

Earth Dividend Auction Lotteries



Without a crystal ball, the demand and supply of the [VIP\\$](#) at any given time in the future is unknowable. Distribution of the [Earth Dividends](#), to allow for maximum flexibility of [monetary policy](#) is structured as both a lottery and an auction.

The Earth Dividend is paid from the [present value fund](#) which holds the present value of funds to be paid out over the expected lifetime of all recipients. The difference between the winning bid at auction and the present value funds required is made up by a subsidy pool, typically from the [EDSF](#) of the [ABC Commons Trust](#), although [Phase II dominions](#) can distribute their Earth Dividends through auction lotteries as well.

To bid at auction and receive the Earth dividend, bidders must have a [biometric identity](#) or photo ID secured e-wallet. VIP\$ funds must be present in a bidding account to bid and will be collected from auction winners at the conclusion of the auction.

Food, housing, and other cash credits will be transferred to each winner from the present value fund at the [VIP Treasury](#) the moment the auction is complete, and exactly every 30 days thereafter. At the same moment, allocated funds will be transferred down the winner's branch of the [cellular democracy](#) into the [holding accounts](#) of departments. If the auction winner is not currently a resident of any Phase II [dominion](#), money will not be distributed until the auction winner moves into a Phase II dominion.

The distribution will always purchase the same basket of food, and nationwide basket of rental apartments, regardless of price. The basket will be an average from the industrialized West, so winners in developing nations will have a relatively larger distribution.

If distributions are in U.S. dollars, they will be good for the purchase of these baskets of goods, at the moment of distribution. If the [VIP\\$ is appreciating](#), and

distributions are made in VIP\$, the distribution will purchase more as the month goes on. Decisions about the currency of distribution will be made by the VIP Treasury in the interests of promoting stability.

Distribution to residents of countries outside the U.S, when not in VIP\$, can optionally be in U.S. dollars or the national currency at the dollar exchange rate.

The present value of the lifetime Earth Dividend is based on the age of the recipient. The value used in an auction lottery rises with food and housing inflation of the U.S. dollar throughout Phase I, but is fixed at the start of Phase II. [A VIP\\$ deflation rate of 3.9%](#), and a [VIP\\$ dividend](#) of 0.1%, allow the present value to be computed at 4%.

Ignored are distributions that are not needed until [federation](#). Primarily, this is a \$70/month distribution for the [Federation Military](#), but it also includes other distributions that will be covered by [legacy government](#) taxes prior to federation.

Another savings is that not all auction winners will have a primary residence within the dominion of a cellular democracy. Non-resident distributions for public goods and services, including local education, will go unspent. Because the VIP\$ will be accepted almost everywhere by the time the Earth Dividend begins, auction winners can use their food and housing distributions anywhere VIP\$ are accepted.

Other savings can be found in Social Security and pensions which eliminate the need for a special age-related distribution. Legacy government subsidies of mass transit can reduce the transportation distribution.

For ease of mathematics, and likely very close to the actual funds needed, \$1,000/month/person (2022 dollars) is used rather than the \$1,200/month/person required after federation.

Life Expectancy in Years	Present value at 4% of \$1,000/month
10	\$98,770
20	\$165,022
30	\$209,461
40	\$239,270
50	\$259,264
60	\$272,676
70	\$281,672
80	\$287,706

There is no age advantage in the lottery. Bids are mapped to a percentage of the present value the bidder is willing to pay.

If the average bidder has 45 years of life expectancy, the average needed to fund the distribution

package is \$250,000 (2022 dollars). If the winning bid is a nominal bid of \$1 VIP, the number of distribution packages created from a pool of \$1 billion VIP is 4,000.

How Does an Auction Lottery Work?

Each auction lottery is both an auction and a lottery. In [ABC Commons Trust](#)-sponsored auctions during ABC [Phase I](#), all auctions are actually lotteries in newly created [Phase II dominions](#), where the expected maximum bid is \$1 VIP.

Only the residents who were residents at the time the Phase II dominion was created are eligible for the low-priced auction lottery. Should the ABC EDSF have more funds than needed for current Phase II dominion awards, auction lotteries for new residents of Phase II dominions will be held with no maximum bid.

Generally, new residents will win their Earth Dividend from the EDSF of the [Phase II commons trust](#) in a manner decided by the Phase II dominion.

During ABC [Phase II](#), EDSF funds, at 75% of [net ground rent](#), will be split between auction lotteries for new Phase II dominions and worldwide auctions with no maximum bid.

The maximum bid will not always be fully subscribed, even for \$1 VIP auctions. At the [hyperdeflation event horizon](#), obtaining any quantity of VIP\$ will be next to impossible.

Bids can be any fraction of a VIP\$ supported by the software. For instance, a person might bid 0.000001 VIP\$. It is also likely that this bid, under those circumstances, will be a winning bid. In hyperdeflation, the actual size of the present value fund per Earth Dividend might drop to 10 VIP\$ or less.

Bidders move their maximum VIP\$ bids into a bidding account. The bid is adjusted internally for life expectancy and converted to a percentage of present value. When the auction begins, bidding accounts are frozen. The auction ends a few moments after it begins, and winning bids are then transferred to the present value fund. All winners pay the **lowest** winning percentage of present value.

The subsidy pool for a given auction is set at a given value, such as 1 billion VIP\$. The auction software finds the lowest percentage of present value among bidders, such that the required subsidy to pay the difference from 100% present value for each bidder (this will vary by age) equals the subsidy pool.

The following example assumes a 67% auction. The present value of an Earth dividend for Sally, age 42, is \$100,000 VIP. She puts \$66,667 VIP into the auction account and hopes to win the lottery.

However, the 67% level is not fully subscribed and the winning bid is 52.6% of present value. What does Sally pay? Sally pays only \$52,600 VIP. The other \$14,067 in the bidding account is returned.

Winners receive immediate notification as a [VIP alert](#), along with a month's worth of food, housing, and other cash credits added to their accounts.

Earth Dividend Welcoming Fairs



Funding for these fairs comes from various sources, including the ABC, [local aristocracy](#), vendors, the county/city, and a tiny portion of the Earth Dividend itself.

At the fairs, winners learn about all the benefits of holding an Earth Dividend.

Collectives and other [sovereignties](#) (with authority limited by state and federal law) will have booths seeking members. An Earth Dividend holder is very valuable to

these collectives, providing food and housing money made more valuable by economies of scale.

New members increase the benefits of divisions of labor. They are never a burden due to illness, because of free quality healthcare, and can be schooled for free in any skill set needed by the collective. Special purpose collectives such as elderly collectives and childcare collectives will have booths too.

Cities and counties in Phase II will have booths to lure Earth Dividend holders to their dominion where a third of the monthly dividend supports police and fire protection, infrastructure, and local government. The other two thirds of the dividend increase food and remodeling demand at local merchants.

The Earth Dividend holder is eligible for [citizen investor](#) loans, and there will be workshops on what they entail and how to write a business plan that will win over a citizen investor. Local citizen investors will pass out cards and run the workshops.

There will be other workshops on [exit rights](#), [how to form a collective](#), how to create a successful collective enterprise, homeschooling, becoming a [social worker](#), creating special purpose collectives, [cellular government](#), [direct democracy](#), maximizing *noblesse oblige* from your [landed aristocracy](#), and many other topics, including workshops from local sovereignties on why their internal form of political economy is superior to non-sovereign cellular government.

Even families will seek new members at the fair. The new Earth dividend holder will quickly realize that involuntary loneliness is a thing of the past. There will also be food and rides.

Types of Auction Lotteries

The ABC uses their ABC Commons Trust EDSF to subsidize Earth Dividend auction lotteries for the original residents of a Phase II dominion at the time the community qualifies for Phase II. Voter registration, ID and license databases, school registration, and other official sources are used to make the determination.

These auctions have a maximum bid of \$1 VIP, with the winners selected by lottery. Repeated auctions are held until every qualified resident who wants an

Earth Dividend is awarded one. Once this has happened, the ABC moves on to another Phase II community.

A typical Phase II commons trust, at inception, can award about 29 Earth Dividends a month. This number will grow rapidly with rents. How they award Earth Dividends is up to the high-level district council.

Typically, only new residents, including newborn infants, are eligible, whatever the method. Dividends can be sold to the highest bidder, given away, merit-qualified, or anything else that does not violate the laws of legacy governments.

Auction or other sales proceeds can be used to increase the number of awardees or kept as dominion revenue. Innovation in the method of awarding new Earth Dividends is one way a dominion can attract new residents (or send current residents scurrying away).

Following the hyperdeflation event horizon, the ABC holds \$1 VIP auctions for every resident of a federating nation, but everybody wins. Once hyperdeflation hits, the present value fund is sufficient to cover many more than the world's population of 8 billion.

However, ABC auctions for residents outside of federated nations and outside of original resident Phase II auctions use the original present value at the start of Phase II in determining the number of Earth Dividends awarded. This is a political move needed to encourage other countries to federate as hyperdeflation wanes with the increasing size of the federation.