

# Fundraising Resources for Your Market

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Raising external funds to support core operations or programs is a necessity for most farmers markets. WSU's 2010 farmers market survey found that vendor stall and membership/application fees are the most important source of revenue for 89% of Washington farmers markets. However, only 25% of these markets secured 100% of their market revenue from vendor fees<sup>1</sup>. Fundraising efforts seem to have increased in recent years due in part to the rise in programs to match the SNAP funds that shoppers spend.

## There's no Free Money

As anyone involved in fundraising knows, “free” money is a lot of work! And different fundraising strategies require different skills, time, timing, and administrative capacity. There is always some sort of an “opportunity cost” for the time your market spends fundraising instead of attending to its core

*Your farmers market does not have to be a 501c3 tax exempt nonprofit to raise money. All markets can raise funds. The 501c3 status is what allows a donor to receive a tax deduction with the IRS.*

operations. The key is to plan ahead so that your market knows what it is investing in fundraising, especially in terms of people power, and what it hopes to accomplish. Sometimes a “break-even” fundraising event like a Harvest Dinner may also serve important goals such as affirming ties with the business community, retaining or recruiting new volunteers, and building the market's vendor and shopper base. Part of planning ahead is to include your market's fundraising expenses and revenue goals in its annual budget.

<sup>1</sup> “Summary Report: Farmers Markets and the Experience of Market Managers in Washington State” Marcy Ostrom and Colleen Donovan (2013). Available at <http://smallfarms.wsu.edu/marketing/>

## Fundraising Evaluation Matrix

It is not unprecedented that an enthusiastic volunteer or board member rushes over to the market info booth with a “great idea” on how to raise money for the market. One way to collectively evaluate “great ideas” (including new grant opportunities) is to agree where it falls in the Fundraising Evaluation Matrix.



The first step is to quantify the investment that the market will need to make, including in-kind contributions. This may come in the form of additional staff time, adding staff work during a critical time in the market season, direct expenses, or rechanneling donations or volunteers’ good will for a fundraising project instead of core market operations. In the case of grants, there is the added administrative work and reporting. And in the case of federal grants, this can be substantial.

The next step is to quantify the projected return your market can reasonably expect from pursuing that fundraising opportunity. If it is a new endeavor and you don’t know, then estimate a range and put the low end of the range into your budget. Here again, consider all of the various types of “returns” to your market.

- Is it money? If so, how much? And when will your market be able to access the funds?
- If funding, is it “restricted” to specific budget categories and programs? Or “unrestricted” meaning you can spend it however you need to.
- Does it invest in longer-term goals such as building visibility for the market that can attract vendors, shoppers, or sponsors?
- Does it add core shoppers to your market’s mailing list, facilitating direct communication?
- Does it contribute to a policy goal or advocacy project that your market is working towards?

There is no “right” answer. The purpose of the Matrix is to think through “great ideas” and get everyone affected on the same page and committed.

## Fundraising Strategies

The most common fundraising strategies for farmers markets, beyond vendor fees, are sponsorships, fundraising events, and grants. Markets also sell merchandise which tends to function mostly as promotions rather than bringing in the big bucks. Many markets also have “Friends of...” or Community Memberships that can increase their financial support. There are pros and cons to each strategy and what’s right for your market depends on the capacity you have to implement.

Strategy	Investment Needed	Pros/Cons
<b>Sponsorships</b>	<ul style="list-style-type: none"> <li>▪ Sponsorship “program” with goals, strategy, staff time, sponsorship levels with what sponsor gets; and a “thank you” protocol</li> <li>▪ Cultivation and outreach to sponsors</li> <li>▪ Ability to promote sponsor and investment in banner or whatever means market uses</li> </ul>	<ul style="list-style-type: none"> <li>▪ Unrestricted funds</li> <li>▪ Amounts may be from \$100 to 1,000 or more</li> <li>▪ May be time consuming</li> <li>▪ Low impact on accounting</li> <li>▪ Have to renew annually</li> <li>▪ Vulnerable to economic downturns</li> </ul>
<b>Fundraising events</b>	<ul style="list-style-type: none"> <li>▪ Venue and theme and some sort of draw</li> <li>▪ Event planning skills, including promotions, managing lots of moving parts, and herding volunteers</li> <li>▪ Connections to chefs, entertainers, or other talent</li> <li>▪ Infrastructure to pull off event such as tables, chairs, A/V, decorations, etc.</li> <li>▪ Photographer or videographer to capture event</li> <li>▪ Appropriate insurance</li> <li>▪ Thank you’s</li> </ul>	<ul style="list-style-type: none"> <li>▪ Potential for in-kind donations from supporters and vendors</li> <li>▪ Can be a real crowd-pleaser and community builder; maybe even fun!</li> <li>▪ Hugely labor intensive</li> <li>▪ Proliferation of farm dinners and similar events increases competition for “foodie” dollar</li> <li>▪ Returns are unrestricted unless they are being raised for specific program or cause</li> </ul>
<b>Grants – private Major donors</b>	<ul style="list-style-type: none"> <li>▪ Time and connections to cultivate relationships with private foundations and philanthropists</li> </ul>	<ul style="list-style-type: none"> <li>▪ Private grants can be unrestricted or restricted – from a foundation or individual, and from modest</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Projects that meet funders guidelines</li> <li>▪ Project development and management experience</li> <li>▪ Being able to fit funded projects into your budget</li> <li>▪ Reporting to funders</li> <li>▪ May want personal site visits</li> <li>▪ May need 501c3 status</li> </ul>	<p>to incredible amounts.</p> <ul style="list-style-type: none"> <li>▪ Individual grants or large donations can be very low maintenance once established.</li> <li>▪ However, they can be unpredictable too.</li> </ul>
<p><b>USDA and other Public Grants</b></p>	<p>Most of the above, plus: Excellent accounting capacity</p> <ul style="list-style-type: none"> <li>▪ Strong policies and practices around internal controls</li> <li>▪ Strong project development skills, especially for multi-year projects</li> <li>▪ Ability/desire to work with partners</li> <li>▪ Proposal writing and budgeting skills</li> <li>▪ Tends to operate on a reimbursement basis so cash flow</li> <li>▪ Specialized vocabulary needed to know how to read and interpret RFA</li> <li>▪ Reports required</li> </ul>	<ul style="list-style-type: none"> <li>▪ Almost always restricted funds</li> <li>▪ Predictable and usually have consistent funding priorities</li> <li>▪ Don't need to be 501c3 to apply</li> <li>▪ Will fund staffing and some overhead</li> <li>▪ Can be large grants for multiple years</li> </ul>
<p><b>Friends of the Market and Community Memberships</b></p>	<ul style="list-style-type: none"> <li>▪ Will need "program" that maps out funding levels and benefits</li> <li>▪ Excellent information management and database of members</li> <li>▪ Annual renewals required</li> <li>▪ Strong "thank you" protocols</li> </ul>	<ul style="list-style-type: none"> <li>▪ Unrestricted funds</li> <li>▪ May help to have 501c3 status</li> <li>▪ Builds connection to shoppers and other supporters</li> </ul>

Whatever your strategies, keep in mind the three golden rules of fundraising.

People give money to people. This means that having a good relationship with the funder or donor is essential to success.

Success breeds success. People like “winners” and being part of something that has energy and momentum. This means that getting a success (even a small one) needs to be highlighted and used to generate the perception of success.

You have to make the ask. Many of us tend not to like to ask for anything, let alone money. And yet the most common reason people don’t give, is because they aren’t asked. Likewise, if you have a great market and your enthusiasm shows through, people feel really great about being able to meaningfully help!

## Examples

Anacortes Farmers Market’s sponsorship program

<http://anacortesfarmersmarket.org/get-involved/sponsor-us/>

Leavenworth Community Farmers Market donation information

<http://leavenworthfarmersmarket.org/individual-and-business-donation-opportunities/>

Neighborhood Farmers Market’s An Incredible Feast

[http://seattlefarmersmarkets.org/programs-events/incredible-feast\]](http://seattlefarmersmarkets.org/programs-events/incredible-feast)

Tacoma Farmers Market

<http://tacomafarmersmarket.com/donate-2/>

<http://tacomafarmersmarket.com/sponsor/>

## Good Resources

Fundraising Strategies for SNAP Matches from Farmers Market Fund and Oregon Farmers

Market Association: [http://farmersmarketfund.org/wp-content/uploads/2016/09/Fundraising\\_strategies\\_for\\_SNAPmatch.pdf](http://farmersmarketfund.org/wp-content/uploads/2016/09/Fundraising_strategies_for_SNAPmatch.pdf)

Grantcraft: <http://www.grantcraft.org/>

Guide to Federal Funding for Local and Regional Food System

<http://sustainableagriculture.net/wp-content/uploads/2010/06/6.18-FINAL-Food-System-Funding-Guide2.pdf>

USDA Know Your Farmer Know Your Food

<http://www.usda.gov/wps/portal/usda/knowyourfarmer?navid=kyf-grants>