

CLUB OPERATING COSTS UP 43% IN 10 YEARS

Payroll Expenses
Increase Individual
Dues by 50 Per Cent

The impact of inflation and its resultant decrease in the purchasing power of the dollar has been the major contributing factor in increasing the costs of operating a golf club by 43 percent during the past decade. The figure and conclusion is offered by the New York accounting firm of Harris, Kerr, Forster & Company.

Based on the sampling of 50 country clubs, a survey showed operating revenue, per club member, averaged \$607 during 1961-1962 with \$273 representing food purchases, \$178 beverages, \$58 sports activities and \$98 all other purchases. In addition, annual dues averaged \$390 per regular member and \$167 for all other membership classifications.

The current year's total gross revenue and dues income of 26 million dollars for the country club group exceeded last year by \$153,000 but this gain was more than absorbed by an increase of \$662,000 in total operating costs and expenses.

Ninety-nine cents of each dollar of total revenue and dues had to be set aside during the current year to meet

payroll and other operating costs and expenses.

The firm's survey shows the 1961-62 maintenance cost to be \$3,307 per hole, up \$125 over that for the preceding year. During the past 10 years there has been an uninterrupted increase in golf course maintenance costs, and the 1961-62 average of \$3,307 per hole exceeded by 45 percent the 1952-53 cost of \$2,278.

In the last 10 years, the club member's expenditures have increased by about 50 percent for his dues and 37 percent for his various purchases. The greatest increase in expense has been for payroll and related costs, up 54 percent. All other operating costs have advanced by 34 percent.

Restaurant operations for the 50 clubs yielded a 1961-62 departmental net income of 10.4% based on total food and beverage sales. Departmental expenses absorbed 49.6% of total sales, of which payroll and related costs represented 40.4%. The number of food covers served decreased by 1.6% from last year's level but the average food receipt of \$3.10 per cover represented a gain.

