

# Profitable INVESTING Tips

## Stock Market Investing Tips, Techniques, and Resources



### Blockchain Disadvantages

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Blockchain is known first of all as the basis for how the cryptocurrency world works. But blockchain offers more possibilities than just the crypto niche. [Blockchain's future](#) is promising but there are blockchain disadvantages the potential users must keep in mind. The first thing in this young niche is that the blockchain does not have mature protocols that developed with the internet and made that technology so pervasive and ultimately successful. The second thing is that the level of absolute redundancy that makes it a secure way to hold and process information can be awfully cumbersome and potentially inefficient.

### Are Decentralized Transactions the Wave of the Future or a Pipedream?

A legitimate concern about blockchain in financial transactions is that it is new and untested. The idea that one can carry out transactions without the assistance or interference of third parties may seem attractive but the folks who set up the blockchain protocols in decentralized finance transactions are, in fact, third parties! Governments around the world are concerned about the evolving world of crypto and DeFi and are steadily but surely [developing regulations](#). These are the first potential [disadvantages of the blockchain](#).

### Positive Aspects of the Blockchain or Not

A blockchain is a decentralized, online database that keeps information secure because no transactions can be erased. The idea is to maintain data fidelity and security in order to engender trust in users. Because this system is new it does not have the sorts of routines and rules needed to make app development efficient and cost-effective. The promise of no taxes on transactions, money hidden from authorities and former spouses and more has attracted lots of folks into this realm. We do not yet know how well this works over the long haul in the real world and those who did not pay taxes on things like Bitcoin profits eventually get in trouble with folks like the IRS.

### Blockchain Applications Can Be Difficult to Scale

When an application works, it typically becomes more popular and needs to be scaled up to be useful for more people. Unfortunately, applications on blockchain are commonly not as scalable as might be desired for useful applications. Blockchain applications have problems with scalability because of the consensus method which is basic to how it works. Apps on blockchain also tend to get slower and slower as the number of users in the network increases.

### Privacy Is a Fiction When Data Cannot Be Removed From a System

In the blockchain, once data is entered it will never be removed. If a person chooses to use a blockchain application for any reason and then finds that it does not serve their purposes or they were conned into something, they cannot erase their presence even by legal means. Thus, lack of privacy can be one of the

major blockchain disadvantages.

### **Blockchain Security Problems**

A blockchain is built on a system of nodes. One of the ways that a blockchain's integrity can be compromised is via a so-called 51% attack. This is when one person or entity controls more than half of the nodes in the blockchain. This position of control allows them to change data within the distributed ledger and also engage in what is called double-spending. This problem is more likely in public ledgers than in private ones where the number of participants can be tightly controlled. Additional security issues include cryptographic cracking of algorithms in the system. As times goes on blockchains will need to upgrade their security in order to be a viable entity in the world of business and finance.

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