

AND NOW FOR SOME GOOD NEWS...



By Lorin Anderson, President

I'm sure those of you who listen or read my comments on the industry on a regular basis may feel that I take a somewhat negative view of the state of the game. I wouldn't say I'm negative about the business, I'm just trying to make sure you don't avoid dealing with issues that could negatively affect your ability to grow and flourish as an

instructor. I will not waver from my overall belief that the overall golf industry, especially the golf course facility side of the equation, is still in rough shape in many regions. In fact, a new study just came out showing that more than half of all golf courses broke even or lost money in 2016 even as rounds played continues to tread water at best.

But I did sense at this year's PGA Show there was better energy in the halls as more and more green shoots begin to emerge in the game heading into the new year. The Sports and Leisure Research Group, one of the best known research groups in the industry, presented *The Real State of Golf: Fact and Fiction* in Orlando last month. Their data shows that while we've seen a decline in the number of casual golfers over the past 15 years, the core golfers who play more than 15 rounds per year has remained at 13.5 million for the past 25 years.

The report also noted that the percentage of golfers who said they were planning to buy hardgoods in 2017 was statistically the same as the percentage from 25 years ago.

It also showed that two-thirds of golfers say the game has become more diverse than a generation ago while 55 percent say that golf is more inclusive and welcoming than it was a generation ago, which bodes well for the future.

The report also found that the percentage of private clubs reporting a loss in membership over the past three years has dropped from 36 to 21 percent.

Even the media has slowed its golf-bashing. Forbes posted an article last week titled *Here's Why We Should be Bullish About Golf in 2017*. The premise of the piece is that golf suffered through a natural cycle correction after an over-saturation during the boom years and that it is returning to equilibrium now.

The article pointed out a few key items in the plus column for golf including:

- Shares of Callaway Golf are up more than 30 percent in the past year.
- Hardgood manufacturers have lengthened product cycles and begun to shore up their margins.
- LPGA Girls Golf brought 62,000 young girls into the game last year, up from 4,500 just six years ago.
- The percentage of Millennials who play golf is about 28 percent, which mirrors previous generations.
- Golf got a huge international boost from the game's return to the Olympics last year.
- TopGolf continues to rapidly expand and give millions their first taste of swinging a club.

All of these "green shoots" are positive trends.

So while the overall averages have been trending flat to slightly down for the past 15 years, that is the aggregate of both the winners and the losers. Golf is a mature industry and the pie is not going to grow significantly anytime soon, but Proponent Group's job is to make sure our members end up on the positive side of the bell curve. We will continue to shine a light on both the positive and not so positive trends. Thankfully – for the first time in a while – we're seeing more positives. **PG**

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