

title: Why are there so many cryptocurrencies  
description: There are thousands of digital currencies we can trade on the crypto market. But why do they emerge, and what are the types of cryptocurrencies?

## Why are there so many cryptocurrencies

Over the past ten years, cryptocurrencies have become an important sector of the global economy. By leveraging blockchain technology, they are going to bring about dramatic changes to different areas of our lives, including finance, health care, data storage, social networks, payments methods, content ownership, and others. But why do they keep emerging?

### How Many Cryptocurrencies are There?

Currently, there are over 10,000 digital tokens that are included in the [list of cryptocurrencies](#). The new tokens appear regularly and might apply different technologies and might even have a backup from the fiat currencies. The emergence of new tokens is often impacted by the performance of some [top cryptocurrencies](#). The other reasons are the following:

- Huge returns. Ten years ago, not many people were really interested in investing in cryptocurrencies, so there were few of them. But the extreme surge of the value of Bitcoin, which made its holder literally milliners, received a lot of attention from those who weren't interested earlier. Now more people [invest in cryptocurrencies](#), so more of them are popping up.
- Forking. Well-established cryptocurrencies lead to the creation of new cryptocurrencies. This is what happened when Litecoin, Bitcoin Cash, and Bitcoin Gold have branched off Bitcoin.
- Innovation. Cryptocurrencies are progressive technologies that appeal to wide audiences. But we cannot like the same innovation, we need something new to enjoy and benefit from. This is what happened to Ethereum, which was initially started as the first platform for smart contracts. Its innovative concept quickly became popular and led to the development of new platforms, applying the same technology.
- The ICO boom. The first coin on ICO is supposed to be Mastercoin, which appeared in 2013. The boom in its sales made other coins follow the same way.

### Types of Cryptocurrencies

Before you start exploring [top cryptocurrencies 2022](#) and the [list of cryptocurrencies](#) to invest in, you need to figure out what types of digital money exist.

- Payment-focused cryptocurrencies
- Stablecoins such. Stablecoins are backed by fiat currencies such as the US dollar, Euro, or others.
- Central bank digital currencies - a digitized version of fiat money

- Privacy coins. Such tokens are developed to guarantee that senders and receivers stay anonymous.
- Governance tokens. The holders of such assets can vote for different decisions impacting the future development of blockchain.
- Utility tokens, which unlock access to particular services
- Non-fungible tokens. Every non-fungible token has its unique features.

### New Cryptocurrencies in 2022

Since there are so many cryptocurrencies, it's challenging to select assets to invest in. There are thousands of projects and you, as a non-professional trader, cannot know which tokens will increase in value this year. This list of the most promising new cryptocurrencies in 2022 might help you to make the right decision:

- Lucky Block
- Binance Coin
- Shiba Inu
- Cosmos
- Stellar

### Conclusion

Cryptocurrencies are alternative to fiat money. However, if you want to invest in [top cryptocurrencies 2022](#), you should keep in mind that they are very volatile. Make deep research before investing your money.

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| Вода                             | 62.6 % |
| Количество грамматических ошибок | 7      |
| Классическая тошнота документа   | 4.58   |
| Академическая тошнота документа  | 9.8 %  |

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