



FRIENDS IN FOCUS

Crowdfunding: Is it right for your Friends group?

Introduction

As nonprofits must increasingly compete for donors and visibility, the tools they are using to raise funds and increase member engagement are also expanding. Enter crowdfunding.

What is Crowdfunding?

In crowdfunding, contributions towards a particular organization or project are collected from a large number of people, typically using an online fundraising platform. Unlike collecting donations via the organization's website, crowdfunding campaigns are typically used to raise funds for a specific project and have the potential to attract new and different donors to your cause. Some platforms, such as Crowdrise, can also be used to encourage peer-to-peer fundraising for a cause or organization as well.

"Crowdfunding campaigns are not about finding new donors; no one searches the internet for causes to give to," says the Friends of Connetquot's fundraising consultant Susan Mathisen of SAM Fundraising Solutions.

"Crowdfunding is about empowering your current supporters/stakeholders—Facebook friends, Twitter followers, Pinterest and Instagram followers, etc.—to introduce you to new supporters. Note these are supporters, not necessarily long-term donors. You will be attracting new social media friends, visitors to your door, and possibly new members through the donations to this particular campaign. Most will give to it because their friends have asked

them to (for 70% of millennials, this is the case), not necessarily interest in the organization or the project, which means they might not give again."

Crowdfunding at Work

State Park Friends groups have already started using crowdfunding in their fundraising efforts.

Used by the Friends of Letchworth State Park as part of their campaign to raise funds for a butterfly garden at the new Humphrey Nature Center, Fundrazr is free to set up a campaign. There is a 2.9% + 30¢ fee on each transaction, and organizers are given a choice of what to do with money raised in the event that the fundraising goal isn't met.

The Friends of Connetquot River State Park Preserve launched a campaign on Indiegogo to raise funds for the restoration of the Nicoll Grist Mill. Through the crowdfunding site, the Friends were able to raise \$13,815 of its \$20,000 goal.

"In our campaign the degree of success was directly proportional to the energy input by Board Members and active Friends," says Richard Remmer, who sits on the boards of the Friends of Connetquot and Parks & Trails New York. "While raising funds is always the goal, I liked the opportunity to introduce the project and the Preserve to smaller donors including school-age children. One option was to 'buy a shingle for \$10.' Not only did this bring in children and parents who will hopefully be engaged as users and supporters

in the future, it also increased our participation numbers, something that could be important to other donors and foundations."

Getting Started

If you've been thinking about using crowdfunding, here are some things to consider before jumping in:

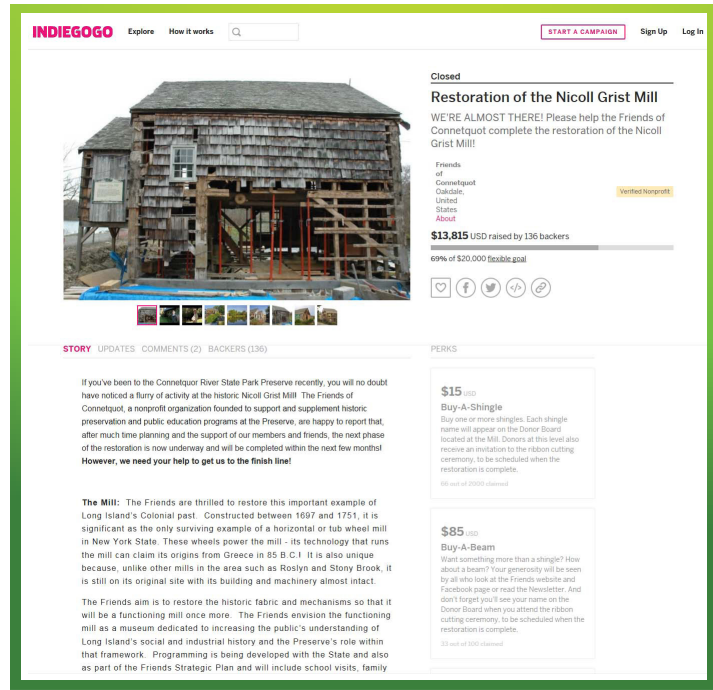
- **What are you funding or "selling"?** Do you have a discreet project that needs funding, such as a capital project, new garden, interpretive signs, etc.? Are you trying to get a new program off the ground? Are you raising money for much-needed equipment for your organization or for the park (e.g., computer or software, printer, a new display)? Or are you looking to encourage peer-to-peer fundraising in which members raise funds among friends and family for a cause they care about (you!)? The answer will help guide your fundraising strategy and what, if any, crowdfunding site fits your needs.

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- **Compare and evaluate pricing and policies.** What are the fees to host a campaign and is there a percent of funds raised that goes to the service provider? Indiegogo, for example, charges a 5 percent fee, and there are additional credit card processing fees. Indiegogo also runs Generosity, which has a 0 percent fee for nonprofits.

Consider what will happen to the funds raised in the event you are unable to reach your fundraising goal—do you get to keep the funds you were able to raise or do all contributors get an automatic refund? Make sure to check TechSoup for discounts for nonprofits (currently there is a discount for Causevox).



The Friends of Connetquot's IndieGoGo campaign webpage.

- **What services do the different platforms offer?** Some platforms offer webinars and other forms of assistance to help you get started and make the most of your fundraising effort.
- **How will you drive people to the crowdfunding campaign?** It's not enough to launch a campaign—you have to let people know about it. How will you publicize the campaign? How will you use social media and is social sharing seamlessly integrated into the platform?

Susan Mathisen adds, "The key to successful campaigns is to craft a pitch that appeals to your donors/supporters, but also makes it easy for them to share the campaign information with their friends. That requires consistent communication during the campaign—weekly at the start, more at the end—that uses various social media avenues (Facebook, Twitter, Instagram, whatever your supporters use). In your communications, ask your supporters to forward the

message to their friends, family, and colleagues. They should say that they are giving to the cause, and ask their contacts to do the same."

Susan also suggests planning all your promotions prior to launching the campaign to make it easier. "That means all e-blasts, status updates, tweets, etc. are written before the start of the campaign. Then during the campaign you can just hit 'send.'"

Making a difference for New York's state parks and historic sites from the ground up



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