

Rapid Response Transcript – Tim Cadogan

“How GoFundMe has facilitated \$15 billion in giving”

[Click here to listen to the full Masters of Scale: Rapid Response episode with Tim Cadogan.](#)

TIM CADOGAN: I learned that taking the time to project and stay calm and focus on, “Okay, what matters? What can we do about it? And how can I help?”

A great many of our campaigns have extraordinary emotional importance, both to the person who's asking for help and the person who's giving the help. And, that level of emotional demand on everyone involved is very, very unusual.

The reality is that life is not always easy. Hard things happen to us as humans. It was an incredible education in how important GoFundMe is to people. People need this system, and we've got to be our best for them.

BOB SAFIAN: That's Tim Cadogan, CEO of GoFundMe, the for-profit crowdsourcing platform that has facilitated \$15 billion in giving.

I'm Bob Safian, former editor of Fast Company, founder of The Flux Group, and host of Masters of Scale: Rapid Response.

I wanted to talk to Tim because, at a moment when divisiveness and uncertainty plague our culture, GoFundMe is using generosity as a tool to knit new social fabric.

Since the pandemic hit, the service has been a growing resource and a global outlet for help.

The company just released its annual Giving Report, which illuminates its far-ranging impact, for individuals in need as well as businesses.

Tim argues that GoFundMe is more innovative than it could be as a not-for-profit, and that expanding the business is in service of expanding the mission.

Asking for help, he says, unlocks more possibilities than people realize – a lesson for GoFundMe users, and for business people overall.

[Theme music]

SAFIAN: I'm Bob Safian, and I'm here with Tim Cadogan, CEO of GoFundMe. Since 2010, GoFundMe's raised \$15 billion on its crowd sourcing platform through some 200 million donations. Tim is coming to us from his home in Los Angeles as I ask my questions from my home in Brooklyn. Tim, thanks for joining us.

CADOGAN: Hey, good to be here, Bob. Thanks very much.

SAFIAN: So, you came in as CEO in March of 2020, just as the pandemic was announced. I'm sure you had plans when you came in that were disrupted by this. How did your plans shift because of the pandemic? And, are your goals different now than they were when you came in?

CADOGAN: Yes. I mean, I joined on March the second, and my first plan was really to learn and to get to meet everybody and understand the business worked. And, by the end of that first week, we decided to go fully remote. I fortunately got to meet probably most people, maybe once. And, my plan for learning, which had been a plan that I called sort of an open source plan, where I came up with a curriculum where all the experts that the company would teach me. And, I hoped to do that in person and learn and get to meet people. That had to take a bit of a backseat to dealing with the incredible surge of demand that we saw for the platform, both in Europe and here in the U.S.

And, so learning took the form of getting hands on and trying to help and figure out how we could scale quickly enough to respond to what people needed so urgently at that time and have really continued to do ever since. So it was a very, very intense way of understanding what the company did, but I think the only other thing to note is that it was an incredible education in how important GoFundMe is to people. I really saw real time immediately, like this really matters. People need this system, and we've got to be our best for them.

SAFIAN: Since then, you've been working with everyone remotely?

CADOGAN: Yeah. So, I had sort of a day really in. Very unusual start for sure.

SAFIAN: And, that burst of demand at the outset, did that put pressure on the system? I mean, you guys were working in a different way yourselves, but was it technological? Was it sort of human? Like, did you need more people? How did that show itself?

CADOGAN: So, if we just cost their minds back, the first phase of COVID fundraising was very focused on medical. Things like PPE, getting more hospital capacity, and then very ... probably about three or four weeks in as the lockdowns started to take real effect, it shifted, or I should say expanded to small businesses, restaurants. Trying to help their employees, their furloughed employees, and trying to stay afloat. That created stress because when you have a business as a beneficiary of a campaign, it's a heavier weight process to make sure that the business is valid. And so we, and in conjunction with our payment processing partners, had to scale up that backend side of our business really, really quickly, because suddenly we had tens of thousands of businesses using GoFundMe.

SAFIAN: And operating a crowdsourcing platform like this, was it different than the other businesses you've run? The other businesses you've been a part of?

CADOGAN: Oh yeah. I mean very different. I'd been at Yahoo, so I'd been involved in consumer businesses. And, then I'd been in advertising. Most businesses are about commercial transactions. This business is not. This is about people helping each other. And, a great many of our campaigns have extraordinary emotional importance, both to the person who's asking for help and the person who's giving the help. And, that level of emotional demand on everyone involved is very, very unusual. Our users are in some very demanding situations – how do we help them through this? And, that can be both for difficult things and for good things too. And, I think that makes it very, very different from a lot of businesses.

SAFIAN: Other businesses we've talked with recently on the show, Peloton, Instacart, some others had these similar bursts of growth in 2020, and then they've been sort of challenged to figure out what normal is going to be going forward. How do you gauge what the trajectory of the business is?

CADOGAN: Well, I tell you, predicting what 2021 would look like was pretty interesting, I mean, we did our best, and actually we were recently close. I mean, obviously with COVID, it has been hard to know how that would play out and how its ripple effects into people's lives would play out. And of course, unfortunately, we're not done, right? But, we have seen I'd say, let's take the U.S., particularly since late Q2 sort of May, June into the summer, much more normal life coming back.

Two of the fastest-growing categories we've seen are animals and newly weds as people want to get support, folks in their family just got married and building a life together. So, we're seeing that coming back, which is wonderful to see. And, we're also seeing actually a little more of the support for businesses. Getting things started or wanting to expand a business. It's a great way to reach out to your friends, your family, and neighborhood, your community, who really generally want to help. Particularly small businesses and people who are starting out. It's a great way to get some complimentary support to what you're doing in terms of the fundamentals of the business.

SAFIAN: This week GoFundMe released in it's 2021 giving report. And, there's some highlights, March 28th, the most generous day of the year because of the campaign support a baby with leukemia in the UK. Ireland, the most generous country for the third year in the row.

CADOGAN: Yep.

SAFIAN: I'm not sure I understand that. Maybe we'll get to that. You had will.i.am launch a GoFundMe to support robotics in schools. Selena Gomez launched one to support mental health. You got Taylor Swift donating \$50,000 to a Tennessee mother who lost her husband to

COVID-19. And, even the Dali Lama donating money to a financially strapped cafe in Scotland. Do you get a heads up on these things, or do they just happen?

CADOGAN: It just happens. It's our privilege to be involved in this and be a place where all this can happen, but this is people coming together asking for help, people responding to that. And, those people include normal folks and famous people who start things who want to help. And it just happens. And it's amazing. I mean, each day you could probably write 10 Hollywood movies from the stories that are happening. It's quite incredible. And, we're honored by it, honestly.

SAFIAN: When you look at this giving report, are there key messages, key takeaways for you that it indicates about where the platform is, where the world is?

CADOGAN: There's two things that we think about a lot. And, one is asking for help. How many people are asking for help? And, we think a lot about: how do you make it easier to ask for help? Because asking for help is hard. Almost none of us really relish asking people for help. And, so we're thinking through: how do we do that? How do we make that easier?

And, also gratitude. So I think this year we had something like 15 million messages of gratitude back to people who gave.

We're thinking a lot about: how do we help the recipients of giving to communicate not just thanks, but also the impact? What happened in my life as a result of you helping me with this campaign?

For example, there's a young woman called Alondra Carmona, who had an offer to go to Barnard College. This is a little bit less than a year ago, I'd say nine months ago. Then her mother lost her job, and they were going to be evicted. So she put her college fund, her savings, towards keeping them in their home and gave up on her dream of going to college, but put up a GoFundMe in the hope that maybe someone would help. In fact, the community helped enormously, and the fundraiser gained a lot of traction, raised \$175,000.

So she's now at college, and I've seen the pictures of her at college and just seeing that and communicating to everybody who gave to that campaign, "You've sent this young woman to college," that's pretty incredible. So we're thinking through how do we continue to do more of that? Because that giving and then that gratitude and that impact, that's social fabric. That's really important social fabric that we need more of. So we hope to play a role in encouraging more of that.

SAFIAN: It's interesting, as you talk about this mix of sort of the emotional impact of the work and the practical impact working together, how much of the goal of GoFundMe is to make the

company the platform for giving versus inspiring a certain kind of activity and habit around giving?

CADOGAN: The way we think about it's very simple. We want to help people help each other. We want to be the most helpful place in the world where people can come together. It's not just about giving because the giving doesn't happen unless someone asks for help. Compared to asking, giving is easier in fact.

So asking for help, helping people realize that people actually do want to help them and then connecting the dots between them. A lot of the social psychology research shows that people underestimate the degree to which others are willing to help them by about half, which is pretty amazing when you think about it. So think, "Oh, people only help me this much." Actually it's double. So trying to help think through how to design experiences and create incentives for people to ask for help and then allow that giving to occur.

SAFIAN: Can I ask: why is GoFundMe a for-profit business? The things that your aspirations are about are often more organized in a nonprofit format, or even: How does being a for-profit business help the goal?

CADOGAN: It really helps because we can invest and innovate in a way that's much harder to do if you're not-for-profit. We compete with the other big consumer tech companies for the best talent in product, technology, trust and safety, security, legal, finance, all the disciplines you need because we have to offer a world-class service that's constantly innovating from the user experience down through how we handle payments. To do that you need great people who are really, ambitious in service of the mission.

By being so focused on innovating, it allows us also to be incredibly efficient. So when you think about the movement of money to people who are looking for help, it's very, very efficient. So if you raise, let's say \$100, the beneficiary gets 97 of those dollars, goes directly to the beneficiary. The \$3 that comes out is for the transaction handling related to payment processing, which is the same. It's like, if you go and pump gas and go to the supermarket. So you're getting everything you can, and that, I would contend, is more efficient than any nonprofit system out there. We hope to even move that up over time. So we're becoming more and more efficient, moving more money more effectively to more people at a scale that I don't think anyone else is doing. But we could only do that with great people who are hungry, driven, ambitious, and want to achieve this larger purpose in the context of an organization that's very mobilized.

SAFIAN: Before the break we heard GofundMe CEO Tim Cadogan talk about the company's new 2021 Giving report, how asking for help can unlock possibilities, and why he argues that operating as a for-profit entity enables faster innovation than a not-for-profit.

Now he discusses the range of needs GoFundMe projects address, the societal challenges that they pose, and how discipline and clear rules can clarify behavior. He also talks about the importance of making his service easier to use – a lesson any business can follow. Plus, he shares his anxiety around hybrid work systems, and how he's leaning into more explicit communication to build a more effective workplace culture.

One of your colleagues said to me that everything that happens in the world happens on GoFundMe. That includes winter storms and wildfires and earthquakes and school shootings. It's like every crisis, kind of, unending. That could be depressing. Is it? Dealing with all that?

CADOGAN: The reality is that life is not always easy. Hard things happen to us as humans. When people face difficult things, what folks want to do is they want to come together, and they want to help.

I would not normally say this, but I had a friend die over the weekend, and, within a day, other friends had put together a GoFundMe. He has a young family, and everyone wants to help because there's not much else we can do. That's a way to do it. That's tough, but we're able to be a place that people can come together, and that's really important. Then of course, we are there for those difficult things, but we're also there for all the good things in life too. You're getting married, or your little league team wants to go on tour of Oregon, or you want to go to college, or you want to do a study abroad trip, or you want to start a new business, or you want to start a brewery, you name it, everything that you think you need help. So I think in all of those situations we matter, and we're there for people when they need us.

SAFIAN: Well, Tim, I'm sorry for your loss, and thank you for sharing that with us. As a leader in this business, there can be public pressure around some of the causes and the people who are raising money. It's one of the challenges that you have to navigate. I was thinking about two recent court cases. Kevin Strickland, who was wrongly convicted and imprisoned for 43 years, and then Kyle Rittenhouse who was tried and acquitted of murder. Both of those cases have had lives of certain kinds on GoFundMe. Rittenhouse's initial fundraisers were removed from the platform, and that ban's now been lifted. Can you take us through each of those cases, and how you think about what their life is, and what impact you're having with them?

CADOGAN: Yeah. I mean, really, we have a very clear set of terms of service, which anyone can look at online. We have a very robust trust and safety team whose job it is to interpret and apply those as clearly and consistently as possible. The company's been around for 10 years, so we have a lot of experience. In the case of violent crimes, it's actually quite simple.

If you are charged with a violent crime, which is the FBI definition of a violent crime, you can't put together a fundraiser for your legal defense on GoFundMe. So that's sort of the rule. So that's why those campaigns weren't allowed to run. If you have been acquitted of a violent crime, then fundraisers for other expenses are okay. That's that situation.

And so we try to look at each situation that comes up, obviously consider the circumstances, but then apply the terms and services consistently as we can.

SAFIAN: And the system you have for sort of managing this potential controversy, I mean, the rules sound very clear as you described them, although for lots of other platforms, particularly social media platforms, other content platforms, as they grow managing that content, then all those things become more complicated. Is the monitoring on your platform done mostly by people, by algorithm? And how maybe is that evolving as the platform itself is growing?

CADOGAN: Yeah. It's a blend, and I think a lot of those other platforms are probably a blend too, but ours is a blend of technology that's looking for certain phrases and words and categories and so on and people that are looking at things, and it's also social input from the community.

So a little bit of a different example, but not so much a policy issue, more a question around misuse. So for example, if someone puts up a campaign where they're trying to get money for something that isn't legitimate, often what happens is, in a case like that, which actually is relatively rare, but in a case like that, their friends and family will ping us and say, "Hey, Tim put up a campaign, says he's broken his leg. He hasn't broken his leg. What's up with that?"

And that's the reason why that kind of behavior is relatively rare because it just doesn't work, right? Because if you think about a fundraiser, once you set it up, the first thing you do is you share it with the people that you know, and that's where it gets initial traction. And if the people you know are like, "Yeah, that doesn't seem right," guess what? You don't get any donations, and people tell us, we look into it, we look into every report and we're like, "Hmm, this isn't legit. We'll take it down."

SAFIAN: You wrote a letter urging Congress to provide more COVID relief early this year, which makes sense given the volume of COVID need you were seeing on the platform. Are there other areas that you think GoFundMe should be or may be exercising its voice, its leadership?

CADOGAN: Yeah, the way we think about that, Bob, is it's, basically, we look at what's happening on the platform, and if we see a large pattern of activity, particularly an area of need, we're like, "Hey, our community needs help. They're asking for it individually, but is there more that we could do as a corporation to push for this?" So that was one obvious one. We could see a huge amount of desperate need related to COVID. So we're like, "Hey, we'll just add our voice and add our data to the discussion here."

Another example was with AAPI. We saw a spate of attacks, horrific attacks on vulnerable, particularly elderly Asian people, and a lot of those became campaigns on GoFundMe. So we set up an AAPI fund to mobilize support for particularly local community charities working on issues like that.

So for example, one of the recipients was a charity that gives out sort of alarms to people so that if you're being attacked, you can press this thing that's super loud as an example. And that fund I think at this point has raised seven to eight million dollars.

SAFIAN: And the AAPI example that you set up, if I understand, GoFundMe has a nonprofit arm, a foundation, which can set up these fundraising efforts and distribute the funds separate from the for-profit part of the business?

CADOGAN: That's exactly right. There's a separate organization called gofundme.org, which is a 501(c)(3) and can set up funds. People can contribute to those funds, and then gofundme.org in conjunction with whatever advisory board or group it assembles depending on the fund then disperses those funds as grants either to individual campaigns or to organizations.

So we did this with the Small Business Relief Initiative in the early stage of COVID. We've done this for wildfires. AAPI was another fund, America's Food Fund, which is actually one of our largest ever funds, which was a collaboration with Laurene Powell Jobs, Emerson Collective, and Leo DiCaprio. That raised \$45 million for food insecurity, Feeding America, World Central Kitchen, and so on. So those are all examples that have been structured and managed through gofundme.org, which of course we support the operations of and help fund.

SAFIAN: So you've talked a bit recently about your uneasiness about what their return to work might—

CADOGAN: Oh yeah.

SAFIAN: Look like.

CADOGAN: Yeah.

SAFIAN: Can you explain what that uneasiness is and where you are trying to navigate it?

CADOGAN: Yeah. I mean, I think that going remote, now let me qualify this, I think that knowledge workers, folks who've been sort of tech businesses like ours and others, tremendously privileged in that we were able to continue our work and continue to be compensated with relatively little disruption relative to a lot of people.

Going remote was disruptive, but sort manageable in many ways. Companies have been able to be remarkably effective, some might argue even a little bit more effective in some areas.

The whole return to work, which is just a really bad phrase anyway because you're not returning to work, everyone's been working really hard, but the sort of going back to an office, that I think is not going back to anything. It's going into some new, completely uncertain hybrid future that is going to be really tricky to work out.

What kind of meetings are you going to have? How are you going to do hybrid meetings? How are you going to do three people in the room and then two people on the phone? And then if you want everyone to be on one screen, can they be in the same room, or is the feedback going to be terrible? Do you need a lot more conference rooms? And on and on and on and on.

I just don't know. I just think there's going to be a lot of things to figure out. And I just worry about it because I think there's so many unanswered questions. And I also think the beauty of this is that everyone is equal. We all have this little screen here and we're on the same page, we're on the same level and that will change quite a bit.

So I just have a lot of unanswered questions I guess, and I'm approaching it with a lot of humility. It's like, "I don't know, we've got to try a lot of different things here and experiment."

SAFIAN: Are there resources? Are there people or a community that you talk to about this as you're trying to figure out what this next phase looks like?

CADOGAN: Everyone's navigating the same things. So there are plenty of opportunities to connect with other folks and talk it through. And I don't think anyone's feeling like, "Yeah, we know what we're going to do. We're going to crush it." I haven't heard a lot of that.

So I think there's a lot of community problem solving that's going to happen. And I hope that people share, kind of, "Here's what works and here's what doesn't, and here's what works within a team versus across teams," and so on.

SAFIAN: You've added a slew of new talent since the pandemic hit since you've been there: executives, board members, staff. You're something like 30% larger than when you started.

You have to do all that onboarding and cultural effort. Do you have clarity about what parts of this work?

CADOGAN: This was the thing probably I was most worried about because I knew I would have to hire some senior people. And, I've been working for 25 years, and I'd never hired someone without meeting them extensively. I just couldn't imagine hiring a senior executive colleague without spending a bunch of time and having dinner and all the things that we would do. And I was like, oh no, how on earth is this going to happen?

But then, like a lot of things, it's like, okay, you just spend a lot of time like this, and you just really go deep and spend a bunch of hours, and remarkably it works. And I think one thing that does work, maybe it's counterintuitive, is you sort of focus more on explicit communication. Because in this format, the virtual format, you can't read body language as well. You can't read the, sort of, non-verbal cues, the gestures, the moving of the feet, the shifting, all those subtle cues that are very important to humans in communication. They're there, but they're much more two dimensional. So you have to be more explicit. Which is kind of a silver lining. And so I think that's a good lesson. But also still nothing supplants actually getting together.

So we have had a couple of sort of exec-team get together. Only a couple, and they've been wonderful. But what has been surprising is I think there's a bunch of people that I hired that had never met, and I wondered would they be like what I think they're like when I meet them in person, and they actually were. We were like, hey, you are kind of like what I thought you'd be like. Except people to me were like, "You're really tall." I'm like, yeah. But you really are able to get to know people. So it really goes back, I guess, to the age old like just got to put in the time. Even though the times in a virtual way, you got to put in the time.

SAFIAN: And when you've had these exec-team get-togethers, are people more explicit? Has the experience of having to communicate in a different way on these platforms, these remote platforms, impacted the way you feel like people interact once they're in person?

CADOGAN: I think it's helped. I also think that it's pushed us to do more asynchronously, and particularly in our case, that means writing things down. And that explicitness in writing as well as in verbal communication does really help, I find.

SAFIAN: I was reading something, an interview that you'd done where someone was citing sort of three questions that you asked in interviews. And I wanted to ask one of the questions to you, which was: can you walk me through a moment where you faced a lot of adversity, and what you learned from it?

CADOGAN: Well, I mean, I think probably the most relevant near-term one was starting this job. I won't beat around the bush, it was, I felt a lot of personal pressure and stress. And so what I learned, I learned that making the time to really focus on what's important and be disciplined about that, taking the time to project and stay calm and focus on, okay, what matters? What can we do about it? And how can I help? Those techniques got us through it. And I think they're useful in any situation.

SAFIAN: What's at stake for GoFundMe right now?

CADOGAN: Really it's about how do we enable more people to use this to help each other. It's very, very simple. If I look at how much activity we have, it's a lot of activity. But in the scheme of how many people in the world need help and want to help each other,

it's like a thimble. It's so small. There's so much more that people can do for each other, and they increasingly want to do it for each other in more direct ways. This is a theme in the modern world, not necessarily going through big institutions and so on, but helping each other directly.

And so our big questions are: how do we make it easier? How do we help people see that they can use this for all these different things? Asking for help, enabling that to happen at more scale, and then more globally.

So today we're in 19 countries, that's 19 countries where you can organize a campaign, you can give from almost anywhere. We've had donations from probably 180 countries. But enabling people to set up a campaign and receive help in many more countries around the world is a big piece of that in order to expand that flow of help between people. So that's what we're focused on.

SAFIAN: Yeah. I mentioned at the outset that the giving report has Ireland as the number one country for giving for the third year in a row. A little puzzling to me, is there an explanation for that?

CADOGAN: I'm not sure it's... I mean, the Irish have always been an extraordinarily kind and generous nation. And beyond that it's hard to say what exactly is behind it. But they're crushing it, that's the third year in a row, and I think they take a lot of pride in that, as they should. And it's wonderful. So, good on them. Good on them.

SAFIAN: Well thank you Tim. This has been great. Is there anything that we haven't talked about that we should have? Anything I haven't asked you about that we should touch on?

CADOGAN: I would just encourage folks to think about being an organizer. I know a lot of people give, probably a lot of people listen to this give many times. But if you just organize, it could be for something small, something local, family you know in the neighborhood heading into the holidays, a shelter, it doesn't really matter specifically, there's just so many opportunities. But if you organize, you multiply your impact to help something that matters to you, and that can make a really big difference. And I feel like our societies need that. And we just encourage people to think about that as an opportunity. So that's probably what I'd leave you with.

SAFIAN: Well, Tim, thank you so much for taking the time and for sharing all this. It was really interesting. I really appreciate it.

CADOGAN: You're welcome. Thank you so much for having me.