

Downsizing Boomers Looking to Sell Their Stuff

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Unloading their possessions is proving harder than they thought.

By MISSY SULLIVAN



It's 8:55 a.m. on a crisp Thursday morning in the exclusive New Jersey suburb of Bernards Township, and at 34 Emily Rd., more than 60 people are lined up impatiently outside the front door. Inside, owners Mark and Mary Tuller, who were up most of the night and feel like "zombies," are girding themselves for the onslaught: a three-day crush of strangers pouring into their home, pawing through their family's stuff. Attic to basement, nearly everything is tagged with a price, from the mahogany dining room breakfront (\$5,000) to the half-used cans of spray starch (50 cents).

Mark, a 62-year-old former general counsel for Verizon Wireless, and Mary, a retired math teacher, say they couldn't be more excited about their imminent move to a smaller, Mediterranean-style place on the California coast. But with moving trucks arriving in exactly one week, they're more than a little anxious about whether this estate sale will be successful in unloading nearly three decades' worth of accumulated belongings especially prized pieces like their antique, hand-knotted Persian rugs (the one in the living room originally cost \$20,000). "We wanted to sell these expensive items in a way that brought closure," says Mark, "and didn't want them to just walk out the door for almost nothing."

Indeed, to help facilitate the sale, they've chosen a company called The Grand Bazaar to run it; unlike some other mom-and-pop businesses they interviewed, it actually takes credit cards. But from the moment the doors open and salegoers storm the 5,000-square-foot home like pirates rushing a ship, virtually no one bothers with plastic. Not the man with the white ponytail happily scoring a \$1 jug of deer repellent or the woman in chunky diamonds and fur-tipped pumps snapping up old garden hose nozzles. Some bargainers cart off books or clothes in bulk, but most arrive at the checkout table with small items: Christmas decorations, souvenir Parisian drink coasters, a board game from the downstairs toy closet. In fact, when the doors close on the Tuller family sale (final take: on the plus side of \$30,000), there's still quite a bit of furniture left, most of which is destined for donation or cue Mary's nostalgic sighs the Dumpster. And those expensive rugs? At least \$30,000 worth of fancy

floor coverings are headed into storage. "The sale was a huge success if you were in the market for unopened soap," says Mark.

Call it the great American sell-off. For years now Americans have been gathering and collecting at an amazing pace, filling homes that over the past half-century have more than doubled in size, to an average of nearly 2,500 square feet. And even that hasn't been enough to contain our nation's overflow of stuff. These days nearly one in 10 U.S. households maintains at least one self-storage unit, 65 percent more than did so in 1995. Filling these spaces, of course, comes naturally to baby boomers. Born into the giddy postwar climate of conspicuous consumption and weaned on decades of easy credit, they're a generation accustomed to regularly leaving offerings at the altar of retail.

That is, until they hit the empty-nest, time-to-start-downsizing phase and begin wondering what to do with their mountains of accumulated stuff. With some 8,000 Americans turning 65 every day, on average, and the senior population expected to double by 2050, millions are facing a massive, multifaceted purge that's turning out to be much tougher than they thought it would be. And millions more find themselves in similar quandaries as they deal with the truckloads they've inherited from packrat relatives. Indeed, whether they're leaving an heirloom china set at the local consignment store or packing a stately grandfather clock off to Sotheby's, many are discovering that the resale market is glutted with household goods. And oriental rugs are only the beginning. Got a home full of middle-market, traditional-style furniture to sell? Dealers say that stuff's plunged 50 to 75 percent in value. Elaborate silver tea sets are worth more melted than as decorative objects. And huge heavy items like dining-room breakfronts and banker-style desks are often the toughest to unload. "I once sold a piano for \$11," says David Rago, a Lambertville, N.J., auctioneer.

For many of those in or near retirement, this is not unimportant income. Inspired by shows like Antiques Roadshow and Pawn Stars, many hope that monetizing that painting over the mantel will help make up ground lost in their battered retirement portfolios, says Julie Hall, a liquidator from Charlotte, N.C., and the author of *The Boomer Burden*, a book about challenges like these. And beyond the economic significance, there's the emotional struggle that comes with letting go of decades' worth of memory-laden stuff. As David Ekerdt, director of the Gerontology Center of the University of Kansas, puts it, "They're not just things. They're you." But the disconnect between perceived value and actual value when the kids don't want their parents' stuff and the market is overrun can be a cold splash of reality. "What are people going to do?" asks Jane C.H. Jacob, a Chicago-based appraiser and trustee of the nonprofit Appraisal Foundation. "Dig a ditch and put it in a landfill?"

Indeed, it's hard to know where to start. Selling things piecemeal on eBay and Craigslist? Too time-consuming. A weekend garage sale? Too much work and too hard to figure out pricing. (And what happens with all the unsold stuff?) Like the Tullers, many downsizers begin the liquidation process by interviewing a quirky collection of small-business folk who run estate sales, at companies with

names like A Couple of Dusty Old Bags or 2MuchStuff4Me. No one tracks this unlicensed, unregulated universe of mostly family-run firms, but according to John Buckles, founder of Caring Transitions, the industry's first franchised business, the sector pulls in at least \$5 billion a year. In Southern California, Betty Ulemek got her first taste of the liquidation industry last fall, when the Santa Ana resident decided it was time to sell her late brother's houseful of lovingly acquired collections glass, china, clocks and such and found an estate sale company the way many people do: by asking the real estate agent listing his house. Experienced liquidators say most of their referrals come from clients, real estate agents, estate lawyers or estate trustees. Some are even paid as much as \$10,000 by senior living centers to help new residents get "unstuck" from a longtime home.

The firm Ulemek was referred to, South Hills Antiques & Estate Sales, is fairly typical: It's run by a sole proprietor,

Anita Sassounian, who's self-taught in the ways of valuation and who conducts a side business as an eBay seller. Ten years in, the energetic former waitress who wears a black apron at sales and calls out that she's "86ing" a misbehaving customer charges 35 percent of the final kitty. (Depending on the size of a house and quality of its contents, a sale can gross between a few thousand dollars and \$100,000, with the majority falling in the \$5,000 to \$15,000 range.) For her cut, Sassounian offers extensive advertising her mailing list yields more than a few diehard big spenders who sleep overnight in front of the house for the privilege of first dibs staffs the sale with up to a dozen helpers, and transforms the home into a retail boutique, polishing silver, washing baseboards and bringing in tables, racks and display cases. When it's all over, she arranges for leftovers to be donated and leaves the house, in industry parlance, "broom clean."

In the liquidation milieu, many firms operate on a handshake basis. But the more documentation a liquidator provides, the less room there is for squirrely dealing or outright stealing. This is, after all, a business where strangers spend days in a house, often unsupervised, handling every single object and finding surprises ranging from Mom's rainy-day cash stash to letters from Dad's secret mistress. Sassounian works with a contract that leaves little to misinterpretation, helping to ensure, for example, that when a sale's proceeds are to be distributed to heirs, family members can't remove items from the house once the contract is signed. When the sale is done, she provides the estate trustee with an inventory, complete with prices paid. In a field with no licensing, accreditation or official means of censure, Sassounian says, "my reputation is everything."

Critical to the sale's success, of course, is whether she's gotten the pricing right low enough to tempt bargain lovers while getting as close as possible to fair market value. To research prices of items she's unsure of, Sassounian says, she photographs them and does research on sites like eBay and



Priceless?

Most sellers overestimate the amount their stuff will fetch; one liquidator advises clients to "take a zero off" right away.

Google. Because so few liquidators have formal appraisal training, critics question their ability to accurately price the dizzying number of items and to understand subtleties of how quality, condition and rarity come into play. "I'd be careful of the person who claims to know the value of everything," says New York based art attorney Amy Goldrich. "Most of the time they can have no idea if it's a fake or a copy, especially if they're doing a quick Web search."

For her part, Sassounian says she brings in outside experts whenever she runs across an unfamiliar item. Still, Ulemek wishes the prices had been higher. "I can't believe she sold my brother's wonderful stuff for pennies," she says, adding that she'd have liked to have been on-site during the sale to press for higher prices. For Sassounian and her peers, that frequently spells trouble, since as they tell it, clients will sometimes put the kibosh on a sale either because they're bogged down in the emotional value ("I've seen people hug toasters because they can remember making toast in the morning," says Hall, the Charlotte liquidator) or they can't imagine that their treasures have depreciated at all from the original retail price. ("I always tell them to take a zero off what they bought it for," says Sassounian.) Ultimately, Ulemek's brother's belongings brought in upwards of \$50,000, even with the modest pricing. "And when all was said and done," Ulemek admits, brightening, "the house was nice and clean."

But a clean path to life's next phase can also start at an auction house. More than \$20 billion worth of household items, art, antiques and collectibles sold in a competitive-bid environment in 2008 alone, the most recent year the National Auctioneers Association polled its members. On a chilly Monday morning, the staff at one Philadelphia-area firm, Dutch Auction Sales, is hard at work, dispersing the contents of hundreds of households, more or less en masse. And for anyone with stars in their eyes about the auction market for middle-market furniture and household goods, a trip to Dutch, which caters largely to the wholesale crowd, offers a bracing reality check. Indeed, some of what's offered here is stuff that didn't sell in estate sales, and the occasionally shocking prices (\$10 for a hefty antique oak round table in perfectly fine condition) show how the great American sell-off is hurting prices for boomers everywhere.

"Onedollah, onedollah, onedollah," the auctioneer intones. "Sold for...one dollar," he says of the decent-looking seven-piece patio set. Forget the image of a Sotheby's swell with French cuffs and an accent to match. This auction impresario sports a bushy handlebar mustache, scruffy jeans and an unzipped hoodie. He carries a liter bottle of Pepsi in one hand and a wireless mic in the other as he moves briskly with a cluster of buyers across a football-field-size area covered with rows and rows of household castoffs: boxed lots of tools, fat 10-year-old TVs and computer monitors, vintage yearbooks, old plastic rocking horses. The bidders mostly flea



Priced to Move

Home liquidators sell ordinary household items for cheap, often at weekend-long marathon house sales.

marketeers and eBay resellers know exactly when to let a whole row of junk pass at \$5 and when to pay up for treasures like a newish wine fridge (\$17), 1960s-era Bose speakers (\$80) or a (presumably working) snowblower (\$160).

Every two weeks Dutch processes more than 7,000 items in a marathon that starts at sunup and lasts often into the wee hours, operating in and around a hangar-size warehouse. With relentlessly paced three-ring auction action, it processes a steady stream of items culled largely from middle-class homes: antique furniture piled three or four high; tabletop lots of toys, china, silver and books; and those junkier lots outside. No white-glove treatment here porters drag heavy wood antiques roughly along the concrete, and more than a few times during the day, glass can be heard crashing to the ground. Dealers park their U-Hauls in a tight row alongside the outside dock, quickly loading antiques that, on average, says Dutch CEO Bob Selmon, are running 50 percent below 2005 prices. (Rugs, he says, are down even more.) According to Rich Holleny, an antiques dealer from Maryland's Eastern Shore, one elegant mahogany dining set that gavels for \$400 would have fetched between \$1,000 and \$1,200 five years ago. A carved oak Victorian fainting couch worthy of a Betty Draper swoon goes for \$85. Back at his shop, laments Holleny, traditional furniture is languishing, and even at these prices, it's harder to make margins. "A lot of people have been driven from the business," says Selmon.

While auctions themselves are coping with a surfeit of sellers and cash-strapped buyers, driving down both prices and sell-through rates, they're still big-time liquidation players. But the liquidation universe, which has many tiers, can be confusing for downsizers looking for the best outlet for a fine or unusual estate item. Sellers may assume the holy grail is a high-end auction house like Sotheby's or Christie's, which rarely take on consignments worth less than \$5,000, but experts say the best choice comes down to who can drum up the most serious bidders. Niche outfits, for example, reach targeted collector markets, whether for antique duck decoys (Guyette & Schmidt in Maryland), mid-century-modern furniture (Wright in Chicago) or art pottery (Rago's in New Jersey).

Of course, for boomers who don't have the stomach to see the stuff of their lives sold off and aren't driven by a financial imperative to do so there's always the option of just passing on to the great beyond and letting the heirs duke it out. Billy Campsey, an Amarillo, Texas, accountant who often acts as a fiduciary on disputed estates, says he recently experienced it all firsthand when his aunt left \$150,000 worth of jewels to be split among six family members who all wanted the same pieces. "Put all six of them in a room and they'd have a fistfight," he says. After hearing from an estate lawyer about a Web-based tool called eDivvyup, he persuaded the heirs to try the closed online auction system (think eBay, only private) that lets an estate executor post photos and information about each piece and assign point shares to heirs based on his or her percentage of the estate. In the end, he says, competitive bidding worked a lot better and faster than gambling on a retail consignment. Not only did it squash the squabbling, says Campsey, but it took one year of administration off the total estate.

If there was ever a good time for a wealthy aunt to die, 2010 was it from a tax perspective, that is. With the estate-tax exemption at \$3.5 million in 2009, 34,000 U.S. estates paid taxes to the IRS that year, a decrease from 108,000 in 2001. Although the tax was zero in 2010, it returns this year, at a rate of 35 percent for estates over \$5 million. Making distributions before death can help lower the tax hit and eliminate a lot of disputes, says Kathleen Sherby, a St. Louis tax attorney and fellow of the American College of Trust and Estate Counsel. The problem, she says, is that "a lot of people just don't want to deal with it."

When Tom Tuchmann's father died last summer, who got what was not a big issue. After all, he and his siblings had long since feathered their own nests and their dad's stuff was, he says, pretty worn out. (They each took a few sentimental items.) The harder part, says the Portland, Ore., forestry engineer, was having to process the reality that the Winnetka, Ill., home his dad had lived in for 50 years, a reassuring time capsule of their childhood, would no longer be there. But while his brother waxed nostalgic about the old ceramic rabbit cookie jar and his well-played 45 of "Raindrops Keep Falling on My Head," Tuchmann hadn't looked closely at the contents of his childhood home in 32 years and felt little compunction to start, he says. "Now that it's done, I'm moving on."

Accumulation Nation

No wonder Americans have so much stuff to sell off. Over the past decade or so, we've spent nearly \$2 trillion annually (much more than we're likely to get back) on things like these.

HOMES: \$747 billion

U.S. mortgage activity peaked no surprise in 2006, when Americans snapped up nearly a trillion dollars' worth of homes.

Difficulty to Dump: Home prices are down 22 percent from their peak in 2006.

MOTOR VEHICLES: \$407 billion

Green, schmeen America likes 'em big. Even though large-truck sales have dropped by more than a third since 2005, they still outsold every other category of vehicle but one in 2010.

Difficulty to Dump: Used-car values rose during the recession, but experts say the rebound in new-car sales will dampen that trend.

APPAREL: \$251 billion

Blame our full closets? In 2009, for the first time in U.S. history, spending on clothing and footwear fell below 3 percent of Americans' disposable income.

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ELECTRONICS: \$158 billion

The typical U.S. household spends \$1,350 annually on electronics more than the average person in Nepal makes in a year.

Difficulty to Dump: Some half a billion old gadgets now languish in our homes, more than twice as many as did so in 2007.

FURNITURE: \$87 billion

From 1999 to 2007, U.S. imports of household furniture more than doubled with more than half coming from China.

Difficulty to Dump: Traditional stuff like middle-class mahogany is down more than 50 percent from pre-crash prices.

HOUSEHOLD GOODS: \$68 billion

These purchases encompass everything from small kitchen appliances and dinnerware to cleaning materials and, yes, bathroom accessories.

Difficulty to Dump: Forget resale. The EPA reports a 23 percent jump since 2000 in household goods being simply junked.

JEWELRY: \$55 billion

Diamonds are still a girl's best friend, making up at least 30 percent of all jewelry purchases in any given year.

Difficulty to Dump: The average sale price of used wristwatches on eBay dropped 28 percent from 2008 to 2010.

FINE ART: \$2.4 billion

Call it a renaissance: Art sales at major auction houses exploded in the early '90s, growing tenfold to peak at \$4.8 billion in 2007.

Difficulty to Dump: Based on lot prices, the average amount fetched at auction for fine art fell 43 percent from 2008 to 2010.

Sources: American Apparel & Footwear Association; American Home Furnishings Alliance; Artnet; CIA World Factbook; Consumer Electronics Association; CoreLogic; eBay; Edmunds.com; Goodwill Industries; International Housewares Association; Jewelers of America; Kelley Blue Book; Pike Research; U.S. Department of Commerce; U.S. Environmental Protection Agency.