



David Kusin
A taxonomist in the field.

FORBES GLOBAL: How did you get into this?

Kusin: When we started out, four years ago, we did all sorts of things—estate appraisal work, litigation support, consulting. The full notion hit me last summer, when I was fishing in Yellowstone [National Park, in Wyoming], that it would be valuable to define the global art economy so that it becomes more liquid, more transparent, highly measurable.

The global art economy is a \$15-billion-a-year phenomenon with no financial infrastructure. There is a lot of information out there, but it's unintegrated, and a lot of it is wrong. I'm talking about the kind of chart that shows that over the last ten years the value of an American pie-crust tea table has appreciated in value

A Texas entrepreneur plans to make the opaque and inefficient art market less so.

Everyday transparent pricing

A CHAT WITH ART ECONOMIST DAVID KUSIN
BY RICHARD HELLER

David Kusin has a dream many would think impossible. He wants to bring transparency to the \$15 billion-a-year (rough estimate of gross transaction value) global art market.

How? First, by developing a taxonomy of the market that breaks it down into 100 classes and subgroupings—example: European Old Masters; Japanese arms and armor. Second, by collecting and disseminating actual transaction prices for pieces in each class—not just from the art auction houses but also from the private art dealers who probably account for perhaps two thirds of

the art market's business.

That won't be easy, but at least Kusin, 49, speaks the dealers' language. He spent three years as head of the Department of High School Projects at New York's Metropolitan Museum of Art. He then got a Harvard M.B.A., worked as an investment banker for eight years at Ehrlich-Bober (New York) and Birr Wilson (San Francisco) and ran a software firm for four years before starting Kusin & Company (Art Economics) in Dallas, Texas. *FORBES GLOBAL* spoke with Kusin during one of his frequent trips to London.

more than the Dow Jones industrials. But there are no reference points to back it up.

Bankers have no systematic way to include the value of art collections in attempting to manage the wealth of their clients. How, for example, to use art for loan-collateral purposes? My background on the curatorial side made me realize that there is a huge pool of assets out there that is almost worthless in banking and financial planning terms, because the assets are essentially illiquid. **You want to make artworks liquid, like stocks and bonds.**

Our classification code is the basic framework. It's basically a variation of the Dewey Decimal or the Library of Congress indexing systems. To each of the classes we'll add data acquired from art museum staffs, art history departments, auction houses and major private dealers. The classification code is currently made up of 100 independently moving yield curves that make up the art economy. We are indexing both American School paintings from the second half of the 19th century, and 19th-century French bronze sculptures. The first results will appear in June.