People investing in cryptocurrency feel pain of recent crash

Tags: cryptocurrency, bitcoin, economy, investing

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By Matt Talhelm, WRAL reporter

People who decided to try their hand at day trading during the rise of cryptocurrency are feeling the pain of the virtual currency’s crash.
Here's a look at some popular cryptocurrencies:

- **Bitcoin:** $30,000.00 per share: Down $4,025.50 per share in the past five days.

- **Ether:** $2,065.78 per share: Down $453.32 per share in the past five days.

- **Tether:** $1 per share: The stock is down less than 1 cent in the past five days. It is down approximately 0.13% in the past five days.

 Raleigh-based crypto investor Mic Forman bought his first cryptocurrency five years ago with the goal of getting the financial freedom to spend more time with his family. Forman used to work as a banker.

“It was one of those things, like, alright, our family [has] got to do something right now and this seems like it could be it,” he said. “This is what I do full-time now. Our family lives off our income.”
Forman survived the volatility of the virtual currency market, including a drop one year after his initial investment.

“I caught the knife going down in 2018 to the bear market,” Forman said. “[I] had to lie to my wife for about two years about where our portfolio stood.”

Now, Forman’s sticking with crypto through this latest crash despite a jaw-dropping loss to his family’s fortune.

Forman said he plans to keep his investments, but they’re down this week “seven figures” [at least $1 million].

“If you’re an investor in this space, you need to be prepared to lose up to 90% of your money,” Forman said.

Duke Fuqua School Professor of Finance Campbell Harvey teaches a class on cryptocurrency. He said it’s a volatile and risky investment to go all in on.
“It’s a new space that’s still evolving, and it’s still a small market,” said. “It’s also the case that the crypto market is still very much at a very early stage.”

This week’s sell-off in the crypto world highlights the risks of experimental and unregulated digital currencies.

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Forman advises people who are hoping to get rich quick to think again.

“Figure out what your actual goals are, and more is not a goal,” he said. “A dollar amount is not a goal.”

Otabek Solinojov works at a vape shop on Hillsborough Street, which has its own Bitcoin ATM. He cashed out some crypto a few years back worth $15.

“People forget that at the end of the day, just like any market, it is rudimentary gambling,” Solinojov said.

Solinojov said, had he kept his initial investment, it would be worth $72,000 as of Friday.
Campbell said investors need to recognize that the cryptocurrency market is still in its infancy. If you have a heavy investment in the stock market, he recommends reinvesting in cryptocurrencies or keeping the rest in cash.

He also recommends entering the market by buying different cryptocurrencies or by buying more diverse assets, such as real estate, precious metals, and businesses, to diversify the portfolio.
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