



2020 Award Recipient

AARP

AARP is the nation's largest nonprofit, nonpartisan organization dedicated to empowering people 50 and older to choose how they live as they age. With a nationwide presence and nearly 38 million members, AARP strengthens communities and advocates for what matters most to families: health security, financial stability, and personal fulfillment.

Senior Leadership

- In 2015, AARP's senior leaders initiated a transformation in the work of the Washington, D.C.-based nonprofit, which has a network of thousands of volunteers who are involved in activities coordinated by the organization's state offices. The leadership's aim was to increase AARP's impact on the lives of people age 50-plus and their families throughout the United States.
- Results for two key performance indicators, "Lives impacted through advocacy" and "Lives impacted through programs," indicate that AARP has succeeded so far in doubling the reach of its work to impact lives from 32 million people in 2015 to more than 60 million in 2019.

Societal Contributions

- AARP provides strong and consistent support to its partner, AARP Foundation, which works to end senior poverty by helping vulnerable older adults build economic opportunity and social connectedness.
- In response to the COVID-19 pandemic, the organization launched AARP Community Connections, an online platform that served more than 470,000 users and helped create nearly 800 mutual aid groups in communities nationwide in its first five months of operation in 2020.
- In 2019, AARP launched an initiative to build free fitness parks customized for older adults in all 50 states, Washington, D.C., Puerto Rico, and the U.S. Virgin Islands. The first 25 parks had been opened by August 2020, with 10 more slated for completion by the end of the year.

Organizational Strategy Aligned with Performance

- Using integrated tools and processes, senior leaders drive strategic actions to achieve AARP's social mission. For example, the Enterprise Strategy Map links the organization's purpose "to empower people to choose how they live as they age" with strategic priorities and performance objectives.



Highlights

- AARP has doubled the reach of its work to impact lives, from 32 million people in 2015 to more than 60 million in 2019.
- In 2018, AARP established the AARP Brain Health Fund to accelerate research into cures for all types of dementia, including Alzheimer's. The fund was launched with a \$60 million investment in the Dementia Discovery Fund.
- To spur breakthrough products and services in the marketplace, AARP created the \$40 million AARP Innovation Fund that provides capital to innovative companies focused on improving the lives of the 50-plus and their families.
- Benchmarked data show AARP is in the 94th percentile of national comparisons for the employee survey item "My Job Makes Me Feel Like I Am Part of Something Meaningful." Annual spending on staff training has increased over the past three years, to around \$2.5 million.
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- AARP's Enterprise Dashboard enables leaders to sustain a focus on achieving the organization's key objectives—Grow Impact, Grow Relevance, Grow Revenue, and Engage Workforce—which cascade to departmental and individual employees' performance objectives.

Managing for Innovation

- To enable the exploration of significant innovation opportunities, AARP has established within the AARP Innovation Labs a dedicated Design Thinking function. If opportunities arise outside of the planning process, AARP follows an approach that weighs the relative value, cost, and risk of new strategic opportunities.
- AARP established the Brain Health Fund in 2018 to address two primary concerns of aging—maintaining brain health and cognitive capabilities. The fund, created to accelerate research into cures for all types of dementia, launched with a \$60 million investment in the Dementia Discovery Fund.
- AARP Innovation Labs engage, support and collaborate with startups to transform industries and change lives. Since 2017, Innovation Labs have engaged with 120 startups, invested \$450,000, and supported dozens of promising new products and services.
- AARP created the \$40 million AARP Innovation Fund, a first-of-its-kind investment fund that provides capital to innovative companies focused on improving the lives of the 50-plus and their families.
- In partnership with the Research Park at the University of Illinois at Urbana-Champaign, AARP established Tech Nest, an innovative technology lab that employs academic talent to create technology solutions for people 50-plus.

Preparing and Engaging the Workforce

- Benchmarked data show AARP is in the 94th percentile of national comparisons for the employee survey item "My Job Makes Me Feel Like I Am Part of Something Meaningful." In addition, AARP's results for the survey item "I Get the Formal Training I Want for My Career" rank in the 80th percentile. Annual spending on staff training has increased over the past three years, to around \$2.5 million.
- For the past three years, AARP has been annually recognized as a "Top Workplace" by *The Washington Post*. At the same time, the organization has maintained comparatively high employee retention and low employee turnover.

Ethics and Accountability

- All of AARP's employees and volunteers are required to complete annual training on a code of conduct and sign statements agreeing to avoid conflicts of interest. Employee survey results since 2015 show that more than 90% of workforce members consistently agree that AARP "operates by strong values and ethics."
- In 2019, and again in 2020, AARP was named one of the "World's Most Ethical Companies" by the Ethisphere Institute, which since 2007 has honored purpose-driven companies committed to ethical business conduct and to improving the communities they serve.

- AARP's RaiseYRVoice system for reporting ethical concerns is available on a 24/7 basis to the organization's workforce, partners, and suppliers. Results show a beneficial steady trend in the number of ethics concerns for the past four years.

Customer-Focused Excellence

- While its membership of 23 million households has remained relatively stable over the past five years, AARP has succeeded in increasing members' use of product and service offerings by 7 percent since 2015.
- Results for readership of AARP's publications have sustained high levels that exceed national comparisons. In contrast to other major publications' declining readership in recent years, *AARP The Magazine* has been the most widely read publication in the nation for three years in a row.
- AARP's brand equity (a composite score of familiarity, quality, and consideration of the brand) results for adults age 50-plus have outperformed those of other U.S. nonprofits for four of the last five years.
- In recent years, AARP has earned consistently good annual Net Promoter Scores, reaching a level of 50.8 this year, which is considered an excellent score relative to benchmarks.

Strong Financial Performance

- AARP's unrestricted net assets have grown at a compound annual growth rate (CAGR) of 5.3 percent over the past five years. That rate exceeds the performance of comparable nonprofits for the past four years, which have experienced an average decline in CAGR of 2.4 percent over the same period.
- Since 2015, AARP's operating revenue has steadily grown at a CAGR of 3 percent, which exceeds the average CAGR of similar nonprofit organizations.

For more information:

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Baldrige Performance Excellence Program

The Baldrige Program educates organizations of all sizes and from all sectors in organizational performance management and improvement. We also administer the Malcolm Baldrige National Quality Award. Our key services are to identify and recognize role-model organizations, share best management practices, and help organizations achieve best-in-class performance levels. We are the only public-private partnership and Presidential award program dedicated to improving U.S. organizations.

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