

# 48. Patreon

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**Founders:** Jack Conte (CEO), Sam Yam

**Launched:** 2013

**Headquarters:** San Francisco

**Funding:** \$412 million

**Valuation:** \$4 billion

**Key technologies:** Internet of Things

**Industry:** Media

**Previous appearances on Disruptor 50 List:** 0

Creators have always deserved to get paid, and the internet provided illustrators, authors, podcasters, [musicians](#) and [other independent thinkers](#) with a way to reach more people than ever in the history of human culture. But creative freedom backed by technology is still evolving in terms of how it creates financial gain.

While social media influencers like Instagram and YouTube stars can receive big bucks, for the vast majority of creators, a new model was needed to crowd fund income directly from their audience (i.e. patrons). Platforms like Patreon are critical for individual idea makers to free themselves of reliance on the internet's trillion-dollar gatekeepers like YouTube parent [Alphabet](#) and Instagram parent [Facebook](#), which keep most of the advertising-generated revenue for themselves.

Patreon was, in fact, founded by former YouTube creators.

Under its business model, creators receive the majority of revenue from their content while Patreon takes a 5% cut of monthly income and a fee for transactions. It also has Pro and Premium tiers with more support for businesses on the platform, but higher fees (8% and 12%, respectively).

In April, Patreon raised \$155 million in a deal that [more than tripled its valuation](#) to \$4 billion, with investors Tiger Global Management, Woodline Partners, Wellington Management, Lone Pine Capital, New Enterprise Associates, Glade Brook Capital, and DFJ Growth.

Patreon has reportedly considered a public listing since early this year and has been approached by special purpose acquisition companies (SPACs), according to [The Information](#).

The company has faced similar controversies to the social media giants with which it competes in the past, with accusations of political bias and other forms of censorship on its platform leading to some PR headaches and a few high-profile defections. It also is continuing to tweak its business model to make sure it is sustainable, a risk the CEO [has worried about](#) over the years as it seeks new ways to get paid itself while enabling creators. A recent round of layoffs at the company resulted in a video apology from the CEO — on YouTube — and in it he said the layoffs stemmed from a change in its approach to product and the recent hiring of a key official from Facebook’s Instagram, Julian Gutman, who also previously worked at Google and Ticketmaster.

Patreon is part of a wider trend influencing the evolution of fields including journalism. Substack, for example, has emerged as a way for journalists to break free from bigger media organizations and be rewarded for their work by an audience through direct subscriptions. The old guard in social media reliant on advertising revenue has taken notice: Consider, for example, Twitter’s [recent decision](#) to begin experimenting with a “Tip Jar” for individual accounts.

—*Contributed by Eric Rosenbaum*