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Recession prompts suburban gold rush as women trade in old jewellery

In the 1970s, a new trend swept across the UK. Women would buy a few bottles of Mateus Ros, put some cheese and pineapple on cocktail sticks and invite friends over to buy food storage boxes.

Tupperware parties became the height of fashion but as tastes changed and the ubiquitous plastic fell out of favour, other companies rushed to cater for women who wanted to socialise, drink wine and spend money at the same time. Since then, there have been Ann Summers parties, Botox parties, Bodyshop parties and now gold parties.

Women and those at parties are mostly female invite friends over and tell them to bring unwanted gold or silver jewellery lying about their house. It could be necklaces, bracelets, rings or even broken chains.

Once a few bottles of wine have been opened and canaps nibbled, a representative from the gold party company will weigh the gold and offer the guests a cheque there and then. The representative sends the gold back to the company to be melted down.

At a party organised by the gold party company Ounces2Pounds in the leafy suburb of Chipstead, Surrey, last month, one partygoer, Sue Barclay, found an old necklace to be worth 250. 'I didn't think it was gold,' she said. Her jewellery turned out to be worth 690 and despite her concerns that she might have made more money at the jewellers, she went away with the cheque. 'I can take my whole family to Center Parcs with this,' she said. Ounces2Pounds, which started in the US last April as Glitter2Green, is now organising up to 75 small residential parties of 13-15 people a month in the UK. The phenomenon has also spread to Australia and Japan.

Its founder, Krista Waddell, has put its success down to the global economic downturn and people's need for extra cash to make ends meet.

"Everyone is in the same boat. Bankers' wives are selling everything including oversized 80s-style earrings, single cufflinks, coins, broken bracelets, necklaces, charms, even a broken gold-plated iPod in the 'gold-rush' parties in the States. These are people who wouldn't be seen dead in a pawn shop. They'd be too embarrassed.' The hosts earn 10% of the total payout at their party, 3% commission from every future party and 35 towards entertainment costs. 'Enough for quite a few bottles of reasonable supermarket wine,' said Waddell. She believes that Ounces2Pounds offers its customers a win-win situation. 'In today's economy, everyone could use some extra cash, and the majority of women have jewellery sitting in their box that is broken or out of date,' she said. 'Our target market are the women who would never feel comfortable walking into a pawn shop and are smart enough not to be taken advantage of. We offer high prices, the chance to offload items that are just sitting there anyway, and a great night out with their friends. Not to mention that the host earns a nice bit of money at the same time.' The company is also popular with the newly single, with women trading in gifts from former husbands and ex-boyfriends. 'A lot of it is broken bits and pieces,' the company said. The price of gold has soared over the last year. In January last year, an ounce of gold cost as little as \$750 (then about 520). But on 3 December, it hit a record high of just over \$1,226. Since then it has slid to \$1,095 but is still far above the average level of the past few years.

Many businesses have followed Ounces2Pounds and there are also postal services for unwanted gold with huge advertising campaigns.

However, gold parties and postal dealers have come in for criticism. A recent study of postal companies by



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Which? revealed shockingly low prices. It sent an nine-carat gold necklace from Ernest Jones to Postal Gold but was paid only 25.04 and when it sent an H Samuel 9ct-gold bracelet, which cost 115, to Cash4Gold, it received just 10.31.

However, Ounces2Pounds insists it pays the going rate. 'Ounces2Pounds pay two to three times more than an average pawnbroker for the precious metals bought at the parties,' said a spokesperson for the company.

As another glass of white wine was poured in Kath Munro's packed house in the commuter village of Chipstead, her female guests eagerly watched the representative from Ounces2Pounds eye up their gold.

The representative, Alyson Smith, tipped out one guest's bags of jewellery on to the table and started rummaging through it. 'I'm not interested in stones because we melt everything down and get rid of the stone,' she said, pushing a jewelled ring to the side.

She then picked up a rather hefty necklace and poked it with a contraption that tells the representative whether or not the item of jewellery in question is in fact gold. It turned out the necklace was and, according to Ounces2Pounds, was worth 250.

A wave of excitement passed round the room as the other women imagined what their broken chains could be worth.

The owner, Sue Barclay, said she had no idea it was worth that much. 'I didn't really think about it except for the fact that Kath [Munro] said that she made 200 at the last party,' she said. Munro decided to have the party after attending a friend's last year. She made more money than she had expected and was also enticed by the fact that she would get commission from having her own party.

Since Smith started working for Ounces2Pounds in September, she has been rushed off her feet. 'Before Christmas it was really busy. I've been travelling all around the country and have even been to Ireland,' she said. 'It's really nice to get together with your girlfriends and have the chance of making money from things you never use.' As the party came to an end, a few of the women put their names down to host a party of their own in the coming months. as they have nothing to lose and can actually make money out of the party. More people are makings ends meet by selling jewellery for the precious metal but consumer group Which? warns of low prices

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