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What Does the New PayPal News Mean For Crypto

The payment giant's announcement brings utility...and more.

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Would you buy goods or services using cryptocurrency? And, more specifically, using Bitcoin—which some have called a store of value and even “digital gold”? Now this question has even more relevance in the real world.

On March 30, 2021, financial services giant PayPal announced that it is allowing its users with cryptocurrency holdings in the United States to [“Checkout with Crypto,”](#) with this service offered alongside other payment options. This move brings even more exposure to the crypto market for purchases at “millions of online businesses,” with the company also noting it would add enhanced utility for customers.

As PayPal reported in a release, “[a]ll transactions are settled in USD [U.S. dollars] and converted to the applicable currency for the business at the standard PayPal conversion rates,” with businesses *not* required to have any additional integrations or fees. (But the company will build in a “conversion spread” into the conversion from crypto to USD.)

PayPal previously [made news in October 2020 for letting users buy, sell and hold select cryptocurrencies directly through its service](#). This announcement is now following through on conjecture that it would allow payment services using digital currency, as it builds on that capability to buy, hold and sell these currencies. (By the way, if you buy crypto on PayPal, please note that, at this point, you can only hold your purchases on PayPal, and you can't

transfer them to other accounts. So if you want freedom with your holdings, you may want to consider other buying methods, including through exchanges.)

Now back to this announcement. It follows news that institutional investors continue to invest in Bitcoin, with Tesla not only buying Bitcoin but also allowing its customers in the continental U.S. to pay for purchases using Bitcoin ([the only cryptocurrency Tesla currently accepts](#)).

So, how much could this latest announcement change the world of crypto? Yes, it's true that Bitcoin isn't known for speedy transactions. (How many of you have sent it from one wallet to another and waited impatiently for what seems like *the longest collection of minutes* for your BTC to arrive?) But gone are the days when people could say, without argument, that this technology is only a scam.

Whether you're a person who's planning to hold your Bitcoin forever—let's hear it for those with goals of generational wealth—or a trader eyeing new highs along with your 2021 goals—this news *is* meaningful for the space. And it could offer a bridge to continued adoption of other cryptocurrencies that have utility.

Just think of the possibilities when it comes to business, the financial system, and more. Even Treasury Secretary Janet Yellen, who has reportedly called Bitcoin “highly speculative” and “inefficient,” provided additional comments on the space in a January 2021 statement to the U.S. Senate Committee on Finance following her confirmation hearing.

“I think it important we consider the benefits of cryptocurrencies and other digital assets, and the potential they have to improve the efficiency of the financial system,” Yellen wrote. ([Read her full statement here](#)).

And there you have it. *Potential*. The word continues to come up. And now there is more utility to go along with it.

"As the use of digital payments and digital currencies accelerates, the introduction of Checkout with Crypto continues our focus on driving mainstream adoption of cryptocurrencies, while continuing to offer PayPal customers choice and flexibility in the ways they can pay using the PayPal wallet," said Dan Schulman, president and CEO of PayPal in the statement about the news. "Enabling cryptocurrencies to make purchases at businesses around the world is the next chapter in driving the ubiquity and mass acceptance of digital currencies."

So are *you* into the next chapter of cryptocurrency? If so, cheers to appreciating the story.

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