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13 October 2021

Cryptocurrency (Dogecoin)

As Cryptocurrency is on the rise, multiple types of these currencies are emerging more and more as we see it. The rewards for investing in these currencies can be a high pay off or they can crash and lose profits for investors. Cryptocurrency has been around for about a decade. In 2020 till today, the currency has been stepping into the limelight on the world. With it being easy to invest in, cryptocurrency has been drawing more attention in terms of investors or people who want to get started into investing. Cryptocurrency is always going up in value, but also always losing value when an event takes place to hurt the certain currencies value. A great example for what a cryptocurrency can do is Dogecoin.

Dogecoin is a newer cryptocurrency that has emerged to stardom in 2020. This currency has a lot of back stories on how it has come up and has been considered as a meme, but the currency has made tons of money for its investors who saw and believed in the cryptocurrencies come up. It has shown many people in this world that cryptocurrency is a serious deal in investing, and it has sparked great interest into all generations including the baby boomers. With many people talking about in on television and speaking about it on talk shows, it is pretty hard to avoid seeing or hearing about the highly marketable currency. With Dogecoin being one of the more successful cryptocurrencies in the market and its history is quite interesting as how it came to be.

Dogecoin has one of the most amazing stories to tell in its creation. Way back in 2013, a few years after the explosion of cryptocurrencies, the internet was raving on a new internet meme called Doge. This created an amazing like renaissance of creativity on the internet and this sparked the creativity of one man in particular. Jackson Palmer in 2013 jokingly tweeted “Investing in Dogecoins, pretty sure it’s the next big thing”. While he was tweeting this, he was currently working for Adobe Systems in Sydney, Australia with a passion in cryptocurrency. Several people retweeted him and convinced him to purse his idea and not long after he purchased the domain name of dogecoin.com. although he did this for fun in the beginning it is no longer a joke. However, dogecoin still carries the title of “joke currency” to this day. But he was not alone in his endeavors.

While Jackson was working on his crypto currency another person who was pursing his dreams in another cryptocurrency (which was not turning out so well) found the domain of dogecoin and reached out to Jackson. Billy Markus the second creator of dogecoin, lived in Portland reached out to Jackson and together they created dogecoin. Dogecoin officially launched on December 6th 2013, and the website initially saw over a million people on the site. With dogecoin it was initially limited at 100 billion dogecoin but soon changed to unlimited dogecoin. Seeing the great success of dogecoin the pair decide to do some marketing for the cryptocurrency and that is when reddit came in. The site was already trending and the site saw a market value of $8 million in the first two weeks. On of the key reasons that dogecoin was so successful is that unlike bitcoin people in the market of cryptocurrency already knew how crypto worked as there was less hesitancy. Another good reason that dogecoin took off was due to the bad background of bitcoin and the new laws set in place like in China banning the use of bitcoin, boosting the sales of dogecoin even more. Dogecoin today is a top contender in the cryptocurrency game and its still looking to be a popular choice for most and even Elon Musk.

As an investor, a common question to ask would be, “Why would I invest in a cryptocurrency that is considered a meme?”. This question is very valid because when investing you want to make sure the stock or crypto you are investing in is safe and has a great business plan and balance sheet to support future growth projection. As Dogecoin started as a meme, it was often used as rewards on Reddit pages and over time it has grown in value. Elon Musk is an avid supporter and has helped project the net worth of the stock to seven cents at a point of time when the crypto hit a peak over the summer of 2020 during quarantine. The main reason Dogecoin has rocketed is from the Reddit and Discord users when they started going on investing sprees for stocks such as GameStop and AMC. Dogecoin is not centralized so it can transfer as real currency anywhere around the world which leads to many companies despising it because it is putting some out of business. With a low purchase price, it has promise to shoot up and make investors money off a very low dollar amount. With many celebrity endorsements it has high popularity with many analysists analyzing it to predict its future outcomes. Dogecoin is also great for crypto novices who want to get into investing into crypto. It has a very unique market position with a mining model that is based on proof of work like bitcoin. In future, Dogecoin will transition to proof of stake validation model which is where coin holders can validate transactions. Dogecoin also uses much less energy than bitcoin with transactions. Dogecoins blockchain is verified by miners using the Scrypt algorithm. Also, Dogecoin is an inflationary status so it naturally inflates which is not ideal at all, it has no cap so it can grow exponentially off popularity. Lastly, five billion Doge tokens are created every year so investors can calculate inflation.