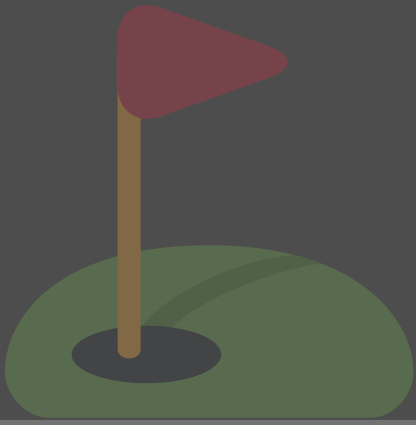


The sixth installment of our 2019 Millennial Research Study analyzing data collected from more than 3,600 avid millennial golfers. Data included is a continuation of the first five installments which are available at globalgolfadvisors.com.



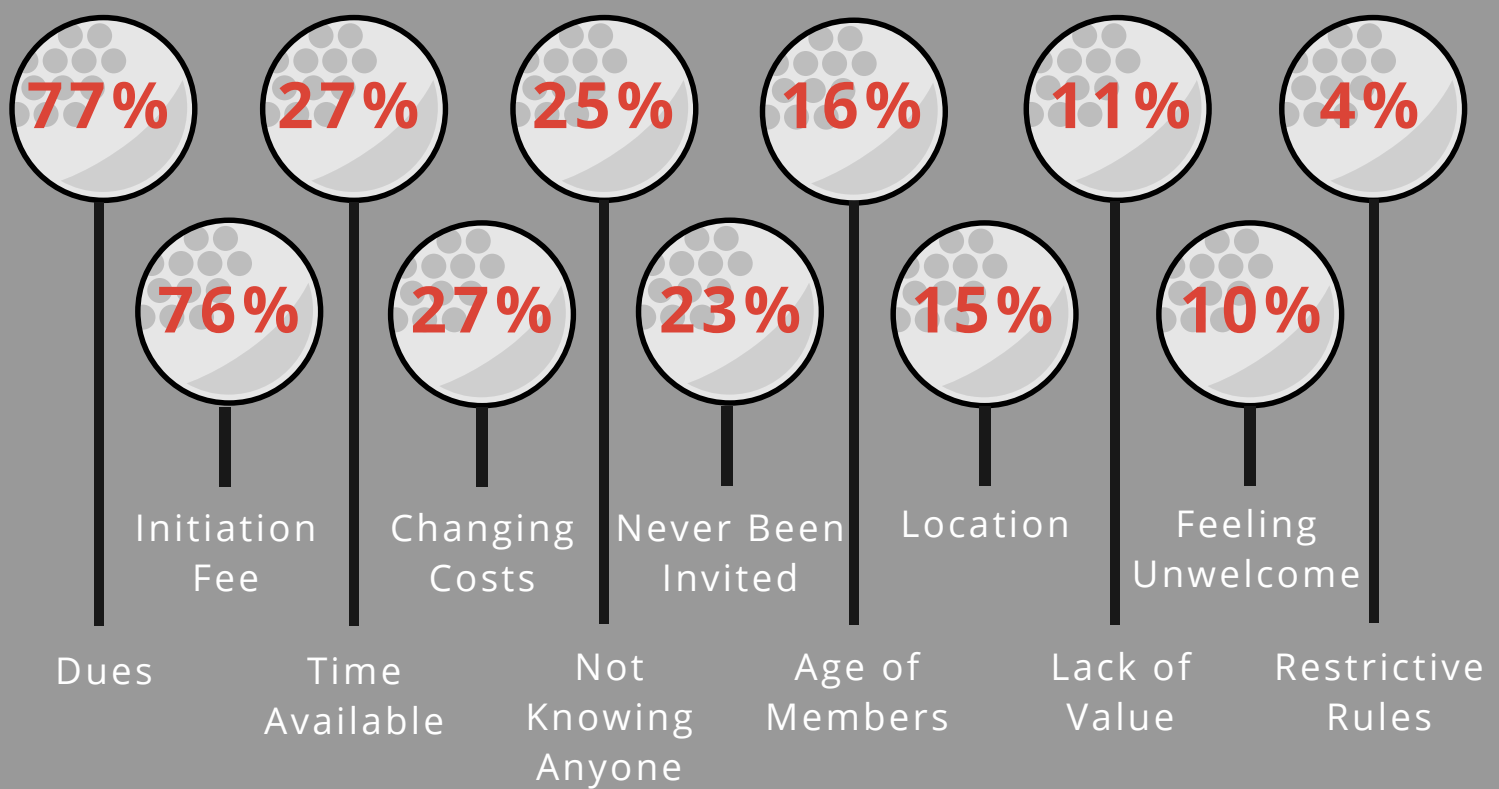
ANNUAL DUES

TOLERANCE TO PAY ANNUAL DUES



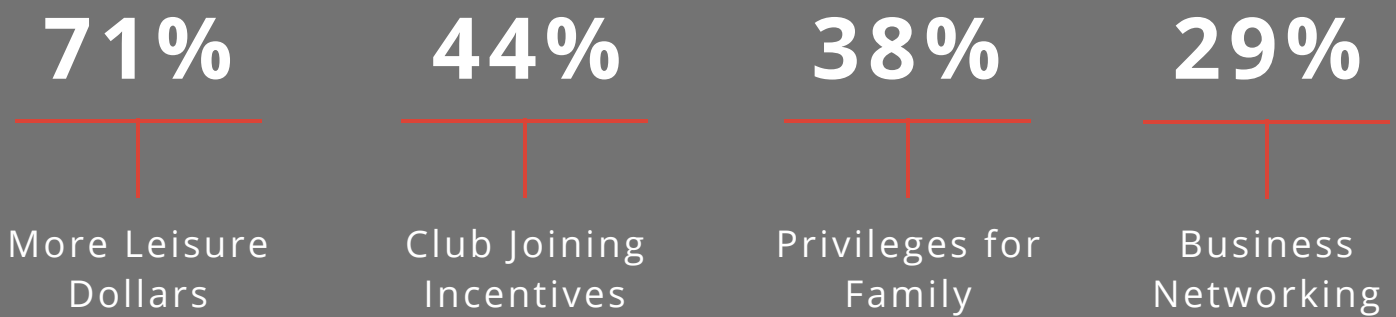
Tolerance to pay annual dues has remained fairly consistent since 2017 but has seen a slight decrease year-over-year.

INHIBITORS TO JOINING A PRIVATE CLUB



The majority of the top-ranked barriers to joining a private club revolve around cost and social aspects. Three of the top four barriers were cost-related, and 25% of millennials indicated that "Not knowing any members" prevents them from joining.

TRIGGERS TO JOINING A PRIVATE CLUB



Millennials are clearly concerned about annual fees at private clubs and they are the largest inhibitor preventing them from joining a private club. Moreover, either earning more money or more attractive joining incentives offered by clubs would be the main triggers to potentially joining a private club in the future for millennials.

Intermediate dues levels at private clubs need to be aligned with millennials' willingness to pay as their tolerance to pay annual dues is likely quite strict.

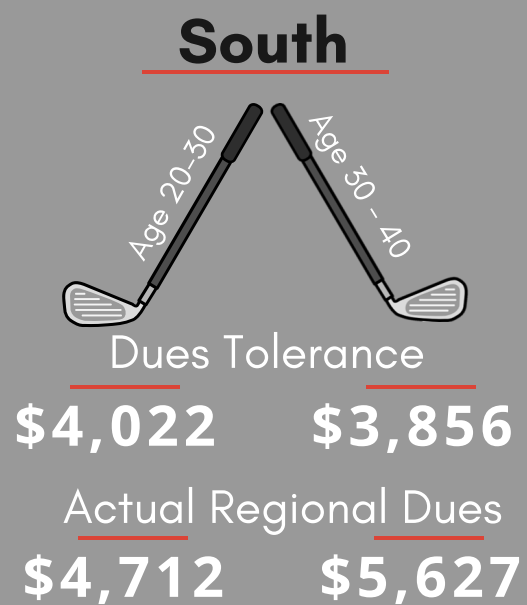
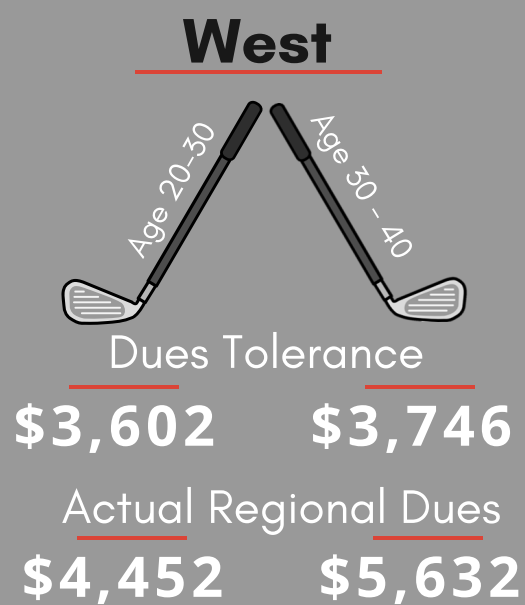
As noted in the third infographic, "Barriers to Joining Private Clubs", it is clear that millennials strongly value money and time. If they are to consider joining a private club, there will need to be incentives offered to them which cover both of these aspects.

TOLERANCE TO PAY ANNUAL DUES BY REGION



Over the last three years, tolerance to pay annual dues by region has remained fairly consistent, with the exception of the West which dropped substantially in 2019.

FURTHER REGIONAL BREAKOUT



The typical annual dues in each region are consistently higher than what millennials in each region are willing to pay. The exception is the Northeast where typical annual dues in the sample size are slightly below what millennials are willing to pay.

As millennials appear to have a relatively strict dues tolerance, it is important for clubs to research dues preferences in their local regions in order to best price their intermediate memberships.

¹ Actual regional dues came from a sample of clubs in each of the indicated regions.

TOLERANCE TO PAY ANNUAL DUES BY AGE

UNDER 22

\$4,265

22 - 25

\$3,778

26 - 29

\$3,694

30 - 34

\$4,057

35 - 38

\$3,651

39+

\$3,843

TOLERANCE TO PAY ANNUAL DUES BY HANDICAP

UNDER 7

\$4,296

OVER 7

\$3,772

Millennials who have lower handicaps are willing to spend more on annual fees. This figure is also applicable to initiation/entrance/joining fees

TOLERANCE TO PAY ANNUAL DUES BY INCOME

UNDER \$75K

\$3,579

OVER \$75K

\$4,097

Millennials who have a higher household income are willing to spend more on annual fees. This figure is also applicable to initiation/entrance/joining fees

TOLERANCE TO PAY ANNUAL DUES BY MOST FREQUENTED GOLF FACILITY TYPE

PUBLIC

2017

\$3,693

2018

\$3,700

2019

\$3,585

SEMI-PRIVATE

2017

\$4,117

2018

\$4,100

2019

\$4,246

PRIVATE

2017

\$4,823

2018

\$5,119

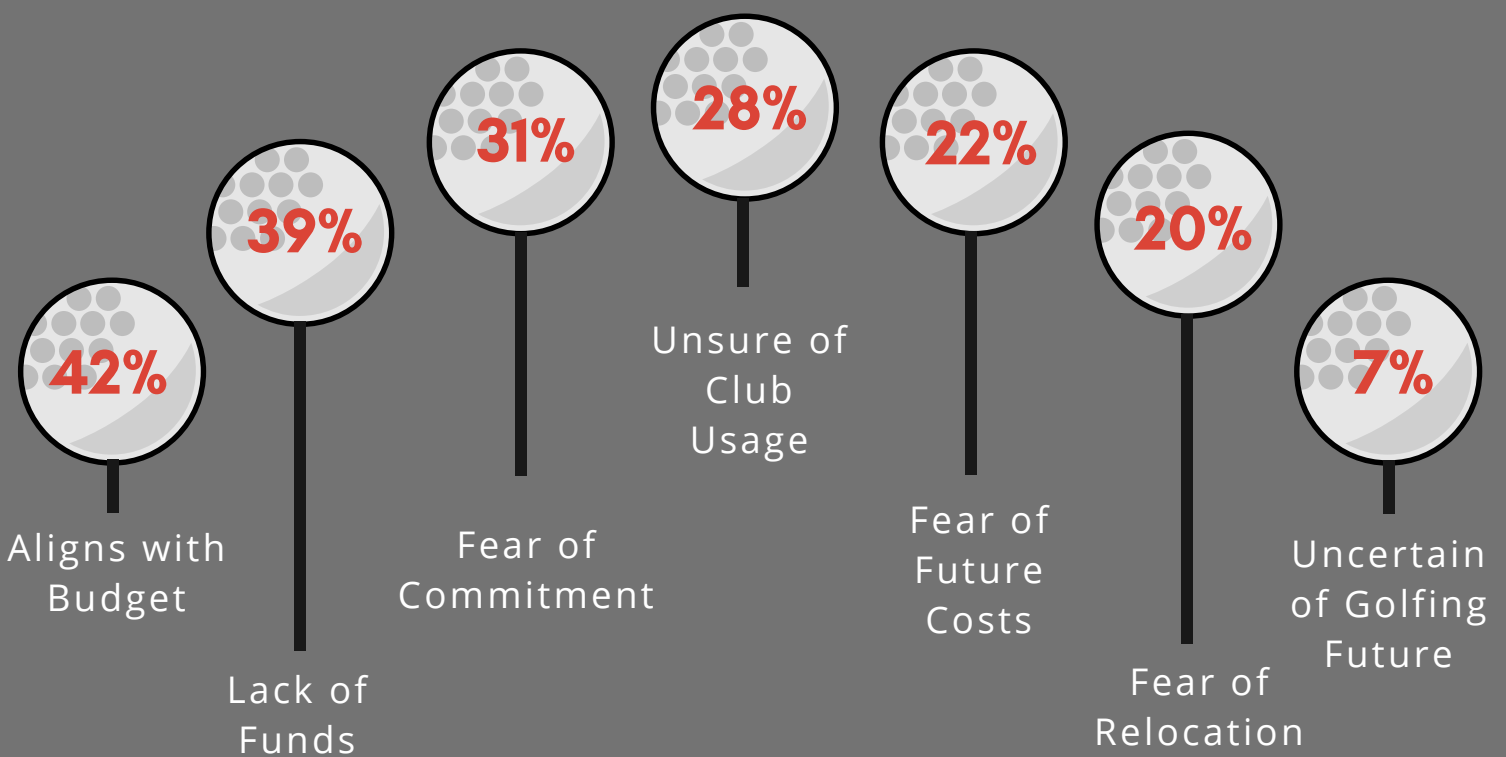
2019

\$5,145

Millennials who play most of their golf at private facilities are much more willing to pay higher annual fees. The annual dues tolerance of those who mainly play at private clubs has actually increased since 2017, from \$4,823 to \$5,145.

This is not unexpected, as millennials who frequent private facilities tend to place a greater value on these types of clubs and the experiences associated with them.

WHY DO MANY MILLENNIALS WISH TO PAY MORE ANNUALLY RATHER THAN AN ENTRANCE FEE?



These trends are similar to 2018, when 46% indicated a lack of lump sum funds and 35% indicated a fear of commitment to one club.

Three of the top-five reasons millennials would prefer to pay more annually rather than an entrance fee revolve around cost and the issue of a large one-time payment.

As 22% of millennials indicated that they have a fear of future costs, having a well laid-out payment structure is key to gaining the trust of potential millennial members.

HOW CAN CLUBS INCREASE THEIR RELEVANCE TO THE MILLENNIAL AUDIENCE?

Participants were asked to indicate how they believe clubs can increase their relevance to the millennial audience. The following two overarching observations summarize some common responses relating to annual fees and dues structures:

- Lower annual dues before the age of 30 - most people this age do not have as much time to use club facilities as someone who is older and therefore expect to pay less than older members. Many people this age are also in the process of paying off student loans and cannot afford large monthly payments.
- Implement "tiered" dues structure until the age of 40.

MILLENNIAL DEMOGRAPHICS WHICH EXHIBIT THE HIGHEST TOLERANCE TO PAY ANNUAL DUES

1. Millennials who live in the Northeastern United States
2. Millennials who mainly golf at private facilities
3. Millennials with a handicap of 7 or less
4. Millennials with an income of above \$75k per year

MILLENNIAL DEMOGRAPHICS WHICH EXHIBIT THE LOWEST TOLERANCE TO PAY ANNUAL DUES

1. Millennials who live in the Western United States
2. Millennials who mainly golf at public facilities
3. Millennials with a handicap of over 7
4. Millennials with an income of below \$75k per year
5. Millennials in the age group of 35 - 38

Data collected through Millennial Golf Industry Surveys conducted by Global Golf Advisors and Nextgengolf. Based upon responses from 1,426 millennials in a 2019 update on studies conducted in 2017 and 2018. More than 3,600 responses have been analyzed during the three-year research study.

The next infographic will examine millennial attitudes toward amenities and those they most prefer to see clubs offering.