BITBULLNEWS DATA · CRYPTO INDUSTRY HEALTH

VERSION 1

BBN LABOR INDEX

PUBLIC METHODOLOGY

A monthly indicator of labor-market conditions across the crypto and blockchain industry. Built from a structured company panel — direct company responses combined with verifiable public labor signals rather than hiring anecdotes — it shows whether crypto companies are expanding teams, holding headcount steady or moving to a more defensive staffing posture. The headline is a weighted composite of six labor components, each scored on a 0–100 scale where 50 means no change from the prior month.

Index family	BBN Indices · Crypto Industry Health
Index name	BBN Labor Index
Primary objective	Measure monthly improvement or deterioration in crypto-industry employment, hiring demand and workforce pressure
Update frequency	Monthly
Headline scale	0–100, with 50 = no change versus the prior month
Monitored universe	250–350 crypto and blockchain companies
Target observations	150–220 valid company observations per month
Publication threshold	≥ 100 observations (full) · 75–99 (provisional) · < 75 (no headline)
Components	Six weighted components — headcount, openings, net hiring, reduction pressure, breadth, outlook
Methodology version	Version 1 — inaugural public release
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HOW TO READ IT — AND WHAT 50 MEANS

Readings above 50.0 indicate improving labor conditions month-on-month; below 50.0, weakening conditions; exactly 50.0, no net change. A rising reading means hiring demand and workforce expansion are broadening; a falling one can signal slower openings, fewer hires, rising layoffs or weaker staffing confidence. The 50 here is a fixed no-change threshold, not a trailing historical norm, because monthly labor changes have a clear company-level meaning — hired, flat or reduced.

POSITIONING

BBN Labor is a directional "thermometer" of crypto-industry labor conditions for editorial, research and commercial data use. It is not an official labor statistic, not a regulated benchmark and not a census of every worker in crypto. Independent-contractor, DAO-contributor and other non-payroll work is structurally hard to measure and is treated separately from the headline.

01 WHAT THE INDEX MEASURES

BBN Labor measures the direction and breadth of labor conditions inside the crypto industry — it answers a practical question: are crypto companies committing more or less labor capital than they were the previous month? It is built from structured company-level inputs combined with verifiable public labor signals, not from a raw count of every crypto employee. Labor is a high-conviction signal because companies commit payroll only when they believe demand, revenue or strategic opportunity justifies the fixed cost.

DIMENSION	WHAT IT CAPTURES
Headcount momentum	Direction of total full-time employee count — increased, unchanged or decreased versus the prior month.
Openings momentum	Direction and intensity of approved active job openings, cleaned for duplicates, stale and unbudgeted postings.
Net hiring balance	Hires minus involuntary reductions, scaled by average headcount.
Reduction pressure	Layoffs, restructuring and confirmed cuts, scored against a trailing baseline rather than against zero.
Labor breadth	Share of weighted firms with improving labor conditions across components.
Hiring outlook	Expected staffing direction over the next three months, capped at a small weight in the headline.

Headcount Momentum is directional — did headcount rise, hold or fall — while Net Hiring Balance is numeric, using the actual per-firm rate of hires minus reductions. The two capture the breadth and the intensity of the same labor reality without double-counting; the same principle separates directional Openings Momentum from the openings rate used in normalization.

02 PANEL, COVERAGE AND COMPOSITION

The index draws on a monitored universe of 250–350 curated crypto and blockchain companies and targets 150–220 valid company observations each month — large enough for sector breadth, curated enough to avoid low-quality job-board noise. Companies are tagged by primary operating region, and no region may contribute more than 60% of weighted observations in a single reading; the surplus is downweighted proportionally. That 60% cap is wider than the 50% used on some other BBN indices, reflecting the documented concentration of public crypto-labor data in the U.S. and Europe.

The panel is stratified by business model so no segment dominates, with target sector weights reviewed at least annually and material changes announced 30 days ahead:

SECTOR SLEEVE	TARGET WEIGHT
L1 / L2, infrastructure, tooling and developer platforms	18%
Exchanges, brokers and trading venues	12%
Wallets, custody, payments and stablecoin companies	12%
DeFi, lending, staking and on-chain finance	12%
Security, compliance, risk and analytics	12%
Consumer apps, gaming, media, data and research	10%
Market makers and trading infrastructure	8%
Mining, validators and node infrastructure	8%
Tokenization, RWA and institutional platforms	8%
Total	**100%**

The panel is also stratified by scale: large operators (250+ employees) hold about 22% of weight, mid-sized operators (50–249) about 47%, emerging significant firms (15–49) about 27%, with up to 4% reserved for specialist additions. Large firms anchor employment weight while mid-sized and emerging operators often show turning points first. The headline counts full-time payroll employees; contractors count toward headcount only where a company explicitly tracks them as continuing commitments — at least 20 hours per week and six months' expected duration — and reports them separately, while DAO-contributor counts are tracked for commentary only, since token-denominated, grant-funded work is not comparable to payroll. Companies that close are not silently dropped: the closure month carries the actual labor outcome before the firm exits the panel, which prevents survivorship bias from quietly flattering the index.

03 DATA SOURCES, INPUTS AND CLEANING

Sources are ranked by reliability before they enter the calculation. Tier 1 is a direct monthly response from a People, Talent, COO, Chief-of-Staff or founder contact, supplying headcount, hires, reductions, openings and outlook. Tier 2 is the company's own careers page or applicant-tracking system (Greenhouse, Lever, Workday, BambooHR), used for active openings after duplicate and stale-post filtering. Tier 3 is official company announcements, investor updates or regulatory disclosures. Tier 4 is verified public profiles and credible third-party labor data — named layoff trackers and established media — used for cross-checking. Tier 5, unverified social posts, rumors and stale aggregators, is never used for the headline. Where a firm has both a Tier 1 response and a Tier 2 signal, Tier 1 supplies headcount, hires, reductions and outlook while Tier 2 supplies the openings count; conflicts are flagged and resolved with the respondent, and any layoff entry requires at least one Tier 1 or Tier 3 confirmation — Tier 4 rumors alone never trigger a reduction.

The required inputs are month-end total headcount, active approved openings, hires that started during the month, involuntary reductions, hiring posture (aggressively hiring, selectively hiring, frozen or reducing) and a three-month outlook; voluntary departures are used for context only, not the headline, and numeric inputs receive higher confidence weight than direction-only responses. Openings are counted only when open, budget-approved and actively recruiting: duplicate location postings for one remote role are merged on matching ATS requisition ID; evergreen talent pools, internships and unpaid roles, agency reposts not tied to the company's own ATS, and frozen roles are excluded; multi-region remote roles count once; and a posting live for 45 days or more without modification, status change or applicant activity is treated as stale and dropped.

04 COMPONENT STRUCTURE AND SCORING

The headline is a weighted composite of six components. Each is converted to a 0–100 scale where 50 is no material month-on-month change, above 50 is improvement and below 50 is deterioration. Directional components use a diffusion score; numeric components use size-normalized rates that are capped to prevent single-firm distortion.

COMPONENT	WEIGHT	STYLE
Headcount Momentum (H)	25%	Directional
Openings Momentum (O)	25%	Directional + intensity
Net Hiring Balance (N)	20%	Numeric (rate)
Reduction Pressure (R)	15%	Numeric (rate)
Labor Breadth (B)	10%	Diffusion
Hiring Outlook (F)	5%	Directional, calibrated

$$\text{BBN Labor} = 0.25\cdot H + 0.25\cdot O + 0.20\cdot N + 0.15\cdot R + 0.10\cdot B + 0.05\cdot F$$

coefficients sum to 1.00 · each component bounded in [0, 100] with 50 = no change · headline rounded to one decimal

HEADCOUNT MOMENTUM (H) — DIRECTIONAL

score(firm) = 100 if increased, 50 if unchanged, 0 if decreased · $H(t) = \Sigma\, w_i \cdot \text{score}_i \div \Sigma\, w_i$

Weighted diffusion across the panel. Firms within ±0.5% month-on-month are classified unchanged; larger moves are classified by direction, with very large moves capped at 100 or 0 rather than given extra weight.

OPENINGS MOMENTUM (O) — DIRECTIONAL PLUS INTENSITY

$O(t) = 0.7 \cdot \text{DiffusionOpenings}(t) + 0.3 \cdot \text{IntensityScore}(t),\ \ \text{IntensityScore}(t) = 50 + 10 \cdot \text{clip}(\ z(\Delta\text{Openings}), -3, +3\ )$

Diffusion uses the direction of cleaned openings; intensity standardizes the panel-aggregate monthly change in openings against its trailing 24-month distribution. The 70/30 blend favours breadth over magnitude while letting a sharp panel-wide swing register.

NET HIRING BALANCE (N) — NUMERIC, SIZE-NORMALIZED

$\text{NetHiringRate}(i) = (\text{Hires} - \text{InvoluntaryReductions}) \div \text{AvgHeadcount}\ \cdot\ \text{score}(i) = \text{clip}(\ 50 + 250 \cdot \text{NetHiringRate}(i), 0, 100\ )\ \cdot\ N(t) = \Sigma\ w_i \cdot \text{score}(i) \div \Sigma\ w_i$

The multiplier of 250 keeps typical months moderate — a net hiring rate near +2% scores about 55 and −2% about 45 — and saturates only at very large proportional swings of roughly ±20%, where the per-firm score clips to 100 or 0. Clipping before aggregation prevents any single outlier firm from moving N(t) by more than about 2.5 points.

REDUCTION PRESSURE (R) — TRAILING-BASELINE NORMALIZED

$\text{ReductionRate}(i) = \text{InvoluntaryReductions} \div \text{AvgHeadcount}\ \cdot\ R(t) = \text{clip}(\ 50 - 10 \cdot z_{24}(\text{PanelRate}(t)), 0, 100\ )$

PanelRate is the weighted mean reduction rate; z_{24} standardizes it against the trailing 24-month mean and standard deviation, so a baseline-equivalent month scores 50, R = 100 means reductions well below the norm and R = 0 well above. This is the only component anchored to a trailing baseline rather than zero, because some involuntary turnover is normal even in healthy cycles.

LABOR BREADTH (B) — DIFFUSION ACROSS COMPONENTS

$B(t) = 100 \cdot \Sigma\ w_i \cdot \mathbb{1}\{\text{ firm } i \text{ improving on} \geq 3 \text{ of } (H, O, N, R)\ \} \div \Sigma\ w_i$

The weighted share of firms improving on most components — separating a broad labor recovery from gains concentrated in a few large firms.

HIRING OUTLOOK (F) — DIRECTIONAL, TRACK-RECORD CALIBRATED

$F(t) = \Sigma\ w_i \cdot \text{track}_i \cdot \text{outlookScore}_i \div \Sigma\ w_i \cdot \text{track}_i,\ \ \text{track}_i = 1.0 \text{ if 12-month accuracy} \geq 40\%, \text{ else } 0.5$

The three-month forward outlook is scored 100 / 50 / 0; respondents with a poor track record are downweighted so persistently over-optimistic respondents cannot dominate. Respondents with under six months of history default to track = 1.0.

05 WORKED EXAMPLE

An illustrative month with the following weighted panel-level component scores:

COMPONENT	SCORE	WEIGHT	CONTRIBUTION
Headcount Momentum (H)	56.0	0.25	14.00
Openings Momentum (O)	61.0	0.25	15.25
Net Hiring Balance (N)	52.0	0.20	10.40
Reduction Pressure (R)	48.0	0.15	7.20
Labor Breadth (B)	54.0	0.10	5.40
Hiring Outlook (F)	55.0	0.05	2.75
BBN Labor (headline)		**1.00**	**55.0**

The headline of 55.0 falls in the "Clear labor expansion" band. Openings are leading the move, net hiring is positive but moderate, and Reduction Pressure sits just below 50 — indicating that reductions, while present, are running modestly above the trailing baseline. The published commentary would describe broadening hiring demand against a backdrop of still-elevated stress.

06 WEIGHTING, PUBLICATION AND INTERPRETATION

The headline is not a simple average. Controlled post-stratification weighting fixes the monthly reading to the intended structure through sector target weights, company size-tier weights and the 60% regional cap, combined with data-confidence weights — 1.0 for full numeric direct responses, 0.75 for direction-only responses and 0.6 for public-signal-only observations. No single firm may exceed 3% of total weight, openings are capped at 200 per firm and weighted by size tier rather than raw count, and all weighting parameters are fixed before any observations are processed for the month. A full headline requires at least 100 valid observations and at least 80% of target sector weight; the preferred standard is 150–220 observations with full sector coverage. A provisional reading — 75–99 observations, or 100-plus with sector coverage below 80% — is clearly labelled and may be revised; below 75 observations no headline is released, only a coverage note. A sector subindex is published where the sector has at least 15 valid observations and no single firm exceeds 25% of in-sector weight.

INTERPRETATION BANDS

Headline values are rounded to one decimal and classified into non-overlapping bands defined so that every reading falls into exactly one category with no gaps.

READING	LABEL	INTERPRETATION
≥ 60.0	Strong labor expansion	Broad hiring strength, rising openings and low reduction pressure.
55.0 – 59.9	Clear labor expansion	Healthy improvement in staffing and hiring demand.
52.0 – 54.9	Moderate improvement	Labor conditions are positive but not overheated.
50.1 – 51.9	Marginal improvement	Slight improvement; trend confirmation needed.
50.0	Neutral / flat	No net change in labor conditions versus the prior month.
48.1 – 49.9	Marginal weakening	Slight softening; trend confirmation needed.
45.0 – 48.0	Labor weakening	Openings, hiring or headcount softening across the panel.
< 45.0	Sharp labor stress	Broad staffing deterioration, elevated reductions or a severe hiring slowdown.

A reading of 55 means labor conditions are improving relative to the no-change threshold of 50; it does not mean industry employment is 55% of any fixed base. Because payroll commitments are deliberate and slow to reverse, labor is a high-conviction signal, but short-term moves are best read against the three-month moving average and alongside other BBN indicators where available.

07 VALIDATION, GOVERNANCE AND SCOPE

QUALITY CONTROLS

Before any values are calculated, observations pass documented quality controls applied by rule rather than discretion: completeness (direct responses must include all core labor fields; public signals must include a verified openings count and a data-pull timestamp); respondent authority (communications-only contacts are not accepted for the headline); openings duplicate and stale-post filtering; layoff verification (a Tier 1 or Tier 3 confirmation, with Tier 4 trackers used only as a lead and Tier 5 rumors never used); outlier review (a firm is flagged if a month-on-month move exceeds the 99th percentile of its trailing 24-month distribution or contributes more than 2.5 points of headline movement, then reviewed against documented events such as closures, M&A or mass layoffs, with confirmed events retained and spurious moves held for verification); panel-drift correction back to target sector, size-tier and regional shares; and closure handling that records the final labor outcome rather than dropping the firm.

REVISIONS AND INDEPENDENCE

Missing responses are not treated as unchanged: a non-respondent with a usable public signal is carried at reduced confidence (0.6, direction preferred), one with no signal is excluded rather than imputed, and persistent non-response over four cycles triggers panel review. A prior monthly headline is restated only when late validated data, corrected reporting, verified layoffs or quality-control findings would move it by 0.3 index points or more, with a published revision note giving the original value, new value and reason; restatements beyond the immediately following cycle are exceptional and explained. Company-level responses remain confidential unless permission to identify is granted, and no sponsor, advertiser or commercial partner may influence the formula, panel rules, weights, revision policy or monthly reading — all methodology decisions are made internally. A respondent that is also a commercial counterparty receives no preferential treatment, and the standard quality controls apply unchanged.

SCOPE, ANCHORS AND LEGAL NOTE

BBN Labor is a monthly directional indicator of crypto-industry labor conditions on a 50-equals-no-change scale, built from direct company inputs and verified public signals. It is not an official employment statistic, not a regulated benchmark, not a census of every crypto worker, and not a measure of wages, payroll costs, absolute employment levels or DAO-contributor activity, and it is not investment advice. Its construction is informed by established labor-market practice — the use of openings, hires, separations and headcount direction parallels national job-openings and labor-turnover surveys such as the U.S. JOLTS framework; directional components use diffusion-style scoring; the 24-month trailing baseline for Reduction Pressure follows the anchor used in the BBN Development and Funding indices; and contractor and DAO labor are kept separate because incomparable employment structures should not be averaged together. This is the inaugural publication, Version 1; material changes — to component weights, sector or size-tier definitions, publication thresholds, the Reduction Pressure baseline window, the source hierarchy, the contractor rule or any calculation formula — carry at least 30 days' public notice with a versioned changelog, while non-substantive editorial corrections are logged without notice. Nothing here is investment, legal, accounting or tax advice, and users are responsible for their own interpretation and any decisions taken on the basis of the index.