Personal Finance

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When to Invest in Gold

Gold has a peculiar place in personal finance.

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It is jewelry, a commodity, a store of value and an investment. It also tends to attract attention whenever inflation, war, interest rates or economic uncertainty dominate the news.

That attention has been especially noticeable recently. Gold reached a record near $5,600 an ounce in January 2026, fell substantially afterward and was trading around $4,400 in mid-August. Those swings offer an important reminder: Despite its reputation as a safe haven, gold prices can move dramatically in both directions.

WHY INVESTORS BUY GOLD

Gold can serve as one component of a diversified portfolio.

Unlike a stock, gold does not represent ownership in a company. Unlike a bond or savings account, it generally does not produce interest or income. Investors primarily make money if the price rises after they buy it.

Its appeal often increases during periods of economic or geopolitical uncertainty. Gold also behaves differently from some traditional investments, which can make it useful for diversification. Diversification spreads money among different types of assets so that an investor's fortunes do not depend entirely on one investment or market.

That does not mean everyone needs gold. An investor focused on long-term growth may prefer assets that can generate earnings or income. Someone who may need their money soon may not want to risk having to sell gold after a price decline.

BUYING GOLD ISN'T ONE-SIZE-FITS-ALL

Investing in gold does not necessarily mean keeping bars in a home safe.

Investors can buy physical coins or bullion, exchange-traded funds that provide exposure to gold prices, or shares of companies involved in gold mining. Each has different risks, expenses and tax considerations.

Physical gold presents some additional questions. Buyers may pay premiums above the metal's market value, and selling can involve commissions or spreads between buying and selling prices. Storage and insurance may add costs.

FINRA cautions investors to learn the actual value of physical metals, understand all fees and determine how easily they can sell before making a purchase.

BEWARE OF THE FEAR FACTOR

One of the clearest warning signs may be a salesperson insisting that gold is the only way to protect savings from imminent economic catastrophe.

The Commodity Futures Trading Commission warns that precious-metals scams frequently rely on high-pressure pitches and fears about the stability of the financial system. Fraudsters may sell metals at inflated prices, charge large commissions or encourage people to move retirement savings into risky self-directed accounts.

Gold itself is not the scam. The sales pitch can be.

For someone who understands the risks and wants another asset in an already diversified portfolio, a modest allocation to gold may fit a long-term plan.

Buying because prices have just soared, because a commercial predicts financial collapse or because someone promises gold "can't lose" is a very different proposition.

Gold can glitter inside a portfolio. It just shouldn't blind an investor to the risks.

Basics of Capital Gains Taxes

Selling an investment for more than you paid for it can feel straightforward: You made money. Then taxes enter the conversation.

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A capital gain generally occurs when someone sells a capital asset, such as stocks, mutual funds or investment property, for more than its adjusted basis, typically the original cost plus or minus certain adjustments. If the asset sells for less than its basis, the result may be a capital loss.

Understanding a few basic rules can make capital gains taxes considerably less mysterious.

HOW LONG YOU HOLD IT MATTERS

One of the most important distinctions is between short-term and long-term gains.

An asset held for one year or less before being sold generally produces a short-term gain or loss. An asset held for more than one year generally produces a long-term gain or loss.

Short-term capital gains are generally taxed at the same federal rates that apply to ordinary income.

Long-term gains receive different treatment. Depending on taxable income and filing status, most long-term capital gains are taxed federally at 0%, 15% or 20%. Higher-income taxpayers also may owe the 3.8% net investment income tax on certain investment income.

That difference can make the timing of a sale worth considering. Waiting long enough for an investment to qualify as long term may reduce the tax bill, but taxes should not be the only factor in deciding whether to hold or sell an investment.

GAINS AND LOSSES CAN WORK TOGETHER

Investors do not necessarily pay tax separately on every profitable sale.

Capital gains and losses are generally netted against one another. If losses exceed gains, individuals may be able to deduct up to $3,000 of net capital losses against other income in a year, with additional losses generally carried forward to future tax years.

That creates opportunities for tax planning, including deliberately selling some investments at a loss to offset gains elsewhere.

There is an important catch. Under the wash-sale rule, selling an investment at a loss and purchasing the same or a substantially identical security within the prohibited period can prevent the loss from being immediately deductible.

NOT EVERY GAIN GETS THE SAME TREATMENT

Capital gains rules have exceptions and special situations.

For example, qualifying homeowners may exclude up to $250,000 of gain from the sale of a primary residence, or up to $500,000 for many married couples filing jointly. Specific ownership and residency requirements apply.

Investors also sometimes assume they owe capital gains tax only when they personally sell an investment. Mutual funds and similar investments, however, can distribute capital gains to shareholders even when the shareholder has not sold any shares.

A large taxable gain can affect how much tax should be paid during the year, potentially making estimated payments necessary.

The larger lesson is capital gains taxes are not simply a penalty for making money. They are one factor to consider when deciding what to sell, when to sell it and how investment decisions fit into a broader financial plan.

A tax professional can help when the numbers or circumstances become complicated. But understanding the basics can make the conversation much easier before tax season arrives.

How to Spot a Phishing Hook

A text says there is suspicious activity on your bank account. An email warns that your credit card has been locked. Another message appears to come from the IRS and says immediate action is required.

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The natural reaction is to click. That is exactly what phishing scams are designed to provoke.

Phishing uses emails, text messages and other electronic communications that appear to come from legitimate organizations.

The goal is often to steal passwords, account numbers, Social Security numbers or other information that can be used to access financial accounts or commit identity theft.

SLOW DOWN WHEN A MESSAGE FEELS URGENT

One of the most effective tools scammers use is urgency.

A message may claim an account will be closed, a payment has failed, a refund is waiting or someone has made an unauthorized purchase. Government impersonators may add threats involving taxes, fines or legal action.

The Federal Trade Commission advises consumers not to provide financial or personal information in response to an unexpected request. Instead of clicking a link or calling the number provided in the message, contact the company through a phone number, website or app you already know is legitimate.

That advice applies even when a message appears convincing. Scammers can imitate company logos, create realistic-looking websites and make messages appear to come from familiar organizations.

ADD ANOTHER LAYER OF PROTECTION

Strong passwords remain important, but passwords alone may not be enough.

Two-factor or multi-factor authentication requires another form of verification before someone can log into an account. That might be a code generated by an authentication app, a security key or another verification method.

The FTC recommends enabling two-factor authentication for accounts that offer it because the additional step can help protect an account even if someone obtains the password.

Financial accounts and the email account connected to them are particularly important places to add this protection. Regularly reviewing bank and credit card statements can provide another safeguard. Small unfamiliar transactions can sometimes be an early sign that account information has been compromised.

KNOW WHAT TO DO AFTER A MISTAKE

Clicking a suspicious link does not mean it is too late to act.

If financial information or login credentials have been shared, contact the financial institution promptly. Change compromised passwords and avoid reusing the new password on other accounts.

If personal information may have been stolen, the FTC provides information about fraud alerts, credit freezes and identity theft recovery.

Tax-related phishing deserves similar caution. The IRS warns scammers may use unexpected messages, threats or promises of refunds to obtain money or personal information. It advises people not to click suspicious links or attachments and provides ways to report messages pretending to come from the agency.

Phishing works by turning a moment of worry into a quick decision. The best defense is often remarkably simple: Don't let the message set the pace. Stop, verify and then act.

What Goes Into Premiums?

Two neighbors may own similar homes and pay very different insurance premiums. Two drivers with the same type of car may receive quotes hundreds of dollars apart.

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Insurance pricing can feel mysterious, but the basic principle is straightforward: Insurers estimate how likely a customer is to file a claim and how expensive that claim might be. The calculation differs among companies and types of insurance, which is one reason shopping around can produce surprisingly different prices.

YOUR PROPERTY, YOUR HISTORY

For homeowners insurance, companies consider characteristics such as the home's age and condition, construction materials, rebuilding cost and proximity to fire protection. The amount and type of coverage selected, deductible and claims history can affect the premium.

Renters insurance works somewhat differently because the policy generally protects personal belongings and provides liability coverage rather than insuring the building itself. The value of belongings and amount of coverage chosen therefore help determine the cost.

Auto insurers look at another collection of risk factors. These can include driving record, claims history, location, vehicle type, how the vehicle is used, annual mileage and the coverage and deductibles selected. The cost of repairing or replacing the vehicle matters.

And despite a persistent automotive myth, the color of the car isn't one of those factors. A red sports car may attract attention, but the insurer cares about the car itself and the risks associated with it, not the paint.

SOME FACTORS ARE BIGGER THAN ONE POLICYHOLDER

A premium can rise even when nothing about the customer appears to have changed.

Insurance operates by pooling risk, so broader trends affect prices. More frequent or expensive accidents can push up auto insurance costs. Severe storms and other disasters can increase property claims. Rising prices for construction materials, labor, vehicle parts and repairs can make those claims more expensive to settle.

Location matters for similar reasons. A home in an area with greater exposure to certain weather hazards may cost more to insure. An automobile regularly driven in a congested area with more crashes and thefts may present a different risk than the same model driven elsewhere.

Some insurers use credit-based insurance information where state law allows it. Consumers who receive unexpectedly high premiums may want to review their credit reports for errors.

LOOK FOR SAVINGS WITHOUT LOSING NEEDED PROTECTION

There are several ways to potentially reduce a premium.

Raising a deductible can lower the price of a policy, although that also means paying more out of pocket if a claim occurs. Some companies offer discounts for purchasing home and auto coverage together, maintaining a good driving record or installing qualifying safety and security features.

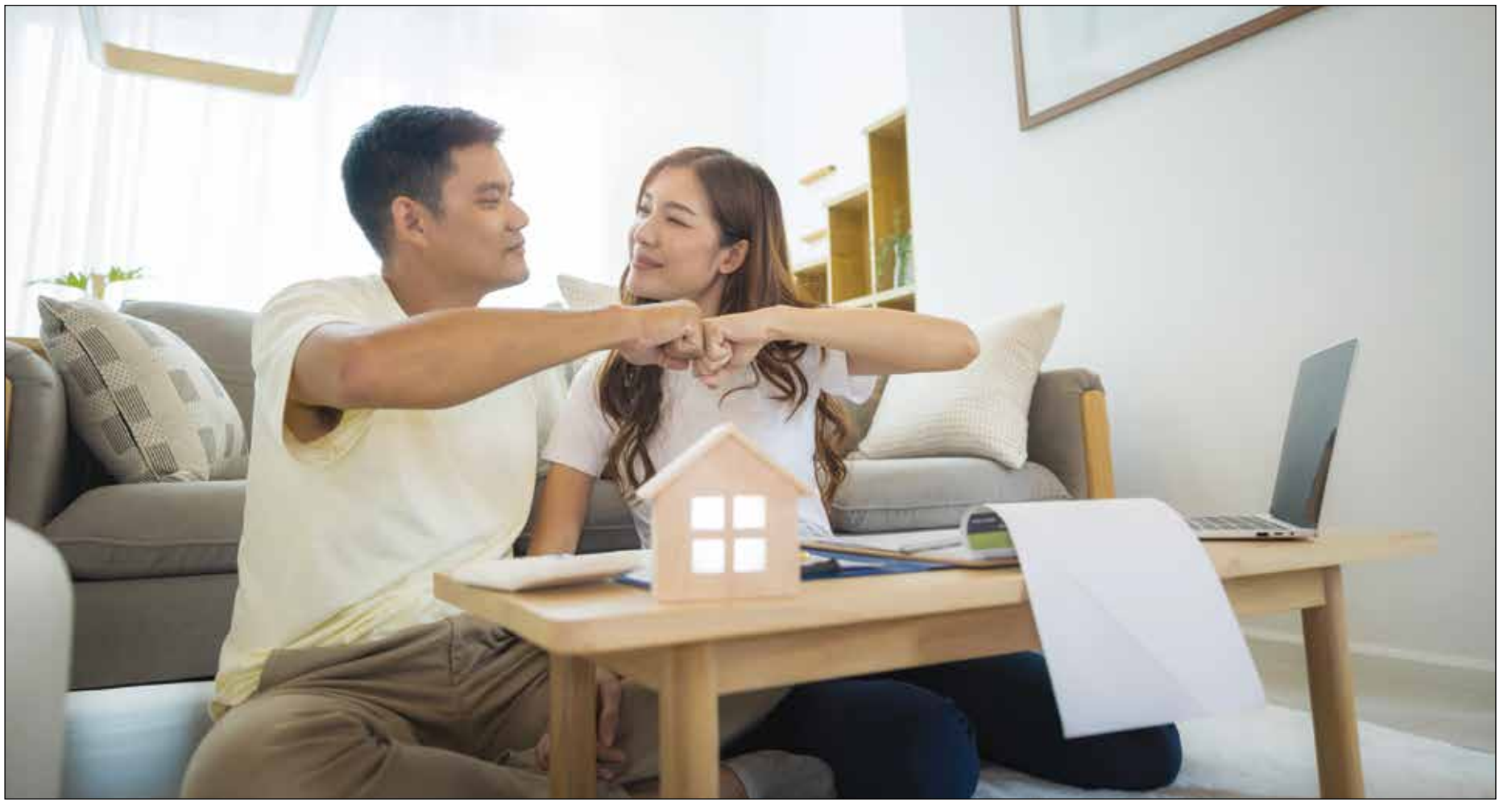
Comparison shopping can pay off because insurers weigh risks differently. When comparing policies, however, make sure the coverage amounts, deductibles and protections are similar. The cheapest quote is not necessarily a bargain if it provides substantially less coverage.

Review insurance annually and after major life changes, such as buying a vehicle, renovating a home or accumulating valuable possessions.

Insurance premiums may never become anyone's favorite household expense. But understanding what goes into the price makes it easier to ask questions, compare options and decide whether a policy is earning its place in the budget.

Should You Refinance?

A lower interest rate can make refinancing sound like an obvious money-saving move.



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Sometimes it is. Sometimes a lower monthly payment simply stretches the debt over more years, while fees quietly eat away at the savings.

Refinancing replaces an existing loan with a new one, usually in hopes of getting a lower rate, changing the repayment term or improving some other part of the loan. Whether it makes sense depends less on the advertised rate than on what the new loan will cost from beginning to end.

LOOK BEYOND THE MONTHLY PAYMENT

A lower payment is appealing, but it does not necessarily mean a less expensive loan.

With an auto loan, the Consumer Financial Protection Bureau recommends comparing the annual percentage rate, interest rate, loan length and total amount financed. APR is particularly useful because it incorporates the interest rate plus certain fees, giving borrowers a broader measure of borrowing costs.

Suppose refinancing reduces a car payment by $75 a month but adds two years to the repayment period. The immediate budget may improve while the borrower pays interest much longer.

The same principle applies to mortgages. A new 30-year mortgage can substantially reduce the monthly payment for someone already several years into an existing loan, but restarting the clock may increase the total amount paid over time.

COUNT THE COST OF REFINANCING

Mortgage refinancing involves closing costs.

Those may include lender charges, appraisal costs, title-related expenses and other fees. CFPB recommends comparing loan estimates from multiple lenders, paying particular attention to origination charges and other costs that can differ from lender to lender.

Even a refinance advertised as having no closing costs is not necessarily free. CFPB notes that lenders may cover those costs by charging a higher interest rate or adding costs to the loan.

A useful calculation is the break-even point: Divide the refinancing costs by the amount saved each month. If refinancing costs $4,000 and reduces the payment by $200 monthly, it takes 20 months to recover those costs. Someone expecting to sell the home before then may gain little from refinancing.

WHEN REFINANCING MAY MAKE SENSE

Refinancing can be worth exploring when interest rates have fallen significantly since the original loan was obtained or when a borrower's credit and finances have improved enough to qualify for substantially better terms. Auto lenders consider factors including credit history, income, debt, loan amount and repayment term when setting rates.

Borrowers may refinance to shorten a loan term, switch mortgage types or make payments more manageable. Whatever the reason, shopping around matters. Compare several offers on similar terms rather than focusing on the first attractive rate.

Be wary of companies promising dramatic auto-loan savings in exchange for upfront fees. The Federal Trade Commission warns that fraudulent refinancing operations may collect hundreds of dollars without providing the promised assistance.

The best refinancing deal is not necessarily the one with the smallest payment. It is the one that improves the borrower's finances after the interest, fees and extra years of payments are all counted.

How to Trim Digital Spending

A few dollars for music. Another charge for streaming television. Cloud storage, news, games, fitness apps, software and that free trial that quietly became a paid membership.

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Individually, digital subscriptions can seem inexpensive. Together, they can become a surprisingly large part of a monthly budget.

The challenge is that subscription spending is designed to be easy to forget. Automatic renewal keeps services running without requiring another purchase decision, while introductory offers may convert to regular prices unless the customer actively cancels. The Consumer Financial Protection Bureau describes these arrangements as negative option programs because charges continue unless consumers take action to stop them.

FIND OUT WHAT YOU'RE PAYING FOR

Start with an audit.

Review several months of credit card, debit card and bank statements and make a list of every recurring digital charge. Don't rely on memory. A service used only occasionally may have been quietly renewing for years.

Also check subscriptions managed through app stores or other platforms, since the billing description on a statement may not immediately reveal what the charge is for.

For each service, record the monthly or annual cost and ask a few basic questions: How often do I use it? Would I notice if it disappeared? Does someone else in the household already pay for the same thing?

Annual subscriptions deserve particular attention. A $120 renewal can feel less noticeable when mentally categorized as only $10 a month, but the entire amount still leaves the account at once.

WATCH THE RENEWAL DATES

Free trials and promotional rates can be useful, but they require attention.

The Federal Trade Commission advises consumers to understand how and when a trial converts to a paid subscription, what the regular price will be and how to cancel.

It also recommends paying attention to renewal notices rather than automatically deleting them.

When signing up for a trial, consider immediately placing its expiration date on a calendar. The same strategy works for annual subscriptions.

Look closely at pricing tiers, too. A premium plan may include features that sounded appealing when you subscribed but are rarely used. Downgrading can sometimes save money without giving up the service completely.

CANCEL WITH A PAPER TRAIL

If a subscription no longer earns its place in the budget, cancel it and save the confirmation.

The FTC recommends keeping written proof of cancellation and continuing to check bank or credit card statements afterward. If charges continue despite cancellation, consumers can dispute them with their card issuer.

Canceling a payment method alone may not cancel the underlying subscription or contract. The CFPB advises contacting the company directly when ending a recurring service rather than simply stopping automatic bank withdrawals.

Finally, an audit does not have to end with mass cancellation.

Subscriptions that provide entertainment, information or convenience can be money well spent. The goal is simply to make those expenses deliberate.

Variable vs. Fixed Interest

Interest rates can seem like a small line of numbers on a loan agreement, but whether that rate is fixed or variable can make a significant difference in what borrowing ultimately costs.

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A fixed interest rate generally stays the same for the agreed-upon period. A variable rate can change over time, usually because it is tied to a benchmark or index.

Neither is automatically better. The right choice depends on the type of debt, how long someone expects to carry it and how much uncertainty their budget can comfortably handle.

FIXED RATES OFFER PREDICTABILITY

The chief advantage of a fixed rate is certainty.

With a fixed-rate mortgage, for example, the interest rate and monthly principal-and-interest payment remain unchanged for the life of the loan. The total mortgage payment can still change if property taxes or insurance costs rise, but movements in market interest rates will not alter the loan's rate.

That predictability can be especially useful for long-term borrowing. A homeowner does not have to wonder whether rising interest rates will make the loan substantially more expensive several years later.

The trade-off is that fixed rates can sometimes start higher than variable rates. And if market rates fall significantly, borrowers generally do not automatically receive the lower rate. They may need to refinance, with all the costs and qualification requirements that can involve.

VARIABLE RATES CAN MOVE IN EITHER DIRECTION

Variable rates typically change along with an underlying index.

With an adjustable-rate mortgage, or ARM, the rate may be fixed for an introductory period and then adjust periodically. The eventual rate is generally determined using an index that changes with market conditions plus a margin established by the lender. Rate caps can limit how much the interest rate changes at one time or over the life of the loan.

That creates both opportunity and risk. If rates decline, borrowing costs may fall. If rates rise, payments can increase.

Home equity lines of credit, or HELOCs, also commonly carry variable rates, which means payments may change as rates and outstanding balances change.

Borrowers considering a variable-rate loan should understand not only today's rate, but how often it can adjust, what determines the new rate and how high it could eventually go.

CREDIT CARDS ADD ANOTHER WRINKLE

Credit card APRs may be fixed or variable, although variable rates are common.

A variable credit card APR generally moves with an index such as the prime rate. If that benchmark rises, the card's APR can rise without the issuer having to make a completely new lending decision.

A fixed credit card APR does not fluctuate with an index, but "fixed" does not necessarily mean permanent. Card issuers can change rates under certain circumstances and generally must provide advance notice when required by law.

For people who pay credit card balances in full during the grace period, the purchase APR may have little practical effect because they avoid interest charges altogether.

Ultimately, choosing between fixed and variable borrowing involves deciding how much value to place on predictability. A lower starting rate may look attractive, but the most important question is not simply what the loan costs today. It is what could happen to that cost tomorrow.