



# Don't cry over chipped paint: Index guards against faulty art investments

By [Jeanine Prezioso](#) | SEPTEMBER 3, 2014

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Emily MacDonald-Korth, co-founder, the Art Preservation Index

Bond market investors with millions to spare are not apt to buy debt without first examining the fine print, or at least have a team of financial experts and lawyers do it for them.

Yet many investors fail to do the same due diligence when looking to shelter money, invest it for future generations or just plain spend it, when it comes to purchasing artwork, says one art preservationist.

The **Art Preservation Index** or APix seeks to rate the stability of a piece of artwork, much the way a Moody's or Standard & Poor's rates a bond offering, to help investors gauge whether a piece of art will hold its value over the long term.

Among other things, the index seeks to measure whether a painting will hold its color on a particular material and how the surface and the paint may interact chemically and alter over time.

"The APix evaluates the projected longevity of the artwork. We do not put a monetary value on the works," **Emily MacDonald-Korth**, an art preservationist and one of the founders of the index told the **Global Markets Forum**. "Many materials artists use today, such as newsprint and magazines, house paint, and low-quality glues are not made to last, these are manufactured to have a short lifespan because it serves the intended purpose of the material."

She and her father, **James Korth**, an investment banker, filed a patent application for the index in July. Their ultimate goal is to work with auction houses who sell the artwork to inform art buyers.

"We examine the actual art object, all documentation about the art object, and compare the survey results against known data to derive a rating," MacDonald-Korth said.

A tepid global economy has hardly been enough to halt the purchase of major artworks. Auction houses Christie's and Sotheby's saw record sales of paintings in the last year, including works by **Francis Bacon**.

"The APix knows that Bacon's works sometimes suffer from flaking paint, powdery paint, fading, and cracking," she told the GMF.

Having the artwork "rated" would have alerted both the seller and buyer to this and MacDonald-Korth would have provided conservation and preservation recommendations for the painting.

"The APix lets the investor know that the piece they may acquire might not last longer than a single generation, or on the other hand – it will be stable for a century," she added.

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