

How Are Autographs Doing as an Investment?

By
Max Rambod

Most of us would collect autographs even if there was no profit associated with our hobby. In fact, most collectors I know would still collect autographs even if they knew that they would lose money through this pursuit. Yet if we are to allocate a part of our assets to any venture, I feel it is important to have a notion of the possible financial consequences. First we will see how the prices of a few autographs have changed over a century, and next we will consider some general trends which affect the value of your autographs today as well as what I think you could do to help to increase the chance of the value of your collection going up over time.

Autographs have been collected for hundreds of years, and selling large autograph collections or single pieces has raised a considerable amount of money. This year, one of Churchill's descendants sold some of Churchill's papers and notes for over \$20 million. This was probably one of the largest financial legacies of Churchill left behind. Even 174 years ago, autograph collections were a potential source of great profit. Upon Napoleon's death, his brother sold a collection of letters for over 500,000 francs. This sum helped the Bonaparte family through some hard times after the death of Napoleon in captivity in St. Helena. So as Churchill and Napoleon's relatives found out, autographs can be a very valuable asset with great returns.

The earliest autograph prices that I could find in a catalog were published in 1864 by Henry Ashmead, where you could find Jefferson letters at \$5. In the *American Antiquarian* which was issued in 1870 and reprinted recently we see a Benjamin Franklin signed autograph document dated 1779 for \$10, a Thomas Jefferson document signed as Secretary of State dated 1790 for \$1 and a Jefferson autograph letter signed for \$10. There is also a George

Washington letter signed dated 1777, with average military content, for \$10, and a manuscript in Washington's hand listing his lands unsigned for \$6. Today, the \$10 Washington ALS would sell for about \$25,000.00 to \$30,000.00 and the unsigned \$6 list would probably be worth \$6,000.00 to \$8,000.00. The \$10 Washington piece, which was the better piece, had a much higher financial return, so buy the best you can afford.

By the late 1920's, autographs were seriously collected. The most popular names were Washington, Jefferson, Napoleon, Dickens, and some other big names with which we are familiar. Today, areas of collection still include the American and the French Revolutions and literary autographs, but now we also have growing interest in scientific autographs, aviation, World War II, the Civil War, vintage Hollywood, and space.

When studying the price table below, it is important that you keep in mind that prices have been extracted from several different books and price guides including Sanders' Price Guide to Autographs, Hamilton's Book of Autographs, and The Autograph Collector, by Notlep. Furthermore, an autograph letter from Lincoln can be worth \$12,000.00 in 1995, but obviously, a Lincoln letter with very important content would command twenty times that, or even more. Thus, I have deliberately decided to go by the prices quoted in the above books since each author was very knowledgeable about the field of autographs during his own time, and I felt that his estimate of the value of a specific autograph would be a good estimate for that year. In order to be objective, I did not quote any prices from the Max Rambod Autograph catalog. As for the prices from 1886, 1912, and 1926, then are actual realized auction prices, but

any comparison between years should be done with a great deal of caution as prices are not for the same letter. So the only conclusions we can draw from this table relate to the general pattern of prices through 109 years.

We can draw several conclusions from the price table. First and foremost, the prices of autographs have increased with time and therefore autographs have been a rather solid investment in the past. Autograph prices like stock prices are determined by two factors: supply and demand. However, supply in the autograph world is always limited. In fact, not only is supply limited since Washington is no longer writing letters, but institutions are libraries tend to buy the more important material, and since they do not put it back on the market, supply actually goes down as there are fewer and fewer letters available for the rest of us. So as demand increases, prices increase. In addition, I would propose that the increase in autograph prices would be more stable compared to art prices, stock market prices or land prices. The reason for this more stable increase would be that there are fewer speculators in the autograph market than in those markets. The autograph market is a market formed mostly by collectors who buy autographs for their personal enjoyment. As a result, they do not resell their autographs as quickly as a speculator in art or land would sell his investment, which is as soon as it had a sizable increase in value. The art market had a very big jump in the late 1908's due to the fact that many speculators bought art for the potential profit rather than for their love and interest in art. However, in 1989, some artists lost up to half their value. Auction prices for art plummeted throughout the world. This has never truly happened in the autograph world and I do not expect it to happen as I still see very few speculators in our market.

I thought it would be interesting for you to see prices of autographs over the last 100 years. However, in the analysis of autograph trends, I will concentrate on the last decade and try to see where we are going in the next decade. It is important to keep in mind that my suggestions are just that, my subjective opinion, as I do not have a crystal ball to foresee the future market price of autographs. There is one point that we learn from reading catalogs from a century ago, and that is that some of the names would not

even be recognizable to most collectors today. Meaning that over such a long period, some people's fame totally disappears, and interest in their autographs disappears with that. However, the big names of history will always be famous and thus in high demand. We still remember the deeds of Alexander, Caesar, and Plato who lived 2000 years ago, and I would venture to say that 2000 years from now collectors will remember the names of Washington, Lincoln, and Napoleon. So in the very long term, it is an important consideration to have very important historical names represented in your collection. I cannot say where the autograph market will be five years from now or which autograph will give you the absolute best return. All I can propose is buy the best and biggest names you can afford.

Keep in mind that prior returns on investments are no guarantee of future returns on those investments. This is also true for autographs. In the art market, when an area suddenly becomes very "hot" (as modern art and Impressionists became hot during the 1980's) prices rise. Similarly, prices in the autograph market are related to fluctuations in demand. For example, the Civil War became very popular following the presentation of the famous PBS television series which raised interest in the period, and as a result demand increased sharply, allowing prices to rise rapidly as well. However, Civil War autographs prices seem to have plateau—unlike the prices of modern art, the value of Civil War items has not crashed by means, probably again because of the absence of speculators. Collectors who bought Civil War autographs were interested in that area and they are not going to sell it immediately for a profit, and so prices have remained stable.

U.S. Presidents have always captured the imaginations of collectors, and prices have increased steadily over the past decades. Talking to hundreds of collectors who are my friends and clients, I believe that interest in Presidents will probably be just as strong in the coming years.

In the past few decades, Hollywood has also taken its place as an area of steady increase in interest and in value. This may be due to the fact that television keeps playing the great old vintage movies and advertises and promotes the

Year	1886	1912	1926	1968	1978	1988	1995
Washington ALS	-	-	\$350	\$750	\$2,800	\$18,860	\$24,000
Hancock ALS	\$15	\$175	\$210	-	\$1,000	\$3,125	\$9,500
Adams ALS	\$11	\$36	\$310	\$450	\$1,200	\$5,681	\$17,400
Jefferson ALS	\$4.75	\$50	\$260	\$700	\$1,400	\$6,705	\$20,000
Lincoln ALS	-	-	\$250	\$1,200	\$1,400	\$4,067	\$12,500
Napoleon LS	-	-	-	-	\$250	\$1,047	\$2,950
Edison SP	-	-	-	\$25	-	\$709	\$1,725

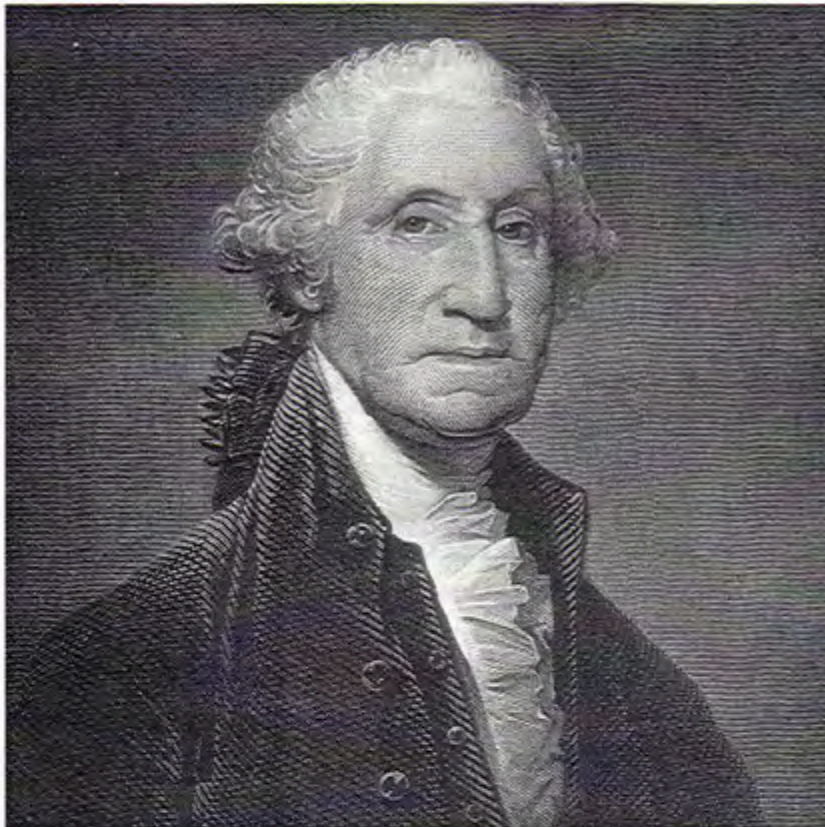
Prices for different years cannot be directly compared to each other since prices are not for the same letter. These are only general prices for autograph letters by that person. Therefore, these prices should only be used to understand the general price trend through 109 years.

1886, 1912, and 1926 prices from auction sales.

1968 price derived from "The Autograph Collector" by Notlep.

1978 prices are from the "Book of Autographs" by Charles Hamilton

1988 and 1995 prices are from "The Price Guide to Autographs" by George Sanders.



Signature

material associated with those movies. Demand for Hollywood autographs and prices has exploded. Interest in Marilyn Monroe, Humphrey Bogart, James Dean, Clark Gale, Vivien Leigh, and Grace Kelly has drastically increased during the past few years. My guess is that interest will not vanish in coming years. Furthermore, vintage movie autographs, even after dramatic price increases, are still inexpensive compared to vintage movie artifacts and memorabilia like Oscars (\$500,000.00 was paid for an Oscar from GONE WITH THE WIND.) Also, the buyers of the expensive movie autographs and times are still rather young, so I think interest will probably remain strong.

World War II is another "hot" area, where interest is strong at all levels. The very expensive items signed by Patton are in high demand as well as the less expensive air aces of the war. Aviation is an area where interest is steadily rising. Another trend that I see is that collectors have gone away from collecting a list of Nobel Laureate or Academy Award winners or Revolutionary War Generals but are buying the "big names." They all want Hemingway and Fitzgerald and everyone is interested in Edison but few collectors want an unknown 1950 Nobel Laureate in Science or Literature. I think this trend toward the super-hero in each field will even grow stronger as time goes on. Once again I believe that the value of the very big names in their respective field will continue to be the better choice. Collectors who usually do not collect sciences are still often interested in Edison or Einstein. I was told by a collector that he bought Edison checks just 20 years ago for \$3 a piece, and another bought them at \$10 two years later. Today Edison checks sell for around \$650 each. So here again, demand is strong and this results in strong prices. Will the prices of Edison items keep going up in the coming decade? My guess is that they will because Edison is a truly historically important name.

Today some dormant areas of the market with great potential, in my opinion, include art letters from first class artists like Picasso, Monet, and Renoir, and space items which have come into their own only last year at a Christies sale which brought in over 6 million dollars. Many space items are still very reasonably priced; many astronaut letters can be bought for under \$200

each. But here again the big names are Amrstrong and the other eleven moonwalkers and also the seven original Mercury astronauts, as well as the first man in space, Yuri Gagarin. I think these are the big names of space history that will be remembered.

In conclusion, no one can say which autographs will appreciate most, or even guess at how much they will go up in price, so always buy what you enjoy most, but try to have in your collection a few items from the very big names in each of the fields in which you are interested. Also, buy the best you can afford. The increase in value of top Lincoln material was far superior to the increase in value of routine Lincoln military documents. We all read about billionaire Bill Gates' purchase of Leonardo Da Vinci codex for \$30.8 million dollars, the tenth high-test prices ever paid for any items at auction. (Last time around it sold for \$5 million dollars.) Most of us cannot afford such an item, but take a cue from Bill Gates and buy the best you can afford from the biggest name if your are concerned with value. After all, he did not become the richest man in the world without knowing something about good investments.

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