



ARIZONA ALLIANCE FOR GOLF UNIFY. PROTECT. EDUCATE.

STUDY FINDS ARIZONA GOLF INDUSTRY CREATES \$6 BILLION ECONOMIC IMPACT WHILE USING ONLY 2% OF THE STATE'S WATER TO SERVE 16.6 MILLION ROUNDS

PHOENIX (Feb 1, 2023) – A study released today estimated Arizona’s golf industry produced \$6 billion in economic activity while using only 2% of daily statewide water to serve 16.6 million golf rounds in 2021. This economic output supported nearly 66,200 jobs, provided \$2.3 billion in wages and generated \$518 million in state and local tax revenues.

“The positive impact to our community provided by the golf industry is good for everyone, even for those who don’t play,” said Joe Foley, Arizona Golf Association Executive Director and Arizona Alliance for Golf (AAG) executive committee member. “It’s one of the most impactful ways we give back, with many community-support organizations hosting their own golf fundraisers every year, as well as direct support from events like the WM Phoenix Open. And using 2% of the state’s water in the process plainly shows that the golf industry efficiently manages the vital resources we all depend on.”

Conducted by Rounds Consulting Group in partnership with AAG, “[The Economic Contribution of Arizona’s Golf Industry](#),” gathered and quantified the economic and environmental impacts directly and indirectly attributed to Arizona’s golf industry in 2021.

Arizona’s golf industry also drives hundreds of millions of charitable fundraising dollars to local non-profits. For example, the WM Phoenix Open raised \$10.2 million in 2022 alone. The game also funds youth golf programs, which provide opportunities for Arizona kids to maintain physical and mental health and develop life skills.

Among environmental benefits, the report also finds that golf courses are effective at mitigating the urban heat island effect due to abundant tree cover and green spaces.

“An affinity for this sport is not a prerequisite to benefit from its reach,” said Ron Price, President and CEO of Visit Phoenix and AAG board member. “Tourism is big business in Arizona. The quality and variety of golf courses here play a major role in helping the state attract millions of travelers each year. In 2021, the City of Phoenix welcomed more than 16 million who spent more than \$3.2 billion. This impacts a broad range of businesses, both small and large, throughout greater Phoenix and the state.”

STATEWIDE WATER USE

Crop irrigation was the largest water use category, with 73.5% of Arizona’s total daily withdrawal, and public supply, which includes domestic and commercial water usage, accounted for 20.7%. Industrial and manufacturing used 2.6% of daily water use, and the “other” category, livestock and aquaculture water, accounted for 1.2% of Arizona’s daily water use.

KEY ECONOMIC DRIVER

The \$6 billion total economic output included activity across golf courses, golf facilities, golf-related businesses, and golf-related tourism supported nearly 66,200 Arizona jobs in 2021. These workers were paid a total of \$2.3 billion in wages. Overall, the activity of the golf industry generated a total of \$518 million in state and local tax revenues in 2021. These tax revenues were generated by retail sales, green fees, utility use, property taxes, income and payroll taxes, lodging taxes, restaurant and bar sales, and by various other taxes and fees.

The golf industry is a tourism and small business supporter, with 9% of Arizona visitors playing golf in 2021, compared to 6% in 2019, who visit dozens of local businesses during their stay.

Arizona's residential real estate market benefited from the golf industry through higher property values and average sale prices. Price premium of all existing golf community homes in Arizona were \$2.05 billion in 2006, \$2.06 billion in 2014 and \$2.24 billion in 2019. This represented \$16.2 million in additional property tax revenues.

Golf course homes sell for 18 to 40% higher average prices, compared to homes in the immediate area. Furthermore, the golf industry is a critical element of residential home development in Arizona. It is likely that without golf, the development of residential communities in areas would have been hindered in terms of quantity and quality.

ENVIRONMENTAL FOCUS

The urban heat island effect is particularly severe in areas of extreme heat, leading to health and economic consequence. The Nature Conservancy estimates that without taking any measures in Maricopa County to mitigate the heat island effect, the rising temperatures and increasing pollution will cost an estimated \$1.9 billion annually by 2050.

Enhancing tree canopy coverage and other vegetation is one of the most effective strategies to reduce the heat island effect. In fact, Maricopa County, City of Phoenix and City of Tempe are partnering with urban forestry groups to achieve 25% tree canopy coverage.

Urban Climate Research Center estimates that even a one-degree reduction in the average annual temperature would save Phoenix residents an estimated \$15 million annually due to reduced demand on the electrical grid.

Golf courses mitigate the heat island effect with abundant tree cover and green spaces. For example, the presence of the golf courses in Scottsdale helps save residents approximately \$30 million in utility costs annually.

To achieve 25% tree canopy coverage throughout Maricopa's urban areas, a total of 133,300 acres needs to be covered, likely with public/private funding. Existing golf courses effectively save future tree canopy programs an estimated \$500 million in publicly funded installation and maintenance costs.

SOCIOECONOMIC IMPACTS

Arizona's golf industry drives hundreds of millions of dollars in charitable fundraising for local non-profits such as Hospice of the Valley, Boys and Girls Clubs, and the Special Olympics, to name a few. The WM Phoenix

Open, alone, raised \$10 million for local Arizona charities in 2022. And since 2012, it has raised a jaw-dropping \$110 million.

Youth golf programs provide opportunities for players and spectators to maintain their physical and mental health. The First Tee develops life skills that improve self-confidence and self-image, encourage problem solving, decision-making skill, and reinforces the importance of integrity, perseverance and sportsmanship. These skills are taught through golf-related exercises, empowering students to overcome the challenges they face off the course.

Golf provides physical exercise, requiring four hours of significant walking, even with golf cart. The physical exercise and social benefits of interacting with friends and family also provides proven mental health benefits.

Other Findings

The report noted Arizona's golf industry as showing strong growth, even during the pandemic, in rounds and popularity, hosting 16.6 million golf rounds in 2021, a 4% increase. It's a healthy market, resistant to business cycle, with conservative saturation. Employment at Arizona's golf courses and non-course facilities increased by 8.9% from 2019 to 2021, which exceeded the overall statewide employment growth rate during the same timeframe.

ABOUT ARIZONA ALLIANCE FOR GOLF

Representing millions of Arizonans who rely on the game of golf and the travel and lifestyle attractions that draw millions each year to the Grand Canyon State, the Arizona Alliance for Golf (AAG) was formed in 2022 to unify local allied associations, non-profits, private industry and consumers to speak with one voice for the purpose of protecting Arizona's golf industry by educating the broader community, policymakers, and governmental agencies about issues shaping the future of golf in Arizona. Visit AZAllianceForGolf.org to learn more.