

Earth Dividend Auction Lotteries



Without a crystal ball, the demand and supply of [Elsies](#) at any given time in the future are unknowable. To allow for maximum flexibility of monetary policy, the distribution of the Earth Dividends 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 of a subsidy pool, typically from the [EDSF](#) of the [ABC Commons Trust](#). However, [Phase II dominions](#) can also distribute their Earth Dividends through auction lotteries.

Bidders must have an Elsie Toolkit account to bid at auction and receive the Earth dividend. Bid Elsie accounts are moved to escrow until the auction is completed.

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

The distribution will always purchase the same quality and quantity of food and housing, regardless of price. The basket of goods used as a measuring device will be an average from the industrialized West, so winners in developing nations will have a relatively larger distribution.

Although rare, should distributions be made in U.S. dollars, those distributions will be sufficient to purchase these baskets of goods at the time of issuance. If the Elsie appreciates and distributions are made in Elsie, the distribution will buy more as

the month progresses. The VIP Treasury intends to distribute the Earth Dividend in Elsie during Phase II. An overriding principle is one of promoting economic stability. The currency composition of rent might also force a non-Elsie distribution.

Distribution to residents of countries outside the U.S., when not in Elsie, 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 recipient's age. 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. An assumed Elsie deflation rate of 4% in Phase II allows the present value to be computed at 4%.

Certain distributions only occur post-[federation](#) and are not accounted for in the present value. This is a \$70/month distribution for the [Federation Military](#). It also includes other distributions that legacy government taxes will cover before federation.

Another saving 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 Elsie will be accepted almost everywhere by the time the Earth Dividend begins, auction winners can use their food and housing distributions anywhere Elsies are taken.

Other savings can be found in Social Security and pensions, eliminating 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 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, the number of distribution packages created from a pool of 1£ billion 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](#), most are lotteries in newly created [Phase II dominions](#), where the expected maximum bid is \$1 £.

Only the residents who were residents when 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 50% of 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 £ auctions. At the [hyperdeflation event horizon](#), obtaining any quantity of Elsie will be difficult.

Bids can be any fraction of Elsie supported by the software. For instance, a person might bid 0.000001£. 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 100£ or less.

Bidders move their maximum Elsie 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 later, and winning bids are 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 £. 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 \$200,000 £. She bid \$133,340 £ and hopes to win the lottery.

However, the 67% level is not fully subscribed, and the winning bid is 52.6% of the present value. What does Sally pay? Sally pays only \$105,200 £. The other \$28,140 £ in bidding escrow is returned.

Winners receive immediate notification as a [VIP alert](#) and 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 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 they can be schooled for free in any skill set needed by the collective. Particular purpose collectives, such as elderly and childcare collectives, will also have booths.

Cities and counties in Phase II will have booths to lure Earth Dividend holders to their dominion. A third of the monthly dividend supports police and fire protection, infrastructure, and local government, while the other two-thirds increases 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 joint 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 its ABC Commons Trust EDSF to subsidize Earth Dividend auction lotteries for the original residents of a Phase II dominion when the community qualifies for Phase II. Voter registration, ID and license databases, school registration, and other official sources determine residency.

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

Dividend is awarded one. Once this happens, the ABC moves to another Phase II community.

A typical Phase II commons trust can award about 29 Earth Dividends a month at inception. This number will increase with rents. The high-level district council decides how to award Earth Dividends.

Regardless of the method, only new residents, including newborn infants, are typically eligible. 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 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 \$1E auctions for every resident of a federating nation. Everybody wins, but those bidding 0E will be the last awarded. Once hyperdeflation hits, the present value fund is sufficient to cover more than the world's population of 8 billion.

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