

# In his own words: Rusty Goe, Southgate Coins co-owner

## Northern Nevada Business Weekly:

What does Southgate Coins do?

**Rusty Goe:** We buy and sell rare U.S. coins, and precious metals (gold, silver, platinum, etc.), both retail and wholesale. We have designed what we call a knowledge-based collector system. We use this system to teach collectors how to get the most from their collecting experiences. Through mentorship, our clients learn how to choose the best coins and paper money that their budgets allow. We teach them how to rate the conditions of collectibles and how to determine values. We also take them on historical journeys that help them appreciate the backgrounds of the collectibles they desire. Southgate Coins believes that its employees play an essential role in providing top-notch customer service. Marie and I try hard to create a nurturing and family-like culture, in which our employees feel appreciated, and can learn practical skills, job skills, and interpersonal skills that will help them in all areas of their lives. We put as much effort into maintaining a healthy internal culture as we do in expanding and servicing our customer base.

**NNBW:** What's your role in the company?

**Goe:** A better question might be "What isn't your role in the company?" I am the coach who comes up with all the game plays; and I am the key offensive and defensive player who stays on the field at all times for every game.

**NNBW:** How is Southgate affected by the recent changes in gold and silver prices?

**Goe:** When Southgate Coins opened, on Sept. 11, 2001, gold sold for \$275 an ounce and silver sold for about \$4.15 an ounce. Ten years later, in early September 2011, gold stands at about \$1,850 an ounce and silver at about \$42 an ounce. That means it takes 675 percent more in capital for us to buy gold and 1,000 percent more to buy silver. For us to stock 100 ounces of gold today ties up \$185,000, compared to \$27,500 ten years ago. And for us to stock 3,000 ounces of silver requires a \$126,000 outlay, compared to 2001's cost of \$12,400. That's \$311,000 versus \$39,900, for a marginally-stocked inventory of gold and silver. If we knew gold and silver would keep rising in value, or at least never dip below current prices, the capital investment would not present a challenge. The bullion markets are very volatile, however, and within a day, our \$311,000 investment can lose \$30,000 in value. Another consequence of rising gold and silver prices is the invasion of out-of-town buyers that set up in hotels in Reno. We don't have a

## The basics:

**Name:** Rusty Goe, co-owner of Southgate Coins in Reno.

**How long have you been in this job?** 10 years

**How long in the profession?** 30 years

**What's your educational background?**

Self taught

**Spouse?** Marie Goe, wife; Lillie, Australian terrier; Rosie and Maggie, Yorkshire terriers



problem competing with these hotel-buyers, who usually pay well below market for the items they buy; but we can't match their huge advertising budgets, which run into hundreds of thousands of dollars. Many locals just can't figure out how these hotel-buyers can afford so much money for the full-page ads they constantly run—it's all in the profit margins.

**NNBW:** What's the most fun in your job?

**Goe:** Serving as a tour guide who leads people into the wonderful world of numismatics (the science of collectable forms of money). I also enjoy bidding on many of the rarest coins in U.S. history and helping clients build world-class sets.

**NNBW:** Is your job stressful? Why?

**Goe:** Yes. Because besides the common problems faced by most business owners — equipment breakdowns, employee issues, the economy — we took on projects, which strayed from our main business plan, that added extra pressure to our lives. I wrote two books, for instance, between 2001 and 2007: "The Mint on Carson Street" (2003), and "James Crawford: Master of the Mint at Carson City" (2007). My wife and I sacrificed a lot, in terms of our time and our peace, to get these books published. In 2005, we launched an international non-profit club called the Carson City Coin Collectors of America. Every year since, we have published educational journals for the club, planned and sponsored seminars and meetings around the country, and kept membership records. We contribute hundreds of hours a year to club activities, none of which is business related. We also launched a club Web site, which requires constant supervision. The publishing of my books and the running of our non-profit club, combined with the day-to-day operation of our store and its Web site, and the volatility in the gold and silver markets, have pushed our stress levels to

the max.

**NNBW:** How do you relax?

**Goe:** I get most Sundays off and when I'm home, I love to cook and read. Another form of relaxation I enjoy, which coincidentally adds to stress in my business, is the time I take for research when I'm working on my many writing projects. I love researching through archives at historical societies, libraries, and online; I only wish I had more time to do it.

**NNBW:** How did you learn this business?

**Goe:** First, the business was not a business, it was a hobby. I started collecting coins at a young age. In 1981 I crossed over an invisible line and became a part-time coin dealer. Since then, I have read everything I could find about numismatics, I have gone to coin shows around the country, I have taken courses on coin grading and on how to appraise collectibles, I worked for other coin companies, and I have honed my skills along the way, through trial and error. I soon discovered that being a coin dealer required knowledge unrelated to collectibles. I studied marketing and publicity, I learned about economics and monetary history, I took courses in Web site development, photography and photo editing, and I've read a lot about human resources. Learning how to be a writer has topped my list of priorities over the past three decades. Regardless of what other activities compete for my time, I force myself to write or to study something that teaches me about writing.

**NNBW:** What lesson would you like to teach to the folks you mentor?

**Goe:** I try to teach the clients I mentor that every collectible they treasure has volumes of stories behind it. To study these stories is the key to getting the most satisfaction out of owning these collectibles. I try to teach the employees I mentor to take responsibility for every task they perform, and not to make

excuses for their mistakes.

**NNBW:** Do you go through your change every day, looking for valuable coins?

**Goe:** No, I haven't done that since I was a kid. Collectors long ago, removed all the valuable coins from circulation. It's too bad that looking through change is no longer a popular pastime, because it was the searching in pockets and cash registers that drew many people to the hobby of coin collecting.

**NNBW:** What is the most valuable coin you've ever sold? Where did it come from?

**Goe:** In late 2004, I sold an 1873-CC Without Arrows dime for about \$1 million. The coin originally came from the Carson City Mint, of course. Between 1873 and 1950 it passed through the hands of about a half dozen collectors and dealers. In November 1950, the most famous collector of all time, Louis Eliasber, Sr., bought the dime for \$4,000. It remained in his family's possession until 1996, when another collector Waldo "Pat" Bolen bought it for \$550,000. It sold again in 1999 for \$632,500. I bought it in July 2004 for \$891,250. Today (2011) the coin is worth \$3.5 million.

**NNBW:** What is your idea of a perfect vacation?

**Goe:** Marie and I have been married for almost 29 years (January 2012) and the longest consecutive time off we've had is four days, so I'm not an expert in vacations, let alone perfect ones. When the right time comes, I hope it will be a great one, for both of us.

**NNBW:** What is the last book you read, and what did you think of it?

**Goe:** "Money Mischief," by Milton Friedman. I thought it was a shame the leaders of the United States didn't learn the lessons Friedman expounded in his book, which he wrote 20 years ago. Friedman, who was a leading economist for over 50 years, laid out in 10 chapters his introduction to the importance of monetary policy. He makes it clear what money is and he explains how governments control the flow (and the value) of it. He admits that the concept of an irredeemable paper currency, not backed by anything but the promises of governments, was a relatively new experiment (only 20 years in effect at the time of his book's publication). If he were alive today (he died in 2006), I think he would be dumbfounded by economic events of the past five years.

**NNBW:** Who is your hero?

**Goe:** The Apostle Paul.