

CROWDFUNDING

FOR NONPROFITS

"Crowdfunding," or group fundraising, has seen rapid growth in recent years. In 2013, it was estimated that crowdfunding accounted for \$5 billion in total donations worldwide. In 2015, that figure grew to an astounding \$34 billion in worldwide donations!

This growth is expected to continue with experts projecting that crowdfunding will generate nearly \$100 billion in donations by 2025.

KEY STATISTICS ABOUT CROWDFUNDING



\$17.2 billion
amount of revenue generated by crowdfunding efforts in the United States in 2015



9 weeks
average duration of crowdfunding campaigns that reach their fundraising goal



\$7,000
average amount raised in a crowdfunding campaign



24-35
age range of the average crowdfunding donor



\$88
average size of a crowdfunding donation



78%
how many crowdfunding campaigns exceed their fundraising goals



HOW TO RUN A SUCCESSFUL CROWDFUNDING CAMPAIGN

Proper planning and execution will position your campaign for the greatest chance to reach your goals. A few crowdfunding tips:

USE VIDEO

Crowdfunding pages raise 4x more when the page includes a video of the cause.

MEDIUM LENGTH

Include a 300-500 word description of the cause on your page - not too short and not too long.

UPDATE OFTEN

Campaigns that provide updates at least every five days generate 3x more donations.

ENCOURAGE SHARING

53% of email shares of your crowdfunding page will generate donations.

CROWDFUNDING DURING A FUNDRAISING EVENT

Many nonprofits are discovering that crowdfunding is most successful when incorporated with existing fundraising efforts. Crowdfunding platforms designed for use by nonprofits can easily be used to supplement in-person fundraising at an event such as an auction or gala. Ask your auctioneer if they prefer to keep a special appeal offline.

Some ideas to integrate crowdfunding into your in-person events:



Host a Fund-a-Need, or "offline crowdfunding"

If you're hosting a live auction, bid cards still beat mobile for special appeals. However, the principles of crowdfunding still apply: fund one specific, urgent need and track progress toward the goal.



Offer Online Donations for Non-attendees

In your event invitations, promote your crowdfunding page as an alternative to attendance so recurring donors who will not be attending can donate to the cause.

RULES & REGULATIONS IN A DIGITAL WORLD



Setting up a crowdfunding page itself is quick and easy, but be aware that fundraising in a digital world may create complex legal and regulatory issues.

For example, if your charity is located in California; your online crowdfunding platform that is based out of New York; and your outreach efforts are targeting donors in Illinois, which state's regulations govern the transaction? It could be all three.

Check with your state charity regulator to ensure your crowdfunding efforts are in proper compliance with all state regulations.

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