Building Sustainability: Membership Strategies for Backbone Organizations
Melissa Tang
University of San Francisco – School of Management

ChangeScale

Introduction

Partner: ChangeScale is a backbone organization for a collective impact network of San Francisco and Monterey Bay Area organizations that seeks to ensure everyone has access to environmental education. Working in consultation with ChangeScale, this project will create new recommendations to it's current membership strategy.

In its fifth year, ChangeScale implemented its membership strategy in order to sustain and diversify funding for the organization in 2015. Benchmarks were not met after the first year of implementation. The purpose of the project is to provide a more granular analysis of current membership models to refine its membership strategy and projections.

The Need: Backbone organizations are separate organizations that coordinate and maintain strategy and day to day operations for a collective group of organizations. There has been a significant decline in general operating support for backbone organization according to *The Nonprofit Quarterly.* Many backbone organizations utilize a membership model not only to gain buy-in from partners but also to diversify funding and increase organizational sustainability.

Objectives

To provide recommendations to ChangeScale's membership approach specifically around the fee structure, benefits and projections. This landscape analysis will examine how other backbone organizations structure their membership models. Other objectives include:

- Determine membership fee structures of similar organizations
- Determine common membership growth patterns for similar organizations
- Understand how similar organizations communicate their value to their audience
- Propose recommendations to inform ChangeScale's current membership strategy

Methods

A literature review on membership organizations was conducted. Reports from technical experts from membership marketing firms were also analyzed.

Landscape analysis of eight membership based organizations in the environmental education and sustainability fields were selected to represent a diverse sample. These organizations varied between size, age, geographic reach, and membership model. Data was collected on membership models via websites, annual reports, financial reports and IRS 990 Forms. Expert interviews were conducted with four professionals (Executive Director, Board Member and Operations Manager) from four organizations who direct or manage membership programs at their organizations.

Secondary research was conducted on ChangeScale's current membership model, five-year business plan and current database of local market of environmental education organizations.

Results

ChangeScale Current Membership Landscape
- Current pricing chart

Organizational Budget	Original Membership Dues (July 2015)	Revised Membership Dues (Oct 2015)
< $100,000	$250	$125
$100,001 – $250,000	$500	$250
$250,001 – $500,000	$1,000	$750
$500,001 - $1,000,000	$2,500	$1,000
$1,000,001 – $2,500,000	$3,500	$1,800
>$2,500,000	$5,000	$2,500

- 50% of potential ChangeScale members in the region earn less than $1M and 75% of the organizations earn less than $2.5M – making the revised membership dues unrealistic for their audience.

**Membership Landscape of Eight Backbone Organizations**
Growth Benchmarks
- Average of 32% annual growth in membership revenue. Each organization surveyed experienced various growth. The range for this data set was spread out from -25% and 300%, thus no trend appeared in this data set.
- Average of 19% percentage of organizations' budget covered by membership revenue. Organizations with larger revenue saw a decrease in the percentage of budget being covered by membership revenue.

Benefits
- Top benefits offered were newsletter, access to online job board and discounts to annual conference.

Common Advertised Membership Benefits
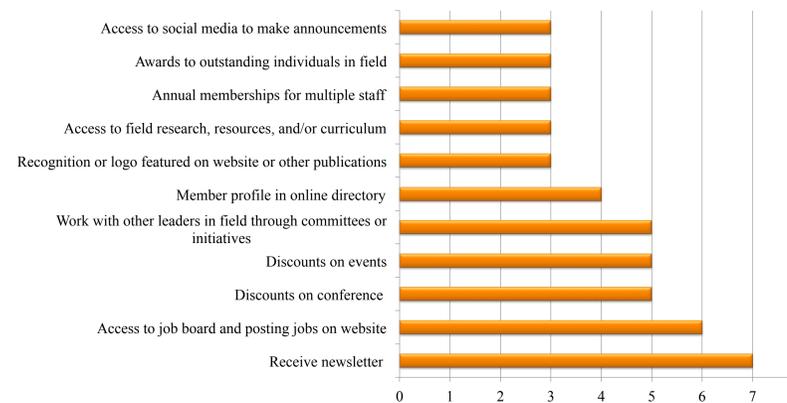
Membership Models
- There was an average of 5 membership levels offered.
- Five common factors were used to distinguish the pricing between membership levels. Models are designed based on type of organization, organizational budget, revenue, number of employees or special association with network.
- Various combinations of factors were used to determine the membership model. Most common factors were type of organization and number of employees.
- Some organizations utilize various combination of the factors to make their membership model flexible. Some also offer a sliding scale to accommodate for small organizations.

Recommendations

"Size of the first donation is not as important as capturing them while they are right in front of you" (Robinson, 2010).

Membership Model
- Continue to use a tiered membership model by organizational budget and include features that offer more flexibility to various potential members:
  - Encourage and accommodate for multiple sectors to join by using different sliding scales for different organization types: Business, Nonprofit, Public Agency
  - Continue to use current membership pricing for business members
  - For nonprofit dues, use a smaller percentage of the organizational budget (.025%) that is line with other similar backbone organizations
  - Add a "Contributing Members" category to include organizations who would like to give but cannot pay for the full membership. These organizations would not receive benefits of the full members.

Growth Expectations
- Data collected in the membership landscape is inconclusive. However, based on membership trend data on renewal rates, ChangeScale should aim to grow 10% annually in members.

Benefits
- Include incentives for members to join now by offering 16 months of regular membership for the annual price if they join by a certain date or offer additional savings on partner events.
- Focus on communicating value proposition. Survey event participants on what benefits are important to them. This will help ChangeScale market their benefits and to add any new benefits ChangeScale.
  - As first year of membership is ending, need to incorporate a plan to retain the current members.

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