

Straightforward

Are assn execs in denial about the economy?

WE ASKED ASSN PROFESSIONALS to tell us about business conditions, their current mood about their members' industry/ profession and about the US economy as a whole. In this issue you will read what they said in our first Assn Pulse Survey report.



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Jill M. Cornish, IOM

The survey was sent to about 4,000 people who work in the assn community – CEOs, senior staffers, AMCs, consultants. 13.7% responded with a great deal of detail. From the data, [Association Research Inc.](#) sorted the responses according to the types of organizations. What we found was not earth-shattering but it does give us a base for future trend lines. We'll survey the mood of executives at least twice a year, to give us a feel for the issues that are having a major affect on the way the assn community is moving.

HERE'S THE QUESTION: I noticed that the mood about the US economy was decidedly negative. Yet, many executives said their assn was doing just fine. Expectations about the economy were bleak but there was little reflection of that downturn on assns. Yes, revenues are down; yes, membership is down; yes, meeting attendance is down. But the mood about assns is not particularly bad. Is this denial of the obvious?

Or, perhaps, it is an inner understanding of the real *value* assns have when there are problems that individuals cannot solve alone. Perhaps executives know that the assn is a life preserver for members when all else fails. Maybe members will cut elsewhere but continue to stay involved in their assns because assns provide *value*. Maybe.

We'll check back in January. Thanks for your participation in and comments about our Assn Pulse Survey.

HOW DOES YOUR ASSN SCORE when it comes to providing the products and services your members need and want? Do you know who and what is your competition?

Assign your membership and marketing teams to develop a list of all your products and the organizations they see as competitors. Be sure to include family, time, personal life, etc., as competition for your members' attention. And don't forget "free" sources such as the Internet.

Ask members to rate you and your competitors as to how they value the services and products you provide. Those who are especially active in the assn will rate your assn highly but some will be on the fence – you'll see that they have other resources that provide better value. The exercise will be an eye-opener in preparation for your next planning meeting. You might even ask members to put a dollar value on some of your unique services. What would they be willing to pay if Product X was not included in membership? You might be surprised at the responses.

Jill M. Cornish, IOM, Straightforward, July 18, 2008

Send comments to AssociationTRENDS@AssociationTRENDS.com. Comments will be considered a letter to the editor. For guidelines on submitting a letter, [click here](#).

See who's moving where in our [PEOPLE](#) section, or talk about it on our [BLOG](#).

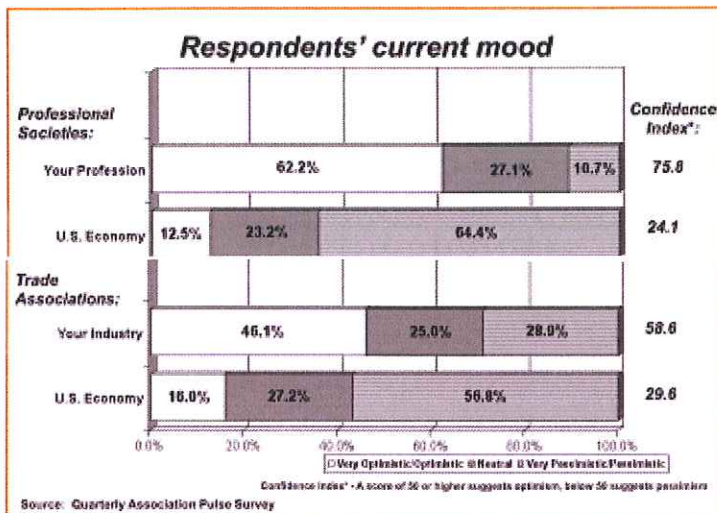
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Assn execs work hard to provide 'value' for mbrs

First in a series polls by Association TRENDS

While more than three quarters (77.2%) of assn professionals who responded to a TRENDS/Association Research survey last month are "pessimistic" or "very pessimistic" about the US economy, 53.5% are "optimistic" or "very optimistic" about their members' industries and professions. Overall, about a quarter of trade assn and professional society executives who

Among the major issues that assn professionals see as "the most important issue facing" their organizations, most respondents say they are focused on providing value for their members, appealing to those of all ages. Financial issues related to decreased revenues and membership matters, and a variety of industry specific issues are also at the top of their concerns. Staffing and volunteer issues, as well as the economy and government relations, are all having an impact on the sleep of assn staff.



Asked about revenues, operating costs, membership, salaries and employment, as well as the overall mood of the community, the nonprofit executives provided data for a new survey of trends in organizations, to be published twice annually by Association TRENDS. Rockville MD-based [Association Research Inc.](http://www.associationresearch.com) is conducting the research.

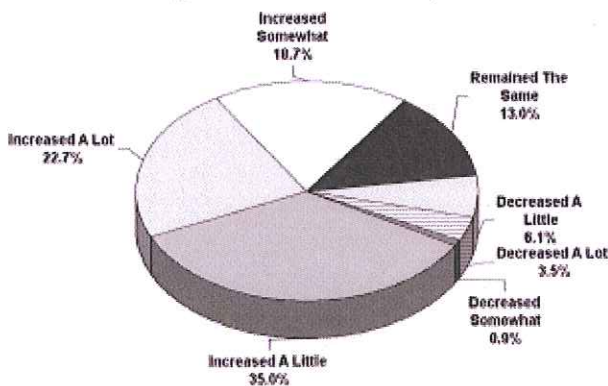
Assn revenues for the first two quarters of 2008 were "up" or "even" for 75% of professional societies; trade assns reported 72.6% "up" or "even." Executives of "other" organizations – e.g., philanthropic, charity, religious – were "up" or "even" 80%. Asked their expectations for the remainder of 2008, 75.7% of executives overall reported they expect income to remain even. 24.3 % expect revenue to decrease. Retail, arts/entertainment/recreation, healthcare/social assistance, and construction showed appreciable decrease in the first two quarters and expect continued difficulties.

Employment even

Employment in the sector was "even" for 66.8% and expected to remain so by 76.8% the remainder of 2008. Trade assns were more stable at 73.2% for the first two quarters, and 78.4% expect to continue "even" through the year.

Employment in the industries and professions of the organizations might have an impact on employment in the assn but most (76.8%) of the executives in impacted fields expect assn employment to remain even. Professional societies representing individuals in accommodation/food services, educational services, government, real estate, and retail expect the greatest decrease in employment. Trade assns involved in accommodation/food services, arts/entertainment/recreation, construction, education real estate, and wholesale trade also expect major downturns in member company employment.

Adjusting for inflation, association budget changes over last three years



Source: Quarterly Association Pulse Survey

Increased operating costs across the board will have an impact on assns. 56% saw increases in the first two quarters and 53.3% expect continued increases for the remainder of 2008. Only 5.2% said costs were down from Q1-2. Professional societies (62.1%) were hit harder with increased operating costs than trade assns (51%) early in the year.

47.5% of assns say that capital expenditures have remained even so far this year for their industries; 46.6% will keep expenditures even and 33.2% expect to spend less in future quarters. Those organizations in the information, educational services and retail trade sectors stood out. Information assns (54.5%) were down in Q1-2 and 60% expect to be down in the remainder of the year. While 80% of educational services groups were "even"

for quarters 1 and 2, 75% expect to be down for the balance of the year. 71.4% of retail trade assns reported capital expenditures down for Q1-2 and 66.7% predict "down" in the remaining quarters.

23.7% of organizations reported membership down so far this year and 21% think membership will continue down. Overall 45.5% believe membership will remain even this year. Positive exceptions were seen in the expectations of those organizations in administrative/support (50%), educational services (43.8%), management of companies (80%), utilities (66.7%) and other services (50%). These assns expected membership to spike in the final quarters of 2008. Construction (43.3%) and retail trade (42.9%) organizations expect major membership decreases.

Meeting attendance optimism down

Assn professionals were also less than optimistic about meeting attendance during 2008. Overall, meeting attendance during the first part of the year was "up" 27.4% for all respondents; "even" 42.5% and "down" 30%. Expectations for the balance of the year were: "up" 24.8%; "even" 47.3% and "down" 27.9%. Trade assns fared better than professional societies in all categories. 83.3% of those in arts/entertainment/recreation expect meeting attendance to be down while those in the management of companies (40%) and retail trade (42.9%) predict their meetings will draw increased attendance.

Ad revenues for 79.1% of respondents were "even" or "down" in the first two quarters of 2008; expectations for the balance of the year: 17.1% "up"; 51.7% "even"; and 31.2% "down." While many assns (51.7%) see ad revenues as "even" for the balance of the year, many others (31.2%) have little optimism about their ad revenues. More than two-thirds of respondents in accommodation/food services, administrative/support, arts/recreation, and other services expect their ad revenue to be down.

Overwhelmingly, assn professionals (72.6%) said they prefer to receive information about their work in assn management by e-mail. 8.5% prefer print; and 18% like a combined print and electronic approach.

Asked "If the presidential election were held today..." those executives who responded selected Obama (profl 55%; trade 37.1%) McCain (profl 28.2%; trade 53.8%), Clinton (profl 13.8%; trade 5.4%); would not vote (2.5%/2.7%); Barr (.6%/1.5%); Nader (0%/1.5%).

The next TRENDS/Association Research survey will be distributed by e-mail in January.