

2019

billhighwaySM

 **MARINER**
MANAGEMENT & MARKETING







CHAPTER BENCHMARKING REPORT

Data, Success
Stories & Opinions



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Executive Summary



Sharing highlights from the 2019 Chapter Benchmarking Report.



EXECUTIVE SUMMARY

Introduction

About Mariner & Billhighway

[Mariner Management](#) in collaboration with [Billhighway](#) launched this second edition of the Chapter Benchmarking Study to explore these questions. The survey was designed, by [Whorton Marketing & Research](#), to gather industry data that helps associations benchmark their chapter programs against others.

We also wanted to fuel the dialogue on what makes an effective chapter—and an effective chapter/association relationship.

Chapter membership takes on significant value in an increasingly online world. Members seek face-to-face opportunities to connect, learn, volunteer, and socialize with their peers, mentors, and clients.

Once upon a time, chapters were taken for granted, but many association leaders now have questions:



How does our chapter program compare to those of other associations?



What are the standard practices regarding chapter membership, programming, requirements, and metrics?



What support and services should we be giving chapters? Are other associations making changes to chapters?



How do we assess the performance and value of our chapters?



Are chapters still relevant?

EXECUTIVE SUMMARY

What Does the 2019 Data Tell Us?

By and large associations and their chapters doing the same things they did in our last report both in terms of the type of activity in which chapters engage and the type of support associations are providing to chapter. This is not to say there is no change.

As you read about [what chapters are offering](#), we see slight variations and associations are [harnessing more technology](#) in training leaders.

The fundamental shifts have occurred in two other realms. The first is that associations are beginning to view chapters as a critical component of their [membership engagement](#) strategy. The second is that they are starting to look at more rigorous assessment of the [ROI chapters](#) role in that effort.

Everyone listed Member Engagement as important — 64% said it's "absolutely essential" and 25% said it's "very important." No one described it as less

than "important." The other strategic roles topping the list were Leadership Development and Member Recruitment.

One other element remained the same: there is still the general lack of or unevenness of data on which to base any decision about any of these chapter-related questions.



Only 4% use some type of method to calculate chapter return on investment (ROI).

Only 18% recognize the financial contribution of chapters in their annual budgets.

EXECUTIVE SUMMARY

Quick Snapshot 2019 Chapter Benchmarking Report

Chapter/HQ relationship

49% of our survey respondents said their chapters are separately incorporated and chartered by HQ. 23% have an independent affiliate structure and 19% have wholly owned subsidiary chapters.

Chapter membership and dues

52% require members to join HQ if they wish to become a chapter member. 42% of associations charge members separately for chapter and HQ dues while 40% include chapter dues in HQ membership dues. 56% said HQ and chapter dues are collected by HQ.

Chapter incorporation and taxes

69% of respondents said their chapters are separately incorporated—this mirrors the chapter/HQ relationship data.

Chapter programs and services

Networking and education top the list of chapter programs and services.

HQ support for chapters

The four most common services provided by HQ to chapters are chapter event promotion, database management, chapter start-up kit, and dues invoicing and collection.

Chapter affiliation requirements and performance metrics

89% require either an affiliation agreement or charter. Member retention, recruitment, and engagement/participation are the most commonly used metrics to assess chapter performance. 29% of associations have a formal assessment tool to track chapter performance.

EXECUTIVE SUMMARY

About the 2019 Chapter Benchmarking Report

Between December 2018 and January 2019, we used a variety of channels, including ASAE's Collaborate, to invite associations to participate in the chapter benchmarking survey. This report summarizes the data from the 177 associations who responded. The survey was designed and conducted by [Whorton Marketing & Research](#).

The survey data along with our own research since the [2016 report](#) led us to associations who are making strides in their relationship with chapters and the effectiveness of their chapter programs. We've included their stories throughout the report along with suggestions for additional reading.

A few notes on the language we use in this report:

- "HQ" is used to describe a central organization, national association, global headquarters, mothership, etc.
- "Chapter" is used to describe a component, section, local or state affiliate, etc.

For more background on terminology, check out Association Components [Commonly-Used Terms](#).



Chapter Profile

Understanding the association respondents on members, boundaries, structure, and more.

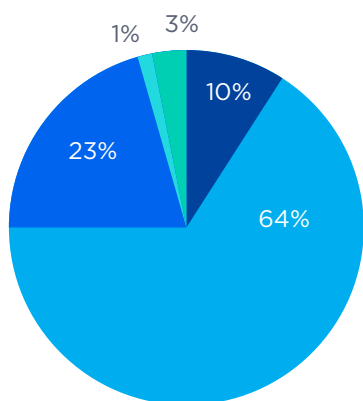


CHAPTER PROFILE

Profile of Survey Participants

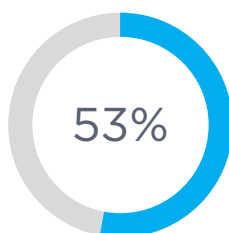
The respondent pool represents a diverse group of membership organizations.

Membership organizations

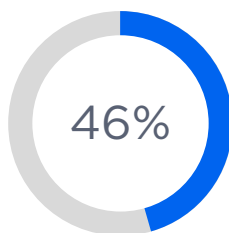


- 64% Individual member organizations
- 23% Hybrid organizations with individual and organizational memberships
- 10% Trade associations with organizational memberships
- 3% Other
- 1% Non-Member

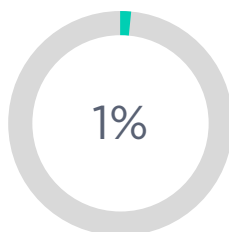
Geographic constituency



More than half of respondents (53%) are global organizations.



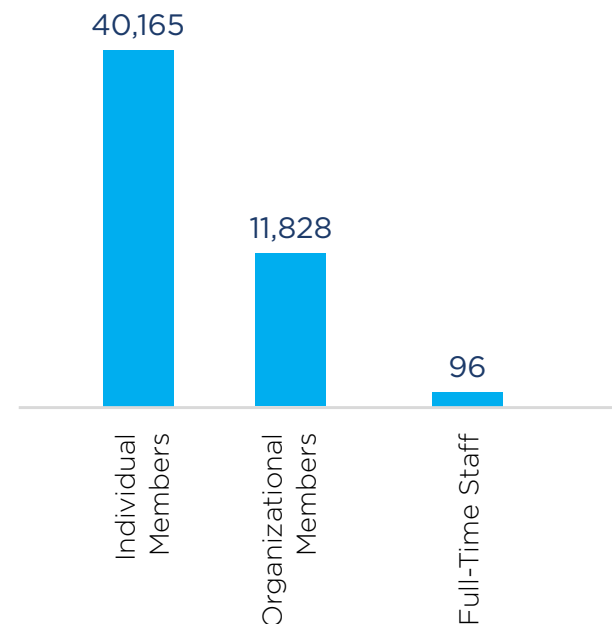
46% of the respondents have national organizations.



Only 1% of respondents are state organizations.

Organizational size

Participating associations have a mean annual budget of \$31.6 million and a staff of 96.



CHAPTER PROFILE

Chapter/HQ Relationship: United States

If you talk to component relations professionals (CRPs) about their association's relationship with its chapters, you'll hear a wide range of both encouraging and gloomy stories. In fact, we're sharing success stories from some of our survey participants throughout this report.

68%

68% said HQ has significant control over its chapters.

19%

19% have wholly owned subsidiary chapters.³

49%

49% have separately incorporated chapters chartered by HQ.¹

6%

6% are federations.

23%

23% have an independent affiliate structure.²

4%

4% in the Other category reflect a blend of approaches.

¹ These separate organizations cannot exist independently of the central organization. Although we use the phrase "separately incorporated" to indicate chartered chapters, these chapters may not all be legally incorporated. They are, however, legally independent from HQ.

² Independent affiliate structure are separate organizations affiliated with the central organization and can exist independently of the central organization.

³ Subsidiary chapters cannot exist independently of HQ. The chapters and HQ are a single corporation.



CHAPTER PROFILE

Chapter/HQ Relationship: Non-United States

55% of respondents said they are operating chapters outside the U.S.
Here's the breakdown on those relationships:

59%

59% are separately incorporated and chartered by HQ.

16%

16% are separately incorporated affiliates of HQ.

18%

18% are wholly owned subsidiaries of HQ.



**CHAPTER SUCCESS STORY****Go Deeper on Restructuring**

- + [Evolution of Chapters](#)
- + [Chapter of the Future](#)
- + [Chapter Restructuring: A Board's Most Difficult Job?](#)
- + [How to Prepare for a Chapter Restructuring](#)
- + [8 Obstacles to Avoid When Restructuring Chapters](#)

A Blended Approach: State Societies Choose Model

National Society of Professional Engineers (NSPE) shared their story of how they came to a blended approach as a response to a thorny challenge. NSPE took on a thorny challenge: its state societies were not offering a consistent value proposition or brand to members across the country. Large states provided a variety of educational programs. But, small states could only manage basic member services, and many of them faced insolvency as a result of declining membership numbers.

NSPE's Membership Models

NSPE gave state societies a choice of two membership models: affiliated (integrated) or unaffiliated (non-integrated). As of July 2019, 45 state societies are affiliated and 5 are not. In the unaffiliated model, members can join the state society, NSPE, or both.

The Affiliated Model

In the affiliated model, members make one dues payment for both NSPE and state society memberships. The dues revenue share between NSPE and the state society is based on four tiers representing four levels of service from NSPE. State societies with a lower capacity and, therefore, a need for full service from NSPE, receive a smaller percentage of dues revenue than societies with a high capacity and, therefore, only a need for basic service from NSPE.

Considering a chapter restructuring? Contact [Mariner Management](#) for guidance.

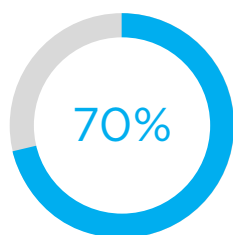
CHAPTER PROFILE

Chapters/Members & Boundaries

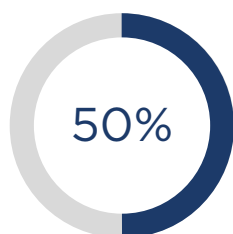
Number of Chapters & Members

The number of chapters reported by survey participants ranges from 4 to 807, with an average of 102 and a median of 55 chapters. 70% of respondents have fewer than 100 chapters, and 50% said they have fewer than 50 chapters.

The average chapter membership is 341, while the median is 200.



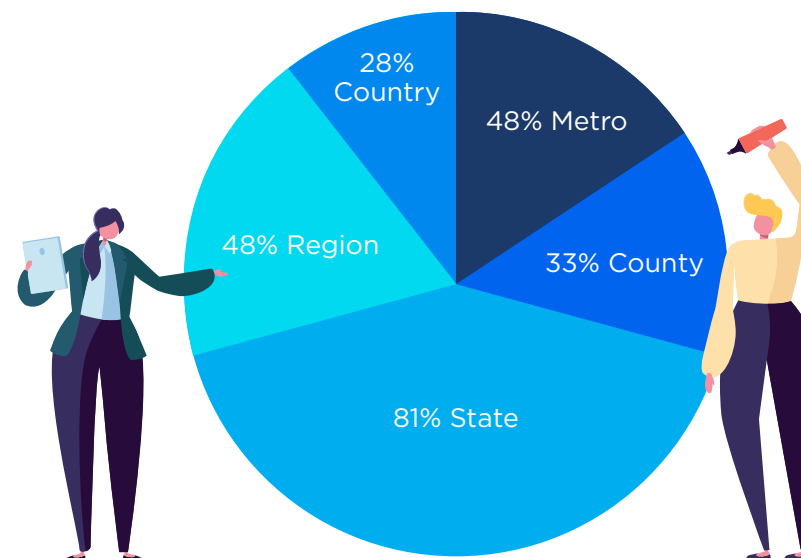
70% of respondents have fewer than 100 chapters.



50% of respondents said they have fewer than 50 chapters.

Chapter Boundaries

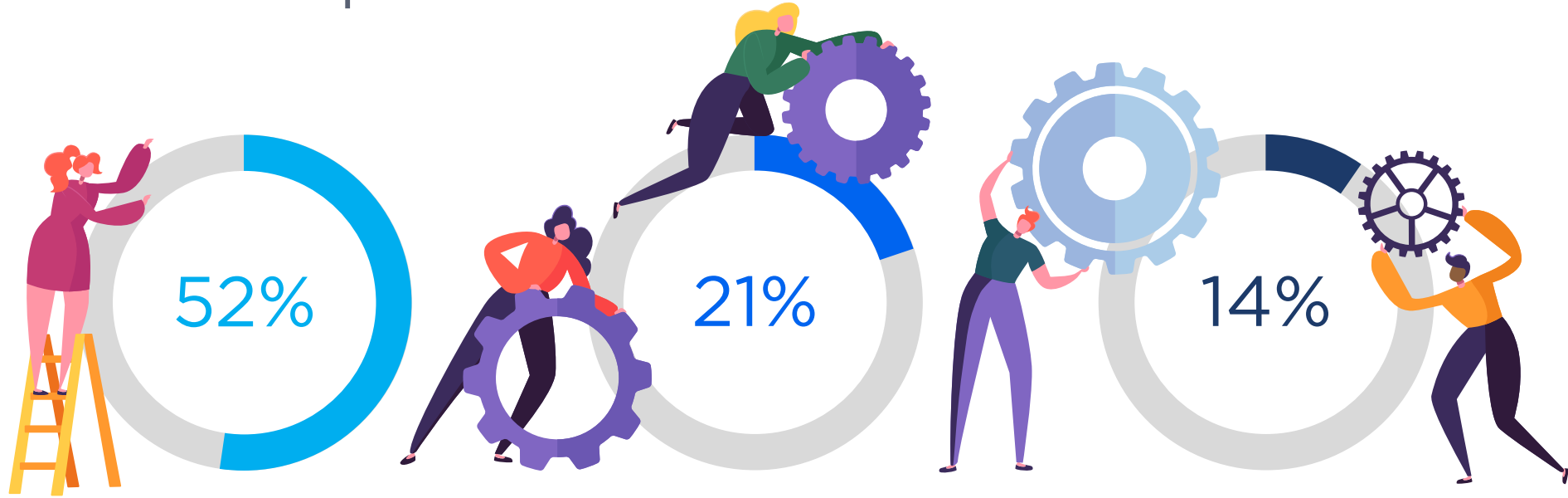
The most common (81%) chapter boundary is the state border. However, 69% of associations said they use a mix of boundary options.*



*This chart represents more than 100% because some associations have multiple geographic boundaries. For example, they may have state chapters as well as metro chapters within some states.

CHAPTER PROFILE

Membership Structure



Require Members to Join HQ

More than half the associations (52%) require members to join HQ if they wish to become a chapter member.*

Allow Separate Membership

21% of associations allow separate, non-contingent membership. Members can belong to one (HQ or chapter) without joining the other.

Assign Members to a Chapter

14% of associations assign members to a specific chapter (based on their geographic location) when they join HQ.

*This is the case most often when chapters are wholly owned subsidiaries or separately incorporated chartered.

**CHAPTER SUCCESS STORY**

Putting the Decision in the Member's Hands

If you want to incentivize chapters to increase membership, consider the approach taken by the [Association for Talent Development \(ATD\)](#). ATD and its local chapters offer three membership options: national, local, and Power Membership—a joint membership. When chapter members join ATD using their chapter's [Chapter Incentive Program \(CHIP\)](#) code, they get the discounted Power Member rate.

The Chapter Incentive Program (CHIP)

CHIP is a program that offers chapters an opportunity to earn additional revenue. Through CHIP chapters can earn thousands of dollars from business they generate for ATD programs and services. Each chapter is assigned a CHIP code.

Members use this CHIP code to purchase ATD programs, products, and services. Chapters receive a revenue share for each CHIP purchase made by their members.

Go Deeper on Recruitment

- + [Chapters & Membership Growth: Yes, They Go Together](#)
- + [Wow Your Chapters With These Member Recruitment Resources](#)
- + [Recruitment Competition For Chapters](#)

CHAPTER PROFILE

Membership Dues Structure

42%

of associations said members are charged separately for chapter and HQ dues. Separate dues are most prevalent in organizations with separately incorporated affiliates or federations.

40%

said they have unified dues, i.e., chapter dues are included in HQ membership dues.*

Dues Structure by Relationship	Unified	Separate	Other
Wholly Owned Subsidiaries	37%	23%	40%
Separately Incorporated Chartered	46%	38%	16%
Separately Incorporated Affiliates	29%	69%	3%
Federation	33%	50%	17%
Other	60%	20%	20%
All	40%	42%	18%

Scenarios For a Single Dues Payment

Here are a few possible scenarios where a single dues payment occurs:

- ✓ A member makes a single payment to HQ or a chapter for both memberships. Dollars are split and each party receives their share.
- ✓ A member makes a single payment to HQ because there are no separate chapter dues. HQ might provide financial support to its chapters, for example, a stipend per member or a financial incentive for new members.

CHAPTER PROFILE

Chapter Dues Rates & Collection

Dues rates are more often set by the chapter (52%) and vary across chapters (66%). It is notable that only 16% said HQ unilaterally sets the chapters dues rate, however 20% do not have separated chapter dues. More than half, 56%, said HQ collects chapter and HQ dues. Of those, 83% pay a rebate to chapters.

Go Deeper on Dues

- + [Chapter Banking: A New Approach to Component Banking & Administration](#)
- + [How to Decrease the Time Spent on Chapter Dues Processing](#)

Rates

16%

Only 16% said HQ unilaterally set the chapter dues rate.

34%

34% have a standard chapter dues rate.

20%

In 20% of associations, no separate chapter dues are charged.

83%

Where HQ collects dues, 83% pay a rebate to chapters.

Collection

9%

9% said chapters collect chapter and HQ dues.

14%

14% said dues are collected separately by each entity.

56%

56% said HQ collects chapter and HQ dues.

79%

Where the chapter collects dues, 79% send funds to HQ.

CHAPTER PROFILE

Incorporation Status

69%

of respondents said their chapters are separately incorporated—this mirrors the chapter/HQ relationship data.

34%

of associations said some of their chapters, up to 51% in a few cases, aren't incorporated.

Reasons Chapters Aren't Incorporated

Possible reasons for why 51% of chapters aren't incorporated include:

- ✓ HQ not requiring chapter incorporation—only 41% do.
- ✓ Chapters losing incorporation status due to missed tax filings.



Incorporation Status by Relationship	Separately Incorporated	
	Yes	No
Wholly Owned Subsidiaries	0%	100%
Separately Incorporated Chartered	83%	17%
Separately Incorporated Affiliates	97%	3%
Federation	100%	0%
Other	40%	60%
All	69%	31%

CHAPTER PROFILE

IRS Tax Exemption Application & Tax Filing

Tax Exemption Application by Relationship	Chapter Files Own	HQ Files Group Return	Unknown or Both
Wholly Owned Subsidiaries	0%	87%	13%
Separately Incorporated Chartered	45%	46%	9%
Separately Incorporated Affiliates	80%	17%	3%
Federation	83%	17%	0%
Other	20%	40%	40%
All	45%	46%	9%

HQ is more likely to handle the tax exemption application when chapters are wholly owned subsidiaries (87%).

It's a toss-up with separately incorporated chartered chapters:

46%

of respondents said HQ applies for the chapter's tax exemption.

45%

said the chapters handle the application themselves.

Most chapters of affiliated organizations (80%) and federations (83%) apply independently.

CHAPTER PROFILE

When it comes to filing tax returns, this pattern continues. Associations with more centralized structures tend to file a group return.

Many survey participants commented on their ongoing challenge with chapter tax exemptions and returns. We heard elsewhere about an association with a huge mess to clean up after discovering one of its chapters hadn't been filing its 990.

As a result of missing 990s, the chapter lost its tax exemption status and Employer Identification Number (EIN).

Most Common Types of Support

The most common type of support provided by survey respondents to help keep their chapters on track is sending reminders to file and requiring them to submit tax returns to HQ.

One organization provides chapters a password-protected document library where they post their returns and other important documents.

Type	Chapters File Own	Central Files
Wholly Owned Subsidiaries	19%	81%
Separately Incorporated Chartered	74%	26%
Separately Incorporated Affiliates	97%	3%
Federation	100%	0%
Other	33%	67%

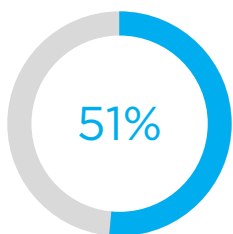


CHAPTER PROFILE

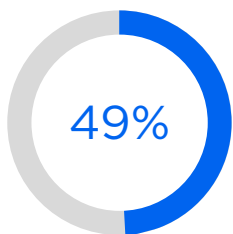
Chapter Staff & Budgets

Among our survey respondents, the median operating budget for chapters is \$27,321, and the average chapter budget is \$95,239. Budget is a driver for paid staff, so it is not surprising that 49% of chapters rely on volunteers.

Staff vs. volunteers



51% of the associations participating in the survey said some or all of their chapters have paid staff.



The remainder (49%) rely on volunteers to handle chapter management and administrative responsibilities.

Paid chapter staff



The average number of paid staff was 1.4

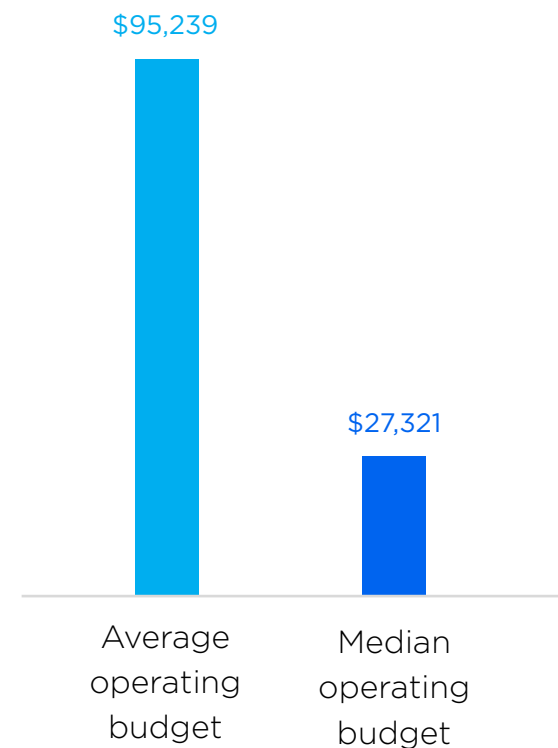


The smallest number of paid staff was 0.5



The largest number of paid staff was 9.9

Chapter Operating Budget



CHAPTER PROFILE

Programs & Services Provided by Chapters

Networking and education top the list of chapter programs and services. What's changed since the 2016 Report? Most significantly, we see an increase in the variety of chapter activities reported, especially in programs that engage young professionals. Here's what we found:



70% of chapters offer public service/charity programs, up from 48% in 2016.



91% of chapters design their own professional development programs, an increase from 68% in 2016.





CHAPTER SUCCESS STORY

The Case for Increasing Chapter-developed Programming

The [Metro DC Chapter of the Appraisal Institute](#) is an example of the increasing chapter autonomy in educational programs. The chapter made a concerted effort in 2018 to offer chapter-developed programs that focus on local content in addition to the regularly offered national programs.

Offering Chapter-Developed Programs

They did this in response to increasing competition from online and for-profit organizations providing generic national content. Plus, the chapter wanted to demonstrate they were providing additional value and meeting the unique needs of members at the local level.

Every chapter provides one membership benefit that doesn't appear on this list, and is actually quite powerful and transformative: volunteering. One of the biggest challenges troubling chapters is finding volunteers. Perhaps if volunteering were seen in a different light, the challenge might shift.

Go Deeper on Volunteering

- + [Volunteering For Your Association Has Benefits](#)
- + [5 Truths to Leverage to Build Volunteerism](#)
- + [Volunteering on the Rise](#)
- + [Power-Up Your Chapter's Succession Planning](#)
- + [5 Ways to Keep Your Volunteer Pipeline Full](#)
- + [Tips to Attract & Retain Chapter Leadership/Volunteers](#)

CHAPTER PROFILE

Paradoxical Thoughts so far on the Chapter Data...

If you've seen one chapter, well, you've seen one chapter! Throughout the chapter data presented so far, one description keeps popping up, and it's an apt word to describe the chapter model: "varying."

Yet, consistency is a common goal in the stories we've shared so far. Chapters individually have their own strengths and, indeed, personality, however, they must provide a consistent membership experience across the network.



Are Chapters Worth the Effort?

Do chapters add value? We dive into answering this question.



ARE CHAPTERS WORTH THE EFFORT?

Chapters: Do They Add Value? Are They Worth The Effort?

Chapters consume resources: staff time, dollars, volunteer time, and board energy. Do they add value? Or, do they distract attention from other programs and services? We approached this question from three directions.

1 Strategic Roles

First, we asked associations about the importance of ten strategic chapter roles and their chapters' effectiveness in performing these roles to HQ's expectations.

2 Risks & Concerns

Second, we looked at common risks and concerns.

3 Calculating Chapter ROI

And, third, we asked if HQ calculates chapter ROI or attributes any financial contribution to chapters.



ARE CHAPTERS WORTH THE EFFORT?

The Importance of Chapters' Strategic Roles

The survey looked at 10 strategic roles for chapters. We asked first how important each was and then how effective chapters were in fulfilling that role. Respondents rated each role on a five-point scale from “absolutely essential” (5) to “not at all important” (1). The higher the score, the greater the importance of the role to HQ.

Distribution

delivering/selling products and services such as training programs, publications, and educational events.

Marketing & Communication

delivering organizational messages regarding industry/professional issues, products and services, etc.

Professional Development

helping to train and mentor students/professionals, and/or prepare them for careers/certification.

Member Recruitment

identifying and developing relationships with new members.

Product Development

providing an effective “incubator” where the association can test new concepts for content, format, pricing, and messaging before rolling them out to the entire membership.

Listening & Learning

allowing HQ staff/leaders to identify and track emerging issues and trends that may present opportunities or threats.

Local Resources

providing sources of expertise, area-specific knowledge, and labor for delivery of the association’s programs at a local level.

Member Engagement

connecting members to the association through chapter programs and volunteering opportunities.

Leadership Development

helping members develop and sharpen leadership skills, and improving their readiness to participate in association leadership.

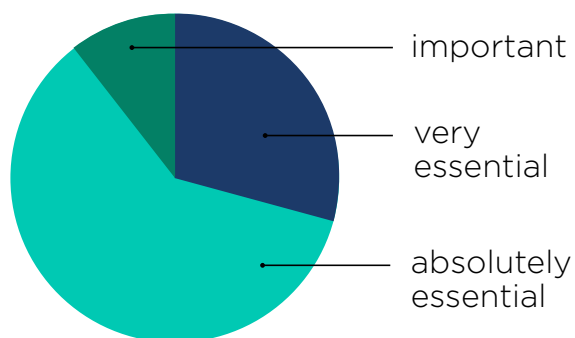
Advocacy

delivering the association’s messages to legislators and regulators through direct constituent contact.

ARE CHAPTERS WORTH THE EFFORT?

Everyone listed Member Engagement as important—64% said it’s “absolutely essential” and 25% said it’s “very important.” No one described it as less than “important.”

The other strategic roles topping the list were Leadership Development and Member Recruitment.



Strategic Importance	Absolutely Essential	Very Important	Important
Member Engagement	64%	25%	11%
Member Recruitment	47%	24%	18%
Leadership Development	35%	40%	18%
Professional Development	30%	35%	21%
Local Resources	30%	29%	20%
Other	25%	0%	0%
Listening/Learning	23%	36%	30%
Marketing & Communication	20%	34%	32%
Advocacy	19%	24%	12%
Distribution	13%	22%	22%
Product Development	2%	6%	8%

ARE CHAPTERS WORTH THE EFFORT?

Effectiveness in Fulfilling Strategic Roles

We then asked respondents the extent to which their chapters fulfill each of those strategic roles. Once again, we used a five-point scale from “extremely effective” (5) to “not at all effective” (1). The higher the score, the greater the effectiveness. We compared the importance rating to the effectiveness rating and calculated the gap between the two.

Strategic Importance	2018			2016		
	Importance	Effectiveness	Gap*	Importance	Effectiveness	Gap*
Member Engagement	4.5	2.8	-1.8	3.4	2.2	-1.2
Leadership Development	4.0	2.4	-1.6	2.9	1.8	-1.1
Member Recruitment	4.0	2.4	-1.6	2.9	1.9	-1.0
Professional Development	3.7	2.8	-0.9	2.9	1.8	-1.1
Listening/Learning	3.7	2.5	-1.1	2.7	2.2	-0.5
Local Resources	3.5	2.8	-0.8	2.4	1.9	-0.5
Marketing & Communication	3.5	2.3	-1.2	2.4	1.7	-0.7
Advocacy	2.5	2.0	-0.6	2.3	2.0	-0.3
Distribution	2.4	1.7	-0.7	1.5	1.7	0.2
Product Development	1.1	0.9	-0.2	0.6	0.9	0.3

* Results in the Gap column may appear slightly over- or understated due to rounding.

ARE CHAPTERS WORTH THE EFFORT?

Two changes are evident since the 2016 survey: the overall perceived effectiveness scores increased, but the importance/effectiveness gap also increased.

In other words, the gap widened between the strategic importance of an activity to HQ and the chapter's effectiveness in delivering that activity.

Chapters' perceived effectiveness in engaging members increased from 2.2 in 2016 to 2.8 in 2019, but because the importance of this role also jumped (from 3.4 in 2016 to 4.5 in 2019), the gap between the importance of this role and the perception of how chapters were delivering grew by 50% from -1.2 to -1.8.



Comparing the **effectiveness** in engaging members from the 2016 and 2018 Benchmarking Report.



Comparing the **importance** in engaging members from the 2016 and 2018 Benchmarking Report.



CHAPTER SUCCESS STORY

Helping Chapters Succeed in their Roles

To assure a shared vision around delivering a set of Core Member Benefits through their component network, the American Institute of Architects (AIA) crafted affiliation requirements in an accreditation program. All members have a right to expect these “basic deliverables” from the AIA component network.

- Member communications
- Education
- Advocacy
- Public outreach
- Governance
- Membership
- Finance and operations

Accreditation Requirements

If you tell chapters you value member engagement, then you must measure engagement and provide training on how to increase engagement. AIA holds its components accountable by asking them to provide documentation showing that they meet these accreditation requirements, which are designed to measure what’s important to the member experience and to ensure chapter viability. AIA also provides the support and training that components need to successfully deliver these core services.

AIA’s Core Member Services

Success is a shared vision. This approach to Core Member Services has helped AIA and its components get on the same page. The components no longer ask “why” they need to do this. Now they ask “how?” That’s a huge shift.

ARE CHAPTERS WORTH THE EFFORT?

Risks & Concerns

We asked survey participants to describe their level of concern about four possible chapter issues:

- Chapter alignment with HQ
- Risk management
- Quality control
- Resource allocation

Not surprisingly, quality control and alignment cause a fair amount of angst for associations.

Considered Issue by HQ

Alignment



Quality Control



Resource Allocation



Risk Management



Other



HQ's Most Concerned About...

Quality Control



Alignment



Resource Allocation



Risk Management

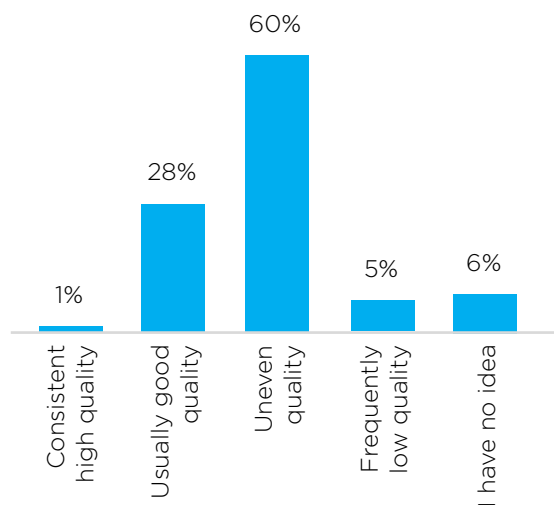


Other



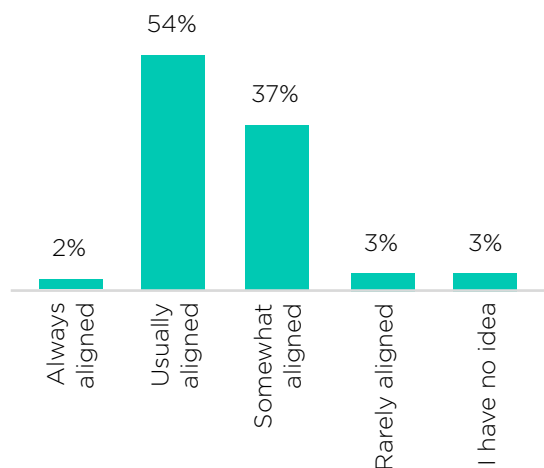
ARE CHAPTERS WORTH THE EFFORT?

Let's take a look at the respondents' thoughts on each of these HQ issues.



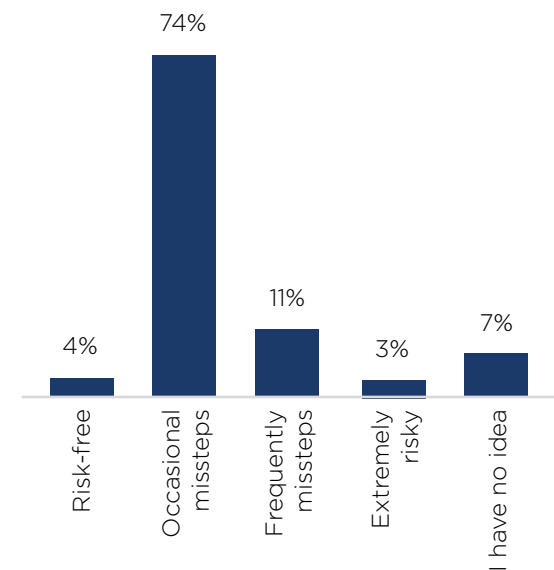
Quality Control

Do chapters consistently deliver the “fit and finish” members need and expect? Or, do chapter products and services leave much to be desired? 65% said their chapters provide “uneven” or “frequently low quality” products and services.



Alignment

Are your chapters moving in the same direction as you? Or, do they take action outside of or contradictory to your mission? Little better than half the respondents (54%) said their chapters are “usually aligned.” 40% said their chapters are “somewhat aligned” or “rarely aligned.”



Risk Management

Do chapters behave themselves for the most part? Or, do they do things that could get your association into legal or financial hot water? 74% of respondents said their chapters have “occasional missteps.”

Helping Chapters Manage Risks

The [Association for Talent Development \(ATD\)](#) developed [Chapter Affiliation Requirements \(CARE\)](#), a set of performance guidelines designed to help chapters deliver consistent benefits to members. These guidelines cover five key areas necessary for running a chapter like a business:

- Administration
- Financial
- Membership
- Professional Development
- Communication

To help chapters comply with the Administration component of CARE, ATD provides a Chapter Risk Assessment guide that chapter boards can use to discuss and understand risk management best practices and to conduct their own risk assessment.

Go Deeper on Risk Management

- + [Defend Your Chapter Data & Dollars Against Phishing Attacks](#)
- + [How to Demonstrate the Value of Chapters to Your Association](#)
- + [CEOs Share Advantages and Disadvantages of Chapters](#)

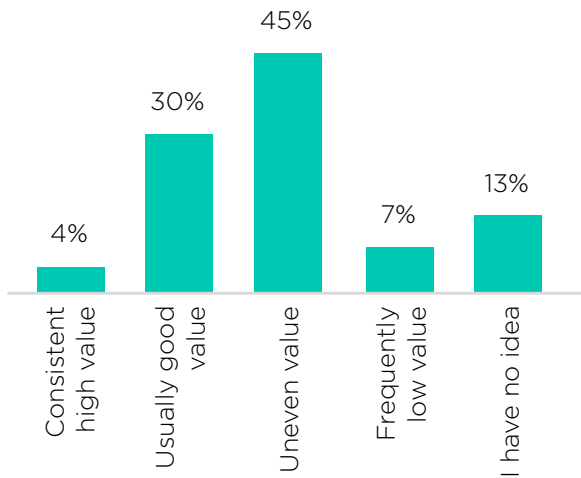


CHAPTER SUCCESS STORY

ARE CHAPTERS WORTH THE EFFORT?

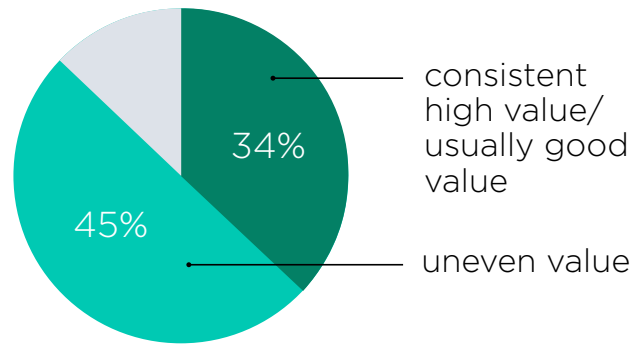
Resource Allocation

Does the value created by chapters for your association justify the resources you allocate to their support? Or, are you pouring effort and dollars into a chapter money pit?



Providing Value

We see lots of room for improvement here as 45% of respondents said chapters provide “uneven value” and only 34% said chapters provide “consistent high value” or “usually good value.”



Using Member Satisfaction as a Value Metric

[Finance Executives International \(FEI\)](#) measures the value of its chapters in a couple of ways. The first metric is the number of members who voluntarily opt to pay dues to the chapter assigned to them by FEI, which typically ranges from the mid-80s to mid-90s percentile.

The second and more important indicator is based on the results of FEI's annual member satisfaction survey.

FEI's Annual Member Satisfaction Survey

86% of FEI's survey respondents said chapter/local peer networking is their primary reason for belonging to FEI.

Chapter/local peer networking was also their highest priority—77% rated it a 9 or 10 on a 10-point scale, whereas the next closest priority rating was 45%. FEI believes healthy, vibrant chapters are critical to their success.

Go Deeper on Member Satisfaction

- + [New Member Onboarding: It's Not Just Show & Tell](#)
- + [Journey Mapping: Improve the Member Experience](#)

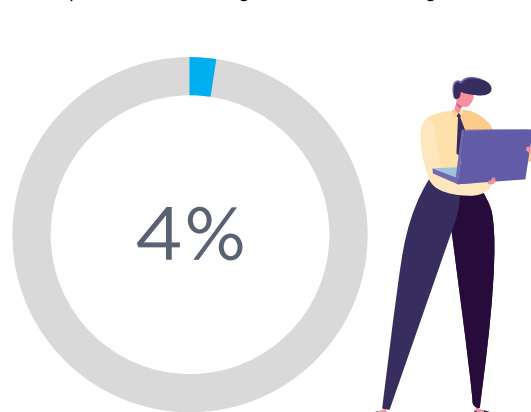


CHAPTER SUCCESS STORY

ARE CHAPTERS WORTH THE EFFORT?

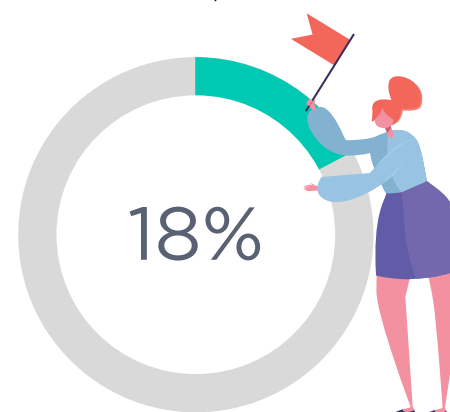
Calculating Chapter ROI

Only 4% of survey participants use some type of method to calculate the return on their investment (ROI) in chapters. Instead of using formal ROI calculations, this small group is more likely to rely on other metrics, for example: Volunteer or program outcomes, such as advocacy efforts and participation by chapter members in HQ events and programming. Start your own ROI calculations with the data you already have and the information you already know (or can easily find) about your chapters. Even assigning a value to only one chapter activity can show your association's leadership the return on investing in chapters.



Calculate Chapter ROI

Only 4% use some type of method to calculate chapter return on investment (ROI).



Recognize Financial Contribution

Only 18% recognize the financial contribution of chapters in their annual budgets.

One respondent said:

“...the current environment at our organization is such that chapters are considered so integral to the organization that they have an entire goal included in the national strategic plan. Chapters implement policy and do all the state-level advocacy and even some federal advocacy, so they are considered very valuable these days.”

These numbers have barely budged since the 2016 Report. To develop a financial framework that associations can use to place a monetary value on chapter activities, Mariner launched the Chapter ROI Project. This framework eventually became the Chapter ROI Valuation Matrix.

Using an ROI Matrix Shines Light on Chapter Value

In a [Billhighway/Mariner webinar](#), the [Global Business Travel Association \(GBTA\)](#) explained how they used chapter data and the ROI Valuation Matrix to assign a dollar value to chapter activities and rationalize the resources allocated by GBTA to its chapters. This effort resulted in a substantial increase in the annual chapter support budget.

GBTA's ROI valuation uses four methods to assign value to a chapter activity:

- Identify the direct value of the activity.
- Price the service.
- Price the volunteer contribution.
- Identify the indirect value of the activity.

Go Deeper on Chapter ROI

- + [How One Association Proved Their Chapter ROI](#)
- + [How Smarter Investment in Chapters Will Boost Your ROI](#)
- + [How the Global Business Travel Association Measures Chapter ROI](#)

CHAPTER SUCCESS STORY





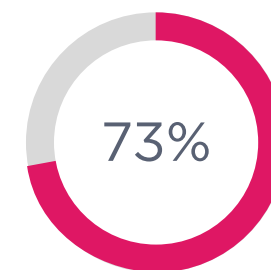
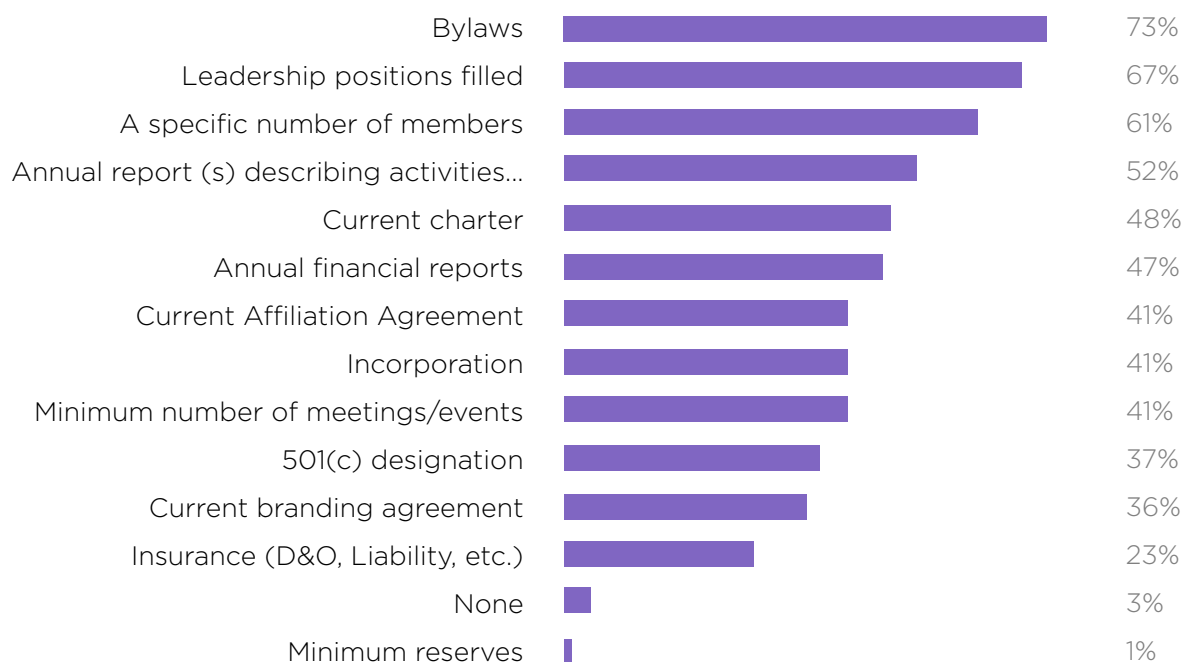
Affiliation Requirements & Performance Metrics

A interesting shift in affiliation requirements and performance metrics from 2016 to 2019.

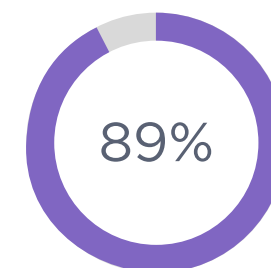
AFFILIATION REQUIREMENTS & PERFORMANCE METRICS

Chapter Affiliation Requirements

Almost all respondents set some affiliation requirements—only 3% don't. However, only 29% said they have a formal assessment tool to track performance.



73% of associations require chapter bylaws.



89% require either an affiliation agreement or charter.

AFFILIATION REQUIREMENTS & PERFORMANCE METRICS

An interesting shift in affiliation requirements since the 2016 Report is the number of associations who are requesting more meaningful metrics.



Minimum Chapter Members

The number of associations who require chapters to have a specific number of members increased from 34% in 2016 to 61% in 2018—the average requirement is 29 members.

Minimum Chapter Events

We also noted a requirement for a minimum number of chapter events—the average being 4 events. Note: the number of members or events doesn't seem related to any data indicating these are “magic” numbers for success.

Shift in Affiliation Requirements

Another big shift in affiliation requirements is the increase in the number of associations requiring filled leadership positions—from 45% in 2016 to 67% in 2019.

Affiliation Requirements	2018	2016
Bylaws	73%	68%
Leadership positions filled	67%	45%
A specific number of members	61%	34%
Annual report(s) describing activities & achievements	52%	33%

Helping Chapters Fulfill Leadership Requirements & Needs

[IMA \(Institute of Management Accountants\)](#) believes a strong association board is built on a strong leadership pipeline—and chapters are a key element of that pipeline. The IMA has kept their pipeline full thanks to a successful strategy that began with a top-to-bottom look at their volunteer structure. Once they established a Vice President of Governance and Volunteer Relations position, their success in building volunteerism locally and globally took off.

IMA developed an online portal dedicated to [volunteering opportunities](#). The site helps IMA members for national and chapter leadership positions.

Microvolunteering

Staff often heard from local leaders that “nobody cares, no one’s interested.” However, younger members said they wanted to volunteer, become engaged, and give back to the profession, but found it challenging to be included in volunteer work. Microvolunteering gives these members a chance to try out different roles, meet fellow members, and learn more about IMA and leadership opportunities.

Now when IMA puts out a call for local and national nominations, many “new” people, including millennials, raise their hands. IMA’s diversity commitment is all about inclusion, so this new program helps all members feel included in volunteer opportunities and assists IMA in gathering diversity of thought on its committees.

CHAPTER SUCCESS STORY



AFFILIATION REQUIREMENTS & PERFORMANCE METRICS

Consequences for Not Meeting Affiliation Requirements

More than half the survey participants have documented consequences for chapters who don't meet affiliation requirements. However, only 20% fully enforce their requirements.

Enforcing Requirements

20%

20% said they fully enforce their requirements.

14%

14% said they rarely or never enforce requirements.

55%

55% have consequences for chapters who don't meet affiliation requirements.

Enforcement Policies

A common theme in the comments from survey participants: they have enforcement policies in place, but they're difficult to enforce as two respondents shared:

- *"Theoretically, yes, including the right to terminate the affiliation with the chapter if it is and remains non-compliant. But, that option never has been exercised."*

- *"Yes and no. It takes a lot for us to disband a chapter but we've done it when no new leaders are available."*

The primary methods of enforcement are probation, financial measures (e.g., withholding rebates), or de-chartering.

Are these consequences enforced?

At all times	20%
Most of the time	41%
Some of the time	25%
Rarely	12%
Not at all	2%

Giving Struggling Chapters a Hand to Meet Requirements

The [American Institute of Architects \(AIA\)](#) is one of the associations that does enforce its accreditation (affiliation) requirements—but they also do everything they can to turn components around and get them on the path to success.

As you may recall from our earlier AIA story, to remain in compliance, AIA components must deliver a set of Core Member Services: services central to delivering member value and ensuring the long-term viability of the component. Components who meet these requirements are accredited for three years.

AIA's Core Service Requirements

AIA provides training workshops, webinars, and a handbook on each of the core service requirements. However, additional support, including mentoring and coaching, is provided to components who have difficulty meeting the standards. For example, in the first year of this program, AIA brought 33 at-risk components to an intensive workshop where they learned how to identify problems, take advantage of AIA resources, and come up with solutions. As a result of these small-group interventions, three-fourths of these struggling components succeeded in achieving accreditation.

If a component cannot meet accreditation requirements, AIA helps it explore alternative governance structures so its members can receive all of the Core Member Services.

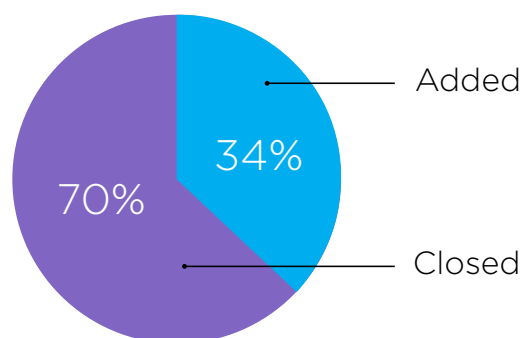


CHAPTER SUCCESS STORY

AFFILIATION REQUIREMENTS & PERFORMANCE METRICS

Closing Chapters

Of the respondents with chapters, 34% added chapters and 70% closed chapters.



86%

of respondents said they added and/or closed chapters in the past five years. Whether chapters were closed for non-compliance or simply shuttered themselves is unknown.

20%

of respondents from the 2016 Report reported adding or closing chapters. In any case, chapter activity has increased greatly since the 2016 Report.



AFFILIATION REQUIREMENTS & PERFORMANCE METRICS

Chapter Performance Assessment

Performance Metrics

When we asked how associations assess chapter performance, respondents mentioned a number of metrics, including:

- Member retention (71%)
- Recruitment (64%)
- Engagement/participation (55%)

Notice how the use of more meaningful assessment metrics has increased since the 2016 Report.

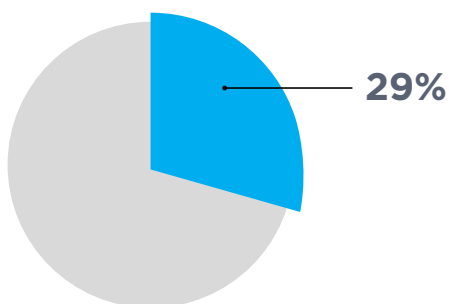
The metrics reported in the “Other” category include:

- First-year member renewal
- Voting in officer elections
- PAC contributions
- Meeting a 35% gross margin

Metrics	2019	2016	Change
Retention	71%	41%	30%
Recruitment	64%	40%	24%
Participation	55%	27%	29%
Satisfaction	39%	24%	15%
Event Evaluations	38%	25%	13%
Other	26%	25%	1%
Advocacy	25%	12%	13%
Fundraising	6%	4%	2%

AFFILIATION REQUIREMENTS & PERFORMANCE METRICS

Chapter Performance Assessment



Chapter Assessment Tool

Only 29% said they have a formal assessment tool to track chapter performance, for example:

- Dashboards
- Chapter health assessment tool
- Self-assessment tool that chapters use as a roadmap

Chapter Contributions Tracked

For the associations who are tracking chapter performance, they're primarily capturing two metrics:

- Member retention
- Acquisition rates by chapter

64%

64% tracked member retention rates per chapter.

55%

55% tracked member recruitment rates per chapter.

25%

25% did not track chapter contributions.

22%

22% tracked product sales or event registrations per chapter.

7%

7% tracked other contributions.

Empowering Chapters through Self-Assessments

The [Association for Corporate Growth \(ACG\)](#) has its chapters do a self-assessment every year. Originally, this initiative started as a way to bring more objectivity to the chapter awards process. However, ACG has found that it's also led to an increased two-way dialogue with chapters. The self-assessment has four categories:

- Leadership and governance
- Programs and marketing
- Membership
- Financial operations

ACG's Self-Assessments

Chapters rate their performance on each item in the category checklist. By doing so, they see where they can perhaps do better, according to best practices. For example, if their check signing policy isn't following best practices, the chapter leaders realize they need to change that policy—or they'll never win the chapter of the year award!

This change in chapter behavior has been the most significant impact of the self-assessments. It helps that the ACG membership is “super competitive.” Chapter leaders want to bring home an award so they reach out to ACG staff to find out where they can improve. Now isn't that a switch? Instead of having to tell chapters what they need to do to comply, the chapters are taking the initiative to change. At the annual conference, ACG highlights best practices and programs from award-winning chapters, so high-performance behavior is shared and spread throughout the network.

Go Deeper on Chapter Performance

- + [Tracking Chapter Effectiveness: Tips for Creating Powerful Dashboards](#)

AFFILIATION REQUIREMENTS & PERFORMANCE METRICS

Rewarding High-Performing Chapters

Most associations provide awards to chapters, many based on performance metrics. Why give all the prizes to A+ chapters? Save some of the spotlight for chapters who were once failing but are now improving. Here are some examples from the [Billhighway blog](#).

Recognition Programs

Examples of recognition programs mentioned by survey respondents include:

- ✓ Annual conference recognition
- ✓ Annual chapter awards and certificates
- ✓ Annual “Membership Cup” to the chapter with the most new members and to the chapter with the largest percentage growth
- ✓ A call-out of the best performers in the monthly report sent to all chapters
- ✓ Digital badges

Financial Rewards/Services

44% of the associations in the survey provide financial rewards or additional services to high-performers. Examples of these include:

- ✓ Annual recruitment incentive program
- ✓ Free memberships
- ✓ Free conference registrations
- ✓ Cash awards and rebates
- ✓ Speaker travel fees
- ✓ Education grants
- ✓ Funding for advocacy support
- ✓ Funding to implement new initiatives
- ✓ Discounts on registrations/branded items
- ✓ Complimentary webinar for the following year

One Example: Tying Incentives to Awards

The [College and University Professional Association for Human Resources \(CUPA-HR\)](#) chooses four regional winners for their [Chapter Excellence Award](#) and then one national winner from that group.

Each regional winner receives two scholarships to attend the spring regional conference, and the national winner receives four annual conference scholarships.

These scholarships cover expenses for:

- Conference registration
- Airfare
- Transportation
- Hotel accommodation

Go Deeper on Chapter Awards

- + [Do Your Chapter Awards Spark Joy?](#)
- + [Transform Your Chapter Awards Program from a PITA to a Pleasure](#)
- + [A Game-changer for Chapter Awards](#)



CHAPTER SUCCESS STORY



Support Provided By HQ To Chapters

How Headquarters supports its chapters and chapter leaders.



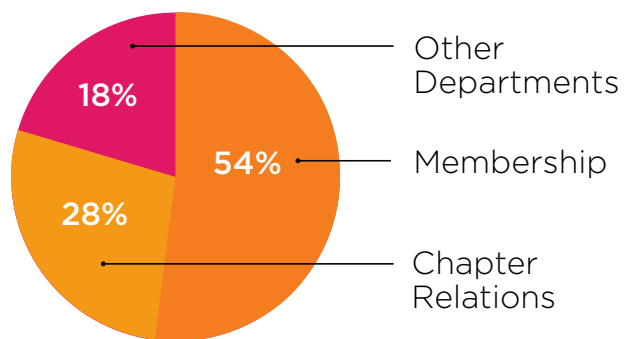
SUPPORT PROVIDED BY HQ TO CHAPTERS

HQ Staffing for Chapter Support

Let's look at how HQ supports its chapters and chapter leaders. How can you uncover an association's strategic intent for its chapters? See which department is in charge of chapter support.

Role for Chapters

The role for supporting chapters largely falls under the Membership (54%) or Chapter Relations (28%) department. Other departments that support chapters are Education, Policy & Advocacy, Sales, and Volunteer Leadership.



An average of 3.5 full-time employees focus on components or chapters at HQ organizations.

Average FTE Focused on Components at HQ	Primary Staff	Secondary Staff
Federation	4.2	27.5
Separately Incorporated Chartered	3.8	6.5
Wholly-Owned Subsidiaries	3.6	4.8
Separately Incorporated Affiliates	2.8	5.9
Other	1.4	2.0
Overall	3.5	6.7

SUPPORT PROVIDED BY HQ TO CHAPTERS

Chapter Services Provided by HQ

The four most common services provided to chapters are:

1. Chapter event promotion
2. Database management
3. Chapter start-up kit
4. Dues invoicing and collection

Some associations provide group discounts or special pricing for chapters on key services, such as database management, website hosting, communications and marketing, and insurance.

Relatively few associations provide logistical support for events, such as registration and planning, or financial/tax services—despite the challenges these routine responsibilities present to volunteer-led chapters. Even fewer offer full-service management.



SUPPORT PROVIDED BY HQ TO CHAPTERS

We drilled down into four chapter support areas.

Data Management

Nearly 2/3rds of the survey participants handle data management for their chapters. Of these, 81% include chapter member/prospect data. A few, 2%, provide special pricing. The remaining offer variations on database support.

In our interviews, staff pointed to several advantages of managing data for chapters include:

- ✓ Chapter leaders can focus more on strategic concerns, such as programming and member service, and less on administrative tasks.
- ✓ Chapter data is kept up-to-date, accurate, and complete.
- ✓ HQ can identify chapter weaknesses, for example, low retention of first-year members.
- ✓ HQ can use data to benchmark chapter performance.

81%

81% Database management include chapter member/prospect data in central database with direct access by chapter leaders.

23%

23% Other database management services.

2%

2% Provide special pricing with a separate provider.



SUPPORT PROVIDED BY HQ TO CHAPTERS

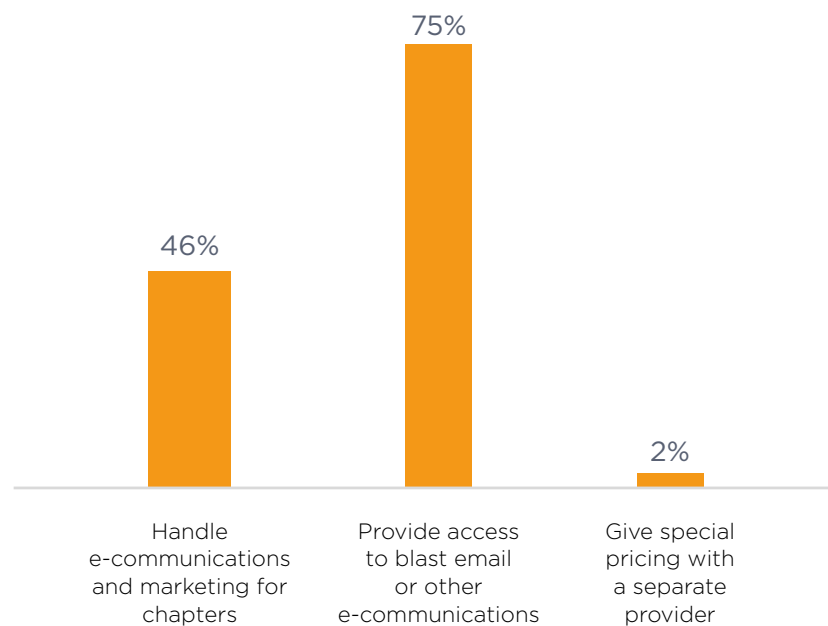
Event Registration

Of the associations who provide event registration support, 79% give chapters the ability to use HQ’s event registration system. 58% collect event registration data and payments for their chapters.



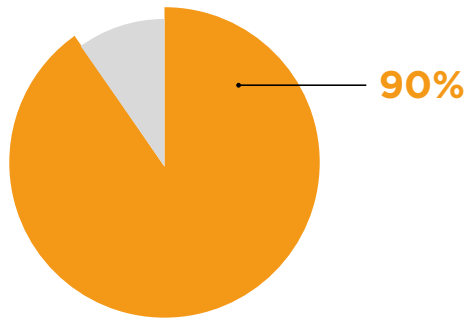
Marketing & Communications

75% of the associations providing marketing and communications support give their chapters access to an email delivery platform. 46% of them handle email communications and marketing for their chapters.



SUPPORT PROVIDED BY HQ TO CHAPTERS

Website Support

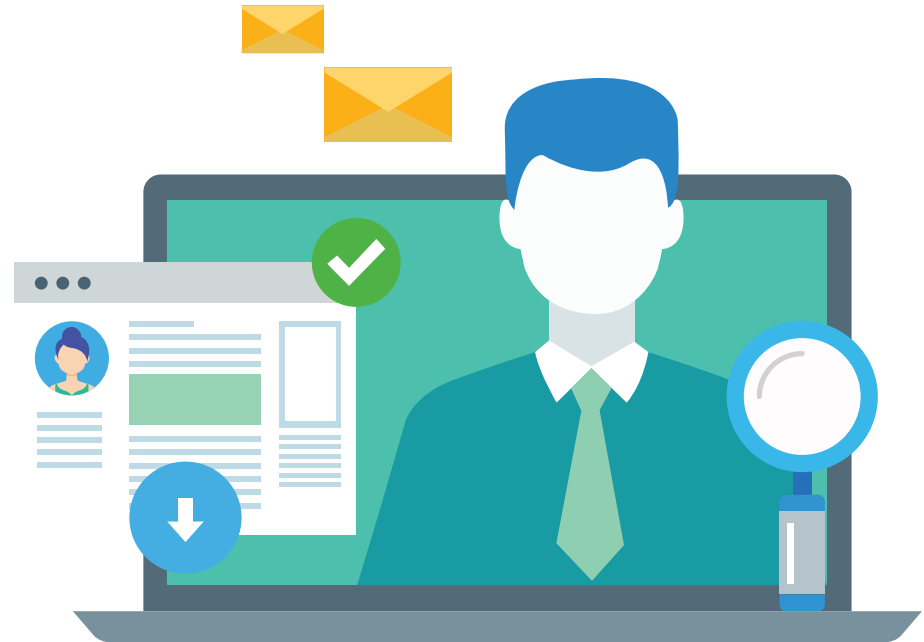


90% of the associations offering website support provide chapter microsites or host a dedicated page/community on the HQ website.

6% of associations offer special pricing with a separate provider. And 11% of associations offer other website hosting services.

Examples of Website Support

- ✓ Offering standalone websites at no cost to chapters.
- ✓ Arranging for complimentary website hosting through HQ’s vendor.
- ✓ Purchasing website domains that affiliated chapters can use at no cost.
- ✓ Providing an AMS-connected website platform with three to five possible templates for chapters to use.



SUPPORT PROVIDED BY HQ TO CHAPTERS

Insurance

67%



Of the associations providing insurance support to chapters, two-thirds (67%) do so through HQ's insurance policy.

24%



24% offer a discounted insurance policy for Directors & Officers.

22%



22% offer a discounted insurance policy for General Liability.

14%



14% offer referrals for insurance products.

8%



8% offer other insurance options.

Other Chapter Services

35% of our survey respondents selected "Other" in the Chapter Support category. Here are some of the frequently mentioned services that caught our eye:

- ✓ Consulting services, including legal services, strategic planning, and board development
- ✓ Logo and marketing collateral design services
- ✓ Lobbying
- ✓ Online conferencing technology

SUPPORT PROVIDED BY HQ TO CHAPTERS

An idea for funding chapter services

You might be thinking...these are fantastic ideas for additional chapter services but how do we pay for them? Glad you asked. One association we know funds its portfolio of chapter services by charging a yearly Chapter Services Fee based on the number of members in each chapter.

This fee also takes into account the average income for members in less developed countries. Fee revenue doesn't cover the costs of supporting chapters but it does help to offset them.

Thanks to this services fee, the association can provide supplemental services and technology, such as a chapter management platform, website platform with volunteer portal, online community for chapter leaders, membership renewal processing, and weekly chapter training sessions. In its chapter communications, HQ highlights the chapter and member benefits made possible by the fee.



SUPPORT PROVIDED BY HQ TO CHAPTERS

Chapter Leader Training Provided by HQ

The most popular chapter leader training tool is a website portal for chapter resources (86%). Webinars (77%), chapter leadership conferences (76%), and online communities/discussion forums (67%) round out the top four.

86%

have website portal with a variety of resources (training guides, templates)

77%

have webinar(s)

76%

have dedicated leadership conference(s)

67%

have discussion forum and online community

45%

have workshop(s) at other association meetings

21%

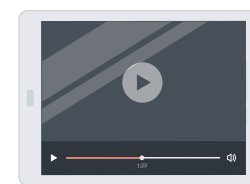
have chapter leadership training through a learning management systems (LMS)

18%

have designated mentor(s)

14%

have other chapter training programs/services



Chapter Training

We see an increasing adoption of online technology to deliver chapter training and support. For example, associations (21%) are using their learning management system for chapter leader training.

In contrast, when we last did the Benchmarking Report in 2016, only 41% of associations had a chapter web portal and only 49% provided webinars.

Tapping Online Learning: 2 Examples

Many associations believe volunteer training should start at the beginning of a member's volunteer journey. They use their learning management system (LMS) to deliver basic training to any member who's volunteering at the local or national level.

NIGP's Leadership Training

The Institute for Public Procurement (NIGP) provides basic training on their LMS for members who've been appointed to leadership positions. The program takes less than two hours to complete, and covers NIGP's governance structure, goals, mission, and other topics related to volunteer service.

RAPS's Leadership Training

Similarly, the Regulatory Affairs Professionals Society (RAPS) uses their LMS to deliver multi-level volunteer training. Level 1 is focused on volunteering 101, RAPS 101, and association 101. Levels 2-4 will feature advanced training and skills development opportunities. Both NIGP and RAPS are providing this virtual learning to augment and extend in-person training options for local leaders.



CHAPTER SUCCESS STORY

Go Deeper on Leadership Training

- + [Where to Start in Training Volunteers](#)
- + [How NIGP Provides Resources for Chapter Leaders & Members](#)
- + [How to Train, Support & Inspire at Your Chapter Leadership Conference](#)
- + [Chapter Leadership Conference: The Catalyst for Chapter Success](#)



Closing Thoughts

Closing thoughts on the 2019 Benchmarking Report - a change is afoot.

CLOSING THOUGHTS

There is Change Afoot: 2019 Benchmark Closing Thoughts

When we completed the first benchmarking Report in 2016, we found that the survey raised important questions largely around the value chapters bring to an association and how best to leverage that value.

Most associations were running traditional chapter programs with little or no data to tell the value and ROI story. This survey suggests there is change afoot.



1 Chapter Membership Models

First, associations are taking a more flexible approach to chapter membership models and organizational structures. A number of associations have created informal groups as an alternative to traditional chapter structures.

2 Tracking Chapter Performance

Second, we saw greater emphasis on tracking performance, particularly around member engagement. This may suggest a shift to seeing the chapter program as a strategy vs. “something we’ve always offered.” Or, it may simply suggest that as associations become more sophisticated in tracking and using data, they are applying that tracking process to chapters.

3 Training & Support

Third, we saw small shifts in the variety of training and support provided to chapters. This increased investment will likely require associations to do a better job of tracking the return on their investment.

CLOSING THOUGHTS

Room For Improvement

As a counter to the optimism, only 29% of respondents scored their chapter system in the top two quintiles with respect to quality while the majority offered a middling score or less. There is obviously lots of room for improvement and need for innovation. Our experience suggests, however, two primary obstacles to change:



Decision Makers

The boards of most associations with geographic chapters draw many of their directors from those same chapters and these individuals are often reluctant to make substantive changes.



Lack of Data

Resistance to change often stems from a lack of data—a result of fragmented, disconnected, or non-existent unified systems—which makes an objective assessment of chapter performance difficult at best.

CLOSING THOUGHTS

The Importance of Chapter ROI

An observation from the 2016 report bears repeating. Associations can easily identify the direct expenses associated with the management of their chapter network. However, identifying chapter ROI is another story.

Contributing Factors

Two factors contribute to this difficulty—and the consequential persistence of a questionable business model:

- A lack of data about member engagement and transactions.
- Uncertainty about the value of subjective factors such as brand awareness and loyalty.

Change Required

Two changes are required for chapters to provide membership value, deliver a financial ROI, and help associations fulfill their mission:

- A more robust integration of shared data platforms.
- A more flexible organizational structure that allows chapters the autonomy needed to build around local purpose, rather than mandated process.

One Membership Experience

Members rarely differentiate their association experience by “chapter” vs. “national.” Instead, they think of it as one membership experience.

Bottom line, if we’re going to have chapters, we should do what we can to ensure they deliver a consistent, high quality experience to our members, wherever they are.

Resources For Associations

It's no secret that there's currently a gap in education for associations that operate in a component model. So [Billhighway](#) and [Mariner Management](#) came together to build a community and connect component-based organizations and component relations professionals (CRPs).

Here are the resources they provide for associations:



Webinars



Guides & Templates



Component Events



Reports & Tools



Billhighway Articles



Mariner Blog

billhighway™

ABOUT BILLHIGHWAY

Got Chapters? Billhighway gives component-based organizations the tools to automate and simplify operations while creating data visibility across your entire organization. This empowers you and your chapters to focus more on member value and grow your organization.



ABOUT MARINER MANAGEMENT & MARKETING

Association components are an important part of your association's strategy to move the mission and meet members' needs. Tap Mariner for leadership development, creating engaging leadership resources and communities, optimizing your association resources and staff, or re-imagining your component structure and strategy. We are a mentor, friend and connection for association staff and volunteers.