MP539

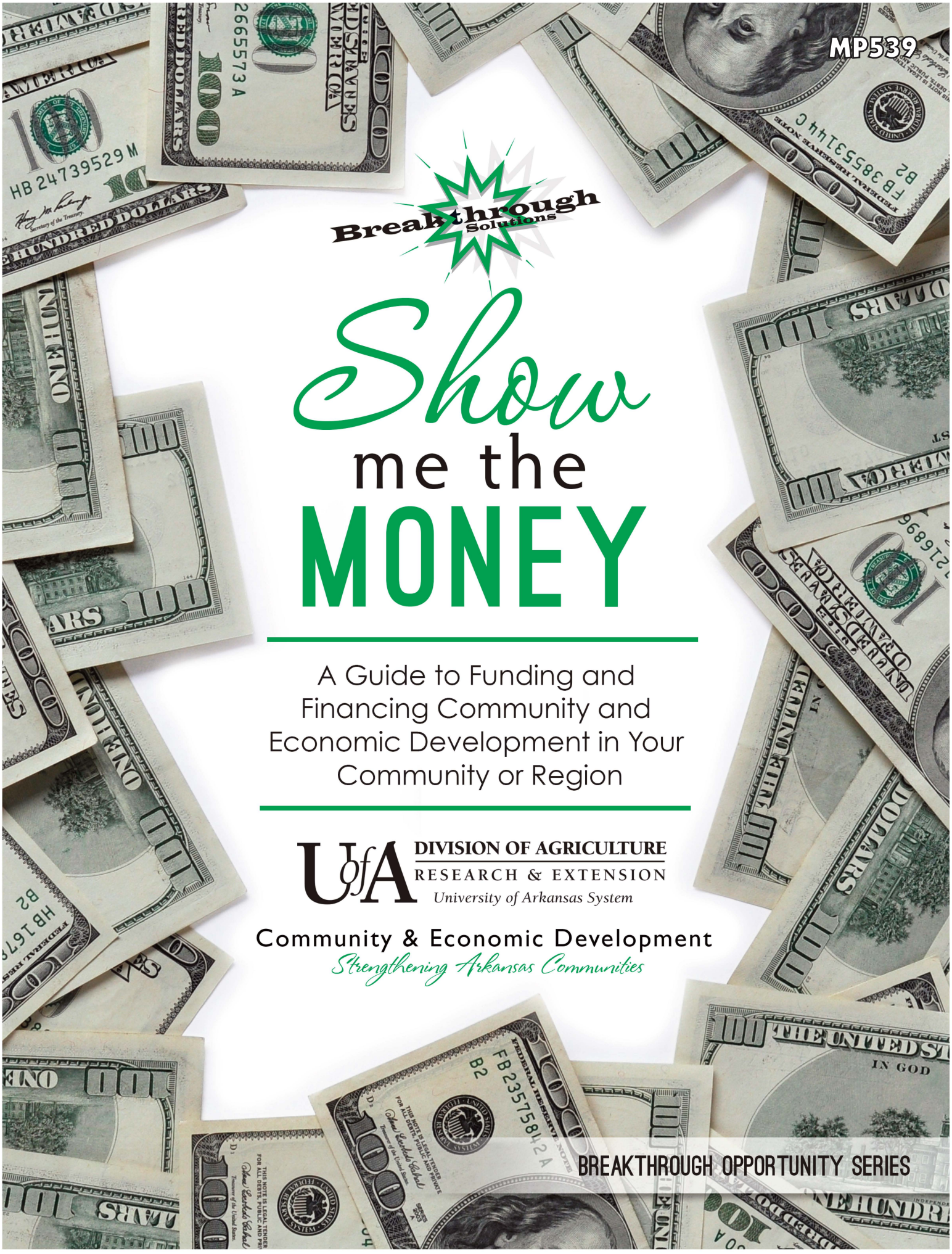
Breakthrough Solutions

Show me the MONEY

A Guide to Funding and Financing Community and Economic Development in Your Community or Region

UofA DIVISION OF AGRICULTURE
RESEARCH & EXTENSION
University of Arkansas System

Community & Economic Development
Strengthening Arkansas Communities



BREAKTHROUGH OPPORTUNITY SERIES

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Executive Summary

Considering the challenges faced today by communities, counties and regions and the fast pace of change, it is imperative that community leaders have the knowledge, skills and tools to identify and implement effective community and economic development strategies.

While citizens and community leaders may identify viable strategies for community and economic development, unless they are able to implement these strategies and, when needed, secure funding and financing for their projects, their planning will not be productive and will contribute to skepticism of the citizens for strategic planning efforts by community leaders.

Furthermore, one of the greatest transfers of wealth in the history of our nation is now underway as the baby boomers retire and the older generation dwindles in size. Successful communities create mechanisms to tap a small portion of that wealth to support ongoing community and economic development initiatives, thus ensuring a viable future for the next generation and leaving a legacy within the community.

This publication is an attempt to provide a comprehensive approach to funding and financing community and economic development. While many of the resources and examples relate to Arkansas, the principles and many resources apply across our nation and even the world.

It should give strong support and hope to community leaders who ask the question: "What could you do in your community or region if finances were not a limiting factor?" Furthermore, as executive directors of nonprofits can spend as much as 80 percent of their time raising money and only 20 percent on service, this should help them sharpen their skills and be more effective.

"Secrets for Success" draws from many successful communities who have successfully funded and financed their community and economic development initiatives. "Twelve Steps to Funding Your Community Development Project" describes a straightforward approach to identifying and tapping resources to fund or finance your community and economic development projects. The Fundability Checklist and Meter then provide a reality check and indications as to the likelihood that your approach is going to be successful.

This publication presents a wide array of funding strategies that have been successfully employed by communities and regions to finance community and economic development. Because most community leaders have other jobs or careers, they are usually not familiar with the multitude of avenues they can employ to fund their community and economic development projects.

The appendices provide a list of stakeholders, a listing of resources, a funding matrix with a downtown revitalization example and an agenda for a workshop using the principles and process described in this document.

Introduction

Many communities and regions have great vision and plans but are unable to bring them to completion due to lack of funding or financing. This middle piece is often missing, due to lack of knowledge:

Think of your involvement in community and economic development projects as an ongoing development process, with successfully completed projects along the way. Your journey begins with your current situation.

> *Fundraising is valuing people, building on history and/or heritage, listening, communicating an excitement for the future and promoting philanthropy. In Greek, philanthropy means "love of mankind" from philos (loving) and anthropos (man).*
>
> – Merritt J. Royal, former director of development, University of Arkansas Division of Agriculture

Eight Secrets for Success

Why are some communities and organizations really successful, while others are not? Secrets are ideas not commonly known but that emerge from in-depth discussions and research of successful funding initiatives. Just as you can learn a lot more about catching fish from the 20 percent of the fishermen that catch 80 percent of the fish than the 80 percent who catch 20 percent of the fish, the following secrets were gleaned from research into multiple successful fundraising projects. They will give you a head start on your funding and financing efforts.

Secret #1: Create a sense of urgency for your project and communicate WHY it is important for your community and its future.

> *Most organizational change initiatives fail spectacularly or deliver lukewarm results. The crucial first step is creating a sense of urgency by getting people to actually see and feel the need for change.*
>
> *Why focus on urgency? Without it, any change effort is doomed.*
>
> – John P. Kotter, author, A Sense of Urgency

- With people and organizations so busy with activities and distractions, unless you create a sense of urgency for your initiative, it is not likely to succeed.
- Fundraising is not just about finding money. It's about helping people realize that together they can address critical issues and opportunities, that they can realize their dreams and leave a legacy for the next generation.
- But you must be prepared to state WHY this is important, why it is important NOW and WHAT WILL HAPPEN if the project doesn't get funded.
- To be successful, this requires inviting potential donors to become INVESTOR-PARTNERS in your endeavor.

Example: When the Paris Economic Development Commission from Paris, Arkansas, sought a $266,000 grant from Tyson Foods for a workforce training center, they:

- ◊ Had already raised $191,000.
- ◊ Submitted 27 letters of support, including letters from state legislators, the speaker of the Arkansas House. and the governor of Arkansas.
- ◊ Already had 65 individuals signed up for classes. (They received the grant.)

We need it. This is not an optional project. This is not banners around the square; it is the future of Paris. We have got to make this happen.

– Dr. Lee Lane, chairperson of the Paris Economic Development Commission

Secret #2: Create big, exciting projects that people want to participate in and support.

We wanted to create a project that was so exciting, everyone would want to be a part of it.

– Joy Jinks, co-founder, Swamp Gravy Institute, which produced a community play seen by over 100,000 visitors

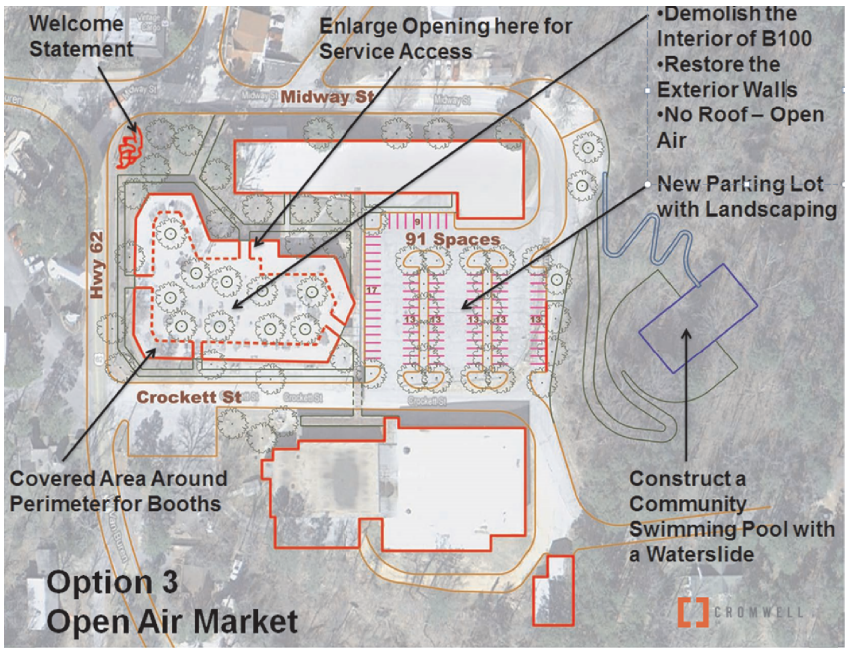
Make no little plans; they have no magic to stir men's blood and probably will themselves not be realized. Make big plans; aim high in hope and work.

– Daniel H. Burnham, author and lead architect of the World's Columbian Exposition in Chicago, the largest world's fair to that date (1893)

While small steps and beginning projects are important to show successes and gain legitimacy and momentum, it is the breakthrough projects that really attract attention and resources.

Breakthroughs are advances, innovations and leaps forward.

- What would a breakthrough look like for your issue or project, with the potential to transform people's lives and your community?
- If finances were not a limitation, what could you do to address this issue or realize this potential?
- If you can just complete this project by yourself, you are probably not thinking big enough.
- Who has a stake in this issue or can contribute to it (stakeholders) and needs to be involved? If you are working on a youth project, INVOLVE THE YOUTH.



Conceptual diagram that shows the repurposing of a vacant high school campus in Eureka Springs, Arkansas, by Ed Levy, Cromwell Architects Engineers, Little Rock

- Everyone wants to be part of a winning team, and you are inviting them to join the team, whether they donate time, expertise or money.
- Invite an architect who is interested in the project to develop architectural sketches of the project. These are powerful tools to engender financial and in-kind support.

Examples of Breakthrough Projects

- A new Logan County Workforce Center in Paris, Arkansas.
- Building a pedestrian bridge over the Arkansas River that would link Dardanelle, Arkansas, and Russellville, Arkansas, and become a linchpin for a multi-county trail system that links Mount Magazine, Mount Nebo and Petit Jean Mountain.
- Creating a journey center in Clinton, Arkansas, that launches visitors on their journeys into the surrounding communities and draws people to downtown by a micro-business plaza.
- Revitalizing the Pioneer Village in Rison, Arkansas, hosting multi-state homesteading conferences and delivering on the brand: "Cleveland County: America's Homestead – Real.Simple.Life."

Secret #3: Friend-making – relationship building – comes first before fundraising.

I have a dream that:

- ◊ ***People will move from an attitude of hitting people up (i.e., "fundraising") to a mindset of giving and lifting people up*** *(i.e., "philanthropy"); from enacting transactions to enabling transformation.*
- ◊ ***You will understand that fundraising is a value-for-value exchange.*** *A donor gives something of value (money or in-kind good or service) and the charity returns something of value to the donor.*
- ◊ ***You will ask not what your donors can do for you but what you can do for your donors.*** *Your job is to help them experience the joy of giving and making a difference in people's lives.*
- ◊ ***You will speak to people's hearts****, not just their heads, about stories of real people being helped and lives transformed.*
- ◊ ***You will have a bias toward action****, that there is much good to be done and you are the one to do it. In fact, you are the one to lead it!*

– Claire Axelrad, nonprofit coach and author, www.clairification.com

- It is important to really understand your donors. If they are to understand you and your project, you must first understand them and their desires and dreams.
- You can play an important role in helping them realize their dreams and even create a legacy for future generations.
- For significant involvement of a key person or organization, a personal visit over lunch in which you are accompanied by a long-term friend of theirs is much more effective than an e-mail or phone call from someone they don't know.
- Ask them about their interests, desires and dreams for your community. Ask them for their advice on your project and if there is some aspect of it that would relate to their interests.
- Don't just ask people to give but inspire them to give by sharing a vision – paint a picture of your desired future and invite them to share in it. If they first open their hearts and minds, then they will open their wallets or contribute other resources.
- The more significant or large the project is, the more personal your request for assistance needs to be.

Secret #4: Successful projects often employ several fundraising strategies, including in-kind contributions.

It is not enough to contribute money. People must make the gift of themselves, of their own time, their creative talent and spiritual strength."

– Governor Winthrop Rockefeller

- Potential donors, foundations and investors are more likely to participate if you show you are leveraging other resources – if you demonstrate buy-in from other stakeholders.
- In-kind contributions can include food, labor, professional services, materials, use of equipment, vehicles, land and buildings

Example: The owner of a conference center in Fairfield Bay, Arkansas, donated the center to the city of Fairfield Bay and used it as a tax write-off.

Example: We Love VBC, a grassroots community development initiative in Van Buren County, Arkansas, launched a Paint the Town project to paint several buildings downtown. Funding sources included a color run (that raised over $3,000), political appropriations from state legislators and the local businesses who paid for the paint to paint their buildings.

The number one reason that people give to a worthy cause is because they were asked.

Secret #5: Maximize your effectiveness by understanding generational behavior.

Demographics change not only why people give but how and how often. Understanding generational giving behaviors is key in effectively engaging supporters through the channels they prefer to capture the maximum donations for your case.

Millennials and Gen Xers make up over two-thirds of the workforce today. Why is this important? Being part of the workforce means getting a paycheck, and with a paycheck comes the ability to donate to causes. With the vast majority of Millennial and Gen X donors owning a smartphone, **mobile giving will soon dominate the fundraising landscape. Overall U.S. charitable giving increased 1.6 percent in 2015, while online giving increased 9.2 percent.**

Millennials (Generation Y) – Age 18-35 (born 1980-1997), 25.9 percent of the population.

- 84 percent of Millennials give to charity, donating an annual average of $481 across 3.3 organizations. They give 11 percent of total U.S. giving.
- Millennials are active on their phones and respond best to text messages and social media but rarely check personal e-mail or respond to voice calls.
- Millennials are most likely to contribute to work sponsored initiatives or causes they care about, donate via mobile, and watch online videos before making a gift.
- **86 percent of Millennials own a smart phone.**

Gen X – Age 36-50 (born 1965-1979), 20.4 percent of the population.

- 59 percent of Gen Xers give to charity, donating an annual average of $732 across 3.9 organizations. They give 20 percent of total U.S. giving.
- Gen X prefers text messages or voice calls.
- They regularly check e-mail and stay up to date on social media feeds.

- Gen Xers are most likely to fundraise on behalf of a cause, make a pledge and volunteer their time to an organization.
- They also volunteer more and more often than any other generation, which is a huge opportunity for nonprofits, because volunteers are twice as like to donate as nonvolunteers.
- **80 percent of Millennials own a smartphone.**

Baby Boomers and the Greatest Generation are retired or heading there, meaning that they tend to end up volunteering more as well. Incomes may be fixed, but many have done well and are more generous as other obligations fall away.

Boomers – Age 50-68 (born 1946-1964), 23.6 percent of the U.S. population.

- 72 percent of Boomers give to charity, donating an annual average of $1,212 across 4.5 organizations. They give 43 percent of total U.S. giving.
- Boomers answer voice calls, check e-mail regularly and also use text messaging and social media.
- Though initially slow to adopt new technology, they take to it quickly once they do; today over 60 percent give online.
- On average, Boomers spend 19 hours a week online, and 71 percent use a social networking site daily.
- Boomers are most likely to make recurring donations on a monthly, quarterly or yearly basis.
- **54 percent of Millennials own a smartphone.**

Greatest – Age 69 + (born before 1945), 11.8 percent of the U.S. population.

- 88 percent of Greatest Generation gives to charity, donating an annual average of $1,367 across 6.2 organizations. They give 26 percent of total U.S. giving.
- Greatest prefer voice calls and direct mail. These donors are late adopters of e-mail and do not typically use text messaging or social media.
- This generation is very civic minded, and their experiences and values make them great contributors to your organization. They feel like the biggest difference they make is through the money they donate.
- Greatest are most likely to give through direct mail campaigns and donate physical goods.
- **27 percent of Greatest own a smartphone.**

Five Simple Ways to Engage Millennial and Gen X Donors

1) Reap the benefits of mobile marketing with a 98 percent open rate for text messages.
2) Save time and money by using social media effectively (focus on the channels on which they are most active).
3) Create compelling videos to tell a story about your cause.
4) Mobile-friendly websites and donation forms are a must.
5) Crowdfunding campaigns can garner fast results.

4 Simple Ways to Engage Donors 50+

1) Reach a wide range of donors through e-mail marketing.
2) Direct mail drives online donations.
3) Make personal phone calls.
4) Meet in person.

Source: "9 Simple Ways to Reach Different Generations of Donors Successfully," by Steve Page, www.MobileCause.com. (Mobile Cause has webinars and infographics on mobile-friendly fundraising and crowdfunding.)

Secret #6: Develop your community's capacity for funding.

Develop a funding team for your strategic development initiative, that could:

- Include people of influence and affluence – representatives from your local community foundation, library, banks, local government and individuals who have been involved in fundraising initiatives or capital campaigns in the past.
- Recruit retirees, school teachers, attorneys and architects – anyone who wants to give back to their community.
- Review this document and recommend strategies and resources that would be most helpful to each action team or organization in your community.
- Offer grantsmanship training in the community.
- Create a repository of funding resources and demographic information.
- Develop a calendar of future funding opportunities.
- Work with local governments to hire grantsmanship expertise on a project, part-time, or full-time basis.
- Consider joining the Grant Professionals of Arkansas (http://www.gpaarkansas.org/).
- Tap institutional resources that can help you move forward, such as the planning and development districts for local government projects and colleges, state and federal agencies, universities and the Cooperative Extension Service for education projects.

Kickstart Heber Springs Funding and Finance Action Team

Kickstart Heber Springs, a broad-based community development initiative in Heber Springs, Arkansas, created a Funding and Finance Action Team that included the mayor, a banker and a few more community leaders. Actions they are considering include:

- ◊ Identifying funding sources and strategies for the projects of the other action teams in Kickstart Heber Springs.
- ◊ Taking a fresh look at current funding streams coming into the community, to see if those funds were used strategically and if they could be enhanced. (For example, the A and P tax could be used more strategically and expanded to include restaurants as well as hotels and could be enacted on a county-wide basis).
- ◊ Exploring becoming a repository for grant and demographic data.
- ◊ Offering grantsmanship workshops for local citizens.
- ◊ Creating or enhancing a local community foundation.
- ◊ Seeking to connect major projects with great potential to families of means who may not live in the community but have family and/or emotional ties to the community.

Strategic Questions to Ask:

- How much purchasing power your households, local governments, nonprofits and businesses have?
- How much of that is spent locally?
- What could we do to increase that?
- How much wealth is in our community or county?
- How much will be transferred to the next generation over the next few years?
- Do we have mechanisms in place for individuals to invest a small portion of that wealth in local development projects to enhance the sustainability of your community?

Secret #7: Think long term and develop donor/stakeholder relationships that will continue to give and invest over time.

- Keep your donors and partners informed. If they don't know, it never happened.
- An e-mail newsletter sent to community leaders in your community, county or region plus other stakeholders in the state is just invaluable.
- You want your funders to become raving fans of your project, and encourage them to refer you to other funders that they know.

Secret #8: Become an expert at recognizing contributions through naming rights, plaques, publicity and other forms of recognition.

Communities have successfully raised funds through naming buildings, auditoriums, meeting rooms, trees and bricks after their donors.

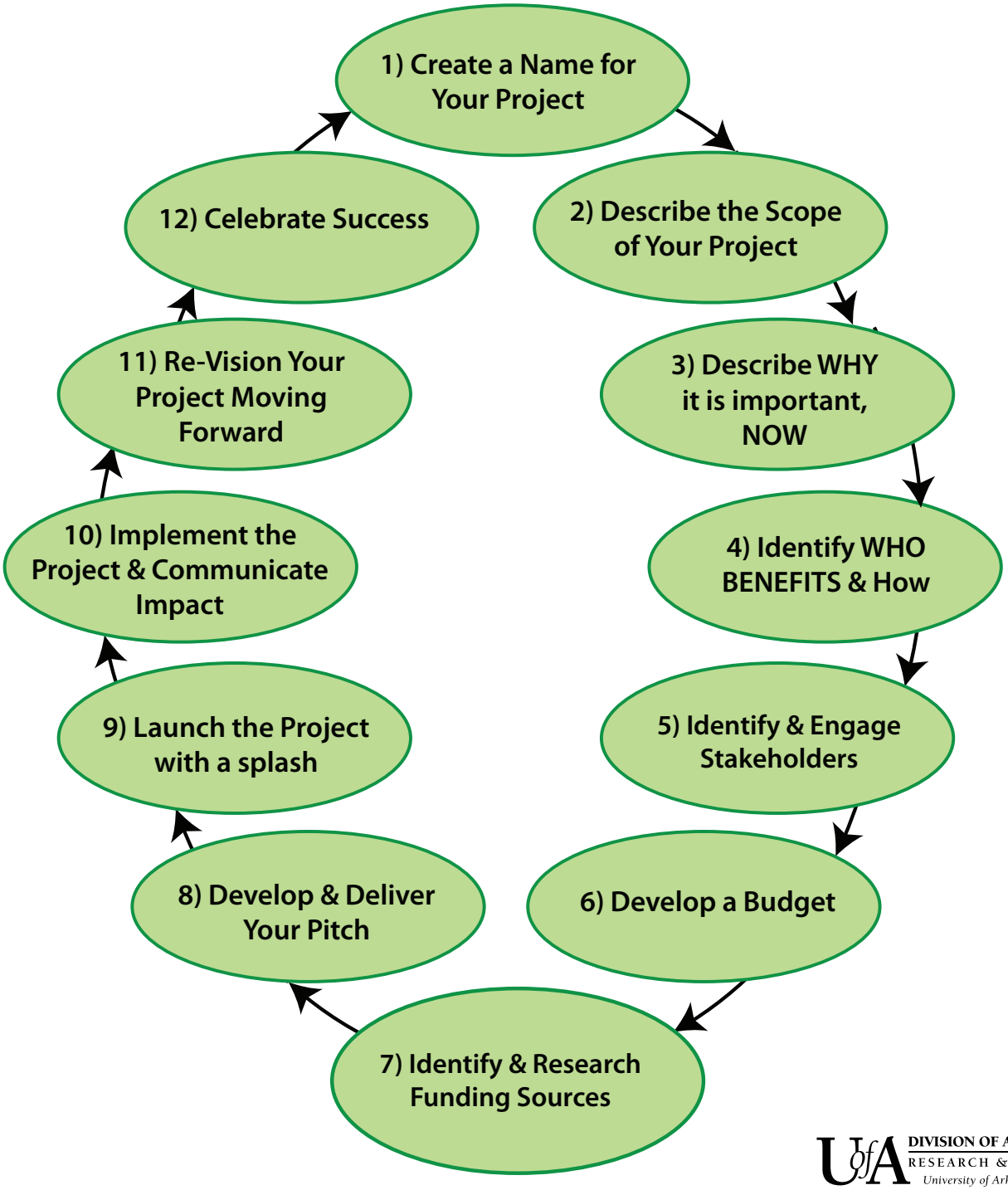
A rule of thumb is to thank major contributors SEVEN times.

These may include:

- ◊ A handwritten note from the person who made the contact.
- ◊ A personal visit to the donor to say thank you.
- ◊ A thank you letter from the fundraising team.
- ◊ A note of appreciation from an elected official.
- ◊ An appreciation advertisement in the local newspaper for major contributors.
- ◊ A plaque or certificate presented at a local civic group meeting.
- ◊ A special mention at a city board or other public meeting or banquet.
- ◊ An appreciation breakfast, luncheon or reception at the conclusion of the fundraising effort to thank all donors above a certain giving level.
- ◊ A planned public display showcasing major donors, such as a brick sidewalk with donor names or brass plates on the wall in a public building.

Twelve Steps to Funding Your Community Development Project

Fundraising is really a continuous cycle. Here is a twelve-step process that will guide you along the way.



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MARK PETERSON, U of A System Division of Agriculture Cooperative Extension Service

Step 1: Create a name for your project.

Example: Beautify Sandy Springs Road

NOTE: For a large project, you may add a tagline that is a brand promise, such as Beautify Sandy Springs Road, to become the most beautiful road in the state, that attracts people just to drive and walk on the road.

Step 2: Describe the scope of your project.

Beautify Sandy Springs Road Example: We want to beautify 1 mile of Sandy Springs Road coming into downtown Sandy Springs, Arkansas, install a road diet and connect it to our trail system.

NOTE: A road diet transforms a four-lane highway into a two-lane highway with a middle turning lane and bike lanes on each edge of the roadway.

Step 3: Describe WHY it is important and why it is important NOW.

Asking WHY provides insight into how your project relates to the core values of your community – what is really important. You may have to ask WHY three or four times to get there.

Beautify Sandy Springs Road Example:

1) WHY is this project important?
   - Because as the primary entrance to our community from the south, it portrays a bad impression of our community.
2) WHY is that important?
   - Because tourists, retirees and potential businesses may not want to come back.
3) WHY is that important?
   - Because tourism is the lifeblood of our community, and if it dries up, our own children and grandchildren will have to leave our community for employment.
4) WHY is this important NOW?
   - Because if we don't act now, it may be years before someone else addresses this, and our businesses are suffering.

Step 4: Identify WHO BENEFITS and how.

Beautify Sandy Springs Road Example:

- Businesses along Sandy Springs Road – their area would be more attractive and more likely to attract customers.
- All businesses in the community – increases business activity overall.
- Banks – more business activity and more loans.
- University of Arkansas Cooperative Extension Service – opportunity for Master Gardeners, 4-H clubs and county Extension agents to become involved.
- Churches and nonprofits – from more population growth.
- The Chamber of Commerce – more members.
- City and county government – more tax revenues.
- Youth groups – great opportunity to become involved.
- Nurseries and construction businesses – business activity and visibility.

See Appendix A for a comprehensive stakeholder checklist.

Step 5: Identify and engage stakeholders, potential partners and assets.

People value those things they help to create. So inviting your stakeholders to shape this project from the ground up enhances the project and brings more resources to the table.

Beautify Sandy Springs Road Example:

- Stakeholders – all of the above,
- Potential Partners – Keep Arkansas Beautiful, National Arbor Day Foundation, nurseries, University of Arkansas Landscape Architect students.
- Additional assets – prisoners on work release.

Step 6: Develop a budget, including local match and in-kind contributions.

Beautify Sandy Springs Road Example:

- Beautification design – $4,000 (donated in-kind).
- Treescape – trees and bushes – $14,000 (sold at half price, $7,000).
  - ◊ Installation – $11,000 – (half done by volunteer labor, $5,500).
- Buildings – clean up and painting – $4,500 (all donated in-kind).
- Utilities – move electric lines underground – $20,000 (donated by electric utility).
- Highway – restripe for road diet – $5,000 (donated by Highway Department).
- Sidewalks and trails – $24,000.

	In-Kind	Needed
Total:	$46,000	$36,500

Step 7: Identify, research and rank potential funding strategies and sources.

Potential funding sources and strategies are described in the next section of this document.

Beautify Sandy Springs Road Example:

- After researching various potential funding sources, the top three are:
  - ◊ A grant from the Arkansas Department of Highways and Transportation.
  - ◊ A wealthy family who has moved away but still has roots in the community.
  - ◊ A community-wide fundraising event.
- The grant from the highway department can fund the part of the project pertaining to sidewalks and trails up to $5,000.
- You discover that the wealthy family still has relatives in the community, recently gave $100,000 toward a trail system in the community where they live and has a passion for beauty and beautification.
- Although there have been many fundraising events in the recent past, there is a new community theater group in town, so you are exploring with them the possibility of a theater performance as a fundraiser.

Step 8: Develop, deliver and follow through on your pitch – your story.

Key points:

- Develop your pitch – your key message – why this is important to the community, why this project is a perfect fit with the funder and why it should be funded.
- Tell a compelling story of someone affected by this issue or a place or thing.

Draw your audience in by capturing their imagination with a compelling story!

Master storytelling is your most essential marketing technique. Recent research reveals that when someone is reading a story, the language center of their brain lights up. What's especially interesting is that other parts of the brain also become active, including the areas that would light up if the reader were experiencing the event firsthand. This, is why storytelling is such an important fundraising tool!

See Appendix B for "Successful Storytelling – Five Foolproof Ways to Raise Money."

Identify how your project can stand out from all others.

- The pitch is more about the funder and their desires than what you can do.
- Make sure your call to action is clear.
- Prove that there is support from the community for your project, with petitions from citizens and students, news articles, letters of support from legislators (send them bullet points ahead of time) and resolutions of support passed by local organizations.
- Use compelling visuals – photos; perhaps a person your initiative has or will help.
- Convey a sense of urgency.

Beautify Sandy Springs Road Example:

- Grant from the Arkansas Department of Highways and Transportation: This project is a perfect fit with the purpose of the Highway Department grant, which is to increase access to multiple transportation alternatives and enhance safety of traffic, bicyclists and pedestrians. The large amount of in-kind support of this project also adds points to this application.
- For the wealthy family who has moved away, supporting this project:
  - ◊ Contributes to the beauty and safety of their original home community, for which they still have positive memories.
  - ◊ Honors their parents and other family members in the community.
  - ◊ Establishes a legacy in the community for generations to come.
- A community-wide fundraising event – This project provides the new community theater group higher visibility and support for the community, as they are contributing to a greater purpose than just their performance.

Deliver the pitch – who is best able to deliver the pitch?

- Who does the funding source respect and pay attention to? Is it local elected officials, community leaders, economic development professionals, youth group leaders, long-time friends or family?
- You may want two people to approach the funder – one person most familiar with the project and a person who knows and is respected by the funding source.

Follow through after the pitch is made:

- If you have not heard from the potential funder for some time, ask someone whom the funder respects, perhaps the mayor, your state senator or a good friend of the funder, to touch base with the funder, restating how important this is to the community and how it would be a great success story for the funder.

Have the right person ask for the right amount for the right purpose in the right place at the right time.

– Marta M. Loyd, Ed.D., Executive Director, Winthrop Rockefeller Institute

Step 9: Launch the project with a splash.

- Consider holding a media event to announce and launch the project, with local dignitaries, key stakeholders and the funding sources in a picture if at all possible.
- Invite your local and state officials to be a part of this to show their support, to raise your visibility with them and to familiarize them with your project for when you ask for their assistance in the future.
- Be sure to have one element of the project ready to launch at that time – perhaps you are breaking ground, cutting a ribbon or opening a door into a day care center and children go in for the first time. Create a memorable event to launch your important project.
- At the very least, issue a news release with a picture of key stakeholders and the funder, perhaps receiving a check.

Kickstart Heber Springs

Kickstart Heber Springs, a development process in Heber Springs, Arkansas, that emerged from a joint initiative of the UCA Community Development Institute and University of Arkansas Cooperative Extension Service, recently completed a "Kickstart Heber Springs Action Plan – a Blueprint for the Future." To launch this project, they hosted an official unveiling, with these elements: a briefing to key stakeholders and state and local officials to inform them about this project and invite their support, plus a public event out at a beautiful setting to officially launch the implementation of this action plan.

Kickstart Heber Springs Official Unveiling *(Picture courtesy of UCA Community Development Institute)*

Library Opening Attracts National Media Attention

If you are in a rural community, about to open a new library and are seeking national attention, how would you do it? Stanton, Iowa, population 664, recently opened their new library across town from their old library. On May 7, 2014, to transfer the books to the new library, they formed a human chain of 420 people who passed the books from one person to another. They transferred over 3,000 books in one day and garnered national attention for the community, their new library and their human chain of volunteers. Here is their coverage on NBC Nightly News: http://www.nbcnews.com /watch/nightly-news/iowa-town-forms-human-chain-to-move-books-to-new-library-248626755678.

Human Chain in Stanton Iowa Passing Books to the New Library
https://www.pinterest.com/pin/444800900669899338/

Step 10: Implement the project, measure and communicate impact.

As you implement the project, be sure to:

- Measure and record impact including various indicators – numbers of people served, hours of volunteer time, value of volunteer time, trees planted, etc., plus video clips, testimonies and personal stories of people being impacted.
- Keep these groups informed throughout the project: your local stakeholders, your funders and those whom the funder respects and pays attention to.
- Connect your donor with the impact, the significance and the joy of their gift.
- If you run into a snag, be honest about it, but communicate that you are dealing with it and how.

Step 11: Re-vision your project moving forward.

Hold a half-day retreat for your key stakeholders and project participants, identifying:

- What worked well.
- Challenges.
- Greatest issues/opportunities moving forward.
- Your goals and action plan for the next year or two.

You can then can announce your project plans moving forward at the celebration event and invite everyone to be a part of it, including current funders.

Step 12: Celebrate success.

At the end of the project, or perhaps at the end of the first year, hold a celebration event to communicate your success in multiple ways, honor the stakeholders and funding sources and create a memorable event.

You want your funders to become raving fans of your project and community so they will look to continue to invest in your project and brag about your project to other funders.

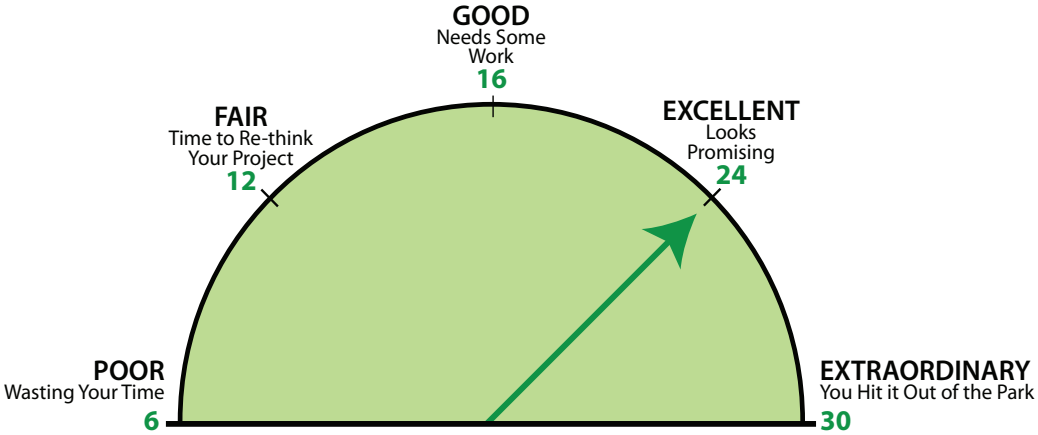
Be sure to ask your funders if they are willing to refer you to other funders.

Complete the Fundability Checklist

	Low		Medium		High
1) Sense of urgency and importance of this project	1	2	3	4	5
2) Buy in from key stakeholders	1	2	3	4	5
3) Project addresses a key issue, opportunity or need that is recognized by the community	1	2	3	4	5
4) Your solution is solid and likely to succeed	1	2	3	4	5
5) Project is a good fit with potential funders	1	2	3	4	5
6) People will fall in love with this project	1	2	3	4	5

Total Fundability Score: _____

Check to see where your project is on the Fundability Meter.



Breakthrough Solutions Fundability Meter

Funding and Financing Strategies Summary

I. **Develop powerful local funding strategies.**
   A. Involve existing organizations, local governments and businesses who have budgets, labor, talent and the ability to get things done.
   B. Create an Awesome Foundation or giving circles in your community.
   C. Host exciting fundraising events.
   D. Create sponsorships and partnerships.
   E. Create donation programs by special interests.

II. **Be creative in reaching out to individuals.**
   A. Provide opportunities for individuals to invest in their community.
   B. Create a multiplier effect to inspire annual giving.
   C. Enable people to contribute to important causes.
   D. Ask who benefits and seek them out.
   E. Seek major donors for major projects.

III. **Create partnerships to pool resources.**
   A. Public-public partnerships.
   B. Interlocal agreements.
   C. Public-private partnerships.
   D. Nonprofit-nonprofit partnerships.

IV. **Create new organizations and new funding streams.**
   A. Create new organizations.
   B. Leverage your assets for more impact and new funding streams.
   C. Create streams of income to support nonprofits.
   D. Community development financial institutions (CDFIs).
   E. Create community-owned businesses.

V. **Utilize new internet-based funding mechanisms.**

VI. **Develop capital campaigns for big projects.**

VII. **Obtain business financing.**

VIII. **Seek funding from foundations and corporations.**
   A. Foundations.
   B. Mission-related and program-related investments.
   C. Corporations

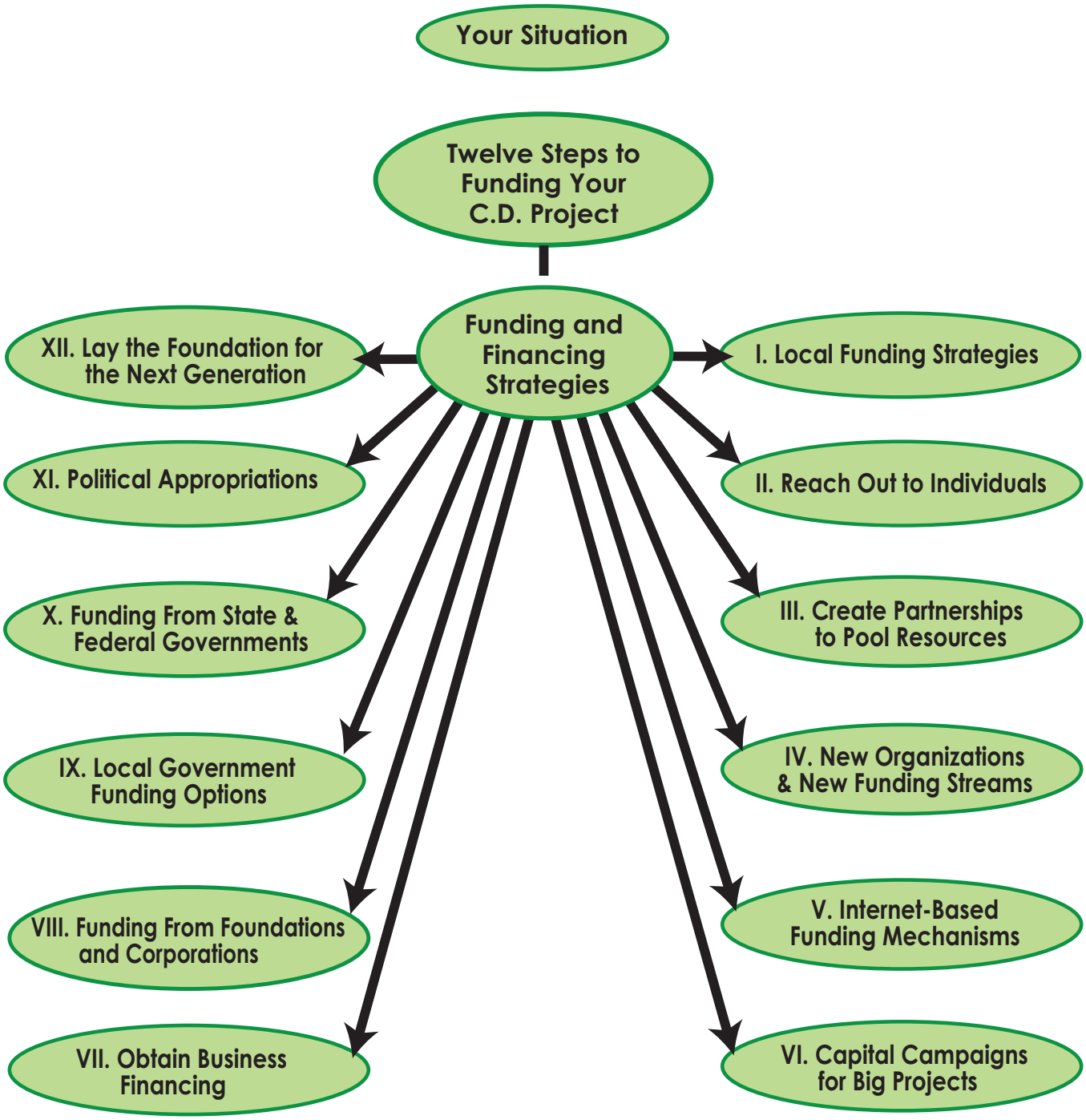
IX. **Utilize local government funding options.**

X. **Obtain funding from state and federal governments.**
   A. State and federal agencies and organizations.
   B. Social impact bonds.

XI. **Garner political appropriations.**

XII. **Lay the foundation for the next generation.**

Funding and Financing Strategies for Community and Economic Development



DIVISION OF AGRICULTURE
RESEARCH & EXTENSION
University of Arkansas System

MARK PETERSON, U of A System Division of Agriculture Cooperative Extension Service

I. Develop powerful local funding strategies.

Always start at the local level, because that is where the people, organizations and businesses are who have the most at stake in completing your project. In addition, outside funders will want to know if any local organizations or individuals have skin in the game.

A. Involve existing organizations, local governments and businesses who have budgets, labor, talent and the ability to get things done.

- Every local government, nonprofit organization and business has a budget and resources which they invest in things that are important to them.
- Many businesses – banks, utilities,and other employers are vitally concerned with the future of the community and supportive of community and economic development initiatives.
- If the leadership of an organization really buys in – if they OWN the vision and action plan, they will do what they can to use resources of the organization, cash and in-kind, to make it happen.
- Invite your city government, a civic club, a fire department or a business to take on a project.
- Discuss with organizational representatives possible projects they could take the lead on, that are a good fit with their mission.

Examples of Successful Funding at the Local Level

- ◊ Concerned with loss of jobs and population, 600 people in Jackson County, Arkansas, were invited to a meeting to discuss community and economic development. Over 100 individuals invested $500 in Jackson County Moving Forward.
- ◊ Faced with a lack of shared vision and strategic vision for the future, nine organizations in the public, private and nonprofit sectors of Hot Springs, Arkansas, pooled their resources to hire a community developer and operate the county-wide Focus Garland County community development program.
- ◊ Experiencing emergency services disruption due to a railroad that cuts their community in half, the mayor of Gravette, Arkansas, population 1,412, led a campaign to raise $333,000, which was matched by the state highway department, for a railroad overpass.
- ◊ Seeing the potential for growth on a major thoroughfare, eight area banks are putting $2 million into a loan consortium that will make $16 million available to businesses seeking to spruce up and build new projects on North Walton Boulevard in Bentonville. This reduces risk to a single bank and provides financing for projects such as second story loft apartments and condos.
- ◊ The Super 100 Group – In the mid to late 1980s, 100 businesses in Jonesboro pledged $1,000 per year for ten years to support development in the community. They then leveraged this $1 million to support development in the community.

B. Create an Awesome Foundation or giving circles in your community.

The Awesome Foundation is a global community advancing the interest of awesome in the universe, $1,000 at a time. Each fully autonomous chapter supports awesome projects through micro-grants, usually given out monthly. These micro-grants, $1,000 or the local equivalent, come

out of pockets of the chapter's "trustees" and are given on a no-strings-attached basis to people and groups working on awesome projects. So if you recruited 10 people to give $100 per month into your local Awesome Foundation, you would have $12,000 per year to invest in local projects. See www.awesomefoundation.org for more details.

A giving circle is a group of volunteers raising, pooling and granting money together. Giving circles allow for a wide range of giving style, philosophy and values. Some giving circle members donate money, while others volunteer their time, skills and expertise in the organizations that their giving circle funds. See http://givingcircles.org/. Both giving circles and Awesome Foundations could work through a local community foundation or the Arkansas Community Foundation to handle the logistics. See "Laying the Foundation for the Next Generation" for more information on foundations.

C. Host exciting fundraising events.

Fundraisers can become a catalyst for an organization(s) to become involved, generate support and greater awareness among the public and create a fun event for the community. Be sure to include youth organizations in these efforts.

- Community-wide fundraising event examples:
  - ◊ Old Betsy contest: Purchase a numbered square on the local football field, where Betsy the cow is fenced in for a day. The owner of the numbered square upon which she makes her first "deposit" is the winner of half (or one quarter) of the total money collected.
  - ◊ Chili suppers, catfish fries or a fried chicken dinner – paired with a well-promoted silent auction or other money-raising opportunity.
  - ◊ A one-day poll tax on a street or highway through the community.
  - ◊ "Get out of Jail" day (pay to have someone "arrested" – then they must raise money to get out of jail).
  - ◊ Alumni football or basketball game – held in conjunction with homecoming festivities, it could be a split fundraiser for the school and your initiative.
  - ◊ A fun run or 5K event at local festivals, with entry fees.
  - ◊ Youth fundraising opportunity. Provide a prize for the youth who raises the most money for the community.
  - ◊ Fundraising concert, with a celebrity band or musician.
  - ◊ Hold a fundraising gala. Charging a large amount per person or couple with a slight discount for a table encourages businesses to use the event as a client entertainment or employee appreciation opportunity. Invite someone famous to speak – the governor, a congressman or that famous country music star who was raised in your community.
  - ◊ Host a golf outing, with local businesses paying a premium price for a day on the golf course and some of the money going for prizes for the winning foursome(s). Ask a local car dealer or jeweler to donate an automobile or diamond ring for the first person to make a hole-in-one.
  - ◊ Consider raffles, contests and games – bingo nights, casino nights, raffles, such as a 50-50 raffle (the winner gets 50 percent). Make sure it is legal.

D. Create sponsorships and partnerships.

Who else might be able and willing to participate in your fundraising event, and what would a win look like for them?

Washington State Special Olympics Dance Marathon Fundraiser

This fundraising event was a 24-hour dance marathon in the Seattle Center to raise funds for the Washington State Special Olympics. The organizers:

- ◊ Persuaded the Center to waive the rental fee.
- ◊ Recruited top-rated radio personalities, news anchors and sports superstars to host the event for one hour (24 of them), and they helped to promote the event.
- ◊ Recruited a corporate sponsor to pay some of the costs.
- ◊ Convinced 7-11 and McDonald's to give out brochures and enrollment forms (and pay for the printing) for a one-month period.

As a result, they raised $125,000, the largest single fundraiser in the history of the Seattle Center. By the way, you can google "sponsorship brokers and agencies" for assistance.

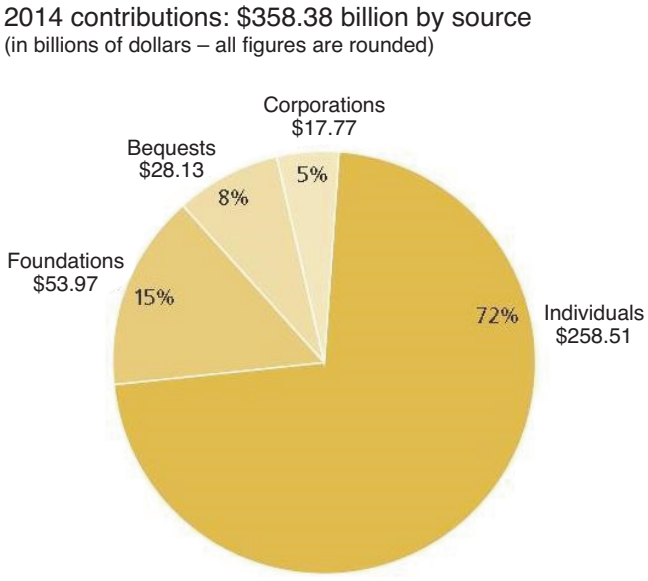
Source: rogerbrooksinternational

E. Create donation programs by special interests.

Example: The Alaska Wilderness Association recruited 35 outfitters and guides to charge their customers an additional $1 per day, with the proceeds to go to environmental groups as grants. They raised $25,000 in the first year!

II. Be creative in reaching out to individuals.

The largest source of philanthropy – by far – is major gifts from individuals.



Source: *Giving USA 2015: The Annual Report on Philanthropy for the Year 2014* (Chicago: Giving USA Foundation, 2015), p. 26.

A. Provide opportunities for individuals to invest in their community by creating exciting, meaningful projects that will have a real impact over time and even establish their legacy.

Example: Community leaders in Stone County, Arkansas, are seeking individuals with means to pay for a beautiful farmers' market facility that would serve other purposes throughout the year as well.

- Ask knowledgeable people – who has the capacity to give toward this project and the willingness to do so.
- Create levels of giving with increasing levels of publicity and recognition, including names on plaques, bricks and buildings.
- Offer to accept donations of any kind – cash, vehicles, buildings, land, etc.
- For larger gifts, involve someone with expertise in tax law and estate planning.
- A direct mail campaign may be productive:
  - ◊ This approach may involve mailing a letter, brochure or other marketing piece.
  - ◊ Don't forget high school alumni, living away from the community, as an invitation to invest in their hometown or region may bring an unexpected large gift as well as casting a broad net for smaller gifts.
  - ◊ Identify stakeholders who will benefit from the program. A list of stakeholders is in Appendix A.

B. Create a multiplier effect to inspire annual giving.

> *When you show your donors how you can leverage their donation to accomplish more than they even imagined, you greatly increase the likelihood they will respond to your call to action.*
>
> – Claire Axelrad, Nonprofit Coach, Author, and Consultant
> http://www.clairification.com/

- **Leverage donor's gifts by a matching or challenge grant.**

  Example: By garnering support from the utility PG&E, the San Francisco and Marin Good Bank advertised this offer: "Help make it a special Thanksgiving for all. Give by November 27 and PG&E will double your gift."

- **Show donors how they can get more bang for their buck.**

  Example: Because of food donations, the same food bank was able to promise "for every $1 you donate, the Food Bank can distribute $6 worth of food."

- **Explain to donors how you reduce waste.**

  Example: Second Harvest Food Bank states, "A shocking 40 percent of food is wasted in the USA each year. Your gift will help Second Harvest expand our food rescue program, creating thousands of meals for families in need."

  Example: One_Warm_Coat states: "Every $25 donated helps us collect 50 coats. Our goal is 1 million coats – to warm a million people each year."

- **Demonstrate the impact of their gift through the ripple effect and multiplier effect.**

  Example: Engineers in Action communicate that building a well in a third world village reduces infant mortality, lessens student sick days and improves health. They show how each engineer costs $60,000 but generates $180,000 over a three-year period.

  Example: San Francisco Goodwill documented these impact statistics:
  ◊ More than 600 people got jobs through San Francisco Goodwill last year.
  ◊ 6,978 people received job-related services last year.

- **Mirroring – the Power of Example.**
  ◊ Publicizing one donor, perhaps with a picture and quote or a short video, can inspire others to do the same.

  Source: Claire Axelrad, http://www.clairification.com/

C. Enable people to contribute to important causes.

Example: The restaurant chain Tacos4Life gives money to support hungry children every time you eat there.

- What if you approached a restaurant or other business and made a similar proposal, so they could tap this philanthropic spirit and their customers would be giving to your worthy cause indirectly?

More cause-related examples:

- Amazon donates 0.5 percent of the price of your eligible AmazonSmile purchases to the charitable organization of your choice.
- Goodshop.com donates a percentage of all your purchases to your favorite charity at no additional cost to you. Go to www.goodshop.com for details.
- Goodsearch.com donates a penny to your favorite cause every time you search the web. Go to www.goodsearch.com.

D. Ask who benefits and seek them out.

Example: Community leaders in Rapid City wanted to create a beautiful main street square, a $6.5 million project. They:

- Raised $3.5 million through a tax increment financing district (increased taxes on businesses within specific local boundaries).
- Raised $3 million through a capital giving campaign, which included a $1 million gift from an individual who had purchased a large empty warehouse right next to the area to be developed.

  Source: rogerbrooksinternational.com

E. Seek major donors for major projects.

- Identify famous or wealthy individuals who have some connection to your community; they may live in your community or may have moved away.
- If possible, meet with them personally, preferably accompanied by someone they know and trust.

- Find out who they are and what is important to them.

She Loves Art – the Story of the Crystal Bridges Museum of American Art

The Crystal Bridges Museum of American Art in Bentonville, Arkansas, is impressive by any standard – 200,000 square feet of museum space, hundreds of millions of dollars work of artwork and 2 million visitors since it opened in 2011. But why did she do it? Why did Alice Walton spearhead and largely fund this impressive project? The explanation turns out to be pretty simple. *"She loves art; she finds it transformative, spiritual. She loves American history, and American art tells the American story. She wants to share these loves."* *Source: Arkansas Business, October 10, 2011*

- Relate your project to their values and interests. You want them to catch the vision of your project and invest in your community's dream.
- Keep it simple, use stories and testimonies, and describe impacts on people's lives.
- You will likely be more successful if you invite them to invest in specific, tangible, high visibility, high impact projects than asking for money for an overall initiative.
- They may contribute financially, or they may agree to come and be involved in a fundraiser for you.
- When you offer them naming rights for a project, you are offering them immortality within their hometown community.
- An even longer shot – identify a famous or wealthy individual with no connection to your community who has a passion for an issue that your plan addresses and approach them.
- Remember Canadian hockey star Wayne Gretsky's statement: *"You miss 100 percent of the shots you never take."*

Swedish Heritage and Cultural Center, Stanton, Iowa

When the historic high school building in the center of Stanton, Iowa, was replaced by a new facility, the school board put the building up for sale. A small group of leaders had a vision to purchase the property and transform it into a Swedish Heritage and Cultural Center. Because they had few funds, they sent out an invitation to everyone who had ever lived in the community. Donations started coming in, and one former resident from Dallas called and said: "You buy it and I will send you a check." The result is a wonderful facility that preserves the heritage of the community and draws visitors from all around the world.

Swedish Heritage and Cultural Center, Stanton, Iowa

Ross Perot Leadership Museum

Ross Perot, 85, the Dallas businessman who ran as an independent presidential candidate in the 1990s, recently returned to his hometown of Texarkana, Texas, to help dedicate Texarkana College's Ross Perot Leadership Museum, which he helped fund with a $5 million pledge.

III. Create partnerships to pool resources.

In a time of scarce resources, partnerships may be the only way you can accomplish your goals in your community or region. Examples:

A. Public-public partnerships.

Example: The Mississippi River State Park is located within the St. Francis National Forest in eastern Arkansas, thus providing more recreational opportunities for eastern Arkansas without the cost of purchasing land. The visitor center at the park is staffed by both Arkansas State Parks and U.S. Forest Service employees and serves as an information and interpretive center for the state park and the St. Francis National Forest.

Example: The Austin, Texas, school system and Austin city government partnered together to build a new school that contains a shared library, which also houses some social service offices. The two units of government have an interlocal agreement on how to split utilities and custodial services.

B. Interlocal agreements.

- Interlocal agreements have become an effective means for local governments to provide shared services more efficiently, such as law enforcement, animal control, landfills, emergency alert warning systems, libraries, youth development and health services. You can learn more about them here: www.uaex.uada.edu/publications/pdf/FSPPC110.pdf.

C. Public-private partnerships.

- Several universities in the nation work with private developers; the developer builds dorms then leases them back to the university for student use. The land is often owned by the university, with a long-term lease to the developer.
- Many urban development projects are public-private partnerships.

D. Nonprofit-nonprofit partnerships.

Example: Winrock International, an international development organization with social, agricultural and environmental projects in over 80 countries and several states, recently merged with the Arkansas Regional Innovation Hub, thus strengthening Winrock's capacity for innovation and entrepreneurship and providing institutional support and sustainability for the Hub.

IV. Create new organizations and new funding streams.

A. Create new organizations.

Strategic planning efforts often lead to new organizations to accomplish particular tasks, many of which can then generate their own revenues.

Examples of New Organizations: a downtown merchants' association, Main Street program, a convention and visitors' bureau (funded by a sales tax on restaurants and/or lodging), a theater group, a SCORE chapter, bank community development corporations and special-use or tax-increment financing districts.

- Some nonprofits have created for-profit businesses to support their activities.
  - ◊ **Example:** Concerned with the decline in downtown Fayetteville, Arkansas, the Bank of Fayetteville created a bank community development corporation as a mechanism for the bank to invest in revitalization of the downtown.

◊ **Example:** The Troy Community Betterment Association of Troy, Missouri, initiated a survey of the community to identify the greatest concerns of the community. This led to several new organizations being formed, each with its own funding stream:
- Council for the Future of Lincoln County.
- Lincoln County Industrial Development Authority.
- Main Street Players, a local theater group.
- Lincoln County Arts Council.
- Lincoln County Library Board.
- Lincoln County Planning and Zoning Commission.
- Troy Youth Employment Service, a nonprofit focused on creating youth employment services in the summer.

B. Leverage your assets for more impact and new funding streams.

Example: The Newport Economic Development Commission in Newport, Arkansas, funded by an economic development sales tax, has created the ReNewport Grant Program, which provides small matching grants for small businesses and nonprofits to make visible renovations and improvements to the exterior of their buildings.

Example: The Delta Visual Arts Show, also in Newport, Arkansas, has grown to be a major event in the community, attracting over 100 artists. The artists donate artwork that is displayed in businesses during the year and auctioned off at the annual show to raise funds to sustain the event.

C. Create streams of income to support nonprofits.

The Nonprofit Finance Fund is an example of creative nonprofit organizations creating income streams to support their mission-driven activities:
http://nonprofitfinancefund.org/about-nff/what-we-do.

Example: Seeking additional funding sources, the Eureka Springs, Arkansas, Chamber of Commerce now offers tours of Eureka Springs for visitors to the community, which generates revenue for the organization.

Example: The Mountain View, Arkansas, Chamber of Commerce hosts "Caroling in the Caverns" at Blanchard Springs Cavern at Christmas time, a unique experience that takes advantage of local talent and assets and is a revenue source as well.

Example: When he learned of the plight of Christian orphanages in Asian countries, retired Colorado businessman Don McAlvany created a small business at each locale to generate funds to support the orphanage in three nations. The businesses are low-tech, practical businesses that meet real needs and include a rice mill, a pig farm and a van commuting service into a major city. As a result, these orphanages are not as dependent on annual giving and can adopt children for life, even putting them through college. One individual has graduated from college and returned to teach at the orphanage.

D. Community development financial institutions (CDFIs).

The Community Development Financial Institutions Fund (CDFI Fund) plays an important role in generating economic growth and opportunity in some of our nation's most distressed communities and neighborhoods.

- By offering tailored resources and innovative programs that invest federal dollars alongside private sector capital, the CDFI Fund serves mission-driven financial institutions that take a market-based approach to supporting economically disadvantaged communities.
- CDFIs can be banks, credit unions, loan funds, micro-loan funds or venture capital providers.
- CDFIs are helping families finance their first homes, supporting community residents starting businesses and investing in local health centers, schools or community centers.
- CDFIs in Arkansas include:
  - ◊ LiftFund – http://arkansas.liftfund.com/contact/
  - ◊ Arkansas Capital Corporation – https://arcapital.com/
  - ◊ Communities Unlimited – https://www.communitiesu.org/
  - ◊ FORGE – http://forgearkansas.com/
  - ◊ Southern Bancorp – https://banksouthern.com/

E. Create community-owned businesses.

- While this also fits under "Obtain Business Financing," the variety of organizational structures and importance for communities places it in this section. When there is a need for a particular business in a neighborhood or downtown or when the private sector isn't opening up needed business establishments, members of the community and organizations can step in and open community-owned businesses. Community-owned businesses fall into four categories:
  - ◊ **Cooperative:** A communally-owned and managed business operated for the benefit of its members. Examples include department stores, clothing stores, cafes, bicycle repair shops, antique malls, purchasing cooperatives, art galleries and agricultural cooperatives.
  - ◊ **Community-owned corporation:** A traditional, for-profit corporation that integrates social enterprise principles; can be used for similar enterprises as cooperatives.
  - ◊ **Small ownership group:** A small, ad hoc investor group that capitalizes and/or operates a business as a partnership or closely held corporation.
  - ◊ **Investment Fund:** A community-based fund that invests debt or equity in local business ventures. For-profit industrial development corporations have been around for many years, and lately there has been more interest in investing in new, small-scale retail, service or arts and entertainment businesses.

- **Cooperative Example – PCC Natural Markets:** In 1953, PCC Natural Markets began as a food-buying club for 15 families in the Seattle area. Today, it is the largest consumer-owned natural food cooperative in the United States, with 9 stores and 40,000 members.
- **Community-Owned Corporation Example:** Adirondacks, New York, population. 4,800, stopped a Walmart from coming in but still wanted more retail opportunities. So they raised money locally to establish a discount department store and are well on their way to raising the $500,000 they need to launch their enterprise.
- **Small Ownership Group Example – Cops and Doughnuts:** When the Clare City Bakery in Clare City, Michigan, announced they were going to close after 113 years of business, this attracted the attention of the Clare City police department. The force of nine men and women (as private citizens) decided to buy the business,and operate the business as volunteers for at least 12 months. Today, with four billboards on two nearby interstates, national publicity and interested franchisors, Cops and Doughnuts is doing very well, with 18 employees. It has even served as a catalyst to attract three more businesses downtown.

Source: "Community-Owned Businesses – How Communities Become Entrepreneurs" by Joshua Bloom (website in references section)

V. Utilize Internet-based funding mechanisms.

The Internet has spawned innovative funding mechanisms that are starting to have a real impact on community and economic development. First, a story that shows the power of the internet to communicate and motivate people to action.

Blankets for Romania

When a group of people from Oregon traveled to Romania, they visited orphanages that were heart wrenching, with a lack of blankets and other supplies. A teenage girl was so moved that when she returned home she sent an e-mail to all of her friends and family with pictures from the orphanages, asking them to send blankets and forward her e-mail to everyone on their e-mail list, which many did. The story went viral, and dozens of blankets started showing up at her family's home. The volume of blankets was so great the family rented a truck to haul them to New Jersey, where a mission organization had agreed to transport them to Romania. And this was just the result of one e-mail. Just think if it was a Youtube that went viral!

A funding source growing in popularity is crowdsourcing – engaging a wide array of people to fund a nonprofit campaign, creative projects, startup businesses, new products, civic projects or personal needs. They are not the solution for all civic projects, because they allow no input from investors.

Crowdfunding in 1885

The first documented example of crowdfunding took place in 1885, when a newspaper ad solicited donations for the Statue of Liberty, which was given as a gift to the United States of America.
Source: rogerbrooksinternational.com

Examples include:

- Kickstarter – www.kickstarter.com. Kickstarter has collected pledges for over $1.9 billion for nearly 100,000 successfully funded projects as of 2015. It is good for creative endeavors, businesses and civic projects.

- Gofundme – www.gofundme.org – has raised over $2 billion worldwide; good for personal projects like film and travel. One community raised over $15,00 to fund a community skatepark.
- Indiegogo – www.indiegogo.com – good for film and creative projects.
- Crowdrise – for events; is the #1 site for charitable and personal uses.
- AngelList – for startup businesses; can link up with venture capitalists as well.
- StartSomeGood – for projects that benefit social good.
- Razoo – for nonprofits and community centers.
- InvestedIn – services to build crowdfunding sites.
- Fundly – a platform to create your own crowdfunding site.
- Kivazip – www.kivazip.org.
- MobileCause.com – offers platforms for crowdfunding, online giving, event funding and advocacy.

For civic projects, consider:

- Neighborly – for public projects and loans.
- CitizenInvestor – events and civic projects.
- BeNeighborly – communities can fund sewer projects, schools, community centers.
- Citinvestor – public projects.
- ioby – for nonprofits; one museum raised $9,875 for roof repairs.

Example: The Dirty Farmers Community Market and Greater Good Café, a restaurant in Clinton, Arkansas, that only charges what people volunteer to pay, launched an "Arkansans to Fight Senior Hunger" campaign and raised over $5,000 using Kickstarter.

"Kickstarter was a lot of fun and very easy to do," states Campaign chairperson Jackie Sikes. "Best advice, don't get discouraged, don't give up, every cause needs a champion. People cannot donate through Kickstarter once the time is up. They can, however, press the donate now button on our Facebook page year round.

Our journey to End Senior Hunger in our community has begun. Please follow along by clicking the link below for updates of what is happening with our organization: https://www.kickstarter.com/projects/thedirtyfarmer/the-dirty-farmers-community-market-and-greater-goo."

Example: NewsWithViews.com is a news site with multiple contributors. They recently launched a fundraising drive using Indiegogo.com. They sent out an e-mail to everyone who had subscribed to their e-mail service, inviting them to:

- View a compelling video that shows what NewsWithViews.com does and why you should support it.
- Click on their Indiegogo crowdfunding page that describes different levels of giving and related perks:
  - ◊ $10 – Thank you for helping.
  - ◊ $25 – A CD on "Coping Strategies" to help deal with daily stresses and PTSD.
  - ◊ $50 – One "Coping Strategies" CD and a book.
  - ◊ $100 – One "Coping Strategies" CD and a different book.
  - ◊ $250 – One "Coping Strategies" CD and three books.

- ◊ $500 – One month banner advertising on the NewsWithViews home page with a link to your website.
- ◊ $1,000 – One month banner advertising and a banner with eight e-mail alerts with a link to your website.
- ◊ $5,000 – Six months banner advertising, a banner to their daily e-mail alerts and a link to your website.

- Share this link on social media to all their friends.

You can learn how to use social media to crowd fund an idea here: How to use social media to crowd fund an idea (video).

Keys to Using Crowdfunding

- Be creative – you might do three or four projects each year.
- Educate your community about crowdfunding; other community organizations may also benefit from these tools.
- Select only one platform for your project – top crowdfunding platforms include citizeninvestor.com, ioby.org, kickstarter.com and crowdrise.com.
- Understand that they will charge from three to ten percent of your project amount as a fee and that if you don't raise all you need in the time frame specified, you get none of the money.
- Create video and photographic content for your project.
- Publicize it widely, and keep it updated.

Crowdfunding Bails Out the University

On October 4, 2014, the Ole Miss Rebels won a 23-17 victory over the Crimson Tide, one of he most successful teams in the nation. This stirred up the Rebel fans so much that they stormed the field and knocked down the goal posts. In response, the Southeastern Conference fined Ole Miss $50,000 for violating a league rule that prohibits fans from rushing on to the field during post-game celebrations. Using ScaleFunder, a crowdfunding platform for nonprofits and universities, Ole Miss solicited Old Miss fans for $75,000 to pay the fine and replace the goal post. Not only did the fans cover the $75,000, they paid an additional $30,000! The university now uses it for other projects, and over 45 other universities now use ScaleFunder.

VI. Develop capital campaigns for big projects.

Suggestions for capital campaigns:

- Recruit influential individuals to be on the steering committee and make significant pledges up front.
- Raise at least half of the funds by pledges before the campaign is announced publicly.
- Identify a target amount of funds with a timeline and ongoing publicity.
- When considering who to approach, cast a wide net, and include former residents, absentee landowners, relatives of local residents (grandparents, etc.), utilities, companies with a presence in your community, and anyone else who has a connection to your community and has strong reasons to support the program and initiatives you are funding. See List of Stakeholders, Appendix A.
- Identify specific individuals – champions – to conduct the "ask" with each of the identified stakeholders and resources. Note: these individuals are typically people highly regarded in the community.

- Create levels of giving and assign a level to each person being asked to give. Always set the amount higher than you believe the person can or will give. To set the amount too low is insulting.
- Set a monetary goal for this portion of the fund raising effort, and a timeline for pledges and payments.

Example: In 2015, the Rosebud Center for the Arts in Rosebud, Alberta, population 88, embarked on a fundraising campaign called The Harvest to support their Rosebud Theatre and other projects. Their theatre attracts over 35,000 people each year, and the campaign raised over $80,000. See http://www.rosebudtheatre.com/ for details.

Example: In 2012, Our House homeless shelter in Little Rock, Arkansas, launched a capital campaign to pay for the construction of a new children's center. The center was a $3.8 million project, and Our House had already raised $2.66 million when they announced the capital campaign.

Example: "Campaign Arkansas" is a $1 billion campaign to fund continued development of the University of Arkansas - Fayetteville. Notable elements of this campaign include:

- A quiet phase of fundraising to secure a significant percentage of the goal before it is announced to the public.
- A large list of 149 campaign volunteers – influential leaders and people of means.
- Four focus areas for investment – students, faculty, programs and capital.
- Several events are planned throughout the year.
- A young musician wrote and performs a song, "Arkansas for Life," as a theme song for the campaign. You can learn more about this campaign here: http://campaign.uark.edu/.

VII. Obtain business financing.

New and expanded businesses are essential for healthy communities. Financing mechanisms for businesses may include private equity, debt financing, issuance of bonds and tax incentives.

Information about business financing, including nontraditional sources:

- University of Arkansas at Little Rock Small Business Technology and Development Center: http://asbtdc.org/services/financing-your-business/ http://asbtdc.org/wp-content/uploads/2015/03/EBook-Funding.pdf
- The National Development Council is a great resource for funding and financing examples for private sector developments. Go to www.ndconline.org for more details.

Grants for small businesses.

There are a few grants available to small businesses in specific industries for special purposes, such as research in particular areas. You can learn more here:

- http://asbtdc.org/services/financing-your-business/small-business-grants/
- https://www.sba.gov/loans-grants/find-other-sources-financing/research-grants-small-businesses

Some sources of financing for businesses (in addition to traditional lenders):

- Arkansas Science and Technology Authority – seed capital for technology-based businesses: http://www.asta.arkansas.gov/
- Small Business Administration: www.sba.gov
- Arkansas Economic Development Commission: http://www.arkansasedc.com/incentives/financing

Alternative funding sources include micro-loans – loans for small to very small businesses. Some microlenders:

- Accion: http://www.accion.org/
- Communities Unlimited: https://www.communitiesu.org/
- Alt.Consulting in Pine Bluff: www.altconsulting.org/
- Forge, Inc. in Huntsville: www.forgeonline.com/
- LiftFund: http://arkansas.liftfund.com/ or http://liftfund.com
- Arkansas Baptist College Microlending program: http://universityinnovation.org/wiki/Arkansas_Baptist_College
- USDA Rural Microentrepreneur Assistance Program: http://www.rurdev.usda.gov/BCP_rmap.html
- Sams Club Small Business Lending Program: www.samsclub.com/sams/pagedetails/content.jsp?pageName=sbaLoanProgram

Example: The Charlottesville Community Investment Collaborative in Charlottesville, Virginia, strengthens its community and contributes to economic development by fueling the success of under-resourced entrepreneurs through education, mentoring, microlending and networking. You can learn more here: http://www.cicville.org/

Equity crowdfunding.

Equity crowdfunding is a new mechanism that allows the public to invest in small businesses, due to the passage of the Jumpstart Our Business Startups Act (or JOBS Act). Kivazip, http://www.kivazip.org/, is one such mechanism for equity crowdfunding. Others include MicroPlace, Lending Club and Prosper. The UALR Small Business Technology and Development Center has more information on equity crowdfunding for small businesses: http://asbtdc.org/.

Example: Camperoo is a business that provides sixth- through twelfth-grade students with skills and experiences in technology, creativity, engineering, teamwork and STEM in a fun, casual, real-life environment. To fund their venture, Camperoo raised $838,000 from 35 equity investors on Wefunder. To date, Wefunder has assisted 114 startups raise over $17 million from over 58,000 investors.

NOTE: The section "Create Community-Owned Businesses" in the "Create New Organizations and New Funding Streams" section of this document has additional strategies to finance businesses.

VIII. Seek funding from foundations and corporations.

In addition to community foundations, private foundations and corporations offer an opportunity to tap resources to invest in your community. Once you have identified your goals and strategies:

- Do an Internet search for grant opportunities that fit a specific strategy.
- Read the specific purpose, goals and directives of any grant that looks promising.
- With both foundations and corporations, it is advantageous to develop a relationship with foundation or corporate representatives who will be making the funding decisions.
- Become familiar with grants resources such as:
  - ◊ The Foundation Center, a comprehensive center for foundation funding sources, which also has locations in each state: http://foundationcenter.org/findfunders/fundingsources/fdo.html.
  - ◊ www.Philanthropydigest.org is another good source.
    NOTE: The Arkansas Nonprofit Alliance provides free access to the Foundation Center for its members. See http://www.arkansasnonprofits.org/.

- ◊ Check out www.granthelpers.com.
- ◊ The University of Arkansas Cooperative Extension Service has a fairly comprehensive listing of funding resources that includes resource directories, federal agencies, state agencies, and foundations. Go to http://www.uaex.edu/support-units/sponsored-programs/Funding%20Sources.pdf.

A. Foundations

- Consider nonprofit foundations with headquarters in your state. In Arkansas, this includes Arkansas Community Foundation, http://www.arcf.org/, and the Winthrop Rockefeller Foundation, http://www.wrfoundation.org/. The Winthrop Rockefeller Foundation has four bold goals for Arkansas:
  - ◊ Increase prosperity,
  - ◊ Increase educational attainment,
  - ◊ Strengthen communities,
  - ◊ Build the nonprofit infrastructure, and

  excellent reports on these topics, describing best practices and strategies moving forward.
- Consider corporate foundations with a business presence in your community, and look for a good fit with your goals and projects. Examples in Arkansas include the Tyson Foundation, http://www.tysonfoods.com/ways-we-care/giving-back/corporate-grant-funding.aspx, Walton Family Foundation, http://www.waltonfamilyfoundation.org/, and the Walmart Foundation, http://giving.walmart.com/foundation.

> There are also regional and national foundations that may be a good fit for you, including Foundation for the Mid-South, Bill and Melinda Gates Foundation, Roy and Christine Sturgis Charitable Trust, National Science Foundation and American Honda Foundation.

B. Mission-Related and Program-Related Investments

Foundations often invest their capital in enterprises and organizations consistent with their mission. Typically at market rate, mission-related investments are part of a foundation's endowment, while program-related investments are designed to achieve program objectives while they may earn a below-market financial return or even be interest-free.

Examples of mission-related investments include:

- Start-up funds for revolving loan and venture capital funds.
- Purchase and renovation of an historic house.
- Purchase of natural lands for preservation.
- Investing in a multi-use theater and performing arts facility.
- Matching federal funds for specific projects.
- Funding a line of credit for affordable housing.

Contact foundations that fund your type of projects to explore this avenue.

C. Corporations

Corporations often give small grants; check their websites and contact the companies. Some major employers in Arkansas: Acxiom Corporation, Arvest Bank Group, First Federal Bancshares of

Arkansas, Inc., J.B. Hunt Transport Services, Inc., Murphy Oil Corporation, Nabholz Construction, Riceland Foods, Inc., Simmons Foods, Inc., Tyson Foods, Inc., Walmart Stores, Inc.

NOTE: See APPENDIX C for a listing of resources by category.

IX. Utilize local government funding options.

Arkansas cities and counties have several ways that they can fund economic development, depending on their local situation. Entergy's Teamwork Arkansas developed a directory of these sources, describing these sources:

- Sales and use taxes
  - ◊ General sales and use taxes with designated purposes
  - ◊ Economic development sales and use taxes
  - ◊ Sales and use tax bonds
- Franchise fees
- Public corporations for economic development
- Regional intermodal authorities
- Regional park authorities
- Payments in lieu of taxes
- Industrial development compacts
- Interlocal agreements
- Hotel and restaurant taxes
  - ◊ Municipal hotel and restaurant tax
  - ◊ County hotel and restaurant tax
  - ◊ Municipal hotel and restaurant tax bonds
  - ◊ Property tax bonds
- Revenue Bonds
  - ◊ Industrial development revenue bonds
  - ◊ Capital improvement revenue bonds
  - ◊ Public facilities boards revenue bonds
- New Legislation
  - ◊ Recovery zone bonds

This document, "Arkansas Financing Options for Economic Development" is available here: www.teamworkarkansas.com; click on the Economic Development Financing link.

Financing options not included in the above document include:

- **Short Term Bonds** – Amendment 78 of the Arkansas Constitution. This amendment allows local governments to issue bonds for a maximum of five years without voter approval. This may be used for any type of capital asset and is often used for vehicles and equipment.

- **Tax Increment Finance Districts** – Amendment 78 of the Arkansas Constitution. Under Amendment 78, all or a portion of property taxes levied by taxing units on the increase in assessed value of property located in the TIF district may be diverted to the TIF district to pay for redevelopment bonds. It provides a way to finance development that may otherwise not be feasible. For more information, go to http://www.qgtb.com/articles/ and click on "An Overview of Arkansas Tax Increment Financing District Law."

- **Energy Efficient Performance Contracts** – Some local governments have contracted with private corporations to make their buildings much more energy efficient, with the cost of improvements being paid for by the savings in energy efficiency of their buildings.

- **A New Sales Tax Option for Economic Development** – This financing option does not kick in unless there is a viable project. In 2011, the Arkansas state legislature passed a law that made it easier for communities to invest in economic development without having to collect any revenue prior to a commitment of new high paying jobs in the community. If certain criteria are met, the city can apply a sales tax up to 1 percent in order to fund economic development necessary to make the project a reality. It also allows partner organizations to put up the initial funds to close the deal and the city will be able to levy the tax over time to repay the upfront investment.

- **A Voluntary Tax** – Arkansas provides the opportunity for initiatives to be placed on Arkansas tax returns for people to donate money to worthy causes, plus provisions for a voluntary property tax. Contact the Arkansas Department of Finance and Administration for more details: http://www.dfa.arkansas.gov/Pages/default.aspx.

- **New Markets Tax Credits** – New Markets Tax Credits provides substantive tax credits for qualified economic development projects. A few examples:
  - ◊ A solar canopy over a seven-acre surface parking lot at the Cincinnati zoo.
  - ◊ A solar installation on the roof of the Salt Palace Convention Center in Salt Lake City, Utah.
  - ◊ A commercial fishing dock in Neah Bay, Washington.
  - ◊ An environmentally sustainable truck tire manufacturing plant in Sumter, South Carolina.
  - ◊ A peanut processing plant in Severn, North Carolina.
  - ◊ A worker-owned hydroponic food production greenhouse in Cleveland, Ohio.
  - ◊ The San Jose Environmental Innovation Center, a business incubator for emerging clean technology companies in San Jose, California.

  For more information on New Markets Tax Credits, contact the Arkansas Capital Corporation: https://arcapital.com/.

Observation About Taxes

Even though we are facing difficult economic times, local communities who have:

- a practical solution
- to a clear need or opportunity
- that is embraced by the community, and
- can fund it with a reasonable tax for a fixed period of time

have been successful.

X. Obtain funding from state and federal governments.

State and federal government agencies are another source of funding. Some sources to investigate are:

Grants.gov – a centralized online system for locating more than 900 grant programs offered from the 26 federal grant-making agencies; go to http://www.grants.gov.

Catalog of Federal Domestic Assistance (CFDA) provides a listing of federal programs.

Grant Connections is a bimonthly newsletter compiled mainly for land-grant faculty in the South that showcases numerous funding opportunities in agricultural economics, education, human sciences, rural sociology, youth development and various other areas. You can subscribe to it here: http://srdc.msstate.edu/funding/grantconnections/.

There are also private sources that can be helpful, such as the *Community Development Digest*: http://www.cdpublications.com/index.php. Other useful websites: grantstation.com, techsoup.org, and grantwatch.com.

A. State and Federal Agencies and Organizations

- Check to see what services that these organizations can provide that are part of their mission and regular operations.
- You would like to become the greenest community in the state? Contact state and federal agencies, universities and utilities and offer to become their pilot program.
- Check to see what services that these organizations can provide that are part of their mission and regular operations (e.g., USDA Rural Development has infrastructure grants, small business assistance and other types of financial and technical assistance for rural communities).

NOTE: The Grant Professionals Association, Arkansas Chapter, is an excellent source of information and expertise on grantsmanship. http://www.grantprofessionals.org/

B. Social Impact Bonds

Social impact bonds are a relative new approach to supporting social services that can prove impact. Also known as "Pay for Success Financing" or a Social Benefit Bond, it is a contract with the public sector in which a commitment is made to pay for improved social outcomes that result in public sector savings. For more information, go to https://en.wikipedia.org/wiki/Social_impact_bond or https://www.americanprogress.org/series/social-impact-bonds/view/.

XI. Garner political appropriations.

State and federal elected officials are usually most willing to "bring home the bacon" to their constituents, particularly if it is a noteworthy project that benefits many people across the community.

Key points:

- Developing relationships with elected officials is important, and not just when you are seeking money.
- Recognizing them at public meetings and providing them to speak for a few minutes provides an update to the community and visibility for the official.
- Keep them informed with your progress as you move forward.
- Provide recognition to them for their support of your initiative.
- In Arkansas, state legislators allocate funds for a wide variety of projects through the Arkansas Planning and Development Districts: http://www.state.ar.us/drs/pdf/ar_planning_dev_districts.pdf.

XII. Lay the foundation for the next generation through a community foundation.

A new study estimates that nearly $60 trillion in U.S. wealth will change hands over the next 55 years. It's the greatest migration of wealth ever to hit humanity: The unprecedented flood of money, four times the size of the U.S. gross domestic product, that will be passed along to a younger generation over the next half-century.

http://nypost.com/2014/06/22/top-1-percent-spreading-nearly-60t-in-assets-to-heirs-charities/

Is your community positioned to prosper for the foreseeable future? Does your community have mechanisms in place to support community and economic development over the long term? Examples include special taxing districts and sales taxes to support economic development, which will be

addressed in the next section, "Long-Term Financing for Economic Development by Cities and Counties." This section will focus on creating and using a local foundation to support community and economic development.

> *A community foundation is where people and needs and resources can come together.*
> – Sarah Kinsey, Arkansas Community Foundation

Community foundations can be valuable vehicles to help communities tap a small percentage of the wealth transfer to ensure a viable future for our children and grandchildren. Most people have strong ties to their home community but have no clear mechanism to support it. Here is a creative example:

Example: The Five percent Solution – Communities who have participated in the Home Town Competitiveness Program encouraged local families to designate 5 percent of their estates to a community foundation, many of which support entrepreneurship and local economic development. This can have a tremendous impact over the long term – a study in Nebraska revealed that if 5 percent of the wealth being transferred was designated to community foundations, it would amount to $3.1 million/county/year.

Example: Purchasing a Life Insurance Policy – Another way that individuals can give substantial gifts is to purchase a life insurance policy, with the local community foundation as a beneficiary. You can learn more here:
http://www.pgdc.com/pgdc/innovative-strategies-using-life-insurance-charitable-giving
http://www.pgdc.com/pgdc/charitable-gifts-life-insurance

Action steps:

- Check to see if you already have a community foundation serving your community, county or region.
- If you don't have one, reach out to the nearest community foundation and see how they might help your community have access to a local foundation. For example, Arkansas Community Foundation provides a local community foundation presence through its affiliate system. Other community foundations may provide a similar system or can assist you in the process of starting a new community foundation.
- Be sure to provide different ways that people can participate; those giving large gifts would benefit from consulting with a tax advisor.
- Once the legal mechanism is in place, you can begin a major initiative to raise funds and support; this is most likely to be successful if it is an outgrowth of a broad-based strategic visioning and planning process.
- For larger gifts, involve someone with expertise in tax law and estate planning.

NOTE: Another alternative is to create an economic development foundation, which has a more narrow focus on economic development initiatives and strategies.

Barry Community Foundation, Barry County, Michigan

Starting with seed money from the Kellogg Foundation, the Barry Community Foundation has moved from a reactionary approach (send us proposals on whatever you want to do) to being proactive, supporting strategic initiatives in seven key elements of the community. One element, youth engagement, provides funding for a youth advisory council to award for projects developed and implemented by youth. For more information, go to www.barrycf.org.

Arkansas Community Foundation

The Arkansas Community Foundation is a nonprofit organization that promotes smart giving to improve communities, with 27 affiliate local foundations around the state. The Community Foundation offers tools to help Arkansans and Arkansas communities protect, grow and direct their charitable dollars as they learn more about community needs. In addition to providing support to local community foundation affiliates, they offer these tools:

- Tools for Smart Giving.
- Aspire Arkansas – county data on measures of community well-being.
- Creating Future Funds – groups of young leaders who pool their charitable dollars to support local causes.
- Forming Youth Advisory Councils.

For more information, go to http://www.arcf.org/Home.aspx.

CREATE Foundation

The CREATE Foundation was formed to improve the quality of life for people in 18 counties of northeast Mississippi to:

- Build permanent community endowment assets.
- Encourage philanthropy and managing charitable funds contributed by individuals, families, organizations and corporations.
- Strengthen regional community development capacity.
- Provide leadership on key community issues, and Impacting the region through gifts and targeted grant-making.

The foundation operates the Commission on the Future of Northeast Mississippi, where the counties work together on projects. The foundation also builds local capacity by providing a $100,000 challenge grant to start community foundations in the region and then manages the funds for those foundations. See http://www.createfoundation.com/.

> *The CREATE Foundation has been a real catalyst for community and economic development in northeast Mississippi. They were instrumental in attracting the Toyota plant that employs over 2,000 people through their emphasis on education.*
>
> – Dr. Vaughn Grisham, Former Director, McLean Institute for Community Development, Oxford, Mississippi

We have all drunk from wells we did not dig.
We have all eaten food from seeds we did not sow.
We have all enjoyed the shade of trees we did not plant.
We are who we are and we have what we have because
someone else worked to make the world a better place.
We do what we do for the next generation.

– Source Unknown

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APPENDIX A: List of Stakeholders

Health Care
Physicians and other health care professionals
Home health agencies
Hospitals
Mental health organizations

Agriculture, Forestry, and Aquaculture
Agriculture, forestry, and aquaculture suppliers
Farm Bureau, beef producers, and other agricultural organizations
Co-op representatives
Value added processors and shippers

Businesses
Manufacturing
Retail merchants
Wholesalers and suppliers
Local service businesses
Financial lenders
Accountants, attorneys and other professionals
Trucking firms
Utilities
Internet service providers

Organizations
Chambers of commerce and other economic development organizations
Faith-based organizations
Civic clubs
Community development corporations
Community foundations
Arts, cultural, and historical groups
Other nonprofits and informal organizations

Media
Newspapers
Radio, TV
Bloggers
Social media activists

Education
Public and private schools
Vo-tech schools
Colleges and universities

Local, State and Federal Government
City and county governments
State and federal agencies
State and national elected officials

Ethnic and Demographic Groups
Youth groups
Senior citizens
Representatives from all ethnic groups
Interested citizens

APPENDIX B: Successful Storytelling: Five Foolproof Ways to Raise Money

Draw Your Audience in by Capturing Their Imagination With a Compelling Tale!

Master storytelling is your most essential content marketing technique.

Recent research reveals that when someone is reading a story the language center of their brain lights up. What's especially interesting is that other parts of the brain also become active, including the areas that would light up if the reader were experiencing the event first-hand. This, folks, is why storytelling is such an important fundraising tool!

How to Tell a Memorable, Actionable Story: Five Keys to Success

All the great novels, movies, television shows, plays and speeches use this structure to keep people engaged.

1. Premise

Do you remember learning to write an essay? You had to begin with a theme statement to introduce the content that would follow. The same holds true for the perfect story. Begin with a premise introduction. Tell us where and when the action takes place. Introduce main characters. Briefly describe their background. Your premise **sets up the scene to follow in the imagination of your audience**, enabling them to see a mental movie while you tell a story.

2. Conflict

Once the premise has been described, it's time to introduce the conflict. These are obstacles which must be overcome, and they're necessary to provoke the curiosity of your audience. **Conflict creates questions in people's minds**, such as, "What will the character do next? How will these struggles be resolved?"

3. Conflict Escalation

Once a conflict is introduced, you want to get your audience beyond curiosity – to the point of needing to know the outcome. This requires you to escalate the conflict and increase the tension in the story until it reaches a climax.

In other words, you **allow your audience to suffer a little with the character**. To feel their pain and frustration. When our empathy is triggered, we become receptive to whatever comes next. Because ending their suffering ends our own.

4. Climax

This is the point at which the story could go either way. The obstacle can be overcome, or the main character can fall into the abyss. A climax scene is the most exciting and critical part of the story because it shows **how a conflict is finally resolved**. Show the climax scene in detail so your audience can clearly see it in their imagination and feel it in their empathic brain.

5. Resolution

The goal of every story is to illustrate a point. The conclusion has to clarify that point for the audience in such a way that **they'll want to act**. People remember what they hear last, and you want them to carry that with them so they don't forget.

Remember that **storytelling is something people naturally gravitate to**. We're wired that way. If **it's your job to build a bridge** between the world's most pressing problems and the people who want to solve them, storytelling should become your best friend.

Telling a compelling story designed to influence people to do something positive they're predisposed to do – something that matches their values and makes them feel good – is a fine thing. **Most people want to make our world a better and more caring place.**

Excerpts from "Successful Storytelling: Five Foolproof Ways to Raise Money," by Claire Axelrad, nonprofit author and coach, www.clairification.com.

APPENDIX C: Funding Resources by Category

The purpose of this section is not to provide a comprehensive listing of resources, which would change all of the time, but to point to resource organizations that are a place to start as you seek possible funders.

Art and Historic Preservation

- Arkansas Department of Heritage has grants and tax incentives for arts and historic preservation, http://www.arkansasheritage.com/Funding/home.
- Another good source: http://www.preservationdirectory.com/PreservationGeneralResources/GrantsFundingSources.aspx
- National Endowment for the Arts – good for anything that is arts related – go to www.arts.gov.
- Check out www.Artspace.org.

Community and Economic Development, Infrastructure

- Arkansas Department of Agriculture – farmers' markets, marketing of agriculture-related products: http://aad.arkansas.gov/Pages/default.aspx.
- Arkansas Department of Parks and Tourism – parks and trails grants: http://www.outdoorgrants.com/
- Arkansas Economic Development Commission has programs for:
  - ◊ Economic development (including the Economic Infrastructure Fund, Governor's Discretionary Fund, Governor's Quick Action Closing Fund).
  - ◊ Workforce preparation.
  - ◊ Arkansas Community and Economic Development Program fund (which administers the federal Community Development Block Grants), which can be used for downtown revitalization, senior citizens' centers, public health facilities, childcare centers, fire protection, community facilities, economic development projects, and water and wastewater projects for low and moderate income communities: http://www.arkansasedc.com.
  - ◊ Arkansas Manufacturing Solutions – provides education and technical assistance to manufacturers: http://www.mfgsolutions.org.
  - ◊ Arkansas Science and Technology Authority – provides grants and support for technology-based businesses: http://asta.ar.gov.
  - ◊ Division of Rural Services – conference, grant programs for multiple kinds of rural projects: http://www.state.ar.us/drs/.
- Arkansas Planning and Development Districts – administer General Improvement Fund allocations from each legislator (can be used for a wide variety of projects) http://www.state.ar.us/drs/pdf/ar_planning_dev_districts.pdf.
- Communities Unlimited provides assistance to rural communities in six states in entrepreneurship, water and wastewater projects, lending, computer technology support, community sustainability, and training and events. See www.communitiesu.org.
- Delta Regional Authority – programs in economic development, technology, health and leadership development: http://www.dra.gov/.
- Foundation for the Mid South – does community development, education, health and wellness and wealth building: http://www.fndmidsouth.org/.
- Mid-South Delta Local Initiatives Support Corporation – http://www.lisc.org.
- Economic Development Administration – grants and loans – http://arkansasedc.com/arkansas-edc.aspx.

- USDA Forest Service – Ouachita National Forest and Ozark National Forest – http://www.fs.usda.gov/ouachita, http://www.fs.usda.gov/osfnf.
- USDA Rural Development – grants and loans – http://www.rurdev.usda.gov/Home.html.

NOTE: The Uplift America Fund (UpliftAmerica.org) leverages federal resources, bank financing and private grants to target capital to address poverty in rural America. It makes low-interest USDA loans and private grant support to fund projects like health clinics, schools, libraries, food banks, municipal buildings and child care centers.

County Fairs

- Arkansas Livestock and Poultry Commission; see http://alpc.arkansas.gov.
- Arkansas Economic Development Commission, Rural Services Division; see http://ruralservices.arkansas.gov.

Creative Economy

- Arkansas Arts Council – Grants for programs that support the arts in Arkansas: http://www.arkansasarts.org/grants/available-grants/default.aspx.
- Arkansas Production Alliance – Incentives for films and productions: http://www.arkansasproduction.com/index.php.
- Arkansas Department of Arkansas Heritage – grants for heritage programs: https://www.arkansasheritage.com/plan/grants.aspx.
- Arkansas Humanities Council – Grants for public programs and research of value to communities and the humanities: http://arkansashumanitiescouncil.org/.
- Capital for Startup "Creative" Businesses – microlenders such as http://arkansas.acciontexas.org/, http://www.kiva.org/team/arkansas.
- The National Endowment for the Arts: http://arts.gov/grants/.

Downtown Revitalization

Downtown revitalization often includes several elements that need funding and/or financing: business façades, beautification, streetscapes, streets and highways, sidewalks, parks and major projects such as a visitor information center.

These may be developed over time or be the result of a strategic plan or charrette. (A charrette is an interactive design experience in which one or more architects come to a community for a few days to create architectural drawings of what the community would like to see their community become.) Here are some sources of funding.

- **Major Projects**
  - ◊ Private equity/debt financing.
  - ◊ Individual, corporate or nonprofit donations.
  - ◊ Federal, state or other agency grants.
  - ◊ Special-use or tax-increment financing districts.
  - ◊ Municipal bonds.
  - ◊ Foundation donations and grants.
  - ◊ Buying, renovating and selling property.
  - ◊ Property or sales tax revenues.
  - ◊ General funds from city or county budgets.
  - ◊ Business licenses or other dedicated revenue streams.

- **Funding Sources – Operational**
  - ◊ Property tax improvement fees.
  - ◊ Impact fees for streets and parks (maintenance).
  - ◊ Memberships of community centers or similar projects.
  - ◊ Business gift and promotional consideration.
  - ◊ Event fees.
  - ◊ Franchise fees on public utilities.

- **Funding Sources – Projects/Streetscaping/Etc.**
  - ◊ For major projects, levy a specific tax with a sunset clause (for example, a ½ percent sales tax for three years).
  - ◊ Consider a smaller amount (⅛ percent) for maintenance in perpetuity.
  - ◊ Community Development Block Grants, administered by the Arkansas Economic Development Commission.
  - ◊ Arkansas Main Street Program – funding for certified Main Street communities: http://www.arkansaspreservation.com/main-street/.
  - ◊ National Trust for Historic Preservation (to fund engineering studies of historic structures).
  - ◊ Transportation Enhancement fund grants.
  - ◊ Housing grants (HUD) – HOME and Neighborworks.
  - ◊ Local community banks – low interest loan program – 1 percent plus prime for downtown development.
  - ◊ Pursue available grants.
  - ◊ Legacy gifts from community – $2,000 per tree planting.
  - ◊ Consider tying donations to naming rights for projects.

Sources include Jack Moyer, Crescent Hotel, Eureka Springs, Arkansas.

Downtown Development of Conway, Arkansas

Conway is known for its vibrant downtown, the result of several years of concerted effort by visionary local leaders. Their sources of funding include:

- The Conway Downtown Partnership is an association funded by its members to support a full-time staff person to work on downtown development.
- Federal earmarked funds (pork) were supplemented by city government funds and local utility (Conway Corporation) funds for streetscape improvements.
- A park project was funded by property owners who donated the property, the chamber of commerce who paid for master planning and other costs covered by the city government and Conway Advertising and Promotion Commission.
- A business improvement district was formed, which allows the district to collect property taxes on the increase in assessment values within the district. To establish a district, owners of 66 percent of the property value must favor it.

  This generates approximately $100,000/year, to be used for flowers, maintenance and other costs.

Source: Brad Lacy, President and Chief Executive Officer, Conway Area Chamber of Commerce, http://www.conwaychamber.org/.

Education and Workforce Preparation

- Arkansas Department of Career Education – http://ace.arkansas.gov/Pages/default.aspx
- Arkansas Department of Education – http://www.arkansased.org/
- Arkansas Department of Higher Education – http://www.adhe.edu/Pages/home.aspx
- Arkansas Department of Workforce Services – http://dws.arkansas.gov/
- Arkansas Economic Development Commission – http://www.arkansasedc.com/
- Arkansas Science and Technology Authority – http://www.asta.arkansas.gov/Pages/default.aspx
- Arkansas Association of Two-Year Colleges: http://www.aatyc.org/

Education – STEM (Science, technology, engineering, mathematics)

- STEM Science Mini-Grants – Arkansas Community Foundation – http://www.arcf.org
- National Science Foundation – http://www.nsf.gov/
- EAST Initiative – Environmental and Spatial Technology – http://www.eastinitiative.org/
- New Tech Network – http://www.newtechnetwork.org/news/new-tech-network-announces-opening-first-schools-arkansas

Energy

- Some private corporations will revamp a building with high energy features and pay off the cost with the savings on energy costs. They are called energy and performance contracts. Example: http://www.crewsfs.com/

Entrepreneurship and Small Business Development

- University of Arkansas Small Business Technology and Development Center – http://asbtdc.org/resources/financing-your-business-resources/

Fire Protection

- Arkansas Association of Resource Conservation and Development Councils – http://www.aarcd.org/
- Arkansas Department of Health – http://www.healthy.arkansas.gov/Pages/default.aspx
- Arkansas Economic Development Commission, Division of Rural Services; see www.ruralservices.arkansas.gov
- Arkansas Forestry Commission – http://forestry.arkansas.gov/Pages/default.aspx
- Arkansas Department of Emergency Management – http://www.adem.arkansas.gov/AEM/index.php
- Federal Surplus Property – www.adem.arkansas.gov
- State of Arkansas Federal Surplus Property – https://www.adem.arkansas.gov/aem/federal-surplus-property/
- U.S. Department of Homeland Security – https://www.dhs.gov/
- USDA Rural Development – http://www.rd.usda.gov/

Housing

- Arkansas Development Finance Authority – http://www.arkansas.gov/adfa/
- U.S. Department of Housing and Urban Development – http://portal.hud.gov/hudportal/HUD

- King Foundation
- Walmart Foundation

Local Food Systems and Farmers' Markets

- 7-Eleven – http://corp.7-eleven.com/corp/how-we-give
- Arkansas Community and Economic Development Program/CDBG Program – http://www.arkansasedc.com/grants
- Arkansas Community Foundation – http://www.arcf.org/Nonprofits/ApplyforaGrant.aspx
- Arkansas Department of Agriculture – farmers' markets, marketing of agriculture-related products – http://aad.arkansas.gov/Pages/default.aspx
- Ben and Jerry's Foundation Grassroots Organizing for Social Change Program – http://benandjerrysfoundation.org/the-grassroots-organizing-for-social-change-program/
- Blue and Your Foundation – http://www.blueandyoufoundationarkansas.com/
- Carl B. and Florence E. King Foundation – http://www.kingfoundation.com/
- Environmental Protection Agency (EPA) Local Foods, Local Places – https://www.epa.gov/smartgrowth/local-foods-local-places
- Farm Aid Grant Program – https://www.farmaid.org/our-work/grants/
- Farm Bureau® Rural Entrepreneurship Challenge – http://www.strongruralamerica.com/challenge/
- Food and Farm Communications Fund (FFCF) – http://foodandfarmcommunications.org/grants.html
- Heifer International – http://www.heifer.org/ending-hunger/our-work/north-america/united-states-of-america.html
- RSF Seed Fund – http://rsfsocialfinance.org/seed-fund-2/
- Southern Extension Risk Management Education Center – http://srmec.uark.edu/apply.html
- Southern Sustainable Agriculture Research and Education (SARE) – http://www.southernsare.org/Grants
- Whole Foods Market – http://www.wholefoodsmarket.com/mission-values/caring-communities/local-producer-loan-program
- All USDA funding opportunities for local foods have been consolidated on the Know Your Farmer Know Your Food website at http://www.usda.gov/wps/portal/usda/knowyourfarmer?navid=kyf-grants

Parks and Tourism

- Arkansas Department of Parks and Tourism – funding for parks and trails – http://www.outdoorgrants.com/
- Arkansas State Highway and Transportation Department – funding for recreational trails – http://www.arkansashighways.com/recreational_trails.aspx
- Arkansas Economic Development Commission: http://www.arkansasedc.com/global-business/incentives
- Arkansas Development Finance Authority – Arkansas Tourism Development Loan Program – http://www.state.ar.us/adfa/tourism_development_loan_program.htm
- Arkansas Wildlife Action Plan – tourism development through loans for startups and expanding tourism businesses – http://www.wildlifearkansas.com/

Quality of Place

- Arkansas Blue Cross and Blue Shield – Blue and You Foundation – health improvement projects – http://www.blueandyoufoundationarkansas.org/grant_guidelines/
- Arkansas Community Development Financial Institutions – grants and loans for community and economic development projects, also for entrepreneurs: https://www.cdfifund.gov/Pages/default.aspx
- Arkansas Department of Agriculture – festival grant program: http://aad.arkansas.gov/Pages/default.aspx
- Arkansas Department of Health – Healthy Communities Program: http://www.healthy.arkansas.gov/Pages/default.aspx
- Arkansas Department of Heritage – Main Street Program, historic preservation – http://www.arkansasheritage.com/
- Arkansas Development Finance and Authority – financing for housing development – http://www.state.ar.us/adfa/
- Arkansas Historic Preservation Program – grants and tax credits for historic preservation – http://www.arkansaspreservation.com/
- Arkansas State Highway and Transportation Department – Safe Routes to School Program, funds for planning and walking infrastructure – https://www.arkansashighways.com/safe_route/safe_route.aspx
- Arkansas Highway and Transportation Department – Arkansas Recreational Trails Program – www.arkansashighways.com/recreational_trails.aspx
- Bike paths – http://www.arkansasbikepedplan.com/resources-and-links
- Walmart Foundation State Giving Program – grants to create opportunities for people to live better lives – http://foundation.walmart.com/apply-for-grants/state-giving

Resource Directory and Assistance Available in Arkansas

The Arkansas Economic Development Alliance, consisting of representatives of federal and state government agencies, nonprofits and foundations, was formed to bring all available resources together to provide Arkansas every resource available to fund much needed projects. Communities or organizations with projects that need funded can complete a needs assessment form, which is submitted to the Alliance for suggestions on possible funding sources. If you are interested, contact Steve Mosher, area director, USDA Rural Development, 479-646-8300, steve.mosher@ar.usda.gov (or any member of the Arkansas Community Economic Development Alliance) for the needs assessment form.

APPENDIX D: Project Funding Matrix Example – Downtown Revitalization

	Support	Projects					
		Downtown Beautification and Façade Improvements	**Farmers' Market Pavilion**	**Visitors Center and Museum**	**Business Incubator**	**Streetscape, Sidewalks, Improve Streets**	**Summer Youth Program**
1	City/County Government	X	X	X		X	
2	Organizations, Businesses, Individuals	X	X	X	X		X
3	Cooperative Extension Service	Master Gardeners					4-H Program
4	Fundraisers	X	X	X			X
5	Partnership	Local Businesses					
6	Internet-Based Funding Mechanisms	X			X		X
7	Capital Campaigns		X	X			
8	New Organizations and Funding Streams		Farmers Market Assoc.	A&P Commission			
8	Next Generation Funding Strategies – Foundation		X	X	X		X
9	Long-Term Financing of E.D. by Cities and Counties		X		X		
10	Financing Businesses		X		X		
11	Grantsmanship	X	X	X	X	X	
12	Political Appropriations	X	X	X	X	X	
13	Other:						

APPENDIX E: Project Funding Matrix Worksheet

	Support	Projects					
		Downtown Beautification and Façade Improvements	**Farmers' Market Pavilion**	**Visitors Center and Museum**	**Business Incubator**	**Streetscape, Sidewalks, Improve Streets**	**Summer Youth Program**
1	City/County Government						
2	Organizations, Businesses, Individuals						
3	Cooperative Extension Service						
4	Fundraisers						
5	Partnership						
6	Internet-Based Funding Mechanisms						
7	Capital Campaigns						
8	New Organizations and Funding Streams						
8	Next Generation Funding Strategies – Foundation						
9	Long-Term Financing of E.D. by Cities and Counties						
10	Financing Businesses						
11	Grantsmanship						
12	Political Appropriations						
13	Other:						

APPENDIX F: Funding and Financing Community and Economic Development Workshop Agenda

Introduction

This agenda is for a workshop with perhaps 20 to 25 people, acquainting them with the principles, tools and knowledge of this Funding and Financing module. Adjust the agenda for fewer or more people.

We recommend that they come as teams of at least three individuals from each community, or from different action teams or organizations within their community, county or region, so they can work through the process together. Communicate to workshop participants that you want them to be ready to share success stories and also identify one to two high-priority projects they want to get funded.

Workshop Agenda

9:00 a.m.	Brief introduction – the purpose of our session is learn from each other about successful fundraising strategies and provide you with some tools that you can use back in your community (5 MINUTES).
9:05 a.m.	When we drive through your communities, we see examples of successful projects, such as community centers, parks, new schools and festivals. Let's go around the room, and each of you tell us: • your name, the organization or community you represent, and • a project that have been successful in getting funded in your community: – WHAT the project was, – HOW it was funded, and – WHY you think it was successful. (Take notes on a flip chart.) YOU HAVE ONE MINUTE TO TELL YOUR STORY. *NOTE: You can do this as a small group exercise as well.*
9:40 a.m.	Now we want to hear from each community – what is your top one or two projects that you want to have funded. • Have everyone on that team stand up, and write the projects on a flip chart.
9:50 a.m.	Overview of our funding and finance module – a module that includes a twelve step process for funding your projects and a compilation of multiple funding strategies and success stories from across the nation. • Small Group Exercise – share with them the nine Principles for Success and ask them to discuss them and identify what they see as the three most important principles for their community, then report out. *NOTE: You can skip this is if there is not enough time.*
10:20 a.m.	Break
10:30 a.m.	Twelve-Step Process for Funding Your Projects • Go through each step, using two to three examples, such as an economic development sales tax, a major beautification project and a pre-K education program or relate these to the projects they have identified and are on your flip chart. Even better – ask them for examples. • Review the Fundability Checklist and Breakthrough Solutions Fundability Meter.

- Optional Exercise – assign a step to each small group and ask them to discuss and report to the group what happens if that step is not performed well. (Give them 5 minutes to discuss it, then report out.

11:00 a.m. Review the 11 major fundraising strategies, giving examples and relating to the success stories the participants identified earlier.

- Discuss the importance of passion, vision, perseverance, impact, and projects that people fall in love with.

11:45 a.m. Lunch

12:30 p.m. Teams Go to Work

- There is a pot of $50k on the table, and each team is to make a pitch on why their project should be funded, including
  - The name and scope of your project.
  - Stakeholders.
  - Budget, including in-kind and local match.
  - Your top potential funders and funding strategy.
  - Other funders you are approaching.

1:00 p.m. Show time – a representative of your team gives your pitch in 5 minutes or less.

- A panel of funders listen to the pitches, give feedback, and then select the one that will be funded.

2:00 p.m. Break

2:15 p.m. Funders share their perspectives on funding and financing community development projects and what they offer.

3:00 p.m. Ask the participants:

- What was the one thing you learned from this sessionthat you will take back and use in your communities and county?
- What more would you like learn about?

3:15 p.m. Wrap-up and adjourn

www.uaex.uada.edu/cped
www.uaex.uada.edu/breakthrough-solutions

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