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Why Do People Continue to Buy Cryptocurrencies

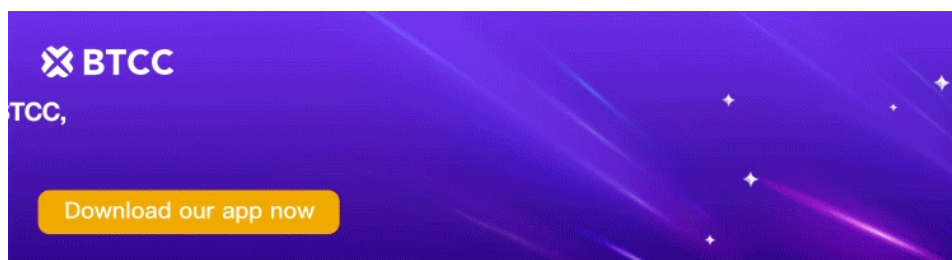
Original:

<https://www.btcc.com/en-US/academy/research-analysis/why-do-people-continue-to-buy-cryptocurrencies>

Here are the reasons why people will continue to buy and maintain their [cryptocurrency](#) assets. The decentralized digital currency has been criticized from police agencies to ordinary investors. The former believes that these platforms allow fraud and money laundering, while the latter often observes market instability. The recent collapse has also made investors nervous. However, cryptocurrency cynics will likely prove wrong again. The following are the reasons why people will continue to buy and maintain their cryptocurrency assets.

It Has a Protective Effect on the Economic Situation

Before the recent collapse of the cryptocurrency market, economies narrowly avoided their own collapse. As the covid-19 pandemic and the economic conditions of many countries around the world have proved, cryptocurrencies can be secure when the world economy is uncertain. Bitcoin itself has its supply ceiling, so although it has recently fallen, its price will recover in the long run. In addition, cryptocurrency has no connection with the stock market, so investing in it opens a variety of wealth storage and investment options for users.



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In the Era of Distrust, It is Safe

The security of cryptocurrency has two aspects. First, individuals around the world are losing trust in central organizations and financial institutions. Several factors contribute to this situation, but the result is that individuals want to store funds and conduct transactions without experiencing

processing bottlenecks or continuous monitoring, and cryptocurrency provides a perfect platform to achieve this.

Second, financial fraud and identity theft are common. Since cryptocurrency transactions are anonymous, they are considered more secure because they do not involve user identity. Not that these traits are not used by some [people](#) for money laundering or cryptocurrency fraud, but as more countries accept the currency, they are likely to be regulated to get rid of these situations.

It Has Huge Profit Space

It is not common for the market to collapse or soar, but we all remember what happened when [Bitcoin](#) rose to more than \$65000 in 2021. The recent bloodshed in cryptocurrency markets can only highlight the volatility of these markets. Profits and losses can be quite large, so individuals need to diversify their portfolios in order to spread losses and gains to more channels. In any case, the market is not stable. If you play the right card, you can make a considerable profit.



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It Has Low Transaction Cost

Because there is no need for a third party and the currency knows no borders, cryptocurrencies are ultimately cheaper for users. The extremely low transaction costs make it particularly useful for large transfers. In addition, since cryptocurrency is not affiliated with any government, it becomes feasible to get money across borders. These facilities make it incredibly attractive to users.

The Risks of This Trend

The benefits of cryptocurrency for individuals are obvious. However, some risks continue to plague the wider society.

1. Persistent money laundering

The ability to transport funds has the same appeal, if not greater, to criminals. From 2020 to 2021, money laundering through cryptocurrency increased by 30%. If regulatory measures are not taken in time, it may continue to increase in the future.

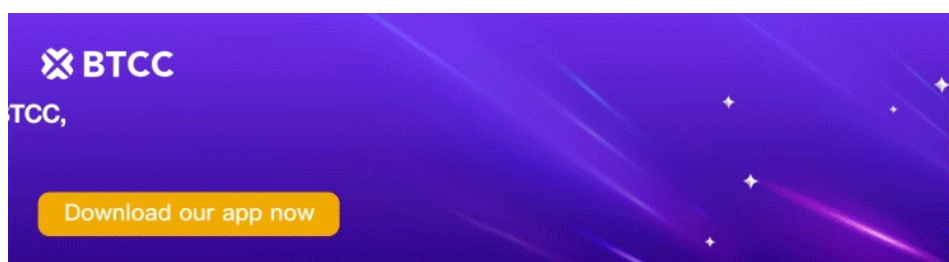
2. Tax evasion

Not having your money held by a central, authorized institution makes it easy for your wealth not to be disclosed. The White House predicts that the tax gap will reach about \$7 trillion over the next decade. Cryptocurrency has proved to be a dangerous and effective means to allow individuals and

businesses to hide their wealth. If the necessary measures are not implemented as soon as possible, all tax arrears will only bring greater pressure on the public sector and deprive millions of poor people of their basic livelihood.

3. Undetected criminal movements and transactions

The anonymity of cryptocurrency makes it a deadly tool in the hands of criminals and terrorists. They can conduct illegal transactions, raise ransom through these platforms, and transfer their funds to invisible places. Transactions can also be conducted through dark networks, which makes it extremely difficult to regulate such activities. With the increasing popularity of cryptocurrency, more terrorist organizations may try to overcome their hesitation to use cryptocurrency. The consequences could be disastrous for the world.



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Conclusion

Embracing digitalization is the only way out. The non discriminatory accessibility of cryptocurrency will continuously call on various types of users. Its protection against inflation makes it a convenient long-term store of wealth. It is also a major source of unbreakable wealth, so it is considered safe, especially for a long time. If you want to use it on the road of retirement investment, please visit retireinvestments Com to get more knowledge about this problem.

The economy and society as a whole may not be very optimistic about the prospect of cryptocurrency because it may cause harm. They may be at risk because their finances are threatened by money laundering and tax crimes, and the actions of criminals are not detected. However, governments around the world are increasingly aware of the power and influence of cryptocurrency. Therefore, regulations to make it more secure may soon appear on the road. Let's look at the future of these currencies.