

## BUSINESS DISTINGUISHED SCHOLAR SEMINAR SERIES

### Investor Base Disclosure and Entrepreneurial Success: Evidence from Crowdfunding

We employ a sharp regression discontinuity design to identify the causal effects of investor base disclosure on funding success and post-funding outcomes. Starting from February 2016, Kickstarter discloses backer statistics including geographic locations and previous funding experience of the backers once the number of backers for a project reaches 10. We use this discontinuity to show that the disclosure of investor base information increases the likelihood of funding success by 10% and the amount of funds pledged (relative to the stated goal) by 13%. The disclosure effect is more pronounced for projects that disclose a more experienced and geographically diverse investor base, consistent with disclosure mitigating information frictions and the incentive misalignments between creators and backers. We also find that the investor base disclosure increases the frequency of backer comments and product updates, and ultimately enhances the likelihood of product delivery.



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Prof. Xiumin Martin is a Professor of Accounting in Olin Business School at Washington University in Saint Louis. She serves as an editor at *The Accounting Review* and associate editor at *Management Science*. Prof. Martin's research focuses on the role of financial information in the capital market - promoting debt contracting efficiency and improving the efficiency of asset allocation. She has published numerous papers in top-tier accounting and finance journals, including *The Accounting Review*, *Journal of Accounting Research*, *Journal of Accounting and Economics*, *Journal of Finance*, *Journal of Financial Economics*, and *Management Science*.

**Date:** June 2, 2023 (Friday)  
**Time:** 10:00-11:30am (HK Time)  
**Venue:** SEK 210, 2/F, Simon & Eleanor Kwok Building  
**Language:** English

