

The low-down of crowdfunding

Congrats! You've been accepted for that theatre season, you've been offered an exhibition, they've booked you for a gig. Enjoy the moment. Because you're smart you know this little glow won't last long before the practicalities kick in and you have to start raising the money to make this baby fly.

There are numerous ways to raise funds for your project, and you need to use them all. You can borrow money from your mum or your mortgage (hey, you owe one or the other anyway), or you can work a million hours at an extra job to save the funds.

These are entirely legitimate options – after all there's nothing quite like backing yourself – and it demonstrates to other potential funders that you're serious about making this project happen.

At the same time, assuming you need more cash, you should be applying for grants, approaching sponsors and mounting a crowdfunding campaign.

What is crowdfunding?

At its simplest, crowdfunding is an online tool for raising money that asks lots of people to each give small amounts. It can also be a way of publicising and marketing your work, a way of building networks and a way of rewarding loyal supporters – but it's not called crowdmarketing, so we'll get to that later.

Essentially you list your project online (and there are a few platforms to choose from), set a target amount and a deadline, and people pledge to give you money. Anyone can use it – independent artists, writers, dancers, theatre companies, designers, musicians, tech-heads, whoever. Barack Obama famously used crowdfunding to finance his presidential campaign.

It's a very democratic way to resource the arts, taking the decision-making out of the hands of the gatekeepers and placing it in the hands of the mob. Or you can think of it as part of the sharing economy – I share my work, you share your cash.

But unlike death and taxes, there are no guarantees – planning is key and there's a chance you may not receive any money at all. It's hard work and there's no set and forget option.

What's the best platform for me?

There are two types of platforms to host your campaign – those with tax-deductibility and those without.

Australian Cultural Fund (managed by us)

Donors get a tax deduction for donations over \$2. People on higher incomes may like this option since a larger tax bill means you get more advantage from deductions. But lower income earners such as artists need deductions too, so don't write them off.

The bonus is you get whatever amount is pledged (minus 5%), regardless of whether you reach your project target. Plus the ACF is entirely geared towards artists, so you're in the right environment. The downside? You're not allowed to link rewards to donations – you're simply relying on goodwill (and the tax benefits).

australianculturalfund.org.au

Pozible / Kickstarter / Indiegogo / others

These crowdfunding platforms offer people rewards in return for their donation. You get to thank people with tickets to your show, a gig in their lounge room, or whatever you like, which has the potential to attract donors.

Donations are not tax-deductible unless you have Deductible Gift Recipient (DGR) status from the tax office (usually not given to individuals or small companies), and you only get your money if you reach your project target. If you fail to reach the target, none of the pledges are honoured. Sure, you can top up the campaign yourself to reach your target, but you will be hit with platform's service or admin fees on your donation to yourself too.

pozible.com / kickstarter.com / indiegogo.com

Of course you can mount campaigns on more than one platform. Just remember that running a fundraising campaign is hard work. You really need to stay on top of it to keep it creative, varied and engaging. Throwing up some links and asking people to hand over their credit card is a sure way to lose even your best Facebook friends. So think hard before you do the double.

How do I set my fundraising target and deadline?

Nobody's getting rich here, right? So don't be greedy with your target. Be honest about how much you really need to make your project work. Remember sites like Pozible are all or nothing so if you set your target too high you're cactus. Now think about how popular you are. Again, be honest. If you don't have large social media networks or good long email lists, you're going to have trouble drumming up interest, so keep your target small and realistic. Remember to factor in the cost of delivering any rewards if you're going down that route.

As for your deadline, most campaigns run between 20 and 50 days. You don't want it to drag on and for people to get sick of you, but you shouldn't go for less than 20 days unless you actually have superpowers. You need enough time to spread the word to fans, friends, family, day job colleagues and strangers. How much spare time do you have? Most people spend at least an hour a day on their campaigns – work out how long you can sustain that and there's your deadline.

What about the rewards?

Donations to ACF projects are considered an unconditional gift, so you can't offer rewards to your donors. You're depending on your supporter base, your fundraising strategy and of course, the strength of your project. You may find that people just want to support you because you're so excellent, donations are tax deductible and they care about rewards. In this case the ACF is definitely your bag.

If you decide to use a rewards-based platform, you'll have to think up a number of rewards for different donation levels, usually around six to eight. Get creative, ensure that higher amounts get better rewards, and make all your supporters feel warm and fuzzy. Public thanks shouted from the rooftop is the bare minimum.

Remember to budget for the rewards you give out. If you fail to deliver you'll be breaking the law and will most likely have to refund the donation. Even on sites like Pozible, where the most common pledge is \$50, you can still keep in a no-reward option for smaller donations – just because people love you. Don't forget to check the site's guidelines – most don't allow financial rewards (which wouldn't make sense anyway!) or more risqué offerings.

Is it only about raising money?

Remember, it's not a given that this will work. You may find that you spend a month sweating over your social and don't get any funding at all, or not nearly enough. So recognize that there are other benefits to running a campaign well. Pozible describes itself as both a 'crowdfunding platform' and a 'creative community'. The campaign is also a way of getting exposure for your project and preselling tickets. If you are savvy, your campaign can become viral marketing, free advertising and a networking hub. See it as a chance to introduce your vision and mission to the market – and you've just done your own PR, for free.

Need more on how to make this thing work?

1. Firstly, have a quick check in on yourself to make sure you're worth it. You are asking folk to part with their hard-earned after all. All good? Good.
2. Plan your campaign really well. Check out all the different platforms, read their FAQs and guidelines. Download the [ACF's artist handbook](#), a step-by-step guide to creating a successful campaign, or visit the [blog](#). Research other campaigns – at least 10 like yours – and copy the successful ones. Some platforms let you talk your idea through with them – do it!
3. Describe the project well. Think of a killer title that will act like an earworm then get the critical information across early – what it's for and why. Include a budget, bio, reviews of previous work, but keep it snappy. Boring is death.
4. Make a video. On Pozible, projects with a video raise an average of \$6,500 against \$3,500 for those without. It doesn't have to win awards, but it does have to be emotive or funny or quirky or exciting or inspiring or ... you understand. Tell a great story – in less than three minutes – and link it to your crowdfunding page. Ask friends for a favour if you need to but don't skip this.

5. Try to secure some other funding before launch to create buzz and momentum. Even if it means working that extra job, or setting up a lemonade stall, it tells people you're not relying on their goodwill alone.
6. Hit the ground running. Most support will come in the first and last weeks. Tweet, Instagram and update. Also try direct emails, hosting a launch party and sending a media release (but make sure it's about the project, not the campaign itself). Don't be shy ... but don't spam. And stay positive.
7. Follow up with your donors after the campaign and the project – these people are your new network. Because there's always another project, right?

Good luck!