

Understanding Bitcoin: A Guide for Values-Oriented Stewards

Executive Summary

What Bitcoin Is: Bitcoin is digital money that allows people to send value directly to each other over the internet without banks or intermediaries. Unlike traditional currencies, it has a fixed supply of **21 million coins**—a limit enforced by mathematics and a global network of computers, not by any government or company. This "digital scarcity" is what makes Bitcoin fundamentally different from the dollar, which can be printed at will.

The Value Question Answered: The concern that Bitcoin is "just trust like the dollar" reflects a common misunderstanding. The dollar's value depends on trusting governments and banks to behave responsibly. Bitcoin's value comes from verifiable properties: absolute scarcity, a transparent network that has operated with **99.98% uptime since 2009**, and cryptographic security that would take billions of years to break with current technology. Both require some trust—but Bitcoin requires trust in mathematics, while the dollar requires trust in institutions.

Addressing Key Concerns:

- **Environmental impact:** Bitcoin mining currently uses approximately **52-56% sustainable energy sources**, (Mitrade) higher than most industries. Innovative "methane capture" mining actually reduces emissions by converting waste gas into electricity. Illicit use represents just **0.14% of crypto transactions** (Coinbase) versus **2-5%** of traditional finance. (World Economic Forum)
- **Volatility:** Bitcoin's volatility has declined dramatically—from over **200%** in 2012 to approximately **50%** in 2024, now comparable to stocks like Netflix or Tesla. A **5% allocation** means that even in a worst-case 80% Bitcoin decline, the organization would lose 4% of total portfolio value.
- **BlackRock:** BlackRock is the world's largest asset manager with **\$12.5 trillion** under management—(Wikipedia) not an ammunition company. That confusion may stem from Blackwater, a completely separate military contractor. BlackRock launched its Bitcoin ETF due to overwhelming client demand and now manages **\$97 billion** in Bitcoin assets. (The Block)
- **Bubble risk:** Bitcoin has been declared "dead" **477 times** since 2009 (Finbold) and has recovered to new highs each time. While Nobel laureates remain skeptical, major institutions including Harvard's endowment (**\$443 million in Bitcoin ETF**), (CoinDesk) sovereign wealth funds, and **14 U.S. state pension funds** have made allocations.

Balanced Assessment: For a risk-conscious nonprofit, a modest 5% allocation represents a calculated asymmetric bet: limited downside (maximum 4% portfolio loss in worst case) with significant upside potential (Bitcoin's 10-year CAGR of **70%+**). However, the organization must be prepared to hold through significant volatility and should only allocate funds it could afford to lose entirely without jeopardizing its mission.

Section 1: What gives Bitcoin value?

Understanding the difference between institutional trust and mathematical trust

When one board member asks whether Bitcoin is "just trust, like the full faith and credit of the USA," they've identified a crucial question—but the answer reveals a fundamental distinction that changes everything.

The U.S. dollar requires you to trust that governments won't print too much money, that banks will honor deposits, that institutions will process transactions honestly, and that laws won't change to freeze or confiscate funds. This is **trust in people making good decisions**. When that trust fails—as it did in Venezuela, Zimbabwe, and Weimar Germany—currencies can lose 90% or more of their value within years or even months.

Bitcoin requires a different kind of trust: trust that **mathematical rules will continue to work as they always have**. The number $2+2$ will equal 4 tomorrow just as it does today. Bitcoin's properties emerge from mathematics that cannot be altered by human decisions, political pressures, or institutional failures.

Here's the critical difference: with dollars, institutions *could* misbehave but you trust they *won't*. With Bitcoin, the system *cannot* misbehave—it's bound by mathematics, not promises.

What "digital scarcity" means in practical terms

Before Bitcoin, anything digital could be copied infinitely. You can duplicate a photo endlessly. Your bank balance is just numbers in a database. This was the fundamental barrier to digital money—if you can copy a digital dollar, it becomes worthless.

Bitcoin solved this by creating the first-ever **digitally scarce asset**. There will only ever be **21 million bitcoins**—this limit is written into the software and verified by tens of thousands of independent computers worldwide.

Samara No person, government, or corporation can change this rule. Medium

Think of it like beachfront property: there's only so much oceanfront land, and no one can manufacture more. Bitcoin creates "digital beachfront"—21 million plots that cannot be duplicated, counterfeited, or expanded. Unlike company stock (which boards can issue more of) or dollars (which central banks can print), Bitcoin's supply is mathematically fixed.

The contrast with the dollar is stark. Since 2020, approximately **40% of all U.S. dollars in existence were created** through Federal Reserve monetary expansion. This dilutes purchasing power—what economists call inflation. Bitcoin's inflation rate is currently **1.7% annually** and will continue declining until new issuance effectively reaches zero around 2140. Samara

The cryptography explained simply (no prime numbers required)

Some people associate "cryptography" with complicated mathematics involving prime numbers. Bitcoin actually uses a different system called **elliptic curve cryptography**, but you don't need to understand the math to understand why it works.

Here's the core concept: Bitcoin uses what mathematicians call a "**one-way function**." Imagine a machine where you insert raw materials and get a specific product—but there's no way to reverse the process and turn the product back into raw materials. Going forward is easy; going backward is practically impossible.

When you create a Bitcoin wallet, you generate a **private key** (a very large random number, like an unguessable password) and from it derive a **public address** (like an email address you can share with anyone). The one-way nature of the math means people can send Bitcoin to your address, but no one can work backward from your address to discover your private key.

How secure is this? The number of possible Bitcoin addresses exceeds the number of atoms in the observable universe. As one security researcher explained: "For every grain of sand on Earth, you could create a new Earth and count all the grains of sand on all of those Earths—and still not come close to the address space of Bitcoin."

Why energy matters: the physics of security

Bitcoin's network is secured by something called "Proof of Work"—miners must spend real electricity to validate transactions and create new blocks. This isn't wasteful design; it's a feature. Energy expenditure creates what cryptographers call "**unforgeable costliness.**"

The laws of physics state that work requires energy—there's no free lunch. You cannot fake having spent energy. To attack the Bitcoin network, an adversary would need to outspend the combined electricity consumption of the entire global mining network—currently comparable to a medium-sized country. Even then, they couldn't steal existing Bitcoin; at best, they could temporarily disrupt new transactions.

As one analyst put it: "Bitcoin sits on top of the laws of physics. Fiat currencies sit on top of politics. The laws of physics don't change, while politics changes daily." [HackerNoon](#)

How Bitcoin operates without a boss

The network runs on approximately **50,000 computers worldwide** called "nodes," each maintaining a complete record of every transaction since 2009. These computers verify that all transactions follow the rules. If someone tries to spend Bitcoin they don't have, or create counterfeit coins, nodes reject the transaction.

No single entity controls these nodes—they're run by individuals, businesses, and organizations across more than 100 countries. There's no CEO, no headquarters, no employees. This means no government can shut down Bitcoin by raiding an office—there is no office. To stop Bitcoin, you would need to simultaneously disable tens of thousands of computers spread across the globe.

This decentralized structure has produced remarkable reliability: **99.98% uptime since January 2009**, making Bitcoin more continuously available than most traditional banking systems.

Section 2: Addressing ethical and environmental concerns

The current state of Bitcoin's energy use

Bitcoin's network currently consumes approximately **150-170 terawatt-hours (TWh) annually**, according to the Cambridge Centre for Alternative Finance—comparable to a country like Poland or Thailand, representing about **0.5% of global electricity consumption.**

This is a substantial amount of energy, and the concern is legitimate. However, the picture is more nuanced than critics often suggest.

The proportion of Bitcoin mining using sustainable energy sources has increased significantly. According to the BEEST model maintained by ESG analyst Daniel Batten, **54.5% of Bitcoin mining now uses sustainable energy**, up from roughly 37% in 2022. The Bitcoin Mining Council, representing about 43% of the network's computing power, reports even higher figures among its members at **63% renewable**.

For context, global coal usage in Bitcoin mining has dropped from **63% in 2011 to approximately 20% in 2024**. (Mitrade) The primary driver is economics: renewable energy is increasingly the cheapest electricity available. In Texas, which hosts significant mining operations, approximately **60% of Bitcoin is mined with renewable energy**, primarily wind.

How Bitcoin compares to traditional banking and gold

A common critique holds that Bitcoin is wasteful compared to traditional payment systems. The comparison is more complex than it appears.

Galaxy Digital's 2021 analysis estimated the traditional banking system—including data centers, branches, ATMs, and card networks—consumes approximately **264 TWh annually**, (Cointelegraph) more than double Bitcoin's consumption. The banking system processes vastly more transactions, so per-transaction Bitcoin is indeed more energy-intensive. However, Bitcoin also serves different functions: it's designed as a global settlement layer and store of value, not primarily for coffee purchases.

Gold mining, often proposed as an alternative store of value, consumes an estimated **240 TWh annually** and generates **60-70 million tons of CO2 per year**. Unlike Bitcoin mining, gold mining also produces toxic waste, displaces communities, and causes deforestation.

Methane capture: Bitcoin as environmental solution

One of the most surprising developments in Bitcoin mining is the emergence of **methane capture operations**. These facilities are located at oil drilling sites, landfills, and agricultural operations where methane would otherwise be vented directly into the atmosphere or burned inefficiently through flaring.

Methane is roughly **80 times more potent as a greenhouse gas than CO2** over a 20-year period. Standard flaring at oil wells captures only 75-90% of methane, with the rest escaping. Bitcoin mining operations convert this waste gas to electricity with **99.9% combustion efficiency**, reducing equivalent CO2 emissions by approximately **63%** compared to flaring.

Companies like Crusoe Energy, Giga Energy, and Nodal Power have deployed mobile mining units across North America. K33 Research estimates that per megawatt installed, a Bitcoin mining system reduces **9,482 tons of CO2 equivalent emissions annually**, compared to 1,917 for wind and 1,278 for solar.

According to the BEEST model, the Bitcoin network currently mitigates **7.3% of its total emissions** through methane capture—described as "the highest level of non-offset-based emission mitigation achieved by any industry to date."

Illicit use: what the data actually shows

The perception that Bitcoin is primarily used for crime stems from early associations with dark web markets, particularly Silk Road. The current data tells a different story.

According to the **Chainalysis 2025 Crypto Crime Report**, illicit activity represented just **0.14% of total cryptocurrency transactions in 2024**—approximately \$41 billion in absolute terms. While \$41 billion sounds significant, for context: the United Nations Office on Drugs and Crime estimates that **\$800 billion to \$2 trillion** flows through traditional financial systems for money laundering annually, representing **2-5% of global GDP**.

The U.S. Department of Justice has noted that "cryptocurrency, despite the purported anonymity it grants criminals, provides law enforcement with an exceptional tracing tool: the blockchain." Because every Bitcoin transaction is permanently recorded on a public ledger, investigators have successfully traced and recovered funds from major criminal enterprises including the Colonial Pipeline ransomware attack and the Silk Road marketplace.

Cash remains the overwhelming preference for criminal activity precisely because it's untraceable. Bitcoin's public ledger makes it surprisingly ill-suited for crime despite its pseudonymous nature.

Reconciling investment with values of justice

For a values-oriented organization, the ethical case is genuinely mixed. On one hand, Bitcoin's energy consumption is substantial and some mining still uses fossil fuels. On the other hand, renewable adoption is increasing, methane capture provides measurable environmental benefits, and illicit use is proportionally lower than in traditional finance.

The organization might consider that investing in a Bitcoin ETF (rather than mining operations) means participating in an asset without directly contributing to energy consumption. The energy is spent regardless of who owns the resulting Bitcoin.

Section 3: Volatility and risk in context

How volatility has evolved as Bitcoin matures

Bitcoin's early years saw extreme price swings—annualized volatility regularly exceeded **200%** in 2012, with crashes of **90%** or more common. [fidelitydigitalassets](#) The network was small, dominated by hobbyists, and vulnerable to the failure of single entities like the Mt. Gox exchange.

The picture today is markedly different. As of 2024-2025, Bitcoin's annualized volatility has declined to approximately **50%**—still high by traditional standards, but **less volatile than 33 S&P 500 stocks** including Netflix, Tesla, and NVIDIA. [fidelitydigitalassets](#) This represents a structural shift as the market has grown from millions to trillions of dollars and institutional investors have entered.

Post-ETF approval in January 2024, maximum drawdowns have been limited to approximately **30%**, compared to **70%+** collapses in earlier eras. The presence of institutional holders with long time horizons and regular rebalancing mandates appears to be dampening volatility.

Performance compared to traditional assets

Bitcoin's historical returns have been extraordinary, though accompanied by significant volatility. Over the past decade, Bitcoin has delivered a compound annual growth rate (CAGR) of approximately **70-196%** depending on the specific period measured—far exceeding any traditional asset class.

For comparison over the **2014-2024 period**, adjusted for inflation and taxes:

Asset Class	Real Annual Return
Bitcoin	+46%
Nasdaq	+4%
S&P 500	+2%
Gold	+0.5%
U.S. Real Estate	-1%
10-Year Treasury	-4%

Past performance obviously doesn't guarantee future results, and Bitcoin's returns will almost certainly moderate as it matures. However, even modest outperformance over traditional assets could significantly impact long-term portfolio value.

What a 5% allocation actually means for portfolio risk

According to Fidelity research, a **5% Bitcoin allocation** would contribute approximately **17.8%** of total portfolio volatility—disproportionate to its weight, but manageable within a diversified portfolio. [Fidelity](#)

In practical terms for worst-case scenarios:

- If Bitcoin dropped 80% (its maximum historical drawdown), a 5% allocation would lose 4% of total portfolio value
- If Bitcoin dropped 50% (a more typical correction), a 5% allocation would lose 2.5% of total portfolio value
- The remaining 95% of the portfolio would continue to perform according to its normal characteristics

Multiple major financial institutions have studied optimal Bitcoin allocation. **Grayscale Research** concludes that "an allocation to crypto of approximately 5% could help maximize risk-adjusted returns." [Grayscale](#)

Fidelity Investments suggests that "portfolio allocations of 2%–5% could have an outsized positive impact in an optimistic adoption scenario." [Bitcoin IRA](#) **CoinShares** finds that "a conservative allocation, often between 1-5%, is recommended for most investors." [CoinShares](#)

More conservative voices urge caution: **BlackRock** suggests exceeding 2% could "significantly increase overall portfolio risk," [Bitcoin IRA](#) while **Morningstar** warns that "even a small amount could disproportionately increase portfolio volatility." [Morningstar](#)

Institutional adoption and what it signals

The past two years have witnessed remarkable institutional adoption. U.S. spot Bitcoin ETFs, approved in

January 2024, now hold approximately **\$135 billion** in assets. [Samara](#) BlackRock's IBIT alone manages **\$97 billion** and holds over 800,000 Bitcoin—approximately 3.8% of total supply. [The Block](#)

Notable institutional holders include:

- **Harvard University endowment:** \$443 million in IBIT (their largest publicly-traded position) [Ainvest](#)
- **Mubadala (Abu Dhabi sovereign wealth fund):** \$681 million, tripled position in Q3 2025 [Devere Group](#)
- **14 U.S. state pension funds:** \$632 million combined [Ainvest](#)
- **Strategy (formerly MicroStrategy):** 671,268 Bitcoin (~\$60 billion) [Bitcoin Treasuries](#)

A remarkable **59% of institutional portfolios** now include some Bitcoin exposure as of Q2 2025. [Ainvest](#)

[Ainvest](#) This institutional participation provides liquidity, legitimacy, and arguably structural support for prices.

Honest assessment: what would have to happen for Bitcoin to fail

Complete failure (going to zero) would likely require one or more of the following:

Technical failure: A critical bug or exploit in Bitcoin's core code, or quantum computing advances that break its cryptography within years rather than the decades most physicists predict. [Cointelegraph](#)

Regulatory destruction: Coordinated global bans by all major economies simultaneously, making it illegal to hold, trade, or use Bitcoin worldwide. [Cointelegraph](#)

Total loss of confidence: A scenario where all participants simultaneously decide Bitcoin is worthless, with no buyers at any price—historically unprecedented for any asset with a \$2 trillion market cap.

Complete technological obsolescence: A superior alternative that renders Bitcoin's network effects irrelevant.

Notable skeptics remain vocal. Nobel laureate **Eugene Fama** predicted in December 2024 that Bitcoin has "close to 100%" probability of going to zero within 10 years. Economist **Nouriel Roubini** has repeatedly called it a bubble. **Warren Buffett** famously called Bitcoin "rat poison squared." [CryptoNews.com](#)

However, Bitcoin has now operated continuously for **16 years**, survived multiple 80%+ crashes, and each time recovered to new highs. The network has grown from a curiosity to a trillion-dollar asset class with institutional adoption. While failure remains possible, the probability diminishes with each passing year of successful operation.

Section 4: Clarifying misconceptions

BlackRock is not an ammunition company

This misconception likely stems from confusion with **Blackwater**, a completely different organization. Here's the clarification:

BlackRock (est. 1988, New York) is the world's largest asset manager with **\$12.5 trillion** under management.

[Wikipedia](#) They create and manage investment funds. When pension funds, governments, universities, or

individuals invest for retirement, BlackRock often manages those investments. They employ 16,000 people across 70 offices in 30 countries. [StartupTalky](#) They manufacture nothing—they manage money.

Blackwater (est. 1997, North Carolina) was a private military contractor founded by former Navy SEAL Erik Prince. It was involved in controversial Iraq operations including the 2007 Nisour Square massacre. After scandals, it renamed itself Xe Services, then Academi, and eventually merged into Constellis. [Wikipedia](#)

These companies share no ownership, leadership, history, or business activities. The similar names are coincidental.

BlackRock has been criticized for various reasons (voting power in corporate governance, fossil fuel investments in some funds, size and influence), [Wikipedia](#) but being an "ammunition company" is simply factually incorrect.

Why the world's largest asset manager launched a Bitcoin ETF

BlackRock CEO Larry Fink's evolution on Bitcoin is instructive. In 2017, he called Bitcoin "an index of money laundering." By 2024, he was launching what became the fastest-growing ETF in history. [Decrypt](#)

What changed? Fink has been remarkably candid: "My thought process has evolved... The markets teach you, you have to always relook at your assumptions." [Yahoo Finance](#) He now describes Bitcoin as "an asset of fear" that investors use to hedge against "inflation, currency depreciation, and geopolitical risks." [CCN](#)

The business case was clear: client demand. Half of IBIT's demand came from retail investors, and three-quarters of those investors had **never owned a BlackRock product before**—Bitcoin brought entirely new customers to the firm. [Yahoo Finance](#)

Fink sees Bitcoin ETFs as "step one in the technological revolution in financial markets," with tokenization of all asset classes as the eventual destination. [CNBC](#)

Understanding what an ETF actually is

An **ETF (Exchange-Traded Fund)** is simply a basket of investments that trades on a stock exchange like a single stock. Think of buying a fruit basket versus buying individual fruits—the basket contains the underlying assets, and you can buy or sell it easily.

A Bitcoin ETF holds actual Bitcoin on behalf of investors. When you buy shares of IBIT, BlackRock uses that money to purchase Bitcoin, which is held by Coinbase Prime as custodian. [Coinbase](#) You don't own Bitcoin directly—you own shares in a fund that owns Bitcoin.

Advantages of ETF approach:

- Buy through existing brokerage accounts (Fidelity, Schwab, etc.)
- Hold in IRAs and 401(k)s for tax advantages
- Professional custody eliminates security concerns
- SEC regulatory oversight
- Familiar investment structure

Disadvantages:

- You don't actually own Bitcoin ("not your keys, not your crypto")
- Annual management fee (0.25% for IBIT)
- Only trades during market hours
- Cannot use for transactions
- Counterparty risk (reliance on fund managers)

For a nonprofit seeking simple, compliant exposure, an ETF is generally appropriate. For those wanting true ownership, direct Bitcoin purchase is necessary.

The "bubble" argument in historical context

Critics have called Bitcoin a bubble for its entire existence. Bitcoin has been declared "dead" **477 times** according to tracking websites, by economists, journalists, and financial commentators—after every major price decline. (Finbold)

The pattern: Bitcoin rises to new highs, falls dramatically (often 50-80%), is declared dead, then eventually rises to exceed previous highs. This has happened after every major crash since 2011.

In February 2018, economist Nouriel Roubini declared "this crypto bubble went bust for good" when Bitcoin traded around \$4,000. Bitcoin subsequently reached **\$100,000+**.

If an investor had put \$100 into Bitcoin every time it was declared dead, those holdings would now be worth over **\$123 million** according to Finbold analysis. (Finbold)

This doesn't prove Bitcoin will never fail—past performance genuinely doesn't guarantee future results. Nobel laureates like Eugene Fama remain convinced the end is coming. But the historical pattern suggests caution about confident predictions in either direction.

Section 5: For values-oriented stewards

Arguments that Bitcoin aligns with principles of justice and equity

Bitcoin's strongest ethical case rests on its potential to serve those excluded from traditional financial systems. Approximately **1.4 billion adults globally remain unbanked**, lacking access to basic savings accounts, payment systems, or credit. Bitcoin requires only a smartphone to access—and roughly **1.2 billion unbanked individuals** already have mobile phones.

In countries with unstable currencies, Bitcoin provides an exit from monetary debasement. In **Nigeria**, where the naira has dropped 70% against the dollar since June 2023 and inflation approaches 30%, Bitcoin offers a store of value that cannot be inflated away. In **Argentina**, with a peso that lost 51.6% of its value in one year, citizens use Bitcoin for wealth preservation. In **Venezuela**, during hyperinflation, Bitcoin provided an alternative when the national currency became functionally worthless.

Bitcoin's fixed supply directly addresses the ethical concern about currency debasement—governments printing money that disproportionately harms savers, the poor, and those on fixed incomes. (Samara) When a currency is debased, the first receivers of new money (typically banks and governments) benefit at the expense of everyone else. Bitcoin's rules prevent any such manipulation.

From a stewardship perspective, protecting donated funds from inflation aligns with the organization's fiduciary duty. Over the past decade, the dollar has lost approximately **25-30%** of its purchasing power to inflation. An asset that cannot be inflated may better preserve long-term value.

Arguments that Bitcoin creates tension with these principles

The counterarguments deserve honest consideration. According to the National Bureau of Economic Research, the **top 10,000 Bitcoin holders own roughly one-third** of all Bitcoin in circulation. By some measures, **2% of addresses hold 95%** of all Bitcoin. This concentration of wealth among early adopters raises legitimate equity concerns.

The **Brookings Institution** has criticized "financial inclusion" claims, noting that many crypto platforms still require bank accounts, fees on Bitcoin ATMs range from **7-20%**, (Blockchain Council) and volatility makes Bitcoin unsuitable as stable currency for daily transactions. (Blockchain Council) They warn that crypto could become another form of "predatory inclusion"—like payday loans, offering access with conditions that ultimately harm marginalized communities.

The **IMF's analysis of El Salvador**, which adopted Bitcoin as legal tender, found "no evidence of any beneficial use case of Bitcoin for the unbanked population" (IMF eLibrary) and noted that adoption "remains minimal" despite government subsidies. (IMF eLibrary)

These criticisms deserve weight. Bitcoin's promise of financial inclusion has not yet been fully realized, and the volatility that creates opportunity also creates risk for those who can least afford losses.

How other faith-based organizations have approached this decision

Several religious organizations have engaged thoughtfully with Bitcoin:

The **Benedictines of Mary, Queen of the Apostles** in Kansas City—traditional Catholic nuns—"buy, receive and hold bitcoin in cold storage" and have built a new church partially funded by Bitcoin donations. Their chaplain noted that "the monastic life is probably the greatest example of low time preference," connecting long-term thinking in spirituality with long-term investment perspective. (Bitcoin Magazine)

Catholic Charities USA now accepts cryptocurrency donations. Multiple evangelical churches, including **ICF Zurich** in Switzerland, accept various cryptocurrencies. (Flux Trends) The **Salvation Army** accepts crypto donations. (Baptist Press)

University endowments, which share nonprofits' long-term stewardship obligations, have moved more aggressively. **Harvard's \$56.9 billion endowment** holds \$443 million in Bitcoin ETF—their largest publicly-traded position. (CoinDesk) (Ainvest) **Emory University** holds \$52 million in crypto alongside \$79 million in gold. (The Emory Wheel) **Brown University** added approximately \$5 million. (Ainvest) The **University of Austin** is launching a dedicated \$5 million Bitcoin fund. (The Crypto Basic) (PYMNTS.com)

The **Rockefeller Foundation** is "evaluating further crypto exposure" after initial investments in digital asset venture funds. [The Crypto Basic](#) These institutions, professionally managed with fiduciary duties, have concluded that modest Bitcoin allocation is consistent with prudent stewardship.

Questions the organization should ask before deciding

Before making a decision, the board should consider:

Mission alignment: Does holding Bitcoin conflict with any organizational values or stated positions? How would major donors or members react?

Risk tolerance: Can the organization genuinely afford to lose the entire allocation without jeopardizing operations or mission? [Winthrop Wealth](#) Is there sufficient financial cushion to weather volatility without panic selling?

Time horizon: Is the organization prepared to hold for **10+ years** through multiple potential 50%+ drawdowns? Can governance structures prevent short-term reactive decisions?

Governance requirements: Does the investment policy need updating? Who has authority to make crypto decisions? What disclosure obligations exist?

Custody and compliance: Is an ETF appropriate, or does the organization prefer direct ownership? What are the regulatory and reporting requirements?

Stakeholder communication: How will this decision be explained to members? What education is needed?

A perspective on long-term thinking

The Urantia Book Fellowship exists to steward resources for a multi-generational mission. This long time horizon may actually be Bitcoin's most natural fit—not as a speculation, but as a potential hedge against monetary debasement over decades.

If the dollar continues losing **2-3% of purchasing power annually** (the Federal Reserve's explicit inflation target), funds held in cash or bonds will steadily erode in real terms. Bitcoin's fixed supply offers mathematical protection against this erosion—though with significant volatility along the way.

A 5% allocation represents a measured position: meaningful enough to benefit if Bitcoin continues its trajectory of adoption and appreciation, but small enough that even total loss would not threaten the organization's core mission.

The decision ultimately depends on the board's assessment of probabilities. If there's even a 20-30% chance that Bitcoin becomes a permanent store of value (like gold, but digital), a small allocation may represent prudent diversification. If the board believes failure is more likely than success, no allocation makes sense regardless of potential upside.

Appendix

Glossary of key terms

Bitcoin: Digital money with a fixed supply of 21 million, operating on a decentralized network without any controlling company or government.

Blockchain: A public ledger recording all Bitcoin transactions, maintained by thousands of independent computers worldwide and practically impossible to alter.

Cryptography: Mathematical techniques that secure Bitcoin—creating passwords that cannot be guessed and signatures that cannot be forged.

Decentralization: The distribution of control across many independent participants, preventing any single entity from controlling or stopping the network.

Digital scarcity: The property of being both digital and genuinely limited in quantity—something impossible before Bitcoin.

ETF (Exchange-Traded Fund): An investment vehicle that holds underlying assets (in this case, Bitcoin) and trades on stock exchanges like regular shares.

Fiat currency: Government-issued money (like dollars or euros) not backed by physical commodities, deriving value from government decree.

Halving: The programmed reduction of new Bitcoin issuance, occurring approximately every four years, which gradually reduces supply growth.

Hash rate: The total computational power securing the Bitcoin network, measured in hashes (calculations) per second.

Node: A computer running Bitcoin software that maintains a complete copy of the transaction history and validates new transactions.

Private key: A secret number that proves ownership of Bitcoin and authorizes spending—must be kept secret and secure.

Proof of Work: The mechanism requiring miners to spend energy solving mathematical puzzles, which secures the network and prevents fraud.

Satoshi: The smallest unit of Bitcoin (0.00000001 BTC), named after Bitcoin's pseudonymous creator.

Volatility: The degree of price fluctuation over time—higher volatility means larger price swings in both directions.

Wallet: Software or hardware that stores private keys and enables sending/receiving Bitcoin.

Recommended resources for further learning

Introductory resources:

- [Bitcoin.org](https://bitcoin.org) — The original educational site with clear explanations
- [Coinbase Learn](#) and [River Learn](#) — Accessible tutorials from major platforms
- "The Bitcoin Standard" by Saifedean Ammous — Economic perspective on sound money

For deeper understanding:

- "Broken Money" by Lyn Alden — Technical and historical analysis of monetary systems
- Fidelity Digital Assets research reports — Institutional perspective with data
- "The Bullish Case for Bitcoin" by Vijay Boyapati — Comprehensive investment thesis

Documentaries:

- "The Great Reset and the Rise of Bitcoin" — Economic context
- "Banking on Bitcoin" — Historical overview

Ongoing analysis:

- Lyn Alden's investment research (lynalden.com)
- Cambridge Centre for Alternative Finance Bitcoin energy data
- Chainalysis annual reports on cryptocurrency crime statistics

Key data sources referenced

Energy and environmental:

- Cambridge Centre for Alternative Finance (CCAF) — Bitcoin energy consumption estimates
- Bitcoin Mining Council — Renewable energy surveys among members
- BEEST Model (Daniel Batten) — Sustainable energy tracking
- Chainalysis — Illicit use statistics

Financial data:

- Fidelity Digital Assets — Volatility and portfolio research
- Grayscale Research — Allocation recommendations
- BlackRock — ETF data and institutional perspective
- CoinShares — Institutional flows and analysis

Institutional adoption:

- SEC filings (13F) — University endowment and institutional holdings
- BitcoinTreasuries.net — Corporate and institutional Bitcoin holdings
- Company press releases and earnings reports

Critical perspectives:

- Brookings Institution — Financial inclusion critique
 - IMF — El Salvador analysis
 - Chicago Booth Review — Eugene Fama interview
 - Various academic papers from Nature and other journals
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This report was prepared to provide balanced, factual information for organizational decision-making. It is not investment advice. The organization should consult qualified financial and legal advisors before making any investment decisions.