The recession ■ *By David Gordon*

Museum growth has to be made sustainable

The Whitney Museum of American Art has bravely announced in the midst of the recession that it is to go ahead with its second home in Chelsea, and last month signed a deal to purchase the land adjacent to New York's new elevated park, the High Line. Such optimism by the trustees is to be applauded—provided they have learned the lessons of the spate of new art museums and additions of the past two decades. The recession has accentuated the underlying problem facing most museums: a deficiency of operating revenue to meet the ambitions of their trustees and directors, often expressed in the form of a new building. But recessions also provide for a period of reflection after turbulent growth.

Let us examine the engine driving growth in recent years. It was typically ignited by acquisitions. Museum directors, boards and supporters are inherently acquisitive. Museum mission statements often begin "to collect, safeguard and conserve…". This summer, the Virginia Museum of Fine Arts acquired the Ludwig and Rosy Fischer collection of around 200 German expressionist works; earlier this year, the Kimbell Art Museum, Fort Worth, secured Michelangelo's earliest painting, *The Torment of Saint Anthony*, becoming the only US museum to own a canvas by the Renaissance master.

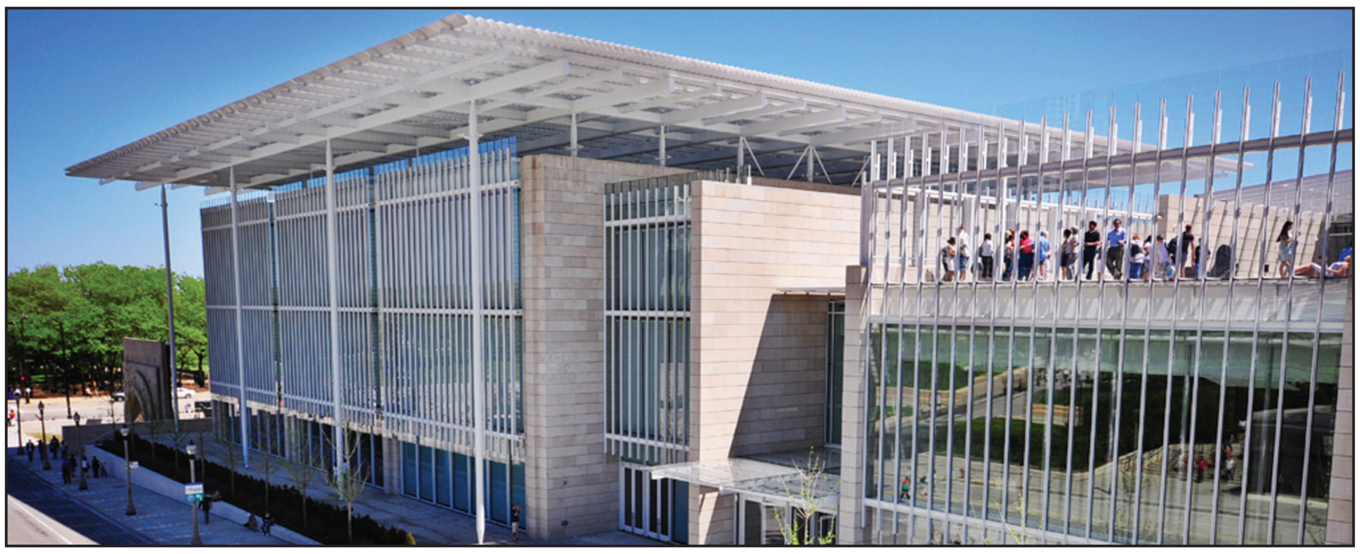
But donors get demotivated if the art that they want to give, or fundraise for, will not be displayed, and so expansion becomes necessary. There are all sorts of other reasons to expand as well: to raise the profile of the museum, and of the city of which the museum is typically a key cultural attraction; to provide more space for temporary exhibitions; to attract a higher attendance; to galvanise supporters. But most importantly, an expansion allows a museum to display more of the collection. When the Art Institute of Chicago opened its Modern Wing, it was able to show important works from the collection for the first time, including a monumental Richard Serra sculpture.

The project starts with fundraising for the capital and for an endowment to pay running costs. The capital side goes well, the endowment, with fewer sexy naming rights, less so. Construction begins in the belief that donors, seeing the reality, will then meet the gap. Building costs are then higher than planned. When the Cleveland Museum of Art opened its East Wing this June, the costs of the project, set to be completed in 2013, had risen from $258m in 2001 to $335m.

The building opens. Money has been borrowed to close the gap between pledges and donations, and sometimes the capital shortfall: the endowment strategy shifts to waiting for bequests. The Milwaukee Art Museum raised $100m by 2002 for its Santiago Calatrava-designed Quadracci Pavilion—by which time costs had risen to $125m, necessitating a further campaign to pay off debt instead of building the endowment. Costs for operating the expanded museum become higher than revenue. Hopes for higher attendance and membership sometimes come true—but they did not for the Frederic C. Hamilton addition to the Denver Art Museum. When not, round one of cost cuts trims the fat. Round two affects the museum's ability to safeguard and conserve, let alone research, display and interpret the burgeoning collection. Conservation and warding costs are cut. Curatorial vacancies are not filled. Opening hours and days are reduced. In some cases it is indeed the recession that is the sole cause of cutbacks. But in many more instances, the recession has speeded up the underlying mismatch between building ambition and operating revenues.

Recessions provide for a period of reflection: there are lessons to be learned after the boom

But there is a better model. Museums should be far more rigorous in their collecting. The cycle of acquisition/need for space/expansion/higher operating costs is inevitable but can and should be slowed down. A work of art is a liability. It has to be stored, guarded, and conserved. Donors get a tax write-off for their gift based on current market value, which is usually much greater than their cost of purchasing the work. They need to be educated about the cost of looking after art and asked for a donation towards it. Museums should share more and overcome their possessive song of "mine, all mine". In 2007 LACMA and MoCA in Los Angeles teamed up in 2007 to acquire Chris Burden's *Hell Gate Bridge*, 1998, while that same year the Carnegie Museum of Art, Pittsburgh, and the Albright-Knox, Buffalo, jointly bought Rachel Whiteread's *Untitled (Domestic)*, 2002.



The Art Institute of Chicago's Modern Wing allowed it to show much more of the collection—but at a price

The critical question for museum trustees is not how much an extension will cost, but how much revenue the museum can count on from earned income, contributions, and endowment in the years after it opens. It is easier to raise money for a shiny new building than it is for the funds to run it and keep the shine bright. But forecasting future revenue is hard. The new building may generate higher admission, membership, rental income and donations, but the optimism needed to get the project going tends also to cloud judgment.

Begin with the external environment. Is the city or metro area growing in population size, education and affluence? Will public funds be available on a sustainable basis? Are there major capital projects for competing arts organisations in the works? Make a realistic assessment of attendance: it is a key driver of income from admissions, store, café, membership and the annual campaign. Make a similarly realistic assessment of annual giving by individuals, which, over time, is probably a much more reliable source of contributed income than sponsorships or foundation grants. Museums are and will remain unduly dependent on the good fortune of the wealthy few. How few and how wealthy are the current and potential core supporters of the museum? Will they make multi-year commitments to the annual fund?

From the total earned and contributed income, deduct a base case of fixed costs—the minimum needed to run the new museum. It will almost certainly be a negative figure, and the gap will have to be met from the endowment. The issue then is whether the museum can raise the capital for the extension plus the amount needed for endowment. A prudent approach would be to wait until having both before construction starts—although sometimes it makes sense to borrow. The Museum of Modern Art had borrowings of $330m in June 2008 on which it paid interest of $24m—which usually would be relatively small in comparison with the gains of its large investment portfolio.

Meanwhile, the blanket condemnation of deaccessioning by the Association of Art Museums and by the Association of Art Museum Directors unless the proceeds are set aside for acquisitions is well-founded. Disposal challenges the prime role of the museum as a storehouse of treasures. It is a disincentive to potential donors. It makes it easier for trustees and other donors to volunteer the museum's art rather than their own cash. But what if the consequences of a financial gap are that works of art in the collection are not conserved, are poorly guarded, are not researched and are not accessible because conservators, curators, guards and educators have been laid off? A museum is a collection of activities as well as a collection of art. Suppose that instead of a panic move to sell art because of a crisis, a museum set out a well-conceived plan that included the sale of works for an operating endowment; and that there was a commitment from donors for the greater part of the needed endowment; and the plan was laid out for open discussion in the local community and national museum world…would that be so terrible?

Art museums are asset rich and cash poor, centres of activity not just storehouses of objects. They will continue to want to expand but the end of the recession will not be the end of their problems. ■

The writer is principal of Gordon Advisory, and was formerly the director and chief executive of the Milwaukee Art Museum, and before that secretary of the Royal Academy of Arts, London

The Annual Art Awards ■ *By Jens Hoffmann*

This self-congratulatory art prize sends out all the wrong messages

"And the winner is..." Sounds familiar? You might think you're at the Oscars, but soon you'll be hearing these very same words at the First Annual Art Awards.

We almost take the art world's resemblance to the realms of television, music, fashion and the movies for granted these days, but as we consider artists such as Jeff Koons, Damien Hirst and Takashi Murakami, the degree of transformation over the past few decades has been remarkable. This steadily increasing cult of stardom has all but eroded the separation between art and pop culture that we also, at one time, took for granted. And just when the art world seemed to have reached its worst and most overhyped—focused almost entirely on dinner parties and auction results—we receive news from the Solomon R. Guggenheim Museum in New York announcing another troubling initiative, the Annual Art Awards, developed in collaboration with the artist Rob Pruitt. Modelled on the Academy Awards and other such Hollywood events, the Annual Art Awards boasts 11 categories: including new artist of the year; solo show of the year; and curator of the year, with nominees proposed by a group of more than 400 art professionals. According to the Guggenheim's press statement, the awards seek to "celebrate select individuals, exhibitions, and projects that have made a significant impact on the field of contemporary art during the past year".

Several of my colleagues in the art world have remarked on the irony of the timing of these awards, as we recover from the excesses of the past decade. And if these awards *must* go ahead, why not with more original categories: most over-priced artwork, most attractive gallerina, most ostentatious new trustee mansion?

More seriously, the very idea of Hollywood-type awards for artists—figures I still romantically associate with critical thinking and contemplation—indicates the drastic changes that have taken place not only in the art world but also in our valuation of artistic practice. Artists, curators and writers are now expected to operate with the same spirit of entrepreneurship and cut-throat ambition we associate with most other industries, and their ability to perform in these respects is equated with, and lauded as, talent and skill. Not very long ago artists represented something different: people who wanted, through a critical investigation of our society, to give birth to a reflective and inquisitive understanding of it. Their viewpoints were, if not entirely opposed to the entertainment industry, at least critical of it. Many artists have deliberately made use of the role of the artist as a public figure to address, in a self-reflexive manner, its meaning. Marcel Duchamp, Piero Manzoni and Martin Kippenberger all looked at their own status as artists in a society fascinated by celebrity, but they never blandly accepted public attention. Celebrity was just one of the many guises they used while retaining a critical distance.

The function of the Oscars and the Emmys is to generate public attention for films and television shows, to raise box-office and advertising revenues. It is obvious that the Annual Art Awards are a similarly self-congratulatory New York affair: but I doubt that they will bring larger audiences to museums. And if they do, is an award the best way to do it? These types of events send the wrong messages to the public about art's role in society—detracting from a careful and differentiated appreciation of art. In the minds of the masses, art is already an elitist arena, accessible only to the privileged few, as superficial and transitory as the latest issue of a fashion magazine.

The desire to celebrate artistic achievements is laudable, but it must originate from a recognition of the seriousness with which most artists, curators, and writers engage in their work, and with the world. The premise of the Annual Art Awards undermines this, or perhaps forgets it entirely. Most artists, writers, and curators are seeking neither celebrity nor notoriety. Now, more than ever, the focus of our efforts should be to reclaim art as a field for the critical evaluation of society. We must recognise the shallowness of celebrity fixation and continue to promote a wider understanding of art as something much more than a status symbol for the rich and famous. ■

The writer is the director of the California College of Arts Wattis Institute, San Francisco

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Tel: +44 (0)20 7735 3331 Fax: +44 (0)20 7735 3332
email: contact@theartnewspaper.com
In the US: 594 Broadway, Suite 406, New York, NY 10012
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tel. +39 011 819 9114 fax +39 011 819 3090
UK and rest of world Louise Hamlin
tel. +44 (0)20 7735 3331 fax +44 (0) 20 7735 3332

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