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Poncho's Gala Auction sweeps fewer arts supporters off their feet.

TEAM PHOTOGENIC PHOTO/ALI HARVEY

The dancing was hot at the April 21 Poncho Gala Auction, but attendance and revenues were down.

Getting in step

Poncho trims back signature event

BY CLAY HOLTZMAN
 STAFF WRITER

Seattle's oldest fundraising event — the one often credited with popularizing charity auctions — is being downsized and shortened to reflect wavering interest, growing competition and a new generation of donors.

Poncho's new-look Gala Auction made its debut on April 21, a slimmed-down event

that raised 14 percent less money than last year and drew 15 percent fewer people.

The arts support group says it will make up for the shrinking auction revenue by increasing its courtship of individual donors.

"As an organization, if we want to stay relevant and add to our giving, we can't continue to expect our events to grow every year,"

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PONCHO: Arts group relying more on direct donations

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said John Linder, Poncho's director of development. "In this city, there are more auctions than you can shake a stick at."

The new emphasis on gifts is key to Poncho's plan to double its \$1 million in annual grants to the arts within five years. Poncho says it will not change its smaller, but growing, annual art and wine auctions.

Poncho's decision to begin raising more money through direct giving has generated \$130,000 in such donations, with a fiscal year goal of \$180,000 — triple last year's gift total.

Attendees at this year's Poncho Gala Auction at the Westin Seattle saw significantly fewer auction items and went home earlier than usual; the event wrapped up at 10:15 p.m.

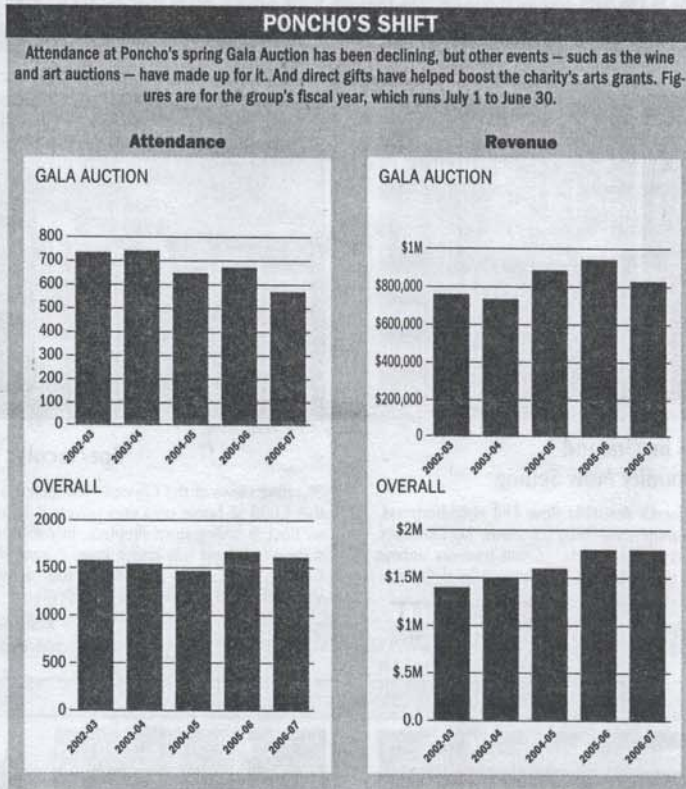
Naomi Ruiz, chairwoman of Poncho's gala committee, said the changes were in response to attendee feedback.

"It's not to say that the gala is broken," she said, "but we want to refresh it and make sure we are appealing to new potential supporters of the arts."

Poncho's 45-year-old annual gala is Seattle's oldest charity auction. It generates the bulk of Poncho's annual gross revenues, which last year topped \$1.8 million. After expenses, Poncho's 2006 arts grants totaled \$1.1 million.

Founded in 1962 to raise money for the Seattle Symphony, Patrons of Northwest Civic, Cultural and Charitable Organizations — better known as Poncho — makes grants to a variety of Washington arts groups.

Gordon Hamilton, Poncho's executive director, said the gala will continue to be Poncho's primary annual event. But now, instead of focusing solely on fundraising, the event will also focus on celebrating the achievements of arts groups and cultivating new and existing donors.



Source: Poncho

BUSINESS JOURNAL GRAPHIC/LAURA STUMBAUGH

"We are trying to distinguish the Poncho gala, to focus it more around being a celebration of the arts," Hamilton said, "as opposed to just another auction."

Hamilton says because Poncho's special events generate net income, 100 percent of each individual contribution will go toward its program that awards grants to arts groups. That ratio will

help Poncho raise money from private donors, Hamilton said.

Raising more money from gifts may allow Poncho to increase its overall fundraising efficiency. A recent survey published by nonprofit watchdog Charity Navigator shows that special events are the least efficient and most costly fundraising mechanism. Half of all

charities surveyed use special events to raise money and, on average, they spend \$1.33 to raise \$1.

Sandra Miniutti, spokeswoman with Mahwah, N.J.-based Charity Navigator, said the public perception is that the bulk of ticket sales and other money raised goes to the charity, when often that money is used to cover the cost of the event.

Charity organizers say fundraisers present a unique set of challenges, including keeping costs low, attracting new audiences and ensuring the events appeal so supporters return year after year.

But such events have an added value in that they cultivate new donors, raise an organization's profile and recognize supporters.

"There's more cost-effective ways to raise money, but it is a wonderful opportunity to pull the community together to celebrate successes at the institution," said Maggie Angle, director of special events for the Swedish Medical Center Foundation.

Sharon Friel, who along with her husband, Dick, has worked as an auctioneer for more than 2,600 fundraisers, including 25 Poncho galas, said the amount of competition for special event dollars has grown dramatically since Poncho's first gala.

She estimates there are between 500 and 700 annual fundraisers each year along Washington's Interstate 5 corridor.

With that level of competition, any charity must be willing to alter its strategy when prompted.

"After seven years, you won't have a gala any more because you will have lost your gala and your volunteers," Friel said. "They will be exhausted."

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