

Board Brief

Designed for Club Board of Directors



**CLUB
MANAGEMENT
ASSOCIATION
OF AMERICA**

March/April 2022

By the Numbers: Understanding the 2021 CMAA Finance and Operations Report

Each year, the CMAA Finance and Operations Report presents key financial and operating data from across the club management industry. Based on confidential surveys completed by nearly 400 clubs, the 2021 report includes a compilation and analysis of club finance and operations data.

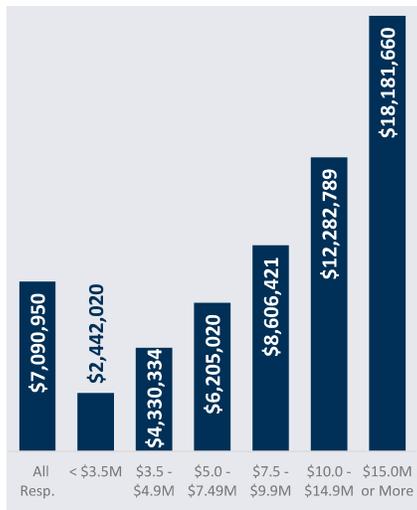
The report has been designed to provide easy-to-understand guidelines for identifying business performance improvement opportunities. We've compared data from the last three Finance and Operations Reports (based on 2018, 2019, and 2020 data) to demonstrate trends in membership

offerings and finance and to give a basic understanding of the Report.

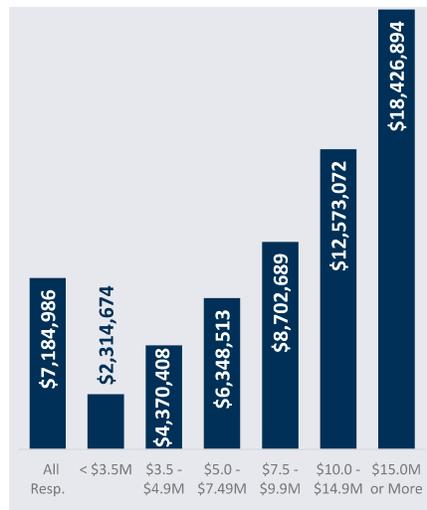
Responding clubs reported a median operating revenue of \$6.5 million in 2020, down from \$7.2 million in 2019 and \$7.1 million in 2018. This downturn can likely be attributed to the effects of the COVID-19 pandemic. The operating revenue category of \$5.0 million to \$7.49 million had the highest percentage of respondents over the past three years, with an average of 24 percent.

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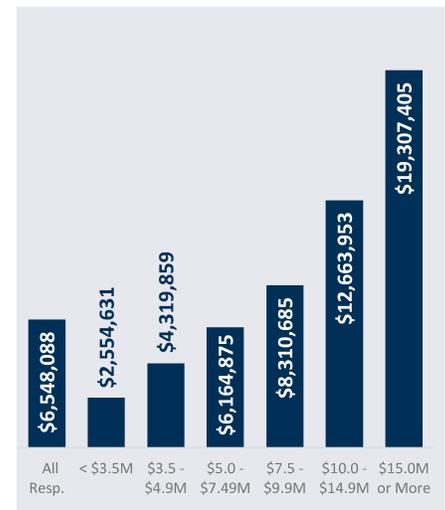
Median Operating Revenue



2019



2020



2021

In 2020, the median growth in operating revenue took a steep decline across all respondent categories, most notable dropping 10.6 percent for clubs with an operating revenue of less than \$3.5 million. This halted growth

seen in both the 2018 and 2019 data. COVID-19 is the likely culprit for this decline, and it will be interesting to mark these changes as clubs continue to adapt and operate in the ongoing pandemic.

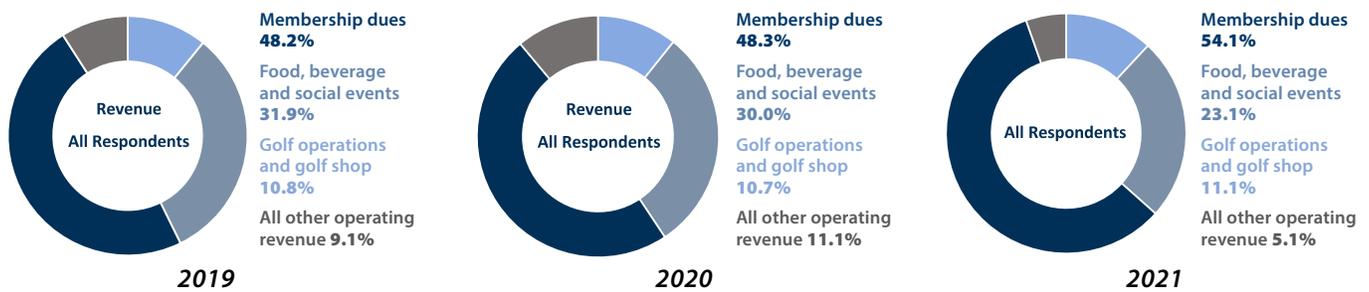
Median Growth in Operating Revenue



For the typical respondent in 2020, about 54 percent of operating revenue was derived from membership dues. This is up from 48 percent in both 2018 and 2019. However, respondents in 2020 only reported revenue from food, beverage, and social events to account

for 23 percent of their operating revenue, down from approximately 30 percent in both 2018 and 2019. Another area likely impacted by the pandemic. Again, it will be curious to see how this revenue stream adjusts in 2021 data.

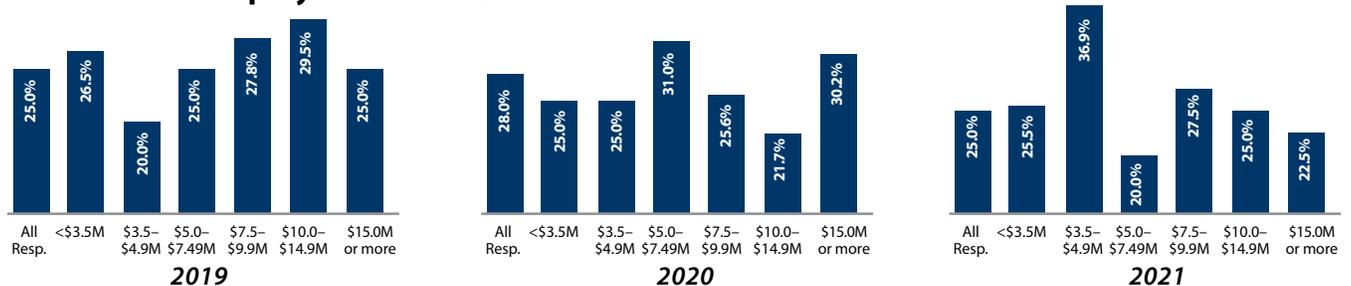
Revenue by Category



In both 2018 and 2019, concern was expressed about the employee turnover and attrition rate, given that, at the time, the economy was near full employment. In those two years, employee turnover ranged from 20 percent to 32 percent for the various operating revenue categories with the median at 26 percent for all

clubs. In 2020, the pandemic impacted most areas, but based on respondent data, club employee attrition and turnover remained consistent with the previous two years, ranging from 20 to 37 percent across the various operating revenue categories with the median at 25 percent for all clubs.

Median Total Employee Turnover/Attrition Rate



Source: Access the 2021 Finance and Operations Report Executive Summary at [cmiaa.org/club-operations/research/surveys-and-reports/](https://www.cmaa.org/club-operations/research/surveys-and-reports/). Survey participants may access the Full Report and their Individual Club Report on the Research Portal at [cmiaa-research.org](https://www.cmaa-research.org). Club Resource Center subscribers receive a copy of the print report and have access to an online data analytics platform, which allows clubs to compare their data versus five peer groups and create customized aggregations of the survey results. Learn more about the subscription at [clubresourcecenter.org](https://www.clubresourcecenter.org).



Best Practices: Adopting a Board Policy Manual

Adopting a Board Policy Manual (BPM) can help advance your club's governance goals, clearly delineate authority, and build accountability into your Board operations. A club's Board Policy Manual contains all of the current standing (ongoing) policies adopted by the Board and creates a governance management system.

The benefits to adopting a BPM include:

- Efficiency of having all ongoing Board policies in one place;
- Ability to quickly orient new Board members to current policies;
- Elimination of redundant or conflicting policies over time;
- Ease of reviewing current policy when considering new issues; and
- Providing clear, proactive policies to guide the General Manager/COO and staff.

Your BPM should include sections addressing:

- Administration
- Organization Essentials
- Board Structure and Processes
- The Board/GM Relationship
- Finances
- Culture and Communications
- Planning and Programs

The process of creating and adopting a Board Policy Manual may seem time-consuming but the benefits will be realized in both the short- and long-term. CMAA first developed a sample BPM club in 2007 and members can access through CMAA's Connect Library.

Adapted from CMAA's Board Policy Manual.

Legal, Legislative, & Regulatory Update

CMAA and Golf Industry Allies Oppose Revision to the Waters of the US Definition

On February 7, CMAA and its allies in the golf and club community submitted official comments to the Environmental Protection Agency (EPA) and the US Department of the Army (Army) regarding the revisions to the definition of the Waters of the US (WOTUS). These comments were collaboratively submitted by the Golf Course Superintendents Association of America, the American Society of Golf Course Architects, the Golf Course Builders Association of America, the National Club Association, the National Golf Course Owners Association, the PGA of America, and CMAA.

In the written comments, the golf industry voiced opposition to the proposed rule, citing its impact on property owners by returning "permitting decisions to an unpredictable case-by-case determination of jurisdiction by the Agencies, thereby subjecting golf course professionals to considerable confusion about what features on their lands may be jurisdictional." Review the full comments.

On December 7, 2021, the EPA and the Army published a proposed rule to codify the return to the pre-2015 WOTUS rule. In June, the EPA first announced its intentions to revisit the WOTUS definition by undertaking a new rulemaking process.

In practice, the EPA has been using the pre-2015 rules for enforcement and implementation since August 2021, following the decision by a federal District Court in Arizona to vacate the 2020 Navigable Waters Protection Rule (NWPR). The NWPR provided clarity about what waters fall under federal vs. state jurisdiction and instituted clear rules for clubs and other property owners. It had been in effect and enforceable in most states since June of 2020.

Additionally, CMAA participated in technical comments as a member of the Waters Advocacy Coalition.

Now that the comment period has ended, the EPA and Army will review all submitted comments and continue the rulemaking process. The final rule and implementation is expected later this year.

R E T H I N K

R E V I S E

R E B R A N D

CMAA News & Announcements

Rebranded American Golf Industry Coalition Focused on Addressing Golf's Collective Priorities, Led by Make Golf Your Thing DEI Initiative

On January 24, the organization formerly known as We Are Golf announced that it has rebranded as the American Golf Industry Coalition. Representing a partnership among golf's leading organizations, the coalition is committed to addressing the collective interests of the industry.

A primary area of focus centers around helping to facilitate the industry's diversity, equity, and inclusion initiative, known as Make Golf Your Thing. Through those efforts, the coalition also provides support to the six cross-industry work groups dedicated to making golf accessible to all (education & skill development, talent acquisition, procurement, human resources, youth & adult player development, and marketing/communications). Additionally, the coalition contributes to advocacy efforts for legislative and regulatory issues of importance to the industry.

For more than a dozen years since its founding, the American Golf Industry Coalition has become a banner under which golf's collective priorities can be addressed. The coalition assembles industry representatives annually in Washington, DC, to meet with elected officials and advocate on behalf of golf's \$84 billion economy, \$4 billion in charitable impact, and two million jobs throughout the U.S. The industry came together virtually for National Golf Day in 2021 due to

the coronavirus, and details on 2022 National Golf Day will be help in May.

The coalition also works to amplify tangible examples of key initiatives at both the grassroots and industry workforce level and advocate in support of issues that impact the industry at the state and federal level.

Learn more at golfcoalition.org.

The Board Brief is a publication of the Club Management Association of America. Founded in 1927, the Club Management Association of America (CMAA) is the largest professional association for managers of membership clubs with 6,800 members throughout the US and internationally. Our members contribute to the success of more than 2,500 country, golf, athletic, city, faculty, military, town, and yacht clubs. The objectives of the Association are to promote relationships between club management professionals and other similar professions; to encourage the education and advancement of members; and to provide the resources needed for efficient and successful club operations. Under the covenants of professionalism, education, leadership, and community, CMAA continues to extend its reach as the leader in the club management practice. CMAA is headquartered in Alexandria, VA, with more than 40 professional chapters and more than 40 student chapters and colonies. Learn more at cmaa.org.