KFG Notes

Charting our Pathway to Sustainability

Knowledge Futures Group

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Knowledge Futures Group is a non-profit technology organization that builds infrastructure for a more effective, equitable, and sustainable knowledge economy. We have two primary open-source products: PubPub for publishing documents and Underlay for producing datasets. Our work empowers communities with tools to publish knowledge and collaborate with their community members.

KFG was founded as a direct response to commercialized knowledge infrastructure that is driving behavior and culture in undesirable, often exploitative ways. The value we create goes towards our public mission and not maximizing the profit of shareholders. This keeps us focused on building free software, helping people use our products, and increasing public access to knowledge. As the relationship between us and the people who use our tools has evolved into a mutually supporting community, it has become clear that we must build a business model that allows both us and our community to continue to work sustainably.

Thus far, KFG has been majority funded by the generous contributions of foundations. [You can see that list here](#). **We are grateful to have brought on an additional two million dollars of funding from Reid Hoffman, Patrick J. McGovern Foundation, and the John S. and James L. Knight Foundation this year.**

This financial support provides us the runway to focus on KFG's financial sustainability in 2022 and beyond. We believe it is imperative that our long-term strategy prioritizes moving away from being primarily grant and gift-supported, to being primarily supported by our community via mission-oriented revenue streams. We're dedicated to aligning our success with our ability to ensure the success of those who use our products, making us more sustainable over the long term.

We've explored a number of different revenue approaches over the last three years in an attempt to balance our public mission with the need to reach sustainability. Through this research, we've arrived at two complementary models that we believe are mission-aligned and likely to succeed: memberships and community services.

KFG Membership and Community Services

We believe anyone should be able to use our products, for free, without limitation. Our [Memberships](#) and [Community Services](#) enable us to provide support to communities looking to leverage this infrastructure more effectively and to connect with and learn from others who are doing so as well.

- **Membership**: Yearly contributions to KFG mean access to member benefits such as convenings and networking, support and strategy from the KFG staff, and discounts on community services. We have multiple tiers allowing groups of all budgets to become members.
- **Community Services**: Fee-for-service contracts with our Content team for production, training, content-enrichment, and strategy services for groups who want support getting onboarded and/or effectively publishing their work.

Our top priority is to ensure that we have the resources needed to continue to build public digital infrastructure and support those that use KFG products, now and in the future. Membership and Community Services will enable us to do so.

Projected Revenue Breakdown

As we've been discussing the rollout of Memberships and Community Services, we have set revenue goals as a percentage of our annual operating budget at KFG. This is the pathway to sustainability that we envision. Our FY 2022 operating budget is \$2.2 million, which is the expenditure required to maintain and modestly add to the functionality of our products. Over the next several years, we plan to transition this baseline budget (adjusting for inflation) from being primarily grant-supported to being primarily community-supported through memberships and services. We hope to accomplish the transition over a period of three years with the following revenue breakdown. As projections, these percentages are illustrative of our intentions and vision for reaching community-led sustainability through these three approaches:

- **FY 2022**: 85% grants, 10% community services, 5% memberships
- **FY 2023**: 50% grants, 20% community services, 30% memberships
- **FY 2024**: 20% grants, 25% community services, 55% memberships

	Approach	Number	Average \$ Amount	Total
FY 2022	Grants	n/a	n/a	\$1,870,000
	Memberships	73	\$1,500	\$110,000
	Services	10	\$22,000	\$220,000
FY 2023	Grants	n/a	n/a	\$1,100,000

Memberships	330	\$2,000	\$660,000	
Services	20	\$22,000	\$440,000	
FY 2024	Grants	n/a	n/a	\$440,000
	Memberships	428	\$2,827	\$1,210,000
	Services	25	\$22,000	\$550,000

This is the beginning of a more public conversation about KFG's sustainability, and we are eager to hear your thoughts, feedback, and ideas. You can read more about [Membership here](#) and [Community Services here](#). Feel free to leave your feedback via comment on this Pub, on Twitter ([@kfutures](#)), or by contacting us at hello@knowledgefutures.org.