

2022

FINANCE AND OPERATIONS
REPORT

Executive Summary



**CLUB
MANAGEMENT
ASSOCIATION
OF AMERICA**

2022

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Executive Summary

BASED ON 2021 DATA

The 2022 Finance and Operations Report presents a detailed report of key financial and operating data from the club management industry. Based on confidential surveys completed by 440 clubs in 2022, the report includes a compilation and analysis of club finance and operations data.

This report is published annually by the Club Management Association of America, the professional Association for managers of membership clubs. With more than 7,000 members across all classifications, our manager members run more than 2,500 country, golf, city, athletic, faculty, yacht, town and military clubs. The objectives of the Association are to promote and advance friendly relations among persons connected with the management of clubs and other associations of similar character; to encourage the education and advancement of its members; and to assist club officers and members, through their managers, to secure the utmost in efficient and successful operations.

The 2022 Finance and Operations Report was compiled, tabulated and analyzed by Industry Insights Inc. (www.industryinsights.com), an independent professional research firm that specializes in conducting financial and operating benchmarking studies, compensation studies, market assessments, customer satisfaction research, educational programs and other forms of customized research.

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**CLUB
MANAGEMENT
ASSOCIATION
OF AMERICA**

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ABOUT THIS REPORT

This year's Finance and Operations Report (based on 2021 data) has been designed to provide easy-to-understand guidelines for identifying business performance improvement opportunities.

The Finance and Operations Report was prepared by Industry Insights, Inc. of Dublin, OH, while working closely with CMAA representatives in the design of the study. Confidential survey forms were made available to members of the CMAA and Club Spa & Fitness Association (CSFA) in June 2022. Respondents could submit their survey forms through an online questionnaire or through a Microsoft Excel version of the survey.

This report includes comparative financial ratios and operations data. The information in this report has been segmented by operating revenue volume and club type.

A valuable feature of the 2022 Finance and Operations Report is that all clubs participating in the survey will receive a confidential Individual Club Report (ICR) through the CMAA research survey portal (www.cmaa-research.org). The ICR displays each club's own ratios and data computed in a manner consistent with those appearing in this report, and the results are displayed alongside the appropriate industry comparatives. On any given line of the Individual Club Report, a club's own data are included along with reported norms for all respondents and for clubs of similar operating revenue volumes or club type. Thus, the individual owner/manager is provided invaluable information without needing to spend time and effort performing the calculations manually.

Club Resource Center subscribers who participate in the survey will also receive a complimentary copy of the report, an Individual Club Report (ICR), and access to an online portal for interactive industry data analytics. To learn more about the subscription, please visit www.clubresourcecenter.org.

The online data analytics provide more specific information than any single report could reasonably provide. Using the program, users are able to create their own data aggregations to create benchmarks that most closely match their organizations. For example, a club could create a data cut based on a specific revenue size range and club type and region, whereas the report only provides single-level cuts (e.g., revenue size range or club type). The interactive reporting program and other interactive data comparison tools are housed in the participants' online portal account.

CONTINUED IMPACTS OF COVID-19

In response to the economic impacts of COVID-19, the US government provided unprecedented relief funding in the form of Payroll Protection Program (PPP) loans and the Employee Retention Credit (ERC) program. While these programs were primarily utilized in 2020, they were still available through much of 2021. Nearly 24 percent of responding clubs applied for a Paycheck Protection Program (PPP) loan in 2021 and more than two-thirds (69 percent) of clubs took advantage of the Employee Retention Credit program in 2021. This is very similar to the percentage of clubs taking advantage of the programs in 2020. These programs allowed clubs the flexibility to be able to maintain or limit reductions in staffing levels. This has been extremely beneficial as clubs have bounced back to more "normal" operating levels, with the typical club experiencing an increase of nearly 17 percent in operating revenue.

This year's report again includes information regarding the COVID-19 relief funds on pages 20 and 36. For many of the reasons described above, the impact of COVID-19 must be considered when evaluating the results of this study. As the government relief funding winds down, clubs will have to continue to adapt to replace any government funding received.

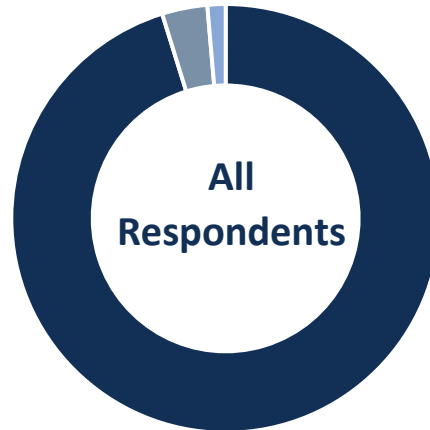
CLUB PROFILE AND FACILITIES

Club Type



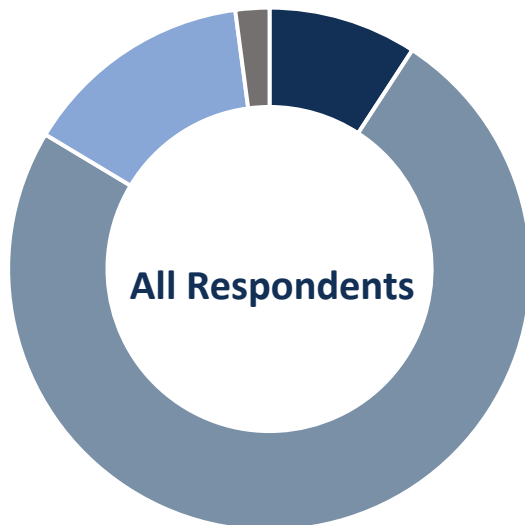
Golf	Country	City/Athletic
21.0%	58.1%	6.6%
Yacht	CIRA	Other
5.7%	3.0%	5.7%

Private Status



Private	Semi-Private	Public
95.2%	3.4%	1.4%

Tax status



Membership organization - 277 Taxable (ownership is in the hands of the club members)

9.2%

Membership organization - 501(c)(7) tax-exempt (ownership is in the hands of the club members)

74.4%

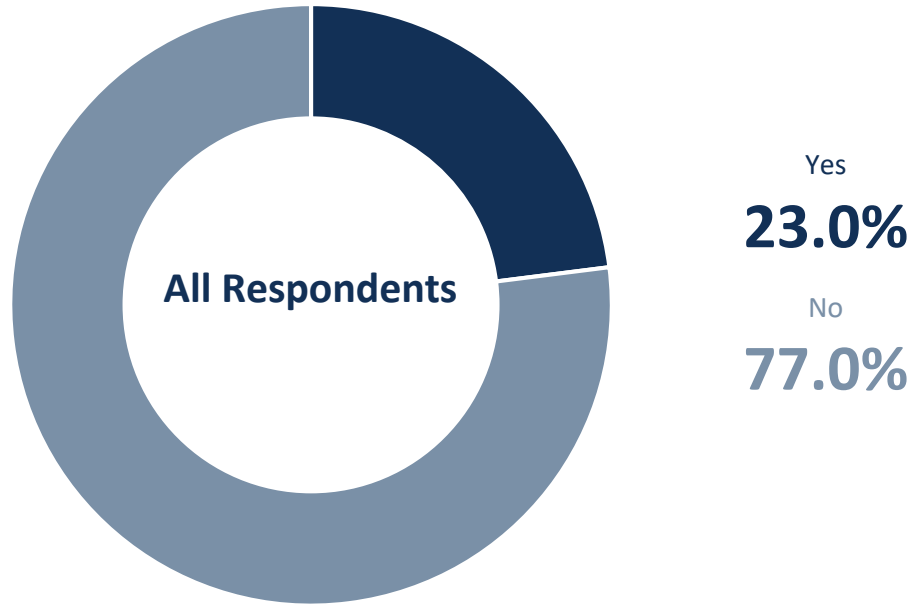
Regular business - taxable (typically includes municipal golf courses, clubs owned by one or a number of investors and developer-owned clubs.)

14.3%

Other

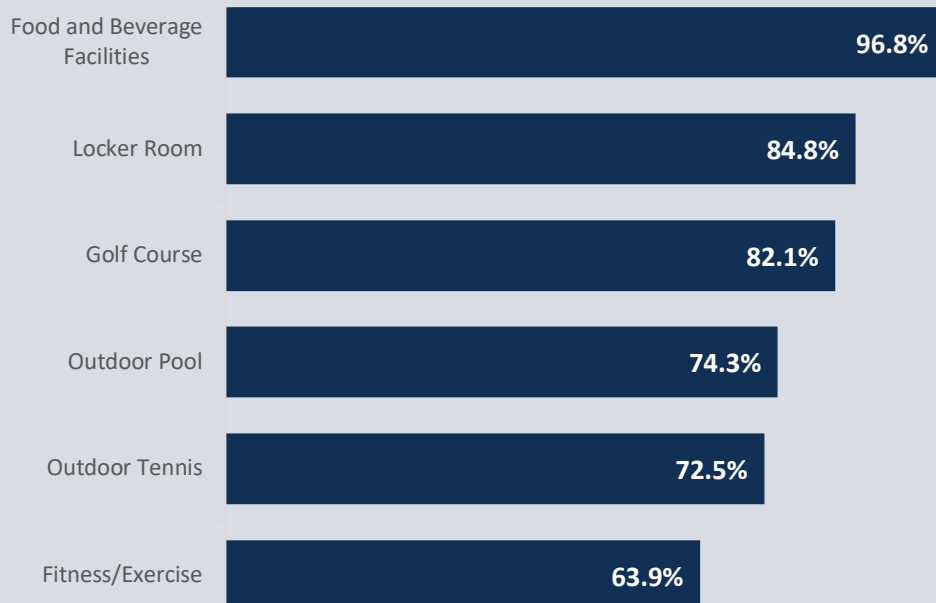
2.1%

Is your club located in a gated community?



FACILITIES

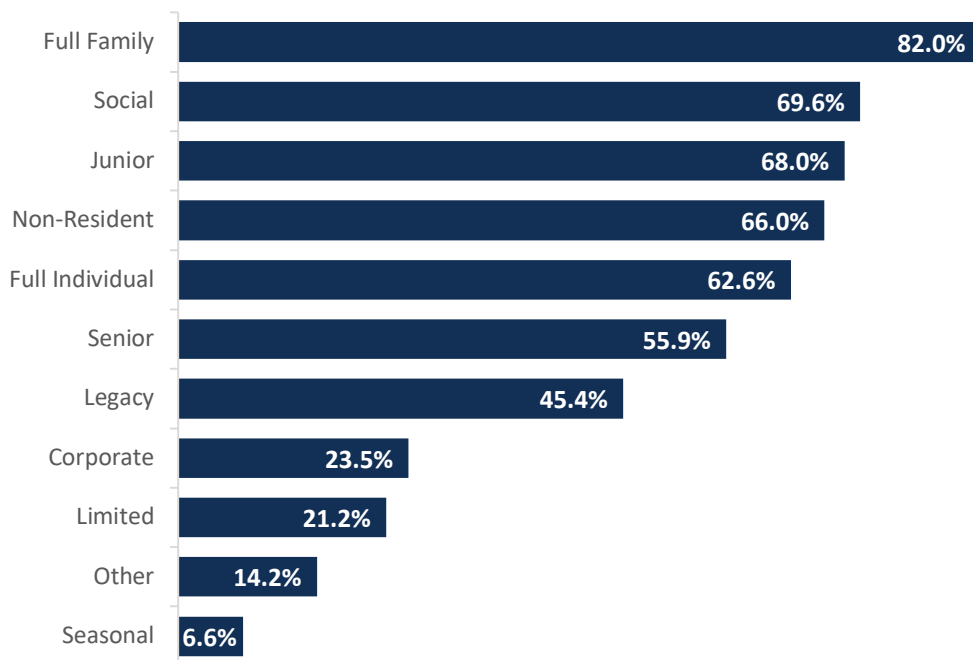
Which of the following facilities/amenities are available at your club?
(multiple responses allowed)



MEMBERSHIPS

- The full family membership is the most common membership category offered by respondents (82 percent). The median annual dues for a full family membership was \$8,191 for all responding clubs. This figure tended to increase as the size of club increased in terms of operating revenue size.
- Median full family membership annual dues were \$8,850 for golf and country clubs, \$3,726 for city/athletic clubs, \$3,720 for yacht clubs, and \$15,439 for CIRA clubs.
- The typical growth in membership annual dues (2021 vs. 2020) was nearly 5 percent across most membership classes/types.
- As one would expect, the larger clubs in terms of operating revenue had higher member counts. The average golf and country club reported 770 members, city/athletic clubs reported 3,583 members, yacht clubs reported 953, and CIRA clubs reported an average of 845 members.
- Median member attrition rates were 4.3 percent for golf and country clubs, 3.3 percent for city/athletic clubs, 3.7 percent for yacht clubs, and 4.6 percent for CIRA clubs. In terms of operating revenue size, the largest clubs (\$15 million or more in operating revenue) reported the lowest attrition rate of 3.3 percent.

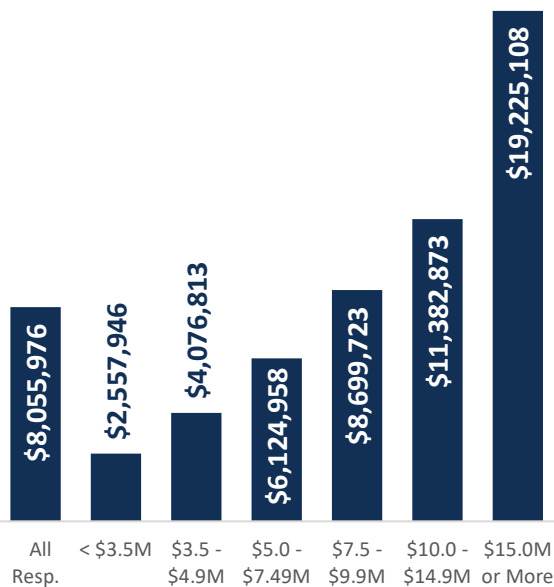
Which of the following general membership categories does your club offer? (multiple responses allowed)



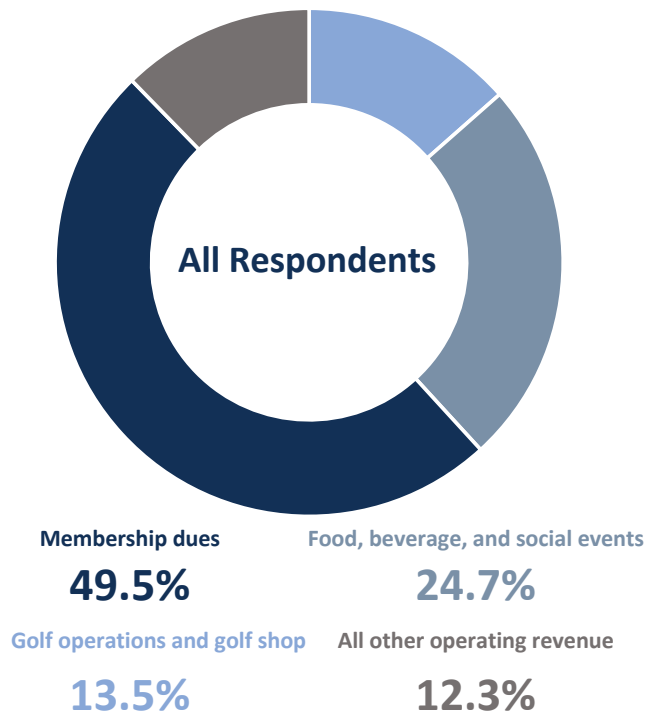
FINANCES

- Responding clubs reported a median operating revenue of \$8 Million. The operating revenue category of \$5.0 million to \$7.49 million again had the highest percentage of respondents at 24 percent, followed by 18 percent of respondents in the \$7.5 million to \$9.9 million category.
- Respondents reported an average of 6.6 percent operating income as a percent of operating revenue (excluding depreciation and amortization).
- The total number of full-time equivalent employees (FTEs) increased as club operating revenue increased, but salaries and wages expense as a percentage of club operating revenue remained consistent regardless of club revenue size. By viewing the salaries and wages expense as a percentage of club operating revenue, it “normalizes” the data to allow comparison across club revenue size categories. This figure was more than 41 percent for all responding clubs and ranged from a low of 39.6 percent for the clubs with \$10.0 to \$14.9 million in operating revenue, to a peak of 42.8 percent for clubs in the \$7.5 million to \$9.9 million category. Employee turnover ranged from 10 percent to 38 percent for the various operating revenue categories with the median at 28 percent for all clubs.
- From a financial position standpoint, the current ratio gives a club an indication of a club’s short-term liquidity. The typical club reported a current ratio of 2.0. As this is the coverage of current liabilities by current assets, a club should be concerned if this ratio falls below 1.0.
- Respondents reported an average collection period of 38 days. In terms of operating revenue size, clubs less than \$3.5 million in operating revenue reported lower collection periods (30 days). Across the other operating revenue categories, collection periods ranged from 36 to 40 days.
- The solvency ratio (Assets divided by Liabilities) and the debt to equity ratio (Liabilities divided by member equity or net worth) are good indicators of how much a club is financed by debt vs. member equity or net worth. All responding clubs reported a median solvency ratio of 3.2 and a median debt to equity ratio of 0.5. Both of these are indicative of relatively strong financial positions for responding clubs. A debt to equity ratio of 1.0 would indicate that members/investors have an equal stake in the club’s assets as outside creditors/lenders. A low debt to equity ratio typically implies a very stable organization.
- For golf and country clubs, the top three capital spending priorities over the next year were general golf course (53 percent), general clubhouse (40 percent), and informal dining (29 percent). Over the next three years, capital spending for irrigation systems bumped informal dining out of the top three. For city/athletic clubs, the top three capital spending priorities over the next three years are general clubhouse (58 percent), formal dining (42 percent), and informal dining (26 percent). Yacht clubs reported general clubhouse (53 percent), informal dining (47 percent), and swimming pool (18 percent) as their top three capital spending priorities over the next three years.

Median operating revenue



Revenue by category (as a percent of club operating revenue)

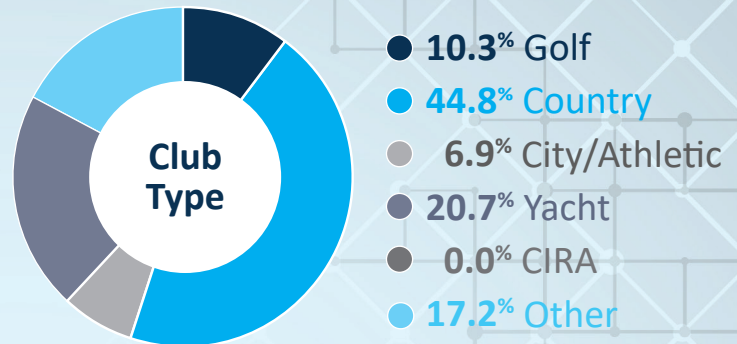
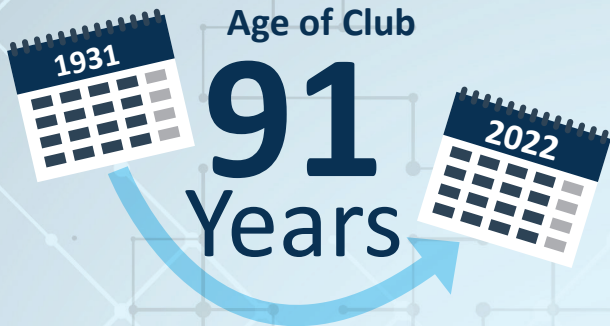


2022 FINANCE AND OPERATIONS SURVEY



CLUB MANAGEMENT ASSOCIATION OF AMERICA

Operating Revenue less than \$3.5 Million



OPERATIONS

Operating Revenue (Median)
\$2.6 Million

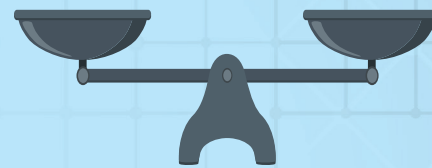
Growth
12.1%

6.5% Operating Income*

GROSS PROFIT %

Food **58.3%** Beverage **63.9%**

CAPITAL



Debt to Equity
0.6

2.2 Current Ratio
(Current Assets ÷ Current Liabilities)

20.3% Cash to Operating Revenue

15.0% Capital Spending*

MEMBERSHIP



43.6% Membership Dues*

3.7% Membership Attrition Rate

PERSONNEL

38.0
Total FTEs

Employee Turnover **10.0%**

Salaries and Wages* **42.6%**

Payroll Taxes and Benefits* **6.2%**

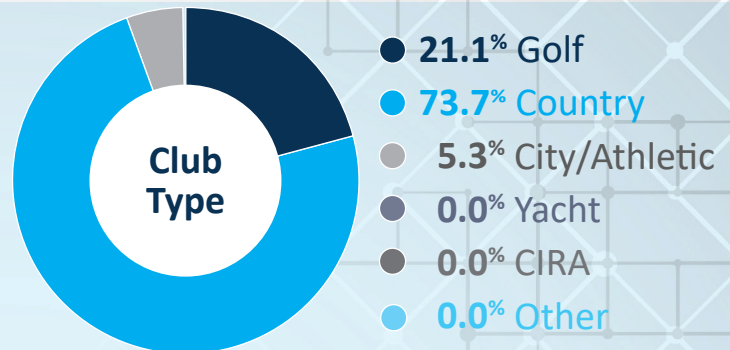
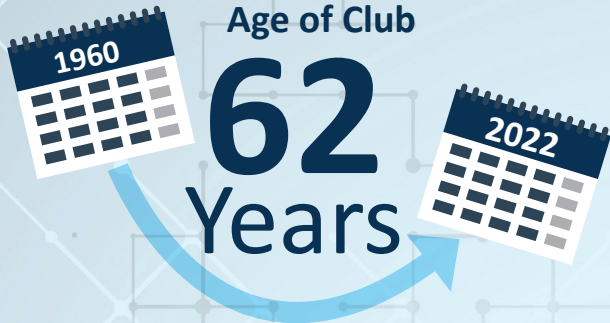
*As a % of operating revenue

2022 FINANCE AND OPERATIONS SURVEY

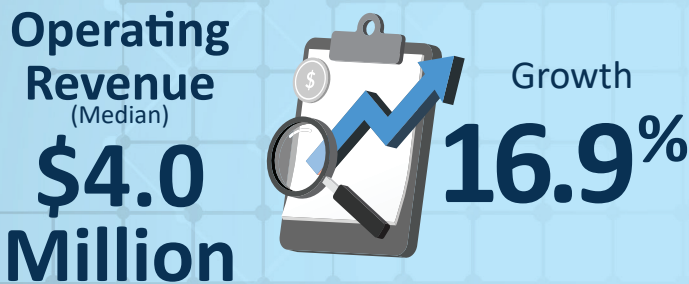


CLUB MANAGEMENT ASSOCIATION OF AMERICA

Operating Revenue \$3.5-\$4.9 Million



OPERATIONS



CAPITAL



MEMBERSHIP



PERSONNEL



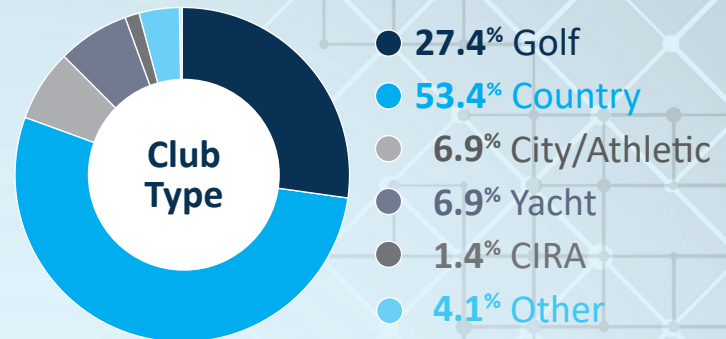
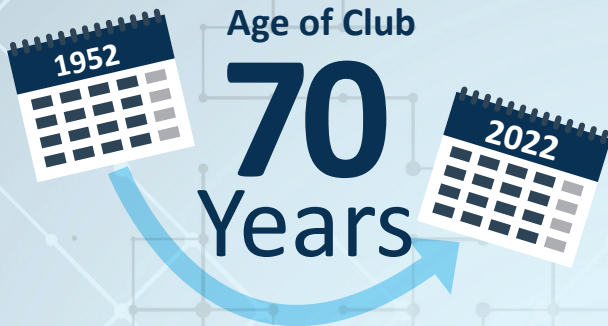
*As a % of operating revenue

2022 FINANCE AND OPERATIONS SURVEY



CLUB MANAGEMENT ASSOCIATION OF AMERICA

Operating Revenue \$5.0-\$7.49 Million



OPERATIONS

Operating Revenue (Median)
\$6.1 Million

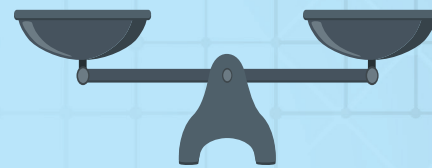
Growth
16.8%

4.9% Operating Income*

GROSS PROFIT %

Food	Beverage	Golf Shop
54.2%	63.3%	25.7%

CAPITAL



Debt to Equity
0.6

2.2 Current Ratio
(Current Assets ÷ Current Liabilities)

25.6% Cash to Operating Revenue

11.9% Capital Spending*

MEMBERSHIP



49.5% Membership Dues*

4.5% Membership Attrition Rate

PERSONNEL

57.5 Total FTEs

Employee Turnover **30.0%**

Salaries and Wages* **41.1%**

Payroll Taxes and Benefits* **7.8%**

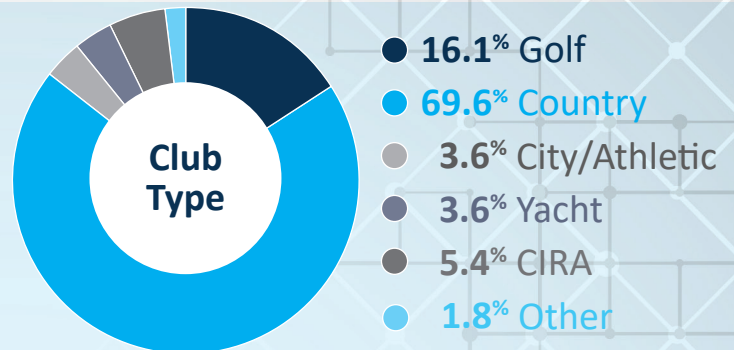
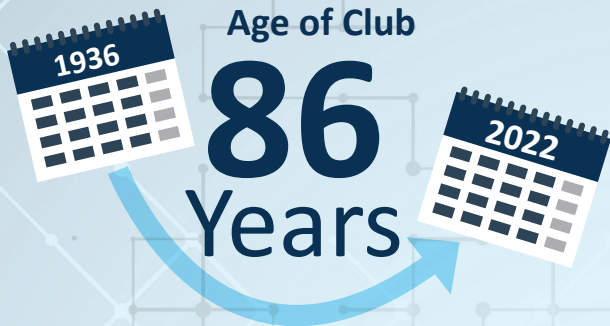
*As a % of operating revenue

2022 FINANCE AND OPERATIONS SURVEY



CLUB MANAGEMENT ASSOCIATION OF AMERICA

Operating Revenue \$7.5-\$9.9 Million



OPERATIONS

Operating Revenue (Median) **\$8.7 Million**

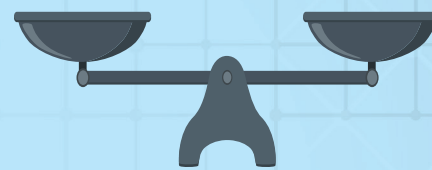
Growth **18.4%**

4.2% Operating Income*

GROSS PROFIT %

Food	Beverage	Golf Shop
55.4%	61.9%	30.3%

CAPITAL



Debt to Equity **0.5**

2.0 Current Ratio
(Current Assets ÷ Current Liabilities)

31.0% Cash to Operating Revenue

13.0% Capital Spending*

MEMBERSHIP



51.2% Membership Dues*

5.1% Membership Attrition Rate

PERSONNEL



Employee Turnover **26.0%**

Salaries and Wages* **42.8%**

Payroll Taxes and Benefits* **8.7%**

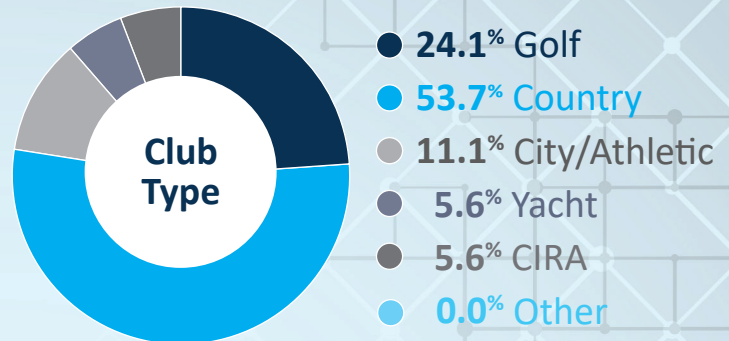
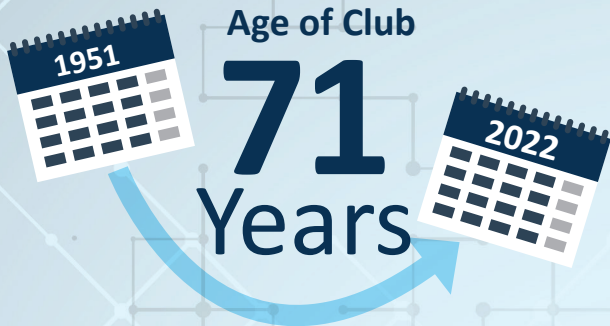
*As a % of operating revenue

2022 FINANCE AND OPERATIONS SURVEY



CLUB MANAGEMENT ASSOCIATION OF AMERICA

Operating Revenue **\$10.0-\$14.9** Million



OPERATIONS

Operating Revenue (Median)
\$11.4
Million

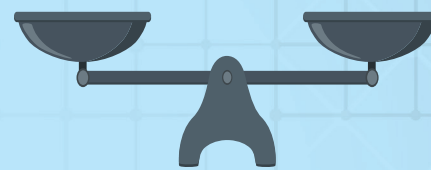
Growth
17.7%

6.4% Operating Income*

GROSS PROFIT %

Food	Beverage	Golf Shop
54.6%	63.4%	27.4%

CAPITAL



Debt to Equity
0.4

2.2 Current Ratio
(Current Assets ÷ Current Liabilities)

28.6% Cash to Operating Revenue

10.8% Capital Spending*

MEMBERSHIP



51.5% Membership Dues*

4.3% Membership Attrition Rate

PERSONNEL



109.0
Total FTEs

Employee Turnover **34.0%**

Salaries and Wages* **39.6%**

Payroll Taxes and Benefits* **8.9%**

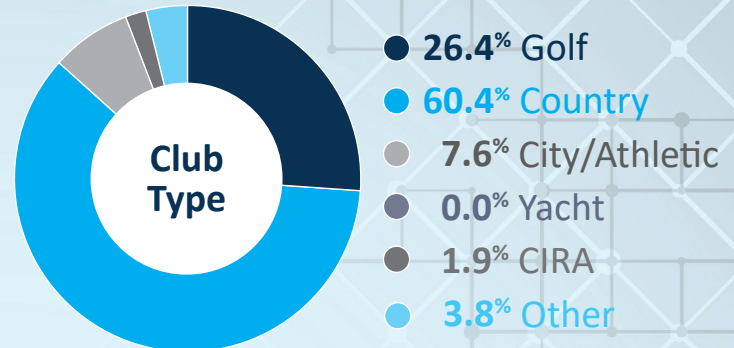
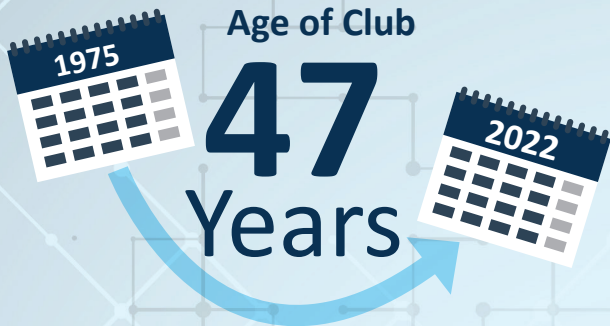
*As a % of operating revenue

2022 FINANCE AND OPERATIONS SURVEY



CLUB MANAGEMENT ASSOCIATION OF AMERICA

Operating Revenue \$15.0 Million or More



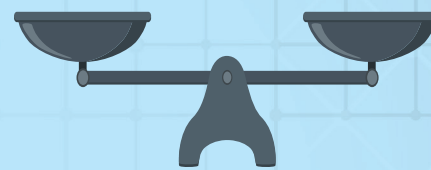
OPERATIONS



GROSS PROFIT %



CAPITAL



Debt to Equity

0.4

1.6 Current Ratio
(Current Assets ÷ Current Liabilities)

24.6% Cash to Operating Revenue

11.5% Capital Spending*

MEMBERSHIP



50.2% Membership Dues*

3.3% Membership Attrition Rate

PERSONNEL



170.0 Total FTEs

Employee Turnover **38.0%**

Salaries and Wages* **40.6%**

Payroll Taxes and Benefits* **8.7%**

*As a % of operating revenue