

# **Encouraging our young members to stay in the Club — some options**

**January 2022**

## **Introduction**

Our younger members are important to the Club. They:

- are essential for having a broad demographic in the Club from young to old, which is healthy for the Club's culture, vitality and outlook
- expose the Club to new ideas, technologies and different ways of doing things
- contribute to the Club's 'competitiveness' in snowsports events.

On a more prosaic level, younger members are key to the future financial sustainability of the Club. This is especially so if they go on to have families of their own. Retaining them in the membership ranks reduces the Club's need to constantly recruit new members. And their presence in the Club signals to new and prospective members with young families that the Club values its younger members and that the families' initial investment in the Club (through the payment of entrance fees) endures after their children become adults.

So it is concerning if we see any of our younger members leave the Club. From year to year, a number of our younger members drop off our membership list. In 2020, of the 20 members who left the Club at least six of them were members aged 24 years and under.

This paper looks at factors that might explain why younger members leave the Club and options to encourage them to stay in the Club.

*Members are invited to comment on any aspects of this paper and, in particular, on options for encouraging our younger Club members to stay in the Club.*

*Please email comments to [secretary@cac.org.au](mailto:secretary@cac.org.au).*

## **How many young people are in the Club?**

Younger members cut across different membership categories – Junior Members (up to age 17), Youth Members (age 18 to 22 inclusive) and Ordinary Members (age 23 and up).

**Table 1 Membership category shares since 2010**

<i>Member category</i>		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 <sup>a</sup>	2021 <sup>b</sup>
<b>Hon. Life and Life</b>	No.	41	38	36	33	33	31	30	31	30	29	26	26
	%	7	6	6	6	6	6	6	6	6	5	5	5
<b>Ordinary</b>	No.	435	426	416	424	410	406	403	405	408	418	426	438
	%	73	71	71	72	72	73	74	75	76	76	78	78
• 50 yr	No.	(4)	(5)	(9)	(11)	(11)	(12)	(12)	(14)	(12)	(14)	(13)	(13)
	%	1	1	2	2	2	2	2	3	2	3	2	2
• Gold	No.	(46)	(46)	(46)	(49)	(58)	(61)	(64)	(63)	(69)	(74)	(79)	(83)
	%	8	8	8	8	10	11	12	12	13	14	15	15
<b>Junior</b>	No.	72	75	69	70	63	55	47	41	40	44	52	50
<b>Youth</b>	%	12	13	12	12	11	10	9	8	7	8	10	9
	No.	46	48	53	57	60	52	54	54	49	44	34	32
	%	8	8	9	10	11	9	10	10	9	8	6	6
<b>Junior + Youth combined</b>	No.	118	123	122	127	123	107	101	95	89	88	86	82
	%	20	21	21	21	22	19	19	18	17	16	16	15
<b>Provisional</b>	No.	6	10	13	9	5	12	8	6	11	13	6	13
	%	1	2	2	2	1	2	1	1	2	2	1	2
<b>Total members</b>	<b>No.</b>	<b>600</b>	<b>597</b>	<b>587</b>	<b>593</b>	<b>571</b>	<b>556</b>	<b>542</b>	<b>537</b>	<b>538</b>	<b>548</b>	<b>544</b>	<b>559</b>

Sources: CAC Annual Reports 2019, p. 18 and 2020, p. 20; Club Membership Database 4 Jan 2022.

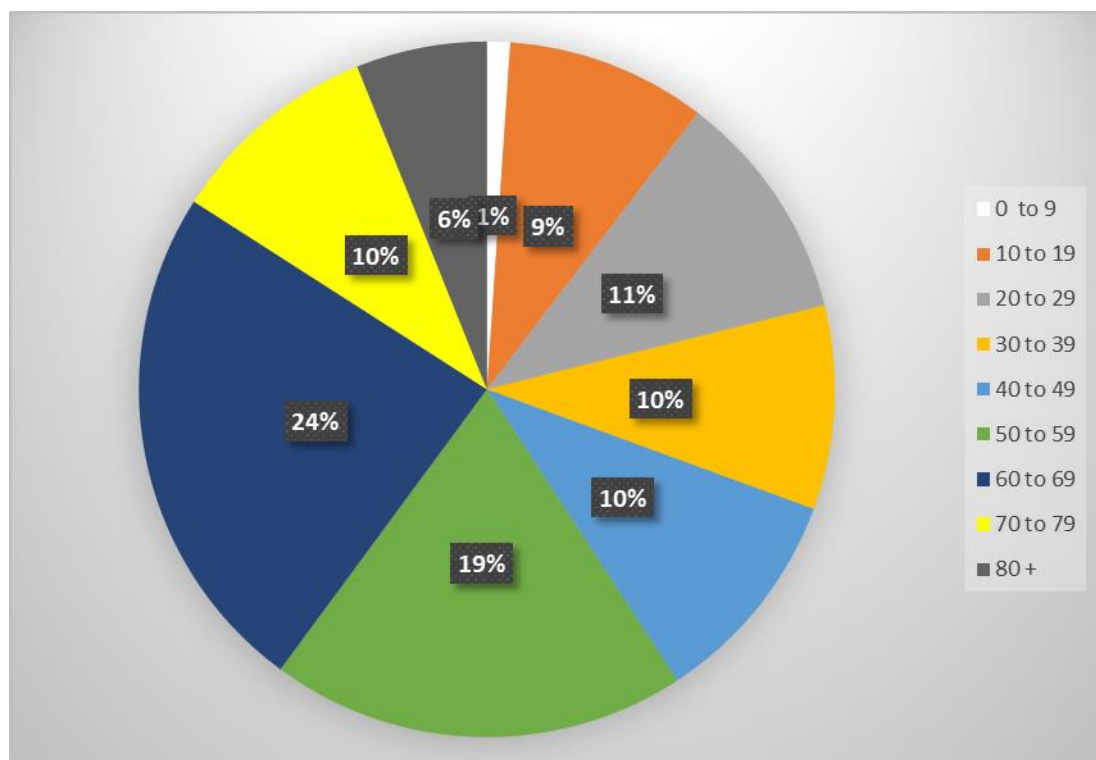
Notes: <sup>a</sup>The numbers for Junior and Youth Members reflect the increase in the minimum age of Youth Members from 17 to 18 years in 2019. <sup>b</sup>Data are from the Club's membership database 4 Jan 2022.

**Table 2 Current waitlist**

<i>Waiting list category</i>	<i>No.</i>
Junior	24
Youth	6
Junior + Youth combined	30
Adult	36
<b>Total waitlisted</b>	<b>66</b>

Source: Club membership database 4 January 2022.

**Figure 1 Age profile of the Club membership**



Source: Club membership database 4 Jan 2022.

There are currently 50 Junior Members (9 per cent of all members including Provisional Members) and 32 Youth Members (6 per cent of all members including Provisional Members) (table 1). There are another 30 Juniors and Youth on the waitlist (table 2).

If we focus on the age profile of our members and provisional members, the latest Club data show that around 21 per cent are under the age of 30, 20 per cent are aged 30 to 49, 44 per cent are aged 50 to 69, and 16 per cent are aged over 70 (figure 1). The salient point is that just under 60 per cent of our members and provisional members are aged over 60.

### **A downward trend in younger members?**

The combined 15 per cent share of Junior and Youth Members in total Club membership is well down from a peak in 2014 when they accounted for 22 per cent (table 1).<sup>1</sup> There appears to be a downward trend in the share of younger members.

This downward trend might reflect that fewer younger people are entering the Club each year, or that Junior and Youth Members are advancing to adult membership each year.

Nonetheless, from year to year, the Club loses a number of its Junior and Youth Members in that they do not take up offers of advancement to adult membership and/or leave the Club (table 3). For example, during 2020, six Junior and Youth Members were ‘deleted’ from the register of Club members. And this does not account for the number of younger Ordinary Members (ie under age 30 years) who were ‘deleted’ in that year (at least two).

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<sup>1</sup> Some of the recent drop in the share of Youth Members can be explained by a constitutional change in the minimum age of Youth Members in 2019. Until 2019, Youth Members were defined as members aged 17 to 22 years inclusive. In 2019, the Constitution (and By-laws) was changed to lift the minimum age of Youth Members from 17 to 18 years. This is why it is better to focus on the combined share of Junior and Youth members to capture the trend in younger members share of the total.

**Table 3 Every year some of our younger members leave the Club**

<i>Member category</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>
	No.	No.	No.
Junior	0	1	0
Youth	4	3	6
Junior + Youth combined	4	4	6
Other members	21	12	14
<b>Total</b>	<b>25</b>	<b>16</b>	<b>20</b>

*Note:* The number deleted from the Club register of members.

*Sources:* CAC Annual Reports 2017, 2018, 2019, 2020.

While it's not all that clear what are the main factors driving younger members' decisions to leave the Club, the following may be relevant:

- Membership costs — as our younger members progress through the membership ranks the costs to them of retaining their membership increases, especially once they approach adult membership when they are required to pay the annual capital contribution.
- Lack of financial independence/being on a low income — younger members who are students or in casual employment as such don't have enough income to meet their ongoing membership costs (box). And some families in the Club may be unwilling to keep supporting them in this way once they leave school.
- Little benefit in return for their membership — some younger members might perceive they aren't getting much in return for the outlay in membership costs. This could occur if they move away from Canberra for study, work or travel or have developed other interests beyond skiing.

The factors for why younger members leave could be exacerbated by economic shocks such as that resulting from the current COVID-19 pandemic and associated public health restrictions.

### **Options**

The Committee has identified a number of options for encouraging our younger members — whether they are Junior Members, Youth Members or younger Ordinary Members — to stay in the Club. Most of the options identified are not

mutually exclusive —they can occur in combination. The options could potentially extend to all Members. As yet, the Committee has not reached a decision on any of them.

Issues arise with each of the options and these will need to be assessed carefully. These include the following:

- Financial impacts. These will be a common issue for all options although the degree of financial impact on the Club might differ among options. There might also be implications for financing the Club's future capital works program.
- Implementation. Some options will require changes to the Club's constitution and/or by-laws, and some will require a change in administrative practice or to our IT booking system.
- Retrospective applicability. Another issue is whether and how an option will apply retrospectively – eg to previous members who have left or current members who have previously paid annual contributions or other fees.

The options listed are not an exclusive list. Members are welcome to raise any others that they think would help encourage our younger members to stay in the Club.

### **Option 1 — lift the upper age limit for the Youth Member category**

This option involves raising the upper age limit from 22 years and, thus the age at which younger members are able to progress to adult membership (ie to become Ordinary Members). It would allow younger members to delay the payment of the upfront fee and annual capital contribution associated with becoming an Ordinary member. The option would require constitutional change.

*What should be the upper age limit?*

The upper age limit for Youth Members could be linked to the age at which a young person is expected to reach 'financial independence'.

As noted in the box, available Australian research and statistics (eg the Australian Bureau of Statistics and the Australian Institute of Family Studies) suggest that at least until 24 years, or even up to 30 years, younger people more so than older people tend to experience financial challenges or uncertainties.

## **Younger Australians, income, employment and financial independence**

The following recent research papers have reported on various characteristics of younger people compared with older people.

- ABS (Australian Bureau of Statistics) 2017, *2016 Census — a ‘selfie’ of young people in Australia*, Media Release, August
- AIFS (Australian Institute of Family Studies) 2019, *More young adults living at home with their parents*, Media Release, 14 May
- Borland, J 2020, *The next employment challenge from coronavirus: how to help the young*, The Conversation, 15 April
- Coates B, Cowgill M, Chen, T and W Mackey 2020, *Shutdown: estimating the COVID -19 employment shock*, Grattan Institute, April
- Melbourne Institute: Applied Economic and Social Research (MIAESR) 2019, *The Household, Income and Labour Dynamics in Australia Survey: Selected Findings from Waves 1 to 17; 2019 Living in Australia, a Snapshot of Australian Society and how it is changing over time*.
- Woodhouse J and Thorpe J 2018, *The Long Term Impact of “Not in Employment, Education or Training” on our Young People*, PWC.
- Wood, D and Griffiths K 2019, *Generation Gap - Ensuring a Fair Go for Younger Australians*, Grattan Institute, August.

These papers suggest that ‘younger’ people (at least 15 to 24 year olds) compared with older people

- are more likely to be at study, work part-time or not in employment, education or training
- often work in industries with the highest rate of casualisation and more vulnerable to shocks like the COVID pandemic
- are typically on much lower incomes than other age cohorts and these incomes are not growing as fast
- are tending to stay at home because of housing costs and study (20 to 29 year olds).

Largely due to their particular characteristics, existing government and non-government policy and social norms targeting younger people suggest an upper age limit of 24 years. For example, the *2010 National Strategy for Young People* targets people aged 15 to 24 years inclusive.

### **Option 2 — allow younger members to pause their membership**

This option allows younger members, regardless of membership category (whether Junior, Youth or Ordinary) to pause their membership. The option could be made available to former younger members who recently gave up their membership but have since changed their minds.

This option could appeal to younger members who have moved interstate or overseas for a period, or who can't afford membership or advancement at the moment but wish to rejoin later.

Younger members would need to apply to the Committee for a pause in their membership, which then decides the matter. Some features of the option could include the following:

#### *Eligibility*

Eligibility criteria could include the following:

- The applicant is already in a membership category (ie they've paid their entrance fees).
- Upper age limit — the ability to pause membership could initially be available to younger members (say up to age 24 inclusive) regardless of membership category. (What should be the upper age limit is similarly raised as an issue for option 1.)
- A valid reason for pausing membership. Some examples of valid reasons might be that the applicant is moving interstate or overseas for work or study or with family; or the applicant is experiencing financial hardship (eg COVID-related loss of employment).

*How long should membership be paused for? And how many times can a member apply for a pause?*

Determining the length of time for pausing membership is a balancing act. The longer a member is able to pause their membership the greater is the financial impact on the club. Too little a pause or multiple applications to pause membership are also not ideal given the administrative costs in dealing with an application.

For example, a one-off ability to apply for a membership pause of up to 5 years could satisfy undue financial impacts on the Club and also be sufficiently long enough to cover members who go on overseas postings, or move interstate or overseas to study.

#### *Other features of this option*

- An annual fee could be charged to ensure that the paused member continues to be connected to the club and to cover the administrative costs to the Club of having the paused member on its books. This could be set at the same level as the current one-off fee charged to people who let their membership lapse (eg \$40).



- The option could allow the paused members some booking rights to encourage their connection to the club but not full membership rights. Booking rights need to be pitched so as to not create the wrong incentives.
  - Set booking fees above what full Members pay and perhaps equal to what is charged to guests.
  - Set confirmation priorities below what full Members receive perhaps equal to guests.
  - Other than some booking rights, the paused member has no other membership rights (eg to vote, nominate others for membership, and be on the committee/hold office).
- Paused members should not counted towards the Club's membership ceiling cap of 600. This allows the Club to continue to recruit members. If the paused member decides to re-join then they can, provided there is a vacancy and subject to a re-entry fee and the payment of outstanding entrance fees.

### **Option 3 —allow a payment plan where there is financial hardship**

This option allows Junior and Youth Members facing advancement to the next category of membership to have a payment plan that structures their payments over a longer time frame.

These members would need to apply to the Committee for a payment plan who would then exercise its discretion on a case-by-case basis.

The CAC online booking system (through which all Club invoices and payments to the Club are made) would need to be adjusted to permit payments over a period of time.

### **Option 4 — introduce new booking rules for Youth Members**

Youth Members are currently subject to the same booking fees as Ordinary Members, which can be disproportionately significant for those on low incomes.

If they are not underwritten by their families, Youth Members might be more attracted to staying at alternative accommodation (eg backpackers) especially if they want to ski with their friends.

An option is to introduce new booking rules for the Youth Member category. This could involve setting booking fees somewhere between Junior Members and Ordinary Member fees. This could also involve waiving or reducing the Saturday guest surcharge for Youth Guests accompanying the Youth Member.

### **Option 5 — reduce the annual capital contribution for younger Ordinary members**

This option seeks to make the Club's fees more affordable for younger Ordinary members by reducing the amount of the annual capital contribution they pay. At the moment, Youth Members pay only annual subscription fees, whereas once they transition to becoming Ordinary Members they must also pay the capital contribution.

As with option 1 an issue here is what should be the upper age limit for the concessionary annual capital contribution.

While this option seeks to reduce the steep step jump for Youth Members transitioning to becoming Ordinary Members, it will have financial implications for the Club in relation to its future capital works program. Indeed, it raises a broader issue around the appropriate balancing of upfront to annual fees for all members.