

Dear Ask a Pro

I would like to know more about successful membership programs and how this differs from donations. Is it important to have members? How is that different from a donor? Is a donor an automatic member? Would you recommend there be an incentive (perk) for membership levels? For some organizations, an incentive like a free pass or ticket is obvious, but for some organizations this would not be a fit.

Thank you.

Mr. Member

Dear Mr. Member,

From the member's perspective, membership is often self-identification with the organization or cause. It is an expression of wanting to BELONG. It is also a response to a "call to action", issued by the organization and answered by the member/donor.

Membership is a powerful tool for acquiring and GROWING one's donor base.

Another key component to membership programs is recognition. Recognition is important on both sides - member and organization. A member often wishes to be known for supporting the organization or cause in hopes of inspiring others to join. Likewise, organizations tout their membership list in hopes of encouraging like-minded, peers of members to join.

Ultimately, membership is a relationship-building tool. (Relationship to the organization or cause; relationship to peers, relationship to a philanthropic purpose, project or ideal.)

When a nonprofit establishes a membership program, it usually is related to privileges and benefits that are provided for a set fee. Higher

membership categories may provide increased benefits. A formal membership structure often grants members certain basic rights, such as the power to vote for directors and approve a sale or merger. Conditions and eligibility for membership are usually covered within a nonprofit's by-laws.

Some nonprofits, which do not have formal provisions for membership, consider any donor to be a "member", thus entitled to information, mailings, updates, newsletters, etc.

A membership program is a tool to build relationships and encourage donations in support of an organization. There are basically two types of "memberships". One is fee based where you become a member for \$25/\$50 and receive a monthly email/update/magazine, free admission, discounts, etc.

The other membership type is philanthropy based. This type of membership is designed to increase the level that donors give thru naming them as Friends, Contributing Friends, etc. and place their names in appropriate places such as the annual report, monthly newsletter, etc.

Both are part of the whole of the development effort. To consider a "membership" program we suggest you look at issues such as costs involved in staffing, software, and/or recognition in relation to the return on investment based on financial and human capital required.

We have seen many different variations of the use of the term member.

For example: An arts organization may have a set "fee" to belong to the golden circle, which provides access to choice seating or special events. In that case one would be considered a member of the Golden Circle.

Another organization may establish a membership category for those who contribute a minimum of \$100 or more annually to their fundraising efforts.

Others may call such groups, giving clubs.

More formal membership programs exist in organizations like the YMCA, which requires a set fee for membership in order to utilize most of their facilities or participate in their programs.

Try to keep things simple. If you do not need to have a “membership” category and there are no requirements in your by-laws, we would recommend that you simply consider all donors as members and develop giving levels that qualify for special recognition, privileges, etc.

We recommend that if you establish a formal “membership” that you have clear criteria and benefits identified. From a fundraising perspective, recruiting members is more focused on selling benefits than would be the approach when seeking philanthropic engagement in support of your mission.