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Keeping Older Members Happy

As they say, seek new friends, but keep the old... one is silver and the other is gold!

AS MANY PRIVATE CLUBS SLOWLY REBUILD, THERE'S ALSO THE REALIZATION THAT CLUBS WHILE TRYING TO 'GROW' YOUNG, ARE ALSO FACED WITH 'GROWING OLD.'

In reality it's been predictable, as our society matures...as our Baby Boomers, much of the private club market, move into later years of their lives.

And it's addressed well by Dr. Bonnie Knutson, a regular *BoardRoom* magazine contributor and professor in *The School of Hospitality Business, Broad College of Business, Michigan State University*, in her book, *Direct Marketing: Marketing to the 50+ Consumer*, released several years ago.

There were tough times that required this generation work together and cooperate if anyone was to succeed, and it spawned values of teamwork, self-discipline, sacrifice, hard work and putting money away for a rainy day. In many ways, as Dr. Knutson suggests, these values still determine the way in which your 'mature' membership relates to your club.

"This group looks at leisure time and retirement as rewards for years of hard work and saving money. As such, they are willing to spend their wealth to enjoy their twilight years to the fullest. And, they want to feel valued for their experiences, their abilities, and their loyalty to their 'Team Club'," she related.

So how and what are some of America's clubs doing in dealing with the reality of an aging membership? "They're not! In most cases, the image of 'an aging' membership is just that, 'aging.' Most clubs are still seeing age as a segmentation factor, instead of lifestyle. In general, today's grandparents are not just playing shuffleboard and baking cookies; they're more active, interested, sophisticated, demanding, and more 'hip' than their counterparts of a decade ago. Clubs haven't caught up with this reality."

Dr. Bonnie Knutson

The 'matures', born before 1945 have been and still are an economic force in our clubs, Knutson reiterates. This generation emerged from the shadows of economic turmoil to become a major force as attitudes toward life and work were formed in the throws of the Great Depression (and not the one of 2008), the New Deal, world wars, rationing and other significant social factors.

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tion factor, instead of lifestyle. In general, today's grandparents are not just playing shuffleboard and baking cookies; they're more active, interested, sophisticated, demanding, and more 'hip' than their counterparts of a decade ago. Clubs haven't caught up with this reality," Knutson exclaimed.

But some clubs do seem to be getting there...at least some of them.

"As we are always seeking 'younger members', to perpetuate our very existence, it is imperative that we provide ample services and amenities for those older, current members," explained Michael McCarthy, CEO of Addison Reserve Country Club in Delray Beach, Fl.

"There's no question that people in different age brackets demand different activities. Younger members are more fitness oriented and play more tennis and golf. Our older members - 'traditional members' - still avail themselves of the amenities as long as they remain healthy."

Yes, they do participate in fewer sports, "but nonetheless, they participate," McCarthy added. "They are, after all, the strongest proponent of the club culture and they intend to remain active in that culture as long as possible. That standing golf game is not to be missed, and if they are still involved in tennis, we find they immerse themselves in the programs."

Rick Coyne, CEO of ClubMark and executive director of the Professional Club Marketing Association suggests, "The aging dilemma manifests in several ways.

"First, there's the club that has allowed its membership to age to the point that younger members are reluctant to want to be a part of it. Secondly, there's the club that caters more to seniors than to the younger family that is finding that their membership numbers are shrinking, and thirdly, there's the club that forsakes the seniors in favor of all programming for younger members with family. If I had to err, I would do the latter, but smart clubs have learned to balance."

So as members join private clubs they may have health and money, or time and health, or in later years, time and money. How do clubs deal with this dilemma?

"We did a presentation to our membership a couple of years ago that focused on the number 62. Why?" queried CEO McCarthy.

"At an average age of 62, members have time, money and most importantly, health. At age 50, members most likely have only two of those three - money and health, no time. By age 75, members likely have only two of three - time and money and declining health. The perfect age range seems to fall between 58 and 72 - this is where we see the most expenditures and overall participation.

"This is the most challenging dilemma we have today -

the battle of the ages. At Addison we have been fortunate. Our average age is 61.50 and we are attracting younger members. Strictly from a spending point of view, we find that on average our younger, newer members spend about \$9,000 more a year on club amenities and services than an outgoing older member. For example, the younger member is spending on personal training, the spa, golf and tennis lessons, merchandise, and are bringing guests to the club, compared to an older member that is just using food and beverage and the card rooms," ventured McCarthy.

Frank Vain, president of the St. Louis, MO-based McMahan Group, reiterates that member usage patterns do change. "Young members (under 50) are typically passionate about sporting and family activities and periodic lively events with their friends.

"The middle age group (50 to 70) continues to pursue their athletic passion and they start to use the club more for personal and couple activity as the children are moving on at this point," Vain asserts.

"The senior group (age 70 and over) starts to participate less actively in golf or other recreational activities, but they have longstanding relationships with fellow members that they want very much to maintain. Rather than viewing this as detrimental to operations, the club should identify ways to maintain and even enhance this activity.

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Vain adds that “clubs have typically been pretty good at providing for the social aspects of aging members and they are getting much better at serving their physical needs. The major renovation work at clubs the past decade means their facilities are much more accommodative of mobility issues than in the past.

“Older members have also embraced the advent of fitness as a major program. The smaller and more personal setting of a club fitness center is much more appealing...than large commercial facilities. While we often think of fitness as part of the youth movement in clubs, it can be a key part of senior member value and retention,” Vain commented.

Ocean Reef Club in Key Largo, FL offers members 36 holes of golf, a large marina, a dozen restaurants, fitness center and spa and a unique lifestyle, and is focused on member development.

“We have created a multigenerational environment and it’s an integral part that makes this experience authentic and family focused. They are not separate and apart, they are the club,” explains Molly Carroll, Ocean Reef’s executive director of communications .

“There is a sweet spot for membership development, both in age and demographic, that is well suited for Ocean Reef.

We have both property-owning equity members and non-resident social members. Social members typically join in their 30-40s, come down on holidays and over time they fall in love with the club and find they want to buy property and spend more time here.

“As they get older, the kids are grown, they own property and now they focus on all the amenities we have here from the Art League to fishing while they also enjoy their time together as a couple and have kids come and visit.

“Because of this two-tiered dynamic, young and old can be in the same place and do things together. Kids ride golf carts and go to the pool, adults fish, play golf and bridge. And by offering these two different memberships, we see different life stages with different needs,” Carroll added.

Still Knutson poses questions club boards and management should be asking.

“Today, with longevity and life quality improving, people are moving towards a cyclical life plan – school, work, retire/retread...learning and doing something new/different (school, work, retire/retread a second time)...etc. Most businesses/organizations – including clubs – haven’t caught up with that fact yet.

“Do clubs ever think about the fact that older members spend less time/money at the club because the club isn’t offering things that interest/attract them at this age? Again, clubs need to rethink definition of older,” Knutson intoned.

“Is there data that shows that aging members create demands that detract from amenities younger members want...or is it a case where the club just hasn’t messaged the ‘younger amenities’ well?”

Knutson maintains that marketing the “younger amenities” in terms of grandchildren, legacy, tradition for the next generation, can often reduce the intensity of any demand and/or negativity.

It’s not the activity nor spending issues that cause challenges, Vain suggests, but rather “big issues having more to do with embracing new strategies or voting and funding major capital improvements.

“Change is increasingly uncomfortable for us as we age, and it is particularly disruptive when it comes as a cost. Clubs can move the older members out of these discussions in return for reduced dues and freedom from assessments, which is a fair trade.

“Once those issues are addressed, there is opportunity to scale the programs that appeal to seniors to fit the demand and to offer them at times of day that do not conflict with usage by other groups. A small alcove near the main dining area that is quieter can often suffice for the formal experience that this group often associates with club dining.

“The key to moving forward is to be smart about times and spatial allocations,” maintains Vain. “A club does not have to push older members aside to make it more relevant

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to the younger generation. Most clubs need all the members they can get today. Think proportion of spaces and time schedules versus winning and losing. The senior group tends to like things simple, which can help reduce the cost of providing these services.”

The Union League of Philadelphia was founded in 1862 as a patriotic society to support the policies of Abraham Lincoln. Today, 151 years later, The Union League club boasts 3,350 members and during the past 15 years, the average membership age has remained steady at 57, with a mix of age groups the club celebrates.

“We’re not seeing an aging membership but rather a thriving and vital group of members who are committed to the legacy of our league,” explains membership director Anne Marie McCall.

“We rejoice in the diversity of our membership ranging from age 21 to our oldest member at 105 years old. We enjoy a balance of tradition and loyalty mixed with fresh ideas and vibrancy. We believe our diverse membership contributes to our overall success.”

The club’s premier black tie gala in November sold out to 1,000 young and older members. And about 2,000 members and their families including toddlers and grandparents will attend the traditional New Year’s Day Open House. A club recognition reception honors members celebrating a five, ten, 15, 20, 30, 40, 50 and 60-year membership anniversary...there are currently 25 members enjoying a league membership of over 60 years.

So how do clubs balances these diverse wants and needs? Should clubs be asking older members to give up their memberships to be replaced by younger more active members who’ll spend more money at the club?

“We are a mandatory membership community, so this is more difficult for us to address,” explained Addison Reserve’s McCarthy. “As part of our strategic planning every year, we review items such as this, and have often discussed the temporary swapping of golf memberships, a possible legacy program, and things of that nature. Without question, as the membership ages, the issues to be addressed multiply.

“It is difficult, however, to ask a long standing member, who has paid his or her dues and who is a loyal club supporter to step down,” McCarthy opined.

While the notion of a ‘family club’ is often construed to mean the club has many programs for young children, it should also include caring for members in all age groups, McMahan’s Vain asserts.

“Rather than pushing older members aside, they should be treated with dignity and respect because it is the right thing to do. A good senior member plan is a great way to acknowledge the support they have given the club over the years. A well-designed senior member plan is part of this strategy.

“Clubs should determine the size of the senior group they feel they can support and then structure an attractive package of privileges at a fair and reasonable cost structure.

“Like all categories that pay less than full dues, voting should not be part of this package, but that is not really the important issue. The senior member cares more about maintaining important personal connections and enjoying time at the club. If the dues are set at an appropriate level, they will maintain their membership and participate in a limited number of events.


“A club can hold onto and effectively serve older members without being perceived as a club for old people. There is a difference,” Vain added, and “by structuring smart policies and by-laws for voting and membership, the aging process can be well-accommodated within the club.

“Typically about 30 percent of a club’s membership will be age 66 or older. This is a significant part of the membership that needs to be served, not shunned,” Vain said.

“Ouch!” Knutson injected. “Asking a member to leave may be a financial move for a club, but from a PR standpoint, it’s a short-term solution to a larger long-term goal.

“I doubt if any club wants to known as the place that is, ‘kicking out Grandma!’”

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PUBLISHER'S FINAL THOUGHTS

Forever, in our industry, we've been preaching that our job as managers is to create great memoirs for our members. But, for this group (Seniors), it's not just about creating new memoirs but recreating or bringing back the great old memoirs.

Bring back what your members enjoyed years ago. Start once a month, with a menu that the club had 30 years ago...and with the same pricing. I've seen this work at clubs. Dancing, music and a spirit that takes them back.

This group is very important to your club, and for years to come will be the foundation for the club. Yes, people are living longer, they are playing golf in their late 70s and even 80s, and when they slow down we need to fill in their free time. And here are some true and tested ideas.

More than anything, the seniors groups need mental stimulation.

Introduce a lecture series at your club. Bring in second language classes, even financial management and computer classes.

Last summer while touring one of the 100 clubs I visited this last year, the club's board president showed off their new locker room to me. He then asked, "do you know why we pay our general manager \$500,000 a year? To take care of people like me. I've worked hard the last 40 years of my life, and I've taken care of my employees and my family. Now in my later years, I want someone to look after me!!!, he exclaimed.

An organized art club with painting, sketching, watercolor and sculpturing also works very well when combined with the great outdoors. And some clubs have their own performing arts club where older members put on three plays a year for the membership.

Swimming is fantastic...senior aquafit classes, any form of water exercises, fits in with your members' health and wellness, because keeping them healthy should be part of your goals. The same goes for any form of stretching exercises, Yoga, Pilates and dance classes, tab-swing fitness dancing and social dancing and walking groups.

Travel groups are also becoming popular as are gardening clubs. Create a gardening club that manages your own club's garden that can supply your club's kitchen with herbs and vegetables. We have some clubs that have started a chicken/egg club with their members – 30 hens that lay 30 eggs every day also for use in the club kitchen. The same holds true for fruit trees growing on your club's property...use the fruit for freshly prepared items at the club.

Cooking classes, not just for the women. Have a men's cook off where members compete head to head to cook the best meal.

Pickle ball is taking the clubs by storm and Bocce keeps you members active, all at low maintenance cost to clubs. Create your own fantasy sports leagues. Get your members involved and watch the games in your grill area.

At the end of the day you must execute new ideas...It's not just bridge, bingo or card names. It can be much more...you just need to do it.

Create a new membership –a legacy membership, for seniors who don't play golf, or go yachting any more. It might mean a little less revenue but it keeps them and their family involved in the club.

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"We have 500 members in this club and it's real value for each of us to pay \$1,000 of our dues to have someone (the GM) oversee (take charge) the final 20 or 30 years of our lives, to make sure we are enjoying every minute of our retirement."

That statement hit home. This is why we do what we do, and I know many general managers feel that way.

Older members should never be treated as a burden. They are a blessing. They keep our feet on the ground. They are the protectors of our traditions and culture. We just need to value the wisdom they have acquired. At least that's the way I see it! **BR**

John G. Fornaro, publisher

If you have comments on this article or suggestions for other topics, please contact John Fornaro at (949) 376-8889 or via email: johnf@apcd.com