Crowdfunding 101

Overview

Crowdsourcing is the process of activating the collective knowledge of your network to solve a problem, answer a question, or make a connection. You've probably seen many of these requests on Facebook from friends looking for new apartments, or the best restaurant in town. Crowd-funding is the same principle—it involves raising small amounts of money from a large group of donors to support a new project or product. Over the last several years, a number of companies have launched platforms to facilitate this process, Kickstarter and Indiegogo are probably the most well known in the arts-world, but are by no means the only options. This handout will give you the lay of the land, tried-and-true tips on how to prepare and execute a campaign, and some examples of projects that we love and think you can learn from.

Dipping Your Toe in the Water

You've undoubtedly seen crowdfunding campaigns cross your screen; hopefully you've supported one or two. It can look like a process that starts and ends in 30 days, but there's a lot of mental preparation, tricky decisions, and legwork involved. Here are a few things to consider before you dive in:

Is this the right time? Is this the right project?
Think about the lifetime of your project. Is this a crucial moment that requires real investment of capital? Is there a meatier aspect of the project that is just a little down the road and would benefit from a large crowdsourced campaign? Many artists have terminal projects—an album, a film, a tour, etc. But, if you are starting an ensemble, a performance company, or a new non-profit, you might want to think a little more carefully about the right moment to strike. If you have a long list of one-off dream projects, you also have to be careful about timing. You can't hit people up for money every six months.

Surveying your Options for Platforms to Use
Kickstarter is far-and-above the most popular crowd-source funding platform, but it's not the only show in town. There are pros and cons associated with each platform, and the benefits and drawbacks are closely related to your risk tolerance.

- Kickstarter is all-or-nothing—if you don't hit your goal, you walk away empty handed. This can be a powerful motivating factor for contributors, especially in the final days of a campaign. But, you have to be prepared for the possibility that you won't meet your goal. It's also important to cost-compare the percent commission that is taken off the top of the money you raise (currently 5% goes to Kickstarter and 3-5% goes to their credit card processor, Stripe).

- Indiegogo started as a platform for independent filmmakers and has quickly become a service that attracts artists and engineers of all stripes. Indiegogo has a formal relationship with Fractured Atlas (an organization that provides fiscal sponsorship to artists), which allows you to solicit tax-deducible donations. Unlike Kickstarter, you can choose Fixed Funding (all-or-nothing) or Flexible Funding . With Flexible Funding, you take away what you raise, no matter what. This is an attractive option for some, but also makes it harder to light an end-of-campaign fire.

- PledgeMusic is a relatively new service on the market, designed specifically for musicians who want to self-release an album. The interface is built with the indie-musician fan in mind and is

attracting a growing community of artists and fans. Like Kickstarter, it is all-or-nothing, with a focus on pre-ordering albums and merchandise.

This is by no means an exhaustive list—others include GoFundMe, Tilt, Razoo, and many more.
The Hidden Timeline
Once you have selected a platform and ironed out your project (see guidelines below), know that there are some hidden time-lags that can affect your overall timeline. First, the site administrators need to approve your campaign, and it's not uncommon for there to be some back and forth. You may be asked to tweak part of your campaign to fit the regulations of the service. Next, you may need to open an e-commerce account through Amazon or PayPal—this can also take a few days to process. On the other side of the campaign, it's important to build in time for creating and distributing the rewards (this is more work than you think). You want donors to feel appreciated, and in some cases part of the process.

You've Decided to Launch, Now What?

Look Around You
The best way to collect ideas for your campaign is to look at successful projects—not just by people you know, but by other artists in your field. What rewards make you smile? Is there a tone that turns you off? What about a video grabs you and moves you to action? Steal freely! Your campaign will be unique, because your project is unique. Don't worry about borrowing effective techniques.

The Face of Your Project
All crowdfunding platforms encourage videos, inviting text, photos and links to your portfolio. Here are some tips for developing these different pieces:

- *The video.* Keep it short, let your passion ooze, get nerdy. The video doesn't have to be highly-produced, but it does need to be creative and inviting. First stop: do any of your friends have professional or amateur videography skills? Second stop: you'd be surprised what a good storyboard, your iPad and iMovie can produce. The quality is decent and as long as you put thought into the content, you can produce something charmingly DIY. Keep the frontal talking shots to a minimum—you can only keep someone's attention with your adorable face for so long.

- *The pitch.* Less is more—try to deliver your message briefly and memorably. Use "I statements," let *your* voice shine through. This isn't a grant proposal—crowdfunding is all about people asking people for money. Be a person. Being a person, means telling us your story—what led you to this project, why does it mean so much to you, and how it will help move you forward. Don't make it hard for your reader to find out more, if he/she desires. Load your campaign page with links to past projects, your online portfolio, and your social media accounts. Also give some thought to how you might appeal to people who don't already know and love you. See 'Your Reach' for more on this.

- *The rewards.* The rewards should, whenever possible, be directly linked to your project. That's not to say that you can't get creative and add personal or quirky rewards, but make sure that the majority link back to the reason you're raising money. If your project allows, think of experiential rewards that get your supporters involved—maybe a cameo in your music video, or a Skype-lesson. Crowdsourcing is about taking out the middleman, so don't keep your distance—reach out, get people involved, help them help you. Also be sure to have rewards for every wallet—and don't break the bank with expensive to produce rewards that will undercut your campaign.

Setting a Feasible Goal
It can be hard to predict exactly how much money you can raise—it depends on so many factors: your professional stage, how large your network is, whether you're starting something new or building on a project that's been in motion for a while. There's no science to selecting a campaign goal, but here are questions you should consider;

- How much will it cost to launch your project? Create a feasible budget and see how much you need.

- How much have people in a similar position to you raised? This is a good indicator.
- Take a sober look at your network—is it mostly students with little deposable income? Young professionals? Established cultural consumers? A mix? If your network is largely young, broke and fabulous people such as yourself, you can still raise a decent amount of money. A $3,000 campaign is within reach for most people, but if you set too low a goal, it's hard to cajole people to give once your campaign is funded.
- Keep in mind that a set commission will be taken off the top—it ranges from platform to platform, but is generally in the range of 8-12%.
- Also keep in mind that it costs money to produce and deliver some rewards. This should also be built into your budget.

Ask, Remind, and Ask Again

- *Getting the word out.* The real work of crowdfunding is promotion. It takes a lot of emailing, FB reminding, catching people in the hall, reaching out to local bloggers, rinse repeat, to reach your goal. Making your ask personal goes a long way—sending a mass email will be much less effective than writing a personal note to a friend to ask for their support. Adding personal touches, of course, also takes much more time. Be mentally prepared to invest a lot of time and energy over the month that your campaign is live reminding, asking, reminding, asking, supporting others, and then reminding again. This comes easily to some and feels uncomfortable to others. There is a line between enthusiasm and harassment—and it's different for each person and audience. The trick is to remember that you will feel like you're over-communicating, but not everything you put out there registers with everyone you want to reach. You need to push information out through many different channels and communicate with people in the way that is most comfortable for them. For some that's Facebook—for your grandmother, it might be a nice long catch-up call.

- *Your reach.* The first step is to reach the people in your network—friends, family, collaborators who want to see you succeed. But, don't stop there. When you craft your campaign, think about how you can connect your project to broader ideas, events, movements, and communities. For example, the independent film project *Girl Wall//All Day* touched many different sources, places and ideas that went far beyond freestyle dance. It was filmed in the most loved public spaces in New York City; it broke down traditional barriers between public and private, classical and pop, art and life, and therefore touched a lot of people beyond the filmmakers' immediate network. Not every project needs to speak to thousands or go viral, but it's important to think about crowdfunding as both fundraising and audience development.

- *The ebb and flow.* You will experience a quick boom at the start of your campaign—some people will be so excited to jump on board and will donate the first day. Then, there are people who want to give, but just haven't yet gotten around to it. Don't panic when your campaign flat-lines 10 days in. Many people raise 40% of their campaign in the last several days, when supporters see the clock ticking. Have a stomach for this, and keep plodding along.

- *In-kind support.* Of course you want people to donate money, but there are other ways for your friends to lend a hand. Your most broke friend may also be more your most social. Ask him to post your campaign to his 4,999 Facebook friends. It's free, and helps you break out of your immediate circle. Ask many people to do this—the more times a person sees your campaign, the more likely they are to give. You can even ask your supporters to help spread the word—in all likelihood, if they gave to the project, they want to see it succeed.

Additional Food for Thought

There are so many resources out there to help you along the way: articles, past project, guides written by artists who have done it too. Immerse yourself in this material and collect as many tips as you can. Here are a few links to get you started:

- So you're doing a Kickstarter...By Kat Hunt – honest and funny advice from one artist to another.
- The official Kicksarter blog – chocked full of project reviews, tips, updates and more.
- Indiegogo has a great crowdfunding guide right on their website

Finally, a round-up of projects we love and hope you'll like too.

- Girl Walk // All Day

- Scordatura: Celebrating Kodály's Solo Cello Sonata

- August Noise JP

- Ari and Mia Are Making a Record

- LowLine: An Underground Park on NYC's Lower East Side

- Square peg round hole makes an album

- Coffee Joulies

- Whatever This Is

- The Glif – an iPhone tripod mount and stand

- Clyde: An Expressive Lamp for Creative Homes

- Non-Event 2013 Season