

Crowdfunding: Manna from Heaven, Or Disaster in the Making?

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What is Crowdfunding?

- Practice of soliciting financial contributions online to fund a project, business idea or cause; began with:
 - Equity crowdfunding
 - Subsequent: donations



Image: <http://canleafmart.net/>

Platforms for Personal Causes

- FundAnything.com
- Indiegogo.com
- Crowdrise.com
- FundRazr.com
- GoFundMe.com
- YouCaring.com
- GiveForward.com



Image: <http://www.michigancreative.com/blog/crowdfunding-campaign-videos/>

Definitions for our Purposes

- **Campaign creator:** person (or organization) who creates crowdfunding campaign (creates account on website, writes story, shares campaign on social media)
- **Recipient** - person who can withdraw/receive funds paid into the account; the recipient is designated by the creator; can be the beneficiary
- **Beneficiary** – the person for whom the money is raised

** Terms vary by website*

Who's the Beneficiary?

- Jane, **creator**, establishes campaign for nephew, Joel, age 2, who needs heart surgery. Jane names her brother, Jack, as the **recipient**. Jack uses funds to repay himself for unmet medical expenses, home health care, bills, etc. Who's the **beneficiary**?
- Joel is now 28. His girlfriend loaned money to pay for all costs of last surgery. New campaign begins to repay loan. Who's the **beneficiary**?

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Orlando Shooting

The screenshot shows a GoFundMe page for the Pulse Victims Fund. The page features a large black banner with the Equality Florida Institute, Inc. logo and the text "PULSE VICTIMS FUND" and "PULSE". A white ribbon is draped over the word "PULSE". The page title is "Support Victims of Pulse Shooting". The fundraising progress shows \$7,853,140 raised of a \$10.0M goal, with a progress bar and the text "Raised by 119,497 people in 3 months". There are buttons for "Donate Now" and "Share on Facebook". The page was created on June 12, 2016, and is categorized as an "Emergency" in "ORLANDO, FL". There are 244K shares and a "Recent Donations" section showing a \$25 donation.

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