

NEWS

The real benefits of arts investment

In a fiercely competitive global environment, businesses who invest in the arts can become richer in branding, reputation, community engagement and employee development. **The arts cannot flourish without the support of businesses** and the relative importance of business to the arts will continue to increase in the years ahead.

Philanthropy and community development

■ London captures 81 per cent of all individual giving and 56 per cent of business investment. Recent high profile philanthropic donations in London have centred around key national institutions, such as Lloyd Dorfmann's substantial donation to the National Theatre and Terence Conran's contribution to the new Design Museum; often overlooked is the powerful contribution made by philanthropists outside London. Honourees of the Prince of Wales Medal for Arts Philanthropy have included Michael Oglesby (pictured) for his contributions to enrich the cultural life of Manchester and Roger de Haan whose investment in arts has revitalised Folkestone.



Investing in art/corporate collections

■ Investing in contemporary art can reap major rewards for a business, far beyond the financial dividends. Companies such as UBS, Samsung, Ernst & Young, Swiss Re and Deutsche Bank all hold major collections. With over 56,000 works, Deutsche Bank holds the largest corporate collection in the world and partners regularly with major arts institutions such as Frieze Art Fair in London and The Guggenheim Foundation in Berlin. All of which not only strengthens their brand image externally but also offers unique employee and hospitality benefits while demonstrating a commitment to the local artistic community.



PHOTO: FROM THE BANK OF AMERICA COLLECTION, ANDY WARHOL, CANTALOUPE II, 1978, FROM SPACE FRUIT: STILL LIVES, A PORTFOLIO OF SIX SCREENPRINTS ON LENOX MUSEUM BOARD, EDITION 50/150, 70.2 X 101.5 CM, BANK OF AMERICA COLLECTION, IMAGE © THE ANDY WARHOL FOUNDATION FOR THE VISUAL ARTS / ARTISTS RIGHTS SOCIETY (ARS), NEW YORK / DACS, LONDON 2011

Workplace art and employee engagement

■ The corporate sector has got wise to the psychological benefits to the workforce of having artwork, as well as of providing opportunities for the workforce to engage with the arts. It is intrinsically linked to corporate identity and the concept of staff buy-in. Over three-quarters of the UK workforce would prefer to work in an environment where there is art and organisations like Ernst & Young have championed artwork in corporate spaces. It influences the perception of the 'type' of organisation people are working for — dynamic, cosmopolitan or sophisticated. Learning and development executives are looking to innovative ways to enhance the career development of their workforce, such as seeking volunteering opportunities within arts organisations. Leaders in this field include Deutsche Bank and Rolls Royce.



Art for branding

■ There is rich potential for business brands to connect with the magic of the arts. Sky Arts use the arts to grow their fan base by increasing reach and awareness on the ground, including a commitment to books. In 2011, The Book Show went on tour, financially supporting and partnering with five leading literary festivals: Hay, Cheltenham, Bath, Words by the Water and Dublin Writers' Festival. Partnering with these gave Sky Arts a strong geographical spread to increase promotion of their brand and engage people with the arts more widely. A new public realm installation by Doug Aitken (pictured), is the first in the Sky Arts Ignition Series, enabling the arts to illuminate so many lives across the UK.



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HARVEY MENDELSON'S BEST TIPS

■ With low interest rates providing little incentive to leave your money in the bank coupled with caution in the equity markets, art is being seen as a prudent investment and for some the ultimate investment of passion.

For those of you who don't want to hang your share certificates on the wall, Harvey Mendelson, Managing Director of 1858 Limited Art Advisory, offers his best tips for investing in art.

Do your research

1 Discovering an artwork that appeals to you aesthetically is only one of the first steps in the collecting process. Ask yourself — does this piece represent the best possible work by this artist, within my budget? Researching the artist's body of work will help with these questions.

Choose a variety

2 Diversification when building a collection is recommended. The changes in the market for a particular artist can affect the market for another related artist. Therefore, researching various art movements and having an awareness of the history of the artist you are interested in buying, can be of value when making purchase decisions.

Look after your art

3 Take steps to reduce the chance of valuable items being stolen. We apply DNA coding to clients prized possessions, including art works and jewellery. Such coding can reduce the risk of theft from 1 in 33 to 1 in 346 and can reduce insurance premiums by up to 10 per cent.

Follow your heart

4 Finally, we always advise clients to buy works they love and will enjoy. Buying with your eyes and not your ears has been a good strategy for many collectors, with the right guidance you can reap financial and emotional returns for many years to come.