Do Incentives Work?

Rewards are a staple of fundraising efforts. Here’s a look at how effective they really are, and some smart strategies you can use.

by Evelyn Beck

Most parent groups use some types of incentives to encourage student participation in fundraising. The prizes range from individual items to class activities to outrageous stunts by principals. But do such rewards really work at getting students to take part in a PTO fundraiser? And if you do decide to use incentives, what’s the best way to incorporate them?

Some groups avoid or limit the use of incentives out of a concern that certain kinds of rewards, such as class parties, take away from instructional time. Concerns also exist about the pressure that prize packages put on children and about the message of consumerism they send.

“As a mom, I’m not into rewarding my kid with toys or gadgets if he does a good job, so it was not my instinct to set up the fundraiser with a similar motivator,” says Colleen Reed, vice president of fundraising for the Twinbrook Elementary PTA in Rockville, Md. But after the disappointing results of their cookie dough fundraiser, in which only 35 of 550 students submitted orders, the group is considering changing its approach. “One of the teachers told me afterwards that incentives are a great motivator not only for kids but also for teachers to encourage their classes to get involved,” Reed says.

Terry Weaver, chair of the PTO’s jogathon at Poinsettia Elementary in Ventura, Calif., made the same discovery. In 2010, when the PTO didn’t offer any prizes for participation, the fundraiser brought in $8,000. The next year, when they instituted prizes for the first time, the income tripled to $25,000, and this year’s total rose to $32,000. Even accounting for the outlay of $300 for prizes, that’s a tremendous increase.

“Prizes are important; it’s as simple as that,”
Weaver says. “If we don’t offer prizes, we don’t get nearly the amount of returns I think we could get.”

Ryan Cady, a member of the board of directors of the Association of Fund-Raising Distributors and Suppliers (AFRDS), couldn’t agree more. “Student incentives are pretty much the number one thing with fundraisers,” he says. “Everybody loves receiving some sort of gratification for helping out.”

Creating Excitement With Incentives

The best place to start when considering incentives is with your fundraising representative, who is likely to offer a prize package tied to the products your school will be selling. These items are examined at trade shows, purchased, and then often tested by children for their appeal before being presented to parent groups. But it’s not enough just to send the list of prizes home. You need to get kids excited about earning them.

Many schools kick off their fundraisers with an assembly where the fundraising rep or the principal might talk about the prizes, show a video, or challenge the kids to meet the goal. Then it’s important to keep up an awareness of the prizes. Some groups do this through morning announcements. At the Windy Ridge School in Orlando, Fla., the principal interviewed students who were having success, including those who solicited fun run sponsorships through a garage sale and a lemonade stand.

Others have tried distributing the prizes periodically throughout the fundraiser rather than waiting until the end. Poinsettia’s Weaver did that by wheeling a prize wagon through the school nearly every day for two weeks. Any student who turned in at least $5 for the jogathon received a bracelet, and any students with a bracelet could choose a prize from the wagon once a day if they encountered it.

The prizes were simple items ranging from erasers to spider rings to beach balls, and they changed each day. The result was increased fervor. “Those small prizes went so much further than the big prizes,” Weaver says. “Just my being present and talking to students made them want to get prizes. They liked being a part of the fundraiser.”

Tips for Using Incentives

1. Work with your fundraising representative for good ideas about incentives.
2. Kick off the fundraiser with an assembly that includes promotion of the incentives.
3. Focus on participation rather than sales totals; award a prize to each participant if possible.
4. Distribute prizes while the fundraiser is still going on. Do this at the start of the school day to minimize disruptions and maximize exposure.
5. Get the principal involved. Fun promises from the principal (like dyeing his hair school colors) can be a big motivator for students.
6. Offer incentives to teachers for class participation.
7. Layer prizes. In addition to rewards from the fundraising company, offer school spirit events and special privileges.
8. Publicize the winners on your school’s website.
However. “We try to get every single school to do some form of event,” he says. “If the child really wants to go to the party or event, for the mom to please the child, she’ll help sell five items.”

Though the small prizes are key, large prizes are still an incentive for many. But it’s important to choose the right item. At Poinsettia, one year’s prize was attendance at a surf camp. “Unfortunately,” says Weaver, “a lot of kids didn’t fight for that. They weren’t interested in surfing or girls were not interested.” So this year, a prize with broader appeal was selected: a yearlong family pass to an indoor trampoline company and a $25 gift card for dinner at a burger place right next door.

At Hudson (N.C.) Elementary, the PTO sold raffle tickets for an iPad as part of its fall fundraiser, and the response was overwhelming. “Some people came to the festival solely to try to win the iPad,” says PTO copresident Cristy Abel.

It’s also good to recognize those who worked hard even if they didn’t bring in the most money. Poinsettia offers an Aloha Spirit Award for the student who brings in the most donations from different people. That student won the choice of a Kindle Fire or a beach ball with $100 worth of gift cards on it.

Keeping Costs Down

While incentives seem like a good idea, some groups worry about the costs. But there are several ways to minimize the expense. First, of course, is to use the prizes offered by the fundraising company you’re working with. Another is to seek donated prizes. Windy Ridge had Chick-fil-A donate a catered lunch for those students who raised at least $200 for the fun run. The PTA already had a relationship with Chick-fil-A: On spirit nights at the restaurant, the PTA received a portion of money spent and the company received advertising on T-shirts given to all participants and on the school website, so it was most likely considered a good corporate investment.

Another approach was taken by the PTO at Hudson Elementary, where students who participate in a catalog fundraiser and sell at least $50 worth of items receive a wristband that would allow them to play on all the inflatables and carnival games at the upcoming PTO fall festival, Abel says. That prize, which is greatly desired by the children,
also helps boost attendance at the next PTO event.

The Denton Creek Elementary PTO in Coppell, Texas, relies almost exclusively on no-cost incentives in its gift card fundraiser. Each month, a different local business is highlighted and is asked what incentive it can offer to the student with the highest sales of that particular gift card, from a T-shirt to a free gift card to a chips and queso party for that student’s class. And every student with at least one order gets to choose from a changing list of privileges that include extra computer time, sitting with a friend at lunch, and wearing pajamas to school. The incentives are offered monthly, and that has made a big difference.

By adding such incentives, “Just within the semester, we raised more than we did the entire previous year,” says PTO president Roya Tompkins. “We brought in just under $2,000 for the fall semester. In the past we did maybe $900 for the entire year.”

Another way to cut costs is to purchase an item for a drawing. At Tolland (Conn.) Elementary, any student who sells at least 10 packages in the pasta fundraiser is entered in a drawing for a $20 Walmart gift certificate, says PTO president Karen Moran. And to encourage submitting box tops, those who bring in at least 25 by a certain date are entered in a drawing held three times a year for a prize such as a certificate to play miniature golf.

When considering prizes, though, be sure to take into account your school’s culture. “A lot of schools do candy for the lower-level prizes because candy is inexpensive,” says Kim Richard, PTA president at Windy Ridge. “But our school doesn’t support candy for kids. It doesn’t go along with our healthy school option. We started with candy but changed it after talking to the principal about what would be appropriate.”

At Hudson Elementary, the principal does not want class disrupted. So instead of an ice-cream party incentive, the students in the class with the most participation in the fundraiser were each allowed to get free ice cream at lunchtime.

Involving teachers is important, too. At Poinsettia Elementary, the class with the highest participation in the jogathon won a $100 gift certificate for the teacher in addition to a pizza party. The result? “Everybody was pushing everybody,” Weaver says.

The Principal Matters

Perhaps nothing is more important than the principal’s support. “The principal’s involvement is the key to the success of a sale,” Koehler says. Cady agrees. “What really takes the fundraiser to a whole other level is when the administration gets involved,” he says. “Kids love it when their principal or coach or media center director—someone they see every day—agrees to do something fun and crazy for hitting a certain level or dollar amount. That will take any prize we can offer and will double that fundraiser. The fact that they’re getting involved gets the whole school involved.”

At Poinsettia, the principal promised to dye his hair one of the school colors (red and blue) if the students raised at least $30,000 in the fundraiser. He announced that at the kickoff assembly and during Friday announcements. The PTO used a big thermometer to display fundraising progress and also carted from classroom to classroom a posterboard photo of the principal on which his hair was progressively colored in. The student who won the grand prize even asked for the photo.

The principal also attends a pizza party with the class that has the highest participation and plays games with the students. “He’s a very good sport,” Weaver says. “Kids love seeing him walk around campus with crazy color hair.”

It’s clear that incentives do motivate kids, and, increasingly, parent groups are finding new and creative ways to incorporate them into their overall fundraising strategy.