




**SD BULLION**  
*The Lowest Price. Period.*

# 2022

## BEGINNERS GUIDE TO GOLD & SILVER







HOLY  
BIBLE

# WHY SHOULD YOU CONSIDER BUYING GOLD?

Historically speaking, gold has always been money. God even mentions gold as early as Genesis 2 in the Bible!



For thousands of years, gold has been used as currency to buy and sell goods. In fact, the United States government used gold to support the US dollar's value until 1971.

In 1971, President Nixon took the United States fully off the Gold Standard. At that time, the US dollar became a “fiat” currency. A fiat currency is simply a currency that has no physical asset behind it. It only derives value from the faith of its holders — people like you and me.

This “disconnection” from gold in 1971 allowed the US government to print and create as many US dollars as it wanted. This type of fiat currency creates a lot of benefits for the federal government and for entities that deal with the federal government. Banks, for example, get a lot of benefit from this setup because it allows them to create as many dollars or loans/mortgages as they want.\* But the federal government benefits the most as it can conjure trillions of dollars out of thin air from the Federal Reserve; like it did during the Covid-19 epidemic.

But this type of currency (fiat) is very bad for the individual. Here's why: for every dollar that is created by the government, the cost of goods and services must rise to reflect the rise in the currency supply.

That is why it is typical to see one of two things happening in grocery stores each year: either the price of goods increase or package sizes decrease. Each scenario reflects the state of the economic environment we are living in today.

In summary, when the US government creates more currency, the cost of everything that currency can purchase must also rise. This is the reason the US dollar has lost 98% of its value since 1970 when compared to gold.

One solution to this real-life problem is gold. Simply put, the federal government can create US dollars out of thin air, but it cannot do the same with gold. Therefore, gold will continue to account for the additional fiat currency by increasing in price year over year, thus preserving the individual's purchasing power.

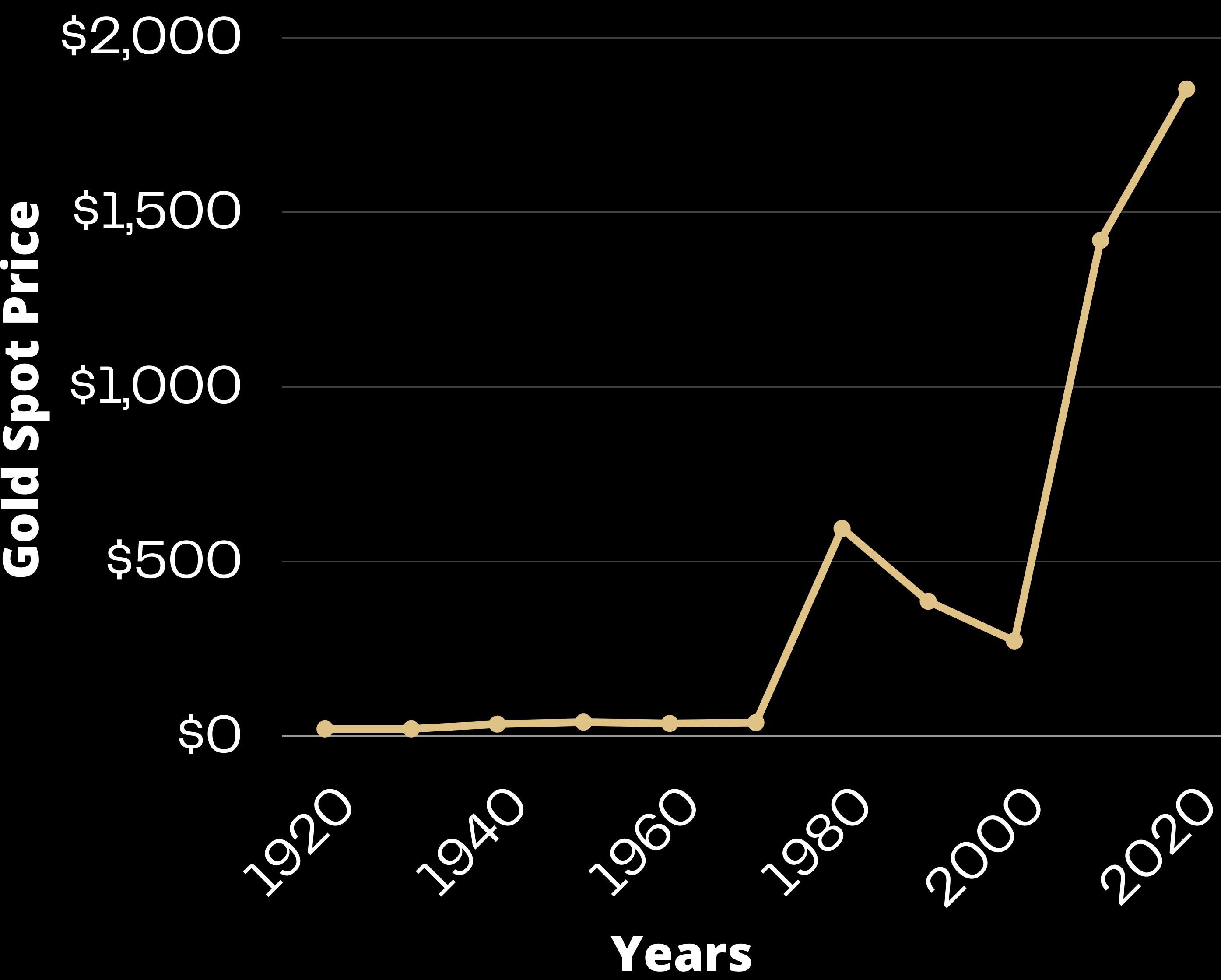




Here’s a great example. In 1920, an ounce of gold cost \$20.67. Today, that same ounce of gold costs around \$1,800.00! Wow. What changed? Not the ounce of gold – an ounce of gold today is the same as an ounce of gold in 1920. The difference is the US government has printed trillions of dollars since 1920, which results in higher prices for everything.

But you already know this right? Of course. A house in 1920 cost pennies compared to a house today. So why is this important?

It is important because if you were alive in 1920 and bought an ounce of gold, you would have retained your purchasing power over the next hundred years. The value of your ounce of gold would have kept up with all the money printing and inflation of the last one hundred years.





Would you believe a house in 2020 could be cheaper than a house in 1970?

Here is an example to illustrate how this is possible. In 1970, the average US house price was **\$23,475**, and the price for one ounce of gold was approximately **\$37.43**. This means it would have cost 627 ounces of gold to buy a house in 1970 ( $\$23,475 / \$37.43$ ).

Let's now look at the same data for 2020. The average US house price was approximately **\$336,950**, and gold closed 2020 at approximately **\$1,853** an ounce. Do the same math and you will find in 2020 it only cost 182 ounces of gold to buy a house.



This is insane to think about. If you held a percentage of your savings in gold from 1970 to 2020, home prices would have dropped for you by approximately 65%! On the other hand, for every individual who was only saving money in US dollars, the price inflation changed from \$23,475 to \$336,950 over the same time. This data is astonishing and makes a great case for gold.



## BULLET POINT RECAP:

- The dollar price of goods and services increases drastically as the US government prints and creates money out of thin air.
- Gold has been used as money for thousands of years and holds purchasing power over the long term against fiat currencies.
- The value of the dollar has lost 98% of its value compared to one ounce of gold.





# WHY SHOULD YOU CONSIDER BUYING SILVER?

Truth is, you should consider buying silver for the same reasons you should consider buying gold. There are just a few minor differences between the two.

The first is that silver is much less expensive. Silver is currently about 70x cheaper than gold. This minimizes the barrier to entry for most would-be investors.





However, the gold to silver ratio has not always been at 70. In other words, it currently takes approximately 70 ounces of silver to buy 1 ounce of gold. Historically, this number has been much lower — in 2011, the gold-to-silver ratio was approximately 38.

Combine this data with historical gold and silver prices, and you will notice gold and silver typically rise and fall together. However, the rises in silver appear to be more dramatic because there is more ground to cover.

This is why silver investing experts believe silver can have a better return on your investment. Hypothetically speaking, if you bought silver at a 70:1 ratio to gold, and the ratio reverts to the 2011 ratio of 38:1, that would represent an implied relative gain for silver of roughly 85%.

Lastly, silver has a much higher industrial demand than gold because it is used in so many manufactured products, such as electronics. Yahoo Finance estimated the need for 500,000,000 million ounces of silver to meet the industrial demand for 2021: “The combined total demand for silver is expected to exceed 1 billion ounces this year, with about half of that coming from industrial demand to manufacture tech with silver components.”

## BULLET POINT RECAP:

- Silver is currently much less expensive than gold.
- Similar to gold, silver holds purchasing power over the long term.
- Silver experts consider silver to be undervalued when compared to gold based on the historical gold-to-silver ratio.
- The dollar has lost 93% of its value compared to one ounce of silver.
- There is strong industrial demand for silver.



# WHICH GOLD AND SILVER SHOULD YOU BUY?

Now that you understand the value of diversifying a portion of your portfolio into gold and silver, let's talk about which gold and silver products you should buy. Luckily, they are the same for both metals!

## How do gold and silver products get their price?

The first thing to understand is how a product derives its price. There are two important numbers to know.



### THE MARKET PRICE

The market price is also known as the spot price. The spot price is equal to one troy ounce of gold or silver. This is a third-party price that is constantly changing much like the stock price of Apple Inc.



### THE PREMIUM PRICE

Unlike shares of Apple Inc., when you purchase gold or silver, you are buying something physical. Gold and silver have to be mined from the earth, processed, and stamped into physical coins and bars. To cover the cost of this production, dealers charge a premium price.

When you add the spot price and the premium price together, you get the total price per product. So if the spot price of silver is \$25, and the premium price is \$3.00, you will pay a total of \$28.00 for the product.



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# HOW TO BUY GOLD OR SILVER

Now that you know the basics of gold and silver pricing, here is the secret to buying gold and silver: find the products with lower premium prices.

You see, dealers do not control the market price, they only control the premium price. Therefore, you want to find quality items with low premium prices. This is the best way for beginners to get started investing in gold and silver.

What are the quality products with low premiums?

Bullion. This is a word you will need to get used to. Products in the gold and silver industry that carry lower premium prices are referred to as 'bullion.'

## HERE ARE THE THREE DIFFERENT TYPES OF BULLION:

### COINS

A precious metal wafer struck in a coin format by a government mint typically stamped with a legal tender face value. For example, the American Silver Eagle Coin has a face value of \$1.00. So technically, you could use it as a \$1.00 bill.

### BARs

A precious metal lump or ingot struck by both government mints and private mints. Typically bars do not carry legal tender face values and cost less per troy ounce than coins.

### ROUNDS

A precious metal wafer struck in a coin/round format by a private mint. Typically rounds cost less per troy ounce than coins.



# OUR RECOMMENDATION FOR NEW INVESTORS?

## AMERICAN EAGLES FROM THE US MINT

The United States Mint has produced the most popular gold and silver products on the planet since 1986. The US Mint produces gold, silver, and even platinum American Eagle coins each year for investors.

These products have competitive premium prices and are very easy to buy and sell. In our opinion, American Eagle coins are the best selection for a first-time investor.



## AMERICAN EAGLE HIGHLIGHTS:

- They are the most popular bullion coins in the world.
- They have competitive premiums.
- American Eagle coins are easy to sell.
- They retain their value better than other bullion products because of their popularity and demand.

Here are some quick links to find American Eagle Coins:

- [American Silver Eagle Coins](#)
- [American Gold Eagle Coins](#)

Once you hold that first ounce of gold or silver in your hand, you will realize why these precious metals have held their value over thousands of years!





# HOW TO BUY GOLD OR SILVER?

Now that you know which products to start with as a first-time investor, the next topic to cover is how to make your first purchase.

Since gold and silver are investments into your long-term holdings, you will want to get the lowest price possible.

To get the lowest price, consider finding an online dealer like SD Bullion that shows transparent pricing directly on the product pages. We also recommend finding a dealer you can trust. You are exchanging your hard-earned money for precious metals, so making sure you can trust the dealer is paramount.

SD Bullion has been rated A+ by the Better Business Bureau for nearly a decade. We have more than 250,000 customers and have assisted them with more than \$2 billion in purchases. These are numbers you can trust and count on.





# HOW TO PAY FOR YOUR GOLD OR SILVER?

This is where you should pay attention. Now that you know what to buy and where to buy, let's discuss the rest of the details.

Online dealers like SD Bullion have a simple checkout flow that is similar to most websites you are familiar with, however, there is a key distinction when you pay for your order.

Because the margins are very small on gold and silver products, dealers offer a variety of payment options with different payment terms. Currently, when you shop online, you type in your credit card number and submit your order, no problem.

But what you may not know is credit card companies, like Visa, charge the merchant a percentage of the sale to collect that credit card payment. These fees from the credit card companies are often higher than the profit margin a gold and silver dealer makes on the product!

Because of this, you will see a percent increase in your order if you elect to pay with a credit card. The same goes for PayPal. The percentage increase helps dealers cover the cost from these credit card and processing companies.

Paying with a credit card is a great option if you want to keep it simple and convenient. Just note, you will be paying a small percentage more for the service.

## THE SUPERHERO OF PAYMENT METHODS?

eCheck — it is convenient without the additional fees. SD Bullion has partnered with Plaid, the service used by Venmo (the mega finance app). With SD Bullion and Plaid, you can link a bank account to your order and allow SD Bullion to debit your bank account to pay for your order. This offers a similar convenience method as credit cards or PayPal without accruing any additional fees.

As a note, there are eight different [payment options](#) for our customers to conveniently choose from. You can choose your payment option on the last page of checkout after you have identified your shipping address.



# WHAT DO I DO WITH MY GOLD AND SILVER?

A very common question for new investors is what to do with their gold and silver once they receive it. After all, these are valuable investments.

Storage options depend on the size of the investment. Most people store their gold or silver at home in a safe or somewhere secure. For some more tips on where to store your metals at home, check out our helpful [video here](#). You can also check out this guide from SD Bullion on [how to safely store bullion](#).



## WHAT IF I DON'T WANT TO KEEP MY METALS AT HOME?

This is another common concern for investors. If you are unsure about the security of storing your metals at home, then you should consider a low-cost depository. A depository is a storage facility specifically designed to house investors' gold and silver. The fees are low, your metal is always insured, and you can take delivery or sell your metal at any time. To learn more about depository services, visit [SD Depository here](#).

## GOLD & SILVER RETIREMENT ACCOUNTS?

Few investors know this, but you can also invest in physical gold and silver with funds from your IRA. You can move a portion of your portfolio into a safe-haven investment like gold. You just need to set up a Self-Directed IRA, which you can learn more about [here](#).



# WHAT TO AVOID WHEN BUYING GOLD AND SILVER

This is a very important section that every new investor should read. We have already touched on the importance of investing through a reliable website, like SD Bullion, that transparently publishes product prices directly on the website.

Unfortunately, many dealers do not publish their prices on their website, and instead offer a phone number to call. This leads us to our first thing to avoid.

## AVOID DEALERS WHO DON'T PUBLISH THEIR PRICES!

These dealers typically want to talk you into purchasing more expensive products with higher premium prices than the products we recommend for new investors.

They will try to get you on the phone to sell you high-margin “collectibles,” and they will tell you such products have a better chance of making money in the future. Unfortunately, these types of dealers are very successful with this tactic and make a lot of money off of it.

This leads us to our second thing to avoid: new investors should not buy “collectible” coins. Instead, we recommend new investors purchase any of the bullion products mentioned above from a reputable online dealer at the lowest price possible. This allows the investor to maximize their investment by getting more gold and silver for the same amount of fiat US dollars invested.





# A TRUE STORY ABOUT DR. JOHN

In 2017, Dr. John called SD Bullion for consulting. Unfortunately, he was not able to read a guide like this before he started investing years prior, during which he fell victim to commission-driven salespeople. The dealer he talked with over the phone sold him \$2,000,000 in “collectible” silver products and led him to believe collectibles would be worth more in the future when compared to bullion.

The reality is that collectible items should not be purchased as an investment strategy for new investors. Instead, collectibles should be purchased by collector experts, for collection purposes.

**In this real-life scenario, Dr. John lost a million dollars on his investment because he got scammed by a phone-only dealer.**

We hope and pray this does not happen to you and your family, which is why our team created this guide for you. Our CEO and Co-Founder is a Christian, and earlier this year, God put it on his heart to do a few things:



**Support Christian radio stations and podcasts.**



**Educate Christians on the value of gold and silver and why it is an important asset class.**



**Help Christians learn how to buy gold and silver so they do not become victims like Dr. John and so many others who have shared their stories with us since starting our business in 2012.**



In August of this year, we started executing this mission, and we hope you will join us. Gold and silver have always been and will always be real money. Unlike a fiat currency, the federal government cannot create more gold and silver into existence. Therefore, gold and silver will forever retain the purchasing power of the individual. We hope this guide has sparked an interest in understanding monetary policy/inflation and how it impacts your long-term savings.

When you are ready to make your first gold or silver purchase, visit us online at [SDBullion.com](http://SDBullion.com) or call us at 1-800-294-8732.

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## ADDITIONAL RESOURCES

[How to Buy Silver - The Ultimate Guide](#)

[How to Buy Gold - The Ultimate Guide](#)

[What Makes Bullion Different?](#)

[Why Bullion Beats Currencies](#)

[Junk Silver FAQs - Everything You Need To Know](#)

## DISCLAIMERS

\*Banks cannot technically create as much currency/loans/mortgages as they want. They do have to have very minimal amounts of actual money on hand to back up the massive amount of currency they have created into the marketplace via loaning funds to businesses and individuals.

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