



## **Virtual Fundraising Frontiers October 6, 2012**

**Overview:** The session oriented participants to crowdfunding and gave an overview of popular platforms including Kickstarter, power2give, United States Artists and Indiegogo. Two state arts agencies shared their crowdfunding experiences, and participants asked questions and explored ideas.

**Presenters:** Loie Fecteau, Executive Director, New Mexico Arts; Kiley Kraskouskas, President and Crowd Funding Consultant, Thinking Forward Media; Lori Meadows, Executive Director, Kentucky Arts Council

**Moderator:** Laura Smith, Chief Advancement Officer, NASAA

### **Crowdfunding Overview**

Kiley Kraskouskas' presentation (see attached) reviewed four platforms and explained how they worked. Some tips for successful campaigns include:

- Some platforms provide coaching to campaigns, so be sure to use it if it's available.
- Engage people by including videos, stories and write-ups about why the campaign matters.
- Provide tiered fundraising levels and a wide range of perks (the more unique, the better). Think of a crowdfunding campaign like a silent auction and have something for everyone.
- Update donors regularly throughout the process with personal messages tailored to your audiences. Stay focused on the art.
- Excite people about your campaign by hosting a kick-off event.
- Consider priming your campaign as you would a capital campaign, i.e., build enthusiasm and support in the "quiet phase" behind the scenes, then have a public kick-off that showcases the support you already have.
- Successful campaigns have a strategy for success, but also must be flexible as the campaign progresses. Adding new content can really help boost a campaign, especially if it's behind the scenes of the project. Have an event at the beginning or the end to bring people together physically and virtually.

- Use email to communicate about your campaign. Some people use MailChimp and Constant Contact to manage lists and communications. You can also promote your campaign on Facebook, but that is more passive. You want to actively ask people for their vote/support.
- Crowdfunding campaigns are very labor intensive, but can also be quite rewarding. The goal is not just about raising money; it's also about engaging and energizing people.
- Transparency is important. Sometimes projects do not come to fruition, which is a risk donors take (just like funders). Because so many people give money, many artists feel a heightened sense of accountability. Crowdfunding helps artists feel loyal to their donors.
- Some platforms allow campaigns to go over their goal and keep raising money; other platforms remove a campaign page once the project goal has been met.

### **Kentucky Arts Council and power2give**

- The Kentucky Arts Council (KAC) gives money for matching funds to Louisville Fund for the Arts, a united arts fund that engages power2give. The Fund deals directly with power2give and pays the fees. KAC makes payments to the Fund in quarterly installments, to allow for the possibility of budget rescissions during the year.
- This effort is in its second year. KAC found the money to try this in 2011 when an organization slated to receive funding couldn't take it. The investment the first year was \$50,000 and this year is \$100,000.
- Kentucky Arts Partner (KAP) general operating support grantees register with power2give. KAP grantees come up with projects, and KAC vets and approves them. Projects asking for deficit reduction, or capital or fundraising support, are not allowed. The largest allowed project request is \$10,000.
- Once projects are approved, the KAC matches whatever dollars are raised, using the money given to the Louisville Fund. Funding is provided on a first-come-first-served basis. There are no limits on how many projects per organization get funded.
- Not all projects get funded. Recipients have 90 days to complete their projects. If they don't meet their original budget, they keep what they raise, but must downsize their project to adjust to what they raised.
- More people want funding than funds are available. Projects are matched by other donors as well, not just the KAC.
- The KAC did workshops around the state to reach out to people in rural communities and to help those who are not as tech savvy. There is more work to do to reach more people.

- In 2011, \$1.2 million was raised in all power2give states. In Kentucky last year, 74 organizations benefitted, with 183 projects receiving more than \$400,000.
- KAC and the Louisville Fund work together to tell the stories of the projects that get funded.

### **New Mexico Arts and USA Artists**

- New Mexico Arts (NMA) began partnering with USA Artists in July 2012. An initial \$25,000 investment over two years provides matching support for individual public artists' projects.
- NMA matches funds immediately as they are raised, up to 25% or \$1,000 of a project budget. All donations to USA Artists are tax deductible.
- USA Artists keeps 19% of what is raised, but they also provide technical assistance.
- Matching funds are available to grantee and non-grantee artists alike. To be accepted, artists must first be vetted by USA Artists and by NMA. If artists apply to USA Artists and meet NMA criteria, then USA Artists contacts NMA about those people.
- NMA has had five applicants, two of them successful, three not. Both funded projects are multimedia work and the funding goals were realistic (a big part of being successful). NMA hopes more artists will try this soon.
- USA Artists helps artists with their campaigns, but NMA does not get involved in the artists' campaigns.

### **Other Comments and Observations**

- The North Carolina Arts Council is getting involved with crowdfunding and starting with a \$10,000 investment for the match. A statewide campaign launches in mid-November.
- Maine and California are exploring using USA Artists.
- In terms of demographics, people who already spend a lot of time online are more likely to be aware of crowdfunding projects and to give online.
- Crowdfunding is not just for individuals, but for organizations too.
- WolfBrown now includes crowdfunding in its arts participation research. This is a new realm of participation and there are many questions about how we track and count this as a field. We are in unknown space.