By the Numbers: Private Club Members’ Perspective on COVID-19 Impact

GGA Partners recently released the results of a global research survey of more than 6,300 private club members which measured their attitudes and preferences on club operations and finance in the wake of the COVID-19 health crisis. Overall results are encouraging; members feel highly positive about the crisis-management performance of their clubs and indicate that the importance of “the Club” in their lives has not been negatively impacted by the pandemic, but rather reinforced.

Roughly four in five members report either an increase in importance or no change in the club’s importance in their lives, while 21 percent say its importance has diminished because of the pandemic. Friendships, the quality of amenities, and recreational activities were cited as factors driving the club’s importance in their lives.

In terms of correlation, the more effectively clubs performed during the COVID-19 pandemic, the more important they became in the lives of members. Together these results suggest that the importance and relevance of their club experience is strengthened during emotionally challenging times.

However, members’ high-level economic outlook over the next 12 months is more somber and survey respondents were least optimistic about their club’s financial position. Seventy-one percent expect a decline in the financial health of their club. Fifty-six percent cited current economic conditions and 42 percent believe decreased member spending would lead to the decline, which 20 percent predicted would be “significant.”

In response to downward financial pressures, members expect their clubs to adapt operationally by scaling back certain high-touch areas of operations to simultaneously reduce club operating costs and the risk of COVID-19 transmission. Rather

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than increasing revenue through dues or membership growth, almost three-quarters of members would prefer their club make near-term, operational changes – including reducing dining operations (61 percent) and administrative expenses.

The good news for club leaders is the implication that operational scale-backs, service reductions, and restricted/limited access to amenities and activities – essential maneuvers to safely and responsibly navigate a virus-ridden social environment – are unlikely to cause significant membership attrition.

When asked how they would (or have) approached returning to their club in the wake of the coronavirus, 39 percent said they would (or have) returned without any restrictions imposed by the club. However, 61 percent said their return was contingent on certain conditions: 50 percent said they would return if social distancing was maintained and government guidelines enforced; 11 percent were more hesitant, saying they would not return until the club had been operational "without issues" for a trial period or until rigorous virus testing capabilities or even a vaccine were available.

Members said they also would consider leaving their clubs if dues increases exceeded typical annual hikes (50 percent) or the club's facilities deteriorated (41 percent).

Private club members are worried about their club's financial well-being in the aftermath of the global pandemic, and only 27 percent expect operations to revert to the way they were before the challenges imposed by the coronavirus. But most say they will retain their membership if the club holds the line on dues increases, maintains the quality of its facilities, and makes returning to the club safe for themselves and their families.

For the complete report, visit ggapartners.com/2020/07/a-members-perspective-shift-private-club-landscape/.
Best Practices: Bylaws vs. Rules

What qualifies as a bylaw and what issues should be addressed in a club’s standing or house rules?

The following excerpt is from White Papers on Club Management, Volume 1, written by Bridgette Redman:

Bylaws empower clubs to create rules. The bylaws make up the club’s consistent standard. The rules are subject to change based on the needs and desires of the membership, facilities, employees, and owners.

A purist’s comparison of bylaws and rules is that bylaws affect only the governing Boards, while the rules are the regulations that affect everyone else. However, this comparison is overly simplistic for most clubs.

A better definition of these two words was proposed by a GM/COO who said that clubs don’t usually have to seek membership permission to get rules changed, but with bylaws they do.

“To use a house metaphor, the bylaws make up the structure of the house, the walls, the floor, and the ceiling,” he said. “The rules are the color of the sofa, the chairs, or the carpet, and are subject to change.”

Clubs are able to change their rules without consulting their members. Bylaws, on the other hand, usually require membership input or approval before being amended, deleted, or added.

Another GM/COO pointed out that bylaws and rules are different forms of governance.

Bylaws set up a corporate entity while rules govern the day-to-day workings of the club. Most clubs cannot exist as corporations unless they have bylaws. The rules provide the practical guidelines for how the corporate entity established in the bylaws operates. Generally speaking, bylaws create policy and rules are operational.

A final difference between rules and bylaws is that bylaws are usually changed in response to membership demand, whereas rule changes typically originate in committees.


Legal, Legislative, & Regulatory Update

Employee Payroll Tax Relief Guidance Released

In early August, the President issued an Executive Order, creating a tax deferment for employees. As expected, the Internal Revenue Service has issued follow up guidance.

In the Memorandum on Deferring Payroll Tax Obligations in Light of the Ongoing COVID-19 Disaster, the President directed the Secretary of the Treasury to defer the withholding, deposit, and payment of the employee portion of the payroll tax, specifically the Social Security taxes (OASDI - Old Age Survivor and Disability Insurance).

The deferment is available to employees who earn no more than $4,000 biweekly or $104,000 annually, and is applicable during the period of September 1 to December 31, 2020. The Executive Order does not convey forgiving so this should be considered when employees choose to elect this option.

The guidance provided additional information for application beginning September 1.

- Wages are considered on a pay period basis and the employee must not exceed the threshold of $4,000 or they are ineligible to defer during that pay period.
- The guidance established the repayment period of January 1 through April 30, 2021.
- Deferred payments will not incur interest or penalties but will be due no later than April 30, 2021. Interest, penalties, and additional charges will accrue beginning May 1, 2021.
- The guidance states, that, if it is necessary, employers can “make arrangements to otherwise collect the total Applicable Taxes from the employee.”
CMAA News & Announcements

ClubCareers: Your Resource for Future Club Leaders

Are you looking for your club’s next leader? List your position with CMAA’s ClubCareers and advertise directly to CMAA members who are seeking new opportunities, both at the executive or mid-management levels.

- The Managerial Openings List (MOL) assists clubs seeking executive management personnel. Titles include General Managers, Chief Executive Officers, and Chief Operating Officers. All postings on this list have salary ranges at $75,000* or above.

- The Mid-Management Career Opportunities List (MMCO) assists clubs seeking mid-management personnel. Titles include Clubhouse Manager, Food and Beverage Manager, Banquet Manager, and others. All postings on this list have salary ranges under $75,000*.

* For positions with salaries that straddle the $75,000 salary range, jobs will be listed on both pages.

Additional resources are available including sample job descriptions and the Interim Management List, an online listing of CMAA members who are available to fulfill various interim management positions. Since the inception of ClubCareers in 2003, the site has posted thousands of jobs. For more information, visit cmaa.org/careers/.

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.