

Three ways cryptocurrency is changing the way colleges do business with students and donors

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Until about 2020, universities used cryptocurrencies only to pay ransoms to criminals attacking their networks. A fast payment to criminals helped victim universities restore their networks quickly.

With [increasing public adoption](#) of cryptocurrencies, especially [among young consumers](#), universities are exploring them, too. As of early 2022, [20% of U.S. consumers had used](#) cryptocurrencies. According to an [April 2022 report](#), 28% of 13- to 39-year-olds had purchased at least one type of cryptocurrency. Among consumers in this age group, [13% had purchased and 38% were interested in](#) a particular offshoot of cryptocurrencies called non-fungible tokens.

Cryptocurrencies have lost [market value](#) from a peak of [about US\\$3 trillion in November 2021](#) to [\\$804 billion in November 2022](#). And their uses are not as widespread as they were as recently as 2021. Despite [the crashes in value](#) and loss in confidence due to [the collapse of some large crypto exchanges](#), universities appear to me to be open to a potential market recovery.

In my recent [research](#), I have looked at educational institutions' use of crypto assets such as [cryptocurrencies](#) and [non-fungible tokens](#). I see three ways that universities are using cryptocurrencies.

1. Accepting tuition payments

People want to be [paid in cryptocurrencies](#) and use it to [buy goods and services](#). Businesses are responding to this trend, setting up systems to [accept payments in cryptocurrencies](#).

Universities are responding, too. [Since May 2022](#), Bentley University outside Boston has allowed students to pay tuition with [cryptocurrencies such as bitcoin, ethereum and USDC](#). Some universities accept cryptocurrency payments only for certain programs. For instance, in the fall of 2021, the Wharton School of the University of Pennsylvania [announced it would accept](#) cryptocurrencies to pay tuition in its executive education program in the [economics of blockchain and digital assets](#).

Paying tuition in cryptocurrency is faster, cheaper and easier for international students, because doing so lets them avoid paying fees for [currency conversion and international transfer transactions](#). And universities benefit by receiving cryptocurrency payments immediately, rather than facing a delay of several days for overseas bank transactions.

Universities around the world deal differently with crypto's price volatility. The University of Nicosia in Cyprus [immediately converts bitcoin](#) to euros. But Paraguay's Universidad Americana [evaluates price trends](#) before converting into its national currency.

2. Receiving crypto gifts

It is becoming increasingly common for universities to accept cryptocurrency gifts. In 2021, the public charity organization Fidelity Charitable received the equivalent of [US\\$331 million in digital gifts](#), which was about 12 times more than in 2020.

As of 2021, [technology company](#) The Giving Block agreed to help [about 100 universities](#), such as the University of Arizona, the University of Maryland, the University of Alabama, Catholic University and Wake Forest University, handle cryptocurrency payments and donations. Some universities have added cryptocurrency guidelines on their "How to Give" pages and [provided instructions for donors](#).

In early November 2022, Vitalik Buterin, a co-founder of the ethereum blockchain, gave the University of Maryland [\\$9.4 million in cryptocurrency](#). The money will be used to fund public health research.

3. Exploring non-fungible tokens

Some universities are successfully capitalizing on this trend to raise

money, and to strengthen connections with alumni.

When blockchain technology, a database of transaction records stored in many computers at once, was first invented, it supported only money-like assets such as bitcoin and other cryptocurrencies. The technology has evolved to create a special kind of digital asset called non-fungible tokens. A non-fungible token is a unique image, video or audio file [representing an item such as a physical painting](#) or a song stored on blockchains. The file, and information about who owns it, are stored on a blockchain.

Of course, a non-fungible token is not the asset itself, but is a [one-of-a-kind, exclusive digital version](#) of it, which some people value and view as [a social status symbol](#). One non-fungible token artwork, "The Merge," which was created by a pseudonymous artist, was sold for [\\$91.8 million](#) in December 2021.

In June 2022, the University of California, Berkeley minted a non-fungible token based on the [Nobel Prize-winning research of immunologist James Allison](#). The token's auction raised [about \\$50,000](#). The proceeds funded immunology research.

Colleges such as Brigham Young University and Syracuse University are [bundling non-fungible tokens with real-world perks](#) such as VIP seats for events they organized. Some people are willing to pay more for the combination than for the real-world items alone. This increases non-fungible tokens' attractiveness.

In May 2022, Harvard University announced that every graduate from Harvard College would [receive a commemorative non-fungible token](#). And Duke University grants [completion certificates in the form of non-fungible tokens](#) for those who pass one of its blockchain technology courses.

Georgetown University's McDonough School of Business gave the members of its class of 2020 non-fungible tokens as a gift. The tokens were digital twins of the physical 2020 Challenge Coin gifts [given to the students as a token of appreciation](#). The coin's back features the building that [houses the university's business school](#).

Universities are using [cryptocurrencies](#) to manage operations, raise funds and enhance relationships with students and alumni. If these assets recover from their current crash and begin to boom again, these trends may further accelerate.

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