

# Quadratic Funding with Incomplete Information

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## Abstract

Quadratic funding is a public good provision mechanism that satisfies desirable theoretical properties, such as efficiency under complete information, and has been gaining popularity in practical applications. We evaluate this mechanism in a setting of incomplete information regarding individual preferences, and show that this result only holds under knife-edge conditions. We also estimate the inefficiency of the mechanism in a variety of settings and show, in particular, that inefficiency increases in population size and in the variance of expected contribution to the public good. We show how these findings can be used to estimate the mechanism's inefficiency in a wide range of situations under incomplete information.

**Keywords:** Public goods provision, incomplete information, quadratic funding mechanism.

**JEL Classification Codes:** C72, D82, H41.

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