

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.

”

"\$375"

– Approximately how much your investment would be worth if you bought \$1,000 of Bitcoin when Matt Damon said, "Fortune favors the brave," in a [Crypto.com ad](#). Maybe fortune will favor the patient.

Is Cash in the Past?



Design: theSkimm | Photo: iStock

The Story

Cash has been slowly going out of style in the US.

What's replacing it?

At first, plastic (hi, debit and [credit cards](#)). But even plastic has gone digital. Today, you can buy almost anything with your phone. No cash — or physical card — needed. Plus, apps like Venmo and Cash App make it easy to transfer money without withdrawing cash from an ATM.

And what comes next? Crypto?

Maybe. [Decentralized finance](#) could disrupt the financial system as we know it. Because, though most transactions

system as the money is received, though most transactions aren't happening in cold, hard cash (more on that in a minute), they're still being recorded in what many DeFi enthusiasts think is an outdated system. Financial journalist Camila Russo for one believes "the future of money will be based on blockchain networks and cryptocurrencies."

Wait, how would that work?

Take Venmoing your friend for last night's Uber ride. Sending them money through the app still requires a bank to process the payment. But cryptocurrencies could eliminate the need for a bank by allowing you to transfer digital money (aka crypto) to your friend directly on the [blockchain](#). And without overdraft fees, processing charges, or lag time between transfers.

So...are we going cashless?

It's too soon to tell. According to the Federal Reserve Bank of San Francisco, only 20% of transactions were made in cash in 2020 compared to 40% in 2012. The COVID-19 pandemic played a role in the shift with more people starting to shop online during lockdowns and some retailers temporarily not accepting cash as a sanitary precaution. Still, it pays to be skeptical when it comes to the role cryptocurrencies could play in all this. Because crypto isn't immune to [scammers](#) and [hackers](#). Or market volatility. ICYMI, this week, [Bitcoin fell about 70% from its November high](#).

But digital money is the future. Right?

Again, maybe. The government is paying more and more attention to crypto, and it's [exploring the idea of a central bank digital currency](#). Aka CBDC, a gov-backed digital currency that would be issued and regulated by a central bank like cash. By issuing CBDCs, the Fed could become a key player in decentralized digital markets and potentially make them less volatile.

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Fewer Americans are using cash today. And [blockchain technology](#) could offer a more efficient way to send and receive money. But cryptocurrency prices can swing wildly, and [regulators are just starting to get more involved](#).

Asking for a Friend



Design: theSkimm | Photo: Lule Demissie

Q: Could cryptocurrencies help close the racial wealth gap?

Lule Demmissie: First, I respect the size and scope of the challenge of closing the racial wealth gap too much to think one silver bullet will fix it. This is a monumental historic wrong that is hundreds of years in the making. But do I think innovations like crypto can play a key part in helping reduce that gap? Absolutely. These innovations could be game-changers. Crypto, and DeFi in general, offers an alternative to centralized financial institutions, which have historically excluded marginalized groups in the US and globally. Traditional systems of finance have either failed or not wanted these members of our community, and their participation can afford them both transactional financial freedom and the opportunity to grow generational wealth.

Lule Demmissie is the US CEO of [eToro](#), a social investment platform that focuses on financial education for investors. Her answer has been edited for length and clarity. You can read the full interview [here](#).

Number to Know

107.5

That's approximately how many terawatt-hours of electricity Bitcoin consumes in a year, according to the latest calculation from the [Cambridge Bitcoin Electricity Consumption Index](#). Hint: That's more than the entire country of Pakistan. And ICYMI, it's not typically clean energy, which is why some environmentalists and other activists are opposed to cryptocurrency. And part of the reason the New York state legislature recently [passed a bill to ban bitcoin mining that relies on carbon-based power sources](#). Psst...energy isn't the only reason [crypto is bad for the environment](#).

Pop Quiz

Test your cryptocurrency knowledge.

Which country could go practically cashless by 2023?

- A: France
- B: Singapore
- C: El Salvador
- D: Sweden

Scroll for answers

Hot Off the Web

- [Falling Bitcoin prices](#) have also meant [tanking stock prices for Coinbase and other crypto companies](#). And [layoffs](#).
- NFTs are losing their financial value. And an [art critic asks if the investments are worth it aesthetically](#).
- What's it like to be a female working in the crypto space? Not easy. But [these women are making waves](#).

- [Investors are suing Binance.US](#) alleging that the platform misrepresented the now-failed stablecoin TerraUSD.
- He built Twitter, but can he build the internet of the future? [Jack Dorsey seems to think so.](#)

Pop Quiz Answer

D: [Sweden](#), according to [the results of one study](#). Plan your next trip to Ikea accordingly.

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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