

The new benefactors

IT USED TO BE RICH PATRONS THAT KEPT THE ARTS GOING – NOWADAYS, FINANCIAL SOURCES ARE AS DIVERSE AS THE ART FORMS THEY FUND. DISCOVER MODERN-DAY ARTS FUNDING AND HOW IT'S SHAPING THE FUTURE OF ART



US photographer Annie Leibovitz poses in front of her work "Monument Valley, Arizona"

She is responsible for some of the most powerful images in modern photography. She captured intimate images of John Lennon and Yoko Ono, Demi Moore pregnant and Whoopi Goldberg in a bath of milk. Yet Annie Leibovitz found herself sued in April 2009 by the Art Capital Group for not repaying a US\$24 million dollar loan, and was forced to put the rights to her entire life's work up for collateral.

While Leibovitz's problems were mostly due to irresponsibility, financial strife is a very real problem for most of the world's artists. Leibovitz got into trouble with the arts financing sector, a division of the finance industry that allows art collectors and artists to obtain loans off the value of the art works they own. Since the recession, banks have been closing these divisions as part of their post-recession purges – notably Art Basel sponsor UBS, which closed theirs in 2009.

Arts financing issues arise because of a central factor – individual artists struggling to survive. Funding for the arts exists on many levels, but the majority of grants and loans go to big arts funding bodies – very little trickles down to the artists themselves.

United States Artists (USA) is an organisation in Los Angeles that links funds to artists through a combination of grant-making and artists' advisory. According to USA, in 2005 some US\$14 billion was donated to arts institutions in the US – while there aren't exact figures on donations to individuals, cash grants are normally less than US\$10,000. USA argues that the needs of individual artists have never been properly addressed, especially during tight times.

"It's a really big issue," says Sarah Gardner, the director of The International Federation of Arts Councils and Culture Agencies (IFACCA), a global network for arts councils and ministries of culture. "Many countries have funding programmes for individual artists, but not all. Even in a country like Australia where there's a range of programmes from art councils, probably only two percent of artists get a grant. Most artists are employed in other jobs. One of the biggest funders of artists is artists themselves and their families. They don't earn anything like a professional income – they suffer for their art. Only very few make it to the top financially."

Government arts funding is normally siphoned off into institutions like museums, galleries and theatres that must glean financial support from somewhere beyond ticket sales. This system is organised differently depending on the government involved. In the UK, arts have long been subsidised by the government, whilst in the US private grants and donations keep most institutions running.

There are two forms of government funding: arts councils, which are quasi-governmental funding bodies that give grants, and ministries of culture, government ministries responsible for protecting culture and the arts. Arts councils exist to make funding decisions independent from governments, as is explained in the IFACCA's D'Art Report, *The Independence of*

THE ARTS FINANCING SECTOR IS A DIVISION OF THE FINANCE INDUSTRY THAT ALLOWS ART COLLECTORS AND ARTISTS TO OBTAIN LOANS OFF THE VALUE OF THE ART WORKS THEY OWN

Government Arts Funding: “An arms-length body is designed to distance decisions about cultural policy from the political pressures of other issues of state, to serve the constituency of the arts by giving primacy to the needs of the artist, and to allocate resources where this supports the best quality creative work.”

According to Gardner, 50 percent of countries have an arms-length arts council or arts funding agency – the US and Mexico are among the few that only have arts councils. In Europe, arts ministries are predominant, while most countries have both.

The IFACCA has identified the key issues that the global arts community are facing. “Every culture has its own history and structures and politics, but there are a lot of common issues,” Gardner says. “Such as how arts can be incorporated into the education system. The impact of new media and technologies on the making of art and participation in the arts is important – while many people might go to a theatre, others watch arts events online. Arts funding agencies are challenged by how to support all these activities. There are also questions about intercultural dialogue and how the arts can help bridge different parts of society in a way that’s not threatening and enables them to have a conversation.”

Government arts funding policies are changing due to the pressures of the global recession. The US has drastically cut what little funding already existed. In Britain, where the government has always heavily subsidised the arts, David Cameron’s government has caused outrage by cutting the arts budget by 40 percent in some areas, and insisting that arts institutions seek private funding. Those who support private funding say that it will encourage arts organisations to run more efficiently; those who oppose it are predicting a loss of artistic freedom.

It’s not as though the UK arts survived solely off government funds – the country has a long history of philanthropy. A few notables include Anthony D’Offay, the prominent British art dealer who sold his entire collection for a fraction of its worth to the Tate Gallery, and Sir John Ritblat, who gave one million pounds to the Sir John Ritblat Gallery at the British Library.

The US also has its great philanthropists – Rockefeller, Getty, Carnegie – who are responsible for many of the country’s greatest institutions. “Everyone is looking to the US model of philanthropic support,” says Gardner. “It is underpinned by tax relief legislation. Australia and the UK are looking at bringing in the same sort of laws that can provide tax incentives for wealthy individuals to support art.”

One of today’s great American donors is Eli Broad, founder of the SunAmerica financial giant. He has given huge sums to the Broad Art Center at UCLA, the Los Angeles County Museum of Modern



WITH ARTS FUNDING AT AN ALL-TIME LOW, THE RECESSION IS REQUIRING FINANCIAL CREATIVITY

Art, established the Eli and Edythe Broad Art Museum in Michigan and also owns an extensive collection of contemporary art works, including Jasper Johns, Roy Lichtenstein and Jeff Koons. The Broads have also financed loans to museums in need of cash. But in these slim financial

times, even this might not be enough. The Metropolitan Opera in New York was given US\$30 million in March 2010 by the publishing heiress Ann Ziff. But the opera’s manager, Peter Gelb, says this is still only a drop in the pan.

Many private organisations have been specifically set up to create grants for artists. With arts funding budgets at an all-time low, the recession is requiring financial creativity. It has given rise to an abundance of alternative funding organisations like Creative Capital, a New York-based non-profit that offers financial advice and support to aspiring artists. They “blend traditional philanthropy with venture capital concepts,” according to president, Ruby Lerner. The company works in long-term partnership with artists, ensuring their investments are sound. More than \$20 million has already been doled out to over 400 artists, who are as diverse as filmmakers, visual artists and novelists.

These new approaches are exactly where the IFACCA sees the future of arts funding. “If budgets are declining because of the financial crisis,” Gardner says, “the funding organisations are looking at strategic ways to spend government funds to maximise impact. They provide a number of information functions, like guiding artists on how to market work. They organise foreign tours and promotional events so artists can find new opportunities for selling work or using online resources.”

“There’s also a strategic role for arts agencies,” Gardner says. “If a country introduces a new tax for example, the agency can advise on how other sectors avoid negatively impacting on arts and culture, or even do so positively. They may not have direct funding but strategically it might have a long term benefit.”

Ultimately it’s a matter of identifying the best way forward. “As we look to the next 10 years, in areas such as environment or the economy, health and security, governments are working together to solve problems that are becoming global,” she says. “You can’t tackle those things on a national basis. The IFACCA advocates art’s importance at an international level by helping governments understand how critical the arts are to building societies and creating connections between people.”

If countries want to preserve their priceless cultural resources, arts funding is unquestionable. While it may no longer be up to kings and queens to keep artists painting, the complex nature of modern arts funding means that artists now have myriad ways of keeping themselves afloat. ♣

 WORDS Jessica Gliddon. Jessica once left an open can of baked beans on her kitchen counter. It was deemed a masterpiece of modern art, and put on display in the Louvre. Her second work is titled, “Unwashed Forks”