

# Crowdfunding for Land Trusts



*Crowdfunding is a web-based fundraising technique that can generate many small donations in support of an endeavor.*

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## Introduction

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Crowdfunding is a fundraising mechanism that enables organizations to generate many modest donations from new and existing donors, typically through web-based platforms, to help fund a project or achieve a specific goal.

Land trusts have successfully capitalized on this fundraising tool, and some crowdfunding platforms are now designed specifically for conservation-related efforts.

This guide provides an overview of how crowdfunding works, what organizations need to know for success, and how to navigate the various crowdfunding tools available. In addition, this guide explores the crowdfunding experiences of several land trusts.

## Crowdfunding Basics

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Crowdfunding is a form of a crowdsourcing, in which the internet is used to tap resources for a particular task or project. Crowdfunding leverages the vast reach of the internet to spotlight a fundraising campaign so that individuals or organizations may raise funds for a variety of reasons (e.g., soliciting investors for a startup business; supporting a person struggling with illness, or funding a purchase of conservation land.)

Crowdfunding has proved to be an effective fundraising tool: in 2015, it raised over \$34 billion for charities and for-profit ventures around the world.<sup>1</sup>

Crowdfunding enables charitable organizations to access a large pool of potential donors through an online campaign. Short-term, project-based campaigns tend to be most effective. The idea is to create a sense of urgency and need while engaging donors throughout the entire campaign. Crowdfunding can be particularly effective in keeping donors updated on an organization's fundraising progress. A donor can see instantly how their individual donation impacted the organization's overall goal and can return to the campaign to see the organization's process. By providing donors the opportunity to share their personal stories and reasons for giving, organizations can motivate more individuals to contribute.<sup>2</sup>

## Crowdfunding Choices

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There are several key variables to consider and decisions to make when designing and launching a crowdfunding campaign. These include:

- Reward-based vs. donation-based
- Self-hosting vs. third-party
- Flexible vs. all-or-nothing

### Reward-Based vs. Donation-Based

Crowdfunding takes two basic and distinct forms: reward-based and donation-based.

*Reward-based* crowdfunding means those who give will be rewarded if the campaign is successful. For example:

- Participants receive a free sample of a new product or service.

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<sup>1</sup> Lau, Summy (2016). *Nonprofit Crowdfunding 101: 4 Tactics to Reach New Donors and Raise More Money*. Retrieved from

<http://winspireme.com/online-crowdfunding-101-4-tactics-nonprofits-raise-more-money>.

<sup>2</sup> Lau.

- Participants lend funds to a startup or existing business with the expectation that they will receive interest payments in return.
- Participants invest in a company as shareholders before the company goes public on the stock market.<sup>3</sup>

*Donation-based* crowdfunding is just as it sounds: donors give to a cause or project philanthropically, without expecting rewards or repayment.

### Self-Hosting vs Third-Party

The success and popularity of crowdfunding has led to the creation of scores of third-party, online platforms that host campaigns and process payments. Alternatively, organizations may choose to use their own website to launch a campaign.

Third-party platforms are designed for users to easily create and share fundraising campaigns. Each campaign is given its own webpage, which describes the project, provides background information about the organization, and includes photos, videos, and links. The page can be easily disseminated through social media, email, and existing websites. Donors can track the progress of the fundraising campaign and share comments. Most platforms charge a set of fees (see “Fees” section below). These platforms are also designed to attract new visitors who are interested in donating and supporting particular types of charities.

Although third-party platforms can attract new visitors, the onus is still on the land trust to use its current reach to the fullest extent possible. Thus, whether using a third-party site or its own website, a land trust needs to stretch itself beyond its current base in order to have success.

### Flexible vs. All-or-Nothing

With most third-party platforms, donors pledge their donations and the transfer of funds (from donor to organization) does not occur until after the campaign is

completed. Within this context, a platform may offer to organizations a flexible approach to fundraising goals and pledges, a fixed (all-or-nothing) approach, or both flexible and fixed approaches:

- **Flexible Crowdfunding:** An organization may set a minimum fundraising goal but will still receive the funds even if the minimum amount is not pledged. (The site may charge an additional processing fee if the goal is not achieved.) The obvious benefit of this approach is that the organization will receive some amount of money for its efforts even if it doesn’t achieve its pledging goal.
- **Fixed (All-or-Nothing) Crowdfunding:** An organization sets a minimum campaign goal. If the amount is not achieved, the organization receives no money; the third-party platform doesn’t collect the donations from the pledging donors, nor does it collect fees for its services. With fixed crowdfunding, organizations should think carefully about the minimum donation to ensure that it is attainable. The benefit of this approach is that it puts more pressure on donors to give and to give more since the campaign will not succeed if the minimum is not reached. The downfall is that the organization could invest staff time and other resources into the campaign and walk away with nothing.

A 2014 study reviewed 47,000 [Indiegogo](#) campaigns; this platform allows users to choose between a flexible or fixed funding model. The study found 95% of the campaigns utilized a flexible funding model. The median campaign goal of fixed campaigns was 39% higher than that of flexible campaigns. The all-or-nothing campaigns were more likely to reach their set fundraising goal, with an average completion rate of 65% (compared to 42% for flexible funding campaigns).<sup>4</sup>

<sup>3</sup> Futko, Jason (2014). *Equity vs. Debt Crowdfunding*. Retrieved from [crowdfundinsider.com/2014/09/50628-equity-vs-debt-crowdfunding](http://crowdfundinsider.com/2014/09/50628-equity-vs-debt-crowdfunding).

<sup>4</sup> Hurst, Samantha (2014). *Researchers Study Indiegogo’s Flexible or Fixed Crowdfunding*. Retrieved from <https://www.crowdfundinsider.com/2014/06/42609-researchers-study-indiegogos-flexible-or-fixed-crowdfunding>

## Fees

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Third-party platforms charge a variety of fees. It's important to read the guidelines, disclaimers, and pricing framework to understand clearly how each site works. Potential fees include:

- **Signup fee:** A platform may require a fee just to create an account. This fee is extremely rare, at least with the more popular crowdfunding platforms.
- **Platform fee:** Most platforms charge organizations a fee for collecting funds. The fee is based on the total amount received through the campaign. An additional fee may be applied if the organization's campaign does not reach its minimum fundraising goal.
- **Processing fee:** With most online donation platforms, a set processing fee (typically 3-5%) is applied to each individual donation. Some platforms allow donors to opt to cover these fees so the organization doesn't incur the cost.
- **Donor fee:** Some platforms may charge the organization minimal or even zero fees but leverage a charge on individual donors. In many cases, this fee structure is optional and the organization can decide whether to offer donors the option of covering processing fees. In other cases, such as with the platform [CrowdRise](#), the fee is paid by the donor so that 100% of the donation goes to the organization.

## Peer-to-Peer

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Many platforms offer opportunities for donors to actively raise funds through their own networks. Individuals are provided their own fundraising page to explain the fundraising initiative, share why they are involved, and track donations. Peer-to-peer fundraising can potentially be a powerful tool for organizations that have supporters who are deeply connected to the organization and possess an enthusiasm for reaching new donors. This approach does

require hands-on support from the organization's campaign manager.

## Recommended Practices

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Crowdfunding offers no guarantees, and organizations must invest in a campaign if they want it to be successful. Like any fundraising effort, organizations need to be strategic, do their homework, and effectively tell their story. Below is some overarching guidance:

- **Establish realistic goals:** Every project is different. When launching a crowdfunding campaign, organizations must have a good sense of how much they can realistically raise.
- **Tell a compelling story:** Project-based campaigns are more effective over general organizational fundraising efforts. Campaigns that offer a sense of urgency tend to be more successful. A compelling story should explain the challenges that the organization faces, the organization's solution, and why it is important for donors to act immediately. Organizations often use videos, images, and testimonials to appeal to donors.
- **Research platforms:** Crowdfunding sites are plentiful, which means organizations should do research to find the most suitable platform for their campaign.
- **Utilize existing networks:** A crowdfunding campaign cannot succeed on its own. An organization must use its social media platforms, email contacts, websites, and other online tools to promote the campaign and engage existing and new donors.

## Conservation-Oriented Platforms

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Hundreds of crowdfunding sites exist, each offering its own fee structure and features. For a comprehensive list of these sites, visit [Crowd101.com](https://www.crowd101.com/list-crowdfunding-and-fundraising-websites/) (link: <https://www.crowd101.com/list-crowdfunding-and-fundraising-websites/>). A few sites that specialize in

conservation or recreation-oriented projects are described below.

## Conserve With Us

Conserve With Us ([conserewith.us](http://conserewith.us)) launched its beta platform in 2018 featuring five pilot land conservation projects. This platform was designed from the ground up with land conservation and land trusts in mind. In fact, the five land trusts that participated in the pilot project were given the opportunity to help mold and improve the platform.

The platform offers flexible funding and charges a 3.8% fee on the total amount raised by the land trust. A discounted payment processing service is provided through Stripe. Nonprofits can access their donor data at anytime during the project.

## Fund Your Park

Fund Your Park ([fundyourpark.org](http://fundyourpark.org)) is administered through the National Recreation and Park Association (NRPA) and is designed specifically to raise funds for park and recreation projects.

Organizations must be NRPA members and projects must be selected by NRPA to appear on the site. The project campaigns run for only 30 days. NRPA charges a 5% administrative fee.

## Charitable Solicitation Compliance

Charitable solicitation is regulated at the state level, and each state has its own rules. The [National Council for Nonprofits](#) warns that crowdfunding (like any fundraising that extends beyond an organization's home state) can trigger charitable solicitation registration requirements in other states. See the Council's [Charitable Solicitation Registration webpage](#) for suggestions on how to address this potential burden.

## Land Trust's Experiences with Crowdfunding

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### Delaware Highlands Conservancy: Crowdfunding for Public Access

The [Delaware Highlands Conservancy](#) (DHC) turned to crowdfunding in the fall of 2014 to raise funds for a public access project in the town of Fremont, New York. The purpose of the fundraising campaign was to purchase, protect, and improve a fishing and boat access site on the Delaware River.

The Long Eddy access was popular with river guides and recreational users but did not have a ramp or sufficient parking. The county had identified the need to improve this access as part of its Local Waterfront Revitalization Program. Purchasing and improving this parcel would give residents and visitors to the region much-needed improved access and easier parking, and would bring positive economic benefits to Long Eddy, the town of Fremont, and the whole river corridor.

DHC had secured funding to cover the initial acquisition costs but still needed to raise at least \$5,000 for transaction expenses. Looking to try a new fundraising strategy and engage new donors, staff decided to launch a crowdfunding campaign. They chose [Indiegogo](#) over popular sites like [Kickstarter](#) because it offered a flexible funding strategy, ensuring that the organization would receive pledged funds even if the overall goal were not reached.

Bethany Keene, DHC's outreach and development team leader, managed the campaign. She advises that it is not enough to just create a campaign on a crowdfunding site. The organization had to use all of its marketing tools to promote the campaign, including press releases, social media, its website, and email contacts. DHC also worked with local sportsmen organizations to engage their members, who would directly benefit from the project.

DHC solicited a volunteer who created a marketing video about the project. The video featured a local fly fisherman describing the river's abundant wildlife and

the importance of public access for fishing, kayaking, and wildlife viewing.

There was some local opposition to the project from a few concerned citizens. In response, DHC held several public meetings for residents to share their concerns and ask questions. In the end, the project received strong support.

The online campaign lasted approximately two months. DHC ultimately exceeded its fundraising goal and raised \$7,950 from 91 donors. DHC estimates that half of those who donated in the campaign were new donors.

Keene acknowledges that a crowdfunding campaign is time-intensive, but not necessarily any more so than a traditional fundraising campaign. She advises that a crowdfunding campaign can be very effective if an organization has the right type of project, particularly one that has a compelling story and sense of urgency.

DHC is currently working on a new crowdfunding campaign using [Conserve With Us](#).

**Campaign Snapshot**

*Staff Lead:* Bethany Keene, Outreach and Development Team Lead

*Campaign Title:* Improve the Long Eddy River Access

*Short Description:* Help purchase and improve the Long Eddy River access for boaters, fishermen, and recreation.

*Campaign Platform:* [Indiegogo](#) (flexible campaign)

*Campaign Goal:* \$5,000

*Amount Raised:* \$7,950 (campaign completed)

*Total Donors:* 91

Campaign website: <https://www.indiegogo.com/projects/improve-the-long-eddy-river-access/>

**Freeport Conservation Trust: Winterwood Farm Project**

Freeport Conservation Trust (FCT) received over \$200,000 in state and federal funding for a farmland preservation project but needed to raise matching funds to cover the project budget. The organization

turned to crowdfunding and learned a lot through the process.

FCT planned to place a conservation easement on a 46-acre horse farm. The Winterwood Farm, which boards horses and is not currently in production, is comprised mainly of prime soils and is situated just above a public aquifer. In addition to agricultural values and water quality, the easement would also protect the scenic views of the landscape, enjoyed by the many people who pass by in cars, on bike, or by foot.

The easement would provide significant conservation value to the community, which relies on the public aquifer but lacks the resources and money to preserve the farm on its own. The major donors that FCT might typically approach did not have a strong connection to the project so the land trust needed to tap new donors.

Crowdfunding offered FCT the ability to reach beyond its base and attract a large set of new donors, albeit individuals typically only capable of modest gifts.

Katrina Van Dusen, FCT’s executive director, researched a variety of common crowdfunding platforms such as Indiegogo, Kickstarter, and GoFundMe. She decided on WorthWild, a site geared towards conservation and sustainability projects. According to Van Dusen, WorthWild offered a user-friendly platform with similar fee structures as some of the more popular sites but was more accessible in terms of customer support. **[WorthWild appeared defunct when checked on 6/17/2020]**

The organization’s campaign goal was to raise \$20,000. FCT staff chose a fixed funding strategy (Worthwild offers either fixed or flexible) with the hope that supporters and the community would work harder to ensure the campaign succeeds. Van Dusen admits to some sleepless nights on account of this. The organization began their campaign in October 2014 and had only until December 14, 2014 to reach the campaign goal.

Overall, the campaign was fairly similar to other FCT fundraising campaigns, and the organization used

fundraising language that it had already developed. FCT attempted to appeal to those who enjoy the rural scenery along that particular patch of road, and also solicited those who boarded horses at Winterwood. An amateur videographer created a short film to describe the project goals. This video was shared on the campaign page and social media platforms. FCT also benefited from local press coverage of the organization's crowdfunding efforts and project goals.

On December 14, the campaign closed. In two months, the organization had raised over \$21,000, including an unexpected, extremely beneficial donation of \$10,000 from an existing donor. The fact that it was a fixed campaign may have compelled the donor to make the generous gift. In the end, staff and board members (and their family and friends) were emailing, calling, and texting their contacts to help raise the funds.

The remaining \$11,376 came from 98 donors, a third of whom were new donors. FCT will attempt to cultivate these new donors, though Van Dusen acknowledges that many of them gave specifically for this project and may not feel connected to FCT's overarching mission.

Van Dusen admits that crowdfunding is not a cash cow but can be a lot of fun and a great opportunity to engage the public and new donors. According to Van Dusen, crowdfunding was not necessarily any more work than a traditional fundraising campaign. And, as with any successful fundraising endeavor, the organization's board and staff were fully engaged throughout the entire process to encourage, acknowledge, and cultivate donors.

### **Campaign Snapshot**

*Staff Lead:* Katrina Van Dusen, Executive Director

*Campaign Title:* Winterwood Farm

*Short Description:* Purchase a conservation easement for Winterwood Farm, a 46-acre horse farm.

*Campaign Platform:* WorthWild (fixed or flexible campaign)

*Campaign Goal:* \$20,000

*Amount Raised:* \$21,377 (campaign completed)

*Total Donors:* 99

Campaign website: **[WorthWild appeared defunct when checked on 6/17/2020]**

### **Grand Traverse Regional Land Conservancy: Recreation Opportunities and Water Quality Protection**

The Grand Traverse Regional Land Conservancy (GTRLC) is one of five land trusts to participate in a pilot project with Conserve With Us.

This pilot project is GTRLC's second crowdfunding effort. In 2015, a major donor proposed a competitive fundraising initiative, in which GTRLC competed with other conservation groups to raise funds online. The organization that raised the most money received the largest donation from the donor.

GTRLC found this experience challenging mostly due to CrowdRise, the crowdfunding platform chosen for this project. The platform offers limited flexibility in terms of how a particular campaign is created or displayed on the site, so many of the logistics were out of GTRLC's control. The platform also charged donors high fees (6-9%) and, according to GTRLC, did not promptly share donor names and addresses. This resulted in delays in thanking donors for their contributions.

GTRLC is optimistic about the Conserve With Us pilot project because it is a platform designed exclusively for raising funds for land conservation.

In its first crowdfunding effort with Conserve With Us, GTRLC is working to protect a 389-acre property, one of the largest undeveloped parcels near Torch Lake. From 1955 until 2011 it was home to Camp Maplehurst, a summer camp beloved by generations of campers and counselors. This beautiful parcel has 150 acres of steep hardwood forested bluffs that drain into Torch Lake and open meadows that surround Lake Maplehurst.

GTRLC has already raised over \$3.6 million on its own, and hopes to raise an additional \$250,000 through the Conserve With Us campaign, which had a soft launch in December 2017. The campaign will target specific members of the community that have attended the camp and benefited from it directly. In

the first few weeks since the campaign went live, GTRLC has raised several thousand dollars.

v. 6/18/2020

### **Campaign Snapshot**

*Staff Lead:* Jennifer Jay, Director of Communications and Engagement

*Campaign Title:* Maplehurst Natural Area

*Short Description:* Protection of a 398-acre parcel, which provides high quality passive recreation opportunities and preserves water quality in the Chain of Lakes.

*Campaign Platform:* [Conserve With Us](#) (flexible campaign)

*Campaign Goal:* \$250,000 of \$3.87 million (\$3.6 million was raised prior to this campaign)

*Amount Raised:* [campaign in progress]

*Total Donors:* [campaign in progress]

Campaign website: <https://conserewith.us/projects/027da9cb-22bc-43fc-ac7e-fe40316a90b4>

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The latest version of this guide and related resources are posted at <http://conservationtools.org/guides/158>

Nicole Faraguna researched and wrote the first edition of this guide in 2018. PALTA staff subsequently edited it to reflect changes in the field..

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