

Opinion: Not yet cryptocurrency's time

Gold will prove to be a better investment in the immediate future.

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It is tempting to get carried away in the hype of cryptocurrency, particularly Bitcoin.

When Bitcoin spikes, social media cannot stop talking about it and it seems like everyone cashes out with life-changing amounts of money. Surely you don't want to miss out on the next spike.

The decline of the USD has led the [global economy to a transition point](#). With the increasing hype around Bitcoin, it is tempting to believe that Bitcoin could become the primary currency across the planet in the foreseeable future.

That is, in all likelihood, an overly-ambitious prediction.

With the implementation of the Basel Accords, central banks representing countries across the globe are preparing to transition back to the gold standard. Bitcoin is simply not yet commonplace enough to hijack the global economy's transition back to the gold standard.

While Bitcoin is likely a smart investment over the long-term, gold is certainly a wise investment for the immediate future.

What the world would look like with Bitcoin at its center

If Bitcoin were to replace regular currency as the means of exchange for the global economy, the world would look incredibly different in a very short period of time.

It's important to clarify that at no point in our lifetimes will the world abandon traditional currencies and accept only Bitcoin. In a world with Bitcoin at its center, traditional currencies will still be accepted and commonplace.

Everyday people will receive their salaries in either Bitcoin or traditional currency, or both. Everyday people will be able to pay their bills and buy groceries with Bitcoin or traditional currency. Everyday businesses will trade in both Bitcoin and traditional currencies.

Why this reality is unrealistic for the foreseeable future

It is estimated that [114 million people own cryptocurrency](#). That's about 1.5% of the world's population.

That figure is for all cryptocurrencies. Even fewer people own Bitcoin, which, so far, is the only cryptocurrency conceivably capable of becoming commonplace.

Of the even smaller percentage of people who own Bitcoin, even fewer have the majority of their wealth invested in Bitcoin. Additionally, an even smaller amount of people receive their salary in Bitcoin. While people are beginning to start receiving their salary in Bitcoin, we are still a long way from people receiving their salaries in Bitcoin en masse.

Even fewer places of business accept payments in Bitcoin. Only [15,174 places of business](#), out of the millions in the world, accept Bitcoin. We are still years away from most grocery stores accepting Bitcoin as payment, and being able to pay your bills in Bitcoin. The technology these businesses would need to implement to transition to Bitcoin would be expensive and take a lot of time. There's currently very little urgency for everyday businesses to transition to being able to accept Bitcoin as payment.

There is also a large portion of the population that doesn't understand cryptocurrency enough to transition their wealth to it. A [University of Chicago study](#) found that 62% of Americans do not understand cryptocurrency enough to invest in it.

There are also many people who oppose Bitcoin. A [2021 poll](#) found that only 27% of Americans have a favorable opinion of Bitcoin, compared to 39% who have a negative opinion. 34% of Americans don't have an opinion.

There are also many places on earth currently incapable of adopting Bitcoin. In order for Bitcoin to be adopted, a population would need widespread regular internet access. [Approximately 3 billion people](#) have never even used the internet, and there are [80 countries](#) where less than 50% of the population has internet access.

While Bitcoin will continue to grow despite global internet disparity, the developing world will need to catch up in terms of internet access in order for Bitcoin to truly go global.

Lastly, and perhaps most importantly, the adoption of Bitcoin will meet heavy resistance from those in power. As mentioned earlier, central banks and the countries they represent are transitioning back to the gold standard.

All of these banks' and countries' wealth is stored in gold and their respective currencies. Bitcoin poses a serious threat to countries' ability to regulate the economy.

While a capitalist democratic country can't outlaw two parties making transactions in a currency of their choice, they can certainly impede the wholesale transition from traditional currency to Bitcoin. With how closely tied together governments and central banks are, governments are certainly incentivized to impede the rise of Bitcoin.

At the very least, a government can refuse to accept Bitcoin. This means its citizens would still have to pay taxes in their traditional currency, as well as any service the government provides, such as public universities.

So what will Bitcoin's future look like?

Bitcoin will continue to grow, and it could reach a point where it becomes the most common currency in the world, enabling the human population to trade globally with one currency, free of intermediaries.

However, that won't happen for many years, maybe even generations.

It's also important to understand that when this change does happen, it won't happen overnight. More and more people will invest in Bitcoin, get paid in Bitcoin, and transition their wealth to Bitcoin. Similarly, more and more businesses will trade in Bitcoin.

However, this will happen over time, rather than in a discrete manner.

Bitcoin will continue to grow as it has been, and it would be wise to invest in Bitcoin. However, if you plan on reaping the reward of Bitcoin when it becomes the centerpiece of the global economy, be prepared to consider this investment extremely long-term. Don't expect Bitcoin to become the primary global currency anytime soon.

In the meantime, gold could prove to be an extremely wise short-term investment. With the implementation of the Basel Accords, central banks and the countries they represent are transitioning back to the gold standard. The global economy is approaching a transition point with the decline of the USD. All signs point to gold becoming the immediate successor to USD.