

# **The Paradox of Budget Transparency in Reward-based Crowdfunding**

**Ehsan Bolandifar**  
HSBC Business School  
Peking University, China

## **Abstract**

We investigate how budget disclosure affects the funding outcome of reward-based crowdfunding campaigns. We show that information transparency can hurt campaign managers, reducing funding. To investigate the mechanism of such an unexpected finding, we investigated the details of the budgets, showing that the operational costs increase the funding while marketing costs reduce it. We also show that budget disclosure can increase the operational performance of campaign managers.

## **Keywords**

Budget, Transparency, reward, crowdfunding, and marketing cost.