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Art is a Versatile Tool; Use Your Collection to Your Advantage

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I've come to realize that art is a tool that can be used in so many different ways.

For years I've been talking to artists about the importance of having their art take care of their interests, be it money, career, legacy or personal growth.

Art has lots of purposes. It can be created and/or displayed for myriad reasons. But ultimately, Art is a Tool. If you are an artist, it can take care of you. If you are a viewer it can educate, stimulate, or placate you. If you are a patient it can soothe you.

And as collectors we have this amazing tool and asset that we can easily use to our advantage. This dawned on me like a hammer.

A few months ago I met Michael Mendelsohn, one of *Art & Antiques'* Top 100 Collectors who has a legal, tax and philanthropic background. After a number of conversations with him it struck me that it is vastly important that collectors, especially those with collections worth "real" money, enable their collection to take care of them.

A solid art collection, or a collection of any sort that has genuine value, is an amazing asset whose worth is invariably overlooked. Most collectors I know think of the collection's worth passively. They know the collection has a monetary value but they typically aren't honoring it, using it or enabling it to take care of them.

Let's say your collection is worth a half million dollars -- or more. And let's say you die. The law says your estate needs to be settled within 9 months. I know you have a will, or a living trust, but did you include your art in those documents? Or did you just assume that your kids are going to want it? (Most kids don't share our taste and are more interested in selling the art than keeping it. Ask them.)

Odds are that once you die your art is going to be sold to pay estate taxes and/or to take care of your heirs. Without a thorough plan in place, your lawyer or someone else your executor trusts is going to tell your heirs to just put the art up for sale at Sotheby's or Christie's. A valuable collection, nine months to sell, a downturn in the market, commissions, fees, estate taxes and you're going to be lucky to pass on 20% of the value of your collection.

That's dreadful. You spend a lifetime building a collection, a labor of love, passion, research, pride and personality and you're going to dilute that to the tune of 80%? Excuse me for being blunt, but

that's not very good -- at all -- especially when you consider the alternatives. Like being able to keep a minimum of 80% to perhaps as much as 500%. Think about it.

Wouldn't it be wiser to document your collection, create a database, identify which pieces are the most significant and why, explore issues of provenance, consider its ability to enhance your legacy and use it to get you what you want?

Do you want it to generate \$10,000 a month of income? You could. Even more. How about current gifts to heirs and charities? Or a trust for the art. Or sell part and donate part of your collection to your favorite museum. You get money; you avoid taxes. The museum gets art they want at a reduced cost and everybody wins.

Long range options may include innovative post-mortem sales, distribution to heirs, gifts to charities and the creation of a family art legacy.

If you act while you're alive you can create trusts, remove the art from the estate, generate income, buy life insurance, travel your art to museums, build a legacy, give to charities, take care of your children and die with a smile on your face because you've become a philanthropist instead of just a taxpayer.

I mentioned Michael Mendelsohn at the beginning of this article. I was so moved by how he is empowering collectors, enabling collectors to be benefactors of significance, instead of just taxpayers, that I've joined forces with him. I am now part of the [Briddge Group](#). Mendelsohn has been doing this for going on two decades. He knows incredibly well how to shed new light on a major asset that might as well have been hidden in the closet for all the good it's done. With Michael Mendelsohn and the team he's created, we have experts on all facets of the art and collecting world. We focus on the one asset that has been the most overlooked, fulfill the collector's wishes and aspirations, and work closely with his or her existing advisers.

I get to see fabulous art and work closely with some special people. Our art will outlive us. We have an obligation to do it justice -- to preserve and protect it and its integrity for future generations. Selling it at auction is like scattering it to the wind. Odds are that isn't why you assembled something so personal, significant and valuable.

To be able to aid your favorite museum or charity, to be able to help others, to leave behind something inspirational is beautiful and possible.

Perhaps you can tell, I find this very exciting. We've got lots more information, papers, and books available. Email me if you want to know more. Ask me about *The 10 Questions Every Collector Should Ask*. It doesn't cost anything to get started.

Art is Long; Life is Short,
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