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The Membership Growth Report:

Benchmarks and Insights for Growing Revenue and Constituents

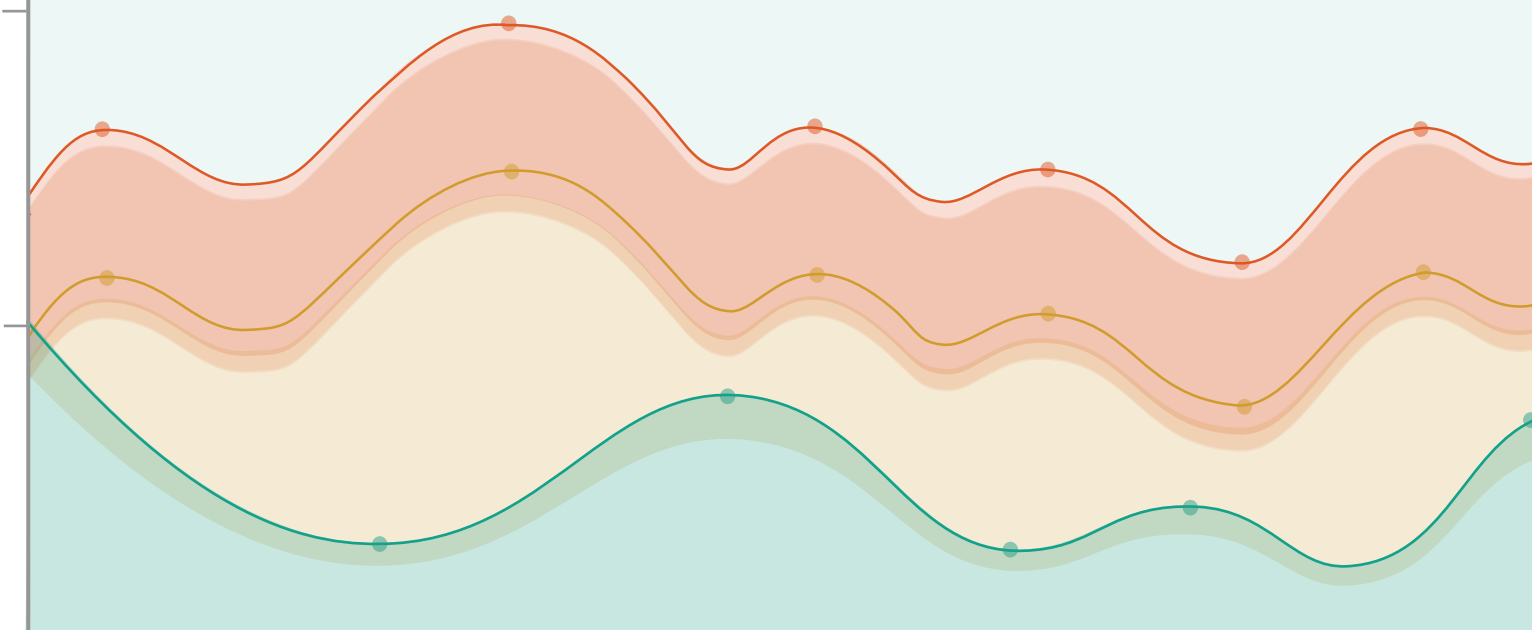


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Foreword

Going into 2020, the plan at Wild Apricot was to release three major research reports that answered the most pressing questions facing membership-based organizations.

The first question we planned to answer: "How well are membership-based organizations growing membership and revenue, and how can they do it better?" This report, the first of those three, was slated for release March 16th.

Then, COVID-19 hit.

Suddenly, this report just didn't matter, as the world was thrust into survival mode. Physical distancing, lineups for groceries, and the temporary shuttering of most businesses completely disrupted our collective way of life.

And while membership-based organizations still worked tirelessly to fulfill their missions — many of which were more critical than ever — this report wouldn't have been helpful, so [we looked for other ways to contribute](#), and put this report on the shelf for better days.

Today, the battle against COVID-19 continues. Though we have a ways to go, we've learned to adapt. With PPE, physical distancing, and contact tracing, among other necessary measures, a new normal has emerged.

For many membership-based organizations, the last 6 months have been devastating, as a lack of in-person events has meant thinning membership and little to no revenue from membership dues, fundraisers, or donations.

Given this, we feel it is now is the time to release The Membership Growth Report in order to share our best advice around growing membership and revenue with all of you. While some of it doesn't apply to a world dealing with a global health crisis, much of it still does.

To that end, we hope you find it useful,

-The Wild Apricot Team

Executive Report Summary:

Membership-based organizations, from nonprofits to associations to clubs, exist to fulfill a mission. Sometimes that mission is personal and local, like the joy of being part of a neighborhood pickleball club. Other times, missions are immense and their scope world changing, like a nonprofit dedicated to ending world hunger.

Regardless of size, achieving your mission often comes down to one thing: **growth**. Growth fuels membership-based organizations, powering them with:

Fresh, motivated
members willing
to volunteer and
spread the word

Money to spend
on tools and initiatives
that benefit
the mission

Publicity, bringing
attention to the
organization and
its cause

Clout to meaningfully
engage with other
organizations and
government

So how well have organizations been growing, and what is the best way to grow?

That's the question we set out to answer in February 2020. That month, Wild Apricot surveyed 1,231 organizations on how they fared at growing their membership and revenue.

The respondents came from 38 countries, with the vast majority in the US (81%). Large organizations of 1,000+ members (15%) and small, with <50 members (10%). Old organizations who had been around for 20+ years (63%) and new organizations who had existed less than a year (8%).

Those responses led to some incredible discoveries, including:

- 68% of organizations have difficulty growing membership
- One in two organizations failed to grow revenue in 2019
- Revenue growth is actually easier than membership growth
- The biggest barrier to growth is often brand awareness
- The top 3 tactics for driving membership are unaffected by COVID-19!

And while this is our first Membership Growth Report, it won't be our last.

We'll be running the survey again in early 2021, and next time we'll be publishing the results a whole lot sooner.

COVID-19 will have likely had a massive impact on growth in 2020, but it is our sincere hope that the lessons contained in this report can help lessen its impact moving forward.

Growth Big Picture

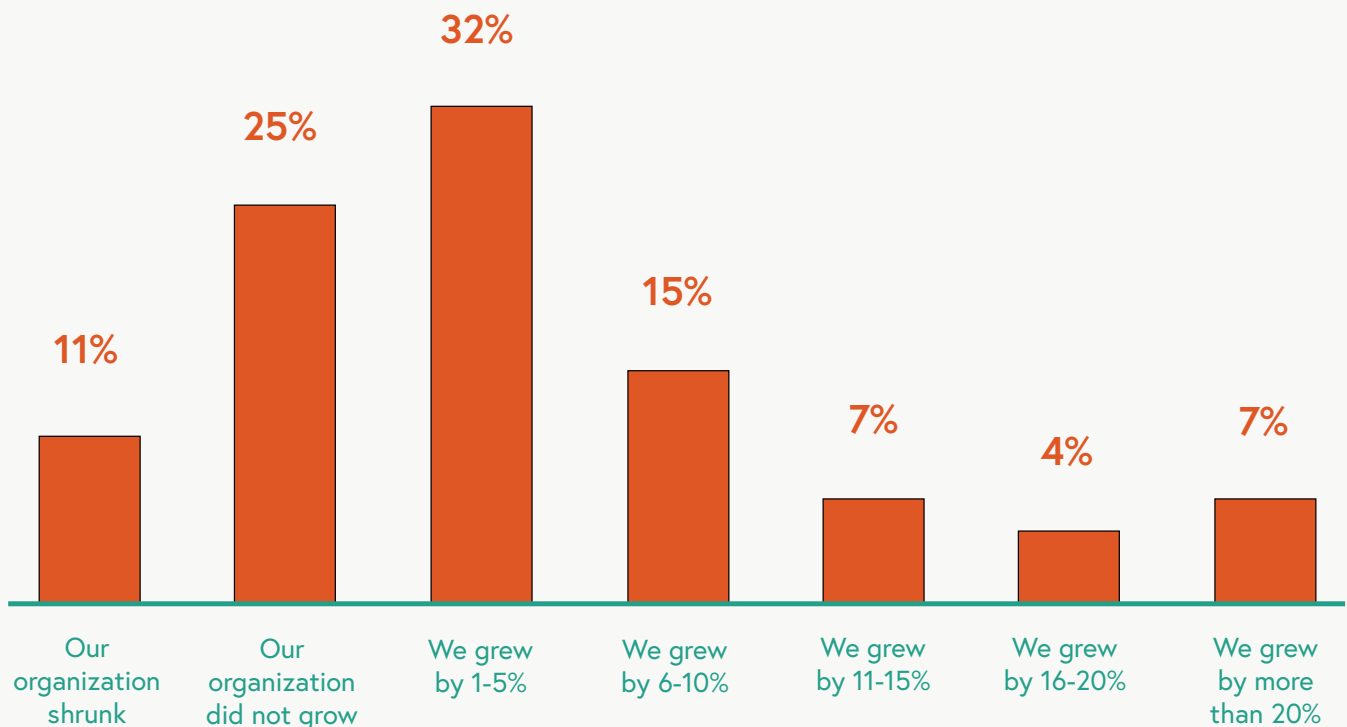
68% of Organizations Had Difficulty Growing Membership

Whether you're a professional association supporting the interests of a specific vocation, a nonprofit supporting a noble cause, or a club uniting members through their shared passion, the lifeblood of your organization will always be your membership.

Given this, the results below paint a less than ideal picture. More than a third (36%) of organizations failed to grow their membership in 2019, and just shy of a third (32%) saw low growth (between 1-5%). Exceptional growth of greater than 10% was only experienced by 21% of organizations.

Placed into context of 2019's soaring US economy¹ fueled by consumer spending, low unemployment, and 12 straight quarters of personal income growth dating back to 2017, 2019 should have been a banner year for membership growth. That it wasn't suggests there's a lot of room for improving how many organizations bring new members into the fold.

Membership Growth in 2019



¹ 90% of survey respondents were from the US.

² source: [Bureau of Economic Analysis, National Income and Product Accounts](#)

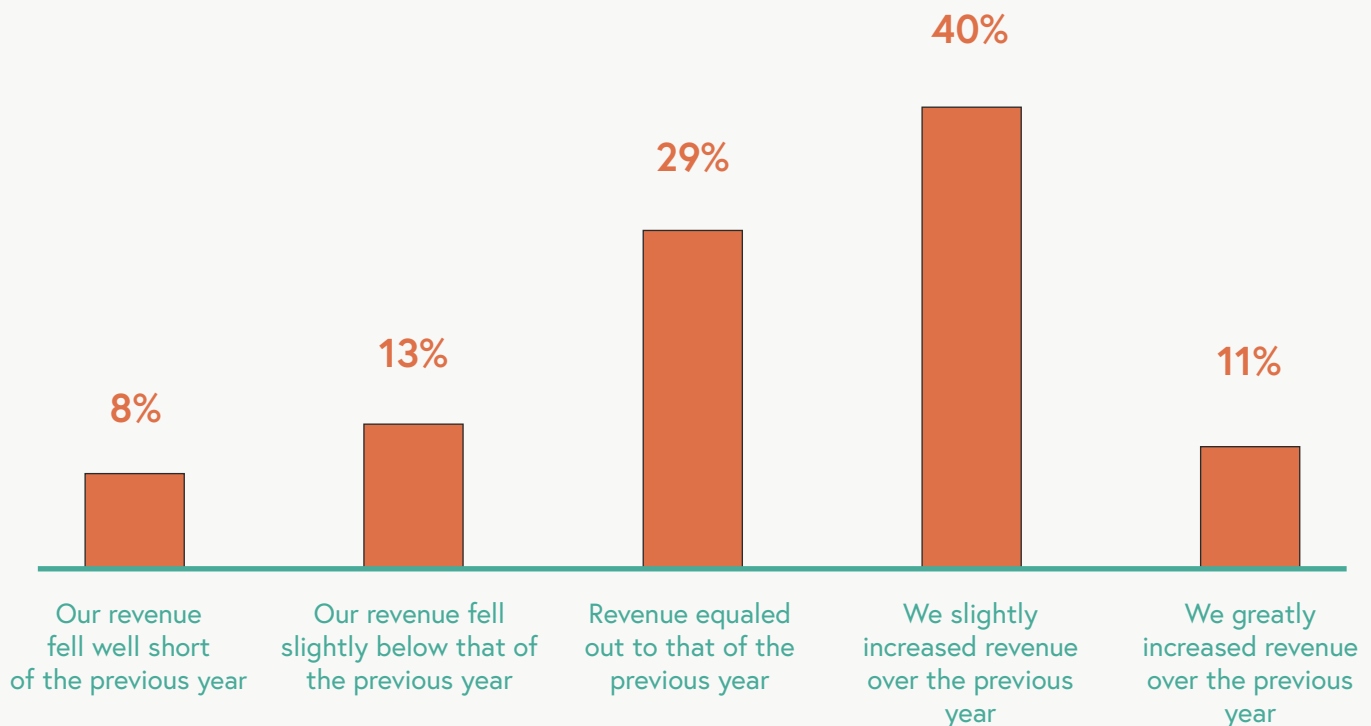
Only 51% of Organizations Were Able to Grow Revenue

Of nearly equal importance to growing membership is growing an organization's revenue. While revenue is not the driving force for most membership-based organizations, it does play a critical role in helping them fulfil their mission.

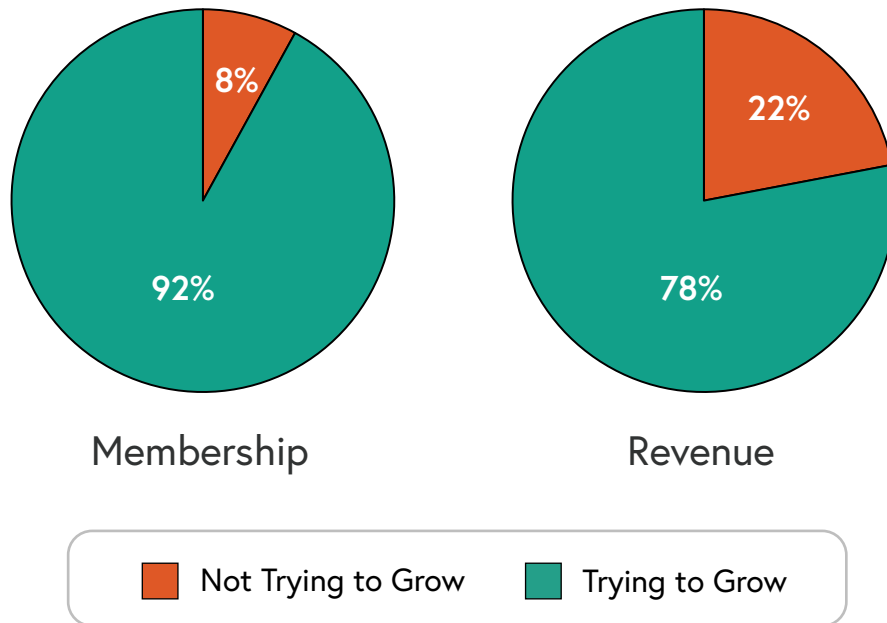
As such, finding ways to ensure members (and non-members) are funding their mission is top of mind for most organizations.

It is therefore extremely problematic to discover that one out of every two organizations failed to grow their revenue in 2019 — and of those who did manage to raise more money in 2019, 80% saw minimal gains. All of the analysis related to economic growth proves equally true in the context of revenue.

Revenue Growth in 2019



Not Everyone Is Trying To Grow Membership and Revenue



Of course, it's important to mention that not all membership-based organizations are trying to grow membership, revenue, or both. As the charts below show, 8% of organizations are not trying to grow their membership and 22% are not trying to grow revenue.

The reasons for not pursuing growth vary from organization to organization, from not wanting to put additional stress on volunteers to not wanting to raise fees.

As you'll see on the next page, even organizations not trying to grow often do, most likely because their reason for existing resonates with new members. Given this, it's fair to say that if an organization is going to grow anyway, it might well do so purposefully to avoid some of the negative ramifications of growth.

For example, to avoid overburdening volunteers, organizations could develop onboarding that educates new members on the power of volunteering, mobilizing them earlier.

And to avoid raising fees, organizations could develop alternative revenue sources, such as donations or merchandise sales through a member store. Revenue streams like these allow the most active and motivated members to contribute more while not upsetting other members with fee increases.

Wanting To Grow and Growing Aren't the Same

How easy is it to grow your organization if you're trying to?

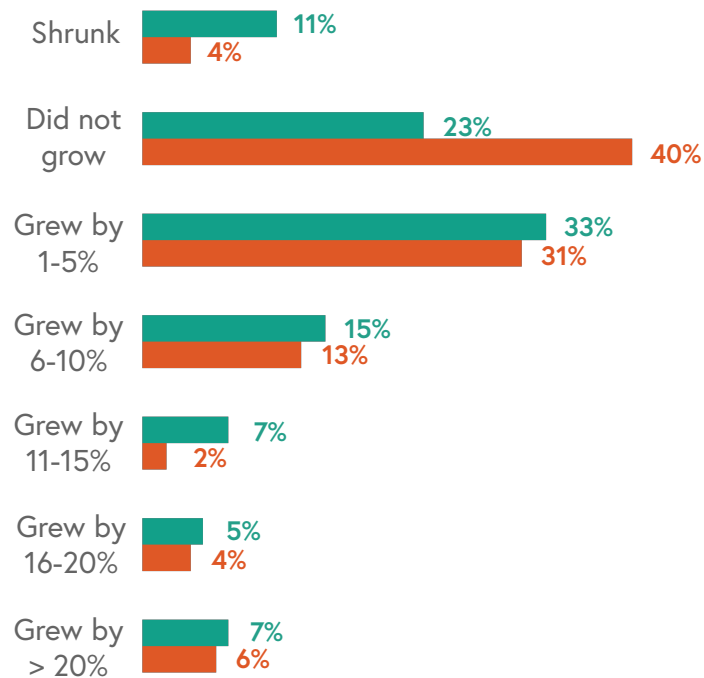
Well, in the case of membership growth, there was no correlation between trying to grow your membership and actually doing so.

As for revenue growth, the inverse was true: organizations trying to grow revenue were much better at it than those who weren't.

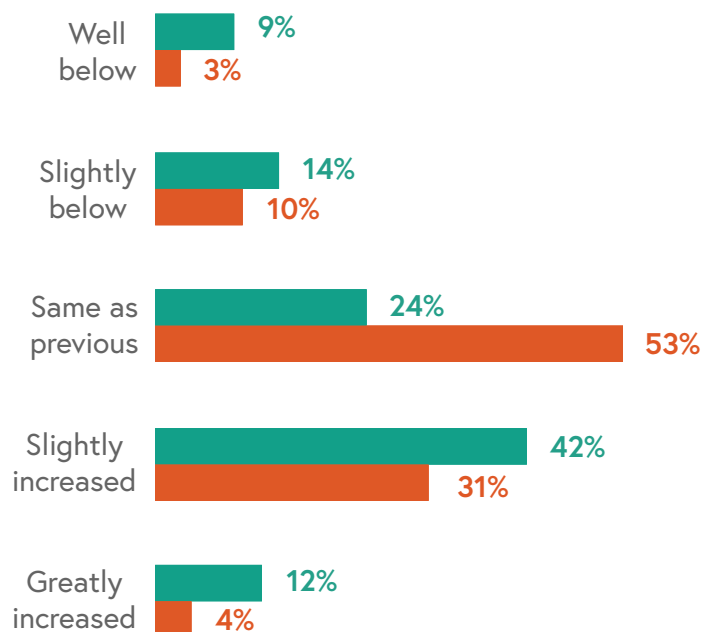
Considering how many organizations were hoping to grow their ranks didn't do so, we can conclude that many organizations just don't know how.

However, if you were trying to grow revenue, chances are that you succeeded. This might be because the tactics needed to grow revenue are more straightforward to many organizations.

Membership



Revenue



Not Trying to Grow Trying to Grow

The Membership Growth Story

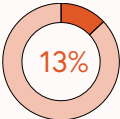
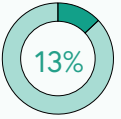
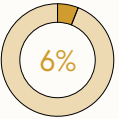
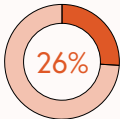
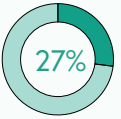
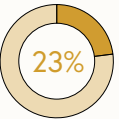
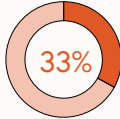
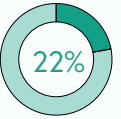

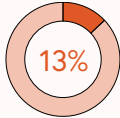


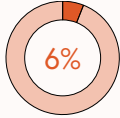


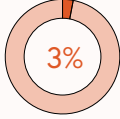
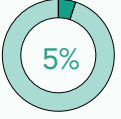
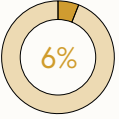
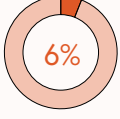
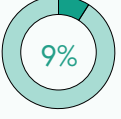
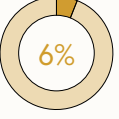
Organizations of All Types Faced Membership Growth Challenges

Considering the numerous kinds of membership organizations, it would stand to reason that the opportunities and challenges they face in recruiting members would be as varied as they are.

The data below tells the opposite story.

Statistical analysis revealed that membership growth was independent of organization type — meaning whether you're an association, nonprofit, club, or any of the 17 subcategories we looked at, you essentially grow (or don't grow) at the same rate.

While you'll see small variation below, those minor differences are not statistically significant, meaning with enough data they're likely to disappear completely.

	Associations	Nonprofits	Clubs
Shrunk	 13%	 13%	 6%
Did not grow	 26%	 27%	 23%
Grew by 1-5%	 33%	 22%	 35%
Grew by 6-10%	 13%	 16%	 20%
Grew by 11-15%	 6%	 8%	 3%
Grew by 16-20%	 3%	 5%	 6%
Grew by >20%	 6%	 9%	 6%

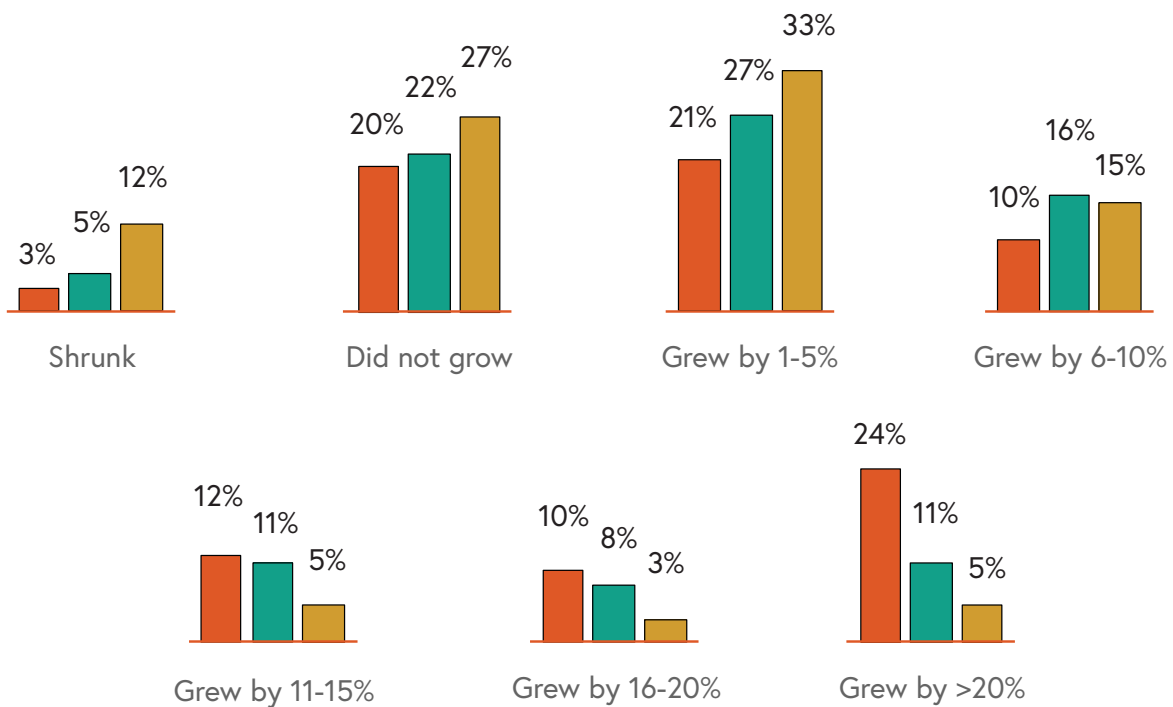
Older Organizations Had The Greatest Difficulty Growing Membership

While what type of organization you were didn't impact membership growth rate, how long your organization had been in existence played a major role.

Mature organizations saw higher levels of shrinking as well as the lowest levels of double-digit growth.

This finding was independent of size, so it didn't matter if you were an older organization with 50 members or you had 5,000 members. By virtue of being around longer, you were just less likely to grow.

What does this mean? There are several possibilities, from older organizations having difficulty connecting their mission with younger members, to needing to diversify the tactics they use to connect with more potential members.



■ Young Organizations (< 4 years old) ■ Middle Age Organizations (6-10 years old) ■ Mature Organizations (> 10 years old)

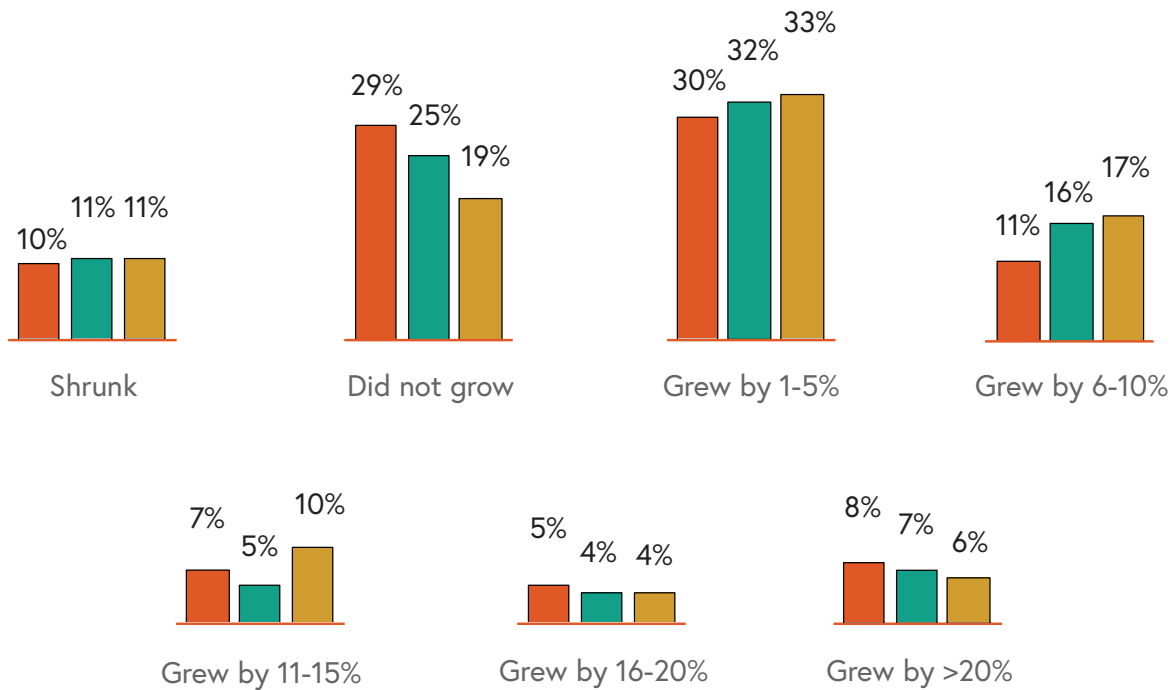
When It Comes to Growing Membership, Size Doesn't Matter

Does your organization currently have 20 members or 200?

When it comes to further membership growth, it doesn't matter.

As the chart below shows, at every size, organizations seemed to experience similar levels of growth.

Bottom line: No matter how large or small your organization is, it's possible to significantly increase your growth.



Small Organizations (≤ 100 members) Medium Sized Organizations (101-1000 members) Large Organizations (≥ 1000 members)

Organizations Lean Heavily on Seven Membership Recruitment Tactics

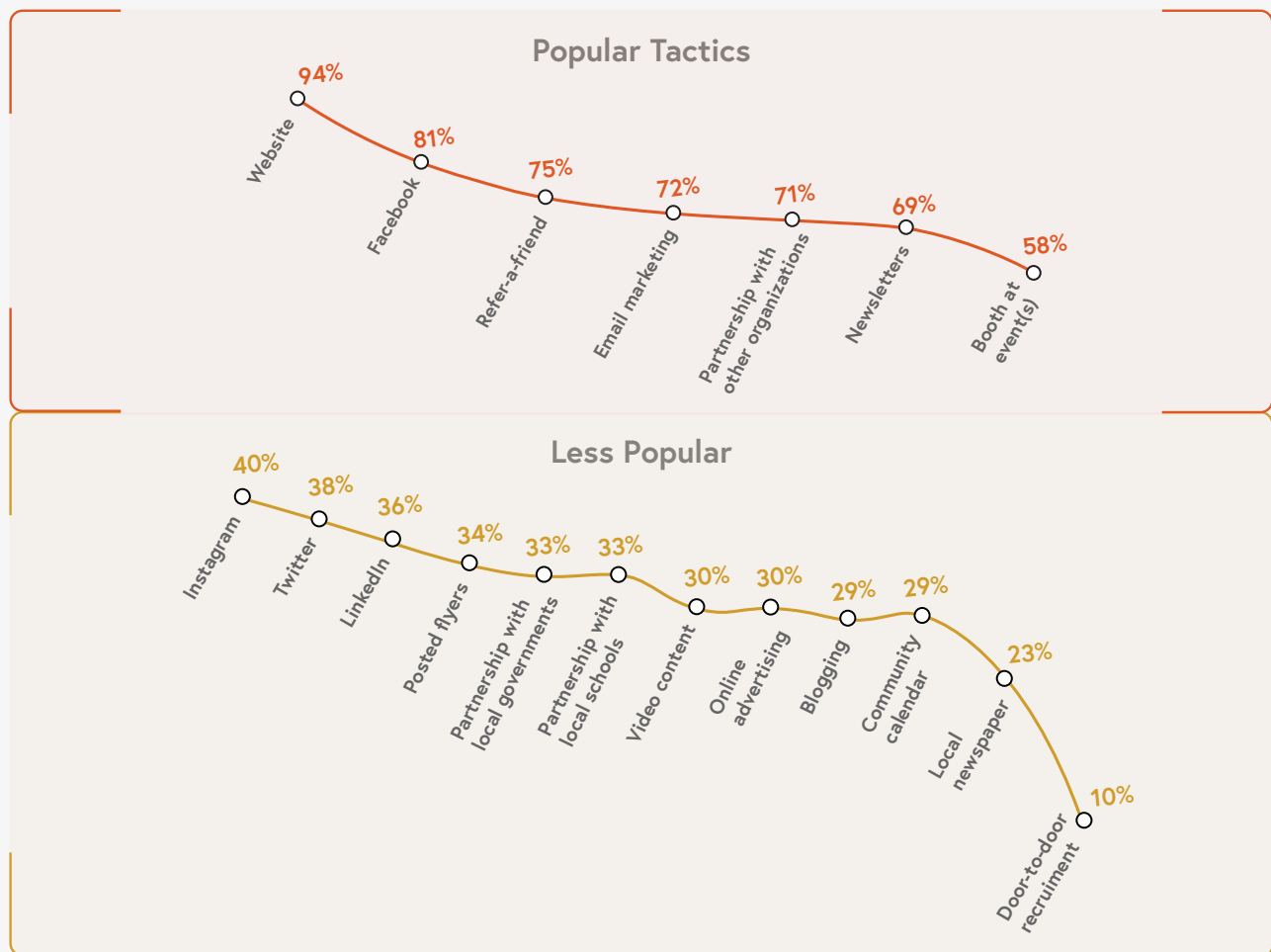
One of the biggest questions we had when we started this research was which tactics membership organizations were using to grow.

So, we asked both which tactics they use and how effective each one was in helping them grow their membership. In total, we asked about 19 different tactics.

The data nicely segments into a group of 7, another group of 11, and one outlier (door-to-door recruitment). Of the 7 most popular tactics, 3 are purely digital (website, Facebook, and email marketing), one is purely offline (event booth), and 3 can be either (refer-a-friend, partnerships, and newsletters).

And on average, organizations leveraged 9 different tactics in their efforts to recruit new members.

Percentage of Organizations Using Tactic



Three of Those Tactics Reign Supreme in Attracting Members

Each organization who used a tactic was asked to rate its effectiveness on a five-point scale, from no impact (1) to major impact (5). The table below shows the average score for each tactic used.

Reassuringly, the top three tactics in effectiveness match the top three in usage — although slightly reordered. After that, the tactics quickly converged into two groups above and below 2.4 (halfway between "little impact" and "moderate impact").

Most interesting are where the largest swings occurred. Video, online advertising, and door-to-door recruitment seem to be underused compared to their relative strength in attracting members.

Conversely, Instagram, LinkedIn, posted flyers, and the biggest loser of all, Twitter, are overused relative to their strength.

Considering three of the four biggest losers are social media platforms, it begs the question: is social media a poor way to attract members, or do organizations just need more information on how to use them more effectively?

Average Effectiveness (5 Point Scale)

3.22

Refer-a-friend

2.71

Facebook

2.60

Partnership with other organizations

2.51

Online Advertising

2.37

Instagram

2.30

Local newspaper

2.16

Twitter

3.01

Email marketing

2.71

Newsletters

2.58

Video content

2.51

Partnership with local government

2.31

Blogging

2.27

Posted flyers

2.93

Website

2.67

Booth at event(s)

2.56

Door-to-door recruitment

2.46

Partnership with local schools

2.30

LinkedIn

2.25

Community calendar

Growth Leaders Do More, and Do It More Effectively, But There Is No "Secret Sauce"

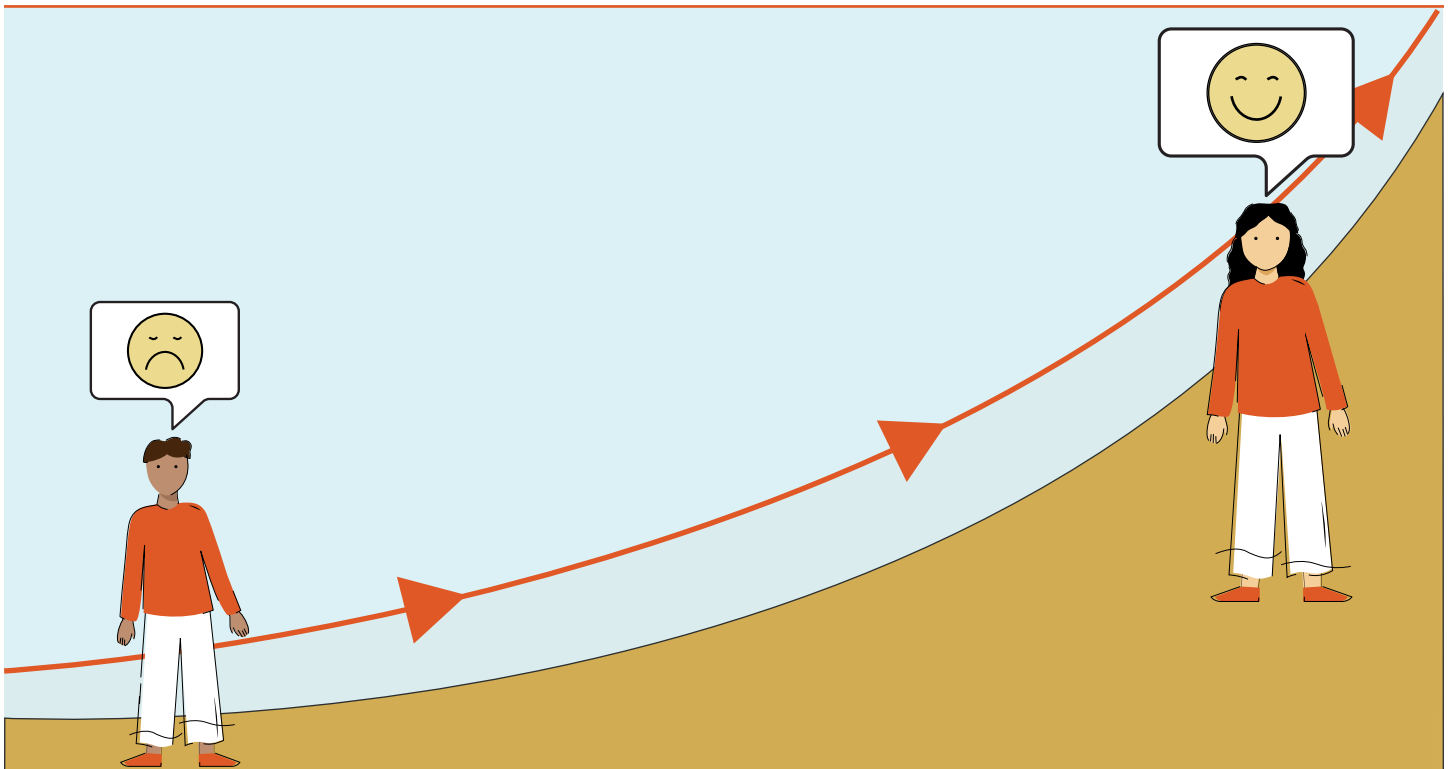
To determine which strategies led to higher overall growth, we divided the study into **membership growth leaders** (growing >10%), **laggards** (no growth, or even shrinking), and **everyone else** (1-10% growth). Then, we ran the same analysis as the two previous pages, but segmented with this framework in mind.

Surprisingly, there didn't seem to be any real difference between the tactics either group was using to grow.

What was different between the groups was how much success each group had with their tactics and how many tactics they used.

Laggards used **16% fewer tactics**, or about **1 ½ fewer tactics** on average than their leading peers. They were also **25% less successful** when using the same tactics as growth leaders.

What does this mean? The good news is, you're probably already doing most of the right things. If you want to be a leader, you need to push your organization to try more tactics and adopt those that resonate with your members, and optimize how you use those tactics to get more out of them!



The Biggest Obstacle To Growing Membership? Finding Potential Members

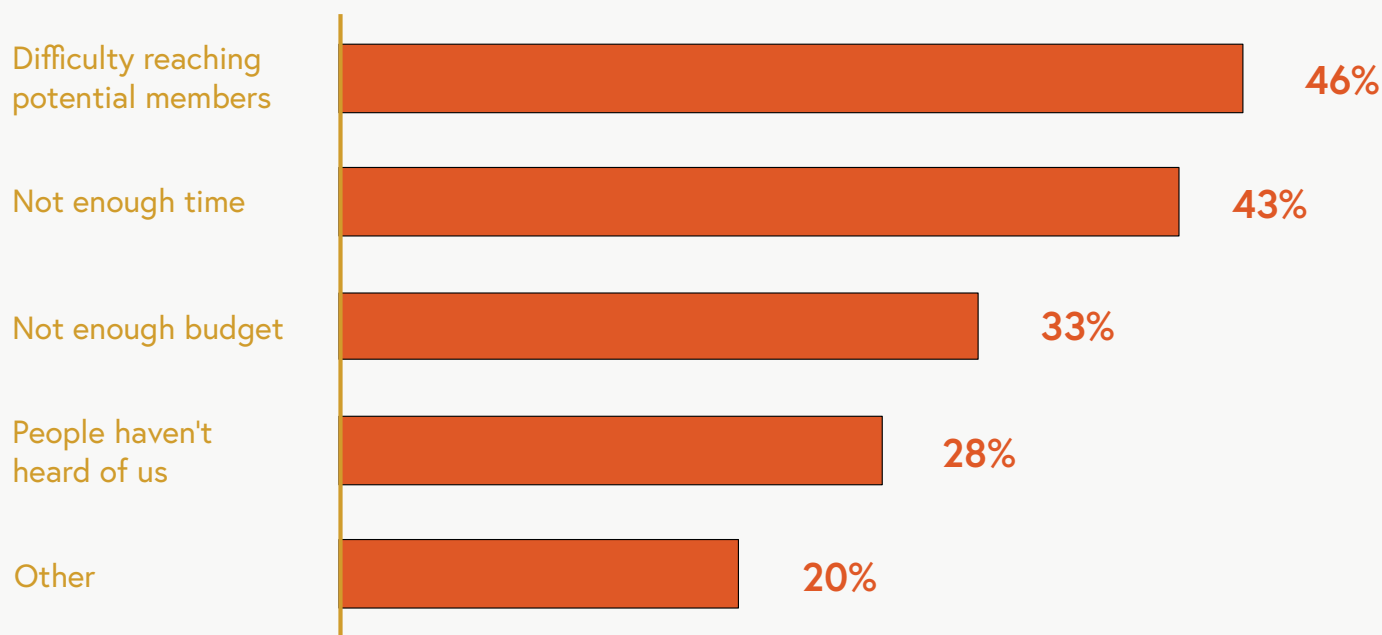
On average, organizations faced 1.7 challenges to membership growth in 2019.

"Difficulties reaching potential members" to promote the organization proved to be the most commonly cited challenge (46%), closely followed by "not enough time" (43%).

The leader/laggard framework also uncovered an interesting difference between these two groups. Laggards were 44% more likely to say difficulty reaching members was their biggest obstacle, whereas leaders were more likely to identify time constraints and growing awareness of their organization as obstacles to growth.

These obstacles should be encouraging for organizations looking to grow, since time issues and out-reach to potential members are often much easier to solve than a small budget or a lack of awareness of your organization.

Obstacles to Membership Growth



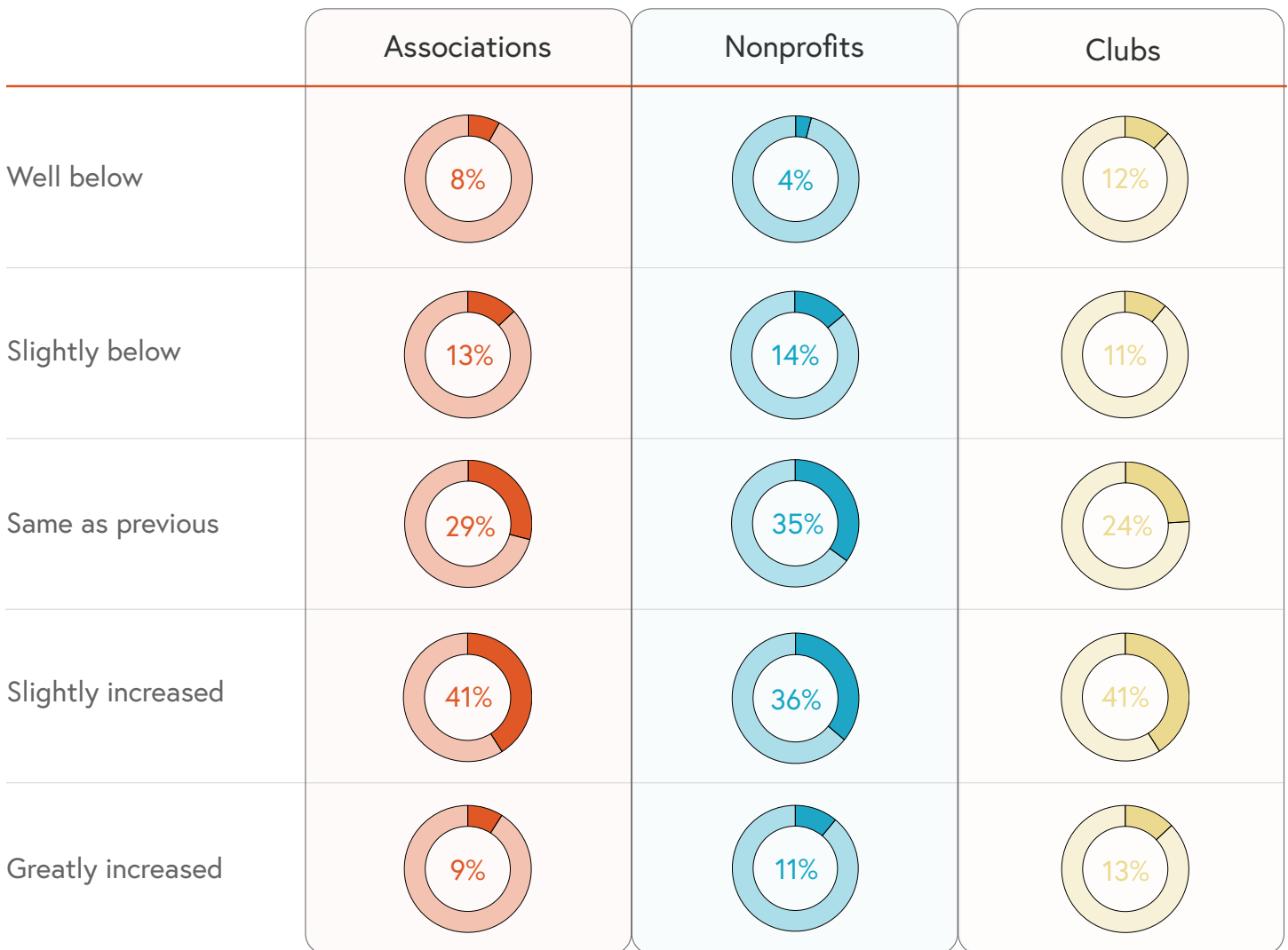
The Revenue Growth Story

Everyone Struggles With Growing Revenue

As was the case with membership growth, success in growing revenue did not vary based on the type of organization: roughly 50% of each organization type failed to grow their revenue in 2019.

The silver lining to this finding is that if you struggled to grow revenue, you're hardly alone.

Given these struggles are universal across all organization types, it suggests the problem is more of a "how" problem than something inherent to a particular industry. In other words, just because you're a nonprofit doesn't mean you're destined to be short of revenue. It's just another problem to solve.

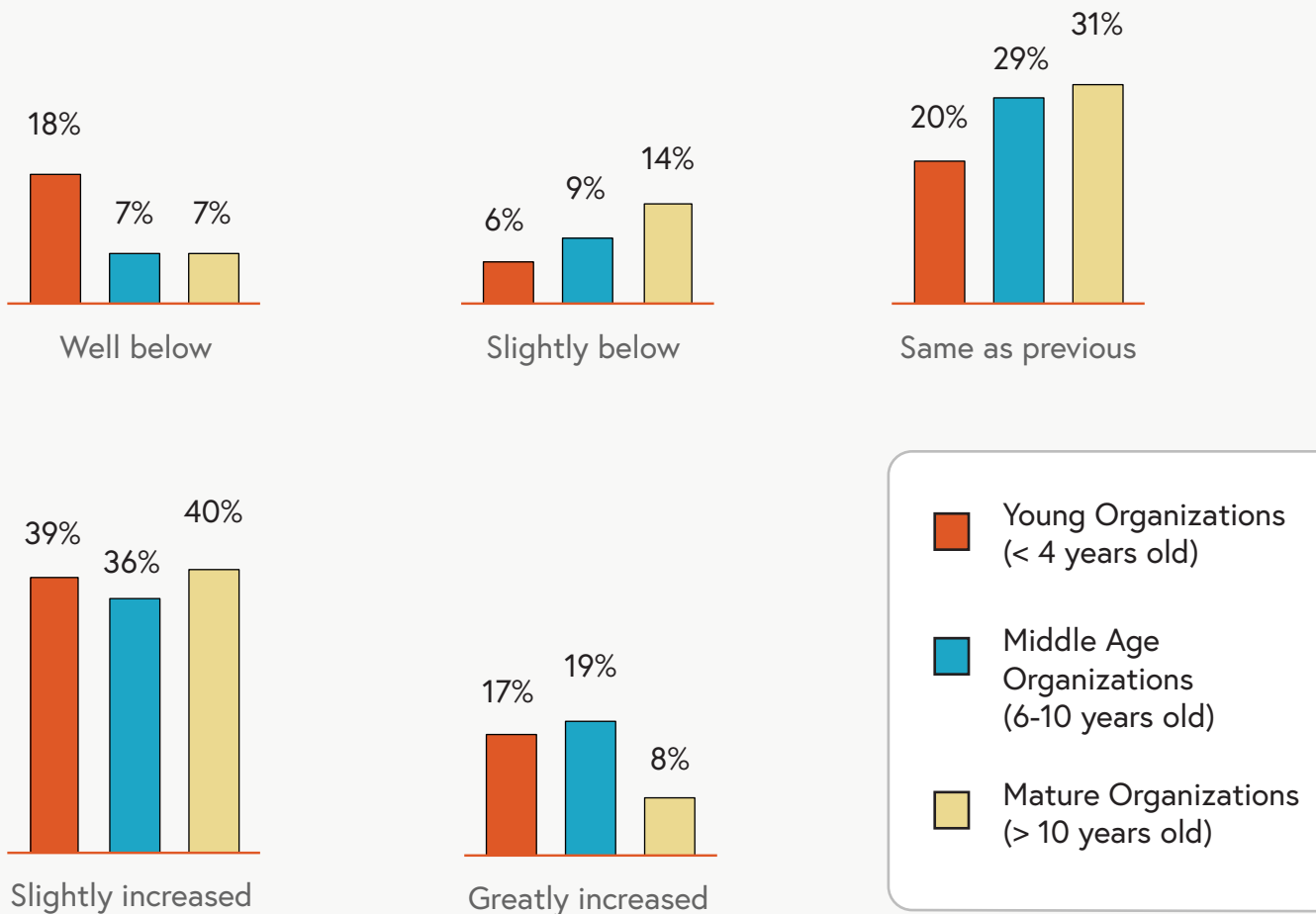


Organization Age Dictates The Revenue Struggles You Face

The table below shows two extreme states at either end of the chart. On the left, you can see that young organizations were between two and three times more likely than their middle-aged and mature counterparts to experience their 2019 revenue falling well below that of 2018.

On the far left of the chart, we see that mature organizations were more than twice as likely to struggle growing in the double digits.

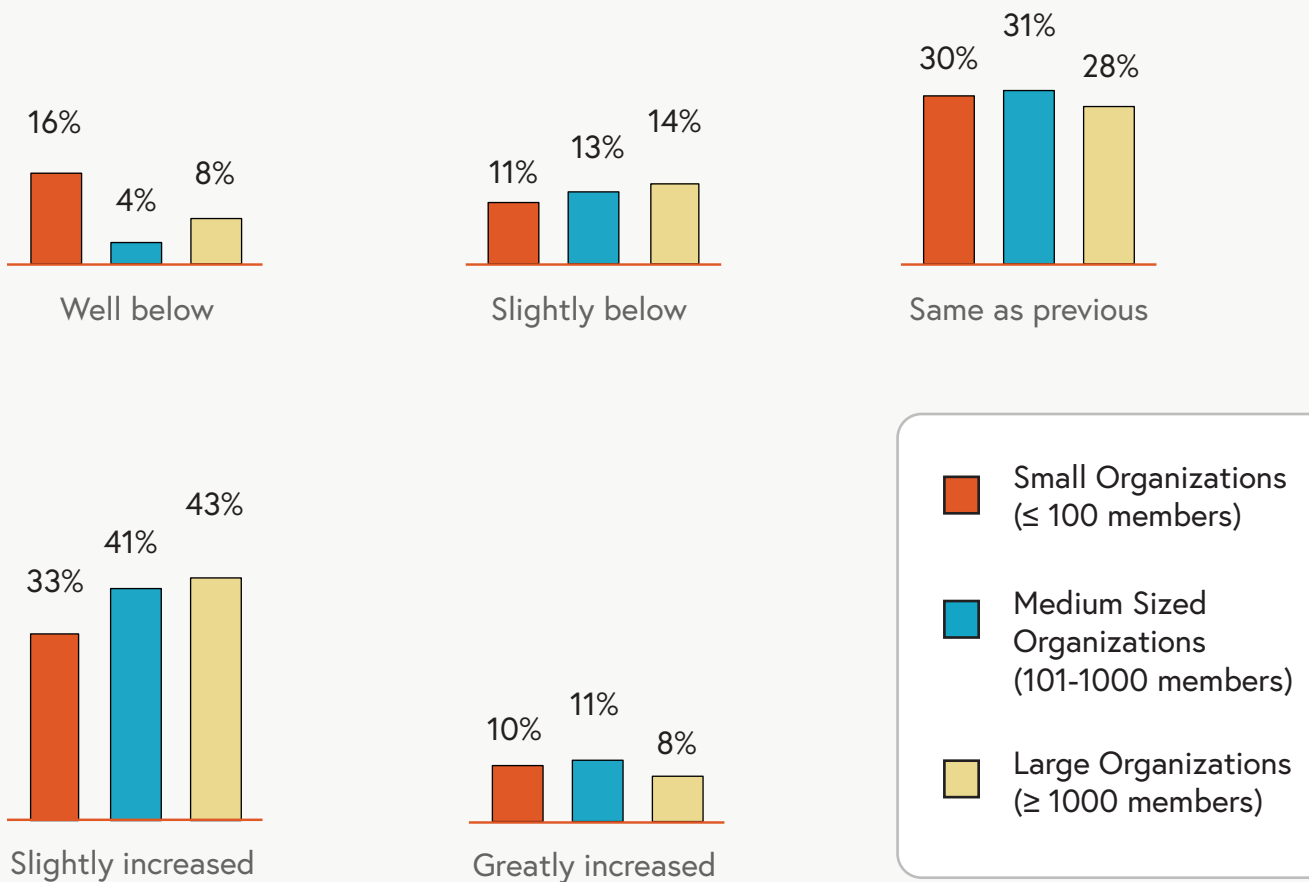
This means that younger organizations are more prone to big revenue misses, but mature organizations see much slower revenue growth.



Smaller Organizations Faced the Most Difficulty Growing Revenue

While being small didn't impact membership growth in 2019, it significantly impacted revenue growth. Smaller organizations were 4 times more likely to have had their revenue fall well below that of their medium-sized peers, and twice as likely as larger organizations.

And it wasn't only shrinkage that was a problem for smaller organization — they also had a much more difficult time growing revenue. Smaller organizations were significantly less likely than their peers to increase revenue in 2019, performing 20% worse at increasing revenue compared to their medium and large organization counterparts.



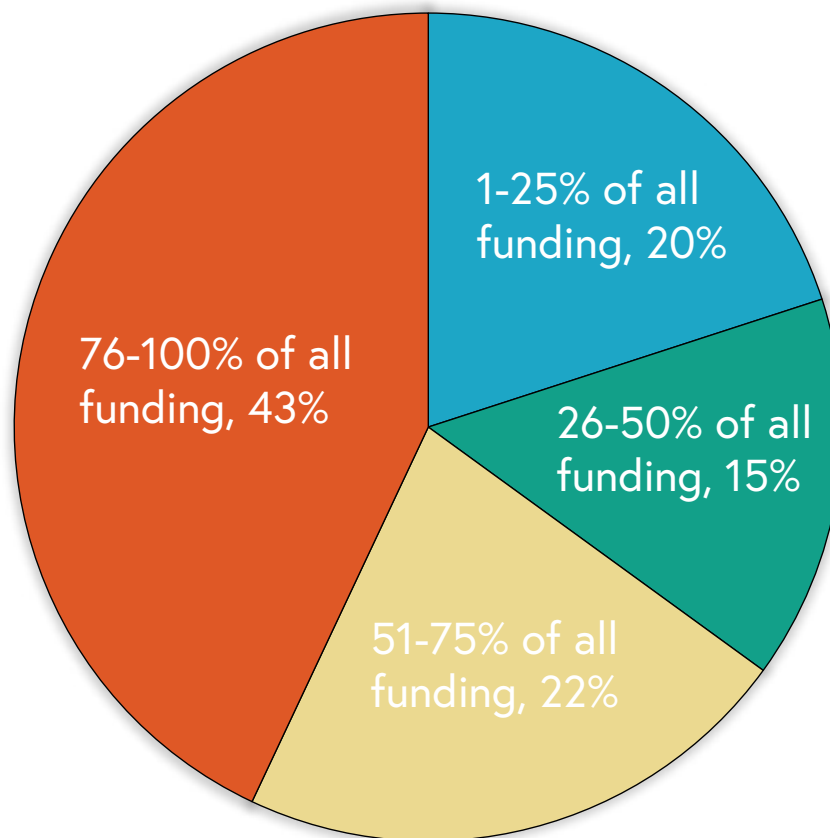
Organizations Rely Heavily on Registered Members for Funding

When you ask membership-based organizations where their revenue comes from, overwhelmingly they identify members themselves — no matter what type of organization they are.

When **43%** of organizations source between **76% and 100%** of their revenue from members, it's fair to say that most organizations rely heavily on their membership for funding.

That being said, how much funding comes from members for the other 57% of organizations varies greatly, and breaks down fairly equally between each of the three remaining quartiles — demonstrating that funding isn't as homogenous as you might think.

What % of Funding Comes from Members?



Revenue Leaders Are Less Reliant on Members for Funding

Another difference between leaders and laggards?

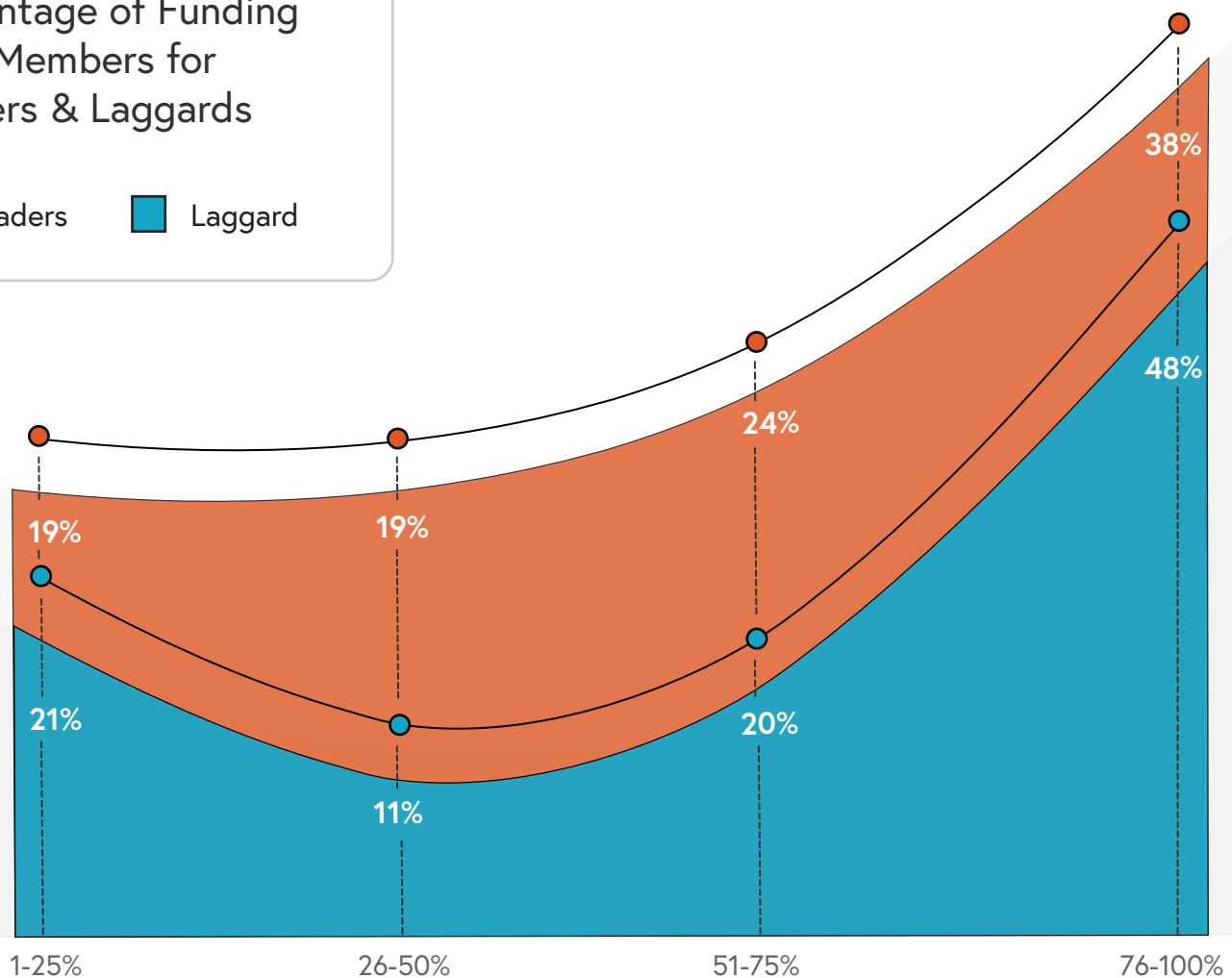
Leaders rely much less on their members for funding.

Leaders were found to be more likely to source between 26% and 75% of their revenue from their members. Put another way, they were 72% more likely to source between 26% and 75% of their revenue from non-members.

If you want to break free from low revenue, here's a path forward — diversify your fundraising. Find ways to interest people who support your mission, but who may not have the time or interest to be full-fledged members.

Percentage of Funding from Members for Leaders & Laggards

Leaders Laggard



What Kind of Membership Organization You Are Greatly Impacts How You Generate Revenue

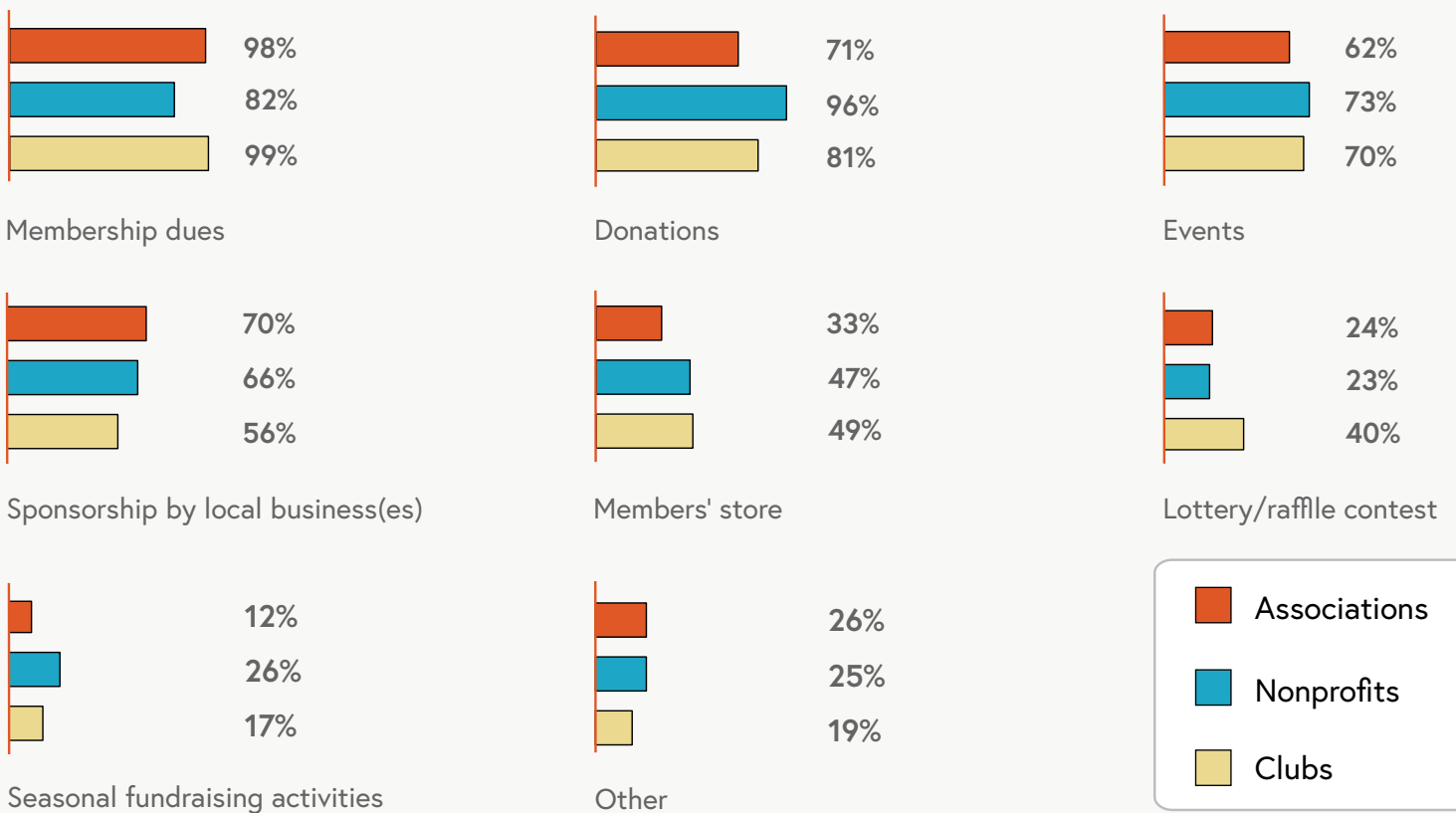
We asked respondents which tactics they used to generate revenue and found that on average, membership-based organizations utilized 3.9 different tactics.

However, as opposed to membership growth, the type of organization played a major role in revenue generation tactics.

Associations relied on membership dues by a wide margin, while nonprofits relied heavily on donations. Clubs were in the middle, with equally high funding from membership dues as associations, but with more reliance on donations.

Although membership organizations used similar tactics to find new members, the tactics they used to get revenue were mostly dependent on the type of organization they were. This suggests that if you're looking for new ideas to generate revenue, you should take a look at organizations similar to you to see what they're doing best!

How Organizations Generated Revenue in 2019



There is a Way to Generate Revenue More Effectively

So, you know that the type of membership organization you are determines which revenue-gathering tactics you'll use... but which ones are most effective?

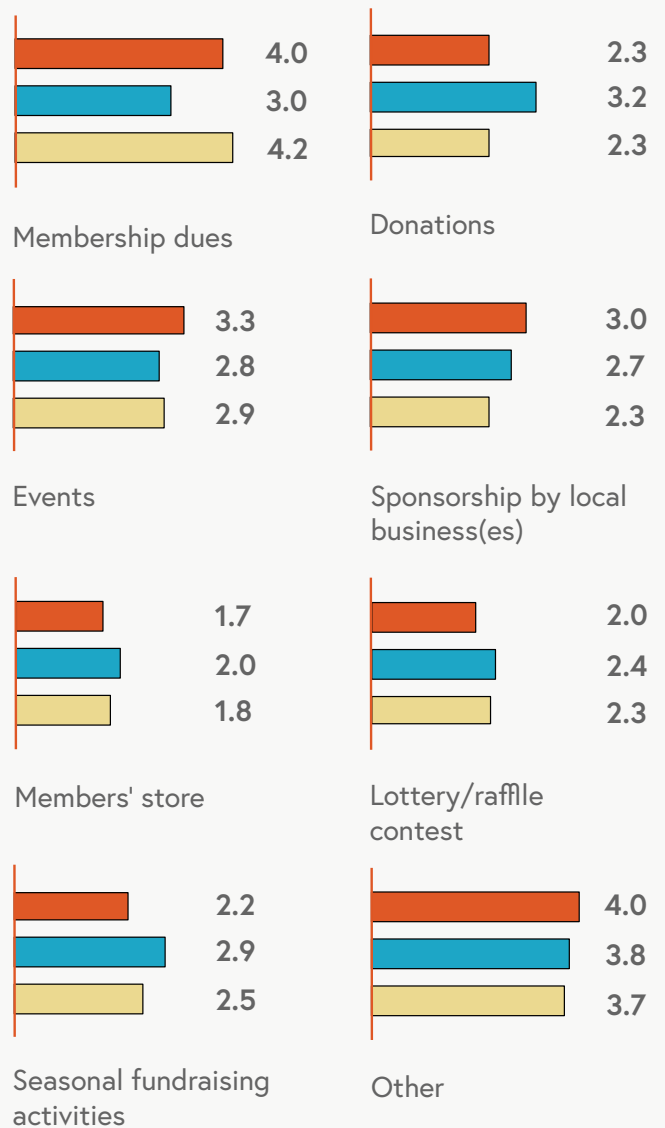
The chart below demonstrates the relative effectiveness of each tactic according to those who used it. Scoring was done using a 5-point scale, where a score of 1 meant the tactic generated "barely any" revenue and a score of 5 meant it generated "a large amount" of revenue.

Comparing the chart below with the result from the previous page shows several ways that organizations struggling to generate revenue can improve.

For instance, associations were the least likely of the three organizational types to use events, but those who did reported higher levels of success with them than with more popular tactics like donations and sponsorship. Likewise, just 26% of nonprofits used seasonal fundraising sales, despite it being the 4th most effective nonprofit tactic.

To achieve higher revenue growth, it's time to start thinking outside the box and looking at "Other" tactics. From merchandise sales for nonprofits, to education events for associations, to conferences for clubs, the data suggests that being creative and finding something specific to your organization is paramount to revenue success.

Effectiveness of Revenue Generating Tactics By Org Type



■ Associations
 ■ Nonprofits
 ■ Clubs

Where Laggards Faltered in Generating Revenue, Leaders Soared

The previous question examined how effective each tactic was compared to every other tactic. But what about how a tactic performed versus itself in the past? We asked that question and found an interesting result—the tactics that were identified as most effective were also the ones that improved the most!

When the leader/laggard lens was applied to the data, another fascinating trend emerged. Leaders saw massive gains in revenue from membership dues, donations, events, and seasonal fundraising activities.

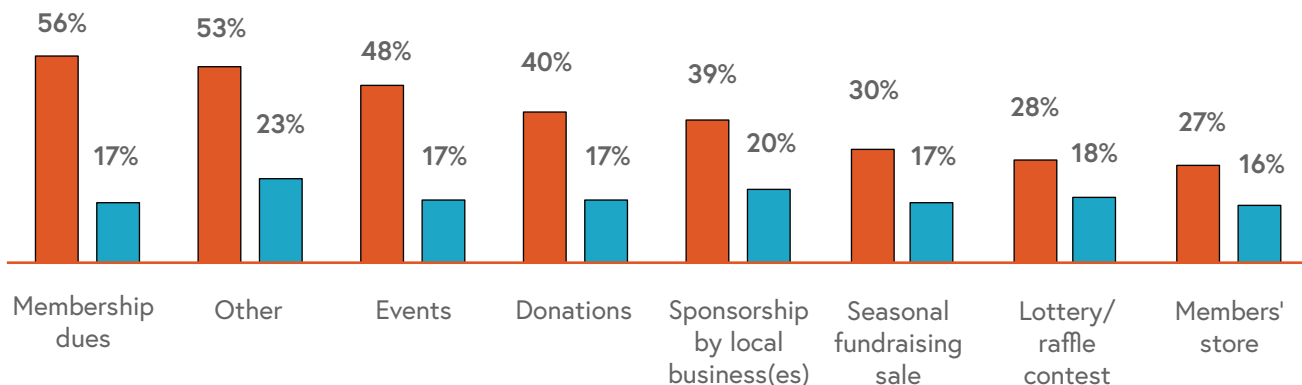
Laggards saw the exact opposite. Those 'more effective' tactics were where they fared worse in 2019.

Put another way, where leaders soar, laggards crashed, so it isn't so much as doing things differently as it is doing things better — a repeat of the membership growth story.

The table below shows the blended data for all organization types, showing for what percentage of organizations revenue increased year-over-year for a given tactic as well as the percentage of organizations that saw revenue drop for each tactic.

Increase and Decrease in Revenue by Tactic

Legend:
■ Organizations Where Revenue Increased From Tactic
■ Organizations Where Revenue Decreased From Tactic



Lack of Familiarity With the Organization Is the Biggest Obstacle To Growing Revenue

As with membership growth, we asked respondents to identify the challenges they faced in growing revenue in 2019.

While people not hearing about an organization was the second least problematic obstacle to growing membership, it was by far and away the biggest challenge faced in growing revenue, with 44% of respondents identifying this as an issue.

After that came three straight obstacles related to how supporters allocate their money — the expectation for others to donate (25%), other spending priorities (25%), and not having the funds (23%).

A silver lining to these results is that responses reflective of skepticism in membership-based organizations were low on the list, with "people do not trust organizations" at the very bottom at just 3%.

Based on these results, the key to raising more funds lies in raising awareness of your organization. Let your prospects know about your mission, and when they've bought in, ask for their help!



What Does It All Mean?

We won't lie: growing an organization's ranks and revenue isn't easy.

Most organizations struggle with it, and there's no secret sauce to faster growth.

What the previous pages hopefully did prove, though, is that **growth is possible!**

Whether you're a nonprofit, association, or club, here are some tactics you can try to improve your growth going forward:

1

Lean into established digital channels — your email list and website — and don't focus as much on social media!

2

The best way to grow membership is with your existing members by having a refer-a-friend plan in place.

3

To be a leader takes a willingness to try more tactics and then the dedication to optimize the ones that work.

4

The #1 revenue tactic is the one that is specially designed for you, so think about your audience and get to work!

5

To generate more revenue, diversify beyond membership. Find your fans, friends, and allies, and ask them to help you and your cause.

6

The biggest obstacle to growing revenue are potential donors not knowing your organization. Build your brand, and revenue will come much more easily.

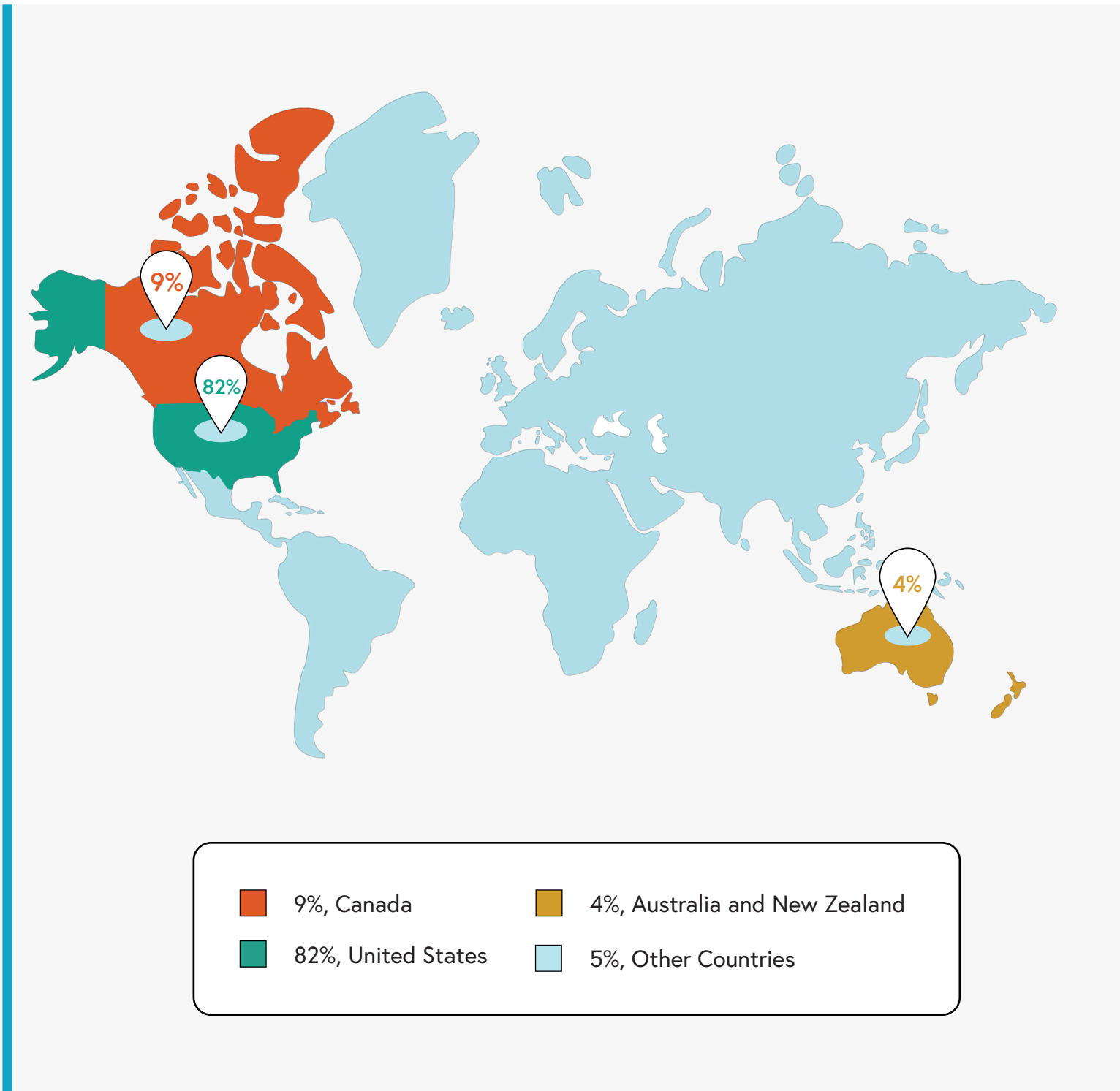
We hope you found these findings helpful. If you enjoyed this report, please share it with your friends and colleagues!

See Why Wild Apricot is the World's #1 Membership
Management Solution for Small and Mid-Sized
Organizations

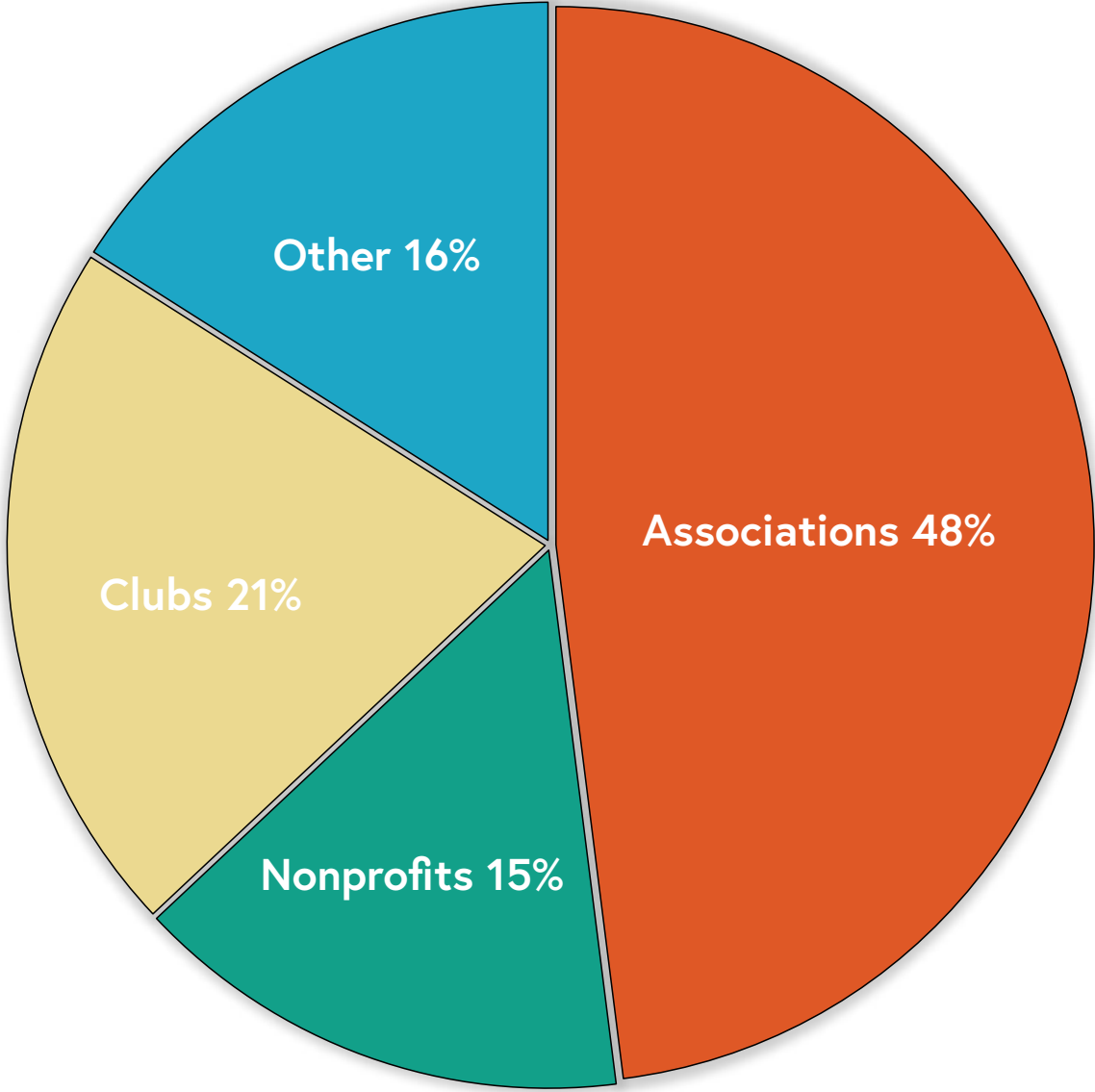
Demographics

Geographical Location of Organizations

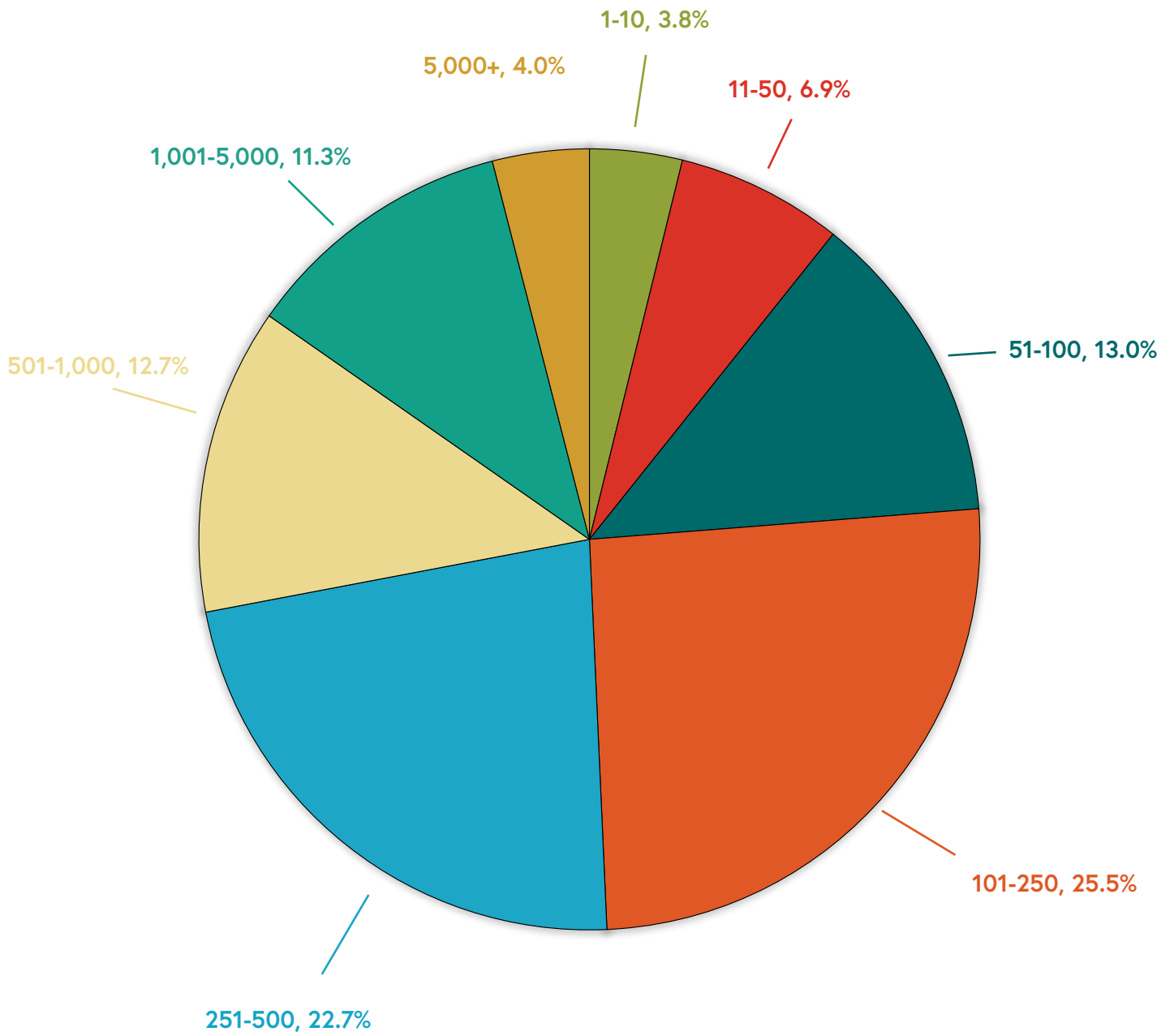
38 different countries were represented across the 1,207 respondents to the survey. The vast majority, **82%**, came from the United States, **9%** from Canada, and **4%** from Australia and New Zealand. The remaining **5%** were scattered across the globe, from countries as large as India to as small as the US Virgin Islands.



Organization Type



Size of Organization by Number of Members



Age of Organizations

