The Cost of Perfection

"I don’t like this time of year," proclaimed Monroe Miller, golf course superintendent at Blackhawk Country Club, Madison, WI, in his monthly article for the Wisconsin Golfer. "I dislike this time of year because it is budget time." The economics of providing high quality golf turf conditions are growing more complicated and expensive. Golf course superintendents are being challenged to provide flawless conditions as budgets tighten and expenses increase.

A survey of the Illinois Green Industry published in 2002 revealed that golf courses ranked the ability to control costs and budget issues as two of the top five most important factors limiting their ability to provide quality golfing. “My biggest expense continues to grow every year,” says John Carlone, CGCS at The Meadowbrook Club, Jericho, NY, “its my labor expenses and this year I’m around 60%.”

Labor costs consume on average 55 to 65% of the financial resources on golf courses. Within the labor costs, 60% of the labor is employed for mowing and irrigation. “If we have to provide perfection,” continued Carlone, “we are going to have to spend more money.”

Country Club Economics

“Many country clubs invested in improvements during the 1990’s,” says Bill McMahon, Chairman of the McMahon Group, Inc., a private club consulting firm from St. Louis, MO, “this will position many clubs to weather a recession.” Specifically, while many clubs are experiencing declines in business usage for parties and outings, rounds of golf by women and juniors have increased.

“The golf course,” states McMahon, “is still the cornerstone of a successful club, i.e., when a club is successful, they have a quality golf course.” A quality golf course—especially at private country clubs—is expensive. A 2002 McMahon Group Private Club Survey reported average golf course maintenance budgets for Midwest and Northern US clubs with initiation fees greater than $50,000 (16% of survey respondents) was about $1.1 million. The same clubs in the southeast and southwestern US averaged $1.4 million.

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