

You Can't Have Your Cake and Break Even Too

Financial Levers, Operational Choices,
& Club Outcomes of Food & Beverage



Ryan Bender, CCM
Executive Director
Club Benchmarking

Introduction

Food and beverage is the most consequential amenity in a private club. That conclusion is no longer a matter of opinion. It is one of the most consistent findings in Club Benchmarking's research database. F&B satisfaction correlates with overall member satisfaction at 0.47, nearly double the influence of golf. Members rate dining second only to management performance in importance. And yet, across hundreds of clubs, it remains one of the lowest-rated amenities in the industry.

Club Benchmarking's whitepapers have built the case from the ground up. The 2020 paper established the financial frame: F&B deficits in clubs are not a sign of mismanagement. They are the predictable result of deliberate choices about pricing, programming, hours, and service levels. The 2025 paper updated that analysis with additional data, confirming that the clubs subsidizing F&B most generously are, on nearly every financial measure, the strongest in the industry. An upcoming paper in this series turns toward the operational: what actually drives member satisfaction in F&B, how the membership is changing, and what the best-run operations do differently. Several of its findings are previewed in the pages that follow.

This paper is an important accompaniment. It is written for the general manager, the F&B director, and the finance committee member who has absorbed the financial frame and is now asking a more specific question: how do we measure the investment?

That requires understanding F&B as a business with its own internal logic: revenues, costs, margins, and break-even dynamics that respond in predictable ways to the decisions a club makes. Clubs that understand that logic can make deliberate choices on the member experience with measurable outcomes.

Background

Two findings from Club Benchmarking's F&B research are worth keeping close at hand, because everything that follows depends on them. This section is a summary, not a substitute. Readers who haven't read the published F&B whitepapers should start there.

The first is that F&B financial outcomes in clubs are a function of choice, not efficiency. Over 90% of clubs run a deficit in F&B. Club Benchmarking's quartile analysis of more than 800 clubs shows that the clubs with the largest F&B deficits (those subsidizing F&B most heavily through

dues) carry the highest initiation fees, the strongest member equity, the most capital, and the greatest membership demand. The clubs running F&B at or near a surplus are the weakest on those same measures. Less than 8% of a club's overall operating expense is meaningfully influenced by efficiency. The rest is structural: the result of decisions about what kind of operation the club intends to run.

The second is that F&B satisfaction is the single most powerful amenity driver of overall member satisfaction, and it is underdelivered. The four factors members care most about (preparation consistency, food quality, menu variety, and menu rotation) are all kitchen-related, and they are also the four lowest-rated aspects of the dining experience across the industry. One in three members is dissatisfied with how frequently the menu changes. Nearly one in three is dissatisfied with healthy and dietary options. The gap between how much members value the dining experience and how satisfied they are with it is the largest unmet expectation in the private club industry.

These two findings define the operating environment for any club trying to run a great dining program. The financial outcome in F&B is not the measure of success. The member experience is. The operation exists to deliver value, not to recover its costs through pricing. The membership is telling clubs, consistently and clearly, that the F&B program is where the experience falls short.

Making decisions around F&B strategy requires understanding how the operation works as a business. The F&B operation is not a simple transaction. It is a system of revenues, costs, and margins. Running F&B well starts with understanding how it works: how the variables relate, what shifts when a lever is pulled, and what the real tradeoffs are.

Purpose & Approach

The purpose of this paper is to illustrate the key financial relationships that turn strategic choices into financial outcomes, using a single dining room as an example to follow and measure.

Although the concepts in this paper apply to the food and beverage department as a whole, including multiple business types and operational nuances would unnecessarily complicate the models used here. Using a single dining room example is the simplest way to capture the key concepts.

The table in the "Feasibility & Action Matrix" section outlines choices and opportunities as they relate to single dining room versus full departmental strategy, along with decisions that can be made in the short-term or long-term.

The Core Business Model of Food & Beverage

Every food and beverage operation, from a fast-food concept, to a fine dining restaurant, to a private club dining room, runs on the same fundamental business model. Four components drive the financial result.

Revenue is money collected from member purchases: the sale of a dinner entrée, a bottle of wine, a round of drinks at the bar. Revenue only exists when a transaction occurs.

Cost of Goods is the direct ingredient cost of producing what was sold. The beef, the bun, the cheese, and the condiments that go into a cheeseburger. Cost of goods moves in direct proportion to sales. Sell more, spend more on ingredients.

Variable Expenses are indirect operating costs aside from cost of goods that grow as volume increases. Payroll for the additional server added on a busy Friday night. The extra cleaning supplies consumed after a full dining room. These costs are not tied to a single transaction the way cost of goods is, but they rise as the overall level of business rises.

Fixed Expenses are costs that are unchanged by volume. The monthly bill for telephone service. Professional association dues. Licensing fees. Whether the dining room serves ten covers or two hundred, these costs are the same.

The relationship between these four components determines everything about the financial outcome of the operation. Revenue minus cost of goods produces gross profit, the margin available to cover other expenses. Gross profit minus variable and fixed expenses produces the net result: profit or deficit.

Why Restaurants Are Difficult Profit Centers

The model sounds straightforward, but the dynamics create a fundamental tension. As volume increases, revenues rise, but so do the variable costs required to generate them. Additional covers require additional staff, additional product, and additional supplies. The variable expenses generated by growth consume a significant portion of the revenue that growth produces. This is why the food and beverage business is a difficult profit center. Revenue and

expense rise together, and the gap between them (the margin available to cover fixed costs and produce a net result) is narrow.

For private clubs, that tension is compounded by two structural realities that do not apply to commercial restaurants. First, the “customer base” is finite. A restaurant can serve anyone who walks through the door. A private club dining room serves only its members and their guests, which places a ceiling on potential revenue that no amount of programming or promotion can fully overcome. Second, members arrive with expectations that are directly at odds with the profit model. They pay dues. In their view, those dues should translate into either lower prices than they would pay at a comparable restaurant outside the club, or higher quality, or both. Reducing prices limits revenue. Raising quality raises costs. Both pressures push the financial result in the same direction: toward a deficit.

This is not a management failure. It is the predictable consequence of what a private club actually is. The dues model exists precisely because the transaction model alone cannot (and should not) support the level of service and quality members expect. Dues are the mechanism by which the gap between what the operation costs and what it can reasonably charge is closed.

Break-Even

One of the most useful tools for understanding the F&B operation is the cost-volume-profit model, or CVP. It maps how revenues, variable costs, and fixed costs interact as volume changes, and identifies the point at which gross profit covers total expenses: the break-even point.

In a typical club dining room, fixed expenses create a floor of cost that exists before a single cover is served. Variable expenses and cost of goods rise from that floor as volume increases. Revenue and gross profit rise alongside them, but at a different rate, determined by the average check and the contribution margin on each item sold. The break-even point is where the lines cross.

The chart below illustrates this dynamic using financial data from a real club dining room. The model draws on actual financial results from the income statement, cover counts from the point-of-sale system, and the operation's staffing methodology from the staff schedule.

The gradual rising blue line reflects the operation's gross profit. This line maps its average check less its cost of goods sold, with the line growing continuously as business levels increase.

The magenta line maps the operation's total expenses. This line begins at roughly \$1,300, a point that reflects all fixed expenses including minimum staffing levels. The gradual increase of this line captures variable expenses. The stepwise increases in the line reflect the addition of labor as volume rises. Each visible "step" represents a staffing threshold where a new position is added to handle greater volume. The break-even point for this operation falls at approximately 251 covers per shift.

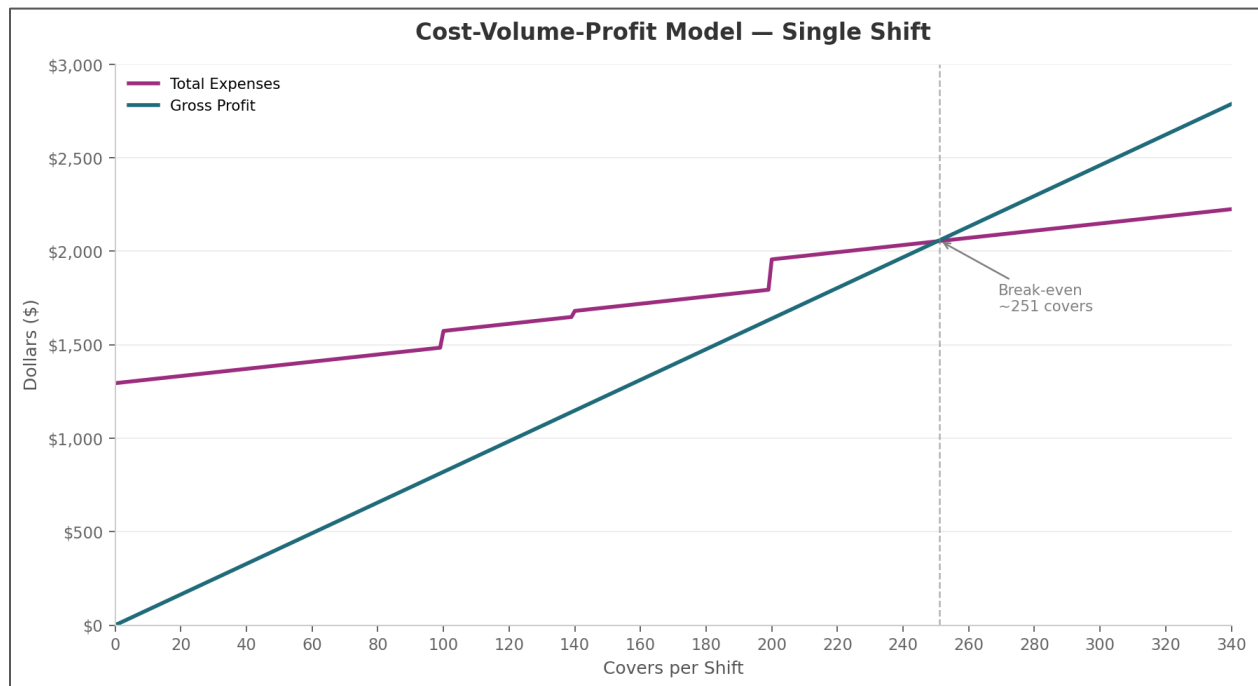


Exhibit 1: Cost-Volume-Profit Model, Single Shift. Break-even at approximately 251 covers per shift.

The CVP model makes one thing visible: no single decision determines the financial outcome. The result comes from how five variables work together: pricing, volume, cost of goods, staffing levels, and the fixed expenses the club has chosen to carry. Change any one of them and the break-even point moves, and so does the amount of dues the club spends on the F&B amenity. Understanding what happens when each variable moves is the practical purpose of everything that follows in this paper.

Levers to Pull

Each of the decisions listed below represents a lever a club can pull in its F&B operation. Each one has a predictable financial consequence, and a predictable impact on member satisfaction

metrics. With modeling, the financial implications of these decisions can be determined and measured against the expected gain in benefit.

Generally speaking, pulling these levers in the direction of greater investment will increase the F&B deficit. This is no different from the operational costs of maintaining high greens standards on the golf course, having staff available to wipe down fitness equipment in the gym, or staffing the front desk 24/7. Those decisions carry the same cost-benefit relationship as the ones outlined here. Staffing the front desk for 24 hours a day costs more than staffing it for 14, but members get service every hour of the day. The point of this section is to understand the financial impact a decision has on the overall operation.

Expanding Hours of Operation

Adding meal periods or extending service hours is one of the most direct ways to increase member access to the dining program.

The primary financial impact of expanding hours is an increase in fixed costs. A dining room that opens for breakfast requires staffing, preparation, and readiness whether two members show up or forty. The kitchen must be staffed. The front of house must be set. The same outcome occurs by opening the dining room one hour earlier or keeping it open one hour later. Those costs are largely the same regardless of how many covers are served during that period. Revenue generated during low-traffic periods (early breakfast, late lunch) rarely covers the fixed cost of operating them.

At the same time, expanded hours have a positive impact on member value and overall club demand. The dining room becomes a more central part of the club experience rather than a destination reserved for specific occasions.

The decision to expand hours should be evaluated against that return, not against whether the new meal period can cover its own costs. It almost certainly cannot. That is the nature of the fixed cost structure of a dining operation in a low volume environment.

Increasing Cost of Goods

Cost of goods (the direct ingredient cost of producing menu items) is one of the more direct financial levers in the operation. Increasing it, whether by sourcing higher-quality ingredients, including accompaniments like bread or salad, increasing portion sizes, or by broadening the menu to include more ingredients, raises cost of goods in direct proportion to sales volume.

The member experience impact tracks the financial one. Higher-quality ingredients produce better food. A broader menu with more variety addresses one of the most consistent findings in Club Benchmarking's member survey data, which is that the menu lacks variety and does not change often enough. Both rank among the aspects of the dining experience members care most about.

The financial tradeoff is straightforward. Each percentage point increase in food cost, at a given revenue level, reduces gross profit. A club generating \$1 million in food revenue that moves its food cost from 38% to 42% absorbs \$40,000 in additional expense. That expense is real, and it flows directly into the F&B subsidy. The question is not whether it is an expense. It is whether the member experience return justifies it. The data suggests it does, consistently and measurably, in the form of higher satisfaction scores, stronger membership demand, and higher initiation fees.

Lowering Prices

Pricing is the lever with perhaps the most immediate and visible impact on the member experience.

Lowering menu prices reduces the contribution margin on every item sold. (Holding prices flat while costs rise does the same thing.) Contribution margin is the selling price of an item minus what it cost to make. It is the portion of each sale left over to cover variable and fixed expenses. When prices fall, that margin falls with them, so the break-even point rises and more covers must be served to reach the same financial outcome.

What lower prices produce on the member side is a stronger perception of value. Members who feel they are receiving something genuinely better than they could get for the same money outside the club are members who use the dining room more, bring guests more often, and report higher overall satisfaction. The Monterey Peninsula Country Club example from the prior papers is the clearest illustration: when menu prices dropped 55% to 65% following the decision to cover non-cost-of-goods expenses through dues, à la carte cover counts more than tripled. The financial deficit increased significantly. So did member satisfaction, membership demand, and the club's overall financial strength.

The mechanics are important to understand here. Lowering prices does not simply reduce revenue. It changes the relationship between price and volume in a way that can, under the right conditions, partially offset the margin reduction through increased usage. But that offset is

rarely complete, and clubs should not expect lower prices to pay for themselves through volume. The return is in the member experience, and through the member experience, in the long-term financial health of the club.

Increasing Staffing Levels

Staffing is the largest single expense line in most F&B operations, and it is also one of the most direct inputs to member satisfaction across nearly every dimension of the dining experience.

Adding staff, whether in the kitchen, on the floor, or both, manifests primarily as an increase in variable expense. Labor cost rises with the level of service being delivered. The financial impact is predictable: more staff per dining volume means a higher expense mix, a higher break-even point, and, in most cases, a larger deficit.

The satisfaction impact of increasing staff levels runs across nearly every metric that matters. Food quality improves when the kitchen has adequate staff to execute without being stretched. Preparation consistency improves for the same reason. A kitchen under staffing pressure cuts corners, not because the team lacks skill, but because the workload exceeds what they can execute to standard. Service quality, staff attentiveness, and speed of service all improve when the front of house has the capacity to focus on members rather than manage volume.

Club Benchmarking's operational research points clearly to the staffing-quality connection. The ratio of menu items to kitchen staff is among the strongest operational predictors of member food quality scores. A kitchen asked to execute a complex menu with insufficient staff is structurally set up to underdeliver.

Investing in Staff Training

Training is a fixed expense. The cost of a pre-shift training program, ongoing culinary development, sommelier certification, or cross-training between front and back of house does not vary with the number of covers served on a given night. It is a deliberate investment in the capability of the team.

The return on that investment accumulates over time. Well-trained staff produce more consistent food, deliver more confident and knowledgeable service, and handle the variability of a busy service with fewer errors. In that same operational research, line cook training length emerges as a statistically significant predictor of member food quality scores. From a financial standpoint, training investment is modest relative to the labor expense it sits on top of, a fraction

of the labor cost in exchange for a measurable improvement in the consistency and quality of what the labor produces.

Paying Competitive Market Rates

The strongest operational predictor of member food quality scores in Club Benchmarking's research is executive chef tenure, with line cook tenure also a significant predictor. Clubs with stable culinary teams produce better food because consistency requires familiarity: with the recipes, the equipment, the standards, and the members. Every time a cook leaves, that familiarity leaves too.

Non-competitive compensation is a well-documented driver of voluntary turnover, and the club industry is no exception. Skilled cooks have options. Benchmarking culinary compensation against the regional market annually, and adjusting to stay competitive, increases both fixed and variable labor costs. It also produces the staffing stability that is, measurably, the foundation of food quality.

Investing in Supplies and Equipment

The physical environment of the operation (the condition of the kitchen equipment, the quality of the china and glassware, the presentation of the dining room) is both a fixed and variable expense depending on the category. Equipment replacement is capital. Linen, china, and service supplies are typically operating expenses.

A club that chooses to invest in nicer linens, higher quality consumables, and smallwares that are fresh and not worn is a club that is choosing to increase its expenses. It is also a club that is choosing to invest in the member experience. Cheap, low-quality materials send the wrong message about the club's commitment to the experience. Cheap plastic salt and pepper shakers in the club's casual dining facility suggest the goal is to minimize costs. Wooden or metal salt and pepper shakers that fit the dining aesthetic are often more expensive. However, they tell the members that the club's dining room is a place they can be proud to bring their guests and family.

Updated Cost-Volume-Profit Models

To illustrate the mechanics, the following two models apply some of the levers described above to the original club dining room data shown in Exhibit 1 earlier in the paper. Each model

captures the adjustment and shows how the break-even point and subsidy change as a result. The original model is shown in faded lines for reference.

Lowering Prices, Model 1

The original model ran at a 42% cost of goods sold and generated approximately 41,000 annual visits. This updated model moves the cost of goods ratio to 52%, a pricing move large enough that members will notice it in meaningful, whole-dollar price reductions. The assumption embedded in the model is that this increase in value drives a 15% increase in participation, bringing annual visits to approximately 47,000. The break-even point shifts from 251 to 388 covers per shift. Expenses remain essentially unchanged, but the gross profit line is less steep, reflecting the lower contribution margin on each cover served. Cost of goods spending is unchanged; the ratio rises because the revenue denominator falls.

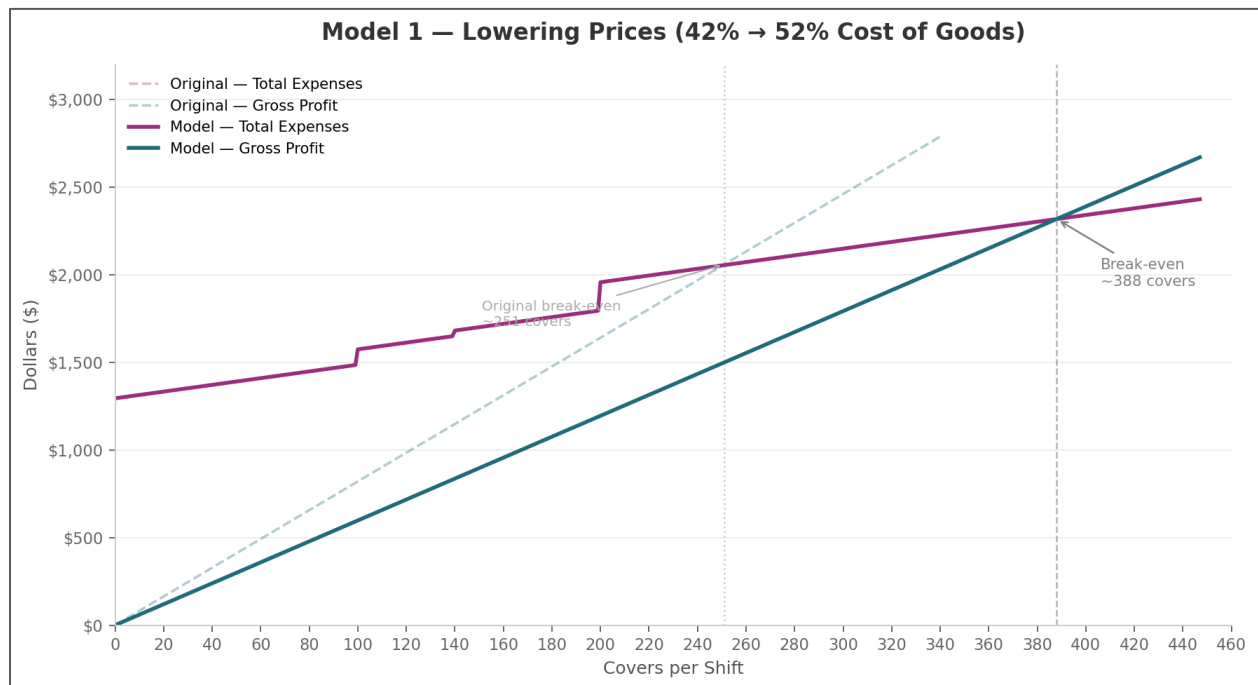


Exhibit 2: Model 1: Lowering Prices. Cost of goods 42% → 52%. Break-even moves from 251 to 388 covers per shift.

The original F&B subsidy for this operation was roughly \$234,000 annually. Under Model 1, the subsidy rises to approximately \$300,000, an increase of \$66,000. The updated model poses an important question: Is an additional \$66,000 in annual dues subsidy worth the member satisfaction gained by dropping menu prices in meaningful, visible increments across 47,000 visits? The data in the private club industry says yes.

Increasing Staff Ratios, Model 2

The original model ran a 29.2% variable payroll ratio (non-managerial staff payroll as a percentage of revenue). This updated model increases cook pay by \$3 per hour, dishwasher pay by \$2 per hour, and service staff pay by \$1 per hour. It also enhances the cook staffing ratio, bringing in the fourth cook at 80 covers rather than 100, and the fifth in at 160 covers as opposed to 200. The result is a new variable payroll ratio of 37.4%. These changes will improve food quality, speed of service, and food consistency on the moderate volume shifts, and will reduce culinary turnover. The assumption embedded in the model is that the improvement in quality and consistency will drive a 5% increase in participation, bringing annual visits to approximately 43,000. The break-even point shifts from 251 to 272 covers per shift. The gross profit line is unchanged, as pricing has not moved, but the expense line is steeper, reflecting the higher labor cost at every volume level.

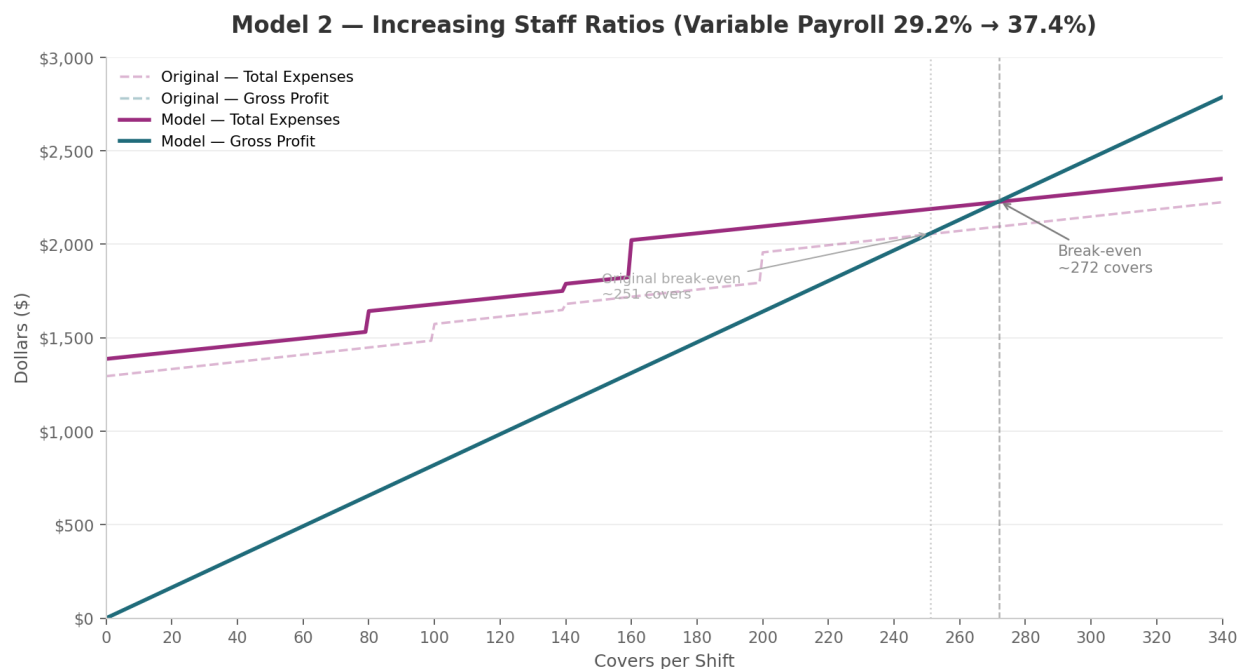


Exhibit 3: Model 2: Increasing Staff Ratios. Variable payroll 29.2% → 37.4%. Break-even moves from 251 to 272 covers per shift.

The original F&B subsidy for this operation was roughly \$234,000 annually. Under Model 2, the subsidy rises to approximately \$257,000, an increase of \$23,000. This updated model poses an important question: Is an additional \$23,000 in annual dues subsidy worth the satisfaction members gain from a better-staffed, more consistent dining experience across 43,000 visits? The data says yes.

The Full F&B Department

The models presented above examine a single dining room and a single shift. Most clubs operate something more complex: multiple outlets, multiple meal periods, and in many cases a banquet or events program running alongside the à la carte operation. Each element of that larger department follows the same business model, but with its own revenue mix, cost structure, and break-even dynamic.

A few principles carry across all of them.

Banquet and events revenue is often treated as a financial offset to à la carte deficits. The math can appear attractive, and in many cases the offset is real. A Saturday wedding or corporate buyout generates significant top-line revenue against a relatively controlled cost structure. Increasing banquet revenue relative to à la carte revenue is likely to reduce F&B subsidy, when done correctly and at scale. The strategic question raised by this choice is about what the club really is. A club must decide whether the goal of the club is to provide community, amenities, and social activity for its dues-paying members or for strangers. The prior whitepapers have shown that clubs with higher banquet revenue as a proportion of total F&B revenue are not, on average, stronger financially than those focused on à la carte dining. The reason is usually the member experience. Banquets that compete with member dining for kitchen capacity, service staff, and physical space can often erode the very amenity they are meant to support.

Lunch is structurally one of the most difficult meal periods to operate profitably, and also the most underdeveloped in most clubs. Cover counts are lower, the fixed cost floor is the same, and the contribution margin per cover is typically lower than dinner. It is also the meal period where the gap between what members want and what they find is most pronounced, particularly among female members and Gen X members, a pattern evident in Club Benchmarking's member survey research.

Breakfast, where offered, follows similar dynamics to lunch. The case for offering it is rarely financial. It is about access and the sense that the club is a daily part of member life rather than an occasional destination. Like lunch or dinner, breakfast also carries with it a fixed cost floor, in addition to operating with the lowest average check and smallest contribution margin of any meal period. It wouldn't be unusual for a breakfast operation to require two or three times the total number of visits to break even compared to a dinner operation. The clubs that operate breakfast successfully do so because they have made a deliberate choice to absorb the fixed cost in exchange for the benefit it brings in member value.

The number of venues offered to members is another variable that shapes the overall subsidy in a club. More dining rooms means higher fixed costs but also a richer member experience. Adding a third dining room to a two-outlet operation increases fixed costs across the same membership base. Revenue may rise as the new venue captures some additional traffic, though some of that will be cannibalized from the other two. The financial case is rarely the point. The real return is in membership demand and club desirability.

Kitchen equipment quality and layout, the dining room floor plan, and the ratio of in-house culinary production to outsourced production are also factors that have an impact on F&B subsidy. Each of these elements requires capital investment but also drives increases in operating expenses. Larger kitchens can house more culinary staff, moving production in-house increases culinary work hours, and changes or expansions to a dining room floor plan can impact staffing ratios and minimum staffing levels. These operational costs affect the subsidy, but they also shape the quality of the experience.

Two more variables affect the subsidy: how many members the club has relative to its dining options and hours, and how close those members live to the club. These are the hardest to change, and some cannot be changed at all. They were still choices, made when the club first set its overall structure. The fewer the members, or the farther they live from the club, the lower the revenue and the higher the subsidy is likely to be.

Local dining competition is also a variable that manifests in the F&B subsidy. The more local restaurants available to members, the more likely they are to patronize those restaurants. Most people eat dinner only once a day, and if a club's dining room competes with hundreds of other options for member business, they will not dine at the club as frequently. Regardless of the quality a club dining room puts out, even if it is measurably superior to outside options, people like variety. Local competition is not a reason to avoid investment in the F&B operation. If a club closes its dining rooms because there is plenty of local dining competition, then the club is less appealing to belong to.

The through-line across every operation, every outlet, and every meal period is the same: the decision about what to offer, at what quality, at what price, and with what staffing is a strategic choice. Each choice has a predictable financial consequence that can be modeled, understood, and made deliberately.

Feasibility & Action Matrix

The matrix below illustrates levers clubs can pull, categorized by lead time in implementing the change. Many choices that impact member value, satisfaction, and cost are near-term decisions clubs can make now. Some choices are more structural and adjusting them takes more time.

Bucket	Complete Choice	Requires Time	Generally Fixed
Timeline	Immediate / Near Term	Mid Term	Set / Long Term
Levers	Pricing Strategy	Kitchen Equipment & Layout	Number of Outlets
	Ingredient Quality	Dining Room Layout	Number of Members
	Staff Pay Levels	Banquet / À la Carte Mix	Member Proximity
	Staff Training Levels	Meal Periods Offered	Local Competition
	Staffing Ratios	In-House Production	
	Quality of Supplies		
	Operating Schedule (Hours/Days)		
	Menu Size & Variety		

Conclusion

The private club industry has spent decades treating F&B as a financial problem to be solved rather than an amenity to be invested in. The prior whitepapers in this series have established, with considerable data, that this framing is both factually wrong and financially costly. Clubs that invest in F&B are stronger on every financial measure that matters. The ones that don't are weaker.

This paper has tried to add one more layer: the mechanics. Every F&B decision a club makes (on hours, pricing, cost of goods, staffing levels, compensation, training, and equipment) has a predictable financial consequence. Understanding those consequences is how a club invests deliberately, with a clear view of what each lever does and what it costs.

The two models in this paper illustrate that principle in concrete terms. A \$66,000 increase in the annual F&B subsidy that drops menu prices meaningfully across 47,000 member visits is not a budget problem. It is a value proposition. A \$23,000 increase that improves staffing ratios, reduces culinary turnover, and raises food quality and consistency across 43,000 visits is not overhead. It is the cost of the dining experience members are telling clubs they want.

Almost every operating department at a club requires subsidy, F&B included. A club that insisted every department operate at a profit would have to close or go public. Neither makes sense. The question for every operating area isn't whether it turns a profit. It's whether the investment is producing a return worth the cost. F&B is no different. The goal is figuring out where investment does the most for members, and then making it.

The CVP model is useful because it generates better questions. Not "why are we losing money in F&B?" but "what are we choosing to invest in F&B, and what is that investment producing for our members?" Those are the questions worth taking into the boardroom. They don't always have easy answers, but they're the right ones. Asking them is how clubs start closing the largest unmet expectation in the industry.

Frequently Asked Questions

The questions below are the ones board members and club managers hear most often from the membership. The root of most member confusion around club F&B is that it is often compared to the restaurant industry, which is not a good comparison.

Each question leads with a short answer meant to stand on its own, followed by a brief explanation if more detail is useful. They are written to be repeated, in plain terms, to almost anyone.

1. Why does our club lose money on food and beverage every year?

- **Short answer:** It doesn't lose money. It is funded on purpose, the same way every other amenity is.
- **More detail:** Over 90% of clubs subsidize F&B. We do the same for golf, fitness, and the pool. Like any other amenity, if we priced F&B at a level to break even or make a profit, we would have to charge higher prices than members would want to pay or cut expenses and reduce quality to a level below what the members want.

2. If we are losing money, why not just raise prices?

- **Short answer:** Higher prices make members use the club less. That is the opposite of what we want.
- **More detail:** Members already pay dues, and they expect club dining to be better than, or cheaper than, what they can get outside. Raising prices conflicts with that expectation. Members dine less, bring fewer guests, and value the club less. Strength comes from members using and loving the club, not from charging them more. Raising prices puts more burden on the most loyal and avid users of the club to absorb the operating costs.

3. Restaurants make money. Why can't our dining room?

- **Short answer:** Because we are not a restaurant.
- **More detail:** A restaurant makes money by serving the whole public, in high volume, with a limited menu. A club serves only its members, expects personal service, and stays open across hours and venues that a restaurant never would. If someone proposed opening a restaurant that turned away all but a few hundred people, no bank would fund it. Judging the club dining room by a restaurant's rules measures it against a business it was never meant to be. Other industries treat a subsidized F&B model as standard practice too, like cruise lines and all-inclusive resorts.

4. We already pay dues. Why should dues also subsidize dining?

- **Short answer:** Dues fund every department. F&B is no different.
- **More detail:** Nearly every part of a club is supported by dues, including the golf course, fitness center, and front desk. A club that demanded a profit from every department would have to close or sell to the public. Dues are how a club pays for service and quality that fees should never cover. F&B is funded the same way everything else is.

5. Shouldn't we at least try to lose less?

- **Short answer:** The clubs that spend the most on F&B are the strongest clubs, not the weakest. If we tried to lose less across all club departments, we would just be weakening what our club offers to members.

- **More detail:** Club Benchmarking looked at more than 800 clubs. The clubs that subsidize F&B the most carry the highest initiation fees, the strongest member equity, and the greatest demand to join. The clubs that run F&B near break-even tend to be the weakest on those same measures. "Losing less" usually means higher prices and lower quality, which drives members away. The goal is to invest well, not to spend the least.

6. Wouldn't more banquets and weddings fix the deficit?

- **Short answer:** Banquets can help, but they compete for resources that can distract from the dues-paying member experience.
- **More detail:** A big wedding or buyout does bring in revenue, and at scale it can shrink the deficit. Banquets pull the kitchen, the service staff, and the space away from members, and can damage the experience members joined for. The same thought can be used across the whole club. Golf could be closed for members on Tuesdays to sell outings. Fitness could be closed on weekend mornings for outside guest access. The real question is simple: is the club here to serve its members, or to serve strangers?

7. Isn't a large F&B deficit a sign of poor management?

- **Short answer:** No. Waste and subsidy are not the same thing.
- **More detail:** Less than 8% of a club's operating cost is really about efficiency. The rest comes from structural choices: venues, hours, prices, quality, and staffing. A bigger deficit usually means a club is investing more in its members, not running things badly. If deficits were caused by poor management, the best-run clubs in the country would not have the largest ones, and they do. Judge F&B by the value it gives members, not by whether it pays for itself.