



ARIZONA ALLIANCE FOR GOLF

UNIFY. PROTECT. EDUCATE.

ARIZONA GOLF INDUSTRY: \$6 BILLION ECONOMIC IMPACT, 2% WATER USE

In 2021, Arizona's golf industry produced an estimated \$6 billion in economic activity while using only 2% of daily statewide water to serve 16.6 million golf rounds. This economic output supported nearly 66,200 jobs, provided \$2.3 billion in wages and generated \$518 million in state and local tax revenues.

ECONOMIC AND ENVIRONMENTAL IMPACT STUDY

These and other findings were uncovered by an Arizona golf industry study released in January 2023 conducted by Rounds Consulting Group, in partnership with the Arizona Alliance for Golf. Titled "The Economic Contribution of Arizona's Golf Industry," the study gathered and quantified the economic and environmental impacts directly and indirectly influenced by golf in Arizona during 2021. The full report provides detailed citation and support for the following summary.

LOW WATER USAGE

- 2%: Golf course irrigation accounts for 2% of daily water use statewide.
- 73.5%: Crop irrigation was the largest at 73.5% of total daily withdrawals.
- 20.7%: Public supply accounted for 20.7%.
- 2.6%: Industrial/manufacturing came in at 2.6%.
- 1.2%: Other use categories accounted for 1.2%.
- These efforts include finding ways to utilize reclaimed wastewater by filtering it to meet quality standards (non-potable) and then recycling this water for irrigation.

KEY ECONOMIC DRIVER

- \$6 billion in economic activity was produced in 2021 by the golf industry
- 66,200 jobs were supported, including golf course and golf-related businesses.
- \$2,283,332,500 in total wages earned.
- \$518 million in tax revenue was generated.

TOURISM & SMALL BUSINESS SUPPORTER

- Tourism Supporter: 9% of Arizona visitors played golf in 2021.
- Small Business Supporter: The golf industry supports dozens of local businesses, including retail, manufacturing, professional services and software development, among others.

IMPACTS ON PROPERTY VALUES

- Residential real estate values are positively affected by golf.
 - Price premium of all existing golf community homes in Arizona
 - \$2.05 billion – 2006
 - \$2.06 billion – 2014
 - \$2.24 billion – 2019
 - This premium represented \$16.2 million in additional property tax revenues.

- Higher average sale prices for golf course homes compared to the immediate area.
 - 2017 sale price data of homes sold in selected residential golf communities.
 - Paradise Valley
 - Average of \$435,500 for golf adjacent compared to for \$267,700 non-adjacent.
 - Larger neighborhood regions
 - Golf course premium ranged from 18 to 40%.
- The average price per square foot is higher for golf course homes.
 - Higher across five of six square-footage categories, with the greatest premium in homes of 3,500 square-feet at 17.7% higher.
- 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 like North Scottsdale and the West Valley would have been hindered in terms of quantity and quality.

ENVIRONMENTAL FOCUS

- Heat Island Effect
 - Particularly severe in areas of extreme heat, high temperatures carry health and economic consequences.
 - 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.
- 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 are effective at mitigating the heat island effect due to abundant tree cover and green spaces.
 - 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 the urban areas of Maricopa, a total of 133,300 acres needs to be covered, 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 golf industry also enhances the quality of life of residents.
 - Charitable Giving
 - 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.
 - WM Phoenix Open hosted by The Thunderbirds at TPC Scottsdale

- In 2022, it raised \$10.2 million for local Arizona charities.
- Since 2012, it has raised \$110 million for Arizona charities.
- Youth golf programs provide opportunities for Arizona kids through The First Tee, Youth on Course and Junior Golf Association of Arizona, among others. Plus, these programs help students to maintain physical and mental health and develop life skills.
- These skills are taught through golf-related exercises, empowering students to overcome the challenges they face off the course.
- Provides Physical Exercise
 - Requires four hours of significant walking, even with golf cart.
 - This level of physical activity has a variety of health benefits.
- Boosts Mental Health
 - Physical activity, such as golf, also provides various benefits for mental health issues.
- Social benefits
 - The mental health benefits of interacting in social settings like golf are well documented.

STRONG GROWTH

- Arizona's golf industry continues to grow, even during the pandemic, with more than 16.6 million golf rounds played in 2021, a four percent year-over-year increase.
- Popularity: 10% of Arizonans played a round of golf in 2021, compared to the 8% national average.

HEALTHY MARKET

- Properly Planned: Arizona ranks 30th nationwide for golf accessibility, with an appropriately planned number of golf holes per person. Conservative market saturation supports the assertion that golf is a major economic contributor, without overgrowth.
- Business Cycle Resistant: Employment at Arizona's golf courses and non-course facilities increased by 8.9 percent 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 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.