

Neighborhood Exchange  
Funding Working  
Jan. 28th, 2016

# Patronicity

Building Vibrant Communities



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# Our inspiration

We believe an **engaged citizenry** leads to **happier, healthier communities**

“*Never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it's the only thing that ever has.*”

- Margaret Mead



# Crowdfunding: The Basics

**Definition:** The process of getting a LARGE group of people (*the crowd*) to Financially Support (*the funding*) a project within a certain constrained time



## DONATION/REWARD

Money raised for a cause

**Incentive:** good cause, rewards (e.g. mugs)



REACH raised \$49k  
Matched \$48k  
Total = \$97k

## PRE-SALE

Pre-selling a product

**Incentive:** the product, support entrepreneurship



Orbit Book raises \$25k

## DEBT

Low/no-interest loans

**Incentive:** empower individuals



Tony raises \$3k for camera

## EQUITY

Raising investment

**Incentive:** Return on investment



Tecumseh Brewing raises \$170k for local shop

# Crowdfunding Example: Midtown Green Alley

## Title & Tagline

### Midtown Green Alley

Help us transform an alley on Selden & Second into a place for prosperity!



## Pitch

- Video
- Images
- Headers
- Text



The Michigan Economic Development Corporation will contribute \$50,000 if we meet our goal!

### Inspiring Community Through Place-Making

Place-making is how we collectively shape our public spaces to maximize shared value, rooted in community-based participation. Midtown Detroit has been going through a cultural renaissance in large part because of this focus on place-making, and making the community one where people enjoy living, working and playing!



Detroit, MI Causes

**\$52,290**

funded of \$50,000 goal

**136**

patrons

Project Closed

Successfully Funded

All donations are tax-deductible! Midtown Detroit Inc. is a registered 501c3, Tax ID 38-2134035.

This project was successfully funded on Jul 26, 2014 4:00 AM

project by:



Midtown Detroit Inc.  
[email-profile](#)

Give \$10 or more

18 claimed

One small step!

Cover 1 square foot of the alley with your contribution

Give \$25 or more

18 claimed

Two small steps & a picture to prove it!

Cover 2 square-feet + receive a postcard with a picture of the completed alley

## Goal

- Financial
- Deadline

## Giving Levels

- Rewards
- Impact

# Patronicity

- Community-focused crowdfunding
  - Online & offline donations
  - Flexibility
  - Localized network effect
  - Personalized support



EXPAND YOUR REACH



TWO MODELS ONE PRICE



LOCAL TOUCH



VIP TREATMENT

# The Key Idea

- **The Crowd** comes before the **Funding**
  - **Social Capital:** Your ability to raise depends on your existing social capital
  - **Publicity:** Crowdfunding is more about publicity than fundraising



# The Keys to Success

- **A Strong Network**
  - A **Team** behind the project
  - The **Groundwork** (4-6 week prep)
  - Pitch, Creative Rewards, Engaging Video
  - Strategic **Marketing Plan**
  - Many **Small** donors - Few **Large** donors
  - Personal touch & connection matters**
  - Never Quit!**



# To Crowdfund or Not to Crowdfund?

Is the project **tangible**?

engaging project, not idea

Is the funding goal **realistic**?

can you raise it, will it complete the funds

Are you **ready** to raise funds yet?

complete budget, post funding plans etc.

Is there community **interest**?

Supporters who will donate