

DRAFT PROPOSAL

PHOENIX CROWDFUNDING BARBADOS



Background

If one thing that COVID-19 has caused should be the rethinking and reshaping of the development model for Barbados in particular reducing external impacts on the economy.

If you live in Barbados, while growing up you may have heard the story of a family who after acquiring electricity threw their kerosene lamps away because they no longer had a use for them. Unfortunately that night the electricity went off and they were left in total darkness.

Collective funding known as the meeting turn has been the source of financing for working class Barbadians for generations. This system is a source of short term borrowing that assists persons who are currently outside the scope of the regular banking system as well as those who use it to subsidize their income.

The traditional system

The traditional meeting turn has its roots in West Africa. It is a manual system in which persons pool their savings. One person acts as the bank or the keeper of the funds. Each week all persons give a specific amount of money to the keeper. If there are 10 persons, the meeting turn runs for 10 weeks. One person gets all the pooled savings at the end of the first week, a second person gets all the pooled funds at the end of the second week and so on until at the end of the 10 weeks all persons have received pooled funds. At this point the meeting turn starts all over again.

Several decades ago many persons in Barbados were able to attend school and college on the funds their parents obtained by contributing to a meeting turn. Though it was used a vehicle to education which led to increase the ranks of the middle class, sadly, the benefits and the contribution of this system of raising funds was not recognized as a game changer for poverty reduction or to gain wealth on a wider scale in Barbados. Over the years as the middle class grew, its use diminished. Had its value been recognized, it would have led to a formal structure being created where the people were dependent on themselves for the starting of financial activity. Instead, the growing middle class of Barbados settled for the debt trap created by the banking system.

It is time that we learned from the lesson in the first paragraph above; which is not to throw away what we think is outdated as it will be needed when the modern system no longer functions to our benefit. It is time to explore a modern version of the old system that allows it to reach its maximum potential for the benefit of those who need it most in Barbados; the middle and the lower classes in society especially in this harsh environment of economic decline.

Problem Statements

Barbados is currently in a recession, with unemployment of 13.8%. Even with projections no one is sure when the economy will start to rebound.

Wages for the working class are generally low which has led to poor circulation of money as enough of it does not reach the bottom of the economic ladder to reduce poverty.

There are limited solutions to start businesses. Even in 2021, the conventional banking system still denies persons from the lower classes of society access to capital to finance business start-ups and for investment purposes. The reinvented meeting turn facilitates the access to funds for the lower classes and the middle classes without the restrictions of the present banking system; thereby enabling them to invest and start business.

The legislation to for a cooperative is restrictive and at present does not extend to crowd funding and this activity is also not covered under the financial services legislation.

In addition there are no models for creating generational wealth. Successive governments have not created an enabling environment for a wealth creating model for lower class and middle-class Barbadians. Being a society that was created from slavery and the plantation system, the colonial era and the post- independence era has done little to change the lot of the persons at the bottom of the social latter. The black working class remains without opportunities for generational wealth creation.

Caribbean governments have sent the last 21 years (almost a whole generation) unsuccessfully lobbying the British government for reparations owed for the unpaid slave labor of our ancestors. However, based on the current appeal for reparations, even if they were realized none of the proceeds would go to the common man to alleviate poverty. Some of the money and effort could have been put to better use in creating a mechanism to alleviate poverty and create generational wealth. In essence, the focus on just reparations has been too narrow and to our detriment. As a region, the focus should have been on building mechanisms to alleviate poverty and create generational wealth while in pursuit of reparations.

A measurement of informal activity

Another problem that this project can also solve is to formalize a common, traditional and informal financial activity. In doing this, the project will

finally be able to measurement of the contribution of this previously informal sector to the economy. Prior to the conception of this project no mechanism has been put in place to measure the contributions to the economy of the meeting turn in Barbados.

Overview of the Solution

Our Mission

Our mission is to provide low income and middle-income Barbadians with a source of funding to enable them to start economic activity and ultimately to become a source of generational wealth creation.

Activities

Phoenix Crowdfunding Barbados is a crowdfunding platform. Is similar to what was known traditionally as the meeting turn in that all persons will receive a payout.

The differences are that the structure is different as the contributors are strangers, only one contribution is made, the system is a rotational one, the system is not manual but automated on a website on the Internet.

Phoenix Crowdfunding Barbados can assist Barbadians from the working class and the middle class to obtain the finance that they require including but not limited to the following:

1. Starting a business
2. Expanding an existing business
3. Investment
4. Home Improvement
5. Purchasing Land
6. Building a home
7. Creating a generational wealth fund.

Description

Unlike the traditional system, crowdfunding by an online platform broadens the base thereby assisting more persons.

In this model, each person contributes to their own fundraising campaign as well as receiving funds from other persons. Other benefits are that crowd funding will accelerate the process of waiting.

There is no borrowing of funds in the conventional sense and although there is repayment through contributing to another person's program, it comes without interest rates, stipulations and restrictions that are associated with the banks or credit unions which make lower-class persons ineligible for conventional loans.

This system on automated platform breathes new life into the traditional model and will keep it alive. Hence, the younger generation and young entrepreneurs will find this system more appealing.

The System

The system will be for the entire island and cater to both the lower and middle classes

There will be no a membership fee, only the person's single contribution of Bds\$200.00.

Persons can submit their payments online or physically at the bank. Payment of the pooled funds will be disbursed via check or direct deposit to a person's account. A person can use their funds for investment purposes in one of the ventures associated with the fund.

Persons must remain committed to the life of the entire project and must therefore rotate back into the system after they have received their payout.

Our Process

Our Platform is automated. It allows a person to view and track their movement on an online website until they reach their final payout.

We have a tiered system of crowdfunding which has 4 levels. Re-entry is MANDATORY.

Each person uses their login credentials to access the website. The system is transparent.

Each member is responsible for bringing new members and growing the community.

Our Model - US \$100.00 to Enter



Level 1

- **Payout**
- \$500.00
- \$100 goes into your wallet.
- \$400 goes to the wallet on the next level.
- You move up one level.



Level 2

- **Payout**
- \$2,000.00
- \$500 goes into your wallet.
- \$1,500 goes to the wallet on the next level.
- You move up one level.



Level 3

- **Payout**
- \$7,500.00
- \$3,000 goes into your wallet.
- \$4,500 goes to the wallet on the next level.
- You move up one level.



Level 4

Payout \$22,500
 Keep \$20,500.00
 \$2,000 goes to the Community.
 TOTAL Payout
\$24,100.00 is sent from Phoenix to you! You rotate back in!

Eligibility:

Residents from the middle and lower classes of society and Barbadians in the Diaspora.

Membership Application: can be done online or at the bank or credit union. We are seeking not to have a physical office.

Age Range: 16 and over.

Identification: A valid picture ID card or a valid passport.

Currency: Barbadian Dollar /US Dollar

Transparency: All information will be provided up front

To Mitigate Risk: All funds will go to a central account from which it will be disbursed upon leaving level 4.

Job Creation

Job creation will be in the areas of IT, Marketing and Management by the company.

Market Analysis

The project will be creating the Industry standards as there it is only an informal sector at present.

The market is fragmented across the island. There may be hundreds of small competitors who offer a meeting turns on a traditional basis amongst a group of friends or workers. However, they are not able to operate on the scale as is envisaged for this project or offer investment options, create a fund for generational wealth as well as be sustainable in the long run.

Potentially, 75 %of the population who fall between the ages of 16 to 80 and belong to the lower and middle class are targets to whom this project will be marketed.

Marketing

Phoenix Crowdfunding Barbados will advertise on the company website, Facebook, Instagram, in the local newspapers, brochures and an emailed newsletter and word of mouth. Our marketing strategies are simple but aim to reach a large amount of people.

Online testimonials will be used to inform others of what the present membership has achieved on the crowdfunding platform. Funding of their projects, investments and starting a business.

The project will earn income based on community fees which along with paying for salaries and the upkeep of the website will be used for community investment projects.

Management

Phoenix Crowdfunding -Barbados will be a part of the Phoenix Crowdfunding International. Leadership will be under Heather Cole as and a team to be named in Barbados where applicable. The companies operation will be strictly online.

Legal Structure: unknown

Rules and Regulations

To be created

Frequently asked Questions

To be created

Auditing: to be determined