

# Revenue Constriction and Declining Conditioning – Is the Spiral Inevitable?

In a recent NGF study, *The Future of Public Golf in America*, we found that 37% of public courses have had to lower their course maintenance standards, and 71% have had to defer capital improvements in recent years due to financial considerations. For courses in more serious financial straits, naturally, these percentages were even higher.

And, in last year's study, *Operating & Financial Performance Profiles of Golf Facilities*, we found a not-surprising correlation between a drop in revenues and the need to lower maintenance expenditures, regardless of type, region or price point. For example, low-end public courses in the Frost belt saw their average total revenues drop 1.8% and accordingly lowered maintenance expenses by an average of 2.9%. Similarly, high-end private clubs had a 2.9% decline in revenues vs. a 3.5% drop in maintenance costs.

We wondered to what extent golfers

have noticed the lowering of maintenance standards. So, in December 2010, we surveyed 510 Core golfers online and asked:

What is your opinion regarding course conditions in 2010 at the golf course you play most often?

- Conditions deteriorated in 2010;
- Conditions improved in 2010, and
- Conditions remained about the same in 2010.

The results found only one in four golfers noticed conditions had deteriorated. However, given that only 21% thought conditions improved, there's a slight net negative opinion.

## *Core golfer opinion of course conditions in 2010*

"We believe that golfers are somewhat accepting of lowered maintenance standards given the severity of the recession," noted Greg Nathan, NGF senior vice president, membership. "They themselves

have admitted to cutting back on spending per round, including playing at less expensive times, while curtailing spending on food, beverage and merchandise – so they probably feel they can't complain about the occasional bare patch of fairway or unmaintained bunker. However, as the economic picture improves, operators will gradually have to restore conditions to pre-recession levels. By then, hopefully, golfers will be in more of a mood to spend."

**Final thoughts:** The USGA should be applauded for its efforts to educate golfers that conditioning is about the playing conditions...not about the color green.

Now, more than ever, an exceptional golf course superintendent, with the skills to do more with less, could be a facility's most important asset.

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