

Board Brief

Designed for Club Board of Directors



**CLUB
MANAGEMENT
ASSOCIATION
OF AMERICA**

May/June 2022

By the Numbers: Membership Trends

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 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 have compared data from the last three Finance and Operations Reports (based on 2018, 2019, and 2020 data) to demonstrate trends in

membership operations and to give a basic understanding of the Report.

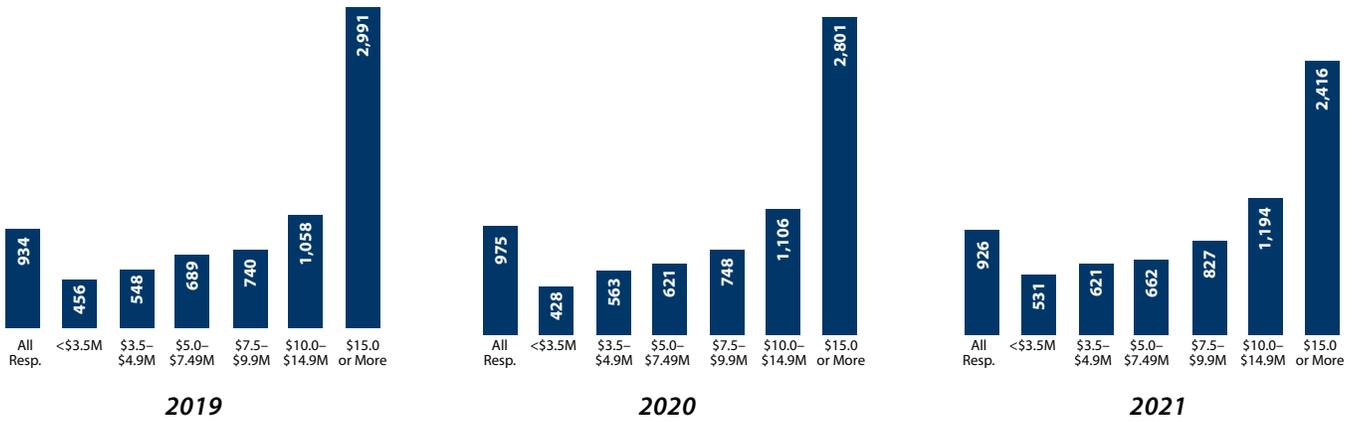
Responding clubs reported median annual dues for a full family membership at \$7,140 in 2020, down from \$7,436 in 2019 and on par with \$7,128 in 2018. What remained consistent across these data samples was that the median annual dues figure tended to increase as the size of club increased in terms of operating revenue size. Overall, there was continued growth in membership annual dues across most membership classes/types.

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Membership Annual Dues



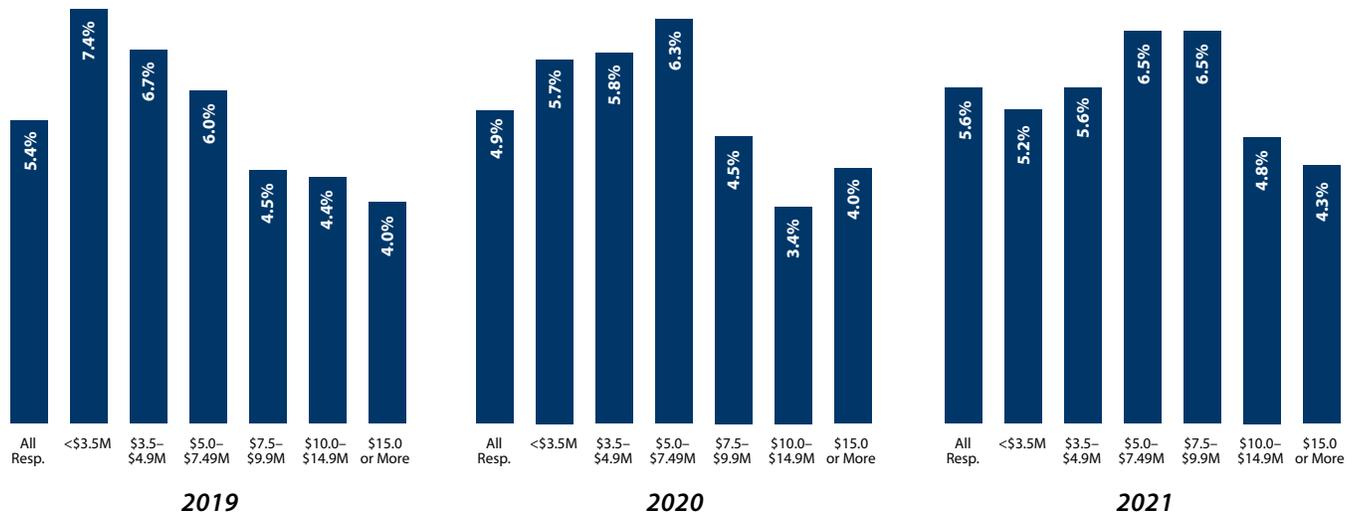
Total Member Count



Due to the impact of the pandemic, it would not have been surprising to see membership counts drop but that was not the case. Responding clubs across all revenue sizes reported increased or approximately equivalent member counts in 2020 as compared to data from 2018 and 2019. As one would expect, the larger clubs in terms of operating revenue had higher member counts, but clubs with \$15 million or more in operating revenue were the only ones to see an appreciable decrease in members between 2019 and 2020. This could be attributed to the pandemic, but it will be interesting to see how this data point changes in the future.

For responding clubs in 2020, median member attrition rates were 5.5 percent for golf and country clubs, 5.7 percent for city/athletic clubs, 4.7 percent for yacht clubs, and 6.5 percent for CIRA clubs – most of which were up from comparable data in 2019. Another area that was likely impacted by the pandemic. Again, it will be curious to see how this revenue stream adjusts in 2021 data. In terms of operating revenue size, the larger clubs (\$10-14.9 million and \$15 million or more) reported the lowest attrition rates – this is consistent with data from both 2018 and 2019.

Median Membership Attrition Rate



Source: Access the 2021 Finance and Operations Report Executive Summary at 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 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.

Best Practices: Be a Cyber-Savvy Board

Board members may be experts in their respective business fields, but far fewer say they feel confident to lead on cybersecurity policies and issues. In a November 2016 survey by the National Association of Corporate Directors (NACD), 97 percent of board members said cyber-risk oversight was challenging. But only 14 percent said their board had a high level of knowledge on cyber risks.

A cyber-attack can cripple a club's operations, and recovery can drain valuable resources. Clubs, because of their high-net-worth clientele, are potentially highly sought targets for hackers. As cyber threats become more ubiquitous, any organization that does not start taking proactive steps is going to make unwanted headlines in the national and local media.

CMAA Education Partner, Pulsar Security's CEO Patrick Hynds explains, "Traditionally clubs have depended solely on insurance for cybersecurity protection because attack prevention was out of reach." Pulsar Security is a cybersecurity company whose mission extends to protect CMAA clubs and their members against malicious attacks.

Hynds suggests Club Boards leverage cyber expertise to educate themselves on the risks. Common attack vectors such as phishing, malware, ransomware, data theft, and keylogging put club and member information and assets - along with club reputation - at risk.

Clubs should prioritize these goals to minimize their cyber risks by:

- Protecting member and employee identity and financial information.
- Preserving club reputation via prevention of financially devastating and publicly embarrassing breaches.
- Making it more difficult for your members and guests to be phished using your club's name.
- Monitoring wireless network activity to prevent bad actors from intruding on the club's business activities.
- Vetting vendors to prevent supply chain attacks.

To learn more about how your club can manage its cyber risk, visit pulsarsecurity.com/cmaa.

Legal, Legislative, & Regulatory Update

Senate Passes Permanent Daylight-Saving Time

On March 16, US Senate passed S.623, the Sunshine Protection Act of 2021. This bill would make daylight saving time (DST) the new, permanent standard time, beginning November 5, 2023. This would end the semiannual clock adjustments—springing forward one hour each March and falling back one hour each November.

Those states with areas who currently do not use DST like Arizona and Hawaii may opt to continue to use standard time.

Proponents of the legislation argue that extended daylight in the evening would mean more time for outside activities like golf, tennis, swimming, etc. thus resulting in increased economic activity. The DST was last adjusted in 2005 to start in March vs. April. According to a *Golf Digest* article, golf was estimated to experience a \$400 million increase in revenue from expanding DST by one month.

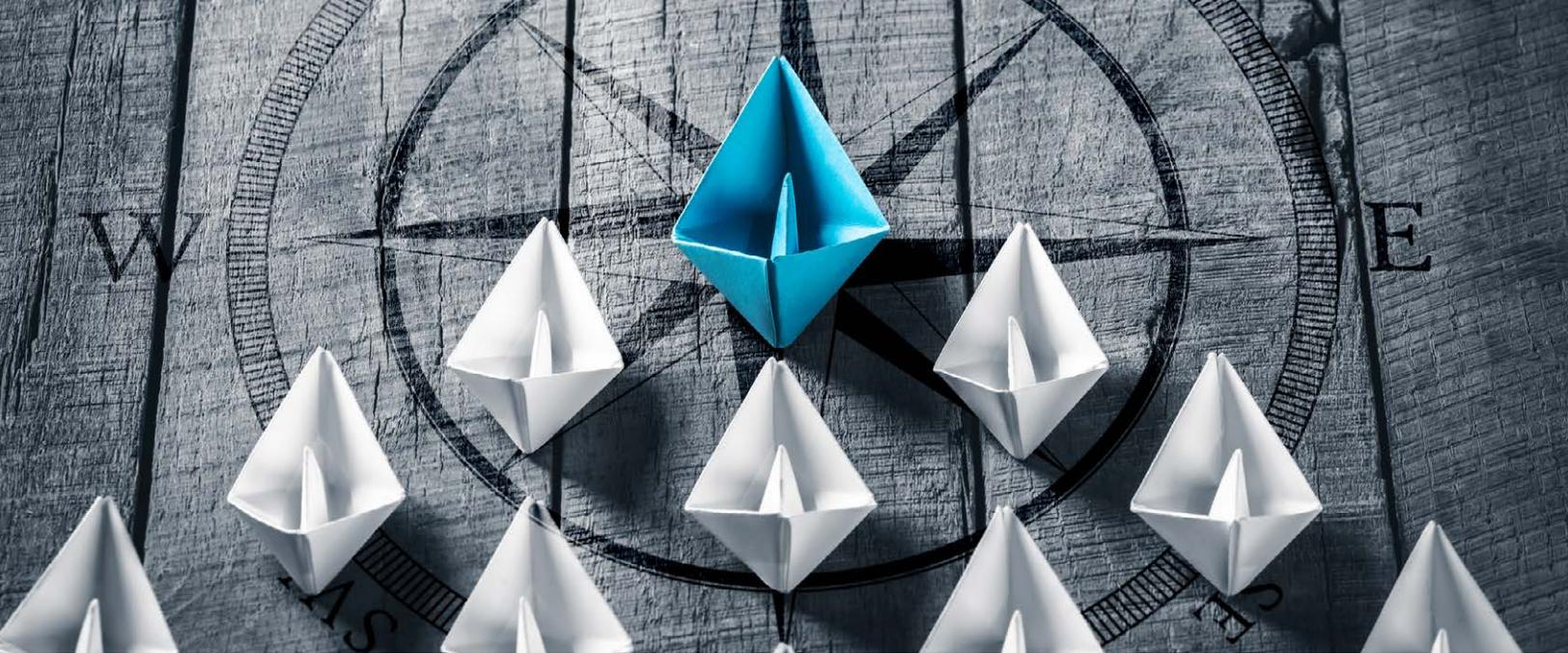
The bill is awaiting consideration by the House of Representatives and needs its passage and the President's signature to become law.

DHS and DOL to Release 35,000 Additional H-2B Visas

On March 31, the Department of Homeland Security (DHS) and the Department of Labor (DOL) announced the forthcoming release of an additional 35,000 H-2B visas for use for the second half of FY2022, April 1 through September 30.

The 35,000 supplemental visas will be available for workers with start dates on or after April 1, 2022. A total of 23,500 are reserved for use for returning workers who received an H-2B visa, or were otherwise granted H-2B status, during one of the last three fiscal years (2019, 2020, or 2021). The remaining 11,500 visas are earmarked for workers from Haiti and the Northern Triangle countries (Honduras, Guatemala, and El Salvador).

DHS and DOL had previously announced that the FY2022 H-2B visa supply was exhausted on February 25. According to a previous announcement, approximately 136,000 visas were requested for the second half of FY2022.



CMAA News & Announcements

Club Leadership Summits Announced for Fall 2022

Set your club's strategic direction and improve your Board of Directors' alignment this fall with CMAA's Club Leadership Summits. These Summits bring together a club's elected leader(s) with club management professionals for cooperative education and engagement on best practices and trends.

Engage with industry experts and experience sessions focused information on relevant strategic topics on governance, finance, including:

- **Governance** – evaluating organizational health; board orientations, self-evaluation, and efficacy; roles and responsibilities; and evolving trends
- **Finance** – exploring the financial model of clubs and its relevancy to successful governance; using a data-driven decision-making process
- **Club Trends** – engaging multi-generations of members; embracing strategy

These highly rated Summits are presented in partnership with Kopplin Kuebler & Wallace.

On **September 9**, the Summit will be presented virtually, enabling attendance from anywhere with a computer and Internet access.

On **November 30**, the Summit will be held at the Beach Point Club in Mamaroneck, NY. Situated on the Long Island Sound, the Beach Point Club boasts breathtaking

views, a beautiful clubhouse with a first-rate dining program, a full-service marina, youth programs, tennis courts and a platform tennis complex, an outdoor dining pavilion, swimming pools, cabanas, and a beach.

For more information including the full event agenda or to register, please visit cmaa.org/learn/meetings-and-events/club-leadership-summits-2022/.

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.