UNCOVERING GENERATIONAL ATTITUDES ABOUT CLUB MEMBERSHIPS

A Landmark National Study That Dives Into Millennials and Each Generation of Potential Club Members in the U.S.

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Research Presented By:
Club Managers Association of America and
The Center for Generational Kinetics
Millennials, numbering nearly 80 million in the United States, are the most diverse generation in U.S. history. They are already the fastest growing generation of consumer of large purchases, the largest generation in the workforce, and poised to outspend Baby Boomers in 2017.

This new, large, exciting generation is making headlines for driving major trends in hospitality, sports, dining, and especially leisure and recreation activities. While this new generation may have gotten a later start entering adulthood compared to previous generations, Millennials are finally becoming parents, purchasing homes, swiftly moving up in their professional careers, starting their own businesses, and reaching a prime age to consider joining (private membership) clubs. These are clubs that you have to apply to in order to become a member and membership is not guaranteed. This could be a country club, city club, tennis club, beach club, etc. As part of the application process, you generally are recommended by a current club member and provide references.

Now ages 21 to 39, Millennials are poised to shake up the club industry with new expectations around membership, communication, community, events, dues, and more. However, it also turns out that many of the intangibles that Millennials say they want are exactly what clubs already can and do offer. But, like nearly everything Millennials do, they want it to be customized to their specific needs and life stage.

The clubs and club managers that seek to understand Millennials engage this new generation based on real research into their mindset and behaviors. This in turn will make them part of the fabric of their club and help them to be extremely well positioned to benefit from Millennials. This could not happen at a better time, as Millennials are also the generation most likely to refer their friends to join a club. This is an exciting time to be in the club industry and welcome an entirely new generation of members and club advocates.

-Jeff Morgan, FASAE, CAE, CEO
Club Managers Association of America
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Jason Dorsey, Co-Founder,
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Welcome to the 2016 cross-generation study on club memberships!

We are pleased to share the exciting findings with you.

This first-of-its-kind cross-generational national study was designed to explore the beliefs and perceptions of Americans, particularly Millennials, toward considering, joining, and actively participating as members in clubs in the U.S.

Club Managers Association of America (CMAA), The Club Foundation and The Center for Generational Kinetics are pleased to partner on this groundbreaking national research to inform the conversation across generations and provide insight into the future of clubs.

To schedule a media interview about the national study and its findings, please contact Melissa Low at (703) 739-9500 or goodnews@cmaa.org.

Best regards,

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GENERATIONS
Gen Z: Born 1996 and later
Millennials: Born 1977 to 1995
Generation X: Born 1965 to 1976
Baby Boomers: Born 1946 to 1964
Traditionalists: Born before 1945
IT’S NOT THE MONEY
LIFESTYLE FIT OUTSHINES THE COST TO JOIN CLUBS

Millennials are different than any other generation of club members. Millennials bring a new set of communication preferences, life stage (such as having children at a later age), and leisure expectations to clubs. While they don’t want to join the stuffy club that their grandparents enjoyed, it does turn out that Millennials’ attitudes about joining a club are shockingly similar to those of their parents.

And there is more good news for clubs and club managers:

**Millennials do want to join clubs,** and it’s not necessarily the price tag that’s going to deter them. It’s Millennials’ lifestyle. In fact, 23 percent of Millennials cite lifestyle fit, not cost, as the top objection to club membership. That’s right—nearly one fourth of Millennials say it is lifestyle fit, not dues, that keep them from joining. Interestingly, this is the same top factor keeping Baby Boomers from joining clubs. For Gen X, lifestyle fit was a close second.

And even though Millennials are the generation known for having unprecedented amounts of student debt, and often lower wages relative to their current age, a large percentage (37 percent) of Millennials DO NOT view financial obligations as a barrier to membership. In the cases where there is a financial hurdle, Millennials cite housing costs as the main financial hurdle, with student and consumer debt following close behind.

Bottom line: Even though money is, and will always be, a hindrance for some to join clubs, it is far from the only one. The fact that lack of lifestyle fit is the main reason says a lot about what Millennials want from their leisure and social activities.
WHAT
POTENTIAL MEMBERS ARE LOOKING FOR IN A CLUB
While it is true that Millennials do a lot of things differently than other generations, including the way they shop, dine, pay bills, or often prefer cashless transactions, their preferences for club amenities are similar to those of older generations.

In fact, Millennials, like every other generation surveyed, said that their number one consideration for joining a club is to interact with others with similar interests (M 33 percent, X 30 percent, B 34 percent*). The second thing that all generations say they are looking for in a club is a private place for leisure time (M 32 percent, X 24 percent, B 30 percent).

This is great news for clubs and club managers!

This means that across the board, the generations have similar general preferences for preferred amenities, so club managers can be strategic about engaging the generations simultaneously. It also means that, regardless of age or life stage, a meaningful percentage of people are attracted to what clubs have to offer and recognize them as a destination for their leisure and social time. This is outstanding common ground for club managers to build on as they seek to attract and retain Millennials as the next generation of members.

* M: Millennials; X: Generation X; B: Boomers
Membership clubs are known for having various amenities from fitness and sports facilities, social hours, and places for family time, to fine dining. However, the importance of each of these aspects of a club varies greatly by generation.

While the study found that Boomers placed the most importance on using and developing athletic skills (17 percent), Millennials are much more likely than other generations to look for a place for quality family time as well as sports and socializing for their children (M 23 percent, X 16 percent, B 5 percent). It is important that these aspects are showcased in any publicly available information about the club so that Millennials can see how it is a fit for them.

Varying percentages of each of the generations also said that they were looking for professional networking (M 12 percent, X 9 percent, B 7 percent), as well as a place for access to exclusive or special events (M 13 percent, X 9 percent, B 12 percent), in their club memberships.

Even though the generations vastly differ on which of these aspects they place as the most important, clubs can accommodate each of these differing priorities if they avoid a one-size-fits-all approach. Clubs and club managers can achieve this by offering activities and positioning their fitness facilities and networking events so that members of each generation can see where they fit to get the most out of their membership.
Millennials seek out recommendations and reviews for nearly every aspect of their lives, from restaurants and fitness centers to shoes and cosmetics, so it is no surprise that when it comes to joining a club, recommendations are critical to influencing their decision.

But how critical?

The national study uncovered that personal recommendations from family, friends, co-workers, and even acquaintances are the biggest factor in drawing interest to join a club! This is true across generations, with Gen X saying this the most (43 percent).

In second place, Millennials and Gen X both cite attending an event at a club, such as a sports tournament or wedding, as the factor that inspired them to consider joining a club. This makes sense as Millennials show a strong preference to try services and experiences before committing to them long-term. If Millennials are able to experience a club as a guest, then they are essentially “trying it out” to see if it is a good fit for them before signing on the dotted line.

The bottom line: Recommendations matter more than ever—even with Millennials. Your best sources of future Millennial members are likely your current Millennial members. If you do not have any, then it is time to add some!
CUSTOMIZATION IS CRITICAL
Millennials are known in the popular media for expecting everything to be customized or unique to them. If they are spending money on something, they expect to have their way—whether it is a favorite coffee at Starbucks, a checking account at an online bank, or personal Instagram filters. The national research study uncovered that Millennials also expect this type of customization from a club membership.

And Millennials are not alone.

The study found that there is a lot of interest with each generation—Millennials, Gen X, and Boomers—for having the option to join clubs at different membership levels. These levels could include a Seasonal, Social, Athletic or Golf, and Junior memberships. Across all generations, the study found that a seasonal membership is the most preferred with 51 percent of Millennials saying it appeals to them!

Offering different levels and types of membership options would go a long way in attracting a broader range of members, especially Millennials, since they would be able to customize their club membership according to their lifestyle needs and financial situation. This would also position Millennials to “step up” into more expensive memberships as they better experience the value offered by the club and want more access to that level of value.

And it is not just being able to choose the kind of membership that appeals to Millennials; it is also about how they are able to pay for the membership. The study found that a whopping 85 percent of Millennials would be more likely to join a club if the initiation fee could be made in installments, in two or three payments, instead of one lump sum.

Changing the initiation fee is attractive to more than just Millennials. Approximately 80 percent of all respondents say that spreading out the initiation would make them more likely to join a club.

Bottom line: Millennials want membership options for joining a club and the fastest way to get them to join is to make the initiation fee payable in installments.

**Approximately 80%** say that spreading out the initiation fee to 2-3 payments rather than one payment would make them more likely to join a club. For Millennials, this number is even higher at 85%.
While a generational lens is a great point of view to look at clubs and the next generation of members, gender is another point of view that yields rich discoveries in the national study. The national study found that men and women show divergent preferences in leisure activities when it comes to clubs, whether it is the kind of fitness they enjoy, sports they play, or simply how they like to socialize with their friends.

*Regardless of life stage, women tend to place more emphasis on specific club features than men.* By a significant margin, women favored adult-only facilities (M 59 percent, W 71 percent), interacting with members of a similar age (M 48 percent, W 70 percent), and social events (M 48 percent, W 66 percent) more than their male counterparts.

These preferences transcended whether or not they had children—which could be an obvious factor affecting desired club amenities. In fact, all of the preferences were true for women regardless of whether they have children at home.

This is not to say that men are not interested in these features.

On the contrary: 59 percent of men say that it is important for a club to have adult-only facilities. But it is important for club managers to note that women say these features are more important by nearly 20 percentage points.

Bottom line: Appealing to new club members involves understanding the differences of what men and women are looking for in a club. This is especially valuable since the appeal of certain features transcends age and has as much value for Baby Boomers as it does for Gen X and Millennials.
THE PERCEIVED ROI OF CLUB MEMBERSHIPS IS PERSONAL AND PROFESSIONAL
The national research study revealed that Millennials are looking for something more from clubs than their tangible amenities. While it is true that Millennials value fitness facilities and events for the whole family as well as social opportunities, they are also very interested in what else clubs can offer. These intangible benefits are often what draw people from every generation to clubs in the first place.

For Millennials, what they want are exclusive, special experiences from their club membership. Thirty-three percent of Millennials and Gen X actually cite a club’s exclusivity as being influential in maintaining their club membership.

This exclusivity may lead many Millennials to believe that club membership can be beneficial for their personal and professional lives. In fact, a significant 41 percent of Millennials say they think that a club membership can increase how fast they can advance in their career! And 31 percent of Millennials think that a club membership would help their children to “marry well” and get promoted one day! Now those are some serious intangible benefits that go well beyond fine dining, lowering a golf handicap, or a fantastic holiday party.

Bottom line: Clubs have the opportunity to appeal to a new generation of potential members not only on the basis of physical features such as facilities and amenities, but also intangible yet valuable characteristics such as prestige and exclusivity. Millennials find huge appeal in the exclusivity of “as unique as you.”
Club members always have certain standards to which they hold their clubs, especially when it comes to service, cleanliness, and convenience, and Millennials hold the same views. However, the generations do differ slightly on what would be the biggest “deal breaker” when it comes to joining a club or continuing a club membership.

While each generation surveyed thinks a club should be convenient to get to, Boomers say this the most, with 39 percent saying that the biggest deal breaker for them would be if the club wasn’t convenient to their work or home. Gen X’s biggest deal breaker would be if the membership costs fluctuate wildly and don’t stay relatively the same from year to year.

But Millennials, of course, couldn’t pick just one category. Instead, Millennials picked three categories as their primary deal breakers when it comes to joining or staying with a club: convenience to home/work, the ability to bring guests, and having well maintained grounds and facilities were all equally important.

What does this mean for clubs and managers?

There are clear deal breakers for all generations when it comes to membership, some of which can be controlled and some which cannot.

The most important club factors for current and potential members:

- Detail upfront costs for membership, including initiation and monthly dues
- Keep costs generally consistent from year to year
- Maintain and keep the grounds and facilities in good order
- Providing excellent service to members
- Allow members to bring guests

This is the combination to win Millennials and every other generation, too.

Bottom line: The good news is that what generations, including Millennials, want, is exactly what clubs can—and often do—offer to members of every generation. Now is the time to let Millennials know, so they can refer their friends and family to join them as members!
The club industry is well positioned to welcome Millennials as members by starting with and understanding of this new generation. The national research led by CMAA and The Center for Generational Kinetics provides the foundational insight necessary to understand Millennials in the context of Generation X and Baby Boomers.

Clubs do not have to deconstruct their organizations and start over for Millennials. In fact, Millennials are very open, interested, and receptive to many of the features and benefits of clubs exactly as they exist today. Clubs need only to tweak their way of thinking to open up broad appeal for the Millennial generation. A few out-of-the-box ideas such as incremental membership or initiation fees would vastly increase Millennials’ receptivity to joining a club.

Club managers who act on this need for small, creative adjustments will be able to navigate the inevitable change of older members transitioning out and newer members needing to be added and retained. The opportunity hidden in the generational change is that Millennials clearly want what clubs have to offer, but they may just want it slightly differently. That could be as simple as better showcasing the activities that fit Millennial priorities or developing new, various payment options. The key is that clubs and club managers now have a data-driven head start to appeal to Millennials at exactly the right time.

Wondering where to start?

Below are three quick suggestions based on the study’s findings to position a club for success with Millennials:

1. **Ask Millennials if they have a friend who might like to join:** Millennials said that a referral from a friend, family member, or colleague is the #1 way to get to them to join—so ask them “Do you have any friends who might like to join the club?” An easy way to facilitate this is to have events where Millennials can bring a guest or two and experience what the club has to offer.

2. **Know Your Potential Member:** Potential members have different club focus areas depending on their life stage. For instance, those with families are focused on using club benefits across the family unit. However, each component of the family unit may have a slightly different focus. Successful club membership recruiting will come from being able to show the unique club membership value proposition by understanding the uniqueness of each individual potential club member.

3. **Allow for a trial period and smooth orientation:** Millennials want to know what they’re getting themselves into. It is key to introduce them to what the club has to offer within the first two weeks of membership. A new member mixer could be a great way for the new members to meet each other and become acquainted with other members and key club personnel.
ABOUT THE STUDY’S AUTHORS

CLUB MANAGERS ASSOCIATION OF AMERICA

The Club Managers Association of America (CMAA) is the largest professional association for managers of membership clubs with 6,500 members throughout the US and internationally. Our managers operate more than 2,500 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 club managers to operate efficiently and successfully. CMAA is headquartered in Alexandria, VA, with 44 professional chapters and more than 45 student chapters and colonies.

Learn more at www.cmaa.org.

THE CLUB FOUNDATION

The Club Foundation, a 501(c)(3) organization, was established by CMAA in 1988. The Foundation seeks to fund the life cycle of a club manager’s career, providing financial support for five key areas: students, faculty, club managers, CMAA chapters and the club industry at large. It supports the advancement of club management professionals, funding industry education programs through scholarships and grants.

Learn more at www.clubfoundation.org.

THE CENTER FOR GENERATIONAL KINETICS

The Center for Generational Kinetics is the leading research, speaking, and solutions firm focused on Millennials, Generation Z, and bridging generations. The Center’s team of PhD researchers, strategists, and keynote speakers help companies and organizations around the world solve tough generational challenges. This could range from increasing sales or adding new Millennial members to retaining employees or driving member engagement across generations.

Each year, The Center works with over 150 clients around the world, from car manufacturers and global hoteliers to insurance companies, hospital chains, and international software firms. The Center’s team is frequently quoted in the media about the effect of generational differences on everything from shopping and parenting to work style and social media. Learn more at www.GenHQ.com.
This custom 25-question study was designed collaboratively by the Club Managers Association of America and The Center for Generational Kinetics. The survey was administered to 1,003 U.S. adults ages 22-70 who are either currently club members or express interest in joining a membership club in the next 5 years.

The survey was conducted online from July 6, 2016 to July 14, 2016, and has a confidence interval of +/-3.1%.
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