European Museums Are Shifting to American Way of Giving

By GERALDINE FABRIKANT  MARCH 15, 2016

Museums in the United States, helped by favorable tax laws, are sustained by a culture of giving by private donors and a universe of trained development officials.

That culture isn’t common in other parts of the world, where governments often support museums.

“It is not as ingrained as it is in the U.S.,” said Richard Hamilton, director of the Tate Americas Foundation, which raises money in this country for the Tate museums in England. “People love leaving things to dogs and cats, but not to museums,” he said.

That is changing.

Governments in Europe are cutting back their support of museums, and so these museums are adapting the American model and increasingly are turning to private citizens and corporations for donations. They are looking both to their own citizens, and to Americans who are fond of certain major European museums.

“They are becoming more hip to what Americans are doing as they shift from public to private funding,” said Ellena E. Fotinatos, deputy director of donor and
nonprofit services at the King Baudouin Foundation United States, whose mandate is to help European and African nonprofits raise money in this country. “With increased austerity in Europe, professional fund-raising is growing more focused around this area.”

Some large cultural institutions have long had American outposts. Others are just beginning a major push. In Spain, the Prado’s Amigos del Museo del Prado foundation boasts 29,000 members and raised more than $5 million last year. (Marie-Josée Kravis, a philanthropist who is the president of the Museum of Modern Art in New York, contributes to the Spanish group.)

That support is crucial. In 2006, the Prado received 64.9 percent of its funding from the government. Last year, the government provided just 32.4 percent of the museum’s 38.5 million euro budget.

The Prado is expanding what was once a small American effort offering no tax benefits for donors. It will start an American Friends of the Prado website this year and establish a nonprofit group that will allow American donors to receive the tax benefits of their gifts from the government.

“Lots of Americans love the Prado,” said Christine Simmons, an American who has lived in Madrid since 1998 and is on the board of the American Friends of the Prado. “Last year, of our 2.6 million visitors, 200,000 came from the United States.”

In the Netherlands, the newly redesigned Rijksmuseum in Amsterdam has seen government funding drop to 40 percent of the budget after supplying as much as 70 percent in 2012. The museum’s development office now has 15 people, up from three in 2009, according to Hendrikje Crebolder, head of development. This year, the Rijksmuseum will lend “Small Wonders,” a collection of small medieval prayer pieces, to the Metropolitan Museum of Art in New York, to be exhibited at the Cloisters. Among the benefits of such loans is the opportunity to cultivate relationships in the United States, Ms. Crebolder noted.

Europeans who want to learn more about fund-raising are taking their cues from Americans. Next month, representatives of 38 organizations are expected for the King Baudouin Foundation United States’ annual spring seminar in New York on
“The Art and Science of the American Fundraising Model.” Three years ago, there were representatives from just 25 institutions. The event, which kicks off with cocktails at the Whitney Museum of American Art, will include officials from the Prado, the Rijksmuseum, the Benaki Museum in Athens and the City of Rome, as well as the Pompeii Project and the Archaeological Park at Paestum in Italy.

Sometimes, efforts to raise donations are begun by passionate museumgoers, not by the institutions. For example, fans of the Musée d'Orsay in Paris created the American Friends of the Orsay in 2009. Peter Solomon, who shares the chairmanship with his wife, Susan, said that it raises $1 million to $1.5 million a year. Their organization makes it possible for American donors to contribute cash or art objects and receive a tax deduction.

There is a provision in the tax code that cash gifts from living people that go to a 501(c)(3) entity allow the donor to receive a tax write-off, providing the gift does not exceed 50 percent of the donor’s adjusted gross income.

If the gift is an art object for a foreign charity that has 501(c)(3) status, the American charity must retain control over when and how to give the gift to the recipient. For example, the recipient, such as American Friends of the Orsay, might hold on to the gift for several years, according to William Josephson, former head of the New York State Charities Bureau. On the other hand, a bequest from the will of a deceased American can go directly to the foreign charity and still provide a tax benefit to the estate, but determining the value of the art object is a complicated process.

Regardless of how much money they raise, such groups can be finicky about what they will support. American Friends of the Orsay will not, for example, give money to pay salaries. “Those costs should be borne by the government,” Mr. Solomon said. “We don’t pay ordinary maintenance.” However, the organization did match the museum’s crowdfunding effort that raised roughly $150,000 to help clean a painting by Gustave Courbet.

A few institutions have taken the courtship of donors to improbably high levels. The 51-year-old Israel Museum in Jerusalem, which showcases both artworks and archaeological pieces, has an endowment of more than $200 million. International
support covers more than half its operating needs, according to the museum’s director, James Snyder. The museum itself was founded by an international group of supporters. “It is not a national institution, and the government support, which hovers at about 15 percent of the operating budget, is an annual grant and not a guaranteed state allocation,” he pointed out.

The British have been active in American fund-raising for many years. The Tate Americas began with a $6 million gift in 1989. To date, it has raised about $300 million, according to Mr. Hamilton. “The Tate has benefited from the American model,” he said, raising money around the world.

Institutions of every size are looking beyond the state for financing. While the Louvre got 57 percent of its budget from the French government in 2002, in 2014, the government provided 50 percent of the overall budget.

It is easier to coax money from corporations in France than from individuals, according to Sue Devine, who founded American Friends of the Louvre with Christopher Forbes in 2002 and is now its director. “The French government gives corporations significant incentives: For example, they can deduct what they give from their taxable income, thereby reducing their taxes,” Ms. Devine said. “But the incentives are far less for individuals. As a result, individuals are more likely to believe that the money to support the institutions comes out of their taxes, so why pay twice?” She added, “People who are 50 and over grew up with that mind-set about getting money from the state, so they look to the state for funding.”

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