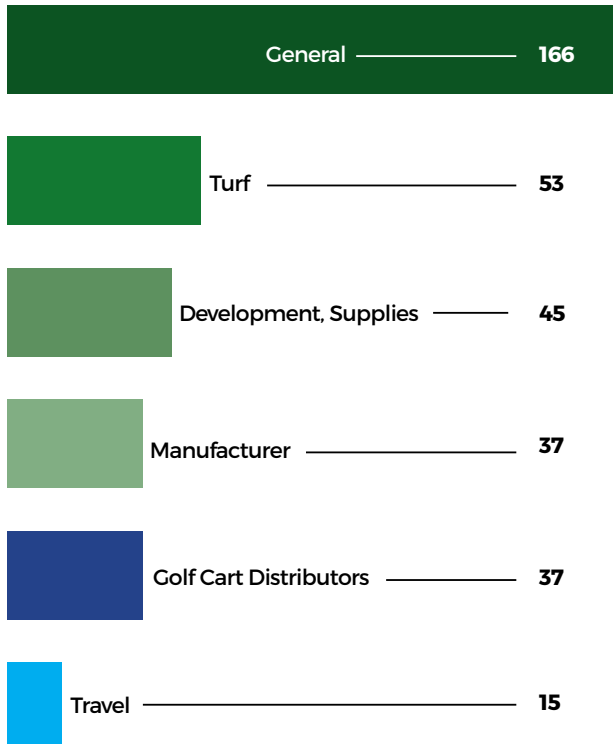
Total Golf Related Supplies Revenue

The second type of activity captured is the economic value created by golf-related service and manufacturing activity—companies that produce golf equipment, apparel, golf cars, turf or grass seed, and golf accessories, as well as those companies that provide direct golf-related services like golf car distribution, construction and/or other consulting services.

To identify golf-related manufacturers and service providers, NGF utilized our proprietary database of golf businesses in Michigan along with input from NAICS codes, the Internal Revenue Service, and the U.S. Census. The NGF counted 353 companies that identified themselves as being providers of golf products and services with considerable activity in Michigan. Some of the larger golf companies in Michigan include large-scale retail and golf entertainment operations that have already been included in the golf retail or golf facility estimates. Michigan is also home to Super Stroke, a small company that manufactures and retails grips for putters and employs 25 workers at a factory in Wixom, MI. In all, there are a significant number of smaller “mom and pop” companies that produce a wide assortment of golf accessories and services. The full complement of Michigan golf companies are divided by category as noted below:

353

Total Golf-Related Manufacturers & Service Providers in Michigan



Galway Bay Apparel, LLC
- Novi, MI



Qualite
SPORTS LIGHTING LLC
- Hillsdale, MI

APPROACH

What is Measured

This segment captures the business-to-business spending related to the manufacture of these goods by Michigan companies. In addition to the manufacture of golf-related consumer goods, this segment captures all good and services in support of the manufacture and distribution of golf cars, golf course accessories, and turf maintenance equipment, as well as professional services provided to golf courses and other golf-related companies (legal, accounting, architect, engineers, travel, etc.). Like golfers, golf facilities also make purchases of goods to facilitate the game and facility operations.

How it's Measured

Revenues and employee counts (in state) are captured from Data Axel, Reference Solutions (formerly Reference USA), using U.S. business SIC codes that companies self-report doing work in the golf industry. NGF crafted an estimate of total revenue applied to each company based on their size, employee size and revenues being earned in the state. This is then totaled to reflect the economic activity of 353 companies active in golf in Michigan in 2023. In addition, special consideration was made for Super Stroke, a leading golf grip company in Wixom using a formula based on total sales, expense margin and number of employees. operations.

Annual revenue and employment numbers for these companies come from data axle – reference solutions⁸ (formerly Reference USA) information and data accessible through local public libraries. The IMPLAN data and modeling software calculates economic impact based on the value added for manufacturing, i.e., the company's wholesale revenue minus the cost of production inputs.

TOTAL COMBINED GOLF-RELATED SUPPLIES IMPACT

| Revenue Source | Revenue (\$ Millions) |
|--|-----------------------|
| Total Off-Course Golf Retail (on-course counted in operations) | \$320.2 |
| Manufacturing & Services | \$78.8 |
| Total Golf Related Supplies | \$399.0 |



Maintenance crew watering greens and surrounding areas.

8 Data axle reference solutions. "Reference Solutions (formerly ReferenceUSA) U.S. Business Database/ Advanced Search". February 2023. (2022 Data) <<http://referencesolutions.data-axle.com/>>

TOURNAMENTS AND ASSOCIATIONS



Michigan has several member-driven golf associations that support and/or host a variety of educational and training opportunities, local tournaments, meetings, and workshops. In addition, the State has hosted various golf tournaments, including four professional golf events from three major golf tours (PGA, PGA Champions and LPGA). The major state golf associations include the Golf Association of Michigan, the Game of Your Life Foundation, Kalamazoo Junior Golf Foundation, Midnight Golf Program, Michigan Sports Alliance, and the Michigan PGA. Also active are many smaller statewide golf associations and active player clubs and associations active at courses and country clubs throughout the State.

TOURNAMENT AND ASSOCIATIONS IMPACT



\$52.8M

Golf Tournaments and Associations

Professional Golf Tournaments and Events: Michigan has a significant profile for professional golf with several events hosted in the state each year, including major championships as recently as 2022 (Senior PGA Championship). In 2023, Michigan hosted four professional golf events with the following estimated direct spending:

- ➔ The **PGA Tour** hosted the Rocket Mortgage Classic at the Detroit Golf Club in June 2023. The NGF estimates that PGA Tour events generate \$15 million in direct visitor spending⁹, with data supported by Sage Policy Group, Inc. in its 2022 study of professional golf in Maryland¹⁰. This event also raised \$1.61 million charity¹¹.
- ➔ The **PGA Champions Tour** hosted the Ally Challenge at Warwick Hills G&CC in Grand Blanc in August 2023. The NGF estimates that PGA Champions Tour events generate \$6.27 million in direct visitor spending⁹, and the event raised \$1.19 million charity¹¹.
- ➔ The **LPGA Tour** hosted two events in Michigan in 2023 - the Meijer LPGA Classic at Blythefield in Belmont in June 2023 and the Dow Great lakes Invitational in Midland. These events had an estimated direct spending impact of \$6.7 million⁹, and the events raised \$1.49 million charity¹¹.
- ➔ The LPGA's player development EPSON Tour - Road to the LPGA hosted two 2023 events in Michigan:
 - ➔ The 10th Annual 2023 FireKeeper's Casino Hotel Championship was held at the Battle Creek Golf Club, in Battle Creek, MI.
 - ➔ The Island Resort Champions presented by the Delta County Chamber was held at Sweetgrass Golf Club in Harris, MI



Professional and Major Amateur Golf Events

4 TOUR EVENTS

2 EPSON EVENTS

96 HIGH-LEVEL AMATEUR QUALIFIER & CHAMPHIOSHIP EVENTS

Associations

77



9 National Golf Foundation U.S. Golf Impact Report (April 2023)

10 Detroit News (2023)

11 National Golf Foundation (April 2024)

Amateur Golf Tournaments and Events: In addition Michigan hosted as many as 96 high-level amateur qualifier and championship events in 2023, including the Folds of Honor Collegiate Invitational held at American Dunes GC in Grand Haven and broadcast live on Golf Channel TV, leading to an estimated direct spending impact of \$1.2 million¹², Michigan also hosted 16 USGA qualifiers with 1,235 entries in 2023, and more than 8,675 individual golfers participated in high-level competitive golf events in the state in 2023. As many of these events did not draw extra visitation or galleries, the direct revenue is assumed to be included in golf facility income.



Photo of collegiate players warming up for the 2023 Folds of Honor Collegiate, American Dunes Golf Club, Grand Haven, MI.¹² The event will again be held at American Dunes Golf Club in September of 2024, in partnership with Fold of Honor, Michigan State University, Florida State University, Golf Coaches Association of America and HNS Sports Group.

Foundations: A notable foundation in Michigan is Michigan State University ;Turfgrass Program, Hancock Turfgrass Research Facility & Michigan Turfgrass Foundation

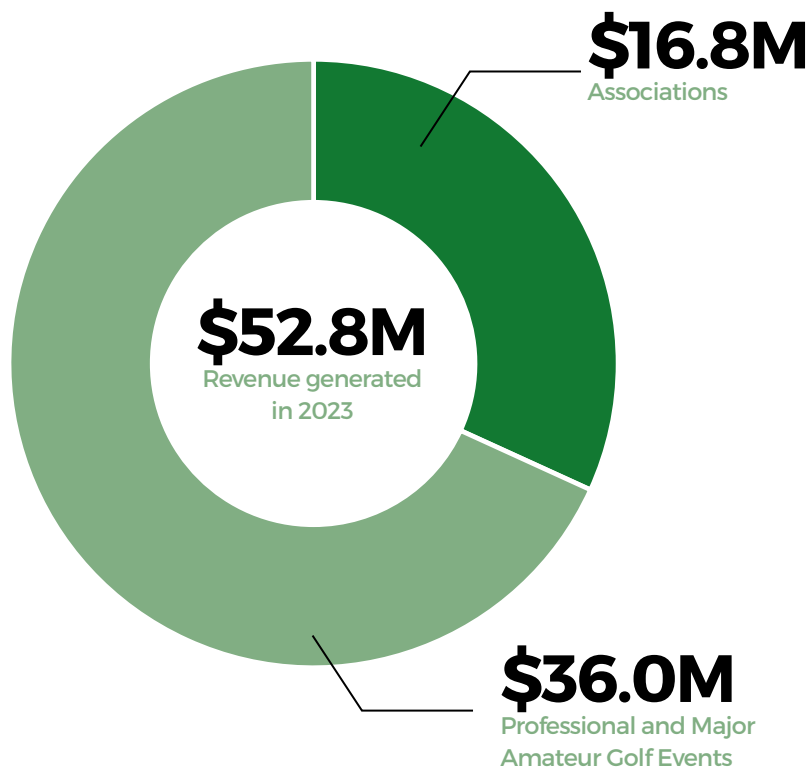
Michigan golf courses and golf vendor providers support financial packages and products for research conducted at Michigan State University and the Hancock Turfgrass Research center (one of the world's finest facilities for turf research). Products and financial contributions total \$800,000 annually. In addition, courses and vendors support the Michigan Turfgrass Foundation which also provides \$90,000 annually for research projects, \$13,000 in scholarships for turf students, \$10,000 for graduate assistantships. Most recently the MTF donated \$1 million for an Endowed Position in honor of Dr. Joe Vargas to provide funding for the Turf Program in perpetuity.

The chair of the Department which oversees the Turf Program, Dr. Brian Horgan, is a widely respected advocate of golf and greenspace and has worked with the USGA regarding urban sustainability. Horgan's research interests focus on developing and integrating sustainability metrics for golf facilities. Specifically, his research seeks to position golf courses as urban greenspaces that provide economic and community value through ecosystems services. He lectures around the world on these topics. up.

¹² Photo retrieved from <https://foldsofhonor.org/golf/collegiate/>

ASSOCIATIONS & FOUNDATIONS

All nonprofits in Michigan are required to file tax returns even if they don't owe taxes. The IRS classifies these non-profits by the tax forms they fill out (more below). Michigan is home to 77 separate golf associations and foundations, some of the largest include the Golf Association of Michigan, Game of Your Life Foundation, Michigan PGA and the Midnight Golf Program. NGF research from IRS documents¹³ shows the total revenue generated from these Michigan golf associations and foundations was \$16.8 million in 2023.



Form 990-N (e-Postcard): This is for the tiniest nonprofits with gross receipts under \$50,000 – the small but mighty.

Form 990-EZ: For organizations with receipts between \$50,000 and \$200,000 - they get the job done without all the flash.

Form 990: For organizations with receipts over \$200,000 or total assets over \$500,000. – The complex and high-tech.

Form 990-PF: Exclusively for private foundations – the mysterious and secretive.

Form 990-T: When nonprofits unexpectedly find themselves with taxable income – Which protects them from the IRS's tax hammer.

¹³ <https://apps.irs.gov/app/eos/>

APPROACH

What is Measured

Direct expenditure related to hosting professional events and total expenditure on tournaments. The Associations estimate is the sum of major state golf association revenues. These are reported on profit and loss (P&L) statements provided by the state golf associations to NGF and/or via tax filings.

How it's Measured

The Tournaments estimate is derived from the total estimated direct economic activity impact of the four professional golf events held in Michigan in 2023 using NGF's national impact estimate for each tour. The Associations estimate is the sum of major state golf association revenues. These are reported on profit and loss (P&L) statements provided by the state golf associations to NGF and/or via tax filings.

CHARITABLE IMPACT

youth on course

CELEBRATION DAY



Jeff Hawes, Riley Hawes , Parker Hawes and Connor Inman



\$110.1M

Charitable Impact

Golf contributes a significant impact for charities from money raised at local golf facilities, professional golf tournaments and other giving that is channeled through golf. The largest segment of this impact is charitable donations derived directly from events held at golf facilities in Michigan in 2023 that serve as important fundraisers for many state and local charitable organizations. Based on our survey of golf facilities in Michigan (2023) and the U.S. (2022), the NGF has estimated the average amount raised at a charitable golf event, by facility type, was between \$1,500 and \$29,000, depending on the type of facility hosting the event.

Using this survey data, NGF estimates that golf facilities in Michigan raised as much as \$104.3 million for charities in 2023, hosting an estimated 4,880 charity golf events and other non-golf (clubhouse) fundraisers, with an estimated 467,400 total participants in golf charity events in the state.

Among the more notable facilities hosting 2023 large charity events in MI:

- ➔ **American Dunes Golf Club** - Hosted 25 charity events in 2023 raising over \$1.6 million for Folds of Honor and PGA Hope.
- ➔ **Battle Creek Country Club** - Hosted a golf event that raised over \$150,000 benefiting the Charitable Union Battle Creek, Battle Creek Cancer Center, Haven for Rest Battle Creek, Play for Pink and the SWM Food Bank.
- ➔ **Country Club of Detroit** - estimated they raised over \$150,000 for various charities at golf fundraisers in 2023 (separate from golf professional events).
- ➔ **Fenton Farms Golf Club** - Hosted 50+ charity events in 2023 raising over \$250,000 for local schools, athletic programs, Autism Speaks, American Cancer Society, Humane Society, Folds of Honor and others.
- ➔ **Harbor Shores Resort** - estimated they raised over \$3.0 million benefiting the Local Public Schools, First Tee and Specialized Programs for Youth.

IN ADDITION:

- ➔ Professional golf events (PGA Tour, LPGA, PGA Champions Tour) in Michigan **raised another \$4.3 million in 2023.**
- ➔ Other significant giving channeled through golf includes charitable foundations that raised an **additional \$1.5 million in 2023**, including the \$180,000 in college scholarships raised from MI golfers by the Evans Foundation.
- ➔ In addition, golf facilities donated **\$4.9M** in gift certificates to non-profit (charitable) organizations in 2023 for free rounds of golf, merchandise, free lessons, high school or college golf rounds/gifts, etc.).

IMPACT

\$104.3M Golf Facility Charity Events (4,880 events)

\$4.3M Professional and Major Golf Events

\$1.5M Other Golf Charities

APPROACH

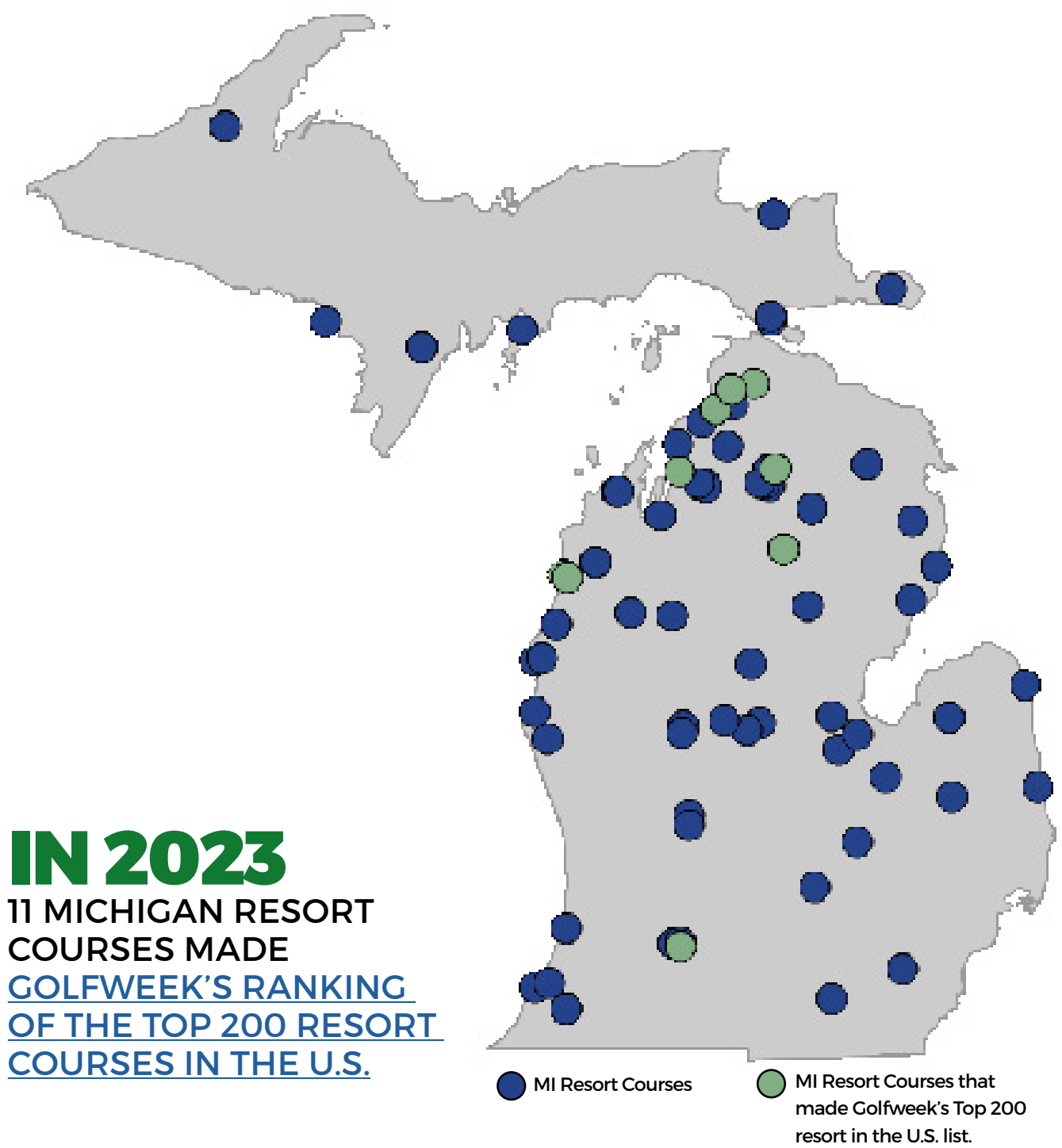
What is Measured

Charitable impact captures both the in-kind contributions and the net proceeds resulting from charitable events that are hosted at Michigan golf facilities, money raised for charity from professional golf events and defined golf charities (e.g. Evans Foundation).

How it's Measured

The charitable impact estimate draws on the National Golf Foundation's direct survey of Michigan golf facilities in 2023, with assistance from the total U.S. golf facility survey in 2022. These surveys provided detailed information on the number of golf facilities that hold charitable golf events, the average number of events held by each facility, and the net proceeds raised. Applying the survey results to golf facilities in Michigan, we estimate that 83.7% of Michigan golf facilities hosted a charitable golf event in 2023, and the average number of charitable events held each year was 7.5 events. The surveys showed the average amount of money raised per event was as low as \$1,500 for 9-hole courses and as high as \$29,500 for premium facilities.

GOLF TOURISM



IN 2023
11 MICHIGAN RESORT COURSES MADE GOLFWEEK'S RANKING OF THE TOP 200 RESORT COURSES IN THE U.S.

Some facilities had multiply courses that made the list.

Golf is a popular recreational activity that enhances Michigan’s tourism industry through short trips and extended vacations/business trips. NGF has identified a significant golf-travel industry – those people traveling to the state with the intention that golf will be a major part of the trip in Michigan. This finding was not at all surprising, as several locations in Michigan are known for attracting tourist / seasonal golfers. Michigan does offer a few top-quality golf resorts, including well-known facilities like Harbor Shores, American Dunes GC, Arcadia Bluffs, and the Treetops Resort. In addition, Michigan attracts a significant share of golfers who live in nearby states and provinces and travel to Michigan for golf activity. The key neighboring states that NGF identified as feeding golf activity include Ohio, Indiana, Illinois, Wisconsin and Ontario, Canada.

IMPACT



Tourism is one of the strongest economic drivers of Michigan, providing a valuable source of revenue and jobs. In its 2023 Report¹⁴, the Michigan Office of Tourism (MOT) estimated Michigan had a record number of visitors at 125 million spending over \$27.3 billion, which generated \$3.2 billion in state and local tax revenue. Of these visitors, facts presented by MOT indicate most of these visitors came to Michigan during the spring and summer, or during the peak of the golf season. The MOT annual report indicated a significant blow to Michigan tourism in the wake of the Covid-19 pandemic in 2020, with travel estimates falling dramatically, with recovery in 2021 and 2022.

NGF estimated that over one million golfers travelled more than 50 miles to play at a Michigan golf course in 2023, producing 1,090,000 rounds of golf at the state’s golf courses. In addition, we have estimated that 756,000 overnight trips were made to Michigan in 2023 by visitors seeking to participate in golf, playing an estimated 1,490,000 rounds of golf. In total, these travelling golfers added 2.58 million rounds of golf to Michigan golf courses in 2023.

According to NGF, travelling golfers in Michigan spent \$129 per trip for day-trippers and \$914 per trip for overnight visitors (*this excludes direct spending at golf facilities – already counted in golf facility revenue*). This estimate is based on spending data presented in the MOT 2023 report, augmented by golf travel spending estimated by NGF. For 2023, NGF estimates that tourism expenditures stemming from travelers who travelled to Michigan specifically to play golf generated **\$831.6 million**:

Michigan Golf-Related Tourism Expenditures – 2023

| | Day Trips | Overnight | Total |
|---|----------------|----------------|----------------|
| Total Visitors ¹⁴ | 72,500,000 | 52,500,000 | 125,000,000 |
| Golf Trip % ¹⁵ | 1.5% | 1.44% | |
| Total Golf Trips | 1,090,000 | 756,000 | 1,846,000 |
| Average Spending per Trip (less Golf Fees)* | \$129 | \$914 | |
| Total Impact (\$Millions) | \$140.9 | \$690.7 | \$831.6 |

*Average spending excludes \$148.59 (overnight) and \$73.80 (day trips) for direct spending at golf facilities (to avoid double counting – already counted in golf facility operations).

14 Michigan Office of Tourism Report by Tourism Economics an Oxford Economics Company (2023 Report)
 15 National Golf Foundation (2023) – Adjustment considers travelers whose specific purpose is golf or places a high importance for golf

The importance of Michigan golf tourism is exemplified by the International Association of Golf Tour Operators (IAGTO) hosting its North America convention at Boyne Mountain in Boyne Falls in June 2024. Attendees will be playing Links Quarry at Bay Harbor Golf Club, The Heather, Arthur Hills and Donald Ross Memorial Courses.



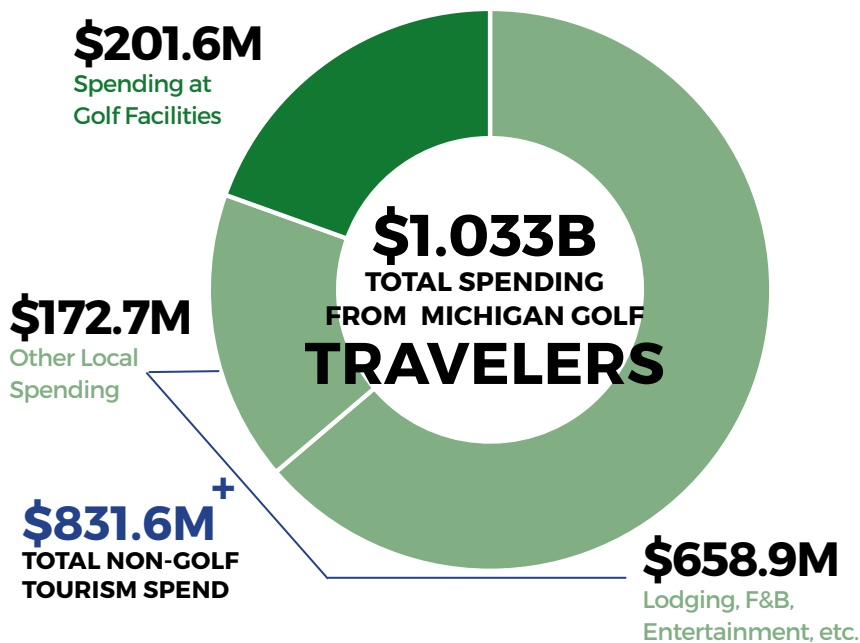
Boyne Mountain Heather Course



Boyne Mountain Donald Ross Memorial Course

KEY IMPACT FINDING

This analysis shows how significant golf tourism is in Michigan. When the money spent at golf facilities is included, it shows that the Michigan golf travel market involves 1,846,000 golf travelers spending at least \$1.033 billion in 2023 (\$559.69 per golf traveler). The total Michigan golf travel market is summarized as shown below (NOTE: the spending at golf facilities is included in Golf Facility Operations direct impact estimate):



APPROACH

What is Measured

The golf tourism industry segment estimates the golf-related travel expenditures in which a person travels 50-plus miles and plays golf as a key recreational activity while on business or leisure travel. Golf-related trips include both overnight and day trips. This figure includes trips to Michigan golf destinations, golf outings while on vacation or business travel, visits to Michigan golf courses from golfers residing outside the state, as well as trips by Michigan residents to play golf at courses in other parts of the state.

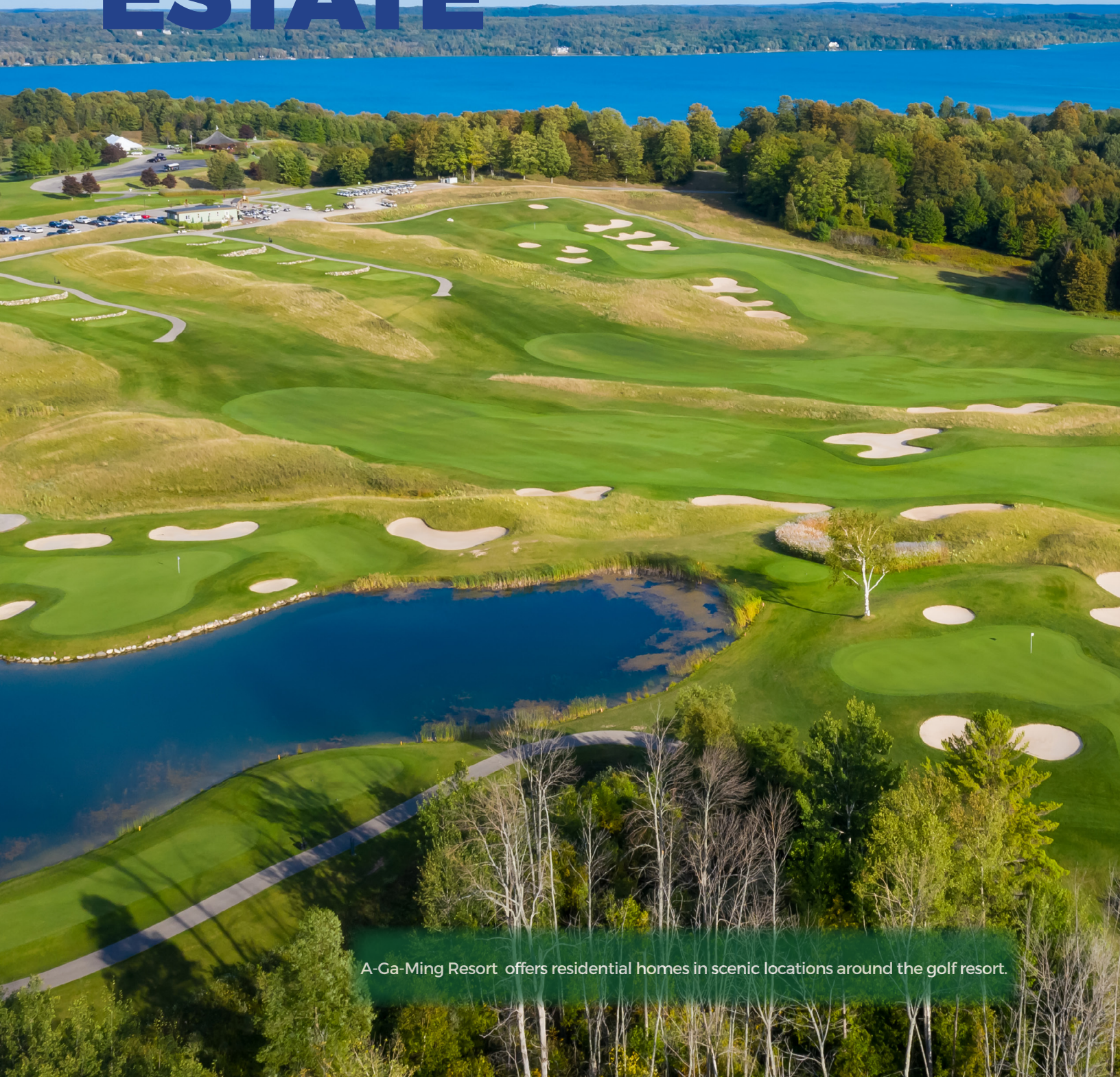
How it's Measured

Data for this calculation comes from surveys and studies of visitors and visitor spending conducted or commissioned by the State of Michigan and the NGF. The 2023 Report (Michigan Office of Tourism) was a key resource and detailed total visitors counts (by length of trip), activities undertaken while in Michigan and average spending per trip.

Average spending per golf trip

The NGF provided estimates of total spending per golf trip from the MOT 2023 report and the NGF 2019 Golf Travel Report, updated to reflect 2023. The NGF estimates that golfers spend a total of \$235 per trip, less \$105.75 to account for spending at the golf course and transportation to destination (= \$129.25). The overnight visitors are assumed to spend a total of \$1,269 per trip, less \$355.32 to account for spending at the golf course and transportation to destination (= \$913.68). The NGF has assumed that these amounts exclude spending at the golf facilities (green fees, cart fees, F&B, etc.) that has already been counted in golf facility operations and direct transportation to the destination. The intent was to include spending on accommodation, local transportation, food and beverage, entertainment, gifts, and so on in Michigan and average spending per trip.

GOLF REAL ESTATE



A-Ga-Ming Resort offers residential homes in scenic locations around the golf resort.

The walkable open spaces and recreational opportunities provided by golf courses make them a key amenity in many residential communities. There are 114 golf facilities in Michigan that are connected to residential real estate and have some residential component associated with them, such as apartments, villas, lodges or resorts. In total, the NGF estimates upwards of 16,000 total residential units in Michigan that are part of master-planned golf communities, or are immediately adjacent to golf courses, including over 9,100+ units with a prime golf course view. The NGF estimates that there are golf communities in Michigan that had new residential units under development, to varying degrees, plus additional existing units under renovation or replacement in 2023.

IMPACT

The economic impact of golf real estate in Michigan encompasses three components: (1) construction of new homes in golf communities; (2) replacement or renovation of older homes in older golf communities; and (3) the net gain to local tax jurisdictions from value premiums associated with golf course real estate.

NGF counted 43 golf communities in Michigan that were active in building 232 new homes in 2023, plus others that are seeing replacements to original homes built 50+ years ago in older golf communities. Golf facilities like the Railside Golf Club in Byron Center, Birchwood Farms Golf & Country Club in Harbor Springs, Cedar River Golf Course in Bellaire, and Macatawa Golf Club in Holland all reported significant ongoing new home construction in 2023. Multiplying the estimated number of units under construction at each location by their average 2023 cost of construction (\$396,000) and summing all of these values yielded a total **2023 golf-related residential construction figure of \$91.9 million.**

NGF identified 20 golf communities developed before 1970, many of which are experiencing a trend in home replacement and renovation. Multiplying an estimated two units under renovation at each location by their average 2023 cost of renovation (\$198,000 – ½ the construction estimate) and summing all of these values yielded a total **2023 golf-related residential renovation figure of \$7.9 million.**

The presence of a golf course with direct frontage on, or in immediate proximity to, a residential unit will provide an added value to the residential property known as the “golf premium” (estimated previously by NGF to be 15%). This golf premium is manifested by the extra value a homeowner can expect to receive on the sale of a housing unit located on a golf course, or within a defined golf community. As this sale is considered a transfer of assets rather than economic output, this is not included in the economic output analysis. However, the enhanced value of golf residential real estate does impact

\$119.7M

Michigan Golf Real Estate



\$91.9M

Golf Home Construction*



\$ 7.9M

Golf Home Renovation**



\$27.8M

Net Gain on Local Property Tax from Golf Premium***

*Assumes 232 new homes under construction in golf communities in 2023 at \$396,000 per unit.

**Assumes 40 homes under renovation in 2023 at \$198,000 per unit.

***Assumes a 15% “golf premium” on residential values of 4,819 townhomes and 16,111 single-family residences in golf communities in Michigan multiplied by the 1.62% average effective property tax rate of market value in Michigan (source: Wall St. 24/7 + Tax-Rates.org/Michigan).

APPROACH

What is Measured

New golf home construction generates significant economic activity and impact during the period homes are constructed. For this segment, NGF measures expenditures related to new golf home construction, as well as economic activity associated with the property tax assessment valuation of golf homes and the premium associated with these homes. The “golf premium” is the extra amount of property taxes collected by local authorities.

How it’s Measured

NGF conducted direct research in an attempt to identify golf communities that were active in building new residential units and/or undertaking phases of development at existing golf communities. NGF then reviewed aerial photographs and contacted real estate developers, builders and real estate agents to identify the number of new homes under construction in 2023 and establish an average construction cost.

the total amount of property taxes collected by local authorities. NGF estimated the “golf premium” associated with these developments to be upwards of \$1.72 billion, with a 2023 property tax impact of \$27.8 million in net gain for local taxing authorities to be used for education and other local initiatives funded by property tax revenue.

The calculation of the golf premium impact on local property taxes involves two parts: (1) the “premium” associated with proximity to a golf course was estimated based on previous NGF research on golf-residential communities at 15% premium; and (2) Identified the total inventory of residential units (by type) inside golf communities in the State multiplied by the average sale value (by type) of these units and then applying the 15% golf premium and the estimated 1.62% statewide effective property tax to market value estimate (source: Tax-Rates.org/Michigan¹⁷). The calculation is summarized below:

Estimated Impact of Golf Value Premium of Local Property Taxes – Michigan 2023

| | No. of Residential Units in Golf Communities | Avg. \$ Value Residential Units in Golf Communities | Total (\$ Millions) |
|---|--|---|---------------------|
| Base | 20,930 total Units (16,111 SF + 4,819 TH) | \$547,558*** | \$11,460 |
| “Golf Premium” | | | 15%* |
| Total Golf Premium | | | \$1,719.1 |
| Michigan Effective Property Tax Rate | | | 0.00162** |
| Net Gain for Local Tax Jurisdictions | | | \$27.85 |

*Source NGF Analysis – 2022.

**Tax-Rates.org/Michigan.

***From Michigan Realtors Assoc. SF=Single Family; TH=Townhouse; CC=Golf Communities



**NON-
ECONOMIC
BENEFITS**

Within the scope of considering golf's contribution to the State of Michigan, the NGF has provided a summary review of the impact golf has on facets of Michigan society that cannot be measured in terms of dollars and cents. Specifically, our team wanted to provide a summary of key impacts this game has on the quality of life in Michigan, and to highlight some of the efforts Michigan golf courses are undertaking to minimize their effect on the natural environment. To assess the costs and benefits of golf, one must include the social costs and benefits, as well as consideration of how these elements are expected to evolve over time. In addition to the direct economic benefit derived from fees and charges, the presence of golf courses in Michigan also provides open spaces, a healthy recreational outlet for residents and visitors, a venue to attract visitors and a good reflection on the image and/or brand of the State.

GOLF'S IMPACT ON THE QUALITY OF LIFE IN MICHIGAN

Golf is not only good for a state economy, but also good for the physical and social health of its residents through physical exercise, healthy competition and an outlet for youth and family activities and programming. A total of 604 of the State's 709 golf facilities (85%) are open to the public and provide affordable outdoor recreation as well as additional non-golf activities to nearly 900,000 Michigan residents. Traditional golf is not always an option for some. Over time, facilities have introduced other amenities/activities that add to an individual's quality of life and provide other enjoyments besides traditional golf. Michigan golf facilities reported that in addition to on-course golf play they also offer driving ranges (71%), practice facilities (72%) and active public meeting space (64%). Golf facilities in Michigan also offer other non-golf activities that allow a wider segment of community residents to take advantage of the open space provided by golf course land. Our survey showed that Michigan golf courses are directly offering or allowing their property to be used for:



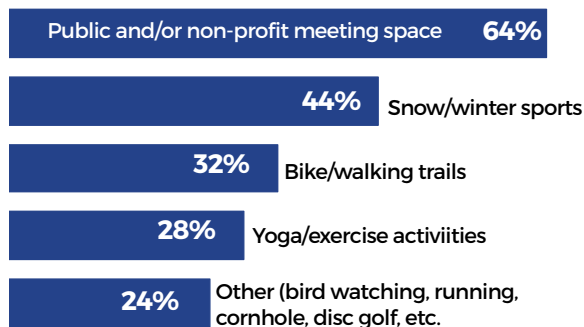
Junior Golf

Of particular note is the large and active junior golf programming we see at Michigan golf courses, which are among the most active in the nation. Michigan golf facilities reported hosting 30,866 youth between the ages of 5 and 18 in the Youth on Course program at golf facilities, schools, and community centers throughout Michigan in 2023, and there are five First Tee chapters in Michigan serving an additional 4,626 students in 90 separate locations in 2023. Golf facilities also reported that they frequently offer free or severely discounted golf to kids on the weekends and host Drive, Chip & Putt qualifying events.



Non-Golf Activity

As reported by Michigan golf facilities, the following are other non-golf activities taking place:



17 Mathew P. White, I. A. (June 13 2019). Spending at least 120 minutes a week in nature is associated with good health and wellbeing. Scientific Reports.



Living

While golf is an industry with economic importance, the game also supports the health and well-being of roughly one in thirteen Americans. A study released in June of 2019 concluded that spending 120 minutes or more per week in nature is positively correlated with well-being¹⁸. Walking 18 holes of golf also burns between 531-2467 calories. Golf provides an activity for the improved physical and mental well-being of nearly 900,000 MI residents who participate.



Fostering Activity and Participation

Virtually all of the golf facilities in Michigan surveyed by NGF in 2023 (95%) participated in at least one program to promote increased activity and/or participation in golf in 2023, with 79% offering at least one defined junior program. Among the most notable golf programs offered at Michigan golf facilities include:

- ⊕ Junior golf camps (79%)
- ⊕ Defined women's programs (60%)
- ⊕ Actively host scholastic golf teams (41%)
- ⊕ Youth on Course program (39%)
- ⊕ PGA Junior League (27%)
- ⊕ First Tee of Michigan (22%)
- ⊕ Have a defined military/veterans beginner golf program (25%)
- ⊕ Have a defined disabled or other accessibility golfer instruction program (10%)

GOLF'S POSITIVE IMPACT ON THE ENVIRONMENT

The NGF review shows that Michigan golf courses provide the following key environmental takeaways:



Key Environmental Observations

ACREAGE: Michigan golf courses comprise a total of 92,274 acres (golf course playing area only), of which 61,932 acres are actively maintained and irrigated (67%).

WATER: Michigan golf courses are responsible users of water for irrigation, using predominantly ground/well water (42%) or surface / ponds / run-off water (37%) for irrigation. A growing number of courses (now 7%) are using reclaim water for irrigation.

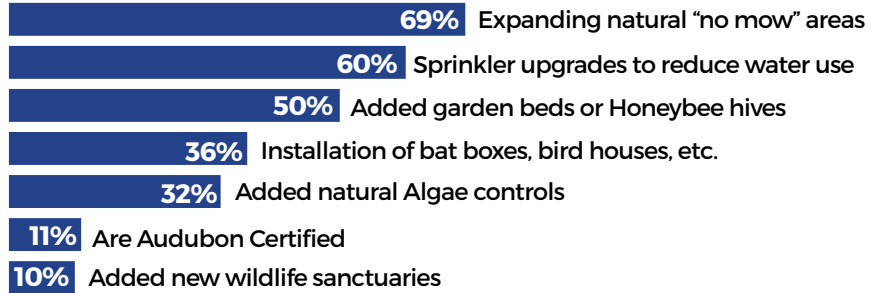
IRRIGATION: Approximately 37% of Michigan golf courses have had an irrigation audit performed on the property. Of the facilities performing the audit, 52% made adjustments resulting in an estimated 14% savings in water use.

ENERGY: 17% of MI facilities reported having done an energy audit in the past five years with 86% of those facilities adopting energy-saving practices, resulting in 10% of energy saving per year on average.



GCSAA BEST MANAGEMENT PRACTICES AND IMPLEMENTATION

- Approximately 49% of Michigan golf courses are aware of the GCSAA's Michigan Golf Courses Planning Guide and the Best Management Practices. Of the facilities aware of the BMP guide, 42% have already adopted or plan to adopt practices contained in the guide.
- MI facilities were asked to indicate which GCSAA's Best Management Practices (BMP) they have adopted (or plan to adopt in the next year) as a result of reading the GCSAA's BMP for MA GC Planning Guide. The top four adopted practices were related to golf turf fertilization and nutrient management (41%), irrigation changes (39%), altering maintenance practices (36%), and enhanced pesticide management (35%).
- The top six environmental impact programs facilities have implemented include (does not sum to 100% as many facilities adopt multiple practices):

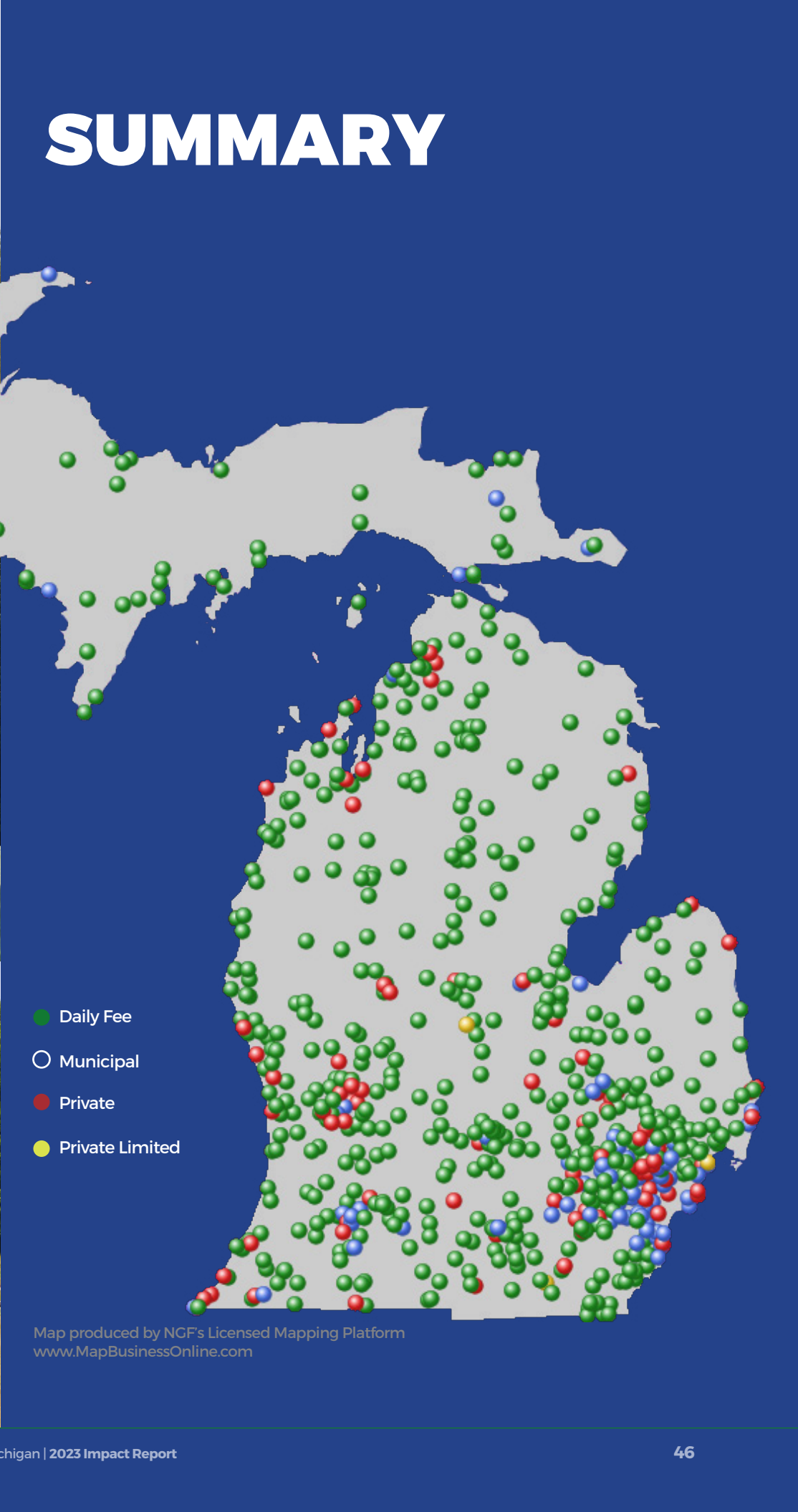


The Michigan Turfgrass Environmental Stewardship Program (MTESP) was launched in 1998 to help turf managers comply with pesticide regulations and to protect groundwater. The 12 module online program consisting of Program Overview, Site Evaluation, Wellhead Protection, Pesticide and Fertilizer Storage, Pesticide Mixing and Loading Pad, Pesticide Handling and Application, Fuel Storage, Equipment Wash Pad, Emergency Response, Buffer Strips, Green Purchasing, Conservation & Waste Reduction and Irrigation is available at no cost to any turf manager in the state at MTESP.org. Currently there are 57 facilities registered under the program covering 26,792 acres.

Integrated Pest Management

Golf Course Superintendents utilize Integrated pest management (IPM) a science-based approach that combines chemical and non-chemical methods to manage pests. The goal of IPM is to regulate pests, not eradicate them, and to minimize economic, health, and environmental risks. Applications to golf courses are done at the direct expense to the bottom line and profitability of the operation. They are done at as low of a volume and frequency as possible to meet customer expectations while aligning with IPM and facility budget.

SUMMARY



- Daily Fee
- Municipal
- Private
- Private Limited

Map produced by NGF's Licensed Mapping Platform
www.MapBusinessOnline.com

\$399.0M

Golf-related Supplies**

\$235.2M

Capital Investments

\$52.8M

Tournaments & Associations

\$1,240M

Golf Facility Revenue

\$110.1M

Charitable Impact

THE ECONOMIC CONTRIBUTION OF GOLF TO THE
STATE OF MICHIGAN
\$6,079,000,000

Total Impact - 2023

(Includes Direct, Indirect, & Induced)

\$2,997,200,000

Direct Economic Impact - 2023

\$831.6M

Golf Tourism

\$27.9M

Property Tax Impact

\$99.8M

Golf-Related Residential
Construction**

Priceless

Golf's Non-Economic Benefits



**THE CONTRIBUTIONS OF GOLF TO THE STATE OF MICHIGAN
2023 IMPACT REPORT**