

Skimm Money

Future— Proofed

The way we bank, spend, and invest is changing. And women have a unique opportunity to get ahead of the game when it comes to what's next for money. Whether it's a world of cryptocurrency, decentralized finance, Web3...or something else entirely. Welcome to Future-Proofed: Your monthly resource to learn all about the future of money, from the basics and lingo to the wild news and hot coins.

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"People are not supposed to lie to you."

– The SEC chair advocating for [more protections for crypto investors](#). Tell that to my ex.

Let's Start at the Very Beginning...



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The Story

The financial revolution is fueled, in large part, by [blockchains](#).

Right...blockchains. Without getting too techy, remind me what these are?

Essentially, they organize and store data. A blockchain is a digital ledger that records all the transactions that happen on it. Think: Excel 3.0. Each block holds specific information (like a cell in a spreadsheet). And multiple blocks strung together form a chain (aka a blockchain). When a transaction is made (hint: a new [bitcoin is mined](#) or you buy an [NFT](#)), a new block is formed and added to the chain.

And what do blockchains have to do with cryptocurrencies?

Blockchains weren't really a *thing* until Bitcoin (the OG cryptocurrency) came onto the scene and started using one to facilitate peer-to-peer electronic cash transactions vs. needing to go through a big bank. So on a blockchain, you can send and receive money via WiFi just like you can with Venmo or Apple Pay. The difference: Instead of using money issued by a bank you use money created via the blockchain (aka cryptocurrency) and you bypass the 'middle man' (aka a financial institution). And new blockchains are popping up as the tech gains traction. Like Ethereum, Solana, and Cardano. And, like Bitcoin, these blockchains come with their own cryptocurrencies: ETH, SOL, and ADA.

Beyond crypto, what else can blockchains be used for?

A lot. Blockchains can also transfer ownership of assets. Like [digital art](#), [music](#), or a [house in Miami](#). In the not-too-distant future, blockchain technology could potentially be used to increase transparency in retailer supply chains (think: [Everlane](#), [Tiffany's](#), and [Nike](#)) or make [managing medical data easier](#).

So...they're a big deal?

Yup. Because blockchains decentralize access to data. So instead of information being stored on a single server or hard drive, it's stored across a network of different computers. And blocks are moderated by other users through consensus. No single person can control information added to the blockchain without it first being validated by someone else. Which makes it 1) public and 2) arguably, more secure.

But haven't recent hacks shown that blockchains aren't so secure?

Short answer: It's complicated. Each block that's added to the chain is verified by a unique digital signature. So adding one block to the blockchain means adding the digital signatures of all the other blocks to it. Making hacking a blockchain hard to do. But it's not completely tamper-proof. Hackers recently exploited a vulnerability in a video game-based blockchain to steal about [\\$600 million worth of Ether](#). And scammers are finding new ways to [break into blockchains](#). Which regulators are taking note of. The FTC is already taking action to protect consumers, and Congress is starting to take the idea of regulating cryptocurrencies more seriously.

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Blockchain is a new data-storing technology. And it can be used for more than just trading crypto. Experts say blockchain will be the foundation for building [the next iteration of the internet](#).

To the Moon

When a cryptocurrency is going "to the moon," that means the price of a particular coin is rising off the charts. Each month, we'll talk about a coin, NFT collection, or other blockchain-based investment that has a lot of buzz...and discuss whether

that buzz is legit.

Spoiler: Last week was a terrible, horrible, no good, very bad week for crypto. The price of Bitcoin hit its lowest point in two years. A [stablecoin](#) (which is a type of digital currency that is touted as less volatile) crashed. And [\\$200 billion](#) was erased from the crypto market in a single day. What happened? Some are pointing to the collapse of the stablecoin [TerraUSD](#) for the sell-off. But rising inflation, interest rate hikes, and economic uncertainty caused by the Russia-Ukraine war all contributed to crypto investors' skepticism. With last week's losses, the entire [crypto market is down more than \\$1 trillion](#) since November. Will it recover? Probably. Prices seem to have stabilized and many believe [Bitcoin will bounce back](#).

Asking for a Friend



Design: theSkimm | Photo: Laura Shin

Q: How would you explain the risks associated with crypto investing?

Laura Shin: Don't put more into crypto than you can afford to lose. If you're in debt, I wouldn't recommend putting your money in crypto. Unless you're just putting in \$100 or \$50 to educate yourself. It needs to be an amount that makes sense for your financial goals. If you're closer to retirement, you probably don't want to put a lot into crypto. And if you're further away from retirement, then you might have more time to play with investing in crypto, depending on what your personal financial situation looks like. You need to know what your goals are and how crypto might fit into them.

Laura Shin is an author, crypto journalist, and host of the "Unchained" podcast. This Q&A was part of theSkimm's virtual panel, [Future-Proofed: Closing the Crypto Gender Gap](#), and Shin's answer has been edited for length and clarity. You can watch the full panel [here](#).

Thing to Know

Gas

No pumping necessary. Gas is a fee you pay on the Ethereum blockchain (kind of like paying to use another bank's ATM). It covers the cost of the energy to run the computers powering transactions on the blockchain. And much like the gas that's used to fuel your car, it's highly volatile. Bored Ape Yacht Club's recent [metaverse launch](#) was so popular some buyers

paid more in gas fees than their virtual plots of land. Some paid upward of \$6,500 in gas fees for digital deeds valued at about \$5,800. Digital gas takes 'pain at the pump' to a whole other level.

Pop Quiz

Test your cryptocurrency knowledge.

Which gemstone is being tracked all the way from mine to retail store on a blockchain?

- A: Sapphires
- B: Emeralds
- C: Diamonds
- D: Rubies

Scroll for answers

Hot Off the Web

- Reese Witherspoon, Gwyneth Paltrow, and more celebs have pushed crypto through tweets, ads, and funding. [Many are quiet now.](#)
- Crypto traders who thought they could skip out on their tax bills [could be in for a \(\\$50 billion\) surprise.](#)
- The mayor of Miami is 'pro-bitcoin.' But his endorsement of MiamiCoin couldn't save it from [plummeting in value.](#)
- The crypto crash has had a devastating impact on some investors' savings — and their [mental health may be taking a toll too.](#)
- What beats inflation and bear markets? 99 cent cans of AriZona Iced Tea...so why not [peg a new stablecoin to them?](#)

Pop Quiz Answer

C: Diamonds. De Beers piloted a process to [digitally track diamonds](#) across its entire supply chain. It'll make Leo's job a lot harder next time.

Just keep saving,
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Got a Q you want us to answer? Or a money story you want to share? Email us at money@theskimm.com.

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