Strategic Networks Group

August 2009

Economic impact of golf for Canada

Findings report (published **August 14, 2009**)

Prepared for: *National Allied Golf Associations*

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Economic impact study of golf for Canada

A ground-breaking study conducted by NAGA

HIGHLIGHTS

AUGUST 14, 2009 - Based on a nation-wide survey of more than 4,000 golfers[1] and 350 golf courses[2] in 10 provinces and three territories, the **Economic impact study (EIS) of golf for Canada** ("Measuring the game of golf in Canada")[3] provides the first comprehensive and independent assessment of the economic impact of the golf industry in Canada.

This study provides new quantitative evidence of the economic significance of the sport to the Canadian, provincial and territorial economies, through primary research augmented by secondary information sources. The results demonstrate the substantial role golf has in the economy of Canada in terms of:

- Golf's "Gross Domestic Product" in Canada – including all goods and services that are directly and indirectly related to the game, with analysis of who benefits from golf, and to what extent; and
- Other spin-off economic impacts such as employment and household income at the national, provincial and territorial scales.

ECONOMIC IMPACT OF GOLF FOR CANADA

The game of golf accounts for an estimated **$11.3 billion** of Canada's Gross Domestic Product (GDP), which includes:

- 341,794 jobs;
- $7.6 billion in household income;
- $1.2 billion in property and other indirect taxes; and,
- $1.9 billion in income taxes.

[1] The golfer survey results are accurate to +/- 1.55 percentage points, 19 times out of 20. Survey data is extrapolated to Canada based on an estimated population of 5.9M golfers.

[2] The course survey results are accurate to +/- 4.76 percentage points, 19 times out of 20. Survey data is extrapolated to Canada based on an estimated population of 2,397 courses.

[3] RFP issued May 2008

Golf in Canada generates an estimated $29.4 billion in total gross production through direct, indirect and induced spending impacts.

> The total direct economic activity (total direct sales) resulting from the Canadian Golf Industry is estimated at **$13.6 billion**. Of this total, the revenues generated directly by golf courses and their facilities and stand-alone driving and practice ranges (**$4.7 billion**) rivals the revenues generated by **all other** participation sports and recreation facilities combined (**$4.8 billion**) in Canada[4].

Additional key benefits and impact of golf in Canada include:

- ***Environmental Benefits*** – Over 200,000 hectares of green space managed by golf course operators, including 41,000 hectares of unmanaged wildlife habitat under golf course stewardship.
- ***Golf Participation*** –SNG estimates that approximately 70 million rounds of golf were played in 2008, a level of play that was as much as 10% lower than the average number of rounds based on prior years. [5]
- According to IPSOS Reid, there are an estimated 6 million Canadian golfers.[6] According to RCGA sources, Canadian golf participation rates are among the highest in the world.[7]
- ***Employment Opportunities*** – The Canadian Golf Industry provides an excellent employment opportunity, with as many as 43% of those employed at Canadian golf courses being students.
- ***Estimated Impact on Property Values*** – The location of houses adjacent to golf courses provides benefits to homeowners that stem from higher home values compared to similar homes that are not adjacent to courses. The total incremental impact on home values is estimated at $1.4 billion.
- ***Charitable Activity*** – Each year there are at least 25,000 charitable events hosted at Canadian courses. Using conservative estimates, these events raise more than $439 million for charitable causes across Canada.
- ***Golf Tourism*** – Canadian travellers make more than 1 million trips involving golf, spending an estimated $1.9 billion annually on golf-related travel within Canada.

[4] These recreational facilities include skiing, fitness and recreational sports centres, amusement parks and arcades, and all other amusement and recreation industries, except gambling. Source: Statistics Canada. Table 361-0015 - Amusement and recreation, summary statistics, by North American Industry Classification System (NAICS), annual, CANSIM..

[5] Based on SNG's survey of courses, the number of rounds played in 2008 was down as much as 10%.

[6] In a 2006 Ipsos Reid found determined there were 5,953,000 million golfers (playing one more rounds) in Canada.

[7]Royal Canadian Golf Association

Aside from households, which command more that 25% of the gross economic effects of golf, Canada's manufacturing sector is impacted the most by Canadian golf related expenditures, commanding **13%** of Golf's gross economic impacts in Canada. This is followed by the finance, insurance and real estate services and retail trade sectors.

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

ABOUT THE STUDY

This ground-breaking study was conducted by Strategic Networks Group, Inc. (SNG), led by Thomas McGuire, VP North America, and was based almost entirely on primary research of the supply (golf courses) and demand (golfers) of golf in Canada. SNG also used a newly built customized inter-regional input-output impact model, developed by noted economists Dr. William Schaffer, Professor Emeritus, Georgia Institute of Technology, and John Jozsa, Jozsa Management & Economics - both are associates of SNG. This I-O model was customized to track golf-industry related economic activity across Canada.

ACKNOWLEDGEMENTS

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

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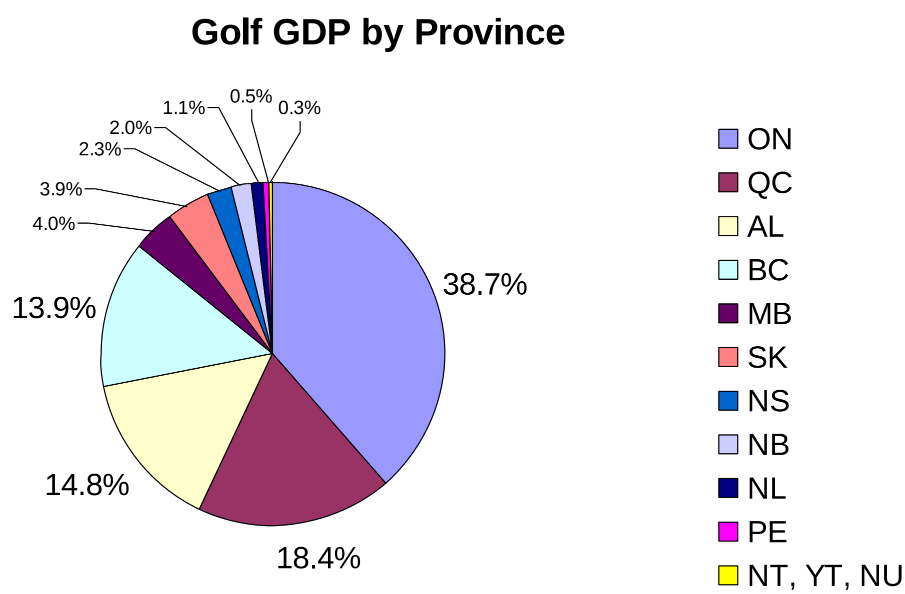
Core findings

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

SNG estimates that the annual total direct sales associated with golf in Canada is about **$13.6 billion** (golf related expenditures in Canada, golf related travel outside of Canada, annual capital spending by golf courses and driving ranges).

ECONOMIC IMPACT OF GOLF IN CANADA

- The Canadian golf industry directly employs **155,024** people, Canada-wide, in a variety of occupations including equipment manufacturing, course operations, golf professional services, and a variety of other aspects of course operations from food services to maintenance.
- Total employment through direct, indirect and induced economic effects swells to **341,794** people Canada-wide.
- Total household income for those employed at golf courses and country clubs and stand-alone driving ranges is estimated at **$1.6** billion and **$7.6** billion Canada-wide when indirect and induced effects are added.
- The Canadian Golf Industry provides an excellent employment opportunity for students, with as many as **43%** of those employed at Canadian golf courses being students. Students earn good incomes and are exposed to networking opportunities that will support their careers paths in the years to come.
- The total direct economic activity (total direct sales) resulting from the Canadian Golf Industry is estimated at **$13.6** billion.
- Gross Production (total sales) resulting from the Canadian Golf industry is estimated at **$29.4** billion, through direct, indirect and induced spending impacts.
- The Canadian Golf industry contributes an estimated **$11.3 billion** to Canada's Gross Domestic Product (GDP)



CANADIAN GOLF PARTICIPATION

- The game of golf is played by an estimated 6 million Canadians each year, with 2.5 million Canadians participating as core golfers, playing an average of **28** rounds per year[8].
- Based on participation, golf is the number one recreational activity in Canada, played by more Canadians than hockey[9].
- SNG estimates that 70 million rounds of golf are played each year by Canadians. Golfing enables people of all ages to take part in one of the simplest, safest and most often recommended forms of exercise – walking.
- Based on SNG's primary research, Canadian golfers spend an estimated **$13.1** billion annually on golf, which includes:
- related equipment ($2.1B);
- memberships, tournament fees, tournament spectator fees, golf related services, food and beverages at golf courses, ($4.1B);
- golf apparel ($.7B);
- travel within Canada ($1.8B);
- spending in non-golf industries, including transportation, fuel, publications/media, food and entertainment ($2.3B);
- charitable spending ($.4B); and,
- $1.7 billion on golf related travel outside of Canada.

[8] *Golf Participation in Canada, 2006 Edition – Ipsos Reid*

[9] Statistics Canada, Based on a study of Participation in Sports, The Daily, issued Thursday, February 7, 2008. Reported that "Golf replaced ice hockey as the most popular sport in Canada in 1998."

CANADIAN GOLF COURSES, COUNTRY CLUBS, & PRACTICE RANGES

- There are more than 2,500 golf courses and practice ranges in Canada, with the majority of practice ranges indentified in this study having operational, or business linkages, to a golf course.[10]
- From SNG's primary research, Canadian golf courses occupy more than an estimated **200,000** hectares of land. This includes managed green spaces estimated at more than **160,000** hectares and nearly **41,000** hectares of unmanaged wildlife.
- Based on SNG's survey, Canadian golf courses spend an estimated **$4.7** billion annually on:
    - wages and salaries, payroll taxes and benefits;
    - course operations;
    - pro shop and retail sales;
    - food and beverage services;
    - office and administration;
    - provincial, federal and municipal taxes; and,
    - charitable donations and other operational expenses.

Each year Canadian golf courses invest **$478.8** million in facility related capital expenditures through course and facility related maintenance, expansions and improvements.

CANADIAN TOURISM AND THE ROLE OF GOLF[11]

- From 2004 to 2005 13.6% (3,377,089) of adult Canadians played golf while on an out-of-town, overnight trip of one or more nights.[12]
- Canadian 'golfing experiences' is the main reason for more than 1 million trips (of one night or more) made by Canadian travellers. [13]
- Golf is reported as an activity for as many as 1.7% of all international over-night visitors to Canada (461,200 visitors) and is reported as an activity by 1.5% of all US visitors, 1.8% of visitors from Latin America, 2.7% of all European visitors (including Israel), and 4.2% of all visitors from Asia and the Pacific. [14]
- Over the last two years, 8.2% (18,189,169) of adult Americans played golf in Canada while on an out-of-town, overnight trip of one or more nights. About 33.4% (6,067,369) reported that golfing was the main reason for taking at least one trip to Canada.[15]

[10] Based on a review of publically available data sources, we identified over 500 practices ranges across Canada. More that 400 of these were associated with a golf course.

[11] Canadian Travel Market, Golfing While on Trips Of One or More Nights: A Profile Report, October 3, 2007; www.tourism.gov.on.ca/english/research/travel_activities/CDN_TAMS_2006_Golf_Oct2007.pdf

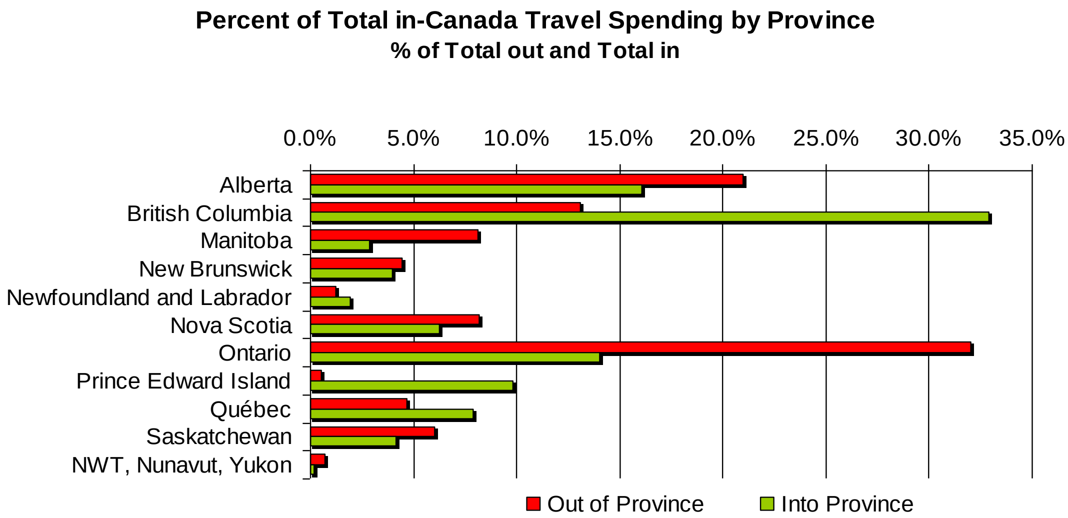
[12] Ibid, page 3

[13] Ibid, page 3

[14] Custom run provided by the Canadian Tourism Commission / Commission canadienne du tourisme using Statistics Canada International Travel Survey data for 2008 preliminary annual roll-up figures

[15] U.S. activity profile: golfing while on trips, TAMS 2006 www.corporate.canada.travel/docs/research_and_statistics/product_knowledge/tams_2006/US_Golfing_en.pdf

- From SNG's primary research, Canadian golfers spend an estimated **$1.8** billion annually on golf related travel within Canada and **$1.7 b**illion on golf related travel outside of Canada.



CANADIAN CHARITIES BENEFITING FROM GOLF

- Based on SNG's primary research, each year there are more than **25,000** charitable events hosted at Canadian courses.
- Through these events, the Canadian Golf industry facilitated about $413.0 million in fund raising for charitable causes across Canada. Money is raised by golf-related and non-golf related events hosted at Canadian courses and by the donations to charitable events paid by tournament and event participants through entrance fees and donations from private and corporate donors, and non-golfers alike.
- In addition to charitable funds raised, Canadian golf courses themselves contributed $8 million in cash donations and another $18 million through in-kind support.

ESTIMATED IMPACT OF GOLF ON PROPERTY VALUES

- The location of houses adjacent to golf courses provides benefits to homeowners that stem from higher home values compared to similar homes that are not adjacent to courses.
- The total incremental impact on home values is estimated at $1.39 billion.

COMPARING GOLF TO OTHER INDUSTRIES[16]

SNG found that golf courses and stand-alone driving ranges earned gross revenue of **$4.7 billion** in 2008**.** Based on Statistics Canada information that provides operator revenues for other sectors, golf courses earn more gross revenue than “skiing facilities” in Canada ($.9B in 2006), more than “fitness and recreational sports centres” ($1.7B in 2006), more than “amusement parks and arcades” ($.4B in 2006), and more than “all other amusement and recreation industries, (excluding gambling)” ($1.8B in 2006).

Golf courses also earn more operating revenues than “promoters of performing arts and sports” ($1.9B in 2007) and “spectator sports” ($2.4B in 2007), which includes the gross revenues earned by the National Hockey League.[17]

[16] Comparison years are from 2006 to 2007 based on publically available results from Statistics Canada’s **Annual Survey of Service Industries: Spectator Sports, Event Promoters, Artists and Related Industries**. www.statcan.gc.ca/daily-quotidien/080605/dq080605c-eng.htm

[17] The Annual Survey of Service Industries: Spectator Sports, Event Promoters, Artists and Related Industries covers four North American Industry Classification System industry groups: spectator sports (7112), promoters of performing arts, sports and similar events (7113), agents and managers for artists, athletes, entertainers and other public figures (7114), and independent artists, writers and performers (7115) www.statcan.gc.ca/daily-quotidien/090316/dq090316c-eng.htm

Provincial summaries

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

BRITISH COLUMBIA

The game of golf contributes an estimated **$1,580.7 million** toward **British Columbia's** Gross Domestic Product (GDP) at market prices. This includes:

- 46,685 jobs;
- $1,087.8 million in household income;
- $160.7 million in property and other indirect taxes; and about
- $256.5 million in income taxes.

Golf in **British Columbia** generates $4,005.6 million in total gross production through direct, indirect and induced spending impacts.

The total direct economic activity (total direct sales) resulting from the **British Columbia's** Golf Industry is estimated at $2,016.9 million. Of this total, the revenues generated directly by golf courses, and their associated facilities is estimated at $617.1 million.

The game of golf is played by an estimated 812,000 resident golfers in **British Columbia** at over 316 golf course facilities.

ALBERTA

The game of golf contributes an estimated **$1,682.5 million** toward **Alberta's** Gross Domestic Product (GDP). This includes:

- 50,270 jobs;
- $1,074.4 million in household income;
- $136.9 million in property and other indirect taxes; and about
- $265.3 million in income taxes.

Golf in **Alberta** generates $4,443.2 million in total gross production through direct, indirect and induced spending impacts.

The total direct economic activity (total direct sales) resulting from the **Alberta's** Golf Industry is estimated at $1,899.5 million. Of this total, the revenues generated directly by golf courses, and their associated facilities is estimated at $646.4 million.

The game of golf is played by an estimated 754,000 resident golfers in **Alberta** at over 331 golf course facilities.

SASKATCHEWAN

The game of golf contributed an estimated $446.0 **million** toward **Saskatchewan's** Gross Domestic Product (GDP). This includes:

- 22,102 jobs;
- $306.9 million in household income;
- $40.3 million in property and other indirect taxes; and about
- $ $71.1 million in income taxes.

Golf in **Saskatchewan** generates $1,045.5 million in total gross production through direct, indirect and induced spending impacts.

The total direct economic activity (total direct sales) resulting from the **Saskatchewan's** Golf Industry is estimated at $552.9 million. Of this total, the revenues generated directly by golf courses, and their associated facilities is estimated at $382.7 million.

The game of golf is played by an estimated 255,000 resident golfers in **Saskatchewan** at over 196 golf course facilities.

MANITOBA

The game of golf contributed an estimated **$452.7 million** toward **Manitoba's** Gross Domestic Product (GDP). This includes:

- 18,025 jobs;
- $309.6 million in household income;
- $44.4 million in property and other indirect taxes; and about
- $76.0 million in income taxes.

Golf in **Manitoba** generates $1,128.9 million in total gross production through direct, indirect and induced spending impacts.

The total direct economic activity (total direct sales) resulting from the **Manitoba's** Golf Industry is estimated at $556.3 million. Of this total, the revenues generated directly by golf courses, and their associated facilities is estimated at $251.9 million.

The game of golf is played by an estimated 282,000 resident golfers in **Manitoba** at over 129 golf course facilities.

ONTARIO

The game of golf contributed an estimated **$4,384.3 million** toward **Ontario's** Gross Domestic Product (GDP). This includes:

- 123,566 jobs;
- $2,970.4 million in household income;
- $496.4 million in property and other indirect taxes; and about

- $693.5 million in income taxes.

Golf in **Ontario** generates $11,467.7 million in total gross production through direct, indirect and induced spending impacts.

The total direct economic activity (total direct sales) resulting from the **Ontario's** Golf Industry is estimated at $4,992.6 million. Of this total, the revenues generated directly by golf courses, and their associated facilities is estimated at $1,655.9 million.

The game of golf is played by an estimated 2.32 million resident golfers in **Ontario** at over 848 golf course facilities.

QUEBEC

The game of golf contributed an estimated **$2,080.9 million** toward **Quebec's** Gross Domestic Product (GDP). This includes:

- 57,890 jobs;
- $1,364.0 million in household income;
- $228.7 million in property and other indirect taxes; and about
- $423.3 million in income taxes.

Golf in **Quebec** generates $5,513.9 million in total gross production through direct, indirect and induced spending impacts.

The total direct economic activity (total direct sales) resulting from the **Quebec's** Golf Industry is estimated at $2,578.8 million. Of this total, the revenues generated directly by golf courses, and their associated facilities is estimated at $732.3 million.

The game of golf is played by an estimated 1.14 million resident golfers in **Quebec** at over 375 golf course facilities.

NEW BRUNSWICK

The game of golf contributed an estimated **$223.1 million** toward **New Brunswick's** Gross Domestic Product (GDP). This includes:

- 7,148 jobs;
- $150.5 million in household income;
- $22.7 million in property and other indirect taxes; and about
- $39.1 million in income taxes.

Golf in **New Brunswick** generates $603.4 million in total gross production through direct, indirect and induced spending impacts.

The total direct economic activity (total direct sales) resulting from the **New Brunswick's** Golf Industry is estimated at $340.3 million. Of this total, the revenues generated directly by golf courses, and their associated facilities is estimated at $101.5 million.

The game of golf is played by an estimated 147,000 resident golfers in **New Brunswick** at over 52 golf course facilities.

NOVA SCOTIA

The game of golf contributed an estimated **$262.5 million** toward **Nova Scotia's** Gross Domestic Product (GDP). This includes:

- 8,944 jobs;
- $185.0 million in household income;
- $25.3 million in property and other indirect taxes; and about
- $47.0 million in income taxes.

Golf in **Nova Scotia** generates $649.9 million in total gross production through direct, indirect and induced spending impacts.

The total direct economic activity (total direct sales) resulting from the **Nova Scotia's** Golf Industry is estimated at $307.8 million. Of this total, the revenues generated directly by golf courses, and their associated facilities is estimated at $166.0 million.

The game of golf is played by an estimated 142,000 resident golfers in **Nova Scotia** at over 85 golf course facilities.

PRINCE EDWARD ISLAND

The game of golf contributed an estimated $60.8 **million** toward **Prince Edward Island's** Gross Domestic Product (GDP). This includes:

- 2,605 jobs;
- $46.4 million in household income;
- $5.6 million in property and other indirect taxes; and about
- $10.4 million in income taxes.

Golf in **Prince Edward Island** generates $134.5 million in total gross production through direct, indirect and induced spending impacts.

The total direct economic activity (total direct sales) resulting from the **Prince Edward Island's** Golf Industry is estimated at $81.7 million. Of this total, the revenues generated directly by golf courses, and their associated facilities is estimated at $62.5 million.

The game of golf is played by an estimated 28,000 resident golfers in **Prince Edward Island** at over 32 golf course facilities.

NEWFOUNDLAND AND LABRADOR

The game of golf contributed an estimated $124.3 **million** toward **Newfoundland and Labrador's** Gross Domestic Product (GDP). This includes:

- 3,642 jobs;
- $75.4 million in household income;
- $7.9 million in property and other indirect taxes; and about
- $18.9 million in income taxes.

Golf in **Newfoundland and Labrador** generates $308.8 million in total gross production through direct, indirect and induced spending impacts.

The total direct economic activity (total direct sales) resulting from the **Newfoundland and Labrador's** Golf Industry is estimated at $208.0 million. Of this total, the revenues generated directly by golf courses, and their associated facilities is estimated at $46.9 million.

The game of golf is played by an estimated 76,000 resident golfers in **Newfoundland and Labrador** at over 24 golf course facilities.

YUKON

The game of golf contributed an estimated $13.7 **million** toward **Yukon's** Gross Domestic Product (GDP). This includes:

- 411 jobs;
- $10.0 million in household income;
- $1.0 million in property and other indirect taxes; and about
- $2.0 million in income taxes.

Golf in **Yukon** generates $33.3 million in total gross production through direct, indirect and induced spending impacts.

The total direct economic activity (total direct sales) resulting from the **Yukon's** Golf Industry is estimated at $22.7 million. Of this total, the revenues generated directly by golf courses, and their associated facilities is estimated at $7.8 million.

The game of golf is played by an estimated 10,000 resident golfers in **Yukon** with 4 golf course facilities identified.

NORTHWEST TERRITORIES

The game of golf contributed an estimated **$20.9 million** toward the **Northwest Territories'** Gross Domestic Product (GDP). This includes:

- 473 jobs;
- $12.6 million in household income;
- $1.4 million in property and other indirect taxes; and about
- $3.2 million in income taxes.

Golf in the **Northwest Territories** generates $51.4 million in total gross production through direct, indirect and induced spending impacts.

The total direct economic activity (total direct sales) resulting from the **Northwest Territories'** Golf Industry is estimated at $28.3 million. Of this total, the revenues generated directly by golf courses, and their associated facilities is estimated at $9.8 million.

The game of golf is played by an estimated 12,000 resident golfers in **Northwest Territories** with 5 golf course facilities identified.

NUNAVUT

The game of golf contributed an estimated **$1.9 million** toward **Nunavut's** Gross Domestic Product (GDP). This includes:

- 33 jobs;
- $1.3 million in household income;
- $0.1 million in property and other indirect taxes; and about
- $0.3 million in income taxes.

Golf in **Nunavut** generates $5.8 million in total gross production through indirect and induced spending impacts.

The total direct economic activity (total direct sales) resulting from the **Nunavut's** Golf Industry is estimated at $**0.0** million..

No data is available for the number of resident golfers or golf course facilities in **Nunavut**.

Study methodology

The methodology for this study, conducted by Strategic Networks Group (SNG Inc.), centred on primary survey research and use of inter-regional *input-output* impact modelling. The survey research included a **nation-wide survey of more than 4,000 golfers and a nation-wide survey of 350 golf courses**.

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

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

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

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

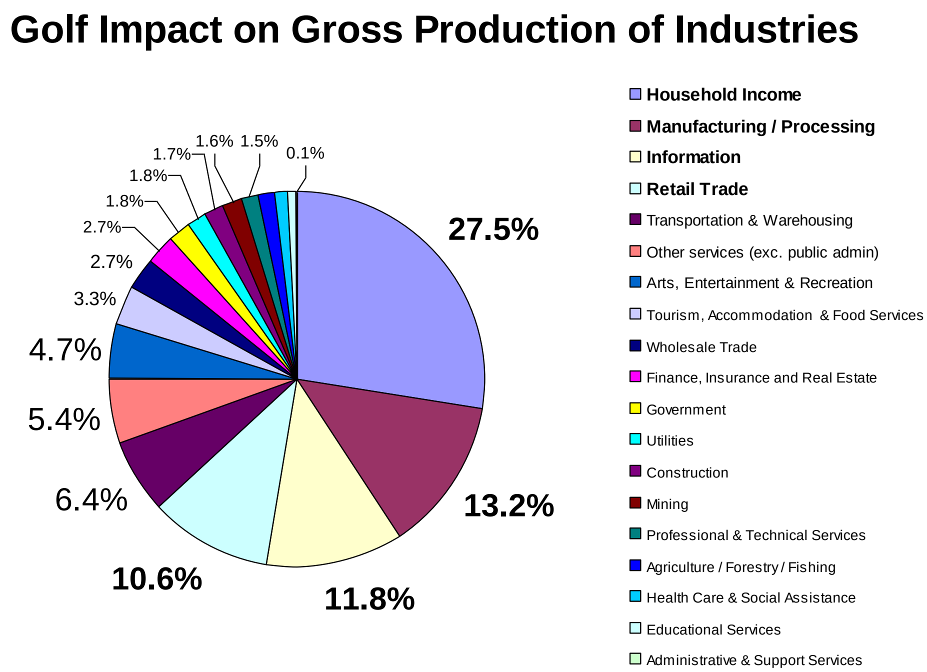
- expenditures on golf equipment and supplies;
- expenditures on golf play and related services;
- participation at and spending on golf-related charity events;
- expenditures on golf activities during personal and business travel; property ownership in golf-oriented developments; and,
- golfer personal profile information.
- Secondary sources were also referenced, including Golf 20/20, Statistics Canada, the RCGA, NGCOA, and CSCM.

"GOLF CLUSTER"

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

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

Impacts on Gross Production – Canada ($ millions)			
Industries	Direct (Initial)	Indirect + Induced	Total
Crop and Animal Production	$37.0	$246.1	$283.1
Forestry and Logging	$2.2	$90.0	$92.2
Fishing, Hunting and Trapping	$3.2	$10.1	$13.3
Support Activities for Agriculture and Forestry	$2.5	$16.6	$19.0
Mining and Oil and Gas Extraction	$55.9	$410.2	$466.1
Utilities	$166.4	$358.6	$525.0
Construction	$300.2	$206.9	$507.1
Manufacturing	$1,365.9	$2,532.7	$3,898.6
Wholesale Trade	$136.3	$665.4	$801.7
Retail Trade	$2,084.3	$1,039.3	$3,123.6
Transportation and Warehousing	$31.3	$897.8	$929.1
Information and Cultural Industries	$185.3	$777.8	$963.1
Finance, Insurance and Real Estate Services	$103.4	$3,374.0	$3,477.4
Professional, Scientific and Professional Services	$81.2	$706.8	$788.0
Administrative & Support, Waste Management	$75.1	$370.0	$445.1
Education Services	$4.0	$30.5	$34.5
Health Care and Social Assistance	$0.0	$212.5	$212.5
Arts, Entertainment and Recreation	$112.8	$180.8	$293.6
Accommodation and Food Services	$775.8	$624.9	$1,400.7
Other Services (except public administration)	$212.9	$316.7	$529.6
Operating, Office, Cafeteria Supplies	$23.2	$424.5	$447.7
Travel, Entertainment, Advertising	$874.3	$559.9	$1,434.2
Transportation Margins	$18.6	$154.3	$172.9
Non-Profit Institutions Serving Households	$285.2	$246.4	$531.6
Government Sector*	$75.8	$332.0	$407.7
Households	$1,551.2	$6,043.1	$7,594.3
Total	$8,564.0	$20,827.8	$29,391.8



MEASURING INDIRECT IMPACTS

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

MEASURING INDUCED IMPACTS

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

GLOSSARY OF TERMS

Terms discussed in this report are defined below:

- **Direct Effects/Impacts** – These include the cash operating expenditures and gross profit before taxes and depreciation of golf courses and driving ranges;

- **Indirect Effects/Impacts** – These include the cash operating expenditures and gross profit before taxes and depreciation of all industries that supply goods and services to golf courses and driving ranges and to industries that produce goods and services for golf courses and driving ranges (For example, the production of fertilizer for sale to a golf course is an indirect effect, as is the production of gods and services that provide inputs to the fertilizer manufacturer.);

- **Induced Effects/Impacts** – Induced effects measure the purchases of households when they re-spend the income they earn working directly for golf courses and driving ranges and industries that produce the indirect impacts.

- **Spin-off Effects** – These are the sum total of the indirect and induced impacts.

- **Total Economic Impact** – The sum of the direct, indirect and induced impacts.

- **Gross Domestic Product (GDP) at Market Prices** – The golf industry's contribution to GDP (at market prices) is the

  - sum of its wages and salaries, supplementary labour income, mixed income, other operating surplus, indirect taxes on production and indirect taxes on products;

  - less subsidies on production and subsidies on products.

- **Gross Production** –This is the sum of all sales by an industry.

- **Gross Impacts/Effects** – The full economic effects as they pertain to direct, indirect and induced effects without removal of impacts that might otherwise have occurred. For example, if the game of golf did not exist one would expect that the money spent on golf would be spent on other activities, which would also result in direct, indirect and induced impacts. The incremental impact would be the difference between the total impacts of golf versus the total impacts of alternative spending.

Statistical summary tables

The combined impacts of the Canadian Golf Industry through all effects (direct, indirect and induced) are summarized in the following tables.

GROSS EMPLOYMENT IMPACT

Total golf related spending in Canada estimated at $13.5 billion, generates 373,355 jobs Canada-wide through the equivalent of:

- 155,024 direct jobs; and
- 186,770 indirect + induced jobs.

Summary Gross Golf Related Employment Impacts (Jobs), Canada

Province	Direct	Spinoff (Indirect and Induced)	Total
BC	19,328	27,357	46,685
AL	26,083	24,187	50,270
SK	15,445	6,657	22,102
MN	10,165	7,859	18,025
ON	53,830	69,736	123,566
QC	20,086	37,804	57,890
NB	2,596	4,551	7,148
NS	4,244	4,700	8,944
PE	1,598	1,007	2,605
NL	1,198	2,444	3,642
YK	200	211	411
NW	250	223	473
NU	-	33	33
TOTAL	155,024	186,770	341,794

GROSS HOUSEHOLD INCOME IMPACTS

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

Province	Direct	Spinoff (Indirect and Induced)	Total
BC	$204.9	$883.3	$1,087.8
AL	$214.6	$860.2	$1,074.4
SK	$126.8	$180.0	$306.9
MN	$83.5	$226.1	$309.6
ON	$548.8	$2,421.6	$2,970.4
QC	$242.7	$1,121.3	$1,364.0
NB	$33.7	$116.9	$150.5
NS	$55.0	$130.0	$185.0
PE	$20.7	$25.7	$46.4
NL	$15.5	$59.8	$75.4
YK	$2.6	$7.4	$10.0
NW	$3.2	$9.4	$12.6
NU	$-	$1.3	$1.3
TOTAL	$1,551.2	$6,043.1	$7,594.3

SUMMARY OF GDP IMPACTS

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

Province	Direct	Spinoff (Indirect and Induced)	Total
BC	$494.5	$1,086.2	$1,580.7
AL	$472.4	$1,210.1	$1,682.5
SK	$113.7	$332.3	$446.0
MN	$133.0	$319.7	$452.7
ON	$1,286.3	$3,098.0	$4,384.3
QC	$661.3	$1,419.6	$2,080.9
NB	$76.6	$146.6	$223.1
NS	$75.7	$186.8	$262.5
PE	$16.8	$44.0	$60.8
NL	$44.7	$79.6	$124.3
YK	$4.6	$9.1	$13.7
NW	$5.7	$15.2	$20.9
NU	$0.6	$1.3	$1.9
TOTAL	$3,385.9	$7,948.5	$11,334.4

SUMMARY OF GROSS PRODUCTION IMPACTS

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

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

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

Province	Direct	Spinoff (Indirect and Induced)	Total
BC	$1,317.7	$3,127.0	$4,444.7
AL	$1,416.1	$3,583.2	$4,999.2
SK	$2.5	$16.6	$19.0
MN	$394.9	$867.0	$1,261.8
ON	$3,561.0	$9,313.9	$12,874.9
QC	$1,840.6	$4,334.1	$6,174.7
NB	$230.8	$439.8	$670.6
NS	$229.5	$491.5	$721.0
PE	$56.0	$92.6	$148.6
NL	$122.8	$225.2	$348.0
YK	$12.8	$24.2	$37.0
NW	$16.0	$41.2	$57.1
NU	$1.4	$5.3	$6.7
TOTAL	$9,589.1	$23,309.7	$32,898.7

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