



**Lower
Manhattan
Cultural
Council**

EMPOWERING ARTISTS,
INVESTED IN COMMUNITY

BASIC FINANCE FOR ARTISTS

Week Six: Wrap Up & Goal Setting – March 2015

CROWDFUNDING PLATFORMS

Below are examples of popular online “crowdfunding” platforms that individuals and organizations can use to raise money from individual donors. To get started, one needs to define a campaign within a specified time period, with a goal of raising a specific amount of money. Once the campaign is set up, artists and organizations promote the project to their networks to solicit donations. A service fee is charged for every dollar successfully raised through these online platforms. Typically, artists and organizations offer rewards and/or acknowledgement to donors as incentives to give.

The advantages of using crowdfunding include:

- A set funding goal to be raised in a set timeframe that can build motivation and momentum to give
- Viral outreach on social networks that can introduce your project to a wider network
- Online donations that are simple to process

For most platforms, donations are not tax-deductible unless the project is by a nonprofit tax-exempt organization or an artist using a fiscal sponsor.

There are many crowdfunding platforms on the Internet and each one is different. Dozens of new sites have been launched in recent years that tend to serve specific project disciplines and communities. The following are two sites that have proved useful for individual artists for a broad scope of creative projects. Be sure to read and understand the rules & parameters specific to any site before selecting it and getting started.

KICKSTARTER

www.kickstarter.com

Kickstarter is a crowdfunding platform for creative projects. Two administrative fees adding up to approximately 8% are charged for each dollar raised through Kickstarter. Artists and organizations set a fundraising goal and a deadline to reach the funding goal that is within 60 days of the start of the campaign. Funds raised by successful campaigns that meet their goal will be dispersed after the deadline. If the funding goal is not met, donors are not charged and no funds are dispersed to the project. Keep in mind that Kickstarter has certain branding and editorial standards that artists may be asked to adhere to.

INDIEGOGO

www.indiegogo.com

Indiegogo is a crowdfunding platform for creative projects and social causes. The funding deadline must be set within 120 days of the start of the campaign. There are two fee models that Indiegogo offers:

- Flexible funding: with flexible funding, you don't have to reach your goal in order to receive money donated to you, but if you reach your goal, you keep more of it. Fees adding up to 12% are charged to your donations if you don't reach your goal, 7% if you do.
- Fixed Funding: Indiegogo gives projects the "all-or-nothing" fee option similar to Kickstarter, charging fees adding up to 7% if you reach your goal, but you receive nothing if goal is not met.

Indiegogo allows non-U.S. projects and donations, and provides an integrated fiscal sponsorship service with Fractured Atlas and the San Francisco Film Society projects that may reduce total administrative