

Yongjun Lee

Age: 17, Grade: 11

School Name: Loveless Academic Magnet Program (LAMP) High School, Montgomery, AL

Educator: Helen Lee

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Why did Bitcoin become so popular?

Lee, Yongjun

Helen Lee

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I can definitely say the trend of 2021 is Bitcoin. Currently, Bitcoin has numerous worldwide interests. News, newspapers, the internet, and even bookstores are all covered with content about Bitcoin. However, economists claim that the bitcoin craze is an incomprehensible issue because Bitcoin itself is just a worthless computer algorithm that does not give any interest or does not guarantee the payment of profits by banks. Nevertheless, Bitcoin is currently gaining massive popularity worldwide. However, some experts warned that Bitcoin is an unstable bubble that may pop or a dream of in vain.

I had learned Bitcoin from my uncle several years ago. At that time, Bitcoin was not as popular as it is now. My uncle has often told my mom that cryptocurrency will become a trend in the future. At that time, my mom and I did not understand what that meant, but now I know that my uncle was right; Bitcoin investors have made tremendous profits and become millionaires. So these days, my mom sometimes says that she should have listened to my uncle's advice a few years ago. Ironically, my uncle, who taught me the trend of Bitcoin, did not invest in it because of uncertainty. In the end, as my uncle expected, Bitcoin is currently hitting the peak, and he is just hitting his forehead and still regretting his decision. As I watched people around the world's massive interest in Bitcoin, I became curious about the reason for the popularity of cryptocurrency.

Bitcoin is the first decentralized digital currency. It is a digital coin that people can send through the internet, and it can be directly transferred from person to person through the internet. The typical advantages of Bitcoin are low fees, easy usability, and no prerequisites or limits. Bitcoin also has the advantage of enabling rapid monetary tasks by using peer-to-peer systems, guaranteeing strong security by the blockchain system, recording every monetary exchange, and maintaining transparent management called transactions. Unlike ordinary banking institutions, Bitcoin does not require any personal information.

Even though Bitcoin has various advantages, some people are reluctant to invest in it. The biggest reason is that it has yet to be recognized as a credible cryptocurrency is probably because of the price volatility. Bitcoin was worth nothing for a year after its launching, and the highest value in 2010 was only 40 cents. However, its value has become about 40 thousand dollars currently, which means the value of Bitcoin is having huge price fluctuations like a roller coaster. Naturally, the currency has price volatility, but for Bitcoin to be recognized and widely used as a credible currency, it seems necessary to have stable price volatility. In addition, the transaction system mentioned earlier as an advantage of Bitcoin does not guarantee complete anonymity. Because anonymous Bitcoin wallets and personal information are not linked, but they are trackable. For example, people can track the IP addresses that Bitcoin users have applied for transactions. Also, users use the stock exchange to change their Bitcoins to real money, and this exchange system requires a user's identity authentication. So when users get their cash, then they lose anonymity. In 2013, the FBI arrested a dark website operator who used the above methods to trade drugs with Bitcoin. In this case, it may be advantageous for crime tracking, but many people will be reluctant to use Bitcoin if other people can easily access their transaction records. Lastly, I felt that people's perceptions of Bitcoin are becoming radical. Most Bitcoin investors use Bitcoin as an opportunity for tremendous profits in a short amount of time. So, I felt they used the Bitcoin system as a casino and gambling, not as an investment medium. And if these perceptions are not eradicated, Bitcoin could somewhat negatively affect investors and become a gambling medium. In conclusion, Bitcoin has many advantages, and at the same time, it has serious disadvantages that make it reluctant

to invest in Bitcoin. When I first learned Bitcoin, I could only see the advantages. I thought Bitcoin was a flawless and revolutionary investment system because of its convenient usage, excellent security and stability, and transparency. However, it also had fatal disadvantages such as extreme price fluctuations and the risk of personal information exposure. So now, I can understand my uncle's hesitation; he already knew Bitcoin would be the future trend, but he still had uncertainty about Bitcoin, or he could not fully trust it. I am not sure whether Bitcoin will be recognized as a type of asset and become a significant investment medium, or will it keep growing and pop like a bubble and disappear immediately. No one can predict the future of Bitcoin, and no one will determine which way is the right way. Therefore, we need to go back and think about the actual value of bitcoin.

Works Cited

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