

# Cryptocurrency 101

Staying safe with Bitcoin



# What is Bitcoin?



- Digital currency
- Decentralized, secure, digital payment system
- Open Source, publicly owned
- One of many cryptocurrencies



# How does it work?

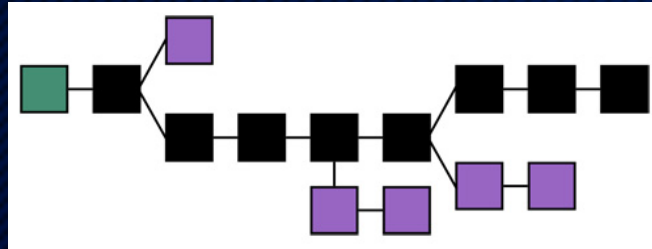
## Three Main Components:

- The Blockchain
- Mining Nodes
- Users/Wallets





# The Blockchain



- The central innovation of Bitcoin
- A public, secure, verified ledger
- Holds a record of every transaction
- Each block is mathematically verified, written in succession



# Mining Nodes

- Allows Bitcoin nodes to reach a secure, tamper-resistant consensus (Accounting)
- Also the mechanism used to introduce new Bitcoins into the system (Minting)
- Intentionally designed to be resource-intensive and difficult (Fraud Prevention)



# Wallets

- A single file containing your unique signature
- The key to your currency
- Unlimited in Number
- Online vs. Offline
- Must be treated like cash





# DEMO

Let's move some money!



# Why use it?

- Transaction security
- “Be Your Own Bank”: Direct payments
- Send payments anywhere, instantly
- No, or very small fees
- No risk for business owners to accept



# Why not use it?

- Volatility of exchange rate
- Muddy regulatory waters
- Storage security
- Requires user education