

Card prices get the publicity. Is that good news?



Cards of Mays, Mantle, Jordan, Ruth and Gretzky are in the rare air of cards making news. Photos from Heritage Auctions and from George Vrechek



By George Vrechek

What makes sports card hobby news today doesn't involve 1981 Fleer error cards, Fernandomania, Topps test sets or relics imbedded in cardboard. What makes news are the reported incredible sales prices obtained for cardboard - \$3.72 million for an unopened case of 1980 O-Pee-Chee hockey cards, \$175,000 for a 1952 Topps PSA 8 Willie Mays, \$840,000 for a PSA 10 Jordan rookie and

\$12.6 million for a SGC 9.5 1952 Topps Mantle. The Mantle card was described as “almost” perfectly centered with four sharp corners and that “the color is beautiful.”

Before bidding, one would hope that the color is like a rainbow surrounding a comet coming from the sky into one’s den, the corners can be used to cut diamonds and the gum it was packaged with is as delicious as if it had just rolled out of the gum machine. But what do I know?

Such big bucks for cards of Ruth, Mantle, Jordan and Gretzky are perhaps more understandable than recent sale prices of \$58,200 for a 2017-8 Panini of Jason Tatum, \$18,988 for a 2021-2 Panini of LaMelo Ball and \$19,747 for a 2009 Bowman of Freddie Freeman. Now these aren’t plain old cards but some kind of auto patched-numbered-chrome-update-super-refractor actors, but still...what is going on, or Is this already old news and prices are already returning to earth?



Old cards don’t always translate into popular and expensive cards, for example 1935 Knot-Hole Goudeys, 1955 Topps Doubleheaders, 1959 Ted Williams Fleers and Kellogg’s.

Sports cards as investments

Sports cards have had an increase in visibility and prices for many years, and it is no surprise that the hobby has attracted people effectively buying lottery tickets to snare “rare” cards. The internet and card grading companies have been big contributors to this trend. You can break a case or box, shuffle through to find the instant winners, hope that they are well-centered and look up the values on an app. The buyer doesn’t have the time to develop any sentimental attachment.

Some people focus on the next big star but others realize every prospect is not going to turn into a superstar. Investment money is spread among several promising cards which garner robust prices. To make card picking easier, you can also just throw a few thousand dollars into a fund, which promises to pool your money with others and to pick the cards for you...hopefully.



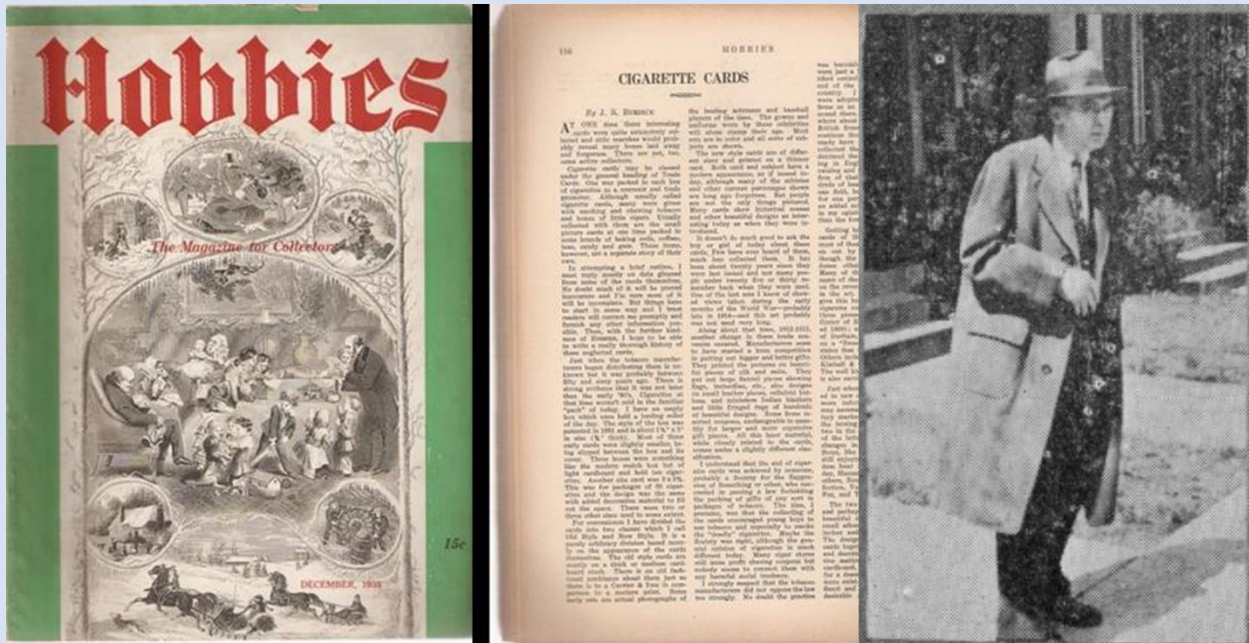
Not all prospects make the grade despite any previous successes.

Hot starts by rookies don't predict HOF careers. Kevin Maas even looked like Karl Spooner. Maas hit 10 dingers in his first 77 at bats in July 1990. Spooner was called up for the last week of the 1954 season and struck out 27 in two complete game shutout wins. He strained his arm before the 1955 season and never recovered.



Hobbies magazine

Let's look at some history to put collectibles in perspective. In 1931 publisher O.C. Lightner "rolled up" existing publications into a large monthly magazine called Hobbies covering any hobby that interested people enough to lure them into an annual \$1 subscription.



The "Father of Card Collecting," Jefferson Burdick, contributed his first published article on card collecting in the December 1935 issue of *Hobbies*. Burdick photo was taken by E.C. Wharton-Tigar in 1953.

Hobbies had columns and ads in the categories of coins, stamps, rocks and minerals, firearms, books, glass, china, furniture, Indian relics, pioneer life, models, records, postcards and other items. Some such collectibles have intrinsic value like gems, jewelry or silver. Some collectibles like furniture can actually be used; guests can carefully plopp down on an antique chair.

The bulk of collectibles, however, rely on nostalgia. Collectors are happy working on something that brings back pleasant memories. The value of such items can be particularly susceptible to the age of the collectors – think marbles, Hopalong Cassidy, Beanie Babies and Madame Alexander dolls. Postcards, records, tickets to games, paper currency and coins come to mind as other common collectibles which have been slowly disappearing from daily lives.

The gum with sports cards has been gone for 40 years, will the cards themselves be next? Won't the kids of today be more interested in the nostalgia of Pokémon cards than athletes who retired before they were born?

Stamps, coins, silver and cards

Richard Lehmann in a Forbes article, *Survey of Stamp Values and Trends*, described values rising modestly in recent years, but those numbers being swayed by the popularity of the most expensive stamps. More common examples have declined in value. Silver coins have done a little better, because of their meltdown price, same thing for your grandmother's silverware and jewelry.

You can see a trend at card shows – big bucks for some cards, but bargain bins for others in poor shape or out of favor. It is like having two different shows in one room.

Dealer Alan Rosen (who sold antique furniture before getting into cards as Mr. Mint) once told me that he didn't buy cards of current players because they can still strike out. Babe Ruth and Mickey Mantle weren't going to strike out anymore – and be judged any less extraordinary. Mahomes and Ohtani are exceptions, not the rule.



Even when players put up big numbers, their cards may not.

Holy Grail inflation

Last year a PSA 10 of 1952 Topps journeyman pitcher Don Johnson sold for \$117,000. It seems that the sky is the limit if you have a vintage card in truly rare condition as collectors with the wherewithal are invigorated by set registries.

I see examples of a 1952 Topps baseball common going for \$450 as a PSA 8, \$2,000 as a PSA 9 and \$50,000 or more as a PSA 10, The difference between a grade of 10 or 9 can be a nano-inch of centering – truly something like .005 of an inch but possibly 25 times the value.

How thin is the market?

If you buy a can of beans at the grocery store and decide the next day that you've had enough beans, you can return the can for a full refund. While the store wants to retain the goodwill of customers, they also know that commodities can be readily sold to the next customer.

If you find yourself the winning bidder on an expensive card, you may find the market is a little thin. Assume you won the lottery and were willing to pay \$11,000 for a card in an auction. Let's say there were 20 bids on the card and you got it for \$10,000. You are elated; you "saved" \$1,000. However, upon reflection, you realize you were the only person in the world willing to

pay \$10,000 for the card. Maybe there were a host of bidders still near \$10,000 for the card, but it is also likely that the number of bidders thinned considerably. There may have only been one other person willing to pay \$10,000, and they have now decided to invest in beans. The next highest bidder at \$7,500 might even have been a shill bid. How good is the “market value” for your card the next day?

The same thing happens with sellers counting on a nice return for holding a card 40 years. Unlike the stock market, you don’t really know what you’ll get until about 1 second before the end of an auction. Your return may depend on whether one or two big bidders went off to lunch.

Getting price information

In 2012 I wrote an SCD article titled Vintage Baseball Card Prices, the Stock Market, and the VVCI. I looked at card prices for vintage cards in five-year intervals starting with 1981. I concluded that vintage (pre-1981) cards had enjoyed a robust run up in the 1980s and then settled into more modest theoretical returns thereafter. Post 1980 cards were not considered but were pretty much in the tank with a few exceptions.

Things have changed since then with the increased interest in graded cards, a fascination with 50/50 centering, a surge in limited production recent cards and a digitally driven ability to track values and prices. You also have athletes still in school being paid for the use of their name, image and likeness and card companies needing to recoup such costs. Apps, like cardladder, marketmovers, ludex, 130point and mascot, will give you up to the minute sales prices, and you can be linked to people who will help you sell the stuff. You usually get to pay a monthly fee for the privilege. Sellers like to see prices going up, which helps spread the gospel. The overload of data can result in conflicting estimates.

Let’s look at a few numbers

I tried to at least compare some prices for vintage cards in various grades since 2011. Anecdotal reports point to overall increases in prices with a bigger boost during the pandemic.

I looked at 1933 Goudeys, 1951 Bowmans and 1952 Topps commons and found annual average (retail) price increases from 2011 to 2024 in the 4% to 9% range, with better conditioned cards at the high end of the range. Ruth and Mantle cards, however, went up more like 15% to 25% per year. This is not as exact a science as I have presented since the condition and prices are not chiseled in stone tablets. I only picked a few samples, and I didn’t attempt to quantify price changes for recent cards which are likely more volatile.

Inflation since 2011 has equaled a compounded annual rate of 2.6%, i.e., \$1.00 of purchasing power in 2011 is \$1.40 today. Had you put your money in the S&P 500 index, you would have enjoyed an annual rate of 11% but with plenty of ups and downs.

You would have to think that the returns between 1981 and 2011 won't be easily repeated and that the 4% to 9% returns for vintage since 2011 would be good results to shoot for. Let's say though you pick a lot of winners and have a 10% compounded annual return – on paper. Wouldn't that be more fun than buying the S&P Index?



Unfortunately, making the Hall of Fame doesn't always get your cardboard enshrined as well.

Now, If you want to sell the cards

If you want to sell an S&P index fund, you click a few buttons, and the cash is in your account the next day with typically no selling commissions. If you want to sell those beautiful cards of Mantle, Ruth, Tatum and Freeman, you probably are going to have to spend some money.

The rates of return I played with above all ignore the significant costs to sell. If you spend \$1,000 today on cards that increase in value by an optimistic 10% each year for 10 years to \$2,600 but have to pay say 33% of the proceeds to others for commissions and grading, your annual return is not 10% but 5.7%.

Maybe the way to go is like Michael Eisner, the former CEO of Disney. Rather than buying a few boxes of Topps for the grandkids, he and Madison Dearborn Partners bought the whole Topps company in 2007 for \$385 million. According to the news website Axios. somehow, even with Topps losing its MLB license, the Eisner group came away with \$1.37 billion.

Final thoughts

Sports card prices may continue to climb or head back to the junk wax graveyards. However, players, agents, owners, leagues, card producers, grading companies, sellers, hobby publications and even freelance hobby writers all have a financial interest in the business of monetizing the "brand" of players and teams. Even if there is a correction in prices, it would seem logical that those invested take action to correct the problems. Cards and memorabilia may look different,

but product will be created to pry those dollars out of fans. Years ago, you saw a few people at games sporting team jerseys. Now you see a few people at games who aren't wearing some team item. Maybe in the future you will be able to buy a jersey or card and the player will come to your house to autograph it...for a price.

Like the stock market or a horse race, you could make a lot of money if you had the results beforehand. Picking sports cards as investments is risky. You hear about escalating prices, but the cards in the news are only a fraction of the cards collected.

Words of wisdom?

In an early 1950s letter, Jefferson Burdick chastised hobby pioneer Lionel Carter for advertising in the Card Collector's Bulletin that he was willing to pay \$1 for each card he needed and 50 cents for any upgrade as being "too much money to keep collecting a hobby."

In 1971, Carter wrote that he had considered selling his collection because the hobby had become "all about the money." In 1991 he wrote, "Today? The hobby of baseball card collecting is dead."

In 1981, Pat Quinn, one of the founders of Chicago's Sports Collectors Store, commented to me effectively that the prices in the just released Sport Americana Guide were too high and bad news.

In 1986 Mr. Mint regretted pricing the mint 1952 Topps Mantles in "the high-numbered find" too high at \$3,500 in an SCD ad. He then lowered the price, selling 10 Mantles for \$12,500 in total.

In 2024, some of us may consider the current prices for sports cards to be completely insane.

That doesn't mean that any of us have been right. While one may not understand the reasoning behind some prices, after you feed the kids and pay the bills, collect what you like at the prices you want to pay. You can even put rubber bands around your cards and stick them in a shoebox. I still don't understand the prices, but what do I know?

This article appeared in the August 1, 2024, issue of Sports Collectors Digest. We thank SCD for allowing us to post the article on the OBC website. George Vrechek has been a freelance contributor to SCD for 38 years and can be contacted at vrechek@ameritech.net.