

**NEW REALITIES EXISTING
WITHIN CONVERGING TRENDS...
THE FUTURE IS NOW!**

Prepared by:

Susanne Connors Bowman, The Haefer Group, Ltd.

Wayne F. Haefer, The Haefer Group, Ltd.

Rhea Blanken, FASAE, Blanken Consulting/Results Technology, Inc

Prepared for:

The ASAE Foundation

January 2014

New Realities Existing Within Converging Trends...

The Future is Now

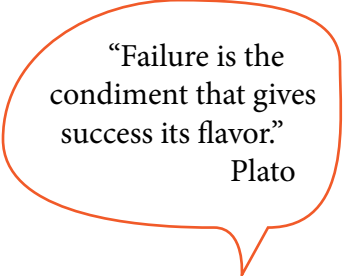
TABLE OF CONTENTS

INTRODUCTION	3
QUALITATIVE RESEARCH RESULTS	3
OUR RESEARCH ADDRESSES.....	4
FINDINGS & INSIGHTS	4
ENGAGEMENT	5
IMPACT OF DEMOGRAPHIC SHIFTS.....	5
TECHNOLOGY & CO-CREATION	6
NETWORKS	6
VOLUNTEERISM & CIVIC ENGAGEMENT.....	6
BLURRED SECTOR BOUNDARIES.....	7
LABOR MARKET & ECONOMIC IMPACTS	8
THERE IS STILL TIME TO CONSIDER WHAT'S POSSIBLE	9
THE INFLUENCES OF BEHAVIOR AND ECONOMICS.....	9
THE NEXT FRONTIER IN ASSOCIATION INNOVATION.....	10
YES, THE FUTURE IS NOW!	11
OUR PARTING WORDS.....	11
APPENDIX 1	12
APPENDIX II.....	14
APPENDIX III	16
APPENDIX IV.	17
APPENDIX V.....	19

New Realities Existing Within Converging Trends...

The Future is Now

INTRODUCTION



“Failure is the
condiment that gives
success its flavor.”
Plato

The following insights, perspectives and recommendations are designed to inform, promote, and advance trade and professional organizations; the individual association professional; and the association management profession at large to better advance our understanding and use of business models to ensure long-term organizational sustainability and viability.

Our research path tested the validity of current thinking driving the future of membership and member engagement, focusing on the value proposition of the future for membership organizations, and showcasing multiple membership models.

There is a perception in the general association community that we are approaching a “cross roads” regarding which membership model is best and how to sustain member engagement. The term “cross roads” can imply a single preferred direction to choose and then follow. Our research findings show this is not the case (See Appendix I). On the horizon, we see a super highway with many interchanges, U-turns, on-off ramps and even forks in the road! It is an association’s responsibility to choose its future from information gathered and knowledge shared then customize its path to accomplish its mission and priorities, best using its resources, and delivering member value. To jump-start knowledge-gathering efforts, our research challenged the following community myths AND added new information and analysis:

- Membership is a commodity and can be sold like one.
- In the past, organizations have consistently delivered useful membership experiences.
- Younger potential members will use technology to supplant personal relationships.
- Lack of time drives different levels of engagement and often constricts it.
- To be successful, an organization must grow (in sheer numbers).
- All members are equal and deserve equal attention regardless of dues amount paid.
- “Local” is no longer important since we perceive geography larger nor smaller

Considering the numbers of nonprofit organizations and their variations in purpose, there are many diverse opportunities for individuals’ relationships and engagement in the sector. Are nonprofits in fact competing with each other? (See Appendix II)

QUALITATIVE RESEARCH APPROACH

The program of research underling this white paper on the future of membership engagement was a multi-pronged effort. It focused on case studies of current association membership engagement models experiencing either success or failure in their current efforts. In-depth, structured interviews and conversations were had with knowledgeable association executives and academics working in the nonprofit sector. Common questions were utilized across these interactions. Interviewees were also encouraged to look beyond the questions to express their views as they see the future.

New Realities Existing Within Converging Trends...

The Future is Now

Sir George
Cox, *Review of Creativity
in Business*

"Innovation is the successful exploitation of new ideas. It is the process that carries them through to new products, new services, new ways of running the business or even new ways of doing business."

Disruptive Innovation

Synonyms for *disruptive*:
troublesome, unsettling, upsetting, distracting, disturbing. (Webster's mobil app)

A *disruptive innovation* is one that helps create a new market and value network, and eventually goes on to disrupt an existing market and value network displacing an earlier technology. (Wikipedia)

The *original disruption* can look like reluctance to retire existing events, programs, communications, procedures, processes, products, services, communications, job descriptions, or relationships wanting only marginal refinements to accommodate "change."

A literature search was conducted concurrently. This search, and selected supplemental interviews, related to behavioral theories connected to association membership engagement. The interviewees were academics from the fields of behavioral economics, sociology and psychology.

Over thirty sources were used in this research effort. The knowledge gained from the discrete qualitative research activities was then organized and aggregated to identify themes pointing to models of member relationships and engagement for the future.

This document has been structured as *descriptive* to support future interdisciplinary conversations, *not prescriptive to give final answers*.

Warning: There is NO single answer going forward. It's time for dialoguing, exploring, field-testing, and focused choosing.

OUR RESEARCH ADDRESSES

The ASAE Foundation charged researchers to address the following questions:

- What are the **disruptive innovations** in other forms of affiliation that are proving to be viable solutions for people seeking to identify with groups and advance their interests?
- How will **engagement behaviors of individuals and organization** be impacted in the future by the economic environment?
- What is the **nature of community** and the **unique roles "associations of the future"** are positioned to serve?

FINDINGS & INSIGHTS

The association community is being reshaped through the presence of disruptive innovations affecting engagement along with a convergence of related trends to form a new reality. This merging of events correlates with the degree of economic recovery from the now improving economy. The combined influences of technology, robust networks and shifting demographics, along with the blurring of nonprofit sector boundaries, increasing volunteerism and civic engagement, are the drivers in membership engagement models for the future.

Disruptor	Disrupted
Smart phones & Tablets	Personal Computers
Apps including social media and photo sharing sites	Personal interaction & relationships
Online schools, programs & universities	Traditional colleges
Amazon, et al	Brick & Mortar full service department stores
E-publications and online publishing	Hard copy printed books and periodicals

New Realities Existing Within Converging Trends...

The Future is Now

ENGAGEMENT

History suggests *engagement* is a concept stemming from military science when armed forces met in battle. Currently, in traditional K-12 education it relates to student's attendance, discipline and attentiveness in the classroom. In the association community, it is both similar and different. It reflects the member's active and passive participation, satisfaction, commitment, and interests.

Through our research, six distinct trends were distinguished impacting and influencing association engagement. Our interviews and case studies focus was on nationally positioned organizations with members practicing similar or allied professions or trades. We believe these trends impact the entire nonprofit sector as a whole. Consider all of them at play in your organization and not interact with them as separate or unrelated. It is your association's responsibility is to prioritize them in a composite formulation. A parallel would be to view them as components of a mobile. Not a *mobile-app*, rather more like an independently suspended multi-component mobile able to shift priorities when necessary reflecting strategic and operational lessons learned and to embrace upcoming opportunities.

A Mobile...
An intentionally designed and aligned formulation of horizontal and vertical elements attached in support of each other and balanced by their individual weight. The mobile's functional flow is directly related to "being in balance" within itself.

IMPACT OF DEMOGRAPHIC SHIFTS

1. *Demographic shifts are newly defining and shaping member engagement.* Most associations observed were composed of an intergenerational community, with older volunteers and staff holding leadership positions with younger members and staff in subordinate roles. However, evidence revealed the need and commitment to share leadership across generations.

EXAMPLE: Formulation of *Generation Progress* by the Center for American Progress. (See Appendix III) Anne Johnson, Executive Director of *Generation Progress* proposes:

- Millennials have skepticism of institutions. They are more likely to start their own community-based organization rather than seeking out an existing institution.
- This generation is driven to create social change and they will move collectively.
- They believe in leadership by empowerment, not indoctrination.
- Place Millennials in positions of leadership and empower them to co-create programs, including managing people and budgets.

The label of "membership" is not their terminology. Strategically, organizations need to initialize, enhance and escalate *relationships*.

The millennial generation is proving to be more diverse than any preceding generation. Findings encourage associations to continue actively rethinking their focus when addressing member preferences, managing staff results, and supporting volunteer effectiveness when expressed through multi-generations. These efforts incorporate attention to behaviors of all generational brackets, and have design and management challenges.

New Realities Existing Within Converging Trends...

The Future is Now

TECHNOLOGY & CO-CREATION

“We must challenge our unique role in training... if we don't do it – who will? As an example: as doctors come out of med school, they are joining a group practice. Now hospitals own many group practices. The hospital itself will create ongoing education opportunities for their owned group practice doctors.” (Tarantino 2013)

“An innovation that is disruptive allows a whole new population of consumers at the bottom of a market access to a product or service that was historically only accessible to consumers with a lot of money or a lot of skill” (Christensen, 2013)

A new generation of user interface theory that says information should just be around you. This moves us from content to content plus context. Computers will make suggestions for person to use in what they are doing. (Schmidt 2013)

Technology allows for lower cost marketing, ability to expand outreach – should be viewed as a tool not something to replace personal interaction (Boris, 2013)

Technology enables giving but it is still a people to people enterprise (Larson, 2013)

2. *Technology advances have become enablers for active co-creation.* The rise of social media has challenged associations to embrace new ways of connecting and communicating, demanding ever-expanding openness and transparency. With each evolution of tech tools (including hardware and software), associations are beginning to develop their organizational ability to effectively choose among new tools and how to use them. This is especially evident with social media tools. Associations must regularly *strategize* to adopt new tech tools. Those organizations that understand and are part of today's social media culture know people want authenticity and not overly marketed messages. Younger members especially want to hear real stories from actual activity participants that look and sound like them. These members have also made it clear they want the opportunity to go beyond being passive audience members whose activism is limited to writing a membership dues check. They want to be on the inside, co-creating a valuable dialogue with their behavioral needs recognized and met.

EXAMPLE: Formulation of *Generation Progress* by the Center for American Progress. (See Appendix III—Case Study A).

NETWORKS

3. *Networks drive work to be organized in new ways through new relationships.* Working through networks is not new. However, with the advent of new technologies, new norms for working collaboratively are surfacing advancing their value and use beyond previous applications. In the past, it was not easy for networks to form, learn from and collaborate with individuals or groups across the county as easily as across town. Today's networks are no longer limited by geographical or language boundaries. This means that formal volunteer or staff working groups are no longer the only way to get things done. Standing Committees are giving way to virtual “adhocracies”. Self-forming volunteer groups are creating original knowledge and problem solving without staff intervention. These self-forming groups are expected to expand not decrease.

VOLUNTEERISM & CIVIC ENGAGEMENT

4. *Interest in civic engagement is on the rise when what matters is evident and members' interest in volunteerism.* Interest is increasing especially when people believe engagement makes a difference. Town hall meetings and public hearings being covered by the media indicate an increased interest in civic engagement and the willingness to volunteer when the value for such activity is self-evident. Much of this energy has been captured by the public sector, as well as the media, rather than generated by associations. According to the 2012 Pew Internet Report, 38% of all American adults took part in some part of political activity on a social networking site during 2012 compared to 26% in the 2008 political campaign.

Together with the rise of opportunities for direct engagement through online activism, networks, and virtual volunteering, this emerging trend combines both the power of

New Realities Existing Within Converging Trends...

The Future is Now

To build a 21st century association – governance drives everything. You must have strategy for diversity of thoughts. You must have partnership of staff & volunteer leadership. You need to secure the best & brightest of staff. You must hire for talent versus an administrative capability. You must bring together a nimble attitude and entrepreneurial actions spirit. (Tarantino 2013)

We must create more flexibility in ways to connect. Our emphasis must be on being more inclusive and more transparent regarding decision-making. (Pietranton 2013)

Sector-Blind Competitive Environment

Corporate social responsibility (CSR, also called corporate conscience, corporate citizenship, social performance, or sustainable responsible business/ Responsible Business) is a form of corporate self-regulation integrated into a business model. (http://en.wikipedia.org/wiki/Corporate_social_responsibility)

technology, the growth of networks, and the shift in engagement levels reflected by millennial behaviors. This could put nonprofits in a precarious position without association staff and volunteer leaders intentional focus to catch up.

Some associations we investigated have recognized the potential precarious position they would find themselves in by this trend. As a result, they are placing intentional focus on catching up on this aspect of engagement. They recognize that the availability and ease of access negatively impacts participation and thus engagement with their association.

EXAMPLE: *Broadening their Membership Base* American Association of University Women (AAUW). (Appendix IV—Case Study B.)

BLURRED SECTOR BOUNDARIES

5. *Sector boundaries are blurring between non-profit and for-profit activism.* A sector-blind environment is emerging. The cause-related altruistic attitude that once was a main frame for non-profits has been expanded and amplified by many national and international corporations promoting a better civil society on their websites, marketing and advertising, and in their storefront displays. *Corporate Responsibility* programs have moved beyond the flash of a decade-old age. These programs are embedded in corporate profit/loss statements around the world. Making a difference for people is sector-blind. This blurring of sector boundaries is creating opportunities for business, government, non-profit collaborations to demonstrate innovation, share learning and provide mission driven services.

EXAMPLE: *Door Ways to Dream* or the D2D Fund, Inc. D2D is a 501(c)3 public charity working with the financial services industry, government agencies, nonprofit groups and community agencies. D2D receives its funding from the for profit sector. Its mission is to strengthen the financial opportunity and security of low/moderate income consumers. They plan to accomplish their goals by innovating, incubating and stimulating new web based financial products and services

EXAMPLE: View the Top 50 corporate examples for 2013 at www2.macleans.ca/canada-top-50-socially-responsible-corporations-2013/ plus see *Tom's Shoes/One for One Movement* (www.toms.com/our-movement) For-profit institutions have formed cooperative agreements with non-profit organizations and local government to provide education and community services.

EXAMPLE: An agreement between the *National Science Resources Center* and *Hewlett Packard* has been established. The Center is a nonprofit organization established by the Smithsonian Institution and the National Academy of Science to improve the teaching of science in secondary education.

State governments have formed not-for-profit organizations that raise resources from nonprofit and for-profit organizations that then deliver services to their community.

EXAMPLE: *The Delaware Financial Literacy Institute* (DFLI.) DFLI is a nonprofit 501(c)3 whose mission is to help individuals become equipped with the tools to get their

New Realities Existing Within Converging Trends...

The Future is Now

An **L3C** is a for-profit, social enterprise venture that has a stated goal of performing a socially beneficial purpose, not maximizing income. It is a hybrid structure that combines the legal and tax flexibility of a traditional LLC, the social benefits of a nonprofit organization, and the branding and market positioning advantages of a social enterprise. This model appeals to Millennials as it provides social benefit and can be accomplished quickly. (adapted from Wikipedia)

“The key to building diversity is investing at the high school and college level.”
Brooks 2013)

Employment Participation Rate

A measure of the active portion of an economy's labor force. The rate refers to the number of people who are either employed or are actively looking for work. The number of people who are no longer actively searching for work would not be included in the participation rate.
(www.investopedia.com/terms/p/participationrate.asp)

financial lives in order. DFLI sponsors and administers The Money School™ as well as entrepreneurship and savings programs for Delaware residents. Although organized by the State of Delaware, it is not a state agency. DFLI is funded by contributions from corporations, foundations and individuals.

A new type of entity called a ‘social enterprise’ or L(c)3 mixes nonprofit and for-profit operations in an integrated way. What distinguishes social enterprises from other types of income received by nonprofit operations are they utilize market-oriented businesses to carry out their charitable missions and have access to capital. Some of these hybrid organizations have maintained their nonprofit status, while some have taken a for-profit form (as free standing entities or as subsidiaries of nonprofits).

EXAMPLE: *DC Central Kitchen*. Since its founding in 1989, DC Central Kitchen has delivered 25 million meals to low income at-risk individuals. People trained by the Kitchen's Culinary Job Training program prepare those meals. Individuals in the culinary training program are often people who have been incarcerated, homeless, addicted or have some other misfortune.

Another structural option for individuals and organizations looking to “do well by doing well” is the *low-profit limited liability company*. It is a variation of the Limited Liability Company and is run as a profitable business, but its primary aim is to provide social benefit.

EXAMPLE: *Terra Firma Farm* melds a working sustainable farm with education relating to farming. Their education programs correlate with the work of the farm and changing seasons. Every education program offers hands-on experience to increase the impact of the class. At the same time, the farmland and animals are used to promote respect for the Earth and natural resources. Programs include: after-school care, day, vacation and summer camps, and home schooling credits.

It should be noted that regulations once preserving the unique role of nonprofits are under attack. The outcomes of these challenges are likely to seriously alter nonprofits ability to maintain their unique identity and the generation of non-dues revenue. This convergence demonstrates the need for organizational strategic thinking and planning to actively account for and get ahead of this regulatory attack.

LABOR MARKET & ECONOMIC IMPACTS

6. *Membership organizations will continue to be impacted by a changing labor market and the economy.* Labor research has revealed a declining employment participation rate in the US population of 25-54 year-olds. This age group is considered the prime target market for trade and professional association membership. This parallels the target audiences for media and general merchandise marketing. According to Paul Krugman, a Nobel Laureate in Economics, “*Unless labor force participation not only stops declining but starts rising rapidly again, this means a slower-growth economy...*” This directly applies to associations as it impacts the size of their potential marketplace for membership and participation.

New Realities Existing Within Converging Trends...

The Future is Now

Shifts in individual members' *economic behavior*, as measured by rates of joining, renewing, and participating, are being reshaped. The target member market (ages 25-54) for trade worker and professional membership is trending smaller. Additionally, the U.S. Census Bureau noted total consumer average annual expenditure peaks at forty-six. This age bracket falls within the target membership market (25-54) studied.

Along with the decline in labor force participation, wage and benefit growth in the private sector work force has stagnated, affecting both white and blue-collar employees. Between 2002 and 2012 wages were stagnant or declined for the entire bottom 70 percent of the wage earners. This decade is now being described as the "lost decade" resulting in real wages flat or declining. According to Lawrence Mishel and Heidi Shierholz of the Economic Policy Institute and data from the Bureau of Census, wages have grown only slightly if at all from 2002 to 2012. This new workforce reality will directly affect association membership "join/renew" behavior, willingness, and ability to participate.

EXAMPLE: The October 2013 Bureau of Labor Statistics (BLS) showed that employment participation for the 25-44 year olds had fallen to 80%, dropping 0.4% since September 2013. This is the lowest level since March 1984. The BLS participation rate projection for 2020 is 81.3%.

THERE IS STILL TIME TO CONSIDER WHAT'S POSSIBLE

This research project offered evidence for consideration and strategic use by association staff and boards. The following circumstances are proposed as opportunities for additional dialogue and possible action.

THE INFLUENCES OF BEHAVIOR AND ECONOMICS

Research regarding people's "grouping tendencies" affirmed that an individual's engagement has two components—commitment (psychological) and participation (behavioral). A measure of most interest for this behavioral component should be the actual participation by members attending specific meetings and events and other active involvement examples.

At the same time strategic programming decisions are being made, the need to stimulate and extend ongoing member engagement deeper into the organization becomes key to secure the organization's delivery of demonstrable value.

In their individual roles, association leaders, volunteers and staff are currently demonstrating robust leadership. They are making programming decisions impacting design and implementation to better support member-types and individual behaviors across their membership composition. Going forward, working together to co-create value is imperative. Learning lessons from each other's experiences matters.

The BIG question is the magnitude and speed to which associations will recognize the need to better understand the shifts in human behavior, especially economically, and to enhance their competency for better-designed solutions for sustaining engagement. There was some evidence from our case studies and interviews that *economic decisions* are being studied and tested as part of the strategic design process and planning for engagement.

Human Economic Behavior

There is an assumption that people make active decisions. Faced with a set of options, people always actively choose the one they like most. Behavior economists have found that people frequently passively accept whatever happens if they do nothing. (Mullainathan)

Value and ROI(3)...

Return on cost of dues investment, impact of knowledge gained, influence of experience had. (Blanken 2013)

New Realities Existing Within Converging Trends...

The Future is Now

Members have always been concerned with value. But more and more, the cost for value will affect their engagement behavior.

DEEPER ENGAGEMENT MUST BE CULTIVATED

The opportunity to formally participate begins upon joining the organization, and is sustained by membership renewal. Future member participation will be stimulated by the demonstration of greater value received than dues investment made. This includes both the experiences of shared values and economic benefits received, and influences on one's professional career. In recent years, the value equation and ROI concept of for-profit has certainly been explored and applied by the association community. While the *reward of commitment* a member realizes can prove difficult to calculate, measures beyond *renewal* must be invented. Additionally, there is a drive for greater transparency regarding the "economic nature of value". The organizations examined during this project have an evolving view of member relationships, participation, and engagement. Membership fees and tiered payments for value received are being tested, analyzed and implemented. Members will base their engagement on perceived value of the activity. In the end, it is excellent quality at competitive cost that equals value.

- *Peer leading will become the most valuable element of belonging. There is a value in being a resource...connecting people with information.* (Brooks, 2013)
- *The sector has done a poor job of identifying the value proposition for the sector. A set of words are needed to anchor the sector. What other entity defines itself by its tax-exemption?* (Salamon, 2013)
- *Associations must continue to earn our place and focus on delivering value...as long as people have a need to connect, gather knowledge, and do business with each other, we will exist.* (LaBranche, 2013)

THE NEXT FRONTIER IN ASSOCIATION INNOVATION

Securing a deeper understanding of human economic behavior and applying that to nudge membership and related engagement programming is likely the next frontier in association innovation. The understanding and application of *innovation*, defined as "a significant positive change and not just an idea", will definitely disrupt an organization's existing programming offers, marketing process and influence the traditional relevance of the value equation.

Other engagement innovation for moving associations away from the exclusionary membership process of "opting in" for participation is on the horizon. This will be a more inclusionary process of "opting out" for not participating. "Opt out" default options could become the normal choice (emphasizing normative behavior) and requiring less effort by the member thus having those who are unsure stay engaged.

EXAMPLE: *Sendhil Mullainathan* (Mullainathan & Datta, 2012). This means the 'default' option is disproportionately important. Similarly, seeming trivial steps, decision, and choices (a form to fill out versus one already filled in) can drastically reduce the number

Nudge Theory
or Nudge
a concept in behavioral science, political theory, and economics which argues that positive reinforcement and indirect suggestions to try to achieve non-forced compliance can influence the motives, incentives and decision making of groups and individuals alike, at least as effectively, if not more effectively, than direct instruction, legislation, or enforcement.
(adapted from Wikipedia)

New Realities Existing Within Converging Trends...

The Future is Now

of people who participate in a program. Program uptake and use increases dramatically when the default is changed to when it is re-designed to reduce the number of things people have to do to take advantage of it.

EXAMPLE: *Amazon Premiers.* Amazon regularly nudges benefits towards customers they are not using. The expanded benefits are at no additional cost to the customer. Their intention is to deepen engagement.

YES, THE FUTURE IS NOW!

We started out to ‘bust the myths’ commonly discussed in our community. Nowhere in our primary or secondary research did we find agreement our community myths were accurate and worthy to be followed. However, we did find a sense of urgency for associations to move outside their traditional comfort zone of merely tweaking their offers year after year, altering and expanding their distribution channels. Organizations must create ongoing procedures and processes to guarantee staff and volunteers are *response-able* regardless of the circumstances.

OUR PARTING WORDS

“As our future is challenged we must celebrate our contribution to *civil society*. After all, one never looks at the stars in the sky and wonders what would happen if they began to disappear.” Lester Salaman

“Never grow a wishbone where your backbone ought to be.” Helen Keller

“Experience is the name we give our mistakes.” Oscar Wilde

Go Forth and Be Bold...

Sue, Wayne, and Rhea

New Realities Existing Within Converging Trends...

The Future is Now

APPENDIX 1

Research Sources

Books & Articles

- *Allegiance: Fulfilling the Promise of One on One Marketing for Associations.* Paulson, Dale. ASAE. 1998.
- *American's Nonprofit Sector – A Primer.* Salamon, Lester. The Foundation Center. 2012.
- *Behavioral Design: A New Approach to Development Policy.* Mullainathan, Sindhil & Datta, Saugato. Center for Global Development. 2012.
- *Behavioral Economics of Organizations, Chapter 7.* Camerer, Colin & Malmendierl, Urike. California Institute of Technology. 2007.
- *Global Civil Society: Dimensions of the Nonprofit Sector.* Salamon, Lester. Kumarian Press. 2004.
- *IMEX Forecasts 2014 Meeting Trends.* Alderton, Matt. November 2013.
- *Key Concepts – Disruptive Innovation.* Christensen, Clayton. Retrieved from Clayton Christensen: World's Top Management Thinker. October 2013.
- *Money Well Spent: A Strategic Plan for Smart Philanthropy.* Brest, Paul. Bloomberg Press. 2008.
- *My Secret Pleasure: I Love Fundraising.* Kaiser, Michael. Former President & CEO JFK Center for the Performing Arts. Blog Post for the Huffington Post. September 2012.
- *Networked: The New Social Operating System.* Rainie, Lee & Wellman, Barry. MIT Press. 2012.
- *Nonprofit Management Education.* O'Neill, Michael & Fletcher, Kathleen (editor). Praeger. 1998.
- *Private Sector Strategies for Social Sector Success: The Guide to Strategy and Planning for Public and Nonprofit Organizations.* Kearns, Kevin. Jossey-Blass. 2000.
- *The State of Nonprofit America.* Salamon, Lester. RR Donnelly & Sons. 2012.
- *The Solution Revolution.* Eggers, William and Macmillan, Paul. Harvard Business Review Press. 2013.
- *Thinking Fast & Slow.* Kahneman, Daniel. Farrar, Strauss & Giroux. 2011.
- *Miriam Webster Dictionary.* Mobile App.

Interviews

Primary

- Boris, Elizabeth, PhD. Director, Center on Nonprofits Philanthropy of The Urban Institute. September 2013.
- Brooks, Beth, CAE. CEO, Texas Society of Association Executives. August 2013.
- Gibson, Cynthia, PhD. Senior Fellow, The Philanthropic Institute. October 2013.
- Johnson, Anne. Executive Director, Generation Progress (Division of the Center for American Progress). September 2013.
- Jones, Christy, CAE. Vice President Membership and Branch Relations, AAUW (American Association of University Women). August 2013
- LaBranche, Gary CAE. President & CEO, ACG (Association for Corporate Growth). October 2013.
- Larson, Patti. Information Services Manager, Nonprofit Resource Center. September 2013.
- Pietranton, Arlene, PhD. CAE. Executive Director, ASHA (American Speech Language Hearing

New Realities Existing Within Converging Trends...

The Future is Now

Association). September 2013

- Salamon, Lester Ph.D. Professor and Director for Civil Studies, Johns Hopkins University. September 2013
- Tarantino, Christie, FASAE, CAE. President & CEO, Association Forum of Chicagoland. October 2013.
- Towle, Raymond, IOM, CAE. Director for Political Affairs and Federation Relations US Chamber of Commerce. October 2013.

Secondary

- Schmidt, Eric. Executive Chairman, Google. *Disruptive Technology: Advances that will Transform Life, Business and the Global Economy*. Interviewer: Monika, James – McKinsey & Company. May 14, 2013.
- Williams, Evan. Co-founder, Twitter. Interviewer: Richel, M. New York Times. November 10, 2013.

Reports

- *2013 Millennial Impact Report*. The Case Foundation. Achieve Press 2013.
- *Managing Non Profit Organisations Towards a New Approach*. Anheir, Helmut. London School of Economics. 2000. (Note: this report is currently being revised and will be published in March 2014)
- *Review of Creativity in Business*, Sir George Cox, Chairman of HM Treasury's Design Council 2005.
- *Social Change Impact Report*. Harris Interactive. Walden University 2011.
- *State of Working America (12th Edition)*. Mishel, Lawrence, Bivans, Josh, Shierholz Heidi. Economic Policy Institute. 2013.
- *Top 50 Associations (by revenue)*. Compiled by: Burke, Caitlin. Washington Business Journal pp 31-32, October 11, 2013.

Websites

Brookings Institute. www.brookings.edu

Bureau of Labor Statistics October 2013. www.bls.gov

Clayton Christensen: World's Top Management Thinker. www.claytonchristensen.com

Economic Policy Institute. www.epi.org

Ideas 42. Mullainathan, Sindhil. www.ideas42.org

Pew Research Center – American Life Project October 2013. www.pewinternet.org

The Information Technology & Innovation Foundation (ITIF) www.itif.org

US Census Data 2012. www.census.gov

Wikipedia. www.wikipedia.org

New Realities Existing Within Converging Trends...

The Future is Now

APPENDIX II.

QUANTIFYING THE NONPROFIT SECTOR

Warning: Heavy Duty Numbers! Why is this Important?

Members have been known to say “I don’t have time to ... (fill-in-the-blank).” There has been 24 hours per day; 7 days per week and 365 (sometimes 366) days per year since the Gregorian calendar was developed. What’s different now? The intention of this appendix is to highlight the quantity of nonprofit organizations and breadth of their purposes. Considering the VASTNESS of engagement opportunities presented below, it is appropriate to question if the sector is competing with itself? If so, what does that mean for the future of membership?

Where Did These Numbers Come From?

There are numerous statistical sources relating to the nonprofit sector. One can access 990’s, check out Guide Star, and rely on various governmental agencies or self-published sources. Our research specifically focused on data compiled by Lester Salamon, Ph.D., professor at Johns Hopkins University in Baltimore and Director of its Center for Civil Studies.

For more than 30 years, Dr. Salamon has been a scholar and commentator on the nonprofit sector in America and around the world. As he states in the Acknowledgment section of his book, *American’s Nonprofit Sector – A Primer* (third edition), ...”Capturing the size composition, financing and role of America’s nonprofit sector is no task for the faint of heart.”

Broad Strokes

There are two main groups of nonprofit organizations: member-serving and public serving:

Member serving. These organizations offer benefits to their members rather than to the public. In 2009, 322,554 of these “member serving” organizations reported to the IRS reporting revenues at \$224.9 billion. These organizations are tax-exempt and their IRSs classifications include: labor unions ((c)(5); business & professional associations (c)(6); social clubs (c)(7); fraternal organizations ((c)(8) and; mutual benefit organizations (c)(9).

Public serving serve the public at large. Most are tax-exempt and include organizations whose purposes are religious, charitable, scientific, literary, educational, healthcare, social services, cause-related and entities financing other nonprofits. They are the (c)(3)s. The IRS code places significant limitations on lobbying by (c)(3) organizations. Organizations active in social welfare who lobby are categorized as (c)(4)s. They do not provide a vehicle for tax-deductible contributions to donors/members as do the (c)(3)s. In 2009, 1,645,064 of such “public serving” organizations reported revenues of \$1,687.9 billion to the IRS.

More Detail

Public serving organizations are more top of mind when references are made about the “nonprofit sector.” These are termed “service and expressive organizations” and include organizations providing health care, social services, education, cultural events, and supporting a variety of causes such as rights of individuals or the environment.

New Realities Existing Within Converging Trends...

The Future is Now

A SNAP SHOT OF PUBLIC SERVING ORGANIZATION

Type	Number Reported
Service and expressive organizations (Social Services—40%; Culture and Recreation—22%; Education & Research—15%; Health —11%; and Civic/ Other —9%)	991,172
Religious	429,000
Organizations financing other nonprofits	114,354
Social welfare (active lobbying)	110,538

Among the reported number of service and expressive organizations (991,712) as well as the business and professional organizations (71,681), our research indicates this number includes over 1,100 trade and professional associations. These would be organizations operating on a national level and whose members practice similar or allied trades or professions with annual operating budgets of at least \$2 million.

The number of these organizations is not only competition but also a maze to navigate when considering successful future engagement models.

New Realities Existing Within Converging Trends...

The Future is Now

APPENDIX III

Case Study A: *Formulation of Generation Progress* by the Center for American Progress.

Background

The Center for American Progress (CAP) has always had a division dedicated to promoting ‘progressive’ issues to young people. Initially, the division was called Campus Progress. Recently CAP re-branded the division *Generation Progress*. Headed by a millennial, Anne Johnson, *Generation Progress* has now expanded beyond on-campus activities in four-year institutions. *Generation Progress* is focusing on inclusionary topics of interest to millennials and non-traditional students.

Generation Progress’ offers engagement opportunities built around: Ideas, Voices and Action. Ideas relates to looking for policy solutions leading to policy development. Current Ideas include issues such as lowering student debt, economic justice, human/civil rights, immigration and LGBT.

Voices represent *Generation Progress*’ multi-channel communications intended to encourage engagement. Examples are a ‘Young Journalists Network’. The network’s goal is to translate policy to understandable prose while identifying young people who are willing to be interviewed for national press on issues of specific interest.

Action is historically lent from the Center for American Progress – how to successfully organize. Tactics include get-out-the-vote tactics and town hall meetings. What has been added to past success is a deliberate effort to work with other organizations in coalitions.

Generation Progress Metrics

- Annual reach: 1million+ young Americans
- 34,000 active e-mail subscribers
- 10,300 active twitter followers
- 5,000 FB friends
- 6,200 online action-takers from 50 states
- 2,400 event attendees from 50 states
- 60+ progressive college publications (500,000 monthly readers)
- 22 Action Network Partners (more than 70 campuses, 16 states)
- 20+ Young Reporters nation wide

New Realities Existing Within Converging Trends...

The Future is Now

APPENDIX IV.

Case Study B: *Broadening their Membership Base* by American Association of University Women (AAUW)

Background

AAUW considers itself a philanthropic organization, while maintaining a traditional membership model. Members can belong to a local organization (termed a branch) or they can be at-large members. Formerly, most membership development was bottom-up through the local branches. Recent changes have included development of a ‘supporter’ category of membership and membership for colleges and university partners – to include student members.

AAUW has benefited from recent publicity relating to women’s issues. Pay equity, sexual harassment, bullying and other related topics have been high profile topics in the last several federal elections and many state government elections. Once known mainly for their work in education, AAUW has broadened its brand to include more emphasis on research and advocacy. While still active in education, AAUW re-branded itself to be less focused on education with more focus on advocacy. The ‘perfect storm’ of women’s issues and re-positioning of AAUW more towards advocacy led to the development of the ‘supporter’ strategy.

AAUW’s strategic path includes broadening its membership base. This study outlines two of their successes: creating a ‘supporter’ category of membership and broadening appeal to younger women through presences on campus.

Supporter Strategy

AAUW leveraged its advocacy appeal by partnering with two external online polling organizations. AAUW outlined key issue areas pertinent to their organization and the external organizations identified individuals who had responded to similar issue polls. AAUW then made a full membership offer. Results were tepid. Lessons learned from post-initiative research:

- Petition signers are not necessarily joiners
- Petition signers can have the characteristics of being ‘serial’ petition signers
- “Joining” may signal too much of a commitment

The supporter strategy was completely re-vamped. Now, AAUW staff monitors Congress for pertinent looming legislation. Once an issue is identified, staff crafts the language for the petition and provides it to the petition administrators. Anyone signing the petition must provide their full name and address to fulfill SPAM regulations. Once someone has signed a petition, they received a thank you from AAUW. They also then receive AAUW’s Action Alert (Weekly advocacy newsletter) for a quarter. Membership/donation offers are made but downplayed.

Supporter Strategy Program Metrics

AAUW has been able to significantly increase their membership base by the inclusion of supporters.

Attracting Younger Members

AAUW has consistently focused on the importance of STEM education for women. STEM is short hand for education relating to Science, Technology, Engineering & Math. Local branches support STEM camps throughout the country. Until recently, STEM efforts were ‘ad hoc’.

AAUW recognized the need for visibility on college and university campuses. AAUW is well-known in academic settings because AAUW expends more than \$4.3 million in grants annually. Women’s studies’ educators are also

New Realities Existing Within Converging Trends...

The Future is Now

familiar with the research conducted by AAUW.

The college/university program has more than doubled in the last several years. Content available for student programs and faculty to use must be robust. AAUW has partnered with “Wage Project” and other cause-related organizations to co-create content. Some of the more popular programs are: “Start Smart” – regarding wage negotiation for women new graduates. Also popular is “Running Start” regarding how to run successfully for student government. Several members of Congress have noted student government positions were their start in interest in the election process. By having branch members deliver programming, AAUW has further engaged them and leveraged an already strong loyalty to the organization. An added benefit has been the growing relationship between branch members and those young women they have mentored.

College & University Partner Program Metrics

- 869 colleges & universities participate in the program.
- Institutions may join for \$125 first year; \$175 second year.
- Two faculty members are required to be contacts and receive free annual membership
- E-student affiliate memberships are free.
- Key benefits for the institution to participate are:

Priority for educational project grants and leadership development opportunities for students

Institutional visibility on AAUW’s list of partner members

Advocacy for federal public policy that supports education

Ability to list university/college’s employment opportunities in the AAUW career center

Access to AAUW internships in Washington, D.C., for students

Opportunities for faculty to participate in national selection panels for prestigious awards

Access for staff and faculty to use AAUW Programs in a Box to supplement teaching and programming

National Conference for College Women Student Leaders (NCCWSL) – up to 4 students/college can attend, 15% discount on registration fees or access to scholarships. Note: these attendees are in their early 20’s.

New Realities Existing Within Converging Trends...

The Future is Now

APPENDIX V.

Research Team

Susanne Connors Bowman

Susanne Connors Bowman is a co-owner of The Haefer Group, Ltd.(THG). Her particular area of interest includes research focusing on organization's' value propositions. She is also an experienced membership content speaker at customized workshops. Prior to co-founding The Haefer Group in 1997, Sue was Director of Insurances Services at AARP for more than 15 years. At AARP, she managed a staff of 30 and was responsible for a budget in excess of \$12 million. Sue has held a variety of volunteer leadership positions in ASAE. Those include being Chair of the ASAE Consultants Section Council (2010-2011) and the Membership Council (2005-2006). Since September 2007, she has served as a faculty member for ASAE's CenterU teaching membership, marketing, management and financial courses. She is the current vice-chair for the 2013-2014 ASAE Membership Development Committee. Sue's pro bono work includes fundraising for the Friends of Homeless Animals (FOHA), a DC area no-kill animal shelter. She was President of the West Virginia University Music Alumni Association and has recently been appointed to the Visitor's Committee for WVU's Creative Arts Center. She spoke at the last several ASAE & The Center's annual meetings, receiving outstanding speaker evaluations. She holds a Bachelor of Music from West Virginia University and a MBA from the University of Maryland in College Park.

Wayne F. Haefer

Wayne is President of The Haefer Group, Ltd. Wayne's area of expertise is strategic membership analysis and planning. His particular areas of interest and skill relate to membership acquisition strategies, revenue generation and modeling, process management, and business problem analysis. Prior to 1997, Wayne was the Director of Membership Division of AARP. He was responsible all membership development and member services during the Association's dramatic growth in membership and the development of its premier member service programs. His direct revenue responsibility was over \$350 million. Wayne developed THG's proprietary Value Index to assist organizations to judge dues value. Wayne's other work experience included federal service in the US Department of Education and state government service as Assistant Superintendent for Public Instruction in the state of Montana. Wayne holds a Bachelor's of Science and degree from Montana State University and a Master's degree from the University of North Dakota. Wayne has specific interest in macro-economics and participates in activities of the Economic Policy Institute and Brookings Institution.

Rhea Blanken, FASAE

Rhea founded Results Technology over 30 years ago as a consultancy for the association community. Working with both trade and individual membership associations, from local-to-national in scope, she works with staff and volunteer leaders, customizing their experiences membership value and promotes member/staff partnerships. As co-author of *Facing the Future*, an environmental scan report published by ASAE, Rhea investigated circumstances impacting associations. With *Embracing the Future*, a companion toolkit of future-focused exercises and activities, she sought ways to have staff and volunteers empowered to make that future happen. The bottom line messages from these publications: the future is not one-size fits all; there is no one roadmap providing a guaranteed route for accomplishing any strategic scenario; and volunteer leaders and staff acting in partnership will reveal the knowledge needed to make the future happen.

Rhea stages memorable membership moments to continuously deliver exceptional experiences infused with value. These experiences become a three-dimensional expression for all the organization is and promises to be. Rhea is an ASAE Fellow and active volunteer (frequently presenting workshops, is a book author and article writer, has served as Council Chair for both Marketing and Consultants Section, plus other volunteer situations).