

The Wealth of Crowdfunding: A case analysis of the GoFundMe.com campaign “Homes for Earthquake Victims”

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I. Community

A. Introduction

The Internet has undeniably changed the way in which we interact and connect on a global scale. Further technological advancements have permanently altered our social, civil, private, and public sectors and how they cooperate amongst each other. These alterations have created new ways in which communities can collaborate to create social change and implement movements or causes, especially in times of disaster.¹ In the past, communications of natural disasters or local tragedies would hardly make it passed their local news outlets for pleas of help or needs of assistance. Since the advancements of technological tools on the Internet, especially social media, not only are news updates more readily accessible and far reaching, but also the ability to help has been expanded into realms unimaginable 20 years ago. Means of helping certain populations in state of emergencies have moved beyond platforms (e.g. fundraising dinner events, phone marathons, etc.) and past customary actors (e.g. non-profits, special interest groups, etc.) who were traditionally responsible for crafting social movements or supplying aid. Famous examples, such as the ALS “Ice Bucket Challenge”² or the crafty hashtag campaign by the White House called “#getcovered”³, show how innovative and inclusive online spaces have become organized “participatory media”⁴ that can achieve social change. One of those websites leading the charge in participatory media and change is GoFundMe.com, “The World’s #1 Personal Fundraising Websites”⁵. The following online community being investigated will be the

¹Suri, [From Crowdsourcing Potholes to Community Policing: Applying Interoperability Theory to Analyze the](#)

² ALS, amyotrophic laterals sclerosis <http://www.alsa.org/fight-als/ice-bucket-challenge.html>

³ From November 15 to February 15, Americans across the country could sign up for a plan at HealthCare.gov and join the 8 million Americans who got covered last year. <https://www.whitehouse.gov/get-covered-2015>

⁴ Miel & Faris. “[News and Information as Digital Media come of age](#)”

⁵ <http://www.gofundme.com/>

GoFundMe community of “Homes for Earthquake Victims”. The GoFundMe account was authored by Pratigya Tamang, a Nepalese resident of Tampa, Florida.

B. What is GoFundMe.com and how does it work?

Created in May of 2010 and stationed in San Diego, California, GoFundMe.com is an online media platform that allows anyone with an Internet connection to create a page on their website at the prospect of raising money for personal causes like school tuition, a pet’s surgery, medical expenses, seed money for businesses, or sports team fundraiser⁶. The GoFundMe website allows users to create personal pages which supply a donation tracker, campaign information, and list of people who have donated with the capability of reporting donation progress through Facebook, Twitter, or email. The online, and relatively open, business model has revolutionized who can raise money, how money is raised, and who can donate money. Gordon et al attributed this revolution to “what it means to participate in civic life is also changing, both in how people do it and how it is measured”⁷. Although the crowdfunding tool does not require users to reach a certain monetary goal, the website does require users to use their real identity when signing up for an account, and no campaigns can be hidden from the public.

C. Background

In April of 2015, Nepal experienced a 7.8 magnitude earthquake, the second worst earthquake the country had seen since an 8.0 magnitude earthquake back in 1934⁸. The devastating earthquake left certain parts of the country in ruin, while resources reported entire villages were decimated; the death toll is still forthcoming. In the wake of one of the worst disasters the country had seen, international attention covered the thousands of Nepalese who

⁶ “How to Raise Money with GoFundMe” Youtube Video. https://www.youtube.com/watch?v=ADrc7JSs_5s

⁷ Gordon, Eric, Baldwin-Philippi, Jesse & Balestra, Martina. [Why We Engage How Theories of Human Behavior Contribute to Our Understanding of Civic Engagement in a Digital Era](#). (2013) p. 1

⁸ The 1934 earthquake caused more than 10,000 fatalities. http://earthquake.usgs.gov/earthquakes/eventpage/us20002926#general_summary

were in dire need of food, clean water, and shelter. On April 27th, two days after the earthquake struck Nepal, an online fundraising campaign titled “Homes for Earthquake Victims” was launched on the website GoFundMe.com in response to the emergency situation. Created by a Nepalese-American YouTube celebrity named Promise Tamang, the virtual fundraiser set out to raise a lofty goal of \$100,000 to go towards building housing in Nepal for earthquake victims. The goal was lofty in the sense that the campaign was run by one person – Promise Tamang – with no affiliation to a non-profit organization. Yet, within eight days of the launch, the online fundraiser not only reached the \$100,000, it surpassed it with a final amount of \$111,872.

Following the four regulatory applications put forth by Lessig’s “Dot Model”, this paper will evaluate the “Houses for Earthquake Victims” campaign on GoFundMe.com beginning April 27, 2015 through May 10, 2015, to investigate how the specific online community overcomes challenges of (a) establishing trust with donors (b) successfully reaching fundraising goals. The findings of this paper will conclude that although GoFundMe.com theoretically should not be as successful, when it is put into practice, the online fundraising tool can be highly effective in fundraising while simultaneously establishing trust and accountability.

II. Challenge

A. Trust, transparency, and achieving goals

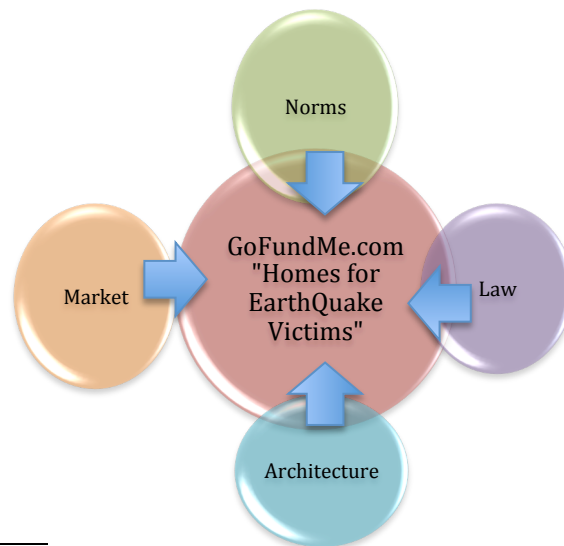
One of the biggest challenges of fundraising online is the ability to establish trust among potential donors. The digital age has made these particular transactions harder to be sincere because the likelihood of knowing the donor, or getting the chance to properly communicate gratitude has now shifted strictly to cyber interactions. Gordon et al stresses *trust* as one of the biggest barriers of civic engagement, meaning an individual has to trust the group or institution

before actually engaging with the organization⁹. Furthermore, they claim that trust can only be gained through the perception of that particular organization's outcomes and actions as fair, especially when there is little incentive to trust the organization. As mentioned earlier, trust can be a bigger barrier online. Accordingly, donors will trust GoFundMe.com's "Home for Earthquake Campaign" if they believe the money being collected (the results) is disseminated to needy people in Nepal, for which the campaign advertised the fundraising (actions as fair). Promise Tamang's ability to be transparent in the fundraising efforts, coupled with the fact that she was a public figure within cyber space already, made it possible for her to reach her fundraising goals. In the following section, the paper will explore how the architecture of GoFundMe.com, combined with Promise Tamang's networks was able to overcome trust issues and surpass the \$100,000 fundraising goal.

III. Players who Regulate

By using Lawrence Lessig's *Dot Model*¹⁰(See **Figure A**), the paper will now explore the four different regulative components or "constraints" that result in a community that helped an online fundraising campaign succeed.

Figure A.



⁹ Gordon et al. [Why We Engage How Theories of Human Behavior Contribute to Our Understanding of Civic Engagement in a Digital Era](#). (2013)

¹⁰Lessig. https://www.socialtext.net/codev2/what_things_regulate (2010)

A. Law

The current laws in place in the United States regulate who can hold a 501(c)(3)¹¹ status, which in turn determines who is considered a “charitable organization”. Traditionally, 501(c)(3) status holders, or non-profits, were the organizations that were responsible for collecting monetary and in-kind donations for public welfare, especially in times of disaster. This status was put in place to distinguish private and public sector to differentiate civic responsibility and ensure that fundraising would not be misappropriated. Along with these principles, the tax exemption status of a 501(c)(3) also signified a different standard that non-profits were held to. The public and government demanded transparency and appropriate conduct because of this specialized exemption. In some ways, the non-profit status carried an implicit indicator of trustworthy organization because of the Internal Revenue Service (IRS) regulatory practices. With the introduction of the GoFundMe.com, and similar digital media, there has been a paradigm shift of roles. What was usually reserved for non-profit organizations, fundraising for example, has now been pushed out into the public society’s capability. GoFundMe has virtually legally opened the door to anyone who has a cause they are advocating for and passionate about, but might not necessarily have fit within a non-profits requirement. Fundraising can now be used for almost any reason.

B. Norms

¹¹ Also considered a nonprofit. The organization must not be organized or operated for the benefit of private interests, and no part of a section 501(c)(3) organization's net earnings may inure to the benefit of any private shareholder or individual. If the organization engages in an excess benefit transaction with a person having substantial influence over the organization, an excise tax may be imposed on the person and any organization managers agreeing to the transaction

<http://www.irs.gov/Charities-&-Non-Profits/Charitable-Organizations/Exemption-Requirements-Section-501%28c%29%283%29-Organizations>

Internet has made it possible for a new movement of “amateurs” to enter what would usually be seen as a “professional’s” area of expertise¹², which can be very beneficial, but can also be problematic. Users are skeptical, especially with such wide platforms that seem to have no one person(s) who can be held responsible for misconduct. Gordon et al alleged, “The acquisition of information, the space of deliberation, and the process whereby citizens take action have been transformed or augmented by a new media landscape that has fundamentally transformed how communication happens in public life.”¹³ This ever evolving demographic is reflective of human behavior and responsive nature. Simply, the environment is consistently changing; therefore it’s normal for users, especially donors, to be skeptical of these emerging tools.

C. Architecture

There are many architectural designs specifically chosen by GoFundMe.com that concurrently protected against fraud and deepened the ability for donors to trust the website as legitimate. Architectural designs include the following:

1. Real Names

The website requires users who are interested in signing up to use their real names to encourage “transparency”. On the organization’s main page it states:

Users are required to display their authentic identities when using GoFundMe. This helps ensure that donors understand who is collecting the money. GoFundMe helps communicate account authenticity while protecting users’ personal contact information by leveraging Facebook.¹⁴

2. Campaigns cannot be hidden.

To further encourage transparency, users cannot hide campaigns. This protects against secrecy of fundraising.

“While you can choose to hide your campaign from appearing in GoFundMe's Public Search Directory,

¹²Sellars, Andy. “Internet and Society: Technologies and Politics of Control. Harvard University. Lecture. Spring Semester 2015.

¹³ Gordon, Eric, Baldwin-Philippi, Jesse & Balestra, Martina. [Why We Engage How Theories of Human Behavior Contribute to Our Understanding of Civic Engagement in a Digital Era](#). Berkman Center for Internet and Society. 2013 (p.4)

¹⁴ “Authentic Identities” <http://www.gofundme.com/safety>

anyone who has your GoFundMe campaign link will be able to access your campaign. There's no way to keep your campaign 100% private"¹⁵

3. Social Media Platforms.

Every campaign page has the capability to automatically post to users Facebook, Twitter, or Email page. The pro of this feature is the reach of the campaign can be exponentially increased. But with that feature, it encourages less activity on the main donation page, which then becomes a spread of information and runs the risk of not being updated as much as Facebook page or Twitter feed would be.

4. No Accounts allowed.

GoFundMe.com allows comments and “likes” of donation pages, yet it doesn’t have the capability of signing up for an account if you are just donating. This feature was most likely installed for the utility of “ease” to donate. Upon clicking on any “Donate Now” button in any particular campaign, a potential donor does not have to fill out any other information aside from their credit card details, name, and have the option of leaving a comment that will be seen with their donation amount. This feature makes donating easier for donors, but the platform misses out on communities that can subscribe to a specific campaign. Furthermore, because there is not community as donors, if a fundraiser (like Promise Tamang) were to update, not everyone would be notified of her contributions. This lowers the ability to keep an individual accountable for things reported on, if donors are unaware of latest updates.

D. Market

As mentioned earlier, Promise Tamang was a public figure who became YouTube famous by shooting videos of her make-up tutorials. She gained a massive following on YouTube because of her self-taught make-up skills, which she utilized to transform herself into different characters or famous celebrities. Her fan base spans across multiple social media outlets, for which she is interacts with a no a daily basis. While evaluating her multiple social media outlets, observations revealed she Tweets on Twitter or posts on Facebook on a daily basis. Promise posts videos of her tutorials to her YouTube (Dope211) account at least once a month, sometimes even biweekly. The purpose of highlighting these statistics is due to the correlation of her fan base and the promotion of her campaign to raise money for Nepal. It’s obvious that the more people in a

¹⁵ <http://www.gofundme.com/questions/>

network, the wider the breadth of interconnectedness. This networking is precisely what aided Promise in raising awareness and essentially achieving her fundraising goal.

The following breakdown of Promise’s social media platforms (See **Table 1.**) indicates the number of followers she has for each individual website¹⁶ with at least 3,000 participants¹⁷.

Table 1.

Promise Tamang’s Social Media Accounts		
Website	Name	# of Participants
GoFundMe	Homes for Earthquake Victim	3253
Facebook (Campaign Page)	Re-Building Nepal after Earthquake	3411
Facebook (Public Figure Page)	Promise Tamang	564,000
YouTube	Dope211	2,912,381
Twitter	@TamangPhan	61,100

In addition to these platforms, Promise produced a 12 minutes video outlining: her journey of why she decided to do the campaign; where she intends to send all the money that was raised; as well as thank all the donors who donated to the campaign¹⁸. The YouTube video received 214,377 views in less than a month.¹⁹ On the campaign, Promise promised to donate an additional \$10,000 if the GoFundMe Campaign were to achieve the \$100,000 goal. Although it is not required for GoFundMe campaign owners to donate to their own campaign, it is certainly Of the 3,253 separate donations on the GoFundMe campaign, the average donation was approximately \$35. Her ability to continuously keep in touch with her fans and donors was imperative to the success of the campaign. Although some donors showed concern about where the funds were going, Promise would respond photo or status updates showing the results of the

¹⁶ Although the graph shows the breakdown of followers of each social media website, the graph does not account for cross sectional followers, meaning the numbers do not account for or reflect users that follow Promise Tamang on more than one platform

¹⁷ Participants are considered each individual and specific social media community members, e.g. “Followers” for Twitter, “subscribers” for YouTube, etc.

¹⁸ <http://www.gofundme.com/Re-buildNepal>

¹⁹ “HELP ME” YouTube video published April 27, 2015 <https://www.youtube.com/watch?v=2biR-9IFwZA>

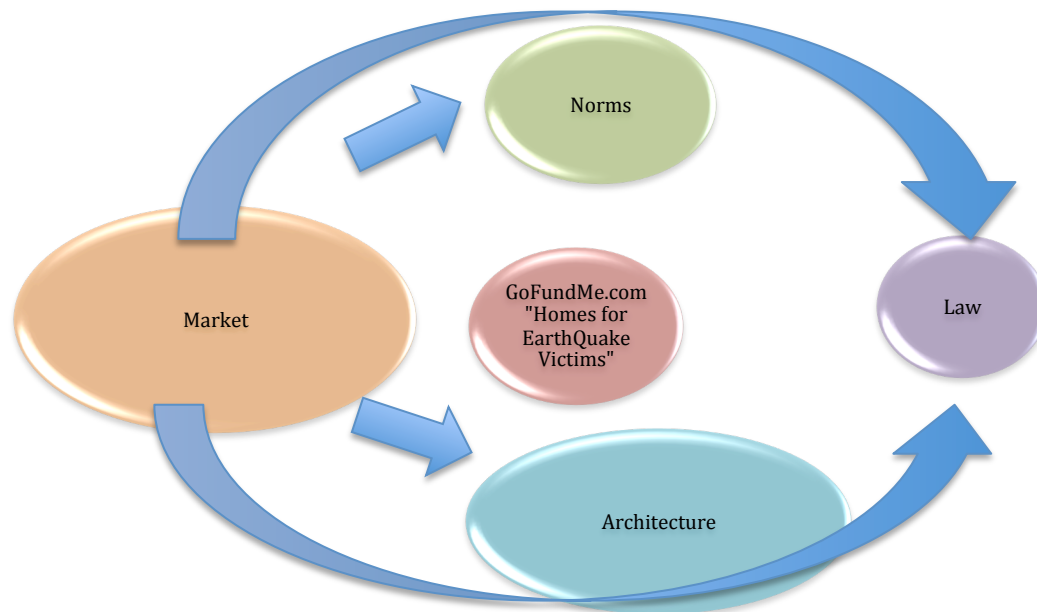
fundraising. Midway through the campaign, Promise had to announce a shift in what the money were being expended on because the situation in Nepal was so dire. (Funds were reallocated to food instead of shelter because Nepalese people needed immediate food assistance) She reported on the progress of the donation amount constantly on Twitter (See **Table 2**), as well as her other social media outlets. Her diligence to update was twofold in its benefits. The constant updates showed transparency that the donors demanded, as well as continuing to raise awareness and create a more uniformed community dedicated to her cause.

Table 2.

Promise Tamang's Tweeting Updates from April 25, 2015 – May 2, 2015		
DATE	ACTIVITY/CONTENT OF TWEET	RAISED AMOUNT REPORTED
4/25	Launches GoFundMe Campaign	\$0
4/25	Tweets 2 hours later with update on Fundraising efforts	\$2,300
4/25	Tweets later that day with an update about (no time stamp, just a date)	\$5,000
4/25	Final tweet at the close of April 25 with amount update	\$9,000
4/26	Amount of campaign so far	\$21,000
4/27	Tweet to encourage more donations	\$43,236
4/29	Thank yous and shout outs for the push of donations	\$50,000
4/29	Promise updates amount raised at the end of the day	\$70,000
5/1	Promise expresses her gratitude for all the donations	\$80,000
5/1	Promise announces she will personally donate \$10,000 if fundraising goal is reached.	\$85,487
5/2	Tweets about goal reached!	\$100,672

Now that we are better situated to see Lessig's different constraints on the GoFundMe community of Promise Tamang's campaign, there emerges a different and specific arrangement of the model where as the Market heavily influence other constraints and deeply affected the small "dot" which is the "Homes for Earthquake Victims" community.

Figure B. “Homes for Earthquake Victims” Model



IV. Conclusions

Digital media has essentially changed the way fundraising and social movements are created, marketed, and supported both domestically, as well as internationally. GoFundMe.com’s choice to leave fundraising in the hands of the public has proven to be successful, as well as the capability to regulate itself. Although Yochai Benkler may have been speaking of Wikipedia at the time, his predictions of interconnectedness that the Internet offers was incredibly accurate. As he wrote in his *Wealth of Networks*, networking, “is a way looking at the world around us and seeing the possibility of effective human cooperation, on really complex, large projects, without relying on either market or government processes”²⁰ The self proclaimed make up artist Promise Tamang is an example of the Internet enabling “amateurs” to move into the realm of “professionals” within domains they weren’t necessarily trained in. In just eight days she was able to raise more than \$100,000 for a cause. This particular case study of Promise Tamang

²⁰ Frick, Walter. “Can the Internet Bring the Beginning of the End of Selfishness” The Atlantic. (2011)

shows the possible trends of the Internet's possibilities to engage in positive civil movements and capabilities of ordinary citizens to embark on different avenues that influence and could potentially change policy. Just as Benkler predicted, there is much wealth to be found in networks and in the case of GoFundMe.com, Promise Tamang and the "Houses for Earthquake Victims" campaign found the wealth of crowdfunding.

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