

Art and Philanthropy in the Age of Pandemics and Social Change

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"Not everything that is faced can be changed, but nothing can be changed until it is faced."

- James Baldwin, novelist, playwright, activist

Public art museums across America are facing unprecedented challenges – challenges that may demand new visions and new solutions.

Since the beginning of this year, the pandemic has forced the closure of many museums. As donors consider whether the needs of social services have greater urgency than those of museums, and as stock markets experience daily volatility and uncertainty, museums must deal with complicated budgeting and long-term financial planning. At the same time, widespread social protests have ignited new conversations about the role of art and community. For their part, philanthropists are struggling to understand this new cultural landscape. They are trying to determine a museum's long-term commitment to their contributions of art and money, but also whether their gifts have the potential to become vilified amid changing norms and mores.

For art museums and their patrons, these complicated challenges need to be addressed with great care, respect and sensitivity.

In this perspective, we discuss the responsibilities of museums to help and teach their communities in a time of change and turmoil. We also outline the issues philanthropists must consider in deciding whether to support a museum. What emerges from this analysis is that a museum can successfully co-exist with philanthropists if both share and understand each other's values and goals with respect to the community, however community may be defined. Together, they can promote the greater social good and advance the philanthropic goals of individuals and family. However, without cooperation and collaboration, neither goal will be achieved. At a time when museums need financial support, private philanthropy to museums will diminish if institutions do not work with donors to define the shared goals of the museum and the donor.

Let's begin by looking at how the pandemic has sent shock waves through the art world.

A Transformed World

Public and private art museums, art collectors, museum donors, art buyers, and the public have all experienced more change in this past year than they have in decades. Art museums are trying to manage new fiscal challenges, disrupted exhibition schedules and a drastically reduced number of visitors. Art collectors and buyers expect art acquisition opportunities to change dramatically. Meanwhile, a new debate is taking place about the role of art in social discourse and the legitimacy of visual representations reflecting ethics from years or epochs ago. The racial demographic of the art industry – creators, museum staff, dealers, and students – is also being scrutinized. The net effect of the pandemic and the broadened racial sensitivity has forced a re-calibration of the art ecosystem.

As impactful, museum closures have had a cascading effect that has greatly impacted museum finances. Many museums closed earlier this year because of the coronavirus. As they re-open, museums are limiting visitors to ensure social distancing. That precaution, together with declining tourism, will result in fewer visitors and lower admission revenue. Revenue from museum restaurants and gift shops will also be substantially lower.

The trepidation about being in close quarters due to the pandemic is also likely to affect those who have traditionally been reliable patrons of museums. Health and safety are particularly concerning to a museum's most generous patrons – older people with money and time. These patrons, feeling at greater risk of the coronavirus, are likely to be more cautious about returning to the museum. As important, fundraising efforts and galas, which cater to many of these patrons, have been greatly curtailed. Corporate funding will be lower, and stock market volatility has created uncertainty about museum endowments, the income from which is essential.

Traveling exhibitions, whose marquee value helps drive museum attendance and revenue, are also impacted. Curators are having difficulty making trips to view exhibitions in far-off locations for possible exposition at their institution. Moving artwork, especially across oceans, has become much more complicated and expensive. And, the practice of providing escorts for each piece of art has been made difficult by closed borders, mandatory quarantines and health issues facing travelers.

One promising response to these financial challenges is that museums are looking inward to their own collections and to regional partners for exhibitions. An exhibition that can be assembled locally is now more appealing given the current circumstances. On the other hand, local art is unlikely to draw the big crowds typical for a traveling show of Egyptian or European art. Museums will need to do more analysis of their target audiences to understand whether there is a sustainable appetite for homegrown exhibitions and even artists.

Selling Art to Fund Operations

These financial hardships have reopened the debate about whether public museums should sell art to fund operations. Art in public museums has always been intended for future generations and is never intended to be sold to fund immediate needs. However, museums are now thinking hard about whether that still makes sense. The sale of just one piece could avert the closing of the museum, laying off staff or staving off other financial calamities.

To that end, the American Association of Museum Directors earlier this year developed interim standards to address the appropriate use of the funds generated by the sale of art. The standards may give institutions some flexibility. The sale of pieces from a museum collection will also create opportunities to buy art not otherwise available. Private collectors may be circling distressed museums but if museum deaccessions are purchased by private collectors, that art may be forever lost to the public.

At a Crossroads

In addition to the once-in-a-generation set of challenges due to the pandemic, museums are finding themselves in the middle of society's reexamination of diversity, equity, inclusion and access ("DEIA"). The toppling of statues and the proposed renaming of cities and sports franchises are indicative of the passion these issues have ignited across America.

The critics are clear in articulating certain grievances. Art museums are often governed by nondiverse boards, staffed by nondiverse management, and funded by nondiverse donors. The collections reflect that, and many museums are primarily representative of western European attitudes and tastes. The responsibility of an art museum is to expose people to all cultures of all eras to perpetuate the study of the human condition, both its successes and its failures.

In light of this year's social protests, there is a new urgency for traditional donors and management to further widen their perspective. Around the world, staff and community are challenging museum leadership to rethink the character of institutions accused of colonialism and patriarchy. The issue is how do museums reorganize to honor and recognize a multi-racial and multi-cultural world, while also keeping their donors engaged and satisfied.

Museums and Philanthropy

These are the issues that will be debated and discussed for many years. In the meantime, art philanthropists have entered uncharted territory. Many are wondering about their relationship with a museum they have supported with their gifts of cash and art for years or even generations. This is especially concerning to philanthropists because cultural institutions of all kinds are rejecting gifts from substantial donors. Many of these benefactors are also being kicked off governing boards if their wealth is considered tarnished or branded as unethical.

So, if a governing board is made up exclusively of substantial donors, will the board itself reflect the diversity of the community? If on the other hand, a governing board will not generally include substantial donors, can donors considering significant gifts assume they will have substantial roles in determining the future of the museum? Those donors may be unwilling to believe the institution can withstand pressure from progressive movements advocating for change.

For the prospective donor, numerous questions must be answered before making the gift. If my gift is of western European art, will it end up being seen as dragging down the museum's diversity? Will the object be seen as a reflection of colonialism or slavery? Will my name be removed from the museum as values change and my life is seen as somehow controversial? From the standpoint of a gifted collection's coherence and integrity, what happens if I donate a piece of art which is someday put up for sale? Do I need to stipulate the conditions of any sale up front in the agreement with the museum? What if my gift is intended to supplement a particularly strong museum collection and one piece gets sold out of that broader collection, thereby impacting the entire collection's meaning and appeal?

It's critical for philanthropists to understand the museum's philosophy regarding these matters,

as well as its financial viability and strength. Now more than ever, donors need assurances that the institution is stable and will survive for many years – ideally for perpetuity. In the current environment, it is all the more important for the collector to study the institution itself.

What is Art for?

The museum's commitment to its donors is one of two major areas that demand study by the benefactor. The other is, what is the philanthropist trying to accomplish with the gift? What are the philanthropist's short-term and long-term goals? That question leads to a more fundamental question: What is the philanthropist's wealth for? What does the individual want it to accomplish and for whom?

In our experience, the most satisfied wealth holders and art donors are those who realize that philanthropy must be rooted in the community – however they define “community.” Community could be your home city or surrounding area. Or, the community can be bound less by geography and more by common interest across state or national borders. When my wife, Rosalyn, and I evaluated where to donate our collection of Japanese prints, several national institutions expressed interest. In the end, we chose St. Louis. That's where my family has lived and worked for more than a century. We chose a local institution because our joy comes from giving back to our community. We also derive much pleasure from sharing the collection with those we know – as well as those we don't.

The philanthropist must feel inextricably tied to that community. The philanthropist must believe in the museum's commitment to the intellectual and cultural heritage of the community. Especially now, philanthropists play an immensely important role in preserving and sharing the knowledge and wisdom of art. A comprehensive museum must also reflect cultures we might never see because of the passage of time or geographic distance. How many of us learned of Egypt or ancient Greece by visiting museums? It may be important to see African art or Chinese art to understand the modern United States.

Any philanthropist must evaluate whether a museum embodies and honors the donor's values and common interests.

Rooted in Community

In evaluating a museum, philanthropists need to fully recognize profound change is afoot. Museums are examining their governance, employment policies, collections and acquisitions, exhibition policies, the character and regard for their audience, the relationships with communities of collectors, students and suppliers, the nature of fundraising and public financial support, and topics of scholarship. Many museums are in the process of refining their understanding of community and their obligations to it. If a museum is to preserve beauty and enlightenment for future generations, it must also update its guidelines to determine how collections are built, managed and shared over generations. A healthy conversation should be taking place now to decide how the institution remains relevant in times of change.

A donor must also recognize that communities and cultures evolve. The community served by a museum in 1800 is not the community being served in 2020. A donor needs to accept that fact

and recognize that the civic leader of the late 20th century may become the Robber Baron of the late 21st century. Names and statues can be removed; accomplishments can be dismissed. In other words, the donor seeking only his or her own legacy will likely find his or her objective changed or even defeated many years after death. A gift designed to form the foundation of a “perpetual legacy” is likely to be a construct built on sand and washed away as civilization evolves.

A museum firmly rooted in its sense of community and its service to the community will be able to help manage this challenge for donors. Only when the donor understands the museum’s vision and mission can the individual have some sense of certainty that a substantial gift will serve perpetuity. The donor must trust the museum to figure out how to meet the needs of the donor and its audience regardless of changing needs and values. If a museum cannot share its understanding of community and how it will be served, the donor should not consider a gift to the museum.

The Moment in Front of Us

The fallout from the pandemic and the social awakening across the country represent a unique opportunity to reinvigorate what we want from art museums and how to think about them.

Once the donor and the museum arrive at a common vision of service to the community, the donor can help a museum thrive and re-imagine itself. Forward-thinking patrons can influence museum staff to prioritize diversity and inclusion in their governance and hiring. Together, they can do more to attract younger audiences, who may soon be a larger percentage of their visitors. This renewal can also lead to a greater focus on local artists.

Museums need to answer the call by meeting the needs of community. Philanthropists need to answer the call to serve the needs of community. Wise museums and philanthropists together will ensure that the lessons of art and the succor of beauty will continue to inform our civilization for generations to come.

About the Author

Charles A. Lowenhaupt Charles A. Lowenhaupt is Chairman & Partner of [Lowenhaupt & Chasnoff](#), a law firm providing counsel to families of substantial wealth since it was founded by Abraham Lowenhaupt in 1908. Charles is also Founder and Director of Lowenhaupt Global Advisors Australia (LGAA, a family office based in Sydney. Charles has a Bachelor of Arts degree (cum laude) from Harvard University. He also has a Juris Doctorate (Order of the Coif) from the University of Michigan Law School and is a member of the Bar of New York and Missouri. Charles serves as President of the Board of Commissioners of the Saint Louis Art Museum, and Director of the Urban League of Metropolitan St. Louis. He is on the National Council of the Brown School of Social Work at Washington University and the American Jewish Joint Distribution Committee. A globally recognized expert in working with wealth creators, wealth holders and wealth inheritors, Charles is the author of two acclaimed books, [The Wise Inheritor's Guide to Freedom From Wealth](#) and [Freedom From Wealth](#) with co-author Don Trone.

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