

Collecting Rare Coins And Currency

Who can hold a copper coin from the Revolutionary War and not wonder if it spent the night with a shivering soldier at Valley Forge? Who can look at a worn silver dollar struck in 1882 in Carson City, Nevada, and not wonder how many whiskeys it purchased after a hard day's ride for its many owners? How many older faces light up at the sight of a Buffalo nickel, reminding them of the afternoon at the movies it purchased? Old Coins are a cherished link to the past, and because they were objects of value, they were seldom discarded. Although many were melted and recoinced, some were buried and discovered centuries later, enabling their new owners to again appreciate the art of the engraver and to better understand the society they served.



From ancient Greece and Rome, through the Middle Ages, Renaissance, and Industrial Revolution, coins survived the ravages of war, plagues, and famines to become an accessible link to the densely woven tapestry of human history. As a result, hundreds of thousands of people over the years have found numismatics--the study of coins-- to be a richly rewarding and educational experience. Collecting coins can be both a satisfying hobby and a profitable investment. The information on the following pages provided an overview of numismatics-- as an art form, as a hobby, as an investment opportunity, and as a barometer of historical change.



Collecting Rare Coins And Currency

One of the most exciting aspects of numismatics is the tremendous variety of collecting themes. The list below illustrates some popular approaches to collecting coins and serves as a starting point to stimulate interests and ideas.

Type: A type collection consists of one example of each major change in the design or metal used. For example, a type collection of nickels would include the Shield nickel (1866-1883), the Liberty nickel (1883-1913), the buffalo nickel (1913-1938), and the Jefferson nickel (1938-present). Collecting by type is extremely popular due to the wide variety of designs and the long time span represented by the collection.

Series: With a focus on one design type, a complete series collection includes one example from each date and mint. As an example, a Mercury dime series collection would include one coin from each year (1916-1945) and from each of the three mints that struck the coins (Philadelphia, Denver, and San Francisco).



Commemoratives: “Commems” were struck to mark special anniversaries or occasions. They were usually silver half dollars, but dollars and gold coins also have been issued.



Colonials: These were usually copper pieces struck during the 17th and 18th centuries, and served as circulating coins in the years prior to America’s independence. Before the first U.S. mint opened in 1793, coins used were issued by the individual states, private coiners, or foreign mints. Two designs are attributed to Benjamin Franklin.

Pioneer Gold and Patterns: During the mid-19th century and throughout the Gold Rush of the 1850’s and 1860’s, several private mints issued gold coins. Today, these fascinating relics of Americana are quite rare. Patterns are trial or experimental pieces struck as examples of a proposed design. Most of the designs-or patterns-were never adopted for regular-issue coins and were struck in very limited quantities.

World Coins: Coins have been struck since about 700 BC, and have been issued by almost every nation in the world. People who appreciate history, geography, languages, or culture will find unlimited opportunities in the field of world coins.

Collecting Rare Coins And Currency

Ancients: Ancient coins were invented by Greeks in Ionia just after 700 B.C. The invention of coinage meant the end of barter and the beginning of international commerce. The first coins, called electrums, were made from a mix of gold and silver nuggets found in streams. Greek coins also were made of copper and bronze. the most common denominations were silver drachms and tetradrachms, and gold staters.

Greek coins are miniature sculptures of great beauty, depicting gods and goddesses of the city, and animals-especially lions, eagles, and bulls. The coinage of Alexander the great represents Alexander as Hercules, with Zeus holding an eagle on the reverse. Lifetime issues of Alexander were made from the treasures he captured while conquering the world. Those same coins paid the fearless soldiers in his army.



Roman coinage used the same metals but carried a different message. Lifelike portraits of Julius Caesar, Augustus, Marc Antony, Nero, Marcus Aurelius, and over 120 others adorn the obverses of the gold aureus, silver denarius, and bronze sestertius they issued. Both the obverse and reverse legends described the emperor's accomplishments.

Byzantine coinage was issued primarily in gold solidi and copper folleses, and usually bore a cross or portrait of Christ in addition to a portrait of the emperor.

With striking visuals, ancient coins can offer their owners a near-photographic image of past cultures. And although rarities with thousands of dollars exist, the vast majority cost from \$5 to \$500.



Currency: Some of the world's finest artists made their mark not through paintings or sculpture, but with paper money. Designs on old currency, crafted by artists and engravers, reveal volumes of history. They unravel the mysteries of rulers, the downfall of governments, and shifts of world dominance throughout the centuries.

During the past decade, collecting paper money has been one of numismatic's fastest growing fields. Each year, several conventions are held specifically for currency collectors. Collecting paper money offers a wide variety of challenges to suit each collector's personality.

Buying Rare Coins

Several good sources are available for purchasing rare coins. Each source has its advantages, and much depends on the experience of the purchaser and the type of material desired.

Local Dealers: A local dealer can be an excellent source of information. Coins can be examined in person and questions about the hobby answered. Some establishments deal in variety of collectibles, including stamps and baseball cards. However, locating a shop whose main business is rare coins is the best alternative for finding the necessary expertise.

Numismatic Conventions: Conventions provide the opportunity to view a large number of coins. A regional coin show is an excellent place to meet and compare prices among various dealers. A national show offers an excellent selection of coins and the nation's most experienced dealers. National conventions are limited to only a few major cities during the year. Although private exhibits and public seminars for hobbyists are an important part of each convention, dealers spend the majority of their time inspecting and purchasing coins.

On The Web: Ancient Rome meets 21st century technology as hobbyists and dealers browse thousands of internet sites that feature rare coins. The growth of the internet has created unprecedented opportunities for collectors to explore the world of coin collecting. Qualified buyers can participate in live auctions; hobbyists can pick up tips on coin collecting and peruse on-line catalogs to locate coins.

Mail Order: Local dealers and coin shows are good places to obtain coins; however, many of the more expensive and rare coins are advertised and sold by the nation's major dealers. For most people, it will be necessary to conduct some business via telephone and mail.



Auctions: When large collections are sold, the owners or their heirs typically contact one of the larger numismatic auction firms. Auction firms accept coins on consignment and sell them at a public or mail bid auction. Many of the nation's rarest and most expensive coins are sold in this manner. A collector should also seek a dealer who is a member of the Professional Numismatists Guild (PNG), an exclusive dealer organization with strict requirements for membership. Members of the PNG are full-time professionals in numismatics. They are well qualified to assist collectors--from the novice to the expert.

Buying Rare Coins

Aspects Of Coin Grading

The grading of coins involves several considerations. The state of preservation is perhaps the most important. A coin that appears to be “new” is more desirable than one that has lost its surface details to years of wear and tear.

Other factors that play a role in grading coins include:

Strike: The strike refers to the impression a die makes on a blank coin planchet. Sometimes a coin will appear worn, when in fact the coin was imperfectly struck or struck from a worn die.

Luster: Luster is the special reflective quality of a coin’s surface that is produced by the striking process. A coin with radiant luster will command a premium over duller specimen.

Toning: Over time, many coins acquire coloration due to natural oxidation. This oxidation, or tarnish, can be attractive and does not detract from the value. A colorfully toned coin is more desirable than one that is dark or dull by comparison.

Bag Marks: After coins are produced they are placed in mint bags for storage. The term “bag marks” refers to the tiny nicks or similar marks that appear on a coin’s surface due to contact with other coins. Coins with very few bag marks are desirable.



The Rewards Of Collecting

Rare coins combine beauty, craftsmanship, and historical significance into a fascinating collectible. For many collectors, buying rare coins also has produced mid-to long-term profits. Some rare coins have increased in value tremendously, making diligent, discriminating collectors quite wealthy.

Even for collectors who wish only to store value effectively or generate modest returns on resale, rare coins offer several advantages over other collectibles, including:

Intrinsic value: Gold and silver coins have intrinsic value, not only as legal tender, but also by virtue of their precious metal content. Although they trade at a premium over this value, rare coin prices are not solely dependent upon dealers' maintenance of an investor market. Although coin prices can be quite volatile, collector demand is the basis of the rare coin market.

Documented Rarity: The total population of each U.S. rare coin cannot be greater than the number actually minted, which is a matter of public record. And because U.S. rare coins have been studied and traded throughout most of the twentieth century, the number of surviving coins from each issue is in most cases, well researched and documented. Of course, the periodic appearance of a previously undocumented coin is always exciting.



Independent Grading: The authenticity and condition of rare coins is subject to independent verification. Grading services such as PCGS and NGC are trusted by auction houses, dealers, collectors, and investors. These services have certified billions of dollars in coins over the past ten years and have backed their work with guarantees.

The Rewards Of Collecting

Independent price guides publish “bid” and “ask” prices of rare coins based on recognized grading standards.

Liquidity: Rare coins are bought and sold daily in a world wide marketplace that includes major auction houses, thousands of dealers, nationwide coin shows, and computer buy-sell networks. This gives rare coins a liquidity that simply does not exist with other collectibles. It is simple to monitor the market value of a carefully assembled rare coin collection by consulting trade publications and talking to professional numismatists.

Affordability: Rare coins come in every price range. Investors do not have to risk large sums of money to invest in rare coins, and they can cost-average to further hedge their risks. Even a small, initial investment can grow through careful management and strategic acquisitions, always within the investor’s budget.



1928 \$20 dollar gold coin certified by Numismatic Guaranty Corporation (NGC)

Buying From a PNG Dealer: Perhaps most important, the Professional Numismatists Guild (PNG) gives rare coin investors and collectors a number of protections not found with other collectibles. A coin dealer must pass a background check, meet financial requirements, and obtain the approval of his peers to become a member. To remain a PNG member, a dealer must conform to a strict Code of Ethics.

Disclosure requirements exceed those in any other collectibles area and are more stringent than the federal government’s requirements for tangible asset investments. In the event of dispute, a member must abide by binding PNG arbitration, which is swift, unbiased, and inexpensive.

All collectibles investments are risky, but only in the rare coin business have dealers joined together- through the Professional Numismatists Guild- to protect the interests of collectors and investors.

Conclusion

There is no better mirror of the past than tangible objects left by civilizations and societies that flourished and declined throughout history. and of all the remnants of prior generations,



perhaps none is more widely available, more affordable, and more intriguing than the coins used by ordinary people.

Although everyday objects from ancient civilization, such as clothing, jewelry, and artwork, have all but disappeared--or are priceless

museum pieces--the magnificent copper, silver and gold coins used to purchase those items survive in sufficient quantities to enable even those of modest means to acquire and appreciate the art of centuries past.

