
Advantages of Silver over Gold

1. GREATER GROWTH POTENTIAL



The price of silver is cheaper and more affordable than gold. According to Ted Butler, renowned silver analyst, in July 2011, in terms of prices and with the amount of gold and silver bullion inventories in the world, there is more than 120 times more gold than silver in the world. The overall silver market is much smaller and it takes a lot more money to move the gold market than the silver market. A small change in the price of silver can make a greater impact. This is one reason why silver is more volatile than gold. The historical gold to silver price ratio is 15:1, which meant that one troy ounce of gold would buy 15 troy ounces of silver. We are far from this normal ratio. The current high ratio leads one to believe that silver will likely continue to outperform gold.

2. INDUSTRIAL METAL

Silver has over 3,000 industrial uses. Industrial uses, jewelry, silverware, and photography represent 95 percent of the annual silver consumption. Some of the many uses of silver are in electronic components like circuit boards, switches, and TV screens because of its electrical conductivity. Medical supplies like bandages and biocides use silver because of its incredible anti-bacterial properties. Further uses, which incorporate silver, consist of photography, jewelry, clothing, refrigerators, mobile phones, computers, washing machines, vacuum cleaners, keyboards, counter tops and furniture handles. Additional uses of silver continue emerging. As countries like China and India become more industrialized, the demand for silver keeps growing. Silver is a highly desirable industrial component with no viable substitutes. Much of the silver in the world has been used up and lies unrecoverable in a landfill while most of the mined gold remains available. Manufacturers utilize silver for consumers, while investors and governments hoard and store gold.



3. PRICE

Silver is known as the poor man's gold. Silver costs far less to purchase than gold. More people in the world can afford silver over gold, and can acquire a greater store of silver because of the lower price.

4. SILVER COINS NEVER SEIZED BY GOVERNMENT

In 1934, President Franklin D. Roosevelt required under Executive Order 6814 that specific silver be delivered to the U.S. mint for the purpose of silver coinage. However, both domestic and foreign silver coins were an exception to this order. This brings up the issue of whether silver rounds and bars were affected under the Executive Order 6814. The government officially mints coins, which represent legal tender. Private mints produce rounds, which do not constitute legal tender. Follow the link below to read more on this subject and draw your own conclusions.

www.presidency.ucsb.edu/ws/index.php?pid=14741#axzz1TFLzuMRF

5. LESS AVAILABLE

More silver is produced and mined each year than gold. However, after subtracting the industrial and fabrication uses, the amount of silver left for investment is greatly reduced. The government has no silver stockpiles to unload. They are buying silver to manufacture and sell silver coins.

More gold is available above ground than silver due to silver industrial usage. The amount of silver reserves in the world is far less than gold reserves. Many experts are concerned that mine production and secondary recovery processes will not sustain the growing demand for silver. US



government geological surveys show that silver will be the first precious metal to be depleted from the earth (before gold) estimated to occur in the year 2020. This estimate includes current industrial demand, but does not consider growth. Some experts predict a silver shortage will occur. Even without the event of a shortage, silver represents an attractive investment.

6. BARTERING INSTRUMENT

Silver is the best precious metal to barter with since gold is too expensive for common daily transactions. Investors and government use gold primarily in large bank-to-bank or nation-to-nation dealings. Bartering is a method of exchange by which goods or services are exchanged for other goods and services without using a medium of exchange like money. In times of monetary crisis, such as unstable currency or hyperinflation, barter can replace money as a means of exchange. The lower prices of silver make it the ideal metal for barter.