2017 MDRT MEMBERS

2018-Q1 Research Brief

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PURPOSE AND METHODOLOGY

The purpose of this research brief is to look at our 2017 members. While we are well into the 2018 membership year, it is helpful to look at some of the characteristics of our 2017 members (after all, as of March 9, about 52% had already rejoined).

Thanks to the IT department for providing the means to retrieve the 2017 data using our new CRM system. The 2017 numbers presented here were downloaded from Aptify on 2.27.2018. In this file, there were a total of 62,752[1] members. Also presented are data from the 2016 membership file which was downloaded in July 2017 using the old CRM system and the BI tool.

SELECT FINDINGS

⇒ 2017 was the first year in which the number of female members exceeded males.

⇒ Close to 10% of 2017 members were returning members who had been members prior to 2016. These re-joiners did not attend the 2017 AM in any greater proportion than 2016-re-joiners or first-year members.

⇒ In 2017, 21.5% of COT and 15.2% of TOT members were first-year members.

⇒ For the USA, the majority (83.3%) of 2017 members were re-joiners from 2016. For non-USA countries combined, it was a different story – the distribution of 2016-rejoiners and first -year members was 48.1% and 41.8%, respectively.

⇒ The following segments of 2016 members had higher retention rates than the overall rate: TOT and COT members; Foundation donors; and 2016 AM attendees.

⇒ In the span of one year, on average, first-year 2016 members who rejoined in 2017 showed increased production.

⇒ Over 200 Foundation donors who rejoined from 2016 had a higher level of giving in 2017.

[1] The file was generated from the subscriptions area in Aptify. If a 2017 member had rejoined for 2018, the 2018 year was being included. Therefore, the total years of membership for 2017 were corrected by matching to a July 2017 file, then matching to the 2016 membership file and then manual lookups of the remaining few records. In addition, seven duplicate records were removed.

This research brief has three sections as listed in the outline below. (*The outline is hyperlinked. Click on any topic of interest to go directly to that section*.)

In the first section, 2017 membership data are divided into three categories: those who were 2016 members and rejoined, first-year members and those who had been members prior to 2016 and rejoined.

Section I: 2017 Members

a. Overall
b. Gender
c. Age
d. Attendance of 2017 AM
e. Membership Level
f. Country

In the second section, the retention of select groups of 2016 members are compared.

Section II: Re-joiners from 2016

a. Overall Retention
b. Retention by Membership Level
c. Retention of Foundation Donors
d. Retention by Attendance of 2016 Annual Meeting
e. Retention of 2016 First-Year Members – Overall and by 2016 AM Attendance

The third section is a continuation of the second section and highlights two groups of 2016 members.

Section III: Improvements

a. Foundation Donors in 2016 who Rejoined in 2017
b. First-Year 2016 Members who Rejoined in 2017

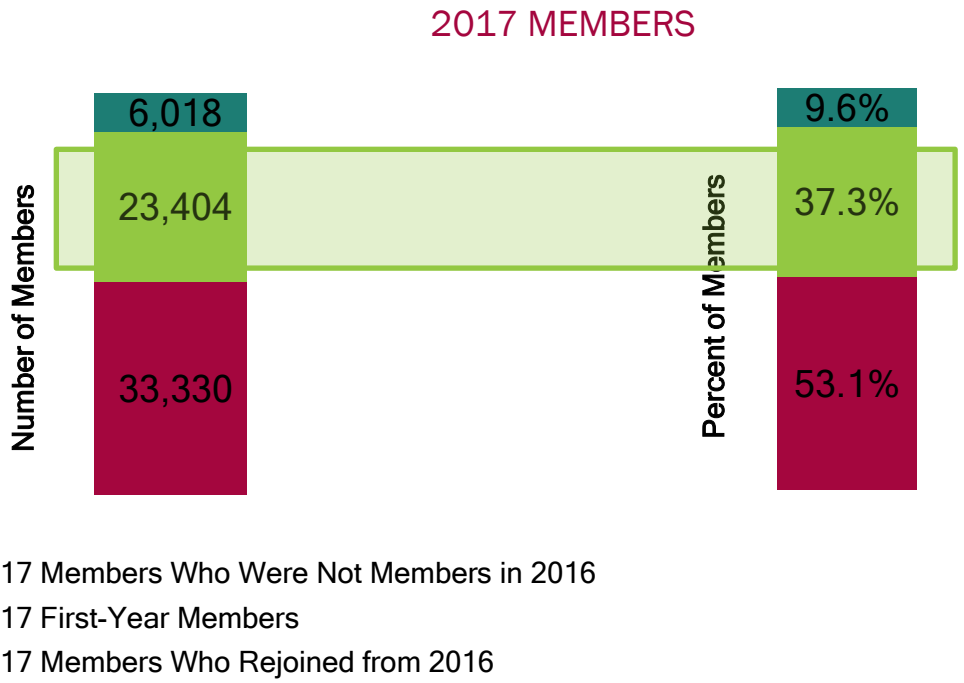
SECTION I: 2017 MEMBERS

Overall

In any given membership year, members can be divided into three groups:

1. Those who were members in the previous year (in this case, 2016) and rejoined;
2. New members; and,
3. Those who are not new members and were not members in the immediate past year, but were members in the past and came back (this is the smallest group of the three).

The 2017 membership data will be presented in the context of these three groupings. As shown below, close to 40% of 2017 members (or 23,404) were first-year members. Just over half (53.1%) were re-joiners from 2016. The remaining 10% (or 6,018[2]) were members before 2016 and rejoined in 2017.



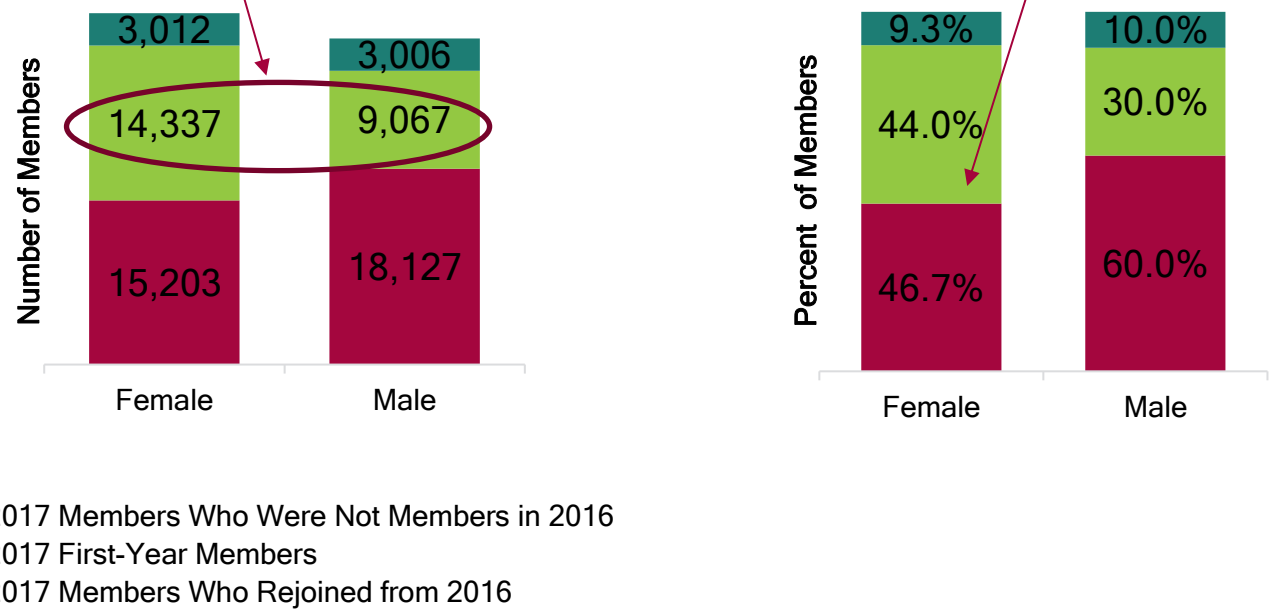
[2] In the 2017 Membership file, one of the 6,018 had a first-year of 2016. But since the person was not in the 2016 file, the needed background information was not available to re-categorize him/her.

Gender

For the first time, the number of female members (32,552) is greater than males (30,200). As shown, this is due to the composition of 2017 first-year members – there were 5,270 more first-year female members than males (14,337 vs. 9,067).

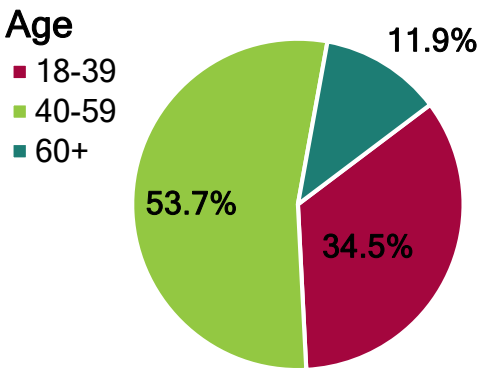
Sixty percent of 2017 male members were re-joiners from 2016 and 30% were new members; whereas, almost an equal distribution of 2017 female members were re-joiners from 2016 and new members (46.7% and 44.0%, respectively).

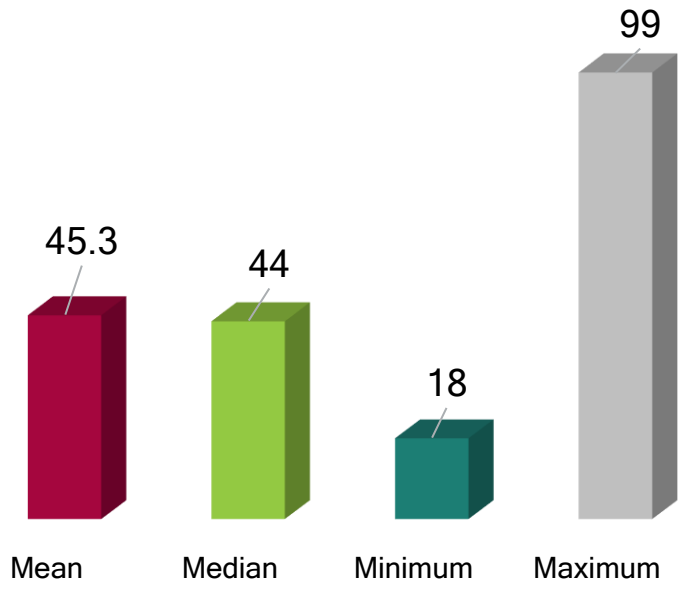
NUMBER OF 2017 MEMBERS, BY GENDER



Age

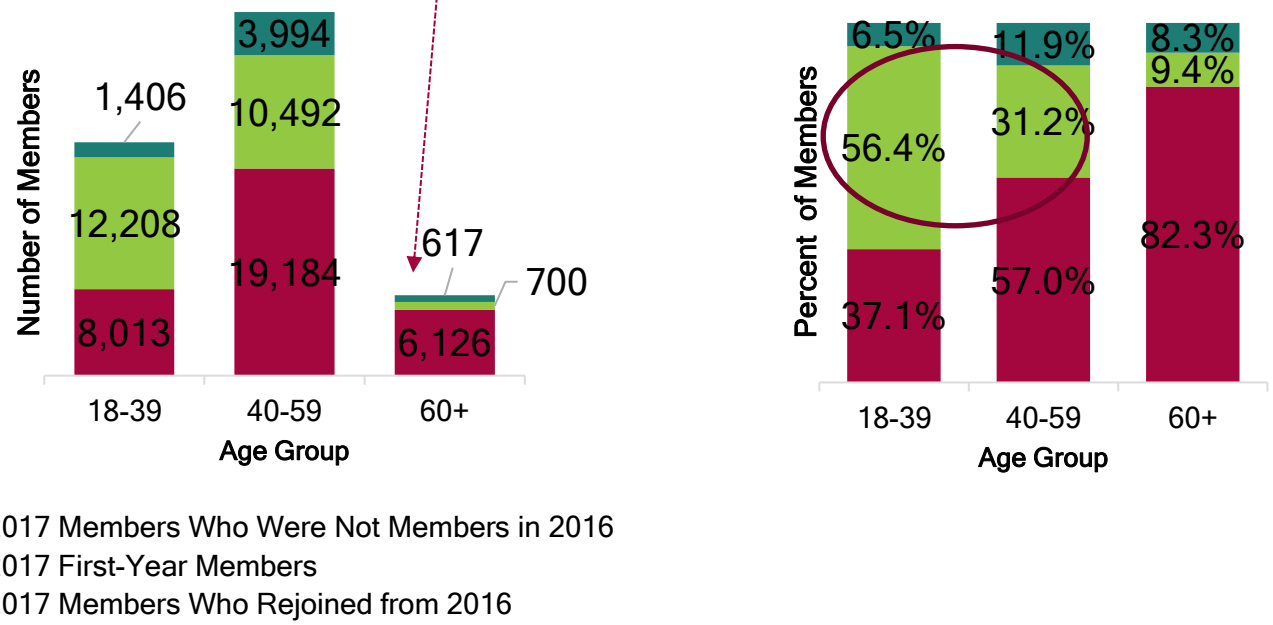
Overall, with a mean age of 45.3 years, over half (53.67%) of all 2017 members were 40-59 years old, 34.47% were 18-39 and 11.86% were 60 or older.





There were 7,443 members (6,126+700+617) who were 60 or older– the majority of them (82.3%) were re-joiners from 2016, and interestingly, 700 of them (or 9.4%) were first-year members. There were 21,627 members who were 18-39 years old and 33,670 who were 40-59. The graph on the right highlights the difference in the distribution of the three member groups among these age groups. For example, 56.4% of the younger age group were first-year members compared to 31.2% of 40-59-year-olds.

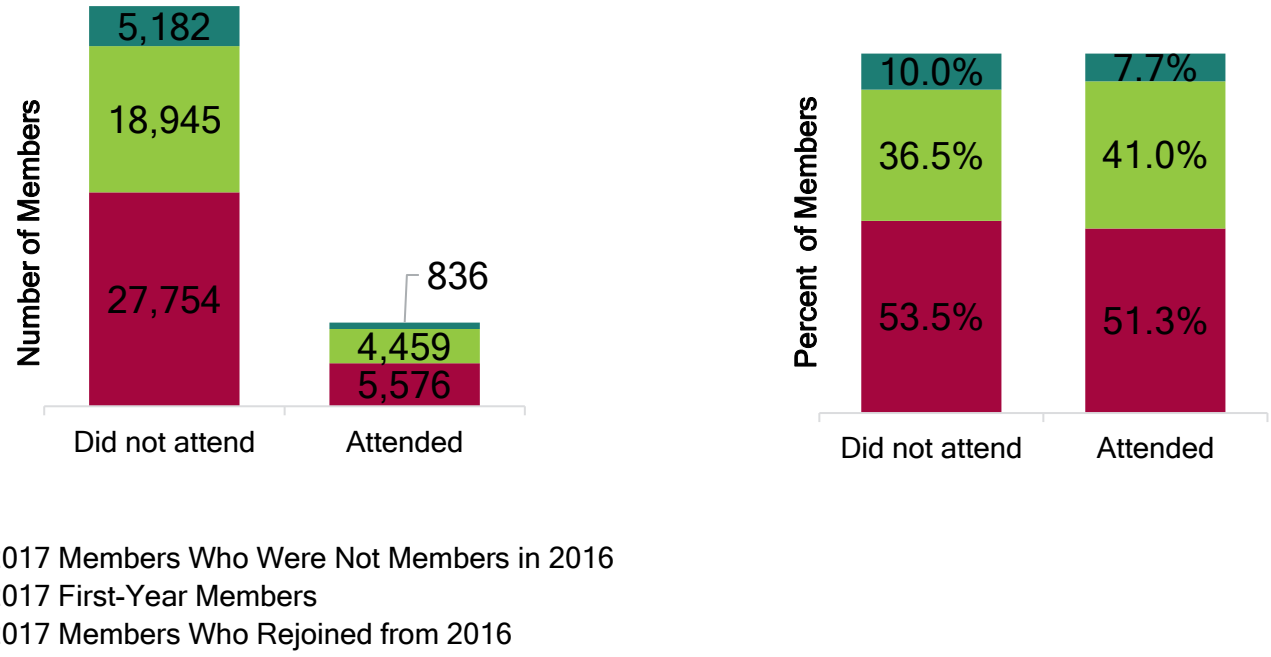
NUMBER OF 2017 MEMBERS, BY AGE



Attendance of 2017 Annual Meeting

In any given year, the number of members who do not attend the Annual Meeting far outweighs the number that do attend. In a way, this is by design. The Annual Meeting has a maximum capacity associated with it that has been filled quite quickly in recent years. In 2017, 10,871 members attended the Annual Meeting in Orlando, Florida. Forty-one percent of the attendees (or 4,459) were first-year members.

NUMBER OF 2017 MEMBERS, BY ATTENDANCE OF 2017 AM



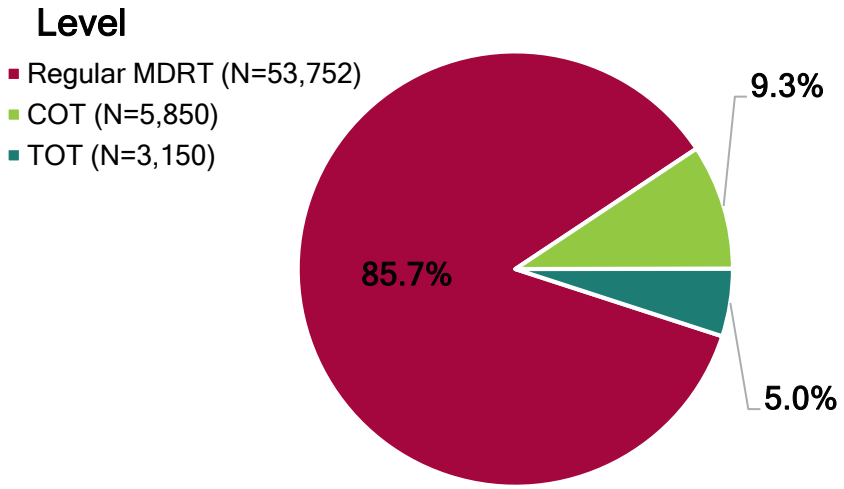
While there are numerous reasons why a past member rejoins MDRT, one reason may be to attend the Annual Meeting. However, as shown in the table below, those who were members prior to 2016 and rejoined in 2017 did not attend the 2017 AM in higher proportion than the other two member groups.

Among 2017 members who:	
... were not members in 2016 nor first-year members,	13.9% attended the 2017 AM
... rejoined from 2016,	16.7% attended the 2017 AM
... were first-year members,	19.0% attended the 2017 AM

Keep in mind the above percentages are not necessarily reflective of the demand for the AM. The ability of a member to attend the AM is dependent on his/her quickness to register and the rate at which capacity is reached.

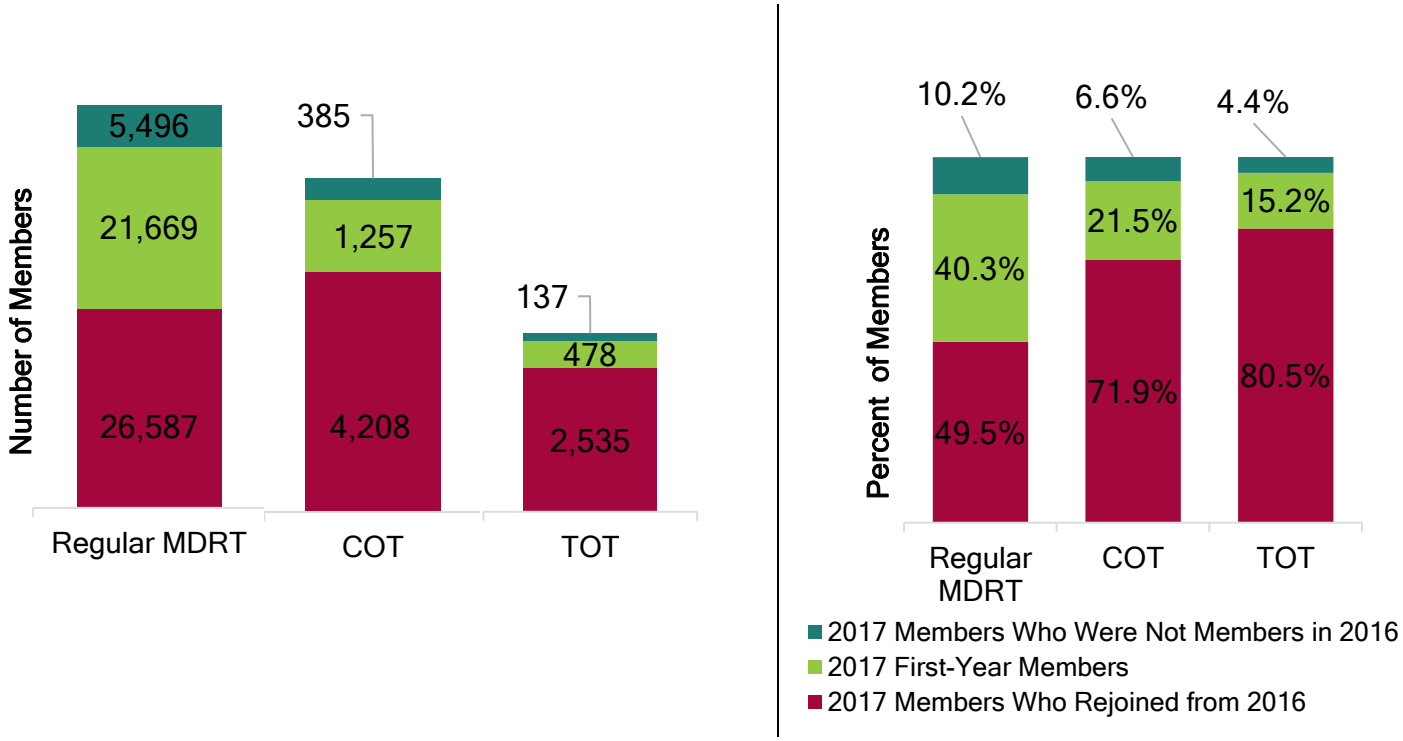
Membership Level

Five percent of 2017 members (or 3,150) were Top of the Table. About nine percent (or 5,850) were Court of the Table.



As shown below, 21.5% of the 2017 COT members (or 1,257) and 15.2% of TOT members (or 478) were first-year members. Since membership qualification is based on previous year's production, these first-year members achieved top production levels before joining MDRT. (To be a COT member in 2017, minimum 2016 commission had to be $282,000; minimum premium had to be $564,000. To be a TOT member, minimum commission had to be $564,000; minimum premium had to be $1,128,000.)

NUMBER OF 2017 MEMBERS, BY LEVEL

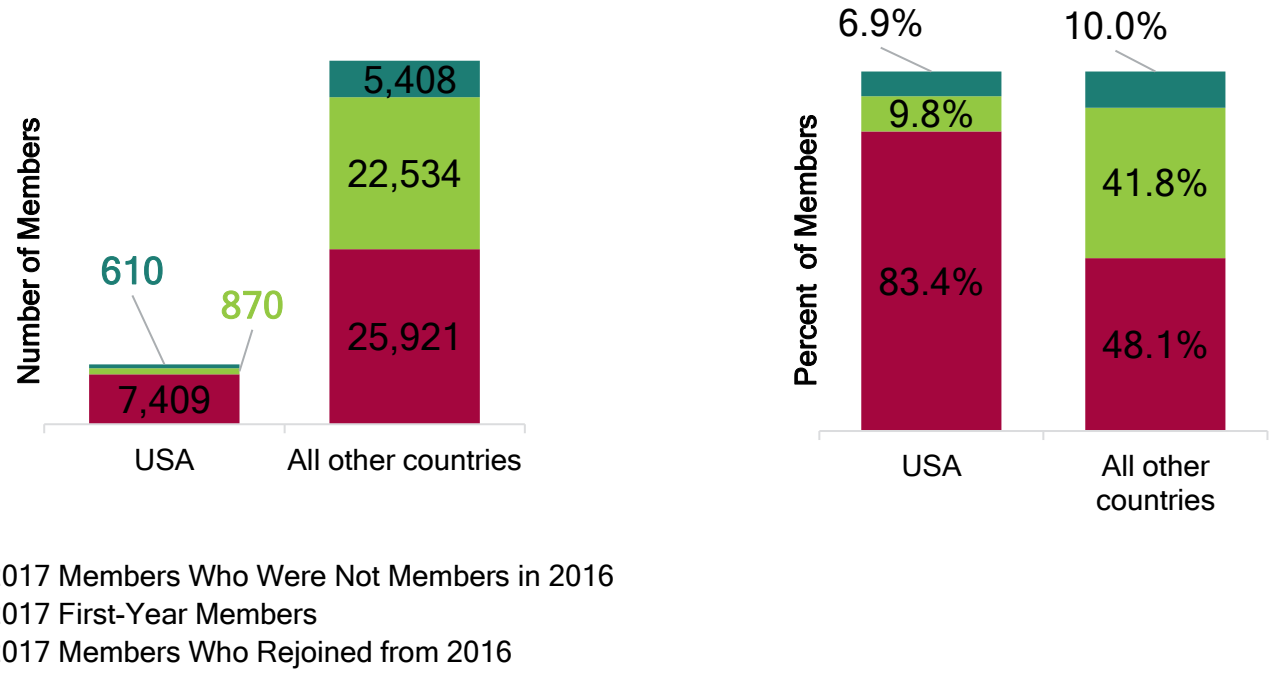


Country

In 2017, among the 8,892 USA members, the majority (7,409[3] or 83.4%) were re-joiners from 2016; 870 (or 9.8%) were first-year members; and 610 (or 6.9%) were re-joiners from a membership year prior to 2016.

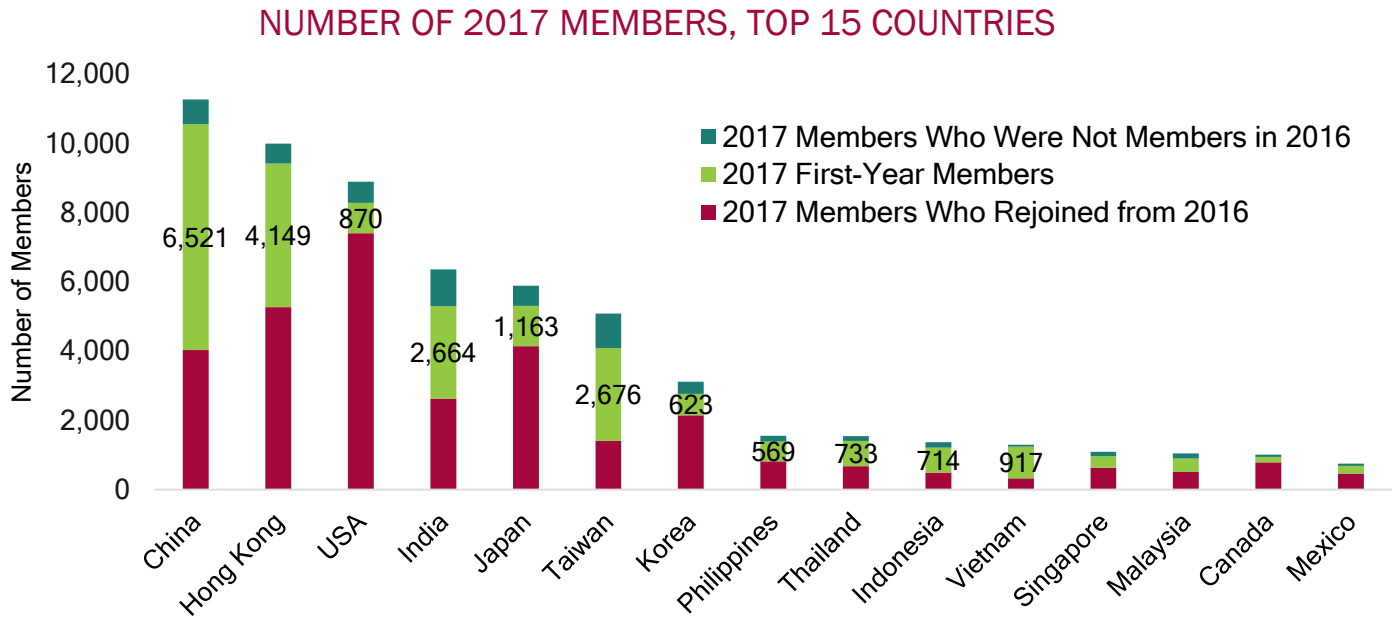
In contrast, among non-USA members, a more equal distribution were re-joiners from 2016 (25,921 or 48.1%) and first-year members (22,534 or 41.8%). The remaining 10% were re-joiners from a membership year prior to 2016. Note that this is a higher percentage than among USA members (10% vs 6.9%).

NUMBER OF 2017 MEMBERS, USA AND ALL OTHER COUNTRIES

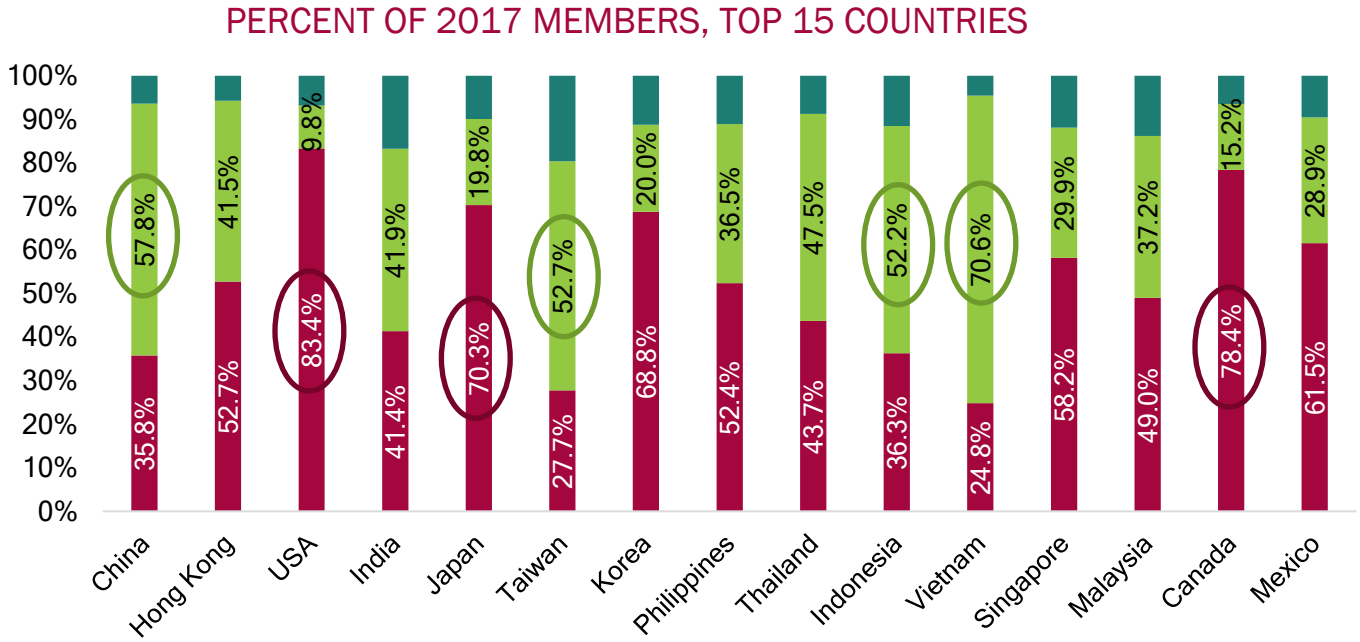


[3] Interestingly, eight of the 7,409 USA 2017 members who rejoined from 2016 were in different countries in 2016: three were in Hong Kong, two were in India, two were in China and one was in Brazil.

The number and percentage of members in the top 15 countries – by the three categories – are shown below.



For USA, Japan and Canada, over 70% of 2017 members were 2016 re-joiners. For China, Taiwan, Indonesia and Vietnam, over half of 2017 members were first-year members. For example, 70.6% of 2017 Vietnamese members were first-year members compared to 9.8% of USA members.



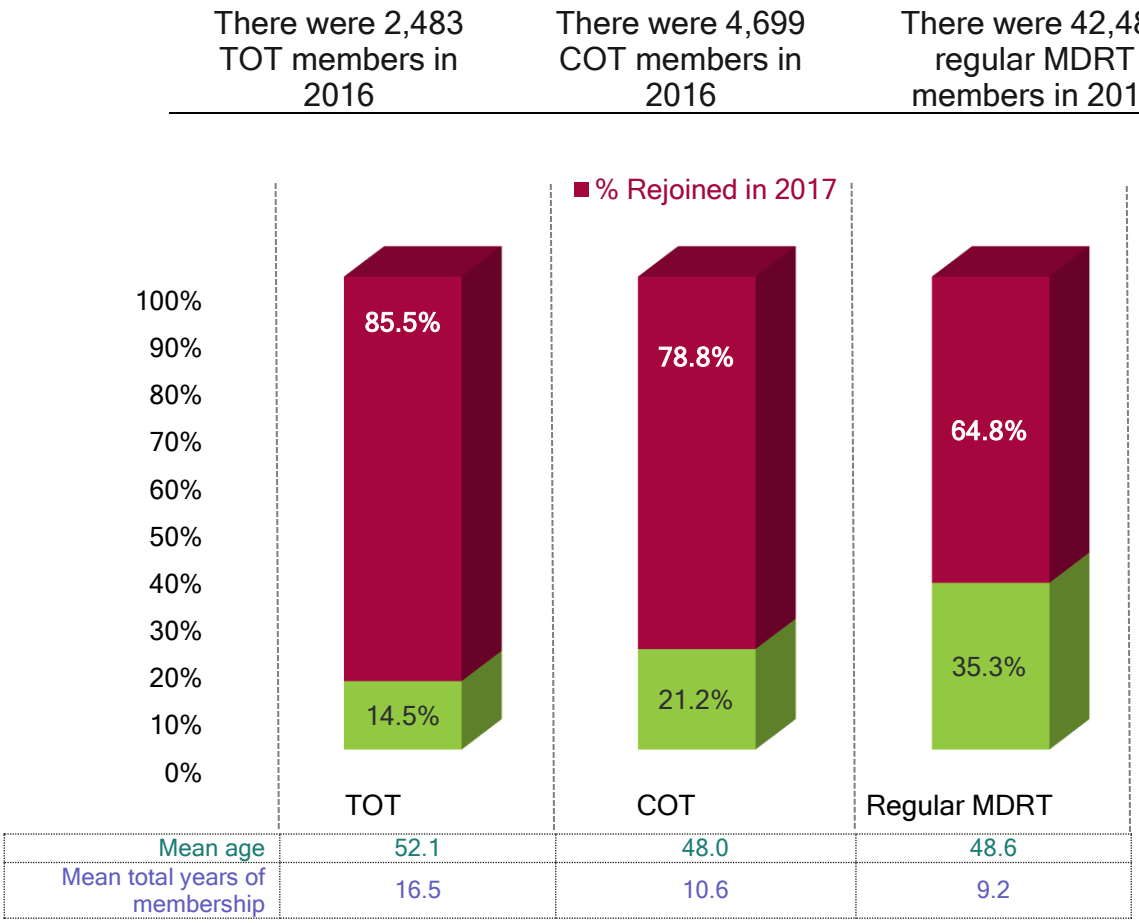
SECTION II: RE-JOINERS FROM 2016

Overall Retention

As mentioned above, 33,330 (53.1%) of 2017 members were re-joiners from 2016. For this section, let's flip things a little bit … We had 49,663[4] members in 2016, if 33,330 rejoined in 2017, the overall retention for 2016 is 67.1%. Note that this retention percentage does not account for members that may have retired, changed occupations or become deceased. Considering the overall retention of 67.1%, which segments of 2016 membership had higher or lower retention into 2017?

Retention by Membership Level

In terms of membership level, 2016 TOT members had the highest retention rate (85.5%, or 2,122 out of the 2,483, rejoined in 2017), followed by COT members (78.8%). The table below the graph shows the mean age and years of membership among those who returned–e.g., the 85.5% of TOTs that rejoined had a mean age of 52.1 and their mean total years of membership was 16.5 years.



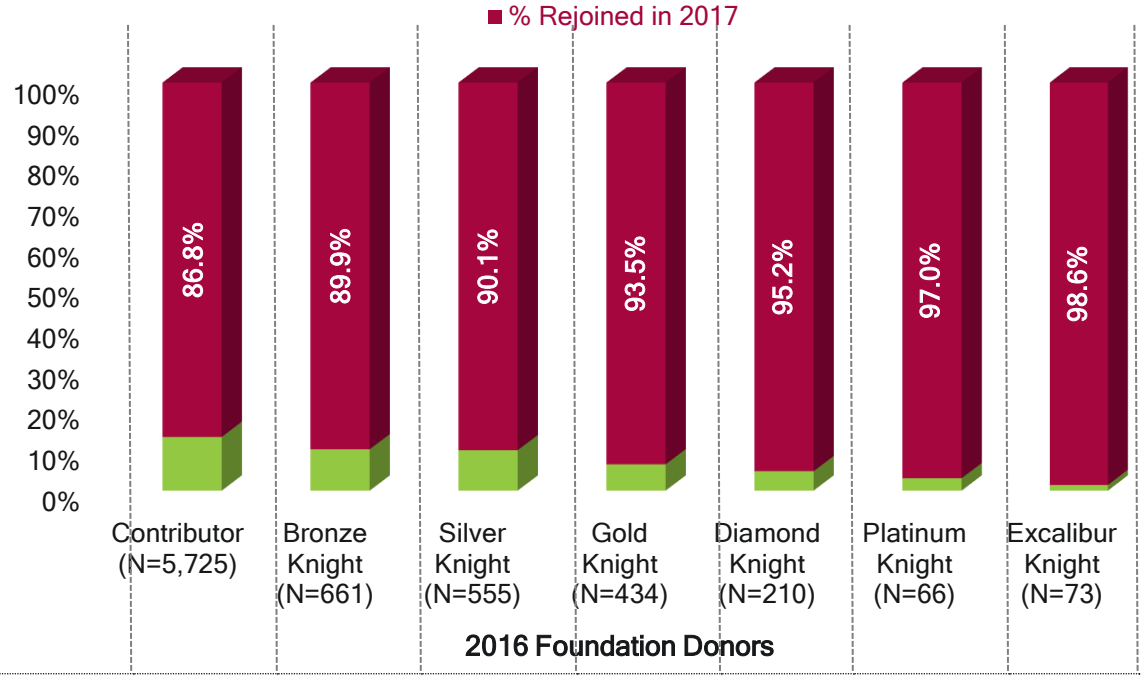
[4] Note that year-end numbers may vary slightly depending on when the file is pulled. Such slight variations do not affect the big picture results.

Retention of Foundation Donors

In any given year's membership data file, Foundation donors are identified based on their *cumulative lifetime gifts*. The codes used in the files are C, B, S, G, D, P and E. Below are the descriptions.

E: Excalibur Knight	Royal Order: USD 250,000 Legion of Honor: USD 100,000 Excalibur: USD 50,000
P: Platinum Knight	USD 25,000
D: Diamond Knight	USD 10,000
G: Gold Knight	USD 5,000
S: Silver Knight	USD 3,000
B: Bronze Knight	USD 2,000
C: Contributor	Any amount below Bronze Knight

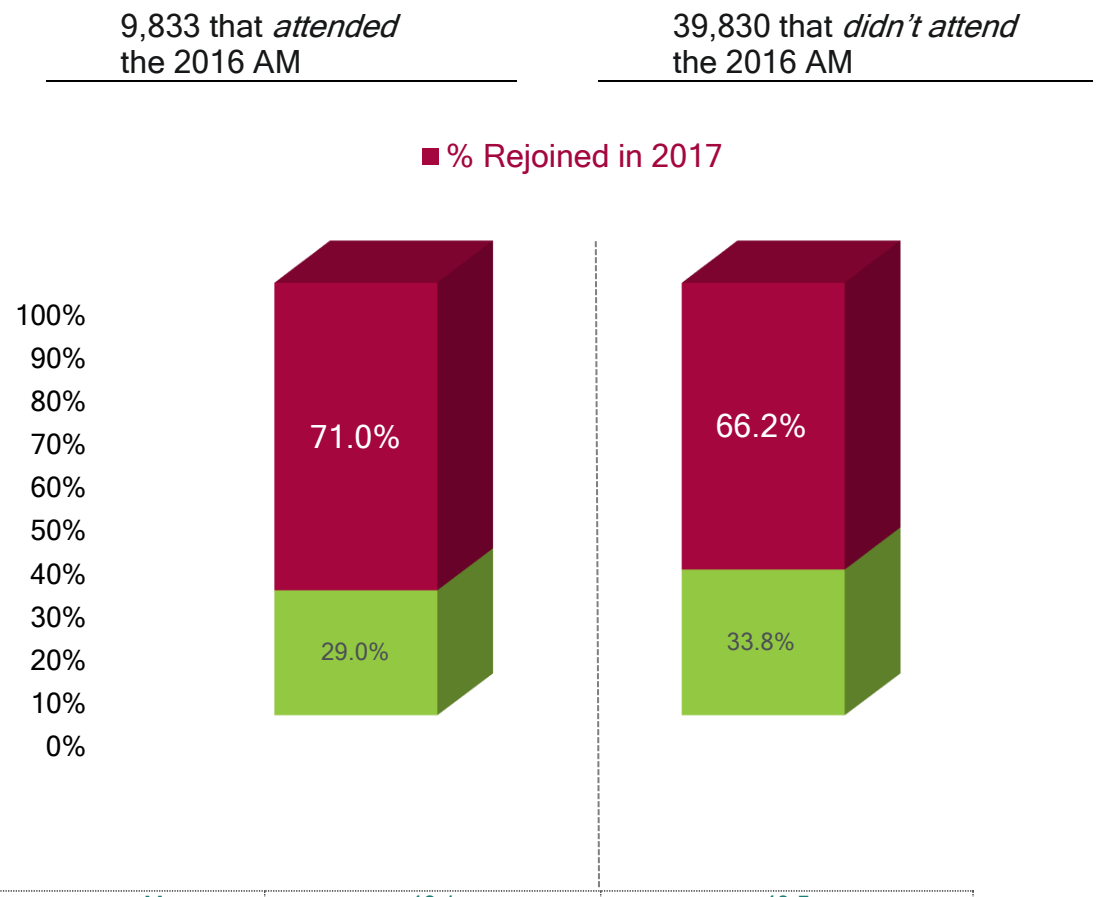
In the 2016 Membership file, 7,724 members had a Foundation donor code – 88.1% of them rejoined in 2017. Retention rates by the different donor levels are displayed in the graph below. The table below the graph provides the mean age and years of membership for each group of returning donors.



	Contributor (N=5,725)	Bronze Knight (N=661)	Silver Knight (N=555)	Gold Knight (N=434)	Diamond Knight (N=210)	Platinum Knight (N=66)	Excalibur Knight (N=73)
Mean age	57.0	64.9	66.7	67.2	66.8	67.2	69.7
Mean total years of membership	18.3	29.1	32.1	33.8	33.4	36.3	37.5

Retention by Attendance of 2016 AM

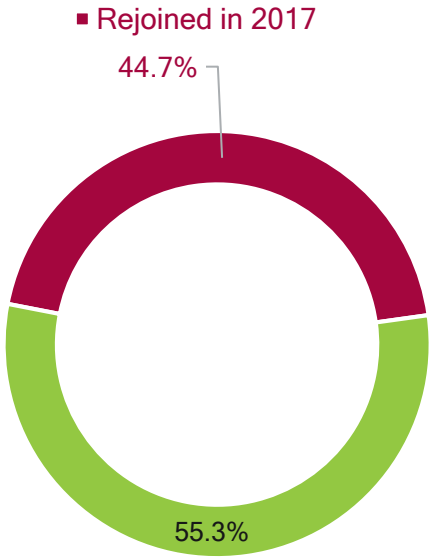
Most members do not (or cannot) attend the Annual Meeting. Among those who attended the 2016 AM, 71% rejoined in 2017. Among those who did not attend, 66.2% rejoined.



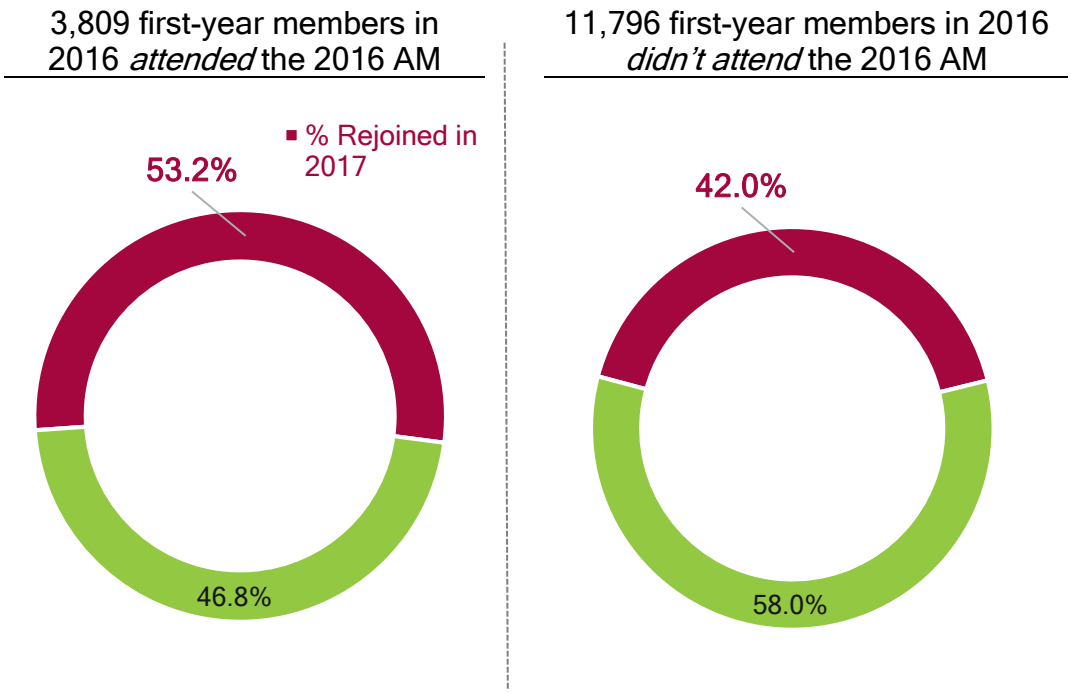
Mean age	46.1	49.5
Mean total years of membership	7.1	10.5

Retention of 2016 First-Year Members — Overall and by AM

In general, first-year members have low retention into the next year. There were 15,605 first-year members in 2016 – 44.74% rejoined in 2017.

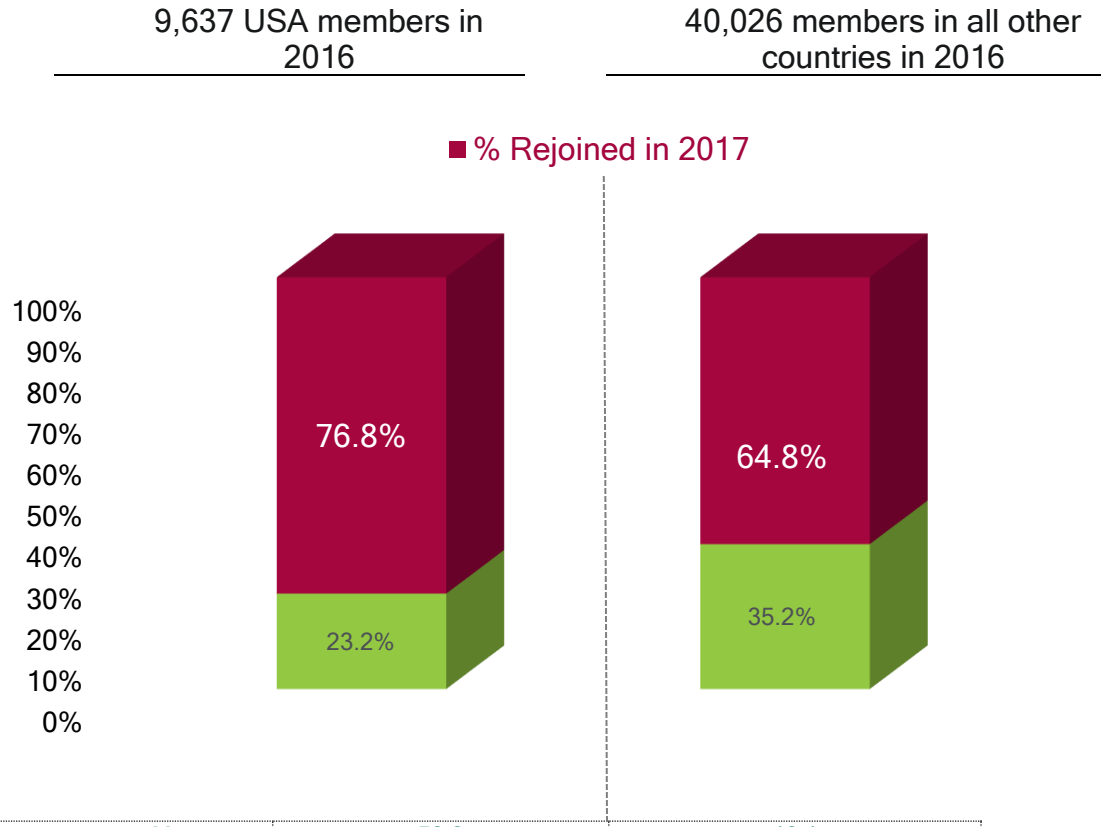


Those who attended the AM had a higher retention at 53.2%. (The 2017-Q3 Research Brief has a more detailed look at first-year members and AM attendance.)



Retention by Country

The 2016 membership file had 9,637 USA members and 40,026 members outside the USA. The majority of the 2016 USA members rejoined in 2017 (76.8%). Just under 65% of 2016 members in all other countries combined rejoined in 2017. As shown in the table below the graph, the USA re-joiners are on average older and have more years of membership.



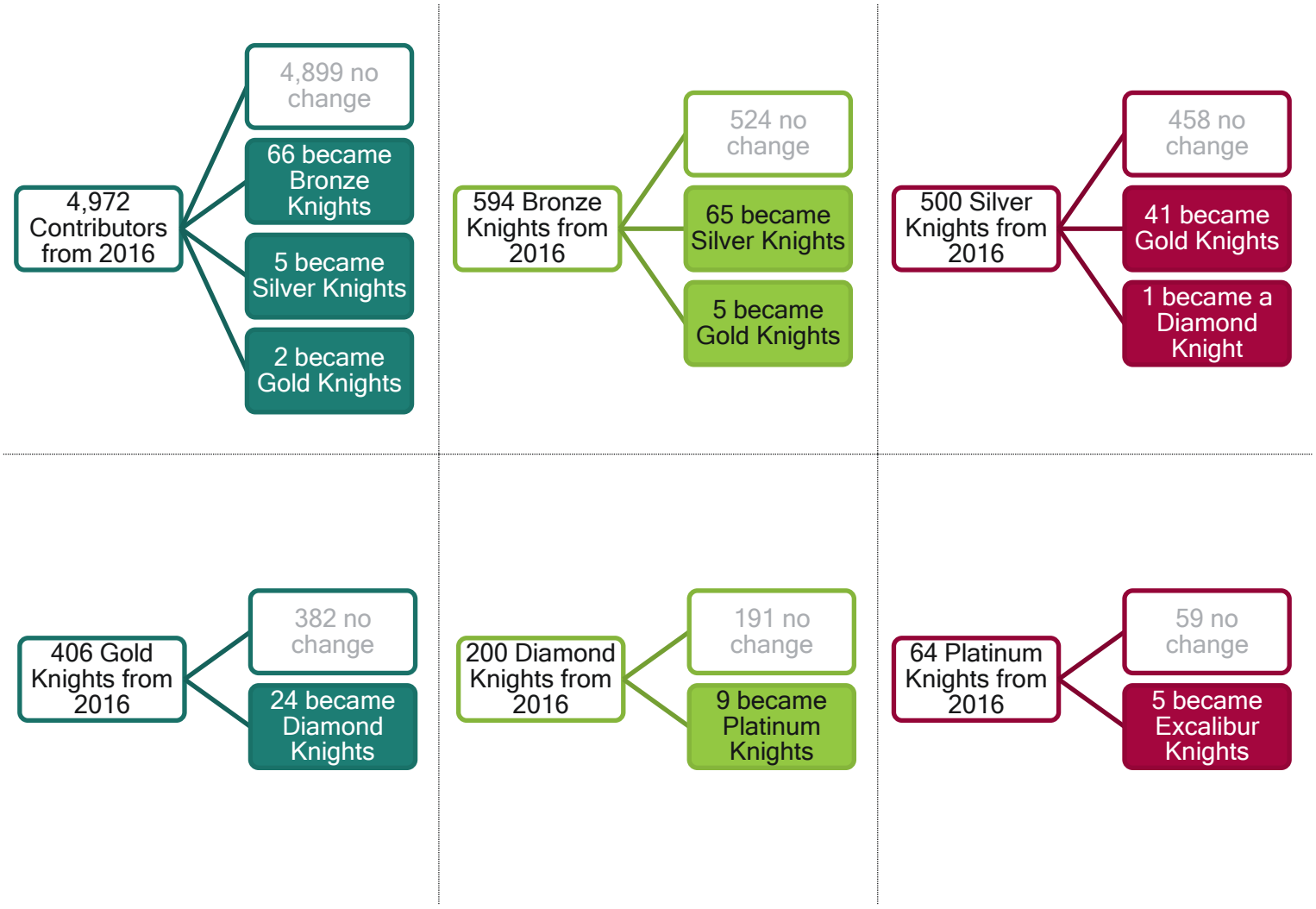
Mean age	58.2	46.1
Mean total years of membership	20.5	6.7

SECTION III: IMPROVEMENTS

Note that, here, two "measurable" items within the confines of our database have been selected and categorized under the heading of "Improvements." Clearly, this is not meant as an all-encompassing list.

Foundation Donors in 2016 who Rejoined in 2017

As mentioned above, in the membership data files, the Foundation donor level represents the lifetime giving of members and not necessarily a current year's level. For example, if a member was Bronze Knight in 2016 and his/her level is Gold Knight in 2017, it reflects an increase in the level of giving. The graphic below shows the donor level of 2016 Foundation donors who returned in 2017. The first panel on the left shows that among 4,972 members in 2016 who were Foundation contributors **and returned in 2017**[5], 66 became Bronze Knights; five became Silver Knights; and two became Gold Knights. The remaining five panels show the rest of the counts. (Excalibur Knights are not shown because there is no higher level of giving.)

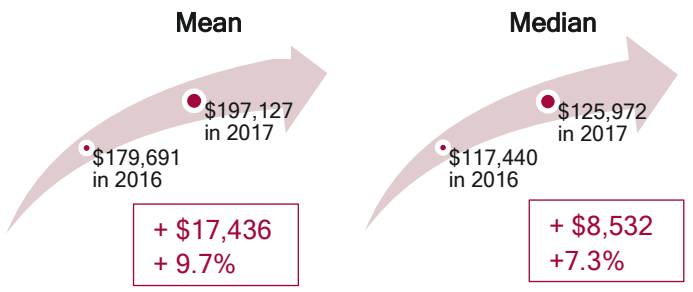


[5] By definition, giving level of an individual in 2017 cannot be lower than that person's giving level in 2016 – any such occurrences (due to new CRM system) were corrected.

First-Year Members in 2016 who Rejoined in 2017

Among first-year 2016 members who rejoined in 2017 *and* in both years had qualifying commission, mean commission increased 9.7%[6]. Those who had qualifying premium in both years, experienced a 43.2% increase[6]. Mean and median[7] qualifying commission and premium are shown below.

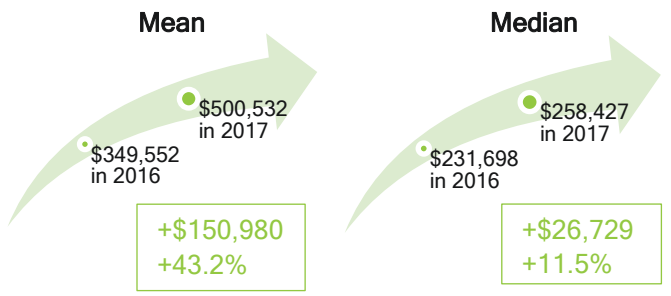
Qualifying Commission of 2016 First-Year Members Who Returned in 2017
(N=4,580)



Among the 4,580:

- Mean age = 40.5 years
- Female = 57.62%
- Attended 2016AM = 25.83%
- Attended 2017AM = 16.51%
- Attended 2016AM & 2017 AM = 11.35%
- Percentage by country:
  - Hong Kong = 37.14%
  - China = 23.73%
  - Japan = 10.90%
  - India = 9.65%
  - Korea =6.24%
  - USA = 4.34%
  - Other = 8.00%

Qualifying Premium[8] of 2016 First-Year Members Who Returned in 2017
(N=2,264)



Among the 2,264:

- Mean age = 40.4 years
- Female = 60.69%
- Attended 2016AM = 31.40%
- Attended 2017AM = 24.16%
- Attended 2016AM & 2017AM = 17.45%
- Percentage by country:
  - China = 19.17%
  - Taiwan = 12.63%
  - USA = 7.2%
  - Vietnam = 6.98%
  - Philippines =6.89%
  - India = 6.32%
  - Indonesia = 5.96%
  - Thailand = 5.96%
  - Other = 28.89%

[6] Typically, monetary increases are adjusted for inflation using the Consumer Price Index. However, since these are global amounts (or "credits"), the increase has not been adjusted for inflation and is nominal.

[7] The mean is the sum of all reported values divided by the number of responses. The median is the mid-point of all reported values (i.e., the 50th percentile).

[8] Two premium amounts that were greater than $10 million were excluded.