



Trends & Opportunities Survey 2015

Your source for insights into YMCAs, JCCs,
and Community Centers



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About the Survey

Daxko conducted the Trends and Opportunities survey via email during December 2014 to gather insights on nonprofits. This year we included YMCAs, JCCs, Boys and Girls Clubs, and other community centers in our survey. Thank you to all who participated. Your responses will guide other member-based nonprofits to greater success in the coming year.

Respondent Detail

367 professionals participated in the 2015 Trends and Opportunities Survey, representing 314 unique associations. C-level executives comprised the majority of respondents, with more than 85% falling into the roles of CEO, CFO, COO, or CIO. Organizations of various sizes participated in the survey, with operating revenues ranging from less than \$1M to greater than \$60M.

85% executive respondents
367 survey participants

Software that makes a difference, people who make it better.

At the end of the day there is nothing more important in a partnership than the people - and ours are the best. Our customers aren't on the sidelines, they are active participants in our product development. More than 97% customer retention and over 16 years of experience speak to our strong commitment to collaboration and software innovation. Our goal is to help member-based nonprofits operate more efficiently, grow healthier organizations, and deepen the impact they have on their communities.



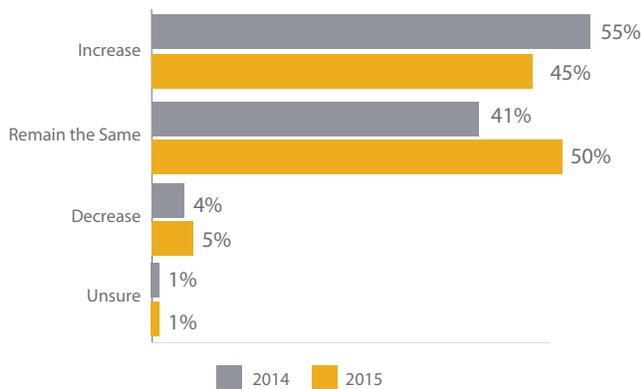


Budget Growth for 2015

Survey respondents are cautious in their financial forecasts for 2015. 45% of respondents predict an increase in their operating budgets over last year; down 10% over their predictions for 2014. All together, 95% of respondents report their operating budget increased or stayed the same.

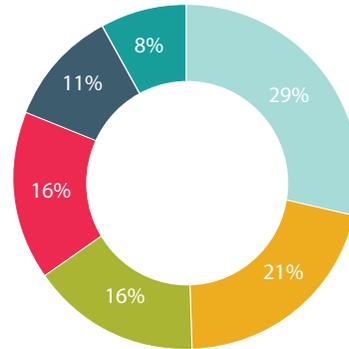
The percentage of associations anticipating budget growth has decreased 10% since 2014.

Anticipated Change in Operating Budget 2014 vs 2015



Of those who predict a budget increase, the top contributing factors are **increased membership sales** and **increased program revenues**.

Reasons for Budget Increase



Top reasons cited for budget declines include increased competition as the primary driver with closing branches ranking second.



Membership

The vast majority (85%) of organizations surveyed operate under a recurring model of membership. 83% of respondents state that they are satisfied with the current model. 33% mention that they are looking into other membership models in the coming year.

Some respondents are frustrated by the lack of longevity for month-to-month memberships. Other respondents mention that they are looking at new membership models that might “bring more value to membership.” The idea of “virtual memberships” as an enhancement to the current membership model is referenced in several survey comments.

Data from Daxko Operations shows us that individual membership units tend to be more volatile than family units. The rate of family memberships has flattened and can be considered a stable trend with little fluctuation in 2013, 2014 and the beginning of 2015.

However, new memberships at the individual level are increasing. Possible causes for this could be strong marketing for individual memberships at the organization level, the likelihood of January joins to be individual membership types, or the tendency of individuals to make a more impulsive decision to join.

Member Engagement

2 out of 3 respondents share that their organizations have staff with full-time responsibility for increasing engagement for members, program participants, donors, and/or volunteers.

Organizations seem to be split on the topic of engagement. Many report that they are ramping up their staffing in the areas of member engagement, while others report that engagement is a shared responsibility for everyone within the organization. Still others comment that their increased focus on full-time engagement is to lay the groundwork for fund development.

2 in 3 organizations have staff with full-time responsibility for engaging constituents, members, donors, program participants, or volunteers.

One thing most organizations agree on? Engagement deserves increased focus. Specifically, survey respondents report:

“We are starting [engagement efforts] at one branch and hope to expand it in the future.”

“The role of the Member Specialist is to connect with new members to begin the engagement process. We also have engage teams at each center.”

“We have multiple directors and managers that have responsibility for membership engagement, program participation, donors, and volunteers. But, there is no one person with full time responsibility.”

“We have a full time Director of Relationships, but she has additional responsibilities. We have a part-time staff member who spends 100% of her time in engagement.”

“We have developed a Marketing/Membership committee with staff from each branch (including full-time staff and directors). We meet once a month to discuss engagement of members, program participants, donors, and volunteers. This has been an extensive endeavor that has been very positive for us.”



Millennial Engagement

Technology is one way to get members (literally) connected to your mission. Take millennials for example (those age 22-37 in 2015). According to the 2013 Millennial Impact Report, most nonprofits already know the basic pieces they should put in place to capture millennials:

- Have an up-to-date, well-designed website
- Make your website mobile friendly
- Be present on social media
- Follow up with relevant, easy-to-read emails

While studies show that millennials often prefer debit over credit, Daxko’s overall membership data doesn’t match this trend. Daxko Operations processed nearly \$75 million in credit card payments in 2014. The number of credit card payments is climbing and already more than half of all payments processed in Daxko Operations are made by credit card. Whether paying via credit or debit, millennials enjoy the ease and convenience of self-service tools, so make sure your website can facilitate easy digital payments. (US News, “Why Millennials Don’t Like Credit Cards,” Nov. 2014)

Member Satisfaction

Conducting member surveys is a great way to collect insight into attrition and satisfaction. The most popular ways to track member satisfaction include annual membership surveys (48%), exit surveys (51%), and collecting member feedback in a suggestion box (49%).

Being proactive about member retention can help an organization get ahead of member cancellations. Still, when attrition occurs, having a plan in place to recover lost members is important. Less than half of the organizations surveyed have a member recovery plan.

51% of organizations report they conduct exit surveys to help understand why members are leaving, which is a 6% increase over last year.

Putting more emphasis on continuous feedback (think phone, email, and online) more than once a year could help centers make necessary improvements and lower attrition. Only 22% (compared to 2014's 30%) of organizations solicit feedback more than once a year. Regular "member pulse checks" maximize interactions with members and give them a voice in the member community.

Member Recruitment

Word-of-mouth referrals are still viewed by organizations as being the most effective communication channel for attracting new members. For the first time, social media (11%) ranked behind word-of-mouth, displacing direct mail as the second most effective way to attract new members.

Social media referrals may be catching on as more millennials become members. With this in mind, software provider HootSuite stresses the importance of getting your employees and your loyal followers on the same page when it comes to social:

Give your employees and volunteers a social media education. Many younger employees and volunteers already feel comfortable conversing in the social media realm and you can use that base knowledge to work for your association. Before you give anyone the keys to your social media accounts, be sure that they understand how you would like them to communicate professionally in order to further the mission of your nonprofit. A helpful step is to designate one full-time employee to train and monitor the messages

that are put out by others on social media. Be sure to set up social media keyword searches so you can quickly identify mentions from all sources.

Recruit loyal members to talk about your organization to their social networks. Have a running club that meets regularly at your center? Is the head of the group active in the local running community? Chances are this person has a lot of influence. HootSuite offers their "ambassadors" brand education, online recognition, and company goodies to encourage them to participate on social media. In this way, loyal members can become ambassadors for your association and for your mission. ("Doing More with Less: How Nonprofits build Social Media Armies," Hootsuite, May 2014)

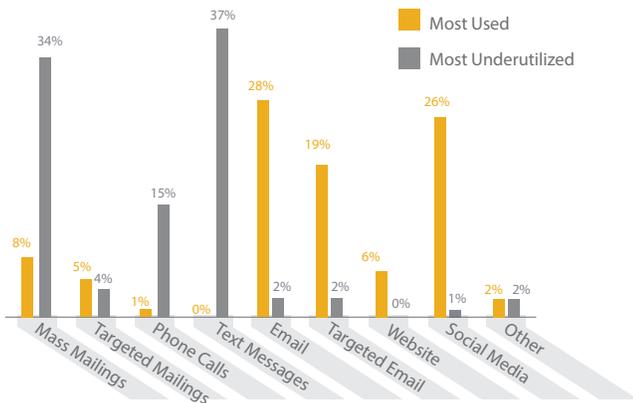
Being active on social media can often be an afterthought, but doing the work on the front-end will encourage staff and loyal members to participate. Widespread participation creates an active social online community that can enhance your word-of-mouth referrals and further your nonprofit's mission.



Member Communication

A hefty 28% of respondents said mass e-mail (to the entire membership database) is the most frequently used way to communicate with existing members. 19% are starting to use tools for targeted communication. 26% of respondents reported using social media as the primary way to communicate with their membership.

Most Used and Underutilized Methods for Member Communication



In terms of the most underutilized communication channels, participants agree that text messaging is often overlooked. 37% admit they use that channel the least when communicating with members. However, power of text should not be ignored. Fundraising via text (i.e. text-to-give campaigns) has proven particularly valuable for impulse giving towards disaster recovery efforts. For example, according to Pew Research, text donations accounted for \$43 million in Haiti Earthquake relief in 2010. “This new mode of engagement offers opportunities to philanthropies and charitable groups for reaching new donors under new circumstances as messages spread virally through friend networks.” (PewResearch, “Real Time Charitable Giving,” January 2012).

Another study linked text reminders for parents with improved flu vaccination rates for children. When a group of parents was given text reminders for their children’s flu vaccine, more than 60% of the parents described “the reminders as either the main reason or part of the reason why they brought their children... The parents said that, as well as the text messages providing useful reminders, they also liked how the messages provided information in a quick way that did not require talking to anyone.” (“Flu vaccination rates improved by text reminders,” Medical News Today, December 2014).



Program Participation & Administration

Programs continue to be top of mind for our respondents. 37% of survey respondents mention programs as one of the three most critical ways to measure success. 1 in 5 can attribute their organization’s budget increase in 2015 to more program revenues. That’s not surprising since the vast majority (87%) of programs were either profitable or breaking even.

1 in 5 attribute budget increases to growing program revenues. In fact, 87% of respondents report their programs are profitable or at least breaking even.

38% of respondents tell us that fully integrated, online registration would be the best way to ease program administration for their organization.

Best ways to increase program participation:

1. Targeted Marketing (27%)
2. Higher Quality Programs (18%)
3. Targeting past participants (9%)

Just 6% of respondents feel that updating their website with program offerings regularly would help increase program registrations. However, updated website information provides the best place for the “more information” referenced in an email or flyer, and reaches a broader audience.

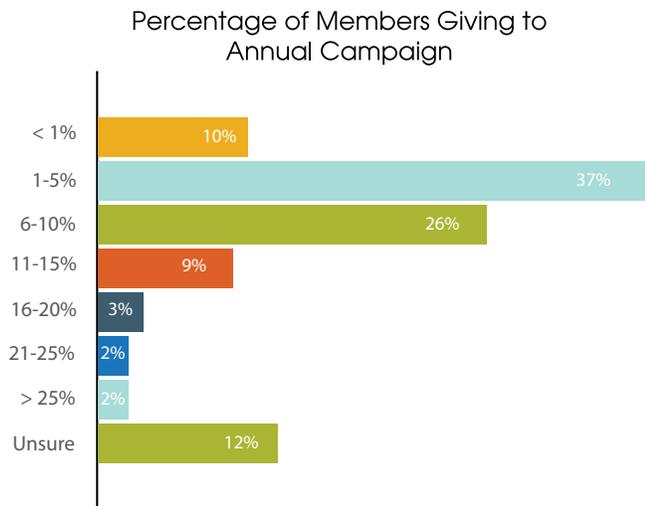
Organizations are not placing confidence in their websites as a vehicle for enhancing the program experience—but they should. Registering for programs online can provide immediate gratification for someone wanting to interact with your organization. Millennials are powering the move to e-commerce, so preparing your website with the information young

parents and other millennials need to make decisions online is a smart move for the future.



Financial Development

A majority of respondents (73%) report that 10% or less of their membership give to their annual campaign and just 2% of organizations report that 25% or more of their membership contributes.



Online giving is still in its infancy amongst member-based nonprofits with 62% reporting that less than 1% of donations come through online giving. While it comprises a very small percentage of overall donations to these groups, online giving should not be ignored. In fact, according to the Chronicle of Philanthropy, online giving overall rose 13% in 2013.

Organizations that make changes to encourage online gifts reap rewards. The American Lung Association raised 29% of all donations online by ensuring their website and emails were easy to read on mobile devices and included easy ways to make an online gift (“The Big Boom in Online Giving,” Philanthropy.com, June 2013).

Daxko data tells us that pledges are increasing. The average amount per gift increased by more than \$200 from 2013 to 2014. In addition, Daxko data also tells us that

Most donations come within the first 30% of a fundraising campaign timeline

36% are made by current members

The largest donations happen within the first quarter of a fundraising campaign.

Increasing member giving should be a key focus. At many organizations, a small number of members are giving but they still have the power to make up nearly 40% of gifts overall. Engaged members can be the most loyal and generous donors you have at your organization.



Partnerships

Almost all organizations are partnering with other groups and businesses in their communities. Schools, hospital/wellness centers, and social service organizations are the most popular partners.

76% of organizations partner with employers in the community to provide health/wellness services for employees.

More than three-fourths of organizations offer employee healthy living programs. This is a slight increase over the prior year.

As a part of their work with corporate partners, 37% of respondents offer healthy living programs to employees regardless of their membership status.



Technology

41% of organizations rate their overall technology as adequate, a slight decrease from 2014 (45%). The percentage rating their technology as less than adequate and even antiquated continues to be high with nearly 1 in 3 respondents rating their association's overall technology in this range.

The top areas in need of improvement include hardware, software (specifically operations software), and integration of existing systems.

1. **Hardware (11.8%)**
2. **Operations Software (11.8%)**
3. **Integration of Systems (11.8%)**
4. **Constituent Relationship Management, CRM (10.3%)**
5. **Fundraising Software (9.6%)**
6. **Advanced Reporting/Analytics (9.6%)**

2014 Achievements

Organizations shared varied achievements from 2014. The most significant one shared was the addition, expansion, or improvement to facilities. Not far behind was meeting/surpassing membership goals for the year and then filling key staff positions.

1. **Facility addition/expansion/improvement (20%)**
2. **Meeting or surpassing membership goals (15%)**
3. **Filling key staff positions (10%)**

2015 Opportunities

Similar to 2014, facility expansions and upgrades along with capital campaigns are tied as top opportunities this year. Not far behind is strategic planning.

1. **New building, facility expansion or upgrade (23%)**
2. **Capital campaign (23%)**
3. **Strategic planning (17%)**

Facility improvements top the list for the biggest achievements in 2014 and the most significant opportunities this year.



Success Metrics

We asked respondents to tell us the most critical metrics for measuring their association's success. Here's what they had to share:

Executive: overall fiscal health, membership growth

Operations: retention, program quality

Membership: member retention, budget

Development: donor retention, fundraising dollars

Finance: overall fiscal health

HR: staff development and satisfaction

Marketing: membership and program growth

When asked to rate the value of benchmarking KPIs (Key Performance Indicators) at their organization against peer organizations, 60% of respondents report these insights as a 4 or a 5 (5 being the most valuable). KPIs provide valuable insight for nonprofit executives into how their organization is performing on a key set of metrics. Nonprofits should hone in on the mission of their organization and how that mission can be measured when selecting the metrics to watch and

compare to peer organizations. (“Key Performance Indicators: Nonprofits Need Them, Too!,” Association of Fundraising Professionals, June 2011)

2015 Challenges

More than a third of respondents (34%) named growth in members as top of mind for the coming year. Fundraising and development is also a focus (23%).

1. **Membership growth (34%)**
2. **Fundraising & development (23%)**
3. **Member retention (12%)**

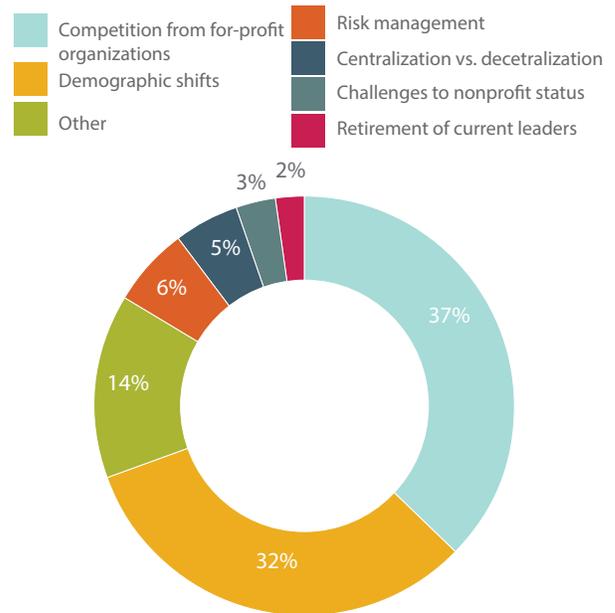


Most Significant Trends

The most significant trends affecting organizations surveyed include competition from for-profit organizations and demographic shifts such as the rise of millennials.

1. **Competition from for-profits (37%)**
2. **Demographic shifts (32%)**
3. **Risk management (6%)**

The Biggest Trend Affecting Surveyed Organizations in 2015



Resources Tailored to You

Need help capitalizing on opportunities and overcoming challenges with ease? We’re here to help and have an extensive resource library for YMCAs, JCCs, and community centers like yours.

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