



“It was honestly just gambling”: Investigating the Experiences of Teenage Cryptocurrency Users on Reddit

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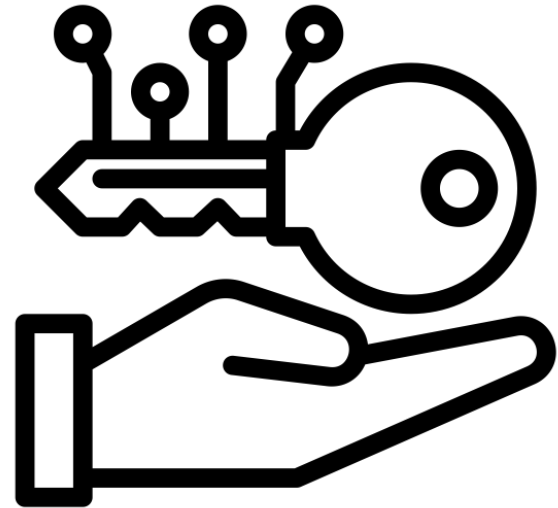
Cryptocurrency is popular among young investors

- According to a 2022 survey from FINRA + CFA Institute:
 - 55% of investors aged 18 to 25 hold crypto assets
 - 25% began investing before the age of 18
- This raises important safety concerns

FINRA Investor Education Foundation, CFA Institute “Gen Z and Investing: Social Media, Crypto, FOMO, and Family,” 2023

Crypto assets are difficult to manage securely

- Based on public-private key cryptography
- Transactions are usually irreversible
- Vulnerable to loss due to user error, social engineering, or hacking



Most exchanges do not allow minors to register

Coinbase User Agreement

Last updated: June 21, 2024

1. Account Setup

1.1. Eligibility. To be eligible to use the Coinbase Services, **you must be at least 18 years old** and reside in the United States. There are certain features which may or may not be available to you depending on your location and other criteria.

Crypto assets can be very volatile



Research questions

1. How do teenage users gain access to the crypto asset ecosystem?
2. What motivates teenagers to engage with crypto assets?
3. What types of harm do teenagers experience when using crypto assets?

To answer our RQs, we analyzed posts on Reddit

- Focused on communities used primarily by teens
 - /r/teenagers, /r/ApplyingToCollege,...
- Selected posts containing crypto related keywords
 - NFT, cryptocurrency,...
- Identified 6,408 posts with keywords
- Sampled $\sim 1/3$ for further analysis



Analyzed discussion using inductive coding

- Two authors reviewed all posts + comments in sample
 - 84% contained content about crypto
 - Most of sample from /r/teenagers
- Many posts lacked information about real behavior
 - 18.3% jokes, memes, or sarcasm
 - 18.2% spam promoting projects
- Peak in discussion 2021/2022



RQ1: How do teenage users gain access to the crypto asset ecosystem?

Users discussed purchasing assets via their parents accounts



“I wanna buy one of those funny looking monkey pictures but I'm clueless on how it works.”

“I trade crypto under my moms name but to my knowledge you have to be 18 at least where I live.”



Teens also obtained crypto assets in other legitimate ways

- Mining cryptocurrencies
- Creating crypto assets
- Receiving gifts from others on Reddit
- We only found a single instance of a minor discussing use of unregulated exchanges

“Lol I’m a minor and I bought Bitcoin using a non kyc site, and a vpn...”





RQ2: What motivates teens to engage with crypto assets?

Posts emphasized prospect of outsized profits



14 y/o user

“...my parents are giving me 100 dollars to invest in whatever I want... I think a good crypto to buy is Bitcoin... I've been tracking it... by 2030 my investment of 100 will grow ten fold if I buy it now.”

Users also discussed crypto as a form of obsessive entertainment, akin to gambling

"I invested like \$100
into crypto and [scrolled]"

"That makes it fun."



"The market is too
volatile imo,"




Some users explicitly compared crypto to gambling



18 y/o user

“u see risk = profits... cryptos are like gambling rn also its the best way to pay and receive money without paying extra because of tax... anyways if it gets me money i'mma do it.”



RQ3: What types of harm do teens experience when using crypto assets?

A small number of teens shared experiences of financial harm when engaging with crypto

- Users described losing small amounts of crypto due to being unable to recover keys
- Profit from investment was more often discussed than loss, but some users shared extreme experiences
 - E.g., a user shared an image showing their portfolio dropping from \$18,000 in value to about \$100 in July 2022
- Some users described losing money in illegal schemes

Some users described attempted extortion facilitated by cryptocurrency



14 y/o user

“...I just got an email... it said that if I did [not] pay this certain address \$2000 dollars in bitcoin it would send 3 random people in my contact an [explicit] video of me...”

“Lol it’s a scam. Everyone and their mother has gotten that e-mail.”



14 y/o user

Conclusion

- Minor teen crypto users have similar experiences to their adult counterparts
 - Learning about investing through highly speculative assets may set bad habits for life
- Custodial accounts could better enable parental supervision
- Better regulation will help protect both minors and adults

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