Club Trends: Changing Demographics

Now ages 21 to 39, Millennials are poised to shake up the club industry. It turns out that many of the intangibles that Millennials say they want are exactly what clubs already can and do offer. But, like nearly everything Millennials do, they want it to be customized to their specific needs and life stage.

Millennials do want to join clubs, and it’s not necessarily the price tag that’s going to deter them. It’s Millennials’ lifestyle. In fact, 23 percent of Millennials cite lifestyle fit, not cost, as the top objection to club membership. That’s right—nearly one fourth of Millennials say it is lifestyle fit, not dues, that keep them from joining. Interestingly, this is the same top factor keeping Baby Boomers from joining clubs. For Gen X, lifestyle fit was a close second.

And even though Millennials are the generation known for having unprecedented amounts of student debt, and often lower wages relative to their current age, a large percentage (37 percent) of Millennials do not view financial obligations as a barrier to membership. In the cases where there is a financial hurdle, Millennials cite housing costs as the main financial hurdle, with student and consumer debt following close behind.

What about that price tag? It is not a deal breaker for all Millennials. Thirty-seven percent said they do not view financial obligations as a barrier to membership.

Research: How Much of Your Operating Revenue Comes from Dues?

How does your club compare? CMAA’s Finance and Operations Report provides industry statistics for club comparatives. Ratios provide a common ground for clubs to compare themselves to industry statistics. When looking at ratios, clubs should analyze how they compare and dig deeper when there are variations. For example, with the ratios on the Income Statement as a percent of club operating revenue for the typical respondent, a club would analyze how their membership dues percentage compares. If a club sees significant variation, then they could dig deeper by analyzing this ratio based on their club type or revenue bracket as displayed in the Finance and Operations Report.


Legal, Legislative, & Regulatory Update

NY Clubs Face Proposed Taxation Increase

The New York State Club Association is leading the charge, in cooperation with the Metropolitan Club Managers Association, the Metropolitan PGA, and the Long Island Golf Course Superintendents Association, to oppose proposed legislation which could have significant tax implications for all clubs in New York. The pending legislation, Senate Bill S4420 (Carlucci) and Assembly Bill A6444 (Galef), would allow municipalities to assess golf courses and clubs in New York based on the property’s highest and best use rather than its current use. The impact would be significant, with a club or course paying an estimated four to ten times its current tax rate. The legislation remains pending.

Golf Industry Leaders Converge on Capitol Hill

The 12th annual National Golf Day on Wednesday, May 1, brought industry leaders to Capitol Hill to meet with Members of Congress, the Executive Branch, and federal agencies to discuss golf’s 15,000 diverse businesses, two million jobs impacted, tax revenue creation, and tourism value. This coordinated effort through the WE ARE GOLF Coalition leverages golf’s strong national, state, and local infrastructure to build political capital and level the playing field for the thousands of small businesses which make up the industry. With record attendance this year, attendees met with more than half of the members of Congress. The top issues discussed this year included environmental and labor issues like access to H-2B visas, the proposed Department of Labor overtime rule, and industry parity. For more information, visit wearegolf.org.
In today’s climate, the responsibilities of a board of directors have never been greater. The duties include fiduciary and legal responsibilities, while keeping an eye on the future to prepare now for tomorrow’s opportunities.

Clear roles and responsibilities for board members as well as the general manager/chief operating officer are key. What are the key responsibilities in the Board’s job description?

Board Job Description. The job of the Board is to lead the club toward the desired performance and ensure that that performance occurs. The Board’s specific contributions are unique to its trusteeship role and necessary for proper governance and management. Consistent with the powers granted the Board in the Bylaws, the Board shall:

3.2.1 Determine the strategies, and major goals/outcomes (strategic initiatives), and hold the GM accountable for developing a strategic plan based on these policies.

3.2.2 Determine the limitations or parameters within which the GM is expected to achieve the goals/outcomes.

3.2.3 Monitor the performance of the organization relative to the achievement of the goals/outcomes within the executive parameters.

3.2.4 Maintain and constantly improve all ongoing policies of the Board in the Board Policy Manual.

3.2.5 Ensure financial solvency and integrity through policies and behavior.

3.2.6 Require periodic financial and other external audits to ensure compliance with the law and with good practices.

3.2.8 Evaluate and constantly improve the Board’s performance and set expectations for Board members’ involvement as volunteers.

3.2.9 Communicate regularly through the President with club members regarding the status of club affairs.

3.2.10 Develop and enforce the policies set forth in Part 5: Executive Parameters of the Board Policy Manual.


Best Practices: What Does Your Job Description Look Like? Board Roles & Responsibilities
Improve Your Board’s Efficiency and Effectiveness: Attend a Fall Governance/Leadership Summit

Improve your club’s governance efficiency and effectiveness by attending a Governance/Leadership Summit. These half-day Summits bring together club management professionals and their Club President or Board Member for cooperative education.

The following topics will be addressed:

- The Characteristics of High-Performing Clubs
- Roles and Responsibilities of the Board, President, and GM/CEO
- Board Self Evaluation
- Evolution of the Club Industry
- Strategically Thinking/Forward Thinking to Meet Members Needs
- Strategically Setting Up the Board
- Data Driven Decision Making vs. Emotional Decision Making

This fall Summits will take place in two different locations:

**September 5** – Philadelphia Country Club – Gladwyne, PA

**September 26** – Myers Park Country Club – Charlotte, NC

For more information including the full event agenda or to register, please visit [cmaa.org/governancesummit/](http://cmaa.org/governancesummit/).

**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 42 professional chapters and more than 40 student chapters and colonies. Learn more at [cmaa.org](http://cmaa.org).