



Endurance Training

Getting and Keeping Young
YMCA & JCC Members

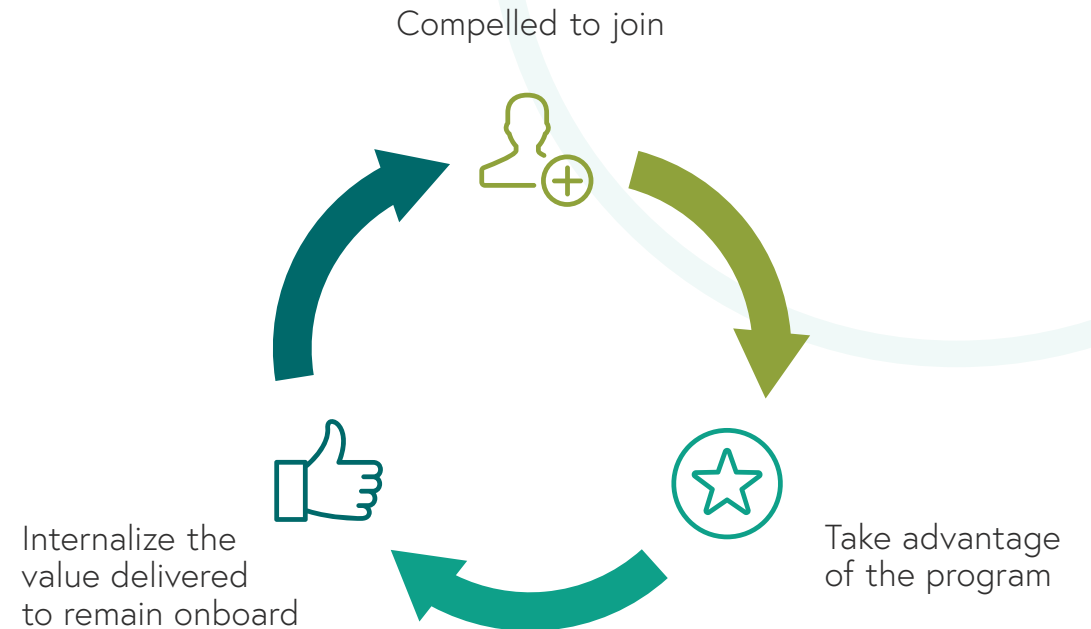


Acquisition. Engagement. Retention.

While the world around membership-focused organizations continues to evolve, the essential stages of the membership lifecycle remain unchanged. Members must be compelled to join, take advantage of the program, events and benefits offered and internalize the value delivered to remain onboard.

Recent years have seen the introduction of multiple studies designed to help organizations understand these steps in context of the different generations within their membership, highlighting what makes each unique and providing guidance on how to best meet their needs. For YMCAs and Jewish Community Centers (JCCs), these previous studies have been directionally helpful but may not address specific needs for their organizations. Too, the populations studied continue to grow and change over time, meaning some of the earlier data may no longer be accurate.

The Membership Lifecycle



This study seeks to expand our understanding of younger members, revisiting those Millennials around whom many organizations have recently focused and including, for the first time, Generation Z through the lens of health and wellness organizations. The study reveals:

- Their perception of membership
- The programs and outreach techniques most effective in compelling them to join
- How they prefer to engage with an organization
- Why many are letting their memberships lapse at a surprising rate

While each organization's membership is unique, Personify believes our findings can inform membership organizations as they create strategies designed to support the long-term growth and success of their organization. Organizations should take the opportunity to survey their own members and evaluate their responses against the trends noted in this study.

Survey questions were explored with more than 1,000 members in the United States. The online surveys were fielded in December 2018.



Who's Who? Millennials and Gen Z

Some time ago, the recreation industry began warning facility operators of the changes wrought by the aging of the baby boomers, who were born between 1946 and 1964. They were the first generation to embrace fitness and wellness as a means to live longer, and that's probably why **an estimated 50 percent**¹ of the U.S. population will be 50 or older this year.

As such, when evaluating paths to ensure long-term strategic growth, many organizations have prioritized diversifying their membership and growing the percentage of young members.



Millennials, generally identified as those born between **1981 and 1996**, represented an opportunity for membership-focused health and wellness organizations to not only mitigate the risk of older members unable to take advantage of programs and facilities but to also further broaden their audience for the 21st century.

Research suggests that Millennials, like boomers before them, embrace fitness and recreation opportunities². Their interest in a healthy lifestyle may exceed that of any other generation in history yet, for this generation, recreation centers face stiff digital competition. In their quest for a personalized, unique experience, Millennials turn to apps to plan their workouts, practice yoga, train for marathons and perform other activities that once were a primary role of recreation centers and health clubs.

Membership-focused health and wellness organizations responded by embracing new channels, introducing targeted programs and becoming adept storytellers that aligned their brand with a greater sense of purpose. While these strategies have worked well, Millennials are also a generation in transition. Our research found half of Millennials reporting they are married with almost as many **(46%) reporting they are a parent to at least one child**.



**46% of Millennials
reported they
are a parent to
at least one child**



As Millennials grow into middle-age, Generation Z has begun its ascent into adulthood with a notably different perspective. With early exposure to the financial tumult of the 2008 financial crisis, job security is top of mind for those in Generation Z, with recent data suggesting **70% prioritize stability and security** in a job over lots of passion and flexibility³.

YMCA and JCC facilities attract a larger percentage of Generation Z than any other facility segments. According to the most recent consumer report from the International Health, Racquet and Sportsball Association (IHRSA) and Community Rec Magazine⁴, the only generation for which small group training penetration exceeds that of personal training is Generation Z. Too, because they are younger and participation in Y-sponsored teams sports may not be a distant memory, Gen Z may already be part of your organization's membership.

70%
of Generation Z
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and security in a job



Acquisition

Health, fitness and wellness are important to both Millennials and Gen Z, with many reporting⁵ that they regularly participate in the following activities:

Participation Rate in Selected Physical Activities in the U.S. 2018

	MILLENNIALS	GENERATION Z
Winter Sports	15%	19%
Water Sports	15%	13%
Team Sports	27%	55%
Racquet Sports	17%	18%
Outdoor Sports	58%	59%
Individual Sports	39%	42%
Fitness Sports	67%	52%



Attitudes People in the U.S. Have Toward their Gym

	ALL YOUNG MEMBERS
My gym fits my lifestyle	40%
I feel very much at home at my gym	39%
My gym meets all my specific personal needs	34%
My gym offers a great price-performance ratio	31%
My gym is an appealing company	31%
I have access to a broad range of services in return for my money at my gym	30%
I prefer my gym over other gyms	10%
Going to the gym is always quite an experience.	21%
My gym offers great services that no other gym can provide	19%
I do not agree with any of the statements above	3%

And many are finding themselves pursuing these activities through organized programs offered through a gym or recreation facility. When asked why they join a gym, surveyed respondents told Statista.com⁶:



However, membership to local YMCAs and JCCs offers members more than fitness programming. Personify's research shows that Millennials and Gen Z recognize the importance of membership and are eager to join, with 87 percent of those responding to our survey reporting it is important to be part of a membership-focused organization and more than half (51%) report it's becoming more important than it used to be. African American members surveyed were significantly higher than average (+18 percentage points) to agree that being part of a membership organization is more important than it used to be, at 66 percent. But how are they finding out about organizations? What tools do they use to learn more about you? What benefits compel them to finally make the decision to join?



Driving Awareness

The YMCA benefits from strong brand equity, with 53 percent of Americans recognizing the YMCA by name⁷. Local JCCs maintain similar overall awareness, particularly within the communities they serve. Digital native has become shorthand in describing young members and the prevalence of technology in their lives. But when asked about all the ways they became aware of the organization in which they were the most active, two-in-five young members report they were recruited by someone they already knew, and two-in-five also report they were recruited in person at an event.

How Young Members Learn About You

	ALL YOUNG MEMBERS	MILLENNIALS	GENERATION Z
Via Email	25%	25%	26%
Via Facebook	25%	26%	23%
Via YouTube	18%	18%	18%
Via Instagram	15%	15%	15%
Via Twitter	13%	13%	12%



Learning More About Membership

Awareness is only the first step in a prospective member's decision-making process. When asked where they would likely go to learn more about an organization they'd consider joining, young members report turning to other members. When asked how important it was that an organization **facilitates connections with authentic people** who understand their unique needs within the initial part of their journey, 94 percent of young members identified this as important, with almost two thirds suggesting it's very important.



94% of young members identified organizations facilitating connections with authentic people as important



What about social media?



Facebook was cited as a resource for over a third of Millennials (36%) but only 26 percent of Generation Z.



YouTube was cited as a resource for 22 percent of Millennials and fewer (16%) surveyed members of Generation Z.



LinkedIn was cited as a resource for 13 percent of Millennials and only 6 percent of Generation Z, suggesting Millennials more established in their career may be more frequent users of the site and familiar with its content.



Acquisition Tips for Young Members



If you're not already, broaden your social media programming to include Instagram. Showcase and highlight the experiences of existing young members to establish credibility and create an authentic connection.



Engage young members in one-on-one, in-person conversations whenever possible! Consider exclusive recruiting and networking events that give young members the opportunity to get to know you in a more intimate setting.



Ensure you've got the goods, with content designed to address the unique challenges of young members as they begin their professional lives and make the transition to mid-career.



Engagement

With endless amounts of information and programming seemingly at their fingertips, young members have the ability to be selective about the brands they want to interact with based on a number of attributes. When it comes to health and wellness, location and convenience have historically been a primary driver but that's no longer the case.

According to the Fitness Industry Technology Council, organizations are increasingly challenged to bring more and more of their membership experience online and to "keep the member engaged with their brand: the member's activity still takes place in the club's own space, whether or not they're in the club. And provide members with the best online content on the market, adding value to the membership⁸."



How can you compete in this environment, retaining digitally connected young members with infinite choices? How do you appeal to the young member who is fully immersed in wellness but feels fitness doesn't mean a gym membership or visiting your recreation center? How do you connect to their lives? Or become an irreplaceable part of your existing members' lives?

Understanding how young members gain awareness of, and learn more about, an organization is important for acquisition but it's not enough. Application of these learnings remain important as organizations look to engage young members.

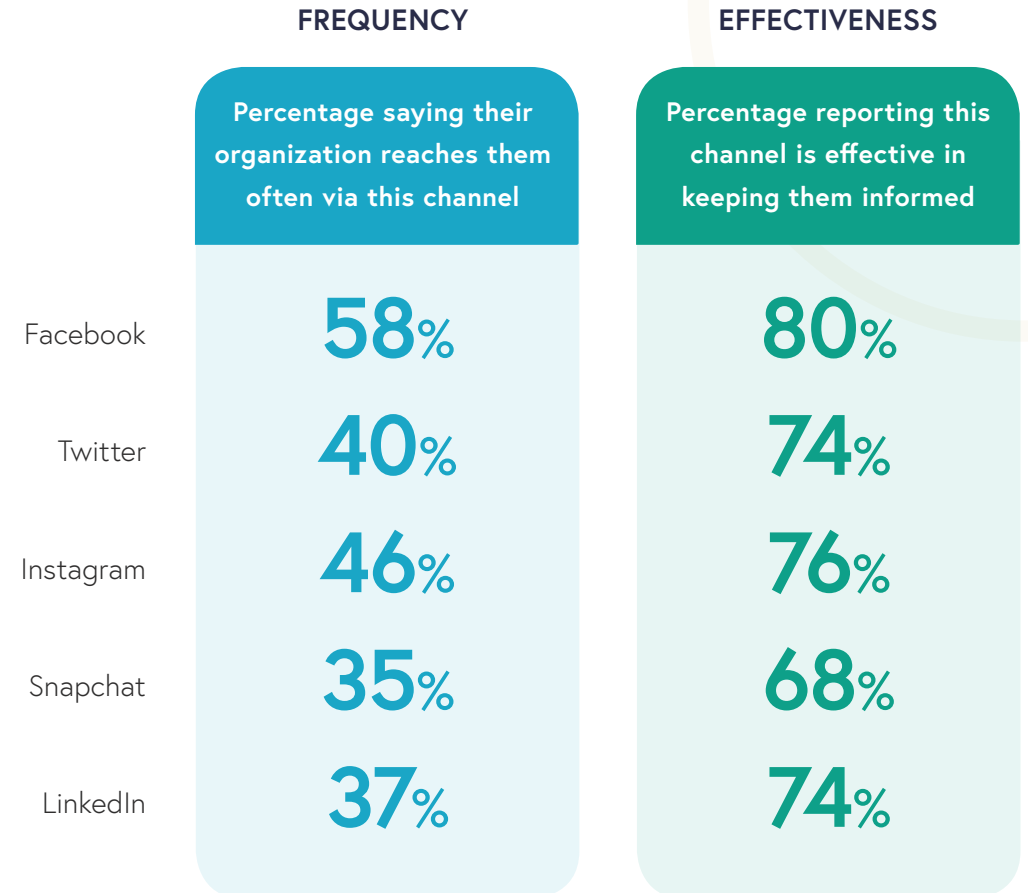


The Impact of Digital Communication

Email has long been a go-to for recreation organizations looking to connect with digitally savvy Millennials and Gen Z members and it remains an important channel:

- Almost three-quarters of young members report receiving email from their organization often, either in the form of a newsletter (72%) or a more personalized message (73%) and both are effective in keeping young members informed and up-to-date.
- A majority report a preference for content weekly or more, with Gen Z members having a slightly higher appetite for greater frequency.

Yet social media also plays a role in keeping young members informed. According to our research, **Instagram ranked a surprising second, with almost half of young members reporting they use it to keep up with their organization and over three-quarters saying it's an effective way to stay in touch.** Surprisingly, few young members – just over one-in-ten – report engaging with their organization via LinkedIn.



Integrated Health Data

To amplify the personalization of their experience, many young members are integrating apps and wearables to track their performance and understand their health across several measures. On the American College of Sports Medicine's (ACSM) Top 20 list of Fitness Trends for 2019⁹, number one is wearable tech, number 13 is mobile exercise apps, and number 16 is outcome measurements. Sixty-one percent of Millennials use technology to measure fitness and health improvement goals¹⁰. According to Statista.com¹¹, the use of wearables is expected to grow to 11.7% of all Americans by 2023. It's no coincidence that all are technology related and all are consumer driven.

Exercisers are seeking body-monitoring wearables that track with programming, customizable club apps and more.



Standing Out...via Phone?

Reach out and touch someone with a phone call? It may sound like a counter-intuitive approach to connect with tech-savvy young members, but they want to hear from you. Only one third of young members report receiving phone calls from their organization, yet a larger percentage of young members report phone calls work, with 78 percent of all members saying phone calls are either somewhat or very effective in engaging them. Almost half of Generation Z found these phone calls very effective.



Engagement Tips for Young Members



How long has it been since you looked at your newsletter? When it comes to digital, young members are bringing a new appreciation for this often-neglected communication. Revisit your content to ensure it aligns with what Millennials and Gen Z are looking for from a content perspective, calling out practical tips and highlighting success stories who share their background and perspective.



It's not all about digital though. Young members' need for connection expands beyond recruitment. Create ample opportunities for 1:1 engagement, not only within your programming but also in regular communication.



Extend the value of events. Leverage a strong follow-up process, with testimonials from members who look and sound like them, to make a lasting impression. Create working groups in private communities to keep learning fresh and use the unexpected personal touch of a phone call to create a personal connection.



Retention

Even in a world with boundless free resources, membership is not only still relevant in the eyes of younger members, it is becoming more important. But is that enough? According to our research:

1/2

Almost half of young members agree that their experiences with membership organizations have been "underwhelming."

1/2

Almost half of young members agree with the statement, "There isn't a strong return on investment when it comes to participating in membership organizations."

1 in 3

One-in-three young members and two-out-of-five Millennials agree with the statement, "I have no idea how being in membership organization actually benefits me."



Why did you Leave / Quit your Former Health Club?

	ALL YOUNG MEMBERS
It was too expensive / I could not afford it	40%
I wasn't using my membership / wasn't going	30%
I moved / the location was no longer convenient	20%
I could exercise somewhere else for free	19%
It was too crowded	17%
I developed an injury / surgery / other condition	11%
I felt out of place	9%
I lost my job	8%
I did not like to exercises	7%
I didn't reach my fitness goals	5%
It was too intimidating	4%
There was no one there to guide me	4%
I didn't know what to do there...	4%
I wanted to participate in another type of exercise	3%
I met my fitness goals	2%
Nobody I knew went to my former health club	2%
Other	1%

These numbers mirror some of the broader trends visible in the fitness industry. When asked why they let a fitness membership lapse, respondents to an IHRSA survey reported¹²:



Making Membership Accessible for Millennials and Gen Z

Although young members agree membership is important in concept, the need for membership organizations to articulate a clear return on investment in order to stay relevant has never been clearer. Proving value, defined¹³ as "a fair return or equivalent in goods, services or money for something exchanged," has never been more important.

What is affordability?

Affordability is defined as the extent to which something is affordable, as measured by its cost relative to the amount the purchaser is able to pay. While the perception of affordability is shaped by value – the more someone sees the value in a particular good or service, the more likely they are to ensure they have the money to pay for it – young members face additional external pressures.



Younger members may be more cash-strapped than other segments and Millennials in particular are feeling the squeeze. According to Statista¹⁴, the median debt balance for Millennials living in the country's 50 largest cities is \$23,064. Student loans account for the highest share of America's millennial debt, comprising 40 percent of their total credit and loan balances. 45 Million people across the U.S. are carrying student debt with a one-fifth of them owing \$100,000 plus. Data from the Federal Reserve¹⁵ shows that the amount of student loans stood at \$480 billion in 2006 and by 2018, the debt had mushroomed to \$1.53 trillion.

Although they're showing signs of a greater aversion to debt than their millennial counterparts, Generation Z is earlier in their career and just entering the workforce. Entry level roles with lower wages and less influence over management purchase decisions, the burden of potential student debt and the costs associated with starting their post-college lives may leave Gen Z with less budget for discretionary spending and no funding for membership from their employer.

While affordability is subjective and based on a number of variables, for many prospective young members even the median basic membership of \$212 may be too much. How can we ensure being part of an organization remains accessible to all, including this important growing segment?

Aligning membership packages with the programs young members value most is paramount. Ensuring the content, networking opportunity and career support Millennials and Gen Z are looking for are available is essential in establishing the perception of value necessary to getting them to commit to your organization.



In 2018, student loan debt stood at \$1.53 Trillion.



Making the Case for Renewal

What keeps young members in your organization? Content plays an important role when it comes to retention. About two-in-three say receiving high-quality, informative content definitely makes them more likely to remain a member of the organization. Too, the attention an organization pays to young members makes a difference.

But even organizations who have done all the right things in programs should be mindful in the outreach efforts and campaigns they use to drive renewals. The biggest pet peeves among younger members include when organizations are too salesy, when they do not increase benefits alongside the increase of fees and when they do a poor job understanding the needs of younger members.



60%

**report that feeling like
the organization understands
the needs of people in their
stage of life definitely
makes them more likely
to remain a member.**



Retention Tips for Young Members



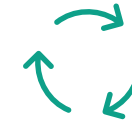
Are you making an investment in understanding young members and aligning programs to meet their unique needs? Show them. Share the results of your work, remind them of the programs unique to them and that you care about their needs and are working hard to meet them.



Reinforce the value you're providing every step of the way. Consider taking a page out of the consumer sector and providing members with a year-end summary statement of benefits, quantifying the value of the benefits they've received and what they've achieved with your organization.



It's been said before but bears repeating: Make membership affordable. Explore opportunities to align your existing membership offers with what young members are able to afford and consider configuring programs specifically to address their unique preferences and needs.



Make renewals easy with a streamlined, online process and automated workflows to send proactive reminders.



Wrapping Up

The key to attracting, engaging and retaining young members? Technology.

You'll want to explore adding digital platforms that allow increasing levels of functionality for bookings, billing and payments and also allow for a more open approach toward API integration and provide **delivery business intelligence**.

Technology is not only a part of your members' lives, but also plays an increasingly large role in the success of health, wellness, recreation and community organizations— particularly if your strategy includes providing members of all kinds with rich, digital experiences that extend their YMCA or JCC experience beyond your front door and into other areas of their lives.



About Personify

Personify is the market-leading Constituent Management and Engagement (CME) platform that empowers modern organizations to better engage their constituents, maximize revenue and optimize operations. For over 20 years, we have been driving growth for a diverse group of organizations including organizations, nonprofits, event professionals, YMCAs and JCCs. For additional information, visit www.personifycorp.com.



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