Crowdfunding gaining momentum, study says

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The study released by the research firm massolution said the amount raised last year was up 81 percent from 2011.

North America and Europe accounted for over 95 percent of the total market.

The group surveyed some 308 different crowdfunding platforms, including those allowing investors to make donations and sometimes receive rewards, and others based on lending or equity investments.

It found donation- and reward-based crowdfunding grew 85 percent to $1.4 billion last year, and lending-based crowdfunding grew 111 percent to $1.2 billion.

Equity-based crowdfunding, which faces greater regulatory scrutiny, grew 30 percent to $116 million.

"Consistent with our 2012 forecast, total crowdfunding volume nearly doubled last year, and with regulatory bodies continuing to pave the way, we expect global crowdfunding volumes to exceed $5 billion in 2013," said massolution chief executive Carl Esposti.

"While lending-, donation-, and reward-based crowdfunding have thus far been leading this global financial revolution, equity-based crowdfunding is about to take center stage in the US."

Esposti said a law allowing small investments in exchange for equity is expected to go into effect by the end of 2013 in the United States.

The survey showed North America accounted for $1.6 billion of the total, with a 105 percent increase last year. Europe funding volumes rose 65 percent $945 million.

About 30 percent of the crowdfunded investments went to social or philanthropic projects, and 16.9 percent for business and entrepreneurship. Films and performing arts accounted for 11.9 percent

and music 7.5 percent, the study found.

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