

TOKENOMICS IN 60 SECONDS

TOKENOMICS = TOKEN + ECONOMY

• Studies supply, demand, distribution, and valuation of cryptocurrencies

WHY DO I NEED TO KNOW THIS STUFF?

Understanding tokenomics is crucial for understanding the value and operation of decentralised ecosystems. As a project founder or existing business integrating tokenomics into operations, it's important to know what investors look for in projects, so that you can carefully craft a tokenomics strategy for long-term success.

UNDERSTANDING SUPPLY

Maximum supply:

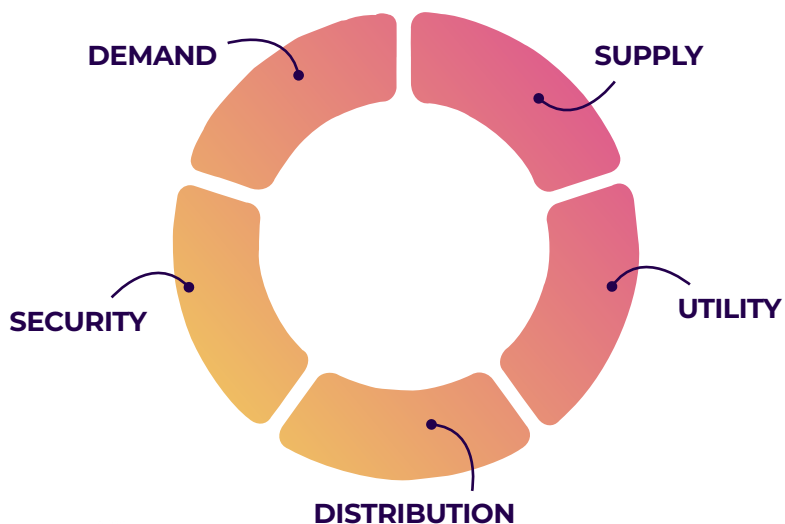
Total number of tokens that will ever exist

Circulating supply:

Tokens currently available and active in the market.



KEY COMPONENTS OF TOKENOMICS



ALLOCATION, VESTING & BURNS

Allocation: How tokens are distributed among stakeholders.

Vesting Periods: Timeframes for stakeholders to hold tokens before selling.

Burns: Reducing supply to increase scarcity and potentially value.

MINING, STAKING & YIELDS

- Proof-of-Work (PoW) rewards for validating transactions.
- Proof-of-Stake (PoS) rewards for holding tokens, known as 'staking'.
- Yields: Rewards from participating in DeFi protocols.



Want to learn more? Check out our guide to tokenomics here.

