

The Value of Art



RICHARD CRIGHTON

by Joseph H. Sulkowski

Works Can Be Appreciated as They Appreciate in Value

Local artist Joseph Sulkowski (pictured above in his studio) recently received accolades for his sporting art in England

J. Paul Getty, who was once named "the richest man in the world" by *Fortune* magazine, called fine art "the finest investment."

As one of America's great collectors, he said, "The dollars-and-cents value of paintings, sculpture, tapestries and virtually all forms of art have shown a marked tendency to rise, even soar over the years. Much of this, of course, is due to the increased and still increasing awareness that art represents basic values that are not only lasting, but that become more valued as time goes on."

Getty defined two distinct ways in which art has value to the prospective collector: art can be an aesthetically pleasing object for prominent display and appreciation and/or as a valuable investment in its own right. Fine art in its noblest form appeals to one's moral, emotional and spiritual sense. Individuals come to appreciate it for these qualities at different times in their lives.

Perhaps in an age when so many men and women are scrambling to make a living and fighting life's battles along the way, there is a need for a more inward-type satisfaction of the spirit that art can give. As Dinitia Smith notes in a *New York Magazine* article, "Indeed, the cur-

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rent collecting fever sometimes suggests a kind of religious experience — a circumstance that probably has to do with the age-old American belief that creativity is somehow 'therapeutic.' By being around artists, by hanging their works on the wall, the collector will, be healed — or so goes the unspoken wisdom. The young arbitrageur may have to dirty his hands with business during the day, but at night he can swim with those who are actually *doing* something."

The art market

Following the infamous October crash on Wall Street, the art market, "refusing to echo the stock market fluctuations as in the past," maintained a steady upward course, according to a recent issue of *Art and Auction*. In fact, on average, art investors found that their purchases appreciated 25 percent a year over the last 10 years.



John A. Hill

In the 80s, this economic value was dramatically illustrated at the beginning of the decade by the \$1 million sale of American painter Jasper Johns' "Three Flags," to the Whitney Museum. The sale represented the highest price paid at the time for the work of a living artist. The New York gallery owner, Leo Castelli, produced the original 1958 invoice of \$900 for the work.

This was soon followed in 1984 by the \$10 million sale of a Turner seascape; the sale of a Rembrandt portrait for \$10.3 million in 1985; and the \$11 million sale in 1986 for a canvas by Manet. Even these record prices, however, were dwarfed by the 1987 sale at Sotheby's of van Gogh's 1889 painting of "A Garden of Blue Irises." This painting sold in just four minutes and 30 seconds for the stratospheric sum of \$53.9 million!

Much of the fervor for the high-end market at auction has been generated

by the competition among the super-collectors. This category of collectors may be part of older, established fortunes. On the other hand, it may simply be the result of "colossal amounts of money afloat in the hands of a new entrepreneurial class that has fixated on 'masterpieces,' " as *Time* magazine once described it.

Yet collecting is not only for the super rich. Even for the average investor it can represent a valid alternative to CDs, stocks, bonds or even IRAs. Because of the increasing interest in art, auction sales jumped 76 percent from 1986 to 1987 with an increase of \$854 million, according to *U.S.A. Today*. Last year, 88,411 oils, watercolors, drawings, sculptures and prints sold at auction for \$1.5 billion and demand continues to fuel the flame.

Joseph H. Sulkowski is an artist who shows his paintings internationally. He and his wife, artist Elizabeth Brandon, operate studios in Nashville and New York.

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How You May Become a Collector

by Joseph H. Sulkowski

You don't have to live in a major art center, such as New York or Chicago, to find collecting rewarding. But you do have to invest sufficient time to educate yourself. Carl Solway, who heads a Cincinnati gallery says, "Like all investments, you don't gain anything unless you know something, or talk to people who do."

For the collector, there is enormous delight in discovering artwork within his or her budget, Solway maintains. "And the pleasure doubles at home since paintings can be appreciated as they appreciate in value."

Edward R. Downe Jr., who sold Downe Communications (which published *Ladies Home Journal* and other periodicals), some 12 years ago, began devoting all his days and evenings to art. Paintings hang on every wall of the house, even in bathrooms and staff quarters. "I don't understand how anyone can live without art," Downe says.

But what kind of art should you buy? Nineteenth century writer, Henry James, in his brilliant essay, "The Art of Fiction," states an observation that is as pertinent today as it was a century ago: "As people feel life, so they will feel the art that is most closely related to it." That art has value which contributes to one's own sensibility, society, and ultimately, civilization. Pay attention to the art that "speaks to you." Also, listen carefully to art dealers — but do some independent research on your own.

And if you're wondering how much is too much to pay for art, a recent issue of *Money* magazine claims that, "one can expect to pay at least \$40,000 for a painting by any artist with an international reputation; works by living, older artists can go for \$1 million or more." Patron of the

arts, J. Paul Getty, believed that "one can shop advantageously for the work of talented young artists. It should hardly be necessary to point out that an artist does not yet have to be established for his work to be good and have lasting value. Even people with very slender budgets can acquire works of art that will prove excellent investments in beauty, pleasure — and also in the financial sense."

Generally speaking,



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The work of Olaf Wieghorst (above) reflects the strength necessary to survive in the West, as does Raphael Lilywhite's painting (left) entitled "Navaho Drinking Water from a Cactus." Both paintings are part of the John and Margaret Hill Collection, Nashville.

Proceed with caution

We live in an age where we have more artists than ever before in history who are trying to make a living selling their work. As in any form of artistic expression, the best exponents make up a very small percentage of the total. A prospective collector must, therefore, become familiar in judging the quality in execution of the piece as well as responding to its aesthetic intent.

Craftsmanship by today's practicing artists is almost nonexistent. By asking questions, sometimes of the artists themselves, you may become aware of those who practice their craft as well as their art. By early 1985, the *Wall Street Journal* had issued a warning concerning modern artists under the banner: "Why Modern Art May Never Become Old Masterpieces." As the article states: "With prices for modern art rising ever higher, many art collectors are discovering an alarming secret: Some

art of distinction by painters who are already receiving attention can be purchased at reasonable prices — by today's standards. It's helpful to know that many artists produce drawings that reflect the style and subject matter of their paintings. Their drawings are often pastels or paintings on paper, and they bring the greater vision into smaller scale. While their prices are 40 to 50 percent lower than the painted canvas works, typically they appreciate at a similar rate. Well worth consideration in their own right, they complement a painting collection and give it a certain authoritative weight.

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of the contemporary treasures are falling apart.

"Thirty years ago, Jackson Pollack started pouring paint onto canvases from cans, and Willem de Kooning took to mixing mayonnaise into his colors. Today, German artist Anselm Kiefer glues wads of straw onto his paintings. As the shock value of these revolutionary modes faded, art conservators have been left to pick up the pieces — sometimes quite literally."

Louis Pomerantz, a Chicago conservator, says the transient nature of modern art hit him when he was working simultaneously on a painting by old master Hans Holbein, done in 1517, and one by pop artist Andy Warhol, done in 1964. "The Warhol was flaking all over," he says, "while the Holbein was in beautiful condition."

Arthur Page, a Washington conservator adds, "I don't think the average investor realizes just what he has invested in or how ephemeral it can be." So, it is evident that a little effort on the collector's part may well mean the difference between owning a

Which Assets Have Performed Best?

Rates of investment return through June 1, 1989, for 13 asset categories, ranked by the latest 12-month return.

RATES OF RETURN*

TYPE OF ASSET	1 YEAR	5 YEARS	10 YEARS	20 YEARS
Old Masters	51%	18%	10%	11%
Chinese Ceramics	40	12	9	13
Coins	30	15	13	17
Stocks	25	20	17	10
Diamonds	16	11	8	10
Bonds	11	18	11	9
Treasury Bills	8	7	10	9
Housing	7	5	6	8
U.S. Farmland	6	5	0	6
Oil	3	11	1	8
Foreign Exchange	-13	7	1	4
Gold	-20	-2	3	12
Silver	-23	-11	-5	6
Consumer Price Index	5	4	6	6

*Compound annual rates, rounded to nearest whole number. Figures don't include taxes or transaction costs.
Source: Salomon Brothers

masterpiece — or a mediocre piece. Ultimately, however, art history will decide which art is of a transient or faddish nature and which art has enduring value.

Whether we choose to be the ones who create the art, or the ones who

collect it, the end result that we seek is the same, and that is a desire to return to our spiritual roots, to experience "being alive." The mere fact that art objects have survived throughout history is evidence enough of art's value to us all. □

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