



Crowdfunding

www.wcava.org.uk
Strengthening Warwickshire

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Crowdfunding is the practice of funding a project or venture by raising monetary contributions from a large number of people, typically via the internet.

Crowdfunding is a form of alternative finance, which has emerged outside of the traditional financial system.



FCA 5 categories of Crowdfunding

- donation-based
- reward-based (pledge for a perk)
- loan-based (peer to peer)
- investment-based (equity share)
- and exempt (community shares)



The crowdfunding market by platform 2014

Average growth rate
2012-14

P2P business lending	£749m	250%
Equity crowdfunding	£84m	410%
Community shares	£34m	95%
Rewards crowdfunding	£26m	206%
Donation crowdfunding	£2m	77%

Source The UK Alternative Finance Industry Report 2014



Types of Crowdfunding

All or Nothing (AoN)

Keep it All (KiA) Flexible Funding



Crowd funding Categories

[Arts](#) [1,007 projects](#) (2,405) 138% increase

[Business](#) [4,006 projects](#) (12,617) 214% increase

[Community](#) [14,367 projects](#) (19,526) 36% increase

[Environment](#) [712 projects](#) (1,397) 96% increase

[Film and Theatre](#) [681 projects](#) (1,606) 136% increase

[Food and Drink](#) [897 projects](#) (2,128) 137% increase

[Music](#) [703 projects](#) (1,557) 121% increase

[Politics](#) [477 projects](#) (1,004) 110% increase

[Publishing](#) [424 projects](#) (818) 93% increase

[Schools](#) [610 projects](#) (1,231) 102% increase

[Sports](#) [1,352 projects](#) (2,856) 111% increase

[University](#) [391 projects](#) (1,337) 242% increase

Source Crowdfunder November 2015 and 2016



Good campaigns include...

- A suitable project
- A good story
- Realistic target
- Choose the right platform
- A reward (perk etc.. prohibitive items)
- A video
- Social Media presence (Twitter, Facebook)
- A wide crowd (good network and links)



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Although every effort has been made to verify the accuracy of items in Warwickshire CAVA Fact Sheets, users are urged to check independently on matters of specific interest.

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