

Board Brief



CLUB MANAGEMENT ASSOCIATION OF AMERICA

September/October 2024

By the Numbers: Key Membership and Dues Insights



CMAA 2023 Finance and Operations Report
Powered by Club Benchmarking



CLUB MANAGEMENT ASSOCIATION OF AMERICA



The 2023 CMAA Finance and Operations Report represents the results of the 2023 Club Finance and Operations Survey conducted in collaboration between Club Benchmarking (CB) and the Club Management Association of America (CMAA). The data presented in the Report represents the aggregated results of private clubs' financials, specifically those closing their 2023 fiscal year between December 31, 2022, and December 31, 2023. The 1,028 clubs that participated are comprised of 840 clubs with golf and 188 clubs without golf.

Here are key industry insights from the Report:

- As has been widely reported, the club industry has enjoyed significant post-pandemic positive momentum. Two key trends are the basis of the positive momentum; First, the **shift to work from home** which made membership more compelling due to the ease of going to a club from home, rather than an office, coupled with less time spent commuting. The second trend is **demographic** and offers optimism for the longer term. The average age for joining a standalone club (versus a residential community club in a retirement area) is 42 years old.

continued on next page

- The first Millennial cohort, born in 1981, turned 42 in 2023. The cohort born in 1991, the peak birth year for Millennials, will turn 42 in 2033. These trends have fostered a **significant uptick in membership**. Strong membership numbers are the lifeblood of financial success for private clubs.
- **The uptick in membership demand has doubled the proportion of clubs with a waiting list to join**, from ~25 percent to ~50 percent. Increased demand and longer and more common waiting lists combined to positively impact initiation fee income which is a key source of capital income. The median initiation fee in clubs with golf has increased from ~\$30,000 at the end of 2019 to ~\$50,000 at the end of 2023. In clubs without golf, the median initiation fee has jumped from ~\$10,000 to ~\$15,000 in the same timeframe.

- The surge in demand for memberships began in 2021 and roared into early 2023. **While the market is still strong, growth began to taper off during the second half of 2023.**
- In 2022 and 2023, clubs have been operating in an obvious inflationary environment. **Dues increases, particularly in 2022 have been much greater than the average over the last decade or more.** Operating Dues Revenue increased 9.3 percent at the median from 2021 to 2022 and increased 9.9 percent at the median from 2022 to 2023. For comparison, Operating Dues Revenue increased 3.9 percent from 2018 to 2019, just prior to the pandemic.

CMAA members may access their complimentary copy of the full report through [CMAA Connect](#) in the [Best Practices Exchange Community Library](#) in the [CMAA Annual Reports](#) folder.

Best Practices: Understanding Bylaws

The bylaws of a private club are the members' agreement for how the organization and its membership shall be governed. Club bylaws serve as the policies/directives from the owners/members to the board. With rare exceptions, amendments to a club's bylaws require member approval. They combine with the Articles to form the legal structure of the organization. As with the Articles of Incorporation, the statutes governing the contents of bylaws vary from state to state.

The bylaws include provisions such as:

- The club's name and purpose.
- The membership categories.
- Board size, board member qualifications, and terms of office.
- Officer designations and duties.
- The election process for board members and officers.
- Schedule and notice requirements for member and board meetings.
- Quorum levels and meeting management for member and board meetings.

- Process for amending bylaws.
- Indemnification policies.
- Dissolution processes.
- Disciplinary process.

As with the Articles, it is critical for bylaws to have the blessing of an attorney experienced with nonprofit bylaws in general and the state's requirements for bylaws in particular.

Well-constructed bylaws provide clear direction to the club's members and board of directors. They are laws, not guidelines, and they require careful drafting by a competent attorney. In that regard, member-owned clubs are usually formed as nonprofit corporations.

As a result, there are state statutes that apply to the club's governance. Certain statutory requirements should be stated in the bylaws for convenient reference, but the club's board and GM/COO must be aware that these statutes apply even when not expressly stated in the bylaws.

Source: Private Club Governance: A Handbook of Principles and Best Practices, published by CMAA and the National Club Association, August 2023.



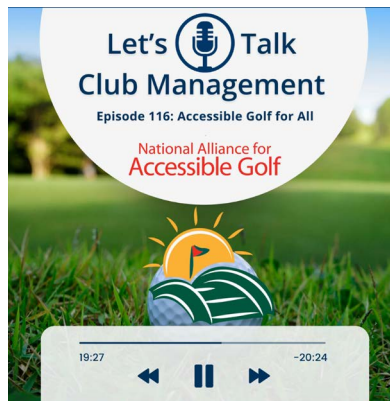
Legal, Legislative, & Regulatory Update

Addressing Accessibility Questions

Ensuring members and guests feel welcome and comfortable is a top priority for clubs. What about members and guests with disabilities? Recently, CMAA Headquarters has received several questions regarding defining access and what the club's obligations are under the Americans with Disabilities Act.

- Does a club need to provide a single-rider golf car?
- Can a club create access policies for all golf cars, applicable to all, including single-rider and/or adaptive cars in inclement weather?
- How should club staff handle members or guests who request accommodation?

In episode 116 of the *Let's Talk Club Management* podcast, Executive Director of the National Alliance for Accessible Golf and former golf course operator Dave Barton, PGA, and Jan Bel Jan, Golf Course Architect,



Past President of the America Society of Golf Course Architects (ASGCA), Landscape Architect, Certified Arborist, and former assistant superintendent, share their accessibility insights. The

experts offer real-life, day-to-day advice on how to make your spaces more welcoming to individuals with disabilities. The lessons they share on staff training are applicable to all clubs, not just those with golf courses.

Listen now at cmaa.org/podcast/podcast-episodes/episode-116/.



CMAA News & Announcements

Capital Improvements Handbook Now Available

The *CMAA Capital Improvements Handbook* serves as a comprehensive guide for club decision-makers embarking on capital improvement projects. By adopting a strategic and collaborative approach, engaging stakeholders, ensuring robust financial planning, and adhering to regulatory requirements, clubs can successfully navigate the complexities of capital improvements.

The Handbook delves into common pitfalls such as lack of strategy and leadership, unanticipated costs, and inexperienced project management. Emphasizing the

necessity of time, patience, and strategic planning, this Handbook aims to equip club decision-makers with the knowledge required to make informed choices, ensuring each capital improvement project contributes to the club's long-term success and reputation.

This extensive resource emphasizes the significance of building high-performing project management teams and engaging various stakeholders, including club members, throughout the journey. Available exclusively to CMAA members, the Handbook was created from the best practices and procedures explored at CMAA's Capital Improvements Symposium. CMAA members may download the resource through CMAA Connect in the Best Practices Exchange Community Library.

The Board Brief is a publication of the Club Management Association of America. Founded in 1927, CMAA is the largest professional association for managers of membership clubs with more than 7,800 members throughout the US and internationally. Our members contribute to the success of more than 2,600 country, golf, athletic, city, faculty, military, town, and yacht clubs. The objectives of the Association are to promote relationships between club management professionals and other similar professions; to encourage the education and advancement of members; and to provide the resources needed for efficient and successful club operations. Under the covenants of professionalism, education, leadership, and community, CMAA continues to extend its reach as the leader in the club management practice. CMAA is headquartered in Alexandria, VA, with 40 professional chapters and 40 current and prospective student chapters. Learn more at [cmaa.org](https://www.cmaa.org).