

# Crypto Spending Report 2020



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Decentralized digital currencies enable the seamless transfer of value over the internet without the need for a bank. However, despite the benefits of digital money over traditional money, there is a perception among blockchain investors that cryptocurrencies are only meant as investment assets and not as spending currencies.

To determine whether this perspective holds true, [BlockCard](#) and [Bitcoin Market Journal](#) have teamed up to survey the crypto community to find out about the average cryptocurrency user's spending habits.

# The Survey

To gain insight into the spending habits of digital currency users, BlockCard and Bitcoin Market Journal polled 35,000+ blockchain investors, asking the following questions:

- Have you spent cryptocurrency in the past twelve months?
- If YES, on what products or services did you spend crypto?
- If YES, approximately how much (in U.S. dollars) did you spend in crypto over the last year?
- Do you plan to spend crypto over the next year?
- What is the one thing that would help you spend crypto more frequently?

Bitcoin  
Market Journal polled  
**35,000+**  
blockchain investors

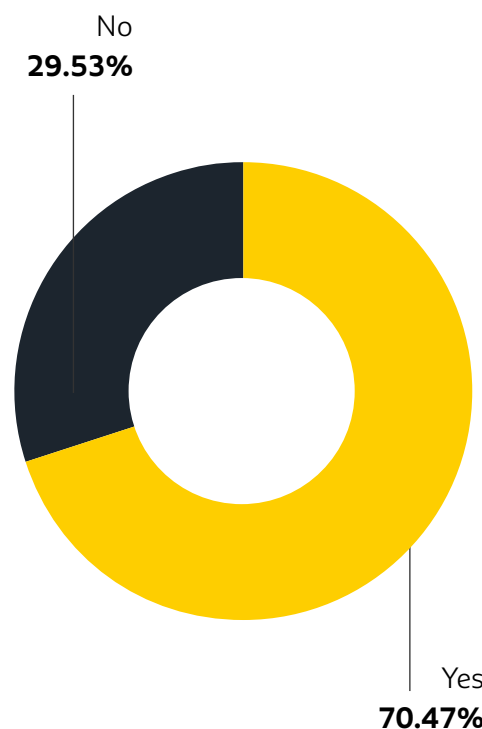
The results were somewhat surprising.

## Are People Spending Crypto?

While this may come as a surprise to long-term bitcoin investors and HODL enthusiasts,

**over 70%**  
of respondents have stated that they have spent cryptocurrency in the past twelve months.

Conversely, only  
**29.53%**  
of respondents have not spent any crypto at all.



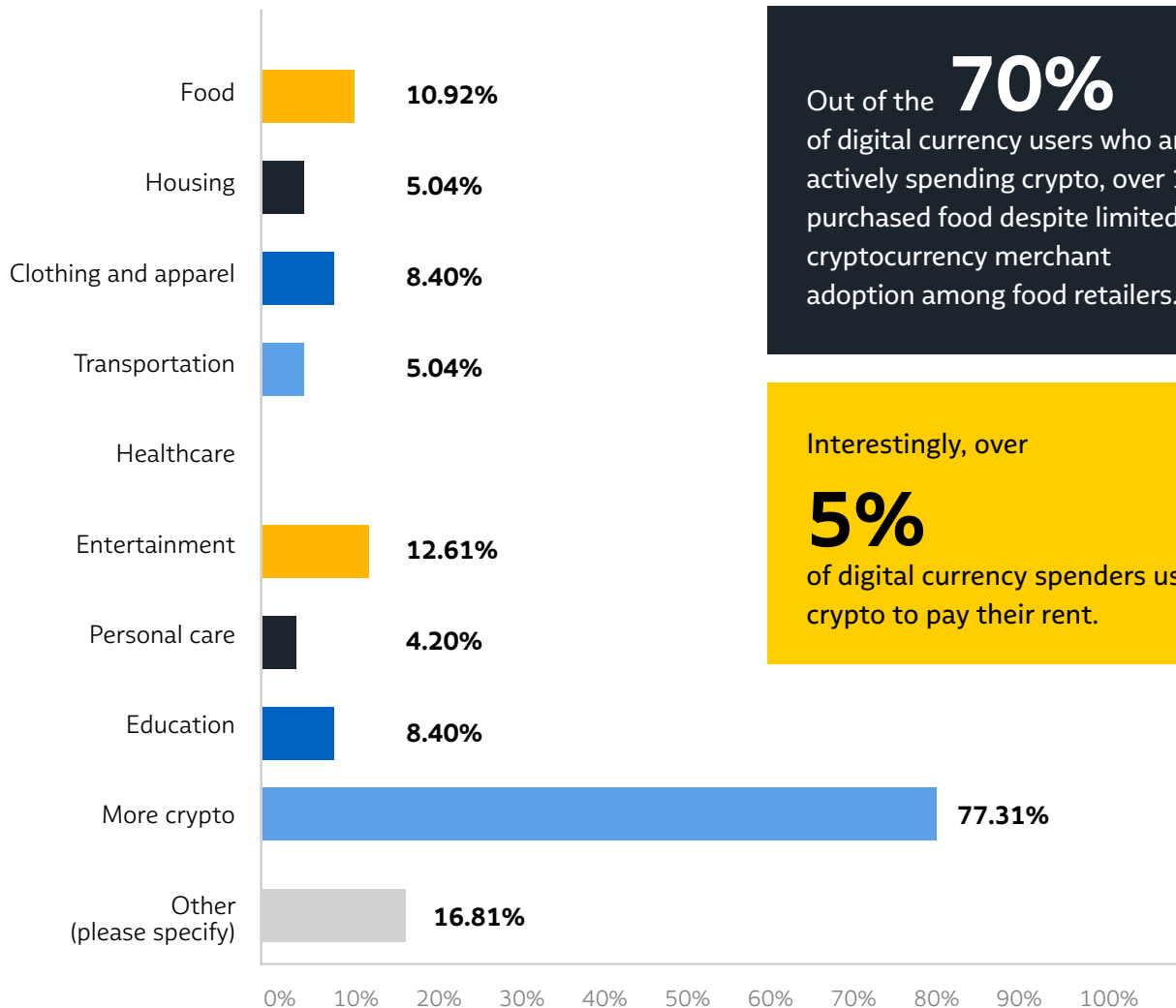
These figures dispel the notion of crypto being a pure buy and hold asset class. Instead, people are using digital currency to make purchases.

# What Are People Buying With Crypto?

What is arguably even more interesting than the number of people who are actively spending crypto is what people are spending it on. In the early days of bitcoin, you effectively had the choice between topping up your mobile minutes or spending bitcoin at small, bitcoin-friendly online retailers.

Today, the picture is very different. And as we have learned, people are spending crypto on a wide range of products and services.

The available spending categories in our survey are based on the U.S. Bureau of Labor Statistics categories that measure consumer spending.



Out of the **70%** of digital currency users who are actively spending crypto, over 10% purchased food despite limited cryptocurrency merchant adoption among food retailers.

Interestingly, over **5%** of digital currency spenders use crypto to pay their rent.

Transport (5.04%), clothing and apparel (8.40%), education (8.40%), and entertainment (12.61%) were also high on the list. Zero respondents have spent crypto on healthcare and only 4.29% on personal care.

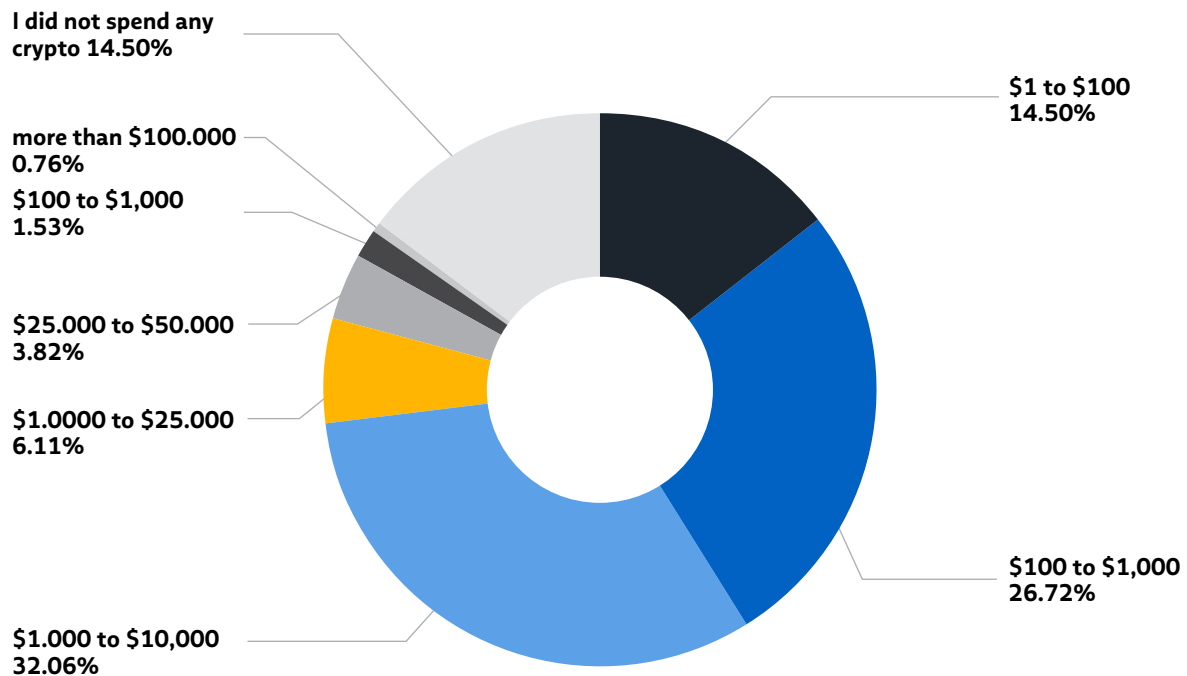
By far, the highest spending item in the survey was “more crypto,” which suggests that digital

asset investors want to diversify into different cryptocurrencies. 77.31% of respondents have purchased more cryptocurrencies using their existing holdings.

16.81% of respondents noted “Other,” which included software and electronic gadget purchases as well as making donations.

## How Much Are People Spending?

The amounts that digital currency users have spent in crypto in the past twelve months suggest that next to none of the surveyed respondents live exclusively on cryptocurrency.



The majority of respondents

**58.78%**

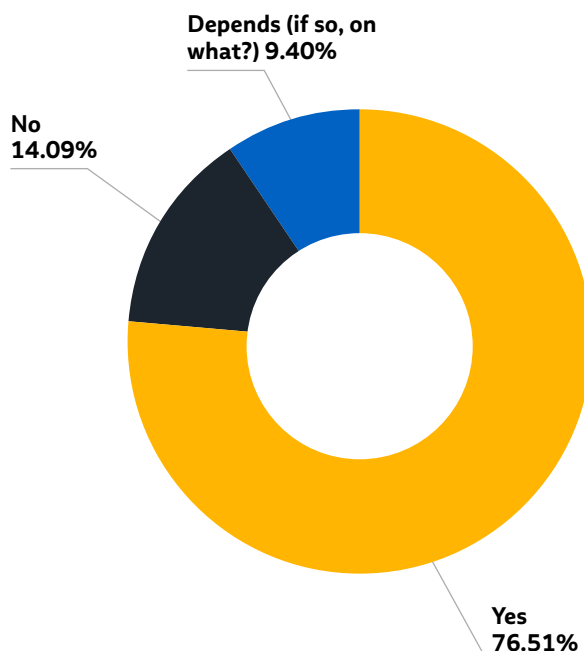
have stated that they spent between \$100 and \$10,000 in cryptocurrency in the past years.

**14.50%**

have spent less than \$100, and only 12.22% have spent more than \$10,000.

The willingness to keep spending cryptocurrency is also high in the crypto community. 76.51% of respondents have stated that they plan to continue to spend digital currency in the coming twelve months, while only 14.09% prefer to “HODL.”

9.40% of respondents are unsure at this point, with the most common reason for the uncertainty being market developments. Should there be a significant bull run, respondents have stated they are more likely to spend. Changes in transaction fees were another notable reason.



## What Would Encourage Digital Currency Users to Spend More?

The final question on the survey was an open-ended question about what would make digital currency users spend more. The overarching response – rather unsurprisingly – was that mass adoption would lead to more crypto spending.

If more places were to accept  
cryptocurrency, more people would  
spend crypto.

In addition to an increase in retailer adoption, respondents also mentioned “better rewards,” “faster transaction speeds,” and “a better understanding of the technology” as the number one thing that would make them spend more crypto.

# The Takeaway

While many bitcoin thought leaders preach HODLing as the only way to interact with bitcoin, data suggests that digital currency holders are actually using their “magic internet money” as money.

From paying for essentials, such as rent, transport, and groceries to covering education costs, and buying more crypto, cryptocurrency holders use digital currencies as transactional currencies.

What’s more, the lack of cryptocurrency merchant adoption prevents digital currencies from playing a more significant role in commerce. If we witnessed anything even close to mass adoption, we could expect digital currencies to take up a more significant share in the global payments space.

Until we see widespread cryptocurrency adoption among retailers and merchants, digital currency users rely on crypto-to-fiat bridges - such as crypto debit cards - to spend cryptocurrency on day-to-day purchases.

## About the Authors



**BLOCKCARD**

**BlockCard™** is a crypto fintech platform powered by Ternio. Convert cryptocurrency into real world utility and have more control over your money than ever before.



**BITCOIN MARKET JOURNAL**

**Bitcoin Market Journal** is the market-leading online publication for blockchain investors, providing daily market updates and insights into the world of digital asset and blockchain investing. Since 2017, Bitcoin Market Journal has supplied investors with information about the latest trends and investment opportunities in the digital asset markets.

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