

Understanding the Crowd, Following the Community: The Need for Better Data in Community Development Crowdfunding

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Abstract

In the past half-decade crowdfunding has emerged as a popular way to raise money online for a wide range of projects. As the reach of crowdfunding has expanded, the field of community development has the potential to benefit from the practice, both as a straight fundraising mechanism and as a way to give greater voice to community members. This paper makes the case that in order for community development crowdfunding to reach its potential scale, and to involve the full range of potential stakeholders, better standards of data reporting and collection need to be established. This paper proposes a draft crowdfunding data model to enable community development professionals and the crowdfunding industry to more thoroughly analyze the field, begin to measure the impact of crowdfunding and better understand its potential future pathways.

Community Development Uses for Crowdfunding

Crowdfunding, the concept of raising small amounts of money from many people, has existed for centuries – passing around the hat has long been a way to raise funds for individual or community needs. However, in the 21st century, two things are driving rapid change and growth in the crowdfunding industry: technology and regulation. Social media and the internet now allow those seeking to raise funds to reach thousands, if not millions, of prospective investors with relative ease. In October 2015, the U.S. Securities and Exchange Commission (SEC) voted to approve new rules that will permit companies to offer and sell securities through crowdfunding to the general public.¹ Combined, these two factors lead us to believe that the power and scale of crowdfunding is going to grow significantly in the near future.

Crowdfunding over the internet is a relatively new and rapidly growing way to raise money. Typically, a crowdfunding campaign identifies a specific use for the funds and sets a relatively short time period during which to raise a particular amount of money. The crowd's many small individual donations or investments can accrue to significant sums of money for the person or organization seeking funding. There are four major types of crowdfunding²:

¹ The full SEC final rule is available at <http://www.sec.gov/rules/final/2015/33-9974.pdf>.

² Massolution, in its 2013 “The Crowdfunding Industry Report,” identified these four categories of crowdfunding along with a fifth called royalty-based (where the member of the crowd is paid a royalty over time tied to the

- *Donation-based* – The member of the crowd provides a donation and expects nothing in return.
- *Reward-based* – The member of the crowd receives an item, privilege, or accolade in return.
- *Lending-based* – The member of the crowd receives his money back at a pre-determined later date, with or without interest.
- *Securities-based* – The member of the crowd owns a portion of the company, a security.

The field of community development can benefit from raising money through crowdfunding, both as a straight fundraising mechanism, and as a way to give greater voice to community members. Community development is a broad field that encompasses governmental and nongovernmental efforts to improve the physical and social assets of communities. Community development includes everything from financing multi-million dollar affordable housing projects, to running workforce development programs, to providing loans to small business owners. It is our belief that community development, as an industry, may be uniquely positioned to capitalize on crowdfunding because it has three major strengths that could make it ripe for crowdfunding success: community development is inherently local, it supports a good cause, and it generates income. This paper will focus exclusively on donation-based and reward-based crowdfunding, as the Security and Exchange Commission’s new regulations for lending-based and securities-based crowdfunding are yet untested.³

Community development crowdfunding is an exciting field because of its potential to create new pathways to community-led development, not to mention its potential to bring an infusion of new capital into an industry that has seen repeated government funding cuts. In addition to simply being a fundraising mechanism, community development crowdfunding can serve as a way for members of a community to express their preferences, and the intensity of these preferences, as measured by dollars donated to a project. Whether it is a local Community Development Corporation (CDC) crowdfunding \$2,000 in donations to build a park on a currently vacant residential plot, or a local workforce development nonprofit crowdfunding \$20,000 to retrofit a facility with modern equipment so that students can be trained to operate high-tech machinery, community development crowdfunding will give individual donors the ability to aid their communities in very specific ways. This will allow community members to vote with their dollars and indicate which projects are most important to them, as opposed to an external entity (e.g. a bank or governmental unit) deciding from afar what project will go forward. In addition, given community development’s explicit mission to improve the physical and social assets of communities, there are almost always positive externalities produced from community development projects that could be considered public goods and therefore would be of interest to local governments and civic associations.⁴

revenue of the intellectual property). Royalty-based crowdfunding is relatively uncommon and is not relevant to community development crowdfunding, therefore it will not be discussed in this paper.

³ The new SEC rule implementing Title III of the Jumpstart Our Business Startups (JOBS) Act of 2012 will be effective in early 2016, which will allow the general public to engage in lending-based and securities-based crowdfunding.

⁴ Community development crowdfunding is closely related to and encompasses “civic crowdfunding. For the purposes of this paper, we will use the term “community development crowdfunding.”

The pathways to community-led development can only be measured if reliable data is available. Better data will provide transparency and help enhance the credibility of crowdfunding; it will inform user expectation and decisions by donors and campaign organizers; and it will allow academics to measure the impact of community development crowdfunding. Currently, the field is scattered, the data is unavailable and/or unreliable, and it is hard to identify trends. For example, we do not know if it is members of a local community that are funding a project in their low-income neighborhood, or whether it is wealthier civic-minded individuals from outside the neighborhood who are donating to the cause. Without reliable data, we cannot know the characteristics or motivation behind the crowd. The remainder of this article explores why it is so important to gather good data in the community development crowdfunding space, and what a standardized data collection schema might entail.

The Importance of Data for Community Development Crowdfunding

As discussed in the next section, the majority of data that has been collected and made publicly available is the ad-hoc work of researchers and hobbyists, and is often unreliable and out-of-date. Crowdfunding platforms, many of which are startup businesses, rarely see a commercial incentive to improve their quality of data and/or lack the resources to do so. To date, this has inhibited large-scale analysis of community development crowdfunding activity and outcomes, and discouraged the involvement of established impact-driven organizations. We argue that there are several key reasons why enhanced data is critical for the success and impact of community development crowdfunding.

Credibility

As a new and emerging field, crowdfunding must provide data to convince various stakeholders of its credibility and staying power. Unreliable data means that simple questions about the size and scale of crowdfunding cannot be answered. This uncertainty will contribute to keeping conservative financial investors and government entities from fully participating in the community development crowdfunding marketplace. Though an individual platform may want to obscure its campaign data for competitive business reasons, the industry as a whole has a strong incentive to be forthcoming and transparent with its data.

One critical audience that requires data transparency is government. Local, state, and federal governments are critical funders of community development projects. However, in an environment of constrained public resources, more and more government entities are looking to the private sector to leverage funds to create greater impact in communities. Community development crowdfunding will require enhanced credibility to be seriously considered or promoted by government players.

There are a few potential scenarios whereby government might want to partner with crowdfunding for community development. One scenario is where crowdfunding could be used for gap financing on a project. It is common for a Community Development Corporation (CDC) to raise most, but not all, of the money needed to fund a project from public and bank sources.

Traditionally, the CDC might then turn to a philanthropy to fill the financial gap that would fully fund the project. A new scenario might be one where the CDC crowdfunds to fill the gap. However, this is contingent upon the primary funders (government and banks) feeling comfortable with the crowdfunding campaign and being willing to patiently wait for the campaign to progress. A second scenario is one where a municipality allows a community to crowdfund two equally worthy community development projects in a neighborhood. Since the municipality only has resources for only one project, it would allow the community members to vote with their dollars to determine the winner (as opposed to the decision being made in City Hall). In both of these scenarios, reliable data would be required to prove the credibility of the campaigns to speak for the local community – who donated, where the donors live, how many unique donors, etc. A final scenario is simple promotion. Before a government entity speaks publically about crowdfunding and recommends it to its constituents, it will need basic data about who gives and who benefits in such campaigns to avoid public relations pitfalls. This is especially important to counter the argument that City Hall is asking residents to open their wallets to cover projects that should have been paid for with their tax dollars. Therefore, the local official will have to have data on similar campaigns to know why kinds of projects are likely to be popular among their constituents.

Institutional investors are another critical audience that will require better data before jumping into this marketplace. For example, depository institutions (banks and thrifts) are covered by the Community Reinvestment Act (CRA), which encourages them to help meet the credit needs of the low- and moderate-income neighborhoods they serve. Indeed, CRA-motivated investments are one of the largest sources of community development finance. These are highly-regulated institutions, which leads many of them to approach investments cautiously. To the extent that an institution is willing to invest CRA dollars in an innovative way, it must be able to demonstrate to its regulator that the investment has a primary purpose of community development. This may require that the financial institution share reports and data with its regulator to show that the transaction qualifies for consideration under CRA. Therefore, if the community development industry hopes to leverage CRA dollars, the platform will have to assure the bank that it can supply the data to prove to the financial regulator that the transaction is CRA eligible. The same will hold true for any conservative institutional investor that needs to prove to a third party (whether it be a regulator, Board of Directors, or investors) that its financial transactions are in compliance with relevant regulations.

User expectations

A second reason for supporting the collection of good data in this field is the need to manage user expectations. So far, crowdfunding has primarily been used to support the arts or technology start-ups. These have mostly been individuals seeking to embark on a new initiative. Community development, on the other hand, is mostly conducted by established local organizations seeking to create positive change in their neighborhoods. The Community Development Corporation is often the central player that combines and coordinates the various funders, developers, community members, and politicians; because of this, there may be political, financial, and reputational risks associated with crowdfunding campaigns. Better data is needed to help CDCs decide if they want to embark on crowdfunding campaigns at all, as well

as to help them explain how a campaign went after it is over (how many people donated, where the donors live, etc.).

On the front end, CDCs need access to statistics on previous community development crowdfunding campaigns to decide whether this is something they too should consider. How many campaigns have been successful? How many have failed? Who were the primary donors (local community members or do-gooders from farther away)? How many donors (a few large donations or many small donations)? In addition to these basic statistics about success and donors, CDC should also be able to compare types of campaigns. What was the success rate for affordable housing campaigns vs. small business development campaigns? What size campaigns (as measured by dollar amounts) have been most successful? Having as much information as possible about previous campaigns will help CDCs decide whether they want to embark on a campaign of their own, and if so, how best to design a successful one.

Then, whether a campaign is successful or not, a CDC will need data to mitigate the political, financial, and reputational risks involved. Knowing who donated and where they live will be important statistics to support the notion of “community support” for a project. Additionally, campaigns that fail to reach their goals can learn valuable lessons from the data.

Donors are another critical user that will need data to inform their decision to participate in a community development crowdfunding campaign. Just as the CDC would be interested in statistics on other past campaigns, a donor would also want such information to decide which campaigns to support, especially on platforms that only fund projects that meet their monetary goals. Lastly, local government may want to know how many community development crowdfunding campaigns have been undertaken in the jurisdiction, for what purpose, and success rates. This data may inform its decision to promote additional campaigns.

Impact

The last argument for better crowdfunding data is a more academic one: how do we measure the impact of crowdfunding campaigns on local communities and how do they compare to other fundraising mechanisms? Both are critical research questions to help us better understand whether crowdfunding is bringing new resources to community development.

Regarding impact on the local community, the main questions focus on whether communities are receiving new resources or better directed resources as a result of crowdfunding campaigns. Is crowdfunding generating new dollars for a low- or moderate-income community, or is crowdfunding simply a new way to channel dollars that would have gone into the community anyway (such as a CRA crowdfunding match vs. the same institution making a CRA grant)? Even if it is not new dollars, a case can be made that crowdfunding may allow the voice of the crowd to be heard and therefore direct funds to projects that the community favors. However, this would imply that it is primarily local members of the community that are contributing to a crowdfunding campaign, and not wealthy outsiders. In either case, reliable data is required to understand where the crowdfunding dollars are coming from.

Data on the location of crowdfunding projects and their donors can also be triangulated with other publicly-available data sources to determine the characteristics of neighborhoods that are benefiting from community development crowdfunding. Are crowdfunding campaigns mainly successful in richer, whiter neighborhoods? Are crowdfunding campaigns more successful in rapidly revitalizing neighborhoods where there is already a lot of investment? Once we know more about the geography of crowdfunding (both projects and donors), many new and intriguing research questions arise.

Lastly, we need reliable data to compare crowdfunding with other fundraising techniques. Would CDCs be better off appealing to traditional philanthropies over crowdfunding? Is the money raised through crowdfunding campaigns worth the effort required to develop them? Gathering the CDC-level data on resources required to launch crowdfunding campaigns would require additional, survey-type, outreach. However, once there is a basic understanding of how hard or easy it is to engage in crowdfunding campaigns and the general attitudes of CDCs toward these campaigns, it would then be possible to combine this with the types of data discussed in the previous paragraph to understand when crowdfunding is a win-win for both CDCs and communities. This also will help us better understand the overall merits of this marketplace – when is crowdfunding good for a community and when should it be avoided?

The Landscape of Crowdfunding Data

While crowdfunding platforms are required to maintain financial records for filing purposes and to verify transactions processed by their chosen electronic payment gateway, the platforms have no obligation to publish or maintain records of the projects that they host. Most platforms choose to keep the project pages of successful campaigns public after completion, and some do the same for unsuccessful projects. However, unsuccessful projects may be de-linked from index pages and accessed only by those who know the specific URL. Also, even when project data is made available by the major rewards-based or donations-based platforms, it is not structured format that allows third parties to easily analyze their activity.

Collecting basic data about civic crowdfunding is in some ways straightforward, since live project data from the Web can be collected, processed and analyzed with relatively little technical expertise. As a result, data related to community development crowdfunding exists in a variety of private repositories, ranging from small ad-hoc and one-off collections made at a fixed moment in time, to large dynamic stores that update on an hourly or daily basis. These repositories are held by individual researchers, universities, crowdfunding organizations, and hobbyists. While enlightening as a snapshot of civic crowdfunding, none of these repositories can yet claim to be authoritative because collection methods vary widely and platforms may be either unwilling or simply unable to verify the validity of data collected.

Academic researchers and data vendors are among the largest public collectors of crowdfunding data, although some independent datasets created by hobbyists have been published. For example, the Haas Business School at the University of California, Berkeley has attempted to construct a collaborative database for researchers. In addition, several individual university

researchers, such as Davies (2014) have constructed one-off, static datasets using a combination of data supplied by platforms and collected manually, and then made them available to other researchers on request.⁵

TheCrowdfundingCentre, owned by the UK-based for-profit company Crowdnewsdesk Ltd, is creating an aggregate, live data resource that will combine donation and equity-based crowdfunding platforms around the world.⁶ It is currently able to track donations in close to real time, and releases occasional public reports of headline findings. Subscribers can pay for greater levels of access to the data, including the ability to generate reports and visualizations. In addition, there are some notable examples of crowdfunding data analytics being made available for free. The best known of these services is Kicktraq, which enables users to browse and analyze Kickstarter campaigns according to their likelihood of success.⁷ Its creator, Adam Clark, a programmer from Columbus, OH, also created a series of web browser plugins that enable users to see a visualization showing the campaign's trend growth rate and an indicator of whether it has achieved sufficient momentum to be successful.

Crowdfunding data repositories that do not have the direct cooperation of platforms are typically based on 'web crawling' or 'scraping', a commonly-used method of automating the loading and processing of a series of web pages. Scraping scripts allow the collector to navigate the data displayed on a crowdfunding page and categorize it in a structured format that will be useful for further analysis. Indeed, since the collection of basic crowdfunding project data is a relatively easy task for even an amateur software developer, there are likely to be thousands of private repositories of crowdfunding data created for personal and commercial interests. In a small number of cases, platforms have openly disputed the findings of independent data collectors – albeit without publishing any of their own data.⁸

As the crowdfunding industry grows, the collection of high quality data is becoming increasingly resource intensive, since data collection has to be undertaken from more sources, and more often, to capture changes. The rapid growth in the number of crowdfunding platforms and projects suggests that disputes over findings will increase, unless platforms themselves decide to supply their data as a service. In addition, more independent for-profit providers will likely collect and supply crowdfunding data as a paid service as the demand increases for real-time data from project owners, backers and other stakeholders seeking to understand the field.

The often antagonistic relationship between researchers seeking to draw conclusions about crowdfunding platforms and the platforms' desire to protect their data further highlighted questions regarding the quality and reliability of the data published by the platforms. Davies (2014) found that among civic crowdfunding platforms, projects often disappeared from the public web as a result of technical difficulties, or intentional removal by platform owners.⁹

⁵ Davies, "Collection Methods and Challenges", p. 2

⁶ For more information: <http://thecrowdfundingcentre.com/data/packages?package=11>

⁷ For more information: <https://www.kicktraq.com/>

⁸ Jefferies, Adrian. Indie no-go: only one in ten projects gets fully funded on Kickstarter's biggest rival. The Verge. August 7, 2013. <http://www.theverge.com/2013/8/7/4594824/less-than-10-percent-of-projects-on-indiegogo-get-fully-funded>

⁹ Davies, Rodrigo. Civic Crowdfunding: Participatory Communities, Entrepreneurs, and the Political Economy of Place. MIT Center for Civic Media. May 9, 2014. http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2434615

Davies found that, in most cases, discrepancies in the data did not suggest intentional deception or concealment of failure on the part of platform owners, but rather these discrepancies were a result of resource constraints. In the sub-genre of civic crowdfunding, for instance, most platforms are startup businesses, and the maintenance of accessible public data is a much lower-priority activity than building their product, attracting clients, and raising investment. Spacehive, a UK-based civic crowdfunding platform, was once one of the few platforms to maintain a public API (Application Programming Interface), but the data reserve became inactive during 2013 due to a lack of engineering resources to support it. Without specific incentives to boost the quality of public data on crowdfunding platforms, it seems unlikely that platform owners will ascribe much value to increasing data quality.

Proposed Data Schema

We believe that there are straightforward ways to fix some of the existing data problems we've identified above. The two most important considerations for data collection are the nature of the data that is collected and the form in which it is made available. Clearly, not all platforms and stakeholders will agree on the scope and methods of data openness, but one of the goals of this paper is to identify the most critical data needs and to propose best practices for satisfying them.

There are two dimensions to the data question:

1. Projects/campaigns data hosted by the platforms – the community development activity that crowdfunding is supporting.
2. Data concerning the platforms themselves – related to the performance and accountability of the services offered by the platform.

These two categories of data have somewhat different primary audiences and potential outcomes, and will be discussed separately below. The first category, *campaign data*, is most valuable to community development organizations interested in finding and supporting existing crowdfunding efforts. Raising the quality and availability of *campaign data* may expand the potential audiences for all campaigns, which may enhance campaigns' chances of reaching their fundraising target and ultimately may increase the quality of campaigns being proposed. The second category, *platform data*, would serve community organizations seeking to start their own crowdfunding campaigns, because it would allow them to evaluate and compare potential platforms. Raising the quality of public data about platforms may increase competition among platforms by making them comparable, which could also serve as the foundation for an accreditation system for platforms.

Campaign data

As mentioned above, the quality of data on campaigns or projects is often lacking at the most basic level: details such as the identity of the project organizer, contact information and even the precise location of the proposed project are often omitted. Often, the availability of this information is dependent upon the willingness of either the campaign organizer to supply it, or the platform to publish it. It seems clear that a first step in raising the quality of data about campaigns would be to establish a basic set of fields (a data schema) that all platforms should

make public. Taken together, these fields would be the minimum amount of information a potential donor/investor would need in order to make an informed decision. Figure One shows an example of such a data schema.

Figure One: an example of a community crowdfunding campaign data schema

| Field | Description | Type of data | Required? | Example |
|---------------------------------------|--|--|---|------------------------------------|
| Project ID | A value that uniquely identifies the project within the platform | Numeric | True | 244 |
| Project posting date | The date the project was made publicly visible on the platform | Date | True | 01/01/2014 |
| Project name | The title of the project, as given by the project owner | String | True | Rebuild Stonebridge Community Farm |
| Project organizer | Name of the individual or organization organizing the project | String | True | John Doe |
| Project organizer geolocation | The geocoordinates of the project organizer's headquarters | Geo | Either geolocation or street address must be provided | 15 Danbury Street |
| Project organizer street address | The street address or geocoordinates of the project organizer | String | | |
| Project organizer city | | String | True | Dayton |
| Project organizer state | | String | True | FL |
| Project organizer country | | String | True | Canada |
| Project organizer contact information | Email address of the project organizer | String | True | example@mail.com |
| Project fundraising target | | Numeric | True | 50000 |
| Project fundraising currency | The currency in which the project fundraising target is expressed | String | True | USD |
| Project fundraising start date | The date that the project will begin accepting funds | Date | True | 01/01/2014 |
| Project fundraising end date | The date that the project will stop accepting funds | Date | False | 01/01/2015 |
| Project status | The status of the project with respect to donors – has fundraising started, ended or is in progress? | Numeric: 1 Not yet accepting funds 2 Accepting funds 3 No longer accepting funds / Complete | True | 1 |
| Project status last update | The date the project's status was last changed | Date | True | 01/02/2014 |
| Project geolocation | The geocoordinates of the location at which the project will occur, if completed | Geo | Either geolocation, polygon or street address | |

| | | | | |
|----------------------------|--|------------------|------------------|---|
| Project geo polygon | A polygon (series of geocoordinates) of the location at which the project will occur, if completed | Polygon | must be provided | |
| Project street address | The street address the location at which the project will occur, if completed | String | | 2314 23rd Street |
| Project city | | String | | Lubbock |
| Project state | | String | | Saxony |
| Project country | | String | | France |
| Project donations received | A list of the donations received by value | Array of numbers | True | Could be blank. From this array of numbers, the total number of donations, largest, smallest and median donation can be deduced |
| Donor location | Zipcode or postal code of donor, if applicable. | Numeric | False | 14127 |

Implementing such a schema would require platforms to provide straightforward fields for campaign creators to input information when starting a campaign, and clear explanations of each field. There are two areas of complexity in the example above that deserve the most explanation: dates and locations.

Dates are critically important because they determine the life cycle of a campaign, but they are often entirely absent on crowdfunding sites. In these cases, the success or failure of a campaign is hard to assess: a campaign that is open for donations that has been on a platform for more than a year without receiving any interest might appear similar to a campaign that has been published on the platform a few days earlier. Collecting the date a campaign was made public on a platform (*Project posting date*) and the end date (*Project end date*) begins to address this problem. The end date is an optional field because not all platforms have time-limited campaigns. However, those dates alone are not enough, since some platforms allow campaigns to be posted and made available for public view weeks or months before the fundraising begins, such as Spacehive. This can be accounted for by collecting the date of the last change in the campaign's status (*Project last status update*), such as moving from pre-fundraising to fundraising.

Campaign locations are subject to a similar amount of variance among platforms and projects. The schema above tries to take in account the wide variety of possible project locations by giving the option to include either a street address (*Project street address*), a geolocation (*Project geolocation*) or a polygon (*Project geopolygon*). If the location of the project is an existing building, either the street address or geolocation would be sufficient. If the location is not a building (for instance, an event occurring at a small section of a public park), the geolocation would be necessary. If the project spans a large non-building area (such as a transit route), or covers multiple street addresses, a polygon created by a series of geocoordinates may be necessary. These techniques of location recording are common currency to urban planners and architects, but no crowdfunding platforms currently offer this level of geographic accuracy.

Improving the data quality about campaigns is only one part of the issue. The broader benefit of a data schema, such as the example given above, is that it would allow analysis of similarities and differences among campaigns across platforms, as well as the identification of trends and needs in the community development crowdfunding space. To unlock these broader benefits, platforms should provide structured access to project data through APIs so that individuals with the relevant expertise, such as researchers or journalists, can access the data directly. These APIs should be public to allow expert participants and casual observers alike to analyze the data. Third-party data analysis companies could provide this analysis as a service to community development organizations that do not have the expertise or resources to analyze it themselves. Ultimately the goal for a successful and mature community development crowdfunding market would be that platforms compete based on the services they provide to project organizers, not on their ability to control the flow of information between project organizers and the public.

Platform data

Beyond the individual campaign, there also needs to be sufficient data about the platforms themselves to satisfy two key purposes: to enable potential users to compare platforms, and to allow the industry to benchmark the performance of platforms and develop standards. For potential crowdfunders, there currently exists no straightforward method to make an informed choice of one platform over another. An organization in this unenviable position may make a simple comparison of platform fees, and browse recent and successful projects relevant to their area of interest. However, as noted earlier, they will likely find it very difficult to identify individual examples in which the platform they're assessing failed to secure funding for a project, let alone build a detailed picture of the platform's strengths and weaknesses.

In addition, platforms struggle to both compare and differentiate themselves from their competitors. For example, while there is limited evidence of competition on the fees that platforms charge project owners, these fees have converged to around 5% in almost all cases. The success rates of projects are sometimes given by platforms, but the figures posted on websites are often out of date. Kickstarter publishes the most comprehensive public statistics in the industry, such as the amount raised by successful projects, and updates them in real time. Additionally Kickstarter provides a number of other important metrics, such as the number of donors to projects and the number of serial donors, on an annual basis. While this is a good start, these statistics do not quite go far enough, and their use is relatively limited without comparable statistics for Kickstarter's competitors.

A dataset of the kind outlined in Figure Two could form the basis for a ranking and industry-led accreditation system for platforms. This data would enable the industry to move beyond differentiation on the basis of branding and user experience alone, and promote innovation by new platforms who may have fresh strategies for increasing campaign success rates or seek to specialize in a niche area, such as micro-donations. The publication of this data could also be accompanied by periodic audits by industry bodies and independent analysts.

Figure Two: an example of a data schema for platform data

| Field | Description | Type of data | Notes |
|--------------------------------|---|--------------|--|
| Projects published | Number of projects published on the platform's public website | Numeric | |
| Projects fully funded | Number of projects that met or exceeded their fundraising goal | Numeric | |
| Projects partially funded | Number of projects that did not meet their fundraising goal but received funds | Numeric | |
| Projects not funded | Number of projects that did not meet their fundraising goal and did not receive funds | Numeric | |
| Projects cancelled by owner | Number of projects that were published and cancelled by the project owner before the end of the agreed fundraising period | Numeric | |
| Projects cancelled by platform | Number of projects that were published and cancelled by the platform before the end of the agreed fundraising period | Numeric | This could include projects cancelled for violation of the platform's terms of service |
| Total raised | Amount raised by fully or partly funded projects | Currency | |
| Total donation value | Value of all donations to projects, including those | Currency | |
| Highest project raise | Highest amount raised by a project | Currency | For platforms that allow projects to raise more than their fundraising goal, this may exceed <i>Highest project goal</i> |
| Median project goal | Median fundraising goal of all projects | Currency | |
| Highest project goal | Highest project fundraising goal | Currency | |
| Lowest project goal | Lowest project fundraising goal | Currency | |
| Total donations | Number of donations made to all projects | Numeric | |
| Successful donations | Number of donations made to fully or partly funded projects | Numeric | |
| Number of donors | Number of unique donors who contributed to all projects | Numeric | |
| Number of successful donors | Number of unique donors who contributed to fully or partly funded projects | Numeric | |

| | | | |
|----------------------------|--|------------|--|
| Median donation | Median value of all donations | Currency | |
| Median successful donation | Median value of donations to fully or partly funded projects | Currency | |
| Payment failure rate | Percentage of donations that are not successfully processed | Percentage | This may inform analysis of the health of a platform's fraud protection measures |

The practical task of assembling and disseminating platform data may be more straightforward than campaign data, in part because there is a single contributor of the data – the platforms – and because the need for real-time data is less obvious than in the case of campaign data. Yet, in many respects, real-time access to platform data is less important than campaign data, since industry analysts and consumers will be seeking a broad, comparative picture rather than a granular one.

We remain agnostic on the topic of who coordinates, collects, and maintains the campaign and platform data outlined above. One potential solution would be for the individual platforms to agree to standardize their data collection and make it public on their separate websites. A second solution would be for a third party, for example an industry association or academic institution, to collect the data and make it available in a centralized location. Either solution would be acceptable, so long as the data is current, comprehensive, and standardized.

Conclusion

It is our firm belief that the success and impact of community development crowdfunding can only be understood and widely supported if there is reliable data available. This is especially important given the high stakes of community development, in that economically-vulnerable, low- and moderate-income communities, and neighborhood-based community development corporations are often involved. Though it is our theory that the community development industry has the potential to benefit greatly from crowdfunding, that belief can only be substantiated or disproved if proper data is available.