Works of art and homes have been manifestations of wealth since ancient times. While rulers were expected to live in properly adorned palaces, the wealthy merchants of the Greek and Roman Empires also lavished their homes with statuary, wall paintings, mosaics and ornate vessels. The lords of the Middle Ages cloaked their castles with tapestries, and by the time of the Renaissance the master painters and sculptors were fulfilling commissions for churchmen, noblemen and merchants alike. From the Seventeenth Century forward the great homes of the members of the growing wealthy class were lavishly adorned with fine and decorative arts. Today it is not uncommon for wealthy individuals to pay over $10 million for a painting by Monet or Picasso to cover a choice spot over the fireplace.

The words of Michelangelo in the early 1500s concur with this assessment: "For we know that there is no prince or private person or nobleman in Italy, or any one of any pretension, however little curious he may be about painting (to say nothing of those excellent ones who adore it), who does not take steps to have some relic of divine painting, or who at least, in so far as he can, does not order many works to be executed. So that a good portion of the beauty of our art is spread over many noble cities, castles, countryseats, palaces, and temples, and other private and public buildings."

The presumption has been that these expenditures were made for either true love of art or conspicuous consumption without regard for the conservation or even enhancement of capital. Whether planned or not, the need for wealthy individuals to exhibit their wealth through their homes and furnishings creates a market for high quality, fine and decorative arts. Due to limited lifetime production of these works combined with the collectors willingness to “pay up” for quality a market of generally rising prices exists for these objects.

During this conference we intend to answer whether these “beautiful assets” have also been a good investment. We will discuss whether this asset class can be made available to individuals with means that allow investment but not at the rate of a million dollars at a time. And there is the question of whether investments in objects d’art improve asset diversification and portfolio efficiency. We will also study the main determinants and predictability of artist reputation and fine art prices. To do this we have gathered together a group of the world’s leading academic experts in this field to address these and other questions of interest to the financial community.

Conference organizers:
Jianping Mei, Associate Professor of Finance
Michael Moses, Associate Professor of Operations Management
NYU Stern School of Business
FRIDAY, NOVEMBER 8

8:00  Registration and Continental Breakfast

8:45  Welcome and Introduction

9:00  SESSION ONE

“Regularities and Anomalies in Art Auctions”
Orley Ashenfelter, Princeton University and Catherine Graddy, Oxford University

"The Auction Market for Modern Prints: What Have We Learned about Art as an Investment?"
James Pesando, University of Toronto

10:30 Refreshment Break

11:00 SESSION TWO

“The Role of Critics and ‘Experts’: Are they Right?”
Victor Ginsburgh, Free University of Brussels

“The Test of Time: Does 20th Century American Art Survive?”
William Landes, University of Chicago

12:30 Luncheon

2:00  SESSION THREE

David Galenson, University of Chicago

“Case Study: The Experience of the British Rail Pension Fund”
Jeremy Eckstein, Lyons & Hannover

3:30 Refreshment Break

4:00  SESSION FOUR

“Transparency, Valuation and On-Line Databases”
William Goetzmann and Jack Ling, Yale University

“Overbidding and Future Returns in the Art Auction Market”
Jianping Mei and Michael Moses, NYU Stern School of Business

5:30  Adjournment & Cocktail Reception
The conference will be held in the main auditorium at the Henry Kaufman Management Center, 44 West 4th Street, New York City--part of the New York University Leonard N. Stern School of Business. The School is accessible via the N, R (to 8th Street), A, B, C, D, E, F (to West 4th Street) or #6 (to Astor Place) subway routes.

**REGISTRATION FORM**

**CONFERENCE ON BEAUTIFUL ASSETS: ART AS AN INVESTMENT**

**November 8, 2002**

Conference Fee: $600 (Academics: $300)

Conference fee includes proceedings when published, as well as the continental breakfast, luncheon and cocktail reception.

Advance reservations are necessary and must be made by Monday, November 4

For additional information, call (212) 998-0700 Fax (212) 995-4220

To register, complete the form and mail together with a check payable to *New York University* to: New York University Salomon Center, Stern School of Business, 44 West 4th Street, Suite 9-160, New York, NY 10012

Name: _____________________________________________________________

Affiliation: __________________________________________________________________

Address: ________________________________________________________________

Telephone: ________________________ Fax ________________________________

Email: __________________________________________________________________

Enclosed is a check for (check one) ____$600 ____$300

Please reserve ____ place (payment is in process)