

EIGHT COSTLY BEGINNER PITFALLS

AND HOW TO AVOID THEM...



REAGAN
GOLD GROUP

NEW TO PRECIOUS METALS?

AVOID THESE COSTLY BEGINNER PITFALLS



Investing in precious metals like gold and silver is one of the best decisions you could make to protect your wealth and diversify your portfolio. However, the market is fraught with pitfalls that can trap beginners. Understanding these potential missteps is crucial for making informed and secure investment choices. Below, we discuss some of the most common mistakes beginners make when entering the precious metals market—and how to avoid them.

1. TRUSTING REVIEW RATING SITES BLINDLY

Many people turn to review sites to gauge the reputation of a precious metals dealer. At first glance, these platforms appear to be independent and unbiased. However, many review sites are actually businesses designed to generate leads for paying advertisers. Companies pay to have their brands listed and often work with outsourced review services to flood the platform with overly positive ratings.

Even worse, when a genuine customer submits a poor review, the site may remove it in exchange for a fee, making the aggregate rating artificially inflated. This creates a false sense of security for potential buyers.

SOLUTION:

Instead of relying solely on review platforms, turn to the Better Business Bureau (BBB) and search specifically for one-star reviews. Read through customer testimonials to identify recurring issues, such as poor service or misleading sales.

Don't be fooled by high aggregate scores; focus on the patterns in customer experiences to gain a realistic understanding of the company's performance. On the flip side, if a company has thousands of reviews and an almost perfect score, something doesn't add up. No business operates in perfection.

2. BELIEVING IN CELEBRITY ENDORSEMENTS

Some companies use celebrity endorsements to establish trust and credibility. While it might seem reassuring to see a well-known actor, politician, or influencer backing a precious metals dealer, remember that these endorsements come at a cost. Celebrities are paid handsomely for their appearances, and the millions spent on marketing are often passed on to consumers in the form of inflated product prices.

SOLUTION:

Instead of being swayed by a familiar face, evaluate the company based on its track record, pricing transparency, and customer reviews. A reputable dealer doesn't need a celebrity spokesperson to prove its legitimacy.

3. FALLING FOR URGENCY SELLING TACTICS

High-pressure sales tactics are common in the precious metals market. Salespeople may stress that prices are about to spike or that a particular product is in limited supply, pushing buyers to act hastily without conducting due diligence. This approach creates unnecessary

urgency, leading to decisions buyers may regret.

SOLUTION:

Avoid companies that prioritize aggressive sales pitches over education. Look for dealers who focus on informing their customers about the market, the risks, and the benefits of precious metals investments. A trustworthy company should empower you to make decisions at your own pace rather than rushing you into a transaction.

4. BUYING "EXCLUSIVE" COINS

Exclusive coin series are a clever marketing tactic used by some dealers to maximize profits. These companies commission unique coins, often paying royalties to the mint that produces them. Because there's no standardized market value for these coins, dealers can charge whatever they like, often at a steep markup. Exclusive coins are difficult to value and resell, making them a risky choice for beginners who lack the expertise to navigate the nuances of the market.

SOLUTION:

Stick with well-established, U.S.-minted coins that come with certificates of authenticity and professional grading. Coins like the American Eagle or the Canadian Maple Leaf are widely recognized, making their values easier to verify and their resale potential more reliable.

5. OVERLOOKING THE BUYBACK POLICY

When the time comes to sell your precious metals, the buyback policy of the dealer becomes critical. Unfortunately, many companies either don't offer a buyback program or impose hefty fees for repurchasing the products they've sold. This "double-dipping" practice can significantly reduce your profits.

SOLUTION:

Before making a purchase, ask the dealer about their buyback policy and get it in writing. A good dealer will offer transparent terms for repurchasing products without charging excessive fees. Knowing you have a reliable exit strategy is just as important as the initial investment.

6. IGNORING DELIVERY TURNAROUND TIMES

Market volatility can lead to a rush on gold and silver, causing some dealers to delay delivery by weeks or even months. Waiting an extended period for your investment can be unsettling, particularly during times of market uncertainty when you might need the security of owning physical metals. After all, isn't having the gold in your hand (or in your vault) the whole reason you got into precious metals in the first place?

SOLUTION:

Ask about the dealer's typical delivery times and read reviews to see if there are complaints about delays. A reputable dealer should provide a clear timeline for delivery and adhere to it. They should also lay out what remedies would be available should delivery be delayed.

7. OVERCOMPLICATION AND THE SLEIGHT OF HAND TRICK

The process of buying precious metals should be straightforward, but some dealers intentionally overcomplicate it to confuse buyers. Complex jargon, unnecessary

steps, and vague explanations can overwhelm beginners, making them more likely to rely on the dealer's recommendations, which might not always align with the buyer's best interests.

SOLUTION:

Choose a dealer who communicates clearly and simplifies the process. The goal should be to help you understand your investment, not to overwhelm you with unnecessary details.

8. BEING MISLED BY THE "LOSS-LEADER" OFFER

Unscrupulous dealers sometimes advertise a product at a competitive price only to substitute it with a different, often more expensive item once the sale is underway.

This bait-and-switch tactic leaves buyers with a product they didn't want at a price they didn't agree to.

SOLUTION:

Request a detailed agreement in writing. This document should outline the exact product you're buying, the price, and any additional fees. Having everything in writing protects you from unexpected changes.

FINAL THOUGHTS

Investing in precious metals can be vital to preserving wealth, but it's essential to approach the market with caution. By being aware of these common beginner mistakes, you can make informed decisions and avoid falling prey to unethical practices.

Do your homework: Research dealers thoroughly, pay attention to customer reviews and BBB ratings, but take them with a grain of salt knowing these can sometimes be manipulated or distorted by pay-to-play arrangements with some review sites.

Take your time: Avoid rushing into a purchase. If a salesperson is

pressuring you, you might be talking to the wrong company.

With careful planning and due diligence, you can navigate the precious metals market with confidence, securing a sound investment for your financial future.

GOLD IS A FORM OF SAVINGS

Precious metals like gold and silver are not intended to be traded frequently, as one might with stocks or ETFs in a brokerage account. Instead, they serve as long-term investments designed to bypass the traditional financial system, much like an insurance policy for your wealth. Don't let short-term price fluctuations concern you—focus on their enduring value as a safeguard for your financial future.

“““

Gold & Silver will never make you rich but, it will stop you from being poor.

Kenny Michaels
RADIO HOST OF THE GOLD SHOW

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