PROS

PROS:

1. Transparency
2. Decentralized, peer to peer
3. Potential for privacy
4. Accessibility and liquidity

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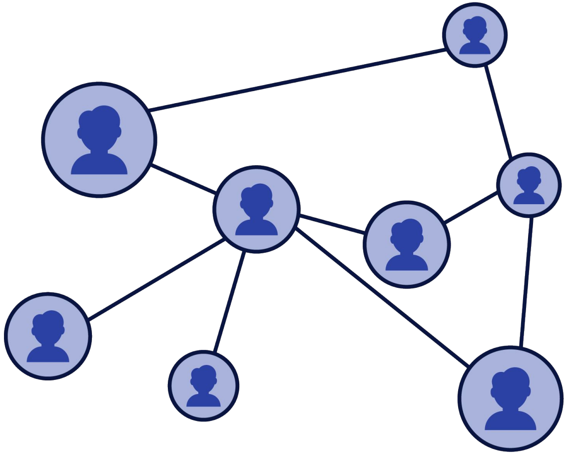
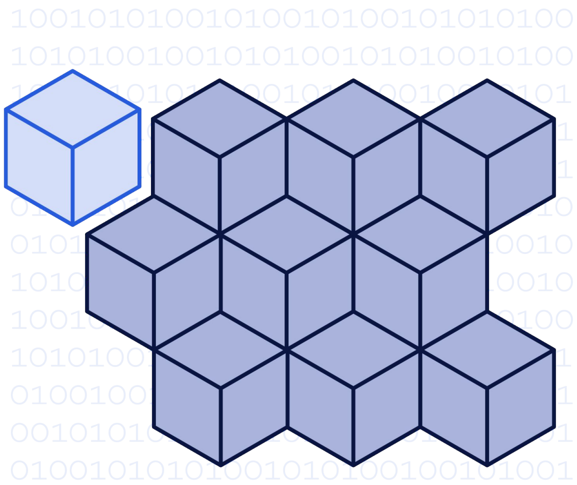


#1: Transparency

All Bitcoin transactions are public, traceable, and permanently stored in the Bitcoin blockchain network. Anyone can see the balance and all transactions of any address on this public ledger.

PROS:

#2: Decentralized, peer to peer



The blockchain functions in a decentralized way so that no single person or group has control—rather, all users collectively retain control.

PROS:

#3: Potential for privacy

Traditional banking requires proof of identity while Bitcoin uses pseudonyms (more specifically, your wallet address) to execute transactions. This allows users the ability to send money without giving identifying information.

However, because all transactions are public, if someone figures out your unique pseudonym, they can also see your transactions.

PROS:

#4: Accessibility and liquidity

Bitcoin provides global accessibility. It allows any business or individual to securely send and receive payments anywhere at any time, with or without a bank account.

CONS

CONS:

1. Volatility
2. No government regulations
3. Irreversible
4. Limited use and lack of scalability
5. Bad for the environment

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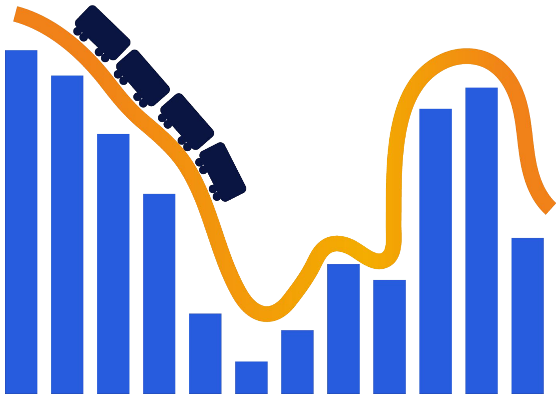

#1: Volatility

At the start of 2021, Bitcoin was trading below $30,000 but suddenly started peaking in February and by April it almost doubled.

Later that month, it crashed to where it was in January. Its recovery started in June and by August it had crossed $50,000. After more ups and downs, it hit a record high of $68,521 on 11/5/21. The all-time high was $111,970 on 5/22/25.

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CONS:

#2: No government regulations

Many crypto enthusiasts believe having no government regulation is a PRO. It sets cryptocurrency apart from the traditional financial sector and banking world. But, this means there's no equivalent to the Federal Deposit Insurance Corporation (FDIC) to cover losses in your cryptocurrency account.

The FDIC guarantees up to $250,000 per depositor, per insured bank. If your crypto assets are stolen, you're out of luck!

CONS:

#3: Irreversible

Unlike traditional bank transactions, Bitcoin does not allow transaction reversibility, aka "chargebacks".

In situations where you've accidentally sent funds to an incorrect unknown Bitcoin address, it's nearly impossible to recover your funds.

CONS:

#4: Limited use and lack of scalability

There's a limited capacity to handle large amounts of transaction data on the Bitcoin blockchain network in a short span of time.

Increasing volume of trades causes a backlog. This limits Bitcoin use because if we all transacted in Bitcoin daily, it would cause massive congestion to the network, and fees would spike. **That's why many experts view Bitcoin as a store of value rather than a currency**.

CONS:

#5: Bad for the environment

According to the Bitcoin Energy Consumption Index, the Bitcoin network consumes approximately 175.87 TWh of electricity per year, which is comparable to yearly electricity consumption in Poland.

Mining Bitcoin requires highly specialized machines to quickly perform complex algorithms, and enough cooling power to keep the hardware from overheating 24/7.

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