

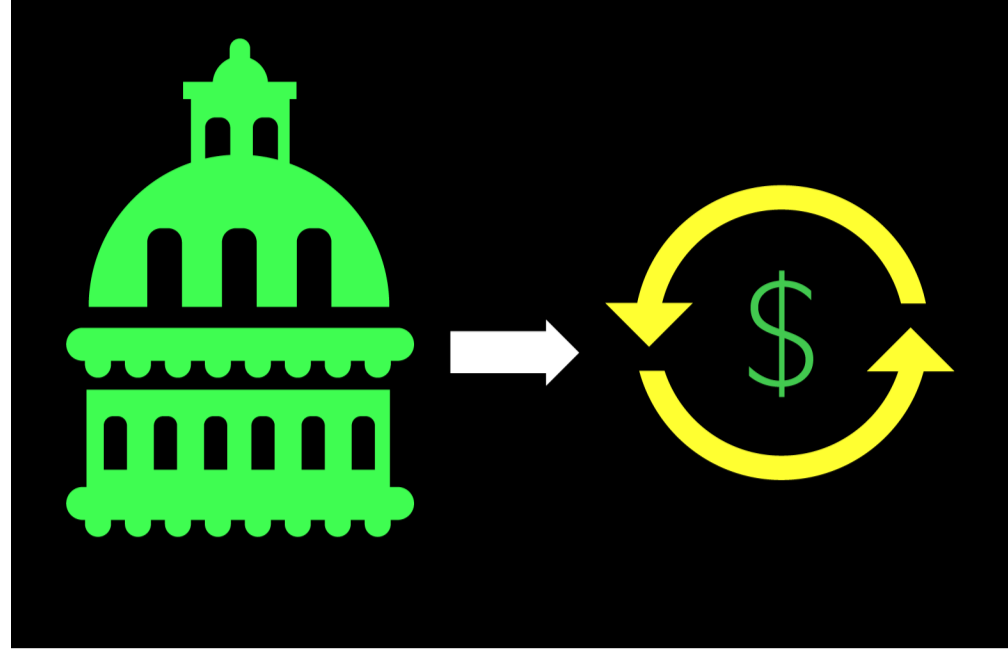
Cryptocurrency vs. cash



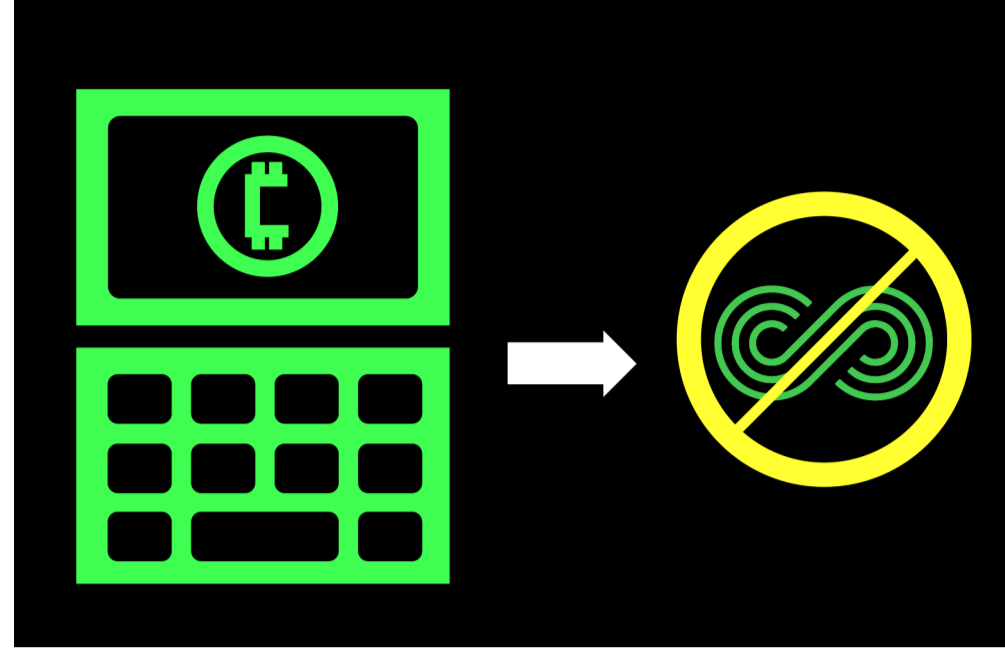
How is crypto different from cash?

Cash and crypto have similarities. They both have a market value and some cryptocurrencies, like bitcoin and ethereum, can act as a medium of exchange—but beyond that, they're quite different. Cash is issued by a **government**. Crypto is not. Crypto isn't controlled by an individual, institution, or any other authority. Instead, it's managed by **blockchain technology** and verified by all its users on the network.

Supply



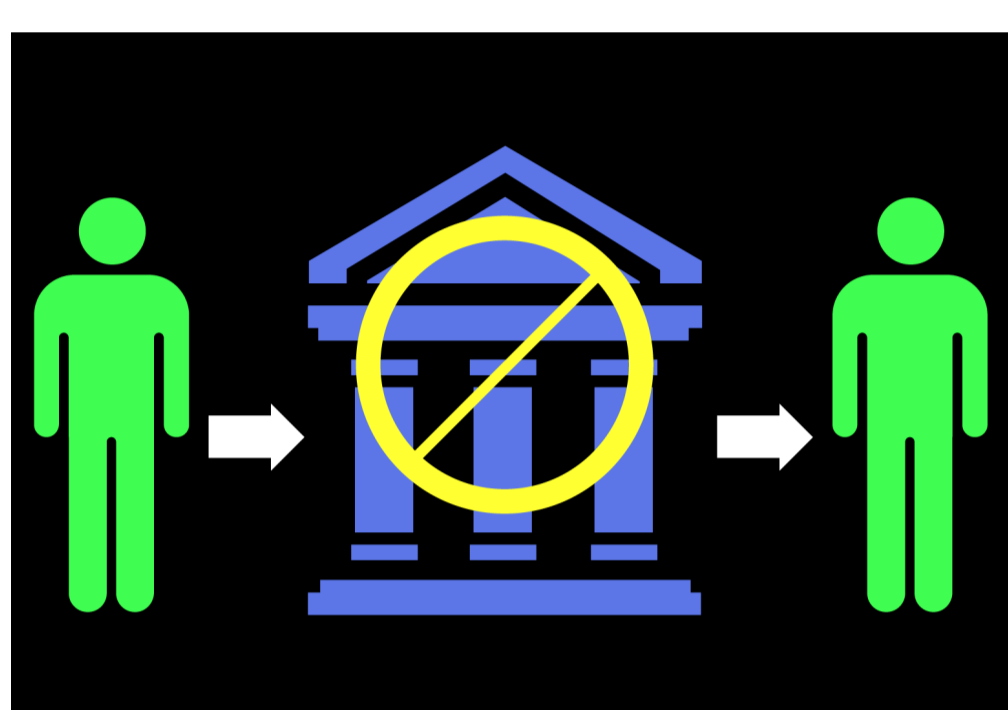
Governments have **complete control** over the money supply, influencing how much cash is circulating at any given time. The U.S. dollar is referred to as a "fiat currency" or "fiat money." That means it's backed by the government that issues it and not by a commodity, like gold or silver.



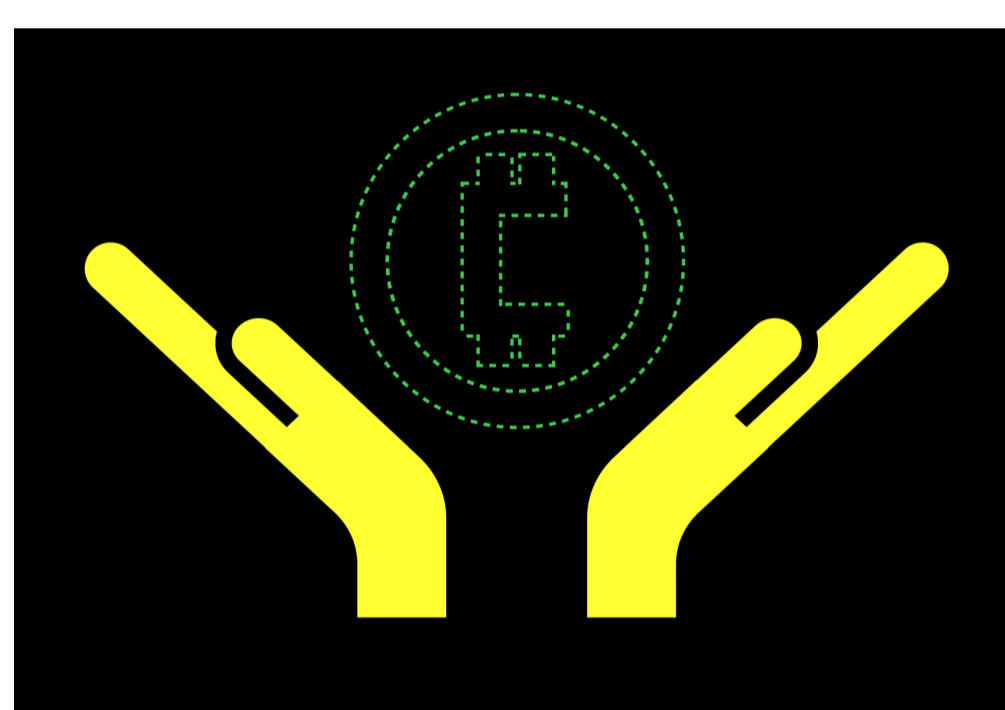
Some cryptocurrencies, like bitcoin, have a **finite supply**, meaning only a limited amount will ever exist. But others have an undefined supply.



Accessibility

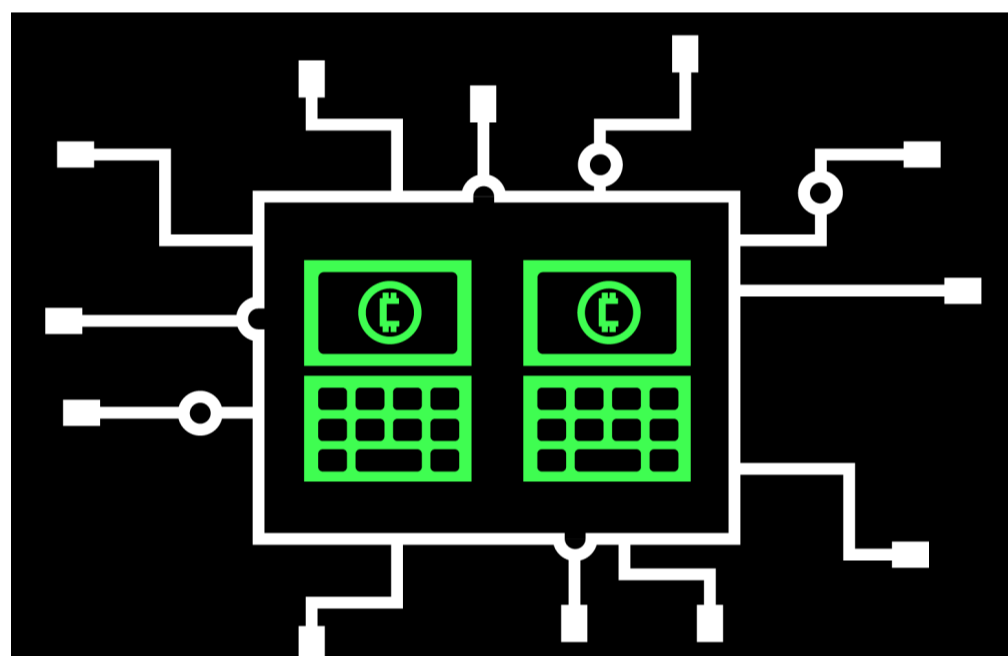


Digital cash transactions (like paying for something or sending money to a friend) are made through a third party (like a bank or financial institution). Crypto was created to remove the need for a third party and only requires the internet to complete a transaction.

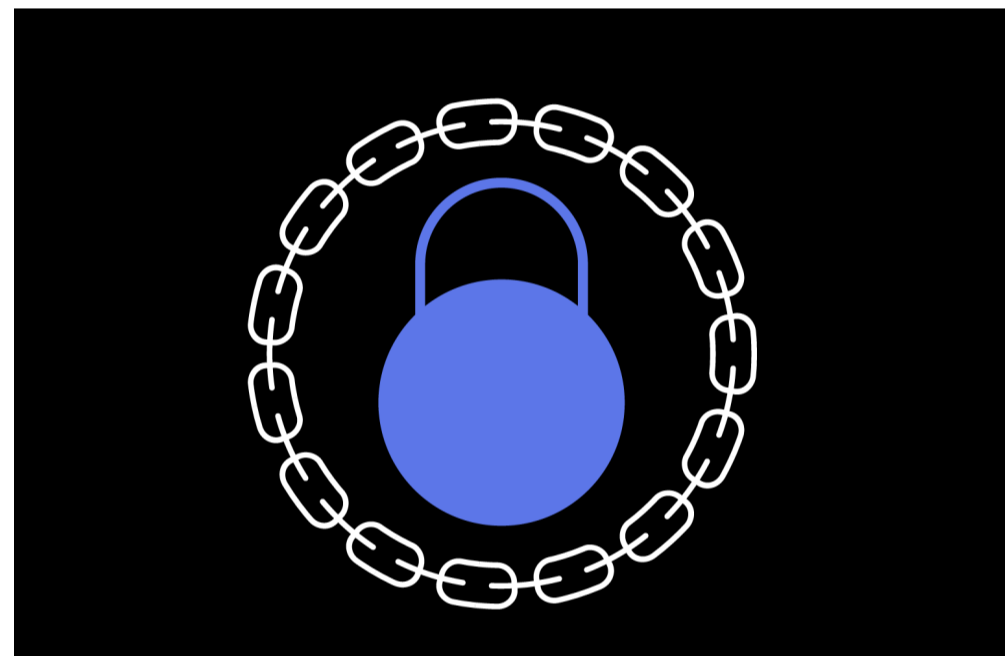


You can withdraw cash. Crypto only **exists digitally** and can't be physically withdrawn. So, you'll never actually hold a bitcoin in your hand like you would a \$20 bill.

Fraud



Printed cash can be prone to counterfeiting. Cryptocurrencies are designed to avoid counterfeiting, thanks to the complex network of computers that record and verify each transaction.



By storing crypto transactions on a **public, immutable blockchain**, they cannot be changed or deleted, and everyone can see them. But not all cryptocurrencies are created equal, and some coins are a higher scam risk, so always do your research before investing.

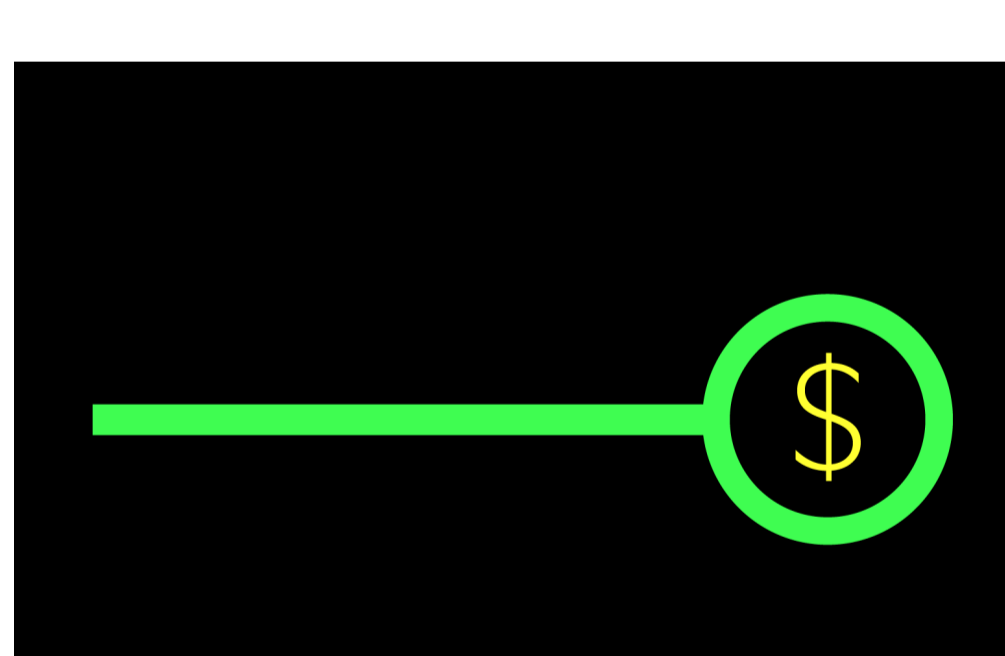


Value



The market value of cryptocurrencies is very volatile—their worth can go up and down quickly.

In 2010, someone bought 2 pizzas for 10,000 BTC, worth \$30.² That same pizza purchase would have cost \$687,900,000 in November 2021³ (bitcoin's all time high) and \$192,709,000 today (September 2022).³



A dollar in your pocket today is still a dollar tomorrow. However, the purchasing power of the U.S. dollar tends to decrease as the money supply increases.

In 1913, you could buy 30 chocolate bars for \$1.⁴ But today, 30 chocolate bars would cost roughly \$30.⁵

The bottom line

While cash and crypto both have an assigned market value and act as a medium of exchange, they have very different properties.



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Images are for illustrative purposes only.

1. "All Coins," CoinMarketCap, September 2022, <https://coinmarketcap.com/coins/views/all/>

2. Arjun Kharpal, "If you bought \$100 of bitcoin 7 years ago, you'd be sitting on \$75 million now," CNBC, May 2017, <https://www.cnbc.com/2017/05/22/bitcoin-price-hits-fresh-record-high-above-2100.html>

3. "Historical Data for Bitcoin," CoinMarketCap, September 2022, <https://coinmarketcap.com/currencies/bitcoin/historical-data/>

4. Govind Bhutan, "Purchasing Power of the U.S. Dollar," Markets Insider, August 2021, <https://markets.businessinsider.com/news/stocks/purchasing-power-of-the-u-s-dollar-over-time-1030279810>

5. "HERSHEY'S Milk Chocolate Candy Bar," Hershey's, September 2022, <https://www.hersheyland.com/products/hersheys-milk-chocolate-candy-bar-1-55-oz.html>

Investing involves risk, including risk of loss.

Crypto is highly volatile, can become illiquid at any time, and is for investors with a high-risk tolerance. Investors in crypto could lose the entire value of their investment.

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