

CEO's Message

Where the Winners Meet

As you might expect, I am a tremendous believer in the power of association. That is because it is a platform upon which an industry can harness the collective talents, knowledge, and wisdom of those who practice within it. And by doing so, the industry (or discipline) can flourish in many ways, accelerating: the expansion of knowledge, the creation of tools and resources to improve efficiencies, recognition for the importance the industry serves to the community, the development of a support infrastructure to improve the success of its members, including credentialing, continuing education, mentoring, and networking in a community of peers. I surmise that any industry would struggle without the existence of association support. Furthermore, I surmise that the success of any industry can be measured, in part, by the level of support provided by associations that reside within it.

I am proud to say that NACVA was, is, and will remain at the heart of the flourishing business valuation and financial forensics industries for many years to come. When we began in 1991, focusing at that time only on business valuation (BV), BV services were merely a blip on the CPA industry's niche services radar. Soon thereafter, BV services rose to the top of *Accounting Today* magazine's list of Top Niche Services offered by the CPA profession, and they have resided at or near the top of the 27 identified niche services ever since (see the March 2008 issue). Not surprisingly, a few years after we started supporting the forensics/fraud, financial litigation, and M&A fields, these services, too, ended up high on *Accounting Today's* list. Fairly recently, we added a new niche discipline—Succession Planning/Exit Strategies, which just this year made it to *Accounting Today's* list.

Recently, I came across an interesting whitepaper correlating success in one's career with association membership, published by "The William E. Smith Institute for Association Research," authored by Arthur C. Brooks, PhD. The paper is entitled, "Where the Winners Meet," and I would like to share—with their permission—the Executive Summary with you. The complete whitepaper is linked at the end of this article.

Executive Summary

Professional societies and trade associations are expanding their membership across the United States. In fact, the percentage of the adult working population that belongs to at least one association is nearly three times higher today than what it was in the early 1970s. Clearly, associations are providing tangible benefits to today's working population. Until now, however, little research has been conducted to reveal what those benefits are, why they are important for associations, and how belonging to an association impacts both members and employers. In addition, only anecdotal evidence has supported the theory that associations cause professionals to be more effective in their jobs, and thus, more successful in their careers.

Using new national survey data, this report by the William E. Smith Institute for Association Research reviews the relationship between association membership and member income and job satisfaction. It identifies a difference between association members and nonmembers (see Table 1), leading to support for a new supposition: Overall, it is clear that association members are more successful, on average, than non-members. According to the 2004 General Social Survey – a large national survey conducted by the National Opinion Research Center – they earn more, they like their jobs better, and data shows they are even happier people. One might argue that income differences and disparity in job satisfaction between members and non-members may be an effect of other variables aside from association membership, such as job category, education, age, and gender. However, using a common statistical technique to hold these other factors constant, income edge and higher job satisfaction correlated with association membership persists. (see Table 1).

Table 1. Advantages enjoyed by association members who are employed full-time

	Average annual household income	Percent who say they are “very satisfied” with their jobs
Association members	\$72,100	72%
Non-members	\$47,503	49%

Source: General Social Survey, 2004

The finding that association membership is associated with higher incomes and greater job satisfaction is not to say that membership *causes* these benefits. In fact, a fair reading of the evidence suggests that the most likely relationship is one of *reverse causation*: Success at work increases the likelihood of joining an association. That is, people with higher incomes and who are more satisfied with their jobs are drawn to join their professional associations – not that individuals earn more money *because* they belong to an association. Associations provide a critical venue for successful people in a profession or industry to access resources, identify themselves, network with their peers, and form mutually beneficial communities. The data show that associations are where the winners meet.

The data further support the notion that associations also can create value for today’s employers. Employee attrition is a major problem for many companies, especially among highly-educated and younger employees. The data show that exposing high-value employees to the positive “winning” atmosphere of an association will encourage higher morale, and virtually everyone agrees that higher morale lowers attrition. Thus, it is in the interest of employers to encourage high-value employees to participate in their professional associations.

The findings in this report can be applied to associations in all industries and professions and have practical implications for the recruitment of new members, among other key association functions. Associations should be able to use this information to educate potential members and employers about the communities of success they accommodate. In order to continue to be the place where winners meet, however, associations must provide the right benefits and environment so that high-value members continue to find them attractive. The key to understanding the benefits sought by winners is revealed by the changing job environment – an environment defined by job and career changes. The benefits members in these situations desire from their associations may be provided through a plethora of services, including networking, continuing educational opportunities, a quality professional community, and opportunities to assume volunteer leadership positions within their associations.

It is clear that associations should be committed to providing certain services for their members, and should not provide services (such as annual conferences, newsletters, etc.) just for the sake of providing them. Those services must meet the needs members seek in order to continue to satisfy an association’s unique group of members. Associations must constantly seek to learn from their high-value members what they need to be more effective in their jobs, and then design services that deliver those benefits. Understanding, communicating and delivering the right benefits for members will help associations grow and succeed, and will also allow members and employers to continue to grow, thrive and remain successful.

If you want to be a vital part of the NACVA winning team, I encourage you to rub shoulders with the movers and shakers at our Fifteenth Annual Consultants’ Conference, entitled, “Rising to the Top of Your Game in Valuation and Financial Forensics,” to be held at Wynn Las Vegas, June 8–11, 2008. To register, call NACVA Member Services at (800) 677-2009. For room reservations call Wynn at (866) 770-7555 and tell them you are attending the NACVA conference to obtain special pricing.