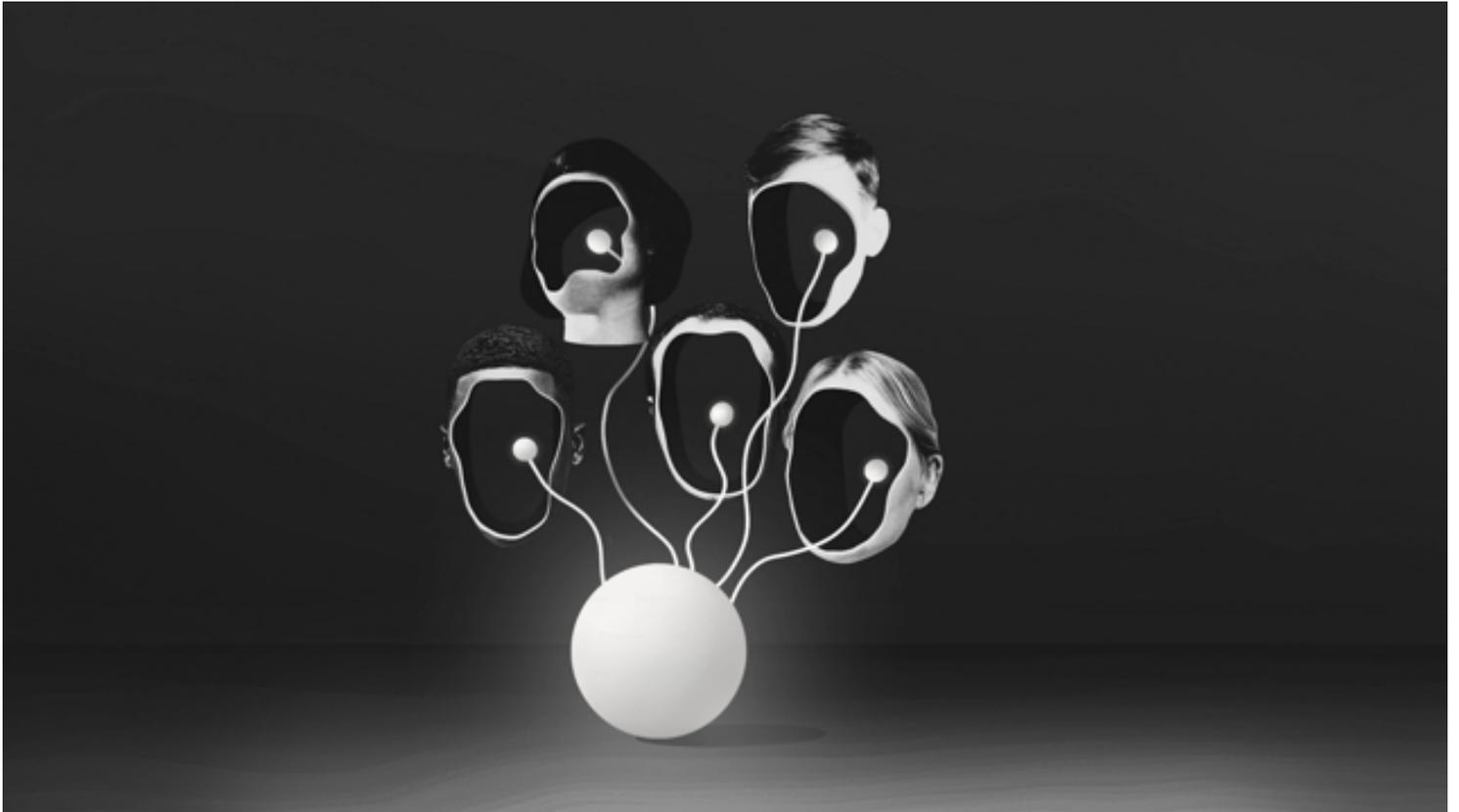


BUSINESS

# Amid crypto crash, trading can be an addiction: It's 'taking over my whole life'



Matthieu Bourel / For The Times

BY ANDREA CHANG | STAFF WRITER

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Sabrina Byrne bought bitcoin for the first time in January and quickly became hooked. Soon the 26-year-old was canceling social plans and staying up until 5 a.m. to compulsively check her cryptocurrency apps, as often as 100 times a day. “It was stopping me from sleeping, impacting my work and taking over my whole life,” the data analyst from England said.

Mohammad Kakar didn't actually lose any money from the roughly \$6,000 investment he made in a new meme coin last fall. But he began waking up in the middle of the night for weeks anyway, drenched in sweat and plagued by regret over selling all of his woof holdings right before the token tripled in value. His appetite

waned, and he began spending long stretches of time in bed. “I was really down,” said Kakar, 26, who lives in Montreal. “My mother, she knew something was wrong.”

Seven months ago, Luis Taveras quit his job as an intake receptionist at a medical clinic to invest in crypto full time. The 47-year-old from the Bronx has shoveled \$50,000 — his entire savings — into the market. “It can be difficult to stop,” he said. “Sometimes I don’t take time to go see family; I stay away from friends.”

Bingeing on all things cryptocurrency has been a long-running joke in the community since the release of bitcoin in 2009. Investors boast on social media about being degens — degenerates — attached to their screens 24/7 as they follow every minuscule update in the cryptosphere and rush to buy the latest coins and NFTs.

But many say they’ve begun to privately worry that their crypto habits have morphed into full-blown dependency. On Twitter, YouTube, Discord and other online platforms, investors are now using the word “addiction” in all seriousness.

“I’ve been in long-term recovery for alcohol and drug addiction, so I know when the addictive behavior takes over,” said Taveras, who spends “all night, all day, around the clock” investing, reading about investing and talking to other investors about investing. “It doesn’t have to be a substance.”

Addiction specialists say they’re increasingly hearing from people reporting problems with cryptocurrency, prompting [studies](#) into the newly emerging field and even a treatment program at a [\\$90,000-a-week](#) Swiss rehab clinic.

“The majority of calls that I’m getting tend to be around crypto, sports betting and NFTs,” said therapist Dan Field, clinical supervisor of the UCLA Gambling Studies Program and co-founder of Stop Betting Sports. “It’s very much on the radar of treatment providers right now.”

Many struggle with the emotional swings they feel from trading in the highly volatile market — the thrill when prices skyrocket and then the sudden despair when things go south, as they have this week: On Thursday, bitcoin plummeted to below \$26,000 for the first time since December 2020 before rebounding to around \$29,000 by late afternoon; it is down more than 20% over the last seven days.

Another major cryptocurrency, terra luna, collapsed. Moderators on a Reddit forum dedicated to the currency considered the risk of self-harm by investors real enough to repost a [list](#) of national help line numbers.

The global crypto market cap is now \$1.23 trillion after erasing more than \$204 billion in value over a 24-hour period that ended Thursday, according to CoinMarketCap.

The closest analog to a diagnosable behavioral health condition is gambling disorder, mental health experts say, pointing to similarities in the dopamine rush that gets triggered by a win, the gamification aspects of digital currency apps, the potential to make a lot of money instantly and the overlap between risk-taking gamblers and impulsive crypto investors.

“Since the start of the pandemic, on average I’ll get two clients a month who’ve never stepped foot into a casino and have never placed a bet but now have a full-fledged gambling disorder because of this unhealthy relationship with online money,” said Timothy W. Fong, a professor of psychiatry and co-director of the UCLA Gambling Studies Program.

“It’s like a bar without a bartender, and there’s all this new alcohol and people are pouring it themselves.”

Unlike with alcoholism or other clinically diagnosed addictions, a formal treatment infrastructure has yet to be established for people who say they are crypto trading in excess and can’t stop. “There’s no 1-800-gambler number for those apps,” Fong said. “There really isn’t any 12-step support group for people who fall into this world of digital finance addiction.”

Making matters worse, crypto is poorly understood among treatment providers and thus only a “very, very limited amount of research is available,” said Doug LaBelle, a social worker and gambling counselor in Wisconsin who has been studying the convergence of gambling and investing.

“It is not a general knowledge issue among mental health clinicians because it’s so new,” he said. “I presented to one group about what I thought were the basics of crypto and blockchain, and the most common comment I got back: ‘You gave me a headache.’”

LaBelle noted that only a small percentage of crypto investors will develop behavioral problems and said that although the trend has yet to be widely accepted in his field, “I believe there’s a line that when crossed, it’s addiction. But there’s no diagnostic manual that will support that.”

Still, many of the same questions that therapists ask of gambling disorder patients can apply to determining whether someone has a troubled relationship with crypto,

he said.

Among them: Are you losing larger amounts of money over time? Do you invest more when you're stressed? Have you tried to stop and failed? Are you irritable when attempting to scale back? Are you often preoccupied with investing to the detriment of work and personal duties? Do you lie about or hide it? Are you borrowing money to fund your investing activities? Has crypto jeopardized or ended relationships, jobs or career opportunities?

For Byrne, the wake-up call came from colleagues who confronted her after noticing that she was showing up to work exhausted. By late February, a few weeks after she began investing, "people were constantly asking me if I was OK."

She was suffering from what many investors call crypto FOMO, or the fear of missing out on the latest developments in the fast-moving and extremely speculative world of digital currency, where prices can fluctuate wildly in a single day or a surprise NFT project might launch in the middle of the night. At her lowest point, Byrne said, she was looking at her crypto apps every 10 minutes during her waking hours.

"The apps that you download constantly send you notifications. A slight price change — you'll get a notification. I struggled with: Well, what's happening now?" said Byrne, who lives north of London in Peterborough. "You'll be lying in bed at night and then your phone lights up with a notification and I'd think, 'I need to see what's going on.' There was that constant need to look, that constant need to check."

It became so all-consuming that one night, she decided to leave her phone in the kitchen — what she called her "cold turkey moment." Finally getting a restful night's sleep made a huge difference, she said, as did the "profound realization that I don't have to be glued to this thing constantly. The world didn't end."

Decentralized finance analyst the DeFi Edge — like many in the crypto world, he uses a pseudonym — was an early adopter who first bought bitcoin in 2013. During the 2017 bull market, he said, his euphoria over crypto got in the way of his day job and he began skipping the gym and neglecting his health and personal relationships.

"I just remember kind of becoming this zombie," he said.

The 30-something former e-commerce executive was able to disentangle himself mentally once bitcoin crashed in 2018. During that downtime, he said, he reevaluated his relationship with crypto and was able to better maintain balance once the market soared in 2020 and 2021.

“I learned more about mental health. I learned a lot more about habit formation,” he said, a process that included reading self-help books on breaking bad patterns and learning to “time block.”

“I have certain hours in the day where: OK, go into crypto all you want, no limit — it’s almost like an all-you-can-eat buffet where you can eat this much at this time, but you’re not allowed to eat for the rest of the day,” he said. “That’s really how I conquered things.”

He now gets eight hours of sleep a night, wakes up early, uses a software program that blocks his cryptocurrency apps for seven hours, prioritizes walks and working out, and adheres to a no-screens rule at night.

As new crypto investors have flooded into the market with dreams of getting rich quick, the DeFi Edge has offered advice to his 156,000 Twitter followers about how to invest calmly, using poker strategy as a metaphor. He has seen plenty of people become engulfed by crypto mania, especially as the market has become closely intertwined with social media, and predicts self-control issues will worsen the next time prices surge.

“Addictions happen far more in bull cycles,” he said. “Right now, we’re kind of in a bear cycle, a dip. I haven’t checked my portfolio in days; I don’t have a desire to; I don’t care. But when we’re in a bull cycle, I’m checking it 30 times a day because the price action is going up so much, the dopamine hits, you see these numbers on a screen and it feels real. You start fantasizing. When you’re in it, it’s like a drug.”

There are other factors that addiction specialists worry could make crypto obsession more prevalent in the coming years, including the rising popularity of online casinos that allow users to [gamble with digital currency](#). They say the unregulated nature of such casinos and crypto apps in general makes them especially dangerous for the uninitiated.

“The apps are incredibly sophisticated, they’re gamified, they draw you in and they’re not regulated the way a casino would be or the stock market would be,” said Fong, the UCLA gambling program co-director. “They have their own made-up set of rules. So I’ve seen a number of patients come in and really get in trouble because of the apps combined with a lack of financial understanding.”

Trading apps came under scrutiny two years ago when 20-year-old Alex Kearns committed suicide after thinking he’d racked up a \$730,000 negative balance on Robinhood. A wrongful-death [lawsuit](#) filed in California by his family alleged that the platform uses “aggressive tactics and strategy to lure inexperienced and

unsophisticated investors, including Alex, to take big risks with the lure of tantalizing profits.”

For people who aren’t able to kick the habit or maintain a healthy balance on their own, there are some gambling-disorder resources that can help, said Jonathan S., 52, co-chair of the Los Angeles chapter of Gamblers Anonymous. Options include inpatient and outpatient programs at rehab centers as well as individual therapy and group meetings, many now held over Zoom.

“More attendees are joining our meetings that are addicted to the stock market or trading — we used to see this with day trading and now we’re seeing this with cryptocurrency. People think it’s sexier to be in crypto today than the market,” he said. “The most important message is that there is help available.”

Taveras, the former medical clinic intake receptionist, began trading last year after seeing a tweet about cryptocurrency from Elon Musk. He now owns some bitcoin and ethereum but mainly trades in higher-risk microcap coins.

So far, it hasn’t been going as planned.

“My \$50,000 became \$10,000,” he said. “Then with the latest dip it became \$5,000. So it’s going the opposite direction.”

Still, “I see hope in it, unlike drugs and alcohol, where it led to nothing,” he said. “This is a little different. Whatever money I invest in it, I think I’m going to have a good return. Not yet, but that’s the hope.”

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