

Impressive MGA Survey Illustrates Golf's \$ Impact

An impressive array of statistics is presented in "Golf Club Operations", a 46-page book published last month by the Metropolitan Golf Assn. The study, the result of a survey made among more than 150 clubs in the New York metropolitan area, contains thousands of new statistics on costs, expenditures, policies and procedures in all areas of club activity from maintenance cost per hole to cost of laundry. Compiled under the direction of the club operations committee, of which Vincent C. Ross, MGA treas., is chairman, the book probably represents the broadest survey of golf club policy and procedure ever undertaken. The basis of the study was a 28-page questionnaire, containing more than 600 inquiries, that was sent to MGA member clubs early in 1961.

Golf Club Operations is the successor to the Club Operations Handbook which the Metropolitan assn. published serially in three sections in 1957, 1958 and 1959. Data in the new publication is a summary of operations information for the year of 1960 and 50 phases of club activity are covered.

One of the most significant things pointed out by MGA is that golf in the metropolitan area is a multi-million dollar business although clubs generally are operated for their memberships on a practically profitless basis.

Excellent Response

The clubs were asked for their 1960 departmental income and expense statements and operating procedures. That there was the greatest interest in the study is shown by the fact that answers were received from nearly all the leading clubs in the Metropolitan area. Full information was supplied by 66 clubs representing 43.42 per cent of all private clubs in the district.

The clubs responding had total income exceeding \$18,000,000, with aggregate estimated net income of only \$230,000.

On a projected basis, figures for all private club operations in the New York

area would indicate a total of about 73,700 members. Through their club accounts members spend annually about \$28,000,000 for dues and related charges, restaurant and beverage purchases, and pro shop merchandise.

Aggregate investment in land, buildings, equipment and furnishings is \$157,300,000. Club payrolls approximate \$27,500,000. Sixty-eight per cent of the clubs have long range programs of rehabilitation and improvement: 48 per cent have specific plans for securing the needed funds — the plans include issuance of stocks and bonds, special assessments and increase in dues.

Small Net Earnings

Maintenance of New York area private golf courses requires an estimated annual expenditure of \$9,300,000, of which over 60 per cent is paid for labor. The clubs' food and beverage sales volume is almost \$14,000,000. Golf clubs' average net earnings are 1.29 per cent of income. Few earn any considerable sum. Many break even or have operational losses.

The average golf club occupies a 176-acre tract valued at \$9,591 per acre. Total value of land and improvements is \$1,035,106. The average golf club's net income in 1960 was \$3,527, after deducting expenses from a total income of \$273,632, derived from the following sources: dues and initiation fees, \$170,453; food and beverages, \$59,188; other income, \$47,008. Ratio of payroll to total expense was 66.96 per cent.

287 Regular Members

The average club has 287 regular members and a total membership in all classes of 495. Its annual dues are \$457. Dues income in 58.38 per cent of total income. Course maintenance cost per hole in 1960 was \$3,083.

In the MGA study, 36 clubs reported waiting lists. Among the 66 clubs reporting, 27 reported operational losses, four broke even and 18 had profits of 5 per cent or less.

Actual operating figures for four unidentified median clubs in different income groups showed that operating costs per regular member greatly exceeded annual dues. To break even or show a small profit, clubs must earn substantial revenue from other sources such as dues from non-golfing classes, restaurant and beverage sales, locker rentals and incidental fees.