

Bitcoin is Not (Just) for Rich People

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Overview

At a recent event at Duquesne University, a student asked me to explain what Bitcoin is. And as an addendum to her question, she stated that her impression is that Bitcoin is only for rich people...

As an educator in the space and a strong believer in the power of cryptocurrencies to change the fabric of finance, I can't stand that Bitcoin and its culture has devolved into memes about hodling (holding) and buying Lamborghinis when the price goes up. Let's discuss why I think the true value of this technology goes so far beyond price speculation.

Getting Past "Number Go Up"

Is it possibly good for the community and adoption when the price of cryptocurrencies go up, relative to the United States Dollar? Probably. After all, a medium of exchange must have some value for it to be worth accepting for goods and services. However, the value must be fundamentally derived *from the currency's utility!* Bitcoin Cash, Litecoin, Ethereum, et. all are first and foremost *cryptocurrencies*. Bitcoin should be, but its loudest proponents in the last several years have argued it's only major use is as a store of value, so I'll leave that up to you to decide.

But why is this distinction so important to me, and to many others working in the space? I so strongly believe in Bitcoin as *peer to peer cash* because its unique properties enable everyone in society to have more sovereignty over their finances.

The cryptocurrencies I study and tech about are *decentralized*. No central banks or corporate institutions control these forms of money, meaning there is no central point of failure. It's *peer to peer money* - just the sender and receiver, no corporation in the middle deciding which transactions are valid and allowed to proceed. This leads to the property of *censorship resistance*, meaning that no one can arbitrarily stop you from transacting with another party. And of course, these currencies are truly *global and borderless* - no silly geopolitics here. Send money to anyone, anywhere.

Peer to Peer Cash for *Everyone*

These properties are pretty interesting for those of us in the modern world, yes. We can all benefit from increased security and economic freedom, undoubtedly. However, our judgement on the true value of these properties is often clouded by our wealth and access to privileged banking.

Imagine for a second that you're a migrant worker, thousands of miles from your family. Your hard work is your family's lifeline, but Western Union will steal 30% in fees to send your money back home. *If* you're allowed to send money back to where home is. But with Bitcoin Cash or Litecoin, you'll pay less than a penny in fees and your funds will arrive in a near instant. That is powerful.

Imagine you're a dissident or journalist whose bank accounts are frozen in an attempt to shut you up. You can't use your debit card anymore, but you can use Bitcoin Cash, Ethereum, and other currencies anywhere, any time. It costs you less in fees than banking does, and donations to your cause can never be censored.

Imagine you live in a part of the world where the nearest bank branch is 100 or more miles away, but you have access to a cell phone with a data connection. This happens in many parts of the world. The student I spoke with is a native of Kenya, where the *M-pesa* is a completely digital version of cash in the common use. Cryptocurrencies can easily become a totally free medium of exchange in those places, allowed the unbanked to hold a secure bank account in their pocket.

We, the rich and privileged can benefit from crypto adoption. But we cannot allow the properties that make these currencies so powerful to be eroded, for those that *truly* need them.