TORN ECONOMIC REVIEW

Review Year: 2015

Published: March 10th, 2016

YOUR FIRST LOOK

- Torn has monitored economic performance since 2011.
- Economic data has been used to balance the economy, ensure fluid trade, and better inform game design.
- This initial Economic Review details and analyzes economic data at a high level in order to share insights with you, and incite broader conversation about Torn's economy.

SECTIONS

Money Supply



Commerce



Wealth





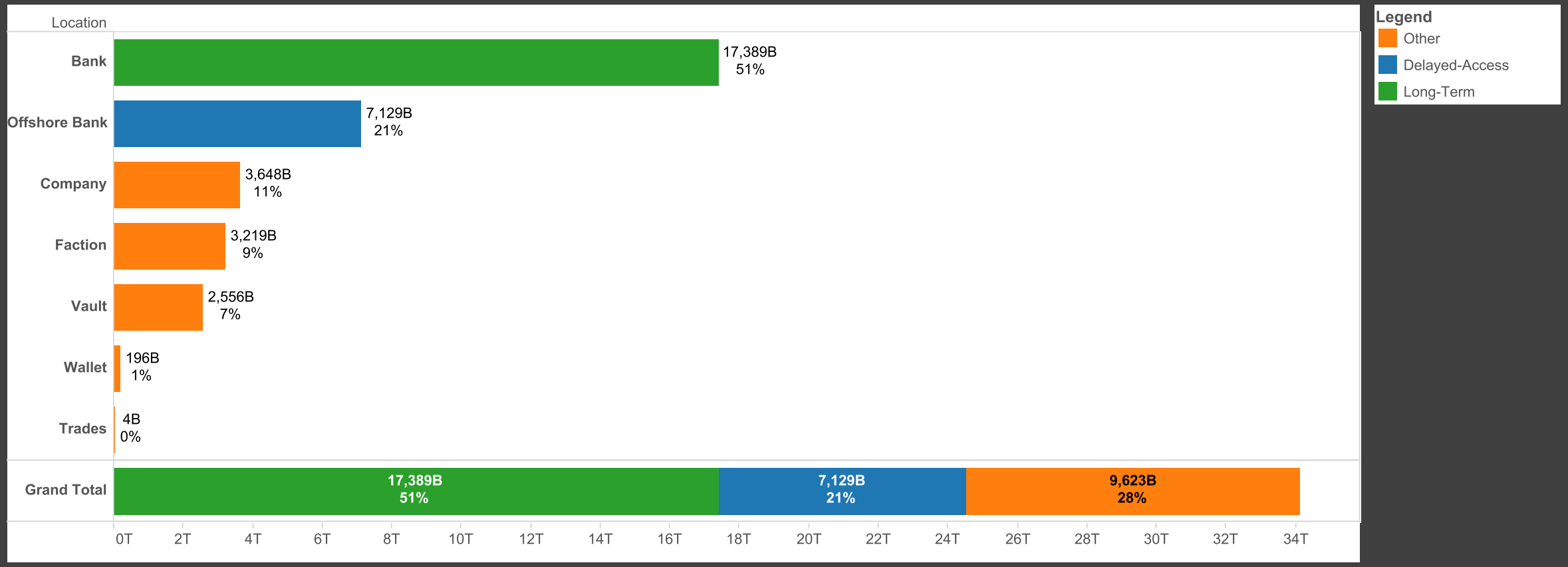
S1: MONEY SUPPLY

MANAGING THE MONEY SUPPLY

- The Money Supply is the total quantity of Torn City Dollars which exist on Torn.
- Limiting the rate of Money Supply expansion is critical to prevent hyperinflation.
  - Hyperinflation can grind trade to a halt, often reverting to a barter system.
- Torn has successfully managed it's money supply by:
  1. Throttling the generation of new Torn City Dollars.
  2. Favoring gameplay features that exchange money rather than create it.

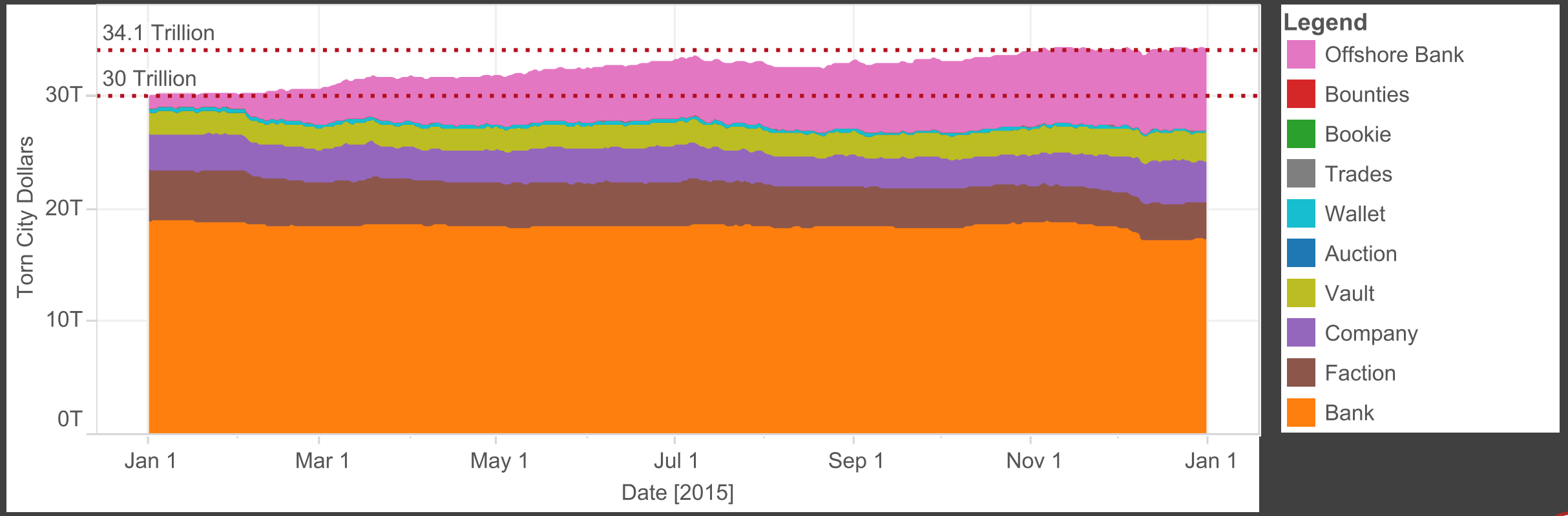
TOTAL MONEY SUPPLY

- Total money supply: $34.1 trillion Torn City Dollars (TCD).
- 79% of TCD is invested in banks.



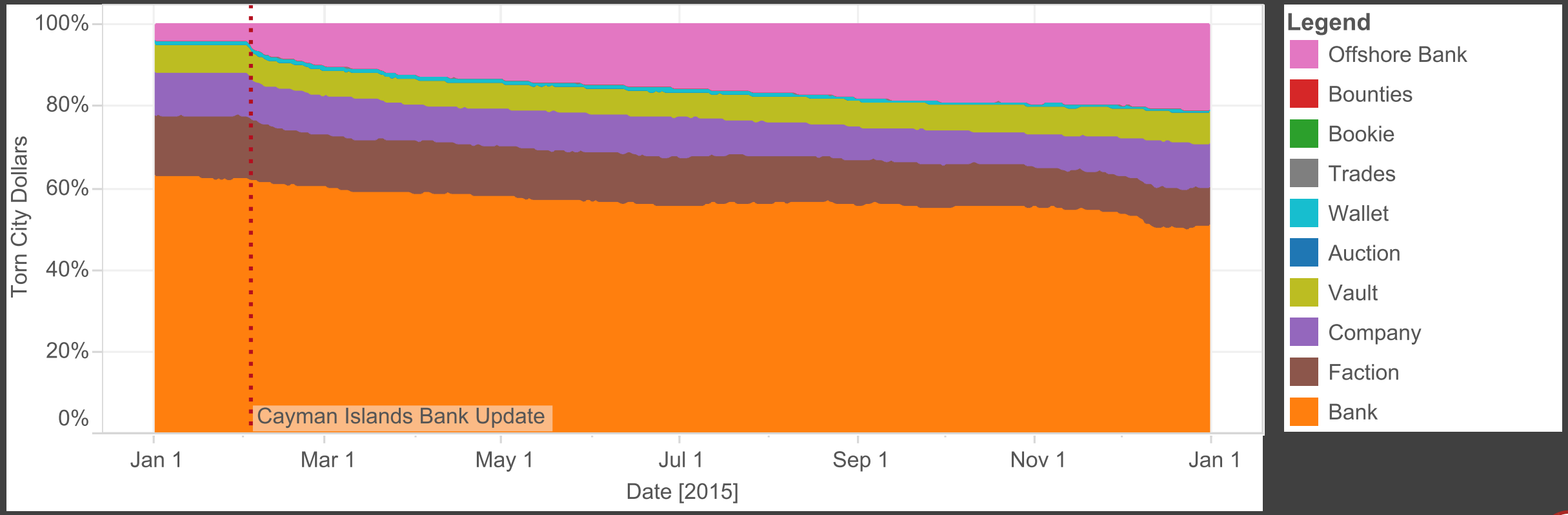
MONEY SUPPLY 2015

- The Money Supply expanded by $4.1 Trillion (14%) in 2015.
- Our goal: maintain an expansion rate below 20%.



MONEY SUPPLY 2015 (%)

- The proportion of cash stored in the Offshore Bank increased from 5% → 20%.
  - Driven by the February 2015 update to fees and interest.



BANK INVESTMENTS

- Investors balance two primary incentives:
  - **Liquidity** – The ability to quickly access your money.
  - **Return on Investment** – The interest earned from lending money.
- 53% of cash is banked for 2-3 months, prioritizing ROI.
- 23% is banked for only 1 week, prioritizing liquidity.

Amount Invested	Days Invested				
	7	14	31	61	91
<100k	6,155	1,713	984	271	5,701
100k - 1m	3,048	1,704	1,580	431	6,326
1m - 10m	4,874	2,552	2,921	918	11,703
100m - 1b	3,760	2,159	2,505	842	9,537
1b - 2b	887	606	629	238	1,867
2b+	2,480	2,582	2,696	3,479	8,200
Grand Total	21,204	11,316	11,315	6,179	43,334



S2: COMMERCE

IMPORTANCE OF COMMERCE

- Player-to-player trade is a central feature of Torn.
- We are interested in observing overall trade, and ensuring critical markets are not excessively volatile.
  - Price changes over time are acceptable, within reason.
- The markets for Donator Packs and Points are most critical, as these are essential commodities for competitive play.

TRADE

- 2015 Total trade volume: $6.5 Trillion.
  - Includes only Bazaar and Item Market
- $4 trillion of exchanged cash was items classified as Special or Booster.

Type	Item Category	Average Price	Quantity Traded	Cash Exchanged
Item	Special	40,204,861	318,638	2,413,540,225,807
	Booster	119,017,599	451,682	1,552,356,778,681
	Energy Drink	1,009,572	889,491	349,383,911,151
	Drug	83,823	4,716,955	308,973,473,855
	Collectible	205,005,892	1,096	220,487,488,749
	Supply Pack	3,161,654	200,687	152,689,330,012
	Enhancer	3,780,192	30,538	132,136,567,338
	Candy	417,816	9,083,507	90,457,267,567
	Artifact	13,787,882	13,926	78,351,193,883
	Flower	175,799	21,881,078	77,033,540,538
	Other	1,026,098	3,085,551	58,144,399,157
	Plushie	25,577	18,063,819	42,645,723,777
	Clothing	2,890,929	7,195,453	41,139,432,803
	Medical	719,785	12,187,464	35,651,889,718
	Alcohol	142,322	19,860,800	26,115,441,158
	Car	188,813	828,420	23,665,084,789
	Electronic	95,424	1,102,775	3,954,795,806
	Virus	158,562	189,838	2,478,126,834
	Jewelry	7,306	2,451,799	2,036,240,105
Weapon	Melee	10,962,388	628,078	348,038,074,361
	Secondary	2,168,958	206,939	152,875,319,879
	Primary	1,814,250	97,523	114,394,568,802
	Temporary	107,514	13,146,603	14,696,532,553
Armour	Defensive	4,361,081	155,964	247,801,932,001
Grand Total		5,442,967	116,788,624	6,489,047,339,324

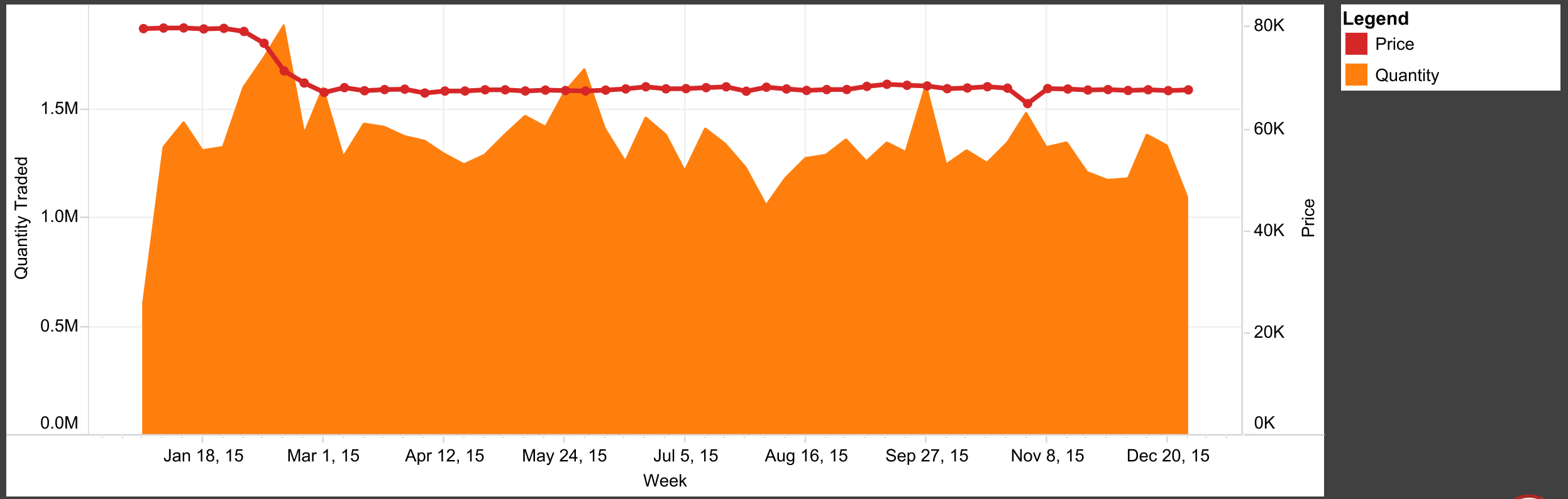
TRADE: SPECIAL & BOOSTER

- DPs accounted for $2 trillion in trade volume
  - 81% of Special item trades
  - 30% of total trades
- Feathery Hotel Coupons accounted for 46% of Booster trades

Item Category	Name	Average Price	Quantity Traded	Cash Exchanged
Special	Donator Pack	18,774,323	150,653	1,966,206,783,329
	Cesium-137	173,687,064	1,263	197,458,610,840
	Casino Pass	369,783,797	450	163,765,070,711
	Business Class Ticket	34,377,273	1,576	39,164,142,095
	Lottery Voucher	471,202	155,815	22,727,168,069
	Small Explosive Device	7,064,753	3,122	16,461,262,359
	Toilet Paper	2,615,365	1,510	2,352,585,808
	Dog Poop	1,557,340	1,499	2,100,408,256
	Stink Bombs	1,350,023	1,748	1,826,082,457
	Horses Head	1,643,255	1,002	1,478,111,883
	Total	40,204,861	318,638	2,413,540,225,807
Booster	Feathery Hotel Coupon	8,178,143	165,259	709,853,424,582
	Dumbbells	434,958,761	411	173,392,689,953
	Erotic DVD	1,411,533	269,844	172,010,657,760
	Skateboard	422,352,731	401	160,917,654,815
	Boxing Gloves	432,830,062	353	150,125,522,333
	Parachute	427,671,785	367	148,997,856,025
	Gift Card	17,308,075	1,246	16,949,968,572
	Book of Carols	41,158,749	426	16,056,251,707
	Lawyer Business Card	506,011	13,375	4,052,752,934
	Total	119,017,599	451,682	1,552,356,778,681
Grand Total		75,384,287	770,320	3,965,897,004,488

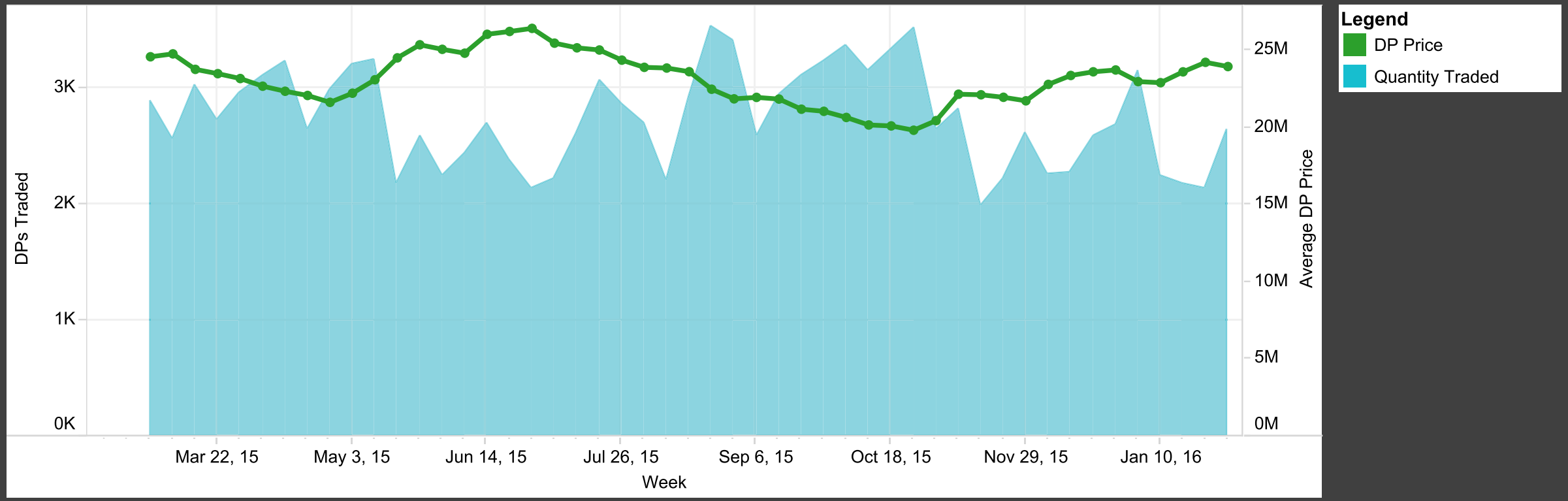
POINTS MARKET

- Following a drop from $80k, prices have been remarkably stable at $68k.
- Quantity traded has been stable around 1.25 million Points per week.



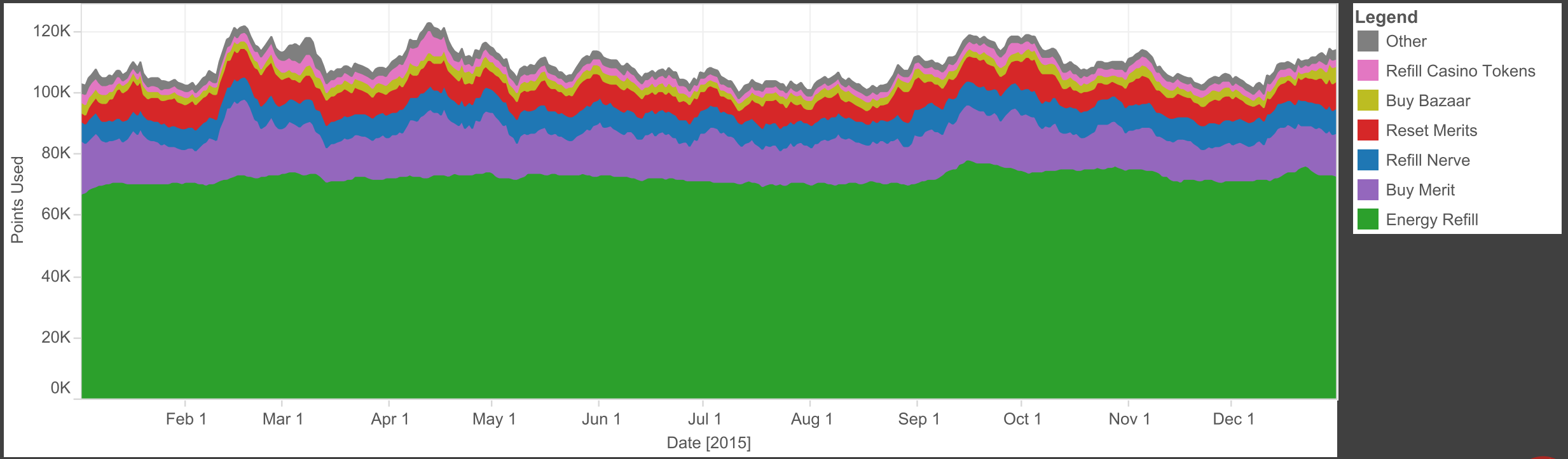
DONATOR PACK MARKET

- The DP Price varied between $20m - $25m.
- Quantity traded has been stable between 2k-3k per week.
- Trade volume is somewhat responsive to changes in price.



POINT CONSUMPTION

- Daily Point consumption has been stable between 100k – 120k.
- The distribution of Point consumption has been stable as well.



TOTAL POINT CONSUMPTION

- 66% of Points are spent on Energy Refills.
- 27% are spent on Merits, resetting Merits, and refilling Nerve.

Name	Points Used	% of Points Used	Total Purchases
Energy Refill	26,481,300	66.36%	1,059,252
Merit	5,338,750	13.38%	21,355
Refill Nerve	2,738,525	6.86%	109,541
Reset Merit	2,635,750	6.60%	3,159
Buy Bazaar	991,250	2.48%	3,965
Refill Casino Tokens	899,175	2.25%	35,967
Buy Racing License	207,550	0.52%	4,151
Buy Display Cabinet	123,000	0.31%	1,230
Buy Stock Ticker	108,240	0.27%	5,412
Buy City Watch	91,150	0.23%	1,823
Buy Gas Can	87,100	0.22%	871
Buy Laptop	64,000	0.16%	2,560
Upgrade Friends List	60,175	0.15%	2,407
Upgrade Blacklist	47,575	0.12%	1,903
Upgrade Loan	32,400	0.08%	324
Grand Total	39,905,940	100.00%	1,253,920



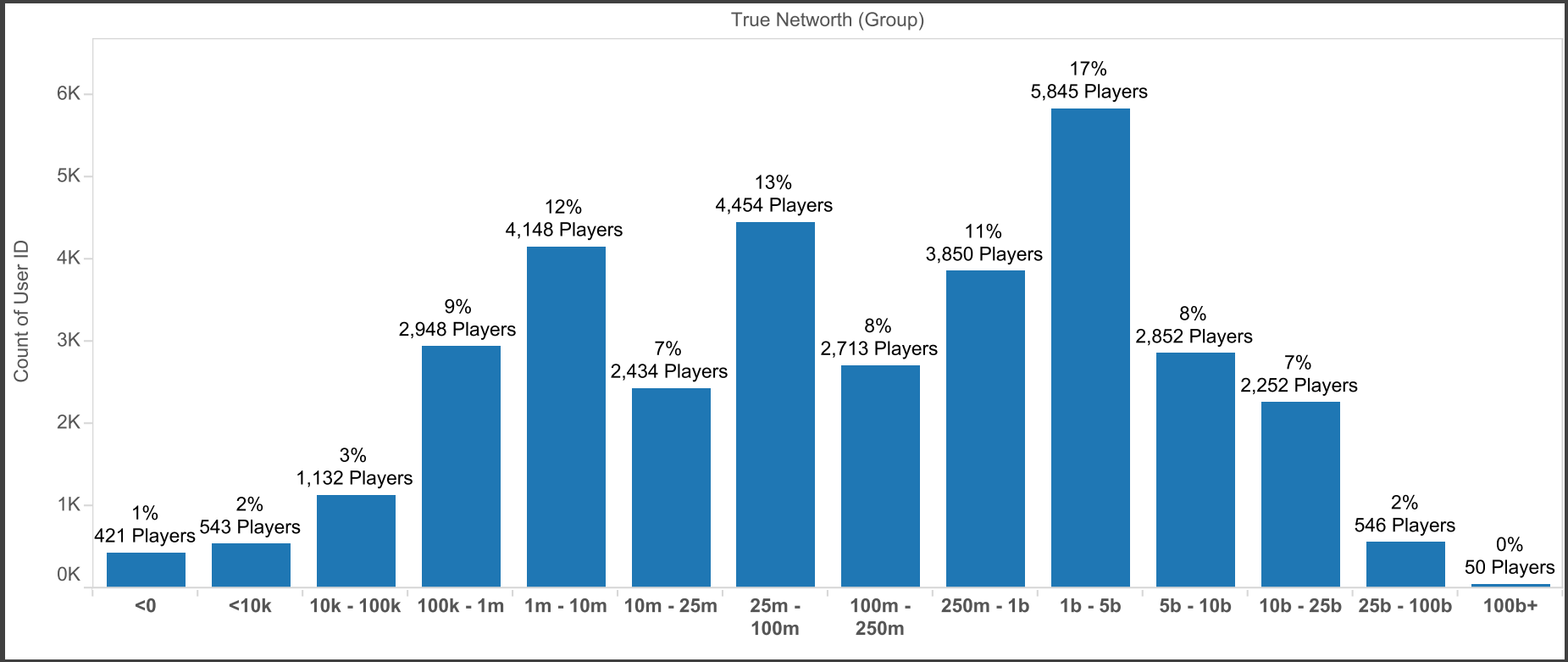
S3: WEALTH

WEALTH

- As Torn is a game with Persistence, players tend to build wealth over time.
- Understanding the absolute and relative distribution of wealth is critical to design a balanced Torn which is engaging for the wealthy without excluding the poor.
- More importantly, we must ensure new players are capable of building significant wealth over time.

NETWORTH DISTRIBUTION

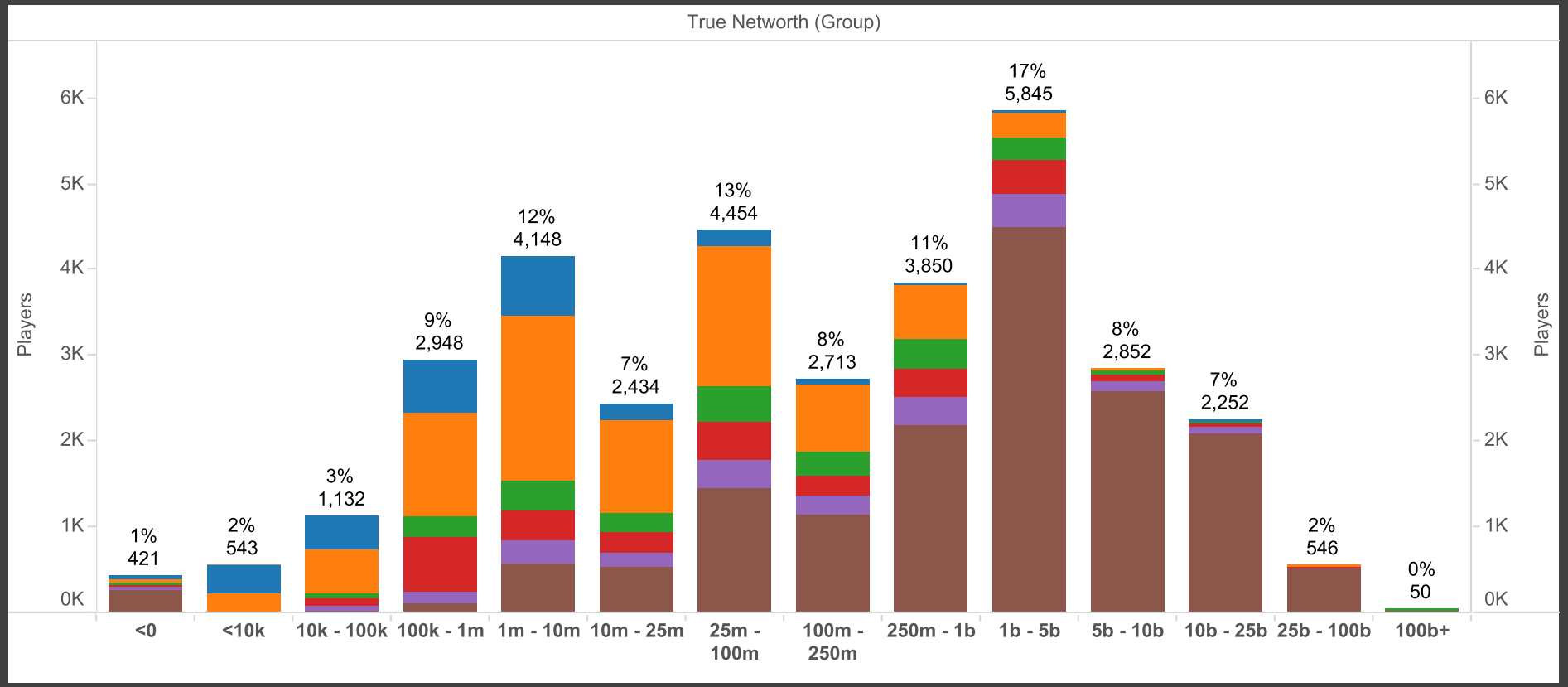
- Many active players hold significant fortunes.
  - 50% of players have a Networth greater than $100m.
- Few players are extremely poor (<$100k).



* Includes 34,144 players who logged in on or after 7 days after signing up, and were active in 2015

NETWORTH BY AGE

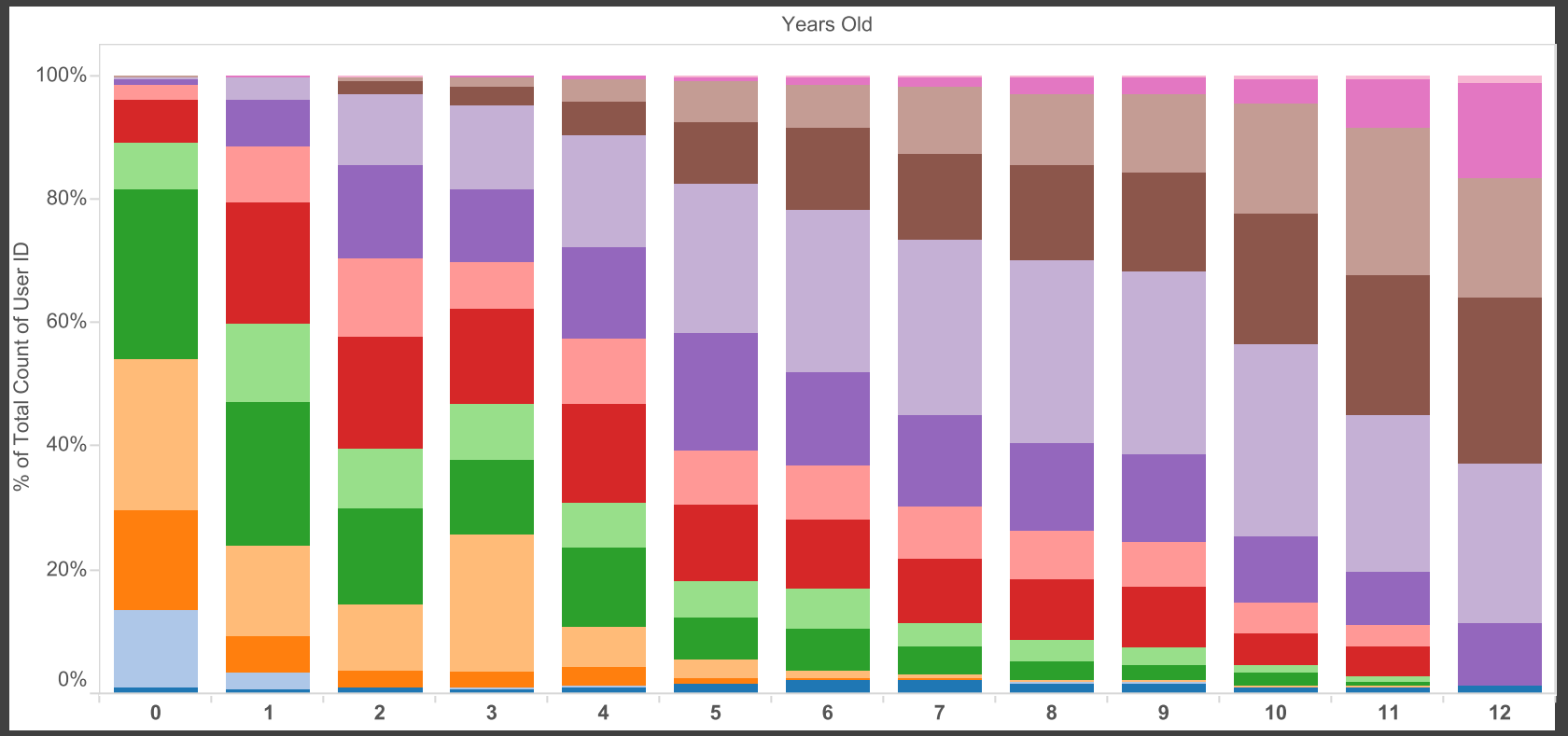
- Unsurprisingly, the wealthiest players tend to be at least 5 years old.
- Yet, many young players have achieved a wealth of at least $100m.



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AGE BY NETWORTH %

- Active older players tend to be much wealthier than new players.
- But, wealth mobility is excellent.
  - For each year a player is active, they tend to become wealthier.



* Includes 34,144 players who logged in on or after 7 days after signing up, and were active in 2015

CONCLUSIONS & COMMENTS

- Torn maintains an extensive economic system.
  - Maintaining that system is critical to ensuring Torn's longevity and success.
- In 2015, Torn's economic performance was excellent.
  - Manageable rate of Money Supply expansion.
  - Healthy markets.
  - Wealth mobility.
- Looking to the future, Torn must continue to manage its Money Supply, ensure fluid Trade, and design the game such that new players are able to fully engage with Torn's population.

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