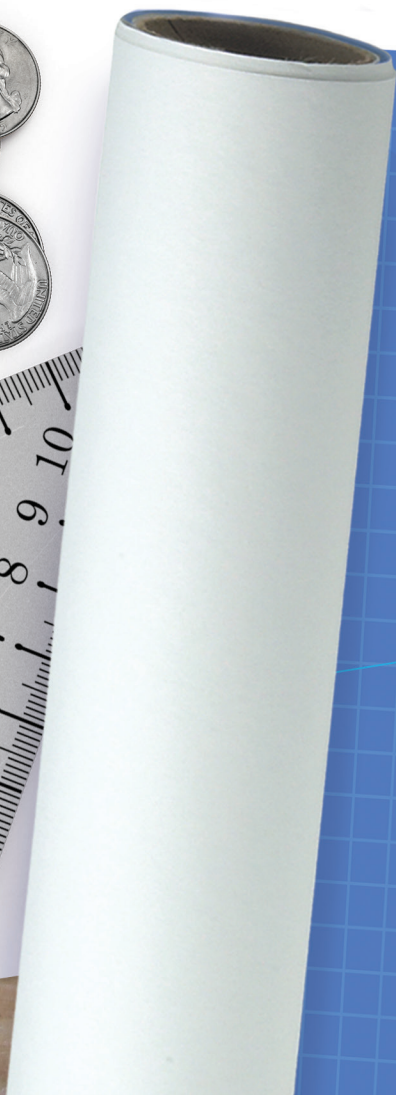


HOW TO

CREATE A
CAMPAIGN BUDGET



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than 75% of
your budget on
voter contact
(advertising).***

HOW TO: CREATE A CAMPAIGN BUDGET

One of the biggest mistakes we see is campaigns and candidates who don't create a campaign budget at the beginning of their races. One of the first things every candidate should do is create a budget that is realistic, has measurable goals and gets the campaign through election day. If you've never created one, ask us!

BUILDING A BUDGET FROM ELECTION DAY BACKWARDS

A campaign budget should be built so that the expenditure phase of the campaign comes at the end. Your goal should be to keep your "burn rate" as low as possible and spend the bulk of your budget on voter contact when your voters are paying attention. This will help you create fundraising goals and keep track of your spending. Be realistic on what you can do and ask the people who are helping you to come up with budget numbers for you early in the campaign. Not every campaign is going to do TV or radio and that's ok but the bulk of your campaign spending needs to be directed towards voter contact.

PLANNING AND BUDGETING

Microsoft Excel is a great tool that is widely available and easy to use for budgeting purposes. First, make a list of all expected items. Then add them into the correct month on the sheet when you will actually make the expenditure. Do this for every expenditure you can think of to make your budget as realistic as possible. As you fill in the months on your budget, you should see that the majority of your planned expenditures happen later in the final months of your campaign.

Your fundraising will affect your budget. You need to sit down and have an honest conversation about your fundraising goals and then you can plan your budget around those goals. If you are planning not to fundraise and are going to self-fund your race with your own money, then you should build a budget around an amount you feel comfortable spending out of your own pocket. Either way, you should put together an honest, realistic budget that will put you in position to win come election day.

Budgets are living, breathing things, they grow and shrink over time. If your fundraising is going better than expected, then you can adjust your budget accordingly and put some of that money into a reserve or expand line items like adding an extra mail piece or mobile ad flight. If your fundraising isn't going according to plan, you will either need to figure out a way to stay on budget (self-fund, personal loan etc.) or revise your budget downward and cut some things from your budget that you don't absolutely need.

Pro Tip: Don't be afraid to ask what things cost ... it's better to know upfront.

A budget can only be realistic if you know what everything will cost so you can accurately plan for those costs. You have to do your research, ask questions and plug those numbers into your budget when you get them. You should have a discussion with your mail vendor and set up a potential mail plan broken down piece by piece, then add those costs into your budget. Same should be done with all your other consultants/vendors you are going to use on your campaign. The more information you know the more accurate your budget will be and that means less guess work and more time for fundraising and voter contact for you.



BURN RATE

A burn rate is the rate of money you spend a month during your campaign. Your burn rate should be at its lowest rate during the beginning of your campaign, and like the voter's attention to your race, it should grow the closer you get to election day. During the beginning of the campaign your burn rate should be mainly fundraising costs as you are fundraising and banking as much money as you can to spend on voter contact in the fall.

Pro Tip: Keep track of your inflow and outflow.

This is pretty much self-explanatory but you absolutely should be keeping track of your ins and outs. This is typically the campaign treasurer's job, but you should be doing this as well because they have the checkbook, but you have the budget. You should meet or talk with your treasurer a few times a week in the slow months as you are fundraising, but as the bills start coming in during the fall you want there to be enough in the budget to just tell your treasurer to pay the bills than have to worry about finding money for bills instead of meeting voters and talking issues. As mentioned before, Excel will help you with this. There are also other software programs that can help as well. Keeping the campaign budget balanced will save your you time and headache down the road. There is no substitute for peace of mind and knowing where you stand financially so you can focus all your time and energy on the voters. Let your opponent worry about how much money you have in the bank, thanks to you sticking to your budget, they are about to find out.

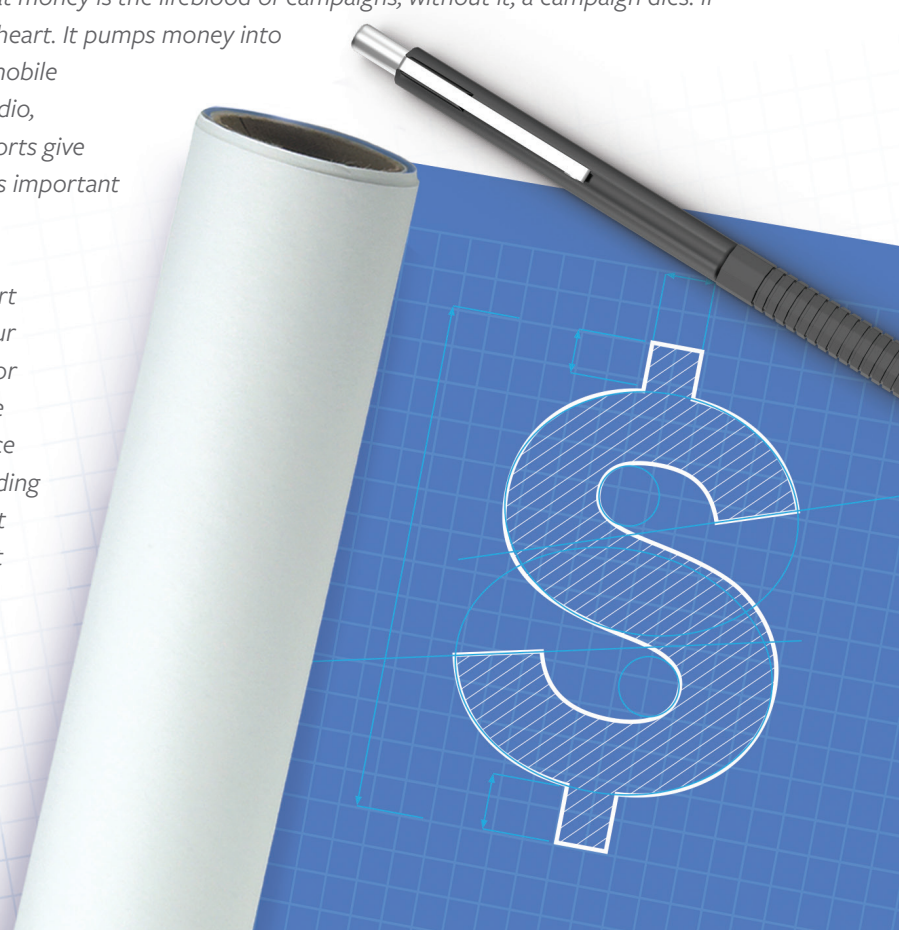
VOTER CONTACT EXPENDITURES

To create your budget correctly you want to work back from election day. All of your heavy expenditures should take place in the last few months when voters finally start paying attention. This means your voter contact line items in your budget like your direct mail program, digital/mobile ads, newspaper ads, radio/TV ads to reach voters all should be back loaded in your overall budget. Tracking and keeping a low burn rate throughout those early months of your campaign will help ensure your campaign budget is sound and on budget to be able to afford those big expenditures that are going to help you win your election.

Pro Tip: Spend no less than 75% of your budget on voter contact (advertising).

We can't overstate this enough: voter contact should be the largest portion of your campaign budget. You should allocate at least 75% of your money towards it. It is said that money is the lifeblood of campaigns, without it, a campaign dies. If money is the lifeblood, then voter contact is your heart. It pumps money into the vital efforts of grassroots door to door, mail, mobile advertising, traditional media advertising (print, radio, television) and phone calls. Your voter contact efforts give your campaign a pulse. That is why voter contact is important and demands so much of your budget.

Your campaign is a marathon, not a sprint. You start off with a slow and steady pace of spending on your campaign. Some literature for your events and door knocking for voter ID work in the beginning. As the summer rolls around you gradually pick up the pace but don't burn your budget out on excessive spending so when the fall comes you are ready for the sprint to the finish line. During the fall your voter contact programs should be pumping away powering the vehicles that will take you across that finish line and into office. We can't stress this enough, back loading your voter contact efforts is extremely



important and why budgeting is so crucial for success. You don't want to burn through all your money and have nothing left during those final crucial weeks or months.

One final piece of advice that will save you time and aggravation; be smart with your money. Don't spend all of your money on items that aren't targeted at specific voters.

We understand that this is your first time running for office and you might not know what to spend your precious and often limited resources on. As we mentioned above, voter contact is the most critical part of your budget. But there are still traps and ways to waste money even within voter contact.

Targeting and crunching data can help you sidestep some rookie mistakes and help you get the most bang for your campaign buck. Spending money to advertise to people that will never vote for you, or even show up at the polls at all, is a waste of campaign resources. Instead, concentrate your expenditures on persuading likely persuadable voters and turning out your supporters. Make sure you have maximized your expenditures to those two groups of voters before considering spending money on advertising that is more broadly based. Keeping your spending target focused and your pencil sharp will help guide you to victory on election day.



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