Blockchain Will Reshape Our Lives

medium.com/burritt-research/heres-why-cryptocurrency-is-so-important-f1f28e2be402

Here's why…

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You can't escape the attention that cryptocurrency is getting. And just about everyone knows that it's super-important today and in the future.

But they don't exactly know *why* it's so important.

In this first article of a multi-part series, we'll tackle this important question and much more.

We'll ask ourselves:

· What is blockchain?

· What is cryptocurrency?

· What do they mean to me and my investments?

In addition, we'll discover why blockchain and cryptocurrencies will reshape our lives and fundamentally change the way we interact with technology, money, and each other. We'll dig deep into these exciting and fascination new technologies and discover insights and

opportunities we never dreamed imaginable.

And we'll do it one step at a time using jargon-free, non-technical terms to make sure we understand the *what* as much as we do the *why*. I know these topics can be intimidating. But we'll be in this together, every step of the way.

But before we get started, an introduction...

My name is Wayne Burritt and I run Burritt Research. I wrote my first piece of stock research for INO.com back in 2014. And I've always loved what the people at INO do and how they help investors.

I still write about stocks. But over the past few years, my firm has grown to include writing and analysis about blockchain, cryptocurrency, and data science. And to this day I'm still amazed by how these new technologies fundamentally shifted the way I look at stock picking in particular and investing in general. And I can't wait to share some of my insights with you.

So, let's get started!

What is blockchain?

When you try to figure out the answer to this question, you get hit by a ton of jargon: block height, cold storage, cryptography, distributed ledgers, tokens, mining, node, proof of work, wallet. The list goes on and on.

In fact, when I first tried to get my head around blockchain, I spent more time trying to understand all this jargon than figuring out what it was trying to do. And then one day, it hit me.

Blockchain is just a list of stuff that sits on a computer.

Nothing more and nothing less. (At its most fundamental.)

That list could be a bunch of financial transactions, like an accounting ledger. Or a specific set of instructions, like a contract. Or a digital copy of a book. Or the recording of your home's deed. Or your medical records.

In fact, just about anything you can put into a list is a good candidate for blockchain.

I like to think of blockchain this way ...

You have five close friends that work together on a daily basis. Sometimes your friends pay you and sometimes you pay them. The money changes hands frequently and can become hard to keep track of.

So, everyone decides to record these payments for the group on their own copy of an excel spreadsheet. When money changes hands between you and your five friends, everyone in the group records the payments on their spreadsheet. And because it's a spreadsheet it's easy to record only one transaction per row along with a running tally of what is owed and to whom. In this way, the six spreadsheets are always identical.

At the end of each day, everyone locks up their copy of the excel spreadsheet so that the transactions can't be altered by anyone else. You then send your spreadsheet to everyone in the group. You and your friends then compare each of the spreadsheets.

If everyone agrees that all the spreadsheets are the same, you and your friends notify each other that all the spreadsheets are accurate and safe to use. The next day, the whole process begins again.

What you and your five friends have done is create a blockchain. And if you notice, it's a really cool tool.

Think about it …

· Everyone is a "public witness" to the transactions, making the spreadsheets extremely transparent. It would be very difficult to try to cheat since everyone has a clean copy of the spreadsheet.

· Each spreadsheet is synced with the other spreadsheets, meaning there are multiple copies of all the transactions. That makes the spreadsheet very safe: if someone's computer fails, there are lots of other copies.

· Because each of the spreadsheets is locked at the end of the day, it would be very difficult for someone to cheat by changing old transactions. And to succeed at cheating, they would have to alter all the spreadsheets in the group, not just one or two.

· Each spreadsheet contains a complete, unaltered record of all the transactions. That makes performing analysis on the transactions very easy. You don't have to worry about having someone audit the records to make sure they're right.

That's it! You and your five friends have created a blockchain. Now, let's finish by just adding some terms that'll be useful down the road.

The set of all six spreadsheets is a "blockchain."

Each individual spreadsheet is a "node."

Each transaction in the spreadsheet is a "block."

Here's what's next…

In our next issue, we'll answer the fascinating question, "What is cryptocurrency?" We'll build on what we've learned about blockchain and discover how blockchain makes cryptocurrencies run. We'll also take a peek at what makes cryptocurrency an asset you may want to get involved with down the road.

Check it out!

This post first appeared on INO.com, which is kind enough to permit us to repost here.

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