



**What is Cryptocurrency**

**What is a Digital Wallet**

**How to Establish a Digital Wallet**

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## **Digital & Cryptocurrency Basics** (6.14.22) Fulton Sheen

**VIDEO:** <https://rumble.com/vh29bx-digital-currency-basics.html>

Bitcoin is a crypto/digital currency, its money much like paper currency and it fluctuates against other currencies, both paper and digital. It's a method of legal tender to whoever agrees to accept it, no different than any other currency. There are over 7,800 crypto currencies, with Bitcoin being the most recognizable because it was the first, and in many ways, acts as the unofficial world reserve digital currency.

Most governments have concerns about cryptocurrencies because they can't effectively control, track or tax them and central banks can't manipulate them. Many people consider that to be one of cryptocurrency's most attractive features. Peer to peer crypto transactions enable people to anonymously purchase things with no paper trail, a feature that applies to cash as well. Crypto currency transactions made on digital exchanges which group companies, purchasers and sellers together on platforms can be regulated or banned. In 2017, the IRS ordered Coinbase, the largest crypto currency depository\electronic wallet, to report to them the names and amounts of digital currency purchases over \$20K and earnings of \$600.00 or more.

Initially, crypto currencies were not intended to be an investment, but that is widely how the public and markets are treating them today. When you purchase/exchange your currency into cryptocurrencies, you are getting a digital representation of a currency that has a specific value at that moment. Digital currencies go up and down against other digital currencies, like the USD goes up and down against other paper currencies.

Many people are interested in purchasing crypto currencies, but are uncertain about how to do it and how these currencies really work. There are many companies and crypto brokers who hire themselves out for a fee to instruct people in how to do it. When Bitcoin goes up it really goes up and when it goes down it really goes down. Some people have made a lot of money purchasing it, but most have lost a lot, because, like stocks & bonds, most people have no idea what they're doing. A prudent investor ought not to buy what they don't understand, because they won't know what to buy or when to buy or sell it, may be taken advantage of or simply make a poor decisions. Unfortunately, too many only look at the rapid gains and jump on the band wagon.

Regardless of the volatility, crypto currencies are here to stay and corporations, the markets, the regulators, the IRS and even the banks know it. Physical cash will eventually be replaced by digital currencies and this could happen within as little as two years. China went digital Jan 1, 2022, Australia & Canada said they will be digital by the end of 2024 and the UK just released theirs the second week of April 2022. The EU said they are prepared to go digital at the right time and the Federal Reserve has one ready to go as well.

There are many pros & cons to going digital for companies, global markets, banks, governments and individuals. In a nutshell, the positive side for corporations and governments is the convenience, control and cost effectiveness, as well as making it very difficult for criminal operations like money laundering, drug and human trafficking to transact business. On the negative side, your personal anonymity would be all but eliminated, and if there was a banking and/or economic crisis, you can't withdraw your money and bring it home. The greatest change would be that governments would now be in complete control of everyone's money with no checks & balances or oversight; anyone could be labeled a threat at any time and have their ability to transact instantly blocked. One way to prepare for this change could be to open your own crypto currency account, while there are few regulations. After the change from paper to digital currency occurs, the three main ways to hold cash and transact outside your digital bank account would be gold & silver, bartering goods & services and having an alternative crypto currency account.

### **How Do You Get Crypto Currency?**

The process of opening a crypto currency account, converting your cash into digital currency, purchasing specific cryptos and then storing them, can be somewhat complicated and cumbersome, but it doesn't have to be. The first step in opening a cryptocurrency account is establishing an electronic wallet which becomes your digital depository. There are many options, but Coinbase & Kraken are the largest and most widely accepted. I am not advising anyone to buy/convert to cryptocurrency, but I have listed the basics steps below for information's sake.

- Two options are [BlockFi](#) or <https://www.exodus.com> click "Get Started" and complete account opening process. However there are many options.
- Confirm account is open (*confirmation will vary depending on your financial institution*)
- Once account is open then do an electronic transfer for the amount you want
- In BlockFi whatever you transfer will automatically go into their stable coin
- After the transfer you can leave it in stable coin or choose one of the digital currency options your electronic wallet offers (*i.e., Litecoin, Ethereum, Dogcoin, etc.*).
- After completing your first transfer into a cryptocurrency you can now transact, purchase a product, make or receive a payment.
- There will be a record of your deposits, withdrawals, interest earned, gain or loss, but there is no record or ledger of your purchases in a peer to peer transaction.

You must have a smart phone or computer or you cannot complete the process. Anyone who is not proficient on the computer and smart phone should seek some assistance before purchasing crypto currency.

Most crypto currencies are even more fiat than paper currency, because they are not even backed by the “good faith” of a government (whatever that’s worth). The question is: who is really in control of it? Billions have been lost when various Bitcoin exchanges or platforms were hacked, and because transactions are difficult to track, there was no recourse. It is claimed that peer to peer transactions can’t be hacked, which so far seems to be true, but there is still much uncertainty surrounding this new market.

Cryptocurrencies that have a greater technological functionality in transaction and exchange of goods and services have a greater chance of success. The most widely used digital currencies in the U.S. to transact business are Ethereum, Lite Coin & stable coins which don’t fluctuate.

My greatest concern in regard to digital currency is how easy it makes it to shift into a national, and, ultimately, a one world currency. Everyone would be forced to participate in this new system, but could also be blocked from it with the click of a button. Once in place, this kind of system could destroy people’s ability to buy things privately and anonymously, as well as block individuals from transacting with others in the system. While there are many benefits to digital currency, there are also potential dangers and unanswered questions, anyone considering participating in crypto should proceed with caution and be very well informed about what they are doing and the potential risks.

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