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# Why Are Solana's 'Gas' Fees For Transactions So Low?

## How Much Are Transaction Fees on Solana vs. Ethereum

Transaction fees in cryptocurrency refer to the charges a user pays when transferring funds from one account to another. Before a transaction can pass or be recorded in the blockchain network, it must be paid for.

### Cryptocurrencies generally have three types of transaction fees:

Network fees

Wallet fees

Crypto exchange fees.

Transaction fees vary between coins, depending on two key factors: the time required to process a transaction on the blockchain and the number of transactions that a single block can handle. Solana (block time: **0.4 seconds**) and block size (20,000 transactions) than Ethereum (block time: 13 seconds and block size: 1,000 transactions).

The higher block time and block size are why the Solana network offers an incredibly low transaction fee of \$0.00025 per transaction. This price makes Solana one of the blockchains with the lowest fees. In contrast, Ethereum, which is Solana's primary competitor, currently charges a transaction fee that is between \$3-10 in September 2021. This fee can fluctuate dramatically depending on network congestion across the network, and it is not uncommon to see complaints on social media about high fees of \$50 or \$100, even for minor transactions.



Solana is rapidly growing in CPU and other technologies and promises to double it years. If the network can achieve this, the transaction fees will remain cheap and n competition for block-space falls.

In contrast, Ethereum has not shown any surprises as the transaction fees skyrocket. The abysmal nature of the Ethereum blockchain has resulted in intense pressure for Ethereum 2.0 will change this narrative.

The new Ethereum version will ultimately expand the Ethereum blockchain to accommodate more transactions per second, reducing transaction fees and considerably increasing transaction throughput.

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