

Selling Your Gold or Silver Jewelry?

Be Careful and come Educated.

Businesses from in-state and out-of-state have begun aggressively advertising with claims to “pay top prices” for your gold, silver, precious gems and other unwanted coins or jewelry. This can be a good way for you to liquidate jewelry for much needed cash but you should be prepared for the sale in order to avoid losing money from unscrupulous buyers.

First step is to research precious metal prices in the newspaper or internet before you sell. If at all possible, plan to shop several places to get written estimates which detail the value of your items. Don't be shy; tell the buyer you are checking prices and are looking for the best offer. Ask the buyer if they are licensed in the state and whether the scale used for the transaction has been tested and approved by Weights & Measures.

Second step will usually be a test of the metal quality (**the karat system**) that the buyer will perform. This is another reason to shop around because gold does not magically change from 22 karat to 18 karat and this is where you may lose out.

To further complicate things, you may also be quoted a price based on the **Millesimal Fineness System** which defines the purity of metal by parts per thousand. You might be familiar with the terms 999 fine gold (=24 karat) or 750 fine gold (=18 karat). We urge you to research these terms before or after you receive a quote to help compare the offers.

Once the metal quality is determined, the main deciding factor is usually the weight of the material and this is where you need to **be alert to the scale readings**.

- Make sure you can see the scale indications.
- The scale must register zero before any weighing begins. The vendor may use a sheet of tissue paper or a container to hold material to be weighed. The scale must read zero when this empty container is on the scale to ensure accurate measurement of your property.
- Check to make sure the scale is level and on a stable surface. A rocking scale will not read accurately.
- If the scale indication is fluctuating, which may be caused by air currents in the room, ask that they shield the scale until a stable reading is displayed.
- Ask if the scale has been tested and approved by Weights & Measures. Look for a state approval sticker like you see on the grocery store scales. Some gem scales are so small that the sticker is on the bottom.
- Then, ask if the scale weighs in grams, troy ounces, or pennyweights?

Bring your own calculator and use this conversion chart:

- 1 gram = 0.6430149 pennyweights or 0.03215075 troy ounces
- 1 pennyweight = 1.55517384 grams or 0.05 troy ounces
- 1 troy ounce = 31.1034768 grams or 20 pennyweights

If these conversion factors are truncated or used incorrectly, you could receive less money for your property than you are due.

The following are some of the deceptive or illegal practices that dishonest buyers may use to affect the price being offered:

- Failure to show the seller the weight indications on the scale
- Improper rounding of the weight indications
- Using or subtracting an incorrect tare weight for the container holding the material on the scale
- Incorrectly converting between units of measure. (e.g., grams to pennyweights or troy ounces)
- Misrepresenting the precious metal quality (e.g., 18 karat gold vs. 24 karat gold) during the evaluation

Buyers often weigh jewelry with precious or semiprecious stones to determine the total weight of the piece and may offer you “jewelry value”. This practice is legitimate and could be to your advantage for high value jewelry when compared to scrap metal pricing. It is not a legitimate practice to deduct an estimated weight of the stones to determine the total weight for scrap metal pricing.

If you suspect deceptive or illegal practices during the transaction, you are encouraged to notify the Division of Measurement Standards Anchorage office at 907-365-1210.