

At the end of the day, Crypto is a very smart solution in search of a problem - or perhaps more precisely, the problem it solves for we're not yet ready to implement.

What's the problem? It solves the perfect information problem that exists in capitalism - but just for currency. And of course for it to solve for currency, it needs to be adopted world-wide (which is another problem)

And to be clear, when I say "we're too young for Crypto" - I mean humans haven't evolved enough (and maybe technology hasn't either) to exploit all the benefits - and to replace exist currency infrastructure, which is complex (paper money, regulations, monetary policy, e.g.)

Three main reasons which underscore my "too young for now" point:

1. There is no short-term use case that obviates the need for a central bank. The central bank's role is to try and even out the inequities that are inherent with an imperfect capitalist system (i'm not calling capitalism imperfect - though i think it is - I'm saying a self-managed currency is one would where the price of milk in NYC is the same as Miami, New Orleans, or Tempe, AZ). The problem becomes worse on an international scale. That is, in part an imperfect information problem, in part a taxation problem, in part an open borders problem. All solvable but note, the barriers are 100% politics.
2. It's hard to understand. People don't know how it's created, why it was created (what problem it is solving), you can't see it, and perhaps most concerning of all, there's no person in charge of it. That could be a positive in an academic sense (like pure micro/macro economic theory), but from a behavioral science perspective I think it's a negative. People like putting their trust in people - or lack of trust - and even in cases of lack of trust, would rather someone in charge they "don't trust" than a computer. That is also why people balk at driverless cars and flying. But unlike with flying, which has a clear value proposition to the consumer, crypto's value is unclear.
3. If adopted now, I think it will really hurt the middle class and below. Without a steady hand, injecting a serum of 100% capitalism will cause huge spikes in inflation. This has been seen many times when capitalist countries in the interest of globalization "help" communist or socialist countries. The rich do very very well and the poor are regulated to very low paying jobs and \$8 gallons of milk.

So, am I saying "don't invest in crypto?" No, if you're a day trader or have aspirations of big returns in the <6 month timeframe, you'll probably make (a lot) of money. But, I will never offer advice that I cannot explain in the core concepts that make a business or a good idea successful:

- (1) Solves a very real problem
- (2) There is a clear path to execution on the solution to solve the problem.