

# Options for next step for new approach to crowdmatching

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## Note on matching crowd size vs. matching total crowd pledge

Changing from an approach that matches number of people to an approach that matches dollars pledged may feel like a shift away an egalitarian approach ([driver #5](#)). However, I believe that an approach based on matching crowd size cannot successfully address [drivers #1, #2, and #8](#) which can be summarized as flexibility and simplicity<sup>1</sup>. I believe that instead we need to focus on other ways of promoting the egalitarian, people-focused spirit of crowdmatching.

Matching total crowd pledge does *not* mean we need to emphasize or even mention differences in individual pledge levels in how we present crowdmatching. For example, we could describe a crowdmatching situation like this, phrased as a message from the crowd:

We are **2,243 crowdmatching patrons** working together to reach **Inkscape's goal of \$100,000/month** of reliable funding. Collectively we are **already donating \$18,705/month** and have pledged to donate **an additional \$24,544/month** in matching donations as more patrons join the crowd. **Join us and your own crowdmatching pledge** will help **unlock those funds** and **grow the crowd**, so together we can reach Inkscape's goal!

## Options

### 1. Closest to status quo

- Project chooses funding goal and fixed max \$ per patron.
- Below goal, each patron's donation = (Total crowd max / Funding goal) \* Patron max
- At or above goal, each patron's donation = Patron max
  - Incentive to join crowd at that point can be framed as both "make the funding more dependable" and "give the project extra resources above their goal".
- Project can change their funding goal / crowd size goal anytime, but are required to communicate the change and their reasons for it to patrons at least TBD days (30?) before it will go into effect.

### 2. Giving patrons a few options

- Same as #1 except:
  - Project chooses a fixed set of patron max options, e.g. \$1, \$2, \$5, \$10.
  - Patrons can change their max anytime (but there's some short window of time before a crowdmatch when any changes won't take effect until after that crowdmatch has happened).

### 3. No limit on patron max

- Same as #2 except:
  - Patrons can choose any max from \$1 to whatever they choose.
  - Projects can, but don't have to, choose a set of options to suggest, along with the "other" option, e.g. \$1, \$2, \$5, \$10, \$\_\_

## 4. Giving patrons more options, without depending too much on any one patron

- Same as #2 except:
  - Project chooses funding goal AND max % per patron
    - e.g. if funding goal is \$25,000/mo and max % per patron is 0.1%, patron could pledge up to \$25.
  - Patrons can choose any max from \$1 to the amount that would put them at the max % of funding
  - Projects can, but don't have to, choose a set of options to suggest, along with the "other" option, e.g. \$1, \$2, \$5, \$10, \$\_\_\_.
    - The max % per patron could either be mentioned proactively, or only in response to someone entering too high an amount in the "other" box, in which case a very carefully worded message should thank them for their generosity, explain the rationale for the max, and maybe suggest other things they could do to help, e.g. support upstream projects, related projects, etc?

## 5. Max % per patron has to be approved by Snowdrift

- Same as #4 except:
  - If the project wants a max % per patron higher than some specified level (TBD), then they have to get Snowdrift's approval, because this affects the integrity of crowdfundering on Snowdrift.coop in general, e.g. we don't want to host crowds where one donor is providing 30% of the funding.

## Additional option that can modify any of the above:

- "Share the burden" option:
  - At or above the goal, each patron's donation =  $(\text{Funding goal} / \text{Total crowd max}) * \text{Patron max}$
  - Incentive to join crowd at that point can be framed as both "make the funding more dependable" and "share the burden so we all have more ability to also support other worthwhile projects".

## Potential future option: Phase 2 goal

Each project would have the option, at any time, of stating a phase 2 goal, and what they envisage that increased level of funding will enable them to achieve. The general expectation would be that phase 2 will be a significantly more ambitious goal requiring a significantly larger crowd.

The phase 2 goal will have its own crowd, and will work the same as the phase 1 goal. However, there are some conditions on it:

- Anybody at any time, whether part of the phase 1 crowd or not, can specify what they'd be willing to contribute toward meeting the phase 2 goal.
- However, phase 2 crowdfundering won't start until the phase 1 goal is dependably funded, which might be defined as when the phase 1 crowd's  $T/G \geq 1.1$  or some other threshold.
- Patrons who are in the phase 2 crowd, but not the phase 1 crowd, understand that it's possible they could be automatically moved into the phase 1 crowd (with earliest joiners moved first) if that becomes necessary to keep the phase 1 crowd reliably meeting the phase 1 goal.
- Once crowdfundering for the phase 2 goal is in progress, the project has the option to state a phase 3 goal, and so on.

## Notes

1. Why I believe an approach based on matching number of people cannot successfully combine the goals of flexibility ([drivers #1 and #2](#)) and simplicity ([driver #8](#)):

- Only if the pledge is fixed can a target crowd size correspond to a real world funding goal. This provides simplicity but not flexibility.
- If we have flexibility (the pledge is not fixed) then a target crowd size doesn't correspond to a meaningful real world goal. Potential patrons would have no clear idea of what they were helping to make possible. The actual funding resulting from meeting the crowd size goal could vary by the same factor as the range of possible pledges, e.g. by a factor of 10 if pledges from \$1 to \$10 are allowed.
- If matching is based on number of people, and a range of pledge levels is offered, only the minimum pledge level is actually matched, since when a patron joins the crowd, the change in what existing crowd members donate would be the same whether they pledged the minimum or a higher amount.
  - This makes it more complex because it introduces scope for confusion about what is actually being matched.
  - Someone willing to pledge \$10 may not feel great about the amount they donate being affected the same way by 10 more people pledging \$1 as 10 more people pledging \$10.