

# **BitHedge.info White-Paper**

## ***Hedging Wealth in Bitcoin***

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### **Abstract**

**BitHedge.info is a tool that aims to solve the question “how much bitcoin should one own?” by calculating a BitHedge Target (BHT) based on the following inputs:**

1. *Wealth* (Current or Desired)
2. *Total Global Wealth* (~256 Trillion USD) \*Credit Suisse 2016
3. *Total Supply of Bitcoin* (21,000,000 BTC)

By attaining the BHT you will own a proportion of the bitcoin supply equal to your proportion of global wealth. BitHedge serves as a tool to help educate people about the economics of Bitcoin and Global Wealth while providing a simple output upon which action can be taken.

Once your BHT has been determined you will be given links to buy bitcoin from Coinbase or taken to a map to locate the closest ATM. We will also provide links to Wallets and additional Bitcoin information resources.

### **The Problem.**

People and organizations struggle to understand the economics & scarcity associated with Bitcoin. There is no clear answer to the question ‘how much bitcoin should I own?’. A commonly cited answer is “as much as you’re willing to lose,” an answer which is negative in tone, fails to promote positive discussion and doesn’t evoke a call to action. Individuals, companies & governments desperately need direction and tools to better help them understand and become involved in Bitcoin.

## Calculations.

$$\frac{Wealth}{Global\ Wealth} * (Supply\ of\ bitcoin) = Bitcoin\ Hedge\ Target\ (BHT)$$

Wealth: Assets (Cash, Equity, etc.) - Liabilities (Debt, Loans, Obligations, etc.)

Global Wealth Metric: 256 Trillion<sup>1</sup>

Hard cap on number of BTC that will ever exist: 21 Million<sup>2</sup>

## 3rd Party Resources.

After calculating the BHT, we give the user options to buy the bitcoin immediately.

Coinbase: You can make a bitcoin account immediately, buy and sell bitcoin AND store the bitcoin<sup>3</sup>. BitHedge will earn some revenue through referrals.

Coin ATM Radar: You can locate the nearest Bitcoin ATM<sup>4</sup>.

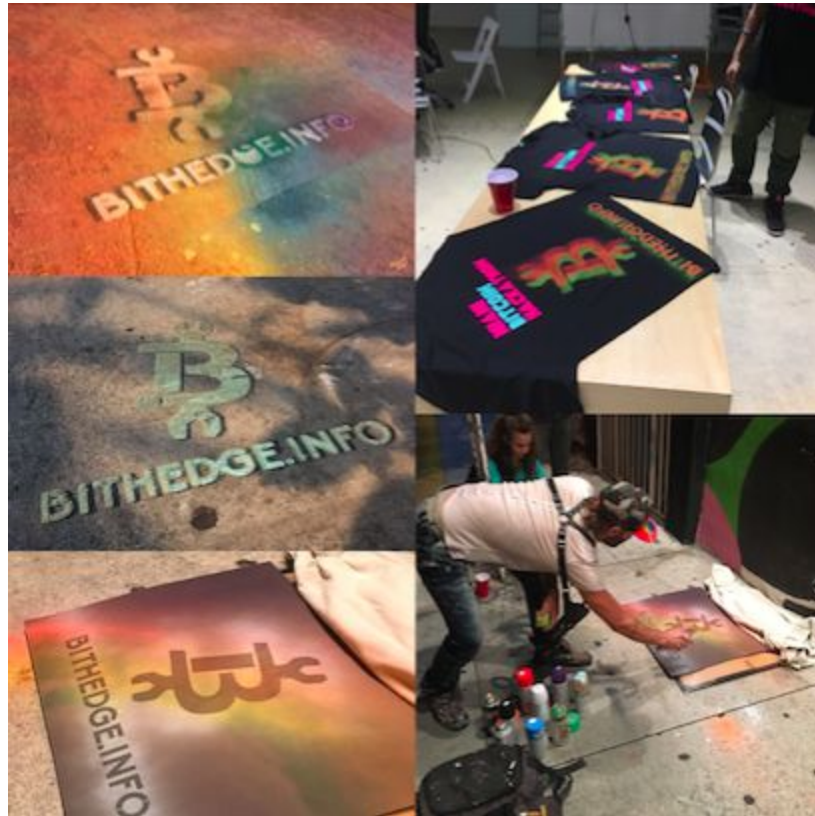
## Case Studies.

To further illustrate the how the BHT works we exhibit case studies of the calculation in action. We have examples of BHT calculations for individuals, organizations, and governments.

	Wealth (\$USD)	BHT	Cost of BHT - \$816/BTC
Average American	44,000	0.003696	\$3.02
1 Million in Wealth	1,000,000	0.084000	\$68.54
Bill & Hillary Clinton	111,000,000	9.324000	\$7,608.38
Donald Trump	3,700,000,000	310.800000	\$253,612.80
Richard Branson	5,000,000,000	420.000000	\$342,720.00
Bill Gates	81,200,000,000	6,820.800000	\$5,565,772.80
Apple	128,000,000,000	10,752.000000	\$8,773,632.00
Google	159,000,000,000	13,356.000000	\$10,898,496.00
Bank of America	236,000,000,000	19,824.000000	\$16,176,384.00

## Conclusion

Using an ingenious formula we attempted to provide an answer to the question “How much bitcoin should I own?.” BitHedge will make Bitcoin more approachable and will help people understand that they can buy a fraction of a bitcoin. BitHedge is a simple, yet effective, tool that can be utilized for awareness, education & adoption of bitcoin on a global scale.



## References

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- [3] *Bitcoin & Ethereum Wallet - Coinbase*. (2017). *Coinbase.com*. Retrieved 14 January 2017, from <https://www.coinbase.com/?locale=en>
- [4] *Satoshi bitcoin ATM review*. (2016). *Blog | Coin ATM Radar*. Retrieved 14 January 2017, from <https://coinatmradar.com/blog/bitcoin-atm-review-satoshi2-model-from-genesis-coin-manufacturer/>