

Indispensable guide for Buying Art, for seasoned collectors and beginners

Art Collecting 101

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WHO IS AN ART COLLECTOR?

Whenever I am a guest speaker, I begin every talk, lecture and discussion I have on the arts with the same question. I have asked it as a guest speaker at Chamber of Commerce gatherings, Rotary Club and other civic group meetings, at charity fundraisers when I am the guest auctioneer, and as the resident art expert on cruise ships. I most recently asked the question in June 2005 at Georgetown University, where I gave the previously mentioned lecture on Art Collecting.

Wherever, whenever I ask the question, I ask for a show of hands and immediately raise mine. The question is: *Who is an art collector?*

Would you raise your hand?

Most of the time mine is the only hand that goes up. Occasionally, another one or two, but rarely more than a handful. So I ask the next question: Who here owns at least one piece of art? I don't care if it is a painting, sculpture, lithograph, etching, or a piece of photography, whatever. Just about everyone in the audience raises their hand. How about you?

Many people are art collectors who do not think they are. Most have a perception of art collectors that would never include themselves. For one thing, they think of someone with an extensive collection of art worth millions of dollars. And they see a collector as portrayed in the movies or on television as some snooty character with lots of money that chooses art for esoteric reasons at gallery openings. The men wear dark suits or navy blue blazers with ascots, and the women are bedecked with jewels.

Art dealers and gallery owners are depicted in much the same way plus speak in a condescending manner. Okay, I admit that I wore a tuxedo to more than one of my gallery openings, but just

as often I wore jeans and cowboy boots. During normal business hours I never wore a tie, although I thought I dressed smartly. And more than a few clients enjoyed dropping by for a cup of coffee or glass of wine to talk about art, as well as current events and sports.

There seems to be a perception, certainly fed by the media, that only those people who spend inordinate amounts of money buying art at international auctions and upscale Madison Avenue-type galleries are real art collectors. The fact is, those people represent one type of collector and represent a small portion of the world of collecting art. Not in dollars, but in sheer numbers. Most of the people I have sold art to over the past thirty years do not fit that mold any more than I do. They are, by and large, “regular” people who enjoy art for art’s sake.

Another misconception is that fine art is out of reach of ordinary people. The truth is, fine art can be surprisingly affordable, and is well within the reach of many people who think otherwise.

If you bought a few pieces of art to decorate your office or place of work, you are a collector. If you bought a few pieces and hung them on the walls of your house, you are a collector. If you saw some pieces you liked while traveling abroad and bought them to remind you of your trip, you are a collector. It does not matter why you bought it or what you paid or where you bought it. It could have been at a gallery, a flea market, a charity art auction, an outdoor art exhibit, through a decorator, or directly from the artist. Whatever the source, the place, the price, the motivation, if you bought it, you are a collector.

I suspect that you are probably an art collector. You should raise your hand!

People buy art for various reasons, and all of them are equally valid. They buy for decoration, which is probably the number one reason. Beautify your home. Bring sophistication and

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beauty to your office. Others get a great deal of aesthetic satisfaction from art. They feel good simply having it around. For them, it is nurturing and comforting. Of course, different strokes for different folks, and what nurtures one person might disturb another.

I had a client who collected works by 20th century master, the surrealist Joan Miro. She liked the playfulness, almost child-like quality of his lithographs and etchings. “Can’t walk by one of my Miro’s without smiling,” she often told me. Yet another client, upon being introduced to Miro’s art for the first time, said, “My granddaughter can do that, and she’s only five!”

I was giving an “art talk” on a cruise ship in the Mediterranean, discussing the rising prices of art by 20th century masters when a familiar voice in the back of the room boomed out, “How much have the pieces I bought gone up?” There in the back of the room was my cousin Frank, grinning from ear to ear. After I stopped laughing I introduced him to the rest of the audience. “Great to see you Frank. May I tell the people what you own?” He gave me permission. I knew every piece he had since he bought them all from me. And they had all appreciated significantly. I shared that, too, and Frank beamed as the audience murmured their approval and eventually broke into applause. I’m not sure if they were applauding Frank or me. It didn’t matter.

Frank and I had lunch in Sicily the next day and I asked him if he was interested in selling any of his art. “Of course not,” he exclaimed. “I just enjoy knowing it’s going up. It makes me feel good. And I doubt I’ll ever sell it.” So there you have another reason people collect art: Pride.

Still other art collectors are driven by the prestige factor. Bragging rights. I have a friend who bought a number of hand signed original graphics by Renoir, Picasso, Chagall, and Miro. There are some very rare, fairly expensive in his collection. He

loved to entertain and enjoyed taking his guests throughout his house, not unlike a docent at a museum, proudly pointing to various pieces and announcing the names of the artists. He knew very little about art and was not particularly interested in learning. He just liked to “name drop” famous artists. He would then defer to me, his personal art dealer and adviser. I would explain why each piece was so valuable and collectable. I didn’t mind, because I enjoy talking about art. Besides, I often got new collectors out of the evening.

The prestige factor works well in professional offices, too. Art by recognizable names tells your clients that [1] you have taste; [2] you have class; [3] you are successful. That is why so many top law firms have outstanding art collections rather than decorating their walls with posters. That would be like wearing a ten-dollar tie with a suit by Emerengildo Zegna or Hickey Freeman. Or driving a Kia instead of a BMW or Mercedes.

Some law firms as well as large corporations have in-house art consultants. They arrange shows and look for appropriate pieces to add to their collections. I have worked with a number of them over the years. Some firms have annual exhibits at their offices, displaying their collections or introducing the works of a new artist in their collection, often with the artist present.

Finally, some people collect art for investment purposes. It has proven to be an outstanding vehicle in that arena, consistently outperforming virtually every other type of investment over the long haul. Rare coins, antique cars and similar very limited supply items have done well, too, but not at same rate of appreciation, because the demand for them is not as rigorous. Besides, enjoying the art on your walls, then giving it to your children--keeping it in the family--is another way of building and handing down estates to heirs.

Still others build collections over the years, get a lifetime of fulfillment from each find they add, and the joy of owning the art,

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and then donating it to their favorite charities. They get the pleasure from the art and, if it has appreciated significantly over the years, not an unusual occurrence, they get a tax break on their donation. I am neither a tax attorney nor an accountant so if the idea appeals to you, get professional advice.

There are also people who collect art for all of the above reasons.

Because of the diversity of reasons for collecting art, there are different criteria that should be applied in determining the value of a piece of art. For investment, obviously buying at the lowest possible price is desirable. For the other reasons, since beauty in the eyes of the beholder, the value of a work of art can be personal.

Later on I will spell out specific guidelines for buying art. For now, there are basic rules to abide by:

- Buy what you like. You, not your decorator or financial adviser.
- Be careful buying on line, unless you are an expert [I will share some horror stories later].
- Be careful what you buy on Late Night TV unless you are an expert [same as above].
- Be careful what you buy through the classifieds, unless you are an expert.
- Be careful what you buy at a yard sale, unless you are an expert.
- Notice a pattern? If it sounds too good to be true, it probably is!
- When buying for investment, traits you should consider are history, liquidity and visibility.
- Worth repeating: Buy what you like.

APPENDIX II

The Art Beat

By Alan Klevit

Don't Buy Art at a Yard Sale

People like to brag about the piece of art they bought at a fraction of its value. Maybe they spied it lying on the ground at a yard sale. Everybody likes a bargain. Including me. If you can get me a BMW for the price of a KIA, I'll be at your house in twenty minutes. Of course, I will insist that you allow me to lift up the hood with the BMW emblem on it, and check out the engine. You also couldn't blame me if I wanted to start it up and drive it, to see if it accelerates and corners like a BMW or a KIA.

The home of the New Millennium Yard Sale may well be eBay, the cyber-garage store of the Internet, the new haven for bargains, and I don't mean that wonderful town in Connecticut. I am not here to impugn eBay. They are not doing anything legally wrong. Morally might be another issue, since they accept no responsibility for anything sold through them. But PLEASE! Be careful what original art you "steal" on line. After spending the past hour scrolling through the art works being auctioned on eBay, I am compelled to warn you. I found many of the listed items misleading, if not downright misrepresentations of what they were or were supposed to be.

A signed Picasso linocut for \$160? I don't think so. First of all, there are no original linocuts by Picasso as small as 8X10 inches. Second, his linocuts sell in the thousands of dollars, often over \$50,000. An "original" lithograph from the Vollard Suite for \$95? No such animal. The Vollard Suite consists of one hundred

etchings. The lithographs are reproductions of those etchings, hardly original. Not unlike photocopies on really good paper, and beautifully packaged and boxed. That doesn't mean you shouldn't buy one if you like it. Just don't pay five times what it's worth, because you think it is something it isn't. And there was that signed and numbered lithograph by Marc Chagall. Except that it was not an original lithograph and Chagall had nothing to do with it. Years after his death, some people reproduced a limited number of copies of several Chagall paintings. These are offset lithographs, reproductions, like the cover of TIME Magazine, photo-mechanically reproduced, not original anything. The seller revealed that the signature was a facsimile. That means a stamp was made of Chagall's signature and applied to the reproduction.

Etchings by Rembrandt turned out to not to be by Rembrandt. Ditto for etchings by Renoir. I found that works attributed to the Masters were often mislabeled, descriptions of them misleading, and references about them specious. It is especially offensive when the offerings are by art dealers who you think would know better. Makes one wonder if they really are art dealers.

Some people I have known in the art world for years are selling online, and they honestly describe exactly what they are—and are not—offering. Unfortunately, [1] you might not know who they are, and [2] you might not know who they are not. So bidding online for novices is challenging work.

Not all the works by the Masters were misrepresented. Amongst the rubble were some gems: an aquatint by Picasso from the 347 series catalogued and correctly described; an authentic Picasso ceramic plate, also accurately described and referenced to the appropriate catalog. With my nearly thirty years experience in the art world, specializing in the 20th century

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Masters, I can cull the good from the bad and the ugly. I suspect that the average person has no idea what they are buying online.

Unless you are an experienced art buyer and know the real meanings of such terms as lithograph, etching, signed and numbered, original, print, et al, don't bid on anything that costs more than you are willing to lose. Remember, if something appears too good to be true, it probably is. Tell the truth. If you were driving by a yard sale where a family was moving and getting rid of stuff it no longer needed or wanted, and you saw this piece of art in a nice frame, and you could read the signature, "*Picasso*," and the man told you that it's been in the family for years, and he wanted ten dollars for it, even though he "knew" it was an original signed Picasso, would you believe him?

Happy hunting.

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