

SO YOU'VE INHERITED A STAMP COLLECTION – AND DON'T KNOW WHAT TO DO WITH IT?

A Practical Guide to Action for Non-collectors

People who inherit or are given a stamp collection are often at a loss of what to do. Such people most likely want to “cash out” the collection in some fashion, but don't know how to go about doing it. Are you faced with this situation?

The first step is to dispel several common misconceptions about the “cash value” of a stamp collection.

1. *The stamps are “old” so they must be valuable.* Just because stamps are “old” doesn't necessarily mean they are valuable. A majority of stamps are common and worth very little – even very old stamps.
2. *The collector spent a lot of money on the collection, so it must be valuable.* The “market” for stamps is driven by the same forces as in other recognized markets - supply and demand - and the market for stamps is unpredictable and ever fluctuating over time. Moreover, a collector typically pursues stamp collecting as a long-term, enjoyable hobby rather than as an investment.
3. *The collection will realize retail prices when disposed of.* The retail price of a stamp is generally represented by its listed catalogue value. There are, however, a variety of economic factors that, in combination, normally serve to reduce the “cash value” to closer to wholesale prices.
4. *A “stamp” is a “stamp” is a ...* Copies of the same stamp may have very different values. Stamp condition [described below] is a significant determinant of value – the smallest decline in condition can significantly reduce the value of a stamp.

A variety of factors come together to set the “value” of a stamp collection at a particular point in time. ***It is not uncommon, however, for that value to be much less than you might anticipate or expect.*** There is a natural tendency to exaggerate a collection's value. Despite the possibility of bad news in this regard, there are steps you can take to do your best with the collection.

Assessing the Collection

Sooner or later, someone is going to have to determine what the collection consists of. Is the collection organized and mounted in albums or merely accumulated loosely in boxes and other containers? Is the collection devoted to a single country, or is it world-wide? What period of time are the stamps from? Does the collection include envelopes with stamps attached? Are the stamps mint [unused] or used [bearing a postal cancellation]? What is the condition of the stamps – physical soundness, color reliability, freshness, image centering, and gum condition? Are there documentary records available – an inventory listing, expenditure receipts?

You can assess the collection yourself, but it does involve a lot of time and educating. The Northwest Philatelic Library has reference resources you can use to identify the parts of your collection and help you “assign” values to those parts. An alternative is to take the collection or representative parts of it if it is large, to your local stamp club. The Oregon Stamp Society, also at 4828 NE 33rd Avenue in northeast Portland, holds meetings, open to the public, on the 2nd and 4th Saturdays of the month from 10:00 a.m. until 4:00 p.m. The meeting on the 2nd Saturday includes multiple stamp dealers who can look over your collection and give you an idea of what you have. The meeting on the 4th Saturday involves collectors who are usually happy to look over your collection. If the collection appears to be valuable, you may need to hire an appraiser, who will charge a fee for this service.

What Are Your Disposal Options?

There are three: [a] Sell the collection, [b] Donate the collection to a tax-exempt entity, or [c] Keep the collection and add to it – it is an enjoyable hobby.

There are two basic ways to “sell” a collection. You can **sell directly to a stamp dealer**. A dealer may make an offer on all or part of your collection. Keep in mind, however, that a dealer is in business to make a profit, and is therefore interested in paying the lowest possible prices. Typically, this option produces the lowest realized prices, but there is no commission and you receive the money immediately. *Local dealers are listed in the telephone book, or you can find more information by attending an Oregon Stamp Society meeting as above.*

The other way to sell a collection is by **auction**. This option offers the greatest potential for the highest sale price, although there is typically a 10-15% commission charge and payment can be slow. *There are several local auction houses, also listed in the phone book.* You could also auction your collection on the Internet - the best known site is eBay. This option requires, however, that you be intimately familiar with the collection in order to identify and describe the collection correctly. You may need expert help or an appraisal for this. Finally, if the collection is large with identifiable and distinct parts, it may be better to break the collection into parts called “lots” to maximize prices realized. Also, if the collection has some high value items, these might better be sold separately from the bulk of the collection.

If all of this is too much for you, or you are feeling altruistic, you can ultimately **donate** your collection – to children, seniors, charities. The Northwest Philatelic Library, Inc. is an authorized tax-exempt nonprofit entity under Section 501(c)(3) of the Internal Revenue Code. Any donations may be tax deductible under prevailing IRS code provisions. The Library is open during the Oregon Stamp Society meetings on the 2nd and 4th Saturdays. Please feel free to stop in to discuss this option.

The Northwest Philatelic Library, Inc. and its partner, the Oregon Stamp Society, do not buy stamps. When we provide advice and counsel, we have no financial interest in the transaction.