



Analysis of Special Event Fundraising (for volunteer leaders and professional staff)

Almost every not-for-profit organization engages in some sort of special event activity. Indeed, there are few volunteers and professional staff people who have not labored diligently on the numerous details of making an event successful.

But what is “success”? What are the reasons for doing special events? What are the problems associated with doing them? What are the *real* costs? Committed volunteers and professional staff should give thought to the following analysis when considering a special event.

First, most professionals generally would agree a special event should:

- ~ *raise money*
- ~ *provide an opportunity for people to have fun and possibly become involved (“friendraising”)*
- ~ *help reach people you might not reach otherwise*
- ~ *call attention to your organization, cause or project*

Even when special events achieve one or more of these objectives, there remains a number of factors giving rise to concern. We’ve identified a few here for your consideration:

- **MOST SPECIAL EVENTS DO LITTLE TO PROMOTE UNDERSTANDING OF YOUR ORGANIZATION, CAUSE OR PROJECT.**

Our experience shows special events seldom promote philanthropy. Instead, board members, staff and volunteers frequently are reduced to hawking chances or selling tickets, promising a good time or something better in return for a purchase.

- **SPECIAL EVENTS GENERALLY ASK EVERYONE TO GIVE THE SAME AMOUNT OF MONEY, NO MATTER WHAT ONE’S ABILITY OR WILLINGNESS TO GIVE MAY BE.**

Special events typically disregard fairness, thought-

fulness, generosity and, more often than not, succeed only in getting token gifts while giving donors the impression they really did something meaningful to help *and* the mistaken notion their tokens were generous!

- **SPECIAL EVENTS RISK CONVERTING YOUR “SPECIAL GIFT” PROSPECTS AND DONORS INTO HIGHER COST SPECIAL EVENT DONORS.**

This phenomenon occurs more frequently than realized, especially among organizations that rely heavily on events for income. The result of this conversion phenomenon is simple: costs increase and net income drops. At the same time, you may *miseducate* your volunteers and donors into expecting something in return for a contribution beyond an appropriate and prompt acknowledgement *and* the satisfaction of helping meet a need. Remember, in our ethical and moral value system, philanthropy (giving) is *not* a *business* transaction, nor is it begging or arguing. One gives because there is a need—and because someone *asked* with sensitivity and moral suasion.

- **SPECIAL EVENTS SOMETIMES GENERATE PUBLICITY WHICH HURTS MORE THAN HELPS.**

Even if your organization and event are portrayed favorably, you *don’t* want to create the impression you have all the friends and money you need. (Your publicity should *tell your story* as part of an overall public relations strategy. Remember, *publicity does not raise money*. At best, it helps create a climate within which money *can* be raised. Also, publicity can be deadly—you can be hurt or made to appear controversial, neither of which you want.)

- **SOME SPECIAL EVENT ACTIVITIES LITERALLY CHEAPEN YOUR CAUSE ~**

because they’re irrelevant, silly or morally ques-

tionable in your constituents' eyes. Jog-a-thons, jello-jumps and junk stores do little to promote philanthropy. Organized gambling, such as bingo and "Las Vegas nights," are illegal in some areas, but even when they're *not* they leave you open to controversy among some of your potential constituents. Also, they do little to promote philanthropy or build an informed and committed constituency.

- **SPECIAL EVENTS ARE A HIGH-COST METHOD OF FUND-RAISING.**

Like other activities, special events have three types of costs: *direct*, *indirect* and *opportunity*.

- ~ *Direct*, the most obvious, generally fall in the range of 25% to 50% of gross revenue.
- ~ Less obvious are *indirect*—staff/volunteer time spent on the event. When staff time is converted to dollars, many events become marginally profitable (or in fact may *lose* money). And this does *not* address issues of effective and efficient use of volunteers, *their* time or whether they are being miseducated in the business of not-for-profit institutional development.
- ~ Other costs seldom considered, yet most insidious, are *opportunity* costs of any given special event. These are the benefits lost by investing resources into one activity *instead of* another. *Every* activity has an opportunity cost. We suspect the opportunity costs of the vast majority of special events are so high they make them little more than poor quality "loss-leaders."

In his book, *Designs for Fundraising* (New York: McGraw-Hill, 1966), Harold J. Seymour in the chapter "Good and Bad Fundraising Techniques" states:

"Special events are like raisins in rice pudding: many people like them... They take a lot of time and talent...and perhaps obtain newspaper publicity and the interest of some people to become involved. But grant this and much more, the fact

remains that special events do little or nothing for thoughtful and proportionate giving, and almost always are run at shockingly high cost. ... It is the [dollar] return in light of the effort that troubles more thoughtful [professional] fundraisers."

If your objective is to raise as much money as possible at the lowest possible cost, then it makes sense to invest your organization's limited resources into those fundraising activities which *yield the greatest return on investment*. If you're concerned with building a broad-based donor constituency who will give generously when asked, then we believe you must engage in fundraising activities which utilize people to *inform and educate others about your organization's programs*.

We believe the very *best* "special event" is one involving two people with influence and affluence, sitting down with a third person, articulating a rational-emotional case for support and asking for a meaningful, investment-level commitment. We challenge you to invent a better special event.

If you currently are engaged in special event activities, we suggest you evaluate them within the context of your development program objectives. What are the *real* costs? Are your special events a part of an overall development strategy or are they an end unto themselves? How are you utilizing staff, board members' and volunteers' time? Is your constituency of \$1000+ donors growing each year or are you stuck at the \$50 and \$100 level? Are you building strong commitments and concerns for *your* cause and *your* organization among influential and affluent people?

We trust more thoughtful professionals, concerned with the financial strength of their institutions, the future of philanthropy and well-being of those we seek to help, will evaluate fundraising options *carefully* before committing their limited resources.

ADVANCING THE ART OF FUNDRAISING

*This is one in a series of articles developed to help you understand how the professionals at **The Mark Randall Company** think and approach the art of fundraising. We hope if reading this stimulates questions, you will call us for the answers.*