



# Indiana Membership Associations: Overview and Challenges

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INDIANA NONPROFIT SURVEY: ROUND III

OVERVIEW Series #1  
Report #4

INDIANA NONPROFITS PROJECT:  
SCOPE & COMMUNITY DIMENSIONS

A JOINT PRODUCT OF  
The Lilly Family School of Philanthropy  
AND  
The O'Neill School of Public and Environmental Affairs  
Indiana University Bloomington



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GOODMAN WITH LILY BESEL

Fall 2023

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III**

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Report #3

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**TABLE OF CONTENT**

<b>ACKNOWLEDGEMENTS .....</b>	<b>1</b>
<b>PROJECT ADVISORY BOARD.....</b>	<b>3</b>
<b>INTRODUCTION.....</b>	<b>4</b>
<b>EXECUTIVE SUMMARY .....</b>	<b>6</b>
<b>KEY FINDINGS.....</b>	<b>11</b>
<b>DETAILED FINDINGS .....</b>	<b>13</b>
MEMBERSHIP ASSOCIATIONS .....	13
BASIC ORGANIZATIONAL DIMENSIONS.....	20
FINANCE DIMENSIONS.....	29
HUMAN RESOURCE DIMENSIONS .....	31
COLLABORATION AND SERVICES .....	36
POLITICAL ACTIVITY AND ADVOCACY .....	40
<b>CONCLUSION AND IMPLICATIONS .....</b>	<b>45</b>
<b>APPENDIX A: SURVEY METHODOLOGY</b> .....	<b>47</b>
Sample Preparation.....	47
Survey Process.....	47
<b>APPENDIX B: DETAILED</b> <b>RELATIONSHIPS.....</b>	<b>49</b>
<b>APPENDIX C: BIVARIATE GRAPHS.....</b>	<b>51</b>
<b>APPENDIX D: MULTIVARIATE TABLES</b> .....	<b>64</b>

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## INTRODUCTION

This report examines the landscape of membership associations in Indiana. We focus primarily on differences between two types of nonprofits—membership associations and other nonprofits. We also consider whether there are notable differences among major membership association types—charities and related, homeowner and neighborhood associations, civic groups, economic interests, pleasure and social clubs, and traditional mutual benefits associations.

In the first part of this report, we describe how we categorize the Indiana membership sector along these dimensions. In Section I, we assess the basic organizational characteristics of each type. Section II assesses the finance dimensions, and Section III examines human resource dimensions. Following this, Section IV presents an assessment of the types of collaborations and services provided by these organizations. Finally, in Section V, we assess advocacy and political activities of membership associations.

Indiana Nonprofits: Membership Associations – Overview and Challenges is the fourth report in a series profiling particular types of nonprofits and is based on a major survey of Indiana nonprofits conducted by the Indiana Nonprofits Project in 2017-18. Other reports based on this survey have examined particular types of nonprofit activities.<sup>1</sup> The survey is the most recent (Round III) survey of Indiana nonprofits; two previous rounds were conducted in 2002 (Round I), and 2007 and 2010 (Round II). We also surveyed Indiana Nonprofits in May 2020 on the impact of COVID-19 (Round IV).

### Indiana Nonprofits Project

The Indiana Nonprofits Project: Scope and Community Dimensions began in June 2000 and has produced a substantial body of research since then. The project is designed to provide information about the nonprofit sector in Indiana: its composition and structure, and its contributions to Indiana, the challenges it faces, and how these features vary across Indiana communities. The goal of this collaborative research effort is to help community leaders develop effective and collaborative solutions to community needs and to inform public policy decisions.

The project is directed by Kirsten Grønberg, Efroymsen Chair in Philanthropy (2001-2020) at the Lilly Family School of Philanthropy (LFSOP) and Distinguished Professor, O’Neill School of Public and Environmental Affairs, Indiana University Bloomington. Under the guidance of the Project’s distinguished Advisory Board,<sup>2</sup> the Project has produced a variety of materials to inform policymakers, nonprofit administrators and boards, and Indiana residents, including:

- Surveyed Indiana nonprofits to learn how they operate, how they contribute to the state’s economy and its quality of life, and how they face and overcome challenges.
- Examined trends in paid nonprofit employment in Indiana including the size, composition, and distribution of employees.
- Analyzed how local government officials view important nonprofit-related policy issues. Our findings demonstrated changes in whether local leaders trust nonprofits to operate effectively, and they revealed shortcomings in the use of the state’s 2-1-1 system.
- Described the impact, scope, and composition of nonprofits and the nonprofit sector in specific Indiana communities and regions as well as across the state.

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<sup>1</sup> For a full listing of Round III reports, see <https://nonprofit.indiana.edu/research-results/indiana-nonprofit-surveys.html>.

<sup>2</sup> See <https://nonprofit.indiana.edu/about/advisory-board.html>

A summary of these project components is included in Appendix A. For a full description of the Project and access to all Project reports, please visit <https://nonprofit.indiana.edu>.

### Indiana Nonprofits Survey-Round III

The Indiana Nonprofits Project surveyed 1,036 nonprofits in Indiana from April 2017 to February 2018, reflecting an overall response rate of approximately 24 percent. Of these, 397 nonprofits were part of a “panel” of nonprofits that responded to our 2002 Round I survey and 639 came from a new randomly selected “primary” sample developed specifically for this survey (see Appendix A for a description of the sampling strategies).

For the “primary” sample, respondents were randomly selected from three major nonprofit listings: nonprofits (1) registered with the IRS as tax exempt entities with Indiana reporting addresses, (2) incorporated with the Indiana Secretary of State as not-for-profit corporations, or (3) listed in the yellow pages as churches, temples, synagogues, mosques, or similar religious entities. The original “panel” sample was created under a similar, but more extensive protocol.

Respondents to the 2017 survey represent almost the full scope of Indiana nonprofits. They include traditional public charities, such as homeless shelters, museums, or cancer groups. But they include also other types of tax-exempt entities registered under all other section 501(c) of the IRS tax code, such as private foundations, fraternal organizations, social clubs, business groups and advocacy organizations. And they include organizations not registered at all with the IRS, whether because they are churches, exempt from registration, or for other reasons are not found on the IRS listing. However, we excluded colleges, hospitals, bank-managed trusts, and public-school building corporations because the survey instrument was not well-suited to these types of entities, and they had also had very low response rates to the 2002 survey.

Our survey asked about a variety of topics: programs and services, organizational structure and program evaluation, human resources, marketing and technology, financial information, advocacy and policy activities, and relationships with other organizations. There were also questions specific to membership associations and faith-based organizations.

Because of the richness of the survey data, we have produced two series of reports: Series 1, including this report, examines particular types of nonprofits, such as arts and culture nonprofits, faith-based organizations, and membership associations. Series 2 examines the activities and experiences of Indiana nonprofits on such topics as information technology, program evaluation, advocacy and political activities, human resources, and a range of other topics.

Readers are invited to explore the survey data in more detail, using our interactive data tool available here: <https://go.iu.edu/2bfi>.



## EXECUTIVE SUMMARY

In this report, we examine the landscape of membership associations in Indiana, based on a large (n=1,036) survey of Indiana nonprofits. For this report, we exclude congregations (22 percent of the sample), since we have a separate report on them. We focus partly on how membership associations overall (33 percent of the full sample) differ from the remaining other nonprofits (45 percent) included in the survey. However, we also consider whether there are notable differences among six types of membership associations – charities and related (45 percent of all membership associations), economic interest associations and civic groups (both 14 percent), pleasure and social clubs (7 percent), traditional mutual benefits associations and homeowner and neighborhood associations (both 11 percent).

These six types of membership associations cluster into two broad groupings. One cluster consists of membership associations organized as charities (with public and community benefit missions) and associations serving the economic interests of their members, such as business organizations or labor unions. The other cluster is composed of the remaining four types of membership associations.

Our report, [Indiana Nonprofits: Membership Associations – Overview and Challenges](#), is designed to answer several important questions about membership associations. We first describe their primary field of activity, the number of members they have and whether those numbers are increasing or decreasing. We also look at whether their members interact with them in person or electronically, pay dues or make financial contributions, or take on a leadership role. We then consider whether and how they vary in terms of basic organizational dimensions.

Next, we look at financial dimensions – changes in revenue and expenses, and financial health. We then explore human resources dimensions – whether they have a paid executive director, number of board members, number of board vacancies, number of volunteers, and importance of volunteers. We turn next to a look at collaboration and service-related dimensions – informal and formal collaborations, and demand for services. Finally, we examine advocacy-related dimensions – impact of changes in public policy and participation in advocacy. For each of these dimensions, we also look at whether and how membership associations differ from other nonprofits and how different types of membership associations differ on the extent to which related management activities present challenges to them.

Throughout, we use multivariate analyses to examine how the full scope of explanatory factors jointly explain the difference between membership associations and other nonprofits, as well as among the two broad groupings of membership associations. The following summaries are explained more fully in the body of this report.

### Section I. Basic Dimensions

We begin by looking at basic organizational dimensions – age, size (defined as number of full-time equivalent staff, FTE), how formalized they are, their use of technology, their funding profile, and type of location. These are all factors that we know from other analyses to be important for shaping organizational activities and outcomes. Finally, we explore challenges related to obtaining and using informational technology.

**Age.** Our survey asked respondents to indicate the decade in which the organization was founded. In general, we expect membership association to be old and membership associations are indeed older than other nonprofits. The types of membership associations vary greatly on

age - traditional mutual benefits associations tend to be the oldest and homeowners associations the youngest. Age is a significant factor in both the bivariate and multivariate analyses.

**Size-Number FTE.** We use the number of full-time equivalent (FTE) staff to indicate size. We expect most membership associations to have few or no paid staff, as they typically have episodic activities and rely on volunteers. This is the case – overall, membership associations report fewer staff than other nonprofits, but there are also major differences in the number of FTE among the six types of membership associations, with homeowners' associations rarely reporting paid staff and economic interest groups reporting the most. The number of FTE is a significant factor in both the bivariate and multivariate analyses.

**Formalization.** Our survey asked whether respondents have various types of organizational components in place, and we use the count of such components to indicate how formalized they are. The relationship between formalization and organization type is significant only at the bivariate level.

**Internal Information Technology.** We also counted whether respondents have various types of internal information technology in place. Membership associations appear significantly less formalized than other nonprofits, as expected. The relationship between information technology use and type of organization is significant only in the bivariate analysis.

**External Information Technology.** Our survey asked whether respondents have various types of external information technology in place, and we use the count of such components as an indication of reliance on externally focused IT. Membership associations report using external technology less often than other nonprofits, as expected. The relationship between information technology use and type of organization is significant only in the bivariate analysis.

**Funding Profile and Revenue Sources.** We use survey questions about the percent of revenue received from each of several major funding types during the most recently completed fiscal year. As expected, membership associations report more funding from dues, fees and sales, as well as very little government and donation funding, compared to other nonprofits. Funding profile is a significant factor in both the bivariate and multivariate analyses.

**Location.** We use respondents' zip code to capture whether the organization was located in a metropolitan, metropolitan ring, or a non-metropolitan county. The relationship between types of location is not significantly different between membership associations and other nonprofits but is significant at the bivariate level when we compare different types of membership associations.

**IT Application Challenges.** Our survey asked whether respondents experienced IT application challenges. Membership associations report fewer challenges with these activities. The relationship between information technology challenges and type of organization is significant only in the bivariate analysis.

**IT Capacity Challenges.** Our survey also asked whether respondents experienced various IT capacity challenges. Membership associations report fewer challenges with these activities. The relationship between information technology challenges and type of organization is significant only in the bivariate analysis.

## **Section II. Finances**

Next, we examine financial factors – resources that almost all organizations need to carry out program activities – changes in revenue and expenses, a financial health indicator, and financial



management challenges.

**Changes in Revenue.** Our survey asked respondents to indicate how revenue has changed for their organization over the last 36 months: increased, stayed the same, or decreased. Significantly fewer membership associations report an increase in revenue when compared to other nonprofits and more report revenue stayed the same over three years compared to other nonprofits. There was no significant difference among the major types of membership associations in whether revenues had increased or decreased.

**Changes in Expenses.** We also asked respondents how expenses have changed in their organization over the last 36 months. Significantly fewer membership associations report an increase in expenses when compared to other nonprofits and more report consistency in expenses over three years compared to other nonprofits. There was no significant difference among the major types of membership associations in whether expenses had increased or decreased.

**Financial Health.** We examine the difference between changes in revenue and change in expenses of the last 36 months. More membership associations report a similar change in revenue and expenses, and fewer report either a deficit or a surplus, than other nonprofits. The relationship between financial health and type of organization is significant only in the bivariate analysis.

**Funding Challenges.** We use survey questions about the types of funding challenges responding organizations face. Membership associations report fewer challenges with funding activities than other nonprofits. The relationship between funding challenges and type of organization is significant only in the bivariate analysis.

**Financial Management Challenges.** We use survey questions about the types of financial management challenges our responding organizations face. Membership associations report fewer challenges with financial management activities than other nonprofits. The relationship between financial challenges and type of organization is significant only in the bivariate analysis.

### **Section III. Human Resources**

Next, we focus on human resources – the people who make decisions and carry out a variety of tasks. We focus on whether the organization has a paid executive director and several questions about its board and use of volunteers.

**Executive Director.** We asked our respondents whether their organization currently has a paid executive director or similar employee with executive responsibilities. As expected, fewer membership associations report having an executive director than other nonprofits. The relationship between executive director and type of organization is significant only in the bivariate analysis.

**Number of Board Members.** We asked respondents how many board members the organization currently has. As expected, membership associations have fewer board members than other nonprofits. The relationship between board size and type of organization is significant only in the bivariate analysis.

**Number of Board Vacancies.** We also asked respondents how many board vacancies the organization currently has. As expected, membership associations report significantly fewer board vacancies than other nonprofits. The relationship between number of board vacancies

and type of organization is significant in the bivariate analysis.

**Board Selection.** We asked our respondents how they select their board members, with primary focus on whether they use the “self-perpetuating” model where current board members select new members, or the “associational” model, where the organization’s members elect board representatives. As expected, most membership associations use the “associational” model and it is significant in the multivariate analysis.

**Number of Volunteers.** Our survey asked respondents to indicate how many people (other than board members) did volunteer work for their organization during the prior 12 months. Almost all membership organizations use volunteers, but they use fewer than other nonprofits. The relationship between number of volunteers and type of organization is significant only in the bivariate analysis.

**Volunteer Importance.** We asked respondents how important volunteers are to the work of their organization: essential, very important, somewhat important, or not important. As expected, membership associations report volunteers as essential significantly more often than other nonprofits. The relationship between volunteer importance and type of organization is significant only in the bivariate analysis.

**Employee Compensation Challenges.** We use survey questions about the types of employee compensation challenges responding organizations face. Membership associations report fewer challenges with employee compensation activities than other nonprofits. The relationship between employee compensation challenges and type of organization is significant only in the bivariate analysis.

**Employee Performance Challenges.** We use survey questions about the types of employee performance challenges responding organizations face. Membership associations report fewer challenges with employee performance activities than other nonprofits. The relationship between employee performance challenges and type of organization is significant only in the bivariate analysis.

**Board Management Challenges.** We also asked whether respondents experience board management challenges. Board management challenges are not significantly different between membership association and other profits, nor among membership association types, in either the multivariate or bivariate analyses. The relationship between board management challenges and type of organization is significant only in the bivariate analysis.

**Volunteer Challenges.** Our survey asked whether respondents experience challenges managing volunteers. Volunteer management challenges is not significantly different for membership association and other profits, nor among membership association types.

#### **Section IV. Collaboration and Services**

Next, we focus on the collaboration and service activities of organizations, including informal and formal collaboration, demand for services, and related management challenges.

**Informal Collaborations.** We asked our respondents if their organizations are currently involved in informal collaboration, or general cooperation or coordination with another organization. Fewer membership associations report informal collaborations than other nonprofits. Informal collaborations are significant only in the bivariate analysis.

**Formal Collaborations.** We asked our respondents if their organization is currently involved in

formal collaboration, or codified legal, fiscal, administrative, or individual program-based relationships with another organization. Fewer membership associations report formal collaborations than other nonprofits. Formal collaborations are significant only in the bivariate analysis.

**Change in Demand for Services.** We asked respondents how demand or need for the organization's programs, services or activities had changed over the prior 36 months. Fewer membership associations report changes in demand for services than other nonprofits. Demand for services is significant in both the multivariate and bivariate analyses.

**Strategic Management Challenges.** We also asked about the types of strategic management challenges organizations are facing. Strategic management challenges are not significant between membership association and other nonprofits, but differs significantly among membership association types in the bivariate analysis.

**Program Management Challenges.** We also asked about the types of program management challenges organizations are facing. Program management challenges do not differ significantly between membership association and other nonprofits, but does differ among types of membership associations.

**Routine Management Challenges.** We asked questions about the types of routine management challenges organizations are facing. Routine management is significant only among membership association types.

**Marketing Challenges.** Our survey also asked whether respondents experience various marketing challenges. Membership associations report greater challenges with these activities than other nonprofits. The relationship between marketing challenges and type of organization significant only in the bivariate analysis.

## **Section V. Advocacy and Political Activity**

Finally, we focus on advocacy related activities, including participation in advocacy, political activities, and changes in policies.

**Policy Impacts.** We asked our respondents if changes in various government policies had a negative, positive or no impact on their ability to fulfill their mission. The great majority reported no impact for any of the policy changes. However significantly fewer membership associations were impacted (positively or negatively) by at least one policy change, compared to other nonprofits.

**Advocacy.** Our survey asked respondents if their organization engages in advocacy and/or public education activities. There is no significant differences between membership association and other nonprofits in whether they engage in advocacy at the bivariate level, but there is in the multivariate analysis. It also differs significant among membership association types.

**Advocacy Challenges.** Finally, we asked about the types of advocacy challenges our respondents are facing, but we found no differences between membership association and other nonprofits nor among membership association types.

## KEY FINDINGS

A number of key findings stand out from our analysis of how membership associations compare to other nonprofits organizations and of differences among types of membership associations:

1. Of the 1,036 nonprofits responding to our survey, 22 percent are congregations. Our report focuses on the remaining 810 respondents, 42 percent of which identified themselves as membership associations. We use the remaining 58 percent – all other nonprofits – as a comparison to the self-identified membership associations.
2. Our analysis of how membership associations and other nonprofits differ in terms of basic organizational characteristics – age, size of staff, formalization, access to information technology, dependence on revenues or fees, and location – show notable patterns. Age, size of staff, and funding profile stand out. Membership associations are older than other nonprofits, as well as more reliant on fees and sales. They have fewer staff than other nonprofits and report more reliance on donation and event funding.
3. Overall, basic organizational dimensions are very effective in distinguishing between membership associations and other nonprofits. Membership associations differ significantly from other nonprofits on four of these dimensions (age, size of staff, dependence on donations, and dependence on fees). When we allow all factors to operate at once in comparing the two groups, we are able to correctly distinguish membership associations from other nonprofits in 76 percent of the cases.
4. We find only a few notable differences between membership associations and other nonprofits, once we control for basic organizational dimensions. None of our financial dimensions (other than dependence on particular funding sources) are significant in explaining difference between the two organization types. Among indicators of human resources (in addition to size of staff), board selection is important with members having a formal role in selecting board members in associations and board vacancies stand out only when we examine various types of challenges. In addition, membership associations are less likely to report increased demand for their services than other nonprofits, and less likely to participate in advocacy than other nonprofits.
5. We examine how membership associations are distributed by type of association. As in our 2002 report on membership associations, we identified six broad groupings. Almost half (45 percent) of the 342 self-identified membership associations were charities serving both the broader community and their own members. Most of the rest were distributed fairly evenly among four other groupings: civic groups and economic interest groups (both 14 percent), and traditional mutual benefit associations and homeowner/neighborhood associations (each 11 percent), with pleasure/social clubs accounting for the rest (7 percent).

We find some differences among the six types of membership associations in terms of how their members interact with them with and their funding profiles, with charities and related associations standing out on some dimensions and homeowners and traditional membership associations on other dimensions.

6. The patterns we observe among the six types of associations suggests they form two

broader groupings of associations. Thus, traditional mutual benefit groups, civic groups, homeowner and neighborhood associations, and pleasure and social clubs tend to have somewhat similar responses across most dimensions. Jointly, these four types of associations account for 41 percent of Indiana membership associations. The two remaining types of associations, charities and related and economic interest groups, also tend to be more like one another than those in the first grouping.

7. Our analysis of how charities/economic interest groups and all other types of membership associations differ in terms of basic organizational characteristics – age, size of staff, formalization, access to information technology, dependence on revenues or fees, and location – show relatively few differences. Age and funding profile stand out with charities and economic interest groups being younger than other types of associations, as well as less reliant on revenue from dues.

We find also few notable differences between charities/economic interest groups and other associations on a number of other important dimensions that we examine in some detail. In the multivariate analyses, none of our financial dimensions nor human resources are significant in explaining difference between the two groupings of membership organizations, nor does demand differ between the two groupings. However, charities/economic interest groups are less likely to participate in advocacy than other membership associations, when controlling for basic organizational dimensions.

## **DETAILED FINDINGS**

We begin by describing how we identified membership associations and the comparison group of nonprofits based on answers to questions in our survey and look at their primary fields of services. We also describe how we classified membership associations by type and how they differ in terms of membership size.

We then focus on some basic organizational characteristics – age, number of full-time staff, level of formalization, overall funding profile, and reliance on dues. We look both at differences between the two broad groups – membership associations and other comparison nonprofits – and among major types of membership associations.

We turn next to more in -depth look at other financial characteristics – changes in revenue and expenses, and financial challenges. Next, we look at some additional human resource dimensions – whether they have an executive director, board characteristics (number of board members, board vacancies, how board members are selected), number of volunteers, and importance of volunteers. We also consider dimensions related to collaboration and services and activities – informal and formal collaboration, demand for services, and related management challenges. Finally, we turn to advocacy related activities – participation in advocacy, political activities, and changes in policy.

We use bivariate analysis to examine how key explanatory factors align with difference between membership associations and other nonprofits, as well as among different types of membership associations. We use multivariate analysis to examine how the full set of explanatory variables jointly explain differences between membership associations and other nonprofits, as well as differences among major types of membership associations. We highlight those factors that appear significant in both the bivariate and multivariate analyses.

## **MEMBERSHIP ASSOCIATIONS**

The 2017-18 Indiana nonprofit survey included six questions about membership associations. We first asked respondents whether their organization was a membership association. We prefaced the question by noting that membership associations seek to promote the mutual interests of their members, that members usually contribute time, money, and/or expertise to its operations and governance, and that members can include individual people, other organizations, or both. We specified that members would not include board members, staff, or clients.

For those who self-identified as membership associations, we asked how many individual and organizational members the organization has. We also asked the respondents to indicate whether their membership numbers decreased a lot, decreased somewhat, stayed about the same, increased somewhat, or increased a lot.

For each type of member, we asked what types of activities those members participated in – paid dues, made a financial contribution (other than paying dues), interacted with the organization electronically (e.g. through email, Facebook, Twitter, etc.), interacted with the organization in person (e.g., by attending meetings, events, activities, etc.), or took on a leadership role with the organization (e.g. serving on a committee, running an event). As we describe in more detail in the section on human resources, we also asked about the role that members play in governing the associations, particularly whether they were involved in selecting the association's board members.

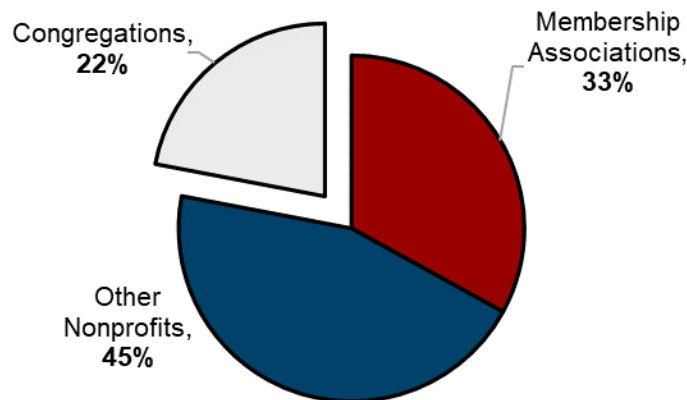
We made several adjustments to the self-identified membership associations in order to refine



our analysis. Most importantly, the full survey included questions targeted specifically at congregations, most of which – but not all – also define themselves as membership associations. We have a separate, in-depth analysis of Indiana congregations<sup>3</sup> and exclude those congregations from further analysis in this report.

Of the 1,036 respondents to the survey, 22 percent (226) were congregations (see Figure 1). Our report focuses on the remaining 810 respondents, 42 percent of which identified themselves as membership associations. We use the remaining 58 percent – all other nonprofits – as a comparison to the self-identified membership associations.

**Figure 1. Membership Associations, Congregations, and Other Nonprofits (n=1,036)**



### Type of Membership Associations

Next, we examine how membership associations are distributed among major types. We used our previously developed classification of membership associations<sup>4</sup> to assign the 342 membership associations into six different types: traditional mutual benefits associations, civic groups, pleasure/social clubs, homeowner/neighborhood associations, charities/related, and economic interest groups.

Most of these groupings are aligned with specified 501(c) subsections assigned by the IRS to recognized tax-exempt entities.<sup>5</sup> Of the 342 membership associations, we assigned 249 into one of the six types based on their existing IRS subsection codes. We coded the remaining 93

<sup>3</sup> Indiana Nonprofits: Faith-Based Organizations – Overview and Challenges, Indiana Nonprofit Survey: Round III, Series 1: Overview, Report 3, by Kirsten A. Grønberg and Payton A. Goodman with Nick Norman and Sher Khashimov. (Bloomington, IN: Indiana University O’Neill School of Public and Environmental Affairs, Winter 2023). This report is available on the Indiana Nonprofit Sector website here: <https://nonprofit.indiana.edu/doc/publications/2017surveyreports/faith-based-2023.pdf>. DOI: 10.13140/RG.2.2.22416.48649.

<sup>4</sup> Indiana Nonprofits: A Profile of Membership Organizations, Nonprofit Survey Series, Report #6, by Kirsten A. Grønberg and Patricia Borntrager (Bloomington, IN: Indiana University School of Public and Environmental Affairs, September, 2005). This report is available on the Indiana Nonprofit Sector website here: <https://nonprofit.indiana.edu/doc/publications/2002survey/ins-membership.pdf>.

<sup>5</sup> Charities and related association—501(c)(3); Economic interest organizations – 501(c)(5) and (c)(6); Civic groups and homeowner/neighborhood associations – 501(c)(4); Traditional mutual benefit associations – 501(c)(8), (c)(9), (c)(10), (c)(12), (c)(13), (c)(15), (c)(19), and (c)(20).

self-identified membership associations based on their names, descriptions on their websites, and/or other information available as part of their IRS registration, or state incorporation documents.

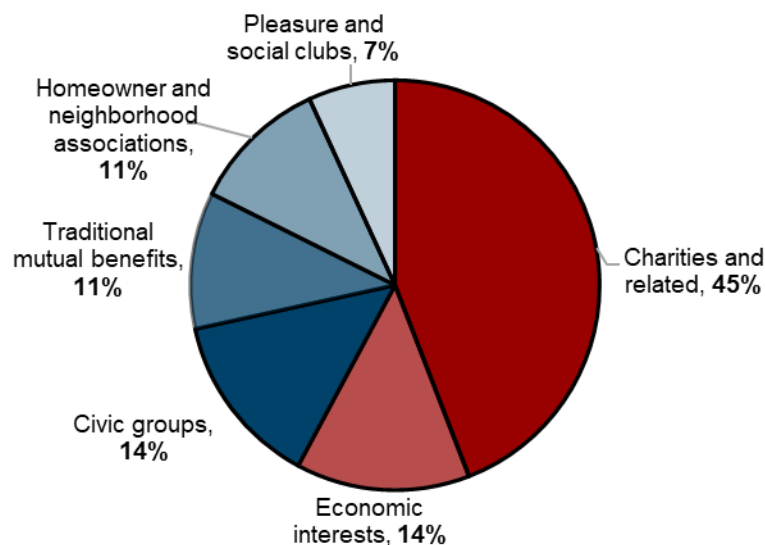
As Figure 2 shows, the largest category of membership associations – 45 percent are charities and related associations. These are registered with the IRS under section 501(c)(3) and include organizations such as the YMCA, historical societies, and literary and scholarly associations. Economic interests account for 14 percent and include organizations under IRS subsections c5 (labor and agricultural organizations) and c6 (trade associations or chambers of commerce) such as the Association of Realtors and the International Brotherhood of Electrical Workers.

Civic groups also accounted for 14 percent and include civic leagues and social welfare organizations classified under subsection c4 such as the International Association of Lions Clubs and political advocacy organizations (e.g., pro-choice, pro-life). This subsection also includes homeowner and neighbor associations, but we kept these two as a separate type of membership association (11 percent).

Traditional mutual benefit associations also accounted for 11 percent and include fraternal organizations recognized under subsections c8 and c10, voluntary employee beneficiaries' associations under subsection c9, as well as subsections c12, c13, c15, c19, and c20. Examples of this type of association are Veterans of Foreign Wars, Knights of Columbus, and American Legion.

Pleasure and social clubs include amateur sports associations, hobby clubs, college fraternities and sororities, or country clubs registered under subsection c7 and account for 7 percent of membership associations. Examples of this type of association are Conservation Clubs and Athletic Booster Clubs.

**Figure 2. Types of Membership Associations (n=342)**



As we describe below, there are important differences among the six types of membership organizations in terms of primary purpose and membership characteristics. They also differ on basic organizational dimensions – age, size, formalization, financial profiles, and locations.

Moreover, as we show below, the patterns we observe among the six types of associations suggests they form two broader groupings of associations. Thus, traditional mutual benefit groups, civic groups, homeowner and neighborhood associations, and pleasure and social clubs tend to have somewhat similar responses across most dimensions. Jointly, these four types of associations account for 41 percent of Indiana membership associations. The two remaining types of associations, charities, and related and economic interest groups, also tend to be more similar to one another than to those in the first grouping.

### Primary Field of Activity

To provide more detail about membership associations, we also examined primary field of activity based in part on the respondents' identification of their three most important service fields, along with information we obtained from their websites, incorporation data, or other information.

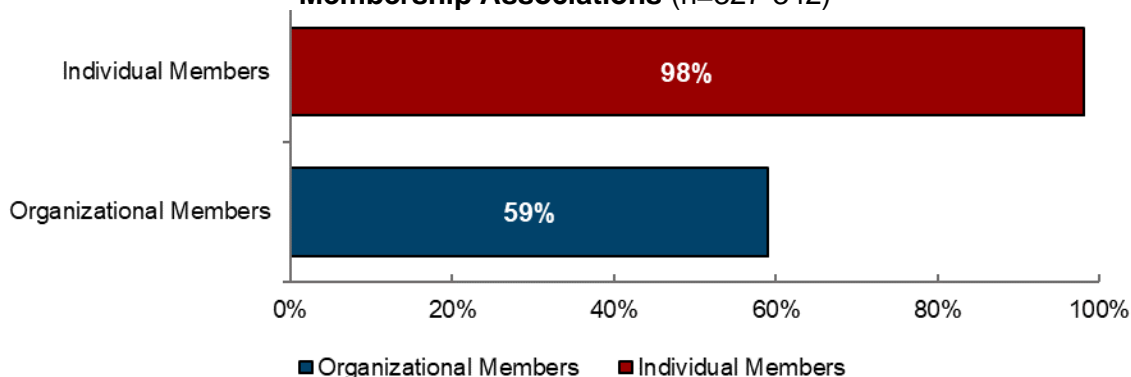
Membership associations – as expected – are more likely to be public and societal benefit (29 percent) nonprofits than the comparison group (18 percent). This includes civil rights, community improvement organizations and veterans' organizations as well as leadership development organizations. They are also more likely to be mutual benefit organizations (8 percent vs. 4 percent) – a category that includes fraternal organizations. By contrast, 38 percent of the comparison group are human service nonprofits, compared to 27 percent of membership associations (the latter includes sports and recreation groups). However, there is no significant relationship between NTEE and type of organization in the bivariate or multivariate analyses.

### Individual and Organizational Members

If the organization classified itself as a membership association, we asked how many individual and organizational members the organization has, and what types of activities those members participated in.

As Figure 3 shows, 98 percent of membership associations reported having individual members, and 59 percent reported having organizational members.

**Figure 3. Individual and Organizational Members in Membership Associations (n=327-342)**



Most Indiana membership associations are quite small – half have no more than 82 individual members or 6 organizational members (see Table 1). Although the averages are considerably larger, we do not have full confidence in the accuracy of some very large membership counts (e.g., 3 million members), so we do not explore the number of members in further detail.

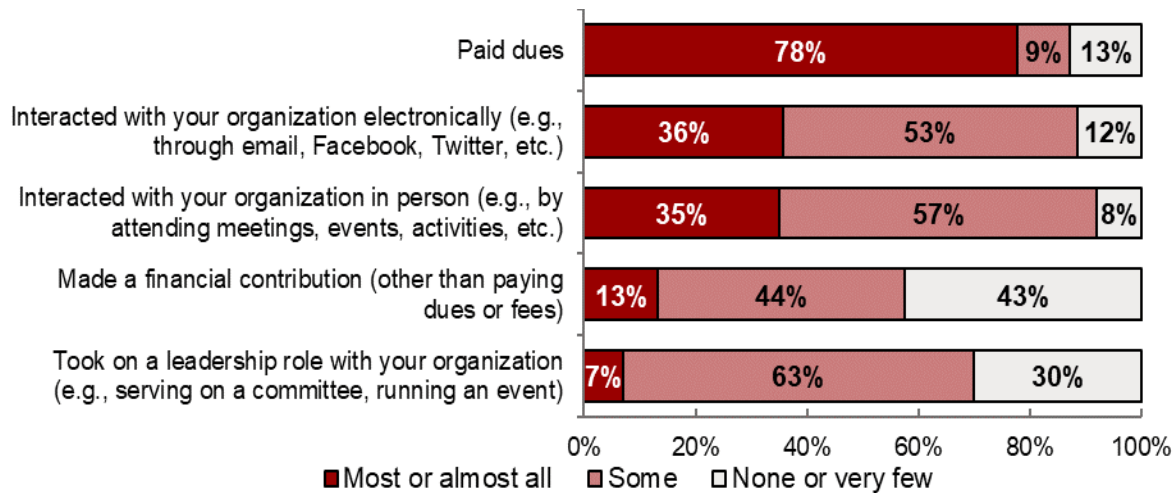
**Table 1. Number of Members for Membership Associations**

Types of Members	Median	Average
Individual Members	82	5,047
Organizational Members	6	11,292

**Individual Membership Activities**

We asked our respondents to estimate how many of their individual members participated in certain activities during the past 12 months, such as paying dues, interacting with the organization electronically (e.g., through email, Facebook, Twitter, etc.), interacting with the organization on person (e.g., by attending meetings, events, activities, etc.), making a financial contribution (other than paying dues or fees), and taking on a leadership role with the organization (e.g., serving on a committee, running an event). Overall, membership organization report that individual members paid dues most often, followed by electronic and in-person interactions. Members did not as often make a financial contribution or take on a leadership role (see Figure 4).

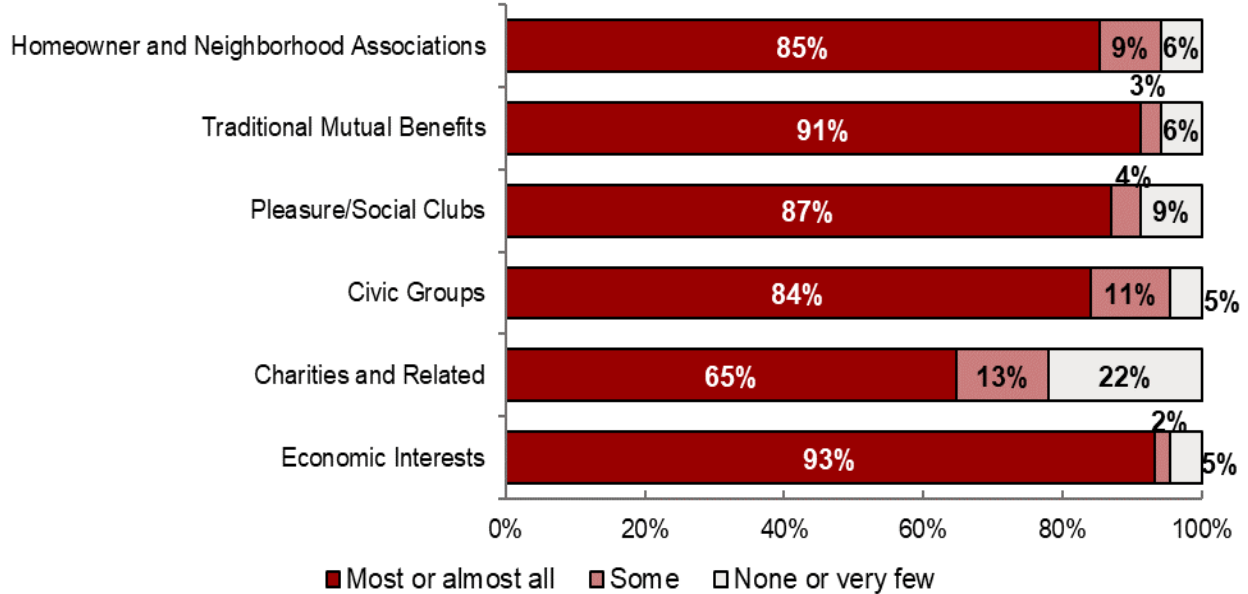
**Figure 4. Individual Member Activities (n=474-491)**



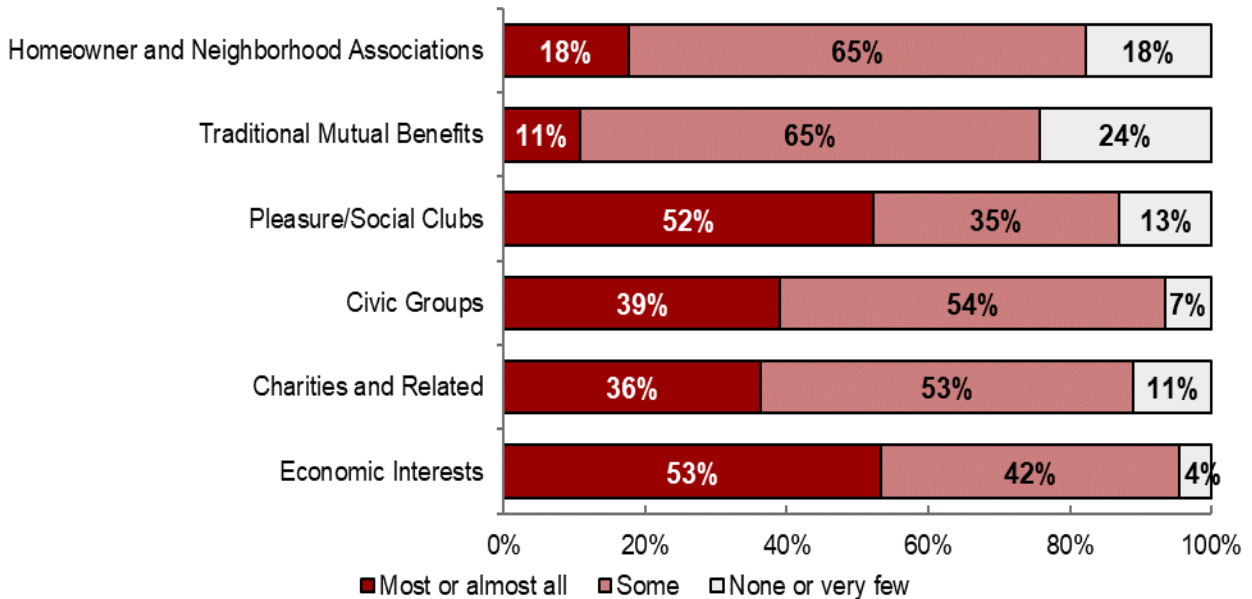
When examining types of membership organizations, 80 percent or more report that most or almost all their members paid dues to the organization, except for charities and related associations where 65 percent say most or almost all members paid dues in the past 12 months (see Figure 5).

As Figure 6 shows, traditional mutual benefits organization report the least interaction of individual members with the organization electronically, although 76 percent said at least some of their members did so), followed by homeowner and neighborhood associations, pleasure/social clubs, and charities and related. Economic interest groups and civic groups report the most electronic interaction, 95 and 93 percent respectively saying at least some of their members did so).

**Figure 5. Individual Member Paid Dues to Organization by Membership Association Type (n=315)**

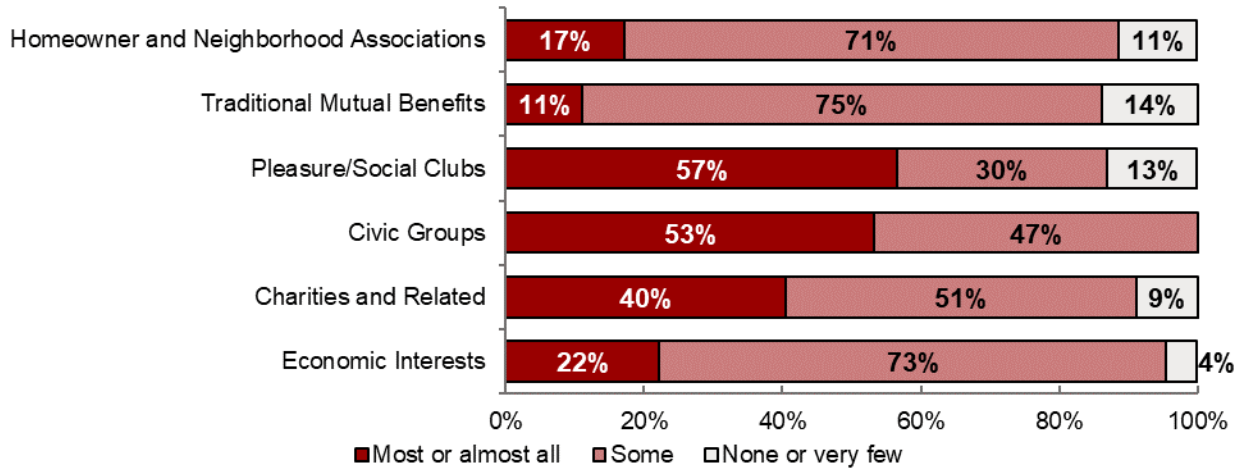


**Figure 6. Individual Member Electronic Interaction with Organization by Membership Association Type (n=331)**



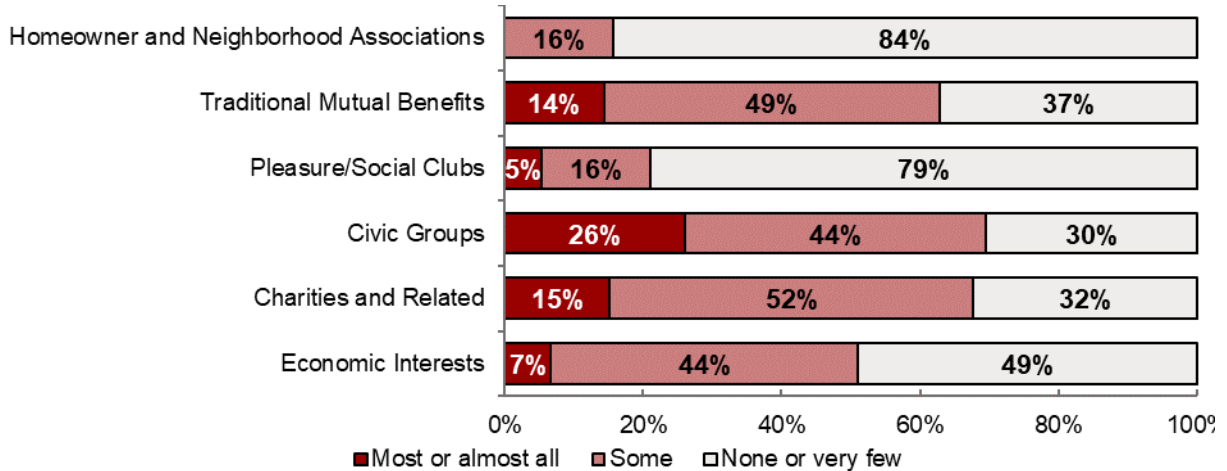
Almost all membership associations report at least some in-person interaction by members (see Figure 7). Civic groups report the most in-person interaction with at least some members (100 percent), followed by economic interest groups (96 percent), charities and related (91 percent), and homeowner and neighborhood associations (89 percent). Pleasure and social clubs and traditional mutual benefits associations have the least in-person interaction with individual members (87 and 86 percent)

**Figure 7. Individual Member In-Person Interaction with Organization by Membership Association Type (n=330)**



As Figure 8 shows, homeowner and neighborhood associations report the least financial contributions from individual members (only 16 percent say some of their members do so), followed by pleasure/social clubs (21 percent), and economic interests (51 percent). Traditional mutual benefits, charities/related, and civic groups report more financial contributions (63, 68, and 70 percent).

**Figure 8. Individual Member Financial Contributions to Organization by Membership Association Type (n=332)**



Taking on a leadership role in the organizations is not significant when we examine the types of membership associations. We exclude this graph from the report.

**Organizational Membership Activities**

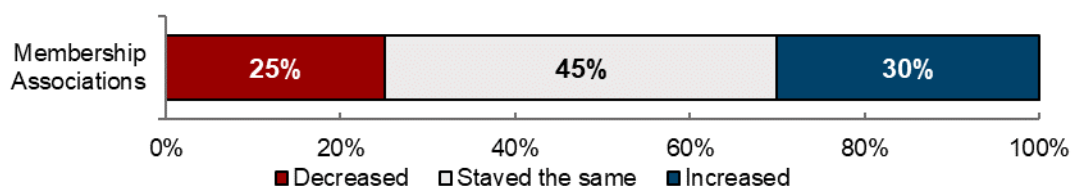
We ask our respondents to estimate how many of their organizational members participated in this same set of activities during the past 12 months. The patterns are generally similar to what we showed above for individual members. For full details, see Appendix B.



## Change in Membership

We asked how much the number of individual members had changed over the last three years. As Figure 9 shows, almost half (45 percent) of membership associations say the number of members stayed the same over the last three years, with the rest split about evenly between those who said the number of members had increased at least somewhat (30 percent) or decreased at least somewhat (25 percent).

**Figure 9. Change in Membership for Membership Associations (n=337)**



## I: BASIC ORGANIZATIONAL DIMENSIONS

We turn now to an analysis of whether and how membership associations and other nonprofits differ on basic organizational characteristics. We also examine differences among the different types of membership associations on these same dimensions.

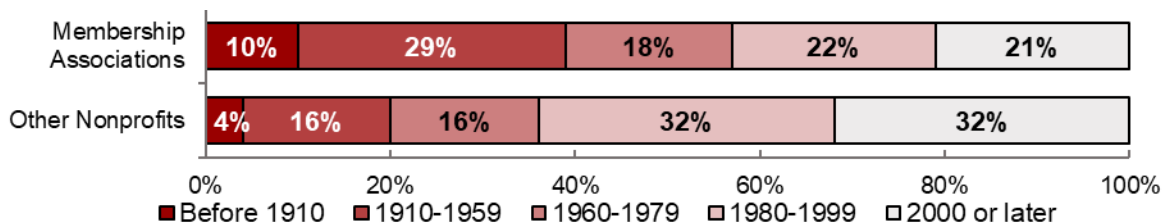
We begin by looking at key organizational features that relate to capacity -age, size (defined as number of full-time equivalent staff, FTE), how formalized they are, their use of information technology, and information technology challenges. We also consider features that relate to external forces -funding profile, percent of revenues from dues and location. These are all factors that we know from other analyses to be important for shaping organizational activities and outcomes.

### Age

Our survey asked respondents to indicate the decade in which the organization was founded. For the purposes of this analysis, we group the decades into five periods: before 1910, from 1910 to 1959, from 1960 to 1979, from 1980 to 1999, or after 2000. In our multivariate analysis, we use the full range of decades. Age is significant in both the multivariate and bivariate analyses.

In general, we expect membership associations to be old (some have been around for many decades). As Figure 10 shows, that is the case. Almost two-fifths (39 percent) of membership associations were founded before 1960, compared to only one-fifth of other nonprofits. Correspondingly, about one-fifth of membership associations (21 percent) were founded after 2000, compared to about one-third of other nonprofits (32 percent).

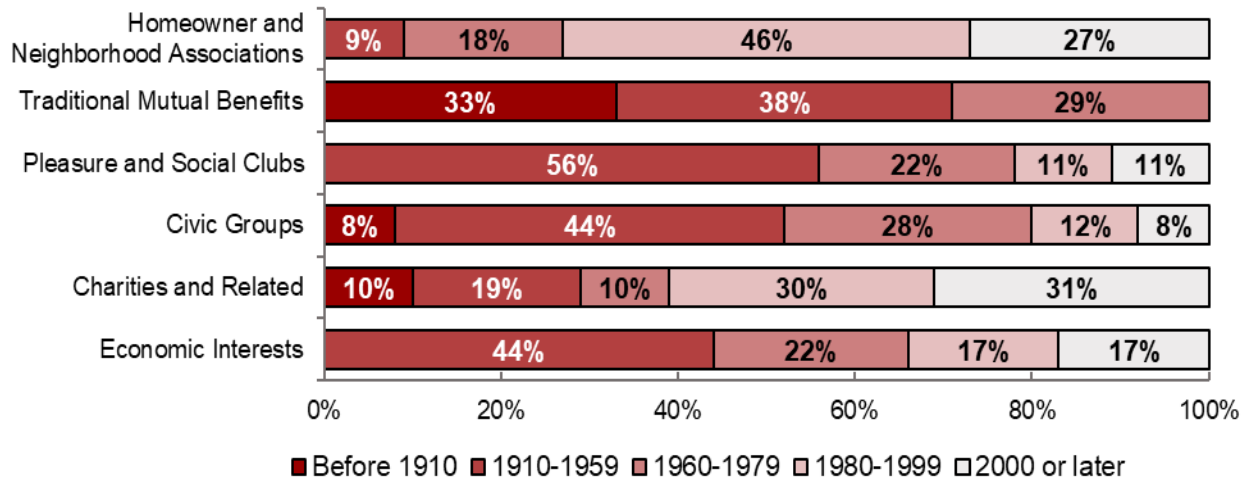
**Figure 10. Organizational Age by Organization Type (n=442)**



As Figure 11 shows, different types of membership associations vary greatly on age, with

traditional mutual benefits associations the oldest – about a third founded before 1920 and 71 percent before 1960. More than half of pleasure and social clubs (56 percent) and civic groups (52 percent) were also founded before 1960, followed by economic interest groups (44 percent). Charities and related groups tend to be notably younger, with 31 percent founded in 2000 or later, followed closely by homeowners and neighborhood associations (27 percent).

**Figure 11. Organizational Age by Membership Association Type (n=164)**



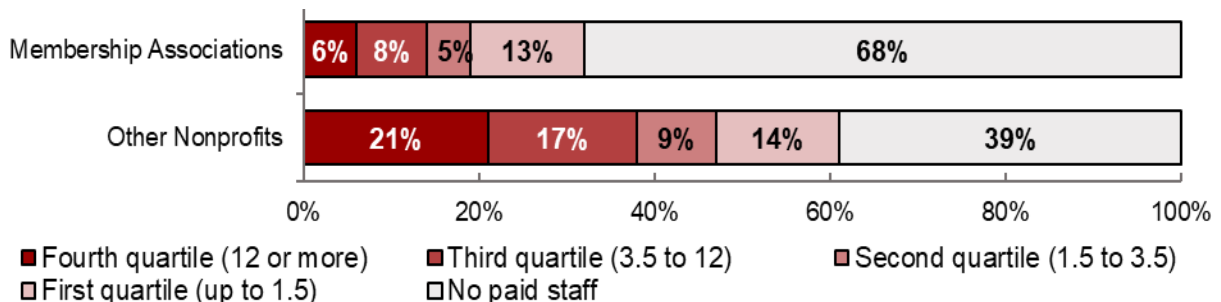
**Number of Full-Time Equivalent (FTE) Staff**

We use the number of full-time equivalent staff to capture the size of nonprofits, since that is a more stable measure of size than total revenues. We asked our respondents whether the organization had any paid employees, and if so, the number of paid full-time employees (defined as working 35-40 hours per week) and the number of part-time employees currently working for the organization. We then computed the number of full-time equivalent (FTE) employees as one-half of the count of part-time employees plus the count of full-time employees.

For this part of our analysis, we divided those with employees into rough quartiles depending on the number of FTE paid staff, but we use the actual count of FTEs in our multivariate analysis. Number of FTE is significant in both the multivariate and bivariate analyses.

We expect most membership associations to have few or no paid staff, as they typically rely on volunteers. That is the case. As Figure 12 shows, significantly more membership associations (68 percent) have no paid staff, compared to other nonprofits (39 percent).

**Figure 12. Number of Full-Time Staff by Organization Type (n=716)**



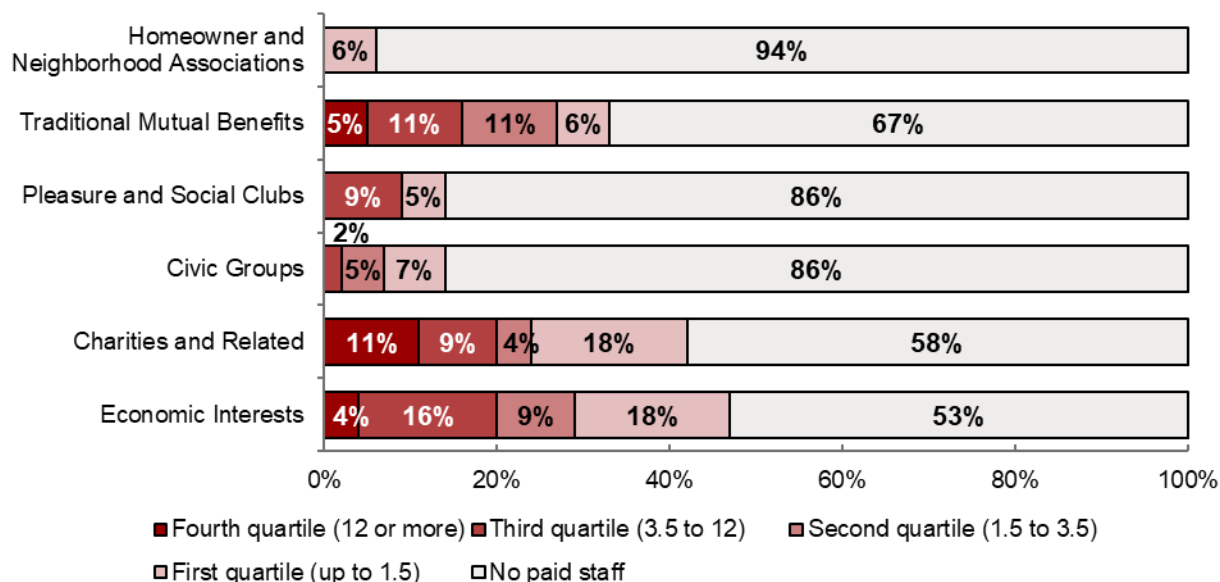
The median FTE for membership associations, including those with no staff is 0. The median for other nonprofits is 1 (see Table 2). Membership associations report a range of 0 to 450 FTEs with a mean of 5, notably smaller than other nonprofits where the number of FTEs range from 0 to 11,012, with a mean of 21.

**Table 2. Number of FTE by Organization Type**

Organization Type	Minimum	Median	Maximum	Average
Membership Associations	0	0	450	5
Other Nonprofits	0	1	11,012	21

As Figure 13 shows, only 6 percent of homeowner and neighborhood associations report having paid staff, followed by civic groups and pleasure/social clubs (14 percent, each). About a third of traditional mutual benefits (33 percent) have paid staff, as do more than two-fifths of charities and related (42 percent), and economic interest groups (47 percent). The latter three types also tend to have relatively large staff.

**Figure 13. Number of Full-Time Staff by Membership Association Type (n=323)**



### Formalization

As organizations become older, they tend to develop organizational policies and procedures in order to make sure activities continue to be carried out as staff and board members come and go. As organizations grow in size, they also tend to develop policies and procedures to make it possible to manage more staff or a broader range of tasks. However, formalization may be present in very young or very small organizations.

We asked whether respondents have various types of organizational components<sup>6</sup> in place and

<sup>6</sup> Organizational components, examples: organizational website, written conflict of interest policy, written dissolution plan, audited financial statement produced within the past two years; and orientation process, written instruction manuals, position/work description, training/development opportunities beyond orientation (e.g., workshops, conferences), and written personnel policies (for board members, staff, and

use the presence of more such components to signal a more formalized organization. We created a formalization scale by counting the number of organizational and human resource components responding nonprofits have in place (adjusting for whether the organization has volunteers or not).

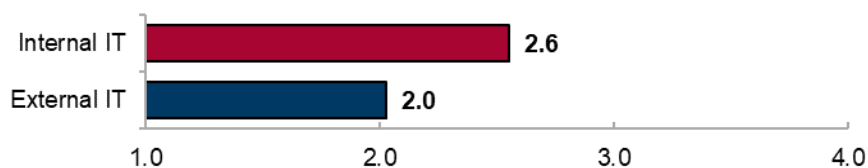
The relationship between formalization and organization type is not significant in the multivariate analysis but is significant in the bivariate analysis. We include these graphs in Appendix C.

### Information Technology

Another major organizational dimension for nonprofits is their use of information technology. We asked about a number of different types of IT resources and found two underlying dimensions – internally and externally focused IT tools. Internal IT resources includes use of IT security, routine data backup, electronic financial records, and electronic client/member/program records. Between a quarter and one-third of Indiana nonprofits use internally-focused resources almost all the time, but about as many rarely or never use them.

The externally-focused resources include Facebook, Twitter, other social media, donor databases or constituent relationship management software, dedicated and reputable sites for nonprofits, standard search engines, and receipt of online donations. Relatively few of our respondents say they use these types of resources almost all the time or frequently. The figure below aggregates the two types of IT resources and converts them into a scale with scores ranging from (1) never/rarely, (2) occasionally, (3) frequently, and (4) almost all the time<sup>7</sup>.

**Figure 14. Use of IT for All Respondents (n=634-639)**



The relationship between information technology use and type of organization is not significant in the multivariate analysis but is significant in the bivariate analysis. We include these graphs in Appendix C.

### Funding Profile

Another major organizational dimension for nonprofits is their funding profile. IRS-registered charities and congregations (regardless of whether they are IRS-registered) are eligible to receive tax-deductible contributions from individuals or businesses.<sup>8</sup> However, all types of

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volunteers).

<sup>7</sup> For more information on these scales, see our report on information technology—Indiana Nonprofits: Information Technology Resources and Challenges, Indiana Nonprofit Survey: Round III, Series 2: Activities, Report 1, by Kirsten A. Grønberg and Payton A. Goodman with Sarah Dyer (Bloomington, IN: Indiana University O’Neill School of Public and Environmental Affairs, March 2019). This report is available on the Indiana Nonprofit Sector website here: <https://nonprofit.indiana.edu/doc/publications/2017surveyreports/informationtechnology.pdf>.

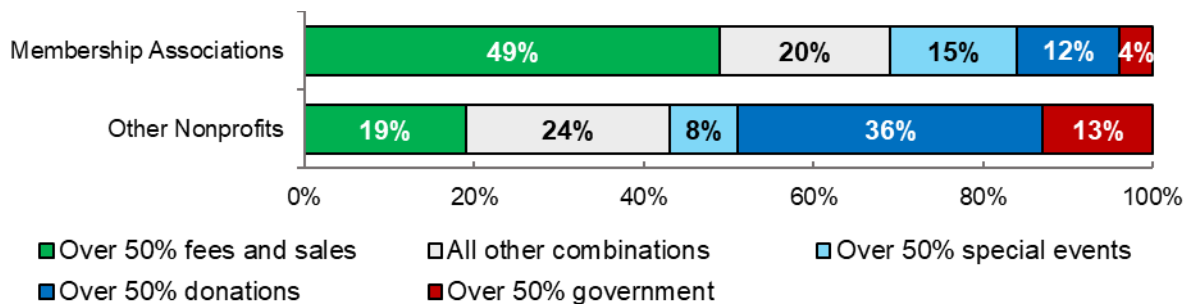
<sup>8</sup> Certain membership associations may also receive tax-deductible contributions. These include volunteer fire departments (c4); veterans organizations (c19, c23); fraternal organizations under the “lodge” system (c08) but only if designated for “charitable purposes;” and cemeteries (c13) but only if funds are irrevocably dedicated to the perpetual care of the cemetery as a whole. See <https://www.irs.gov/charities-non-profits/charitable-organizations/charitable-contribution-deductions>.

nonprofits may have proceeds from special events, or obtain revenue from earned income, such as fees, sales, and membership dues.<sup>9</sup> Receiving government grants or contracts is generally available only to nonprofits that provide services deemed important enough by government to support or subsidize.

We use survey questions about the percent of revenue received from each of several major funding types during the most recently completed fiscal year to compare the funding profile of membership associations and other nonprofits. To examine funding profiles in greater depth, we determined whether responding nonprofits receive half or more from a particular type of funding. Funding profile is significant in both the multivariate and bivariate analyses.

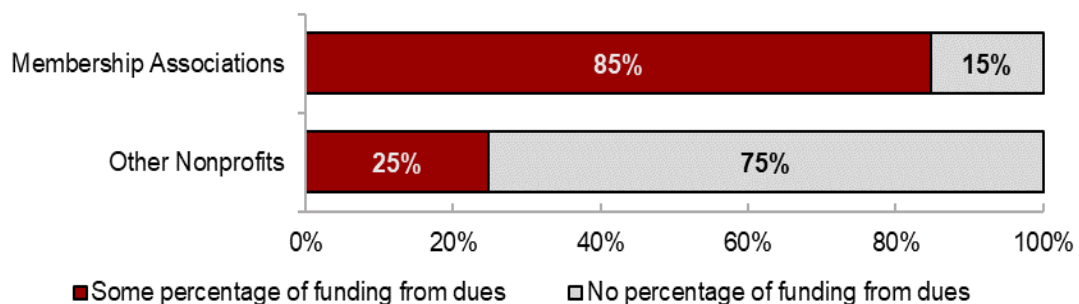
As Figure 15 shows, nearly one-half of membership associations receive half or more of their funding from dues, fees and sales, compared to 19 percent for other nonprofits. Membership associations report very little government funding nor donations.

**Figure 15. Funding Profile by Organization Type (n=666)**



As Figure 16 shows, membership associations rely more heavily on dues than other organizations. Only 15 percent of membership associations report no reliance on dues, while 75 percent of other organizations do not receive dues.

**Figure 16. Percent of Revenue from Dues by Organization Type (n=766)**

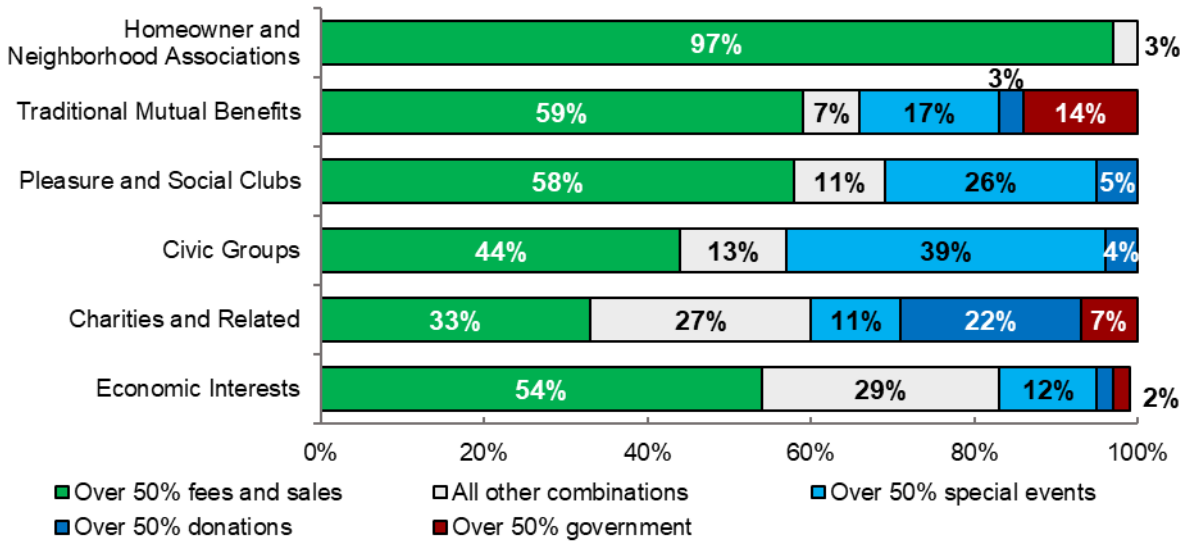


As Figure 17 shows, almost all homeowners/neighborhood associations report dues, fees and sales as their major source of funding (97 percent), as do a majority of traditional mutual benefit (59 percent), pleasure/social clubs (58 percent), and economic interests (54 percent). Civic groups and charities/related report the least dependence on fees and sales (44 and 33,

<sup>9</sup> We combine percent of revenues from fees and sales with dues to identify respondents that receive at least half of their revenues from these sources. This increases the validity of our chi-square analyses. However, we keep dues as a percent of total revenue as a separate indicator in our multivariate analyses.

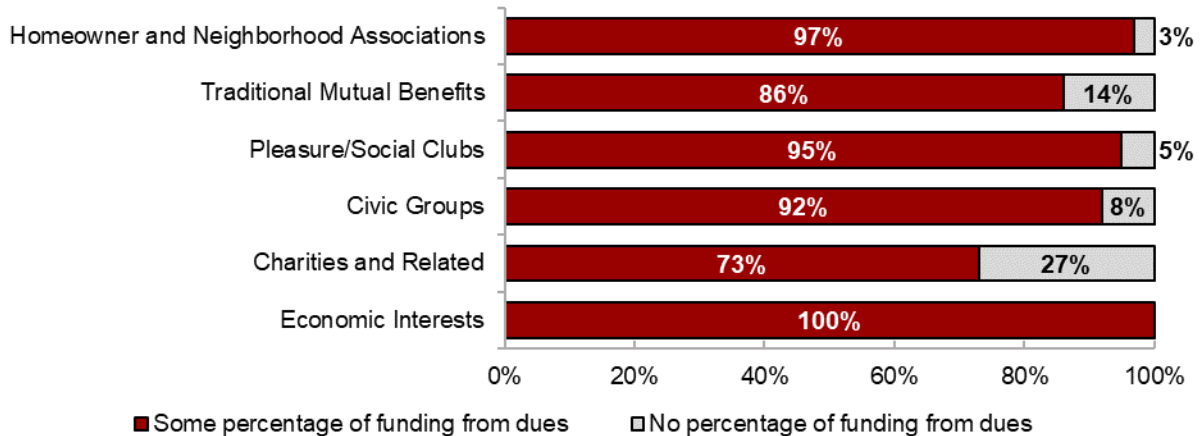
respectively).

**Figure 17. Funding Profile by Membership Association Type (n=297)**



As Figure 18 shows, economic interest groups rely the most on dues, as 100 percent of them report some funding from this source. Homeowner and neighborhood associations, as well as pleasure/social groups and civic groups heavily rely on dues. Traditional mutual benefits associations and charities/related rely less on dues, with 86 and 73 percent reporting some percentage of revenue from dues, respectively.

**Figure 18. Percent of Revenue from Dues by Organization Type (n=301)**



### Location

We used zip codes of respondents to code three types of locations: central city metropolitan, metropolitan ring, and nonmetropolitan counties. The relationship between location and type of organization is not significant in the multivariate nor the bivariate analyses. However, it is significant in the bivariate only when we examine types of membership associations. We include this graph in Appendix C.



## Multivariate Analysis

Our analysis so far has focused on whether a particular organizational feature, such as size or age, differs significantly between membership associations and other nonprofits and between different types of membership associations. However, some of these dimensions are themselves intercorrelated – thus young nonprofits start off with very few, if any, paid employees, and then add paid staff as they become established. More advanced statistical techniques – multivariate analyses – make it possible to include multiple explanatory features in a statistical model to determine which of them significantly relate to the feature we are trying to understand while controlling for all other factors considered in the analysis.

We now take a closer look at how the various organizational characteristics we have considered so far perform in explaining the differences between our organizational categories and types of membership associations when we allow all of them to operate at the same time.

We present two models, one comparing membership associations to other nonprofits (excluding congregations) and one comparing two broad categories of membership associations. We explored different groupings of membership associations and found that grouping charities and related associations with those representing economic interests as one category and the four remaining associations as a second category appeared to provide the most useful comparisons. In each case, we examine whether and how the two groups differ on the basic organizational features we have examined so far.

Model B: Base variables include:

- (1) Age,
- (2) Number of full-time staff,
- (3) Formalization,
- (4) External information technology,
- (5) Internal information technology,
- (6) Funding Sources – Dues, Events, and Donations,<sup>10</sup>
- (7) Location.

In order to benefit from the full power of multi-variate analyses, we use the actual numeric versions of several explanatory factors (variables) explored above instead of grouping these measures into segments. This includes the number of decades since being established, the actual count of FTE paid staff (a highly skewed measure, so we use the natural log), the count of organizational components (formalization scale), percent of revenues from donations, percent from dues, external information technology (scale), and internal information technology (scale).

In the case of explanatory variables that are categorical in nature, we convert each category into a “dummy” variable that has the value 1 (yes) if the responding organization fits that category (e.g., is a charity) and otherwise has a value of zero (no). If the categorical variable has more than two categories, as does our location variable: central city metropolitan county, metropolitan-ring county, and non-metropolitan county, we construct three dummy variables to capture each type of location in this yes/no format. For each family of dummy variables, however, we must exclude one from the multivariate analysis in order to have a comparison for the remaining variables in that family. For dummy families with three or more categories, we

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<sup>10</sup> We exclude government funding due to a low count of respondent with government funding, especially membership associations that are not charities/related.

exclude a variable that provides useful comparisons to the remaining dummy variables in that family. For location, we exclude “non-metropolitan counties.”

In the remainder of this report, we explore several different statistical models. We examine the base variables reviewed above and refer to this as Model B moving forward. When we explore differences in various types of challenges, we refer to this as Model C. When we look at other explanatory factors, we refer to this as Model E. Below we describe the results of the specific comparisons for Model B in some detail. As we show, basic organizational dimensions are very effective in distinguishing between the particular types of organizations.

**Membership Associations vs. Other Nonprofits**

We first compare membership associations to other nonprofits. Three of the basic organizational characteristics are significant, when we allow all factors to operate at once. Membership associations are significantly older than other nonprofits and have fewer FTE staff. They also rely more on donations, dues, and events than other organizations. Jointly, these factors allow us to correctly predict membership associations in 76 percent of the cases and account for 38 percent of the variance.

**Table 3. Model B – Estimates from Binary Logistic Regressions of Base Variables**

Base Variables	Membership Associations vs. Other Nonprofits (B) (n=682)
<b>Age</b>	<b>+</b>
<b>Ln of Number of FTE Staff (numeric)</b>	<b>-</b>
Formalization (numeric)	
External Information Technology (scale)	
Internal Information Technology (scale)	
<b>Funding Source – Donations</b>	<b>+</b>
<b>Funding Source – Events</b>	<b>+</b>
<b>Percent of Revenue – Dues</b>	<b>+</b>
Location – Central City Metropolitan County	
Location – Metropolitan Ring County	
<b>Constant</b>	<b>-</b>
R-squared	0.38
Percent correctly predicted	76%
<b>Significance</b>	<b>p&lt;.001</b>

Notes: Coefficients significant at the p<0.05 level are flagged in **bold**.

**Charity/Economic vs. Other Membership Associations**

When we compare the two broad types of membership associations – charities/economic interest associations and all other types of associations – we find that four of the basic organizational are also significant in distinguishing between the two broad groupings, when we allow all factors to operate at once (Table 4). As expected, charities/economic interest associations are significantly younger than other types of membership associations and rely less on dues. Jointly, these factors allow us to correctly distinguish between the two categories of membership associations in 70 percent of the cases and account for 32 percent of the variance. The overall model is significant at the p<.05 level.

**Table 4. Model B— Estimates from Binary Logistic Regressions of Base Variables**

<b>Base Variables</b>	<b>Charity/Economic vs. Other Membership Associations (B) (n=256)</b>
<b>Age</b>	<b>-</b>
Ln of Number of FTE Staff (numeric)	
Formalization (numeric)	
External Information Technology (scale)	
Internal Information Technology (scale)	
Funding Source – Donations	
Funding Source – Events	
<b>Percent of Revenue – Dues</b>	<b>-</b>
Location – Central City Metropolitan County	
Location – Metropolitan Ring County	
External Information Technology (scale)	
Internal Information Technology (scale)	
Constant	
R-squared	0.32
Percent correctly predicted	70%
<b>Significance</b>	<b>p&lt;.001</b>

Notes: Coefficients significant at the  $p < 0.05$  level are flagged in **bold**.

### **Information Technology Challenges**

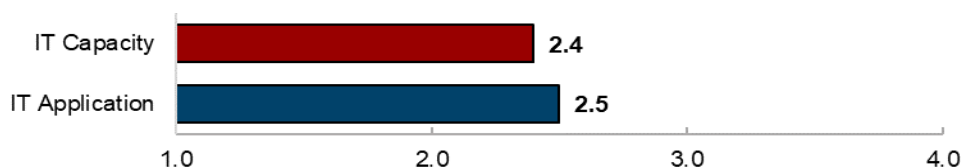
In addition to questions about the presence of external and internal information technology resources, we also asked how challenging respondents found various activities related to using IT. We found two underlying dimensions, one related to applying IT resources and one related to developing IT capacity.

IT application refers to how challenging respondents find it to create and maintain an engaging, up-to-date website and create, update, and use donor database software. IT capacity refers to how challenging respondents find four IT capacity activities: training staff/volunteers in software/applications, getting help to address information technology problems, getting decision-makers or funders to understand the importance of getting good technology, and identifying technology tools and resources for improving service delivery. Figure 19 aggregates the two types of IT resources and converts them into a scale with scores ranging from (1) not a challenge, (2) minor challenge, (3) somewhat of a challenge, and (4) major challenge.<sup>11</sup>

The relationship between IT challenges and type of association is significant in the bivariate analysis, but not in our multivariate analyses, once we control for all other factors. See Appendix C for the bivariate results and Appendix D for the multivariate results.

<sup>11</sup> For more information on these scales, see our report on information technology—Indiana Nonprofits: Information Technology Resources and Challenges, Indiana Nonprofit Survey: Round III, Series 2: Activities, Report 1, by Kirsten A. Grønberg and Payton A. Goodman with Sarah Dyer (Bloomington, IN: Indiana University O’Neill School of Public and Environmental Affairs, March 2019). See: <https://nonprofit.indiana.edu/doc/publications/2017surveyreports/informationtechnology.pdf>.

**Figure 19. IT Challenges (n=555-569)**



## II: FINANCE DIMENSIONS

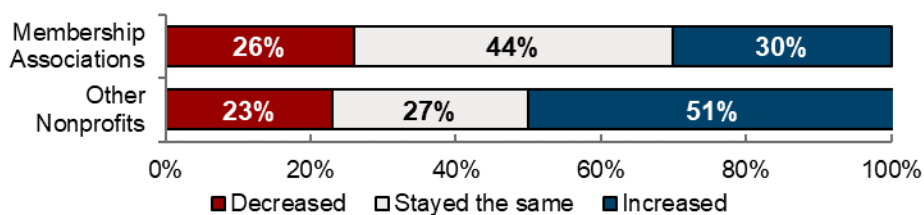
All organizations depend on financial resources to cover the cost of delivering programs and services. Changes in revenue (and in expenses) may allow or force nonprofits to adjust their priorities and can change their ability to reach those utilizing their services. We have already looked at our respondents' funding profiles. We take this analysis one step further by looking at changes in revenue and expenses over time.

### Changes in Revenue

Our survey asked respondents to indicate how revenue has changed in their organization over the prior 36 months, whether it increased, stayed the same, or decreased.

As Figure 20 shows, membership associations are notably less likely to report increased revenues (30 percent) than other nonprofits (51 percent) and correspondingly more likely to say revenues remained more or less the same (44 percent vs. 27 percent). About a quarter of each group (23-26 percent) said their revenues have decreased.

**Figure 20. Change in Revenue by Organization Type (n=645)**

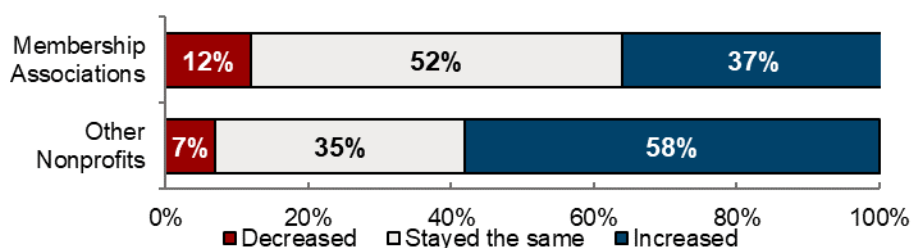


### Changes in Expenses

Nonprofits may continue to do well, despite declining revenues, if they have a built-up surplus. Can withdraw funds from an endowment or are able to secure loans. Otherwise, they will likely have to curtail excess expenses. While changes in both revenues and expenses are important, we focus mainly on changes in expense, because that impacts nonprofits' abilities to deliver services and otherwise manage the organization. Our survey asked respondents to indicate how expenses have changed in their organization over the last 36 months, whether it increased, stayed the same, or decreased. Generally, we would expect expenses for all types of organizations to increase because of general inflation.

As Figure 21 shows, changes in expenses show a similar pattern as changes in revenues, with membership associations less likely to have had increased expenses (37 percent) compared to other nonprofits (58 percent) and to have maintained consistency in expenses over the prior three years (52 percent) compared to other nonprofits (35 percent). As expected, very few of either type had decreased expenditures over the three prior years – 12 percent for membership associations and 7 percent of other nonprofits, even though about a quarter of each type of nonprofit had seen decreases in revenues.

**Figure 21. Change in Expenses by Organization Type (n=645)**



### Financial Health

The fact that relatively more nonprofits had seen reduced revenues than expenses during the prior three years suggests that longer-term financial health may be endangered for at least some nonprofits. To explore this possibility, we look at whether changes in revenue and in expenses follow the same or different trajectories by computing the difference between the two change scores. This tells us whether an organization has experienced a surplus in revenue (e.g., revenues increased while expenses were the same or decreased), a deficit in revenue (e.g., expenses increased, while revenues were the same or decreased), or if there was no difference between revenues and expenses (e.g., both increased, stayed the same, or decreased).

The relationship between financial health and type of organization is not significant in the multivariate analysis but is significant in the bivariate analysis. Membership associations are less likely to have had a surplus (11 percent) than other types of nonprofits (17 percent) and more likely to have been able to maintain a balance between revenues and expenses (65 vs. 56 percent). About a quarter (25-27 percent) have experienced a deficit over the three prior years (for full details, see Appendix C). There is no significant difference in financial health between the two broad groupings of membership associations in the multivariate or bivariate analyses.

### Financial Management Challenges

We use survey questions about various types of financial challenges Indiana nonprofits are facing using a four-point scale for all items, ranging from 1 (not a challenge) to 4 (a major challenge). We find two clusters of challenges, one related to securing funding and one related to financial management, with securing funding more challenging than financial management.

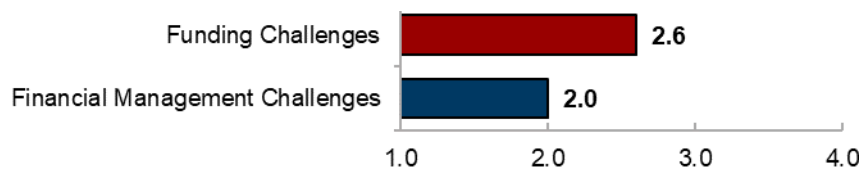
The funding challenge scale includes expanding the organization's donor base; developing a capital campaign; securing private foundation grants/corporate support; hosting successful fundraising events; securing individual donations/ contributions; retaining the organization's donor base. Expanding the organization's donor base appears to be the most challenging item in this group, with 74 percent saying it is at least somewhat of a challenge, followed by developing a capital campaign (59 percent). More than half find the remaining items to be at least somewhat of a challenge, including about a quarter who say securing foundation and corporate grants is a major challenge (24 percent) or hosting successful special events (23 percent). About a fifth find it a major challenge to secure individual donations, while only 16 percent say retaining donors is a major challenge.<sup>12</sup>

<sup>12</sup> Detailed analysis of changes in donors and gifts over time show that donor retention is an important problem that forces many nonprofits seek new donors to replace those that have lapsed. For more details, see <https://afpglobal.org/FundraisingEffectivenessProject> (retrieved, November 27, 2022).

The financial management scale includes securing government grants/contracts; managing cash flows in order to meet current operating costs; creating budgets and financial statements; and collecting payments from clients, customers, and/or government contractors in a timely manner. Securing government grants and contracts is the most challenging item in this group, with 42 percent saying it is at least somewhat of a challenge, including 20 percent who say it is a major challenge. The other three items are considered at least somewhat of a challenge for about a quarter or less and a major challenge by only 4-8 percent.

The figure below aggregates the two types of financial challenges and converts them into a scale with scores ranging from (1) not a challenge, (2) minor challenge, (3) somewhat of a challenge, and (4) major challenge. The average challenge score for securing funding (2.6) is significantly higher than the average challenge score for financial management (2.0).

**Figure 22. Financial Challenges** (n=569-583)



The relationship between financial challenges and type of organization is not significant in the multivariate analysis but is significant in the bivariate analysis – membership associations are significantly less likely to find either of the two financial activities challenging. For full details see Appendix C for the bivariate results and Appendix D for the multivariate results.

### III: HUMAN RESOURCE DIMENSIONS

All organizations depend on people – its human resources – to make decisions and carry out a variety of tasks. For some nonprofits, all tasks are carried out by volunteers – either by a working board or a board assisted by other volunteers. Other nonprofits may hire staff to carry out tasks that require ongoing efforts, once they have secured enough funding to do so, but many continue to use volunteers, not just as board members.

We have already looked at whether our respondents have any paid staff and introduced the number of full-time equivalent (FTE) as an indicator of organizational size. As noted above, we found that membership associations are more likely to have no paid staff at all than other nonprofits. We take this analysis one step further by looking at whether the paid staff includes an executive director or equivalent, before turning to a closer look at boards and volunteers.

#### Executive Director

We asked our respondents whether the organization currently has a paid executive director or similar employee with executive responsibilities. The relationship between executive director and type of organization is not significant in the multivariate analysis but is significant in the bivariate analysis when we compare types of membership associations. The great majority of economic interest associations (86 percent) and charities and related associations (80 percent) have a paid executive director, compared to about half of civic groups (50 percent), homeowners and neighborhood associations (50 percent) and traditional mutual benefit associations (46 percent), and only a third of pleasure and social clubs. For full details, see Appendix C.

#### Number of Board Members

Our survey asked respondents how many board members the organization currently has. The



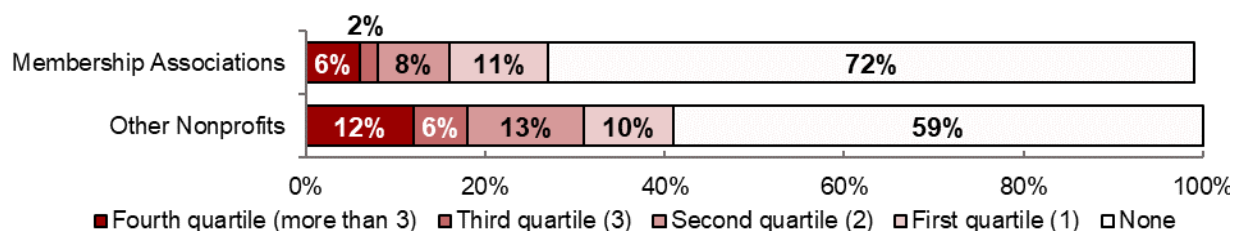
relationship between number of board members and type of organization is not significant in the multivariate analysis but is significant in the bivariate analysis. Overall membership associations have smaller boards than other nonprofits, but board size varies greatly by type of associations. They are smallest for homeowner and neighborhood associations, followed by economic interest groups (respectively 70 and 43 percent have six or fewer board members). They are the largest for pleasure and social clubs where almost half (47 percent) have 14 or more board members. For full details, see Appendix C.

### Number of Board Vacancies

We also asked respondents how many board vacancies the organization currently has. In previous analyses we have found that the number of board vacancies tends to be associated with a range of organizational challenges. The relationship between number of board vacancies and type of organization is not significant in the multivariate analysis for human resources. However, it is significant in the bivariate analysis and often significant in our challenge multivariate analyses, so we include those graphs here.

As Figure 23 shows, membership associations report significantly fewer board vacancies than other nonprofits (72 and 59 percent, respectively), most likely because they have smaller boards in general. As expected, different types of membership associations do not differ significantly in the number of board vacancies.

**Figure 23. Number of Board Vacancies by Organization Type (n=602)**



The median board vacancies are 2 for membership associations and other nonprofits (see Table 5). Membership associations report a range of 1 to 12, with a mean of 2, smaller than other nonprofits where the number of board vacancies range from 1 to 11, with a mean of 3.

**Table 5. Number of Board Vacancies by Organization Type**

Organization Type	Minimum	Median	Maximum	Average
Membership Associations	1	2	12	2
Other Nonprofits	1	2	11	3

### Board Member Selection

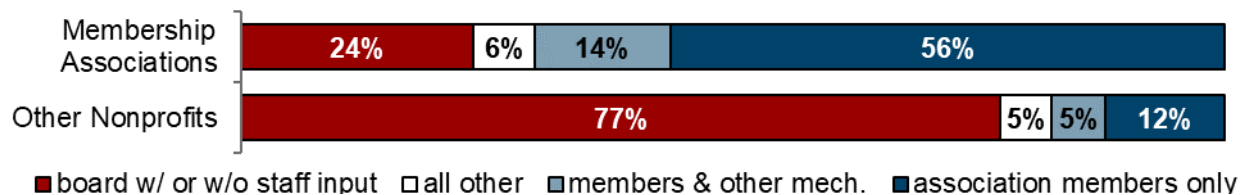
Given the importance of the board in governing nonprofits, finding “good” board members – people who are able and willing to carry out the full set of board responsibilities, is critical. The process is usually spelled out in the organization’s by-laws and/or articles of incorporation.

There are two major models for selecting board members, along with some mixed models and variations. One of the most common models is the self-perpetuating board, where current board members select new members, at times with input from the executive staff. By contrast, in the “association” model, members of the association select board members through a formal voting process. Our survey asked Indiana nonprofits to indicate who has primary responsibility for

selecting new board members: current board members (e.g., via board vote), staff (e.g., via appointment), members (e.g., via election), or by some other mechanism. Based upon respondents' answers, we formed four different categories: (1) current board members with or without staff input<sup>13</sup> – the “self-perpetuating model,” (2) members only<sup>14</sup> – the “pure association model,” (3) members plus some other mechanism<sup>15</sup> – the “modified association model,” and (4) all other.<sup>16</sup>

As expected, the majority of membership associations (70 percent) fit the association model (blue segments in Figure 24), where the association’s members have a formal role in electing the board. This includes more than half (56 percent) where only members have a formal role (the “pure association” model, dark blue) and another 14 percent where staff and current board members also play a role (the “modified association” model, light blue). Only 17 percent of other nonprofits use some version of the association model and most (77 percent) appear to fit the “self-perpetuating” model (red segment) of board selection where current board members select new board members. Relatively few (5-6 percent) use a variety of other combinations or mechanisms (white segments).

**Figure 24. Board Selection Methods by Organization Type (n=737)**



### Multivariate Analysis

Next, we examine whether our base variables, and whether the organization is a membership association, remain significant, when we compare the two most distinctive methods of board selection – the pure associational and the self-perpetuating.

#### ***Self-perpetuating Model vs. Pure Associational***

We first compare those who use the self-perpetuating model to those who use the pure associational model. We find that three of the basic organizational characteristics remain significant, when we allow all factors to operate at once (Table 6). Organizations that use self-perpetuating models for board selection are younger, have more FTE staff, and utilize more external information technology. These organizations are also significantly less likely to be membership associations. Jointly, these factors allow us to correctly predict pure associational models and account for 51 percent of the variance.

As Table 6 shows, organizations that use the pure-associational model for board selection are indeed significantly more likely to be membership associations, as are two of the basic organizational characteristics, when we allow all factors to operate at once (Table 6) – they are likely to be older and utilize less external information technology. Jointly, these factors allow us to

<sup>13</sup> This category includes respondents that selected either ‘current board members’ or selected both ‘current board members’ and ‘staff’

<sup>14</sup> This category includes only those respondents that selected ‘members’

<sup>15</sup> This category includes those respondents that selected either both ‘members’ and ‘staff,’ both ‘members’ and ‘board,’ or all ‘members,’ ‘staff,’ and ‘board’.

<sup>16</sup> This category includes those that selected ‘staff’ only or any other combination of responses not specified in the above categories (e.g., both ‘board’ and ‘other’).

correctly predict using the pure associational model for selecting board members in 81 percent of the cases ( $p < .05$ ) and account for 51 percent of the variance.

**Table 6. Model B — Estimates from Binary Logistic Regressions of Base Variables and Membership on Using Pure Associational Models vs. Self-perpetuating Models of Board Selection**

<b>Base Variables</b>	<b>Pure Associational vs. Self-perpetuating (B)</b> (n=524)
<b>Age</b>	<b>+</b>
Ln of Number of FTE Staff (numeric)	
Formalization (numeric)	
<b>External Information Technology (scale)</b>	<b>-</b>
Internal Information Technology (scale)	
Funding Source – Donations	
Funding Source – Events	
Funding Source – Dues	
Location – Central City Metropolitan County	
Location – Metropolitan Ring County	
<b>Membership Associations</b>	<b>+</b>
<b>Constant</b>	<b>-</b>
R-squared	0.50
Percent correctly predicted	79%
<b>Significance</b>	<b>p&lt;.001</b>

Notes: Coefficients significant at the  $p < 0.05$  level are flagged in **bold**.

### **Number of Volunteers**

Finally, we take a closer look at volunteers – another very important resource for most non-profits. Our survey asked respondents to indicate how many people did volunteer work for their organization during the last 12 months (other than as board members). The relationship between number of volunteers and type of organization is not significant in the multivariate analysis but is significant in the bivariate analysis.

Membership associations are significantly less likely to use many volunteers (100 or more) than other nonprofits (12 and 29 percent respectively) and more likely to use a moderate number of volunteers (11-30 volunteers, 32 and 17 percent respectively). There are also significant differences in the number of volunteers used by type of membership associations. About a third of charities and related associations (37 percent) and civic groups (34 percent) use 30 or more volunteers, as do a quarter of economic interest associations but less than a fifth of pleasure and social clubs and traditional mutual benefit associations (18 percent each). Only 3 percent of homeowners and civic groups use that many volunteers, and none use 100 or more. For full details, see Appendix C.

### **Volunteer Importance**

We also asked those respondents that use volunteers (other than board members) to indicate how important volunteers are to the work of their organization, whether they are essential, very important, somewhat important, or not important. The relationship between volunteer importance and type of organization is not significant in the multivariate analysis but is

significant in the bivariate analysis.

Membership associations are significantly more likely to consider volunteers to be essential (53 percent) than other nonprofits (40 percent). There are also significant differences in how important volunteers are by type of membership association. A clear majority of civic groups (76 percent), traditional mutual benefit associations (68 percent) and pleasure and social clubs (56 percent) say volunteers are essential, compared to less than half of charities and related (48 percent), economic interest groups (46 percent) and homeowners and neighborhood associations (44 percent). For full details, see Appendix C.

### **Human Resource Challenges**

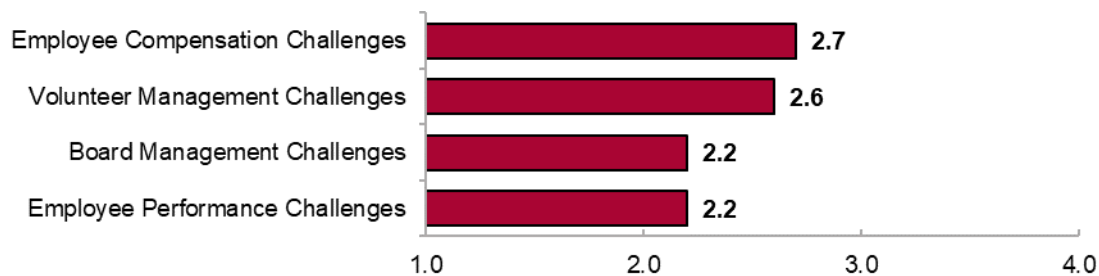
We use survey questions about challenges related to each of the three types of human resources – employees, board members, and volunteers on a four-point scale ranging from 1 (not a challenge) to 4 (a major challenge).

#### ***Employee Management Challenges***

Our survey asked about three types of challenges in managing paid employees: providing adequate compensation, recruiting, and retaining staff, and assessing and managing staff performance. These items align with two underlying dimensions. Employee compensation stands by itself. The second scale, employee performance challenges, includes recruiting and retaining qualified employees and assessing and managing employee performance.

We computed the average of these two types of employee challenges with scores ranging from (1) not a challenge, (2) minor challenge, (3) somewhat of a challenge, to (4) major challenge. As the top bar in Figure 25 shows, adequately compensating employees has the highest challenge score (2.7) compared to challenges related to employee performance (bottom bar 2.2).

**Figure 25. HR Management Challenges (n=388-581)**



The relationship between employee challenges and type of organization is not significant in the multivariate analysis but is significant in the bivariate analysis – membership associations have significantly lower challenge scores on both challenge scales. There are also significant differences in the compensation challenge variable between types of associations – charities and related associations report significantly greater challenges (2.6) than most of the other types of associations, particularly civic groups (1.9). For full details of these bivariate results, see Appendix C. See Appendix D for results of the multivariate analysis.

#### ***Board Management Challenges***

We asked similar questions about several board-related challenges: recruiting and retaining qualified board members; managing or improving board and staff relations; identifying qualified board members; and assessing board member performance. These items form a single underlying dimension so we compute the average board management challenge score, ranging

from (1) not a challenge, (2) minor challenge, (3) somewhat of a challenge, to (4) major challenge. As the third bar in Figure 25 shows, the average board management challenge score is 2.2, about the same as the score for employee management. See Figure 24 for these scales and the other HR scales. Board management challenges do not differ significantly between membership association and other profits, nor among membership association types, in either the multivariate or bivariate analyses.

### ***Volunteer Management Challenges***

We asked two questions about challenges in managing volunteers: recruiting and retaining qualified volunteers and assessing and managing volunteer performance. These two items form a cohesive scale, so we created a volunteer management scale by averaging scores on the two items for each respondent, ranging from (1) not a challenge, (2) minor challenge, (3) somewhat of a challenge, to (4) major challenge. The average challenge score for volunteer management is 2.6 (second bar in Figure 25), almost as high as the score for employee compensation. Volunteer management challenges are not significantly different for membership association and other nonprofits, nor among membership association types, in the multivariate or bivariate analyses.

## **IV: COLLABORATION AND SERVICES**

All nonprofits aim to deliver important services that their members, clients, or constituencies need or want to obtain. However, needs change over time as economic, political, and social conditions change and nonprofits need to monitor these changes and the effectiveness of own their services to remain relevant. If they don't, they risk losing out to other organizations that adapt better or to new organizations specifically addressing new needs. These efforts require nonprofits to keep informed about what other organizations do and to coordinate their own activities with those of other entities.

### **Informal and Formal Collaborations**

We asked Indiana nonprofits whether they are currently involved with a formal collaboration, defined as a codified legal, fiscal, administrative, or program-based relationship with other organizations. We also asked whether they are currently involved with an informal network, defined as more general cooperation or coordination with another organization.

Neither of these relationships are significant in the multivariate analysis but are significant in the bivariate analysis. Overall, membership associations are less likely to be involved in formal collaborations or informal networks than other nonprofits. There are also some significant differences among types of associations in whether they are involved in informal networks. Only 8 percent of homeowners and neighborhood associations do so, compared to 19 percent of traditional mutual benefit associations. About a third (35 percent) of recreation and social clubs are involved in such networks, with the three remaining types of associations (charity and related groups, civic groups, and economic interest groups) most involved (43-46 percent). For detailed analysis, see Appendix C.

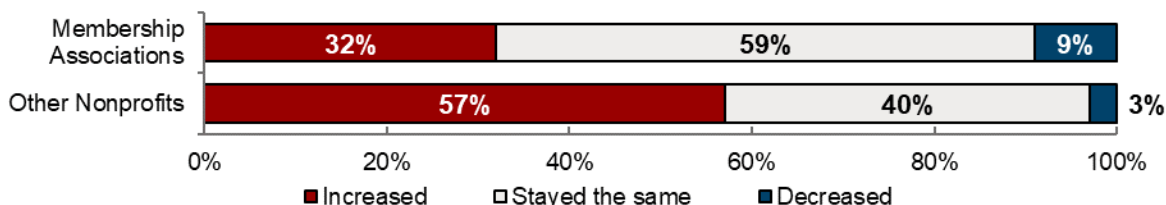
### **Change in Demand for Services**

All nonprofits – in fact, all organizations – must also attract (and keep) donors, dues-paying members, clients or customers willing to purchase their services, as well as dedicated volunteers, or competent staff or board members. To get a rough indication of how well our respondents appear to meet expectations of external audiences, we asked how demand or need for the organization's programs, services or activities had changed over the previous 36

months – increased, stayed the same, or decreased. We exclude those who did not know whether their demand for services had changed. Demand for services is significant in both the multivariate and bivariate analyses.

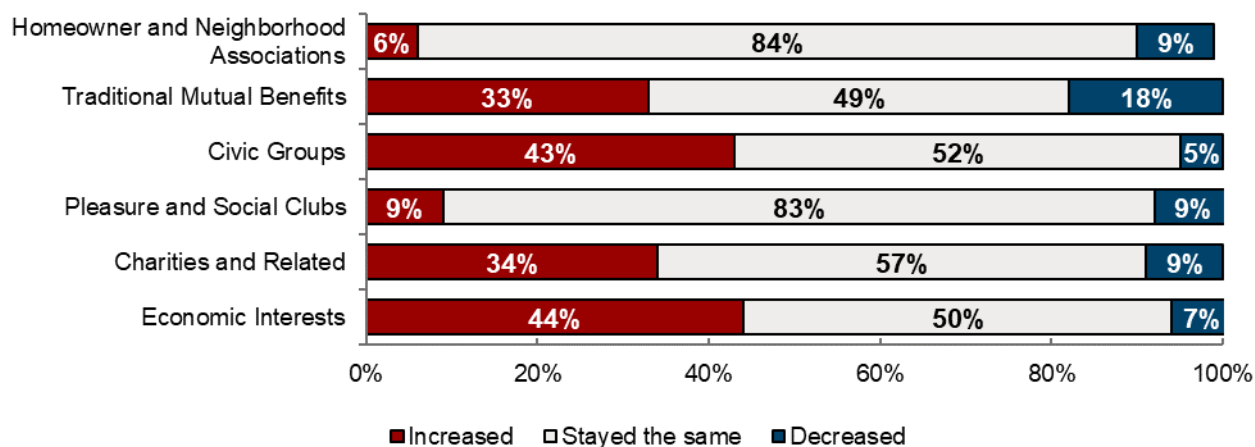
As Figure 26 shows, fewer membership associations report increased demand for services than other nonprofits (32 and 57 percent, respectively, red segments) and more reported no change in demand (59 vs. 40 percent). Membership associations were also slightly more likely to report a decrease in demand (9 vs. 3 percent).

**Figure 26. Change in Demand by Membership Association Type (n=732)**



As Figure 27 shows, civic groups were most likely to report increase in demand for services (43 percent), followed by charities and traditional mutual benefit associations (33–34 percent), compared to only 6-9 percent for pleasure/social clubs and homeowner/neighborhood associations. Although many traditional mutual benefit associations reported increased demands, almost a fifth (18 percent) also said that demands for their services had decreased.

**Figure 27. Change in Demand by Membership Association Type (n=330)**



### Management Challenges

We expect these differences in need for services to be reflected in responses to questions about challenges associated with delivering effective programs – (1) evaluating or assessing program outcomes, (2) developing and delivering high quality programs, (3) creating and implementing a strategic plan for the organization, (4) performing routing administrative tasks, and (5) managing facilities used by the organization. We use a four-point scale for these items, ranging from 1 (no challenge) to 4 (a major challenge). To facilitate our analysis, we explored whether there were underlying dimensions to these challenges and found that the two first formed a coherent scale, as did the last two items, while the strategic management item stood on its own.

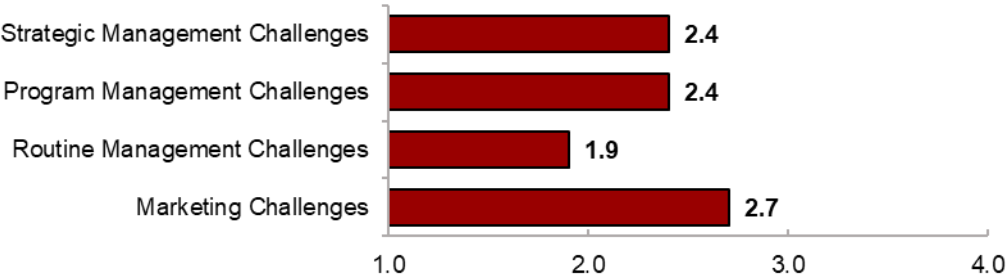


**Strategic Management Challenges**

To monitor and adjust to changes in community conditions, nonprofits may engage in a formal strategic planning exercise. This process usually (but not always) involves looking at external threats and opportunities as well as internal strengths and weaknesses, to determine whether adjustments or changes in mission, services, or operations are warranted. We asked survey respondents to indicate whether creating and implementing a strategic plan was a challenge for their nonprofit.

As Figure 28 shows, creating and implementing a strategic plan for the organization has an average challenge score of 2.4, on par with program management challenges, but higher than routine management challenges. The extent of strategic management challenges does not differ significantly between membership association and other profits but does differ among types of membership associations in the bivariate analysis. Civic groups have the highest strategic management challenge score (2.7), followed by charities and traditional mutual benefit associations (2.5). The remaining three types of associations (homeowners and neighborhood associations, recreation and pleasure groups, and economic interest groups) have average scores of 2.0-2.2. For full details, see Appendix C.

**Figure 28. Management and Marketing Challenges (n=601-749)**



**Program Management Challenges**

The average challenge score for the two program management items (evaluating and assessing program outcomes or impact; and developing and delivering high quality programs/services) is 2.4, on par with strategic management challenges (see second bar in Figure 28). There are no significant differences in the average challenge score for program management between membership association and other profits, but homeowners and neighborhood associations are significantly less likely to report program management challenges (score of 1.7) compared to all other types of associations (2.4-2.5). For full details, see Appendix C.

**Routine Management Challenges**

Performing routine administrative tasks and managing the facilities or space the organization uses, also form a coherent scale, but the average score for the two items is only 1.9 on the four-point scale (see third bar in Figure 28). The degree of routine management challenges does not differ significantly between membership association and other profits but does differ significantly among types of membership associations. Charities, traditional mutual benefit groups, and pleasure and social clubs have the highest levels of routine management challenges (average scores of 2.3-2.6) and civic groups the lowest (1.2). For full details see Appendix C.

**Marketing Challenges**

Nonprofits must also attract attention to their services and organization from important constituency groups. We asked respondents how challenging they considered a range of

activities that are likely to serve this goal: creating effective marketing materials; attracting new members/clients; identifying the best tools/ mediums for reaching their constituency groups (e.g., mailings, press releases, social media, etc.); and enhancing the organization’s visibility/ reputation. As before, we converted this assessment into a scale with scores ranging from (1) not a challenge, (2) minor challenge, (3) somewhat of a challenge, to (4) major challenge. The four items form a coherent scale with an average challenge score of 2.7.

The extent of marketing challenges is not significant in the multivariate but is significant in the bivariate analysis between membership associations and other nonprofits. Membership associations report more challenges with marketing than other nonprofits (2.8 and 2.6). These challenges are also significant in the bivariate analysis among types of associations. Traditional mutual benefit groups, pleasure and social clubs, and charities/related have the highest levels of marketing challenges (average scores of 2.9-3.1) and homeowner/neighborhood associations the lowest (2.2). For full details see Appendix C.

**Multivariate Analysis**

We again use multivariate analysis to see whether adding the various program service variables are significant factors in understanding differences among the various types of nonprofits.

We include one service variable, two collaboration variables, and three management challenge variables:

Model E3 (expanded model):

- (1) Change in demand for services,
- (2) Informal collaboration
- (3) Formal collaboration

Model C3 (challenge model):

- (4) Routine management challenges,
- (5) Program management challenges,
- (6) Strategic management challenges.

In the expanded model (E), we find that membership associations have lower demands for services than other nonprofits, controlling for all other factors. However, none of the challenge indicators are significant in Model C. The relationships for the base variables are consistent across the three models, except in the case of donations in the challenge model. All three models are significant (p<.05) and explain over a third of the overall variance.

**Table 7. Model E & C— Estimates from Binary Logistic Regressions of Base and Demand/Collaboration Variables and Management Challenge Variables**

	<b>Membership Associations vs. Other Nonprofits (B)</b> (n=646)	<b>Membership Associations vs. Other Nonprofits (E)</b> (n=640)	<b>Membership Associations vs. Other Nonprofits (C)</b> (n=453)
<b>Base Variables</b>			
<b>Age</b>	<b>+</b>	<b>+</b>	<b>+</b>
<b>Ln of Number of FTE Staff (numeric)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Formalization (numeric)			

<b>Base Variables</b>	<b>Membership Associations vs. Other Nonprofits (B)</b> (n=646)	<b>Membership Associations vs. Other Nonprofits (E)</b> (n=640)	<b>Membership Associations vs. Other Nonprofits (C)</b> (n=453)
<b>Funding Source – Donations</b>	<b>+</b>	<b>+</b>	<b>-</b>
<b>Percent of Revenue – Dues</b>	<b>+</b>	<b>+</b>	<b>+</b>
Funding Source – Events	<b>+</b>	<b>+</b>	
Location – Central City Metropolitan County			
Location – Metropolitan Ring County			
Informal Collaborations	(Not included)		(Not included)
Formal Collaborations	(Not included)		(Not included)
<b>Demand for Services</b>	(Not included)	<b>-</b>	(Not included)
Ln of Board Vacancies (numeric)	(Not included)	(Not included)	<b>-</b>
Routine Management Challenges	(Not included)	(Not included)	
Strategic Management Challenges	(Not included)	(Not included)	
Program Management Challenges	(Not included)	(Not included)	
Marketing Challenges	(Not included)	(Not included)	
Constant	<b>-</b>		
R-squared	0.38	0.45	0.41
Percent correctly predicted	76%	78%	76%
<b>Significance</b>	<b>p&lt;.05</b>	<b>p&lt;.05</b>	<b>p&lt;.05</b>

Notes: Coefficients significant at the p<0.05 level are flagged in **bold**.

## **DETAILED FINDINGS V: POLITICAL ACTIVITY AND ADVOCACY**

Nonprofits provide their programs and services against the backdrop of public policies that play a dominant role in shaping broad economic, social, political, and cultural conditions. Changes in public policies may therefore also impact nonprofits. Some nonprofits may also seek to change or influence public policies in directions they deem important to their mission by engaging in advocacy.<sup>17</sup>

### **Policy Impacts**

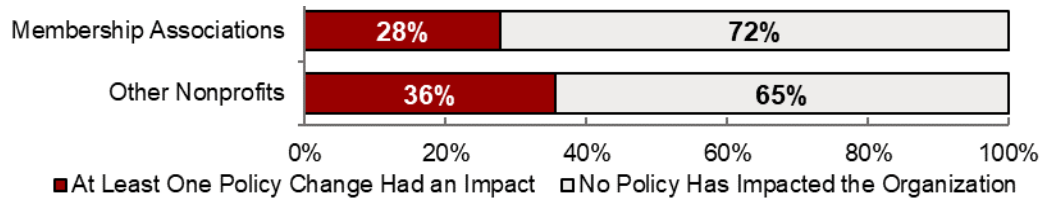
We asked our respondents how changes to a variety of U.S. federal, state, or local government policies<sup>18</sup> had impacted the organization’s ability to fulfill its mission over the past 36 months – positively, negatively, or no impact. For each type of policy, the great majority of our respondents (84-89 percent) said it had not impacted their organization. About a tenth (9-12 percent) said the impact had been negative and very few (2-6 percent) said the impact had been positive. However, when we examine the total impact of the policy changes, we find that fewer membership associations (28 percent) were impacted by at least one policy change compared to 36

<sup>17</sup> See Kirsten Grønberg and Noah Betman, Indiana Nonprofits: Advocacy and Political Activities – Practices and Challenges (March 2021) for a full analysis of these activities, available here: <https://nonprofit.indiana.edu/doc/publications/2017surveyreports1/advocacy-activity-2021.pdf>.

<sup>18</sup> The specific policies included environmental policies (e.g., EPA regulations), government contract procurement policies, client eligibility for government programs, professional licensing requirements, health and safety regulations (e.g., OSHA), health insurance requirements (e.g., Affordable Care Act), changes in personnel/legal regulations & employment law (e.g., staff benefits, maternity/ paternity/family care leave, non-discrimination regulations, minimum wages, overtime pay), and tax policies (e.g., property tax exemptions, limits on tax-deductible contributions).

percent of other nonprofits.

**Figure 29. Impact of Policy Change, Positively or Negatively by Organization Type (n=810)**

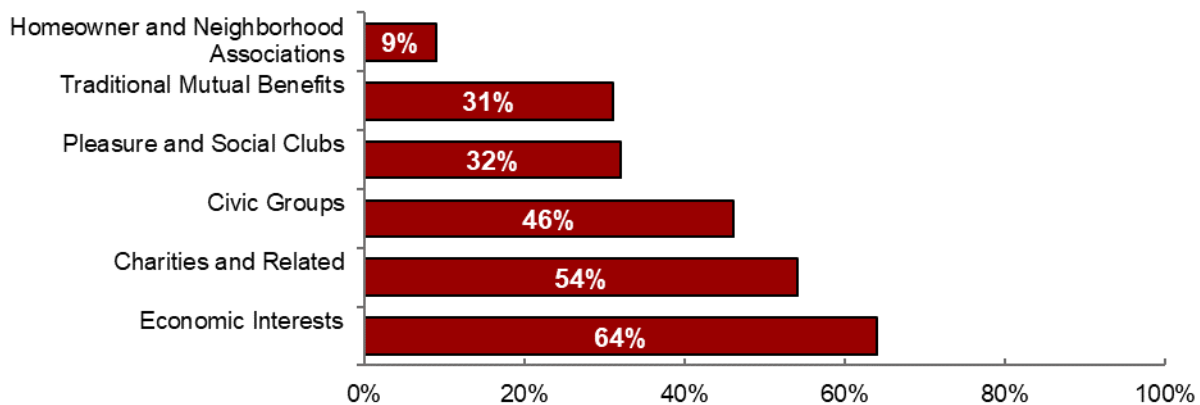


### Advocacy

We also asked whether the respondent's organization engages in advocacy and/or public education activities. We prefaced this question with a statement noting that such activities might include promoting the interests of specific groups (e.g., children, seniors, people of different races, veterans, businesses, etc.) or specific issues (e.g., healthcare, environmental issues, religion, etc.) in order to influence policymakers or the general public. Follow-up questions asked about types of issues pursued, types of activities in which engaged, and whether these efforts were directed at policy makers or the general public. However, there were too few respondents to examine how these details varied between membership associations and other nonprofits or among types of membership associations.

Engaging in advocacy is not significantly different between membership association and other nonprofits but does differ significantly among types of membership associations. As Figure 30 shows, 64 percent of economic interest groups and 54 percent of charities/related report participating in advocacy, as do 46 percent of civic associations, but only 9 percent of homeowners/neighborhood associations.

**Figure 30. Advocacy by Membership Association Type (n=326)**

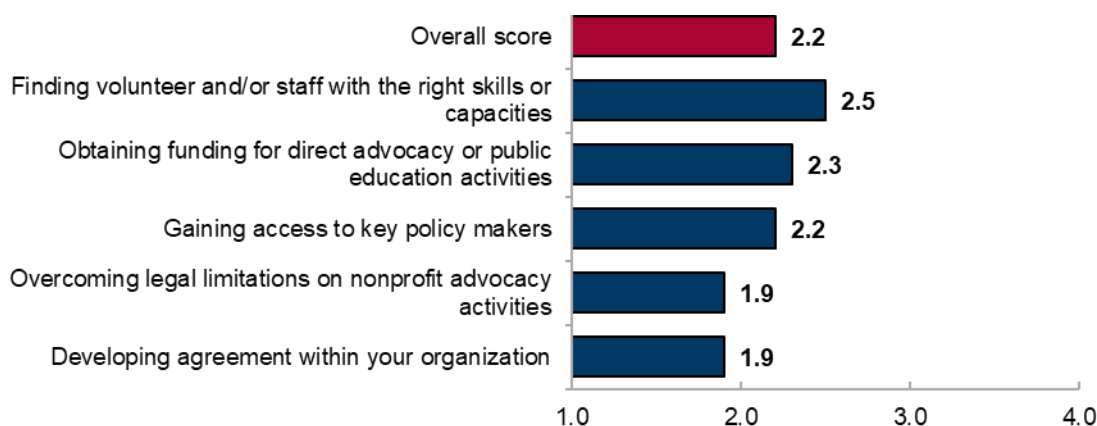


### Advocacy Challenges

We use survey questions about five types of advocacy challenges Indiana nonprofits may be facing when they do engage in advocacy: (1) overcoming legal limitations on nonprofit advocacy activities; (2) obtaining funding for direct advocacy or public education activities; (3) gaining access to key policy makers; (4) finding volunteers and/or staff with the right skills or capacities to take on advocacy leadership roles; and (5) developing agreement within the organization on whether and how to engage in advocacy activities.

Figure 31 shows the average challenge scores for the various types of advocacy challenges on a scale from 1 (not a challenge) to (4) a major challenge. Finding volunteers and/or staff with the right skills has the highest score (2.5) with the lowest scores (1.9) for overcoming legal barriers and developing internal agreement. The five items form a cohesive scale, with an overall average challenge score of 2.2. There are no significant differences in the overall average challenge score between membership association and other nonprofits nor among types of membership association in the multivariate nor bivariate analyses.

**Figure 31. Advocacy Challenges for All Respondents (n=215)**



### Multivariate Analysis

We again use multivariate analysis to see whether adding the advocacy variables are significant factors in understanding differences among the various types of nonprofits. Model E (the “expanded” model) adds whether respondents engage in advocacy along with all the base variables included in Model B. Model C (the “challenge” model) includes the advocacy challenge scale along with the base organizational indicators.

### Membership Associations vs. Other Nonprofits

We first examine whether and how membership associations differ from other nonprofits in the various models. As Table 7 shows, controlling for all base variables, membership associations are significantly more likely to engage in advocacy than other nonprofits (Model E), but the extent of advocacy challenges is not significant (Model C). All of the basic organizational characteristics that were significant in Model B (base model) generally remain significant in Model E and with the same signs (positive or negative). However, only three of those variables remain significant in the challenge model (C). All three models are significant at  $p < .05$ .

**Table 8. Model E & C— Estimates from Binary Logistic Regressions of Base and Advocacy Variables and Advocacy Challenge Variables**

	Membership Associations vs. Other Nonprofits (B) (n=646)	Membership Associations vs. Other Nonprofits (E) (n=679)	Membership Associations vs. Other Nonprofits (C) (n=188)
<b>Base Variables</b>			
Age	+	+	+
Ln of Number of FTE Staff (numeric)	-	-	-
Formalization (numeric)			

<b>Base Variables</b>	<b>Membership Associations vs. Other Nonprofits (B)</b> (n=646)	<b>Membership Associations vs. Other Nonprofits (E)</b> (n=679)	<b>Membership Associations vs. Other Nonprofits (C)</b> (n=188)
<b>Funding Source – Donations</b>	<b>+</b>	<b>+</b>	
<b>Funding Source – Events</b>	<b>+</b>	<b>+</b>	
<b>Percent of Revenue – Dues</b>	<b>+</b>	<b>+</b>	<b>+</b>
External Information Technology (scale)			
Internal Information Technology (scale)			
Location – Central City Metropolitan County			
Location – Metropolitan Ring County			
<b>Advocacy</b>	(Not included)	<b>+</b>	(Not included)
Ln of Number of Board Vacancies (numeric)	(Not included)	(Not included)	
Advocacy Challenges (scale)	(Not included)	(Not included)	
<b>Constant</b>	<b>-</b>	<b>-</b>	
R-squared	0.38	0.38	0.52
Percent correctly predicted	76%	75%	80%
<b>Significance</b>	<b>p&lt;.05</b>	<b>p&lt;.05</b>	<b>p&lt;.05</b>

Notes: Coefficients significant at the p<0.05 level are flagged in **bold**.

### **Charity/Economic vs. Other Membership Associations**

When we compare the two broad groupings of membership associations (charity/economic groups vs. all other types of associations), we find that engaging in advocacy is significant. Controlling for all other variables in our extended model (Model E), charity/economic groups are significantly more likely to engage in advocacy than other types of associations. However, the extent of advocacy challenge is not significant in Model C, controlling for all other factors. One of the two base variables that are significant in the Base model remains significant in the expanded model (E) and with the same direction (plus or minus). However, none of these are significant in the challenge model (C), although charity/economic groups are more likely to be located in central city metropolitan locations than other types of membership associations. Overall, each of the models are significant (p<05).

**Table 9. Model E & C— Estimates from Binary Logistic Regressions of Base and Advocacy Variables and Advocacy Challenge Variables**

<b>Base Variables</b>	<b>Charity/Economic vs. Other Membership Associations (B)</b> (n=256)	<b>Charity/Economic vs. Other Membership Associations (E)</b> (n=256)	<b>Charity/Economic vs. Other Membership Associations (C)</b> (n=70)
<b>Age</b>	<b>-</b>	<b>-</b>	
<b>Ln of Number of FTE Staff (numeric)</b>		<b>+</b>	
Formalization (numeric)			
Funding Source – Donations			
<b>Percent of Revenue – Dues</b>	<b>-</b>		

<b>Base Variables</b>	<b>Charity/Economic vs. Other Membership Associations (B)</b> (n=256)	<b>Charity/Economic vs. Other Membership Associations (E)</b> (n=256)	<b>Charity/Economic vs. Other Membership Associations (C)</b> (n=70)
<b>Location – Central City Metropolitan County</b>		<b>+</b>	<b>+</b>
Location – Metropolitan Ring County			
<b>Advocacy</b>	(Not included)	<b>-</b>	(Not included)
Ln of Number of Board Vacancies (numeric)	(Not included)	(Not included)	
Advocacy Challenges (scale)	(Not included)	(Not included)	
<b>Constant</b>	<b>-</b>		
R-squared	0.32	0.36	0.44
Percent correctly predicted	70%	73%	83%
<b>Significance</b>	<b>p&lt;.05</b>	<b>p&lt;.05</b>	<b>p&lt;.05</b>

Notes: Coefficients significant at the p<0.05 level are flagged in **bold**.



## CONCLUSION AND IMPLICATIONS

Of the 1,036 nonprofits responding to our survey, 22 percent are congregations. Our report focuses on the remaining 810 respondents, 42 percent of which identified themselves as membership associations. We use the remaining 58 percent – all other nonprofits – as a comparison to the self-identified membership associations.

Our analysis of how membership associations and other nonprofits differ in terms of basic organizational characteristics – age, size of staff, formalization, access to information technology, dependence on revenues or fees, and location – show notable patterns. Of these variables, age, size of staff, and funding profile stand out. Membership associations are older than other nonprofits, as well as more reliant on fees and sales. They have fewer staff than other nonprofits and report more dependence on donation and event funding.

These basic organizational dimensions are very effective in distinguishing between membership associations and other nonprofits. Membership associations differ significantly from other nonprofits on four of these dimensions (age, size of staff, dependence on donations, and dependence on fees). When we allow all factors to operate at once in comparing the two groups, we are able to correctly distinguish membership associations from other nonprofits in 76 percent of the cases.

However, we find only a few notable differences between membership associations and other nonprofits, once we control for basic organizational dimensions. None of our financial dimensions (other than dependence on particular funding sources) are significant in explaining difference between the two organization types. Among indicators of human resources (in addition to size of staff), board selection is important with members having a formal role in selecting board members in associations. Board vacancies stand out only when we examine various types of challenges. In addition, membership associations are less likely to report increased demand for their services than other nonprofits, and less likely to participate in advocacy than other nonprofits. These factors are significant in our multivariate analyses.

We examine how membership associations are distributed by type of association. As in our 2002 report on membership associations, we identified six broad groupings. Almost half (45 percent) of the 342 self-identified membership associations were charities serving both the broader community and their own members. Most of the rest were distributed fairly evenly among four other groupings: civic groups and economic interest groups (both 14 percent), and traditional mutual benefit associations and homeowner/neighborhood associations (each 11 percent), with pleasure/social clubs accounting for the rest (7 percent).

We find some differences among the six types of membership associations in terms of how their members interact with them and their funding profiles, with charities and related associations standing out on some dimensions and homeowners and traditional membership associations on other dimensions. The patterns we observe among the six types of associations suggests they form two broader groupings of associations. Thus, traditional mutual benefit groups, civic groups, homeowner and neighborhood associations, and pleasure and social clubs tend to have somewhat similar responses across most dimensions. Jointly, these four types of associations account for 41 percent of Indiana membership associations. The two remaining types of associations, charities and related and economic interest groups, also tend to be more like one another than those in the first grouping.

Our analysis of how charities/economic interest groups and all other types of membership associations differ in terms of basic organizational characteristics – age, size of staff, formalization, access to information technology, dependence on revenues or fees, and location – show relatively few differences. Age and funding profile stand out with charities and economic interest groups being younger than other types of associations, as well as less reliant on revenue from dues. We find also few notable differences between charities/economic interest groups and other associations on a number of other important dimensions that we examine in some detail. In the multivariate analyses, none of our financial dimensions nor human resources are significant in explaining difference between the two groupings of membership organizations, nor does demand differ between the two groupings. However, charities/economic interest groups are less likely to participate in advocacy than other membership associations, when controlling for basic organizational dimensions.

## APPENDIX A: SURVEY METHODOLOGY

For our 2002 survey (Round I, our “panel” organizations), we merged three statewide nonprofit database listings – the IRS listing of exempt entities with Indiana reporting addresses, all entities incorporated as not-for-profit entities with the Indiana Secretary of State (SOS), and Yellow Pages listings of congregations, churches, and similar religious organizations. We also added nonprofits appearing on local listings in selected communities across the state and those identified by Indiana residents through a hypernetwork sampling approach as nonprofits for which they worked, volunteered, or attended meetings or events, including religious services. We then de-duplicated the merged listings and drew a stratified random sample in order to consider and adjust for differences in distributions by geographic location and source of listing.

**SAMPLE PREPARATION.** For the new 2017-18 “primary” round III sample of Indiana nonprofits, we relied exclusively on the same three statewide listings of Indiana nonprofits as in 2002 but used a simplified sampling strategy. After combining the three most up-to-date listings, we first removed nonprofits that were ineligible for our study. These included hospitals, colleges/universities, bank-managed trusts, jails, and school building corporations.

We then de-duplicated the three listings (both within and between the listings) using search algorithms. Nearly 14,000 duplicate entries across lists were removed during this phase of sample preparation. While it was not possible to remove all duplicates prior to sample selection, we believe that the de-duplication activities substantially reduced the problem of duplicate entries within and across lists. Ultimately, we ended up with a list of 59,833 nonprofits in Indiana from which we selected our sample.

To help ensure generalizability from the sample results, we drew a proportionately stratified sample from the combined list of 59,833 organizations from the IRS, SOS, and Infogroup (yellow page) listings. The stratification variables were an 8-category set of Indiana geographic regions (all three listings), filing date (SOS only), and NTEE major code categories (IRS only).

After the sampling was completed, we had a random sample of 4,103 nonprofits who received the survey invitation: 2,336 from the IRS listing (57 percent), 1,394 from the SOS listing (34 percent), and 373 from the Infogroup listing (9 percent). As part of our process to secure contact information, we also back-checked entities appearing on only one of the three listings in the sample to see whether that nonprofit was also included on any of the two other listings, just not included in the sample from the given list.

Next, we needed to find contact information, preferably email addresses, in order to invite survey participation. Of the 4,103 nonprofits in the full sample, the available listings provided email addresses for only 35. To obtain the rest, we undertook extensive web searches. In the end, we had an 80 percent success rate in obtaining the correct organizations’ contact information, spending an average of almost 13 minutes per organization (about 873 hours).

**SURVEY PROCESS.** In preparation for the survey, we sent notifications (postcards and emails for the approximately 75 percent for whom we had email addresses) to potential respondents. This served both to alert them to the forthcoming survey, with the hope of encouraging participation in the survey, and to identify problematic email (or postal) addresses. After the survey invitations were sent (via email with a survey link or postal mail with a paper questionnaire), we sent several reminders to those with emails. The survey took on average 25–30 minutes to complete and gathered information about programs and services, organization membership, organization

structure and program evaluation, human resources, marketing and technology, advocacy and policy activities, relationships with other organizations, and financial information. The vast majority of surveys were completed online, but about 60 were completed using the paper version of the survey.

In addition to promising respondents' complete confidentiality, we offered respondents access to customized reporting of the results as a special incentive to complete the survey. We included also a link to the study website, so respondents could learn more about the project, as well as prominent reference to and identification with Indiana University to emphasize the academic sponsorship. Finally, we asked members of our Advisory Board for the Indiana Nonprofit Sector project to announce the survey to nonprofits on their distribution lists and encourage anyone receiving the invitation to complete the survey.

As expected, however, initial response rates were low (especially to the paper survey), and we began an extensive follow-up by making nudge calls to encourage (including those for whom we had no email addresses). We limited the nudge call process to a maximum of three calls per organization depending on the status of the calls. For organizations that we left voice mails for, we continued calling at least a week after each voice mail until we had left three voice mails. We stopped calling organizations that asked us to resend the survey or said they would complete the survey through the original email.

To determine response rates, we used information obtained through our data preparation and nudge call processes to create a disposition variable for each nonprofit in the sample: (1) response (complete or partial), (2) confirmed contact (but no response), (3) uncertain contact (no working phone number or no response to voice mail), or (4) out of sample.<sup>19</sup> Our overall response rate (24 percent) is based on the number of respondents as a percent of the full sample, excluding the "out of sample" group from the base.

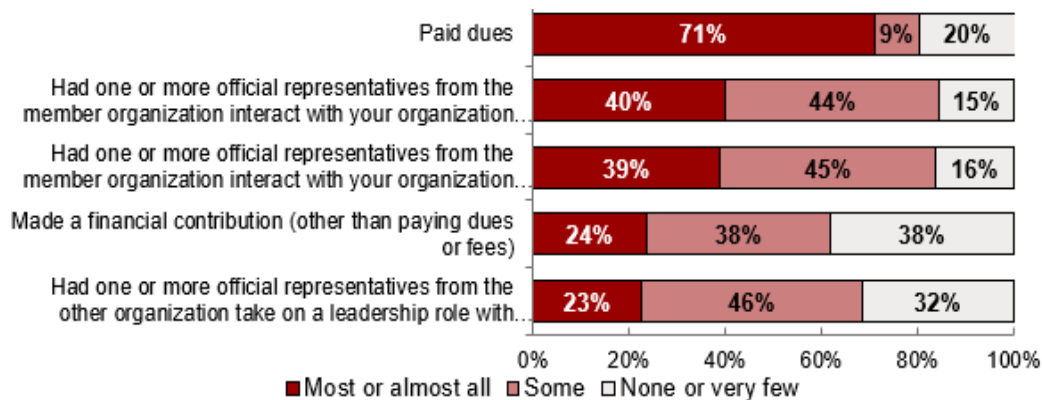
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<sup>19</sup> The "out of sample" group includes nonprofits that were out of scope for the survey (e.g., universities, school corporations, hospitals), no longer located in Indiana, known to be out of existence, or presumed to be dead because we could not find any contact information anywhere. If the "presumed dead" are redefined as "uncertain contact," the response rate drops from 24 percent to 20 percent. It was only 7 percent for the paper survey by itself.

## APPENDIX B: DETAILED RELATIONSHIPS

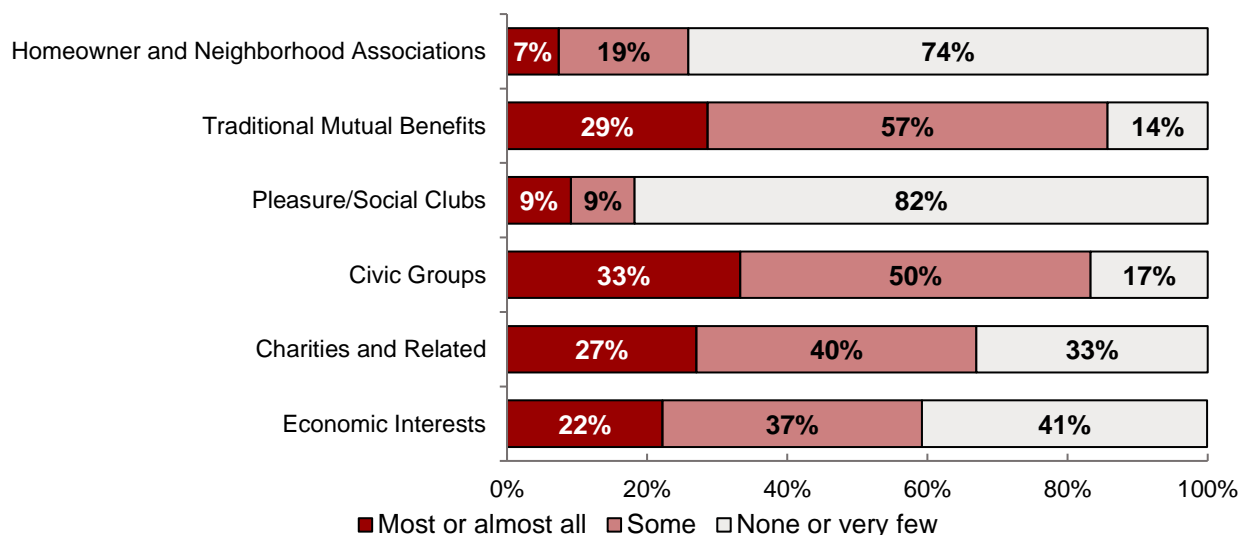
Overall, membership organizations report that organizational members paid dues most often, followed by in person and electronic interactions. Members did not as often make a financial contribution or take on a leadership role with the organization.

**Figure B-1. Organizational Member Activities (n=210-215)**



When we examine types of membership associations, we see that pleasure/social clubs and homeowner and neighborhood associations report very few organizational members making a financial contribution (18 and 26 percent). Economic interest groups and charities/related report considerably more members making a financial contribution (59 and 67 percent). Traditional mutual benefits and civic groups report the most members making financial contributions (86 and 83 percent).

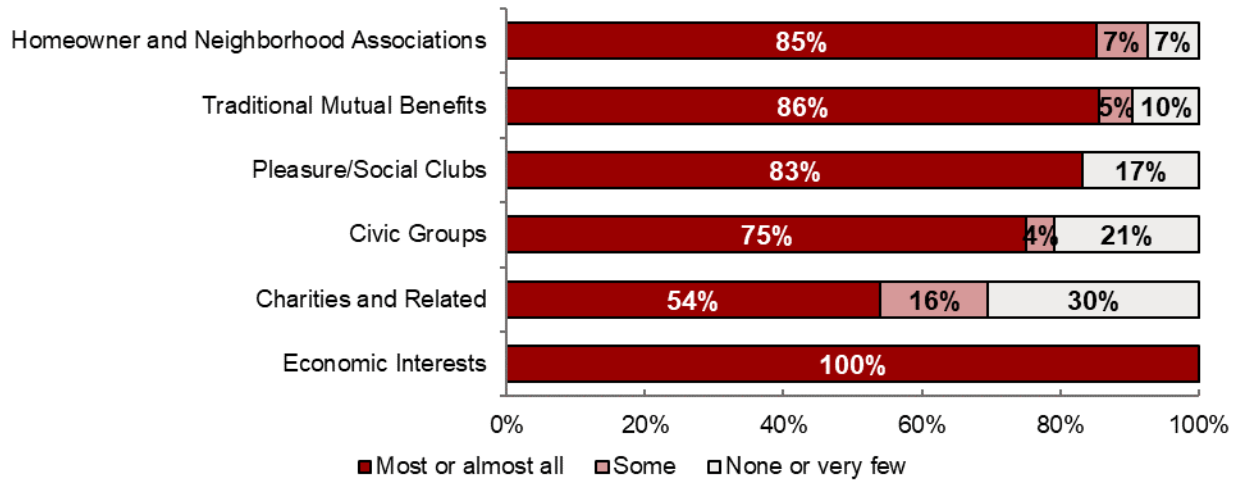
**Figure #. Organizational Member Financial Contribution to Organization by Membership Association Type (n=210)**



Many organizational members pay dues to all types of membership associations. Economic interest groups report that 100 percent of members paid dues, followed by homeowner and neighborhood associations (93 percent), traditional mutual benefits associations (90 percent), and pleasure/social clubs (83 percent). Considerably fewer civic groups and charities/related

report members paying dues (79 and 70 percent).

**Figure B-3. Organizational Member Paid Dues to Organization by Membership Association Type (n=213)**



## APPENDIX C: BIVARIATE GRAPHS

The graphs below are significant only in the bivariate analysis.

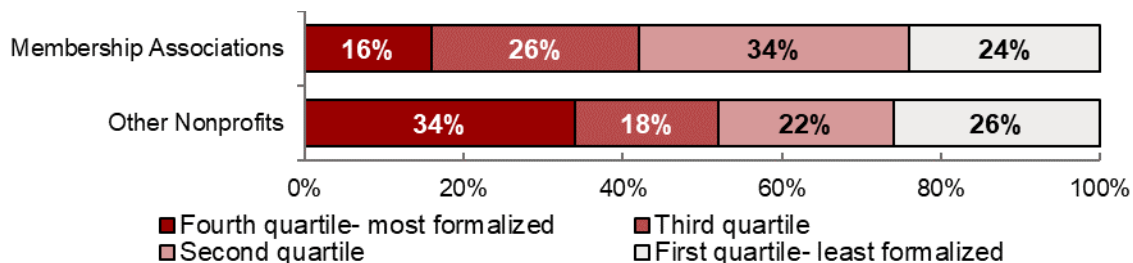
### SECTION I: BASIC ORGANIZATIONAL DIMENSIONS

Three of the basic organization dimensions are significant at the bivariate level only.

#### Formalization

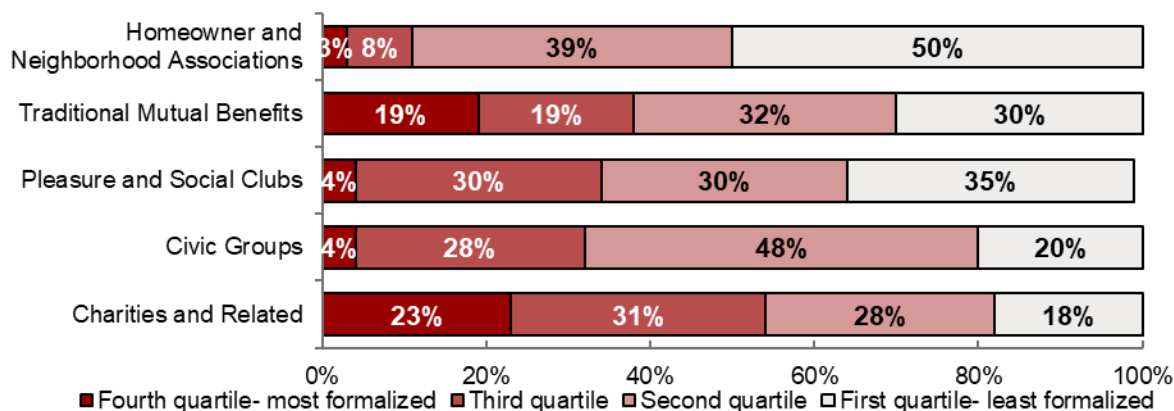
Membership associations appear significantly less formalized than other nonprofits. Only 16 percent of membership associations score high on the formalization index, compared to 34 percent of other nonprofits. However, the average formalization index for membership associations is 6 out of 13 compared to 7 out of 13 for other nonprofits.

**Figure I-A. Formalization Level by Organization Type (n=810)**



As Figure I-B shows, homeowner/neighborhood associations are the least formalized among the six types of membership associations (50 percent), followed by pleasure/social clubs (35 percent), traditional mutual benefits (30 percent), civic groups (20 percent), charities and related (18 percent), and economic interest groups (13 percent).

**Figure I-B. Formalization Level by Membership Association Type (n=342)**

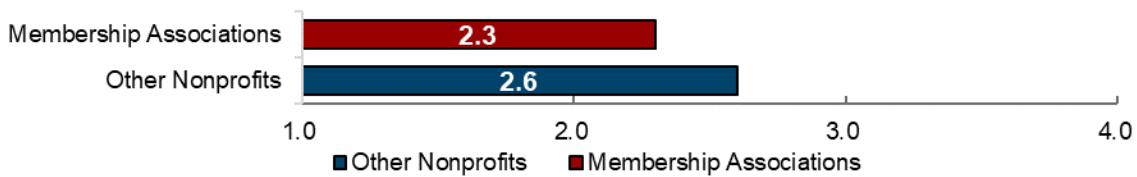


#### Information Technology

The figures below aggregate the two types of IT resources and converts them into a scale with scores ranging from (1) not a challenge, (2) minor challenge, (3) somewhat of a challenge, and (4) major challenge. Figure I-C shows that membership associations report using internal technology less often than other nonprofits (2.3 and 2.6 out of 4, respectively).



**Figure I-C. Internal Technology by Organization Type (n=717)**



As Figure I-D shows, economic interest groups report using internal technology the most (2.6 out of 4), followed by charities and related (2.4). Traditional mutual benefits and civic groups both report moderate use of internal technology (2.1, each). Finally, pleasure/social clubs and homeowners/neighborhood associations report the least use of this type of technology (2.0 and 1.9, respectively).

**Figure I-D. Internal Technology by Membership Association Type (n=321)**

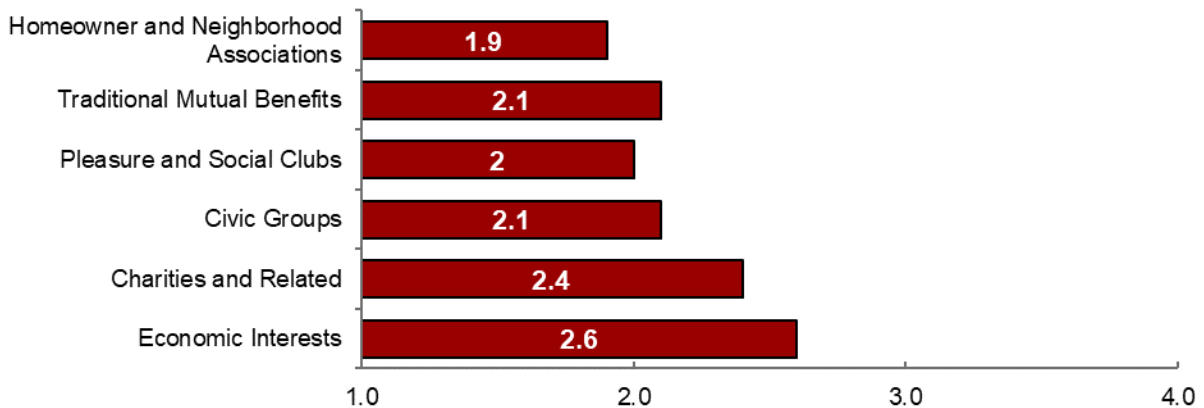
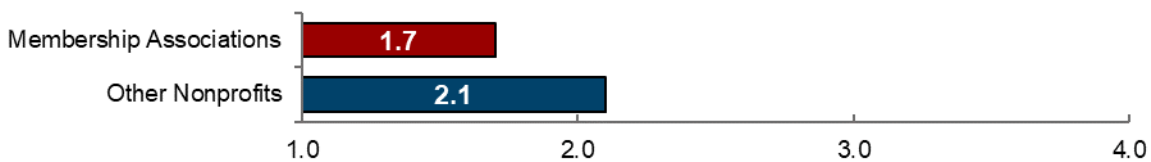


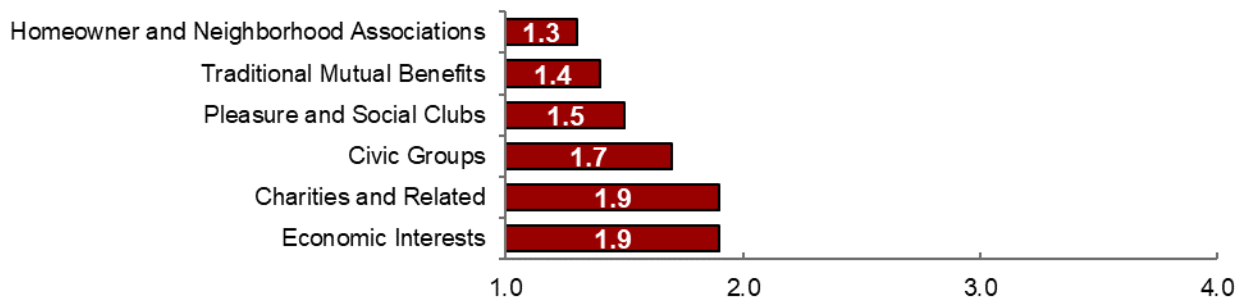
Figure I-E shows that membership associations report using external IU less often than other nonprofits (1.7 and 2.1 out of 4, respectively).

**Figure I-E. External Technology by Organization Type (n=726)**



As Figure I-F shows, economic interest groups and charities/related report using external technology the most (1.9 out of 4). Civic groups report moderate use of external technology (1.7), followed by pleasure/social clubs and traditional mutual benefits (1.5 and 1.4, respectively). Homeowners/neighborhood associations report the least use of this type of technology (1.3).

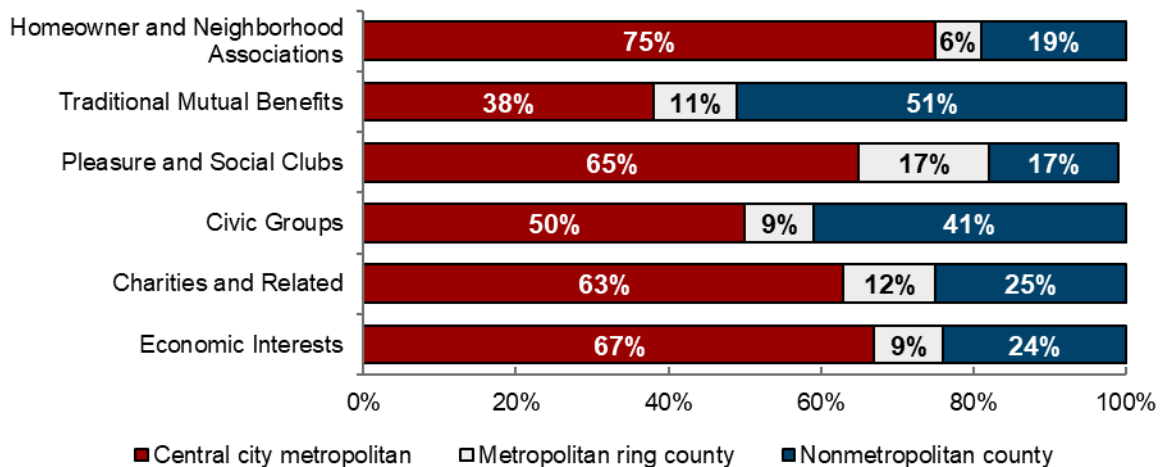
**Figure I-F. External Technology by Membership Association Type (n=327)**



**Location**

As Figure I-G shows, three-fourths of homeowners/neighborhood associations report their location as central city metropolitan (75 percent), followed by economic interests (67 percent), pleasure/social clubs (65 percent), and charities/related (63 percent). A half of civic groups and about two-fifths of traditional mutual benefit associations report being located in central cities.

**Figure I-G. Location by Membership Association Type (n=342)**



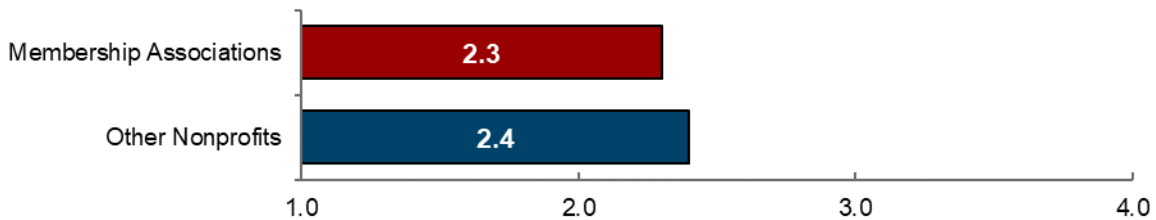
**SECTION I: IT CHALLENGE DIMENSIONS**

IT challenges differ significantly between membership associations and other nonprofits and among types of membership associations at the bivariate level, but not across the board.

**IT Challenges**

Figure I-H uses the grouping of IT application activities and converts them into a scale with scores ranging from (1) not a challenge, (2) minor challenge, (3) somewhat of a challenge, and (4) major challenge. Membership associations report fewer challenges with these activities; however, the difference is only of borderline significance.

**Figure I-H. IT Application Challenges by Membership Association Type (n=602)**



As Figure I-J shows, charities/related associations report the most challenges with IT application (2.5 out of 4), and economic interest groups and homeowner/neighborhood associations report the least challenges (2.0 and 1.9), with little variation among the other types of organizations.

**Figure I-J. IT Application Challenges by Membership Association Type (n=261)**

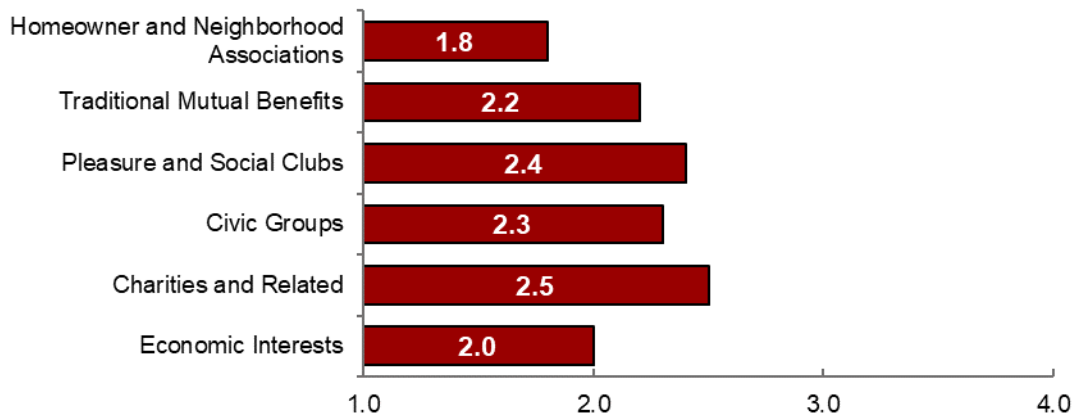
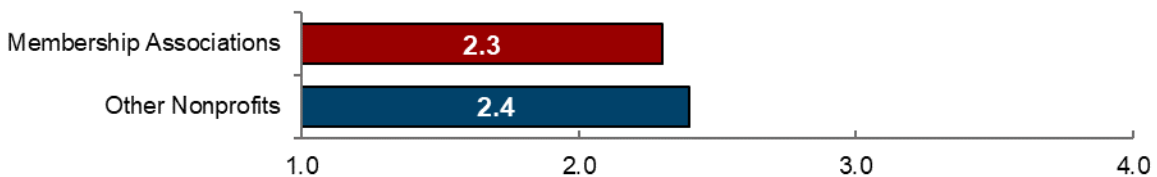


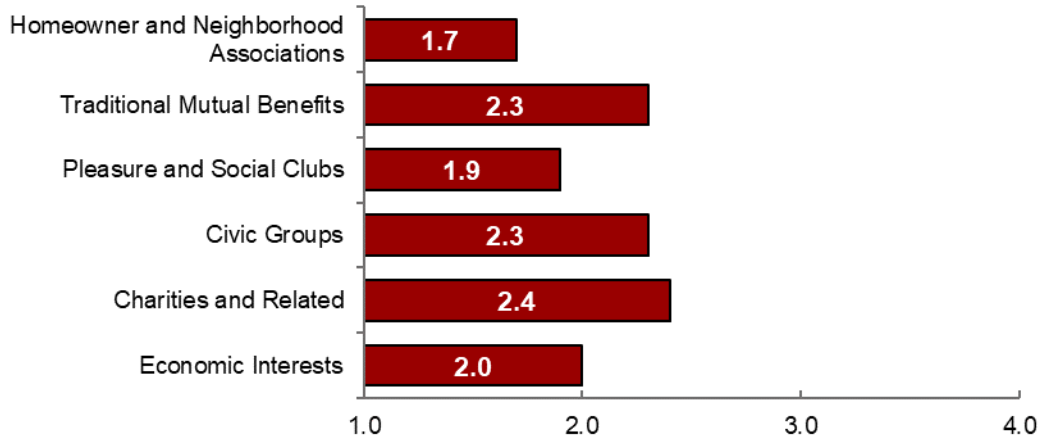
Figure I-K uses the grouping of IT capacity activities and converts them into a scale with scores ranging from (1) not a challenge, (2) minor challenge, (3) somewhat of a challenge, and (4) major challenge. Membership associations report fewer challenges with these activities; however, the difference is of borderline significance.

**Figure I-K. IT Application Challenges by Membership Association Type (n=579)**



As Figure I-L shows, charities/related report the most challenges with IT capacity (2.4 out of 4), and pleasure/social clubs and homeowner/neighborhood associations report the least challenges (1.9 and 1.7), with little variation among the other types of organizations.

**Figure I-L. IT Capacity Challenges by Membership Association Type (n=246)**



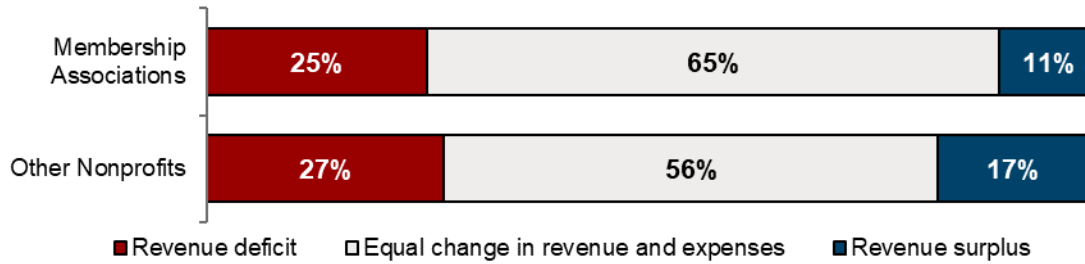
**SECTION II: FINANCE DIMENSIONS**

Two of the financial dimensions are significant only at the bivariate level when comparing membership associations to other nonprofits.

**Financial Health**

Figure II-A shows that, overall, more membership associations have a similar change in revenue and expenses, and fewer report either a deficit or a surplus, than other nonprofits.

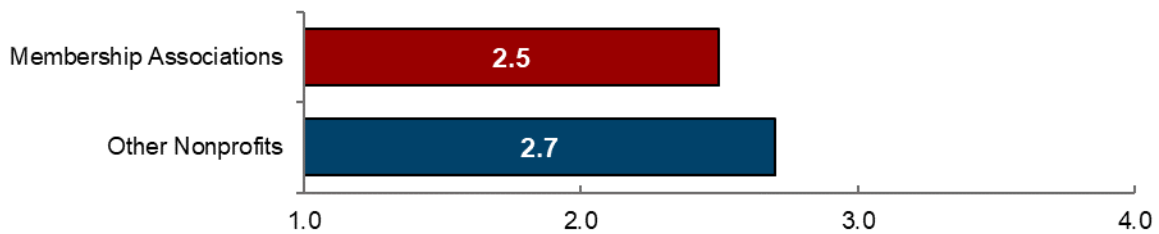
**Figure II-A. Financial Health by Organization Type (n=641)**



**Financial Challenges**

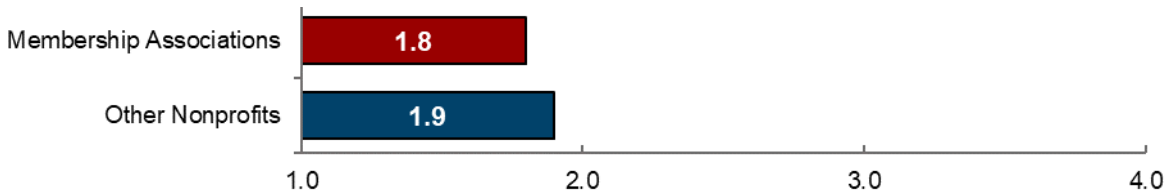
As Figure II-B shows, membership associations report fewer challenges securing various types of funding than other nonprofits (2.5 and 2.7, respectively).

**Figure II-B. Funding Challenges by Organization Type (n=591)**



As Figure II-C shows, membership associations report fewer challenges with financial management activities than other nonprofits (1.8 and 1.9, respectively).

**Figure II-C. Financial Management Challenges by Organization Type (n=649)**



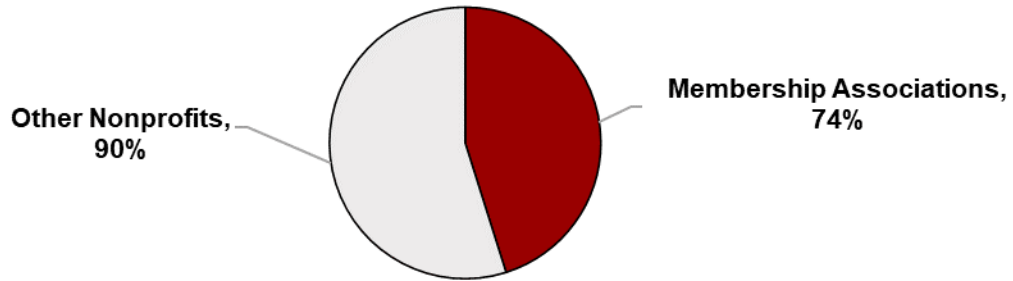
**SECTION III: HUMAN RESOURCE DIMENSIONS**

Several human resource dimensions differ significantly only between membership and other nonprofits at the bivariate level. The same holds for differences among types of membership associations.

**Executive Director**

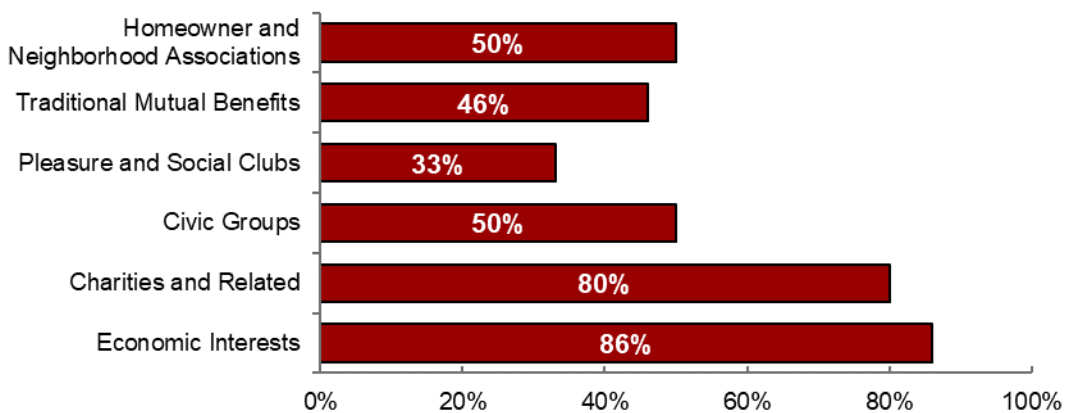
As Figure III-A shows, 74 percent of membership associations report having an executive director or similar staff with executive responsibilities, while almost all (90 percent) of other nonprofits do.

**Figure III-A. Executive Director by Organization Type (n=360)**



As Figure III-B shows, the majority of economic interest groups and charities/related report having an executive director (86 and 80 percent, respectively), compared to about half of civic groups and homeowner/neighborhood associations (50 percent each) and traditional mutual benefits (46 percent), but only 33 percent of pleasure/social clubs.

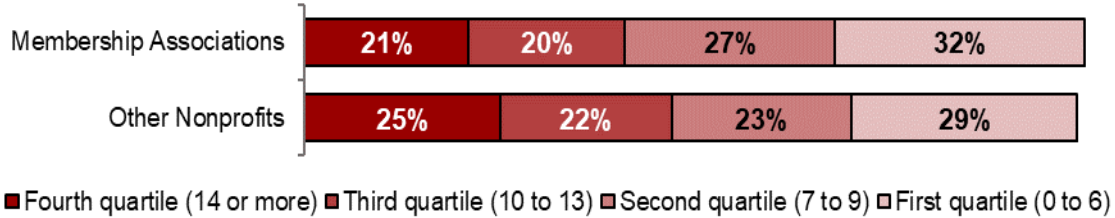
**Figure III-B. Executive Director by Membership Association Type (n=110)**



### Number of Board Members

As Figure III-C shows, membership associations have fewer board members than other nonprofits, with more than a third having no more than six board members.

**Figure III-C. Number of Board Members by Organization Type (n=649)**



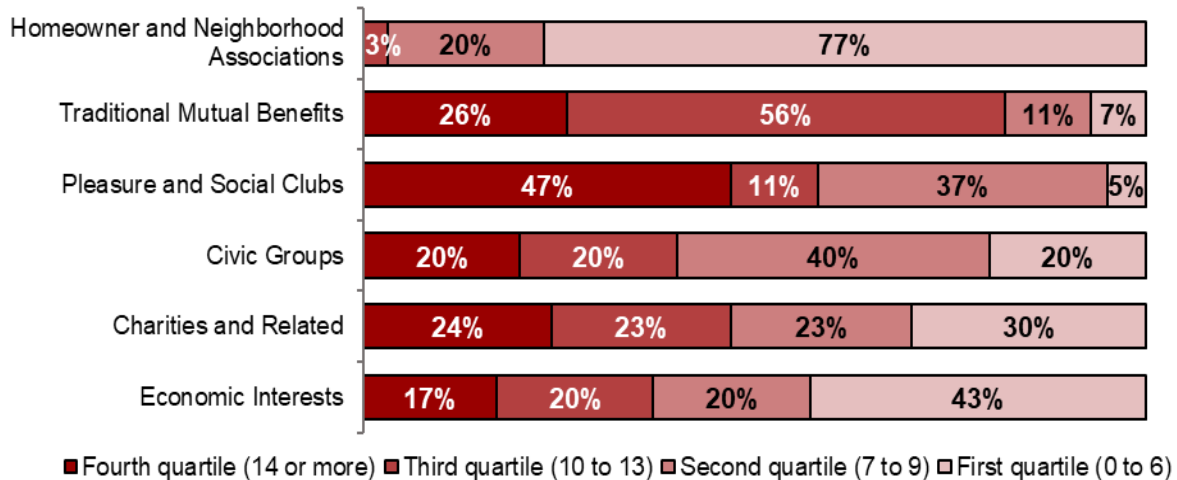
The median board size is 8 for membership associations and 10 for other nonprofits (see Table III-1). Membership associations report a range of 1 to 142, with a mean of 10, smaller than other nonprofits where the number of FTEs range from 1 to 93, with a mean of 12.

**Table III-1. Number of Board Members by Organization Type**

Organization Type	Minimum	Median	Maximum	Average
Membership Associations	1	8	142	10
Other Nonprofits	1	10	93	12

As Figure III-D shows, pleasure/social clubs report having the most board members, while homeowner/neighborhood associations report the fewest board members.

**Figure III-D. Number of Board Members by Membership Association Type (n=279)**

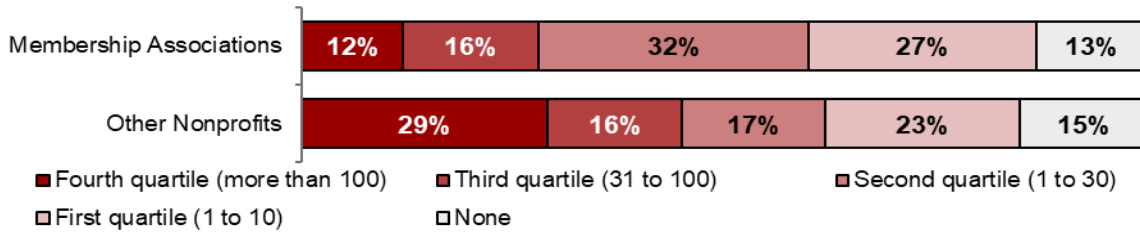


### Number of Volunteers

As Figure III-E shows, almost all membership organizations use volunteers (87 percent). However, other nonprofits are significantly more likely to use a large number of volunteers (100 or more, fourth quartile) than membership associations (29 and 12 percent, respectively).



**Figure III-E. Number of Volunteers by Organization Type (n=713)**



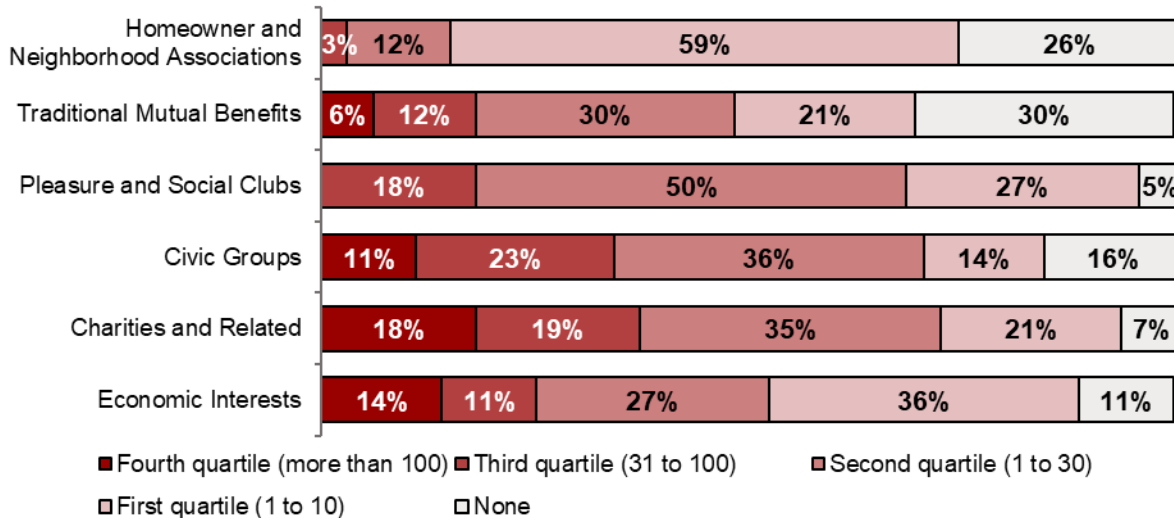
The median number of volunteers is 20 for membership associations and 40 for other nonprofits (see Table III-2). Membership associations report a range of 1 to 3,000, with a mean of 84, fewer than other nonprofits where the number of FTEs range from 1 to 43,230, with a mean of 564.

**Table III-2. Number of Volunteers by Organization Type**

Organization Type	Minimum	Median	Maximum	Average
Membership Associations	1	20	3,000	84
Other Nonprofits	1	40	43,230	564

As Figure III-F shows, more than a quarter of homeowners/neighborhood associations (26 percent) and traditional mutual benefit associations (30 percent) say they don't use any volunteers other than board members, compared to only 5 percent of pleasure and social groups and 7 percent of charities and related associations. By contrast, more than a third of civic groups (34 percent) and charities and related (37 percent) use more than 30 volunteers.

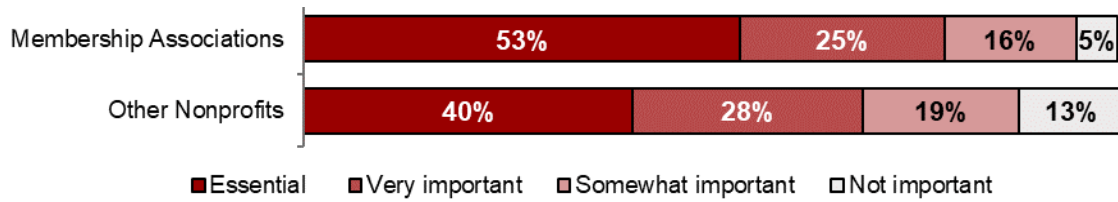
**Figure III-F. Number of Volunteers by Membership Association Type (n=319)**



**Importance of Volunteers**

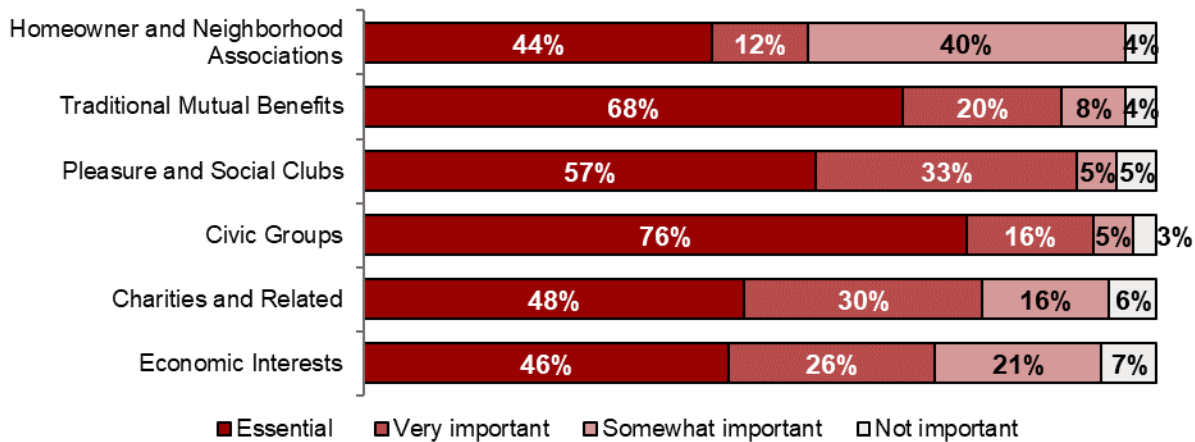
As Figure III-G shows, membership associations report volunteers as essential significantly more often than other nonprofits (53 and 40 percent, respectively). Hardly any membership associations say volunteers are not important (5 percent) compared to other nonprofits (13 percent).

**Figure III-G. Volunteer Importance by Organization Type (n=622)**



There are also significant differences among types of membership associations in how important they say volunteers are. Thus, 76 percent of civic groups say volunteers are essential as do more than two-thirds (68 percent) of traditional mutual benefit associations, and more than half (57 percent) of pleasure and social clubs, compared to less than half of the remaining three types of associations.

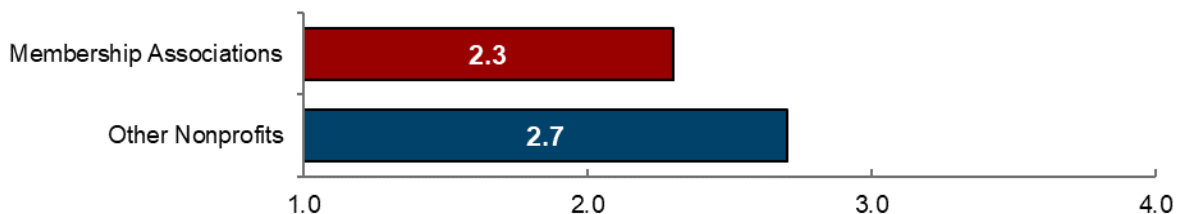
**Figure III-H. Volunteer Importance by Membership Association Type (n=283)**



### Employee Challenges

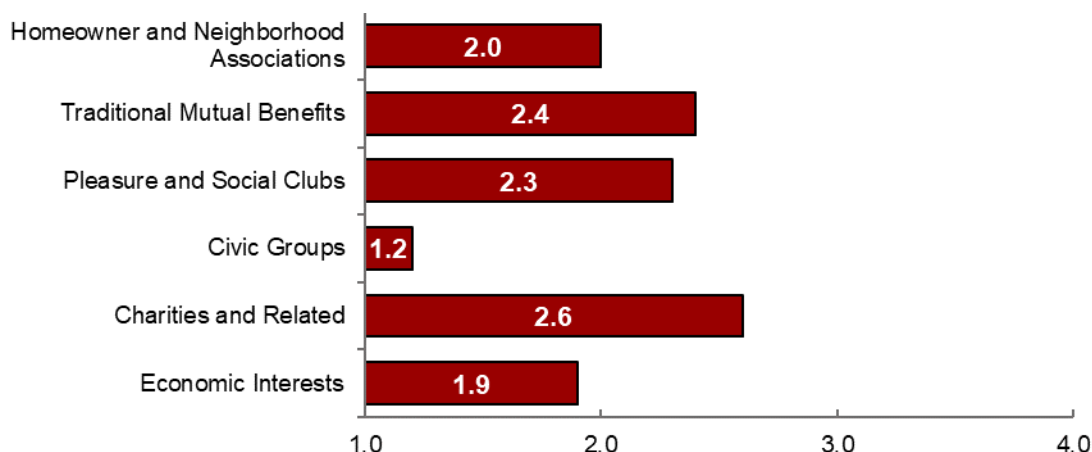
As Figure III-I shows, membership associations report fewer challenges with employee compensation activities than other nonprofits (2.3 and 2.7, respectively).

**Figure III-I. Employee Compensation Challenges by Organization Type (n=325)**



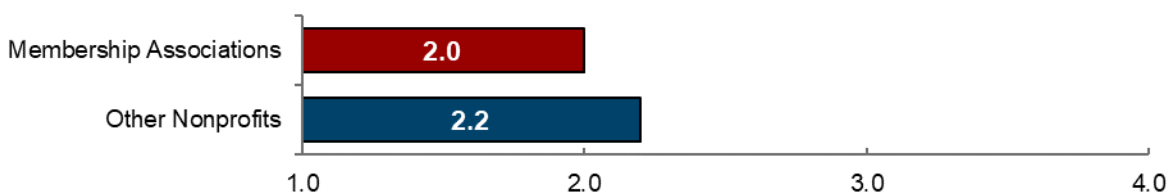
There are also significant differences between types of membership associations and the two types of employee challenges. As Figure III-J shows, civic groups have by far the lowest employee challenges among the six types of associations, only 1.2 on the 4-point scale, compared to an average of 1.9 or higher for all other types of associations. Charities and related associations report the most challenges on this dimension (2.6), followed by traditional mutual benefit associations (2.4) and pleasure and social groups (2.3).

**Figure III-J. Employee Compensation Challenges by Membership Association Type (n=92)**



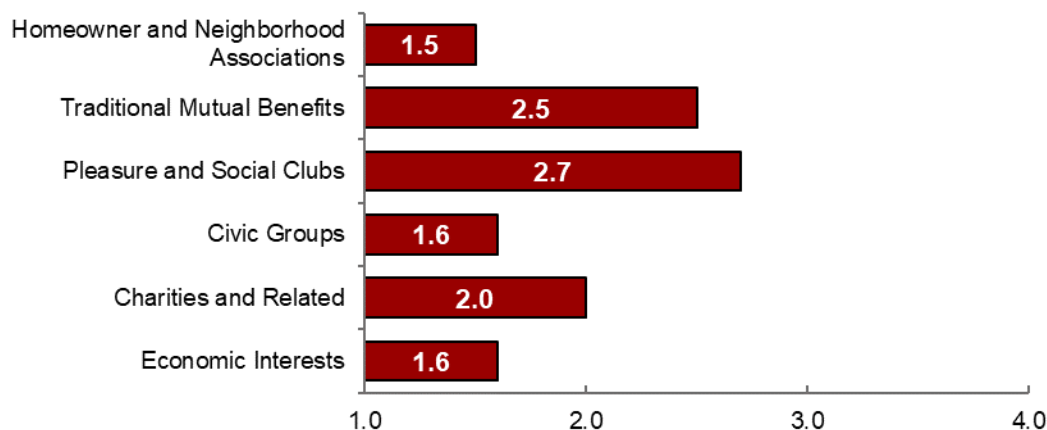
As Figure III-K shows, membership associations report fewer challenges with employee performance activities than other nonprofits, 2.0 and 2.2, respectively, on the 4-point scale.

**Figure III-K. Employee Performance Challenges by Organization Type (n=332)**



Employee performance challenges also differ significantly among the six types of membership associations. They are lowest for homeowner and neighborhood associations (1.5) and civic groups and economic interest groups (both 1.6) and highest for pleasure and social groups (2.7) and traditional mutual benefits associations (2.5).

**Figure III-L. Employee Performance Challenges by Membership Association Type (n=96)**



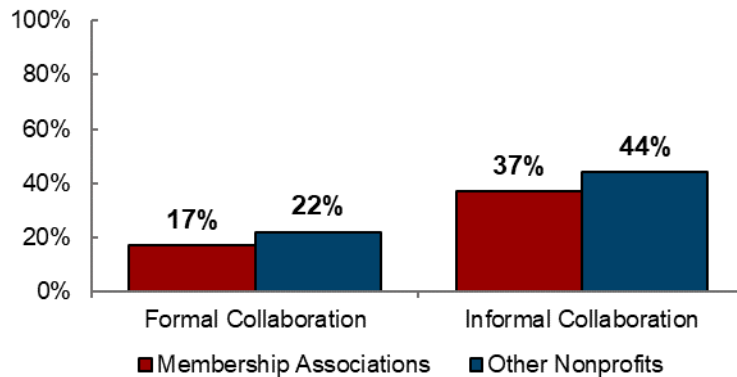
#### **SECTION IV: COLLABORATION/SERVICE DIMENSIONS**

Several of the collaboration and program service dimensions are significant at the bivariate level only.

### Informal and Formal Collaborations

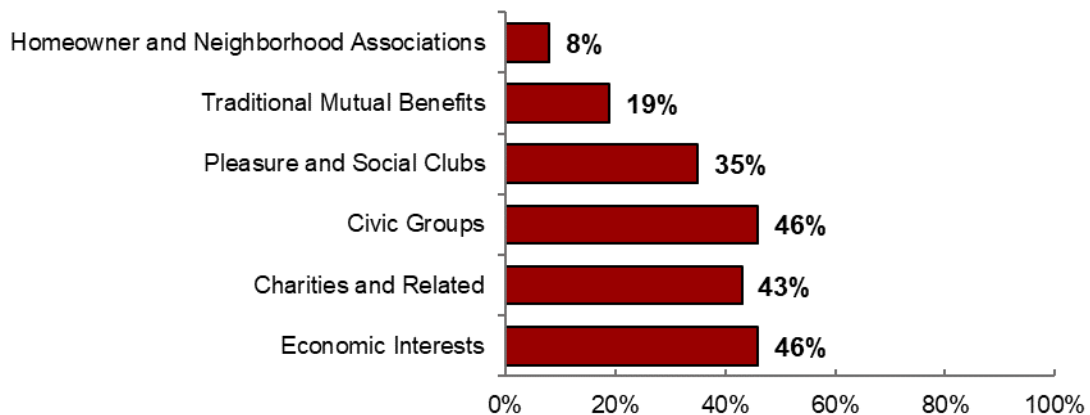
Only 17 percent of membership associations and 22 percent of other nonprofits participate in formal collaboration. More nonprofits report participating in informal collaboration: 37 percent of membership associations and 44 percent of other nonprofits.

**Figure IV-A. Collaboration by Organization Type (n=810)**



Engaging in formal collaborations do not differ significantly among the membership association types. However, participating in informal collaborations does differ significantly. Economic interest and civic groups report participating in informal collaborations most often (46 percent, each), closely followed by charities/relates (43 percent). Conversely, homeowner/neighborhood associations rarely engage in informal collaborations (9 percent).

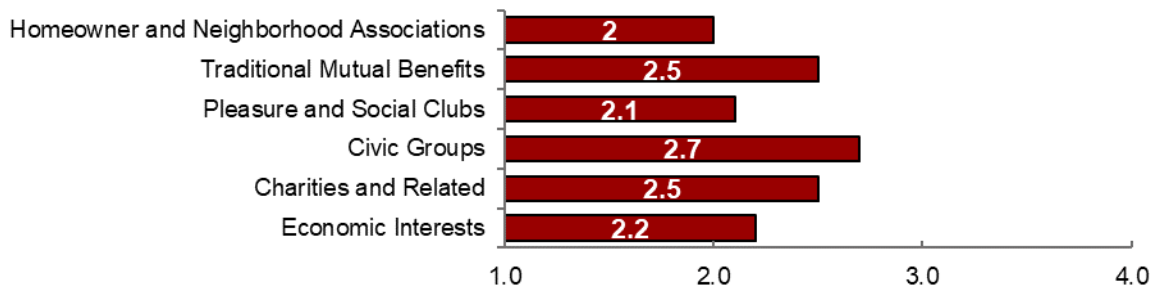
**Figure IV-B. Informal Collaboration by Membership Association Type (n=343)**



### Strategic Management Challenges

As Figure IV-C shows, civic groups, traditional mutual benefits, and charities/related associations report more challenges with strategic management activities (2.7, 2.5, and 2.5 out of 4, respectively) compared homeowner and neighborhood associations (2), pleasure and social clubs (2.1) and economic interest groups (2.2).

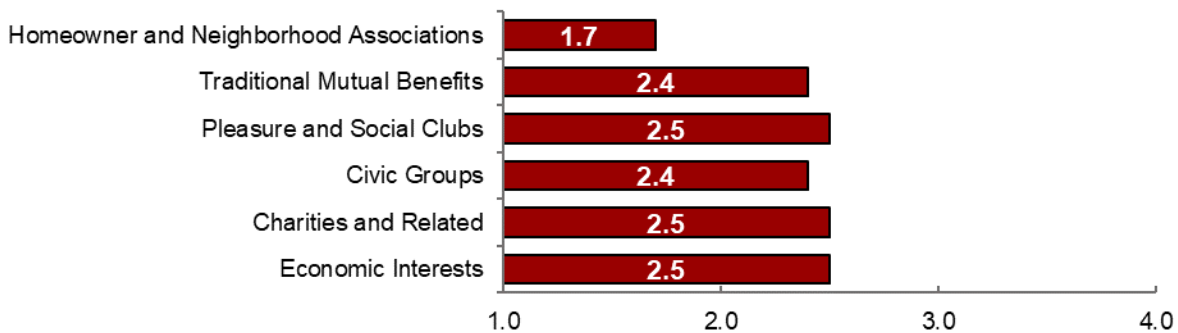
**Figure IV-C. Strategic Management Challenges by Organization Type (n=294)**



### Program Management Challenges

As Figure IV-D shows, most types of membership associations report moderate challenges with program management activities. However, civic groups report significantly lower levels of challenge with these activities (1.7 out of 4).

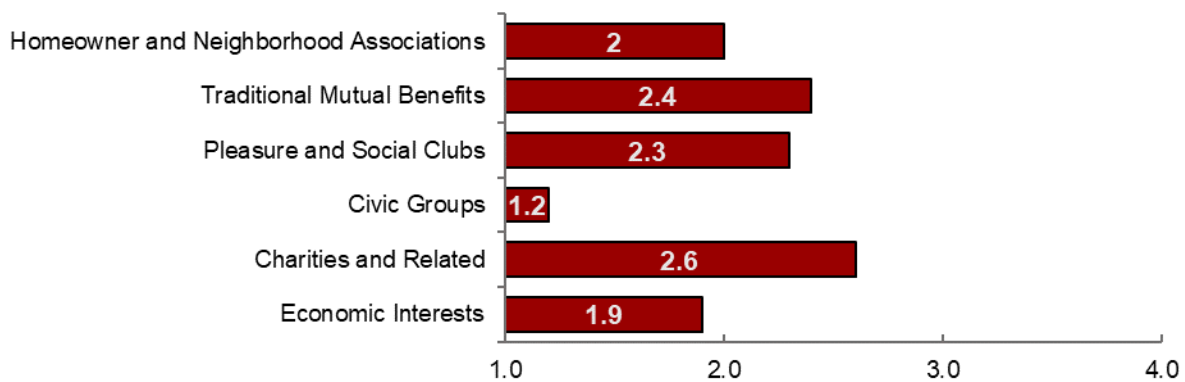
**Figure IV-D. Program Management Challenges by Organization Type (n=301)**



### Routine Management Challenges

As Figure IV-E shows, most types of membership associations report moderate challenges with routine management activities (2.3 or higher on the 4-point scale), while civic groups report significantly lower levels of challenge with these activities (1.2 out of 4).

**Figure IV-E. Routine Management Challenges by Organization Type (n=315)**

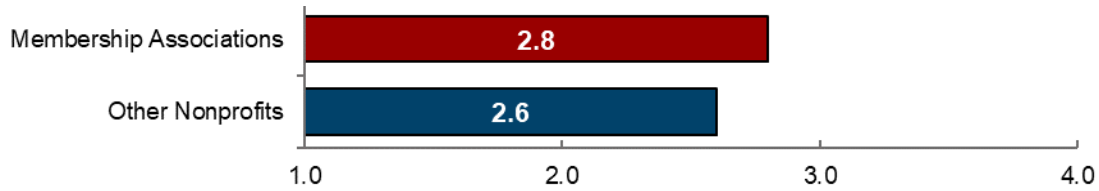


### Marketing Challenges

Figure IV-F shows how challenging our scale of marketing activities are on the 4-point challenge scale, ranging from (1) not a challenge, (2) minor challenge, (3) somewhat of a challenge, and

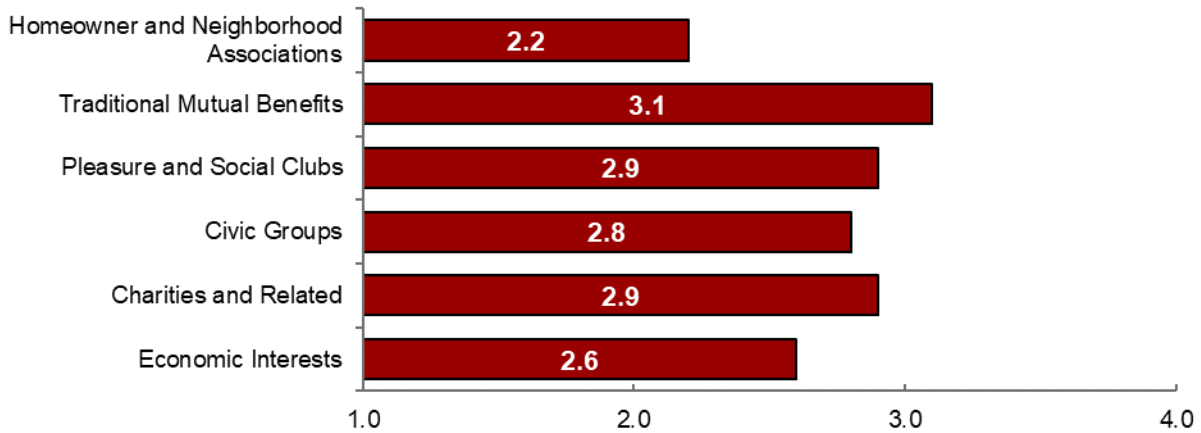
(4) major challenge. Membership associations report greater challenges with these activities than other nonprofits.

**Figure IV-F. Marketing Challenges by Organization Type (n=653)**



As Figure IV-G shows, traditional mutual benefits associations report the most challenges with marketing (3.1 out of 4), and homeowner/neighborhood associations report the least challenges (2.2 and 1.9), with little variation among the other types of organizations.

**Figure IV-G. Marketing Challenges by Membership Association Type (n=294)**





## APPENDIX D: MULTIVARIATE TABLES

The following tables show the full statistical results of our multivariate analyses that we only provided summary results for the body of the report.

### SECTION I: BASIC ORGANIZATIONAL DIMENSIONS

The following tables show the full statistical results of our multivariate analyses on our base variables.

**Table I-A. Base Variables – Membership Associations vs. Other Nonprofits**

	<b>B</b>	<b>S.E.</b>	<b>Wald</b>	<b>df</b>	<b>Sig.</b>	<b>Exp(B)</b>
<b>Age</b>	<b>0.232</b>	<b>0.031</b>	<b>55.843</b>	<b>1</b>	<b>&lt;.001</b>	<b>1.261</b>
<b>Ln of Number of FTE Staff</b>	<b>-0.377</b>	<b>0.102</b>	<b>13.692</b>	<b>1</b>	<b>&lt;.001</b>	<b>0.686</b>
Formalization	-0.011	0.035	0.101	1	0.750	0.989
Central City Metropolitan County	0.367	0.206	3.181	1	0.075	1.443
Metropolitan Ring County	0.636	0.358	3.161	1	0.075	1.890
<b>Funding Profile – Donations</b>	<b>0.693</b>	<b>0.221</b>	<b>9.881</b>	<b>1</b>	<b>0.002</b>	<b>2.000</b>
<b>Percent Revenue – Dues</b>	<b>0.030</b>	<b>0.004</b>	<b>65.906</b>	<b>1</b>	<b>&lt;.001</b>	<b>1.031</b>
<b>Funding Profile – Events</b>	<b>0.921</b>	<b>0.330</b>	<b>7.798</b>	<b>1</b>	<b>0.005</b>	<b>2.512</b>
External IT	-0.112	0.178	0.397	1	0.529	0.894
Internal IT	0.155	0.124	1.549	1	0.213	1.167
<b>Constant</b>	<b>-2.056</b>	<b>0.402</b>	<b>26.125</b>	<b>1</b>	<b>&lt;.001</b>	<b>0.128</b>

Notes: Coefficients significant at the  $p < 0.05$  level are flagged in **bold**. R-squared= .376; % correctly predicted=75.7; N=682.

**Table I-B. Base Variables – Charities/Economic vs. All Other Membership Associations**

	<b>B</b>	<b>S.E.</b>	<b>Wald</b>	<b>df</b>	<b>Sig.</b>	<b>Exp(B)</b>
<b>Age</b>	<b>-0.139</b>	<b>0.049</b>	<b>8.070</b>	<b>1</b>	<b>0.005</b>	<b>0.871</b>
Ln of Number of FTE Staff	0.459	0.249	3.402	1	0.065	1.582
Formalization	0.095	0.062	2.366	1	0.124	1.100
Central City Metropolitan County	0.565	0.345	2.684	1	0.101	1.759
Metropolitan Ring County	0.734	0.593	1.532	1	0.216	2.084
Funding Profile – Donations	1.122	0.706	2.527	1	0.112	3.071
<b>Percent Revenue – Dues</b>	<b>-0.010</b>	<b>0.005</b>	<b>4.223</b>	<b>1</b>	<b>0.040</b>	<b>0.990</b>
Funding Profile–Events	-0.694	0.459	2.283	1	0.131	0.500
External IT	0.454	0.312	2.110	1	0.146	1.574
Internal IT	0.016	0.189	0.007	1	0.933	1.016
Constant	-0.423	0.733	0.333	1	0.564	0.655

Notes: Coefficients significant at the  $p < 0.05$  level are flagged in **bold**. R-squared= .317; % correctly predicted=70.3; N=256.

## SECTION I: IT CHALLENGE DIMENSIONS

The following tables show the full statistical results of our multivariate analyses on our base variables and IT challenge variables.

**Table I-C. Base + IT Challenge Variables – Membership Associations vs. Other Nonprofits**

	B	S.E.	Wald	df	Sig.	Exp(B)
<b>Age</b>	<b>0.256</b>	<b>0.040</b>	<b>41.832</b>	<b>1</b>	<b>&lt;.001</b>	<b>1.292</b>
<b>Ln of Number of FTE Staff</b>	<b>-0.398</b>	<b>0.107</b>	<b>13.719</b>	<b>1</b>	<b>&lt;.001</b>	<b>0.672</b>
Formalization	-0.046	0.039	1.383	1	0.240	0.955
Funding Profile – Donations	0.437	0.256	2.900	1	0.089	1.547
<b>Percent Revenue –Dues</b>	<b>0.028</b>	<b>0.005</b>	<b>33.097</b>	<b>1</b>	<b>&lt;.001</b>	<b>1.028</b>
Funding Profile – Events	0.839	0.444	3.571	1	0.059	2.313
Central City Metropolitan County	0.312	0.247	1.593	1	0.207	1.366
Metropolitan Ring County	0.636	0.432	2.172	1	0.141	1.889
<b>Ln of Number of Board Vacancies</b>	<b>-0.668</b>	<b>0.188</b>	<b>12.548</b>	<b>1</b>	<b>&lt;.001</b>	<b>0.513</b>
IT Application Challenges	-0.115	0.172	0.443	1	0.506	0.892
IT Capacity Challenges	0.256	0.183	1.956	1	0.162	1.292
<b>Constant</b>	<b>-1.503</b>	<b>0.520</b>	<b>8.347</b>	<b>1</b>	<b>0.004</b>	<b>0.222</b>

Notes: Coefficients significant at the  $p < 0.05$  level are flagged in **bold**. R-squared= .396; % correctly predicted=75.0; N=492.

**Table I-D. Base + IT Challenge Variables – Charities/Economic vs. All Other Membership Associations**

	B	S.E.	Wald	df	Sig.	Exp(B)
Age	-0.119	0.065	3.371	1	0.066	0.888
Ln of Number of FTE Staff	0.461	0.267	2.988	1	0.084	1.586
<b>Formalization</b>	<b>0.146</b>	<b>0.073</b>	<b>4.017</b>	<b>1</b>	<b>0.045</b>	<b>1.157</b>
Funding Profile –Donations	1.266	0.742	2.907	1	0.088	3.546
Percent Revenue – Dues	-0.006	0.006	1.037	1	0.309	0.994
Funding Profile – Events	-0.124	0.580	0.046	1	0.830	0.883
<b>Central City Metropolitan County</b>	<b>1.127</b>	<b>0.438</b>	<b>6.639</b>	<b>1</b>	<b>0.010</b>	<b>3.087</b>
Metropolitan Ring County	1.002	0.837	1.434	1	0.231	2.723
Ln of Number of Board Vacancies	0.070	0.398	0.031	1	0.861	1.072
IT Application Challenges	0.109	0.288	0.144	1	0.704	1.115
IT Capacity Challenges	0.442	0.320	1.909	1	0.167	1.556
<b>Constant</b>	<b>-2.022</b>	<b>0.927</b>	<b>4.758</b>	<b>1</b>	<b>0.029</b>	<b>0.132</b>

Notes: Coefficients significant at the  $p < 0.05$  level are flagged in **bold**. R-squared= .321; % correctly predicted=73.1; N=167.

## SECTION II: FINANCE DIMENSIONS

The following tables show the full statistical results of our multivariate analyses on our base variables and finance variables.

**Table II-A. Base + Financial Variables – Membership Associations vs. Other Nonprofits**

	<b>B</b>	<b>S.E.</b>	<b>Wald</b>	<b>df</b>	<b>Sig.</b>	<b>Exp(B)</b>
<b>Age</b>	<b>0.240</b>	<b>0.032</b>	<b>55.975</b>	<b>1</b>	<b>&lt;.001</b>	<b>1.272</b>
<b>Ln of Number of FTE Staff</b>	<b>-0.381</b>	<b>0.105</b>	<b>13.204</b>	<b>1</b>	<b>&lt;.001</b>	<b>0.683</b>
Formalization	-0.008	0.037	0.048	1	0.826	0.992
External IT	-0.178	0.186	0.920	1	0.337	0.837
Internal IT	0.145	0.128	1.283	1	0.257	1.156
<b>Funding Profile – Donations</b>	<b>0.710</b>	<b>0.227</b>	<b>9.750</b>	<b>1</b>	<b>0.002</b>	<b>2.034</b>
<b>Percent Revenue – Dues</b>	<b>0.029</b>	<b>0.004</b>	<b>56.621</b>	<b>1</b>	<b>&lt;.001</b>	<b>1.030</b>
<b>Funding Profile – Events</b>	<b>0.753</b>	<b>0.336</b>	<b>5.009</b>	<b>1</b>	<b>0.025</b>	<b>2.122</b>
Central City Metropolitan County	0.411	0.215	3.671	1	0.055	1.508
Metropolitan Ring County	0.478	0.369	1.684	1	0.194	1.614
Financial Health	0.076	0.214	0.126	1	0.723	1.079
<b>Constant</b>	<b>-1.930</b>	<b>0.425</b>	<b>20.609</b>	<b>1</b>	<b>&lt;.001</b>	<b>0.145</b>

Notes: Coefficients significant at the  $p < 0.05$  level are flagged in **bold**. R-squared= .372; % correctly predicted=75.4; N=638.

**Table II-B. Base + Financial Variables – Charities/Economic vs. All Other Membership Associations**

	<b>B</b>	<b>S.E.</b>	<b>Wald</b>	<b>df</b>	<b>Sig.</b>	<b>Exp(B)</b>
<b>Age</b>	<b>-0.167</b>	<b>0.052</b>	<b>10.547</b>	<b>1</b>	<b>0.001</b>	<b>0.846</b>
<b>Ln of Number of FTE Staff</b>	<b>0.502</b>	<b>0.257</b>	<b>3.814</b>	<b>1</b>	<b>0.051</b>	<b>1.652</b>
Formalization	0.065	0.067	0.943	1	0.332	1.067
External IT	0.542	0.352	2.373	1	0.123	1.720
Internal IT	0.040	0.200	0.039	1	0.843	1.040
Funding Profile – Donations	1.541	0.822	3.519	1	0.061	4.670
Percent Revenue – Dues	-0.009	0.005	3.024	1	0.082	0.991
Funding Profile – Events	-0.513	0.469	1.197	1	0.274	0.599
Central City Metropolitan County	0.374	0.363	1.058	1	0.304	1.453
Metropolitan Ring County	0.705	0.631	1.250	1	0.264	2.025
Financial Health	0.054	0.372	0.021	1	0.885	1.056
Constant	-0.221	0.786	0.079	1	0.778	0.802

Notes: Coefficients significant at the  $p < 0.05$  level are flagged in **bold**. R-squared= .328; % correctly predicted=70.5; N=241.

**Table II-C. Base + Financial Challenge Variables – Membership Associations vs. Other Nonprofits**

	<b>B</b>	<b>S.E.</b>	<b>Wald</b>	<b>df</b>	<b>Sig.</b>	<b>Exp(B)</b>
<b>Age</b>	<b>0.242</b>	<b>0.038</b>	<b>40.429</b>	<b>1</b>	<b>&lt;.001</b>	<b>1.274</b>
<b>Ln of Number of FTE Staff</b>	<b>-0.391</b>	<b>0.117</b>	<b>11.240</b>	<b>1</b>	<b>&lt;.001</b>	<b>0.677</b>
Formalization	-0.041	0.043	0.929	1	0.335	0.960
External IT	-0.020	0.212	0.009	1	0.926	0.981
Internal IT	0.044	0.146	0.092	1	0.761	1.045
<b>Funding Profile – Donations</b>	<b>0.666</b>	<b>0.255</b>	<b>6.820</b>	<b>1</b>	<b>0.009</b>	<b>1.946</b>
<b>Percent Revenue – Dues</b>	<b>0.034</b>	<b>0.005</b>	<b>40.591</b>	<b>1</b>	<b>&lt;.001</b>	<b>1.034</b>
<b>Funding Profile – Events</b>	<b>0.862</b>	<b>0.412</b>	<b>4.388</b>	<b>1</b>	<b>0.036</b>	<b>2.369</b>
Central City Metropolitan County	0.296	0.242	1.499	1	0.221	1.344
Metropolitan Ring County	0.419	0.422	0.984	1	0.321	1.520
<b>Ln of Number of Board Vacancies</b>	<b>-0.627</b>	<b>0.182</b>	<b>11.886</b>	<b>1</b>	<b>&lt;.001</b>	<b>0.534</b>
Funding Challenges	0.005	0.155	0.001	1	0.976	1.005
Financial Management Challenges	0.130	0.175	0.553	1	0.457	1.139
<b>Constant</b>	<b>-1.704</b>	<b>0.627</b>	<b>7.394</b>	<b>1</b>	<b>0.007</b>	<b>0.182</b>

Notes: Coefficients significant at the  $p < 0.05$  level are flagged in **bold**. R-squared= .402; % correctly predicted=76.1; N=510.

**Table II-D. Base + Financial Challenge Variables – Charities/Economic vs. All Other Membership Associations**

	<b>B</b>	<b>S.E.</b>	<b>Wald</b>	<b>df</b>	<b>Sig.</b>	<b>Exp(B)</b>
<b>Age</b>	<b>-0.205</b>	<b>0.071</b>	<b>8.256</b>	<b>1</b>	<b>0.004</b>	<b>0.815</b>
<b>Ln of Number of FTE Staff</b>	<b>0.800</b>	<b>0.372</b>	<b>4.624</b>	<b>1</b>	<b>0.032</b>	<b>2.227</b>
<b>Formalization</b>	<b>0.165</b>	<b>0.086</b>	<b>3.708</b>	<b>1</b>	<b>0.054</b>	<b>1.180</b>
External IT	0.438	0.448	0.956	1	0.328	1.550
Internal IT	0.025	0.237	0.011	1	0.917	1.025
Funding Profile – Donations	1.407	0.796	3.123	1	0.077	4.082
Percent Revenue – Dues	-0.001	0.007	0.019	1	0.891	0.999
Funding Profile – Events	-0.207	0.586	0.124	1	0.725	0.813
Central City Metropolitan County	0.737	0.428	2.975	1	0.085	2.091
Metropolitan Ring County	0.703	0.846	0.690	1	0.406	2.019
Ln of Number of Board Vacancies	0.571	0.379	2.273	1	0.132	1.770
Funding Challenges	-0.047	0.240	0.038	1	0.845	0.954
Financial Management Challenges	-0.157	0.306	0.264	1	0.607	0.854
Constant	-0.928	1.227	0.572	1	0.450	0.395

Notes: Coefficients significant at the  $p < 0.05$  level are flagged in **bold**. R-squared= .376; % correctly predicted=75.7; N=682.

### SECTION III: HUMAN RESOURCE DIMENSIONS

The following tables show the full statistical results of our multivariate analyses on our base variables and human resource variables.

**Table III-A. Base Variables – Self-perpetuation vs. Pure Associational**

	B	S.E.	Wald	df	Sig.	Exp(B)
<b>Age</b>	<b>-0.155</b>	<b>0.041</b>	<b>14.211</b>	<b>1</b>	<b>&lt;.001</b>	<b>0.856</b>
Ln of Number of FTE Staff	0.259	0.138	3.538	1	0.060	1.296
Formalization	-0.001	0.046	0.001	1	0.980	0.999
<b>External IT</b>	<b>0.703</b>	<b>0.234</b>	<b>9.069</b>	<b>1</b>	<b>0.003</b>	<b>2.021</b>
Internal IT	-0.086	0.158	0.297	1	0.586	0.918
Funding Profile – Donations	0.303	0.304	0.993	1	0.319	1.354
Percent Revenue – Dues	-0.004	0.004	0.806	1	0.369	0.996
Funding Profile – Events	0.320	0.440	0.528	1	0.467	1.377
Central City Metropolitan County	0.038	0.273	0.019	1	0.890	1.038
Metropolitan Ring County	-0.513	0.443	1.342	1	0.247	0.599
<b>Membership Association</b>	<b>-2.250</b>	<b>0.262</b>	<b>73.565</b>	<b>1</b>	<b>&lt;.001</b>	<b>0.105</b>
<b>Constant</b>	<b>1.017</b>	<b>0.515</b>	<b>3.897</b>	<b>1</b>	<b>0.048</b>	<b>2.766</b>

Notes: Coefficients significant at the  $p < 0.05$  level are flagged in **bold**. R-squared= .503; % correctly predicted=79.0; N=524.

**Table III-B. Base + Human Resource Variables – Membership Associations vs. Other Nonprofits**

	B	S.E.	Wald	df	Sig.	Exp(B)
<b>Age</b>	<b>0.269</b>	<b>0.053</b>	<b>25.707</b>	<b>1</b>	<b>&lt;.001</b>	<b>1.308</b>
<b>Ln of Number of FTE Staff</b>	<b>-0.338</b>	<b>0.153</b>	<b>4.920</b>	<b>1</b>	<b>0.027</b>	<b>0.713</b>
Formalization	-0.062	0.058	1.138	1	0.286	0.940
External IT	0.167	0.279	0.358	1	0.550	1.182
Internal IT	0.136	0.213	0.407	1	0.524	1.145
Funding Profile – Donations	0.760	0.337	5.096	1	0.024	2.138
<b>Percent Revenue – Dues</b>	<b>0.038</b>	<b>0.009</b>	<b>19.604</b>	<b>1</b>	<b>&lt;.001</b>	<b>1.039</b>
Funding Profile – Events	0.573	0.795	0.519	1	0.471	1.774
Central City Metropolitan County	0.265	0.335	0.628	1	0.428	1.304
Metropolitan Ring County	1.091	0.553	3.891	1	0.049	2.977
<b>Ln of Number of Board Vacancies</b>	<b>-0.780</b>	<b>0.236</b>	<b>10.905</b>	<b>1</b>	<b>&lt;.001</b>	<b>0.458</b>
Ln of Number of Board Members	-0.540	0.313	2.981	1	0.084	0.583
Ln of Number of Volunteers	-0.108	0.115	0.876	1	0.349	0.898
Importance of Volunteers	-0.210	0.163	1.669	1	0.196	0.810

	<b>B</b>	<b>S.E.</b>	<b>Wald</b>	<b>df</b>	<b>Sig.</b>	<b>Exp(B)</b>
Executive Director	0.209	0.434	0.232	1	0.630	1.232
Constant	0.086	0.935	0.009	1	0.926	1.090

Notes: Coefficients significant at the p<0.05 level are flagged in **bold**. R-squared= .452; % correctly predicted=78.0; N=314.

**Table III-C. Base + Human Resource Variables – Charities/Economic vs. All Other Membership Associations**

	<b>B</b>	<b>S.E.</b>	<b>Wald</b>	<b>df</b>	<b>Sig.</b>	<b>Exp(B)</b>
Age	-0.094	0.184	0.259	1	0.611	0.910
Ln of Number of FTE Staff	-0.167	0.463	0.130	1	0.719	0.846
Formalization	-0.280	0.206	1.850	1	0.174	0.755
External IT	0.358	0.942	0.145	1	0.704	1.431
Internal IT	0.482	0.646	0.558	1	0.455	1.620
Funding Profile – Donations	0.668	1.308	0.261	1	0.609	1.951
Percent Revenue – Dues	0.008	0.016	0.277	1	0.599	1.008
Central City Metropolitan County	1.888	1.108	2.901	1	0.089	6.606
Metropolitan Ring County	0.959	1.686	0.324	1	0.569	2.610
Ln of Number of Board Vacancies	-0.024	0.710	0.001	1	0.973	0.976
Ln of Number of Board Members	0.792	1.407	0.317	1	0.574	2.208
Ln of Number of Volunteers	0.498	0.417	1.425	1	0.233	1.645
Importance of Volunteers	0.518	0.504	1.057	1	0.304	1.679
Executive Director	-1.439	1.159	1.541	1	0.214	0.237
Constant	-2.503	3.638	0.473	1	0.491	0.082

Notes: Coefficients significant at the p<0.05 level are flagged in **bold**. R-squared= .411; % correctly predicted=89.3; N=75.

**Table III-D. Base + Human Resource Challenge Variables – Membership Associations vs. Other Nonprofits**

	<b>B</b>	<b>S.E.</b>	<b>Wald</b>	<b>df</b>	<b>Sig.</b>	<b>Exp(B)</b>
<b>Age</b>	<b>0.250</b>	<b>0.051</b>	<b>24.330</b>	<b>1</b>	<b>&lt;.001</b>	<b>1.284</b>
<b>Ln of Number of FTE Staff</b>	<b>-0.412</b>	<b>0.160</b>	<b>6.645</b>	<b>1</b>	<b>0.010</b>	<b>0.662</b>
Formalization	-0.092	0.059	2.399	1	0.121	0.912
External IT	0.088	0.278	0.101	1	0.751	1.092
Internal IT	-0.033	0.226	0.022	1	0.882	0.967
Funding Profile – Donations	0.631	0.337	3.501	1	0.061	1.879
<b>Percent Revenue – Dues</b>	<b>0.029</b>	<b>0.008</b>	<b>13.282</b>	<b>1</b>	<b>&lt;.001</b>	<b>1.030</b>

	<b>B</b>	<b>S.E.</b>	<b>Wald</b>	<b>df</b>	<b>Sig.</b>	<b>Exp(B)</b>
Funding Profile – Events	0.746	0.802	0.865	1	0.352	2.109
Central City Metropolitan County	0.241	0.341	0.499	1	0.480	1.272
<b>Metropolitan Ring County</b>	<b>1.299</b>	<b>0.582</b>	<b>4.984</b>	<b>1</b>	<b>0.026</b>	<b>3.665</b>
<b>Ln of Number of Board Vacancies</b>	<b>-0.660</b>	<b>0.262</b>	<b>6.333</b>	<b>1</b>	<b>0.012</b>	<b>0.517</b>
Board Management Challenges	-0.288	0.245	1.379	1	0.240	0.750
Employee Performance Challenges	0.086	0.260	0.108	1	0.742	1.089
Employee Compensation Challenges	-0.018	0.170	0.012	1	0.914	0.982
Volunteer Challenges	0.317	0.218	2.118	1	0.146	1.373
Constant	-1.138	0.943	1.456	1	0.228	0.321

Notes: Coefficients significant at the  $p < 0.05$  level are flagged in **bold**. R-squared= .408; % correctly predicted=76.1; N=285.

**Table III-E. Base + Human Resource Challenge Variables – Charities/Economic vs. All Other Membership Associations**

	<b>B</b>	<b>S.E.</b>	<b>Wald</b>	<b>df</b>	<b>Sig.</b>	<b>Exp(B)</b>
Age	-0.252	0.200	1.599	1	0.206	0.777
Ln of Number of FTE Staff	1.725	0.919	3.523	1	0.061	5.615
Formalization	-0.243	0.221	1.211	1	0.271	0.785
External IT	0.393	0.948	0.172	1	0.678	1.481
Internal IT	0.416	0.736	0.320	1	0.572	1.516
Funding Profile – Donations	1.364	1.577	0.748	1	0.387	3.914
Percent Revenue – Dues	0.012	0.015	0.620	1	0.431	1.012
Central City Metropolitan County	0.926	1.099	0.710	1	0.399	2.525
Metropolitan Ring County	-0.272	1.811	0.023	1	0.881	0.762
Ln of Number of Board Vacancies	-1.290	0.959	1.810	1	0.178	0.275
Board Management Challenges	1.670	1.068	2.444	1	0.118	5.314
<b>Employee Performance Challenges</b>	<b>-2.510</b>	<b>1.254</b>	<b>4.003</b>	<b>1</b>	<b>0.045</b>	<b>0.081</b>
Employee Compensation Challenges	1.381	0.858	2.588	1	0.108	3.977
Volunteer Challenges	0.634	0.915	0.480	1	0.488	1.885
Constant	-2.857	2.995	0.910	1	0.340	0.057

Notes: Coefficients significant at the  $p < 0.05$  level are flagged in **bold**. R-squared= .415; % correctly predicted=87.1; N=62.

#### **SECTION IV: COLLABORATIONS/SERVICE DIMENSIONS**

The following tables show the full statistical results of our multivariate analyses on our base variables and collaboration/service variables.



**Table IV-A. Base + Collaboration/Service Variables – Membership Associations vs. Other Nonprofits**

	<b>B</b>	<b>S.E.</b>	<b>Wald</b>	<b>df</b>	<b>Sig.</b>	<b>Exp(B)</b>
<b>Age</b>	<b>0.226</b>	<b>0.032</b>	<b>48.825</b>	<b>1</b>	<b>&lt;.001</b>	<b>1.254</b>
<b>Ln of Number of FTE Staff</b>	<b>-0.386</b>	<b>0.104</b>	<b>13.848</b>	<b>1</b>	<b>&lt;.001</b>	<b>0.680</b>
Formalization	0.000	0.036	0.000	1	0.999	1.000
External IT	-0.050	0.185	0.073	1	0.787	0.951
Internal IT	0.133	0.127	1.086	1	0.297	1.142
<b>Funding Profile – Donations</b>	<b>0.734</b>	<b>0.226</b>	<b>10.530</b>	<b>1</b>	<b>0.001</b>	<b>2.083</b>
<b>Percent Revenue – Dues</b>	<b>0.031</b>	<b>0.004</b>	<b>65.487</b>	<b>1</b>	<b>&lt;.001</b>	<b>1.032</b>
<b>Funding Profile – Events</b>	<b>0.988</b>	<b>0.338</b>	<b>8.549</b>	<b>1</b>	<b>0.003</b>	<b>2.687</b>
Central City Metropolitan County	0.288	0.212	1.844	1	0.174	1.333
Metropolitan Ring County	0.547	0.361	2.288	1	0.130	1.728
Informal Networks	-0.013	0.195	0.005	1	0.945	0.987
Formal Collaborations	0.186	0.234	0.633	1	0.426	1.204
<b>Demand for Services</b>	<b>-0.473</b>	<b>0.129</b>	<b>13.419</b>	<b>1</b>	<b>&lt;.001</b>	<b>0.623</b>
Constant	-0.565	0.566	0.999	1	0.317	0.568

Notes: Coefficients significant at the p<0.05 level are flagged in **bold**. R-squared= .403; % correctly predicted=76.0; N=676.

**Table IV-B. Base + Collaboration/Service Variables – Charities/Economic vs. All Other Membership Associations**

	<b>B</b>	<b>S.E.</b>	<b>Wald</b>	<b>df</b>	<b>Sig.</b>	<b>Exp(B)</b>
<b>Age</b>	<b>-0.139</b>	<b>0.049</b>	<b>7.904</b>	<b>1</b>	<b>0.005</b>	<b>0.870</b>
Ln of Number of FTE Staff	0.455	0.251	3.294	1	0.070	1.577
Formalization	0.101	0.064	2.527	1	0.112	1.106
External IT	0.342	0.320	1.140	1	0.286	1.407
Internal IT	0.036	0.192	0.035	1	0.851	1.037
Funding Profile – Donations	1.059	0.712	2.210	1	0.137	2.883
Percent Revenue – Dues	-0.009	0.005	3.566	1	0.059	0.991
Funding Profile – Events	-0.678	0.465	2.131	1	0.144	0.507
Central City Metropolitan County	0.553	0.349	2.517	1	0.113	1.739
Metropolitan Ring County	0.820	0.594	1.908	1	0.167	2.270
Informal Networks	0.525	0.319	2.703	1	0.100	1.690
Formal Collaborations	-0.037	0.415	0.008	1	0.928	0.963
Demand for Services	-0.152	0.182	0.697	1	0.404	0.859
Constant	-0.051	0.911	0.003	1	0.955	0.950

Notes: Coefficients significant at the p<0.05 level are flagged in **bold**. R-squared= .330; % correctly predicted=72.2; N=255.

**Table IV-C. Base + Management Challenge Variables – Membership Associations vs. Other Nonprofits**

	<b>B</b>	<b>S.E.</b>	<b>Wald</b>	<b>df</b>	<b>Sig.</b>	<b>Exp(B)</b>
<b>Age</b>	<b>0.250</b>	<b>0.041</b>	<b>37.276</b>	<b>1</b>	<b>&lt;.001</b>	<b>1.284</b>
<b>Ln of Number of FTE Staff</b>	<b>-0.391</b>	<b>0.120</b>	<b>10.635</b>	<b>1</b>	<b>0.001</b>	<b>0.676</b>
Formalization	-0.049	0.045	1.186	1	0.276	0.952
External IT	-0.167	0.219	0.580	1	0.446	0.846
Internal IT	0.169	0.158	1.148	1	0.284	1.184
<b>Funding Profile – Donations</b>	<b>0.666</b>	<b>0.270</b>	<b>6.069</b>	<b>1</b>	<b>0.014</b>	<b>1.947</b>
<b>Percent Revenue – Dues</b>	<b>0.036</b>	<b>0.006</b>	<b>41.409</b>	<b>1</b>	<b>&lt;.001</b>	<b>1.037</b>
Funding Profile – Events	0.557	0.460	1.467	1	0.226	1.746
Central City Metropolitan County	0.118	0.255	0.212	1	0.645	1.125
Metropolitan Ring County	0.768	0.456	2.829	1	0.093	2.155
<b>Ln of Number of Board Vacancies</b>	<b>-0.789</b>	<b>0.193</b>	<b>16.726</b>	<b>1</b>	<b>&lt;.001</b>	<b>0.454</b>
Routine Management Challenges	-0.174	0.174	1.006	1	0.316	0.840
Strategic Management Challenges	0.182	0.143	1.631	1	0.202	1.200
Program Management Challenges	0.030	0.168	0.032	1	0.858	1.031
Marketing Challenges	0.289	0.158	3.338	1	0.068	1.336
<b>Constant</b>	<b>-2.179</b>	<b>0.725</b>	<b>9.037</b>	<b>1</b>	<b>0.003</b>	<b>0.113</b>

Notes: Coefficients significant at the p<0.05 level are flagged in **bold**. R-squared=.457; % correctly predicted=77.0; N=488.

**Table IV-D. Base + Management Challenge Variables – Charities/Economic vs. All Other Membership Associations**

	<b>B</b>	<b>S.E.</b>	<b>Wald</b>	<b>df</b>	<b>Sig.</b>	<b>Exp(B)</b>
<b>Age</b>	<b>-0.133</b>	<b>0.065</b>	<b>4.188</b>	<b>1</b>	<b>0.041</b>	<b>0.876</b>
Ln of Number of FTE Staff	0.279	0.284	0.960	1	0.327	1.321
Formalization	0.098	0.081	1.445	1	0.229	1.103
External IT	0.775	0.423	3.361	1	0.067	2.171
Internal IT	0.104	0.241	0.186	1	0.666	1.110
Funding Profile – Donations	1.108	0.769	2.075	1	0.150	3.028
Percent Revenue – Dues	-0.002	0.007	0.064	1	0.800	0.998
Funding Profile – Events	-0.367	0.605	0.368	1	0.544	0.693
Central City Metropolitan County	0.411	0.427	0.928	1	0.335	1.508
Metropolitan Ring County	-0.185	0.772	0.058	1	0.810	0.831
Ln of Number of Board Vacancies	0.527	0.363	2.105	1	0.147	1.694

	<b>B</b>	<b>S.E.</b>	<b>Wald</b>	<b>df</b>	<b>Sig.</b>	<b>Exp(B)</b>
Routine Management Challenges	-0.230	0.297	0.600	1	0.439	0.794
Strategic Management Challenges	-0.362	0.262	1.912	1	0.167	0.696
Program Management Challenges	0.423	0.278	2.317	1	0.128	1.526
Marketing Challenges	0.335	0.259	1.678	1	0.195	1.398
Constant	-2.251	1.258	3.204	1	0.073	0.105

Notes: Coefficients significant at the  $p < 0.05$  level are flagged in **bold**. R-squared= .356; % correctly predicted=75.9; N=174.

## SECTION V: POLITICAL ACTIVITY AND ADVOCACY DIMENSIONS

The following tables show the full statistical results of our multivariate analyses on our base variables and advocacy variables.

**Table V-A. Base + Advocacy Variables – Membership Associations vs. Other Nonprofits**

	<b>B</b>	<b>S.E.</b>	<b>Wald</b>	<b>df</b>	<b>Sig.</b>	<b>Exp(B)</b>
<b>Age</b>	<b>0.231</b>	<b>0.031</b>	<b>54.224</b>	<b>1</b>	<b>&lt;.001</b>	<b>1.260</b>
<b>Ln of Number of FTE Staff</b>	<b>-0.371</b>	<b>0.101</b>	<b>13.397</b>	<b>1</b>	<b>&lt;.001</b>	<b>0.690</b>
Formalization	-0.017	0.035	0.242	1	0.623	0.983
External IT	-0.173	0.182	0.905	1	0.342	0.841
Internal IT	0.163	0.125	1.699	1	0.192	1.177
<b>Funding Profile – Donations</b>	<b>0.690</b>	<b>0.222</b>	<b>9.686</b>	<b>1</b>	<b>0.002</b>	<b>1.993</b>
<b>Percent Revenue – Dues</b>	<b>0.031</b>	<b>0.004</b>	<b>66.769</b>	<b>1</b>	<b>&lt;.001</b>	<b>1.031</b>
<b>Funding Profile – Events</b>	<b>0.925</b>	<b>0.330</b>	<b>7.856</b>	<b>1</b>	<b>0.005</b>	<b>2.523</b>
Central City Metropolitan County	0.391	0.207	3.562	1	0.059	1.478
Metropolitan Ring County	0.624	0.359	3.016	1	0.082	1.866
<b>Advocacy</b>	<b>-0.405</b>	<b>0.195</b>	<b>4.324</b>	<b>1</b>	<b>0.038</b>	<b>0.667</b>
<b>Constant</b>	<b>-1.699</b>	<b>0.438</b>	<b>15.029</b>	<b>1</b>	<b>&lt;.001</b>	<b>0.183</b>

Notes: Coefficients significant at the  $p < 0.05$  level are flagged in **bold**. R-squared= .381; % correctly predicted=75.4; N=679.

**Table V-B. Base + Advocacy Variables – Charities/Economic vs. All Other Membership Associations**

	<b>B</b>	<b>S.E.</b>	<b>Wald</b>	<b>df</b>	<b>Sig.</b>	<b>Exp(B)</b>
<b>Age</b>	<b>-0.157</b>	<b>0.051</b>	<b>9.673</b>	<b>1</b>	<b>0.002</b>	<b>0.854</b>
<b>Ln of Number of FTE Staff</b>	<b>0.538</b>	<b>0.258</b>	<b>4.354</b>	<b>1</b>	<b>0.037</b>	<b>1.712</b>
Formalization	0.066	0.064	1.059	1	0.304	1.068
External IT	0.325	0.318	1.043	1	0.307	1.384

	<b>B</b>	<b>S.E.</b>	<b>Wald</b>	<b>df</b>	<b>Sig.</b>	<b>Exp(B)</b>
Internal IT	0.014	0.194	0.005	1	0.943	1.014
Funding Profile – Donations	1.214	0.726	2.796	1	0.094	3.366
Percent Revenue – Dues	-0.009	0.005	3.442	1	0.064	0.991
Funding Profile – Events	-0.564	0.471	1.433	1	0.231	0.569
<b>Central City Metropolitan County</b>	<b>0.723</b>	<b>0.358</b>	<b>4.085</b>	<b>1</b>	<b>0.043</b>	<b>2.060</b>
Metropolitan Ring County	0.825	0.601	1.884	1	0.170	2.281
<b>Advocacy</b>	<b>-0.990</b>	<b>0.325</b>	<b>9.258</b>	<b>1</b>	<b>0.002</b>	<b>0.372</b>
Constant	0.441	0.799	0.304	1	0.581	1.554

Notes: Coefficients significant at the  $p < 0.05$  level are flagged in **bold**. R-squared= .355; % correctly predicted=73.4; N=256.

**Table V-C. Base + Advocacy Challenge Variables – Membership Associations vs. Other Nonprofits**

	<b>B</b>	<b>S.E.</b>	<b>Wald</b>	<b>df</b>	<b>Sig.</b>	<b>Exp(B)</b>
<b>Age</b>	<b>0.295</b>	<b>0.074</b>	<b>16.025</b>	<b>1</b>	<b>&lt;.001</b>	<b>1.343</b>
<b>Ln of Number of FTE Staff</b>	<b>-0.570</b>	<b>0.197</b>	<b>8.356</b>	<b>1</b>	<b>0.004</b>	<b>0.565</b>
Formalization	0.007	0.074	0.010	1	0.922	1.007
External IT	-0.502	0.354	2.008	1	0.156	0.606
Internal IT	-0.026	0.268	0.010	1	0.921	0.974
Funding Profile – Donations	0.704	0.463	2.318	1	0.128	2.023
<b>Percent Revenue – Dues</b>	<b>0.036</b>	<b>0.011</b>	<b>10.250</b>	<b>1</b>	<b>0.001</b>	<b>1.036</b>
Funding Profile – Events	0.092	0.836	0.012	1	0.913	1.096
Central City Metropolitan County	0.061	0.455	0.018	1	0.893	1.063
Metropolitan Ring County	-0.401	0.734	0.298	1	0.585	0.670
<b>Ln of Number of Board Vacancies</b>	<b>-0.820</b>	<b>0.332</b>	<b>6.104</b>	<b>1</b>	<b>0.013</b>	<b>0.440</b>
Advocacy Challenges	0.075	0.244	0.096	1	0.757	1.078
Constant	-0.187	1.111	0.028	1	0.866	0.829

Notes: Coefficients significant at the  $p < 0.05$  level are flagged in **bold**. R-squared=.520; % correctly predicted=80.3; N=188.

**Table V-D. Base + Advocacy Challenge Variables – Charities/Economic vs. All Other Membership Associations**

	<b>B</b>	<b>S.E.</b>	<b>Wald</b>	<b>df</b>	<b>Sig.</b>	<b>Exp(B)</b>
Age	-0.048	0.151	0.100	1	0.752	0.954
Ln of Number of FTE Staff	0.728	0.492	2.189	1	0.139	2.071
Formalization	-0.181	0.180	1.005	1	0.316	0.834
External IT	1.570	0.985	2.540	1	0.111	4.804

	<b>B</b>	<b>S.E.</b>	<b>Wald</b>	<b>df</b>	<b>Sig.</b>	<b>Exp(B)</b>
Internal IT	-0.317	0.556	0.325	1	0.568	0.728
Funding Profile – Donations	1.017	1.498	0.461	1	0.497	2.765
Percent Revenue – Dues	0.007	0.013	0.302	1	0.582	1.007
Funding Profile – Events	0.400	1.299	0.095	1	0.758	1.492
<b>Central City Metropolitan County</b>	<b>2.145</b>	<b>0.844</b>	<b>6.456</b>	<b>1</b>	<b>0.011</b>	<b>8.543</b>
Metropolitan Ring County	0.253	1.679	0.023	1	0.880	1.288
Ln of Number of Board Vacancies	1.408	0.823	2.928	1	0.087	4.086
Advocacy Challenges	-0.322	0.461	0.490	1	0.484	0.724
Constant	-1.052	1.901	0.306	1	0.580	0.349

Notes: Coefficients significant at the  $p < 0.05$  level are flagged in **bold**. R-squared= .431; % correctly predicted=82.9; N=70.



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