

# Reclaiming our \$8 billion: funding public goods with stablecoin profits



 @garmdotcom

 @geyr\_garmr

Two tokens are involved in

47%

of all DEX swaps

# USDC & USDT

BNB 558.58 -0.55% SOL 161.92 -1.58% ADA 0.33 -0.71% AVAX 23.25 -1.65% DOT 3.83 0.79% UNI 6.95 -0.18% AAVE 130.02 -0.59% ARB 0.48 -1.46% OP 1.38 -0.86% ATOM 4.03 1.15% MKR 1140.23 -2.88%

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# Tether reports net profit of \$5.2B in H1 2024

Tether also claims its USDT is fully backed and overcollateralized by at least \$5.3 billion, as of June 30 2024

BY DONOVAN CHOY / JULY 31, 2024 01:34 PM



[NEWSLETTER](#)

Blockworks Daily

Email address

**UPCOMING EVENTS**

## Digital Asset Summit

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# How they make \$8 billion combined:

1. Tether and Circle = 86% of all stablecoins
2. That's ~\$155 billion market cap
3. Stablecoins earn ~5% yield (invested in T-bills)
4. 5% of \$155 billion = a lot

2 problems  
w this \$8 billion

**This ~\$8 billion  
is extracted from the  
ecosystem**

**1**

**We are compromising  
decentralization  
+  
censorship-resistance**

**2**

**This ~\$8 billion  
is extracted from the  
ecosystem**

**1**

**Let's start with this**

**We are compromising  
decentralization  
+  
censorship-resistance**

**2**



**A duopoly controlling critical  
infrastructure is dangerous**

1. A duopoly gives single points of failure
2. A duopoly can get lazy or greedy
3. A duopoly breaks censorship resistance

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TECH

# Stablecoin USDC breaks dollar peg after firm reveals it has \$3.3 billion in SVB exposure

PUBLISHED SAT, MAR 11 2023-11:03 AM EST | UPDATED SAT, MAR 11 2023-8:52 PM EST



Ashley Capoot  
@IN/ASHLEY-CAPOOT-024968173/

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## KEY POINTS

- The U.S. cryptocurrency firm Circle's USD Coin lost its dollar peg and fell to a record low Saturday morning.
- The company revealed it has nearly 8% of its \$40 billion in reserves tied up at the collapsed lender Silicon Valley Bank.
- USDC is designed to trade at \$1, but it fell below 87 cents on Saturday, according to



## USDC depeg to \$0.87

- SVB bank run
- Liquidity crunch on Uniswap & Curve
- Most tokens became untradeable

1. A duopoly gives single points of failure
2. A duopoly can get lazy or greedy
3. A duopoly breaks censorship resistance



mcarrica

@mcarrica

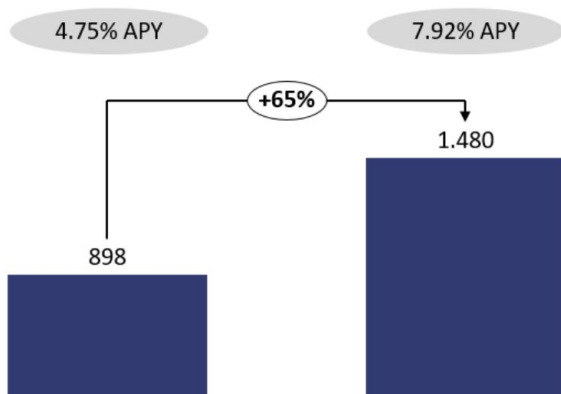
Tether's 1.48B profit equates to a 7.9%APY  
This is 67% higher than the risk-free rate.

The 7.92% APY alone should already ring some bells!

Most likely the extra return is associated to risk.  
Risk that is taken by the depositor.

## Tether profit versus "risk free rate"

Millions USD, Jan 1 thru Mar 31



Risk-free rate Q1 '23  
**4.75%**

Tether APY  
**7.92%**

Every \$1000 in USDT holdings  
generates **~\$79** for Tether.

1. A duopoly gives single points of failure
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TOM MITCHELHILL

AUG 05, 2022

## Vitalik: Centralized USDC could decide the future of contentious ETH hard forks

Speaking at the BUIDL Asia event in Korea, Vitalik Buterin said that centralized stablecoins like USDC & USDT will become significant deciders in future hard forks.

12277 Total views

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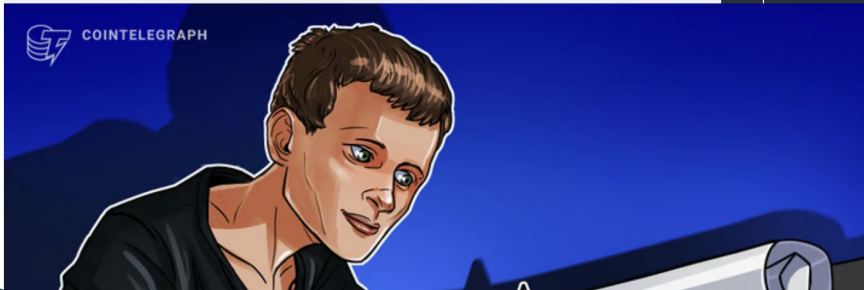
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2:57



COINTELEGRAPH



DeFi that depends on  
2 companies  
is decentralized  
in name only

## What about this

This ~\$8 billion  
is extracted from the  
ecosystem

1

We've been  
compromising

decentralization  
+

censorship-resistance

2

**Can we reclaim our  
~\$8 billion as an industry?**

# Can we use these billions for something better?

Estimated yield/profit in 2023

USDT  \$6.2 billion

USDC  \$1.2 billion

Holding USDT =  
funding Tether at no cost

Instead, \$8 billion would be  
enough to give every Devcon  
visitor \$666,666

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enough to give every Devcon  
visitor \$666,666

but giving profits to holders is illegal

# Instead, we could fund the ecosystem:

\$8bn can pay for:

- 57x Ethereum Foundation's yearly budget
- 75x Optimism's RetroFunding spending to date
- 3x Ethereum validator income
- Cover all ops expenses of all L2s
- Outspend pharma lobbying w/ 2bn left
- ...



# Divert ~2bn of these profits to improve the state of the planet

- Lift 4M people out of extreme poverty through UBI
- Provide 650M meals to poorest US households
- Buy 1 billion malaria nets

Graduating crypto from cockroach to  
flagship of economy in the process

## Big Stablecoin



Can get away with  
**keeping all yield**  
instead of giving  
back

## Yield-bearing stables



Share yield with  
holders/platforms

Forced off-shore:  
riskier regulatory  
environment + excludes  
largest markets and CEX



The stablecoin that  
funds public goods  
and charities



Holding Glo Dollar =  
**funding public goods**  
at no cost

# = AutoPGF

**Automatic Public Goods Funding**  
+ zero-cost

Funding sustainably (each month),  
and **at no cost to stablecoin users**



**Protocol Guild**



Endaoment



Public Goods



GivETH

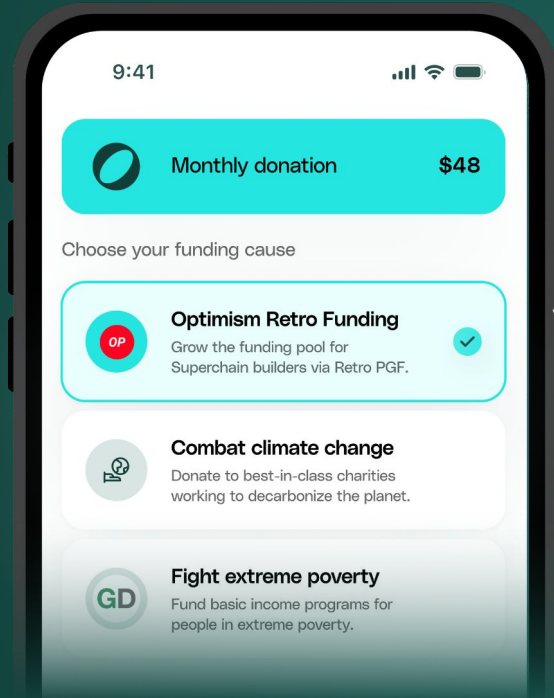


**Retro Funding**



Glo Dollar

For example:



Select OP Retro Funding  
to grow the funding pool  
for Superchain builders

[app.glodollar.org](https://app.glodollar.org)

# More Glo Dollars (USDGLO) = More AutoPGF

- Our donations in Dec 2023: **\$151** (first)
- Our donations in Jan 2024: **\$325**
- Our donations in March 2024: **\$566**
- Our donations in August 2024: **\$1885**
- Our donations in October 2024: **\$3912+** (26x in 1 year)

# After this talk:

Capturing 1% of stable market

=

**\$6M in donations per month**



# What do?

1. Diversify your USDT/C holdings
2. Ask to be paid in a different stable
3. Integrate Glo Dollar in your dapp

# Reclaiming our \$8 billion: funding public goods with stablecoin profits



@glodollar, [www.glodollar.org](http://www.glodollar.org)



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