

# The Data Says...

## Six Facts about Chambers

By Ian D. Scott

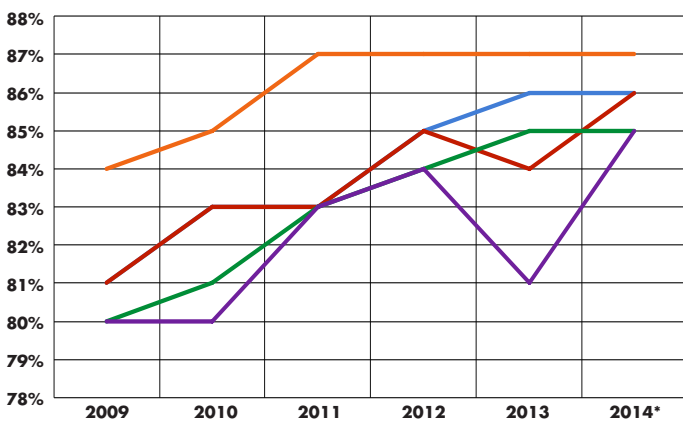
Most businesses expect to see empirical data before making investment decisions. The Horizon Initiative report predicts that your members will increasingly expect clear performance data before investing in you. Thankfully, Dynamic Chamber Benchmarking provides a solid benchmark on core operational performance indicators for any chamber.

Drawing the latest data from Dynamic Chamber Benchmarking and past years' operations surveys, we can confidently make some declarations that should inform your decisions. The data says that:

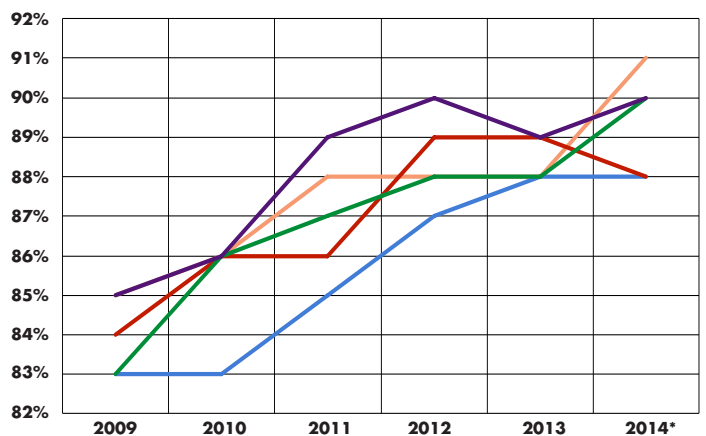
### Chamber are Back

We saw a drop in member account and dollar retention rates (probably the most universal performance indicators for chambers) during the recession, but the pattern has changed. While some markets are still struggling, in aggregate, chambers' account and dollar retention rates are now on par with, or better than they were, before the recession. Maybe it's because the stronger companies that weathered the recession are also more reliable chamber members. Or maybe chambers sharpened their programs and value during the worst years. Probably both. Either way, the data suggests that today you can no longer blame a lagging retention rate on the economy. ▽

### Accounts Retention



### Dollars Retention



#### Total Annual Revenue Categories

- Category 1: \$450,000 and under
- Category 2: \$450,001 - \$900,000
- Category 3: \$900,001 - \$2 million
- Category 4: \$2 million - \$5 million
- Category 5: Above \$5 million

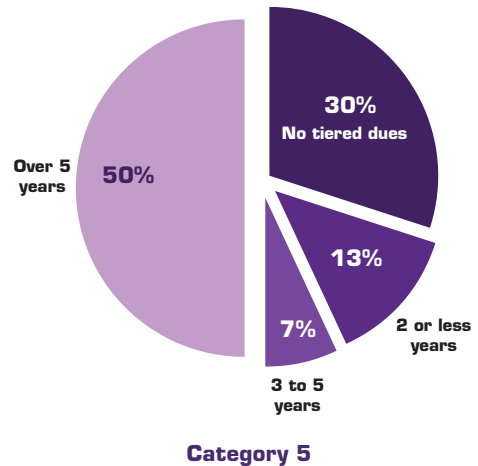
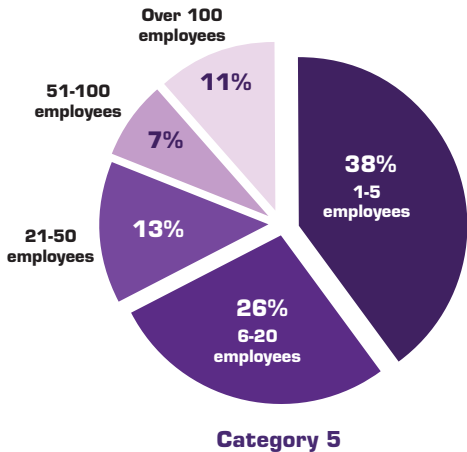
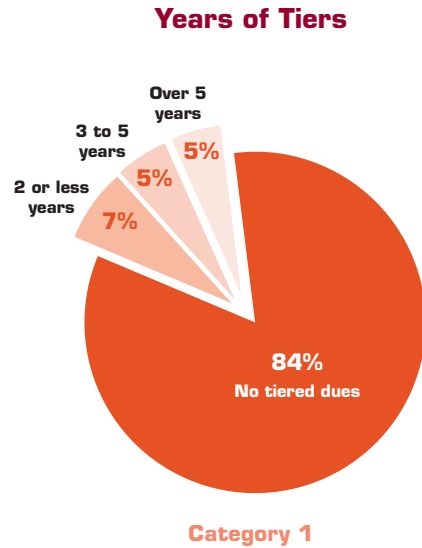
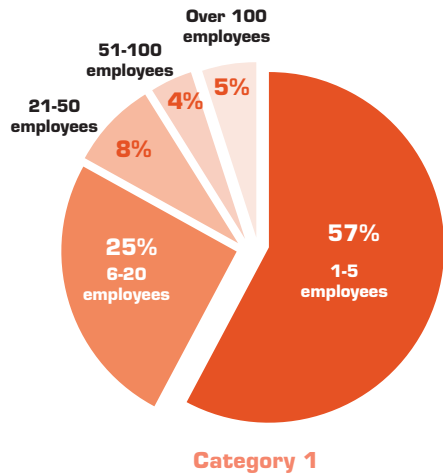
### Chambers Serve Small Businesses

The next time someone alleges that “Chambers are only for big business” you can confidently proclaim, “no we’re not.” For chambers under \$900,000 in revenue, the majority of member companies have 1-5 employees. For all chambers regardless of budget, the preponderance of member companies have 20 or fewer employees. Business models and funding streams vary, but on the whole, chamber membership ranks are dominated by small businesses.

### Chambers are Cautious

This is not an indictment. Judicious decision-making has kept many chambers around for more than a century, outlasting competitors and even member companies. But our industry’s inherent caution is reflected in data about value-based membership pricing (or tiers). 50% of the largest chambers have been on a tiered dues system for 5 years or more while 84% of the smallest chambers haven’t made the switch. Tiers dues is not right for every chamber and it certainly doesn’t guarantee top line growth, but it’s hard to ignore the correlation between budget size and value-based pricing. The take away: if you’ve not on a tiered dues systems now, you should have at least studied it carefully.

### Chamber Members by Employee Count



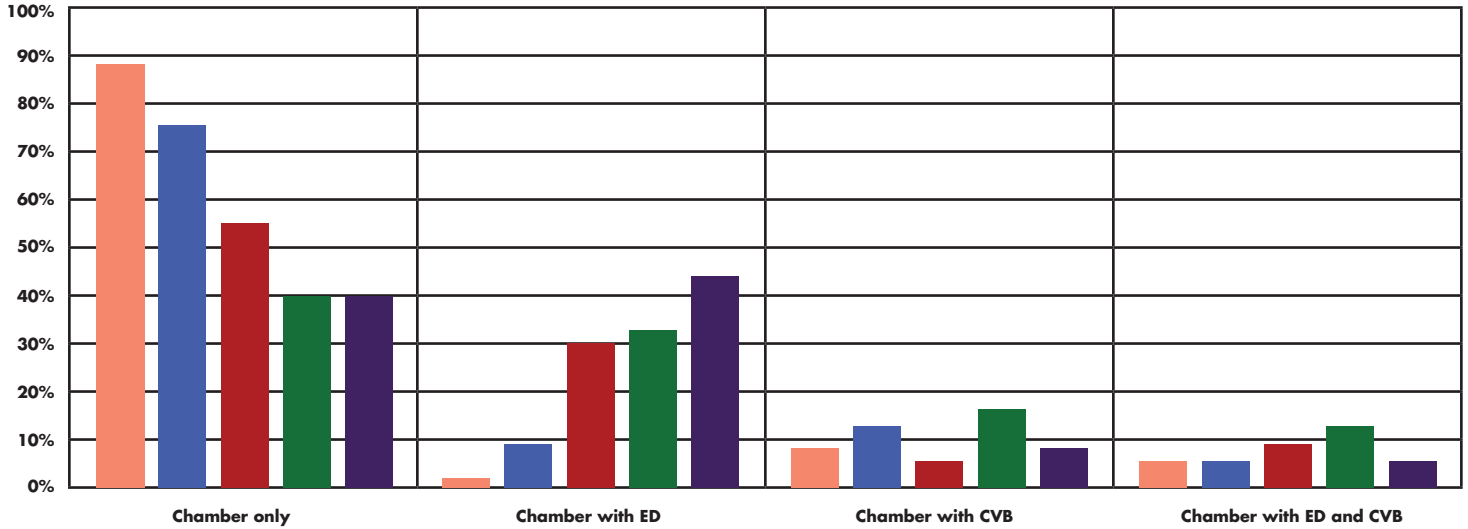
#### Total Annual Revenue Categories

- Category 1: \$450,000 and under
- Category 2: \$450,001 – \$900,000
- Category 3: \$900,001 – \$2 million
- Category 4: \$2 million – \$5 million
- Category 5: Above \$5 million

### Chambers are Chambers (mostly)

This sounds obvious, but it really isn't. Chambers serve lots of functions in their communities – business attraction, tourism promotion, benefits provider, manufacturers' alliance. And the blurring lines between economic, workforce and community development only complicate roles. But the vast majority of chambers identify as "pure" chambers of commerce. The larger your budget, the greater the likelihood that economic development or convention/visitor bureau functions are integrated into your organization. But still, 4 in 10 of the country's largest chambers are chambers only.

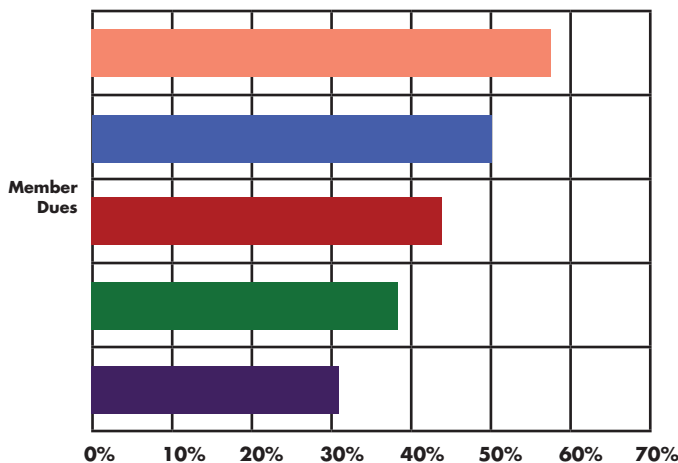
### Organizational Structure



### Chamber are Dues Reliant

We say this confidently because the vast majority of chambers nationwide have less than \$900,000 in revenue, and among those chambers 50% or more of total revenue comes from membership dues. As total revenue increases, reliance on dues drops, but even for the largest chambers (over \$5 million) dues is roughly a third of their income. The future for member dues may be a little fuzzy, but for now, it's still what butters most chambers' bread.

### Revenue



### Chambers are Worth More

The data shows no clear pattern of dues growth since the depths of the recession. Revenue per member is inching up among larger chambers, suggesting strong entrepreneurial instincts. But as noted earlier, dues still dominate for most chambers which makes essentially flat dues a bit worrying. Perhaps we're undervaluing ourselves, or at least under-selling our real value? If you tally the outcomes from your programs and events, factor in your lobbying impact, put a value on the one-on-one connections you make, and multiply by your community clout... how are you not worth more?

If you're not using ACCE's Dynamic Chamber Benchmarking platform as a management tool in your organization, you're missing out. The robust, online, report-generating tool is included in your ACCE membership. Contact the HERO (Help, Expertise, Resources, Online) Team for help getting started: [HERO@ACCE.org](mailto:HERO@ACCE.org)



Ian D. Scott is ACCE's V.P. of Communications and Networks.