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Wikipedia's tin-cup approach wears thin

The nonprofit website needs to raise funds, but it resists selling ads.

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SAN FRANCISCO — The new headquarters of one of the world's most popular websites is 3,000 square feet of rented space furnished with desks and chairs bought on the cheap from EBay and Craigslist.

A sheet of printer paper taped to the door says the office belongs to the Wikimedia Foundation, the nonprofit that runs Wikipedia, the online almanac of anything and everything that users want to chronicle, from Thomas Aquinas to Zorba the Greek.

With about 300 million page views a day, the site by some estimates could be worth many hundreds of millions of dollars if it sold advertising space. It doesn't. Wikipedia's business plan is, basically, to hold out a tin cup whenever it runs low on funds, which is very often.

When it comes to money, "we are about as unsophisticated as we could possibly be," Executive Director Sue Gardner said as she swept up Styrofoam packing nuts in the office, the foundation's home since it relocated in January from St. Petersburg, Fla. "It's time for us to grow up a little bit."

Growing up can be hard to do.

Wikipedia, the "encyclopedia anyone can edit," is stuck in a weird Internet time warp, part grass-roots labor of love, part runaway success.

A global democracy beloved by high school term paper writers and run largely by volunteers, the site is controlled for now by people who seem to view revenue with suspicion and worry that too much money -- maybe even just a little money -- would defile and possibly ruin the biggest encyclopedia in the history of the written word.

"Imagine if the other top 10 websites in the world, like Yahoo or Google, tried to run their budgets by asking for donations from 14-year olds," said Chad Horohoe, a 19-year-old college student in Richmond, Va., who was until recently a Wikipedia site administrator, one of the 1,500 or so people authorized to delete pages or block users from making changes to articles. "It isn't sustainable."

Looking at it one way, it's cheap to run Wikipedia and the Wikimedia Foundation's other endeavors, which include an online compendium of quotations and a multilingual dictionary and thesaurus. The annual budget is \$4.6 million, more than half of it dedicated to 300 computer servers and other equipment. On the other hand, the foundation has a tough time raising a few million dollars. The last fundraising campaign featured a video of co-founder Jimmy Wales literally wringing his hands in desperation.

The 45,000 or so individuals who contribute annually give an average of \$33 each, so campaigns, which are conducted online, raise only about one-third of what's needed.

For the rest, foundation directors have to hit up outside donors, such as Stephen J. Luczo of Seagate Technology and U2's Bono.

Recent money-making proposals include a Wikipedia television game show, a Wikipedia board game and Wikipedia T-shirts. Gardner said that a board game might be OK but that a game show would be problematic, because game shows are competitive and Wikipedia is collaborative.

How about selling advertising space like most big-time websites do? Don't go there unless you want to start a Wikipedian riot. Some members of the foundation's board of trustees and most of the site's editors and contributing writers zealously oppose advertising.

After a staff member in 2002 raised the possibility in the Wikipedia community, a facet of the Spanish-language branch quit and created the forever ad-free Enciclopedia Libre Universal en Espanol. Its founders said that advertising "implied the existence of a commercialization of the selfless work of volunteers."

Ads would be "threatening to Wikipedia's neutrality," said Michael Bimmler, a 16-year-old high school student who has been a contributor for more than four years and is president of the foundation's Swiss chapter. Readers would be suspicious about articles if ads were near them, he said, and would wonder why certain articles were longer than others. Besides, he added, ads are ugly.

The debate over Wikipedia's future took a tabloid turn last week when gossip sites started buzzing over allegations by former Wikipedian Danny Wool, who recently launched Veripedia, which says it authenticates Wikipedia articles. Wool posted on his blog claims that co-founder Wales had, among other things, been imprudent with Wikipedia funds, asking the foundation to pay for visits to massage parlors and other non-Wikipedia-related activities.

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As those allegedly scandalous tidbits zoomed around the Internet, the website Antisocialmedia.net (which says it is in the business of "exposing user-generated discontent") got the attention of the blogosphere when it posted a rant about Wales supposedly having fiddled with one Wikipedia article on behalf of a girlfriend before he broke up with her and doctoring another in exchange for a \$5,000 donation. Tech industry gossip site Valleywag got involved by posting what appeared to be instant message exchanges between Wales and the ex-girlfriend, political commentator Rachel Mardsen, who put some of his clothes up for sale on EBay.

Wales and Wikimedia said he had never misused foundation funds, and Wales posted a statement online saying that he cared deeply about Wikipedia's integrity and would never abuse it. Gardner said in a statement that Wales "has consistently put the foundation's interests ahead of his own."

In San Francisco, Gardner said that she wasn't planning wholesale changes as executive director, and that her first task was to "fix the basics and get the house in order."

Gardner, a petite woman with black hair and a tattoo of a black widow spider on her wrist, joined Wikipedia nine months ago after leaving Canadian Broadcasting Co., where she oversaw the introduction of advertising on its website. She said she didn't foresee a time when Wikipedia would go that route, though she added that she should never say never.

So far, Gardner has hired a staff lawyer, an accountant and a head of business development. She has created a travel policy, reimbursement policy and code of conduct for employees and instituted criminal background checks for potential hires (Wikimedia got unwanted publicity after a technology site revealed in December that the foundation's chief operating officer until July had been convicted of theft, drunk driving and fleeing a car accident before being hired.)

Now comes the hard part: money.

The foundation makes some -- less than 2% of its budget -- from ways other than flat out asking for it, Gardner said. For instance, it licenses the Wikipedia logo to companies such as Nokia, which used it to advertise a new phone, and it charges websites such as Answers.com for real-time feeds with page updates.

"The most difficult issue for a nonprofit is always how to raise money in ways which are consistent with the mission," Gardner said, "and don't distract too much from the mission-related work."

In the early days, funding wasn't a problem. Wales helped launch Wikipedia in 2001 with money he made through Bomis Inc., a Web portal known for directing users to pictures of women and celebrities, clothed and unclothed. By February 2004, the English-language Wikipedia had nearly 250,000 alphabetized articles. Today the English version has more than 2 million articles.

Global interest in the volume of information -- and the fact that it's free -- helped the site grow from the 100th most visited in 2005 to the ninth most visited now, according to Web-traffic tracker Alexa.

Decisions, financial and otherwise, are made by the Wikimedia Foundation board, whose seven directors include Wales, a French plant geneticist, a classical bassoonist studying law in Virginia and an Italian computer programmer. Most board members are nominated and elected, via e-mail debate and balloting, by Wikipedia editors and contributors.

As Wikimedia adds features to its pages, such as videos, costs will rise. "Without financial stability and strong planning, the foundation runs the risk of needing to take drastic steps at some point in the next couple years," said Nathan Awrich, a 26-year-old Wikipedia editor from Vermont who supports advertising.

Outsiders find it hard to see how the site can avoid selling ad space.

"They either have to charge people or run ads, or both," said Greg Sterling, an analyst at Sterling Market Intelligence, which specializes in consumer behavior online.

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E-mail traffic among Wikipedia contributors shed light on the depth of financing anxiety and the details that cause angst. One worried about the tax implications of the site accepting more than \$200 from any individual. Another complained about a proposal to give T-shirts to donors. Wrote one person: "All of this fundraising talk is very nice and dandy, but it sounds like plans for the local glee club, not an international foundation."

Foundation Director Erik Moeller said the foundation had to be "very, very careful with the kinds of deals we want to make" to sustain itself.

"We don't want to endanger the mission by entering into deals that would conflict with it," said Moeller, a German technology writer who was elected to the foundation board in 2006 and named director last year.

Some people have abandoned Wikipedia for Wikipedia-like companies and organizations, including Citizendium and Veripedia, and speak of joining Google's yet-to-be-launched "knol" project. Co-founder Wales started a for-profit that operates a Google-like search engine and allows users to write Wikipedia-like articles. Wales' site, called Wikia, runs ads.

Wales said that the free culture movement, as it's called, has to think creatively if it wants to keep spreading information to computers around the world.

"There are some real problems with a nonprofit structure," he said. "One of the basic problems is funding: We can get enough money to survive but don't really have the funding to push forward or innovate."

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