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
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
“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
Existing Platforms

- ioby (In Our BackYards) – Nonprofit that works with other nonprofits and local government

- Citizinvestor – 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

- Citizinvestor – Donors’ credit cards will not be charged

- Indiegogo – Rare option that allows you to keep whatever is raised even if goal is not met
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
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.

- **Ioby** – 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
References Used


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Thank You
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