

2018 Compensation Survey Results:**A RECORD YEAR FOR REVENUES, TECH USAGE AND SHIFTS IN SOCIAL MEDIA****By Andy Hilts, Director**

For the 11th consecutive year we present Proponent Group's exclusive annual report on the state of the instruction industry. While many metrics in this year's edition of our "Comp Survey" show similarity to prior-year data, there are notable cases of trends that are growing or accelerating. In this article we'll highlight all the important marketplace changes, as we look closely at how Proponent members are operating their businesses heading into the heart of the 2018 season.

What this data provides is a financial snapshot you can use to benchmark your business and your career against what your peers are doing. It's important to remember that these are broad averages and include a large number of instructors whose positions may be very different from your own. As you'll see in the yellow sidebar box, members who completed this survey are eligible upon request to receive a customized version of the survey results designed to most closely reflect their particular career situation.

Our Members are the Best of the Best

For more than a decade, Proponent Group has been tracking its members' compensation and operations data. The aim all along has been to illuminate the business realities and opportunities for the industry's top tier of dedicated, full-time instructors. And when we say "top tier," you are definitely that. More than one-quarter (**27 percent**) of this year's survey respondents are listed on Golf Digest's Best in State rankings and one-quarter (**25 percent**) of all respondents have won a PGA or LPGA Section Teacher of the Year award.

In preparing this 2018 Proponent Group Compensation and Operations Survey, we're aware



that no single metric or data point is likely to make you change the way you operate your business. Instead, its value rests in the totality of the picture it provides of how the game's hard-core golf instructors earn their livelihoods. We expect these facts and figures will do much to help you to strategize for an increasingly better return on your intellectual property.

In this article we'll break down some of the shifts, trends and opportunities that characterize the industry at this time. Much more information is available for you in the 20-plus-page summary report now available for downloading on the member-only website—find it in the Member Surveys menu.

Again this year, we present the survey summary in four distinct data sets: Employees, Independent Contractors, Academy Owners, plus the "All"

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Get Your Personalized Comp Survey Results

If you are a Full or International Member and you completed the survey, you are eligible to have a free customized version of the survey's results created just for you. Typically we aim to build your customized results from the 8-12 positions captured in the survey database that are most similar to yours. We provide a report that allows you to review compensation, job descriptions, management responsibilities and benefits for those peers whose professional situations are most similar to yours.

We can run comparisons that closely match your experience level, facility type, employment status and other key comparables. To obtain a customized summary of the new survey results, simply email Andy Hilts at andy.hilts@golfchannel.com.

column, showing aggregate results. We also include charts of financial averages for members with fewer than 10 years of teaching experience, versus those with 10 or more years of teaching under their belts. We felt we needed to add this breakout as we've seen a growing number of Associate Members completing the survey, most of whom have been in the industry for less than a decade.



Owners came in at **\$327,769**, up a whopping **29 percent**. When the economy heats up— as it has recently – it is common to see those taking the financial risk of entrepreneurship reap more of the rewards. It makes sense that Independent Contractors and Academy Owners would experience a bigger upside than employees, just as they see a bigger downside when the economy slows, since they don't have any guarantees or

A Growing Economy Elevated Members' Businesses to New Highs

Total revenues in the new survey averaged **\$143,272** for all member categories, jumping a full **7 percent** in 2017, easily outpacing inflation. For Employees, average revenue remained at **\$116,969**, statistically flat for the year while Independent Contractors averaged **\$112,172**, up **9 percent**, and Academy

salaries to rely upon.

Members who have taught more than 10 years averaged **\$159,718** in revenue, which was statistically flat with the previous year. Meanwhile, members with less than 10 years of teaching experience brought in an average of **\$104,331**. This was an increase of **28 percent** from a year ago and brought all five of our major sub-groups into six figures for the first time in

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Revenue Breakdown for the "Average" Proponent Group Member

	All	Employees	Independent Contractors	Academy Owners	More Than 10 Years Teaching	Less Than 10 Years Teaching
Private lessons:	\$ 63,776	55,627	54,873	127,242	71,244	45,702
Salary:	\$ 20,745	32,252	1,488	21,154	22,501	16,493
Long-term coaching programs:	\$ 18,829	8,774	18,727	60,949	20,142	15,652
Golf Schools:	\$ 9,617	6,762	9,755	26,154	11,454	5,170
Clinics/Group lessons:	\$ 7,964	5,906	11,324	10,123	8,535	6,697
Payments from staff teachers:	\$ 7,386	577	4,903	34,423	8,926	3,659
Payments from Tour players:	\$ 3,436	1,019	3,592	4,563	4,518	819
Equipment/clubfitting sales:	\$ 3,360	1,089	3,427	14,808	4,017	1,767
Corporate outings:	\$ 2,104	585	1,571	10,369	2,604	893
Books/DVD's/media payments:	\$ 1,575	152	1,200	7,385	708	3,673
Tournament winnings:	\$ 1,200	1,519	646	1,552	916	1,904
Endorsements:	\$ 1,199	180	612	6,288	1,436	643
Coaching school teams:	\$ 1,056	1,251	1,145	230	1,122	656
Bonus:	\$ 1,025	1,276	220	2,529	1,595	603
Total Average Revenues:	\$143,272	\$116,969	\$112,172	\$327,769	\$159,718	\$104,331

Source: 2018 Proponent Group Compensation and Operations Survey

survey history. This suggests that the new generation is learning faster and taking control of their careers sooner, allowing them to generate greater larger revenues earlier in their careers than past generations of teachers. We'll keep a close eye on this trend.

The average adult-lesson hourly rate for members teaching at a private club was **\$137** for club members (up 3 percent for the second year in a row) and **\$151** for non-members (up 2 percent). Teachers at public courses earned an average hourly rate of **\$143** (up 4 percent for the second year in a row). Academy Owners averaged an hourly rate of \$160 per hour. Couple these rate increases with the fact that members reported a slight increase (for the third year in a row) in the number of hours they were actually teaching students and you get to that 7 percent average increase in revenues.

Interestingly, it seems that corporate outings are still few and far between compared to the heyday of corporate golf events back in the 1990s and may not be coming back anytime soon. More than two-fifths of our members (**43 percent**) still report no corporate outing business in the past year.

**Shift Away from Private Lessons Continues—
Longer-term Coaching Programs are Exploding**
The typical Proponent Group member earned only **45 percent** of their revenues from private lessons—generally stable from last year—but the gross revenues from coaching programs continues to rise from **\$9,739**



five years ago to **\$15,696** last year to **\$18,829** this year—a **20 percent** jump this past year alone.

Non-Cash Compensation Stabilizes

After years of non-cash benefits drying up almost across the

board, we saw more stable numbers in most non-cash compensation categories this year. Those reporting health insurance paid by their employer was up 3 percentage points from **40 to 43 percent**; 401k plan offerings increased from **35 to 38 percent**; PGA/LPGA dues paid by employer/facility increased from **43 to 46 percent**; education allowance increased from **31 to 37 percent** and the percentage of facilities purchasing training aids increased from **41 to 44 percent**. While not huge gains, these numbers are encouraging after years of continual erosion. Again, the stronger economy is likely driving some of these numbers. For the moment, members are accessing more non-cash benefits than in recent years.

Still many of our members are exposed to significant financial risks. We urge members to speak to a financial specialist such as those in our WealthWave alliance who can help ensure that a lack of insurance and other benefits don't cause financial havoc for you later in life.

On the Expense Side...

Half of our members reported paying a revenue split back to their facility/academy. At private clubs the average split was **21 percent** (up 1 percentage point from last year). Meanwhile public facility-based teachers who have a

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Selected Instructor Out-of-Pocket Expenses for the "Average" Proponent Group Member

	All	Employees	Independent Contractors	Academy Owners	More Than 10 Years Teaching	Less Than 10 Years Teaching
Revenue Split back to Facility:	\$7,651	9,448	5,151	8,100	7,432	8,171
Teaching Technology:	\$5,039	4,310	4,856	10,827	5,735	3,378
Rent/Lease Payments:	\$4,571	384	3,581	26,728	4,887	3,816
Marketing/Public Relations:	\$2,007	1,380	1,705	10,346	1,705	2,729
Continuing Education:	\$1,738	518	2,591	1,456	1,777	1,644
Training Aids Purchased:	\$ 744	542	759	1,917	708	832

Source: 2018 Proponent Group Compensation and Operations Survey

revenue-split deal paid **32 percent** on average to the facility. This figure was up 8 percentage points from 2016.

A quarter of our members (24 percent) pay rent or lease their teaching space. For those making rent or lease payments, the average total payment was **\$18,829**. Academy owners reported an average rent/lease of **\$26,728** for the year.

Two-thirds of those paying rent had access to teach in a permanent indoor structure as part of their agreement.

Data We Collected on the Data Collectors

Members using launch monitors/Doppler radar units to teach continued to climb from **81 to 86 percent** last year. TrackMan jumped another 3 points to **50 percent**—so, exactly half of all members now use that system. FlightScope dropped from **29 to 27 percent**,

On the video-capture side of things, Apple products continue to dominate but for the first time iPads were most used for capturing data, at **47 percent**, with iPhones second at **39 percent**. Casio cameras were in a distant third place at **6 percent**.

As for video analysis, there's a continuing shakeup in this segment, with V-1 losing almost one-third of its Proponent Group user base in 2017—sliding from **48 to 32 percent** market share. Meanwhile TrackMan and Swing Catalyst continue to pick up the slack, up 7 and 5 percentage points, respectively. Each more than doubled their video analysis user base last year.

For the first time we asked members to list all other teaching technologies that they or their facilities have purchased. Those listed by more than 10 percent of the respondents include: Blast Motion Sensor (**58 percent**), Boditrak (**41 percent**), Science and Motion (SAM Putt Lab) (**30 percent**), Swing Catalyst (**13 percent**), K-Motion (K-Vest) (**12 percent**) and Game Golf (**11 percent**).

We also asked for the first time if the member's facility has at least one hitting bay outfitted with a simulator and more than one-third (**34 percent**) said they are equipped with at least one simulator bay.

Big Shifts in Social Usage

Free (or at least very inexpensive) social media platforms have become the default marketing channel for many of our members. Overall more than nine out of 10 of our members use social-media platforms to drive business. More than half of our members (**57 percent**) say they



spend at least an hour a week on their social media business accounts with **15 percent** spending more than 5 hours weekly on the social platforms.

Favorite platforms include Facebook, used by **79 percent** of Proponent members, followed by Instagram at **65 percent**, then Twitter at **62 percent**. This was the first year Instagram surpassed Twitter usage.

Interestingly, it looks like we are starting to see the experimentation stage of social-media use ending and a focus by coaches on platforms that are actually delivering new students. For example our members' use of YouTube dropped from **50 to 26 percent**. LinkedIn dropped from **49 to 24 percent** usage by our members this past year.

This and That

Half our membership works at private clubs or resorts (**51 percent**). Meanwhile, **6 percent** now work at non-traditional indoor facilities/studios.

Good news: In 2017 we recorded a new all-time high of **61 percent** of our members having a written agreement/contract. This is up 18 points over the past five years and is something Proponent Group has been stressing as very important in an age when facilities switch ownership and management constantly.

One-fifth (**19 percent**) of our membership graduated from one of the PGA of America's on-campus PGM programs, with one-quarter (**24 percent**) of our members who work as employees coming out of the PGM programs.

We found that **14 percent** of our members work at a facility managed by a golf management company. That was an increase from 11 percent in last year's survey.

LPGA members account for **16 percent** of our membership while **84 percent** of our members are affiliated with their home country's PGA organization (Note: Proponent Group now has members in 25 countries.)

For the Rest of the Story...

These are just a few of the highlights, so don't forget to check out the full results by downloading the complete survey summary on the member website in the Member Surveys menu.

Please let us know if you have any questions about the results or if you would like a customized survey result matching your individual situation.