

Chicago's clubs have loosened their collars

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With its vaulted ceiling, limestone columns and soaring stained glass windows, Cathedral Hall on the ninth floor of the University Club of Chicago looks like something straight out of medieval England. The room is nothing more than the club's main dining room, but the building's 19th-century architects clearly wanted to make a statement, copying a banqueting room at Crosby Hall, built in London in 1470.

A few floors below, John Spidalette, the club's general manager, leads a tour of some recently upgraded accommodation that pulls visitors straight back into the 21st century. As part of a programme of improvements, a sumptuously appointed suite - one of two that the club has spent \$300,000 (£162,698) upgrading - features designer plumbing and 50-inch plasma screen televisions. One night here costs more than \$500.

"There are still some people who think the only dress allowed should be coat and tie, there should be no children and the only thing on the menu should be steak," says Mr Spidalette. "But we are not stuck in the 1950s. We recognise that we have to be smart and innovate."

Chicago is home to many former gentlemen's clubs adapting to modern times even as similar institutions elsewhere battle ageing memberships, competition from gyms and hotels and changing social habits.

Their founders were the industrialists and philanthropists who rebuilt Chicago after the catastrophic fire of 1871 - men such as Marshall Field, the store magnate, and Philip Armour, a meat-packing baron who helped give Chicago its former reputation as "hog butcher to the world".

The University Club was founded in 1887 by a group of Harvard alumni. Its present quarters, one of only three Gothic "skyscrapers" in the US, were constructed in 1909 by Holabird Root, a firm at the forefront of developing the "Chicago School" of architecture.

George Pullman, of Pullman train carriage fame, co-founded the Chicago Club in 1869. The same year saw the founding of The Standard Club, which catered to the German-Jewish community.

Yet as the plasma screens at the University Club demonstrate, profits, not tradition, are the new motto for such institutions.

At the Union League Club, the interior tells a similar story. Every spare inch of its wood-panelled walls is hung with paintings from the club's 750 artworks - the second largest collection in the Midwest after the Art Institute of Chicago. Monet's "Apple Blossoms in Spring", bought by the club in 1895 for \$500 and now insured for \$5.5m, hangs outside one of the dining rooms.

To appeal to younger members the club has gym facilities, a pool, wine tastings, group trips to baseball games at the Chicago Cubs and White Sox stadiums, and photography classes.

Jonathan McCabe, general manager, says the club is a social rather than business club, still driven by the welfare

concerns of its founders. It operates four boys' and girls' clubs benefiting 8,000 disadvantaged children.

"You can join here for the price of joining a gym and get not only the gym but also the social aspects," says Mr McCabe. The club's average member age has fallen by 10 years to "the high 40s" since he arrived in 1992, he says. Club finances are "very robust", generating free cash flow last year of \$2.2m on a membership of 2,300.

Similarly, the University Club has attracted new members by introducing activities such as scuba diving and drawing classes. Last year, there was even a kids' "sleepover" in Cathedral Hall, Mr Spidalette says.

"We've tried to break this 3,000-member club down into smaller groups as opposed to just being a place for lunch."

He and other managers suggest one reason for the clubs' success in diversifying is the Midwestern mindset of its members. "Midwesterners are friendly people. They want to feel like their clubs are their second homes. East coast clubs are more tradition-bound," he says.

Like most of its rivals, the University Club is comfortable with jackets and open-necked shirts as standard attire. Even the Chicago Club - which operated on a policy of "no dogs, Democrats, women or reporters" - is changing. A favourite with chief executives, it is one of 20 establishments that belong to The Distinguished Clubs of the World, an informal group that includes The Garrick Club, Brooke's in London and the Melbourne Club in Australia.

Frank Stover, general manager, says that although the club only has to take 50 new members a year to break even, it still needed to boost revenues from other sources as its membership reached a plateau a few years ago. "We rely heavily on business [meetings and lunches] here. We had to start developing social business too - weddings, birthday parties and so on. It's starting to pay off," he says.

Fees provide 45 per cent of revenues, with food and beverage at 40 per cent and the rest from accommodation.

Changing demographics have also helped the clubs. Regeneration of downtown has lured young people back to the area since racial tension and economic deprivation in the 1970s and 1980s led to "middle-class flight" to the suburbs.

Mr McCabe says that in 1990 two-thirds of the Union League Club's members had their dues paid by their employers and two-thirds lived outside downtown Chicago - so rarely used club facilities. "Today more than 50 per cent live downtown and two-thirds of the people joining live downtown."

Most clubs seem to be thriving. Peter Crist, president of Crist Associates, a local headhunting firm, says: "I haven't noticed egregious fee increases, which tells me that the clubs are financially stable."

Yet some members remain value-conscious. Arthur Hahn, a senior partner at Katten Zavis Muchin Rosenman, a law firm, has been a member of The Standard Club since 1969. "If I get caught in a snowstorm I'll stay at my club. Is it economical? It's a nice way to do business, but it doesn't make great economic sense."

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