



In this issue of our newsletter, we have another great article from Jeff Garrett on the subject “The Difference a Point Makes.” Our next meeting will be held on Monday, January 20, 2020 at 6:30 PM at our new location at the Embassy Suites at Lexington Green, 245 Lexington Green Circle. As a reminder, they have asked that we not bring in outside food or drink when attending the meetings. Instead, there is a location within the facility to purchase soft drinks, coffee, or food items.

**DOOR PRIZE TO BE GIVEN AWAY!**

You won't want to miss this meeting! Jeff Garrett at Mid-American Rare Coin will be donating another door-prize item to be given away. Also, Jeff has a really nice deal for any club members who would like to become members of the American Numismatic Association. Jeff will pay 100% of the first year's basic membership dues (the online version of The Numismatist, a \$28.00 value) for any club member who wants to become an ANA member for the first time. The ANA offers members many outstanding benefits including discounted coin insurance, life insurance, library use, on-line delivery of The Numismatist Magazine, and a great numismatic convention each summer.

### **The Difference a Point Makes By Jeff Garrett**

Sometimes one point does not make much difference. Your credit score might be 720 or 721, but the one point difference really does not matter. On the other hand, if the Super Bowl is tied, with seconds left in the game, and the kicker needs to make the extra point after a touchdown, one point makes a huge difference. Rare coins are not quite on the scale of a Super Bowl, but in numismatics, one point can indeed make a huge difference. The price jump from one grade to the next can mean six-figure amounts in some cases. Does one point really mean that much? For some, the obvious answer is yes!

One of the biggest differences in European numismatics and American numismatics is the hyper focus on quality. The high end of the American market is currently dominated by collectors who compete with each other in set-registry programs such as the one hosted by NGC. These collectors build sets and post them online with the goal of moving up in rank. The set-registry programs also include coin issues from around the world. British coins are particularly popular with American collectors. This is one reason high grade coins from around the world have surged in prices in recent years. The difference that set-registry collectors will pay for that one extra point to move up can be incredible.

Decades ago, rare coins traded hands based on grades such as Extremely Fine and then Uncirculated. There was nothing in between. The introduction of Almost Uncirculated was deemed radical. It was not until the mid to late 1970's, that the American numismatic community adopted the Sheldon, 01-MS70 grading scale. It was another decade or two before the MS scale was broken down point by point. Many thought it impossible to be so precise. Today, numismatics items trade hands, with significant value changes based on each point. A common date MS66 Morgan Dollar sells for around \$200, while in MS67 the same coin brings about \$750. In MS68 the coins bring nearly \$5,000. This scenario plays out with nearly every popular series of United States coinage.

Several years ago PCGS and NGC upped the grading game ante by adding Plus (+) designations to the menu of grades given on submissions. Many old-school collectors and dealers probably think it is beyond impossible to judge coins that precisely, but the market seems to have embraced the move. The clear price differences coins bring at auction illustrates the success of the addition of Plus grading. My experience has been that the plus designation adds about 20% to the value of most coins.

One of the best pieces of advice ever given to collectors is "buy the best you can afford". The theory is that over time, higher quality coins will out perform lower quality selections. This has most certainly been the case over the last few decades. I would never have dreamed of some of the prices that super Gems

coins bring at auction. A few decades ago, the idea that a Franklin Half Dollar could be worth \$100,000 would have seemed ludicrous! Prices such as this are now almost common place. This is especially true with series that are popular with set-registry collectors, such as Lincoln Cents, Buffalo Nickels, Mercury Dimes, Washington Quarters and Walking Liberty Half Dollars. There are hundreds of individuals attempting to assemble high grade sets of these series. The competition is fierce for superb examples.

The advent of Registry collecting has had a tremendous impact on numismatics. Now collectors not only attempt to complete sets, but they compete with others doing the same. It is probably the biggest boost to coin collecting since the Penny board concept sparked a surge of collecting in the 1930's. In my opinion, the rare coin market would be in a much different state if not for set registry collecting. Most demand for high grade United States coinage is based on collectors competing in this arena. One collector alone has invested over \$200,000,000 in the last several years in his attempt to beat the Louis Eliasberg "all-time best collection" status. In the past most collectors quietly built their sets in relative privacy. Some famous collectors, such as John Ford were actually super-secret about their holdings. Only when they passed away did the numismatic community discover the extent of their collection. Modern day collectors want to complete their sets and have the highest ranked set possible. Many of today's great rare coin collections are listed on the NGC Registry for all to see.

This very public competition for the finest sets has created astounding prices for many of the most popular series. These high prices might seem like a bubble or in some cases bordering on insanity. There are isolated instances of seemingly crazy prices, but for the most part, the demand for these popular series is broad and deep. Only the collector themselves can judge the value of having claim to the number one set! There is also some value added to assembling a pedigreed set. As I have covered in a previous article, coins from a famous collection will bring a premium when offered for sale. Rare coin pricing is more complicated than ever. The value of a coin usually depends on simple supply and demand. Now, some rare coins can be driven to new heights by the intangible of how much that one

point can help in the pursuit of the finest set ever assembled. Collector's also are more willing now than ever, to pay substantial premiums for coins with amazing color and superior eye-appeal. Rare coins are quickly moving from being viewed as commodities and more as works of art. Remember to best the best you can afford, but now with a special emphasis on quality for the grade.