

To “Slab” or not to “Slab,” that it the question?

If you want to start a spirited discussion among a bunch of numismatists (coin collectors), ask this question.

To start, what does “slab” or “slabbing” mean? It’s a common term in the hobby for a coin that has been sent to a professional grading company to be graded and then encapsulated into a clear plastic sealed case. The case includes information identifying the coin for what it is, shows its grade and adds any qualifying information about the coin’s condition. Then the coin has then been “certified” by that grading company.

As a rule, people (and authorized coin dealers) do not have coins certified unless they think it’s worth the cost, which is typically between \$18 and \$25 per coin. Coins may be submitted by people or dealers who subscribe to those grading companies, and that involves additional expenses. To have coins certified, they have to be presented and packaged exactly as the company requires, and costs also include two-way shipping. So, having coins professionally graded isn’t a trivial matter, but does that mean a slabbed coin is somehow worth more than the same coin in the same condition that has not been slabbed? No, not necessarily.

Numismatists refer to coins that have not been slabbed as “raw.” For some, being able to handle carefully a raw coin, feel its heft and see its condition without looking through a plastic case is important. Once a coin has been slabbed, that’s no longer possible. For others, they want the assurance that comes with professional grading to verify the condition of their coins, and to protect them from any future damage or deterioration. Also, coin grading is perhaps the most challenging aspect of the hobby. To do it well takes a great deal of experience and looking at hundreds, if not thousands of coins. And perhaps that might involve a very limited type of coin, such as Morgan silver dollars, or a large cent copper coins, for example. Also, grading is not just affixing a numeric grade to a coin, but also determining if the coin is genuine (not a fake) and/or if it has condition issues, such as having been improperly cleaned. If so, those problems will be noted with the other information displayed in the plastic case.

Even if a collector is fairly well accomplished at grading, the top grading companies probably hire the best experts available. They really are the final authority on the matter. Those companies, like PCGS, NGC and ANACS (links to those companies appear elsewhere on this site) have rigorous procedures and standards to assure that coins are properly graded and no shenanigans are afoot. Check their web sites to see how they do that.

That’s all background, but it doesn’t answer the question, except to say it does take time, effort and money to have coins slabbed, and that may be enough to dissuade some folks. But, suppose you do want to go through the process and pay the fees, what then? Will it be worth the cost? Generally, yes, but not always. Assuming you may want to sell yours coins someday, buyers do appreciate knowing the coin’s grade and condition, as judged by the pros, knowing

the coin will maintain its condition and knowing those factors will work for him or her in the future.

As a rule of thumb, it's more useful to slab older coins rather than newer ones. There are always exceptions. Even with newer coins, collectors will definitely pay a premium for very highly graded coins, especially MS 70 or Proof 70, which are perfect coins. Check online to see what such coins are fetching, and then determine if it's worth having coins you think might attain that lofty state to be graded. Of course, there's always a risk the coin will come back from the grading company with a lower grade than anticipated. This happens often. For other new coins that are not at or near perfection, it probably is not worth having them graded.

For older coins, it's a question of rarity and condition. The more rare a coin is, and the better the condition, the more important it is to preserve it and possibly have it slabbed. If you are not a collector, you could take the coin to a coin dealer and get an opinion as to the value of having it slabbed. You could ask them to submit it for you. Or you could try to educate yourself on grading (that's whole different discussion) and make your own determination. Go on eBay, for example, and see what similar coins are selling for. Some would say that a coin should be worth \$100 or more to make it worth the cost of slabbing, but there is no hard fast rule here.

By the way, once a coin is slabbed, it's very difficult to break open the plastic case and retrieve a coin. These grading companies use high grade plastics and special sealing techniques that essentially make their cases tamper proof.