



A 'Mi Parque' beneficiary takes part in a community workshop in Chile.

HANDBOOK 2

MODULE 4

Crowdfunding for Community Nonprofits

How to set your Crowdfunding Goal

One of the biggest question on most people's minds when they launch a crowdfunding campaign is how much money they should ask for. Whilst setting a crowdfunding goal is no exact science, there are a few key factors that can help you determine a realistic and achievable goal. This module covers the different points to consider and gives you a framework from which to set your own goal.

Setting the right goal

Setting a financial goal for your campaign is important. Unfortunately, it's not only about how much you think your project will cost. If you aim too low, you'll miss the opportunity to improve your project or, even worse, you might fail to complete it if something goes wrong. On the other hand, if you aim too high, you may spook donors who think your organisation can't handle such a large sum of money or that your motivations are suspicious.

There are therefore a huge number of factors to consider when choosing a goal for your crowdfunding campaign. We will explore six of the most important factors in detail below.



Helpful Hint

Before setting your financial goal, make sure that you have clearly defined the project goal for which the funds from your crowdfunding campaign will be used. For crowdfunding, it is essential that your project be a single, specific, well-structured project that will realistically lead to tangible outputs. If you need help identifying a clear goal for your project, take a look at Module 3 of our Tools for Project Planning Handbook.

1. What is your project's scope?

The first factor that you must consider when determining your goal is what you are actually trying to accomplish. Remember, it is always easier to scale-up a project that is going really well, than having to scale down a project because you do not have the funding to pull it off.

- Be able to demonstrate that your project creates a meaningful and demonstrable impact for your cause. When you are asking other people to fund your work, the burden of proof is on you.
- Make sure the project has the right size: it must be large enough to require the funding of a crowd and small enough that it can be accomplished by combining the team and resources that you have available with those you will acquire if you reach your goal.
- Be prepared to answer questions about why your nonprofit is the best fit for the job.
- Only ask for as much money as you are reasonably able to justify someone paying a team with your level of skill to complete.

2. What is your organisations capacity?

The best way to figure out what the scope of the project is that you ask funding for is by looking at your organisation's or your team's capacity.

- Ask yourself the following questions to get an idea:
 - How many people do you have on your team?
 - What are their skills?
 - What equipment and facilities does your nonprofit possess?
- Be realistic about your skill set and abilities. You need to be absolutely sure that you will be able to complete your project with the combination of your existing resources and those that you will procure after you meet your crowdfunding goal.
- The key here is researching and planning as much of the project as you can beforehand so that you know what to expect and don't get in over your head.

Scaling up a job that you are already excelling at in a small operation is exciting. Taking on massive projects in a sector where you have never performed before is terrifying. Find the balance between dreaming big and being realistic.

3. How many donors can you reach and what can they give?

While the intention of a good crowdfunding campaign is to grow your audience (see Module 3 and Module 8 for information about defining and growing your audience), you also have to be realistic about what you can expect to get out of your existing audience.

- Be realistic, if your organisation only has 2,000 followers on social media, don't set million-dollar goals. Assume that at least half of the people in your audience will not donate and the majority of those that do, will donate between five and twenty dollars.
- People like to be a part of a successful campaign and are more likely to give money to a project that looks like it will be 100% funded. If you set your goal too high, you may scare off potential donors.
- If you can modulate your project and break different components up into different campaigns with smaller goals, this can be a really great way to gauge the size of donations you can expect and revise your goals from there.

Whilst we certainly don't want to scare you off aiming high, and definitely want you to consider the other factors we explore in this module, it's generally best to set a goal slightly below what you expect your donors can give in order to reach and exceed this goal. This helps to guarantee your campaigns success and builds momentum for future campaigns.

4. What does it actually cost to run your project?

It is vital that you accurately determine what it is going to cost to run your project before you make 'the ask' for your crowdfunding campaign. For this, you need to create a budget!

- Always assume the worst when figuring out your budget: Plan for delays in shipping, plan for volunteers not showing up, plan for spillage, breakage, and any other thing that could go wrong and end up costing more.
- Leave breathing room in the budget to make sure that you will have enough to deliver on what you are promising to both your donors and your beneficiaries.

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5. What are your contingency plans if something goes wrong?

The only certainty in nonprofit work is that nothing goes according to plan. The aforementioned delays and hidden costs will invariably occur during your project.

- You need to have a plan for what you will do if you do not meet your fundraising goal or something else goes wrong. Spend some time working on a Plan B or alternative options.
- Be prepared to explain these plans, changes in plans and the decisions you make to your donors. The second you have to answer a question with "I'm not sure", you have lost a donor.

6. How much time are you going to dedicate to crowdfunding?

Crowdfunding is a full-time job. You are going to get out of crowdfunding what you put into it.

- Be realistic about the amount of time and the personnel that you have available to spend building and promoting your crowdfunding campaign and scale your ask accordingly.
- Simply setting up a page on a crowdfunding platform and sharing it on Facebook will not be enough to help you reach your goal.
- You need to devote time to developing and executing a comprehensive outreach strategy that combines social media, email marketing, and other forms of outreach such as hybrid campaigning with live events.

Finishing up

There is no way to know exactly how much your audience is willing to give but by doing some thoughtful and strategic research, you can gain insight into the capability of your team, the financial position of your audience, and the real monetary needs of your project. Once you have educated yourself as much as realistically possible, make the leap and set your goal. There is always an element of faith involved in crowdfunding. Assume you can do it and go for it.

In the next module, we will be exploring the final step of campaign planning before launching your page, creating a communication strategy.



Helpful Hint

This is also a good time to think about how long your campaign should last for. Just because a campaign is longer, doesn't necessarily mean that it will raise more money. Think about the resources you have to dedicate to your campaign and how long you can keep that up. Generally, the most successful campaigns last 30-40 days.

This resource was produced by Grassroots Collective.

This is module 4 of our 10-part handbook for nonprofit crowdfunding. Find the full handbook at: www.thegrassrootscollective.org/grassroots-hub

Have a question about crowdfunding for social causes or want to learn about how we can support your organisation on its mission? Contact us at: info@thegrassrootscollective.org

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