Special Report

The *End* of Dollar DOMINANCE

Why the World Is Turning Back to Gold and Silver

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The *End* of Dollar DOMINANCE

Why the World Is Turning Back to Gold

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This report outlines the growing trends of:

1. **De-dollarization**
2. **The historical decline in reserve currencies**
3. **The strategic moves central banks are making toward gold**

It also examines the role of rising U.S. debt and persistent inflation in accelerating this shift. By analyzing the data behind these forces, it explains why this transition is happening now and how **Americans can position themselves to help protect their savings and purchasing power** as the global financial system undergoes a structural transformation.

The Decline of the Dollar in Global Finance

For more than seventy years, the U.S. dollar has held the position of global reserve currency. But times are changing. The world is quietly turning away from the dollar, and gold and silver are stepping back into their historic role as the ultimate store of value.

Evidence of this shift is already visible in currency markets. The U.S. dollar declined nearly 10% in 2025[1], marking its worst annual performance since 2017. On average, that equates to a loss of close to 1% per month, a meaningful rate of erosion for a currency that serves as the foundation of global trade and reserves.

Recent data from the International Monetary Fund confirms this trend. The U.S. dollar's share of global foreign exchange reserves has fallen to roughly 56%[2], down from around 71% at its peak in 1999–2000. As recently as 2015, the dollar still accounted for approximately 66% of global reserves.

Today, its share sits at the lowest level in nearly 30 years. While this decline has unfolded gradually, the direction is unmistakable. Central banks across the globe are steadily reducing their exposure to dollar-denominated assets and reallocating portions of their reserves elsewhere.

What Inflation and a Weaker Dollar Means for Americans

For American households, the decline of the dollar is not just a global financial story, it is something felt in everyday life. Over the past several years, the cost of housing, food, energy, insurance, and basic necessities has risen significantly, reducing the purchasing power of savings and income.

Inflation works gradually but relentlessly. Even moderate inflation, sustained over time, erodes the real value of money. Dollars saved today often buy less in the future, and when inflation outpaces interest earned in savings accounts or underperforming investments, purchasing power declines year after year.

This environment is one reason investors, institutions, and central banks are re-evaluating how much of their wealth should be held in currencies alone. Assets that have historically held their value during periods of inflation, particularly gold and silver, are once again drawing attention as tools for preserving long-term purchasing power.

The Role of U.S. Debt in Dollar Decline

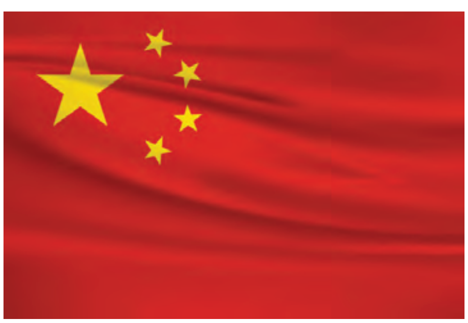
Underlying much of this transition is the reality of America's fiscal condition. The national debt has now surpassed $38 trillion[3], an unsustainable figure by historical standards. Servicing this debt increasingly requires the issuance of new dollars, leading to monetary expansion, inflation, and erosion of purchasing power. In fact, interest payments on the debt alone have now exceeded $1 trillion annually[4]. This staggering figure is more than the United States spends on either national defense or education, highlighting the sheer scale of the debt burden and its long-term impact on fiscal policy.

This dynamic not only weakens domestic confidence but also signals to international markets that the dollar's future is uncertain. As debt continues to balloon, the only rational response for central banks is to hedge their exposure, and gold has long been a trusted hedge.

The Rise of BRICS and the New Currency Order

A significant driver of de-dollarization is the expansion of the BRICS alliance. Originally composed of Brazil, Russia, India, China, and South Africa, the group now includes[5] Egypt, Ethiopia, Iran, and the United Arab Emirates, with other countries expressing interest in joining. Together, this now comprises nearly half of the world's population (over 40%)[6] and a similar share of global economic output. These nations are taking concrete steps to bypass the dollar in trade agreements, develop alternative payment systems, and increase reserves of gold and other strategic commodities.

As BRICS members accumulate wealth and global influence, they are increasingly seeking financial independence from the dollar-centric system. For decades, most countries used the dollar for international trade, like buying oil or settling debts. But now, BRICS countries are working together to change that.



Recent developments in China[7] provide a clear example of how this transition is unfolding in practice. In the shadows, China has been discreetly taking steps to reduce reliance on the U.S. dollar in global trade and finance. These moves include expanding the use of the yuan in cross-border settlements, strengthening alternative payment networks, and increasing financial agreements that bypass dollar-based systems altogether. Analysts note that these changes are often incremental and coordinated, allowing China and its trading partners to shift exposure away from the dollar gradually. While these actions rarely make headlines, they reflect a deliberate long-term strategy to diversify reserves and strengthen monetary independence.

Central Banks Make A Record-Breaking Shift to Gold

Central banks around the world are not waiting to see how these trends unfold—they are already acting. As trust in fiat currencies weakens, monetary authorities are rebuilding their gold reserves at a pace not seen in decades.

The People's Bank of China alone has steadily increased official reserves from around 2,000 t in late 2022[8] to 2,306 t by the end of 2025[9], with some analysts suggesting actual holdings may be significantly higher.

And it's not just China. The past five years have marked a decisive turning point in central bank behavior across many board. After decades of relatively modest accumulation, official demand surged to historic levels. In 2022, central banks purchased a record 1,136[10] metric tons of gold, followed by 1,037[11] metric tons in 2023 and another 1,045[12] metric tons in 2024, confirming that the shift was not temporary but part of a sustained trend.

Although purchases eased to 863 metric tons in 2025[13], this still represents one of the strongest years on record, exceeding nearly every year prior to the recent four-year accumulation wave.

This meteoric rise in gold buying, doubling the previous decade's pace, highlights a systematic move by central banks to safeguard their reserves against currency risk, geopolitical instability, and inflationary pressures. Central bank demand for gold now represents over 20% of total global demand, roughly double the average share seen throughout the 2010s.

For individuals, the takeaway is clear: If central banks are preparing for the consequences of unsustainable U.S. debt by turning to gold, it may be time for you to do the same. Rising interest payments, expanding deficits, and a weakening dollar are not abstract policy issues, they represent real threats to the value of your savings, investments, and long-term purchasing power. Adding physical gold to your portfolio aligns with the strategy being pursued by some of the world's most informed financial institutions, central banks seeking greater diversification and resilience.

(Graph: Sources 2-6)

Historical Lifespans of Reserve Currencies

These developments may seem unprecedented, but history shows that major shifts in reserve currencies follow a recognizable pattern.

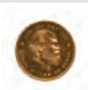
The dollar's role was solidified in the aftermath of World War II, when the Bretton Woods Agreement of 1944[14] established the dollar as the anchor of the international monetary system, pegged to gold while other currencies were pegged to the dollar. The United States emerged from the war with the largest gold reserves in the world and a strong industrial economy, making the dollar the logical choice for global trade and financial stability.

Today, that foundation is cracking. With rising debt, geopolitical shifts, and mounting concerns over inflation and monetary policy, the world is actively seeking alternatives to the dollar and increasingly turning to gold.

Throughout history, every reserve currency has been eclipsed by another. The Spanish real, the Dutch guilder, and the British pound each had its era of supremacy before giving way to the next global standard.

Historically, reserve currencies last an average of 80 to 110 years before they are replaced. The U.S. dollar, which rose to dominance after World War II, is now more than 80 years into its reign.

History tells us that no currency remains unchallenged. The current de-dollarization trend, combined with rising global debt and loss of confidence in the Western financial system, points toward a familiar transition. The dollar is approaching the natural end of its lifecycle as the unchallenged reserve currency.

Currency	Country/Entity	Years of True Dominance	Number of Years
 Spanish Real de a Ocho	Spain	ca. 1530-1640	110
 Dutch Guilder	Netherlands	ca. 1640-1720	80
 French Franc	France	ca. 1720-1815	95
 British Pound Sterling	United Kingdom	ca. 1815-1944	129
 U.S. Dollar	United States	ca. 1944-2025	81

(Graph: Sources 15-19)

A Historic Opportunity for Precious Metals

The U.S. dollar is entering a new and more vulnerable phase. Once the foundation of global finance, it is now under pressure from both international rivals and internal challenges. Countries around the world are working to reduce their dependence on the dollar, while at home, decades of overspending, borrowing, and money printing have weakened its long-term value. The dollar has been the world's reserve currency for over 80 years, but history shows no currency holds that position forever.

Central banks see the writing on the wall. That's why they're buying gold in record amounts, taking action to protect their economies from future risk. If the world's most powerful financial institutions are reducing their dollar exposure and turning to gold, it's worth asking: Shouldn't you be doing the same?

At Lear Capital, we've helped more than 100,000 Americans add physical gold and silver to their portfolios. Whether you're looking to hedge against inflation, protect your retirement, or prepare for what's ahead, we can help you put a plan in place.

Gold and silver prices can move quickly, especially in uncertain times. The world is changing, and when it does, the best move is to be ahead of the curve.

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