

Advantages and Disadvantages of No and Low Dues Villages

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INTRODUCTION

Villages are a relatively new, consumer-directed model that brings together older adults in a community who have a mutual interest in aging in place. Villages use a combination of volunteer services, referral services, and social engagement to help their members live in the community and avoid unwanted relocations (Scharlach, Graham, Lehning, 2012; Gross, 2006). These membership organizations are unique because of their high level of consumer direction—they are typically developed and governed by older adults themselves. Most Villages offer a similar range of services, but they also adapt to their local community's needs.

A 2016 survey of Villages showed that the following services were offered by the greatest number of Villages:

- 95% provided social events
- 94% provided transportation services
- 90% provided classes or educational events
- 90% provided companionship
- 88% provided technology assistance
- 87% provided shopping
- 84% provided information and referral to outside services
- 83% provided home repair or maintenance
- 79% provided health promotion programs

Purpose of This Study

The 2016 survey of Villages showed that the average annual individual membership cost for dues-charging Villages was \$431, and that membership dues on average made up 44% of Village revenue.

The survey also revealed that 28 of the 115 Villages charged \$50 or less annually for an individual membership. **Little is known about Villages that charge such low or no membership dues and how they achieve sustainability.**

This study aims to look more closely at how Villages with nominal dues (less than \$50 annually) or no dues function through a comparison with higher dues-charging Villages, as well as interviews with those involved in Villages. This study examines the following questions:

1. How do these Villages differ from higher dues Villages?
2. Do these Villages permit greater inclusivity than Villages charging higher dues?
3. What is the impact of low or no dues on sustainability?

In addition, this study provides impressions of the advantages and disadvantages of this model from the leadership of these Villages, as well as their recommendations for Villages in formation that are considering this model.

Study Methods

To quantitatively compare the characteristics of no and low dues Villages with higher dues Villages, this study used data from the 2016 National Survey of US Villages, which examines the organizational field of Villages in the United States. In this study, all participating operational US Villages were asked to report details for the calendar year 2015, or as of January 1, 2016. **Areas of inquiry included Village models, member characteristics, geographic location, human resources, financial resources, collaborations, and confidence in sustainability.**

Overall, a total of 115 of 155 eligible Villages had completed the survey, for a response rate of 74%. The survey response rate for Villages identified as no and low dues was very comparable at 71% (n=20).

In addition to this quantitative comparison, interviews were conducted with 21 of the 28 eligible low and no dues Villages.

A note on “membership”: Interviews showed that a number of no dues Villages avoided the term “member” or counted all older adults within their geographic service area as “members,” which complicates the statistical analysis of membership data herein. In that analysis, Villages that reported unexpectedly high membership numbers were excluded for analysis.

KEY FINDINGS

The comparison of the no and low dues Villages to other Villages revealed some significant differences, as well as key areas where no statistically significant differences were found. Researchers examined the following:

- services offered
- social event frequency
- staffing and governance
- geographic area served
- finances

Services Offered

Very few statistically significant differences were seen between the types of services provided by no and low dues Villages and higher dues charging Villages.

SERVICES OFFERED	NO / LOW DUES	HIGHER DUES
Village sponsored social events or outings	95%	97%
Companionship	90%	91%
Transportation	85%	95%
Shopping	85%	87%
Info, advice and referral service	80%	85%
Health promotion programs or classes	80%	79%
Home repair service	70%	85%
Technology assistance	70%	91%
Light housekeeping	50%	55%
Assistance coordinating or managing health care or social services	45%	53%
Personal care service	25%	5%

TABLE 1

As Table 1 indicates, of the common services that Villages reported, the only service less likely to be offered by no and low dues Villages was technological assistance. While 91% of higher dues Villages offered this service, it was only offered by 70% of low or no dues Villages. On the other hand, no and low dues Villages were more likely to offer personal care services, such as bathing, dressing, and help with medications. A quarter (25%) of no and low dues Villages offered these services, as opposed to just 5% of higher dues Villages. All five of those no and low Villages that offered personal care services were no dues Villages.

The survey data also did not show any statistically significant differences in average number of service types offered by no and low dues Villages (7.95) and higher dues Villages (8.35).

While few differences were seen in overall service types offered, there were a number of areas in which there were differences in who was providing some services. For each service type, respondents were asked to indicate whether the service was provided by Village staff, member volunteers, or non-member volunteers. Here, a **significantly larger percentage** of no and low dues Villages had member volunteers providing **transportation, personal care, and social events**. On the other hand, a **significantly smaller percentage** of no and low dues Villages had non-member volunteers providing **transportation, shopping, housework, gardening, home repair, tech assistance, companionship, and social events**. No and low dues Villages also had a significantly smaller percentage of staff providing social events to members.

In summary, while the average number of types of services offered by staff and member volunteers did not significantly differ, the average number of types of services provided by non-member volunteers was significantly lower for no and low dues Villages (2.55) compared to higher dues Villages (5.03).

Social Event Frequency

Statistical analysis showed that low and no dues Villages had significantly fewer social events per month on average than higher dues Villages.

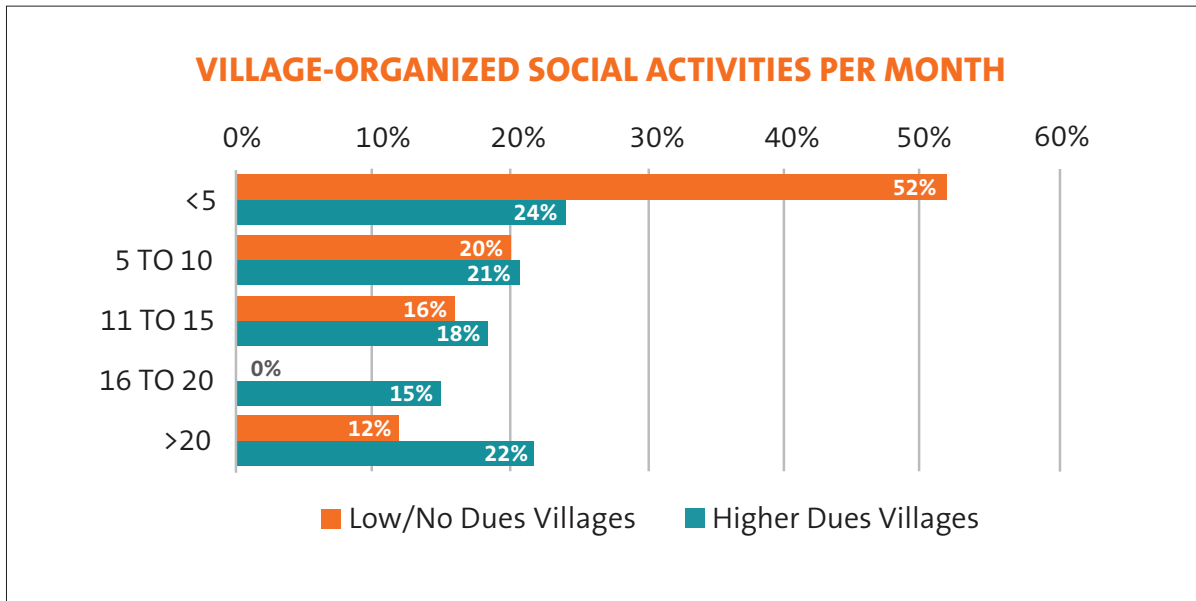


FIGURE 1

As can be seen in Figure 1, higher dues Villages averaged 14.6 events per month, low and no dues Villages averaged 8.5 events per month. More than a quarter of low and no dues Villages organized more than 10 social events per month, and more than half of these Villages offered fewer than 5 events per month.

This difference was assessed through an examination of publicly available Village social calendars available online and in newsletters. These social events ranged from regularly occurring events such as current event discussion groups, potlucks, and writing groups to less frequent or one-off events such as annual barbecues or short trips. Exercise classes or groups and technological assistance were not included in these counts of social events.

Staffing and Governance

Not surprisingly, no and low dues Villages were much less likely to have paid staff than higher dues charging Villages.

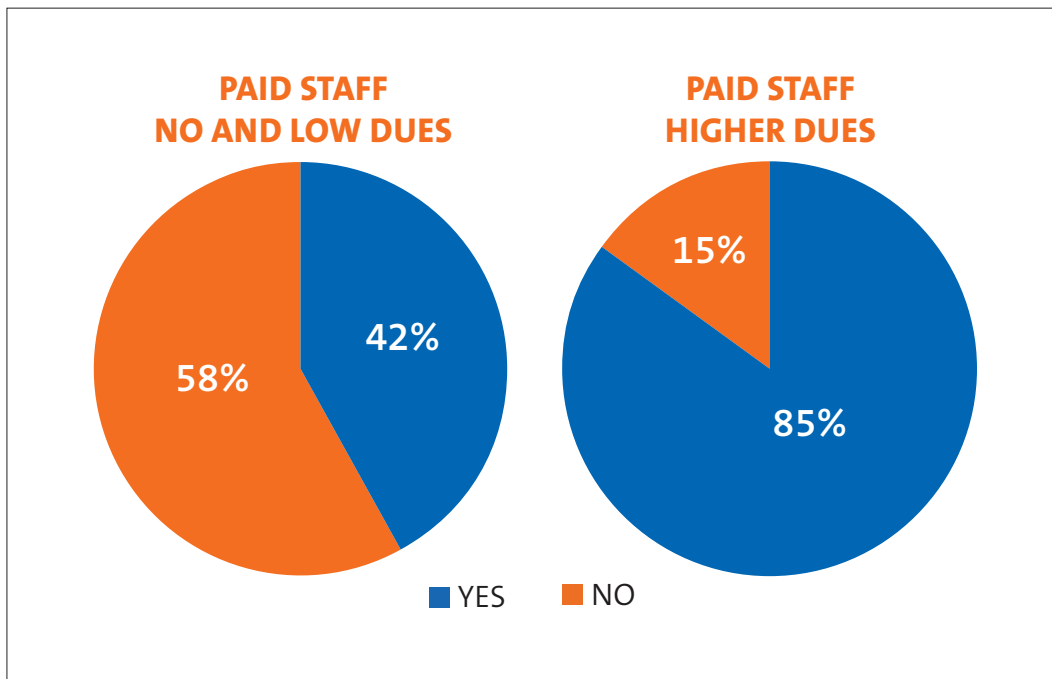


FIGURE 2

As can be seen in Figure 2, 58% of no and low dues Villages operated on an all-volunteer model with no paid staff, while 85% of higher dues Villages had at least one paid staff member.

The percentage of Villages reporting that their staff had an advanced degree also differed between no and low dues Villages and those that charged higher dues. Here, 70% of Villages charging higher dues reported having staff with an advanced degree, while only 29% of low and no dues Villages reported having staff with an advanced degree.

No and low dues Villages were also much less likely to have written volunteer training manuals (45% vs. 75%) and written personnel policies (35% vs 65%).

Geographic Area Served

Compared to higher dues Villages, no and low dues Villages were more likely to serve geographical areas that are more than 50% rural.

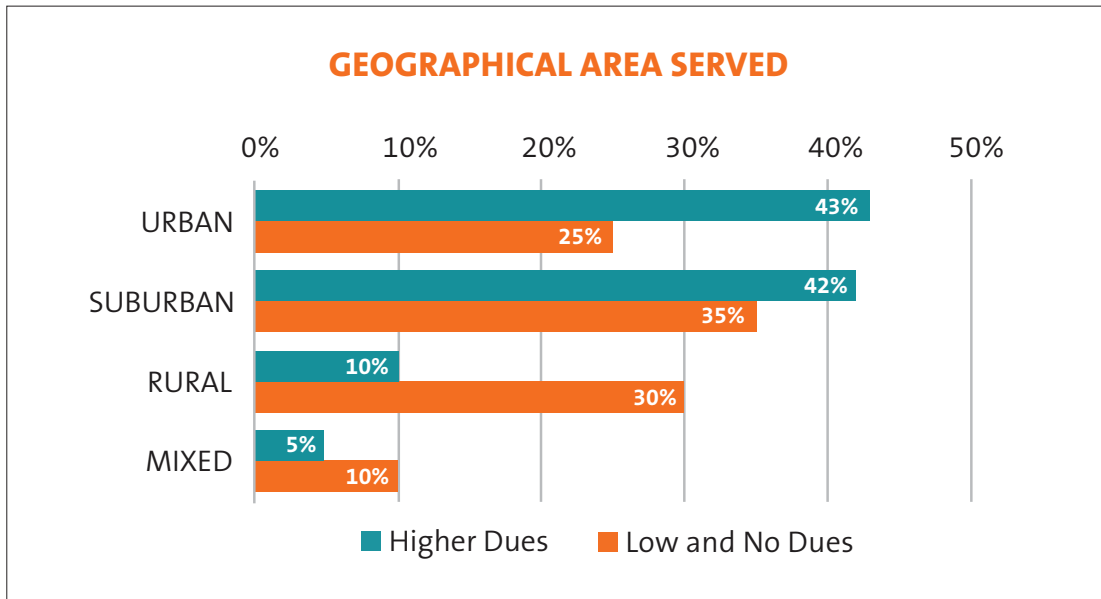


FIGURE 3

Of the no and low dues Villages, 30% had a service area that is 50% or more rural, as opposed to only 10% of higher dues Villages. There were no statistically significant differences in the likelihood of serving geographic areas that were greater than 50% urban or greater than 50% suburban.

Finances

It came as no surprise that no and low dues Villages had significantly lower annual revenue than higher dues charging Villages.

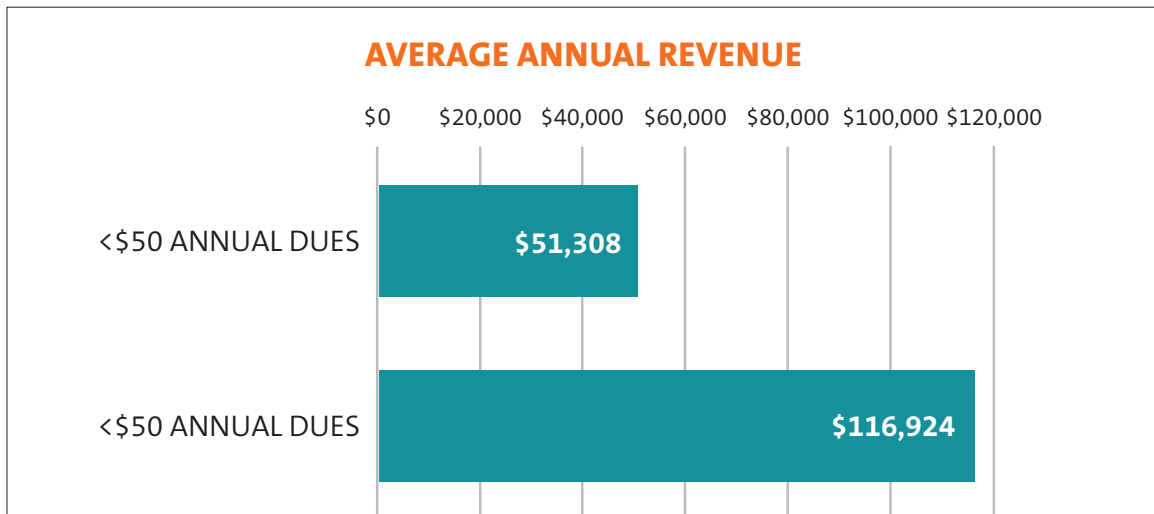
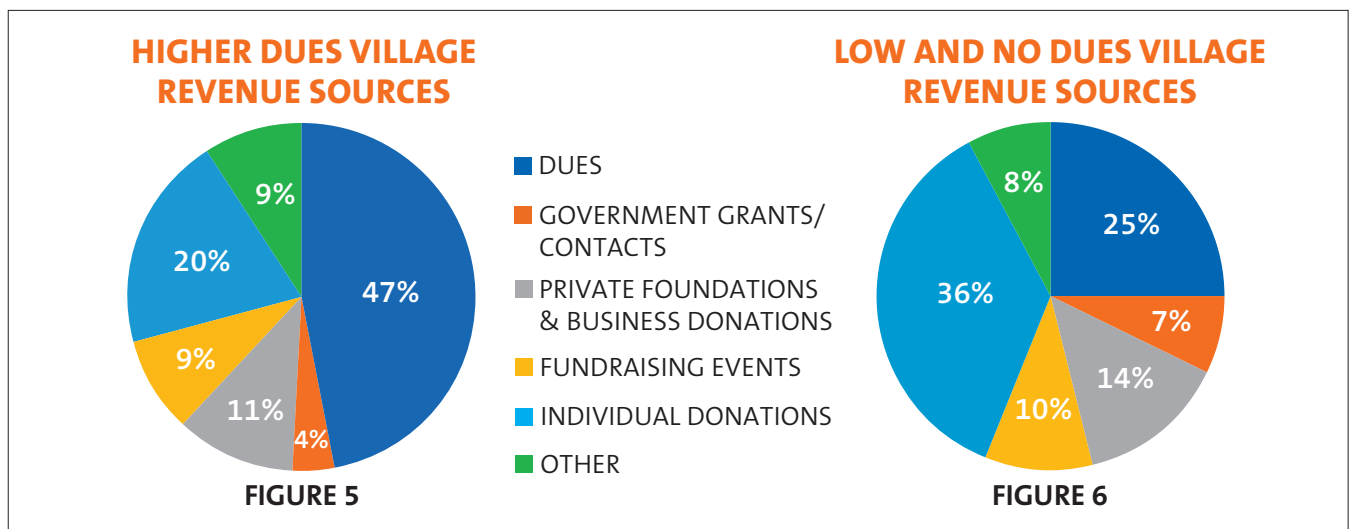


FIGURE 4

The average annual revenue for low and no dues Villages was \$51,308, compared to \$116,924 for higher dues charging Villages.

Of note: one no dues Village reported an annual revenue of \$941,000, a clear demonstration that it is possible for no dues Villages to raise significant revenue, even in the absence of membership dues. However, compared to other low and no dues Villages, and even compared to higher dues Villages, this annual revenue was considered an outlier and thus excluded from the statistical analysis of Village finances in this section.

Figures 5 and 6 show the proportion of dues from various sources for low and no dues Villages.



The only statistically significant difference between no and low dues Villages and higher dues Villages was the percentage of revenue from membership dues.

Additional Characteristics of No and Low Dues Villages

Interviews with leadership of low and no dues Villages revealed some common features of these Villages that were not captured by the survey data, and for which comparisons to higher dues Village are not available.

“Piggybacking”

A third of the Villages interviewed (7) described their Village as emerging out of an existing organization, such as a homeowners’ association or similar civic group. While most of these came out of neighborhood groups, there were a couple of interesting exceptions:

- In one instance, a Village was formed and supported by a low-income senior housing community, in which staff were retrained to serve as Village directors.
- In another case, the Village was developed by a local cooperative telephone company and the directors were company employees.

In the case of Villages emerging from neighborhood groups, donations were solicited from the entire neighborhood in which they were located, often with considerable fundraising success. One such Village reported receiving annual donations from 50% of the neighborhood’s households. This Village had a pre-established audience of potential members, donors, and volunteers that could be reached both through the other organization’s meetings and mailing lists.

Other Community Resources

Although partnerships and cooperation with other community organizations are hardly unique to no and low dues Villages, a little more than half of the Villages interviewed (11) described other community organizations playing a major role in providing services to the individuals that the Village served. The types of services provided by these community organizations varied widely, and Villages adjusted accordingly:

- In one instance, there was already an organization providing transportation services, allowing the Village to concentrate on other services.
- Seven no or low dues Villages interviewed were located in communities with sufficient social opportunities that the Village decided there was no need to provide frequent, ongoing social opportunities. While some of these still held social events, these events (for example, a Village picnic) tended to be annual or twice a year rather than weekly or monthly.
- One Village served primarily to raise awareness of events and resources in their community, which included staffing an information desk at a local library.
- There were four cases in which the Village was located in a service-rich area and focused predominantly on providing social opportunities to its members. One interview described the benefits of such relationships as follows: “A lot of what we’re doing is partnering with other organizations in the community. We’re less concerned about owning volunteers as making sure that folks who are interested in volunteering have a place to do that in the community. [The partnering organizations] get a bunch of resources and support and success in their own efforts. That has been very, very powerful for us.”

Small service areas

Overall, 13 of the 21 Villages interviewed had a service area that consisted of a neighborhood or a few neighborhoods rather than an entire town or city.

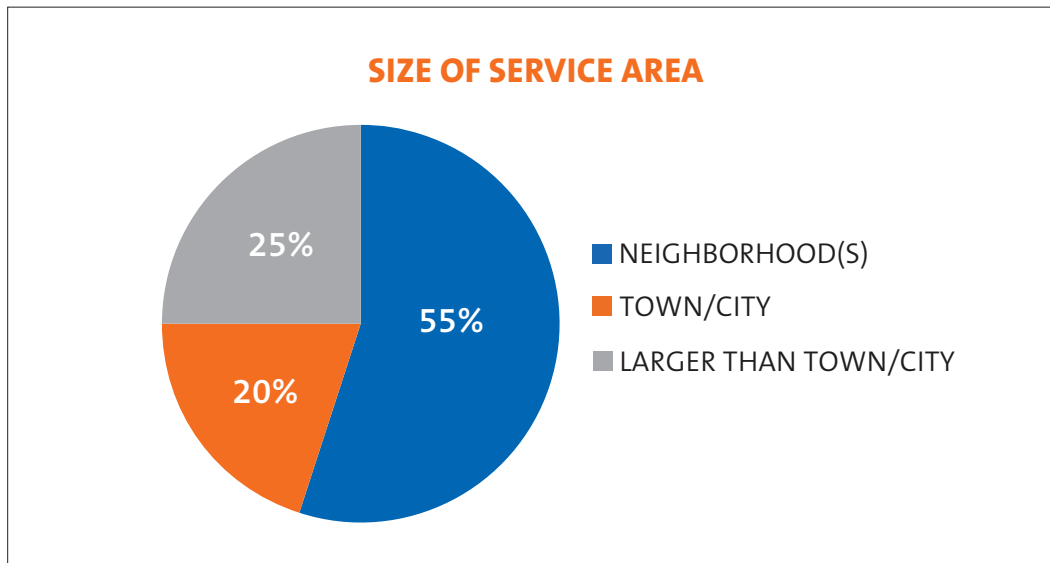


FIGURE 7

Self-described benefits of the small service area as illustrated in Figure 7 included

- “A lot of problems you might have in a more spread out area, we don't have.”
- “Geographically, we restricted our boundaries quite significantly, with the concept that we need to be able to walk to anywhere in the village.”

Culture of Low and No Dues Villages

Interviews also gave a number of indications of how having low or no dues can impact the overall culture of the Village.

Unwillingness to ask for help

Just under half of the no and low dues Villages mentioned that they had to work to overcome an unwillingness by the older adults served to ask for help from the Village. Representatives of no dues Villages speculated that their lack of dues contributed to this reluctance. They described these older adults as reluctant to take what they viewed as handouts from the Village, as opposed to members in dues-charging Villages having a mentality of getting what they paid for when in need of assistance. In some cases, a no dues Village decided to charge low dues so that members had some “skin in the game” and therefore might be more willing to ask for help since it came with a paid membership.

Bonds with Villages

Eight of the 21 no or low dues Village representatives interviewed felt that their dues structure hurt the service recipients’ bond with the Village. Six felt that it had no effect, and three felt that the dues structure strengthened bonds with the Village. Three of the eight who felt that lack of dues negatively affected the bond with the Village were from Villages that had at one time charged no dues, and each cited this as a reason for the decision to charge nominal dues to members.

A quarter of those interviewed also mentioned that low dues or a lack of dues also impacted the culture of the Village by making it feel more inclusive.

Impact on Leadership

Leadership at no and low dues Villages reported that not being as dependent on revenue from memberships meant that they didn’t need to “sell” memberships, and their value proposition, to potential or current members. Leadership also felt that because there were no or low dues, their Villages may not face the same expectations and they can feel more comfortable replying “we’ll do our best” to a service request or may feel more comfortable turning down certain requests.

Does a Low or No Dues Model Impact Village Inclusivity?

MEMBERSHIP CHARACTERISTICS	NO / LOW DUES	HIGHER DUES
Members 64 and younger	29%	10%
Members ages 65–74	35%	35%
Members ages 75–84	29%	37%
Members ages 85 and better	18%	23%
Non-white members	10%	11%
Male members	32%	31%
Impoverished members	17%	8%
Economically vulnerable members	21%	11%
Members with illness or disability	11%	9%

TABLE 2

Membership Characteristics

Survey data suggests that no and low dues Villages have larger proportions of young members:

- Forty percent of low and no dues Villages reported that greater than 25% of their membership was younger than 65.
- Only 8% of higher dues Villages had greater than 25% of their members under 65.

The only other significant difference in membership characteristics was in the percentage of impoverished or economically vulnerable (not eligible for Medicaid but struggling financially or near poor) members:

- Five percent of higher dues charging Villages reported that more than 25% of their members were impoverished.
- Twenty-three percent of low or no dues Villages reported that 25% or more of their members were economically vulnerable.
- Only 6% of higher dues charging Villages reported that more than 25% of their members were economically vulnerable.
- Nearly 30% of low or no dues Villages reported 25% or more of their members were economically vulnerable.
- No statistically significant differences were found for the reported percentages of men, members with disabilities or functional impairments, or non-white members.

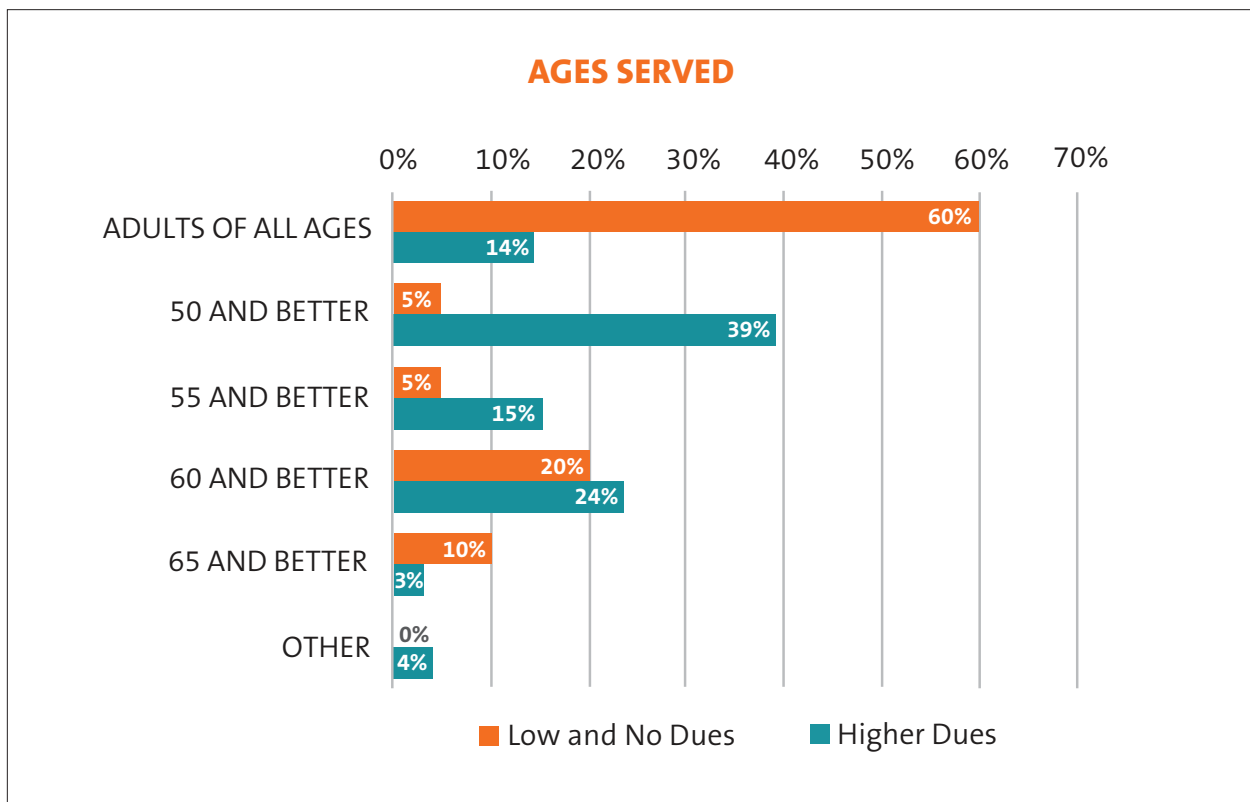


FIGURE 8

As can be seen in Figure 8, no and low dues Villages were much more likely to report serving adults of all ages, with 60% reporting serving all adults over 18. By contrast, only 14% of higher dues Villages serving this entire age range, with 39% serving adults 50 and better, 16% serving 55 and better, and 24% serving adults 60 and better. The percentage of members who serve as volunteers was a significant difference between the Villages types:

- Of low and no dues Villages, 81% reported that more than 90% of their members were also volunteers, as opposed to 17% in higher dues charging Villages.
- Of higher dues Villages, 51.3% reported that less than half of their members were also volunteers.
- No and low dues Villages also had significantly higher percentages of members who served on their governing board.

No and low dues Villages were also much less likely to have policies about who can join their Village. While 88% of higher dues Villages had such policies, only 53% of low and no dues Villages did.

How Does a Low or No Dues Model Impact Sustainability?

The 2016 survey of Villages asked Villages to rate their confidence that the Village will be in operation in 10 years:

- While no and low dues Villages' average rating was a few points lower than higher dues Villages, the difference was not statistically significant.
- When asked in interviews about the impact of being low and no dues on sustainability, responses were evenly split.

No and low dues Village representatives felt their dues structure helped sustainability because

- They are a resource for the community, and they are a resource for everyone in the community.
- Membership based on high dues would be limiting.
- They are focused on providing services that are meaningful and meet the needs of the people.
- Funding follows if they focus on providing these services.
- Demonstrating their impact to potential funders, whether foundations or individual local donors, gives these Villages access to funds and/or donations.
- Their minimal overhead and expenses enabled this model of Village to remain sustainable.

Those who felt sustainability was hurt by a no or low dues model pointed to the difficulty of securing dependable revenue:

- No membership means no repeatable source of income.
- A lack of dependable income results in this model being held at an intermediate level, unable to move on to create the bigger services.
- An all-volunteer Village suggested that lack of staff was hurting the Village's long-term prospects due to volunteer burnout.

Advantages of No and Low Dues Villages

The most commonly cited advantage to no and low dues Villages was the ability to reach more people and have a larger membership, which was mentioned by 13 of the 21 Villages interviewed.

Low dues or lack of dues were also described as a factor in attracting members before they had a need for Village services. Other commonly mentioned advantages include

- a greater sense of community
- requires few resources
- reduced pressure to recruit and retain members
- greater attraction to outside funders or potential funders

Disadvantages of No and Low Dues Villages

By far, the most commonly cited disadvantage cited was a lack of workforce/resources, which was mentioned in 13 of the interviews. This limited

- growth of the Village
- affording to pay for specialized expertise, such as social workers, that can't be provided by volunteers
- efforts to diversify the Village
- coordination or administrative support, since this type of work is less appealing as a volunteer opportunity.

Another disadvantage that was cited only by all-volunteer Villages was related to burnout and turnover in Village leadership.

CONCLUSION

Recommendations from No and Low Dues Villages

The leadership interviewed offered a wide range of recommendations for Villages in formation that were considering adopting a no dues model, most of which would also apply to higher dues Villages:

- **Set up proper Village leadership and governance.**
 - ✓ Recruit enthusiastic, energetic board members.
 - ✓ Make sure your board has the variety of expertise necessary for starting and running a Village.
 - ✓ Have board terms of at least two years.
 - ✓ Include a sufficient number of people in leadership positions so that no one gets overwhelmed.
- **Know and adapt to the community that the Village serves.**
 - ✓ First assess community needs and find the Village's niche.
 - ✓ Then decide on a formal structure.
 - ✓ Lastly, determine if this structure will require dues.
- **Find funding.**
 - ✓ Appeal for donations to an entire neighborhood, to local businesses, to foundations and local governments.
 - ✓ Establish a really strong fundraising committee.
 - ✓ Hire a part-time grant writer.
 - ✓ Communicate your story to potential funders.

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