

Shiba Inu Coin: The Next Great Cryptocurrency?

By Kendall Graham

As I prepared to enter the next chapter of my education, enrolling in the Professional Writing Master's program at NYU, I contemplated the financial resources I'd need to support that move. Seeing as how I only worked part-time, I knew I'd have to consider adding onto my undergraduate loans. I also wanted to have an established plan on paying them back once my deferment was over. To me, that meant bolstering my savings so I could afford to make loan payments alongside the rest of my bills (though I have been lucky enough to still be living at home, meaning I pay a fraction of the rent I'd pay if I were not.)

This led me to investing. Stocks and bonds always seemed like a foreign language to me, but there was something similar, and a little familiar, that caught my attention: cryptocurrency. Cryptocurrency is a digital currency that can be used online for the exchange of goods and services. You purchase these digital currencies, sometimes referred to as tokens or coins, with real currency (your dollars, pounds, euros, etc.) and you can buy, sell, and trade them just like a stock or bond.

Generally, it was easy to enter the crypto sphere. Perhaps I'll chalk it up to the affinity with technology that my fellow [Zennials](#) (those born between 1992 and 1998; not totally Millennials, not quite Gen Z'ers) possess and operate with. Digital concepts are native to us. It was as simple as Googling the best few apps to establish a portfolio; I chose the Crypto.com app because I liked its interface and how simple it was to keep tabs on specific stocks as well as the

more popular stocks in the market overall. I had been doing research since earlier in the Spring of 2021, and decided to make a small, initial investment shortly thereafter.

The prominent Bitcoin (CRYPTO:BTC) may first come to mind when crypto concepts arise, but I had been noticing, mostly through social media platforms, the rise of a new cryptocurrency: the Shiba Inu Coin (CRYPTO:SHIB).

First developed as an “altcoin,” a direct response to the popularity of Bitcoin, SHIB shares its name with the Japanese dog breed of the same name and both are associated with the [now-famous meme](#) from 2010. SHIB officially debuted August 1, 2020. In the 15 months since its launch it’s seen gains of 17,000,000% (yes, that’s the real number) and is valued at \$30 billion. The incredible boom has much to do with its presence in the social media landscape, where it has picked up traction due in part to its association with tech billionaire and Tesla/SpaceX CEO Elon Musk.

He recently adopted a Shiba Inu, and there’s a synchronicity between the times Musk tweets about his pup (named Floki, in case you were curious) and times that the community purchases SHIB, [according to](#) Sean Williams of The Motley Fool. “While these tweets represent nothing tangible for the Shiba Inu token, the community nevertheless buys SHIB anytime Musk mentions the breed.” This illustrates a sensitivity in the ability of SHIB’s price to be influenced by social media buzz.

I wanted to invest in this cryptocurrency because I too had a Shiba Inu and also wanted to increase my savings. I thought it might be a whimsical homage to my late pup to participate in this booming trend and perhaps make a little money out of it, too. I made my initial investment of \$120 back in May through the Crypto.com app, and it currently rests around \$200 as of a few days ago (though, at the time of writing, I’m having phone issues preventing me from checking

the valuation of my 4,000,000 SHIB tokens. Or anything else on my phone. Meaning it's completely dead.) Binance and Webull are also notable crypto apps to consider in your journey.

If you had invested in SHIB when it first debuted late last summer, you'd likely be a millionaire now. Two brothers from New York had initially invested about \$200 in the token [in late February](#), and in April, after their mother and sister added their own contributions, they came to find their investment was now valued at over \$1 million. A warehouse manager named Rob [made an investment](#) of \$8,000 early in the year when the price was incredibly low, around \$0.0000001. When the price increased significantly in May to \$0.000035, Rob withdrew some of his holdings and was able to put away \$500,000, which was still only a fraction of his earnings at that point.

People were getting rich investing in something that literally started out as a joke? I had to get in on that, it seemed like a no-brainer. Perhaps I missed entering the market at a time that would have skyrocketed my small investment into the hundreds of thousands of dollars. So my next step becomes this: should I leave my stake as it is and continue to watch for growth, should I take a chance and put more in to help it along, or should I jump ship entirely and try something else?

SHIB's popularity has come about because of social media; is it wise to hold my investment within that finicky environment? The success of SHIB seems to rely largely upon the actions of its community of investors, which is exactly what SHIB's founder expects. In its white paper, cheekily referred to as its "woof paper," the mononymous founder of the token, Ryoshi, said that "we are an experiment in decentralized spontaneous community building."

I expect that if I continue to hold, I'll see the same periodic fluctuations that I've noticed over the past 6 months, notably the following: between May 19 and October 3 valuation never

jumped above \$0.000010, [according to Yahoo! Finance](#). On October 5 its closing valuation reached \$0.000017, a 58% increase from two days prior. It then achieved another 60% increase by the next day, at \$0.000028. Another fluctuation, within three days between October 26 and 28, saw that the close valuation of SHIB spiked from \$0.000048 on the 26th, up to \$0.000080 on the 27th, and then back down to \$0.000068 on the 28th.

If I were to compound my investment, and then social buzz revitalizes the price, then I'm in luck. However, since the coin is so volatile, with a gargantuan supply of 1 quadrillion coins among about 1 million investors, and "no real-world utility as a means of exchange" [as declares](#) equity research analyst Stavros Georgiadis, it may not be conducive to long-term investor satisfaction. If I compound my investment and the stuff hits the fan, I could be in danger of losing a lot of money; and, considering that this currency is based on something so ephemeral, it may be difficult to find any real value in it at all. This spontaneity may not appear inviting to those looking for a slow and steady kind of race, but it does offer some excitement for those personal investors willing to take a risk.

I made a safe bet when I invested only about \$100 in SHIB; I felt comfortable putting that money at potential risk as someone who could afford to make an investment at all. Considering SHIB's prolific initial blowup, it stands to reason that investors may not see another dramatic rise unless some extenuating circumstances occur: an increased market sentiment in the stock or in the crypto industry at large, maybe Musk going on a tweetstorm about his dog. I hope President Biden just cancels student loan debt so I can put my SHIB money into something else, like a home that, as a Zennial, I probably won't be able to afford. Or at least a new phone that works.