

Title: Crypto Thought Experiment

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Is_self: True

Body:

Now,

You may or may not be invested in crypto, but I want to write this up, so other people can see why I am so bullish, and perhaps change peoples perspective on the future of finance and the world as a whole, and one major implication that crypto has.

This is just my personal opinion.

If you have read any articles over the past few weeks regarding crypto. You'll notice that there have been equal as bullish articles talking about record setting adaptation by banks and investment firms, legislative action regarding banks allowing custodianship of crypto. Well at the same time, reading just as many legislation worries, price tanking, crypto is over articles and the old Ponzi scheme angle. What gives?

The question you have to ask yourself regarding all of this.

****Why do banks exist?****

Once upon a time, there was only cash or physical currency and people need a place to store said currency. ****The bank existed as a safe space for the average individual to store their money.**** The bank would use this money and create loans for others who need it. While giving interest to depositors while charging greater interest to those taking the loans. And the bank would keep the difference in interest.

Through 100s of years of innovation, legislation and technology. We have reached today. ****Most money is digital, numbers on a computer****. We've gotten rid of gold standards, fractional reserves(The bank must keep a certain amount of cash to support the depositors money) Through lobbying, the restriction of banks using depositors money for their own gain, was eliminated.

During this time banks have made alot of money, using your deposits for their own gain.

Now, think about it, Banks existed so people didn't have to carry their money, and it was insured. A safe place.

In 2021, most money is digital, your money is 99.9% digital, and doesn't really exist. ****The bank is keeping your numbers on a computer safe?**** Safe from what? Thieves, can thieves really steal your digital computer numbers? Perhaps cyber criminals I guess?

But what if a technology came out, that was virtually un-hackable, Safe, Digital & Independent from banks?

Enter Cryptocurrency.

Why would you need a bank if you could ****store your money on your own****, and arguably even safer than the bank could.

This is what we are seeing. The banks are starting to get a smaller piece of your deposits, as more and more individuals are keeping their own money safely away from the banks. Which in turn means the banks have less money to play with for their own gain.

****Cryptocurrency is the greatest threat to the traditionally banking system and it targets the banks most profitable sector, your deposits.****

Crypto offers better savings interest rates for USD stable coins. The banks don't want to pay you 5-10%

annually for your deposits. It affects their bottom line. T**his is why you see every bank starting to offer custodianship of your crypto, they need your deposits**, while simultaneously currently running a large scale fear campaign, to confuse, and buy time for every bank to position themselves as the **"SAFE"** place for crypto.

Cryptocurrency by design is safe and independent. It is its entire purpose.

The banks don't want to compete against cryptocurrency. They will lobby against and change the rules. The banks cannot have the masses think that cryptocurrency is safe.

The banks have to get ahead of this, or they will die, or best case, barely profitable.