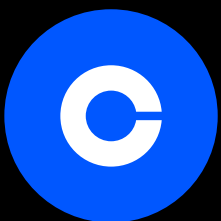


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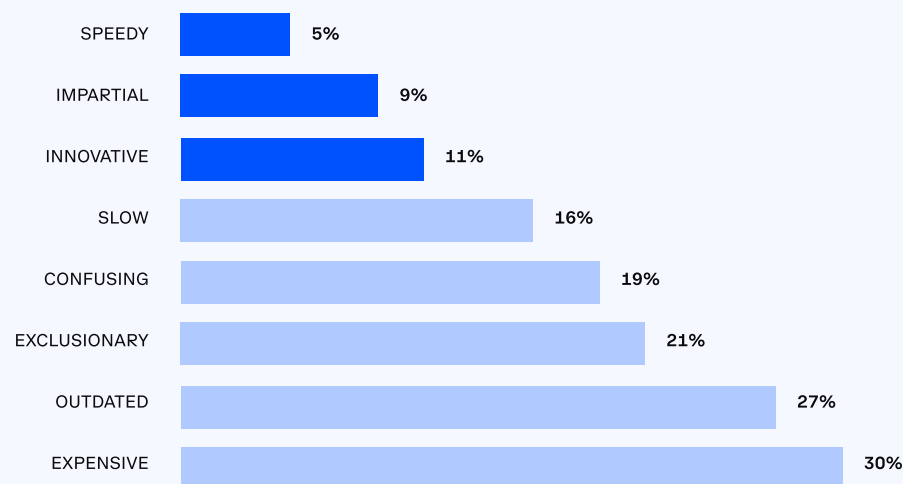
# THE STATE OF CRYPTO: AGE, ACCESS, AND AGENCY



## To update the dream, they're updating the system

Go to school, get a job, buy a home, work your way up. For older generations, the unspoken deal was that if you followed the rules and showed drive and resilience, you had a real shot at economic opportunity and prosperity—the American Dream.

### Younger generations (18-40) view our current financial system as:



Source: Coinbase and Bovitz Inc., Generational Research, 2023

Younger generations report that deal is no longer available: just 9% of Gen Z (ages 18-25) and 19% of Millennials (26-40) say the American Dream is achievable for everyone. On top of school and other debts, high housing costs, and high inflation, an outdated financial system stands in their way, built on legacy institutions that aren't serving their needs.

While generational disillusionment with the status quo has been widely hyped via trends like "quiet quitting" and "lazy girl summer," the core insight of Coinbase's Q3 State of Crypto Report is that these narratives miss the point. Yes, younger people are checking out of the status quo—but they're actively engaged in building something new. Instead of following conventional paths, they're adopting new, flexible models of work, ownership, and finance that don't rely on legacy middlemen. These new models move with them across the country, around the world, and as fast as the internet. Young people today aren't waiting for anyone. They will be the majority of America's voters and consumers by 2028, so it's on politicians and institutions to catch up.

Almost no one is happy with the nation's financial system—only 9% of Americans are satisfied with it, and only 22% think it's better than any other country's. But young people are especially disillusioned by it.

- Just 7% say the financial system works very well for people like them.
- More than half (52%) say they never or only sometimes use it.
- Fewer than one in five (17%) think the US system is better than others, versus one in four people over age 40 (26%).<sup>1</sup>

New research for Coinbase examines how young people experience and access the financial system (or not), where they think it falls short, and how they're taking their future into their own hands and creating economic opportunity for themselves. As younger generations become more pressured financially and more disillusioned by the system, they're also becoming more empowered by technology and emboldened by their growing influence as consumers and voters to do something about it.

<sup>1</sup> Gen X = ages 41-59  
Boomers = age 60+

**Age.** More than 100 million Millennials and Gen Z adults grew up with the internet, mobile phones and apps. When Millennials had their early career prospects undercut by the 2008 financial crisis and Great Recession, they popularized marketplace apps to convert their free time and unused belongings into extra cash and drove a global phenomenon, the sharing economy. Gen Z had to adapt when the COVID-19 pandemic kept them locked down and living online, including socializing by gaming, learning to assign value to digital assets.

They want legacy institutions to fit within their lives, not the other way around, and to be able to manage and move their money through the financial system at the pace of the internet and around the world. Only 5% of Gen Z and Millennials call the system "speedy;" only 11% call it "innovative"—they're much more likely to call it "political" and "expensive." Of all generations, Millennials are most likely to call the system "outdated" (29%); Gen Z are most likely to call it "confusing" (28%) as well as "exclusionary" (29%).

**Agency.** As the current system lets them down, young people are taking agency and building new paths to prosperity.

- They're more likely than older generations to want multiple sources of income (45%) and to have side gigs (32%).
- Millennials are the generation most likely to want to work as hard as possible to achieve their goals (48%).
- Three fourths (77%) of Gen Z want to choose their own paths rather than pursue the traditional path of college, homeownership, etc.

They're seeking out new economic opportunities that don't depend on an outdated financial system propped up by sclerotic institutions, laying a foundation not just for an updated system but for an updated American Dream. One enabled by a technology, like cryptocurrency, as a tool to update the system.

- Nearly two in five (38%) say crypto and blockchain can increase economic opportunities for them in ways traditional finance can't, versus 26% of older people.
- More than one in three (31%) own crypto, versus 12% of older people.
- Young people are more interested in crypto than older people because it's a global currency that can be accessed and sent across the world (16% versus 10%).
- About one in four (38%) see crypto as the future of finance, versus less than three in 10 (28%) older people.

And they're taking action on crypto beyond just owning it—studying it in school, seeing it as an important source of jobs, and getting ready to advocate and vote in 2024 for candidates who are building for the future and against those who support a broken status quo. Together, Millennials and Gen Z adults make up about 40% of the voting-age population today and will be a majority of voting-age Americans by 2028.

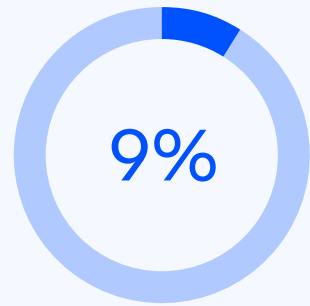
- Half (51%) say they're likely to throw their weight behind crypto-friendly candidates in 2024.
- About two in five (39%) say politicians and policymakers should support technologies like cryptocurrency and blockchain to help future generations, versus 28% of older Americans.

These generations will make up a greater share of the country's consumers and electorate tomorrow than they do today, and their push to use crypto as a tool to update the financial system and create more opportunity and prosperity for themselves will drive adoption of crypto in politics and society.

This is Coinbase's second State of Crypto Report, following the Q2 2023 report on corporate adoption, which found that more than half of Fortune 100 companies are developing blockchain initiatives to stay competitive. This series aims to educate the public about the role crypto can play in updating the financial system for the benefit of consumers and corporations alike. At a time of broad agreement that the current system is neither an example for the world nor innovative or fair, the findings lay out how crypto can help support greater equality of opportunity and a new, more inclusive, self-directed and technologically up-to-date American Dream.

## Millennials (26-40)

### Perceptions of crypto and reasons to use it



Just 9% of Millennials say the current financial system is working for people like them.

#### CRYPTO/BLOCKCHAIN PERCEPTIONS

	TOTAL	MILLENNIAL
POLITICIANS AND POLICYMAKERS SHOULD SUPPORT CRYPTO/BLOCKCHAIN	33%	44%
CRYPTO/BLOCKCHAIN IS THE FUTURE OF FINANCE	32%	44%
CRYPTO/BLOCKCHAIN CAN INCREASE ECONOMIC OPPORTUNITIES IN WAYS TRADITIONAL FINANCE CAN'T	31%	42%
CRYPTO/BLOCKCHAIN HAS A POSITIVE IMPACT ON SOCIETY	27%	38%

#### TOP REASONS PEOPLE STARTED/WOULD START USING CRYPTO

	TOTAL	MILLENNIAL
TO INVEST AND MAKE MONEY	36%	44%
TO DIVERSIFY MY INVESTMENTS	22%	28%
TO GET IN BEFORE IT'S TOO LATE	15%	22%

Source: Coinbase and Morning Consult, Multicultural and Underserved Audiences Research, 2023

Source: Coinbase and Bovitz Inc., Generational Research, 2023

A pivotal generation, Millennials grew up embracing the American Dream but were derailed in trying to achieve it by a global financial crisis caused by failures of legacy institutions on which the financial system was built. They also were the first generation to really benefit financially from the democratizing technology of mobile phones. As a result, they may be the last generation to try to pursue the traditional, legacy-dependent iteration of the American Dream.

**Millennials are the transitional generation from an old to a new ideal of success.**

- In their interest in pursuing the traditional path—college, marriage, kids, house, etc. (32%) versus living their life by their own terms (68%)—their response mirrors that of older Gen X (34%/66%) versus younger Gen Z (23%/77%).
- They are the generation most likely to want to work as hard as possible to achieve their goals (48%).
- They are the most likely to be looking for opportunities to have multiple income streams (46%).
- They are most likely to have started or to start using crypto to invest and make money (44%).
- They are most likely to wish that homeownership was something they'd done sooner (28%).

**Many Millennials, burned by the financial crisis and raising their Gen Alpha kids (ages 0-9) amidst historic inflation, are teaching their kids about finance early.**

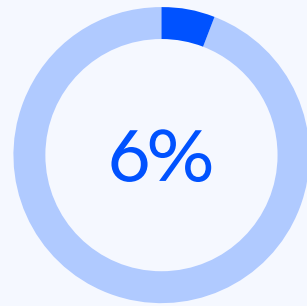
- A solid majority (57%) already have sought advice on how to set up their children for success.
- Nearly 60% have talked with their kids, no matter how old, about spending and considering how much things cost.
- More than half have talked with their kids, no matter how old, about different types of money.

**Top reasons why they invest in crypto are actual features: it's a means to invest and build wealth, diversify a portfolio, access and send money across the world, and do so independently of legacy institutions. Beyond that, of all generations, Millennials are the most bullish on the potential of crypto.**

- They are most likely to say that crypto can increase economic opportunity in ways that traditional finance can't (42%), and that it is mostly beneficial to society (36%).
- They are most open to crypto as a way to make money (44%) and as the future of finance (44%).
- They are the generation most likely to believe that blockchain technology will create jobs of the future (44%) and be interested in working in the industry (33%).
- They are most likely to believe politicians and policymakers should support crypto/blockchain (44%).

## Gen Z (18-25)

### Financial System Perceptions



Just 6% of Gen Z says the current financial system is working for people like them

Source: Coinbase and Bovitz Inc., Generational Research, 2023

Source: Coinbase and Morning Consult, Multicultural and Underserved Audiences Research, 2023

	GEN Z	MILLENNIAL	GEN X	BOOMER
THE FINANCIAL SYSTEM IS DESIGNED TO BENEFIT CORPORATIONS OVER CONSUMERS	57%	44%	42%	50%
THE FINANCIAL SYSTEM IS RUN BY PEOPLE WHO ARE OUT OF TOUCH WITH MOST AMERICANS	57%	45%	38%	43%
THE FINANCIAL SYSTEM WORKS BETTER FOR OLDER GENERATIONS THAN YOUNGER GENERATIONS	39%	25%	15%	11%
AMERICA'S FINANCIAL SYSTEM IS BETTER THAN FINANCIAL SYSTEMS IN OTHER COUNTRIES	12%	19%	25%	27%

If Millennials are the last generation to idealize an American Dream based on legacy institutions, Gen Z is remaking the concept for the future, expecting such institutions to fit within their lives (or else possibly not at all; they're learning about finance in ways that cut out legacy media). Of all generations, they feel the most negatively about the financial system.

### Gen Z is updating the traditional American Dream in real time.

- They're least likely to see the American Dream as achievable for everyone (9%, versus 19% for Millennials).
- They are far less inclined to see homeownership as a worthwhile investment (49%, 15 points lower than Millennials and nearly 30 points less than Boomers), and the most likely generation to say homeownership is something they never thought they'd be able to achieve (20%).
- After Millennials, they are most likely to have (29%) and be seeking (42%) multiple sources of income.
- They are the generation most interested in living their lives by their own terms (77% versus 68% of Millennials, 66% of Gen X and 56% of Boomers).
- They're learning about finance from social media, YouTube, online forums —and their parents.

### Gen Z is the generation most likely to think the current financial system is not only unfair but inadequate.

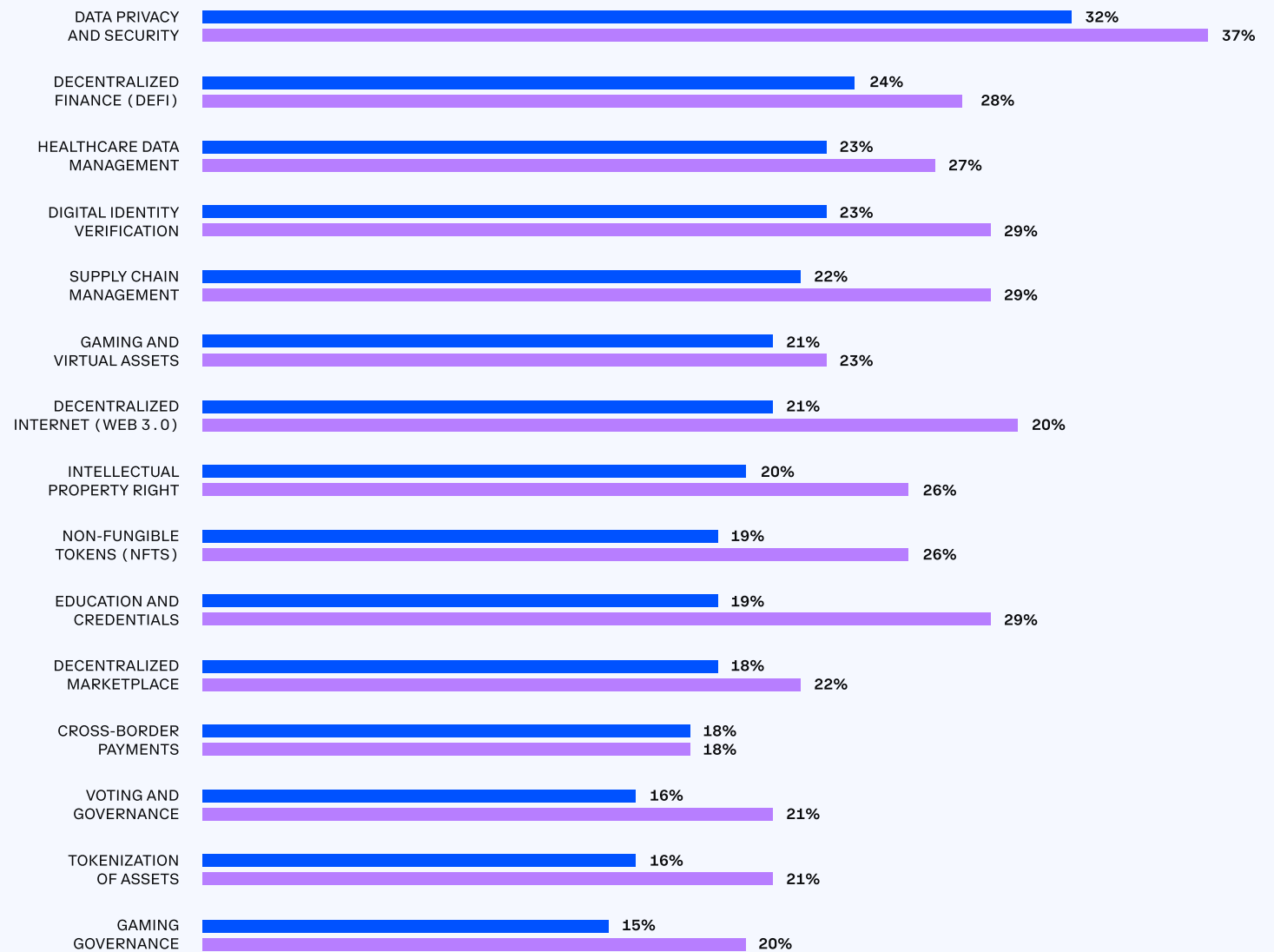
- They are the least satisfied with the system (5%, versus 9% of Americans overall).

- As the most diverse generation in history, they're most likely to describe the system as "discriminatory" and "exclusionary."
- They're also the most likely to call it "confusing"—and least likely to call it "reliable." Hardly any (3%) call it "speedy."
- They are the generation most interested in crypto because it's a global currency that can be accessed and sent across the world.



## University students and curriculum adoption

### Utility of Future Use Cases (Showing % Selected)



Source: Coinbase and Morning Consult, College/University Student Research, 2023

American graduate students in particular have a strong sense that crypto and blockchain matter for both the country's future and their own, and see a wide variety of potential use cases beyond those commonly discussed. American undergraduates aren't far behind them in these sentiments, and leading universities are adding courses and experts to meet this growing demand.

### Students have a strong sense that crypto technology is important.

- Both grad students and undergrads are as aware of crypto (more than nine in 10) as they are of AI (94%), and their awareness is consistent across various concentrations from computer science and business, to fine arts.
- Significant percentages see crypto/blockchain as important for the future (grad students 58%, undergrads 45%), and as the future of finance (54%/45%).
- A majority of grad students (58%) and business majors (52%), along with 41% of undergrads, say they are more likely to vote for candidates who are pro-crypto.

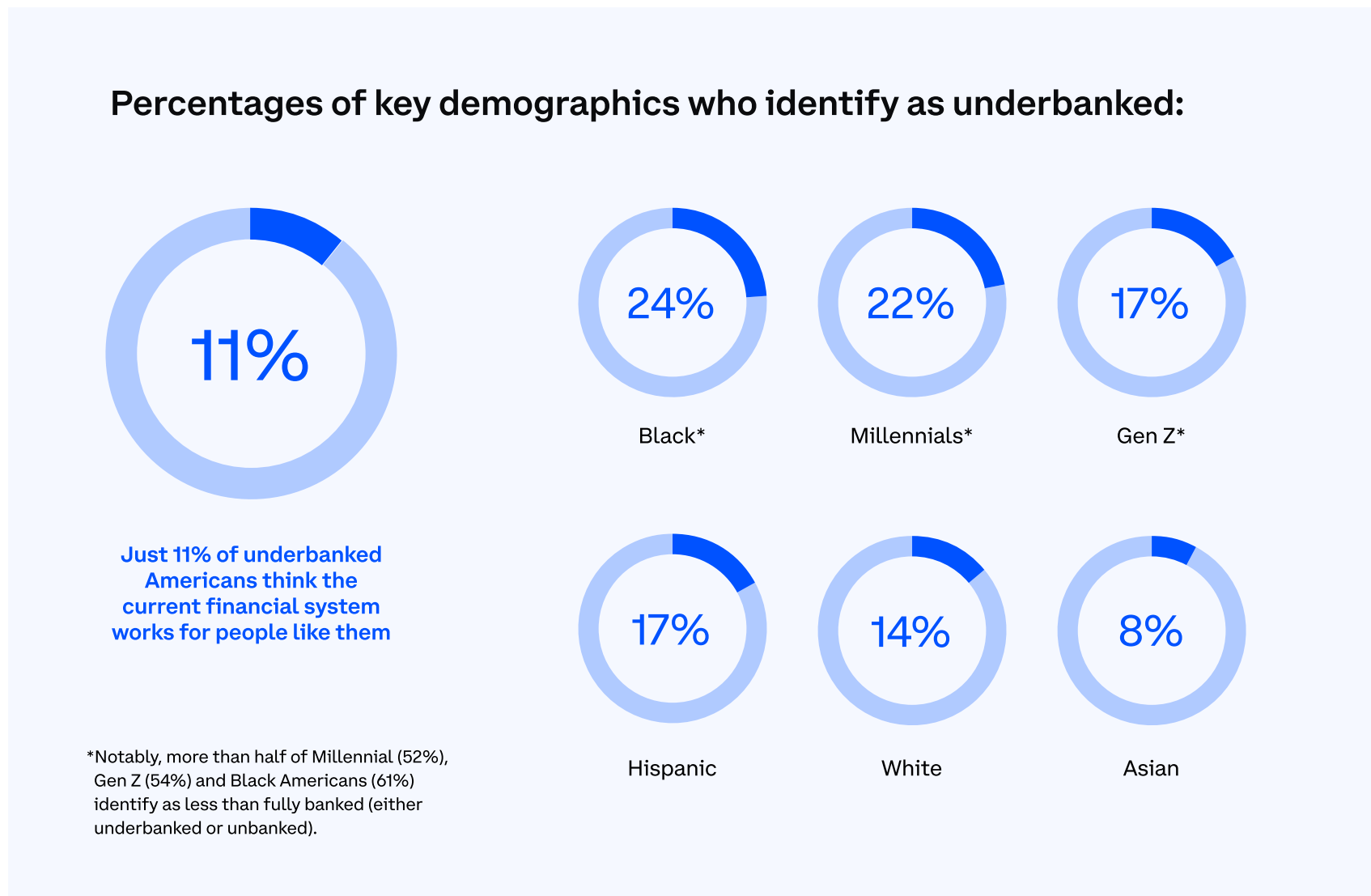
## **There's keen interest in learning about crypto technologies for career purposes.**

- Nearly three in five grad students (58%) and nearly half of undergrads (47%) believe that learning about this technology will make them more competitive in the job market.
- One in five grad students already have taken at least one class about crypto/blockchain.
- About one in 10 undergrads also have taken a course in crypto. Among those who have, for about three in 10, the course was required for their major; seven in 10 simply elected to study it.
- Three in 10 undergrads and 45% of grad students are interested in working in crypto.

## **Universities are stepping up to meet the need.**

- Of the country's top 50 universities, 46 offer a collective 197 courses in crypto.
- Six of the top 50 offer at least 10 courses: Stanford and Georgetown University (18 each), Yale and Northeastern (13 each), the University of Pennsylvania (12), and Notre Dame (11).
- Historical Black Colleges and Universities (HBCUs) are also ensuring Black students are active in blockchain through initiatives like the [Blockchain Association's Diversity, Equity & Inclusion Internship Program](#).
- Among grad students who have taken instruction in crypto, 37% say their instructors were recognized experts in the field.

## Spotlight on the underbanked



Source: Coinbase and Morning Consult, Multicultural and Underserved Audiences Research, 2023

The underbanked are a key cross-section of Americans who are most dissatisfied with the financial system, being both more diverse and younger, participating enough in the system to know what's not working, and feeling financially strapped yet still hopeful about their future. In our research, 15% of respondents identified as underbanked, in line with official estimates of the national underbanked population. The underbanked are more likely to own crypto than the general population: around one in three do, compared to around one in five Americans overall.

### **The underbanked have strong feelings about the current financial system.**

- Nine in 10 think the system needs change or a complete overhaul—10 points higher than the fully banked (80%) and 28 points higher than the unbanked (62%).

### **Of all banking types, they are the most uncertain about their finances and their ability to access traditional financing.**

- They are the most likely to cite financial concerns as their top source of daily stress (61%).

- They are most likely to worry about having enough money (49%), to have the hardest time meeting their monthly living expenses (42%), and to depend on others for financial help (21%).
- Significant percentages would find it tough to get a home loan (50%), car loan (41%), or new credit card (34%).

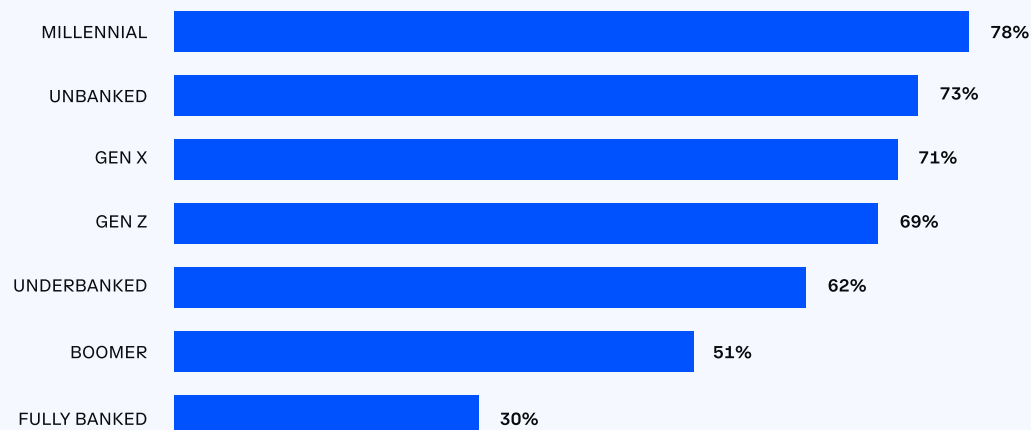
**Yet they also are the banking type who are most optimistic about their financial future.**

- Nearly half (49%) believe they will be better off a year from now.
- They are the most financially independent (86%).

**Of all banking types, they are most likely to see crypto as an important tool for building wealth.**

- More than half (52%) agree that crypto/blockchain can increase economic opportunities for them in a way that traditional finance can't.
- About half (49%) say that crypto/blockchain can offer more access to wealth for underserved populations.
- Half (50%) see crypto/blockchain as beneficial to society (versus 37% of the unbanked and 20% of the fully banked).
- More than half (54%) see crypto and blockchain technology as important tools for the future of finance.

### Among American crypto owners, likelihood of voting for a pro-crypto candidate in 2024:



Source: Coinbase and Morning Consult, Multicultural and Underserved Audiences Research, 2023

Millennials and Gen Z adults already represent 40% of the voting-age population, on their way to a majority by 2028 and already turning out in high numbers. They are more likely than the general population to value the economic opportunities and social benefits of crypto and are willing to support crypto-friendly candidates and advocate for the clear regulations needed to update the system. They will drive adoption of crypto and blockchain technology in politics and eventually in policy.

Among Coinbase's own active users, these key demographics show willingness to advocate for pro-crypto policies. For example, Gen Z and Millennial users are likely to research and act on a candidate's stance on crypto, including by:

- Seeking out information on a candidate's stance on crypto: 20% of Gen Z and 22% of Millennials, versus 16% of Gen X and 19% of Boomers.
- Joining a pro-crypto coalition or alliance: 42% of Gen Z and 39% of Millennials, versus 32% of Gen X and 37% of Boomers.
- Writing to their members of Congress asking them to support pro-crypto legislation: 42% of Gen Z and 38% of Millennials, versus 32% of Gen X and 31% of Boomers.

Sentiment that the financial system needs major changes or an overhaul transcends ideology, suggesting there's little downside for candidates to be open to a fairly regulated crypto industry.

- Strong majorities of self-identified conservatives (87%), those who identify as "middle of the road" (85%), and self-identified liberals (89%) all agree that the financial system needs an update.

- Americans across the political spectrum believe the government is mainly responsible for fixing the system: 65% say the federal government, 42% say state governments, and 40% say individual elected officials.
- Crypto ownership itself is bipartisan: 22% of Democrats, 22% of independents and 18% of Republicans have identified as crypto owners.

Today, 52 million Americans own cryptocurrency—one in five adults. As of October 2023, less than two months since launch, the Stand with Crypto Alliance has mobilized more than 100,000 advocates—well on its way to mobilizing its goal of 1 million advocates in order to make progress in the US toward achieving the kind of fair rules for crypto that other countries are on their way toward enacting. Fair rules that allow the American crypto industry and crypto owners to operate with certainty are key to an updated financial system and ultimately, for younger generations, an updated American Dream.

At Coinbase, we're working hard to help update the financial system by building trusted products that expand the utility and adoption of crypto because we believe crypto and blockchain technology have the ability to increase economic freedom and opportunity around the world. Coinbase chose to become a public company in the US because we believe the US would best be served by embracing this fundamental innovation, but we're also focused on international markets, many of which are moving forward with strategies to become "crypto hubs." We would like to see the US take a similar approach, but a regulation by enforcement approach in the US is instead leading to a disappointing trend for crypto development in the US.

## Methodology

Generational research, with survey partner Bovitz, Inc.:

- Survey of 1,000 Gen Z (age 18+), Millennial, Gen X and Boomer Americans from June 19-23, 2023.
- Interviews of 30 American adults aged 18-59 from June 6-16, 2023.

College/university student research, with survey partner Morning Consult:

- Survey of 2,065 undergraduate and graduate students from August 11-23, 2023.
- Interviews of industry experts from August 21-September 6, 2023.
- Analysis of college course offerings by the top 50 US colleges and universities, as ranked by US News & World Report, for Fall 2022 through Fall 2023.

Multicultural and underserved audience research, with survey partner Morning Consult:

- Survey of 5,090 American adults including 800 crypto investors, 4,290 non-crypto investors, and oversamples of women, Black Americans, Asian Americans, and Hispanic Americans from August 24-31, 2023.
- Definitions:
  - “Unbanked” = Does not have a savings or checking account with a bank/credit union.
  - “Underbanked” = Has a savings or checking account with a bank or credit union and in P12M has purchased a money order from somewhere other than a bank/credit union, or paid bills through a service such as Western Union or MoneyGram, or cashed a check through a provider other than a bank/credit union.
  - “Fully banked” = Has a savings or checking account with a bank or credit union and in P12M has not purchased a money order from somewhere other than a bank/credit union or paid bills through a service such as Western Union or MoneyGram or cashed a check through a provider other than a bank/credit union.

Cryptocurrency perceptions research, with survey partner Morning Consult:

- Survey of 2,202 American adults in February 2023.

A Brand’s Guide to Generation Alpha, report by Morning Consult:

- Survey of 2,001 parents with children under the age of 9, from December 10-20, 2022.
- Survey of 1,000 parents with children under the age of 18, from December 10-19, 2022.
- Survey of 1,000 parents with children under the age of 9, from December 21-24, 2022.

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