

The power of Quadratic Funding

How quadratic funding is more efficient than traditional funding mechanisms.

Imagine that a local community has decided that the best thing for the local park is a skate park...

The local government is providing matched funds for donations 1:1 ...

GREAT!

The community donation-rallies!

Donating what they can. A few bucks here and there.

When the round ends, after 1000 people donated a few bucks behind the cause – the matching pool was indeed 1:1...

Another group, much smaller but with big donors, asked their rich friends to donate 10K to their dumpyard idea – getting a much larger piece of the pie.

Now, with more funding, what does the smaller group do?

They turn the local park into a dumping yard, and turn the public system into a private system slowly over the years.

Extracting from the public good they were originally claiming to support.

Okay... This is a bit extreme.

But, it's an example of how funding allocation among communities can drastically change the public good outcome that the community hopes to benefit from.

In a Quadratic Funding (QF) event, funds would be matched based on the number of donations.

Now let's reimagine those 1000 donations in a QF event...

Let's say it was about \$3000 – a few bucks each – the matching fund could be as large as \$40,000.

Meanwhile, a project with a large \$10K donation will not get much.

Now the community has enough money, and people, to get the skate park made.

Kids grow up playing in the skate park after school, some times before, forming memories that

will last a lifetime.

The playing field becomes more level.

The community who wants a positive change will benefit more from the public good.

It has a much longer impact.

How is it possible to receive more matched funding with a larger community of donors?

QF act on an equation _____

For you non-math types out here, we can explain it like this:

Startups who need funding with an enthusiastic community?

Will see a large ROI from QF events

Have a few big donors?

Will still benefit from entering QF events, but much less than larger and engaged communities.

Have many big donors?

Decent matched funding, but not so much that others don't get a nice piece of the pie.

How do Donors benefit from Quadratic Funding?

More impact for their donation vote than traditional donating. Makes more sense to donate during QF events rather than directly.

Give \$10 directly = They get \$10

Give \$10 in QF round = They get \$10 + matching

We can create a world where public good startups have a launchpad of democratic funding to emerge from with amazing collective results.

Not only is it more democratic, it's global.

ANYONE who can access the internet will be able to support local projects around the world.

We believe people are naturally good. So it's likely that people in places where local public goods are sufficient, or have sufficient private goods, are enabled to send money to support local projects across the globe where they believe needs positive impact.

This is a global movement.

And Quadratic Funding is one mechanism public goods enthusiasts' are embracing right now.

Let's make Public Goods Prosper. [image]

If you like the sound of Quadratic Funding, you can check out our QF rounds on Giveth.io. Different rounds with different sponsors + GIVbacks rewards for sponsors AND donors!!