2025 Club Board Perspectives

Capital Confidence: How Clubs Can Plan, Fund and Grow Strategically

Capital planning is how clubs write the next chapter in their story—preserving their legacy while preparing for what's ahead. This article examines how club leaders are handling long-term planning, funding strategies, and member engagement to maintain their clubs' relevance, resilience, and preparedness for the future.

By Evan Van Eerd, CPA, Michael Gregory and Eric Brey, Ph.D.

Key Insights

- Most clubs fail to integrate the strategic plan, reserve study, and facilities master plan, which limits their ability to make proactive, long-term capital decisions.
- Entrance fees and capital dues remain popular ways to fund capital, while most board members exhibit an unwillingness to consider debt within their capital funding plans.
- Clubs miss important chances to prepare for future capital needs because member engagement is used inconsistently.

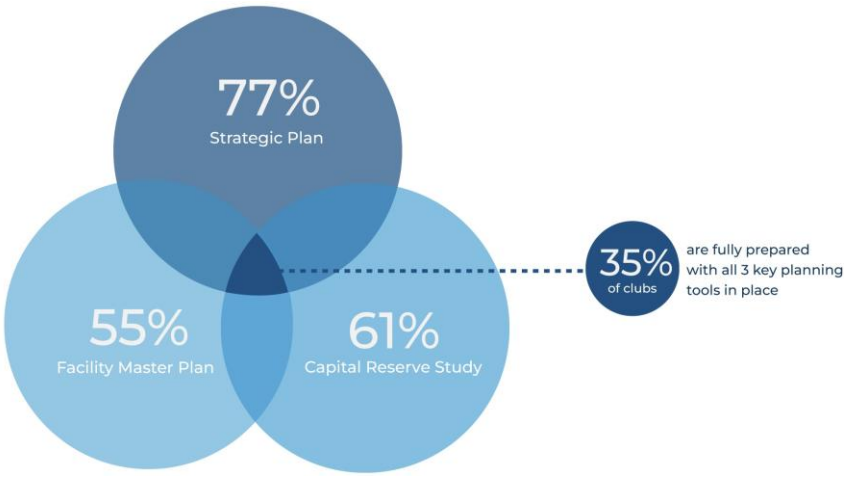
Every great club has a story that is shaped by its traditions, its people, and the unique experiences they provide. Capital planning is how you write the next chapter in that story. It's a dynamic, evolving process that ensures your club can adapt, thrive, and remain a special place for generations to come. Done well, it's more than a roadmap — it's a promise to your members, both present and future.

Our most recent research, the 2025 Club Board Perspectives Study, which surveyed board members from private clubs across North America and was conducted in partnership with the National Club Association, examines how clubs are planning for their unique futures.

Leveraging Planning Documents

Results from our study show that many clubs have pieces of the future-planning puzzle in place, but few have connected all of them. As Figure 1 illustrates, a majority (77%) have a strategic plan, and many (61%) have conducted a capital reserve study. Just over half (55%) have a facility master plan, with 64% reporting that this is completed by qualified advisors external to the club. However, only about 35% of clubs have all three in place and up to date — a best practice for making informed and connected long-term decisions. Resources unsurprisingly play a role, with larger clubs (with revenues exceeding $15M) more likely to have these documents in place — 80% have a strategic plan, 71% have a capital reserve study, and 62% have a facility master plan. Meanwhile, smaller clubs (under $5M) are less likely to have a capital reserve study (44%) or a facility master plan (46%), indicating a gap that can impact long-term planning.

Figure 1: Current Use of Planning Documents



Note: The total percentage does not equal 100% as respondents were asked to select all documents their club currently uses.

Each of these documents is important as they serve a distinct but vital role in supporting the future of a club:

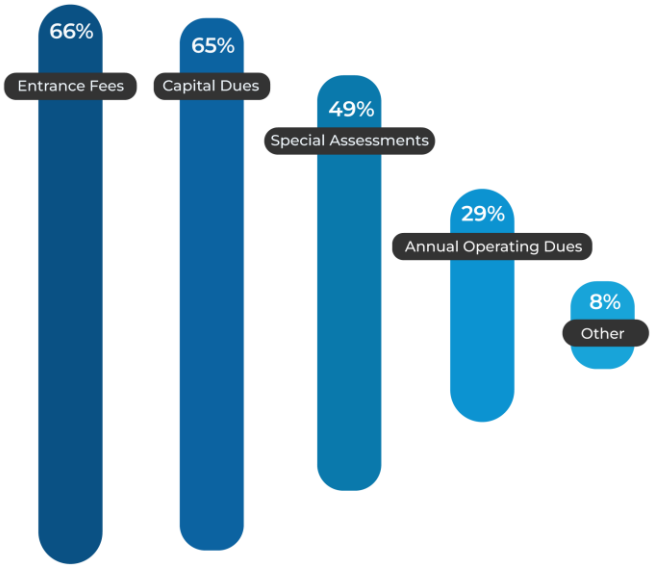
- **Strategic Plan:** Connects the club to its present reality and defines the club's vision by capturing how members use facilities, what they value, and their aspirations for the future.
- **Capital Reserve Study:** Provides a thorough understanding of existing assets and guides ongoing maintenance, ensuring the long-term health and performance of the club's facilities.
- **Facility Master Plan:** Builds a sequenced roadmap for physical improvements, aligning facilities with the strategic vision.

Taken together, these three documents allow a club to build an informed capital funding model, shifting from a reactive approach to a proactive one, making decisions, prioritizing resources, and aligning capital investments with both operational needs and member expectations.

Funding Capital Planning

Entrance fees and capital dues continue to be the main methods clubs use to fund long-term investments, with 66% relying on entrance fees and 65% on capital dues. These sources, along with other methods shown in Figure 2, form the core of most clubs' capital funding strategies.

Figure 2. Capital Funding Methods



Note: Respondents were asked to select which of the available options their club uses for funding capital improvements. Results were then compared to the self-reported revenue of the club.

When considering the impact of club size on funding source, a distinct change becomes apparent. At smaller clubs (under $5M in annual revenue), 36% use dues for capital needs, compared to 23% at mid-sized and 28% at larger clubs, indicating smaller clubs may need to rely more on operational revenues. Special assessments are used by approximately 50% of clubs, with usage varying by club size: 37% at small clubs, 54% at mid-sized clubs, and 48% at large clubs.

Taken together, these patterns underscore an important takeaway for clubs: aligning the right mix of funding sources with their size, member profile, and long-term priorities is crucial to ensuring a stable and sustainable approach to capital planning. While the data supports what we already know about the challenges and pressures faced by smaller clubs, it underscores the need for robust planning and effective governance to meet current and future member expectations.

Strategic Considerations

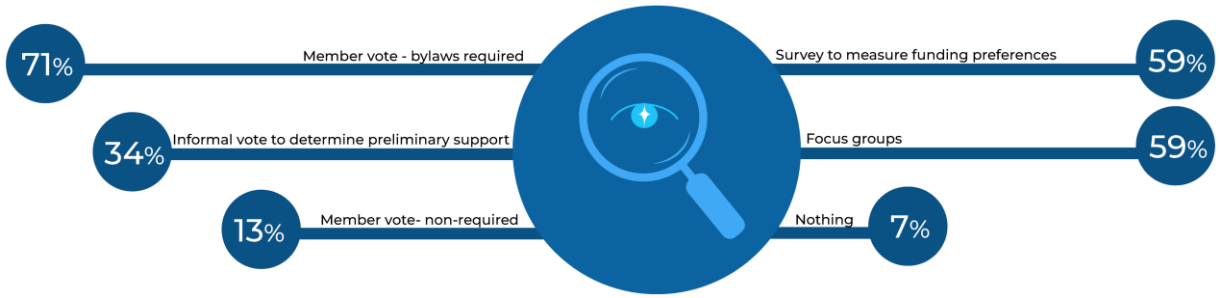
The use of debt or financing remains a concern for board members, with only 40% indicating a willingness to fund capital projects through debt. With proper planning, debt can be a powerful tool to help manage the costs of major capital projects, potentially reducing the need for special

assessments. Having a comprehensive capital plan, including thoughtful estimates of maintenance and growth capital, is important to understanding your club's debt servicing capabilities.

Capital Planning Practices

To understand how clubs manage capital, it was important to examine both the financial planning mechanisms and the processes used to secure member approval. At many clubs, formal member approval via vote is the primary option in collecting insights and support, as identified in Figure 3, with 71% of respondents citing this requirement for advancing capital projects. Beyond formal approval, clubs rely on focus groups and member surveys to understand preferences. Large clubs more often use focus groups (71%) to understand members' wants, compared to smaller clubs (53%), giving larger clubs an advantage in understanding members.

Figure 3. Collecting Member Insight and Support



Note: The total percentage does not equal 100% because respondents were asked to select all methods their club currently uses to gain member insight and support.

Beyond gathering members' insights, results reveal that clubs have an opportunity to better prepare and plan for capital project funding. Nearly 60% of clubs either have no capital reserve or share funding with ongoing capital maintenance (39%). This often results in funding decisions driven by scarcity rather than strategy, forcing clubs into deferred maintenance or reactive capital calls, both of which harm member satisfaction and market competitiveness. Only 36% of respondents indicated they have a dedicated source for funding capital projects through both ongoing capital and entrance fees.

Club Leaders Opportunity

Clubs are continually striving to develop a capital plan that ensures assets are properly maintained and amenities continue to meet the evolving expectations of their members. In theory, this should be straightforward if clubs adopt sound accounting practices and consistent funding strategies. Instead, years of economic challenges, overlooked non-cash expenses, and the influence of shifting board agendas have left many clubs facing deferred maintenance and insufficient capital reserves.

The good news is that clubs can get back on track with a more deliberate and forward-thinking approach. Here's what leaders can prioritize next:

1. **Conduct a Professional Reserve Study:** Clubs need a clear understanding of the annual costs to maintain existing assets by completing a formal reserve study led by qualified engineers who assess the condition and expected lifespan of all capital assets. Unlike informal estimates or supplier-provided life expectancies, an engineering-based study provides a credible and unbiased foundation for capital planning.

2. **Measure and Analyze Asset Utilization:** Clubs can regularly assess how assets are being utilized to identify areas for potential adjustment, whether through resizing, repurposing, or enhancing specific amenities to reflect actual demand.

3. **Compare Capital Needs with Funding Sources:** Once maintenance costs are known, clubs can compare those needs with expected capital inflows—such as entrance fees, capital dues, and donations—net of existing debt service costs. Any projected shortfalls can be proactively planned for through alternative funding mechanisms, new membership strategies, increased member costs or other operational efficiencies.

4. **Develop a Facilities Master Plan:** By leveraging insights from the utilization study, the club's strategic plan, and member input—supported by external expertise—leadership can guide the creation of a comprehensive facilities master plan that meets current needs and aligns with the club's long-term vision.

5. **Empower Management with Capital Planning Authority:** Allow management to proactively plan and allocate routine maintenance capital, aligning with the capital reserve study and utilization of amenities. This avoids reactive decision-making and improves overall operational efficiency.

Ultimately, disciplined capital planning and reliable funding strategies are not just financial best practices—they are core to protecting the club's brand, ensuring long-term sustainability, and delivering a member experience that evolves with changing expectations. Clubs that approach capital proactively, transparently, and with expert input will be best positioned to thrive for generations to come.

Visit www.ggapartners.com/insights to discover more about how boards are balancing competing priorities, explore insights from the Club Board Perspectives research, and learn how GGA Partners can support your club's long-term success.