

# - COIN BUYING BASICS -

*If you enjoy* coins, and consider them historically interesting, fun to view, and potentially profitable, then you will find it rewarding and easy to learn about and participate in the numismatic hobby. The knowledge you acquire and retain along the way will help you to realize the most value for your money.

The most important aspect of building a successful collection is to find good buys. Anyone can go out and pay too much for coins, but to fully enjoy this hobby, your goal should be to maximize value. What does it mean to maximize value? It means buying the best quality coins and the largest quantity of coins for your dollar.

## - Maximizing Value -

To maximize value, you will need to have a general understanding of current market conditions. Thankfully, this information is very easy to obtain. But, before we go into how this information can be obtained, let's first discuss how coins are traded, because market conditions are based on market activity. Most major numismatic transactions occur either at coin shows, through live public auctions, through private treaty sales, via online auctions, or by way of dealer to dealer transactions. The dollar value of these transactions are studied by dealers, who then oftentimes advertise their buying and selling prices, thereby creating a fluctuating market. These buying and selling prices, along with auction prices realized and some coin show transactions, are regularly reviewed by coin trade publications who report on the status of the coin market. These publications also closely monitor and research dealer-to-dealer transactions.

Reviewing publications that report on the status of the coin market is key to maximizing value. All knowledgeable dealers, collectors and investors refer to them when they buy and sell. The "Coin Dealer Newsletter (CDN)" is the publication that is most widely used. If you attend any coin show you will see all the dealers using the "Coin Dealer Newsletter" as a guide when they are buying and selling coins. Often referred to as "the Greysheet," the "CDN" lists the wholesale Bid and Ask prices for many commonly traded and collected United States type coins, and it is updated once a week.

The same company that publishes "the Greysheet" also publishes a "Monthly Supplement" and three "Quarterly Supplements." These additional pricing guides include even more pricing information for an even wider array of United States Coins. The types of coins you collect will determine the guides that you will need when buying and selling. You can purchase a subscription to "The Coin Dealer Newsletter" by going to [www.greysheet.com](http://www.greysheet.com), but most dealers will let you borrow their copies or give you their back compies for free. Remember, part of the fun and gamesmanship of the coin collecting hobby is locating select in grade coins as close to the wholesale bid/ask price as possible. But, one important thing to keep in mind is that while these pricing sheets are a valuable tool, it is ultimately the buyer and the seller who determine a particular coin's actual value. In other words, coins sometimes trade for prices well over or well under the sheet's listed price.

In addition to having access to pricing information, being selective in which coins you collect is of great importance. You should pay close attention to quality and only consider for purchase those coins that are average to above average for the assigned grade. Look for coins that are well struck, have minimum flaws for the grade, and display great eye appeal. It takes some experience, but after you look at enough coins, you will be surprised at how quickly you are able to determine quality. Until then, always feel free to ask the opinions of dealers and other collectors. Most of us in the hobby are more than willing to give our opinions.

To maximize value, be selective with the coins you buy, and use the pricing sheets to determine current market conditions.



# - ADDITIONAL COIN BUYING TIPS -

- 1) Learn as much as you can about the coin series you decide to collect. Read books on grading coins, and locate experts (dealers and advanced collectors) who are willing to help you learn.
- 2) Work with sellers who you can trust to give you their honest opinion and a fair deal.
- 3) Be informed of the current market prices by asking about the wholesale buy/sell sheets, “the Greysheets.”
- 4) Avoid problem coins that appear nicked, corroded, spotted, dented, or cleaned. Try to buy coins that are appealing to you, because what appeals to you will appeal to other collectors down the road when you decide to sell.
- 5) Stay within your budget and take your time in making a purchasing decision.
- 6) Buy coins from people who have a long buyback/return period. We recommend 30 days. This will allow you to really look over your purchase and make sure that you are happy with it.
- 7) Buy from reputable dealers, and avoid telemarketers and those who advertise “once in a lifetime” opportunities.
- 8) When possible, get a second opinion from an unbiased third party you trust who is not involved in the transaction. Ask them if the price is fair and if the grade is accurate.
- 9) Keep good records of the coins you purchase. Log the type of coin purchased, the date of the coin, its mintmark, its grade, the amount you paid, the name of the person/company from which you purchased the coin, and the purchase date.
- 10) Start out by buying coins that are less expensive and that have small premiums from grade to grade.
- 11) Feel free to ask any of the experts at Scotsman to help you. There are no “stupid” questions, and our job is to help you, so please never hesitate to reach out to us. We love to help people learn about coins, so you might as well take advantage of Scotsman’s over 50 years of experience.

