



Auction Results

RAISING FUNDS BY RAISING HANDS®

Auctioneer for altruism

David Goodman's showmanship ups charities' proceeds

By RUTH SOLOMON Staff Writer

When the Oak Brook based Ronald McDonald House Charities relied on volunteers, its annual fund-raising auction brought in \$25,000.

Then director of development Jennifer Armstrong met auctioneer David Goodman at a seminar about online auctions.

"We did investigate other auctioneers, but we felt comfortable with him. We liked the way he solely focused on charity," Armstrong said.



An excited Joan Wegner from Oak Brook holds her auction card up, as the highest bidder for an item at the Friends of Conservation benefit held at the Inter-Continental Hotel in Chicago.

Laura Weisman/For Pioneer Press



David Goodman auctions off items at a fund-raiser for Oak Brook-based Friends of Conservation, held at the Inter-Continental Hotel in Chicago.

Laura Weisman/For Pioneer Press

With Goodman's services, Ronald McDonald House more than quadrupled the fund raising at its recent live auction, held at the Field Museum, bringing in \$100,000.

Growing niche

Goodman, owner of Auction Results in Chicago, is one of a select number of professional

auctioneers who devotes all his time to raising money for charities, as opposed to bankruptcy, real estate and art. Charity auctions now represent a \$14.6 billion business out of the \$240 billion that live auctions generate every year nationwide, according to figures from the National Auctioneers Association in Overland Park, Kan. Just two years ago, the figure was \$13.4 billion for charity auctions.

"It's a vastly growing sector. A lot of charities are turning to professional auctioneers because they know how to deal with a crowd. They can get a lot more money that way," said Erica Brown, public affairs manager for the auctioneers association, located just outside of Kansas City.

Charity auctions bring in more money than residential real estate (\$14.2 billion), art, antiques and collectibles (\$12.1 billion), and personal property auctions (\$10 billion), NAA figures show.

Goodman, a Lincoln Park resident who grew up in Highland Park, cut his teeth on real estate and bankruptcy auctions.

Family trade

He is the son of Martin Goodman of Sales Results, a now defunct company that was in the retail liquidation businesses.

After graduating from the University of Michigan, the younger Goodman went to work for his father.

The auctions were for items left over when a store went out of business. Retailers always left behind a small amount of inventory, Goodman said.

It was this experience that helped Goodman realize the importance of valuing items accurately. For example, he would see others auction off a sofa for only \$200 when it was actually worth \$700.

"If the person (doing the auction) doesn't understand what the value of the item is, they can underestimate its value," said Goodman, adding he later attended the Missouri Auction School, considered to be one of the best auction schools in the country.

Feel-good events

About 19 years ago, Goodman started making occasional forays into charity auctions. "My first charity auction was at a church in Winnetka; that's where I cut my teeth. I found I had a niche, so I would do two to three charities, but I was mainly doing retail auctions. But I had a much better feeling after doing a charity auction than after a bankruptcy auction," Goodman said.

Nearly 20 years later, Goodman now devotes all his time to charity auctions. The process starts long before the actual event.

"I help them with the right type of packages, and put them in the right order. Their fixed costs are: band, food, linens and tables. The live auction can bring in \$10,000 or \$100,000; this is variable," he said.

'High-end' fees

Goodman doesn't reveal how much he charges.

Instead he says, "I'm known as a very high-end charity auctioneer. If you want to hire me, you have to be prepared to raise \$80,000. Last week, I auctioned off a trip for eight to Jackson Hole for \$21,500. But I also auctioned off letters to God written by students from the School of St. Mary in a bound leather book for \$8,000. The value is in the eyes of the beholder."

He travels nationwide, but locally has raised money for such charities as the ACLU, Friends of Conservation, the Latin School, the Chicago Opera Theatre, Gale Sayers-Marklund, and the Chicago Children's Museum.

Quality, not quantity

To make a good sum, a charity does not have to sell a lot of items, he said.

"For the ACLU, they sold only eight items, but they raised \$85,000," Goodman said. Goodman meets with the charities and tells them how to go about finding donors of the all-important "experience" packages -- trips to exotic places or with famous or interesting people not available elsewhere for any price.

"The charities can use connections of committee members or just get people to directly approach those in a position to offer a gift package. You start by saying, 'We are the ACLU.' But you have to ask in the right way. I guide them," he said.

Tweaking the package

He also shows them how to increase the value of the experience.

"I consult with them and tell them, 'Come up with a trip to the Super Bowl, or perhaps you know someone with a private plane or someone with contacts at Sports Illustrated?' Then the package is worth \$30,000 instead of \$2,000," he said.

The Ronald McDonald event featured an "aviation" package. The winning bidder was able to go up in a plane during Venetian night, then travel down to Texas to meet with an

astronaut and get an exclusive tour of the space flight center in Houston, development director Armstrong said. The winning bid was \$8,750.

Audio critical

Next comes setting up the venue. Goodman and other auctioneers who do charity auctions, advise their clients that the sound system is very important.

At the Ronald McDonald Charity fund-raiser, held at the Field Museum, the acoustics in the long hall were quite poor, Armstrong said.

Goodman worked with the charity's audiovisual team to be sure he could be heard, she said.

Keeping their attention

At the actual event, the auctioneer must work to keep the entire audience's attention, particularly since only a minority of those attending will be doing any successful bidding. "To get \$250,000 in 30 minutes, you have to be 1) an educator 2) a salesman and 3) a motivational speaker, but most importantly 4) an entertainer. You have to keep people laughing. The local newscaster (often selected by charities as a volunteer auctioneer) doesn't understand the psychology," Goodman explained.

To educate his audience, Goodman first learns about the charity.

With a charity for multiple sclerosis for example, Goodman will say: "Did you know that there are 20,000 in Illinois with MS and 200 people diagnosed every day?"

"With the ACLU, I will say, 'How much is your freedom worth?'"

Goodman said he has never turned down a charity because he did not agree with its mission.

"If it's a charity, they are out to help people. I am politically neutral," he said.

Sense of pace

His sales and motivational speaking skills were also evident at the Ronald McDonald fund-raiser when he held back for a moment on selling one particular item, when he saw that audience interest was waning, Armstrong said.

"He does a great job of reading the crowd. When he sees a plateau, he stops and talks about the charity. A volunteer (auctioneer) would have just stopped and sold the item," she said.

Goodman also stands out from other auctioneers in his use of magic to entertain his audience, a skill he starting honing at age 3. To demonstrate, he takes five \$1 bills out of his wallet and, after a few moments of chatting, the bills turn into five \$100 bills.

Goodman said he has a huge magic library. He was also a good friend of the late Jay Marshall, a vaudeville performer who owned a magic store in the Ravenswood neighborhood near Montrose and Western avenues, called Magic Inc., considered to be one of the finest in the country.

Goodman said he doesn't want to switch careers and become a magician, because he is able to use his magic in his auctions.

"I have it the best of both worlds. The audience is not expecting to be entertained."