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## Insights on the Newest Trends for Your Money

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Technology has inspired new ways for investors to manage their finances – often with added convenience and efficiency. Yet anything new comes with a degree of risk. Here is an introduction to four new money trends, including what each one is designed to do and some considerations before you decide whether to incorporate them into your life.

### **Transfer money electronically**

Online services, mobile apps and social media sites allow you to transfer money to another person or small business electronically, eliminating the need for cash, checks or even credit card transactions. Transfers can occur almost instantly and, in some cases, without a charge. Many sites and apps also enable you to move money overseas, from one currency to another, with only a modest cost. Make sure you fully understand the terms, fees and security protections before you sign up for any of these services.

### **Pay for purchases with your phone**

Those who don't go anywhere without a smartphone may appreciate the ability to make routine purchases using an app, eliminating the need to pull out your credit card at checkout. Smartphone carriers, banks, credit card companies and retailers, among other businesses, offer mobile pay apps. Your favorite coffee chain or clothing store may connect purchases to their loyalty programs, which allows you to stay on top of rewards. Apps make it easy to spend money with just a tap or two, so it's important to remain mindful of your budget.

### **Bitcoin and cryptocurrencies**

Bitcoin and other cryptocurrencies are unregulated digital currencies that are "mined" through sophisticated algorithmic programs using powerful computers. This form of payment has emerged as a way to move money quickly, because banks and intermediaries are not needed. Instead, a system referred to as blockchain is used to calculate value and execute the transactions. (see more on blockchain below). While the currency can be used as a form of payment, mostly online and exchanged through other bitcoin holders, there are few goods that consumers can buy using digital currencies. Many in the financial industry, including the SEC, have expressed concerns about cryptocurrencies – namely that they're not insured by the FDIC, are vulnerable to hacking, and can fluctuate drastically in a matter of minutes.

### **Understanding blockchain**

Blockchain is an electronic ledger that can transfer large amounts of complex data efficiently. What makes blockchain appealing is its enhanced security compared to other digital databases or ways of sharing data. An individual block (e.g. a transaction or record) in the chain cannot be altered unless all the blocks before it are also changed. This technology enables peer-to-peer transactions and the ability for collaboration among multiple parties relatively quickly and inexpensively. Daily headlines often talk about blockchain in connection with bitcoin. However, today it's more prevalent in the transportation, logistics and health care industries. And, the technology is expected to play a bigger role in the global economy in the years to come.

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