

Heading Up, Tacking, and Gybing: Navigating the Waters of Your Membership Program



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and APPL Training Corps

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Topics



- The Potential
- Components of a Membership Program
- Goals of a Membership Program
- The Membership Offer
- Recruitment and Retention
- Basic Infrastructure
- Measurement
- Rules and Regulations
- In-Store Acquisition Programs
- Further Study

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The Potential

- Nonprofits received \$306 Billion in 2007, an increase of \$11.4 Billion over 2006
- Sources of funds:
 - ❖ Individuals = 74% [\$229 Billion]
 - ❖ Foundations = 13% [\$38.5 Billion]
 - ❖ Bequests = 8% [\$23.2 Billion]
 - ❖ Corporations = 5% [\$15.7 Billion]
- \$252 Billion (82%) of those contributions came from individuals (living or by bequest)
- By 2050, an estimated \$41 trillion will transfer from one generation to the next, with gifts to nonprofit organizations projected to exceed \$6 trillion

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Membership Program Components

- Feasibility of the proposed program
- Legal framework
- Naming of the member program and giving levels
- Database selection and administration
- Benefit package development and delivery
- Program offerings that are interest-driven and compatible with the organization's mission
- Signature events unique to membership
- Public relations and communication
- Membership solicitation efforts
- Renewal program



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Program Feasibility

- ✓ Use the "Assessing Readiness for Fundraising" checklist in handout
- Sample items:
 - ❖ The organization has a written multi-year plan supporting the vision and mission of the organization, with goals, objectives, and programs projected over the next 3-5 years.
 - ❖ The organization is accountable to donors and other key constituencies and demonstrates their stewardship through annual and periodic reports.
 - ❖ The organization's board, staff, and volunteers are committed to a fundraising program.
 - ❖ Specific prospects have been identified with linkage, interest, and ability to give to the organization.
 - ❖ Office equipment is adequate to accommodate membership database and communication needs.

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Goals of a Membership Program

To get us on the same page:

- 1) Why do associations begin membership programs?
- 2) Why do people become members?
- 3) What are the barriers to developing and growing membership programs?



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Goals of a Membership Program

- 1) Why do associations begin membership programs?
 - ✓ USE THIS TO SET YOUR PROGRAM GOALS
- 2) Why do people become members?
 - ✓ USE THIS TO EVALUATE YOUR PROGRAM GOALS
- 3) What are the barriers to developing and growing membership programs?
 - ✓ USE THIS TO PLAN AND BUDGET YOUR PROGRAM

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Our Goals and Member Motives

- If goal is to increase bookstore sales to members:
 - attract a VALUE-oriented person
 - make a VALUE offer
- If goal is to fill field seminar classes:
 - attract an ACTION-oriented person
 - make an ACTION offer
- If goal is to begin donation program and move up donors, or to create a constituency for our public lands partner:
 - attract a person who wants to BELONG
 - make a BELONGING offer

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Engaging Tomorrow's Donors Today

- Generational differences in donor expectations
- What will membership programs look like in 10-20 years?
- Download toolkit at www.cshares.org/res.nonprofit_toolkit.html



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Membership Offers: Something for Everyone

VALUE

- Discounts on sales, seminars, and with other cooperating associations
- Premiums (stickers, books, posters, other sales items)
- One-time paid camping or entrance fee
- Annual passes to our public land
- Partner discounts (lodging, activities)



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Membership Offers: Something for Everyone



ACTION

- Opportunity to volunteer
- Opportunity to attend special field seminars or members-only events

BELONGING

- Information: newsletter, e-newsletter, catalog
- Various giving levels (\$10 to \$10,000)
- Member-only events
- Member logo items
- Membership card and/or voting privileges
- Support for the public land site



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Survey Results

Benefit Offered (24 responses)	Frequency	Count
Printed newsletter	79.2%	19
Discount at your organization's retail facility(s)	79.2%	19
Membership card	79.2%	19
Electronic newsletter	75.0%	18
APPL reciprocal discount program	66.7%	16
Members-only event(s)	58.3%	14
Volunteer opportunity(s)	50.0%	12
Member logo item	50.0%	12
Other premiums (gifts)	50.0%	12
Discount on your organization's field seminar tuition	33.3%	8
Discounts or special offers from other public land partners (concessionaires, gateway properties, etc.) excluding APPL's reciprocal discount program	33.3%	8

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More Survey Results

- 20 of the 24 responding orgs offer their members a bookstore discount
- 15% is the favored discount (offered by 15 respondents)
- 20% off offered by 3 respondents
- 10% off offered by 1 or more

*Download full survey results at
www.appl.org/Members_New/members_area.htm*

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How Are These Offers Positioned?

- "We invite you to join FRIENDS and become part of the vital movement to preserve and protect the Blue Ridge Parkway..."
- "Membership in the Chincoteague National History Association entitles you to the following benefits:..."
- "Won't you join us? Members become partners with Northwest Interpretive Association. It's a productive partnership..."
- "Your \$25 membership supports Alaska's public lands."

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Pricing the Offer

\$ How we price our offer will affect recruitment and retention

\$ Consider:

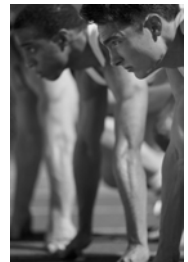
- Single \$25 fee vs. graded membership levels?
- Corporate memberships?
- Gift memberships?
- Should the FIRST fee be reduced?
- Life memberships?
- Timing: 12-month calendar vs. revolving calendar effectivity?
- Is the cost of benefits covered with revenue leftover?

Refer to 2009 Survey Results for dues data

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Basic Recruitment Tools

1. Brochure or flyer with enrollment form
2. Membership card and welcome letter or packet
3. Acknowledgement document for tax purposes
4. Follow-up communication tool: newsletter or e-newsletter



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Recruitment



- Begin with our immediate surroundings and work out in concentric circles
 - Store
 - Site
 - Gateway communities
 - Internet
 - Purchased / traded names for mailings

Refer to handout for ideas about where to meet new members

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Recruitment vs. Retention

- Recruitment = meeting and gaining new members
- Retention = keeping and upgrading current members and re-attracting former (lapsed) members

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Retention Techniques

- Annualize the membership and send at least 3 renewal notices
- Offer a gift for renewing
- Write a personal letter
- Have a member call-a-thon
- Create an event
- Continue a sale
- Send a newsletter
- Expand your newsletter
- Add member benefits
- Develop additional donation appeals



Refer to handout for more retention ideas

Have we put in place the best retention strategies before we recruit new members?

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Retention Techniques

- Factors to consider
 - What is most cost-effective?
 - What do members appreciate most?
 - What appeals to lapsed members?
- Expectations
 - APPL member associations average 62% overall retention rate (ranging from 25% to 85%)
 - Museum associations nationwide average 50% or less for first-year retention

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Growing Our Membership Programs

REVISIT – EXPAND - REVAMP

- What we are offering
- To whom we are making the offer
- How the offer is made
- Where the offer is made



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Infrastructure for Solid Program

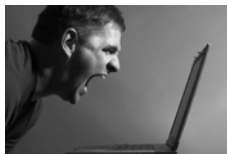


- Readiness
- Staff
- Communication Tools
 - compelling story, graphics, ability to produce enticing materials inexpensively
- Membership Database
 - database itself, data entry support, update plan
- Accounting System
 - track membership program income and expense
- Ability to generate documentation for the members' tax returns

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Software Programs

- The Basics
 - Quickbooks or Microsoft Access
- TechSoup.org
 - information + free and inexpensive products
- Creationengine.com
 - inexpensive software
- List of specific donor management software providers in handout
- Watch *Nonprofit Times* (www.nptimes.com) for donor management software survey



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Membership Results

- Things to track
 - ☑ Current address/contact info
 - ☑ Gift information (each transaction) for tax purposes
 - ☑ Effective and expiration dates
 - ☑ Member level or category
 - ☑ Gift memberships (giver and receiver)
 - ☑ Processing of renewal appeals and member cards
 - ☑ Retention rates
 - ☑ Cost of individual recruitment and retention efforts
 - ☑ Cost of program

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Measuring Results



Goal: Attract second, after-visit catalog or website purchases by 25% of new members

- We need to know new members and date of membership
- We need to connect name, sale value and sale date for sales after membership date.

Choose goals you can measure!

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Calculating Retention Rates

- Mal Warwick recommends we calculate separate rates for:
 1. Continuing/multi-year donors
 2. New/first-year donors
 3. Reactivated donors
- Retention Rate = (# of people who gave **again** this year) *divided by* (# who gave last year)
- Translation: net renewed members still with the organization, divided into total eligible to renew; convert to percentage

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Rules & Regulations



- IRS publications to know and love
 - IRS Pub. 1771: Charitable Contributions Substantiation and Disclosure Requirements
 - IRS Pub. 561: Determining the Value of Donated Property
 - IRS Pub. 526: Charitable Contributions
- New bulk/standard mail rule
 - address lists must be cleared of incorrect addresses every 95 days (was 185 days)
 - verified by Certificate of Move Update Compliance (PS Form 6014)

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Rules & Regulations



- **State registration, aka “charitable solicitations regulations”**
 - Protects public from fundraising scams/phony charities
 - Most states (and some cities, counties) require registration prior to soliciting contributions
 - filing fees vary
 - May also require us to provide the state with annual financial reports
 - Contact the attorney general of the state(s) in which we plan to solicit: www.naag.org
 - Unified Registration Statement at www.multistatefiling.org
 - Fee-based help at www.labyrinthinc.com

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Rules & Regulations



Dues/donations deductibility

- Tell donor that gifts are fully deductible if
 - the donor gave \$47.50 or more and received benefits/premiums worth \$9.50 or less, or
 - Donor received benefits/premiums that had a fair market value (FMV) equal to no more than 3% of the amount of the contribution, or \$95 (whichever is less), or
 - Donor received appeals that contained small items – such as mailing labels – that were worth no more than \$9.50
- IRS issues updates these figures annually
- FMV = organization's cost of the gifts given
- Token exception: don't have to disclose when total cost of all “low-cost articles” is within \$9.50

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Rules & Regulations

- To deduct a contribution, a donor must have:
 - Bank record showing name of qualified organization, date of contribution, and amount of contribution; or
 - Receipt from qualified organization showing the same; or
 - Payroll deduction record (see IRS Pub. 526).
- Contributions of \$250 or more can **only** be claimed with qualified organization's acknowledgement or payroll deduction record
- Bottom line: **always** send a tax receipt to our members/donors!



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In-Store Acquisition Program Elements

- Collateral
 - brochure, signage
- Special on-site promotion
- Staff training
- Staff recognition and incentives



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Staff Training Curriculum



- Positive impact of philanthropy (the potential)
- How staff fits in: presenting opportunity to make a difference
- What membership will do for members
- What membership will do for the park/nonprofit
- Organization goals for member acquisition
- Benefits of membership
- Instructions for signing up members
- Staff incentives
- *Practice:* sell memberships to each other

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Further Study



- Sessions at this convention:
 - Technology in Support of Mission (today, 1 pm)
 - Next Generation of Cause Marketing (today, 3 pm)
 - Making Planned Giving Part of Every Day (Tues, 10 am)
 - Building an Effective Membership Program (Tues, 1 pm)
 - How to Make DO 21 Work for You (Wed, 1:30 pm)
 - Fundraising in a Challenging Environment (Wed, 3:30 pm)
- Association of Fundraising Professionals (www.afpnet.org)
 - annual convention, chapter activities, books/publications
- Fundraising courses through distance learning or local colleges

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Some Final Thoughts

- Your feedback counts—please complete the session evaluation form
- Include your e-mail address on attendance sheet for supplemental materials pdf
- Contact me
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 - 970-529-4642
- Thank you and good luck!

