

SPECIAL INVESTING DOUBLE ISSUE

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INVESTOR'S GUIDE

2010

4 SMART FIXES FOR
YOUR 401(k) *P.76*

10 STOCKS THAT CAN
KEEP ON RUNNING *P.110*

WHAT THE FUTURE
HOLDS FOR BONDS *P.94*

PERFORMANCE RANKINGS
FOR 1,100 FUNDS *P.146*

...AND MUCH MORE

**GOLD
FEVER:**
SHOULD
YOU CATCH
IT? *P.168*

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38 HOW NOT TO BE A BURDEN TO YOUR KIDS **40** GET FINANCIAL PLANNING HELP ON A BUDGET **53** THE THING THAT WILL MAKE YOU HAPPIEST IN RETIREMENT



Turn Your Gold Into Cash

With prices at record highs, this is your chance to trade in your old jewelry for something more liquid.

By **GEORGE MANNES**

Photograph by **JAMIE CHUNG**

ONE SUNDAY AFTERNOON last November, Annette Webber-Townsend, 39, got to see just how golden her opportunities were. Her friend, fellow Brooklyn social worker Stacey Long, was hosting what has become the quintessential substitute for the Tupperware party in this weak, nervous economy: a gold party. A Syosset, N.Y., firm called the Gold Standard had set up shop in Long's apartment to buy gold from the women she'd invited over.

Webber-Townsend showed up with a bag of broken chains, mismatched earrings, and other old jewelry— →

HOW MUCH IS YOUR JEWELRY WORTH?

Use this worksheet to estimate a fair price for your gold.

1

Start by weighing your gold on a kitchen scale.

[] GRAMS

2

Multiply that number by the current price of gold.
(cnnmoney.com/data/commodities)

\$ [] PER OUNCE

3

Divide by one of these:

<small>10k</small>	<small>14k</small>
÷ 74.8	÷ 53.2
<small>18k</small>	<small>24k</small>
÷ 41.5	÷ 31.1

4

Multiply by 0.50 and 0.80

\$ [] — \$ []

A fair price is somewhere within this range.

NOTES: Formula takes into account the percentage of gold in jewelry of a particular karatage, along with the ratio of 31.1 grams to a troy ounce. High end of price range in Step 4 is for larger amounts of gold.

“It was stuff I wasn’t using,” she says—and left with something she *could* use: \$850 in cash. Long, for her part, got a 10% cut of the sales.

Amid news of record-setting gold prices—\$1,143 an ounce in early December—buyers of all kinds are eager to get their hands on all that glitters. (For more on the investing mania, see page 168.) That includes the contents of your jewelry box. Gold-party organizers, jewelers, and mail-in companies want to pay for what you’ve got.

While it’s easy to be dazzled by visions of quick cash, some individuals and firms might take advantage of your enthusiasm. So follow these strategies to make sure you get the best deal when peddling your metal.

KNOW WHAT IT’S WORTH

Buyers can offer widely different amounts for the same pile of earrings. Use the worksheet above to determine a fair price. Wondering why it’s not as simple as one ounce of gold jewelry selling for whatever the price of gold is in the day’s news? For starters, the “troy ounce”

used to measure gold is heavier than the ounce used in everyday measures. And the price you’ll get is not based on the weight of your jewelry, but on the weight of the gold it contains. A 14-karat ring, for example, is only 58.5% gold. (Handy tip: To estimate the percentage of a piece that’s gold, divide the number of karats by 24, the karatage of pure gold.) Furthermore, the buyer has to cover marketing and refining costs—and wants to make a profit too.

BECOME A GOLD DIGGER

Ignore the mail-in-buyer ads that are blanketing the airwaves. When you send off a piece of jewelry, you’re unlikely to go through the hassle of getting it back in order to compare prices. As a result, these mail-in companies are able to low-ball “because they know they have a captive audience,” says Terry Hanlon, president of Dillon Gage Metals, a wholesale metals refiner. You’re better off shopping your gold around to traditional jewelers, coin dealers, pawnshops, even gold parties. (Although refiners offer the

best rates, they typically focus on trade customers.) Remember: “Just because you go into a store and ask what they’ll pay doesn’t mean you have to sell on the spot,” says Steven Goldfarb, who runs Alvin Goldfarb Jeweler in Seattle. “You’re allowed to go home and think about it.”

There are some particular advantages of selling to jewelers. If your piece is an antique or by a known designer, a jeweler may buy it for more than its raw-gold value. You may also be able to get money for diamonds in the piece, generally if they’re at least 0.25 carat.

CONSIDER A TRADE-IN

You might get a better deal if you’re willing to trade up your jewelry. Ron Samuelson, of Samuelson’s Diamonds in Baltimore, says he’s more generous with store credit than cash: “I’m cultivating a customer.” If you’re interested in a swap, visit a jeweler who sells pieces you’d like to wear. And when someone admires your new ring, you can say, “Oh, it’s just a little something they gave me when I turned in my recycling.” ■