TECHNOLOGY

The Latecomer's Guide to Crypto

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Crypto is a lot of things – including terribly explained. We're here to clear things up.

Until fairly recently, if you lived anywhere other than San Francisco, it was possible to go days or even weeks without hearing about cryptocurrency.

Now, suddenly, it's inescapable. Look one way, and there are Matt Damon and Larry David doing ads for crypto start-ups. Swivel your head — oh, hey, it's the mayors of Miami and New York City, arguing over who loves Bitcoin more. Two N.B.A. arenas are now named after crypto companies, and it seems as if every corporate marketing team in America has jumped on the NFT — or nonfungible token — bandwagon. (Can I interest you in one of Pepsi's new "Mic Drop" genesis NFTs? Or maybe something from Applebee's "Metaverse Meals" NFT collection, inspired by the restaurant chain's "iconic" menu items?)

Crypto! For years, it seemed like the kind of fleeting tech trend most people could safely ignore, like hoverboards or Google Glass. But its power, both economic and cultural, has become too big to overlook. Twenty percent of American adults, and 36 percent of millennials, own cryptocurrency, according to a recent Morning Consult survey. Coinbase, the crypto trading app, has landed on top of the App Store's top charts at least twice in the past year. Today, the crypto market is valued at around $1.75 trillion — roughly the size of Google. And in Silicon Valley, engineers and executives are bolting from cushy jobs in droves to join the crypto gold rush.

As it's gone mainstream, crypto has inspired an unusually polarized discourse. Its biggest fans think it's saving the world, while its biggest skeptics are convinced it's all a scam — an environment-killing speculative bubble orchestrated by grifters and sold to greedy dupes, which will probably crash the economy when it bursts.

I've been writing about crypto for nearly a decade, a period in which my own views have whipsawed between extreme skepticism and cautious optimism. These days, I usually describe myself as a crypto moderate, although I admit that may be a cop-out.

I agree with the skeptics that much of the crypto market consists of overvalued, overhyped and possibly fraudulent assets, and I am unmoved by the most utopian sentiments shared by pro-crypto zealots (such as the claim by Jack Dorsey, the former Twitter chief, that Bitcoin will usher in world peace).

But as I've experimented more with crypto — including accidentally selling an NFT for more than $500,000 in a charity auction last year — I've come to accept that it isn't all a cynical money-grab, and that there are things of actual substance being built. I've also learned, in my career as a tech journalist, that when so much money, energy and talent flows toward a new thing, it's generally a good idea to pay attention, regardless of your views on the thing itself.

My strongest-held belief about crypto, though, is that it is terribly explained.

Recently, I spent several months reading everything I could about crypto. But I found that most beginner's guides took the form of boring podcasts, thinly researched YouTube videos and blog posts written by hopelessly biased investors. Many anti-crypto takes, on the other hand, were undercut by inaccuracies and outdated arguments, such as the assertion that crypto is good for criminals, notwithstanding the growing evidence that crypto's traceable ledgers make it a poor fit for illicit activity.

What I couldn't find was a sober, dispassionate explanation of what crypto actually *is* — how it works, who it's for, what's at stake, where the battle lines are drawn — along with answers to some of the most common questions it raises.

This guide — a mega-F.A.Q., really — is an attempt to fix that. In it, I'll explain the basic concepts as clearly as I can, doing my best to answer the questions a curious but open-minded skeptic might pose.

Crypto boosters will likely quibble with my explanations, while dug-in opponents may find them too generous. That's OK. My goal is not to convince you that crypto is good or bad, that it should be outlawed or celebrated, or that investing in it will make you rich or bankrupt you. It is simply to demystify things a bit. And if you want to go deeper, each section has a list of reading suggestions at the end.

CRYPTO WILL BE TRANSFORMATIVE

Understanding crypto now — especially if you're naturally skeptical — is important for a few reasons.

The first is that crypto wealth and ideology is going to be a transformative force in our society in the coming years.

You've heard about the overnight Dogecoin millionaires and Lamborghini-driving Bitcoin bros. But that's not the half of it. The crypto boom has generated vast new fortunes at a clip we've never seen before — the closest comparison is probably the discovery of oil in the Middle East — and has turned its biggest winners into some of the richest people in the world, essentially overnight. Some riches could vanish if the market crashes, but enough has already been cashed out to ensure that crypto's influence will linger for decades.

Crypto's madcap, meme-crazed online culture can make it seem frivolous and shallow. It's not. Cryptocurrencies, even the jokey ones, are part of a robust, well-funded ideological movement that has serious implications for our political and economic future. Bitcoin, which emerged out of the ashes of the 2008 financial crisis, first caught on among libertarians and anti-establishment activists who saw it as the cornerstone of a new, incorruptible monetary system. Since then, other crypto realms have fashioned similarly lofty goals, like building a decentralized, largely unregulated version of Wall Street on the blockchain.

We are already starting to see a swell of crypto money headed toward the U.S. political system. Crypto entrepreneurs are donating millions of dollars to candidates and causes, and lobbying firms have fanned out across the country to win support for pro-crypto legislation. In the coming years, crypto moguls will bankroll the campaigns of crypto-friendly candidates, or run for office themselves. Some will peddle influence in the familiar ways — forming super PACs, funding think tanks, etc. — while others will try to escape partisan gridlock altogether. (Crypto millionaires are already buying up land in the South Pacific to build their own blockchain utopias.)

Crypto is poised to soon become one of a handful of true wedge issues, with politicians all over the world forced to pick a side. Some countries, like El Salvador — whose crypto-loving president, Nayib Bukele, recently announced the development of a "Bitcoin City" at the base of a volcano — will go full crypto. Other governments may decide that crypto is a threat to their sovereignty and crack down, as China did when it outlawed cryptocurrency trading last year. The divide between the world's pro-crypto and no-crypto zones could end up being at least as big as the divide between the Chinese internet and the American one, and maybe even more consequential.

In America, we have already seen how crypto can scramble the usual partisan allegiances. Former President Donald J. Trump and Senator Elizabeth Warren, the Democrat from Massachusetts, are united in crypto skepticism, for example, while Senator Ted Cruz, Republican from Texas, is in the same bullish camp as Senator Ron Wyden, the Democrat from Oregon. We have also seen what can happen when the crypto community feels politically threatened, as happened last summer, when crypto groups rallied to oppose a crypto-related provision in President Biden's infrastructure bill.

What I'm saying, I guess, is that despite the goofy veneer, crypto is not just another weird internet phenomenon. It's an organized technological movement, armed with powerful tools and hordes of wealthy true believers, whose goal is nothing less than a total economic and political revolution.

CRYPTO COULD BE DESTRUCTIVE

The second reason to pay attention to crypto is that understanding it now is the best way to ensure it doesn't become a destructive force later.

In the early 2010s, the most common knock on social media apps like Facebook and Twitter was that they just wouldn't work as businesses. Pundits predicted that users would eventually tire of their friends' vacation photos, that advertisers would flee and that the whole social media industry would collapse. The theory wasn't so much that social media was dangerous or bad; just that it was boring and corny, a hype-driven fad that would disappear as quickly as it had arrived.

What nobody was asking back then — at least not loudly — were questions like: What if social media is actually *insanely successful*? What kind of regulations would need to exist in a world where Facebook and Twitter were the dominant communication platforms? How should tech companies with billions of users weigh the trade-offs between free speech and safety? What product features could prevent online hate and misinformation from cascading into offline violence?

By the middle of the decade, when it was clear that these were urgent questions, it was too late. The platform mechanics and ad-based business models were already baked in, and skeptics — who

might have steered these apps in a better direction, if they'd taken them more seriously from the start — were stuck trying to contain the damage.

Are we making the same mistake with crypto today? It's possible. No one knows yet whether crypto will or won't "work," in the grandest sense. (Anyone who claims they do is selling something.) But there is real money and energy in it, and many tech veterans I've spoken to tell me that today's crypto scene feels, to them, like 2010 all over again — with tech disrupting money this time, instead of media.

If they're wrong, they're wrong. But if they're right — even partly — the best time to start paying attention is now, before the paths are set and the problems are intractable.

The third reason to study up on crypto is that it can be genuinely fun to learn about.

Sure, a lot of it is dumb, shady or self-refuting. But if you can look past the carnival barkers and parse the convoluted jargon, you'll find a bottomless well of weird, interesting and thought-provoking projects. The crypto agenda is so huge and multidisciplinary — drawing together elements of economics, engineering, philosophy, law, art, energy policy and more — that it offers lots of footholds for beginners. Want to discuss the influence of Austrian economics in

Bitcoin development? There's probably a Discord server for that. Want to join a DAO that invests in NFTs, or play a video game that pays you in crypto tokens for winning? Dive right in.

CRYPTO IS A GENERATIONAL SKELETON KEY

Mind you, I am not suggesting that the crypto world is diverse, in the demographic sense. Surveys have suggested that high-earning white men make up a large share of crypto owners, and libertarians with dog-eared copies of "Atlas Shrugged" are likely overrepresented among crypto millionaires. But it's not an intellectual monolith. There are right-wing Bitcoin maximalists who believe that crypto will liberate them from government tyranny; left-wing Ethereum fans who want to overthrow the big banks; and speculators with no ideological attachments who just want to turn a profit and get out. These communities fight with one another constantly, and many have wildly different ideas about what crypto should be. It makes for fascinating study, especially with a bit of emotional distance.

And if you do learn some crypto basics, you might find that a whole world opens up to you. You'll understand why Jimmy Fallon and Steph Curry are changing their Twitter avatars to cartoon apes, and why Elon Musk, the richest man in the world, spent a decent chunk of last year tweeting about a digital currency named after a

dog. Strange words and phrases you encounter on the internet — rug pulls, flippenings, "gm" — will become familiar, and eventually, headlines like "NFT Collector Sells People's Fursonas for $100K In Right-Click Mindset War" won't make you wonder if you're losing your grip on reality.

Crypto can also be a kind of generational skeleton key — maybe the single fastest way to freshen your cultural awareness and decipher the beliefs and actions of today's young people. And just as knowing a little about New Age mysticism and psychedelics would help someone trying to make sense of youth culture in the 1960s, knowing some crypto basics can help someone perplexed by emerging attitudes about money and power feel more grounded.

Again, I don't really care whether you emerge from these explainers as a true believer, a devoted skeptic or something in between. Participate or abstain as you wish! All I'm after is understanding — and possibly, a little relief from the question that has consumed my social and professional life for the past several years:

"So … can I ask you a question about crypto?"

Let's start from the beginning: What is crypto?

A decade or two ago, the word was generally used as shorthand for cryptography. But in recent years, it's been more closely associated with cryptocurrencies. These days, "crypto" usually refers to the entire universe of technologies that involve blockchains — the distributed ledger systems that power digital currencies like Bitcoin, but also serve as the base layer of technology for things like NFTs, web3 applications and DeFi trading protocols.

Ah yes, blockchains. Can you remind me, without going into too much technical detail, what they are?

At a very basic level, blockchains are shared databases that store and verify information in a cryptographically secure way.

You can think of a blockchain like a Google spreadsheet, except that instead of being hosted on Google's servers, blockchains are maintained by a network of computers all over the world. These computers (sometimes called miners or validators) are responsible for storing their own copies of the database, adding and verifying new entries, and securing the database against hackers.

So blockchains are ... fancy Google spreadsheets?

Sort of! But there are at least three important conceptual differences.

First, a blockchain is decentralized. It doesn't need a company like Google overseeing it. All of that work is done by the computers on the network, using what's called a consensus mechanism — basically, a complicated algorithm that allows them to agree on what's in a database without the need for a neutral referee. This

makes blockchains more secure than traditional record-keeping systems, proponents believe, since no single person or company can take down the blockchain or alter its contents, and anyone trying to hack or change the records in the ledger would need to break into many computers simultaneously.

The second major feature of blockchains is that they're typically public and open source, meaning that unlike a Google spreadsheet, anyone can inspect a public blockchain's code or see a record of any transaction. (There are private blockchains, but they're less important than the public ones.)

Third, blockchains are typically append-only and permanent, meaning that unlike with a Google spreadsheet, data that's added to a blockchain typically can't be deleted or changed after the fact.

Got it. So blockchains are public, permanent databases that nobody owns?

You're getting it!

Now remind me: How are blockchains related to cryptocurrencies?

Blockchains didn't really exist until 2009, when a pseudonymous programmer named Satoshi Nakamoto released the technical documentation for Bitcoin, the first-ever cryptocurrency.

Bitcoin used a blockchain to keep track of transactions. That was notable because, for the first time, it allowed people to send and receive money over the internet without needing to involve a central authority, such as a bank or an app like PayPal or Venmo.

Many blockchains still perform cryptocurrency transactions, and there are now roughly 10,000 different cryptocurrencies in existence, according to CoinMarketCap. But many blockchains can be used to store other kinds of information, too — including NFTs, bits of self-executing code known as smart contracts and full-fledged apps — without the need for a central authority.

OK, but can we back up a second? Weren't tech people telling us, years ago, that crypto was a new and exciting form of money? And yet, nobody I know pays their rent or buys groceries in Bitcoin. So were those people just ... wrong?

Good question. It's true that today, hardly anyone pays for things in cryptocurrency. In part, that's because most merchants still don't accept crypto payments, and hefty transaction fees can make it impractical to spend small amounts of cryptocurrency on daily living expenses. It's also because the value of popular cryptocurrencies like Bitcoin and Ether has historically gone up, making it somewhat risky to use them for offline purchases. (The counterexamples are usually cited with pity, like the guy who, in 2010, bought two Papa John's pizzas using Bitcoin that was worth about $40 at the time, but would be worth roughly $400 million today.)

It's also true that the value of cryptocurrencies has grown enormously since the early Bitcoin days, despite them *not* being most people's daily spending money.

Part of that growth is speculation — people buying crypto assets in hopes of selling them for more later on. Part of it is because the blockchains that have emerged since Bitcoin, like Ethereum and Solana, have expanded what can be done with this technology.

And some crypto fans believe that the prices of cryptocurrencies like Bitcoin will eventually stabilize, which could make them more useful as a means of payment.

What are the actual uses of crypto, beyond financial speculation?

Right now, many of the successful applications for crypto technology are in finance or finance-adjacent fields. For example, people are using crypto to send cross-border remittances to family members abroad and Wall Street banks using blockchains to settle foreign transactions.

The crypto boom has also led to an explosion of experiments outside of financial services. There are crypto social clubs, crypto video games, crypto restaurants and even crypto-powered wireless networks.

These non-financial uses are still fairly limited. But crypto fans often make the case that the technology is still young, and that it took the internet decades to mature into what it is today. Investors are pouring billions of dollars into crypto start-ups because they think that someday, blockchains will be used for all kinds of things:

storing medical records, tracking streaming music rights, even hosting new social media platforms. And the crypto ecosystem is attracting tons of developers — an auspicious sign for any new technology.

I've heard people calling crypto a pyramid scheme or a Ponzi scheme. What do they mean?

Some critics believe that cryptocurrency markets are fundamentally fraudulent, either because early investors get rich at the expense of late investors (a pyramid scheme), or because crypto projects lure in unsuspecting investors with promises of safe returns, then collapse once new money stops coming in (a Ponzi scheme).

There are certainly plenty of examples of pyramid and Ponzi schemes *within* crypto. They include OneCoin, a fraudulent crypto operation that stole $4 billion from investors from 2014 to 2019; and Virgil Sigma Fund, a $90 million crypto hedge fund run by a 24-year-old investor who pleaded guilty to securities fraud and was sentenced to seven and a half years in prison.

But these cases aren't usually what critics are talking about. They're generally arguing that crypto *itself* is an exploitative scheme, with no real-world value.

And are they right?

Well, let's try to understand the case they're making.

Unlike buying stock in, say, Apple, a purchase that (theoretically, at least) reflects a belief that Apple's underlying business is healthy, buying a cryptocurrency is more like betting on the success of an idea, they say. If people believe in Bitcoin, they buy, and Bitcoin prices go up. If people stop believing in Bitcoin, they sell, and Bitcoin prices go down.

Crypto owners, then, have a rational incentive to convince other people to buy. And if you don't think that cryptocurrency technology is inherently valuable, you might conclude that the entire thing resembles a pyramid scheme, in which you primarily make money by recruiting others to join.

I'm sensing a "but" coming on.

But! Even though there are scams and frauds within crypto, and crypto investors are certainly fond of trying to recruit other people to buy in, many investors will tell you that they are going in with their eyes wide open.

They believe that crypto technology is inherently valuable, and that the ability to store information and value on a decentralized blockchain will be attractive to all kinds of people and businesses in the future. They would tell you they're betting on crypto the product, not crypto the idea — which, on some level, isn't all that different from buying Apple stock because you think the next iPhone is going to be popular.

Matt Huang, a prominent investor, spoke for many crypto fans when he said on Twitter: "Crypto may look like a speculative casino from the outside. But that distracts many from the deeper

truth: the casino is a trojan horse with a new financial system hidden inside."

You can argue with that position, or dispute how much this "new financial system" is actually worth. But crypto investors clearly believe it's worth *something*.

Is crypto regulated?

Only slightly. In the United States, certain centralized crypto exchanges, such as Coinbase, are required to register as money transmitters and follow laws like the Bank Secrecy Act, which requires them to collect certain information about their customers. Some countries have passed more stringent regulations, and others, like China, have banned cryptocurrency trading entirely.

But compared with the traditional financial system, crypto is very lightly regulated. There are few rules governing crypto assets like "stablecoins" — coins whose value is pegged to government-backed currencies — or even clear guidance from the Internal Revenue Service about how certain crypto investments should be taxed. And certain areas of crypto, like DeFi (decentralized finance), are almost completely unregulated.

Partly, that's because it's still early, and making new rules takes time. But it's also a property of blockchain technology itself, much of which was designed to be hard for governments to control.

This question comes from the (apparently crypto-curious) rapper Cardi B: Is crypto going to replace the dollar?

Sorry, Cardi. The dollar is the world's reserve currency, and dislodging it would be a huge, costly project that isn't likely to happen any time soon. (To give just one small example of the enormity of the task: every financial contract that is denominated in dollars would have to be re-denominated in Bitcoin or Ether or some other cryptocurrency.)

There are also technical hurdles crypto needs to overcome if it's ever going to displace government-issued currency. Today, the most popular blockchains — Bitcoin and Ethereum — are slow and inefficient compared with traditional payment networks. (The Ethereum blockchain, for example, can process only about 15 transactions per second, whereas Visa says it can process thousands of credit card transactions per second.)

And, of course, for a cryptocurrency like Bitcoin to replace the dollar, you'd need to convince billions of people to use a currency whose value fluctuates wildly, that isn't backed by a government and that often can't be retrieved if it's stolen.

What kind of people are investing in crypto? Is it all — to quote a recent "Curb Your Enthusiasm" episode — "nerds and Nazis"?

It's hard to say who's investing in crypto, especially since a lot of activity takes place anonymously or under pseudonyms. But some surveys and studies have suggested that crypto is still dominated by affluent white men.

Gemini, a cryptocurrency exchange, estimated in a recent report that women made up only 26 percent of crypto investors. The average crypto owner, the group found, was a 38-year-old man making approximately $111,000 a year.

But crypto ownership does appear to be diversifying. A 2021 Pew Research Center survey found that Asian, Black and Latino adults were more likely to have used crypto than white adults. Crypto adoption is also growing outside the United States, and some studies have suggested that crypto adoption is growing fastest in countries like Vietnam, India and Pakistan.

My colleague, Tressie McMillan Cottom, has made the case that crypto — because it relies on permanent, irrefutable records of ownership of digital goods and currencies — is particularly attractive to people from marginalized groups, who may have had their property unjustly taken from them in the past.

"If I live in a community where the police absolutely use eminent domain to claim my private property and I cannot do anything about it," she wrote, "that sense of everyday powerlessness would make the promise of blockchain sound pretty good."

That said, some recent studies have also found that a small number of people own the vast majority of crypto wealth — so it's not necessarily an egalitarian paradise.

And what about extremists? Are they into crypto?

Some are. Because you can buy and sell cryptocurrency without using your name or having a bank account, crypto in its early days was a natural fit for people who had reasons to avoid the traditional financial system. They included criminals, tax evaders and people buying and selling illicit goods. They also included political dissidents and extremists, some of whom had been kicked off more mainstream payment services like PayPal and Patreon.

As a result of their well-timed entry into the crypto market, some extremists have gotten rich. A recent investigation by the Southern Poverty Law Center found that several prominent white supremacists have made hundreds of thousands or millions of dollars by investing in crypto.

Of course, there are millions of crypto owners, the vast majority of whom are not white supremacists. And the same properties of anonymity and censorship-resistance that make crypto useful to white supremacists might also make it attractive to, say, Afghan citizens fleeing the Taliban. So labeling the entire crypto movement an extremist group would be overkill. Regardless, it's safe to say that crypto has become attractive to all kinds of people who would rather not deal (or can't legally deal) with a traditional bank.

Another criticism I've heard is that crypto is bad for the environment. Is that true?

This is a real can of worms — and one of the most frequent objections to crypto.

Let's start with what we know for sure. It's true that most crypto activity today takes place on blockchains that require large amounts of energy to store and verify transactions. These networks use a "proof-of-work" consensus mechanism — a process that has been compared to a global guessing game, played by computers all competing to solve cryptographic puzzles in order to add new information to the database and earn a reward in return. Solving these puzzles requires powerful computers, which in turn use lots of energy.

The Bitcoin blockchain, for example, uses an estimated 200 terawatt-hours of energy per year, according to Digiconomist, a website that tracks crypto energy usage. That's comparable to the annual energy consumption of Thailand. And Bitcoin's associated carbon emissions have been estimated at roughly 100 megatons per year, which is comparable to the carbon footprint of the Czech Republic.

Holy moly! How do crypto fans justify that kind of environmental impact?

Crypto advocates often quibble with these statistics. They also argue that:

• Our existing financial system also uses a lot of energy, between powering millions of bank branches, A.T.M.s that sit idle for most of the day, gold mines and other energy-intensive infrastructure.

• Many crypto-mining computers are already powered by renewable energy sources, or by energy that would otherwise be wasted.

• Most newer blockchains are built using consensus mechanisms that require much less energy than proof-of-work. (Ethereum, for example, is scheduled to switch to a new type of consensus mechanism called proof-of-stake sometime in 2022, which could reduce its energy usage by as much as 99.5 percent.)

And are those arguments valid?

Partly. It's true that most newer blockchains are designed in a way that requires considerably less energy than Bitcoin, and that Ethereum's switch to a proof-of-stake consensus mechanism will greatly shrink its environmental footprint, if and when it happens.

But it's also a bit convenient to steer attention away from Bitcoin, which is still the most valuable cryptocurrency in the world. Bitcoin's energy needs aren't expected to fall significantly anytime soon. And even if every Bitcoin miner ran entirely on renewable energy — which, to be clear, isn't the case — there would still be an environmental cost associated with maintaining the blockchain.

All told, it's clear that crypto as we know it today has a significant environmental impact, but it's hard to measure exactly how significant. Many frequently cited statistics come from industry groups, and it's hard to find trustworthy, independent data and analysis.

But few crypto fans would dispute that blockchains consume substantially more energy than a traditional, centralized database would — just as 100 refrigerators use more energy than one

refrigerator. They just argue that crypto's environmental impact will shrink over time, and that the benefits of decentralization are worth the costs.

Got it. And those benefits, again, are ...

Some crypto proponents will tell you that the biggest benefit of decentralization is the ability to create currencies, apps and virtual economies that are resistant to censorship and top-down control. (Imagine a version of Facebook, they'll say, in which Mark Zuckerberg couldn't unilaterally decide to kick people off.)

Others will say that the biggest perk of decentralization is that it allows artists and creators to control their own economic destinies more directly by giving them a way (in the form of NFTs and other crypto assets) to bypass platform gatekeepers like YouTube and Spotify, and sell unique digital works directly to their fans.

Still others will say that crypto is most useful to people who don't live in countries with stable currencies, or to dissident groups living under authoritarian regimes.

There are a million other hypothetical benefits of decentralization and crypto, some of which are realistic and some of which probably aren't.

How do you actually use crypto? Is it like sending a payment over Paypal or Venmo?

It can be. The quickest way to get started using cryptocurrencies is to set up an account with a crypto exchange like Coinbase, which can link to your bank account and convert your U.S. dollars (or other government-issued currency) into cryptocurrency.

But many crypto users prefer setting up their own "wallets" — secure places to store the cryptographic keys that unlock their digital assets.

Once you've got some crypto in your wallet, the process can be pretty simple — just type in the recipient's crypto wallet address, pay a transaction fee (if applicable), and wait for the payment to clear.

Other types of crypto transactions, like buying and selling NFTs, can be significantly more complicated, but the basic act of sending a payment to someone typically takes only a few minutes.

I'm ready to dive into the rest of your explainers. But first, I have one final question about crypto's culture: Why is it so weird and insular?

This is maybe the question I get asked most about crypto. People see their friends, co-workers and relatives diving down the crypto rabbit hole and emerging days or weeks later with a new obsession, new internet friends, a bunch of new jargon and the seeming inability to talk about anything else. (There's even a word for this — getting "cryptopilled.") People who believe in crypto

tend to *really* believe in it — to the point that they can appear to the outside world more like evangelists for a new religion than fans of a new technology.

I was a religion reporter once, and I don't think the comparison is totally inapt. (It's also not necessarily a bad thing: Plenty of people find meaning and community and intellectual stimulation in religion.) As people like the Bloomberg journalist Joe Weisenthal have pointed out, crypto has similar elements to an emerging religion: an enigmatic founder (the still-anonymous Satoshi Nakamoto), sacred texts (the Bitcoin white paper) and rituals and rites to mark yourself as a believer, such as tweeting "gm" (crypto speak for "good morning") to your fellow believers, or photoshopping laser eyes onto your profile picture.

It's fun to laugh at the (often cringeworthy) ways crypto fans try to entertain and inspire each other. But focusing too much on their behavior and customs might mean missing what's genuinely novel — and, depending on where you sit, either exciting or dangerous — about the technology itself. Which is why, when my friends ask me how to talk to their cryptopilled relatives, I advise them to start by trying to understand what's gotten them so excited in the first place.


What are NFTs?


What is web3?


What are DAOs?

Go deeper:

"WTF Is the Blockchain?" In this basic explainer of blockchain technology, Mohit Mamoria looks into how blockchains work and the problems they're intended to solve.

"Introduction to Blockchain and Money" This YouTube video, which explains the history and technical underpinnings of crypto, is the first lecture in a course taught at M.I.T. in 2018 by Gary Gensler, who is now the chief of the Securities and Exchange Commission. (The rest of the course is also on YouTube, and makes for interesting viewing.)

"A Normie's Guide to Becoming a Crypto Person" This New York Magazine article by Sara Harrison is a 101-level guide to crypto culture, including a glossary of terms and explanations of the many crypto subcommunities.

"Digital Gold" Nathaniel Popper, my former Times colleague, offers a deep dive into the history of Bitcoin and the origins of the crypto economy in his 2015 book.

Design and production by Sean Catangui and Gray Beltran. Edited by Joseph Plambeck and Natasha King.