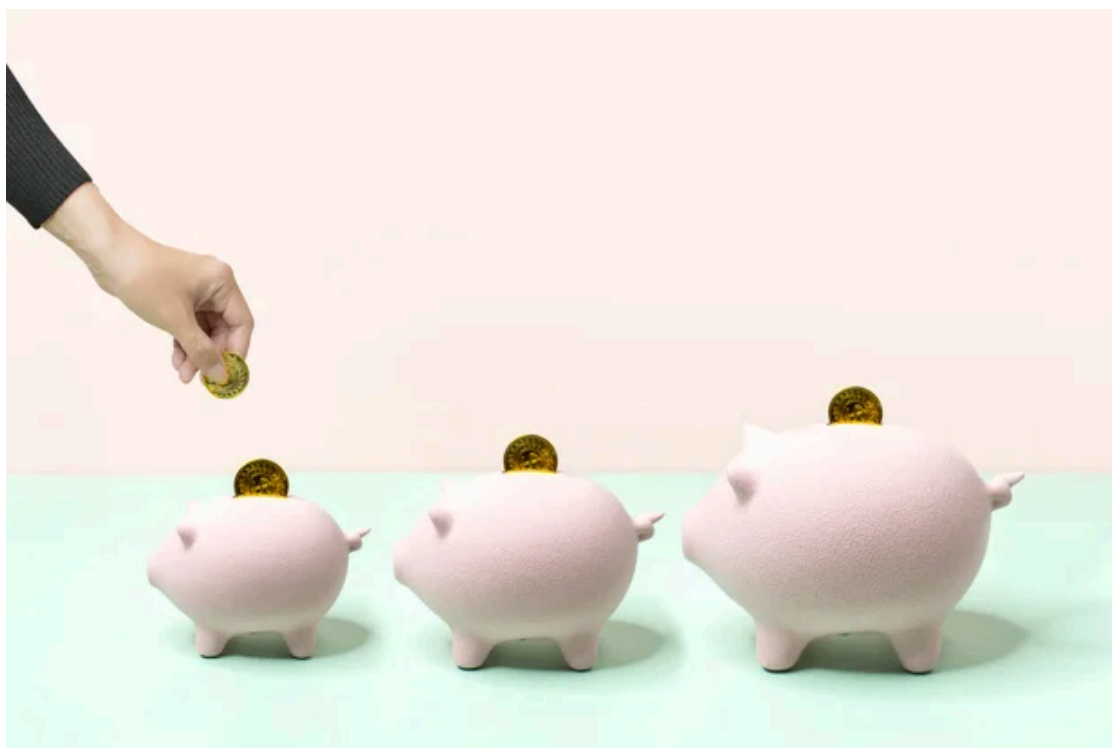


# Should gold investors add more to their portfolio as the price rises?

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Adding more gold to your portfolio could make a lot of sense, experts say, even with the price elevated.

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This has been gold's year. The precious metal has been on a tear in recent months, outperforming many other asset classes by a landslide. Case in point: Forecasts project stock market gains of about 9.3% for the year. Meanwhile, gold prices have jumped by over a whopping 35% since the start of 2024 alone.

The reasons for the yellow metal's performance are many — high (but now cooling) inflation, geopolitical tensions and economic uncertainty as we head into a new presidential administration among them. But does it still make sense to keep investing in gold with prices up so much? And should you consider adding some to your portfolio as we close out the metal's record-breaking year?

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## Should gold investors add more to their portfolio as the price rises?

Here's what experts have to say.

### **Yes: Prices could keep climbing**

Experts say buying in — even despite gold's currently high price — is worth it right now since gold prices could very well keep rising.

"Nobody knows where gold prices will go next, though we argue that it's a bull market again," says Keith Weiner, CEO of Monetary Metals. "Investors who wait are risking being priced out of owning gold."

Another thing to think about is your investing goals. If having some gold in your portfolio to diversify and protect against losses in other asset classes is important, you might find that hard if prices rise too much.

As Weiner puts it, it could be "challenging to accumulate enough ounces for meaningful diversification or income generation."

Start adding gold to your investment portfolio now.

## **Yes: It can safeguard you in a recession**

With the Federal Reserve making policy moves and a change to the presidential administration, there's a lot of economic uncertainty in the country. According to research, there's a good chance of a recession, too. (The chances of a recession by the end of 2025 are estimated at 45% currently.)

Gold can be a smart way to protect your wealth in a recession and ensure it retains its long-term value.

"Gold does well in times of chaos, fear, political turmoil, wars and inflation," says Mike Chadwick, president of Fiscal Wisdom Wealth Management.

How much should you buy to protect against a potential recession, though? Eric Elkins, CEO of Double E Financial Solutions, says somewhere between 5% to 20% of your portfolio is smart — though some other experts suggest limiting your gold allocation to 10% or less.

"Gold has been a consistent overachiever during recessions," he recently told CBS Moneywatch.

## **Yes: You can monetize it now**

Finally, buying gold today allows you to start benefitting from that investment. As Weiner puts it, "The sooner you buy gold, the sooner you can put it to work."

That can mean earning returns as the price of gold rises, or leasing or lending it out, as Weiner's company offers.

"The opportunity cost of missing out on earning a yield could outweigh any potential benefit from a slightly lower entry price," Weiner says. "In other words, the cost of waiting might be greater than the savings on the price of entry."

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## **The bottom line**

If you're ready to invest in gold, there are many ways to do it. You can buy physical gold bars and coins, buy gold stocks and ETFs, or open a gold IRA (just make sure you compare gold IRA companies first). If you're not sure of the best route to take, talk to an investing professional. They can point you in the right direction.