



## THE BLOG

# INVESTING IN COLLECTIBLES YES OR NO?

*Our advice might surprise you given that selling collectibles is routine at Treasured Estates . . .*

The ability to combine personal passions or hobbies with the potential growth of one's net worth certainly holds a lot of appeal. However, investing in collectibles the same way one would invest in stocks or bonds may not be as seamless or lucrative.

We have put together our best advice for those interested in holding or acquiring significant collectible assets:

### **BUY WHAT YOU LIKE AND SEE WHERE THE SECONDARY MARKET GOES**

Collectors should find more value in the joy of collecting rather than monetizing items at some future time. Simply stated, buy what you like. Any monetary gain from collectibles should be viewed as icing on the cake, a bonus that serves as validation of the collector's good taste and keen eye.

### **MAKE A DETAILED INVENTORY - KNOW WHAT YOU HAVE**

We have talked about the value of making a detailed home inventory in previous blog posts. Collectors should capture and catalog important details about their items, and fortunately the latest computer apps simplify this process. Not tech savvy? No problem! Simply keep a record of when, where, and from whom the item was purchased, for how much, note any distinguishing features, and take a quick photograph. Then store in a safe place in case of fire or water damage.

### **PLAN YOUR COLLECTIONS LIKE YOU PLAN YOUR FINANCES**

It is important to recognize and account for the value of your collection just as you would any other financial asset. Even if the Grandma's Hummel figurine collection has diminished in value over the years – value is value. Include it in your insurance

coverage, your will or trust, and keep tabs on its market value for the personal property asset it is. While you may not take a family vacation on the liquidation of the collection, you might just enjoy a dinner out and the time spent thinking of Grandma.

**CONSIDER A CHARITABLE CONTRIBUTION RATHER THAN LIQUIDATION**

Donating collectibles to a charitable organization is often the best way to support causes you care about while taking advantage of tax deductions. By donating, you are able to claim as a tax deduction the maximum legitimate value of 100% of the collection which may – depending on your tax bracket – rival the value of selling, which can entail discounting and unwanted remainders. Moreover, gifting an entire collection can create a lasting legacy out of your personal passion!