



Crowdfunding in K-12

Developing a Vision That Informs Policy

About EdSurge

EdSurge delivers insights to and connects those exploring how technology can support equitable opportunities for all learners.

EdSurge is a leading education news and research organization that covers the people, ideas and technologies that shape the future of learning. Through our work, we aim to help educators, entrepreneurs, policymakers and other stakeholders be part of the rich and complex conversations about the evolving learning environments for everyone and the technologies and tools that support them.

We do this through three core activities:

- Publishing rich content supported by research and reporting;
- Creating vibrant community through conferences and convenings;
- Providing useful tools to help find the right technology for supporting teaching and learning.

We provide entrepreneurs and educators with information to make decisions, inform practices and build bridges of communication between communities. With the right tools, technology can transform learning from something educators did in classrooms at fixed hours of the day to something that all learners do anywhere, anytime.

Table of Contents

Acknowledgements	4
Introduction	5
Districts Paving the Way	9
How Crowdfunding Works in Schools and Districts.....	11
Benefits and Challenges.....	13
Developing Criteria With Districts in Mind.....	19
The Criteria	20
How the Platforms Stack Up.....	34
The Cost of Crowdfunding.....	35
Insights	40
Conclusion.....	42
Methodology	43
Survey	43
Interviews	44
Appendix: Crowdfunding Platform Profiles.....	45

Acknowledgements

Since September 2018, EdSurge Research has been investigating crowdfunding in education. This report reflects a synthesis of findings from our research, and we want to acknowledge the individuals and organizations that generously shared their time with us. We are appreciative of the school and district administrators who helped us understand how crowdfunding works for schools and districts, and what challenges and benefits are associated with crowdfunding in education. These individuals include: Christy Beard, Colleen Collins, Scott McCully, Scott Muri, Harrison Peters, Jimmy Shaw, Emily Shisler and Randy Ziegenfuss.

We owe many thanks to the seven crowdfunding organizations that were willing to share how their platforms are supporting fundraising in education. Individuals representing these organizations in interviews include: Adriane Angayan, Charles Best, Katie Bisbee, Breanna DiGiammarino, Heidi Hagberg, Gary Hensley, Ann Pifer, Jamie Rosenberg, Andyshea Saberioon and Missy Singh.

Finally, we want to acknowledge the EdSurge staff members who had a hand in crafting this report, including Rachel Burstein, Betsy Corcoran, Meg Hamel and Marisa Kaplan.

This report was supported by Chiefs for Change, a bipartisan network of diverse state and district education leaders. EdSurge retains sole editorial control and responsibility for the content in this report. All findings published in this report were generated independently by EdSurge. This work is licensed under [CC BY-NC-ND 4.0](#). The report was prepared by Kelly Blair.

Introduction

CROWDFUNDING IS ON THE RISE

In recent years, [teacher walkouts](#) have drawn attention to [declining teacher pay](#), [budget cuts](#) and decaying infrastructure in schools. A spate of news reports have highlighted the double bind that many teachers now find themselves in: [making less money](#) but feeling obliged to contribute personal dollars to support everyday classroom operations. A [study](#) published by the U.S. Department of Education in 2018 found that 94 percent of public K-12 school teachers spent their own, non-reimbursed money on school supplies during the 2014-15 school year. According to that study, the average amount spent was \$479, with teachers at high-poverty schools typically spending more of their own money than those in non high-poverty schools.

To mitigate this problem of paying out-of-pocket for expenses related to teaching and learning, teachers are increasingly turning to “crowdfunding,” the practice of raising money from a large number of people, typically by leveraging the internet.

Teachers aren’t alone. This fundraising practice has grown rapidly over the past 15 years and across many fields. A [2016 study](#) by the Pew Research Center found that 22 percent of American adults had contributed to an online crowdfunding project, raising funds for activities as diverse as supporting startups, funding journalism and also supporting education. As the volume of donors has grown, the amount of money raised through crowdfunding has also increased. Today, crowdfunding is a multi-billion dollar industry.

CROWDFUNDING IN K-12

Turning to the community to fund teachers is about as old as public education itself. In the 1800s, families paid teachers’ salaries directly or in kind. More recently, schools and groups such as PTAs, orchestrate fundraisers that send kids knocking on doors selling wrapping paper, magazines and baked goods. So it’s no surprise that as crowdfunding has gained traction, educators have taken notice.

More than two dozen crowdfunding platforms used to support K-12 education projects now exist. However, only around a half dozen of these platforms are designed with K-12 educators in mind. As such, crowdfunding platforms do not consistently report the number of projects funded and dollars raised for K-12 schools.

Some platforms collect data on projects that fall into a broad “education” category, which encompasses both higher education and K-12. Additionally, some do not distinguish between campaigns created to support personal causes (e.g., a student raising money for personal college costs) and campaigns launched by an individual associated with a K-12 school to raise funds to benefit that school (e.g., an elementary school teacher raising money for classroom supplies).

This inconsistency in data reporting makes it challenging to estimate how much money crowdfunding is contributing to K-12 education; however, according to literature we reviewed and the data we gathered¹ for this project, crowdfunding in K-12 education cumulatively totals **hundreds of millions of dollars** with over a million projects or classrooms supported. Of the seven crowdfunding platforms we selected to profile in this report, four supplied information about the number of projects and dollars raised since each platform’s conception, the earliest of which was 1998. Together, over \$826 million have been raised for K-12 education projects across these four platforms. The bulk of that money (over \$778 million) came from a single platform, DonorsChoose.org. Officials at DonorsChoose.org report that more than \$118.7 million was raised on the platform in 2017.

Other than providing a new way to fund educational needs, a few factors set online crowdfunding platforms apart from traditional school fundraisers. Perhaps the most notable difference is that instead of relying on school-organized or parent-run fundraising programs, teachers are driving decisions about what to raise funds for and how much to raise. Because commercial platforms have become easy to operate, a teacher can set up a campaign in a matter of minutes and receive funding for basic classroom supplies, curricular materials, technology, enrichment programs and a host of other expenses. When it works, crowdfunding can be fast money that can get into the hands of people who need it, with very few barriers to entry.

While crowdfunding can and has benefited many teachers, it can cause challenges for administrators. If administrators aren’t aware of the various crowdfunding campaigns at their school, they won’t have visibility into the needs of their faculty. By seeking outside funding, teachers may be circumventing district policies that align purchases to district priorities, and administrators may struggle to validate the appropriateness of requests.

There are also legal concerns for districts around who is responsible for the funds raised through crowdfunding sites and who owns the materials acquired through the process. Additionally, inconsistent crowdfunding practices can create unfair comparisons about

¹ Related data is detailed later in this report in the [platform profiles](#) in the appendix.

the dedication and effectiveness of teachers within a school and potentially contribute to inequity across classrooms, where some students reap the benefits of crowdfunding more than others.² In short, districts that do not establish policies and practices around how and when teachers can seek crowdfunding support can wind up with administrative headaches down the road.

Our literature review reveals that a minority of district administrators have decided the headache isn't worth it. They consequently **have chosen to ban crowdfunding outright**, even if there are workarounds for teachers who wish to run crowdfunding campaigns without school or district support.

Missing from the conversation about crowdfunding in K-12 education is a frank discussion of the important role that school and district administrators can and should play. Rather than simply providing a “thumbs up or down” vote, administrators can establish manageable frameworks that will both support teachers who want to raise funds and provide districts with useful oversight of the activities. We discovered many nuances to how crowdfunding can be used in education. These findings suggest that a more productive conversation should occur about when and how schools and districts should leverage crowdfunding—and when they shouldn't.

RESEARCH WITH DISTRICT ADMINISTRATORS IN MIND

Our research on crowdfunding consequently addresses the following research questions:

- What are the crowdfunding platforms most commonly used by K-12 schools?
- How are crowdfunding organizations tailoring their practices to fit the needs of schools?
- What criteria should decision-makers think about when considering using a crowdfunding platform?
- How do key stakeholders develop a deeper understanding of how crowdfunding can support their goals, build awareness of crowdfunding platform options and gain familiarity with specific crowdfunding tools?

To answer these questions, we reviewed existing literature on crowdfunding in education; surveyed 27 principals, superintendents and other educational leaders about their

² Given that this report is directed at school and district administrators, it was beyond the scope of this project to examine crowdfunding's impact on equity between school districts.

perceptions of crowdfunding and how their districts are currently implementing it; interviewed 11 school and district administrators, leaders and educational experts to delve deeper into themes and data points surfaced by our survey research; and interviewed 9 crowdfunding industry leaders about platform concept and functionality.

Our hope is this research will provide school and district administrators with the information needed to deepen their understanding of how crowdfunding platforms work, so they can create a thoughtful vision for crowdfunding that informs a system-wide policy and implementation plan.

Districts Paving the Way

Historically, crowdfunding in K-12 education has been driven by teachers, but a growing number of school districts are spearheading crowdfunding initiatives to advance strategic priorities. In the past few years, a growing number of professional groups and state superintendents' offices have issued guidelines about how districts can establish effective crowdsourcing policies.

For example, in 2018, the American Association of School Administrators, a professional organization for school superintendents, developed a [toolkit](#) for district leaders in partnership with DonorsChoose.org, an educational crowdfunding platform. Also in 2018, the California School Boards Association took [the position](#) that crowdfunding “helps schools” but “requires district oversight,” offering guidance to its members. District leaders' growing interest in crowdfunding is only just starting to trend, and it's likely in response to both the increase of teachers leading crowdfunding campaigns and the growth of the crowdfunding industry more generally over the past two decades.

HOW TWO DISTRICTS BOOSTED TEACHERS' CROWDFUNDING EFFORTS

The Oklahoma City Public Schools (OKCPS) is a system in which over 80 percent of students are economically disadvantaged. At the same time, the state has generated national headlines for declines in state education funding and teacher strikes demanding higher pay. Beginning in 2014, OKCPS administrators partnered with the city's educational foundation, the Foundation for Oklahoma City Public Schools (FOKCPS), to increase the impact of crowdfunding donations. The foundation provides dollar-for-dollar matching opportunities and start-up funds for many of the teacher-initiated crowdfunded projects in the district.

It's a symbiotic relationship: district administrators advise the foundation on how to reach out to teachers most effectively, and foundation leaders routinely update district leaders about the fundraising efforts across the district at all-principals meetings. Since the district and foundation began their collaboration in 2014, the initiative has generated more than \$1 million of funding per year. This figure dwarfs the \$60,000 annual funding that Oklahoma City teachers had individually raised on the crowdfunding platform prior to the partnership's launch. Furthermore, over 2,000 teachers—or approximately half of the teachers in the district—have had a project fully funded since the partnership launched.

The Austin Independent School District (AISD) in Texas has also been developing a strategy for crowdfunding. The district creates accounts on a crowdfunding platform and automatically provides them to thousands of teachers across all 130 schools. The district publicizes teacher campaigns on its website and provides a user guide for how to promote campaigns. There have been over 350 fundraisers since the partnership began in Fall 2016, generating more than 2,400 donations and a total of more than \$285,000 in funding.

It isn't just teachers who are able to take advantage of the district's support for crowdfunding. In 2017, after making a case to school leaders, high school students at Austin High School received district-backing to crowdfund support for making feminine hygiene products and dispensers available at their school, and quarters for students to purchase them. The campaign raised more than its \$1,000 goal, allowing the students to designate excess funds to additional quarters.

The thinking behind district-led efforts is simple: crowdfunding is here to stay, so why not put administrative backing behind a whole that is often more effective and strategic than the sum of its parts?

How Crowdfunding Works in Schools and Districts

Teachers fundraise for different reasons: Some want to create more innovative learning environments by adding things like flexible seating to a classroom, while others go after funding to obtain more classroom resources or to provide basic needs for their students.

With the considerable diversity of fundraising needs, how does crowdfunding actually work in education? Though the process varies by platform, we've identified a general pattern of steps teachers must take to bring their ideas to reality leveraging crowdfunding.

Regardless of which platform has been selected, a teacher typically logs in and creates a campaign explaining the funding need, then promotes it on the internet, asking his or her community to contribute.

The campaign remains live for a period ranging from a couple of weeks to a few months. During this time, if the funding goal is met, the campaign is considered complete and the crowdfunding organization sends the donation directly to the teacher or school. The school then keeps a record of the donation that was received.

Finally, the teacher uses the donation and in ideal cases, communicates the impact it had on students to the donors.

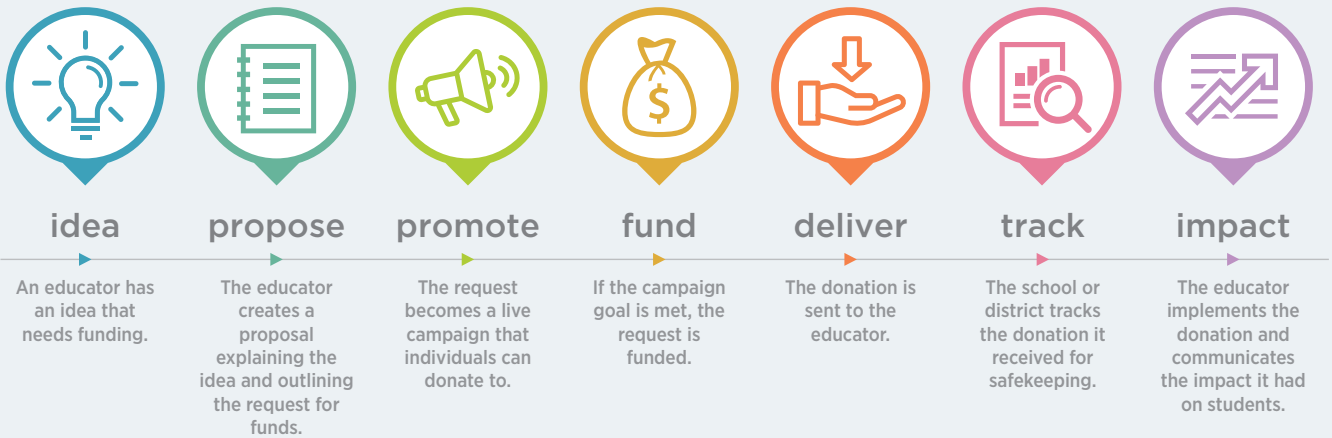
WHERE DO ADMINISTRATORS FIT IN?

As evident by Oklahoma City Public Schools and Austin Independent School District, administrators are finding innovative ways to go beyond oversight and documentation. There is space for school and district leaders to participate in all steps of the process—from idea conceptualization to impact reporting. With this kind of involvement from the top, crowdfunding can be leveraged for the benefit of an entire school or district.

By providing a detailed look at the process teachers go through to lead a crowdfunding campaign, school and district leaders can better support their staff by aligning their own site-specific policies in concert with the steps provided on the next page.³

³ Specific platform functionality is detailed later in this report in both the [platform comparison chart](#) and the [crowdfunding platform profiles](#) in the appendix.

CROWDFUNDING PROCESS CHART



Benefits and Challenges

Crowdfunding can create benefits for districts—benefits that some school and district administrators are already realizing. At the same time, administrators with whom we spoke identified a number of fears about crowdfunding’s potential impact on their districts. In the following section, we examine some of the real and perceived benefits and challenges of crowdfunding that our research surfaced.

Benefits

In our research, these were the three most frequently cited benefits for using crowdfunding platforms in schools and districts.



Provides access to a network of donors beyond the local community



Offers teachers opportunities to make purchases that are not covered by the standard procurement process



Encourages teacher autonomy

CROWDFUNDING CAN GIVE USERS ACCESS TO AN EXPANDED FUNDING NETWORK

In our survey of district and school administrators, an overwhelming majority cited “access to a network of donors beyond the local community” as a benefit of crowdfunding. Administrators we interviewed stated that crowdfunding offered a more expansive base of donors, even if it largely relied on parents’ social media networks.⁴

⁴ Specific platform functionality related to helping users expand their network of possible donors is detailed later in this report in the [Criteria section](#).

CROWDFUNDING CAN BE USED TO GET MONEY WITH FEW STRINGS ATTACHED

District procurement processes are notoriously cumbersome. And while [superintendents are generally more satisfied with procurement](#) than other stakeholders, they also acknowledge that not all purchases are covered by procurement policies.

A majority of respondents in our survey of school and district administrators cited the opportunity for teachers to make purchases that are not covered by the standard procurement process as a benefit of crowdfunding. For example, Dr. Jimmy Shaw, Superintendent of Florence City Schools in Alabama, described how his district used crowdfunding to buy apps for iPads. The iPads were bought with state funding, but at the time, state funding couldn't be used to purchase apps.

In addition, administrators cite the speed of crowdfunding transactions as a benefit over traditional procurement. Whereas a typical purchase can take a long time to process, crowdfunding offers the potential to more quickly supply teachers and schools with the resources that they desire. The length of crowdfunding campaigns varies, but are often on the order of 30 days (though obtaining certain goods or applying funds spent from crowdfunding can add additional time). “Crowdfunding money is liquid and fast. It is not tied up in bureaucracy and doesn't have a lot of rules or a long lead time,” said Harrison Peters, chief of schools for Hillsborough County Public Schools in Florida in an interview.

TEACHERS FEEL EMPOWERED

The majority of administrators we interviewed mentioned teacher empowerment as a benefit of crowdfunding.

In most cases, teachers—not administrators—create crowdfunding campaigns. This fact can “encourage teachers to be creative and dream big, not just settle,” as Colleen Collins, director at CICS West Belden, a charter school in Chicago explained in an interview. A

teacher can use crowdfunding to craft experiences that reinforce basic curricular concepts in novel ways. For example, one Pre-K teacher in Flushing, N.Y. made headlines for seeking [crowdfunding for toys and books about insects](#) to help his students feel comfortable with insects. The crowdfunding campaign gave the teacher autonomy over the curricular design.



Crowdfunding money is liquid and fast. It is not tied up in bureaucracy and doesn't have a lot of rules or a long lead time.

Harrison Peters, chief of schools for Hillsborough County Public Schools

In another case, a special education teacher at a middle school in Los Angeles [received money for technology](#) that allows her class to take virtual field trips. Characterizing the project as a “big aspirational project,” she told a reporter, “I can guide them through the ocean bottom or Mars or any other kind of crazy place that we learn about.” Crowdfunding clearly has the potential to excite teachers.

District-initiated recognition for teachers who are successful in their crowdfunding endeavors can also contribute to teacher empowerment. For example, as part of a comprehensive district-led crowdfunding initiative, the superintendent of the Atlanta Public Schools writes congratulatory letters and [tweets](#) to district teachers whose crowdfunding campaigns are funded.

Teacher empowerment through crowdfunding—and public recognition by the district—can also play a role in larger district efforts to encourage teacher retention. An [annual survey of superintendents](#), published by Gallup in 2018, found that 83 percent of superintendents agreed or strongly agreed that “recruiting and retaining talented teachers” was a challenge for their district. District-led crowdfunding pushes won’t solve that problem alone, but they can be part of a larger strategy to demonstrate district commitment to teachers.

Even with these benefits, administrators identified a number of challenges involved in crowdfunding.

Challenges

In our research, these were the three most frequently cited concerns about using crowdfunding platforms in schools and districts.



Can cause inequity between the classrooms that have received funding through crowdfunding and those that haven't



Inability to validate the quality or appropriateness of requests



Prompts teachers to work around established procurement processes

MAKING CROWDFUNDING EQUITABLE

Inequity between classrooms was the most commonly cited concern about crowdfunding as reported by survey respondents. The principals and superintendents we interviewed were concerned about inequitable access to resources between students and unnecessary teacher competition as a result of crowdfunding. Dr. Christy Beaird, principal at Laura Dearing Elementary School in Las Vegas explained, “The go-getters are getting new stuff through crowdfunding, but it’s not for everyone. Other teachers are working hard, too, just not at fundraising. Crowdfunding does create the haves and the have nots, but this is not a big enough reason to stop encouraging it.”

When asked whether the word “equitable” or “inequitable” better described crowdfunding, all but four respondents responded “inequitable.” This could suggest concern not only about inequities between classrooms in the same school, but also how crowdfunding campaigns can wind up providing different resources to multiple schools within a district.

Interestingly, administrators did not specifically point to differences between individual teachers’ personal networks as contributing to unequal campaigns. It wasn’t that one teacher had access to more active donors than another. Instead, administrators said the desire to invest time in crowdfunding and the knowledge of how to do it well were driving these inequalities between staff.

Such concerns suggest that school and district administrators would be wise to consider a system-wide vision and policy for crowdfunding.

ENSURING APPROPRIATE REQUESTS

With thousands of teachers requesting funds, how do district leaders make sure that teachers' requests are appropriate and reflect the values of the organization? An overwhelming majority of administrators identified this as a concern about teachers' use of crowdfunding platforms in their schools or districts, the second-most cited concern among respondents.

For example, one administrator we interviewed mentioned an instance when a few teachers were dissatisfied with a district initiative to move to digital curriculum in the upper grades. The teachers created crowdfunding campaigns for print books to replace the digital resources. Unaware of the context behind these requests, the local community became upset with the district for not providing enough books for students to read. However, the reality was that a few teachers had circumvented a district initiative, and not that the district was failing to provide resources.

This type of crowdfunding misunderstanding is not an isolated incident. For example, the superintendent of the Pasco County School District in Land O' Lakes, Florida issued guidelines to teachers asking them not to disparage the school or district in their crowdfunding requests. He was prompted to act after parents expressed outrage at the district after teachers at an elementary school created a crowdfunding campaign to raise money for classroom supplies. A [local newspaper](#) quoted the superintendent as saying, "It made us look like we're not providing any materials to teach these kids to read. What they were wanting was extra materials."

Additional headaches can occur when teachers request technology that is incompatible with the district's technology requirements. Typically the district's IT department is the group responsible for all school-owned hardware and software, as well as for managing firewall protection, data privacy, device management and software upgrades. There may be hardware or software that the IT group has decided it cannot support. If teachers solicit funding for technology that falls outside of these requirements, they may be told that they cannot use the new tech—provoking waves of frustration for both the educators and the donors. One superintendent we interviewed said that the frustration from this issue was so acute in his district that it became the catalyst for creating a district-wide crowdfunding policy.

THE CHALLENGE WITH ALIGNING CROWDFUNDING WITH PROCUREMENT— OWNERSHIP OF THE DONATION

Our interviews and survey results revealed that administrators often view crowdfunding as a way of evading official procurement processes. However, with many platforms giving oversight capabilities to district and school administrators, crowdfunding needn't circumvent official procedures. In fact, in many cases, districts are the legal owners of crowdfunded donations, similar to items obtained through traditional avenues of procurement.

Depending on the platform and its functionality, crowdfunding can even operate similarly to traditional procurement procedures, especially when platforms make direct purchases and send donations directly to schools and districts. However, the reality is that while crowdfunding can work alongside the standard procurement process in a school or district, chances are it doesn't fit neatly into it. One of the complexities stems from the ownership of the donation, which may bear more resemblance to traditional school fundraising practices.

All 50 states have [laws that define the rules](#) around gift-giving to employees of public organizations, including public schools. For example, according to the [State Ethics Commission in Massachusetts](#), “In general, a public employee may not accept any gift worth \$50 or more that is given because of the position he or she holds...The law prohibits gifts to public employees, not gifts to public agencies.” In Massachusetts, the \$50 limit does not apply to gifts given to a public school or to a specific classroom. However, school districts may have their own additional rules about gifts that must be followed.

Some states have specific laws governing how and when donations must be reported. [Ohio law mandates](#) that “unless cash donations are deposited in school district bank accounts and in-kind donations are entered into the school district inventory, they are subject to theft and misuse.” The law also requires that “all moneys received by the treasurer from any source whatsoever must be deposited in the timely manner established by the school board.”

Independent and parochial schools have different funding models and aren't held to states' gift-giving laws for public organizations. These schools have their own internal policies dictating ownership of donated materials and funds.

That's why it is critical that administrators understand their state, district and institution-based regulations on charitable gift-giving. Administrators should also take the time to see whether crowdfunding platforms have their own policies on ownership of materials. Additionally, district policies should state clearly who owns the property donated or purchased through crowdfunding platforms and what the reporting responsibilities are for the teacher, administrator and school.

Developing Criteria With Districts in Mind

To clearly capture the differences between crowdfunding platforms, we have identified nine criteria that administrators value when considering whether to approve a crowdfunding platform for use in their schools or district. These criteria are designed to reflect both the challenges and benefits of crowdfunding that our research yielded. We also developed a [platform comparison chart](#) and seven [platform profiles](#) so administrators can easily compare platforms and identify the ones that align with their particular needs. Ultimately, how administrators use these criteria will depend on their own objectives and priorities; there is no right or wrong platform or approach.

LIMITING PLATFORMS

We focused our analysis and research principally on those platforms most frequently used by teachers or those intentionally designed to support the K-12 community.

We did not examine platforms primarily designed to help people raise money for inventions or ventures. We also excluded platforms that operate as registries or are designed to serve a regional community. Finally, we did not examine social media platforms even though fundraisers can often be conducted through these as well.

Similarly, we did not evaluate all functionality of products—say, their ability to support video messages. Instead, we focused on describing the functionality that emerged as most important through our survey and interviews with school and district leaders.

LIMITING USE CASES

For clarity and relevance, the information about how each platform relates to each criterion only represents the most common K-12 educational use cases for each platform. Therefore, during our interviews, if an organizational representative revealed a use case that has not seen significant traction from the K-12 community, we did not include it in our platform comparison chart.

We urge administrators to use the criteria and platform alignment as a starting point for launching their own investigations about which tools to use and in what ways. As always, these choices should be guided solely by their own needs, priorities and vision for their districts.

The Criteria

The nine criteria are categorized into three groups: How it Works, How it Manages and How it Helps. In each group, we define and describe each criterion, providing authentic examples surfaced from interviews we conducted. As we move through the criteria in the How it Works section, we also include a narrative example to illustrate how crowdfunding might work for your teachers.

How it Works

USER

Who is the primary K-12 user creating crowdfunding campaigns?

We use four terms in our platform comparison chart to indicate the primary K-12 user for each platform:

- “Teacher” refers to any K-12 school-based staff.
- “School” refers to a K-12 school.
- “District” refers to a K-12 school district, region or network.
- “Organization” refers to a group that is associated with a school, but not financially supported by the school such as an after-school program, a community group or a parent-teacher association.

Administrators need to know who from their K-12 community can use the platform. Our research indicates that teachers are the most common K-12 users of crowdfunding platforms. Because of this, we’ve elected to use the terms, “teacher” and “user” synonymously throughout this report for simplicity. However, we acknowledge that schools and organizations can also create accounts and use some of the platforms we’ve reviewed for this project. For example, Livingtree reports that half the campaigns it runs are created by teachers and the other half are created by schools.

EXAMPLE

USER: Ms. Williams is a public school teacher who wants to improve her classroom library.

VERIFICATION

What verification requirements exist?

We use three descriptors in our platform comparison chart to indicate existing verification requirements for each platform:

- “User account must be associated with a verified school/district.”
- “User account must be associated with a licensed district.”
- “Not Verified” refers to platforms that do not validate school/district.”

Some platforms are free, while others require a license to use.⁵ Additionally, some platforms have specific login requirements. Each platform handles licensing and school/district identification and verification differently; depending on a district’s priorities, these differences can be critical.

For example, AdoptAClassroom.org and PledgeCents can be used by anyone with an email address, but users are required to associate their account with a verified school or, in the case of PledgeCents, educational organizations. At both AdoptAClassroom.org and PledgeCents, staff members conduct the verification of schools. (PledgeCents also uses automated tools to assist in the verification process.) This means that any teacher or staff member at a private or public school can use these tools. At PledgeCents, the tool can also be used by other organizations that support education. DonorsChoose.org can only be used by public school teachers because the user must associate their account with a verified public school. At DonorsChoose.org, the staff verifies the public school’s existence.

District administrators authorize usage of ClassWallet (with GoFundMe integration) and Livingtree Give. Therefore, for those platforms, verification is performed by the district, not the platform.

GoFundMe and Fundly do not have any specific procedures to validate a user’s school or district; any user with an email address can raise money and does not need an official relationship with the school or district.

EXAMPLE

USER: Ms. Williams is a public school teacher who wants to improve her classroom library.

VERIFICATION: Ms. Williams sets up an account using a crowdfunding platform and she is asked to associate that account with a verified school or district.

⁵ Specific information on licensing models is detailed later in this report in [the Cost of Crowdfunding](#) section.

REQUEST

What type of donation can a user request?

We use three terms in our platform comparison chart to indicate the type of donation a user can request on each platform:

- “Money” refers to platforms that allow users to request cash.
- “Goods” refers to platforms that allow users to request materials or products.
- “Services” refers to services such as software subscriptions or direct payment for field trips.

Administrators need to know what teachers can ask for because there are different benefits for each request. There are three types of donations that teachers can request to receive:

MONEY

Some platforms allow teachers to request money, which provides the most flexibility because teachers can choose exactly what to spend money on, and where and when to spend money. For example, a teacher could request money to pay for a field trip to a museum during a social studies unit, attend a STEM conference during the summer or purchase paint for an art project.

GOODS

Teachers can also request goods, which are materials or products like pencils, bean bag chairs, books or computers. When a teacher requests a good, the good is usually sent to the school. As a result, requests for goods tend to be viewed as more transparent for districts and donors. In some cases, like AdoptAClassroom.org, a credit model is used for goods. For example, a teacher can request money for a classroom library. The money received appears as credit to spend in the AdoptAClassroom.org’s digital marketplace. Then the teacher can use the credit to purchase the books from the approved vendors in the marketplace and the books are sent to her school.

SERVICES

Lastly, teachers can request services such as software subscriptions or direct payment for field trips. For example, PledgeCents allows teachers to raise money for software subscriptions from its list of approved vendors. When the donation request is fulfilled, PledgeCents will use the funds to purchase the software subscription for the teacher and

then work with the edtech vendor to activate the teacher’s account. DonorsChoose.org allows teachers to raise money for field trips. DonorsChoose.org then uses the money to pay the transportation service or the trip site directly. (We have elected not to include this service in our platform comparison chart because it occurs so infrequently. DonorsChoose.org officials estimate that such service payments represent only 3.5 percent of the organization’s campaigns.)

EXAMPLE

USER: Ms. Williams is a public school teacher who wants to improve her classroom library.

VERIFICATION: Ms. Williams sets up an account using a crowdfunding platform and she is asked to associate that account with a verified school or district.

REQUEST: In September, Ms. Williams creates a crowdfunding campaign requesting \$200 to purchase a rug, pillows and books for her classroom library.

FULFILL

How is the request fulfilled?

We use four terms in our platform comparison chart to indicate how the request can be fulfilled on each platform:

- “Direct Deposit” refers to platforms that send an electronic payment directly into a bank account specified by the user. (The bank account can be personal or associated with a school or district.)
- “Direct Purchase” refers to platforms that purchase the request and send the requested item to the user.
- “Credit” refers to platforms that apply credit for the funds to the user’s account.
- “Check” refers to platforms that mail a check for the donated amount to the user’s associated school or organization.

Administrators need to know how a platform fulfills a campaign request because districts could be accountable for these donations and some methods of fulfillment might align with district policies better than others. There are four ways crowdfunding platforms most commonly fulfill requests:

DIRECT DEPOSIT

Some platforms fulfill requests through an electronic payment directly deposited into a bank account. GoFundMe, for example, directly deposits all donated funds into the bank account that the user specifies. The bank account can be either personal or organizational.

DIRECT PURCHASE

The request can be directly purchased by the platform. DonorsChoose.org, for example, buys the exact item the teacher requested from a vendor that DonorsChoose.org partners with and sends it to the school.

CREDIT

Some platforms apply credit for the funds to the user's account on the platform. Just like store credit, users can spend the credits they've earned on items in the platform's marketplace (e.g., AdoptAClassroom.org). ClassWallet's credit structure operates differently. The amount of money that's raised is deposited into a district account and immediately credited into the teacher's ClassWallet account so it is available for the teacher to spend. Teachers can spend the funds however they'd like, within the bounds of district policy. The platform includes a vendor marketplace, a reimbursement feature and a declining balance debit card that districts can opt to use.

CHECK

Some platforms mail a check. For example, for most types of donations, PledgeCents mails a check for the donated amount and addresses it to the associated school or organization.

EXAMPLE

USER: Ms. Williams is a public school teacher who wants to improve her classroom library.

VERIFICATION: Ms. Williams sets up an account using a crowdfunding platform and she is asked to associate that account with a verified school or district.

REQUEST: In September, Ms. Williams creates a crowdfunding campaign requesting \$200 to purchase a rug, pillows and books for her classroom library.

FULLFILL: In November, Ms. Williams' crowdfunding campaign is fully funded by a group of donors. The platform mails a check for \$200!

RECEIVER

Who receives the donation?

We use five terms in our platform comparison chart to indicate who receives the donation on each platform:

- “Teacher” refers to any K-12 school-based staff.
- “School” refers to a K-12 school.
- “District” refers to a K-12 school district, region or network.
- “Organization” refers to a group that is associated with a school, but not financially supported by the school such as an after-school program, a community group or a parent-teacher association.
- “Vendor” refers to a company that sells something that is purchased directly by the platform.

Administrators need to know who is designated to receive the donation. Knowing the receiver is critical for financial transparency and can also have tax implications.

First and foremost, administrators should know if the donation is sent directly to an individual teacher. Money received in a personal bank account is hard for districts to track and therefore can invite the potential for misuse. There are a few more complications that can occur if an individual teacher receives a donation directly. Tax preparation service providers advise that if a teacher accepts funding from a donor and does not provide anything in return, the donation is considered a **tax-free gift**. Also, some campaigns require additional tracking. If a teacher has more than 200 donors and raises more than \$20,000 in a crowdfunding campaign, the teacher will most likely be contacted by the IRS and asked to report additional information.

EXAMPLE

USER: Ms. Williams is a public school teacher who wants to improve her classroom library.

VERIFICATION: Ms. Williams sets up an account using a crowdfunding platform and she is asked to associate that account with a verified school or district.

REQUEST: In September, Ms. Williams creates a crowdfunding campaign requesting \$200 to purchase a rug, pillows and books for her classroom library.

FULFILL: In November, Ms. Williams’ crowdfunding campaign is fully funded by a group of donors. The platform mails a check for \$200!

RECEIVER: In December, the check for \$200 arrives at Ms. Williams’ school. The principal deposits the check into the school’s account and approves Ms. Williams to spend \$200 on materials for her new classroom library.

During our interviews, administrators repeatedly expressed concern about the lack of financial transparency that occurs when teachers receive funds directly as well as the possibility of misuse. Since most districts are held accountable for these donations, they want to be able to easily see where the money, goods and services land.

How it Manages

APPROVER

Who approves the content of a campaign before it is published?

We use three terms in our platform comparison chart to indicate who approves the content of a campaign before it is published on each platform:

- “School/district” refers to cases in which the responsibility to review campaign content prior to publishing belongs to the school/district.
- “Platform” refers to platforms that perform vetting and approval of campaign content before it is published.
- “Not Applicable” refers to platforms that do not have a process in place to vet campaign content in the ways described below.

Administrators are concerned about the types of campaigns that teachers can publish on crowdfunding platforms. They want each one to be educationally appropriate, aligned with district initiatives, intentional about privacy protection and fiscally responsible. When a campaign fails to meet one of these goals, it reflects poorly on the district. As such, administrators should assess whether a tool has a vetting process in place, know who will approve content before it is published and how that vetting will be performed.

We considered the platform to have vetted a campaign if the tool provided real-time feedback to a user before a campaign was published. Qualifying feedback on campaigns includes suggestions about the educational content or fundraising best practice, such as suggesting the best times of year to launch educational campaigns. We did not consider standardized emails or general PDF resources about crowdfunding, fraud investigations or account verification to be qualifying feedback that would demonstrate vetting.

REPORT

What level of data is available to download in the form of a report?

We use four terms in our platform comparison chart to indicate the level of reporting available on each platform:

- “Teacher” refers to platforms that allow administrators to download reports showing data for an individual user’s campaigns.
- “School” refers to platforms that allow administrators to download reports that aggregate data from several campaigns associated with a school.
- “District” refers to platforms that allow administrators to download reports that aggregate data from campaigns in multiple schools across a district.
- “Unavailable” indicates that administrators cannot download a detailed report from a platform.

The ability to download donation information at the level of individual teacher, school and district can help administrators keep track of donations and report their finances.

How it Helps

EXPOSURE

Does the tool help a user expose the campaign to donors outside of their personal network?

We use “yes” and “no” in our platform comparison chart to indicate whether a platform helps a user expose the campaign to donors outside of their personal network:

- “Yes” refers to platforms that provide additional functionality beyond allowing users to post campaigns to their social media accounts (e.g., external website integrations or priority placement on a platform’s webpage).
- “No” refers to platforms that do not provide additional functionality beyond allowing users to post campaigns to their social media accounts.

“Exposure” describes how a tool helps teachers get their campaigns out to as many people as possible. This is important in crowdfunding because the larger the pool of donors becomes, the higher the probability that a campaign will be fully funded.⁶ Administrators who are supporting and developing policies and processes for crowdfunding practices in their districts will want to ensure that campaigns have the best chance at succeeding. Crowdfunding could be a viable funding option for teachers across the district, and in some cases, extending beyond a teacher’s personal network might be the key to a successful campaign.

There are several ways that tools help teachers reach out to potential donors. All of the platforms we reviewed allow teachers to post their campaigns to their personal social media accounts (e.g., Facebook, Instagram, Twitter), and so reach their personal network of family and friends. It’s worth noting that teachers must have access to a social media platform that they are permitted to use for professional purposes if they are to engage in this type of outreach. Since all the tools we reviewed allow users to post to social media, we considered it to be an industry standard rather than a unique feature set.

Instead, we looked at whether platforms provided other ways for users to expose their campaigns to donors outside of their personal networks. Two examples of alternatives that came up during our interviews with crowdfunding organizations are integrations and strategic placement.

⁶There are specific cases in which administrators see value in launching a campaign that is limited to a school’s existing donor network (e.g., a school fundraiser aimed at engaging parents); however, administrators often value expanded access to funding to avoid “giving fatigue” among school community members who are often tapped for donations.

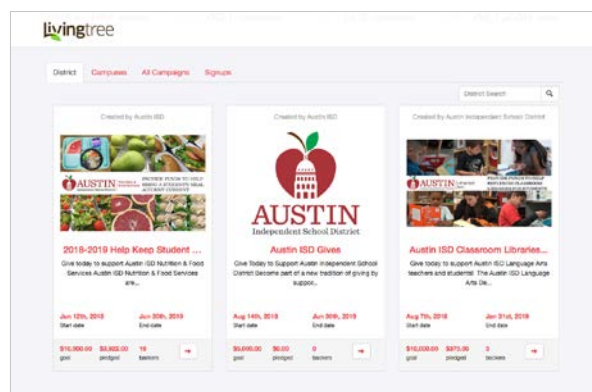
INTEGRATIONS

Some tools allow campaigns to integrate into other external websites, such as a district’s homepage or parent portal. This increased exposure widens the pool of potential donors to include members of the local and professional communities.

These integrations are more advanced than simply providing a link that could be embedded in a personal website or blog. They usually involve joint participation between the platform and school or district, access to a specific API that allows two applications to “talk to each other,” enabling direct integration, and the option to display multiple campaigns simultaneously.



The Austin Independent School District’s Office of Innovation and Development website features an integration with Livingtree Give. Image Credit: Livingtree Give



Users who click “Donate Now” are taken to the Austin Independent School District’s Livingtree Give page displaying district-wide and campus-specific campaigns. Image Credit: Livingtree Give

STRATEGIC PLACEMENT

Some crowdfunding tools help users increase exposure by including strategic placement of campaigns right on the platform’s website. One way campaigns can be strategically placed is by meeting a set of education-related criteria determined by the crowdfunding organization. For example, DonorsChoose.org uses an “urgency algorithm” to determine which campaigns are placed on its homepage. This algorithm takes into account whether the teacher works at a high-poverty school and whether the teacher has ever had a campaign funded before, along with other considerations such as whether the campaign is nearing its completion date and whether other donors have contributed.

This type of exposure can provide a unique advantage to teachers who are in need of a network boost. In fact, DonorsChoose.org claims that 75 percent of the money donated to campaigns on its site come from people and organizations outside of the teacher’s personal network. Representatives of DonorsChoose.org claim that the organization’s urgency algorithm has played a large role in achieving that statistic.

Most urgent projects
HIGHEST ECONOMIC NEED + CLOSEST TO FINISH LINE + FEWEST DAYS LEFT

We Like to Move It, Move It- With Physical Education!
Help me give my students the chance to learn about lots of different sports and develop their sportsmanship!
Ms. Nunez
Abraham Lincoln School • Paramount, CA
\$249 still needed

Items Needed to Help Make Learning Fun!
Help me give my students these items to allow them to be successful in the classroom. Items like cardstock and lamination pouches will be used to create hands on activities to be used in stations.
Ms. Knowlton
Ridgcrest Elementary School • Houston, TX
\$42 still needed

Through Our Lens: The Art of Photojournalism!
Help me give my students the opportunity to learn the art of storytelling through the use of photography and digital cameras. I want them to have the opportunity to take a picture with a real camera!
Ms. Yassie
Environmental Charter Middle School -
\$880 still needed

2X \$21 for now, thanks to a match

[See all most urgent projects](#)

A screenshot of DonorsChoose.org’s “urgency algorithm” in practice. Image Credit: DonorsChoose.org

ACCESS

Does the tool help a user regularly access more funding streams?

We use “yes” and “no” in our platform comparison chart to indicate whether a platform helps users regularly access more funding streams:

- “Yes” refers to platforms that help users regularly access more funding streams by seeking out funding partners regularly, offering grants that users can apply for or offering dollar-for-dollar matching opportunities for qualifying campaigns.
- “No” refers to platforms that either do not have partnerships, grants or dollar-for-dollar matching at scale, or that do not regularly offer these opportunities to all users who create K-12 education crowdfunding campaigns.

Some platforms use partnerships, grants and dollar-for-dollar matching programs to increase user access to additional funding streams:

PARTNERSHIPS

Some crowdfunding organizations actively seek out funding partners, such as corporations, foundations or individual donors, who agree to donate a significant amount of money to fully fund some campaigns on the platform.

For example, AdoptAClassroom.org has partnered with the clothing company, Lane Bryant. To date, this partnership has resulted in nearly \$1 million in donations to over 3,000 individual teachers’ campaigns. The funding comes from individual Lane Bryant stores that contribute to local campaigns and Lane Bryant’s philanthropic foundation. The bulk of Lane Bryant funding went toward serving high-need schools identified by AdoptAClassroom.org staff in geographic proximity to Lane Bryant stores.

In another example, DonorsChoose.org regularly partners with corporate organizations like General Motors and SONIC in order to bring in funding for their users. Some of these partnerships give corporate customers the ability to determine which projects will be funded. For example, every week during SONIC’s Limeades for Learning program, customers voted on their favorite DonorsChoose.org projects, and SONIC funded the 1,000 most popular projects. But the biggest corporate partnership came in March 2018 when Ripple, a virtual currency company, **donated \$29 million** to DonorsChoose.org to fund every teacher’s campaign on the site.

GRANTS

Another way that platforms can provide additional funding is to provide grant opportunities for teachers. In some cases, a funding partner works with a crowdfunding platform and commits to granting funds to projects around specific areas of interest. For example, the Bill and Melinda Gates Foundation asked teachers to submit project ideas for engaging families in student learning on DonorsChoose.org. The Gates Foundation reviewed the submissions and awarded \$10,000 in DonorsChoose.org credits to three teachers who created winning projects.

In other cases, the platform raises money that it awards as grant money. For example, AdoptAClassroom.org has “Spotlight Funds.” The platform sets up a fund aligned to a theme, such as STEM, to which any donor who visits the site can donate money. Teachers submit a project proposal aligned to the theme. AdoptAClassroom.org reviews all of the teachers’ proposals and ranks the submissions. Teachers who work at Title I schools are prioritized in the review. AdoptAClassroom.org chooses the winners and awards the funds.

DOLLAR-FOR-DOLLAR MATCHING








Lastly, platforms can partner with funders to provide dollar-for-dollar matching for qualifying campaigns. If a teacher creates a campaign aligned to a particular priority (e.g., theme or region), recruited companies and foundations will match every dollar that the teacher raises.

The ability to access additional funding streams beyond individual donors can help teachers run more successful campaigns.

How the Platforms Stack Up

After identifying the criteria that administrators value when considering whether to approve a crowdfunding platform for use in their school or district, we took a look at seven crowdfunding platforms to see how they stack up.⁷

PLATFORM COMPARISON CHART

Criteria	HOW IT WORKS					HOW IT MANAGES		HOW IT HELPS	
	User	Verification	Request	Fulfill	Receiver	Approver	Report	Exposure	Access
	Who is the primary K-12 user creating crowdfunding campaigns?	What verification requirements exist?	What type of donation can a user request?	How is the request fulfilled?	Who receives the donation?	Who approves the content of a campaign before it is published?	What level of data is available to download in the form of a report?	Does the tool help a user expose their campaign to donors outside of their personal network?	Does the tool help a user regularly access more funding streams?
	Teachers	User account must be associated with a verified school/district	Goods	Credit for Goods	School	Not Applicable	Teacher, School, District	No	Yes
 (With GoFundMe Integration)	Teachers, Schools	User account must be associated with a licensed district	Money, Goods	Credit for Goods or Money	District	School/District	Teacher, School, District	Yes	No
	Teachers (Public only)	User account must be associated with a verified school/district (Public only)	Goods	Direct Purchase	School	Platform	Teacher, School, District	Yes	Yes
	Teachers, Organizations	Not verified	Money	Direct Deposit	Teacher, Organization	Not Applicable	Teacher	No	No
	Teachers, Organizations	Not verified	Money	Direct Deposit	Teacher, Organization	Not Applicable	Unavailable	No	No
	Teachers, Schools	User account must be associated with a licensed district	Money	Direct Deposit	District	School/District	Teacher, School, District	Yes	No
	Teachers, Organizations	User account must be associated with a verified school/district	Money, Services	Check, Direct Purchase	School, Organization, Vendor	Platform	Teacher	No	No

The term “organization” refers to a group that is associated with a school, but not financially supported by the school such as an after-school program, a community group or a parent-teacher association. The term “teacher” refers to any school-based staff.

⁷See full platform profiles in [appendix](#).

The Cost of Crowdfunding

Platform functionality is an important piece of the crowdfunding puzzle, but it is not the only consideration K-12 administrators should weigh as they develop a crowdfunding policy consistent with their districts' needs and goals. They would also be wise to consider the cost of crowdfunding—to the school, district, teacher and even to the donor. This evaluation should include both out-of-pocket costs (say, the cost of a license or professional development), as well as non-monetary considerations including teachers' time and what happens to the money if fundraising goals aren't met.

Costs for Schools and Districts

Five of the seven platforms we profiled are free for teachers to use (AdoptAClassroom.org, DonorsChoose.org, Fundly, GoFundMe and PledgeCents). Fundly also has a suite of paid products with additional functionality, including a donor and fundraising management system, but its crowdfunding platform is free to use and does not require a license.

In addition to the five free platforms that we profiled, ClassWallet operates on a paid licensing model, but waives its licensing fee for districts that wish to use just the crowdfunding functionality of the product through its integration with GoFundMe. In its paid product, ClassWallet also offers more comprehensive services, including school expenditure tracking and reimbursement.

Livingtree Give operates exclusively on a paid licensing model. Out-of-the-box pricing for Livingtree Give is \$450 per year per campus, but larger districts typically negotiate discounted rates. The district can designate an unlimited number of users without additional cost. After three years of paid usage, districts do not have to pay license fees. Livingtree Give licenses exclusively at the district level and allows district administrators to authorize and track campaigns. In addition, the district—not the platform—sets parameters about who can fundraise and for what types of causes.

For district leaders looking for higher levels of oversight, paid options—whether just for crowdfunding or that include additional functionality alongside crowdfunding—may be worthwhile. Rather than dismissing paid products out-of-hand, we suggest that district administrators conduct a needs assessment to determine whether they would benefit from the functionality that some paid platforms offer.

Even if a crowdfunding platform is free to use, there are other associated costs that administrators should evaluate.

CAMPAIGN CREATION, MONITORING AND PUBLICITY

Teachers can create a campaign in just a few minutes on most platforms. But there's more to creating a successful campaign than writing a few sentences and clicking "publish." Many teachers upload original photos or videos, develop a detailed budget, put effort into outreach on social media and post campaign updates for donors. These actions take time, and time is money—especially for teachers. The time and effort that goes into creating successful crowdfunding campaigns should not be taken for granted, as it may impact teachers' other responsibilities.

PROFESSIONAL DEVELOPMENT

Administrators who wish to leverage crowdfunding's potential for district- or school-wide gain will want to equip teachers with resources that will help them launch successful campaigns aligned to district or school priorities. Many crowdfunding platforms offer free resources on how to implement a successful campaign. However, many of these resources need to be adapted for district audiences. In some cases, district administrators develop their own programming or coordinate with professional associations. Regardless, all such professional development will have a cost that either the district or a supporting institution must cover.

INCENTIVES AND PARTNERSHIPS

Administrators who use crowdfunding policies as a way to advance strategic goals should expect to pay money or put in other resources for incentives and partnerships designed to encourage participation, foster buy-in from key stakeholders and generate enthusiasm. For example, in order to develop a matching grants program, a district administrator might spend time courting a corporate sponsor or spend some of her discretionary funds on matching grants. Such incentives and partnerships are important, but they require time and may involve money.

We urge administrators to consider such expenditures as part of the full cost of crowdfunding. Doing so at the onset will prevent surprises later.

Fees for Individual Donors

Visit any crowdfunding site and you'll see documentation about the platform's costs and fees, often presented in a table to highlight the contrast between competitors. At first glance, fees applied to individual donor contributions seem simple. A platform charges a fee—typically on the order of 10 or 15 percent of the donation—to cover operating expenses. Most platforms also add a credit card processing fee to cover the cost of the financial transaction, typically around 2.9 percent plus an additional \$0.30 per transaction. That sounds straightforward, but there are some important nuances.

The complexity stems from a combination of competitive marketing in the field and differences among the types of donors and donations. Here are a few challenges:

- There is no standardized language for fees. In fact, some platforms don't even use the word "fee" at all, instead describing these costs as "tips" or "donations." Additionally, some platforms roll up multiple fees (e.g., organizational fees that support operational costs and credit card processing fees) into a total percentage, while others represent these fees distinctly. Such differences can make it difficult to estimate the total cost for donors. (Note this doesn't typically affect the cost to the school or education group receiving the donation—just the cost to the donors.)
- All of the crowdfunding platforms we've included have an "organizational fee," which refers to a percentage that goes to the crowdfunding platform to cover its operating expenses (see chart below). For many of these platforms, the "organizational fee" is optional, but the default setting is to pay the fee. This means donors must actively select a different amount by unchecking a box, selecting a different amount from a drop-down menu or manually entering a lower number. It's also important to note that in some platforms, donor fees are "optional" for donors, but may be deducted from the donation itself.
- Some fees might apply to certain types of donors (e.g., individuals versus corporations) or to specific kinds of projects (e.g., specific theme-based funds), which means donors need to read the fine print carefully.

These fees are important not only for donors who want a sizeable portion of their contribution to go directly to the campaign, but also for administrators.

Our research revealed that many district administrators are unconcerned by donor fees; for many, it represented an insignificant amount of money relative to overall budget.

The Cost of Crowdfunding

However, district administrators should consider the impact of giving on individual donors⁸ in addition to assessing cost implications for their school or district. This is especially important when contributions come from donors within the school or district community. A campaign creator’s personal network is often the first wave of outreach, and as people tap into their personal relationships for funding, donor fees matter.

The following table presents information about fees that apply to the vast majority of cases.⁹ The “organizational fee” refers to the percentage that goes to the crowdfunding platform to cover its operating expenses. The “credit card processing fee” refers to the percentage or dollar amount paid by the donor that goes to the company that processes the payment.¹⁰

PLATFORM	ORGANIZATIONAL FEE	CREDIT CARD PROCESSING FEE
AdoptAClassroom.org	Default 15% (Donors can opt out)*	3.2% - 4.2% depending on the fund (Donors can opt out)
ClassWallet (With GoFundMe Integration)	Default 10% (Donors can opt out)	2.9% + \$0.30
DonorsChoose.org	Default 15% (Donors can opt out)**	1.5%
Fundly	4.9%	2.9% + \$0.30
GoFundMe	Default 10% (Donors can opt out)	2.9% + \$0.30
Livingtree Give	2.1%	2.9% + \$0.30
PledgeCents	Default 15% (Donors can opt out)	3%

*Additionally, AdoptAClassroom.org applies a default 10% fee as a contribution to the Teacher First Fund, AdoptAClassroom.org’s annual fund. Donors can opt out of this fee.

**Additionally, DonorsChoose.org applies a \$30 fee on all projects to cover the costs of fulfilling the project (e.g., staff time in vetting projects, the cost of postage for students to mail thank you cards, etc.). Therefore, users must raise \$30 beyond their funding goal. The \$30 fee is split among all donations in the campaign on a proportional basis after the project is funded.

⁸ This report includes information exclusively about individual donors; corporate donors may have different fee structures.

⁹ We did not include shipping charges and sales tax because they only apply in certain cases and typically depend on the parameters of the campaign.

¹⁰ Some platforms allow payment methods other than credit cards for certain types of donations. These methods include check, PayPal and Amazon Payments. In some cases, minimum amounts or campaign type determine whether these methods are available for donors. Fees may still apply.

What Happens When Funding Goals are Not Met?

When a crowdfunding campaign is fully funded, the donation is fulfilled. But what if campaign donations fall short of the identified goal? Some platforms allow users to keep partial amounts of funding or apply those funds to other projects. Others require the campaign to be fully funded before the creator receives the donation. In other cases, districts and schools can set the rules about what happens when a funding goal is not met. As with donor fees, these terms can get complicated and may also relate to other factors, such as the duration of a campaign, expiration dates for using funding and the ability to roll funds over to a new school year. The table below provides a basic description of what happens in most cases when campaign goals are not fully met:

PLATFORM	APPROACH TO PARTIALLY FUNDED CAMPAIGNS
AdoptAClassroom.org	Users receive all donations whether or not their campaign meets its goal.
ClassWallet (With GoFundMe Integration)	Users receive all donations whether or not their campaign meets its goal.
DonorsChoose.org	If the campaign goal is not met, contributions from donors within the teacher's network go to the teacher's account and can be applied to the teacher's next project. Donors from outside the teacher's network are given credits that can be applied to a different project or given to the original teacher in the form of a DonorsChoose.org gift code.
Fundly	Users receive all donations whether or not their campaign meets its goal.
GoFundMe	Users receive all donations whether or not their campaign meets its goal.
Livingtree Give	Districts and schools with a platform license set policies.
PledgeCents	Users receive all donations whether or not their campaign meets its goal.

We are not suggesting that any particular approach to partially funded fundraising campaigns is more desirable than another. Instead, we urge K-12 administrators to determine whether and how these approaches impact their goals for crowdfunding in their districts.

DISTRICTS NEED THOUGHTFUL CROWDFUNDING POLICIES

As illustrated in this report, crowdfunding in K-12 education is big business with well over \$100 million collected each year. It shows no sign of going away anytime soon. To effectively mitigate risks and simultaneously encourage teachers to maximize opportunities, district administrators should take the time to develop a vision for crowdfunding and a policy that is consistent with their values and priorities.

Unfortunately, many districts have not.

In 2018, Ohio State Auditor David Yost [surveyed](#) more than 600 school districts in that state about district crowdfunding practice. Of the 122 districts that responded, 59 percent reported that their district had no crowdfunding policy in place. Additionally, in our own survey, a plurality of administrators said that their school or district had no crowdfunding policy. Nearly the same number of people said they did not know whether their school or district had a crowdfunding policy.

Given the demands on administrators, it is easy to understand why creating a crowdfunding policy may not be a priority. In failing to adopt any policy, administrators lose an opportunity to leverage crowdfunding for the benefit of their districts. Furthermore, by having no policy or banning the use of these platforms, administrators assume significant risk—whether reputational (e.g., if parents complain about a crowdfunding campaign), which implies district neglect, or legal (e.g., if questions arise regarding who owns the materials acquired through a crowdfunding campaign). We encourage administrators to use our [toolkit](#) to construct policies that are right for their districts.

THE RIGHT POLICY IS THE ONE THAT WORKS FOR THE DISTRICT

Each district has unique needs. In our research, we spoke with administrators with significant challenges that could not be solved through traditional procurement processes. In such cases, crowdfunding could make a big difference. For example, one district wanted to help local families devastated by a hurricane; it used a crowdfunding platform that allowed for monetary donations for non-school related items to raise money quickly. If that district were writing a policy on its use of crowdfunding platforms, it might prioritize flexibility in the kinds of donations teachers can request.

In our survey, more than a third of respondents stated that they didn't know whether teachers in their district were using crowdfunding platforms. Administrators echoed this uncertainty during interviews and expressed concerns that they were only likely to learn about a teacher's campaign when a problem arose. In such cases, districts might prioritize oversight features, such as increased control over who can create a campaign, the nature of campaigns and the tracking of donations over time, as they develop a vision and select platform(s) that align with it.

A POLICY IS ONLY AS GOOD AS ITS IMPLEMENTATION

School and district leaders have a tremendous role to play in supporting teachers in using crowdfunding effectively and in concert with district and school objectives—one that goes beyond making the decision to allow (or not allow) crowdfunding and which platform(s) to support.

Administrators can help by setting clear expectations, motivating teachers to use crowdfunding responsibly and by carving out time for professional development for teachers and leadership teams. For example, in an interview, Dr. Christy Beard, principal at Laura Dearing Elementary School in Las Vegas explained: “We set aside one of our professional development days in the beginning of the year for DonorsChoose.org. We gave teachers time to create campaigns and help each other out. There was no consequence for teachers not doing it, but we wanted to show them we valued this by giving them time and support to do it.”

Proactively thinking through strategies and policies that principals can use to offset potential issues can help to avoid conflict as well as promote a collaborative culture of professional learning.

Conclusion

Crowdfunding has become as much a part of school fundraising as selling wrapping paper, magazines and baked goods. It offers another much needed way to swiftly bring more resources into classrooms across the United States. The practice responds to significant structural problems, such as school budget cuts, and the barrier for entry is low—generally requiring only a few minutes to set up a campaign. The hundreds of millions of dollars raised and projects funded via crowdfunding platforms attest to the fact that there are many teachers who see considerable upside to the practice of crowdfunding.

But crowdfunding also creates challenges for school and district administrators. Administrators must be aware of how crowdfunding tools work in education and prepare thoughtful guidelines to bolster the process. This includes asking tough questions about equity between classrooms, ownership of donations, financial transparency and alignment to larger school- or district-wide initiatives so as to create complementary policies and plans to mitigate risk.

There is no single crowdfunding solution that all districts and schools should adopt. District leaders must consider their own goals alongside those of teachers and other stakeholders and develop an approach and policy that is consistent with their needs. They deserve to have complete and accurate information about how crowdfunding works across a range of platforms. This research project provides the basis for beginning that investigation. We hope that administrators will use our [toolkit](#), [platform comparison chart](#) and [platform profiles](#) to develop and refine a vision for crowdfunding in their districts—and then put that vision into practice.

Methodology

From September through December 2018, we collected both qualitative and quantitative data to better understand how K-12 school and district administrators perceive crowdfunding initiatives; document how crowdfunding operates within the K-12 space and the functionality that crowdfunding platforms afford school leaders; and help K-12 administrators ask thoughtful questions and develop smart policies about crowdfunding. We conducted a literature review on crowdfunding practices in the K-12 space and used this information to inform our data collection strategy.

Survey

To surface administrator perceptions of and approaches to crowdfunding, we developed and administered a 36-question survey based on our literature review. The survey included consent to participate and skip logic structure. Testing indicated that the survey could be completed within eight minutes.

We recruited survey participants in three ways:

- Chiefs for Change sent the survey to its current members and alumni.
- EdSurge sent the survey to a select group of newsletter subscribers who self-identified as superintendents or principals.
- EdSurge sent the survey to a curated list of superintendents and principals from regions and district-types that were underrepresented in our research.

Survey respondents who consented to participate in the survey had the opportunity to enter their email addresses in a lottery for a \$250 contribution to the winner's school or district.

We received valid responses from 27 school and district leaders, representing a response rate of approximately 2.7%. The most frequently occurring roles represented in the survey results were principal (12) and superintendent (7).

Interviews

Interviews were the bulk of our research. Our interviews targeted two groups with important perspectives on crowdfunding:

- Interviews with eight superintendents and other school leaders provided insight on how school administrators perceive crowdfunding, the varied strategies they've adopted around crowdfunding and the interesting use cases of crowdfunding in their districts. We also used school leaders' perspectives to help inform our selection of platforms to include and the criteria that we would apply to each platform. We decided to exclude classroom teachers from the study, instead concentrating on capturing the perspectives of people in decision-making roles at the district and school level.
- Multiple interviews with the leaders (primarily but not exclusively CEOs) of seven different crowdfunding platforms allowed us to develop a framework for the functionality and approach of different crowdfunding platforms.

We were intentional in selecting school leaders to interview, striving for a range of geographic location and school or district size and type. We used three sources in identifying individuals and securing district and school leader interviews: the Chiefs for Change network, the EdSurge network and survey respondents who indicated they'd be open to an interview.

We developed separate, standardized interview protocols for each group of interviewees and used them to conduct half-hour to one-hour interviews over phone or video. In addition to our initial interviews with the leaders of crowdfunding platforms, we conducted subsequent interviews to gather and confirm additional details.



Appendix:
Crowdfunding Platform Profiles

AdoptAClassroom.org



CONCEPT

Donors contribute money to teachers requesting support for their classrooms. Money is deposited as credit in the teacher's AdoptAClassroom.org account and teachers use the funds to purchase materials from AdoptAClassroom.org's vendor marketplace.

ORIGIN STORY

While mentoring a student at a local school, a corporate lawyer was struck by how few resources teachers had for basic classroom materials. Driving past an "Adopt-a-Highway" sign, it clicked. Why not do the same for teachers? AdoptAClassroom.org was born.

INTERESTING INITIATIVE

AdoptAClassroom.org creates and promotes campaigns called "Spotlight Funds" that allow donors to support different groups of classrooms that need the most support, including those in high-poverty schools (mostly Title I schools) and special education classrooms. The platform allows donors to pool their funds together and donations are then distributed among the classrooms in the pool.

FUTURE DIRECTIONS

After hearing from administrators that the platform would be more valuable if they could exercise more oversight and actively shape the giving agenda in their schools and districts, AdoptAClassroom.org committed to introducing a school program. In the school program, which launched in February 2019, school administrators use AdoptAClassroom.org to raise discretionary funds, and participating schools are eligible for corporate sponsorships. In 2019, the organization will focus on expanding the school program.

HIGHLIGHTED PROJECT

In a pilot version of the new school program, leaders from AdoptAClassroom.org worked with administrators at the Saint Paul Public Schools in Saint Paul, Minnesota, to identify a school that needed additional funds that could be made available by a corporate sponsor—in this case Alerus Mortgage. District leaders identified the Mississippi Creative Arts School, a Title I school that lacked resources for art materials. The principal used the \$610 brought in by the corporate sponsor to purchase art supplies through AdoptAClassroom.org's online marketplace and to pay for artist-instructors for a program in which students explored identity through art and community celebration.

ORGANIZATION SNAPSHOT

DATE OF ESTABLISHMENT:

1998

NUMBER OF EMPLOYEES:

11 to 25

ORGANIZATIONAL TYPE:

Nonprofit

NUMBER OF K-12
EDUCATION PROJECTS OR
CLASSROOMS FUNDED:

**More than
178,000 classrooms**

AMOUNT OF MONEY RAISED
FOR K-12 EDUCATION
PROJECTS OR CLASSROOMS:

More than \$36 million

ClassWallet (With GoFundMe Integration)



CONCEPT

Teachers in districts with a ClassWallet license can raise money through an integration with GoFundMe. The donations are deposited into a teacher's ClassWallet account and can be spent according to district policies.

ORIGIN STORY

The founder of AdoptAClassroom.org (a K-12 classroom focused crowdfunding platform) noticed that administrators needed help managing receipts and reimbursements for teachers, club leaders and other district stakeholders and launched ClassWallet to meet their needs. Recently, ClassWallet developed crowdfunding capabilities through an integration with GoFundMe to broaden its impact.

INTERESTING FEATURE

ClassWallet's crowdfunding functionality is free to use. The paid version of ClassWallet integrates with accounting software to consolidate financial data and make reporting easier for districts.

FUTURE DIRECTIONS

ClassWallet's leaders plan to speak about teacher empowerment at conferences and are working with former K-12 administrators to develop a professional development program for their peers around the theme of teacher retention and crowdfunding.

HIGHLIGHTED PROJECT

In Fall 2018, the principal at Jeffrey Trail Middle School in the Irvine Unified School District in California was eager to find a new fundraising platform to conduct the school's annual fundraiser. The platform he had used in years past charged substantial fees, which totaled to 50 percent of funds raised. District administrators pointed the middle school principal to ClassWallet's integration with GoFundMe. Altogether, parents contributed \$31,000 to the Fall 2018 crowdfunding campaign, a sum that was used to purchase lunch tables, furniture for the library and water filling stations.

ORGANIZATION SNAPSHOT

DATE OF ESTABLISHMENT:
2014
(Integration with GoFundMe established 2018)

NUMBER OF EMPLOYEES:
11 to 25

ORGANIZATIONAL TYPE:
For-profit

NUMBER OF K-12 EDUCATION PROJECTS OR CLASSROOMS FUNDED:
Data not yet available for ClassWallet
(With GoFundMe Integration)

AMOUNT OF MONEY RAISED FOR K-12 EDUCATION PROJECTS OR CLASSROOMS:
Data not yet available for ClassWallet
(With GoFundMe Integration)

DonorsChoose.org



CONCEPT

Public school teachers raise money for specific resources that DonorsChoose.org purchases on their behalf from vendors that DonorsChoose.org has established partnerships with.

ORIGIN STORY

A history teacher at a public high school in the Bronx wanted his students to read *Little House on the Prairie*, but he could only procure a single copy of the book. He photocopied it to provide access for his students. The teacher realized that his colleagues were similarly shelling out their own dollars for supplies, so he developed a website where teachers could post requests and donors could fund them.

INTERESTING INITIATIVE

DonorsChoose.org promotes projects in schools with the highest economic need by giving them prioritized placement on its website. The platform also has search filters, such as projects in schools where more than half of students come from low-income households, or projects related to warmth, care and hunger. In addition, DonorsChoose.org sends targeted email campaigns to potential donors who might be interested in a particular area of funding.

FUTURE DIRECTIONS

Until recently, teachers could request hardware that was incompatible with a school or district's IT guidelines, which caused major headaches for teachers, IT personnel and district administrators. Now, district administrators can input their IT guidelines in the platform and make them automatically visible to teachers from associated schools who request hardware.

HIGHLIGHTED PROJECT

In the fall of 2015, the Atlanta Public Schools began a partnership with DonorsChoose.org to encourage teachers to initiate projects that advanced college and career readiness, a district priority. Alongside contributions made through DonorsChoose.org, the district developed a mini-grant program for 40 top projects, contributing \$500 each with revenue from vending machines and employee parking. Altogether, the initiative raised more than \$4,000,000 and over 1,700 teachers in the district had projects funded.

ORGANIZATION SNAPSHOT

DATE OF ESTABLISHMENT:

2000

NUMBER OF EMPLOYEES:

More than 100

ORGANIZATIONAL TYPE:

Nonprofit

NUMBER OF K-12
EDUCATION PROJECTS OR
CLASSROOMS FUNDED:

**More than 1.3 million
projects**

AMOUNT OF MONEY RAISED
FOR K-12 EDUCATION
PROJECTS OR CLASSROOMS:

More than \$778 million

Fundly



CONCEPT

Individuals and nonprofit organizations, such as schools and educational groups, can raise money that is then deposited into their bank accounts and can be spent for whatever projects they specify with no restrictions on vendors.

ORIGIN STORY

Fundly, originally called BlueSwarm, got its start as a crowdfunding platform for political campaign fundraising. Meg Whitman gained attention for using the platform to raise more than \$20 million for her 2010 bid for governor of California. The platform pivoted from a focus on political fundraising to organizational fundraising for the nonprofit sector and was acquired by NonProfitEasy in 2015.

INTERESTING FEATURE

A pages feature allows a school or district to set up a special page to house associated crowdfunding campaigns.

HIGHLIGHTED PROJECT

Palisades Elementary, a charter school in California, organized a walkathon to raise money for classroom needs in Spring 2018. Parents and community members gave money through the school-created Fundly page. Altogether, the school raised close to \$20,000.

ORGANIZATION SNAPSHOT

DATE OF ESTABLISHMENT:

2009
(Fundly)

2015
(NonProfitEasy acquires Fundly and rebrands back to Fundly)

NUMBER OF EMPLOYEES:

26 to 50

ORGANIZATIONAL TYPE:

For-profit

NUMBER OF K-12 EDUCATION PROJECTS OR CLASSROOMS FUNDED:

Data not available

AMOUNT OF MONEY RAISED FOR K-12 EDUCATION PROJECTS OR CLASSROOMS:

Data not available

GoFundMe



CONCEPT

Individuals and organizations can leverage their social media networks to raise money for personal causes, projects or expenses. Donations are deposited directly into a personal or organizational bank account and can be spent on projects or causes specified by the campaign creator.

ORIGIN STORY

GoFundMe's founders first developed a marketplace for people to sell and buy goods and services within their neighborhood. The founders were looking for a way to extend that marketplace beyond the neighborhood, leveraging social media, and the idea for GoFundMe was born. Over time, the founders saw that there could be a charitable bent to this platform.

INTERESTING FEATURE

GoFundMe team fundraising allows individuals to collectively raise money to support a common cause.

FUTURE DIRECTIONS

Much of GoFundMe's upcoming development hinges on identifying and addressing barriers to participation, whether it's giving individuals the ability to collaborate as a group or partnering with ClassWallet to give more oversight to school administrators.

HIGHLIGHTED PROJECT

A first-grade teacher at a Title I school in South Carolina was shocked to learn that none of her students had ever owned a bike. In the Fall 2016, she set out to raise money to buy bikes and helmets for all of her students. As the campaign caught on, and with the support of her principal, she was able to buy bikes and helmets for all students in her school.

ORGANIZATION SNAPSHOT

DATE OF ESTABLISHMENT:

2010

NUMBER OF EMPLOYEES:

Over 300

ORGANIZATIONAL TYPE:

For-profit

NUMBER OF K-12
EDUCATION PROJECTS OR
CLASSROOMS FUNDED:

Data not available

AMOUNT OF MONEY RAISED
FOR K-12 EDUCATION
PROJECTS OR CLASSROOMS:

Data not available

Livingtree Give



CONCEPT

Teachers and other approved groups, such as PTAs, educational foundations and school clubs, raise money through campaign pages that are approved by districts with a Livingtree Give license. Money is deposited into an account that the district controls.

ORIGIN STORY

After witnessing his child's school lose a substantial portion of its walkathon money to fees incurred by the fundraising company it used, Livingtree's CEO (formerly Edbacker's CEO) decided to create a new fundraising platform that leveraged online technology, minimizing operating costs and making it more affordable for schools. Edbacker, the forerunner of Livingtree Give, was born.

INTERESTING FEATURE

Livingtree Give **collects and shares** district policies on crowdfunding for administrators to consider in crafting their own policies.

FUTURE DIRECTIONS

Livingtree Give is working on finding ways for school districts to enlarge their donor base. These efforts include initiatives to serve as a facilitator for philanthropic foundations that wish to donate to school and district initiatives.

HIGHLIGHTED PROJECT

Administrators at the Chandler Unified School District in Arizona provided principals at all of the district's campuses with access to Livingtree Give, allowing teachers and approved groups to create fundraising campaigns. In Fall 2018, 48 campuses participated, each with its own set of campaigns. As of December 2018, the campaigns had collectively garnered more than \$50,000 with over 800 contributors.

ORGANIZATION SNAPSHOT

DATE OF ESTABLISHMENT:
2014
(Edbacker)
2018
(Livingtree acquires Edbacker and rebrands it as Livingtree Give)

NUMBER OF EMPLOYEES:
11 to 25

ORGANIZATIONAL TYPE:
For-profit

NUMBER OF K-12 EDUCATION PROJECTS OR CLASSROOMS FUNDED:
Approximately 4,500

AMOUNT OF MONEY RAISED FOR K-12 EDUCATION PROJECTS OR CLASSROOMS:
Approximately \$9.5 million

PledgeCents



CONCEPT

Verified teachers, schools and organizations, such as sports teams, raise money for projects that are important to them through campaign pages that they can promote via social media. In most cases, a check is mailed to the school or organization. For certain types of materials, such as software subscriptions, the staff at PledgeCents makes the purchase on behalf of the school.

ORIGIN STORY

As coaches for youth sports teams, the founders saw the effect that the recession and subsequent school funding cuts were having on schools and teachers. Teachers, supporting staff and mentors were increasingly reaching into their own pockets to finance classroom, sports team and club expenses. The founders began to brainstorm a way to help classroom teachers, coaches and other individuals who serve young people.

INTERESTING INITIATIVE

PledgeCents helps incoming TeachForAmerica corps members—teachers that work in high-need districts—set up funding pages for their classrooms.

FUTURE DIRECTIONS

PledgeCents is actively looking to improve the user experience. For example, there is a delay between when the donor pays and the campaign creator receives the funds because the funding is fulfilled through the form of a check. Additionally, PledgeCents is developing new ways for users to share their campaigns more broadly in order to attract more funding.

HIGHLIGHTED PROJECT

In 2017, thousands of families in the Spring Branch Independent School District in Texas were devastated by Hurricane Harvey. The Spring Branch Education Foundation created a campaign on PledgeCents with the support of the district's superintendent who recorded a video to promote the campaign. Donors contributed over \$170,000. The district used the money to purchase \$300 gift cards to Target and Walmart and distributed the gift cards to families in need.

ORGANIZATION SNAPSHOT

DATE OF ESTABLISHMENT:
2014

NUMBER OF EMPLOYEES:
Under 10

ORGANIZATIONAL TYPE:
For-profit

NUMBER OF K-12
EDUCATION PROJECTS OR
CLASSROOMS FUNDED:
Nearly 10,000

AMOUNT OF MONEY RAISED
FOR K-12 EDUCATION
PROJECTS OR CLASSROOMS:
\$2.1 million

www.edsurge.com/research