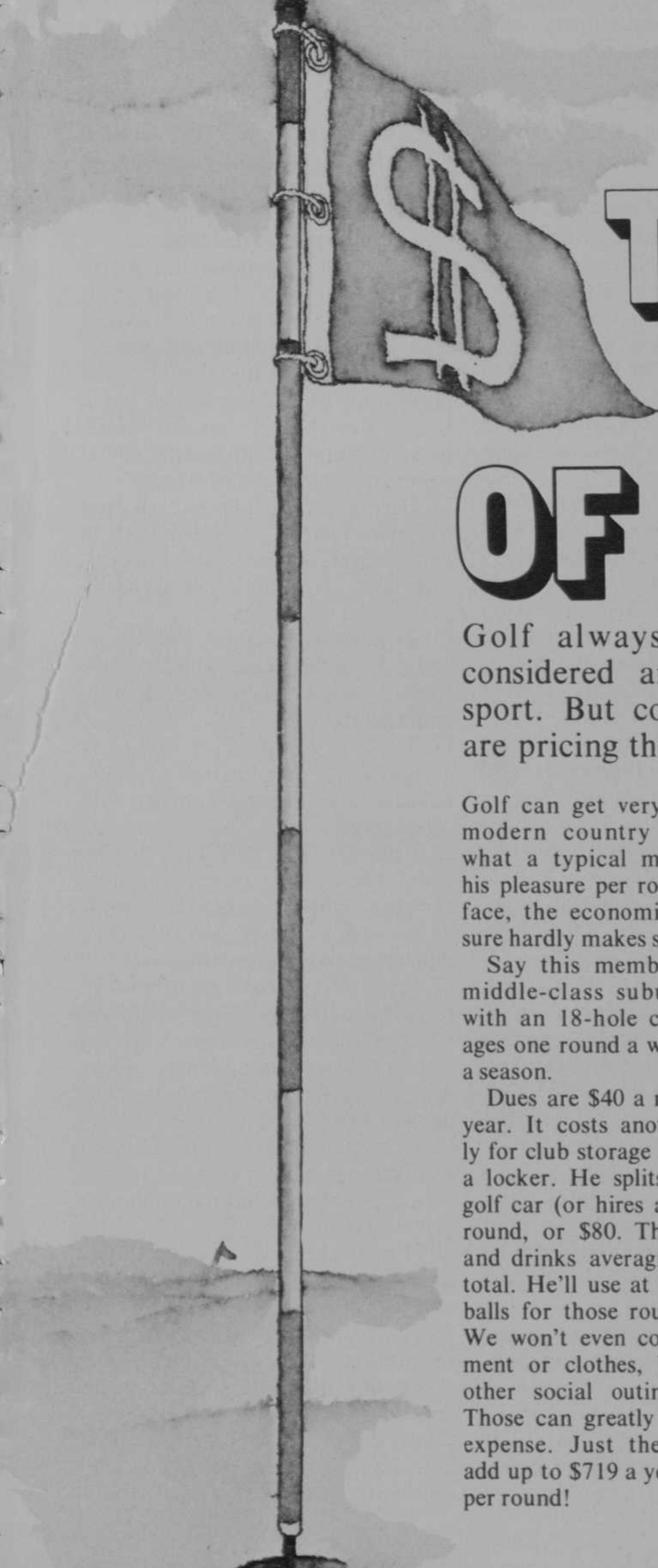

THE HIGH COST OF GOLFING

by JERRY CLAUSSEN

Golf always has been considered an expensive sport. But country clubs are pricing their memberships out of reach of younger members, thereby creating a showdown in the near future

Golf can get very expensive at a modern country club. Look at what a typical member pays for his pleasure per round. On the surface, the economics of that pleasure hardly makes sense.

Say this member belongs to a middle-class suburban golf club with an 18-hole course. He averages one round a week for 20 weeks a season.

Dues are $40 a month, or $480 a year. It costs another $24 annually for club storage and $30 more for a locker. He splits the rental of a golf car (or hires a caddie) at $4 a round, or $80. Then there's lunch and drinks averaging $3, or a $60 total. He'll use at least three dozen balls for those rounds costing $45. We won't even count other equipment or clothes, betting losses or other social outings at the club. Those can greatly raise the annual expense. Just the items outlined add up to $719 a year, or nearly $36 per round!

Those prices could only appeal to the upper 5 per cent or 10 per cent income group. Is it a surprise that daily fee and municipal golf are growing faster than private clubs?

The ideal club doesn't exist, of course. If it did, says Joseph C. Dey, commissioner of the Tournament Players Division of the Professional Golfers Assn., golf's Shangri-la would:

1. Represent an extension of a member's home in comfortable, pleasant surroundings;
2. Offer first-class facilities and atmosphere motivated by a respect and love for the game of golf;
3. Employ top-flight department heads—manager, professional and superintendent—who know their jobs and care about people in golf;
4. Maintain a clear-cut policy line between the staff's work and the member's play.

Most clubs in financial difficulty have violated one or more of

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these commandments, especially number four. As one country club superintendent from Denver comments, "Our club needs to attract 100 or more members to even keep the golf course and clubhouse busy. But no one cares. Our manager is nothing but a food and drink man. The club has had 20 managers in 20 years. The board doesn't plan ahead and they won't give anyone authority to run it as a business."

Sound familiar? Such reports, plus surveys, point out too many clubs with just these problems. The financial problems seem to be getting worse, but then everything is measured in inflated dollars these days. Yes, initiation fees, dues, assessments, menu prices and costs of labor have gone up.

For 75 of the "best" American country clubs, the 1970 to 1971 fiscal year was bad news, according to the accounting firm of Harris, Kerr, Forster & Company. Averages showed:

☐ A 1 per cent loss in average membership per club, the first drop in 18 years.

☐ Expenses up 6.2 per cent, compared with a 4.4 per cent growth in income, averaging almost $1 million per club or $1,579 per member.

☐ Food and beverage service operating at a loss, and over-all clubhouse expenses and overhead averaging 61 per cent over income. This had to be made up by increasing dues and assessments.

☐ Golf course maintenance costs up 8.9 per cent to $5,364 per hole (69 per cent labor), nearly double what it was 15 years ago.

☐ Operating margin left for debt service and capital improvements down 50 per cent to just 2.7 per cent of dues income.

Numerous boards and managers trying to balance budgets tell the story in other ways: unfilled membership rosters, fewer catered private and business parties, more past due accounts, delays in buying new equipment or renovating the clubhouse, and so on. The above clubs represent the nation's elite, with the richest memberships, finest golf courses and highest paid staffs. But they aren't necessarily typical. It is hard to define the typical or average club today.

For example, of 4,719 private clubs listed at the end of 1971, only 2,585 had 18 holes or more. The remaining 2,134 were nine-hole clubs, mostly with memberships from 100 to 250, in small towns. Many have problems, but rarely the same type or magnitude as their big city cousins. From this broad-based industry it is easy to find isolated cases and statistics to build a negative case. Such an example was a recent article in a national business weekly. It recited the familiar list of problems that supposedly will push country clubs out of business: skyrocketing property taxes, special excise taxes, loss of non-profit status, discrimination against women and minorities, loss of members from local economic problems, lack of interest in clubs among junior adults, resistance to increased dues and fees, shortage of good managers and personnel, and higher labor costs.

The National Golf Foundation, keeping watch on the statistics and industry trends, sees only a temporary crisis within the larger future of golf. "It has often been said that from things evil there always comes some good," Don Rossi, NGF executive director says. "All around the country, people are beginning to talk about the ecological importance of a golf course. People are becoming aware that a golf course has an economic impact on the community.

"Clubs pay taxes, employ a number of people, buy goods and services from their community and by their very existence enhance the property values of the area. No one can deny that when we lose a golf course to a real estate development, the community suffers.

"Clubs are now looking more closely at their operational costs and programs with a view of bringing their costs into proper focus," Rossi says. "These problems have united many organizations to work for their mutual benefit in meeting this crisis."

Through NGF, Club Managers Assn. of America and the National Club Assn., there is no lack of knowledge to help clubs do better. Some popular solutions to common problems have included:

☐ An annual membership drive, with a temporary low cost initiation fee, and/or a contest among regular members to find new ones;

☐ Improved communications and promotion of club activities via a lively newsletter, special mailings, posters and an active social committee for people who care;

☐ Hiring a manager experienced in promotion, administration and budget abilities, not just cuisine, and giving him the authority to be a real executive;

☐ Simplifying food, beverage and indoor services, which means fresher foods served buffet style with less staff;

☐ Taking competitive bids, or cooperative purchasing of clubhouse and golf course supplies with other clubs;

☐ Encouraging full use of the clubhouse during slack periods by seeking outside parties, weddings, style shows, service club luncheons and political dinners;

☐ Expanding the membership base by offering lower cost, restrictive memberships, such as social only, swimming, tennis, weekday golf only, junior families under age 30 or 35.

Every club could be a better club. It takes perception of what people want, and better management to give it to them.

Three clubs in the Denver area—each different yet modern and family oriented—are examples of matching programs to meet the market.

Meadow Hills CC's membership peaked at 345, but ran out of prospects, despite an excellent 18-hole golf course, adequate clubhouse, swimming pool and good location.

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Too small a membership and a big debt were the cause of increased assessments in the early 1960s. Many members wouldn't pay and dropped out. By 1964, faced with disaster, the board decided to try a semi-private operation. They offered associate playing memberships at $25 annually plus green fees to the general public. Denver area golfers, short of public courses, gobbled it up.

In short, the new concept saved the club. By the late 1960s, up to 2,000 associate memberships per season were being sold. Course play reached 60,000 rounds annually, with green fee income over $100,000. Finally a limit of 800 memberships at $50 was set in 1971, and play dropped to about 50,000 rounds.

The 107 proprietary members keep the privilege of favorite weekend starting times. But only 20 are regular golfers. Associate members may play any day, reserve almost any starting time, rent lockers, eat and drink in the clubhouse and buy from the pro shop.

Women may buy separate $50 associate memberships, or pay just $15 plus green fees if their husbands belong. About 75 associate women members have the golf course to themselves Tuesday mornings.

Separate single or family swimming memberships are available, too, for one annual fee. The ownership is now considering adding tennis courts for that interest group.

A board of 15 proprietary members with staggered terms makes the policy. A club manager-controller, golf professional and superintendent form the operating team. The dining room and bar operation is leased out, paying back 12 per cent of the gross to the club.

At Heather Ridge, a 27-hole golf course is flanked by 135 apartment houses on 320 acres. This total recreational community has indoor and outdoor tennis and swimming and a 25,000-square-foot clubhouse opened last summer. The first nine holes opened last year, and the second nine are slated to open this season. An executive nine also will open in 1973. Right now a variety of annual memberships—$300 per couple for golf, tennis, clubhouse, social—are open to anyone. But, as the 4,000 apartments rise and fill, non-residents will be dropped based on least seniority. By 1978 or earlier, only residents will be members.

A proven formula in non-equity clubs has been demonstrated by Pinehurst CC in Denver (See GOLFDOM, September, 1971.) A family-based corporation developed and owns the land and the clubhouse facility. For about 1,800 members there is a 27-hole golf course, 60,000-square-foot clubhouse, pool and tennis courts and a diversified activity schedule. Initiation fee ($1,200 for golf, $300 social) and dues ($38.50 per month golf, $16 social) are the lowest among Denver's eight major clubs.

The "secret" of Pinehurst's success is simple: First-class facilities, activities for everyone and professional management for, not by, the membership.

Pinehurst CC general manager L.T. Hall is a former national

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tion that most women are unable or unwilling to do a certain job; preferences of co-workers or customers; traditional restrictions for jobs involving heavy physical labor and the fact that physical facilities are not available for both sexes.

Although the above guidelines should forestall any potential problems under Title VII, the Equal Employment Opportunity Commission makes several other recommendations that they feel are implied in Title VII. Their basic premise is this: Because whites predominate in today's work force, they have an inherent advantage in learning about job openings. To equalize this advantage, the commission believes employers should take positive steps to establish contacts in the black community, which can be used to disseminate information about job openings, advertise job openings in minority news media and send information about job openings to schools with large minority group enrollment. In addition, the EEOC notes that some minority group persons have difficulty in adjusting to their jobs and that special efforts should be made to counsel them on their problems.

For the club today, the first consideration under Title VII requirements is to determine whether the club comes within the exemption. If it does not, then the club should review its hiring and employment practices to ensure that there are no procedures that could be pointed to as discriminatory. □

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to train men for this work. The Green Section wishes to start a movement to correct this condition."

Fifty years later those of us with practical and academic backgrounds continue to give these young men the opportunity to prepare for a sound future as golf course superintendents.

Such an attitude on our part is justified because, we, the practical men in turf management, believe as Dr. Troll and Dr. Duich do. Troll's expression on the seasoning of young men following two years in the classroom is very explicit. Again, from his presentation at the conference, "We do not claim to turn out experienced golf course superintendents, but we do graduate people who will be well qualified as superintendents after a period of seasoning in the field."

This is what it is all about, Mr. Sommers.

With costs increasing for just about everything, including the high cost of maintenance labor, materials and equipment, we can only hope that quality will remain our byword—even though we in the turf field have to adjust to the changes being thrust upon us in the name of economy, efficiency and environmental necessity.

Adequate provisions for an interested and reliable maintenance staff must remain a high priority if the quality of golf course maintenance is to survive the "change" decades. Proper encouragement to both turf management trainees and qualified assistant golf course superintendents are a necessary part of this picture, a mutual responsibility to be shared by progressive superintendents and clubs. To those club officials who are looking to apply Ben Franklin's adage, "A penny saved is a penny earned," there is this rejoinder: Penny-pinching has never proved to be the true road to turf quality. Quality is a highly desirable facet in all things in life. The satisfaction and justifiable pride of the golfer and the professional image of the superintendent is totally dependent on quality. Let us continue this quest together. □

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president of the CMAA. He views the current negative publicity about the club industry as unproductive. "Clubs have always faced problems," Hall says, "but there is no overwhelming problem we can't overcome with positive action. We have to look at the situation as a challenge and opportunity, not as the end.

"I think some clubs and managers are spending too much time reading adverse stories, instead of taking action to solve their problems. The successful clubs are those that keep up with the times. There is more to this business than just food and beverage."

Another leader among club managers is John Simmons, Tacoma (Wash.) G&CC and a secretary treasury of the CMAA.

"Clubs have much to offer in an increasingly complex and mobile society," Simmon says. "The potential demand is greater than ever before. "There will be changes—some of them perhaps traumatic. We must seek to affect this change through conscious design rather than have it occur through the force of circumstances. It calls for exhaustive analysis, perceptive forsight and a determination to answer honestly the question, 'What business is our club in?' "

That is the key question that should be asked and answered within every club regularly. Because, after all, a club exists primarily to serve its members. It must also be a citizen of the community. Old ideas die hard, but those clubs with leadership willing to change will survive and prosper. □