

Bitcoin's gender divide could be a bad sign, experts say

Women will get more involved in the cryptocurrency world when — and if — it becomes less risky

By Anne Gaviola, [CBC News](#) Posted: Jan 01, 2018 5:00 AM ET Last Updated: Jan 01, 2018 5:00 AM ET

Bitcoin, and the world of cryptocurrency, is a boys' club, say some experts, and that should be cause for concern.

Cryptocurrency is a form of digital currency traded between people or used to purchase goods outside of banks or government regulation — that's part of what makes it risky. Figuring out exactly who is putting money into this kind of asset is difficult because part of the attraction of investing in the crypto realm is the assurance of anonymity.

But [survey](#) after [survey](#) backs up what the anecdotal evidence suggests — women are underrepresented.

[Google Analytics results](#) put the divide at 96.57 per cent men to 3.43 per cent women.

That's a huge red flag to Duncan Stewart, research director of Deloitte Canada's technology division.

"It isn't merely that the value has risen as far and as fast as it has; it's the fact that it's 97 per cent men — that is, in and of itself, a potential danger sign," he says.

"There are studies out there that suggest men are predisposed towards bubbles in a way that women are not."

Stewart made his case in a recent [online post](#) about the subject. Stewart said he "cannot think of any security, currency or asset class in history that shows that extreme a gender divide and has been sustainable."

One reason is the well-documented lower risk tolerance of female investors. In other words, if women aren't getting involved, it's likely too risky, this line of thinking suggests.

The most [comprehensive study](#) on gender and the stock market shows that women who invest — whether their own money or on behalf of an organization — take a more cautious approach but tend to outperform their male peers in the long run.

'Role models are needed'

Stewart says he saw this in action during the dot-com boom and bust in the early 2000s.

Back then, he was an award-winning technology fund manager on Bay Street. Female fund managers represented about 20 per cent of institutional investors at the time, but they shied away from the tech stocks the men were heavily invested in.

He recalls his female colleagues being mocked for not jumping in with as much fervour as the men — until the men began losing lots of money.

"Maybe they 'got' it better than the men did all along," Stewart said.

Iliana Oris Valiente is a rarity in the cryptocurrency world. She has emerged as a female leader in this space and was recently chosen to lead consulting firm Accenture's global blockchain innovation division ([blockchain](#) is the technology behind cryptocurrencies).

A chartered accountant by training, she began her career in the world of auditing but got hooked on bitcoin as soon as she heard of it in 2012.

Oris Valiente says when she entered the world of cryptocurrencies it was a noticeably male-dominated industry.

"In 2014, when this started to become a core component of my day job, I was regularly the only female in the room, period," she said.

She says things are changing, albeit slowly. "We're starting to see really strong females in leadership roles," she said.

For instance, of the largest initial coin offerings (or ICOs, which are fundraising mechanisms for blockchain-related projects) currently underway, about 13 per cent are headed by women.

"They're acting as very powerful role models, and these role models are needed to encourage other women to potentially look at this field," said Oris Valiente.

Glaring gender divide

Oris Valiente doesn't buy into the theory that an outsized amount of male interest in a particular asset in and of itself creates a bubble.

"If we have primarily men involved in building the businesses and being the early-stage investors, they're likely to share the new tidbits and the new deals with their own established networks."

- [Blockchain technology behind Bitcoin could be a game-changer, proponents say](#)
- [Bitcoin feud over expansion threatens to destabilize currency](#)

But without a major catalyst, she doesn't see the gender divide in this field narrowing anytime soon.

So Oris Valiente is spreading the word herself, reaching out to hundreds of women through speaking engagements, trying to convince them that this is a field where they're needed.

"I'm sharing my personal journey into this ecosystem, explaining the basics of the cryptocurrency ecosystem, outlining what the different opportunities are ... as this ecosystem continues to grow."

She's convinced this technology is here to stay.

Signs of a bubble

The debate continues over whether the surge in interest and investment in cryptocurrencies is really a bubble.

Stewart points out that savvy people can make money during a bubble. "As long as you are one of those incredibly clever people who buys when it's low and sells on the way up."

But if cryptocurrencies are here to stay, Stewart says the gender divide will sort itself out over time. "Either it is a bubble, or it does turn out to be a real important currency that people use for the purchase of legal goods and services and as a store of value," he said.

"If that happens, women will show up to the party. Late, in this case, but they will show up."

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