

# WONDERING IF BITCOIN CAN WORK **FOR YOU**?

Find out by participating in our **30 day trial**, after which you will be prepared to decide for yourself. Should you still have doubts after that period, we will **refund** the remaining bitcoin in a currency of your choice.

visit us



or at  
**littlebits.space**



## IS MONEY WORTH YOUR TIME?

*This guide contains additional content in  
augmented reality*

# THEN AND NOW

2003

2019

0.60€



1.40€

2.50€



4.20€

6.50€



13.30€

## GET STARTED

Bitcoin is a complex topic, and while it does provide a lot of freedom, it comes with a certain amount of risk. **Never invest money you are not willing to lose.**

All sources, and links to more detailed content can be found on our website, but you should **always do your own research**. Bitcoin is designed so you don't have to trust a single authority. Don't just take our word for it.

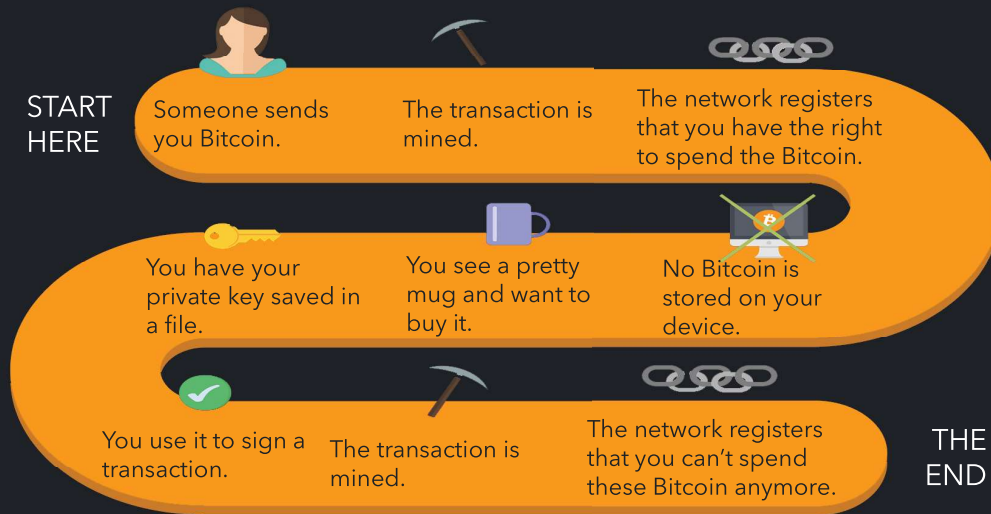
To back up your Bitcoin, you need to **write down the 12 words** that represent your secret key. We've left the space below free for you to use

1	<input type="text"/>	7	<input type="text"/>
2	<input type="text"/>	8	<input type="text"/>
3	<input type="text"/>	9	<input type="text"/>
4	<input type="text"/>	10	<input type="text"/>
5	<input type="text"/>	11	<input type="text"/>
6	<input type="text"/>	12	<input type="text"/>

**DO NOT SHARE THIS KEY WITH ANYONE,  
AND DO NOT STORE IT ONLINE.**

# HOW DO YOU OWN BITCOIN?

A private key is a secret number, which is used to sign transactions and prove that you own a specific amount of Bitcoin.



HOW MUCH DID YOU  
PAY FOR YOUR LAST  
GROCERY PURCHASE?

HAVING BITCOIN = HAVING PRIVATE KEY  
YOU ARE FULLY RESPONSIBLE FOR  
KEEPING IT SAFE

HOW MUCH WILL YOU  
PAY IN 5 YEARS?

# WHAT IS MONEY?

Before money, societies would trade items directly with each other. Individuals who each had something the other wanted would enter a trade agreement to get what they want. This is inefficient though, because the other party does not always want or need the same things as you.

Money can be used as a **medium of exchange** to simplify trading. It can also be used as a **store of value** by individuals to save their wealth over time. The future is uncertain, so it makes sense to save some money for emergencies.



**Barter**  
Valuable as food, hard to transport. Cattle and grains were popular goods used.

9000BC



**Rare items**  
Sea shells used to be hard to find, glass beads used to be hard to produce.

8000BC

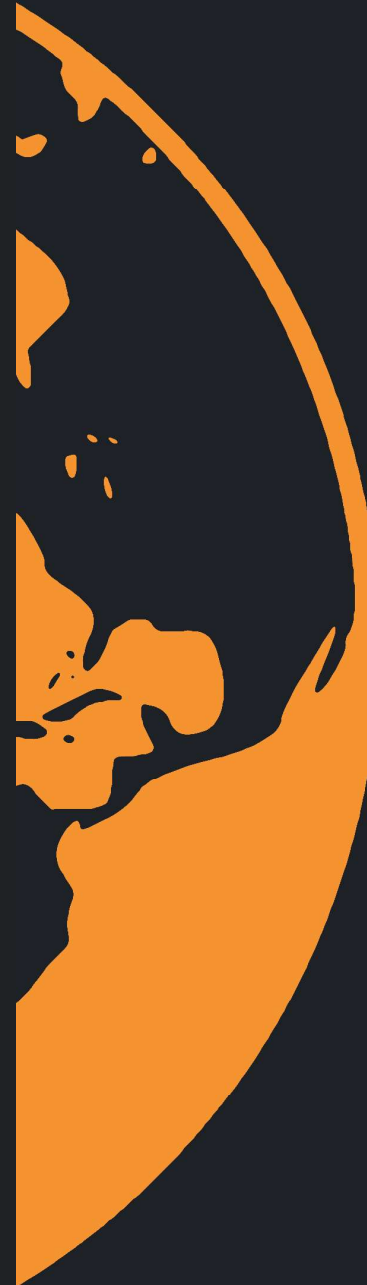


**Gold coins**  
Rare metals were now easily divisible and transportable. The gold standard persisted for centuries.

600BC

Societies can't simply reject gold and continue using a weaker form of money like glass beads or sea shells. Doing so would allow others to produce the easy money in large quantities and buy goods without having to work for them.

Your **time** on earth is **limited**, shouldn't the money you exchange for that be limited as well?



# WHY IS THIS DIFFERENT?

A deflationary money like Bitcoin incentivizes consumers to **save**, and think twice about their purchases.

In the long term, people are **rewarded** for holding bitcoin, rather than spending them immediately.

The price of Bitcoin fluctuates, but its **yearly lows** have been **steadily increasing**.

2012 - € 3  
2013 - € 57  
2014 - € 175  
2015 - € 162  
2016 - € 320  
2017 - € 685  
2018 - € 2811

# WHY DOES IT LOSE VALUE?

Bitcoin is a global money. It can be sent across borders around the world.

Bitcoin is a transparent open source project. The ledger of all transactions is public, and can be verified by anyone with a smartphone.

Bitcoin can be sent over the internet, satellite, mesh networks and radio waves. It is nearly impossible to censor.

Gold emerged as the best money due to its durability and relative scarcity in proportion to its supply. It did have some drawbacks, as it was quite heavy and was difficult to divide into small amounts. Gold coins, and eventually paper money made the gold standard easy to maintain, by **backing every piece of currency to a unit of gold** in a bank vault.

The money we use today is **not** backed by gold anymore.

**Fiat money** is a recent phenomenon, where the money is not backed by a scarce resource, but by a government guaranteeing its value. Removing the peg to gold gives those who issue the money a lot of power.

The yearly inflation rate of 2% means that over a time span of **25 years**, any saved amount of money loses **half of its purchasing power**. When money inflates, it forces consumers to spend their money quicker and in turn stimulate the economy. However, it also means that its **store of value property is destroyed**.



**Bretton Woods agreement**  
Established a fixed exchange rate of major currencies to gold. Central banks of each country could exchange the currency to gold, but individuals were restricted from this.



**Fiat money**  
US ends convertibility of money to gold. Most currencies are now backed by the dollar.

1944

1971

2011  
**367€**



30qm, Darmstadt, cold rent

2019  
**423€**

Satoshi Nakamoto launched the Bitcoin network on **January 3 2009**, in response to the financial crisis.



Bitcoin was released under an anonymous pseudonym. It is unclear if this is a single person or a group. It has been running according to a ruleset which has **refused to change** its monetary policy for the past **10 years**.

Some compare it with PayPal, but Bitcoin is more than just a way to pay on the internet. Its network creates an entirely new money that competes with central bank managed currency.

Satoshi left the project in 2010 and has never been identified. Since then, the software has evolved with the help of open source developers around the world. Satoshi has no control over the code. The coins they mined in the beginning have never moved and likely never will.

Working for Bitcoin  
means trading your time  
for a money that is  
**more limited than gold.**



# THERE IS AN ALTERNATIVE

Bitcoin is digital money  
with a limited supply

Bitcoin is like **digital gold**. However, unlike gold, its maximum supply is known through cryptographic protocols and math.

Individual participants run the Bitcoin software to verify what coins they own. They have to **trust nobody**, no bank or central authority to do this.

Mining nodes are participants who verify transactions and add them to the Bitcoin ledger. They are paid in transaction fees and a **mining reward**, which halves **every 4 years**. Bitcoin is **hard money**, because as the price rises, producers are unable to create more coins than the protocol defines.

The currency is limited to  
**21 million**  
and nobody can change it



Inflationary money does not only distort prices on groceries. When individuals don't have a hard form of money, **other goods take on money's role of storing wealth over time**. Real estate is seen by many to be an investment that holds its value somewhat reliably. As a result, many living spaces in major cities are used to speculate on an increase in value, instead of being used for their intended purpose.

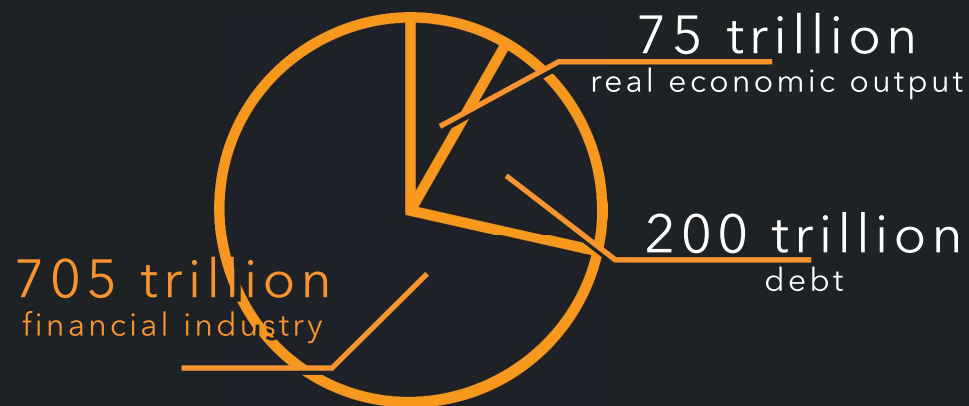
It is now more profitable to invest in speculative and risky assets than into productive things for society. Many people need to invest in stocks not to make money, but to maintain the value of their saved money.



# WHY DO WE HAVE MORE MONEY THAN VALUE IN THE WORLD?

Besides inflating the money supply, central banks also control borrowing and lending rates of other banks and governments. Negative interest rates force quick investments with a **much higher risk tolerance**, which leads to the financial industry ballooning in size.

The expansion of the financial industry is no coincidence. Today, money is invested into things that most people would not find worthwhile, and **easy money** allows privileged corporations to take out loans, while hard working individuals **lose their savings**.



# THERE WAS A SOLUTION



The gold standard **restricted careless spending**, and citizens savings were not punished through hidden taxation.

Gold is not limited in its supply, but in the time humans can spend mining it. A lot of it has been mined over centuries, which means newly mined gold is a tiny fraction of the supply. Money works when its supply is **limited**, and when the cost of creating new money is higher than the cost of providing goods and services to society.

Digital versions of the gold standard were attempted, one of the most notable being e-gold. The company issued their own gold backed currency in 1996. They were **shut down** by the US government in 2008.



## WAR FINANCING

The gold standard was paused during World War I, and was never properly re-instated. Plenty of examples throughout history show that currency debasement was a common way to finance wars through a hidden form of taxation.



European Central Bank  
@ecb

Following

Praet: As a central bank, we can create money to buy assets #AskECB

WHY DO CENTRAL BANKS HAVE THIS PRIVILEGE?