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In Volatile Times, Are Coins a Good Investment?

Some dealers promote rare coins as an alternative to stocks, but others are chary about overpromising their potential

By Leida Snow | June 5, 2025 | Saving and Investing

Over the more than 40 years of our marriage, whenever we walked past the old Stack's Coin Shop on West 57th Street in New York City, my late husband Lou would stop and stare wistfully into the window. I would ask when he planned to bring his collection in to be valued, only to get a vague answer.

When collectors or their heirs decide to sell a coin or a collection, be sure to get more than one opinion and do some research. | Credit: Getty

After he died, I decided to take care of it and learn whether coins could be part of a diversified investment portfolio when stocks look shaky. One day, I found myself passing what had become Stack's Bowers Galleries at its new home on Park Avenue. I walked in.

"My husband started a coin collection when he was a child," I ventured to the man behind the counter, who turned out to be one of the firm's senior numismatists, Greg Cohen. "I don't know if there's anything of value in it."

"Bring them in," Cohen said. To prepare for our appointment, I spent several hours culling Lou's coins, but not cleaning them. I was advised that improper cleaning or polishing could reduce their value.

Sought-After Coins

Stack's Bowers Galleries' Buying Guide was helpful. I learned that the firm is only interested in silver dollars minted in 1935 or earlier, Eisenhower dollars dated between 1971 and 1976, and nickels made from 1942 to 1945, because they were produced with 35% silver to free up nickel for the war effort. They are also interested in Indian head pennies from 1909 and earlier, any coin minted before 1900 and any gold coin. The rarer the coin, the more valuable.

> **"Most collectors go into it because of their passion"**

There's an enormous amount of research available online, including from the United States Mint and the American Numismatic Association, a nonprofit that supports the study, collection and appreciation of coins and paper currency.

The two dominant numismatic companies are Stack's Bowers, founded in 1933, the oldest U.S. rare coin auctioneer, and Heritage Auctions, which claims to be the largest collectibles auctioneer and the third-largest auction house in the world. You can learn about professional coin grading from the Numismatic Guaranty Company and the Professional Coin Grading Service.

Taxes, but No Dividends

A downside to collecting is that coins don't pay dividends or interest, as stocks and bonds do. As to tax consequences, dealers are required by law to report transactions of gold over $10,000 to the IRS, but there is no such requirement for those of other metals. That doesn't mean you're free from declaring any gains. Reputable dealers will always advise you to consult your tax adviser.

"Gains are absolutely taxable," said Gary Schreiber, a partner at Moses and Schreiber, a New York-based accounting firm specializing in tax planning and reporting. He added that coins have "a higher maximum rate than stocks and bonds." (This could range up to 37% this year for price gains on coins held for a year or less. If you own coins for more than one year, the maximum tax rate is capped at 28%.)

There is a tax advantage when the coins come to the seller via inheritance, he said. If the coins are sold within a year or two of the bequest, there is a "step up," and the cost basis is taken from the date of death.

Knowledge Is Needed

Hard Asset Management, a coins and bullion dealer based in Guaynabo, Puerto Rico, made a splash in April by saying "the rare coin market [is] outpacing many other investments" this year. The company added, however, that the rare coin market's extraordinary jumps in prices were helped by rare Latin American coins, including one 1916 Mexican 60-peso gold coin that sold for $66,000.

> **"Over the long term, people have made money, but I never think of it as an investment. It's rather a store of value."**

Not all investors are savvy enough to recognize extraordinary value in century-old coins for sale in an esoteric market. It is difficult enough in the domestic market for U.S. coins, where 1888 Morgan silver dollars are valued for as little as $41.50 or as much as $18,500 depending on their condition.

So, are coins a good investment? I put the question, in separate interviews, to representatives of Heritage Auctions, headquartered in Dallas; Stack's Bowers, based in Costa Mesa, California; and the American Numismatic Association. They each had similar advice.

What the Experts Say

"I'm not one to speculate as to the future potential of investment in collectables," said Todd Imhof, executive vice president of Heritage Auctions. "Most collectors go into it because of their passion for the hobby." However, he added, "if someone spends a lot of money on their collection, there is an element of investment."

When collectors or their heirs decide to sell a coin or a collection, Imhof said, they should get more than one opinion and do some research. Find out if the dealer they're considering is a member of the Professional Numismatics Guild. If a dealer has been in business for 10 years or more, that should give a seller some confidence, Imhof adds. If they were cheating folks, they'd be out of business. Stack's has been in Manhattan for 91 years.

Investment Performance

"If you look at it over history, coins and precious metals have performed pretty well," Imhof said. (Over the last 30 years, the Dow Jones Industrial Average rose 858% while gold gained 755%, according to MacroTrends.)

> **"Gold, silver or rare coins will always have some value, but there's no guarantee that the price when you want to sell will be higher than the price when you bought."**

The downside of collecting is that coins are hard to display (you can't hang them on the walls as you would a painting). They are easily stolen. Kept in a safe deposit box or vault, you may not be able to enjoy them so much. But "if you collect intelligently," the Heritage Auctions executive said, "you have something that maintains its value and is portable."

Cohen, the Stack's Bowers numismatist, was equally measured. "Gold, silver or rare coins will always have some value," he said, "but there's no guarantee that the price when you want to sell will be higher than the price when you bought. Over the long term, people have made money, but I never think of it as an investment. It's rather a store of value."

He said there is a lot of useful guidance on the internet but warned that there is misleading information too. He recommends that people seeking to value or sell a rare coin collection deal with established firms. "If someone has been in business a long time and makes an offer, accept it unless you have something you think is rare," Cohen said. "For rare coins, get another opinion."

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Douglas Mudd, director and curator of the numismatic association's Money Museum, advises people considering an investment in coins to enter the field with eyes wide open. "What is your goal?" he asked rhetorically. "Are you trying to make money, or is this something you're interested in? Either way, you want to find something beyond just its (face) value.

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"Coins can be a good investment," Mudd continued, "if you've done your research and you buy the best you can afford. You have to enjoy collecting. Coins aren't to be bought with funds you'll need (on short notice)."

People looking to sell a collection that they have reason to believe includes some exceptionally valuable pieces, can query the top dealers from anywhere in the country or the world, Mudd said. Their websites have contact information.

If the collection seems valuable, Cohen said, Stack's will pay for shipping. Imhof said most collections are not worth putting up for auction, but when they are, you can do better at auction than through a dealer. "Coins tell a great story if you know what to look for," Mudd said.

Educational Opportunities

The dealers regularly host national and global auctions online, all provide educational opportunities, and each of the sources I spoke to is reaching out to educate the next generation of numismatists.

Stack's, for instance, offers a Professional Numismatist Program for those 18 to 25 years old, with all expenses paid on acceptance. The ANA has an annual summer seminar at Colorado College, near its headquarters in Colorado Springs.

At Stack's, verbal appraisals are free and there is immediate payment. When I sold my late husband's collection, I walked directly from Stack's to the bank around the corner and deposited their check. Of course, I wished there had been a rare coin or two in the collection, and that the amount of their check had been larger, but all in all, I felt good about the experience.

Lou didn't collect coins as part of a retirement investment plan. It was a hobby that gave him hours of pleasure and just happened to contribute to my savings.

A word about that beautiful piece of jewelry you or your friend inherited, the one with a gold coin surrounded by jewels. Almost always, the experts say, the coin is worth its face value and the setting (without the stones), is worth the weight of the gold, nothing more.

If you have some solid gold jewelry and you could use the money, this is a great time to cash in, because gold is selling at over $3,300 an ounce, slightly below the record price set on May 6. But if you don't need the money, it may make sense to hold onto your jewelry, because it's a portable store of value.

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