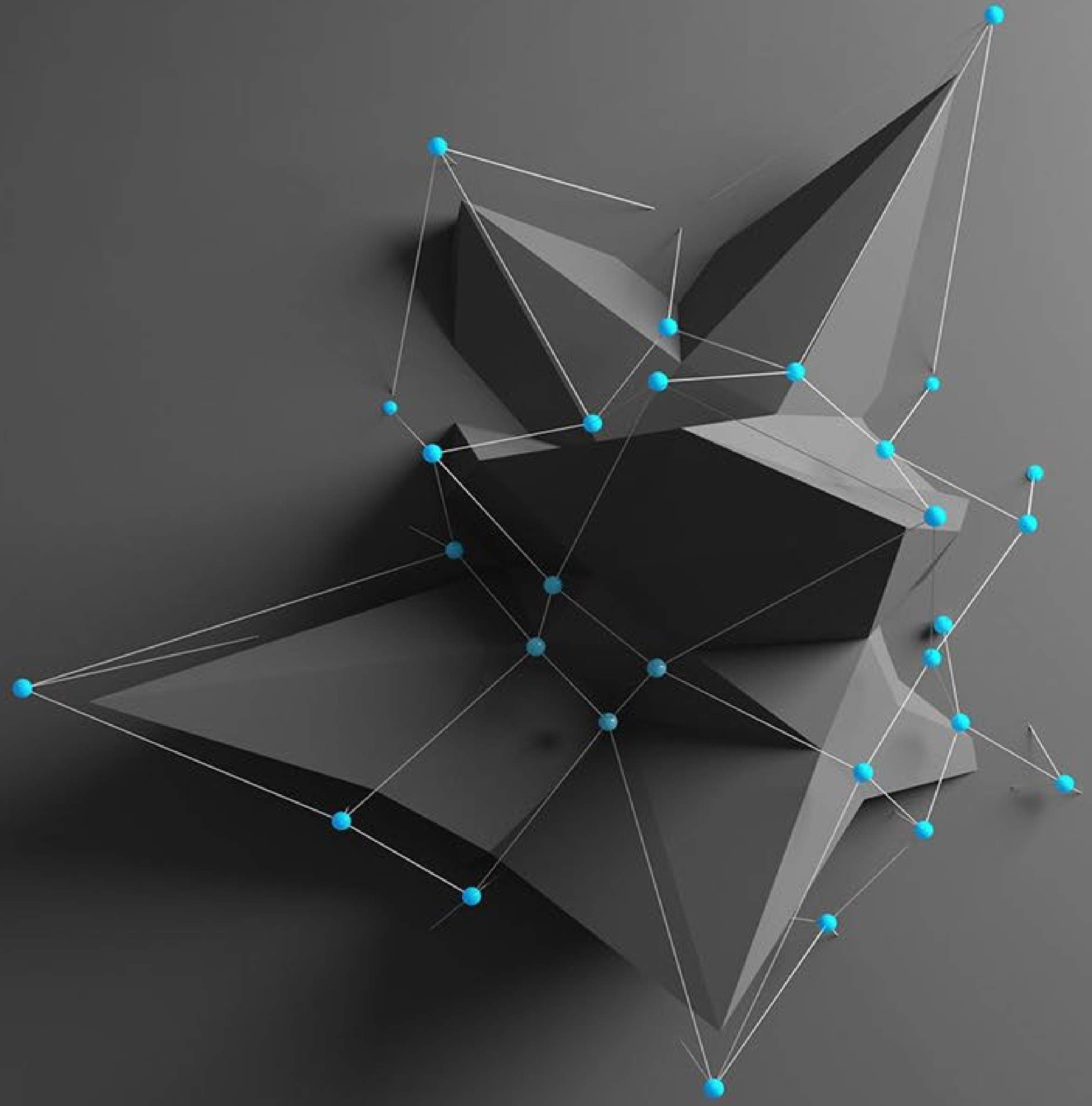
GGA Partners
Insight | Strategy | Success

A Club Leader's Perspective:

Evaluating Challenges and Opportunities For 2022



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Contents

Putting Change Into Perspective

In May 2020, GGA Partners launched its Perspective research initiative. Published in July 2020, the first installment was A Member's Perspective: The Shifting Private Club Landscape.

At the end of 2020, GGA Partners partnered with CMAA Research to administer a new survey, A Club Leader's Perspective: Emerging Trends & Challenges.

The second consecutive edition of 'A Club Leader's Perspective: Emerging Trends & Challenges' survey explores the same themes as the 2020/21 edition, investigating the perspective of club leaders on the current challenges facing the industry.

There was an additional focus on understanding the financial metrics of the responding clubs in order to provide club leadership with the most important metrics to monitor performance.

This report represents a summary of the survey results, with additional relevant insights for club managers in 2022.

Thank you to the Club Management Association of America for serving as an important collaborator in the research. GGA Partners is proud to be a long-standing CMAA Business Partner.

About the Respondents

Compared to 2021, this edition of our Perspective research series skews more experienced, slightly older and decreased female representation (13% of responses compared to 20% in 2020).

Club Leader Profile

POSITION AT CLUB

74%	General manager (GM, CEO, COO)
13%	Department manager (Assistant Manager, Department Head, Director, etc.)
13%	Board/Committee member
	Marketing)

GENDER

13%	Female
87%	Male

CURRENT JOB ROLE

85%	Head of Club
3%	Clubhouse Manager/Assistant Manager
2%	F&B Manager/F&B Director/Chef
10%	Other (CFO/Controller, Membership / Marketing)

AGE CATEGORY

Avg.	52.8 years
11%	Under 40
78%	40-64
11%	Over 65

TENURE IN CURRENT ROLE

Avg.	7.3 years
44%	3 years or less
31%	4-10 years
25%	11 years or more

[1] Answered by General Managers (76% of respondents, n=391) and Department Managers (20% of respondents, n=101).
Source: GGA Partners A Club Leader's Perspective: Emerging Trends & Challenges Survey, Dec 2020-Feb 2021.

About their Clubs

Representation from golf clubs grew to 29% from 20% in 2020, with a diverse range of club types and revenue sizes.

Club Facility Profile

CLUB SEASONALITY

81%	Year-round
19%	Seasonal

ORGANIZATIONAL STATUS

81%	Non-profit
19%	For-profit

CLUB TYPE

52%	Country Club
29%	Golf Club
6%	Other
4%	POA/HOA
4%	City/Athletic Club
3%	Marina/Yacht Club
1%	CIRA

OWNERSHIP STRUCTURE

86%	Member owned
8%	Privately owned (individual or group)
4%	Privately owners (residential developer)
2%	Other

TOTAL OPERATING REVENUE

Avg.	$9.5
21%	Less than $3.5M
14%	$3.5M to $4.9M
21%	$5.0M to $7.49M
17%	$7.5M to $9.9M
12%	$10.0M to $14.9M
15%	$15.0M or more

About their Clubs

Recreational amenities were common components of respondents' club amenity profiles, to complement golf and dining.

Club Amenity Profile

Indoor Dining	**97%**	Spa	19%
Outdoor Dining	**94%**	Remote working/member office space	16%
Regulation golf course	**85%**	Winter Sports (cross-country skiing, hiking etc.)	12%
Golf practice facility	**81%**	Other	12%
Swimming Pool	**64%**	Overnight Accommodations	10%
Tennis	**59%**	Yachting/Marina	10%
Paddle/Pickle Ball	**54%**	Water Sports	10%
Gym/Fitness Center	50%	Non-regulation (ie. short) golf course	9%
Golf Simulator(s)	37%	Squash Courts	7%
Valet Parking	28%	Shooting/Hunting	5%
Wellness Services	25%	Equestrian	1%
Childcare	22%	Curling	0%

Contents

Executive Summary

Club leaders' optimism for the industry has improved, despite rising challenges in human resources.

87% of leaders hold an optimistic future economic outlook on the club industry, up significantly from 79% a year ago. This aligns with the outlook for financial performance, with 59% expecting an improved financial position for their club over the next 12 months, up from 51% a year ago.

Expected dues and entrance fee growth is well above historical industry trends.

Just 30% of clubs are planning dues increases of less than 5% in the upcoming year, and 1% of respondents expect to hold dues flat. The average expected increase was 6.2%, approximately double the historical industry trend for average annual increases.

Clubs are recognizing the need for members to appropriately pay for the operating needs of the club, which are expected to rise significantly in the wake of inflationary and labor pressures.

Entrance fee growth is similarly expected to increase significantly, at an average rate of 19.9%. Growth from this source is also aided by increased membership levels and more clubs at or nearing waitlist status.

Lasting pandemic effects have created more flexible usage opportunities for the current generation of new private club members.

52% of leaders indicated Generation X (39-54 years old) had the largest increase of any generational cohort in usage throughout the pandemic, the prime age range for the incoming class of new members at most clubs.

Flexible work-from-home trends and the reduction of commute times provides more flexible leisure usage for this 'working' generation, increasing the appeal and value proposition of private club membership.

Rise in employee surveys at clubs as a method for combatting the industry wide HR recruitment challenges.

46% of responding clubs indicated they survey their employees, which is higher than the 39% who indicated surveying members over the past year. The percentage of clubs conducting employee surveys is up significantly from 35% a year ago.

Significant expense growth, driven by inflationary and labor pressures, is expected.

The average respondent expects departmental expense growth of nearly 7% in this year's budget, and slightly higher for departmental labor budget growth. F&B and golf course maintenance lead the way as areas with the highest expected cost increases.

The majority of clubs are preparing to match expense escalation by increasing costs to members, most notably dues and F&B prices. Few respondents plan to limit or restrict their offering as a method to combat expense growth.

Executive Summary

Tactical solutions to alleviate golf course compaction are expected to continue in the foreseeable future.

A significant sample of club leaders proactively made changes to alleviate golf course capacity, primarily through limiting guest and event play, and adjusting tee intervals to preserve member daily play access.

The majority of respondents also expect these measures to continue in the foreseeable future.

Continued demand for outdoor amenities and services.

51% of club leaders indicated increased outdoor amenities/services as a long-term strategic focus resulting from the pandemic. 53% noted increased safety and cleaning protocols as a long-term strategic change, which is also impacted by the level of indoor vs outdoor activity at the club.

Outdoor enhancement projects (golf course, practice facilities and outdoor dining) represent three of the top four most popular areas for expected capital investment over the next five years.

High appetite for capital investment as clubs look to leverage current momentum to enhance facilities.

When asked to rank their club's appetite for capital improvement, over eight in ten respondents indicated a plan to be more aggressive than previous years (status quo). Only 2% of respondents indicated a more conservative appetite for capital.

Clubs are expecting to be more reliant than previous years on entrance fees, capital fees and current reserves as primary funding sources, with less reliance on debt.

Mixed view on expected debt levels in the future.

Only 29% of club leaders plan on adding more debt in the next five years, despite the expectation of 'aggressive' capital deployment. 23% expect similar levels in five years.

The percentage of club leaders with no debt currently (16%) is lower than past years and aligned with an industry trend of clubs becoming more comfortable with the concept of 'continuous debt' for capital flexibility.

The median debt per full paying dues member was $2,175, or 22% as a percentage of annual dues on average.

Recently completed capital project themes.

Club leaders provided feedback on recently competed major capital projects. Aside from the traditional common projects of golf and indoor dining investment, new trends in projects based on respondent feedback include:

- Pickleball
- Outdoor dining/bar enhancement
- Convertible windows to merge casual indoor and outdoor dining spaces
- Repurposing of gender specific outlets
- Pool enhancements to appeal to families
- Golf course playability enhancements (forward tees)

Executive Summary

Higher wage levels and flexibility key to employee retention.

Increased wages and flexible scheduling were identified as the most frequently used and effective strategies to retain staff.

Successful retention tactics with less of a direct cost to the club include time-off flexibility, effective communication and employee collaboration.

Golf course capacity remains a concern for the future as clubs continue to deal with elevated play levels.

52% of respondents with a regulation golf course indicated a concern with over capacity, followed by practice facility, outdoor dining, pool and pickleball.

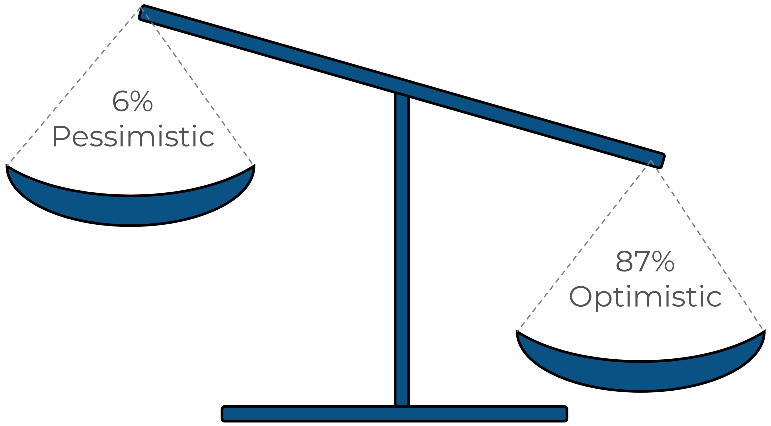
Spa and tennis were the two amenities with the highest level of concern for future under capacity. In the case of tennis, the concern likely stems from the trend of shifting usage towards pickleball.

Contents

Industry Outlook

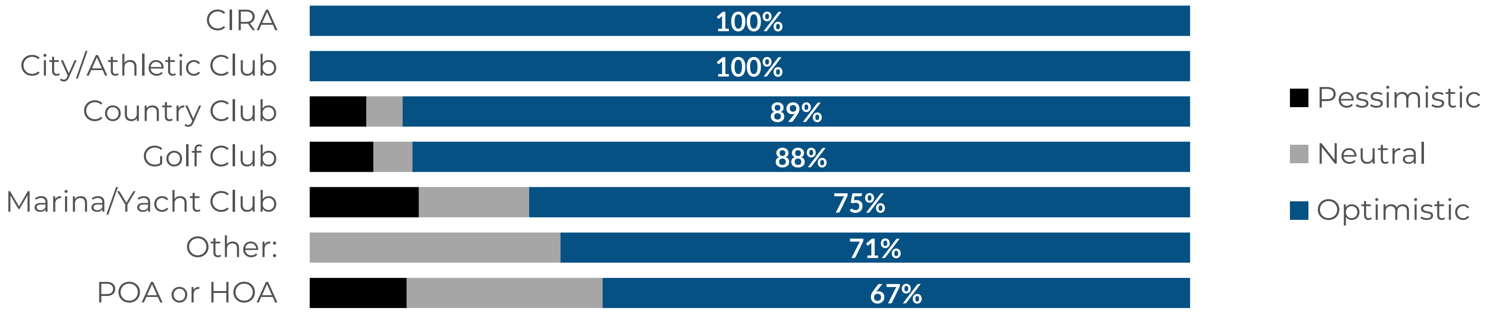
Club leaders' optimism continues to rise regarding the economic outlook of the club industry.

After navigating the pandemic with record highs in private club utilization, just under nine in ten leaders report overall levels of optimism, a significant improvement from a year ago*.



- Optimistic respondents up to 87% (79% in 2020).
- Pessimistic respondents down to 6% (11% in 2020).

Marina/Yacht and POA/HOA leaders are less optimistic about the future on average.



*Percentages will not equal 100% as neutral was an option.

New and significant challenges in human resources identified as an increasing concern.

Over three quarters of leaders identified new and significant challenges related to human resources, with four-in-ten pointing to challenges with capital projects.

Human Resources (77% up from 54% YoY)

Capital Projects (40% down from 41% YoY)

Technology (34% down from 41% YoY)

Governance (25% down from 29% YoY)

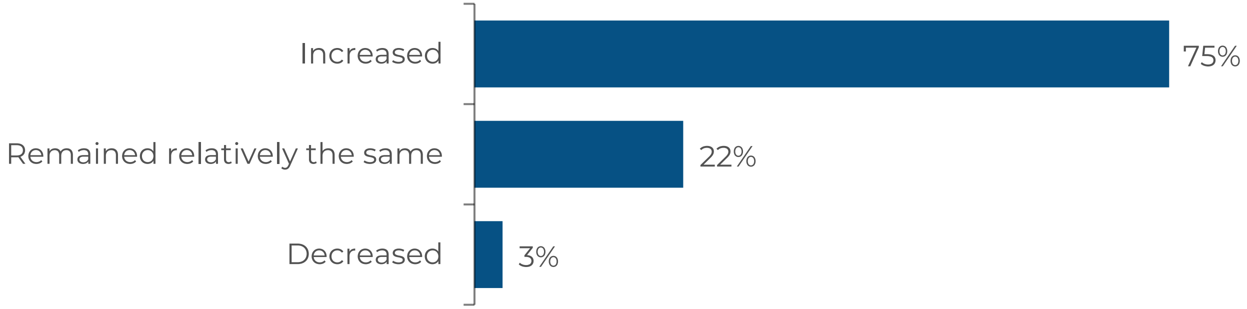
Membership (18% down from 33% YoY)

Finance (14% down from 33% YoY)

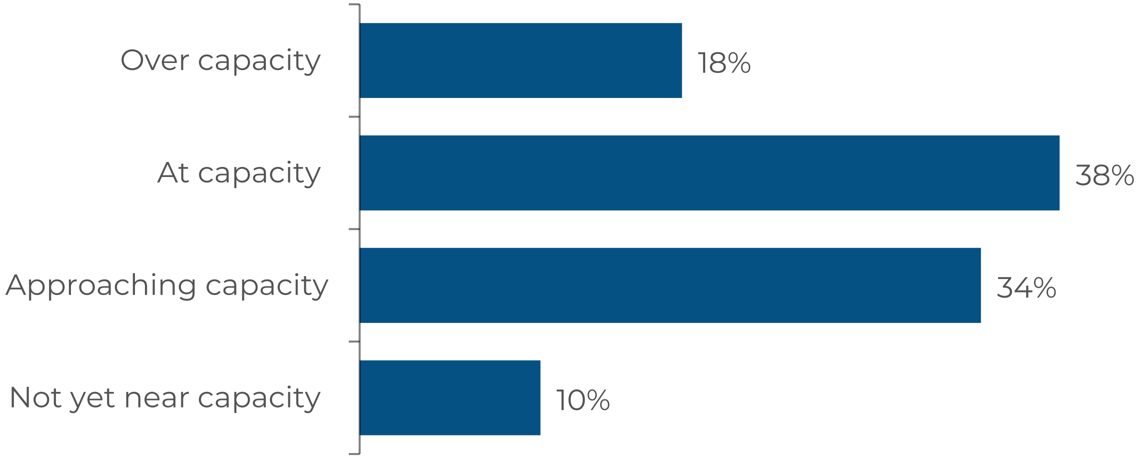
Access and Utilization

75% of respondents indicated an increasing membership base, with more than half at or over capacity.

Club leaders were asked to identify whether, in the last year, the total number of members at their club had increased, remained relatively constant, or decreased. The pandemic driven demand boost continued in 2021/2022, with 75% of clubs reporting an increased membership count (48% reported an increase a year ago).



As a result of continued membership growth, 56% of clubs indicated they were at or over capacity, with only 10% of clubs having significant room for membership growth.



57% of club leaders indicated they currently had a waitlist for members, up 20% from last year.

Golf amenities experienced the most compaction in the last year, followed by outdoor dining outlets.

Leaders perceived that the golf course and practice facility had the highest usage relative to capacity, as outdoor amenities became more of a focal point. 67% of club leaders indicated their golf course was at 80%+ overall usage relative to capacity, which is significant and likely to cause capacity issues at many clubs given the cyclical nature of tee time demand through a typical week.

Estimated Usage Relative to Capacity

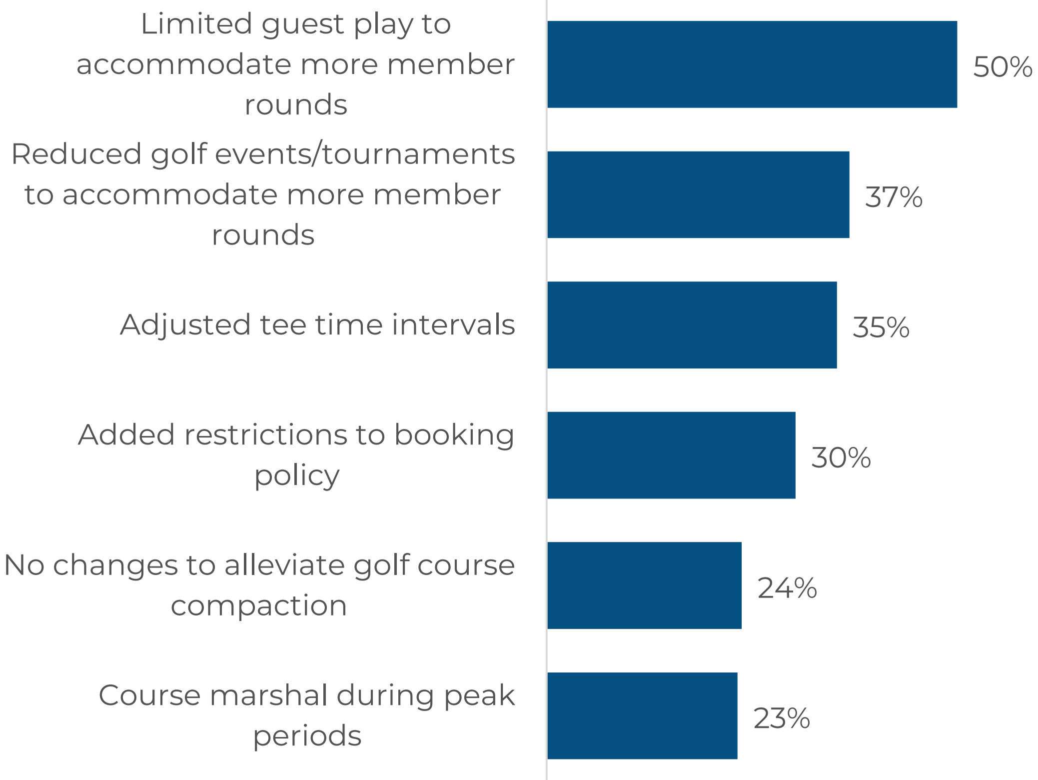
	0% - Not used	1-20%	21-40%	41-60%	61-80%	81-100%	100% +
Regulation golf course	0%	0%	1%	10%	22%	44%	23%
Golf practice facility	0%	2%	6%	16%	30%	29%	17%
Outdoor Dining	0%	3%	6%	18%	26%	35%	12%
Swimming Pool	0%	3%	9%	15%	28%	34%	10%
Paddle/Pickle Ball	2%	10%	19%	18%	19%	23%	8%
Tennis	1%	8%	13%	19%	21%	29%	8%
Spa	0%	17%	14%	36%	10%	17%	7%
Golf Simulator(s)	0%	12%	17%	17%	26%	23%	6%
Indoor Dining	1%	3%	8%	24%	32%	27%	5%
Gym/Fitness Center	0%	4%	16%	26%	32%	17%	5%
Wellness Services	2%	14%	19%	32%	16%	14%	4%

52% of leaders indicated Generation X (39-54 years old) had the largest increase in usage, followed by Baby Boomers (55-73 years old) at 33%.

Club leaders indicated that limiting guest play was the most used method of alleviating golf course compaction.

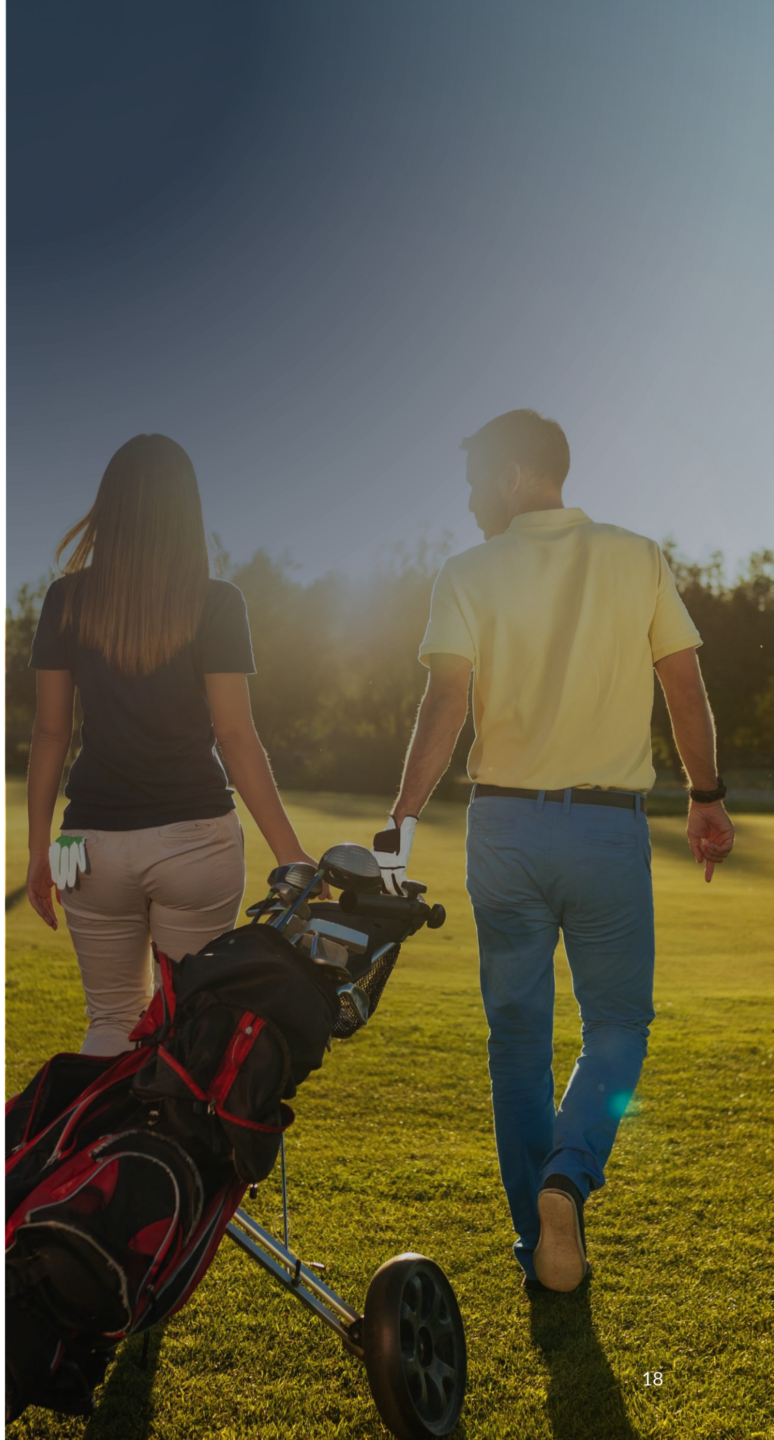
Club leaders were not shy to tactically alleviate golf course compaction, primarily through limiting guest and event play and adjusting tee intervals to preserve member daily play access.

For many clubs, these tactical methods will remain in place for the foreseeable future.



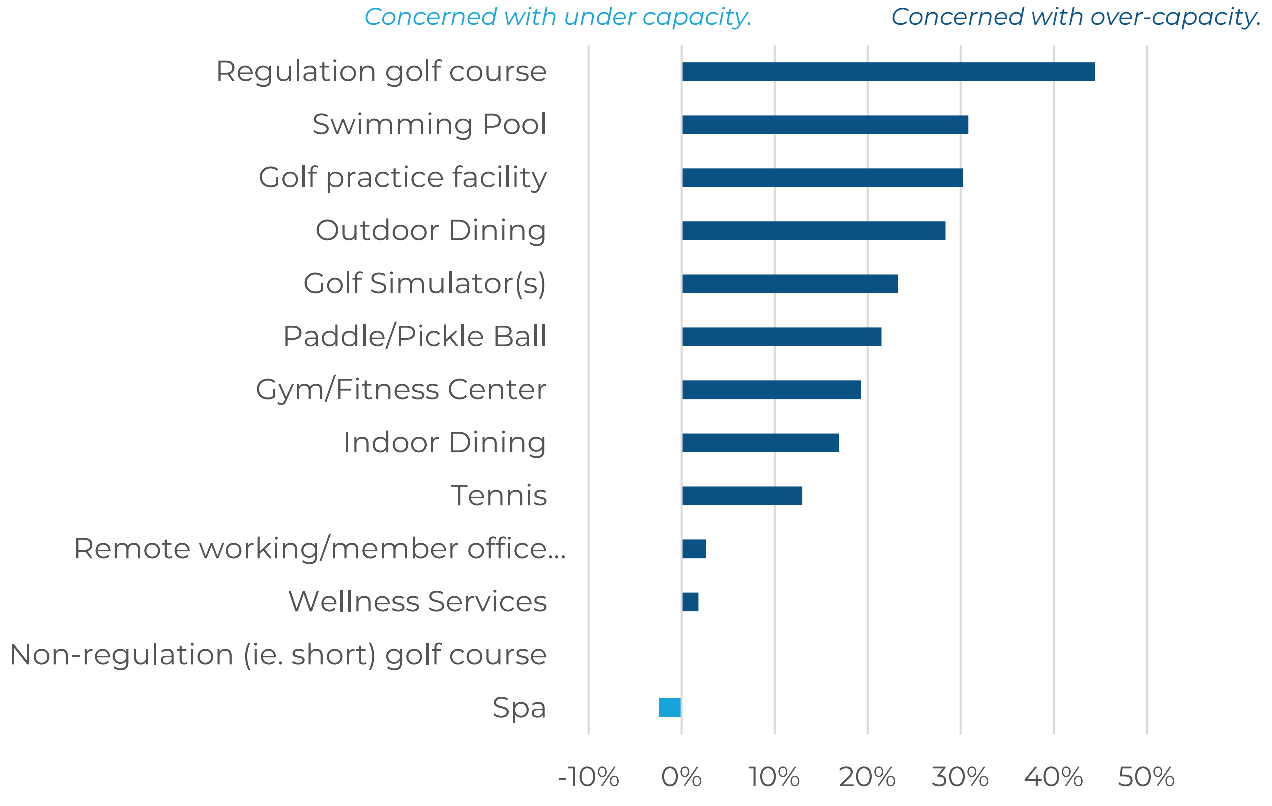
Do you expect any of these programs to persist in the future?

Yes - for the foreseeable future	Yes - in the short-term	No - we are stopping/ already have
26%	52%	22%
33%	44%	22%
40%	47%	13%
34%	45%	22%
67%	33%	0%



Going forward, club leaders are most concerned with over capacity on the golf course, with limited concern for any amenities being under capacity in the future.

Regulation golf course, swimming pool, and golf practice facility were amenities indicated as the greatest concern for over capacity. Spa and tennis were the two amenities with the highest level of concern for future under capacity. In the case of tennis, the concern likely stems from the trend of shifting usage towards pickleball.

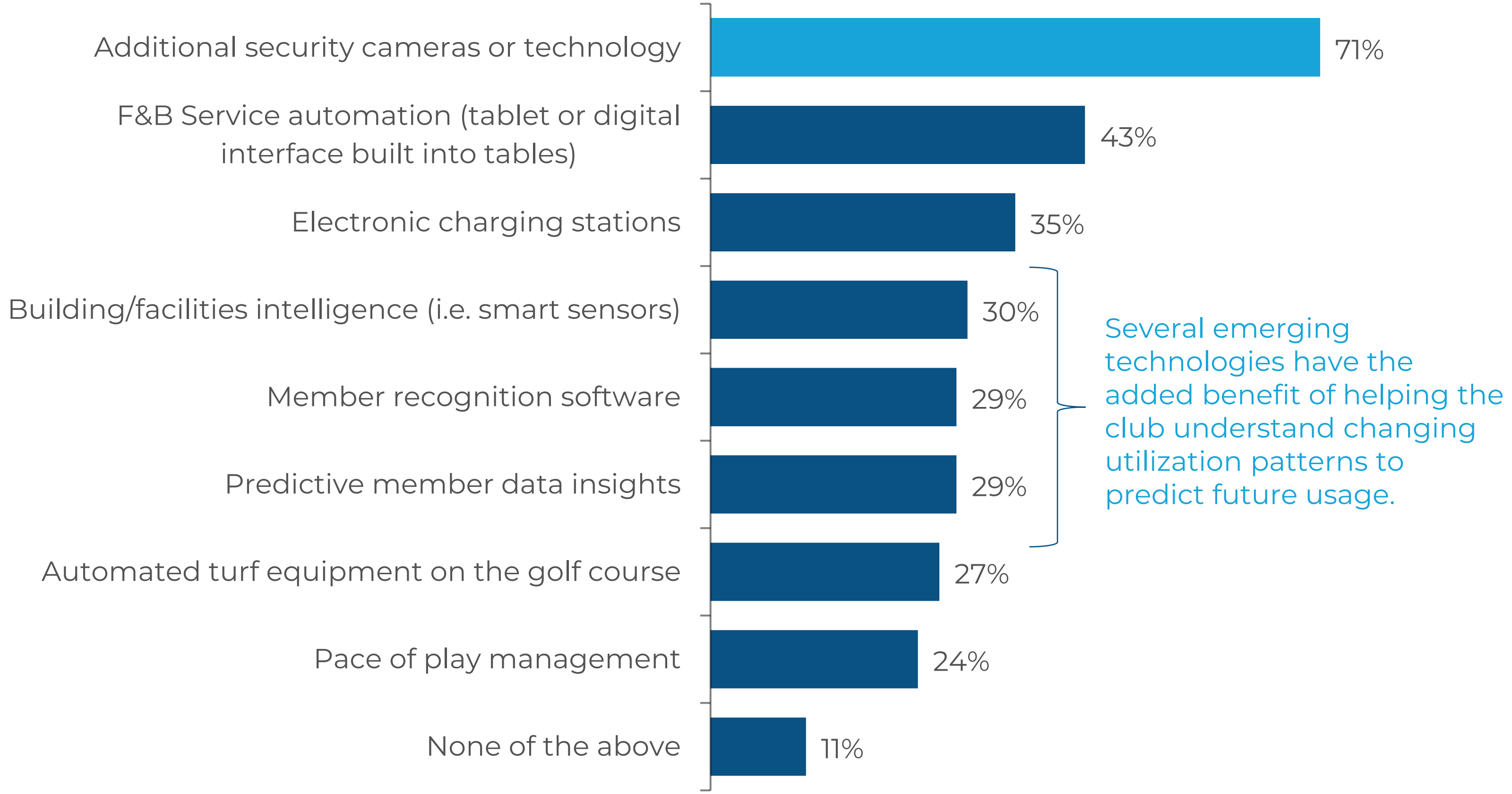


**This graph represents the 'net' value of concern with over-capacity minus concern with under-capacity.*

Membership Experience

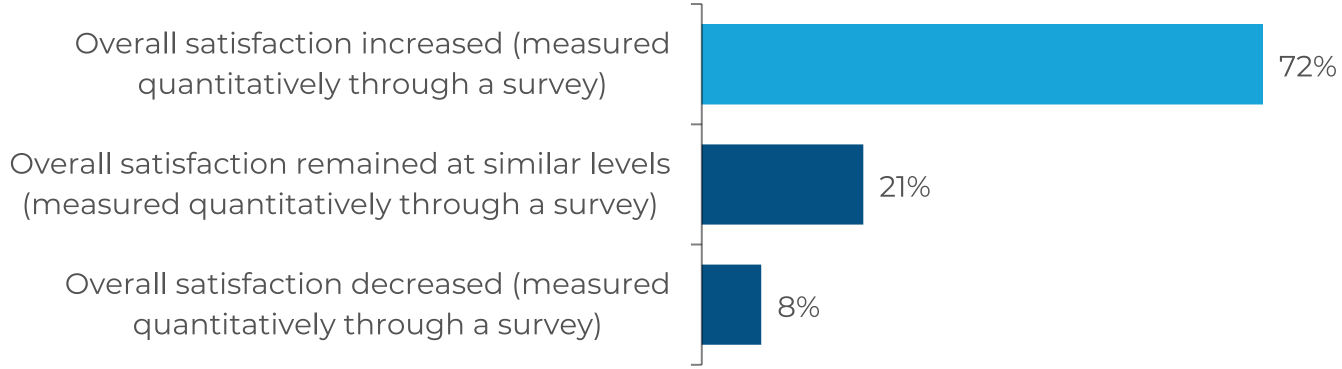
More than seven in ten club leaders expect to implement additional security cameras or security technology within the next five years.

Following additional security cameras, club leaders indicated that F&B service automation and electronic charging stations were the next most supported considerations for implementation in the near-term. Investment in F&B automation is attractive as a potential response to rising payroll costs and HR challenges in this area during a period of high inflation. Technological enhancements that focus on business intelligence predictive insights continue to rise in popularity but appear to remain a few years away from mass adoption.

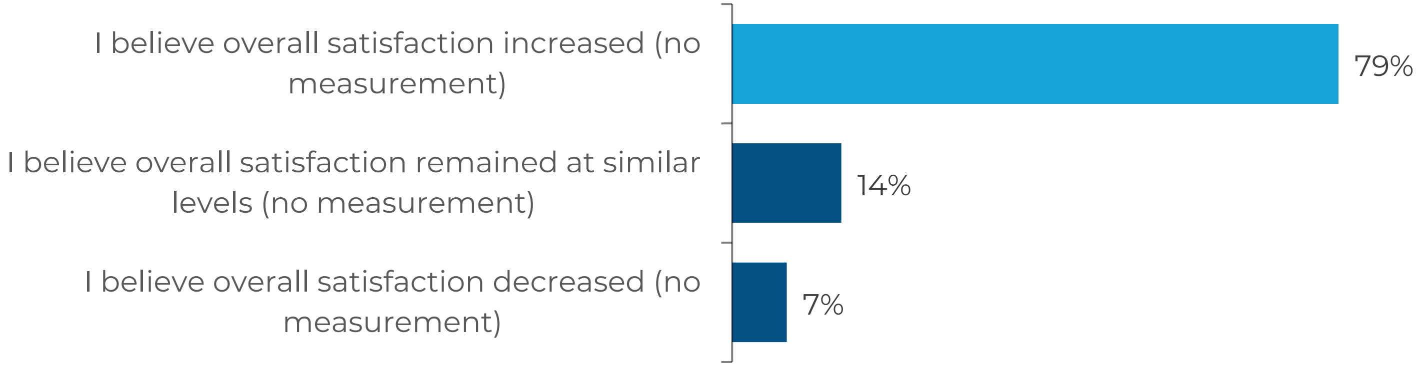


Perceived member satisfaction may be inflated for club leaders who did not quantitatively measure overall member satisfaction.

72% of leaders who had surveyed members during the pandemic noted an increase in overall satisfaction, with only 8% experiencing a decrease.



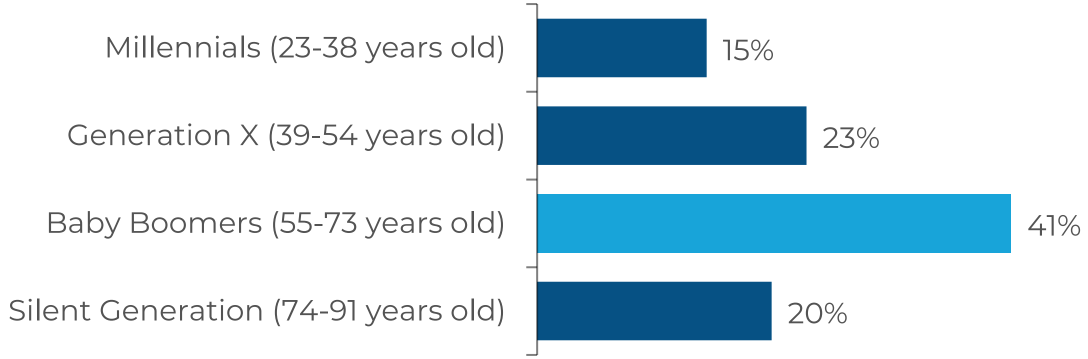
For the leaders who have not surveyed members during the pandemic, they perceived slightly higher confidence in overall satisfaction increasing relative to what was measured quantitatively.



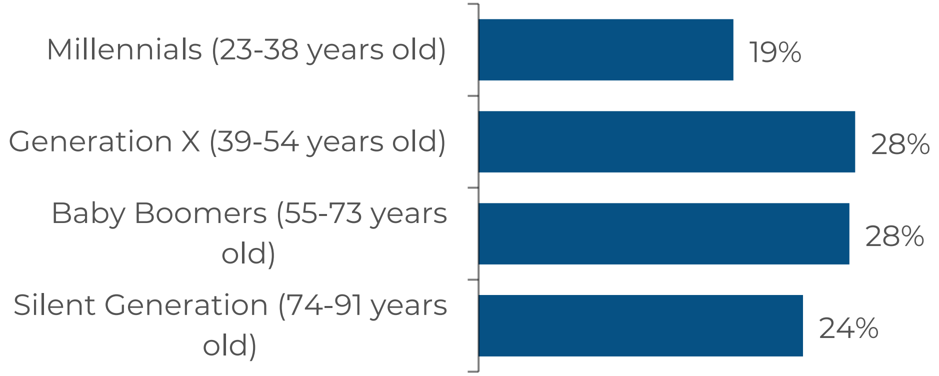
46% of clubs survey their employees, while only 39% indicated they have surveyed their members during the pandemic era.

Generational perceptions suggest that Baby Boomers have the highest expectations and are the most difficult to satisfy.

When asked which member demographic had the highest expectations and was the most difficult to satisfy, 41% of leaders indicated it was the Baby Boomer demographic group.



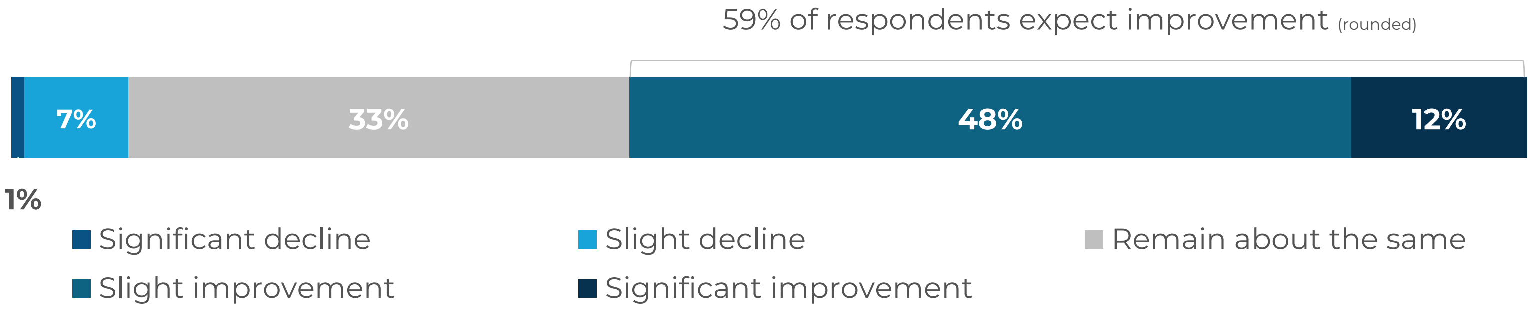
When asked which member demographic had the lowest expectations and was the easiest to satisfy, respondents indicated it was the Generation X and Baby Boomer demographic groups.



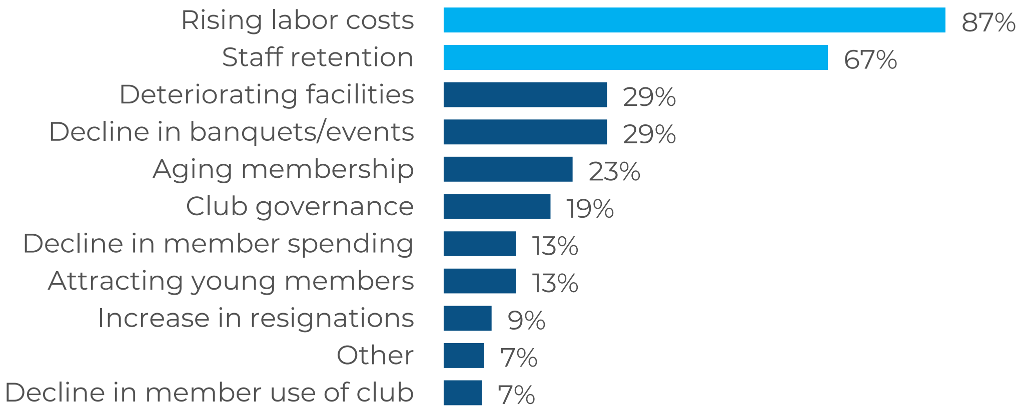
Capital and Finance

Rising labor costs were identified as a risk in 2022 but a majority of respondents expect strong financial results.

Nearly six in ten club leaders believe their club's financial position will improve over the next twelve months; one-third expect it to remain the same and only 8% expect a slight or significant decline.



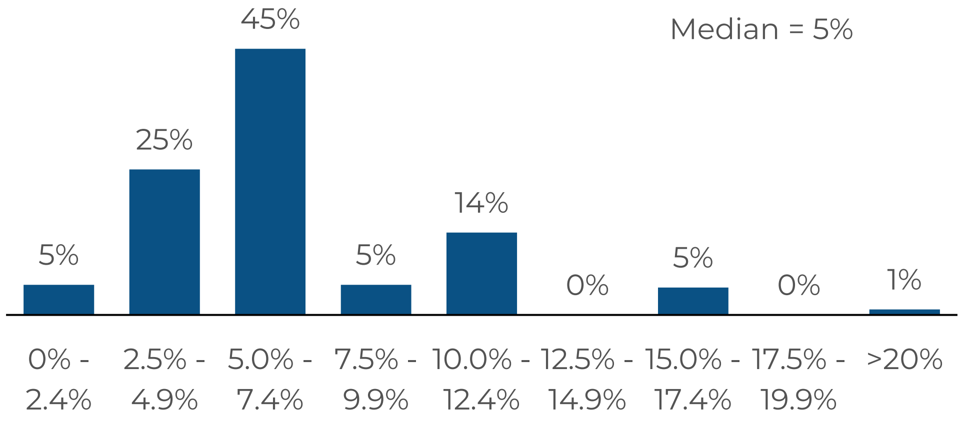
Rising labor costs (87% up from 58%) and staff retention (67% up from 40%) were highlighted as the two key financial risks to private clubs over the next 18 months.



In 2020, 57% of respondents indicated they believed that the decline in events would be a major financial challenge over the next 18 months.

Many clubs are planning substantial increases to annual dues and entrance fees over the next year.

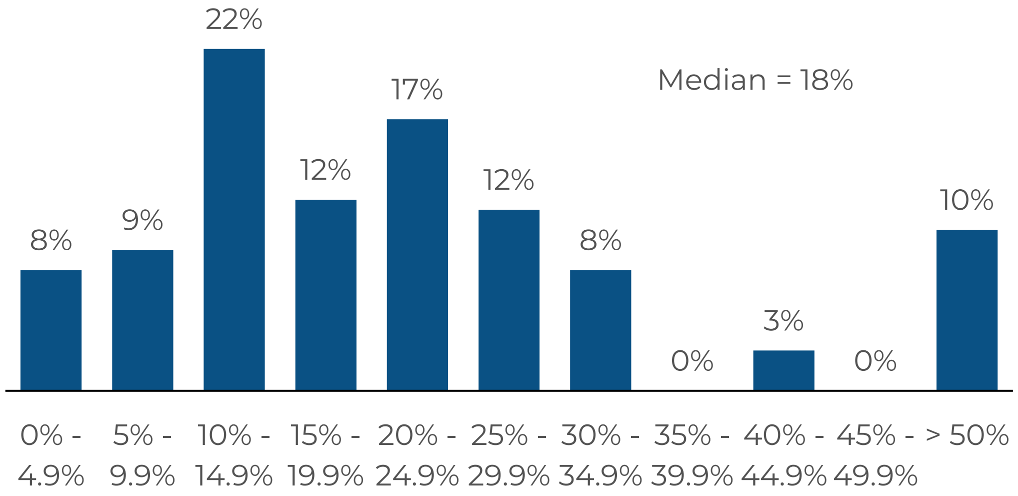
Just 30% of clubs are planning dues increases of less than 5% in the upcoming year, a range that had previously been the industry standard for the past decade.



On average clubs are planning on raising annual dues by

6.2%

over the next year. Only 1% indicated plans to not raise dues next year.



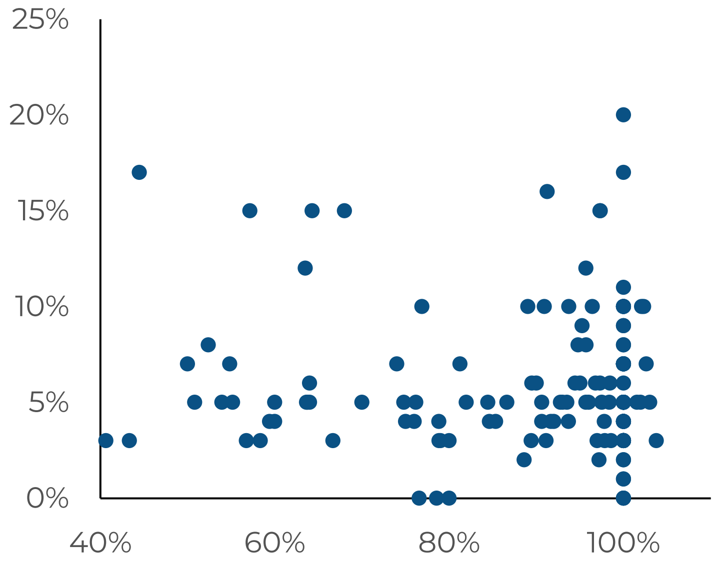
On average clubs are planning on raising entrance fees by

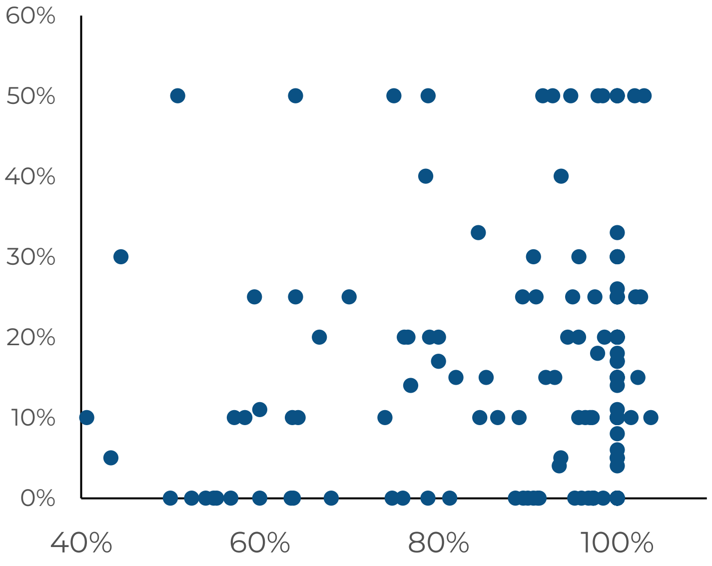
19.9%

over the next year. Only 6% indicated plans to not raise entrance fees over the next year.

There was no statistical relationship between capacity and planned raises to dues or entrance fees.

Based on the responses received, there was no discernable correlation between a club's current member capacity and their plans to raise entrance fees (right) or dues (left).





Clubs that indicated they had a waitlist averaged roughly the same amount in planned dues and entrance fee raises than those that do not have a waitlist.

Clubs that indicated they do currently have a waitlist:

Average Annual Dues Increase: 6.1%

Average Entrance Fee Increase: 19.9%

Clubs that indicated they do not currently have a waitlist:

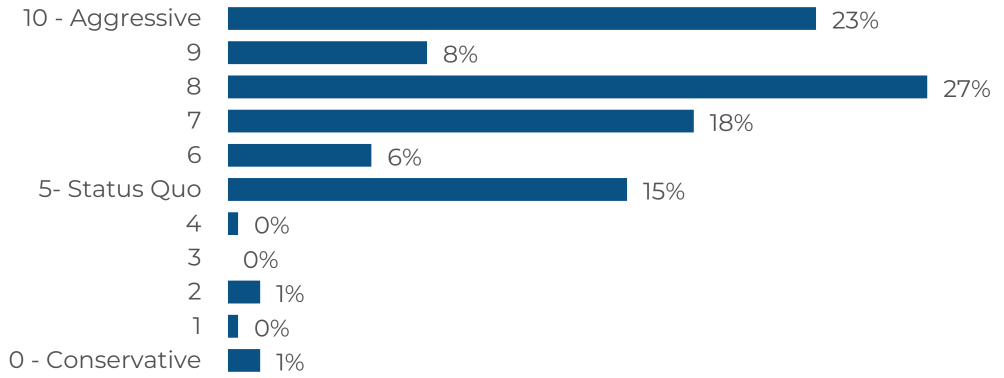
Average Annual Dues Increase: 6.3%

Average Entrance Fee Increase: 19.8%

Planned fee increases appear to be driven more by a reaction to expected cost increases rather than by membership demand.

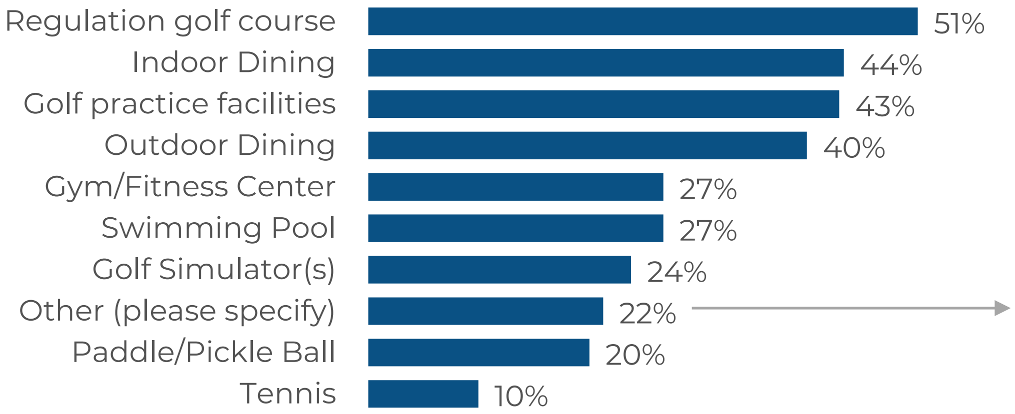
81% of respondents indicated an appetite for capital investment more aggressive than historical levels.

When asked to rank their club's appetite for capital improvement, over eight in ten respondents indicated a plan to be more aggressive than previous years (status quo). Only 2% of respondents indicated a more conservative appetite for capital.



Weighted Average: 7.55

Golf and dining related projects are top considerations over the next five years.



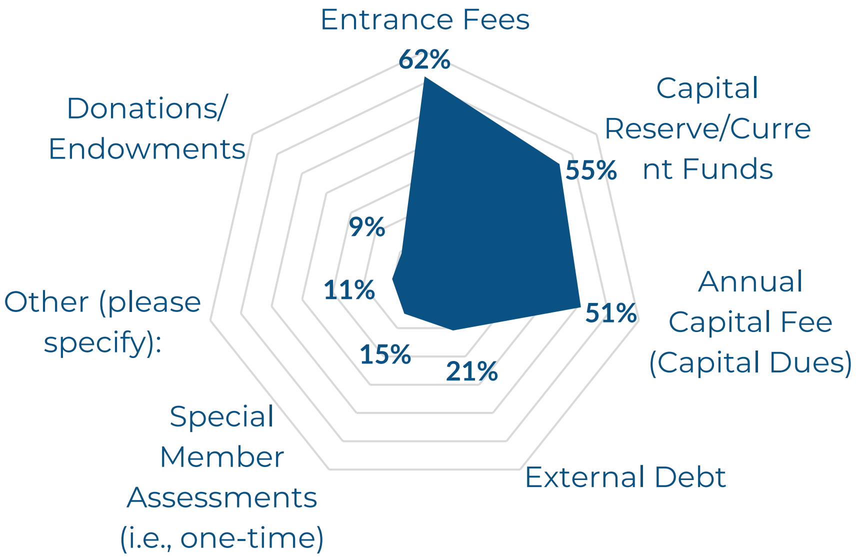
A majority of 'other' responses were general clubhouse improvements not linked to a specific facility. Locker rooms were mentioned frequently.

Other categories (not pictured above) that received votes include, in order of ranking: remote working spaces, wellness, non-regulation golf course, yachting/marina, overnight accommodations, spa, childcare, winter sports..

Capital funding is increasingly being sourced from entrance fee and annual capital fee revenue, aligning with expected fee increases and member growth.

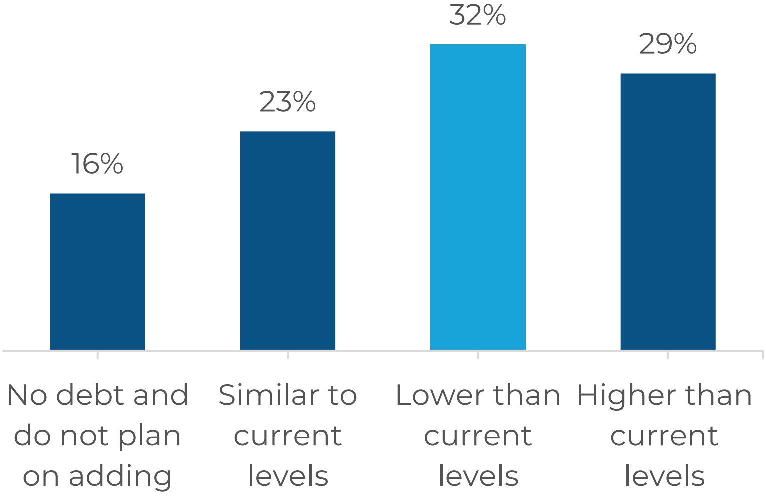
Traditional capital funding methods (entrance fees, capital reserves and capital dues) dominated as primary funding sources of projects over the past year. Only 21% of respondents used external debt, which is down from 38% a year ago. Only 29% of clubs plan on adding more debt in the next five years.

Funding Sources for Capital Projects



Other funding sources included, expected annual operating profits, ownership funding and government funding sources.

Projected Debt Positioning Over the Next Five Years

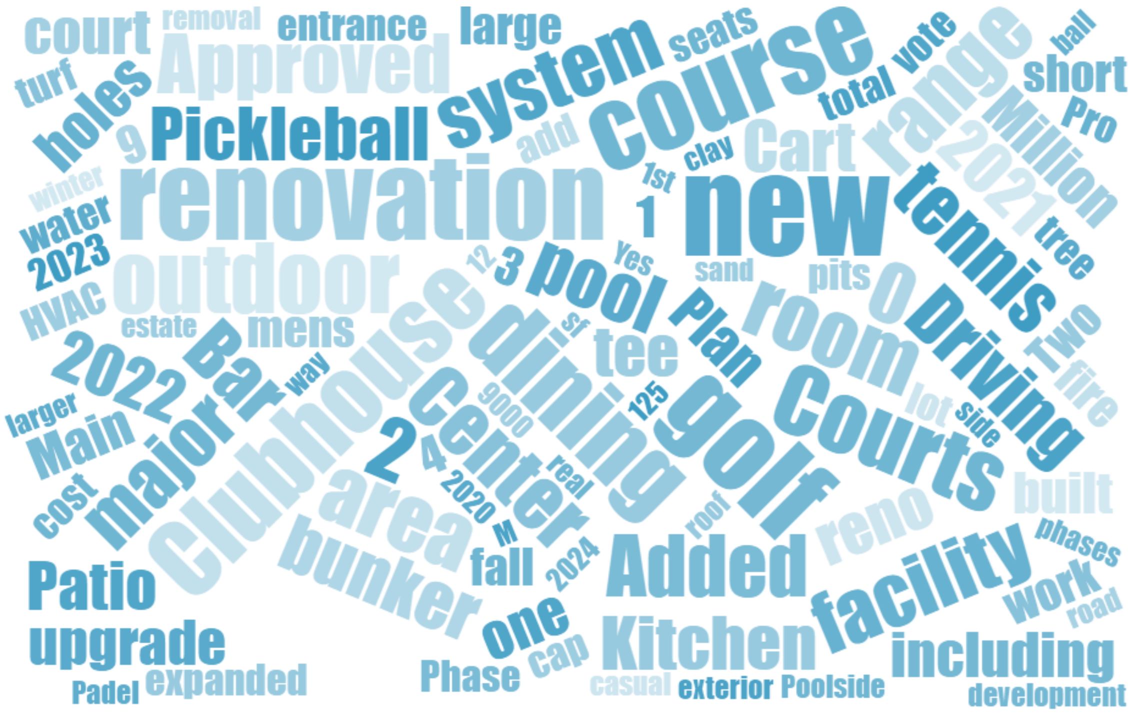


Average Debt per Response Level (% of response average)		
Lower	Similar	Higher
$3.9M (130%)	$4.6M (157%)	$2.3M (79%)

Increased capital funding sources lead to a lower need for debt financing, with a mixed view on projected debt levels in the next five years.

Clubs have focused on golf, clubhouse and pickleball improvements recently.

Based on club leader's feedback of recently completed capital projects, golf related assets, clubhouse improvements, pickleball and improvements to dining operations have been the most prominent improvement projects.

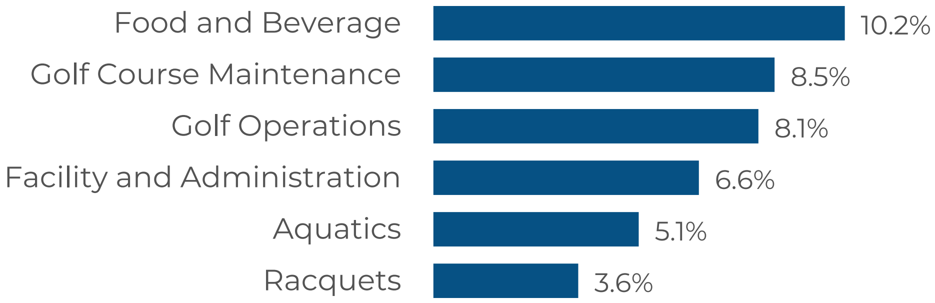


Of the respondents who included a cost estimate for recently completed capital projects, an average of **$3.7M** was spent on these capital projects.

Inflationary Impact on Service

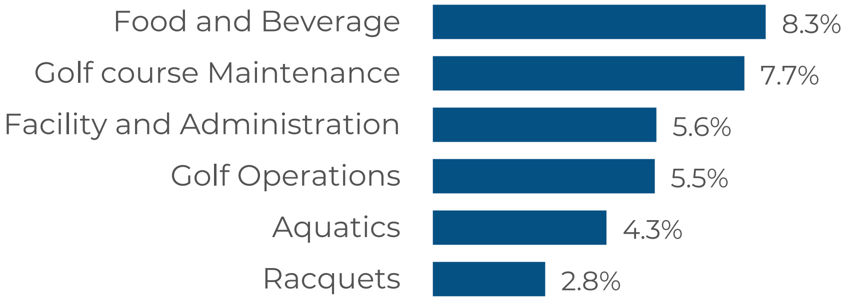
Costs in key departments are expected to rise by 6-7% on average over prior year expense levels.

Payroll expenses in food and beverage departments are expected to rise 10%+ on average over prior year payroll levels. Golf operations and golf course maintenance payrolls are also expected to increase by 8%+ on average.



Payroll costs are expected to increase by an average of **7.0%** across all departments.

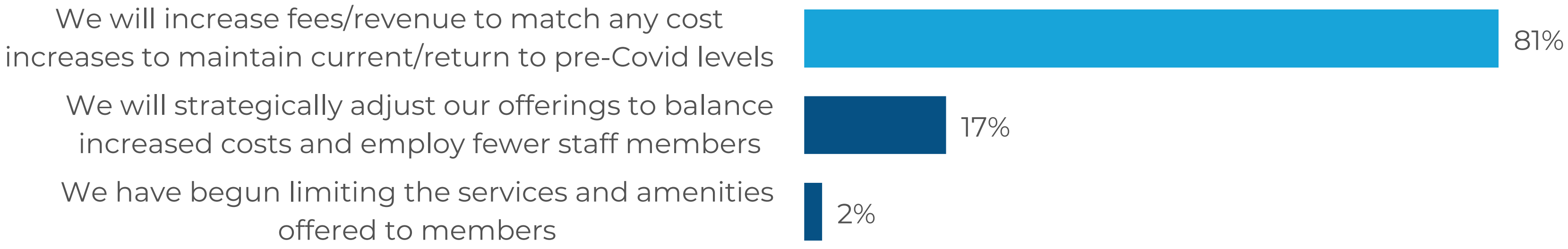
Non-payroll expenses are not expected to increase as significantly as payroll, but still well above previous year norms which demonstrates the inflationary impacts felt across the industry. Food and beverage departments are expected to be most heavily impacted, largely driven by rising food costs.



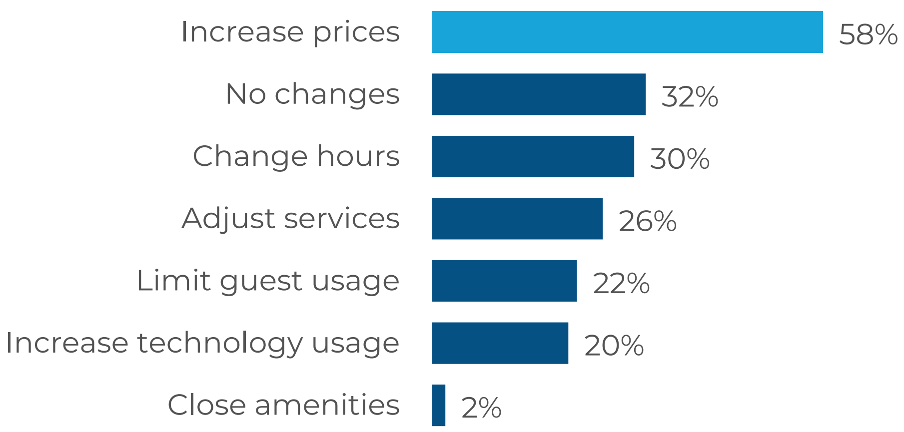
Non-Payroll costs are expected to increase by an average of **5.7%** across all departments.

Clubs are focused on maintaining service levels in the face of inflationary pressures, accepting higher costs.

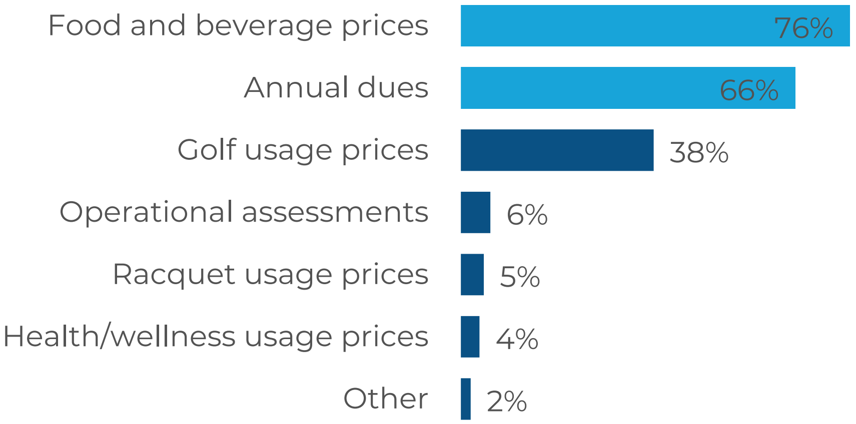
More than eight-in-ten leaders (81%) are committed to maintaining pre-COVID levels of service through fee increases. Very few are taking the approach of limiting services and amenities as a reactionary tactic.



How have you or will you adjust your services and amenities to reflect the increased costs associated with personnel?

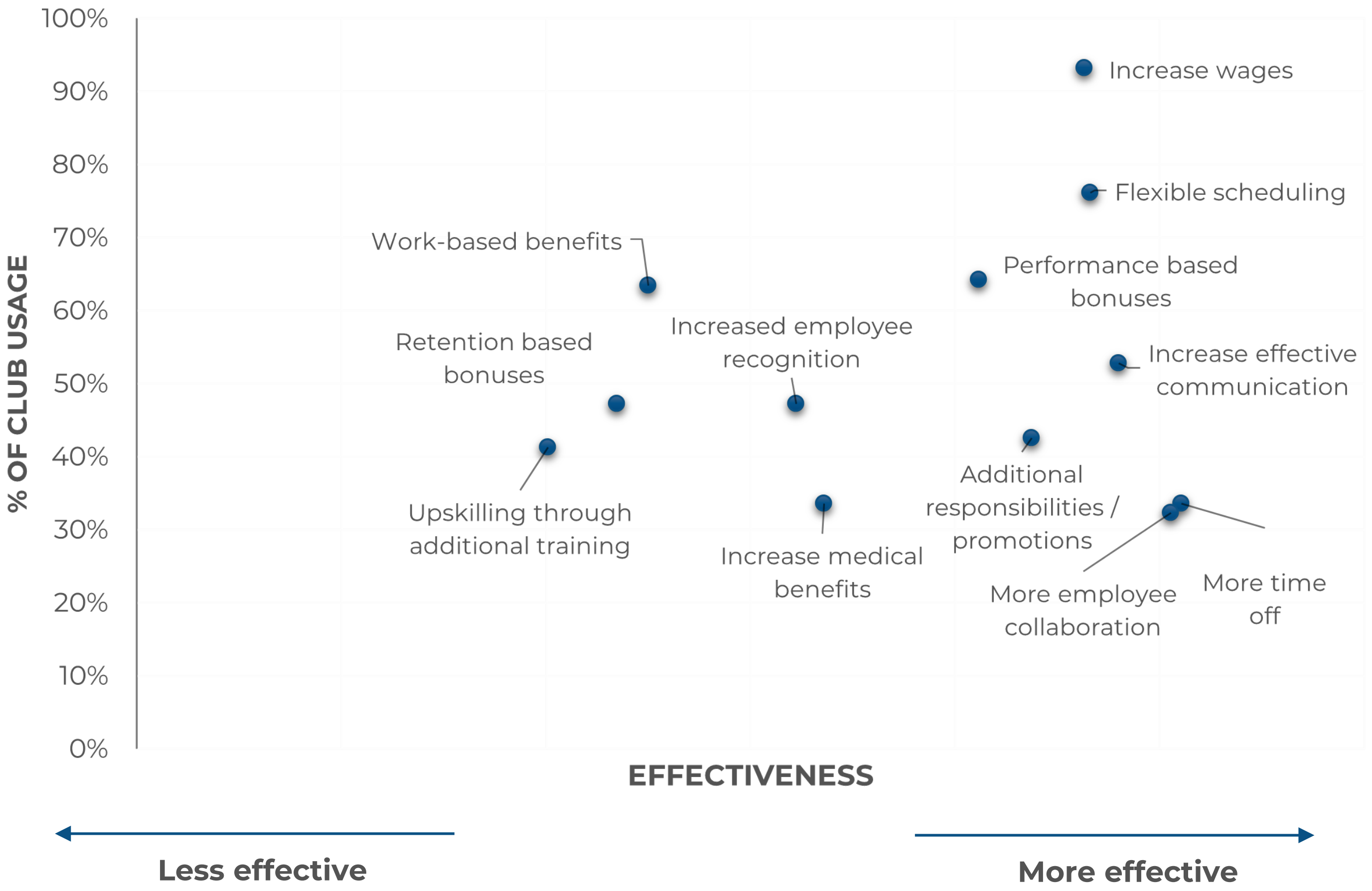


Where do you expect to raise prices in order to maintain service levels?



Increasing employee collaboration and more time off were two less-used, yet perceived as highly effective, retention strategies.

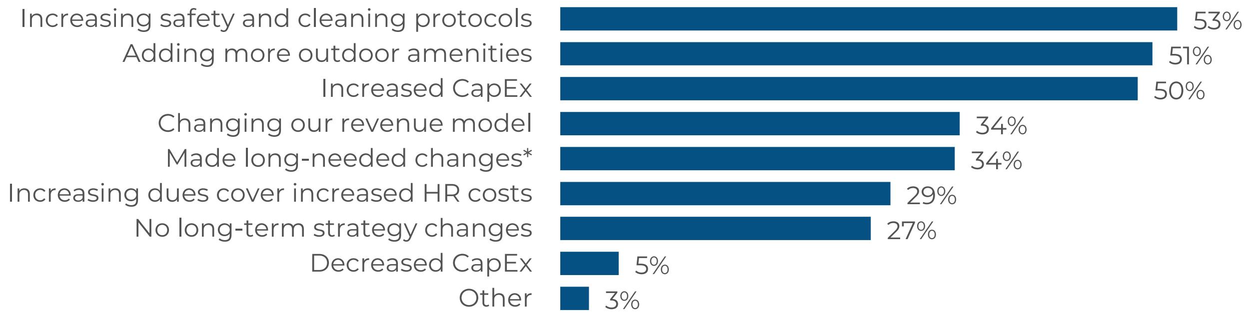
Increased wages and flexible scheduling were identified as the frequently used and most effective strategies to retain staff. Employee collaboration, more time-off and better communication were less used, but also perceived as effective strategies to retaining employees.



Beyond wage increases, successful retention tactics with less of a direct cost to the club include a focus on work flexibility, effective communication and employee collaboration.

The lasting effect of the pandemic era includes a greater focus on outdoor activities and capital spending.

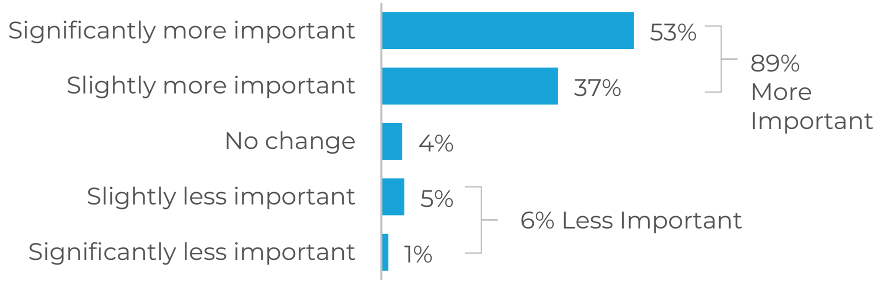
Only 27% indicated no long-term strategy changes as a result as a result of the pandemic. Club leaders most frequently indicated increasing safety/cleaning protocols, increased outdoor amenities/services and increased capital spending as notable strategic changes resulting from the pandemic era.



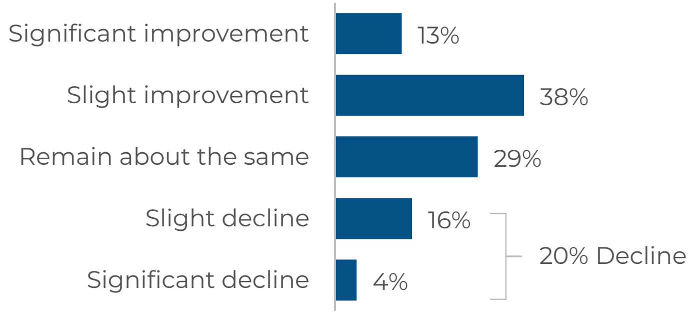
**Made long-needed changes that members were resistant to before COVID.*

Reflecting on last year's results, it is clear the positive effect the pandemic era has had on the relevance and financial positioning within the private club industry.

2021 COVID-19 Impact on Importance of Club to Members



2021 Expected Change in Club Financial Position - Next 12 Months

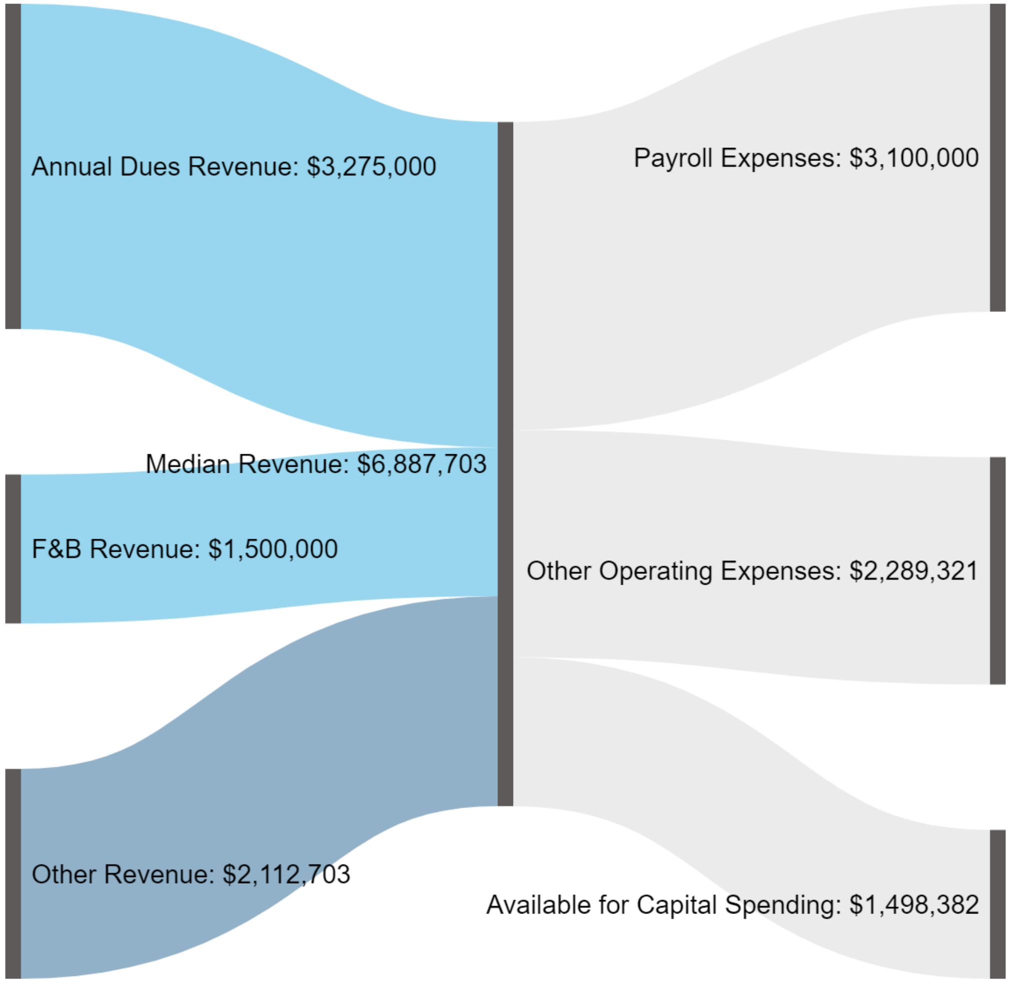


Note: Percentages may not total 100 percent due to rounding.
Source: GGA Partners A Club Leader's Perspective: Emerging Trends & Challenges Survey, Dec 2020-Feb 2021.

Metrics

The median responding club in 2021 earned nearly $7M in revenue, with 50% driven by dues revenue.

The charts and metrics below illustrate the median values at respondent clubs in 2021.



$6.9M
Total Revenue

$1.5M
Operating Surplus

50%
Dues Revenue as a Percentage of Total Revenue

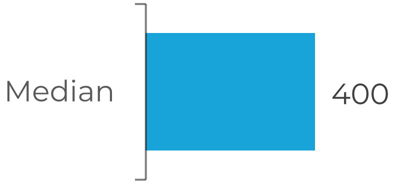
58%
Payroll Costs as a Percentage of Operating Expenses

Membership

The membership charts and metrics below illustrate the median values at respondent clubs in 2021.

Total Membership Units

Full Dues Paying Members



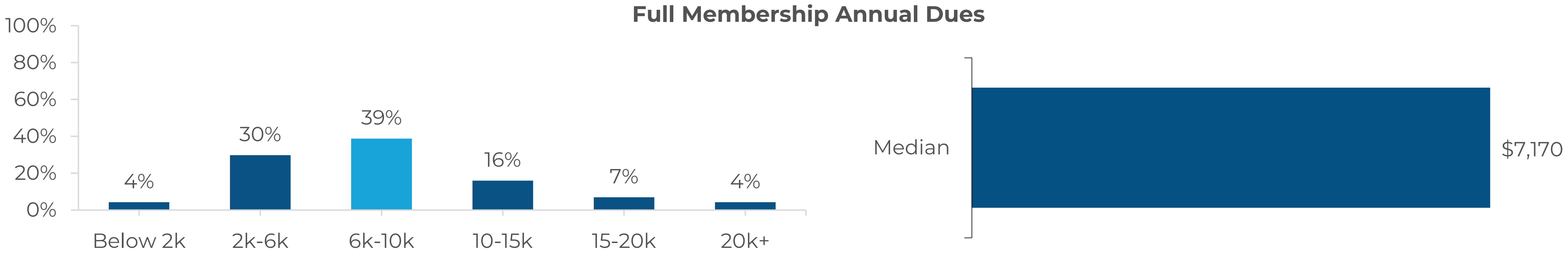
Total Membership Headcount

Total Membership Units / Capacity

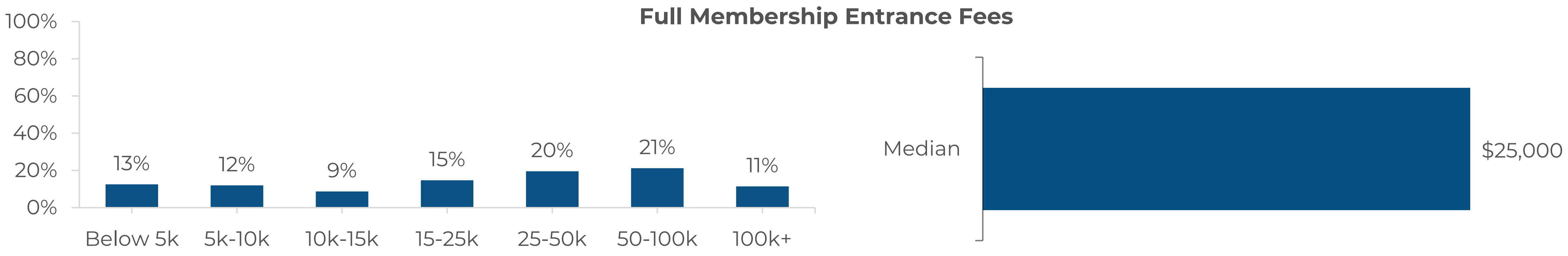
Full Dues Paying Members / Capacity

Dues and Fees

Overall, the median annual dues (excluding capital dues) for Full membership was $7,170 at responding clubs. 27% of responding clubs command annual dues higher than $10k.



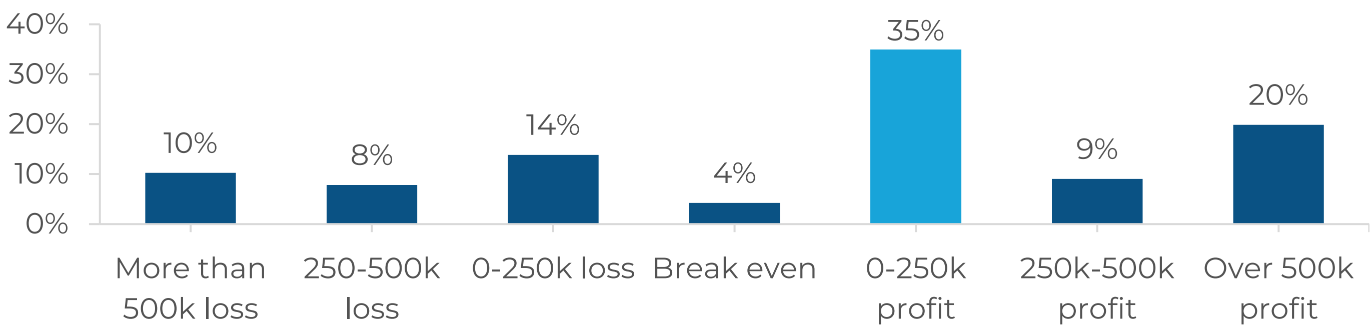
Overall, the median joining fee for Full membership was $25,000. 41% of clubs fell in the $25k-$50k and $50k-$100k entrance fee ranges.



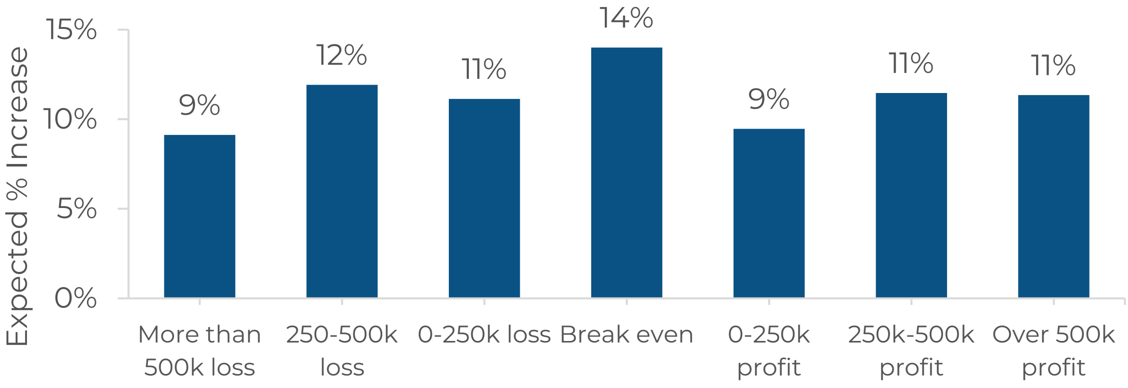
Food and Beverage

The median profit on food and beverage operations was $69k, with the largest group of clubs (35%) realizing a small profit. Overall, the outlook on food and beverage cost changes (payroll and non-payroll) was relatively consistent across different levels of profitability, with no correlated pattern between current profitability and expected cost increases in the coming year.

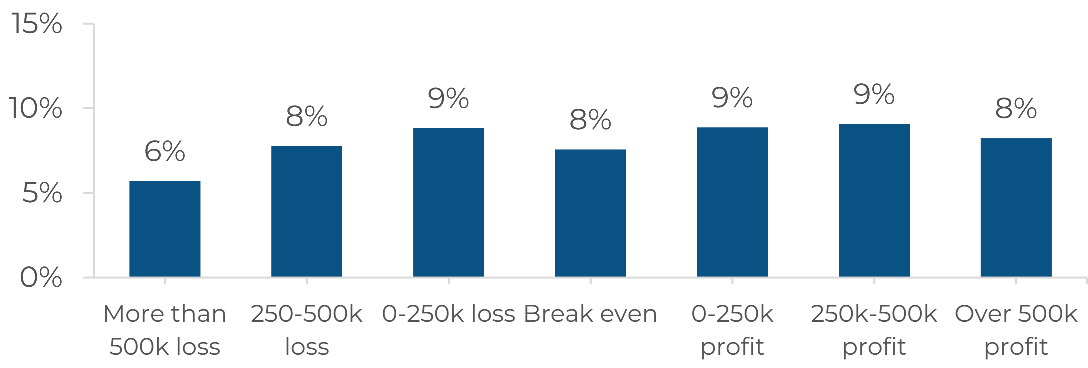
Food and Beverage Profitability



Expected Change in F&B Payroll Costs

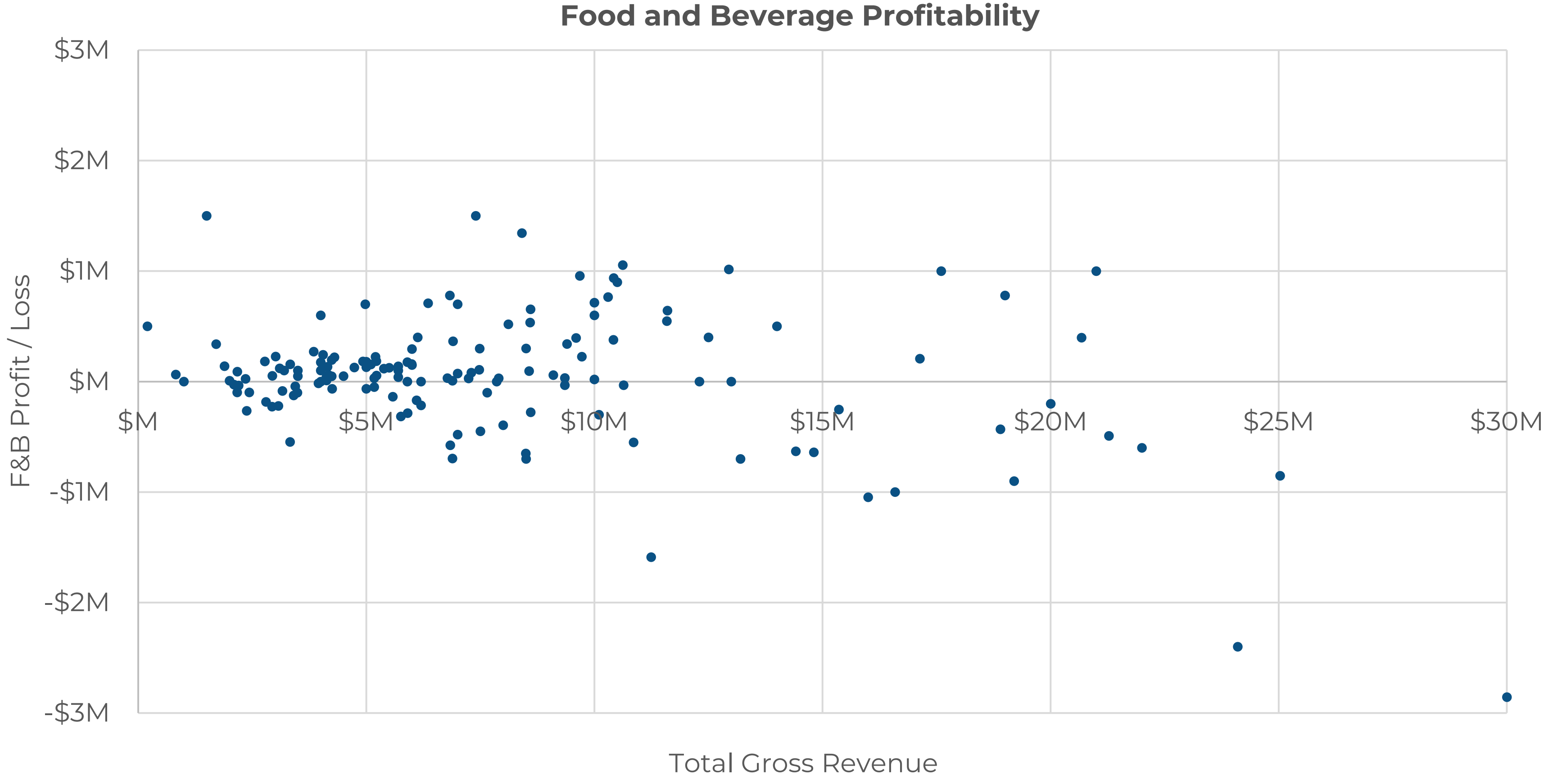


Expected Change in F&B Non-Payroll Costs



On average, higher revenue clubs were more likely to generate a net loss on F&B operations.

The graph below shows the relationship between total gross revenue and F&B profitability for responding clubs. The table indicates the proportion of clubs that breakeven or profit on F&B operations. 46% of clubs with revenue in excess of $10M annually earned a breakeven or better F&B profit, compared to 64% of overall club respondents.



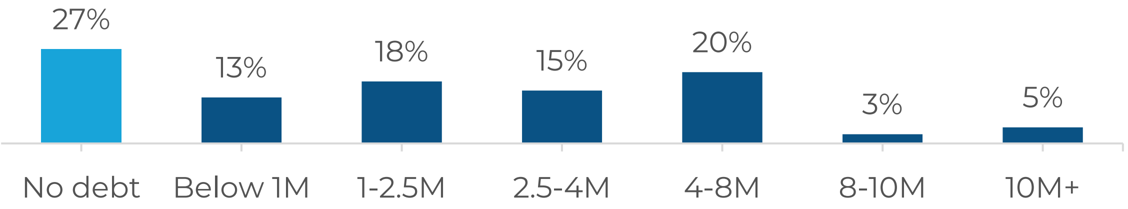
Proportion Breakeven or Better

Revenue Threshold	Proportion
Overall	**64%**
<$3M	60%
<$5M	57%
<$7M	55%
<$10M	48%
Over $10M	46%

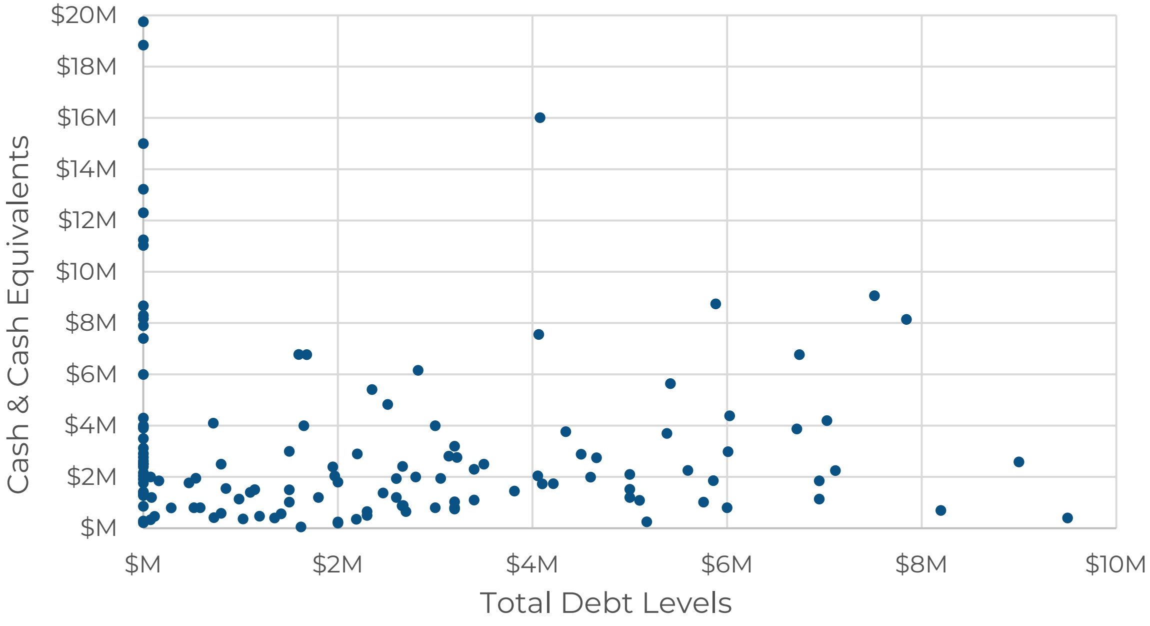
Debt

The median debt level for clubs was $1.9M, with 27% of clubs having no debt at their clubs. The 'Total Debt vs Cash' comparison suggests that many clubs maintain significant cash reserves in addition to debt balances for flexibility. The median respondent club had $2,175 in debt per dues paying member, representing 22% of full member annual dues.

Total Debt Balance



Total Debt vs Cash



Debt Per Full Dues Paying Membership

Debt Per Full Dues Paying Membership As % of Annual Dues

Summary Table - Membership

	First Quartile	Median	Third Quartile
Full Membership Entrance Fee:	$6,499	**$23,000**	$52,500
Full Membership Annual Dues (excluding capital dues):	$4,483	**$7,140**	$10,000
Full Membership Annual Cost to Belong:	$5,550	**$8,592**	$12,133
Total # of Memberships (one membership unit)	423	**600**	900
Total Membership Headcount (number of individuals who have use privileges):	784	**1,200**	2,200
Total Membership Capacity:	418	**650**	1,000
Full Dues Paying Memberships:	295	**400**	582
Full Membership Capacity:	350	**450**	694

Summary Table - Operations

	First Quartile	Median	Third Quartile
Total Gross Revenue	$4,000,000	**$6,738,351**	$10,250,000
Total Operating Expenses	$2,605,314	**$5,050,000**	$8,876,144
Total Payroll Costs (including payroll taxes and benefits)	$1,830,974	**$3,100,000**	$5,000,000
Total Annual Dues Revenue	$1,918,620	**$3,230,041**	$5,706,500
Total Food and Beverage Revenue	$897,500	**$1,500,000**	$2,575,000
Total Food and Beverage Profit / (Loss)*	-$80,006	**$68,798**	$353,750
Total Rounds Played for the most recent season	19,000	**26,889**	39,424

**See next page for additional detail on F&B profit*

Metric Spotlight: Total Food and Beverage Profit / (Loss)

Digging Deeper into the Survey Data

Before delving into the F&B survey data, we want to reaffirm that our research team conducted extensive analysis of the survey results, and the results reported in the report reflect the responses received. Nonetheless, readers will note from the scatter plot of responses provided in the report (page 41), that there are assumed outliers that we classify as highly-likely to be inaccurately reported data by some survey respondents. While certain results reported by club leaders did not appear to be appropriate, we did not adjust the responses and reported the results as provided.

The use of a median in the analysis is important given the likelihood of potentially inaccurately reported data in surveys of this nature. That said, given feedback we have received, we conducted further analysis into the survey data and developed additional context for our readers.

$68.8k Overall median total annual profit on F&B of the raw data provided from respondents, equating to an implied median profit margin of **7%** in 2021, with **64%** of respondents indicating that their club generated a profit.

10% Estimate of respondent data that may have been entered incorrectly based on our review, either due to a possible misunderstanding of the question or a transcription error.

50% Estimate of the adjusted percentage of respondents reporting a profitable F&B operation after excluding the previously mentioned data points from the analysis, with the median profit/loss adjusting to close to breakeven.

-12% The median profit margin on F&B and social for CMAA's Finance and Operations industry survey respondents for the years 2017-2019, which decreased to **-37%** in 2020.

-5% The median profit margin on F&B for GGA's internal client database across the same time period, which features a higher concentration of 'for-profit' clubs compared to the CMAA survey sample. The median profit margin decreased to **-25%** in both 2020 and 2021.

-11% GGA's best estimate of 2022 median profit margin, based on current year budget data that has been collected thus far.

Summary Table - Capital and Finance

	First Quartile	Median	Third Quartile
Total Assets	$7,014,582	**$12,755,032**	$24,974,246
Total Liabilities	$1,438,245	**$4,290,329**	$9,850,000
Total Cash and Cash Equivalents	$816,138	**$1,968,767**	$3,959,649
Total Debt Balance	$0	**$1,830,000**	$4,185,560
Total Capital Leases	$0	**$42,907**	$200,000

Summary Table - Cross Metrics

	First Quartile	Median	Third Quartile
Full Member Equivalent (FME)	239	**389**	636
Full Membership Capacity %	78%	**96%**	100%
Membership Capacity %	80%	**97%**	100%
Payroll as a % of Revenue	39%	**47%**	54%
F&B Revenue per Membership Unit	$1,167	**$2,279**	$3,465
Net Debt (Debt less cash)	-$2,132,671	**-$47,087**	$1,911,945
Debt per FME	$0	**$2,545**	$10,652
Debt per FME as % of Full Annual Dues	0%	**29%**	111%

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