



# The Easy Money Era Is Over And The Crypto Bubble With It

Dr. Sean Stein Smith  
IDES Digital Economy Summit  
Doha, Qatar  
February 5-6, 2024



# About me

Dr. Sean Stein Smith, CPA, CMA, CGMA, CFE

Associate Professor, Lehman College, City University of New York

Forbes Contributor – Digital Assets

AICPA Outstanding CPA of the Year (2022)

Accounting Today Top 100 Most Influential People in Accounting (2019 & 2019)

Board of Advisors – Wall Street Blockchain Alliance (WSBA)

Chair, Accounting Working Group, WSBA

40 under 40 in Accounting (2017-2022)

NJCPA Trustee (2022-2025 FY)

# Disclaimer



Any views or opinions stated during this presentation are solely the views of Sean Stein Smith

This session will be presented with a U.S. focus, since that the market I most familiar with



# Easy Money & Crypto

## First Easy Money Run

Bitcoin first burst into mainstream financial conversation 2017  
Received massive inflows and media coverage  
Peaked at \$20,000 per BTC in December 2017  
Federal Funds Rate – 1.00%

## Second Easy Money Run

Experienced a 2<sup>nd</sup> bull run in 2020-2021  
Era of COVID lockdowns  
GameStop speculation  
Dumb Money  
Stimulus payments and other economic measures to offset closures  
Peaked at \$69,000  
Federal Funds Rate < 1.00%

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# The Bubble Bursting

- Beginning in 2022 The Federal Reserve started hiking rates
- Economies and markets rebalanced following re-openings in U.S., European Union, China, and others
- Led to more competition for investor dollars
- FTX declared bankruptcy by November 2022
- BlockFi, Voyager, and Celsius declared bankruptcy
- Non-fungible token market crashes
- Bitcoin drops back to below \$30,000 per BTC

# What Comes Next

- Regulatory crackdowns in the United States
  - SEC
  - IRS
  - Bankruptcy aftermath
- Policymakers continue anti-crypto rhetoric
- Bitcoin not making progress toward “currency” status
- Institutional adoption and blockchain and tokenized assets
  - J.P. Morgan
  - PayPal
- Spot BTC ETF approved (January 2024)
- Real possibility of stablecoin regulation/rule-making in U.S. Congress

# Thank you!



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