

SPECIAL-EVENT FUNDRAISING

Special events can be almost anything. Your organization can hold an open house to make friends. Some playhouses hold back stage tours for their major donors. Recently the mayors of two large cities were going to run up a huge flight of steps for a charity event. After thinking this through they, perhaps wisely, backed out. Monty Carlo nights, drawings and even raffles can stand alone or be part of a special event. For example the Santa Barbara Contemporary Arts Forum has for the past six years sold a limited number of \$150 raffle tickets on “your choice of a Santa Barbara Beach home, A Wine Country Cottage—or always \$1 million in cash.

Some non-profit and even some faith-based organizations will try almost anything to raise money. It is not at all unusual for these organizations to resort to holding raffles. Sometimes they follow the state laws on raffles. Sometimes they either do not bother to look into these laws or chose to ignore them. But raffles, or any kind of gambling, can become a real ethical dilemma for some donors and prospective donors. In her memoirs, Dr. Pita (2009) gives an example from her childhood memories of a Catholic school.

A REAL ETHICAL DILEMMA

“Just before Christmas, I encountered a real ethical dilemma. Sister’s raffle was under way, undoubtedly so she could buy more classroom supplies. Still, I really fretted about whether the good Lord wanted anyone to gamble, especially ‘almost’ in church. Each day of the last week before the actual lottery drawing, I stubbornly held out against Sister’s sales pitch but was troubled no matter what I did.

“Sister seemed so sure of herself that, on the last day before the drawing, I spent my entire lunch time in prayer before the Blessed Sacrament, asking God what to do. While I did not get a direct answer from the Almighty but I did feel a sure sense of peace that gambling was not my problem to solve. Since lunch was over after this extended prayer time, I still had the five cents that was originally intended to be my milk money. Deciding God needed the five cents more than I did; I bought a raffle ticket and won the lottery.”

Wow! Even when faced with an ethical dilemma, and only after for what for she had to be a very lengthy time in prayer, this young girl gambled and won (Pita, 2009). No doubt the very fact that Dr. Pita devotes so much space in her book to this event shows that gambling still bothers her

Special events, done well, can be a good way for your non-profit or faith-based organization to increase its contact with people in the community and to build long-term friends. Special events need to be special. Almost all they need to succeed is: well executed planning; lots of hard work; an overflowing of fun; and multiple opportunities to celebrate friends. Done well, these fundraisers can indeed become friend-raisers. If your organization can then build upon these newly formed friends, raising a significant amount of money for your organization’s Mighty Mission can indeed be done by using special events.

Some non-profit organizations are successful in, year after year, using special events to raise significant amounts of funds. Special-event fundraising (sometimes also known as fundraisers) can indeed be very successful sources of income. However, most of these successful special events (fundraisers) began small and over time grew in community acceptance and financial success. The secret of financial success for special events is not how well run the events are; it is not how great the decorations at the event are; it is not how good the food tastes; it is not the quality of the music;

and it is not even how many people attended the special event. The secret of financial success for special events *is* sponsorships!

Non-profit organizations that have a Mighty Mission and non-profit organizations that have volunteer and paid representatives that over and over again speak of the organization with deep personal passion of their non-profit organization, not only can, but actually are successfully raising significant amounts of money year after year. They raise money with their annual fund, they raise money by building relationships, they raise money by carefully targeted and well planned contact with potential donors, they raise money through deferred giving, and some very successfully significant amounts of money through special-event fundraisers. These non-profit organizations have, over time, learned how to utilize these fundraisers as Friend-Raisers.

Sometimes the Board of Directors or even the paid leadership of non-profit organizations appear to believe that all they need to do is to simply add the responsibility of creating and managing a special event to a staff member who also has other duties. This mistaken approach is a disaster waiting to happen. Locating and getting commitment from potential sponsors for a special event requires the personal involvement of individuals who are well respected and well connected in the business community. Because of the relationships they have built over time, and because they are supporting a particular special event they can ask for and obtain sponsorships larger than the non-profit organization's paid staff would even dare to request.

Sponsors are primarily participating because they have been asked by the right person to participate. Sometimes the sponsors are motivated by pure charity, but they still look carefully at the return on investment of their sponsorship dollars. For example, if because of being a sponsor they get to invite some of their best customers (or prospective customers) to play golf with or even meet a well-known celebrity, they will see their sponsorship as having a good return on investment. Some individuals will agree to serve on the special event planning committee if other members of the committee are current or potential customers of theirs. In other cases, perhaps at a black tie event sponsors will participate because it will give them an opportunity to mingle with the people with power and influence who attend these events. Such high-profile events can also be opportunities to showcase a new product or service.

To maximize the amount of net funds earned and due to the costs associated with putting on a special-event fundraiser, good budgeting and negotiation skills as well as excellent planning and follow-through are necessary. Excessive spending should not be allowed but those who participated need to feel that the special event was indeed special. Most of us have been to far too many greasy fried chicken dinners. We don't want to have to tromp through a farm lot to get to an event, but neatly maintained straw-covered walkway can make going to a barn dance a lot more fun.

TURBO ENCABULATOR

It is very rare, but sometimes uniqueness alone will make a special-event fundraiser successful. Due to a number of one-time circumstances, a Rotary Club's annual special-event fundraiser fell \$6,000 short of its goal. This club didn't want to reduce its giving to worthwhile causes and also didn't want to put the time and effort into another fundraiser. The club considered assessing each of its 100 members \$5 more per month to make up the short-fall. But instead, after some serious consideration, the club chose to trust the power of a "turbo-encabulator."

From cardboard, from PVC pipe, from sheets of clear plastic, using a vacuum cleaner, finding an alternate use for a hand saw, with bells and a whistle, and with lots and lots of duct tape, a turbo-encabulator was created by an ingenious engineer. Just like the state-run lotteries' highly sophisticated machines, the turbo-encabulator was filled with numbered ping-pong balls and an open valve randomly

sent out one numbered ping-pong ball at a time. At one of its regular meeting, with much fanfare, and with an emcee wearing a tux, this Rotary Club gave a demonstration of the world's first turbo-encabulator.

Perhaps due to the style of the emcee, the urging of a local professional fundraiser and the uniqueness of the turbo-encabulator, every club member agreed to enter the new era of turbo-encabulation and to pay an extra \$10 per month to be part of this adventure in fellowship, fun and charity.

Half of the \$12,000 generated by this extra \$10 per month would be used to fund the charities which the club normally funded. The other would be given a lucky charity selected each month by the Rotary Club member whose numbered ping-pong ball was randomly sent out by the turbo-encabulator. This lucky Rotary Club member then was given a check for \$250 to hand-deliver to that charity.

Once per month, a member of the Rotary Club personally delivered a check to a needy charity. Once per month, a part of the Rotary Club's lost revenue was recovered. Once per month, the Rotary Club had a few moments of fun, fellowship, hilarity, and charity. Immediately following its last use, the turbo-encabulator was auctioned off one piece at a time. The old hand saw brought \$25 dollars, the clear sheets of plastic brought \$10 each, the high bid for the PVC pipe was \$25, and so it went. The last items to be sold were the bells and the whistle. Piece by piece, item by item, and strip by cardboard strip, the turbo-encabulator was sold off; its pieces brought in \$1,200. From what had been an earlier special-event fundraising failure came both the rise and demise of the world's first (and perhaps last) turbo-encabulator.

Instead of using ping-pong balls, a non-profit organization in Maine paints numbers on imported and lacquered moose droppings for its Moose Marble Madness special event.

These two examples just go to show that the type of special events that an organization can use for fundraising is limited only by the imagination of that organization's leadership and volunteers.

Special-event fundraising is about helping good non-profit organizations to fulfill their Mighty Mission, but it is also about fun. While the sponsors have their motivations for participating, and while the non-profit organization hopes to raise a lot of money, the special event has to be fun! The more fun it is the more likely it can be repeated year after year. One non-profit organization in Kansas created the only black tie event that was not associated with a nearby university's fundraising.

Twenty years later this event continues and the amount of funds raised continues to increase. The increased amount of money raised at this event is due in part to an increased number of participants. But the real reason for the increased amount of money raised is a significantly increased amount of dollars paid by sponsors. Whether it is a black tie event or a golf tournament, the secret of financial success for special events is sponsorships.

To illustrate this point we have created a chart with information about three golf tournaments that were held in the same community and only a few weeks apart. The columns Golf 1, Golf 2, and Golf 3 illustrate a wide difference in the amount of funds each golf tournament raised. The Golf #1 tournament was only able to net \$10 from each player's registration fee, had eighteen hole-sponsorships of \$100 and even had a \$2,500 overall event sponsor. Even if Golf 1 had added a co-sponsor, this event would have had net earnings of only \$8,240. By comparison, the Golf # 3 golf tournament with significantly larger greens fees, much larger hole-sponsorships and larger co-sponsors had net earnings of \$104,800!

Golf Tournament Net Earnings 144 golfers

Golf Tournament	#1	#2	#3
Net registration fee	\$10	\$25	\$200
Hole sponsorships	\$100	\$500	\$2,000

Event sponsor	\$2,500	\$5,000	\$20,000
Co-Sponsor	\$2,500	\$5,000	\$20,000
Total	\$8,240	\$22,600	\$104,800

When planning any special-event fundraiser, it is very important to budget so that it generates a significant amount of net earnings. Almost regardless of the type of special event, sponsorships have far more impact on net earnings than the actual number of people who attend the event or even the price of admission. Donations of valuable items for an auction or even a silent auction as part of a special event are a form of sponsorship. Only rarely and then only if it has some professional expertise should a non-profit organization even consider purchasing items to be sold at an auction. For most special-event fundraisers sponsorships are vital, but it is possible to raise significant amount of funds without them.

Miniature Golf Tournament

It sometimes seems that during the spring and summer almost every week a charity is having a golf tournament to raise money. However participation in these events is often competitive and thus golf foursomes tend to exclude the marginal golfers and the non-golfers who could want to support your faith-based or non-profit organization. Almost everyone can play miniature golf. With careful planning, it can even be played on indoor courses set up at a shopping mall, in a National Guard armory, or in a large warehouse. Downtown Des Moines, Iowa, has an intricate skywalk system that has hosted such an event for years.

To make indoor miniature golf competitive, it is possible to utilize a handicapping system. To add fun to the event it could be held at various locations over a series of days (or weekends) and, if appropriate, a play off system can be utilized. Done well, the players can have a high level of interaction with sponsors. For example, every hour a winning player can be given a free meal from a food court vendor (sponsor).

The keys to successful operation of a miniature golf tournament are very similar to the success of a traditional golf tournament. The critical elements to fundraising success will most likely be obtaining sponsors. A miniature golf tournament can be structured so that each donor obtains pledges for the holes played or even the number of strokes taken. But obtaining significant funding from major sponsorships most likely will still be a critical element to financial success.

IN THREE YEARS FROM \$20,000 TO \$220,000

In only three years, the Northwest Arkansas Chapter of the ALS Association increased the amount of funds it raised from the \$20,000 of its initial Walk to beat ALS to the \$220,000 recently raised at its Walk to d-feet ALS. The secret to the financial success of this special-event fundraiser was obtaining sponsorships. This Board of Directors has leaders that are willing to utilize their access to "people with power and influence." Through the doors they opened, major sponsorships and multiple other sponsorships were obtained. The assistance of the national office of ALS was very valuable and helped them to follow proven models for success. Ultimately the key to their special-event fundraising financial success was sponsorships.

Every year, all across the United States, various chapters of the ALS Association hold a Walk to d-feet ALS. These walks, as well as events such as the Race for the Cure which raises funds for cancer research, generate very large amounts of funds from thousands upon thousands of walkers who have already obtained individual pledges from their own family, friends and co-workers. In

some cases, these funds are the primary source of funds raised. But far more often, such events have major sponsors who contribute significant amount of funds. In addition these events often benefit from goods and services provided free of charge by sponsors. When such special events have been able to attract the participation of key local media personalities, they quite often heavily promoted during prime time newscasts. For such events, TV and radio stations may also produce high quality promotional ads and run them in prime time slots the non-profit organization could never afford to purchase.

Sometimes the primary purpose of a special event is not to raise funds but to raise public awareness and win friends. These ***Friend-Raisers*** can be a very powerful way for a non-profit organization to let others see, the impact of that organization's Mighty Mission. When others see, when they feel first hand what such an organization does, they are often deeply touched and are moved to give of their own time, their own talents and become future donor prospects. Some non-profit organizations hold an annual open house, some have a back yard barbeque, some simply put up interactive booths at health fairs or even at Chamber of Commerce business-to-business events. One children's museum regularly holds an overnight lock-in and lets its patrons experience the exhibits hands on and up close and personal. The type of Friend-Raisers varies as widely as the non-profit organization's imagination. Annually the Farm Bureau holds regional Ag in the Classroom coloring, poster, and essay contests, and even organizations such as astronomy societies use such special events to gain friends and patrons.

Even with this kind of support, careful planning is still critical for these Friend-Raisers. They have to be safe, they have to be fun, and the non-profit organization must have a follow up plan to encourage some of these new found friends to become volunteers and future donors or even sponsors of future special-event fundraisers.

Special-event fundraisers can take many forms. They can range from formal black tie events to barn dances to golf tournaments. One children's charity has a well-regulated and limited and fun game of limited-stakes "Texas hold 'em" evening. One charity has an entire evening filled with chocolate. One CASA (Court Appointed Special Advocates) chapter has Project Playhouse and child-friendly playhouses are sold by silent auction. Special events can be style shows; they can be dances or talent shows and can even be fashioned after the TV shows *Dancing with the Stars* and *American Idol*. Some scavenger-hunt special events have been able to successfully pair persons the non-profit organization serves with normal individuals and not only raise money but also recruit volunteers. The Juvenile Diabetes Research Foundation International Imagine a Cure galas are successful in almost every setting where they are run and where they have managed to obtain significant sponsorships.

Some special events are simply and purely about bringing in cold hard cash. Perhaps \$1000 per plate political fundraising dinners fit this mold. These dinners seem to be a way so-called donors can actually obtain access to political leaders. At the right time these donations can be tools to open doors for access to political leaders. This is not intended to suggest anything wrong with political donations. But these donors no doubt see their donations also as investments in achieving what they consider to be important political issues. While some political fundraising dinners may raise over \$1 million in an evening, most non-profit special-event fundraisers raise significantly less.

In the same community, on the same weekend, with an equal number of people attending, even when each non-profit organization has a well-known and Mighty Mission, the amount of money raised varies significantly. Sometimes fundraising special events get a limited amount of press coverage. In some cases, members of the media emcee fundraising special events and the media coverage increases. In Northwest Arkansas special-event fundraisers receive local magazine coverage

and are featured in the Sunday editions of the *Arkansas Democrat Gazette* and the *Benton County Daily News*.

These newspapers reported on several special-event fundraisers in their November 16, 2008, and December 7, 2008, editions. The amount of funds raised by very worthwhile non-profit organizations varied widely. Sometimes non-profit organizations believe that holding numerous special events will help them raise the funds they need to fulfill their mission. Done well, special events can indeed generate a significant amount of net revenue, but they often demand a significant amount of time of the non-profit organization's paid staff. The special events that generate a significant amount of net revenue are extremely well organized, utilize a wealth of volunteers, and very importantly benefit from the participation of one or more significant sponsors. The size of their success in special-event fundraisers is directly related to the skill with which they plan for and most importantly obtain sponsors for these events.

Return on Investment of Four Special Events

	Building Improvements	Organ Transplant	Abused Children	Food Pantry
# Attending event	300	210	275	475
# of Vols. Needed	100	40	20	60
Cost to put on event	\$3,100	\$395	\$3,378	\$5,225
Net amount raised	\$5,600	\$11,000	\$80,007	\$100,076
Return on cash	\$2/\$1	\$28/\$1	\$24/\$1	\$19/\$1
Return per volunteer	\$19	\$52	\$291	\$211
Return per Vol. Hr.	\$5.60	\$55.00	\$400.00	\$166.67
Return per attendee	\$18.76	\$52.38	\$290.91	\$210.53

The Northwest Arkansas Children's Museum, which had not even started any operations, raised \$1,000 in donations. The Sexual Assault-Recovery and Prevention Agency, an existing agency, raised \$2,000. The Empty Bowls fundraiser for the Northwest Arkansas Food Bank raised \$12,400. The Jingle Mingle fundraiser for The Single Parent Scholarship Fund of Washington County raised \$21,000. The Diamonds, Denim & Dice fundraiser for Rebuilding Together raised \$25,000. Newspaper quotes by various leaders of these organizations indicated how pleased they were with the success of their events.

In the same time frame, in the same community, the Youth Bridges Roast of Dick Trammel (Mr. Northwest Arkansas) raised \$76,200 and the Cherish Every Moment Alzheimer's Gala, with the help of the long-time University of Arkansas athletic director, raised \$115,000. Thirty-two Malco theatres recently announced that they had raised more than \$300,000 for St. Jude Children's Research Hospital.

The M&N Augustine Foundation's 15th annual International Festival, held to raise funds "to pay for programs targeting those who have suffered catastrophic events beyond their means," did not announce the amount it had raised, but newspaper quotes indicated pleasure with the amount of funds raised. In addition the Night Devine for Mercy Health Foundation was advertised and recognized its 3 major co-sponsors and the 44 firms that were also sponsors. Based upon its major sponsors and the number of its co-sponsors, this was most likely a very successful special event.

The sleepy little town of Ojai, California with just over 8,000 residents, knows how to raise money. Its Wine Festival, put on by just one service club, raises enough money to help 48 charities. The Ojai Playwrights Conference attracts entertainment professionals from all over the United States. In addition, the Ojai Film Festival brings talented individuals together. While in Ojai, they often participate in one or more charitable events. This little town raises a very significant amount of money for charities. One thing that is amazing is how successful Ojai is at raising money, when charities in the back yards of some of the world's best-known entertainers struggle to attract any attention or to raise any significant amount of money for their own Mighty Missions.

Away from the Sunshine Coast, one organization invested what for it was a significant amount of money in fundraising. Having a Mighty Mission, investing in fundraising and taking time to build relationships does work. The Northwest Arkansas Children's Shelter announced that it had risen over \$100,000 at its annual golf tournament. Another announcement was that the Anderson Children's Run for a Child, raised over \$100,000 for the Children's Shelter. Another fundraiser, The Starlight Charity Ball, earned \$220,000.

Prior to this event, the Children's Shelter leaders announced that its capital campaign drive for \$9.4 million was over 80 percent completed. At the conclusion of the Starlight Charity Ball, the President of the Shelter's Board of Directors also announced a \$13.5 million grant to build the Donald W. Reynolds Children's Shelter. Wow!

Time and time again, when a faith-based or non-profit organization has meaningful interactions with its donors and potential donors, the good will generated continues.

The authors have seen the impact of this repeatedly. The ***Organizational Awareness Potential*** is not an exact factor. But the authors believe the range of potential positive impact below to be realistic. Consider, for example, that if a special event such as a golf tournament had a \$15,000 net return and all who participated got follow up, the Organizational Awareness Potential of funds that likely could be raised because of this contact would be between \$900 and \$1200. These amounts may not appear to be significant or material. However, the Organizational Awareness Potential for a full campaign ranges from 9 to 11 percent. If a \$2.5 million campaign has been completed, the Organizational Awareness Potential ranges from \$225,000 to \$275,000.

**Organizational Awareness Potential
Range of the Likelihood of Positive Response**

	Low	High
Mailing to total strangers	0%	3%
Regular mailing to friends	2%	4%
Mailing with follow-up	4%	6%
Special Event participant	5%	7%
Special Event with follow-up	6%	8%
Targeted individual "asks"	8%	10%
Full Campaign	9%	11%

NOTE:

The information provided above is a direct excerpt taken directly from Raising Money for MIGHTY MISSIONS – Steps to Success Doing What Matters Most by

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