

Country Club Operating Costs Up 33 Per Cent In Ten Years

Member's dues increased by 40 per cent and purchases and services by 26 per cent in past decade, says Harris, Kerr, Forster firm

During the past decade, the cost of operating a private country club has increased about 33 per cent. For city clubs, costs have gone up 19 per cent. While these increases have necessitated upward revisions in dues structures and selling prices of club goods and services, total membership in city clubs is some two per cent greater today than ten years ago. Country clubs show a gain of about seven per cent.

The city club member has found that his current annual dues are about 31 per cent higher than they were in 1955. He is spending some ten per cent more for his food, drink, occasional lodging and other incidentals at the club. The country club member's expenditures have increased by about 40 per cent for dues, and 26 per cent for various purchases and services.

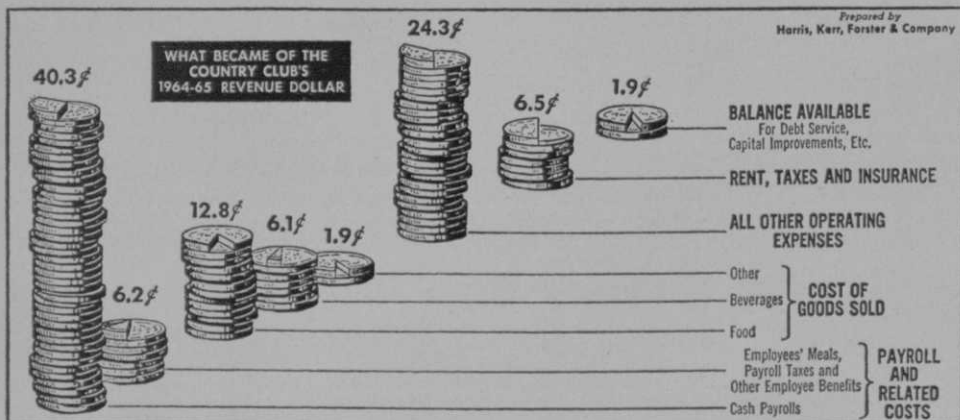
The greatest increase in expenses has been for payroll and related costs — up 26 per cent in city clubs and 41 per cent in country clubs. All other operating

costs have advanced by 13 per cent in city clubs and 27 per cent in country clubs.

100 Clubs Surveyed

These conclusions were developed by a recent national survey of the operating results of 100 selected clubs. These include 50 representative city clubs with an aggregate membership of 99,813, and 50 golf clubs whose memberships total 30,700. The survey, released under the title of "Clubs in Town and Country — 1964-65," was conducted by the national accounting firm of **Harris, Kerr, Forster & Co.**, and includes data from clubs with fiscal years ending through May 31, 1965.

Based on the sampling of the 50 city clubs, the accounting firm computed the average spending (excluding dues) per member at \$398 during the fiscal year of 1964-65. Of this, \$195 was for food, \$97 for beverages, \$44 for room rentals and \$62 for incidentals. Annual dues in city clubs averaged \$223 for regular



members and \$84 for all other classes.

Revenue and dues income for the 50 city clubs totalled \$56.5 million during the year just ended, \$1.3 million greater than the previous year's total. Operating costs and expenses of \$54.2 million were \$1.1 million higher and the balance of \$2.3 million available for debt service, capital improvements and other financial charges, was up \$212,000, or 10.4 per cent. Of each dollar of total revenue, including dues, 96 cents was required to absorb the current year's operating costs and expenses.

The operating revenue per country club member averaged \$686 during 1964-65, with \$311 representing food purchases, \$164 beverages, \$72 sports activities and \$139 all other services. In addition, annual dues averaged \$424 per regular member and \$205 for all other membership classifications.

The current year's total gross revenue and dues income of 32 million dollars for the country club group exceeded last year's by \$977,000. But this gain was more than absorbed by an increase of \$1,055,000 in total operating costs and expenses. As a result, this year's balance of \$621,000 available for debt service, capital improvements and other financial charges, was \$78,000, or 11.1 per cent lower than the previous year. Payroll and other operating costs and expenses of country clubs absorbed 98.1 cents of each 1964-65 dollar of revenue including dues income.

One big item of expense encountered by country clubs, but not by city clubs, is the maintenance of golf courses. The 50 country clubs had a total of 1,017 holes of golf and their 1964-65 maintenance cost is placed at \$3,639 per hole, an increase of \$134, or 3.8 per cent over the preceding year. During the past ten years golf course maintenance costs have increased an average of \$1,060 per hole, or 41 per cent.

World Amateur Matches

A 16mm, sound-color film of the 1964 World Amateur Team championship, played in Rome, can be obtained from the USGA, 40 E. 38th st., New York, 10016.

USGH Encounters Problems in Northern California Area

United States Golf Handicaps, founded about three years ago to establish handicaps for players who are not country club members and thus do not benefit from the services of the USGA and other golf associations, has filed a suit in the superior court of Santa Clara (Calif.) county against Sanford GC, Palo Alto, and the Northern California GA in an effort to have its handicap system recognized by these two organizations.

U.S. Golf Handicaps alleges that Stanford GC recently barred several players carrying its handicap cards from playing in a member-guest invitational, held at that club. USGH further charges that the Northern California GA has discriminated against it by invoking a rule that only rounds played on Northern California member courses are to be reported for handicapping purposes.

Adopts USGA Compilation

A year ago, USGH adopted the USGA system of computing handicaps. This is based on the lowest 10 of a player's last 25 scores. The USGA, according to USGH, takes into account rounds played on any course.

Bill Brown, pro at Riverside G & CC, Coyote, Calif., started and operates the USGH handicapping system which, in effect, covers semi-private and public course players. He is in a rather ticklish position since Riverside is a Northern California GA member club. However, both Brown and Riverside officials emphasize that the club has no stake in USGH affairs.

Brown says the suit has been filed to protect persons who have enrolled in USGH, and to spare them embarrassment such as they allegedly suffered in the Stanford GC tournament. USGH cards were accepted at this year's Lucky International Pro-Am and at the 1964 Almaden Pro-Am.

Northern Michigan Field Day

Northern Michigan turf field day, sponsored by Michigan State University, is scheduled for Sept. 14 at Traverse City CC. James Beard and Paul Rieke are co-chairmen.