Efficient Fundraising: Using Economics to Maximize Your Efforts

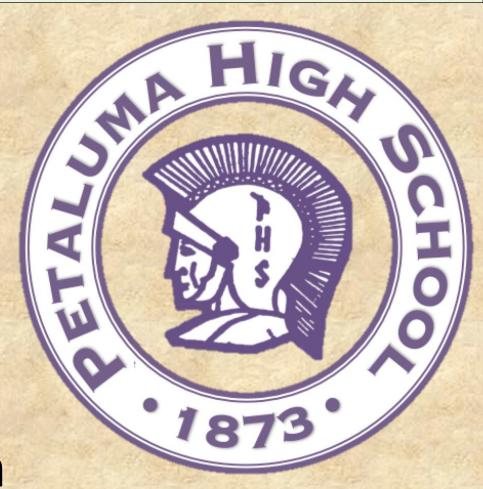


SESSION OBJECTIVES

- Discuss fundraising goals for your program
- ☑ Explore initiatives of varied success
- ✓ Identify ways to plan and execute more successful fundraisers
- ☑ Discover potential fundraisers to try within the next year

CONTEXT FOR SESSION

- ☑ 7th year social science teacher at Petaluma High School
- ☑ Earning an M.A. in Economics and Entrepreneurship for Educators at the University of Delaware
- ☑ 3rd year ASB Advisor with Kevin Jackson
- First two years the goal was to survive, now we are looking at how to grow and thrive



GOALS

- ☑ Prom...\$60,000!!!
- ✓ So how do we get here???
 ...EVERY YEAR!

STOP

Meet a neighbor and discuss what you fundraise for at your school / in your program

START WITH A ROAD MAP

- ☑ Our first step is to have a destination identified
- ☑ At PHS, that is paying for a \$60,000 Prom every year, but how?
- ☑ Prom Tickets: \$30,000
- ☑ Homecoming: \$12-15k
- ☑ Winter Formal: \$4-6k
- ☑ Mr. GQ: \$3-4k
- ☑ Miscellaneous: \$5-7k ☑ 9th-12th grade



SO HOW DO WE EARN THE LAST \$5-7K?

- **☑** Dine and Donates
- **☑**Back to School Night Food Truck
- ☑Wrapping Paper/Popcorn/Cookie Dough/Chocolate Sales
- Pancake Breakfast
- **☑**Student Parking Spaces
- **☑** Back to School Dance
- ☑Christmas Tree Pickup
- ☑ Holiday Market
- **☑**Bake Sales
- **Golf Tournament**

RETURN ON INVESTMENT

- When we plan a fundraiser we are essentially investing time (human capital), money, or a combination of both
 - Our philosophy has been that it is better to invest time than money, especially when trying a new initiative
- ☑ This year we were able to successfully launch two new annual fundraisers
 - ☑ Student Parking Spaces
 - ☑ Egg Bowl Pancake Breakfast
- ☑ However...we also took a big swing and miss on a potential big money maker
 - ☑ Cancelled a golf tournament

Two Successes of Return on Investment

Pancake Breakfast

- ☑ Biggest need was student hustle
- ☑ Grocery gift card donations
- Milk and eggs donated locally
- ☑ Minimal cost (kitchen/custodial)
- ☑ \$1,200 profit in inaugural effort



Student Parking Spots

- ☑ Students formed clear plan for administration to sign off on
- Design flyer and keep records
- ☑ No overhead cost, BYO paint
- ☑ \$1,400 profit in inaugural effort



Our Bogey with Return on Investment

- ☑ Last spring we planned a golf tournament to benefit both ASB General Fund and the class of 2018
- ☑ Much larger scope than typical fundraiser
 - ☑ Coordination with golf course
 - Find businesses to sponsor event
 - ☑ Sign up 60+ golfers @ \$125/per
 - Design / order custom gear
 - Prizes purchased or donated
- This event required far more hustle and organization than class was in for



July 28, 2017

Price Points & Profit Margins

☑ When setting prices, estimate expenses and a break even point.

☑ For instance, our Back to School Dance is only \$5 to attend because our expenses are minimal (\$1,000) We anticipate 300-400 students, so we know we will have enough in attendance to profit \$500+







Price Points & Profit Margins

- ☑ Also important to think of profit margins when determining prices
- ☑ For example, our homecoming dance typically attracts 700-800 students. Considering the cost of DJ, decorations, tickets, snacks, photo booth, extras like CO2, and custodial staff our per student cost comes out to roughly \$4. That means an average ticket price of \$20 gets us a 5x markup, profiting about \$16 from every student in attendance.

Elasticity of Demand

☑ Elasticity of demand refers to how many customers you will lose from raising prices or how many customers you will gain from lowering prices.

Elastic Demand

- Mr. GQ ticket prices
 - After years of selling out, we raised prices only to find that ticket sales fell
 - ☑ Because demand was elastic, it was better for us to keep prices low and draw a bigger crowd

Inelastic Demand

- ☑ Student Parking Spaces
 - ☑ Given the limited spaces (we had a max of 25 to distribute) we chose a price of \$100 instead of \$50
 - ☑ Still sold more than 50% of spots, maximizing revenue and keeping free spots open

