



As the Potential Workforce Goes Crypto and NFT, Employers Stuck in the Past May Be Losing Out

Insights

11.10.21

It's no secret that employers are desperately seeking workers to fill open positions, but there may be an under-the-radar reason contributing to the workforce shortage: opportunities created by cryptocurrency and non-fungible tokens (NFTs). In fact, a recent poll reports that 11% of the general population has either quit their jobs or knows someone who has quit their job as a result of their crypto investments. More stunning is the fact that 4% of the labor force – **over 6 million people** – have quit their job over the last year because of cryptocurrency investing. As technology continues to develop, many have an underlying concern that machines and technology will eliminate their jobs. Yet, as we are now seeing, technology can also create favorable opportunities for workers to take control of their own futures. What should employers know about this development and what might you do to attract the new era of crypto-savvy employees to your workplace?

A Beginner's Guide to Cryptocurrency and NFTs

To understand the potential income generating opportunities presented by cryptocurrency and NFTs, it is helpful to understand what they are and why they are sucking potential applicants and workers away from your workplace.

A Crypto Primer

Cryptocurrency is digital currency that exists on a network called a blockchain. It uses cryptography to facilitate peer-to-peer transactions without the need for a middleman, such as a bank or other third-party payment processor. Although each "coin" or "token" has its own attributes based on the software that drives it, cryptocurrencies as a whole are valued for enabling irreversible transactions anywhere in the world that can be tracked on the blockchain with low fees and near-instant settlement. [For more information about cryptocurrency, find our FAQs here.](#)

A large number of individuals have left the workforce after making early, or even more recent, investments in certain high-performing cryptocurrencies like Bitcoin, Ethereum, and Binance Coin). For example, if you invested in Bitcoin, Ethereum or various other large market cap cryptocurrencies at the inception of the pandemic in March 2020, you could be up anywhere from several hundred to thousand percent. Many in this category have decided to stay home and pursue other prospects rather than returning to work.

The ABCs of NFTs – and How Your Workers Are Quitting Because of Them

At the most basic level, NFTs are unique digital assets saved onto the blockchain proving that you are the sole owner of the asset. Simply put, each NFT has individual traits that make it unique (i.e., non-fungible) from others that are written on the blockchain. They derive a large portion of their value from scarcity, although other factors such as the reputation of the artist, the quality of the work, and potential use cases for the NFT could also increase the NFT's value.

For example, NBA TopShot creates digital collectible “moments” at various levels of scarcity. Although these moments are comparable to basketball trading cards, the moments are not captured on a piece of cardboard. Instead, each “moment” is a video clip (i.e., think of a sports highlight) of an NBA or WNBA player showing off their skills during a game. NFTs can take other various forms such as digital artwork, songs, comic books, GIFS, virtual reality figurines, avatars, video game characters/in-game items, and more. The rarer your NFT, the more money that can potentially be made by the owner.

NFTs are changing the workforce game with their ability to generate alternative income for their owners, incentivizing potential applicants to stay home rather than coming to work for you. Some ways in which workers are capitalizing on them include:

- **Creating NFTs** – In August 2021, CNBC reported that a 12-year-old boy made \$350,000 by creating and selling NFT artworks he named “Weird Whales.” He will probably not be applying for an entry-level job at your company when he comes of age, and there is little chance he’ll supplement your summer hiring needs any time soon.
- **Buying and selling NFTs** – The largest NFT marketplace (OpenSea) previously recorded sales volume over \$2.7 billion in a span of 30 days during 2021. The significant volume of sales has allowed people to become NFT day-traders, purchasing NFTs and reselling them for a profit. Similarly, people who can purchase high-demand NFTs directly from their creators have been able to flip them for significant profits, often the same day. For example, on August 7, 2021, Veve Collectibles sold 1,000 Secret Rare Spider-Man NFTs for \$400 each. They sold out in seconds and became available to purchase only from those lucky enough to get one from the drop. Earlier this fall, the cheapest one available in the Veve Marketplace was already over \$9,000.
- **Play-to-earn NFT video games** – Blockchain-based video games, such as the immensely popular Axie Infinity, allow players to earn cryptocurrency by playing the game. They have allowed some gamers that typically are provided low wages (think international employees, young employees, or part-time positions) to earn full-time income while living an arguably much more enjoyable life. To play Axie Infinity, users must have NFT video game characters called “Axies” (playable collectibles from the game). If a user purchases an Axie, they can play the game to earn cryptocurrency, which can be traded for actual money. In addition, the Axies can also be sold and re-sold with the original owner getting a percentage of each subsequent resale. In one stark example, a rare Axie was sold for 300 ETH (approximately \$130,000 USD at the time) and immediately resold for over twice its initial cost.

and immediately resisted for over twice its initial cost.

Last but Not Least...New Workplaces Are Popping Up

Lastly, the number and size of companies focused on blockchain technologies (including NFTs, cryptocurrencies, smart contracts, metaverse, etc.) continues to grow. These organizations are hiring their own employees and offering significant perks to attract the latest generation of workers – such as increased vacation, fully paid parental leave, access to payment in cryptocurrency/crypto 401ks, and full-time remote work flexibility among other benefits. These developments further increase competition for the limited workforce.

Key Takeaways to Attract Crypto-Savvy Workers

The most recent labor data from the U.S. Bureau of Labor Statistics highlights that more employees are willing to walk away from their jobs or switch employment. The pandemic created a seismic and transformative shift in what employees prioritize. Personal health, flexibility, and family time carry more weight than ever before. For many, the thought of returning to the office, a daily commute, the 9-5 grind, and dealing with overbearing and micromanaging bosses is undesirable.

Notably, key sectors affected by the shortage are the accommodation and food services, wholesale trade, and manual labor industries – positions often filled by younger workers, low-wage earners, and international employees. The ability to trade NFTs or play videogames from the comfort of your home, and on your schedule, is enticing to these workers – especially if employees can earn close to, or even more, than their current wages.

For these reasons, employee morale and the treatment of current and potential employees is crucial. Three key areas you should evaluate in an effort to ensure the positive morale and fair treatment of your employees are the following:

- ***Training and Investigation Processes:*** Sexual harassment and racial discrimination claims remain significant issues for employers large and small. The modern generation of worker will not tolerate old-school workplace dynamics, giving you yet another reason to rid this behavior from your workplace once and for all. You should routinely provide training to management on anti-discrimination and anti-harassment issues and how to appropriately respond and investigate complaints submitted by employees, while ensuring that employees are not retaliated against for raising such concerns.
- ***Employee Engagement, Empathy, and Transparency:*** Employees want to feel heard and safe in the workplace. A non-responsive management team can sour employee morale quickly. Management teams that ignore employee concerns or fail to communicate regarding large scale decisions being implemented in the workforce risk losing employees rapidly and at scale. Employees are feeling more burned-out than ever before due to the strains placed on them, both personally and professionally, from the pandemic. True and sincere empathy and transparency, as well as allowing employees to manage their mental health, can make a significant impact on employee morale and retention. Developing Open Door procedures to communicate effectively

and clearly with employees, while also providing a way for employees to provide recommendations about ways to improve working conditions, work quality, and mental health can significantly enhance the employee work experience.

- ***Trust Your Employees:*** During the course of the pandemic, remote work has increased. This increase, however, has often resulted in unnecessary micromanagement from employers and increased frustration for employees who feel they are working around the clock without a true divide between working hours and personal time. As COVID-19 continues to impact the lives of your employees, granting your employees autonomy to manage their schedules and get their work done (in jobs where this is possible) can go a long way towards maintaining a productive and engaged workforce.

If you find that you are directly competing with crypto-savvy organizations for new hires, you should also consider paying your workers in Bitcoin or other cryptocurrency. [You can read a complete summary of the steps you need to take to accomplish this here.](#)

Conclusion

As workers have increasing options and opportunities, employers must be conscious of any issues that could affect employee morale or policies that could detract qualified applicants. Employers that have a reputation of grinding employees to the bone, mismanaging staff, or being insensitive to work-life balance and mental health issues have an increased risk of losing their employees to competitors or to the many new opportunities being developed through cryptocurrency.

We'll continue to monitor developments in this area, so make sure you are subscribed to [Fisher Phillips' Insight System](#) to get the most up-to-date information. If you have any questions, please contact your Fisher Phillips attorney, the authors of this Insight, or any attorney in our [Cryptocurrency and Blockchain Taskforce](#).

Related People



Phillip C. Bauknight
Partner
908.516.1059
Email

Service Focus

Counseling and Advice