

CRYPTOCURRENCY BUSINESSES CHANGING POLITICAL FUNDING LANDSCAPES

Written By Jennifer Rice

Despite speculation, cryptocurrency businesses are now more than an innovative investment approach; they are a leading source of financial support for political campaigns.

According to Open Secrets research, since 2022, local communities and national campaigns have benefitted on a larger scale from the financial contributions of cryptocurrency investors like Sam Bankman-Fried. People can prepare for the evolving role of technology in their future financial affairs and its ability to impact society by becoming familiar with how digital currencies work.

Cryptocurrencies are virtual tokens and coins with a monetary worth in the physical world, and "until last November, people knew Sam Bankman-Fried as a tech genius. He had about \$26 million in wealth and was using it to explore skeptical uncharted territories of digital finance and pay it forward to others," says business analyst and entrepreneurial fashion designer Maurice Perry.

Businesses benefit from digital currency as a form of payment acceptance. According to recent data gathered by Business Wire researchers, companies that accept cryptocurrency have a better chance of acquiring new customers than those that do not. Surprisingly, many businesses implementing crypto payment methods experienced a 40 percent boost in new customer traffic (Jahosky, 2020).

Non-tech businesses typically take more than a year to build a financial foundation that allows the flexibility to donate large summed donations towards other causes. However, with the Bahamas-based cryptocurrency exchange platform FTX was the exception. With the company's success in the crypto industry in a brief amount of time, its executives were able to donate \$70.1 million to the 2022 midterm election cycle, according to Open Secrets reports (Open Secrets, 2022).

CEO Sam Bankman-Fried, co-CEO Salame Nishad Singh, and executive director Ryan Salame launched the startup in 2019 and reached almost one million members by July 2021, making it the third-leading cryptocurrency market by revenue.

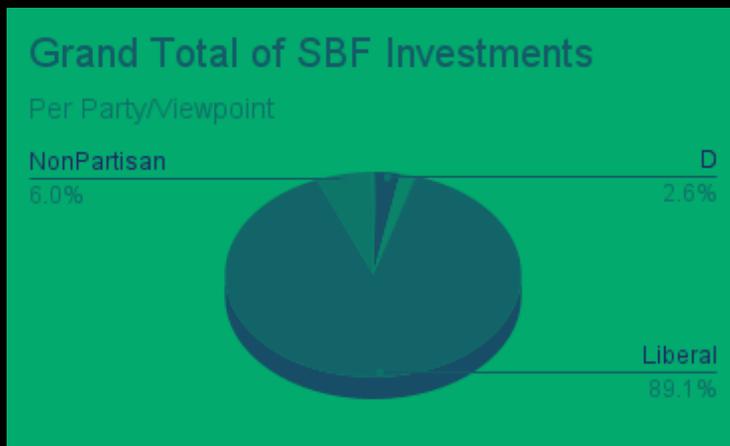


Figure 1
Sum of contributions of FTX CEO Sam Bankman-Fried allocated to each political party/ group in the 2022 midterm election cycle (Open Secrets, 2022)



*Photo credit
The Verge*

Sam Bankman-Fried allocated over 89.1 percent of his portfolio to the Liberal Party in the 2022 midterm election, displayed in Open Secrets data reports (Open Secrets, 2022).

In addition, the PAC (political action committee), Across the Aisle, a board supporting Liberal and Democratic candidates and progressive ballot initiatives, was the most significant Liberal Party investment totaling \$27 million, making up 65.13 percent of total Liberal Party contributions. \$760,466 thousand was donated to Democratic candidates, and only \$8,500 was allocated to Republican Party candidates (Open Secrets, 2022).

By the end of the 2022 elections, The Senate stayed under Democratic control, and most states had Democratic governors, according to Politico. A portion of the Democratic Party's 2022 election cycle success can be accredited to the additional funding from FTX, exemplifying crypto corporations as viable funding resources for political candidates seeking office and (or) political parties attempting to maintain control of the Senate and (or) the house of representatives.

\$57 million was donated to Democratic Party, while only \$22 million was distributed to the Republican Party. Bankman-Fried had also become the second biggest donor for the Democrats and Ryan Salame was the 10th biggest donor for Republicans (Open Secrets, 2022).

These allocated funds reflect the direct interest of the executives of the FTX company in the success of Liberal and Democratic Parties and their agendas aligning with future inclusive and diverse policymaking.

```

package com.example.locationutils

import java.util.*

class LocationUtils {
    /**
     * Parses a string that represents location, as
     * "lat,lon" or "lat lon" or "lat,lon,alt" or "lat lon,alt"
     * and returns a Point object.
     */
    fun parseLocation(locationString: String): Point {
        Preconditions.checkNotNull(locationString, "Location string is null")
        Preconditions.checkArgument(locationString.contains(","), "Location string does not contain a comma")
        locationString = locationString.trim()

        if (locationString.contains(",")) {
            locationString = locationString.replaceAll(regex: ",", " ")
        }

        if (locationString.contains(" ")) {
            locationString = locationString.replaceAll(regex: " ", ",")
        }

        String[] location = locationString.split(regex: ",");
        Preconditions.checkArgument(expression: location.length >= 2, "Location string must have at least two parts")
        double lat = Double.parseDouble(location[0]);
        double lon = Double.parseDouble(location[1]);

        return new Point(lat, lon);
    }
}
    
```

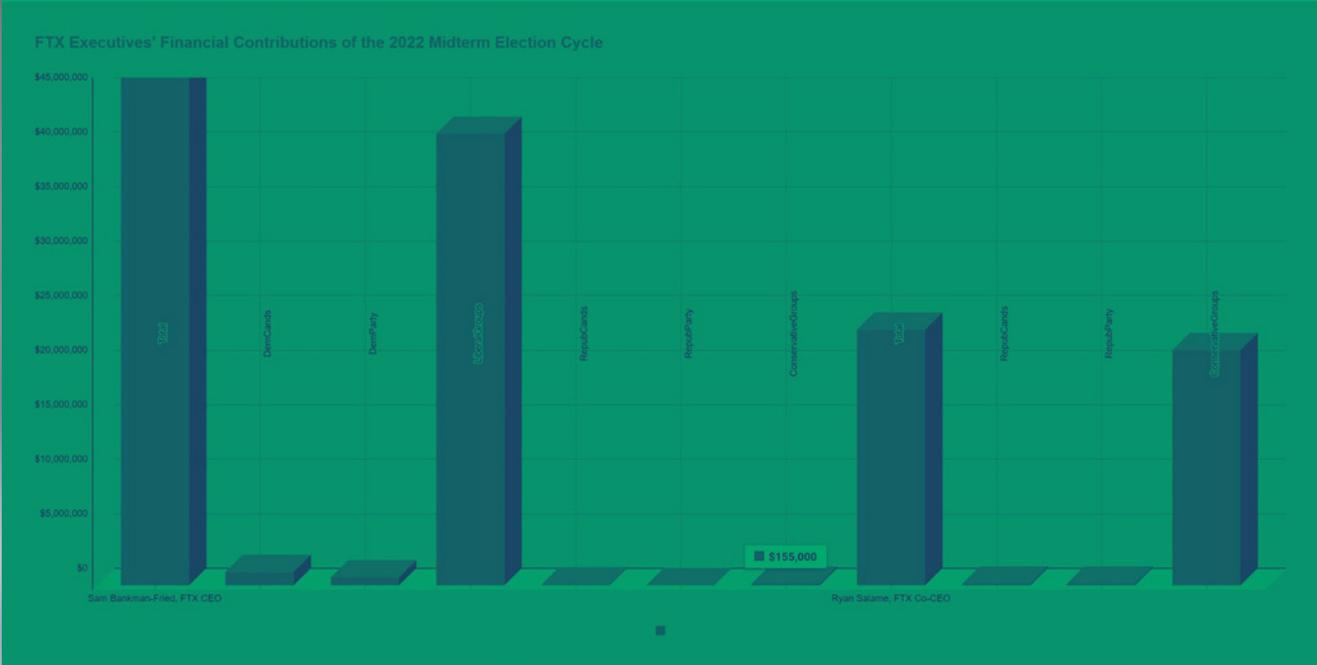


Figure 2 Sum of contributions from FTX executives (Sam Bankman-Fried and Ryan Salame) to political parties/ groups in the 2022 midterm election cycle (Open Secrets, 2022).



1 - Baby camel lying in the desert.
2 - Sand dune in the bright sky.



Photo credit
Canva

Cryptocurrency's revolution is decentralization, enabling people to make monetary transactions without dependence on a government or bank and creating economic growth and opportunities for individuals who may need equal access to financial resources or live in underdeveloped communities.

Portfolio analyst and crypto trader Xavier Best says, "cryptocurrency trading and investing are more accessible to minority groups with free internet services who may not have had equal opportunities to learn more about financial literacy in the past."

"Obtaining knowledge of virtual accounting and investing can offer oppressed racial and ethnic groups the opportunity to bring economic value to their communities and inclusive interest, similar to the actions of Sam Bankman-Fried's company, FTX," adds financial underwriter and crypto trader Noah Snowden.

The economic advancements of these groups would bring more politically diverse leaders to the election landscape, allowing people from all walks of life to see their viewpoints expressed and create a respectful environment with different approaches to problem-solving, helping society thrive...whether local or national."

As the use of crypto expands in younger generations and continues to be utilized by public figures like Jeff Bezos, the adaptation of this currency grows with it. Along with the pressures to stay in tune with society to gain the votes of the newer generation, which has enough voting power to change the tide of an election, political parties will continue to adapt to newfound digital marketing, occupations, and currencies.

Sam Bankman-Fried, pledged to spend up to \$1 billion during the 2024 election cycle, which is not likely to happen since his \$16 billion fortune was wiped out overnight and FTX declared bankruptcy (Open Secrets, 2022).



*Photo credit
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"When Bankman-Fried's business collapsed, it also affected other companies financially reliant upon him," says business analyst and real estate entrepreneur Mario McGee.

"However, if someone can manage to have a good crypto financial education and build a stable foundation where you are not making trades that risk losing your entire portfolio, then the organizations and communities reliant on you... can benefit all the more...with stability, imagine that!"



*Photo credit
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With professional skill, it is just as easy to make \$1 billion in crypto as it is to lose it in the market. FTX CEO Sam Bankman-Fried's participation in crypto for elections took a massive increase between 2018-2022 due to the solid social push that crypto has had over those years for being safe and the next big thing.

Though cryptocurrency is a relatively new mainstream way to earn income, the elevation, and financial support it can provide for future political leaders and communities is not to be underestimated.

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