

August 2006

What's It Worth?

by

Mike Prero

“What’s it worth?” People ask that all the time. Non-collectors e-mail in, and the most common question runs something like this. “I just found this neat matchbook from the 1950’s in my grandmother’s attic. It’s from a local hardware store that burned down twenty years ago. How much is it worth?”

Ah, every discovery is a treasure...every heirloom a dream come true...until reality sets in. “No, it’s not a treasure...No, it’s not a dream come true...No, it’s not even old, as matchcovers go.” The truth is--worth, like beauty, is in the eye of the beholder. One can see that everywhere in the hobby...in a collector’s choice of categories and the like, but, for an example, just look at the “My Most Prized Cover” series currently running in the *RMS Bulletin*. Here, each collector extols the virtues of his most prized cover... and in most cases that prized cover’s value relies more on sentiment than on anything more solidly based. In fact, I’m an excellent case in point!

My most prized cover is an XL (tall) DQ advertising *Scientific American* magazine. Now, I have other covers that are older, more eye-appealing, and would sell for more in an auction...but *that* one is still my most prized cover, and, hence, I put a greater value on it than others. Why? Simply because I happen to collect *Scientific American* magazines, and that gives me a special connection to that particular cover. But that’s the value *I* place on it. Another collector would simply see it as just another DQ and value it accordingly.

That’s something that we all need to be aware of as we try and place \$\$ values on our covers. First and foremost, There are no set values on any of this material. The final selling price of any cover is simply whatever the buyer and seller have mutually agreed upon...*and* whatever that final selling price was...it *doesn’t* necessarily have any relation to what the selling price of that same cover will be tomorrow, or next week, or next year.

Which, in turn, is why using auction prices as guides in selling or buying is meaningless. Whatever the auction price was, it only means that at one particular time, at one particular place, *one* particular person was willing to pay X for that particular cover. Note: *no one* else in the auction audience was willing to pay that price, so, obviously, that cover wasn’t worth that amount to all those other people. Thus, taking the “value” of a cover from what *one* person was willing to pay is something akin to announcing that the

average IQ for people is 200, because that was Einstein's IQ! And....you *know* that that cover would *not* bring the same amount in the next day's auction...or next week's...or next year's. It was a *one-time* happening.

Another example comes with our famed Lindbergh covers. A number of years ago, one sold for \$4,000. Can we then say that all such covers are *worth* \$4,000? Apparently not, since all Lindbergh covers have sold for substantially less since then...and some haven't sold at all!

If we're talking about officially recognized prices for the material in our hobby, it would make much more sense to base those prices on the daily give-and-take activities going on within the hobby by all, or at least most, collectors. If, for example, it was found that for this year Matchoramas (in bulk) were sold by 37 collectors for an average of 13 apiece, then it seems to me one could logically and reasonably say that the going price for such covers is 13 apiece, with the highest and lowest prices being included to give interested parties a range. That *value* would then stand until the next year's stats come in (if this were done on an annual basis). For single covers, this could be done in the same way, but, since there is much less selling going on between collectors of single covers, there wouldn't be as big a base to judge such values on. Taking some sort of collector poll to decide values would, it seems to me, be too 'iffy', given personal biases, axes to grind, things to be gained by potential buyers or sellers.

Even age is not a guarantee of value. "Old" in our hobby means at least Pre-War (pre-1941), but, even then, probably as much as 95% of *that* material is pretty much run-of the-mill, nothing special. Those covers don't have the cherished footers; they weren't issued by the sought-after, short-lived manufacturers of the past; and, in fact, they don't have anything else going for them, except that they might well fit into someone's category of Hotels, or Lobsters, or Maine Restaurants...but, then, any newer covers might do that, as well, so, again...for the great bulk of this older material...age hasn't necessarily enhanced their value.

A third factor that keeps coming up from non-collectors is the idea that if the cover is from a business that is now defunct, it must certainly be worth something! After all, that business is gone; there's no chance of similar covers ever being issued again. Sounds good, but, alas, no. What people often don't stop to consider is that the vast majority of the businesses and products represented on match covers are now defunct. Such businesses and products come and go all the time...even famous 'landmark'-type businesses. I have covers from Southern California's Japanese Deer Park, and Northern California's Ground Cow restaurant and The Nut Tree, for example...all famous places...in their time. But, in the scheme of things, they're only generational. They're gone now, and their memory is rapidly fading. To newer generations, those places mean nothing. Thus, the fact that a particular business doesn't exist any longer doesn't necessarily have anything to do with 'value' either.

There *are* a few exceptions, though. Businesses/locations that are associated with disasters, for example, unfortunately earn a more lasting place in history and, thus, ensure a somewhat higher level of prices for their covers. The destruction of the Twin Towers in New York City is a recent example. Boston's Cocoanut Grove fire in 1942 is an older example. Even here, though, it's not the age, but rather the calamity that's the deciding factor.

So, what it all boils down to in the end is that we're right back where we started--'Value' is simply whatever the buyer and seller have agreed upon...and whatever that value is...it's transitory...temporary...often a unique entity caused by a set of circumstances that will never happen again....at least until someone devises an accepted method of determining that elusive concept...'value'.