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BENEFIT ANALYSIS: THE PROS AND CONS OF DONATING TO CHARITY AUCTIONS

Gallery owners and photographers are re-evaluating the auctions to which they donate prints, and taking steps to ensure the sales do not drive down the value of an artist's work. By David Walker
Researched by *PDN* staff

Toronto gallerist Stephen Bulger used to donate photographic prints to charity auctions without giving it much thought, until several years ago when a well-known international humanitarian organization approached him for a donation “and I really started getting bad vibes,” he recalls. The auction didn’t seem well planned, and Bulger feared the sale prices would be too low. So he offered to donate money instead.

The organizers then went directly to eight of his artists for donations. Unaware of Bulger’s reservations, six of them agreed to donate prints. The auction was a flop. “It was really badly attended and no one there could really afford to buy anything,” Bulger says.

The next day he got a call from someone interested in buying a print that had sold for \$300 at the auction. It was a print worth \$1,500, Bulger says, not including the \$250 frame he had put on it. Balking at the gallery price, the caller asked Bulger to notify him the next time the photographer donated to another charity auction.

Since then, Bulger has “clamped down” on such donations, as have other gallery owners for similar reasons. They want to support charities, but not to their own detriment, so they are more selective about the charity auctions they donate to, and impose more conditions on those donations. And at least some charities have responded by improving their auction results, to keep donations from drying up.

The solicitations certainly abound. “There are so many benefit auctions. I have two [solicitation] letters sitting on my desk right now from great organizations,” says Brian Clamp of ClampArt Gallery in New York. Art auctions can be an effective way for non-profits to raise money, he explains, “So a lot have popped up.”

They tend to fall into two categories: those sponsored by arts organizations—Aperture, Center for Photography at Woodstock, and George Eastman House are three examples—and those sponsored by non-arts organizations providing humanitarian or social services. One of the most successful in that category, says Clamp, is inMotion, a New York-based charity that provides free legal aid to low-income victims of domestic abuse. Gallerists interviewed for this story reported that requests for auction prints from the arts organizations outnumber those from non-arts groups by about two to one.

The challenge is to figure which requests to honor. “There are many, many worthwhile causes. We can’t realistically respond to all [of them],” says Yancey Richardson, another New York gallery owner. For her, the decision boils

Top: Gallery owner Stephen Bulger. **Above:** Yancey Richardson, gallery owner. **Left:** Denise Bethel of Sotheby’s leads the bidding for a private portrait commission by Bob Gruen at inMotion’s annual Photography Auction & Benefit in April. The commission sold for \$20,000. **Opposite page:** The Stephen Bulger Gallery donated this Phil Bergerson print, “Untitled, Martinsville, Indiana, 2006,” to Unmasked 2011 CAMH foundation. **Right:** Brian Clamp of ClampArt.



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down to a photographer’s commitment to a given cause, in the case of non-arts organizations, or the photographer’s relationship with the arts organization making the request.

Not surprisingly, arts organizations lean heavily for donations on photographers whose work and careers they have supported. (Gallerists resent requests from organizations that have never supported their artists, by the way.) Arts organizations assert that their charity auctions can help emerging photographers in particular.

“It’s good exposure for them,” says Yseult Chehata, manager of the individual giving program at the Aperture Foundation. She says unsolicited offers to donate prints to Aperture’s auctions (one silent, one live) are on the rise because of their newly established emerging artist silent auction, and because of the relationships Aperture has built over the years with artists and galleries.

Ariel Shanberg, executive director of the Center for Photography at Woodstock, says CPW’s annual auction is a chance for photographers who have been supported by the center to “be generous and give back.” But they also benefit because the auction effectively markets them to a collecting audience. The relationships established between the collectors and the contributing photographers “can continue for years afterwards,” he says.

Gallery owners are more skeptical about the benefits. For one thing, donating prints to benefit auctions makes for a lousy tax write off: photographers can deduct only the value of the materials, not the market value of their donated prints. And benefit auctions sponsored by non-arts organizations do nothing to promote an artist’s career, according to New York gallery owner Julie Saul, so the decision comes down to the quality of the auction and the artist’s belief in the cause. (She does allow, however, that prestigious and well-run auctions sponsored by arts organizations can help.)

Gallerists also say that while print donations occasionally drive collectors into their galleries after an auction, it doesn’t amount to a significant amount of new business. “Even at the auctions that are specifically geared to art collectors, they buy a piece they like, and it ends there. Is this someone who’s going to come to the artist’s next show? It’s difficult to say,” says Paul Kopeikin, an L.A. gallery owner.

“I do not view it as a source of publicity. It’s actually a great deal of work for us. We have to discuss what image, what size print, who is going to frame it, how to value it, etc., etc.,” Richardson says. “We donate work to those charities with whom either the gallery or the artist has a relationship in an effort to aid their cause but by no means do I think about it in terms of publicity.”

What concerns gallery owners the most, though, is the potential damage to their business and a photographer’s reputation if prints end up selling at benefit auctions for what

amount to fire sale prices.

“It happens all the time,” Clamp says. “When we donate, 95 percent of time the work sells below the retail price.” And when a print worth \$2,000 sells for \$600 at a benefit auction—a not uncommon occurrence, he says—it can leave potential buyers confused about the actual value of the print, and the prices that galleries charge.

Another problem for gallerists is that benefit auctions have turned into a bargain hunting circuit for many collectors. “I find that at the auctions that are benefitting arts organizations, people are just looking for bargains, and at the [auctions for] non-arts organizations they tend to want to support the organization and are much more generous in what they pay,” Saul observes. And Shanberg concedes that collectors see benefit auctions such as CPW’s as a way to get photographic prints at what he calls a “more accessible rate”—i.e., less than they would pay at a gallery.

How much that actually hurts the gallery business is impossible to say, but it’s a business in which the perceived value means everything. Gallery owners and photographers certainly don’t want to turn their backs on worthy causes, though, so they’ve devised strategies to ensure that their donations do as little damage to their businesses and their photographers’ market value as possible.

An obvious rule of thumb is to avoid overexposure. “The list of charities one decides to support should be small,” said David Fahey, of Fahey Klein Gallery in New York. Donate too often, he warns, and your work can start to look stale, and you run the risk of looking too desperate to have your work seen. (Kopeikin also



© PHIL BERGERSON/COURTESY OF STEPHEN BULLER GALLERY

Fire sale prices are a hazard at benefit auctions. “It happens all the time,” says Brian Clamp. “When we donate, 95 percent of the time the work sells below the retail price.”



Benefit Analysis: The Pros and Cons of Donating to Charity Auctions



© RACHEL PERRY WELTY/COURTESY VANCEY RICHARDSON GALLERY

Left: Rachel Perry Welty's print, "Lost in My Life (boxes), 2009," was donated to the Kitchens benefit in 2010. **Below:** Gallery owner Julie Saul. **Opposite page:** Ariel Shanberg of Center for Photography at Woodstock.

warns against donating to museum benefits in hopes they'll support your work and career because of your contribution. "Have no illusions," he says.)

Another strategy is to impose a reserve or minimum price on donated prints. Some gallerists set a reserve at 50 percent of the print's market value, but Fahey asks for 75 percent, to avoid the perception that your work can be had at half price. Chehata, of Aperture, says artists and galleries often ask for a reserve, and Aperture accepts it, but tries to make sure the reserve doesn't exceed 50 percent of the value of the piece. Their primary interest, after all, is in making a sale.

Yet another increasingly popular strategy is to create special editions just for donation to benefit auctions. Yancey Richardson and Brian Clamp are both adherents to that approach. "I prefer my artists to do special benefit editions that aren't available through the gallery," Clamp says. The special edition prints tend to be smaller, so collectors who happened to see a particular print fetch \$500 at a benefit auction aren't so confused if they see a larger version on a gallery wall for \$2,000.

But Bulger advises his artists against donating smaller prints. "I think [a donation] should always be a bona fide piece of art. Whatever it is that the artist makes, that's what they should donate," he says.

Instead, he protects himself and his artists by carefully vetting the organizations that solicit the prints. For instance, he takes note of who is on the auction committee "to see if it is comprised of people who know people who would probably bid on stuff. Because if there is an absence of that then I find that the work doesn't do very well," Bulger explains.

He also asks organizers how many people will be attending the auction, and how many lots will be offered for sale. Bulger figures that only ten percent of auction attendees are actually interested in bidding seriously for something. He prefers to see the number of bidders outnumber the auction lots by a ration of two-to-one, to ensure bidding competition and higher prices, he explains.

"So I try to suss out from the organizers how organized (and how experienced) they actually are before I donate any prints," he says.

For her part, gallery owner Julie Saul donates only if auction organizers agree in writing to disclose after the auction how much each print she donated sold



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for, and to whom. "Particularly if it's a unique work, you want to know where it is, and secondly you want to know what it sold for to evaluate, for example, if you want to donate to that cause in the future," she explains.

Some charities, at least, are getting the message. "We are not doing our job as a not-for-profit photography space if we are not cultivating an audience to pay a respectable price," says CPW's Shanberg.

CPW auction organizers noticed several years ago that galleries were encouraging artists to create special editions for donation in response to the lousy benefit auction prices. So starting in 2007, CPW cut its benefit auction lots by 75 percent, from 200 to about 50. In addition, CPW has boosted efforts to educate auction attendees about the photographers represented, their work, and why it is of value. The result, Shanberg says, is that CPW has to solicit far fewer donations, and auction sale prices are much higher than they previously were. (CPW doesn't publicize those prices, however.)

Aperture also promotes the work donated for its auctions, and limits the number of lots according to audience size, Chehata says. "We want each piece to get enough attention." She adds that Aperture held back some lots last year because they received more donations than they wanted to include given the auction's attendance.

inMotion, which has run one of the most successful benefit photo auctions since 1996, is the model of a well-oiled benefit auction machine. inMotion's board of directors is packed with high-powered New York attorneys and investment bankers, who work their connections to draw a large, well-heeled crowd to the annual auction. inMotion's auction co-chairs include a collector and a New York gallery owner (Robert

Stephen Bulger advises his artists against donating smaller prints. "A donation should always be a bona fide piece of art," he says. "Whatever the artist makes, that's what they should donate."



Mann) with the knowledge and connections to bring in works by big-name photographers that the auction audiences are likely to recognize and appreciate.

"We take a something-for-everyone approach, featuring works that appeal to both seasoned and beginning collectors," says Carol Lindley, inMotion's senior director of development and marketing. (The most recent auction, held in April, included works by William Wegman, Mitch Epstein, Ruth Orkin, and Nicholas Nixon, among others.)

The lots are limited—only 25 or 27, down from about 40 in previous years, according to Lindley. And the auctioneer since the first event in 1996 has been Denise Bethel, senior VP and director of the photographs department at Sotheby's, who knows as well as any auctioneer how to whip up the bidding.

The result is that inMotion auction prices almost always exceed the gallery prices for the works sold, and frequently amount to "several multiples" of the gallery prices, Lindley says. Moreover, inMotion arranges to have the prints framed, so the galleries and artists don't have to pay those costs. And after the event, print donors are informed of the sales prices, as well as the buyer's contact information. "Our goal is to help galleries and photographers build new relationships with collectors," Lindley says.

But the ultimate measure of the auction's success? Artists and galleries clamor to get their work into the auction, putting inMotion in the enviable position of having to turn down offers of some high-caliber work. No doubt many would be donors support inMotion's mission. But certainly they're also eager for the rarest of opportunities: a chance to be part of a benefit auction where the bidding is so intense that the gavel prices actually exceed their gallery prices. **pdn**

May 20 – Aug 28

ELLIOTT ERWITT

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