

# Going Dutch

CHICAGO

An experiment pokes fun at the art market

**P**ENNY PINCH, a Chicago street artist, likes to have fun with art-world finances. His work—from murals to paintings to tote bags made in collaboration with the Chicago Cubs baseball team—uses scavenged or donated materials (hence the name). His latest experiment, hosted at A Very Serious Gallery, in the city's north-west, is in pricing.

On December 16th Mr Pinch is due to sell 15 paintings, one of which is pictured, in a Dutch auction. Each will start at a price of \$3,000, which will be cut by \$100 every hour until a buyer emerges. According to Mr Pinch and Allan Weinberger, the gallery's owner, it is the first-ever such auction of new art (a claim your correspondent could not disprove).

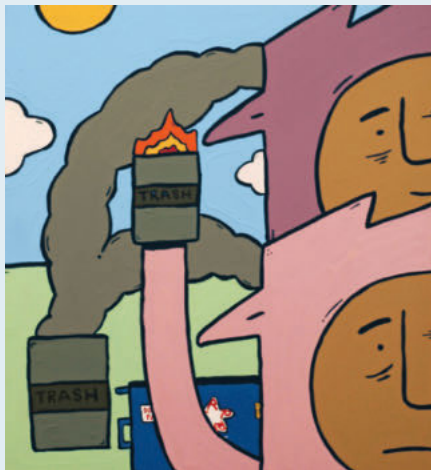
Dutch auctions are more commonly used to sell homogenous goods, such as cut flowers in 17th-century Holland or government bonds today. Their use for unique works is considerably rarer. Mr Pinch says the auction is “an opportunity for people who can't normally buy large pieces of work”. It is also an opportunity to poke fun at the art world.

The opportunity may come at a cost. As Eric Budish of the University of Chicago notes, the trick with a Dutch auction is knowing where to set the starting price. For Treasuries, the range is established by looking at previous auctions. For Mr Pinch's art, there is no equivalent, meaning he risks setting the price too low and leaving money on the table.

Mr Pinch is unconcerned by this, as he has something else in mind. At a

regular auction, a potential buyer is influenced by the crowd. Clamour for an offering indicates a higher potential resale value and a greater status gain if the auction is won. These sorts of considerations are “icky”, reckons Mr Pinch, which is why he likes Dutch auctions, where they are not possible. When somebody else bids, it is too late. Potential buyers must focus on how much they value the art, not how much others do.

Yet there is an irony to the experiment. By launching the first Dutch auction for art, Messrs Pinch and Weinberger may generate enough hype to attract exactly the sort of buyers they wish to repel—those motivated more by status than a love of art.



Burning cash?