The Ultimate Gold IRA Guide

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Warning: Gold Scams Still Exist

The world of gold investment and gold IRAs has been growing. With the financial uncertainty of the modern world, investors have been recommending recession proof investments. Gold and other precious metal investments are one way to do that. With the backing that financial experts have given precious metals, the demand has risen greatly.

Despite the modern era of technology security, online watchdogs, and financial security concerns, there are still plenty if people who want to take advantage of the increase in precious metal businesses. Not all of these scammers are as bad as others but no matter what, no one wants to get scammed.

Spotting A Scam

While scams exist, it isn't too hard to spot them. The more that you learn about gold investing, the easier it will be to spot those who might be scamming you. Let's take a little bit of a look at how to spot a scam.

The first way that you can spot a scam is by talking with the sales people for the company. You want to look for sales people that are excessively pushy or fast talking. Both can be signs that they are trying to distract you from something. If they are secretive about their business practices that should also send up a red flag. Forceful sales tactics can be a hint that all the company is interested in is your money.

While not every pushy salesman is a scammer, it should be a sign that you need to pay extra attention during the process or you should consider looking at all options. You should explore your multiple sellers as part of the buying process anyways. It is the safer way to go.

Before buying from any precious metal company, you should ask to see their fee schedule/chart. It will help you to get an idea of how they will charge you. The fee schedule will also help you to see if there are any hidden fees that the company might be trying to scam from you. Gold prices are pretty set and there shouldn't be too many fees. A company that doesn't want to provide you with a fee chart might be trying to hide their fees.

With all of this basic information under your belt, it is time to learn more about gold and other precious metal scams. In this guidebook we will help you to learn about the process of precious metal investment and how to avoid being scammed.

Important Terms That You Should Know

Every industry has a lot of insider terms. By learning the terms from the industry it makes it less likely that a salesperson or scammer would be able to confuse you into a scam. We have provided this list of important terms to help prepare you.

Gold Bullion – Bullion is a term used to collectively refer to the various coins and bars that have been certified as meeting the official standards of global precious metal markets. The standards for a gold coin to be considered bullion is 99.9% purity while gold bars only need to be 99.5% pure.

Here are some common types of gold bullion:

- American Gold Eagle
- Gold Canadian Maples
- Sunshine Gold Bars
- Gold Buffalo Coins
- Gold Panda Coins
- Gold Kangaroo Coins

Appreciation – Refers to the rate at which the value of a financial investment or an item increases. If you invest in gold today at $100 the value of that gold might increase to $175. That means that the value has increased (or appreciated) 75% in 20 years.

Depreciation – Depreciation is the opposite of appreciation. In other words, it is the rate at which the value of an item decreases.

Historical Coins – This term refers to any coin minted before the year 1933. It is a common term found on gold buying websites. Just because a coin is a historical coin does not mean it has more value.

Precious Metal IRA/Gold IRA – A type of Individual Retirement Account that uses physical precious metals as the retirement medium instead of stocks. The most common investment metal is gold so you will commonly hear it referred to as a Gold IRA. Individual Retirement Accounts are directed by the federal government.

Karats – A purity measurement standard for precious metals. Pure gold is 24-Karats. Market purity gold can be as low as 22-Karats though.

Liquidity – How quickly and easily an asset can be sold. An asset that you can get rid of quickly is considered to be liquid.

Markup Price – Markup price is the difference in what it costs a company to buy (or build a product) and what they charge for a product when selling it. For example, many electronics companies charge around a 15% markup rate.

Premium Charge – A premium charge is the difference between the amount a supplier charges and the spot price of gold. If the spot price of gold is 4,100 dollars and a seller charges 4,168 dollars for the gold, the premium charge or premium would be $68.

Mint State – A measurement for rating the quality and purity of gold. The lowest rating is MS-61 and the highest is MS-70.

Numismatic – A type of coin valued more as a collector's item or a gift rather than as an investment. They are not considered good for investments and are not rated by the government for investments.

Self-Directed – A self-directed investment plan is one that you set up and guide yourself. An example of an alternative is an employer directed investment plan.

Spot Price – The ever fluctuating price of gold that an institution will pay to get said gold. You may consider this to be the wholesale price of gold.

Spread – The difference between the selling price and buying price of gold. This is most commonly used by dealers to measure their profit.

Troy Ounce – The formal name for the type of ounce used to measure the weight of gold and other precious metals. It is equal to around 31.1 grams.

Things To Watch For When Dealing With Gold IRAs

Before we can look into the scams that revolve around gold IRAs and other precious metals it is important that you have an understanding of the workings of a gold IRA companies. Setting up a gold IRA involves working with two different types of companies. We will look further into these two types of companies but first a note.

We are assuming that you are doing a self-directed gold IRA, not an employer sponsored one. Typically, a employer sponsored IRA is set up and arranged via the employer so there is less for you to worry about.

Company 1: Gold Selling Company

One of the first steps to wrangle is buying the gold or other precious metals. You will want to find a good company to purchase from. Most scams happen during the buying phase. The preferable dealer for gold is one that can help you with the whole process, from setup to directly depositing the gold.

You will want to make sure the bullion seller does not charge unreasonable fees and has great customer service. Here are some of the key things you should be looking for in a bullion seller.

Reputation Evaluation

You will want to look at all of the different reputation sources for a financial company. The first place to look is online sources that are monitored and managed like the Better Business Bureau, The Business Consumer Alliance, and TrustLink. These places offer the most reliable reviews. After that check out the Yelp, Google+, and other such website reviews. While not as reliable, the secondary source websites tend to have more reviews.

The best gold IRA companies have a good number of reviews with most of them being positive. You want to look for good customer service, reasonable prices, and no bait and switch encounters.

Assistance With The Process

A good gold seller will assist with the overall process of setting up the gold IRA company. This isn't a requirement but can make the process a lot easier.

Companies that don't assist with the process leave it all up to you to setup the gold IRA. That means that you will need to find a custodian, arrange the account, arrange transportation, and monitor the whole process once it is setup.

You can find some gold sellers that have partnerships or deals with various companies in the gold IRA world.

Company 2: Gold Storage Custodian

Self-directed IRA holders will need to set up a custodian to store the gold for your IRA. The custodian will act as a trustee for your account. You need a trustee that you can trust so make sure you consider the following when picking a self-directed custodian.

Flat-Rate or Scaled Fees?

Storage companies charge two different types of fees. **Flat-rate fees** are those which stay constant no matter what value of gold you have in your account. **Scaled fees** change based on how much you store in your account. Scaled fees can increase depending on the price of gold.

Storage Fees

You have the option of going with a company that has a standard rate for the storage of your gold or a company that gives you an option of depository location. When you have the option, a company will sometimes change the storage fees depending on the location you choose. Make sure to inquire about these fees so that you aren't surprised when the first annual bill comes.

Depository Location

A lot of people like to know where their depository is, who it is run by, and how much it costs. You should be able to get a solid answer from your custodian. Some custodians will allow you to choose your depository location based off a partnered list. If they do, make sure to ask if there is a variance in price based on the location chosen. Also make sure to consider the safety of your gold. Many customers will pay extra to make sure their gold is safe.

The Biggest Gold Scams

2025 and 2026 both saw a lot of gold scams. We wanted to take a minute to educate you on some of the biggest scams that were seen. By knowing these scams you will better know what to look out for.

#1 Overpriced/Fake Certifications

Sure, everybody likes to know that their investments are real. But when it comes to bullion for gold and other precious metal IRAs, you don’t need to spend money for certifications or evaluations. These aren’t needed and are a waist of money.

There are a variety of coin services out there that will verify the purity and quality of your money. They will then issue a certificate to the effect of the quality of your coin using the Mint State scale that we mentioned in the important terms section. These services by themselves are not scams. In fact, under the right circumstances, they are quite valuable.

If you have a rare coin, say a 1700's or 1800's coin, you will probably want a certificate saying that it is real and that it has retained its quality. American Coin Club and Professional Coin Grading Service both provide such a certificate service.

When you are buying relatively new gold bullion though, you don't need to pay for such a service. The bars and coins that qualify as bullion are new and known to be in flawless condition. They are also known to be real. The purity is usually stamped on the coin or bar and a visual inspection of the bullion will tell you that they are still in new condition.

Rating services will typically only cost you between $10 and $15 per item. What many scamming sellers will do is charge you upwards of $100 for each certification that you don't need. The difference between the $10 certificate and the $100 charge is all profit for the company/salesperson.

What will they do to get you to buy these certificates? Try to scare you into believing your bullion is useless without them. Each year, many such companies make extra money from buyers they manage to convince to buy certificates. Only get certificates if you are investing in rare coins that have significant age and value. That does not mean bullion.

<u>Bottom Line: You don't need a certification, for investment grade metal it is a waste of money.</u>

#2 Over Converting Of Your Savings/Retirement Account Into a Gold IRA

The more gold or other precious metals a salesperson sells, the more profit they make. It is extremely rare to find a precious metals company that doesn’t pay its salespeople on commission. The exception is this company. Why is commission such an issue? Many salespeople will do whatever it takes to “earn” commissions. This includes providing bad advice.

Another common scam that is employed by salesmen or companies that are just interested in making money is the recommendation to rollover (reinvest) a large portion (70% or higher) of your retirement account into a precious metals investment. It doesn’t matter where the funds for the precious metal IRA come from, the salespeople still make money on them.

Anyone who knows about any kind of investment knows that it is bad to have all your eggs in one basket. Any solid portfolio is diversified. That means that it contains a variety of investments to help secure you a stable future. A reliable financial counselor will typically say that you should rollover no more than 25% of your savings/retirement portfolio to your gold IRA and no less than 5%.

The exact decision for how much to rollover depends on:

- The risk level you want to take.
- What you want from your investment.
- Confidence in gold and/or other precious metals.
- Confidence in the economy.

Some salespeople might even try to convince you that performing a rollover into a precious metals IRA is the only way to get it into an IRA or is the best way. For starters, it is not the only way to create a precious metals IRA. You can either fund it with a rollover or pay for it straight out. Second, whether rollover is the best option for you or not depends on your own personal situation.

Even if gold might be the future savior of your retirement portfolio, you never know what might happen between now and then. Despite the fact that gold is always holding its own in value, doesn’t mean that it might not take a **temporary** dip. Diversifying your portfolio is only meant to protect you and your money.

If a salesperson recommends converting 70% of your savings or retirement to a gold IRA then it is time to start being wary. Verify anything else that they recommend during the conversation before you make a purchase. Any good gold IRA company will understand your desire to do your research before making such a big purchase. It isn’t something you should do blindly.

During the investment process, if you have any concerns about how much you should invest, you can contact an investment counselor from a reputable firm to ask for a consult. While consults aren’t free, they will help to steer you down the right path so you don’t make a bad investment. What we recommend though, is to keep your investment lower if you fear that gold won’t improve too much or if you fear you do not have a big enough retirement account. For those who have larger retirement accounts we still do not recommend going above the 25% rollover.

Bottom Line: No investment should make up your entire portfolio, do NOT rollover more than 25% of your savings in Gold IRAs or Precious Metal IRAs.

#3 Leveraged Account Pushing/Scamming

Ever heard of a leveraged investment account? Don't be surprised if you haven't. They aren't popular and that is for a good reason. A leveraged investment account is when you make an initial investment and the company setting up the account (or providing the gold) offers a loan to you to make the account larger.

It starts with you investing a certain amount of money into an account, let's say $5,000. Then a company will offer to put another $5,000 (or more) worth of coins into the account for you on the condition that you pay it off. At first you might think that this sounds like a great idea. In a perfect world it might even be a great idea. But we don't live in a perfect world and there are a variety of reasons this just isn't a good idea.

Not Applicable for IRA Investments

If you purchase a leveraged investment account it is no good for use as an IRA. The government does not allow leveraged gold

IRA accounts and by the time you pay off your leveraged gold, you will have spent more money than you will probably make on your gold IRA account. This is because leveraged accounts are costly in a variety of ways.

Temporary Price Drops Affect Leveraged Accounts

Gold prices fluctuate and sometimes that means temporary price drops, or what they call in the financial world, short-term correction. If you own all of the gold in your account, a temporary drop in value for gold won’t mean anything for you. In fact, it can be a good thing as you can use that time to buy more gold. However, that price drop means a risk for the company that just backed you thousands of dollars for an investment.

As a form of security for your account, the company who holds the loan will ask for a margin. This margin can be any amount of the loan that the company finds reasonable to provide security. If you don’t or can’t pay the margin, the company will close your account. They will take the full value of your loan back and leave you with only your initial investment. Guess what? You are out a bunch of money.

Extremely High Commissions

The person who sells you the precious metal needs to have their commission paid. What you would probably think is that you only pay commission on the gold you bought outright. You would be wrong. The dealer will charge commission on every dollar of gold that you got, whether it be purchased outright or part of the loan. That can spell some hefty initial fees, ones that you probably weren't expecting to pay.

You would probably do better if you bought the gold you could afford upfront and then bought more gold later down the line. That way you aren't paying a commission on gold that isn't even officially yours yet. It is a great way for a salesperson to earn money so they will be quick to suggest such methods.

Interest Rates Apply

Leveraged accounts are just like any other loan. They involve interest rates. While not as high as credit card interest rates can be, they are still extremely large. If you consider the amount of money that you are dealing with, even the standard 8% interest rate can leave a big dent in your pocket every year.

For example, the yearly interest rate on the previously mentioned $5,000 loan will be $400. After three years of working to pay off the loan, you would have spent $1,200 in interest. That is almost 25% of your investment right there. You would be losing a significant amount of money.

Fees Still Apply

You might think that if the company technically still owned a majority of the gold in your account that they would pay the fees. Wrong. You will still have to pay all of the storage fees, admin fees, delivery fees, and more. That even includes transaction fees on the gold (or other precious metals) that you were leveraged. These fees alone can make it less worthwhile to leverage gold as many of the fees are scaled so that the more you spend, the higher they are.

No matter what kind of investor you are, it is never a good idea to invest in a leveraged account. They will only cost you more money than they are worth. In fact, it often times ends up negating any profit you might make from the account at all. There is also more risk involved when you open up a leveraged account and the last thing that you want to have in an investment is risk.

Bottom Line: Always say no to leveraged accounts, they only spell t-r-o-u-b-l-e.

#4 Excessive Commissions By Financial Counselors

If you use a financial counselor to help direct you towards the right investment, it isn’t uncommon for them to charge a commission fee. They did help you setup the account and give you all of the advice needed. It sounds reasonable right? Well in a lot of cases, financial counselor commission fees are not as reasonable as they may sound at first. Let’s take a look at why.

Sometimes after all of the commissions are added up and the markup is tacked on, you can end up upwards of 25% more than spot price. Who would want to pay this much for an investment?

When a financial investor recommends overpriced coins so that they can earn more money, that practice isn't just bad. It is illegal. Financial advisors are not legally allowed to make any decisions that aren't in the best interest of their clients. Steering a client towards profit for the advisor is not considered acting in the best interest of the client and it is obvious. That doesn't mean it doesn't happen though.

You should remember that there is no necessity to go through a financial advisor, especially if a gold seller recommends it. No middlemen are needed. You are able to buy, setup, and manage your self-directed precious metal IRA all by yourself, without the help of brokers, advisors, or managers. It is called a self-directed IRA after all.

People who are new to the investment world may want to use a financial advisor in order to make sure that they have they have all of their ducks in a row when making such a big investment. That is fine but be prepared to spend money to do so. Never go with an advisor that a precious metals seller recommends. You could use a seller from a wealth management company that you pay up front instead of giving them a commission. This saves you money while still getting you the help you need.

While you don't want to follow a gold seller down the rabbit whole of using people they recommend, finding a gold seller that is partnered with a custodian is not necessarily a bad idea. A custodian will not charge a commission. They make their money in annual fees. Make sure that the company that they are partnered with is a reputable IRA custodian. Some companies may even be partnered with multiple custodians so that you have a choice in custodians. Partnered sellers and custodians often have deals worked out to save customers a lot of money.

Some customers save thousands of dollars by choosing a partnered company. This savings doesn't come upfront though. It typically comes from saving on annual fees. This gives you annual savings instead of purchase savings.

Understanding The True Cost of Gold and Other Precious Metals

You are now officially armed with the most common scams that have appeared in the precious metal industry over the last few years. With that information under your belt, you are ready to learn about the true cost of gold and other precious metals. We are going to explain some of the basics about how the cost of gold is calculated.

Spot price, premium, and markup will all change the final price of gold. You might consider them to be price adjustments.

Spot Prices

In our important terms section, we gave you only the most basic of definitions of spot prices. The spot price is the live price of gold on the market. If a bank or other financial institution were to go to a major bullion market and buy gold, they would pay the spot price. These spot prices are only what the institutions pay for future orders. They do not get immediate delivery of the physical metals.

Spot price trackers for a variety of precious metals appear around the internet. A common mistake amongst first time buyers is expecting to pay the spot price when buying small amounts of bars or coins.

Markup

Another way that the price of gold ends up rising is the markup. When the retailer receives gold from a supplier they need to make money too. That results in yet another markup. This is tacked on to the premium and the exact markup can vary. The average markup is around 5% or slightly higher. The highest markups that can be found are 20%.

It is highly advised that a buyer not pay more than a 10% markup on bullion. You can find bullion for under a 10% markup and that will help you to not spend too much money.

Important Questions For Any Gold Seller

Do you have a buyback program?

When it comes to buying gold, there are plenty of options for you to turn too. Selling your gold can be a little difficult though and that is why some sellers offer a buyback program. If you buy from a company with such a program then you will have a guaranteed way to get rid of your gold when it comes time to sell.

Just because a company offers a buyback program though, doesn’t mean that they will buy it back at a reasonable price. It is important to ask what the spread of the gold buy back is. Often times a company will offer you a buyback program but in reality they are hoping that you won’t ask for how much. Scamming companies will actually pay you less than what you paid for your gold. Don’t settle for that.

The products I am buying are eligible for a precious metal IRA, right?

Before purchasing and precious metals you should make sure to confirm with the seller that the coins you are buying are eligible for deposit in a precious metals IRA. Ask them whether the coins are numismatic, collectible, rare, etc. They should be able to confirm that the gold is bullion.

It would be to your best benefit to look up the type of gold that you are buying and confirm that too. You can look at lists of approved gold IRA bullion online.

Do you have any partnerships with IRA custodians or deals that I can benefit from?

Any seller should be able to tell you whether or not they have any deals with custodians. They shouldn't just answer yes though. They should be able to tell you the name of the custodian that they work with. Should they try to hide it, there might be something wrong with the custodian they use. Also ask what kind of deal you can get for using their recommended custodian. Sometimes you can save money on the annual fees by selecting a custodian your seller has a deal with.

Do you help cover the first year costs?

It isn't every company that will cover the cost of their customer's first year costs because of the choice you made to purchase from them. This can save you a lot of money on your first year. Don't forget to ask how much you have to spend in order to qualify for the company to cover your first year fees. A common minimum is $10,000.

What is the total price I will pay at the end of the transaction?

A dealer that is worth their salt will tell you exactly what it will cost you at the end of the transaction. They should honestly give you a total that includes all of your fees and taxes that you will need to pay. Wait until you have asked any other questions before asking this one so that you don't tip the transaction too soon.

Choosing Your Gold IRA Company

Conducting appropriate research before investing a large part of your hard earned retirement savings is a critical component of a successful retirement plan. We hope this guide provides information necessary for your consideration in making an educated decision.

Overall Best Gold IRA Company: Augusta Precious Metals

- Price-Match Guarantee (meet or beat any competitor's price)
- Up to 10 years with no fees (for qualifying accounts)
- Near **zero complaints** with the BBB and Business Consumer Alliance since 2012
- Free one-on-one web conference led by a Harvard-educated economic analyst to help investors understand gold and silver. (for qualifying accounts)
- Transparent process, specialized teams for each step, and ongoing support after purchase.

Don’t just take our word for it. Make the free call!

- Call **855-661-4281** to speak with an expert from Augusta Precious Metals. Visit https://augustapreciousmetalsira.com to request their free Investment Kit

Good luck with your investments.