



Florida United Numismatists



Running an Estate Auction

By Tony Swicer

As you know, most coin clubs around the country are getting older. The average age of membership in the ANA is 61. Why not take advantage of the situation and solicit coin, currency, exonomia, and numismatic book collections from your older members to run in a club “Estate Auction”.

Why should your club member consider an estate auction? The main reason is he or she will realize more money rather than going to a coin dealer. The auction will attract new club members (must be a club member to bid), and generally stir up more interest in the club. The seller must also be a club member. The cost to the seller is just 5% and generally you want an auction that will gross \$5000 or more, to make it worthwhile for the club to do it. You advertise the auction at your meetings and in the club newsletter.

Make this auction different from your regular auctions. The psychology of an Estate Auction is that this auction is special and there are bargains in it for me.

Here are the nuts & bolts of the auction;

1. How do you get the collection for auction? Advertise the “Estate Auction” in your newsletter or on the club website with the details. I never solicit for the collection, I let it come to me. It is a matter of them trusting you and reminding the consignor that they will do better in your club auction rather than selling the collection outright.
2. Someone or a group of members in the club must gather the collection at least two months ahead of the auction. Put everything in order, cents through dollars and gold, world coins, and books & supplies.
3. Someone or a group must grade and value everything. Grading must be accurate. The value is generally Grey Sheet Bid. The opening bid should be about 20-33% back of bid (Dealers in my area want to pay 50% of bid, or less). If the opening bid is too high, it won’t sell. You want everything to sell. Number all the lots with stickers. Generally, a 110-lot auction is the average. You can bulk cheap coins together. Leave a set together as a lot, don’t break it up unless individual coins are high grade and bid a lot individually (A circ Walking Liberty Half set, leave intact. If they are all BU, sell individual coins). On the average, minimum bids go up about 20-25%. Some lots go over the listed value. CC Dollars in GSA holders will sell high. A circ Jefferson nickel set will not. Get a bidding war going.
4. Put everything on the computer and print a copy for the consigner to approve.
5. After the auction is approved, print it in the club newsletter for all club members to see. Put the auction on your website.
6. The night of the auction at your club meeting, you need two people recording prices realized. If you do “cash & carry”, you need runners to deliver the coins and take the cash. If members pay by check, hold the lots sold to them until the auction is over. You can use bidder paddles. You need extra copies of the auction on hand for those who don’t bring their copy to the auction.
7. The next day, total the auction, deduct the club’s 5% & printing costs, and deliver the seller’s money, at your convenience.

I have held 36 estate auctions over the past few years and the club has made over \$10,000. One auction grossed \$25,800 (87 binders of World Coins).

Putting Your Coins in a Major Auction Vs. the Estate Auction

What kind of collection do you need to put it in a major auction?

It is obvious that large auctions bring out more bidders and your coins could sell for more money. Generally speaking, major auction companies want individual lots that are valued at \$100 to \$500 per lot, or more. They want individual coins worth this amount also. If your coins are not worth a lot individually, then they will bulk your coins together into lots that meet their dollar lot value. These coins may also be auctioned off last.

Depending on the dollar value of your collection, you can negotiate a commission rate. If you have a collection worth \$300K or larger, you can probably get a 5-15% commission rate or lower. If your collection is worth \$50,000, then you might pay up to 15% commission. I was charged 35% commission for one item that sold for \$3500. Maybe the smaller size collection would be best sold in an Estate Auction. It is your decision.

If you have several \$1000 coins, you may want to put them in a major auction and put the lesser coins in an Estate auction at your local coin club with a 5% commission.