

# Social Media Week: Future of civic crowdfunding for local government IT procurements

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In the eyes of many government officials, social media is just another way to interact with constituents by sharing quick bites of information via Twitter and Facebook pages. I, myself, follow my local transportation department for updates on road closures and traffic delays, and “friended” my local elected representative to stay in the know of community happenings.

Now, social media is expanding its definition of citizen interaction to include accepting donations from the public to fund unbudgeted, yet fully vetted projects via the Internet, known as crowdfunding. This expanded use of social media has created opportunities for cash-strapped local governments seeking alternative sources of capital. By asking private citizens to support underfunded or unfunded government IT projects, it takes the burden off already tight budgets. This expanded form of social media has the potential to not only save taxpayer money and engage citizens, it can also reignite backlogged IT projects and upgrade obsolete infrastructure.

Crowdfunding in the private sector has become a mainstream success due in large part to websites like [kickstarter.com](http://kickstarter.com), which entrepreneurs and innovators use to solicit funds from individuals to advance their projects. Crowdfunding functions much like micro-financed venture capitalism, with individuals making online donations to support project pitches. It has prompted the creation of civic crowdfunding websites such as [Neighbor.ly](http://Neighbor.ly) and [Citizinvestor.com](http://Citizinvestor.com), which only host projects submitted by local governments or official city partners. Much like information provided in government strategic and capital improvement plans, full project details are posted on these websites.

Currently, most of the projects featured on these civic crowdfunding sites are public works, public arts or economic development-related, but this concept is primed to expand.

As quoted from a [Mashable.com](http://Mashable.com) article Jordan Raynor, co-founder of Citizinvestor.com stated, “We’re really trying to focus on micro projects, that four- to five-figure range so we can have that early success, then scale up to larger projects in the future.”

In the future, larger projects could include information technology, which often carries a higher price tag to implement.

[Paint the Town Green](#) has been the most effective example of a crowdfunded IT initiatives to date. A partnership between two cities – [Kansas City, Mo.](#) and Kansas City, Kansas, along with the Social Media Club of Kansas City – successfully raised enough money, via Neighbor.ly, for the inclusion of several low-income neighborhoods to participate in the roll out of a regional fiber optic installation provided by Google Fiber. The crowdfunding campaign helped close the “digital divide” for 10 low-income neighborhoods. The initial goal of \$5,000 was surpassed with a total contribution of \$11,136 from 111 donors in less than a month. The two cities contracted with Google Fiber Kansas LLC and [Google Fiber Missouri LLC](#) to complete the project by the end of 2013.

Civic crowdfunding websites could give vendors offering complementary services and goods a leg up in future government procurement opportunities. Vendors looking for creative ways to locate pre-RFP prospects to build their pipeline should include these social media websites in their research. As these sites grow in popularity with local governments, they could provide insight into the needs of participating governments; and as many business development representatives know, the stage at which a need has been identified by the government is often the time when government IT project managers, CIOs, and procurement officers are most receptive and transparent to vendors offering assistance.

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For more information on this topic, download the free summary of the Deltek Report on **Social Media in State and Local Government**, [here](#).

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