Crypto Currency

Crypto currency is a type of virtual currency secured by cryptography, which makes it nearly impossible to counterfeit or spend more than once (Frankenfleld). Cryptocurrency was first introduced in 2008 with bitcoin and its value was a little over a cent. As of right now (10/12/2021) the price of a single bitcoin is $56,284.58 Which means this crypto increased by $56,284.57 in around 13 years, so as you can see at first crypto can be rather unimpressive at first. But give it a few years and it could be worth far more than what you bought it for. But bitcoin isn’t the only cryptocurrency on the market.

There are other crypto currencies called “altcoins” (An altcoin is basically any crypto outside of bitcoin.) such as ETH (Ethereum), LINK (Chain Link), UNI (Uniswap), and DOGE (Dogecoin). Alt coins made their debut in 2011 and what was that Altcoin? It was called Namecoin. It was the only other option to bitcoin at the time. As of 2021 there is roughly around 6,000 different altcoins! Some of the more media endorsed coins are Ethereum and Doge Coin. Doge coin is endorsed by Elon Musk and is slowly being adopted as a payment for different vendors. A recent adoption was AMC Theaters, and many individual vendors are also slowly accepting this type of altcoin as a means of monetary payment for a good or service. As of right now the price for one Ethereum and one Dogecoin is $3492.45 and $0.21 respectively. Which isn’t nearly as impressive as Bitcoin’s price.

Now you may be asking, where do Crypto currencies come from? Well people mine it! No, not the mining you think of, there’s no mine that holds digital currencies. Let’s look at crypto mining from bitcoins point of view. People use computers to solve complex equations, which can be very taxing on computers. But as a reward for helping complete these long and tedious task as well as helping the blockchain process new transactions people are rewarded a bitcoin for their efforts. “The amount of new bitcoin released with each mined block is called the block reward. The block reward is halved every 210,000 blocks (or roughly every four years). In 2009, it was 50. In 2013, it was 25, in 2018 it was 12.5, and in May of 2020, it was halved to 6.25.” (Frankenfleld.) Some people have went as far as saying Crypto mining is a lot like the old western pick up a pickaxe and hope you get lucky.

Not all is well for cryptocurrency. China is planning on banning Cryptocurrency and the trading of it permanently because Chia does not see it as a real currency, and they do not want to support it. But there may be other reasons that we don’t know about. Cryptocurrency is also untraceable, meaning it’s a great way for illegal activities to be funded without causing any suspicion to authorities. It is known that Bitcoin is the only form of payment accepted in the dark web due to this intractability and is used for buying narcotics and other illegal substances. So, Bitcoin and other cryptocurrency has downsides as well.

The United States also plans to start regulating cryptocurrency because of this reason alone. They want to stop illegal activities and they want to have authority over it so that banks will not lose customers and so the government will stop losing authority over financial transactions as more and more people adopt bitcoin and other currencies as a way of payment for goods and services.

As you can see there is a lot to these digital currencies that are hard to understand at first, but it is easy to understand it if you take the time to just do a few google searches. Also, one thing to note about the currencies is that you keep the coin yourself, you keep it on a physical machine or a “wallet” that it stays on until you send it to an alternative address, you are in charge of keeping your money safe.

Works Cited

Frankenfield, Jake. “Bitcoin Mining.” *Investopedia*, Investopedia, 4 Aug. 2021, www.investopedia.com/terms/b/bitcoin-mining.asp.

Frankenfield, Jake. “Cryptocurrency.” *Investopedia*, Investopedia, 12 Oct. 2021, www.investopedia.com/terms/c/cryptocurrency.asp.