



TAKE3 

Web3 Terms Glossary

A

Airdrop (noun): A marketing strategy where a project gives away its native tokens to selected users in order to increase awareness and adoption.

Airdrop (verb): The act of sending tokens to users through an airdrop.

Alpha (noun): Valuable or insider information about the value of digital assets, used to give people an advantage in certain investments.

Altcoin (noun): An 'alternative' cryptocurrency that is not Bitcoin.

Alts (noun): Short for "altcoins."

Ape (noun): Someone who invests heavily into an asset, often due to hype or FOMO (fear of missing out).

Ape (verb): The act of investing heavily into an asset.

ATH (All Time High) (noun): The highest price an asset has ever reached.

ATL (All Time Low) (noun): The lowest price an asset has ever reached.

B

Bear Market (noun): A prolonged period of decline in financial markets.

Bearish (adjective): Holding a pessimistic view of a market or asset's value.

Bitcoin (noun): The first decentralized digital currency created in 2009.

Block (noun): A batch of transactions recorded on a blockchain.

Blockchain (noun): A publicly-accessible digital ledger used to store and transfer information without the need for a central authority.

Block Explorer (noun): A tool for browsing information on a blockchain, such as transactions and market data.

Bridge (noun): A protocol that allows separate blockchains to interact with each other and transfer data, tokens, and other information between systems.

Buidl (verb): A misspelling of "build" commonly used in the cryptocurrency community.

Bull Market (noun): A period of rising market prices.

Bullish (adjective): Holding an optimistic view that a market or asset will rise in price.

Burn (verb): The process of removing tokens from a cryptocurrency's circulating supply by sending them to an inaccessible wallet address. This process can also be applied to other digital assets such as NFTs.

C

Centralized (adjective): A hierarchical structure with a small group of decision makers in control.

CEX (Centralized Exchange) (noun): A cryptocurrency exchange managed by a centralized business or entity, such as Coinbase or Kraken.

CeFi (Centralized Finance) (noun): Centralized businesses that participate in cryptocurrency, such as BlockFi or Grayscale.

Coin (noun): A cryptocurrency built on its own native blockchain, intended to be used as a store of value and medium of exchange within that ecosystem, such as BTC or ETH.

Collateral (noun): An asset accepted as security for a loan, such as a physical asset or a digital asset like an NFT.

Cold Wallet (noun): An offline device used to store cryptocurrencies, such as a hardware device or a sheet of paper containing private keys. Cold wallets are safer than hot wallets because they are not connected to the internet.

Consensus (noun): The state of agreement among nodes on a blockchain.

Consensus Mechanism (noun): A process through which nodes on a blockchain reach agreement on a transaction or the state of the network. Examples include Proof of Work and Proof of Stake.

Cryptocurrency (noun): A digital asset designed to be used as a medium of exchange, maintained by blockchains instead of central banks or governments.

D

DAO (Decentralized Autonomous Organization) (noun): An organization based on open-source code and governed by its users, who follow guidelines written on the blockchain.

Dapp (Decentralized Application) (noun): An application built on open-source code that lives on the blockchain and is independent of centralized groups or figures.

Data (noun): Information about a user, such as personal details and browsing habits.

DD (Due Diligence) (noun): The process of researching an asset before investing in it.

Decentralized (adjective): A system that operates without a central figure or authority, and relies on a distributed peer-to-peer network.

Degen (noun, adjective): Originally short for “degenerate gambler,” this term can also refer to anyone involved in the cryptocurrency and financial spaces. It is a self-assigned term and does not carry a negative connotation.

DeFi (Decentralized Finance) (noun): The ecosystem of peer-to-peer financial tools built on public blockchains without the use of banks.

DEX (Decentralized Exchange) (noun): A peer-to-peer cryptocurrency exchange built on the blockchain and run by users and smart contracts instead of an intermediary or centralized institution.

Diamond Hands (noun, adjective): A term implying extreme bullishness on an asset and a refusal to sell despite market volatility.

Difficulty (adjective): The level of computing power needed to verify transactions and mine blocks on a proof-of-work blockchain.

Difficulty Bomb (noun): The process of increasing the difficulty of a proof-of-work blockchain to motivate the transition to another consensus algorithm.

DYOR (Do Your Own Research): A phrase reminding people to research an asset before investing in it.

E

EIP (Ethereum Improvement Proposal) (noun): A standard format for presenting new features or processes to the Ethereum community.

ERC (Ethereum Request for Comments) (noun): The standard smart contract outline used for Ethereum-based smart contracts.

ERC-20 (noun): The Ethereum token standard that provides a standardized smart contract structure for fungible tokens.

ERC-721 (noun): The Ethereum token standard that allows for the creation of unique tokens, also known as NFTs or non-fungible tokens, with specific properties that allow each one to be uniquely identified and valued.

ERC-1155 (noun): The Ethereum token standard that allows for the management of fungible, non-fungible, and semi-fungible tokens by a single smart contract. These tokens are commonly used in gaming and collectible trading to reduce the number of necessary transactions.

Ethereum (noun): A public blockchain used as the foundation for decentralized applications, with a Turing complete language that allows users to write and deploy complex, self-executing smart contracts.

F

Few: Short for "few understand." A phrase used by those in the cryptocurrency space to remind others that they are still early in the space and will make a lot of money when mass adoption comes.

Fiat (noun): A currency established as legal tender, often backed and regulated by a government, such as the US Dollar.

Flippening (noun): A reference to the possibility of Ethereum becoming more valuable than Bitcoin in terms of market cap.

FOMO (Fear Of Missing Out) (noun): A feeling of anxiety caused by missing out on an opportunity, often leading to investors buying an asset after it has already seen a significant increase in price.

Fork (noun, verb): A change to a blockchain's protocol, which can result in a soft fork or a hard fork that creates a separate chain with different rules.

Fractionalize (verb): The process of dividing an NFT into smaller parts issued as fungible tokens to lower the price of ownership and allow for community ownership.

FUD (Fear, Uncertainty, and Doubt) (noun): False or exaggerated negative news about an asset.

Full Node (noun): A blockchain node that stores the complete history of the blockchain and verifies and relays transactions.

Fungible (adjective): Interchangeable; able to be exchanged with something else of the same kind.

G

Gas (noun): A fee paid by a user to conduct a transaction or execute a smart contract on the Ethereum blockchain, which is based on the complexity of the transaction and the demand on the network.

Genesis Block (noun): The first block of a blockchain network.

gm (greeting): A shortened version of "good morning," commonly used in the cryptocurrency community.

GMI (phrase): Short for "gonna make it," this term is often used on Twitter to show support for a project or person.

Gwei (noun): A denomination of ether used to measure gas prices on the Ethereum blockchain. 10^9 gwei = 1 ether.

H

Hard Fork (noun, verb): A significant change to a blockchain that is not compatible with the existing protocol, which requires the creation of a new chain. Examples include Bitcoin and Bitcoin Cash, or Ethereum and Ethereum Classic.

Hashing (verb): The process of taking an input of any size and producing a fixed-length fingerprint, which is used to secure, store, and recall data using a unique identifier code. This is a fundamental part of blockchain technology, allowing data and transactions to be verified and stored securely.

Hash Rate (noun): Also known as hash power, this is the rate at which a computer can generate guesses to a cryptographic puzzle. Hash rate can also refer to the overall power being used by the network on a proof-of-work blockchain.

HFSP (phrase): Acronym for "Have Fun Staying Poor," a phrase commonly used to mock individuals who don't own any cryptocurrencies or don't believe in the value of a certain asset.

HODL (phrase): An expression meaning “hold,” which originated as a typo on the forum Bitcointalk.org. It is now commonly used to describe the act of holding onto an asset despite market volatility.

Holding the Bag (phrase): The unfortunate position of owning an asset that quickly drops in value but not selling it. Those in this position are referred to as bagholders.

I

ICO (Initial Coin Offering): A method of raising capital for a cryptocurrency-based project by selling tokens to the public. This is similar to a traditional company's IPO (Initial Public Offering).

IEO (Initial Exchange Offering): A method of selling tokens to raise capital, similar to an ICO (Initial Coin Offering), but with increased regulation. An IEO is managed by an existing cryptocurrency exchange and aims to make the ICO process more secure.

K

Key (noun): a long, complex passcode needed to access a blockchain wallet and authorize digital transactions; often associated with a seed phrase for easier recall
(See public key, private key)*

L

L1 - Layer 1 (noun): this is the blockchain platform itself, also referred to as the base layer, mainchain, or mainnet. *i.e. Bitcoin, Ethereum, Cardano, Litecoin, Solana, Polkadot*

Layer 2 (noun): protocols that are built on top of a blockchain network to improve its scalability, privacy, and other features. These protocols are called “layer 2” because they operate on a layer above the main blockchain, or “layer 1”. Examples of layer 2 protocols include the Lightning Network and Optimism. Layer 2 protocols are often used to process transactions more efficiently, without having to put too much strain on the main blockchain. *i.e. Lightning Network, Optimism, Arbitrum*

Lambo (noun): short for Lamborghini. The ability to purchase Lambo is a goalpost for success, used in a myriad of phrases in the crypto and degen spaces. For instance “wen Lambo?” roughly translates to “I just purchased \$43 worth of Dogecoin. When will the value of said investment increase enough to enable the purchase of a Lamborghini?”

Light Node (noun): a blockchain node that downloads just enough data from the blockchain in order to process and verify transactions. Unlike full or master nodes, light nodes do not store a blockchain's complete history.

Liquidity (adjective): a measure of how easily an asset can be bought, sold, or traded in a given market or on an exchange.

Liquidity Pool (noun): a collection of user-provided funds locked into a smart contract to facilitate trading on a DeFi platform. On decentralized exchanges and lending protocols liquidity must be provided by the users, as there is no central bank or figure to do so.

M

Mainnet (noun): The main blockchain network that a cryptocurrency operates on. It is the live version of the blockchain, as opposed to a test version.

Market Cap (noun): The total value of a cryptocurrency, calculated by multiplying the price of a single coin by the number of coins in circulation.

Master Node (noun): A node on a blockchain network that has more responsibilities than a regular node. It helps verify and relay transactions, stores a copy of the entire blockchain, and may have additional roles such as participating in voting and governance.

Metaverse (noun): A virtual world that can be accessed through the internet, where users can interact with each other and with digital objects in real-time.

Mining (verb): The process of verifying transactions on a blockchain and adding them to the chain as blocks. Miners use their computers to perform this work and are rewarded with cryptocurrency for their efforts.

Minting (verb): The process of creating and registering a digital asset on a blockchain.

Moon / To the moon! (phrase): Expressing the belief that the value of a cryptocurrency or other asset will increase dramatically.

Moonboy (noun): a term for social media “financial experts” and YouTubers who are overly optimistic and constantly explaining how a given asset is “about to go to the moon!” *See also: shill*

N

NFT - Non-fungible token (noun): a digital certificate of authenticity used to assign and verify ownership of a unique digital or physical asset. Unlike fungible tokens, NFTs are not interchangeable with one another. *See also: ERC-721, non-fungible*

NGMI: short for “not gonna make it.” This is used to imply that a certain project or asset has a low chance of becoming valuable. This can also be directed at an individual, usually someone who had made a poor trade or investment. *“Everyone who sold their ETH during that dip ngmi.”*

Nocoiner (noun): a term used to describe someone who does not hold any cryptocurrencies, or who is generally unfamiliar with crypto.

Node (noun): any device connected to a blockchain network. Different nodes have varying levels of responsibility, and may help validate transactions, store the blockchain’s history, relay data, and perform other functions. Because blockchains are distributed peer-to-peer networks, nodes come together to create the network’s infrastructure. *See also: full node, light node, master node*

Non-fungible (adjective): unique; not interchangeable. *See also: NFT*



Oracle (noun): A service supplying smart contracts with data from the outside world. Smart contracts are unable to access data that exists off-chain, so they rely on oracles to retrieve, verify, and provide external information. *i.e. Chainlink, Band Protocol*



P2P (adjective): a way of connecting computers in a network without the need for a central server

Paper Hands (noun, adjective): a person who sells a stock or cryptocurrency as its price is falling, often resulting in a loss; someone who is unable to tolerate market volatility

Profile picture (PFP) (noun): a profile picture, often used to refer to an NFT

Pilled (see red pilled)

Private Key (noun): a long, complex passcode needed to access a blockchain wallet and authorize digital transactions; often associated with a seed phrase for easier recall

Potentially Promising (adjective): used to describe planned upgrades or improvements, often in a sarcastic or tongue-in-cheek manner; originated from a statement by Elon Musk about Dogecoin

Proof of stake (POS) (noun): a way of verifying transactions and minting blocks on a blockchain by requiring nodes, called validators, to stake a certain amount of cryptocurrency; if a validator approves fraudulent transactions, a portion of their stake may be taken away (see: slash)

Proof of Work (POW) (noun): a way of verifying transactions and minting blocks on a blockchain by requiring miners to solve complex mathematical puzzles; when a puzzle is solved, the miner earns the right to mint the next block and receives a reward

Protocol (noun): the foundational software layer of a program, used to refer to both layer 1 blockchain networks and layer 2 applications built on top of them

Public Key (noun): an alphanumeric code that serves as the address for a blockchain wallet, similar to a bank account number; can be used by others to send digital assets to the wallet, but only the owner can access the contents with the corresponding private key

Pump and Dump (noun, verb): a scheme where an asset, often a cryptocurrency, is hyped up to increase its price, then sold off by those who did the hyping, resulting in a sharp drop in price and losses for those who did not sell; also known as holding the bag, rekt, or rug pull



Rekt (adjective, verb): as in “wrecked,” used to express that one has suffered a huge loss.

Rug pull (noun, verb): a scam maneuver where a crypto project takes the funds that have been invested into its protocol and runs. An inside job pump-and-dump, if you will. A rug pull can also

occur in assets with highly centralized ownership. If someone is able to sell a large portion of the circulating supply at once, this rapidly increases the supply, which can cause the price of the asset to plummet.

Rollup (noun): a scaling solution that aims to improve transaction throughput and decrease fees by batching multiple transactions off-chain and then submitting them to the main chain as a single transaction. *i.e. Optimism, ZK, Arbitrum*

S

Satoshis/Sats (noun): the smallest unit of a Bitcoin, equal to 0.00000001 BTC; named after Bitcoin's creator, Satoshi Nakamoto

Scalability (adjective): a protocol's ability to handle increased demand and increase transaction throughput as the network grows

Seed Phrase (noun): a string of words used as a master password to access a crypto wallet, allowing access to multiple accounts and private keys with the same password

Ser (noun): a misspelling of "sir," used in the crypto community "GM ser" (phrase): an abbreviation for "Good morning, sir"

SHA-256 (noun): a cryptographic hashing function that converts an input of data into a long, unique hash, used as a secure placeholder for the data it represents (see also: hashing)

Sharding (verb): a method of dividing a network's nodes into smaller groups (shards) to increase scalability, with each shard able to reach consensus on behalf of the entire network

Shill (verb, noun): the act of heavily promoting an asset, often a cryptocurrency, to increase adoption and raise its price; a person who performs this act may also be called a shill eg: "I've been shilling this new dog coin on Twitter all month, wen Lambo?!" (phrase): a question asking when the promoter of a new cryptocurrency will be able to afford a Lamborghini, a symbol of wealth in the crypto community

Shitcoin (noun): a cryptocurrency with weak fundamentals and little to no use case

Sidechain (noun): a parallel blockchain used to offload transactions from the main chain to increase scalability or add other functionality; connected to the main chain via a two-way link *i.e. Matic, Dai*

Slashing (verb): the process of burning or redistributing a validator's staked cryptocurrency as punishment for approving fraudulent transactions or otherwise jeopardizing the network

Slippage (noun, adjective): the difference between a quoted price and the price at which a trade is actually executed; can occur when the price of a cryptocurrency changes between the time an order is placed and the time it is filled

Smart Contract (noun): self-executing code deployed on a blockchain, allowing for transactions without the need for intermediaries or trust between parties

Soft Fork (noun, verb): a backwards-compatible update to a blockchain that does not require the creation of a separate chain (see also: fork, hard fork)

Solidity (noun): the programming language used to write smart contracts on the Ethereum blockchain

Stablecoin (noun): a token with a value pegged to another asset, such as a fiat currency or physical asset; often used as a way to store value or make transactions without the volatility of traditional cryptocurrencies *i.e. USDT, Dai, USDC*

T

Testnet (noun): a simulated blockchain environment used to test network upgrades and smart contracts before deploying them to the mainnet

Top Level Domain (TLD) (noun): the last segment of a domain name, following the “dot” symbol; used to identify the type of website or online service i.e. .crypto, .nft, .x

Token (noun): a digital asset created on an existing blockchain, used to represent digital or physical assets or interact with dapps i.e. LINK, UNI, AAVE

Transactions per second (TPS) (noun): the number of transactions that a blockchain can handle per second, used to measure its computational power.

Transaction (noun): data written to a blockchain, verified by nodes on the network and then broadcasted to other nodes; once enough nodes have verified it, the transaction is added to a block.

Total Volume liquidity (TVL) (noun): the amount of assets locked into an dapp’s smart contract, usually measured in USD.

Txn Hash (noun): a unique identifier for a specific transaction, also known as a transaction ID or hash; can be used to find transaction details on a block explorer like Etherscan (see also: hashing, SHA-256)

U

Ultrasound Money (noun): a term used to argue that Ethereum, after the implementation of EIP 1559 and the merge with ETH2, will be more sound than Bitcoin as a form of currency

Up Only (phrase): a saying implying that a cryptocurrency or asset can only increase in value; used to express a bullish stance on an asset, sometimes sarcastically

V

Vaporware (noun): a product or project that is announced and marketed but never actually materializes.

W

WAGMI: “We’re All Gonna Make It,” a common saying in crypto and trading circles signaling camaraderie and a positive outlook. See also: GMI, NGMI

Wallet (noun): a software application or hardware device used to store the private keys to blockchain assets and accounts. Unlike a traditional wallet, a blockchain wallet does not actually store the coins or tokens themselves. Instead, they store the private key that proves ownership of a given digital asset. *i.e. Metamask, Coinbase Wallet, Ledger, Trezor*

Wallet Address (noun): also known as a public key, this is an alphanumeric code that serves as the address for a blockchain wallet, similar to a bank account number. Other users can send digital assets to your wallet via your public key, but only you can access your wallet's contents by using the corresponding private key.

Web1 (noun, adjective): the first iteration of the web, commonly referred to as the “read-only web.” Web1 was characterized by static websites that displayed information. There was little to no user interaction or user-generated content.

Web2 (noun, adjective): starting in the 90s, the “read-write web” is characterized by user-generated content and improved user interfaces. This led to the creation of blogs and social media platforms, as well as sites like Wikipedia and YouTube. Web2 placed more emphasis on user experience and interoperability between different applications and websites, giving us the vast network of connected websites and resources that we are familiar with today.

Web3 (noun, adjective): the next iteration of the web being ushered in as we speak, which leverages blockchain technology, open-source applications, and the decentralization of data and information. Web3 aims to remove control of the web from monopolistic tech companies, and return ownership of data and content to its users. Also referred to as the “read-write-trust web.”

Web3 Domains (noun): domain names minted on the blockchain which allow people to govern their own data, set their Web3 username, take control of their digital worlds, and harness the power of the internet.

Wei (noun): the smallest denomination of ether, named after cypherpunk and cryptocurrency pioneer, Wei Dai. 10^{18} gwei = 1 ether.

Y

YOLO - You Only Live Once investing too much money into a single asset; making a generally risky bet.