All-industry newsletter to be published

Over the past several years GOLFDOM, GOLF Magazine and other golf-oriented publications have become concerned about the increasingly difficult financial problems golf clubs are experiencing. They have expressed this concern through columns such as this one, in editorial pages and in feature articles. In the preparation of this editorial material the publications have had the enthusiastic cooperation of those professional and trade associations most closely connected with the game of golf and with the club industry.

The associations also have been aware that problems existed. However, a combination of circumstances had to take place before the full dimensions of this complex issue could be revealed.

In 1966 the National Club Assn. began to devote its full attention to the legal, legislative and tax problems confronting clubs; in 1969 the Tax Reform Act served to bring club members and golfers face to face with Government regulations; about the same time drastic increases in the property taxes in many states raised serious questions about the economic feasibility of continued golf course operations, and an economic recession caused similar doubts among those individuals who normally support the sport.

During the entire period and for many years prior to it, the National Golf Foundation had been quietly promoting the game, compiling statistics and information and successfully making golf more attractive to both private and public players. In 1970, increasingly aware of the pressures on the game, the NGF joined with the NCA to form the Alliance of Club and Golf Organizations, an informal group of associations which reviewed problems and exchanged information, but took no direct action.

In mid-1971 the NGF and NCA began to hold preliminary discussions aimed at more direct activity. The problem, as they saw it, was that many, if not most, of the golf courses had no opportunity to learn what was happening to golf courses in other parts of the country.

Many of course have contact with one or more of the professional associations of the industry—the Professional Golfers' Assn., the Golf Course Superintendents Assn. of America and the Club Managers Assn. of America. Many more are in touch with the United States Golf Assn. However, only those private clubs that are members of the NCA have been receiving regular information on the serious issues facing the industry.

At the invitation of the NGF seven key associations of the golf industry met at the Regency Hyatt House in Chicago on December 15, 1971. As a result of the day-long meeting attended by the USGA, PGA, NGF, NCA, GCSAA, CMAA and the American Society of Golf Course Architects, six of the seven associations agreed to participate in publishing a newsletter to alert the country's golf courses, public and private, to the tax, legislative and operational problems currently facing the golf industry. The USGA is presently considering joining in the production of the informational bulletin which will be edited by the National Club Assn. and distributed by the National Golf Foundation.

The intent of the participating associations is to bring up-to-date, accurate information to the golf courses in the country that belong to no national association and to emphasize the seriousness and immediacy of

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those problems which affect the entire industry only.

The new publication will be issued six times a year, beginning next spring. It will include essential information from each of the seven associations. In addition to briefly summarizing current problems, each issue will include brief reviews of essential information that is available from each of the seven associations that are making the publication possible. The semi-monthly newsletter will be distributed to the 9,460 daily fee, semi-private and private golf courses in the United States.

Wage/price freeze

New orders and regulations are issued on an almost daily basis by the Cost of Living Council, the Pay Board, the Price Commission and by the International Revenue Service, the investigative and monitoring arm of the wage/price freeze. With so many frequent changes, it is difficult to keep up with the current status of clubs within the freeze's framework. At this writing, however, the last week in December, 1971, clubs appear to be in the following position:

Dues: Exempt from the freeze in non-profit clubs only. It would seem logical that special assessments would also be exempt, following the same rationale.

Wages: Subject to the Pay Board's regulations. Basically, the regulations establish a 5.5 per cent maximum guideline for annual aggregate wage increases. However, they do permit wage contracts which existed prior to the freeze to be carried out according to their terms. Clubs may also continue to give longevity and automatic pay raises in accordance with their practices which were in existence prior to November 14, 1971.

Prices: A recent ruling (December 23, 1971) exempts clubs with gross sales of less than $1 million who operated at a loss or at no more than a 3 per cent profit margin in their last fiscal year prior to August 15, 1971. Such clubs may increase prices within the 3 per cent profit guideline.

For more detailed information, see National Club Assn. Industry Report #25 and its December and January Newsletters, or contact NCA. □