

THE WALL STREET JOURNAL.

Entertainment & Culture

Art: Look Who's Selling --- Once-quiet artists' foundations are becoming power players

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986 words
Jul 29 2006
The Wall Street Journal

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IT WAS ONE of the most talked-about moves of the season. This spring, a seller brought an unprecedented 36 sculptures by influential 20th-century artist Donald Judd to auction at once, alarming some dealers and collectors, who feared that a sudden glut of Judd works on the market could devalue the artist's work.

The seller: the Judd Foundation, a nonprofit created after Judd's 1994 death to preserve the artist's legacy.

Increasingly in the art world, artists' foundations -- which only a few years ago focused mainly on loaning out pieces to museums, cataloging artists' bodies of work, and generally looking after artists' estates for their heirs -- are positioning themselves as art-world players on par with dealers, collectors and museums. They're taking bolder steps in the market and becoming more active in setting up and controlling exhibits of their artists' works. They are also becoming a more important source of funding for up-and-coming artists, helping to shape a rising generation of creators.

"Foundations no longer see their role as passive," says Maxwell Anderson, director of the Indianapolis Museum of Art and former director of New York's Whitney Museum of American Art. "A few years ago, there wasn't this activist mentality."

The growing profile of some of these foundations is largely tied to a rise in their financial assets, as prices for modern and contemporary art skyrocket. The Roy Lichtenstein Foundation's assets swelled to \$32.3 million in 2004, the last year for which records are available, from \$17.3 million in 2000. The Andy Warhol Foundation saw its assets grow from \$120 million to \$220 million between fiscal years ending in 1996 and in 2004 thanks in part to a series of licensing deals that the foundation has made with everyone from Campbell Soup Co. to Levi's jeans.

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In the process, foundations, which in some cases own a large trove of an artist's work, are becoming more important players in the art market. By holding onto or selling off stores of an artist's work, foundations can change the supply/demand equation for an artist. It's a change for a group of organizations that used to sell works slowly and judiciously, if at all. In the case of the Judd Foundation, the group decided on the massive sale -- which many art world observers warned was risky -- to build an endowment for the foundation, which struggled each year to raise money. Ultimately, the sale was a major success by most standards, with all but one of the works selling for a total of \$27.8 million.

THE MOVE also caused some cracks in the group. Marianne Stockebrand, director of the Chinati Foundation, a museum devoted primarily to Judd's work, resigned from her post on the Judd Foundation's board partly in protest of the auction. She would have preferred to sell the works more slowly, so that the foundation could control more where they were placed instead of releasing them into the general market.

Amy Cappellazzo, co-head of contemporary art at Christie's, says the Judd auction may inspire other foundations to more aggressively enter the auction market, because it showed the current market can absorb a large number of works at the same time.

The Lichtenstein Foundation, set up in 1999 to research and promote the legacy of the 20th-century pop artist, however, has generally been taking the opposite approach. Although Lichtenstein's work is commanding extremely high prices now -- his "Sinking Sun," 1964, sold at Sotheby's this spring for \$15.7 million -- the group's head, Jack Cowart, has said his foundation won't be selling off more artwork. Instead, it wants to maintain its collection to make more careful loans and gifts to museums in order to promote a more accurate interpretation of the artist's work. The group is also planning to buy back some early, underappreciated works to try to give them greater exposure.

Some foundations are expanding to become more active in the museum world. Until a few years ago, the Calder Foundation, set up in 1987, following the artist's death in 1976, had a staff of three; it recently expanded to eight and moved from a 2,000-square-foot rented office to a 12,500-square-foot space that it owns. The foundation's founder and director, Calder's grandson Alexander S.C. Rower, says that while the group used to work mainly on cataloging Calder's works, it is now focusing on organizing global exhibitions for the artist. It is currently involved in 17 exhibitions, some of which the foundation initiated. Next year, New York's Metropolitan Museum of Art will open an exhibit that Mr. Rower conceived, devoted to jewelry that Calder made. Last year, Mr. Rower suggested that idea to Mark Rosenthal, an independent curator who had worked on prior Calder shows. The exhibit will consist of 100 pieces, mainly belonging to Mr. Rower and other members of Calder's estate; after it closes at the Met, it will travel to museums around the world.

The Wall Street Journal
July 29, 2006
Circulation: 2.7 million

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GROUPS LIKE THE WARHOL Foundation, created by the artist's will at his death in 1987, are also emerging as some of the art world's biggest sources of funding for individual artists. The Warhol Foundation will award almost \$10 million in grants this year, up from just over \$4 million five years ago. It has become an important source of funding particularly in the wake of decreased institutional and government funding for the arts. In 1995, the National Endowment for the Arts stopped giving most of its grants to individual artists. The foundation's board, says foundation president Joel Wachs, wants to "nurture an environment in which you'd get future Andys."