

INSIDE DIGITAL ASSETS

with RIC EDELMAN

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CRYPTO ATTITUDES AROUND THE WORLD

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Among those planning to invest in digital assets for the first time, nearly half (47%) are women. Already, a third of women in the U.S. own crypto. And for investors of all genders, a primary motivation to engage is inflation. Although the inflation rate in the U.S is approaching 10%, it's 36% in Turkey and 50% in Argentina. With massive devaluation of local currencies against the U.S. Dollar over the past 10 years, consumers in dozens of nations worldwide have good reason to turn to bitcoin as an alternative. And governments are increasingly welcoming that idea, led by El Salvador, where inflation is nearing 10% on some household items and bitcoin is now legal currency. In fact, consumers in nations where inflation is soaring are five times more likely to say they plan to purchase crypto in the coming year than those living in countries with more stable economies.

All this data is revealed in a new survey of 30,000 adults in 20 countries recently released by Gemini.

Crypto Regulation a Global Concern

The survey also shows that those living in Asia Pacific (39%), Latin America (37%), and Europe (36%) say haven't invested in crypto because of legal uncertainty. A quarter of respondents in the Middle East, Asia Pacific, and in Latin America add that tax complexities are holding them back. (See our recent blog post on U.S. regulation efforts: [Issue #18: Biden's Executive Order Sets Initial Path for Crypto Regulation](#).) As regulatory and tax clarity grow, these barriers will diminish – greatly increasing the number of people worldwide who buy bitcoin and other digital assets. Greater demand is widely expected to result in higher prices.

And both are already starting to happen. The number of US crypto owners nearly doubled in 2021; one in five (20%) US adults say they own crypto, and nearly half of them (44%) say they made their first investments in digital assets last year. Ownership among Black Americans nearly doubled as well, to 17% of the U.S. population who are Black. The number of Hispanic or Latino Americans owning crypto also nearly doubled, to 22%.

These increased rates of engagement are not surprising, considering that nearly one in four (23%) US adults say crypto is the future of money. That sentiment is even stronger outside the U.S.; in Latin America and Africa, 59% and 58%, respectively, say the same.

And it's not about getting rich quick. Although scams and frauds are abundant, as they are with every asset class, investors are increasingly buying digital assets for the right reason. Nearly nine in ten crypto owners in the U.S. say they are buying and holding crypto for its long-term investment potential, as a "store of value."

Bitcoin might have been an esoteric, exotic fringe concept as recently as five years ago, but today it is increasingly being regarded as a mainstream asset to hold in a diversified, long-term portfolio. That trend is sure to continue.