



“My Two Cents’ Worth”

by Ed Reiter



MANY HAPPY RETURNS

Coins are good investments. Most of us accept that statement almost as a tenet of faith—even when we try to convince ourselves that we seek and save these shiny handheld objects primarily for pleasure and satisfaction.

Pleasure and satisfaction are important enticements of our hobby, to be sure. But profit potential lifts our pursuit of coins to a whole new level—and every now and then, that potential is resoundingly confirmed.

The recent public sale of coins from the Eric P. Newman Collection is one such dramatic demonstration.

A stunning selection of Newman coins realized jaw-dropping prices at a glittering auction conducted in New York by Heritage Auctions in mid-November. The 1,827 lots—mostly early U.S. silver coins—brought a total of \$23.3 million, an average of more than \$12,750 apiece.

Even more impressive than the sky-high prices bidders paid for the coins are the dirt-cheap prices Newman himself paid to acquire them in the first place, mainly in the 1930s and '40s. His total outlay for all 1,827 coins was only about \$7,500, giving him a return on his investment of 310,000 percent, according to Jim Halperin, co-chairman of Heritage Auctions.

The centerpiece of the sale, a magnificent-ly toned 1796 Draped Bust quarter, changed hands for \$1,527,500—the highest price ever paid for a U.S. coin of that denomination and the first to exceed a million dollars. The coin was certified as Mint State-67+, with a star, by the Numismatic Guaranty Corporation of America and has been described as “the most beautiful American silver coin that exists today.”

But the meticulously annotated envelope in which Newman stored the coin for more than 70 years shows that it cost him a mere \$100 when he purchased it around 1940. And that was among the most sizable sums he paid for any single acquisition at that time.

The spectacular rise in value of Eric Newman’s coins reminded me at once of the similar startling gains achieved by coins in the John Jay Pittman Collection when those were dispersed at auctions in the late 1990s. In 1945, Pittman paid \$7.50—just three times face value—for



a choice uncirculated 1911-D Indian Head quarter eagle (\$2.50 gold piece). At the Pittman Sale slightly more than half a century later, it brought \$26,400.

By today’s standards, of course, collectible coins in general were incredibly inexpensive in the era when Newman and Pittman were assembling the bulk of their collections. But, though they picked up most of their best buys prior to 1950, their keen recognition of rarity and sharp eye for quality enabled them to purchase huge bargains even after a flood of new collectors joined them in the hunt. In 1961, for example, Pittman paid just \$240 for an uncirculated 1866-S Type 2 Liberty Head double eagle. At the sale of his collection, it brought \$14,300.

The Pittman Collection was sold for prices totaling more than \$30 million at a series of three public auctions between 1997 and 1999, making it one of the most valuable coin collections ever sold at auction. Pittman’s initial outlay came to just a few hundred thousand dollars.

Newman and Pittman shared more than just a knack for spotting coins with good investment potential. They also were true numismatists, dedicated students of coins and related collectibles who learned all they could before making purchases during their coin-buying years. Happily, Newman not only was a true numismatist, but still is. He turned 102 last May 11, and has now lived to see much of his collection find new owners who will treat the coins—just the way he did—as tiny treasures.

Newman and Pittman both devoted decades of their lives not only to acquiring extraordinary coins but also to disseminating numismatic knowledge—Newman as the author of landmark books and articles, Pittman as a leader in major hobby organizations.

Newman has also been a generous philanthropist, a role that’s reflected anew in the sale of his coins. The proceeds will be used exclusively to help underwrite the operations of the Eric P. Newman Education Society and finance scholarly research by the society and other non-profit organizations.

Some coins, it seems, are especially good investments for the hobby as a whole. ☺