

Auction Houses are the traditional way to show off more important pieces to ready buyers through splashy catalogs and live auctions. The larger houses have experienced department heads who can give you a realistic figure to expect. The auction platform also can work to your advantage as anxious bidders take the price higher and higher. **PITFALLS** You pay a commission, maybe some production fees and wait. Make sure your item matches the audience. **TIPS** E-mail a digital photograph and give detailed information such as a reliable appraisal or stone certifications before mailing it off. Consult also with smaller or local auctioneers to decide who is best suited to handle your transaction.

The Internet is the sales medium of today, with 'e-bay' transactions trumping all other means. Your item has a *global* audience with the opportunity to offer digital photos, a glowing report and the best sales pitch you can muster. **PITFALLS** Your item is up against a zillion others. Most of your audience is looking for a steal of a deal and yours has to stand out for attention. Fraudulent claims are also rampant on the internet, making buyers leery. **TIPS** Make sure you have a secured transaction and verification of your representations.

Internet auctioneers are cyberspace consignment jewelers. They typically handle the transaction from start to finish, including photography, posting, collection of proceeds and shipping. Hopefully they will also secure a higher bid than you would on your own through a targeted, week-long exposure. **PITFALLS** A fee will still be extracted, and the internet bargain mentality still exists. **TIPS** Look at the corresponding fees for the services offered and satisfaction ratings of the company.

Another option is to donate your jewelry to a charitable cause and claim a fair market tax write-off. While not cash, it benefits both you and your donee.

**- Above all -
Know Your Jewelry**

Regardless of the method of sale you choose, know what you are about to sell. You do not want to let something go too cheaply. Likewise you do not want to misrepresent an item, based upon false assumptions.

Northwest Gemological Laboratory



NGL has been an independent appraiser of fine jewelry for insurance, estates, legal and yes, resale purposes since 1978. We provide the highest standard of professionalism to jewelers and the public without regard to vested interests and do not buy or sell jewelry.

Our affiliate school of gemology, Northwest Gemological Institute teaches the fundamentals of diamond grading, gemstone identification, valuation and related industry topics at our Bellevue, Washington facility.

Please visit our website at
www.nwgem.com

or call for rates and further information

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**WHAT YOU
SHOULD
KNOW
ABOUT
SELLING
YOUR
JEWELRY**

**NORTHWEST
GEMOLOGICAL
LABORATORY**

WHAT'S IT WORTH?

....A DOSE OF REALITY

For insurance purposes, fine jewelry is appraised at *retail replacement* value - the cost for comparable replacement in the retail marketplace. Years ago, this was a fairly easy computation since most jewelers charged about the same amount for like merchandise. Today, we see a radically different retail environment as traditional jewelers compete for sales with internet and "wholesale" dealers. This has created the potential for a large price spread, based upon your source.

It stands to reason that you cannot sell your personal jewelry for as much as the lowest cost retailer. Why would someone pay you the same as to an established business with return or trade-up policies, services, etc? For one thing, your jewelry is used and once off the showroom floor, it depreciates. And, since you are not supporting a business - its employees, expenses and inventory - you are not entitled to the mark-up necessary to stay in business so.....

your jewelry is worth what someone else is willing to pay for it.

It's finding that special "someone" that is the trick to realizing the most for your jewelry. This is normally a function of time. Time is money and lack of time - in other words, a quick sale - means less money in your pocket.

If you must sell it fast, your options are limited. On the other hand, the hassles involved in a re-sale may outweigh the relative loss of cash. You must compare the alternatives and choose the best course for you.

While you have many avenues of selling your jewelry, we will break things into two primary categories - *immediate* and *timed* sales.

Immediate Sales

will be to someone with cash, ready to make an offer. They may be re-selling your jewelry themselves, brokering it out to those who do or scrapping the metal and removing the stones.

In any event, for the benefit of selling now, you take a bigger hit to the wallet and that is the major **PITFALL** for such a transaction.

You are also limiting your options. Do you need to have cash today? Some of the timed sales can be consummated within a week to two, so decide accordingly.

Pawn Shops have money and are ready to buy or loan against your jewelry. Basically, your jewelry can become collateral which you get back after paying off the pawn with interest. **TIPS** If you really don't want to part with your jewelry, but need cash, a pawn becomes a viable option. Otherwise, get cash offers from multiple shops before making a decision.

Jewelers who buy (there aren't many) may offer a little more cash than a pawn shop or give you even more toward something from their shop. They will also offer to re-set stones from your unwanted jewelry into a new piece. If getting new jewelry was your intent, these are viable options. **TIPS** If selling, have a figure in mind. If trading in, make sure your potential purchase isn't inflated to cover the trade-in. Also, if a trade-in is your choice, contact the original selling jeweler. They may have a more liberal policy and certainly want your return business.

Scrap value

Cash buyers will generally pay you scrap value on the mountings and less than half of what they would normally pay their vendors for larger diamonds. Smaller diamonds generally net \$1 to \$4 per "point" (which is 1/100 of a carat) and colored stones generally get little interest. *Watches may only have scrap value or merit collector's value - find out before you sell.*

Figuring the "scrap" value of gold

Since you probably don't have direct access to a gold refinery, you need to find a buyer who does. A handful of jewelers (independents - not chain stores) and most pawn brokers will buy gold. What they pay will vary, so shop around.

The first part of figuring scrap value is easy.

1. Look up today's **spot value** in the newspaper or internet. This will be quoted in \$ per ounce.

2. Determine the item's weight. Pennyweights (dwt) and grams are both used in the trade. Re-figure spot gold per dwt or per gram.

$20 \text{ dwt} = 31 \text{ grams} = 1 \text{ troy ounce}$

3. Figure the purity of the item. Fourteen-karat (14K) gold is .585 pure gold. 18K = .750 or 75%
So, if you have 10dwt of 14K gold at \$435 /ounce:
 $10\text{dwt} \times .585 \times \$21.75 = \$127.23$

4. Now for the variable part. The buyer will pay only a percentage this figure, because of the refining costs and overhead associated with gathering up enough gold to sell to the refinery. They are also speculating on the future gold value, which may be less than it is today. *Expect to be offered less than 50%.*

Of course, many items are sold not to be scrapped but as pre-owned or "estate" jewelry. If you do not need cash today, investigate a timed-sale option. Some such transactions can be consummated within a week.

Timed Sales

allow you to explore your options better and should net more money than would a quick sale. The length of time it takes depends on your method, the marketability of the item and your willingness to negotiate or accept an offer. But where to begin?

Acquaintances are often a great option. People who see you wear the jewelry and comment on it are potential customers. Friends, co-workers and those you run into at regular intervals at the health club, church, latte shop, or wherever are good candidates. Since you already know them, they are comfortable talking with you. If not interested, they will let you know.

PITFALLS Even friends (especially friends) don't want to feel they have been taken advantage of so make sure your representations are accurate and the price is fair - and this transaction won't strain a relationship down the road. **TIPS** You are now a salesperson. Wear the jewelry on your outings. If you won't wear it, why would someone else? An exception might be for expensive or vintage items inappropriate for the environment or posing a safety issue. In that case, take pictures or do a personal showing. Be enthusiastic about the item to your prospects and choose those best suited to the item based upon your knowledge and observations of them.

Local Newspaper ads have been tried and true for decades to connect you to another consumer who is looking for a good buy. It also keeps the transaction local. **PITFALLS** A lot of dealers are also looking for a *steal* of a deal and will probably offer you much less than you are expecting. You must also arrange a meeting place for the transaction. Your bank or other secure location outside of your home is advised.

TIPS Place the ad with the paper (or papers) best suited to what you are selling. Do you need the jewelry classification of a large Metro edition or would a small community paper work better? The largest audience isn't always the best since many people are more comfortable dealing with their "neighbors". You may even have a neighborhood newsletter with cheap ads (or free) for members.

Consignment Jewelers put your item into the hands of a professional who has a vested interest to sell it for the most money. **PITFALLS** You give up a portion of the proceeds which may take months to realize. You are depending upon the traffic to that particular store and client list. **TIPS** Seek out a jeweler who knows the type of jewelry you are selling. Ask how they will market it and gather prospects. Do they have a special "estate jewelry" case or another way to promote pre-owned items?