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Poverty and support for artists

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In our society the value of art is high and yet the majority of artists are poor. Not only the symbolic value of art is high, often the financial value is high as well. People and institutions are prepared to pay high prices for artworks and performances, and governments and foundations spend huge amounts on prestigious new museums and concert halls. But the typical artist is poor. This sharp and paradoxical contrast can be explained: the low incomes are the consequence of the high symbolic value of art. This implies that poverty in the arts is largely structural. Subsidies intended to raise artists' incomes tend to be futile and can easily be counter-productive.

Poverty and work-preference

Many artists have such low overall incomes from work, including non-arts work, that they are likely to be poor.. According to research in different countries and in various surveys, in between one third and half of the artists in the West and Australia have overall incomes from work that are at or below the so-called poverty line or subsistence level. The definition of who is an artist and who is not differs, but outcomes are not very different, that is, artists are poor. In between one third and half of the artists in the West and Australia have overall incomes from work that are at or below the so-called poverty line or subsistence level. That these artists do not starve is due to support from various sources and income from assets. Looking at income from the arts alone instead of income from work in general, artists earn even less. In most Western countries a majority of artists would not be able to make a living, if they worked full time in the arts. The difference with income from work can be explained from the fact that presently many artists have second jobs that pay better than their arts job and receive social benefits.¹

Western artists have not always been poor. Before the twentieth century artists' incomes were not particularly low (Frey and Pommerehne, 1989; Montias, 1987; Hoogenboom, 1993; Stolwijk 1998). Especially in the second half of the twentieth century the decrease in income was substantial, while the number of artists grew considerably. At the same time, the number of artists who supplement their income with earnings from second jobs has increased.

Depending on the country and the discipline in between 70 and 90 percent of artists now have second jobs.²

Artists have what David Throsby has called a work-preference (Throsby, 1994). If the artist earns more from either arts work or non-arts work, he or she typically uses a large part of the extra money to reduce the hours he works in his second job in order to work more hours as artist and/or he uses it to buy materials or equipment, like expensive paints or a special video camera. Throsby (1994) and Rengers (2002) present evidence for the work-preference model with respect to time spent on arts work. Solhjell (2000) presents Norwegian data that suggest an exceptionally strong work-preference, including in the form of expenditures on arts work.

Explanations for Low Incomes

Low incomes in the arts are persistent. How come? Why do people become artist when their chance of earning a decent income is very low? And why do they not leave the arts, but instead are prepared to work as artists for many years while earning little? Standard economics cannot explain this phenomenon. However, when the assumptions that people are fully informed or work only for money are dropped, low incomes can possibly be explained. Artists could be misinformed more than others or interested in other rewards than just money.

Undoubtedly people do not just work for money (Frey, 1997). Anybody earning more than a minimum income wants to have at least some pleasure in working or get some praise from friends or colleagues. The question therefore is whether artists receive more non-monetary rewards than others who earn more? First, in the arts there is extreme fame and attention, be it only for a few. Therefore artists could be relatively adventurous and have a taste for risk (cf. Towse 1992). But if this is true it will apply to sports, politics and entertainment as well. Next, recognition by peers and critics is an important reward for artists. However, for scientists recognition is at least as important. Also the joy of working or doing creative work or of working as a self-employed person are likely to matter, but many others like their work, do creative work and enjoy working independently.

What differs is the status of being artist. Since the eighteenth century art has an extremely high symbolic value in western society. Art-with a-capital-‘a’ is special. Its specialness shines on the artist. In many ways artists are not like others, they are considered to be better people. Whereas Art is good, beautiful and deep, artists are creative, self-directed, authentic and able to realize themselves. Sometimes also characteristics like being uncommercial or even being poor have a positive value. In a society, in which the notion of authenticity and self-

realization is so highly rated, these stereotypes are particularly important. Of course, not everyone agrees. The stereotypes make the arts extremely attractive and may well largely explain low incomes in the arts.³

This does not necessarily imply that artists will always be compensated for their low money incomes by non-monetary rewards. They can also be more misinformed than others. Society may well paint a too rosy picture of work in the arts. Because when society has invested and continues to invest so much value in art, there is bound to be a seamy side as well. The artist who does not live up to expectations threatens people's precious object, Art-with-a-capital-a. As the artist particularly values art and it is not his intention to put it down, he feels shame and may face forms of social exclusion. Usually this will not show openly. It is not polite to make a person feel ashamed and it is unpleasant to be in situations in which the sacredness of art is threatened by one of its servants. Therefore the result is a vague awareness of failure and at the same time a collective denial of it. The artist plays the game of the artist who did not fail, who loves his work, who can live with not being successful and poor or who otherwise may still become successful later on in his life.

Do the many poor and failed artists suffer? As far as I know little research exists in this area; it is not rewarding to do research on the dark side of the arts.⁴ Generally people who are poor for a long time tend to become socially isolated and I have the impression that artists are no exception. In their case the shame of being poor may well be supplemented by the shame of having failed as an artist.

If artists are not like other professionals, it matters for politicians and policymakers in which aspect artists differ most. If it is the case artists primarily receive more non-monetary rewards, they can be said to be willing to work for low incomes because they are compensated. However, if they are foremost misinformed about future hardship, the popular notion of the suffering artist makes some sense. In that case, governments and others have a reason to want to help them.

Support for artists increases poverty

One would expect that when more money flows into the arts, poverty among artists would be reduced. Generally this is not the case. This can best be explained by distinguishing three groups of artists. First, there is the group of *artists who are not poor*. This is a small group.

Their overall income from work and other sources is the same or above the minimum income, while a few earn extremely high incomes. There is a second group of, what I call, *poor artists for whom poverty is not inevitable*. This is a large group. Their overall income is the same or a little higher than the level required to make a living, but less than the minimum income. If they start to receive more money, they use all or a large part of the extra money to work more hours in their arts job or to spend more money on it or to rely less on others. And if they start to earn less, they do the opposite. These artists have the room to move. But there is a limit to their freedom of movement. If earnings become very low, they run out of choices and poverty is inevitable.

Therefore there is a third group of *artists who are altogether poor*. For them poverty is inevitable and they are in the danger zone. They earn just enough to make a living, but if their overall income goes down only a little or their circumstances change, like when a child is born, they have to leave the arts. Nevertheless, while never really leaving the danger zone, many of these artists tend to be very inventive. All the time they find new solutions to be just able to continue to work as an artist. But of course some do leave, while others enter. After all, most young artists start their career in the arts in the danger zone.

Suppose more money flows into the arts and it does not all go to the group of artists who are not poor. In that case the large group of artists for whom poverty is not inevitable will spend most of the extra money on their arts work. Therefore their overall income stays close to the subsistence level and they remain poor. In the short run the size of the relative small group of artists who are not poor will increase somewhat, while the group at the other end, the group of altogether poor artists, will become somewhat smaller. But when aspiring artists notice that the group of artists who earn more than a minimum income becomes somewhat larger and the group of altogether poor artists smaller and, most importantly, when they notice that the feeling of well-being of the large group of poor artists who have room to move increases because they need to work fewer hours in second jobs or have more money to spend on their arts job, this will signal to them that prospects in the arts are better than before. And because the arts are so special and therefore extremely attractive, there are always large numbers who are eager to enter when, given their competencies, their prospects improve only a little. Therefore after a while the total population of artists will have grown, but the percentage of poor artists has remained the same. Consequently, due to the extra money flowing into the arts, the absolute number of poor artists has increased.

It follows that if subsidies for artists are intended to raise the overall income of artists, as is often the case in the West, these subsidies are contra-productive.⁵ Moreover, in the case of subsidies for artists a vicious circle may arise. Often politicians in prosperous countries feel they cannot allow a large group of professionals to be poor, especially not artists whose work is so special. Therefore subsidies are granted to raise their income. Next the number of poor artists grows; thus subsidies will be increased, etcetera. Of course, in practice this will not go on forever, but the tendency is clear.

Support for artists in the Netherlands

The hypothesis that subsidies lead to more artists can be tested by a rough diachronic comparison within one country. After a change in subsidy levels there should be a change in the growth rate of the number of artists as well.

In the Netherlands there have been two major changes in the subsidization of visual artists that were accompanied by an abnormal change in the number of visual artists. First, in 1949 the *Beeldend Kunstenaars Regeling* (Visual Artists Scheme) was established under which professional visual artists, who earned less than a certain minimum-income, were allowed to sell art to local authorities in order to supplement their income. If their work met certain, rather low, quality criteria, local authorities were obliged to buy it. Between 1949 and 1983 the yearly growth in the number of students in art academies increased much faster than in other arts training and in other post 18 vocational training. The gradual abolishment between 1983 and 1987 of the scheme, which had become too expensive, represents a second example. The yearly increase in the number of visual art students dropped below average levels. And the next ten years more visual artists left the arts than before and after.

In 1999 in the Netherlands a new scheme, presently called the WWIK (Law for Work and Income Provision of Artists), was established. Poor artists who would otherwise need social benefits can for a maximum of four years receive the WWIK-benefits while still being allowed to earn some money in the arts and without an obligation to apply for other jobs. Given the data from the first years of operation the scheme turned out to be attractive to far more artists than had been expected. Artists not only use it as a replacement for benefits but also to work fewer hours in second jobs or to spend more money on their arts job. However, since then the scheme has become more restrictive. During the four year period users have to generate increasing amounts of income from work. Moreover, they are encouraged to take

courses to make them more market oriented or prepare them for other professions. Whether this will slow down the growth in the number of artists is still to be seen.

One would expect that in prosperous counties there would be few poor artists. The opposite is the case. According to Pierre-Michel Menger “the overall picture of artistic labor markets and their growth is however a paradoxical one: employment, underemployment and unemployment have all been increasing steadily and simultaneously” (Menger, 2006, 769). Government aid for individual artists adds to the increase in unemployment and number of poor artists. If governments would reduce their support for artists, this would reduce the number of poor artists and the percentage of poor artists would go down. The latter is also the case, if they would use the money they save on more purchases and commissions.

Poverty in the arts is structural. Apart from a reduction in government subsidies for individual artists and the provision of better information to prospective artists on their perspectives little can be done about it. Many artists being poor is an inevitable consequence of the specialness of art. Only when the high symbolic value of art goes down —and I expect that it will go down in the decades to come⁶— there will be fewer poor artists. Poverty must, however, be put in perspective. First, many artists can be said to be, at least partly, compensated for their poverty. Second, seen from outside many artists could have avoided being poor. And third, artists come from above average well-to-do families. If things go altogether wrong, many poor artists can fall back on families and friends. Nevertheless, especially older poor artists are likely to suffer.

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Further reading

For a discussion of characteristics of artists and their implications: Alper 2006, Menger 2006, Abbing 2002 and 2011, legitimization and effects of subsidies: Peacock 2006, Ploeg 2006, Abbing 2002, and the general importance of non-monetary rewards: Frey 1997.

¹ In most surveys the overall income from work refers to income from arts work, arts related work, non arts work and in many surveys social benefits as well, while the income from art only refers to income from arts work including art subsidies.

² For references and some results of recent surveys on incomes, numbers of artists, multiple jobholding and their development over time in the US, Australia and France see Menger (2006) and Alper and Wassall (2006) and for those in five other European countries Abbing (2011). Noteworthy in the present context is an older, not undisputed, article by Filer (1986).

³ More about this topic in Abbing (2002) and Abbing (2011).

⁴ According to research done by Filer (1987) in the USA earnings of artists who left the arts were not that low.

⁵ The effect on numbers of different types of subsidies for artists may differ. Abbing (2002) analyses different types of subsidies in more detail, also from the perspective of 'signalling'. Certain schemes give stronger signals to artists than others.

⁶ Abbing (2011).