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## **Survey Shows Economy Starting To Impact Non-Profit Fundraising Auctions**

*Harder To Get Items, Sponsors Demanding More, Lower Bids*

CAMBRIDGE, Mass. -- June 16, 2008 -- cMarket, the leader in online auction fundraising, announced the results of an economic impact survey completed by 255 charity auction managers across the United States who ran auctions between January and April of 2008. Results of the survey indicated that while still in the early stages of the economic slowdown, 22% of respondents stated that they saw a decline in funds raised this spring compared to last year and nearly all are bracing themselves for an even tougher non-profit fundraising environment over the months to come. Overall, auction administrators are finding it harder to get items, bidders are pulling back, a significant number are reporting attendance down at their galas, and corporate sponsors and commercial item donors are demanding more tangible marketing benefits in return for their underwriting.

The survey was conducted between May 29 and June 3rd and comprised 255 respondents. Key findings from the survey include;

- 67.5% report that the economy had a somewhat or very noticeable impact on their event
- 67.5% say it is "somewhat" or "much more" competitive getting items from local merchants and 39% say merchants are getting more demanding for marketing benefits
- 40% said that corporate sponsors are getting more demanding in asking for marketing/promotion benefits
- 21% report lower attendance at this years gala and 32% say those bidders who did participate were less active

"We found that respondents were feeling the impact of the economy in many different ways", said Timothy Matthews, senior analyst, who led the project. "Even those whose auctions did well said they felt at least some softness, particularly on the supply side in terms of item donations and acquisition."

To the extent that auctions fund significant social needs from school playgrounds, medical research, scholarships to private schools, homeless shelters, etc., non-profit fundraising difficulty in this area will impact a broad cross section of society.

“In this environment auction committees are well advised to revisit their assumption around their goals and what is attainable,” said Jon Carson, CEO of cMarket. “If you plan on matching last years goal, or even beating it, you may need to think about what you’ll do differently as the headwinds appear to be much stronger this year.”

Respondents had a variety of thoughts in what they will do differently next year. Over 62% said they would start the process of getting items earlier. Greater use of online was cited by 35% of respondents. Thirty one percent said they would get more high priced items while 16% said they would get additional lower priced items to appeal to more people.

Sharon Stolle, co chair of The Woodlands Christian Academy auction in suburban Houston noted that because many in their community are employed by large corporations in the oil and airline industries, they had not experienced negative economic impacts that many in the nation are feeling, and in fact, saw unprecedented generosity. But, Stolle says, “We had to do a lot more personal asking for donations this year as local businesses did not as readily respond to normal flyers or email.” Looking forward to money potentially being diverted to the presidential elections and a continuing weakening of the economy, the school plans to get ‘save the date’ cards out earlier, and letting donors know how much their gift brought in at auction to encourage future donations.

In Maine, a state ranking high in the number of non-profit organizations per capita, Jennifer Nelson of the Cancer Community Center noticed that competition from other organizations forced ‘regular’ donors to resist giving and she expects next year to be worse. “Restaurant certificates sell really well, but in a sluggish economy, they are the first ones that suffer. We plan to start a lot earlier next year and use social networking sites, grow our contact list and use BiddingForGood to get more exposure.”

In an earlier survey of non-profit auction bidders done in February 2008, cMarket found that 25% were planning on pulling back this year due to the economy. Says Matthews, “This latest survey shows that more discretionary purchases such as art, collectibles, and jewelry didn’t do as well, while everyday items such as travel, dining and entertainment were still popular even if total bidding was down.”

“We didn’t see the same quality of items coming out of peoples attics [for donations] this year such as sterling candlesticks, good china and crystal,” said Pat Murphy, co-chair for the Chorus of Westerly, in Rhode Island. “We also saw a decrease in the attendance at the event and that bidders were much more conservative in how much they were willing to pay this year. For instance, a week vacation in Florida normally goes for \$2,700; this year it went for \$2,100.

Marcy Radcliffe of the New School in Lancaster, PA plans a different approach for next year’s fundraiser. “We plan to decrease the amount of items we have in our silent auctions and instead offer more creative and intangible items that can be combined into a package such as an authentic homemade Ethiopian dinner catered by grandparents

of one of the students. Her advice: “We all need to recognize that the pot is getting smaller and smaller – running an online auction makes it easier, being part of a larger pool, to attract bidders from neighboring states.”

For more information on the survey or to get a list of 40 strategies non-profit auction managers will employ next year, please contact [Helen Stefan](#).

### **About cMarket**

cMarket is the leading online auction platform solely for organizations engaged in fundraising for non profit causes. With more than 2,200 customers, online auctions powered by cMarket have generated measurable successes and tens of millions of dollars by allowing organizations, both large and small, to better optimize their auction fundraising model and at the same time, build mission awareness and heightened caring for important causes.

cMarket services national nonprofit organizations such as the United Way, Muscular Dystrophy Association, JCC Association, Junior Achievement, National PTA, and hundreds of local schools, among others. cMarket also works with companies including Ford, Deloitte & Touche, UGG Australia, Kimberly-Clark and General Electric to raise funds for their nonprofit causes.

You can experience cMarket at [www.BiddingForGood.com](http://www.BiddingForGood.com), its consumer website that aggregates all the company’s auction clients under one powerful umbrella for thousands of cause-minded bidders. cMarket has headquarters in Cambridge, Mass. For more information, visit [www.cmarket.com](http://www.cmarket.com).

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