

Arkansas Society of Association Executives

Association Economic Impact Study Conducted by CliftonLarsonAllen 2016

Report Methodology, Data Tables, and Survey



METHODOLOGY

ASAE represents hundreds of association professionals in Arkansas. The organization contracted with CliftonLarsonAllen (CLA) in 2016 to conduct an economic impact study in order to quantify the impact of associations in the state.

The definition of an “association” is broad and varies depending on who you ask. Due to the various classifications, models, and types of organizations that the Arkansas Society of Association Executives (ASAE) would consider membership organizations (referred to as associations in this report), there is no single source of data that encompasses all associations. Therefore, in order to derive the most accurate totals to represent the economic impact that Arkansas associations create, the CliftonLarsonAllen (CLA) team worked with ASAE management, Guidestar, and CLA staff that work exclusively with membership organizations to be as comprehensive, yet accurate as possible. Please note that the data in this report is from the fiscal year ended in 2014, as it is the most recently available form 990 data at the time the data was accessed.

A. Population:

ASAE desired to quantify the economic impact of associations with locations in the state of Arkansas, a population that approximately reflects ASAE’s membership. The desired population included national organizations headquartered in Arkansas as well as local chapters of national Associations. All of the organizations selected did file a separate 990 and were included in the final data set.

The association community is primarily comprised of nonprofit organizations. Financial information for most nonprofits is available through GuideStar – an organization which profiles nonprofits and digitizes data of most nonprofits from their form 990 reports into a searchable format. For this analysis, ASAE purchased a report from GuideStar to obtain a basis for the population and data on a number of the desired financial metrics. The report criteria included:

- Organization’s address located in the state of Arkansas
- All 501 (c)(5), (c)(6), and (c)(19) organizations
- 501 (c)(3) and (c)(4) organizations meeting the following criteria:
 - Organization name included association, council, society, or academy
- Additionally, any (c)(3) or (c)(4) organization with an NTEE code starting with the following were removed:
 - B4: Education (schools and colleges)
 - E2: Hospitals and community health systems
 - X2,3,4,5,7: Religions

The CLA and ASAE project team then manually reviewed all organizations included in the GuideStar data set to remove those that were not applicable to the desired population. These decisions were judgments based on industry expertise and publically available information (generally organization websites) to verify if the organization was truly fit the characteristics of an association.

Though the GuideStar report provided information on a large number of organizations, it did not include those who filed a 990N or 990EZ (short versions of the traditional form 990) or those for organizations who did not file a form or whose form was not yet digitized. Additionally, for-profit associations do not file form 990 and therefore were not included in the report.



B. Survey:

A survey was used to collect additional data points which were unavailable on the form 990. The survey was created by the CLA team in conjunction with ASAE leadership to capture the information to be included in the economic impact study. A copy of the survey is included in this document.

Survey methodology:

- The survey was sent via email from ASAE to the primary contact at each organization of ASAE's members and a list of nonmember organizations for whom ASAE has contact information. The survey was sent to 114 organizations; 102 members and 12 prospects.
- The online survey was launched on September 13, 2016 and closed on September 26, 2016 and was hosted on the surveymonkey.com website
- 26 organizations completed the survey; an 22.8% response rate

Survey extrapolation:

In order to apply the survey responses to the entire association population, the CLA team extrapolated the survey responses to calculate weighted average percentages. Because large associations inherently act (and spend money) differently than small organizations, the full population and survey responses were divided into three size categories, using total expenses as the measure of size:

- >\$1M annual expenses
- <\$1M annual expenses

CLA calculated the average (dollar amount or percent, depending on the question) for each data point within each size category. Note that any extreme outlier answers were removed if they skewed the data. For questions with a dollar range option (radio buttons with ranges of dollars that the organization taking the survey would select the option that contained the total for their organization), CLA used the midpoint of each range to calculate the averages.

CLA then extrapolated the average answer for each survey question to the number of organizations in the population in that size range (< or > \$1M). All of these totals were then summed together to yield the total figures for the entire association population.



DATA TABLES

| Arkansas Associations By the Numbers* | |
|--|---------------------|
| | TOTAL |
| General Information | |
| Number of Associations in Arkansas** | 204 |
| Total Individual Members | 130,015 |
| Total Corporate Members | 21,414 |
| Arkansas Associations that have foundations | 40.7% |
| Total Revenues | \$ 200,290,306 |
| Total Expenses | \$ 180,550,451 |
| Employment | |
| Full-time employees | 761 |
| Part-time employees | 246 |
| Employees in Arkansas (full and part time) | 920 |
| Total Payroll Expense | \$ 56,158,108 |
| Total Benefits Expense | \$ 10,870,622 |
| Fees for services | |
| Total Insurance Expense | \$ 2,170,727 |
| Total Info Tech Expense | \$ 1,048,232 |
| Total Legal Expense | \$ 1,486,966 |
| Total Accounting Expense | \$ 1,356,482 |
| Lobbying expenses | \$ 548,808 |
| Printing/publishing expenses | \$ 10,443,333 |
| Taxes | |
| Unrelated business income tax | \$ 1,718,333 |
| Payroll taxes | \$ 4,289,554 |
| Property taxes | \$ 935,000 |
| Total taxes paid by Arkansas Associations | \$ 6,942,887 |
| Events | |
| # of attendees at Tradeshow/Expositions: | 86,456 |
| # of attendees at Education Programs: | 143,296 |
| Expenses for face to face conf/conv/mtg | \$ 38,012,500 |

| HOW ARKANSAS ASSOCIATIONS MANAGE THEIR WORK | | | |
|--|-----------------|-----------------------------|-------------------------|
| | In-house | Partially Outsourced | Fully Outsourced |
| Accounting | 29% | 59% | 12% |
| Advertising | 65% | 25% | 10% |
| Communications | 68% | 27% | 5% |
| Government relations/lobbying | 60% | 40% | 0% |
| Human resources staffing | 95% | 5% | 0% |
| IT systems | 38% | 27% | 35% |
| Legal services | 10% | 26% | 64% |
| Lobbying | 59% | 28% | 13% |
| Marketing | 78% | 22% | 0% |
| Meeting planning | 98% | 2% | 0% |
| Payroll | 57% | 24% | 19% |
| Public relations | 85% | 15% | 0% |
| Publishing | 22% | 55% | 23% |
| Sponsorship sales | 98% | 2% | 0% |
| Website development and maintenance | 5% | 58% | 37% |

**Associations with greater than \$250K 2014 annual revenues*

***Based on 2014 information from form 990 and self-reported data from an Oct. 2016 Survey*