**Investing in Gold**

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Is Gold a good investment?

That is a question I cannot give you an answer to because it is a bit like a "How long is a piece of string?" question.

Whether investing in something is good or bad really depends on your personal circumstances and where this investment fits in with your objectives.

Is the money/investment needed in the short term, medium term, or long term?

Once you have answered this question you will have a better idea of whether gold is a suitable investment.

**Problem with gold is...**

That it does not provide investors with an income. All they can expect is capital gains; that is, selling gold at a higher price than when it was bought for.

The Share market provides a dividend to share holders of the various companies and there is the opportunity to profit from the increasing value of the shares.

Another problem with holding physical golds is the storage costs and this can mitigate any capital gains from selling it.

**Different ways of investing in gold**

There are several ways of investing in gold and there are pros and cons with each of them.

The easiest way of investing in gold is to purchase shares in a gold mine but this is very risky and should only be done with money you can fully afford to lose. Your country's stock market may have listed companies of gold mines.

Purchasing gold coins is another way. You will find gold coins listed on ebay but the downfall of investing in gold in this way is that the seller will seek the highest price possible for their coins; and it may not reflect it's true value.

Buying gold from a dealer is another way but this is beyond the means of a lot of people and then there is the problem of storage not to mention the risk of theft.

Collecting gold jewellery is another way of investing in gold. Just as collecting other items such as postage stamps, old comics, or barbie dolls, they give enjoyment to the collector and the items are worth something when it comes time to sell.

**Investing in gold as an interest**

Gold can provide an added interest to your portfolio. If you have discretionary money to spend then investing in gold can add an extra string to your financial bow and if the investment turns to custard then there is no damage done. After all, millions of dollars are lost in lotteries every year and no one blinks an eye lid. Giving up lotteries and use the money to build up your gold investments should be your best approach.

**The risk of investing in gold**

There are risks with investing in Gold as there are with other types of investments but these risks can be managed. It is important for investors to do their research in order to understand these risks.

Investing in gold should not be an alternative to contributing to your country's retirement scheme.

**The rules of investing**

The rules of investing are just as applicable with gold as they are with other types of investments. Where does gold fit into your overall investment strategy? If you have some disposable spending money to invest then investing in gold is a good option. It will provide an added interest to you; that is interest in terms of enjoyment such as a stamp collector would derive interest from his or her hobby.

It is certainly not wise to just purchase gold with money which you can ill afford to lose or to invest your whole life savings into it. That is just asking for trouble.

**To summarise**

Investing in gold can provide you with an interesting string to your financial portfolio, but it does have its pitfalls. It is important to weight up the pros and cons and only invest money in gold which you can afford to lose. Read up on the subject and then decide whether gold is a suitable investment for you.

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