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2018

You Decide - Will You Be a Bitcoin Investor?

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Recommended Citation

Concannon, Michael, "You Decide - Will You Be a Bitcoin Investor?" (2018). *Communication*. 5.
https://www.exhibit.xavier.edu/undergrad_communication/5

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You Decide- Will You Be a Bitcoin Investor?

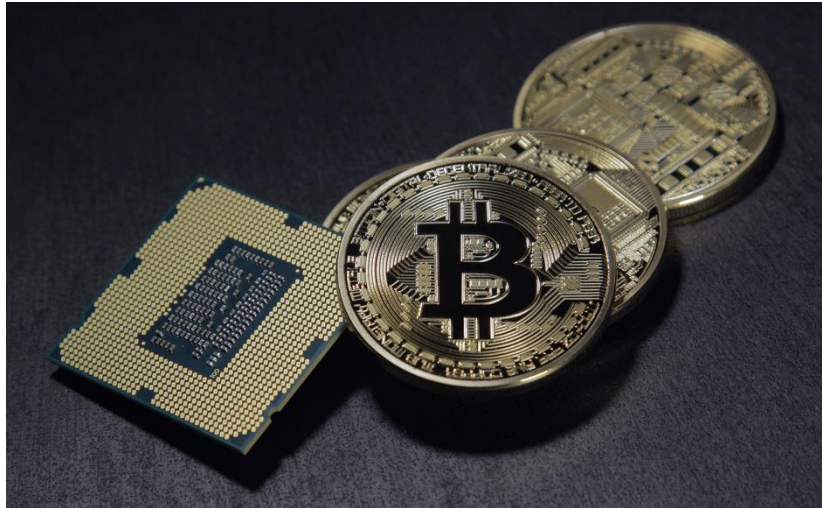
By Michael Concannon

On January 13, 2018, Bitcoin dropped [25 percent](#) and the Bitcoin community erupted in anger, shock and pure disbelief. Some Bitcoin subreddits were so baffled by the crash that the U.S. National Suicide Hotline number sat upon the top post.

While the Bitcoin community reaction in anger, shock, and pure disbelief, the rest of us found ourselves asking, “What is Bitcoin again?”

What is this “Bitcoin” you speak of?

Bitcoin is a payment system that is managed on a [peer-to-peer network](#) that uses cryptography to control its production. The user transfers the Bitcoin over to the next owner by signing off, and a group of transactions is called a “block chain.” Bitcoins are created through a process of internet mining. Essentially, miners are large computer networks that pick up the transactions and expand them to be used for goods or services online.



So, ready to change all your investments over to Bitcoin?

Bitcoin Cons

The disadvantages, or reasons people do not invest, is due to high volatility. This is because the market fluctuates drastically because trades impact the value of Bitcoin.

Theft is a major concern as well. Theft occurs when an authorized user makes an unauthorized transfer and someone hacks into their private access key, which is the “ticket” allowing the user to spend Bitcoins. In February 2014, the site [Silk Road 2](#) was hacked of all Bitcoins by cyber attackers, valuing at \$2.7 million.

International crime also takes place with Bitcoin on the [“dark web.”](#) The network of illegal websites allows for drug sales and money laundering to take place. In May 2013, the U.S.

government shut down “[Liberty Reserve](#),” an anonymous virtual money transfer service notorious for \$55 million transactions to launder illegal activities.



Bitcoin Pros

There are several positive aspects of Bitcoin and ways the cryptocurrency can make digital investors thrive financially.

Transaction costs with Bitcoin are typically lower than traditional currencies due to their lack of physical presence. They are processed with small fees, allowing the network to be open to all people and for merchants to accept payments. In the [last three months of 2017](#), Bitcoin processed \$150 billion dollars in transactions. The value of these transactions is what keeps growing on the market. This means it can be difficult for peoples’ transactions to be accepted by miners since they favor transactions with higher fees, creating a competitive market.

The anonymity of using Bitcoin allows the user to maintain a sense of privacy. The user is not identified by name and transactions transfer Bitcoin ownership from one address to another. Users can have various addresses for each transaction that is made.

The financial independence of Bitcoin is also alluring for potential users. Bitcoins are unaffected by regulations from local banks or the government. This is a positive aspect of Bitcoin because some countries who experience high levels of inflation or capital control can use it to avoid the economic instability. Authorities cannot freeze assets and high engagement levels cannot attract authority attention.

Bitcoin “Ballers”

The advantages of Bitcoin have allowed average people to make themselves into millionaires. There are even cases where millionaires become multimillionaires. [Grant Sabatier](#) discussed how he invested in the stock market for nearly five years, working 80-hours weekly to make his first million. But with Bitcoin, he made that in just one year.

There is the case of high school dropout, [Erik Finman](#), who invested \$1,000 in the Bitcoin market. Finman cashed out his Bitcoins to establish an online education company for students to chat with teachers across the globe. He owns 401 bitcoins that value around \$4.9 million.

In more recent Bitcoin news, rapper, [50 Cent](#), accidentally made \$8 million from his 2014 album *Animal Ambition*. He allowed for Bitcoin as a source of payment for his album. The value accumulated over the years until he finally cashed them out.



If there is anything to learn about the Bitcoin, it's how the market is completely open to the investor. No one can say whether they will make millions or crash with their investment decisions. Bitcoin may be on the rise as the next big form of currency. In a world where the internet caters to all our needs, we must be open to the power of Bitcoin and how it may impact our investments. Bitcoin is revolutionary and here to stay—for better or for worse. So, I ask you, will you invest in Bitcoin today?