

### Classic Posters -Collectables as Investments

by Michael Erlewine

There are certain basic minimum landmarks that need to be met for something to become a collectable so that it appreciates in value. For one, we have to know what it is. There has to be some organization of the material, preferably a catalog of what exists and, if possible, in what quantities.

People collect everything, but not all collectables appreciate in value, much less are considered investment opportunities. To be considered for investments, we need to know what the item is and some idea as to what is the total number out there -- how rare it is. The rarer the item, in general, the more valuable it is considered, aside from what bands, venue, or artist is on the poster. This is mainly true with sets, where to have a complete set, you need all the numbers.

A set is only as strong as its weakest link. Invariably, one poster in a set was printed in a short run or some of them were destroyed. If we know the limiting item, then we know the universe of complete sets. So, whether a poster is beautiful or not, has a great band on it or not, if it is a limiting factor in a set, it is rare and by that virtue, valuable.

There are scads of articles and comments encouraging us to collect what we like, and not to be concerned with sets and the completing of them. Despite all of these high thoughts, the fact of business is that these rare (and often

drab) items are collectable and collected, and for big bucks.

The moral of this story is that we owe a vote of thanks to those archivist-minded collectors among us, who have paved the way for poster collections to be not only beautiful and satisfying on their own merits, but also to be worth money. They have helped to define the universe of posters, sets or singles.

### How Do They Appreciate?

I like the idea of putting my investments on the wall, where I can see them, and watch them appreciate. But what are the facts? How much have these posters appreciated over, say, the last ten years. I set out to find some numbers, which was not all that easy to find. For one, for all the talk, I have yet to find anyone who has really done the math on this. Sure, there are plenty of "Posters are a great investment. Never going down, always going up." I hear that everywhere, but when I asked for any studies, I have yet to find even one.

I managed to piece together some price information from 1991 and compare it to what these same items are worth today, in 2003. And the result, with some caveats, is encouraging. All in all, they do go up, as a whole, but there are exceptions. And there seem to be some rules to pay attention to.

I did not pursue the maverick venues or the odd collectibles, but stuck with, for this analysis, the tried and true Bill Graham and Family Dog original series, and I only looked at originals --

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first editions.

For example, I managed to find prices for 68 Bill Graham original posters from around the year 1991. I then compared these prices to the value for these same posters in 2001-2002. The sample was a fairly random group of high value and low value posters. In fact, I could not find a number of the higher value BG posters for sale in 1991, so this study does not include, things like BG-1, BG-2, BG-3, BG-74, BG-222, BG-118, BG-105, in fact many of the higher value posters. So if this study is skewed, it is in the direction of including too many low value posters, since they were readily available back in 1991, while the rare ones were already spoken for. This means that the numbers below would be higher in favor of posters as investments than they are, provided you collect valuable posters.

At any rate, the group of 68 BG posters that I could find data on, if purchased around 1991, would have cost you \$10,250. In 2002, this same group would cost you something like \$34,525. If we had taken that \$10,250 and invested it in a fund that returned 10%, compounded yearly, we would have \$26,586 in the bank, almost \$8,000 less than the return on the poster investment. So the posters increased by 3.36x the original investment, while the same investment at 10% compounded interest would have returned at 2.59%. These days, it would be hard to get 10% anywhere, and if the investment had been in stocks/mutual funds, the value might be considerably less.

So the bottom line is that these posters have

appreciated at a rate significantly higher than if we had been able to invest the same money at 10% and survived the bearish stock market.

I am not giving you investment advice, since I am not a financial expert. I was amazed that these kind of analyses have not been done, published, and circulated. Sometimes I tend to think that poster investors like their posters so much, that they don't want to really know whether they are making money or not.

Well, I love posters too, but there is a part of me that does want to have at least some idea of whether these are reasonable investments or not. In my own little non-scientific study, it looks to me that my investments in posters are not totally a waste of money. In fact, if I pick the posters I invest in carefully, I might make a little money and these investments are outside of the stock market, which right now looks kind of good to me. I hope some of you out there will do more complete studies of this stuff and let me know what you find out.

In fact, as a group, these poster have appreciated on average about 3.35 times their original price. In other words, a poster that cost \$40 in 1991 might be worth somewhere in the vicinity of \$140-150 today. That was the average. Some posters sell today for 20 times their original value! I also found posters that had not appreciated at all. One example had Tiny Tim as one of the performers, so the band does seem to have some relation to value. Grateful Dead posters are uniformly high, above the average rate of appreciation.

I want to make clear that my study was not scientific. I simply took some posters at random, based on being able to find posters where I could locate a value in 1991 and the same poster's value in 2003. I did not try to pick better bands or worse.

What makes a poster a safe bet for investing. Most collectors mention several factors. First, there is the wild card: a poster can be valuable solely do to it's scarcity. In other words, regardless of what band is on it or how lovely the art is, if it is one of a very few available, it is worth more money. We could all figure that out, right?

Second, is the nostalgia factor: what is the band? Bands like the Grateful Dead and Jimi Hendrix are way more collectible than those with Tiny Tim. Sorry Tim. In fact, not only are Grateful Dead posters popular, but they also played more gigs than any other band in my database, almost twice as many as the next in line.

And last, but not least for me, is the quality of the art. A striking poster looks really good on the wall, and such posters are more in demand and command more money than one that is just average or drab.

"Beauty is in the eye of the beholder." One man's treasure is another man's trash. I agree with that, but must point out that as a group, we humans seem to more-or-less agree on what is beautiful. Beauty is not a random thing, where each of us prizes something different. We tend to school, like fish, and we seem to

like the same art or be impressed by the same striking art. Take the "Flying Eyeball" poster by Rick Griffin, BG-105. Everyone likes it, wants it, and original copies are VERY expensive in today's market.

The same goes for FD-26, the "Skull and Roses" by Alton Kelley and Stanley Mouse. These babies are worth a bundle, if you can find one.

### Today's Market

The way the current market looks, posters are not such a crazy investment, if you pick your pieces with care. As a collector told me once, "They ain't makin' any more of them." A word of caution: some of these very expensive posters have been reprinted, so you do need to be able to tell the different printings apart, if you are looking to invest in them. They all look the same on the wall, but they are not the same when you sell them.

For serious collectors, you need to work with a reputable dealer or have a copy of the collector's bible, "The Collector's Guide to Psychedelic Rock Concert Posters (BOOK)," by Eric King. This large volume covers some of the main collectible venues, such as the Bill Graham and Family Dog series, as well as the Neon Rose and the Grande Ballroom, all in extreme detail. At \$65 for the guide, this is not an impulse purchase, but no serious collector, especially one looking to invest in posters, should be without it. It is indispensable. If you are getting into collecting the most collected series of posters (Bill Graham and Family Dog), just bite the bullet and buy a copy. Everyone

does. It is also very educational to understand all the ins and outs of poster printing, editions, papers, measurements, and so forth. It should go right up on the shelf next to the "The Art of Rock."

Most posters were only printed once, so there is no problem with making sure you have the real thing. It is only with the most-sought-after posters, particular a few in the Bill Graham and Family Dog series, that there are reprints, and even pirates and forgeries. Provided you work with a reputable dealer or know how use Eric King's book (which is pretty easy), you can make sure that the money you invest in posters goes into the real thing.

The money I have invested in posters was somewhat of a questionable thing, when the stock market was soaring. The way things are today, when I have seen any mutual funds that I have and my 401-K kind of melt away, I am not sorry to have some money sitting in posters. This is aside from the enjoyment I get from owning and looking at them, talking about them, showing them to others, and being part of an odd little community of folks who love these colored pieces of paper.

And there are sobering thoughts too. As I meet and get to know some of the more ardent collectors and catalogers of posters, I am struck at how compulsive and exacting these folks are. But I like them anyway. Then, every once in awhile, I catch just a glimpse of myself in that same mirror. I am just like them!