

Gold vs. silver investing: Which is better when interest rates are cut?

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Gold and silver are both precious metal assets worth investing in, but one could be a better bet right now.

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Until recently, inflation had been high in the U.S. That, in turn, helped to drive many consumers to safe-haven investments like gold, silver and other precious metals.

These precious metals are often considered a hedge against the declining dollar and a smart safeguard of wealth, which is why investors tend to flock to them during times of economic turmoil. But today, inflation is finally close to the 2% target rate, and the Federal Reserve has begun cutting its benchmark rate as a result.

Does that mean gold and silver are still wise investments? And if so, which one is best for your money? Here's what experts have to say.

[Learn more about your gold investing options now.](#)

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When gold investing is better as interest rates are cut

Both gold and silver can be smart investments right now, pros say, but the right metal depends on your goals and budget.

"Both precious metals are used as hedges during periods of lower interest rates and periods of economic instability such as recessions, and both have performed well over these times," Christopher Mediate, president of Mediate

Financial, says.

But if [diversifying your portfolio](#) is your key goal — protecting yourself against dips in other asset classes — gold is often your best bet.

"Gold might make sense for conservative investors or even retirees who are looking for an uncorrelated asset and want to diversify away from stock and bond markets," says Ben Nadelstein, head of content for Monetary Metals. "Gold is uncorrelated with traditional asset classes like stocks or bonds, which can help smooth out the returns of a portfolio and reduce exposure to market swings."

If you fear a recession or other economic troubles may be coming on, gold can also be a good choice. Right now, JP Mortgage Research puts [the probability of a recession](#) by the end of 2025 at 45%.

"It would make sense for investors that want safe haven assets to ride out economic uncertainty," Mediate says. "It's an asset that has withstood the test of time — especially during recessionary and interest rate cut cycles."

[Add gold to your investment portfolio today.](#)

When silver investing is better as interest rates are cut

If you're looking for something that will potentially offer more growth than gold — and are willing to take on a bumpier ride — silver would be the right option right now.

"Silver has had a more muted reaction to Fed cuts so far, which could mean more upside potential," Nadelstein says. "It's a more volatile investment than gold and could be a better option for investors willing to endure more swings in exchange for greater potential price appreciation."

Essentially, the price of silver could go further, experts say, which could mean more returns in the long haul.

"Silver has a lot of catching up to do in price to gold, as gold is at all new highs and silver is way off," says Mike Chadwick, president of Fiscal Wisdom Wealth Management. "Silver is usually late and runs harder long term, so silver has a lot more torque than gold."

Silver can also be a good option if you're simply [on a tight budget](#) and have less capital to work with.

"As gold becomes more expensive, silver might also attract buyers who are getting priced out of the gold market," Nadelstein explains.

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The bottom line

Both silver and gold can be wise investments right now as the Fed adjusts its policy. The right choice depends on your goals as an investor, though, as well as your budget.

"I'd consider gold a more mature investment and silver a more adrenaline-based investment," Chadwick says.

If you're not sure which to invest in — or how much to buy, talk to a financial advisor or investment professional. They can help you make the best decisions for your individual portfolio, as well as help you pick the right vehicle for your investment, whether that's a [gold IRA](#), [silver IRA](#), [physical bars and coins](#), gold ETFs or another type of gold asset.