MADE WITH LITTLE STORYBOOK

What Is Crypto?

Visual lesson



Where is the crypto?

Nia's cousin says he has some crypto. Kai checks the cousin's pockets, then Nia's, then peeks under Penny. "Where is it? Can I hold it?" Grandma Rosa laughs. "That's the trickiest money of all. Shall we find out where it lives?"





A mystery from 2009

Grandma Rosa opens her box. This time the pop-up is a whole paper city at night, full of tiny glowing windows. In 2009, a new kind of money called Bitcoin began. It was started by someone using a made-up name, and nobody knows for sure who that person really is.

A list everyone keeps

Imagine thousands of children all over the world, each keeping the very same paper chain. Every time someone pays, everyone adds the same new link. That's the idea behind crypto. Really, it's thousands of computers keeping one shared list, called a blockchain: blocks of records joined like links in a chain. It works a bit like the village on Yap that remembered every stone.





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The sneaky gold link

Now someone tries a trick. A boy at the end of the line secretly adds a shiny gold link to his own chain, to give himself more money.

TALK ABOUT IT

What happens to the sneaky gold link?

Thrown out

The other copies don't match, so the gold link is thrown out. Because thousands of computers check every new block, nobody can quietly change the list. That's why people can trust it without a bank.





Two very expensive pizzas

Here is a true story. In 2010, a man paid 10,000 bitcoins for two pizzas. Later, those same coins were worth far more than a mountain of pizzas. Crypto's price can zoom up and crash down, so nobody knows what it will be worth tomorrow.

Keys and tricksters

Crypto has two big catches. If you lose your secret key, the special password that opens your crypto, nobody can get your coins back, because there is no bank to ask. And tricksters love crypto. They make big, shiny promises and tell people to hurry.

TALK ABOUT IT

A video says, "Buy this coin and get rich fast!" What is true?





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The empty hollow

Grandma Rosa's shop doesn't take crypto, and most shops don't. Kai opens the box. There is a keepsake for every money they have met, except this one: crypto is the only money that won't fit in the box! So Kai draws "money of the future" and tucks it into the last, empty hollow. "Money," says Grandma Rosa, "is whatever people agree to trust."

Check your wonder

1 **Where does crypto really live?**

- **A.** In a shared list kept by thousands of computers
- **B.** In a gold coin in someone's pocket
- **C.** In one big bank vault

2 **Why was the sneaky gold link thrown out?**

- **A.** It didn't match everyone else's copy
- **B.** Gold links are too heavy
- **C.** The boy said sorry

3 **What should you do if someone promises easy money?**

- **A.** Stop and ask a grown-up you trust
- **B.** Hurry before it's gone
- **C.** Share your secret key so they can help

ANSWERS 1-A 2-A 3-A

1. Right! It is a shared list, called a blockchain. 2. Yes! Everyone checks, so a change that doesn't match is thrown out. 3. That's it. Nobody can promise easy money.

THE END

Visual lesson



Put your child in this story

Free to try. Scan the code or visit

littlestorybook.ai/learn/en/what-is-crypto-for-kids

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