Membership and Dues Redefined for the Next 150 Years

July 19 and 20, 2015
The Challenge - Membership

- While still healthy at 970+ families, membership continues to decrease year-to-year
- 2013 Pew Study – 31% synagogue affiliation
- Millennials (early 20’s to mid 30’s) less likely to “join” and “pay dues” but will support causes they believe in
- Jewish needs often met outside of a synagogue membership for free or on a fee for service basis
The Challenge - Dues

- Nearly 1/3 of our members not paying full dues
- Significant staff time spent “chasing” dues payments
- Dues income from one, full-paying member who leaves takes almost 30 new members to replace in that year (at $72 introductory rate)
- Even our most conservative budget estimates for dues income each year are starting to fall short

<table>
<thead>
<tr>
<th>Age Range</th>
<th>Single</th>
<th>Family</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 and Below</td>
<td>$230</td>
<td>$535</td>
</tr>
<tr>
<td>31 – 35</td>
<td>$530</td>
<td>$1,070</td>
</tr>
<tr>
<td>36-40</td>
<td>$1,060</td>
<td>$1,610</td>
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<tr>
<td>41+</td>
<td>$1,475</td>
<td>$2,200</td>
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The Challenge – Revenues (~$2.2 Million)

Dues / Security: 58%
Mahar / Tribute: 15%
Endowment: 12%
Fees and Catering: 9%
Grants / Other: 6%
What we’ve done

• Established a task force to look at evaluating alternative revenue models (Mark Jacobs, Greg Goldfeder, Sue Nash, Shelley Scher, Steve Eisenberg, David Levin, Jay Ross, Kim Cole)
• Read articles (NYT, UJA – Federation of NY, etc.)
• Conducted conference calls
• Reviewed information from USCJ
• Discussed idea with Officers, Development Committee, Board of Trustees, and other key stakeholders
What we found

• A growing number of synagogues (~40) now use alternative models for income. Most common is called the Sustaining Donation model.

• Flat to small (~4%) increases in revenue and similar increases in membership (some new / some rejoined).

• Allowed Elimination of Appeals committee and reduced effort on collections. People are more likely to pay a “pledge” than a “bill.”

• Mindset shift from membership as a business transaction to a voluntary commitment of philanthropy. Engagement comes before money rather than vice versa.
How does the Sustaining Contribution work?

- Calculate the revenue expected from dues and other income not provided by endowment.
- Divide by the number of adult members in the congregation. Result is the Sustaining Contribution number.
- Communicate to each member the Sustaining Contribution amount and the amount given by the family (or single) in the prior year and ask them to make a “pledge” for the coming year.
- Those who don’t submit a pledge are assumed to pledge a modest (typically 3%) increase over the year before and are billed that way.
How might that work at B’nai Jeshurun?

• For 2014-2015 budget, income items total approximately $1,620,000
• There are approximately 1,420 adult members
• $1,140 per single and $2,280 per family
• Instead of a dues statement, each year you will receive a letter:
  “This year, it is expected to cost $2,280 per household for us to operate the synagogue. Last year, you generously donated $2,050, and we appreciate your support! For the coming year, we hope you’ll consider a Sustaining Contribution of $2,280. Please fill in the form below to let us know what you plan to give.”
Other Details

- Endowed / Reserved Seats
- High Holiday Tickets
- Cemetery
- Building Fund
- Potential for new recognition levels
  - Multiples or $ above Sustaining Contribution
  - % increases over the year before
- Backstop (contingency) plan
Challenges

• Successfully shift to a culture of engagement
• What do we look like 10 years from now?
  ➢ Will younger families who join under this model increase their contributions quickly enough to reach sustaining level?
• What happens when other congregations follow suit?
• Can we grow endowment quickly enough to reduce reliance on other income?
Next Steps

• Follow best practices from those synagogues that have already made the transition
  ➢ Continued personal and community conversations
  ➢ Additional communication in Tidings / E-news
• Assuming congregational support and Board approval, earliest transition opportunity is the 2016-2017 budget year which begins on July 1, 2016.