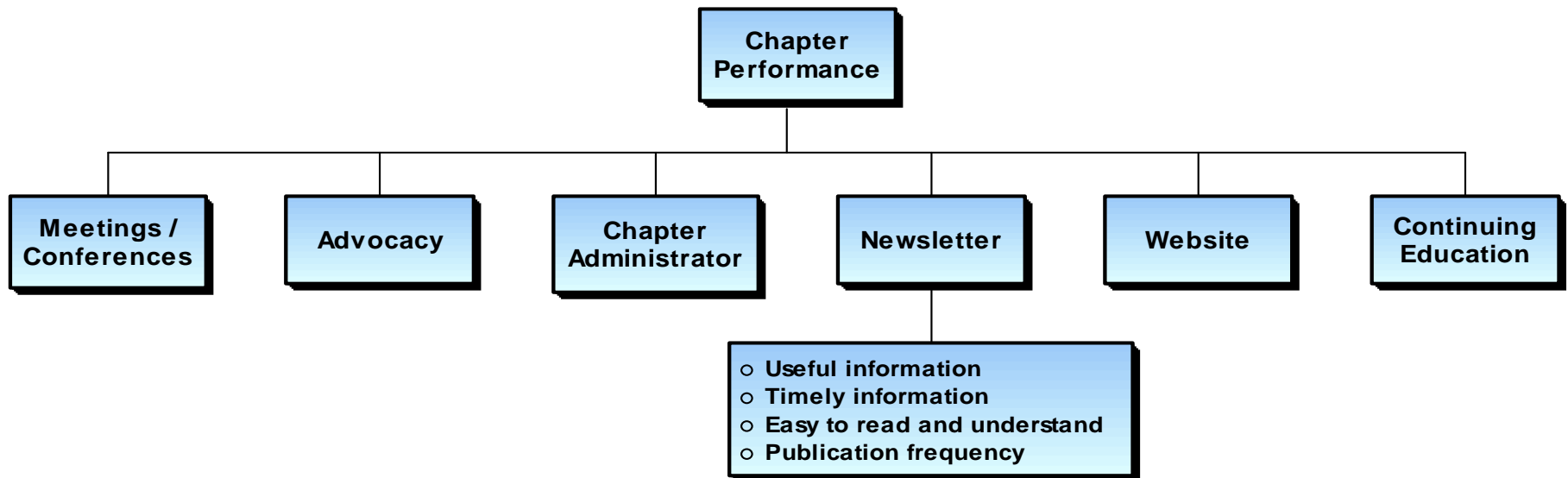


Financial Planning Association Philadelphia Tri-State Area Chapter

2009 Member Loyalty Survey

Chapter Performance Model Defined

- Members' perception of the performance of the FPA-PTSA chapter is driven by their experiences with the various points of contact with the chapter.
- The performance of each of these points of contact, or processes, is driven by the performance of the processes' attributes.
- In the model below, the newsletter has been expanded to show its attributes. All the processes have attributes, but because of space limitations, only those of the newsletter are shown.



An Explanation of Drivers

3

- A driver is a component of a process that influences the overall evaluation of the process. Variation in driver ratings are correlated to the variation in the overall process ratings.
- Key drivers are identified for each process, because it is easier to improve an attribute that is a key driver than it is to improve a process.
- Because of the impact that key drivers have on overall ratings, improving the key drivers typically leads to higher overall performance evaluations. The greater the impact the driver has, the more change it effects on the overall performance.
- There are two reasons why an attribute may NOT be a key driver:
 - There is little or no variation in responses (Example: Almost every respondent gave Chris Stewart an excellent or very good evaluation.)
 - An attribute that is not a key driver may be strongly correlated to an attribute that is a key driver. Thus the variation in overall performance that the attribute could explain is already explained by another attribute that is a key driver. (Example: The ease of navigation is not a key driver of website performance, and it is highly correlated to the ease of finding information, which is a key driver of website performance.)
- Attributes that are not currently key drivers should not be ignored, but efforts to improve these non-driving attributes will not yield higher overall ratings.

Key Takeaways

4

1. Delaware and Pennsylvania respondents are identical in their ranking of the top four reasons why they join FPA – (1) networking, (2) keeping abreast of issues, (3) technical information, and (4) supporting the profession. New Jersey respondents have a slightly different ranking (1) keeping abreast of issues, (2) technical information, (3) supporting the profession, and (4) networking.
2. Supporting the profession is the second most popular reason given for joining for the under age 30 group and the over age 59 group, but this reason ranks fourth or fifth in other age categories.
3. The loyalty profile for FPA-PTSA members is statistically equal to the loyalty profile of FPA National in 2008, making FPA-PTSA a “typical” FPA chapter by loyalty standards. Loyalty is correlated to meeting attendance – a proxy for involvement.
4. There are seven key drivers of chapter performance: meetings, continuing education, the chapter newsletter, responding to members’ needs, FPA-PTSA Board, camaraderie, and FPA-PTSA’s image.

Representativeness of Respondents

- In the table below, characteristics of respondents are compared to the characteristics of the membership who were sent emails to test the representativeness of respondents.

	Percent of Respondents	Percent of Membership		Percent of Respondents	Percent of Membership
Gender			Membership Tenure		
Male	82%	81%	0 – 2 Years	13%	15%
Female	18%	19%	3 – 5 Years	23%	19%
			6 – 10 Years	30%	26%
Residence			11 – 15 Years	15%	16%
Pennsylvania	76%	76%	16 – 20 Years	9%	10%
New Jersey	9%	13%	Over 20 Years	11%	14%
Delaware	13%	10%			
			Age *		
Designations			Under Age 30	4%	1%
CFP	85%	73%	30 - 39	15%	9%
ChFC	16%	18%	40 - 49	28%	24%
CLU	10%	14%	50 - 59	29%	33%
CPA	17%	11%	Over Age 59	24%	33%

* Forty-two percent (42%) of membership records are missing birthdates.

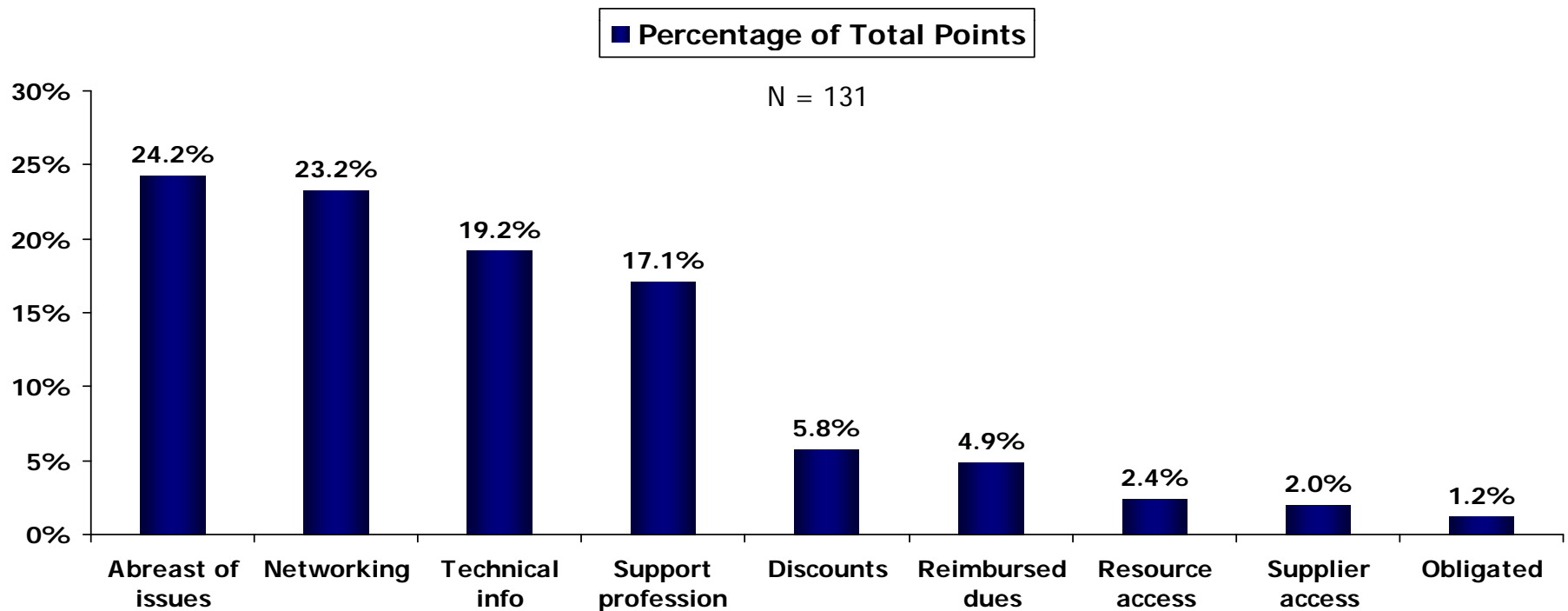
Characteristics of Respondents

- Characteristics of respondents that were extracted from the survey data are shown in the table below.

	Percent of Respondents		Percent of Respondents		Percent of Respondents
Firm Size		Status		Practice	
1 – 5	45%	Owner	36%	Exclusive Fee	50%
6 – 10	9%	Employee	32%	Majority Fee	26%
11 – 50	23%	Partner	16%	Exclusive Product	3%
51 – 100	1%	Contractor	9%	Majority product	4%
101 - 500	6%	Academician	2%	Even Split	17%
Over 500	16%	Other	5%		
Volunteerism		Meetings		Reimbursement	
Currently	20%	Chapter	70%	Full	31%
Formerly	20%	Fall Retreat	48%	Partial	4%
Never	60%	Spring Symposium	64%	None	65%
FPA Problems	2%	FPA-PTSA Problems	2%	Board Contact	34%

Reasons For Joining – All Respondents

- Individuals join associations to have a variety of needs met. By determining why different groups of members join, the association can develop benefits and programs that satisfy the different needs of these segments.



Summary of Reasons For Joining Analysis

8

- Delaware and Pennsylvania members rank networking as their number one reason for joining FPA, while New Jersey respondents rank networking number 4.
- For New Jersey respondents, keeping abreast of issues is their number one reason for joining FPA.
- Networking is the number one reason members under age 50 join FPA, and the number three reason why members over age 50 join.
- Keeping abreast of the issues is the number one reason members over age 50 join FPA, and the number two reason why members aged 30-50 join.
- Supporting the profession is more important to older members (over 59).
- The main difference between CFP members and non-CFP members is that CFP members join to keep abreast of issues (#1) and for networking opportunities (#2). Non-CFP members have the same top two reasons, but in reverse order.

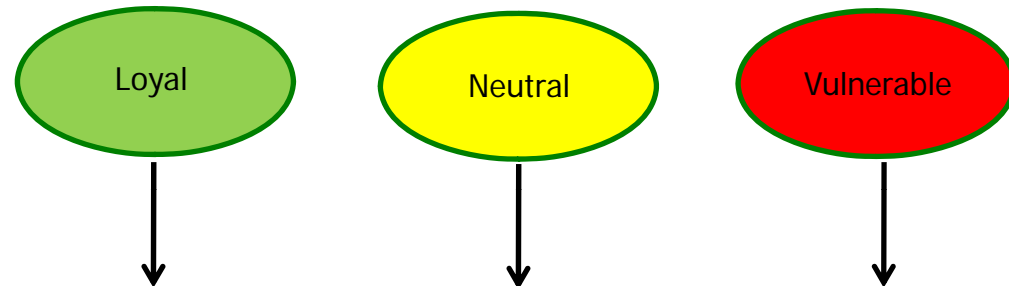
Interpreting Results – Top 2 Scores

- All performance ratings in this report will be shown as top 2 scores, rather than average ratings. As the table below with hypothetical results shows, factors can vary in the distribution of responses received and still have the same average rating. Top 2 scores have the sensitivity to show differences in response distributions where differences exist.
- For simplicity, think of a top 2 score as the percentage of respondents who gave an A/B rating for a particular factor's performance (e.g. chapter meetings, website, newsletter, etc.). Factors that do not achieve a minimum performance rating of 70% should be considered for improvement efforts.

Response	Grade	Rating Value	Advocacy	Continuing Education	Meetings	Website
Excellent	A	1	20	50		
Very good	B	2	20		10	
Good	C	3	20		80	100
Fair	D	4	20		10	
Poor	F	5	20	50		
Total Responses			100	100	100	100
Average Rating			3.0	3.0	3.0	3.0
Top 2 Score			40%	50%	10%	0%

Loyalty Segments Defined

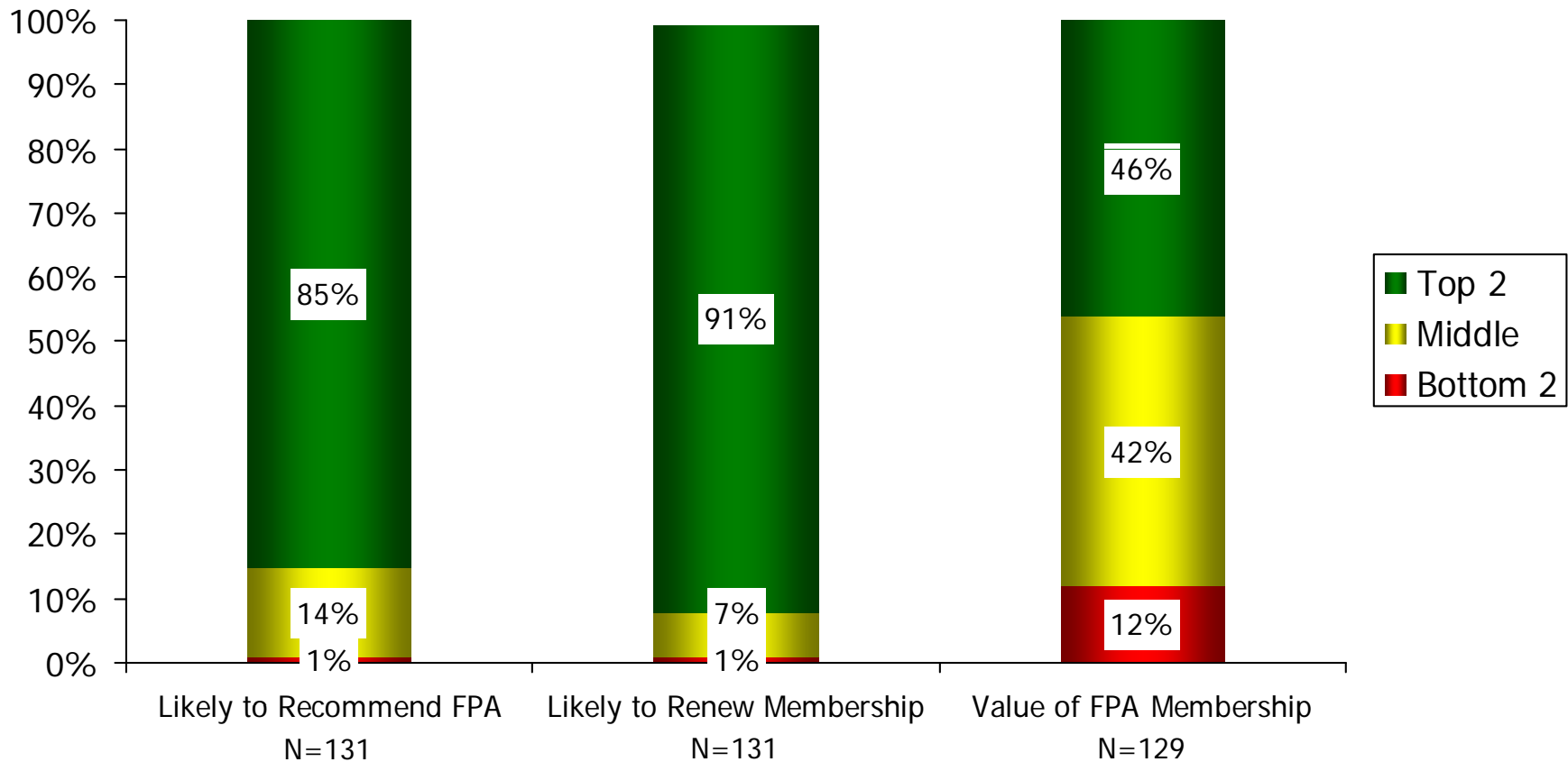
- To be loyal, members must give responses to all three questions in the green region.
- Neutral members give responses in the yellow or a combination of yellow and green.
- Vulnerable members are those who give at least one response in the red region.



	Loyal	Neutral	Vulnerable		
Likely to recommend FPA	Extremely likely	Very likely	Somewhat likely	Not very likely	Not at all likely
Likely to renew FPA membership	Extremely likely	Very likely	Somewhat likely	Not very likely	Not at all likely
Value of FPA membership	Excellent	Very good	Good	Marginal	Poor

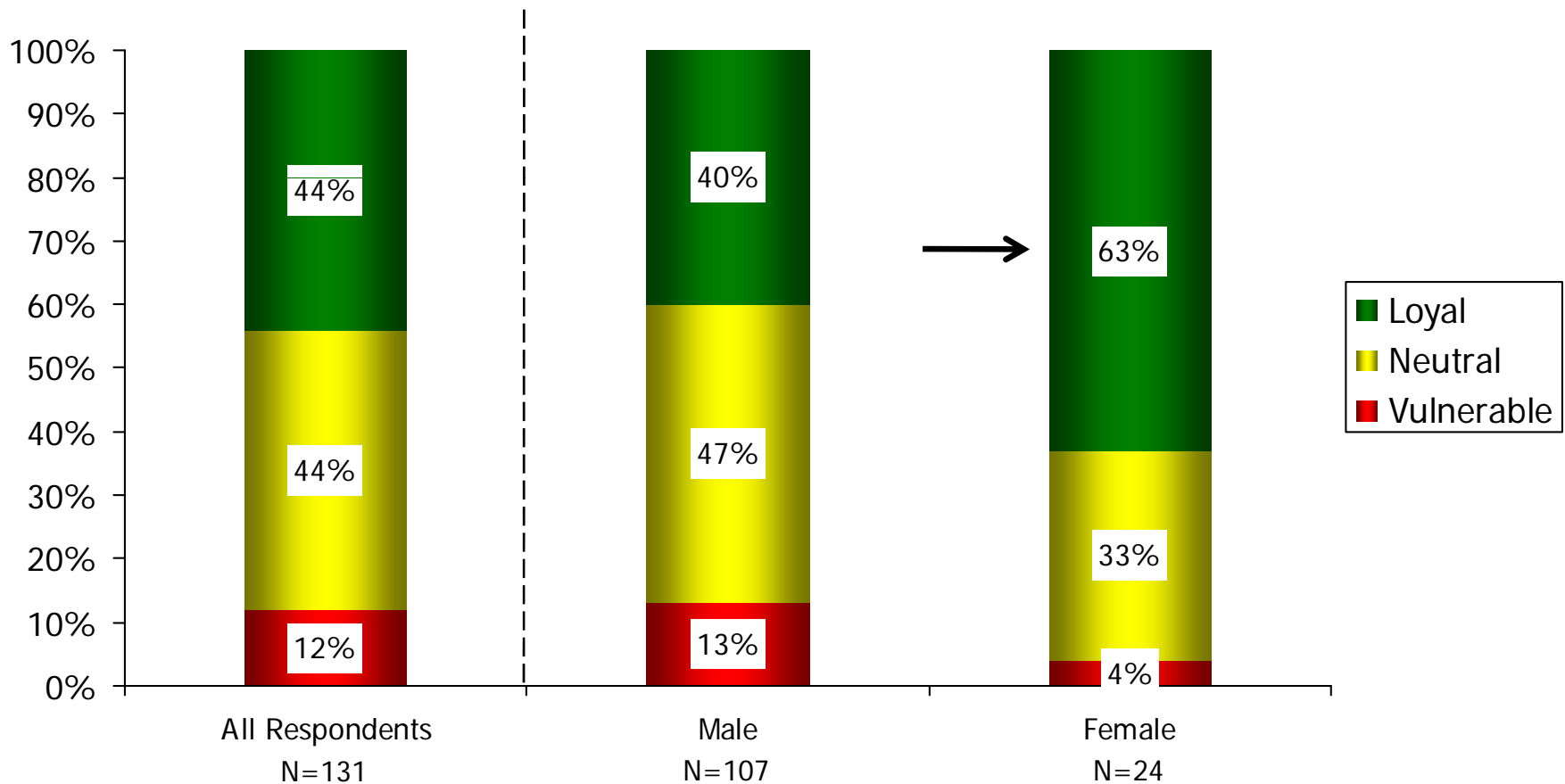
Loyalty Profile Components

- The likelihood of members recommending an FPA membership and renewing their FPA membership received strong ratings. The value ratings given by current members prevent the loyalty profile from being even stronger.



Loyalty Profile – Overall and Gender

● Female respondents are significantly more likely to be loyal to FPA than male respondents.



Reasons For Loyalty Profiling

13

- Using loyalty profiling enables an association to identify members who did not take the survey as being similar to those who took the survey and are identified as loyal, neutral, or vulnerable.
- Whether they are current members who chose not to complete the survey, or incoming members who joined since the survey was conducted, the association can assign every member into a relationship segment on the basis of their characteristics.
- Using loyalty segments, an association can tailor its marketing efforts to attract more members who exhibit the characteristics of loyal members, improve the association in ways that will strengthen the relationship of neutral members, and develop intervention tactics to retain more vulnerable members.

Characteristics of Loyal Members

14

- All the demographic characteristics of FPA-PTSA member respondents from the survey and from the member database were tested to see which characteristics could be used to identify loyal members among all FPA-PTSA members.
- The characteristics that can be used to differentiate members who are more likely to be loyal (or less likely to be loyal) are listed below.

- More likely to be loyal if female.
 - More likely to be loyal if they attended a Fall Retreat.
 - More likely to be loyal if they attended four or more chapter functions in the past year.
 - More likely to be loyal if their dues are fully reimbursed.
-
- Less likely to be loyal if they receive no dues reimbursement.
 - Less likely to be loyal if they have not attended any chapter functions in the past year.
 - Less likely to be loyal if they joined primarily to support the profession.
 - Less likely to be loyal if they joined primarily for technical information.

Characteristics of Neutral Members

15

- All the demographic characteristics of FPA-PTSA member respondents from the survey and from the member database were tested to see which characteristics could be used to identify neutral members among all FPA-PTSA members.
- The characteristics that can be used to differentiate members who are more likely to be neutral (or less likely to be neutral) are listed below.

- More likely to be neutral if they are in the 30-39 age range.
- More likely to be neutral if they have never attended a Spring Symposium.
- More likely to be neutral if they have never attended Quarterly chapter meetings.
- More likely to be neutral if they have not attended any chapter functions in the past year.
- More likely to be neutral if their dues are partially reimbursed.
- More likely to be neutral if they joined primarily to support the profession.

Characteristics of Vulnerable Members

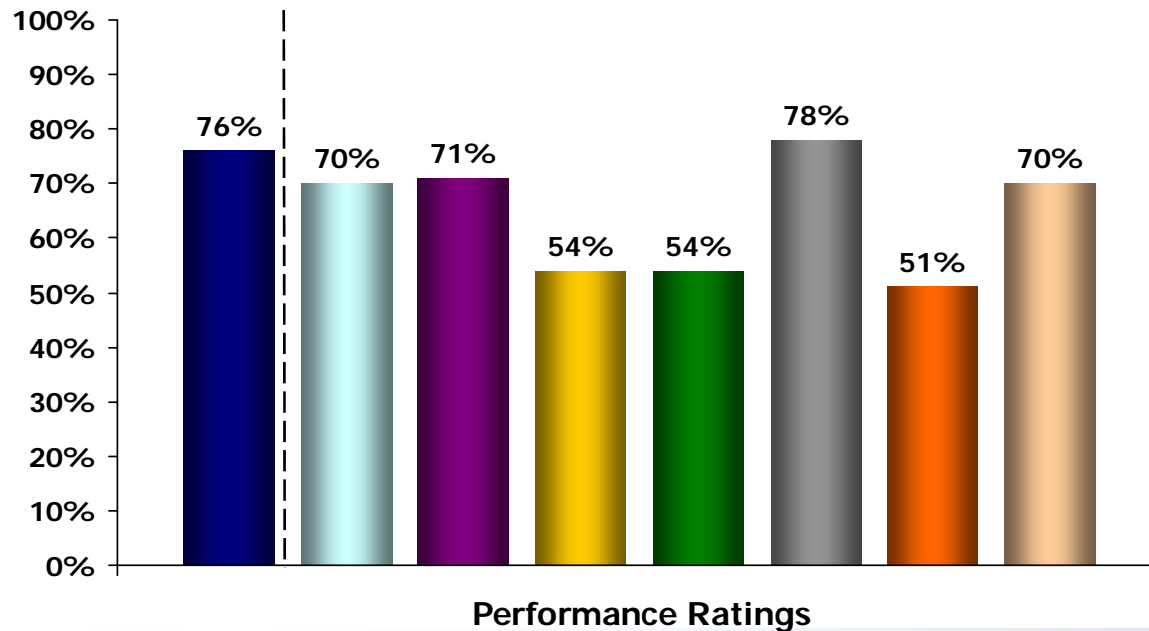
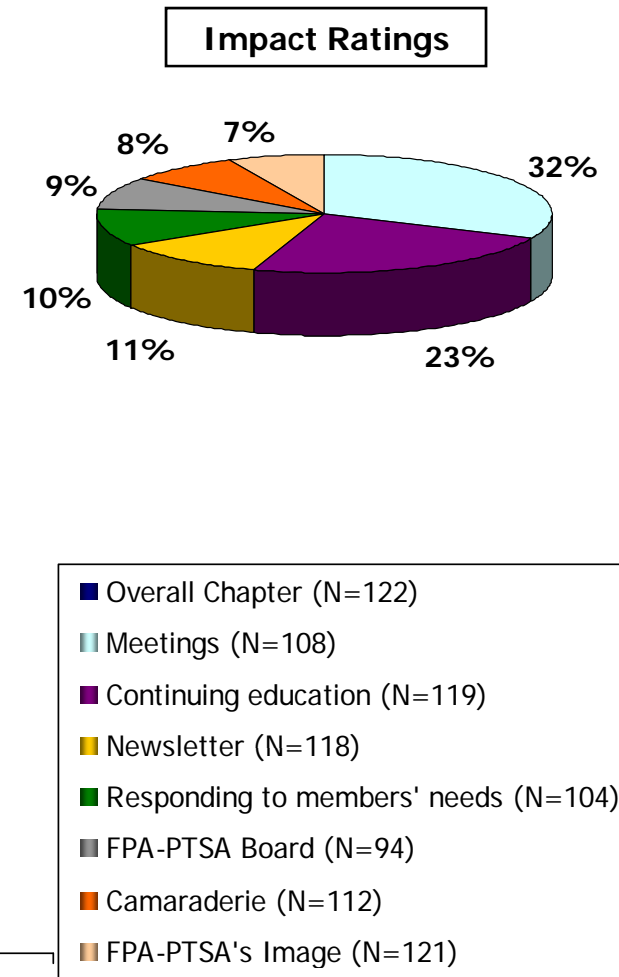
16

- All the demographic characteristics of FPA-PTSA member respondents from the survey and from the member database were tested to see which characteristics could be used to identify vulnerable members among all FPA-PTSA members.
- The characteristics that can be used to differentiate members who are more likely to be vulnerable (or less likely to be vulnerable) are listed below.

- Less likely to be vulnerable if their dues are partially or fully reimbursed.
- Less likely to be vulnerable if they joined primarily to support the profession.
- Less likely to be vulnerable if they joined primarily for member discounts.
- Less likely to be vulnerable if they work at a firm with 100 or more employees.

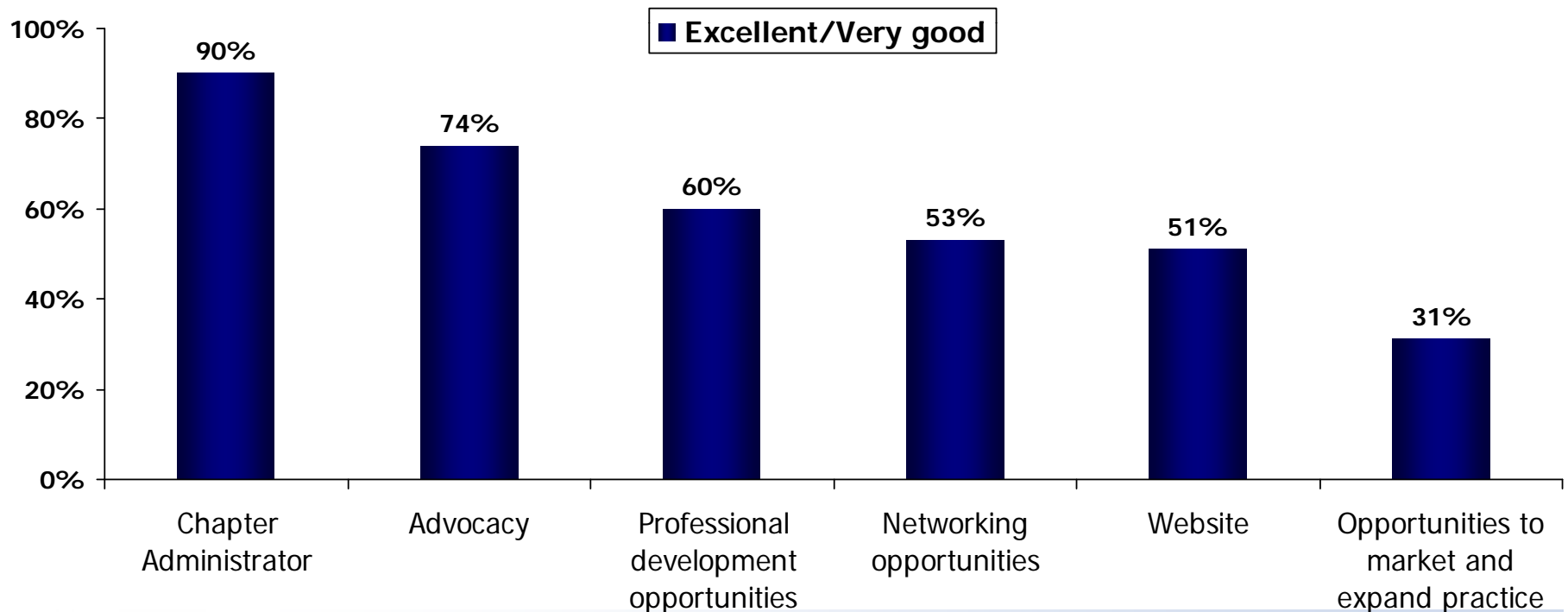
Driver Analysis – FPA-PTSA Chapter

- The perception that members have of the overall performance of the FPA-PTSA chapter is driven by seven factors. These factors are shown in the bar chart below from left to right, from greater impact to lesser impact.
- Any factor that has a performance rating below 70% (Top 2 rating) should be the focus of improvement efforts in order to raise the level of chapter performance as seen by members.
- The pie chart to the right indicates the relative impact that each factor plays in the perception of the chapter's overall performance.



Non-drivers of FPA-PTSA Chapter Performance

- The table below shows the factors that were included in the driver analysis and determined not to be key drivers of chapter performance at this time.
- Reasons that factors may not be key drivers include (1) little or no variation in member responses (i.e. everyone gives essentially the same ratings, whether high or low), or (2) the effect the factor has on overall chapter performance can be explained by other key drivers to which the non-key driving factor is highly correlated.



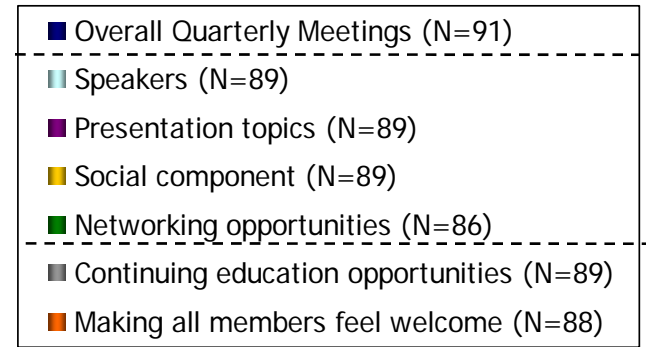
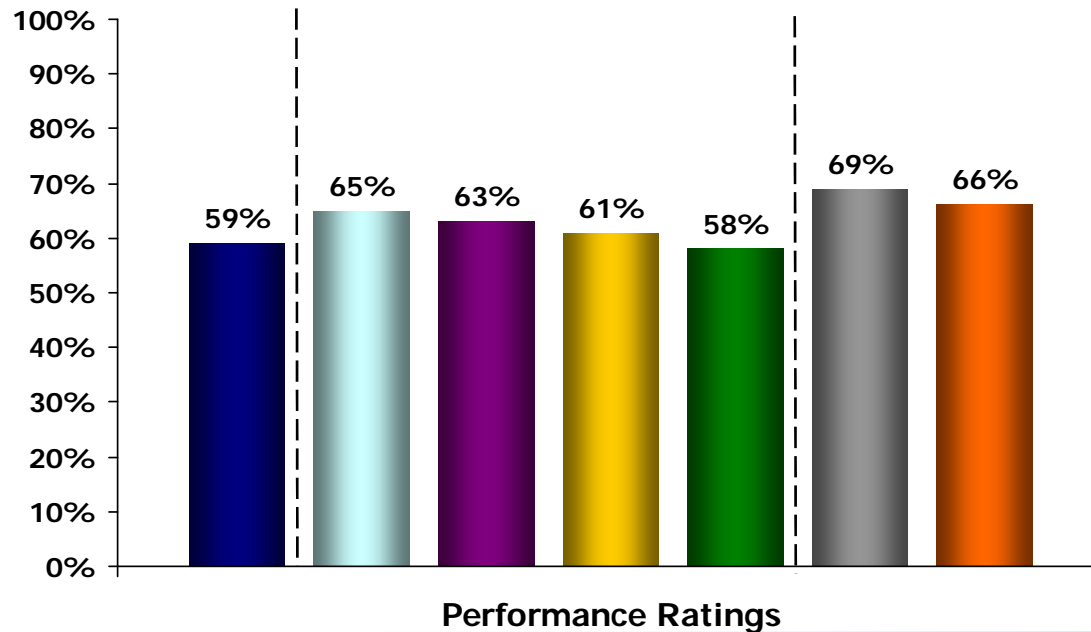
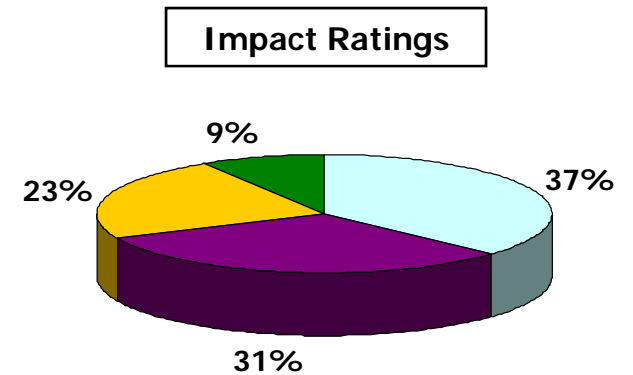
Improvement Priorities – FPA-PTSA Chapter

The table below shows the ratings by loyalty segment as well as the priorities for improvement.

	Improvement Priority	Impact on Chapter Rating	% Respondents Who Rated	% Top 2		
				Loyal N=58	Neutral N=51	Vulnerable N=13
Overall Chapter			93%	97%	61%	46%
Meetings	1	32%	82%	80%	63%	46%
Continuing education	2	23%	91%	86%	55%	39%
Newsletter	3	11%	90%	76%	39%	29%
Responding to members' needs	4	10%	79%	73%	36%	25%
FPA-PTSA Board	6	9%	94%	90%	71%	33%
Camaraderie	5	8%	85%	70%	29%	46%
FPA-PTSA's image	7	7%	92%	84%	61%	44%
Chapter Administrator			69%	94%	94%	60%
Advocacy			87%	89%	63%	50%
Professional development opportunities			87%	78%	44%	36%
Networking opportunities			85%	67%	39%	40%
Website			79%	66%	40%	10%
Opportunities to market and expand practice			79%	42%	24%	8%

Driver Analysis – Quarterly Meetings

- The overall performance of the quarterly meetings is below the 70% standard, lower than the performance of the Spring Symposium and the Fall Retreat.
- The quarterly meetings of the FPA-PTSA chapter are driven by speakers, presentation topics, the social component, and by networking opportunities.



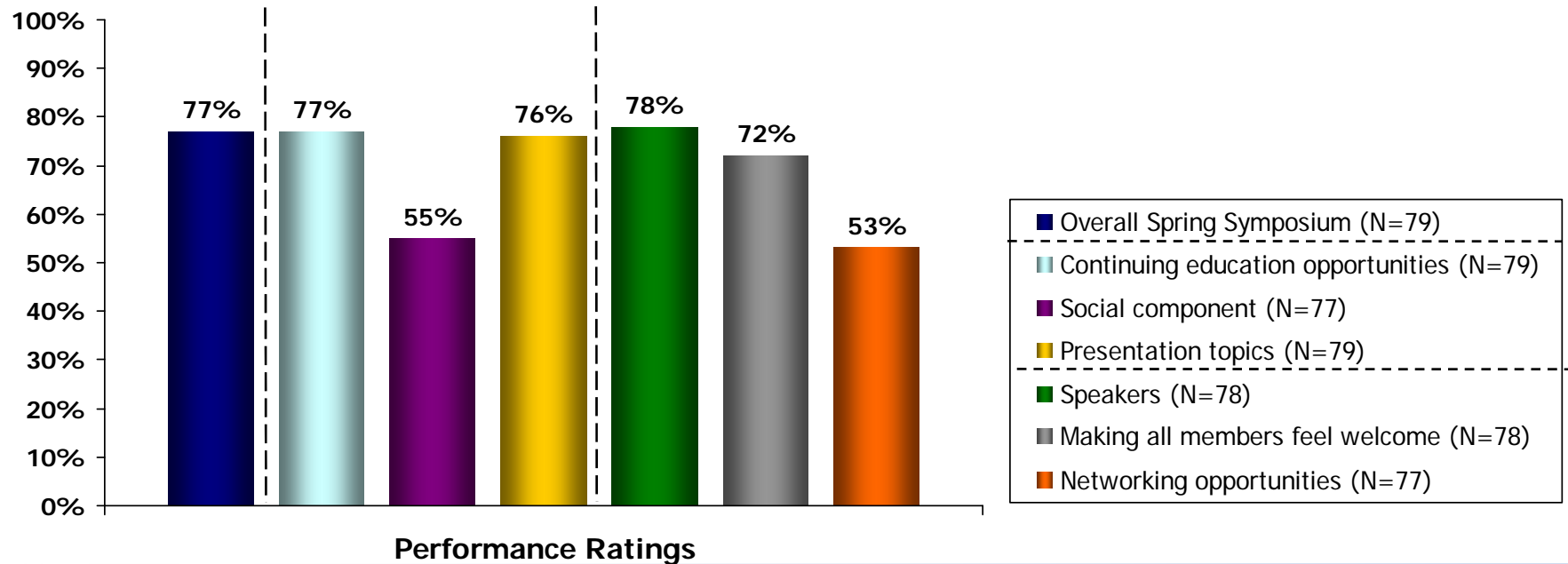
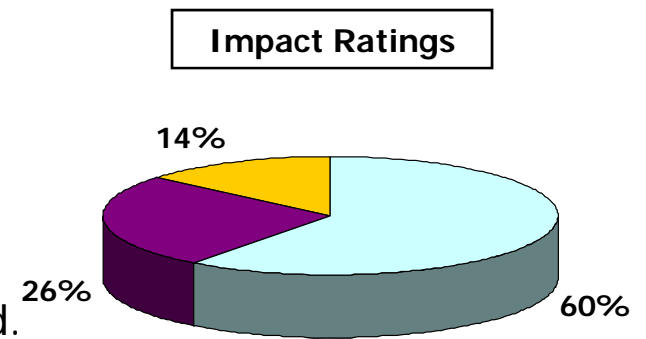
Improvement Priorities – Quarterly Meetings

- Speakers and presentation topics are two areas to focus improvement efforts for quarterly meetings, just as they are for the Fall Retreat.
- But unlike the Fall Retreat, quarterly meetings are also driven by the social component and networking opportunities.

	Improvement Priority	Impact on Quarterly Meetings Rating	% Respondents Who Rated	% Top 2		
				Loyal N=45	Neutral N=35	Vulnerable N=11
Overall Quarterly Meetings			69%	76%	46%	36%
Speakers	1	37%	68%	80%	53%	40%
Presentation topics	2	31%	68%	76%	50%	50%
Social component	3	23%	68%	71%	50%	50%
Networking opportunities	4	9%	66%	72%	46%	40%
Continuing education opportunities			68%	80%	59%	50%
Making all members feel welcome			67%	80%	53%	50%

Driver Analysis – Spring Symposium

- Meetings in general are the number one driver of perceived performance of the FPA-PTSA Chapter.
- The overall quality of the Spring Symposium is driven by three factors - continuing education opportunities, social component, and presentation topics.
- The social component is the only key driver of the Spring Symposium whose performance is below the 70% standard.



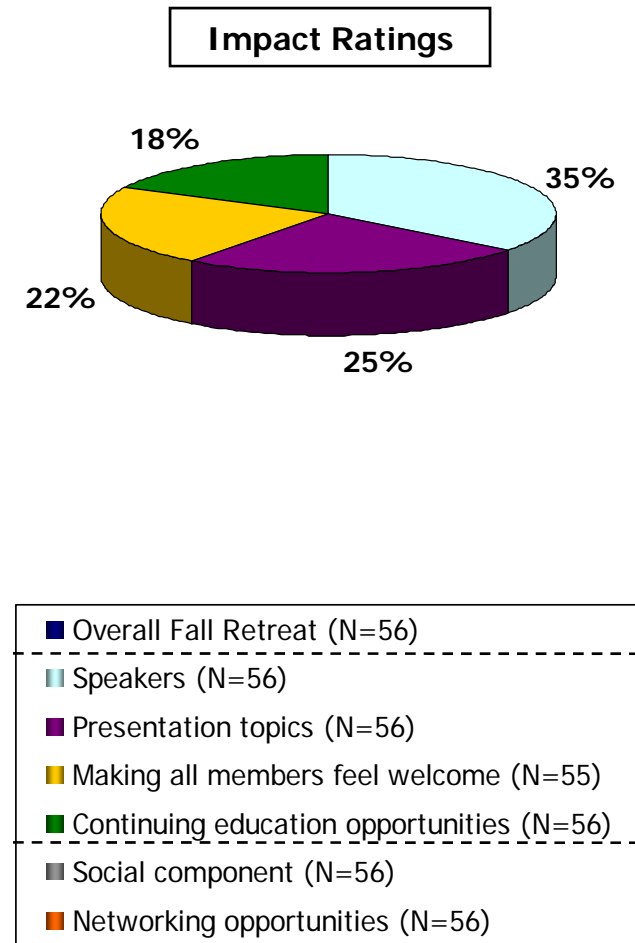
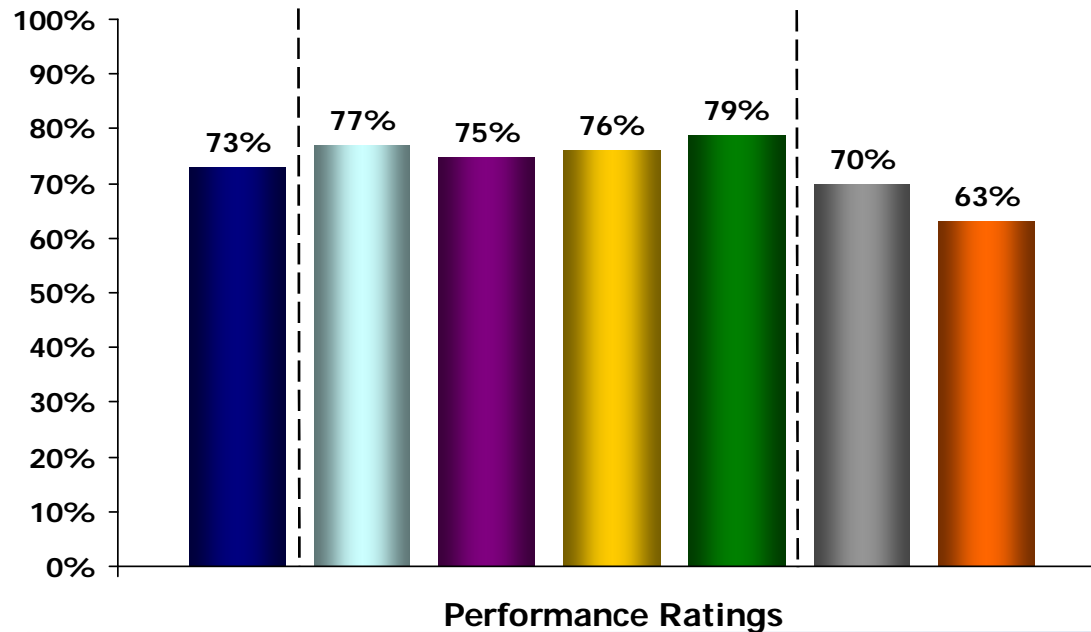
Improvement Priorities – Spring Symposium

- The number one priority for improving the Spring Symposium is focusing on the social component.
- Of the three key drivers, this attribute has the largest drop in performance from loyal members to neutral members.

	Improvement Priority	Impact on Spring Symposium Rating	% Respondents Who Rated	% Top 2		
				Loyal N=39	Neutral N=31	Vulnerable N=9
Overall Spring Symposium			60%	87%	71%	56%
Continuing education opportunities	2	60%	60%	85%	77%	33%
Social component	1	26%	59%	74%	33%	38%
Presentation topics	3	14%	60%	85%	71%	56%
Speakers			60%	87%	74%	50%
Making all members feel welcome			60%	87%	65%	33%
Networking opportunities			59%	70%	39%	33%

Driver Analysis – Fall Retreat

- Unlike the Spring Symposium, the Fall Retreat is not driven by the social component, but rather by various continuing education factors, and by making members feel welcome.
- All the key drivers of the Fall Retreat exceed the 70% performance standard, thereby putting the Fall Retreat into the “maintenance” category, rather than in the improvement category.



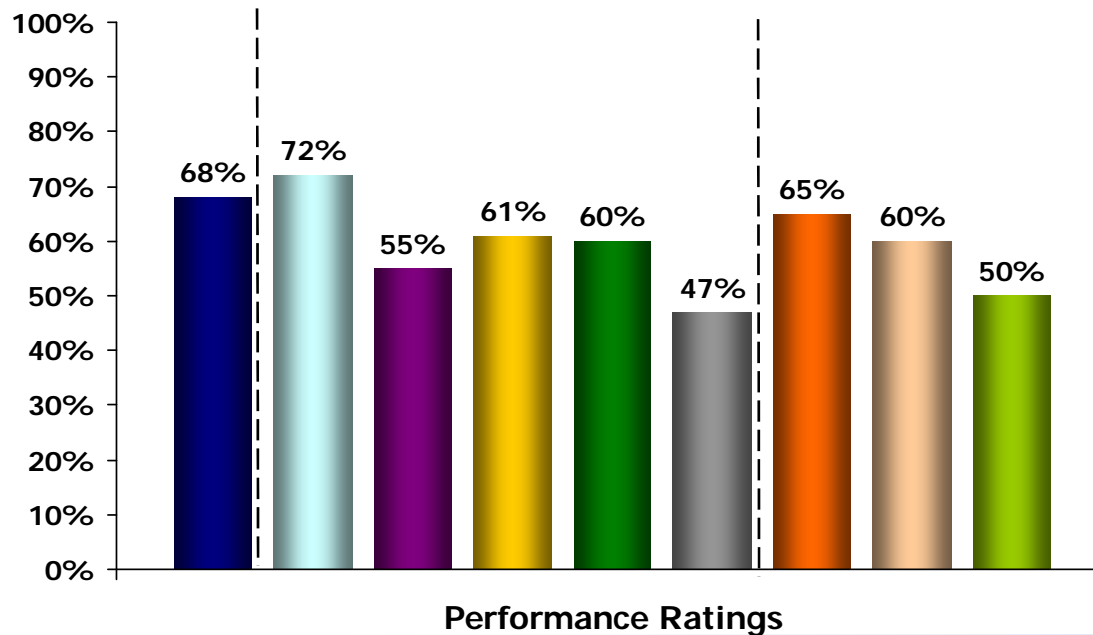
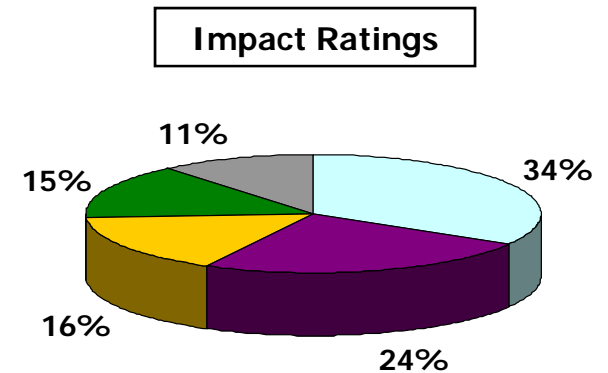
Improvement Priorities – Fall Retreat

- The performance ratings given by all loyal members are well above the 70% standard.
- However, in order to strengthen the relationship with neutral members, improvement efforts for the Fall Retreat should focus on speakers, presentation topics, making all members feel welcome and continuing education opportunities.

	Priority	Impact on Fall Retreat Rating	% Respondents Who Rated	% Top 2		
				Loyal N=29	Neutral N=22	Vulnerable N=5
Overall Fall Retreat			43%	79%	73%	40%
Speakers	1	35%	43%	90%	64%	60%
Presentation topics	2	25%	43%	86%	64%	60%
Making all members feel welcome	3	22%	42%	86%	68%	60%
Continuing education opportunities	4	18%	43%	86%	73%	60%
Social component			43%	79%	59%	60%
Networking opportunities			43%	76%	50%	40%

Driver Analysis – Continuing Education

- Continuing education is the second strongest driver of chapter performance.
- The perceived performance of continuing education is driven by content that is current and helpful to their practice, a good value for the cost, offering a range of topics, and being available at a convenient location.



- Overall continuing education (N=120)
- Content that is current (N=117)
- Helpful to me in my practice (N=111)
- A good value for the cost (N=116)
- Range of topics offered (N=116)
- Available where you want it (N=115)
- Content that is relevant (N=117)
- Appropriate level of difficulty (N=116)
- Available when you want it (N=113)

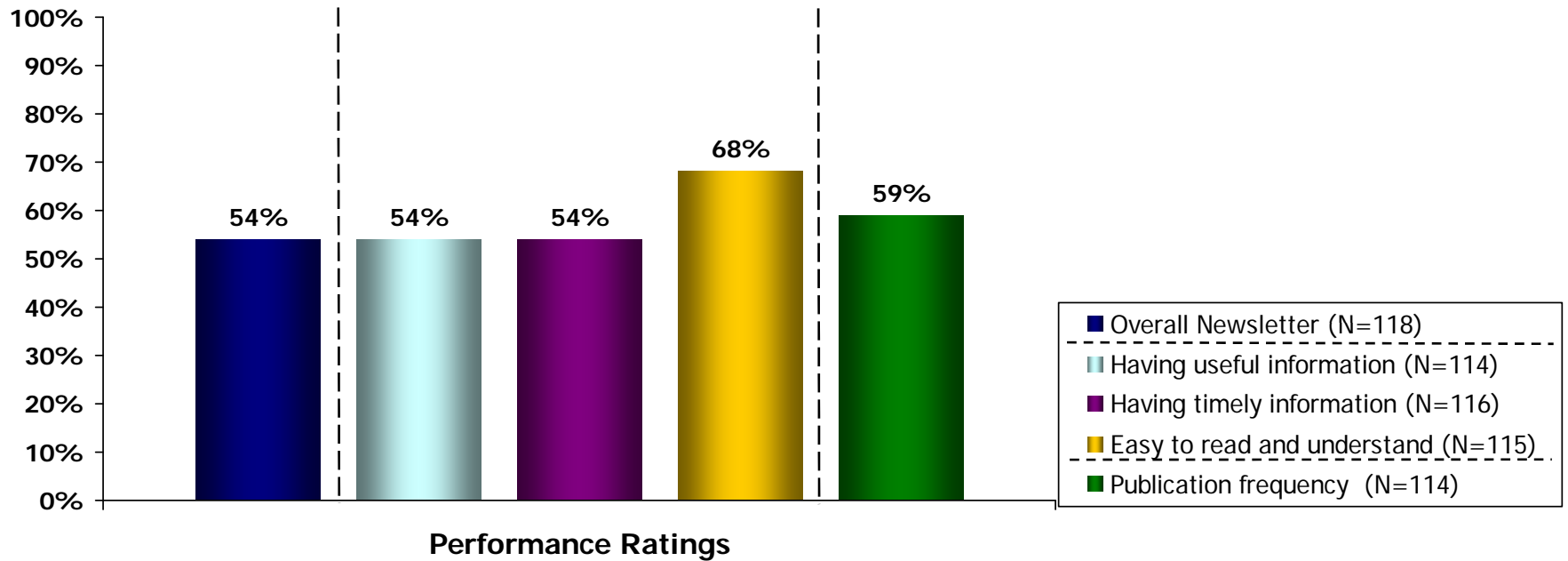
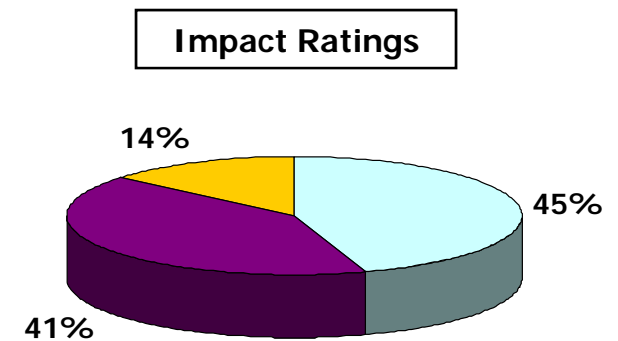
Improvement Priorities – Continuing Education

- Because of its low performance rating, having content that is helpful to members in their practice is the number one priority for improving continuing education.
- Having content that is current is the number two priority for improving continuing education.

	Improvement Priority	Impact on Continuing Education Rating	% Respondents Who Rated	% Top 2		
				Loyal N=56	Neutral N=51	Vulnerable N=13
Overall Continuing Education			92%	86%	55%	39%
Content that is current	2	34%	89%	84%	64%	50%
Helpful to me in my practice	1	24%	85%	71%	43%	33%
A good value for the cost of the program	5	16%	89%	80%	45%	42%
Range of topics offered	4	15%	89%	70%	54%	42%
Available <u>where</u> you want it	3	11%	88%	62%	35%	25%
Content that is relevant			89%	78%	54%	50%
Appropriate level of difficulty			89%	71%	51%	42%
Available <u>when</u> you want it			86%	65%	38%	25%

Driver Analysis – FPA-PTSA Newsletter

- The chapter newsletter is the third strongest driver of chapter performance. The overall performance of the newsletter and all of its attributes receive sub-standard ratings.
- The two areas that should be the focus of improvement efforts are having information that is both useful and timely.



Improvement Priorities – FPA-PTSA Newsletter

- Because of the high impact that useful information and timely information have on the overall perception of the newsletter, these two attributes are the top two areas on which to focus improvement efforts.
- While being easy to read and understand is a key driver, it only explains 14% of the overall performance rating of the newsletter, and its performance ratings are better than the other two key drivers.

	Improvement Priority	Impact on Newsletter Rating	% Respondents Who Rated	% Top 2		
				Loyal N=53	Neutral N=51	Vulnerable N=14
Overall Newsletter			90%	76%	39%	29%
Having useful information	1	45%	87%	71%	42%	31%
Having timely information	2	41%	89%	70%	44%	31%
Easy to read and understand	3	14%	88%	81%	56%	62%
Publication frequency			87%	74%	49%	33%

1. Delaware and Pennsylvania members are identical in the ranking of their top four reasons for joining FPA, with networking as their number one reason for joining.
2. New Jersey members join to keep abreast of the issues and for technical information about financial planning, with networking being ranked as their fourth most important reason for joining.
3. The under age 30 cohort resembles the over age 59 group in that both groups rank supporting the profession as the second most important reason for joining. For all other cohorts, supporting the profession ranks fourth or fifth.
4. Networking is the most popular reason for joining for all age groups except for the 50-59 age group and the over 59 age group. Perhaps the reason that networking falls to number three for these groups is that their practice is already established and they no longer seek the networking aspect of the FPA membership that they did when they were younger and building their practice. These two older groups cite keeping abreast of issues in the financial planning profession as the number one reason for joining.
5. The four designations with sufficient sample for testing were CFP, ChFC, CLU and CPA. For respondents with these designations, the number one reason for joining was to keep abreast of issues.

6. The loyalty profile for FPA among the FPA-PTSA members is about average for associations in general (44% loyal, 44% neutral, and 12% vulnerable). Vulnerable members are usually found in this category because they either are dissatisfied with the quality of the delivery of benefits or services (controllable) OR because there is a mismatch between their needs and what the association is designed to provide (uncontrollable).
7. Attending chapter functions is strongly correlated with FPA loyalty. Having dues reimbursed by the employer is also correlated with loyalty, though there may not be anything that FPA can do to assist in that area.
8. The strongest driver of chapter performance, accounting for 32% of the variation in chapter ratings, is meetings. Loyal members give this area high marks in performance, but the ratings drop off significantly among neutral and vulnerable members.
9. Of the three meeting types (quarterly chapter meetings, Spring Symposium, Fall Retreat), only the quarterly chapter meetings falls below the 70% performance rating threshold for improvement. Its four key drivers (in order of impact) are (1) speakers, (2) presentation topics, (3) social component, and (4) networking opportunities.

10. The Spring Symposium is driven by three key drivers, (1) continuing education opportunities, (2) social component, and (3) presentation topics. Of these three drivers, only the social component receives sub-standard performance ratings.
11. The performance ratings of all four key drivers of the Fall Retreat (speakers, presentation topics, making all members feel welcome, and continuing education opportunities) exceed the 70% standard.
12. After meetings, the second strongest driver of chapter performance is continuing education. Loyal members give continuing education high performance marks, but the ratings drop off significantly among neutral and vulnerable members. Key drivers for this area include (1) content that is current, (2) helpful in their practice, (3) good value for the cost, (4) range of topics offered, and (5) available where you want it.
13. The FPA-PTSA newsletter is the third most impactful driver of overall chapter performance. The overall newsletter performance receives a 76% top 2 rating by loyal members, but quickly drops to 39% for neutral members. The three key drivers of newsletter performance are (1) having useful information, (2) having timely information, and (3) being easy to read and understand.

14. Responding to members' needs is the fourth strongest driver of chapter performance. This aspect of FPA-PTSA receives a 73% performance rating from loyals, 36% from neutrals, and 25% from vulnerables.
15. The FPA-PTSA Board accounts for 9% of the overall chapter rating and receives very high performance ratings from loyal members (90%), high ratings from neutral members (71%) and low ratings from vulnerable members (33%). For vulnerable members, this may simply be their showing disapproval for all aspects of FPA-PTSA. The key drivers of the Board are (1) providing sound leadership, (2) being accessible, and (3) having a clear vision of the future.
16. Camaraderie is a key driver of chapter performance and receives adequate ratings from loyal members (70%) but very low ratings from neutral members (29%). Camaraderie accounts for 8% of the chapter performance evaluation.
17. The weakest of the key drivers, with 7% impact on the chapter performance, is the image of FPA-PTSA. The strongest image driver is "welcoming all those who advance the financial planning process".

18. The Chapter Administrator, Chris Stewart, receives consistently high ratings overall and for each of the attributes. Because there is little variation in the high scores, the Chapter Administrator did not emerge as a key driver in the analysis. This does not mean the position is not important, but it does indicate that efforts to improve this area will not increase the overall chapter performance.
19. Networking opportunities did not emerge as a key driver of overall chapter performance but should not be completely dismissed, as it is one of the primary reasons why members join FPA. Networking opportunities received a 67% performance rating from loyal members, 39% from neutral members, and 40% from vulnerable members.
20. Respondents reported a very low incidence of problems with FPA National (three problems) and with FPA-PTSA (two problems). The standard among associations is a 10% problem incidence.

Recommendations For Improving Membership Value

35

1. Different member segments join FPA for different reasons. Use this information to target communications to the various segments (e.g. geography, age) to increase their level of participation and involvement at the chapter level.
2. For example, because a primary reason for the under age 30 group and the over age 59 group to join FPA was to support the financial planning profession, these two age groups should be the focus for attracting new volunteers. Also, because of their common interest in supporting the profession, bringing members of these two groups together in a mentor/mentee relationship might give the older cohort a feeling of self actualization while cementing the bond that the younger cohort has with FPA.
3. It is advisable to focus improvement efforts on only one or two areas that have the greatest ROI. Anything more than two and it is likely that nothing will be accomplished. Our recommendations for improving the chapter are based on member responses. Chapter leadership will need to decide which of the recommendations can more easily be implemented, based on the structure and history of the organization.
4. Our first area for improvement is with meetings, because of its strong impact on chapter performance. For the quarterly chapter meetings, improve the areas of speakers and their presentation topics.

Recommendations For Improving Membership Value

36

5. For the Spring Symposium, focus improvement on the social component, and if the desire is to improve the Fall Retreat, focus on speakers and their topics. (Of the three meeting types, the Fall Retreat needs the least amount of improvement.)
6. If the chapter would rather focus on continuing education, the areas that would have the highest ROI would be in having content that is helpful to them in their practice and content that is current.
7. If the chapter would rather focus on the newsletter (third most impactful area) then focus on improving the usefulness and timeliness of the information in the newsletter.
8. At this time, we recommend focusing improvement efforts on these three areas only. These three areas account for 67% of the overall chapter performance ratings.

For successful improvement implementation we suggest these next steps:

1. Communicate to the membership at large that the research project was successful in discovering what is important to members, determining what can be improved to increase the value of an FPA membership in the Philadelphia Tri-State Area, and thanking them for their cooperation in completing the survey. This would also be a good place to announce the winners of the sweepstakes drawing.
2. Convene a team of interested volunteers and Board members to improve those areas that will provide the highest return on increased chapter performance and are actionable.
3. Implement those changes and communicate to the membership at large what changes they can expect to see and how those changes will improve the value of their FPA-PTSA membership. (Our research shows that communication at this stage can raise performance by more than 10 percentage points, compared to not communicating changes to members).
4. Conduct a follow-up survey in one year of the improved areas to measure the change in performance perceptions.