

Maryland Governor's Grants Conference

Government funding for Local Government



What Is Crowdfunding?

- Asking the public for donations to support a specific project
- Civic crowdfunding benefits the public good





POP QUIZ

The first US crowdfunding project was:

- A) 1731- Ben Franklin's Library of Philadelphia
 - B) 1881-The platform under the Statue of Liberty
 - C) All of the above
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Answer: A, B, and C

- ▶ Joseph Pulitzer used his newspapers to raise \$100K or the equivalent of \$2.3M today
- ▶ BUT Ben Franklin asked subscribers to contribute to first circulation library



Why Crowdfunding?



Matching Funds

- ❖ Bike share in Kansas City raised \$20K for match
- ❖ \$50K in ADDITIONAL funds from other foundations



Raise Awareness of Issues

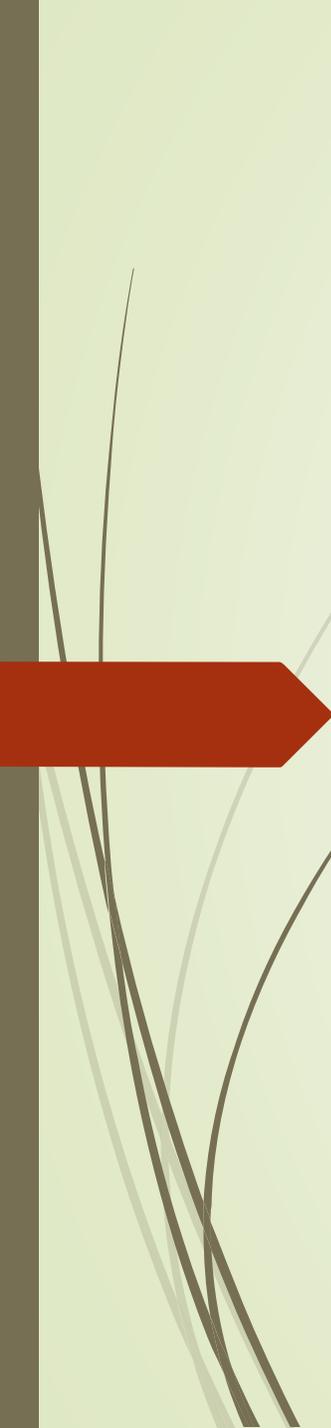
- New Orleans - Public Defenders Office started a crowdfunding campaign in 2015 in response to being severely understaffed
- John Oliver's Last Week Tonight featured segment on the issue





Other Reasons to Try Crowdfunding

- Niche projects – projects that slip thru the cracks of funding requirements
 - Grassroots efforts uncover local problems and solutions
 - Smaller projects can serve as dress rehearsals for larger projects
 - Fosters civic engagement
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“The perceived control people feel with crowdfunding encourages them to give more than they would otherwise.”

Elizabeth Gerber



Roles to Play for Local Government According to Rodrigo Davies

- **Curate local projects**
 - **Start new campaigns on your own**
 - **Using existing platform**
 - **Your own in-house platform**
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Existing Platforms

- ▶ **ioby (In Our BackYards) – Nonprofit that works with other nonprofits and local government**
- ▶ **Citizeninvestor – Work exclusively with local government**
- ▶ **General - Kickstarter, Indigogo, GoFundMe**



Why Use an Existing Platform?

- Provide actual platform online to collect funds
- One-on-one coaching (ioby)
 - Implementation assistance
 - Fundraising tips and best practices
 - Social media assistance
 - Help with meeting timeline objectives
- Able to act as fiscal sponsor for groups without 501 (c) (3) status so contributions are tax deductible



What Happens If Goals Are Not Met?

- ▶ **ioby – Flexible finish policy that allows clients to edit goals and deadlines**
 - ▶ **Citizeninvestor – Donors' credit cards will not be charged**
 - ▶ **Indiegogo – Rare option that allows you to keep whatever is raised even if goal is not met**
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Is It Successful?

According to Davies' Kickstarter research (2010-2014):

- 81% of civic projects reached goals
- 44% all projects across the board
- Average civic campaign was \$26K or less



EXAMPLES OF FUNDED PROJECTS

- **The Holiday Dog Park in Fort Lauderdale, FL**
- **Youth Center in Gainesville, FL**
- **Trash disposals/public art in Central Falls, RI**
- **Protected bike lane in Denver, CO**



Number One Tip for Success

➔ “You still
need to
ask!” — Aylene
McCallum Downtown
Denver Partnership





Psychological Research

- There's extensive psychological research that supports the idea that you can get anyone to give you money for anything, it just depends on how you ask. - Elizabeth Gerber
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Further Reading

- [People, Money, and Power: Civic Crowdfunding and Decision-Making](#) – a guest post by David Weinberger of ioby on how the New York City Housing Authority is using crowdfunding in a new program.
- [Civic Crowdfunding for Local Government](#) an article that explores the basics, with links to more information.
- [iooby](#) – Nonprofit crowdfunding platform, click on resources at the top for fundraising tips and webinars
- [The Rise of Public-Sector Crowdfunding](#) – Recent article on the pros and cons of crowdfunding for local government
- [Q&A: Lessons From Denver's Crowdfunded Bike Lane Success](#) – Realistic overview of what it takes to be successful



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Thank You
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