

Crypto 101

What is Crypto? Cryptocurrency

A digital currency that uses cryptography and blockchain to encrypt, secure, and verify transactions.

How Does Crypto Work?

Instead of relying on central banking systems to conduct, approve, and verify financial transactions, cryptocurrencies run on “decentralized” blockchains. These blockchains use a network of computers from all over the world, rather than a centralized system, to validate and record each and every transaction. This setup makes it difficult to hack or tamper with a blockchain’s ledger of transactions, which is also publicly viewable.

What is Blockchain?

A digital ledger made up of chronologically-arranged blocks of information, used to record all transactions of a particular cryptocurrency.

Pros & Cons of Crypto

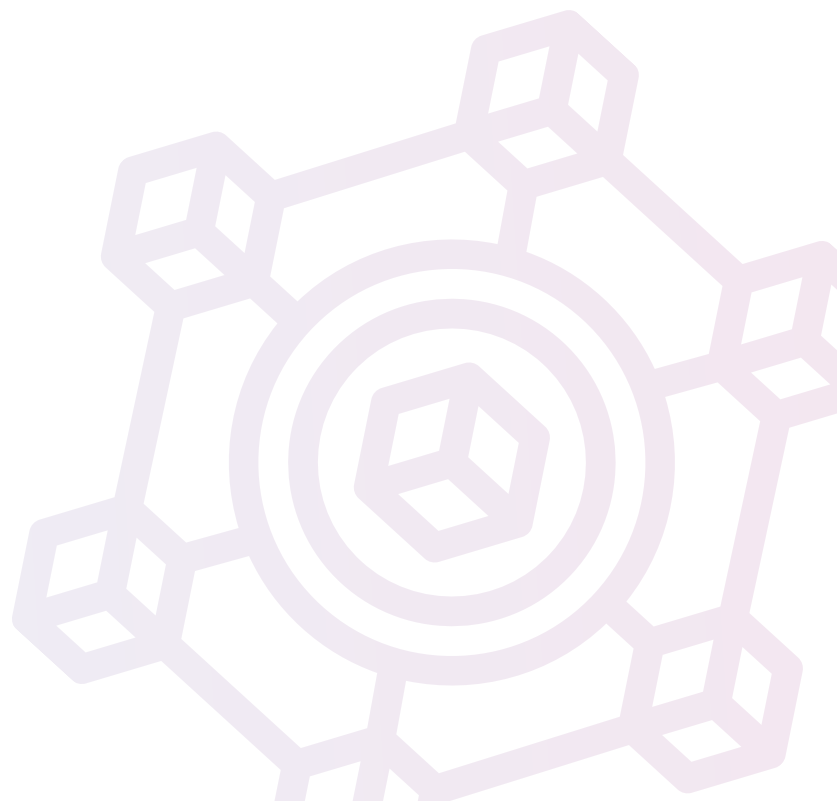
Nonprofit organizations have to think holistically about how crypto is used and by whom. We need to ask, “Is it ethical? Does it align with our mission?”

Pros

- Accessibility
- Liquidity
- User anonymity
- Encrypted protection
- Separation from authority
- Low fees
- Less fraud

Cons

- Negative impression with donors
- No government regulation
- Potential for crime
- Volatility
- Limited use/ Lack of acceptance
- Non-reversible



Crypto Myths

Only for Experts

Only sophisticated nonprofits can accept cryptocurrency

Environmental Impact

Environmental nonprofits don't accept crypto for environmental reasons.

Accepting is Investing

Accepting crypto means investing in it.

Volatility is Not Your Friend

If you're not holding it, the volatility is awesome. If you are holding it, it's still historically been pretty great.

Exclusive

Crypto is exclusive to young men in their 20s.

Anonymity

Crypto donations are anonymous (anon donations are optional).

FAQs

Why should nonprofits accept crypto donations?

- Diversify revenue streams
- Future-proof your organization from unpredictable events like a pandemic or a recession
- Embrace a young, affluent, and passionate donor demographic
- Offering a more tax-efficient way for donors to give
- Continued adaptability



Who is your typical crypto donor?

- Average income **\$111,000**
- Acquired via different tactics/channels, but then you **treat them like a major donor**
- 300-350 million people hold crypto
- Crypto donors **50% more generous** than stock donors (fidelity report)

How Can a Nonprofit start a crypto donation campaign?

- Set up a cryptocurrency donation page on your website
- Post on Twitter, Discord and other social media platforms
- Inform your current donors base about your new crypto acceptance policy
- Study nonprofits that are successfully fundraising crypto
- Establish a crypto fundraising campaign or goal for the year



Resource



Accepting crypto is low risk, high potential reward



You don't have to understand it to accept donations



Identifying potential crypto donors in your data



Have a plan to promote it

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SCAN ME

