

Financial Literacy with Mr. 401(k)  
[‘FinLit with Mr. 401(k)’]  
Winter Term 2023-2024  
January 22, 2024

# Digital Assets: Bitcoin

## Class 17: Bitcoin Teaser; Business Plan Project



# Introducing Fidelity Youth™

A free app<sup>1</sup> that gives teens ages 13–17 the power to make their own money moves—while letting parents stay connected.

Open an account before **January 31**, and we'll give your teen **\$50 to get started**. [Terms and conditions apply.](#)

Get started



# Monday Money Matter\$

On Wednesday, January 10, 2024, the U.S. Securities and Exchange Commission approved the first-ever spot bitcoin ETFs paving the way for them to begin trade. An ETF is like a basket of investments that tracks the performance of the underlying assets. That could be stocks, a basket of currencies, a precious metal like gold, or, in this case, bitcoin. This will give investors increased ways to gain exposure to bitcoin, which they can now hold via traditional financial instruments.

**Reference Date:** January 11, 2024

**Source:** <https://www.cnbc.com/2024/01/11/heres-what-a-bitcoin-etf-actually-means-for-investors.html>

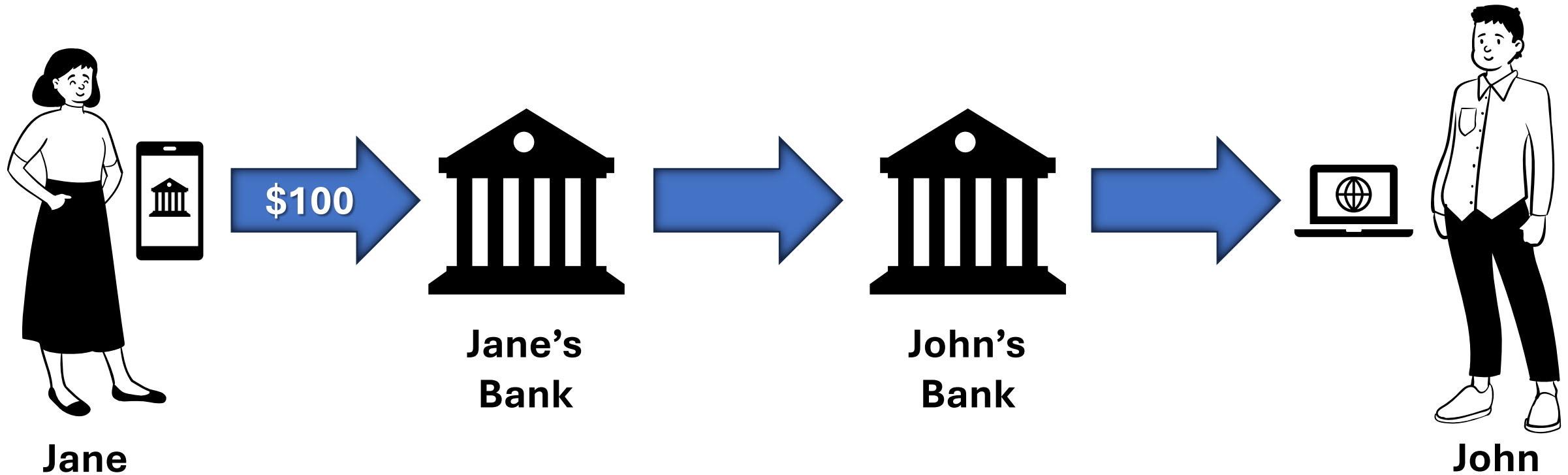


## *Class Discussion*

*If someone  
sends you  
money digitally,  
how do you  
know they are  
good for it?*

# Intermediated Electronic Payments

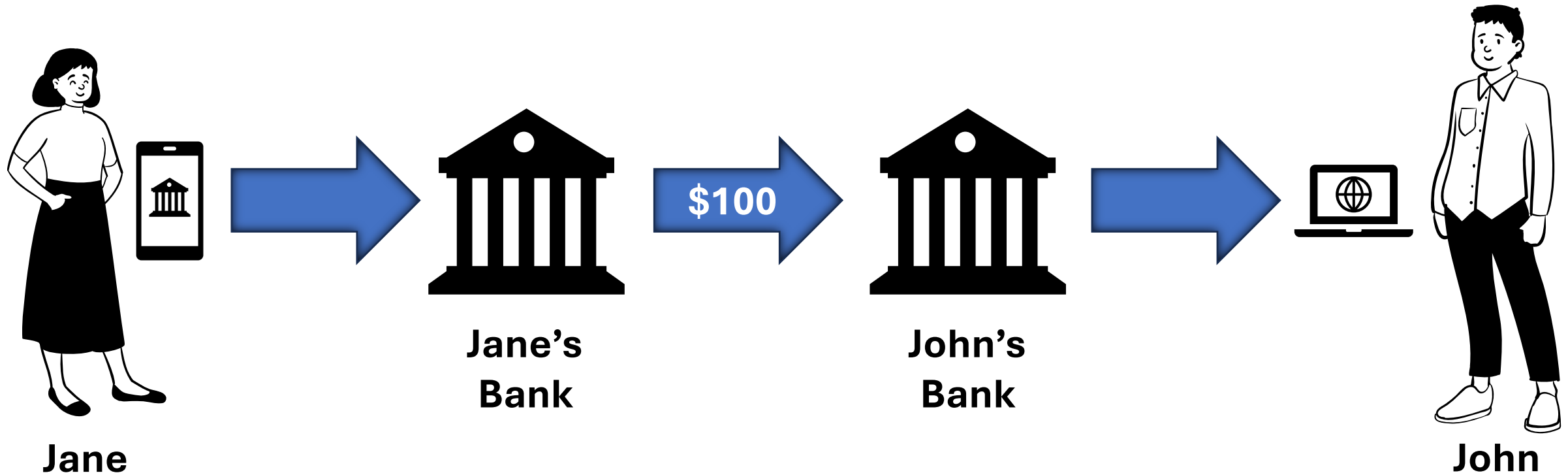
Jane sends \$100 to John via traditional electronic methods



**This System Depends on Trust**

# Intermediated Electronic Payments

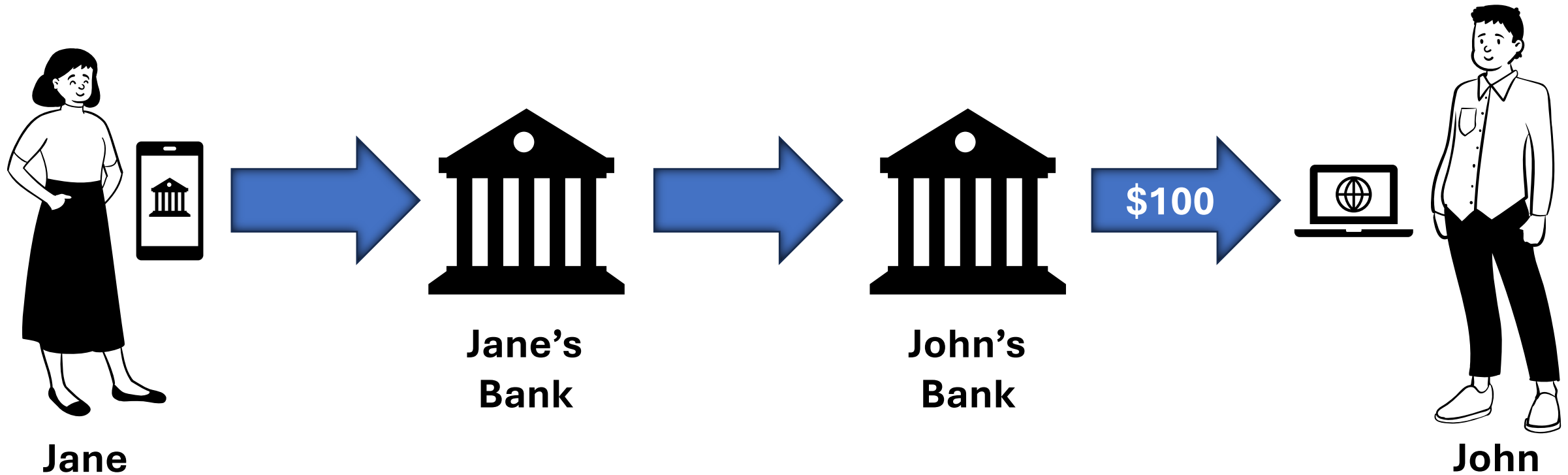
Jane sends \$100 to John via traditional electronic methods



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# Intermediated Electronic Payments

Jane sends \$100 to John via traditional electronic methods



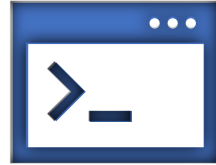
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# What is Bitcoin?



## Digital Money

Imagine a type of money that you can't hold in your hands, but you can use to buy things. That's Bitcoin!



## Created by Computer Code

It was developed in 2009 by an unknown person using the name Satoshi Nakamoto

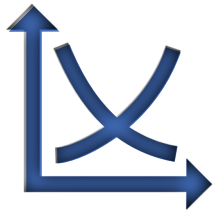


## No Banks Involved

Bitcoin works peer-to-peer, so you can spend and receive it without banks or governments.

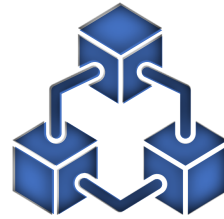


# Why is Bitcoin Interesting?



## Limited Supply

Just like rare baseball cards, there are only 21 million Bitcoin that can ever exist.



## Blockchain Technology

A digital ledger secured by cryptography permanently records all Bitcoin transactions.



## Global Currency

People all over the world can use Bitcoin to buy things and invest, just like using dollars or euros.



# Three Key Takeaways

1. In traditional finance, banks intermediate electronic payments between buyers and sellers
2. Bitcoin is digital money with a fixed supply that can be sent person-to-person throughout the globe
3. A cryptographically secured ledger known as a blockchain has records all Bitcoin transactions



## Where to Learn More

- [Bitcoin Education](#) by Petros Koumantaros
- [Bitcoin Money: A Tale of Bitville](#)  
[Discovering Good Money](#) by Michael Caras (Author), Marina Yakubivska (Illustrator)
- [The Bullish Case for Bitcoin](#) by Vijay Boyapati



# Business Plan Project

# Business Idea & Business Plan Project within Money Mavericks Groups



## **Develop Business Idea**

What problem does your business solve? Who are the business's target customers? **[Completed]**



## **Write Business Plans**

How does the business earn money? What are the ongoing costs? How will it differentiate?



## **Present Your Business Plans**

Each Money Mavericks Group gives a 10-minute presentation of their business plan to class

# Business Ideas by Money Mavericks Workgroup



**Alpha**

Babysitting /  
Childcare  
Services



**Beta**

App that  
Recommends and  
Markets Books to  
Users



**Gamma**

Online Sales of  
Sporting Apparel  
& Goods,  
Focusing on  
Footwear



**Delta**

Digital Content  
Creator AI  
Support

# Money Mavericks

**Objective:** Start writing your business plans within your Money Mavericks Workgroups. As a guide to help write your business plans, focus on answering the questions on the following practical applications slide. I suggest assigning each question to a person in your workgroups.



# Practical Application



- What is your business name? Feel free to design a logo for your business.
- Who are your business's target customers?
- How does your business earn money?
- What are your business's products and/or services?
- What are the costs to start your business?
- Where will your business's startup costs come from?
- What are your business's ongoing expenses?
- What are the prices for your business's products and/or services? How did you determine those prices?
- How will your business promote its products and/or services?
- Write a "pitch" that describes your business to a target customer.
- Who else competes with your business?
- How will your business differentiate itself from competitors?