

The Keys to Successful Money-Earning Projects

By Bill Sloan

Illustrations by Marvin Friedman

What's the best way to earn funds for a well-rounded program? Successful units follow three simple steps: determine financial needs well in advance, choose projects that meet BSA guidelines, and then work like beavers to complete them.

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Fifty members of Boy Scout Troop 5 in Austin, Tex., were able to spend two weeks hiking and camping in the French Alps last summer. Scouts from another troop could afford to fly halfway around the globe for a high adventure trek in the pristine wilderness of New Zealand. Yet another troop spent July traveling through Central America and cruising the Caribbean.

The summer for many other Scout units, however, represented a struggle just to cover the cost of sending some boys for a week at the local council Scout camp - and some didn't even make it that far.

The key difference? Money, of course. With enough of it, the world can be your oyster. Without it, summer - as well as the rest of the year - can be a real bummer.

The elements of a quality unit program - from buying camping gear to supplementing members' costs for uniforms, camporee and summer camp fees, *Boys' Life* subscriptions, and more - cost money. Figuring out how to earn the necessary funds to pay for program elements is a challenge all units face.

Three simple steps to success

Financially successful units follow three deceptively simple steps:

1. They figure out well in advance how much money they need.
2. They choose a profitable money-earning project that meets Scouting guidelines and fills that need.
3. They work like beavers to complete it.



Car washes are among the many types of traditional projects that Scouting units use to finance their year-round programs.



"The first thing units need to do is sit down in late summer or early fall and plan an annual budget," explains Dick Schmidt, associate director of the BSA's Finance Support Division and the man who fields questions, concerns, and complaints about money-earning from units and councils across the nation.

"They need to identify all their funding sources, decide how much they need to raise through a money-earning project, then follow through on it," Schmidt says. "It's never wise to have a fundraiser with no specific financial goal in mind."

Projects should be selected only after planning the unit's annual budget to determine expenses.

However, only about 25 percent of all Scouting units follow this model approach. For the other 75 percent, earning the necessary money for activities and equipment can be a confusing, exhausting chore at best. At worst, it can become a nightmare of pitfalls, shortfalls, disappointments, and conflicts with the local council.

There are many ways to earn money without violating the time-honored principles and ethics of Scouting. Some units rely on such traditional projects as Scouting show ticket sales, chili or spaghetti suppers, car washes, rummage sales, Christmas tree lots, and collecting aluminum cans for recycling.

Popcorn, peanuts, candy bars!

But for most, says Schmidt, the greatest amount of money can be earned through the sale of a commercial product. A "product" can be anything from fertilizer to first-aid kits or from Christmas cards to candy bars. Traditionally, the most successful items are food products in the \$5 to \$7 price range.

For many units, the product of choice is popcorn, sold through a council-coordinated campaign.

"Popcorn has emerged as the most popular route to money-earning for units all across the country," says Joe Glasscock, the BSA's director of Boy Scout program development. "About 95 percent of local councils now conduct popcorn sales, and it's a proven way to make money."



A sales product should be both something people need or like and a good value for the money.

Bruce Walcutt, chairman of the national Boy Scout Camping Task Force and high adventure coordinator for Troop 5 in Austin, heartily agrees. "Our council sold \$793,000 worth of popcorn in 1998, and I expect us to reach \$1 million in sales within a few years," Walcutt says. "It's a great product, and the beautiful thing is that it's all done in just a couple of weeks."

Popcorn sales netted Troop 5 more than \$3,000 last year. That, and a similar amount raised in a massive garage sale, helped subsidize the troop's trip to the French Alps and enabled several Scouts to go who couldn't have afforded it otherwise.

Popcorn sales work so well, leaders say, because they are coordinated at the council level; each unit sells in a specified area, avoiding confusion and competition. Council control also helps avoid other problems encountered when units strike out on their own to raise money.

"We get a constant stream of complaints from councils about individual units that try to take on inappropriate fund-raising projects - like sponsoring golf tournaments, holding big auctions, or going

after matching funds from companies," Schmidt says. "These types of ventures should be handled by the council. Individual units usually don't have the expertise to do them properly, and in most cases they are in violation of national BSA policy, which prohibits the direct solicitation of funds by units."

The best way for unit leaders to inform the council of their money-earning plans, and to insure that a proposed project meets all standards and regulations, is to submit the one-page Unit Money-Earning Application (BSA Supply No. 34427) well in advance of the actual project.

"Many units either never bother to fill out an application or they wait until too late," Schmidt says. "They could spare themselves an incredible number of problems if they'd just do it early. Every council office has the forms, and if it's a council-approved project, there is no problem."

Boy Scout and Cub Scout uniforms can be major assets in making sales. *But uniforms can be worn only during council-sponsored money-earning activities*, Schmidt points out. Because a commercial product should be sold on its own merits, youth members are not allowed to wear the BSA uniform while participating in a unit sales project.

Choose the right product to sell

Whatever product a unit may decide to sell, many pitfalls can be avoided by following these time-tested standards:

- Pick a product that people really like and/or need. This can lead to repeat business year after year.
- Be sure whatever you sell represents a good value for the money. (If you're trying to charge \$6 for an item that costs only \$1.98 in the stores, most people won't be eager to buy.)
- Because your Scouts are doing most of the work, make certain your agreement with the supplier provides a fair split on the profits - 50 percent or close to it.

"If a unit doesn't get about half the proceeds from each sale, our advice is not to bother with it and look for something else," Dick Schmidt states. "Selling merchandise to individual customers is no easy task."

To stimulate their young salesmen, some successful money-earning units offer a bonus for each item sold. One of these is Troop 290 of Ada, Mich. (a suburb of Grand Rapids), which has earned thousands of dollars annually for the past 15 years selling Christmas wreaths.

"The troop makes \$2 for each wreath we sell, and half of it goes to the boy who sold it," explains Bill Buchanan, a 35-year veteran of Scouting who has served three stints as Troop 290's Scoutmaster.

"The only requirement," he says, "is that his earnings have to be spent for Scouting-related expenses - buying equipment and books, going to camp, and so forth."

Troop 290's wreath sales have become so successful that other area Cub Scout packs and Boy Scout troops have also gotten involved.

"We order for all the units," Buchanan explains, "and we don't charge them anything extra. In fact, the more wreaths we buy, the lower our cost per item, so the bigger orders save us money in the long run."

Before settling on wreath sales, the troop tried a number of other money-earning ventures with varying degrees of success.

"We used to have an annual pancake supper, and we got great support from the members of the two churches that sponsor the troop," Buchanan says. "But putting on the suppers was an awful lot of work, and we were only netting about \$1,000 after expenses, which isn't really much when you're trying to buy equipment. We also tried selling Christmas cards, light bulbs, and 'Scout time,' but once we got into wreaths, they worked so well for us that we stayed with them."

This holiday season, thousands of homes in the Grand Rapids area will sport a wreath ordered by Troop 290, Buchanan notes. Individual members of the troop have made enough money from the wreath sales to fund their summer camps, trips to Philmont, and even ones to Europe.

Such are the rewards of successful money-earning.

A frequent contributor to Scouting magazine, Bill Sloan also wrote about organizing a successful unit product sales campaign in "Scout Salesmen" in the October 1993 issue.

Where to Learn More About Money-Earning

Information and answers to questions about money-earning projects or about the fund-raising process in general can be found at the BSA Finance Support Division's special Web site, <http://www.fsd.org>

Additional sources of information include the following:

- The **Unit Money-Earning Application** (No. 34427) includes a detailed checklist of 10 guidelines for approved and appropriate projects. The form is available at local council service centers and is also reproduced in the Cub Scout Leader Book.
- The following **Scouting magazine articles** will soon be posted in the magazine section of the BSA Web site - or get reprints by sending one self-addressed, business-size envelope with 55 cents' postage for all four of the articles to Money-Earning Reprints, *Scouting Magazine*, S204, P.O. Box 152079, Irving TX 75015-2079.
 - "Putting Fun Into High Adventure Funding" (March-April 1994). *One troop's innovative savings program.*
 - "Scout Salesmen" (October 1993). *Tips on organizing a product sales campaign.*
 - "The Whys and Hows of Money-Earning" (November-December 1994). *A summary of BSA policy and regulations.*
 - "Pancakes for Profits" (November-December 1998). *One troop's recipe for a money-earning breakfast.*

Use Caution When Selecting Products to Sell

Beware of money-earning opportunities that seem "too good to be true." Sometimes they can be exactly that.

An example of an apparent "golden goose" that turned out to be a turkey in disguise occurred several years ago when the BSA was offered an exclusive deal to sell the autobiography of an overwhelmingly popular Hall of Fame baseball pitcher.

"On the surface, it seemed like a great offer," says Dick Schmidt of the Finance Support Division, "but after a closer look, we saw some serious problems. For one thing, the book was supposed to sell for \$35 a copy, and people simply aren't going to spend that kind of money with a kid selling door to door. If they want a product like this, they'll go to a bookstore.

"For another thing, only a very small percentage of potential buyers are interested in this kind of product. You might have to knock on 100 doors to make one sale.

"We expressed our appreciation to the marketing people who approached us with the idea, but we had to say, 'No, thanks.'"

Why Raffles Are a No-No but Door Prizes May Be O.K.

Raffles or games of chance are a strict "no-no" with the BSA, yet local units often find themselves unwittingly drifting into these troubled waters in search of needed funds.

So why are raffles *not* O.K.? And how do you tell if a proposed money-earning project violates the no-raffles policy?



By applying a simple test to the following example, you can find the answer to both questions:

Several dozen parents volunteer to bake cakes to help a Cub Scout pack raise money for a special outing. Leaders debate whether to sell chances on the cakes or auction them off to the highest bidders. Some maintain that selling chances will bring in more money. Others say, "We can't do that - it's against the rules."

How do you decide? By following the long-standing BSA precept that *each person who buys something from a Scout unit must receive something of value in return.*

"In an auction," explains BSA Finance Support Division associate director Dick Schmidt, "the high bidder, or 'winner,' always gets the cake - and is the only one who pays anything. However, if you sell *chances*, one person wins the prize while the others receive nothing for what they paid. That's why we never endorse raffles."

What about a "chance" to win a door prize? A unit may give away door prizes in connection with a dinner or entertainment event if *no added charge* is made for the chance to win a prize.

"Give" is the key word here. Although offering door prizes may increase the incentive to buy tickets to the event, each buyer also receives the actual value of a meal or a performance in return for the price of the ticket. The door prizes are a free "extra."

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