

New York State Bar Association

Committee on Membership

Resolution – Subscription Payment Model of Membership

Submitted for Consideration at the June 10, 2023, Meeting of the House of Delegates

WHEREAS, the New York State Bar Association, as a membership organization, delivers certain benefits for the purpose of the professional development of its members;

WHEREAS, the benefits of membership with the New York State Bar Association include access to Continuing Legal Education programming, publications and articles, legal templates and forms, and other member-specific content;

WHEREAS, the implementation of a subscription payment model for membership dues would allow members to process Section membership and access to virtual and on-demand Continuing Legal Educational programming as part of their respective annual membership renewal;

WHEREAS, the implementation of a subscription payment model for membership dues would assist the administration of the Association through consolidated marketing efforts, allocation of staffing and resources, and stronger long-term revenue forecasting.

WHEREAS, the implementation of a subscription payment model for membership dues would streamline online transactions for both members and non-members and would facilitate the expansion of membership amongst New York licensed attorneys who are not currently members of the New York State Bar Association;

THEREFORE, IT IS RESOLVED, that the House of Delegates endorses the concept of implementation of a subscription payment model for membership dues;

RESOLVED, that any subscription payment model would be available to those persons eligible for membership within the classes of Active Members, Associate Members, and Law Student Members of the Association;

RESOLVED, that the powers and privileges incumbent on each of the above-referenced classes of membership would not be abrogated or altered by implementation of a subscription payment model;

FURTHER RESOLVED, that this resolution and report be commended to the Committee on Bylaws for such review so that the appropriate Bylaws amendments can be drafted as necessary for consideration and subscription at the November 5, 2023, meeting of the House of Delegates;

FURTHER RESOLVED, that such appropriate Bylaws amendments, if subscribed to by the House, will be presented for discussion and adoption at the 2024 Annual Meeting of the Association.



REVISED MEMBERSHIP FEE STRUCTURE: ANNUAL SUBSCRIPTION



Introduction

The New York State Bar Association continues to see a decline in membership, and while the Strategic Planning Committee is continuing to work on long-term planning for our organization, there are some areas that we can make impactful change sooner rather than later.

As it has been stated before, NYSBA has a complicated dues structure, with varying fees depending on membership level, section membership, programming purchases, etc. At times, we can compete with ourselves when trying to market NYSBA membership, along with section memberships, and then adding individual programming marketing all throughout the year. It can get overwhelming for our members receiving too many e-mails, and problematic for staff as it pertains to allocation of resources and overall prioritization.

With fewer pricing options to choose from and eliminating many of our current “pay per drink” transactions, a subscription-based model should assist us with stronger long-term revenue forecasting. The goal is to achieve more efficient online transactions with our members, particularly during the renewal period, but also when it comes to CLE event registration and publication sales.

As we continue to stress value, this new business model is a path to augment our current value proposition, improving our membership retention numbers, as well as growing our membership amongst the approximate 85% of NY licensed attorneys who are not currently members of NYSBA.

Revised Membership Fee Structure: Annual Subscription

A subscription-based sales model is a business approach where members will pay a recurring fee at regular intervals, typically monthly or annually, to access a product or service. It is a departure from the traditional model and aims to establish an ongoing relationship with members.

For the model we are recommending, members sign up for an annual subscription plan that offers certain benefits, such as access to exclusive content, cle programming, digital publications and forms, and additional partner benefits. The subscription fee grants them continued access to these benefits for the duration of their year-long subscription. While a recurring monthly payment is an option to pay for their subscription, members will not be able to join just for a single month, take all their CLE programming, and then cancel. They will be contracted for a full year regardless of

paying the entire year upfront at a discounted rate or opting for the monthly payment option.

Some key aspects of a subscription-based sales model are the following:

Recurring Revenue: The model provides a steady stream of revenue for the association, as members are billed periodically. This predictable income can help with financial planning and sustainability.

Member Retention: By offering ongoing value and maintaining a relationship with members, the subscription model encourages member loyalty. Subscribers are more likely to continue their subscriptions, reducing member churn.

Value Proposition: The model focuses on delivering ongoing value to members. Whether it is access to exclusive content, regular updates and improvements, or personalized experiences, the value proposition is designed to justify the recurring payments.

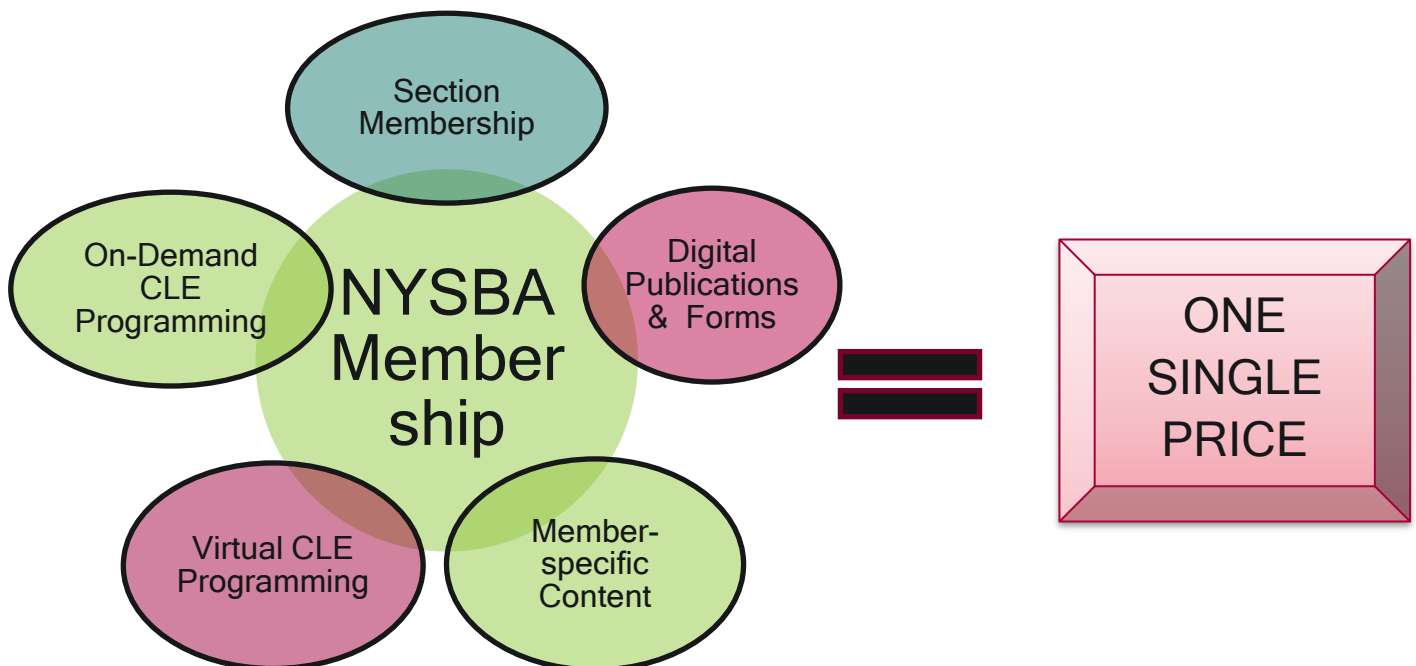
Improved User Experience: From a technological perspective, the model will allow for a more efficient join/renew process as well as improve the existing transactional processes required for program registrations and online purchases.



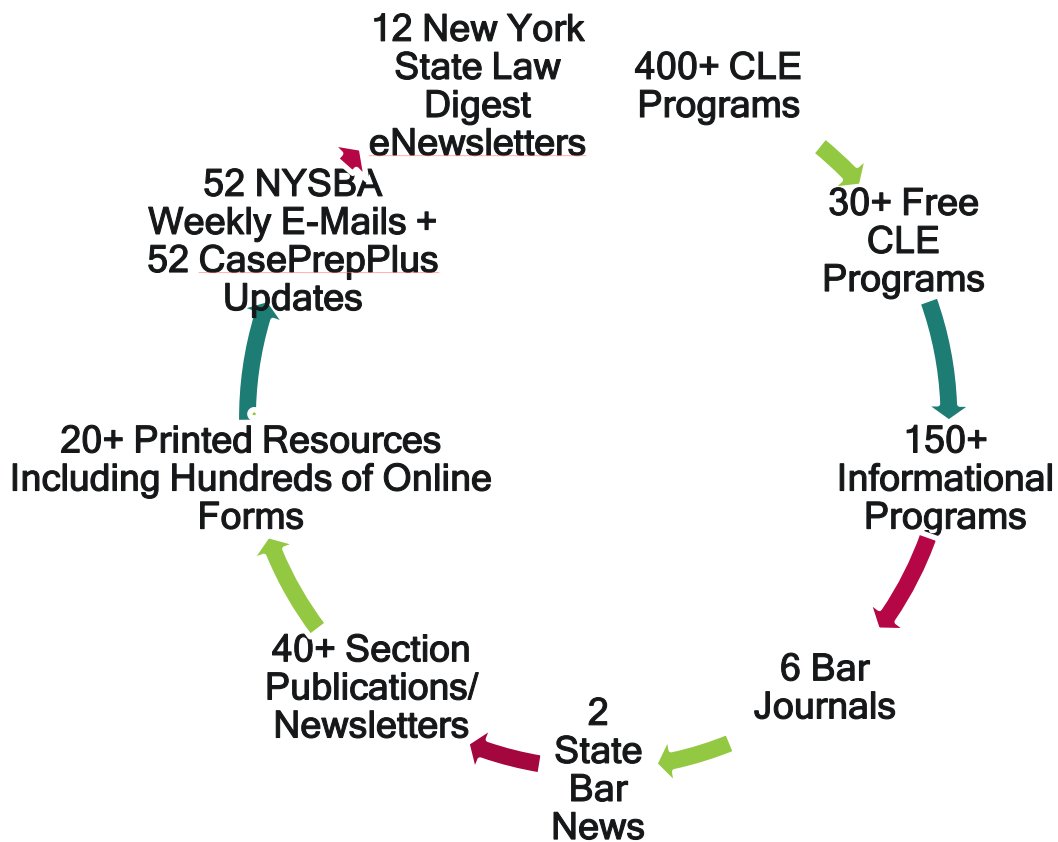
What is being proposed?

We would offer multiple NYSBA resources for a single fee, allowing members to receive these add-ons that they would otherwise have to complete (and pay) through separate transactions. Membership to the New York State Bar Association would include the following:

- Unlimited virtual CLE registration
- 24/7 access to on-demand programming at no additional charge
- Complimentary access to our entire digital library of resources including ebooks and select online forms
- Member-only content that would traditionally be provided to only section members or paid NYSBA members
- Two complimentary section memberships



Just to focus on content for a moment, as you can see from this snapshot, we as an organization produce an immense amount of content for our members any given year. Keeping in mind this does not include what gets produced by our communications department each year, that would be an additional 150-200 additional articles and resources.



Because of the expenses involved, and the varying fee structure required to deliver in-person events such as Section destination meetings, in-person CLEs, and Annual Meeting, they would be omitted from this model and require an additional fee should a member choose to register.

When referring to destination or seasonal meetings, we're speaking on the larger off-site meetings that sections would traditionally host at a hotel location either within NYS or out-of-state. We intend to make considerations for additional meetings outside of the traditional 1-2 credit hour CLE program, as well as hybrid meetings, to accommodate expenses and revenue involved and maximize overall attendance, both for in-person and virtual attendees.



It is important to note that the organization's goal is not to eliminate in-person programming altogether, or not support social gatherings, as these events are crucial to us as a member-driven organization. We are just recommending that virtual CLE programming be our primary deliverable, complemented by occasional in-person events, to meet the needs of all members both in-state and outside of NYS.

Annual Subscription Fees

Newly Admitted PLUS	1-2 Year	3-6 Year	7+ Year
\$9.95/Monthly	\$14.95/Monthly	\$24.95/Monthly	\$32.95/Monthly
\$107.46/Annual (10% Discount)	\$161.46/Annual (10% Discount)	\$269.46/Annual (10% Discount)	\$355.86/Annual (10% Discount)
2 Complimentary Sections	2 Complimentary Sections	2 Complimentary Sections	2 Complimentary Sections
Complimentary Bridging the Gap CLE Program	Complimentary Virtual CLE Programming	Complimentary Virtual CLE Programming	Complimentary Virtual CLE Programming
Full Access to eBook & Online Forms Library	Complimentary On-Demand CLE Programming	Complimentary On-Demand CLE Programming	Complimentary On-Demand CLE Programming
Complimentary Section Publications	Full Access to eBook & Online Forms Library	Full Access to eBook & Online Forms Library	Full Access to eBook & Online Forms Library
Complimentary Bar Journal & State Bar News	Complimentary Section Publications	Complimentary Section Publications	Complimentary Section Publications
	Complimentary Bar Journal & State Bar News	Complimentary Bar Journal & State Bar News	Complimentary Bar Journal & State Bar News

To successfully launch this new model, we opted not to greatly deviate from our existing pricing and would continue to make available four options for our members based on years of admission.

- Newly Admitted PLUS
- 1-2 years
- 3-6 years
- And 7+ years

Our plan is to continue to support complimentary membership for law students and the newly admitted attorneys that get registered as members via the Office of Court Administration (OCA), however we will be introducing a premium option for newly admitted attorneys that would be 100% optional to place emphasis on the benefits of more quickly converting that cohort into paying members.

We achieved respectable results last Fall when piloting a campaign to promote a paid newly admitted model so with some additional planning and refinement, we believe we can increase the number of conversions in the future.

We will also hold the price for retired attorney members, sustaining members, and paralegal members to what they are currently paying.

- Law Student (Complimentary)
Currently enrolled in accredited law school.
- Newly Admitted (Complimentary)
Recently licensed attorney; information provided by OCA.
- Retired Member (\$100)
70+ yrs of age; Member of NYSBA 25+ years; Full retired from practice of law.
- Sustaining Member (\$150)
Members can opt to be a sustaining member that includes additional recognition.
- Paralegal Member (\$100)
Legal assistant or paralegal, qualified by education, training or work experience, and employed or retained by a lawyer, law office, corporation, governmental agency, or other entity, and you perform specifically delegated substantive work for which a lawyer is responsible.

A dramatic increase in dues for the lower membership levels could be perceived as too exorbitant and may result in a membership decrease in those ever-important categories, since we need to continue to fill that pipeline to sustain as an organization long-term. Additional cohorts such as Government, Non-Profit, and Public Interest attorneys are welcome to submit a dues waiver request accordingly for discounted membership.

During this exercise, we assessed the average spend by each membership category during the 2021 and 2022 calendar years. This average was taken by analyzing membership dues, section dues, event(s) registration and publication purchases.

Membership Level	2021 Avg Annual Spend	2022 Avg Annual Spend
1-2 Years	\$180.34	\$186.86
3-6 Years	\$270.36	\$275.98
7+ Years	\$382.40	\$412.13

From a dues comparison standpoint, while we will be higher than smaller affinity associations and county associations, our proposed structure is competitive with larger organizations.

New York State Bar Association	
0-2 Years	\$95
3-6 Years	\$175
7+ Years	\$275

New York City Bar Association	
Admitted 2011 and Prior	\$525 (one-time fee) + \$525
Admitted 2012-2015	\$515 (one-time fee) + \$515
Admitted 2016-2017	\$355 (one-time fee) + \$355
Admitted 2018-2020	\$280 (one-time fee) + \$280

New York County Lawyers Association	
1-2 Years	\$75
3-7 Years	\$190
8-12 Years	\$285
13-20 Years	\$370
21+ Years	\$450

American Bar Association	
0-4 Years	\$75
5-9 Years	\$150
10-14 Years	\$250
15-19 Years	\$350
20+ Years	\$450
Gov't, Non-Profit, Judges, Solo Practitioners, Small Firm, Retiree	\$150

Member Scenarios

Based on our existing fee schedule, and a la carte purchase options (i.e. Sections, CLE, Publications/Forms), there are several member purchase scenarios that exist, however here are just two (fictional) examples that showcase a comparison between previous spend and prospective spend based on pricing that's being discussed.



Samuel Gardner
Practicing 12 Years

2022 Purchases

NYSBA Membership: \$275
2 Section Memberships: \$70
1 CLE: \$50
TOTAL: \$395

Proposed Dues

\$395.40/Monthly
\$355.86/Annual



Monique Shaw
Practicing 5 Years

2022 Purchases

NYSBA Membership: \$175
1 Section Membership: \$40
1 CLE: \$50
TOTAL: \$265

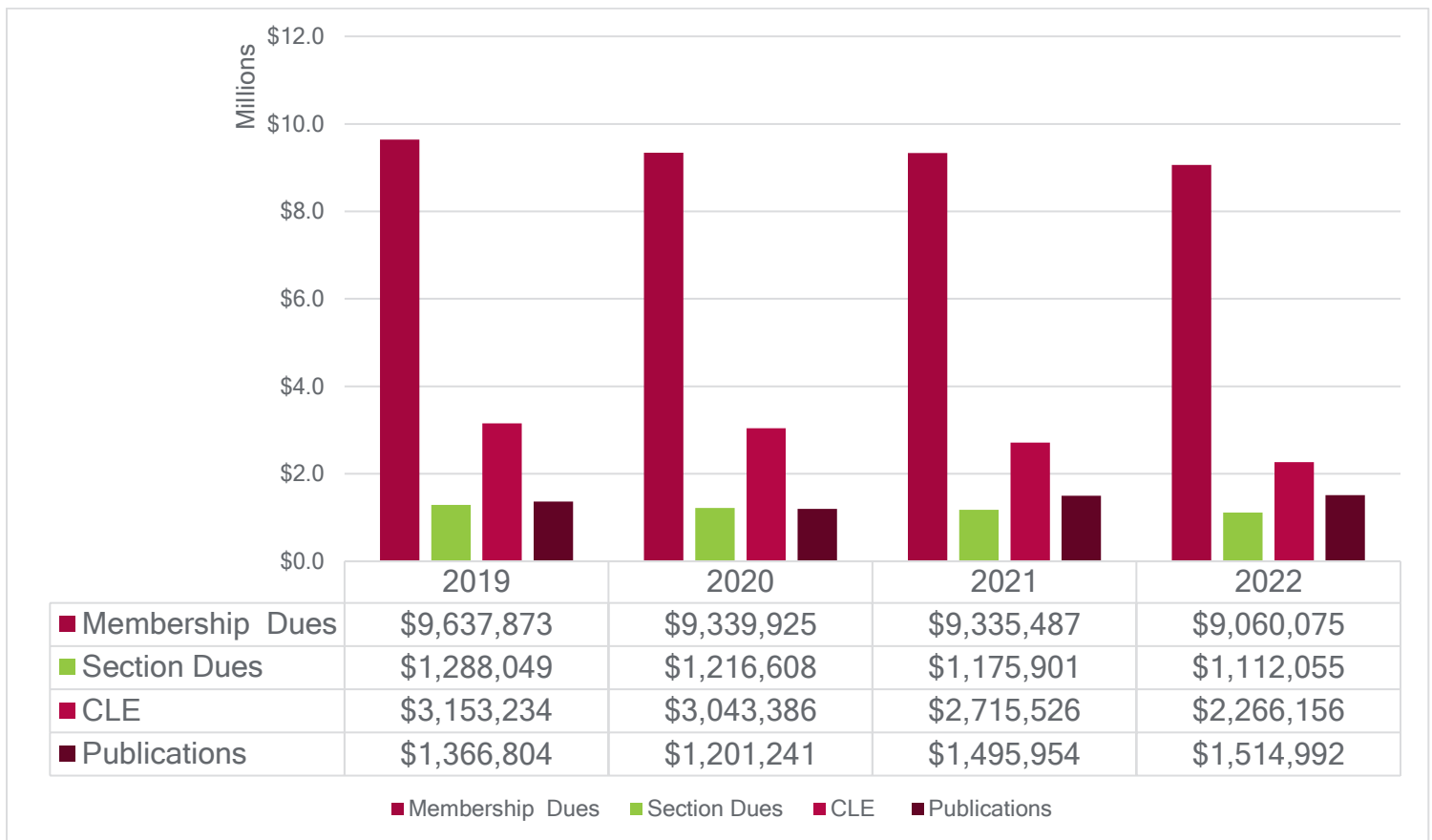
Proposed Dues

\$299.40/Monthly
\$269.46/Annual

Revenue Forecast

One of the first exercises performed when determining a suitable dues structure for a subscription model was reviewing the revenue received for all categories that would be impacted: Membership Dues, Section Dues, CLE Programming, and Publications.

We did not include revenue received from USI, advertising, in-person Section events, etc. since they would not be impacted by this proposed model. Revenue for larger Section events, whether they remain in-person only or hybrid, would continue to be a separate purchase, and Sections would still be responsible for managing their own P&L, recognizing all revenue involved as well as all expenses.



We prioritized general membership dues, since that represents 65% of the total revenue in question, and therefore has the least wiggle room for potential cannibalization, and then worked in the three additional revenue streams after that.

For this report, we are going to focus on the \$13,953,278 generated in revenue during the 2022 fiscal year.

Membership Category	2022 Membership Numbers	Current Dues Fee	2022 Actual Revenue	Proposed Dues	Total Revenue Based on Proposed Dues
1-2 Years	3,113	\$95	\$295,735	\$179.40	\$547,296*
3-6 Years	3,267	\$175	\$571,725	\$299.40	\$958,559*
7+ Years	30,788	\$275	\$8,466,700	\$395.40	\$11,930,087*
Newly Admitted PLUS	N/A	N/A	N/A	\$119.40	\$64,703*
Retired	849	\$100	\$84,900	\$100	\$84,900
Sustaining Member	731	\$150	\$109,650	\$150	\$109,650
Additional Sections		Varies		\$25	\$101,100
Non-Member Revenue				N/A	\$500,000
					\$14,296,295

When reviewing the proposed numbers, please focus on the dues for each category and how closely they are aligned with the average spend per category based on 2021 and 2022 data.

As previously mentioned, for the Newly Admitted Plus category, in which we piloted a similar promotion during the fall of 2022 to convert free newly admitted members into paying members, we based the conservative projection on a conversion of 5% of the total number of newly admitted attorneys.

For additional sections, we forecasted revenue based on the additional paid section memberships after the 2 complimentary ones and used the flat rate of \$25.00.

You can see that based on this model; we would anticipate recognizing over \$300K in additional revenue if member numbers stay flat to 2022.

2022 Revenue	Subscription Model Proposed Revenue
\$13,953,278	\$14,296,295

Impact on Sections

NYSBA's Sections only have something to gain based on this new model, as it will not only provide a consistent stream of dues income based on overarching NYSBA membership but will create a pipeline to increase Section membership overall.

Existing benefits and deliverables that Sections, and their respective members, receive will not be eliminated. For example, we will investigate providing early access to Section Publications content to section members before releasing it to the general membership. Also, the existing autonomy that Sections possess, as far as their day-to-day activities are concerned, should not change based on this proposed model.

ITEM	CURRENT MODEL	SUBSCRIPTION MODEL
Section Membership	\$25-\$40 per Section	2 Free Sections*
Section Publications	Complimentary	Complimentary
Virtual CLE Programming	Pricing based on program	Complimentary
On-Demand CLE Programming	Pricing based on program	Complimentary
Destination Meeting(s)	Pricing based on meeting; Section keeps revenue; Section-specific discount	Pricing based on meeting; Section keeps revenue; Section-specific discount
Section Sponsorships	Section keeps revenue	Section keeps revenue
Online Communities	Section-member access	Section-member access

Just as a reminder, when referring to destination meetings, we're speaking on the larger off-site meetings that sections would traditionally host at a hotel location either within NYS or out-of-state. We intend to make considerations for additional meetings outside of the traditional 1-2 credit hour CLE program, as well as hybrid meetings, to accommodate expenses and revenue involved and maximize overall attendance, both for in-person and virtual attendees.

Section Dues Revenue

For this proposal, we are presenting a royalty model with sections, using a rate determined by total paid section membership, then multiplied by total NYSBA paying members.

This model would see Sections generating revenue based on the total NYSBA paid membership number, regardless of whether the paid NYSBA member is also a member of that Section. When NYSBA membership increases, then Section revenue increases along with it.

- For example, a section with 1,000 paid members would qualify for the \$0.95 revenue share rate. Multiply that by 38,000 NYSBA paying members and it comes to \$36,100.
- A section with 2500 paid members would qualify for the \$2.10 revenue share rate. Multiply that by 38,000 NYSBA paying members and it comes to \$79,800.

Each NYSBA member would receive two complimentary Section memberships, and then would pay a flat rate of \$25 for any additional section memberships above that number.

Section Members	Royalty Rate	2022 Paid NYSBA Members	*Section Revenue	Section Members	Royalty Rate	2022 Paid NYSBA Members	*Section Revenue
0-200	\$0.15	38,000	\$5,700	1501-1600	\$1.55	38,000	\$58,900
201-400	\$0.30	38,000	\$11,400	1601-1700	\$1.60	38,000	\$60,800
401-500	\$0.35	38,000	\$13,300	1701-1800	\$1.65	38,000	\$62,700
501-600	\$0.45	38,000	\$17,100	1801-1900	\$1.70	38,000	\$64,600
601-700	\$0.55	38,000	\$20,900	1901-2000	\$1.75	38,000	\$66,500
701-800	\$0.70	38,000	\$26,600	2001-2250	\$1.80	38,000	\$68,400
801-900	\$0.80	38,000	\$30,400	2251-2500	\$1.95	38,000	\$74,100
901-1000	\$0.90	38,000	\$34,200	2501-2750	\$2.10	38,000	\$79,800
1001-1100	\$0.95	38,000	\$36,100	2751-3000	\$2.25	38,000	\$85,500
1101-1200	\$1.30	38,000	\$49,400	3001-3250	\$3.25	38,000	\$123,500
1201-1300	\$1.35	38,000	\$51,300	3251-3500	\$3.45	38,000	\$131,100
1301-1400	\$1.45	38,000	\$55,100	3501-3750	\$3.65	38,000	\$138,700
1401-1500	\$1.50	38,000	\$57,000	3751-4000	\$3.95	38,000	\$150,100

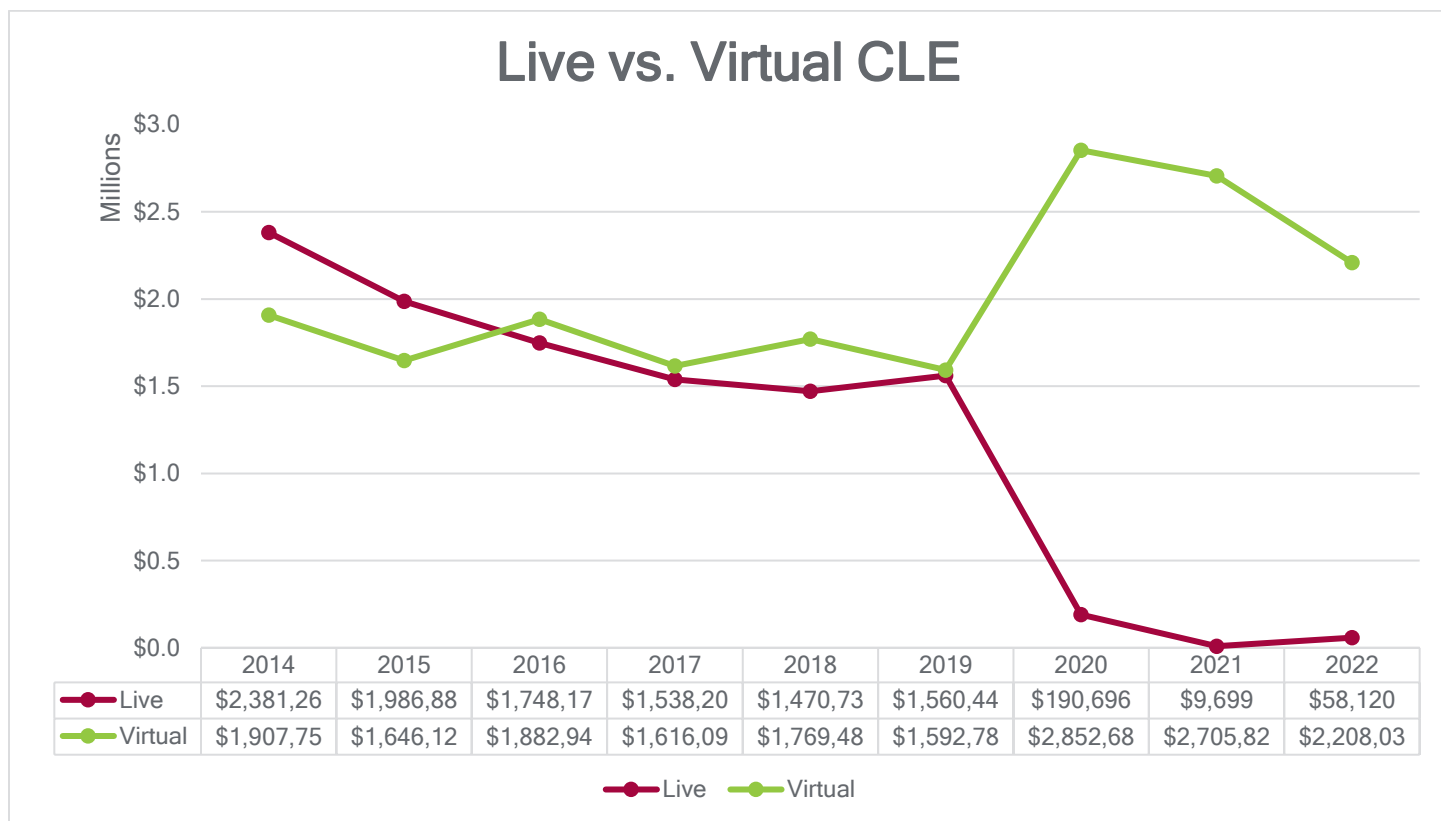
If this model was in place today, based on 38,000 paid members in 2022, with each of our twenty-eight sections receiving their appropriate revenue share percentage, then 26 Sections would generate equal or greater income. The two sections that happen to be reflecting a small loss is Health Law (\$56.00) and ComFed (\$1600) but the association would gladly make up the difference in those isolated cases.

SECTION	2022 Paid Members	2022 Actual Revenue	Proposed Revenue based on royalty model	+/-
Antitrust	316	\$9,660	\$11,400	\$2,345
Business Law	2239	\$55,384	\$68,400	\$13,016
Cannabis Law	244	\$9,055	\$11,400	\$2,345
<u>ComFed</u>	1399	\$56,700	\$55,100	(\$1,600)
Corporate Counsel	852	\$25,925	\$30,400	\$4,475
Criminal Justice	819	\$28,945	\$30,400	\$1,455
DRS	1327	\$47,065	\$55,100	\$8,035
Elder Law	2206	\$66,320	\$68,400	\$2,080
EASL	750	\$26,536	\$26,600	\$64
EELS	762	\$26,555	\$26,600	\$45
Family	1784	\$62,488	\$62,700	\$212
Food, Drug, & Cosmetic	153	\$4,493	\$5,700	\$1,207
General Practice	1010	\$24,834	\$36,100	\$11,266
Health	897	\$30,456	\$30,400	(\$56)

SECTION	2022 Paid Members	2022 Actual Revenue	Proposed Revenue based on royalty model	+/-
IP	843	\$22,155	\$30,400	\$8,245
International	931	\$33,425	\$34,200	\$775
Judicial	305	\$7,675	\$11,400	\$3,725
Labor & Employment	1470	\$50,918	\$57,000	\$6,082
LGBTQ	262	\$7,740	\$11,400	\$3,660
Local & State	796	\$23,970	\$26,600	\$2,630
Real Property	3246	\$123,217	\$123,500	\$283
Tax	1562	\$39,918	\$58,900	\$18,982
TICL	1360	\$54,100	\$55,100	\$1,000
Trial Lawyers	1191	\$48,020	\$49,400	\$1,380
T&E	3776	\$149,987	\$150,100	\$113
WILS	665	\$19,340	\$20,900	\$1,560
Young Lawyers	880	\$17,235	\$30,400	\$13,165
50+	1975	\$39,940	\$66,500	\$26,560

CLE Considerations

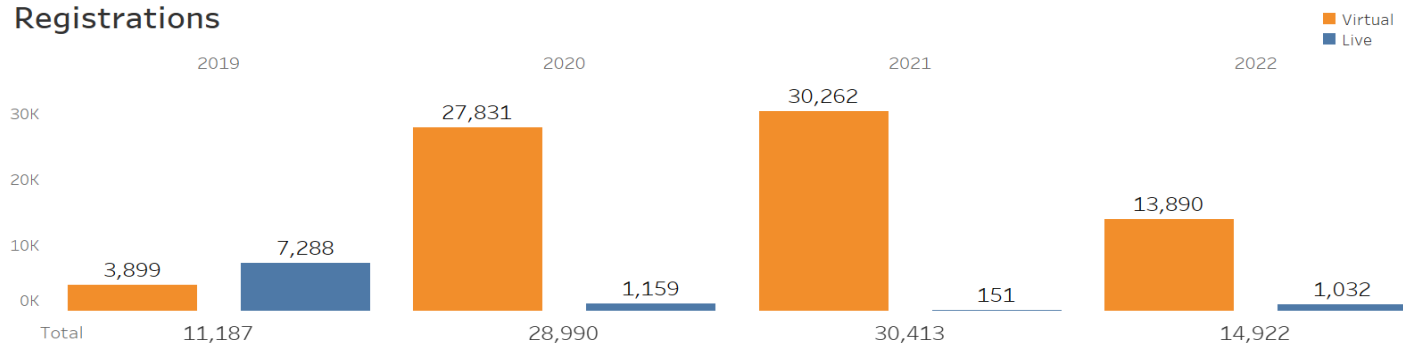
Since it does play a significant role in this proposed model, let us discuss CLE programming. There has been a trend for the last few years that shows live revenue decreasing, and being replaced with virtual revenue, which includes webinars, webcasts, on-demand programs and CD/DVDs. Fully recognizing the “nudge” that we received during COVID, participation and demand for virtual programming has been present for some time now.



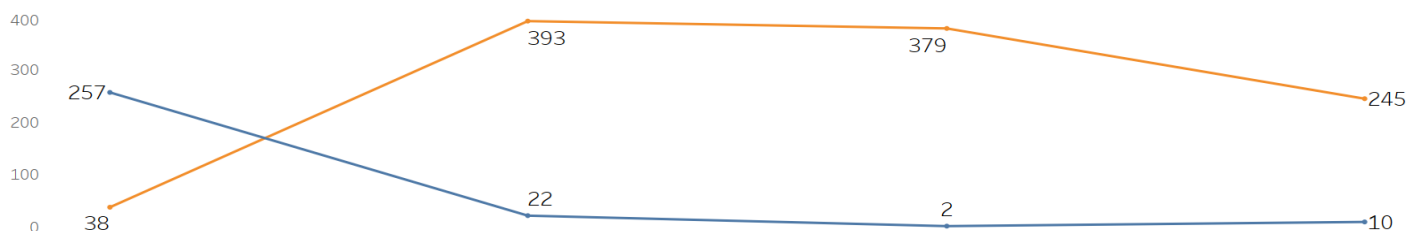
What is even more important when it comes to CLE and our virtual programming is the increased engagement. As you can see in the next chart, during 2020 we had 11,187 total registrations between our live and virtual programs. While we recognize the push COVID gave us, registrations increased significantly in 2020 and 2021 when we switched to almost all virtual. We should not lose sight of that.

While we saw a decline in 2022, partially due to an increase in Section meetings taking place in-person, which are not included in the above numbers, we are still seeing a total registration increase of over 30% from the pre-pandemic number.

Registrations

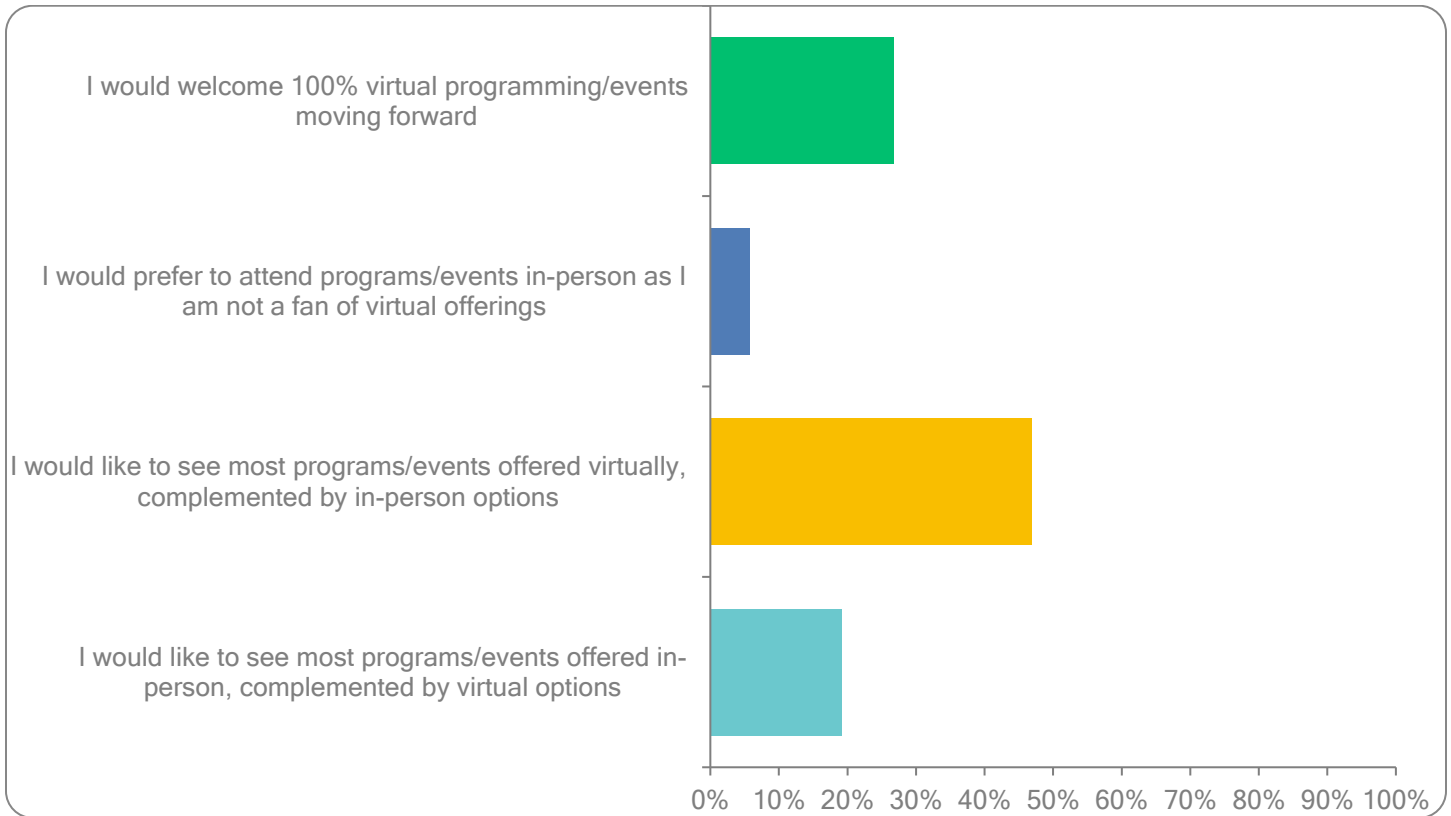


Programs



As far as feedback is concerned, 74% of members surveyed prefer 100% virtual programming or primarily virtual programming.

Now as a NYSBA directive, we are still committed to in-person events and programming, particularly with our Section Destination meetings, and social gatherings, so we are not proposing to eliminate them altogether. Virtual programming has a great deal of value from both a quality of content perspective and a convenience perspective, particularly with so many members spread across NY and outside of the state, so if we truly want to provide value to as many members as possible, then our focus must continue to be placed on virtual offerings.



It also bears mentioning that we are committed to looking into hybrid options, where applicable, however in many cases this option does prove to be cost-prohibitive, depending on the location, so it is the organization's goal to continue to collaborate with all stakeholders and find more affordable locations and solutions to expand the reach of our programs without losing revenue.

We are currently identifying how hybrid meetings will be handled from a payment standpoint, since it is important to charge accordingly whether a person is in-person or attending via zoom, as well as when/if the recording eventually gets added to the on-demand library. This is certainly one of those items we will continue to address and solicit feedback on with stakeholders before this effort is finalized.

Thank you for taking the time to review this report. We certainly welcome any additional recommendations and suggestions from our membership.