

< [Economic Analysis of the Digital Economy](#)

Some Economics of Private Digital Currency

Joshua S. Gans & Hanna Halaburda

SHARE

PUBLISHED DATE April 2015

COPYRIGHT 2015

ISBN 9780226206844

DOI 10.7208/chicago/9780226206981.003.0009

CONFERENCE HELD [JUNE 6-7, 2013](#)

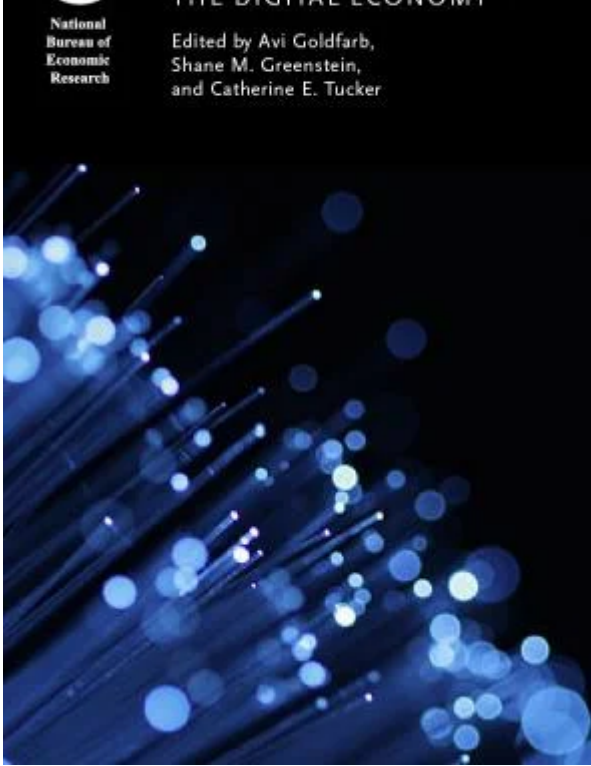
BOOK: [ECONOMIC ANALYSIS OF THE DIGITAL ECONOMY](#)

BOOK EDITORS: [AVI GOLDFARB](#), [SHANE M. GREENSTEIN](#) & [CATHERINE E. TUCKER](#)

PUBLISHER: [UNIVERSITY OF CHICAGO PRESS](#)

This paper reviews some recent developments in digital currency, focusing on platform-sponsored currencies such as Facebook Credits. We develop a model of platform management in which platform currency offers "enhancements" to users who spend time on the platform. Users allocate time between earning money outside of the platform and using the platform. The platform can equip its currency in different attributes and limitations, with the goal of maximizing profit. We show that limiting functionality of currency (e.g., prohibiting transferability) may increase usage on the platform. But depending on the source of the revenue, different attributes of the currency are optimal. We also find that it will not likely be profitable for such currencies to expand to become fully functional competitors to state-issued currencies. However, it is still possible, in some cases for limited platform-sponsored currencies to be attractive outside of the platform.





 [Download](#)

[Purchase Book](#)

Acknowledgements and Disclosures



Citation and Citation Data



Related

PROJECTS

Economics of Digitization

More from the NBER

In addition to [working papers](#), the NBER disseminates affiliates' latest findings through a range of free periodicals — the [NBER Reporter](#), the [NBER Digest](#), the [Bulletin on Health](#), and the [Bulletin on Entrepreneurship](#) — as well as online [conference reports](#), [video lectures](#), and [interviews](#).



Martin Feldstein Lecture, Summer Institute 2025 **The Fiscal Future**

N. Gregory Mankiw, Harvard University and NBER
July 10, 2025

2025, 17th Annual Feldstein Lecture, N. Gregory Mankiw, "The Fiscal Future"

FELDSTEIN LECTURE

PRESENTER: [N. GREGORY MANKIW](#)

N. Gregory Mankiw, Robert M. Beren Professor of Economics at Harvard University, presented the 2025 Martin Feldstein...



Methods Lecture, Summer Institute 2025
**Uncovering Causal Mechanisms:
Mediation Analysis and
Surrogate Indices**

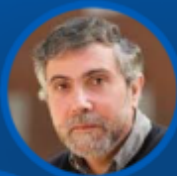
Raj Chetty, Harvard University and NBER
Kosuke Imai, Harvard University
July 24, 2025

**2025, Methods Lecture, Raj Chetty and Kosuke Imai, "Uncovering Causal Mechanisms:
Mediation Analysis and Surrogate Indices"**

METHODS LECTURES

PRESENTERS: [RAJ CHETTY](#) & [KOSUKE IMAI](#)

SlidesBackground materials on mediationImai, Kosuke, Dustin Tingley, and Teppei Yamamoto. (2013). "Experimental Designs...



International Trade and Macroeconomics, Summer Institute 2025

Panel on The Future of the Global Economy

Oleg Itskhoki, Harvard University and NBER
Paul Krugman, City University of New York and NBER
Linda Tesar, University of Michigan and NBER
July 8, 2025

2025, International Trade and Macroeconomics, "Panel on The Future of the Global Economy"

PRESENTERS: [OLEG ITSKHOKI](#), [PAUL R. KRUGMAN](#) & [LINDA TESAR](#)

Supported by the Alfred P. Sloan Foundation grant #G-2023-19633, the Lynde and Harry Bradley Foundation grant #20251294...

National Bureau of Economic Research

Contact Us

1050 Massachusetts Avenue
Cambridge, MA 02138
617-868-3900
info@nber.org
webaccessibility@nber.org

HOME PAGE

Accessibility Policy

Diversity Policy

Privacy Policy

FOLLOW

