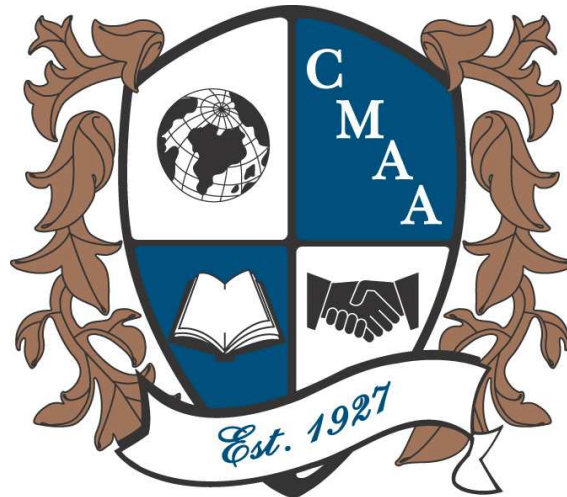


# 2008 CLUB OPERATIONS AND FINANCIAL DATA SURVEY REPORT

## Executive Summary



Club Managers  
Association of America®

*This executive summary presents key findings from the 2008 Club Operations and Financial Data Survey conducted by the Club Managers Association of America in conjunction with Market Connections, Inc., a market research firm. A total of 828 CMAA members participated in the 2008 survey, representing a survey response rate of 36 percent. This survey represents data through the end of fiscal year 2007. All numbers should be considered averages unless otherwise stated.*

### **I. PARTICIPANT PROFILE**

The distribution of participants by club type mirrors survey participation rates in previous years. The majority of responses are from country clubs, representing 65 percent of respondents. Thirteen percent of respondents were from golf clubs, 8 percent identify themselves as city clubs and 5 percent are yacht clubs. The remaining responses came from athletic, university, tennis and other clubs.

### **II. CLUB FACILITIES**

At golf clubs, the most widely offered facilities other than golfing are outdoor pools (40 percent), outdoor tennis (36 percent), fitness facilities (32 percent) and steam/sauna rooms (31 percent). There has been a steady year-to-year increase in the number of golf clubs offering steam and sauna facilities.

Ninety-seven percent of country clubs offered golf facilities. The vast majority of country clubs also offered outdoor pools (84 percent) and outdoor tennis (83 percent). The number of country clubs offering fitness facilities continued its steady increase, reaching 55 percent from 37 percent in 2000.

Half the city clubs (49 percent) reported fitness facilities. Business centers (44 percent) and steam/sauna rooms (42 percent) were the second and third most commonly offered facilities at city clubs. There has been a notable increase in the number of city clubs with a cyber café, rising to almost one-fifth (17 percent) of clubs this year from none in 2002.

In addition to offering sailing activities, half the yacht clubs (51 percent) offer outdoor pools, and roughly a quarter offer outdoor tennis (26 percent) and fitness facilities (23 percent). The number of yacht clubs reporting steam/sauna facilities rose for the third year in a row, to 14 percent from 5 percent in 2004.

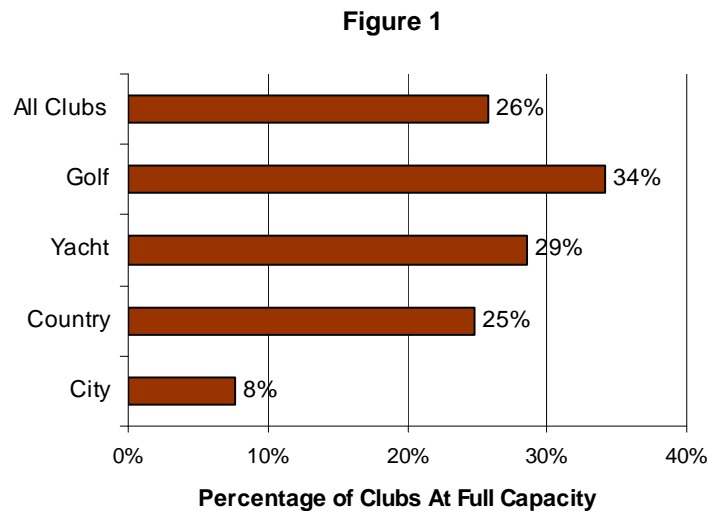
Overall, since 2000, there has been a consistent upward trend in the number of clubs offering business centers, fitness facilities, cyber cafés and spa services.

### III. CLUB CHARACTERISTICS

#### Membership Size and Club Capacity

The average membership across all clubs was 774 members, which was a slight decline from 792 in 2007, but a significant decline from 847 in 2004. Yacht clubs saw an increase in average membership from 1,001 members in 2007 to 1,167 this year. Comparatively, city clubs saw a steep decline in membership from 1,457 in 2007 to 1,116 this year.

Overall, one quarter of clubs were at full capacity. Figure 1 shows a breakdown by club type.



Twenty-one percent of clubs have a waiting list, continuing a decline from a high of 35 percent in 2000. The average number of people on the waiting list (44) is the same as it was in 2007 but significantly lower than the 61 reported in 2000.

### IV. CLUB INITIATION FEE AND DUES STRUCTURE

The average country club initiation fee was \$31,912, a slight decrease from the \$33,647 reported in 2007. The median country club initiation fee also fell from \$18,750 in 2007 to

\$17,500 this year. The mean monthly dues at country clubs increased slightly to \$472 from \$443 in 2007; however, the median monthly rate of \$440 was only incrementally higher than the rates in previous years.

The average golf club initiation fees were also higher this year, averaging \$65,696 compared with \$56,614 in 2007 and \$59,880 in 2004; however, the median initiation rate for golf clubs was lower than in 2007, falling to \$38,000 from \$40,000. This suggests that the dramatic increase in the average rate is driven more by increased rates among clubs that charge the most for membership, rather than a universal increase in rates by all clubs. The average monthly dues at golf clubs were \$558, a minimal increase from \$550 in 2007. The median monthly dues at golf clubs were \$505.

Initiation fees at city clubs were also significantly higher, averaging \$9,466, up from \$3,736 in 2007. The median initiation fee for city clubs was \$2,400. Average monthly dues at city clubs were \$176, with a median rate of \$139. This was a minimal increase from the average of \$166 in 2007.

## **V. CLUB REVENUE, EXPENSES AND DEBT**

### **Average Club Revenue and Expenses**

Revenues and expenses increased for golf and country clubs over the numbers reported in the 2007 survey while revenue and expenses decreased for city clubs.

Table 1: Average Club Revenue and Expenses

	<b>Golf</b>	<b>Country</b>	<b>City</b>	<b>Yacht</b>
<b>Total Revenue</b>	<b>\$5,080,643</b>	<b>\$5,744,278</b>	<b>\$3,351,822</b>	<b>\$4,025,560</b>
<b>Total Expenses</b>	<b>\$4,355,140</b>	<b>\$6,561,373</b>	<b>\$3,075,407</b>	<b>\$3,202,943</b>

### **Club Debt**

Among clubs that are carrying short-term debt, the average amount of short-term debt has increased significantly over previous years, rising to \$973,494 from \$878,824 in 2007 and \$499,190 in 2004. The average long-term debt also rose significantly among clubs carrying debt, to almost \$3.7 million from \$3.1 million in 2007. The average long-

term debt held by city clubs increased, but the average debt held by both golf and country clubs declined.

## **VI. FOOD AND BEVERAGE OPERATIONS**

### **Number of Covers Served**

On aggregate, city clubs served significantly more covers than any other type of club, with the most dramatic difference in the number of breakfasts served. City clubs averaged 11,404 breakfasts compared to 4,632 at country clubs and 1,791 at golf clubs. The number of brunches served at golf clubs continued its downward trend, but this was offset by an increase in the number of lunch and dinner covers served.

Dinner covers at country clubs have declined significantly since 2002, down to 13,598 from a high of 20,406. The number of banquet covers served at city clubs, though higher than other club types, declined significantly to 12,923 from 26,584 in 2007.

### **Total Food and Beverage Revenues**

Respondents at all club types reported higher food sales in 2007 than in 2006. City clubs reported the largest year-on-year increase in food sales, reaching nearly \$1.8 million in 2007 from \$1.47 million in 2006. Readers should note that respondents were asked to provide their food revenues for both 2007 and 2006 in the survey.

Overall, clubs reported lower beverage sales in all categories in 2007 than in 2006. City clubs were the only club type to report an overall increase in the sales of all beverage types. Notably, city clubs reported an 81 percent increase in non-alcoholic beverage sales between 2006 and 2007.

## **VII. GOLF OPERATIONS**

Clubs with golf courses averaged 26,052 rounds of golf, and 40 percent reported that the number of rounds played had remained unchanged over the past three years.

Approximately, one-quarter (26 percent) reported that the number of rounds played was higher than in the past three years, while just over one-third (35 percent) reported fewer rounds played.

### **VIII. TENNIS OPERATIONS**

When asked to compare the current level of tennis activity to five years ago, the majority of clubs (57 percent) said activity is higher, while more than one quarter (27 percent) said activity has remained the same. Compared to 10 years ago, 52 percent say there is more tennis activity now, while 18 percent say the level of activity is unchanged. Just under one third (30 percent) reported less tennis activity than a decade ago.

### **IX. FITNESS OPERATIONS**

The number of clubs offering fitness facilities continues to rise, with more than half (55 percent) the country clubs now reporting having exercise facilities, compared with 37 percent in 2000. Half the city clubs (49 percent) also reported having fitness facilities, an increase of eight percentage points from 2007.

Among the clubs that do not currently have fitness facilities, 58 percent of country clubs were considering adding a fitness facility in the next five years. This is significantly higher than the 26 percent of golf clubs and 13 percent of city clubs that plan to build exercise facilities.

### **X. TECHNOLOGY**

There has been a significant increase in the number of clubs with Web sites reaching 91 percent. This is up from 76 percent in 2004, 59 percent in 2002 and 40 percent in 2000.

All clubs have Internet access, of which almost all (98 percent) had broadband service. Four percent still used dial-up Internet in at least some areas of the clubs. Three-quarters of clubs (75 percent) provided wireless Internet connections for members to use, a significant increase from the 61 percent reported in 2007 and the 32 percent in 2004. Fifty-seven percent reported that wireless Internet is restricted to specific areas of the club.

*Overall, the CMAA 2008 Club Operations and Financial Data Survey revealed that clubs continue to make up a dynamic industry, particularly in the areas of facilities expansion and technology, which are seeing the most significant change. Details of trends are documented in the full report available at [www.cmaa.org/bookmart](http://www.cmaa.org/bookmart).*