



**BNY MELLON**  
WEALTH MANAGEMENT

# Four Tips for Building and Maintaining Your Art Collection

In 2017, the global art market generated an estimated \$63.7 billion in sales, while sales made at fairs like Art Basel Miami Beach reached close to \$15.5 billion, up 17% year-over-year. Since its inception in 2002, attendance at the Florida-based offshoot of the famed Swiss art fair has more than doubled; it now attracts more than 75,000 visitors from all over the world each year. In December 2017, a record number of 82,000 attendees at Art Basel Miami Beach had the opportunity to see a wide variety of works from some of the most vibrant and exciting artists on the market today. The rout was at least not as bad as the 36% plunge after the 2009 recession, to \$39.5 billion. It seems we can thank digital transformation for the art world faring slightly better than it did after the 2008 financial crisis. Online sales doubled in value in 2020 versus 2019, to reach a record high of \$12.4 billion, or 25% of the market 's total value.

The massive crowds, limited time and sheer number of works on display is dizzying and can put a lot of pressure on potential buyers fearful of missing out on their most wanted pieces. Brian Lang, curator of BNY Mellon's extensive art collection for over two decades, has some tips for collectors looking to make the most of their visit.

## IDENTIFY YOUR PASSION

With so many different artists working in a multitude of media from painting to digital, collectors should start by identifying what they're passionate about. "Think about what it is that really interests you," says Lang. "Over a lifetime, we may go through a dozen sofas, but collectors may hold art for a very long time. You want to be sure that it's something that is interesting to you in the long term, that you find joy in or learn from each time you look at it." It could be that you prefer particular genres, such as landscapes or abstraction, or a particular era or movement. In any case, buying what you love is a better bet than purchasing something simply because it's trendy or seems like it might be a good investment.

## **Do Your Research**

"To be successful as a collector," Lang says, "you need to do your homework. If you're interested in a particular artist, look at a number of their pieces and understand how an individual piece fits into their entire body of work." By educating yourself, you give yourself the proper context that allows you to make smart decisions, rather than impulsive ones. "Some collectors go to a gallery or an art fair, see a work and buy it on the spot without considering whether the artist might have other works that better suit their taste. Serious collectors look at as much art as they possibly can – at galleries, at museums, in magazines and online." That way, when they do come across that perfect piece of art, they can act with confidence.

## **BE PRACTICAL**

As the curator of a collection with thousands of works that are constantly rotating between busy, high-traffic locations in 16 countries, Lang must be practical when acquiring new pieces. "The bulk of our collection is made up of contemporary works on paper: printmaking, drawing and photography. Because the collection moves so frequently, works on paper – properly framed and glazed – can be easier to maintain and protect than paintings on canvas."

Though most collectors won't face the logistical challenges that Lang must contend with, it's important to consider the practical side of owning and displaying art. Environmental considerations, such as humidity, exposure to light and other aspects of the local climate should be taken into account. "Certain works may react differently in Boston than they would in Miami, because of the humidity, for instance. Certain works are more susceptible than others, as well. You might not want to place a wood sculpture next to your indoor pool or hang a watercolor in a place that gets a lot of direct sunlight."

# Take a Long-Term View

Once you've begun to build a collection, there are a few things you can do to ensure that you and your family are able to enjoy it well into the future:

- **Keep a detailed inventory.** Capture important details about your artworks, such as where and from whom they were purchased and for how much, as well as any distinguishing features. Having a clear record of the artwork's history and provenance can be critically important in determining its value. Keep invoices to document your acquisitions and the amount of tax that may have been paid.
- **Preserve the value of your collection.** Take steps to safeguard your artworks by getting them appraised by a certified expert and purchasing specialized insurance. You should also make accommodations for proper, long-term storage, whether in your home or in a professional storage facility, should the need arise.
- **Don't forget your collection when planning.** Your art collection isn't just something you take pleasure in – it's also an asset. Failing to take this into account when making decisions about your wealth and estate plans can have serious financial consequences.
- **Think about your legacy.** What do you want to happen to your collection after you're gone? Perhaps you want to pass it on to the next generation or donate it to a museum or charity that you care about. Having a well-documented plan in place is essential to ensuring your wishes are carried out properly.

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