

**Australian Association Sector
COVID-19 Impact Survey Report
'Finding Opportunity in Crisis'**

June 2020

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Introduction

In late 2019, AuSAE partnered with Survey Matters to undertake a research project that we hoped would identify common success factors for high performing Associations. As we were preparing to deliver the results of this research in March 2020 the world changed.

When faced with the rapidly changing and escalating public health emergency of COVID-19 the Australian Association community answered their call to service and stood front and centre to support, protect and advocate for their members as this once in a generation crisis unfolded.

Associations worked tirelessly to collect, curate and disseminate information, advocated to government to assist in the formation of and impact of policy and provided support and assistance for the professions and industries they represent. Many Associations have spent additional resources (without receiving additional revenue) to be able to provide this and most Associations have had revenue sources taken away through the cancellation of events and face to face activities. And yet, through this crisis Associations have reported increased member engagement and in some cases growth in membership as they became a trusted source of truth for their members and communities.

Associations have never been so important.

With crisis comes opportunity, and we have seen the ability for associations to be agile, innovative and quick in decision making and execution. We have seen what can be achieved when a single purposeful focus is applied to the organisation at all levels and what results can be obtained when members are placed at the very heart of every activity.

AuSAE is proud to partner with research experts Survey Matters to bring to you the Australian Association COVID-19 Sector Impact Report. We hope it provides you with an understanding of the current state of the Association sector and provides guidance for you to navigate your next normal.

Toni Brearley
CEO
AuSAE

Executive Summary

COVID-19 has had a massive impact on Australian society. From concern over potentially devastating health impacts, to the economic damage arising from the enforced closure of large swathes of the economy, almost everyone has been impacted in some way.

In a survey conducted by the Australian Bureau of Statistics (ABS) in May, 72% of businesses reported losing revenue as a result of COVID-19. Over seven in ten had changed the way they operate. A quarter (24%) had reduced their employee numbers, while over half (53%) have reduced the hours their staff work.¹

Associations have not been spared the disruption resulting from lockdown rules designed to prevent the spread of coronavirus

Prior to COVID-19, a majority of associations reported growing revenues and membership. Associations Matter data collected by Survey Matters early this year calculated that 62% of associations reported increasing revenues over the last 12 months. A similar proportion (59%) had seen membership increase over the same period.

Like most other sectors of the economy, the COVID-19 pandemic has brought this to a grinding halt. More than three quarters (78%) of associations have experienced a decrease in revenue since the beginning of March 2020. Nearly half (46%) describe the decrease as significant.

While conference and event income has taken the biggest hit, revenue is falling across multiple streams

Overwhelmingly, the biggest impact so far has been lockdown restrictions preventing face to face meetings and events. Most associations are struggling with the severe financial impact of the cancellation of their conference and events program for 2020, and with being unable to conduct face to face training or professional development.

While many have transitioned quickly to online training and events, indications are that revenue streams are lower from digital offerings. Reflecting this, nearly eight in 10 (78%) associations reported lower conference and events income and 49% face falling professional development and training revenue.

More than a third (39%) have also seen falls in membership income, with over half expecting it to be more difficult to retain existing, or attract new, members over the coming 12 months.

Associations expect to be less affected than the wider economy

While the proportion of associations reporting revenue losses is consistent with the national average, associations expect to be less affected than the broader economy and the industry they represent.

Despite this, 51% expect that it will have a high or very high impact on their association. While professional associations are less likely than industry groups to expect the impact on the profession they represent to be high, with subscriptions often paid by individual members they are more likely to anticipate a negative flow on effect to their association.

Limited workforce impact... so far

Positively, it seems the JobKeeper lifeline is working. Few association executives are concerned about their own employment, only 11% have stood staff down and most are trying to keep all their staff employed.

Over two thirds (68%) of respondents indicated that they are receiving JobKeeper for all or some of their staff. Interestingly, professional associations are less likely than industry groups to qualify for assistance. Only 57% of professional bodies are receiving JobKeeper payments on behalf of some or all staff. This rises to 80% of industry associations.

Rather than reducing workforce capacity, many associations report that they are busier than ever. With increased demands from members to keep them up to date with constantly changing advice from government and health authorities, association staff are working overtime to serve their industry. Consequently, 28% of respondents reported that their staff are working longer hours to transition online and meet the needs of members.

Uncertainty around membership renewals is widespread

Although associations are working tirelessly to help members through the current situation, there is still uncertainty around the impact on membership retention and growth over the coming year.

Some associations have already seen reduced demand for membership, while others have seen their base grow. So far, nearly three in 10 associations have seen falls in their membership, whereas 22% have seen membership increase.

More widely, associations indicate that it has had not impact (23%) or it is too early to tell. It is likely that many associations will not know the full extent of the impact until membership renewals are issued. For many this will be soon, at the end of the financial year. Others issue renewals at the end of the calendar year, or on the anniversary of joining. Reflecting this, 26% suggest it is too early to tell the impact on their membership.

Either way, with membership fees representing, on average, 41% of association’s annual revenue, understanding the competing impacts of COVID-19 on membership intentions is vital.

While impacts are likely to vary by industry, expectations are for sustained financial hardship

Only time will tell the ultimate impact on associations. To some extent it will be contingent on the effect on the industry or profession they represent.

For many associations, membership renewal or joining will be reliant on the employment outcomes in their sector. For others, industry specific demand factors will determine outcomes. However, with more than 2.3 million Australians either out of work, or working less hours than they would like, in May 2020 there is an almost certain flow on effect to spending that could impact associations.²

Given this, an overwhelming majority of associations expect that they will continue to lose revenue in the short term, with 89% expecting revenue to fall over the next 3 months and 83% expecting falls to continue for 6 months. Anticipation of a lengthy downturn is also widespread, with more than half of participating associations expecting their revenue to be lower in 2021.

Despite this, with half holding over 12 months operating reserves, the majority of associations are taking a balanced strategic approach to guide them through the challenges. Two thirds are trying to maintain business as usual, making only minor cutbacks to discretionary spending and keeping staff employed, while a further 22% are making financial investments in efficiency and business development. Only 16% are making significant cut-backs at this stage.

The silver lining... an opportunity to add value, transition online and improve engagement with members

While the immediate impact on revenue has been severe for many associations, it is not all bad news. Now more than ever, members need their association.

Many associations have used the opportunity to enhance their value to members, working tirelessly on their behalf to keep them up to date, transition to digital service delivery and advocate to the government and health authorities to raise awareness of the needs of their industry.

To keep up with demand, nine in 10 associations have increased the information updates they provide members and nearly six in ten have increased advocacy on behalf of members. A majority of respondents have also moved professional development (64%) and member meetings (77%) online, and increased webinar (69%) and digital content production (77%).

This broadly aligns with what members want. In COVID-19 Association Member Impact surveys conducted over the last three months, Survey Matters found that information about the actions they need to take, case studies about how others are transitioning and advocacy to government to highlight their plight were the main ways members want their association to support them.

While Australia is now in a recession and economic forecasts are negative for the near term, hopefully the recent relaxation of lockdown restrictions will enable many associations to return to face to face delivery of services in the not too distant future.



“Our industry will be hard hit by downturn in the economy and we foresee a subsequent drop in our revenue from membership and sponsorship. However, our members are valuing our support and engagement more than ever. The crisis really demonstrates the importance of a community and an industry body to promote and protect the industry.”

Charles Cameron, CEO,
Recruitment, Staff and Consulting Association



Key Findings

1

The biggest financial impact is due to cancelled events

The financial impacts of COVID-19 on most associations have been severe. Unsurprisingly, the biggest impact to revenues has been financial loss from cancelled or postponed events. While most have transitioned rapidly, and well, to virtual events and online education, indications are that revenue streams are lower from digital offerings.

2

Expectations are for sustained financial hardship throughout 2020 and into 2021

Prior to COVID-19, a majority of Australian associations reported growing membership and revenue. While it is too early to tell the impacts of the current recession on member renewal and growth, there is widespread expectation that it will lead to lower revenues for the rest of 2020, and into 2021.

3

With most associations receiving JobKeeper workforce impacts have been minimal, so far

Two thirds of participating associations qualify for some form of JobKeeper assistance and, so far, most are trying to keep as many employees as possible. Few have lost staff due to redundancy or have had to reduce hours or salaries. It will be interesting to track this over time as government subsidies are reduced or removed.

4

Supporting members through the crisis leading to increased workload

While the impact of the pandemic on different professions and industries varies, the majority of associations report that it has created more work. That keeping members up to date with information and the increased need for advocacy have had a substantial impact on their workload.

5

Finding opportunity in the crisis to improve member engagement

Despite the challenges, many associations are using the current crisis as an opportunity to prove their value to members. Increased advocacy has put many in the spotlight, and rapid responses to the demand for information have provided associations the ability to build their profile and strengthen member engagement.



“Our organisation needed to pivot quickly - providing increased guidance for the sector and increased online activity to keep members informed and connected. In addition, there has been an increase in liaison with Government and industry associations. It has been extremely busy.”

Rebecca Knol
South Australian Chamber of Mines and Energy





A global pandemic

The impact on Australian associations

COVID-19 has had a massive impact on Australian society. From concern over potentially devastating health impacts, to the economic damage arising from the enforced closure of large swathes of the economy, almost everyone has been impacted in some way.

In survey conducted by the Australian Bureau of Statistics (ABS) in May, 72% of businesses reported losing revenue as a result of COVID-19. Nearly three quarters had changed the way they operate. A quarter (24%) had reduced their employee numbers, while over half (53%) have reduced the hours their staff work.¹

Despite the widespread impact of COVID-19, some industries have been more exposed than others. While some industries have been forced to close down completely, such as hospitality and recreation, others, such as food retail, experienced an unprecedented spike in demand. Others, like health and education, have had to completely transform the way they provide services. By industry, ABS data suggests that businesses in transport, logistics and warehousing were the most likely to have lost revenue.¹

These differences are broadly represented in the jobs impact on various sectors. In April 2020, the Australian Bureau of Statistics reported that the number of payroll jobs in the accommodation and food services industry fell by 29.1% between 14 March and 30 May 2020. Similarly, jobs in the arts and recreation sector fell by 26.3%. Administrative jobs were down 10%, retail jobs fell by 6.8%, those in professional and technical services fell by only 6.3%. Jobs in the finance sector only fell by 0.5%.³

In many respects, the impact of COVID-19 on an association is contingent on the impact on the profession or industry they represent.

At an overall level, eighty five percent (85%) of associations indicated that COVID-19 has had a negative or extremely negative impact on the industry or profession they represent. Just over a quarter (26%) reported that the impact had been extremely negative.

At 100%, associations representing the tourism, hospitality and recreation industries were the most likely to indicate that the impact on their industry has been extremely negative. This compares to 26% of health and 23% of education associations. Only 13% of associations representing financial, legal or professional services sectors suggested the impact had been extremely negative. More commonly, associations in these sectors suggested the impact had been somewhat negative.

Only 9% reported a positive impact on the industry they represent.

	Very Low	Low	Moderate	High	Very High
The Australian association sector	1%	2%	36%	46%	15%
The industry or profession you represent	3%	13%	27%	32%	25%
Your own association	2%	15%	32%	32%	19%
Your personal employment	29%	35%	23%	6%	7%

What level of impact do you think COVID-19 will have on?

While most associations expect to be less affected by COVID-19 than the industry they represent and the broader association sector, 51% expect that it will have a high or very high impact on their association.

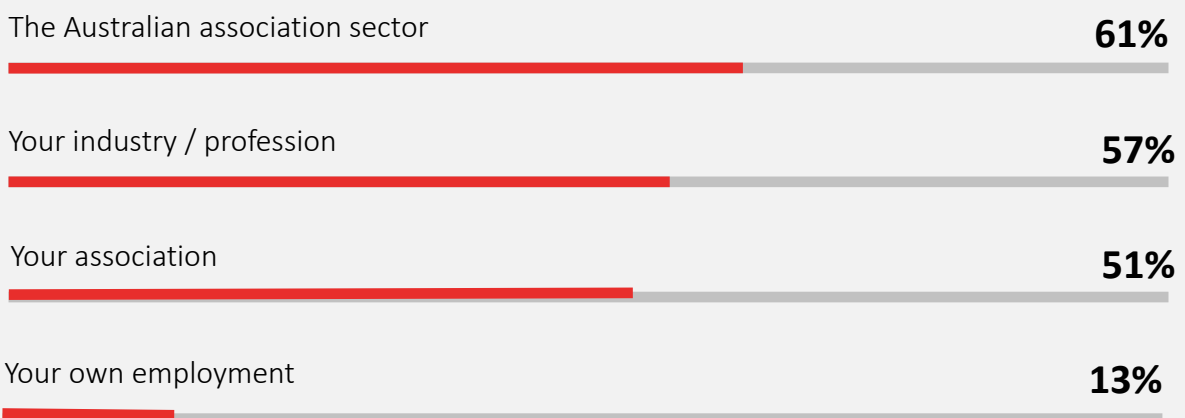
Interestingly, professional associations are less likely than industry groups to expect the negative impact on the profession they represent to be high (57% compared to 63%). Despite this, with subscriptions often paid by individual members professional associations are more likely to anticipate a negative flow on effect to their on their association than industry groups (53% compared to 45%).

Similarly, expectations for substantial impact are higher amongst small associations. Three in five associations (60%) with annual revenues of less than \$1 million expect to be significantly impacted. This falls to approximately a quarter of associations with revenue of over \$5 million.

Positively, only 13% of association executives who participated in the survey expect that there will be a high or very high impact on their own employment.



What level of impact do you think COVID-19 will have on?



% High / Very High



While some associations are experiencing severe financial hardship as a result of the restrictions on activity, many are capitalising on increased member demand for information, advocacy and public relations support to build their profile and member engagement.

“We have needed to pivot quickly and provide increased guidance for the sector and increased liaison with government. It has been extremely busy. Increased online activity to keep members informed and connected.”

“We have adapted online quite well. We have also grown our membership as we have continued to provide timely support for our members. Our connections have helped us advocate and find answers for our members. The impact for our association has been positive.”

“We have cancelled all our face-to-face events, which are a huge part of our income, and had to adapt to online webinars which are bringing in only a fraction of the income.”

The Main Impacts on Associations

Associations have not been spared the disruption resulting from lockdown restrictions designed to prevent the spread of coronavirus. Overwhelmingly, the biggest impact of COVID 19 on associations is not being able to convene face to face meetings and events. While this has resulted in significant financial losses, at the same time most associations have experienced a significant increase in demand for their services.



Losing revenue due to cancelled training and events

- Associations face significant revenue losses as they cancel training and events
- Nearly six in 10 associations reported that an inability to provide their usual face to face services, including training and events, is the biggest impact of the COVID-19 pandemic.
- A further 41% reported that declining revenues and cash flow shortages is the biggest impact for them.



Responding to members' needs for information, support and advocacy

- Many respondents reported that COVID-19 had created more work, with the need to keep members up to date and respond to member enquiries and calls for support.
- Forty three percent (43%) reported that one of the biggest impacts of the current crisis is keeping up to date with disseminating information to members. A third of respondents suggested that increased demand for advocacy to government was also having an impact.

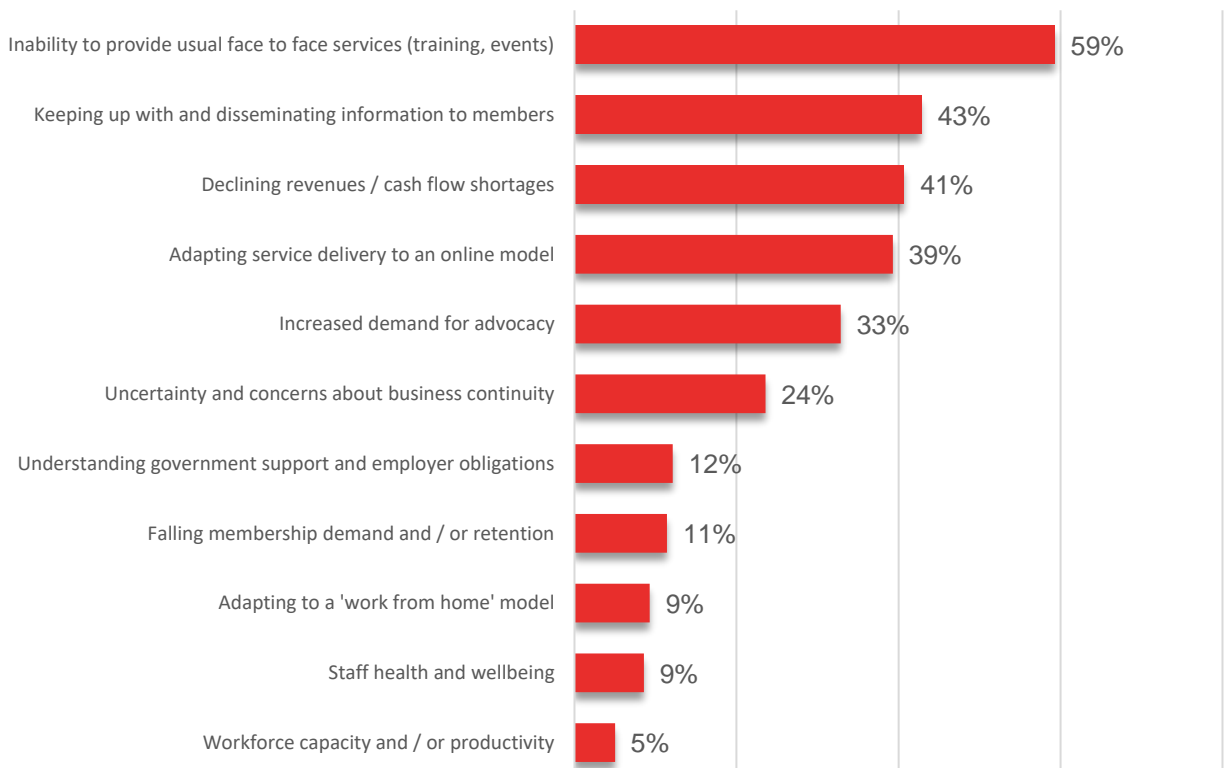


Managing the transition to online training, events and service delivery

- The transition of member meetings, events and professional development services online is also a significant challenge.
- Nearly four in 10 associations indicated that adapting service delivery to an online model is one of the biggest impacts of COVID-19. In many cases, these activities generate a fraction of the revenue of traditional face to face activities.



Which of the following factors are having the greatest impact on your organisation right now?



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“We're flat out helping members with support and advocacy. It's been a material financial cost in providing additional services and resources.”

Damian Mitsch, CEO, Australian Dental Association

A large, stylized, light red closing quotation mark graphic.



A unique economic situation

The financial impact on associations

Three in four associations have lost revenue due to COVID-19, with nearly half describing the decline as significant.

In the Associations Matter Study conducted early this year, 62% of associations reported increasing revenues over the last 12 months. A similar proportion (59%) had seen membership increase over the same period.

Like most other sectors of the economy, the COVID-19 pandemic has seen this growth come to a grinding halt. Consistent with the broader economy, 78% of associations have experienced a decrease in revenue since the beginning of March 2020. Nearly half (46%) describe the decrease as significant, while 32% have had a slight fall in income.

Associations generate a significant proportion of income from meetings and events, leaving them vulnerable to lockdown restrictions.

Social distancing requirements and restrictions on large gatherings are a major cause of the financial impact on associations. According to 2020 Associations Matter data, 27% of association revenue is generated from conferences (15%), events (8%) and trade shows (4%). A further 19% is earned from the delivery of professional development, a significant proportion of which is delivered via face to face methods.

The flow on effect of financial hardship experienced by members is also likely to impact associations.

Unemployment was up from 5.2% in March 2020 to 7.1% in May 2020, and the ABS estimates that approximately 2.3 million Australians were either unemployed, or underemployed, in May 2020. ²

In this environment, the impact on membership fees could also be substantial. While for many associations it is too early to know whether membership fees will be paid when they fall due, on average associations generate 41% of their revenue from membership fees.

As a result, associations are losing revenue across multiple sources.

Over three quarters (78%) of associations reported lower conference and events income, 56% have lost sponsorship and 49% face falling professional development and training revenue.

Nearly four in ten (39%) have also seen falls in membership income, with over half expecting it to be more difficult to retain existing, or attract new, members over the coming 12 months.

Overwhelmingly, the biggest financial impact on associations is a result of cancelled or postponed events.

Most associations are struggling with the severe financial impact of the cancellation of their conference and events program for 2020 and with being unable to conduct face to face training or professional development.

Overall, 56% of associations have cancelled a conference, trade show or large face to face meeting or event in response to lockdown restrictions. Fifty nine percent (59%) have postponed a face to face meeting or event.

While the revenue impact has been significant for associations, many have moved quickly to compensate attendees. Just over half have either fully (51%) or partially (6%) refunded attendees for event cancellations. A further 24% have offered complimentary registrations at a future association event, while 12% have provided complimentary access to alternative association products.

However, a quarter of participants have taken no action to compensate attendees, possibly because they are waiting to reschedule their event.

While many have transitioned quickly to online training and events, with two thirds converting a face to face event to a digital event, indications are that revenue streams are lower from digital offerings.

A majority of associations have seen falling revenue from events and training, with a significant proportion also losing sponsorship and partnership income.



In what specific areas has your revenue decreased?



78%
have seen a fall in revenue from conferences, meetings and events.



56%
have seen a fall in revenue from sponsorships and partnerships



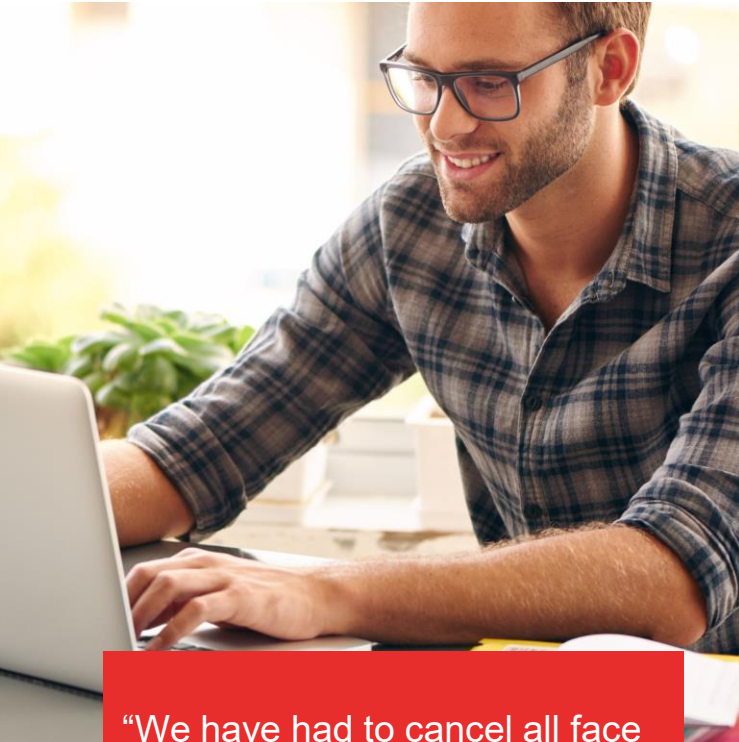
49%
have seen a fall in revenue from training and professional development



39%
have seen a fall in revenue from membership income



“Cancellation of our annual conference for 2020 has caused a significant financial impact and membership renewals are potentially at risk”



Which of the following actions have you taken due to COVID-19?

56% **Cancelled**
a conference, trade show or large face to face meeting or event

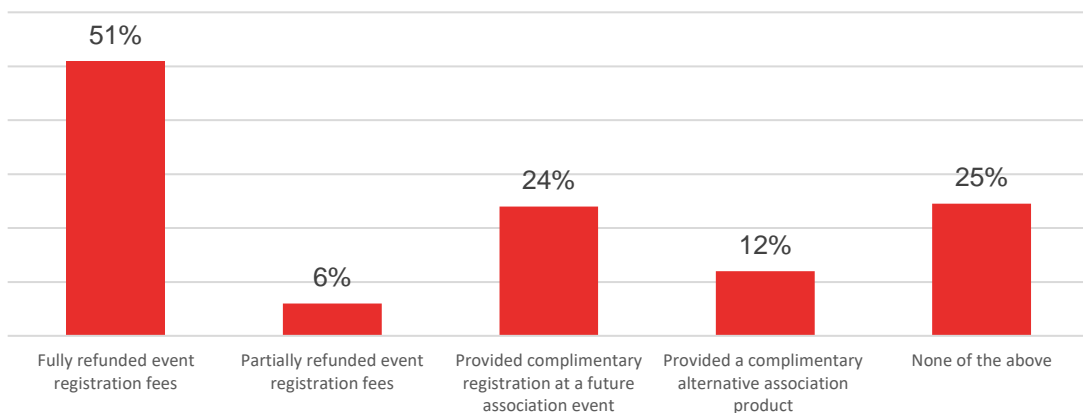
59% **Postponed**
a conference, trade show or large face to face meeting or event

65% **Converted**
a face to face conference or meeting to a virtual event

"We have had to cancel all face to face events for 2020, some are transitioning to virtual events. This has meant an 80% reduction in income"



Which actions have you taken to compensate attendees for cancelled events or meetings?



Expectations are for sustained financial hardship for associations

An overwhelming majority of associations expect that they will continue to lose revenue in the short term, with 89% expecting revenue to fall over the next 3 months and 83% expecting falls to continue for 6 months.

Anticipation of a lengthy downturn is also widespread, with over half (55%) of participating associations expecting their revenue to be lower in 2021.

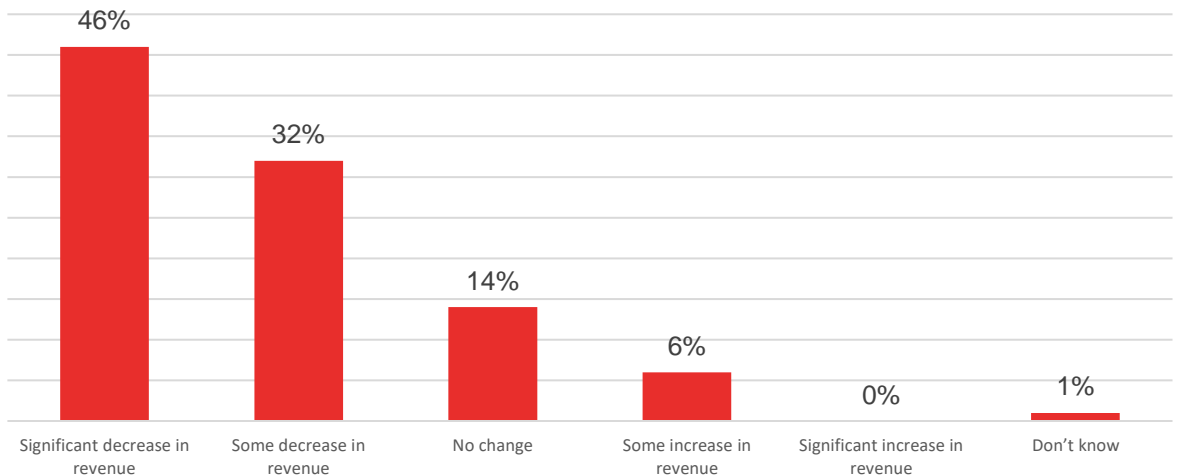
Only a small proportion of associations expect COVID-19 to have a positive impact on their revenue over the next three months (9%) and six months (12%). Fourteen percent (14%) expect to see a positive impact on revenue in 2021.

While associations with revenues in excess of \$5 million are more likely to expect a decline in their revenue over the next 3 to 6 months, they are more optimistic about 2021 than their smaller counterparts. Eight in 10 associations with revenues of less than \$1 million expect to see declining revenues into 2021, compared to only two thirds of mid-sized associations and 55% of those with revenues of over \$5 million.

Similarly, industry associations are more likely to expect declining revenues in the short term, expectations for 2021 are slightly more positive amongst this group than professional associations. Nearly three quarters (73%) of professional associations expect lower revenues to persist in 2021, compared to 63% of industry groups.



Which of the following best describes the impact COVID-19 has had on your associations' revenue since the beginning of March 2020?



	Significantly decrease	Some decrease	No impact	Some increase	Significant increase	Don't know
Over the next 3 months	42%	47%	3%	7%	2%	0%
Over the next 6 months	34%	49%	4%	8%	4%	1%
In 2021	14%	41%	17%	11%	3%	14%

Associations are adopting a range of strategies to deal with the economic impact of COVID-19.

As a result of the COVID-19 pandemic, associations leaders are entering uncharted territory. They must grapple with fears about a ‘second wave’ of virus infections and the potential for further lockdowns, concern about what will happen when government support is withdrawn in September and uncertainty about the severity and length of the recession. They need to try to understand what impact this will have on their industry, their members and their own organisation.

And, amongst this uncertainty, association leaders must decide on the strategic approach to deploy to guide their organisation through the recession and adapt to the ‘new normal’.

While a quarter of participating associations hold less than 6 months in operating reserves, nearly half (49%) have over 12 months in reserve to sustain them. Given this, what strategies are associations adopting to steer their organisation through the current situation.

Looking to history to find the best strategy

Following the Global Financial Crisis of 2007, Harvard Business Review published research that analysed the strategies and performance of companies during the past three global recessions. ⁴

The article, “Roaring Out of Recession” found that those organisations who cut costs faster and deeper than their competition had the lowest chance of thriving after a downturn. Those who invested more heavily than other organisations didn’t fare so well either.

Conversely, organisations who balanced the current need to reduced operational expenditures, without reducing staff numbers significantly, while at the same time investing in marketing, research and development, recovered quicker than their peers following the recession.

Strategies are associations adopting

Defensive



At one end of the scale, 16% of associations are taking a defensive approach and making significant cutbacks including to staff costs.

Investing for the Future



Others are actively investing for the future, either making small changes to improve efficiencies (11%) or significant investments to build a stronger association (11%).

Business as usual



A majority, however, are trying to maintain business as usual making minor cutbacks to discretionary spending and trying to keep staff employed

While financial constraints will prevent many associations from making significant investments, it appears that most associations are on the right track. Those who are building government relationships, investing in technology and marketing and have a firm eye on the recovery period, are likely to be in a stronger position when we emerge from recession.

Q. Which of the following best describes the strategy you have adopted to deal with the impact of the COVID-19 pandemic on your association?



“All staff are now operating on a work from home basis, which has required significant process changes and additional investment in IT and telecommunications to ensure we maintain service delivery quality, member engagement and staff productivity”

Steven Burrell, CEO, Australian Medical Association, Victoria





Keeping teams together

The impact on work and employment in the sector

Labour market restrictions introduced to halt the spread of COVID-19 in Australia have had an unprecedented affect on employment.

In the space of two months, between March 2020 and May 2020, unemployment rose from 5.2% to 7.1%.²

More significantly, hours worked were down 9.2% and underemployment rose from 8.8% to 13.1%. The Australian Bureau of Statistics estimates that 2.3 million people are either unemployed, or underemployed, in May 2020².

Despite widespread unemployment, most associations are working hard to keep their teams intact with few reporting redundancies.

So far, only 11% of associations reported that they have stood staff down or made redundancies. Amongst these associations the average number of job losses was just three. Based on average staff numbers of 23, this represents a 13% reduction in staff numbers.

A further 16% have reduced staff hours or salaries and 1% have asked staff to take leave without pay. On average, associations have asked 10 staff to reduce their hours of work or salary.

More commonly, associations are working hard to keep their team together with 42% reporting no impact on their workforce so far. There has been no difference in impact on staff depending on whether they work for a professional or industry associations.

Many association staff are working longer hours to keep up with demand.

Rather than reducing workforce capacity, nearly three in 10 associations report that their staff are working longer hours to deal with demand.

With increased workloads keeping members up to date, transitioning to online training and events and providing increased advocacy and support, many associations are flat out helping members. Coupled with the implementation of working from home arrangements many associations are worried about the flow on effects on the mental health of their staff.



Associations are experiencing unprecedented workplace disruption, moving staff to a work from home environment while dealing with increased uncertainty and demand for their services.



“Increased workload to manage member needs, with the burden of staff working from home. Concern about mental health of staff.”

“Increased workload ... reduced productivity with staff working from home, especially staff who have young children.

“We have moved all staff to working from home (3.6 EFT)”

“Greater workload. Increased anxiety levels in both staff and members.”

Two thirds of associations qualify for JobKeeper and are using it to keep their staff employed.

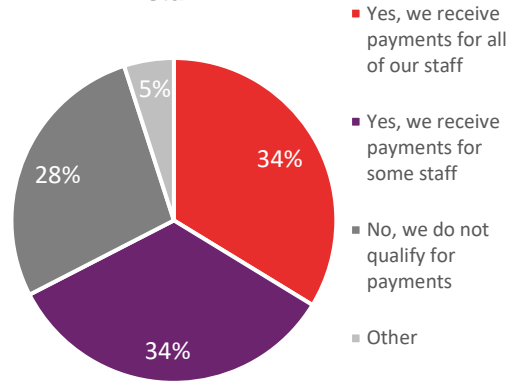
To support businesses affected by the economic impacts of COVID-19, in early April the Australian government introduced the JobKeeper program. By 20 May 2020, over 900,000 Australian businesses had registered for the scheme. ⁵

Overall, 68% of associations report that they are receiving JobKeeper for all or some of their staff. Nearly three in 10 (28%) indicate that they do not qualify for the government employment support payments.

Amongst the sample, professional associations were significantly more likely to indicate that they do not qualify for JobKeeper payments than industry bodies (38% compared to 18% respectively).

Associations with annual revenues between \$1 million and \$5 million are the most likely to be receiving JobKeeper, with only 17% reporting that they do not qualify for support.

Does your association qualify for JobKeeper for some or all of your staff?



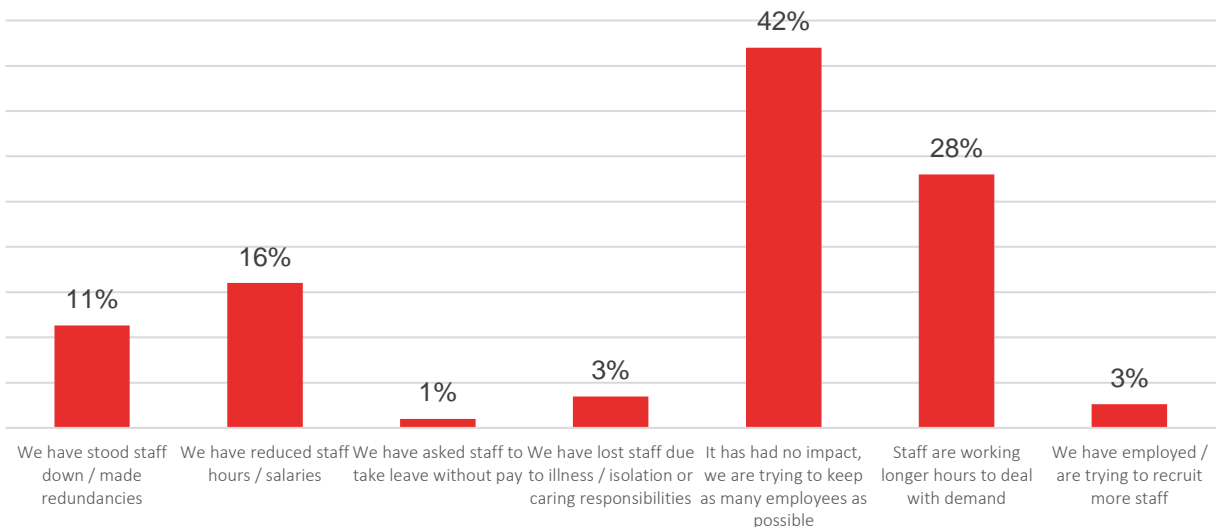
While JobKeeper appears to be working, the impact of withdrawal of payments is uncertain.

While it is too early to tell the likely impact of the withdrawal of JobKeeper support on associations, it is interesting to note that associations that do not qualify for government support are no more likely to have made staff redundant, or reduced hours or wages, than those receiving the wage subsidies for their staff.

Despite this, the impact of removing employment support across the wider economy will undoubtedly have flow on effects to associations reliant on membership fees.



What has been the impact on your workforce capacity so far?





“We have had the opportunity to create exceptional value for members and engage with them like never before...”

Lyn Brodie, CEO, Optometry Australia





Rising to the challenge

Supporting members through the crisis

Prior to COVID-19, a majority of associations reported that membership was growing.

The 2020 Associations Matter Study found that nearly six in 10 (59%) associations experienced growth in membership numbers over the prior year. This increased to 71% of professional associations. Just over half (53%) of industry bodies, who have access to a smaller pool of potential members, grew their membership.

The same research found that the average membership retention rate amongst associations was 89% last year. This increases to 94% amongst industry associations. Professional associations reported an average retention rate of 86%.

These statistics reflect international benchmarks in the 2019 MGI Membership Marketing Benchmarking Report, which reported an average member retention rate of 82% (89% for trade associations and 78% for professional associations). The same report published membership growth amongst 50% of associations of all types.⁶

It's too early to tell the impact of the COVID-19 pandemic on membership.

While it is too early for many associations to know the impact of COVID-19 on membership, with membership fees representing, on average, 41% of association's annual revenue, understanding the competing impacts of COVID-19 on membership is vital.

For many associations, the impacts on membership will be reliant on the employment outcomes in their sector. With so many Australians out of work, or on reduced hours, there is an almost certain flow on effect to spending.

In a recessionary environment many unemployed, or underemployed, professionals may see association membership as a discretionary item. Similarly, organisations facing falling customer demand and lower sales may be looking to cut costs.

Despite the challenges of COVID-19, the opportunities to grow member engagement are significant. The need for associations now is greater than ever.

The Associations Matter Study conducted in early 2020 found that those associations who advocate strongly, publish effective communications and research, look to constantly innovate and have a compelling vision for the future, are significantly more likely to have experienced membership growth.

To navigate the current change, uncertainty and adverse economic conditions, these are also the attributes that members expect from their representative body right now.

Despite the need for associations, uncertainty around membership renewals is widespread.

While associations are working tirelessly to help members through the current situation, there is still uncertainty around the impact on membership retention and growth over the coming year.

While some associations have already seen reduced demand for membership, others have seen their base grow. So far, nearly three in 10 associations have seen falls in their membership. Conversely, 22% have seen membership of their association increase as a result of the COVID-19 situation.

More widely, associations indicate that it has had not impact (23%) or that it is too early to tell (26%).

It is likely that many associations will not know the full extent of the impact until membership renewals are issued.

As a result, most associations recognise that the future is uncertain and that depending on the extent and timing of the recession, there is risk that members will not be in a position to renew their membership when it falls due.

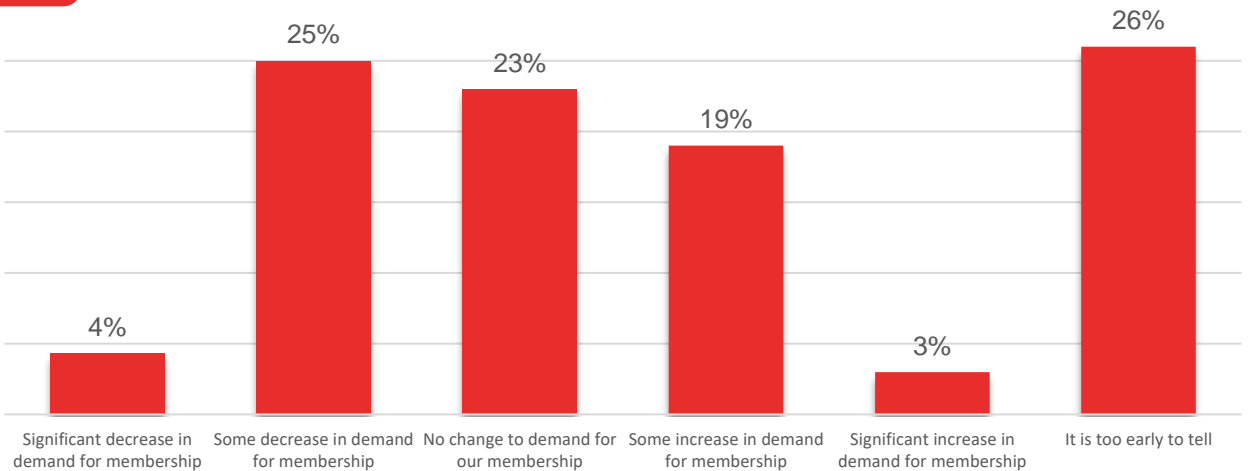
Many associations expect it will be more difficult to attract and retain members next year.

Overall, 57% of associations expect it will be significantly or somewhat more difficult to retain members, with comments from associations who participated in this survey suggesting that many are expecting lower retention rates this year. Similarly, 53% expect attracting new members will be more difficult.

Conversely, there are some associations who expect that the current situation will make it easier to attract and retain members. Overall, 15% expect it will be easier to retain existing members. Over two in 10 (22%) expect it will be easier to attract new members to the association.



What impact has COVID-19 had on membership of your association so far?



	Significantly more difficult	Somewhat more difficult	No impact	Somewhat easier	Significantly easier	Too early to say
Retain existing members	7%	50%	21%	14%	1%	8%
Attract new members	9%	44%	16%	21%	1%	9%



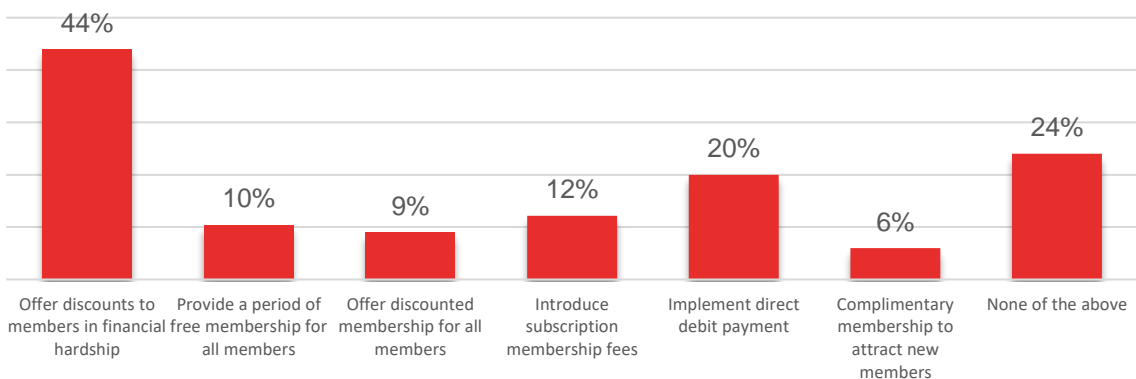
To support and retain members, many associations are providing fee relief to members in need, while others are implementing direct debit payments or moving towards subscription memberships.

Over four in 10 (44%) associations are offering memberships discounts to members in financial hardship. Others are extending support to all members with two in 10 offering either a period of free or discounted membership to all members. With increasing focus on digitisation, 30% of associations are either implementing direct debit payment systems or subscription based membership fees.

Of note, almost a quarter (24%) of associations are not making changes to their renewal terms. While not directly asked in the survey, they may be waiting until closer to their particular renewal period to decide how to manage this.



What strategies will you adopt to support membership renewals over the next 12 months?



Many associations recognise the opportunity to add value to members when they need them most.

While most associations are struggling with a significant loss of revenue, moving to a work from home model and the need to transition to digital service delivery, many are using it as an opportunity to prove their value to members. In many respects, COVID-19 is providing associations with an opportunity to strengthen their member engagement.

With members needing information about how the changes affect their industry and the actions they need to take to meet government and health restrictions, many are looking to their association. Being called on to work with government about the impact of the pandemic on particular industries and sectors is also putting many associations in the spotlight.

These actions align with association member impact research we have conducted over the last three months, with members overwhelmingly calling for clear information about the support available and the actions they need to take, as well as advocacy to ensure the specific needs of their industry are addressed by government.



“COVID-19 has actually provided an opportunity to strengthen our member proposition, resulting in additional members having been secured since mid March 2020. The impact on our Association has been minimal - other than impacting timing of our conference in FY21 - and the only risk relates to a possible increased level of membership churn due to economic hardship.”

Mark McKenzie
CEO, Australasian Convenience & Petroleum Marketers Association



How Associations are Helping Members



1. Associations are keeping members up to date

Overwhelmingly, associations are working hard to keep members up to date with the constantly changing situation. Nine in 10 associations have increased information updates to keep members informed.

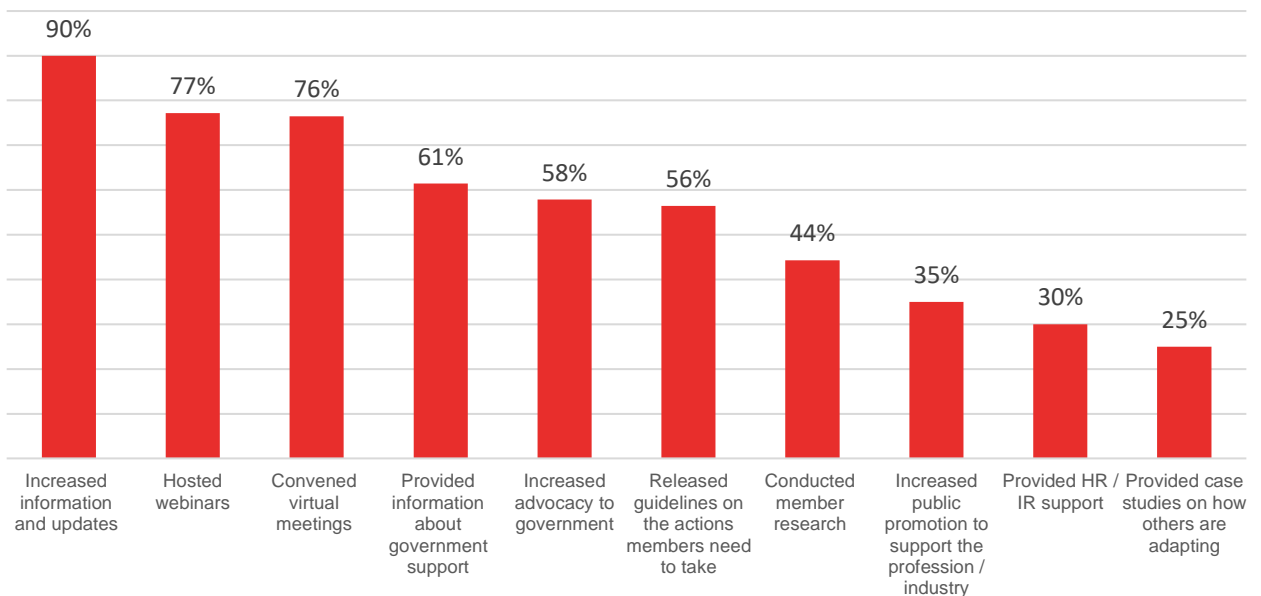
This reflects the needs of members. In the research Survey Matters has done on behalf of individual associations over the last three months, members consistently indicate that they want to be kept up to date with information about the support available to them and the actions they need to take to continue operations.

Interestingly, only 25% of associations have provided members with case studies on how others in the industry are adapting to the pandemic - one of the most commonly called for activities in COVID-19 Member Impact research conducted by Survey Matters on behalf of many individual associations.

“The most successful thing we've done is to prepare very practical, very tight resource sheets on key things - JobKeeper, JobSeeker, infection control, return to business etc.”



What activities have you implemented to support your members through the COVID-19 pandemic?



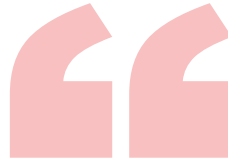


2. Associations have increased advocacy to government

Associations Matter data clearly shows that associations who maintain good government contacts and take a strong stand on issues that affect the industry are significantly more likely to see revenues and membership grow.

And that is exactly what associations have been doing during the pandemic. Associations are actively advocating on behalf of members and engaging with governments to co-ordinate their industry response to the pandemic.

Nearly six in 10 (58%) have increased co-ordination with government to ensure the specific needs of the industry are incorporated in government health directives and economic policies.



"We have engaged with other industry bodies in National and State/Territory Forums that have increased the effectiveness of national advocacy and increased our profile with Australian Governments."

"We have implemented weekly virtual meetings with key government representatives to provide members with a direct line to decision makers and to hear sector strategies straight from the top."

"Working on State Gov emergency stakeholder management groups. Supporting the State Gov manage COVID 19 emergency."

Economic uncertainty and an environment of constant regulatory change provides associations with an opportunity to become indispensable to members.



"[We] coordinated a broad industry response across members and non-members, in close cooperation with government and key stakeholders"

**Ian Burgess
CEO, Medical Technology Association of Australia**



3. Associations have transitioned rapidly to online service delivery

While the COVID-19 pandemic and social distancing restrictions put an immediate end to association’s face to face service delivery, they have been quick to respond with online alternatives to keep members informed and connected.

Associations are hosting webinars and convening online meetings and events to keep members connected. Over three quarters of associations are running webinars for members (77%) and convening virtual meetings on platforms such as Zoom to keep members connected and help them share their experiences of the current environment.

A similar proportion have increased digital content and social media activity, and almost two thirds (64%) have moved professional development resources online.

While only 38% have so far hosted a virtual conference or event, over half are considering or working on this. Similarly, although appearing to have less appeal, 31% are considering a virtual trade show.

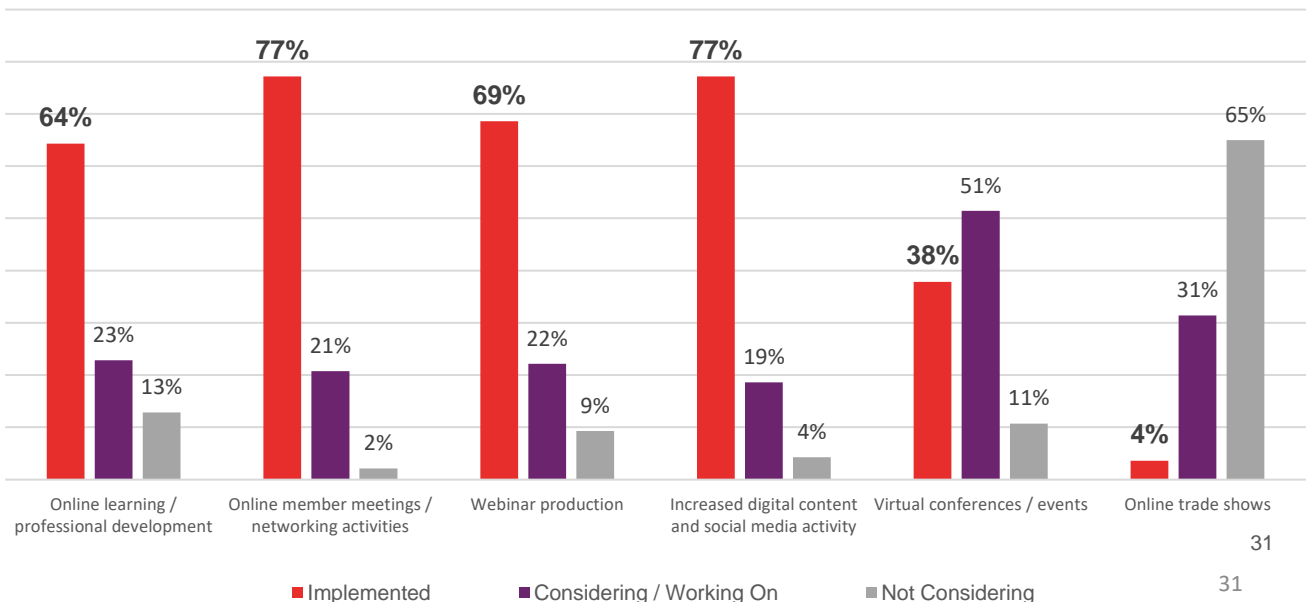


“Rapid transition to fully digital online delivery of all our services has been the key, along with maintaining high public profile and member visibility through media activity and effective advocacy.”

Steven Burrell
CEO, Australian Medical Association VIC



Which of the following digital activities and services have you implemented or are you considering?





“What we need is a cash injection for some of our valuable service areas that we have been running for free but can no longer sustain [and] Government to involve Associations in key decision and pay for them for their professional advice instead of getting expensive consultants.”

Shenal Basnayake
CEO, Australian Science Teachers Association





Supporting associations

Associations need help too!

Associations would like the same assistance as they provide to their own members.

The COVID-19 pandemic is a new and evolving situation. No-one has been here before and everyone is finding their way to adapt and move forward as soon as possible. And, so like their own members, associations are looking for information, ideas and advocacy to support them through both the adjustment and recovery period.

Nearly half of the associations who participated in this survey indicated they would like case studies on how other associations are dealing with the changing COVID-19 environment. Ideas about how others are approaching member communication, engagement and retention were often mentioned.

Four in 10 associations are also looking for advocacy to ensure associations are not forgotten. To ensure their ability to continue serving members and retain their workforce, many associations called for continued financial support for the sector.

“Continued financial support (beyond Job keeper) for associations is important to ensure we can continue to support members, provide insights to government and educate members on government initiatives. The loss of revenue from economic impacts on membership revenue and social distancing means associations may be forced to reduce their output at a time when government and members need associations more than ever.”

Nick Pilavidis, CEO, Australian Institute of Credit Management



What is the best support that could be provided to help your organisation with the impacts of COVID-19 right now?

“Practical case studies from other organisations are really useful, as they provide new ideas and food for thought.”

“Insights to how other associations are faring with mid-year renewals, and the strategies they are applying.”

“Lift all social distancing restrictions. The rest we can deal with.”

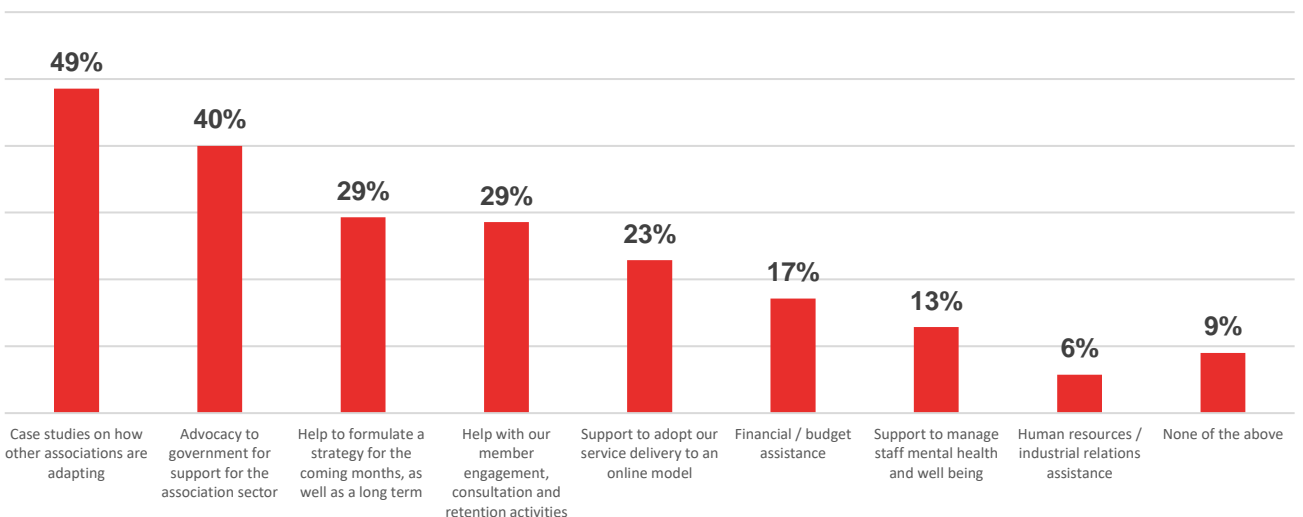
“Understanding of when large scale events might be possible and under what conditions ... can we do networking drinks for 100 people come July 10? Do people have to social distance until December at these events?”

“The government identified early to support apprentices through wages subsidies. The continuation of training income is important, and this relies on a healthy industry that we represent. As stated previously, membership renewals is the key so retention strategies would assist.”

“Ideas for member retention and recruitment in tough financial times.”



Thinking about the operational and strategic issues you face right now what support would be most valuable to your organisation to help you deal with the impacts of Covid-19?





Appendix

Methodology

This report is based on research conducted by Survey Matters in May 2020. The project consisted of a quantitative online survey, of association executives distributed by both Survey Matters and AuSAE.

Overall, a total of 140 responses were received to the survey. Of these, 55 were leaders of a professional association, 40 of an industry body and 16% lead an organisation that serves both individuals and organisations.

The results provide 95% confidence that the results are within an acceptable 5% confidence interval.

Rather than present the results to every question in detail, we have tried to draw out all of the main findings and key themes. We have drawn heavily on the free text comments to help us interpret the data. These provide richness to the quantitative results.

To provide context, we have also compared the survey data with information provided by association leaders in the Associations Matter Study conducted in early 2020. This data provides a snapshot of where associations were, their performance, challenges and trajectory prior to the outbreak of COVID-19. We have also drawn on external sources such as the Australian Bureau of Statistics to provide wider context to the data.

Having conducted a large range of COVID-19 Impact Studies with association members over the last three months, we have also made reference to the needs and experiences of association members where relevant.

A more detailed breakdown of the quantitative sample and data tables can be provided on request.

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1. Australian Bureau of Statistics 2020 Business Indicators, Business Impacts of COVID-19, May 2020 cat.no. 5676.0.55.003. ABS, Canberra
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3. Australian Bureau of Statistics 2020 Weekly Payroll Jobs and Wages in Australia, Week ending 18 April 2020 cat.no. 6160.0.55.001. ABS, Canberra
4. Gulati, R, Nohria, N and Wohlgezogen, F. ‘Roaring out of Recession’ Published by Harvard Business Review, March 2010. Accessed 1/06/202 <https://hbr.org/2010/03/roaring-out-of-recession>
5. Australian Government, The Treasury, JobKeeper Update, Joint Media Release with the Australian Taxation Office, 22 May 2020
6. Marketing General Incorporated, 2019, Membership Marketing Benchmarking Report

Sample

Overall, a total of 140 responses were received to the survey.

	No	%
Organisation Type		
Professional Association	55%	77
Industry Body	29%	40
Mix of Individual & Company Members	16%	23
Total	100%	140
Organisation Size		
<\$500,000	19%	26
\$500,000 - \$1 million	12%	17
\$1 million - \$5 million	46%	65
\$5 – 10 million	9%	13
\$10 - \$50 million	8%	11
>\$50 million	1%	2
Prefer not to say	4%	6
Total	100%	140
Industry		
Health	28%	39
Education	16%	22
Financial, Legal & Professional Services	11%	15
Building, Construction, Engineering & Design	7%	10
Tourism / Hospitality + Sport & Recreation	5%	7
Manufacturing + Procurement	3%	4
Transport / Logistics	2%	3
Energy / Water / Utility	2%	3
Retail / consumer	1%	2
Other	25%	35
Total	100%	140

Associations Matter 2020 Benchmark Indicators

“Characteristics of High Performing Associations”

	Total	Professional	Industry	Mixed
Financial Benchmark Indicators				
Increasing Revenue	63%	67%	66%	52%
Market Share	50%	55%	55%	38%
Sources of Revenue				
Membership fees	41%	48%	39%	35%
Other sources	25%	25%	36%	18%
Professional development	19%	21%	9%	22%
Conferences	15%	15%	8%	17%
Sponsorships / partnerships	12%	11%	17%	11%
Events	8%	7%	11%	7%
Trade show / exhibition	4%	2%	9%	3%
Publications	4%	4%	3%	4%
Profit Margin				
-6% or more	6%	5%	0%	11%
Between -0.1% and -5%	8%	5%	4%	13%
Break even	15%	12%	17%	16%
Between 0.1% and 5%	36%	37%	46%	29%
6% or greater	19%	12%	25%	24%
Prefer not to say	8%	12%	4%	5%
Don't know	9%	17%	4%	3%

	Total	Professional	Industry	Mixed
Membership Benchmark Indicators				
Membership Growth	59%	71%	53%	52%
Average Number of New Members	314	460	32	378
Membership Retention	89%	86%	94%	89%
Market Share	50%	55%	55%	38%
Net Promoter Score	35	36	46	23

About Survey Matters

Survey Matters work exclusively in the association and for purpose sector. Specialising in providing strategic research led services to membership and not-for-profit organisations, we have helped a wide range of organisations understand their value proposition. We also work with the sector to generate and build industry data and knowledge to support advocacy, promotion, industry development and marketing activities.

Experts in all aspects of the research process, we use sophisticated software and keep up to date with the latest research trends from around the world, to bring practical information that informs strategy and advocacy.

If you would like to know more about this report or the work we do, please get in touch.

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About AuSAE

The Australasian Society of Association Executives (AuSAE) is the peak professional association in Australia and New Zealand representing over 9,000 Professional, Industry and community Association Leaders. AuSAE improves the knowledge and connections of these leaders through education, professional support and networking opportunities. The association sector in Australia contributes approx. \$15.0 billion to the Australian economy and employs over 100,000 people.

As a not-for-profit organisation, AuSAE has a unique understanding of the opportunities and challenges association professionals face and are focused on fostering a strong and robust association sector in Australia and New Zealand.

AuSAE believes that Associations strengthen every industry and every profession every day, having a critical and enduring impact on the economy and society as a whole.

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