The Economics of Progressive vs One-Time Raffles

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The Economics of Progressive vs One-Time Raffles

Raffles are a versatile fundraising tool, but not all raffles are created equal. Understanding the economic and behavioral differences between progressive and one-time raffles can help nonprofits maximize revenue, engagement, and long-term donor relationships.

This article examines the advantages and considerations of both types of raffles.

One-Time Raffles

Overview

One-time raffles are typically held for a single event or campaign, with a fixed prize and entry period. They are straightforward and easy to execute.

Economic Characteristics

- **Revenue Predictability:** Dependent on the number of tickets sold within a limited window.
- **Costs:** Prizes, ticketing, and marketing for a single event.
- **Donor Reach:** Limited by the event’s duration and, if in-person, geographic constraints.

Behavioral Characteristics

- Attracts participants who are motivated by the prize or event.
- Less likely to build habitual participation.

- Data capture is limited to participants for that event only.

Progressive Raffles

Overview

Progressive raffles carry over prize pools from previous draws, growing over time until a winner is drawn. They often run continuously or with recurring cycles.

Economic Advantages

- **Increasing Ticket Sales:** The growing prize incentivizes continued participation.
- **Predictable Recurring Revenue:** Regular draws create habit-forming donor behavior.
- **Scalable Costs:** Operational overhead remains relatively stable while participation grows.

Behavioral Advantages

- Encourages repeat participation due to anticipation of a larger prize.
- Builds long-term engagement and donor loyalty.
- Provides richer first-party donor data over multiple cycles.

Risk Mitigation

- Prize pool growth can be managed within budget constraints.
- Automated online platforms simplify compliance, reporting, and participant management.

Comparative Analysis

Feature	One-Time Raffle	Progressive Raffle
Duration	Single event	Recurring/continuous
Prize Growth	Fixed	Increases over time
Revenue	Dependent on single draw	Cumulative, grows with participation

Feature	One-Time Raffle	Progressive Raffle
Donor Engagement	Event-based	Habit-forming, recurring
Data Collection	Limited	Rich, longitudinal
Scalability	Limited	High
Risk	Event-dependent	Managed via platform and cycle

Progressive raffles outperform one-time raffles when measured by engagement, donor retention, and long-term revenue.

Strategic Considerations for Nonprofits

- Combine one-time raffles with progressive formats to maintain excitement while building recurring participation.
- Use online platforms to maximize reach, scale, and data capture.
- Monitor participation metrics to optimize timing, prize value, and marketing strategy.
- Ensure compliance and transparent communication with participants.

Summary

- One-time raffles are simple and suitable for specific events but have limited scalability and engagement potential.
- Progressive raffles generate higher engagement, recurring revenue, and richer donor data.
- Strategic use of both types can maximize overall fundraising impact.
- Online platforms enhance scalability, reduce administrative burden, and improve donor experience.

By understanding the economics and behavioral dynamics of raffle types, nonprofits can design fundraising campaigns that optimize both revenue and long-term supporter relationships.