

What Might Clubs Expect from the “Change” Team..? What impact do club industry experts anticipate as President-elect Barack Obama and an ever-stronger Democrat Congress take on the complexities of war in two countries, a sagging economy and an ailing health-care system? It seems the answer depends on who you talk to and how big a window of time you want to consider.

While Obama promised change during his campaign, don't expect clubs to be affected any time soon, according to one source based in Washington. “The biggest issue right now is the economy and that is going to be the focus of Congress,” said Kevin Reilly, a club tax and financial consultant. “All those esoteric bills impacting clubs will probably not go anywhere because they are not a priority. We may see some movement on immigration and health-care issues, but any action is down the road. Taxes on club members may go up, but even there I do not see any action for at least six months.”

Because the Democrat majority in both the Senate and House of Representatives expanded with the election, Brad Steele of the Washington-based National Club Association expects a lot of movement that may not be positive for clubs. “It means issues like tax increases, paid sick leave, increases in the minimum wage and labor-union measures like removing secret-ballot voting for union representation will all see significant movement in the House,” Steele said. “Unfortunately, the Senate will be far more likely to accept these measures than it has been in the past.”

Clubs can anticipate more government oversight on workplace and environmental safety, according to Alan Achatz, who consults with clubs on these issues, but he agrees action will not be immediate. “New government regulations from the Occupational Safety and Health Administration, National Institute for Occupational Safety and Health, and Environmental Protection Agency may not evolve quickly as the current budget crisis continues to take priority,” he said. “The budgets for these government agencies have been cut over past years, so the first priority may be to rebuild their fiefdoms.”

Some specific points of interest:

- **Immigration:** Obama favors tougher penalties for employers who hire illegal aliens. He also wants an effective system for verifying employment eligibility.
- **Minimum wage:** Obama hopes to raise the minimum wage to \$9.50 by 2011, according to at least one source, and index future raises to inflation.
- **Paid sick leave:** Obama supports mandated, paid sick leave for workers. One proposal introduced previously in Congress by Sen. Ted Kennedy (D-MA) and other Democrats will likely come up again. Called the Healthy Families Act, it would require businesses to provide seven paid sick days a year for any employee working at least 30 hours a week.
- **Health care:** Obama advocates some variation on a national health-care plan that could financially impact employers, but the details thus far have been non-specific and speculative.

The coming months should be interesting no matter what your political beliefs. As usual, you can count on the **PCA** to bring you information on action in Washington that could affect private clubs.