

# DRIP POINTS



## QUARTERLY NEWSLETTER OF THE NATIONAL INSULATOR ASSOCIATION

VOLUME 17 NUMBER 2 WINTER 1989

In this issue of "DRIP POINTS":

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- Feature Articles
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An Insulator Collection?* ... Mike Guthrie
  - *Are Dealers Taking Over?* ... Kevin Lawless
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- SPECIAL REMINDER: Nominations for N.I.A. President and Western Region Vice-President should be submitted to the Nominations committee (Duane Davenport) by January 20th!!
- SHOW BIDS for 1991 National ... are due in JANUARY!!!

If you have items of interest to NIA members, send them to: *DRIP POINTS* c/o Don Reinke  
2513 Flintridge Pl., Ft Collins, CO 80521

## • FROM THE PRESIDENT

Dear Members and Friends of the NIA,

The other day I got home from work and anxiously went to the mail box to see what goodies were there. To my surprise I had eight letters all addressed to me as president of the NIA. My first impression was that another antique publication had printed the article on "Fake, Altered and Repaired Insulators" I had sent several months ago. Upon closer inspection I noted that all of the letters were from the same area around Little Rock, Arkansas...not exactly a hotbed of insulator collecting. Well, I began to read the letters and learned that they were prompted by an article written in the Arkansas Democrat newspaper in a column entitled "Collectively Speaking." The author of the article had seen the story on "fakes" published in the Antique Trader Weekly and adapted it to a more general story in her column. Well, within four weeks I had received over thirty letters from folks in and around Little Rock with about 75% asking for more information and the rest wanting to know how many hundred dollars their clear Hemingray 42's were worth.

The entire experience has proven to be most informational about our hobby. The greatest lesson has been that there is an incredible body of insulator collectors in the world which have not been exposed to the organized side of the hobby (that is, clubs, shows, Crown Jewels, books, etc.) It would be very interesting to observe the impact that hundreds or thousands of new collectors could have on the hobby. There are several ways to look at this situation: First, do more collectors mean greater competition for desirable insulators as well as a new market for trading/selling the more common insulator specimens or, Second, does it permit the circulation of new caches of insulators which are stored in the hands of those who had no previous

contact with the hobby market, or Third, some combination of the above????

My personal perspective is that all insulator collectors should have the opportunity to enjoy the fullest possible benefits from all of the educational and market opportunities those of us in the NIA enjoy. To this end I would like to challenge all collectors to contact their local newspaper(s) and explain their hobby and offer themselves and their collections as possible subjects for a future story. Wouldn't it be great to develop new insulator friends in your own town for only the effort of a letter to your newspaper?! Give it a try and let me know how it works!

**Mike Guthrie**

- **FROM THE WESTERN REGION  
VICE-PRESIDENT**

Enthusiasm is at the top of the scale here in the Western Region with anticipation of a great National Convention in Portland in July. Steve Watkins is hard at work to insure that the 1990 convention will be a memorable one.

The late summer and autumn shows in Reno NV, Salt Lake City UT, Bakersfield CA, Albuquerque NM, Stampede Pass, WA, Glendale CA, Tulare CA, and Auburn CA closed out the year with the realization that our insulator collecting hobby is not only alive and well, but exuberantly growing!

Spring brings promises of meeting old friends and new insulators at shows in Anderson CA, Las Vegas NV, Phoenix, AZ, Chico CA, Morro Bay CA, Victorville CA, Enumclaw WA, San Pablo CA, Denver CO, Jacksonville OR, and San Jose CA. With all of these choices how can anyone be less than enthused!

On that note, keep watching this space for develop-

ments that the Nor-Cal Insulator Club is working on for the weekend before the national in Portland. If tentative plans get off the ground, you may want to include them in your plans too! Stay tuned for more later....

Good luck for the best collecting ever in 1990!

**Shirley Patocka**

● **FROM THE CENTRAL REGION  
VICE-PRESIDENT**

The Southeast Texas collectors club and the Lone Star Insulator Club will co-sponsor the N.I.A. Central Regional to be held March 17-18, 1990. This promises to be a great show so you won't want to miss this one! For show information on sales tables contracts or displays. Contact one of the show hosts.

Elton Gish, P.O. Box 1317, Buna, Texas 77612 -or-  
John Hall, 2803 Livingston, Pearland, Texas 77584

Since many of you will be shivering through a cold march, we know you will be looking forward to a warmer weather down south. March promises to be in the 70's. Sales tables will be \$35 each for the weekend, and the hotel will be a block away. Don't miss this chance to find some good insulators, bottles, and other treasures. See you in March.

Good collecting

**John Hall**

● **FROM THE EXECUTIVE DIRECTOR:**

With 1990 just around the corner, interested prospective show hosts had better get busy and submit their bids for the 1991 shows, especially the N.I.A. National. It is Important to remember that should a national bid not be received by January, then the N.I.A. can open bidding to all regions.

Did you add something nice to your collection last year? I hope so, but if not was it because you didn't attend any of the fine insulator shows (small or large) put on by collectors and dealers? How about everyone really trying to do at least one insulator show next year. That seems like a very reasonable New Year's resolution to me and a lot more enjoyable than so many other resolutions available. I know Steve Watkins and his helpers are hard at work planning for the Portland 21st National next summer, so lets start saving those nickels and be there.

Before I pull out of here, may I wish to all of you the very best of the season and the coming New Year.

Eric Halpin #2768

• **FROM THE TREASURER: N.I.A. FINANCIAL REPORT, JULY 1 - SEPT 30 1989**

BEGINNING BALANCE: (7-1-89)           \$ 4,699.57

REVENUES:                               \$ 1,648.12

Dues                                   878.00

Donation                             20.00

Fund raising                       668.00

Interest                             54.12

Return to acct.                   28.00

(lost check)

EXPENDITURES:                       \$ - 903.91

Membership                         170.00

Awards                              282.07

Drip Points                         100.00

Postage                             101.84

National Show                     250.00

BALANCE:           (9-30-89)           \$ 5,443.78

Ross Huth, Treasurer

## "ARE DEALERS TAKING OVER?"

by Kevin Lawless

### – THE INEVITABLE

It was only a matter of time. There is so much "money" to be made in selling insulators that the grumblings have started. The "dealers" are taking over the hobby. They are price fixing. They'll ruin the hobby for everybody. They'll make it a business.

### – THE MISCONCEPTION

The "dealers" cannot take over anything. Neither can the collectors. Without the collectors, the dealers have only full inventories and empty pockets. Without the regular dealers to stir the pot and keep the limited supply of insulators available for new and renewed collectors, the collectors cannot add to their collections. They need each other. That's just the way it is in a limited supply economy.

The price is set by whatever the traffic will bear. As a rule, if the price is too high, the insulator won't sell. Neither, as a rule, will the antique, the rare coin or stamp, the baseball card, the used or new car, the GE kitchen appliance, or any other commodity. That's what's advantageous about a free market economy. As a rule, an item will sell for whatever the market will bear.

It *IS* a business! Insulators were a business before they were a collectible and remained a business when they became a sellable commodity, and even when they were just traded for one another! The notion that anyone can corner the market by being a full-time dealer or filthy rich is just so much hogwash. There are too many collectors *AND* dealers

for that to happen. There are also too many insulators to go around for that, anyway.

The fact of the matter is, an insulator, just like any other commodity, will tend to sell at its marketable value. Anything higher than that value - and it just won't sell! When there were enough of a particular type of insulator - say a mint castle - for the collectors of 1979, those collectors deemed the piece as worth less than \$100. That, however, was 1979, when the hobby was struggling (as was the U.S. economy). The hobby is much stronger now. There are a whole lot more collectors in 1989 than there were in 1979. Check your directories if you don't believe me. And many of those new and renewed collectors are hungry for insulators. Not just glass North American ones, either. Porcelain, foreign, commemoratives, lightning rod equipment - all are FAR more popular today than ten years ago.

– WHAT I AM TRYING TO SAY

Insulator collecting is a hobby and a business...and an investment, for some. If you cannot compete with a high powered investor at every turn, then don't worry about it. There's plenty of insulators for everyone. Just not enough Emminger's and Combination Safety's!

Have a happy, healthy and safe holiday season and I'll look forward to your continued support of the hobby and the NIA!

Good collecting!

**Kevin**

## "SO YOU WANT TO SELL AN INSULATOR COLLECTION?"

by Mike Guthrie

Long, long ago in a galaxy far away insulators could be collected by going into the wide open (or narrow closed) spaces and plucking them from obsolete and non-functional poles. Well, as the hobby matured and the insulators disappeared the supply of new 'stuff' came from the recirculation of collections which were sold either by the original collectors or through a third party (the so-called "dealer".) With rare exception, all insulators presently on the market are coming from collections as opposed to coming off of poles. All of these collections have come from somewhere and someone through an infinite number of different methods.

In an effort to encourage the recirculation of stored or unwanted collections a number of considerations and suggestions are proposed in this article to assist sellers in marketing their insulators.

The first issue to be decided is whether you want to sell your collection a piece at a time or as a complete lot. What you should think about when making this decision is:

- It is unquestionable that you will get the maximum sale price if you sell your collection a piece at a time until it is gone. It is, however, not as simple as it sounds. To sell a collection a piece at a time requires significant investments of time and money to travel to shows, advertise, pack, ship, correspond, answer the phones, etc., etc., etc. It is also highly unlikely that you will sell every piece so there will be a number of leftovers which will be difficult or impossible to sell. It is definitely not quick!
- If you sell the best pieces (called "cherry picking") from



your collection first and then try to move the remainder as a lot you may experience difficulty. Most "dealers" don't object to buying an entire collection so long as there are good pieces to go with the most common. It is equally true that few dealers will be interested in your collection if the best pieces are already sold. It is also generally accepted that most collections have at least some items which are not worth the time or effort to pack and transport so you may end up with some items that simply won't be taken by the buyer. Most of those buying collections are so-called dealers rather than new collectors trying to build a collection in one fell swoop. The comment has often been made that "someone will want to buy this collection for their own" through which hope the seller anticipates a higher sales price than what a dealer will offer. This is generally not a realistic approach. There simply aren't many new collectors around willing to sink substantial money into a hobby they don't know much about.

- The last and most common option is to sell the collection as a lot to a dealer. There are two basic categories of dealers: 1) Those who simply are trying to make money (which is the definitive American economic system) or; 2) Those whose primary interest is adding to their own collection through the acquisition of collections and the selling of unwanted or duplicate specimens. Both types of dealers ultimately "profit" from this type of arrangement and there is no clear-cut advantage to the seller to go to either one or the other.

If you decide to sell the collection yourself you need only look at what all the other dealers are doing in terms of marketing techniques and choose the ones which suit you best. Few collectors, however, have even the slightest comprehension of the amount of work that goes into selling insulators. It is not uncommon for it to take approximately 10 minutes per insulator to clean, price, wrap, package, invoice, and address a mailed parcel. If

your collection has 300 pieces you're looking at a minimum of 50 hours not counting the phone calls, correspondence, advertising, trips to UPS etc., etc. If you decide to sell at shows there is a lot of overhead to be considered including: the cost of transportation to and from the show site, the cost of table rental, meals, lodging, etc., not to mention the work of packing, loading, unloading, unpacking, repacking, reloading, and unloading again on return home. It is an incredible amount of work that few are really prepared to undertake. There is also the matter of market familiarity, that is do you feel comfortable with the current selling price of insulators so that you can price them realistically? It is not uncommon for a seller to sell items on his own at a price lower than what a dealer would have given for the same piece even discounted.

If you elect to sell to a dealer you have several critical factors to consider. First, the dealer isn't going to undertake the aforementioned work without some type of compensation for the trouble. As a result, the dealer will generally buy the collection at a percentage below its fair market value and hopes to make enough in sales to realize a profit either in dollars or in new additions to his own collection. The most important consideration here is reaching a deal which is agreeable to both parties. The seller naturally wants as much compensation as possible while the dealer would naturally like to consummate the deal with the lowest cost possible. Here the seller appears to have the edge...he can consult with several dealers soliciting "bids" for his collection and hoping for the best deal through sheer numbers. It is up to the dealer to decide in his best judgement what he is willing to pay based upon the anticipated return for his investment. It is also most helpful to the buyer to know if the seller has a figure he would like to realize from the sale. This can save a great deal of time and effort and can make both parties happy. It can also permit the dealer an easy exit if the asking

price is not reasonable.

The amount a dealer is willing to pay is generally based upon how quickly he believes he can recover his investment. The seller must realize that a dealer can invest his money in markets other than insulators in order to realize a profit. Therefore, the profit potential of a collection must exceed other options to make it worth all of the extra work and trouble which result. It is impractical to expect a dealer to pay 90% of fair market value, for instance, if the dealer can get a 10% rate of return by putting the money in a bank with absolutely no work. There are certainly examples of collections selling for 10-20% of fair market value but the current market is far more sophisticated. Most dealers pay from 50-80% of the fair market value. The higher rate is generally paid for collections consisting heavily of prime pieces in terms of rarity and condition. Since these items sell the fastest, requiring the least marketing effort, they command the highest prices. The collections which, on the other hand, are heavy with more common items in less than excellent condition will fall into the lower rate of compensation. Most dealers will not attach any value to insulators valued under \$5-10 since they are difficult or impossible to sell. Sellers must realize this reality of the market and not expect to be compensated for this price range of specimens. Likewise there may be a number of specimens which a buyer will not want to take so do not be offended! It simply isn't cost effective to pack and transport items of little or no value.

As with the sale of any tangible good it is normally in the sellers best interest to solicit bids from several prospective buyers but be honest with your solicitations.... tell prospective bidders that they have competition even if you don't tell them who it is. It would not be a bad idea to ask for references so that you can make your decision on the reputation and track record of the

particular dealer. Wouldn't you rather deal with someone who actually offers more than what you ask rather than trying to knock the price down many percentage points below its value? Ask his/her prior customers how they were treated. It is your collection so don't be shy about asking questions and seeking explanations. It is true that some purchases have been made with the idea that the buyer will never see the seller again but there are many dealers who will treat you as if you are a friend.

The key to a successful sale is to be honest throughout the process and deal with a buyer who has a reputation of honesty and fairness. If you are not up front with a prospective buyer it is unreasonable to expect the best deal in return. So, consider all the elements discussed in this article and proceed with prudence. It is possible for all "sides" to win through your sale. Ultimately the hobby will benefit because all of the goodies from your collection will end up in the collections of dozens of other collectors who will enjoy them for years to come. Good luck!

**Mike**

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- Sample N.I.A. badge w/10-yr membership bar:

