

Exploring the Suitability of Crowdfunding for Rural Appalachian Communities

The University of Tennessee

**Dr. Greg Reed
Associate Vice Chancellor for Research
UT Knoxville Office of Research
1534 White Ave.
Knoxville, TN 37996-1529
Phone: (865) 974-3466
Fax: (865) 974-7400
Email: research@utk.edu**

February 2014 – June 30, 2015

June 3, 2014

**Dr. Tim Ezzell
Research Scientist
Department of Political Science
University of Tennessee
Suite 311, UT Conference Center
Knoxville, TN 37996-4134
865-974-9036
tezzell@utk.edu**

PROJECT FOCUS: The 2014 ATP class at the University of Tennessee will evaluate the suitability of crowdfunding for small communities and develop crowdfunding recommendations through a case-study partnership with residents of Ducktown, Tennessee.

PROJECT DETAILS:

Course Number, Name, and Instructor:

Course Number and Name: Sustainable Communities, PS 410 and PS 595 (graduate and undergraduate sections)

Course Faculty: Dr. Tim Ezzell

Community Partner:

The Copper Basin Rural Community Association, Inc.

In addition to the local community partner, the class will also be partnering with a national civic crowdfunding organization, neighbor.ly.

Need:

While crowdfunding is becoming increasingly popular means of funding certain types of civic programs, its use has been largely limited to larger urban areas and more affluent communities. The project will assess the applicability of crowdfunding to rural Appalachian communities and determine strategies help communities develop and implement their own programs.

Research related to civic crowdfunding indicates that rural communities are conspicuously absent from the field of civic crowdfunding. A 2014 study conducted by an MIT researcher, for example, found that crowdfunded projects were largely clustered in a handful of large cities and that the “geography of opportunity” had not extended beyond these areas.

Subsequent discussions with the crowdfunding platform Neighbor.ly confirmed these findings. Although Neighbor.ly is among the most established platforms in this emerging marketplace, the organization has had little contact with rural communities and no rural projects to date. They suspect this trend is due to a lack of awareness among rural communities and a lack of local capacity in rural areas, but lack research to support these assertions.

As such, this project will fulfill two important needs. First, it will collect data on the potential for rural civic crowdfunding, identify obstacles or barriers found in smaller communities, and identify possible strategies and best practices that could be applied in other areas. Secondly, it will help fulfill an important local need by helping create a

fundraising campaign to acquire a 3D printer for the Cooper Basin Learning Center in Ducktown.

Number and description of planned meetings with the community partner:

Students will be meeting with local stakeholders throughout the semester as they conduct the following tasks:

- Introducing the project to local stakeholders and establishing a project timeline (August-mid-September)
- Working with community members to develop media (a project narrative, photos, and a short video) for the crowdfunding campaign (September-early October).
- Working with local stakeholders to promote the campaign and raise local and regional awareness (October).
- Conducting a follow-up, assessment with local participants to determine successes, barriers, and lessons learned (mid to late November).

Overview of the project, including its central focus:

In Fall 2013, UT's ATP class worked with residents of Ducktown to explore potential impacts of 3 emerging technologies – 3D printing, contour crafting, and electric vehicles – on small rural communities. The class found that 3D printing had potential applications for advanced manufacturing and services in rural areas, but would require a workforce with 3D printing skills and experience. To help promote these skills, the class recommended that the Copper Basin Learning Center purchase a 3D printer and incorporate it into local youth development programs.

This year's class will assist local residents in achieving this goal while testing the applicability of an emerging trend, crowdfunding, for smaller Appalachian communities like Ducktown. Students in the class will help a local organization, the Copper Basin Rural Community Association, develop and implement a civic crowdfunding program to purchase a 3D printer and supplies for the Copper Basing Learning Center. Students will develop a project budget, identify an appropriate printer, software, and supplies, and will assist local residents in creating media and content for the crowdfunding request.

Students will help promote the crowdfunding campaign through social media and traditional media outlets. While success is not guaranteed, the project has realistic goals and will leverage the established networks of the university, the local community, and our national partner. We anticipate a 30 day crowdfunding campaign.

While 3D printers are still an emerging technology, they are increasingly accessible and prices have dropped dramatically. Entry level desktop printer can now be purchased for about \$600 and advanced non-commercial models can be found for under \$3,000. While students and community members will develop the final crowdfunding goal, we anticipate a request of \$3,000 to \$5,000.

Using lessons learned from this experience, the students will then develop a brief crowdfunding guide and recommendations for use by rural communities and will distribute the guide to community contacts and local development districts.

UT and its local partners will work closely with neighbor.ly, a Kansas City based civic crowdfunding organization. Neighbor.ly will host the crowdfunding project, promote it through their social media, and provide technical assistance to local residents and students.

Goals and Objectives:

- To assist the Copper Basin Rural Community Association in developing and implementing a crowdfunding campaign to purchase a 3D printer and associated supplies for the Copper Basin Learning Center.
- To assist Learning Center Staff in obtaining curricula and training associated with the 3D printer.
- To develop guidelines and recommendations to assist small rural communities in developing their own crowdfunding programs.

PROJECT OUTCOMES:

- Students will present these findings at the ATP meeting in Washington.
- Students will prepare and display a poster at the ATP conference in Washington.
- Students will also present findings at another venue. Possible venues include a local community organization, the Appalachian Studies conference, meetings of TREEDC, or the Tennessee American Planning Association Annual Conference.
- Students will compile a final report detailing project findings and recommendations.

References

Rodrigo Davies, "Civic Crowdfunding: Participatory Communities, Entrepreneurs and the Political Economy of Place" (master's thesis, Massachusetts Institute of Technology Center for Civic Media, June, 2014)..

Bryan Boyer and Dan Hill, "Brickstarter" (Helsinki: Sitra – The Finnish Innovation Fund, 2013).