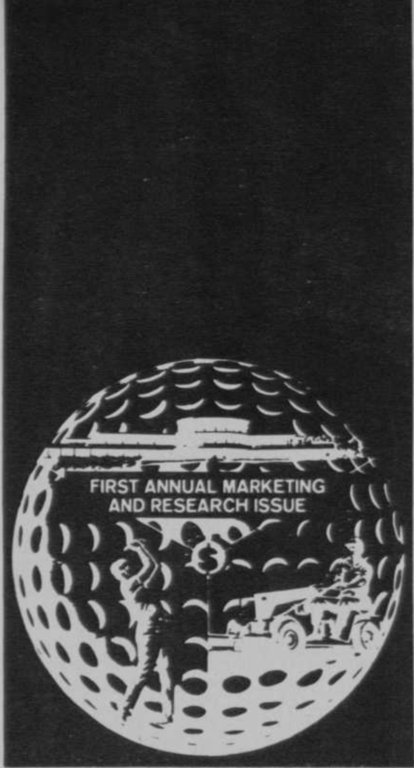


The superintendent

. . . budgets to keep that turf lush and green

Golf course superintendents invested $91.5 million in 1968 in chemicals and fertilizers to keep that turf lush and green for the country's more than eleven million golfers, averaging an expenditure of $9,734 per course for the nation's approximately 9,400 golf facilities.

GOLFDOM's study also pinned down how supers spread their turf budgets around the course for better greenery. According to study figures, supers spend their chemicals and fertilizers budget in six major categories—fertilizers, fungicides, grass seed, insecticides, herbicides and soil amendments, in that order.

The lion's share of this budget, 48.7 per cent, or $4,743, is spent by supers for fertilizers. Fungicides, next on the list, garner a neat 17.4 per cent, or $1,692, of the budget for grass and turf chemicals. Grass seed holds third spot, getting 12.6 per cent, or $1,222. Insecticides rack up 7.9 per cent, or $771, and herbicides follow right behind with 6.8 per cent, or $658, of the total. Tail-ender, soil amendments, account for 6.6 per cent, or $648, of the super's total budget for the group.

The study brings to light that actual expenditures for the prior year in these categories is considerably larger than the amount budgeted for each. This is, however, consistent with budgeting and buying practices within the industry where, as a general rule, budgets tend to be conservative with the underlying assumption that actual expenditures will run higher.

For instance, although the current year's budgets, on the average, were 82 per cent lower than what was spent during the year in which drawn up, 86 per cent of supers reporting said they expected next year's budget to be still higher. This strongly indicates that by 1970 turf chemicals and fertilizers sales to golf facilities should top the $100 million mark. Perhaps, even of more interest is the statistic that shows 93.6 per cent of respondents are contemplating an increase in expenditures in one or more areas of golf course maintenance.

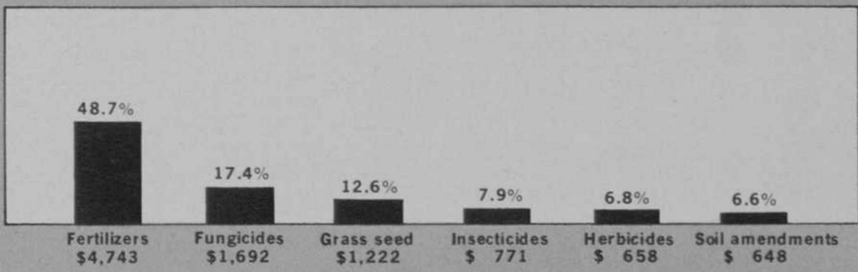
Supers reported budgets for golf course labor (exclusive of super's salary), course improvements, such as car paths, new greens, traps or other course re-designs, construction and landscaping. It is in these two broad categories of turf-growing aids and course maintenance that the aforementioned 93.6 per cent of the nation's golf course superintendents anticipate increased expenditures through the coming year.

It seems fairly evident that in terms of actual expenditures as opposed to anticipated expenditures, 1969 should see a sizable increase in dollars spent on materials for golf course unkeep. In addition to materials, supers have earmarked, on the average, $7,575 for course improvements. Because the specifics of these improvements vary from one course to the next, breakouts from within the category are too difficult to pin down. However, this figure is also reported exclusive of labor costs and as such some, if not all, of these finds will work their way into material expenditures.

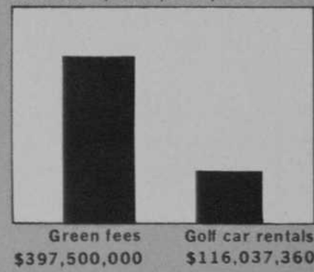
Just how much may be gauged by using the 22 per cent increase in expenditures over budget cited earlier as a rule of thumb. Projecting a like increase over budget for 1969 would be well within the realm of possibility. Should this prove to be the case, this year's average budget may easily run up to 25 per cent above anticipation in actual expenditures.

Asked if they would be increasing this year's budget, 76.2 per cent of supers answered in the affirmative, and more than 60 per cent said they expected to increase their budget by 10 per cent or more. It is interesting that although only the abovementioned 76.2 per cent said they would be increasing their budget, 93.6 per cent confess they are expecting an increase in expendi-

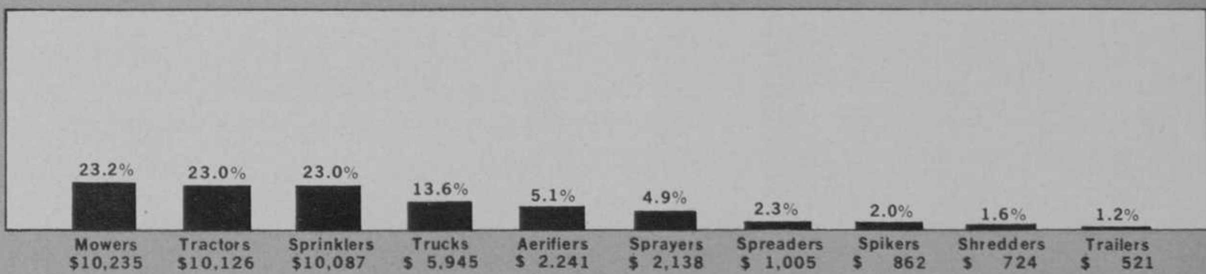
Actual average expenditures per facility for chemicals and fertilizers $9,734



Gross dollar income derived from green fees and golf car rentals $513,537,360



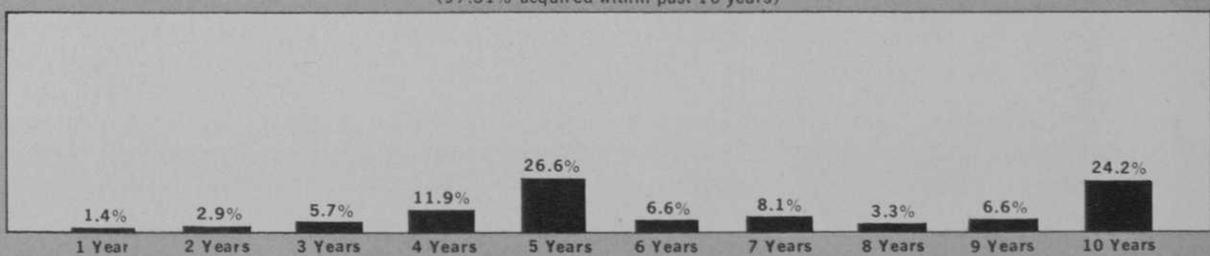
average evaluation of equipment per facility $43,884*



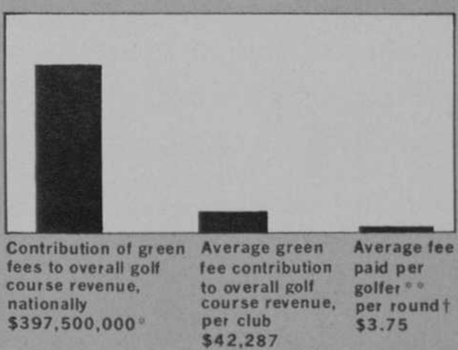
National estimates of investment in heavy equipment to date

Average period of time that superintendents depreciate their heavy equipment

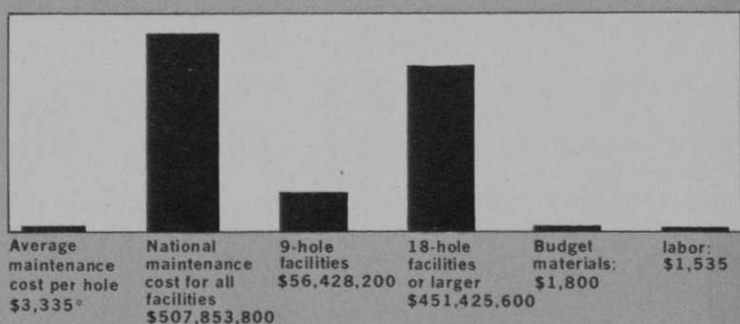
(97.31% acquired within past 10 years)



Green fee revenues



Golf course maintenance costs



*using a base of 9,400 golf facilities **non-green fee player †average number of rounds is 20

tures. It is a fair certainty most 1969 budgets will be exceeded by actual expenditures.

Heavy equipment at golf courses represents a huge investment to operators and/or owners. GOLFDOM asked for estimates of investment in heavy equipment to date, and the total sum for all courses is a staggering $412,509,600. The study shows that this equipment is depreciated within a 10 year period, about 40 per cent depreciated within the first five years after purchase,

Continued on page 44

The superintendent

Continued from page 27

and within 10 years all but an almost insignificant fraction has been written off.

How do supers value their equipment? The average reported to GOLFDOM fixes the investment in heavy equipment by country clubs and golf installations at $43,884 per facility. Of this, mowers account for the largest slice at $10,235, or 23.3 per cent. Then, in the following order come tractors at $10,126, or 23 per cent; sprinklers at $10,087, or 23 per cent; trucks at $5,945 or 13.6 per cent; aerifiers at $2,241 or 5.1 per cent; sprayers at $2,138 or 4.9 per cent; spreaders at $1,005, or 2.3 per cent; spikers at $862 or 2 per cent, shredders at $724 or 1.6 per cent and trailers at $521 or 1.2 per cent.

Of the supers reporting in GOLFDOM's survey, 80 per cent oversee golf facilities that have 18 holes or more and about two-thirds of them are open the year round. Better than 62 per cent of supers draw up their budgets during the four-month period—October, November, December and January—when activity at most golf facilities has subsided for the winter season.

Green fees are a large source of golf course revenue and one that goes a long way toward keeping the golf courses of the country in action. Green fee dollar contribution to overall course revenues may well be the largest single dollar item of revenue.

GOLFDOM's First Annual Marketing and Research Study indicates that some 5.3 million of the country's golfers pay an average of $3.75 per round for the average 20 rounds of golf they play each year. Profits from green fees coupled with golf car rentals provide most of the dollars that keep the turf green and the greens smooth.

Fees represent a sizable amount of income despite the fact that not all golfers pay them. Members of clubs are not usually charged green fees at their own clubs. Excluding this group, however, still leaves 48.2 per cent of the country's 11 million golfers, the abovementioned 5.3 million, who pay green fees.

This means that nationally $397,500,000 is paid annually for green fees. For each facility this figures to be an average of $42,287. In light of the average number of rounds of golf played at each course each year, this figure is less than what might be expected.

Multiplying the number of rounds played each year at the 9,400 golf facilities in the country would indicate a much higher figure than that given. It should be remembered that non-green fee playing players are the largest percentage of golfers and as such bring the total green fee figure proportionately down.

Information supplied to GOLFDOM for the First Annual Marketing and Research Study shows the average number of rounds played for each course in the country to be 23,400.

Superintendents also submitted information that shows the average cost of maintaining golf courses and grounds to be about $3,335 a hole, for all facilities. Nationally this comes to $56,428,200 for nine-hole courses and $451,425,600 for 18-hole or larger type, a total of $507,853,800.

To defray this cost, superintendents report to GOLFDOM they have on the average budgeted 46 per cent of the cost per hole for labor and the remainder for other operating expenses, meaning that supers earmark $1,800 for the upkeep of each hole at the nation's golf courses. In all probability this, too, is a smaller budgetary figure than actually disbursed during the year. Supers did not report actual figures in this year's study to any meaningful degree.

Generally, then, golf courses allocate revenues from green fees and golf car rentals to cover expenses of course and grounds upkeep. (In the case of car rentals, not entirely, as will be explained subsequently.)

From this it can be seen that in terms of gross dollars combined income from both these sources —the $397,500,000 earned from green fees and the $116,037,360 golf car rentals bring into the revenue column (see page 28)— much of the cost of course operation is offset.

This must not be interpreted as meaning all expenses of actual course operation are dispensed through car and green fees income (see page 28). Supplies and contracts, costs for repairs to course buildings, equipment, fences, bridges, water, electricity, golf shop, caddy, tournament and other incidental expenses must also be accounted in course operating expenses. The scope of this year's GOLFDOM study has not dealt with these specifics.

It must be pointed out that golf car revenues are not entirely used to offset golf course and grounds costs. GOLFDOM's Marketing and Research Study section dealing with the pro points out that golf cars may be operated in any of four different ways, depending on management's desire. Operators of cars may be the club itself, a concessionaire, the club pro or some other, unspecified operator.

Because of this variety of operation, in many instances only part of rental monies comes to the club and in some instances none at all. In no instance does the pro receive all of the rental funds, according to GOLFDOM's study.

This being the case, there is no hard and fast method of determining what part of car rental revenues are used to help cover golf course and grounds maintenance costs. The only safe conclusion to draw here is that a reasonably high percentage of rental monies return to the clubs involved for disbursement to cover course operating costs. □