

club managers

... achieved some significant revenue hikes in 1973, but it was a struggle all the way against spiraling costs

Managers experienced major sales improvements in primary income areas for 1973, as unseasonably fair golfing weather extended into the middle of November. But the GOLFDOM Marketing and Research Study indicated that they were struggling to maintain their profit margin in the face of spiraling wholesale food costs. Meat, an ever-popular country club menu item, jumped over 28 per cent in the last year, and substituting chicken was of little benefit, because that item increased over 19 per cent.

Green fees revenue lead the parade of sales increases, showing a 56.5 per cent gain over 1972 to \$622 million. Liquor sales at private and semi-private facilities surged to \$600.7 million, a 31.8 per cent increase over last year's figure of \$455.9 million. (Wholesale liquor costs rose only 7 per cent, and profit margin is 300 to 400 per cent.) This more than justified managers' faith that 1973 liquor sales would bounce back from the previous year's 1.8 per cent decrease under 1971.

As in 1972, managers are substantially increasing their liquor budget allotment. The figure for 1974 (\$303.3 million) is expected to be 26.7 per cent higher than in 1973.

Gross food sales increased in 1974 at private and semi-private facilities. Sales fared 29.0 per cent over 1972 to \$1.05 billion, but wholesale food cost hikes posed a cloud over any manager jubilation about improved dining room business. That food purchase budgets increased 31.1 per cent over 1973 to \$731.7



million indicated manager optimism about 1974 food sales, but also reflected their concern that the rate of food cost increases may not soon level off.

A 62.1 per cent leap in clubhouse improvement costs to an average per facility of \$47,000 took a heavy toll on 1973 club budgets, and managers are anticipating even more extensive improvement plans as shown by the 64.0 per cent jump in their 1974 budgets over 1973 as an average per facility.

Operating expenditures continue to climb as 1973 costs rose by 36.7 per cent from 1972 to \$2.87 billion. Managers seem to anticipate a leveling off of the rate of increase in this area for 1974, increasing their budget for the coming year by only 8.7 per cent to \$3.12 billion.

Property taxes continue their ascent, reaching \$194.2 million, a 55.4 per cent increase over 1968. GOLFDOM's research study indicates significant gains in the number of managers reporting salaries of \$25,000 and more and a marked decrease in the number reporting earnings under \$7,500, while the middle brackets showed slight fluxuation. □

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CLUB MANAGERS' TABLES AND GRAPHS

Liquor, gross receipts	National grand totals	34
Average and national totals	Operating expenditures	
National grand totals	Average and national totals	39
Liquor purchase budgets	National grand totals	39
Average and national totals	Taxes on club property	
National grand totals	National grand totals	39
Food, gross receipts	Expenditures for clubhouse improvements	
Average and national totals	Average	40
National grand totals	National grand totals	40
Food purchase budgets	Plans for improvements	40
Average and national totals	Managers' salaries	
National grand totals	All course types	40, 41
Revenue from green fees	Each course type	41
Average and national totals		

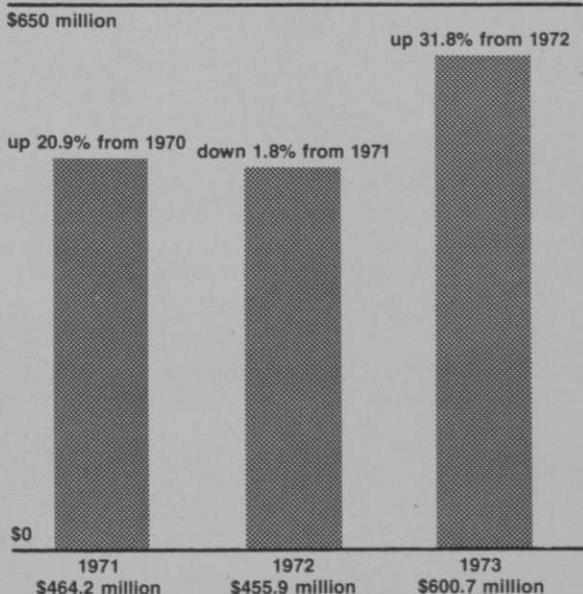
**GROSS RECEIPTS FROM LIQUOR* SALES
(private and semi-private facilities)****

Course type	Average per facility	National totals
Private		
1971	\$ 80,300	\$322.9 million
1972	\$ 83,500	\$345.8 million
1973	\$100,500	\$418.9 million
Semi-private		
1971	\$ 38,900	\$141.3 million
1972	\$ 30,000	\$110.0 million
1973	\$ 48,500	\$181.8 million

*Includes hard liquor, wines and beer

**Hotel/Resort and public facilities have been excluded from this portion of the study because the disparity among their food and liquor facilities makes averages and national totals unreliable.

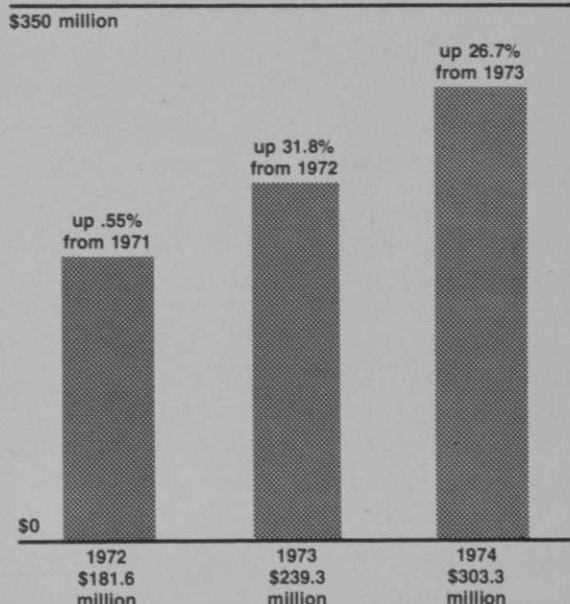
**GROSS RECEIPTS FROM LIQUOR* SALES
(private and semi-private facilities)**
NATIONAL GRAND TOTALS**



*Includes hard liquor, wines and beer

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**LIQUOR* PURCHASE BUDGETS
(private and semi-private facilities)**
NATIONAL GRAND TOTALS**



*Includes hard liquor, wines and beer

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**LIQUOR* PURCHASE BUDGETS
(private and semi-private facilities)****

Course type	Average per facility	National totals
Private		
Budget 1972	\$28,800	\$115.9 million
Budget 1973	\$41,800	\$173.3 million
Budget 1974	\$51,500	\$214.6 million
Semi-private		
Budget 1972	\$18,100	\$ 65.7 million
Budget 1973	\$18,000	\$ 66.0 million
Budget 1974	\$23,600	\$ 88.6 million

*Includes hard liquor, wines and beer

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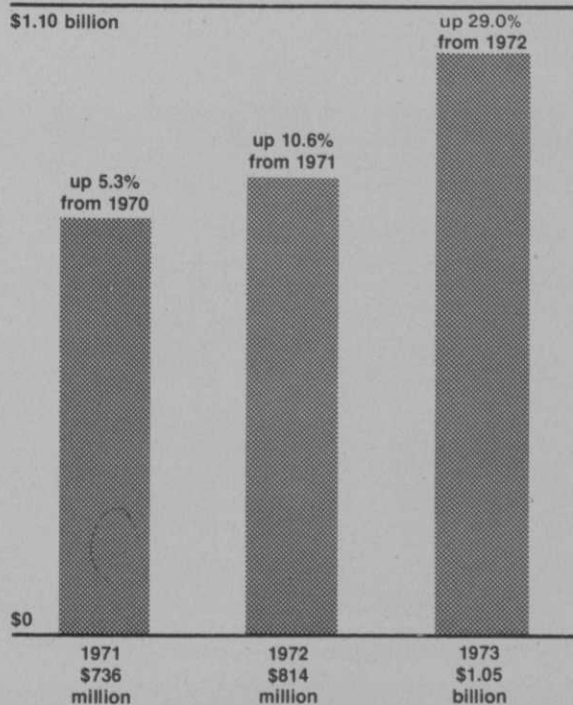
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**GROSS RECEIPTS FROM FOOD SALES
(private and semi-private facilities)***

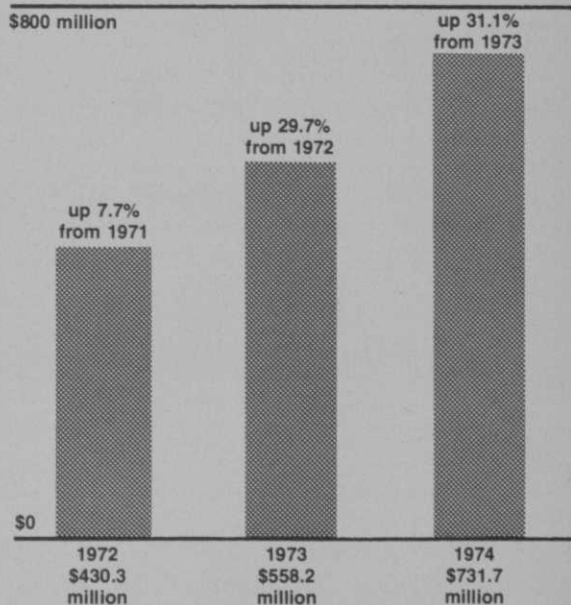
Course type	Average per facility	National totals
Private		
1971	\$148,200	\$595.9 million
1972	\$160,900	\$666.6 million
1973	\$195,900	\$816.7 million
Semi-private		
1971	\$ 38,600	\$140.1 million
1972	\$ 40,200	\$147.4 million
1973	\$ 61,300	\$229.9 million

*Hotel/Resort and public facilities have been excluded from this portion of the study because the disparity among their food and liquor facilities makes averages and national totals unreliable.

**GROSS RECEIPTS FROM FOOD SALES
(private and semi-private facilities)*
NATIONAL GRAND TOTALS**



**FOOD PURCHASE BUDGETS
(private and semi-private facilities)*
NATIONAL GRAND TOTALS**



*Hotel/Resort and public facilities have been excluded from this portion of the study because the disparity among their food and liquor facilities makes averages and national totals unreliable.

**FOOD PURCHASE BUDGETS
(private and semi-private facilities)***

Course type	Average per facility	National totals
Private		
Budget 1972	\$ 84,800	\$340.9 million
Budget 1973	\$109,900	\$455.0 million
Budget 1974	\$137,600	\$573.7 million
Semi-private		
Budget 1972	\$ 24,600	\$ 89.4 million
Budget 1973	\$ 28,100	\$103.2 million
Budget 1974	\$ 42,100	\$158.0 million

*Hotel/Resort and public facilities have been excluded from this portion of the study because the disparity among their food and liquor facilities makes averages and national totals unreliable.

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Notes: This club manager study does not include non-regulation courses (par-three, executive, etc.) because the number of such courses with complete dining and clubhouse facilities are few. Therefore, when the terms United States golf facilities and nation's golf facilities are used, it should be understood that they refer to regulation golf facilities only.

The term golf facility refers to an entire golf establishment. A club with two or more courses is considered to be one golf facility, because the courses are under the same management and share the same clubhouse, pro shop and other club facilities. Figures reflect this definition.

Figures in many cases have been broken down by the following course types: private, semi-private, hotel/resort and public. For purposes of the survey, GOLFDOM has defined semi-private as a private, daily fee facility; hotel/resort as a facility owned and operated by a hotel or resort, and public as a municipal course or any other golf facility that does not represent private interests.

In some cases averages for 1971 and 1972, and 1972 and 1973 are the same, but national projections are different. This is indicative of the growth in the number of golf facilities.

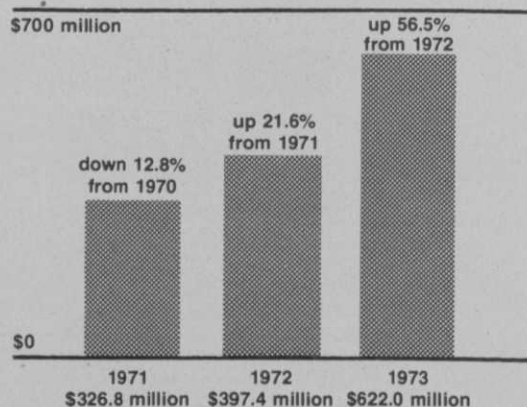
Figures in the billions have been rounded to the nearest ten million dollars; figures in the millions have been rounded to the nearest hundred thousand dollars; figures in the thousands have been rounded to the nearest hundred dollars, and figures in the hundreds have been rounded to the nearest ten dollars. Therefore rounded national totals, when added, may not precisely agree with the national grand totals, because these are the sums of the unrounded figures.

REVENUE FROM GREEN FEES

Course type	Average per facility	National totals
Private*		
1971	\$ 17,200	\$ 69.2 million
1972	\$ 15,600	\$ 64.6 million
1973	\$ 29,400	\$122.5 million
Semi-private		
1971	\$ 49,300	\$179.1 million
1972	\$ 68,400	\$250.9 million
1973	\$ 73,500	\$275.4 million
Hotel/Resort		
1971	\$ 62,900	\$ 25.8 million
1972	\$ 66,100	\$ 27.6 million
1973	\$148,100	\$ 62.9 million
Public		
1971	\$ 42,700	\$ 52.8 million
1972	\$ 42,700	\$ 54.2 million
1973	\$124,100	\$161.2 million

*The figures noted for private courses would generally constitute guest fees.

REVENUE FROM GREEN FEES NATIONAL GRAND TOTALS

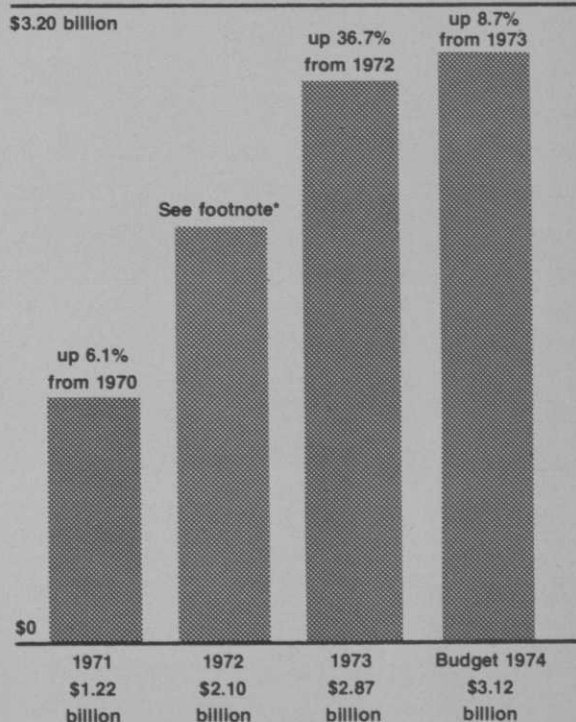


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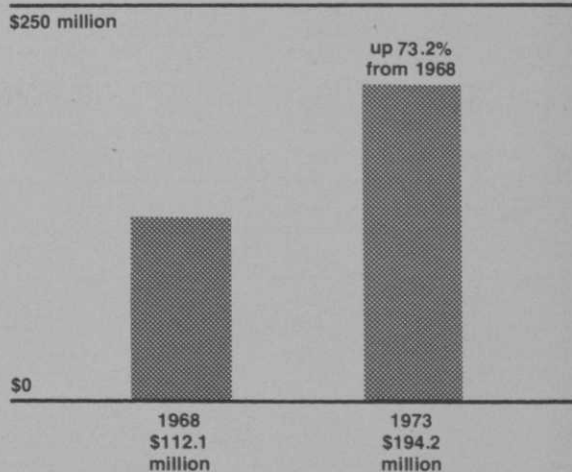
OPERATING EXPENDITURES

Course type	Average per facility	National totals
Private		
1971	\$238,200	\$957.6 million
1972*	\$380,800	\$1.58 billion
1973*	\$460,300	\$1.92 billion
Budget 1974*	\$501,900	\$2.09 billion
Semi-private		
1971	\$ 58,300	\$211.8 million
1972*	\$109,900	\$403.2 million
1973*	\$136,600	\$512.2 million
Budget 1974*	\$140,100	\$525.2 million
Hotel/Resort		
1971	\$ 17,200	\$7.1 million
1972*	\$ 79,300	\$33.2 million
1973*	\$579,900	\$246.5 million
Budget 1974*	\$651,600	\$276.9 million
Public		
1971	\$ 41,500	\$51.2 million
1972*	\$ 70,500	\$89.4 million
1973*	\$152,000	\$197.4 million
Budget 1974*	\$164,100	\$213.1 million

OPERATING EXPENDITURES NATIONAL GRAND TOTALS



ACTUAL TAXES PAID ON CLUB PROPERTY** NATIONAL GRAND TOTALS

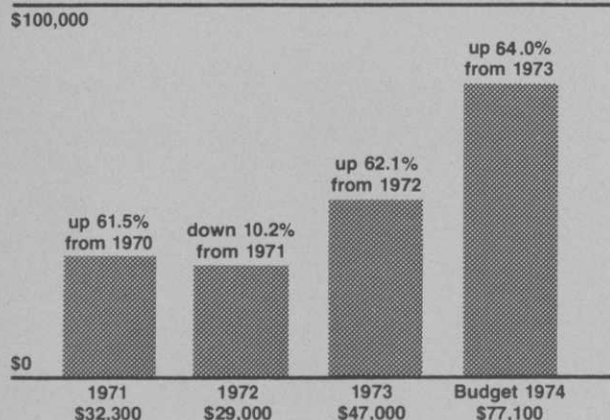


**All course types combined

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*Important: It must be pointed out that what appears to be an inordinate increase in operating expenditures is due to the inclusion of payroll costs in the 1972, 1973 and budget 1974 figures. In previous years, managers had been asked to exclude payroll costs from their responses. However, payroll costs in many cases can account for more than half of total operating expenditures.

EXPENDITURES FOR CLUBHOUSE IMPROVEMENTS AVERAGE PER FACILITY*

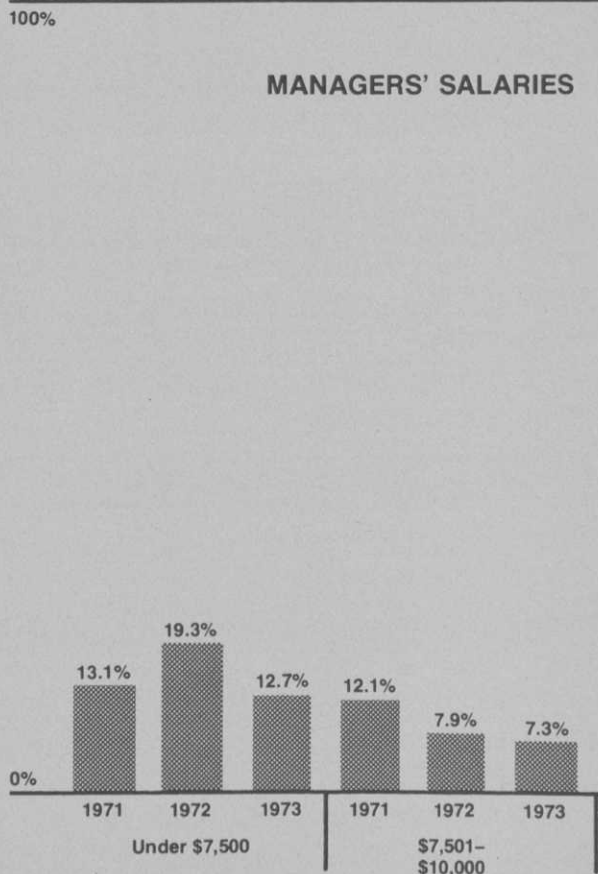


*Averages encompass all four types of regulation facilities—private, semi-private, hotel/resort and public.

NATIONAL GRAND TOTALS:

1971	\$221.8 million
1972	\$219.0 million
1973	\$321.2 million
Budget 1974	\$607.4 million

MANAGERS' SALARIES

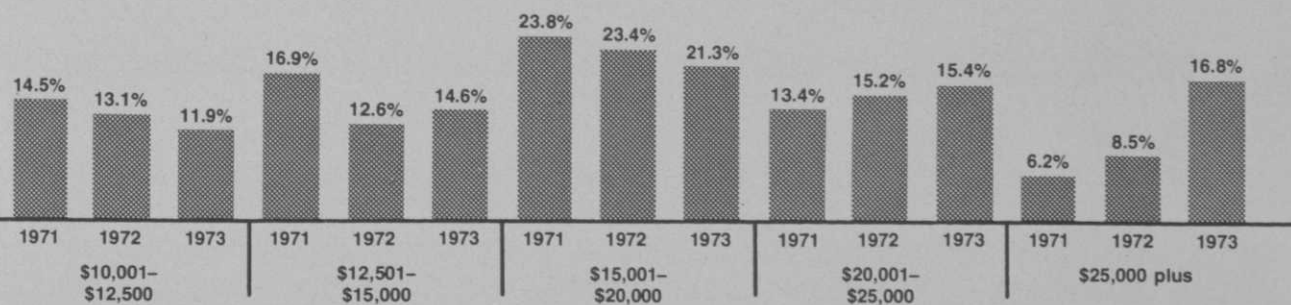


PLANS FOR IMPROVEMENTS (per cent* of response in each course type)

Location	Private		Semi-private		Hotel/Resort		Public	
	Installations, Additions	Renovations, Redecorating	Installations, Additions	Renovations, Redecorating	Installations, Additions	Renovations, Redecorating	Installations, Additions	Renovations, Redecorating
Clubhouse	27%	21%	50%	58%	36%	36%	41%	30%
Dining room	19%	34%	28%	28%	45%	9%	26%	11%
Kitchen	24%	20%	36%	28%	36%	0%	26%	11%
Pro shop	12%	12%	44%	25%	27%	18%	30%	15%
Swimming pool	10%	18%	25%	3%	9%	9%	7%	0%
Parking	18%	10%	36%	31%	36%	0%	4%	11%
Golf car garage	16%	7%	33%	22%	9%	9%	11%	4%
Other	14%	9%	8%	11%	18%	9%	11%	0%

*Percentages reflect multiple answers; therefore, when added, they will not total 100%.

(per cent of response, all course types combined)



ANNUAL MANAGERS' SALARIES (per cent of response in each course type)

Salary ranges	Private			Semi-private			Hotel/Resort			Public		
	1971	1972	1973	1971	1972	1973	1971	1972	1973	1971	1972	1973
Under \$7,500	6.6%	12.4%	6.0%	31.7%	28.3%	32.4%	—*	16.7%	25.0%	57.1%	48.6%	14.3%
\$7,501-\$10,000	8.1%	4.3%	4.8%	22.2%	20.0%	11.7%	44.4%	25.0%	12.5%	—*	5.4%	14.3%
\$10,001-\$12,500	12.3%	11.6%	8.0%	19.0%	11.7%	18.2%	11.1%	16.7%	12.5%	42.9%	24.3%	25.7%
\$12,501-\$15,000	19.0%	12.5%	14.8%	9.5%	15.0%	13.0%	33.3%	16.7%	0%	—*	8.1%	20.0%
\$15,501-\$20,000	29.4%	27.0%	24.4%	11.1%	18.3%	13.0%	—*	25.0%	25.0%	—*	8.1%	17.1%
\$20,001-\$25,000	17.5%	20.2%	20.0%	3.2%	5.0%	5.2%	—*	—*	12.5%	—*	5.4%	5.7%
\$25,000 plus	7.1%	12.0%	22.0%	3.2%	1.7%	6.5%	11.1%	—*	12.5%	—*	—*	2.9%

*No response in these categories