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ETH Burned

The amount of ETH burned for the Ethereum network is an important statistic. It is the driving metric behind Ethereum as a deflationary/inflationary asset. Amberdata's blockchain data offering allows users to see how much ETH has been burnt over a defined period of time.

To understand why burned ETH is important it is first necessary to understand how ETH is burned. ETH burned per block refers to the amount of Ether that is destroyed or removed from circulation as part of the Ethereum network's transaction validation process. When users submit a transaction to the network, they include a fee in Ether to compensate validators for their computational work. The fee is paid in gas, and the gas price is denominated in Ether. As more transactions are submitted, more ETH is burned.

Two big events have happened that "changed the math" for Ethereum and the future of the network. The first, EIP-1559 in August 2021, directed transaction fees to be burned instead of given to miners. The second and arguably more important, was "The Merge" in September 2022. The Merge changed Ethereum from Proof of Work (PoW) to Proof of Stake (PoS) and dropped the issuance of new ETH by nearly 90%, meaning that the amount of ETH burned is greater than the amount of new ETH created. As a result, Ethereum is now solidly deflationary.

But how do we determine just how deflationary it is? With Amberdata's on-chain data and this code, we constructed a visualization of the burned ETH over a given number of blocks. By understanding how much ETH was burned, you can make more informed capital allocation decisions and plot data in a chart like the one below. To explore more Amberdata's On-Chain data, please refer to our API Documentation.