Efficient Fundraising: Using Economics to Maximize Your Efforts

CADA Session 5
Andrew Aja
Petaluma High School
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
Prom...$60,000!!!

So how do we get here???

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

...EVERY YEAR!
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
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

<table>
<thead>
<tr>
<th>Pancake Breakfast</th>
<th>Student Parking Spots</th>
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<tbody>
<tr>
<td>• Biggest need was student hustle</td>
<td>• Students formed clear plan for administration to sign off on</td>
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<tr>
<td>• Grocery gift card donations</td>
<td>• Design flyer and keep records</td>
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<tr>
<td>• Milk and eggs donated locally</td>
<td>• No overhead cost, BYO paint</td>
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<tr>
<td>• Minimal cost (kitchen/custodial)</td>
<td>• $1,400 profit in inaugural effort</td>
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<td>• $1,200 profit in inaugural effort</td>
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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+
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.

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<th>Elastic Demand</th>
<th>Inelastic Demand</th>
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<tr>
<td>✓ Mr. GQ ticket prices</td>
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<tr>
<td>✓ After years of selling out, we raised prices only to find that ticket sales fell</td>
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<tr>
<td>✓ Because demand was elastic, it was better for us to keep prices low and draw a bigger crowd</td>
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<tr>
<td>✓ Student Parking Spaces</td>
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<tr>
<td>✓ Given the limited spaces (we had a max of 25 to distribute) we chose a price of $100 instead of $50</td>
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<tr>
<td>✓ Still sold more than 50% of spots, maximizing revenue and keeping free spots open</td>
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Q&A