

Selecting a Wallet and Protecting your bitcoins

Education Committee of the Bitcoin Foundation

The first thing anyone will need to do in order to use bitcoins is to select a wallet. A wallet is software and there are many to choose from.

Here are the main categories:

1. **Web Wallets:** Just like they sound, these are online wallets where your bitcoins are stored on a web server. Although usually very easy to setup and use, keep in mind that there is NO legal protection if the web operator loses your bitcoins or if they get stolen.
2. **Mobile Wallets:** Some mobile phones will offer mobile phone wallets. These can be quick and convenient and individuals have complete control of their bitcoins. Just like your cash wallet, however, if the phone is lost, or damaged, all of the bitcoins stored there may be permanently lost. Be sure to back up all Bitcoins to somewhere off the phone.
3. **PC/Mac/Linux Wallets:** These wallets are usually the fullest featured but least portable of all of the wallets. Just like mobile wallets, if the computer is subject to malware or is stolen, all of the bitcoins stored there may be permanently lost. Be sure to back up all bitcoins to somewhere OFF the computer
4. **Offline/Cold Storage Wallets -** These are the most secure of any but are less convenient to use. Because they are not connected to the Internet they cannot be hacked. In order to spend bitcoin from the account involves a two step process where the authorization to transfer is transported manually via thumb drive from the offline computer to an online one.

It is recommended to use more than one wallet. Bitcoins can easily be transferred between wallets so it is easy and generally safer to have your bitcoins in more than one place.

Here are a few key things to keep in mind:

1. Bitcoins, like cash, can be lost, stolen or destroyed.
2. Bitcoins, unlike cash, can be backed up or printed and stored offline.
3. Bitcoins, unlike cash, are not completely anonymous. While your identity is not disclosed, every transaction is public record.



Protecting your bitcoins:

Here is a short list of items to be considered a minimum when protecting your bitcoins:

1. Encrypt with a password
2. Backup all wallets (with encryption) to another device, computer, flash drive, etc – frequently
3. Export or Print all Bitcoins to “Cold Storage” (Paper Wallet) – Keep these documents in very safe place
4. Change your password occasionally