

# ERNOP Research Note

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## How do employees of cultural institutions experience crowdfunding?

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Reward-based crowdfunding, collecting funds online for a specific project, is increasingly used to support the culture sector. The article shows four implications, to take into account, for a cultural institution when they start a crowdfunding campaign.

They focus on the following research question: How do employees of cultural institutions running a crowdfunding campaign perceive the use of crowdfunding to collect funds?

The authors report that employees that execute a crowdfunding campaign experience a sense of psychological ownership, especially responsibility, of the project. They work hard to make it work. Crowdfunding has its advantages, but only when employees are efficiently supported by their employer, which is often not the case. Successful crowdfunding in cultural organizations requires a united team that embraces the campaign, feels ownership, and is given necessary resources and support by the organization. Crowdfunding asks for a multidisciplinary team and collaborative mindset between different departments.

[#Crowdfunding](#) [#Culturalinstitutions](#) [#Fundraising](#) [#Charities](#) [#Marketing](#)

### Background & Context



- Dutch Cultural institutions need to explore other means of financial support to **fill the gap that is created by the decrease in financial support from government bodies.**
- With an increasing focus on fundraising, crowdfunding could be a financial addition. Next to serving as a financial means, crowdfunding has been suggested to have a **high non-financial worth: to involve the audience, inform and reach new target pools.**
- **Fundraising via crowdfunding is complex, it combines aspects from fundraising, marketing, and financing.** For instance, a crowdfunding project includes specific information about the target amount, a way the donation will be spent and specifics about the possible output. In addition, social media strategies are essential to attract donations.
- Crowdfunding attracts ‘new donors’, and **fundraisers might need to use new strategies to attract these donors.** This means that they need time to explore crowdfunding’s possibilities.
- This study includes a series of 15 interviews among employees of Dutch cultural institutions that used crowdfunding to collect funds. The interviewees all had different positions in the institutions.

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## Take aways & Learnings



- Most interviewees had no prior experience with crowdfunding, and **they experienced it as a different sport of fundraising**. The feedback received from colleagues was focused on the output instead of the employees' effort and there was often insufficient support from management. However, the interviewees **felt highly responsible for the success of the crowdfunding** and the (mental) support in their team.
- **Often, colleagues perceived crowdfunding as a time-consuming process with minimal returns**, causing interviewees to feel uncomfortable holding team members accountable for not doing their job. **The interviewees expressed that they identified with the institution they worked for but not with the crowdfunding campaign**. This could have had a negative effect since identifying with one's work is essential for psychological ownership and project success.
- **Crowdfunding fits well with the identity of cultural institutions since culture and art are meant for the public**. When focusing on non-financial aspects, crowdfunding is important in binding people to the museum however transparency and openness are paramount in doing so.
- Crowdfunding for cultural organizations only works when in a close-knit organization where employees embrace the crowdfunding campaign, considering it a part of their responsibilities and are supported by the whole organization. **Team feeling, ownership and division of tasks are important in crowdfunding, since it connects with the perception of responsibility**. It is a collaborative effort, and as such, **the team involved should be given due importance**: provide them with the necessary time and resources to devote their full attention to the crowdfunding campaign.

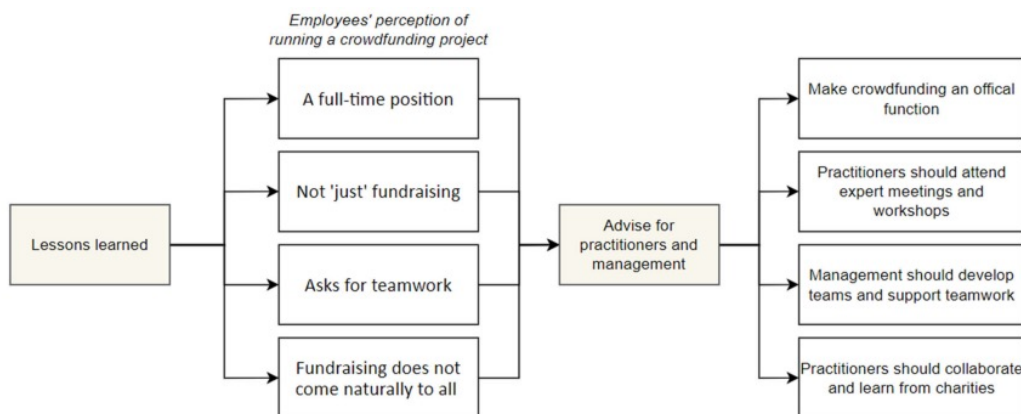


FIGURE 1 Summary of the lessons learned and advice for practitioners and management

ERNOP Research Notes provide easy-to-read, practice-oriented summaries of academic articles on philanthropy and are written by practitioner experts. This ERNOP Research Note 2024/11 is published in June 2024 and has been written by Maud Dik from Voordekunst. More information can be found at [www.ernop.eu](http://www.ernop.eu).