GREENVILLE, SC, September 19, 2013 /**24-7PressRelease**/ -- If you are one of the few people out there who has heard the word "numismatist", then you probably think it is a fancy way to say one who collects coins. Numismatics is actually the study of all things related to instruments of commerce. Coins certainly take up most people's attention when it comes to numismatics, but paper money is a quickly growing area. There was a time when rare currency was relegated to a small back dark corner of most coin shows. Today you can find paper money scattered throughout most coin dealers' cases. Some dealers actually exclusively deal with paper money.

Coins collecting first became a relatively popular activity in The United States in the 1880s. It wasn't until the 1950s that a reference book on rare paper money was even published. Great rarities could be purchased for tiny premiums over face value in the early days of the currency hobby. An 1890 $1,000 bill sold for $1,200 at an auction in the mid-1940s. The same note traded hands again around 2007 for over two millions dollars. That is an extreme example, but anyone who collected rare bank notes in the early days did very well if they were long term buyers.

Past performance is no guarantee of future success. However, powerful arguments can be made supporting the fact that collectible currency could increase significantly in value. Most of these arguments center on how small the collector base is for collectible currency compared to coins. It is generally accepted that there is one paper money collector for every 100 coin collectors. Despite that disparity, prices for rare currency really only lag behind coins by about 80%. That means that if a rare coin is worth one million dollars, an equally rare bank note should sell for around $200,000. In theory, if you could increase the currency collector base to the same level as that of the coin collector market, then prices for rare currency should get exponentially higher.

You definitely shouldn't collect anything solely because you think it will increase in value. People who make money in collectibles spend years honing their eye and building worthwhile collections. These same savvy collectors are usually rewarded handsomely when they sell their collections. This has always been true for both coins and currency. A well put together collection garners the attention of collectors looking to spend lots of money.

Want To Learn More About Currency? We suggest working with a rare currency expert whether you are looking to buy or sell. Also consider buying a few reference books to educate yourself. An old adage is to buy the book before you buy the note.