



How to Make a Tidy Profit Off Your Gold Jewelry

By Kelli B. Grant
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FORGET TUPPERWARE AND Mary Kay — now "gold parties" are all the rage. Across the nation, guests are trading their glittering baubles and trinkets to jewelers for cold, hard cash.

A similar mania is on display at the jewelry store, where lines to sell gold are out the door. "It's definitely gold fever," says Antoinette Matlins, author of "Jewelry & Gems: The Buying Guide."

Who could blame them? Since last year, the price of gold has climbed 33% to a recent \$914 an ounce. And even though current prices are roughly \$100 off the record high of \$1,030.80 hit in mid-March, it's still a great time to profit off of any gold jewelry, coins or trinkets that you no longer want or need.

Before you bring your grandmother's gold locket to the jeweler hoping to make a small fortune, though, you should take time do your homework. If you rush to sell the piece, you could easily get ripped off. "You're up against people who have assessed gold for years," Eugene Fram, professor emeritus of marketing at Rochester Institute of Technology. "They can very easily mislead you." And because most buyers are melting items down for scrap, there's little chance to reclaim your goods should you have any second thoughts.

To help improve your odds of turning a proper profit from your unwanted gold, here are some things to keep in mind.

Get an appraisal

It may seem like a hassle, but it's important to have the jewelry assessed by an appraiser or neutral jeweler (i.e., someone who isn't currently buying), advises Fram. The cost? As little as \$35 per piece or, if you have multiple items, you can hire an appraiser for about \$75 an hour. While it's extremely unlikely you'll get the full appraisal value at sale, the valuation will give you a ballpark figure to work with, as well as the accurate weight and gold content. The appraiser can also help you determine what's worth selling and what's best left in your jewelry box.

Remember: Content is king

Since most businesses buying gold today plan to melt it down for scrap, they're only interested in its precious metal content. Market prices are based on pure 24-karat gold. So when it comes to gold-plated items and pieces made from 10 karats or less "you won't get anything for it," says Randy Wolgemuth, owner of Koser Jewelers in Mt. Joy, Pa. "The cost to refine the piece is more than the gold is worth."

If your jewelry is 18- or 14-karat gold (as most gold jewelry is) you'll fare a little better. These pieces are comprised of 75% or 58% gold, respectively. Keep in mind, however, that you won't be compensated for the other metals when selling these pieces for scrap, says Matlins. The one exception: platinum. If you have a white gold piece alloyed with a metal in the platinum family, expect to get more. "If gold is high, platinum is through the roof," says Matlins. It closed April 17 at a hefty \$2,052 per ounce.

Consider the details

The best items to sell for scrap are those in bad condition — like broken chains and partner-less earrings — because they have no value on the second-hand market. The pieces you don't want to sell for scrap are those with intricate workmanship, designer names and gemstones. "That piece you think is ugly, that got handed down from your mother or grandmother, might be worth 10 or 20 times the sum of its parts," says Donald Palmieri, a spokesman for the American Society of Appraisers. Instead, bring the piece to an estate jeweler, who may purchase it for resale value. (Check out our guide to buying gold jewelry¹ for more information.)

Stay on top of prices

It helps to know the previous day's closing price for gold, as well as its current position. To look up the latest prices, you can visit web sites like Kitco.com². "Prices aren't regulated, so the jeweler may be going by yesterday's price, today's price or what they think tomorrow's price could be," says Helena Krodell, a spokeswoman for the Jewelry Information Center, a trade group.

Steer clear of mail-in programs

As the price of gold continues to climb, a rash of mail-in programs, promising to send you cash once you send them your unwanted gold jewelry and coins, have popped up. It may be hassle-free, but it's usually the worst deal. "I would be exceptionally wary of sending my jewelry blindly to someone I don't know," says Krodel. One big problem: You'll have little recourse to get your items back should you disagree with the offered price or fail to receive payment.

Shop for a reputable buyer

To find a stand-up jeweler, look for one that's affiliated with a trade group like the Jewelers Vigilance Committee or the Jewelers of America. These trade groups require their members to adhere to strict ethical sales standards. A Better Business Bureau membership doesn't hurt, either. (Membership seals should be displayed prominently in the store's window.)

Ask some questions

Once you've dug up a handful of respectable jewelers, pound the pavement to get at least three estimates. At each jeweler, ask what they're using as the price for pure gold, how they're calculating what your piece is worth, and what percentage commission they charge (typically about 10%), advises Palmieri. And don't leave your jewelry there so they can assess it later. "If they won't make an offer to you on the spot, walk away," he says.

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¹<http://www.smartmoney.com/dealoftheday/index.cfm?story=20070119>

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