**Nonprofit Financial Commons:** Hello, everyone, and welcome to today's webinar on *The Evolved Membership Nonprofit, A Powerful Revival of the Social Sector's Ultimate Business Model*. I am Amanda, Director of Engagement, and on behalf of Nonprofit Financial Commons, it’s our pleasure to have you all here with us today.

**Nonprofit Financial Commons:** Before we dive into our webinar today, I just want to share a message from our generous sponsor, Bill. Bill is the leading financial operations platform for small and mid-sized businesses. As a champion of SMBs, they are automating the future of finance so businesses can thrive. The integrated platform helps businesses to more efficiently control their payables, receivables, and spend and expense management. Hundreds of thousands of businesses rely on Bill’s proprietary member network for millions — to pay or get paid faster. So, for more information, please visit bill.com.

**Nonprofit Financial Commons:** Now I just want to do a few housekeeping things before we start the webinar. We get this question all the time: The recording for this webinar will be sent out following the webinar, so please look for that in your email. It will be the recording along with the slide deck and a list of resources to go along with this webinar.

**Nonprofit Financial Commons:** Also, today we will be sharing a link in the chat for donations. It will be shared now in the chat box, but also at the end of the webinar, and I invite you to consider making a donation to NFC. That reflects the value that you gained from today's webinar. We consider you all an integral part of NFC’s community, and we are only as strong as your contributions, so thank you in advance for your support.

**Nonprofit Financial Commons:** Now, I'd like to introduce our webinar moderators for today: Wade Rogers, Dana Britto, and Mark Hager, who will be monitoring the chat for your questions, and then they will be sharing those with our panelists during the Q&A section. So please, if you have any questions that you would like to be answered by the panelists, please drop them into the chat box. Also, feel free to answer questions from your fellow attendees as well.

**Nonprofit Financial Commons:** And now I will be handing over to Hilda and our distinguished panel of presenters.

**Hilda Polanco, BDO (she/her/hers):** Hello, everyone! Good afternoon. Good morning. Wherever you're calling from, I am happy to welcome you to our session today. I will be starting us off, and I will then be joined by some of our other presenters. We have Dolores Estrada, the COO of PEAK Grantmaking; Ruth McCambridge, our very own Director of Content for the Nonprofit Financial Commons; and John Pratt, senior research fellow at the Minnesota Council of Nonprofits. We look forward to sharing our thoughts and ideas with you today.

**Hilda Polanco:** As you may all be aware, some of you may have attended many of our sessions in this Nonprofit Business Model series. Our goal was to identify, what are the five primary revenue models that drive the nonprofit sector? And we've studied each of those in individual sessions. Today we are focusing on our fifth and last module of the series, the membership model of nonprofit financial funding. And so, what we've done in in setting up this series is, we've thought about what are the considerations for each of the business models? What do leaders need to think about in order to strategically invest, in order to strategically grow, an organization that is primarily funded by this particular source of revenue?

**Hilda Polanco:** With regard to membership, we will be thinking through each of these frameworks today, and we’ll talk about who pays for that revenue that a primarily membership funded organization receives. What are some of the risks, sensitivities, challenges that an organization relying on membership funding needs to be thoughtful about? And hopefully, we have some ideas to address some of those risks today.

**Hilda Polanco:** What are the leadership capacities? So, we realize that diversified funding comes with diversified leadership skills, and in determining what to be thoughtful about — not only in senior leadership, but just leadership at large in the organization, characteristics that we've shared in the other four are unique to that funding model. So, I'll talk a little bit more about what are those leadership capacities, and you'll see them come to life in some of the information that's being shared by our panelists.

**Hilda Polanco:** And then, lastly, from a very practical perspective, if we are going to successfully manage a membership source of revenue, what are some infrastructure needs that the organization needs to consider to be ready to successfully receive and manage the revenue from that membership model?

**Hilda Polanco:** So let me start by thinking about that first criteria: the sensitivities, the risks, the challenges. There are interesting dynamics between the membership, the members of the organization, and the organization itself. And so there needs to be a focus on, what is that clarity of promise? What is that intellectual and social capital that exists and is exchanged between a member of an organization and the organization itself? With that comes the emphasis on transparency and understanding what are the rules of operation for that member and the organization that allows the member to feel a significant contributor to the success of that organization, that allows that member to be a part of, or feel a part of that organization. Maybe more than in perhaps just an individual contributor relationship that we may see.

**Hilda Polanco:** So, in thinking about those membership sensitivities, let me move to the leadership orientation. In a membership organization — and again, you'll hear from our presenters — there is this reciprocal value between the organization and its members, and as a leader, part of the focus is how to create that value proposition where the leaders are listening to what the members are asking for, and are indicating that they need, and responding to that — in a prescriptive, perhaps, at times, but more in a flexible way in an ability to adjust to what those member needs might be over time.

**Hilda Polanco:** So from a leadership perspective, we're hearing the needs of the members and developing the programming that is responsive to that. It's around common ground. It's creating that feeling of purpose, shared purpose, between the members and the organization, and this idea that we also welcome innovation, evolution, and new ways of thinking. In terms of how we manage our success, thinking about the metrics of service, what are those promises that we are making? Are we delivering on that promise? And can we be transparent? Can we have the systems that allow us to show that the value of membership is, in fact, being received the way that it's being promised.

**Hilda Polanco:** On the infrastructure side, we know that engaging members means having strong communications, having systems that are supportive of that mutual connection and of that mutual relationship without being overburdening in terms of bills. For example, the billing and collection process, the dunning of delayed members, making that almost be a sort of invisible transactional processing so that that relationship continues without a lot of the, perhaps, paperwork that could stand in the way.

**Hilda Polanco:** And then… in a membership model, there’s the convening aspect, becomes a critical aspect of bringing folks together. So, what are the infrastructure needs that the organization has, from databases to convening mechanisms to communicating and collecting all of the tools that are necessary? And I'll be asking one of our panelists today how have they successfully done that, in terms of the investments that they've made to be able to generate that feeling that we're trying to generate for members, with the infrastructure being sort of that behind-the-scenes, transparent element of that partnership.

**Hilda Polanco:** So, these are some characteristics that we've been thinking, again, through all of the models and have really prioritized for today's conversation around the membership model. Before we begin, as we always do, we have a few polls to have a sense as to who's in the room with us today, and for you to have a sense as to who's in the room with you as we progress. So, the first poll, we would love to hear how much of your average annual revenue represents dues from members. And we have four choices for you to pick from: Is it less than 10%, 10% to 25%, somewhere between 26% to 50%, or more than 50%? Please go ahead and let us know what is your single choice here, based on your model and revenue funding.

**Hilda Polanco:** Okay, so we have quite a diverse audience here. For those of you that are more than 50%, this is sort of a core part to your business model. And you can see that about 44% are less than 10%, so you're exploring what this might mean for you. And then —we've got about 24% in that first category, and 14% in the 26–50. So, thank you. Thank you for sharing that. We now know the perspectives of the folks who have joined us.

**Hilda Polanco:** Second question. We've answered the question about what percentage is membership. We're looking to understand the other sources — so, there's membership dues; what are the other sources of revenue from those members? So, this gets to the other ways in which revenue is generated from the members in addition to the membership. And you can see… same categories. So, again, this is membership that is paying in revenue for other activities, like publication, events, sales of merchandise… these elements that generate financial return for the membership organization beyond the original membership dues.

**Hilda Polanco:** Okay, so, more than 65% of you, this is a small portion, less than 10%. And then you can see the distribution where some of you, 15% of you, more than 50% of your revenue comes from publications, events… so this is a model that really is monetizing the activities that you have available for the members. So, thank you for sharing that.

**Hilda Polanco:** And now my last question, which continues in terms of the role of membership. This is more around, what is the intended role of the membership structure within the organization? This could be all that apply. So, can your members vote and select board members? Do they provide financial support? Do they provide input into the organization's positions and decisions? Take part in advocacy? Or maybe other support? So please check each that apply for the way in which your members contribute to the organizational structure. This takes a little bit more thinking.

**Hilda Polanco:** Okay. Going to give everyone a chance to take a look. So, about 40% of the organizations on the call that have members, the members can vote for their board members. Two-thirds provide financial support. About 50% provide input on organizational positions — decisions, resource allocation maybe. Advocacy, almost 70%. And then, almost 70% other types of support. So, you can see that many of us have not only financially intertwined with the members themselves, but the running of the organization and the structure of the organization.

**Hilda Polanco:** I'd now like to move to our first panelist, who is going to share some thinking about the role of membership organizations in the social sector. Jon Pratt has done research and has been a sPEAKer on this topic. In many, many ways, and we look forward to his wisdom. So, Jon, I'm going to pass the virtual baton to you.

**Jon Pratt:** Thank you, Hilda, and hello, participants. I think, a key theme on this — and it was great seeing the poll results — is local conditions vary, is that there's no single way to do this, and there's a lot of learning out there of options and design choice that you have in structuring and formulating a membership organization. So, my task is to talk about, where did they come from? Why in the world would you want to be a membership organization? And how do you make it work? And then, to give an example.

**Jon Pratt:** A key advantage for this business model is the unitary nature of the role of members. So, members in membership organization are at the center of three critical functions. First, they're a source of funds, both through dues and non-dues revenue. Second, they're decision-makers, providing and selecting the leaders, taking part in agenda setting, issue discussions. And then, third, they're often the delivery mechanism to conduct the organization's work. So, they're the presenters at workshops, at conferences. They're the people who meet with legislators. They respond to surveys to share knowledge and set priorities. They take part in joint ventures. And when we look at those three roles, the members are at the heart, there are huge benefits to the organizations. We know that nonprofits want to be independent and would love to have unconditional love from their funders — reliable income without conditions. This is sort of a key benefit of membership: When properly organized, membership organizations can achieve that flow of reliable, high-autonomy, sustained funding. There aren't conditions specifically attached, although they maintain their control not by putting conditions on the funding, but by participating and contributing their ideas. A core benefit alongside that is the legitimacy of demonstrating, well, who do you represent? And this is a question organizations get — “Who do you represent?” — from public officials, potential members, and the public, and also to funders.

**Jon Pratt:** So, a little bit of historical perspective. So, if we go back several hundred years, even before the U.S. Congress invented the Internal Revenue Code, the original nonprofit or non-governmental organizations tended to be religious organizations across the full spectrum of world religions and ran the range from single religious leaders to large hierarchical structures, to congregational governance. And it's this congregational governance that's helped share some of the lessons where the members of a congregation were directly involved in making decisions, making their way through group decision-making.

**Jon Pratt:** The idea that non-religious entities could be formed for public benefit, so for education, for service to the sick or the poor, for scientific discovery; that you could have these organizations created not by the State but by groups of plain citizens, came along with the Enlightenment in the seventeenth and eighteenth centuries, the cultural and intellectual movement.

**Jon Pratt:** So, the democratic roots of nonprofit organizations are based on the idea that plain citizens are competent to choose their own leaders, to participate in decision-making, to form their own organizations, and don't have to wait for the money or initiatives of people with titles like the bishop or the princess but can themselves take action for a local cause or a big campaign.

**Jon Pratt:** So how do you get people to join and stay in these causes? There are a couple of views. One is the economic view of membership organizations, proposed by Mancur Olson in The Logic of Collective Action, which is a classic look at economic motivations to participate that overcome the “free rider” problem. If you think about these membership organizations, from your public radio station, the Rotary, the NAACP… if everyone gets all the benefits whether they pay dues or not, why should you pay for it? The products of these organizations are both private goods and public goods. The pure public goods are goods that are not excludable. So, if you help pass a law that benefits everyone, one person cannot reasonably prevent another from consuming that good. The same with public radio and the airwaves. So, everyone gets to enjoy the public radio signal, or the social justice achievements of the NAACP, while the private goods — the public radio tote bag, or the NAACP magazine — are made available only to members. Private goods don't have to be huge, but member benefits tend to signal recognition and inclusion, make it clear who's a member and who's not, and give some value in exchange for the dues. Membership organizations need to deliver at least some private goods, and of course there are many organizations that only have private goods. So, if you think about condo associations, private social leagues, or the Hair Club for Men, there's no public goods that come from those organizations.

**Jon Pratt:** A modern critique of membership organizations is that they don't always live up to their democratic roots, and that they hold themselves out to represent the will of the people but actually engage in nominal group process, where a small group of insiders calls the shots, and treat the members as passive but reliable contributors. Theda Skocpal proposed this in her book, *Diminished Democracy: From Membership to Management in American Civic Life*, and was critical of sort of how organizations have evolved over the last hundred years. And she shows that a hundred years ago most organizations were organized as membership organizations. But now most of these groups have converted to being self-replicating boards of directors and basically using professional management.

**Jon Pratt:** So how do we keep clarity about how these membership organizations are accountable to their members and are truly representing their interests? Well, there are two legal and accounting aspects that come into play. First is when you incorporate, and often there's a view that the two major types of nonprofit corporations incorporated under state law are *membership* or *non-membership* organizations. And the key difference is that members tend to select the board, that they actually have member rights, and it may be clarified what information they can receive or how they can intervene or control the organization. Often this is done through election of leadership… could be election of the officers or the board of directors. And this is important, because a key litigation problem over the years has been who has authority to control the organization, and are the decisions legally supported? And so, fights, internally, in organizations, you need to be clear: Who has authority to make the decision? And when members have authority, do you have an up-to-date roster? Who’s entitled to vote for what, and when does the elections take place? So, this is one of the importance of having systems.

**Jon Pratt:** And then, secondly, how does the organization account for funds from members? This comes more under the Internal Revenue Code and GAAP reporting. If you receive funds from members, is this a contribution? So you can have (c)(3) membership organizations that are receiving dues, and some of the dues may be treated as charitable contributions, some as program fees, and this ends up being reported on IRS Form 990 at Part VIII, and you see distinctions between membership dues listed as a donation versus as program fees, and the distinction here can be between formal and informal membership organizations. So, public radio is actually an informal membership organization. The members tend not to have specific structural rights to help select membership. There are thousands of US membership organizations. AARP is the largest with 38 million members. There's even a group, an association of associations of membership organizations. The American Society of Association Executives has 7,400 organizational members. It also is a great source of information about recruiting membership, sort of everything about, how do you succeed as a membership organization? Most formal membership organizations are either a (c)(4) or a (c)(6) — trade associations or social welfare organizations. So, this is a tax status that allows them to lobby without limit. The ongoing challenge for membership groups is long-term base building.

**Jon Pratt:** What are the attributes of membership organizations? The next slide shows this. What do you want to have in place to manage membership? Clearly, you have to have a plan. A clearly defined constituency: who's our target pool of potential supporters? Who is it that we're reaching out to, to join? A structure for membership status; a roster of active members; a system for dues, recruitment, and retention. And have establishing membership criteria. Who gets to be a member, or even different types of membership, with your application process and multiple renewal appeals. I'll talk later about dues, systems, and membership types.

**Jon Pratt:** The priority investments. What do you have need to have in place? Well — and I'm sure the groups taking part in this call have a membership database or website. There are over 140 different association management software solutions available. Some are freestanding, some are add-ons for Salesforce, but for many the goal is an integrated e-commerce, plus event registration, plus membership tracking. But this allows members to see who else is registered for an event, to basically cross-sell different events or different offerings from the organization.

**Jon Pratt:** Mass communications to members. I think this is a key theme, is, you need to succeed at communications to succeed at membership. And then having, what are the engagement strategies, events, meetings, surveys?

**Jon Pratt:** And then, many of the organizations we saw in the survey are mixing dues revenue with non-dues revenue. You've aggregated a market. You have people who are interested in what the organization does and what it has to say. You don't want to be a shill, so not simply merchandising things and sell-sell-sell to members.

**Jon Pratt:** And it was interesting to see, that was, for this group, non-dues revenue is definitely a smaller part for most organizations.

**Jon Pratt:** The next slide asks this question: What do members want from organizations to which they belong? So, one measure of connection is how closely are members tied to the association, a continuum of affinity from high to low. And really, this varies across organizations, but the influence — what is it that members are looking to the organization to deliver? So, if they're interested in advice, the organization provides advice. If they're looking for cost savings or purchasing recommendations, those are very different roles. Are they looking for advocacy or legal advice? And then which parts of the association do different types of members value. One view of members is that they're — and this is a very shorthand description, but sort of a hierarchy of expectations and participation. This view would be there are three types of members. Mailboxers, who just expect, “Keep us posted. We support you. We want you to keep doing what you're doing. Just let us know what's happening.” Second group would be active participators: “We will use and contribute to what the organization does. If we're gonna pay for it, we're gonna use it.” And then, finally, leaders: “We want to help steer the ship, be on a committee, on the board, present at an event.” And one view is that mailboxers are about half the people, active participators are about 45%, and then leaders, people who really want to help steer the ship, are about 5%, and sort of meeting each of those groups where they are.

**Jon Pratt:** Six areas you'll want to follow, sort of worth tracking. One is what's happening to membership over time. Setting goals, comparing to peers. Are we growing or shrinking? Second would be organizational accomplishments. What is it we can communicate to our members that we've done on their behalf? What would members want to know about? Third is renewal rates. So, what's happening? Certainly, churning is normal, that people join, and some don't renew, but having 80 to 90% renewal rates is a very healthy role. It depends on the organization, but who thinks the organization is doing a good job?

**Jon Pratt:** Active participation. So, what are people doing other than paying dues? Participating in events, surveys, program services, advocacy. Fifth. (Now, these last two are harder to measure.) Organizational reputation. So, what's the visibility, the openness? What do people think is happening? And then, lastly, healthy group dynamics. Do you have an open process, effective operations. Hard to measure here, but it goes to authenticity, is, how do members experience the organization? Do they feel ownership? Is the organization on the right track, from members’ perspective? Is it working on the right things, focusing on the right issues?

Jon Pratt: So, I'll use an example that I've been very involved in — and let me say, local conditions vary. There are a lot of design options. This is just one example to demonstrate the role of dues in participation. So, MCN. It's an association of nonprofit organizations. It is a (c)(3); 2,200 member organizations pay dues and participate in events, cost-saving programs, public policy advocacy. MCN has learned a lot about structure and scope by studying other groups, and some trial and error, and by listening to our members.

**Jon Pratt:** So, the next slide is of our state, Minnesota. The Minnesota population is about 7 million, 60/40 split metro to rural. MCN has six chapters, plus the Twin Cities. The big challenge for MCN is how to be useful to regional centers and rural members. Next slide shows some of that active communication and engagement: publications, email social media, events. So, membership results from interaction and usefulness — a lot on communications, contacts, and events.

**Jon Pratt:** Next shows MCN’s dues history. So, yes, like many organizations, sliding scale… goes from $50 — 25 years ago, it was from $50 to $500; now the range is from $50 to $1,700 — and people expect sort of smaller organizations would pay less. The next slide shows over time, a short-time series, membership can definitely be a reliable, predictable source of revenue. Should not be volatile. Steady growth is ideal, and it's worth having timely inflation adjustments.

**Jon Pratt:** The next slide shows MCN's membership by size. You see those membership levels based on budget size, the number of active members in each budget category, the dues level for that category, and then what the current dues income is from that category. So, for MCN, this shows that the distribution of members by size and the dues produced. 70% of the members have budgets under 1 million dollars, and their dues account for 23% of total dues. The largest 30% of member budgets account for 75% of dues revenue. Renewal rates are also correlated to size. The $50 members renew at about 50% per year, so a lot of churning at the low end, and then the largest organizations renew at 95%.

**Jon Pratt:** There's also a difference in, what is it they expect? Our smallest members are looking for very practical benefits, including free publications, a copy of the grants directory, the legal handbook. The largest members are looking for public policy, protection, and advocacy and information. The next slide shows projecting dues increases and its impact on groups, including what percent. Basically, the larger organizations can afford more and can afford more increases, and that's where it's targeted.

**Jon Pratt:** To wrap up my part of the presentation, next, I wanted to talk about the democratic roots of membership organizations. Ruth asked me to return to this theme, because at its heart, membership organizations are uniting people under a common cause. So, bringing like-minded people and organizations along with political and issue education. One of the most valuable things membership organizations can deliver to their members is the other members — so opportunities for peer exchange, opportunities to work with sort of their peers and learn from them. Membership organizations can be an effective vehicle for group decision-making, deliberation, self-education and learning, participation skills, peer exchange.

**Jon Pratt:** Most value is the connection to other members. These groups can serve as a leadership training ground for plain citizens, what de Tocqueville called “the mother science of democracy.” Gaining the knowledge of how to combine, even to crowdsource. So, it can be a place where people learn, and it's helpful for individuals to join in high-level activities with their peers. They can also serve as a forum for identifying common concerns. So undertaking, research, testing positions, building an agenda. These associations, and I think this was referred to earlier, should be permeable, open to input and ideas from members, not telling them what to do or think, but letting it bubble up from below.

**Jon Pratt:** So, with this, you can end up with a strong membership case why you should join. You can provide some private goods available only to members, and also having an authentic member role in decision-making and selection of leaders. Thomas Jefferson, quoting Benjamin Franklin, wrote that in free governments, the rulers are the servants, and the people their superiors and sovereigns. That is the intent of membership organizations: The people who really should be in charge are the members, and the officers and executives are people who are learning the skills of how to respond to them. This is in contrast to most nonprofits, which have self-replicating boards. It means giving up the degree of control but harvesting some energy, initiative, and creativity —the people power — that exists.

**Jon Pratt:** So, that is sort of our opening perspective. And next up are some Q's and A's.

**Hilda Polanco:** Thank you so much, John. And I believe Mark is our moderator and has been watching for questions. And we are ready for those questions.

**Mark Hager, Nonprofit Financial Commons (he/him):** Okay, I don't think I'm on screen… but, ah, there I am! I've just come on. So, hi there, everybody! Thank you, John. Thank you, Hilda. To prepare for our time today, I got from Amanda the list of the questions that registrants had posed, the things that were on their mind, and I posted those over in the forums; I'll put a link in the chat right now of my six or seven categories of questions that were on people's minds as they were preparing to come into this webinar. And, as I say there, we're not gonna get through all of those things, but I got a sense of what people were interested in talking about. We might have time here in 8 or 9 minutes to maybe talk about three or four different kinds of things.

**Mark Hager:** And, John, I want to start by pushing us on definitions, because I think that's the important — people think, “can I become a membership organization,” whether they can or not? And you and I were talking about this a couple of weeks ago when it first came up, the question of, “Hey, you know, can we become a membership association?” My reaction was that to that was, no, you're either a membership association or you aren't. And you all pushed me to sort of soften on that a little bit.

**Mark Hager:** Clearly, there are those things that are membership organizations. They're built for that. They're the pure types. They’re your church, they're your neighborhood watch organization. It's the American Accounting Association. It exists purely for the members, and it's only the members, right? It's only certain — and we call them “associations” for that reason: It gives these people a way and a mechanism to associate through. But there seem to be these other things. And we're talking about these other things, largely, today for folks that maybe don't have these associations. Our colleague Ruth called these faux associations. It seemed like… you called out public radio of having a mission that they can do, theoretically, without their members, but they fundraise by asking for additional donations from their members. Theaters might do this. They might mostly get their money from ticket sales or from a grant, but they might invite members to get certain services. Or maybe a youth service organization might do that; it's not their primary source of funding, but they can invite “members.”

**Mark Hager:** I don't know if these are membership organizations, but we're sort of calling them members, and we're taking in dues, and we're encouraging people here today to think about this model within their own organizations. What do you think about this distinction between the pure associations and these things that are trying to have members?

**Jon Pratt:** Oh, I think it's a real distinction, but I would look at it more as a continuum. So, we could say, from high degree of member control and influence to low. And I think the key is, do people understand what the equation is, and what their true role is? So, I think, for public radio contributors, there's probably a pretty clear understanding that they're there for the financing. They certainly can send emails or participate in events, but mostly they're paying for a public benefit that they're already getting but feel that they should. Some other groups, on the other end of the continuum, this could be the medical association, or could be a tenants’ union, where everyone who belongs to this organization is a tenant and gets to vote for the board and gets to decide what legislation they're gonna work on.

**Jon Pratt:** I mean, the good thing is that people understand that they can participate and contribute to these groups and should have a voice. I think the one question hanging out there is, is there agreement between, or consistency between, what people think their role is and what it actually is.

**Mark Hager:** So, for that tenant association, the president, the vice president, they're gonna be tenants, right? That exists for them. Whereas your NPR, you know, I'm not gonna become the president of NPR from my $10 donation I have there. I guess I'm a member, but…. So, there's this this distinction, here. Hilda, is this a meaningful distinction, between these pure member association members and these small donors?

**Hilda Polanco:** I would say from a business model perspective, of course, the composition is different, but I think, from John's points, and what we see in working with organizations that are trying to solidify their relationship and diversify their revenue, it’s about whether there's an exchange of value for an amount. Whether it's the that second tier, where we saw, beyond membership, there is something that's really valuable for the members that the organization can create and the members can access. That is a coming together of value for dollars. And so, I think it's more about what resource is needed to be able to add that dimension to your already strong business model.

**Hilda Polanco:** In a way, I think one of the questions we saw at the beginning, that had come in in advance, “How do we strike that balance so that members don't feel their names and access are monetized in ways that they wouldn't approve?” And so, I think there's that balance of protecting the revenue, protecting the members, and access to their information and who they are.

**Mark Hager:** I think those are just such important points for our… those types of organizations, and many people in our audience today that aren't working in or for traditional membership organizations, and their question might be, can any organization take on a membership model? Can they adopt some kind of membership structure that might be useful to them? John, what do you think?

**Jon Pratt:** I think they could. It probably would involve changes to their articles of incorporation if they're not already structured that way. But you can change an organization. Actually, it's probably easier to go that way than the other direction, converting from a membership organization where members have specific rights. Then, you're gonna have to get basically the consent and approval of members to make that transition of what some may view as taking away their rights.

**Mark Hager:** Hilda, any thoughts there?

**Hilda Polanco:** Yes, I'm actually on the board of an organization where we just did that. The voting of the board was a function that people didn't fully understand. It wasn't a key value to the members. It was almost like a procedure that didn't really represent the way the organization was engaging with its members. And we did all the paperwork, and it has now been removed. And we move forward with very active members. Just that one piece was removed.

**Mark Hager:** Here's a question: Does the level or type of membership matter, for all the various reasons that we're talking about? The examples I've thrown out there — your church, your neighborhood association — and we talked about public radio, that theater that adopts members. Those are all individual people. But, John, your example of the Minnesota Council on Nonprofits, those are organizational members. And there were a number of questions that came to us in the registration about organizational-level members. And it doesn’t just have to be organizations, I suppose. I mean, the United States is a federation of states; the United Federation of Planets is a federation of planets. Does this matter, of what level your membership is, for the various things we're talking about today, or just do all the principles apply in the same way?

**Jon Pratt:** I think the structures are similar. I think individuals behave differently and have different expectations, and probably are harder to predict. So, I had to expect more churning in an association of individuals than an association of business entities or of governmental entities.

**Mark Hager:** Hilda, individual versus non-individuals — that matter in any tangible way?

**Hilda Polanco:** I think understanding the needs of each is what's key, and so long as we understand what each is looking for, I think that's all that would be necessary, and I defer to John on his points as well.

**Mark Hager:** We're getting ready to move toward our case study. I'd like to get a brief reaction from you sort of on a bigger point, John and Hilda. We've been in an era now for several generations of people engaging their communities less than, say, our grandparents or great-grandparents did, and some organizations seeing declines in their efforts to either get volunteers, or get donors, or to draw in members. Is that a concern for folks that are thinking about either creating a membership association or moving toward membership association? This broader joining culture, to what extent should that be a concern for us in thinking about the membership model? Hilda, what do you think?

**Hilda Polanco:** We see this question, and I saw some of it in the chat, in terms of this question of in-person versus virtual. It's not the way it used to be, as you were saying, Mark. I would say that it's more about listening to what individuals want in today’s world. Maybe in the past, an in-person meeting is what they were looking for. But today, they're looking for something different. So, staying in touch with the wishes and needs of the members is what I would think would be key there, as opposed to comparing to the way it used to be, or the way that it could be.

**Mark Hager:** John?

**Jon Pratt:** I think a lot of the question partly is, what do we have to do in the era we're in to engage people. And, certainly, in the 1800s, it was so different that meeting-going was a quasi-entertainment, and how you learned things. We weren't… less of a role for mass media, certainly no role for social media. And so, “how do people want to engage now” is kind of the question every organization faces.

**Mark Hager:** Yeah. And a big question, I think. John, let's you and I exit, stage left. Hilda, I think you're going to introduce our next presenter and take us into the next segment of the webinar. Thank you.

**Hilda Polanco:** Thank you, thank you both. And so, now we'd like to have a conversation with Dolores Estrada. Dolores is the COO of PEAK Grantmaking. Full disclosure, I happen to be a member of PEAK and a big fan. And so thank you, Dolores, for joining us today.

**Hilda Polanco:** John, you've set the stage for us in so many ways — the historical perspective, just how to think about benefits of membership, structures. And I'd love to bring in Dolores's experience with PEAK, and how PEAK has evolved over time to be the amazing organization that it is today. So, Dolores, welcome, and I'd like to start just by asking a little bit about PEAK. How did it become who it is today? Was it always a membership organization? Was it always called “PEAK”? Just bring us into to your world.

**Dolores Estrada, PEAK (she/her/ella):** Well, thank you, Hilda, and thank you, everyone for inviting me to share today. I think the story of PEAK is one that, I think, as I was listening to John, covers a lot of the dynamics of what makes a membership organization. But originally, PEAK was not a membership association. PEAK is now a nonprofit membership association with 28 years under its belt. Its mission is to transform philanthropy by operationalizing equity-centered values and driving grantmaking practices, which came about from this conversation in 1991, two grantmakers trying to figure out the role of making the stewardship of the money that their individual foundations, grantmaking institutions, were putting out there, and just be wiser about it, more efficient about it, but more equitable. And so, this desire to do right by the money being invested and to really help support their individual communities.

**Dolores Estrada:** There was an organization of grantmakers — grant managers — in foundations, and so we became the Grant Managers Network. And initially, it was focused in and around the New York region, so, yay, New York, for lighting the fire of equity and efficiency. And the desire of creating this space for grantmakers to do better by their investments in community was supported mostly from private foundations, and they sustained us through our initial period just giving us grants. And when the next growth spurt came along, we discovered that we had a movement. We had — and I'll tell you a little bit about this later in our conversation, but we created space for people to talk about their work and how to do it better, and how to make our communities the beneficiaries of that good work. And so, we wanted to build a movement around this, and so we had a low barrier to entry from 2009 to 2019 that resulted in a 400 net growth over that decade. And it has remained consistent over time, because we believe that our mission is consistent with having more people in in the in the group, and that membership equals value for all our members, and more organizations mean more potential for change — and that change, again, becomes the beautiful gift to our communities where they can thrive and not just live in scarcity.

**Dolores Estrada:** It wasn't until 2010 that PEAK had membership dues. We incorporated 10 years as a 501(c)(3) after GMN had started. We didn't have our first paid staff member till 2006. So, the trajectory was “good people doing good work,” and because these folks spent so much time — our founding members, really — trying to understand and help support nonprofits, that our umbrella grew of who was there. And in 2017, we changed our name, and so now we are PEAK Grantmaking.

**Dolores Estrada:** “PEAK” stands for: *principles*, our guide rules for how you can get to values-based grantmaking. *Equity*, which is across everything that we do. *Advocacy* — create a movement of our members to support our communities. And *knowledge*: Don't be hoarders of information, share! One of our principles is, “learn, share, evolve,” and that means, take what you learn, share it with others, and you [inaudible] and innovate from that.

**Dolores Estrada:** So, that is our story, and it is one that continues to make me proud because, listening to John earlier, he was talking about, you know, our members are not passive, they are passionate, with an absolute drive that makes us able to really thrive over these last 28 years.

**Hilda Polanco:** Thank you, Dolores. From a financial perspective, John showed how membership dues are really part of program service revenue. Just help us understand — and we have here literally a copy of the 990 — how does revenue play a role in the financial sustainability (or membership revenue, excuse me) of the sustainability for the organization?

**Dolores Estrada:** Well, revenue streams at PEAK are comprised of membership dues, workshop fees, grants and contributions, annual convening, convening exhibitors,

and programmatic sponsors for our different areas of work from our knowledge and learning department, and other registration fees. We have monetized some things that are a direct result of what our members give back to us and we create as a result of that. Our dues make up 10% of our revenue, as you can see. But really, when you combine that with the grants and the contributions that come in, it bumps up to over 45%, at least in 2022. So, that is the wealth of options.

**Dolores Estrada:** I will tell you that we have a sliding scale for dues that is based on our members’ total annual giving. And so, for full disclosure, our members are individuals and organizations that are in grantmaking. So, they have a role, some role, they are a touchpoint of money from a private foundation, community foundation, any grantmaker going out into community. And so, we have an amazing amount of members in our community, and that is really a result of what I like to call our membership innovation, which is, we have three membership categories. The first is “organizational,” the second is “consultant,” and the last one is “individual.”

**Dolores Estrada:** And I want to bridge the gap between what you see in our numbers and what it is that we're really trying to move. If we are a movement trying to change the practices of philanthropy so that there can be more equitable, values-based grantmaking happening, then we want to have more people come into our space. And so that means that we are very generous in terms of what we share, because it's part of our principles. And so, we have a specific category of membership that is free. It allows you in the door. It is about creating a space for you to take something in. And if you think this is the place where you will then bring out these wonderful tools to your communities, then we have won, one, but two, ultimately, some of those individual complimentary memberships result in paid memberships or individual donations.

**Dolores Estrada:** And you maybe wonder, well, how do we know we're successful? Well, from our impact report in 2023, as you can see, we bumped up our membership to over 8,000, and that's amazing, individuals. We have, within that space, 557 contributing organization and consulting members. But really, the beauty of this is that there is a 92% renewal rate for our organizational and consultant members. So, I know that we are successful. I know that the passion that they bring into their volunteering and into the engagement that they have within their own organizations must be making a change. Because our numbers keep going up. In 2023, we welcomed 63 new organizational and consultant members. And that is big! That added 1,500 to our network. And so, again, when we talk about a movement, you create the space and the opportunities for people to become part of your movement and help you move the needle on that mission by giving them a space, and how they navigate that space over time is really up to them. But we have had nothing but amazing results from our members, and their engagement and community is evident on every single page of our impact report.

**Hilda Polanco:** As I look at this report, I just want to say that, for any organization on the call who is thinking about this role with membership, the quote, “I start every morning with PEAK. I look forward to daily information, questions to explore,” that seems to be working, in terms of that engagement strategy. So, we know, back to some of the questions Mark was asking, how do we tailor what we have to offer to what our members are asking for? I see you have many different ways in which individuals can volunteer, from advisory councils to peer groups to chapters. Can you say a little bit more about these organized ways in which your members are becoming part of the fabric of PEAK, if you will, and how that might relate to some others who are on the call, who might be thinking about creating these bodies of volunteerism?

**Dolores Estrada:** Yes. Well, one of the one of the biggest drivers for our success is our volunteers. They are amazing, and they are action oriented. They understand the space that they're in and they want to effect change. Our members come from, as I mentioned earlier, all different areas of grantmaking institutions. So, whether it's the legal department, the finance department, or the grants management department, what we see over time is that our principles have provided a map for folks, both consultants, individuals, and organizations, and they take up that map at wherever they are in their development journey to be able to get to an equity-based, values-based grantmaking process. And I think the things that they come to us for is just the roadmap. But where you have 14 chapters, we have all of these affinity groups, and they're connecting on issues, talking to each other, building opportunities for solutions, and then going back out there into the universe and spreading their knowledge. So, it really tackles that last principle that we have on learn, share, evolve, where we are creating the spaces that they're asking us for, because it's a need in the way that they can do their job better.

**Dolores Estrada:** We sustain that by having a professionalized staff, especially our membership and community engagement team. They're the largest. They are a seven-person team, and they support our 8,000 members, and they are one of the primary ways where we get feedback about needs in the community. As philanthropy is changing, those individual communities are bridging the gap between tons of information, and then what would be relevant to bring forward and to share with our membership. And so, we have a wonderful set of individuals who are helping guide all that feedback, and that feedback goes through our membership and community engagement group, and if there's something there that is an idea, an innovation, it goes from there to our knowledge and learning team, who then develops a resource, and we start a cycle of engagement that goes back to, an idea that came from this group now has become a resource, and now is being shared with everybody. And so, it creates a lot of opportunity.

**Dolores Estrada:** It also creates a lot of passionate individuals around certain areas of our work, and that gives us amazing volunteers. We have over 380 volunteers last year, and I think that is a testament of not only the space that we have created for them to engage in these conversations, that they may or may not be able to have in their own home institutions, but then give them the resources and the training to be able to execute with excellence. It has gotten harder, as the number of members has grown. But the love that we get back, and the patience to be able to perform and create the things that they need, is unbelievable. And so, that is a big driver in our success, too, I think — the patience of our members as we are growing as a nonprofit, developing the resources that they need, and then plugging them back with our members, who are very much… they're amazing.

**Hilda Polanco:** PEAK is the type of organization that the members vote in the board. I know that; it's part of your bylaws. And so, if you could just highlight where along the way this became part of your bylaws, and why it was necessary that it be in your bylaws.

**Dolores Estrada:** Certainly. So, I think, we spent… as I was talking about, our establishment, all of the founders of PEAK are grant managers who understood the importance of, what you put into a bylaw in anticipation of what you want to build will be at the forefront of what you create. We created this initially because we did not have — it was a completely volunteer organization, as I mentioned. We didn't have our first staff member until 2006. And so, governance of the organization, and decisions about everything, including the name, really came under the responsibility of our board of directors, and so we wanted transparency. PEAK Grantmaking is big on compliance because we were all from that space where the compliance work was our main home while we were in philanthropy, or at least for myself. And so, we understood the importance of having that guidance and that governance come from individuals who are within our membership, who would be able to then guide us through the different steps, not only of development, so that we could attend to the needs of our members, but then also looking at it from the perspective that if we wanted to sustain ourselves over time, we needed to have some really clear and transparent ways for our membership to engage in the development of that organization, and of PEAK.

**Dolores Estrada:** And so, you have this requirement that every year — this year, we were able to bring it in March — to put a slate forward to our membership. We introduce them to the potential candidates, and then the membership, 10%, must vote in those board members. This year, we had six amazing board members join us. The term starts June 1st, and so we're excited to be able to — again, in the development of our governance, we've gone from a completely hands-on volunteer board who did everything to now a hands-off board where governance is really at a higher level. They have morphed into a, I like to say “exploratory” board, because they have also given us the recognition that we need operational flexibility in the roles of everyday operations versus the roles that they have to lead and guide the organization and sustain it through the future.

**Hilda Polanco:** I like that balance between management and governance, absolutely. I'd like to ask you a few more questions that are more in the behind-the-scenes. Can you say a little bit more about the infrastructure that you have built to be able to — back to my slide — to communicate, to bill and collect, all the things that we want to exist. But we want it to be almost invisible. Can you say a little bit about that?

**Dolores Estrada:** Yes. Well, I will tell you, it’s not so invisible, because it's a really important part of our infrastructure. And that was to have a professionalized staff, not only in our membership department, but also across the organization to be able to provide and build around what our members need. We needed individuals who could be in a role for an extended period of time — so, at this point I'm saying, at least three years — be there, create, and support our membership in a way that allows us to build relationships.

**Dolores Estrada:** The second thing around infrastructure was really around our technology. If there was anything that we learned from the pandemic, it was that technology was what was going to help us not only continue the work that we had been doing in person, but also, really change the user experience as a member. To be able to have a community forum where they can exchange ideas, and they didn't have issues trying to get into the forum. Where they were able to look at the membership directory and find other individuals who are maybe in their region or using the same type of grants database. Technology innovation was paramount to our success, and so to best support our base of members, we needed to make a significant investment. And the change from 2010 till now was significant enough for us to also think differently about what that investment would look like. These last 18 months, PEAK has been working on the development of our new association database. It is nimble, it is Salesforce-based, and it will be glorious. If anything, it has to be glorious, given the amount of time that we've invested in creating this tool. And we will be launching it in June. So, those are the kinds of really critical infrastructure pieces.

**Dolores Estrada:** And I will say, around the innovation piece, that for us infrastructure is taking a look at all the things that bring us money and going, “How can we make that easier for somebody to give us money?” It's not just about a donate button. So, I'm excited — my comms team told me that I could share this — come at the end of the week, the PEAK website is going to have a new page, and I'm so excited about this page because this page is really — I think it's gonna be innovative. (I hope it's innovative.) Our new webpage that we're launching on Friday is the Resources for Funders page, and it will be located under the “About Us” menu on our website, and it will have everything a funder has ever asked us to give us money. We are trying to simplify the process for somebody to give us money, and so, technology continues to be the place where we can really rest assuredly, like, if we create a website page where you can get all the stuff, then maybe that might help move along the process of the giving?

**Dolores Estrada:** And we're also not doing it just because we wanted to add a page. We noticed over the course of the last two years that many funders were getting what they needed off of GuideStar and off our webpage, and we thought, “Well, wouldn't it be glorious if we just said, ‘Funders? This is your page. Technology will serve you in this way, and everything you need to give us money and support our mission and our members is right there.’”

**Hilda Polanco:** I think that's great advice for any organization seeking funding, membership or not. So, great takeaway there, Dolores, thank you.

**Hilda Polanco:** I think we're now going to open up to questions. And Dana, our moderator, is gonna join us. I saw them coming through the chat. I know, Dana, you've been looking. I'm sure there’s questions for Dolores. So, we're all here. Let's go.

**Dana Britto, NFC Moderator (she/her):** Great. Dolores and Hilda, thank you so much for your time, and Dolores, thanks so much for sharing the story of PEAK's journey, as it relates to your membership growth. So, I think, Dolores, you mentioned a little bit of this in your response to Hilda’s question around infrastructure, but I think there's a lot of curiosities from our participants around business model impact, and particularly as it relates to this increased growth of your membership base. How has that specifically helped you actually grow the staff that you need to do the work? And, how is that being potentially subsidized by other sources of revenue outside of membership fees?

**Dolores Estrada:** Thank you. That's a great question, and I will tell you one of the beauties of the way that we've been doing fundraising is that we haven't really been doing fundraising; we have been making friends. That's the first part: We make friends, and then if the friends think that there is enough value in what we're offering, then they become members. But what really allowed us to grow our staff was our membership dues. If you look at the grants and contributions and our membership dues, really, what that that dollar amount does is support our staffing. And that's where we were like, “Oh, if we have our staff supported, then we have actually an opportunity to look at the other money that is not covering staffing for what I like to call experimentation.” I call it “strategic experimentation,” and that is those things that come from our knowledge and membership team, which are really just a recap of what our members are feeding back to us in terms of needs. And so, anything that goes over covering our staffing then goes into that other space, that innovative space. But we've also learned the value of creating resources that people have time to reflect on and register with. And then we go out and create a new thing. But by that time, we've created the space for money to come in to support that next piece.

**Dolores Estrada:** So, infrastructure has been both following a model where we can sustain our staff, not just grow, and then not have the funds for that. But then also think critically around, what are the pieces of what we're offering our community that can yield us back, again, a futurist approach? Because ultimately, we believe that if we can do right by our members, our members will be doing right by nonprofits and community. And that's the thing we want. It's not that we can then influence or compel our members that our mission is right, but rather that what they do and what they bring to their home institutions will ultimately always benefit the nonprofits out there in our communities, and that is part of the long string of things that our infrastructure needed was, how could we focus on people, create things that are innovative and future-focused, right? We're not in it for the short term; we’re in it for the long haul. And so, how do we have that space where we also go, “Well, we built it for this, but times have changed, and so now we have to morph to this.” So, infrastructure conversations are important, and what you have that works, stays. But then you have to think outside of the box. And, again, that goes back to my mentioning the webpage, right? If I have a webpage where I can send funders and have, like, a little tease conversation, I can let them go look and decide whether they want to swipe right or left, and if they decide to go with us, we've given them everything that they need.

**Dolores Estrada:** But also, what we're also doing is modeling for the nonprofits up out there. It's a little bit of an extension of what infrastructure pieces we have, but I want you to understand why we're going through all the steps of creating all of these things. Being a membership organization, you would think that we would get money just one way in, and we don't! We have over 600 individual transactions where I'm signing, or my CEO is signing, some award agreement to process money that doesn't just come in as dues, doesn't just come in as a credit card transaction. I still get paper checks. So, you know, in a world where we encourage — by the way, this is a plug for Bill; we encourage our funders to pay us using Bill — it is an incredible journey of, what are the different things that you can use? And we just Frankenstein. We listen to our peers, and we pick the things that think might work and push us forward. And if they don't work, then we learn, we have data, and we try something else.

**Dana Britto:** Love it. I think, also, given the movement-building aspect or element to your work, in addition to being responsive to what your members need, I think you also made pretty explicit mention of the role of volunteers. So, I was hoping you could talk a little bit about the role of volunteers. And also, I think we had a specific question about how that time is being valued, if you’re providing some type of stipends or not, or really how you’re cultivating and engaging that in service of this membership, and also the movement that you're trying to build.

**Dolores Estrada:** Well, I love talking about our volunteers because 1) they are fantastic. We would not be in 14 different states, or 14 different chapters, if we did not have those volunteers. But not only do we have volunteers, we have “super-volunteers,” who are really just the lifeline of PEAK having amplification outside of grantmaking institutions. Our partners are also part of our volunteer network, in the sense that you can come in and just be a listener and find out information. You can become a chapter leader. You can become an affinity group, a community of practice leader. You could be a board member. We value all of those roles, and what we have, by design, created as part of our volunteer experience is that we won't just bring you into the fold and ask you to be co-chair of this or that. We will provide you training. We will provide you support, which is why our membership and community engagement team is so large, is because it supports a very big movement of people doing very many different things.

**Dolores Estrada:** But, more importantly, we sometimes, depending on the kind of volunteer experience, we will move people into the space where we give them the things that they can't get in their home institutions: professional development, career development. One of the really big features of our annual convening is that we now offer professional coaching. So, this year we have 12, 20 coaches, and we had over 150 engagements of individuals coming to the convening, getting some coaching, then going back to their home institutions and making decisions about their careers. So, what we tried to offer are the things that they might not necessarily get. If they don't have a professional development budget, we offer some of that within the resources that we offer. But also, we create a community where the networking, the social part, is so important that it bridges the gap between what they might need for their institution, because that's on a journey, versus what the individual is going on in terms of their journey within philanthropy. So, it's a very strong, human-centered layer of work! And if you were to ask me about all the things that we do, they all start with the humans.

**Dana Britto:** So, I think we have time for one more question, and I apologize that we don't have more time to discuss this, but I think you had mentioned that 2010 was probably one of the first years that PEAK accepted dues. And I imagine there's been a lot of evolution of the approach to that over time. But I think, going forward, what does your process look like in terms of reevaluating how you're thinking about that sliding scale and your approach to the pricing of those dues?

**Dolores Estrada:** How we look at the future is around just recognizing that things have changed in terms of cost, cost of living. Just the realities of the financial world are still there. We try to offer a strong sense of community, and we can't build that without just rethinking some of the things that we do. I would say we're looking at the future, and whether we increase dues creatively, in the sense that our window keeps growing. There is a real understanding by us that we are not the experts in everything, but what we are experts in, we will partner with others. Just creating relationships with others who are gonna help support how we bring our work forward, how we support our members, how we support the sector, I think is really important. Our perspective is that financial health goes hand in hand with the organization's value proposition, the quality of our programs (which are just outrageously awesome), continued relevancy with our members, and the internal capacities, right? So, that means having staff to help support that, and so we will assess at the time that we think it's right to make that change. But we also recognize we have a different insight to the philanthropic sector than most, and so that allows us to be aware and mindful and plan for the future. But when we do it, we always do it with a lot of love, a lot of communication, and I will do a shout-out to our comms and marketing at PEAK, because if it wasn't for the amazing job that they have done, we would not be in a place where we can call on our 8,000 members for support to make grantmaking equitable and values-driven.

**Dana Britto:** Dolores, thank you so much for sharing your story. And I, again, I think there's a lot of love that that you brought into this, and I think that's really important to facilitating a model such as memberships, and really appreciate just the honesty, the candor, and congratulate you on your success. So, I'm gonna pass it off to Ruth to conclude us for the day.

**Dolores Estrada:** Thank you.

**Ruth McCambridge:** (Sorry, I was talking to all of you on mute.) Thank you so much, Dolores and John, and the moderators for bringing an absolutely wonderful session. I want to ask you to hang in while I talk really, really quickly about what we've been doing in this series, because I think it is really important.

**Ruth McCambridge:** Before I do that, I want to remind people that we try to bring you all the stars in the nonprofit constellation when we do these sessions. And I want to remind people who have come to some of the other sessions that, in fact, a few months ago we welcomed Ari Solomon from Jewish Voice for Peace as a presenter, and she presented a membership model — very powerful, very similar in terms of really attracting people through promising them a common voice, and abilities to take common action, and then also, you know, receive information, etc., etc. They have been obviously very instrumental in the movement that's been going on around Gaza over the last few months, and I do want to do a shout-out to them. I emailed her this morning, and she says, “Truly, all the work we're doing is a result of a deeply dedicated member-leader base, who are continually inspiring with their powerful actions.” And I think that resonates for why the membership model is so incredibly important to the nonprofit sector, which is, after all, a part of our democratic structure.

**Ruth McCambridge:** I want to take a couple of minutes just to remind you that what we've done over the past 18 months, really, with BDO and NFC, have put together a very unique opportunity in surfacing the information about, “What are the five most common nonprofit business models?” Each of these is related to a dominant revenue source, and each has a different set of characteristics. (I think we mentioned this earlier. Hilda mentioned it.) And the characteristics include everything from transaction models to risk, to cash and capital concerns. You can find all of these, go back and watch them, get the resources associated with them, on our website, where it says “Courses.” And you will find all five of these. Actually, there are six sessions, including one original session.

**Ruth McCambridge:** I do want to say, until now, these business models have not been identified clearly or examined as thoroughly as they should be for those managing them, even when we are in relatively stable conditions. But their dynamics and needs are made clear through your own practice and this kind of oral history that we're doing through this set of webinars. Obviously, we use the oral history and the experiences of people who are really using these models well. But on top of that, we also use a lot of research.

**Ruth McCambridge:** Our next and final segment of the series is going to be on how to marry these various revenue sources to support individual organizations. So, it'll be on how to put together hybrid organizations and marry those revenue models in a way that is productive and doesn't overwhelm the organization.

**Ruth McCambridge:** I want to say, before we end, that the reason why this very basic finance work on nonprofit financial models has not been done before is because we have not controlled the narrative about what financial leaders in this sector really have to do to manage what are very complex entities. Nonprofits, even very small ones, have a very complex sets of variables that they have to manage all of the time. The Nonprofit Financial Commons is established to fix that problem by surfacing, helping to organize, and sharing your tested knowledge, and advancing our understanding and our ability to manage organizations that other people have succeeded in managing over time. The series of courses has been shaped and informed from the start by you, and we need you to help us keep it very vibrant.

**Ruth McCambridge:** There are two things, actually, that we need from you. One is any suggestions about how to use the content in this course, and it would be great if you would go back and look at all the sessions. Help us understand how to make sure that this content is really useful to other people, and that we continue to advance our understanding, continue to advance our practice in managing these various models, and also continue to improve the operating environment for those models.

**Ruth McCambridge:** And the other thing that we really need from you is financial contributions. NFC is not an extraordinarily well funded organization itself. We really have to depend on you to help us keep it moving. We gave you a link in the chat early on, asking you please to send us a donation today that reflects the value that you've gotten not only out of today, but out of some of our other sessions. And so, we'll ask you that again. We're gonna keep this the chat box open for a while, so you can both donate your intellectual contributions and your financial contributions.

**Ruth McCambridge:** We so appreciate you, and again, I just want to echo Hilda and say, big fan of PEAK, MCN, and the models that you've built have been so true to the intention of representing your constituency. It's not a wonder that you're so sticky. So congratulations, and thank you everybody for coming.