

Cryptocurrency and You

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By Jodi Jacobson*

What is cryptocurrency?

Cryptocurrency is digital money designed to be both traded and tracked over the internet. It has no intrinsic value. No physical coin or dollar is involved, and there is no centralized storage or bank in which you keep it. Cryptocurrencies are bought and sold using traditional currencies, say dollars or euros. Transactions involving most digital currencies are tracked using what is known as “blockchain” technology, which basically means that every single transaction made by anyone anywhere in the world is kept on the internet in a digital ledger. In other words, a person’s crypto holdings and transactions exist as a line item on a spreadsheet. People trading in cryptocurrencies generally understand these are volatile and speculative assets, and that the value fluctuates, sometimes wildly. A book explaining the history and growth of crypto and blockchain for the layperson is *Number Go Up*, by Zeke Faux.

What is the appeal of cryptocurrency?

Why does cryptocurrency appeal to so many, given its widely known instability and lack of regulation? Financial transactions using cryptocurrency are supposedly easier and quicker and not subject to government scrutiny (although there is evidence that these transactions may not be quicker.) This makes crypto attractive to day traders and criminal enterprises. But you don’t have to buy cryptocurrency to feel its effects.

What are the dangers of cryptocurrency?

Cryptocurrencies generally exist outside the formal banking system, so deposits (i.e., purchases) are not backed up by a government. So, if the cryptocurrency you are holding loses its value, there is no government agency to prevent you from absorbing the entire loss. In fact, according to the New York Times on February 26, 2026: “Since its peak last fall, Bitcoin, the world’s largest cryptocurrency, has lost almost half its value. Nearly \$2 trillion of wealth has evaporated from the global crypto market since October.” The way cryptocurrencies lose (or gain) value depends entirely on the market’s demand. So, if many buyers want to buy cryptocurrencies (i.e., demand increases), the value goes up. And, of course, if demand decreases, the value declines.

In contrast to cryptocurrencies, the dollar’s value is affected by inflation, but holdings of the currency itself are protected by the U. S. Federal Deposit Insurance Corporation (FDIC), which provides backup to bank depositors, oversees financial institutions to ensure soundness and consumer protection, and manages other complex aspects of the banking system. President Trump and his administration, however, are making enormous amounts of money off crypto while weakening regulations and shifting the risks of crypto crashes to U.S. taxpayers. The Trump administration has been trying to weaken the FDIC, further weakening a critical safety net for people throughout the country. Some Democrats also have helped the administration make taxpayers and the U.S. economy more vulnerable to crypto crashes.

A [2025 report by the Brookings Institution](#) outlined a series of concerns about the rapid rise and spread of cryptocurrencies. The authors wrote:

While crypto may seem distant from most people's lives, its influence is expanding rapidly. Even individuals who never buy or trade cryptocurrencies can still be exposed to its risks. As cryptocurrencies find their way into banks, payment systems, retirement plans, and even local infrastructure, the risks they pose are beginning to surface in ways that can impact ordinary people. From financial stability to investor fraud to environmental and public safety risks, the potential consequences are real and growing.

Investments by retirement and pension funds in unsecured and volatile crypto markets could, for example, leave millions of people with no money at all, an especially dangerous situation as the right-wing continues to attack both Social Security and pension plans.

The difficulty in tracking crypto also makes it attractive to scammers and those seeking to use it for illegal purposes, like human trafficking, drug trafficking, money laundering, and theft. Appearing on a podcast with historian Anne Applebaum, Molly White, a software engineer, researcher, and fintech writer [cautions](#) "you don't know who created the asset. You don't know who is running the business. You don't know their credibility or their background. They are not required to disclose it under the current regulatory regime."

And, White continues, "I think there's a lot of damage that can potentially happen to everyday people through crypto." To illustrate this very point, they tell the story of a man in Raleigh, North Carolina who runs a bar with his wife. Every night, he took the day's profits and bought increasing amounts of XRP, a cryptocurrency. One morning he looked at his account and there was nothing there. Three million dollars in retirement savings were gone, and neither the local police nor the FBI could do anything about it.

White continues:

You know, there's very little regulation preventing that type of activity, whereas you would expect that activity to be quickly shut down in more regulated ends of the financial system. So there's the sort of asset-level risk, but then there's also the broader risk, which is that if you buy a stock today through your brokerage account, the price of the stock might go up and down, but you know, fairly confidently, that stock is still gonna belong to you when you open up your brokerage in a month. When it comes to the cryptocurrency industry, we've seen repeated examples of crypto firms that have gone bankrupt, that have run off with all the money, that have just vanished into thin air practically.

She estimates that a very conservative estimate for money lost since she started keeping track on her website in 2021, is roughly \$80 billion, the "lower bound, I would say."

As the Trump administration dismantles financial regulations that have made the United States economy a safe bet for investors, they've cashed in, so to speak, on cryptocurrency, creating

several crypto products that benefit the Trump family. In 2024, for example, the Trump family and some non-family partners created World Liberty Financial, a cryptocurrency that [claims to](#) make finance "reliable, open, and made for how the world works today." Zach Witkoff, son of Steve Witkoff, Trump's Special Envoy to the Middle East, is a major partner. In fact, Steve Witkoff has used his position in the administration to enrich his family at every turn. The Trump family's [net worth grew](#) by over *\$6 billion* when the crypto tokens started trading in September.

Cryptocurrency Mining and the Environment

Processing transactions involving cryptocurrency requires cryptocurrency "mining," a computer-based competition to solve a complex math problem that has nothing to do with mining in the traditional sense. The cryptocurrency mining process is extremely energy intensive. During 2020-21, global Bitcoin mining consumed enough electricity to result in a carbon footprint equivalent to operating 190 natural gas-fired power plants or burning 84 billion pounds of coal. The water used for cooling mining equipment during 2020-2021 was enough to fill 660,000 Olympic-sized swimming pools.

Critiques of Crypto Legislation

Unfortunately, some Democrats who are taking large amounts of money from the crypto lobby helped a corrupt Republican party pass a disastrous bill last June called the "[Genius Act.](#)" [Americans for Financial Reform](#), a nonprofit organization founded in the aftermath of the 2008 economic crisis to create an effective public interest voice on banking and finance, wrote a [searing critique](#) of the Genius Act, concluding the Act will make our financial system less stable and less safe. Despite these and other equally harsh criticisms and despite direct pressure from numerous Indivisible chapters throughout the country, 102 House Democrats and roughly half of all Senate Democrats voted *for* the Genius Act, helping it pass the Senate 68-30. Among other things, this bill makes it easier for Trump to benefit from crypto-corruption, and for others like Elon Musk and Mark Andreesen to become more powerful. This could increase the likelihood of an economic crash that will hurt working- and middle-class people hardest, raising questions about the judgement and values of those Democrats who helped push this through.

The next crypto bill winding its way through Congress is the [CLARITY ACT](#), which Americans for Financial Reform calls "**another giveaway to the superrich.**"

The budget bill paid for generous tax breaks to the wealthy by pushing millions of people off Medicaid, SNAP, and other essential programs. CLARITY is much the same: a massive deregulatory bill backed by a gusher of campaign cash and lobbying muscle from ultra-wealthy venture capital firms and crypto billionaires. The bill will enrich them at the expense of consumers, communities, and financial stability.

Moreover, and perhaps not surprisingly, AFR notes "President Trump may gain the most from this giveaway — his family's wealth and power is now inextricably rooted in crypto, with his family and companies making \$1.2 billion in crypto just in the past few months. CLARITY (along

with related crypto bills being considered) is a custom-built framework that gives him and his billionaire allies a green light to manipulate financial markets while working families are left holding the bag.”

Conclusion

In the face of growing fascism, we need an opposition party that will do everything possible to undermine the ground in which dictatorships, totalitarianism, and authoritarianism can thrive. Indivisibles can lead the way by providing basic education on these complex topics, and electing Democrats who have clear moral compasses and understand what needs to be done.

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