



What You Need to Know: Inherited Coin Collections

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Summary:

In this article I address some of the common questions presented by novice collectors who have recently acquired (often via inheritance) a collection of coins. I discuss immediate issues with the care, handling, and storage of the collection and go on to talk about valuation, appraisals and some options to consider for the sale of such a collection. I conclude with an annotated list of print and online resources that will help the collector better understand and maintain their collection. This article was originally posted by me on the [Collector's Society US Coins](#) forum in a slightly modified form.

Introduction:

As one becomes more advanced in the hobby of coin collecting, he often gets asked the following sort of question from beginning collectors:

“My relative recently passed away and left us their coin collection. We don’t know much about coins. Can anyone tell us (a) if they’re valuable, (b) how we should handle them, and (c) how to go about selling them?”

This article is geared at helping the novice collector get a basic understanding of how to handle an inherited collection. It is not intended to give a complete introduction to the hobby of numismatics (coin collecting). What it *is* intended to do is help a beginner get an idea of the approximate value of the coin collection they’ve inherited, take proper care of it while assessing it, and avoid being taken advantage of when the time comes to sell the collection.

In this hobby, a little bit of basic knowledge can get you a long way. Unfortunately, there are unscrupulous dealers out there who make large sums of money by buying

valuable coins from ignorant sellers for ridiculously small prices. There are also many dealers and collectors who are honest, do their best to educate beginners, and would never dream of ripping someone off. By taking the time to read this article, you are better preparing yourself to understand what you've actually got in your hands and how to sell it if that's your goal.

NOTE: For the purposes of this article, I am assuming that the collection consists primarily of US coins.

Immediate Care and Handling of the Collection:

Don't clean the coins:

The first thing almost any collector will tell a novice is, "Don't clean your coins – ever!" This is very good advice. Many new collectors make the mistake of cleaning their 'dirty' coins with cleaners (e.g. a dry cloth, q-tips, simple soap, or jewelry cleaner). Cleaning a coin without knowing exactly what you are doing will damage the coin's surfaces and drastically lower its value. Most experienced collectors prefer what they call 'original surfaces' on their coins, which is to say, they like to look at a coin and see that it has never been cleaned or polished. Old coins are just that – old – and ought to look like that.

Proper handling:

Coins, though made of various metals, are not anywhere near as durable as most people think. Generally speaking, you should handle your coins as little as possible. Always hold your coins by their edges (rims) between your thumb and forefinger. Avoid touching the faces of the coin, as fingerprints will leave substances that eventually will etch the prints into the surface of the metal itself. Wearing a simple pair of cotton gloves is a great way to protect them from fingerprints. Do not speak over a coin and certainly don't cough or sneeze over one. The little droplets of moisture from a sneeze can end up spotting a coin badly over the years. Smoke can damage coins, so avoid smoking around them. Generally speaking, it is best to just leave your coins in the holders they are already in, as careless removal is an excellent way to put a nasty scratch on an otherwise nice coin. If your coins are in albums with plastic 'slides', do not remove the slides for a better look; they can create small abrasions on a coin if not removed properly. Essentially, avoid letting friction, moisture, and chemicals contact your coins and you'll be okay.

Storage:

Coins should be stored in a dry, cool area, preferably away from places subject to wide swings of humidity or temperature. Don't stick them in a cedar chest, as some woods release chemicals that can damage coins. You may want to purchase some manner of holders to better protect your coins. There are a number of products on the market that are designed to hold coins. Because this article is intended for a beginner who has come across an existing collection, I'll just address a few basic options.

Glass Jars - - At the most basic level, a simple glass jar makes for a decent holder if all you're storing is a lot of low-grade coins, such as a hoard of wheat cents. There's just no reason to go out and spend a lot of money for that sort of collection. The glass is inert, but you run the risk of damaging the coins by banging them into each other. This isn't a problem if your coins are already well-circulated, but it wouldn't be a good idea to store a lot of nicer coins in a jar. *Cost: minimal*

Coin Tubes - - The next step up the ladder in bulk storage would be plastic coin tubes. These rigid tubes come in a variety of coin diameters and generally hold about as many coins as a regular bank roll for that denomination. These are great for storing bulk quantities of mid-grade coins but they become cumbersome if you want to look at your coins on a regular basis, as you need to repeatedly dump out the tubes to find what you're looking for. This is obviously not an issue for long-term storage. Also, tubes do still allow some degree of coin-on-coin contact, which can lead to wear with repeated dumping and refilling. *Cost: ~\$0.35/tube, with bulk discounts*

Coin Flips - - Saflips (commonly referred to as simply 'flips) are flexible, rectangular Mylar holders which fold over to create two ~2"x2" square spaces to place coins in. Each space is sealed shut on three sides, with the fourth side (along the inner side of the fold) open. Flips are useful for storing coins which you need to have easy access to, but are not without limitations. Each time a coin is placed in, or removed from, a flip, it is subject to friction. Flips can accumulate bits of dirt or dust which can damage coins as they slide against the particles. For these reasons, I dislike using flips and rarely use them myself. Regardless, they remain very popular in the hobby. *Cost: ~\$6.75 - \$9.00 per 50, with bulk discounts*

Cardboard 2x2s - - Another good storage option for large numbers of mid- and higher-grade coins, is the classic cardboard 2"x2" holder. These holders consist of a rectangular piece of cardboard, scored for easy bending down the center, with viewing windows covered in Mylar. The coin is placed inside, and then the holder is folded over the coin and stapled shut. Some holders contain an adhesive layer in lieu of using staples; I do not recommend those due to issues with glue outgassing and eventual failure of the adhesive. The 2x2s can then be placed in special boxes or temporarily into vinyl sheets (though these are not recommended for long-term storage). These are perhaps the most popularly used holders in the hobby. Be sure that the holders you buy do not contain damaging PVC. Cardboard 2x2s are my personal preference for bulk storage of mid-grade and higher collections. I recommend using a flat clinch stapler with these. *Cost: \$2.50-\$3.00 per 100, with bulk discounts*

There are a number of other storage options out there. For especially nice coins, there are more expensive (and nicer) holders like Kointains, Whitman 2x2 styrene capsules, and Air-Tites (my personal favorite). Many collectors use specialty albums for holding their best coins, such as the popular Dansco line of albums. I do not recommend using the cheap cardboard albums sold in many book stores, as they don't show the coins well and

some may actually damage the coins. For a beginner dealing with an established collection, however, the options above should suffice for now.



Coin Holders:

Back row, left-to-right: Simple glass jar; Air-Tite capsule in card-style mount; three cardboard 2x2 holders Front row, left-to-right: Four coin tubes (square type); Whitman 2x2 styrene capsule; coin flip (open) (Photograph (c) 2006 Michael Parrish. All rights reserved.)

Slabs and Third-Party Graders (TPG):

Some coins you run across may have been quasi-permanently encapsulated in rectangular plastic holders commonly called ‘slabs’. Coins of moderate to high value are often sent off to third-party graders (TPGs) where expert numismatists evaluate the coins for authenticity and attribute to them a grade. Slabbed coins are subject to a guarantee that the coin within is (a) authentic, (b) the year, mint, and variety described on the label, and (c) of the grade indicated. There are a number of TPG companies out there, but the ‘big three’ – and the only ones I recommend you buy or do business with, at least initially – are NGC, PCGS, and ANACS (links provided below). These three companies provide a guarantee of their grading and warranty their service. One additional note on slabs: the plastic they’re made of has a tendency to be easily scratched, so take normal precautions to avoid doing so if you have any in your collection.

Avoid PVC-containing Coin Holders:

PVC, or polyvinyl chloride, was a common ingredient in older flips. At the time, few people realized that when PVC breaks down it releases acids that create a scummy green

deposit on coins, eventually causing permanent damage. Vinyl holders and Zip-lock-style baggies are similarly inappropriate for long-term storage. Today, most modern coin storage media are PVC-free, and many of these products are prominently labeled as such. When buying storage holders such as flips or cardboard 2x2s, make sure they are labeled as being PVC-free, or are made from materials such as styrene or Mylar, which are inert. In some cases, you will find old collections still being stored in PVC-containing holders; in those situations, the best thing to do is ask for further instructions at one of the discussion boards on how to safely remove PVC. Bottom line: avoid PVC-containing storage materials.

What's The Collection Worth?

How are Coins Valued?

Coins are classified first and foremost by the year and mint of origin. Coins are minted at a number of mints located around the country and the absence or presence of mint marks on a coin determines which is the mint of origin. Some coins also have additional varieties from a given year and mint, distinguished by changes in design or materials made in mid-production. This results in some coins being more rare than others and rarity generally correlates with value, with rarities being more valuable than common issues. The Red Book (see below) is a great source to better understand these concepts.

Within a particular year, mint, and (possibly) variety, coins are graded on a scale ranging from 1 (barely identifiable) to 70 (perfect in all respects). Grades are assigned based on the amount and position of wear on the coin's surface. Coins in lower conditions are generally valued less than coins in higher states. This is why you might see two coins of identical year, mint, and variety being valued at vastly different prices. Coins which show evidence of cleaning or polishing are typically valued at much lower prices than equivalent coins which have not been cleaned; collectors prize coins which show original surfaces and deride coins which do not.

In some circumstances, coins acquire a layer of *toning*, which is the result of a very thin layer of oxidation on the coin's surface as a result of chemical reactions with the immediate environment. Depending on the conditions in which the layer was deposited, toned coins may display beautiful coloration. Some collectors find this particularly appealing and may be willing to pay premiums for attractively toned coins.

Finally, coins may also derive all or part of their value from the precious metal content (e.g. silver or gold) of their very composition. Heavily worn coins may have lost all collectable value, while still retaining their intrinsic metal value; coins in this category are commonly referred to as 'junk' (e.g. junk silver) and have their own niche in the bullion speculator's market.

Evaluating Your Collection:

When you evaluate your collection, you will find it essential to have a basic

understanding of the rarity and condition of the coins you own. There are a number of books written with precisely this task in mind. The most popular and useful book for beginners is the Red Book (full reference listed below). I *highly* recommend that all beginners own this book, as it will give the reader enough information to separate out the common, low-value coins in a collection from the much more valuable choice pieces. The Red Book is cheap (less than \$15.00) and easy to use.

Note on the Red Book:

While the Red Book represents an *excellent* introduction into numismatics, there is a common misconception among beginning collectors that its prices are representative of the market. While the Red Book's prices are approximately accurate *relative to each other* they are rarely accurate in regards to the current market value of a given coin. Due to today's rapidly shifting markets, a printed guide like Red Book is simply incapable of being up-to-date in terms of what price you can buy or sell coins at. It will, however, give you a broad idea of what coins are valued higher or lower than others.

I suggest that you sit down with your coins at a clean, well-lit table. Remember the notes in the *Proper Handling* section, lest you damage the coins through careless handling. Break the coins down into their denominations and series. Working one series at a time, use the Red Book to determine rarities and conditions of your coins. Red Book prices are somewhat inaccurate, but they will provide you with some idea of relative values. With some practice and attention to detail, you will soon be grading your coins with some degree of confidence. Be sure to catalog your collection as you work; take notes of year, mint, variety/type (if any), grade, and estimated value. You may find this to be a good time to place coins in holders if they're unholdered, or if their holders have aged poorly. Labeling each holder with a unique number might make things much easier to keep track of later.

Appraisals:

Before you walk into a dealer's shop to have your collection appraised, I cannot over-emphasize how much in your best interest it is to go in with your own (educated) idea of what your collection is worth. This means going through your collection and trying to come up with a grade for each of your pieces and then doing the necessary research to determine an approximate price. Skipping this essential step can result in your becoming another sad story like the following one related by user [SarasotaFrank](#):

“Customer brings in a quantity of Indian Cents in so so (sic) condition. Dealer examines every one and tells the customer they aren't worth much, but he'll pay a buck a piece.

After the customer leaves, the dealer extracts the 72, 73 and 77 which were in the lot.”

For those of you who aren't cringing yet, that dishonest dealer just bought those three cents, worth over \$1,500.00 in low-to-mid-range condition, for \$3.00!

I related this story to make you aware of the difference a little bit of education can make. If the customer had made a \$15 investment for a Red Book (see *Books*, below) they would never have made such a horrible deal. I'm not saying that all dealers are crooks, nor that they're all out to get you, but simply taking the time to have a basic understanding of what you have and what it's worth *prior* to going in for an appraisal could be the difference between getting the money to buy a new bike, and getting the money to buy a new car.

That said, after doing your research, you should have an idea as to whether you have anything that might be valuable. I would suggest posting a photo of your coins here, on the [US coins forum](#), and asking the board members what they think about your coins. This board has many knowledgeable people who are eager to take a look at anyone's coins and offer their opinions.

If you still think you've got something valuable, it might be a good idea to go in and talk to a coin dealer. Most will be able to appraise the value of the piece and let you know whether it may be a good candidate for sending off to a TPG for certification and protection in a slab. TPGs (see below) will professionally grade, holder and guarantee your coin for a fee. Often TPG graded coins are easier to sell and may bring somewhat higher prices. The dealer may also simply offer you a price on some or all of your collection. Be aware that it's not uncommon for a dealer to want to 'cherry-pick' your collection; that is, to selectively purchase only the better coins, leaving you with only the common, lower value coins which can be harder to sell on their own.

Before going into a dealer's shop, communicate with him or her over the phone whether you are interested in potentially selling your coins to them or if you're simply interested in getting a price. Dealers value their time – it's their business – and will frequently charge a fee for simple appraisals with no option to buy, particularly if the collection is large. Fees may range from \$30.00 - \$50.00 (possibly hourly). Sometimes dealers will not charge a fee if they're offered a chance to buy the coins. Be clear with your dealer what you and they expect from the appraisal. I don't know that I would trust the dealer to take the coins out of your sight. It's rare, but swaps have been known to occur (this is also true with the occasional mall jewelry store switching out diamonds for fakes during 'free' cleanings, by the way).

Multiple appraisals are probably a good idea, although you may run into fees and/or impatient dealers by doing this. Judge your personal situation and act accordingly. Be aware that a dealer's best offer can be expected to be below retail price for your coins, possibly by a substantial percentage; dealers are, after all, entitled to make a profit. Avoid dealers who put pressure on you to sell immediately and thoughtfully evaluate appraisals which differ significantly from your own detective work.

Finally, if you have determined that you have a truly valuable collection – something

worth many thousands, you may want to consider working with an auction house. Heritage Auction Galleries is a well-known house, but consider discussing the topic on one of the discussion boards (listed below) if you find yourself considering auctioning your coins. Photos of your coins (the larger and better-quality, the better) can be easily posted on the boards to help the users evaluate your coins.

You may have noticed that I did not discuss selling the collection yourself. This option involves much more of a personal investment in terms of time, work, and self-education, but the potential benefits may be worth it, depending on your personal situation and level of interest. Potential sales venues might include eBay, local coin shows, coin clubs, and dealers, and even the sales forums on coin discussion forums. The topic of (essentially) becoming a coin dealer is beyond the scope of this article, but more information can no doubt be obtained by asking questions on one of the discussion forums below. I will, however, mention that in order to make the most of any online sales attempts, it is essential to be able to image your coins well (see coin photography link below). Another option, for the less internet-savvy sellers is to find a reputable dealer who would be willing to consign your collection for you on eBay (or elsewhere) for a mutually agreed upon fee or percentage.

The best advice I can give you is not to be a motivated seller. Take your time and make sure you've thought through any decisions to sell. If other heirs are in a hurry to take their cut of an estate's coins, try to convey to them that the most profit can be gained through an educated and carefully thought-out approach to selling.

Consider Becoming a Numismatist!

While this article is geared toward someone who has inherited a collection and is planning on selling it, I'd like the reader to consider another possibility. Become a coin collector yourself! The field of numismatics – coin collecting – is a rich and fulfilling one for those willing to put in the time and effort to learn about their hobby. If you have been looking through your collection with increasing appreciation for the history and sheer artistic beauty inherent in coins, perhaps you should reconsider selling right away. Many of us in the collecting community were launched into the hobby by the gift of a particular coin or collection of coins. Passing down coins from one generation to the next is a great way to feel connected with those who have come before us and those who will continue beyond our own time on this earth. Not to mention: this hobby is just plain fun! I hope you'll take a moment and consider turning your inherited collection into the beginning of your own great collection. Joining a local or national coin club can be a great way to start. Thanks for taking the time to read this article.

Resources:

Below are a series of resources that the beginning collector should find useful in their quest for knowledge.

Coin Supplies:

In a previous discussion thread, message board members voted on online coin supply

companies that they'd had good experiences with. The top three companies are listed below:

1. [JP's Corner](#)
2. [Brent-Krueger](#)
3. [Brooklyn Gallery](#)

My personal favorite out of that bunch is JP's Corner. These websites are excellent places to purchase any of the supplies mentioned in the article above, as well as any other coin collecting supplies you might need.

Books:

Below you will find a list of several recommended publications which as a beginner, you will find useful as you examine your new collection. I highly recommend that, at the very least, you purchase a copy of the Red Book (below). It is quite inexpensive and will provide a solid beginning to your education. Beyond these books are a number of different publications which are oriented towards advanced collectors learning about various specific areas of collecting. For starters, however, the following books should get you off on the right foot.

The Official Red Book: A Guide Book of United States Coins 59th Ed., 2006 (updated yearly) by R. S. Yeoman, edited by Kenneth Bressett. Whitman Publishing, LLC. ISBN: 0-7948-1946-X \$14.95 (US) MSRP

The famous 'Red Book' is the classic beginners' coin book. It describes (basic) grading standards for all United States coin series and provides indications of which coins represent 'key dates' (i.e. disproportionately valuable issues) for each series. Prices are generally accepted as being fairly inaccurate due to the volatility of the market, but they should give you an idea of relative value between coins. I consider this a must-have for anyone beginning in the hobby.

The Official Blue Book: Handbook of United States Coins 64th Ed., 2007 (updated yearly) by R. S. Yeoman, edited by Kenneth Bressett. Whitman Publishing, LLC. ISBN: 0794820476 \$12.95 (US) MSRP

The 'Blue Book' is a general guide to help get an idea of what price dealers are paying for new acquisitions.

Photograde: Official Photographic Grading Guide for United States Coins 19th Ed., 2005 by James F. Ruddy. Zyru Press. ISBN: 0974237159 \$14.95 (US) MSRP

The Photograde books go into much more detail as to how coins are properly graded. I would recommend this to a somewhat more advanced beginner collector, as someone just breaking into the hobby might find it overwhelming until they get their feet wet. I'd suggest looking at this book in a bookstore prior to purchase to see if it's right for you.

The Official American Numismatic Association Grading Standards For United States Coins 6th Ed., 2005 by Kenneth Bressett. Whitman Publishing, LLC. ISBN: 079481994X \$14.95 (US) MSRP

Like the Photograde books, this series goes into much more detail as to how coins are properly graded. I would recommend this to a somewhat more advanced beginner collector, as someone just breaking into the hobby might find it overwhelming until they get their feet wet. I'd suggest looking at this book in a bookstore prior to purchase to see if it's right for you.

Internet References:

Collector's Society - NGC-sponsored discussion forums. (My personal favorite)

Collector's Universe - PCGS-sponsored discussion forums.

Heritage Coin Auctions - Very useful for gathering pricing info for higher-dollar coins.

eBay's Coins Section - A potential sales venue, as well as a place to get an idea for current market value for coins.

What You Need to Know: Online Resource Review: Coin Photography Technique - An annotated collection of online references on the subject.

Reputable Third Party Grading Companies:

NGC – Numismatic Guaranty Corporation

PCGS – Professional Coin Grading Service

ANACS – American Numismatic Association Certification Service

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