

level, because it is reasonable to assume that other things being equal, each member will spend in 1935 at least as much as he spent on the average in the past five years, and that the club can make the same margin of profit as in the past.

But before final accurate figures can be secured, one more examination of the records must be made. On the basis of past performance, how many of the club's present active members will likely resign over the winter, and how many new members will the membership committee probably be able to sell next spring? Don't be unduly optimistic about this; admittedly times are better and membership selling should be easier in 1935 than it has been for several seasons. But for budget-making purposes, be conservative—if the activities of next spring's membership drive turn out better than anticipated, so much the better for the financial results of the year's operations.

The club we are using for an example has a roster of 300 equity members. At the present time it has 57 membership certificates in the treasury, leaving an active membership list of 243. Since each member is worth \$208.25, a conservative estimate of the coming year's business, assuming the roster does not grow, is \$50,604.75, and with this \$50,604.75 all the non-revenue activities of the club must be paid for. Principal non-revenue activities are: Maintenance of golf course, repairs and improvements to the club property, interest on indebtedness, sinking funds, administration, taxes and insurance, tournament expense, entertainment expense and bad debts.

Raise Limits as Roster Fills

Hence, if the club is conservative, it will so arrange its budget that not more than \$50,000 will be spent in the ensuing fiscal year, unless—and here is where the value of knowing what a member is worth comes in—unless the membership committee is able to show marked gains in the roster early in the season, in which case the club can increase its budget an additional \$208.25 plus the total initiation (or transfer fee) for every member added and still be certain to operate for the year in the black. This is a conservative statement, because a new member can generally be counted on to spend more money than the resigned member he replaces, and hence more profit can be made on his patronage.

Knowing what a member is worth to a club is valuable in other ways than in making up the budget. For example, if a member is worth \$208.25 and the club collects \$100.00 initiation fee, a new member is worth \$308.25. Obviously, then, the membership committee can spend considerable money entertaining prospects in order to "sell" them into the organization and the club will not be any worse off than it would be had those memberships not been sold.

Spending to Get Members.

Likewise, if a member is worth \$208, a club can afford not only to give away its membership certificates to acceptable prospects (because the club is going to be \$208 better off at the end of the year than without him) but it actually can afford to give away the certificate and also remit the first year's dues, since even under so extreme a "deal," which is admittedly unfair to the dues-paying members already in the club, there would still be a direct profit on the new member's spending of \$88.25.

During recent seasons, wise clubs maintained their rosters at capacity at any cost, because their Boards of Governors were smart enough to see that a member is worth more than his dues. Few of these clubs had serious deficits. Today many of them have waiting lists.

There were also, during recent seasons, many clubs that insisted on valuing membership certificates well above the market. These clubs were unable to keep rosters at normal levels and most of them were forced either to curtail sharply on the attractions the club could offer, a policy which resulted in still further resignations, or else took large losses on their yearly operations. Many of these clubs are still asking a high price for the privilege of joining the club.

To these clubs, a suggestion: Determine what a member is worth to your club and immediately begin the task of filling the roster, even though to do this it becomes necessary to spend or give away 90 per cent of the money each new member will bring in during his first year.

Michigan Short Course Starts January 2nd

MICHIGAN STATE COLLEGE at Lansing, Michigan, will hold its usual greenkeeping short course beginning January 2, 1935. Full details of the course may be obtained by writing the college.