

Buying into the Auction Scene

Whether you're a casual collector or a numismatic professional, resources are available to make your auction experience pleasant and successful.



COIN BUYERS FALL into two broad classifications: those who dabble part-time for pleasure, and those who work at it full-time. The first group includes neophyte collectors and unrepresented investors. The latter is comprised of numismatic professionals, sophisticated collectors intimately familiar with their areas of specialization, and investors, who usually are represented by dealers or agents.

By and large, coin collectors are a well-educated lot. The more serious and specific the collection, the more serious and educated the collector. On the subject of their numismatic passions, many collectors are more knowledgeable than the average dealer. These hobbyists often become investors by default, as a fine collection assembled with care over the years becomes an investment in its own right. (The annals of numismatic history are filled with examples of such collections.)

On the other hand, coin investors without representation generally tend to be less educated about numismatics. In my opinion, no one should invest in coins—or anything for that matter—without the help of a well-respected professional.

Far and away the largest and strongest buyers at any public auction are professional coin dealers. It makes perfect sense. First, they generally are the best educated and most knowledgeable, as they spend all their time dealing in numismatics; they know

the “end users” (in this case, the collectors and investors); and they frequently are the best financed. Additionally, dealers tend to be the market-makers, and they can influence the outcome of an auction.

I consider purchasing agents a subcategory of dealers. An agent examines the numismatic property for sale, offering a potential buyer a detailed description and his opinion of the

used to be a full-time proposition, over the last 20 years it has become a sideline for ordinary, auction-going coin dealers.

The experienced collector works in tandem with his agent, examining the property and forming his own conclusions. He then compares notes with his agent and, in the privacy of his home or office and the quiet of his personal coin library, determines what he will bid. Whether he is working, vacationing or waiting outside the auction venue, the buyer can rest assured that his agent is protecting his interests (probably better than the buyer could himself), consuming fewer hours of his time and at a cost that might be less than if he had represented himself.

Professional or private investors who maintain a portion of their financial assets in rare coins tend to be as well informed as the coin dealers from whom they buy.

Such investors normally have no personal interest in any specific coin or coins; rather, they are concerned with the health of hard-money markets in general and coin markets in particular. Their numismatic advisors make recommendations based on their personal experience, backed by data and market analysis, just as any financial advisor would. For some coin investors, purchasing material at public auction is the preferred method of acquisition, as it provides airtight backup for fellow investors, accountants . . . or tax authorities, if it ever comes to that.

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▲ A conscientious collector or investor often can save time and money by engaging a numismatic agent to represent him at auctions.

piece, as well as an estimate of value. He represents the buyer on the auction floor, usually for a fee of 2 and 10 percent of the hammer price, depending on what is purchased. Usually, the higher the price of the coin, the lower the commission. The buyer gets the benefit of the agent's expertise and does not have to attend the auction (often for reasons of time or anonymity). While the job of agent