

# **Patreon Review**

- Updated on: May 21, 2021
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Patreon

| Total Rating                         | 4.0       |
|--------------------------------------|-----------|
| Terms & Fees                         | Good      |
| Application Process                  | Excellent |
| Sales & Advertising Transparency     | Excellent |
| Customer Service & Technical Support | Good      |
| <u>User Reviews</u>                  | Fair      |

# Pros

- Continuous crowdfunding for creators
- The platform facilitates reward giving
- Fewer content restrictions than some other crowdfunders
- Multiple subscription plans available

#### Cons

- No built-in promotional tools
- Some creators report issues when attempting to collect funds
- A high volume of public complaints

# **Patreon Overview**

So what is Patreon is a crowdfunding site aimed at a particular audience: **artists and online personalities in the business of continuous content creation**. As crowdfunding platforms go, Patreon has enjoyed a meteoric rise in its public profile over the last half-decade.

Patreon's approach to rewards-based crowdfunding is unique, setting it apart from <u>Kickstarter</u> and <u>Indiegogo</u>. With the latter two, backers support creators with one-time pledges in exchange for rewards. Patreon's model is that backers patrons, as Patreon refers to them — subscribe to a creator's content, making recurring payments on an ongoing basis in exchange for access to the content. This funding model makes Patreon particularly well-suited to creators of viral videos, online journalists, writers, and musicians. Not a content creator? Find more small business start-up funding options

How does Patreon work? Is Patreon safe to use (as in, is it a legitimate site)? Read on for our full Patreon review to understand how the platform works — and whether or not it fits your needs.

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# Services Offered

Patreon was founded in San Francisco by musician Jack Conte and developer Sam Yam. Conte's oeuvre of music videos was getting a million views per month, yet Conte was only making \$50/month through ad revenue on YouTube. He started Patreon in 2013 with the intent to give artists a sorely needed means of monetizing their work. Describing the reasoning behind his company, Conte said the following in a 2013 article:

I'm releasing new things on a monthly basis. I have friends releasing material weekly. They'd have to almost invent an excuse to raise money after going on Kickstarter once. We're saying, 'No, no. Don't make up a new endeavor. Keep doing what you do best and let people pay you each time you do that.'

Patreon's site has pages pitching its services to the following types of users:

- Podcasters
- Video creators
- Musicians
- Visual artists
- Communities
- Writers and journalists
- Gaming creators
- Nonprofits
- Tutorials and education
- Local businesses

Entrepreneurs and creative teams engaged in any ongoing creative endeavor can use Patreon to get paid directly by the people who want to consume your content. Additionally, the platform has become more open to businesses such as restaurants and local venues. Nonprofits can now use Patreon as well. On the other hand, entrepreneurs and firms raising money for specific projects (tech startup projects often fall into this category) will likely find Kickstarter or Indiegogo to be a better crowdfunding fit. And if you're raising money for personal needs, such as a medical emergency or college tuition, go with **<u>GoFundMe</u>** instead. GoFundMe won't require you to release exclusive content for your backers. Plus, GoFundMe doesn't charge a platform fee the way Patreon does.

# **Project Qualifications**

A major factor in Patreon's initial appeal to creators had been that Patreon's content restriction policies were more relaxed than those of other crowdfunding platforms. However, disputes arose over the banning of certain campaigns for contravening the company's hazy guidelines regarding adult content and hate speech. In response, Patreon released a more definitive list of **community guidelines** that spell out what is forbidden on the platform:

- Hate speech, harassment, doxing, and threats are banned
- You can't use Patreon "as a prank or to fund non-activity"
- Adult nudity is allowed if it is marked "Patron Only," while pornography and sexual services are banned (yes, the line here is still a bit hazy)
- You can't promote self-harm or illegal activity
- You can't use Patreon "to fund your run for office or to fund the political campaigns of others"
- No spam

# Terms & Fees

# Rating: Good

How much does Patreon cost to use? These are the current terms and fees for Patreon's crowdfunding campaigns:

| Funding Duration          | Unlimited/Continuous                    |
|---------------------------|---|
| Funding Method            | Per month OR per creation               |
| Platform Fee              | 5%-12%                                  |
| Payment Processing<br>Fee | 2.9% + \$0.30 for donations over<br>\$3 |

I'll explain why the platform fee varies from 5%-12% in a moment.

On top of the platform fee, the payment processor (Stripe or PayPal) charges a fee for each donation made:

- 2.9% + \$0.30 for donations over \$3
- 5% + \$0.10 for donations of \$3 or less

There are also **payout fees** to consider — the fees payable when you move funds from your creator balance to your bank or PayPal account. These fees are as follows:

• Direct Deposit: \$0.25 fee/deposit for US creators receiving payment

- **PayPal:** \$0.25 or 1% of the amount transferred capped at \$20 per deposit for US and international creators receiving payment
- **Payoneer:** This may vary depending on country and currency but will typically be a \$3 transfer fee per deposit for international creators receiving a global bank deposit

Once your page goes live, you can add posts to it, which can either be viewable by everybody or restricted to your patrons (at a reward level of your choosing). As for funding, you can choose to either get monthly payments from your patrons or "per creation" payments. You can also set up "goals" that will be reached when your funding level hits a certain amount. These goals are non-binding and can be changed at any time.

For those wondering, "Just what cut does Patreon take? How can the platform fees vary from 5% to 12%?" Well, the variance in the platform fee owes to the fact that when you sign up with Patreon, you must choose one of **three Patreon subscription plans**, each of which has a different platform fee. Here's what you get with each plan:

# Lite

- Patreon Platform Fee: 5% + payment processing fees
- Hosted creator page
- Patreon communication tools
- Patreon workshops

# Pro

- **Patreon Platform Fee:** 8% + payment processing fees
- All the features in Lite, plus:
- Membership tiers
- Analytics and insights
- Special offers promo tool
- Creator-led workshops
- Unlimited app integrations
- Priority customer support

# Premium

- **Patreon Platform Fee:** 12% + payment processing fees
- All the features in Lite and Pro, plus:
- Dedicated partner manager
- Merch for membership
- Team accounts

One critique I'll make here is that competing platforms allow you to offer different support tiers to backers while still charging a 5% platform fee. Unfortunately, you have to let Patreon take 8% of what you earn to have access to this common crowdfunding feature.

Like other rewards-based crowdfunding platforms, Patreon lets you offer rewards to your "patrons," though, unlike Kickstarter, the company doesn't require it. Patreon does *recommend* it, however, noting that successful creators tend to offer more than

two reward levels. The company suggests the following when considering what rewards to offer:

- Access to your patron-only feed
- Photos/videos of your process
- A live chat with your patrons via Patreon's mobile app
- MP3 downloads
- Physical rewards (recommended for higher-tiered patrons only)

#### **Application Process**

#### Rating: Excellent

Patreon's application process is a breeze. Just start setting up your account, enter some basic personal information, attach your social media accounts, set up a payment method, and you can start earning money for your creations.

# Sales & Advertising Transparency

#### Rating: Excellent

Patreon is transparent regarding its services — I never got the sense that there was anything the company was trying to hide or equivocate about.

# **Customer Service & Technical Support**

#### Rating: Good

Patreon has FAQs for creator issues: one for patron issues and one for general issues. For direct support, you can submit a question via the website or Twitter, and Patreon will respond via email from Monday-Friday, 9 AM-6 PM PST. Pro and Premium subscribers are promised a swifter support response.

As for phone support, Patreon offers none. Hopefully, at some point, Patreon will give creators this support option.

# **User Reviews**

Rating: Fair

#### Negative Reviews & Complaints

Patreon creators have reported various serious issues with the company and its practices over the past several years. Despite Patreon's **official policy** of permitting forms of "adult content" that fall short of being actual pornography, adult content creators have faced increasing restrictions on what they are allowed to post and monetize. Many of these creators are facing the loss of their page altogether, often with minimal/vague justification from Patreon. Other users (some of whom deny even having an active campaign going) have found their accounts suspended for seemingly no reason at all.

Other users have found the customer support to be inadequate to the point where multiple emails to the company went unanswered. Several creators have encountered billing issues as well. Due to the frequency of these (and other) complaints, Patreon currently scores a lowly average score of **1.3 out of 5 on Trustpilot**.

As far as professional reviews go, a review of **Patreon by PCMag.com** was largely complimentary of the service but noted that some features (such as advanced analytics) that were once universally available to Patreon creators are now reserved for the more expensive subscription tiers.

# Positive Reviews & Testimonials

The same PCMag review I referenced above claims that Patreon's funding model is ideal for artists and other creators who produce content on an ongoing basis. It also notes that Patreon's platform is open to a wider range of creative content than its competitors.

Other professional Patreon reviews tend to echo these sentiments. However, the frequency and persistence of the negative reports from creators mean that Patreon gets just a Fair rating in this section.

# **Final Verdict**

In the end, is Patreon worth it?

Patreon isn't the crowdfunder for everybody. If you're looking to raise funds to launch one particular project, such as the creation of some cool tech gizmo, look into Kickstarter. If you're seeking funds to help cover the cost of purchasing new equipment for your business, check out Indiegogo or Fundable (or check out online lenders, such as LendingClub, Prosper, Accion, and Kiva and apply for a crowdfunded loan). And if you're trying to raise money for your friend's kidney operation, set up a GoFundMe page.

If, on the other hand, you're an indie video game developer, a cartoonist, an author, a podcast host, a musician, or you've garnered a huge YouTube following by recording yourself sitting in an oversized gamer chair playing Fortnite while yelling at people, Patreon is well-tailored for you. As it can be difficult to get people to make even a small recurring financial commitment to you, it's enormously helpful if you've already built up a large YouTube following and/or a heavy Twitter presence. Nonetheless, if you (or your business) produce creative goods that inspire people, Patreon's platform is precision-engineered to help you monetize doing what you already love. It's a boon to creatives everywhere, it's easy to set up and maintain, and it's a reason for renewed optimism about the power of the internet to create opportunities for those who lack an institutional platform.

Although Patreon has made a number of missteps over the years that have called into question its commitment to creators, Patreon has shown an ability to learn from its mistakes. However, the persistence and volume of negative user feedback prevent me from raising Patreon's overall score of **4 out of 5 stars**.