

ASSOCIATION VIEWPOINT

# Renewal, Reinvention and Responsibility



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# INTRODUCTION

## *Dear Colleagues:*

Each year at this time, we take a step back to understand how environmental factors have impacted the performance and priorities of associations. We often apply a broad lens that allows us to see developments across the sector as a whole. How has the association community fared and what sector-specific trends have emerged?

This year it seems appropriate — both in the 2021 edition of Association Viewpoint but also in our own lives — to apply a slightly different lens. **While our world is connected in sometimes intricate and surprising ways, it has never been clearer that there is no collective without the individual.** Our community is special in that it brings together hundreds, or more typically thousands, of individuals to support a shared purpose and vision for the future. However, as we pursue our common aims, it is sometimes easy to lose sight of our members' unique perspectives and needs. Indeed, the challenge of this dual mandate — advancing a collective while recognizing and representing individuals — is often an association's greatest challenge.

This, of course, also applies to our staff teams. One colleague might be reimagining her association's digital presence and thriving; another might be struggling at Monday's staff meeting because he's trying to make sure his kids are awake in time for virtual school. **The experiences of any two individuals could be vastly different—even when our databases tell us they should be the same.**

This year we pay tribute to the individual while continuing to share important trends and developments from across the sector. As always, we appreciate the time invested by the 120 association executives who responded to the study. Please reach out if you would like to discuss the findings in more depth, schedule a presentation for your leadership team or volunteer leaders, or learn more about the knowledge and resources McKinley provides to help associations. I look forward to hearing from you at [jyounger@mckinley-advisors.com](mailto:jyounger@mckinley-advisors.com).



**Jay Younger, FASAE**

President and CEO  
McKinley Advisors

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# STUDY HIGHLIGHTS



## DECLINES IN KEY INDICATORS

Core association indicators look dramatically different today than just a year ago. Levels of concern and the number of associations reporting membership declines have nearly doubled in one year. Professional associations have suffered the greatest hit.



## IMPACT FACTORS

Associations continue to attribute their optimism to strong leadership. For those with concerned outlooks, membership and revenue declines are major drivers.



## SWIFT COST-CUTTING MEASURES

McKinley's 2020 [COVID-19 pulse survey](#) revealed quick action on the part of many associations to manage costs with operational freezes such as hiring, salary and budget. Those trends are set to continue into 2021.



## SMART INVESTMENTS

Associations recognize that long-term sustainability requires strategic and deliberate investments. Respondents have prioritized non-dues revenue, DEI, and improved member retention. In fact, DEI has seen a nearly three-fold increase since last year.



## SYSTEMIC CHANGE

Last year's extreme and unprecedented events forced many associations to change how they do business. Associations will need to go deeper into systems and processes to realize lasting success on everything from DEI to political advocacy to revenue diversification.



# THE LANDSCAPE

## STEADY, UNEVEN RECOVERY

Depending on where you live, your socioeconomic status, your political affiliation, or almost any other demographic, you are likely to have a different perspective on 2020 and the anticipated pace of recovery in 2021. Economists generally agree that the wide availability of effective COVID-19 vaccines in the U.S. will propel a domestic economic rebound, but the scope and speed of this effort depends on geographic location, sector and income level. As many of us know from our own communities, a significant number of small businesses have already failed or are at risk of failing.

Narrowing the view from the sector level to the individual paints an even starker picture of the dichotomy of impact. A [Pew Research Center study](#) reveals that, while the labor and stock markets have mostly recovered since the beginning of the COVID-19 outbreak, these recoveries are not representative of the financial hardships that many Americans continue to experience:

## 1 in 4 adults

have had trouble paying their bills since the COVID-19 outbreak.

- 25% of White Americans are in this position compared to 43% of Black Americans and 37% of Hispanic Americans.

## About a quarter

of U.S. adults say they or someone in their household lost a job due to COVID-19; hardest-hit are young adults and lower-income adults.

Source: [Pew Research Center](#)



What lies ahead for associations? We know from history that crisis often upends institutions, systems, communities, and the everyday lives and priorities of people. Another [Pew Research Center study](#), aimed at understanding what life will look like in 2025, introduces the concept of “tele-everything.” We highlight the findings below and outline the role that associations, with their unique ability to support and serve the individual, can play:



**TREND:** More pronounced economic inequality, with some families and workers enjoying enhanced quality of life in a more flexible workplace and others facing job elimination.

- **Opportunity:** The association sector serves as one of the largest continuing education providers in the U.S. Through training and reskilling, associations have the ability to help workers adapt to the changing workplace.



**TREND:** New racial justice and social equity reforms.

- **Opportunity:** Through their unique, cross-sector partnerships, associations have the ability to bridge the gap between economic progress and much-needed social change.



**TREND:** Enhanced power for big technology firms as technology advancements help people live smarter, safer and more productive lives but erode privacy and autonomy.

- **Opportunity:** Associations build collective power by convening individuals from across demographic segments. They have the opportunity to voice individuals' concerns on a scale that drives reform.



**TREND:** Spread of misinformation that will continue to damage social stability and cohesion.

- **Opportunity:** Knowledge sharing, peer-reviewed literature, resource centers, access to thought leaders—all of these traditional association benefits are grounded in the exchange of trusted information among peers.

As 2021 unfolds and associations evolve their organizational models, we will continue to ask: what role should associations play in helping society adapt to this changed landscape?

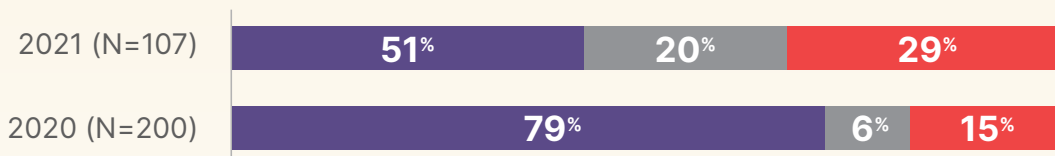


# ASSOCIATION OUTLOOK

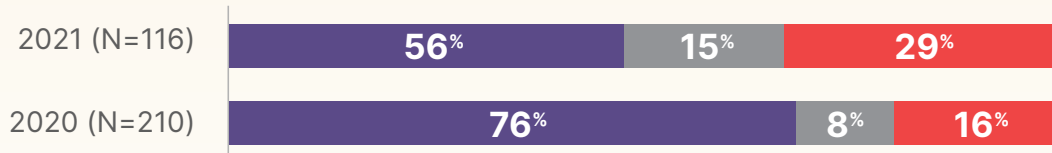
Following a tumultuous 2020, the outlook for many associations has turned decidedly downbeat. Nearly one in three respondents, or nearly double last year's number, reported concern about their associations and industries. Concern was particularly high among hybrid organizations—a surprising trend given that dual-membership associations have traditionally weathered economic downturns better than professional and trade associations.

## OUTLOOK: LAST YEAR AND TODAY

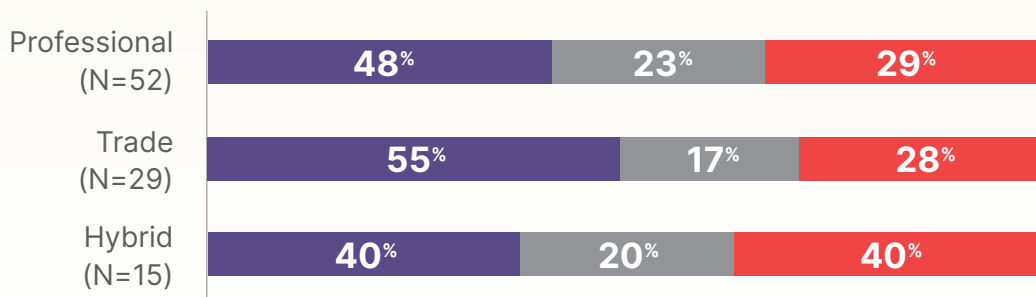
### YOUR ASSOCIATION



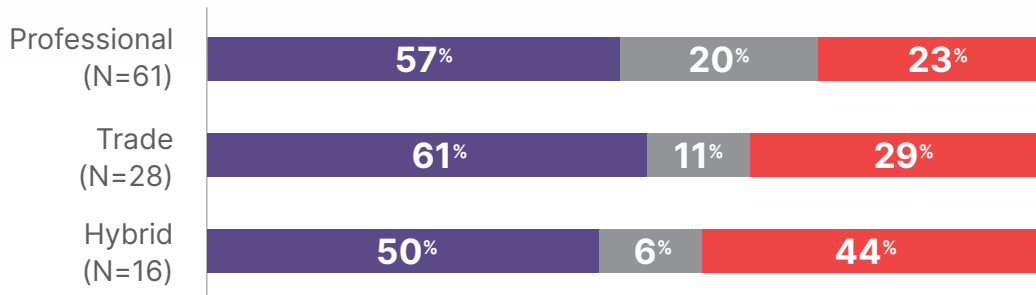
### YOUR INDUSTRY



### YOUR ASSOCIATION BY ORGANIZATION TYPE



### YOUR INDUSTRY BY ORGANIZATION TYPE



● Optimistic    ● Neither optimistic nor concerned    ● Concerned

We explored the factors behind these outlooks by asking respondents to select from a list of favorable and unfavorable circumstances. Again this year, we were reminded that who leads and how they lead has an impact on perceptions of an association and its performance. Other notable changes in this year's results included revenue diversification and renewed public focus/ investment in the field as reasons for positive outlook. Not surprisingly, respondents attributed their unfavorable outlooks to membership declines (54%, a 20-percentage point jump from last year) and contraction of revenue.



*Which of the following contribute to your outlook (as it relates to your association)?*

**(N=115) TOP RESPONSES**



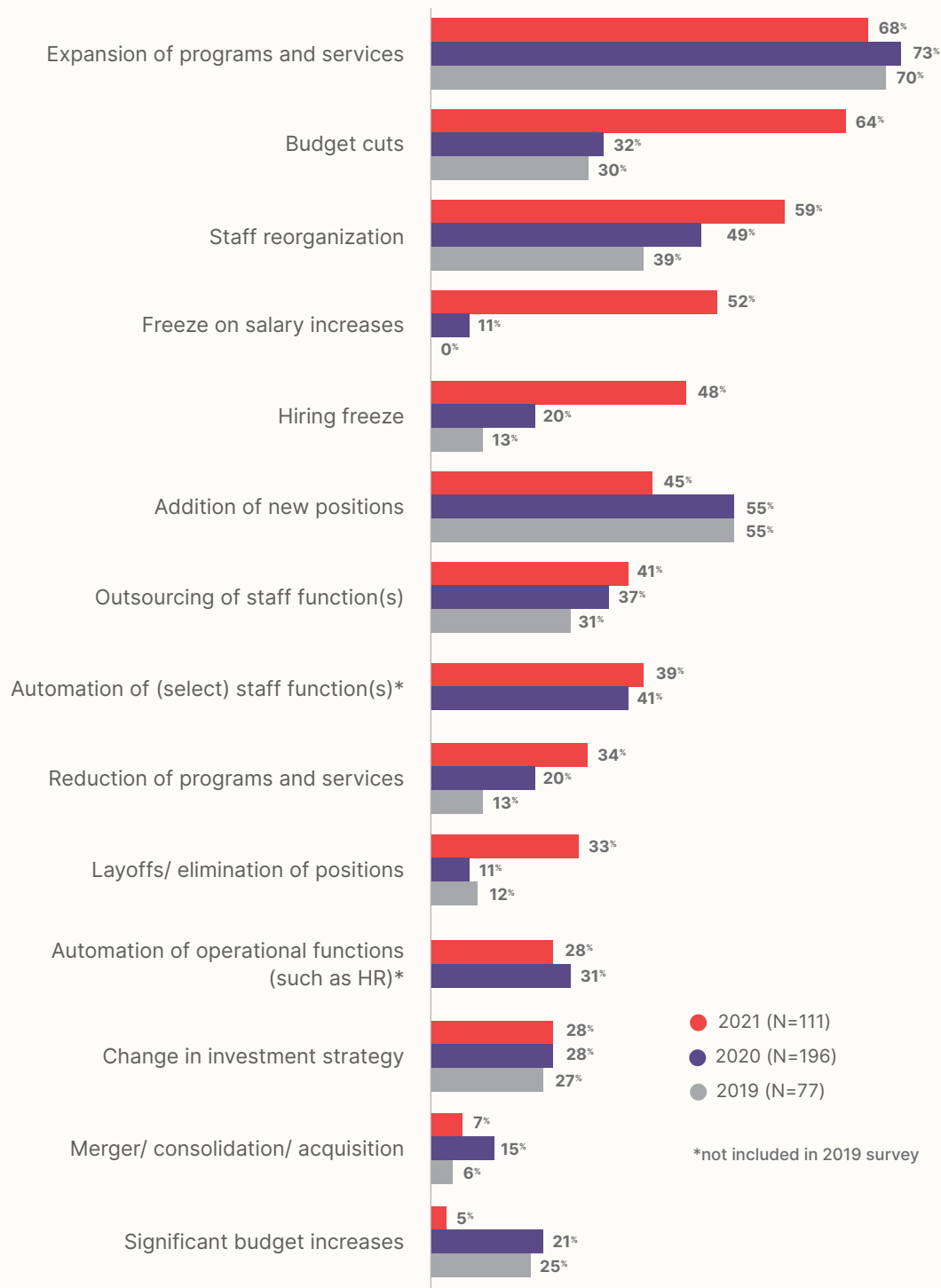
## EXPECTATIONS

While associations have been focused on fortifying their value propositions and infrastructures over the past few years, they pivoted swiftly in 2020 from expansion to contraction in all areas except products and services. It is a unique reality of the COVID-19 crisis that many organizations were forced to triage their meetings, education, and other core offerings to preserve value in a socially-distanced reality. So while associations reported pronounced reduction in areas such as budget (from 32% in 2020 to 64% in 2021) and hiring (20% in 2020 to 48% in 2021), the number of respondents reporting an expansion of products and services dropped only slightly.



## TRENDING: EXPECTED EVENTS DUE TO ECONOMIC CONDITIONS

% IS HAPPENING + WILL HAPPEN



● 2021 (N=111)

● 2020 (N=196)

● 2019 (N=77)

\*not included in 2019 survey

# ASSOCIATIONS

## In Action

The American Institute of Aeronautics and Astronautics (AIAA) derives a significant percentage of its revenue from popular a la carte benefits such as webinars, conferences (Forums), technical papers and journals. These non-dues sources contribute significantly to AIAA's bottom line and provide strong channels for membership recruitment. *While this sounds like an ideal association model, AIAA has continued to evolve its approach over the past year to mitigate risk and avoid hitting a revenue and engagement plateau.* Staff and leaders have committed to taking a more data-driven approach to product development and market expansion—all with the goal of continuing to grow non-dues revenue and membership. Marketing is another key area of focus for AIAA, with new and expanded tools promising to increase efficiencies while providing customer and member data that can inform future products.





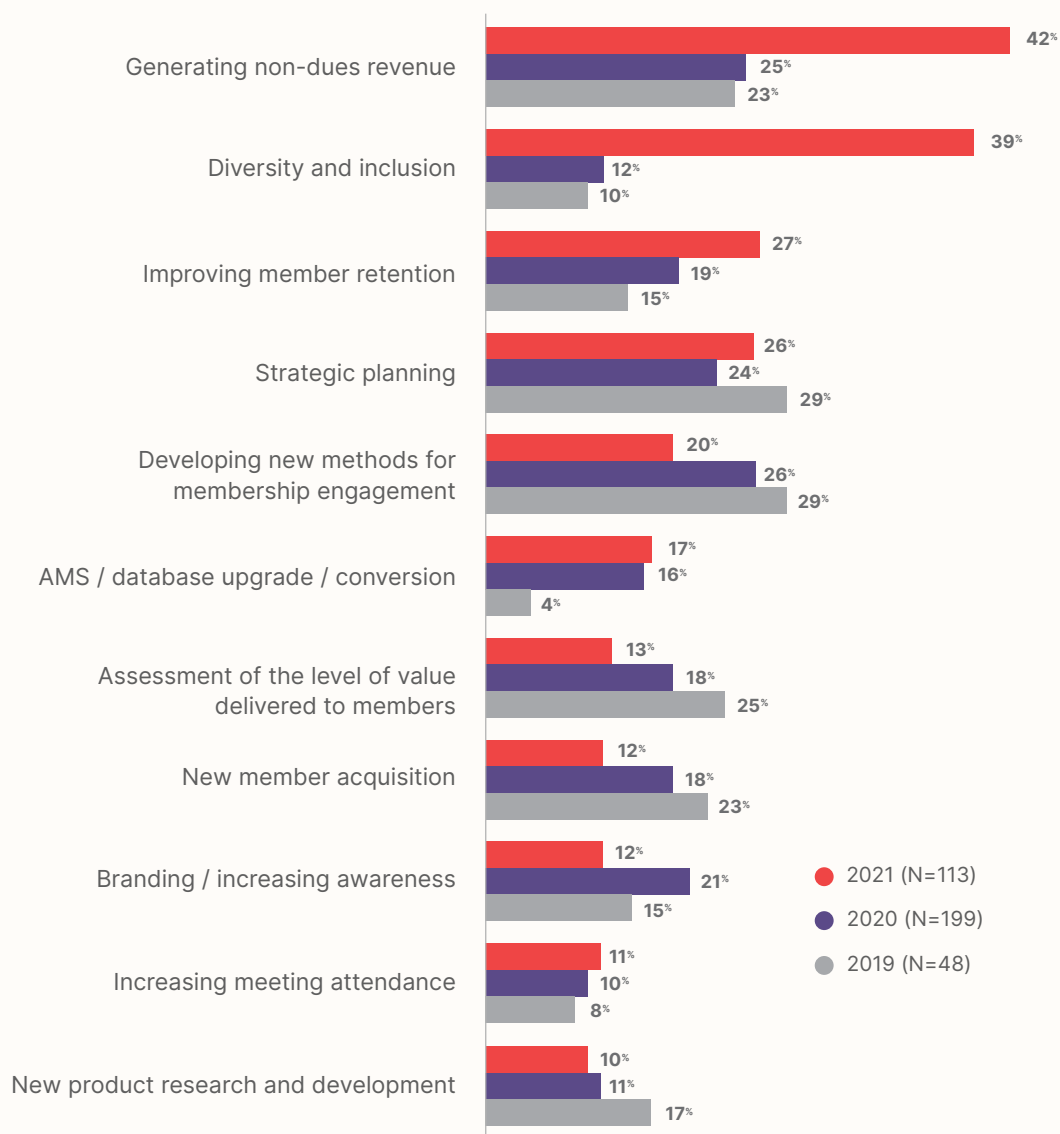
# PRIORITIES IN 2021

Last year we highlighted how, in times of economic crisis, associations focus universally on a few select priorities. In the case of the Great Recession, a high percentage of associations focused on preserving their membership base through retention and recruitment and increasing meeting attendance. We witnessed a parallel trend this year as percentages dropped for nearly every major priority with an almost universal focus on three areas: non-dues revenue, DEI and member retention. Interestingly, associations have shifted their focus from the means (e.g. assessing the value delivered to members or new product research and development) to the ends (member retention and non-dues revenue).



*What are your association's three highest priorities for 2021?*

## TOP RESPONSES



# ASSOCIATIONS

## In Action

It is a common misconception that associations with strong value propositions and diversified revenue streams have significant resources at their disposal. *In fact, some of the best examples of innovation and diversification come from small associations. They understand that revenue diversification and value do not happen overnight but require shifts in approaches, systems and even culture.*

DiscoverE, a coalition of organizational partners, reaches millions of students, parents, and young adults to build awareness of engineering and promote the field as a rewarding and viable career option. One of its signature programs, The Persist Series, has been particularly successful in engaging thousands of women from around the world with stories and candid conversation on topics like inclusive workplace cultures and developing a growth mindset. Historically, the program has been offered free of charge, but *staff are exploring ways to build a more sustainable program — and organization — by introducing a donation-based registration model and eventually exploring a paid registration model.* DiscoverE is leveraging its most valuable and proven assets to ensure long-term impact and sustainability.



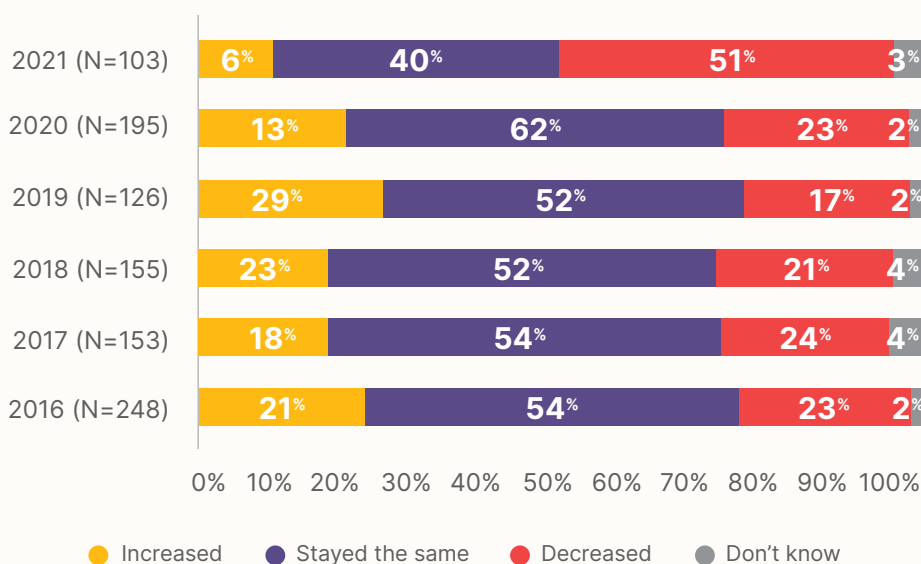


# MEMBERSHIP RETENTION

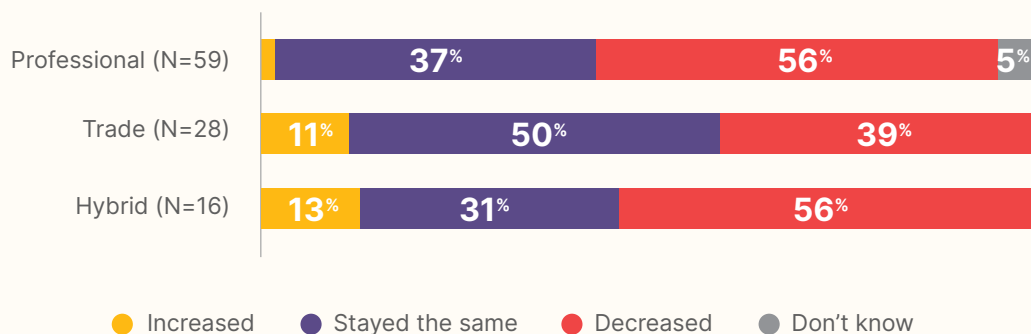
As we saw in last year's report, member retention becomes a major focus during economic downturns. This year, associations reported significant decreases in membership (comparable to 2010 results). Member retention rates also shifted from the 90 - 100% range to the 80 - 89% range. Professional associations were particularly hard hit, while trade associations fared slightly better.



*Over the past 12 months, has your retention rate...?*

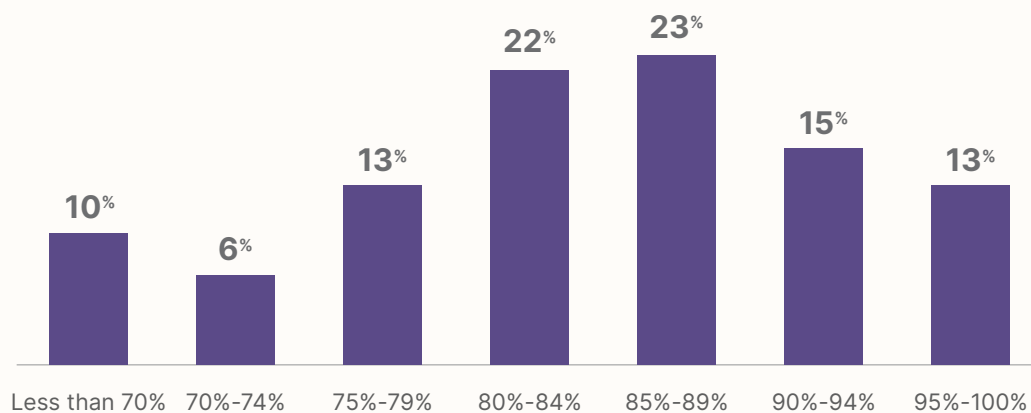


## RETENTION RATE FOR THE PAST 12 MONTHS BY ORGANIZATION TYPE





*What is your current (2021) membership retention rate?*  
(N=102)



# ASSOCIATIONS

## In Action

For the American Physical Therapy Association (APTA), 2021 has not been the centennial year that staff and leaders thought it would be. With the opening of a new building and the launch of a new brand, APTA was well positioned to spend this year in celebration. But even for an association founded 100 years ago with a membership of over 100,000, COVID-19 has shifted priorities and resources. *APTA has doubled down this year on membership*, with a focus on recruitment, retention, the value proposition and market share. At the same time, the association is *committed to the long view*, with a new strategic plan in development that will position the association — and the field — for the next century. DEI will continue to be a critical element of that plan as APTA looks to build on recent successes in fundraising for minority scholarships and grants and recruitment of under-represented populations to the field.





# CLOSING THOUGHTS

As we mentioned in last year's report, we know from over a decade of research that associations entered 2020 from an unparalleled position of strength. Association performance and outlook took a dramatic, downward turn over the past 12 months, but strong leadership and the ability to convene a community around a shared mission ensures the long-term sustainability of the sector. We also have the power of retrospection and can look back on past crises to validate the unique role associations play in workforce training, advocacy, best practices, and knowledge sharing from the front lines, along with other critical areas.

Associations have shifted their focus *from the means* (e.g. assessing the value delivered to members or new product research and development) *to the ends* (member retention and non-dues revenue).

The challenge ahead for associations is to recognize that fundamental change requires a commitment to the means (e.g. systems or processes) and not just the outcomes (e.g. revenue diversification). Associations will need to carry forward some of the agility and innovation they demonstrated in 2020 and apply those tenets to build more informed, nimble, and sustainable business models that promote inclusion and equity.

Subscribe to our newsletter to receive these reports the moment they are released and other great content such as:

## REVENUE DIVERSIFICATION

- [New Product Development and Pivoting for Association Success](#) (blog)
- [Opportunities in Nonmember and Secondary Audiences](#) (blog)

## STRATEGY

- [8 Tips for Strategic Plan Implementation](#) (video)
- [Driving Strategic Plans Forward with OKRs](#) (blog)
- [Building a Research Agenda to Drive Advocacy Efforts](#) (blog)

## DEI

- [Turning DEI Commitments into Action](#) (webinar)
- [DE&I in Action: Start at the Top](#) (case study)
- [Lessons Learned from Launching a DEI Program](#) (blog)

## LEADERSHIP

- [Decision Making and Governance in Challenging Times](#) (webinar)
- [The 3 Rs of Effective Volunteer Programs—Recruitment, Retention and Responsibility](#) (blog)

# APPENDIX

## SURVEY METHODOLOGY

McKinley deployed a short online survey to association executives and staff that fielded for two weeks—from February 01, 2021 to February 15, 2021, midnight Eastern Standard Time. This year’s survey continued to examine how associations are responding to economic conditions, identified future priorities, and tracked shifts in membership retention. This year we received 120 individual responses from a wide variety of associations and industries. McKinley partnered with [The Council of Engineering and Scientific Society Executives \(CESSE\)](#) to reach additional insights. Note that responses may not add up to 100% due to rounding or the ability to select more than one answer option.

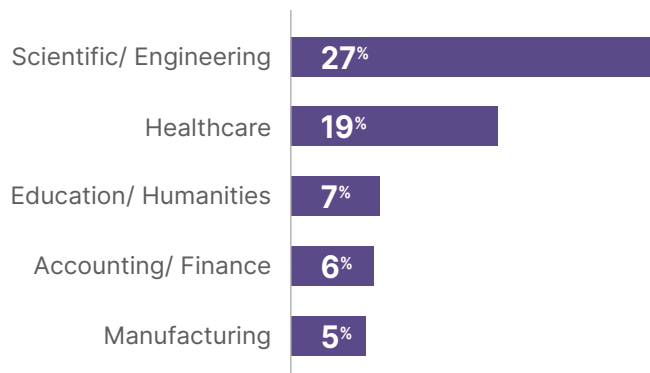
## DEMOGRAPHICS



*Which of the following best describes the organization you work for?*  
(N=109)



*What field/ industry does your association represent?*  
(N=109)

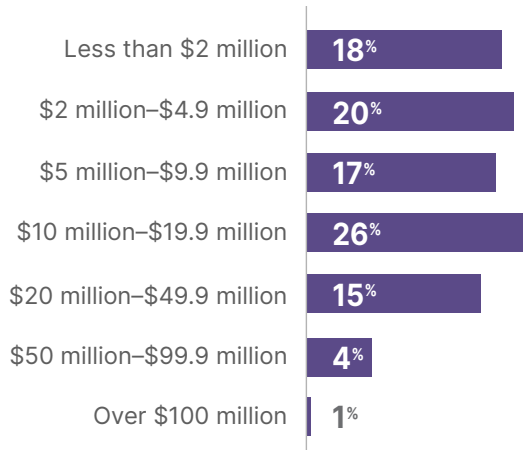




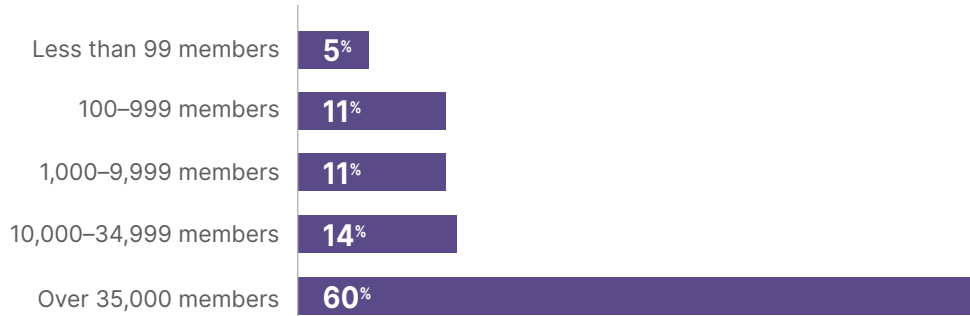
*What is your organization's geographic scope?*  
(N=103)



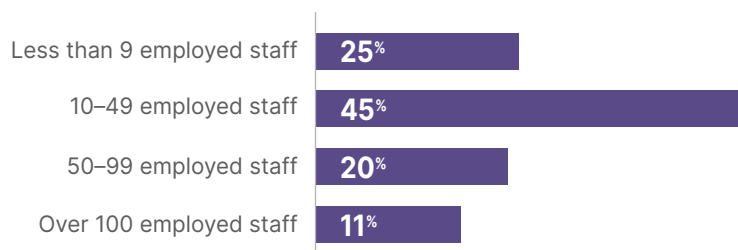
*What is your organization's annual operating budget (USD)?*  
(N=102)



*Approximately how many members belong to your organization?*  
(N=102)



*Approximately how many full-time staff members are employed by your organization?*  
(N=102)



# PARTICIPATING ORGANIZATIONS

## ABET

American Anthropological Association  
American Association of Physicists in Medicine  
American Astronomical Society  
American College of Gastroenterology  
American Geophysical Union  
American Health Care Association  
American Industrial Hygiene Association  
American Institute of Aeronautics and Astronautics  
American Institute of Architects  
American Mensa  
American Oil Chemists' Society  
American Physical Therapy Association  
American Podiatric Medical Association  
American Society for Biochemistry and Molecular Biology  
American Society for Clinical Pharmacology and Therapeutics  
American Society of Transplant Surgeons  
American Speech–Language–Hearing Association  
American Traffic Safety Services Association  
American Urogynecology Society  
American Water Works Association  
Analytical, Life Science & Diagnostics Association  
Appraisal Institute  
ASIS International  
Association for Corporate Growth  
Association for Creative Industries  
Association for Materials Protection and Performance  
Association for Unmanned Vehicle Systems International  
Association of Biomolecular Resource Facilities  
Association of the Wall and Ceiling Industry  
Biophysical Society  
Biotechnology Innovation Organization  
Book Industry Study Group  
Building Owners and Managers Association International  
California Association of School Psychologists  
Carpet Cushion Council  
Certified Technicians & Technologists Association of Manitoba  
Club Management Association of America  
Community Associations Institute  
Congress of Neurological Surgeons  
Construction Management Association of America  
Consumer Healthcare Products Association  
Council on Undergraduate Research  
Customer Experience Professionals Association  
EDUCAUSE

Energy Bar Association  
Federation of State Boards of Physical Therapy  
Heart Rhythm Society  
Illinois CPA Society  
Illinois Parks & Recreation Association  
Independent Film & Television Alliance  
Infectious Diseases Society of America  
Institute of Food Technologists  
International Association of Arson Investigators  
International Association of Lighting Designers  
International Foodservice Distributors Association  
International Sign Association  
Irrigation Association  
Large Urology Group Practice Association  
Materials Research Society  
Merchants Acquirers Committee  
Missouri State Teachers Association  
NALS, Inc.  
National Affordable Housing Management Association  
National Association of College and University Business Officers  
National Association of Landscape Professionals  
National Association of Personal Financial Advisors  
National Concrete Masonry Association  
National Society for Histotechnology  
New York State Society of Certified Public Accountants  
Online News Association  
Plumbing Manufacturers International  
Promotional Products Association International  
Psychonomic Society  
Risk and Insurance Management Society, Inc.  
School Nutrition Association  
Society for Marketing Professional Services  
Society for Mining, Metallurgy & Exploration  
Society for Pediatric Research  
Society of Asian Scientists and Engineers  
Society of Petroleum Engineers  
Society of Sedimentary Geology  
Society of Women Engineers  
Special Libraries Association  
Sports and Fitness Industry Association  
Textile Rental Services Association  
The Risk Management Association  
The Tau Beta Pi Association, Inc.  
The Toy Association, Inc.  
Yoga Alliance

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# ABOUT MCKINLEY ADVISORS

McKinley is a trusted partner to mission-driven organizations seeking insights, advice and ongoing support to accelerate their success and impact on the world. Our approach combines data and proven practices while honoring each organization's unique needs and realities.



## **Strategic Guidance**

Strategy is an essential ingredient for long-term organizational success, but a good plan is only the beginning. McKinley's guidance helps position associations for impact—aligning strategy, operations, business goals, staff culture and performance all in support of the pursuit of a preferred future.



## **Research and Insights**

Smart associations make data-driven decisions. McKinley's team of expert researchers and data analysts are the “engine” behind these decisions, combining their decades of formal training and experience with the latest analytical tools and methods.



## **Business Transformation**

McKinley's team of expert advisors supports clients through periods of high impact change including governance reinvention, membership and dues restructuring, global strategy and many other areas.



## **Membership and Marketing Services**

The marketing landscape evolves rapidly, requiring new skill sets and smart investments across a range of content and media platforms. McKinley helps fill capability and capacity gaps for associations by bringing the latest thinking, techniques and technology to advance marketing effectiveness.

For more information about this report, McKinley, or the services we provide, please contact:

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