2021
FINANCE AND OPERATIONS **REPORT**

Executive Summary

CLUB MANAGEMENT ASSOCIATION OF AMERICA

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BASED ON 2020 DATA

The 2021 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 380 clubs in 2021, 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 close to 6,800 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 2021 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.

CLUB MANAGEMENT ASSOCIATION OF AMERICA

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ABOUT THIS REPORT

This year's Finance and Operations Report (based on 2020 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, Ohio, 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 2021. 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 2021 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.

COVID-19 IMPACT

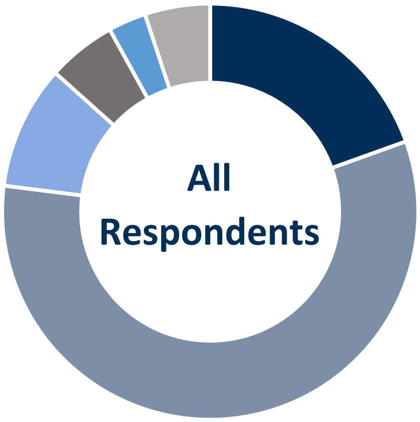
In 2020, as we were evaluating the results of 2019 and embarking on the early stages of the pandemic, there was a large list of uncertainties facing the industry, as well as the nation. By late April 2020, all 50 US states had some sort of operating restrictions in place related to COVID-19. As a result, the second quarter of 2020 was a complete collapse for many industries and regions. GDP contracted over 30 percent and unemployment peaked at nearly 15 percent. Temporary closures impacted much of the nation and the club industry was no different as most in-person dining and fitness/spa operations were forced to cease operations temporarily. Most of these restrictions remained in place throughout April and into mid to late-May 2020. The term "essential business" became very critical for some businesses to survive and sometimes thrive in the wake of the shutdowns. Luckily for the club industry, golf, tennis, and other outdoor activities became even more attractive during these closures given their natural "social distancing." For instance, respondents to this year's study reported significant increases in number of rounds played in 2020 vs. 2019.

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. Nearly 30 percent of responding clubs applied for a Paycheck Protection Program (PPP) loan in 2020 and nearly two-thirds (66 percent) of clubs took advantage of the Employee Retention Credit program in 2020. While operating revenue was down for most clubs in 2020 vs. 2019, these programs allowed clubs the flexibility to be able to maintain or limit reductions in staffing levels. This year's report includes additional information regarding the COVID-19 relief funds on page 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. The impact of the pandemic will likely continue for foreseeable future. As the government relief funding begins to taper, clubs will have to continue to adapt.

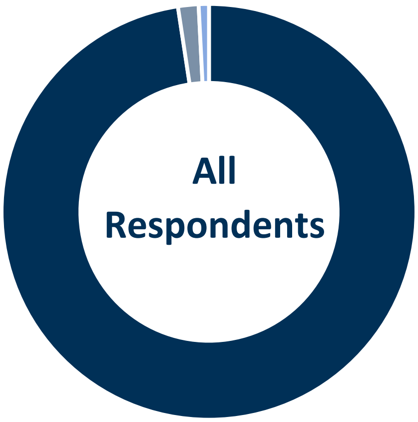
CLUB PROFILE AND FACILITIES

Club Type



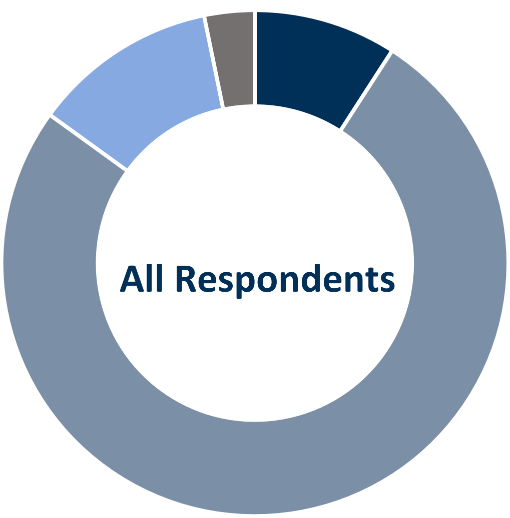
Golf	Country	City/Athletic
19.5%	57.5%	9.6%
Yacht	**CIRA**	**Other**
5.4%	2.9%	5.1%

Private Status



Private	Semi-Private	Public
97.6%	1.6%	0.8%

Tax status



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

9.1%

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

75.9%

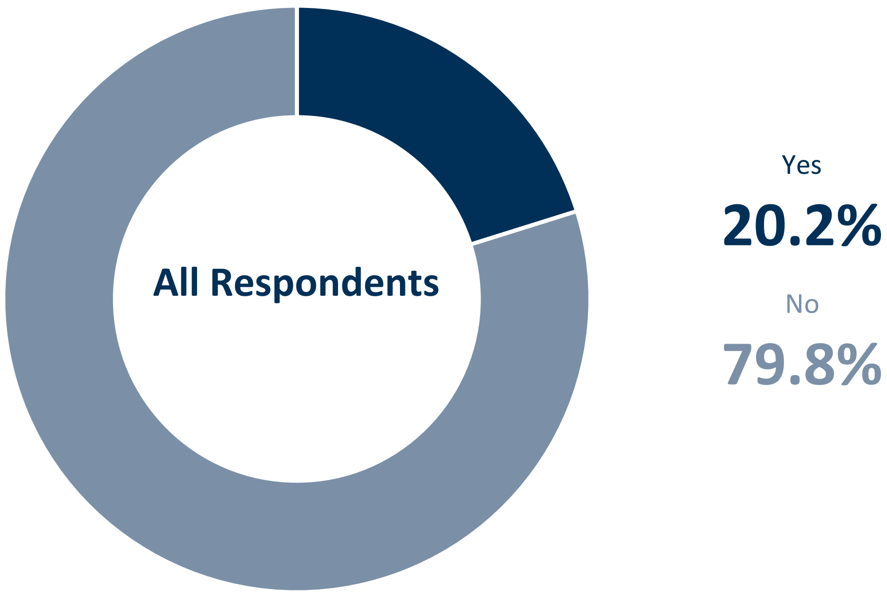
Regular business - taxable (typically includes municipal golf courses, clubs owned by one or a number of investors and developer-owned clubs.)

11.8%

Other

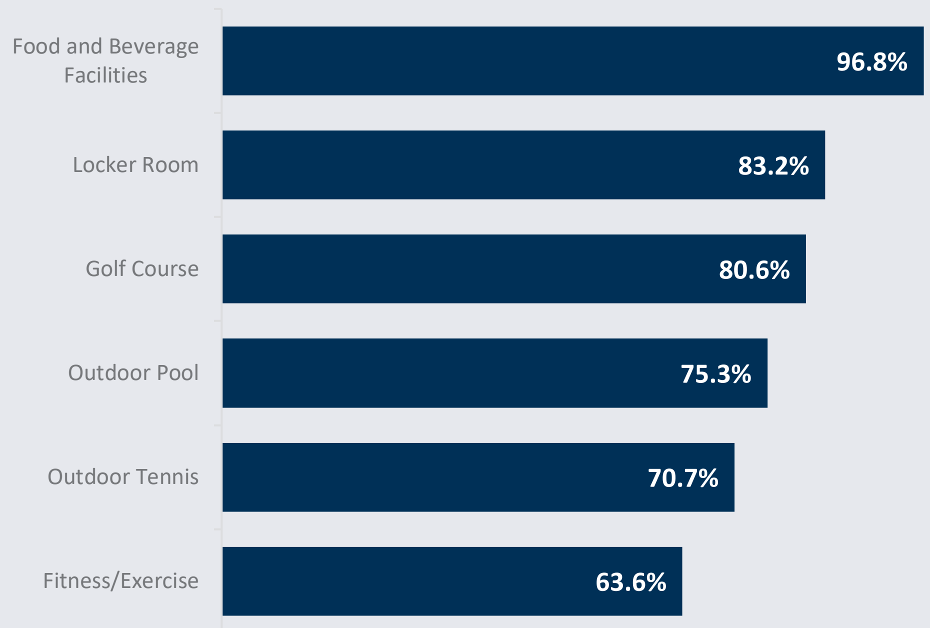
3.2%

Is your club located in a gated community?



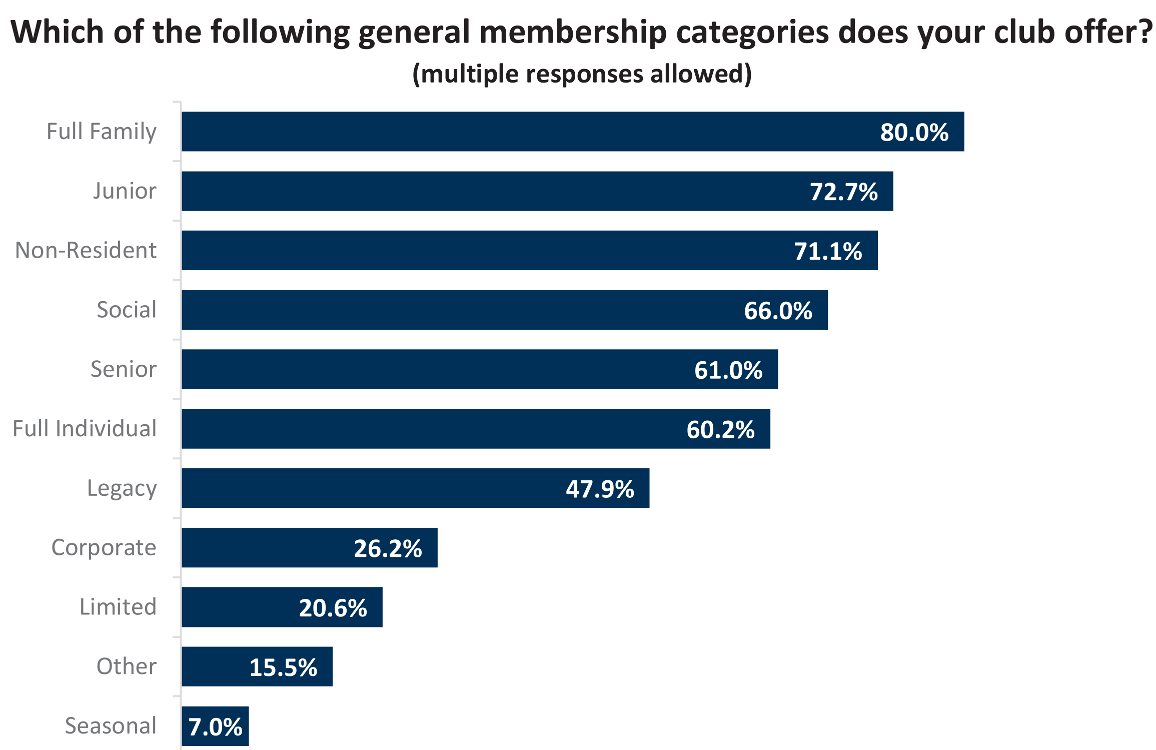
FACILITIES

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



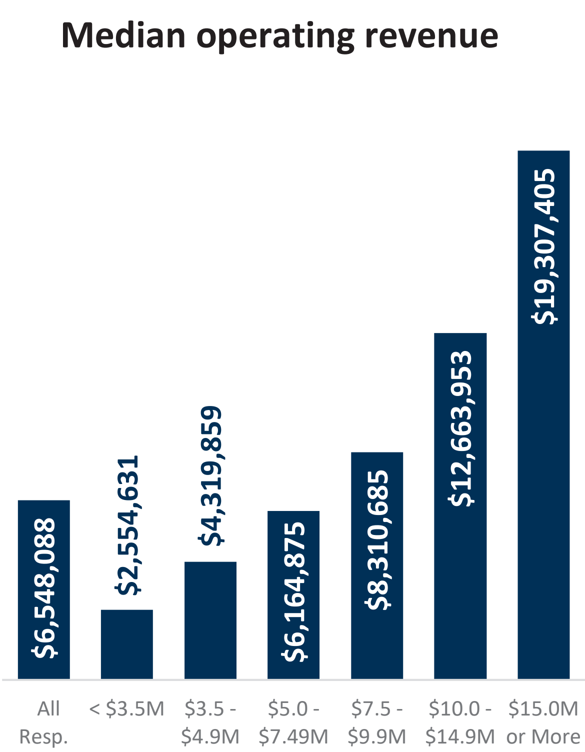
MEMBERSHIPS

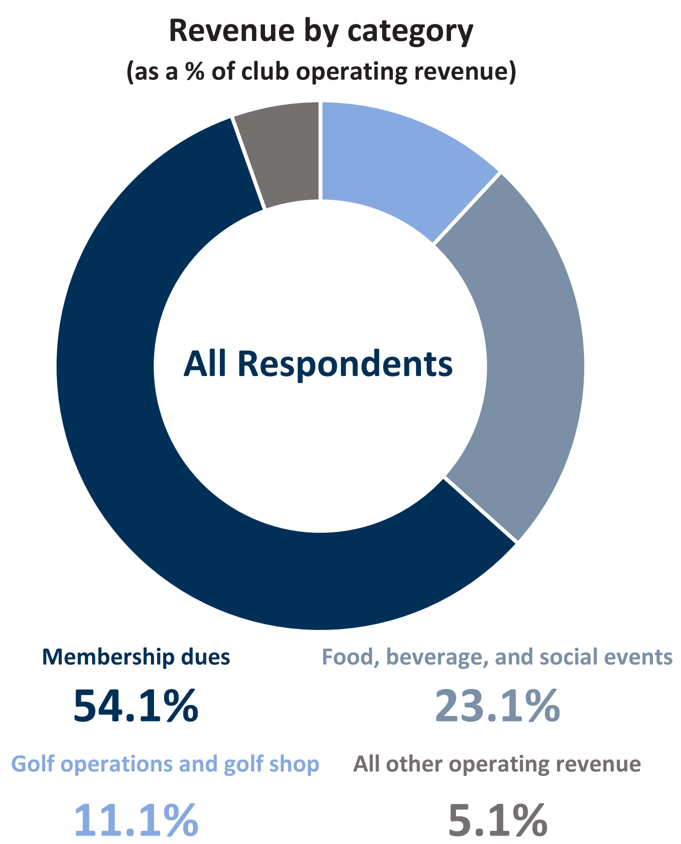
- The full family membership is the most common membership category offered by respondents (80%). The median annual dues for a full family membership was $7,140 for all responding clubs. This figure tended to increase as the size of club increased in terms of operating revenue size.
- Median full family membership annual dues were $7,878 for golf and country clubs, $4,828 for city/athletic clubs, $2,438 for yacht clubs, and $8,700 for CIRA clubs.
- The typical growth in membership annual dues (2020 vs. 2019) was roughly 3% 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 753 members, city/athletic clubs reported 2,217 members, yacht clubs reported 1,098, and CIRA clubs reported an average of 846 members.
- Median member attrition rates were 5.5% for golf and country clubs, 5.7% for city/athletic clubs, 4.7% for yacht clubs, and 6.5% for CIRA clubs. In terms of operating revenue size, the larger clubs $10 - $14.9 million (4.8%) and $15 million or more in operating revenue (4.3%) reported the lowest attrition rates



FINANCES

- Responding clubs reported a median operating revenue of $6.5 Million. The operating revenue category of $5.0 million to $7.49 million again had the highest percentage of respondents at 22%, followed by 20% of respondents in the less than $3.5 million category.
- Respondents reported an average of 5.7% operating income as a % 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 just over 44% for all responding clubs and ranged from a low of 41.7% for the clubs with $3.5 to $4.9 million in operating revenue, to a peak of 46.5% for clubs in the $7.5 million to $9.9 million category. Employee turnover ranged from 20% to 37% for the various operating revenue categories with the median at 25% 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 1.7. 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 more than $10 million in operating revenue reported higher collection periods (over 41 days) compared to the mid-sized clubs (ranging from 36 to 38).
- 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 3.1 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 (57%), general clubhouse (44%), and informal dining (30%). 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 (50%), fitness center (28%), and informal dining (22%). Yacht clubs reported general clubhouse (73%), informal dining (46%), and formal dining (18%) as their top three capital spending priorities over the next three years.





2021 FINANCE AND OPERATIONS SURVEY

CLUB MANAGEMENT ASSOCIATION OF AMERICA

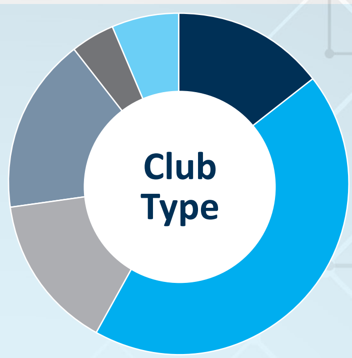
Operating Revenue less than $3.5 Million

Age of Club

1951

70 Years

2021



- 14.6% Golf
- 43.8% Country
- 14.6% City/Athletic
- 16.7% Yacht
- 4.2% CIRA
- 6.3% Other

OPERATIONS

Operating Revenue (Median)

$2.6 Million

Growth -10.6%

6.8% Operating Income*

GROSS PROFIT %

Food	Beverage	Golf Shop
55.0%	66.6%	14.4%

CAPITAL

Debt to Equity 0.4

1.6 Current Ratio (Current Assets ÷ Current Liabilities)

17.6% Cash to Operating Revenue

7.3% Capital Spending*

MEMBERSHIP

531 Members

49.4% Membership Dues*

5.2% Membership Attrition Rate

PERSONNEL

34.0 Total FTEs

Employee Turnover 25.5%

Salaries and Wages* 43.8%

Payroll Taxes and Benefits* 7.9%

*As a % of operating revenue

2021 FINANCE AND OPERATIONS SURVEY

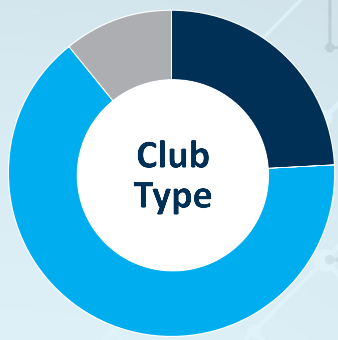
CLUB MANAGEMENT ASSOCIATION of AMERICA

Operating Revenue $3.5-$4.9 Million

Age of Club

101 Years

1920 – 2021



- 24.3% Golf
- 64.9% Country
- 10.8% City/Athletic
- 0.0% Yacht
- 0.0% CIRA
- 0.0% Other

OPERATIONS

Operating Revenue (Median)

$4.3 Million

Growth **-9.2%**

7.4% Operating Income*

GROSS PROFIT %

Food	Beverage	Golf Shop
55.3%	60.7%	27.7%

CAPITAL

Debt to Equity

0.7

1.6 Current Ratio (Current Assets ÷ Current Liabilities)

22.0% Cash to Operating Revenue

7.4% Capital Spending*

MEMBERSHIP

621 Members

54.2% Membership Dues*

5.6% Membership Attrition Rate

PERSONNEL

53.4 Total FTEs

Employee Turnover **36.9%**

Salaries and Wages* **41.7%**

Payroll Taxes and Benefits* **7.9%**

*As a % of operating revenue

2021 FINANCE AND OPERATIONS SURVEY

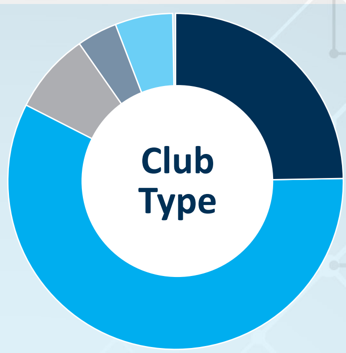
CLUB MANAGEMENT ASSOCIATION OF AMERICA

Operating Revenue $5.0-$7.49 Million

Age of Club

1957 → 2021

64 Years



- 25.0% Golf
- 57.7% Country
- 7.7% City/Athletic
- 3.9% Yacht
- 0.0% CIRA
- 5.8% Other

OPERATIONS

Operating Revenue (Median)

$6.2 Million

Growth **-4.8%**

6.6% Operating Income*

GROSS PROFIT %

Food	Beverage	Golf Shop
57.6%	60.1%	25.3%

CAPITAL

Debt to Equity 0.6

1.5 Current Ratio (Current Assets ÷ Current Liabilities)

23.3% Cash to Operating Revenue

7.8% Capital Spending*

MEMBERSHIP

662 Members

54.7% Membership Dues*

6.5% Membership Attrition Rate

PERSONNEL

72.1 Total FTEs

Employee Turnover **20.0%**

Salaries and Wages* **43.0%**

Payroll Taxes and Benefits* **9.0%**

*As a % of operating revenue

2021 FINANCE AND OPERATIONS SURVEY

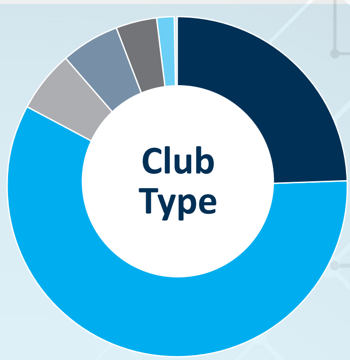
CLUB MANAGEMENT ASSOCIATION of AMERICA

Operating Revenue $7.5-$9.9 Million

Age of Club

97 Years

1924 → 2021



- 20.5% Golf
- 61.5% Country
- 5.1% City/Athletic
- 2.6% Yacht
- 5.1% CIRA
- 5.1% Other

OPERATIONS

Operating Revenue (Median)

$8.3 Million

Growth **-3.8%**

4.1% Operating Income*

GROSS PROFIT %

Food	Beverage	Golf Shop
55.1%	63.0%	24.2%

CAPITAL

Debt to Equity

0.4

2.0 Current Ratio (Current Assets ÷ Current Liabilities)

24.1% Cash to Operating Revenue

11.9% Capital Spending*

MEMBERSHIP

827 Members

54.1% Membership Dues*

6.5% Membership Attrition Rate

PERSONNEL

91.5 Total FTEs

Employee Turnover **27.5%**

Salaries and Wages* **46.5%**

Payroll Taxes and Benefits* **9.3%**

*As a % of operating revenue

2021 FINANCE AND OPERATIONS SURVEY

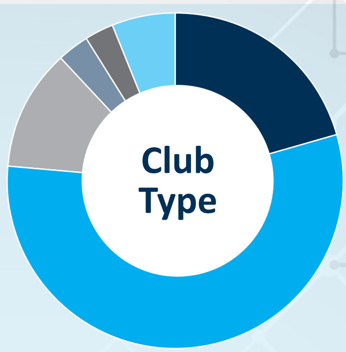
CLUB MANAGEMENT ASSOCIATION OF AMERICA

Operating Revenue $10.0-$14.9 Million

Age of Club

100 Years

1921 → 2021



- 20.6% Golf
- 55.9% Country
- 11.8% City/Athletic
- 2.9% Yacht
- 2.9% CIRA
- 5.9% Other

OPERATIONS

Operating Revenue (Median)

$12.7 Million

Growth **-5.3%**

2.9% Operating Income*

GROSS PROFIT %

Food	Beverage	Golf Shop
54.5%	62.0%	24.4%

CAPITAL

Debt to Equity 0.5

1.7 Current Ratio (Current Assets ÷ Current Liabilities)

23.9% Cash to Operating Revenue

12.1% Capital Spending*

MEMBERSHIP

1,194 Members

57.5% Membership Dues*

4.8% Membership Attrition Rate

PERSONNEL

128.0 Total FTEs

Employee Turnover **25.0%**

Salaries and Wages* **46.0%**

Payroll Taxes and Benefits* **9.8%**

*As a % of operating revenue

2021 FINANCE AND OPERATIONS SURVEY

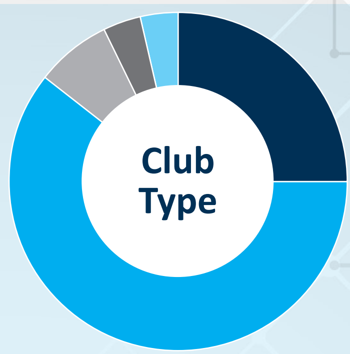
CLUB MANAGEMENT ASSOCIATION OF AMERICA

Operating Revenue $15.0 Million or More

Age of Club

1946 — 2021

75 Years



- 25.0% Golf
- 60.7% Country
- 7.1% City/Athletic
- 0.0% Yacht
- 3.6% CIRA
- 3.6% Other

OPERATIONS

Operating Revenue (Median)
$19.3 Million

Growth **-4.7%**

5.9% Operating Income*

GROSS PROFIT %

Food	Beverage	Golf Shop
56.5%	60.5%	24.9%

CAPITAL

Debt to Equity
0.2

2.0 Current Ratio (Current Assets ÷ Current Liabilities)

22.0% Cash to Operating Revenue

10.4% Capital Spending*

MEMBERSHIP

2,416 Members

56.1% Membership Dues*

4.3% Membership Attrition Rate

PERSONNEL

185.0 Total FTEs

Employee Turnover **22.5%**

Salaries and Wages* **43.8%**

Payroll Taxes and Benefits* **10.1%**

*As a % of operating revenue