# Decrypting Crypto: Terms to Know – Video Transcript

Cryptocurrency: Any form of digital currency that is decentralized and uses cryptography to help make transactions secure.

There are thousands of different cryptocurrencies.

Cryptography: The science of encrypting information to disguise it: encrypted data typically requires a digital key to unlock it.

Cryptocurrency gets its name from cryptography.

Blockchain: A digital form of recordkeeping that underpins cryptocurrency; sequential blocks of encrypted data combine to form a permanent and unalterable record of transactions.

Blockchain technology is not limited to cryptocurrency.

Crypto mining: The digital process of maintaining a blockchain ledger and making new coins by solving complex mathematical equations to validate transactions: people who validate are called "miners."

Crypto mining can require massive amounts of computing power and thus electricity, depending on how complex the validation needs to be.

Coin: A representation of a unit of digital value of a cryptocurrency.

Some coins have the same name as the blockchain they live on (e.g, Bitcoin).

Bitcoin: The first cryptocurrency, launched in 2009.

The inventor of Bitcoin limited the number of bitcoin that can ever exist to 21 million – this limit is encoded in Bitcoin's source code.

Bitcoin cash: A digital cash system created by a hard "fork" in the blockchain of original Bitcoin, designed to be less volatile as a currency than original Bitcoin.

A hard fork is what happens when a blockchain diverges into two potential paths.

Ethereum: Launched in 2015, an open source blockchain platform that can be used for applications beyond cryptocurrency, pioneered "smart contracts."

Ether is the original cryptocurrency on the Ethereum platform.

Altcoin: Any cryptocurrency that is not Bitcoin.

Examples include Tether, Binance Coin, Solana, Luna, and "meme" coins like Dogecoin and Shiba Inu.

Stablecoin: A cryptocurrency whose value is tied to some other currency or commodity, such as the U.S. dollar or gold, with the goal of maintaining a stable value.

Stablecoins were developed partly as a response to the price volatility of traditional cryptocurrencies.

NFT (non-fungible token): A unit of value used to represent ownership of unique digital items like art, music, or collectibles.

NFTs are most often held on the Ethereum blockchain.

Crypto exchange: A digital marketplace for buying and selling cryptocurrency.

Exchanges reflect current market prices for the cryptocurrencies they offer.

Keys: Digital codes required for cryptocurrency transactions;  your "public" key is used by others to send you transactions and your "private" key decrypts (unlocks) them

A public key functions like an address and can be shared, but a private key should never be shared.

Wallet: A place to store your public and private keys; a "software" wallet is connected to the Internet and a "hardware" wallet is offline, typically on a device that looks like a USB drive.

A wallet doesn't store actual cryptocurrency coins, just the keys.

*Cryptocurrencies are not an investment, are highly speculative, carry higher risk and volatility. Cryptocurrencies are not typically subject to the same reporting and data integrity requirements that apply to more traditional investment products. The IRS is treating cryptocurrency as an asset subject to capital gains taxation rather than as a currency.*

*The reserves of stablecoins may not be subject to rigorous audits and the quality and quantity of collateral may not, in some cases, correspond to the issuer's claims. Stablecoins that maintain their value through algorithmic mechanisms are potentially subject to failure due to market pressures, operational failures, and other risks.*

*All investing involves risk, including the possible loss of principal, but new technology ventures are especially risky. Some of the blockchain projects in development may turn out to be viable and profitable, but many others could fail. It is important to be skeptical when evaluating a claim made by a company about its entry into this arena. Steer clear of unsolicited and Internet-based investment offers — and never wire money to pay for an offer or service.*