

ARTS AND ENTERTAINMENT

Millennial art collectors spend six times more than boomers in positive trend for business

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Millennials art buyers are on the rise, per the latest Art Basel and UBS Global Art Market Report 2020. Image credit: Art Basel

By DIANNA DILWORTH

Millennial art buyers are the most active demographic buying art, averaging \$3 million over two years and more than six times that of boomers.

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That finding was from the newly released Art Basel and UBS Global Art Market Report that takes a look at global spending on fine art and analyzes which markets are currently showing the most potential. The report reaffirms what much of the luxury business has already known: High-net-worth millennials are spending money on luxury goods.

"Millennials were buying more art across all channels," said Clare McAndrew, founder of [Arts Economics](#), a Dundrum, Ireland-based art research and consulting firm. "They are active in the market. They are interested in going to events.

"While most said their highest motivation is passion and aesthetics, when you drill down into their behaviors, they are highly mobile, they are happy to cross collect through different sectors and they are quite happy to sell something that doesn't fit their collection," she said. "This is very different than the collector of the past who usually adopted a buy-and-hold strategy."

Swiss-based [UBS](#) is one of the leading wealth managers worldwide, regularly producing research on affluent individuals.

[Art Basel](#) is one of the leading art fairs worldwide, with fairs in its Swiss hometown of Basel and another equally popular one in Miami, FL.

Global transactions down by sales, up by volume

The value of global art market sales was down 5 percent year-over-year at \$64.1 billion in 2019, bringing the market to just above the 2017 level.

Contrast that with the number of global art market transactions reaching 40.5 million in 2019, up 2 percent,

representing a decade high.

"The market is so influenced by what happens at the very high end," Ms. McAndrew said. "There was a lot of uncertainty in all of the big centers for art trading including Brexit, U.S.-Chinese tariffs and protests in Hong Kong.

"It is such a supply-driven marketplace, if sellers don't perceive it is a good time to sell, they pull back and don't sell, or they don't sell at auction, they sell more privately," she said. "What tends to happen is less works being sold at the very high end leads to less volume and more selling privately than in the public sector. We saw something similar in 2016."

Art collectors in the United States purchased the most, representing 44 percent of the global market share in 2019, the same as in 2018.

The United Kingdom was the second-largest market, representing 20 percent of collectors, followed by China with a share of 18 percent penetration.

"The U.S. is a major driver of the global art market," said John Mathews, head of Ultra High Net Worth Americas at UBS Global Wealth Management, New York. "It remains as the core of both wealth and art sales in the world by a considerable margin.

"U.S. collectors surveyed were optimistic about the long-term future of the art market, which is a positive sign for potential growth given the significant influence U.S. spending has on global art trends," Mr. Matthews said.

"As billionaire wealth in the U.S. continues to grow, so does the appetite that our wealthiest clients have and will continue to have for art and collecting."



American-based collectors buy the most art, per the latest Art Basel and UBS Global Art Market Report 2020. Image credit: Art Basel

Women rule

While more men purchased art, female art collectors spent more than men: 16 percent spent more than \$10 million in the last two years.

Female buyers also accounted for 36 percent of all dealer transactions, up 9 percent as compared to 2018.

Not only that, but female collectors had larger collections than men. One-third of female collectors had more than 100 works.

Additionally, women accounted for 44 percent of all artists represented by galleries working in the primary sector, up 8 percent year-over-year.

"This is very encouraging," Ms. McAndrew said. "There are still a minority of women artists being represented, and it's slow to happen, but it did improve."

Online and fairs

After more than five years of continuous growth in sales, the online market slowed in 2019.

Online sales represented \$5.9 billion, down 2 percent year-on-year. However the channel still represented 9 percent share of global sales by value.

Forty-eight percent of high-net-worth collectors said they "always" or "often" buy art through online networks.

One quarter of these online shoppers spent more than \$100,000 and 8 percent spent \$1 million-plus online, double that of 2018.

Millennial collectors were the most regular buyers in online channel. Indeed, only 8 percent of these buyers had never purchased art online.

Public auction sales accounted for \$24.2 billion in 2019, down 17 percent after two years of consecutive growth. Still, these auctions made up 42 percent of the market.

Dealer sales represented 58 percent of transactions. Private sales increased in all of the major auction houses and dealer sales increased by 2 percent year-over-year, reaching \$36.8 billion.

Art fairs remained key to the global art market, per the [report](#).

Aggregate sales from art fairs hit an estimated \$16.6 billion, or 45 percent of the total value of global dealer sales last year.

Fifteen percent, or \$2.5 billion, likely took place pre-fair. Sixty-four percent, or \$10.6 billion, took place during fairs and 21 percent, or \$3.5 billion, were made after the fair and correlates to participation.

"Art fairs are the way a lot of young collectors are being introduced to the market for the first time," Ms. McAndrew said.

"When they ask for advice on how to get into buying art, people don't say go to this gallery, they go to [Art Basel](#)," she said. "It is hugely important in accessing buyers and developing clients."

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