

New economy, different game for local golf clubs

THE LOHUD GOLF BLOG



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(Photo: Joe Larese/The Journal News)

It only takes a little sand and seed, water and sun to repair a divot.

Over time, the scar disappears.

Filling the void left by the lengthy economic downturn that caused so many recreational golfers to leave the game is proving far more difficult. Only in the last year have the spreadsheets and trend lines invited optimism, but the golf industry remains a long way from vibrant.

For nine years, the number of courses across the country shutting down has far exceeded the number opening. And industry analysts believe supply and demand will not achieve balance until another 500 to 700 are

shuttered.

Guide: [Women's PGA Championship course map, players, news \(http://data.lohud.com/features/lpga/#\)](http://data.lohud.com/features/lpga/#)

The local golf economy was never close to a collapse. There was just one casualty during the Great Recession, and Ridgeway Country Club in White Plains was in trouble before the financial crisis began. Others changed hands, such as Paramount Country Club in Rockland. Some brought in national management companies, take Centennial Golf Club in Carmel. Elsewhere in the metropolitan region, six courses went under.

"My gut feeling is the Met area has probably come through this better than a lot of areas," said Dan Condon of Condon, O'Meara, McGinty and Donnelly, which provides accounting and advice for 335 private clubs in the Northeast. "You've got a lot of affluent suburbs around New York City, whether you go to Westchester, Long Island, Connecticut or New Jersey. That helps tremendously. And you have such a concentration of great clubs in the Metropolitan area that I don't think you see in other areas of the United States.

"The major bleeding has been stopped."

An exodus that began in 2005 paused last year with the number of estimated U.S. golfers remaining constant at 24.7 million.

The issue is whether the game is done growing. If participation remains flat, Condon and Jay Mottola, executive director of the Metropolitan Golf Association, believe there will be more casualties locally.

Private club membership numbers are below 2008 levels, but they have stabilized.

"At this point, the membership numbers have leveled off," Condon said.

Golf remains a big deal here.

Take a Sunday drive and see if you can go 15 minutes in any direction without passing at least one golf course. There are 47 private courses and 21 public ones operating in Westchester, Rockland and Putnam counties. A recent Metropolitan Golf Association survey found the average annual operating budget of its member clubs to be \$8 million, so the impact on the local economy is significant.

Clubs with national renown, such as Winged Foot and Quaker Ridge and Westchester and Hudson National and Sleepy Hollow, have no trouble keeping or attracting members, despite initiation fees that far exceed the local average of \$51,750. But less than 25 percent of local private clubs in the area have waiting lists.

The economic downturn has prompted most clubs in the region to make changes. Some were forced to lower or defer initiation fees to refill the membership rolls.

"I think we had some positive things to come out of the economic challenges of the last six or seven years," Mottola said. "Clubs are focusing on attracting and retaining new members. You go back 10 years, and most didn't have to do that. We know those days are over for all but a few very unique clubs. And then all of the other clubs not in a position to demand high initiation fees are operating as efficiently as they can. They are looking at all of their costs and making themselves economically viable."

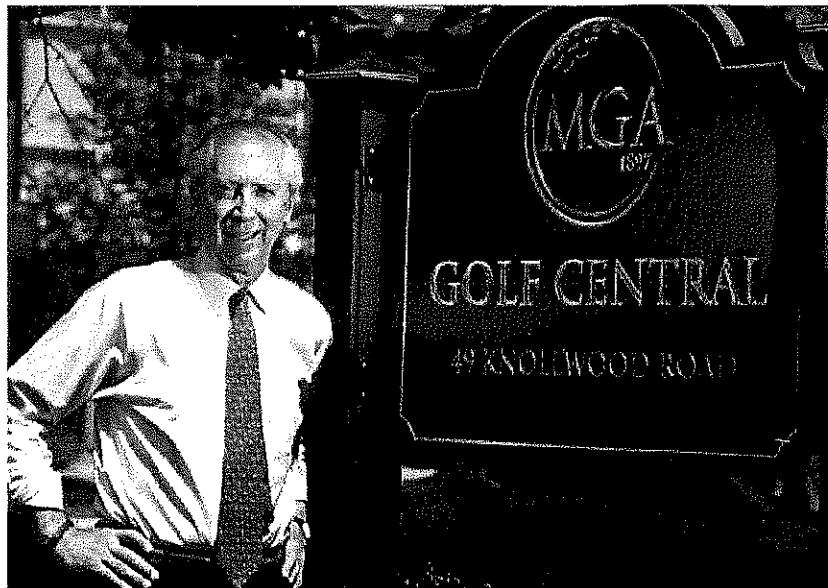
Even in hard times, land in the Lower Hudson Valley is expensive, and the approval process is tedious, so the region was immune to the 1990s rush to

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build golf communities.

Elsewhere in the country, many developers were caught with plaid shorts around their ankles.

"I think if you look at the course closures around the country, many of them were tied at some point to real estate," Mottola said. "Members who bought houses just weren't able to sustain the golf courses, and many of them were in areas that were clearly oversupplied."



Jay Mottola, executive director of the Metropolitan Golf Association, outside the organization's headquarters in Elmsford. (Photo: Seth Harrison/The Journal News)

Lacrosse dads, soccer moms

The stereotype exists for a reason.

Most country-club golfers are white suburban men with college degrees. They vote and dress conservatively. Not that long ago, their weekend plans usually involved a standing game, followed by drinks in the grill room.

Somewhere in the last 15 years, cultural forces chipped away at that loyal contingent.

Now, weekends are more likely reserved for youth sports leagues. As the family dynamic has changed, the golf industry has focused on becoming more inclusive and providing greater value.

There are initiatives coming from all corners -- First Tee; PGA Junior League Golf; Chip, Drive and Putt; Get Golf Ready; LPGA-USGA Girls Golf. Lately the various associations that protect and grow the game have begun partnering in hopes of having a greater impact.

One result of that is the KPMG Women's PGA Championship, which is debuting this week at Westchester Country Club.

"All of us were trying to do the right thing and really share our passion for the game with everyone, but together we're going to do a far better job than we can by ourselves," PGA of America secretary Suzy Whaley said. "I absolutely believe this can have an impact on growing the game. We have Met PGA professionals and LPGA Teaching and Club professionals coming out to do fan activation the entire week.

"We want to showcase the top women in the sport and show they are successful off the course. They are giving back. They are businesswomen. We are showing to girls and women across the country this is possible. Maybe they will see themselves being on the LPGA Tour. Maybe they will see themselves being a business executive who plays the game, or a mom who plays the game."

According to the National Golf Foundation, 400,000 women took up golf in the last year alone. Local clubs are responding to the trend.

"It's our biggest growth area," said Fenway Golf Club head pro and Metropolitan PGA President Heath Wassem. "A lot of moms are starting to play because the kids are playing and they don't want to get left behind. We've got maybe eight women under the age of 45 who are new golfers in the last two years. They play with their kids. They play with their husbands. We're trying to grow that group of eight to 16."

At most clubs, women are slowly gaining equal footing on the course.

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"I've seen a slow and steady progression in not only women's interest, but the snop and the start has embraced the growth and encouraged it," said Mary Ann Sullivan, a member at Westchester Country Club who is co-chair of the KPMG Women's PGA Championship. "I've been there 20 years and, as my interest has grown, it has been matched by the club."

Junior golf is also gaining momentum.

"I think it's critically important to grow the game," Mottola said. "Some of these programs, it's hard to measure the impact they are going to have, but I think we have to do all of these things to make sure that future pipeline is there."

Millennials are another potential growth group.

"One point I make in my presentations is that we also have people in their mid 20s and early 30s who are starting business careers, changing jobs or paying student debts," Mottola said. "Even if they played high school golf or had parents who belonged to clubs, for some reason they seem to put golf on hold. I think we have to be proactive in reaching out to that group. Especially on the private side, we have to make it incredibly easy for them to join without any big financial commitments."

Change is never easy

If a club is carrying a significant debt load, that's a source of stress each time Wall Street has the hiccups.

"It's the most common trend we saw among our clients that went out of business," Condon said. "They had high levels of debt and, when the economy soured after 2008 and membership levels dropped, they couldn't handle the debt service and ended up going out of business."

"Right now, clubs have to be careful they are not lulled into a false sense of security. Interest rates are historically low ... If they rise as folks are predicting, a number of clubs may get squeezed."

Losing a handful of clubs in this neck of the woods might actually provide more stability, according to Condon.

More clubs are hiring membership directors or utilizing outside firms to formulate marketing plans. Some have discussed altering longstanding rules to be more user friendly. Fitness centers were added over the years, and indoor teaching facilities are popping up to keep members engaged year-round.

"I don't think it's a secret that clubs don't move as quickly as is sometimes needed," Mottola said. "Most are run by volunteer boards, and changes do take some time. This is something the MGA works at. We're not telling clubs what to do, but we're advising them to look at their policies on an annual basis to make sure they're still relevant and applicable for people joining clubs today. I think clubs need to have reasonable cellphone policies, designating places where you can not only use cellphones but places that have high-speed Internet and Wi-Fi. Anything that keeps people away from the clubs is something that has to be looked at."

The daily-fee courses in the area have crafted any number of specials to entice golfers looking for a better deal, which is why revenues are down slightly. Keeping traffic levels up is critical. Centennial brought in Troon Golf to manage and market the club and implemented the company's Family Golf program, which allows juniors 15 and under to play free with a paying adult after 3 p.m. -- typically a slow time of day.

"We've had a lot of success with it already," general manager Kevin DeDonato said. "It's been a way to get people introduced to the club and get juniors into the game."

But more innovative thinking may be needed.

"It's not that there aren't enough people who can afford to play golf," Mottola said. "People have a lot of choices now for their recreational time, and they have only a limited amount of discretionary income, and golf has to do a better job of making sure it's providing a tremendous value."

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