Association Management Models and Their Impact on Financial Performance

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Executive Summary

The table below summarizes the relative financial performance of associations managed by an association management company (AMC) vs those independently managed. Green reflects a higher value for associations managed by AMCs, while red reflects a lower value. Data was culled from IRS form 990s of 501c3 and 501c6 organizations. A random sample was drawn of 167 associations. The low budget category was between $0.5 and 2 Million. The high budget category was between $2 and 7.5 Million.

Measure	ALL	c3	c6	Low$	High$
Net Total Rev Growth	More	More	More	More	More
Net Income Growth (surplus)	More	More	More	More	More
Avg Percent Surplus	More	More	Less	More	More
Net Asset Growth	More	More	More	More	More
Revenue Diversity in Products	More	More	More	More	More

KEY FINDINGS

- In general, using AMCs is associated with stronger financial performance.
- Regardless of tax status and budget size, growth in Net Income, Net Revenue, and Net Assets are stronger for associations using AMCs.
- The only organizational context in which using AMCs did not lead to higher performance was with regards to average percent surplus for 501c6 organizations.

1 CONTENTS

2 RESEARCH QUESTION

Are there differences in the financial performance between associations using AMCs versus those not using AMCs? How do these differences manifest in general, across 501(c)3 and (c)6 organizations, and across small and large budgets?

3 METHODOLOGY FOR DATA COLLECTION AND FILTERING

The sample of 167 associations was obtained through random sampling with multiple constraints. Using the NTPA directory of 51,000 associations, we filtered out the state-level associations and any associations that also operated as AMCs for other organizations. We also filtered out all associations with annual budgets (average revenue from 2010-2012) less than $500,000 or more than $7.5M. In order to obtain an adequate representation of this defined population, we randomly sampled (using a random number generator with a ceiling of the pool size) up to 50 associations within four budget levels ($0.5M – 1M, 1M-2M, 2M-5M, 5M-7.5M), stratified with approximately 25 associations that use AMCs and 25 that don't use AMCs. In the case of the largest budget size, only 16 associations used AMCs, we therefore used the entire pool rather than a random sample. These efforts resulted in 177 eligible associations.

To obtain the financial data for each of the selected associations, we collected IRS Form 990 data from Guidestar and Propublica. Of the 177 associations, 9 Form 990s couldn't be located, and one association was a 501(c)5 organization. These 10 associations were dropped from the total sample, resulting in a final usable sample of 167 associations. The table below provides some high level descriptive statistics for the final sample.

Group	Number of Associations	Mean NetTotalRev	Median NetTotalRev
Budget 1 ($500,000-1,000,000)	46	$629,867	$621,461
Budget 2 ($1,000,001-2,000,000)	47	$1,416,437	$1,350,129
Budget 3 ($2,000,001-5,000,000)	48	$2,929,629	$2,867,818
Budget 4 ($5,000,001-7,500,000)	26	$5,797,085	$5,904,007
Use AMC	81	$2,206,133	$1,694,464
Don't use AMC	86	$2,414,898	$1,670,260
c3	64	$2,004,078	$1,394,900
c6	103	$2,506,884	$1,813,138

(Net Total Revenue is calculated as Total Revenue less Investment Income)

In the analyses, we used only two budget sizes: small ($500,000-2,000,000) and large ($2,000,001-7,500,000). This was done for two reasons. The first is due to sample size, particularly in Budget 4. No meaningful differences could be obtained with such a small sample size. The second reason was because we did not need to distinguish between those with budgets of $1 or 2 million, or between those with budgets of $5 or 7 million, recognizing the differences between both small budget sizes (or the large two budget sizes) to be less meaningful than the differences between small and large budget sizes in general.

4 ANALYSIS

Formulas for each measure are specified in the appendix. To produce these tables, we conducted an independent samples (unpaired) t-test. We also conducted a Levene's homogeneity of variance test to determine whether equal variance should be assumed. We used the appropriate critical ratio (and p-value) based on the results of the Levene's test.

The tables below show the means, relative differences, and significance of the difference between those means for every financial measure of interest. The t-test only allows comparisons between means (rather than median). Despite efforts to remove outliers, the data is still somewhat skewed, and therefore the mean is potentially misleading in a few cases. To mitigate this issue, in the Findings section we use the median, rather than the mean, to visually represent many of these analyses. The graphs in the findings section will therefore show a more accurate representation of the differences due to the skewed data affecting the mean.

For the most part, there are not "statistically significant" differences between the compared groups, but there are clear patterns for many of the differences. The lack of significance is likely due to confounding variables such as large differences in budget sizes. This is called statistical error. As we remove some of these confounds by filtering our groups (e.g., by budget or tax status) the sample size will be smaller, thus increasing error, and still leaving us with few statistically significant differences. Nevertheless, we have highlighted significant differences (at the 90% confidence level) in red font.

The Difference column should be read as a relative difference between the values of the compared groups. For example, the first difference value in the first table below is -7%. This value indicates that the Net Total Revenue in 2012 was 7% less for those using AMCs than for those not using AMCs. Since these are financial measures, we would recommend that any difference greater than 5% is meaningful and worth noting, even if the p-value is not significant. We used a standard formula for calculating the relative differences as the difference divided by the average:
(UseAMC-NotUseAMC)/((UseAMC + NotUseAMC)/2).

In the interpretation column we have included a general interpretation of "**more**" or "**less**" from the perspective of the associations using AMCs. For measures that included three separate years, these interpretations are based on the average of the differences for all three years. If the average was negative, the interpretation is "**less**". If the average was positive, the interpretation was "**more**".

4.1 In General: Use AMC vs. Not Use AMC (Use=81, Not Use=86)

Measure	Uses AMC	Mean	Difference	pval	Interpretation
NetTotalRev12	No	$ 2,507,767.26			Associations using AMCs averaged **less** Net Total Rev from 2010-2012
	Yes	$ 2,342,784.04	-7%	0.586	
NetTotalRev11	No	$ 2,413,944.01			
	Yes	$ 2,187,301.19	-10%	0.440	
NetTotalRev10	No	$ 2,317,972.93			
	Yes	$ 2,088,315.74	-10%	0.422	
NetTotalRevGrowth10_12	No	14.52%			Associations using AMCs averaged **more** Net Total Rev Growth from 2010-2012
	Yes	19.89%	31%	0.448	
NetIncomeGrowth10_12	No	14.69%			Associations using AMCs averaged **more** Net Income Growth from 2010-2012
	Yes	19.89%	30%	0.466	
PercentSurplus12	No	2.26%			Associations using AMCs averaged **more** Percent Surplus from 2010-2012
	Yes	6.04%	91%	0.146	
PercentSurplus11	No	2.22%			
	Yes	4.36%	65%	0.338	
PercentSurplus10	No	5.00%			
	Yes	3.11%	-46%	0.641	
AvgPercentSurplus	No	3.15%			Associations using AMCs averaged **more** Average percent Surplus from 2010-2012
	Yes	4.50%	35%	0.509	
NetAssetGrowth	No	-273.38%			Associations using AMCs averaged **more** Net Asset Growth from 2010-2012
	Yes	61.95%	317%	0.244	
NetAssetsRev12	No	133.09%			Associations using AMCs averaged **less** Net Assets as a percent of Revenue from 2010-2012
	Yes	87.19%	-42%	0.064	
NetAssetsRev11	No	151.49%			
	Yes	83.14%	-58%	0.107	
NetAssetsRev10	No	174.58%			
	Yes	82.95%	-71%	0.144	
AssetsRev12	No	159.79%			Associations using AMCs averaged **less** Assets as a percent of Revenue from 2010-2012
	Yes	112.56%	-35%	0.070	
AssetsRev11	No	178.58%			
	Yes	111.15%	-47%	0.115	
AssetsRev10	No	202.48%			
	Yes	108.76%	-60%	0.142	
LiabRev12	No	26.70%			Associations using AMCs averaged **less** Liabilities from 2010-2012
	Yes	25.37%	-5%	0.745	
LiabRev11	No	27.08%			
	Yes	28.01%	3%	0.828	
LiabRev10	No	27.90%			
	Yes	25.81%	-8%	0.659	
ExpRev12	No	100.30%			Associations using AMCs averaged **less** Expenses as a percent of Revenue from 2010-2012
	Yes	95.86%	-5%	0.091	
ExpRev11	No	101.68%			
	Yes	97.15%	-5%	0.110	

ExpRev10	No	104.86%			
	Yes	98.85%	-6%	0.205	
ProSerRev12	No	72.28%			Associations using AMCs averaged **more** Products and Services from 2010-2012
	Yes	76.66%	6%	0.317	
ProSerRev11	No	72.84%			
	Yes	77.47%	6%	0.285	
ProSerRev10	No	72.97%			
	Yes	77.50%	6%	0.293	
InvRev12	No	2.55%			Associations using AMCs averaged **less** Investment Income from 2010-2012
	Yes	1.89%	-30%	0.358	
InvRev11	No	3.90%			
	Yes	1.51%	-88%	0.118	
InvRev10	No	9.86%			
	Yes	1.96%	-134%	0.270	

4.2 Considering only Tax c3 (Uses AMC=27, Doesn't Use AMC=37)

Measure	Uses AMC	Mean	Difference	pval	Interpretation
NetTotalRev12	No	$ 1,956,591.57			Associations using AMCs averaged **more** Net Total Rev from 2010-2012
	Yes	$ 2,291,978.93	16%	0.470	
NetTotalRev11	No	$ 1,924,282.97			
	Yes	$ 2,134,297.22	10%	0.609	
NetTotalRev10	No	$ 1,855,057.41			
	Yes	$ 1,964,600.81	6%	0.780	
NetTotalRevGrowth10_12	No	11.01%			Associations using AMCs averaged **more** Net Total Rev Growth from 2010-2012
	Yes	18.96%	53%	0.294	
NetIncomeGrowth10_12	No	11.01%			Associations using AMCs averaged **more** Net Income Growth from 2010-2012
	Yes	18.96%	53%	0.294	
PercentSurplus12	No	0.75%			Associations using AMCs averaged **more** Percent Surplus from 2010-2012
	Yes	7.20%	162%	0.181	
PercentSurplus11	No	4.48%			
	Yes	10.43%	80%	0.084	
PercentSurplus10	No	1.67%			
	Yes	7.68%	129%	0.163	
AvgPercentSurplus	No	2.30%			Associations using AMCs averaged **more** Average percent Surplus from 2010-2012
	Yes	8.44%	114%	0.019	
NetAssetGrowth	No	-628.50%			Associations using AMCs averaged **more** Net Asset Growth from 2010-2012
	Yes	22.30%	215%	0.317	
NetAssetsRev12	No	157.71%			Associations using AMCs averaged **less** Net Assets as a percent of Revenue from 2010-2012
	Yes	120.29%	-27%	0.388	
NetAssetsRev11	No	141.58%			
	Yes	106.72%	-28%	0.289	
NetAssetsRev10	No	158.12%			
	Yes	110.17%	-36%	0.315	
AssetsRev12	No	182.60%			Associations using AMCs averaged **less** Assets as a percent of Revenue from 2010-2012
	Yes	144.61%	-23%	0.417	
AssetsRev11	No	166.29%			
	Yes	129.61%	-25%	0.353	
AssetsRev10	No	185.93%			
	Yes	132.76%	-33%	0.320	
LiabRev12	No	24.89%			Associations using AMCs averaged **less** Liabilities from 2010-2012
	Yes	24.32%	-2%	0.939	
LiabRev11	No	24.71%			
	Yes	22.90%	-8%	0.777	
LiabRev10	No	27.81%			
	Yes	22.59%	-21%	0.564	
ExpRev12	No	102.22%			Associations using AMCs averaged **less** Expenses as a percent of Revenue
	Yes	95.30%	-7%	0.152	
ExpRev11	No	99.20%			

	Yes	91.73%	-8%	0.031	from 2010-2012
ExpRev10	No	102.39%			
	Yes	95.37%	-7%	0.143	
ProSerRev12	No	69.55%			Associations using AMCs averaged **more** Products and Services from 2010-2012
	Yes	69.37%	0%	0.980	
ProSerRev11	No	71.55%			
	Yes	75.21%	5%	0.586	
ProSerRev10	No	72.15%			
	Yes	72.64%	1%	0.940	
InvRev12	No	2.97%			Associations using AMCs averaged **less** Investment Income from 2010-2012
	Yes	2.50%	-17%	0.694	
InvRev11	No	3.68%			
	Yes	2.16%	-52%	0.234	
InvRev10	No	4.06%			
	Yes	3.05%	-28%	0.503	

4.3 Considering only Tax c6 (Uses AMC=54, Doesn't Use AMC=49)

Measure	*Uses AMC*	*Mean*	*Difference*	*pval*	*Interpretation*
NetTotalRev12	No	$ 2,923,961.14			Associations using AMCs averaged **less** Net Total Rev from 2010-2012
	Yes	$ 2,368,186.59	-21%	0.165	
NetTotalRev11	No	$ 2,783,688.06			
	Yes	$ 2,213,803.17	-23%	0.153	
NetTotalRev10	No	$ 2,674,803.65			
	Yes	$ 2,150,173.20	-22%	0.180	
NetTotalRevGrowth10_12	No	17.17%			Associations using AMCs averaged **more** Net Total Rev Growth from 2010-2012
	Yes	20.36%	17%	0.772	
NetIncomeGrowth10_12	No	17.53%			Associations using AMCs averaged **more** Net Income Growth from 2010-2012
	Yes	20.36%	15%	0.800	
PercentSurplus12	No	3.39%			Associations using AMCs averaged **less** Percent Surplus from 2010-2012
	Yes	5.46%	47%	0.467	
PercentSurplus11	No	0.51%			
	Yes	1.33%	89%	0.781	
PercentSurplus10	No	7.56%			
	Yes	0.83%	-160%	0.301	
AvgPercentSurplus	No	3.81%			Associations using AMCs averaged **less** Average percent Surplus from 2010-2012
	Yes	2.54%	-40%	0.677	
NetAssetGrowth	No	0.37%			Associations using AMCs averaged **more** Net Asset Growth from 2010-2012
	Yes	81.78%	198%	0.019	
NetAssetsRev12	No	114.50%			Associations using AMCs averaged **less** Net Assets as a percent of Revenue from 2010-2012
	Yes	70.64%	-47%	0.103	
NetAssetsRev11	No	158.98%			
	Yes	71.35%	-76%	0.180	
NetAssetsRev10	No	187.26%			
	Yes	69.34%	-92%	0.255	
AssetsRev12	No	142.57%			Associations using AMCs averaged **less** Assets as a percent of Revenue from 2010-2012
	Yes	96.53%	-39%	0.090	
AssetsRev11	No	187.86%			
	Yes	101.92%	-59%	0.189	
AssetsRev10	No	215.24%			
	Yes	96.76%	-76%	0.254	
LiabRev12	No	28.07%			Associations using AMCs averaged **less** Liabilities from 2010-2012
	Yes	25.89%	-8%	0.639	
LiabRev11	No	28.88%			
	Yes	30.57%	6%	0.757	
LiabRev10	No	27.98%			
	Yes	27.42%	-2%	0.908	
ExpRev12	No	98.84%			Associations using AMCs averaged **less** Expenses as a percent of Revenue from 2010-2012
	Yes	96.14%	-3%	0.353	
ExpRev11	No	103.55%			
	Yes	99.86%	-4%	0.383	

ExpRev10	No	106.77%			
	Yes	100.59%	-6%	0.423	
ProSerRev12	No	74.33%			
	Yes	80.30%	8%	0.294	Associations using AMCs averaged **more** Products and Services from 2010-2012
ProSerRev11	No	73.82%			
	Yes	78.61%	6%	0.404	
ProSerRev10	No	73.60%			
	Yes	79.97%	8%	0.274	
InvRev12	No	2.24%			
	Yes	1.59%	-34%	0.471	Associations using AMCs averaged **less** Investment Income from 2010-2012
InvRev11	No	4.06%			
	Yes	1.19%	-109%	0.249	
InvRev10	No	14.33%			
	Yes	1.42%	-164%	0.278	

4.4 Considering only budgets less than $2M (Uses AMC=47, Doesn't Use AMC=46)

Measure	*Uses AMC*	*Mean*	*Difference*	*pval*	*Interpretation*
NetTotalRev12	No	$ 993,767.39			Associations using AMCs averaged **more** Net Total Rev from 2010-2012
	Yes	$ 1,140,485.02	14%	0.137	
NetTotalRev11	No	$ 941,091.02			
	Yes	$ 1,140,289.32	19%	0.086	
NetTotalRev10	No	$ 912,884.30			
	Yes	$ 1,030,783.21	12%	0.238	
NetTotalRevGrowth10_12	No	10.46%			Associations using AMCs averaged **more** Net Total Rev Growth from 2010-2012
	Yes	22.23%	72%	0.142	
NetIncomeGrowth10_12	No	10.46%			Associations using AMCs averaged **more** Net Income Growth from 2010-2012
	Yes	22.23%	72%	0.142	
PercentSurplus12	No	2.07%			Associations using AMCs averaged **more** Percent Surplus from 2010-2012
	Yes	5.79%	95%	0.364	
PercentSurplus11	No	4.11%			
	Yes	4.09%	-1%	0.994	
PercentSurplus10	No	4.09%			
	Yes	2.09%	-65%	0.524	
AvgPercentSurplus	No	3.42%			Associations using AMCs averaged **more** Average percent Surplus from 2010-2012
	Yes	3.99%	15%	0.786	
NetAssetGrowth	No	-507.99%			Associations using AMCs averaged **more** Net Asset Growth from 2010-2012
	Yes	92.94%	290%	0.251	
NetAssetsRev12	No	151.36%			Associations using AMCs averaged **less** Net Assets as a percent of Revenue from 2010-2012
	Yes	78.33%	-64%	0.054	
NetAssetsRev11	No	136.12%			
	Yes	73.11%	-60%	0.042	
NetAssetsRev10	No	136.16%			
	Yes	73.91%	-59%	0.095	
AssetsRev12	No	173.21%			Associations using AMCs averaged **less** Assets as a percent of Revenue from 2010-2012
	Yes	99.51%	-54%	0.068	
AssetsRev11	No	157.95%			
	Yes	95.06%	-50%	0.053	
AssetsRev10	No	159.59%			
	Yes	94.89%	-51%	0.125	
LiabRev12	No	21.84%			Associations using AMCs averaged **less** Liabilities from 2010-2012
	Yes	21.18%	-3%	0.911	
LiabRev11	No	21.83%			
	Yes	21.95%	1%	0.982	
LiabRev10	No	23.44%			
	Yes	20.98%	-11%	0.736	
ExpRev12	No	100.46%			Associations using AMCs averaged **less** Expenses as a percent of Revenue from 2010-2012
	Yes	95.35%	-5%	0.234	
ExpRev11	No	99.04%			
	Yes	96.94%	-2%	0.527	

ExpRev10	No	99.14%			
	Yes	98.96%	0%	0.960	
ProSerRev12	No	72.08%			
	Yes	74.05%	3%	0.752	Associations using AMCs averaged **more** Products and Services from 2010-2012
ProSerRev11	No	73.03%			
	Yes	74.02%	1%	0.875	
ProSerRev10	No	74.28%			
	Yes	73.23%	-1%	0.859	
InvRev12	No	2.53%			
	Yes	1.14%	-76%	0.172	Associations using AMCs averaged **less** Investment Income from 2010-2012
InvRev11	No	3.15%			
	Yes	1.03%	-102%	0.029	
InvRev10	No	3.23%			
	Yes	1.05%	-102%	0.055	

4.5 CONSIDERING ONLY BUDGETS MORE THAN $2M (USES AMC=34, DOESN'T USE AMC=40)

Measure	*Uses AMC*	*Mean*	*Difference*	*pval*	*Interpretation*
NetTotalRev12	No	$ 4,248,867.10			Associations using AMCs averaged **less** Net Total Rev from 2010-2012
	Yes	$ 4,004,785.62	-6%	0.553	
NetTotalRev11	No	$ 4,107,724.95			
	Yes	$ 3,634,641.12	-12%	0.250	
NetTotalRev10	No	$ 3,975,256.95			
	Yes	$ 3,550,198.94	-11%	0.294	
NetTotalRevGrowth10_12	No	19.20%			Associations using AMCs averaged **less** Net Total Rev Growth from 2010-2012
	Yes	16.66%	-14%	0.831	
NetIncomeGrowth10_12	No	19.69%			Associations using AMCs averaged **less** Net Income Growth from 2010-2012
	Yes	16.66%	-17%	0.803	
PercentSurplus12	No	2.47%			Associations using AMCs averaged **more** Percent Surplus from 2010-2012
	Yes	6.38%	88%	0.211	
PercentSurplus11	No	0.05%			
	Yes	4.74%	196%	0.136	
PercentSurplus10	No	6.06%			
	Yes	4.52%	-29%	0.849	
AvgPercentSurplus	No	2.83%			Associations using AMCs averaged **more** Average percent Surplus from 2010-2012
	Yes	5.22%	59%	0.529	
NetAssetGrowth	No	3.35%			Associations using AMCs averaged **more** Net Asset Growth from 2010-2012
	Yes	19.11%	140%	0.312	
NetAssetsRev12	No	112.07%			Associations using AMCs averaged **less** Net Assets as a percent of Revenue from 2010-2012
	Yes	99.43%	-12%	0.659	
NetAssetsRev11	No	169.18%			
	Yes	97.01%	-54%	0.380	
NetAssetsRev10	No	219.89%			
	Yes	95.45%	-79%	0.329	
AssetsRev12	No	144.37%			Associations using AMCs averaged **less** Assets as a percent of Revenue from 2010-2012
	Yes	130.59%	-10%	0.634	
AssetsRev11	No	202.30%			
	Yes	133.40%	-41%	0.401	
AssetsRev10	No	253.06%			
	Yes	127.94%	-66%	0.327	
LiabRev12	No	32.30%			Associations using AMCs averaged **more** Liabilities from 2010-2012
	Yes	31.16%	-4%	0.836	
LiabRev11	No	33.12%			
	Yes	36.39%	9%	0.635	
LiabRev10	No	33.17%			
	Yes	32.49%	-2%	0.905	
ExpRev12	No	100.11%			Associations using AMCs averaged **less** Expenses as a percent of Revenue from 2010-2012
	Yes	96.56%	-4%	0.213	
ExpRev11	No	104.71%			
	Yes	97.44%	-7%	0.124	
ExpRev10	No	111.62%			

	Yes	98.70%	-12%	0.174	
ProSerRev12	No	72.50%			Associations using AMCs averaged **more** Products and Services from 2010-2012
	Yes	80.25%	10%	0.205	
ProSerRev11	No	72.63%			
	Yes	82.25%	12%	0.099	
ProSerRev10	No	71.43%			
	Yes	83.58%	16%	0.053	
InvRev12	No	2.57%			Associations using AMCs averaged **less** Investment Income from 2010-2012
	Yes	2.94%	13%	0.713	
InvRev11	No	4.76%			
	Yes	2.18%	-74%	0.395	
InvRev10	No	17.68%			
	Yes	3.22%	-138%	0.356	

5 KEY FINDINGS

Table 4.1 shows a summary of all the tables in the Analysis section. An interpretation of each row is provided in the Comments column. The subsequent graphs examine the **median**, rather than the mean. Due to the skewed financial data, the graphs will show a more accurate representation of the differences than the tables in the Analysis section. Table 4.2 summarizes the findings on each of the four key financial measures visualized in the graphs.

5.1 SUMMARY FINDINGS COMPARING USE OF AMC TO NOT USING AMC (MEAN)

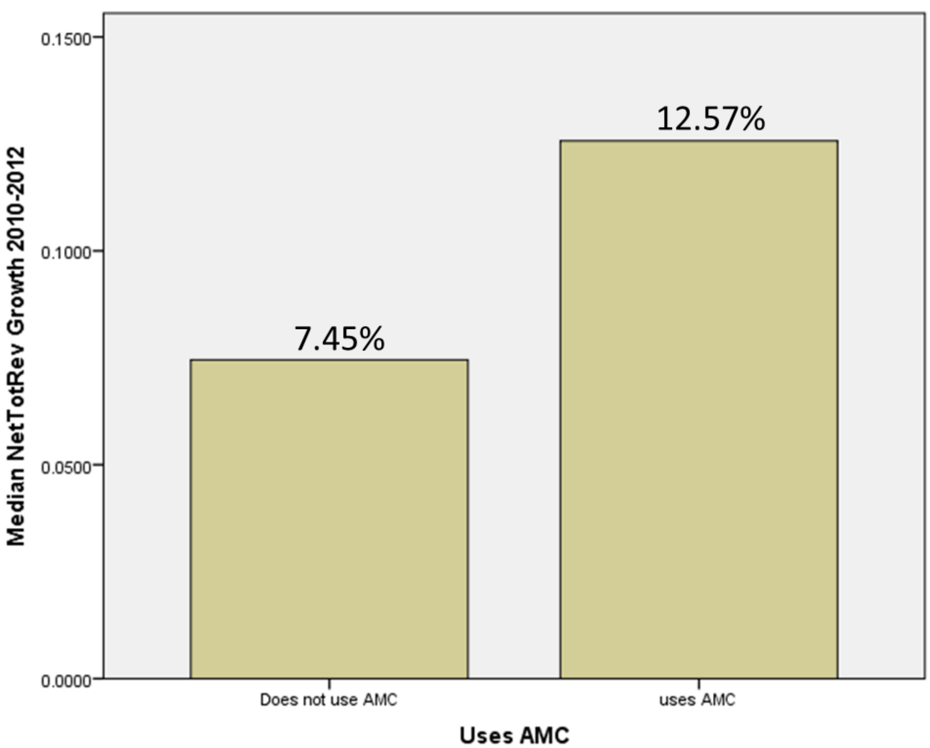
Measure	General	c3	c6	Low$	High$	Comments
Net Total Rev	Less	More	Less	More	Less	Net Total Revenue is greater when the association is a c3 and/or has a smaller budget.
Net Total Rev Growth	More	More	More	More	Less	Net Total Revenue Growth is stronger in all cases for those using AMCs except the associations with larger budgets.
Net Income Growth	More	More	More	More	Less	Net Income Growth is stronger in all cases for those using AMCs except the associations with larger budgets.
Percent Surplus	More	More	Less	More	More	Percent Surplus is better in all cases for those using AMCs except the associations filing as c6.
Avg Percent Surplus	More	More	Less	More	More	Average Percent Surplus is better in all cases for those using AMCs except the associations filing as c6.
Net Asset Growth	More	More	More	More	More	Growth in Net Asset as a percent of Revenue is better in all cases for those using AMCs.
Net Assets Rev	Less	Less	Less	Less	Less	Net Assets as a percent of Revenue is consistently lower for associations using AMCS.
Assets Rev	Less	Less	Less	Less	Less	Assets as a percent of Revenue is consistently lower for associations using AMCS.
Liab Rev	Less	Less	Less	Less	More	Liabilities as a percent of Revenue is consistently lower for associations using AMCS, except for those with higher budgets.
Exp Rev	Less	Less	Less	Less	Less	Expenses as a percent of Revenue is consistently lower for associations using AMCS.
Pro Ser Rev	More	More	More	More	More	Income from Products and Services as a percent of Revenue is consistently higher for associations using AMCS.
Inv Rev	Less	Less	Less	Less	Less	Investments Income as a percent of Revenue is consistently lower for associations using AMCS.

5.2 SUMMARY FINDINGS COMPARING USE OF AMC TO NOT USING AMC (MEDIAN)

The t-tests conducted for the tables above only allow comparisons between means (rather than median). Median comparison tests (such as the Mann-Whitney Test) were not an option due to differently shaped distributions across groups. Additionally, despite efforts to remove outliers, the data is still somewhat skewed, and therefore the mean is potentially misleading in a few cases. To mitigate this issue, in the table below and in the subsequent graphs we use the median, rather than the mean, to visually represent many of these analyses. These will therefore show a more accurate representation of the differences in financial measures because the median is not affected by skewed data or outliers, whereas the mean is.

Measure	ALL	c3	c6	Low$	High$
Net Total Rev Growth	More	More	More	More	More
Net Income Growth	More	More	More	More	More
Avg Percent Surplus	More	More	Less	More	More
Net Asset Growth	More	More	More	More	More

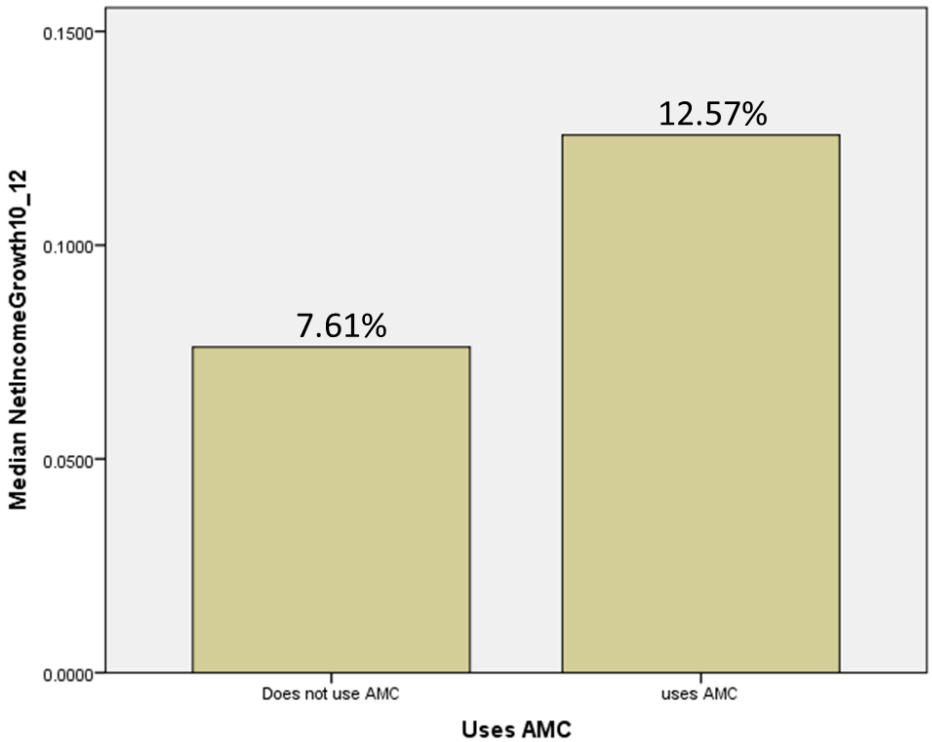
5.3 MEDIAN NET TOTAL REVENUE GROWTH (ALL DATA)



INTERPRETATION:

- In general, associations using AMCs have stronger net total revenue growth than associations not using AMCs.

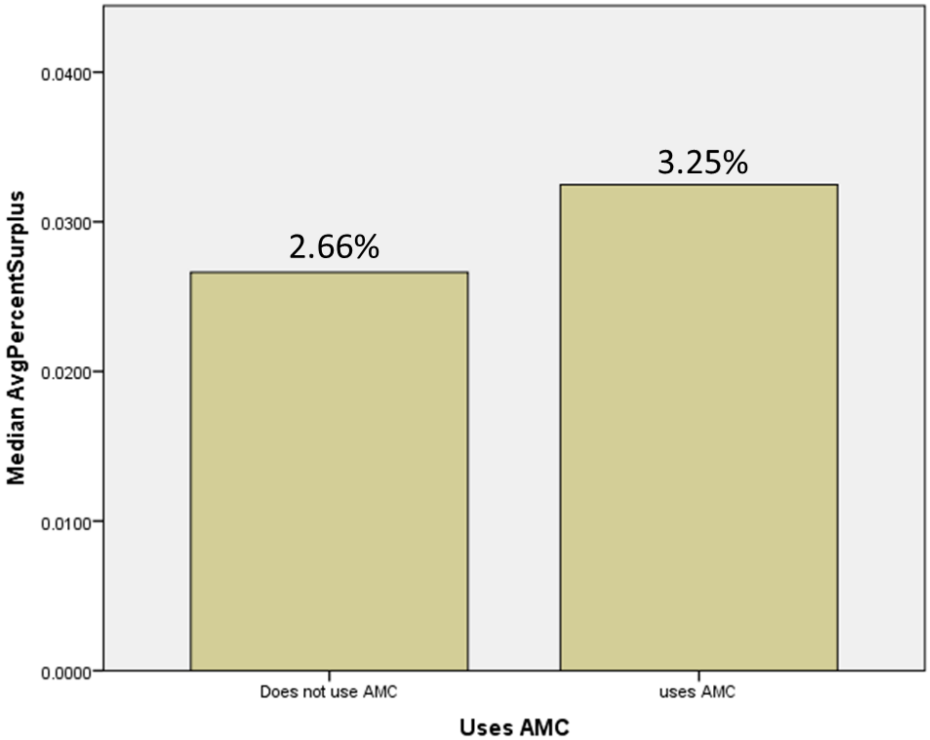
5.4 MEDIAN NET TOTAL INCOME GROWTH (ALL DATA)



INTERPRETATION:

- In general, associations using AMCs have stronger net total income growth than associations not using AMCs.

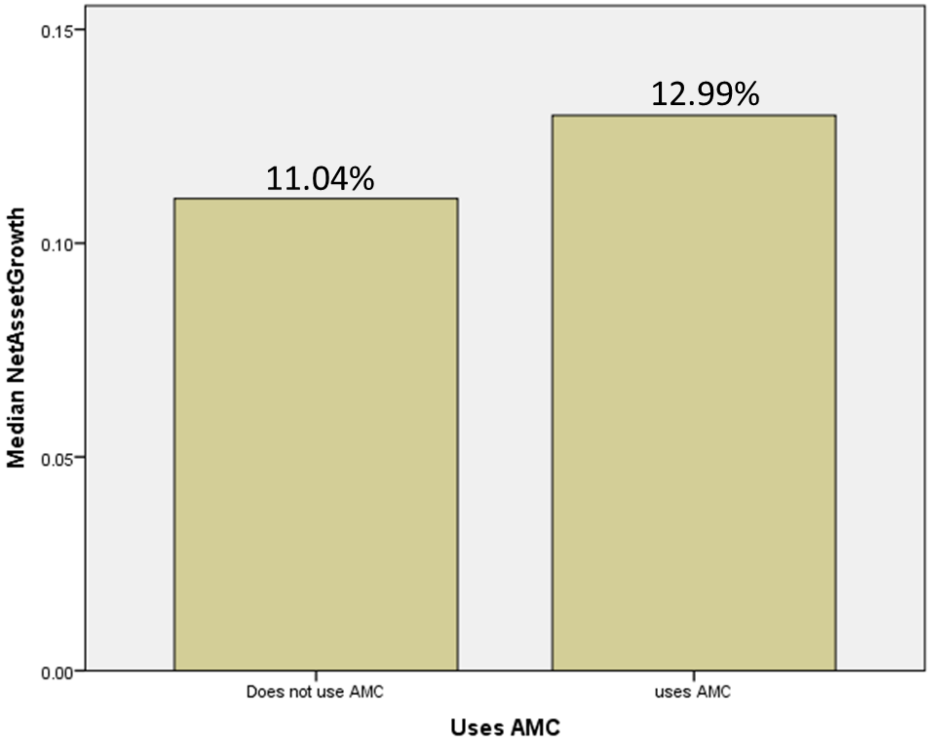
5.5 MEDIAN AVERAGE PERCENT SURPLUS (ALL DATA)



INTERPRETATION:

- In general, associations using AMCs have stronger average percent surplus than associations not using AMCs.

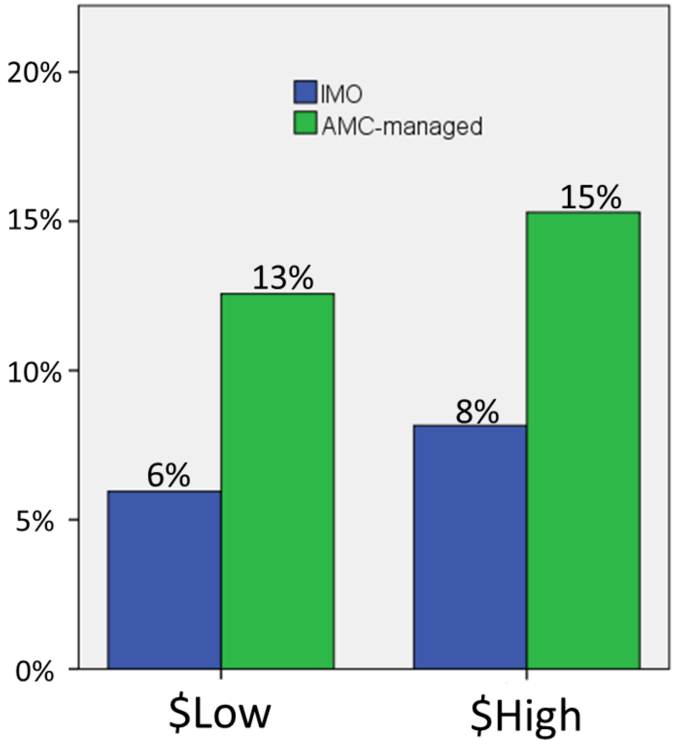
5.6 MEDIAN GROWTH IN NET ASSETS (ALL DATA)



INTERPRETATION:

- In general, associations using AMCs have stronger growth in net assets as a percent of revenue than associations not using AMCs.

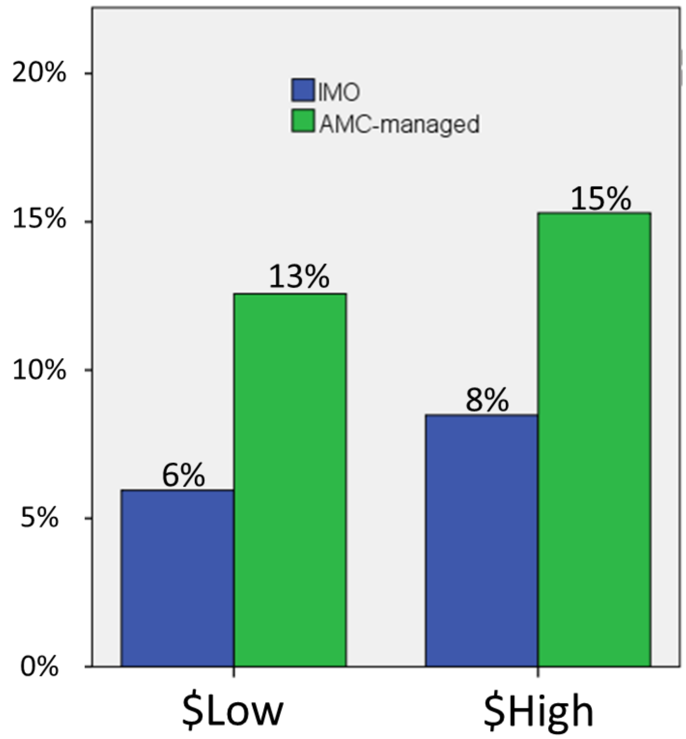
5.7 MEDIAN NET TOTAL REVENUE GROWTH FOR LOW AND HIGH BUDGET



INTERPRETATION:

- Associations using AMCs have stronger net total revenue growth in both the small and large budget groups.
- Small budget associations using AMCs have even stronger net total revenue growth (13%) than large budget associations not using AMCs (8%).

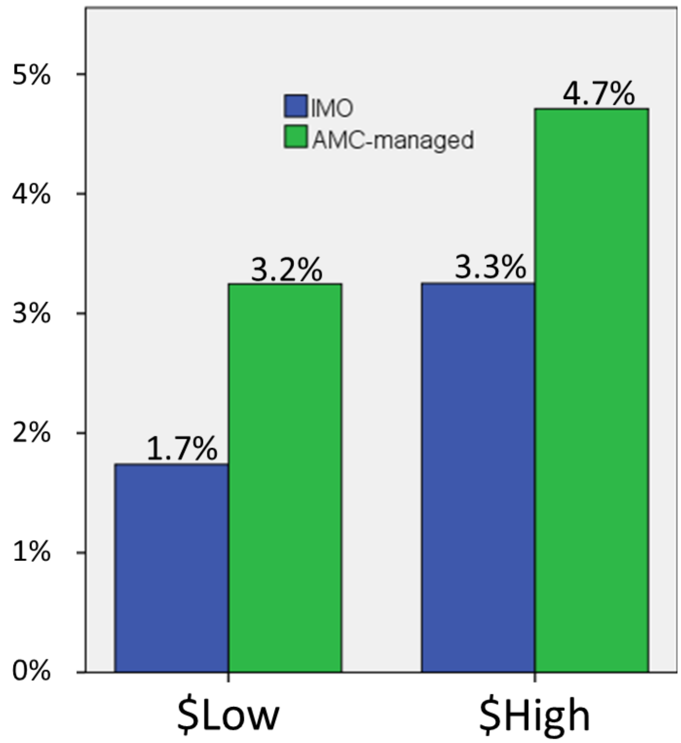
5.8 MEDIAN NET INCOME GROWTH FOR LOW AND HIGH BUDGET



INTERPRETATION:

- Associations using AMCs have stronger net income growth in both the small and large budget groups.
- Small budget associations using AMCs have even stronger net income growth (13%) than large budget associations not using AMCs (8%).

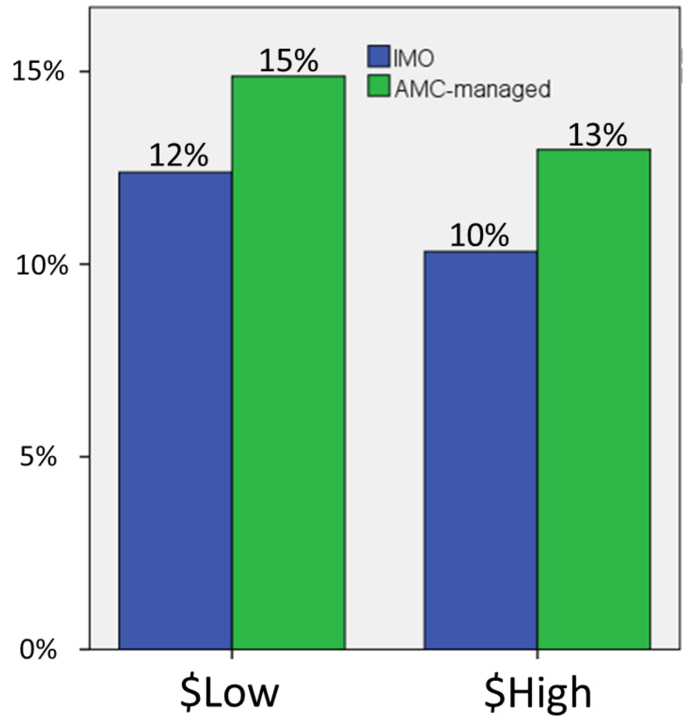
5.9 Median Average Percent Surplus for Low and High Budget



INTERPRETATION:

- Associations using AMCs have stronger percent surplus in both the small and large budget groups.
- Large budget associations have stronger percent surplus than small budget associations.

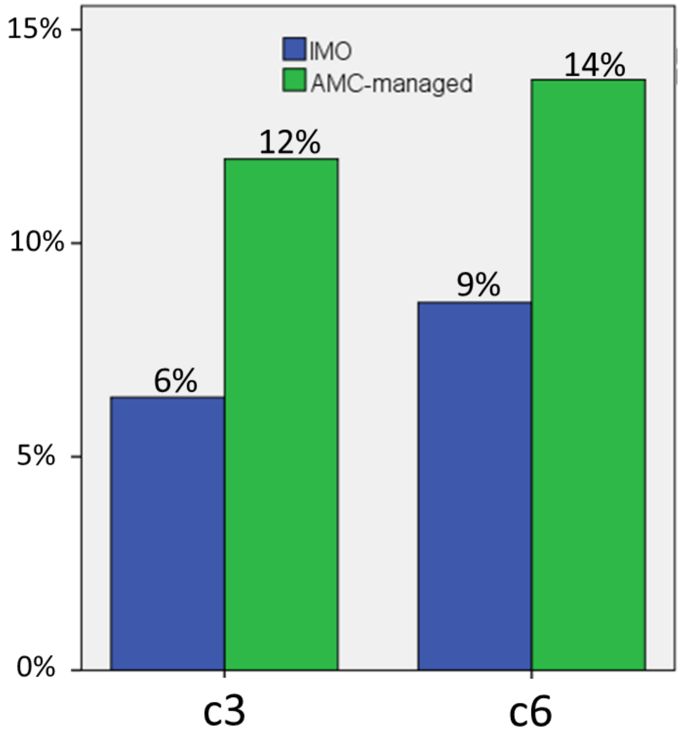
5.10 Median Growth in Net Assets for Low and High Budget



INTERPRETATION:

- Regardless of budget size, growth in net assets is stronger for those using AMCs.

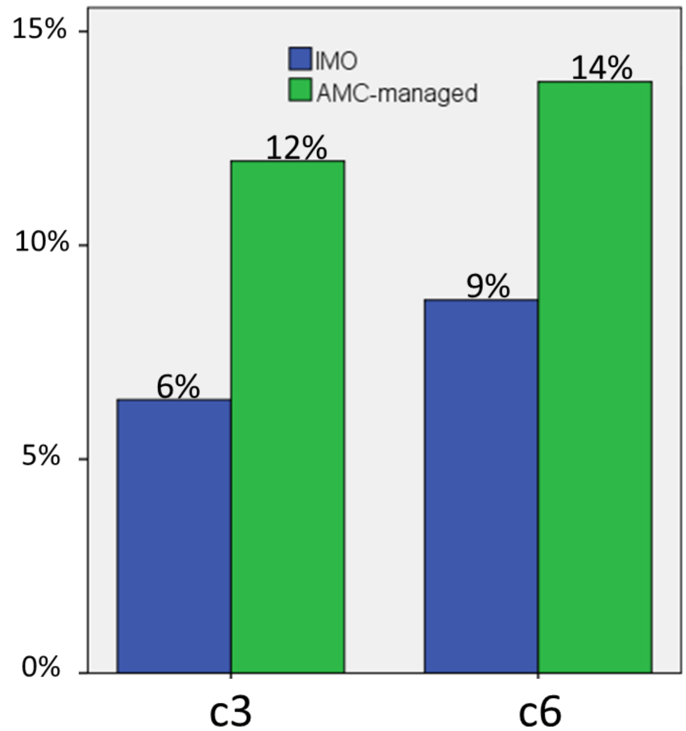
5.11 MEDIAN NET TOTAL REVENUE GROWTH FOR TAX C3 AND C6



INTERPRETATION:

- Associations using AMCs have stronger net total revenue growth in both tax c3 and c6 categories.
- Associations in the c3 tax category using AMCs have even stronger net total revenue growth (12%) than associations in the c6 tax category not using AMCs (8.7%).

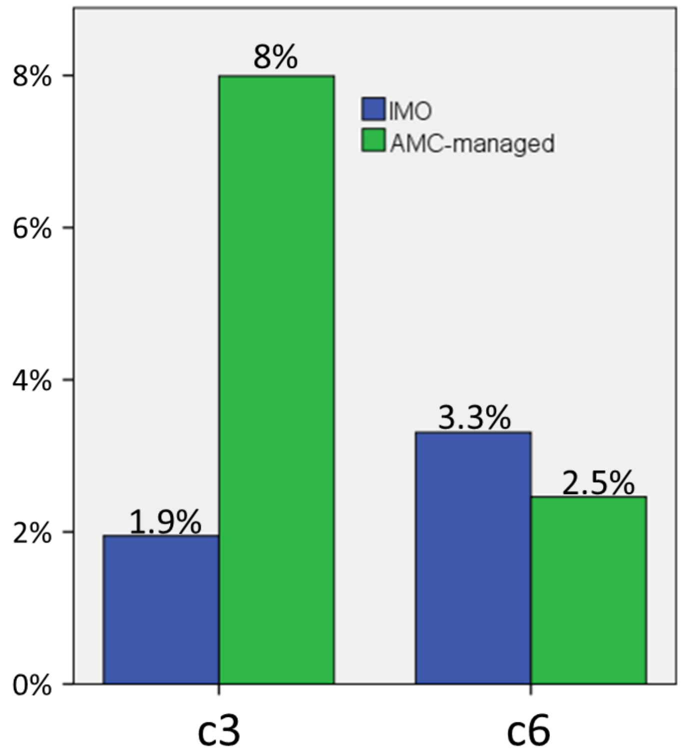
5.12 MEDIAN NET INCOME GROWTH FOR TAX C3 AND C6



INTERPRETATION:

- Associations using AMCs have stronger net total revenue growth in both tax c3 and c6 categories.
- Associations in the c3 tax category using AMCs have even stronger net total revenue growth (12%) than associations in the c6 tax category not using AMCs (8.7%).

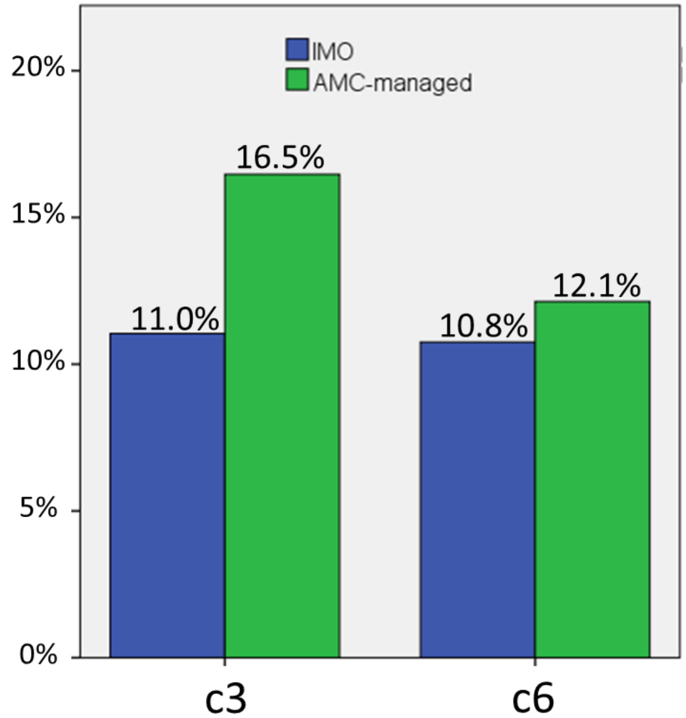
5.13 MEDIAN AVERAGE PERCENT SURPLUS FOR TAX C3 AND C6



INTERPRETATION:

- In the c3 tax category, associations using AMCs have much stronger average percent surplus (8%), than those not using AMCs (1.9%).
- In the c6 tax category, associations using AMCs have slightly weaker average percent surplus (2.5%), than those not using AMCs (3.3%).

5.14 Median Growth in Net Assets for Tax c3 and c6



INTERPRETATION:

- Regardless of tax status, associations using AMCs observe greater growth in net assets.

6 APPENDIX

6.1 FORMULAS

Measure	Calculation
NetTotalRev	Total revenue minus investment income
NetTotalRevGrowth	(NetTotalRev12-NetTotalRev10)/NetTotalRev10
NetIncomeGrowth	(NetInc12-NetInc10)/NetInc10
PercentSurplus	NetIncome/NetTotalRev
AvgPercentSurplus	(PercentSurplus12+PercentSurplus11+PercentSurplus10)/3
NetAssetGrowth	(NetAssets12 - NetAssets10)/NetAssets10
NetAssetsRev	NetAssets/NetTotalRev
AssetsRev	Assets/NetTotalRev
LiabRev	Liabilities/NetTotalRev
ExpRev	Expenses/NetTotalRev
ProSerRev	Programs and Services/NetTotalRev
InvRev	InvestmentIncome/NetTotalRev