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Why are Artists Poor?

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Dear, dear audience, I am extremely happy and I feel much honored being allowed to speak to you on the occasion of the publication of my book *Why are Artists Poor* in Japanese.

I sincerely want to thank Mr. Tokuyama and the members of the staff of TUAD for inviting me to speak to you. I also thank the Dutch embassy, especially Ms. Marion Pennink, for co-funding the lecture series.

Most of all I thank Mister Yamamoto who did a great job in translating the book and organizing this lecture trip. Thank you Kazuhiro.

The book covers many topics that may interest you: from sponsorship in the arts to rising costs in the performing arts. In this lecture however, I will concentrate on the topic which is also the title of the book: *Why are Artists Poor*. In order to let the lecture be interesting also for those who have read the book I have incorporated some insights which I developed since I wrote the book.

The book is written with the situation of artists in the Western world in mind and will not necessarily apply to the East as well. However, I believe that the differences between the Western and Eastern art worlds are becoming less outspoken. This would imply that the findings in the book may increasingly apply to the East as well. As far as I know presently the number of artists per 100.000 inhabitants in a country like Japan is still lower than in for instance the Netherlands, while average incomes are still not as low, but the difference may well become smaller. This could explain why my book with the title *Why are Artists Poor* has been translated not only in Japanese, but also in Chinese and Korean. People in these countries are amazed about the increasing number of poor artists. It is a relatively new phenomenon. Certainly in Japan not so long ago the majority of your artists was not poor.

Nevertheless, listening to my lecture you will probably notice that some fundamental differences exist between the Western and Eastern situation. So I hope that in the discussion you will bring them forward. I am eager to learn from your comments. I am presently writing a new book, which will probably be called *Moving Art*, and I would like to incorporate your findings in this new book.

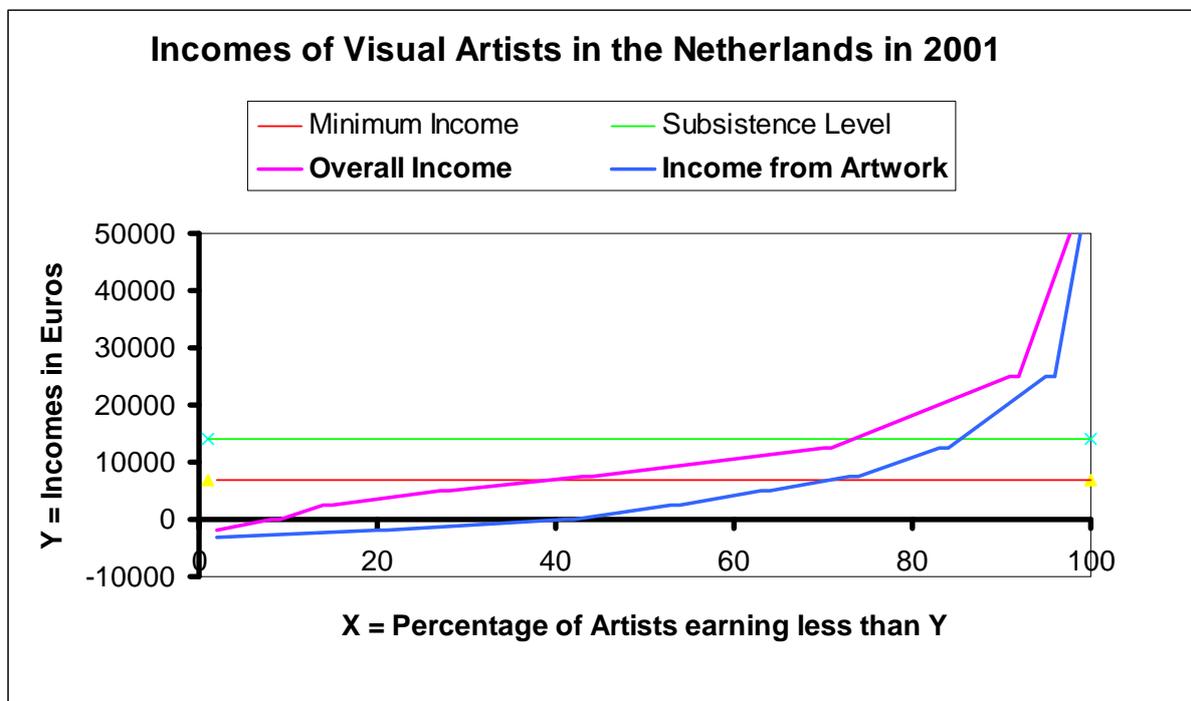
1. Introduction: Artists are Poor

Many artists are poor. In different countries and in various surveys the definition of who is a professional artist and who is not differs, but outcomes are not very different. Approximately one third of the artists in the West and Australia have overall incomes that are at or below the so-called poverty line or subsistence level. Often visual artists are poorest.

Looking at income from art instead of overall income artists earn even less. If artists would work full time in the arts a majority of artists would not be able to make a living from their work. The difference with overall income can be explained from the fact that presently in the West many artists have

second jobs that pay better than their art job, receive social benefits and aid from partners and relatives.

To give an example: in the Netherlands the overall income of 77% of the visual artists is less than the official minimum income, while 45% is poor. Moreover, 75% (three out of four) cannot make a living from their work in the arts, while 40% cannot even cover their costs. The latter are professional artists who pay to be able to work as artists. Nevertheless, a few artists, but less than 1%, earn very high incomes. A graphical exposition may be helpful. The lower blue curve in the figure stands for percentages of artists that in their arts job earn less than various amounts of yearly income from their art. The higher pink curve depicts overall income. The lower horizontal line is the poverty line or level of social security in the Netherlands for a single adult and the higher horizontal line is minimum income. Though the actual percentages may differ, this curve depicts the typical income distribution in the arts in the West.



Western artists have not always been poor. In the middle of the nineteenth century artists' incomes were not particularly low. Since then artists' incomes have gone down. Especially in the second half of the nineteenth century the decrease was substantial. The deterioration of incomes has been accompanied by a growth in the number of artists. Since the middle of the nineteenth century the number of artists in the West has grown considerably. It is likely that it has grown more than corresponds with the growth of the population and prosperity.

In the context of this lecture another phenomenon is worth noting. Since the Second World War in the West the number of artists who supplement their income with earnings from second jobs has increased much. These artists are so-called multiple jobholders. On average they earn more per hour in their second jobs than in the arts. Depending on the country and the discipline in between 60 and 90 percent of artists have second jobs. Second jobs can be art related like giving music lessons or drawing classes to amateurs; or they can be non-arts jobs, from extremely dull jobs like cleaning or

modeling to interesting jobs like teaching at a university (as I do). Presently in the Netherlands the proportion of the overall income of visual artists that stems from second jobs is two times as high as the income from art. The growth of multiple job holding suggests that income from art still goes down but that this is partly compensated by more income from second jobs.

I am sure that you as art students, young artists, teachers and curators will agree that presently the phenomenon of many artists supplementing their income with earnings from second jobs is also substantial in Japan. Thus such artists must earn little from their work in the arts. As artists they are poor. Therefore in this respect the difference with the West is a matter of degree.

2. Explanations for low incomes in the arts

It is likely that if there were fewer artists art prices would be higher and so the proportion of all artists earning an overall income that is higher than corresponds with the poverty line would be larger and thus artists would be less poor. Given the fact that artists earn much less than others with a similar level of previous education, there appears to be an oversupply of art. But in this respect the arts differ from other areas of production. In the latter a substantial oversupply does not last long. If there are so many accountants that their income is as low as in the arts fewer people would start to study accountancy and many of them would leave the profession. Therefore income would rise and the oversupply would disappear. But this is not what happens in the arts. In the West already for a long time numbers of artists are large and incomes very low. Therefore the economy of the arts is not a normal economy; it is exceptional. —Hence the subtitle of my book: *The Exceptional Economy of the arts.*—

The economic mechanism of a reduction in supply when incomes are relatively low does not work in the arts. How come? The answer to this question will differ somewhat from one country to another and from West to East. Nevertheless, because the phenomenon is more and more a global phenomenon, it is likely that the core of the answer must be largely the same. —Whether it really is, I would like to discuss with you.— Why do people become artists when they know that their chance of earning a reasonable income, let alone a high income, is very low? And why do they not leave the arts, but instead are prepared to work as artists for many years, if not a lifetime, while earning little? High incomes are very high in the arts. The mere height may attract many aspiring artists. People do not behave rationally. The same as people playing in a lottery artists tend to overestimate their chances of becoming rich. And, in their enthusiasm aspiring artists are probably also inclined to overestimate their talents: they easily think that their chances are better than of other students. But the same applies to professions like sports and non-arts entertainment. It could also be possible that artists are more adventurous than average people. On average they could enjoy taking risks. But if this is true, it will again apply to sports and non-arts entertainment as well. And because average income in these sectors is not as low as in the arts, there must still be other factors that explain low incomes in the arts.

The enjoyment of taking risks is a non-monetary reward. More generally it is unlikely that it is just money that explains the large attraction of the arts. High money incomes usually go together with

fame and attention. Going into the arts there is a small chance of becoming rich *and* famous. Thus the possibility of huge fame and attention may just as much as the possibility of large amounts of money explain the attraction of the arts' profession. However, again the same applies to non-arts entertainment and sports. Nevertheless, an important difference exists between the latter and the arts. When after a while aspiring non-arts entertainers and sportsmen do not make it and cannot make a living as a professional, they leave the profession, while most artists continue to work as artist. Therefore, the possibility of high money incomes and lots of fame and attention cannot by itself explain the large number of artists earning little.

It is likely that artists get more out of working in the arts than money, fame and attention. Status and recognition by peers could be non-monetary rewards as well, which compensate for low incomes. However, once more the same applies to other professions as well. An example is science. Especially recognition by peers is a very important source of reward for scientists. But low incomes in science are not exceptionally low. It follows that there must still be other factors that explain low money incomes.

The joy of making art could be another form of reward. However, many people like their work; it gives them joy or satisfaction. Nobody works just for the money. And probably because of this in some other sectors average incomes are relatively low as well. In many countries in the West this applies to nurses and teachers who also earn less than would correspond with their previous level of education. But they earn by far not as little as artists. And even though single individuals in other professions may earn as little as artists, it is only in the arts that average income is so low and so many professionals are poor.

It could be that doing creative work is particularly satisfying and as such rewarding. This is probably true. The average income of professionals who do particularly creative work, like fashion and graphic designers, is relatively low, whereas top-incomes are high. But again average income in the arts is much lower. In spite of the joy these professionals get out of their work, they come in less large numbers and sooner leave their profession, if they cannot make a living from their work. So also the joy of doing creative work cannot explain the exceptionally low incomes in the arts.

3. Art is Special

What is exceptional in the case of artists is that they belong to a very special world: the world of art-with-a-capital-A. The feeling of belonging to this world gives them joy or satisfaction. Or rather it gives them energy and an urge to go on, almost independent from rewards. Joy is indeed not the right word. On average artists do not seem to be particularly happy people. They can be very demanding with respect to their own work and easily disappointed when it does not go well. Therefore the economic notion of reward is not really applicable. Participating in the world of art-with-a-capital-a makes artists exceptionally passionate. They go on even when rewards are low.

Therefore it is my opinion that the persistent very low incomes and large numbers of artists can only be fully explained from the fact that art is very special. In the West we would say that art is sacred. Here you will probably use another word. At present, given the lower incomes in the arts, art is more

special than science. Art-with-a-capital-a is a particularly precious object, even when its economic value is often low. Thus, being an artist is not only a huge privilege, it is also a responsibility.

The beginning of the extreme specialness of art in Europe must be sought in the first half of the nineteenth century when part of art became autonomous and people increasingly developed a deep existential relationship with art. Art became connected with authenticity. People wanted to be authentic individuals and in their search for authenticity art played a major role. Through art one could “find oneself”. At least in the West art took over the sacredness of religion. (Much more can be said about this; however that would require another lecture.)

The wish to be an authentic individual has grown to the present day and so has the specialness of art. Moreover, most Westerners see artists as more authentic people than they are themselves. Through their art they express and give proof of their authenticity. It is this wish to be authentic and to be a member of the world of Art-with-a-capital-a that explains why so many youngsters want to become artists. And it is the urge to make art, which follows from the membership, that explains why artists stay in the profession even though they earn little.

If one believes that the low incomes of artists are largely compensated by non-monetary rewards there is no oversupply of art and there are not too many artists. There are just many artists. However, thinking in terms of an urge rather than non-monetary rewards, one may argue that poor artists are not compensated or only partly compensated for their low incomes and that therefore there is an oversupply of artists and too many artists. Moreover, in that case the common notion of the poor suffering artist could make some sense. However, it is still to be seen if much can be done about it.

4. Artists have a Work-Preference

The urge to make art almost at any cost shows not only from low incomes in general, but also from certain behavior of artists. Artists can be said to have a preference for their art work, they have a so-called work-preference. Take an artist with a second job who starts to receive more money than before. He performs more often or sells more art, he receives a grant, he finds a partner who supports him or he receives an inheritance. In this situation “normal” people would buy, for instance, a LCD television or a car or go more often on holiday or work fewer hours. The typical artist however, uses all or a large part of the extra money to reduce the hours he works in his second job in order to work more hours as an artist. Or he uses it to buy material or equipment he can use in his arts job, like expensive paints or a special video camera. And if an artist already works full time as artist, he may still spend the extra money sooner on his art than on consumption. Sometimes other professionals, like academics, also have a work-preference, but on average it is less strong than among artists, most of all poor artists.

The phenomenon that artists are sometimes very much after money seems to contradict the notion of the work-preference, but it does not. As a visual artist I work with models. Often these are young artists; visual artists and dancers. With other models I state my price and they say yes or no. But these young artists start to negotiate. They say that they are very good, much better than other models (which they often are) and they try to get as much money per hour as possible. They appear

to be greedy. But then there comes a moment that the young visual artist receives a commission or the dancer is asked for a paid project. They suddenly quit. I know they still have spare time, but even if I offer them twice as much, they refuse to continue to work for me. Because now they earn enough money to make a living, they spend their spare time on painting or doing an extra training or working in an unpaid art project. They have an art work-preference. Thus, in this period it seems that they do not care about money. But when the commission or the project is finished they come back to me, are eager to work for me and again try to get paid as much as possible.

This implies that poverty in the case of many artists is less dramatic than it seems to be. Seen from outside they have alternatives. First, they could spend less money on equipment and material. And second, they could work more hours in a second job, in which they earn more than in the arts. However, in the latter case there is a limit. If someone spends fewer and fewer hours on his arts job, at some stage he stops to be a professional artist. This differs per discipline and on the way professionalism is defined. It is possible that a poet who still manages to work four hours a week in his arts job is still a professional artist, while a violinist, who still spends two days a week on his arts job, is not. Often also in his own perception he has become an amateur.

Thus three groups of artists can be distinguished. First, there is the group of *artists who are not poor*. This is a small group. Their overall income is above the minimum income, while a few earn extremely high incomes. Next, there is a group of *poor artists, who seen from outside could have avoided being poor*. 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 earn more, because they sell more, perform more often, get a pay rise in their second job, or if they receive subsidies, grants, social benefits, donations or more support from relatives, they use all or a large part of the extra money to work fewer hours in the arts or spend more money on their arts job, like materials, equipment or a studio. And if they start to earn less, they will do the opposite. These artists have room to the move. Because they do not need to be that poor, one could say that they can afford to be poor. But there is a limit to their freedom to move. If earnings become very low they can no longer avoid being poor by behaving differently.

Therefore there is a third group of artists for whom poverty is inevitable. It is the group of *artists who are altogether poor*. They are in the danger zone. They earn just enough money to make a living, but if their overall income goes down only a little, 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. Only after a while part of them are able to join the group of artists who could have avoided being poor.

5. Support for Artists increases Poverty

One would expect that when more money flows into the arts, poverty in the arts would be reduced. Generally this is not the case. Only in the short run poverty will be relieved but in comparison to the extra money the effect is small. More importantly the effect does not last and after a while the

absolute number of poor artists only increases. This can be explained by looking at the before mentioned three groups of artists.

If more money flow into the arts, the artists in the large group who could have avoided being poor will largely spend it on their art 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 that earns incomes above the subsistence level will increase somewhat, while the group at the other end, the group of altogether poor artists who have no room to move, will become somewhat smaller. Because the first group increases a little the percentage of poor artists and their absolute number will be somewhat smaller. However this only applies to the existing population of artists.

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 perspectives in the arts are better than before. And because the arts are 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.

In the case of subsidies for artists a vicious circle may arise. People in prosperous western countries, especially social democrats, 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.

Given its exceptional attractiveness poverty in the arts is structural. More money flowing into the arts only increases the number of poor artists. However, an important difference exists between an increased demand for art (a shift in the demand curve) and a rise in support, whether through subsidies, grants, social benefits, donations or family support. All lead to more artists being poor, but only a rise in demand leads to a substantial increase in output in the sense that more art finds its way to consumers. In the case of changes in support output hardly changes. This implies that through a reduction in subsidies the number of poor artists will be reduced without a substantial reduction in output. However, it could be argued that the very presence of many artists produces positive external effects like the contribution to the larger creative sector in a city. How valuable these effects are and whether or not they outweigh the larger number of artists being poor is a matter of politics.

6. Final remarks

The art's profession is a risky profession. The chance that one will earn an income comparable with that of people in comparable professions is small, let alone the chance of becoming rich. However,

because the average artist comes from relatively well-educated and well-to-do families he is insured and protected against real poverty. Therefore in the case of many aspiring artists it often is not so much an inclination to take risks but the ability to take risks that contributes to them going for the arts. One would expect that in prosperous countries there are few poor artists. The opposite is true. It is telling that since the Second World War in the West the general growth in prosperity has been accompanied by an unprecedented growth in the overall number of artists and in the number of poor artists. Art being a luxury good the demand for art increased more than prosperity. Next, in prosperous countries governments and donors tend to be generous for the arts. Moreover, a prosperous society has all sorts of leftovers on which passionate artists can feed, from social security money to many small and large gifts from relatives and friends. Prosperity allows artists to be poor. Poverty in the arts is structural. Apart from a reduction in government subsidies for artists little can be done about it. Suffering artists is an inevitable consequence of the specialness of art. But suffering and poverty must be put in perspective. First, many artists are, 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 their families.

Literature