

# Philanthropy Letter



FONDATION  
DE LUXEMBOURG

Philanthropy in action

**‘When bankers get together for dinner, they discuss Art. When artists get together for dinner, they discuss money.’** Oscar Wilde

Is art the new philanthropy? A growing number of collectors are driven by a passion for collecting and a desire to share their wealth by enriching a museum’s collection. While public spending is decreasing, giving by individuals and foundations can compensate for some of the losses incurred. Nevertheless, as demonstrated by the Loo&Lou Foundation, supporting the arts can also be about stimulating greater artistic risk-taking by funding emerging artists. In this edition of the Philanthropy Letter, we asked a few experts in the area to explain the most important issues to consider when supporting the arts.

In September, Matthieu Ricard, French Buddhist monk and interpreter of the Dalia Lama published his new book “Plaidoyer pour l’altruisme”. In his view, by recognising and cultivating altruism, this enables us to cope with the great personal, societal and ecological challenges of our time. We are very proud that Matthieu Ricard shares with us his philosophical ideas inspired by humanism and his personal lucidity.

We wish you a pleasant reading.

**Tonika Hirdman**



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# Plaidoyer pour l'altruisme : la force de la bienveillance

Matthieu Ricard, l'interprète français du Dalaï-Lama partage avec nous un résumé de son essai passionnant, inspiré par un humanisme et une lucidité qui emportent l'adhésion.



Matthieu Ricard

Après avoir complété sa thèse en génétique cellulaire à l'Institut Pasteur, il décide de s'établir dans l'Himalaya en 1972, étudiant et pratiquant le bouddhisme. Il réside actuellement au monastère de Shéchèn au Népal.

Notre époque est confrontée à de nombreux défis. L'une de nos difficultés majeures consiste à concilier les impératifs de l'économie, de la recherche du bonheur et du respect de l'environnement. Ces impératifs correspondent à trois échelles de temps, le court, le moyen et le long termes, auxquelles se superposent trois types d'intérêts – les nôtres, ceux de nos proches et ceux de tous les êtres.

L'économie et la finance évoluent à un rythme toujours plus rapide. Ceux qui vivent dans l'aisance rechignent à réduire leur train de vie pour le bien des plus démunis et pour celui des générations à venir, tandis que ceux qui vivent dans le besoin aspirent légitimement à davantage de prospérité, mais aussi à entrer dans une société de consommation qui encourage l'acquisition du superflu.

La satisfaction de vie se mesure, elle, à l'aune d'un projet de vie, d'une carrière, d'une famille et d'une génération. Elle se mesure aussi à la qualité de chaque instant qui passe, des joies et des souffrances qui colorent notre existence, de nos relations aux autres ; elle s'évalue en outre par la nature des conditions extérieures et par la manière dont notre esprit traduit ces conditions en bien-être ou en mal-être.

Quant à l'environnement, jusqu'à récemment, son évolution se mesurait en termes de milliers ou dizaines de milliers d'années. De nos jours, le rythme de ces changements ne cesse de s'accélérer du fait des bouleversements écologiques provoqués par les activités humaines. C'est la première ère dans l'histoire du monde où les activités humaines modifient profondément (et, pour l'instant, dégradent) l'ensemble du système qui maintient la vie sur terre.

**L'altruisme est le seul concept qui nous permet de relier naturellement les trois échelles de temps – court, moyen et long termes – en harmonisant leurs exigences. Dans le monde contemporain, l'altruisme est plus que jamais une nécessité, voire une urgence.** Il est aussi une manifestation naturelle de la bonté humaine, dont nous avons tous le potentiel, en dépit des motivations multiples, souvent égoïstes, qui traversent et parfois dominent nos esprits.

Si chacun d'entre nous cultivait davantage l'altruisme, c'est-à-dire si nous avions plus de considération pour le bien-être d'autrui, les investisseurs par exemple ne se livreraient pas à des spéculations inappropriées.

Si nous avons davantage de considération pour autrui, nous agirions tous en vue de remédier à l'injustice, à la discrimination et au dénuement.

Enfin, si nous avons davantage de considération pour les générations à venir, nous ne sacrifierions pas aveuglément le monde à nos intérêts éphémères, ne laissant à ceux qui viendront après nous qu'une planète polluée et appauvrie.

Nous nous efforcerions au contraire de promouvoir une économie qui repose sur les trois piliers de la prospérité véritable : la nature dont nous devons préserver l'intégrité, les activités humaines qui doivent s'épanouir, et les moyens financiers qui permettent d'assurer notre survie et nos besoins matériels raisonnables.

L'expérience de milliers d'années de pratiques contemplatives atteste que la transformation individuelle est possible. Cette expérience millénaire a été maintenant corroborée par les recherches en neurosciences qui ont montré que toute forme d'entraînement – l'apprentissage de la lecture ou d'un instrument de musique par exemple – induit une restructuration dans le cerveau, tant au



niveau fonctionnel que structurel. C'est ce qui se passe également lorsque l'on s'entraîne à développer l'amour altruiste et la compassion.

Les travaux récents de théoriciens de l'évolution mettent quant à eux l'accent sur l'importance de l'évolution des cultures, plus lente que les changements individuels mais beaucoup plus rapide que les changements génétiques. Cette évolution est cumulative et se transmet au cours des générations par l'éducation et l'imitation.

Les cultures et les individus ne cessent de s'influencer mutuellement. Les individus qui grandissent au sein d'une nouvelle culture sont différents,

parce que leurs nouvelles habitudes transforment leur cerveau par le biais de la neuroplasticité, et l'expression de leurs gènes par le biais de l'épigénétique. Ces individus contribueront à faire évoluer davantage leur culture et leurs institutions, et ainsi de suite ce processus se répète-t-il à chaque génération.

Pour récapituler, l'altruisme semble être un facteur déterminant de la qualité de notre existence, présente et à venir, et ne doit pas être relégué au rang de noble pensée utopiste entretenue par quelques naïfs au grand cœur. Il faut avoir la perspicacité de le reconnaître et l'audace de le dire.

# L'altruisme en action

Marianne Ruggieri sur les raisons d'un engagement familial



Marianne Ruggieri

Co-fondatrice de la Fondation Juniclair, [juniclair.org](http://juniclair.org)

L'engagement vers autrui, les notions de partage ainsi que la philanthropie étaient des sujets évoqués en famille depuis des années.

**Comment transmettre nos valeurs ? Quel héritage familial allions nous laisser autre que l'outil professionnel ? Comment allait s'organiser cette transmission ? sous quelle forme ? Comment rappeler aux générations futures que rien n'est acquis ?** Autant de questions que nous nous posons souvent.

L'idée est venue naturellement de structurer nos idées sur le modèle de l'entreprise: gouvernance, cahier des charges, conseils. L'arrivée de nos petits-enfants a accéléré ce processus de notre volonté de créer une fondation. Nos trois enfants, devenus parents, adhèrent avec enthousiasme à cette idée d'une fondation familiale (qui porte leur nom). *Juniclair* allait nous ouvrir des horizons nouveaux à tous et nous donner des challenges à relever. Nous souhaitons être libres de nos choix (mais très discutés entre nous), travailler avec plaisir sur des projets qui nous correspondaient et enfin établir un lien fort avec nos futurs partenaires. À ce jour, les sourires des enfants, des hommes et des femmes de nos projets, nous encouragent à poursuivre le chemin.

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# Art Philanthropy: Leaving a lasting legacy



Randall J. Willette

Founder & Managing Director  
Fine Art Wealth Management Ltd

It is a fine gesture for families with exceptional art wealth to share their wealth by enriching a museum's collection with works of art, or to give them on loan to an exhibition in order to share their enjoyment with others. But donating a family collection to a museum or creating a private foundation involve more than one thinks. Managing art wealth – particularly when it comes to larger collections – can take considerable forethought and planning. One key to making sure a collection doesn't damage family harmony is to work toward open communication and look for creative ways to include family members in the decision-making process. Just as family governance is important to ensuring adherence to the family's value system and successful wealth transfer of financial assets the same holds true for a family's art assets.

## Creating an Art Foundation

In recent years a growing number of wealthy collectors are choosing to build their own museums, through a foundation rather than donate works directly to existing institutions. While there are a number of factors driving the growth of private museums globally, a lack of public exhibition space has played a major part. For many collecting families, they simply want their art works to be seen. Though still relatively rare, private museums opened by wealthy collectors are increasing in both number and size globally.

Apart from the psychological motivations, the decision to build a private museum is often prompted by the desire to keep artworks exposed and available to the public. Collectors must also consider the extent to which they can provide financially for the preservation of their collections. A private museum is not only expensive to build, but requires a large endowment to preserve it for the future. However, many museums too, expect an endowment for the care of donated items, and, since the tax benefits of creating a new museum may be significantly greater than donation, the decision may be further complicated.

Ultimately, collectors considering the creation of a foundation feel a responsibility towards their art and

want it cared for and preserved. Another consideration is the shape that their foundation will take – do they intend to build a permanent memorial or an evolving institution? Ideally, this should be decided early in the collecting process as it helps define the collection's scope. Any collection could potentially survive as either, but collectors should assess the unique benefits and setbacks of each model. A permanent memorial will serve the purpose of immortalizing the founder while allowing the public to experience art as the collector intended.

## Donating to an Existing Museum

The most important question a family should consider before donating to a museum revolves around whether the museum is ready for the donation. As a general rule, museums will accept donations only if the items offered will enhance an existing collection or can be integrated into a strategic plan to expand a collection in the future. For larger, metropolitan museums, whole genres or periods in a family's specialty may already be well represented. While the value of a family collection may be considerable, it also may not find a home there. For smaller or midsize museums, however, the issue may be one of resources. In some cases, the arrival of a large or exceedingly rare collection may overwhelm a smaller museum's ability to care for, display and maintain it.



Photo © Christof Weber

### Venture Art Philanthropy

Shifts in the global economy have led many sophisticated collectors to view art philanthropy with renewed, more entrepreneurial focus. A new breed of philanthropists and a new model of giving have evolved.

The term “venture philanthropy” has emerged with the increase in new entrepreneurs who apply business acumen, passion and standards of best practice in the fulfilment of their philanthropic goals. Their generosity is stimulated by a passion for art and quite often these motivations are far stronger than any tax incentive they may receive. Sometimes referred to as “engaged grant-making”, this new philanthropy requires investment of both financial and human capital, money and time, to improve the effectiveness of wealth giving. Simply put, it is applying the venture capital model to grant making,

thus assisting art institutions to better achieve their mission. Common philanthropic objectives for wealth giving to the arts often include one or more of the following strategies:

#### Artistic Excellence:

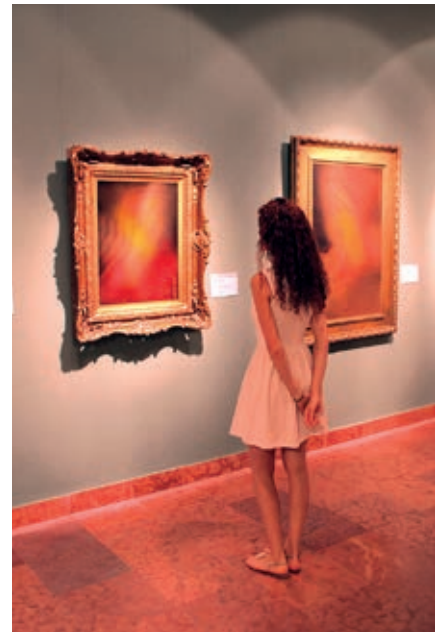
Supports established arts organisations with a proven track record of artistic achievement, administrative and management capacity and capable execution.

#### Artistic Creativity:

Promote the creation and reinterpretation of art and infuses the arts field with new ideas and methods of creative expression.

#### Cultural Participation:

Supports active engagement from all socio-economic and ethnic backgrounds with art and culture.



### Conclusion

The future looks bright for private collectors both interested in creating new museums and having their work exhibited in other institutions. While there has always been a strong relationship between private collectors and museums, the growing interest in seeing private collections has resulted in new forms of collaboration giving a new voice to collectors. Equally important, a new generation of philanthropists is emerging whereby wealthy individuals are moving toward an increased focus on using their wealth to achieve a greater sense of fulfilment for themselves and for their collections. These developments will promote the creation and re-interpretation of art and will infuse the arts field with new ideas and methods for creative expression to stimulate greater artistic risk taking. Traditional museums are now looking to incorporate the vision of private individuals into their public programs.

# Building bridges between people through the promotion of contemporary art

## Interview with Patrice Lucas



Patrice Lucas  
Founder of the Loo & Lou Foundation

**You have chosen a quite original name for your foundation. Where does the name come from and what has inspired you to create this foundation?**

The Loo & Lou Foundation's intention is to contribute to a better world by creating more links between people, in a society where the lack of understanding of each other's perspectives is generating more violence, more crises and more conflicts.

The Loo & Lou Foundation is a direct reference to this purpose of forming new links to make more sense: a link from the Extreme Orient ("Loo") to the Western world ("Lou"), a link between the Southern and the Northern hemispheres, a link between tradition and modernity, a link between religion and secularism and a link between human beings, all the same but each different.

The Loo & Lou Foundation believes that the act of Art Creation and Con-

temporary Art are two very powerful vehicles that serve great purposes. Contributing to their promotion has a direct impact that generates more links between people.

**Why did you choose to create your foundation in Luxembourg?**

We have studied several options. The Fondation de Luxembourg enables us to work both within and outside the European Union, which would not have been possible if we would have established the foundation in France. Additionally, the small size of the Fondation de Luxembourg with its dedicated and focused team members who are involved in all the projects of the foundation suited our purpose well. The Fondation de Luxembourg can support and extend our impact thanks to its engagement and by means of its own network.



Georges-Pascal Ricordeau,  
*Drapeau blanc*,  
Nuit Blanche, Paris 2013

**What is the objective of your foundation and what would you like to achieve?**

The Loo & Lou Foundation supports artists, events and projects engaged in the discovery and the creation of Contemporary Art.

We aim at supporting initiatives that promote:

- Artists and their creations;
- Education and knowledge;
- Experience in the process of artistic creation;
- Programs that support professional careers in the field of art.

**Your first project has been to support two artists for the event "Nuit Blanche 2013" in Paris, which apparently was a great success. Can you tell us more about these projects and the event?**

The Loo & Lou Foundation has been very proud to support Dominique Lacloue and her "One degree higher" installation presented at the Saint-Paul-Saint-Louis church, and Georges-Pascal Ricordeau and his "White Flag" in the Bibliothèque Historique de Paris.

Dominique Lacloue, painter, photographer and sculptor, explores new artistic avenues and experiments with shapes, materials, and patterns. Over 12.000 people visited her exhibition on October 5 this year.

Georges-Pascal Ricordeau is an artist engaged in sustainable development and social responsibility. He has been working with plastic bags for a long time that he wreathes and twists until reaching real plastic sculptures. For "Nuit Blanche

# The museum perspective

## Interview with Enrico Lunghi

2013”, he installed a white flag in the Bibliothèque Historique de Paris. Over 19.000 visitors discovered his installation on October 5.

### According to you, why is it important to support emerging artists?

We have acknowledged that there is a complete lack of supporting structures and funding opportunities for emerging artists, who are therefore very limited in the development of their artistic projects. In the long term this may well impact the future of Contemporary Art as such.

### What impact do you think your foundation’s support may have for the artists, for cultural life or even for society at large?

The events organised by the Loo & Lou Foundation should give the artists a better visibility that they may not have had before, despite their talent. For example, Georges-Pascal Ricordeau and his white flag have been invited to Brussels by the United Nations in October 2013. Same thing with Dominique Lacloche - the event was extended for one month at the Saint-Paul-Saint-Louis church, and we are already thinking of new potential locations for this exhibition.

We would like the public to remember the events of course. But more than that, we would like to inspire others to believe in a “Yes ... I can” attitude ... so that they start their own projects and together contribute to a better world.



Enrico Lunghi

General director of Mudam,  
Musée d’Art Moderne Grand-Duc  
Jean, Luxembourg

Photo © Eric Chenal

### How important are private donors for museums? What could be their involvement in the future?

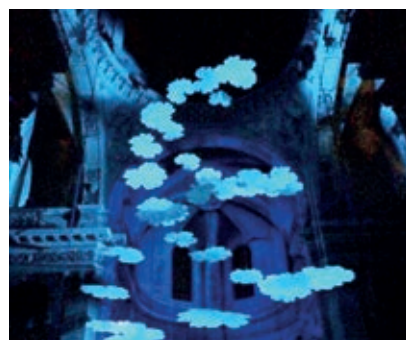
Benefiting from the support of a private individual counts undeniably among the most valuable signs of appreciation a museum can obtain. It is indeed proof of having brought through its work something so special into the life of the donor that he or she feels it important to give something back.

Many museums, including Mudam, develop a strategic approach towards corporate donors, usually within the framework of corporate social responsibility. Specific advantages are offered to donating companies, with the possibilities of communicating both on the outside towards the community as on the inside towards the employees. Donations by private individuals being however by definition most personal decisions, developing

a systematic approach towards them is more challenging.

Especially with an art museum like Mudam, individuals often tend to donate artworks. Such donations are however subject to the scientific committee’s approval before integrating the museum’s collection. This committee’s aim is to advise Mudam about its acquisition policy and to validate the quality of selected artworks and their pertinence with regard to the museum’s collection as a whole and to international production.

A further commitment of private donors can be imagined for the future, such as charitable gift annuities, one-off gifts, bequests, gifts in honour or memory of a person, etc. Tailor-made solutions can be imagined for the specific needs and wishes of each patron, whether he or she wishes to provide a support to use wherever it is most needed, or to patronise a specific department or programme at the museum.



Dominique Lacloche,  
*Un degré plus haut*,  
Nuit Blanche, Paris 2013

# What is the interest among art collectors in philanthropy?

Stéphanie Gerschtein-Gherardi  
International Estate Planner, Banque Neufzize OBC



Being an art collector is being a passionate individual. Becoming a philanthropist is a way of giving a new dimension to an art collection by sharing and promoting one's personal passion with others. Most

countries offer philanthropic vehicles, such as foundations. It is generally the appropriate structure to manage an art collection during the founder's lifetime within a favourable tax frame, but also the way of securing the sustainability of a collection over a long time. And thanks to the European foundation project, cross border actions may be facilitated in the future. We are convinced that this will stimulate an international approach of philanthropy for art collectors.

Stéphanie Breydel de Groeninghe  
Art expert, AXA Luxembourg



Many great art-collectors have a philanthropic approach motivated by their desire to share their passion with other art-lovers, whether or not collectors. Some choose to make donations to museums or to

organisations involved in the restoration and conservation of art works. Others prefer to create a foundation open to the public to keep alive their whole collection. When art collection and philanthropy go hand in hand, they contribute significantly to preserve artistic heritage, to promote art and to make it accessible to all.

David Arendt  
General Manager, The Luxembourg Freeport



Philanthropists have since times immemorial donated art works to museums, which in turn were able to constitute important collections. The motivation of the donors is to make the general

public benefit from the treasures they have collected. Additionally, the donors can ensure that their collections continue to "live" beyond the donors' lifetime. Generally, Luxembourg is a perfect location for art philanthropists to realize their objectives in view of the many high class recipient museums and the existence of a panoply of legal vehicles and storage facilities, including the Fondation de Luxembourg and The Luxembourg Freeport which will be the perfect place to ship and store the collection pending its exhibition.

Adriano Picinati di Torcello – Directeur,  
Art & Finance Deloitte Tax & Consulting S.à r.l.



Arts, culture and humanities are among the main philanthropic areas with contributions of more than USD 13 billion only in the U.S. in 2011. Art has a life beyond the owners' and art collectors' need to develop sound

strategies in order to ensure the future of their collection. Should it stay in the family, be sold or become part of the nation's cultural heritage? Collectors who want to keep their collections intact will explore appropriate structures for ownership and governance, such as donate their collection to an existing foundation, create their own foundation or set up a foundation under an established philanthropic organization such as the 'Fondation de Luxembourg'. With the creation of the Luxembourg Freeport, wealth managers in Luxembourg will increasingly be asked to manage art assets and their related philanthropic questions.

