

Crowdfunding Fuels Big Change

In 2010, a few friends got together in New York to create an online vehicle to raise money for their art projects. Their idea was that anyone could use the Internet to tell folks about their projects and invite people to fund those projects. In exchange, the donor would receive a good or service.

The result is [RocketHub](#), one of the world's top crowdfunding platforms. Since its creation, the RocketHub community has enabled more than 10,000 artists, scientists and entrepreneurs to raise millions of dollars in support of their creative projects and products.

"We are seeing major growth in entrepreneurship ... folks leveraging crowdfunding for business endeavors around the world. We are also seeing a lot of growth in social activities, programs and projects that individuals have developed to cause change in the world," said co-founder Jed Cohen, RocketHub's chief operating officer.

"We love to liberate ideas," said Brian Meece, another RocketHub co-founder. He said crowdfunding "harnesses communities and networks for funds, awareness and feedback. All are important to entrepreneurs."

RocketHub suggests that people looking for project funding begin by developing a story. "Tell us why this is important to you how what you are up to is going to change the world and your community. That goes a long way toward changing prospective contributors' emotional states. They are much more likely to open their wallets," Cohen said.

The next step is to develop a network of potential funders, starting with friends and family. "Those friends and family need to grow into friends of friends. ... It becomes RocketHub's responsibility to facilitate the expansion of your campaign beyond your immediate connections," Cohen said.

According to the RocketHub website, people turn to crowdfunding for different reasons. "Some people use it for straight fundraising for their project. Others use it for raising money, but focus more on getting people excited about their idea."

"It is a new take on an old idea. In ages past, art, research and inventions were often funded by patrons. The difference with crowdfunding is that you get smaller amounts from many patrons ... via the Internet.

"Modern social networking makes reaching out simple and virtually free," RocketHub says.

Cohen advises project originators to make a video of two minutes or less that tells the story of the project and to have a specific funding goal.

According to its website, RocketHub charges no upfront costs to post a project and only begins to charge a commission and credit card-processing fee as funding comes in.

RocketHub co-founder Alon Hillel-Tuch said, "Crowdfunding democratizes not only access to capital, it democratizes participation."

Photo credit: Marc Veraart
