



Golf Market Facts ~ February 2009

Decatur and Macon County have endured significant economic and demographic shifts over the past 10 to 15 years, which have had considerable effects on Decatur Park District golf operations.

Economic Factors

- The larger Park District golf service area includes residents in Decatur and the 5 zip codes surrounding Decatur. Population in this 5 zip code area decreased from 104,100 in 1990 to 97,600 in 2008. This service area accounted for about 96% of rounds in 2007 and 2008.
- Population levels for the City of Decatur (Decatur Park District) have declined from 85,000 in 1990 to 75,000 in 2008.
- Decatur has seen the largest population declines in residents aged 25 – 44, the age range with the highest golf participation rates.
- Population decline is not the only driver of reduced golf demand in Decatur. At the national level, golf participation and rounds played have also declined substantially since 2000, according to data from National Sporting Goods Association (NSGA). Participation has decreased more than 10% and frequency of play has fallen over 20%.
- Income levels have grown more slowly in Decatur relative to national averages. This fact is important, since golf participation is highly correlated with rising income levels.
- Several long-standing local employers have closed their doors or left the Decatur market over the past 15 years, which has affected the economy on many levels.
- Growth in the median age across the U.S. is generating an increase in senior play. While golf participation rates decrease with age, rounds played increase with age. In the context of golf annual pass pricing, the result has been a shift in play toward a rate structure that requires significant tax subsidy by the Park District, because senior revenues per round are well below actual course operating expenses per round.

Revenue Per Round	FY 07	FY 08	FY 09*
Season Pass	\$10.12	\$10.27	\$11.35
Coupon Books	\$20.96	\$19.35	\$18.89
Daily Fee	\$21.80	\$23.19	\$23.03
Average Revenue	\$17.63	\$17.61	\$17.76

Cost to Produce a Round of Golf	FY 07	FY 08	FY 09*
Average Cost (All Courses)	\$17.32	\$18.07	\$19.94

* FY 09 figures are May 2008 – December 2008 actuals and January – April 2009 projections.

* The cost to produce a round of golf ranges from \$15.73 - \$21.82, depending on the course.

- Competition for golfers has also increased greatly. Over 115 golf courses exist within 90 miles of Decatur. Macon County alone has 8 golf courses, with a resident population of about 14,800 people per course. With a national standard of about 21,000 residents per course, it is apparent that the Decatur golf market is over-supplied by up to two golf courses.



Park District Efforts to Contain Costs

In an effort to respond to downward trends in golf use, the Park District has cut staffing, advertised outside the Decatur area to encourage visitors, and significantly reduced chemical costs at our courses. Wages have increased just 2% in the past 7 years. In spite of the Park District's efforts, however, utility costs have risen 67%, petroleum has risen 66% and health insurance costs have increased 51% during this time.

Expenses	FY 2001	FY 2004	FY 2008	FY 01 - FY 08
Utilities	\$140,679.24	\$182,712.84	\$234,660.26	67% ↑
Health Insurance	\$57,952.14	\$91,206.22	\$87,674.54	51% ↑
Petroleum	\$51,697.60	\$50,950.06	\$85,812.69	66% ↑
Wages	\$1,551,506.58	\$1,531,223.52	\$1,575,382.94	2% ↑
Chemicals	\$235,327.28	\$180,753.18	\$168,097.00	29% ↓

For further information and detail, please see the ERA golf analysis report online at www.decaturn-parks.org. Comments and questions may be directed to Rick Anderson, Director of Golf, at 421-7468 or Bill Clevenger, Executive Director, at 422-5911.