

Raising Funds \$10 at a Time

The role of events, crowd-funding & membership programs

Definitions

Event:

- A planned or social occasion to generate financial support for a charity, cause or other enterprise.

Definitions

Membership:

- Where people make a contribution of money to an organization to become affiliated with it for a set period of time -- usually a year.

Definitions

Crowdfunding:

- The raising of funds through the collection of small contributions from your community (the crowd) using the internet and social media.

Other Small Scale Revenue Streams

- Ticket Sales
- Pledges
- ...?

Structure

Memberships

- Ongoing with regular campaign pushes

Events

- Periodic or annual

Crowdfunding

- Periodic - campaign based

How is the money raised?

Memberships

- Set fees or dues – can be based on different membership levels

Events

- Ticket sales (event registration fees), event sponsorships, in-kind donations, auctions, draws

Crowdfunding

- Donations, pre-sales, investments

What's best when?

Memberships

- Established network
- Strong sense of ownership or “insider” community
- Large volunteer base (or need for one)
- Ways to communicate and engage with members as part of regular programming and operations
- Volunteer or staff support dedicated to the program

Events

- Strong & dedicated volunteer base with large networks
- History of successful events
- Access to in-kind supporters and smaller scale sponsors (under \$5,000) and multiple ticket buyers
- Socially active community

Crowdfunding

- Access to a large community online (directly or indirectly)
- Strong social networks
- A compelling project with strong local (community) impact
- Volunteer or staff support dedicated to the campaign

Membership Benefits

- Built-in cultivation for larger potential donations
- Built-in volunteer pool to draw from
- Encourages regular communication with core community
- Builds strong sense of ownership from core community
- Creates a social network amongst members
- Regular, undirected annual cash flow
- Other benefits?

Event Benefits

- Focused time-based effort
- Can be entirely volunteer driven
- Ability to cultivate relationships with potential future donors
- Ability to strengthen relationships with existing donors
- Potentially undirected revenue
- Other Benefits?

Crowdfunding Benefits

- Support for special projects and unique initiatives
- Potentially small entry point for donors (ability to donate just one dollar)
- Easy for community to encourage their network to support
- Real time campaign with the ability to learn and adjust throughout
- Other Benefits?

Discussion

- What are some of the risks organization need to keep in mind when considering
 1. Membership Programs?
 2. Events?
 3. Crowdfunding?

Membership Risks

- Can be motivated by status or transaction over philanthropy leading to mismatched expectations
- Needs to be responsive to shifting demographics
- Takes time and money to develop a strong membership program

Event Risks

- Revenue comes after expenses and can be unreliable leading to a net zero or loss of income
- Can burn out core volunteers, supporters and staff
- Organization's focus can be shifted away from mandated activities

Crowdfunding Risks

- Consistent effort required over the length of the campaign (45 days and on)
- Can strain the attention of the community if bombarded by too many requests
- Need to be able to deliver on any promised benefits (to many people)