# Budgeting for Your Next Event – Part 1

Trade shows are known for the glitz, the networking, and the game-changing conversations. But long before the lights come up and the doors open, there's serious strategy happening behind the scenes.

A successful event starts with a thoughtful, realistic budget.

The more intentional you are on the front end, the smoother your event will run, and the closer you'll come to delivering the experience you envisioned.

## Start with the Foundation: Booth Revenue

Before you can determine what you can spend, you need to understand what you're bringing in.

As Mike Bojesen, President of SourceOne Events, recommends, begin from the inside out, starting with booth sales.

Exhibit space is typically the primary revenue driver for most trade shows.

- Approximately 80% of trade shows host fewer than 200 booths
- Standard 10' x 10' booths often range from **$19–$37 per square foot**
- Booth pricing helps fund the majority of conference expenses

Once you establish realistic booth revenue projections, you can begin allocating funds across your major expense categories.

## Core Budget Categories to Consider

Every trade show budget should account for:

- Facility rental
- Catering & F&B minimums
- Transportation & logistics
- Décor, staging & entertainment
- Printing & signage
- Labor (including union labor where applicable)
- Audio/Visual
- Material handling

For first-time planners, the list can feel overwhelming. Breaking it into revenue (what's coming in) and expense categories (what's going out) keeps it manageable.

## Location, Location, Location

Your city selection has a major impact on your budget. Markets generally fall into three tiers:

**Tier One Cities (Major Markets)**

Examples: **Chicago**, **New York City, Orlando**

- Higher venue costs
- Union labor requirements
- Increased drayage and material handling fees
- Higher attendee hotel rates

In major markets, union rules often dictate labor rates and work rules, increasing overall production costs.

**Tier Two Cities (Mid-Sized Markets)**

Examples: **Minneapolis**, **Nashville**, **Kansas City**

- Moderate labor costs
- Balanced hotel rates
- Strong attendee accessibility

These cities often provide a sweet spot between affordability and appeal.

**Tier Three Cities (Value Markets)**

Examples: **Cincinnati**, **Dayton**

- Lower labor costs
- Fewer union restrictions
- More affordable hotel rates

These markets can significantly reduce overhead, but may impact attendance depending on your audience base.

## The Hotel Equation

Hotels often negotiate creatively. For example, a property may waive ballroom rental fees in exchange for a strong room block commitment.

That sounds like a win, until the numbers shift.

If you guarantee 175 room nights and only fill 150, your organization is typically responsible for paying the difference. That shortfall can quickly erase any “free” space savings.

Additionally, high room rates impact exhibitor participation.

If a company typically sends six sales reps to a show but hotel rates jump from $150 to $300 per night, they may cut attendance in half. That directly affects your registration revenue.

Balancing:

- Organizational costs
- Attendee affordability
- Exhibitor participation

…is critical to overall event success.

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## Contract Clauses Matter

Hotels and venues structure agreements around:

- Food & beverage minimums
- Room night guarantees
- Attrition penalties
- Cancellation clauses ("out clauses")

Always review these carefully. Failing to meet contracted minimums can result in substantial penalties.

A well-negotiated contract protects your budget from surprises.

## Plan for the Unexpected

Throughout planning, it's tempting to overspend in one area while underestimating another. The key is to invest strategically:

- Enhance attendee experience where it matters
- Avoid unnecessary penalties
- Protect contingency funds

And if you walk away with one piece of advice from SourceOne Events, it's this:

**Assume high. Don't underestimate. Pad your budget by at least 20%.**

A conservative, well-padded budget doesn't just protect your event, it empowers you to Trade Up to a Better Experience when opportunity presents itself.

**Be sure to check out Part 2 for more information!**