

Jonathan Nelson

Lorenzo il Magnificent as Art Patron: a Costs – Benefits Analysis

The workshop explores the application of the economics of information to the study of art history and specifically, the patronage of one unusual political leader: Lorenzo de' Medici (1449-1492), called "il Magnifico."

When art historians turn to economics, they almost always focus on question of prices, salaries, and markets. The economics of information, however, considers how specific objects and actions communicate a message to an intended audience. If, for example, viewers understand the difficulty or "cost" involved in obtaining an object, they can better appreciate its value; the display of this object thus constitutes a "benefit" for the owner. Though well-known in the fields of economics and social sciences, this type of cost-benefit analysis, known as "signaling," has not previously been applied to art history.

One exception is *The Patron's Payoff: Conspicuous Commissions in Renaissance Italy* (Princeton University Press, 2008, available on goggle books), co-authored by Nelson and Richard Zeckhauser, an economist at Harvard University. This volume used the economics of information to analyze the economic and social cost and benefits that works of art had both to patrons and to artists. This approach can help us understand the messages that Lorenzo il Magnifico's palace, villas, and art communicated to their original audiences. Nelson's half-hour paper focuses first on the little-noted but dramatic difference between Lorenzo's artistic patronage in the city and country, and uses a cost-benefit analysis to help analyze this phenomenon.