



Kickstarter PBC

2017 Benefit Statement



Introduction



In 2015, Kickstarter converted from Kickstarter Inc. to Kickstarter PBC — a Public Benefit Corporation.

Becoming a PBC allowed us to unshackle from the extractive, inhuman, and societally unsustainable framework that compels companies to optimize for profit over everything.

Remarkably, more than 100 shareholders — which included current and former employees, as well as investors — voted to allow Kickstarter to convert to a PBC, giving up their right to legally compel the company to focus on maximizing profitability.

Today, more and more of us are rejecting the religion of runaway capitalism. A real sense of what's at stake when we live in a framework that compels profit at any cost is, thankfully, growing in the public dialogue.

The introduction of PBCs represented a seismic shift in corporate governance. They allow for the true legal existence of for-profit companies that “intend to produce public benefits, and to operate in a responsible and sustainable manner.”

We explain our mission and mandate as a PBC like this:

Kickstarter PBC exists to help bring creative projects to life. It's our mission and our North Star.

As a Public Benefit Corporation, we are for-profit and we seek to benefit shareholders as we pursue our mission. However, unlike typical corporations, profit maximization is not our mandate. We won't seek profit at the expense of our mission-focus and values.

We readily acknowledge that Kickstarter PBC is not the most successful business by any traditional metric. We didn't sell for a spectacular sum, we don't have any interest in an IPO, and we don't have thousands of employees. If Kickstarter's existence matters, it is because of the positive impact we've had through the over 150,000 projects that we've helped bring to life, and the model, design and standards we introduced that have shaped the way people think about online funding.

Some say that companies can't balance making money and other interests, that it's a pipe dream, that an organization must either be nonprofit or a *stop-at-nothing* and *eat-the-world* for-profit.

But as humans, we balance our desire for material things, our passions, our community, and more, every day. If we can attempt this balance individually, why can't we do it when organized? Simply, we can.

The Public Benefit Corporation form is the structure that best fits our vision for how we want to operate Kickstarter for as long as we may continue to exist.

As one of the best-known PBCs, we have an opportunity to be a leading example that there is a viable alternative to the pursuit of profit above all else.

A growing movement of successful and sustainable PBCs can prove that profit-at-all-costs is a choice, not a necessity, and that there are better ways to leave one's mark on the world.

Kickstarter is about to enter its 10th year, and we're excited to redouble our efforts to help bring creative projects to life.

In this report we look back at how we lived up to our PBC Charter in 2017, including ways that we aimed to fulfill our mission and practice good governance.

Thanks for reading.



Perry Chen
Chairman and CEO
Kickstarter PBC





AIR-INK

 Technology

 Singapore, Singapore

688 backers pledged S\$41,076
to turn air pollution into ink.

“I’m excited to work with an ink that will merge both together: beauty and environmental awareness.”

—Dibarah Mihboob, artist



Out of Eden Walk: Year Five

 Journalism

 Santa Fe, NM

694 backers pledged \$74,829
to support this storytelling walk that bridged cultures.

“The walk is an adventure. . . . You discover that we’re basically all alike . . . that we have the same loves and we have the same concerns, we want the same things for our kids.”

—Paul Salopek, Director, Out of Eden Walk



Space Odyssey

🎮 Video Games

📍 Los Angeles, CA



7,207 backers pledged \$357,866 to build this video game in which players explore space and set out on science-based missions—guided by Neil deGrasse Tyson.

“It becomes an exploration into the laws of physics and how they shape the universe in which we live.”

—Neil deGrasse Tyson, astrophysicist

How we helped bring creative projects to life in 2017

Kickstarter was designed to help us break out of the gatekeeper system, where a small number of people with money and power decide what gets funded. Ideas with limited or unclear economic prospects have few paths forward, as do creators with limited access to funding. We all suffer as a result.

Kickstarter was founded on the belief that creative works and creative expression are essential to a healthy and vibrant society.

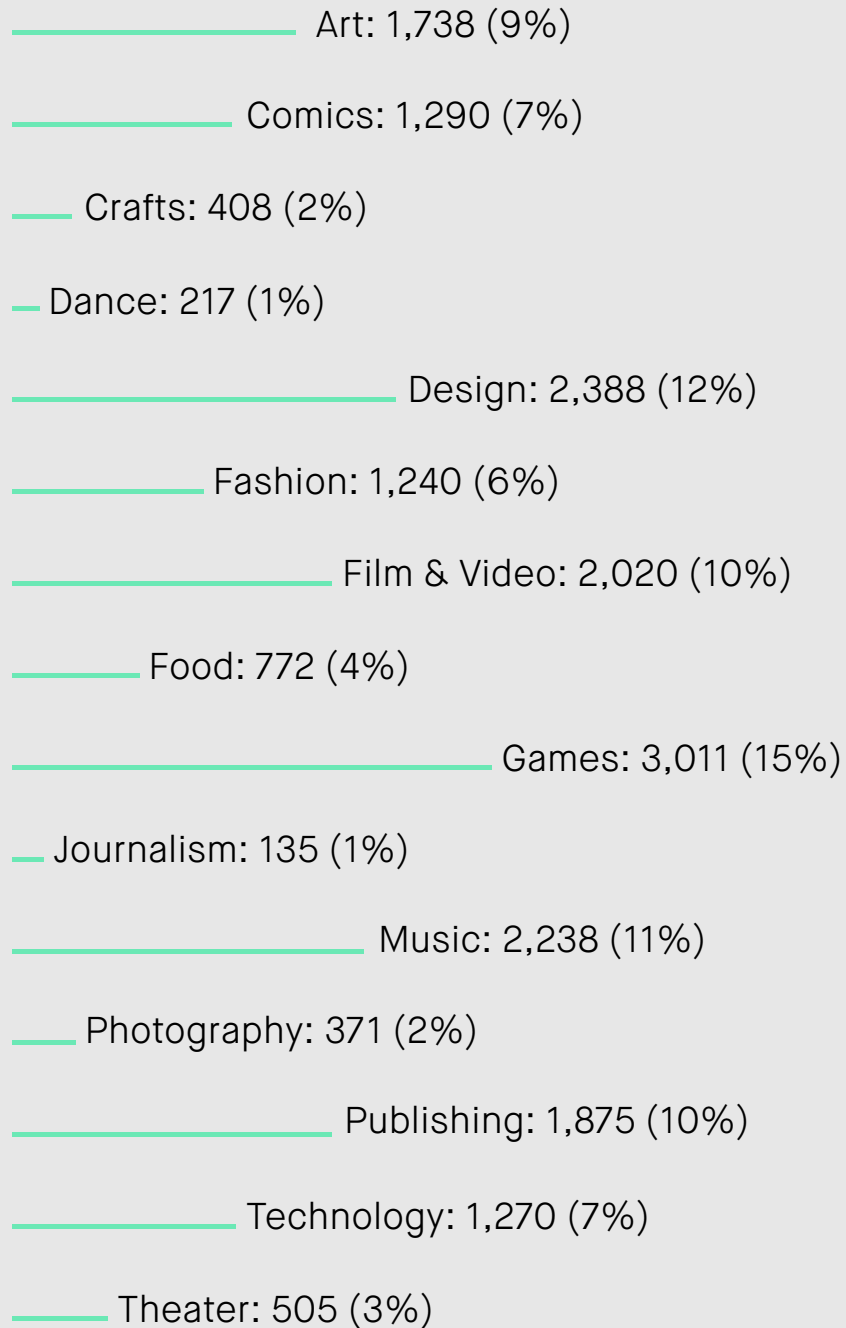
We serve creative projects from more traditionally recognized forms, like music, to more modern forms, like tabletop games. These projects bring beauty, humor, and joy into our lives. They challenge us, and they can challenge authority. They help us face, and escape, the truths of our world. They help us push back against a creeping global monoculture of sameness.



Our mission is to help bring creative projects to life. Here's how we did that in 2017:

In all, **3,291,290** people pledged a total of **\$648,870,349** to independent creators on Kickstarter last year. Together, they funded **19,478** creative projects.

Here's a look at those projects by category:



Arts Funding Advocacy

Amid calls to decrease federal funding for the arts, we campaigned with the National Assembly of State Arts Agencies to advocate for increased cultural spending. In a series of sit-downs with members of Congress, we asked that language asserting that “federal subsidies for the National Endowment for the Arts . . . can no longer be justified” be stricken from a draft federal budget bill. A few weeks later, it was.

The Creative Independent

The Creative Independent (TCI) — a resource of emotional and practical guidance for creative people — published nearly 400 interviews with notable artists spanning all creative disciplines. They shared wisdom related to topics that creators commonly struggle with. The main themes covered included the challenge of starting something new, overcoming anxiety, and pushing past creative blocks. A few of our most widely read interview subjects included the musician David Byrne on not being afraid to try new things, the visual artist and writer Roni Horn on art and politics, the poet and teacher Eve Ewing on challenging ideas of failure, and the writer Maggie Nelson on trusting your process. In 2017, half a million people read The Creative Independent. Over the course of the year, TCI also organized 13 free events, each of which focused on the nuanced process of bringing creative ideas to life. And, as a way to make the resource more accessible, we began to translate content into French, German, Spanish, Japanese, and Portuguese, with more languages to come.

Drip

In 2017 we unveiled an early version of Drip, a new subscriptions platform focused on creator independence, and invited select creators to test it out. We designed Drip to be both separate from and complementary to Kickstarter. Just as artists, authors, game designers, musicians, and filmmakers use Kickstarter to fund and build community around specific projects, Drip is a tool for people to fund and build community around their ongoing creative practice. (In 2018 we announced that instead of opening up Drip more widely, we would be supporting a new approach to subscription funding.)



Creators in Residence

We initiated a Creators-in-Residence program to help artists and creators make their ideas a reality. Kickstarter opened its doors in Brooklyn to creators who had been funded on our platform. We gave them space to work on their projects, including our theater for film screenings and performance rehearsals. This also presented an opportunity for the residents to talk about the creative challenges that they were all encountering, and a chance for them to learn from one other and work intimately with Kickstarter staff.

Outreach

Our Outreach team engaged a number of artists whose practices focused on calling attention to important social issues.

Detroit artist Pope.L highlighted the water crisis in Flint by bottling its tap water, selling it in a gallery space, and donating the proceeds to a relief fund.

Artist-activist Ai Weiwei and the Public Art Fund responded to the worldwide plight of migrants and refugees by installing over 300 works based on security fencing across New York City.

The Crenshaw District community of Los Angeles, with artist Lauren Halsey, inscribed their community narratives as hieroglyphics in a public art installation that doubled as a community-building space.

Artist Glenn Kaino collaborated with Olympian Tommie Smith to reintroduce his historic gesture of solidarity to a new generation through drawings, film, and sculpture.

Rough Cut Screening Series

Kickstarter-funded filmmakers often have trouble getting access to a screening room to share their works in a larger format. With that in mind, we launched the Rough Cut Screening Series, allowing 18 filmmaking teams to host free private screenings of their nearly completed films in the theater at our headquarters in Brooklyn. The filmmakers had the opportunity to view their work in a cinema environment and follow up with creative discussions with their funders, executive producers, consultants, and test audiences. For many it was the first time they saw their work on a big screen.

Project
highlight



Pope.L: Flint Water at What Pipeline

📍 Public Art

📍 Detroit, MI

164 backers pledged \$17,803 dollars to support this artistic intervention addressing the Flint water crisis.

"Flint Water is an art installation, performance, and intervention. . . . [It] will call attention to the city's continued plight."

—Pope.L, artist

dadamachines

📍 Sound

📍 Berlin, Germany

488 backers pledged €150,548 to produce an open-source, hackable kit that turns everyday objects into music machines.

"I want to enable people to make music in this hands-on fashion."

—Johannes Lohbihler,
creative technologist and DJ



Project
highlight

Goodnight Stories for Rebel Girls 2

📖 Children's Books

📍 Los Angeles, CA

15,475 backers pledged \$866,193
to inspire young girls with this children's book and
podcast that tell the stories of great women from all
over the world.



“It’s helping families all around the world to raise a generation of girls who are ready to dream bigger, aim higher, and fight harder.”

- Francesca Cavallo, Co-creator of
Goodnight Stories for Rebel Girls

Governance and citizenship in 2017

No organization is simply the services it offers, its public perception, or its balance sheet. Organizations, for-profit and nonprofit, exist in a greater society. Some — including Kickstarter — also have the responsibility of governing an ecosystem where millions of people interact.

When we became a Public Benefit Corporation we understood that governance was becoming more and more critical as industry standards failed to consider much more than a company's own self-interest.

As a reaction to what we saw, we added several commitments to our charter to frame how we'd govern:

Kickstarter will never sell user data to third parties.

It will zealously defend the privacy rights and personal data of the people who use its service, including in its dealings with government entities.

Kickstarter's terms of use and privacy policies will be clear, fair, and transparent.

Kickstarter will not cover every possible future contingency, or claim rights and powers just because it can or because doing so is industry standard.

Kickstarter will not lobby or campaign for public policies unless they align with its mission and values, regardless of possible economic benefits to the company.**Kickstarter will not use loopholes or other esoteric but legal tax management strategies to reduce its tax burden.**

Kickstarter will be transparent in reporting the percentage of taxes it pays and explaining the many factors that affect its tax calculation.

Kickstarter will seek to limit its environmental impact.

It will invest in green infrastructure, support green commuting methods, and factor environmental impact when choosing vendors. Additionally, Kickstarter will provide recommendations and resources that help creators make environmentally conscious decisions on tasks, like shipping and packaging, that are common to the use of its services.

Here's how we governed in 2017:

Platform Governance

Integrity Team

Our Integrity Team works to keep Kickstarter safe and trusted. Part of their work to create a healthy and vibrant ecosystem involves reviewing project submissions against the rules we've put in place.

In 2017, our Integrity team suspended 359 projects and suspended or banned 63,262 accounts for violating our rules and guidelines. These suspensions and bans were in response to violations including sending spam, pledging with stolen credit cards, and making misrepresentations on a project page.

In last year's statement we reported an intent to further empower our Integrity team in their work to keep Kickstarter safe and trusted, and to help backers understand that projects may fail and to encourage creators to be open when they do.

The main update we made to address that point was to have that team report directly to the CEO, which helped elevate the team's needs and concerns. Beyond that, we did not prioritize other initiatives aimed at encouraging greater transparency from creators or better educating backers about the risks and rewards of the system. In the long term, we believe the Hardware Studio initiative we launched can lead to better outcomes for tech and design projects, by helping creators plan better for manufacturing, a common source of problems. But we need to do more to help everyone understand how Kickstarter works, and that failed projects are part of the system.

Hardware Studio

Many hardware creators run into trouble with manufacturing, so we teamed up with two experts in this field to launch Hardware Studio. This program provides free resources and personalized advice to hardware creators so they can plan for manufacturing before they launch on Kickstarter. We accepted several creators into a part of the program that includes consultations with engineers. And on the Hardware Studio site, we offered planning tools, live streams, and other resources for the benefit of the entire indie hardware community.

Privacy Policy Update

Consistent with the obligations in our charter, we aspire for our Terms of Use and Privacy Policy to be simple and clear. We updated our Privacy Policy in March of 2017 to more explicitly allow us to make use of user information to promote our services — for example, to help with ad targeting on social networks. We also added more details about the payment information we collect and store.

Before the new policy took effect, we put a banner about it on our site for 30 days and published a comparison of the old and new versions. Given the critical importance of user privacy, we're considering various

ways we can improve how we notify our users, and provide even fuller explanations of such changes, to continue to meet the letter and spirit of the standards we set in our charter. It's an area where we aspire to be leaders in establishing best practices.

(We updated our privacy policy again in May 2018, primarily to reflect changes in European privacy laws.)

Data Sharing

How internet companies make use of people's data is a critical issue. In the interest of transparency and adding to the public dialogue, we want to talk about how we share data with social-media platforms.

We use ad targeting processes offered by Facebook and Twitter, showing ads to people with certain characteristics, like an interest in indie film. In 2017 we also started using a Facebook feature that allows more precise profile matching. Facebook matches Kickstarter users' email addresses that are 'hashed' — turned into unique strings of characters — against hashes of its users' email addresses, creating a list of users for prospective targeting. (The uploaded hashes themselves can't be reversed to discover the original email addresses.)

The matching process is more effective if more user data is uploaded, like names and phone numbers, but we shared only email addresses.

We also used Facebook's pixel system to show ads to people who visited our site but may not have created an account. We haven't shared any user data with Twitter or other platforms.

In 2018 we've greatly limited our use of ad targeting, running smaller-scale campaigns for initiatives like a promotion for typography projects.

We'll continue to limit the amount of data we share in order to limit the risk of abuse. Given the commitment in our charter to zealously defend our users' personal data, we will not share that data in any form if we are not confident that it will be secured. And we'll continue to be open about our practices in this area.

Legal Requests

We responded to two legal requests seeking information about specific projects and creators, one a subpoena from the Justice Department in connection with a criminal investigation, and the other a civil investigative demand from the Federal Trade Commission.

Our people

Here's a breakdown of demographic data as reported by our team of 122 people as of December 31, 2017.

Kickstarter overall team demographics:

- 55 women, 67 men.
- 60 team members identified as white/Caucasian; 13 as Asian; 7 as Hispanic or Latino; 4 as Black or African American; 9 as two or more races. (No data available for 29 employees.)

Our Senior Team comprised:

- Seven women and eight men.
- 10 members identified as white/Caucasian; two members as Asian; and three members identified as two or more races.

Our Executive Team comprised:

- Two women and four men.
- Five members identified as white/Caucasian and one identified as two or more races.

Here are comparisons between what our CEO and executives were paid in 2017 and the median compensation for all other employees at Kickstarter. (We changed CEOs in September 2017, so the salary figure used here is the total amount paid to both CEOs, and the equity figure represents vested stock of the outgoing CEO.)

- The median salary of employees on our executive team in 2017 was 1.86x the median salary of non-executive employees.
- Our CEO's salary in 2017 was 3.04x the median salary of all non-CEO, non-founder employees in 2017.
- Median compensation of executive employees, including both salary and equity, was 2.06x the median compensation of non-executive employees.

Note: As in the 2016 report, we used EEO-1 data for these demographics.

We're mindful that these categories don't reflect the true diversity of identities and backgrounds of our employees. We also didn't collect race/ethnicity data for employees outside of the U.S. We're working to improve this data for our 2018 report.



- Including both salary and equity, our CEO's total compensation equaled 5.8x the median total compensation of all non-CEO, non-founder employees in 2017.

For context, a 2015 study examining the executive pay gap found that the average CEO earns 204 times that of the median worker for the same company.

In 2017, we continued to offer staff education stipends, which many used to pursue creative endeavors and exploration — from improv and dance seminars, to art and music supplies. Others self-organized to convene painting meetups and film screenings. But looking back we didn't really do much to systematically and proactively encourage staff to pursue their own creative projects.

Citizenship

Taxes

We did not owe any corporate income taxes in 2017. We incurred expenses in connection with employee stock and loan transactions that materially reduced our operating profit, and therefore our tax liability. We did this to help former and current employees become shareholders, not to reduce our corporate taxes or for financial gain.

Kickstarter has long granted stock options as part of employee compensation. Converting options to shares can result in tax liabilities for the individual. As Kickstarter does not intend to IPO or sell, such individuals cannot simply sell a portion of their holdings to pay their tax liabilities. In the past, we offered loans to current and former employees to help them exercise their options and pay the resulting tax obligations. In 2017, we bought shares back from those loan holders to reduce these loans. Portions of the stock repurchase transactions were recognized as an expense by Kickstarter, reducing our taxable income, and as a gain by the employees and former employees, which must be accounted for on their personal tax returns.

When meeting our commitment to donate 5% of our after-tax profits to organizations building a more creative and equitable world, we calculated the size of our donation based on what our profit would have been without these reductions.

Environmental Impact

While we've taken a number of steps over the years to limit the environmental footprint of our staff, we know the biggest opportunity to limit our environmental impact will come from not from a focus on our headquarters, but by more deeply considering our role and responsibility as a platform that facilitates the production and distribution of material goods and cultural artifacts. In 2017, we formed an environmental impact working group to analyze how we may be able to have more scalable impact given our position as an intermediary, with a plan to roll out new initiatives in this area before the end of 2018.

Net Neutrality Advocacy

Twice in 2017 we joined other companies in broad protests in defense of net neutrality, replacing our homepage with a call to action that made it easy for our community to contact their elected representatives on this issue. In December, *The New York Times* called us out in contrast to larger tech companies, which had "taken a back seat in the debate about protecting net neutrality."

Knight Commission on Trust, Media and American Democracy

Our chairman and founder, Perry Chen, joined this commission. Its primary charge has been to examine the causes and consequences of the erosion of trust in our democratic institutions. In the coming months, the Commission will produce a report intended to influence policy, and guide those who produce, distribute, and consume news and information in an effort to rebuild that trust.

Volunteer Policy

Our volunteer policy gives employees 25 hours of paid time per year for volunteering. In 2017, Kickstarter staff volunteered at the Bronx Defenders, the New York Peace Institute, and a public elementary school, among other places.



Fighting the Travel Ban

We orchestrated an amicus brief signed by 57 other companies challenging the Trump Administration's travel ban targeting refugees and travel to the U.S. from certain countries.

We also fought the travel ban by donating \$75,000 to the International Refugee Assistance Project. IRAP worked quickly to organize more than 1,600 volunteer lawyers at airports around the country to defend the rights of refugees and immigrants, and it won several court injunctions against various iterations of the ban. In 2017, IRAP helped to resettle 354 refugees and displaced persons, and provided legal assistance through its online advice hotline to another 5,146 people.

Internship Program

For a fourth year, our summer internship program focused on providing opportunities for students with diverse backgrounds and perspectives. In 2017, we worked with a number of New York-based organizations that create opportunities for people who represent the diversity of the city, including [Coalition for Queens](#), [Ladders for Leaders](#), [Prep for Prep](#), [ScriptED](#), and [Tech Talent Pipeline](#).

Salary Discrimination Advocacy

We were among the first companies to publicly support an effort by New York City's Public Advocate to make it illegal to ask job applicants for their salary history. The legislation was aimed at closing longstanding wage gaps that hurt women and people of color. It was signed into law in May.

Civil Liberties Advocacy

Kickstarter and 51 other companies filed an amicus brief in the Supreme Court case involving Gavin Grimm, a 17-year-old transgender student in Virginia who sued his school district for the right to use the bathroom that corresponds to his gender identity. We wanted to express our support for Gavin and all trans youth, and to make our voices heard on this important civil rights issue.

Tech Talent Pipeline

Kickstarter serves on the advisory board of New York City's Tech Talent Pipeline, which works to build a talented and diverse workforce. TTP delivers training and education opportunities to equip New Yorkers with the skills to succeed in 21st century jobs.

Inside Pussy Riot

📍 Performance Art

📍 London, UK

971 backers pledged £64,087 to make immersive theater channeling the politics of Pussy Riot.

“Everybody will have an opportunity to understand, on their own skin, what it means to be a Russian prisoner. You need to go through that in order to know why you need to protect your own freedoms.”

—Nadya Tolokonnikova, Pussy Riot



Smithsonian Anthology of Hip-Hop and Rap

📍 Hip-Hop

📍 Washington, DC

2,804 backers pledged \$368,841 to produce this powerful collection chronicling hip-hop history.

“The story of hip-hop is one of great triumph and evolution, and it represents the very best of black music tradition.”

—Chuck D., Founder of Public Enemy



Our 5% donation

Our charter commits us to donating 5% of our after-tax profit towards arts and music education, and to organizations fighting to end systemic inequality. This year, we made donations to eight organizations committed to building a more creative and equitable world:



Film Society Kids



The Lamp



The Laundromat Project



Little Kids Rock



NYC Books through Bars



Sylvia Rivera Law Project



Black Girls Code



The Bronx Freedom Fund

Beyond our 5% donation, we also supported Crea, an organization in Mexico that works to generate support networks and new business habits so that women entrepreneurs can have a positive impact on their community. Because we donated our fee from every funded project launched in Mexico during our first 100 days serving creators there, they were able to provide comprehensive business training services through regional business development centers and an online learning platform.

We also checked back in with the six organizations that we supported as part of our 2016 donation to see how they were able to put those funds to work in support of their missions.

DreamYard offers free arts and social justice programs to young people and families in the Bronx, building pathways to equity and opportunity through the arts. Kickstarter's donation supported DreamYard's 50 after-school programs at Bronx public schools, serving 10,000 students a year; classes at its Art Center; youth internship and employment programs; international student exchanges; and DreamYard's first Art as a Weapon conference. The organization also runs the DreamYard Preparatory High School, which offers a rigorous arts-integrated curriculum.

Film Society Kids is part of the arts education program of the Film Society of Lincoln Center in New York City. Guided by experienced filmmakers, teachers and artists, third- and fourth-grade students watch and learn about classic and contemporary art cinema before breaking off into teams of five to create their own short films. Kickstarter's donation helped Film Society Kids add two new schools to its roster and serve a total of 650 children. The program culminated in the annual Film Society Kids Film Festival, where the students' 120 short films were presented to 1,040 students, teachers, school administrators, and parents.

The New York Civil Liberties Union, the New York affiliate of the American Civil Liberties Union, defends and promotes the fundamental principles and values embodied in the Bill of Rights, the U.S. Constitution, and the New York State Constitution. Kickstarter's donation helped support the NYCLU's many achievements in 2017, including new protections for Muslim New Yorkers against unlawful police surveillance; state legislation to ensure the right to a lawyer for New Yorkers charged with crimes; and a legal victory over a school district that was discriminating against LGBTQ students.

Willie Mae Rock Camp is a music education and mentoring program dedicated to empowering girls and women in New York City through arts and activism. Kickstarter's donation went to the organization's scholarship fund, making its summer camp accessible to girls from all

backgrounds. That program supported a total of 187 girls, young women, and gender-non-conforming youth between the ages of five and 18. The funding also enabled WMRC to broaden the scope of its year-round programs, adding a third Rhythm & Voice after-school program in Brooklyn in addition to those in the Bronx and Queens.

The Brooklyn Community Bail Fund addresses the issue of mass incarceration by providing cash bail in amounts of \$2,000 or less to people charged with misdemeanors. It fights the criminalization of race and poverty and the pretrial detention of presumptively innocent New Yorkers. Donations in 2016 allowed the Fund to expand existing programs, build new partnerships and secure the release of nearly 1,400 people accused of misdemeanors — men and women who would have been jailed for their poverty alone. Free to fight their cases, the Fund's clients were nearly three times as likely to have all charges dismissed.

Coalition for Queens (C4Q) is working to create a tech community in New York that mirrors the city's diversity. Its Access Code initiative trains talented people from underserved populations to code through a 10-month program. Donations in 2016 allowed C4Q to help its graduates get better jobs and increase their salary from \$18,000 to over \$85,000 a year on average, transforming their lives. In 2017, C4Q kicked off a new class with more than 140 Fellows that were over 46% women, 62% African American or Hispanic, 39% immigrants, and 57% without college education.



Narita Boy: The retro futuristic pixel game

 Video Games

 Barcelona, Spain

5,012 backers pledged €160,946 to create a futuristic video game inspired by retro pixel adventures.

“Swim deep into an oneiric, poetic, and unique experience across dimensional planes.”

—Studio Koba



Project highlight



Azimuth Climate Data Backup Project

 Web

 Riverside, CA

627 backers pledged \$20,427 to protect the safety of U.S. government climate data.

“We’re backing up U.S. government databases on climate change and the environment before Trump takes office.”

—John Baez, mathematical physicist





Pablo Neruda: Poetry Lost + Found

📄 Poetry

📍 Seattle, WA

413 backers pledged \$25,302
to publish lost poetry by Pablo Neruda,
including his very first book.

“I wonder if when he wrote these things down,
if he could imagine how important they would
be to people.”

—Karie Jane, poetry reader

Hair Love

📄 Shorts

📍 Los Angeles, CA

4,981 backers pledged \$284,058
to fund this short film about an African
American father trying to do his daughter's
hair for the first time.

“We're trying to promote hair positivity, and
inspiring young kids to take pride in their
natural hair.”

—Matthew A. Cherry, Writer and Co-director,
Hair Love





Trevor Paglen: Orbital Reflector

📍 Art

📍 Reno, NV

557 backers pledged \$76,053 to help the Nevada Museum of Art launch the first satellite to exist purely as an artistic gesture.



“The thing that I hope people take away from the project is a sense that things don’t have to be how they are. That it is possible to imagine different presents and to imagine different futures—and not only to imagine them, but also try to make them.”

—Trevor Paglen, artist

Appendix



Our [2016 benefit statement](#) was organized around the structure of our [charter](#). We took a different approach this year, but for ease of comparison we're including this breakdown of 2017 in that same format.

1. Kickstarter's mission is to help bring creative projects to life.

A. "Kickstarter will create tools and resources that help people bring their creative projects to life, and that connect people around creative projects and the creative process."

In all, 3,291,290 people pledged a total of \$648,870,349 to independent creators on Kickstarter last year. Together, they funded 19,478 creative projects.

Drip

In 2017 we unveiled an early version of Drip, a new subscriptions platform focused on creator independence, and invited select creators to test it out. We designed Drip to be both separate from and complementary to Kickstarter. Just as artists, authors, game designers, musicians, and filmmakers use Kickstarter to fund and build community around specific projects, Drip is a tool for people to fund and build community around their ongoing creative practice. (In 2018 we announced that instead of opening up Drip more widely, we

would be supporting a new approach to subscription funding.)

B. "Kickstarter will care for the health of its ecosystem and integrity of its systems."

Our Integrity Team works to keep Kickstarter safe and trusted. Part of their work to create a healthy and vibrant ecosystem involves reviewing project submissions against the rules we've put in place.

In 2017, our Integrity team suspended 359 projects and suspended or

banned 63,262 users for violating our rules and guidelines. These suspensions and bans were in response to violations including sending spam, pledging with stolen credit cards, and making misrepresentations on a project page.

In last year's statement we reported an intent to further empower our Integrity team in their work to keep Kickstarter safe and trusted, and to help backers understand that projects may fail and to encourage creators to be open when they do.

The main update we made to address that point was to have that team report directly to the CEO, which helped elevate the team's needs and concerns. Beyond that, we did not prioritize other initiatives aimed at encouraging greater transparency from creators or better educating backers about the risks and rewards of the system. In the long term, we believe the Hardware Studio initiative we launched can lead to better outcomes for tech and design projects, by helping creators plan better for manufacturing, a common source of problems. But we need to do more to help everyone understand how Kickstarter works, and that failed projects are part of the system. or better educating backers about the risks and rewards of the system. In the long term, we believe the Hardware Studio initiative we launched can lead to better outcomes for tech and design projects, by helping creators plan better for

manufacturing, a common source of problems. But we need to do more to help everyone understand how Kickstarter works, and that failed projects are part of the system. we would be supporting a new approach to subscription funding.)

Hardware studio

Many hardware creators run into trouble with manufacturing, so we teamed up with two experts in this field to launch Hardware Studio. This program provides free resources and personalized advice to hardware creators so they can plan for manufacturing before they launch on Kickstarter. We accepted several creators into a part of the program that includes consultations with engineers. And on the Hardware Studio site, we offered planning tools, live streams, and other resources for the benefit of the entire indie hardware community.

C. Kickstarter will engage beyond its walls with the greater issues and conversations affecting artists and creators.

Arts Funding Advocacy

Amid calls to decrease federal funding for the arts, we campaigned with the National Assembly of State Arts Agencies to advocate for increased cultural spending. In a series of sit-downs with members of Congress, we asked that language asserting that "federal subsidies for the National Endowment for the Arts...

can no longer be justified" be stricken from a draft federal budget bill. A few weeks later, it was.

The Creative Independent

The Creative Independent (TCI) — a resource of emotional and practical guidance for creative people — published nearly 400 interviews with notable artists spanning all creative disciplines. They shared wisdom related to topics that creators commonly struggle with. The main themes covered included the challenge of starting something new, overcoming anxiety, and pushing past creative blocks. A few of our most widely read interview subjects included the musician David Byrne on not being afraid to try new things, the visual artist and writer Roni Horn on art and politics, the poet and teacher Eve Ewing on challenging ideas of failure, and the writer Maggie Nelson on trusting your process. In 2017, half a million people read The Creative Independent. Over the course of the year, TCI also organized 13 free events, each of which focused on the nuanced process of bringing creative ideas to life. And, as a way to make the resource more accessible, we began to translate content into French, German, Spanish, Japanese, and Portuguese, with more languages to come.

2. Kickstarter's operations will reflect its values.

A. Kickstarter will never sell user data to third parties. It will zealously defend the privacy rights and personal data of the people who use its service, including in its dealings with government entities.

We responded to two legal requests seeking information about specific projects and creators, one a subpoena from the Justice Department in connection with a criminal investigation, and the other a civil investigative demand from the Federal Trade Commission.

Data Sharing

How internet companies make use of people's data is a critical issue. In the interest of transparency and adding to the public dialogue, we want to talk about how we share data with social-media platforms.

We use ad targeting processes offered by Facebook and Twitter, showing ads to people with certain characteristics, like an interest in indie film. In 2017 we also started using a Facebook feature that allows more precise profile matching. Facebook matches Kickstarter users' email addresses that are 'hashed' — turned into unique strings of characters -- against hashes of its users' email addresses, creating a list of users for prospective targeting. (The uploaded hashes themselves

can't be reversed to discover the original email addresses.)

The matching process is more effective if more user data is uploaded, like names and phone numbers, but we shared only email addresses.

We also used Facebook's pixel system to show ads to people who visited our site but may not have created an account. We haven't shared any user data with Twitter.

In 2018 we've greatly limited our use of ad targeting, running smaller-scale campaigns for initiatives like a promotion for typography projects.

We'll continue to limit the amount of data we share in order to limit the risk of abuse. Given the commitment in our charter to zealously defend our users' personal data, we will not share that data in any form if we are not confident that it will be secured. And we'll continue to be open about our practices in this area.

B. Kickstarter's terms of use and privacy policies will be clear, fair, and transparent. Kickstarter will not cover every possible future contingency, or claim rights and powers just because it can or because doing so is industry standard.

Privacy Policy Update

Consistent with the obligations in our charter, we aspire for our Terms of Use

and Privacy Policy to be simple and clear. We updated our Privacy Policy in March of 2017 to more explicitly allow us to make use of user information to promote our services — for example, to help with ad targeting on social networks. We also added more details about the payment information we collect and store.

Before the new policy took effect, we put a banner about it on our site for 30 days and published a comparison of the old and new versions. Given the critical importance of user privacy, we're considering various ways we can improve how we notify our users, and provide even fuller explanations of such changes, to continue to meet the letter and spirit of the standards we set in our charter. It's an area where we aspire to be leaders in establishing best practices.

(We updated our privacy policy again in May 2018, primarily to reflect changes in European privacy laws.)

C. Kickstarter will not lobby or campaign for public policies unless they align with its mission and values, regardless of possible economic benefits to the company.

Fighting the Travel Ban

We orchestrated an amicus brief signed by 57 other companies challenging the Trump Administration's travel ban targeting refugees and travel to the US from certain countries.

We also fought the travel ban by donating \$75,000 to the International Refugee Assistance Project. IRAP worked quickly to organize more than 1,600 volunteer lawyers at airports around the country to defend the rights of refugees and immigrants, and it won several court injunctions against various iterations of the ban. In 2017, IRAP helped to resettle 354 refugees and displaced persons, and provided legal assistance through its online advice hotline to another 5,146 people.

Salary Discrimination Advocacy

We were among the first companies to publicly support an effort by New York City's Public Advocate to make it illegal to ask job applicants for their salary history. The legislation was aimed at closing longstanding wage gaps that hurt women and people of color. It was signed into law in May.

Net Neutrality Advocacy

Twice in 2017 we joined other companies in broad protests in defense of net neutrality, replacing our homepage with a call to action that made it easy for our community to contact their elected representatives on this issue. In December, The New York Times called us out in contrast to larger tech companies, which had "taken a back seat in the debate about protecting net neutrality."

Knight Commission on Trust, Media and American Democracy

Our chairman and founder, Perry Chen, joined the Knight Commission

on Trust, Media and American Democracy. The Commission's primary charge has been to examine the causes and consequences of the erosion of trust in our democratic institutions. In the coming months, the Commission will produce a report intended to influence policy, and guide those who produce, distribute, and consume news and information in an effort to rebuild that trust.

Civil Liberties Advocacy

Kickstarter and 51 other companies filed an amicus brief in the Supreme Court case involving Gavin Grimm, a 17-year-old transgender student in Virginia who sued his school district for the right to use the bathroom that corresponds to his gender identity. We wanted to express our support for Gavin and all trans youth, and to make our voices heard on this important civil rights issue.

D. Kickstarter will not use loopholes or other esoteric but legal tax management strategies to reduce its tax burden. Kickstarter will be transparent in reporting the percentage of taxes it pays and explaining the many factors that affect its tax calculation.

We did not owe any corporate income taxes in 2017. We incurred expenses in connection with employee stock and loan transactions that materially reduced our operating profit, and therefore our tax liability. We did this

to help former and current employees become shareholders, not to reduce our corporate taxes or for financial gain.

Kickstarter has long granted stock options as part of employee compensation. Converting options to shares can result in tax liabilities for the individual. As Kickstarter does not intend to IPO or sell, such individuals cannot simply sell a portion of their holdings to pay their tax liabilities. In the past, we offered loans to current and former employees to help them exercise their options and pay the resulting tax obligations. In 2017, we bought shares back from those loan holders to reduce these loans. Portions of the stock repurchase transactions were recognized as an expense by Kickstarter, reducing our taxable income, and as a gain by the employees and former employees, which must be accounted for on their personal tax returns.

When meeting our commitment to donate 5% of our after-tax profits to organizations building a more creative and equitable world, we calculated the size of our donation based on what our profit would have been without these reductions.

E. Kickstarter will seek to limit environmental impact. It will invest in green infrastructure, support green commuting methods, and factor environmental impact when choosing vendors. Additionally, Kickstarter

will provide recommendations and resources that help creators make environmentally conscious decisions on tasks, like shipping and packaging, that are common to the use of its services.

While we've taken a number of steps over the years to limit the environmental footprint of our staff, we know the biggest opportunity to limit our environmental impact will come from not from a focus on our headquarters, but by more deeply considering our responsibility as a platform that facilitates the production and distribution of material goods and cultural artifacts. To that end, last year we began looking at this issue from a more clear perspective of platform responsibility. We have several initiatives planned for 2018 to push for more environmentally responsible practices from creators.

[Black Girls Code](#)
[Film Society Kids](#)
[Bronx Freedom Fund](#)
[The Laundromat Project](#)
[Sylvia Rivera Law Project](#)
[NYC Books through Bars](#)

Beyond our 5% donation, we also supported Crea, an organization in Mexico that works to generate support networks and new business habits so that women entrepreneurs can have a positive impact on their community. Because we donated our fee from every funded project launched in Mexico during our first 100 days serving creators there, Crea was able to provide comprehensive business training services through regional business development centers and an online learning platform.

- Fashion: 1,240 (6%)
- Film & Video: 2,020 (10%)
- Food: 772 (4%)
- Games: 3,011 (15%)
- Journalism: 135 (1%)
- Music: 2,238 (11%)
- Photography: 371 (2%)
- Publishing: 1,875 (10%)
- Technology: 1,270 (7%)
- Theater: 505 (3%)

Outreach Team Focus on Social Practice

Our Outreach team engaged a number of artists whose practices focused on calling attention to important social issues.

- Detroit artist Pope.L [highlighted the water crisis in Flint](#) by bottling its tap water, selling it in a gallery space, and donating the proceeds to a relief fund.
- Artist-activist Ai Weiwei and the Public Arts Fund responded to the worldwide plight of migrants and refugees by [installing over 300 works based on security fencing](#) across New York City.
- The Crenshaw District community of Los Angeles, with artist Lauren Halsey, [inscribed their community narratives as hieroglyphics](#) in a public art installation that doubled as a community-building space.
- Artist Glenn Kaino collaborated with Olympian Tommie Smith to reintroduce his historic gesture of solidarity to a new generation through [drawings, film, and sculpture](#).

3. Kickstarter supports a more creative and equitable world.

A. Kickstarter will annually donate 5% of its after-tax profit towards arts and music education, and to organizations fighting to end systemic inequality as further defined in sections 4(c) and 5(c) below (the “5% pledge”).

This year, we made donations to eight organizations committed to building a more creative and equitable world:
[The Lamp](#)
[Little Kids Rock](#)

4. Kickstarter is committed to the Arts.

A. Kickstarter will always support, serve, and champion artists and creators, especially those working in less commercial areas.

In 2017 there were 19,478 successfully funded projects on Kickstarter. Here's a look at funded projects by category:

- Art: 1,738 (9%)
- Comics: 1,290 (7%)
- Crafts: 408 (2%)
- Dance: 217 (1%)
- Design: 2,388 (12%)

Creators-in-Residence

We initiated a Creators-in-Residence program to help artists and creators make their ideas a reality. Kickstarter opened its doors in Brooklyn to creators who had been funded on our platform. We gave them space to work on their projects, including our theater for film screenings and performance rehearsals. This also presented an opportunity for the residents to talk about the creative challenges that they were all encountering, and a chance for them to learn from one other and work intimately with Kickstarter staff.

Rough Cut Screening Series

Kickstarter-funded filmmakers often have trouble getting access to a screening room to share their works in a larger format. With that in mind, we launched the Rough Cut Screening Series, allowing 18 filmmaking teams to host free private screenings of their nearly completed films in the theater at our headquarters in Brooklyn. The filmmakers had the opportunity to view their work in a cinema environment and follow up with creative discussions with their funders, executive producers, consultants, and test audiences. For many it was the first time they saw their work on a big screen.

Creating a Space for Literary Spaces

We created a new sub-category on-site for Literary Spaces as a way to support and celebrate projects aimed at nurturing independent authors, publishers, and book culture. To-

date, more than 10,000 people have pledged over \$600,000 to 55 Literary Spaces on Kickstarter.

B. Kickstarter will foster a supportive environment for employees to work on their own creative projects, including time off to pursue them.

In 2017, we continued to offer staff education stipends, which many used to pursue creative endeavors and exploration — from improv and dance seminars, to art and music supplies. Others self-organized to convene painting meetups and film screenings. But looking back we didn't really do much to systematically and proactively encourage staff to pursue their own creative projects.

5. Kickstarter is committed to fighting inequality.

Kickstarter serves on the advisory board of New York City's Tech Talent Pipeline, which works to build a talented and diverse workforce. TTP delivers training and education opportunities to equip New Yorkers with the skills to succeed in 21st century jobs.

A. Kickstarter will provide opportunities and paid time off for employees to provide professional mentorship and skills training to people from groups underrepresented

in the worlds of art, business, or technology.

For a fourth year, our summer internship program focused on providing opportunities for students with diverse backgrounds and perspectives. In 2017, we worked with a number of New York-based organizations that create opportunities for people who represent the diversity of the city, including Coalition for Queens, Ladders for Leaders, Prep for Prep, ScriptED, and Tech Talent Pipeline.

Our volunteer policy gives employees 25 hours of paid time per year for volunteering. In 2017, Kickstarter staff volunteered at the Bronx Defenders, the New York Peace Institute, and a public elementary school, among other places.

B. Kickstarter will report on team and leadership demographics, executive and CEO pay ratios, and programs and strategies employed to build a diverse, inclusive, and equitable organization.

In 2017 our new initiatives in this area focused on the hiring process. They included structured interviewing and feedback across all teams to limit bias; a mandatory training session on unconscious bias in interviewing; and an on-boarding process that is an education in office policies around discrimination, harassment, and expectations of mutual respect.

Here's a breakdown of demographic data as reported by our team of 122 people as of December 31, 2017.

Kickstarter overall team demographics:

- 55 women, 67 men
- 60 team members identified as white/Caucasian; 13 as Asian; 7 as Hispanic or Latino; 4 as Black or African American; 9 as two or more races. (No data available for 29 employees.)

Note: As in the 2016 report, we used EEO-1 data for these demographics. We're mindful that these categories don't reflect the true diversity of identities and backgrounds of our employees. We also didn't collect race/ethnicity data for employees outside of the U.S. We're working to improve this data for our 2018 report.

Our Senior Team comprised:

- Seven women and eight men.
- 10 members identified as white/Caucasian; two members as Asian; and three members identified as two or more races.

Our Executive Team comprised:

- Two women and four men.
- Five members identified as white/Caucasian and one identified as two or more races.

Here are comparisons between what our CEO and executives were paid in 2017 and the median compensation for all other employees at Kickstarter. (We changed CEOs in September, so the salary figure used here is the total amount paid to both CEOs, and the equity figure represents vested stock of the outgoing CEO.)

The median salary of employees on our executive team in 2017 was 1.86x the median salary of non-executive employees.

Our CEO's salary in 2017 was 3.04x the median salary of all non-CEO, non-founder employees in 2017.

Median compensation of executive employees, including both salary and equity, was 2.06x the median compensation of non-executive employees.

Including both salary and equity, our CEO's total compensation equaled 5.8x the median total compensation of all non-CEO, non-founder employees in 2017.

For context, a 2015 study examining the executive pay gap found that the average CEO earns 204 times that of the median worker for the same company.

