

Efficient Fundraising: Using Economics to Maximize Your Efforts



CADA Session 5

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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



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

