

How Much Would You Pay To Hear A Cat Rap?

In the wild, DIY world of crowdfunding, sharp-eyed financiers from Richard Branson to Reddit's Alexis Ohanian are vying for a piece of what's now a multibillion-dollar industry. Behold, the oft-hoped for — and equally feared — future of music

BY SARAH GRANT

ILLUSTRATIONS BY TOMI OM

THIS SEPTEMBER, WHEN RAP SUPERDUO RUN THE Jewels announced preorder sales for their second album, *RTJ2*, Atlanta rapper Killer Mike and Brooklyn rapper-producer El-P included a few playfully absurd special options on RTJ's website. In addition to the \$1 million "Retirement Plan" package, a completely unserious offer for the partners to quit music, there was the far more affordable *Meow the Jewels* album bundle, a \$40,000 bid to rerecord *RTJ2* "using nothing but cat sounds for music." ("I was completely stoned out of my mind when I wrote that," El-P later told *Indy Week*.)

Sly Jones, a 30-year-old music blogger and Nike customer service rep from Arizona, took up the dare. On Sept. 17, with El-P's amused blessing, Jones' attempt to actualize *Meow the Jewels* launched on Kickstarter, the *South Park*-satirized "all or nothing" crowdfunding platform whose guidelines require projects to reach a fixed monetary goal by an immovable deadline, otherwise no money is transferred. No such problem with the cat-rap goof. When the 41-day drive ended on Oct. 28, *Meow the Jewels* had trounced its \$40,000 goal, raising a total of \$65,783, and El-P was already auditioning cats.

This is often how ridiculous, risky, or micro-niche creations are subsidized in 2014: by a throng of Little Guys, not by a singular Man. What







Mike (left) Run the Downs,

was easily derided as “digital panhandling” a few years ago is now a model for a real, substantial business. In 2012, the crowdfunding industry was worth almost \$3 billion worldwide. Kickstarter, which launched in 2009, alone reports \$1 billion in total pledges. Patreon — a 16-month-old site that works by backing creators, not specific projects — is already valued at \$17 million and counts Reddit co-founder Alex Ohanian as a backer. In January, the San Francisco-based funding engine Indiegogo raised \$40 million; four months later, Virgin mogul Richard Branson and PayPal co-founder Max Levchin became investors. And on Oct. 28, Reddit announced Redditmade, a crowdsourcing initiative for custom T-shirts and products that also helps facilitate the manufacture of the goods. All those Little Guys add up.

The arts have especially benefited from crowdfunding’s swell. Spike Lee, Zach Braff and Don Cheadle have all successfully subsidized film projects. In the music space, crowdfunding functions in place of label support, booking agents, even academic scholarships. Kickstarter alone has bankrolled more than 17,000 music projects, including two 2014 Grammy winners (the self-titled debuts from vocal octet Roomful of Teeth and Latin big band Pacific Mambo Orchestra both won statues) and an album from Kenny Loggins, who marshaled \$121,797, that is due in 2015. By raising nearly \$70,000 through the 2-year-old Tilt, a freelance creative director orchestrated a Foo Fighters concert this past September in Richmond, Va., where the rock band hadn’t played in 15 years. And, of course, there are failures. Right now on GoFundMe, a college-age bassist named Max is seeking to collect \$20,000 for his Berklee College of Music tuition, an effort that has drearily plateaued at \$515.

Crowdfunding successes tend to have a few primary persuasive characteristics. Beyond sympathy or charity, there’s the tug of nostalgia or personal loyalty: *You simply have to pay for this.* (See the \$264,000 bankrolled for Toad the Wet Sprocket’s first LP in 16

years.) There’s the hyper-specific interest: *No one else pay for this.* (Pacific Mambo Orchestra’s Grammy winner sold 341 copies, according to Nielsen SoundScan). There’s the pitch of silliness: *Wouldn’t it be funny if you paid for this?* (Mike (left) Run the Downs, the Ohio man who famously raised \$55,000 to make a record this summer). But the one pitch that’s still an awkward is outright solicitation: *Help me pay for this.* (The tradition is so real that a company called Launch and Return charges musicians \$259 for “crowdfunding training”).

All crowdfunding once carried the whiff of shame. Before *Meow the Jewels* or Kickstarter, singer-songwriter Sobule, now 49, raised \$75,000 to record and produce her eighth studio album, *California Years*. Best-known single “I Kissed a Girl” (which predated Katy Perry’s No. 1 Hot 100 No. 1 with the same name by more than a decade) Sobule used her personal website to solicit donations. “I offered incentives that ranged from an album down to a chance to sing on the full-length (\$10,000).” “I’m a working-class musician — I just want to be able to create music,” says Sobule now. At the time, Perez was so understanding. “She’s practically begging!” she sneered. “Desperate times call for desperate measures.”

“I was devastated,” says Sobule. “I wasn’t asking for free. It was an exchange.”

Amanda Palmer knows this predicament better than anyone. A musician, artist and Internet firebrand, she became a de facto poster woman for the crowdfunding movement, the 38-year-old first gained a cult following with the cabaret-punk duo Dresden Dolls, whose second album, *Yes, Virginia* peaked at No. 42 on the Billboard 200. Signed to Roadrunner Records, the singer was so frustrated about her ongoing frustrations with her label that she publicly begged it to drop her, so when the Warner



Success Stories — And A Couple Of Epic Fails

Need a new tour bus? What about a post-major-label career? 6 examples of digital fundraising



Anamanaguchi, \$277,399
In 2013, this trio asked for \$50,000 for its 22-track 8-bit opus, *Endless Fantasy*. The band got five times that amount.



The Coup, \$40,281
This hip-hop band’s frontman promised he’d write your name on a bathroom wall if you helped him buy a new tour bus. It worked.



Bob Mould, \$103,172
Only the Husker Du songwriter would be able to pull off crowdfunding a documentary about his own tribute show. In 2012, he did.



Neon Hitch, \$100,000
After four years at Warner Bros., the British gypsy-pop singer crowdfunded to release her debut album.



From far left: Palmer delivered her TED Talk, "The Art of Asking," in 2013; accidental cat-rap patrons Killer Mike (left) and El-P of Run the Jewels performed in Kingston Downs, Ga., on April 27.



subsidiary did in 2010, she immediately updated her blog with a giddy note, a download of an unreleased song and a gentle invitation for PayPal support. To this day, a donation link appears on her personal

site, footnoted with an explanation of the shift in responsibility: "YOU are my label now, comrades."

Palmer has always abided by the pass-the-hat ethos. In the late-'90s, the Massachusetts native earned money as a street performer called the Eight-Foot Bride, accepting dollar bills in a spraypainted vase. A little more than a decade later, Palmer and her now-husband, best-selling author Neil Gaiman, together raised \$133,341 in 2011 to sponsor a five-date co-headlining U.S. tour. The following year, Palmer launched a Kickstarter campaign asking for \$100,000 to fund her solo album *Theatre Is Evil*, along with an accompanying book and supporting tour. Instead, she smashed that goal with an astounding \$1.2 million, logging the (still) biggest music project in crowdfunding history. But the firestorm of criticism ignited three months later, when the singer put out a call asking musicians to play on the *Theatre Is Evil* Tour for free. Fellow musicians lambasted her, including Steve Albini, Owen Pallett and a Seattle musicians' union. Online, *The New Yorker* referred to her cattle call as "hypocrisy."

"One of the saddest misunderstandings about my Kickstarter," Palmer tells *Billboard*, "was that people believed I had just pocketed \$1.2 million when nothing could have been further from the truth." (At the time, in a 2,214-word blog post, Palmer detailed a long list of "back-of-the-napkin costs," including \$250,000 for various outstanding debts, \$80,000 to \$100,000 for four to five music videos and \$80,000 for the books, plus management and an accountant.)

A year later, Palmer gave a 13-minute TED Talk about the controversy and received a standing ovation. The lecture has since been viewed online more than 6 million times. "We have very strange and romantic notions about art and how it should — and shouldn't — have value," says Palmer, who parlayed the talk's theme into the framework of a memoir, *The Art of Asking*, to be published Nov. 11 by Grand Central. "Now with the curtain pulled back, and the system being exposed, there's a lot of skittishness. But I'd much rather face these things head on, [rather] than pretend there is some magic going on that isn't."

Jack Conte, percussionist half of the twee duo Pomplamoose, also struggled with transparency and the guilt of asking fans to

years.) There's the hyper-specific interest: *No one else but you will pay for this.* (Pacific Mambo Orchestra's Grammy winner only sold 341 copies, according to Nielsen SoundScan). There's the prospect of silliness: *Wouldn't it be funny if you paid for this?* (*Meow the Jewels*; the Ohio man who famously raised \$55,000 to make potato salad this summer). But the one pitch that's still an awkward transaction is outright solicitation: *Help me pay for this.* (The threat of rejection is so real that a company called Launch and Release actually charges musicians \$259 for "crowdfunding training.")

All crowdfunding once carried the whiff of shame. In 2008, before *Meow the Jewels* or Kickstarter, singer-songwriter Jill Sobule, now 49, raised \$75,000 to record and promote her seventh studio album, *California Years*. Best-known for the 1995 single "I Kissed a Girl" (which predated Katy Perry's Billboard Hot 100 No. 1 with the same name by more than a decade), Sobule used her personal website to solicit donations, offering incentives that ranged from an album download (\$10) to a chance to sing on the full-length (\$10,000). "I'm kind of a working-class musician — I just want to be able to continue to create music," says Sobule now. At the time, Perez Hilton wasn't so understanding. "She's practically begging!" the gossip site sneered. "Desperate times call for desperate measures!"

"I was devastated," says Sobule. "I wasn't asking for money for free. It was an exchange."

Amanda Palmer knows this predicament better than anyone. A musician, artist and Internet firebrand who also has become a de facto poster woman for the crowdfunding movement, the 38-year-old first gained a cult following as half of the cabaret-punk duo Dresden Dolls, whose second album *Yes, Virginia* peaked at No. 42 on the Billboard 200 in 2006. Signed to Roadrunner Records, the singer was forthcoming about her ongoing frustrations with her label, even once publicly begging it to drop her, so when the Warner Music Group

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asker Du songwriter would be
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n tribute show. In 2012, he did.



Neon Hitch, \$29,647+
After four years at Warner Bros. Records, this
British gypsy-pop singer is using Indiegogo
to release her debut, *Eleutheromaniac*.



Animal Collective, \$25,985
In 2009, Josh "Deakin" Dibb crowdfunded a
Wall trip, promising artwork inspired by the



The Cabin Sisters, \$0
David Mamet's daughters asked for \$



subsidiary did in 2010, she immediately updated her blog with a giddy note, a download of an unreleased song and a gentle invitation for PayPal support. To this day, a donation link appears on her personal site with an explanation of the shift in responsibility: "I'm not my label now, comrades."

Palmer has always abided by the pass-the-hat ethos. In the 1990s, the Massachusetts native earned money as a street musician. She was called the Eight-Foot Bride, accepting dollar bills in a red vase. A little more than a decade later, Palmer and her husband, best-selling author Neil Gaiman, together raised \$1.2 million in 2011 to sponsor a five-date co-headlining tour. The following year, Palmer launched a Kickstarter campaign asking for \$100,000 to fund her solo album *Theatre Is My Friend* with an accompanying book and supporting tour. She smashed that goal with an astounding \$1.2 million, the (still) biggest music project in crowdfunding history. A storm of criticism ignited three months later, when she put out a call asking musicians to play on the Theatre Is My Friend album for free. Fellow musicians lambasted her, including Ani DiFranco, Owen Pallett and a Seattle musicians' union. *New Yorker* referred to her cattle call as "hypocrisy." Palmer says the saddest misunderstandings about my music came from the fact that people believed I had pocketed \$1.2 million when nothing could have been further from the truth." (At the time, in a 2,214-word blog post, she listed a long list of "back-of-the-napkin costs," including \$250,000 for various outstanding debts, \$80,000 for legal fees, \$80,000 for four to five music videos and \$80,000 for the management and an accountant.)

Palmer gave a 13-minute TED Talk about the conundrum. She received a standing ovation. The lecture has since been viewed online more than 6 million times. "We have very romantic notions about art and how it should — and how it should have value," says Palmer, who parlayed the talk's success into the framework of a memoir, *The Art of Asking*, to be published Nov. 11 by Grand Central. "Now with the curtain pulled back and the system being exposed, there's a lot of skit-skit-skit. I'd much rather face these things head on, [rather than] avoid them. There is some magic going on that isn't."

Palmer, percussionist half of the twee duo Pomplamoose, is transparent with the guilt of asking fans to

By The Numbers

\$90B

Estimated global crowdfunding market in 20 years, according to the World Bank

115M

Dollars pledged to successful Kickstarter projects in 2014

\$339

The coffers of "Don't Let Nickelback," a Tilt campaign that tried to ban the Canadian rockers from London

7

Number of people who tried — and failed — to fund PetPhone, the world's first personal music player for pets

pay. His oddball band was a viral video pioneer. A homespun cover of Beyoncé's "Single Ladies (Put a Ring on It)" was viewed more than 4 million times, and in 2010, the duo landed a Toyota commercial with a cover of The Chordettes' "Mr. Sandman." But in 2013, Conte poured his life savings — \$15,000 — into shooting a music video co-starring robots and only yielded \$100 in YouTube ad revenue. The experience inspired him to start Patreon, a crowdfunding service that works by backing creators, not projects. (In September, YouTube also added a fan-funding component, allowing users to donate directly to video creators.) Launched in May 2013, Patreon now processes \$250 million in pledges every month for its 49,086 creators. "I personally don't take a salary," says Conte, explaining that his band releases two videos per month on Patreon, raising an average of \$6,200 per video.



"I don't want to know how much an artist I love is worth. I just want to be a part of the magic."

— Benji Rogers, PledgeMusic

Meanwhile, PledgeMusic, a site that bills itself as a "direct to fan" platform, has deliberately distanced itself from the perceived indignities associated with crowdfunding, hosting fundraising campaigns with financial targets without disclosing the figures. "The musicians at the caliber that we wanted to work with — the larger musicians — didn't want to crowdfund," says PledgeMusic founder/CEO Benji Rogers. "They didn't want to ask for money; they didn't want to show publicly what they were worth. Our greatest success came when we erased the financial target."

So far, it has worked. According to Rogers, his site's campaigns out-raise traditional crowdfunding projects by 40 percent. Slash used PledgeMusic to release his score for *Nothing Left to Fear*, a 2013 horror film from the guitarist's production company. The Hold Steady put out a five-song covers EP through the site. Currently, a reunited Juliana Hatfield Three is relying on the platform to help make a new album, offering a range of incentives, including a limited number of Hatfield's handwritten diary entries for \$40, a Skype guitar tutorial with her for \$250 and a signed snare drum for \$750.

"Crowdfunding is an incredible tool for technologies and for investment in business — I just believe it's the wrong tool for music," says Rogers, a musician who used to be a roots-rock artist named Marwood. He might be on to something. Maybe there's a better way to boil down the essentials and support independent projects without the shame or indecency of raw currency. "Music has an emotional bond with the artist and fans. If you place finance in the middle of that, it muddies the water. I don't want to know how much an artist I love is worth. I just want to be a part of the magic." ●



Collective, \$25,985
"Skin" Dibb crowdfunded a
artwork inspired by the
but never delivered.



The Cabin Sisters, \$0
David Mamet's daughters asked for \$32,000
to fund a music video, even though their folk
duo never released a song. Oh, *Shoshanna*.