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HOW TO BUY PENNYCANDY IN THE 21ST CENTURY

A PRACTICAL INTRODUCTION TO THE BLOCKCHAIN USING
ETHEREUM

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By @tompurl

FINANCIAL DISCLOSURE

I own a small amount of the following
cryptocurrencies:

- Bitcoin
- Bitcoin Cash
- Ethereum

I am an employee of PNC Bank but my views are my
own and in no way are related to my employer.

Source: <https://github.com/1Yj0Tcl>

Speaker notes

I am not trying to manipulate the value of any of these assets based on my presentation today.

WARNING!

The systems and markets that I'm showing you
today are bleeding edge and **incredibly unstable**.
Everything could collapse tomorrow in bizarre ways
that are impossible to predict.

I am not a financial advisor and none of my
advice should be used for investment purposes.
You should assume that speculating in
cryptocurrencies is like **gambling in a casino**.

Source: <https://github.com/2aHHg4A>

WHO IS TOM?



- Systems Engineer and all-around computer nerd
- Risk-averse cryptocurrency hobbyist(?)

Speaker notes

I feel that the term "cryptocurrency hobbyist" will sound just as cool in 2019 as "webmaster" did in 2001.

WHAT I BELIEVE ABOUT THE BLOCKCHAIN ECOSYSTEM

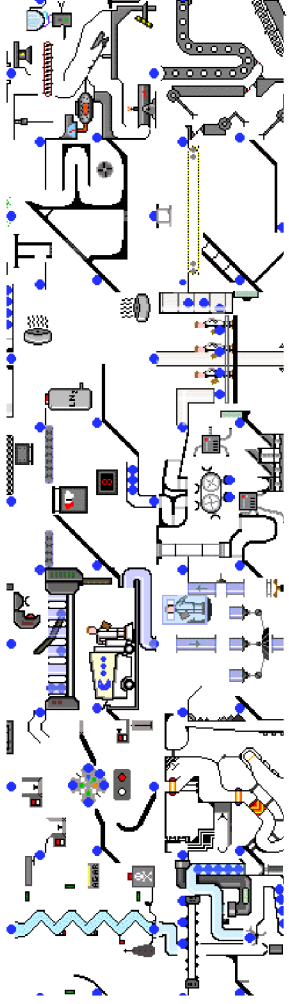
- It is the future of **assigning, storing and transferring value**
- It's a **huge** and will have a **profound impact** on the digital world.

Speaker notes

These are very grandiose statements. I know but I believe they're true

It's the biggest thing to happen to money since the invention of currency

This is why I'm trying to learn a little about the blockchain this year



RI IT THIS SH*T IS RANIANASI

Speaker notes

Disciplines:

- Economics
- Psychology
- Cryptography
- Computer Science
- Business
- Finance
- History

My big mistake with learning about the blockchain was that I thought I had to understand everything 100% before I invested my first nickel.

HOW SHOULD I GET STARTED?

- To start your learning process **you need to start making transactions.**
- We'll be working in the **Ethereum ecosystem** because of its popularity and low transaction costs.

Speaker notes

- I'm an **experiential learner.**
- I'm consistently amazed by people who claim to be blockchain experts who've never made a single transaction.

But "real" money is also very complicated

Speaker notes

Most people have no idea how any of these things work:

- Credit card transactions
- Mutual funds
- ACH transactions
- Wire transfers
- How the fed controls the supply of currency.

You certainly wouldn't try to teach a child about all of these things before you let them buy their first candy bar.



Speaker notes

But you need to learn how money works at a young age. And chances are you need or want to learn how this whole blockchain thing works.

It dawned on me that the way that we teach kids about using money is a good model for teaching adults (or kids) how to use cryptocurrencies.

PRINCIPLE #1

Find a sherpa who will help you along the way.

Speaker notes

When I was a kid this was an older sibling or parent.

See if you have a crypto-savvy friend. If not, make one at a user group!

PRINCIPLE #2

Find a trustworthy source of "money"



Speaker notes

When I was a kid I trusted that the coins I got were real and that I could buy things with them.

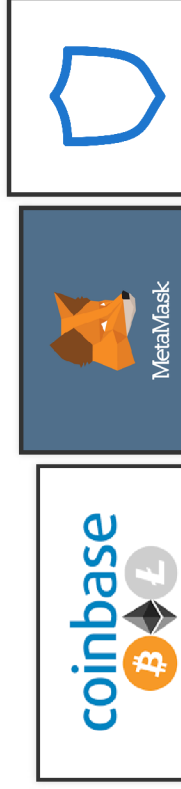
With cryptocurrencies you have two choices:

- A reputable exchange like Coinbase.
- A friend who will give or sell you some cryptocurrency.

Which childhood financial lessons should we use when starting with the blockchain?

PRINCIPLE #3

Find a trustworthy wallet app



Speaker notes

Coinbase is a good web wallet. The disadvantage is that you don't control your private keys.

Metamask is my favorite desktop wallet because it's easy to use and open-source.

Trustwallet is a good mobile option that's also open source and very easy to use.

PRINCIPLE #5

Make small, simple transactions.



Speaker notes

When I was a kid I started by buying bazooka joe and candy bars.

Good examples for cryptocurrency transactions:

- Send a few bucks to your buddy and have him/her send it back.
 - I kid you not, this is like MAGIC
- Donate a buck to the internet archive!
- Buy a Cryptokitty!

PRINCIPLE #6

Expect to lose money in surprising ways!



Source: <http://bit.ly/2rbH3RE>

PRINCIPLE #4

Start with small sums of money in your wallet

Speaker notes

To quote Sinbad, you didn't give a kid a dollar when he was little because they would OD on penny candy.

I started with \$40 at first because that was the amount I would have paid for a good book

Find a currency with relatively low transactions costs and buy a small amount using a reputable exchange.

Treat this like small-scale gambling.

- But more fun!
- It's still cheaper than most books and classes.

Speaker notes

When I was a kid I lost "all" of my money 20 different ways.

PRINCIPLE #7

Profit! Rinse and repeat!

WAYS TO LOSE CRYPTOCURRENCY:

- Somehow losing your wallet
- Transaction fees

The key here is to create a "risk sandbox" where

Speaker notes

- Somehow losing your wallet
- Oh no, I wasn't supposed to share that online?
- Oh no, I was supposed to back that up?
- Share your story of how you thought you lost \$270 of bitcoin.
- Transaction fees
- This happens to all of us.
- You're having fun and then notice that you no longer have enough money to move \$0.05 when you want to move \$5.00.

MINI-LAB: SETTING UP METAMASK



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1. Install plugin
2. Create password
3. Write down seed phrase
4. Someone's getting a kitty!
5. Check account transactions

NEXT STEPS



QUESTIONS?

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If you have a non-trivial amount of money in a wallet, then buy a highly-rated cold wallet.

Read books!

- Bitcoin for the Befuddled
- ??

Don't read scammy BS!

EMBRACE THE SUCK



Source: <http://bit.ly/2ETdDh3>

THANK YOU!

PRINCIPLES SUMMARY

1. Find a sherpa who will help you along the way.
2. Find a trustworthy source of "money".
3. Find a trustworthy wallet app
4. Start with small sums of money in your wallet.
5. Make small, simple transactions.
6. Expect to lose a little money.
7. Rinse and repeat!