

# crowdfunding & collective giving

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## what is collective giving and how to use it



Collective giving is a form of philanthropy that is gaining popularity in Australia. It connects fundraisers with groups of donors, such as 'giving circles', who jointly fund social change.

Collective giving is an overarching term for fundraising by groups of people who want to support organisations or projects. The aim is to pool philanthropic investment to make a bigger impact.

The following definitions are commonly used.

### Donor circles

A donor circle is initiated by an organisation with the intention of benefitting the organisation on an ongoing basis. A donor circle can be of real value to an organisation with strong patronage and a clearly-defined **brand**.

A donor circle works well when you set objectives for the circle. For example, you may want a circle to fundraise for writing new works or choreography on an annual basis. You could also create a special program that is funded purely by the circle in consultation with them.

Harnessing your existing network – **starting with your board** – is a great way to start a donor circle. You can also have multiple circles with different interests all working on your behalf.

### Giving circles

Giving circles are a collective of individuals who come together to fund organisations that meet their values criteria. Giving circles vary in size and scale from small collectives of like-minded individuals to larger collectives made up of hundreds of people. These circles will often invest in organisations that deliver positive outcomes for communities through social change projects or programs.

To attract funding from giving circles, you will need to apply and potentially pitch to the circle. They will then decide whether you are a suitable match and to what extent they wish to fund you. Do your homework and make sure you understand what type of organisation or project motivates the circle. For example, only pitch female-focussed outcomes to a circle that has the aim of improving women's lives such as the **Sydney Women's Giving Circle**. Having a **strong pitch** and a **credible budget** for a project or program is essential.

## Collective funding events

Collective funding events act as a kind of live crowdfunding. Organisations such as **The Funding Network** organise and facilitate these events and act as a mentor to presenting organisations. People attending come from corporate supporters and from the public.

To be considered for these events, you need to apply. If you can demonstrate clear social outcomes for your work, they create an opportunity to tell your story directly to an audience who are actively engaged with giving. A small number of organisations are chosen to tell their story and pitch their project. Donors pledge (with minimum amounts set, usually starting at \$100) when the pitchers have left the room. When pledging has finished, pitchers are invited back into the room to see how much was raised for their cause.

This is a great way to inject funds into an organisation or fund a specific project. You may not get access to donor information, so make sure you say thank you in advance. Ask donors to go to your website and sign up for news to track the progress and outcomes of their donation.

Collective funding events offer opportunities beyond fundraising. Use them as a platform to promote your work, gain new donors, find skilled volunteers and learn how to craft a great pitch.

## Workplace giving

Workplace giving expands on the idea of a giving circle by giving employees the chance to make regular, pre-tax donations directly from their pay to an organisation they value. In some cases, employers will match donations by an employee and double the value of a donation. These platforms can enhance the impact of a workplace giving program by incorporating volunteering, skill-sharing and in-kind support.

Platforms such as **Workplace Giving Australia** exist to connect employers, employees and charities. They can also help guide you on creating your own workplace giving program.

As with giving circles or collective funding events, it helps if your organisation, project or program has clearly defined social impact outcomes. Your pitch needs to cut through and connect with the individual donor looking at a selection of donation opportunities.

## Where to find collective giving platforms

**Philanthropy Australia** has a guide to collective giving and a list of top giving circles. Make note of key application dates as some opportunities only come around once a year.

You can also research companies that support platforms such as **mygivingcircle.org** or **1mdonors.org.au** and are interested in social responsibility and workplace giving.

## FURTHER READING

**How and why to establish a donor circle** – A guide from Creative Partnerships Australia

**Giving Circles – The New Philanthropy** – Article from Pro Bono Australia

**Collective giving in Australia: 10 leaders share their wisdom** – Article by Nicole Richards for Generosity Magazine

**Case Study - Arts Law Centre of Australia**

# what is crowdfunding and when to use it



Crowdfunding is a form of fundraising that generates income from people who are looking to fund interesting or creative projects.

The rise of online crowdfunding platforms has made it easy to ask people to invest in a project or cause by launching a crowdfunding campaign. To enhance your chance of success, you'll need to implement a crowdfunding strategy.

## What is crowdfunding?

Crowdfunding is a way of raising money for a project or cause by appealing for small donations from as many people as possible using platforms such as Kickstarter, Pozible and the Australian Cultural Fund.

There are two types of crowdfunding platforms. Some crowdfunding platforms like Kickstarter make it easy to offer rewards to incentivise people to donate to your campaign, but it is not possible to issue tax deductible receipts for donations. Others, like the Australian Cultural Fund, do offer tax deductions for donations over \$2, but you cannot offer rewards.

## How does it work?

Crowdfunders offer a series of rewards, or a tax-deductible receipt, in exchange for donations. The biggest donors are promised the best rewards, which can be anything from free samples to video thank you messages or tickets to opening night. The more varied and interesting your rewards, the more you will appeal to your donors.

## What can I use it for?

Crowdfunding is best suited to creative projects with a clear start and end date, which appeal to a well-defined audience. For example, a conservatorium might launch a crowdfunding campaign to raise money to buy an instrument, appealing to the friends and family of its students.

It's harder to crowdfund for ongoing operational costs and long-term projects, which are less tangible – and therefore less appealing – to donors. If these can be broken down into smaller, discrete goals, crowdfunding is an option to consider.

## What platform should I use?

Each platform has its pros and cons. To find out more, read this article about [choosing the right crowdfunding platform](#).

### Questions to consider before launching a crowdfunding campaign

- **Are you likely to reach your target?** Crowdfunding platforms charge different fees depending on whether you hit your fundraising target. On some platforms, if you don't meet your target, you don't get to keep any of the money raised.
- **How many people will your campaign reach?** Estimate the total number of people in your extended network of friends, family, colleagues and social media followers. Assume that 10% of people donate an average of \$20. Is this enough to reach your goal? How would these numbers need to change to meet your goal?
- **What's your plan B?** What will you do if the campaign fails to meet its target? Will this be the end of the line for your project, or will you explore other fundraising options? It's worth having a back-up plan in case your campaign is unsuccessful.

This [article](#) outlines how to maximise your crowdfunding success.

### A NSW EXAMPLE: **FILMMAKER.**

Sydney based filmmaker Monica Zanetti used crowdfunding to help fund her first feature. Read her story on Creative Partnerships Australia's site [here](#).

### TIP.

**crowdfunding** is best suited to creative projects with a clear start and end date, which appeal to a well-defined audience.

### FURTHER READING

[Crowdfunding tips](#) – Pozible

[5 steps to writing an awesome non-profit crowdfunding pitch](#) – Chuffed

[How to set up a crowdfunding campaign](#) – Knowhownonprofit.org

## how to choose the right crowdfunding platform



There are dozens of crowdfunding platforms to choose from. Here is a guide for first-time crowdfunders.

Every crowdfunding platform has its pros and cons, but there are a few platforms that work well for creatives in the Australian marketplace.

The main differences between crowdfunding platforms include:

- The ability to offer tax deductible receipts
- The percentage of fees and charges deducted from funds raised\*
- The ability to access all the funds raised regardless of whether your campaign is successful or not.

### Australian Cultural Fund

[australianculturalfund.org.au](http://australianculturalfund.org.au)

Set up by Creative Partnerships Australia, this platform is dedicated to helping creatives raise funds in Australia. It allows you to:

- Offer tax deductible receipts on donations over \$2 (donations are made to the Australian Cultural Fund, which has Deductible Gift Recipient status, before being distributed to you)
- Keep any funds raised whether you meet your target or not
- Fees are 5% of the total raised (no further transaction fees apply)

You cannot offer rewards

### Pozible

[pozible.com](http://pozible.com)

This Australian-based, global company focuses on creative and community fundraising projects. It allows you to:

- Issue tax deductible receipts if you have Deductible Gift Recipient status (You cannot offer rewards if you issue tax deductible receipts)
- Offer rewards to incentivise people to donate to your campaign (except where you are offering tax deductible receipts as mentioned above)
- Fees are grouped at 5% of total funds pledged up to \$100,000; 4% of total funds pledged between \$100,000 and \$500,000; and 3% of total funds pledged of \$500,000 or over
- Further charges apply for donor transaction fees

If you do not reach your campaign target, you will not receive any funds raised

## Kickstarter

[kickstarter.com](https://kickstarter.com)

This well-known US-based global company focuses on creative projects. It allows you to:

- Offer rewards to incentivise people to donate to your campaign
- It is not possible to issue tax deductible receipts
- Fees are 5% of your funds raised, further transaction fees apply

If you do not reach your campaign target, you won't receive any funds raised

## My Cause

[mycause.com.au](https://mycause.com.au)

This Australian-owned company focuses on raising funds for people or charities in Australia. You need to have a strong community focus, or be fundraising for a person, for this site to work for you. There are two ways to fundraise, each with its own rules relating to rewards and tax-deductible receipts:

- Flexible campaigns allow you to receive the funds you raise regardless of whether you reach your target
- With pledge-based campaigns, you only receive funds if you meet your target. Fees are 5% of your funds raised, further transaction fees apply.

Sites similar to My Cause include [chuffed.org](https://chuffed.org) and [gofundme.com](https://gofundme.com)

## Patreon

[patreon.com](https://patreon.com)

Patreon allows donors to give on a monthly basis in return for exclusive rewards, which can be as simple as a video update of your work in progress. It's a useful platform if you're regularly producing work – particularly work that can be delivered online, such as blogging, graphic novels, music and video content – and is particularly suited to individual creatives. Patreon can be used to fund a program of works or a project with a longer timeframe. It allows you to:

- Issue tax deductible receipts if you have Deductible Gift Recipient status (You cannot offer rewards if you issue tax deductible receipts)
- Fees are 5% of your funds raised, further transaction fees apply.

Transaction fees vary from platform to platform. See their websites for further details.

## FURTHER READING

**Funding your own films** – A guide to crowdfunding options from Academy of Film, Theatre and Television

**Which crowdfunding platform is best?** – ArtsHub article by Emma Clark Gratton

**The low down on crowdfunding guide** – Creative Partnerships Australia



# how to maximise success when crowdfunding



Successful crowdfunding campaigns are planned from start to finish. Follow these steps to create the building blocks of a strong campaign.

## Step one: Plan your campaign

Once you've chosen a **crowdfunding platform** to suit your project, it's time to plan your campaign. Write down all the steps involved and set deadlines for each one. Consider:

- What's your fundraising target?
- How long will your campaign run?
- How will you promote the campaign?
- Who is your target audience?
- What resources do you need? (For example, do you need a videographer to create content for social media?)
- Will you offer rewards? If so, when will they be delivered?
- How and when will you launch your campaign?
- Most campaigns attract a burst of donations at the start and finish. How will you boost donations mid-campaign?
- As your campaign nears its end, how will you rally supporters to help you reach your target?

## Step two: Tell a good story

- Think about the key messages you want to communicate to your donors and the best way to get those messages to them.
- Keep your copy short and to the point.
- Always view your story from the perspective of a donor.
- Make memorable statements about your project that will resonate with potential donors.
- Avoid using jargon or language that only other creatives will understand.
- Does your work have a social impact? Does it involve your community? Emphasise these points.
- Inject your personality into your story to help people connect with you, not just your project.
- Test your story on people who have no knowledge of what you do.
- Your story should work in writing, in a video and face-to-face. Think about how these mediums require a different approach.
- Don't miss an opportunity to practise telling your story.

### Step three: Visuals matter

Quality images and engaging video content are vital to presenting a good campaign. Make sure you:

- Plan the time and resources you'll need to get quality photo and video content.
- Think about building your story over the length of the campaign.
- Properly plan and rehearse a video. You can use your smartphone but do check simple things like lighting and sound.
- Keep it under two minutes. The shorter the better. Test your videos on a friendly audience first.
- If there's a humorous aspect to your project, use it in your videos. Funny videos are more likely to be shared on social media, which can lift your campaign's profile.

### Step four: Use your networks

You should already have a **database of supporters** or people who are interested in your work. If possible, lock in a few donors prior to launching your campaign and deploy these donations as needed. Holding back some donations until the end of your campaign can be a useful way to build momentum and encourage others to help get you over the line. Make sure you:

- Spread the word and generate interest in your campaign through social media.
- Consider pitching your story to traditional media such as local newspapers and radio stations.
- Consider hosting events during the campaign. It can be a small event like a dinner, or a party with food and drink **sponsors**.

- When using social media, mix your crowdfunding requests with other news. Don't request money with every interaction. Keep your networks up to date with the progress of the campaign so they can follow your success.

### Step five: Understand the stages of a crowdfunding campaign

Understand and plan for the stages of a crowdfunding campaign:

- **Pre-launch** - This is when you plan your campaign and give your key supporters advance notice.
- **Launch** - Make a splash and get your supporters excited about the cause.
- **Mid-campaign** – There's usually a lull in support mid-campaign. Launch fresh content or special offers to liven things up.
- **The home stretch** – Rally supporters for last-minute donations to get you over the line.
- **Post-campaign** - follow up and say thank you. This is an opportunity to grow your database of supporters. Ask to stay in touch. Let them know how the project is going. Invite them to view the project when it launches. Share the outcomes. Your **fundraising efforts should not end with your crowdfunding campaign**.

### FURTHER READING

**How to create a compelling campaign video in under 90 minutes article** – Chuffed

**What's a fundraising strategy?** – Video from the Australian Cultural Fund

**Building rewards** – Kickstarter's guide to reward structures

# how to develop long-term donors from crowdfunding



When your crowdfunding campaign ends, your fundraising efforts should continue. Follow these steps to turn donors into ongoing supporters.

Successful crowdfunding campaigns attract donors who are keen to support your work. It's important to understand what motivates these donors. Follow the steps below to build relationships that could lead to ongoing donations.

## **Step one: Collect and analyse the data**

You can contact your donors through most crowdfunding platforms. Say 'thank you' for donations no matter how small. Many crowdfunding platforms have Google Analytics, which offers a wealth of useful information. You should be able to see where your donors came from. Did they come to your page via Twitter, Facebook or an email you sent? Were they referred from an article or from your website? Which donors gave most? Use this information to guide your communications moving forward.

## **Step two: Analyse your content's performance**

Which pieces of content were most popular and why? Can you expand on that content with a follow-up piece? Look for patterns. Did someone visit your website multiple times? This indicates a higher level of interest. A personal message could encourage them to donate again.

## **Step three: Make a strategic plan**

Build a strategic plan using the knowledge you've gathered so far. Your goal is to entice current donors to give again when your next campaign comes around and ideally between campaigns. Segment your donors so you can push tailored communications to them via their preferred channel. Adjust the level of frequency according to their level of interest. Set project milestones over a period of time and plan communications accordingly.

## **Step four: Design your next campaign**

Reflect on what you have learned about your donors. Tailor your next campaign to appeal to them by creating sharable, engaging content. Encourage them to donate again and share your campaign with their contacts. This will help you widen your donor base.

### Step five: Contact larger donors directly

Tell them about your next campaign. Ask them to make a contribution of the same size or larger. If they say yes, think about when to deploy their donations: at the beginning to make a splash, in the middle to avoid a mid-campaign lag, or at the end to help you over the line. Build a relationship with larger donors by offering rewards like free tickets, exclusive access or additional content. They should become your VIP supporters over time.

### Step six: Introduce donors to other ways they can support you

Repeat the five steps above to grow your donor base through crowdfunding campaigns. At some stage, you'll want to move your major donors off crowdfunding platforms to encourage more regular and sustainable donations. Talk with larger donors about your future plans and ways they can help you get there.

### TIP.

**reflect** on what you have learned about your donors. Tailor your next campaign to appeal to them by creating sharable, engaging content.

### A NSW EXAMPLE: **VISUAL ARTIST.**

Visual artist Damien Butler considers crowdfunding a stepping stone to getting in front of major new donors:

“ Don't be scared to make new friends! Major donors have interests and passions as great if not more than your own. Why not listen and bring them into your world? You may help expand networks as if it's not your project that gets help, maybe it's your friend's. ”

### FURTHER READING

**Creative Crowdfunding: How The Crowd Can Help Artists Emerge and Thrive** – TED Panel talk with Amanda Palmer, Neil Gaiman and Kickstarter Co-Founder Yancey Strickler

**How to choose a crowdfunding platform** – Article from Smart Company  
**An example of a successful crowdfunding campaign for Gaby Baby documentary** – Case study on Pozible