

Finder's Cryptocurrency Report



A report on the state of cryptocurrency in Australia
August 2021

Contents

Cryptocurrency in Australia	3
Introduction	4
The rise of cryptocurrency	5
How many Australians own cryptocurrency?	6
Why are Australians buying cryptocurrency?	7
Why are some still hesitant?	8
What would make people want to invest?	9
The future of cryptocurrency	10
Bitcoin prices will continue to grow	10
Cryptocurrency will become more mainstream	10
Social media will underpin growth	11
Cryptocurrency trading apps will become the norm	11
Finder's experts weigh in on the future of cryptocurrency	13
References	14
Methodology	14

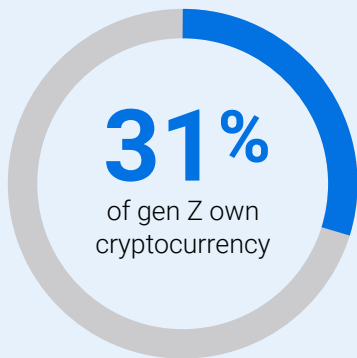
Cryptocurrency in Australia

1 in 6

Australians own cryptocurrency

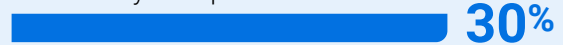


Men
23%
are twice as likely as
women
11%
to own cryptocurrency

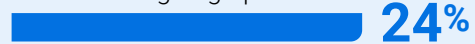


Top reasons Australians buy cryptocurrency:

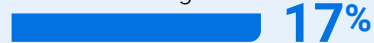
To diversify their portfolio



Because it's going up in value



Fear of missing out



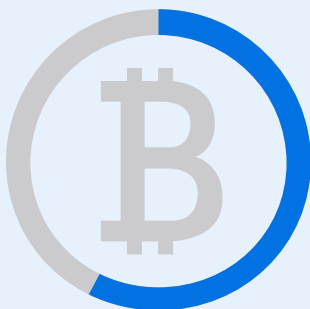
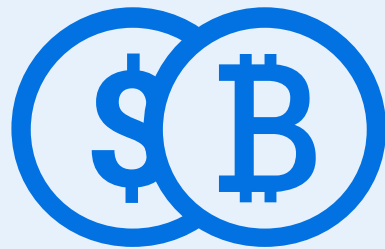
1 in 5

non-crypto owners
are reluctant to buy
cryptocurrency because
they don't know how



1 in 3

think Bitcoin will eventually
overtake fiat currency



56%

of Australians think
Elon Musk invented
Bitcoin

15%

of Australians have
a cryptocurrency
trading app



Introduction

Cryptocurrency such as Bitcoin is changing the world's financial system and making it fairer for more people. Despite volatility, we've seen incredible growth in value for Bitcoin, Ethereum and other digital currencies as use cases and demand grows. The value will likely continue to rise as more use cases and demand grows.

Finder's data shows more and more Australians are interested in owning cryptocurrency, with strong growth among women and young people. Big brands like Microsoft are accepting Bitcoin as payment, and even in Australia there are thousands of businesses that accept Bitcoin.

At Finder, our aim is to simplify cryptocurrency trading for everyday people. Our data shows more than one in five Australians without cryptocurrency haven't bought it because they don't know how. Understanding the complexities of blockchain, digital wallets and keys is too challenging and time-consuming.

Finder's Cryptocurrency Report 2021 explores the rise of cryptocurrency in Australia and the trends that will underpin its ongoing growth. We delve into the reasons people have bought cryptocurrency and why some remain sceptical. Finder's experts also provide insight into the future of cryptocurrency with tips for consumers.

And most importantly, this report paints a picture of the future direction of cryptocurrency in Australia, how it will impact financial systems and how we will manage our money.

Fred Schebesta
Founder, Finder

The rise of cryptocurrency

The concept of cryptocurrency was born in 2009 under the alias Satoshi Nakamoto. This person (or group of people) believed currency should not be controlled by a central authority, and so set out to create Bitcoin, the world's first and to this day, most popular digital currency.

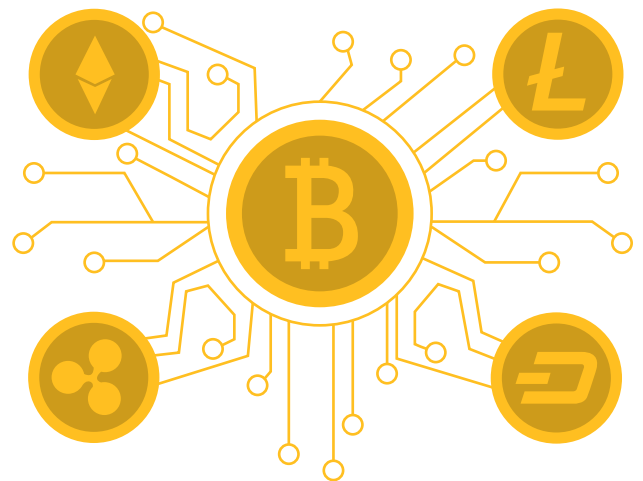
When Bitcoin first entered the market, it was priced at virtually nothing. It saw its first claim to fame in 2017, when the price of Bitcoin soared from around AUD\$2,500 to \$25,000 in just 6 months.¹ In April this year, the price of Bitcoin reached a high, peaking at more than AUD\$83,000 per coin.² That's about the size of the median house deposit in Adelaide or Darwin.

Bitcoin (AUD)



Chart: Finder. Source: CoinMarketCap, Finder

While Bitcoin remains the most widespread cryptocurrency, other coins are starting to come into the limelight as well. Dogecoin, for instance, saw its price skyrocket from just AUD\$0.01 to AUD\$0.80 between January and May this year.³ Ethereum, Ripple, Litecoin and various others are also becoming more and more popular as people are increasingly looking to cryptocurrency as a form of alternative investment.

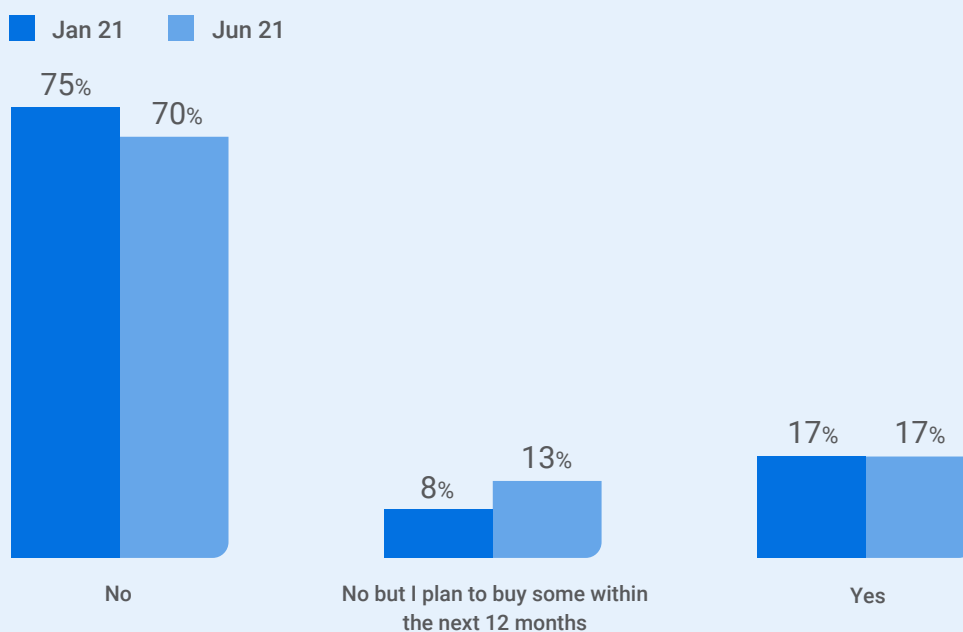


How many Australians own cryptocurrency?

1 in 6 Australians (17%) own cryptocurrency according to Finder's Consumer Sentiment Tracker. Since January, the number of people who say they plan to buy cryptocurrency has increased from 8% to 13%, and the number of people who don't own digital coins and don't plan to has decreased from 75% to 70%.^{4,5}



Do you own cryptocurrency?



Source: Finder Consumer Sentiment Tracker, January and June 2021

Bitcoin remains the most popular cryptocurrency, but only just. Bitcoin is owned by 9% of Australians, while 8% say they have Ethereum. This is followed by Dogecoin (5%) and Bitcoin Cash (4%). Bitcoin ownership has fallen 4 percentage points from 13% in January.

Men (23%) are more than twice as likely as women (11%) to own cryptocurrency. Interestingly, the proportion of women who own cryptocurrency has increased from 7% in January to 11% in June, while the proportion of men who say they have cryptocurrency has fallen from 29% to 23%. This could suggest that men have been more likely to sell their Bitcoin as prices have been falling since April.

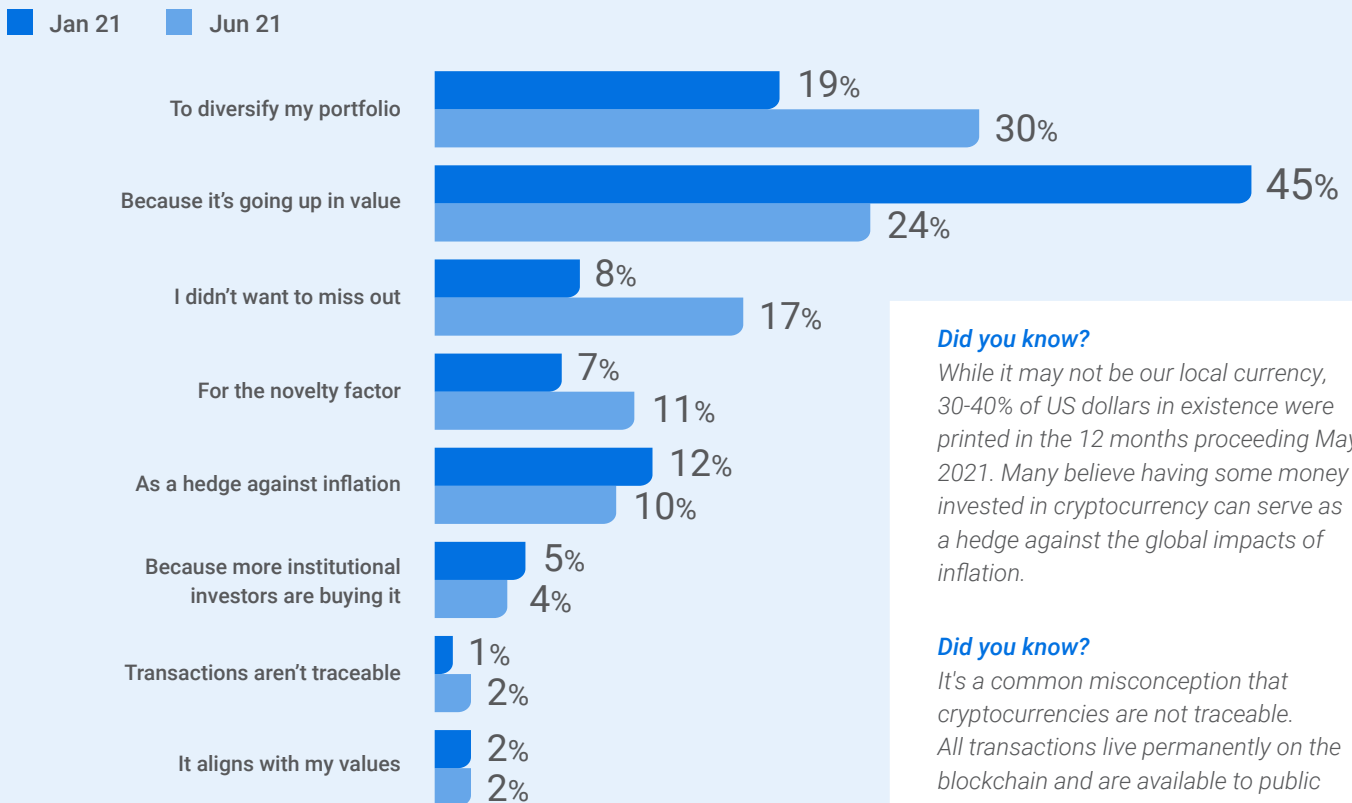
Close to one-third of gen Z own cryptocurrency (31%), a figure that has more than doubled since January (15%). In comparison, the number of millennials owning cryptocurrency has decreased from 33% to 24% over the same period. Gen X are also less likely to own cryptocurrency in June (13%) compared to January (18%), while the number of baby boomers with digital coins has remained stable at just 2%.

Why are Australians buying cryptocurrency?

Close to 1 in 3 (30%) Australians who purchased cryptocurrency say they did so to diversify their portfolio.^{4,5} Some investors suggest cryptocurrency is a valuable addition to an investment portfolio because unlike traditional shares and currency, its movements are not influenced by traditional market factors.



Why did you buy cryptocurrency?



Did you know?

While it may not be our local currency, 30-40% of US dollars in existence were printed in the 12 months proceeding May 2021. Many believe having some money invested in cryptocurrency can serve as a hedge against the global impacts of inflation.

Did you know?

It's a common misconception that cryptocurrencies are not traceable. All transactions live permanently on the blockchain and are available to public scrutiny. Identify the owner behind a transaction, and you can connect the dots!

Asked only to those who indicated they owned cryptocurrency.
Source: Finder Consumer Sentiment Tracker, January and June 2021

1 in 4 (24%) purchased cryptocurrency because they say it is going up in value. While the price of Bitcoin may have dropped in recent months, some (such as Forbes) have predicted its price will continue to rise over the long term, particularly as Bitcoin mining becomes more and more difficult and its supply reaches its inherent maximum of 21 million coins. The number of Australians who say they bought Bitcoin because it was going up in price has fallen from 45% in January to 24% in June.

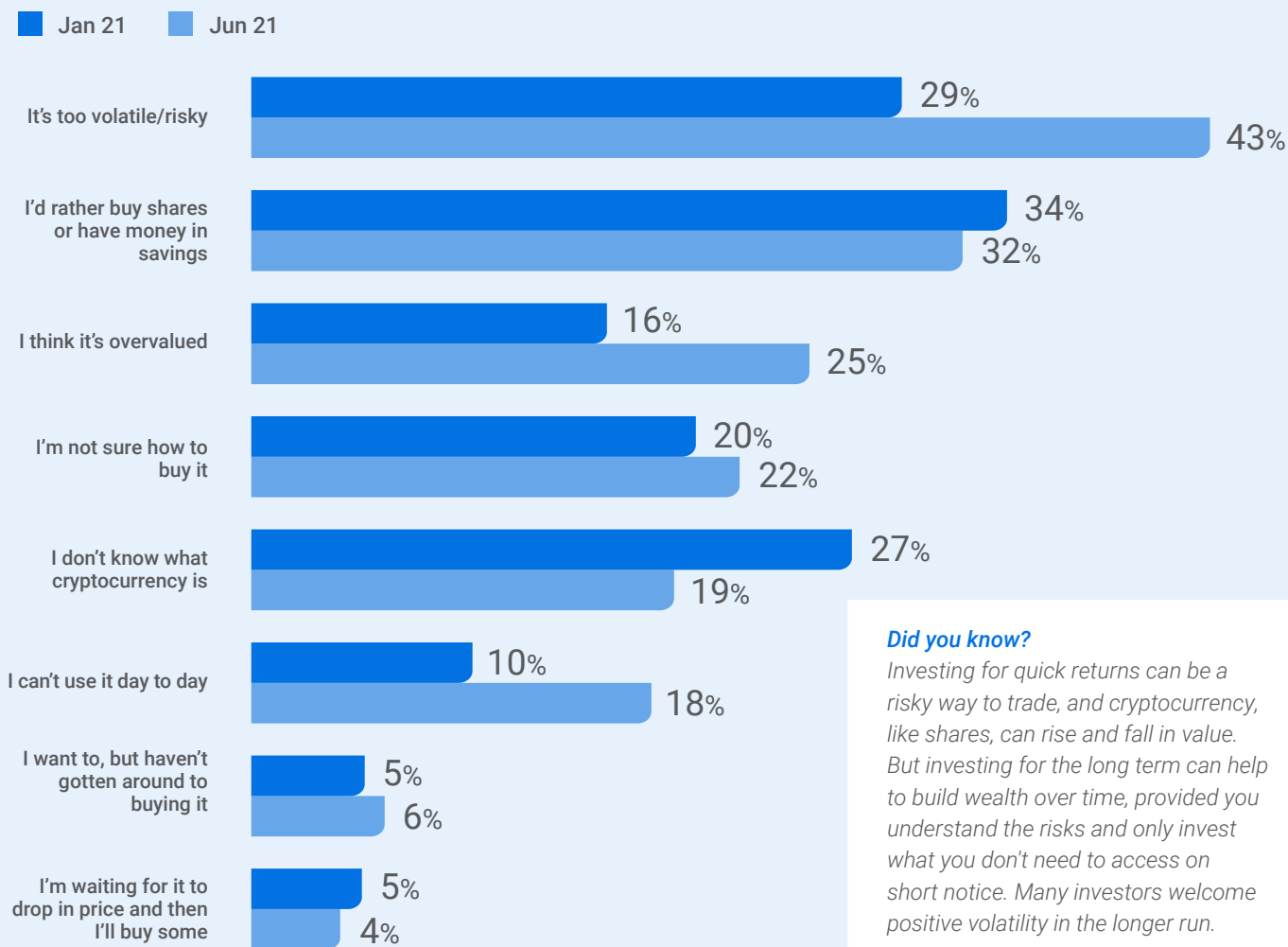
Other reasons Australians have bought into digital coins include not wanting to miss out (17%) and for the novelty factor (11%). Compared to January, these reasons have become more prevalent, increasing from 8% and 7% respectively.

Why are some still hesitant?

The most common reason Australians are hesitant to purchase cryptocurrency is the perception that it is too volatile or risky (43%). The belief that cryptocurrency is volatile and risky has become more common since January, when 29% said this was the reason they hadn't bought digital coins.^{4,5}



Why don't you own any cryptocurrency?



Did you know?

Investing for quick returns can be a risky way to trade, and cryptocurrency, like shares, can rise and fall in value. But investing for the long term can help to build wealth over time, provided you understand the risks and only invest what you don't need to access on short notice. Many investors welcome positive volatility in the longer run.

Asked only to those who indicated they did not own cryptocurrency. Respondents could select multiple answers so data does not add up to 100%
Source: Finder Consumer Sentiment Tracker, January and June 2021

1 in 3 (32%) haven't bought cryptocurrency because they would rather have money in shares or savings, and a further 25% think it's overvalued. The number of Australians who believe cryptocurrency is overvalued has grown 9 percentage points from 16% in January 2021.

Men are more likely than women to be reluctant about cryptocurrency because of the belief it is too volatile or risky (50% compared to 37%) or because they think it is overvalued (34% compared to 17%). Meanwhile, women are more likely to say they are not sure how to buy it (27% compared to 16%) and that they don't know what cryptocurrency is (26% compared to 11%).

What would make people want to invest?

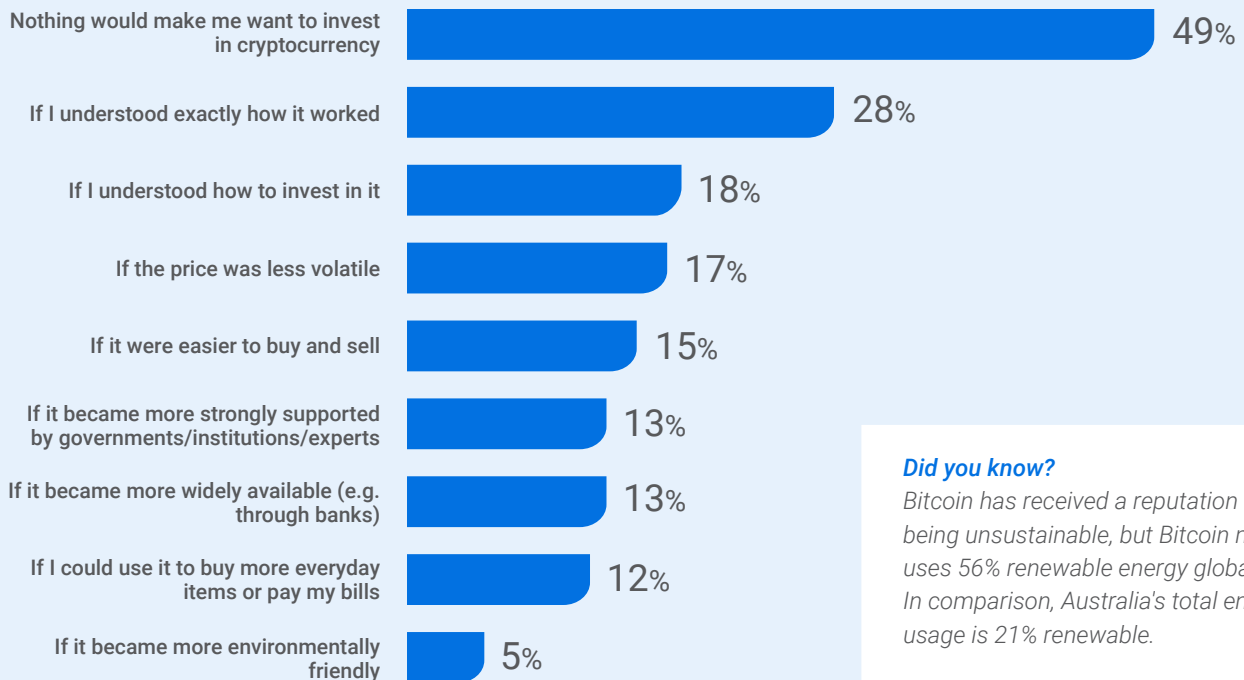
More than one-quarter (28%) of those not currently invested in cryptocurrency say they would do so if they understood exactly how it works.⁵ Unlike traditional currency, cryptocurrency is entirely digital, operating on blockchain and not controlled by any central institution. This means its price is not directly reliant on traditional market factors like unemployment, foreign investment or politics.

You don't actually have to understand all the technical details of how cryptocurrency works in order to buy in.

You just need to know the basics about what you're investing in and the risks involved.

A further 18% say they would buy digital coins if they knew how to invest, and 15% said they would get involved if it were easier to buy and sell. While investing in digital currency might seem abstract and difficult, it is just as easy as investing in traditional shares, and can be done on your phone through trading apps.

What would make you more likely to invest in cryptocurrency?



Did you know?

Bitcoin has received a reputation for being unsustainable, but Bitcoin mining uses 56% renewable energy globally. In comparison, Australia's total energy usage is 21% renewable.

Source: Finder Consumer Sentiment Tracker, June 2021

Another 12% of Australians not yet invested in cryptocurrency said they would do so if they could use it to buy more everyday items. In reality, there are thousands of businesses across the country that now accept Bitcoin as a form of payment. There are Bitcoin ATMs and debit cards that make it easy to convert your Bitcoin to cash and spend it like any other currency.

Online retailers such as Microsoft also are starting to accept Bitcoin as a form of payment, while platforms such as Living Room of Satoshi even allow you to use Bitcoin to pay household bills.

The future of cryptocurrency

Bitcoin prices will continue to grow

Bitcoin's price fluctuations have made many headlines over the past few months. But despite its dip in value, experts are still predicting strong long-term growth for the world's largest digital currency. In April this year, Forbes forecasted Bitcoin's price would exceed US\$100,000 in 2021, while a Finder panel of experts has predicted it will exceed US\$300,000 by 2025.^{6,7}

Bitcoin's limited supply was inherent in its code from the very beginning – there would only ever be a maximum of 21 million Bitcoins in existence. Currently there are around 18.8 million Bitcoins in circulation, with each new block released every 10 minutes. Because the number of Bitcoins in a block halves every 4 years or so, experts estimate Bitcoin will continue to be mined well into the 2100s.⁸

But as mining becomes more time and energy-consuming, finding new blocks becomes more difficult. Experts argue this will lead to Bitcoin growing in value over time.

Over the past three years, Bitcoin has been growing at a faster rate than property. If the past three years of growth were to continue indefinitely, one Bitcoin would be worth more than the average Australian home by as early as 2045.⁹ While Bitcoin is inherently volatile and it is impossible to predict such outcomes with certainty, if there is some truth to this statement then Bitcoin's relevance as an asset could be highly underestimated.

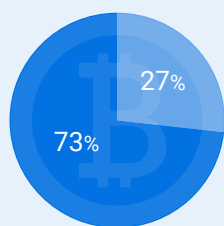
Cryptocurrency will become more mainstream

Surprisingly, Finder's research found that more than one-third of Australians (35%) believe Bitcoin will eventually be transacted more widely than fiat currency.⁵ Among gen Z, that figure grows to 52%. While the data shows many Australians are on the fence about Bitcoin, there's no doubt many believe it is inevitably the future of currency.

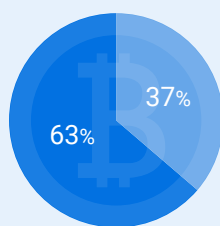
Meanwhile, among a Finder panel of experts, more than half (54%) anticipate Bitcoin will replace fiat currency and become the dominant form of global finance by 2050.⁷

Do you agree with these statements about Bitcoin?

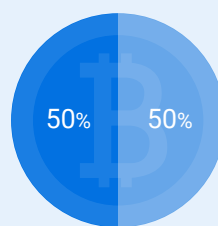
■ Agree ■ Disagree



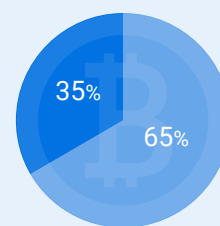
Bitcoin is a bubble that will eventually burst



Bitcoin is purely speculative



Bitcoin is a legitimate investment



Bitcoin will eventually be transacted more widely than traditional currency

Source: Finder Consumer Sentiment Tracker, June 2021

Social media will underpin growth

Social media and online forums are becoming increasingly relevant to cryptocurrency prices. The world's first meme-based digital currency, Dogecoin, brought attention to the scale of influence that social media has over cryptocurrency when it soared in price earlier this year after being endorsed by Elon Musk on Twitter.

More than half of Australians (52%) now get their news from social media, and the presence of dominant figures – like Elon Musk – and online forums – like Reddit – have demonstrated how just one influencer can impact cryptocurrency prices.¹⁰

When it comes to Elon Musk, the effect is especially strong. The chart below shows how Elon Musk's tweets coincide with Bitcoin prices. It's no wonder a Finder survey in May found 56% of Australians incorrectly believe Elon Musk created Bitcoin.¹¹

Elon Musk tweets influence Bitcoin prices (AUD)

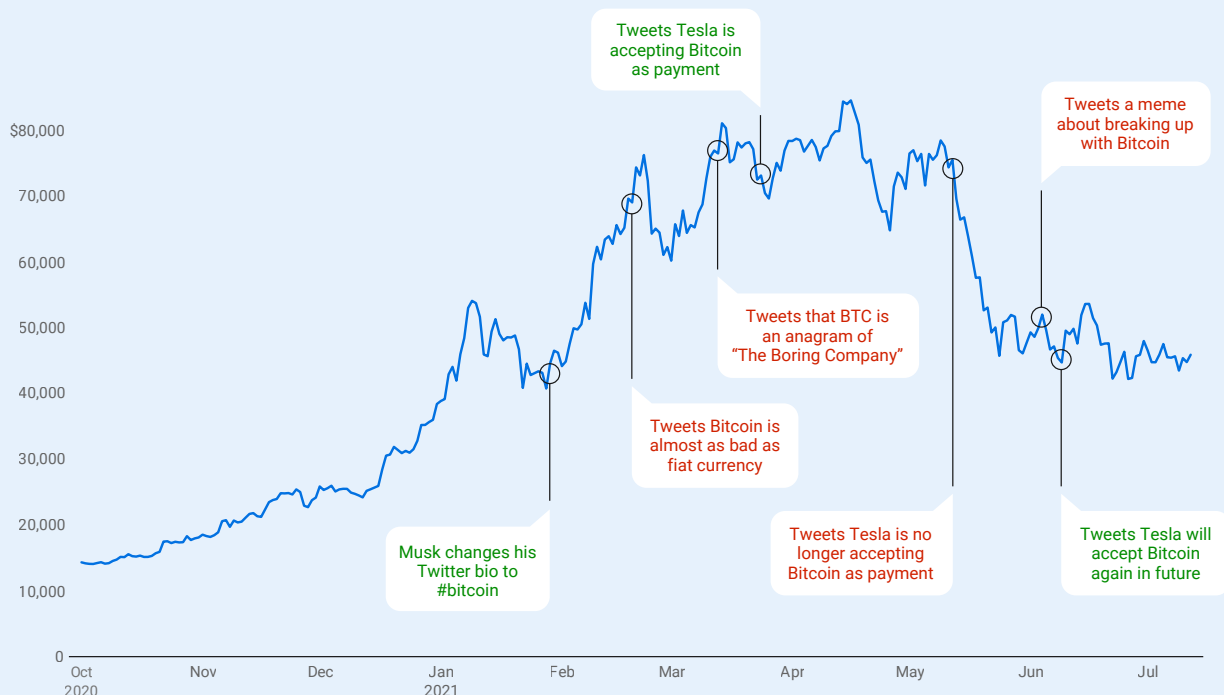


Chart: Finder. Source: CoinMarketCap, Finder

Cryptocurrency trading apps will become the norm

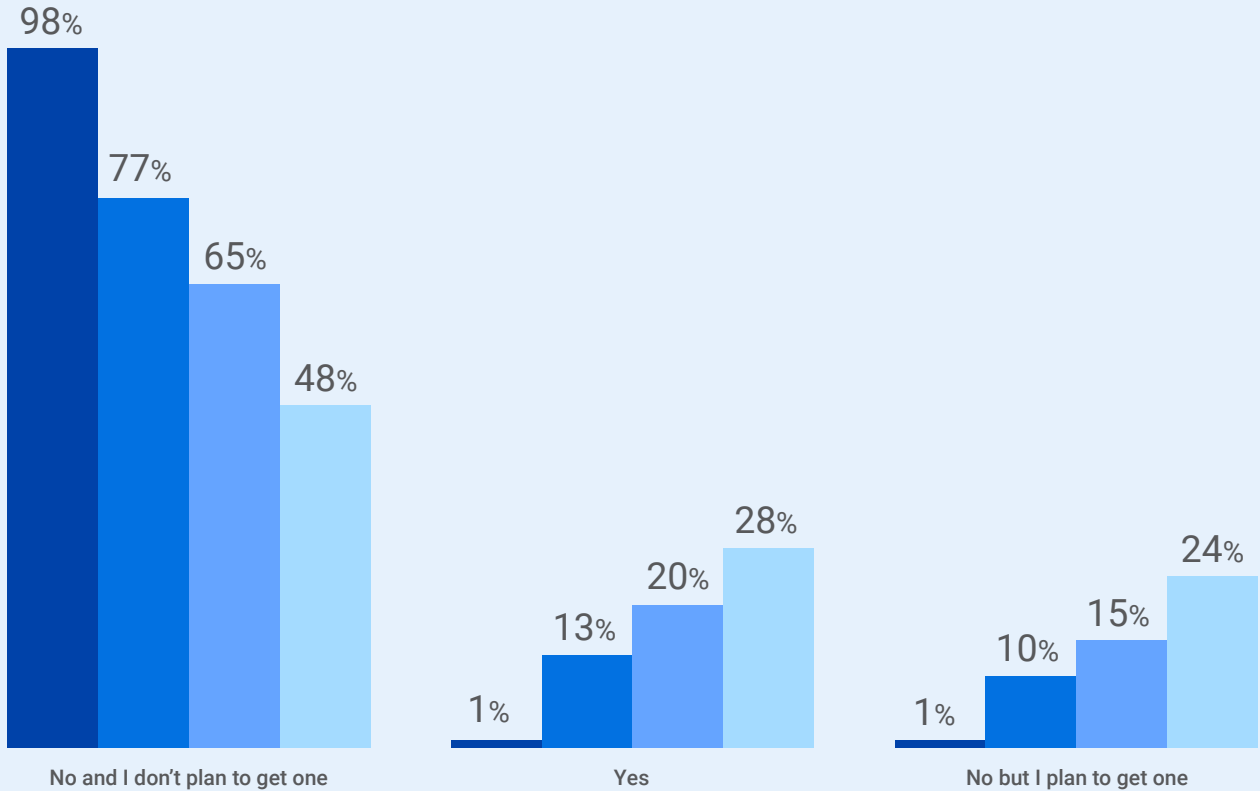
Cryptocurrency trading is currently seen as being confusing and difficult. Consumers want a simple way to buy and sell digital coins without having to understand the intricacies of digital wallets or blockchains.

Finder's data shows 15% of Australians already have an app that lets them trade cryptocurrency, and a further 12% intend to get one.⁵ Gen Z is the generation most

interested in trading cryptocurrency from their phones, with more than one-quarter (28%) already signed up to a trading app and another 24% planning to do so. Men (20%) are twice as likely as women (10%) to have downloaded a cryptocurrency trading app.

Do you have an app that lets you trade cryptocurrency?

■ Baby Boomers ■ Gen X ■ Gen Y ■ Gen Z



Source: Finder Consumer Sentiment Tracker, June 2021

Cryptocurrency trading apps are desirable because they take away the unnecessary kerfuffle associated with buying and selling digital coins and create a simplified and seamless user experience.

The Finder app is the first app in Australia that lets users sign up and buy Bitcoin or Ethereum within minutes, without the need for keys or codes. Users can buy cryptocurrency with as little as \$25 without having to calculate how many coins that equates to.



Finder's experts weigh in on the future of cryptocurrency



Fred Schebesta | Founder

I'm a big believer in cryptocurrency like Bitcoin as a store of value. And the technology behind them has proven to work better than our current government controlled financial system. It's cheaper and faster to move money and in some countries it's also less volatile.

Crypto is complicated and this has been a big barrier for many people. But as the technology develops and there are easier ways to access it – like in the Finder app where you can buy Bitcoin and Ethereum in a few clicks – I believe the growth in cryptocurrency will explode.



James Edwards | Cryptocurrency expert

Bitcoin and cryptocurrencies have occupied a grey zone in many Australians' minds for some time now, especially among the younger age brackets. They're aware it exists, and aware it has something to do with the future of money and finance, but not entirely sure how it works or if it's here to stay.

Thanks to the prolific bull market in the first quarter of 2021, many Aussies are now much more clear on the benefits cryptocurrencies offer, such as Bitcoin being a hedge against fiat currency and inflation, plus the ability to earn interest on assets through things like stablecoins and decentralised finance on Ethereum.

If the pace of education continues to grow, combined with easier access to cryptocurrencies, we should expect to see it as a dominant financial industry by the end of the decade, especially amongst younger generations who have never had meaningful access to traditional finance.



Kate Browne | Personal finance expert

Understanding and investing in cryptocurrency can seem intimidating thanks to what seems like complex concepts and the language that goes with it, but the truth is it's actually much easier than you'd think.

As more Australians and especially women look to investing as a way of supercharging their finances it's no surprise that crypto is quickly becoming part of the equation.

My advice for anyone interested in learning? Jump in, it's much easier and quicker than you might think, especially with the Finder App which takes the hard work and any beginner's anxiety away with a few clicks.

References

- ¹ CoinMarketCap, Bitcoin
- ² CoinMarketCap, Bitcoin
- ³ CoinMarketCap, Dogecoin
- ⁴ Finder Consumer Sentiment Tracker, January 2021 (n=1,004)
- ⁵ Finder Consumer Sentiment Tracker, June 2021 (n=1,012)
- ⁶ Forbes, "Bitcoin price prediction: Why Bitcoin could be about to soar to \$100,000", April 2021 (<https://www.forbes.com/sites/billybambrough/2021/04/28/bitcoin-price-prediction-why-bitcoin-could-be-about-to-soar-to-100000/?sh=77ba669658fb>)
- ⁷ Finder, "Bitcoin (BTC) price prediction 2021", July 2021 (<https://www.finder.com.au/bitcoin-btc-price-prediction>)
- ⁸ Finder, Bitcoin Statistics Australia 2021 (<https://www.finder.com.au/bitcoin-statistics>)
- ⁹ Finder analysis based on linear price forecast modelling
- ¹⁰ University of Canberra, Digital News Report: Australia 2020
- ¹¹ Finder Consumer Sentiment Tracker, May 2021 (n=1,000)

Methodology

Finder's Consumer Sentiment Tracker is an ongoing nationally representative survey of 1,000 Australians each month, with more than 27,400 respondents between May 2019 and July 2021.

The Consumer Sentiment Tracker is owned by Finder and operated by Qualtrics, an SAP company.

For more information please contact:

Taylor Blackburn

Media Relations Lead

aupr@finder.com