



All About Cryptocurrency: A brief primer about crypto

Cryptocurrency is in the news quite often but what exactly is cryptocurrency, and what should you know about it?

There are two different factors in the crypto market: one is a “pump and dump”, and the other is the environmental impact of crypto.



The “pump and dump”

A “pump and dump” is when investors inflate the price of a stock or, in this case, cryptocurrency by exaggerating the reasons for buying it and buy a lot of it at a cheap price (pumping) and then sell it all once the price has climbed (dumping). If the pump and dump is coordinated by an individual or group, it’s illegal.

What is Dogecoin?

The name itself is taken from a meme of a dog named “Doge.” Created by two software engineers, Doge was supposed to mock the wild speculation of cryptocurrencies at the time. When first created, it was a peer-to-peer cryptocurrency: you could only pay your friends and vice versa. However, at the start of 2021, a few large organizations started accepting it as a legitimate payment.



How’d we get to where we are with crypto?

The bare minimum for something to be considered currency is that it can buy things. Investors, like Mark Cuban, were now on board with Dogecoin and the king of crypto controversy, Elon Musk, was also joining in. People saw these two investors getting involved and the hype turned into a self-sustaining firestorm.

What about the environment?

To release cryptocurrency into the market it needs to be “mined.” This mining is done by solving mathematical problems related to the blockchain that the currencies are based on. Blockchain, in essence, is a database. As these problems are solved, more coin is released into the market. The miner can then keep the coins or sell them to fund more mining.



Computing power takes a lot of energy

Bitcoin uses about as much energy as the country of Argentina—daily. That is massive. Newer cryptos are more efficient. The blockchain code is just as secure but easier to calculate.

What about Tesla?

Tesla was accepting Bitcoin as a method to buy a Tesla vehicle. However, the electric car company reversed that decision. The choice was made based on the carbon footprint of Bitcoin and the associated mining operations.



Future of cryptocurrencies

Keep an eye on cryptocurrencies. They are fascinating and fast-moving. Experts will agree that crypto is complicated and most cryptos aren't seen as legitimate investments at this point.

Things to consider before investing in cryptocurrency:

- Conduct detailed research from reliable sources.
- Check out what it takes to mine crypto since that could end up being regulated.
- Look at where the crypto can be exchanged. (Coinbase is basically the Wall Street of crypto, if it's not there, it's hard to move.)
- Don't make investments unless you understand what you're doing.
- Be patient; Cryptocurrency is not going anywhere, any time soon!

Lastly, keep in mind that any money you invest in crypto, you should be willing to lose.

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