

What Trump's second term means for crypto

Article

A Trump administration will bring regulatory clarity and cooperation to the crypto industry, setting the stage for growth in crypto adoption. Reducing regulatory ambiguity that has hampered private-sector innovation clears a path for banks to follow payment providers more confidently into the crypto space. This may also help address consumers' crypto trust hangover. But much like passing and implementing actual regulation, regaining that trust will take time.

A Trump-appointed chairperson will steer the SEC on a more crypto-friendly course. Under departing Chair Gary Gensler, the SEC vigorously pursued enforcement actions—including

legal challenges against many leading crypto exchanges and other industry players. In his place, Trump has nominated Paul Atkins, a former SEC commissioner known for his pro-business and crypto-friendly stances. He is expected to reduce enforcement actions and focus instead on rulemaking and public input.

Under Trump, the Commodity Futures Trading Commission (CFTC) could take on a bigger role in crypto regulation. If Congress permits, this could include oversight of digital assets like Bitcoin and Ethereum, clarifying which crypto products are commodities and which are securities. And most of the names floated to lead the derivatives regulator would likely be friendly toward the crypto market.

Bipartisan crypto support could grow. In May 2024, House Republicans and Democrats passed the Financial Innovation and Technology for the 21st Century Act (FIT 21). The Act would have provided a comprehensive regulatory framework for digital assets. That bipartisan support will come in handy for Republicans seeking to pass legislation in the new Congress, especially since every vote will count in the House, where they control by a razor-thin margin.

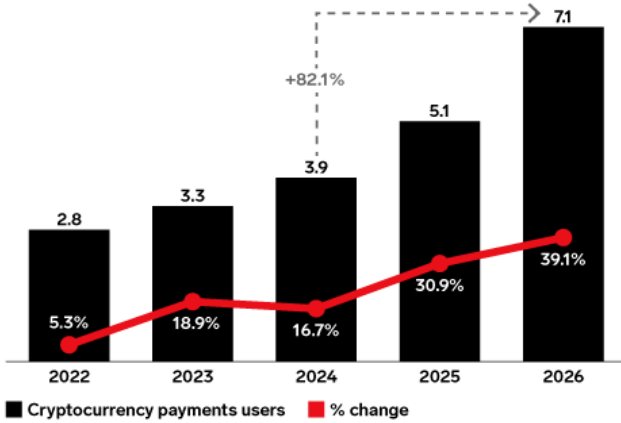
While growing, crypto ownership will not be mainstream anytime soon. The advent of Bitcoin exchange-traded funds (ETFs) in 2024 helped establish safer entry points for people to invest in the crypto market, and we expect new policies will galvanize additional investment. But the average consumer may still view owning crypto as speculative and unsafe. Many are warily watching Bitcoin continue teaching a master class on volatility. This is why we expect a strong but not seismic boost in cryptocurrency adoption, from 11.2% of US internet users in 2024 to 14.5% by 2026.

That growth translates to more opportunity for payment providers to connect those owners' holdings to the point-of-sale. Investments in crypto-enabled card programs, wallets, and remittances are helping them do just that. Crypto payers will make up 19.4% of crypto owners in 2026, versus 13.4% in 2024. But we think most investors—especially higher-income consumers who have other ready funds to make purchases—will remain wary of paying with crypto to avoid the burdensome tax consequences.

***Editor's note:** This article is part of a series on how the incoming Trump administration will affect key sectors of retail, marketing, tech, and finance. Keep an eye out for the full report, publishing just ahead of Inauguration Day.*

Cryptocurrency Payment Users Will Jump by 82% From 2024 to 2026

millions of US cryptocurrency payments users and % change, 2022-2026



Note: ages 18+; individuals who have used cryptocurrency (e.g., Bitcoin, Dogecoin, Ether) to buy goods or services or to pay another person at least once during the calendar year
Source: EMARKETER Forecast, Dec 2024

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