



Growing Non-dues Revenue: A Benchmarking Report

Introduction

Across all industries and organization sizes, traditional sources for non-dues revenue, coupled with new products, programs and services, have helped organizations reduce their reliance on membership dues. To better understand the state of non-dues revenue among associations, organizations and foundations, Avenue M Group (Avenue M) surveyed nearly 200 associations' executives. This report reflects the data generously shared by chief staff executives and senior association staff representing individual, trade, hybrid and philanthropic organizations.

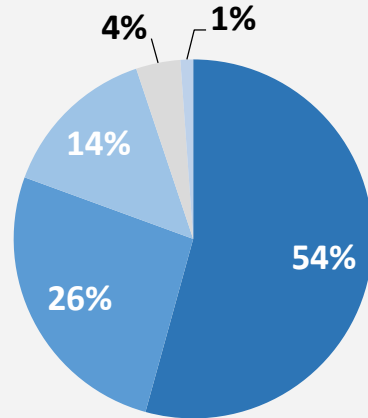
Many associations surveyed expect non-dues revenue to increase as a percentage of their budget in 2017 compared to 2016. In other words, regardless if their gross revenue between 2016 and 2017 increases or decreases, almost half of the associations anticipate that a higher percentage of their budget for 2017 will be attributed to non-dues revenue. For some organizations, this may be a result of a decline in membership dues while others made a concerted effort to diversify their portfolio and expand their reach by targeting non-member customers and others tangentially related to their core membership.

“We are offering sponsors more for their money when they invest in the organization.”

Organizational Demographics

Organization Type

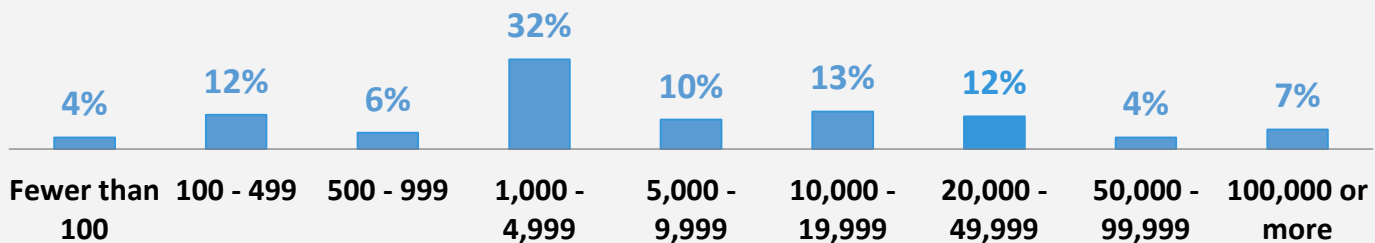
- Individual membership organization
- Trade association
- Hybrid (both individual and organizational members)
- Other
- Philanthropic/cause related



Annual Budget

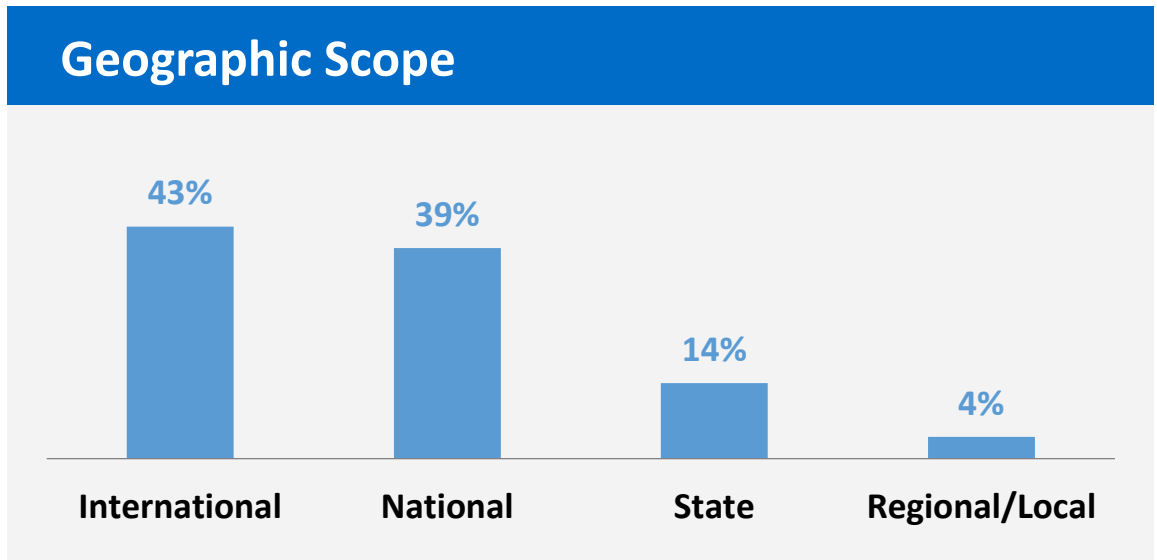
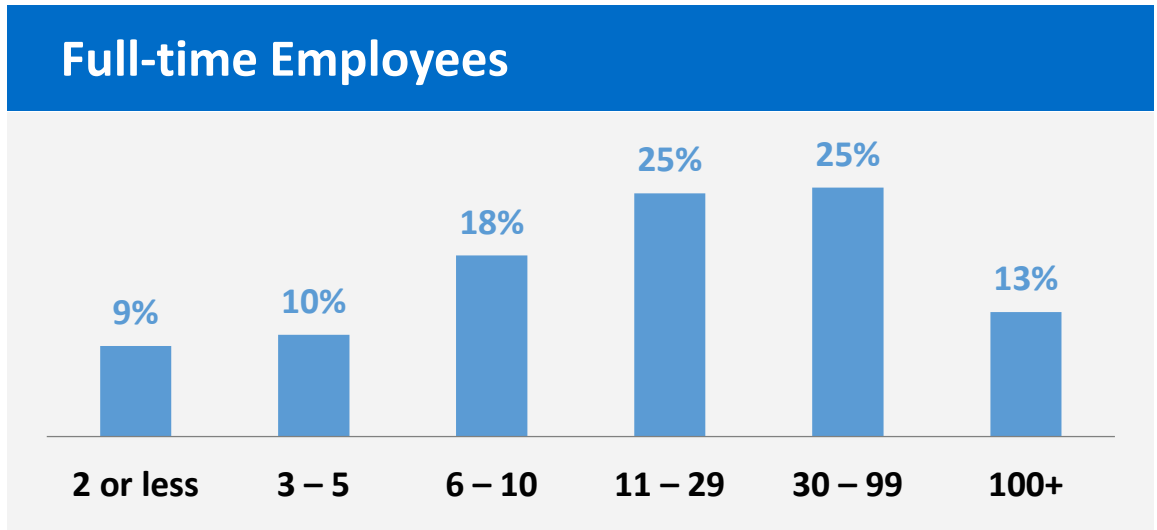
Less than \$2 MM	27%
\$2 MM to \$4.9 MM	20%
\$5 MM to \$9.9 MM	20%
\$10 MM to \$24.9 MM	18%
\$25 MM to \$49.9 MM	6%
\$50 MM to \$99.9 MM	5%
\$100 MM or more	4%

Number of Members



Organizational Demographics

Industries	%
Healthcare	33%
Scientific/Engineering	15%
Education	14%
Government	8%
Finance/Accounting	6%
Building/Construction	5%
Legal	5%
Manufacturing	5%
Real Estate	5%
Energy/Utilities	5%
Food Industry	5%
Transportation	3%
Architecture/Design	3%
Arts/Culture/Humanities	3%
Retail	3%
Sports/Leisure	3%
Human/Civil Rights	2%
Insurance/Actuarial	2%
Community Development	2%
Association Management	1%
Religion	1%



Monetizing data and market intelligence

Beyond the traditional sources such as conferences and trade shows, job boards and mailing list rentals, organizations are monetizing their data in the form of market intelligence, benchmarking data, data analytics and custom research. Thirty-two percent of respondents offer vendors custom research opportunities such as survey panels, focus groups or interviews with members; 25% derive revenue from benchmarking data and 19% earn revenue from selling market intelligence or data analytics. A few associations (6% of respondents) earn revenue from training programs to vendor sales forces and certification for sales/consulting staff.

When asked what new programs are providing additional non-dues revenue to the organization, 49% cited mobile app advertising, 21% cited social media advertising, 20% sponsored videos/podcasts and 18% sponsored white papers.

Nearly half of the associations included in this study (49%) expect non-dues

revenue to increase as a percentage of their budget in 2017 compared to 2016.

Although in-person educational conferences and trade shows still account for a significant percentage of non-dues revenue, other educational offerings including on-demand education, licensed education to third party vendors and live webinars appear to be growing in popularity. Only 9% of respondents cited virtual educational conferences and trade shows as a revenue source, yet revenue from these ventures is growing when compared to 2016.

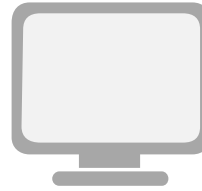
What's new in non-dues revenue?

Beyond the traditional sources, associations are offering their members, customers, vendors and the public new programs, products and services including:

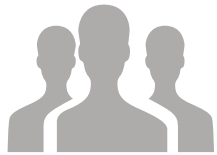
- Enhanced online membership listings
- Soft skills training/workshops
- Leadership training/workshops
- Career/resume assistance
- Booth sales at career fairs
- New levels of preferred partnerships
- Registry
- Office space rental
- Health insurance
- Supplier sales events

Alternative sources of non-dues revenue	%
Mobile app advertising	49%
Custom research/panels/focus groups	32%
Social media advertising	21%
Sponsored video/podcasts	20%
Market intelligence/Data analytics	19%

Most common sources of revenue in 2017



87%
Job Board



75%
In-person Conference
& Trade Shows



75%
Mailing List Rental

Compared to 2016, online and in-person educational conferences and trade shows are generating more revenue for associations. Fifty-eight percent of respondents who have a virtual trade show reported earning more revenue in 2017 than the previous year. More than half (55%) of the respondents experienced an increase in revenue from in-person educational conferences and trade shows and on-demand online education (56%). In-person trade shows with no education also provided 55% of the responding associations with more revenue in 2017 than in 2016. More respondents cited credentialing programs (27%) and certification programs (16%) as having a decrease in non-dues revenue from 2016 than all other sources of non-dues revenue from education, certification and accreditation.

Growth in non-dues revenue

Compared to 2016, videos/podcasts, social media advertising and website advertising were more likely to see an increase in revenue within the category.

42% 

Video and podcasts

39% 

Social media advertising

35% 

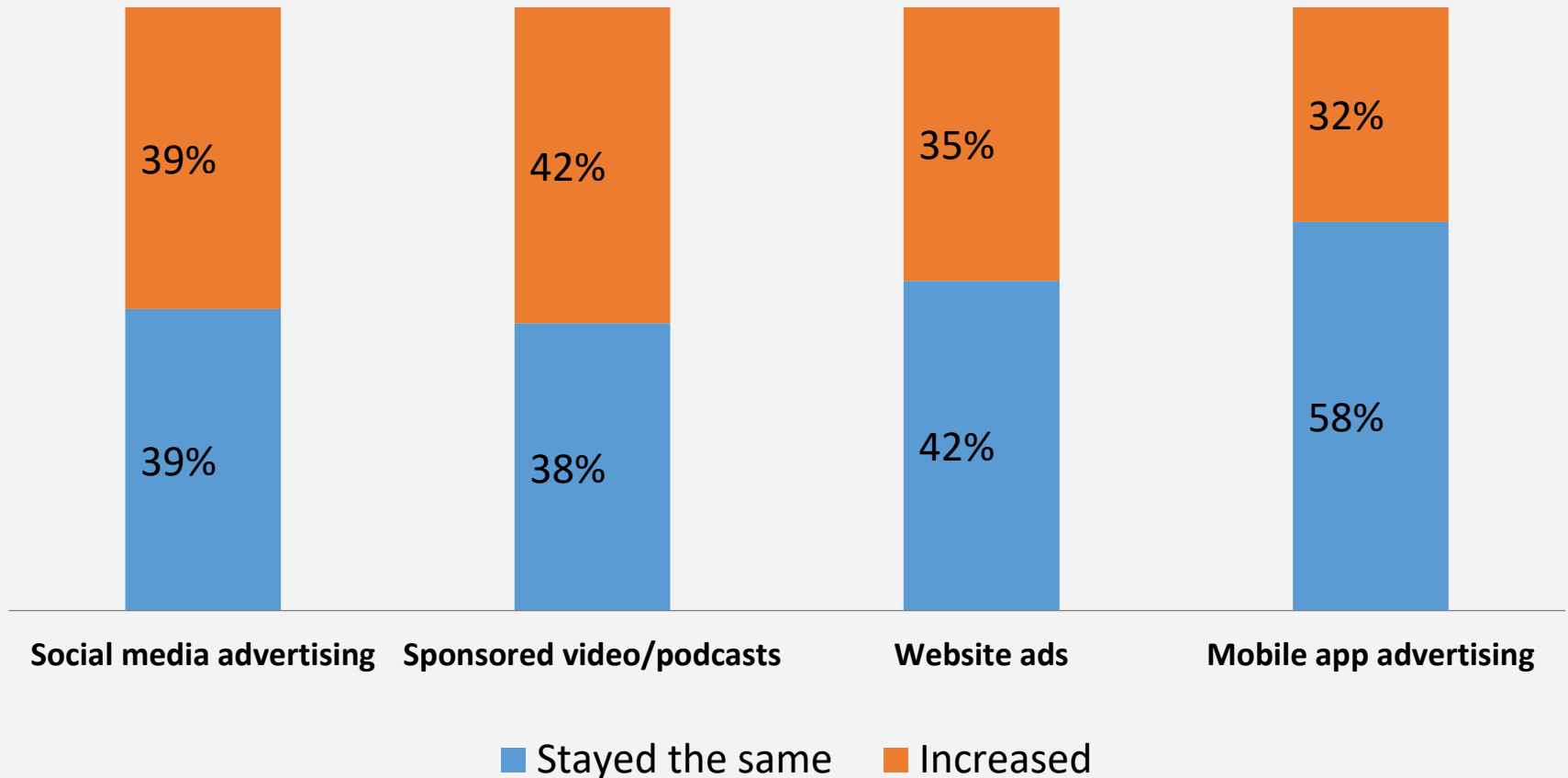
Website advertising

Thirty-two percent saw an increase in mobile app advertising, and 58% said it held steady over the last 12 months. Magazine advertising and journal advertising (print) were the most likely to decrease in non-dues revenue within this category from 2016 to 2017.

Vendor/Supplier/Partner Programs: Within this category, market intelligence/data analytics (38%), benchmarking data (33%) and custom research/panels/focus groups/interviews (29%) were most likely to see increases in non-dues revenue. Mailing list rentals—29% of respondents saw a decrease in revenue—were on the decline.

More than 1/3 expect revenue to increase

2017 Digital Advertising Non-Dues Revenue Expectation



Other findings of interest

- Trade associations are more likely than individual membership organizations to rely on dues to account for their overall revenue (45% vs. 36% average) and to see an increase over 2016 as a percentage of their 2017 budget.
- In terms of their annual operating budget, the larger the organization, the lower the reliance on membership dues. The average percentage of the annual budget attributed to membership dues for organizations with an operating budget of less than \$2 million is 42% compared to 30% for those with a budget between \$25 and \$49 million.
- The average percentage of dues revenue as a percentage of the overall budget for healthcare organizations is 34% compared to 28% for scientific/engineering societies and 49% for education organizations. Finance/accounting organizations average 42%.

39% of all organizations included in this study expect to see **an increase in membership dues revenue** over 2016. Associations from the following industries expect to see an increase in dues revenue as a percentage of their 2017 budget from the previous year:



56%
Manufacturing



50%
Legal



47%
Healthcare



45%
Finance/Accounting

To increase non-dues revenue...

1

Create partnerships that solve vendors' challenges. Conduct surveys and focus groups with current and potential partners to better understand what information they need to achieve their sales goals and meet the needs of existing clients.

2

Customize sponsorship opportunities. Develop “a la carte” options that cater to different needs and budgets of vendors and suppliers.

3

Cultivate relationships with all organization types and sizes. Create opportunities for smaller companies and startups. Some of these companies may grow and become bigger contributors to the organization.

4

Expand opportunities within your organization's current portfolio. Look for ways to provide expanded listings or advertisements and charge more for VIP opportunities for program/event attendees.

5

Leverage existing data and relationships to provide unique insights and information into your industry. Offer potential business partners access to aggregated data, customized research panels and focus groups.

Partial List of Participating Associations

Academy of General Dentistry	Association of Equipment Management Professionals	Metals Service Center Institute
Aerospace Industries Association	Association of Pediatric Hematology/Oncology Nurses	Michigan Academy of Family Physicians
Ambulatory Surgery Center Association (ASCA)	Association of Rehabilitation Nurses	Michigan Library Association
American Institute of Architects Kansas City	Association of Schools and Colleges of Optometry	Minnesota Library Association
AMDA	AWHONN	Missouri State Teachers Association
American Academy of Dermatology	BICSI	NACS
American Academy of Family Physicians	California Association of Health Facilities	NAPFA
American Academy of Hospice and Palliative Medicine	California Chapter, ASFMRA	National Association for Regulatory Administration
American Alliance of Orthopaedic Executives	California Independent Schools Business Officers Association	National Association of Counties
American Anthropological Association	California Landscape Contractors Assn	National Confectioners Association
American Association for Cancer Research	Club Managers Association of America	National Council of Firefighter Credit Unions
American Association for Laboratory Animal Science	DallasHR Management Association, Inc.	National Council on Family Relations
American Association of Anatomists	Distilled Spirits Council	National Funeral Directors Association
American Association of University Women	DRI - The Voice of the Defense Bar	National Golf Course Owners Association
American College of Chest Physicians	EDUCAUSE	National Home Infusion Association
American College of Health Care Administrators	Entomological Society of America	National Restaurant Association
American Epilepsy Society	Equipment Leasing and Finance Association	National Society for Histotechnology
American Fence Association	Georgia Fruit and Vegetable Growers Association	National Strength and Conditioning Association
American Group Psychotherapy Association	Grant Professionals Association	NELLCO Law Library Consortium, Inc.
American Mensa	Green Spa Network	NIGP: The Institute for Public Procurement
American Occupational Therapy Association	GWA: The Association for Garden Communicators	North American Nature Photography Association
American Pain Society	Hospitality Financial and Technology Professionals	North Shore Barrington Association of Realtors
American Society for Blood & Marrow Transplantation	International Coach Federation	PA Association of School Business Officials
ASCPT	IEEE	Parliamentary Associates
American Society of Colon and Rectal Surgeons	Independent Insurance Agents & Brokers of California	Realtors Land Institute
American Society of Transplant Surgeons	Illinois Security Professionals Association	SAMPE
American Speech-Language-Hearing Association	Industrial Research Institute	Selected Independent Funeral Homes
American Thoracic Society	Infectious Diseases Society of America	Small Business Association of Michigan
American Veterinary Medical Association	Interactive Management, Inc.	Society of Gynecologic Oncology
ASIS International	IASP	TechAssure Association
Association for Corporate Growth	International Association of Fire Chiefs	Texas Computer Education Association
Association for Healthcare Documentation Integrity	International Public Management Association for HR	The American Institute of Architects, California Council
Association for Research in Vision and Ophthalmology	ISACA	The Fertilizer Institute
Association for Women in Science	LeadingAge	Turnaround Management Association
Association of California Water Agencies	Massachusetts Dental Society	VASPA
Association of College & Research Libraries		Women's Basketball Coaches Association



Avenue M Group is a **full-service market research and consulting agency** with in-depth expertise in examining why individuals believe in brands, organizations and missions.

Avenue M **specializes in associations**. Our research methodology, marketing strategies and award-winning campaigns have helped associations, large and small, address their most pressing needs. We have the knowledge and experience of a larger market research agency, combined with the creativity, energy, passion and client service associated with smaller firms. The bottom line is that helping associations build powerful relationships through market research, strategy and realistic recommendations is Avenue M's core business.

Sheri Jacobs, FASAE, CAE, President & CEO

As the founder of Avenue M Group, Sheri is a leader, innovator and visionary whose organization has helped more than 100 associations, small and large, tackle their most challenging issues. A senior executive and best-selling author (*The Art of Membership: How to Attract, Retain and Cement Member Loyalty* published by ASAE and Jossey-Bass) Sheri became a Fellow of ASAE in 2014, an honorary recognition bestowed upon less than 1% of ASAE's membership. She is the 30th recipient of the Academy of Leaders Award. It is ASAE's highest honor given to industry partners who have demonstrated exemplary support of ASAE and the entire association community.

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