

# 2024

## Crypto Market Outlook for Nonprofits



The Giving Block  
A SHIFT4 COMPANY

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## Make an investment in non-cash asset fundraising

**\$2B**

Cryptocurrency donated  
since 2017<sup>1</sup>

**\$234B**

Value of active donor-advised  
funds in the US<sup>2</sup>

**\$84T**

Value passed down in the Great Wealth  
Transfer to the next generation<sup>3</sup>

The Giving Block's mission is to build fundraising solutions that help nonprofits raise more and reach new donors. Our suite of tools and services empowers thousands of organizations to accept donations of crypto, stock and donor-advised fund grants.

These revenue streams can unlock new levels to your digital fundraising by allowing your cause to reach more young, passionate donors with growing portfolios and an interest in charity.

Connect with an expert today about your fundraising vision for the next generation.

[Learn More](#)

<sup>1</sup> Conservative estimate based on known donations reported via several platforms. <sup>2</sup> [www.nptrust.org/reports/daf-report/](http://www.nptrust.org/reports/daf-report/)

<sup>3</sup> [www.cerulli.com/press-releases/cerulli-anticipates-84-trillion-in-wealth-transfers-through-2045](http://www.cerulli.com/press-releases/cerulli-anticipates-84-trillion-in-wealth-transfers-through-2045)

# A Note to Nonprofit Executives and Board Chairs

## History suggests that we are on the cusp of another big wave of crypto philanthropy.

We prepared this report because now is the time for nonprofits to understand the crypto market's cycles and trends, how they create incentives for investors to donate crypto, and what that means for fundraisers in the years ahead.

Our close connection to crypto philanthropy sets us apart from other fundraising solutions that offer a donation form for crypto assets but limited insights. As "crypto natives" ourselves, we are a part of the same community that we help nonprofits engage.

You or your colleagues may be skeptical about crypto, or you may simply not think about it much. Or you may have heard all of the hype in 2021 and not a whole lot since. As you will read in this report, some of the hype has died down, but crypto didn't go anywhere.

In fact, crypto adoption continues to grow, and crypto philanthropy along with it. Whether you buy into the value of crypto or not, the opportunity to steward donations from crypto investors is too great to pass up.

Crypto donations help nonprofits grow in many ways. By diversifying revenue streams. Increasing major gifts. Engaging new donors (often younger). Exploring new fundraising methods. Building charitable partnerships. Preparing for the future. And for some, by simply staying afloat from one year to the next.

Wisdom tells us that the key to future success in fundraising is a willingness to embrace innovation.

In the not-so-distant past, nonprofit organizations would have had no use for social media accounts, digital ads, websites, or even credit card payment processing. Yet today those tools are indispensable.

So what's holding back crypto adoption among nonprofits? We've talked with thousands of fundraisers, executive directors and board chairs. The most common roadblock is education. Even so, 49 of the top 100 nonprofits already accept crypto.

By confusing market volatility with market instability, many nonprofit leaders have passed on the chance to embrace a new donor demographic that is at once younger and more generous than the average donor.

As you'll read in this report, crypto adoption continues to grow and numerous trends signal that a period of market growth is on the horizon. This creates a golden opportunity for nonprofits that prepare now and build a cryptocurrency fundraising strategy.

When the cryptocurrency market reaches new heights, so will crypto philanthropy. And we'll be here to help when you're ready to get started.

**Pat Duffy and Alex Wilson**

*Co-Founders, The Giving Block*

## Introduction

Due to steadily increasing interest from investors and businesses, cryptocurrencies have emerged from relative obscurity into a trillion-dollar global asset class with an estimated user base of 425 million.

Many today are curious about crypto but remain cautious. Perceived associations with risk factors like price volatility, unclear regulatory status, and bad actors in the sector have created a cloud of uncertainty. Luckily, many of these misconceptions have been cleared up.

A growing number of experts including those from financial institutions like Blackrock, Goldman Sachs and Fidelity have taken a more optimistic view of crypto's outlook.

**“We’re at such an early stage in terms of its adoption, but as you look across the marketplace and you see the breadth of financial institutions building out their digital asset teams, their digital asset strategies, be that the sell side or the buy side, it’s just super exciting and I think there’s a real recognition there.”**

— *Mathew McDermott, Global Head of Digital Assets at Goldman Sachs*

Recent developments have led many to predict that the crypto sector will soon enjoy greater regulatory clarity, attract a new pool of global capital with the launch of a publicly-traded US Bitcoin ETF, and ultimately set new records in market capitalization with cryptocurrency assets breaking through previous all-time highs.

## Up From Here? Bullish Market Patterns for 2024–25

### Key Terms

**Bear Market:** a period marked by a downturn in the market and steadily falling prices

**Bull Market:** a period when the value of an asset (or asset class) rises steadily

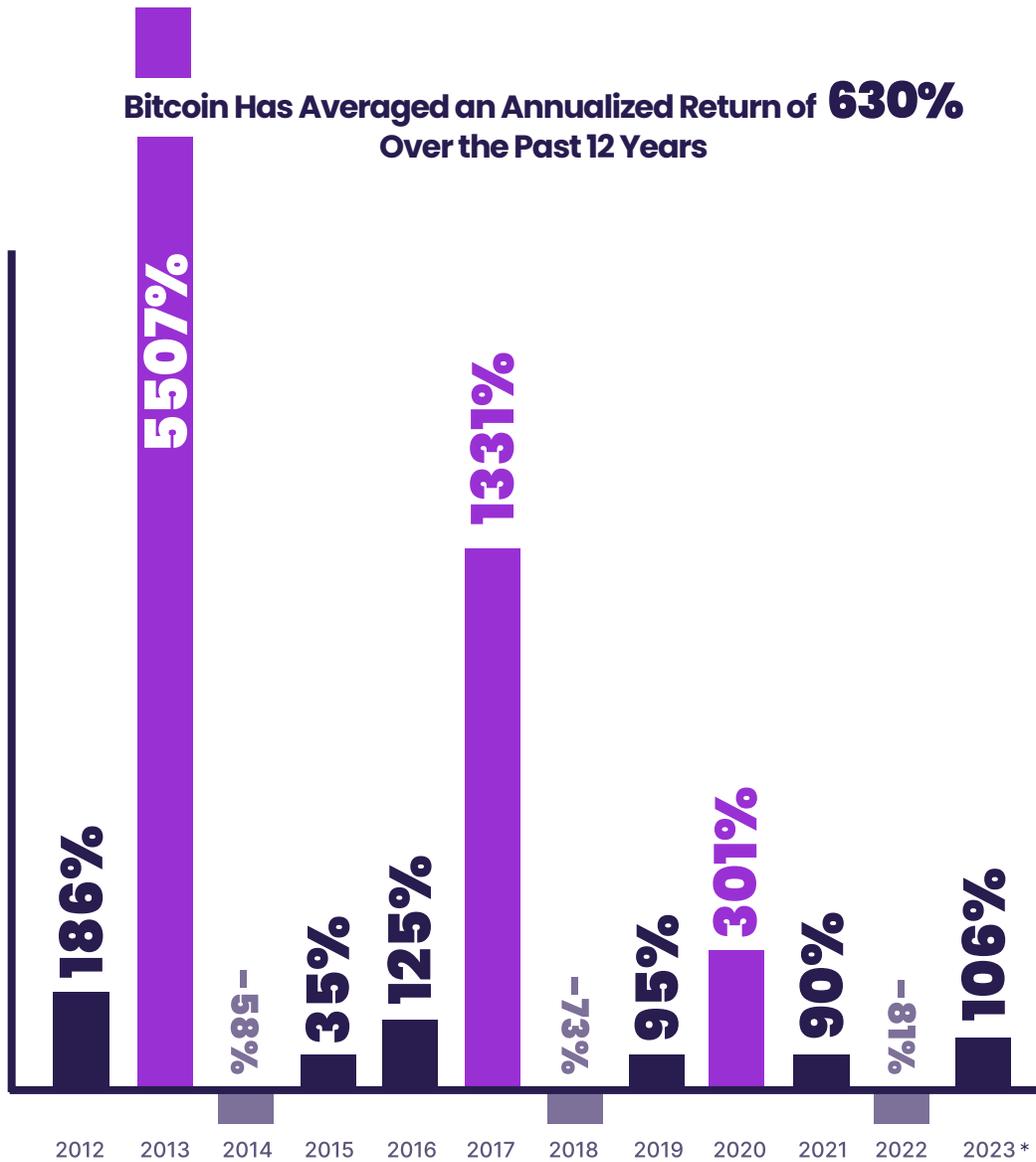
**Correction:** a market decline that is greater than 10% of the price of the asset (or asset class)

The crypto market's price volatility is easy to misinterpret. In reality, crypto is volatile to the upside more than the downside, but negative perceptions continue to dominate the majority of mainstream crypto narratives. When a crypto bull market reverses course, crypto is widely labeled as a bubble or even a “dead” asset class. And yet, the crypto sector has always come back from bear markets stronger than before. In the last 5- and 10-year periods, Bitcoin continues to be the best performing asset.

Dramatic price corrections are a typical and even expected feature of the crypto market cycle. Through the last three cycles dating back to 2012, the market capitalization of this asset class has surpassed prior all-time highs each time. So while the crypto market may be seen as volatile on a short time horizon, the historical data shows that its long-term growth is consistent and significant.

Crypto's price volatility is one of the most important features of crypto philanthropy for nonprofits to understand, because it benefits them greatly. Changes in crypto prices incentivize investors to donate these non-cash assets in order to reduce the capital gains taxes they would otherwise owe. And with the ability of nonprofits to auto-sell crypto donations, organizations are insulated from exposure to crypto's volatility yet still have much to gain from it.

Bitcoin Has Averaged an Annualized Return of **630%**  
Over the Past 12 Years



Source: [www.goodfinancialcents.com/bitcoin-annual-returns/](http://www.goodfinancialcents.com/bitcoin-annual-returns/)

\* Figure for 2023 reflects current year-to-date data.

As the chart on the following page shows, the crypto market has sustained a cyclical pattern of growth and correction throughout its history—often in defined four-year intervals. If the trend continues, the next bull market is expected to once again create new all-time highs for many cryptocurrencies, including Bitcoin, as well as for the entire asset class.

### Cryptocurrency Global Market Cap & Bitcoin Price



Source: tokeninsight.com, coinmetrics.io

**2014-2017:** The crypto market sees major growth, led by Bitcoin's price movement—from under \$200 in early-2015 to a new all-time high of nearly \$20,000 in late-2017—and the rise of Ethereum.

**2018-2021:** Bitcoin and Ethereum prices increase from cycle lows of around \$3,000 and \$80 in late-2018 to \$69,000 and nearly \$5,000 in late-2021, respectively.

**2022-2025:** The current cycle is playing out similarly in nature to previous cycles, with positive price movements for Bitcoin and Ethereum in 2023 that may signal a strong 2024-25 ahead.

Even amid bear market conditions in 2023, crypto has been the **best-performing asset class** year to date. Bitcoin has outperformed most major traditional market indices and investment assets, gaining over 100% YTD (with Ethereum not far behind). As we'll explore in the next section, Bitcoin tends to be a leading indicator for the crypto market.

### In 2023, Bitcoin and Ethereum Outperformed Many Major Indexes, Commodities and Stocks

ASSET	LAST CLOSE	YTD
<b>Bitcoin</b>	<b>\$36,982</b>	<b>123.08%</b>
<b>Ethereum</b>	<b>\$2,104.65</b>	<b>75.80%</b>
S&P 500	\$4,412.98	14.94%
Dow	\$34,321.29	3.54%
Nasdaq	\$15,501.22	41.70%
Apple	\$184.85	42.26%
Google	\$132.29	50.01%
Walmart	\$166.90	17.71%
Gold	\$1,946.90	6.38%
Silver	\$22.25	-8.00%
Oil	\$78.05	-3.06%
10 Year Treasury	4.65%	76.54%

## Bitcoin Halvings Influence Positive Investor Sentiment

Will crypto experience another bull market soon? It could already be materializing. Many analysts point to Bitcoin's strong rebound as a key indicator. Bitcoin's price has more than doubled in value since November 2022, when its price bottomed at \$15,757.50.

Numerous investors and analysts are watching the market closely leading up to and following April 2024, the expected timing of the next Bitcoin Halving.

Bitcoin Halvings occur roughly every four years after 210,000 blocks on the Bitcoin blockchain have been mined. At such time, the reward for mining Bitcoin transactions, along with Bitcoin's inflation rate, is cut in half. This reduction in the distributed supply of Bitcoin, relative to growing demand, may positively influence investor sentiment and increase price.

This was a central argument in an [October 2023 Morgan Stanley report](#) which suggested that the recent crypto bear market may be over:

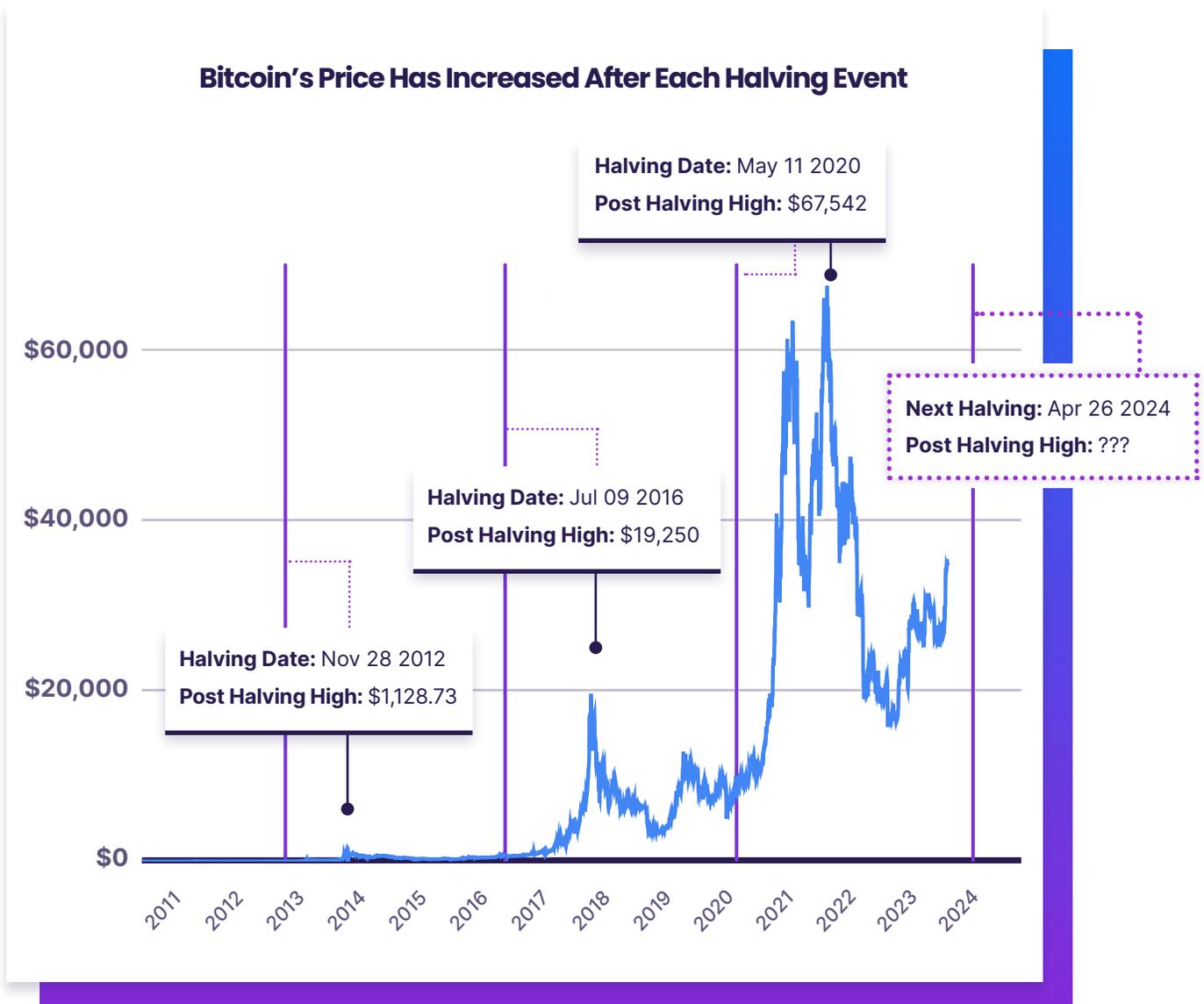
**“Bitcoin is the leading cryptocurrency, accounting for about 50% of total digital assets by market capitalization, and, in many ways, acts as a proxy for the overall crypto market. One unique aspect of bitcoin is that it is designed to go through a process called ‘halving’ that creates scarcity, so that bitcoins can maintain their value... By intentionally limiting the supply of new bitcoin, the shortage caused by the halving can affect the price of bitcoin to potentially spur a bull run.”**

— *Will Crypto Spring Ever Come?* (Morgan Stanley. October 2023.)

The report goes on to note that “most of bitcoin’s gains occur after a ‘halving’ event.”

Bitcoin’s price and the crypto market as a whole appreciated significantly following the previous three Bitcoin halvings in 2012, 2016 and 2020. The crypto market correction seen in 2022 and 2023 is consistent with historical trends prior to these strong pre- and post-halving runs.

If these patterns repeat, both Bitcoin and the crypto market at large are expected to see sizable appreciation after the next halving.



Source: [coinmetrics.io](https://coinmetrics.io)

## Five Positive Crypto Industry Trends and Signals

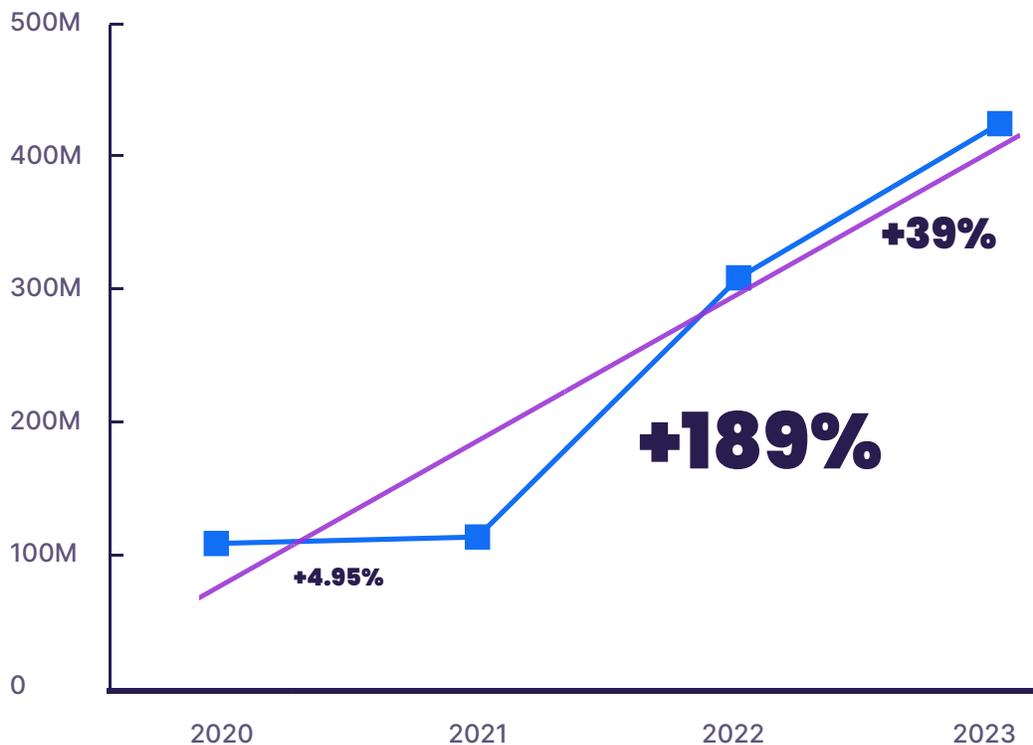
Economics aside, the future of the crypto market will undoubtedly be influenced by a number of wide-ranging factors. Among these, it should be expected that user base growth, legal precedents, sector innovation, institutional adoption and public opinion will all be of great importance.

After a challenging period in 2022 and the first half of 2023, public and expert sentiment is starting to move in a positive direction. The trends below highlight exciting developments for the crypto sector, which are increasing optimism for strong years in 2024 and 2025:

### 1. Crypto's global user base continued to grow during the bear market

At the start of 2021, there were roughly 126 million crypto users globally. By 2022, that figure grew to 300 million. Today, an **estimated** 425 million people use crypto with one in five **Americans** having used crypto at some point. User growth suggests increased interest in the everyday applications of crypto and blockchain technology and this is a good sign for the sector's prospects going forward.

#### Since 2020, The Crypto User Base Has Grown 75% Annually



## 2. Bitcoin ETF approvals in the US would signal greater adoption by traditional finance

Today, crypto trading and investing is dominated largely by early mover crypto-native exchanges such as Coinbase. This could change soon as Blackrock, Fidelity, Invesco and host large traditional financial institutions filed applications to offer Bitcoin spot ETFs, with approvals widely expected soon. The launch of these ETFs will open the door for financial advisors and fund managers at these financial institutions to make viable allocations into Bitcoin in the near future. Earlier this month, Blackrock CEO Larry Fink suggested that the renewed interest in crypto reflected a desire to move away from riskier investments and toward safer ones.

**“We are hearing from clients around the world about the need for crypto... I think there are more people running into a flight to quality whether that is in treasuries, gold or crypto – depending on how you think about it. And I believe crypto will play that type of role as a flight to quality.”**

— *Larry Fink, CEO of Blackrock*

Statements like this one from traditional banks and financial institutions reveal a stark difference in public sentiment compared to a year ago.

## 3. Breakthroughs in Web3 use cases have increased crypto’s mainstream relevance

Can crypto change the world? For many, it already has. Some humanitarian organizations use crypto to **distribute aid**. A new Fidelity report **praised Bitcoin** as a “superior form of money.” More recent innovations include using NFTs to tokenize the proof of ownership of real-world items, improving transaction speeds with “Layer-2” blockchain scaling solutions, and building “cross-chain bridges” for transferring digital assets between blockchains.

A **Coinbase study** found that a majority of leading companies across sectors, including IBM, Alphabet, Microsoft, Nike, Chase, Amazon, and Bank of America, have started or launched blockchain-related projects.

From JP Morgan Chase completing its first DeFi (decentralized finance) transaction, Exxon-Mobil using excess natural gas energy to mine bitcoin, and Nike partnering with EA sports to debut apparel NFTs in games, the future is bright for crypto uses in all variety of businesses.

# 52%

Fortune 100 companies that have pursued crypto, blockchain or web3 initiatives since the start of 2020

Source: The State of Crypto: Corporate Adoption (Coinbase, June 2023.)

#### 4. Improved regulatory clarity in the US fosters greater confidence in the asset class

To foster long-term growth, clear legislation is paramount. While ongoing challenges remain, recent progress has been notable. Industry-wide efforts to educate US lawmakers and advocate for common sense regulation has led to increased bipartisan support in Congress. Meanwhile, key legal decisions (e.g., *SEC v. Ripple*) suggest that a more favorable and consistent regulatory landscape is emerging.

Responding to the *SEC v. Ripple* ruling, Senator Cynthia Lummis said, “The decision confirms the need for Congress to deliver a clear regulatory structure for the crypto asset industry.”

#### 5. New accounting rules make it more palatable for companies to allocate a portion of their treasuries to Bitcoin and other cryptocurrencies

In September 2023, the Financial Accounting Standards Board voted to approve new accounting standards for companies holding crypto assets. Because of crypto’s unique volatility, the previous rules governing cryptocurrency accounting were inadequate: every time a crypto asset’s price fell below historical cost (i.e., the market value when acquired by the company), the amount on a company’s books was considered an impairment, or permanent loss. Now, crypto assets can be measured at their fair market value starting in late-2024.

**“Fair value accounting is coming to Bitcoin. This upgrade to FASB accounting rules eliminates a major impediment to corporate adoption of \$BTC as a treasury asset.”**

— Michael Saylor, Founder and former CEO of MicroStrategy

## Crypto's Market Growth: A Fundraising Opportunity for Nonprofits

As the crypto market enters a new period of growth, it's not only businesses and investors that can benefit. Nonprofit fundraisers know that favorable market conditions create interest in donating appreciated assets like stock. The same principle applies to crypto.

As with stock giving, taxpayers in the US do not have to pay capital gains taxes on appreciated crypto assets donated directly to 501(c)3 charitable organizations.

The difference in value between donating appreciated crypto versus selling it first and donating the after-tax remainder can be as high as 30%.

Say two donors  
want to give **\$1M**  
to charity...

	 DONOR A GIVES APPRECIATED ASSETS	 DONOR B SELLS ASSETS & GIVES CASH
CAPITAL GAINS TAXES PAID BY THE DONOR	<b>\$0</b>	<b>\$276,900</b>
WHAT THE CHARITY RECEIVES	<b>\$1,000,000</b>	<b>\$723,100</b>

*\*In this example, the donor gives \$1M in non-cash assets that they have held for two years. These assets have appreciated, purchased at a cost-basis of \$77,000. With the federal capital gains tax rate at 23.8%, and state capital gains rates ranging as high as 13.3%, we'll estimate the donor's capital gains tax liability in any particular state as being 30%.*

Crypto donations reached a peak in 2021, growing 1,558% from the previous year, with more than \$69 Million donated via The Giving Block. Coming off of 2022, the second-largest year for crypto donations processed by The Giving Block, the next bull market could ignite a record-setting boom in crypto philanthropy.



Source: tokeninsight.com, thegivingblock.com

With 2024 on the horizon, nonprofits of all sizes have a rare opportunity to create or re-commit to a crypto fundraising program today, in order to secure major gifts and engage with a younger and more generous demographic than today's average donor.

**Make an investment in  
non-cash asset fundraising**

[Learn More](#)

## ABOUT THE GIVING BLOCK

The Giving Block, a Shift4 company, is the platform helping nonprofits fundraise more effectively from modern philanthropists. As pioneers of the “Crypto Philanthropy” movement, The Giving Block developed the leading solution for cryptocurrency donations, taking crypto and NFT donations mainstream in the nonprofit sector. The Giving Block’s team then developed a stock and DAF giving experience built to empower even more donors to give non-cash assets. Today, thousands of leading nonprofits use The Giving Block to easily and securely fundraise crypto, stock and DAF grant donations from donors around the world.

To learn more and get started, visit [thegivingblock.com](https://thegivingblock.com)

## DISCLAIMER

Nothing provided in this report constitutes financial advice. The Giving Block makes no predictions about future prices and is not promoting investments in cryptocurrency. This report is solely meant to provide anecdotes and general context about cryptocurrency market trends for nonprofit leaders considering how to optimize donor stewardship in a changing world. Any statements and figures provided are true to the best of our knowledge, and sources have been cited where deemed appropriate.



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