

A WILL MAY BE A DEAD GIVEAWAY OF YOUR INVESTMENT CHOICES

Jack Davidson

THE COLLECTIBLES

HANDLING COLLECTIBLES



As a youth, I bought stamps in bulk with the understanding that I might find a valuable stamp. Many hours and many stamps captured my days. Then one day, a valuable stamp appeared. I put it into a glassine envelope, ran down to my neighbors to show my success as an amateur collector, and in my haste, when I opened the envelope, I ripped the stamp in half. Handling collectibles may be a challenge.

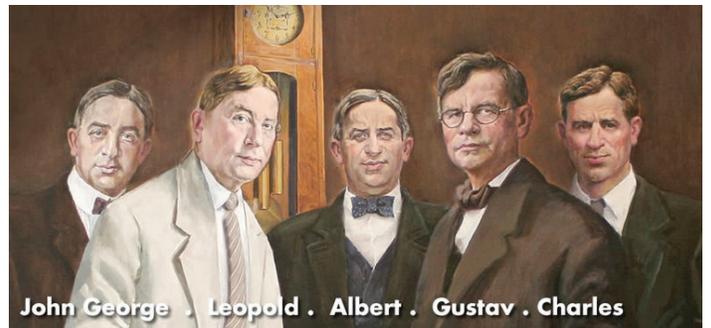
STORING COLLECTIBLES

Whenever I went into my father's medicine cabinet, I encountered a blue colored glass which housed his razor. I suspect that this glass housed his razor for at least 50 years. One day, an antique dealer told my father that this glass was a valuable antique. The next day, when he opened the medicine cabinet, the glass fell from the cabinet to the floor and splintered into many pieces. Safekeeping collectibles may be a challenge.

SELECTING COLLECTIBLES

My father also encouraged me and my four siblings to save and buy furniture that would grow in value. He

was a big fan of Stickley furniture, and populated our home with Stickley chairs and tables. In retirement, my father may have felt financially secure enough when a Stickley highboy finally arrived. I can only assume that it was on his bucket list for a very long time.



THE STICKLEY BROTHERS

“Stickley furniture was not for shutting up in formal parlors - it was to be used and loved by young and old”¹

The Stickley brothers became well-known in the early 20th century with their Mission Oak designs and cherry furniture. Their philosophy was to use solid construction and the highest quality woods, in contrast to the workmanship of many of the pieces created in the early days of the Industrial Revolution. They designed their furniture in the tradition of the early American craftsmen; exceedingly strong and long-lasting and perfect for the new ways American families wanted to live.

¹ <https://stickley.com/OurStickleyStory.cfm>

Alas, the “antique” market has collapsed. Our inheritance did not include valuable antiques. Evidently, the Industrial Revolution won over a generation or two that favor a different style. Our family “antiques” may now be simply out-of-fashion furniture.



George III style carved mahogany side chairs sold for \$8,000 in 2002



George III style carved mahogany side chairs sold for \$350 in 2016

At the turn of the twenty-first century, who would have guessed that the value of many antiques would drop so precipitously in value? The value of our personal property may simply follow the ebbs and flows of the stock market. Or did it? It appears that the “antique” market made the worst of times in the stock market look tame by comparison.¹

¹ <https://www.nytimes.com/2018/03/03/style/how-low-will-market-for-antiques-actually-go.html>

THE HIDDEN COLLECTIBLES

However, some collectibles may significantly increase your financial legacy. They may be hiding in your basement or even your closet, such as baseball cards, comic books, board and video games, toys, maps, vinyl records, postage stamps and yes, sneakers. Action Comics #1, published in 1938, recently sold for almost \$1.4 million. A 1985 original Nike Air Jordan may be worth as much as \$3,400 today.



My father’s estate consisted primarily of “antiques”, also known as tangible personal property in the estate planning lexicon. I should have saved my stamps and my comics to balance his portfolio.

Estate Planning is often very complex, and in most cases, involves two, if not three, generations. The value of assets is part of the process of planning, as well as the type of assets: real property, intangibles, such as stocks and bonds, and tangible personal property, such as cars, boats, clothes, jewelry, furniture, and the *hidden collectibles*.

Of the three types, tangible personal property may have the most impact on our overall legacy, and have the least, or perhaps an unpredictable impact on our financial legacy. One might even describe the tax laws regarding this category as quirky. If I have a five million dollar estate and reside in Vermont, with a second home in Florida, and I own Action Comic #1, I simply store the comic in Florida and may save approximately \$100,000 in Vermont Estate taxes.

The appraised value may have little to do with the value given to the next generation. In my case, I have my father's family photo album dating back to the



early 1900s. For me, it is priceless. The formal appraisal of the personal property did not include the album, based on its lack of market value.



© 2008 The New Yorker Collection from cartoonbank.com. All Rights Reserved.

You and/or your executor will need to identify that which is valuable and that which is priceless. One or the other, or a spouse may simply throw out valuable assets without realizing the value. Or they may throw out the priceless before distributing the property.

Distributing personal property may be a challenge without a list that designates who will receive individual items. Many plans simply leave the personal property to a group of individuals. As the Executor of my Father's estate, my responsibility was to distribute the furniture and paintings to the five children. So, I came up with the idea of drawing



numbers, and each sibling could pick an asset, until the total value of those items selected exceeded one-fifth of the appraisal of the personal property. Each sibling randomly drew a number. My younger sister drew number

5. The order was simple, and in retrospect, very unfair. "OK siblings, pick in order of your number: 1 to 5, and again, 1 to 5. It should have been a pattern of 1 to 5, and then 5 to 1. I hope my sister has forgiven me. She was always the last to pick in each round. If a family member is in charge of distributing personal property, they may encounter unintended consequences.

Discovering priceless gifts takes time, and your estate planner might give you a list of items that you need to save: birth certificates, tax returns, legal documents. I recently reviewed a lawyer's list which totaled 30 documents. He did not include a photo album, letters or diaries, which might be priceless. Priceless gifts often have no price, and they do not appear in the estate inventory.

Planning an estate cannot avoid visualizing the impact of death of a loved one. We can laugh. We can cry. I choose to laugh. A will is a dead giveaway. Planning my father's estate was, on the surface, a dead-end job. But, I have my jokes and the album. The value of the jokes has been called into question, but the album is clearly priceless.

If you do not attend to the details of planning on the ultimate disposition of the personal property, including priceless gifts, such as family stories found in a diary, others will have to take on this role.

There is an adage in the estate planning world that when a spouse dies, planners might suggest waiting a year before the surviving spouse makes significant decisions. On the surface, in many cases, this makes sense. But what about the cases in the basement? In



my basement there are many boxes of old letters, pictures and stories. What happens if I have not addressed the issue of

what will or will not survive: my third-grade report card, discovered by my son, which described me as a disturbing influence in class, or an ancestral letter written in the 20s that brought long ago history back to the vibrancy of the moment. My advice is box them up, store them, and wait a year.

Boxes of the priceless take up space and they don't share well. If I scan the priceless, such as letters and photos, they no longer take up space and they can be shared selectively. If I can't find the talent or the time to do this, there are others that will do this for me inexpensively. For some, if not many, our stories define our lives. I suspect that my grandfather would have wonderful stories to tell, but he was not inclined to write. Were he alive today, I would hand him a recorder.

The stories may be priceless, but the recorders are no longer pricey. In fact, the grandchildren may already have them. The devices are plentiful, such as mobile phones and iPads, as well as laptops. You can also buy inexpensive apps that facilitate storytelling, as well as sites that train you on how best to interview family members.



You can even buy an inexpensive recorder that is designed to record stories. In fact, I recently bought one for \$36 that is perfectly designed for this function. It will record 576 hours of story telling. One of my colleagues, who will remain unnamed, commented that if I purchased this for my stories, I should buy at least two of them.