**The Fallacies of Underwriting and Sponsorship for Dinners**

**or How I Met My Match**

For as long as I can remember, I have heard of ministries and consultants espousing the benefits of getting “underwriters and sponsors” to help off-set the cost of doing dinners. I have seen ministries create different levels of sponsorship and include logos, banners and even included corporate promotional speeches at dinners – all in the hopes of covering the costs of the dinner before the evening even starts. And in theory, that sounds great.

Countless dinners have included appeals using the following phrase, “ladies and gentlemen, I’m happy to report that all the costs of the evening have been underwritten (usually by individuals or sponsors) and thus, 100% of the funds raised tonight will go directly to our efforts to do…..(fill in the blank)”. And again, on face value that sounds great as well.

The only problem is that mindset and those statements will actually decrease giving rather than increase giving. Let me repeat that, “underwriting and sponsorship will actually decrease giving.” Upon hearing that a ministry has underwriters or sponsors, guests will think that the ministry has others “footing the bill” for the evening and thus think to themselves, “Why do I need to give if they have heavy-hitters out there” or even, “My gift won’t matter to them”. Or we see that people don’t even give the cost of their meal because that incentive has been taken away. When we removed the underwritten or sponsor phrase above from the appeal, giving went up – often dramatically.

Don’t get me wrong, if someone offers to help cover the cost of your event, you won’t turn that person down, but actually there is a better way to use that gift. If you think about it, getting the costs covered up-front only make YOU feel better because it removes the burden that comes from large up-front costs such as printing, postage, and food and beverage/catering expenses. You feel better going into the dinner not having any expenses with the net proceeds going to your efforts, but it does nothing to provide an incentive for others to give more.

Over the last decade, I have found that matching gift efforts have been a “game-changer” for dinners. Finding a handful of partners (individuals, corporations or even churches) that pool their money together (privately/confidentially) to offer $10,000, $20,000, $30,000 or more to match all gifts given at a certain level up to the limit of the pool that night is extremely effective.

That pool can be used in two ways. First, you can match all gifts given that night up to the total amount in the pool. And that’s better than no match at all. But the best way is to have an amount that is a “minimum” to participate in the match – a number that pulls up your partners giving and stretches their faith. You might say during the appeal, “a handful of partners have agreed to match every gift of $600 ($50/mo) or more given or committed tonight up to (the pool amount maximum of) $30,000.” That will challenge the people who were thinking of giving $300 or $500 to give a faith-stretching gift of $600. And you can increase that minimum each year – I have tested it going from $600+ in year one to $1200+ in year two to $1800+ in year three to $2400+ in year four -- each year guests increase their giving in order to participate or meet that match. It is exciting.

Matches generally come in two forms; conditional and unconditional. A conditional match is the most familiar type. A partner (individual or corporate) says, “I’ll match giving that night up to a certain dollar amount, but if you don’t get that dollar amount, I’ll only give you what is committed.” For example, if the partner says they will match gifts that night up to $30,000 and you only raise $25,000 of gifts of $600 or more, they will only give you $25,000 – that’s what makes it conditional.

However, an unconditional match is one where the person agrees to match all gifts of $600 or more up to $30,000, and the partner says, “but I’m going to give you the $30,000 no matter what.” Those are the best kind of matching gifts because it allows you to increase your minimum match number the night of the dinner because you know that the $30,000 will come in no matter how many people give up to that amount. When the match is conditional, I usually use a more conservative number like $600 or more as a minimum. But with an unconditional match, I can start with a higher minimum like $1200+ ($100/mo) since it doesn’t matter if we met the pool number or not. I do still increase that amount each year.

The partners in the original pool can give their match at any time during the year – it doesn’t have to be given by the dinner. For integrity purposes, I do want the commitment to match gifts by the night of the dinner, but the money can be funneled later.

Partners can be asked at any time to be part of the matching pool, but one of the best people to ask is someone who can’t attend. As soon as I find that a major partner can’t attend the event – which means that they probably won’t give (out of sight, out of mind) – I say, “Mr. Jones, I’m sorry you can’t be with us for the dinner. But there is one way you can be with us in spirit. We are putting together a matching gift pool of $30,000, would you be willing to give $10,000 toward the pool and you would match any gift given the night of the event over $600+ (or whatever the minimum was). Now, that money doesn’t have to be given before the dinner, only committed so that with integrity we can use your money to encourage others to give sacrificailly.”

So, as you can see, if someone offers to help you underwrite the costs, it is actually better to turn the tables on them and ask them to instead give that same amount to the matching gift pool to “leverage” people’s giving the night of the dinner – business people especially understand leveraged giving and love that option even better than underwriting.

If someone wants to give to the match individually and also wants to support us through their corporation or company and wants to be listed in the program for public relations value, I still allow that to happen. However, I will never use the term “underwriter or sponsor” but use the term “Partner” and list them as such. That is a broader term and doesn’t link their money to the dinner, the costs of the dinner or to underwriting. I have never had anyone not want to be listed as a partner instead of an underwriter or sponsor. They care that their logo is there and prominent and that’s all that is important to them.

If covering up-front costs is still an issue, there are a number of things that can be done to help with that. Ask the venue (hotel, club, etc.) if they will extend direct bill to your ministry. That allows you to establish credit and will mean that you just pay a deposit and not pay the remaining balance days before the event, but days after the event – and after the event means you can use the proceeds from the event. Having to pay before the event means that you need to tap into reserves, which might be a major issue as it is for most non-profits. Also, don’t be afraid to ask the venue if they can “live with a lower deposit”. Remember, everything dealing with food and beverage is negotiable. Getting a venue to lower the deposit from $2500 to $1000 or $500 happens all the time. Or ask them to split the deposit into bite-sized chunks; $500 today, and $500 every month for five months or $500 today and $1000 next month and $1000 the following month. This won’t reduce your total bill, but may help with cash flow.

Printing and other materials can be donated and those individuals can be listed as “partners’ in the program the night of the dinner. You would be surprised how many items can be donated. Being a good steward of God’s resources is the most important aspect of the dinner but we also need to be wise stewards and using a match rather than getting underwriters or sponsors is wise stewardship.