



Board Brief

*Designed for Club Board of Directors
January 2025*

WHAT'S HOT

Staff Housing: An Imminent Crisis for the Private Club Industry

Employee housing has emerged as the number one challenge for 61 percent of private club general managers, according to a recent survey by DENEHY Club Thinking Partners (CTP). This industry-wide concern is reshaping the way clubs approach recruitment and retention. Whether nestled in remote areas, positioned near affluent neighborhoods, or operating in bustling urban centers, clubs are grappling with a shared obstacle: providing accessible and affordable housing for their staff.

Remote clubs struggle with geographic isolation, suburban clubs face sky-high real estate costs, and urban clubs compete with employers offering better-located housing and year-round perks. As the housing crisis deepens across all regions, the findings from this survey shine a spotlight on the current state of staff housing while showcasing innovative solutions that could pave the way forward for the club industry.

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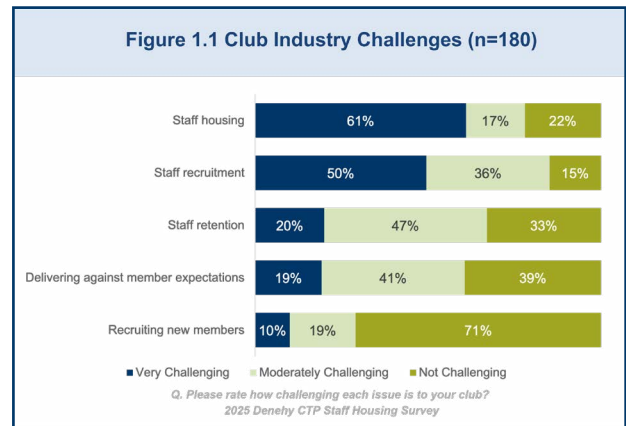


**CLUB
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Survey Objectives and Insights

CTP surveyed 180 senior club leaders across the U.S. to learn how clubs are addressing housing challenges. The study aimed to:

- Assess current staff housing practices and behaviors.
- Understand perceived benefits and barriers to offering housing.
- Discover creative solutions and share them with the broader club community.



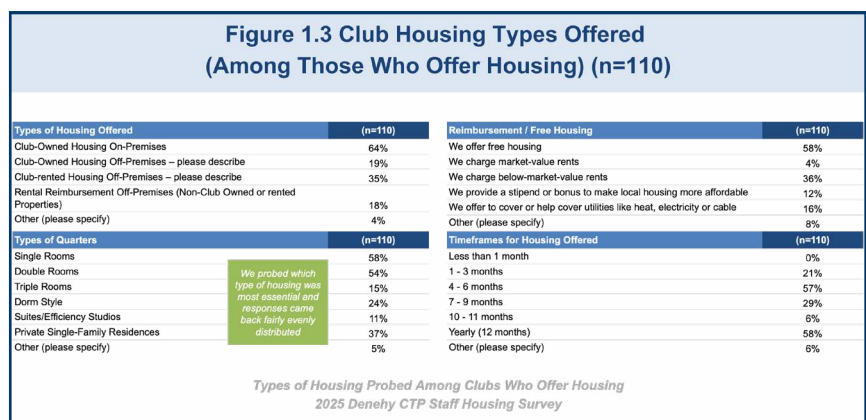
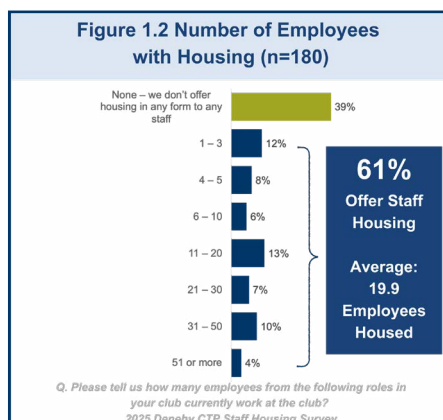
The results reveal that staff housing is more challenging than employee recruitment, retention, or member engagement, with 78 percent of managers reporting it as moderate to very challenging. Recruitment remains a close second, underscoring the critical connection between housing and the ability to attract talent.

Current Practices and Housing Types

Sixty-one percent of clubs surveyed currently offer staff housing, accommodating an average of 20 employees per club. Among those offering housing:

- 64 percent provide on-premises housing, while 35 percent rent off-premises properties.
- Single and double rooms are most common, often with shared kitchens and lounges. Some clubs also provide outdoor amenities like BBQ grills and fire pits, vending machines, common areas and gym facilities.
- Seasonal housing is prevalent, though some clubs extend year-round housing to retain valuable staff. In essence, they rent or buy year-round housing and use it as staffing demands.

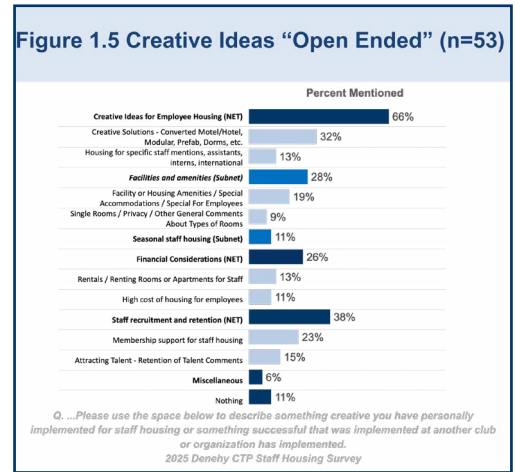
Despite its benefits, housing is often viewed as a cost center rather than a strategic investment. Challenges include increased operational costs, liability risks, and board reluctance to allocate capital for housing acquisition or construction.



The Case for Staff Housing: A Win-Win Solution

Club managers largely agree that staff housing enhances their ability to attract and retain employees. Key advantages include:

- **Stability:** Housing promotes workforce reliability, morale, and scheduling flexibility, especially during peak seasons.
- **Talent Recruitment:** Housing solutions enable clubs to access a broader labor pool, including seasonal and international workers, who are vital for many operations.
- **Operational Efficiency:** Proximity reduces absenteeism and allows staff to respond quickly to scheduling needs or emergencies.



Emerging Trends and Creative Solutions

Managers are actively seeking innovative ways to address housing challenges, such as:

- **Property Rehabilitation:** Purchasing and renovating motels or apartment buildings.
- **Modular and Tiny Homes:** Deploying compact, affordable housing on or near club properties.
- **Strategic Integration:** Adding staff housing to broader capital projects, like maintenance facilities, to gain approval from boards.
- **Member Collaboration:** Utilizing unused guest rooms or other member-provided spaces for temporary housing.



Seventy-six percent of managers surveyed expressed a desire to add more beds, with the median need being 10 additional rooms, primarily for seasonal and line staff.

The Path Forward: Making the Case for Investment

Despite the advantages, many clubs hesitate to pursue staff housing due to financial concerns. However, the growing labor crisis necessitates action. Here are key considerations for club boards and managers:

- **Strategic Investment:** Position staff housing as an investment in operational stability and member satisfaction, rather than a cost.

- **Cost-Benefit Analysis:** Highlight potential savings from reduced recruitment costs, lower turnover rates, and improved service quality.
- **Long-Term Viability:** Emphasize how housing solutions will future proof the club against intensifying labor shortages.

Staff housing is no longer a “nice-to-have” but a mission critical component of workforce strategy in the private club industry. While challenges persist, there is a clear appetite among club managers for creative, scalable solutions. With thoughtful planning and innovative approaches, clubs can turn staff housing from a cost burden into a strategic advantage, ensuring a stable and motivated workforce for years to come.

By: DENEHY Club Thinking Partners

Want to Dive Deeper?



Contact DENEHY Club Thinking Partners or **scan the QR code to access the full report** and explore detailed findings to tackle staff housing challenges. Don't miss the opportunity to position your club as a leader in workforce stability and employee satisfaction! 📄





Insights: Leadership and Self-Deception: An Uncommon Awareness for Leaders in Private Club Management

In club management, the relationship between the General Manager/Chief Operating Officer/Chief Executive Officer (GM) and the board of directors is pivotal to the club's success. However, even in the most professional environments, the concept of leadership and self-deception, popularized by The Arbinger Institute, can subtly influence interactions and decision making. Understanding and addressing self-deception is crucial for fostering healthy dynamics and achieving long-term success in private clubs.

What Is Leadership and Self-Deception?

Self-deception occurs when leaders fail to recognize their role in creating challenges, often seeing themselves as blameless while attributing issues to others. This mindset can result in defensive behaviors, misaligned priorities, and a breakdown in collaboration. In private clubs, where GMs work closely with boards of diverse personalities and priorities, self-deception can manifest subtly, hindering progress and creating unnecessary tension.

The Balancing Act

The GM's role is multifaceted, requiring operational excellence, member engagement, business acumen, leadership ability, management prowess, and strategic foresight. Boards, meanwhile, focus on governance, policymaking, and safeguarding the club's mission. Ideally, these roles complement one another. However, self-deception can skew this balance on both sides:

1. **Misaligned Expectations.** A GM may perceive the board as overstepping into operational matters, while board members might view the GM as resistant to feedback. This mutual misperception can lead to frustration and mistrust.

2. **Defensiveness.** A GM who feels underappreciated or scrutinized may become defensive, inadvertently creating a barrier to constructive feedback and collaboration.
3. **Lack of Empathy.** Board members, often volunteers with limited time, may not fully appreciate the complexities of the GM's role. Similarly, a GM may undervalue the board's strategic perspective.

Breaking the Cycle

GMs and boards must commit to open thoughtful communication and mutual respect to overcome self-deception and build a productive relationship. Here are key strategies:

1. **Adopt an Outward Mindset.** Both parties should strive to understand the other's perspectives, challenges, and motivations. This shift fosters empathy and reduces conflict.
2. **Focus on Shared Goals.** Keeping the club's vision, mission, and values at the forefront can help de-escalate personal biases and align priorities.
3. **Encourage Open Communication.** Regularly scheduled, structured meetings with transparent agendas can clarify expectations and prevent misunderstandings.
4. **Seek Feedback and Reflection.** GMs and boards can benefit from professional development opportunities, such as workshops on leadership and self-awareness.
5. **Establish Clear Boundaries.** Clarifying roles and responsibilities helps prevent unnecessary overlap, enabling each party to focus on their strengths.

A Path to Stronger Leadership

Leadership in clubs extends beyond operational expertise; it requires navigating interpersonal dynamics with clarity and humility. Private clubs can create an environment where both leadership and membership thrive by addressing self-deception and fostering a collaborative relationship between GM and the board.

Ultimately, the best leaders recognize that their effectiveness lies in what they achieve and how they work with others to bring shared success. For GMs and boards, this means setting aside ego, embracing self-awareness, and leading with the club's best interests at heart.

Recommended reads on this topic: [Leadership & Self-Deception: Getting Out of the Box](#) by The Arbinger Institute, [The Power of Now](#) by Eckhart Tolle

By: [Ryan Doerr](#), President & CEO of Strategic Club Solutions

Links:

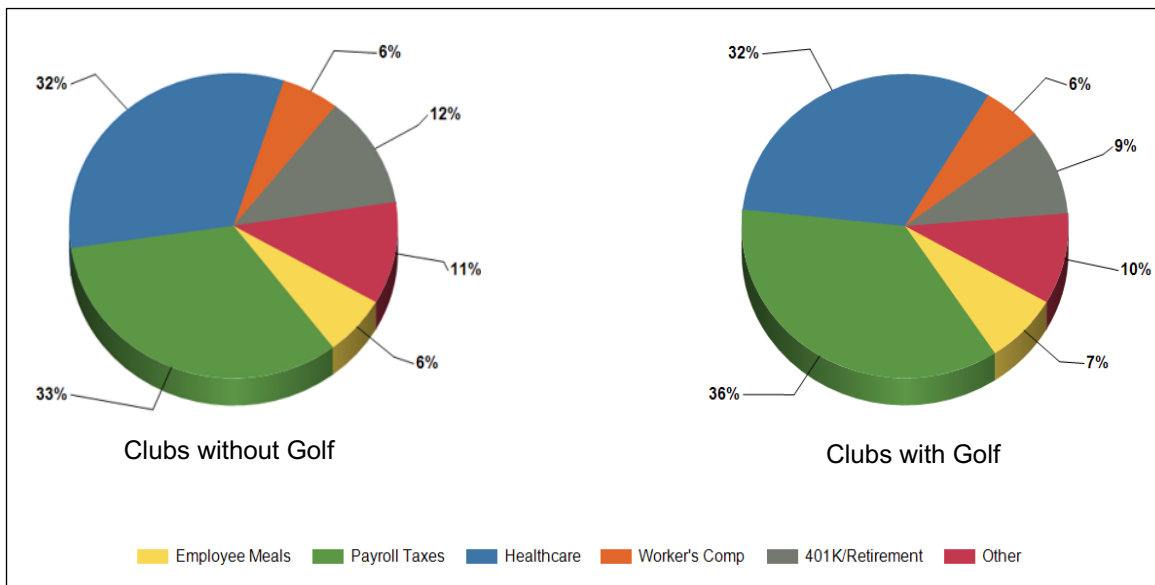
[Leadership & Self-Deception: Getting Out of the Box](#)

[The Power of Now](#) 

By the Numbers: 2023 Compensation and Benefits Report Now Available

The 2023 Compensation & Benefits Report, a detailed report of salary, benefit, and labor key performance indicators, is now available to all CMAA members. This report is based on FY2023 data and is a collaboration with Club Benchmarking, a CMAA Executive Partner. The following is an excerpt from the report's Executive Summary – the full report can be accessed through [CMAA Connect](#).

Figure 5: Benefit Expense Breakdown by Club Type



Clubs with golf have much higher payrolls than clubs without. As you would expect, the departmental breakdown of labor expenses differs as well. However, in reviewing the Labor Expense Breakdown as well as the Benefit Expense Breakdown between clubs with and without golf, you can see that there is little difference between club types.

In reviewing the Labor Key Performance Indicators for Clubs with Golf, most of the results are as you would expect. Clubs with higher Operating Revenue do carry higher payrolls, but some of the ratios are very interesting and reflect choices made in operations. Total Payroll as a percentage of Operating Revenue, Operating Expenses, and Dues Revenue were relatively consistent across all four quartiles. The ratios that were not consistent were the Full Time Equivalent Employee to Peak Employee Count Ratio, the Food and Beverage Payroll as a Percentage of Food and Beverage Revenue, and Golf Payroll per Round Played.

TABLE 1: Labor Key Performance Indicators Clubs with Golf

	1st Quartile Median	2nd Quartile Median	3rd Quartile Median	4th Quartile Median
Total Payroll	\$3,115,265	\$5,177,305	\$7,252,047	\$12,150,198
Total Payroll as a % of Operating Revenue	56%	58%	57%	58%
Total Salary & Wages	\$2,493,784	\$4,360,779	\$6,035,741	\$10,230,646
Total Taxes & Benefits	\$437,363	\$820,730	\$1,183,215	\$2,030,521
Total Payroll as a % of Operating Expenses	47%	48%	48%	48%
Workers Comp Premium as a % of Payroll	0.86%	0.81%	0.82%	0.86%
Payroll as a % of Member Dues Revenue	108%	112%	110%	112%
Full Time Equivalent Employees (FTE)	46	71	93	157
Peak Employee Count	105	148	165	259
FTE to Peak Employee Count Ratio	40%	50%	50%	60%
Operating Revenue per FTE	\$125,650	\$130,451	\$140,299	\$138,579
Healthcare Expense per FTE	\$3,437	\$3,898	\$4,453	\$4,906
Healthcare Expense as a % of Total Payroll	4.9%	5.5%	5.5%	6.0%
Worker's Comp Cost per FTE	\$575	\$629	\$635	\$694
Full Member Equivalents (FME)	329	423	573	767
FMEs per FTE	8	6	6	5
Total Payroll per FME	\$8,828	\$12,471	\$12,855	\$17,358
Cost per FTE	\$68,896	\$77,674	\$77,328	\$81,336
Course Maintenance (CM) Total Payroll	\$751,222	\$1,078,441	\$1,417,535	\$2,051,469
CM Payroll per CM FTE	\$61,374	\$67,721	\$67,060	\$72,551
CM Payroll as a % of Total CM Expense	63%	64%	65%	63%
Food & Beverage (F&B) Total Payroll	\$1,109,771	\$1,902,412	\$2,558,857	\$4,368,314
F&B Payroll as a % of F&B Revenue	69%	73%	76%	81%
F&B Payroll per F&B FTE	\$63,738	\$65,779	\$68,769	\$72,676
F&B Revenue per F&B FTE	\$85,302	\$86,883	\$86,528	\$89,637
Golf Operations Total Payroll	\$382,804	\$577,863	\$800,074	\$1,302,919
Golf Payroll per Golf FTE	\$60,930	\$64,788	\$70,498	\$79,005
Golf Payroll as a % of Golf Ops Revenue	46%	48%	48%	51%
Golf Payroll per Round Played	\$20	\$24	\$30	\$42
General & Administrative (G&A) Payroll	\$439,952	\$733,425	\$1,002,871	\$1,540,140
G&A Payroll as a % of Operating Revenue	8.0%	8.3%	7.9%	7.0%
G&A Payroll per G&A FTE	\$106,135	\$119,099	\$134,289	\$149,696

These ratios are interesting for a few reasons. They reflect choices these clubs have made geared toward the member experience. The F&B Payroll as a percentage of F&B Revenue demonstrates that as you move from the first to the fourth quartile, clubs are spending a greater portion of their revenue on service and are subsidizing F&B at a far higher level than clubs with lower Operating Revenue. They are treating F&B as an amenity, not a profit center. The same can be said for golf operations. Clubs in the fourth quartile spend more than 100 percent more in golf payroll per round than first quartile clubs. This is an example of a strategic effort to enhance the member experience.

Through research of compensation data from more than 600 clubs, we found that the Total Operating Revenue of the club accounts for 63 percent of the variability in Head of Club total compensation. Factoring in the Initiation Fee and Annual Full Member Dues brings our ability to

predict the variability to 75 percent. Despite confounding variables such as geographic location and compensation strategy, these graphics are still influential in giving the club an understanding of where they currently stand. The difference in the influences between geographic location, club characteristics and individual characteristics are shown in the tables below. Despite the fifty highest paid General Managers having a slightly higher Cost of Living Index (COLI), and being slightly more experienced, the most comparable percentage changes to those in salary come from the club characteristics.

TABLE 3: Analysis of Variance in Geographic Characteristics

	50 Lowest Paid GMs	50 Highest Paid GMs	Percent Change
Average Salary	\$130,181	\$542,531	+417%
Median Salary	\$130,000	\$488,402	+376%
Average Cost of Living Index	101	121	+17%
Median Cost of Living Index	99	120	+12%
# of Managers in COLI Zones <128	49 (98%)	35 (70%)	
Average Club Revenue	\$5,653,249	\$34,200,468	+605%
Median Club Revenue	\$5,537,435	\$26,855,749	+485%

TABLE 4: Analysis of Variance in Club Characteristics

	50 Lowest Paid GMs	50 Highest Paid GMs	Percent Change
Average Salary	\$130,181	\$542,531	+417%
Median Salary	\$130,000	\$488,402	+376%
Average Peak Employee Count	100	361	+361%
Median Peak Employee Count	99	305	+308%
Average Full Time Equivalents	44	243	+552%
Median Full Time Equivalents	45	206	+458%
Average Club Revenue	\$5,653,249	\$34,200,468	+605%
Median Club Revenue	\$5,537,435	\$26,855,749	+485%
Average Total Compensation as a % of Club Revenue	3.1%	2.3%	(26%)
Median Total Compensation as a % of Club Revenue	2.7%	2.2%	(19%)

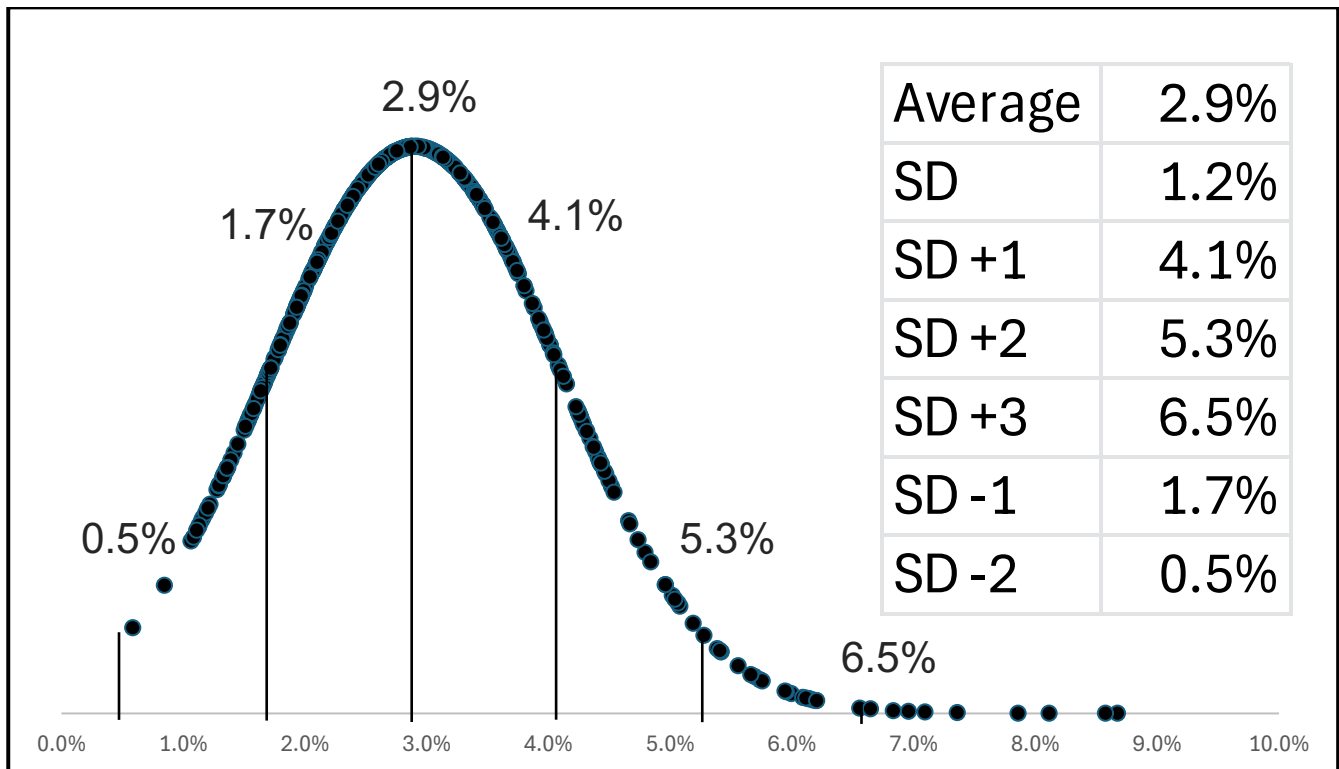
TABLE 5: Analysis of Variance in Individual Characteristics

	50 Lowest Paid GMs	50 Highest Paid GMs	Percent Change
Average Salary	\$130,181	\$542,531	+417%
Median Salary	\$130,000	\$488,402	+376%
Average Age	52	57	
Median Age	53	57	
Average Club Tenure	9	10	
Median Club Tenure	6	8	



The [analysis in the Report] is aimed at presenting the context for compensation using metrics to normalize data regarding scale of club and responsibility (addressed as span of control). Figure 6 presents a normal distribution graphic for each of the given metrics. The mean (average) and standard deviation are presented. Each dot on the distribution represents a club in the industry. The graphic presents the distribution accompanied by vertical lines at the mean and standard deviations. In perfectly normal data, +/- one standard deviation from the mean contains 68 percent of the data, +/- two standard deviations contain 95 percent of the data and +/- three standard deviations contain 99.7percent of the data.

Figure 6: Head of Club Total Compensation as a Percentage of Total Operating Revenue



While in many cases data is not perfectly normal, the data we are using in these normal distribution graphics is approximately normal, so application of normal distribution measures are appropriate. "Outliers" fall at the edges of the distributions. Outliers are indicative of results that are "extreme." Executives that fall on the right side of each curve are compensated higher than the industry average relative to their responsibility, while those that fall on the left side are compensated lower than industry average.

Links:



[2023 Compensation & Benefits Report](#)

[Club Benchmarking, a CMAA Executive Partner](#)



[CMAA Connect](#) 



United States Department of Labor

External Influences: DOL's Overtime Rule Struck Down by Federal Court


Quick Read Summary: As of November 15, 2024, a federal judge has vacated the 2024 overtime rule, invalidating the increased salary thresholds and automatic updates. This nationwide decision restores the previously established standards of \$35,568 annually (or \$684 weekly) for exempt employees and \$107,432 annually for highly compensated employees) and halts any further implementation of the 2024 rule.

On November 15, 2024, Judge Sean Jordan of the Eastern District of Texas of the US District Court vacated the 2024 overtime rule changes to the Fair Labor Standards Act. Announced in April, the Department of Labor's (DOL) final rule increased the annual salary thresholds for bona fide exempt and highly compensated employees in July 2024 and was set to increase again in January 2025. It also created a system for automatic updates to the salary threshold every three years beginning July 1, 2027.

In his opinion, Judge Jordan noted that this attempt to change the Fair Labor Standards Act continued the trend of prioritizing the salary threshold over the duties test, mirroring the decision that overturned the similar 2016 overtime rule.

He detailed how the rule conflicts with the Administrative Procedure Act that governs the rulemaking process, specifically referring to the automatic updates as putting the "minimum salary level on autopilot" and circumventing the required notice and comment process. Jordan also referenced *Loper Bright Enters v. Raimondo*, the Supreme Court case that ended deference to federal agencies in legal challenges earlier this year.

The decision is applicable nationwide. This action invalidates all tenets of the 2024 final rule. Following this ruling, the Fair Labor Standards Act reverts to the previously established thresholds. The standard salary for bona fide exempt employees will revert to \$684 weekly (or \$35,568 annually). The salary threshold for highly compensated employees reverts to \$107,432.

The DOL has announced that it will appeal the decision. However, the final decision of whether to continue with the appeal will be up to the incoming Administration. 





CMAA News & Announcements



Explore Governance Best Practices with the 2025 Governance & Leadership Symposiums

Do you want to be better prepared for your role as a club leader? Attend one of CMAA's 2025 Governance & Leadership Symposiums. These one-day, virtual events are specifically designed to bring together the GM/CEO/COO and their club's Board Members for collaborative education and leadership development.

2025 Symposium Dates

- January 30
- April 16
- July 30
- November 5

Conveniently scheduled throughout the year, these Symposiums offer actionable insights and tools to strengthen club governance. Board Members will leave with a deeper understanding of their roles and valuable strategies to improve their leadership contributions.

Presented in partnership with KOPPLIN KUEBLER & WALLACE, a CMAA Executive Partner, these highly rated sessions provide a unique opportunity to gain new perspectives and foster stronger partnerships between club management and elected leaders.

[Learn more and register here.](#) 