

Philanthropy New York – Membership and Member Engagement

The purpose of this memo is to provide Board members with foundational information about Philanthropy New York as a membership organization and report on 2024.

What does it mean to be a “membership organization”?

Philanthropy New York as a “membership organization” is more than our legal structure and our business model – it refers to our community orientation and theory of change.

Community Orientation & Theory of Change

- We are an interdependent community that learns from each other and actively contributes to one another’s learning. PNY is a space to share, exchange, iterate, inform and influence.
- Members derive value and contribute value. Membership is not meant to be transactional.
- We believe that our missions are best achieved by leveraging our collective strengths and the membership structure provides scaffolding for this.
- We see our role as holding community and partnering with members across the community to transform their philanthropic practices toward a more equitable, sustainable and democratic society.
- We believe that change happens through community and that having a wide and diverse membership network is critical to exercising influence within and through philanthropy.

Business Model

- Members contribute the financial and human capital resources to ensure we have the capacity to carry out our mission.
- Values of community and equity drive our membership dues philosophy: organizations contribute to PNY’s capacity according to their ability to contribute (sliding scale based on annual grantmaking).
- Membership dues cover the vast majority of a member’s participation in all of PNY’s networks, working groups, programs and events

Legal Structure

- Members vote on new board members.
- Board members and certain committee members must be current PNY members.

Who are Philanthropy New York members?

We are a network of grantmaking institutions dedicated to effective philanthropic practice to support a more equitable society.

The Philanthropy New York community currently includes 262 member organizations, comprising of about 5,000 individual staff and trustees of those organizations.

Our niche is staffed philanthropic organizations committed to continuous learning and improvement in their grantmaking and operational practices.

PNY is a space to share, iterate, inform and influence. The member community includes private independent foundations (about 32%), private family foundations (about 27%), corporate funders (about 13%), and public foundations/grantmaking public charities (about 12%). The rest are comprised of a mix of philanthropic advisors, faith-based funders, federated funds and a few donor advised funds. Private and Family Foundations make up about 60% of our membership, and private foundations have contributed to about half of our membership revenue.

Member community is inclusive of funders with local, national and international focus.

About one-third are exclusively locally focused; two-thirds have some combination of local, national, and/or international focus. More than 85% of member orgs are located here in NYC – making grants to every issue area you can imagine and every geographic location across the globe.

2024 In Review

Ecosystem Context

2024 acted in some ways as a harbinger of the instability currently facing the philanthropic sector. We saw individual giving and trust in nonprofits decline at the same time that the backlash toward diversity, equity and inclusion was gathering momentum. Both Roe v. Wade and affirmative action in college admissions were struck down and the sector began to feel the impact of what it meant to struggle to serve its communities unimpeded.

Despite the setbacks, there were also calls to action and invitations to think differently. PSOs across the sector aligned around the commitment to racial equity and movement building sprung up from even the most unlikely sources. At the 2024 Philanthropy New York Annual Meeting, echoing what was being felt in our membership and around the country, the invitation to share power was heard and shared. The theme of shifting power continued throughout the year.

These highs and lows were reflected in what we experienced at Philanthropy New York.

What did we notice about member engagement in 2024?

Annually, we look at data points that help us understand member engagement trends and Philanthropy New York's reach across all member organizations and individuals within member organizations.

- **Our reach across the community of member organizations is consistently broad**, with approximately 84% of our organizational members participating in PNY programming.
- **Individual engagement has also stayed consistent**, with approximately 20% of all member contacts attending at least one program in 2024. (The reason that organizational engagement

can be at 84% and individual engagement can be at 20% is because large-staffed foundations make up a small percentage of our overall member organizations but represent a large percentage of our overall member contacts.)

- **Working groups and cohort programs are the first places that lead to long term engagement.** Individual members that experience a sustained community (through active participation in a working group or cohort program) tend to then engage in other ways with the community (i.e., attending the annual meeting, reaching out to PNY staff for guidance, joining one-off skill-building programs).
- **We have the deepest engagement with and impact on foundations with staff size of 3-10 and foundations that focus their grantmaking exclusively in New York City.** We're able to have higher touch relationships with small and midsize foundations and our issue-based working groups and policy work specifically engages NYC-focused funders.
- **Staff engagement at large national/international foundations is sporadic and inconsistent.** We recognize that this is a group of members that has impact both on our budget and our influence. Our approaches to engaging and retaining this subset of our member community have inconsistent outcomes. We have been able to successfully engage some large-staffed foundations with virtual PNY Core programs – particularly Philanthropy 101 – since HR directors at these institutions value PNY for professional development for newer staff. Whereas, high-touch efforts to engage some large-staffed foundations haven't increased staff engagement with PNY. We are continuing to test communications strategies that target program insights to large-staffed foundations via email and LinkedIn content.
- **PNY's CEO roundtables remain our best engagement tool with CEOs, with 62% of invited member CEOs attending at least one quarterly meeting in 2024.** CEO engagement is an important point of impact for PNY. This connection is critical in creating conversations that are crafted through the lens of PNY's values and mission. We are glad to see consistent CEO involvement from certain larger-staffed foundations, since as we mentioned above, larger institutions have less staff engagement at PNY overall.

Cultivating New Member Relationships

How do new members come to PNY?

Recruitment is driven by peer-to-peer funder outreach and staff relationship cultivation. **PNY members are our greatest asset in recruitment.** More than 50% of new members were either staff members from former member organizations or organizations that had lapsed in 2023 (or earlier) but decided to rejoin. This underscores the lasting impact of PNY—members recognize our value and return over time.

PNY staff recruit new members through the relationships they build and responsiveness to inquiries. With deep knowledge of PNY's work, staff can foster meaningful connections and create a sense of community with potential members. Staff contributed to recruitment through relationship building, representing the organization, and sparking curiosity about PNY in the field (i.e., speaking on panels in philanthropy spaces, engaging in other philanthropy networks).

Why do new members join?

Most prospective members reach out to PNY because they align with our mission and values, are seeking relationships and community, and interested in the forward-thinking learning opportunities that PNY provides. While some still join for more transactional reasons (i.e., to gain access to a specific program or resource), an increasing number are motivated by the positive experiences and learnings shared by their colleagues and peer organizations. This highlights the growing reputation of PNY as a trusted and values-driven community, where members gain both professional and personal value.

Who joined in 2024?

We generally have between 15 and 25 new member organizations join each year. In 2024, we remained consistent and acquired 24 new members.

Organization or staff member was previously a member of PNY

- Paul and Daisy Soros Fellowships for New Americans
- Starr Foundation
- Spark Youth NYC
- Envizen
- Eric Oppenheimer Family Foundation
- Youth INC
- Jessie Smith Noyes Foundation
- Mission Magnified
- Arabella Advisors
- Community Foundation of Hudson Valley
- Health Foundation of Central and Western New York
- Rivian Foundation
- Hillspire LLC

Existing Staff Relationships

- Knight Family Foundation
- The Asian American Foundation

Interest in PNY Signature Program or Working Group

- Healthfirst Foundation
- Melkus Foundation
- KHR Foundation
- Lone Pine Foundation

PNY Organizational Reputation

- Tigers in America
- Partnership for Educational Advancement
- Gavin Farrell Foundation
- The Coby Foundation
- The Neighbor Fund

Members Leaving PNY

Why do members drop? Members tend to drop for the following reasons:

- Structural changes (e.g., they no longer have a strong point of connection with our region, closing offices/programs);
- Staffing changes (e.g., CEO transitions, turnover of staff who were primarily connected to PNY);
- Lack of engagement over time (e.g., they find the programming or community they are seeking through other philanthropy organizations); and/or
- Budgetary constraints (e.g., pulling back on sector memberships, loss of funding for GPCs).

What did we see in 2024?

In 2024, we had 36 members drop. This represents a lower retention rate (86% as compared to previous average of 92-93% retention rate).

Additional data gathering and conversations with former members are needed to understand what factors contributed to more members leaving in 2024 than in past years. We will need to ascertain whether this year was an anomaly, or if it indicates the beginning of a downward trend in membership, and what factors have contributed to either.

In 2024, a few things stood out to us when we reviewed the 36 dropped member organizations:

- 14 were small foundations (0 – 2 staff) that were overwhelmingly long-time members who have not been consistently active in the PNY community in the last 7 – 10 years.
- 23 were at or below \$2,000 in annual membership dues to PNY; seven contributed between \$2,000 and \$10,000 in dues; four contributed \$10K and \$20K; and two were at the \$40K dues level.
- 5 explicitly named budgetary constraints, which is a slight increase from past years. Four of the five were grantmaking public charities.

(More below under “Three Year Trends”.)

Who dropped in 2024?

Members Who Dropped in 2024 and Since Rejoined in 2025

1. Norman Foundation
2. UBS Optimus (Previously Credit Suisse)
3. May and Samuel Rudin Foundation

Structural Changes

1. Northlight Foundation
2. Edward Hazen Foundation
3. Leticia Peguero Coaching and Consulting

Staffing Changes

1. Reader’s Digest Partners for Sight Foundation
2. Fiduciary Trust
3. Conrad Hilton Foundation

Lack of Engagement Over Time

1. Arnold Ventures
2. Wenig Family Charitable Fund
3. Florence V Burden Foundation
4. Eric and Jane Nord Family Fund
5. Alpern Family Foundation
6. DJ MacManus Foundation
7. FurtherJustice Foundation
8. Capital One
9. Manitou Fund
10. A.L. Mailman Family Foundation
11. John A and Mary Clare Ward Family
12. EHA Foundation
13. Catherine & Joseph Aresty Foundation
14. Claire Friedlander Family Foundation
15. The Joseph LeRoy and Ann C. Warner Fund
16. Blue Meridian Partners
17. Garden of Dreams
18. The Families and Workers Fund
19. Cypress Fund
20. Rockefeller Archive Center
21. Restaurant Workers' Community Foundation

Budgetary Constraints

1. EM Power
2. Astrea Lesbian Foundation
3. David Rockefeller Fund
4. UNFCU Foundation
5. The New York Stem Cell Foundation

Three-Year Trends in Recruitment and Retention & Next Steps

Prior to 2024, we saw small decreases in the number of members – going from 280 in 2021 to 274 in 2023. We expected some fluctuation with the adoption of our strategic framework and communication about the 2025 dues adjustment. This year's larger decrease (from 274 to 262) has prompted us to zoom out to see if we can notice any larger trends.

Initial review of three-year data on recruitment and retention:

- Family foundations and smaller-staffed organizations staffed (0-5 staff) were the subsets of our member community where the most significant attrition occurred. No other categories (by types of org, e.g., private, corporate, public – or by staff size) showed a significant difference between recruitment and retention.
- The difference between new member revenue and lost revenue over the three-year period was just under \$100,000 in total (about 3% of our budget). Since the majority of members who have dropped in the last three years contribute on the lower end of the dues schedule, the impact on revenue has more modest than the impact on absolute numbers of members.

We will need to do additional analysis and be in conversation with the Committee on Members, the Board, and current and former members to understand the change in memberships and future implications. We are testing the following questions with the Committee to guide further exploration:

- Are we experiencing a higher level of volatility? (How are decisions about joining and dropping memberships taking place? Is their experience that this decision making is more dynamic within their foundations?)
- Have patterns of engagement shifted post-pandemic in short or long term in ways that might impact retention and/or the profile of PNY members? (anecdotally from CoM experience, data analysis of PNY engagement data and outreach conversations between CoM and members)
- Is this year's contraction a delayed outcome of the intentional choice we made to do fewer, more curated programs? (PNY data analysis, anecdotal information from CoM)
- What trends are our PSO colleagues experiencing? Has an expanded PSO ecosystem affected PNY membership decisions?
- What, if any, budgetary considerations come into play when organizations choose whether or not to continue PNY membership?
- What impact is the current operating environment having on membership decisions?

Opportunities for recruitment and retention

As we move forward, we will be attending to recruitment and retention in the following ways:

- Determine criteria by which to measure where the outreach of the Board, CoM and staff would be most effective
- Dedicate recruitment energy on engaging former members to come back after a lapse of membership.
- Mobilize the Board, the Committee on Members, and committed stakeholders to reach out to members who have left to understand their decision making and make efforts to reengage.
- Ensure we're identifying less engaged members or organizations at risk of leaving and mobilizing staff, Board and Committee on Members to engage.
- Proactively reach out to individuals who were highly engaged but have changed jobs to determine if there are opportunities for recruitment at their new organization.