



Introduction to Crowdfunding for Nonprofits



About CauseVox

CauseVox is a crowdfunding and peer-to-peer fundraising platform for nonprofits and social good projects.

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What is Crowdfunding?



What Is Crowdfunding?

Crowdfunding is a form of fundraising that happens primarily online and focuses on gathering as many donations from as many people as possible.

It takes one bee's entire lifetime to produce 0.10 teaspoon of honey. That'd barely trigger your taste buds! But a whole swarm of bees? Together they produce 100 pounds of honey.

That's what crowdfunding is like.



The earliest iterations of crowdfunding as we know it date back to the late 1990s, when a British band collected donations online from fans to fund their reunion tour. In 2000, ArtistShare emerged as the first crowdfunding website, with many crowdfunding sites following later that decade.

Crowdfunding's been used by artists to fund creative projects, like the film adaptation of Donald Miller's *Blue Like Jazz*. Solo musicians and bands find financing for recording EPs and albums through crowdfunding. And businesses use crowdfunding to develop and launch products, like NeuYear, a calendar that lays out the year by 52 weeks rather than 12 months.

Nonprofits have caught wind of crowdfunding, too. The gold standard was set by charity:water, an organization dedicated to expanding and creating access to clean water in the developing world.

And yet, for all the successes, there are as many shortfalls in crowdfunding efforts. Like a pharmaceutical television commercial, this is the part of the guide where we say that crowdfunding is not for everyone. Crowdfunding is not the Swiss Army knife of fundraising tools or a one-size-fits-all article of clothing in your wardrobe or a miracle drug... you get the drift.



But unlike those ads, you don't really need to ask an expert or consultant if crowdfunding is right for you, the way you would refer to a physician for medical advice.

That's what this primer is for. We hope this guide will empower you to make the best use of your time and efforts in fundraising for your mission.

Why (or Why Not) Crowdfunding?



Why (or Why Not) Crowdfunding?

Why turn to crowdfunding if it's just one of several fundraising options? It offers several benefits.

First, crowdfunding websites are [relatively easy to set up](#). With CauseVox, it doesn't require any coding skills to setup a site. Our platform makes it easy to share with your supporters and thanks to social media, your campaigns are easy to share with the internet, too.



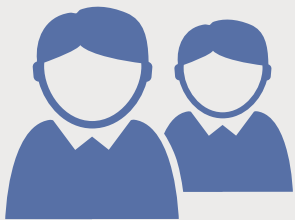
Another perk of crowdfunding? It's faster than most traditional forms of fundraising. You could raise thousands online in the time it would take you to cull your database; draft, edit, and finalize an appeal letter; print the address labels and letters; assemble the mailings; mail those letters; wait to receive the checks; and process those payments.

Crowdfunding is also great because it multiplies the impact of small donations. These online fundraising campaigns are like house parties you can bring your friends to, the kind they might ask you to “pay what you can” as a cover charge. Unlike more formal benefit dinners that would require charging a high minimum per plate just to cover costs, crowdfunding campaigns are more accessible.

Crowdfunding has its share of kryptonite, too; as previously mentioned, crowdfunding is not a fundraising silver bullet.

A crowdfunding website may be easy to set up, but you can't approach the entire campaign with a "set it and forget it" mentality. Running a crowdfunding campaign still requires some diligence; promoting and troubleshooting can be as laborious as mailing letters.

Crowdfunding is like cookies, it's a "sometimes" fundraising method. Constantly eating too many cookies will make you sick, and so will relying solely on crowdfunding to raise money for your organization.



While the use of technology continues to advance rapidly, crowdfunding might not be relevant to everyone, like the generations that precede the Baby Boomers. While 89% of internet users between the ages of 18-29 use social media, only 43% of internet users aged 65 and over are on social media.

Some in this age cohort are uncomfortable with giving money online, despite assurances that donations are made securely. But 76% of people aged 50 and over donate to causes, which reveals crowdfunding's power in reaching a generous supporter base.

How to Know If You Should Crowdfund?



How to Know If You Should Crowdfund?

Now that we've learned some of the pros and cons of crowdfunding, we're better equipped to decide when crowdfunding is the right tool to use.

Consider the following criteria as traffic lights you'll need to pass before you proceed.

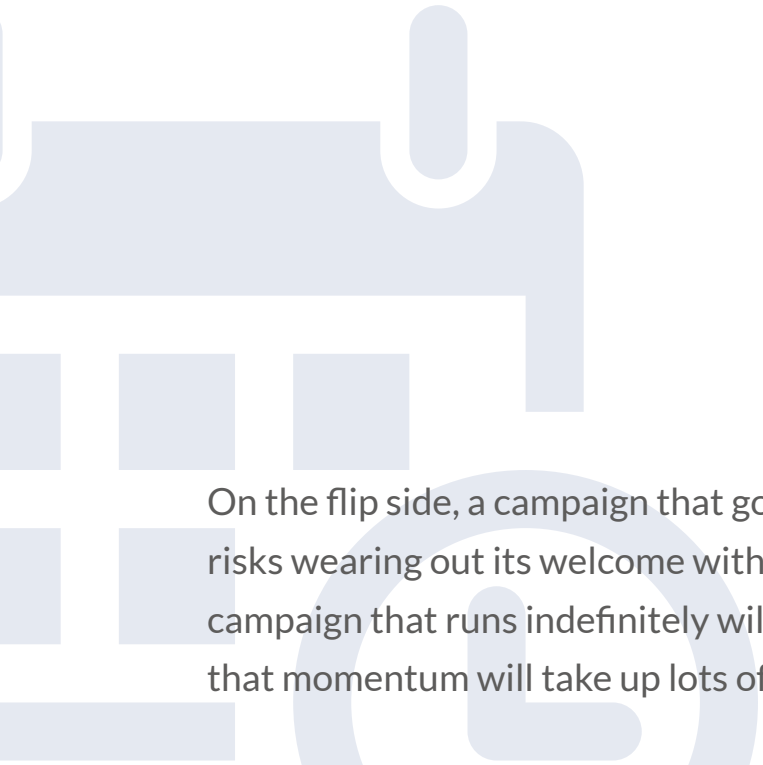


Length of Your Campaign

How long is your campaign? We've found that 1-3 months is an ideal amount of time for a crowdfunding campaign. By the way, that figure refers just to the campaign itself; you'll need time to prepare and set up the campaign, too.

A shorter campaign (less than a month long) may not allow for enough time to generate momentum. In order to generate momentum, you'll need to communicate with your supporters and give them adequate time to respond.

That's not to say a quick campaign can't be successful: [One man raised \\$8,000](#) in 24 hours; [a nonprofit raised \\$23,000](#) in a day; and [another organization raised \\$77,000](#) in one week. It is important to note, however, that there was there was lots of planning ahead of time to execute these campaigns – they didn't just happen.



On the flip side, a campaign that goes on for longer than three months risks wearing out its welcome with your audience. A crowdfunding campaign that runs indefinitely will lose momentum; at best, sustaining that momentum will take up lots of effort.

You probably wouldn't run a marathon at the pace you would a 100 meter dash. You probably wouldn't – or, shouldn't – take medicine that's expired. Crowdfunding is like that: if fundraising were a track & field meet, crowdfunding is a sprint event. If fundraising were medicine, crowdfunding is like taking antibiotics: you'd take them for as long as your doctor would prescribe them—not for longer or less time.

But crowdfunding isn't a science per se. Overall, we recommend a Goldilocks approach when setting the duration of your campaign – not too short, not too long. The key is [setting a deadline](#), which creates a sense of urgency among your audience, and for better or worse, plays up to the fear of missing out – as in, if I want to be a part of this, I need to do it now. Knowing that there's an end in sight encourages would-be donors to join the crowd.



Target Audience

Isn't it ironic how trying to get everyone's attention will get you none? It seems counterintuitive to focus your efforts on a particular group of people rather than the entire crowd, doesn't it?

Let's pretend that you're feeling particularly neighborly one cold, snowy day and decide you want to make and share hot chocolate with everyone living on your floor in your apartment building.

You live in a studio apartment with a kitchenette and you pull out your 12-quart stockpot, the largest piece of cookware you own, set it on one of two burners, and proceed to fill it with two gallons of milk. You turn on the heat and wait for the milk to get warm.

And you wait. And you wait some more, stirring occasionally. You decide to catch up on your TV shows while you wait for the milk to heat up. Eventually you are so engrossed with *House of Cards* that you forget what you were doing – that is until you hear the hiss of scalded milk. Oops.

Let's reimagine this hypothetical situation.

Suppose you decided to share some hot chocolate goodness with your neighbor across the hall. You'd use a smaller pot and fill it with enough milk to make four helpings – because you will want seconds – and heat it up. You add chocolate and continue heating until the chocolate has melted and blended with the milk.

You invite your neighbor who was so touched by your gesture that he decides he'll also make some hot chocolate to share. Both of you decide to make some for your respective next-door neighbors, then those neighbors decide to join in.

Soon enough, other neighbors on your floor contribute marshmallows or whip up some cookies and voilà, you've got an apartment version of a block party going on.



The crowd in crowdfunding grows like a snowball: it starts small then... well, snowballs. Then, the question is, with whom do you start?

If your campaign is to build a school in a developing nation, you might focus on recruiting teachers and others who are passionate about education. These folks will then recruit their friends and family, who may not necessarily be as hyped up about the issues, but will care because it matters to them.

It's okay to start with a small crowd because eventually, these people will [help you build community](#) by inviting others to join them. Note that they aren't necessarily your major donors. The inner circle should comprise of people who understand and share your passion and enthusiasm for your mission, so don't forget to invite your personal network to be a part of launching your crowdfunding campaign.

Your [major donors](#) can still play a crucial role in making the campaign a success by inviting them to give a gift that matches the funds raised by the crowd.





Scope of Campaign

Why are you fundraising in the first place? Where is the money going? If you're running a campaign in general support of your organization, crowdfunding may not meet your needs.

There's an exception that will be discussed shortly, but crowdfunding is most suitable for projects that are narrow in scope yet relate to your overall mission.

For example, The Adventure Project's goal was to [raise funds to fix broken water handpumps](#) and to train technicians who will maintain and repair hand pumps moving forward. Notice that the goal wasn't to provide access to clean water, which, while noble, is ambiguous. Would a single donation make a dent in providing access in clean water? Hard to say. Could it fix a well that provides clean water for one village? Probably.

Donors need an assurance that their gifts will make a tangible, noticeable impact. Goals that are vague and lofty might intimidate people from joining; on the other hand, bring them down to earth, and donors are more likely to believe they're making a difference.

The one exception: the year-end giving campaign. An organization's general fund wouldn't typically be considered a specific project. However, two factors make crowdfunding an appropriate solution for this fundraising need.



The first: the December 31st deadline urges the donor to act if she wants her gift to count as a tax deduction for that year. (Do you know of any organizations that wouldn't accept monetary donations anytime of the year? We don't.) The second: the goal—presumably, to keep your organization in the black—is a clear and compelling one, and one that your die-hard advocates would get behind.

Let's suppose your organization is already in the black, what then would be the campaign goal? Is there a new initiative your organization has been wanting to launch? Some repair that you've put off? Dwindling school supplies? If there's a specific, clear purpose driving your fundraising campaign, crowdfunding can help you reach your goal.

If you can't explain the reason why you're raising funds, then donors will have a hard time finding a reason to give.



Measurable Impact

Being able to measure impact relates closely with narrowing the scope of your campaign. In fact, narrowing the scope of your campaign will make it much easier to measure impact.

For example, ending modern slavery is a grand goal with lots of variables to address, which makes it a beast of a task to quantify impact. However, a goal of building and staffing a safehouse in a location where there is none is attainable; once the safehouse has been built and staffed, you can then tell your supporters something like: “This safehouse employs [however many] social workers and [however many] counselors who serve [however many] clients.”

What makes crowdfunding beautiful is the way it invites everyone to be a philanthropist. Being asked to give a large sum of money can be intimidating, especially to young people and those in lower income brackets. Such requests give the unintended impression that your efforts require major donors who have lots of disposable income.

Let's suppose your organization wants to provide post-secondary education scholarships to needy but talented students. On my own, I can't cover someone through a year of college, and in an "all or nothing" culture, feeling incapable of helping would deter me from giving. But if you told me, "\$25 covers the cost of books for one semester for one student," I'd be encouraged and think, "I can do that much," and be more likely give.

Show where the money's going by [breaking down the campaign into smaller parts](#): stages of a building project, or cost of summer camp for one student (does this cover food, lodging, activities?), or the number of stoves provided.

This is how you can lower, even eliminate, any perceived barriers to participating. If you're having a hard time doing this, however, it's a sign that crowdfunding is not the best fit for your campaign.





Summary

In short, if your fundraising campaign is well-defined -- in scope, time, audience, and impact -- then crowdfunding will be a good fit. Otherwise, in our humble opinion, crowdfunding is probably not the right fundraising prescription for your campaign.

Best Practices in Crowdfunding



Best Practices in Crowdfunding

So you've reviewed your goals and parameters of your campaign, and you see that crowdfunding would be a good fit for your campaign. Now what do you do? We'll set out the [nitty-gritty details in a companion e-book](#), so here we'll fast-forward to some strategies and best practices.



Know Your Narrative

We can't emphasize this enough: story matters. Just as your organization's history & mission helps guide your overall operations, the story behind this campaign will help keep your fundraising efforts on course.

The [narrative of your campaign](#) doesn't have to be complex. Your story needs the who, what, where, when, how, and why. A compelling story features a character that wants something and overcomes an obstacle to get it.

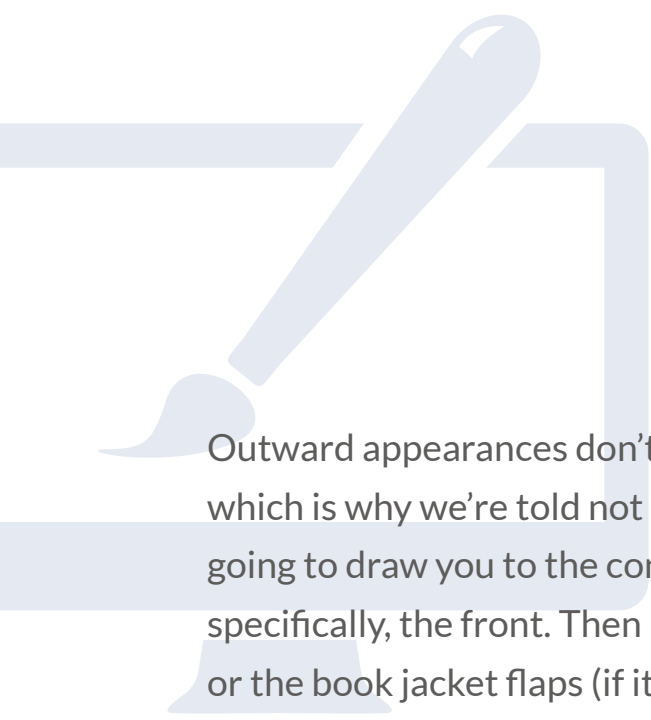
An effective story will invite donors to be a part of it by clearly showing where they fit in the narrative – namely, the part where you (or your clients, your constituency) need help overcoming an obstacle. This story also doubles as motivation and a reminder for when you might get discouraged.



Invest in Design & Branding

We also can't emphasize this enough: aesthetics matter. There's research that supports the theory that [attractiveness pays more](#). On *Iron Chef America*, the chefs' lavish meals are judged not just on how they taste but also on how well they're presented.

Placing high value on quality design, not just for your crowdfunding efforts but your organization's overall online presence and marketing materials, doesn't mean you're vain. Design matters because it reflects identity and substance.



Outward appearances don't always accurately reflect inner character, which is why we're told not to judge books by their covers. But what's going to draw you to the content of the book in the first place? The cover, specifically, the front. Then I'll flip over to the back (if it's a paperback) or the book jacket flaps (if it's hardcover) for the synopsis. And then I'll decide if I'll actually open it and start reading.

This will hold especially true if I'm not familiar with the author. Many folks read books based on recommendations from their friends, from other writers. Even then, an attractive cover could only help vouch for the content inside.

Your organization, your campaign, is like a book, too. As an increasing number of organizations crop up in the nonprofit field, yours needs to stand out somehow, and [great design will help gain attention](#).



Keep It Personal

We probably should've listed this first: people matter. You already know this; after all, your organization exists to help people. When it comes to getting people to help you help people, however, it's easy to forget this golden rule.

As your fundraising campaign begins, it's not hard to focus your attention on a number of key individuals; the niche that these folks fill are obvious, you can clearly see which link of the chain each person is.

But once the crowd in your crowdfunding grows and your campaign is gaining momentum, it gets understandably harder to stay in the sweet spot between "You don't get because you don't ask," and "Doing unto others as you have them do unto you."

How do you know if you're breaking this rule? You might be forgetting that people matter if:

- ▶ The faces in the crowd start to blur.
- ▶ You care more about the number after the dollar sign than the name that comes before it.
- ▶ You take to tweeting celebrities and complete strangers like a robot.
- ▶ You judge the donor based on the size of the donation.
- ▶ You resort to using guilt as means of getting people to give.

Financial advice guru Suze Orman's motto is a good guideline: People first, then money, then things. Keep that in mind throughout your campaign – you're not just asking for money, you're inviting people to join you in your cause because you assume the best of their good intentions. And your invitation is your opportunity to build bridges and trust so that they will invest in your mission.



Have Fun

Your organization may tackle some heavy issues, but that doesn't mean fundraising has to be a somber affair. Crowdfunding is a great way to raise the resources you need to continue the important, serious work you do; to celebrate the progress you've made; and to anticipate the future with hope.

Tying in an activity with your campaign is a great way to engage your supporters and their network. Crowdfunding by its nature is one of the most social forms of fundraising, so remember to capitalize on that!

The possibilities are endless, whether your volunteers fundraise on your behalf or if your organization is doing most of the coordinating. Consider your mission and the demographics of your supporters when brainstorming activities. Approach your crowdfunding campaign as though you were planning a party. What kind of party could you throw?

📌 **“The Extra Mile”:** Organize a fitness-oriented activity. Novice and expert runners enjoy races of any distance, and running for a cause gives them another goal to reach. Any activity that encourages personal physical health would dovetail nicely with encouraging social good.

📌 **“The Open Mic”:** Coordinate an event that highlights creativity. Art? Music? Both? Is your organization connected to an artist that would lend their talents? If your mission about cultivating the arts, create a space for the amateurs among your supporters to share their talents.

📌 **“Foodies’ Paradise”:** Bake sales or lemonade stands, anyone? People love delicious treats and nothing brings people together quite like a good meal. Think of the Girl Scouts of America and the cookies they sell seasonally. Let’s be honest, \$4 for one box of cookies, however delicious they are, is a bit pricey. So why do people fork over their money for multiple boxes anyway? The cause justifies the expense, so it doesn’t feel like a “waste” of money. The thought is, I get yummy Thin Mints, or whichever cookie floats your boat, and help girls grow into strong young women. Everyone wins.



From World Bicycle Relief

📌 **“We Are Young”**: You can add “for charity” after almost any whimsical activity. “Let’s grow beards... for charity!”

- **“I’ll shave my head... for charity!”**
- **“I will run a 5k in a banana costume... for charity!”**
- **“I will wear a dress everyday—the same one—for a month... for charity!”**



One Girl Australia

Chances are great that your supporters or even friends and family would pay to watch people be silly and bear mild discomfort purely for entertainment. That it’s for a noble cause only sweetens the deal for the donors and helps draw your supporters, even ever so slightly, out of their comfort zones.

Some fundraising math:



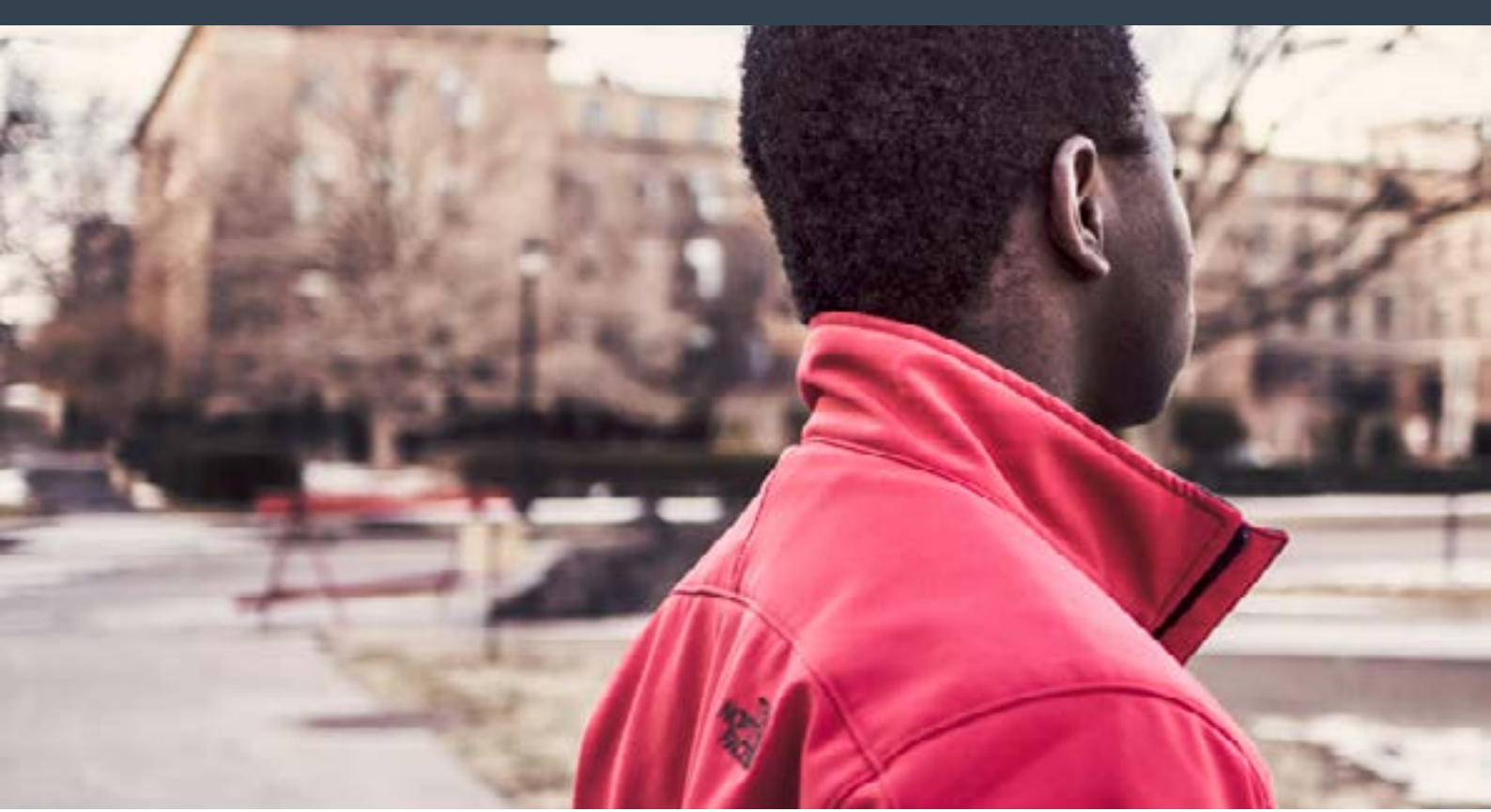
Always Say Thank You

There's nothing quite so disarming and welcoming as a posture of thankfulness. Wouldn't that explain why late November is the busiest travel season in the United States? Underneath the license for gluttony and the abundance of food is gratitude. Generosity—in both senses of the word: readiness to give above and beyond what's necessary, and the quality of being larger or more plentiful than usual—flows naturally from gratitude.

This is key to sustainable development for your organization, not just in running a successful crowdfunding campaign. Gratitude is what will curb any inclination towards greed & stinginess – from you and your donors.

“How can I be thankful if my campaign doesn't meet its goal?” you may wonder. You can assess your efforts realistically and optimistically and still find something to be grateful for, if you keep a broad perspective. Instead of focusing on the shortfall of your goal, be thankful for the money that was raised. Take note of any new donors or supporters. Learn more about [what you can learn from a failed campaign here](#).

Conclusion: Grow The Crowd One Person At A Time



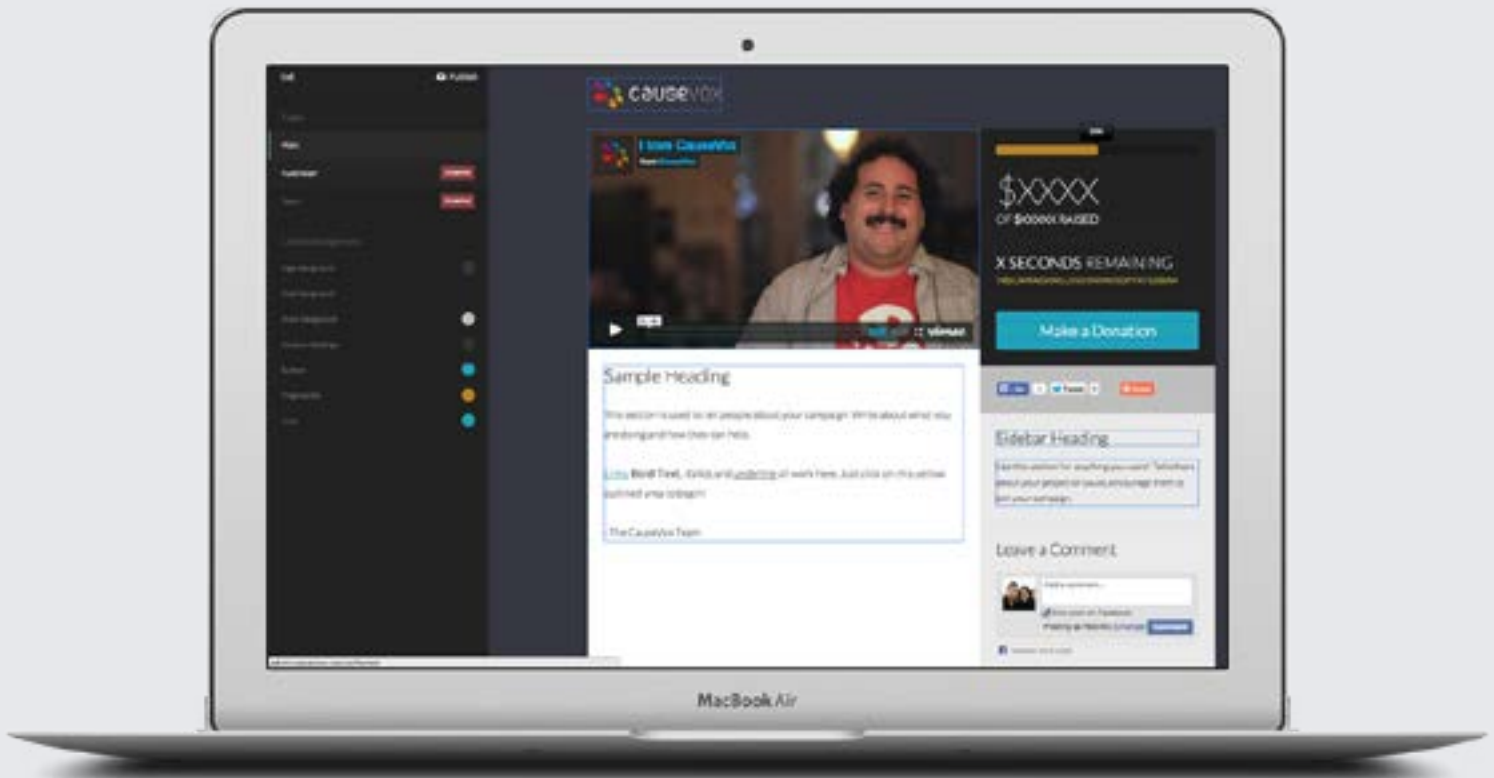
Conclusion: Grow The Crowd One Person At A Time

We'll discuss the nitty-gritty details of what goes into a crowdfunding campaign in a [companion e-book](#). But we hope now you know that crowdfunding is just one implement among others in your fundraising toolbox, with its share of pros and cons.

It's a way to harness and multiply the power of many smaller donations. We've shared why we believe crowdfunding is best for campaigns that you can KISS – keep it short & sweet. We've also shared some of our insights in what makes for a good campaign: a compelling story, focus on people, high engagement & entertainment value, and plenty of gratitude.

Best of luck and enjoy!

Use CauseVox for Crowdfunding



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CauseVox is a crowdfunding and peer-to-peer fundraising platform for nonprofits and social good projects. Anyone, whether you're a global nonprofit or just a group of friends, can use CauseVox to raise funds online.

Ready to get started? [Sign up with CauseVox today.](#)



www.causevox.com