

# How to Be a Ticket Broker

Ticket brokering is a way you can make extra money or even start a new career. Despite the shady reputations of ticket 'scalpers,' it is a legal enterprise – but you have to be licensed. It takes planning and a small amount of capital to b...

Part 1 of 3:

## Getting Your License

1.



**Envision your future business.** It's important to have a goal in mind when you start any business venture. Do you want to sell local concert tickets? Or tickets to major league sporting events? Where do you want to base your operations? These decisions will impact everything from which licenses you apply for to how much startup money you will need.

1. Think about why you will succeed. Is your local music venue not successful at advertising? Do you notice that a sports team regularly sells out their games? You should find a market you can compete in that is also profitable.

2.



**Check with local laws.** Once you have decided which tickets you would like to sell, you need to check into which licenses you will need. States have different laws concerning the regulation of ticket brokering. Planning out this phase will make it easy for you to begin buying and selling tickets later.

1. Some states require you to have a ticket reseller's license if the concert venue is in their state.<sup>[1]</sup>

3.



**Raise capital if necessary.** Unless you have a lot of money tucked away, you will need money to start a ticket reselling business. First, it costs several thousand dollars just to apply for license. Second, you will need to have the capital to buy tickets, even though the return is relatively fast.

1. Banks and credit unions are a good place to check into loans for starting businesses. See this guide for ways to find out your credit score and optimize it.
2. You can also try to find investors in your area. Local businesses may be interested in low-cost investments or the perks that come with having ties to a ticket broker. If you keep it small and personal, you may be able to keep lawyers and accountants out of it. See this for more tips on

starting a small business.

4.



**Apply for a ticket reseller's license.** You should know by now where you want to list your business address, and which venues you want to sell tickets to. This varies state by state, so a simple web search will tell you where to fill out and submit the application. You will need to have a good amount of cash for any fees and bonds.

1. To give you an idea, the application fee for New York is \$5,000.<sup>[2]</sup> It will vary by state.
2. New York also requires a surety bond held by at least two sureties for the sum of \$25,000. This money is on the line to ensure you fulfill your contractual obligations.
3. Additional information may be required. For example, New York needs to know the status of any child support payments.

5.



**Look into joining the National Association of Ticket Brokers.**<sup>[3]</sup> This organization has a few goals. First, it requires its members to live up to some ethical standards while conducting business. It also lobbies

to expand the rights and privileges of ticket resellers, so they are on your side. It is also a good way to network and have access to a pool of resources.

Part 2 of 3:

## Finding and Buying Tickets



**Find out where the tickets are sold.** There are a few sources typically approved by most states. It is important not only to follow laws when selling tickets, but buying them as well. There are hefty fines for buying tickets for resale from an unauthorized source.

1. The most obvious source is the venue itself.
2. Authorized or official resellers are businesses that the venue contracts to sell its tickets for them. This is typically a cost-cutting measure for the venue.
3. You can also typically buy tickets from other licensed resellers. They might be looking to reduce a surplus or believe that demand for the ticket will be lower than they had predicted.

2.



**Start small and test the waters.** If you are becoming a broker as secondary or part-time job, it shouldn't be as difficult to hold yourself back. Before you know how well you can expect certain tickets to sell, don't sink as much money into each event. Do some shopping around and keep your profits and, more importantly, losses minimal at first. It is important to have enough capital to make it through these initial learning stages.

3.



**Buy only as much as you think you can sell.** This is a general rule you should always follow. It may seem like common sense, but there is no use for a ticket after the event occurs. You can't sell them later, like day-old bread. This is where experience comes into play.

1. Events like the Super Bowl are a feeding frenzy for ticket brokers. If you are lucky enough to have a chance to buy tickets, grab all you can. It has proven to be a lucrative event for ticket resellers for decades.

- Local music events are more hit-or-miss. You probably want to be more cautious about buying these tickets. The good news is that you will be out less money for each one you don't sell - especially compared to the Super Bowl.



**Look into season tickets.** It has been regular practice for ticket brokers to buy season event tickets and resell them by the game. This may still be a viable option for some venues, but keep in mind that many sports teams and others are starting to place restrictions on this activity. Look into the rules for season ticket ownership before buying season tickets.

Part 3 of 3:

## Selling Tickets



**Set up a website.** In most situations, you will need people to be able to easily shop and pay for tickets from home. The most difficult aspect of this will be creating a secure portal for financial transactions. There are online payment systems that will interface fairly easily with your website. You might also look into directly taking credit card information. Check out this guide for more tips on setting up the financial part of your website.



**Advertise on the internet.** With social media platforms numerous and free, it is easy to spread the word about your tickets. You can also buy ad space on websites and even search engine sites for relatively cheap. If you are engaged in the local music scene, you probably want to focus on your community. If you specialize in events that attract patrons from farther away, focus on fan pages in their online community.



**Sell on the internet.** Now that you have found some buyers, point them to your website. Make sure you keep up with the purchases and get them their tickets on time. Luckily, if your website interfaces with an online payment system, much of the organizational and financial work will be done automatically.

4.



**Mail your tickets.** You may have an official business address, but not want it to be open to the public. The easiest way for you to get your tickets to their buyers is probably by mail. It is inexpensive and secure. Look into business rates for sending envelopes. There are commercial prices for businesses.<sup>[4]</sup>

5.



**Sell outside the venue.** This is a popular way to sell certain tickets, but it is usually associated with illegal scalpers. If you are a licensed broker, you have nothing to worry about legally. There are additional laws determined by the state to control this activity, however. Check out all the laws that apply to ticket brokers in your state.

1. For example, in New York, you must be 500 feet (150 m) away from venues with a capacity of 5,000 or less. You must be 1,500 feet (460 m) away from venues with a capacity of more than 5,000.<sup>[5]</sup>

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