Past trends in tokenomics

1. Token staking rewards i.e. yield farming
2. Pool 1 - single token staking pool
3. Pool 2 - liquidity token staking pool
4. Issues
    - Mercenary capital tends to farm and dump tokens with liquidity and token price spike followed by a dump and rotation into other newer projects
    - Bag holders end up blaming the project for normal market movements
    - Fine balancing act between too low APY thus unable to attract new capital and too high APY leading to being called a scam and leading to quicker dumping
    - Can lead to over paying for liquidity and capital

Different token release schedules

1. Linear
    a. Easiest to implement
    b. No real beneficial rewards for early or late users
    c. Capital inflow will dilute rewards preventing further capital inflow
2. Growing
    a. Token release increases over time ala Badger
    b. Will get lots of hate from community and criticism
    c. There is no real advantage to being early
    d. Higher rewards later can help sustain higher APYs and thus continuous capital inflow
3. Shrinking
    a. Token release shrinks over time
    b. Fomo aspect incentivizing early entry into project
    c. Lower outflow at the tail end of the spectrum can render the protocol, alongside normal downward price trends, unable to attract new capital
4. Dynamic
    a. A dynamic token release schedule can help prevent overpaying for liquidity early on, while providing rewards for early users by reducing rewards later as theres less risk, to match APYs on other projects
    b. Can be difficult to advertise and sell users on
    c. Few projects implementing this
    d. More work and adjustments needed

    e. https://www.mechanism.capital/liquidity-targeting/
    f.

Current and new trends in tokenomics

1. **Protocol owned liquidity**
    a. Purchase LP tokens off holders instead of renting liquidity via extended farming programs
2. **Vote escrowed tokens**
    a. Users lock tokens for 1 week to 4 years in exchange for a time weighted token. Pioneered by curve. veToken can be used for voting, as holders are expected to vote with long term interest in mind, and can be incentivized with fee sharing or farming rewards boosts
    b. Reduce circulating supply to potentially make the token deflationary and help boost price with reduced sell pressure
3. **XTokens**
    a. Similar to veTokens but without a required lockup
    b. Tokens can be staked for xTokens e.g. Trader Joe, Sushi
    c. xTokens accrue rewards directly with the price of the xToken being worth >1 of the underlying token
4. **Revenue or fee sharing**
    a. Incentivize token locking via vote-escrow schemes in exchange for protocol fee sharing
    b. Offer high APY without diluting/inflating free floating token supply
    c. Implemented by blizz, geist, qidao, iron.finance
5. **Vested farming**
    a. Instead of releasing 100% of a users farmed tokens on claim, vest the tokens at a linear rate for a time period. This allows advertising higher APYs and reflects some of the tokens back to the treasury for more farming longevity or ve token lockers.
    b. This has been implemented by Adamant.finance, blizz.finance, geist.finance, kyber
    c. Overall, it doesn't seem like it stops farm and dumping of tokens
6. **Options liquidity mining**
    a. Instead of, or alongside the regular tokens, farmers get a options NFT
    b. Options NFT can be redeemed after a period of time,e.g. 1 month, for the token for a pre-set or floor price, allowing the user to option to buy the token at a discount from the protocol