



Sign in | Register for free

Sign in with Facebook

Site Search

Search Local Business Listings

Search for keywords, people, locations, obituaries, Web

Go

- Home
- News
- Opinion
- Sports
- Entertainment
- Living
- Interact
- Jobs
- Autos
- Real Estate
- Rentals
- Classified Ads
- News
- Business
- Education
- Environment
- Local
- Obits
- Photos
- Politics
- Special Coverage
- US & World

[Top Stories](#)

**PolitiFact Oregon: Bringing truth to politics...**

**Local news: What's happening in your neighborhood?...**

**Get down to the Yard, Garden & Patio Show ...**

Home > Small Business

# Portland entrepreneurs launch big ideas, bring products to market with crowdfunding

Published: Sunday, January 08, 2012, 7:01 AM Updated: Sunday, January 08, 2012, 2:47 PM



By Molly Young, The Oregonian

Follow

Recommend 42 people recommend this.

Comment 9

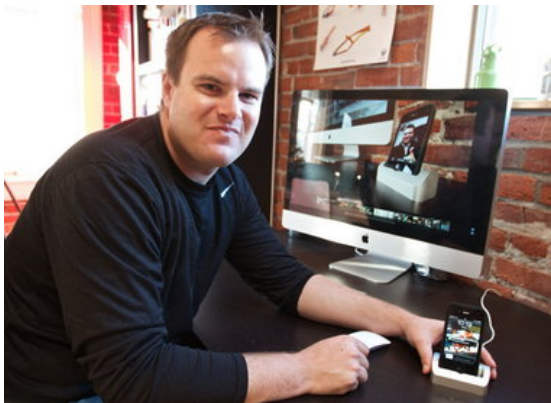
Tweet 188

+1 4

Share

Email

Print



+ View full size Randy L. Rasmussen/The Oregonian

Casey Hopkins, a Southeast Portland product designer, knew he could create an iPhone charging station that functions better than any on the market now. The 5,500 people who have pledged money to help produce his Elevation Dock apparently agree.

Casey Hopkins didn't have the cash to launch his sleek aluminum iPhone dock, but his friend had a nice camera. They made a video, then **uploaded it to Kickstarter.com.**

A month later, he's raised more than \$537,000 through the crowd funding site, and his project is gaining thousands of dollars a day.

"I wasn't the only one frustrated with Apple's docks," Hopkins said. No kidding: More than 5,500 people have backed the project so far.

Such is the lure of crowd funding, which is quickly becoming a mainstream-financing vein on sites such as Kickstarter, IndieGoGo, Appbackr and RocketHub. One private research group placed the industry's value at \$1.6 billion in 2009, a number it expects will more than triple by next year.

Portland entrepreneurs are turning to such sites as a viable way to raise startup costs and launch product lines without forfeiting ownership or paying high interest rates. Fifty-two local projects are listed on Kickstarter alone.

### Success stories

Three Portland entrepreneurs are seeking or have found the capital

But critics say it remains risky and offers few assurances for money flowing to startups with little but ideas to show. And current securities rules block businesses from offering shares of ownership through crowd funding.









The success of projects like Hopkins' has caught the attention of political leaders who see crowd funding as a people-powered way to



## Government Mandates Auto Insurance Discounts For Seniors

If you are over the age of 55, you may qualify for this special auto insurance discount. Auto insurance companies have been hiding this discount from consumers, taking millions out of the consumers' pockets and putting it into theirs. Find out what your lowest monthly payment could be.

Click Your Age:

-  Under 18
-  19-25
-  26-35
-  36-45
-  46-55
-  56-65
-  66-75
-  Over 75

[Calculate New Payment](#)

LowerMyBills.com

More Small Business

Most Comments

Most Recent



they needed at crowd-funding sites.

» **Downtown Portland shop Fat Fancy turns to IndieGoGo**

» **Thousands make Elevation Dock a reality**

» **Portland lawyers become inventors with The Clutch**

fuel small-business growth and hiring. Sen. Jeff Merkley, D-Ore., **introduced a bill last month** meant to eliminate the roadblock. The House passed a similar measure in November.

Dozens of websites offer crowd funding platforms. Each has its own niche market and rules. At its most basic level, crowd funding allows entrepreneurs to introduce their idea and lets consumers pledge money to make it a reality. The early stage funders often receive promises for products and services in return.

"That's the beauty of Kickstarter," Hopkins said. "It provides the two things that a small startup doesn't have. It provides the upfront capital and it provides a bellwether to see if it's something that other people really want."

**How it works**

Kickstarter works as a sort of tipping scale. Entrepreneurs explain their goal, often on video, and list the amount of money it would take. They also outline a set of incentives people can earn for backing the project.

But they receive funding only after they hit or exceed their goal within a set timeframe. Kickstarter takes 5 percent of the proceeds, and Amazon charges a separate fee to process the credit card pledges.

Recent Portland projects that topped their target include kitten-shaped crayons, a contact lens case and a Southern food cart.



+ **View full size** Faith Cathcart/The Oregonian

Portland attorneys Jamie Daigle and Bryan Churchill created the Clutch, an iPad case with a handle that doubles as a stand. They're asking crowdfunders to help get it off the ground.

However, fewer than half of all Kickstarter projects, 43 percent, are successful.

Since its April 2009 launch, more than 100 million people have backed projects through the site, pledging more than \$100 million, the company has said.

Consumers now pledge at a pace of \$2 million every week. Every month, 75,000 new people back a project.

Gartner Research, a private analytics company, estimated crowd funding generated \$1.6 billion in 2009. It's projected to top \$6.2 billion in 2013.

It's changing the landscape of small-business funding.

"You don't need a large (venture capital) backing to get a small creative project off the ground," said Bryan Churchill, a Portland attorney who launched his own Kickstarter project with business partner Jamie Daigle.

The pair **launched the Clutch, an iPad case** designed to make the tablet more functional. For \$60, backers can receive their own case. It's well below the planned retail price, but it's a calculated move meant to attract an early following.

"People get a discount for putting their faith in you, that you will make it and deliver it," said Daigle, who's also a Portland-area lawyer. It's the inherent risk in crowd funding, a promise-based business similar in many ways to other online transactions.

**How it works**

*Local consultant **Adrienne Fritze** works with artists and creative entrepreneurs to launch crowdfunding campaigns. She's outlined what it takes to turn one into a success, in addition to a lot of time and hard work.*

**Define** your project's goals and budget. In setting a financial target, include not only your hard costs, but also your time.

**Craft** the key messages you'll include with your project. Videos are especially effective. They show your personality and tell the background story.

**Outline** the rewards that come with pledges, making sure profits exceed the cost of what you're promising. Know that you'll be able to deliver.

**Check** out different crowdfunding sites and find one that fits your niche and target audience.


**Start** a

**Most Active Users** **What's this?**

Users with the most **OregonLive.com** comments in the last 7 days

- 148**  **Theodore Seeber**
- 136**  **PSEUDO**
- 116**  **nwokie**
- 101**  **occupy city parks**
- 86**  **damascus dean**

**Users We Love**

 **Oregon high school football fan, 'chadicus01'**  
OregonLive.com contributor is part of our vibrant and diverse high school sports community.

**More Users We Love**

**Connect with OregonLive.com**  
**What's this?**



**All Facebook & Twitter accounts >>**

### System risks

But the sites offer almost no protection against fraud and scams, warning consumers to use common sense before committing to a project. That's drawn criticism from securities groups, who say expanding crowd funding would open up investors to even more risk.

Entrepreneurs often seek the capital without promised returns in-hand. Although consumers own a legal claim to the product, Daigle said, they may not view it as worth the hassle.

The potential pitfalls and the explosive growth prompted Congress to take up the issue. The House passed a measure in November that would allow small businesses to raise as much as \$5 million a year, and investors to fund up to \$10,000.

Two Senate bills are stalled in committee, including **Merkley's Capital Raising Online While Deterring Fraud and Unethical Non-Disclosure (CROWDFUND) Act**.

"The promise of crowd funding is that investments in small amounts made through transparent online forums can allow the 'wisdom of the crowd' to provide funding for small, smart companies," Merkley wrote in a statement.

As lawmakers sort out the legislation, its momentum continues to grow in Portland. Mayor Sam Adams started highlighting local Kickstarter projects **on his own website**. He doesn't select them; his arts and culture policy coordinator, Caryn Brooks, does.

"Any time we can help people and their dreams come true, we're happy to do it," she said.

--**Molly Young**, 503-412-7056, @PDXSmlBizNews


**Related topics:** [casey hopkins](#), [crowdfunding](#), [indiegogo](#), [kickstarter](#)


marketing campaign before you launch your project. Spread the word through family, friends, list serves, Facebook — every avenue you have.

**Launch** your project. If you succeed, fulfill your promises. If you fail, use the experience to reach your goal the next time around.

### Recommendations

**Login** You need to be logged into Facebook to see your friends' recommendations.

 **Geoff Hollister, an original Nike employee and former University of Oregon track runner, dies**  
216 people recommend this.

 **LaMarcus Aldridge becomes 15th Trail Blazers player selected to NBA All-Star Game**  
48 people recommend this.

 Facebook social plugin

### From Our Advertisers

• **Car Cash Sweepstakes - enter for a chance to win!**

**Advertise With Us »**

**HS SPORTS ANDROID APP**  
 **Download and Customize the Android app**

### Sponsored Links

**Carbonite Business Backup**  
The best value in backup for SMBs. From just \$229. Free 30 day trial!  
[www.Carbonite.com/Business](http://www.Carbonite.com/Business)

**Small Business Grants**  
Find/Compare Gov't Business Grant Solutions @ Business.com.  
[www.Business.com](http://www.Business.com)

**Become a Travel Agent**  
Study at home. Travel Agency Proficiency exam voucher included.  
[www.PennFoster.edu](http://www.PennFoster.edu)

**Small Biz Email Marketing**  
Easy to use, professional email marketing for business. Try free!  
[www.GraphicMail.com](http://www.GraphicMail.com)

Share this story        Story tools  **Email**  **Print**

### More stories in Small Business



**Previous story**  
**Portland lawyers become inventors, now they hope Kickstarter funders will back the \$75,000 production costs**

**Next story**  
**Small talk: Budding entrepreneurs turn to crowdfunding, Sseko Designs helps Ugandan women afford college**

### Popular Tags

### What's this?

adp crowdfunding economic indicators intuit kickstarter meet the startup open and shut oregon convention center oregon entrepreneurs network portland development commission portland incubator experiment portland seed fund rick stone small biz weekly small business small business administration small business development center small business hiring small business spotlight **small talk** st. johns startup startups surepayroll year in review

**9 Comments**  **Feed** 

View: **Oldest first** | **Newest first**

**occupy city parks** January 08, 2012 at 8:12AM [Follow](#)

OK, so more consumerism?

It appears most of this stuff being thought up will be manufactured in China.

[Reply](#) [Post new](#) [Inappropriate?](#) [Alert us.](#)**andrepolly** January 08, 2012 at 9:32AM [Follow](#)

Somebody needs to pay the bills for you occupy..

[Reply](#) [Post new](#) [Inappropriate?](#) [Alert us.](#)**jdmd8910** January 08, 2012 at 8:32AM [Follow](#)

I think we can pretty much assume that a 29 buck copy is already being hard-tooled in China as we type...

[Reply](#) [Post new](#) [Inappropriate?](#) [Alert us.](#)**whazdat** January 08, 2012 at 10:19AM [Follow](#)

where's occupy? some of these folks might create mass wealth for others, including themselves and intro ideas that revolutionizes society for the better (er, kinda like microsoft and the inventor of the internet - al gore)...and end up paying billions to governments in taxes.

now we can't have that going can we?

[Reply](#) [Post new](#) [Inappropriate?](#) [Alert us.](#)**whazdat** January 08, 2012 at 10:34AM [Follow](#)

any tax consequences for the money received? since it's not capital (ownership interest) one has to wonder.

[Reply](#) [Post new](#) [Inappropriate?](#) [Alert us.](#)**jdmd8910** January 09, 2012 at 2:11AM [Follow](#)

I take it from the article that the money represents pre-orders for product. It is revenue.

[Reply](#) [Post new](#) [Inappropriate?](#) [Alert us.](#)**thomasrobertkane** January 08, 2012 at 1:32PM [Follow](#)

geesh i wonder if they need anyone to work from home doing phone calling or data entry? i sure could use a job but am disabled and would have a real hard time working away from home. its weird because i have worked all my life since i was 8 years old cowboying on my great uncles ranch in eastern washington. now after 5 years of disability i sure would like the opportunity to support myself and feel somewhat contributory and productive.

[Reply](#) [Post new](#) [Inappropriate?](#) [Alert us.](#)**pleasereadthenews** January 08, 2012 at 1:38PM [Follow](#)

Oregon needs to grow small businesses with new ideas to create new jobs and increase state employment revenue.

[Reply](#) [Post new](#)

[Inappropriate? Alert us.](#)



**Thibaut** January 13, 2012 at 8:31AM

[Follow](#)

Congrats to Casey Hopkins because it's genius to have think about raising the funds he needed by asking the crowd.

Indeed, nowadays, new channel are available for startups and young venture in growth to raise funds without passing through classical vectors.I think about crowdfunding-platform such as Mymicroinvest which proposes to the population to co-invest with an investment fund via the Web!This website proposes an innovative solution with a strong legal structure.I recommend you to have a look on it:

<http://www.mymicroinvest.com>

Regards,

[Reply](#) [Post new](#)

[Inappropriate? Alert us.](#)

**Post a comment**

**Sign in to OregonLive.com**

**Username**

**Password**

Remember me?

[Sign In](#)

[I forgot my username or password >](#)

**Don't have an account?**

[Register now for free](#), or sign in with any of these services:

[Sign in with Facebook](#)

[AIM](#)

[Google](#)

[OpenID](#)



[Site Search](#)

[Search Local Business Listings](#)

Search by keyword, town name, Web ID and more...

[Go](#)

[Site Map](#) | [Advertise](#) | [Contact us](#)

[▶ Make us your home page](#)

[Home](#) | [News](#) | [Weather](#) | [Sports](#) | [Entertainment](#) | [Living](#) | [Interact](#) | [Jobs](#) | [Autos](#) | [Real Estate](#) | [Rentals](#) | [Classifieds](#) | [Shopping](#)

- [Your Photos](#)
- [Your Videos](#)
- [Blogs](#)
- [Forums](#)
- [Travel](#)
- [Music](#)

- [Post a job](#)
- [Post a free classified ad](#)
- [Sell your car](#)
- [Sell/rent your home](#)
- [Apartments & rentals](#)
- [Claim your Business Listing for free](#)

- [Obits / Death Notices](#)
- [Business News](#)
- [Environmental News](#)
- [Contests](#)
- [Dining](#)
- [Movies](#)

- [Subscribe to our content \(RSS\)](#)
- [News alerts](#) | [Sports alerts](#)
- [Twitter feed](#)
- [OregonLive.com Multimedia](#)
- [OregonLive.com Mobile Site](#)
- [Learn about our mobile site](#)



[The Oregonian](#) - [The Oregonian Business Center](#) | [Hillsboro Argus](#)

Registration on or use of this site constitutes acceptance of our [User Agreement](#) and [Privacy Policy](#) (Revised November 1, 2011)

© 2012 Oregon Live LLC. All rights reserved ([About Us](#)).

The material on this site may not be reproduced, distributed, transmitted, cached or otherwise used, except with the prior written permission of Oregon Live LLC.

**Community Rules** apply to all content you upload or otherwise submit to this site. **Contact interactivity management.**

[▶ Ad Choices](#)