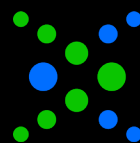


Myth-busting Crypto: *A Friendly Guide*



Payments
Innovation Alliance®



All Coins Are Alike

Stablecoins

Stablecoins are designed to maintain a consistent value. They are stable by being pegged to assets like the U.S. dollar.

Bitcoin

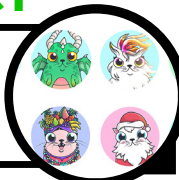
Bitcoin is the original cryptocurrency, not tied to any asset, designed as a peer-to-peer electronic cash system, and only 21 million will ever exist.

Meme Coin

Meme coins were created as jokes or internal trends and rely on community hype rather than fundamentals. They're more about culture and speculation than long-term value.

FUN FACT

In 2017, the NFT game CryptoKitties was so popular that it slowed down the ethereum crypto network.



All Crypto is Not Safe

While no payment system is entirely risk-free, cryptocurrency can be a safe option when used responsibly, from reputable providers, and with appropriate controls in place. Blockchain technology, the underpinning for cryptocurrencies, is inherently secure due to its decentralized and absolute nature, making it extremely difficult to alter transaction records due to the monitoring mechanism of multiple parties. Additionally, advancements in wallet security, multi-factor authentication, and data protection laws are continually enhancing user protection. Like online banking and other payment methods, safety largely depends on user awareness and choosing reputable providers.

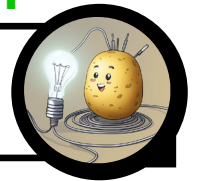


All Crypto is a Scam

Cryptocurrency is not inherently a scam. It's a form of payment, funds or asset movement, built on innovative blockchain technology that's being integrated into private and public sector environments. As with any payment method, scams have occurred in the cryptocurrency space; however, many legitimate use cases have demonstrated real-world utility, such as in-game purchases, retail transactions (e.g., coffee shops and movie theaters) and even seamless cross-border transactions. The key is to ensure that you have trust in the party with which you are transacting.

FUN FACT

A YouTuber once mined bitcoin using potatoes wired as batteries, and it worked!

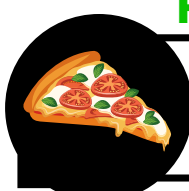


A Way for the Government to Control My Spending and Take My Money

Many argue that non-central bank digital currency (CBDC) cryptocurrencies offer a way to decentralize financial systems and provide individuals with more control over their money. Unlike traditional banking systems, which can be subject to government rules and regulations, cryptocurrencies operate on decentralized networks. This can potentially empower users to transact freely without interference from government authorities.

FUN FACT

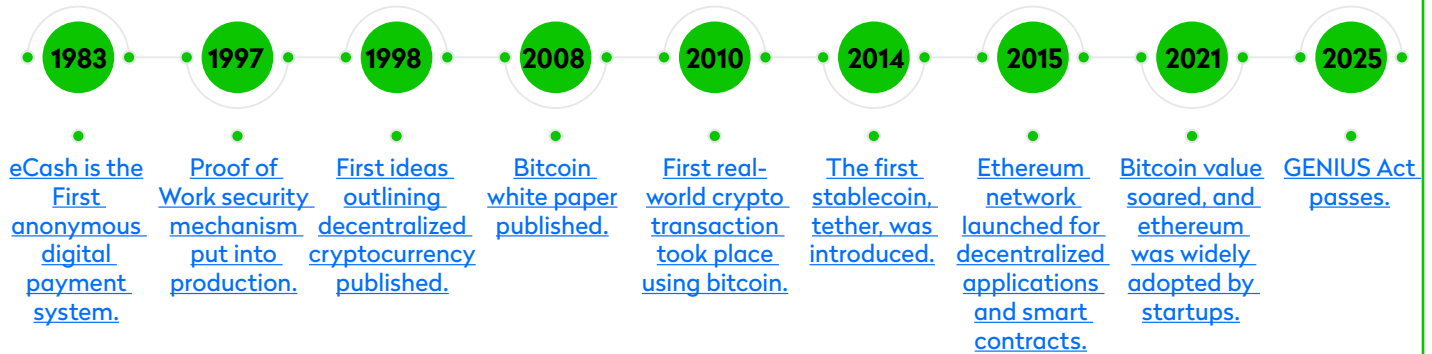
The first bitcoin purchase was for pizza.



It's a Fad and Won't be Around Long

MYTH

While some may think cryptocurrency is only a fad, the need for a more secure, flexible form of payment still exists, and has been growing for over 40 years.



Blockchain is Cryptocurrency

MYTH

Blockchain is the underlying distributed ledger technology that records and verifies transactions, while cryptocurrency is a type of digital asset that operates on a blockchain to transfer value. Blockchain technology might sound complicated, but at its core, it's a simple and innovative way to store information. Think of it as a tamper-proof digital notebook where every page is filled with transactions, and each page is linked to the one before it, creating a secure chain. Like a notebook that everyone in a group has a copy of. When someone logs a new entry, everyone else gets an updated copy. This is how blockchain works: that notebook is called a digital ledger that is shared among many computers, so everyone can see the same information, and no one person controls it. Blockchain technology has a wide range of applications across various industries, including cryptocurrencies, real estate transactions, supply chain management, financial services, and healthcare.



FUN FACT

You can send crypto without the internet.

Conclusion

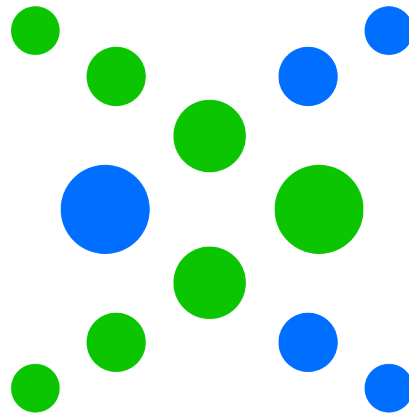
Cryptocurrency is changing how people move money, shop, and interact online. If you're exploring whether digital payments are right for you, your financial institution can help you make informed, confident decisions. Connect with them to learn more, ask questions, or access resources designed to support you on your digital payment journey.

FUN FACT

BananaCoin cryptocurrency is based on banana prices.

This guide was developed by the Navigating Through Digital Payments Project Team of Nacha's Payments Innovation Alliance.

The [Payments Innovation Alliance](#) is a membership program that shapes the future of the payments industry and develops thought leadership relevant to financial service institutions. The Alliance established the Navigating Through Digital Payments Project Team to explore the digital and physical world implications of money and asset movement. Visit the [Navigating Through Digital Payments Project Team page](#) to see more resources they developed.



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