

# Your World, Your Money

A GLOBAL THINKING FOUNDATION USA PODCAST

## A Brief History of Cryptocurrencies:

- Efforts to create computer-generated currency have been attempted in Silicon Valley since the 1980s, with various iterations wrangling with the issues of 'double spending' (preventing the currency from being copied or being distributed twice) and managing conflicting signals on the network.
- Bitcoin, introduced in 2009, was the first cryptocurrency that successfully managed to address these issues and motivate participation on its' blockchain through its unique competition (mining).
- Thirteen years later, there is now an abundance of 12,000 cryptocurrencies such as Ethereum, Ether, Tether, and even DogeCoin.

## Centralization VS. Decentralization:

- Blockchain technology acts explicitly as a ledger that links cryptocurrency transactions together, consequently preventing tampering with any single transaction.
- Blockchain is inherently a more truthful system of reporting and accounting. However, with the overall decentralized structure of Bitcoin, for example, law enforcement has been particularly difficult with no specific leadership to take accountability.
- The U.S. government is explicitly behind in legislature that specifically addresses cryptocurrencies. But efforts to centralize various networks will likely be underway in the future.

## Additional Takeaways from Professor Yermack:

- Cryptocurrency will only become more relevant and soon unavoidable. You can educate yourself now through various educational resources and classes, including David's course at NYU Stern.
- Cryptocurrency is, at the end of the day, quite speculative and volatile. It is not recommended as an investment tool such as a stock.

**Season 3, Episode 04:**

**Cryptocurrency 101: Entering the Crypto World**

Guest: Professor David Yermack, Chairman of the Finance Department at NYU Stern School of Business



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