

### Economic Outlook

Changes in economic conditions overall and more specifically, the job market, the luxury market, consumer confidence and tax increases, all can negatively impact the private club industry. Clubs must remain cognizant of these changes to be able to plan for the future and adjust to the changing attitudes of current and potential members.

Wealth is generated on a cyclical basis and following a series of bad returns, analysts believe the economy is due for a period of good returns in the years ahead. While it may be necessary to cut costs, clubs should maintain the level of services members expect and sustain attractive settings for club activities.

Consumers are looking for increasingly diverse ways to maintain “status.” In a world of consumption, there is a shift in some of the ways status is defined: less focus on owning or experiencing the most expensive, to an emphasis on the uniqueness of the goods, services, and especially, the experiences. Clubs should highlight the specialized services and facilities that members cannot get elsewhere, particularly in one location.

### Demographics

Multigenerational diversity in club membership and club employees is creating challenges for clubs in how they recruit and retain members and how they attract and manage staff. The changing make-up of the American family and population shifts also add new dimensions to “traditional” trends. How well clubs adapt to changing demographics such as aging Boomers, single family households and growing minority populations will influence not only the composition of the club, but also the success of programs and offerings. Many Boomers are postponing retirement and remaining in the workforce, working with Gen-X and Millennials who have different values and preferences. Population increases in cities have translated into slower growth in suburbia. In addition, women are a growing segment of the workforce, with an increasing number who are better educated than their spouse.

### Lifestyle & Club Membership

Living local is the new movement affecting what we eat and how we spend our resources. Clubs should capitalize on this trend to “cocoon” and encourage club usage through relevant programming. Social habits are changing as people have less leisure time than in the past. Club offerings and policies will need to appeal to changing attitudes about social and recreational opportunities to connect, convenient communications (wireless Internet and e-mail), casual lifestyles and value for price. Activities geared for younger members and families are important to draw members to the club on a day-to-day basis while programming for Boomers—the club’s base—must continue to fulfill the needs of this generation. Branding your club to show value and quality is more important than ever as members and potential members evaluate the club amenities and benefits.

### Leisure & Recreation

Golf will likely always be one of the main draws for members at private clubs. However, as demographics change and priorities shift, clubs should be prepared to offer more than just a top-notch golf course. A growing number of individuals are interested in fitness facilities and overall health and wellness. Clubs that offer high-quality equipment at fitness centers, classes for members to work out and socialize and the luxury spa services they desire will succeed in moving forward with members’ changing needs. As private clubs add or expand fitness centers and spas, they are finding that these investments now play a major role in the sale and resale of their properties and memberships. Many clubs realize that not only does the wellness lifestyle positively impact members’ lives, it also impacts their utilization of other amenities, such as golf and tennis. Members know they can enjoy healthy living at the club—in a friendly, caring environment.

### Hospitality & Lodging

While the travel and lodging industry certainly was hit by the recession in 2009, 2010 is beginning to offer a glimmer of hope, and 2011 looks to be much more improved. Clubs—especially city clubs with lodging rooms—should focus on exceeding guest expectations and providing them with all the amenities and technology they have come to want and expect when they travel. Clubs also need to take into consideration energy-savings initiatives and the fact that more consumers are eco-conscious and may expect their lodgings to be as well, without sacrificing the luxury experience.

### Food & Beverage

Trends to watch in the coming months include messaging about the club’s “food integrity”—meaning the support of seasonal, local and organic menu items and environmentally-friendly practices. Also, because clubs want to draw the entire family to dine at the club, don’t forget to include healthy menus and snack options for kids.

Technology is playing a part in the decision of where to dine out with the family. Whether a club promotes its menu on its website or uses a form of social media, more and more clubs recognize that members use the Web to browse menus, make reservations and seek recommendations. Fine dining has had to reinvent itself. Club restaurants are beginning to offer more casual settings—and more affordable prices—to entice families while still maintaining the upscale elements of a private club. Clubs need to realize the growing demand for more casual eating experiences as well as consumers’ ever-evolving tastes, willingness to try new menu items and eco-consciousness. Today’s members are sophisticated and expect innovative preparation methods and menu items to ensure a superb dining experience.