



INVESTMENT STRATEGIES

Ask an advisor: Trump is coming. Should I buy crypto?

By [Nathan Place](#) December 19, 2024 4:58 PM



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A cartoon of Donald Trump adorns a bitcoin ATM in Hong Kong, China. Adobe Stock/Justin Chin

Welcome back to "[Ask an Advisor](#)," the advice column where real financial professionals answer questions from real people. The topic can be anything in the world of finance, from retirement to taxes to wealth management – or even advice on advising.

As Americans prepare for a second Donald Trump administration, a cloud of uncertainty hangs over the economy. Will Trump impose the tariffs he's promised? Will he extend his 2017 tax cuts? Will he make cuts to [Social Security](#) or [Medicare](#)? And what effect will all this have on inflation, which the Federal Reserve has only just recently wrestled under control?

But amid all these questions, one thing seems all but guaranteed: The government is about to get [a lot more crypto-friendly](#).

Throughout the campaign, Trump repeatedly avowed his support for cryptocurrency, particularly for bitcoin. He pledged to fire SEC Chair Gary Gensler, who strictly policed digital asset companies, and replace him with former SEC commissioner [Paul Atkins](#), a vocal crypto supporter. (Gensler will avoid hearing "You're fired!" from Trump by [stepping down on Inauguration Day](#).)

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random capitalization. "We will defend the right to mine Bitcoin, and ensure every American has the right to self-custody of their Digital Assets, and transact free from Government Surveillance and Control."

READ MORE: [SEC crypto enforcement likely to see rollback under Trump](#)

So for at least the next four years, cryptocurrency seems poised to enjoy a much softer regulatory environment. Does that make it a safer investment? Should the average investor buy in?

One of those average investors is an actress in New York. Though she's never bought crypto before, she's eyeing the market with a sense of impending FOMO (fear of missing out). Here's what she wrote:

Dear advisors,

Now that Trump is returning to the White House, should I be investing in cryptocurrency?

I'm an actress in New York, and I've never bought crypto before. Apart from my Simple IRA and a Fidelity account I use for some index funds, I don't do much investing.

But it seems like the incoming administration is very crypto-friendly, and suddenly digital currencies look like a viable, long-term investment. Since I feel like I'm way behind on investing, wouldn't it be good to look at all the avenues? Is crypto a buy? And if so, which currency should I invest in?

Sincerely,

Wavering in Washington Heights

And here's what financial advisors wrote back:

Buy, buy, buy

Svetlin Krastev, chartered financial analyst and founder of [Black Sea Gold Advisors](#) in Kingston, New York

Yes, crypto is a buy here. I would definitely recommend at least 2% of portfolio in a bitcoin ETF like IBIT, but for younger people, I think this percentage should be closer to 5%. Bitcoin is digital gold and will be a good store of value in an inflationary environment as well as in periods of money printing. In addition, I would recommend having some exposure to ETH (ethereum) and SOL (solana), as they are the blockchain rails on which most of the Web3 infrastructure is being built.

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Don't risk it

Noah Damsky, CFA and founder of [Marina Wealth Advisors](#) in Los Angeles

I don't think crypto fits into the everyday person's portfolio. I don't like to speculate on assets without any intrinsic value because it feels more like guesswork than good decision making.

Also, I think you're conflating blockchain technology with crypto. Let's assume blockchain is a viable long-term technology. How do you pick which cryptocurrency benefits? I think blockchain has a future, but I'm not sure if bitcoin or any other cryptocurrency is going to last. I think of blockchain like the internet in the '90s, and bitcoin like a new dot-com company. I believe in the future internet, but I don't know whether bitcoin is going to be Amazon or Pets.com.

It worries me when you say you're "way behind on investing" because it sounds like you're inferring that crypto can "catch you up." No reasonable investment can do that — only saving and disciplined investing can. If you are looking for an investment to do that, it's probably going to carry an extraordinary amount of risk, which if it doesn't work out, can put you even further behind.

Instead, do what you wish you had done before: Save and invest in boring stuff like index funds. Investing shouldn't be sexy or exciting, so don't try to make it that.

Bitcoin's the one

Andrew Herzog, certified financial planner at [The Watchman Group](#) in Plano, Texas

Regardless of who's in the White House, yes, you should be investing in crypto, specifically bitcoin.

Since Jan. 11 of this year, an [ETF option for bitcoin](#) has been available so that you can easily purchase exposure in your Simple IRA or brokerage account, rather than having to open a new account at Coinbase or Kraken to purchase bitcoin directly.

Large financial institutions, like Fidelity and Blackrock, are on board with some crypto exposure, and just this past week Blackrock officially [released a report indicating 1-2%](#) allocation to bitcoin could be appropriate for people.

Resist the temptation

Kashif Ahmed, CFP and president of [American Private Wealth](#) in Bedford, Massachusetts

No one should start, stop or base their investing decisions based on who is entering or leaving the White House. If you have never bought crypto, you should not be entertaining the idea of speculating with your hard-earned money now.

Crypto is wildly volatile and purely speculative. Remember, Trump only became "for" crypto when they started funneling money into his campaign. Crypto is not a viable, long-term investment. I would argue it is not even an investment, especially for someone who doesn't do much investing. It is common for investors and savers to try to "catch up" when they realize they are "way behind." Resist that urge and stick to common sense investments. They are likely to reward you far more over the long term, with far less anxiety and heartburn! Good luck!

Nathan Place Retirement reporter, Financial Planning [in](#) [X](#) [✉](#)

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