



## Grading United States Coins EPISODE 2

### Grading 101: The Basics

#### INTRODUCTION

This episode focuses on some of the basic principles behind coin grading. Don and Jim explore topics including the Sheldon Grading System, why grading is necessary, how collecting has shaped grading services, the differences between technical and market grading, and how collectors influence grading.

#### THE SHELDON GRADING SYSTEM

The 70-point scale of the Sheldon Grading System is broken into two parts: Circulated Grades and Mint State Grades. Circulated Grades run from Poor 1 (PO 1) to About Uncirculated 58 (AU 58).

Mint State Grades run from Mint State 60 (MS 60) to Mint State 70 (MS 70). Mint state grades are determined by characteristics such as contact marks, strike, luster, and eye appeal.

#### Why is Grading Necessary?

Don and Jim explain a variety of benefits from having coins graded. Some of these include:

- Providing a short-hand method of evaluation
- Putting a value on a coin in a standardized way
- Allowing for categorization
- Making coins more liquid
- Confirming authenticity

#### How Has Collecting Led to Grading Services?

Don and Jim discuss the evolution of grading services, with a need for more defined grades as coin values became higher.

Grading guides became popular, starting in the 1950s with Brown and Dunn, who used line drawings. Their book was followed by James Ruddy's book in the 1970s, which included the use of photo-grades. By the mid-1970s, the ANA began to release photo certificates and published *The Official ANA Grading Guide*. It is currently in its 7th edition and includes full color photos of graded coins.

Grading services also evolved. Starting with ANACS, other services came into existence including PCGS, NGC, ICG, and CAC. Grading services acted to strengthen market activity and buyer confidence.

#### What Is the Difference Between Technical and Market Grading?

- Technical grading assumes a coin is perfect when it is struck by the dies at the U.S. Mint. Anything that happens to the coin after that moment, reduces the coin's grade.
- Market grading attempts to incorporate luster, strike, wear, and eye appeal into one grade, ultimately, placing a value range on a coin.

#### How Do Collectors Influence Grading?

Collectors' desire to compare coins and assign values pushed grading from technical to market.



#### COIN OF THE EPISODE

##### 1853 Braided Hair Large Cent

- A lot of original mint red color
- Attractive
- Splotching in fields and devices

Graded as MS 62 Red Brown (RB)

Explore. *STUDY*. Connect.

AMERICAN NUMISMATIC ASSOCIATION  
MONEY.ORG