

What Is This Coin Worth?

by [Michael Marotta](#)

The value of any coin depends on these factors:

1. Rarity
2. The number of collectors
3. Grade and condition
4. Bookkeeping
5. Your position

1 and 2 are Supply and Demand.

There are many "rare" coins for which there is little demand. But overall, rare coins have higher prices. Demand doesn't drive *retail* price so much as it drives the *spread* between retail and wholesale.

For instance, you can find many silver dollars that sell for about \$50 each based in the number that were struck. You can also find many ancient Roman coins in the same price range. However, a coin dealer will pay much closer to \$50 for a rare silver dollar than for a Roman denarius because he will be able to sell the silver dollar much *sooner*. Collectors of ancient coins are few and far between. The dealer will get his price -- but only "eventually." In America, Lincoln Cents and Silver Dollars, are hot items, while Washington Quarters are not. In America, foreign coins and ancient coins are not in high demand.

It was generally true that the US Mint at Philadelphia struck most of the coins. Branch mints at San Francisco, Denver, Charlotte, New Orleans, Carson City, Dahlonega and West Point struck fewer coins. Therefore, simply identifying the mintmark on a coin can make a big difference in its price.

With some famous exceptions, most coins are but one example of millions of their type. During World War II, the US Government struck *billions* of half dollars, quarters, dimes, nickels, and cents. Nineteenth century coins from Britain, France, and Mexico are likewise plentiful.

In order to be 100% sure of the approximate value of a coin, a collector or numismatist would have to see the coin and look it up in a catalog.

3. Grading is a technical study. Often people will say that a coin looks "pretty good" or "almost new." Numismatists use another vocabulary:

Poor, Fair, Good, Very Good, Fine, Very Fine, Extremely Fine, Almost Uncirculated, Uncirculated, Mint State.

Each word has specific meaning and each meaning is in the context of a specific (American) coin. There are guidebooks and classes for this study. Many of these materials are produced by the American Numismatic Association, 818 North Cascade Avenue, Colorado Springs, Colorado 80903-3279 USA.

The details that make one coin "Very Fine" might only rank another coin "Very Good." For an Indianhead Cent to be "Very Good" you must be able to see half of the lettering in the word "Liberty" on her headband. For a Seated Dime or for a Barber Dime of the same era, you need be able to read three letters. On the other hand for all of these coins to be graded "Fine" you must be able to see all of the word "Liberty." For a Buffalo Nickel, the only points that count for grading are the horn and tail, regardless of how nice the rest of the coin is.

There are no such benchmarks for ancients or foreigners. Basically, you have to look at the amount of wear and apply the same general standards you would to a US Coin of the same era. A coin that is 50% worn, with major details still clear, so that you are able to read all of the lettering around the edge and the date is Good or Very Good. At less than 25% worn with the minor details visible, you are at Fine or Very Fine.

Also, there is a difference between technical grading and market grading. Technical grading looks only at the wear. Market grading considers more factors, some of them highly subjective. Consider the Morgan Dollars of 1878 - 1921. These big, fat-faced Roman goddesses are popular with everyone today. But they were unpopular in their own day. Most of them sat around in bags in bank vaults. Fully one-third of the total population is considered "uncirculated." But, while the coins did not make it into the channels of commerce, they did get moved from bank vault to bank vault and so most of the nominally "uncirculated" Morgan dollars have bag marks. These dings and nicks detract from the overall appearance of the coin and so lower the market grade and therefore the price.

Cleaning a coin generally lowers its market grade. In fact, most numismatists will insist that cleaning a coin must lower its technical grade because cleaning is abrasive.

4. What I call the "bookkeeping" factors are the mirror image of Demand. By the generally accepted accounting procedures (GAAP), every item is always evaluated at the price you paid, i.e., the "book value." Many recently issued coins will remain with their original owners until the market moves clearly in one direction or another. The people who bought them have money invested, and at "book value" these coins will be owned for a long time before the owners either reap their profits or eat their losses. This is true of the Rose Garden commemoratives, the Olympic coins, Jackie Robinson, and so on.

5. Your position defines your ability to make a profit or your willingness to take a loss. It is the "misery factor."

There are astounding rarities whose sales always make front-page news in the numismatic press. With even a little inflation compounded over several or many years, these coins always sell for "more" than they did the last time the auctioneer's hammer came down. But the owners of these \$100,000 and \$1 million coins are in business and they mean business and very often they are liquidating an asset that has underperformed sadly when compared to their main line of work. A half million dollar boat will take you fishing and you can write it off as a business expense. The same cannot be said for a coin. At some point, someone decides to dump their coins. They might make a huge profit in objective terms. Usually, they do not. Most "profits" are the illusion of inflation. What drives the sale is the seller's need to get cash.

Most people want to take their coins to a coin store and walk out with money. They know nothing about coins and have no interest in them. Usually, the coins were inherited. Basically, these people are paying the coin dealer to sell their coins for them. He's taking the risk, so he passes the losses on to them. This is the worst way to sell coins.

It is better is to get some books at the library and identify the coins yourself. Buy a coin collector's newspaper. Become knowledgeable. Buy some supplies from a coin dealer and package your coins to look more like his: put them in 2-by-2 holders with dates and grades; put the better ones in pastic flips. (These supplies cost about \$5 per hundred.) When you know what you have and what will sell, take them to a coin show and speak from a position of knowledge to the dealers.

Better still, you can get a table of your own at a local show and sell them *retail* to other collectors. (Typically, a table at a local, one-day coin show, will cost between \$25 and \$50.) Try that once and you will appreciate the dealer's risks and costs when you take the coins to him -- but since you will know the better coins from the commons, you will get the numismatist's price -- rather than the public price -- for your coins.