



Dogecoin: Elon Musk's Tweets Made This Millennial Rich!

Description

Dogecoin may have started as a joke. But it's a joke that's making people very, very rich.

After seeing Elon Musk promote Dogecoin on **Twitter**, Glauber Contessoto went ahead and bought \$180,000 of it. On April 15, that position was worth US\$1 million. In an [interview with CNBC Make It](#), he explained that the "reason I put my savings into Dogecoin is Elon Musk." Making a \$180,000 investment based on Musk's Twitter posts is a gamble, to put it mildly. But for Contessoto, it appears to have paid off. In this article, I'll explore Contessoto's Dogecoin investment and whether it has any takeaways for less "risk-loving" investors.

Why Contessoto bought Dogecoin

Based on *CNBC's* reporting, it doesn't seem like Contessoto had much of a "thesis" for investing in Dogecoin. His reasons stated in the interview come down to

- Elon Musk's influence;
- Wanting to leave money for his family; and
- Vaguely described bullishness on Dogecoin itself ("this stuff is going to continue to grow," he said).

What makes Dogecoin unique?

It appears that Contessoto's reasons for investing in Dogecoin are more based on sentiment than reasoned analysis. However, that doesn't mean the asset itself doesn't have valuable characteristics. Like most other cryptocurrencies, Dogecoin has to be mined before it can be traded or sold. This limits supply in the short run — although DOGE doesn't have a "hard" supply cap like Bitcoin does. Its supply could continue growing indefinitely, but it will get harder the more coins are mined. Coinwarz.com has estimated that you can make \$14.7 per day mining Dogecoin. Their chart showing the difficulty of mining Dogecoin reveals that the number of hashes needed to solve a Dogecoin block has been increasing steadily since December 2020.

A crypto investment for the less-tech savvy

If all this talk of hashes and blockchains has you confused, you're not alone. Many people report being interested in cryptocurrency but being unsure how to get it. Of course, you can always buy crypto on an exchange — but there, password loss remains a very real risk.

This is why you might want to consider crypto ETFs like the **Purpose Bitcoin ETF** ([TSX:BTCC.B](#)) as an alternative. Crypto ETFs hold crypto through a publicly traded vehicle, which lets you skip all the technical hassle that comes with buying/mining crypto directly. You simply buy the ETF like you would a stock through your brokerage account and hold it for as long as you see fit.

In the case of the Purpose Bitcoin ETF, the fund literally [holds nothing but Bitcoin](#). In exchange for a 1% annual fee, you get a publicly traded Bitcoin position. Yes, the fee does eat into your returns somewhat. But in return, you get added security. For less-tech-savvy investors, this may be worth the fees. Also, you can hold BTCC.B in a TFSA and skip any capital gains taxes you'd normally have to pay on it.

CATEGORY

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1. TSX:BTCC.B (Purpose Bitcoin ETF)

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