

## Earth Dividends

In version 6.0, Earth Dividends were first awarded three years after the start of [Phase I](#). Since Phase I lasted 20 years, the first Earth Dividends were equivalently issued 17 years before the end of Phase I. The more accurate spreadsheets of version 7.0 show that Earth Dividends are best started 12 years before the projected end of Phase I.

While the current retail demand for Elsie can be used to project the end of Phase I, the predicted panic buying of Elsie in the final years of Phase I should not be used in the calculations. Projections assume a minimum of 190 million properties with an average price of \$250,000 in 2022 and \$80 trillion in property value.

Rather than shortening Phase I, panic buying could increase its duration by several years and double or triple properties in the commons trust. However, the substantial increase in the EDSF compensates for the increased duration of Phase I in terms of a stable Earth Dividend program.

Over 99% of Earth Dividends will be awarded in Phase II or post-federation when deflation and hyperdeflation reduce the present value of an Earth Dividend to pennies on the dollar. The corresponding demand for the appreciating Elsie reallocates resources into servicing the Earth Dividend in the real economy.

Earth Dividends in Phase I serve several purposes.

1. Showcase the Earth Dividend to the world
2. Improve distribution algorithms and human procedures
3. Improve earmarking software
4. Improve retail interfaces
5. Foster megacities reducing Phase I duration
6. Test and modify initial distribution allocations before the Federation and quadratic voting.
7. Experiment with Earth Dividend auctions

Awarding Earth dividends in Phase I is not complex. If a mistake is made and too many Earth Dividends are issued, a moratorium on new dividends will quickly fix the problem.

Because the EDSF is sequestered without dividends, the present value of an Earth Dividend is the average recipient's remaining lifespan in months x \$1,000 in 2022

dollars. When computing the present value in Phase I, expected revaluations in Phase II cannot be included as there is no guarantee that Phase I will end when projected.

At the end of Phase I, the Earth Dividend Subsidy Fund (EDSF) is from 8 to 1,300 trillion Elsie. The number of Elsie in the EDSF is a function of the length of Phase I. In the simulation that lasts 20 years, there are 9.2 trillion Elsie in the EDSF at the end of Phase I. In the 236-year simulation powered only by natural demand, there are 1.3 quadrillion Elsie in the EDSF. Land backing can be used to weed out inflation in the number. The 9.2 trillion Elsie is 57% land backed. The 1.3 quadrillion Elsie is 165% land backed. The 1.3 quadrillion Elsie are worth about 3 times the 9.2 trillion Elsie in the 20-year Phase I. Certainly not worth the extra 216 years.

Assuming the 20-year, \$9.2 trillion (2022 dollars) EDSF and a 40-year average recipient's remaining lifespan, a total of  $\$9.2 \text{ trillion} / \$480,000 = 19.16$  million Earth Dividends could have been issued during Phase I. We erred on the side of prudence because it is not until Phase II that deflation whittles away at the present value. This is the most fiscally responsible course. A method that used 5% of monthly EDSF growth to determine Earth Dividends would fund over 21 million Earth Dividends during Phase I but could face bankruptcy if unforeseen factors terminated Phase I and prohibited entry into Phase II.

Earth Dividends are issued to [Phase II communities](#) with an average population of 100,000. A similar number can be auctioned at the discretion of the VTLM. The first communities to reach Phase II will probably be rescued communities. Conservatively, six such communities could be awarded Earth Dividends. Up to 190 Phase II communities can be awarded the dividend with a degree of risk that can only be assessed at the time. The number of Earth Dividends awarded at auction is a function of the average percent of present value bid.

[CoPilot](#) estimates the total property value in a community of 100,000 at \$12.5 billion. Only 2/3 of the property value must be in the commons trust to be eligible for the Earth Dividend. If Phase I properties were concentrated in such communities, there could be as many as 2,400 eligible communities worldwide at the completion of Phase I.

Although the simulation of Phase I does not consider Earth Dividends, the discussion in [A 20-Year Phase I](#) considers the effect of awarding 19 million Earth

Dividends on the duration of Phase I. The impact is negligible, but that does not mitigate the risk of future insolvency.

Only in Phase II, with the Elsie deflation and then [Elsie hyperdeflation](#), is a serious effort made to award [Earth Dividends to the world](#). These decrease the present value of an Earth Dividend and reallocate the world's productive resources into servicing the Earth Dividend to obtain the only currency that increases in value.

Earth Dividend calculations are not part of the Phase I spreadsheet. In the quantity they are awarded, their net effect is neutral. They are an essential part of Phase II and the Phase II spreadsheet. Phase II ends when the present value fund supports an Earth Dividend for the entire world's population.