

Philadelphia's Art Galleries in the Age of the Recession... The New Model!

Florcy Morisset 16 May 2012

During and even since the formal end of the recent national recession, no industry was immune to the financial effects, including the art world. In particular, art galleries were affected, which resulted in them changing the way they do business. Here in Philadelphia, several longstanding galleries have chosen to shut their doors after many years in the business. However, a number of galleries have decided to move to new locations or restructure their business model. As a result, there have been a record number of art galleries, studio warehouses and art districts popping up all over Philadelphia. Although the infamous art bubble has popped, the growth of galleries is suggesting that artists and art galleries are changing their models and faring well in the age of the recession.

The traditional art gallery model, in which art galleries consigns artwork from an artist and sells the piece for a 30 to 50 percent commission, is no longer financially viable for art galleries. Some clients no longer have discretionary funds to purchase art or are in search of reduced prices and are buying directly from the artist. In

addition, many artists are managing their own art sales by selling artwork out of their studios and/or online through their website or art websites to avoid paying the commission to galleries. This has resulted in a decline in art sales as a consequence of the recession and, since the costs associated with business overhead have not dropped along with sales, traditional art gallery models are no longer profiting or cost-efficient.

Several new gallery models and functions are arising, one of which is artist's collectives. This new art gallery model is surging as young and new art professionals are teaming up to acquire studio and gallery space to show their artwork. This new model has been organically created under the economic shift of artists no longer depending on convincing privately owned galleries to show their artwork. Chasing their lifelong dreams, in pursuit of hobbies or simply to generate extra cash, artists have taken the power into their hands and become entrepreneurs. Typically artists are juried into an existing collective or a few artists come together and create their own artist collective. All of the artists split the bills by paying monthly dues ranging from \$100 into the upward thousands. This model gives the artist an opportunity to show their work in a group or solo exhibit for at least an entire month on their own terms. The artist becomes the artistic director and receives the majority of the sales proceeds, which range in the upward 80 percent.

Kesha Bruce, curator, art consultant and advocate, puts it

best when talking about the importance of artists joining forces: “I think it’s a great idea for women artists and creative to reach out and connect with each other. It’s not a cliché to say that there is strength in numbers. I say this all the time—other artists aren’t your competition, they are your greatest allies” (Bruce 2011).

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Interestingly, there is a common denominator that the recession and the art community shares: real estate. Surprisingly, artists’ and gallery owners’ most famous skill and success are in finding new, uncharted, inexpensive spaces and/or neighborhoods. This skill set has been a major contribution to the success of art galleries in this and many other declining financial markets or sometimes rising real estate markets. Historically, the art community has always been attributed with discovering and revitalizing underdeveloped sections of the city. Unfortunately, after development they are often forced to relocate due to rent hikes by the property owners, causing them to no longer be able to afford the rent. The perfect examples are South Street, Old City and Northern Liberties, which were all destitute neighborhoods before the art galleries arrived but are now hip sections of the city.

In 2010, South Street property owners took a chance with the classical blueprint model and gave artists and artist collectives rent-free gallery space in order to fill their

empty storefronts. The tactic gives artists an opportunity to show their work but more importantly it beautifies the neighborhood, boosts property values and attracts property renters. Ultimately, they reinvigorated a creative arts neighborhood and corridor that was infamously saved by the South Street Renaissance (Curry 2010). Currently there are over 10 art galleries located in the area and they host monthly art openings on every fourth Friday. More recently, Northern Liberties, Chinatown North, Fishtown, Port Richmond and Manayunk have experienced similar artistic rebirths.

As new art galleries and neighborhoods are established throughout the city, so are their varying functions and roles. Art galleries and museums have now become venue backdrops, in which they rent their space for private functions, rotating their art and setting the scene. Some art galleries', such as Trust Venue and Gallerie Asada, primary role is as a venue rather than an art gallery. As artist spaces continually grow in demand, another new role for art galleries is as community transformers, in which they form creative art neighborhoods and destinations throughout the city of Philadelphia. In one example, property owners and developers are answering the needs of the art community by converting abandoned warehouses and buildings into creative art spaces, studios and residential spaces. As an outcome of the influx of artists into these industrial areas, some neighborhoods are transforming into art communities and

are being gentrified. These struggling sections of the cities have been lifted and created diverse and viable art communities.

In the past, art galleries have ignited the local economy and boosted the real estate value as they attract other businesses to move in. Businesses have recognized the value of art and found ways to incorporate it into non-traditional spaces. Some of these unique spaces include cafés, restaurants, universities, gyms and boutiques. These businesses either donate or rent their window displays or walls to artists to generate extra foot traffic. This new fusion has multiple quality of life benefits, such as increased community engagement. So much so that many neighborhoods have monthly art gallery crawls in their community (e.g., First Friday in Old City, Second Thursday in Northern Liberties, Second Friday in Center City, Second Saturday in East Passyunk in South Philly, First Friday on the Main Line, TBA in Manayunk and Fourth Friday in South Street).

Historically, art galleries have thrived in downturned markets by investing in the needs of their local community and using art as a medium for transformation. This recent recession proved to be no different. While many galleries succumbed to closure, many others flourished. Some artists and galleries survived the financial downturn by adapting a new gallery model or by simply finding a new location. Art galleries redefine their models and locations in search of innovative art scenes, and to take on different

functions as a way to secure viability and financial stability. As an ultimate result of the Philadelphia art community's success in thriving and creating growing diverse art communities, it has caught the world's attention, such as being ranked the number one cultural city in the United States by Travel & Leisure Magazine in 2011. The Philadelphia art galleries in the age of the recession have given rise and insight to the "New Art Model!"

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