NARFE Membership
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Summary: Membership, Retention, Recruitment, and Governance

1. Membership Data and Record Cleanup

- Outreach through emails and town halls is prompting members to update their records, including changes from active employee to retiree status.
- About **300 people independently logged in and updated their records**, improving database accuracy.
- Honorary membership is declining as records are cleaned up; fewer than **800 honorary members** remain.
- Life membership is also declining because the option was eliminated through a bylaws change.
- Two- and three-year memberships and withholding arrangements remain relatively stable.

2. Auto-Pay and Database Changes

- The current credit-card/auto-pay platform must be replaced by **December 31, 2026**.
- Members currently using auto-pay will need to transition to the new system.
- The transition will occur alongside the upgraded membership database, avoiding another future change.
- The existing membership structure remains complicated, creating programming, renewal, payment, and chapter-transfer difficulties.

3. Retention and Lifetime Value

- NARFE's adjusted retention rate remains strong at approximately **88%**.
- The major challenge is **acquiring enough new and reinstated members to replace those who leave**.
- Estimated average member lifetime value is approximately **$443**.
- Membership modeling shows that annual recruitment makes a substantial difference:
    - 10,000 new/reinstated members per year → approximately **83,000 members at steady state**.
    - 16,000 per year → approximately **135,000 members**.
- The message is clear: **membership growth requires consistently increasing acquisition and reinstatement.**

4. New Member Retention

- Of members who joined online during the January–March period studied, overall retention was about **42%**.
- Active employees had substantially lower renewal rates than retirees/annuitants:
    - **33% of active employees renewed.**
    - **48% of retirees renewed.**
- Chapter involvement appears important:
    - Approximately **49% of renewing members were affiliated with a chapter**.

    - Retirees who joined chapters appeared more likely to renew than active employees.
- The data suggests that **active employees and retirees need different recruitment, onboarding, and renewal messaging**.

5. Recruitment Strategy for 2027

Planned initiatives include:

- More testing of direct-mail approaches.
- Membership Month and Membership Week promotions using inexpensive giveaways.
- Consistent digital marketing, since online membership declines when digital outreach is reduced.
- Telemarketing and voicemail outreach to recently lapsed members.
- Greater emphasis on **recently lapsed members**, because they are among the most likely to renew.
- Better onboarding for new members.
- Targeted communication for active employees versus retirees rather than sending everyone the same message.

6. What Federations and Chapters Can Do

Chapters and federations were encouraged to:

- Communicate regularly and keep members informed about state and local activities.
- Make new members feel genuinely welcome.
- Follow up with new members before they approach expiration.
- Ask new members **why they joined and what they need**, then connect them with the appropriate resources.
- Consider different approaches for active employees and retirees.
- Offer hybrid or virtual meetings when appropriate.
- Maintain a positive, welcoming tone on FedHub and other communication channels.
- Meet federal employees **where they already are**, including community events, workplace-area events, and other gatherings.
- Use NARFE identification, brochures, and other materials to make the organization visible.

7. Engagement and Member Experience

A major theme was that **engagement drives retention**. New members may join for very different reasons, so chapters should learn their interests and help them find value quickly.

NARFE has introduced:

- New-member welcome webinars.
- Active employee member town halls.
- New approaches for reaching active employees.
- Improved website navigation to help members and prospects find advocacy information, webinars, and resources.

8. Communication Challenges

- Members can receive a large volume of communications, so NARFE is examining how members manage subscriptions.
- Members should distinguish between unsubscribing from specific communications and unsubscribing from all NARFE email.
- Members who stop receiving communications should check spam/junk folders and notify NARFE.
- Dues cannot currently be reduced at headquarters, although federations may independently consider ways to offset costs for members.

9. Direct Mail

- Recent direct-mail efforts focus heavily on lapsed members.
- One mailing targeted people who had lapsed during the previous six years, including approximately **11,000 who had lapsed within the previous year**.
- NARFE also targets prospects who began joining online but did not complete the process.
- Prospect names come from several sources, including prospect cards, electronic collection systems, and marketing campaigns.
- There was discussion about improving mail design so valuable materials—such as promotional items—are not accidentally discarded.

10. Understanding Why Members Leave

- NARFE is beginning to analyze its lapsed-member data more closely.
- Approximately **9–10% of respondents said they did not realize their membership had lapsed**.
- Some members will leave regardless of retention efforts, but better communication may recover members who simply lost track of their membership.
- The organization plans to incorporate additional findings into its **2027 planning and budget**.

Governance, Bylaws, and Financial Controls

11. Bylaws Concerns

The discussion shifted to questions about proposed bylaws and governance changes, particularly:

- Requirements for chapter officers.
- Restrictions involving family members serving simultaneously as officers.
- Whether existing officer arrangements would be grandfathered.
- What constitutes "family."
- Whether eliminating or changing the secretary position could create problems with meeting minutes and banking requirements.

The group emphasized that changes need to be **legally compliant while also giving chapters enough time to transition**.

12. Separation of Financial Responsibilities

A strong theme was the need for separation of financial authority.
Key points included:

- The person approving an expenditure should not also be the person writing the check.

- Having spouses or other closely related individuals simultaneously control key financial functions can create governance and legal concerns.
- NARFE requires **at least two authorized signatures on bank accounts**.
- Having additional authorized individuals can provide protection if an officer dies, resigns, or becomes unavailable.
- Chapters and federations should regularly review their bank-authorized signers.

13. Annual Audits

- Chapters and federations are expected to conduct **annual audits of their books**.
- Audit documentation is supposed to be submitted to the appropriate NARFE leadership.
- Smaller chapters do not necessarily need to hire a CPA; members can conduct internal reviews using multiple people.
- Larger organizations with more substantial financial activity may benefit from professional CPA assistance.

14. Bank Account Problems

Several participants shared examples of difficulties when:

- A president or treasurer died.
- Authorized bank signers were no longer available.
- Chapters closed or merged.
- Banks required documentation that did not match existing records.
- Banks required minutes identifying new officers.
- Banks required death certificates or letters from NARFE headquarters.

Practical lesson: Chapters should maintain current banking records and have more than the minimum number of authorized people where appropriate so that one person's death or departure does not lock the organization out of its account.

15. Create an SOP/Operations Binder

One participant proposed creating a **standard operating procedures (SOP) binder** containing:

- Bank information.
- Officer responsibilities.
- Required documents.
- Procedures for changing bank signers.
- Procedures following an officer's death or resignation.
- Other important chapter/federation processes.

The binder could then be passed from one leadership team to the next, preserving institutional knowledge.

Overall Takeaways

The presentation emphasized **three major priorities**:

1. **Grow membership**
   NARFE has a strong retention rate, but needs significantly more new and reinstated members to achieve sustainable growth.

2. **Increase engagement**
   New members need a welcoming experience, useful information, personal follow-up, and communication tailored to whether they are active employees or retirees.
3. **Strengthen organizational practices**
   Chapters and federations should treat their operations like a business—maintaining proper financial controls, audits, banking documentation, SOPs, and clear governance procedures.

The closing message was essentially: **stop doing things simply because they have always been done that way, start measuring results rather than activity, share successful practices across federations, and work together to strengthen NARFE.**