



Mike Davis' *Leading With Impact* Keynote Address

Miami Beach, FLA., Saturday, Feb. 3, 2018

Ladies and gentlemen, good afternoon, and thank you for joining us. I appreciate the opportunity to share some perspectives about the game and the USGA.

Our game is centuries old, and after some 600 years of continuous innovation, golf is still about hitting a ball, with a club, into a hole.

All of us who play golf are blessed with a game where you can socialize, exercise and interact with nature, challenge yourself physically and mentally and learn so much about yourself. The game has other marvelous attributes, too:

What other sport allows players of vastly different abilities to compete on an equitable basis, thanks to the handicap system?

In what other sport do the fields of play offer such fascinating architectural diversity and interdependence with nature as a golf course?

What other sport relies on the integrity of players to know and apply the rules, and actually call their own penalties?

And maybe best of all, what other sport is truly a game of a lifetime?

While our game is on solid footing and certainly building momentum here and around the world, we need to acknowledge that golf has some challenges.

It would be short-sighted to keep our heads down and not recognize current and future headwinds. Some have been around for a while, like the age-old barriers of cost and time, and some are newer ones like water and governmental regulation, whether it's environmental constraints, or even the new tax code that eliminates business deductions around golf. These challenges are very real, yet at the same time we have opportunities in each.

Golf – and all of us who care about it – needs to face these challenges head-on to make sure our game's future is enjoyable and sustainable not only for us, but for our grandchildren and their grandchildren, and we need to do it now.

The USGA is committed to leading in the areas that matter most to the future of our game. We are a 123-year-old non-profit organized to promote and conserve the game's true spirit, while acting in its best interest for the continued enjoyment of those who love and play it. That's our mission, our purpose, and it's about making golf better, and bettering golf not only here at home, but around the world, as we have done for many decades.

We'd like to invite you to join us on this journey.

We see a future where technology, science and data fuel innovation in golf course design, maintenance and daily course setup. All of this innovation, we believe, can help golf facilities deliver a more enjoyable experience.

We see a future where some golf courses will be shorter and smaller – reversing a century-long trend of expansion. Courses with a smaller footprint can provide fun playing experiences that take less time – and cost less to play and maintain.

The USGA is committed to lead the golf industry in the development and dissemination of tools, technology, education and data analysis that promote improved golf course playing conditions and responsible resource conservation and protection.

We see a future where golf plays an active role in protecting critical environmental resources. Through research and best management practices, we see a future where golf courses can reduce their consumption of critical resources, such as water, by 25% by 2025. This will not only add to the protection of water resources, but better financial bottom lines for golf courses. Here in the U.S., the golf community already realized a 22% drop in irrigated water usage, and a 40% drop in nutrients over a recent 10-year period, thanks to best practices and research advanced by the USGA and implemented by countless golf course superintendents across the country.

We see a future where golf courses play an even more important role in the protection and creation of wildlife sanctuaries, providing essential plant and wildlife habitats. In the future, we also see golf courses around the world using even better turf grass varieties, developed through USGA-sponsored research, that require less water, less fertilizers, less fungicides, less pesticides and less labor, yet provide a high quality playing surface. Beyond golf, we will see an added benefit of these same new grasses being used by homeowners, businesses and communities, in lawns, playing fields and parks, to contribute to a healthier planet.

Most golf facilities here at home are businesses, not private clubs, and they are feeling significant pressure. Many of you know we've had 11 straight years of a net decrease in the number of U.S. golf courses. Much of that is a supply-demand correction from a couple decades of over-building. But one statistic you may not know: here in the U.S., one of four golf courses is not making money. It's obvious that can't continue. The golf industry rightfully talks about growing the game, but right under our nose is what we at the USGA believe is the biggest pressure on the game – ensuring golf courses can sustain themselves for the long-run. What's the solution? Well, we need to attack this from both sides of the supply-demand equation. We need to grow the number of rounds by making the game as enjoyable as possible and understanding and managing things like time constraints. We also need to manage fast-growing expenses, governmental regulations and environmental pressures.

Despite these very real short and long-term challenges, we're actually bullish, and can see a future where courses will be thriving, sustainable businesses. We have made a commitment to ensure this happens.

We also have a vision for continued improvements in our governance of the game through the Rules of Golf we write and administer, together with our good partner in St Andrews, Scotland – The R&A.

We see a future where the Rules of Golf address big issues like pace of play, where technology continues to improve Rules education, and where the Rules make the game less intimidating to newcomers, and actually easier to understand and apply for all golfers. We believe the new, modernized Rules of Golf, which will go into effect 11 months from now, will be a great step forward.

We see a future where golf increasingly becomes a global game, and golfers from around the world – whether for a friendly wager, or in pressure-packed competition – compete against one another evenly thanks to the new World Handicap System. The USGA and The R&A are delighted in seeing the world come together to bring this new system to life in early 2020.

We see a future where a player's score continues to be fundamentally dictated by his or her athletic and course management skills, not just on an over-reliance on equipment and technology. We see a game where putting a ball back in your stance and hitting a knockdown, or using your hands to shape shots, actively controlling distance, trajectory, and spin, assessing wind and elevation change and how a putt will break are all part of what defines the great game of golf.

At the same time, we also see a future where thoughtful equipment standards continue to allow for innovative ways to welcome new golfers to the game, and where equipment manufacturers work with us to ensure that golf remains a game of skill, yet makes the game even more enjoyable and welcoming.

We see a future where golf facilities can provide shorter experiences on a smaller piece of land. While we do not see, or subscribe to, traditional 18-hole golf courses going away, we do see a game with more options that take less time to play on a footprint that requires fewer resources to maintain. This can – and will – provide a meaningful and fun playing experience. It's back to that original concept of golf: pick up a club, swing it, hit the ball, and try to get it into the hole in as little number of strokes as possible. Sometimes the secret to moving forward lies in what we can learn from the past.

The increase in golf's footprint has had many negative ramifications for many parts of the game – costing significantly more to modify existing golf courses, and to build new ones, costing more to maintain golf courses, using more natural resources, costing more time to play, and in some cases, compromising the architectural integrity of amazingly designed golf courses.

Just as importantly, we see a future where our 33,000+ golf courses around the world are not asked – or feel pressured – to constantly change their footprint in the name of accommodating increased distance. Over golf's history, courses have grown substantially in size. This has been going on for well over a century.

An astonishing, perhaps even sobering example close to home, will be this summer's U.S. Open at Shinnecock Hills that will be played at over 7,400 yards. One-hundred and twenty-two years ago at the 1896 U.S. Open, care to guess Shinnecock's total yardage? 4,423 yards. Don't read into this that we are proposing going back to hickories and gutta-

percha balls in the future, but it does make you wonder what golf courses will look like if we stay on this trajectory.

Next week we mark the opening – actually the re-opening – of the USGA's headquarters after completing a focused renovation project, that I'm happy to report, was on schedule and under budget. Beyond creating a modern work environment in an energy-efficient and sustainable building for our staff, we purposely created space throughout the building for people to collaborate. We see our headquarters as an idea incubator – not just for the USGA, but for everyone – where innovative and diverse thinking is welcomed, explored and nourished. We look forward to inviting the golf world into our new home to share their ideas with us.

Achieving our long-term strategies and vision to help the game requires an investment in human capital. We are fortunate to have so many passionate and committed volunteers and staff, including so many of you here today.

It also requires the investment of resource capital. You just heard through our finance update that the USGA is putting more money back into the game than ever before. These big, transformative and game-changing strategies and initiatives need additional capital to propel them forward.

Over the last 43 years, USGA Members have contributed nearly a half-billion dollars to the USGA. These generous contributions have gone right back into the game. When you combine these donations to our U.S. Open and broadcast revenues, we're proud to say collectively we've put well over a billion dollars into golf over the last few decades. This legacy of golfers giving back to the game, whether in volunteering or in monetary contributions, is truly amazing. The impact on golf has been enormous – more than I suspect any of us know.

Over the last few years, we have heard from a fair number of our Members that they see a need for more work and a larger investment in the game's future. They tell us they want to do more, and that they see the USGA, as a non-profit focused on doing right by the game, as the vehicle through which to invest their contributions to make golf better.

We've listened, and we've reimagined and reinvigorated the USGA Members Program to become the new USGA Foundation – which will act as the member engagement and fundraising program within the USGA. And we will pledge that all the contributions will go directly into supporting the future of the game.

With that in mind, today we are excited to announce that beneath the umbrella of the USGA Foundation, we're announcing the *Driving Golf Forward* campaign. This fundraising effort will seek to improve our game by being more welcoming and accessible, by creating opportunities for new golfers to play our game, by investing in cutting-edge innovation that will enhance the golf experience, by reducing golf courses reliance on critical natural resources and by developing a new generation of golf leaders and volunteers.

- Think: welcoming more people with disabilities;
- Think: junior golf programs, and perhaps youth caddie programs;
- Think: pace of play and shorter golf experiences;
- Think: water and environmental issues;

- Think: best practices and new technologies for golf courses;
- Think: internships in golf, and fostering more volunteers to help our game;
- Think: just simply making our game more enjoyable for everyone.

In closing ladies and gentlemen, this game is our collective game. It entered into our lives, and it hasn't let go. It has shaped us, invigorated us, humbled us, inspired us and defined us. It is truly a great game, and I think most of us would argue, the greatest game. Let's make sure it stays that way for generations to come. I hope you'll join us.

Thank you.