

How to Calculate the Value of Scrap Gold

With gold climbing to all time highs it may be a good time to clean out your jewelry box full broken chains and old rings. Of course you want the most you can get, and the only way to do that is figure out what you have BEFORE you try to sell it. All the information you need to calculate what your scrap is worth is right here.

GOLD QUALITY OR PURITY

Gold jewelry is made in different purities. You will need to know what karat your gold is. We will use 10k 14k and 18k as our examples on how to calculate the value. *24k is pure gold.*

10K $10 / 24 = .41666$ 10k gold is 41.7% pure gold

14k $14 / 24 = .58333$ 14k gold is 58.3% pure gold

18k $18 / 24 = .750$ 18k gold is 75% pure gold

WEIGH YOUR GOLD

You will need to know how much your gold weighs. Gold is sold and weighed in troy ounces. Jewelers and gold buyers use two different calculations, pennyweights (DWT) and grams (G) The value of your gold will be exactly the same regardless of what weighing method is used. Used Jewelry Buyer LLC uses pennyweights.

Pennyweights (dwt): there are 20 pennyweights in one troy ounce

Grams (g): there are 31.1 grams in one troy ounce

Grams to pennyweight conversion: 1.555 grams per pennyweight

Example: $23.7g / 1.555 = 15.24dwt$

SPOT PRICE OF GOLD

The spot price of gold is the price it is selling for at any given time. Since the spot price is changing constantly you will need to know the current spot price of gold to determine the value of your scrap gold. The current spot gold price is listed in the paper or on the internet but I have it listed right on the home page of this web-site.

On November 2, 2010 one troy ounce of gold traded between \$1349.00 and \$1360.00

CALCULATE THE VALUE OF 14K GOLD

We will use 14k gold as our example on how to calculate actual gold content and its value. The same formula works for 10k and 18k.

Your 14k yellow gold chain weighs 24.2 pennyweights (dwt)

$24.2 \text{ dwt} \times .583\% = 14.1 \text{ pennyweight pure gold}$ (remember, the purity of 14k is 58.3%)

Spot gold price of \$1349.00 / 20 pennyweight per oz. = \$67.45 per pennyweight

$14.1 \text{ dwt} \times \$67.45 = \$951.05$ (the actual pure gold content value of the chain)

So, we have a scrap gold chain that weighs 24.2 pennyweights. It is 14k so there is 58.3% pure gold in the chain. We took 24.2 pennyweights and multiplied it by .583% to get the weight of the pure gold. We come up with 14.1 pennyweights of pure gold. There are 20 pennyweights in one troy ounce. Spot gold is selling for \$1349.00 per troy ounce. We divided \$1349.00 by 20 to get a pure gold value of \$67.45 per pennyweight. We then multiplied 14.1 pennyweights of pure gold times \$67.45 per pennyweight and we get \$951.05.

WHAT CAN I SELL IT FOR

Your scrap gold chain has \$951.05 worth of pure gold. Obviously there is cost associated with refining your gold and operating a business so you will not get the full value of your gold. But if you take your gold to a reputable buyer that strictly specializes in buying gold you should expect to get 80% to 85%. If you are offered less than this it is not a legitimate offer.

DO NOT SELL YOUR GOLD BEFORE YOU KNOW WHAT IT IS WORTH

Why would you. At the price of gold now you may be talking about a lot of money. It is worth a few minutes of your time to do a little homework. There are businesses that will offer you as little as \$150.00 for your old chain. Or businesses like mine that will offer you up to \$800.00. It is worth a little inconvenience or maybe a slightly longer drive to get the most out of your old jewelry.

ASK QUESTIONS

Most people who have gold to sell don't really know the true melt down value of their gold. Using the above calculations gives you that knowledge. My job is to educate you with information so you can make right selling decision.

Call me anytime at (314) 313-5804.

T. Brian Hill