

Board Brief

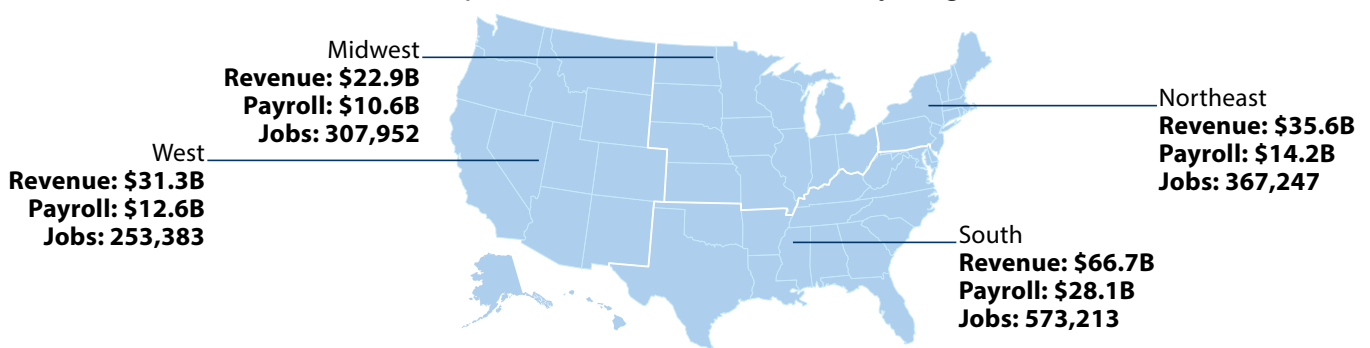
*Designed for Club Board of Directors
February 2025*

BY THE NUMBERS

Private Clubs Are a Significant Contributor to the National Economy

A landmark study by Club Benchmarking, the Club Management Association of America, and the National Club Association demonstrates the vast economic impact of private clubs across the US.

Impact Across the US – Total by Region

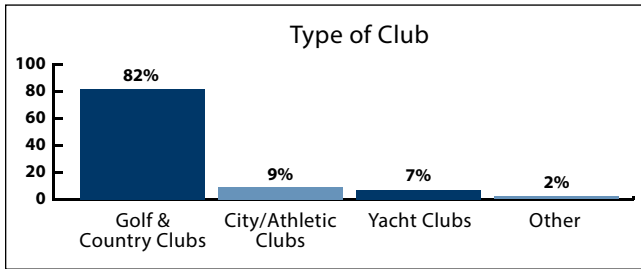


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CLUB
MANAGEMENT
ASSOCIATION
OF AMERICA

About the Club Industry



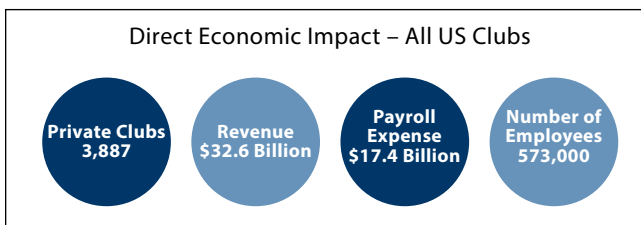
There are approximately 5,659 private clubs in the country. These clubs include Golf Clubs, Country Clubs (clubs that have golf courses and an array of non-golf sports and amenities), City/Athletic Clubs (including dining-only clubs), Yacht Clubs, and Tennis/Racquet Clubs. This research report focuses on the 3,887 identifiable

clubs in the US that have revenues exceeding \$1 million.

The total economic impact of the club industry on the United States is \$157 billion of revenue, \$65 billion of total payroll, and the creation of 1.5 million jobs across the economy.

A private club is a club that requires a member to pay dues to belong, and the club's services and amenities are only accessible to members and guests of members. Membership typically requires an invitation and approval process, and members are expected to abide by the rules of conduct decorum, which the members create and enforce.

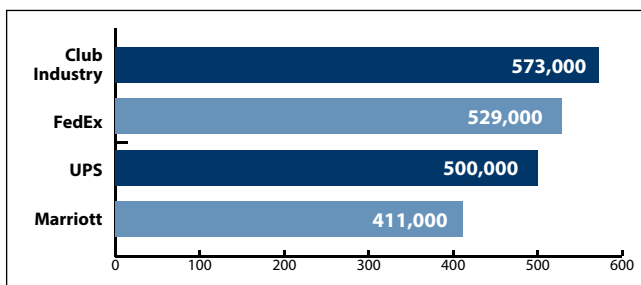
About the Direct Economic Impact



The direct economic impact of the 3,887 identified private clubs in the USA is measured in terms of Revenue, Payroll, and Number of Employees. These clubs generated an estimated \$32.6 billion of revenue in 2023.

The bulk of economic activity in clubs is local in nature. Most club staff live within the community where their club is located. Clubs offer a wide array of flexible employment options, including full-time year-round, full-time seasonal, part-time year-round, and part-time seasonal work. The employment offerings in clubs positively impact employees seeking flexibility in schedules.

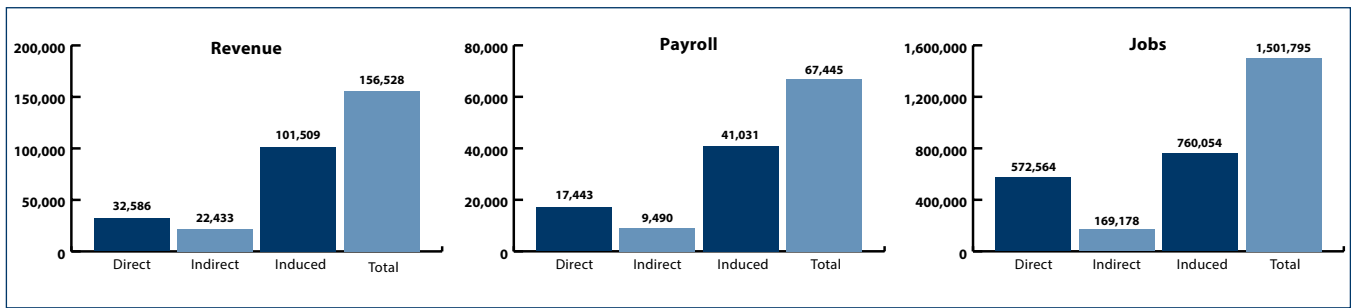
The 3,887 clubs employed 573,000 employees, generating \$17.4 billion payroll, estimated as \$14.6 billion of salaries and wages and an additional \$2.8 billion of payroll taxes and benefits.



For comparison, according to company employee counts provided by companiesmarketcap.com and macro trends.net, the club industry is well-represented when compared to many Fortune-500 employers.

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About the Indirect, Induced, and Total Economic Impact



Clubs are local main street businesses, employing local staff; the induced economic impact is local in nature. Clubs have an outsized impact on their towns, cities, and regions.

Indirect Impact considers the impact club revenue has on other industries, which in the case of clubs includes food service, food service supplies, uniforms laundry and linen, clothing, sports equipment, utilities, insurance, services such as construction and trades, capital equipment such as HVAC, irrigation, kitchen equipment.

Induced Impact considers the impact on personal income resulting from the direct and indirect business to business spending.

Regional Impact

	Revenue	Percentage of Total	Payroll	Percentage of Total	Jobs	Percentage of Total
Northeast	7,417,853,525	22.8%	3,780,288,986	21.7%	140,014	24.5%
Midwest	4,759,398,803	14.6%	2,829,791,913	16.2%	117,408	20.5%
West	6,515,097,286	20.0%	3,356,744,409	19.2%	96,603	16.9%
South	13,893,787,379	42.6%	7,475,997,327	42.9%	218,539	38.2%
Total	32,586,136,992	100.0%	17,442,822,635	100%	572,564	100.0%

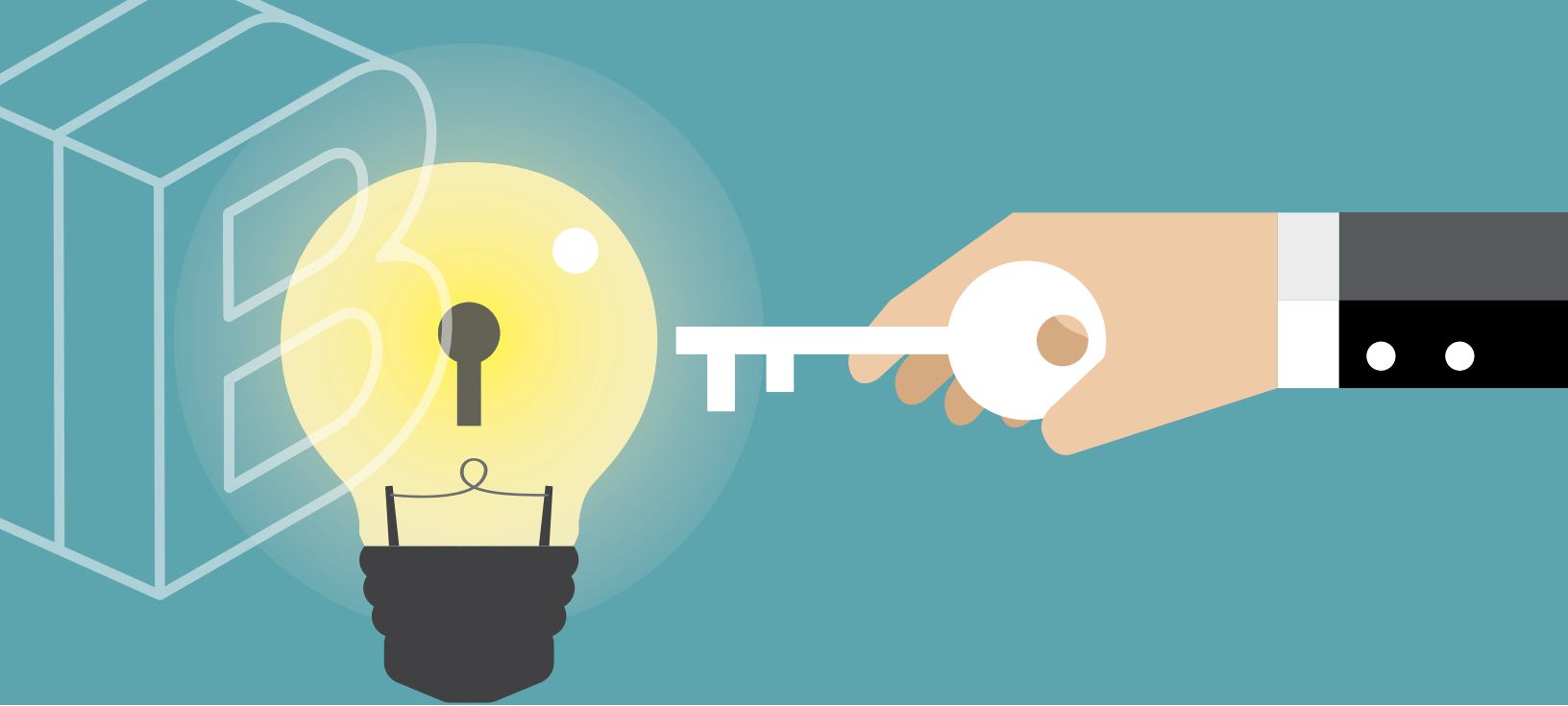
The region with the largest club industry is the South Region. The main drivers of the South Region are Florida, which is the state containing the most clubs, the Carolinas, and the metro Atlanta area, GA.

This Report

This report was jointly funded by Club Benchmarking, the Club Management Association of America (CMAA), and the National Club Association (NCA). The data contained within this report resides within the Club Benchmarking database. The research effort was managed and led by Professor SoJung Lee, PhD., of Iowa State University, and Ray Cronin, Founder of Club Benchmarking. The data contained in the report reflects the results of club operations in 2023. The research and rigorous analysis were conducted from November 2023 through April 2024.



Watch the video to learn more 



WHAT'S HOT

Why Every Private Club Board Should Use a Board Portal

Clubs are celebrated for their deep-rooted traditions, strong community ties, and commitment to providing outstanding experiences for their members. Effective governance is at the heart of this success, a vital responsibility resting with the Board of Directors. In this fast-paced, technology-driven era, embracing tools like online board portals is no longer optional; it is essential for enhancing governance, fostering collaboration, and protecting sensitive information.

Here are three convincing reasons why every private club board should adopt a dedicated club-specific board portal:

1. Boosted Efficiency and Time Management

An online board portal consolidates all meeting materials, schedules, and communications into one secure platform.

- **Effortless Access:** Board members can easily find crucial documents without digging through emails, printed packets, or three-ring binders—everything is merely a few clicks away on a user-friendly platform or mobile app.
- **Instant Updates:** Agendas or documents can be updated in real-time, ensuring all members stay informed and ready with the latest information accessible through the app or online.
- **Significant Time Savings:** Administrative staff save valuable time by eliminating the need for printing, mailing, or resending materials, allowing them to focus more on strategic initiatives.

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2. Enhanced Communication and Collaboration


Effective governance thrives on open and clear communication, and board portals elevate collaboration and informed decision-making.

- **Discussion Boards and Secure Messaging:** These features support continuous dialogue and decision-making outside formal meetings within a dedicated, encrypted space.
- **Efficient Polling and Voting:** Secure, quick decision-making on critical issues is streamlined for maximum effectiveness.
- **Clear Task Management:** Assigning, tracking, and following up on tasks ensures accountability and progress between meetings, keeping everyone aligned.

3. Robust Security and Compliance

Board documents often contain sensitive financial, legal, and strategic information. An online board portal enhances security compared to traditional methods.

- **Data Encryption:** This ensures confidential information is protected from unauthorized access.
- **Monitor Documentation Trails:** Tracks document access and changes, providing a clear record for compliance purposes and monitors director engagement.
- **Role-Based Permissions:** Restrict access to sensitive materials based on individual roles, protecting the integrity of club information.

Implementing a board portal equips private club boards with the tools for efficient governance, enhancing member engagement, and safeguarding vital information while adapting to modern expectations. Make the switch today for a more effective and secure board experience. 

Insights Contributed by John Schultz, CCM, CCE, CMAA Fellow





INSIGHTS

Cultivating Club Prosperity: Board Governance, Communication, and Leadership Strategies for Thriving Clubs

Clubs thrive when they establish strong governance, foster effective communication, and cultivate skilled leadership. These elements are not mere ideals—they are the foundation for navigating the competitive landscape and ensuring long-term success. This framework's core is the collaboration between the board and the CEO/COO, a partnership that shapes a club's future.

This chapter explores three critical components that define club prosperity: the importance of clarity in board governance, the art of effective communication, and the pivotal role of the CEO/COO as a thought partner.

The Keystone of Board Governance

Good governance begins with clarity. Every member must understand their role and responsibilities for a board to lead effectively. Titles alone are not enough; detailed job descriptions are essential. For instance, a treasurer's duties might include overseeing financial reporting, articulating the club's financial health to stakeholders, and collaborating with the CEO/COO to ensure fiscal strategies align with the club's goals.

Governance policies provide the structure within which the club operates. They cover everything from financial controls to member inclusion and operational standards. To remain relevant, they must be reviewed regularly and adapted as needed. The board is critical in ensuring these policies are updated and effectively implemented in collaboration with the CEO/COO.

Education is another cornerstone of effective governance. Board members must stay informed about legislative changes, industry trends, and best practices in club management. Whether through workshops, webinars, or expert consultations, continuous learning ensures that the board can lead confidently alongside the CEO/COO.

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The Art of Communication

A thriving club is built on communication. Internally, transparent and consistent communication fosters trust among board members, staff, and members. It creates an environment where collaboration can flourish, and everyone feels aligned with the club's mission.

Technology can streamline communication efforts. Member portals, internal newsletters, and other tools ensure stakeholders have access to timely and accurate information. Additionally, open dialogue through board meetings, staff feedback sessions, and member town halls creates opportunities for proactive problem-solving and reinforces a sense of community.

Externally, communication defines how the club presents itself to the world. A strong narrative helps attract and retain members, forge partnerships, and engage the broader community. Strategic branding, public relations efforts, and outreach initiatives highlight the club's value, ensuring it remains relevant and appealing.


The CEO/COO as a Thought Partner

Among the many relationships within a club, few are as impactful as the partnership between the board and the CEO/COO. This dynamic is the bridge between strategic vision and operational execution.

The CEO/COO offers insight into day-to-day operations, industry trends, and emerging opportunities, helping the board make strategic decisions. When the CEO/COO is treated as a thought partner rather than a subordinate, their expertise can significantly enhance the board's ability to govern effectively and ensure the club's long-term prosperity.

Building a Thriving Future

A club's success depends on combining sound governance, effective communication, and visionary leadership. Clear roles and responsibilities ensure that board members can act decisively. Transparent communication builds trust and fosters collaboration. A strong partnership with the CEO/COO drives innovation and ensures alignment between the board's vision and the club's operations.

By embracing these principles, private clubs can navigate challenges, seize opportunities, and create an enduring legacy of excellence. By committing to solid governance, thoughtful communication, and shared leadership, clubs can unlock their full potential and thrive for future generations. 

***Insights Contributed by Lawrence J. "Skip" Avery, CCM, CCE, CMAA Fellow,
Stone Group Architects***





EXTERNAL INFLUENCES

Could No Tax on Tip Proposals Impact the Future of Tipping in Private Clubs?

A notable 63.2 percent of clubs have transitioned away from traditional tipping models to service charges for member dining. However, with new legislative proposals aiming to make tips tax-free, clubs may soon find themselves reevaluating their approach.

What Could the Legislation Look Like?

Recent legislative proposals from may provide insight into what the final language under the new Congress and Administration could look like.

1. **No Tax on Tips Act (2024 - S 4643/HB 8971, 2025 - HR 482)** This proposal allows an above-the-line deduction for cash tip income, meaning employees could reduce their taxable income based on tips received. However, these earnings would still be subject to payroll taxes, which means clubs and employees would not see a full tax relief on tip income.
2. **Tax-Free Tips Act of 2024 (HR 8785)** A more aggressive approach, this act proposes that both income and payroll taxes on tips be fully exempt. This would significantly increase take-home pay for employees and reduce the payroll tax burden on clubs.

These proposals have sparked discussions on whether clubs should reconsider their transition to service charges, given that a return to a tip-based system could become more financially attractive for both employees and employers.

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Service Charges v. Tips

In shifting towards service charges, many clubs found that:

- Service charges provide greater financial predictability, ensuring a stable revenue stream for employee wages.
- Tipped wages vary significantly, leading to income inconsistency for employees.
- Several states and municipalities have been considering eliminating or increasing tipped minimum wages.

Tips are defined by the Internal Revenue Service (IRS) as “the payment must be made voluntarily by the customer and cannot be previously agreed upon,” among other restrictions.

Potential Impact of Tax-Free Tips Legislation


If similar proposals become law, private clubs may need to reassess their compensation models. A fully tax-free tipping system could potentially:

- Make tipping more lucrative for employees, encouraging them to advocate for a return to a tip-based model.
- Lower payroll tax obligations for clubs, potentially making tips more cost-effective than service charges.
- Improve recruitment and retention, as tipped positions would offer higher take-home pay compared to salaried or service-charge-based compensation.

However, reverting to a tip-based system also introduces challenges for clubs and employees:

- Add an administrative burden for managing tips and ensuring compliance with IRS regulations.
- Increase greater variability in income for employees.

Could Clubs Reverse Course?

If employees begin pushing for a return to a tip-based system due to perceived increased financial benefits, clubs may feel pressure to comply to maintain their workforce. Additionally, recruitment dynamics could shift with competing local restaurants and hospitality businesses. Whether clubs reverse course will depend on the final legislative outcome. 

Insights from the CMAA Legislative Report blog.

For more information, please contact Melissa Low, CAE.





CMAA NEWS & ANNOUNCEMENTS

ClubCareers: Your Resource for Club Leaders

Are you looking for your club's next leader? List your position with CMAA's ClubCareers and advertise directly to CMAA members who are seeking new opportunities, both at the executive and/or mid-management level.



If you are seeking executive management personnel, CMAA's Managerial Openings List (MOL) will connect you with club management professionals seeking roles as General Managers, Chief Operating Officers, and Directors of Operations, and more. All postings on this list have salary ranges at \$100,000 or above.

If your club is seeking mid-management personnel, CMAA's Mid-Management Openings List (MMCO) will connect you with club management professionals seeking roles Clubhouse Managers, Food and Beverage Managers, Banquet Managers, among others. All postings on this list have salary ranges under \$100,000.

Additional resources are available including sample job descriptions and the Interim Management List, an online listing of CMAA members who are available to fulfill various interim management positions.

Since the inception of ClubCareers in 2003, the site has hosted thousands of jobs. For more information, visit cmaa.org/careers/. 