



Crowdfunding



What is crowdfunding?



Small contributions

By lots of people
with common
interests

Creates a big
project fund

Crowdfunding is a way of raising finance by asking a large number of people each for a small amount of money. Traditionally, financing a business, project or venture involved asking a few people for large sums of money.

Crowdfunding switches this idea around, using the Internet to talk to thousands – if not millions – of potential funders.

They can then use social media, alongside traditional networks of friends, family and work acquaintances, to raise money. Keep reading for the different types of crowdfunding.

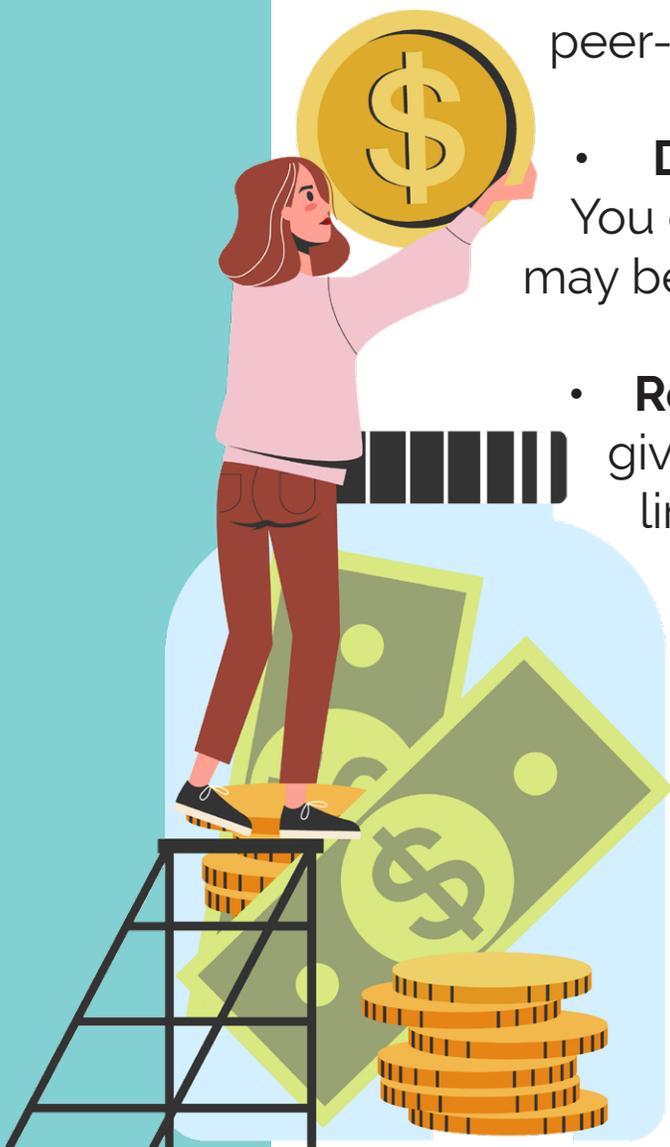
Types of crowdfunding

- **Investment-based crowdfunding.** You invest in a business and receive a stake in return (normally shares).
- **Loan-based crowdfunding.** You lend money to individuals or companies in return for a set interest rate. It's also called peer-to-peer or peer-to-business lending.

- **Donation-based crowdfunding.** You donate to a person or a charity (you may be promised something in return).

- **Reward-based crowdfunding.** You give money in return for a reward linked to the project or cause you're supporting.

- **Matched crowdfunding-** The potential to attract extra funds into your crowdfunding campaign from organisations like local authorities, grant-giving bodies or charitable foundations.



Platforms

Reward-based platforms



Rewards-based crowdfunding consists of individuals donating to a project or business with the expectation of receiving a non-financial reward in return, such as goods or services at a later stage. A common example is a project or business offering a unique service (rewards) or a new product (pre-selling) in return for investment. This form of crowdfunding allows companies to launch with orders already on the books and cash-flow secured (a major issue for new businesses) and gathers an audience before a product launch.

KICKSTARTER

 Crowdfunder.co.uk

INDIEGOGO

Donation-based platforms



Donation-based Campaigns, these assist charity projects in finding their funding. They offer no rewards to contributors apart from the satisfaction of donating to a worthy cause. The main platforms used for donation based campaigns are Just Giving and GoFundMe. On average donation-based campaigns last around 40 – 60 days. This gives people enough time to donate to a project they are passionate about.

gofundme

JustGiving

 leetchi

Useful links

Below is a list of useful links where further information and advice can be accessed:

www.rachel.we-are-low-profile.com/blog/category/crowdfunding

www.moneyadvice.service.org.uk/en/articles/crowdfunding--what-you-need-to-know

www.gofundme.com/c/crowdfunding

www.crowdfunder.co.uk

www.kickstarter.com

www.indiegogo.com

www.leetchi.com



Eco Green Communities are an international company born in Sweden 20 years ago with a market-leading concept within Europe for clean public spaces. The company is operating in 5 countries and is working with over 4000 affiliated businesses.

www.ecogreencommunities.com