Crowdfunding: Social Frictions in the Flat World?

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Abstract

We examine a crowdfunding platform that connects artists with funders. Although the internet reduces many distance-related frictions, local and distant funders exhibit different funding patterns. Local funders appear less responsive to information about the cumulative funds raised by an artist. However, this distance effect appears to proxy for a social effect; it is explained by funders who likely have an offline social relationship with the artist ("friends and family"). Yet, the social effect does not persist past the first investment, suggesting this information only influences certain activities, such as search but not monitoring. Thus, although the platform seems to diminish many distance-related frictions, it does not eliminate them all. These findings provide a deeper understanding of the abilities and limitations of online markets to facilitate transactions and convey information between buyers and sellers with varying degrees of social connectedness.

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1 Introduction

Crowdfunding provides a method for artists and other types of entrepreneurs to finance their projects, potentially facilitating gains from trade that would not otherwise occur. It works by enabling small funding increments (often as low as $5 in non-equity settings) through social networking platforms that allow funders to communicate with each other as well as with funding recipients. Although small in terms of overall economic activity, crowdfunding is expanding in the variety of sectors to which it is applied as well as in the value of overall transactions (Lawton & Marom 2010). Furthermore, there is increasing interest in the potential role it could play in early-stage finance. For example, in April 2012 President Obama signed into law the Jumpstart Our Business Startups (JOBS) Act with the goal of reducing regulatory restrictions on raising capital for young and small businesses. While at the time of this writing the implementation of key elements of the Act, such as legalizing equity investments by non-accredited investors, still await the required rules be set by the Securities and Exchange Commission, many platforms are already growing exponentially, such as AngelList (allows for equity investments, but open to accredited investors only) and Kickstarter (does not allow equity investments, but is open to all interested participants - no accreditation required).

We examine data from the first significant crowdfunding platform, which did not support equity investing but did allow for revenue sharing. Sellaband, a crowdfunding platform dedicated to new musical artists not yet signed to a record label, enabled artists to raise capital to finance the recording and production of an album. This company, headquartered in The Netherlands, allowed for equity-like crowdfunding (revenue sharing) for approximately three years before being acquired by a German firm at which time it was subjected to stricter securities rules. We examine data on every investment transaction on that platform during its first three years of existence.[1]

This new and rapidly evolving form of financing offers insight into a range of interesting questions regarding the early-stage finance of projects and ventures. In Agrawal, Catalini & Goldfarb (2013), we lay out the key economic features of these platforms, including the actors (entrepreneurs, funders,

[1] Although this platform was based on revenue sharing with funders, individuals may have invested for philanthropic or other reasons besides pecuniary returns. This need not affect the interpretation of our main results. We address this point in Section 2.1.

platforms) and the incentives and disincentives facing each, in terms of the attractiveness of raising capital through crowdfunding relative to traditional sources of funding. In this paper, we focus on two specific questions relating to information, search, and reputation: How do local and distant investment patterns differ? And what might explain those differences?

For offline investment, reputation and trust are often built through local interpersonal interaction. A long literature suggests that investments in early-stage ventures tend to be local due to the importance of reputation and trust, which are especially important in the absence of regulatory disclosures and oversight, and also because of distance-sensitive costs associated with early-stage investments, such as identifying opportunities, conducting due diligence, and monitoring progress (Lerner 1995, Sorenson & Stuart 2001, Florida & Kenney 1988, Sohl 1999, Nieuwerburgh & Veldkamp 2009, Seasholes & Zhu 2005, Tribus 1970).

However, a striking feature of crowdfunding is the great distance between entrepreneurs and many of the people who fund them. In this paper, we document some of the key challenges of distant investments and explore the mechanisms through which they have been overcome in the context of crowdfunding. We also speculate on the consequences of these mechanisms for market outcomes. Thus, one of our objectives is to better understand how crowdfunding platforms might generate challenges and opportunities for geographically isolated funders and entrepreneurs.

On the Sellaband platform, artists must raise $50,000 in order to access the capital. Individuals fund in $10 increments and may purchase as many shares as they choose during a single round of financing. In these data, the average successful artist raises their $50k from approximately 609 individuals over a one-year period. The average distance between an artist and a funder is approximately 5000 km. Thus, distance does not seem to be an important barrier to investment.

At some level this is unsurprising because crowdfunding platforms have three common properties that are purposefully designed to overcome distance-related frictions. Specifically, 1) Easier search: they provide a format for the potential recipient of funds to present their project online in a standardized and comprehensive manner that make search relatively easy, 2) Less need for monitoring: they allow for small financial transactions (e.g., $10) to enable broad participation with limited downside risk and thus lessen the need to monitor day-to-day activities compared to

traditional funders of early-stage projects and ventures (e.g. Lerner (1995) and Gompers (1995)), and 3) Information on what others have done: they provide investment information (e.g., cumulative amount raised to date and the online identity of current funders) and tools for funders to communicate with each other. By enabling such activities and consistent with prior research in retail and advertising that examines how the online setting allows people to overcome offline barriers to market transactions (Brynjolfsson, Hu & Rahman 2009), crowdfunding platforms reduce market frictions associated with geographic distance. Therefore, the importance of distance-related frictions in crowdfunding depends on the tension between these distance "flattening" properties and the traditional needs of early-stage funders.

To explore this further, we begin by focusing on the third of these properties: the role of information about online investments as conveyed by the amount of capital raised to date. The amount raised to date conveys information, such as what other funders believe about the quality and potential of the project. This focus is consistent with prior literature that has documented 'herding behavior' in crowdfunding on Prosper.com and elsewhere (Zhang & Liu 2012, Burtch, Ghose & Wattal 2011, Freedman & Jin 2011). Our results are consistent with this prior literature and show that investment propensity rises as an artist's cumulative capital raised increases.

To the extent that local funders have informational advantages over distant funders due to offline access to the artist, they may derive less new information from knowing the amount of capital raised to date. If so, then this would imply that local advantages related to search and monitoring may still be salient in the early stages of a crowdfunding campaign.

We exploit this potential wedge in the value of posted information and compare how the timing of local versus distant investments differs with the publicly visible amount raised to date. Specifically, we estimate the propensity of a funder to fund an artist in a given week, conditional on the amount raised, and compare propensities for local versus distant funders. We find that the timing of distant, but not local, investments is very responsive to the cumulative level of funding already raised. Thus, while many investments are distant, there is a qualitative difference between the types of investments made locally versus those made over distance, and this difference seems to be related to information.

After establishing a difference between local and distant investments, the remainder of the paper explores the reasons behind this difference. We emphasize a social explanation for this finding. Our results suggest that local funders differ from distant funders in their responsiveness to the investment decisions of others because proximity enables social ties. The entrepreneurial finance literature makes frequent reference to the role of friends and family (F&F) as an important source of capital for early-stage ventures.[2] Parker (2009) reports that 31% of start-ups' funds come from F&F. Researchers have emphasized friends' and family's informational advantages concerning the quality of the entrepreneur (Cumming & Johan 2009). Given the local nature of social networks (Hampton & Wellman 2002), F&F tend to be disproportionately local.

We code each funder-artist pair with an indicator variable for "friends and family" (F&F) based on two measures: (1) behavioral traits they exhibit on the website and (2) survey information from a subset of artists who specifically identify their friends and family among their funders. We find that F&F are disproportionately co-located with the artists they fund, although there are many local funders who are not F&F and many F&F funders who are distant. We then compare how the relationship between cumulative funding and the propensity to fund in a given period varies with distance after controlling for F&F. The distance effect largely disappears. In other words, although local and distant funders do display different investment patterns, this difference is mostly explained by the disproportionately local nature of social relationships. Controlling for preexisting offline social networks, we see little difference between local and distant investment patterns.

We next examine the role social networks play in facilitating investments. The early stage finance literature emphasizes search and monitoring as two key information advantages of collocation between funders and the people they fund. Social networks could substitute for the information provided by prior funders for either search or monitoring. It could be that prior funders help prospective funders identify artists worth investing in, and that social networks enable the same phenomenon. It could also be that prior funders serve as monitors and that prospective funders trust that those monitors will provide oversight to artists in the same way that social networks do.

We present evidence suggesting that search, rather monitoring, explains the difference between

[2]Despite the acknowledged importance of F&F, few empirical studies focus on this form of investment, likely owing to a paucity of data.

investments made by those inside and outside the artist's social network. We find the difference is primarily driven by the first investment a funder makes in a particular artist. Furthermore, artist activity on the platform (such as posting videos and songs) does not seem to substantially alter behavior after the first investment. Overall, we interpret this as suggesting that much of the difference between F&F and other funders may be driven by search (i.e., identifying opportunities, forming a consideration set) as opposed to post-search activities such as monitoring. Instead of relying on recommendation systems provided by the crowdfunding platform, F&F funders seem guided more by offline information and may even join the platform in order to fund a particular artist. Once that investment occurs, however, F&F behave like other funders with respect to subsequent investments.

In this way, these results suggest that the crowdfunding platform eliminates most distance-related economic frictions normally associated with financing early-stage projects such as monitoring progress. However, it does not eliminate particular frictions associated with information more likely to be held by socially connected individuals. This interpretation, which emphasizes the importance of interpersonal relations in early-stage finance, is consistent with the findings of Nanda & Khanna (2010), who report that cross-border social networks play a key role when access to capital is especially difficult. It is also consistent with models that emphasize the role of information in explaining home bias in investments (e.g. Nieuwerburgh & Veldkamp (2009), French & Poterba (1991)). Broadly, as long as the information flowing through social networks cannot be easily communicated online, distance will continue to play a role.

These results lead us to speculate that there may be path dependency in the process of accessing distant funders online. To the extent that distant funders disproportionately rely on information revealed in the investment decisions of others, F&F might play an important role in making early investments that generate that information. Conti, Thursby & Rothaermel (2011) argue that investments by F&F can signal the entrepreneur's commitment to the venture. If true in the crowdfunding setting, then this would imply a limitation to the "equal access for all" potential of the internet. Communications technologies enable artists and other entrepreneurs from anywhere to access capital globally, but in reality only those with a sufficient base of offline support may

be able to do so.[3] Focusing on the role of distance, the results suggest that crowdfunding does reduce distance-related barriers to investments with one important exception: frictions related to preexisting (offline) social networks.

2 Empirical Setting

2.1 Sellaband

Sellaband was an early and prominent crowdfunding platform. Launched on August 15, 2006, it has been referred to as the "granddaddy of crowdfunding" (Kappel 2009). The company was founded in Amsterdam with a mission to enable unsigned musicians to raise financing through crowdfunding to record and produce an album.

At the time of our data, the Sellaband website worked as follows:[4] Artists set up a profile page on Sellaband, at no charge, where they include a photo, bio, links, blog postings, and up to three demo songs. Funders search the website, learn about these mucisians, listen to their demos and, if they choose, buy one or more shares in an artist's future album at $10 per share. Funders see information posted by the artist as well as how much financing the artists has raised to date. Funds raised are held in escrow and may not be accessed by the artist until they have sold 5,000 shares (raised $50,000). Upon raising $50,000, artists spend the funds according to a plan they develop for recording and marketing their album, which must be approved by Sellaband. They send vendor invoices to Sellaband for payment. After the album is completed, the revenues from album sales are split equally three ways between the artist, funders, and Sellaband. In this way, the investment resembles a security. Funders also receive a compact disc (CD).

Artists on Sellaband face many of the same financing challenges and constraints as first-time entrepreneurs in other settings. Thus, the platform is designed with features and protocols that

[3] While such a pattern suggests potential returns to gaming the system, where artists (perhaps under a pseudonym) fund large sums of money in themselves early and then pull that money out as other funders pile in, we find no evidence of such behavior in our data. In particular, we see few withdrawn investments. The largest disinvestment in our data is $450 and overall disinvestments more than $100 are quite rare. Furthermore, disinvestment rates are lower for F&F than non-F&F regardless of whether F&F is defined by the survey or algorithmically.

[4] The website has changed substantially since September 2009, reducing the focus on early-stage artists, eliminating direct revenue sharing, and allowing flexibility in the amount artists can raise and how they can use funds.

enable artists to conduct a range of activities that will support their fund raising efforts, such as marketing their venture, presenting their budget, sharing their plan for promoting their future album, and communicating directly with current and potential funders.

Because the individuals who fund Sellaband artists do so for many reasons, some pecuniary and others not, we refer to them collectively as "funders" (as opposed to investors or philanthropists). At the time of our data, Sellaband facilitated revenue sharing and thus funders could earn profits if albums sold well.[5] Of course, many funders may also have philanthropic or other utility-seeking motivations. In fact, Sellaband refered to them as "believers."[6] However, even philanthropically motivated individuals must allocate scarce resources. While they may not be focused on a pecuniary return on investment, they are focused on some type of return on their investment and therefore must select among many projects competing for their donations. Thus, Sellaband artists compete for funding. They pitch their projects and enter into contracts that commit them to sharing their revenue with funders. This is true even for F&F: one benefit of crowdfunding in terms of raising funds from F&F might be that the structure of the platform makes it easier to ask for money from friends an family and commit to using it for a particular purpose. Even individuals who commit funds to projects for non-pecuniary reasons are likely to be sensitive to the types of costs, such as those associated with monitoring, that often favor financial transactions between co-located individuals. Furthermore, early-stage, not-for-profit ventures seeking donors often face similar criteria as for-profit ventures when seeking funding (Katz 2006)[7]. As such, we refer to individuals who participate in crowdfunding as funders, recognizing that they may have non-pecuniary motivations for investment. Importantly, our interpretation of the results does not rely on our decision to label them as funders. Whether they are funders, believers, investors, or donors, the relationship between distance, social networks, and information remains.

[5] Unfortunately, since the company's change in ownership, we have not been able obtain information on the actual returns to investments in Sellaband.

[6] Some crowdfunding platforms are explicitly designed with philanthropic intentions. For example, Kiva, a platform which focuses on lending to entrepreneurs in developing countries, does not allow lenders to charge interest and thus provides no mechanism for earning a return on their capital. Galak, Small & Stephen (2011) document that crowdfunding on Kiva is a hybrid decision, with both reimbursement likelihood and charity as considerations.

[7] "At the 'venture' end of the new philanthropy, the entrepreneurial techniques of venture capital are being applied (Letts, Ryan, and Grossman (1997)). Donees are analogized to start-up firms, donors partner with them, establishing specific and measurable benchmarks, and continuing their investments only if periodic goals are met" (page 1311)

2.2 Data

Our data set was provided by the company and drawn from their internal database. The data set contains every investment made on Sellaband from its launch in August 2006 until September 2009.

We combine this with geographic information disclosed by artists and funders on Sellaband.[8] In our focal sample, we have distance measures for 90% of the artist-funder pairs. We also use data on the cumulative investment raised by the artist from all funders as of the previous week, song and video uploads that artists post on the platform, and funder proximity to concert locations (and the dates of those concerts). Concert location data was found on the artist's websites. The funder proximity to concert location variable is equal to one if the artist played a concert within 100 km of the funder's location during the week of the observation or the week prior to the observation.

Over this period, there are 4,712 artists on Sellaband who receive at least one $10 investment. Of these, 34 raise the $50,000 required to access their capital to finance the making of their album. The distribution of investments is highly skewed: these 34 raise 73% of the total $2,322,750 invested on the platform. We focus our analysis on investments in the 34 artists who raised $50,000, examining the timing of investment and types of funders. We focus on these 34 for several reasons. First, they are more comparable with each other in terms of their performance because they have each successfully gone through the full funding cycle. Second, we eliminate concerns about right truncation of the data by focusing on artists who complete the funding cycle (Van den Bulte & Iyengar 2011). Third, we have geographic location information for the vast majority of the funders in these 34 artists because funders must give their location in order to receive their CD. Fourth, focusing on these 34 eliminates artists who use Sellaband sporadically. Finally, because these 34 artists account for nearly three-quarters of all funds raised on Sellaband, little funding information is lost by focusing on them (and robustness checks to other samples confirm this).

Artists enter the sample when they receive their first investment and exit when they reach the target. The resulting panel is unbalanced. We identify every funder who invests at least once in one of these 34 artists. Funders enter the sample when they make their first investment on Sellaband

[8]For artists, we crosscheck the locations they report on Sellaband with their official website, MySpace, and Facebook profiles. We use Google Maps' APIs to retrieve latitude and longitude for each location and to standardize city names. Finally, we calculate geodesic distances between artists and funders using a method developed by Thaddeus Vincenty and implemented by Austin Nichols (Nichols 2003).

(in any artist, including those not one of the 34) because their profile becomes visible to artists and other funders at that time. Funders never exit the sample.

Our main sample of artist-funder pairs is the Cartesian product of the 34 successful artists and all funders who invest at least once in one of them. Each pair appears during each week in which both the artist and the funder are in the sample.[9] Because we use artist-funder pair fixed effects in our regression analysis, we drop pairs with no investments. There are 18,827 artist-funder pairs with at least one investment from the funder in the artist and 709,471 artist-funder-week observations.

We present descriptive statistics for the $50,000 sample in Table 1. Of these successful artists, the average takes approximately one year (53 weeks) to reach $50,000, although there is considerable variation around the mean from just under two months to more than two years. The source of financing is widely distributed; on average artists raise their financing from 609 different funders. On average, funders fund 2.5 $50,000 artists, making 4.3 distinct investments (i.e., they often fund on more than one occasion in a single artist).

Participants on the Sellaband platform are distributed over five continents in 80 countries, with some concentration in western Europe and the eastern United States. Despite the wide geographic variation, funders disproportionately fund local artists. Conditional on making at least one investment in any artist on Sellaband, 3% of funders who are local – within 100 km of an artist – invest.[10] In contrast, only 0.9% of funders who are distant from an artist invest. Thus, funders are disproportionately local. At the same time, there are many more distant funders, and therefore in aggregate they account for the vast majority of total investments.

[9]For example, if Artist 1 receives her first investment in week 10 and reaches $50K in week 20, then she will appear in the sample from weeks 10 through 20. If Funder 2 made his first investment in week 5, then he is paired with Artist 1 for weeks 10 through 20. If Funder 3 made his first investment in Week 18, then he is paired with Artist 1 for weeks 18 through 20.

[10]In order to simplify the analysis, we group all artist-funder pairs within 100 km as "local" and all others as "distant." Our results are robust to other thresholds of "local."

3 Empirical Strategy

Our econometric analysis is a straightforward framework at the artist-funder-week level. Funder i will invest in artist a in week t if the expected value from investment is positive:

$$v_{ait} = \beta CumulativeInv_{at-1} + \gamma X_{ait} + \mu_{ai} + \psi_t + \epsilon_{ait}$$

where v_{ait} is the value of funding artist a at time t by funder i. The value from investment includes both the monetary expected return of investment as well as the consumption utility derived from funding that artist. β is the perceived marginal value of cumulative investment as of the previous week. For example, a higher cumulative investment may indicate that more funders perceive the artist to be of high quality and therefore a better investment. Alternatively, funders may derive more consumption utility from funding artists who are closer to the $50,000 threshold. In our main specification, $CumulativeInv_{at-1}$ is included as a vector of dummy variables defined by the $10,000 cumulative investment thresholds. In addition, γ is the perceived marginal value of the controls (X_{ait}) including a control for time since the artist began on Sellaband, μ_{ai} is an artist-funder fixed effect to control for overall tastes of the funder, ψ_t is a week fixed effect to control for changes in the Sellaband environment over time, and ϵ_{ait} is an idiosyncratic error term.

Because v_{ait} is a latent variable, we instead examine the decision to fund. Therefore, to understand the value to the funder in funding an artist a at time t, we use the following discrete choice specification:

$$\mathbf{1}(Invest_{ait}) = \beta CumulativeInv_{at-1} + \gamma X_{ait} + \mu_{ai} + \psi_t + \epsilon_{ait}$$

Consistent with the suggestions of Angrist & Pischke (2009), we estimate this using a linear probability model. We show in the appendix that results are robust to a number of alternative specifications. Likely because our covariates are binary, the vast majority of the predicted probabilities of our estimates lie between zero and one. Therefore the potential bias of the linear probability model is reduced in our estimation (Horrace & Oaxaca 2006). The fixed effects mean that our analysis examines the timing of investment for artist-funder pairs where we observe at least one investment. The fixed effects completely capture the artist-funder pairs in which we never see investment, and

thus we remove these pairs from the analysis without any empirical consequences. Standard errors are clustered at the artist-funder pair level. We measure cumulative investment at the artist-week level. Because the average artist in our main sample has more than 600 funders, no single funder drives the cumulative investment number.[11]

In order to understand the role of distance, we separately estimate local and distant artist-funder pairs.[12]

$$\mathbf{1}(Invest_{ait}) = \beta^l CumulativeInv_{at-1} + \gamma X^l_{ait} + \mu^l_{ai} + \psi^l_t + \epsilon^l_{ait} \quad if\ \ local$$

$$\mathbf{1}(Invest_{ait}) = \beta^d CumulativeInv_{at-1} + \gamma X^d_{ait} + \mu^d_{ai} + \psi^d_t + \epsilon^d_{ait} \quad if\ \ distant$$

Furthermore, in order to understand the role of F&F, we interact F&F with cumulative investment in each of these separately estimated local and distant equations.

$$\mathbf{1}(Invest_{ait}) = \beta^l CumulativeInv_{at-1} + \theta^l F\&F_{ai} \times CumulativeInv_{at-1} + \gamma X^l_{ait} + \mu^l_{ai} + \psi^l_t + \epsilon^l_{ait} \quad if\ local$$

$$\mathbf{1}(Invest_{ait}) = \beta^d CumulativeInv_{at-1} + \theta^d F\&F_{ai} \times CumulativeInv_{at-1} + \gamma X^d_{ait} + \mu^d_{ai} + \psi^d_t + \epsilon^d_{ait} \quad if\ distant$$

The main effect of F&F drops out due to collinearity with the artist-funder fixed effects. With this empirical approach, we examine *when* a funder chooses to fund a particular artist, conditional on at least one investment by that funder in that artist. Funders often invest more than once in the same artist during a single $50,000 round of fundraising. We assume that the timing of investment is driven by the change in cumulative investment rather than by another change that is specific to the artist-funder pair. We also assume that the covariates, and the artist-funder and week fixed effects, control for omitted variables. Our main results hold as long as there is not an omitted variable that drives lagged cumulative investment, an increase in the value of distant funding, and a simultaneous decrease in the value of local funding. One plausible variable that might fit such a description is concert touring. As an artist gains visibility, they may be more able to travel to more distant locations. We therefore control for funder proximity to live performances by the artist.

[11] We address the potential bias from the use of fixed effects when several funders make only one investment by showing robustness to random effects and to limiting the sample to funders who invest in the artist at least twice.

[12] We estimate these separately for clarity of presentation. All results are robust to using interaction terms in a simultaneous estimation of local and distant.

4 Results

We build our main result in steps. First, we document that in general funders' propensity to invest in a given artist increases as that artist visibly accumulates capital on the platform. Second, we show that local funders deviate from this pattern; they are more likely to fund earlier in the fundraising cycle. Third, we show that the difference between local and distant funders is largely explained by the group of funders we label as F&F. Although we focus on a single specification in the paper, we document in the accompanying appendix robustness of the results in each step to numerous alternative specifications.[13] Finally, to shed light on the underlying mechanism, we present suggestive evidence that the pattern of F&F investments differs due to differential information related to search rather than monitoring.

4.1 Investment propensity increases with funds raised

In Table 3 Column 1, we show that investment propensity increases as an artist accumulates investment. As discussed earlier, the use of the $50,000 sample ensures this is not a simple selection story where only the better artists appear in the sample with higher cumulative investment. Relative to an artist with less than $10,000 in investment, a given funder is 2.1 percentage points more likely to fund in a given week if the artist has $10,000-$20,000 and 8.4 percentage points more likely to fund if they have more than $40,000. These increases are large relative to a weekly base rate of 4.1% during the first $10,000.

The observed acceleration of investment as an artist gets closer to $50,000 is consistent with Zhang & Liu (2012) who document a similar pattern in the context of lending on Prosper.com. This

[13] In the appendix, we show that our results are robust to alternative samples, covariates, and functional forms. Specifically, in terms of the sample, we show robustness to the full sample (Table A-2), to the sample of artists who reach $5,000 in investments (Table A-3), to the sample constructed by dropping artists from the music hubs of New York City, Los Angeles, Nashville, London, and Paris (Table A-4), to including only funders who fund two or more times (Table A-5), and to using artist-funder-month as the unit of analysis (Table A-6). In terms of covariates, we show robustness to including video uploads (Table A-7), song uploads (Table A-8), both videos and songs (Table A-9), to removing focal funder's past investment from the artist's accumulated capital (Table A-10), and to including whether the artist appeared in the Sellaband Newsletter (Table A-11). In terms of the functional form, we show robustness to fixed-effects logit (Table A-12), fixed-effects poisson regression on the total parts invested (Table A-13), linear regression on the total parts invested and (when applicable) disinvested (Table A-14), and to random effects (Table A-15). The appendix also shows robustness of Tables 3 and 4 to alternative measures of "local" (Tables A-16 and A-17), treating missing geographic information as distant (Table A-18), combining distant and local in the same regression and using interactions (Table A-19), and to alternative definitions of F&F (Table A-20).

is suggestive evidence of path dependency: past investment by others may increase the propensity to fund. While only suggestive in the absence of a truly exogenous shock to investment, the underlying pattern in the data suggests that high levels of cumulative investment may cause an increase in the rate at which new investment arrives.[14]

4.2 Local and distant funders are different

In Columns 2 and 3 of Table 3, we stratify the data between local and distant funders. Local funders are more likely to invest over the first $20,000 than later. In contrast, the results for distant funders resemble the results shown in Column 1. In Figure 1a, we provide a graphical representation of this. Because we use a linear probability model, we can simply plot the estimated coefficient values. Local and distant funders clearly display distinct patterns; distant funders' propensity to fund rises as the artist accumulates capital, whereas local funders' propensity does not.

This general pattern holds across specifications except that, in several of the robustness checks, there is a flatter relationship between investment propensity and cumulative investment for local funders. Still, the key distinction for our purposes is that distant funders significantly increase their propensity to fund as the artist accumulates capital whereas local funders do not.

4.3 Friends and family

Next, we show that a particular type of funder, whom we label as F&F of a particular artist, explains the observed difference between local and distant funders. Importantly, many F&F are distant from their focal artist. Furthermore, many local funders are not F&F. However, F&F are disproportionately local.

We report results using two different measures for F&F. First, we employ a proxy based on funder behaviour. Second, we use a survey-based indicator where artists code each of their funders based on their social relationship prior to joining Sellaband. For the proxy measure, we define F&F as funders who have the following characteristics: 1) they invest in the focal artist before investing in any other (i.e. the funder likely joined the system for the focal artist), 2) their investment in the

[14]Consistent with this interpretation, in Appendix Tables A-25 and A-26, we find that investment rates are higher in the periods immediately following a large investment.

focal artist is their largest investment, and 3) they invest in no more than three other artists (i.e., the focal artist remains a key reason for being on the site).

As a check on the validity of this measure, in Table 2 we examine whether F&F exhibit behavior on the site that suggests they are a distinct group. Using our proxy measure of F&F, we find they use the platform much less intensively than other funders for communication with the artists to whom we assume they are connected, suggesting they have other channels of communication. In addition, they fund disproportionately early in the funding cycle. Finally, they are disproportionately local (Table 2).

Regarding the survey-based measure, 18 of the 34 successful artists provided us with information on the funders they knew independently of Sellaband. Specifically, we sent each their list of funders and asked them to identify everyone they knew prior to joining Sellaband. Our proxy measure captured 84% of the funders identified by these 18 artists as well as a number of funders the artists did not code as knowing personally.

In Columns 4 and 5 of Table 3, we run our main specification on local and distant funders but include an interaction of cumulative investment levels with an indicator for F&F. The results show that local and distant funders are qualitatively similar in terms of the coefficient sign, and in terms of the relative magnitude of the main effect and the interaction with F&F. For both local and distant funders, F&F tend to fund early in the funding cycle and non-F&F tend to fund later. We illustrate this result in Figure 1b, which shows that non-F&F funders, both local and distant, increase their propensity to fund as the artist accumulates capital whereas F&F funders do not. In Table 4 we show that the qualitative results are robust to the subsample of 18 artists who identified their preexisting social relationships.

In summary, our results suggest little systematic difference in the timing of investments between local and distant funders, except to the extent that social networks (as measured by F&F) are disproportionately local.

4.4 What do F&F know? Search, risk, and monitoring

Why do F&F exhibit distinct investment patterns? Perhaps they have certain information about the artist that others do not. Consider two activities common among early-stage funders: identifying worthwhile investments and monitoring the progress of those investments. Identifying worthwhile investments is a search process that involves sifting through a wide variety of information to come up with a smaller consideration set before making a decision. Monitoring involves continued interaction with the recipient of funds and an investment response to the behavior of the recipient.

In this subsection, we show that our results are consistent with F&F having differential information that influences their behaviour with respect to search and the identification of worthwhile investments but not monitoring. We next provide evidence consistent with the search for worthwhile investments, rather than monitoring, being a key driver of the difference between F&F investments and other investments. Then we present evidence that F&F and others seem to behave similarly with respect to at least one type of monitoring.

Specifically, we examine first versus subsequent investments. Differences between F&F versus other funders in terms of the timing of their first investment in an artist may reflect information asymmetries that influence the search costs for establishing a consideration set. In other words, unlike non-F&F funders, F&F are less likely to rely on the platform's tools to discover their artist among the thousands on the system. However, if the difference between F&F and non-F&F funding persists after the first investment, then the results suggest a role for offline information beyond that used for search that are mediated by offline social networks. Direct offline monitoring of management is one such type of information that should matter after the first investment.

We find that F&F first investments happen just 1.6 weeks after they join the platform. In contrast, non-F&F first investments happen 6.7 weeks after they join.[15]

To further explore this, in Table 5 and 6 we drop all first investments (and consequently all funders who invest on only one occasion). With this subsample, we find that local and distant funders follow a similar qualitative pattern: investments rise as the amount funded approaches $50,000. Although the coefficient on F&F investments remains negative for high values of cumula-

[15]This is based on the survey sample data. The full sample yields a narrower but still substantive difference.

tive funding, the main effect of the pattern has changed substantially. Specifically, adding the F&F coefficients to the main effects demonstrates that after the first investment, all funders become increasingly likely to fund again as the artist approaches $50,000. This implies that, conditional on identifying an artist and deciding to invest in them, the online tools for monitoring progress through the funding cycle (e.g., posting new demo songs, performance videos, and news updates) seem to diminish the asymmetry between F&F and non-F&F funders.

We interpret this to suggest that the results are unlikely to be driven by monitoring. If results were about monitoring, we would expect subsequent investments to exhibit similar patterns to the first investment. Tables 5 and 6 suggest otherwise.

In the appendix, we provide further evidence that suggests no difference in the role of online monitoring between local and distant funders, or between F&F and non-F&F funders. In particular, Appendix tables A-27 and A-28 show that subsequent investments (whether local or distant) are not sensitive to artist postings of songs and videos.[16] In this way, subsequent investments do not seem to react to an easy form of monitoring.

Overall, we interpret the difference between first and subsequent investments to suggest that the additional information that F&F funders have is more likely to be related to a search process of identifying where to invest than to a monitoring process of ensuring that artists deliver on their promises.

5 Conclusion

Motivated by the recent rise in crowdfunding and the wide geographic dispersion of crowdfunding investments, we examine the role of distance in an online platform for financing new artists. A key challenge to crowdfunding markets, like many other online marketplaces, is the information asymmetry between funders and the recipients of the funds. For other early-stage investments, these asymmetries are partly overcome through information most easily gleaned via co-location. Crowdfunding, however, often happens at a distance.

[16] Appendix table A-7 shows that overall investments are sensitive to video posts, especially local investments. Appendix table A-6 shows that investments do not seem to be sensitive to song posts.

We explore whether and how distant and local funders differ. We show that they respond differently to information about prior investment decisions. Our results suggest that the different responses relate to the likelihood that F&F (who are disproportionately local) identify a given artist as a worthy recipient of funds.

Specifically, we find that investment patterns over time are not strongly related to the geographic distance between artist and funder after controlling for the artist's offline social network. This result contrasts with the existing literature that emphasizes the importance of spatial proximity in early-stage financing. Instead, our result suggests that online mechanisms can reduce economic frictions associated with such investments over long distances. Only the spatial correlation of pre-existing social networks is not resolved; the online mechanisms do not (yet) eliminate frictions related to preexisting social networks. The persistence of such "social frictions" but not other distance-related frictions is consistent with prior research on online activity that shows many but not all distance-related frictions are reduced in the online setting (Blum & Goldfarb 2006, Hortacsu, Martinez-Jerez & Douglas 2009).

Broadly, this paper is a theory-driven study of crowdfunding. To clarify its scope, our results are not meant to test general theories of capital markets, entrepreneurial finance, or social networks. At the same time, our results as more than an exploratory description of the data. Basic theory helps us identify and understand that asymmetric information, in terms of identifying worthwhile investments and monitoring the recipients of funds, may be a key challenge for crowdfunding. Because this challenge is likely to be larger for distant funders, we focus on differences between local and distant investment patterns to explore these differences. Our paper has a number of limitations that affect the scope of the interpretation. First, the sample is from a single crowdfunding platform and thus the results may not generalize to other platforms with different features. Second, although Sellaband provided revenue sharing opportunities for funders, there is little to suggest that revenues were distributed to funders at a large scale for the 34 artists examined here. Recorded music is a notoriously risky business and funders may have realized that their investments were more like philanthropic donations. Alternatively, they may have believed that most albums fail commercially, but may have hoped for one of the rare hits that would yield an overall positive return on investment

in an expected value sense.

These limitations, combined with our results on distance and social networks, suggest an additional potential interpretation of our results. In particular, as noted above, proximity matters because it enables social networks. This means that some of the local information might be related to personal obligations and reciprocal friend and family arrangements. This social information is unlikely to be codified on a platform, suggesting that the role of geographic proximity will be relatively large when the financial returns are small relative to the social nature of crowdfunding investments.

Our results also inform and link the literatures on home bias and networks in investment decisions. Consistent with the social networks results in Hochberg, Ljungqvist & Lu (2007), Hsu (2007) and elsewhere, we find that networks affect investment patterns. We find that this relationship can help explain patterns in home bias (Seasholes & Zhu 2005). Speculatively, this may help pin down the type of information discussed in Nieuwerburgh & Veldkamp (2009) that allows home bias to persist when information flows are global.

Finally, we comment on the implications of crowdfunding for our particular industry setting, recorded music. This industry has experienced a significant decline in revenues, approximately 50% over 10 years, which many experts attribute to piracy through online file sharing (Passman 2009, Rob & Waldfogel 2006). At the same time, costs associated with the production and distribution of music have also dropped substantially due to the development of inexpensive production software and the digital distribution of music over the internet. However, production costs are not zero and recording artists are commonly cash constrained. In the traditional vertically integrated industry set-up, large record companies provide both financing and a full suite of services (e.g., producer, studio, cover design, distribution, auxiliary musicians) in exchange for ownership of or equity in the artist's intellectual property. As the major labels decline in importance, artists have fewer options to relieve cash constraints by borrowing against or selling equity in their current and future intellectual property. Crowdfunding may help overcome that constraint by creating a market for investing in the most salient assets available to aspiring new artists – their ideas, vision, and future intellectual property – where artists can leverage their (local) social networks to access a much

larger pool of capital from (distant) strangers.

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Table 1: Descriptive stats: $50K (main) Sample

	Obs.	Mean	Std. Dev.	Min	Max
Artist Level					
Funders at $50K	34	608.8	220.9	316	1,338
Weeks to $50K	34	53.1	34.6	8	124
Songs uploaded†	34	4.29	8.02	0	32
Videos uploaded	34	0.68	0.47	0	1
Funder level					
Number of 50K artists invested in	8,149	2.54	4.23	1	34
Number of distinct investments	8,149	4.33	12.78	1	330
Total amount invested across 50K artists ($)	8,149	227	1,147.6	10	33,430
Artist-Funder level					
Investment amount ($)	18,827	89	393.9	10	23,500
Geographic distance (km)	18,827	5,118	5,658	0.003	19,827
Number of investments in same artist	18,827	1.7	2.3	1	72
Position in funding cycle at first investment ($)	18,827	12,099	13,361	0	49,990
Artist-Funder-Week level					
Investment amount ($)	709,471	2.378	40.82	0	15,000
Live show proximate to funder	709,471	0.002	0.046	0	1

†Artists may upload one to three songs when registering on the website. Since we do not have access to these data, we do not include initial songs in this count.

Table 2: Friends and Family: $50K (main) Sample

	F&F	Not F&F
F&F use the website differently		
Average # of emails sent to artists	0.22	1.74
Average # of comments sent to artists	0.41	2.69
Average # of emails received from artists	12.39	14.40
Average # of comments received from artists	1.02	3.95
F&F are disproportionately active at the beginning		
First 500$	21%	79%
First 4 Weeks	33%	67%
Full $50K	19%	81%
F&F are disproportionately local		
Local (0-100 km) Artist-Funder Pairs	63%	37%
Distant (>100 km) Artist-Funder Pairs	16%	84%

Table 3: Local, Distant, and Friends & Family

VARIABLES	(1) ALL	(2) LOCAL	(3) DISTANT	(4) LOCAL	(5) DISTANT
$10-20K accum. capital	0.0213***	0.0083	0.0216***	0.0340**	0.0236***
	(0.0045)	(0.0133)	(0.0048)	(0.0158)	(0.0049)
$20-30K accum. capital	0.0261***	-0.0225	0.0290***	0.0307	0.0336***
	(0.0072)	(0.0171)	(0.0076)	(0.0212)	(0.0074)
$30-40K accum. capital	0.0420***	-0.0255	0.0458***	0.0377	0.0527***
	(0.0099)	(0.0209)	(0.0107)	(0.0225)	(0.0103)
$40-50K accum. capital	0.0840***	-0.0137	0.0902***	0.0639**	0.1099***
	(0.0198)	(0.0267)	(0.0210)	(0.0254)	(0.0213)
$10-20K accum. capital * F&F				-0.0898***	-0.0876***
				(0.0315)	(0.0311)
$20-30K accum. capital * F&F				-0.1301***	-0.1346***
				(0.0339)	(0.0359)
$30-40K accum. capital * F&F				-0.1507***	-0.1657***
				(0.0320)	(0.0357)
$40-50K accum. capital * F&F				-0.1812***	-0.2533***
				(0.0312)	(0.0389)
Funder proximate to Live Show	0.0079	0.0105	-0.0072	0.0098	-0.0062
	(0.0061)	(0.0103)	(0.0096)	(0.0110)	(0.0099)
Weeks on Sellaband	-0.0033***	-0.0041***	-0.0031***	-0.0035***	-0.0030***
	(0.0010)	(0.0004)	(0.0011)	(0.0003)	(0.0010)
Observations	709,471	78,897	630,574	78,897	630,574
R-squared	0.012	0.039	0.012	0.049	0.018
Number of group	18,827	1,572	17,255	1,572	17,255

Dependent variable is any investment and the unit of observation is the $50K artist-funder-week. Local is defined as within 100 km from the artist. All regressions include a full set of fixed effects for each artist-funder pair (differenced out) and each week. Robust standard errors clustered at the artist level in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Table 4: Local, Distant, and Friends & Family (Survey Sample)

VARIABLES	(1) ALL	(2) LOCAL	(3) DISTANT	(4) LOCAL	(5) DISTANT
$10-20K accum. capital	0.0203**	0.0145	0.0201**	0.0370*	0.0213**
	(0.0073)	(0.0196)	(0.0076)	(0.0199)	(0.0078)
$20-30K accum. capital	0.0263**	-0.0122	0.0283**	0.0155	0.0296**
	(0.0098)	(0.0244)	(0.0104)	(0.0245)	(0.0106)
$30-40K accum. capital	0.0441***	-0.0152	0.0482***	0.0188	0.0496***
	(0.0137)	(0.0289)	(0.0148)	(0.0308)	(0.0151)
$40-50K accum. capital	0.0964***	-0.0005	0.1042***	0.0319	0.1069***
	(0.0215)	(0.0379)	(0.0232)	(0.0372)	(0.0238)
$10-20K accum. capital * F&F				-0.0604*	-0.1204***
				(0.0337)	(0.0317)
$20-30K accum. capital * F&F				-0.0669*	-0.1300***
				(0.0342)	(0.0346)
$30-40K accum. capital * F&F				-0.0780**	-0.1412***
				(0.0303)	(0.0304)
$40-50K accum. capital * F&F				-0.0826***	-0.1977***
				(0.0285)	(0.0436)
Funder proximate to Live Show	0.0128*	0.0165	-0.0068	0.0164	-0.0064
	(0.0065)	(0.0122)	(0.0161)	(0.0130)	(0.0159)
Weeks on Sellaband	-0.0003	-0.0001	-0.0003	0.0001	-0.0003
	(0.0002)	(0.0004)	(0.0003)	(0.0004)	(0.0003)
Observations	414,835	64,403	350,432	64,403	350,432
R-squared	0.014	0.047	0.015	0.050	0.016
Number of group	9,800	1,096	8,704	1,096	8,704

Dependent variable is any investment and sample is the survey sample (i.e. includes all investments in the artists who identified their Friends and Family). The unit of observation is the survey artist-funder-week. Local is defined as within 100 km from the artist. All regressions include a full set of fixed effects for each artist-funder pair (differenced out) and each week. Robust standard errors clustered at the artist level in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Table 5: Repeated Investment

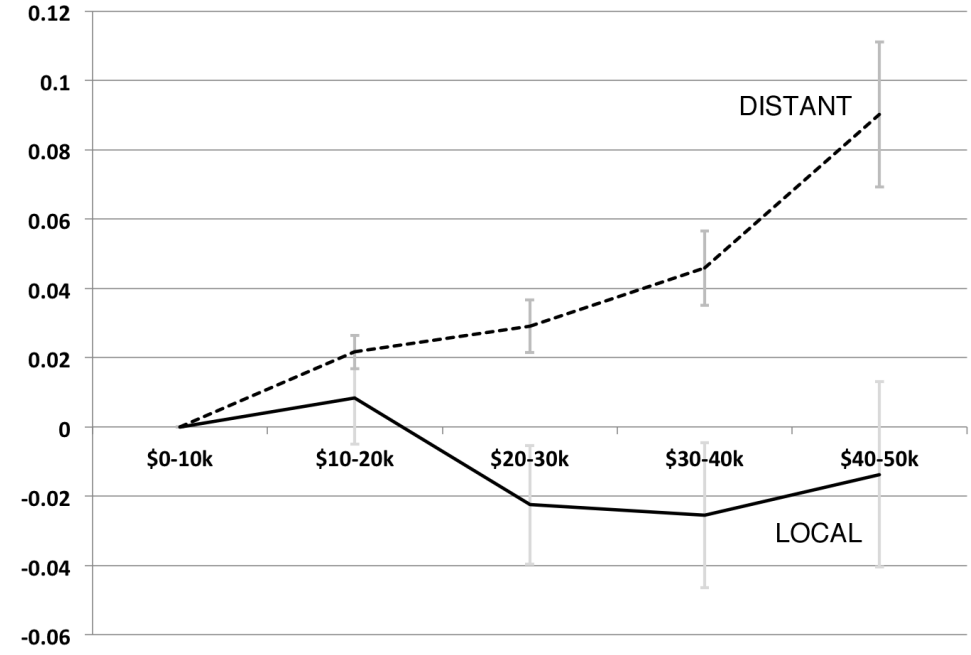
VARIABLES	(1) ALL	(2) LOCAL	(3) DISTANT	(4) LOCAL	(5) DISTANT
$10-20K accum. capital	0.0393***	0.0326**	0.0400***	0.0411***	0.0407***
	(0.0067)	(0.0135)	(0.0068)	(0.0149)	(0.0068)
$20-30K accum. capital	0.0613***	0.0300	0.0632***	0.0483**	0.0648***
	(0.0098)	(0.0187)	(0.0100)	(0.0217)	(0.0102)
$30-40K accum. capital	0.0967***	0.0361	0.1012***	0.0727***	0.1039***
	(0.0126)	(0.0214)	(0.0136)	(0.0241)	(0.0137)
$40-50K accum. capital	0.1969***	0.1024***	0.2036***	0.1291***	0.2094***
	(0.0287)	(0.0332)	(0.0302)	(0.0335)	(0.0304)
$10-20K accum. capital * F&F				-0.0242	-0.0265*
				(0.0155)	(0.0149)
$20-30K accum. capital * F&F				-0.0433**	-0.0462*
				(0.0175)	(0.0236)
$30-40K accum. capital * F&F				-0.0805***	-0.0744***
				(0.0227)	(0.0236)
$40-50K accum. capital * F&F				-0.0665**	-0.1160***
				(0.0297)	(0.0229)
Funder proximate to Live Show	0.0105	0.0129	-0.0122	0.0130	-0.0121
	(0.0128)	(0.0169)	(0.0262)	(0.0169)	(0.0262)
Weeks on Sellaband	-0.0008*	0.0012***	-0.0008*	0.0014***	-0.0008*
	(0.0004)	(0.0004)	(0.0005)	(0.0004)	(0.0005)
Observations	213,133	20,127	193,006	20,127	193,006
R-squared	0.028	0.027	0.030	0.029	0.031
Number of group	5,213	449	4,764	449	4,764

Dependent variable is any investment and sample and the unit of observation is the $50K artist-funder-week. Only funders who invest at least twice in the focal artist are included. Local is defined as within 100 km from the artist. All regressions include a full set of fixed effects for each artist-funder pair (differenced out) and each week. Robust standard errors clustered at the artist level in parentheses. *** p<0.01, ** p<0.05, * p<0.1

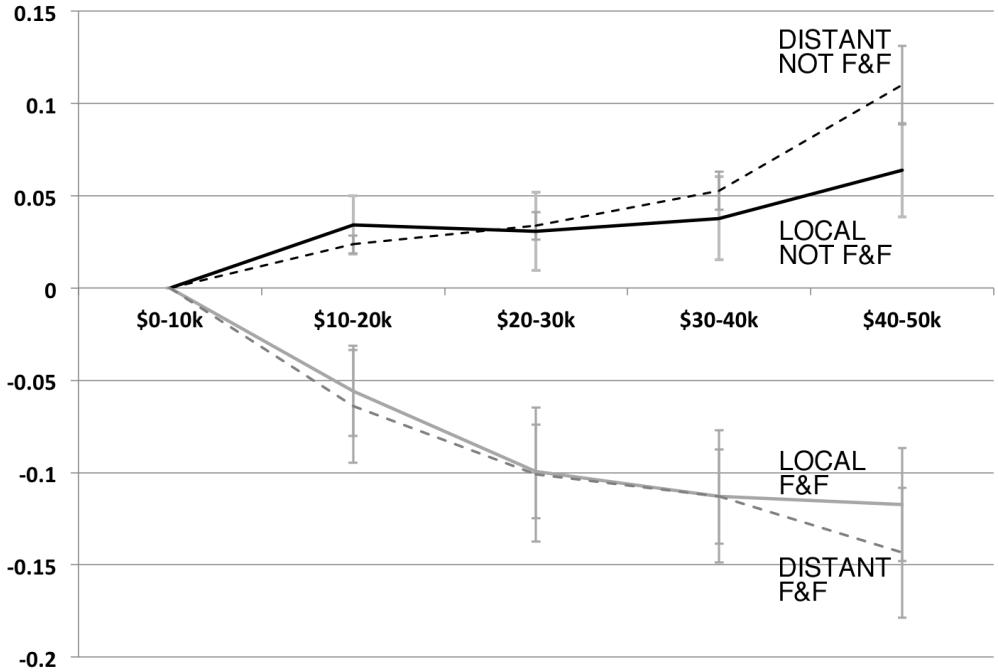
Table 6: Repeated Investment (Survey Sample)

VARIABLES	(1) ALL	(2) LOCAL	(3) DISTANT	(4) LOCAL	(5) DISTANT
$10-20K accum. capital	0.0339***	0.0439**	0.0327***	0.0387**	0.0328***
	(0.0105)	(0.0170)	(0.0107)	(0.0167)	(0.0107)
$20-30K accum. capital	0.0607***	0.0410	0.0613***	0.0385	0.0617***
	(0.0152)	(0.0251)	(0.0158)	(0.0225)	(0.0162)
$30-40K accum. capital	0.0950***	0.0428	0.0991***	0.0492*	0.0999***
	(0.0186)	(0.0282)	(0.0199)	(0.0269)	(0.0203)
$40-50K accum. capital	0.2092***	0.1140**	0.2165***	0.1432***	0.2181***
	(0.0332)	(0.0425)	(0.0344)	(0.0448)	(0.0348)
$10-20K accum. capital * F&F				0.0132	-0.0125
				(0.0148)	(0.0271)
$20-30K accum. capital * F&F				0.0064	-0.0228
				(0.0201)	(0.0349)
$30-40K accum. capital * F&F				-0.0125	-0.0407
				(0.0242)	(0.0377)
$40-50K accum. capital * F&F				-0.0618	-0.0778
				(0.0370)	(0.0586)
Funder proximate to Live Show	0.0233*	0.0301	-0.0139	0.0289	-0.0135
	(0.0133)	(0.0179)	(0.0326)	(0.0179)	(0.0323)
Weeks on Sellaband	-0.0013***	0.0012**	-0.0013***	0.0014**	-0.0013***
	(0.0003)	(0.0005)	(0.0003)	(0.0005)	(0.0003)
Observations	119,630	14,798	104,832	14,798	104,832
R-squared	0.028	0.029	0.032	0.030	0.032
Number of group	2,690	283	2,407	283	2,407

Dependent variable is any investment and sample is the survey sample. The unit of observation is the survey artist-funder-week. Only funders who invest at least twice in the focal artist are included. Local is defined as within 100 km from the artist. All regressions include a full set of fixed effects for each artist-funder pair (differenced out) and each week. Robust standard errors clustered at the artist level in parentheses. *** p<0.01, ** p<0.05, * p<0.1



(a) Local versus distant funders



(b) F&F versus not-F&F funders (both local and distant)

Figure 1: Relative propensity to fund over capital levels. Baseline is propensity to fund between \$0-10K within focal group. Robust standard errors clustered at the artist level.

A For Online Publication - Appendix **UPDATE b/SUBMIT!!**

Robustness to different samples

Robustness to additional covariates

Functional form

Additional robustness checks

Table A-1: Descriptive stats

Full Sample

	Obs.	Mean	Std. Dev.	Min	Max
Artist Level					
Funders	4,712	11.4	60.5	1	1,338
Total Investment	4,712	492.94	4375.3	0	50,000
Songs uploaded†	4,712	1.82	2.686	0	59
Videos uploaded	4,712	0.11	0.378	0	8
Funder level					
Number of artists invested in	15,517	3.46	21.1	1	1,835
Number of distinct investments	15,517	5.52	34.31	1	2,155
Total amount invested across all artists ($)	15,517	226.1	1579.4	10	69,560
Artist-Funder level					
Investment amount ($)	24,862	86.37	381.35	10	23,500
Geographic distance (km)	24,862	4,831.5	5,523.6	.003	19,863
Number of investments in same artist	24,862	1.79	2.52	1	72
Position in funding cycle at first investment ($)	24,862	9,998	12,464	0	49,990
Artist-Funder-Week level					
Investment amount ($)	1,175,492	1.83	33.71	0	15,000

†Artists may upload one to three songs when registering on the website. Since we do not have access to these data, we do not include initial songs in this count.

Table A-2: Full Sample

VARIABLES	(1) Full Sample Invest=1	(2) Full Sample LOCAL	(3) Full Sample DISTANT	(4) Full Sample LOCAL	(5) Full Sample DISTANT
$10-20K accum. capital	0.0109***	0.0026	0.0113***	0.0237**	0.0137***
	(0.0036)	(0.0097)	(0.0036)	(0.0094)	(0.0036)
$20-30K accum. capital	0.0134***	-0.0147	0.0155***	0.0283***	0.0206***
	(0.0052)	(0.0119)	(0.0053)	(0.0107)	(0.0052)
$30-40K accum. capital	0.0266***	-0.0160	0.0296***	0.0430***	0.0375***
	(0.0066)	(0.0136)	(0.0069)	(0.0139)	(0.0068)
$40-50K accum. capital	0.0692***	-0.0005	0.0747***	0.0752***	0.0952***
	(0.0161)	(0.0167)	(0.0173)	(0.0185)	(0.0184)
$10-20K accum. capital * F&F				-0.0656***	-0.0732***
				(0.0208)	(0.0188)
$20-30K accum. capital * F&F				-0.1034***	-0.1111***
				(0.0222)	(0.0230)
$30-40K accum. capital * F&F				-0.1273***	-0.1479***
				(0.0225)	(0.0246)
$40-50K accum. capital * F&F				-0.1507***	-0.2349***
				(0.0241)	(0.0315)
Funder proximate to Live Show	0.0048	0.0053	-0.0051	0.0063	-0.0039
	(0.0056)	(0.0089)	(0.0096)	(0.0093)	(0.0104)
Weeks on Sellaband	-0.0032***	-0.0050***	-0.0030***	-0.0047***	-0.0028***
	(0.0009)	(0.0002)	(0.0009)	(0.0002)	(0.0008)
Observations	1,175,492	146,221	1,029,271	146,221	1,029,271
R-squared	0.010	0.028	0.010	0.034	0.015
Number of group	24,862	2,430	22,432	2,430	22,432

Dependent variable is any investment and sample is the full sample. The unit of observation is the artist-funder-week. All regressions include a full set of fixed effects for each artist-funder pair (differenced out) and each week. Robust standard errors clustered at the artist level in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Table A-3: $5K Sample

VARIABLES	(1) $5K Sample Invest =1	(2) $5K Sample LOCAL	(3) $5K Sample DISTANT	(4) $5K Sample LOCAL	(5) $5K Sample DISTANT
$10-20K accum. capital	0.0114***	0.0013	0.0119***	0.0219**	0.0144***
	(0.0037)	(0.0097)	(0.0038)	(0.0096)	(0.0039)
$20-30K accum. capital	0.0141**	-0.0184	0.0166***	0.0244**	0.0215***
	(0.0055)	(0.0119)	(0.0058)	(0.0110)	(0.0056)
$30-40K accum. capital	0.0279***	-0.0201	0.0313***	0.0386***	0.0390***
	(0.0072)	(0.0139)	(0.0076)	(0.0141)	(0.0074)
$40-50K accum. capital	0.0705***	-0.0037	0.0764***	0.0710***	0.0967***
	(0.0166)	(0.0176)	(0.0178)	(0.0190)	(0.0188)
$10-20K accum. capital * F&F				-0.0650***	-0.0736***
				(0.0206)	(0.0190)
$20-30K accum. capital * F&F				-0.1036***	-0.1111***
				(0.0222)	(0.0232)
$30-40K accum. capital * F&F				-0.1277***	-0.1480***
				(0.0226)	(0.0248)
$40-50K accum. capital * F&F				-0.1504***	-0.2350***
				(0.0240)	(0.0316)
Funder proximate to Live Show	0.0057	0.0067	-0.0051	0.0076	-0.0039
	(0.0057)	(0.0093)	(0.0094)	(0.0097)	(0.0102)
Weeks on Sellaband	-0.0032***	-0.0049***	-0.0030***	-0.0046***	-0.0028***
	(0.0009)	(0.0002)	(0.0009)	(0.0002)	(0.0008)
Observations	1,070,501	127,637	942,864	127,637	942,864
R-squared	0.011	0.030	0.010	0.037	0.015
Number of group	23,269	2,156	21,113	2,156	21,113

Dependent variable is any investment and sample is the $5K sample (all artists who have raised at least $5000). The unit of observation is the $5K artist-funder-week. All regressions include a full set of fixed effects for each artist-funder pair (differenced out) and each week. Robust standard errors clustered at the artist level in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Table A-4: No artists from music hubs (NYC, LA, Nashville, London, or Paris)

VARIABLES	(1) ALL	(2) LOCAL	(3) DISTANT	(4) LOCAL	(5) DISTANT	(6) SURVEY LOCAL	(7) SURVEY DISTANT
$10-20K accum. capital	0.0195***	0.0142	0.0190***	0.0371	0.0201***	0.0409*	0.0200**
	(0.0055)	(0.0152)	(0.0056)	(0.0226)	(0.0059)	(0.0227)	(0.0084)
$20-30K accum. capital	0.0314***	-0.0192	0.0342***	0.0297	0.0366***	0.0133	0.0364**
	(0.0089)	(0.0204)	(0.0095)	(0.0274)	(0.0095)	(0.0273)	(0.0140)
$30-40K accum. capital	0.0451***	-0.0257	0.0484***	0.0291	0.0534***	0.0160	0.0543**
	(0.0118)	(0.0263)	(0.0129)	(0.0302)	(0.0130)	(0.0356)	(0.0188)
$40-50K accum. capital	0.0969***	-0.0161	0.1036***	0.0502	0.1205***	0.0345	0.1076***
	(0.0187)	(0.0368)	(0.0201)	(0.0317)	(0.0215)	(0.0422)	(0.0279)
$10-20K accum. capital * F&F				-0.0736**	-0.0586**	-0.0250	-0.0962***
				(0.0289)	(0.0276)	(0.0178)	(0.0230)
$20-30K accum. capital * F&F				-0.1124***	-0.1014**	-0.0278	-0.0990***
				(0.0308)	(0.0380)	(0.0160)	(0.0304)
$30-40K accum. capital * F&F				-0.1312***	-0.1567***	-0.0513**	-0.1281***
				(0.0340)	(0.0449)	(0.0222)	(0.0327)
$40-50K accum. capital * F&F				-0.1651***	-0.2429***	-0.0570***	-0.1561***
				(0.0264)	(0.0525)	(0.0150)	(0.0399)
Funder proximate to Live Show	0.0094	0.0296**	-0.0193	0.0320**	-0.0179	0.0350**	-0.0869***
	(0.0092)	(0.0133)	(0.0127)	(0.0137)	(0.0139)	(0.0137)	(0.0259)
Weeks on Sellaband	-0.0045***	-0.0050***	-0.0044***	-0.0043***	-0.0042***	-0.0056***	-0.0011***
	(0.0003)	(0.0007)	(0.0003)	(0.0007)	(0.0003)	(0.0007)	(0.0003)
Observations	482,683	56,438	426,245	56,438	426,245	50,222	254,743
R-squared	0.013	0.035	0.014	0.043	0.020	0.041	0.017
Number of group	12,310	1,025	11,285	1,025	11,285	774	5,954

Dependent variable is any investment. Sample is the $50K sample in columns (1)-(5) and the survey sample in columns (6)-(7) without artists from music hubs (New York, Los Angeles, Nashville, London, or Paris). The unit of observation is the artist-funder-week. All regressions include a full set of fixed effects for each artist-funder pair (differenced out) and each week. Robust standard errors clustered at the artist level in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Table A-5: Only funders who fund two or more times.

VARIABLES	(1) ALL	(2) LOCAL	(3) DISTANT	(4) SURVEY LOCAL	(5) SURVEY DISTANT
$10-20K accum. capital	0.0239***	0.0144	0.0243***	0.0389	0.0227**
	(0.0050)	(0.0103)	(0.0050)	(0.0224)	(0.0079)
$20-30K accum. capital	0.0369***	0.0128	0.0375***	0.0560*	0.0381***
	(0.0076)	(0.0180)	(0.0076)	(0.0298)	(0.0110)
$30-40K accum. capital	0.0592***	0.0312	0.0600***	0.0717**	0.0632***
	(0.0106)	(0.0200)	(0.0107)	(0.0326)	(0.0159)
$40-50K accum. capital	0.1174***	0.0635**	0.1192***	0.1464***	0.1353***
	(0.0213)	(0.0281)	(0.0215)	(0.0445)	(0.0243)
$10-20K accum. capital * F&F	-0.0709***	-0.0403	-0.0790***	-0.0118	-0.0452*
	(0.0180)	(0.0377)	(0.0218)	(0.0230)	(0.0221)
$20-30K accum. capital * F&F	-0.1066***	-0.0911**	-0.1092***	-0.0227	-0.0226
	(0.0254)	(0.0419)	(0.0330)	(0.0278)	(0.0215)
$30-40K accum. capital * F&F	-0.1345***	-0.1232***	-0.1355***	-0.0612***	-0.0399
	(0.0232)	(0.0373)	(0.0296)	(0.0133)	(0.0295)
$40-50K accum. capital * F&F	-0.1932***	-0.0933*	-0.2082***	-0.1111**	-0.0495*
	(0.0281)	(0.0518)	(0.0349)	(0.0434)	(0.0244)
Funder proximate to Live Show	0.0018	0.0221	-0.0216**	0.0466*	-0.0278
	(0.0089)	(0.0143)	(0.0081)	(0.0222)	(0.0203)
Weeks on Sellaband	-0.0024**	-0.0019***	-0.0024**	-0.0017***	-0.0004
	(0.0010)	(0.0003)	(0.0010)	(0.0005)	(0.0003)
Observations	585,803	27,016	558,787	16,549	286,099
R-squared	0.015	0.022	0.015	0.030	0.018
Number of group	14,790	578	14,212	309	6,531

Dependent variable is any investment. Sample is the $50K sample in columns(1)-(3) and the survey sample in columns (4)-(5) where only funders who invest at least two or more times are included. The unit of observation is the artist-funder-week. All regressions include a full set of fixed effects for each artist-funder pair (differenced out) and each week. Robust standard errors clustered at the artist level in parentheses.
*** p<0.01, ** p<0.05, * p<0.1

Table A-6: Artist-Funder-Month as a unit of analysis.

VARIABLES	(1) ALL	(2) LOCAL	(3) DISTANT	(4) LOCAL	(5) DISTANT	(6) SURVEY LOCAL	(7) SURVEY DISTANT
$10-20K accum. capital	0.0646***	0.0353	0.0614***	0.0978**	0.0664***	0.1186*	0.0699***
	(0.0163)	(0.0365)	(0.0159)	(0.0436)	(0.0154)	(0.0641)	(0.0222)
$20-30K accum. capital	0.0854***	-0.0630	0.0923***	0.0778	0.1054***	0.0436	0.0988***
	(0.0213)	(0.0450)	(0.0219)	(0.0581)	(0.0202)	(0.0786)	(0.0236)
$30-40K accum. capital	0.1495***	-0.0364	0.1565***	0.1364*	0.1821***	0.0836	0.1790***
	(0.0293)	(0.0608)	(0.0302)	(0.0708)	(0.0293)	(0.0963)	(0.0346)
$40-50K accum. capital	0.1349**	-0.0606	0.1428**	0.1133	0.1786***	0.0536	0.2438***
	(0.0506)	(0.0665)	(0.0525)	(0.0712)	(0.0498)	(0.0998)	(0.0744)
$10-20K accum. capital * F&F				-0.2260***	-0.2498***	-0.1610**	-0.2761***
				(0.0584)	(0.0695)	(0.0576)	(0.0538)
$20-30K accum. capital * F&F				-0.3440***	-0.3771***	-0.1783**	-0.3308***
				(0.0673)	(0.0895)	(0.0736)	(0.0719)
$30-40K accum. capital * F&F				-0.4094***	-0.5139***	-0.2237***	-0.4026***
				(0.0701)	(0.0856)	(0.0567)	(0.0671)
$40-50K accum. capital * F&F				-0.4336***	-0.5719***	-0.2075***	-0.4946***
				(0.0720)	(0.0831)	(0.0632)	(0.0816)
Funder proximate to Live Show	0.0251**	0.0118	0.0767**	0.0109	0.0815**	0.0133	0.0221
	(0.0114)	(0.0071)	(0.0299)	(0.0070)	(0.0314)	(0.0080)	(0.0432)
Weeks on Sellaband	0.0215	0.0417*	0.0216	0.0394*	0.0242	0.0636*	0.0514**
	(0.0169)	(0.0226)	(0.0172)	(0.0227)	(0.0167)	(0.0302)	(0.0238)
Observations	226,312	25,108	201,204	25,108	201,204	20,700	115,726
R-squared	0.023	0.104	0.022	0.135	0.039	0.126	0.034
Number of group	18,827	1,572	17,255	1,572	17,255	1,096	8,704

Dependent variable is any investment. Sample is the $50K sample in columns (1)-(5) and the survey sample in columns (6)-(7). The unit of observation is the artist-funder-month. All regressions include a full set of fixed effects for each artist-funder pair (differenced out) and each month. Robust standard errors clustered at the artist level in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Table A-7: Controlling for video uploaded

VARIABLES	(1) ALL	(2) LOCAL	(3) DISTANT	(4) LOCAL	(5) DISTANT	(6) SURVEY LOCAL	(7) SURVEY DISTANT
$10-20K accum. capital	0.0211***	0.0101	0.0213***	0.0337**	0.0232***	0.0383*	0.0195**
	(0.0044)	(0.0130)	(0.0046)	(0.0157)	(0.0048)	(0.0193)	(0.0076)
$20-30K accum. capital	0.0277***	-0.0205	0.0306***	0.0305	0.0350***	0.0163	0.0281**
	(0.0067)	(0.0163)	(0.0070)	(0.0210)	(0.0069)	(0.0234)	(0.0100)
$30-40K accum. capital	0.0442***	-0.0237	0.0481***	0.0373	0.0547***	0.0191	0.0478***
	(0.0089)	(0.0200)	(0.0096)	(0.0221)	(0.0094)	(0.0298)	(0.0139)
$40-50K accum. capital	0.0871***	-0.0109	0.0934***	0.0646**	0.1128***	0.0334	0.1044***
	(0.0185)	(0.0254)	(0.0197)	(0.0244)	(0.0202)	(0.0351)	(0.0225)
$10-20K accum. capital * F&F				-0.0842***	-0.0822**	-0.0535	-0.1121***
				(0.0304)	(0.0307)	(0.0335)	(0.0304)
$20-30K accum. capital * F&F				-0.1249***	-0.1270***	-0.0601*	-0.1215***
				(0.0328)	(0.0356)	(0.0343)	(0.0330)
$30-40K accum. capital * F&F				-0.1456***	-0.1572***	-0.0714**	-0.1319***
				(0.0305)	(0.0352)	(0.0292)	(0.0290)
$40-50K accum. capital * F&F				-0.1760***	-0.2453***	-0.0761**	-0.1890***
				(0.0304)	(0.0381)	(0.0290)	(0.0421)
Videos uploaded (lagged)	0.0083	0.2033**	0.0013	0.2032**	0.0031	0.2814**	0.0005
	(0.0168)	(0.0851)	(0.0164)	(0.0781)	(0.0164)	(0.1000)	(0.0216)
Funder proximate to Live Show	0.0099	0.0112	0.0022	0.0105	0.0035	0.0182	-0.0053
	(0.0060)	(0.0100)	(0.0116)	(0.0107)	(0.0127)	(0.0117)	(0.0154)
Weeks on Sellaband	-0.0018***	-0.0005	-0.0018***	0.0001	-0.0016***	-0.0042***	-0.0005
	(0.0003)	(0.0009)	(0.0004)	(0.0009)	(0.0003)	(0.0008)	(0.0003)
Observations	703,417	78,685	624,732	78,685	624,732	64,258	347,196
R-squared	0.011	0.038	0.012	0.048	0.018	0.053	0.015
Number of group	18,827	1,572	17,255	1,572	17,255	1,096	8,704

Dependent variable is any investment. Sample is the $50K sample in columns (1)-(5) and the survey sample in columns (6)-(7). The unit of observation is the artist-funder-week. A control for videos uploaded by the artist is included. All regressions include a full set of fixed effects for each artist-funder pair (differenced out) and each week. Robust standard errors clustered at the artist level in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Table A-8: Controlling for songs uploaded

VARIABLES	(1) ALL	(2) LOCAL	(3) DISTANT	(4) LOCAL	(5) DISTANT	(6) SURVEY LOCAL	(7) SURVEY DISTANT
$10-20K accum. capital	0.0210***	0.0083	0.0213***	0.0322**	0.0231***	0.0347*	0.0196**
	(0.0044)	(0.0133)	(0.0046)	(0.0155)	(0.0048)	(0.0197)	(0.0077)
$20-30K accum. capital	0.0276***	-0.0225	0.0306***	0.0286	0.0349***	0.0126	0.0282**
	(0.0068)	(0.0169)	(0.0071)	(0.0208)	(0.0070)	(0.0241)	(0.0102)
$30-40K accum. capital	0.0440***	-0.0254	0.0481***	0.0357	0.0546***	0.0157	0.0479***
	(0.0090)	(0.0205)	(0.0098)	(0.0219)	(0.0096)	(0.0302)	(0.0143)
$40-50K accum. capital	0.0869***	-0.0136	0.0934***	0.0618**	0.1128***	0.0282	0.1047***
	(0.0188)	(0.0262)	(0.0200)	(0.0246)	(0.0204)	(0.0365)	(0.0229)
$10-20K accum. capital * F&F				-0.0849**	-0.0822**	-0.0562	-0.1121***
				(0.0311)	(0.0307)	(0.0338)	(0.0304)
$20-30K accum. capital * F&F				-0.1252***	-0.1270***	-0.0627*	-0.1215***
				(0.0332)	(0.0356)	(0.0344)	(0.0329)
$30-40K accum. capital * F&F				-0.1458***	-0.1573***	-0.0741**	-0.1320***
				(0.0312)	(0.0351)	(0.0300)	(0.0290)
$40-50K accum. capital * F&F				-0.1759***	-0.2454***	-0.0784**	-0.1890***
				(0.0307)	(0.0382)	(0.0286)	(0.0421)
Songs uploaded (lagged)	-0.0010	-0.0022	-0.0011	-0.0016	-0.0018	-0.0018	-0.0022
	(0.0021)	(0.0033)	(0.0024)	(0.0033)	(0.0023)	(0.0038)	(0.0021)
Funder proximate to Live Show	0.0098	0.0099	0.0021	0.0093	0.0032	0.0157	-0.0052
	(0.0060)	(0.0100)	(0.0115)	(0.0107)	(0.0125)	(0.0125)	(0.0153)
Weeks on Sellaband	-0.0019***	-0.0018**	-0.0018***	-0.0013	-0.0017***	-0.0060***	-0.0005*
	(0.0002)	(0.0008)	(0.0003)	(0.0009)	(0.0002)	(0.0004)	(0.0002)
Observations	703,417	78,685	624,732	78,685	624,732	64,258	347,196
R-squared	0.011	0.036	0.012	0.046	0.018	0.049	0.015
Number of group	18,827	1,572	17,255	1,572	17,255	1,096	8,704

Dependent variable is any investment. Sample is the $50K sample in columns (1)-(5) and the survey sample in columns (6)-(7). The unit of observation is the artist-funder-week. A control for songs uploaded by the artist is included. All regressions include a full set of fixed effects for each artist-funder pair (differenced out) and each week. Robust standard errors clustered at the artist level in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Table A-9: Controlling for songs and videos uploaded

VARIABLES	(1) ALL	(2) LOCAL	(3) DISTANT	(4) LOCAL	(5) DISTANT	(6) SURVEY LOCAL	(7) SURVEY DISTANT
$10-20K accum. capital	0.0211***	0.0101	0.0213***	0.0338**	0.0232***	0.0384*	0.0196**
	(0.0044)	(0.0130)	(0.0046)	(0.0157)	(0.0048)	(0.0193)	(0.0075)
$20-30K accum. capital	0.0277***	-0.0204	0.0306***	0.0305	0.0350***	0.0164	0.0283**
	(0.0067)	(0.0163)	(0.0070)	(0.0210)	(0.0069)	(0.0234)	(0.0100)
$30-40K accum. capital	0.0442***	-0.0235	0.0481***	0.0375*	0.0547***	0.0192	0.0479***
	(0.0089)	(0.0199)	(0.0096)	(0.0222)	(0.0094)	(0.0299)	(0.0139)
$40-50K accum. capital	0.0871***	-0.0108	0.0934***	0.0647**	0.1128***	0.0336	0.1047***
	(0.0186)	(0.0254)	(0.0197)	(0.0244)	(0.0202)	(0.0351)	(0.0225)
$10-20K accum. capital * F&F				-0.0842***	-0.0822**	-0.0534	-0.1121***
				(0.0304)	(0.0307)	(0.0335)	(0.0304)
$20-30K accum. capital * F&F				-0.1248***	-0.1270***	-0.0600*	-0.1215***
				(0.0327)	(0.0356)	(0.0343)	(0.0330)
$30-40K accum. capital * F&F				-0.1456***	-0.1573***	-0.0715**	-0.1320***
				(0.0306)	(0.0351)	(0.0292)	(0.0290)
$40-50K accum. capital * F&F				-0.1760***	-0.2454***	-0.0761**	-0.1890***
				(0.0304)	(0.0381)	(0.0290)	(0.0421)
Songs uploaded (lagged)	-0.0011	-0.0024	-0.0011	-0.0018	-0.0019	-0.0014	-0.0022
	(0.0021)	(0.0036)	(0.0023)	(0.0037)	(0.0022)	(0.0039)	(0.0021)
Videos uploaded (lagged)	0.0084	0.2034**	0.0014	0.2032**	0.0033	0.2813**	0.0005
	(0.0169)	(0.0851)	(0.0164)	(0.0782)	(0.0165)	(0.0999)	(0.0216)
Funder proximate to Live Show	0.0098	0.0108	0.0021	0.0103	0.0032	0.0179	-0.0052
	(0.0060)	(0.0099)	(0.0115)	(0.0107)	(0.0125)	(0.0117)	(0.0154)
Weeks on Sellaband	-0.0018***	-0.0005	-0.0018***	0.0001	-0.0016***	-0.0042***	-0.0005
	(0.0003)	(0.0009)	(0.0004)	(0.0009)	(0.0003)	(0.0008)	(0.0003)
Observations	703,417	78,685	624,732	78,685	624,732	64,258	347,196
R-squared	0.011	0.038	0.012	0.048	0.018	0.053	0.015
Number of group	18,827	1,572	17,255	1,572	17,255	1,096	8,704

Dependent variable is any investment. Sample is the $50K sample in columns (1)-(5) and the survey sample in columns (6)-(7). The unit of observation is the artist-funder-week. Controls for songs and videos uploaded by the artist are included. All regressions include a full set of fixed effects for each artist-funder pair (differenced out) and each week. Robust standard errors clustered at the artist level in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Table A-10: Focal investor's past investment not included in artist's accumulated capital.

VARIABLES	(1) ALL	(2) LOCAL	(3) DISTANT	(4) LOCAL	(5) DISTANT	(6) SURVEY LOCAL	(7) SURVEY DISTANT
$10-20K accum. capital	0.0207***	0.0087	0.0210***	0.0337**	0.0229***	0.0386*	0.0209**
	(0.0045)	(0.0139)	(0.0048)	(0.0165)	(0.0049)	(0.0204)	(0.0079)
$20-30K accum. capital	0.0253***	-0.0225	0.0281***	0.0312	0.0328***	0.0159	0.0289**
	(0.0072)	(0.0180)	(0.0077)	(0.0217)	(0.0075)	(0.0253)	(0.0106)
$30-40K accum. capital	0.0413***	-0.0256	0.0452***	0.0366	0.0522***	0.0192	0.0492***
	(0.0100)	(0.0215)	(0.0108)	(0.0223)	(0.0104)	(0.0315)	(0.0153)
$40-50K accum. capital	0.0831***	-0.0140	0.0892***	0.0649**	0.1088***	0.0312	0.1057***
	(0.0199)	(0.0278)	(0.0211)	(0.0262)	(0.0213)	(0.0383)	(0.0241)
$10-20K accum. capital * F&F				-0.0870***	-0.0862***	-0.0588*	-0.1178***
				(0.0303)	(0.0315)	(0.0334)	(0.0318)
$20-30K accum. capital * F&F				-0.1293***	-0.1344***	-0.0674*	-0.1277***
				(0.0327)	(0.0358)	(0.0335)	(0.0345)
$30-40K accum. capital * F&F				-0.1476***	-0.1658***	-0.0787**	-0.1376***
				(0.0300)	(0.0357)	(0.0296)	(0.0306)
$40-50K accum. capital * F&F				-0.1814***	-0.2520***	-0.0807**	-0.1952***
				(0.0308)	(0.0394)	(0.0285)	(0.0436)
Funder proximate to Live Show	0.0079	0.0105	-0.0071	0.0100	-0.0063	0.0164	-0.0068
	(0.0061)	(0.0104)	(0.0095)	(0.0112)	(0.0099)	(0.0128)	(0.0158)
Weeks on Sellaband	-0.0033***	-0.0041***	-0.0031***	-0.0035***	-0.0030***	0.0001	-0.0003
	(0.0010)	(0.0004)	(0.0011)	(0.0004)	(0.0010)	(0.0004)	(0.0003)
Observations	709,471	78,897	630,574	78,897	630,574	64,403	350,432
R-squared	0.012	0.039	0.012	0.049	0.018	0.050	0.015
Number of group	18,827	1,572	17,255	1,572	17,255	1,096	8,704

Dependent variable is any investment. Sample is the $50K sample in columns (1)-(5) and the survey sample in columns (6)-(7) where focal funder's past investment is not included in artist's accumulated capital. The unit of observation is the artist-funder-week. All regressions include a full set of fixed effects for each artist-funder pair (differenced out) and each week. Robust standard errors clustered at the artist level in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Table A-11: Controlling for artists' mentions in the Sellaband Newsletter.

VARIABLES	(1) ALL	(2) LOCAL	(3) DISTANT	(4) LOCAL	(5) DISTANT	(6) SURVEY LOCAL	(7) SURVEY DISTANT
$10-20K accum. capital	0.0213***	0.0083	0.0216***	0.0341**	0.0236***	0.0368*	0.0213**
	(0.0045)	(0.0133)	(0.0047)	(0.0157)	(0.0049)	(0.0197)	(0.0078)
$20-30K accum. capital	0.0261***	-0.0228	0.0290***	0.0303	0.0336***	0.0147	0.0295**
	(0.0072)	(0.0170)	(0.0076)	(0.0211)	(0.0074)	(0.0243)	(0.0106)
$30-40K accum. capital	0.0419***	-0.0258	0.0458***	0.0374	0.0527***	0.0182	0.0496***
	(0.0099)	(0.0208)	(0.0107)	(0.0224)	(0.0104)	(0.0305)	(0.0151)
$40-50K accum. capital	0.0840***	-0.0137	0.0902***	0.0638**	0.1099***	0.0315	0.1067***
	(0.0198)	(0.0267)	(0.0210)	(0.0254)	(0.0213)	(0.0370)	(0.0239)
$10-20K accum. capital * F&F				-0.0897***	-0.0876***	-0.0603*	-0.1204***
				(0.0315)	(0.0311)	(0.0338)	(0.0317)
$20-30K accum. capital * F&F				-0.1297***	-0.1346***	-0.0665*	-0.1299***
				(0.0341)	(0.0359)	(0.0342)	(0.0347)
$30-40K accum. capital * F&F				-0.1504***	-0.1657***	-0.0778**	-0.1411***
				(0.0321)	(0.0357)	(0.0303)	(0.0304)
$40-50K accum. capital * F&F				-0.1809***	-0.2533***	-0.0823**	-0.1976***
				(0.0314)	(0.0389)	(0.0285)	(0.0437)
Artist in tribune (lagged)	0.0035	0.0147	0.0023	0.0104	0.0012	0.0123	0.0032
	(0.0038)	(0.0113)	(0.0036)	(0.0113)	(0.0036)	(0.0147)	(0.0055)
Funder proximate to Live Show	0.0079	0.0101	-0.0070	0.0095	-0.0062	0.0160	-0.0062
	(0.0061)	(0.0105)	(0.0095)	(0.0112)	(0.0098)	(0.0132)	(0.0155)
Weeks on Sellaband	-0.0033***	-0.0041***	-0.0031***	-0.0035***	-0.0030***	0.0001	-0.0003
	(0.0010)	(0.0004)	(0.0011)	(0.0003)	(0.0010)	(0.0004)	(0.0003)
Observations	709,471	78,897	630,574	78,897	630,574	64,403	350,432
R-squared	0.012	0.039	0.012	0.049	0.018	0.050	0.016
Number of group	18,827	1,572	17,255	1,572	17,255	1,096	8,704

Dependent variable is any investment. Sample is the $50K sample in columns (1)-(5) and the survey sample in columns (6)-(7). The unit of observation is the artist-funder-week. A control for the artist being mentioned in the Sellaband Newsletter is included. All regressions include a full set of fixed effects for each artist-funder pair (differenced out) and each week. Robust standard errors clustered at the artist level in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Table A-12: Logit

VARIABLES	(1) ALL	(2) LOCAL	(3) DISTANT	(4) LOCAL	(5) DISTANT	(6) SURVEY LOCAL	(7) SURVEY DISTANT
$10-20K accum. capital	0.5221***	0.3245***	0.4852***	0.9374***	0.6277***	0.9355***	0.4988***
	(0.0244)	(0.0817)	(0.0259)	(0.1088)	(0.0273)	(0.1362)	(0.0371)
$20-30K accum. capital	0.5873***	-0.4383***	0.6146***	1.1917***	0.8775***	0.0161	0.6512***
	(0.0305)	(0.1139)	(0.0319)	(0.1391)	(0.0332)	(0.1895)	(0.0457)
$30-40K accum. capital	1.0219***	-0.0900	1.0373***	1.7054***	1.3692***	0.8341***	1.2717***
	(0.0360)	(0.1328)	(0.0377)	(0.1643)	(0.0391)	(0.2170)	(0.0551)
$40-50K accum. capital	1.5722***	0.0233	1.6006***	1.9416***	2.0589***	0.9677***	2.1039***
	(0.0369)	(0.1454)	(0.0386)	(0.1776)	(0.0400)	(0.2375)	(0.0590)
$10-20K accum. capital * F&F				-1.5521***	-2.0234***	-0.7640***	-1.6094***
				(0.1327)	(0.0829)	(0.1596)	(0.1875)
$20-30K accum. capital * F&F				-3.3278***	-3.7154***	-0.5262***	-2.1366***
				(0.1559)	(0.1016)	(0.1848)	(0.1988)
$30-40K accum. capital * F&F				-4.1762***	-5.0341***	-1.5121***	-2.7736***
				(0.2047)	(0.1218)	(0.2441)	(0.2501)
$40-50K accum. capital * F&F				-4.6288***	-6.4427***	-1.5143***	-3.3864***
				(0.2351)	(0.1362)	(0.2885)	(0.2786)
Funder proximate to Live Show	0.0363	0.1070	-0.1198	0.0937	-0.1532	0.1654	0.1007
	(0.1326)	(0.1891)	(0.2087)	(0.1913)	(0.2129)	(0.2170)	(0.3544)
Weeks on Sellaband	-0.0274***	-0.0393***	-0.0232***	-0.0048	-0.0240***	-0.0451***	-0.0247
	(0.0026)	(0.0081)	(0.0026)	(0.0083)	(0.0027)	(0.0115)	(9.1012)
Observations	708,745	78,845	629,900	78,845	629,900	64,367	350,114
Number of group	18,234	1,526	16,708	1,526	16,708	1,063	8,449
Log Likelihood	-85892	-7481	-77677	-7112	-75897	-5063	-39288

Dependent variable is any investment. Sample is the $50K sample in columns (1)-(5) and the survey sample in columns (6)-(7). The unit of observation is the artist-funder-week. All Logit regressions include a full set of fixed effects for each artist-funder pair (differenced out using xtlogit command in Stata) and each week. Robust standard errors clustered at the artist-funder pair level in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Table A-13: Positive parts, fixed effects Poisson with week on Sellaband dummies.

VARIABLES	(1) ALL	(2) LOCAL	(3) DISTANT	(4) LOCAL	(5) DISTANT	(6) SURVEY LOCAL	(7) SURVEY DISTANT
$10-20K accum. capital	0.6107***	0.2830	0.6627***	0.7902**	0.7838***	-0.0035	0.4526**
	(0.1430)	(0.2716)	(0.1472)	(0.3990)	(0.1533)	(0.4484)	(0.2290)
$20-30K accum. capital	0.7417***	0.2925	0.8191***	1.1478***	0.9976***	-0.3110	0.5363*
	(0.2012)	(0.3166)	(0.2148)	(0.4275)	(0.2231)	(0.6904)	(0.3118)
$30-40K accum. capital	1.1343***	0.3894	1.2925***	1.3786**	1.5471***	0.4280	0.9303***
	(0.2176)	(0.5191)	(0.2087)	(0.5380)	(0.2087)	(0.5454)	(0.3594)
$40-50K accum. capital	1.9304***	1.1146**	2.1014***	2.1339***	2.4537***	1.0085	2.0042***
	(0.2478)	(0.5080)	(0.2549)	(0.5934)	(0.2473)	(0.6625)	(0.3713)
$10-20K accum. capital * F&F				-1.2872**	-1.4447***	-0.1247	-1.2005**
				(0.5083)	(0.2603)	(0.4498)	(0.4994)
$20-30K accum. capital * F&F				-2.1374***	-2.2867***	0.2041	-1.7962***
				(0.5193)	(0.4457)	(0.6386)	(0.5235)
$30-40K accum. capital * F&F				-2.8711***	-3.2320***	-0.8446	-2.4597***
				(0.6108)	(0.5003)	(0.5387)	(0.7315)
$40-50K accum. capital * F&F				-3.0489***	-4.5190***	-1.0741*	-2.9297***
				(0.7721)	(0.5651)	(0.5552)	(0.9645)
4th to 6th month on Sellaband	-0.2535	-0.4433*	-0.1953	-0.3531	-0.1998	-0.1790	-0.4040**
	(0.1689)	(0.2611)	(0.1869)	(0.2554)	(0.1844)	(0.3403)	(0.2026)
6th to 12th month on Sellaband	-0.3922*	-0.0717	-0.4668**	-0.0301	-0.5147**	-0.0271	-0.4979
	(0.2332)	(0.5241)	(0.2333)	(0.4676)	(0.2363)	(0.5619)	(0.3110)
12+ months on Sellaband	-0.0479	0.1098	-0.1383	0.2670	-0.2343	-0.4738	-0.5672
	(0.3428)	(0.5655)	(0.3660)	(0.6197)	(0.3862)	(0.6456)	(0.3481)
Funder proximate to Live Show	0.3915**	0.3159*	0.6030***	0.2788*	0.5053***	0.3000	-0.0927
	(0.1757)	(0.1837)	(0.2066)	(0.1567)	(0.1876)	(0.2056)	(0.3864)
Observations	708,966	78,855	630,111	78,855	630,111	64,372	350,215
Number of group	18,322	1,530	16,792	1,530	16,792	1,065	8,487
Log Likelihood	-343487	-45090	-291712	-43195	-285300	-33264	-151850

Dependent variable is positive parts. Sample is the $50K sample in columns (1)-(5) and the survey sample in columns (6)-(7). The unit of observation is the artist-funder-week. All Poisson regressions include a full set of fixed effects for each artist-funder pair (differenced out) and each week. Using dummies instead of the Weeks on Sellaband variable because of sample size. Robust standard errors clustered at the artist level in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Table A-14: Total Parts, OLS

VARIABLES	(1) ALL	(2) LOCAL	(3) DISTANT	(4) LOCAL	(5) DISTANT	(6) SURVEY LOCAL	(7) SURVEY DISTANT
$10-20K accum. capital	0.1218***	0.0280	0.1267***	0.2628	0.1356***	0.1186	0.1201**
	(0.0286)	(0.2678)	(0.0295)	(0.3218)	(0.0290)	(0.2565)	(0.0483)
$20-30K accum. capital	0.1653***	-0.1222	0.1775***	0.3227	0.1914***	0.0349	0.1819**
	(0.0494)	(0.4034)	(0.0542)	(0.4642)	(0.0553)	(0.4302)	(0.0802)
$30-40K accum. capital	0.2575***	-0.1125	0.2761***	0.3892	0.3026***	0.1828	0.2702**
	(0.0653)	(0.4661)	(0.0723)	(0.4946)	(0.0731)	(0.4558)	(0.1001)
$40-50K accum. capital	0.6287***	0.0798	0.6674***	0.9405	0.7726***	0.4473	0.7304***
	(0.1445)	(0.6523)	(0.1533)	(0.8023)	(0.1647)	(0.5853)	(0.1569)
$10-20K accum. capital * F&F				-0.8041*	-0.3774**	-0.4536	-1.0023***
				(0.4312)	(0.1556)	(0.4783)	(0.3133)
$20-30K accum. capital * F&F				-1.1097**	-0.5169***	-0.5112	-1.1650***
				(0.4218)	(0.1853)	(0.4951)	(0.3824)
$30-40K accum. capital * F&F				-1.2379***	-0.6791***	-0.6955	-1.3645**
				(0.4205)	(0.2098)	(0.5365)	(0.4725)
$40-50K accum. capital * F&F				-1.8783***	-1.2354***	-1.0134*	-1.7091***
				(0.6629)	(0.2749)	(0.4830)	(0.5511)
Funder proximate to Live Show	0.1644	0.0568	0.4274	0.0492	0.4344	0.1379	-0.0379
	(0.1232)	(0.1227)	(0.3458)	(0.1267)	(0.3531)	(0.1081)	(0.0895)
Weeks on Sellaband	-0.0095***	-0.0115	-0.0093**	-0.0058	-0.0088**	0.0001	-0.0005
	(0.0034)	(0.0073)	(0.0037)	(0.0069)	(0.0033)	(0.0090)	(0.0015)
Observations	709,471	78,897	630,574	78,897	630,574	64,403	350,432
R-squared	0.002	0.003	0.004	0.004	0.004	0.004	0.004
Number of group	18,827	1,572	17,255	1,572	17,255	1,096	8,704

Dependent variable is total parts. Sample is the $50K sample in columns (1)-(5) and the survey sample in columns (6)-(7). The unit of observation is the artist-funder-week. Total parts includes a small number of disinvestments where funders withdraw money from an artist. Therefore, the analysis is done with OLS rather than fixed effects poisson. All regressions include a full set of fixed effects for each artist-funder pair (differenced out) and each week. Robust standard errors clustered at the artist level in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Table A-15: Random Effects.

VARIABLES	(1) ALL	(2) LOCAL	(3) DISTANT	(4) LOCAL	(5) DISTANT	(6) SURVEY LOCAL	(7) SURVEY DISTANT
$10-20K accum. capital	0.0298***	0.0092	0.0309***	0.0266**	0.0293***	0.0215	0.0288***
	(0.0043)	(0.0122)	(0.0046)	(0.0109)	(0.0047)	(0.0190)	(0.0073)
$20-30K accum. capital	0.0419***	-0.0115	0.0454***	0.0314**	0.0464***	0.0097	0.0487***
	(0.0068)	(0.0157)	(0.0070)	(0.0153)	(0.0066)	(0.0207)	(0.0092)
$30-40K accum. capital	0.0676***	-0.0019	0.0720***	0.0477**	0.0743***	0.0263	0.0804***
	(0.0093)	(0.0193)	(0.0100)	(0.0187)	(0.0098)	(0.0287)	(0.0125)
$40-50K accum. capital	0.1252***	0.0322	0.1318***	0.0880***	0.1416***	0.0762**	0.1579***
	(0.0235)	(0.0284)	(0.0246)	(0.0251)	(0.0245)	(0.0321)	(0.0213)
$10-20K accum. capital * F&F				-0.0513**	0.0195**	-0.0225	-0.0190*
				(0.0217)	(0.0097)	(0.0213)	(0.0113)
$20-30K accum. capital * F&F				-0.0850***	-0.0077	-0.0292	-0.0229**
				(0.0219)	(0.0134)	(0.0225)	(0.0110)
$30-40K accum. capital * F&F				-0.0996***	-0.0185***	-0.0403**	-0.0276***
				(0.0197)	(0.0070)	(0.0174)	(0.0095)
$40-50K accum. capital * F&F				-0.1130***	-0.0657***	-0.0398**	-0.0776***
				(0.0224)	(0.0116)	(0.0191)	(0.0177)
Funder proximate to Live Show	0.0134	0.0157	0.0020	0.0152	0.0021	0.0258*	-0.0028
	(0.0084)	(0.0121)	(0.0111)	(0.0123)	(0.0115)	(0.0139)	(0.0208)
Weeks on Sellaband	-0.0011***	-0.0016***	-0.0010***	-0.0020***	-0.0011***	-0.0027***	-0.0013***
	(0.0002)	(0.0006)	(0.0002)	(0.0006)	(0.0002)	(0.0007)	(0.0003)
Observations	709,471	78,897	630,574	78,897	630,574	64,403	350,432
Number of group	18,827	1,572	17,255	1,572	17,255	1,096	8,704

Dependent variable is any investment. Sample is the $50K sample in columns (1)-(5) and the survey sample in columns (6)-(7). The unit of observation is the artist-funder-week. All regressions include a full set of random effects for each artist-funder pair and fixed effects for each week. Robust standard errors clustered at the artist level in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Table A-16: Local defined as within 50 km

VARIABLES	(1) LOCAL 50 km	(2) DISTANT	(3) LOCAL 50 km	(4) DISTANT	(5) SURVEY LOCAL 50 km	(6) SURVEY DISTANT
$10-20K accum. capital	0.0021	0.0215***	0.0322*	0.0233***	0.0259	0.0215**
	(0.0143)	(0.0046)	(0.0166)	(0.0049)	(0.0196)	(0.0079)
$20-30K accum. capital	-0.0288	0.0283***	0.0276	0.0329***	0.0066	0.0292**
	(0.0195)	(0.0073)	(0.0226)	(0.0073)	(0.0234)	(0.0103)
$30-40K accum. capital	-0.0336	0.0451***	0.0335	0.0517***	0.0072	0.0489***
	(0.0224)	(0.0104)	(0.0236)	(0.0101)	(0.0287)	(0.0147)
$40-50K accum. capital	-0.0251	0.0891***	0.0524**	0.1086***	0.0188	0.1057***
	(0.0281)	(0.0207)	(0.0253)	(0.0210)	(0.0342)	(0.0233)
$10-20K accum. capital * F&F			-0.0803***	-0.0909***	-0.0331	-0.1402**
			(0.0272)	(0.0326)	(0.0202)	(0.0576)
$20-30K accum. capital * F&F			-0.1184***	-0.1377***	-0.0380*	-0.1561**
			(0.0283)	(0.0364)	(0.0212)	(0.0570)
$30-40K accum. capital * F&F			-0.1396***	-0.1644***	-0.0502**	-0.1614***
			(0.0307)	(0.0344)	(0.0213)	(0.0483)
$40-50K accum. capital * F&F			-0.1590***	-0.2521***	-0.0530***	-0.2159***
			(0.0255)	(0.0383)	(0.0166)	(0.0582)
Funder proximate to Live Show	0.0090	-0.0053	0.0085	-0.0043	0.0172	-0.0031
	(0.0139)	(0.0099)	(0.0142)	(0.0097)	(0.0163)	(0.0154)
Weeks on Sellaband	-0.0038***	-0.0032***	-0.0034***	-0.0030***	-0.0001	-0.0003
	(0.0004)	(0.0011)	(0.0004)	(0.0010)	(0.0004)	(0.0002)
Observations	57,855	651,616	57,855	651,616	48,239	366,596
R-squared	0.042	0.012	0.050	0.019	0.053	0.016
Number of group	1,164	17,663	1,164	17,663	804	8,996

Dependent variable is any investment. Sample is the $50K sample in columns (1)-(4) and the survey sample in columns (5)-(6). The unit of observation is the artist-funder-week. All funders within 50 km from the artists are here coded as local funders. All regressions include a full set of fixed effects for each artist-funder pair (differenced out) and each week. Robust standard errors clustered at the artist level in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Table A-17: Local defined as within 200 km

VARIABLES	(1) LOCAL 200 km	(2) DISTANT	(3) LOCAL 200 km	(4) DISTANT	(5) SURVEY LOCAL	(6) SURVEY DISTANT
$10-20K accum. capital	0.0075	0.0227***	0.0220**	0.0247***	0.0217*	0.0221**
	(0.0080)	(0.0050)	(0.0099)	(0.0050)	(0.0109)	(0.0081)
$20-30K accum. capital	-0.0226*	0.0311***	0.0150	0.0350***	-0.0023	0.0324***
	(0.0122)	(0.0079)	(0.0159)	(0.0076)	(0.0167)	(0.0111)
$30-40K accum. capital	-0.0202	0.0483***	0.0216	0.0553***	0.0051	0.0543***
	(0.0157)	(0.0113)	(0.0183)	(0.0106)	(0.0204)	(0.0160)
$40-50K accum. capital	-0.0048	0.0936***	0.0592**	0.1128***	0.0243	0.1134***
	(0.0230)	(0.0219)	(0.0229)	(0.0218)	(0.0305)	(0.0246)
$10-20K accum. capital * F&F			-0.0896***	-0.0870**	-0.0691**	-0.1250**
			(0.0278)	(0.0350)	(0.0323)	(0.0436)
$20-30K accum. capital * F&F			-0.1317***	-0.1292***	-0.0795**	-0.1349***
			(0.0319)	(0.0407)	(0.0334)	(0.0451)
$30-40K accum. capital * F&F			-0.1469***	-0.1670***	-0.0963***	-0.1445***
			(0.0307)	(0.0401)	(0.0279)	(0.0385)
$40-50K accum. capital * F&F			-0.1879***	-0.2608***	-0.1073***	-0.2038***
			(0.0299)	(0.0438)	(0.0297)	(0.0514)
Funder proximate to Live Show	0.0063	-0.0063	0.0087	-0.0052	0.0109	-0.0025
	(0.0080)	(0.0097)	(0.0086)	(0.0101)	(0.0101)	(0.0141)
Weeks on Sellaband	-0.0032***	-0.0027*	-0.0027***	-0.0026*	0.0005	-0.0004
	(0.0003)	(0.0015)	(0.0003)	(0.0014)	(0.0004)	(0.0003)
Observations	125,883	583,588	125,883	583,588	103,370	311,465
R-squared	0.028	0.012	0.039	0.018	0.033	0.017
Number of group	2,460	16,367	2,460	16,367	1,689	8,111

Dependent variable is any investment. Sample is the $50K sample in columns (1)-(4) and the survey sample in columns (5)-(6). The unit of observation is the artist-funder-week. All funders within 200 km from the artists are here coded as local funders. All regressions include a full set of fixed effects for each artist-funder pair (differenced out) and each week. Robust standard errors clustered at the artist level in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Table A-18: If geographic information is missing, coded as distant

VARIABLES	(1) Invest =1 with NAs	(2) LOCAL	(3) DISTANT or NAs	(4) LOCAL	(5) DISTANT or NAs	(6) SURVEY LOCAL	(7) SURVEY DISTANT or NAs
$10-20K accum. capital	0.0180***	0.0083	0.0181***	0.0340**	0.0232***	0.0370*	0.0190**
	(0.0049)	(0.0133)	(0.0052)	(0.0158)	(0.0051)	(0.0199)	(0.0081)
$20-30K accum. capital	0.0216***	-0.0225	0.0240***	0.0307	0.0317***	0.0155	0.0265**
	(0.0076)	(0.0171)	(0.0079)	(0.0212)	(0.0075)	(0.0245)	(0.0109)
$30-40K accum. capital	0.0357***	-0.0255	0.0388***	0.0377	0.0493***	0.0188	0.0440**
	(0.0103)	(0.0209)	(0.0110)	(0.0225)	(0.0103)	(0.0308)	(0.0153)
$40-50K accum. capital	0.0731***	-0.0137	0.0780***	0.0639**	0.1057***	0.0319	0.0936***
	(0.0199)	(0.0267)	(0.0210)	(0.0254)	(0.0217)	(0.0372)	(0.0248)
$10-20K accum. capital * F&F				-0.0898***	-0.1120***	-0.0604*	-0.1221***
				(0.0315)	(0.0339)	(0.0337)	(0.0276)
$20-30K accum. capital * F&F				-0.1301***	-0.1462***	-0.0669*	-0.1372***
				(0.0339)	(0.0331)	(0.0342)	(0.0281)
$30-40K accum. capital * F&F				-0.1507***	-0.1709***	-0.0780**	-0.1462***
				(0.0320)	(0.0313)	(0.0303)	(0.0286)
$40-50K accum. capital * F&F				-0.1812***	-0.2440***	-0.0826***	-0.1826***
				(0.0312)	(0.0326)	(0.0285)	(0.0341)
Funder proximate to Live Show	0.0054	0.0105	-0.0108	0.0098	-0.0075	0.0164	-0.0075
	(0.0052)	(0.0103)	(0.0088)	(0.0110)	(0.0095)	(0.0130)	(0.0126)
Weeks on Sellaband	-0.0033***	-0.0041***	-0.0032***	-0.0035***	-0.0030***	0.0001	-0.0003
	(0.0010)	(0.0004)	(0.0010)	(0.0003)	(0.0009)	(0.0004)	(0.0003)
Observations	783,372	78,897	704,475	78,897	704,475	64,403	399,933
R-squared	0.012	0.039	0.011	0.049	0.020	0.050	0.016
Number of group	20,826	1,572	19,254	1,572	19,254	1,096	9,821

Dependent variable is any investment. Sample is the $50K sample in columns (1)-(5) and the survey sample in columns (6)-(7). The unit of observation is the artist-funder-week. If geographic information on the funder is missing, the funder is coded as a distant funder. All regressions include a full set of fixed effects for each artist-funder pair (differenced out) and each week. Robust standard errors clustered at the artist level in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Table A-19: Distant and local in same regression

VARIABLES	(1) Invest=1	(2) Invest=1	(3) SURVEY Invest=1	(4) SURVEY Invest=1
$10-20K accum. capital	-0.0139	0.0092	-0.0196	0.0039
	(0.0126)	(0.0112)	(0.0195)	(0.0132)
$20-30K accum. capital	-0.0289*	0.0230*	-0.0290	-0.0004
	(0.0165)	(0.0135)	(0.0241)	(0.0187)
$30-40K accum. capital	-0.0242	0.0448***	-0.0178	0.0158
	(0.0173)	(0.0150)	(0.0259)	(0.0222)
$40-50K accum. capital	-0.0145	0.1089***	-0.0049	0.0346
	(0.0210)	(0.0240)	(0.0285)	(0.0265)
$10-20K accum. capital * F&F		-0.0886***		-0.0754**
		(0.0267)		(0.0351)
$20-30K accum. capital * F&F		-0.1321***		-0.0869**
		(0.0307)		(0.0364)
$30-40K accum. capital * F&F		-0.1599***		-0.0954***
		(0.0293)		(0.0306)
$40-50K accum. capital * F&F		-0.2397***		-0.1253***
		(0.0328)		(0.0366)
$10-20k accum. capital * Distant	0.0357**	0.0147	0.0416*	0.0191*
	(0.0131)	(0.0111)	(0.0198)	(0.0107)
$20-30k accum. capital * Distant	0.0568***	0.0092	0.0575**	0.0304*
	(0.0155)	(0.0127)	(0.0224)	(0.0156)
$30-40k accum. capital * Distant	0.0677***	0.0045	0.0634***	0.0315**
	(0.0151)	(0.0137)	(0.0206)	(0.0143)
$40-50k accum. capital * Distant	0.1024***	-0.0038	0.1071***	0.0700***
	(0.0191)	(0.0159)	(0.0236)	(0.0158)
Funder proximate to Live Show	0.0090	0.0099	0.0142*	0.0143*
	(0.0065)	(0.0067)	(0.0070)	(0.0074)
Weeks on Sellaband	-0.0033***	-0.0031***	-0.0003	-0.0003
	(0.0010)	(0.0009)	(0.0002)	(0.0002)
Observations	709,471	709,471	414,835	414,835
R-squared	0.013	0.019	0.016	0.017
Number of group	18,827	18,827	9,800	9,800

Dependent variable is any investment. Sample is the $50K sample in columns (1)-(2) and the survey sample in columns (3)-(4). The unit of observation is the artist-funder-week. Distant and local are presented here in same regression (i.e. interaction term). All regressions include a full set of fixed effects for each artist-funder pair (differenced out) and each week. Robust standard errors clustered at the artist level in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Table A-20: Alternative specifications for F&F

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	First Invt	First Invt	First Invt Largest Invt No Other	First Invt Largest Invt No Other	First Invt At most 3 others	First Invt At most 3 others	First Invt Largest invt	First Invt Largest invt	Largest invt No more than 3 others	Largest invt No more than 3 others
VARIABLES	LOCAL	DISTANT	LOCAL	DISTANT	LOCAL	DISTANT	LOCAL	DISTANT	LOCAL	DISTANT
$10-20K accum. capital	0.0404**	0.0244***	0.0315**	0.0231***	0.0352**	0.0239***	0.0365**	0.0239***	0.0332**	0.0238***
	(0.0169)	(0.0048)	(0.0152)	(0.0049)	(0.0162)	(0.0049)	(0.0164)	(0.0049)	(0.0157)	(0.0049)
$20-30K accum. capital	0.0387	0.0366***	0.0243	0.0330***	0.0339	0.0351***	0.0316	0.0343***	0.0291	0.0340***
	(0.0234)	(0.0072)	(0.0210)	(0.0074)	(0.0215)	(0.0073)	(0.0230)	(0.0074)	(0.0207)	(0.0074)
$30-40K accum. capital	0.0466*	0.0576***	0.0240	0.0518***	0.0426*	0.0550***	0.0378	0.0536***	0.0397*	0.0534***
	(0.0253)	(0.0102)	(0.0227)	(0.0104)	(0.0227)	(0.0103)	(0.0247)	(0.0104)	(0.0228)	(0.0104)
$40-50K accum. capital	0.0844***	0.1220***	0.0513*	0.1077***	0.0706**	0.1159***	0.0727***	0.1112***	0.0671**	0.1102***
	(0.0290)	(0.0221)	(0.0257)	(0.0212)	(0.0273)	(0.0216)	(0.0266)	(0.0214)	(0.0249)	(0.0213)
$10-20k accum. capital * F&F	-0.0864***	-0.0782***	-0.0950***	-0.0900**	-0.0887***	-0.0841***	-0.0839***	-0.0871***	-0.0875***	-0.0718***
	(0.0279)	(0.0225)	(0.0334)	(0.0345)	(0.0303)	(0.0256)	(0.0291)	(0.0297)	(0.0305)	(0.0227)
$20-30k accum. capital * F&F	-0.1239***	-0.1276***	-0.1319***	-0.1397***	-0.1311***	-0.1341***	-0.1190***	-0.1349***	-0.1269***	-0.1133***
	(0.0331)	(0.0274)	(0.0350)	(0.0380)	(0.0331)	(0.0307)	(0.0337)	(0.0342)	(0.0328)	(0.0274)
$30-40k accum. capital * F&F	-0.1419***	-0.1576***	-0.1426***	-0.1706***	-0.1534***	-0.1635***	-0.1359***	-0.1656***	-0.1527***	-0.1423***
	(0.0322)	(0.0273)	(0.0346)	(0.0382)	(0.0322)	(0.0308)	(0.0322)	(0.0341)	(0.0324)	(0.0271)
$40-50k accum. capital * F&F	-0.1830***	-0.2512***	-0.1757***	-0.2584***	-0.1848***	-0.2574***	-0.1761***	-0.2509***	-0.1845***	-0.2217***
	(0.0326)	(0.0339)	(0.0327)	(0.0415)	(0.0320)	(0.0360)	(0.0315)	(0.0375)	(0.0317)	(0.0308)
Funder proximate to Live Show	0.0088	-0.0064	0.0094	-0.0063	0.0088	-0.0066	0.0097	-0.0065	0.0096	-0.0065
	(0.0113)	(0.0099)	(0.0110)	(0.0099)	(0.0110)	(0.0098)	(0.0113)	(0.0099)	(0.0110)	(0.0099)
Weeks on Sellaband	-0.0035***	-0.0029***	-0.0035***	-0.0030***	-0.0035***	-0.0030***	-0.0035***	-0.0030***	-0.0035***	-0.0030***
	(0.0003)	(0.0009)	(0.0003)	(0.0010)	(0.0003)	(0.0010)	(0.0003)	(0.0010)	(0.0003)	(0.0010)
Observations	78,897	630,574	78,897	630,574	78,897	630,574	78,897	630,574	78,897	630,574
R-squared	0.048	0.021	0.048	0.018	0.049	0.020	0.048	0.018	0.049	0.017
Number of group	1,572	17,255	1,572	17,255	1,572	17,255	1,572	17,255	1,572	17,255

Dependent variable is any investment and the unit of observation is the $50K artist-funder-week. In columns (1)-(2), an funder is defined as F&F if she invested in that artist before investing in any other. In columns (3)-(4), an funder is defined as F&F if she invested in that artist before investing in any other, her investment in the focal artist is her largest investment and she invests in no other artists. In columns (5)-(6), an funder is defined as F&F if she invested in that artist before investing in any other and she did not invest in more than three other artists. In columns (7)-(8), an funder is defined as F&F if she invested in that artist before investing in any other and her investment in the focal artist is her largest investment. In columns (9)-(10), an funder is defined as F&F if her investment in the focal artist is her largest investment and she did not invests in more than three other artists. All regressions include a full set of fixed effects for each entrepreneur-funder pair (differenced out) and each week. Robust standard errors clustered at the artist level in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Table A-21: Listing age controls

VARIABLES	(1) ALL	(2) LOCAL	(3) DISTANT	(4) LOCAL	(5) DISTANT
$10-20K accum. capital	0.0236***	0.0111	0.0223***	0.0399***	0.0249***
	(0.0051)	(0.0130)	(0.0055)	(0.0140)	(0.0057)
$20-30K accum. capital	0.0286***	-0.0181	0.0293***	0.0342	0.0345***
	(0.0072)	(0.0156)	(0.0077)	(0.0203)	(0.0075)
$30-40K accum. capital	0.0467***	-0.0224	0.0486***	0.0414*	0.0557***
	(0.0096)	(0.0195)	(0.0103)	(0.0223)	(0.0101)
$40-50K accum. capital	0.0902***	-0.0082	0.0936***	0.0716***	0.1128***
	(0.0182)	(0.0234)	(0.0195)	(0.0232)	(0.0201)
$10-20K accum. capital * F&F				-0.0932***	-0.0897***
				(0.0262)	(0.0313)
$20-30K accum. capital * F&F				-0.1270***	-0.1347***
				(0.0281)	(0.0351)
$30-40K accum. capital * F&F				-0.1463***	-0.1664***
				(0.0263)	(0.0345)
$40-50K accum. capital * F&F				-0.1776***	-0.2534***
				(0.0262)	(0.0382)
Funder proximate to Live Show	0.0093	0.0133	-0.0068	0.0119	-0.0061
	(0.0064)	(0.0102)	(0.0102)	(0.0107)	(0.0106)
Weeks on Sellaband	-0.0017	-0.0260***	-0.0002	-0.0256***	-0.0008
	(0.0032)	(0.0055)	(0.0034)	(0.0049)	(0.0033)
Weeks on Sellaband^2	-0.0003	0.0010***	-0.0003	0.0010***	-0.0003
	(0.0002)	(0.0003)	(0.0002)	(0.0003)	(0.0002)
Weeks on Sellaband^3	0.0000	-0.0000**	0.0000	-0.0000**	0.0000
	(0.0000)	(0.0000)	(0.0000)	(0.0000)	(0.0000)
Weeks on Sellaband^4	-0.0000*	0.0000	-0.0000*	0.0000	-0.0000
	(0.0000)	(0.0000)	(0.0000)	(0.0000)	(0.0000)
Weeks on Sellaband^5	0.0000*	-0.0000	0.0000*	-0.0000	0.0000
	(0.0000)	(0.0000)	(0.0000)	(0.0000)	(0.0000)
Weeks on Sellaband^6	-0.0000*	0.0000	-0.0000*	0.0000	-0.0000
	(0.0000)	(0.0000)	(0.0000)	(0.0000)	(0.0000)
Observations	709,471	78,897	630,574	78,897	630,574
R-squared	0.012	0.049	0.012	0.058	0.019
Number of group	18,827	1,572	17,255	1,572	17,255

Dependent variable is any investment and the unit of observation is the $50K artist-funder-week. Local is defined as within 100 km from the artist. All regressions include a full set of fixed effects for each artist-funder pair (differenced out) and each week, as well as a flexible polynomial of listing age. Robust standard errors clustered at the artist level in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Table A-22: Listing age controls (Survey Sample)

VARIABLES	(1) ALL	(2) LOCAL	(3) DISTANT	(4) LOCAL	(5) DISTANT
$10-20K accum. capital	0.0225***	0.0104	0.0196**	0.0289	0.0209**
	(0.0077)	(0.0179)	(0.0087)	(0.0169)	(0.0090)
$20-30K accum. capital	0.0268**	-0.0138	0.0260**	0.0076	0.0274**
	(0.0101)	(0.0205)	(0.0113)	(0.0208)	(0.0116)
$30-40K accum. capital	0.0455***	-0.0163	0.0470***	0.0118	0.0485***
	(0.0141)	(0.0240)	(0.0154)	(0.0259)	(0.0157)
$40-50K accum. capital	0.0994***	-0.0050	0.1034***	0.0220	0.1062***
	(0.0225)	(0.0329)	(0.0243)	(0.0336)	(0.0249)
$10-20K accum. capital * F&F				-0.0484*	-0.1209***
				(0.0274)	(0.0326)
$20-30K accum. capital * F&F				-0.0511*	-0.1294***
				(0.0255)	(0.0346)
$30-40K accum. capital * F&F				-0.0626**	-0.1412***
				(0.0217)	(0.0300)
$40-50K accum. capital * F&F				-0.0656**	-0.1972***
				(0.0234)	(0.0434)
Funder proximate to Live Show	0.0131*	0.0145	-0.0079	0.0145	-0.0075
	(0.0067)	(0.0125)	(0.0156)	(0.0129)	(0.0154)
Weeks on Sellaband	0.0022	-0.0282***	0.0037	-0.0278***	0.0037
	(0.0035)	(0.0084)	(0.0036)	(0.0078)	(0.0036)
Weeks on Sellaband2	-0.0003	0.0014**	-0.0004	0.0014***	-0.0004
	(0.0003)	(0.0005)	(0.0003)	(0.0005)	(0.0003)
Weeks on Sellaband3	0.0000	-0.0000*	0.0000	-0.0000**	0.0000
	(0.0000)	(0.0000)	(0.0000)	(0.0000)	(0.0000)
Weeks on Sellaband4	-0.0000	0.0000	-0.0000	0.0000*	-0.0000
	(0.0000)	(0.0000)	(0.0000)	(0.0000)	(0.0000)
Weeks on Sellaband5	0.0000*	-0.0000	0.0000*	-0.0000	0.0000*
	(0.0000)	(0.0000)	(0.0000)	(0.0000)	(0.0000)
Weeks on Sellaband6	-0.0000*	0.0000	-0.0000*	0.0000	-0.0000*
	(0.0000)	(0.0000)	(0.0000)	(0.0000)	(0.0000)
Observations	414,835	64,403	350,432	64,403	350,432
R-squared	0.015	0.057	0.015	0.058	0.016
Number of group	9,800	1,096	8,704	1,096	8,704

Dependent variable is any investment and sample is the survey sample (i.e. includes all investments in the artists who identified their Friends and Family). The unit of observation is the survey artist-funder-week. Local is defined as within 100 km from the artist. All regressions include a full set of fixed effects for each artist-funder pair (differenced out) and each week, as well as a flexible polynomial of listing age. Robust standard errors clustered at the artist level in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Table A-23: Listing-months fixed effects

VARIABLES	(1) ALL	(2) LOCAL	(3) DISTANT	(4) LOCAL	(5) DISTANT
$10-20K accum. capital	0.0234***	0.0129	0.0224***	0.0416***	0.0252***
	(0.0051)	(0.0127)	(0.0056)	(0.0144)	(0.0057)
$20-30K accum. capital	0.0288***	-0.0188	0.0297***	0.0318	0.0347***
	(0.0070)	(0.0154)	(0.0076)	(0.0204)	(0.0075)
$30-40K accum. capital	0.0459***	-0.0235	0.0479***	0.0399*	0.0548***
	(0.0093)	(0.0189)	(0.0101)	(0.0218)	(0.0098)
$40-50K accum. capital	0.0901***	-0.0091	0.0940***	0.0715***	0.1139***
	(0.0182)	(0.0232)	(0.0194)	(0.0231)	(0.0201)
$10-20K accum. capital * F&F				-0.0905***	-0.0893***
				(0.0253)	(0.0314)
$20-30K accum. capital * F&F				-0.1219***	-0.1346***
				(0.0266)	(0.0351)
$30-40K accum. capital * F&F				-0.1429***	-0.1665***
				(0.0250)	(0.0348)
$40-50K accum. capital * F&F				-0.1749***	-0.2533***
				(0.0257)	(0.0387)
Funder proximate to Live Show	0.0082	0.0135	-0.0066	0.0122	-0.0058
	(0.0063)	(0.0102)	(0.0095)	(0.0105)	(0.0101)
Weeks on Sellaband	-0.0039***	-0.0045***	-0.0038***	-0.0040***	-0.0036***
	(0.0011)	(0.0013)	(0.0012)	(0.0014)	(0.0011)
Observations	709,471	78,897	630,574	78,897	630,574
R-squared	0.013	0.051	0.013	0.059	0.019
Number of group	18,827	1,572	17,255	1,572	17,255

Dependent variable is any investment and the unit of observation is the $50K artist-funder-week. Local is defined as within 100 km from the artist. All regressions include a full set of fixed effects for each artist-funder pair (differenced out) and each week, as well fixed effects for months since the artist listed on the platform. Robust standard errors clustered at the artist level in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Table A-24: Listing-months fixed effects (Survey Sample)

VARIABLES	(1) ALL	(2) LOCAL	(3) DISTANT	(4) LOCAL	(5) DISTANT
$10-20K accum. capital	0.0213**	0.0146	0.0192**	0.0332*	0.0205**
	(0.0076)	(0.0174)	(0.0087)	(0.0176)	(0.0090)
$20-30K accum. capital	0.0257**	-0.0160	0.0258**	0.0056	0.0272**
	(0.0096)	(0.0206)	(0.0108)	(0.0197)	(0.0112)
$30-40K accum. capital	0.0428***	-0.0234	0.0450**	0.0042	0.0465***
	(0.0136)	(0.0227)	(0.0156)	(0.0236)	(0.0158)
$40-50K accum. capital	0.0999***	-0.0088	0.1050***	0.0172	0.1079***
	(0.0215)	(0.0315)	(0.0236)	(0.0317)	(0.0242)
$10-20K accum. capital * F&F				-0.0470*	-0.1206***
				(0.0239)	(0.0322)
$20-30K accum. capital * F&F				-0.0493**	-0.1289***
				(0.0214)	(0.0341)
$30-40K accum. capital * F&F				-0.0593***	-0.1407***
				(0.0183)	(0.0300)
$40-50K accum. capital * F&F				-0.0603***	-0.1966***
				(0.0191)	(0.0433)
Funder proximate to Live Show	0.0127*	0.0153	-0.0096	0.0153	-0.0092
	(0.0070)	(0.0113)	(0.0152)	(0.0117)	(0.0151)
Weeks on Sellaband	-0.0000	-0.0000	-0.0000	0.0000	-0.0000
	(0.0006)	(0.0015)	(0.0006)	(0.0016)	(0.0006)
Observations	414,835	64,403	350,432	64,403	350,432
R-squared	0.016	0.063	0.016	0.064	0.017
Number of group	9,800	1,096	8,704	1,096	8,704

Dependent variable is any investment and sample is the survey sample (i.e. includes all investments in the artists who identified their Friends and Family). The unit of observation is the survey artist-funder-week. Local is defined as within 100 km from the artist. All regressions include a full set of fixed effects for each artist-funder pair (differenced out) and each week, as well fixed effects for months since the artist listed on the platform. Robust standard errors clustered at the artist level in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Table A-25: Large investments

VARIABLES	(1) ALL	(2) LOCAL	(3) DISTANT	(4) LOCAL	(5) DISTANT
$10-20K accum. capital	0.0248***	0.0189***	0.0250***	0.0335***	0.0258***
	(0.0014)	(0.0062)	(0.0014)	(0.0071)	(0.0014)
$20-30K accum. capital	0.0331***	-0.0078	0.0359***	0.0250***	0.0387***
	(0.0018)	(0.0080)	(0.0019)	(0.0091)	(0.0019)
$30-40K accum. capital	0.0472***	-0.0174**	0.0516***	0.0094	0.0537***
	(0.0023)	(0.0088)	(0.0024)	(0.0111)	(0.0024)
$40-50K accum. capital	0.0706***	-0.0081	0.0763***	0.0332*	0.0861***
	(0.0033)	(0.0128)	(0.0035)	(0.0200)	(0.0037)
Large Investment (lagged)	0.0250***	0.0607***	0.0226***	0.0304***	0.0184***
	(0.0013)	(0.0083)	(0.0013)	(0.0088)	(0.0012)
$10-20K accum. capital * Large Inv.	-0.0156***	-0.0412***	-0.0144***	-0.0209**	-0.0117***
	(0.0016)	(0.0088)	(0.0017)	(0.0096)	(0.0016)
$20-30K accum. capital * Large Inv.	-0.0186***	-0.0523***	-0.0170***	-0.0135	-0.0136***
	(0.0016)	(0.0088)	(0.0016)	(0.0104)	(0.0017)
$30-40K accum. capital * Large Inv.	-0.0169***	-0.0432***	-0.0160***	0.0159	-0.0078***
	(0.0019)	(0.0091)	(0.0020)	(0.0130)	(0.0021)
$40-50K accum. capital * Large Inv.	0.0056*	-0.0434***	0.0082**	0.0123	0.0218***
	(0.0031)	(0.0132)	(0.0033)	(0.0214)	(0.0035)
Large Investment (lagged) * F&F				0.0532***	0.0782***
				(0.0154)	(0.0095)
$10-20K accum. capital * F&F				-0.0624***	-0.0568***
				(0.0107)	(0.0064)
$20-30K accum. capital * F&F				-0.0879***	-0.0932***
				(0.0112)	(0.0066)
$30-40K accum. capital * F&F				-0.0824***	-0.0961***
				(0.0128)	(0.0073)
$40-50K accum. capital * F&F				-0.1134***	-0.1607***
				(0.0197)	(0.0082)
$10-20K accum. capital * F&F * Large Inv.				-0.0345**	-0.0609***
				(0.0165)	(0.0106)
$20-30K accum. capital * F&F * Large Inv.				-0.0685***	-0.0731***
				(0.0166)	(0.0099)
$30-40K accum. capital * F&F * Large Inv.				-0.1024***	-0.1155***
				(0.0183)	(0.0104)
$40-50K accum. capital * F&F * Large Inv.				-0.0945***	-0.1373***
				(0.0248)	(0.0111)
Funder proximate to Live Show	0.0106*	0.0110	0.0039	0.0109	0.0058
	(0.0056)	(0.0076)	(0.0160)	(0.0076)	(0.0159)
Weeks on Sellaband	-0.0018***	-0.0016*	-0.0018***	-0.0010	-0.0016***
	(0.0002)	(0.0009)	(0.0002)	(0.0010)	(0.0002)
Observations	703,417	78,685	624,732	78,685	624,732
R-squared	0.012	0.039	0.013	0.049	0.019
Number of group	18,827	1,572	17,255	1,572	17,255

Dependent variable is any investment and the unit of observation is the $50K artist-funder-week. Local is defined as within 100 km from the artist. All regressions include a full set of fixed effects for each artist-funder pair (differenced out) and each week. Investment is defined as large if it falls in the top 10% of the investment distribution. Robust standard errors clustered at the artist level in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Table A-26: Large investments (Survey Sample)

VARIABLES	(1) ALL	(2) LOCAL	(3) DISTANT	(4) LOCAL	(5) DISTANT
$10-20K accum. capital	0.0242***	0.0310***	0.0225***	0.0399***	0.0228***
	(0.0020)	(0.0077)	(0.0022)	(0.0076)	(0.0022)
$20-30K accum. capital	0.0318***	0.0051	0.0326***	0.0190**	0.0330***
	(0.0025)	(0.0096)	(0.0026)	(0.0092)	(0.0026)
$30-40K accum. capital	0.0497***	-0.0017	0.0525***	0.0150	0.0529***
	(0.0029)	(0.0103)	(0.0031)	(0.0102)	(0.0031)
$40-50K accum. capital	0.0723***	-0.0017	0.0777***	0.0152	0.0785***
	(0.0044)	(0.0174)	(0.0047)	(0.0168)	(0.0048)
Large Investment (lagged)	0.0242***	0.0741***	0.0202***	0.0490***	0.0189***
	(0.0019)	(0.0115)	(0.0019)	(0.0108)	(0.0019)
$10-20K accum. capital * Large Inv.	-0.0159***	-0.0636***	-0.0124***	-0.0353***	-0.0108***
	(0.0023)	(0.0123)	(0.0024)	(0.0116)	(0.0024)
$20-30K accum. capital * Large Inv.	-0.0187***	-0.0648***	-0.0155***	-0.0409***	-0.0141***
	(0.0022)	(0.0122)	(0.0022)	(0.0115)	(0.0022)
$30-40K accum. capital * Large Inv.	-0.0213***	-0.0614***	-0.0180***	-0.0291**	-0.0164***
	(0.0025)	(0.0124)	(0.0026)	(0.0120)	(0.0026)
$40-50K accum. capital * Large Inv.	0.0137***	-0.0484***	0.0186***	-0.0204	0.0213***
	(0.0045)	(0.0187)	(0.0047)	(0.0193)	(0.0047)
Large Investment (lagged) * F&F				0.0590***	0.0578**
				(0.0216)	(0.0279)
$10-20K accum. capital * F&F				-0.0198	-0.0675***
				(0.0146)	(0.0214)
$20-30K accum. capital * F&F				-0.0302**	-0.0806***
				(0.0144)	(0.0214)
$30-40K accum. capital * F&F				-0.0336**	-0.0861***
				(0.0139)	(0.0210)
$40-50K accum. capital * F&F				-0.0480***	-0.1105***
				(0.0155)	(0.0262)
$10-20K accum. capital * F&F * Large Inv.				-0.0713***	-0.0709**
				(0.0230)	(0.0289)
$20-30K accum. capital * F&F * Large Inv.				-0.0554**	-0.0614**
				(0.0223)	(0.0291)
$30-40K accum. capital * F&F * Large Inv.				-0.0754***	-0.0720**
				(0.0229)	(0.0303)
$40-50K accum. capital * F&F * Large Inv.				-0.0577**	-0.1084***
				(0.0256)	(0.0362)
Funder proximate to Live Show	0.0134**	0.0164*	-0.0030	0.0170*	-0.0026
	(0.0055)	(0.0088)	(0.0164)	(0.0088)	(0.0164)
Weeks on Sellaband	-0.0009***	-0.0063***	-0.0005***	-0.0062***	-0.0006***
	(0.0003)	(0.0009)	(0.0002)	(0.0009)	(0.0002)
Observations	411,454	64,258	347,196	64,258	347,196
R-squared	0.015	0.050	0.015	0.053	0.016
Number of group	9,800	1,096	8,704	1,096	8,704

Dependent variable is any investment and sample is the survey sample (i.e. includes all investments in the artists who identified their Friends and Family). The unit of observation is the survey artist-funder-week. Local is defined as within 100 km from the artist. All regressions include a full set of fixed effects for each artist-funder pair (differenced out) and each week. Investment is defined as large if it falls in the top 10% of the investment distribution. Robust standard errors clustered at the artist level in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Table A-27: Repeated investment controlling for songs and videos uploaded

VARIABLES	(1) ALL	(2) LOCAL	(3) DISTANT	(4) LOCAL	(5) DISTANT
$10-20K accum. capital	0.0371***	0.0308**	0.0377***	0.0390***	0.0384***
	(0.0063)	(0.0129)	(0.0065)	(0.0142)	(0.0064)
$20-30K accum. capital	0.0586***	0.0282	0.0605***	0.0461**	0.0621***
	(0.0094)	(0.0181)	(0.0097)	(0.0210)	(0.0098)
$30-40K accum. capital	0.0936***	0.0338	0.0980***	0.0699***	0.1007***
	(0.0120)	(0.0206)	(0.0131)	(0.0232)	(0.0132)
$40-50K accum. capital	0.1935***	0.0997***	0.2002***	0.1259***	0.2061***
	(0.0284)	(0.0321)	(0.0300)	(0.0319)	(0.0302)
$10-20K accum. capital * F&F				-0.0232	-0.0244
				(0.0155)	(0.0147)
$20-30K accum. capital * F&F				-0.0422**	-0.0440*
				(0.0175)	(0.0234)
$30-40K accum. capital * F&F				-0.0792***	-0.0721***
				(0.0229)	(0.0236)
$40-50K accum. capital * F&F				-0.0654**	-0.1137***
				(0.0291)	(0.0230)
Songs uploaded (lagged)	-0.0021	0.0044	-0.0024	0.0046	-0.0027
	(0.0039)	(0.0056)	(0.0043)	(0.0057)	(0.0043)
Videos uploaded (lagged)	-0.0272	-0.0001	-0.0291*	0.0041	-0.0285
	(0.0181)	(0.0773)	(0.0171)	(0.0751)	(0.0171)
Funder proximate to Live Show	0.0089	0.0124	-0.0141	0.0127	-0.0140
	(0.0124)	(0.0163)	(0.0259)	(0.0163)	(0.0258)
Weeks on Sellaband	-0.0012***	0.0010	-0.0012***	0.0011*	-0.0012***
	(0.0004)	(0.0007)	(0.0004)	(0.0006)	(0.0004)
Observations	211,348	20,062	191,286	20,062	191,286
R-squared	0.028	0.027	0.030	0.029	0.031
Number of group	5,213	449	4,764	449	4,764

Dependent variable is any investment and sample and the unit of observation is the $50K artist-funder-week. Only funders who invest at least twice in the focal artist are included. Local is defined as within 100 km from the artist. All regressions include a full set of fixed effects for each artist-funder pair (differenced out) and each week. Controls for songs and videos uploaded by the artist are included. Robust standard errors clustered at the artist level in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Table A-28: Repeated investment controlling for songs and videos uploaded (Survey Sample)

VARIABLES	(1) ALL	(2) LOCAL	(3) DISTANT	(4) LOCAL	(5) DISTANT
$10-20K accum. capital	0.0297***	0.0414**	0.0282**	0.0365**	0.0282**
	(0.0095)	(0.0157)	(0.0099)	(0.0150)	(0.0100)
$20-30K accum. capital	0.0562***	0.0382	0.0565***	0.0362	0.0568***
	(0.0142)	(0.0238)	(0.0149)	(0.0209)	(0.0153)
$30-40K accum. capital	0.0897***	0.0393	0.0934***	0.0461*	0.0942***
	(0.0169)	(0.0267)	(0.0184)	(0.0249)	(0.0188)
$40-50K accum. capital	0.2033***	0.1089**	0.2105***	0.1383***	0.2121***
	(0.0315)	(0.0401)	(0.0328)	(0.0414)	(0.0333)
$10-20K accum. capital * F&F				0.0125	-0.0096
				(0.0143)	(0.0275)
$20-30K accum. capital * F&F				0.0057	-0.0197
				(0.0195)	(0.0353)
$30-40K accum. capital * F&F				-0.0131	-0.0374
				(0.0231)	(0.0381)
$40-50K accum. capital * F&F				-0.0620*	-0.0742
				(0.0352)	(0.0592)
Songs uploaded (lagged)	-0.0069*	0.0033	-0.0082*	0.0029	-0.0081*
	(0.0038)	(0.0059)	(0.0039)	(0.0058)	(0.0039)
Videos uploaded (lagged)	-0.0391	0.0178	-0.0421*	0.0189	-0.0420*
	(0.0255)	(0.1291)	(0.0229)	(0.1293)	(0.0228)
Funder proximate to Live Show	0.0210	0.0296	-0.0132	0.0283	-0.0128
	(0.0128)	(0.0173)	(0.0330)	(0.0173)	(0.0327)
Weeks on Sellaband	-0.0015***	0.0012**	-0.0015***	0.0015***	-0.0015***
	(0.0004)	(0.0005)	(0.0004)	(0.0005)	(0.0004)
Observations	118,589	14,750	103,839	14,750	103,839
R-squared	0.028	0.029	0.031	0.030	0.031
Number of group	2,690	283	2,407	283	2,407

Dependent variable is any investment and sample is the survey sample. The unit of observation is the survey artist-funder-week. Only funders who invest at least twice in the focal artist are included. Local is defined as within 100 km from the artist. All regressions include a full set of fixed effects for each artist-funder pair (differenced out) and each week. Controls for songs and videos uploaded by the artist are included. Robust standard errors clustered at the artist level in parentheses. *** p<0.01, ** p<0.05, * p<0.1