

Harris, Kerr, Forster & Co.

*Review operations of  
50 clubs in 1962-63*

## Gain in Country Club Income Offset by Increase in Operating Expenses

The relentless rise in costs of operations experienced by both city and country clubs during the past decade showed no signs of abatement during the last annual period. For city clubs, the current year's increase in operating costs and expenses was accompanied by a reduction in total revenue and dues income — the second successive year that income has declined.

Country clubs recorded a nominal gain in income, but the improvement only partly offset the advance in operating costs and expenses. As a result, the balance of revenue and dues available for capital charges was the lowest in ten years for

country as well as city clubs.

These conclusions were developed by a recent national survey of the economic health of 50 city and country clubs. Entitled "Clubs in Town and Country, 1962-63," it was made by the accounting firm of Harris, Kerr, Forster & Co. and includes data from clubs with fiscal years ending from June, 1962 through May, 1963.

### Expenses Outrun Income

During the past ten years, the total cost of operating city clubs has increased 25 per cent, with payroll and related costs up 34 per cent and other operating expenses advancing 16 per cent.

The gain in total revenue and dues income was limited to 20 per cent and, as a result, there was a reduction of 39 per cent in the balance for capital charges.

Country clubs recorded increases of 49 per cent in payroll and related costs, 32 per cent in other operating expenses and 39 per cent in total operating costs.

Total revenue and dues improved by 36 per cent over the 1953-54 base period but the balance available for interest, depreciation and amortization charges decreased by more than 50 per cent.

According to the survey, the trend from 1961-62 to 1962-63 for city clubs showed a decrease of less than one percent in gross revenue and dues income. However, operating costs and expenses increased by one percent and the balance available for capital charges was 23.7 per cent lower.

Country clubs improved their gross revenue and dues by 2.5 per cent; operating costs and expenses rose 3.0 per cent and the balance available for debt service, capital improvements and other capital charges, was down by 32 per cent.

The 50 city clubs included in the survey had a total membership of 96,611 during the past year and their gross revenue and dues totaled \$50.9 million, of which 96.3 per cent was required to cover operating costs and expenses.

In the 50 country clubs, membership totaled 29,407, and gross revenue and dues amounted to \$26.8 million. Operating costs and expenses absorbed 98.9 per cent of this total.

The major expense of a private club, whether in town or country, is the payroll. The 1962-63 payroll and related costs comprised 69.9 per cent of the city clubs' operating revenue of 35.8 million dollars (exclusive of dues) with 60 per cent representing cash payrolls and 9.9 per cent payroll taxes and fringe benefits.

Country clubs required 71.3 per cent of their operating revenue of 17.4 million dollars to meet these costs. The ratio for cash payrolls was 61.8 per cent and for payroll taxes and related costs 9.5 per cent.

Annual dues per regular member in city clubs averaged \$209 during the past year, an advance of two per cent over 1961-62.

The average of \$388 per regular member in country clubs was 3.5 per cent higher.

In addition to dues, the average city club member spent about \$371 during

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## Caplin Further Clarifies Business Expense Deductions

In an attempt to clarify Internal Revenue Service rules on business expenses, Mortimer M. Caplin, IRS commissioner, recently told the National Restaurant Assn. that the regulations are aimed at eliminating abuses and not curbing legitimate spending for entertainment.

Basically, said Caplin, the new rules do not require any more detailed expense accounting than previously called for except for receipts for expenditures of \$25 or more. The IRS commissioner said the new regulations have two aims: To deny deductions based on mere estimations and unsubstantiated reports, and to deny deductions not closely related to income producing activities. At the same time, he added, the new law is virtually the same as the old in allowing for food and beverage costs in entertaining business guests.

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1962-63 for goods and services furnished by his club. These expenditures included \$185 for food, \$89 for beverages, \$45 for room rentals, and \$52 for incidentals.

The typical country club member's expenditures averaged \$593 with \$266 representing food purchases, \$171 for beverages, \$58 for sports activities, and \$98 for all other purchases.

A country club has one big factor of expense not encountered by a city club — the maintenance of a course. For 50 clubs with a total of 1,044 holes of golf, the current year's maintenance costs per hole averaged \$3,394. Of this, \$2,156 represented cash payrolls and \$204 related costs. Over the past ten years, golf course maintenance costs per hole have increased from \$2,369 to \$3,394, or 43 per cent.

### It's Big Business

A survey taken recently by the National Club Assn., with assistance of CMAA members, shows that private clubs in the U.S., including both country and city, are a \$1.9 billion industry. Approximately 4½ per cent of the population is connected with the 4,000 clubs through membership or employment. Nearly 3.7 million members are claimed and more than 300,000 persons work for the clubs. The clubs meet an annual payroll of \$750,000,000 and their federal, state and local tax bills run to \$164,000,000 every year.

# On the Professional Side



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### MICHIGAN SECTION PGA

*This advertisement, sponsored by the Michigan PGA, appeared in the August 19th editions of the Detroit Free Press.*

Houston area pros work with radio station announcers at KTRH in helping to alleviate the playing jams that develop at so many courses. On "Weekend", a Saturday and Sunday afternoon program that features music, news and weather over KTRH, listeners are told every hour how the traffic situation shapes up at different courses. Pros help out by giving the station hourly information as to what the approximate waiting time is at their locations. They also fill in with stories and anecdotes that the station announcers can pass on to their listeners. Bud McGregor, a program director, is

credited with having originated the idea. Response from golfers is said to be very heartening.

Al Robbins, the style authority who covers the Midwest area selling apparel and shoes to pro merchandisers, says that at least 80 per cent of the pros display Bermuda shorts upside down. They should be hung with the waist at the top, says Al.

Another sales rep, who prefers to remain nameless, says that pros are doing only a fair job of selling topgrade balls. A lot of cheap balls, he observes, are being batted

around at even the most exclusive clubs. Many golfers haven't been persuaded that good balls go farther and last longer than those bought at drug-stores and discount houses. Why? The pro hasn't done a selling job, says this man. He starts out wrong by tucking his golf ball display in a case, usually down where it is only semi-visible or possibly even out of sight. It should be up on the top of a counter where it can be seen. If even one golfer has to ask, "Where do you keep your golf balls?" the pro should start thinking about rearranging things to make the ball display completely visible.



The area in front of the 10th green, a par 3 hole (above), and the 14th green and surrounding fairways at Beverly CC looked like they were in the monsoon belt the morning after the big rain fell. The course had to be closed and entrants in the Western Open had to defer their practicing for one day.

*You get a lift from the excitement*

## Don't Choke Up Over A Big Tourney, Says Beverly Supt.

By **TED WOHRLE**

Supt., Beverly CC, Chicago, Ill.

Probably any supt. whose course is selected as the site of a bigtime tournament has misgivings as to whether he is going to be fully prepared for it or, if he is, if the combination of players and spectators aren't going to tear the place to pieces by the time the big event is over.



Ted Woehrle

Most supts. I have talked to have rather welcomed the idea of a major tournament being played at their clubs. Only a few seem to dread it. Those who are in favor look upon the thing as a challenge to their ability and resourcefulness. The few who aren't receptive say that it isn't so much that they don't feel they can bring their courses into the best possible shape for a tournament, but it's just that too many people start sniping at them before and during the time the tourney is played.



What we all worry about the most, of course, is the weather. About a year ago when I learned that the Western Open was to be played at Beverly in late July of 1963, my first thought was: "I wonder how I will make out with the weather." I foresaw hot and dry conditions, high humidity and acres of wilted bent. What I got was rain — oceans of it. In the week preceding the tournament, Chicago's south side was flooded with 9 inches of rain; on the Sunday evening before the pros were to move in to start practicing for the Western, we had three inches of rain in about one hour. So, instead of worrying about wilt, I saw the course infested with disease.

### Not Too Much Criticism

Some turf was lost because of standing water, especially on the second nine which doesn't drain as quickly as the front side. Disease naturally hit us hard during the hot, humid weather that followed the heavy rains, but it wasn't noticeable except to the practised eye. Not more than five per cent of the 150 or so pros who played in the tournament were critical of

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our greens. This percentage, I understand, is standard, and nothing for any supt. to become unduly perturbed about.

Getting the course in shape, and then trying to keep it that way, generally is thought to be the biggest problem confronting a supt. But as the tournament proceeds, you begin to realize that this perhaps is a relatively minor, if vital, factor. Cleaning up, both during and after the tourney, may well be the most important work you have to contend with. Debris left by the gallery was picked up after each day's play. During the first two days of the tournament, when the crowds were somewhat smaller than they were on the weekend, we hauled away two one-ton truck loads of debris each day. On both Saturday and Sunday, this was increased to seven truck loads. For the playoff round, the haul again dropped to two loads.

#### Follow Final Threesome

The concession company that was responsible for policing the course hired a troop of boy scouts to follow the final threesome and start the day's cleanup operation. Each scout was equipped with a sticker or stabber for picking up paper, discarded cups, etc. and the refuse was placed in containers spotted around the course. Within an hour after the last threesome had holed out, the course was completely free of litter. The time required for a two-man crew to put the trash containers on a truck, which hauled them away, was about 14 hours daily.

The erection and maintenance of ropes and stakes, which kept the galleries off fairways, greens and tees, turned out to be a fairly big job. It took our crew a couple days to get the stakes set out and the rope threaded through them, and thereafter two men were kept busy every day straightening the stakes and re-threading or tightening the ropes. The gallery was quite orderly throughout the entire regular tournament, but when Palmer, Boros and Nicklaus hooked up in the playoff round, the crowd got a little out of hand. At least, many of the stakes were bent on the final day and the rope chewed up in spots. For the statistical minded, we used 70,000 feet of rope and nearly 2,000 stakes in getting the course roped off.

#### Galleries Were Considerate

Considering that more than 65,000 people viewed the five-day Western proceedings, we had no kick on the way the galleries treated the course. Some of the turf

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## This Young Lady Wanted the Point Clarified

Rules governing the USGA's Women Amateur competition stipulate that players aren't permitted to use automotive transportation during play. According to John English, vice-chairman of this year's tournament at Taconic GC in Williamstown, Mass., the following inquiry was received from a young lady who was considering entering the tournament:

"Does prohibition of automotive transportation mean that I wouldn't be allowed to use my automobile to drive back and forth between my residence and the course?"

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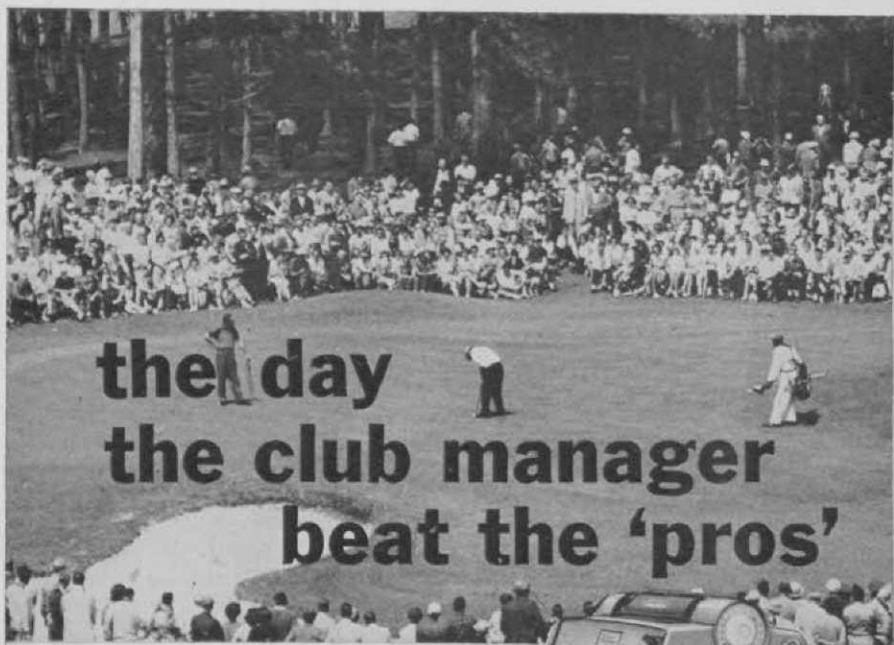
around the elevated tees was damaged and the clubhouse lawn, of course, took a thorough beating, but this was expected, because the ground had been well saturated by the heavy rains of the previous week. The souvenir hunters helped themselves to no more than a few flags and tee markers. On the final day, there was some damage to the traps because the gallery continued to close in to watch the playoff contestants putt out. But this and whatever other small damage that was done was repaired within a few days, and by the following Saturday, you never would have known that a big, 5-day tournament had been played at Beverly.

Actually, my biggest headaches during the pre-tournament and tournament days were caused by the truck drivers for the concessions company. They refused to drive along the routes we laid out until we cracked down on them. Two of them were forced to bring their deliveries in on foot after repeated violations. No trucks were allowed on the course after the tournament started.

#### They Clean Up The Range

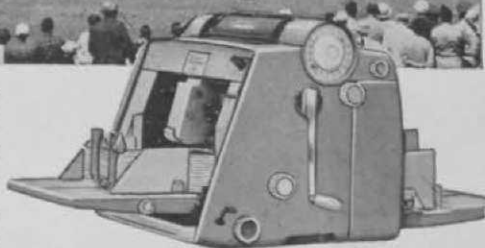
The practice tee was both interesting and discouraging to behold after the tournament was over. One-hundred and fifty golfers can tear up a lot of real estate when they are turned loose on it for from two or three to five days. Some of the turf surface was completely removed by the pros in areas as large as a 9 x 12-foot rug. There must be at least 20 such bare spots on our range in addition to thousands of small divots scattered over the area. A heavy mixture of seed and soil is being

(Continued on page 70)



# the day the club manager beat the 'pros'

■ The tournament was brilliant and successful. Everyone agreed that some spectacular and costly advertising program caused this tremendous success. Everyone, but the Club Manager . . . who stood modestly, almost anonymously, in the background. He knew he had beaten the 'pros' by using the new Gestetner Duplicating Processes to solve his communication problems.



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Above is an overall view of Abe Beckman's shop 'n Midland, Tex. The way in which stock is stored under the picture window is shown in the closeup at left.



## Ranchland Hill Shop Mirrors the Texas Tradition

*The Southwest's largest pro outlet brings players in from far and near*

**"T**he professional's shop has to be every bit as attractive in appearance and service as every other sector of the clubhouse or the club loses an opportunity to register a pleasant impact on every golfer who visits the club" says Abe Beckman, widely known pro at the Ranchland Hill club in Midland, Tex.

"A golf club must have personality; if it doesn't it is only building material and plumbing and furnishings. It has to be alive and cheerful — a place of escape from worry and care, or it doesn't deserve to be called a country club. Its pro shop, the link between clubhouse and the golf course, is the place where club's character must be expressed," adds Beckman.

Ranchland Hill is a club with personality of the traditional Texas type: big, friendly and rich. It is owned by H. L. Winkler and Walter Thompson. The first

nine was built in 1947 by Warren Cantrell; the second the next year by Ralph Plummer.

The club has a rambling ranch style clubhouse that cost around a million dollars. The pro shop is located close to the first tee. Windows on one wall of the shop open onto a delightful view of the first tee and the home green area with lawn tables, umbrellas and chairs for the ease of waiting golfers, bulletin boards in the shade of a huge, spreading tree, and altogether a pastoral panorama of west Texas.



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Here's another view of Ranchland Hill's fine shop, looking away from the picture window. Jack Walker, assistant pro, and Abe Beckman are seen in the inset.

The shop's picture window is a fine exhibit of the combination of the practical and the beautiful that is seen in the shop Abe Beckman designed. It is high enough from the floor so there is room for storage of shoes (five boxes deep), shirts, sweaters and other apparel underneath it.

Chairs in a corner by the window make shoe-fitting and buying very comfortable. Or, if a golfer is sitting and waiting in the air-conditioned shop until his playing companions show, there is a lot of good looking golf merchandise, clubs, bags, apparel and accessories right before his eyes inviting closer inspection.

#### Not Fenced In

The shop is 68 feet long by 28 feet wide. It is smartly departmentalized. That makes shopping easy and gives the place the air of a large, de luxe department store. In general, the divisions of the shop are the ball, glove, head-cover and small accessories counter, cases and shelves; the woods and iron sets, the bags and bag carts, men's apparel. Women's apparel,

shoes; putters, wedges and special clubs; and headwear (men's and women's in separate displays).

Shirts are displayed on inclined tops of open storage compartments that make the presentation of a large variety of colors, styles and sizes very convenient.

#### Look at This Women's Business!

Ladies' shorts and slacks are displayed in the center of the shop. Beckman sells more than 600 pairs of women's shorts and slacks annually. He does about as well on men's shorts and slacks. He does a great deal of business with golfers from small clubs in West Texas where there are no pro shops. These people come considerable distances to get exactly what they want in the largest pro shop in the Southwest.

"Honest Abe" as the Texans call him, and his assistant, Jack Walker, make wise use of color in their displays. The shop's artificial lighting, its specially woven car-

*(Continued on page 66)*