

Conversations with a No-Coiner

CT Twitter/Discord Comments

Questions and Arguments against Bitcoin

Don't worry, I've included lots of pictures and memes for the modern attention span

Disclaimer: This is an Entry-Level conversation about Bitcoin. Technical topics will be kept to a minimum. For entertainment and informational purposes only. If you want to use sections of this, please contact me prior.

This article is LONG *(and as of 12/4/2024, outdated but still relevant)*, I recommend reading a few sections each day and following the links for more information. After a week of reading you will be well on your way to understanding what Bitcoin can do for you and the world at large.

Objective

- Answer the most popular objections/criticism to Bitcoin in a conversational manner
- The reader should be able to read 3 questions before getting bored
- Leave the reader with a better understanding of Bitcoin than when they started
- Try to have a little fun

The Bitcoin Opportunity

Sovereign control over your money

Grow your investment over time

Gain access to the asset before Wall Street (literally never been possible before)

Send payment worldwide near-instantaneously without a third party

Sovereign control over your money

Currently, the money you put into a bank is not your own. Upon deposit, your money becomes the property of the bank, which can prevent you from sending or withdrawing it. Furthermore, the value of the dollar is under control of the Federal Reserve and, by proxy, the US government. Bitcoin gives users full control over their funds, with no third-party interference.

Your Money is Not Your Money

<https://guardianlv.com/2014/01/money-in-the-bank-no-longer-belongs-to-you/>

Grow your investment over time

Bitcoin is the best performing asset class of the last 10 years, surpassing the returns of Berkshire Hathaway. The 5 year ROI of Bitcoin is 1,766%, which means that as of 8/3/2019 a \$100 investment in Bitcoin in 2014 would be worth \$1,766.



Best Performing Asset

<https://cointelegraph.com/news/bitcoin-is-worlds-best-performing-asset-class-over-past-10-years-says-pompliano>

Bitcoin Beats Berkshire Hathaway

<https://bitcoinist.com/bitcoin-dwarf-warren-buffet-berkshire-hathaway-roi/>

Bitcoin ROI Calculator

<https://99bitcoins.com/bitcoin/investment/>

Gain access to the asset before Wall St (literally never been possible before)

Bitcoin is available to the public *now*. It is a new asset class that ordinary consumers can purchase *before* Wall St and Institutional Investors package them into ETF's or Pension Funds. Government approval of the ETF, onramps for institutional money, is still pending (expected by the end of 2019/2020). Historically these massive investors have access to regulated stocks (IPO's) and commodities years before they are available to the public.

How IPO's work

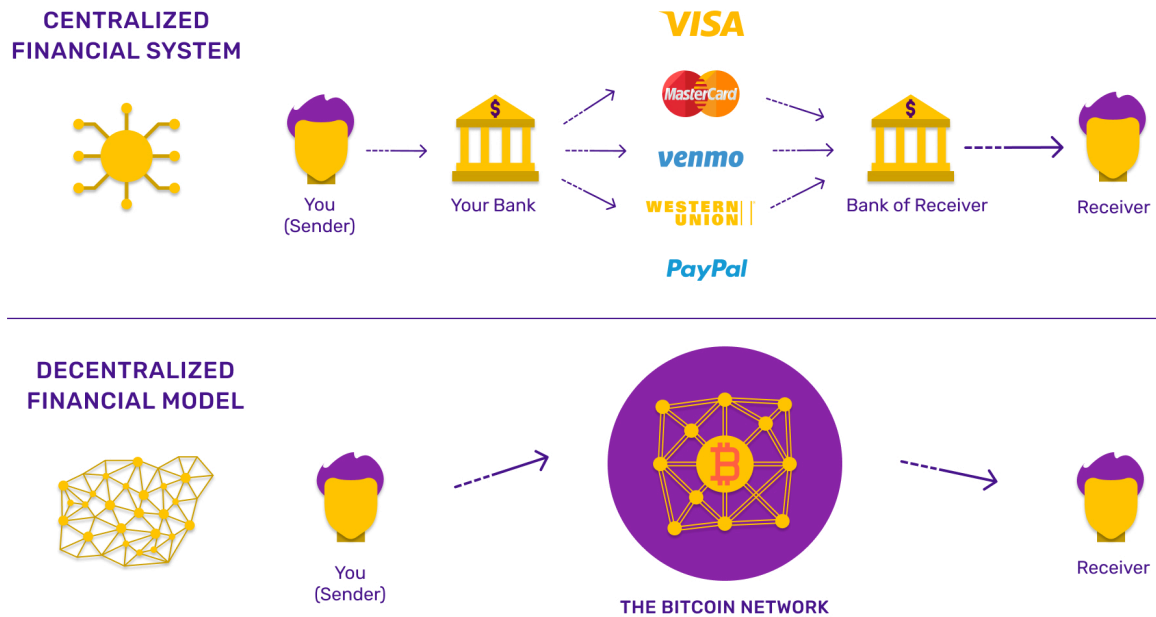
<https://pocketsense.com/an-ipo-work-4587097.html>

Send payment worldwide, anytime, near-instantaneously without a third party

Bitcoin allows payments to be sent around the world nearly instantaneously, generally within an hour. That time can be cut down to 10 minutes with fees. It does not need permission from any third party, making it "Permissionless." This can be done on weekends or on holidays when other banking institutions are closed. Bitcoin is location-agnostic, which means it can be sent anywhere there is an internet connection. Even countries under sanctions like Venezuela and Iran can send and receive them.

Bitcoin Fee Calculator

<https://www.buybitcoinworldwide.com/fee-calculator/>



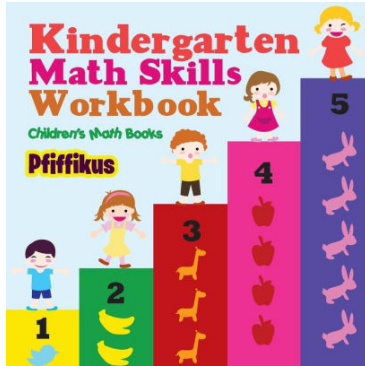
(credit:

<https://blockspoint.com/assets/app/img/img-for-guides/guide-progress-guide-progress-100-10-intermediaries-between-sender-and-receiver-in-traditional.jpg>)

- Do you really expect me to read all of this?

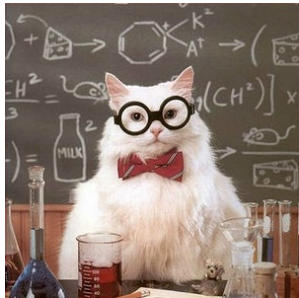
I never expect anyone to do anything unless they get some value out of it. If you think you will get zero benefits from reading, go back to watching “Real Housewives of White Privilege.” This piece is designed to be consumed in small chunks, or in small pieces that you can easily absorb. If you are pressed for time, reading just a couple questions should give you some basic information and insight into your own knowledge gaps.

- Are you a Bitcoin Expert?



Absolutely not. I have, however, consumed hundreds of hours of interviews, videos, and articles over the years I have been involved in Bitcoin. I have also written several articles on Bitcoin and Cryptocurrencies and currently work within the industry. I maintain contact with traders, creatives, entrepreneurs, and enthusiasts in the crypto-space. As such, I've assimilated a fair amount of information stemming from technology, monetary policy, social science, and the nature of the human condition. I've also participated in and lived through 3 large bull/bear cycles.

- So if you're not an expert, why should I listen to you?



First of all, you should verify everything that you read about Bitcoin, one person can easily be wrong or mess up facts. But back to your question, I have been an active member of the community since 2014, observing since 2012. I also know exponentially more than the average consumer or media personality on the subject of Bitcoin. There isn't much that I'm not at least tangentially familiar with. If there is a question I can't answer, I have multiple people or sources I can go to for answers.

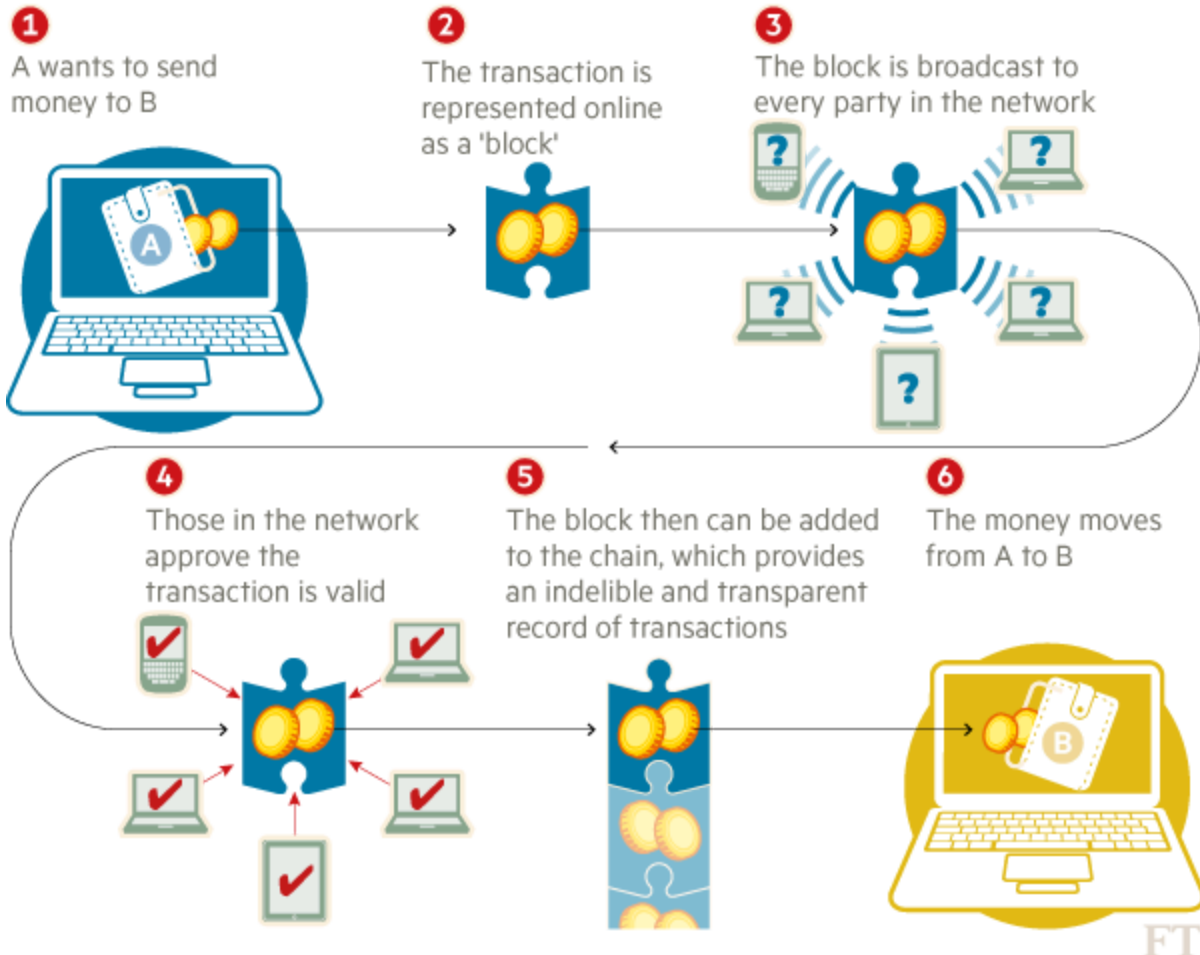
- Ok Mr. Fancy Pants, that's fine but it's not real/it's not real money

If by real, you mean “tangible,” then yes, it is “not real.” It is not “real” the same way digital music, emails, and Pokemon are not real. Unlike digital media, however, Bitcoin cannot be copied indefinitely. There is no way to copy a Bitcoin, use the original for one purchase, and then use the copy for another purchase.

Most commerce in the US is done electronically with money that is digital and not tangible. The transactions change entries on a centralized bank ledger, that is, the digital money is not “sent” anywhere. Instead, balances are simply switched on the ledger to reflect payments.

Bitcoin operates on the same principle, except the ledger is decentralized, or spread out all over the world. Anyone running Bitcoin software records every Bitcoin transaction in real-time.

How a blockchain works



(Credit: <https://halpernfinancial.com/views/what-is-blockchain-and-why-should-i-care>)

- It's not backed by the full faith of the US Government

Neither gold nor silver is backed by the government, yet they retain value on open markets. Bitcoin is becoming a recognized asset class, with exchanges soon to be regulated by governments worldwide.

Furthermore, Bitcoin Futures products *are* regulated by the CFTC (Commodities Futures Trading Commission). Financial institutions like Fidelity and TD Ameritrade currently trade Bitcoin futures, with more on the way. All cryptocurrency exchanges in the US have to follow related regulations, including KYC/AML laws.

Bruce Fenton also makes a compelling argument that being “backed” by a government is ultimately a losing proposition.



<https://twitter.com/brucefenton/status/1161778818287316994?s=20>

- If Bitcoin is so great then why doesn't the US Government have any?

The US Government does technically hold some Bitcoins, at least 72.276 based off of its forfeiture disclosure website. At one point the government seized 144,000 Bitcoins from the

dark web site Silk Road. Nearly 30,000 of those Bitcoins were sold to Venture Capitalist Tim Draper, who bought them at \$640 per Bitcoin. Those Bitcoins are now worth \$323 million.

However, the US Government has *not* purchased any Bitcoins, and none are held in an actual national reserve capacity

Governments Seized Bitcoins

<https://www.forfeiture.gov/>

Silk Road Bitcoins

<https://www.ibtimes.com/worlds-biggest-bitcoin-wallet-owned-us-government-1514100>

- But I still can't take it to a bank



Correct, but remember that the point of Bitcoin is to act as your *own* bank. Storing Bitcoins (Private Keys) in a bank defeats the purpose. However, there are several institutions like Coinbase that will serve as a custodian or guardian of your cryptocurrency. But this still defeats the purpose of Bitcoin, it would be like faxing an email.

- Men with guns enforce the acceptance of the US Dollar, Bitcoin doesn't have that

Yes, Bitcoin is an opt-in ecosystem. No one is saying you have to use it or accept it. But many features make transacting in Bitcoin more attractive than the dollar. It does not need to be verified by a bank or third party, transaction fees are low, it can be sent during the weekends or holidays. It is non-confiscatable, and it cannot be counterfeited or forged. As such, it is the most secure cryptocurrency in the world.

- There are over 2,000 different cryptos, something better than Bitcoin will come along which will make Bitcoin worthless



Perhaps, there is always the possibility that better tech will emerge. In fact, some would say it is inevitable. But remember that Bitcoin is being updated all the time by developers around the world. It is possible to add new features or capabilities to the Bitcoin code since it is open source. In this way, it can implement other features.

In regards to a new cryptocurrency taking it over, we have to ask the questions:

Will it have Bitcoin's name recognition and first-mover advantage?

Will it have the massive hash power and network security that resulted from that first-mover advantage?

What incentive will miners have to support the new coin instead of Bitcoin?

Technological superiority does not mean a product will win in the marketplace. When VHS and Betamax debuted, Betamax had better technology, yet it did not become the worldwide standard.

VHS vs Betamax

<https://josephkaminski.org/2016/06/20/betamax-vhs-videotape-format-war/>

- I heard that Bitcoin is slow to add new features like increases in speed/privacy

Yes, Bitcoin does move slowly in adopting new technologies. This is because the Bitcoin network operates in real-time and is worth over \$200 billion. Any new potential feature needs to be reviewed extensively because an errant bug could impede or disrupt the Bitcoin network.

As each Bitcoin update is released miners all over the world update their software to ensure everyone is running the latest release. Other cryptocurrencies that push out updates too quickly run the risk of destabilizing their network, potentially rendering the crypto useless.

Luckily there are Layer-2 solutions like Lightning being developed that run on top of the Bitcoin protocol. These projects do not affect the Bitcoin code, instead of using it as a rail on which to operate. This is common in internet technology. Youtube, for example, runs on top of the internet protocols IPv6 and HTTP without affecting the code of those protocols.

- The Government can ban it, they'll never let it compete with the Dollar



Since Bitcoin is decentralized in nature, anyone with a home computer can run its software. Shutting down one node or computer affects the overall network by an insignificant amount, as long as two machines are running the Bitcoin software it will work. Currently, roughly 9,500 Bitcoin nodes are running the required software to keep the network functional.

The BitTorrent software works similarly. BitTorrent has been the scourge of the recording industry for years and allows users to download digital media by connecting to a decentralized network. There is no central server for Bittorrent which makes taking it down all but impossible. Despite catching the ire of governments worldwide, it is still operating today.

If governments were going to ban Bitcoin, don't you think they would have done so years ago when the network was smaller? Weren't you just saying Bitcoin wasn't real? Why would they wait this long and have a congressional hearing about Bitcoin and cryptocurrency to ban it? Congress has already admitted that Bitcoin cannot be stopped.

How would the government shut Bitcoin down if they wanted to?

Does making something illegal decrease its use? What happened to alcohol use during Prohibition? Has drug use gone down since it was made illegal?

Congressman Says Bitcoin Cannot be Banned

<https://www.newsbtc.com/2019/07/31/bitcoin-and-crypto-shouldnt-cant-be-banned-say-politicians-why/>

Number of Bitcoin Nodes

<https://bitnodes.earn.com/>

Bypassing Bittorrent Blocks

<https://www.vpnranks.com/torrent/9-ways-to-bypass-torrent-blocking-effectively/>

Alcohol Consumption During Prohibition

<https://www.nber.org/papers/w3675>

- The Government can simply block the ports on computers where Bitcoin is transmitted through

It is impossible to prevent Bitcoin transactions based on IP or port number since they are ever-changing. If an ISP firewall blocks port 8333, Bitcoin users can change the port number to 8334, or tunnel the port through a VPN outside of the ISP, which will accept incoming 8333 connection.

There is also a configurable option to start the Bitcoin Core Wallet on a port other than 8333; 8333 just happens to be the default. Also, Bitcoin Core nodes support TLS which encrypts packets. So a traffic inspecting firewall looking specifically for the Bitcoin protocol would not be able to block it.

- If the electrical grid gets shut down you won't be able to access or send Bitcoin



“Muh Electric Grid!”

If the electrical grid were to be subject to an attack that took it down for longer than a few days, we would see widespread panic and a complete disruption of all infrastructure and services. The food supply will run out in a few days, gas pumps will cease to work, and hospitals will shut down as their emergency generators run out of diesel. Such a breakdown will be caused by either: we are under attack by a sovereign nation or in the middle of Armageddon. In either case, we have much bigger worries than “Magic Internet Money.”

However, in such an event, there are ways to send Bitcoin transactions through a satellite or over HAM radios. There are also ways to transmit Bitcoin over a mesh network via the GoTenna device. Bitcoin private keys can also be stored on USB drives or dedicated hardware devices like Opendime. In your dystopian future, this could be the way we transact over long distances.

What are your plans if we don’t have electricity for extended periods?

Bitcoins . . . in SPACE

<https://www.coindesk.com/blockstream-using-satellites-beam-bitcoin-earth>

Bitcoin Gone HAM

<https://www.wired.com/story/cypherpunks-bitcoin-ham-radio/>

GoTenna A-Go-Go

<https://www.coindesk.com/gotenna-bitcoin-wallet-mesh-network>

Opendime

<https://opendime.com>

- Coinbase can go down, then you lose all your “coins”

Yes, this is why I and others do not recommend storing your coins on an exchange like Coinbase. After you buy your coins, transfer them to your own wallet, or a dedicated hardware wallet like a Ledger or Trezor. These hardware wallets are designed to hold Bitcoin and other cryptocurrencies on a secure pocket-sized device. Bitcoiners have a saying, “Not your Keys, not your Coins.”

Trezor

<https://trezor.io/>

Ledger

<https://www.ledger.com/>

- Libra/Walmart Coin/Amazon Coin is going to take all the business that would have gone to Bitcoin

False.

Libra customers are Facebook people, and generally not cypherpunks nor cryptographers. If anything, it will drive people to Bitcoin, as Libra customers look at a graph of the value of their crypto compared to the chart of Bitcoin.

Libra (if it launches) will be able to black-list wallets and customers, effectively censoring those transactions. Bitcoin is uncensorable, i.e., no one can block a transaction. Or if you're a Firefly fan: “Can't stop the signal.”

- Nobody is using it



This is not an argument against Bitcoin's viability, but I'll answer anyway. First, let's define "nobody." I use it, sometimes I get paid in it. I have friends who use it. There are entire payment processing companies that specialize in processing Bitcoin payments for merchants. I agree that Bitcoin is still a nascent technology but growing in breadth and scope every day. Similar skepticism was expressed when new technologies first emerged like phones, fax machines, email, cars, airplanes, etc. Each of these examples was difficult or clunky at first, but each iteration provided more features and increased usability.

Overstock, Twitch, Microsoft, Square, and the Dementia Society of America all accept Bitcoin. You can even buy gold with it.

There are also a growing number of apps that allow you to use Bitcoin at retailers like Target. The Spendn and Fold app are both examples of this.

Companies That Accept Bitcoin

<https://99bitcoins.com/bitcoin/who-accepts/>

Dementia Society of America Cryptocurrency Donations

<https://www.dementiasociety.org/crypto>

Buy Gold with Bitcoin

<https://bullionexchanges.com/learn/buy-gold-with-bitcoin>

Spend App

<https://spedn.io/>

Fold App

<https://foldapp.com/>

- It's too complex to use or understand/ It's easy to get stolen or forgotten

Like many things in life, Bitcoin is as complicated as you want to make it. Coinbase offers a way to buy and sell, using a similar interface to a bank or online broker. If you bank online, you are technical enough to buy Bitcoin.

Some steps *should* be taken to secure it, but those can be learned in an afternoon. Do not dismiss long term gains for the misperceived inconvenience.

- I don't have enough time to study this

Spend 30 minutes a night reading up on Bitcoin. If you don't have half an hour a night to develop a new skill set or research a new product, you are either lazy or don't care. If that is the case, let's stop wasting each other's time.

It is understandable that you do not want to research a potentially "boring" topic, this mentality is what often prevents individuals from improving themselves or their situation.

On average, Americans spend more time researching and planning vacations than securing their financial future, 28% vs. 25% respectively. As a result, 60% of Americans do not have \$1,000 to cover an unexpected expense. Yeesh. All that Starbucks and avocado toast really add up.

Now I don't think *you're* one of the unfortunate 60%, but it is still a staggering statistic.



Researching Vacations vs. Retirement

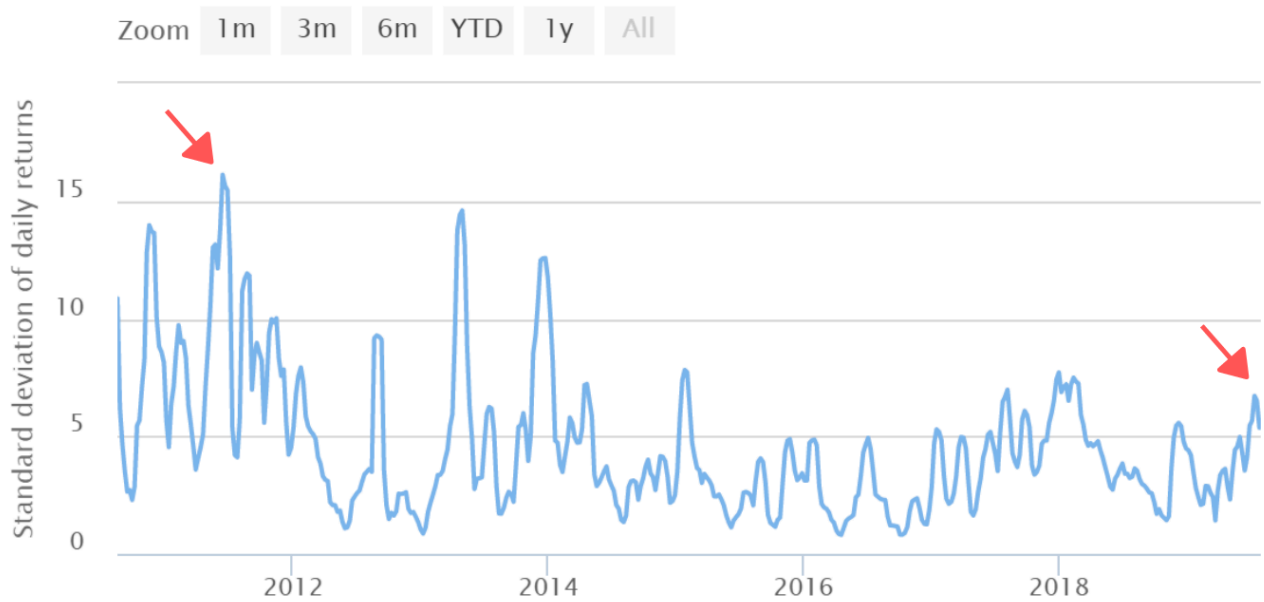
<https://www.businessinsider.com/americans-plan-vacations-over-retirement-2014-6>

Americans Have No Savings

<https://www.cnbc.com/2019/01/23/most-americans-dont-have-the-savings-to-cover-a-1000-emergency.html>

- It's too volatile

As a speculative asset, Bitcoin will vary in price more than a stock or bond. That's the nature of high-risk assets. But the volatility index data shows that Bitcoin is becoming less volatile over time.



In terms of price itself, look at a 10-year chart of Bitcoins value over time. Then compare it to your favorite publicly-traded company.

Try this one on annual percentage gains, the black line is the S&P 500 compared to Bitcoin.



For more granular data, here's a table of Bitcoin's price over time.

Current Price: \$10,893.30 **Today:** +3.49% +\$367.08

Period	Dollar Change	Percent Change	
Today	+\$367.08	+3.49%	↑
Last 7 days	+\$1,427.03	+15.07%	↑
Last 30 days	-\$258.62	-2.32%	↓
Last 6 months	+\$7,427.08	+214.27%	↑
Last 1 year	+\$3,477.74	+46.90%	↑
Last 2 years	+\$8,078.94	+287.06%	↑
Last 3 years	+\$10,328.04	+1,827.12%	↑
Last 5 years	+\$10,306.54	+1,756.50%	↑
Last 7 years	+\$10,882.32	+99,074.25%	↑

I mean, what more do you want? Do you know of any asset class that has performed like this?

Also volatility is relative. Oil looks pretty dang volatile in 2020.



- You must have a lot of it.



No I do not. I'm very poor, as evidenced by my efforts to monetize my knowledge.

Bitcoin Volatility Index

<https://www.buybitcoinworldwide.com/volatility-index/>

Bitcoin vs Stocks Comparison

<https://www.marketwatch.com/investing/index/spx/charts>

Bitcoin Price Table

<https://www.buybitcoinworldwide.com/price/>

- Wait, so if I bought \$500 worth of Bitcoin in 2011 I'd be rich?

Indeed. You would be a millionaire several times over in fact. There are a few well-known people who invested early and went heavy. Roger Ver, Tim Draper, and the Winklevoss twins are probably the most famous people who have done this.



- That hardly seems fair, they just got lucky like you, Mr. “In Bitcoin Since 2014”

You are mistaken, it's the very definition of fair. The information was there for anyone to find if they wanted to look at Slashdot, Reddit, or Twitter. The only person who had any prior knowledge about Bitcoin was its creator Satoshi Nakamoto, and his/her Bitcoins have never moved from its wallet, effectively taking them off the market. Even people who knew about Bitcoin from the beginning didn't buy-in, let alone someone like you; someone who I am sure has at least heard the word “Bitcoin” but hasn't looked into it. I have met many people who got into Bitcoin when it was only a few dollars, only to sell when it hit \$10, \$100, or \$1,000.

I did my research using publicly available data to place my post-tax income on an asymmetric bet of a volatile speculative asset, never before seen on Earth. No person in their right mind would ever hold onto Bitcoin for that long without cashing it out. I've been rekt financially and emotionally 10 times over from bear markets and pump and dump cycles. But you can call that luck if you want.

Bitcoin is also distributed within normal expectations.



Gabor Gurbacs
@gaborgurbacs

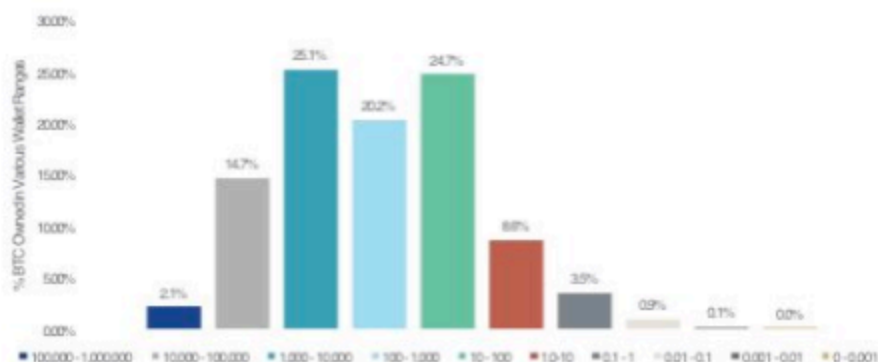
I studied #bitcoin ownership earlier. Highlights:

+ ~14,000 own 62% of #BTC

+ There are only 3 wallets that own 100,000+ BTC and 115 that own 10,000-100,000 BTC. (large wallets are often exchanges with millions of clients)

+ Ownership seems balanced Cc:@JanvanEck3, @KyleDacruz

Bitcoin ownership seems well distributed/not concentrated



Amount BTC Owned	Number of Wallets	Amount USD Owned	Total % Owned	Cumulative % Owned
100,000 - 1,000,000	3	4,059,989,007	2.1%	2.1%
10,000 - 100,000	115	27,920,455,571	14.7%	16.8%
1,000 - 10,000	1857	47,829,664,968	25.1%	42.0%
100 - 1,000	14199	38,479,936,713	20.2%	62.2%
10 - 100	134684	47,043,087,453	24.7%	86.9%
1.0 - 10	586866	16,378,291,621	8.6%	95.5%
0.1 - 1	1971924	6,613,595,738	3.5%	99.0%
0.01 - 0.1	4667132	1,644,668,550	0.9%	99.9%
0.001 - 0.01	5668069	258,169,639	0.1%	100.0%
0 - 0.001	12806108	27,379,675	0.0%	100.0%

Source: Bitcoin Blockchain, as of July 2019

- Caveat

- Multiple wallets per person.
- Digital asset exchange wallets represent bitcoin holdings of multiple persons.

<https://twitter.com/gaborgurbacs/status/1161796971864166400?s=20>

- Bitcoin can never become as valuable as I've heard



Firstly, what have you heard? There are all kinds of predictions floating around online.

Since it is often referred to as “Digital Gold,” let’s compare Bitcoin to the market cap of gold since they share similar use cases. The USA’s gold reserves are 8,133 tonnes of gold or \$377 billion. If Bitcoin replaces gold in the US as a reserve asset, the price per Bitcoin will be \$18,000 based on that alone. The global market cap of gold is \$7.7 trillion, if Bitcoin replaces that the value per coin will be over \$350,000. That is to say nothing of the global markets for remittance, forex, precious metals, payroll, etc.

On the Coinbase Pro Exchange, it will take \$80 million to move the price of Bitcoin to \$19,000. If the sovereign wealth fund of Ireland put 1% of its sovereign wealth holdings into Bitcoin, that is more than enough to move the price to \$19,000. Now imagine if a country like Qatar, with a \$320 billion sovereign wealth fund decided to buy Bitcoin? That’s a \$3.2 billion Bitcoin buy.

The California State Teachers' pension fund is over \$180 billion, the Vanguard Value ETF over \$45.1 billion, the Discovery Capital Management Hedge Fund over \$25.5 billion. A 1% move from any of these institutions into Bitcoin would be a massive price spike.

Now large institutions do **not** buy on open markets like Coinbase Pro, but this does illustrate how demand can put pressure on the market.

Sovereign Wealth Funds

https://en.wikipedia.org/wiki/List_of_countries_by_sovereign_wealth_funds

Largest Pension Funds

[https://www.thinkadvisor.com/2016/09/07/top-20-largest-pension-funds-in-the-world/?slretur
n=20190704023937](https://www.thinkadvisor.com/2016/09/07/top-20-largest-pension-funds-in-the-world/?slretur
n=20190704023937)

USA's gold reserves

<https://tradingeconomics.com/united-states/gold-reserves>

Global Money Market Supply Infographic

<https://www.visualcapitalist.com/worlds-money-markets-one-visualization-2017/>

- That's impossible

Is it? When paper currency was first introduced, many people did not want to accept it because it was not a precious metal. When credit cards and diner cards first came out, people did not want to use them because they were not paper fiat currency. When online payments like Paypal and Amazon arrived, people were hesitant to use them for similar reasons. Now I can publicly comment on strangers' Venmo transactions.

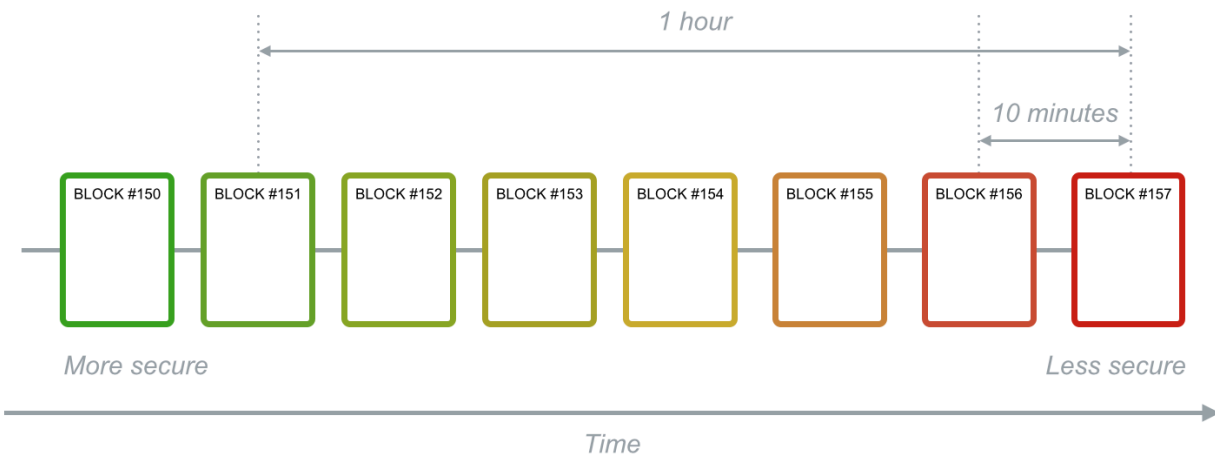
Is it so hard to make the step to using Bitcoin as a payment method?

- You can't just create value out of Nothing!

Of course, you can, it's called Entrepreneurship. It's what America was built on. Your iPhone began as a scribble on the back of a cocktail napkin at one point before engineers, designers, and developers spent thousands of man-hours creating a device with exponentially more computing power than put a man on the moon.

Similarly, Bitcoin developers are building off the well-understood principles of cryptography and programming to create a highly sophisticated global payment system. This payment system is secured by people called "Miners" around the world who run software which verifies Bitcoin transactions. Each transaction is recorded on the blockchain, which is then verified by the rest of the network. Every 10 minutes, a new set of transactions, or blocks, is created contingent on the previous block. If a transaction were to be changed, each one *following* that one would also

need to be reversed. For this reason, the blockchain is often referred to as “immutable” or “unable to be changed.” In the example below, if Block #152 were to be altered, Blocks #153 - #157 would also have to be reversed.



Bitcoin mining is an electricity-intensive process that rewards the miners in Bitcoin for securing the global system. As a result, human greed for Bitcoin has catapulted the amount of computing power, securing Bitcoin to more than the top 500 supercomputers **combined**. The difference in computations per second is enormous, petaflops compared to exaflops, or by a factor of 1,000.

World's Supercomputer Power

<https://www.top500.org/list/2019/06/?page=1>

Bitcoin Computing Power

<https://www.blockchain.com/charts/hash-rate>

- It's all going to zero

I'd love to see your work on that calculation. If you would be so kind, please explain how you got there.

- It just **Feels** weird!

Many things do feel weird when there are new or unpopular. Humans have an innate desire to follow the herd, or, to misquote Thomas Frost, to follow the road *more* traveled. Was it weird when you learned how to ride a bike? How about your first day at a new job?

Remember that in 1994, NBC News did not know what the internet was, news anchors had to ask the tech crew to explain it. Now NBC has an Instagram account.



“What is Internet Anyway?”

https://www.youtube.com/watch?v=UIJku_CSyNg

Science Behind Herd Mentality

<https://www.psychologytoday.com/us/blog/after-service/201705/the-science-behind-why-people-follow-the-crowd>

NBC News Instagram Account

<https://www.instagram.com/nbcnews/>

- There's an "opportunity cost" to hold this new asset class. I'm fine with my 7% in the stock market

Yes, there is an opportunity cost for every investment. Often this cost needs to be weighed against risk tolerance, reward, timeline, the amount invested, etc. Bitcoin is not for everyone, and your financial situation may preclude you from making a sizeable move into it. But look at your stock over the last 5 years compared to Bitcoin? I hope you got the Facebook 2012 IPO price of \$38 and have it now at \$189, man that 397% ROI is pretty sweet right?

Note: This table will be inaccurate due to daily changes in price.

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Bitcoin Price Table

<https://www.buybitcoinworldwide.com/price/>

UPDATED

Bitcoin Returns: 2010 - 2024			
Year	Year Start	Year End	% Change
2010	0.003	0.30	9900%
2011	0.30	4.72	1473%
2012	4.72	13.51	186%
2013	13.5	758	5507%
2014	758	320	-58%
2015	320	430	35%
2016	430	968	125%
2017	968	13,860	1331%
2018	13,860	3,689	-73%
2019	3,689	7,184	95%
2020	7,184	28,775	301%
2021	28,775	47,902	66%
2022	47,902	16,531	-65%
2023	16,531	42,280	156%
2024 YTD	42,280	103,000	144%
@CharlieBilello		Data as of 12/4/24	

- I read that a lot of people lost money when Bitcoin went down in price

They sure did. In any investment, be it stocks, bonds, real estate, or Bitcoin, there is a non-insignificant chance your investment will lose money. In fact, you could lose **all** your money in your investment, let alone a speculative one like Bitcoin. This is why it's responsible only to invest *money you can afford to lose*.

In its lifetime, Bitcoin has only spent a few months over \$10,000. Anyone who bought below that is technically in profit. Purchasing Bitcoin has been profitable for 98.66% of the time it has been in existence.

What we **can** count on are Market Cycles and the cyclical nature of market psychology. Every market behaves on a Market Cycle (or Crash Cycle). These cycles can be seen across every asset class in which the commodity is slowly accumulated, followed by a significant increase in price. This is then followed by a drop in price as people sell, and eventual return to higher prices as the public begins to buy back in.



Pomp 🏆🔵
@APompliano



Bitcoin has been profitable to buy and hold till now in USD terms 3,777 days out of 3,837 days since creation. (H/t [@Rhythmtrader](#))

That is 98.4% of the days it has been in existence.

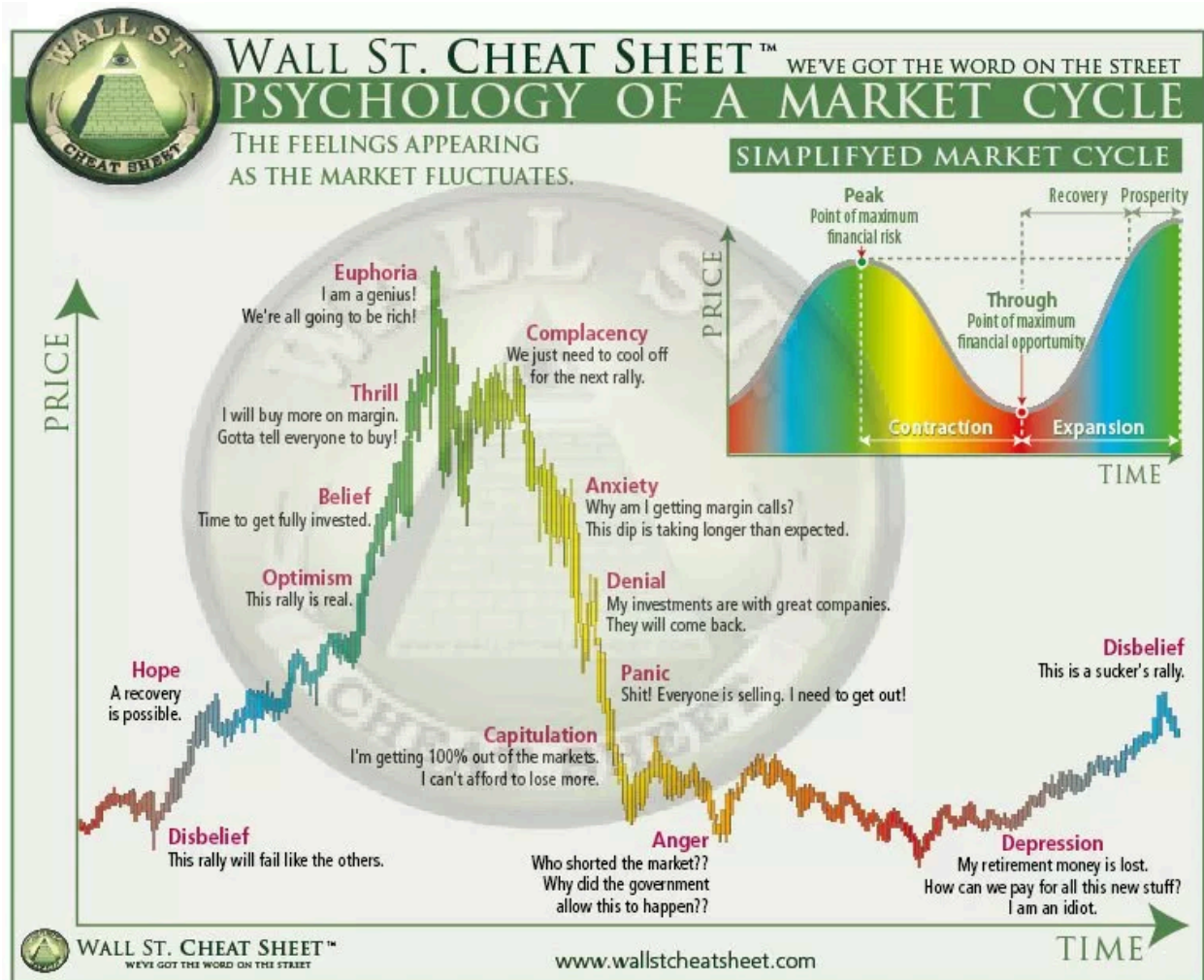
Don't get distracted by the noise.

The math is undeniable.

5:32 AM · Jul 10, 2019 · [Twitter for iPhone](#)

651 Retweets **2.5K** Likes





Bitcoin Profitable 98.66% of the Time

<https://twitter.com/Rhythmtrader/status/1159862572973285380?s=20>

Wall St Cheat Sheet

<https://fifthperson.com/psychology-market-cycles/>

Understanding Market Cycles

<https://www.investopedia.com/trading/market-cycles-key-maximum-returns/>

- I heard it's a bubble like tech or the housing market

How are the tech and housing market doing today? The Vanguard Information Technology ETF is up over 120% over the past 5 years. The Vanguard Real Estate Index ETF is up over 20% over the same time period. Are they bubbles?

- Well that's great but lots of companies went out of business! People lost their homes! There was a recession!

Yes, they did. Companies go bankrupt all the time, over 90% of startups fail within 2 years. But out of these failures, companies like Amazon and Microsoft built better companies better by learning from their mistakes and the mistakes of others.

People lost their homes in part due to predatory lending and subprime mortgages. When banks were unable to collect on those loans, it created a domino effect that affected derivatives based on the housing market, tanking property values. These "toxic assets" were incorrectly labeled as "AAA" rated investment vehicles causing traders to mismanage their risk.

The lack of accountability was so staggering Hollywood created several films depicting the crash, including the Oscar winner "The Big Short." Worst of all, no one went to jail.

The Big Short

<https://www.imdb.com/title/tt1596363/>

- But I'm **SCARED**



It sure sounds like it. Fear Paralysis isn't something I can help you with. Governments and companies have used fear as a tool to keep people in line since the beginning of civilization.

Nice smiling men in suits will lie to your face on television, but we still go back to them for sources of truth. Thankfully the internet allows us to learn all about these things and get to the heart of the matter.

You can verify everything that I've told you by visiting the provided links or doing your own research.

- If I buy Bitcoin and it goes down I'll feel stupid and my friends will laugh at me

With friends like those who needs enemies? But seriously, will these friends celebrate your victory if Bitcoin goes up, or do they only bring up past failures? Anyone with an investment faces this emotional hurdle. Elon Musk was ridiculed publicly with every new business venture. And now he's connecting brains to computers.

- I only buy Stocks I **fully understand**

Of course. What stocks do you own?

Apple? Can you explain how their wireless phone charging works? What's the throughput limitations on the lightning cable? Can you explain their last earnings report?

Kroger? Can you break down their EBITDA for last year? How do you think their trade negotiations will affect their bottom line compared to the uptick in in-store brand sales?

Boeing? Were you able to spot the programming errors that grounded their planes?

I bet understanding all those stocks let you avoid the 2008 recession and banking crisis.



- It's too expensive to buy Bitcoin



To buy a whole Bitcoin is expensive, over \$9,000 at the time of this writing. Thankfully you can buy a fraction of a Bitcoin, less than a penny in fact. Bitcoin can be broken down to 8 decimal places, or 0.00000001 BTC (1 Satoshi). This means fractions of a Bitcoin will stay affordable at any price. Even if a whole Bitcoin becomes worth \$1 million, a Satoshi could be bought for a penny.

Some people like to buy all at once, others like to buy \$10 a week. This is called “Dollar Cost Averaging” and is an excellent way to spread out risk. Using the website below, you can see how much your Bitcoin would be worth if you started buying when you first heard about it. Bitcoin

regularly outperforms the Dow Jones Industrial Average and Gold by double-digit percentages over a year.

Investigate what putting 1% of your portfolio into Bitcoin would look like. Buy it with your tax refund, birthday, or holiday money. Don't buy Starbucks, Gamble, Drink, Smoke, or waste money for a week. Then use that money to buy Bitcoin.

Dollar Cost Average Tool

<https://dcabtc.com/>

- I can't afford \$10 a week

That is a lie. You *can* afford it, but you keep telling yourself stories about why you cannot. Tell me what your disposable income budget for this month was and I'll show you where you could have stacked sats. This is, of course, assuming you have a disposable income budget in the first place . . .



- I heard about a service called "Gold Money." With that I can transfer gold to someone's account electronically, no Bitcoin involved

Great, and how long would it take to receive that gold physically?

If you traveled to a vault in another country, how would you get your gold across international borders? Is it open 24/7? Weekends? Could you get it without a middleman or third party?

Gold Money Service

<https://www.goldmoney.com/holding-metal-transfers-and-business-tools>

- It's only used by terrorists and criminals

False. Only 1-2% of Bitcoin transactions are used for illicit purposes. Cash is used to launder hundreds of billions of dollars each year. Please don't deny it like Treasury Secretary Mnuchin did.



Mnuchin: Bitcoin is used for "cybercrime, tax evasion, extortion, ransomware, illicit drugs, and human trafficking,"

He also disagrees that "cash is laundered all the time"

Treasury Mnuchin Lies to America

<https://thedailycoin.org/2019/07/23/the-myth-of-authority-mnuchin-denies-usd-is-used-crimin ally/>

1% Illicit Transactions

<https://bitcoinmagazine.com/articles/report-just-1-percent-bitcoin-transactions-involve-illicit-dark-web-activity>

2% Illicit Transactions

<https://www.coindesk.com/mits-ai-lab-crunched-200000-bitcoin-transactions-only-2-were-illicit>

JP Morgan's Cocaine Ship

<https://news.bitcoin.com/jp-morgan-chase-ship-busted-cocaine-banks-and-the-failed-drug-war>

Deutsche Bank Lauanders Millions

<https://www.vanityfair.com/news/2019/07/jeffrey-epstein-deutsche-bank>

- I heard it got hacked, everything can be hacked



People and companies are hacked every day, Bitcoin itself has never been hacked. It is a \$200 billion honeypot, meaning that anyone who “hacks” it would be able to claim \$200 billion. Furthermore, Bitcoin is antifragile with over 99.9840% uptime, meaning it has only been offline 0.016%, or 14 hours in 10 years. This is a higher percentage uptime than the stock market, your bank, the government, Denny's, 7-11, etc.

Institutions like banks and credit agencies are more likely to be hacked as they run on old, proprietary software that is infrequently maintained, let alone updated.

The backbone of Bitcoin is the SHA-256 cryptographic algorithm used by militaries and governments. Can you show me where the SHA-256 algorithm has been hacked? Because if you can do it, you are a billionaire.

Weak passwords and lazy security can be hacked, not Bitcoin.

Bitcoin Uptime

<http://bitcoinuptime.com/>

Banks Run on Software 50 Years Old

<https://www.fnlondon.com/articles/banks-face-spiraling-costs-from-archaic-it-20170912>

- I'll just stick to stocks. Companies have measurable earnings to report, Bitcoin doesn't

That comparison is incorrect. Companies with stocks are hierarchical organizations, Bitcoin is a decentralized store of value. They serve different core purposes. Overall, the global market for currencies is several orders of magnitude larger than the global stock market.

Gold does not have measurable earnings either. Neither do cash, nor collectibles like art or World of Warcraft gold. Yet those also have value on the open market. Why do you think that is?

World Financial Markets

<https://money.visualcapitalist.com/worlds-money-markets-one-visualization-2017/>

- You've given me a lot to think about, I don't want to do anything until I've done more research



Indeed, this is a new asset class and requires you to do your own research. I recommend you read the articles and view the videos I sent and take notes. Then read some more articles specific to your questions, or message me. Sign up for Coinbase or equivalent exchange and buy \$10 a week while you are researching. If you want to get out, I'll **buy** your Bitcoin from you at market price.

- I don't like how you are answering my questions, you should be more empathetic to people like me

That's more of a personal issue for you rather than my answers to what you have asked. You may be experiencing cognitive dissonance because you are getting new information counter to what you previously believed. It is often difficult to have your beliefs challenged, but that is how we grow as people.

- Now I hate Bitcoin even more!

Why is that? I'm pretty sure I've painted at least a decent picture of Bitcoin.

- No matter what you say, I'm not going to buy Bitcoin



I understand that feeling. I've let pride cloud my judgment in the past and have made emotional choices as a result. Sometimes making the wrong financial decision in the past will keep us from doing things in the future. Did this happen to you?

What would convince you to buy Bitcoin?

Explicit acceptance by the US Government? - Representative Patrick McHenry says it can't be stopped

Institutions like Fidelity, Goldman Sachs, and Ameritrade getting involved? - They are Government regulations? - Coming soon (™)

Celebrity endorsement? - Russel Okung of the LA Chargers loves Bitcoin

Use by an NFL league team? - Miami Dolphins

Widespread adoption? - Coming soon (™)

MIT, Princeton, Harvard, and billion-dollar Hedge Funds getting involved? - All aboard

Here I'll give you \$5.00 worth of Bitcoin to get started. I'll even help you set up a wallet on your phone.



- Hell no!

Very well.

- Your stupid!

*You're

- Just because billion dollar companies like Bitcoin doesn't mean it's good.
Look what happened to Enron!

Yes please, tell me about what happened to Enron. Then explain how Bitcoin is *just like* Enron.

- Warren Buffet doesn't like Bitcoin, and he's rich!



Yes, Warren Buffet has famously called Bitcoin “rat poison squared.” But he also does not like assets like gold and precious metals that just “sit there.” Furthermore, he missed massive profits by passing up tech stocks like Google and Amazon when they IPO’d. When questioned, he said he could not give a good answer as to why he didn’t buy Amazon other than “stupidity.”

Buffet also holds a massive amount of Wells Fargo stock, specifically \$19 billion worth, or 9.1% of the total company. Don’t you think it would be odd if he said anything positive about Bitcoin?

Warren Buffet Not a Bitcoin Fan

<https://www.fool.com/investing/2019/05/06/heres-what-warren-buffett-just-said-about-bitcoin.aspx>

Warren Buffet Did Not Buy Amazon

<https://www.cnbc.com/2017/05/08/warren-buffetts-one-word-answer-for-why-he-hasnt-purchased-amazon-shares.html>

Warren Buffet and Wells Fargo

<https://www.cnbc.com/berkshire-hathaway-portfolio/>

- I wouldn’t know when to sell

I am not a financial planner, nor do I know your specific financial situation; therefore, I cannot provide financial advice. But some strategies which have been useful for people I know: sell when you have enough gains to take out your initial investment, then let the rest ride. This way, you are playing with “House Money.” Setting price targets is useful, take out a certain percentage every time Bitcoin hits a new high. Alternatively, you can view Bitcoin as a

retirement vehicle and sell when you want to retire, assuming you think it will continue to gain in value.

- There's nothing backing it. It is for drug dealers and criminals. It is too hard to use. No one uses it

So if I understand you correctly, Bitcoin is fake internet money used by criminals, who are smarter than normal people who don't use it. This sounds amazing.

Mom's Questions (Entrepreneur)

- As a friend asked, "What's wrong with what we already have?"

Nothing. In fact, for most of the first-world countries, regular banks and fiat currency will work for 99% of the time. But technology marches forward without our approval. Hell, people were happy with horse-drawn carriages before the automobile was invented. Consumers initially thought texting was pointless. Who really *needs* a new car or phone when the one you have works just fine?



Bitcoin's value proposition is being able to store value and transact in a system that does *not* rely on the banking system. The current banking system has several flaws.

Banks charge fees and store personal data

Prone to data hacks, i.e., Citibank, Capital One, Experian, etc.

They have restrictions on transactions/withdrawals/censored payments, etc.

Can open accounts without your approval/notification, i.e., Wells Fargo

Commit fraud on unfathomable levels

The idea for Bitcoin is not new. It was created by a pseudonymous person (or persons) in the wake of the 2008 banking crisis in which large banks nearly bankrupt the US and, by proxy, the world. Irresponsible lending and derivatives based on toxic assets led to the downfall. As mortgages were unable to be paid back in the housing market, borrowers were squeezed, and housing prices fell. This resulted in a drop of values in mortgage-backed derivatives and brokers tried to dump them on the open market. The recession and bailout negotiations were conducted mostly behind closed doors with little to no input by the general public. All of this took place under “Strict Government Regulations” that people seem to be concerned about when discussing Bitcoin.

Cause of the 2008 Banking Crisis

<https://www.historyextra.com/period/modern/financial-crisis-crash-explained-facts-causes/>

Financial Crisis Documentary

<https://www.youtube.com/watch?v=SY2hUWaXqfE>

- Is it backed by gold just like the dollar is/was? If not, is it backed by anything?

Bitcoin is not backed by gold or the dollar, although there are cryptocurrencies backed by those assets. Bitcoin is based on code, math, cryptography, and the laws of thermodynamics. In short, it is backed by the laws of physics.

What gives Bitcoin value is the fact that it is the most secure transfer of value in the world.

There is zero chance for human interference. Transactions cannot be blocked or stopped the way a bank transfer can. All payments are recorded on a ledger that is updated in real-time all over the world, and the network operates 24 hours a day, 7 days a week. Bitcoin never shuts down or closes.

Additionally, there is a very limited supply of Bitcoins, only 21 million will ever be created, making it the first *deflationary* asset. Furthermore, over 85% of all Bitcoins have already been mined. An estimated 4 million Bitcoins have already been lost or misplaced, further reducing the supply. Assuming that 4 million Bitcoins are being traded on the open market, this leaves approximately 9.8 million Bitcoin left to buyers.

There are currently 17.3 million millionaires in the US as of 2019. There are not enough Bitcoin in the world for each of them to own just one Bitcoin.

The code that runs Bitcoin is open-source, which means anyone can view it and run their own version. This is different from centralized institutions like banks, whose code is private and therefore, unverifiable by the public. Open source code benefits from many more thousands of people checking it than a centralized body. Even major corporations with dedicated teams of software engineers often do not find bugs in their code, i.e., Boeing and Experian, both of whom have had very public software and security failures. Both Microsoft and Facebook are massive supporters of open-source software.

Bitcoin's security model is based on human greed (miners are rewarded in Bitcoin), and greed is infinitely renewable. This gamification aspect means that miners act in their own interest to keep the Bitcoin network up and running. Miners earn Bitcoins by running the necessary software to keep the network secure and running. All of these aspects help Bitcoin to be valuable.

At the end of the day, the only thing that gives any currency value is because people share a *belief* that it has value.

Millionaire Statistics

<https://millionairefoundry.com/millionaire-statistics/>

- But I trust my Bank and financial institutions

Trust them to do what exactly? Commit fraud on a tremendous scale? Lose your personal information and Social Security number? Sell your personal information to third parties?



Bank Fraud

<https://www.fool.com/investing/2017/04/26/when-big-banks-go-bad-the-9-largest-bank-settle-men.aspx>

More Fraud

<https://worthly.com/news/15-biggest-sec-fines-history/>

Most Fraud

<https://www.telegraph.co.uk/finance/newsbysector/banksandfinance/7801702/JP-Morgan-hit-with-largest-fine-in-FSAs-history.html>

Banks Sell Your Personal Information

<https://www.forbes.com/sites/adamtanner/2013/10/17/what-chase-and-other-banks-wont-tell-you-about-selling-your-data/#8fbb33b2c41e>

- Does it use more energy to produce Bitcoin than it does to use a credit card or banking?

No, it does not.

The question that *should* be asked is, “How does Bitcoin’s electricity usage compare to similar industries?” Bitcoin’s estimated annual electricity consumption is 61 terawatt-hours, but this changes daily. As it stands today, this is more than the country of Switzerland. Wow, that sounds

wasteful, doesn't it? But let's compare it to the banking sector before we all start holding up signs saying, "The End is Nigh."

The electricity used by always-on, yet inactive devices in the United States (also known as power vampires), could power the Bitcoin network for 3.6 years. So let's start by being more energy efficient and unplug all our Xbox's and hair dryers if power consumption is indeed a real concern for you.

For comparison, it is estimated the banking sector in 2018 consumed over 100 terawatt-hours of electricity annually. This includes banking terminals, ATM's, offices, servers, etc.

We can also compare the energy usage to the resources "wasted" mining gold. Does anyone ever ask how much it takes to dig a shiny rock out of the ground? Gold mining consumes ~132 terawatt-hours a year while emitting 54 million tonnes of CO₂. This is more than Bitcoin, without offering payment services and cross-border capabilities. Diamond mining also consumes massive amounts of resources even though diamonds can be grown in a lab with a much smaller carbon footprint.

Perhaps, more importantly, is where the electricity Bitcoin mining comes from. Over 80% of the electricity used to power Bitcoin miners comes from renewable sources like wind and solar power. As electricity costs directly affect Bitcoin miners' bottom line, they will relocate to wherever electricity is least expensive, utilizing electrical arbitrage. If anything Bitcoin mining is pushing towards adoption of inexpensive renewable electricity.

It's also important to remember that this electricity is not being "wasted," but is used to secure the network and make sure transactions remain genuine.

Bitcoin Renewable Energy Usage

<https://bitcoinist.com/bitcoin-mining-renewable-coinshares/>

Gold Mining Electricity Costs

<https://www.coindesk.com/microscope-true-costs-gold-production>

Banking Power usage estimate

<https://hackernoon.com/the-bitcoin-vs-visa-electricity-consumption-fallacy-8cf194987a50>

ATM Power usage

<https://bitcoinexchangeguide.com/crypto-mining-summit-focuses-on-high-cost-energy-consumption-activity/>

Bitcoin electricity consumption <https://digiconomist.net/bitcoin-energy-consumption>
<https://www.cbeci.org/comparisons/>

VISA electricity consumption

<https://usa.visa.com/dam/VCOM/download/corporate-responsibility/visa-2016-corporate-responsibility-report.pdf>

- I still don't like how much electricity Bitcoin uses

That's fine, there is absolutely nothing to keep you from hacking Bitcoin to make it go away, or organizing a group to protest it. It's open-source, so the code is available for free. Better yet, you could make a new, better Bitcoin that uses less energy. Or you can write your Congressman to push for more renewable energy sources. Better yet, @ them on Twitter.

- Can my personal information with Bitcoin be hacked similar to what happened to Capital One customers?

No. There is no personal information used when transmitting or receiving Bitcoin. No personal data is required to use a Bitcoin wallet. What is viewable is the amount of Bitcoin sent, the sending and receiving wallet addresses, and how much Bitcoin is in each wallet. It is also possible to have multiple Bitcoin wallets if that is a concern, no registration required.

Remember that since there is no single point of failure (or central authority), the network cannot be taken down if one server is shut down.

- Can my Bitcoin be easily stolen?

No. Once you have your Bitcoin, there is no way they can be “hacked” or stolen from your wallet. What *can* happen is you forget to backup your wallet and lose it, forget your password, PIN code, or send your Bitcoin to someone less than scrupulous.

You have to be either extremely irresponsible to lose Bitcoins or lackadaisical in securing it.

- Not everyone accepts Bitcoin, but almost everyone accepts US currency or credit cards.

Yup, they sure do. This is a statement, not a question.

Remember, at one point, very few restaurants or retail stores accepted credit cards. Now Amazon has a “One-Click” buy option using credit card information stored on their servers. Isn’t progress neat?

- Can one or a few people shut down the whole system?



No. Since the Bitcoin network is run by thousands of people all over the world, there is no central point of failure, there is no “CEO” of Bitcoin that can pull the plug. Not even a government or military can shut it down. Well ok, they *could* shut it down, but they would have to confiscate every computer running Bitcoin node software, take out the satellite broadcasting Bitcoin transactions, and prevent anyone from ever rerunning a Bitcoin node. By the way, a Bitcoin node can be purchased for about \$300 or run on your home computer for free. Phones are coming out that can run a full node.

The best an organization could do would be to jam up the network and possibly delay a specific transaction. However, this would require them to gain a majority share of the Bitcoin network, which requires an ungodly amount of electricity and computing power. This is unsustainable by any one group. To take over the network completely would require this electricity and computer power to continue indefinitely.

As it stands today, it would take ~430 days of sustained attack to actually cancel out or erase the Bitcoin blockchain from 2008 when it first went online.

Casa Bitcoin Node

<https://keys.casa/lightning-bitcoin-node/>

Nic Carter Tweet

https://twitter.com/nic_carter/status/1156941194968162306?s=20

HTC Phone to Run Bitcoin Node

<https://mashable.com/article/htc-exodus-1s-blockchain-phone/>

- President Trump said he doesn't like Bitcoin!

Now you're grasping at straws, we're done here.

Dad's Questions (Health Care)

- No recourse if your purchase is fraudulent

That is correct. Since there is little regulation around cryptocurrencies put forth by government regulatory bodies if someone purchases a "fake" Bitcoin, the only recourse would be to take the offending person to court for fraud.

Luckily many Bitcoin wallets are open source and continually vetted by the Bitcoin community. When Bitcoins are transmitted, they are verified by miners around the globe who check *every single* Bitcoin transaction in real-time. Therefore there is literally 0 chance that a confirmed Bitcoin transaction can ever be faked, spoofed, or erroneously processed.

It is this security and verification that has interested major companies like IBM, Walmart, Vanguard, and Oracle developing systems based on blockchain, the underlying technology behind Bitcoin.

IBM Blockchain

<https://articles2.marketrealist.com/2019/07/ibm-rattles-internet-blockchain-platform-global/>

Walmart Blockchain

<https://www.bloomberg.com/news/articles/2019-08-02/walmart-seeks-to-patent-a-way-for-using-digital-cryptocurrency>

Vanguard Financial Blockchain

<https://www.forbes.com/sites/jeffkauflin/2019/05/30/vanguard-is-now-using-blockchain-technology-to-help-manage-13-trillion-in-index-funds/#769fb85b8dfe>

Oracle Blockchain

<https://www.forbes.com/sites/benjaminpirus/2019/07/22/oracle-blockchain-platform-helps-big-businesses-incorporate-blockchain/#3f1034aa797b>

Jude's Questions (Actor)

- How does Bitcoin compare to other cryptocurrencies?

Bitcoin is the most secure and oldest cryptocurrency. It has withstood the most attacks and overcome the most hurdles of any of the cryptocurrencies. As such, it is the most valuable cryptocurrency on the market today.

It is not the fastest, the cheapest, or most private. But these are all trade-offs for security and reliability.

- What happens if I forget my password when storing Bitcoin?

Since the whole idea of Bitcoin is to act as your own bank, you should have security protocols in place that a bank would. These include: having a backup of your Bitcoin wallet, password, seed phrase and/or private key.

If you do not have these backups in place, forgetting your password will keep you or anyone from accessing your Bitcoins. There are stories of individuals throwing out computers that had wallets with thousands of Bitcoins on them. Because the owner did not back up his wallet, those Bitcoins are forever lost. It is estimated that over 2 million Bitcoin have already been lost due to neglect.

Man Throws Away \$100 Million of Bitcoin

<https://www.newsweek.com/man-accidentally-threw-bitcoin-worth-108m-trash-says-theres-no-point-crying-726807>

- Does Bitcoin affect my credit rating?

No, Bitcoin requires no personal data from you to operate. Since your personal data is not tied to it, banks have no way of knowing if you are using Bitcoin. You could be a Bitcoin billionaire and have a 450 credit rating.

- What is the minimum amount of Bitcoin I can purchase?

Bitcoin can be divided into 8 decimal places or 0.00000001 BTC. This smallest Bitcoin denomination is called a “Satoshi.” A penny is roughly 90 satoshis or 0.00000090 Bitcoin.

- Is there a Bitcoin Venmo?

Bitcoin serves as its own Venmo. It *is* the network on which Bitcoin is transacted. It may be a bit confusing because our current digital money system operates on many networks, including Venmo, PayPal, Swift, VISA, etc.

Imagine if the US dollar worked similarly. The Dollar would be sent on the Dollar network and held in Dollar wallets.

If you really want to use a third party you can send Bitcoin via email with Coinbase.

- How is the value of Bitcoin determined?

Bitcoin's valuation comes from the open market, its price is whatever people believe it is worth it. There is no governing body that regulates or determines its price, this isn't Soviet Russia with price-fixing.

Current factors that may play a part is its stability, uptime, reliability, and the fact that it has never been hacked. It is a permanent record of transactions, which has never been possible before.

Jared's Questions (Engineer)

- Can Bitcoin be shut down by the government, either by regulations or fear of use by terrorists?

Answered above

- Can Bitcoin be shut down via technology? Can they track and arrest you?

It cannot be shut down via technology. Bitcoin transactions CAN be tracked via an ISP using similar techniques used to track criminals through web traffic. However, Bitcoin is not illegal. This tracking can be circumvented by a VPN, or by purchasing a smartphone with cash, loading up a Bitcoin wallet and then transacting on that device.

- Will Bitcoin ever be used for real purchases? Right now it's just being bought on speculation

Answered above

- Is Bitcoin just a hedge against inflation like gold?

Bitcoin is peer-to-peer electronic cash, a store of value, and increasingly a unit of exchange. This classifies it as "Money" as defined by Aristotle. Some view Bitcoin as merely a hedge against

inflation or the stock market, while others use it in everyday transactions or send value overseas as remittances or for business purposes.

There are many assets one can hold as a hedge against inflation but scare few can be used to make purchases. Last I checked no one was accepting gold or silver as a currency.

Aristotle Defines Money

<https://seekingalpha.com/article/295877-aristotles-money-criteria-support-gold-precious-metal>
[s](#)

Patrick's Questions (Blue Collar)

- I want to buy Ripple!

Oh, my sweet summer child? Did you see a meme about it going to \$589?

Oh wait it was probably this.

<https://youtu.be/oV02fNX40BU>

James Questions (Salesforce Admin)

- How do you make this knowledge more available/attractive to female investors?

There are ways to appeal to people of any gender, background, and personality profile. Relating percentage gains to years of retirement, college funds, mortgage payments, and vacations are a good start. I also know people who have paid for life-saving medical treatment with Bitcoin profits or bought a new phone/car/house. I also know someone who would have been able to save their child's life if Bitcoin had been available in 2007.

- I'm hesitant to invest in a volatile asset I don't not know *anything* about.

Better start reading bro. The information is all publicly available if you want it and if you're willing to put in the time. Try googling "What is Bitcoin" for a start. Then get back to me with more questions. This article is a good place for basic information.

- I'm very risk-averse, but I also hold 85% individual stocks in my portfolio

Ok, so that's weird. I answered this question previously. If you want to keep risk low, then dollar-cost average over time. If you'd spent \$10 a week when I told you about Bitcoin 2 years ago, you'd be up 39%, whereas the S&P 500 is up 14.8% over the same time period. Would you be comfortable with putting 1% of your portfolio into more speculative assets?

- You're coming off like an MLM salesman with this Bitcoin thing. Why do you care so much about this?

Our monetary policy is driving us towards an increasingly unsustainable future. Quantitative easing could quickly push us towards heightened inflation and further devaluation of the dollar. Western Union charges double-digit percentages to send money overseas. Banks engage in fraud on a ludicrous scale and prey on those with the lowest financial resources. Financial institutions are losing our data, which puts us ALL at risk for identity theft. **No one** went to jail over the 2008 banking crisis that pushed us into the worst recession since the '30s.

Perhaps Bitcoin isn't the answer to all of these issues, but it's a damn good start. My involvement is the best way I know to enact real change instead of posting "Thoughts and Prayers" on Facebook or complaining to people who don't care and won't act.

What's the last belief that pushed you to action?

- With the thousands of hours, you've spent learning this topic, you could have been doing a real job. 2,000 hours would be about a year if you'd spent that time working you could have made more money than investing in this Bitcoin, which isn't real, to begin with. I mean if you ran a financial office you'd be a millionaire

Wow, ok lots to unpack here. I get a lot of value from helping and teaching people about topics I'm passionate about. My background lends itself to adult education and breaking down complicated topics into digestible pieces. In teaching people, I get asked many unexpected

questions which makes me examine my own perspective, and raise the efficiency of my responses. I find this improvement of my skill set to be deeply rewarding.

Secondly, the idea of working in a financial office bores me to death. I've done corporate work before, and it's soul-crushing for someone like myself. I'd rather do things on my own time than sell my soul to make money.

Lastly, I could pose the same scenario to you in regards to becoming a money manager.

- I hate reading articles, I'd rather talk to you about it instead of reading thousands of words

Congratulations, you just invented the lecture. Yes, most people feel the same way. But I don't have the time or energy to do that with everyone. Writing these responses out takes time, but since I'm crowd-sourcing these questions, it gives me a large sample size of input.

If you'd like to set aside more time to talk about these topics I'm more than welcome to.

- Bro I'm not going to proofread your article for \$5.00

That's not what I asked. I asked you to send me questions about Bitcoin and why you don't like it or do not believe it has value. Then I had to get you on the phone because you couldn't be bothered to send me a text or email. Would you have read the entire thing for \$5.00 worth of gold or silver? How about Apple stock? What is the price it takes to get you to help out a friend?

- I'll be able to buy more speculative assets like Bitcoin once I've saved up enough over the next 12 months

You have either not listened to a single thing I said or are too lazy to come up with a real objection.

Skylar (HR Consultant)

- Given the loss of access to all of the QuadrigaCX bitcoins, what protections are in place to protect consumers and how can they ensure there are necessary failsafes in place to prevent similar occurrences in the future?

Answered above but I'll reiterate. Any third-party custodial solution runs the risk of losing your crypto stored on their platform. In QuadrigaCX's case, there was one person who had full access to the private keys. As there were no backups, once that person unexpectedly died, access to those cryptos were lost forever. This shows the vulnerabilities in storing with a third party. However, there are much better managed and organized exchanges that will be a better custodial solution for people with small amounts of crypto, say less than \$1,000. Anything above that should probably be kept off-exchange.

Bitcoin and cryptocurrencies are best stored securely by the person who owns them. Preferably Bitcoin would be stored on a hardware wallet with a backup kept in a family safe or security deposit box. This way if the hardware wallet is lost or stolen, the backup will give you access to your Bitcoin. As one of the goals of Bitcoin is to be able to act as your own bank, security protocols *should* be in place that mimics those of a bank, i.e., secure storage and backups. Astute users can even split up their private keys or create a multi-signature wallet that requires multiple keys to open.

Luckily, the number of Bitcoins lost over time due to exchange hacks has been going down since 2014.

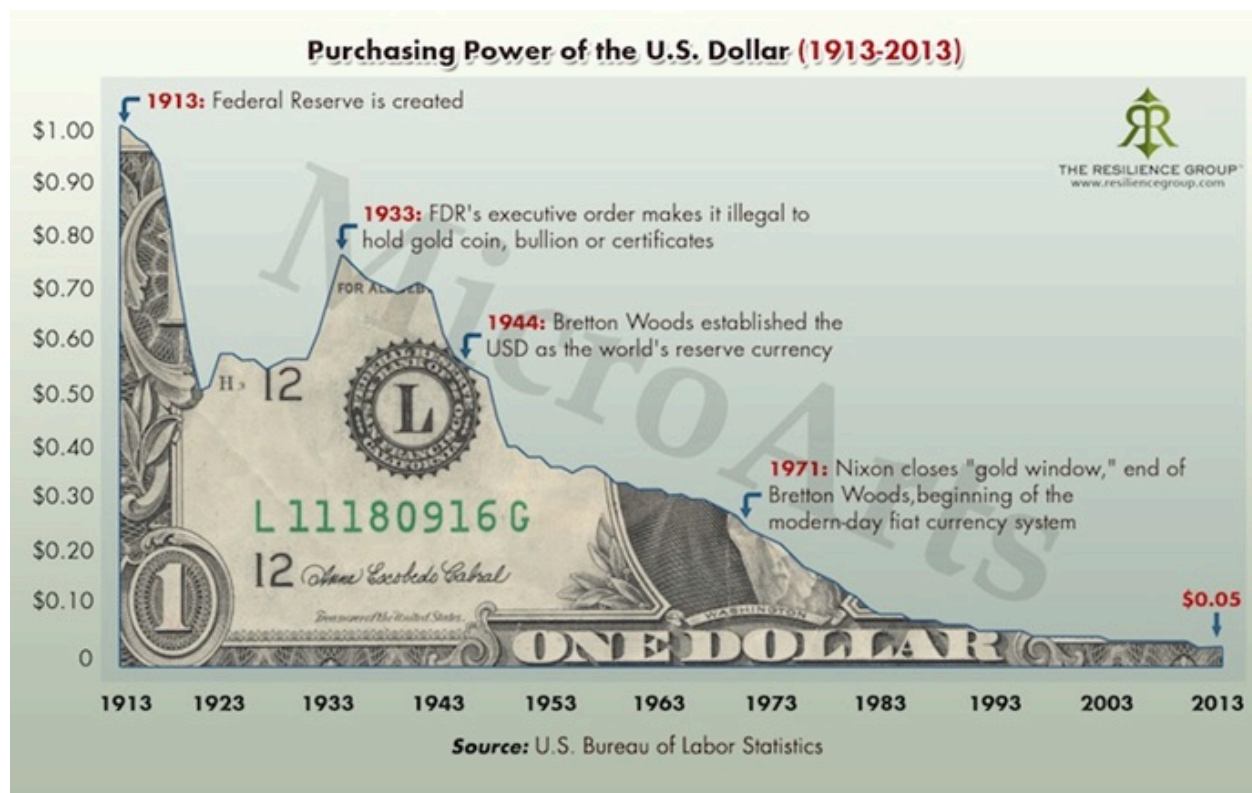
Decrease in Bitcoin from Hacks

<https://blog.bankfrick.li/en/the-wild-years-for-digital-assets-are-empirically-over/>

- Fiat currencies maintain value due to faith in real-world governments, while cryptocurrencies have value based only on the faith of users in the system. Doesn't this leave cryptocurrencies vulnerable to rapid collapse?

Answered above but will explain again. Faith in any currency in the world is based on the faith of the individual users. Often this comes from usability and the ability to easily transact. For example, in certain Latin American and Asian markets, low denomination new US dollar bills are more desirable as they are easier to transact with. It is more difficult to transact in larger denominations or even electronic payments like Paypal or Venmo. In this case \$1 /= \$1. This has nothing to do with the faith in the US government, only the preferences of the local population.

Furthermore, the purchasing power of currencies fluctuates daily. The foreign exchange market, Forex, trades international currencies every day in quantities that dwarf the traditional commodity and stock markets. This has caused, in part, the purchasing power of the dollar to plummet over 90% since its introduction in 1913.



The confidence in Bitcoin's value comes from the immutability of its blockchain and the ability to transfer value anywhere in the world near-instantaneously. But yes, Bitcoin is a speculative investment that is prone to wider swings in price than stocks or bonds. This volatility has dropped significantly over the last 10 years.

- Given the extreme volatility of cryptocurrencies, do you think that widespread adoption of crypto as a payment option for goods and services is realistic? And if not, will they remain just a niche in the market?

It is realistic to see Bitcoin as a worldwide payment option, as that was its original intention. I accept Bitcoin as payment as do many other industry veterans. As the infrastructure becomes more robust and layer-2 options like the Lightning Network become more mainstream, more users and merchants will accept Bitcoin in part as a reaction to the high fees that credit card processors currently charge merchants. There are already payment processors that will exchange Bitcoin for US dollars at the point of sale. This shift in mentality will not happen overnight.

However, some merchants who understand crypto will probably keep a portion of their revenue in Bitcoin. Overstock and the Dementia Society of America both have elected to store or "hodl" a portion of their crypto earnings and donations, respectively.

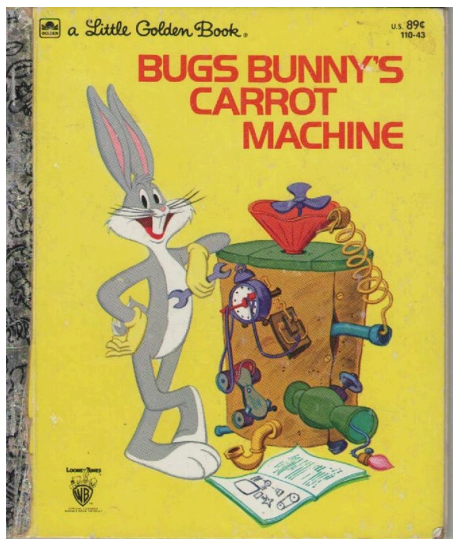
- What will happen when all of the bitcoins are mined and no more become available? What are the pros and cons of this versus the ability of governments to issue currency as needed?

Once the last Bitcoin has been mined in 2140, Bitcoin miners will no longer receive Bitcoin as a reward for mining a block. At this point, the total Bitcoin supply of 21 million coins will be reached, and there will be no more ever created; this is written into the Bitcoin code. When this happens, miners will be paid out in the transfer fees that users pay when sending Bitcoin payments. Every time there Bitcoin transmitted there is a small fee that is paid as well. These

transfer fees are designed to be higher during times of high volume, similar to Uber rates increasing during high-use times. If these fees are unprofitable to the miners, we may see a drop off in the hash rate, or mining power of Bitcoin. Historically the overall hash rate has only grown year after year on the Bitcoin network.

This deflationary monetary policy is vastly different compared to the US government's policy of increasing the overall money supply, or quantitative easing. As the Fed issues more debt (creating money) the purchasing power of each dollar is decreased. This increase in “cheap” money is one of the driving factors in pushing stock prices higher. But it can also drive hyperinflation similar to what we see in Venezuela and historically in the Weimar Republic.

For a simplified version, please read “Bugs Bunny’s Carrot Machine.” I’m serious, it explains inflation. To children.



https://www.amazon.com/Bunnys-Carrot-MacHine-Little-Golden/dp/B006JTZZS8/ref=pb_sbs_14_2/130-6993917-2937610?_encoding=UTF8&pd_rd_i=B006JTZZS8&pd_rd_r=36f810fe-07b0-4e08-b357-d27bd4ff2d83&pd_rd_w=Q64sW&pd_rd_wg=39o7T&pf_rd_p=43281256-7633-49c8-b909-7ffd7d8cb21e&pf_rd_r=Q9R2VYBJ77XFZTYGQYS5&pvc=1&refRID=Q9R2VYBJ77XFZTYGQYS5

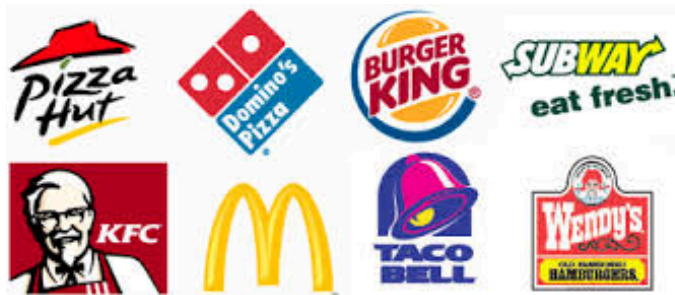
- Does the investment in Bitcoins as a money-making opportunity rather than typical currency pose challenges for crypto moving forward? I know a bunch

of people who have invested for speculative reasons but none who use it in everyday life

Nope, investing and holding Bitcoin does not diminish its use case. However, it is essential to distinguish the different use cases as it stands today. Some people, like your friends, see Bitcoin as a “store of value” like gold, and as such do not want to part with it. They would instead let their digital gold sit and increase in value than spend it at Subway. Even though the majority of gold and silver are hoarded across the world, the precious metal industry is still healthy.

Others, especially those who are paid in Bitcoin, have no issue using it to pay for goods and services. There are apps like Fold and Spedn that are designed to let everyday people pay for things like coffee and groceries in Bitcoin or other cryptocurrencies. Also, since Bitcoin can be divided down to 8 decimal places there is never a need to spend a whole Bitcoin, you can always spend a small fraction of one. I imagine if your friends had an easy way to spend small amounts of Bitcoin and get rewards like a credit card, they would be more likely to use them.

- Since anyone can create a new cryptocurrency, is there a risk of the flood of crappy cryptos ruining it for the more legitimate ones?



Answered previously. To reiterate, the answer is “No.” There are currently over 2,000 cryptocurrencies and tokens on the open market. Most are trash and will die out over time. As a result, Bitcoin and its reputation will become stronger as it rises above the competition. Over time I *do* believe there will be multiple cryptos in addition to Bitcoin, the same way that there are more fast food establishments than just McDonalds (thank god).

- What are the future implications of the blockchain outside of cryptocurrencies?

The use cases for blockchain, the underlying technology of Bitcoin, are legion. Since blockchain is a glorified database, any use case requiring organized data tables is a potential candidate. However, centralized databases have been around for decades and are still very useful for most situations. Blockchains are best utilized when dealing with slow-moving data that needs to be transparent and tamper-proof. There is no reason to put, say, waste services or 911 calls on the blockchain (both real proposals).

Because of this, companies like IBM, Walmart, and Nestle are creating blockchain solutions for logistics and supply management. This will ensure that cargo is not lost in transit and that inventory and driving records remain genuine. South Korea and Dubai are creating blockchain solutions for dealing with government documents and state records. Microsoft is creating an identity platform on top of the Bitcoin blockchain. This will give people the ability to login to a website without using a password and help combat data leaks like the recent Capital One hack. Other use cases are social media platforms, tokenized game items, decentralized internet protocols, advertising platforms, communications, healthcare records, and location-services (decentralized GPS).

Enterprise Blockchains

<https://www.forbes.com/sites/biserdimitrov/2019/08/13/large-enterprises-are-betting-on-blockchain-in-2019/#10b4a9601bff>

Stats

Posted to Twitter, Discord, Reddit

Bitly link to this article was clicked 78 times <http://bit.ly/2YkDLMi>

5 people commented directly to the document

1 person commented via phone call

4 people commented by Text/Twitter/Discord DM

0/9 people sent me their address when offered \$5.00 in BTC (?) for comments

0 people sent me their lightning address when offered 100 sats for comments

1 person sent me their lightning address for 1,000 sats after update on Twitter



Bwahahaha

I try to send 0.122 BTC for \$90 worth of family birthday presents



Sister@IHateBitcoin.com
to me, Brother ▼
I DON'T ACCEPT BITCOIN. BITCOIN IS NOT REAL.

Jun 1, 2016, 4:55 PM

...

He's still won't buy any



Brother@BitcoinIsPrettyOk.com
to me, Sister ▼
It's is to Kaltoro . . .

Jun 1, 2016, 5:10 PM

Sent from my iPhone

...

#YoloSwag



Me@FuckYeahBitcoin.com
to Brother, Sister ▼
Bitcoin is at \$531 today. It is very real.

Jun 1, 2016, 5:13 PM

If you would have accepted it before you would have made money.

...

How much is 0.122 BTC worth today?



Sister@IHateBitcoin.com
to me, Brother ▼

Jun 12, 2016, 9:50 PM

Seriously, this isn't funny. Give me cash money.

...



NOTE:

As of 12/4/2024 those 0.122 BTC is worth \$12,518 as Bitcoin is sitting at just over \$102,000.



So I am reading your article. I've read the whole thing and some really good points. I'm reading the articles that you linked now.

8:12 AM

Cool, thanks man. Glad you're getting value out of it

9:56 AM ✓

Progress with Jared

Note - As of 12/4/2024 he still hasn't bought

Bitcoin Returns: 2010 - 2024

Year	Year Start	Year End	% Change
2010	0.003	0.30	9900%
2011	0.30	4.72	1473%
2012	4.72	13.51	186%
2013	13.5	758	5507%
2014	758	320	-58%
2015	320	430	35%
2016	430	968	125%
2017	968	13,860	1331%
2018	13,860	3,689	-73%
2019	3,689	7,184	95%
2020	7,184	28,775	301%
2021	28,775	47,902	66%
2022	47,902	16,531	-65%
2023	16,531	42,280	156%
2024 YTD	42,280	103,000	144%

@CharlieBilello

Data as of 12/4/24