

# Universal Basic Philanthropy

A PROJECT BY TOKEN IBIS

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Although charity exists only by the grace of human compassion, we believe that the most effective opportunity for permanent progress lies in the unfeeling economic systems that shape its structure. In this document, we describe a qualitative approach to contextualize the mechanisms which have hindered the nonprofit sector to date. The explanation derives from a concise statement: nonprofits create impact but sell emotion. Our proposed solution is the novel conceptualization of Universal Basic Philanthropy, an economic assertion that charitable social influence is the natural right of all individuals. The claims are audaciously grand: the efficiency of free market donations, answers to the growing concern of wealth inequality, and the promise of a revolutionary altruistic economy. The problem is evident, and the societal benefits are beyond compelling. Universal Basic Philanthropy can be more than an academic ideal. We intend to show that the reward goes beyond theory, that the time to initiate change is today.

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## 1. INTRODUCTION

Much of public debate concerning private charity donations addresses the question of how much to give. This issue remains divisive among Americans. However, regardless of public sentiment, contributions have hovered around a constant two percent rate for decades. Few Americans support changes to the tax deduction laws, which are an implicit signal by the government to encourage philanthropy[16][43]. We do not take a stance on this debate. Instead, we would like to offer an outsider's perspective on a more universally agreeable challenge: how to make the existing two percent more effective. Improving efficiency in the nonprofit sector is a rich and complex field in its own right[24]. This work has been instrumental in guiding the industry to date, and we do not presume to improve on its specific findings. However, by drawing cross-disciplinary inspiration from ideas in classical economics and recent trends in the high-tech industry, we cautiously claim to have stumbled upon something of a silver bullet. Universal Basic Philanthropy, or UBP, is a simple concept; so simple that we were surprised by the lack of mention in any formal or informal literature. The premise is this: every month, all adult citizens within a jurisdiction receive a guaranteed stipend in the form of a charity currency that they must eventually donate to a philanthropic cause. Nonprofit organizations then convert the donations back into standard money to fund their mission. Although such a system would have been impractical for most of human history, the current explosion of interest in novel digital currencies has not only made ideas such as UBP feasible but culturally marketable as well[6][29]. The purpose of this paper is to provide a high-level but comprehensive argument that UBP will be a paradigm-shifting model for social progress.

## 2. RELATED WORK

As a policy, UBP is comparable to three other progressive ideas in academic literature. Firstly, UBP is a specialization of the Universal Basic Income (UBI), a concept with a rich history of study that has recently garnered renewed interest. UBI proposes that, in place of welfare, the state should provide a steady sum of money to all adult individuals to cover minimal living expenses [40]. Researchers have analyzed experiments in UBI across several small-scale experiments in such settings as Alaska[20], Finland[26], and Namibia[32]. UBP also shares a common ideology with Richard Hasen's "democracy coupons" [21], which has been deployed in the city of Seattle since 2015[15]. Whereas democracy coupons promote egalitarianism in the plutocratic campaign spending process, UBP attempts to do the same for philanthropy. Finally, UBP's charitable unit of currency has similar properties with the concept of time banking, where members of small communities reciprocate labor as measured by time rather than market value[8]. UBP's currency may enable some of the same benefits by promoting community well-being[27] and an individual sense of purpose[33] — but at a much larger scale.

## 3. ROADMAP

We will first identify the problems that UBP promises to solve within the nonprofit sector. These take the form of three distinct effects that stem from one underlying cause. Next, we more formally describe the mechanics of UBP and how it can immediately mitigate the enumerated problems. The proceeding three sections will then cover categories of benefits:

- UBP as a free-market mechanism for informed

philanthropy

- UBP as a solution for combating wealth and power inequality
- UBP as the launching point for a parallel altruistic economy

The paper concludes with a plan for the initial steps that Token Ibis as an organization intends to take in order to prove the efficacy of these ideas.

#### 4. PROBLEM STATEMENT

The scope of this work addresses the section of the nonprofit industry that relies on private donations, a stream of money that totaled \$410 billion in the United States in 2018[16]. This section identifies three distinct issues with the current state of the nonprofit sector. Throughout this paper, we will use the term "nonprofit" to reference only organizations or parts of organizations whose operation depends on this stream of freely given money. For example, most hospitals, although classified as nonprofits in the legal sense, receive most of their funding in exchange for the medical services that they provide. Although potentially relevant, we do not explicitly include these organizations in our discussion.

##### 4.1. Irrational Causes

Most people would agree that philanthropy comes from the heart rather than the mind. Although this is a comforting thought for many reasons, the fact remains that the heart has evolved to be a poor organ for judging effectiveness. Purely empathy-driven charity can incur steep opportunity costs at best and do more harm than good at worst[3][5]. This realization has led to the Effective Altruism movement, which favors uncompromising utilitarianism as the ideal model for giving[37]. Under the guidance of Peter Singer's philosophies, organizations such as GiveWell.com promote front-line nonprofits which can deliver the most "impact" for each dollar[30]. This approach appears sound in theory. However, is Effective Altruism, in every sense, effective? In one crucial measure, it is quite the opposite. Although researchers continue to investigate the culprit psychological mechanisms, the literature overwhelmingly agrees that empathy plays a stronger role than logic in charitable giving[10]. This result should come as little surprise. However, more concerning to us is a powerful secondary effect, first observed by Small et al. In this seminal study, researchers exposed individuals to three different types of solicitations and gaged their willingness to donate:

1. A single identifiable victim of famine named Rokia
2. Statistical information about many victims of the same famine
3. Both (1) and (2)

As expected, the first approach elicited more donations than the second. However, quite discouragingly, the first scenario also proved far more effective than the third. Small and her colleagues showed that not only is logic ineffective, but it is also harmful to the cause[38]. The fact that emotion trumps logic in philanthropy is a quaint product of human nature. The fact that additional information is *detrimental* indicates a strong possibility for deeper systematic problems.

##### 4.2. Overhead

The instinct of a loyal capitalist is to measure the competence of state and nonprofit organizations against the golden standard of the private sector. Typically, public perception, at least, will be found wanting[1]. The story is that these public service organizations lack a clear bottom line to align organizational incentives as well as the financial abundance to retain quality resources and skilled workers. We do not presume to state whether these critiques are valid. However, we claim that even if nonprofits did have the same level of talent, resources, and organizational structure, there is a second, more fundamental obstacle that will always place them at a disadvantage.

##### 4.3. Indeterminate Success

In the private sector, the end goal for an organization is straightforward: make as much money as possible. More precisely, the single correct measure for the worth of a for-profit company is its aggregated expected future profits adjusted for uncertainty and a diminishing time horizon. There is no such magic measuring stick for nonprofits. A well-known issue is that quantifying social impact is a challenging task. Indeed, the measurement of impact is one of the most significant research questions in modern philanthropy[28]. However, even if research could create an ideal metric, a unit to measure social impact as precisely as the dollar measures profit, there is, once again, a second fundamental problem. Suppose that, for some given ideal measure of impact, *Org A* services 100 individuals with an annual budget of \$100,000 while *Org B* services 1,000 individuals on an annual budget of \$10,000,000. Which is the more successful endeavor that a startup *Org C* should try to emulate? There is no definitive answer. In the private sector, this question is meaningless; everybody wants to be more profitable in the absolute sense. Efficiency is only a means, not an end. In contrast, nonprofits must deal with the two-dimensional measuring stick of total impact as well as low overhead. Society cannot agree on what an ideal nonprofit should look like, let alone how to build it.

## 5. PROBLEM EXPLANATION

At first glance, these three problems might seem unrelated. However, we claim that each one traces back to the same consequential observation: **nonprofits create impact but sell emotion**. In the private sector, a company creates a product and sells a product. Cafes make coffee and sell coffee; restaurants make food and sell food. On the other hand, despite the unimaginably rich diversity of people and causes that they support, nonprofits only have two consumer products in their inventory: self-congratulatory delight or relief from unbearable guilt. It is this inconsistency between what nonprofits produce and what they sell that lies at the heart of problems.

### 5.1. Irrational Causes

What is the correct rational amount that a person should donate to charity? The answer depends on the individual's utility function. For example, the founders of the Effective Altruism movement claim to adopt a utility function that values a stranger's life far more than an expensive vacation. Hence, the life strategy of an Effective Altruist is to live as long as possible, make as much money as possible, and save as many lives as possible. For the rest of us who are motivated by family, knowledge, status, comfort, fame, etc., the calculus is more straightforward: the rational amount we should donate is precisely zero. Nonprofit workers subconsciously understand this dilemma. Consider the language often used by fundraising professionals: "what is the *least* that you can do to make a difference? Surely, the well-being of an innocent child is worth more to you than that expensive dinner?" Emotionally, this is a compelling argument. But what about next week's expensive dinner, and the week after that? Charities realize that there is no "right" amount. The best they can do is coax their benefactors into being impulsive for just long enough to engage in accidental altruism.

### 5.2. Overhead

The need to create one product and sell another leads to substantial overhead costs. For instance, conventional wisdom in special events fundraising says that expenses can reach as high as one-third of the expected revenue and still qualify as a fundraiser[25]. For a dinner gala, ticket sales typically cover only the expenses— The bulk of the profit comes from corporate sponsorship and future opportunities to ask for money. Think about what this implies: a \$100 ticket to an event may only represent the *opportunity* to contribute to the cause. Again, this is a struggle that is unique to the nonprofit sector. Consider how expensive shoes would be if shoe salespeople needed to operate galas, 5k runs, and mail campaigns just to put customers in the right mindset.

### 5.3. Indeterminate Success

Finally, our approach provides context for the dichotomy between *Org A* and *Org B*: the former is probably better at creating impact while the latter is better at selling. One is doomed to toil away at their work in efficient obscurity while the other is a scandal and collapse waiting to happen[39].

## 6. APPROACH

We will preface our solution with a final piece of context. Most philanthropists view the decision to give to charity as a single atomic action. The entire chain of thought from empathy to self-sacrifice and eventual gratification gets compressed into a single transfer of currency. This view has been dominant throughout the extent of human history. Today, we suggest that it would be more helpful to view philanthropy as two distinct mental processes:

- **Commitment** - The decision to donate
- **Allocation** - The choice of recipients for the donation

Although it may seem like a subtle distinction, the two mental processes are categorically different. The commitment step is necessarily emotional. By agreeing to give away their hard-earned income, donors must weigh the gratification of altruism against their wants and needs. The allocation step, on the other hand, need not be purely emotional. If we can only provide individuals with the privilege of allocation without the stress of commitment, then we can allow them to finally focus on the merits of impact<sup>1</sup>.

## 7. UNIVERSAL BASIC PHILANTHROPY

Our solution is as grand as it is simple, and is perhaps appropriately named *Universal Basic Philanthropy*. In this scheme, we propose that at some level of governance, the state should fund and distribute a guaranteed charitable stipend to its constituents. For concreteness, we will suppose that the United States Federal Government allocates two percent of the national GDP to all citizens via a digital platform. This sum translates to about \$150 per month per person as of 2019. Where UBP is the generic name of the

<sup>1</sup>Private foundations are an excellent modern day example for studying the distinction between charitable commitment and allocation. When Bill and Melinda Gates make their annual decision to donate  $X$  billions of dollars to "philanthropy," it is an occasion for praise and fanfare which has little basis on rationality. What the Gates Foundation does with the money, however, is a thoughtful and analytical process for the betterment of civilization. From this perspective, UBP is a way to leverage technology for all individuals to run their private foundation.

distribution policy, we shall call the currency *Ibis*<sup>2</sup>. The dynamics of this system, enforced by a combination of legal and technical mechanisms, are illustrated in Figure 1 and informally summarized by the following seven rules:

1. The state distributes Ibis in equal amounts to all qualifying individuals.
2. Entities (individuals or organizations) may purchase more Ibis using USD at a fixed ratio exchange rate (e.g., 1:1).
3. Entities may send Ibis to any other entity.
4. Only a registered nonprofit organization may trade Ibis for USD at an officially approved exchange.
5. Entities must pay interest and capital gains on Ibis investments with more Ibis.
6. Entities may not exchange Ibis for USD or other forms of money on a secondary market.
7. Nonprofit organizations may not offer material goods or services in exchange for Ibis donations.

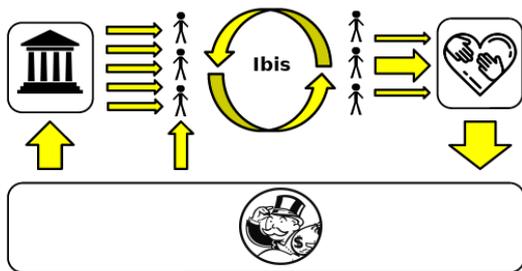


FIGURE 1. Flow of money in the UBP scheme.

UBP creates a market infrastructure for individuals to focus on the rational decision of allocation rather than the emotional struggle of commitment. Its tangible medium, the Ibis token, enjoys all of the flexibility of the US dollar with the exception that only registered nonprofit can extract its monetary value. With these simple tools, we can simultaneously eliminate each of the three problems that we identified.

- **Irrational Cause** - By construction, the decision to allocate UBP, which is given rather than earned, is categorically more rational than the choice to both commit and allocate traditionally acquired money. The result is smarter donations flowing toward causes with the greatest need.
- **Overhead** - By pushing a fixed amount of money to the nonprofit sector at a national scale, the government alleviates the need for the industry to invest heavily in fundraising. Nonprofits still have to compete for funding with each other, but this fundraising and marketing effort is more

comparable to baseline competition in the private sector.

- **Indeterminate Success** - As a consequence of solving the *irrational causes* problem, the nonprofits that scale will be the ones in the best position to market their work. We expect that growth will eventually correlate more with effectiveness and less with emotional salesmanship. The result is that the public can finally agree on a single metric for evaluating nonprofits: total impact.

The complementary ideas of UBP and Ibis together form the basis for our proposed philanthropic world order, one built on the principles of economics rather than idealism, one effective by design rather than hope. In this world, the power of donation and social influence is a right, not a sacrifice. The responsibility of informed social influence is a duty as sacred as democratic participation and community stewardship. This paradigm is the norm that we wish to advocate, one that addresses the root problems of the old while laying the foundations for a tantalizing future of genuine systematic progress.

## 8. FREE MARKET ALLOCATION ENGINE

This section describes the first of three categories of societal benefits enabled by UBP. Currently, nonprofits receive money through one of two sources: grants from centralized grantmaking organizations and direct donations from individuals. UBP presents a more robust alternative that leverages the virtuous dynamics of a free market. At its core, UBP predicts that if society pushes enough money through interacting autonomous agents in the name of philanthropy, the results will be overwhelmingly positive.

### 8.1. Smart Money

While grantmaking benefits from the input of expert decision makers, it suffers from the well-studied local knowledge problem<sup>3</sup>. On the other hand, direct donations by individuals lack an explicit mechanism to aggregate information. As in democratic voting, the qualifications of the average participant roughly determines the effectiveness of the system as a whole. UBP is a market-based mechanism to align resources with knowledge in much the same way that capitalism tries to align money with talent. While all individuals receive an equal stipend, we should *not* expect that everyone will donate the same amount. Remember: Ibis is allowed to change hands between individuals,

<sup>2</sup>Ibis is to the dollar as UBP is to Universal Basic Income. One is a unit of currency and the other is a governance policy. Ibis is a neutral name, and our process for choosing it was about as rational as the average charity donation.

<sup>3</sup>We use this terminology to refer to the phenomenon by which centralized decision makers, despite their superior qualifications and education, struggle to use the local knowledge available to actors at the ground level[22].

allowing money to move from the people who have it to the people who want it. In the traditional economy, currency flows from the foolish and desperate to the clever and greedy. In the Ibis economy, it flows from the indifferent and uninformed to the passionate and engaged, a setup that is favorable to everyone<sup>4</sup>. If the Ibis ecosystem can reach a point in which front-line volunteers serve as the endpoint for most of the country's philanthropic output, then what we would have is a robust free-market mechanism to both measure and reward nonprofits for demonstrable effectiveness.

## 8.2. Promoting Engagement

The majority of the benefits enumerated in this document cite inanimate economic mechanisms. However, we have little doubt that the most impressive initial effects will occur at the sociological level. Namely, the financial gift of philanthropy is the most effective and scalable method we can imagine to promote volunteerism. A 2015 study by Fidelity confirms our natural intuition that donating and volunteering are deeply intertwined. The researchers found that 79% of donors reported volunteering in the same year as compared to 25% of all Americans. Furthermore, 58% of individuals say they donated to an organization before volunteering, suggesting that money is a catalyst rather than an afterthought[17]. If this correlation has even some causal power, then UBP will initiate a sustainable increase in volunteerism<sup>5</sup>.

## 9. WEALTH EQUALITY

In its most recently reported measurement in 2016, The Federal Reserve Bank of Saint Louis document the highest GINI index for national wealth inequality in the modern era[31]. Wealth inequality is, of course, a highly complex and contentious topic within economics and political science. While we do not formally endorse any particular policies aside from vanilla UBP, we outline three reasons why variations on UBP may be an attractive tool in this space.

<sup>4</sup>For concreteness, consider a hypothetical relationship between Alice, the wealthy regional manager of some corporation and Bob, her college-age nephew who actively volunteers through his university. Alice has an abundance of money to donate on top of her UBP but very little time to actively engage in charity. Bob has the time and education, but little money. Eventually, we would expect that some Ibis gets transferred from Alice to Bob, perhaps in the form of birthday presents or supplementary payments for babysitting services. We would not expect that Ibis should ever flow in the opposite direction.

<sup>5</sup>An early criticism we have received on UBP is that it removes the genuine humanity from a freely given donation. Our view is that cold, hard, money is a poor substitute for humanity; people can get far more psychological benefits from volunteering their time instead. Let money be money, and let human connections be human connections.

## 9.1. Democratizing Philanthropy

Although wealth inequality continues to be a popular topic in mainstream discussion, inequality in philanthropy is often ignored. Gifts from wealthy donors accounted for over a quarter of total nonprofit revenue in 2015 according to Giving USA[9]. The trend is equally worrisome. Between 2003 and 2013, total contributions from individuals with a net income greater than \$100,000 increased by 40% while contributions from the rest of the population declined by 34%[13]. This growing generosity by wealthy individuals is admirable at a personal level; better schools and museums than yachts and private jets. However, perhaps society as a whole should reevaluate a system in which a small fraction of affluent donors can unilaterally decide the future of education, news, health, and welfare for large sections of the population<sup>6</sup>. Should philanthropy look more like capitalism, in which a person's influence is proportional to the sum of their financial assets? Or should it look more like democracy, in which a person's influence, in principle, is the same for every individual? While personal wealth predominately affects the owner, political and philanthropic influence both have consequences for society as a whole. We believe the answer is clear and claim that UBP is the single most elegant strategy to create a more egalitarian paradigm of social influence.

## 9.2. Wealth Redistribution

While vanilla UBP reduces philanthropic inequality by design, the Ibis infrastructure as a whole provides a potential solution for the more general problem of wealth inequality. In 2019, rhetoric among the Democratic party for pre-Reagan-era taxes on the ultra-wealthy continues to escalate, most notably highlighted by Rep. Ocasio-Cortez's proposal for a 70% income tax[14]. Critics of such proposals point out concerns that these rates would prohibitively stifle incentives for economic growth. Although we at Token Ibis do not hold an official position concerning this policy, we can suggest a theoretical compromise. We propose that, after collecting the 70% income tax, the state gives back a significant fraction of the revenue to the individual in the form of an Ibis tax return. Call it "mandatory altruism." As a mechanism for combating wealth inequality, mandatory altruism would be equally effective as a traditional tax. On the other hand, while not as powerful as plain money, social influence can be a sufficient incentive on its own[4]. In *The Givers*[9], David Callahan argues that philanthropy is often something of an afterthought for the ultra-rich after they have accumulated their fortunes in other industries. The result in yet another

<sup>6</sup>As a side note, we point out that the existing policy for charitable tax deduction disproportionately benefits the wealthy by design.

level of misalignment between means and knowledge. Our mandatory altruism scheme provides a tangible incentive for aspiring capitalists to apply their talent and business acumen toward social good even as they are building their more profitable enterprises<sup>7</sup>.

### 9.3. Social Influence as Status

Finally, we believe that Ibis may play a role in giving due credit to true philanthropists. Forbes magazine famously publishes a yearly report of the wealthiest men and women on Earth, a report that seemingly only exists to satiate our obsession with rich and powerful figures. We believe that the same publication measuring wealth in Ibis can have the same effect for promoting philanthropy. In a similar vein, there has been much debate over how to compensate successful nonprofit executives. Outspoken industry leaders such as Dan Pallotta believe the answer is to reward executives in the same way that the for-profit sector rewards their superstar managers[35]. We respectfully disagree. The nonprofit sector depends on donor trust, implying the need for a level of self-sacrifice on the part of the employees. However, if organizations cannot reward their most distinguished workers with material wealth, then perhaps they can at least signal importance and status. A salary of \$100,000 for an outstanding CEO, accompanied by a \$400,000 bonus delivered in Ibis, is economic proof that the organization values its leader at \$500,000. If nonprofit workers must sacrifice personal wealth for the greater good, we can at least offer them meaningful proof of their worth.

## 10. ALTRUISTIC ECONOMICS

8 and 9 address reforms that Ibis and UBP enable within the existing establishment. However, perhaps the most exciting feature of Ibis is its ability to foster new institutions and financial patterns altogether. The setting for this opportunity lies in the intersection between money and human psychology. Although we recognize money as an indispensable component of modern society, most people hold some level of stigma against excessive greed and indulgence. This stigma necessarily holds across all forms of money, from fiat to gold and Bitcoin. Ibis promises to be a large-scale exception to the rule. With the advent of the world's first charitable currency, we see the potential for an incarnation of money that is fundamentally free from greed and selfishness, in effect, an otherwise fully-featured medium of exchange that fosters exclusively altruistic interactions.

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<sup>7</sup>We should point out that the suggestions of this section stand in direct opposition to the ideas in 9.1. However, we argue that both are an improvement to the current situation and believe that either might be useful for future policymakers.

### 10.1. Direct Exchange

The opportunity to break down monetary stigma begins with direct exchanges between individuals. In particular, we are interested in situations where an economic transaction fails to take place due to social or moral complications.

- Alice needs her friend Bob to help her with homework, but he needs some extra motivation.
- Carol wants to buy a used desk from her friend, Dave, but has no idea how much to pay.
- Erin needs to give away possessions that belonged to her recently deceased husband, Frank, but it feels wrong to sell it for cold, hard money.
- Grace is a casual gambler, but her state places strict regulations on local casinos.
- Heidi is an amateur political guru who wants to bet on Ivan2020's platform on UBP, but she ran into federal laws banning political gambling[34].
- Judy wants to buy Mike's concert ticket, but cannot legally offer a different price higher than the original sale[2].

In another class of interpersonal interactions, individuals exchange money primarily as a means to signal appreciation. This mechanism is reminiscent of the salary status signaling mentioned in 9.3.

- Nick is a middle school teacher who wants to give out monetary science fair awards, but he is unsure about local policies for paying underage students.
- Olivia runs a bug bounty program for a large tech company. Although her company hands out millions of dollars in bounties, the weekend bounty hunters are working for far less than minimum wage, and she realized that they are more interested in reputation than material gain.
- Oscar is going to attend a funeral and wants to share his sympathies, but he feels that bringing more flowers would be a waste of money.
- Pat needs to buy a birthday gift for his girlfriend, Sybil, but he is a practical man and does not want to overspend to prove his commitment<sup>8</sup>.
- Trent is trying to increase user reviews on his e-commerce site and is trying to offer \$1 credit for each submission. Trent's plan is currently failing and he wonders if there is some other way he could convince people to leave feedback<sup>9</sup>.

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<sup>8</sup>Both the funeral and birthday examples are similar to existing popular practices. While funeral donations "in lieu of flowers" have a longer history, digital platforms such as Facebook have begun investing in birthday fundraisers [11]. A number of smaller organizations also offer charity gift cards [18][19][36]. We are immensely encouraged by all of these projects and view them as important precursors to a more unified Ibis (or Ibis-like) infrastructure.

<sup>9</sup>The connection between this example and Ibis is probably the least intuitive. The thought process is this: one dollar is just one dollar. However, in the context of an already altruistic action like leaving product reviews, perhaps one dollar of Ibis attaches just

Each of these examples represents generic situations in which Ibis likely serves as a superior medium of exchange to traditional money. The cases we listed are far from comprehensive, and one of the more exciting aspects of a UBP/Ibis future is the potential for unexpected business models to emerge. Here is a small taste: in 2015, NPR’s Planet Money podcast reported a story on Haystack, an app that tried to optimize public parking. The app worked by allowing drivers who were pulling out from crowded parking spaces to sell their vacated spot to drivers who were pulling in. Although the company was, by most measures, an entrepreneurial success, the operation was eventually shut down due to public outrage over its core business strategy: generating financial profit from free public goods[23]. The Haystack story represents a victory for ordinary human sensibilities at the price of economic efficiency. We believe we can revive the Haystack model, but this time with Ibis. By removing greed from the equation, Ibis can enable a real economic solution to a multi-billion dollar parking industry. We suspect that Haystack is only one of a vast space of business models that Ibis can unlock.

## 10.2. Banking

Banking is another sector with abundant opportunities for innovation under the UBP/Ibis ecosystem. As with standard money, recipients of UBP may not want to spend their Ibis every month, opting instead to save their income for grander or more personally meaningful donations<sup>10</sup>. We expect that consumer banking services will emerge to fill the need for savings and checking accounts. These institutions will provide convenient money management services on the consumer side while using the deposits to offer low-interest loans to nonprofits. Since this agreement takes place under the Ibis umbrella, interest payments to any party are legally required to take the form of more Ibis, effectively preventing any individual or for-profit entity from receiving traditional financial gain. The institutions providing these services will be some combination of conventional banks looking to earn positive PR and philanthropically motivated nonprofit enterprises in the mold of our Ibis parking app startup from 10.1. As Muhammad Yunus so compellingly demonstrated, the application of finance to charitable causes can be as exciting as it is impactful[42]

enough additional moral encouragement to perform the original altruistic action in the first place.

<sup>10</sup>In 2016, the Federal Reserve reported that the mean household income in the U.S. was \$102,700. The mean household wealth held in bank accounts was \$40,200 [7]. A similar income/savings ratio for UBP would imply a \$160 billion market for Ibis banking.

## 10.3. Venture Philanthropy

It is fitting that we end the body of this discussion in the most relevant area for Token Ibis as an organization. Innovation thrives when the current establishment provides daring newcomers with the means to build their ideas. In the current system, an aspiring nonprofit startup only has one way to obtain those means: by begging. This model is problematic for Token Ibis. We have no photogenic constituents or dire current events to aid in our fundraising. However, what we have is an immensely valuable and economically (non)profitable idea. In a future in which we’ve succeeded, the next generation of aspiring social entrepreneurs will have full access to the vibrant ecosystem of angel investors and venture firms that their for-profit counterparts enjoy today. Investors who see promise in a startup will have the opportunity to purchase equity in exchange for startup capital. If the enterprise becomes wildly successful, it will eventually earn more direct donations than it needs to operate and pay out dividends to its shareholders. All of this takes place under the Ibis umbrella. As in 10.2, none of the parties gain a single cent of monetary gain. What they do receive is proof of their business acumen in the nonprofit sector accompanied by the returns to create even more social influence for the benefit of the greater good. In a world in which nonprofit equities are commonplace, it follows that we will see the rise of nonprofit bonds, publicly traded nonprofits, shorts, and nonprofit mutual funds<sup>11</sup>. Long influenced by giants of the finance and tech industries, the nonprofit sector might soon get its own Silicon Valley and its own Wall Street.

## 11. A PATH FORWARD

At a theoretical level, the ambition of the ideas in this paper lies somewhere between bold and absurd. In practice, there are myriad reasons why even good intentions are doomed to fail, especially given the magnitude of political and cultural changes proposed by UBP. However, Rome was not built in a day. Before Universal Basic Income was championed by the likes of Elon Musk and Mark Zuckerberg[12], before it headlined the platform of a U.S. presidential candidate[41], UBI was best described as series of hopeful experiments. If our survey is accurate, then the concept of UBP is much earlier in its life than UBI was at the turn of the century. There is much work to be done. The mission of Token Ibis is to prove the social value of Universal Basic Philanthropy at a meaningful scale. Our task is threefold:

<sup>11</sup>Note that these suggestions depend on the assumption that UBP adequately addresses the problem from 4.3. The only situation in which we advocate for such complex financial setups is one in which money is an acceptably accurate proxy for nonprofit impact.

1. Raise generic philanthropic funds from interested donors
2. Establish collaborative ties with local nonprofits
3. Distribute UBP to members of a closely interacting population. We have identified colleges as an ideal setting for our study.

The concrete implementation of our system is a custom web application for digital payments, donations, and peripheral engagement<sup>12</sup>. Under this setup, we have the full flexibility to conduct randomized trials for answering crucial research questions.

- Does UBP increase engagement?
- Does UBP promote more rational giving?
- Does Ibis flow toward users who are more passionate, qualified, and engaged in nonprofit?
- Does the flow of Ibis correlate with edges in the social network?

Token Ibis offers the most long-term value as a rigorous testbed for evaluating UBP. However, despite this prioritization on research, we cannot lose sight of the immediate potential for UBP to benefit the community by promoting profoundly new levels of connection between donors, distributors, and nonprofits. We look forward to witnessing the fruits of an impact-focused local nonprofit ecosystem, at the indicators of empowerment when disadvantaged school children can one day exercise their right to social influence. Regardless of political cooperation or academic consensus, we intend to see Ibis to its full potential.

## 12. CONCLUSION

In this work, we contextualize the systematic shortcomings of the nonprofit sector under one fundamental insight, present a novel solution, and illustrate the new art of the possible under our currency-driven model. Although the endeavor is unapologetic in idealism and audacious in scale, our hope is this paper, in conjunction with our entrepreneurial efforts, will serve as a sufficient catalyst for the change that is to come.

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<sup>12</sup>Along with the core payment platform, our application features social media integration along with integrated nonprofit news feeds and event postings. Together, these additional components provide valuable data as natural proxies for engagement and social network context, respectively.

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