IN THIS CHAPTER

- Moving from a coin admirer to a coin collector
- Buying your first coins
- Getting the best deal for your coins when it's time to sell

Chapter 1
Welcome to the World of Coin Collecting

The first actual coinage as we know it today dates back to the Lydian civilization of about 650 BC. The coins were really nothing more than crude, preweighed pieces of silver, electrum, or gold, stamped with a punch by the king who made them. Soon thereafter, dies were invented that were fancy enough to identify the king who issued the coin and the value that each coin carried in trade.

Formally called coins at this point, those that were available in quantity and found to be reliable in their weight and purity became acceptable to all who traded them. These so-called trade coins started the use of coinage in commerce as we know it today. The trading efficiencies that coins afforded over barter were so great and so obvious that all those in economic power copied the idea to benefit themselves and their own people.

Countless rulers made huge quantities of coins, after which barter became the second-favorite way to trade. Trading with coins and exchanging coins of one country for those of another became a profession. (The traders were the moneychangers and, later, the first bankers.)

B.C: BEFORE COINS

Before the invention of coins, most commerce was done in trade, by bartering. Every time one man wanted to trade the extra goods he had for the goods he needed, he had to set a rate of exchange for every item he traded with every one of his trading partners every time they met. How much cauliflower for how much salt? How many sheep for a cow? What to pay to the chief in return for his protection?

This cumbersome process was probably confusing and time-consuming, and no doubt dreadfully inefficient and very stressful. It probably led to heated arguments and maybe even fights. One man wants to trade a cow for some sheep, but the guy with the sheep wants a horse. The fellow with the food already has water and three daughters, but he's willing to trade for husbands for his daughters or for wine or axes. But the guy who makes ax heads doesn't feel well, so there's a shortage of his fine product. The chief wants his taxes in arrowheads, axes, and knives, probably not daughters. And so it went. Trade, although necessary, was barely productive and definitely not fun.

Out of this carousal of chaos in the barter economy came the first standards of trade. A *standard* in trade is an item that everyone who trades agrees has a value against which everything else can be judged and then traded. Objects used in this way have included iron bars, seashells (in inland areas where seashells weren't found), animals, beads, grain, salt, obsidian (volcanic glass), stone arrowheads, and knives, and bone fishhooks. Standards of trade slightly simplified the trading process into a productive and at least somewhat social event.

Next came man's discovery of metal in a natural state. The first of these metals was iron (from meteorites), followed by copper, gold, and silver. These metals were desirable not just because they were great for making tools, but also because of their beauty. Over time, the metals became the most acceptable items for exchange. A man could sell his cow for gold and have something to trade for food the next month. For the most part, these metals were small and convenient to carry and store, making for the first universal medium of exchange.

Still, during each trade, the amount of each metal varied in weight and in pureness. To solve this problem, the natural solution was weighing and marking the value on each piece. Eventually, the local chief took to marking each unit with its value and assigning his mark, indicating its acceptability in trade. Trade expanded to include metal arrowheads, knife blades, and even nails, the direct ancestors of coins as we know them today.

Since the earliest days of coins, tens of thousands of princes, kings, and emperors, as well as an untold number of cities, states, kingdoms, and empires around the world, manufactured coins. Many of them have vanished. But before they disappeared, they minted and issued multiple millions of coins in hundreds of thousands of designs, sizes, denominations, and metals, leaving them for us to find. In fact there are empires that did exist that have only been discovered and identified due to the coinage left behind. The first coin collector undoubtedly appeared along with the first coin. And collecting coins became a social event, as much fun then as it is today.

On Your Mark, Get Set, Go: Starting Your Coin Collection

Coins have been collected by everyone from Roman emperors (Julius Caesar and Trajan) to U.S. presidents (Harry Truman and Thomas Jefferson) to kings (King Victor Emmanuel of Italy , King Farouk of Egypt, and King Louis XVI of France) to millions of commoners like us.

You can join millions of famous and not-so-famous folks of the past and present and have lots of fun collecting coins, but first, you need to arm yourself with some information. Every coin collector builds their collection differently. Some people with little imagination go for the simplest and least interesting coins; others with more derring-do go for complex and confusing ones. The good news: There isn't one right way to collect coins, so no matter how you go about it, you can have a good time. For an overview of coin collecting, including the whys and hows, turn to Chapter 2.

Before you spend a dime on collecting coins, you need a buying strategy. You need to know how to research the coins you're interested in, as well as how condition, rarity, supply, and other factors influence the coins' values. Most beginning coin collectors get hung up on values. Don't get me wrong: Value is important, but it's just one of the things you may want to consider when collecting coins. Also important, are discovering which coins interest you and building a collection you can enjoy. I cover all these topics in Chapter 3.

When you've decided to give coin collecting a green light, and you've set up a plan for building your coin collection, you'll want to be sure you know how to hold a coin correctly (because if you don't hold it correctly, you could damage it) and how to store your collection (to keep it safe from all the evils that can befall a coin). Turn to Chapter 4 for more information on storing and handling your coin collection, whether it consists of one coin or a hundred.

Eeny, Meeny, Miney, Moe: Deciding Which Coins to Collect

Sure, you could rush out to the nearest coin dealer and fork over a bunch of cash for the first shiny coin you see. But in the trade, a common expression is "Buy the book before you buy the coin." I recommend getting familiar with what's out there first. Maybe ancient Greek or Roman coins or coins from the biblical period suit your fancy. Maybe you're blown away by coins from the Byzantine Empire or mowed down by medieval European coins. You have unlimited choices in these areas alone; turn to Chapter 5 for the lowdown.

On the other hand, maybe you're more interested in modern U.S. coins. If so, you're not alone. The U.S. Mint has sold coins to millions of people in the past few years. That's a lot of collectors, so you can count on meeting all kinds of new people and making friends as you build your U.S. coin collection. For more on U.S. coins, check out Chapter 6.

Maybe you're more interested in collecting coins from around the world than you are in sticking with the red, white, and blue. You can collect by country, by denomination, by date, by size, or by topic. Coins go in and out of style, too — maybe not as fast as fashion trends `brands of blue jeans`, but there are trends in coin collecting, and as a collector, you should be aware of them. You can find more on this topic in Chapter 7.

Finally, even though you may not think of the word *wild* when you think of coin collecting, trust me: Numismatics has a definite wild side. If you fancy yourself to be a bit of a rebel, or if you like to tread the road less traveled, all those rare, expensive, odd, and curious forms of money may be just right for you. In Chapter 8, I fill you in on what's out there, touching on collecting the coins in the best of conditions and investigating all manner of tokens and dies along the way.

I Pledge Allegiance: Turning Your Attention to U.S. Coins

All kinds of coins have been used in the United States, starting with coins that the colonists used before they got together and became a country. Before Thomas Jefferson sat down to try his hand at declaring independence, foreign coins — from France, Great Britain, Ireland, Mexico, and Spain — were used, as were coins made in the colonies themselves.This included Connecticut, Massachusetts, New

Jersey, New York, and Vermont. For more on privately made coins, tokens, and medals and the desirable coins of the Continental Congress, turn to Chapter 9.

In Chapter 10, I cover copper and nickel federal coinage, including copper half cents, large cents, small cents, and two cents, as well as nickel three cents and five cents. I bet you'll discover some denominations that you've never heard of before.

Silver coins make up the bulk of U.S. federal coinage prior to 1964. In Chapter 11, I cover 3 cents, half dimes, dimes, 20 cents, quarter dollars, half dollars, and dollars. Almost everyone has seen a silver dollar, but how about a silver half dime or a 20-cent piece?

The balance of U.S. federal coinage made of metal is pretty much confined to gold coins (my personal favorite). In Chapter 12, I discuss $1 gold, Quarter Eagles ($2.50), $3 gold, $4 gold, Half Eagles ($5), Eagles ($10), and Double Eagles ($20). These coins are the royalty of U.S. coinage, and they're as popular with collectors today as they were with merchants more than 200 years ago.

Coins are made for more reasons than just commerce. In Chapter 13, I cover *commemoratives* (coins that were made for special reasons), including the new 50 State Quarters program and its cousin, the Presidential $1 Coins program.

Chapter 14 brings you odd and unusual coins, including *patterns* (coin designs that never made it into production); private pioneer gold, including Quintuple Eagles, or *slugs* for short ($50); coins of the 1830s through the Civil War; Confederate coins; Hawaiian coins; coins made as proofs; and coins made with errors (yep, people collect them too!).

I'll Take That One, and That One, and That One: Buying Coins

Coin collecting isn't without its pitfalls. If you want your coin collecting to be more fun than not, you need to know what the pitfalls are and how to avoid them. I fill you in on grading and fakes, as well as coins that have been repaired, restored, recolored, cleaned, or dipped — and what those terms mean. I also discuss scams, misrepresentations, overgraded coins, and undergraded coins, as well as return privileges and guarantees of authenticity and grade.

Part of buying coins is finding coin price guides and knowing how to use them. If you've ever looked up a stock price in the newspaper, using coin price guides will be a lot more comprehensible (and if you haven't, don't worry; I'll walk you through it).

When you know which coins you want to buy and how much you should expect to pay, you'll want to find a good, reliable coin dealer. There areYou have plenty of dealers to choose among locally, regionally, and nationally, depending on your needs. Chapter 15 shows you how to select a dealer with confidence.

Many coins are bought and sold at public auction — and for more than a few good reasons. If you're going to buy a coin at an auctionthough, you need to be prepared and know how to bid. In Chapter 20, I cover this topic, including the rules you need to be aware of.

An important aspect of buying any coin is the coin's condition and how it affects coin value. You need to know about strike, eye appeal, luster, and condition (wear), as well as who grades coins and how coins are graded, how grade affects the coin's price, and what constitutes modern grading standards. Turn to Chapter 19.

Finally, when it comes to buying coins, it helps to know how coins are graded, what the tools required are to do the job correctly, and how to find a professional grading service. Chapter 18 is where I fill you in.

Parting Is Such Sweet Sorrow: Selling Your Coins

There's an art to selling anything, and coins are no exception. You need to know what to expect when you sell your coins., Decide whether to sell your coins yourself, and prepare to make the sale. You will need to get your coins properly graded and fairly priced, find coin dealers to sell to, and keep records of your sales. Turn to Chapter 19 for the lowdown.

If you decide to have a professional sell your coins, your choices are to sell directly to a dealer, on consignment, or at a public auction. You have to make sure that you're paying a fair commission, know how to set a price, and choose a dealer. If you decide to go the auction route, you need to know how to pick an auction house, the fees you should expect to pay, and the fees you should *not* pay. Chapter 21 fills you in. I also tell you what you'll find in an auction contract and provide a handy list and up-to-date description of all the current leading coin auctioneers in the United States.

Coin selling involves certain legal and tax responsibilities. In the United States, selling just about anything for a profit is taxable and sadly, coins are no exception. You need to understand your tax obligations and the ways to minimize them, as well as the like-kind exchange rule in taxes. I cover this topic in Chapter 22 and also briefly touch on coins as investments. Coin collecting is lots of fun, but it's less fun if the Internal Revenue Service comes pounding on your door. Don't let fear of legal or tax issues deter you: In this last chapter before the Part of Tens, I give you the information you need so that you can focus on the fun of buying and selling coins, not on the legalities.

We're talking about big money when we do a count down of the top ten most valuable U.S. coins in The Part of Tens as well as a look at ten favorite designs. In this section, I give you ten tips to get the kids involved and share the love so that the next generation can develop an appreciation for the history and get excited about the hunt when coin collecting.

Lastly, I provide a glossary of terms and basic jargon to help because Numismatics is a specialized language on its own, as you can tell from what we call ourselves!