

## Why Should You Invest in Gold?

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With the country's high national debt and the fed printing money as fast as they can, it looks like the United States is well on the way towards a major financial crisis. People worldwide are losing their confidence in the dollar as the world's reserve currency. They can read the same signs we can, and know that if our country continues on the path it's on, the value of the dollar is going to crash.

We are already seeing some disturbing signs of this.

Chase Bank, the country's largest, is limiting cash withdrawals and wire transfers. Other banks are starting to follow suit.

Even though there has been a bull market on Wall Street, many people in the know are starting to move their money elsewhere. They're getting their money out of stocks and into something more secure, while they still can.

Prices are rising all the time, eroding the value of the dollar. While the official inflation rate has held incredibly low, it's clear to anyone that costs are going up. The only reason that the official inflation rate is staying low is that the government isn't including food and fuel, the two areas that are increasing in cost the fastest. The true inflation rate is much higher than being reported, running about 10 percent, rather than the 1.5 percent that we're being told.

More and more, it appears that our country is on the brink of a cliff, waiting for our financial future to fall off the edge. The question isn't if it will happen, but when it will happen and how bad will it be when it gets here.



The idea of printing money to keep the official inflation rate down and the stock market up isn't a new one.

The United States isn't the first country which has tried it.

History shows however, that every country that does it ends up with runaway inflation when they stop. It happened in the Wiemar Republic in Germany, in Argentina and in Greece.

There's no reason to believe that it won't happen here in the United States; and when it happens, there will be nobody to bail us out.

We are in a position right now where holding onto money, saving for a rainy day, means we are losing value. If true inflation is 10%, there are very few investments which can keep up with it. Even the best

mutual funds barely make 10% per year, meaning that they can just barely keep up with inflation, not help you beat it.

So, what can we do? Where can we put our reserve money, so that we will have it available for retirement or an emergency? How can we save in such a way that we will not be losing money, but rather making money?

### The Only Safe Investment

Whenever the value of money goes down, there are a few things that actually go up in value. The most obvious of these is precious metals. Gold has been over \$1,500 an ounce for a long time. Silver has been following it. As the value of the dollar goes down, driven there by inflation, we can be sure that the value of gold and silver will go up.

While the dollar is not officially pegged to the value of gold anymore, there is no way to eliminate gold as the standard that all value is compared to. That's why the value of gold has been going up.

It's not that gold is really any more valuable than it was before, but rather the dollar is that much less valuable than it was. An ounce of gold is still an ounce of gold. But where you only needed \$30 to buy that ounce of gold in 1933, today you need \$1,500.

As we enter into the hyper-inflationary cycle that is coming soon, we will see the price of gold and silver skyrocket. It will become the only true measure of value that means anything, as the value of the dollar drops month by month. Those who have gold will come out on top.

### Other Things to Consider

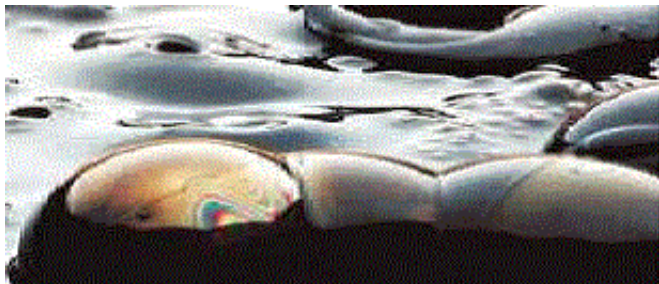
Besides precious metals, there are a few other things to consider. The housing market is still very low. It's probably gone as low as it is going to. Historically, real estate has been the most secure investment there is, other than precious metals. While the housing crash of 2008 has destroyed many people's life's savings, it is not likely to be repeated. That crash was a bubble popping and it has left us with no bubble left in property values.

The only problem with buying real estate is that you usually don't own it; the bank does. You own a mortgage and they hold lien on your property until you pay it off. If you can't pay it off, you lose the property to the bank.

So the only way to hold property as a hedge against inflation is if you own the property outright. This would be a bad time to buy any property on credit, simply because there is no guarantee that you could pay it off. On the other hand, if you could buy property and pay cash for it, you would have something of value, when the value of the dollar goes down.

One final thing to consider investing in is survival supplies. While that doesn't really sound like an investment; when hyperinflation hits, those supplies may be hard to come by.

Simple things like food and toilet paper will go up in cost as well, making it harder to buy what you need. That makes it a rather important investment in your family's future.



**This Could Cause The Most  
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This article has been written by Bill White for [Survivopedia](#).

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