

# + Cryptocurrency: Should Latinos Take the Risk?

Cryptocurrency (crypto) is a digital currency that runs on cryptography technology (known as blockchain) and operates independently of any central bank or government. Cryptocurrency’s appeal for working-class and Hispanic communities often stems from a lack of trust in traditional financial institutions and a desire for greater financial inclusion. However, the risks are substantial and, from an economic policy standpoint, may outweigh the benefits in the current landscape.

Research on crypto’s impact on Latino and working-class communities is still emerging, making it difficult to assess long term effects, but early data reveal important patterns and concerns.

This fact sheet explores the purported benefits and evidence of risks of cryptocurrencies to working-class people and Latinos based on the latest research and developments in the field.

## Cryptocurrency Usage by Latinos and Working-Class People

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Cryptocurrency use remains relatively limited overall, but available data show that Latinos and some working-class households engage with crypto at similar or higher rates than white and higher-income peers. Recent surveys highlight differences in usage by race, income, age and gender. According to a [2025 study by Gallup](#):

- Fourteen percent of U.S. adults report owning cryptocurrency.
- Twenty-five percent of men aged 18 to 29 own cryptocurrency, compared with just 8% of women aged 18 to 49.
- Nineteen percent of upper-income people (earning more than \$90,000 a year) own crypto, compared to 9% of low-income people earning less than \$48,000 a year.

Other federal data show notable racial and income differences in crypto use. A [2024 study by the Federal Reserve](#) found that 9% of Latinos used cryptocurrency in the past year, compared to 6% of white adults. Additionally, the study found similar usage of cryptocurrencies by income level with roughly 6% of people earning less than \$50,000 a year using crypto, while 9% of those earning more than \$100,000 had done the same. Similarly, a 2024 Pew Research study noted about 20% of Latinos say they have invested in, traded or used a cryptocurrency, while about 15% of white adults say they have done the same.

Beyond usage rates, emerging research points to potential financial risks for lower-income households with crypto exposure. A [2024 study by the Office of Financial Research](#) found that in ZIP codes with high crypto exposure, low-income households experienced large increases in mortgage participation and balances between 2020 and 2024, suggesting some households may be using crypto gains to take on larger debts. The report cautioned

that higher debt and leverage among low-income households with crypto exposure could pose future financial risks, particularly if economic conditions worsen or losses become concentrated in large financial institutions.

## Potential Benefits

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- **Financial Inclusion:**  
Cryptocurrency offers an alternative financial tool to the unbanked and underbanked. It can serve as a way for individuals to send money, save and invest without a [traditional bank account, which many](#) lower-income and immigrant families struggle to obtain.
- **Wealth Building:**  
[Supporters argue that crypto provides](#) a path to building wealth outside of a system that has historically excluded minority communities. [Some studies indicate](#) that Black and Hispanic Americans are more likely than white Americans to own cryptocurrency, seeing it as a way to address the wealth gap.
- **Lower Fees for Remittances:**  
The use of [cryptocurrency can reduce the high fees](#) associated with sending money internationally, a practice known as remittances. This could be particularly beneficial for Latino families who frequently send money to relatives abroad.

## Documented Risks

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- **High Volatility and Financial Loss:**  
The value of cryptocurrencies is notoriously volatile. This poses a major risk to working-class individuals who cannot afford to lose their savings. A sudden market downturn can wipe out a person's entire investment, with no government protection like Federal Deposit Insurance Corporation insurance, which [insures bank deposits up to \\$250,000](#).
- **Fraud and Scams:**  
The unregulated nature of the industry makes it a breeding ground for scams, including "rug pulls," when developers abandon a project after raising assets and leave participants with fake and worthless tokens. Crypto-related consumer fraud has surged — costing [over \\$9 billion in 2024](#). These schemes disproportionately target vulnerable communities through deceptive marketing and the promise of quick wealth, leading to substantial financial losses.
- **Lack of Consumer Protection:**  
Unlike traditional financial products, [cryptocurrency transactions often lack consumer protections](#). This means there are no legal safeguards against unauthorized use, errors or fraud, leaving consumers with little to no recourse if their assets are lost or stolen. There are few legal safeguards against unauthorized use, errors, or fraud, leaving consumers with little to no recourse if their assets are lost or stolen.

## Size of the Cryptocurrency Industry and the Regulatory Landscape

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The cryptocurrency industry is a major global economic force. The total market capitalization of cryptocurrencies is approximately [\\$2.25 trillion as of April 2026](#). This figure underscores its growing influence and the need for a clear regulatory framework.

The state of regulation for retail crypto users, particularly for consumer protection, is still in its early stages and remains a patchwork of state and federal efforts.

- **Federal Efforts:** [The GENIUS Act](#), passed in July 2025, sets the first federal rules for “stablecoins,” requiring issuers to fully back digital dollars with real money or safe assets and to follow basic consumer protections like disclosures and anti-fraud rules. [The CLARITY Act](#), now pending in the Senate, would establish rules for regulating many cryptocurrencies, placing most oversight under the Commodity Futures Trading Commission. The legislation seeks to prevent fraud and market manipulation, and attempts to clarify when these assets are not treated like securities.
- **State-Level Action:** Some states, like Illinois and California, have enacted their own laws to provide safeguards for consumers, including licensing for digital asset businesses and protections against scams at crypto ATMs.

Despite these steps, a significant regulatory gap in consumer protection remains. There is still no single, comprehensive federal framework to regulate the entire industry, leading to confusion and leaving consumers vulnerable. The lack of clarity around which federal agency (e.g., the Securities and Exchange Commission or the Commodity Futures Trading Commission) has jurisdiction over a given digital asset also complicates enforcement.

## Principles for An Affordable and Inclusive Cryptocurrency and Financial System

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It is essential that cryptocurrency and other digital financial tools are fair, safe and accountable, especially as they increasingly reach Latino and working-class communities. UnidosUS's position is simple: People who choose to use crypto should have the same protections, confidence and dignity as they deserve in any other part of the financial system.

To ensure cryptocurrency supports financial well-being, future policies should be guided by the following principles:

- **Strong Consumer Protections:** Consumers should be protected from fraud, abusive practices, and unauthorized transactions, just as they are with traditional financial products.
- **Financial Stability:** Crypto rules should reduce risk, not create new threats to families or the broader economy, especially during economic downturns.

- **Clear Rules and Effective Oversight:**

Laws should be easy to understand and enforce, with regulators ensuring crypto companies follow the same rules as other financial institutions.

- **Community Voice and Inclusion:**

Latinos and working-class families — who are often excluded from traditional finance — should have a meaningful say in how new financial systems are designed and governed.

- **Protection of Community-Based Finance:**

Policies should strengthen trusted institutions like credit unions, community banks, Community Development Financial Institution Funds and protections that support investment in underserved neighborhoods.

Cryptocurrency is still a nascent and rapidly evolving industry, and its history shows significant volatility, uncertainty and risk. While it may hold potential to expand access to financial tools, especially for communities long excluded from traditional finance, it also raises serious concerns that require caution and continued learning.

Our goal is to better understand how crypto can responsibly support Latino and working-class communities, while ensuring strong safeguards are in place. Ultimately, the entire financial system, including emerging technologies like crypto, must promote stability, opportunity and financial wellbeing for everyone.