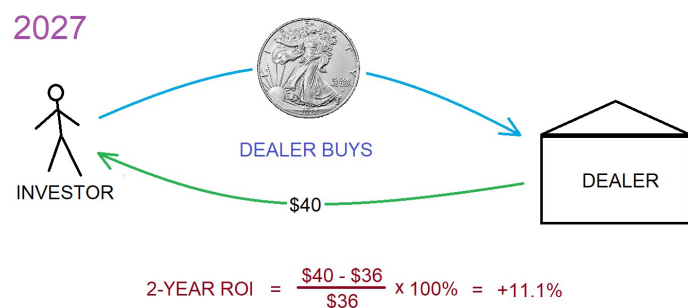
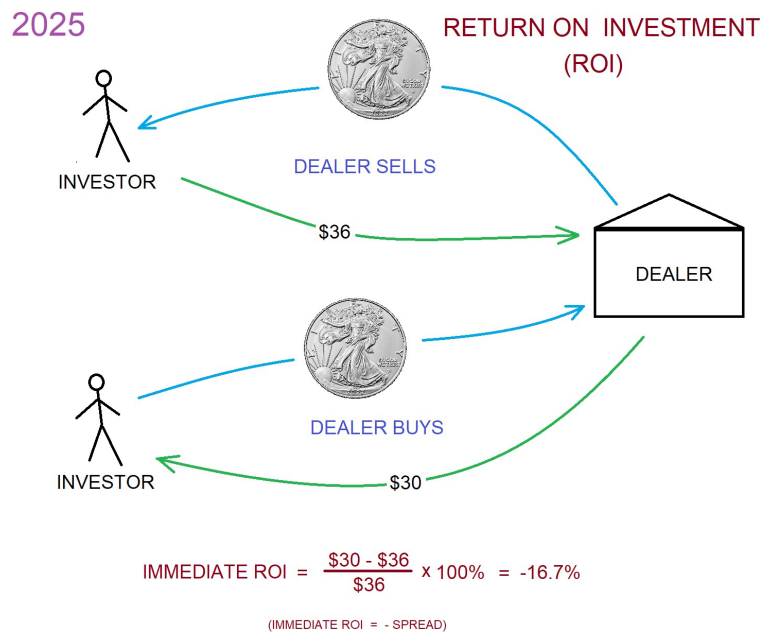


Return on Investment, Fees, Spot Price, Premium, and Spread

Here are important numbers for precious metal investors.

Return on Investment

$$\text{Return on Investment (ROI)} = \frac{\text{Final Value} - \text{Initial Value}}{\text{Initial Value}} \times 100\%$$



Fees

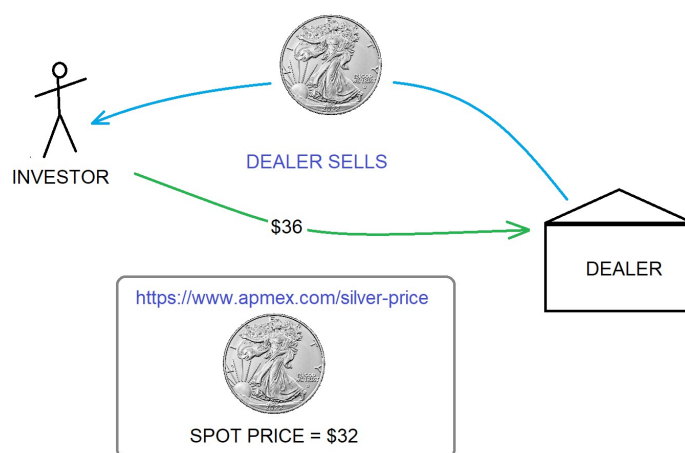
The mint charges a fee. The dealer charges a fee. The depository charges a fee. Nobody works for free.

Spot Price

Spot price, also called melt price, is the price of the metal itself, ignoring all other features. Spot price fluctuates and is published on many websites, for example: www.apmex.com/silver-price.

Premium

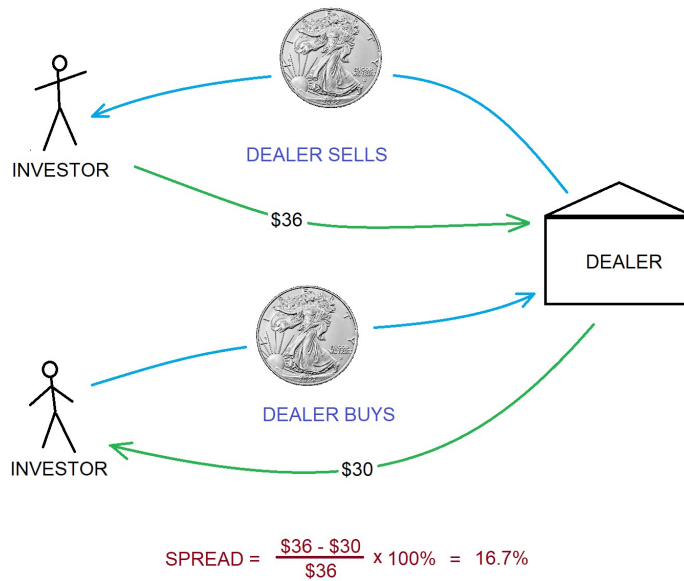
$$\text{Premium} = \frac{\text{Dealer Sell Price} - \text{Spot Price}}{\text{Spot Price}} \times 100\%$$



$$\text{PREMIUM} = \frac{\$36 - \$32}{\$32} \times 100\% = 12.5\%$$

Spread

$$\text{Spread} = \frac{\text{Dealer Sell Price} - \text{Dealer Buy Price}}{\text{Dealer Sell Price}} \times 100\%$$



Why are these important? Common advice is to avoid:

- low return on investment
- high fees
- high premiums
- large spread

TrustPilot Customer Review

“I sent them \$100,000.00 and now I have a silver IRA account worth less than \$40,000.00. What they neglected to tell me was that I was buying \$20.00 coins for \$70.00 each!”

<https://www.trustpilot.com/users/6619a28dfc6ed600122c2ea8>

$$\text{Return on Investment (ROI)} = \frac{\$40,000 - \$100,000}{\$100,000} \times 100\% = -60\%$$

$$\text{Premium} = \frac{\$70 - \$20}{\$20} \times 100\% = 250\%$$

$$\text{Spread} = \frac{\$70 - ?}{\$70} \times 100\% = ?\%$$

TechTarget.com

"Return on investment (ROI) is a crucial financial metric investors and businesses use to evaluate an investment's efficiency or compare the efficiencies of several different investments."

<https://www.techtarget.com/searchcio/definitions/R>

agicap.com

"ROI is an important metric for investors as it helps them to evaluate the profitability of an investment and make informed decisions about where to allocate their resources."

<https://agicap.com/en/glossary/roi-definition-return-on-investment/>

callrail.com

"Return on investment, better known as ROI, is a key performance indicator (KPI) that's often used by businesses to determine profitability of an expenditure."

<https://www.callrail.com/blog/importance-of-roi-why-it-matters-for-all-businesses>

National Institutes of Health

"Return on investment (ROI) is a ratio that has come into increasing use over recent years. ROI indicates how much economic benefit is derived from a program in relation to its costs. This ratio, calculated to demonstrate how relevant investments are..."

<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4929139/>

Nurse Educator

"Return on Investment

An Essential Economics Measure in Higher Education"

https://journals.lww.com/nurseeducatoronline/abstract/2014/03000/return_on_investment__an_essential_economics.1.aspx

GlobalBullionSuppliers.com

“...Investing in bullion is precisely that — an investment, which means the primary goal is to maximize your return on investment.

...

But it’s important to have a basic understanding of the costs, fees, how the investment makes money, and how well an investment fits your risk tolerance and financial goals.

...

Premium

A premium refers to the amount of money paid for a bullion product that is above the spot price. A premium is almost always added to the spot price to cover manufacturing, shipping and supply fees. Dealers should always be transparent about their premiums.

...

Spread

The spread is the difference between the selling and buying price of a commodity."

<https://globalbullionsuppliers.com/en-us/blogs/blog/bullion-terminology-you-should-know-before-investing>

Commodity Futures Trading Commission

“First, convert the spot price to the equivalent weight of the coins you are comparing, then use this formula:

$$(\text{Sales price} - \text{Spot price}) / \text{Spot price} \times 100 = \text{Premium}\%$$

https://www.cftc.gov/LearnAndProtect/AdvisoriesAndArticles/CustomerAdvisory_COVID19PreciousMetals.htm

Gainesville Coins

“A fair premium for silver bars is typically 5% to 8%, while silver coins usually trade for 12% to 20% premiums above spot. “

<https://www.gainesvillecoins.com/blog/why-you-cant-buy-silver-at-spot-price>



<https://www.gainesvillecoins.com/blog/why-you-cant-buy-silver-at-spot-price>



Search

So, What's A Fair Price for Silver? And Where Should You Buy It?

What is a reasonable premium over spot for silver? The answers to these questions depend on what you're buying. Silver bars carry the lowest premium, followed by silver rounds. Silver coins generally have the highest premiums. Quantity also counts. Usually, you see lower premiums on bulk orders. Bulk usually meaning something north of 10 ounces (or units), and typically closer to 100 ounces (or units) and up.

A fair premium for [silver bars](#) is typically 5% to 8%, while silver coins usually trade for 12% to 20% premiums above spot. Silver rounds register in between those premium points. Prices can be higher or lower depending on the mint that produced the round and its popularity in the marketplace.

Perth Mint: Eight Questions

"Eight questions to ask before investing in gold

...

2. How is gold priced?

'Spot' is the current price in the marketplace at which 1oz of gold can be bought or sold for immediate delivery.

... a premium is charged over the spot price by manufacturers and suppliers of bullion to cover operating, fabricating, storing, transporting and other costs. Subtracting the spot price at the time of purchase from the retail price reveals the premium they charge. This transparency of pricing is key for retail investors."

<https://www.perthmint.com/news/investor/investor-knowledge/eight-questions-to-ask-before-investing-in-gold/>

 THE PERTH MINT
AUSTRALIA

Eight questions to ask before investing in gold

Sep 13, 2023

2. How is gold priced?

'Spot' is the current price in the marketplace at which 1oz of gold can be bought or sold for immediate delivery. Gold is a liquid asset, ranking at levels comparable to many global stock markets. While the spot price is generally quoted in the media, it is only a reflection of the price investors can expect to pay as a retail investor. This is because a premium is charged over the spot price by manufacturers and suppliers of bullion to cover operating, fabricating, storing, transporting and other costs. Subtracting the spot price at the time of purchase from the retail price reveals the premium they charge. This transparency of pricing is key for retail investors.

JMBullion.com

The spot price is the baseline cost, and the premium is the additional amount charged above that.

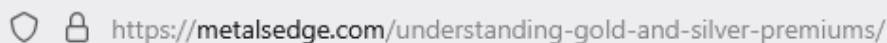
<https://www.jmbullion.com/investing-guide/bullion/what-is-premium-over-spot/>

MetalsEdge.com

“What is a reasonable premium for silver?”

A “reasonable” premium for silver can vary depending on market conditions, the type of product you’re buying, and where you’re buying it from. However, as a general guideline, a premium of 15-20% over the spot prices are often considered reasonable for silver bullion coin.”

<https://metalsedge.com/understanding-gold-and-silver-premiums/>



What is a reasonable premium for silver?

A “reasonable” premium for silver can vary depending on market conditions, the type of product you’re buying, and where you’re buying it from. However, as a general guideline, a premium of 15–20% over the spot prices are often considered reasonable for silver bullion coin.

For bars, the premium might be slightly lower, around 10–15%. Keep in mind that these are just general figures; premiums can fluctuate based on supply and demand, among other factors.

United States Mint

“American Eagle Silver Bullion

United States Mint Authorized Purchasers are charged the LBMA Silver Price plus a \$3.05 per coin premium.

Minimum ordering requirement: 25,000 ounces”

<https://www.usmint.gov/coins-precious-metal-coins/becoming-an-authorized-bullion-purchaser/>

Perth Mint Numismatic vs. Bullion

"How do our numismatic coins differ from our bullion coins?

Jun 1, 2023

In broad terms, The Perth Mint manufactures and markets precious metal coins for two purposes.

What we often refer to as ‘numismatic’ pieces are crafted for collecting, whereas our ‘bullion’ coins are manufactured with investing in mind.

...

Issue price

The issue price (that is the Mint’s asking price for any new coin) is based on the value of the piece’s precious gold, silver, or platinum.

For every numismatic release, the issue price includes a premium to cover the cost of the complex and labour-intensive production, as well as presentation packaging and a certificate of authenticity - elements that add to its allure as a rare and beautiful collectable.

With these factors accounted for, the issue price of a low mintage numismatic coin is generally a set retail price on release, though sometimes changes to this are necessary. Even if the coin is headed for a rapid sell out at the Mint, there can be no question of raising the price to try and balance supply and demand.

By comparison, the production premium for bullion coins made in large numbers is lower. An acrylic capsule to protect each coin also reduces packaging costs. As a result, the issue price of each bullion piece is close to ‘spot’ – the prevailing price paid by traders in professional markets.

..."

<https://www.perthmint.com/news/collector/coin-collecting/how-do-our-numismatic-coins-differ-from-our-bullion-coins/>

GoldIRASecrets.com

You don’t pay a premium because they’re “rare” or “collectible.” When you pay significantly above spot price for any coin, bar, or round, you are getting away from your “safe bet,” and making a very different one:

You’re betting that you’ll be able to find another sucker down the road who will pay way over spot just like you did. You’ll be able to get the current spot price, sure. Or very close to it, considering reasonable buy/sell spreads from reputable dealers. But if you paid a big markup, it’s much more difficult to recover that markup in the future.

<https://goldirasecrets.com/precious-metals/premium-coins-precious-metals-ira/>

Wisconsin Department of Financial Institutions

"Investor Alert: Beware of Precious Metals Schemes Designed to Drain Retirement Savings

...

How Investors Can Protect Their Retirement Savings:

...

Compare premiums and fees. Start by knowing the daily spot price of the metal and comparing premiums."

<https://dfi.wi.gov/Pages/About/NewsEvents/NewsReleases/20230516InvestorAlertPreciousMetalsSchemes.aspx>



State of Wisconsin

Department of Financial Institutions

News Release

For Immediate Release: May 16, 2023

Investor Alert: Beware of Precious Metals Schemes Designed to Drain Retirement Savings

MADISON, Wis. – The [Wisconsin Department of Financial Institutions \(DFI\)](#) today warned Wisconsin investors to beware of precious metals schemes designed to drain retirement savings.

Investing in semi-numismatic or atypical precious metals could cause the investor to lose a significant portion of their funds immediately upon completing the transaction, especially if the firm is marking up the coins at exorbitant rates without prior disclosure. For example, Metals.com charged investors prices for gold or silver bullion averaging from 100% to more than 300% of the melt value or spot price of that gold or silver bullion. In many cases, the actual market value of the precious metals sold to investors was substantially lower than the value of the securities and other retirement savings investors had liquidated to fund their purchase.

How Investors Can Protect Their Retirement Savings:

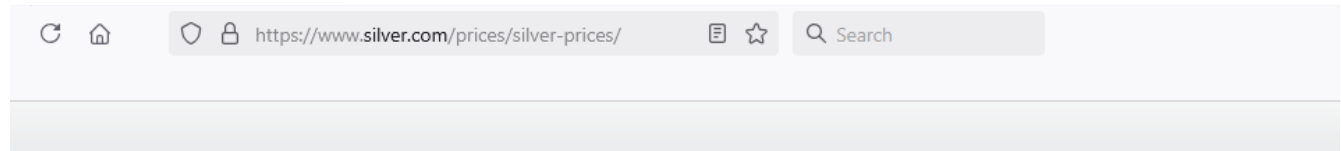
- Ask the precious metals dealer directly how they are paid for their services, what are their qualifications and how their products meet your financial needs (get their response in writing);
- Independently verify from a reputable source the value of the precious metals to be purchased;
- Get a second opinion about the benefits and risks of adding precious metals to your portfolio;
- Check the background of the firm and the representatives offering to sell precious metals;
- Compare premiums and fees. Start by knowing the daily spot price of the metal and comparing premiums. Spot prices are quoted in troy ounces, or about 31.1 grams. First, convert the spot price to the equivalent weight of the coins you are comparing, then use this formula: subtract the spot price from the sales price. Divide that number by the spot price, then multiply by 100 to determine the premium percentage you'll be charged.

Silver.com

“What is the spread on silver prices?”

The spread on silver prices is the difference between what a dealer will buy silver for and what they will sell silver for.”

<https://www.silver.com/prices/silver-prices/>



What exactly does the spot silver price quote?

The spot silver price reflects the current price for one troy ounce of .999 fine silver.

Do silver dealers charge a premium over spot?

Yes. A precious metals dealer will charge a premium over the spot price for various silver bullion products. This premium over spot represents the dealer's gross profit margin. Dealers must, however, then subtract various overhead costs to determine their *net* profit.

What is the spread on silver prices?

The spread on silver prices is the difference between what a dealer will buy silver for and what they will sell silver for. For example, if spot silver is currently priced at \$17 per ounce, a silver dealer may list a basic silver round for sale at \$17.80. That same dealer may also list an offer to purchase the same silver round for \$16.50. The difference between the buy price and the sell price is the dealer's gross profit.

“Spread refers to the difference between the buying and selling price of a commodity, such as gold or silver. Understanding spread is important for investors who want to make informed decisions when buying or selling gold and silver.”

<https://tavexbullion.co.uk/spread-in-gold-and-silver-dealing-what-you-need-to-know/>

Spread refers to the difference between the buying and selling price of a commodity, such as gold or silver. Understanding spread is important for investors who want to make informed decisions when buying or selling gold and silver.

Step 1: Determine the Bid and Ask Prices

The first step in understanding spread is to determine the bid and ask prices of the commodity you are interested in. The bid price is the highest price a buyer is willing to pay for a commodity, while the ask price is the lowest price a seller is willing to accept. The difference between the bid and ask prices is known as the spread.

“ *The difference between the bid and ask prices is known as the spread.* ”

Step 2: Compare Spreads

It is important to compare the spreads charged by different dealers for the same product. This will allow you to find the best deal and get the most for your money. Keep in mind that the

“Silver trading spreads

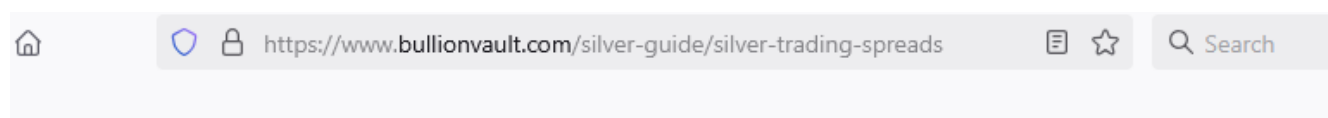
...

But in retail markets this dynamic disappears, and the difference between the buying and selling price, known as the ‘spread’ becomes large, while very often remaining hidden.

...

A wide spread is the key component of lost value for the retail customer who buys and sells silver coins.”

<https://www.bullionvault.com/silver-guide/silver-trading-spreads>



Silver trading spreads

Although few customers think to ask, when they transact silver coins with a dealer there should be two prices; both a higher buying price and a lower selling price. The trader makes money by buying from a selling customer at the lower price and selling to a buying customer at the higher price.

In professional markets, the customer will always ask for both prices at the same time – before the dealer knows if they are buying or selling. This forces the dealer to keep the two prices competitive (i.e. close to each other) if they are to win any business.

But in retail markets this dynamic disappears, and the difference between the buying and selling price, known as the ‘spread’ becomes large, while very often remaining hidden.

‘Commission free’ is not helpful if the hidden spread costs many times what an openly declared commission would cost. A wide spread is the key component of lost value for the retail customer who buys and sells silver coins.

Please Note: This analysis is published to inform your thinking, not lead it. Previous price trends are no guarantee of future performance. Before investing in any asset, you should seek financial advice if unsure about its suitability to your personal circumstances.

CFTC Customer Advisory

“Customer Advisory: 10 Things to Ask Before Buying Physical Gold, Silver, or Other Metals

...

Before you consider rolling over your retirement plan to a gold or silver IRA, here are 10 questions you should ask:

...

6. What is the spread? ”

<https://www.cftc.gov/LearnAndProtect/AdvisoriesAndArticles/Metals10Things.html>

 <https://www.cftc.gov/LearnAndProtect/AdvisoriesAndArticles/Metals10Things.html>  



Customer Advisory: 10 Things to Ask Before Buying Physical Gold, Silver, or Other Metals

The Commodities Futures Trading Commission (CFTC) and the Financial Industry Regulatory Authority (FINRA) are jointly issuing this Investor Bulletin to make investors aware of frauds involving investments in physical precious metals, in particular those involving self-directed individual retirement accounts (SDIRAs).^[1]

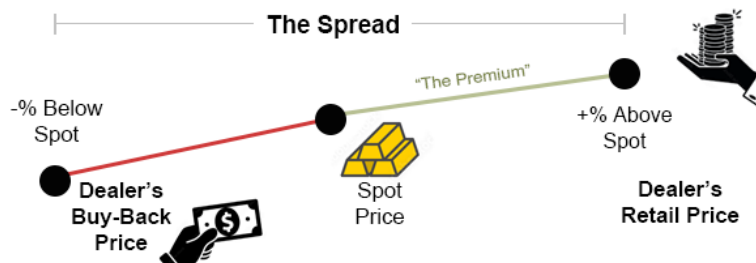
Gold or silver IRA frauds frequently target older workers and retirees because they typically have more money saved in their qualified retirement accounts than younger people. Those in or near retirement also commonly seek safe places to keep their wealth, to ensure they will have money well into the future or possibly to pass on to heirs.

However, precious metals prices can fluctuate just like other investments, and frauds that oversell safety, overinflate the price of metals, and overcharge fees and commissions rob older adults of their retirement nest eggs at a point in life when they might be unable to return to work or otherwise support themselves. Over the past decade, the CFTC has charged numerous companies with selling overpriced precious metals to customers, for an alleged total of more than \$500 million in fraudulent sales.

Before you consider rolling over your retirement plan to a gold or silver IRA, here are 10 questions you should ask:

6. What is the spread?

A dealer will always sell metal above the spot price and buy it back below the spot price. The difference between the dealer's buy and sell price is known as the dealer's spread. Each dealer sets its own spread, so it pays to shop around. Some fraudulent dealers have charged spreads of more than 300 percent while others dealers may charge less than 20 percent.



The greater the spread and other transaction or ongoing costs, the more the spot price would have to rise for you to make a profit. If the spread is too high, as in most frauds, it's impossible for buyers to ever profit. In one case, a customer rolled over a \$300,000 IRA, and the dealer allegedly took \$150,000 in fees and commissions

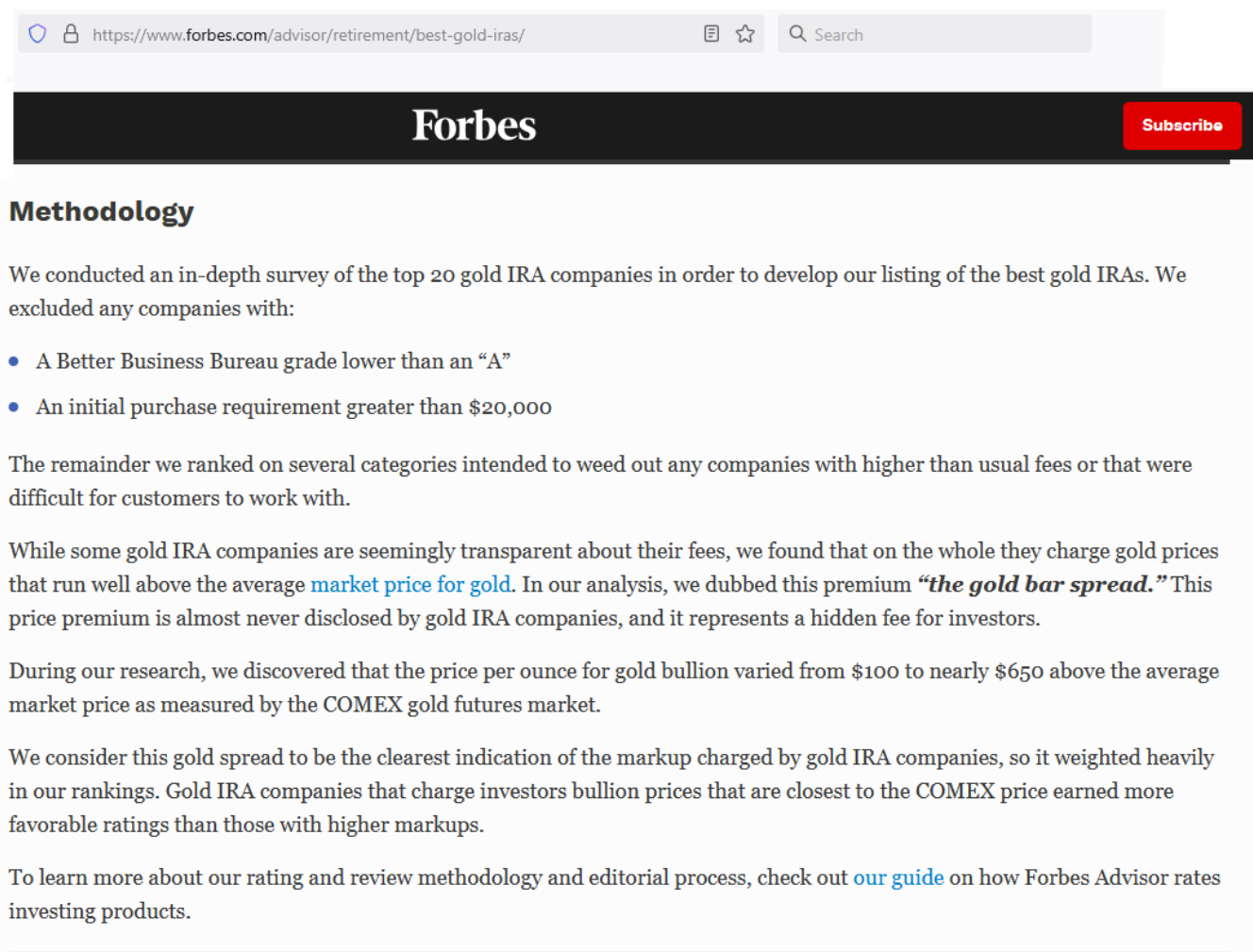
Forbes “Gold Bar Spread”

"While some gold IRA companies are seemingly transparent about their fees, we found that on the whole they charge gold prices that run well above the average market price for gold. In our analysis, we dubbed this premium “the gold bar spread.”

....

We consider this gold spread to be the clearest indication of the markup charged by gold IRA companies, so it weighted heavily in our rankings."

<https://www.forbes.com/advisor/retirement/best-gold-iras/> (saved 3 July 2025)



The screenshot shows the Forbes Advisor website. At the top, there is a navigation bar with the Forbes logo and a red 'Subscribe' button. Below the navigation bar, the page title 'Methodology' is displayed. The main content area contains several paragraphs and a bulleted list. The first paragraph states that an in-depth survey of the top 20 gold IRA companies was conducted to develop the listing of the best gold IRAs, and that any companies excluded were those with a Better Business Bureau grade lower than an 'A' or an initial purchase requirement greater than \$20,000. The second paragraph explains that the remainder of the companies were ranked on several categories intended to weed out companies with higher than usual fees or that were difficult for customers to work with. The third paragraph states that while some gold IRA companies are seemingly transparent about their fees, the analysis found that on the whole they charge gold prices that run well above the average market price for gold, and that this premium, dubbed 'the gold bar spread', is almost never disclosed by gold IRA companies and represents a hidden fee for investors. The fourth paragraph states that during the research, it was discovered that the price per ounce for gold bullion varied from \$100 to nearly \$650 above the average market price as measured by the COMEX gold futures market. The fifth paragraph states that the gold spread is considered the clearest indication of the markup charged by gold IRA companies, so it was weighted heavily in the rankings, and that gold IRA companies that charge investors bullion prices that are closest to the COMEX price earned more favorable ratings than those with higher markups. The sixth paragraph states that to learn more about the rating and review methodology and editorial process, readers should check out the 'our guide' on how Forbes Advisor rates investing products.

https://www.forbes.com/advisor/retirement/best-gold-iras/

Forbes [Subscribe](#)

Methodology

We conducted an in-depth survey of the top 20 gold IRA companies in order to develop our listing of the best gold IRAs. We excluded any companies with:

- A Better Business Bureau grade lower than an “A”
- An initial purchase requirement greater than \$20,000

The remainder we ranked on several categories intended to weed out any companies with higher than usual fees or that were difficult for customers to work with.

While some gold IRA companies are seemingly transparent about their fees, we found that on the whole they charge gold prices that run well above the average [market price for gold](#). In our analysis, we dubbed this premium “*the gold bar spread*.” This price premium is almost never disclosed by gold IRA companies, and it represents a hidden fee for investors.

During our research, we discovered that the price per ounce for gold bullion varied from \$100 to nearly \$650 above the average market price as measured by the COMEX gold futures market.

We consider this gold spread to be the clearest indication of the markup charged by gold IRA companies, so it weighted heavily in our rankings. Gold IRA companies that charge investors bullion prices that are closest to the COMEX price earned more favorable ratings than those with higher markups.

To learn more about our rating and review methodology and editorial process, check out [our guide](#) on how Forbes Advisor rates investing products.