

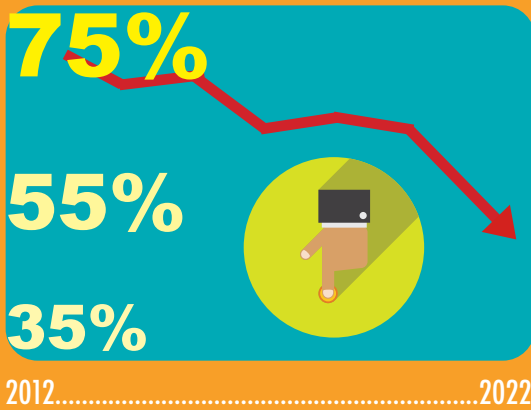


Non-Dues Revenue

Why does it matter?

Since 2013, AAMFT has been noticeably revenue aggressive—with regular criticism from some members. This criticism is quite understandable as AAMFT continues to shift away from a value based, **dues dependent model**.

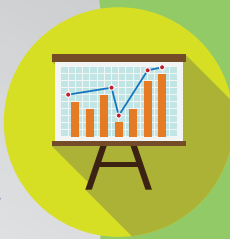
What is dues dependency?



Dues dependency is the percentage of the budget dependent upon dues. In 2013, AAMFT had a **bloated** dues dependency of 72%. Meaning, membership dues accounted for 72% of AAMFT's budget. Since 2013, AAMFT reduced its dues dependency from 72% to 54%.

So, why is it important to reduce dues dependency?

A value-based association model is centered on making available **as many possible benefits** from dues paid by all members. There are several problems with this model. First, every new benefit, program or service needs to be factored into the membership dues. The result is that dues begin to **steeply escalate** and members not using the benefit still pay for the benefit.



Each new service could potentially mean an increase in dues...escalating to the point that membership becomes cost prohibitive OR the association simply relies on very few benefits or services—which may not be as relevant tomorrow as they are today.

A second reason for reducing **dues dependency** relates to membership fluctuations. AAMFT, like **many other associations**, is experiencing a membership loss of Baby Boomers. Further, like other associations, the loss cannot be replaced by students or eligible new members because the Baby Boomer generation was the largest population demographic until Millennials.

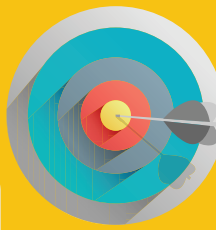
>> If an association is highly dues dependent, any loss in membership equates to having to potentially reduce benefits, programs and services—sometimes very quickly.



Third, dues dependency creates a dynamic that the budget is dependent upon members, not services or benefits. Since there will be a limitation to the number of services available because of the dues generated, an association needs to either maintain a very select number of highly relevant services, or continuously sunset and launch relevant services. Sunsetting services is quite difficult because there is always a segment of the membership that will be engaged in the discontinued service.

What is the goal and what are we doing?

The goal is to have dues covering less than 40% of the total budget expenses. In 2016, ASAE reported that less than 40% of revenue for professional associations came from dues. *The lower the percentage, the less vulnerable AAMFT is to membership fluctuations, as well as increasing the nimbleness of which AAMFT can meet member expectations in services and programming.*



The result of decreasing dues dependency is that revenue must be realized from other sources. By becoming revenue aggressive, developing multiple programs and services, and focusing on needs of the practice, profession, and members, AAMFT is creating a win-win situation.

- The Association wins because of **decreased vulnerability** related to membership dues and dependency.
- Members win because AAMFT is **no longer bound to only offering a few services afforded by membership dues to all members**, and can now offer many services to different membership segments based on member needs.

The continuation, or not, of these services is determined by whether they are purchased by those who want or need the service, rather than all members paying for services that may only be used by a few.