Research: Is Your Membership Growing or Are Your Dues?

The 2019 CMAA Finance and Operations Report, released in August 2019, presents a detailed report of key financial and operating data from the club management industry. Based on confidential surveys completed by 382 clubs in early 2019, the report includes a compilation and analysis of club finance and operations data.

The report includes data on typical membership growth both in members and in dues by category. While the median attrition rate across all respondents is 5.4 percent, the median net membership growth rate was 0.8 percent with the median member count at 934.

Dues also saw growth this year, with the typical growth in membership annual dues (2018 vs. 2017) between 2 to 4 percent across most membership classes/types. The median annual dues by membership classification is presented on page 2. More data based on operating revenue and club type is provided in the full report.


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**Total Member Count**

<table>
<thead>
<tr>
<th>Membership Category</th>
<th>Total Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Resp.</td>
<td>934</td>
</tr>
<tr>
<td>&lt; $3.5M</td>
<td>456</td>
</tr>
<tr>
<td>$3.5M – $4.9M</td>
<td>548</td>
</tr>
<tr>
<td>$5.0M – $7.49M</td>
<td>689</td>
</tr>
<tr>
<td>$7.5M – $9.9M</td>
<td>740</td>
</tr>
<tr>
<td>$10.0M – $14.9M</td>
<td>1,058</td>
</tr>
<tr>
<td>$15.0M or More</td>
<td>2,991</td>
</tr>
</tbody>
</table>

**Median Membership Attrition Rate**

<table>
<thead>
<tr>
<th>Membership Category</th>
<th>Median Attrition Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Resp.</td>
<td>5.4%</td>
</tr>
<tr>
<td>&lt; $3.5M</td>
<td>7.4%</td>
</tr>
<tr>
<td>$3.5M – $4.9M</td>
<td>6.7%</td>
</tr>
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<td>6.0%</td>
</tr>
<tr>
<td>$7.5M – $9.9M</td>
<td>4.5%</td>
</tr>
<tr>
<td>$10.0M – $14.9M</td>
<td>4.4%</td>
</tr>
<tr>
<td>$15.0M or More</td>
<td>4.0%</td>
</tr>
</tbody>
</table>
Club Trends: Employee Recruiting

Did you know? Clubs rank current employees, job search engines, and local schools as the top three most effective recruiting sources for hourly employees.

According to popular job search site Monster, hourly employees make up more than 60 percent of the workforce in the US. However, finding employees who meet the needs and qualifications employers are looking for is a steep challenge. This is especially true within the club industry. In the 2017 white paper “Recruiting Hourly Employees,” CMAA takes a deep dive into strategies clubs can utilize to best respond to this challenge – and some of those strategies point to trends that are emerging across the job market.

Employ a Marketing Approach

Thinking outside the box when it comes to recruiting is key to finding success. Approaching a candidate search with a sales mindset has shown success by asking employers to answer the question “why should a candidate [want] to work for your club?”

Recruitment marketing is the approach you take to making your club’s culture visible and attractive to the talent you wish to attract – company culture is rapidly becoming a deciding (or detracting) factor in whether a candidate chooses to accept a job offer or even apply for a position.

Demographics are Important

When it comes to hourly positions, think outside the box. While younger workers may seem like the target, it’s important to remember that hourly employees would often prefer to work fewer hours. A great audience to look toward? Retirees.

Hazeltine Golf Club in Minnesota is just one club where retirees have stepped in to act as a stop-gap employee solution to their golf course maintenance teams.

Culture is Everything

As mentioned before, company culture is key. Potential employees are looking for a workplace in which their own values are reflected, and equally, cultural fit is a critical component to a candidate’s success in your club.

A well-defined club culture – one that everyone has bought into and lives daily – can be the best recruiting tool you have. When a potential employee can see themselves succeeding in your club, enjoying their work experience, and fitting in with their peers, they are more likely to want to be there.

Training someone on the functional parts of a job is easy if they are a behavioral match up front. Understanding cultural fit can truly help you get the right person in the right job.

Sources: Recruiting Hourly Employees, cmaa.org/recruiting/ and Retirees Save the Day for These Course Maintenance Staffs, thenfq.com/2019/09/retirees-save-the-day-for-these-course-maintenance-staffs
Best Practices: Identifying Future Club Leaders

Finding volunteers in today’s chaotic and fast-paced world can be difficult. It is common for clubs to complain that they cannot find good candidates. It is appropriate, then, to formalize a development and selection process that maximizes the potential for good candidates, beginning with a system to identify future leaders.

In the book *Club Board Members Guide*, John L. Carroll writes that the best candidates for the club board have the following characteristics:

- A person who can be trusted to do the right thing without regard for external pressures or self-interest;
- Has clearly demonstrated the ability to work with others;
- An individual with leadership skills who can accept criticism; and
- A well-rounded person who is respected by their fellow members.

It is incumbent on existing governance to help the nominating committee with a developed pool of potential candidates. Every board member, committee member, and all past leaders should be continually scouting new talent.

Consider these practices to provide your club’s nominating committee a good head start with a pool of potential candidates and ensure a better election process:

- Establish a formal structure within the club to identify potential candidates throughout the year, not just during the election season.
- Consider individuals who serve on existing committees or other volunteer roles.
- Encourage other individuals who exhibit the above characteristics and attributes to consider committee and or other volunteer roles to better prepare them for future service.

Source: Adapted from CMAA’s Director’s Guide for Understanding Club Governance. cmaa.org/template.aspx?id=320

Legal, Legislative, & Regulatory

**DOL Releases Final Overtime Rule, $35k Threshold, Effective January 1**

On September 25, the Department of Labor (DOL) released the final overtime rule, making changes to the Fair Labor Standards Act regarding employee’s eligibility for overtime. Earlier this year, the DOL accepted public comment on this proposed rule.

**Here are the rule highlights:**

- The final rule increases the minimum salary required for an employee to qualify for exemption from the currently-enforced level of $455 to $684 per week, the equivalent to $35,568 per year. This is just slightly above the number suggested in the proposed rule.
- The final rule increases the total annual compensation requirement for “highly compensated employees” (HCE) increases from $100,000 to $107,432 per year.
- Clubs will be allowed to use nondiscretionary bonuses and incentive payments (including commissions) that are paid annually or more frequently to satisfy up to 10 percent of the standard salary level.
- The final rule confirms the DOL’s commitment to periodically review and update the salary threshold but does not mandate a specific interval of time. Any update would continue to require notice-and-comment rulemaking, giving employers advance notice.
- The final rule does not alter the job duties test.

The final rule will become effective and enforceable on January 1, 2020.

**EPA and Army Corps Repeal 2015 WOTUS Rule**

On September 12, the Environmental Protection Agency and the Army Corps of Engineers jointly issued a final rule to repeal the 2015 Waters of the United States (WOTUS) rule. This is step one of the two-step process to repeal and replace the 2015 rule that dramatically expanded federal jurisdiction over waters and wet areas in the US, including most water bodies on golf courses.

The pre-2015 regulation will now be effective nationwide. Due to separate litigation, the pre-2015 regulations were already in place in 27 US states. The final rule will take effect 60 days after publication in the Federal Register.

Step two, the replacement of the rule, is expected to be released by the end of the year. It is expected to provide clearer rules and regulations for clubs and all landowners nationwide.
CMAA News and Resources

Focus Forward at the CMAA 2020 World Conference & Club Business Expo

Registration is now open for the 2020 CMAA World Conference & Club Business Expo, February 8–12, 2020, at the Gaylord Texan Resort & Convention Center in Grapevine, TX. This is the largest network gathering of club industry professionals, which is held in major cities throughout the United States each year. Attendees engage in a variety of educational and networking opportunities, including more than 80 education programs tailored to the 10 core competencies needed for success in the club industry, a two-day exposition - the Club Business Expo, featuring innovative products and services, and the annual Idea Fair featuring hundreds of club-tested ideas.

Featured education sessions will showcase restauranteur and hospitality guru Danny Meyer; founding president and COO of Ritz-Carlton Horst Schulze; CEO of H&R Block Jeff Jones; and Vice Chairman, Global Wealth Management and Senior Client Advisor at Morgan Stanley, Carla Harris. Other education sessions will include the latest thinking on data intelligence; club governance; recruiting and hiring talent; technology trends; member engagement and retention; competing in today’s competitive marketplace; and more.

For more information, visit www.cmaa.org/conference.

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.