



# THE STATE OF THE INDUSTRY

## 2023 REPORT





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## HOW BIG IS THE INDUSTRY?

Golf has been played for over **500 years**. Google its origins, and you'll find it predates the piano's invention. It's a big business. Do you know there are almost **14,000 golf facilities** in the United States? That's more locations than McDonald's or even Starbucks? Or that golf raises nearly **\$4 billion** for charity each year, more than the NFL, NBA, MLB, and NHL, combined?

Today, golf is a **\$95 billion** industry driving 1.9 million jobs and \$62 billion in wages and benefits. The industry generated nearly \$200 billion in annual activity when tourism and other golf related business is considered.

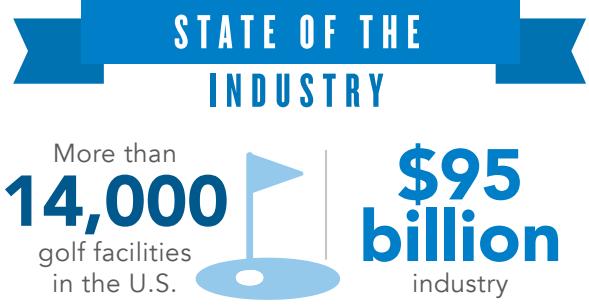
The National Golf Foundation reports that of the 14,033 facilities in the U.S., 3,674 are private, 2,551 are municipal, and the balance, 7,808, are public courses. Of these, 2,095 facilities are managed by third-party management companies like Bobby Jones Links. The average golf course played **39,000 rounds**, yet the average amount paid by a golfer to play at public courses is still **just \$41**, despite increasing by 13% last year.

### Golf course closures still outnumber new openings.

In 2022, 97 golf courses closed, down from a high of 273 in 2019. However, 23 new golf courses were opened, the most since 2010. Incredibly, and as a point of reference, 283 new courses were built in 2001, the high water mark of this century.

## Is It Here To Stay?

**It was another banner year for golf and clubs in 2022.** Despite the worst weather in 20 years, the pandemic spike in play and interest in joining a club still remained strong, leaving the industry wondering, "Is this here to stay?"



## The Pandemic Spike

stayed with us in 2022

The 2nd year in a row with over **500 million** golf rounds played

**28 million**  
off course participants

**★ 25.6 ★ million**  
golfers, 15% higher than before Covid

**Inflation**, a possible **Recession**, the **Supply Chain**, and finding **Quality Employees** are the biggest challenges every club faces.

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## THE PANDEMIC SPIKE STAYED WITH US

Rounds and participation continued to outpace pre-Covid levels, with last year running **15% above the average of the 2017-2019 period**. This equates to **25.6 million golfers** playing an average of nearly **20 rounds annually**, the latter being its highest since 1986.

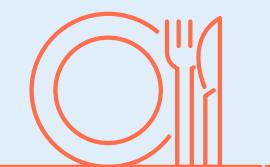
Play went over the historical highwater mark of **500 million rounds** for the second year in a row. This is even though the weather was horrible. The number of **playable golf hours**, a formula accounting for weather, daylight hours, and temperature, **declined 9%** nationwide and was at its lowest point in 20 years.

There were 1.5 million new golfers. Approximately 80% of these new golfers are under 45, while the average golfer is 42. Search engine data indicates that golf search popularity reached its highest point in 13 years. **The Baby Boomers still play the most rounds** - over 50% of the 501 million golf rounds.

**Gains off the golf course were even greater.** There were **28 million** off course participants. As anticipated, the total off-course engagement, people hitting balls at golf entertainment venues, in simulators, or at driving ranges, has, for the first time, eclipsed those who play on the course.

## WHY WE PREPARE THIS REPORT

Bobby Jones Links is constantly analyzing industry data and researching trends so that we can adjust our business plans and recommendations to our clients, efforts that result in better financial performance, enhance member engagement, drive more daily fee rounds, and deliver on our promise to make a difference at our clubs.



## Key Trends You Should Know

- For years golf was the number one reason for joining a golf or country club. In the last few years, **dining** and socializing with friends has become a close second to golf as one of the main reasons people join a club.

### ■ Pickleball is all the rage.

And it is gaining even more momentum. It's now common to see private clubs add pickleball courts or convert their tennis courts for their use.



- **Women today make approximately 85% of discretionary buying decisions**, such as joining a club. Women over 50 control 75% of the nation's wealth. This often makes them the primary decision maker when joining a club.

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## Key Trends You Should Know (cont.)

- Successful clubs are innovating and making their club more **relevant to the younger generations**. They are eliminating many of the traditional rules and policies. Importantly, they focus not on one amenity but on the club's overall lifestyle.
- **Renovations remain hot.** Most construction companies are so busy that they are booked through 2023. Master plans and total renovations are now the number one activity for course architects, pushing the enhancement of practice facilities to the second spot.
- **Inflation** is taking a bite out of our improved revenues; we need more rate, fee, and dues increases to show real profit growth – but will golfers and club members react by playing less or leaving? We don't know.

■ **The biggest challenge to clubs** remains attracting and retaining great employees. Even though the economy may be on the verge of a recession, it may be cooling off soon, hiring well is a major challenge. The pipeline of young people desiring to work in the club business is anemic and is at its lowest point in 50 years.



■ **The supply chain is still a problem.** If your club orders new maintenance equipment or golf cars, it might be up to a year until they are delivered.



■ According to the National Golf Foundation, clubs are reporting their financial health is at its best in years. Prior to Covid, **only 40% of clubs reported being healthy. In 2022, that increased to at least 75%**.



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## A WORD ABOUT PRIVATE CLUBS

**The pandemic boost has been very beneficial for private clubs too.** Initiation fees are significantly higher, more clubs have waiting lists, and dues are at their highest level. Many clubs now have the funding available to address deferred maintenance and add new amenities.

However, operating a successful private club is still very challenging. According to Club Benchmarking, one of the leading private club consultants in the industry, private clubs fall into one of these three buckets:



### SHUN CHANGE - STAGNANT

#### 25% Shrinking

1. Too few members as a result of weak member experience
2. Narrow breadth of lackluster services and amenities
3. Weak Balance Sheet
4. Operational Governance over Strategic Governance
5. Members think like Customers, not like Owners



### EVOLVING SLOWLY

#### 50% Sideways - Moderate Growth

1. Barely adequate to adequate number of members.
2. Lackluster to above average services and amenities.
3. Average Balance Sheet
4. Bounce between Operational and Strategic Governance
5. Mix of members who think like Customers and like Owners



### EMBRACE CHANGE - DYNAMIC

#### 25% Growing Purposefully

1. Full Membership Roster
2. Compelling member experience with broad array of services and amenities
3. Strong Balance Sheet
4. Focus of Governance is on making the club better (can still be stuck in Operational Governance at times)
5. Most members think like Owners and take pride