

# Collecting Fine Art



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**A**RT NEWS released in its summer issue the new 2009 list of 200 art collectors. This year Roman Abramovich the Russian billionaire has entered the top 10 in the first position. He purchased Francis Bacon's Triptych for US\$86.3 million (€61.4 million) (a record price for a post-war work of art) and Lucian Freud's Benefits Supervisor Sleeping for US\$33.6 million (€23.9 million) (a record price for a work by a living artist). He has also opened an art Gallery in Moscow, the Garage, which is managed by his partner Dasha Zhukova.

Every year the US magazine publishes the collectors list and it has become more and more international every year. However, if collecting is becoming a global phenomenon, it is not a new trend.

Art has been collected for centuries. It started in the XVIth century with the protestant reformation when private individuals started to buy art and artists freed themselves from religious patronage. Collecting fine art has become a "recreational activity of the elite" for rich Europeans, and later North Americans. James Stourton, Sotheby's Chairman, has noted that the Rothschilds are the greatest collecting family since the XIXth century.

### Why do people collect?

There are a number of reasons to explain art collecting. It was and still is for some "a private pleasure, sometimes intellectual and scholarly."<sup>2</sup> There are also several psychological reasons to explain collecting in general and art collecting in particular. Sigmund Freud, himself an art collector, conceded that collecting was a compensation for a loss. "Collecting is sometimes seen as a pathological attempt to control the untidiness of everyday life, or as a means to combat mortality"<sup>3</sup>.

In the past decade the number of art collectors has increased - in particular with the hype of the contemporary

art scene, at least before the economic crisis. The new global collectors have various reasons and motivations to collect. Gaining social status is one of them. For the HNWI (High Net Worth Individual) and UHNWI (Ultra HNWI), art is the ultimate luxury good and a "must-have" in order to be part of a certain "Rich Club". Once you have a yacht, plenty of properties all over the world, you start collecting art. Buying an expensive art work does not only make you the happy owner of a valuable piece of fine art, it also opens the door to the Art world: VIP invites at Art fairs, "tapis rouge" in the top galleries, a life organised around the art world calendar of art fairs, biennales and key exhibitions, access to star artists - a new glamorous life style overall. Philippe Segalot the well known art advisor of top collectors says, "When you buy a contemporary art work, you belong; you become part of a club. It's a lifestyle."<sup>4</sup>

Tax incentives given to art collectors are also one of the underlying reasons for private and corporate collections. Collectors can offset a percentage of their income tax against works of art promised to museums. This policy has been effective in North America to encourage the involvement of private patrons as supporters of the arts. France has introduced incentives for collectors as well. Private bankers and tax advisors are well aware of the tax benefit of such incentives.

Some large corporations such as Cartier, LVMH, Deutsch Bank, Allianz, Prada ... have their own corporate collections or private foundations. Collecting fine art becomes part of an overall PR and branding strategy. It is a communication tool (external and also internal) towards the various stakeholders the company is dealing with.

In the BRIC countries (Brazil, Russia, India and China) but not only, art collecting has become the expression

of patriotism. The new rich collect art from their own culture and own country as a statement of national identity.

Lately the buzz around Art as an alternative asset class, such as the emergence of Art Funds, has attracted to the art world a new breed of art collectors/speculators who relate to art as they do to the financial markets.

Not only is collecting art becoming a global phenomenon but the role of the collector has changed. "For years they have remained out of the light and they have stepped into the limelight with the development of contemporary art" says Andrea Bellini<sup>5</sup>. Collecting today has a public dimension and collectors feel a responsibility when owning great art to make it available for exhibitions and scholarships. They create foundations and private museums: François Pinault in Venice, Thyssen-Bornemisza in Madrid, David Roberts, and Charles Saatchi in London amongst others...The new collector plays an important role in the art world. As James Stourton, Sotheby's Chairman, puts it, "A leading collector can do more for the career of an artist than a critic or a curator could ever hope to." As a matter of fact there are some famous collector - artist "couples" in contemporary art: Charles Saatchi and Damien Hirst, François Pinault and Jeff Koons, Eli Broad and Richard Serra. However becoming a collector is not only a matter of wealth and purchasing power. It is a long educational process whereby the new collector has to do his "homework", get to know the galleries, visit the art fairs. Some collectors get the advice of art advisors or curators. Nonetheless, the galleries have introduced a "waiting list" system. One New York dealer, Mary Boone, in 1980's "dealt with 100s of requests for Jean-Michel Basquiat and Julian Schnabel and then decided to set up a waiting list: it has become a subtle form of psychological control exercised by gallery owners over collectors"<sup>6</sup>. Anita Zabludowicz one of the main collectors of contemporary art in the UK, reckons it took her four years of reading, attending courses, meeting curators, dealers... before starting to buy. Today she has her own private foundation 1767 in London.

Today's art collector has various facets, collector/dealer, artist/collector...Charles Saatchi, who has just published " My name is Charles Saatchi and I'm an artoholic"<sup>8</sup> " is a good archetype of this new breed of collector, being at the crossroads of art patronage, art dealer and art advisor for The London-based Art Trading Fund. ■

1 - James Stourton (2007) Great Collectors of Our Time: Art Collecting Since 1945, London Scala Publishers Ltd  
 2 - Idem  
 3 - Louisa Buck & Judith Greer (2006) Owning Art, London Cultureshock Media Ltd  
 4 - Lindemann, Adam. (2006) Collecting contemporary, London: Taschen  
 5 - Andrea Bellini (2009) Collecting contemporary Art., JRP|Ringier  
 6 - James Stourton (2007) Great Collectors of Our Time: Art Collecting Since 1945, London Scala Publishers Ltd  
 7 - 176 Prince of Wales Road London NW5 3PF  
 8 - Charles Saatchi, (2009) My Name is Charles Saatchi and I am an artoholic, London Phaidon



Charles Saatchi by Robert Gordon McHarg III

## Top ten collectors Source: Artnews '200 top collectors', Summer 2009

1. Roman Abramovich (*Russia, steel industry*)
2. Debra and Leon Black (*US, finance*)
3. Eli and Edith Broad (*US, financial services and housing development*)
4. Steven Cohen (*US, hedge fund*)
5. Henry and Marie-Jo Kravis (*US, finance and investments*)
6. Ronald and Jo Carole Lauder (*US, cosmetics*)
7. François Pinault (*France, luxury goods*)
8. Mitchell Rales (*US, tool industry*)
9. Carlos Slim Helu (*Mexico, telecommunications*)
10. Sheikh Saud bin Mohammad bin al-Thani (*Qatar, oil*)