

THE JORDAN HARBINGER SHOW

Worksheet for Carter Thomas | Top Cryptocurrency Tips for New Kids on the Blockchain (Episode 79)

Not long ago, it seemed like you couldn't tune in to any notable news source for 10 minutes without being pelted with buzzwords like "cryptocurrency," "Bitcoin," and "blockchain." And then, almost overnight, they disappeared from the headline circuit and receded into back-page obscurity. But are cryptocurrency, Bitcoin, and blockchain just dead remnants of get-rich-quick hype, or dormant portents of the economic landscape to come?


For [episode 79](#), I'm joined by [Coin Mastery](#) founder Carter Thomas to talk about the basics of cryptocurrency and blockchain technology, what we can expect from them in the not-all-that-distant future, and specific actions you can take to become a better investor, trader, and decision maker.

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Are You Secure?

Many people take a very cavalier attitude towards cyber security, like my friend I was having lunch with. There is a mindset of "I'll do it tomorrow," but as Carter points out, even big crypto people are getting hacked.

What are you doing to secure yourself in a digital world? What further steps can you take?

A large, empty rectangular box with a thin black border, intended for the user to write their response to the question above.

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What Is Cryptocurrency?

According to Merriam-Webster, [cryptocurrency](#) is any form of currency that only exists digitally, that usually has no central issuing or regulating authority but instead uses a decentralized system to record transactions and manage the issuance of new units, and that relies on cryptography to prevent counterfeiting and fraudulent transactions.

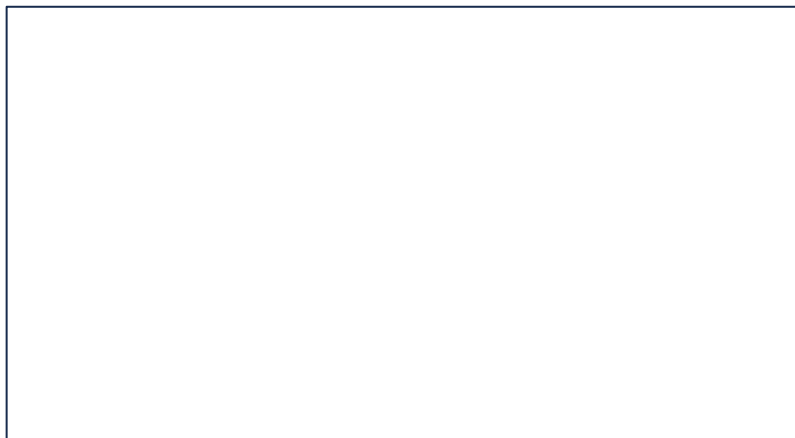
Do you have a firm understanding of what cryptocurrency is? Can you picture how the systems work to keep the money secure in cyberspace? What don't you understand about cryptocurrencies? Write down these questions and research the answers.

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What Is Blockchain?

Blockchain is a digital ledger in which transactions made in Bitcoin or another cryptocurrency are recorded chronologically and publicly. Carter and I talk about the applications outside of finance in which blockchain could be used including credit checks, medical data, and identity verification. While this may seem to be a little 1984, the data is more secure because it is verifiable.

What applications do you think could be utilized better by employing blockchain technologies? What is your comfort level with the idea of blockchain technologies being part of your life? What reservations do you have?



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Are You Ready to Invest?

Benefits

Lower Transfer Fees

With cryptocurrencies in general, you are looking at much lower transfer fees than when a customer uses a credit card or wire transfer. Being a vendor, you do not have to worry about any fees because the buyer is the one paying them. Fees are usually a few cents to a couple of dollars, depending on how much you want to send or receive. Thanks to economic policies that have trapped Venezuela in a cycle of hyperinflation, Bitcoin has become a currency more stable and trusted there than the official bolivar.

Quick Transfer

Many people move across borders to find better jobs to provide for their families back home. This is counterintuitive when it takes so long to transfer between banks or even mail checks. Cryptocurrencies have changed this for the good. Sending digital currency can take anywhere from a fraction of a second to 30 minutes.

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What to Be Aware Of

Volatility

One of the biggest things cryptocurrencies are known for is volatility. You may be celebrating your 200% gain at the end of the day but kicking yourself in the behind when you didn't sell at the morning peak and the price came back down. Before investing in a coin, make sure you have a buy and sell price in mind. This means you won't get too greedy and hold onto it longer to only lose money. Sell when you are comfortable and don't look back. There are over [1,300 altcoins](#) to pick from.

Don't Invest More Than You Can Lose

This is true for all investments. You never want to put more money into an investment than you can afford to lose regardless of how confident you are in it -- and there's no shortage of broke people who can fill you in on the consequences of forgetting this simple rule. Even dealing with options, futures, or anything else, always remember to only put in enough money that you are comfortable losing.

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Questions to Ask Yourself

- **Is it a good fit for me?** How does the investment fit into your overall financial planning goals? If you've identified what you want to accomplish, you need to look at how investing in cryptocurrency fits as an investment choice.
- **Am I ready to lose my money?** Cryptocurrencies are new and exciting and potentially life changing. But the fact is that 100% of the value of an investment could be instantly lost through devaluation or cybercrime. This is a particularly terrifying thought for anyone gambling their entire retirement savings on something like a cryptocurrency-based IRA.
- **Do I like Vegas?** If bonds are seniors and equities are middle aged, cryptocurrencies as an investment class were born yesterday. Market dynamics are changing weekly as millions of new participants join in. No one knows what decisions coin issuers, regulators, or even governments will make to protect investors in the future. Investing in cryptocurrencies right now is like going to Vegas -- but not for the parties or shows.

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Questions to Ask Yourself

- **Do I enjoy roller coasters?** If you do, buckle up and hold on. If you don't, stay away and read as much as possible about cryptocurrencies until you feel your stomach is strong enough to risk losing every penny invested.
- **Who can I trust to help me learn?** Cryptocurrency is incredibly complicated, and investors need to either sacrifice time on other projects to become expert or have an enormous amount of trust in their team. The wild roller coaster of cryptocurrencies makes for an easy scenario in which to go sideways on a deal.
- **What is my goal in investing?** Before buying into cryptocurrency, ask yourself what you're trying to achieve. If you're looking to put some speculative money in play, treat it like spending rather than saving. Cryptos are not backed by real assets and are inherently volatile. If you enjoy taking some extra cash and playing craps or investing in Bitcoin, that's fine. But cryptocurrency should not be your ticket to retirement.

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Questions to Ask Yourself

- **Do I know what 'investing' means?**

Cryptocurrencies may have a practical future as currencies, but they are not technically investments -- they are simply a speculation, no better than a casino. You invest in companies that make products, sell them, employ people, pay taxes, and generate profits that can be distributed to their investors. Cryptocurrencies do none of these things and have the potential to burn a lot of people without the warning signs of many traditional investments.

Full show notes and resources for this episode [can be found here](#).

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About



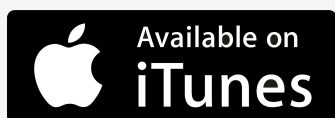
Join Jordan Harbinger (critically acclaimed host, formerly of The Art of Charm) as we get deep into the untapped wisdom of the world's top performers -- from legendary musicians to intelligence operatives, iconoclastic writers to visionary change-makers.

We deconstruct the playbooks of the most successful people on earth -- and learn new strategies, perspectives, and insights you can't find anywhere else. Then, take these insights into your own life and live what you listen.

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