



Why Ethereum Is a Top Crypto to Own Long Term

Description

As far as top [cryptocurrencies](#) go, **Ethereum** ([CRYPTO:ETH](#)) is undoubtedly one of the top picks of most crypto investors. This token is currently the [second largest](#) in the world in terms of market capitalization. In terms of the decentralized finance (DeFi) ecosystem, Ethereum is by and far the largest network out there.

In other words, all those applications built on top of the blockchain that actually do stuff — most of those are based on Ethereum. If that's not a good enough reason to own this token long term, I don't know what is.

The thing is, there are other big catalysts on the horizon for this token. Let's dive into why investors may want to consider Ethereum right now.

ETH: A decentralized computer for the world

Thinking about the blockchain as essentially a decentralized computer, or ledger, is a good way to go. The blockchain allows for a perpetual ledger to be kept. This database, essentially, can be used to build a range of applications, much in the same way as coders use software platforms.

Now, Ethereum's big advantage is that this was the first blockchain to utilize smart contracts. Smart contracts allow for the blockchain to become useful. Essentially, these are pre-determined agreements that execute when specific criteria are met.

The range of possibilities are endless with what can be done via smart contracts. Accordingly, developers have used Ethereum to build everything from NFTs to metaverse games, tokenized securities, and insurance contracts.

Ethereum stands as the leader in the decentralized finance (DeFi) world for a reason. As DeFi grows, so too should the Ethereum ecosystem. As representative of this network's value, most analysts believe ETH will appreciate as well.

Ethereum 2.0 is on its way

Now, because Ethereum was one of the first blockchains, it's got some problems. This network uses a proof-of-work validation model. What that means is that miners need to solve complex problems to secure and validate transactions.

Most of the newer blockchains use proof-of-stake. In addition to being more environmentally friendly, these networks are also faster.

However, there's good news — Ethereum is moving in this direction. The Ethereum network is undergoing a series of updates, which will bring Ethereum 2.0 to the world. What this means is Ethereum will become faster, cheaper, and better. That sounds good to most investors.

Bottom line

Ethereum's bull case is very easy to understand. This network is the foundation upon which most of the value in the crypto world is created. Without Ethereum, there wouldn't be much reason to own many cryptocurrencies. Thus, this network is integral to the success of the crypto world.

Indeed, like all cryptocurrencies, ETH carries elevated risk. It's likely to be a volatile ride forward for this token. However, those thinking long term have reason to consider Ethereum. It's simply the gold standard of the crypto world right now and could get even better.

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