

CMAAMatters

CHAMBER MUSIC AMERICA

305 Seventh Avenue, New York, NY 10001-6008 (212) 242-2022

ISSN 1050-9887

SPRING 2011

The Crowd Roars

Traditional funding sources for music projects are less of a sure thing than ever. But online “crowdfunding” platforms may help fill the gap.

by DIANNE DEBICELLA

Adam Schatz needed \$75,000 for an ambitious project—a video documentary of today’s New York City jazz scene and a new online home—called Search and Restore—for the jazz community. The 23-year-old first sought financing from traditional resources: he applied for a foundation grant but got turned down. Unfazed, Schatz took matters into his own hands. He turned to the crowdfunding website Kickstarter—and hit his \$75,000 goal.

What’s crowdfunding? It’s an Internet fundraising method that relies on collective philanthropy. Instead of appealing to one or a few select donors to support your work, you solicit donations from many different people—a “crowd”—with the aim of raising the total amount needed to fuel your project. Crowdfunding platforms that welcome artists include Kickstarter, RocketHub and IndieGoGo. These vary in their particulars, but they all let you set up a web page that describes your project, states a fundraising goal, and offers a click-through button for contributions.

All kinds of ventures—from the New York Road Runners Club to Pakistan flood relief and political campaigns—raise money through crowdfunding. It has proved particularly useful to music professionals, whose usual funding sources were hard hit in the economic downturn of 2008. Thanks to crowdfunding, which didn’t even exist before 2004, creators can post their music projects—making a CD, organizing a tour, working with a choreographer on a new commission—online and seek funding from friends, family, fans and the public at large.

In all cases, as Adam Schatz observes, the monetary goal needs to fit the nature of the project and its supporters. His own campaign set an atypically high goal and succeeded, he believes, because it represented “ground that had not been traveled before. I knew the jazz community was not used to being mobilized. If this could really happen, people wanted to see it through.”

He adds, “I would have a harder time imposing on my personal network to give to an album. It’s a very personal thing and depends on who you are.”



TYPES OF PLATFORMS

Some crowdfunding platforms are curated—that is, the site will review your project and decide whether or not to include it. Other sites take on all comers, allowing any creative project to be posted.

A minority of crowdfunding opportunities operate by invitation only. United States Artists (USA), for example, is a grant-maker that offers its crowdfunding platform to those who have previously received its grants and fellowships. The pipa player Wu Man, a 2008 USA Broad Fellow, later used the platform to raise \$10,000 for her documentary film, *Discovering a Musical Heartland*. After a long, intense effort, she attracted more than fifty donors, ten of them she hadn't known before, and surpassed her goal by 64 percent.

GETTING STARTED

First, you need to create an online account at a crowdfunding website, submit a project description, decide on the dollar amount you think necessary to accomplish the task, and set a deadline by which you hope to raise all the money.

All crowdfunding sites require you to submit a written description of the project. This summary will be posted to the project page—and it's your main selling tool. If you're using a website that curates projects, the description will also serve as your bid for inclusion. The language should be lively and engaging; you want to spark interest. (Tip: if writing isn't your forte, enlist the help of friends.) Many artists have found it effective to supplement their descriptions with videos, audio files and/or photos. These, too, can be posted to your campaign webpage.

Before you register on any site, you will have to decide on your campaign's lifespan. To sustain momentum, you want to keep it fairly short—even as little as 30 days. But higher-budget projects may well need extra time—up to 90 days—to reach their targets.

You'll also need to set up an account through PayPal or Amazon (which one depends on the host website) through which your donors make their contributions.

Your fundraising goal is a crucial figure; it not only shows how much money is needed but also gives a sense of urgency to the fundraising—when donors see a campaign that hasn't reached its target, that may motivate them to give more, or to get others involved.

MONEY MATTERS

Your fundraising goal is a crucial figure; it not only shows how much money is needed but also gives a sense of urgency to the fundraising—when donors see that a campaign hasn't reached its target, that may motivate them to give more, or to get others involved. It's important to set a target high enough to realize your project. But be aware: on some sites, if you don't hit your target, you don't get a red cent.

Suggest specific amounts for donations, such as \$20, \$50 or \$100. When jazz trumpeter Brian Lynch used Kickstarter to fund *Unsung Heroes*, a \$10,000 recording project, he offered a menu of donor levels. For a mere dollar, a donor would be listed as a "contributor," while "executive producer" status carried a \$4,000 price tag. Many music projects use incentives—copies of CDs, concert tickets—to spark contributions. You will be responsible for sending out these rewards; the crowdfunding platform will not handle that task. And note: Unless you have managed to get nonprofit status for your organization—as Adam Schatz did—your donors' contributions will *not* be tax deductible.

THE COST

In crowdfunding there's no such thing as a free lunch: every platform charges a fee for administering the project. Some take a percentage of the total raised, whether or not you reach your goal. The host site's fees typically range from 4 to 9 percent, and the ecommerce provider, usually PayPal or Amazon, generally charges between 1 and 5 percent of the donation for its credit-card processing services. Make sure you are taking all of these charges into account when setting your fundraising goal.

YOUR ROLE AS CAMPAIGN MANAGER

Even a well-conceived project will languish without an active promotional effort on your part. Email blasts are an effective way of informing potential supporters about your project. It's best to start with one email *before* the launch, alerting friends and fans to your upcoming crowdfunding activities. Then when your crowdfunding page goes live, you send out another email alert, this time taking the form of a direct request for donations—with a link to the page itself, of course.

Just after the page launches, you'll want

Crowdfunding for Music Professionals: Three Leading Platforms



to create excitement through frequent updates: “John Smith contributed and got a CD.” “We just got a \$1,000 donation. Be the next one to support our project!” “Check out a sample of a track we’re working on.” After that, it’s best to lie low for a period; you don’t want people to think you’re badgering them. Rev things up again just before the deadline. At this time, it might be fun to add a new perk (“You will receive a score of the completed commission.” Or, “We will play a house concert for the highest donor.” “We’ve reached \$4,450 dollars. You can be the next donor.” “Have you told your friends?”) This final burst of promotion might well put you over the top.

Needless to say, you’ll want to thank your donors. This can be done via the platform’s automated email system. At this time, you will also notify your donors of their rewards: “Your CD will arrive in a week. Thanks for your support!”

CONCLUSIONS AND CAVEATS

Crowdfunding is not for everyone. Managing such projects requires time, energy and commitment—it can be the equivalent of holding down a part-time job. The method is best suited to small-ticket projects: only a rare campaign can raise more than \$10,000 (Adam Schatz’s

success notwithstanding). Looking back on his own campaign, Schatz says he had never worked harder on anything in his life. “I felt like I did the work of ten people—graphics, promotion, and fundraising. Be realistic with your time; other people are only going to be excited if you are excited about it. Reminders are key. It really comes down to how you look at yourself. Do you have what it takes to be borderline obnoxious? I felt like I was shouting and could not have enough exclamation points.”

Still, Schatz acknowledges that crowdfunding is an exciting new way to raise funds. “[The model] can really impact the community at large, as well as the music and culture. It’s more difficult to make the case for a one-time thing,” he explains. “Banding people together is ultimately the idea.”

Dianne Debicella is program director of fiscal sponsorship at Fractured Atlas.

We’re preparing CMA’s 2012 Membership Directory

Do we have your
most recent:

Program information
and personnel?

Email address?

Phone number?

Staff contact?

If not, please contact
membership@
chamber-music.org

Kickstarter is often used to raise seed money for start-ups. The site is curated and may reject the proposals its curators believe have little chance of success. Accepted campaigns must meet their goals or no money is collected. Once launched, you’re on your own: Kickstarter offers no administrative support other than its FAQ section. But the site does allow you to post updates to your page. And you can use your account to send these postings automatically to Facebook, Twitter and/or your Tumblr blog.

Kickstarter isn’t cheap. It takes a 5 percent administration fee for successful campaigns. Amazon, which processes Kickstarter payments, takes an additional 3–5 percent.

Rockethub, unlike Kickstarter, accepts all projects. And its administrators are more hands-on, making suggestions to help strengthen a project’s chances of success. Rockethub demands all-or-nothing funding. It manages payments through PayPal, which debits the donor’s account at the time of the contribution. If a project falls short of its funding goal, administrators will work with artists to make revisions to the initial proposal; supporters can then redirect their donations to the revised project. If they decide not to participate, their donations are refunded.

Rockethub charges a flat 8 percent administration fee, but PayPal charges no separate fee.

Like Rockethub, **IndieGogo** accepts all comers. But unlike its competitors, it allows project creators to keep all donations, whether or not the project reaches its goal. If the project is successful, IndieGogo collects a 4 percent fee. If it falls short of its fundraising target, though, the fee is 9 percent. Payments are managed through PayPal.

IndieGogo offers support through online webinars and has developed a partnership with Fractured Atlas, an organization that provides fiscal sponsorship to artists. [Full disclosure: Fractured Atlas is the writer’s employer.] Artists who launch a fundraising initiative through IndieGogo may use Fractured Atlas’s tax-exempt status, which makes donations tax-deductible. The handling fee for the IndieGoGo-Fractured Atlas combo is 6 percent.

CMA Matters

SPRING 2011

The Technical Bulletin of Chamber Music America VOLUME 22, NO.2

Deadline

CMA Opportunities

Classical Commissioning Program—Support to ensembles and presenters for new ensemble works. Grants provide funds for the composer's fee, ensemble honorarium, and copying costs.
DEADLINE: April 8, 2011.
FMI: www.chamber-music.org

Other Opportunities

French-American Cultural Exchange Fund for Contemporary Music—Support for contemporary music projects (commissions, residencies, performances, tours, and master classes) that foster cultural exchange between France and the United States. The fund awards grants to nonprofit institutions celebrating the work of living composers in both countries.
DEADLINE: March 31, 2011.
FMI: www.facecouncil.org

MetLife Creative Connections—Support for American composers to participate in public activities related to performances of their music. Applications are submitted by a sponsoring organization requesting support to organize, sponsor, and/or present the activities.
DEADLINES: April 1, 2011.
FMI: www.meetthecomposer.org

2012 Joyce Award—The Joyce Foundation is accepting letters of inquiry from Midwestern cultural institutions for its awards program, which supports the commissioning of works by artists of color. Four \$50,000 grants will be awarded in the areas of Dance, Music, Theater, and Visual Arts.
LETTER OF INQUIRY DEADLINE: April 5, 2011.
FMI: www.joycefdn.org

USArtists International—Funding for U.S.-based music ensembles that have been invited to participate in international festivals.
DEADLINE: April 22, 2011 for events taking place July 1, 2011–June 30, 2012.
FMI: www.midatlanticarts.org

ACMP: The Chamber Music Network—Support for adult amateur chamber music workshops, including coaches' salaries, reduced registration fees, and scholarships.
DEADLINE: April 30, 2011. FMI: www.acmp.net

Challenge America: Reaching Every Community/Fast-Track Review Grants—NEA support for projects that extend the reach of the arts to underserved populations.
DEADLINE: May 26, 2011. FMI: www.nea.gov

French-American Jazz Exchange—Support for collaborations between French and U.S. jazz artists. Activities may take place in France or the U.S. and their respective territories or in both countries.
DEADLINE: May 31, 2011
FMI: www.midatlanticarts.org

Aaron Copland Fund for Music/Performing Ensembles Program—Support for organizations whose performances encourage and improve public appreciation of contemporary American art music.
DEADLINE: June 30, 2011.
FMI: www.coplandfund.org

Trust for Mutual Understanding—Grants to nonprofits for cultural exchanges with institutions and individuals in Russia and Eastern/Central Europe. Letter of inquiry required by May 1, 2011.
DEADLINE: August 1, 2011.
FMI: www.tmuny.org