

How Much Money Is The Coach Worth?

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This is the wrong question -- because it doesn't matter how much money the coach is worth, what matters is how much money is available to pay the coach. Most clubs are small businesses with a modest income. In these situations someone must bring more money into the club if the coach is going to make more money. Who is that "someone"? This brings on endless debates. Some coaches feel that they are worth more than they are paid and if the club wants to keep the coach then they better raise the money.

(I am assuming that the club does not have an excess of funds. If your club is sitting on more than 6 months cash reserve which you have set aside for emergencies or there is excess money which is not part of a long range financial goal, then why isn't that money being invested into the single greatest asset the club has -- the coach. Use it for incentives/bonuses. Use it for coach education. But don't sit on it!)

Back to the debate... Some feel that if the coach wants to earn more, then the coach needs to do more to bring money into the club. Both these kinds of thinking create an "us against them" mentality. A more appropriate question to ask is,

"What opportunities are the Board of Directors willing to allow for the coach to make as much money as he wants?"

The operative word here is opportunity. What does it mean? It means: the coach has the skills, energy, and willingness to seek out and harvest opportunities that will bring more money into the club. It means: the Board of Directors recognizes the importance of allowing a coach to earn his salary and provides the contractual opportunity for the coach to do so.

Note: It takes a partnership -- a willing and skilled coach and a willing and supportive Board of Directors.

What we are really talking about is incentives. What if a Board of Directors offered a coach a base salary which was determined by a number of factors including the number of swimmers in the water and existing fund raising activities? What if the coach knew that for every swimmer he brought into the program over a base level he would receive a percentage of the new fees? What if a coach developed an income producing program that never existed before and received a percentage of the net. What if a coach initiated and championed a new fund raising activity and received a percentage of the net?

As an illustration of how this would work I have created an imaginary, although fairly realistic swim team. They have 85 swimmers, no special programs, a modest Swim-a-Thon, and run 3 meets a year.

Total income is:	
85 swimmers x \$45/month x 11 months =	42,075
Swim-a-Thon Net	5,300
Three swim meets net (includes adv.)	9,425
Total income	\$56,800

Total expenses are:	
Pool Rent	
20 hr/wk x 29 wks short course	
20 hr/wk x 17 wks long course	
at \$12 per hour	\$11,000
Office rent and supplies	1,200
Awards	1,000
Workman's Comp	4,000
Educational Fund	1,000
Meet Expenses	3,000
Equipment	1,000
Printing, Postage	500
Salary head Coach	20,000
Salary assistant coaches	
one coach \$10/hr x 20 hr/wk x 40 wks	8,000
one coach \$10/hr x 5 hr/wk x 40 wks	2,000
FICA	2,300
Health insurance	1,800
Total	\$56,800

The coach is an ASCA Level 3 certified coach. The team places in the top 5 at the state junior Olympics. He has three junior national qualifiers including one who will make a senior national cut in the coming season. This will move the coach to Level 4. Using the ASCA Salary survey, the average Level 4 coaches' salary is \$31,000. The club cannot possibly afford to pay the coach \$31,000. The three swim meets and Swim-a-Thon exhaust the parents fund raising efforts for the year.

The only way this coach can make more money is to ask for the opportunity to make more money and for the Board of Directors to grant that request in the form of an addendum to the existing contract.

Goal: Increase net income by \$5,000. (Including the club share of FICA means a total increase of about \$5,800.)
 Programs:

1. Team Growth Incentive

The base level of swimmers needed to meet the existing budget is 85 swimmers. Proposal: For each dues paying swimmer above 85 the coach will receive 50% of the collected fees. This will be calculated on a quarterly basis.

Sep-Nov: Ave. Roster = 93/mo.: 8 x 3 mo x \$45 x 50%	\$540
Dec-Feb: Ave. Roster = 98/mo.: 13 x 3 mo x \$45 x 50%	\$1755
Mar-May: Ave. Roster = 96/mo.: 11 x 2.5 x \$45 x 50%	\$619
Jun-Aug: Ave. Roster = 88/mo.: 3 x 2.5 x \$45 x 50%	\$169
TOTAL	\$3083

2. Clinics

The coach gathers a running expert from the local sport shoe store and a cycling expert from the local bike shop then promotes and runs a clinic on a Saturday for triathletes.

Income: 30 triathletes x \$50	\$1500
Expenses:	
Promotion/advertising	\$125
Pool Rent	\$ 25
Refreshments	\$ 50
Printing	\$50
Fees to Speakers	\$200
Total	\$450
Net	\$1075
Split 75%/25% Coach/Club	Total to Coach \$800

3. New Masters Program

The short term goal of the coach is to begin a morning fitness/masters workout along side the existing morning workout with the seniors. The coach feels he can handle up to 10 masters swimmers without taking undue time from the seniors. In the long run, an assistant coach can be hired to coach the masters and the hours can be expanded.

Income: 10 masters x \$30 month = \$300 x 12 mo = \$3600	
Expenses: none:	
promotion by word of mouth, and by PSA's	
pool rent already paid for.	
Split 50/50 with coach	Total to coach \$1800

Total Increase in coaches salary: \$5,683.

The club also increases its income by an additional \$5100. Where should this money go? What's missing from the above club's income/expense summary? Every club should work toward establishing a 6 month cash reserve by putting aside 10% of its income each month until the goal is met. The additional \$5100 should go towards the cash reserve.

What other projects can a coach do for additional income?

1. Start a SwimAmerica Learn to Swim Program. Net profits split 75/25 Coach/Club. This program builds the numbers of swimmers in the club while building the financial base while adding to the coach's salary. Potential increase in salary to the coach ranges from \$2500 for very small programs to over \$10,000.

2. Private Lessons. Discount rate to club members, split 50/50 with coach. Higher rate for non club members, split 75/25 coach/club. Just three lessons a week at \$20 a half hour will earn \$1500 a year for the coach.

If a coach likes his job and wants to stay with the club;

If the club likes the coach and wants him to stay;

If the coach needs to make more money;

If the coach is willing to run additional programs to earn more;

If the club is willing to enter into a partnership with the coach;

Then an incentive program can be worked into the contract.

If not, for any of the above, then expect frequent coach turnover and slow or nonexistent club growth.