

The Economic Effects of Crowdfunding: A Comparative Analysis of Germany, Ukraine, and the United States

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Abstract : The labor market is experiencing a significant transformation as traditional employment is being progressively supplemented or replaced by temporary, platform-mediated work. However, the full extent and impact of this shift remain not fully measured yet. In this study, we explore the size and dynamics of the crowdfunding industry. Most existing studies on the number and earnings of crowdworkers are based on surveys and interviews and can be subject to reporting bias. To overcome this limitation, we adopt a hard data approach by leveraging data from multiple online platforms to provide a more comprehensive and unbiased assessment of the crowdfunding industry. We estimate the number of crowdworkers, crowdfunding platform revenues, and crowdworkers earnings. Additionally, we analyze the existing labor relationships and tax implications in the crowdfunding industry. Our findings indicate that the number of crowdworkers shows a substantial annual growth of 11.28%. Furthermore, our study estimates the revenues of crowdfunding platforms and the earnings of crowdworkers showing consistent annual growth, which demonstrates the shift in perception from crowdwork being a supplementary income to a primary source of income. We also reveal that most crowdworkers are classified as independent contractors and are solely responsible for taxation, highlighting the lack of labor protection for crowdworkers and the challenges for tax authorities in tracking taxation and recovering unpaid taxes.

Keywords : crowdsourcing, online labor, platform economy, online work, labor supply

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