

# INSIDE DIGITAL ASSETS

with RIC EDELMAN

Issue No. 12

January 11, 2022

DACFP.com

## TAKE YOUR BLINDERS OFF

---

By [Ric Edelman](#), Founder, Digital Assets Council of Financial Professionals

Last week, I posted a question on my LinkedIn page: “Why does it take 3 days at a cost of 3% to send money from New York to London via your bank, when you can do it in 10 minutes for \$2 with #bitcoin?”

My point, of course, is that blockchain technology is revolutionizing the financial services industry (and every commercial enterprise in the world as well). I’ve been involved with crypto since 2012, and over the past 10 years, I’ve tried hard to tell my colleagues in the financial field that this new technology is going to change business as dramatically as the internet did.

But, too often, I encounter people who reject my warnings. And increasingly, they make themselves look foolish.

A terrific example of this occurred shortly after my post went live. A financial planner commented, “Keep a \$250,000 balance at Chase in checking, mutual fund or ETF and wires are free.”

My translation of his comment is, “See? We don’t need no stupid bitcoin.”

Well, I suppose he’s right. You don’t need bitcoin – if you are wealthy enough to be able to stash a quarter of a million dollars in your Chase account. But what about the 95% of the world’s population who don’t have \$250,000? In fact, nearly two billion people on planet (including 7% of US adults) don’t have access to a bank account at all– either because they don’t have enough money to afford one, or they live too far from one.

So, sure, wealthy people in first-world nations have done fine without blockchain and bitcoin, thank you very much. But they are a tiny minority. Consider the nearly billion low-paid, hard-working people who left their native countries to seek economic opportunity in a foreign land. They routinely send money to family “back home” – and according to the World Bank, they pay an average of 6.5% in transmittal fees to so do.

Bitcoin offers a huge improvement over today’s financial system. When El Salvador established bitcoin as legal tender last year, it was projected that Western Union would lose \$400 million in

revenue. The government also reported a dramatic reduction in street crime – because Mom used to have to walk 10 miles on a dirt road to get to a Western Union store, where thugs would wait for her to exit with cash in hand. But thanks to bitcoin, her money can now be transferred directly to her phone within minutes – not days – and she doesn't have to leave the safety of her home. Cross-border transmittals is a \$4 trillion industry, and bitcoin is disrupting it.

Of course, CFPs like the one who commented on my post don't have to give this any thought. He can continue telling his clients to keep their \$250,000 at Chase, comfortable in the knowledge that doing so let's them avoid the bank's wire fee. Of course, they'll still have to wait five days to complete the wire, but, hey, so what?

So what, indeed.