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## Fundly taps social web for nonprofit causes

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Campaigns have raised over \$238M since 2009

Premium content from San Francisco Business Times by Sarah Duxbury, Reporter

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**Fundly** is dragging nonprofit fundraising onto the social web.

The result, Fundly believes, is more money raised at a lower cost to the nonprofit. Better still is the opportunity to meet potential new donors at a click by tapping the social networks of supporters — something most online fundraising does not yet do.

Americans give over \$300 billion to charity every year, and few leverage their social networks to round up other friends in

support of the cause.

When a donor makes an online gift, "Why not ask me who else I know who may be interested in digging wells or educating kids or feeding the hungry? Probably, some of my friends are interested," said [Dave Boyce](#), Fundly's CEO. "Why not welcome me into the family like other web-based social experiences do?"

"The social web is insanely well-wired up to facilitate the introduction, and those referred donations end up being where the magic is," Boyce added. "That's found money."

In some ways, Fundly is the nonprofit world's Salesforce.com, a cloud-based platform that's taking on expensive, customized software giants like Convio and Blackbaud — the Oracles of the nonprofit fundraising world.

Fundly campaigns have raised over \$238 million for charities and political campaigns (think [Barbara Boxer](#) and [Rick Santorum](#)) since 2009, Boyce said. It got its start as a political fundraising platform, but expanded to 501c3 charities in October 2010.

Of Fundly's 8,000 customers, nonprofits outnumber candidates, though most dollars raised are still directed to political campaigns. Boyce hopes that will change once the election is past. Teach for America, San Francisco Goodwill and the national Boys and Girls Clubs are among Fundly's thousands of nonprofit customers.

Between 50 and 100 new nonprofit customers sign on for a Fundly campaign every day, Boyce said, and 17 percent of them become active users of the platform.

It takes just a few minutes for a nonprofit or individual to set up a branded Fundly campaign, which can be embedded on a website, Facebook page or blog. Nonprofits can promote a campaign through different social networks, and Palo Alto-based Fundly provides online support to help fundraising campaign managers figure out how to slice and dice click-through rates and yields of specific campaigns.

"In my role as a leader of an education foundation, we found telethons and emails and all those processes very difficult to continue and to be effective," said [Mark Goines](#), a partner at **Morgenthaler Ventures** and an early angel investor and board member in Fundly. "Donors are migrating away from those methods to talking to friends on Facebook and other media available. It was time to be committed to this model of fundraising."

In October, Fundly closed a \$5 million series A round led by Morgenthaler Ventures, bringing to \$7.5 million the total amount it has raised from investors, including [Mitch Kapur](#).

Fundly is for-profit; it takes between 3.5 and 4.9 percent of all money raised as its fee and to cover credit card costs. Nonprofits only pay Fundly if it actually helps them raise money, and Fundly says it has helped nonprofits increase their online fundraising by over 50 percent. Privately-held Fundly does not disclose revenue, and it is not currently profitable because it is expanding.

It has doubled its head count to 22 since Oct. 1 and will soon move to a larger 4,000-square-foot Mountain View office. Fundly will add up to 10 more people this year, particularly engineers, visual designers and marketers.

It has always cost money for a nonprofit to raise money, be it an email or direct mail campaign, a gala or a telethon. Fundly believes it may be the cheapest fundraising platform out there.

"We're out to transform philanthropy," said Boyce. "I feel like philanthropy can use it."

### Fundly

HQ: Palo Alto.

Employees: 22.

Amount raised: \$7.5 million.

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LESS THAN \$1 PER WEEK



Photo: Spencer Brown

"That's found money," says Fundly CEO Dave Boyce of donations obtained through social networks.

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