

HAWAI'I GOLF ECONOMY

2023 ECONOMIC IMPACT ANALYSIS

SUMMARY REPORT



ALOHA SECTION
FOUNDATION

SUMMARY REPORT

ECONOMIC CONTRIBUTION TO THE STATE OF HAWAII

The Hawai'i Golf Economy Summary Report is a condensed version of key findings of the 2023 Economic Impact Analysis (EIA) conducted by Kealapono, LLC and presented at the Hawai'i Golf Industry Conference in September 2023. The complete report can be downloaded at the Aloha Section PGA website.

Golf is a significant driver of economic activity across the State of Hawai'i. Direct operational expenditure such as golf facility revenue and capital investment totaled **\$393M**. Additionally, golf tourism and golf-related retail spending generated over **\$1B** in revenue to the state. Golf courses increased home values by an estimated **32%** percent as compared to non-adjacent properties, and real property tax collections in golf course communities amounted **\$2,695,761**.

The golf industry also indirectly supports other Hawai'i businesses that serve and supply golf courses. Revenue generated by amateur and professional golf tournaments, specifically the four televised PGA, LPGA and Champions Tour events in Hawai'i totaled an estimated **\$20.3M***, while providing marketing exposure to national and global tourism markets. Finally, annual events held at state golf courses served as valuable fundraising vehicles for local charities and foundations.

The EIA estimated that the total contribution of the golf industry to the Hawai'i economy was **\$3.4 Billion**.

* Excluding the tournament purse and costs for TV broadcasting in 2022.

**\$530
MILLION**
DIRECT IMPACT

**\$1.3
BILLION**
INDIRECT IMPACT

**\$1.6
BILLION**
INDUCED IMPACT



**\$3.4
BILLION**
TOTAL CONTRIBUTIONS

COVER PHOTO
KAPALUA PLANTATION COURSE -HOLE #18
PHOTO BY- DAVE SANSOM

ECONOMIC CONTRIBUTION

Economic impact analysis is an effective way of modeling how activity in a single local industry contributes to changes in the overall level of economic activity in the state economy. In the case of the Hawai'i golf industry, the analysis focused on the direct and indirect effect of six revenue generating components and the induced effect of the golf industry influenced by an output multiplier.

DIRECT ECONOMIC IMPACT - CORE INDUSTRIES



INDIRECT ECONOMIC IMPACT - ENABLED INDUSTRIES



The induced effect is the additional economic activity resulting from the spending of golf-related retailers, service providers and their employees. A portion of every dollar earned is spent and re-spent multiple times throughout the economy as it passes



GOLF'S IMPACT ON QUALITY OF LIFE IN HAWAII'

Golf courses can elevate the quality of life in a community by helping to improve health and well-being and by providing an outlet for life-long recreation. Seventy-two percent (72%) of the state's 79 golf courses are open to the public, providing easily accessible outdoor recreation, at a range of prices, to an estimated 90,361 Hawai'i Golfers.

LIVING

Hawai'i golf courses include approximately 12,600 acres, almost 20 square miles, of open space in ideal outdoor settings from the mountains to the ocean. In addition to its role as an economic engine for the state, the game also supports the well-being for over 500,000 local residents and visitors on an annual basis. According to a 2019 study that included data from 19,806 participants, spending at least 120 minutes in nature per week can significantly boost health and wellbein.

JUNIOR GOLF

Junior golf thrives year-round in Hawaii, with programs across municipal, private, resort, and military courses, as well as high school initiatives, multiple junior golf associations, and PGA Junior League options on every island. Leading these efforts is the Hawaii State Junior Golf Association / The Frist Tee of Hawaii, boasting 273 participants in 2022 state tournaments and engaging 2,200 children statewide. Notably, the HSJGA/First Tee awarded over \$40,000 in educational scholarships that year. Alumna Allison Corpuz's victory in the 2023 United States Women's Open at Pebble Beach showcases the program's success. Continuously investing in Hawaii's diverse youth, the program instills values of honesty, integrity, and perseverance while fostering holistic development.



GOLF'S IMPACT ON QUALITY OF LIFE IN HAWAII

STEWARDING THE LAND

The Hawai'i golf industry spent \$67 million maintaining 79 courses across the state in 2022, including trimming trees and cutting grasses in the out of play areas along its boundaries. This stewardship practice is particularly important for the 32 communities statewide abutting a golf course who directly benefit from the control and removal of potential fuel for wildland fires that typically occurs in unmaintained trees, shrubs and grasses. Additionally, 67% of the courses used a nonpotable water supply source for irrigation, significantly reducing the demand for freshwater sources. The golf courses that used non-potable water for irrigation relied on a variety of sources including on property wells (34%), private water systems (24%) and water catchments (2%).

ADDING VALUE

In most real estate markets residential housing on the perimeter of open spaces enjoy a higher market value as compared to nearby housing without open space views. Overall, open space is a value-add and property owners are willing to pay a premium for proximity to these places. Research has shown that sharing a property line with a golf course increases residential property values for parcels on or near the course and that property values decrease as the distance between the parcel and the golf course increases. In 2022, the real estate value-add for home owners in all golf course communities in Hawai'i was \$343 million.

GIVING

Charitable golf events serve as important fundraisers for many local charitable organizations. In 2022, the golf courses in the sample hosted 327 charitable golf events and discounted green fees valued at \$1,428,848. In addition, the courses donated rounds of golf to be given away or auctioned at on-course and off-course charitable events valued at \$805,518.



\$67 MILLION
SPENT ON GOLF COURSE
MAINTENANCE & VEGETATION
REMEDATION



67%
IRRIGATION WATER COMES FROM
A NON-POTABLE SOURCE



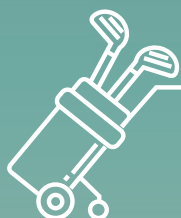
\$343 MILLION
IN ADDITIONAL MARKET VALUE
FOR HOMEOWNERS IN GOLF
COURSE COMMUNITIES



HAWAI'I GOLF FACTS

DATA COLLECTED FROM 2022 ECONOMIC IMPACT STUDY OF THE HAWAII GOLF INDUSTRY

54,888 IS THE AVERAGE # OF ROUNDS A COURSE PRODUCES PER YEAR



288 ROUNDS PER DAY
ESTIMATED # OF AVAILABLE ROUNDS AT A GOLF COURSE

120,726 ROUNDS
HIGHEST # OF ROUNDS AT ONE COURSE

68% OF ALL ROUNDS PLAYED ARE HAWAII RESIDENTS



ESTIMATED ANNUAL CAPACITY OF A GOLF COURSE AT FULL UTILIZATION

102,240 ROUNDS

\$51

AVAREAGE WEEKDAY RESIDENT GREEN FEE



\$38

ANNUAL REVPAR FOR GOLF COURSES

\$11.5 MILLION
HIGHEST GROSS REVENUE



4,578
INDUSTRY JOBS



\$21 MILLION
CAPITAL PROJECTS



72% OF COURSES ARE OPEN FOR PUBLIC PLAY



53%
COURSE UTILIZATION RATE



143 YEARS
GOLF'S HISTORY IN HAWAI'I



335 DAYS OPEN FOR BUSINESS
AVERAGE BASED ON 79 FACILITIES

72 AVERAGE TEE TIMES
AVAILABLE PER DAY