

# Motives for (and against) Cryptocurrency Ownership in Young Adults During a Bull Market



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# Disclosure of Potential Conflict of Interest

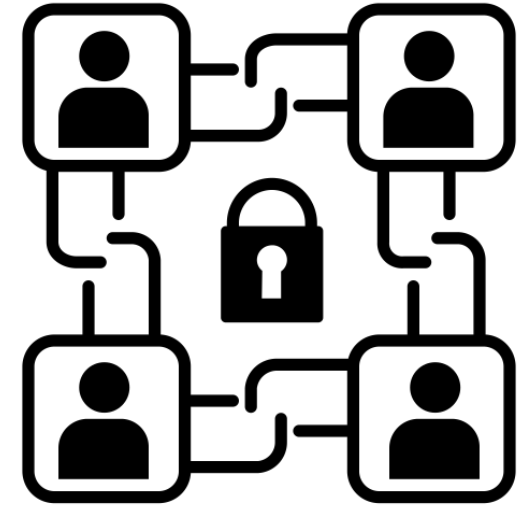
- I have received research support from the Alberta Gambling Research Institute
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# What is Cryptocurrency?

- Virtual coins or tokens that can be exchanged on a peer-to-peer digital system<sup>1</sup>
- Uses cryptography to secure transactions between users<sup>1</sup>
- Bitcoin was the first cryptocurrency (2009)
  - Pseudonymous programmer Satoshi Nakamoto<sup>2</sup>

# The Blockchain

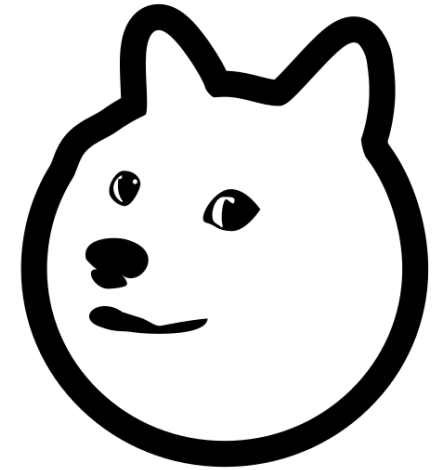
- Distributed public ledger that stores data
- Keeps a record of all transactions that have ever taken place<sup>3</sup>
- Transactions are added to the blockchain through *mining*
  - Network of computers that solve mathematical algorithms<sup>3</sup>



Created by Maria Kislitsina  
from the Noun Project

# Cryptocurrency Today

- Over 22,000 cryptocurrencies available<sup>4</sup>
- Estimated over 100 million investors<sup>3</sup>
- Bitcoin & Ethereum most popular
- Alternative coins (Altcoins) & “Meme coins”
  - Dogecoin, Shiba Inu



Created by Jonah Bethlehem  
from the Noun Project

Cryptocurrencies ▾











Exchanges ▾

Watchlist

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USD ▾

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Rank	Name	Symbol	Market Cap	Price	Circulating Supply	Volume(24h)	% 1h	% 24h	% 7d	
1	 Bitcoin	BTC	\$493,146,593,909	\$25,528.42	19,317,556 BTC	\$48,813,160,560	-1.18%	5.41%	14.59%	...
2	 Ethereum	ETH	\$214,875,674,142	\$1,755.90	122,373,866 ETH *	\$14,505,664,664	-0.32%	4.91%	12.69%	...
3	 Tether	USDT	\$73,102,017,429	\$1.00	72,899,554,645 USDT *	\$66,684,045,103	0.02%	-0.05%	0.28%	...
4	 BNB	BNB	\$49,995,568,881	\$316.64	157,892,225 BNB *	\$793,063,978	0.06%	2.59%	9.49%	...
5	 USD Coin	USDC	\$39,200,367,709	\$0.9992	39,230,968,625 USDC *	\$6,737,500,747	0.06%	0.07%	-0.08%	...
6	 XRP	XRP	\$19,472,586,908	\$0.3822	50,950,912,949 XRP *	\$1,392,707,399	0.10%	2.18%	0.59%	...
7	 Cardano	ADA	\$12,467,467,398	\$0.3593	34,699,121,802 ADA *	\$520,086,397	-0.31%	4.36%	9.26%	...
8	 Polygon	MATIC	\$10,678,226,609	\$1.22	8,734,317,475 MATIC *	\$923,463,072	-0.33%	2.90%	7.10%	...
9	 Dogecoin	DOGE	\$10,179,081,305	\$0.07672	132,670,764,300 DOGE	\$586,621,383	-0.03%	5.23%	3.75%	...
10	 Binance USD	BUSD	\$8,373,266,875	\$0.9997	8,375,923,986 BUSD *	\$9,431,024,239	0.05%	-0.08%	-0.09%	...



## Bitcoin to USD Chart



Image Credit: <https://coinmarketcap.com/currencies/bitcoin/>

# Cryptocurrency Access in Canada

- Cryptocurrency Brokerage Firms
  - Wealhtsimple, Bitbuy, Bybit, Binance, Coinbase, Coinsmart, VirgoCX, Newton, Coinberry
- Exchange-traded funds (ETFs) on the TMX
  - Evolve Bitcoin ETF
  - Fidelity Advantage Bitcoin ETF
  - CI Galaxy Bitcoin ETF
  - Purpose Bitcoin ETF



# Motives in Cryptocurrency

- Why do people engage in cryptocurrency?
- Some limited research on motives<sup>5,6</sup>
  - Investment purposes
  - Anonymity
  - Avoid transaction fees
  - Make online payments
  - Technology

# Open-Ended Motives in Gambling

- Neighbors et al. (2002)<sup>7</sup> primary reasons for gambling
  - Open-ended question
  - Responses categorized by conceptual similarity
  - 16 unique motives
  - *Advantages*: freely provide answers, reduces experimenter bias, most accessible motives



# Rationale

- Identify primary motives that explain why some young adults *own cryptocurrency*
- Identify primary motives that explain why other young adults *do not own cryptocurrency*
- Employ the open-ended question approach from Neighbors et al. (2002)<sup>7</sup>



# Procedure

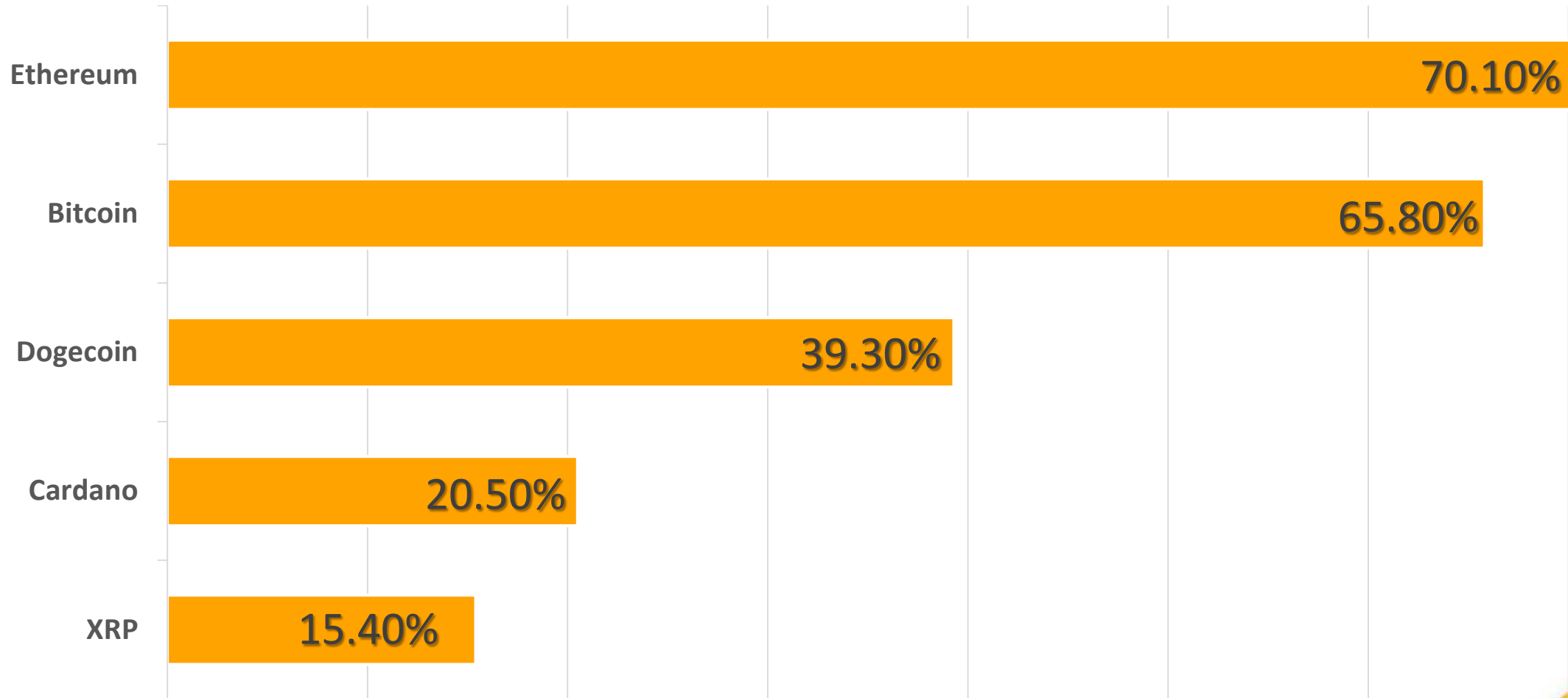
- “Think about what motivates you to trade or invest in cryptocurrencies and briefly list the top three reasons in rank order”
- “Think about what motivates you to NOT trade or invest in cryptocurrencies and briefly list the top three reasons in rank order”

# Participants

	Cryptocurrency Users (n = 117)		Cryptocurrency Non-users (n = 102)		Significance Test	
Variable	N	% M (SD)	N	% M (SD)	$\chi^2$ / t	p
Male	70	60.7%	17	16.7%	44.93	<0.01*
Female	46	39.3%	83	81.4%		
Age (years)	117	20.9 (2.7)	102	19.4 (1.6)	45.25	<0.01*
Single	109	93.2%	101	99.0%	5.10	.078
Married	4	3.4%	0	0.0%		
Common law	4	3.4%	1	1.0%		
White European	50	42.7%	42	41.2%	11.85	0.222
South Asian	22	18.8%	16	15.7%		

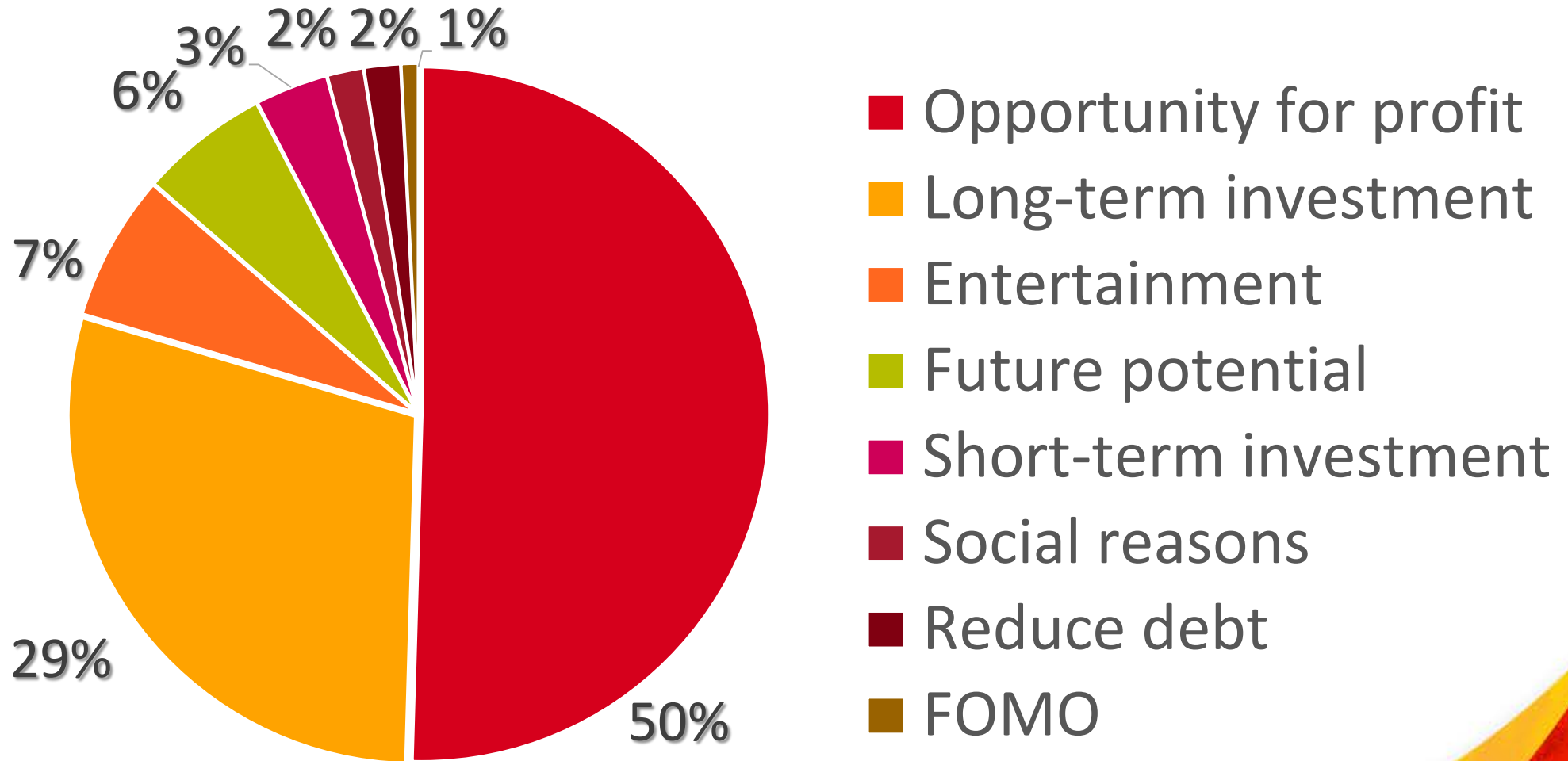


# Results: Coins Purchased

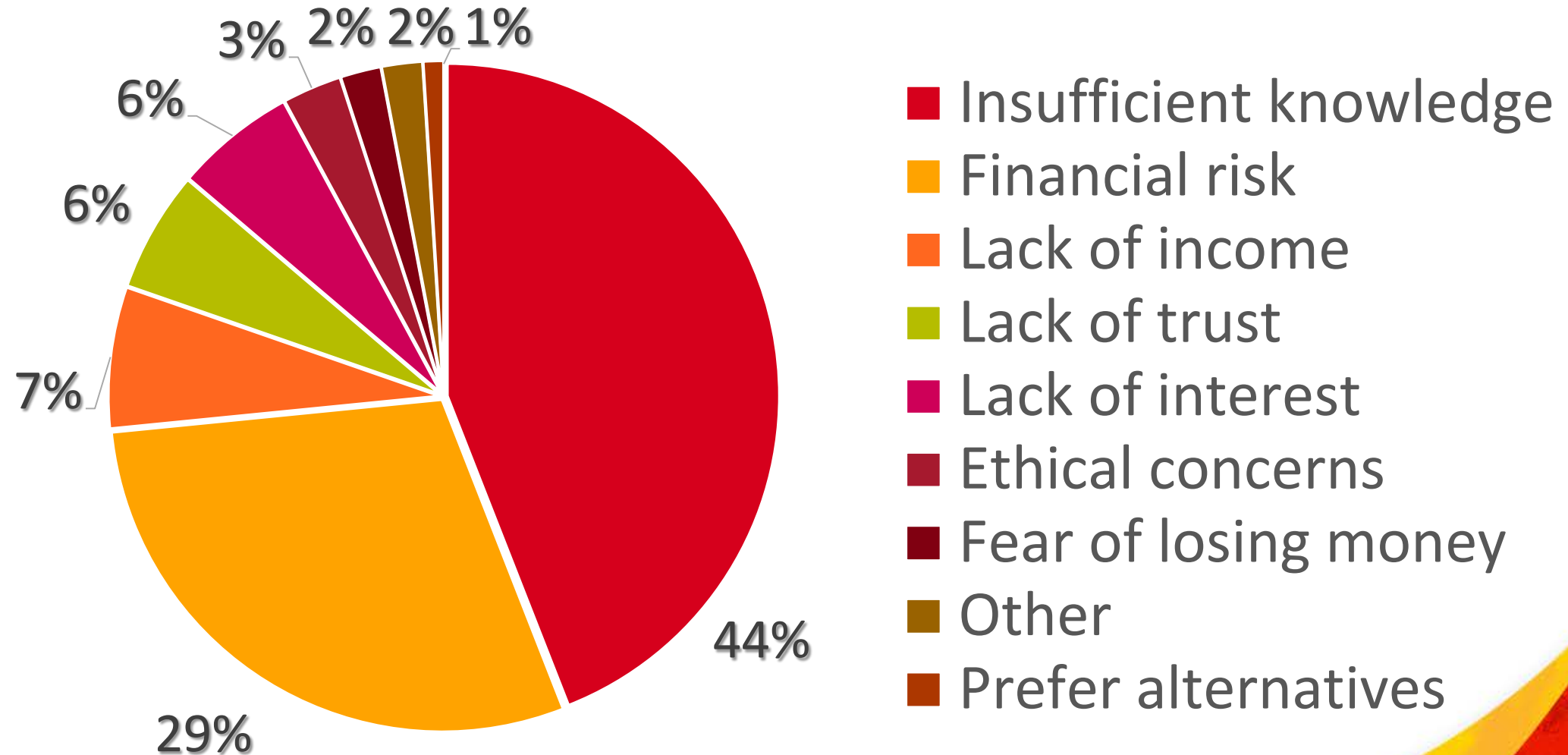




# Results: Cryptocurrency Primary Motive



# Results: Non-Users Primary Motive



# Discussion: Cryptocurrency Users

- Similarities with previous survey-based motives research
  - E.g., Investment purposes
- However...
  - More focus on 'short-term', 'profit', and 'entertainment'
  - Identified new reasons as well
    - Social, reduce debt, FOMO, etc.

# Discussion: Non-Cryptocurrency Users

- Several interesting, and somewhat parallel reasons for not owning cryptocurrency
  - Insufficient knowledge was most cited
  - However, financial risk/fear of losing money was very common
  - Lack of trust and ethical concerns were also identified

# Limitations

- Limited convenience sample of young adults in university
  - Would their working peers having more disposable income?
  - Does education play a role in owning cryptocurrency?
- Subjectivity in coding open-ended motives

# What's Next?

- Explore relationships between motives and cryptocurrency engagement
- Expand to investigate a more representative sample
- Develop a standardized measure of cryptocurrency motives



# Acknowledgements



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# References

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