

# Upstart Co-Lab Creates Member Coalition to Spur Creative Economy

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Barron's Newsletters

## The Barron's Daily

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**Lorrie Meyercord, a member of the Upstart Co-Lab member coalition.**

Courtesy Upstart Co-Lab

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Upstart Co-Lab, a research and laboratory project of Rockefeller Philanthropy Advisors, is aiming to boost investments made in arts and culture-related industries that are designed to stimulate local economies and generate jobs.

The plan is to do this with investment capital from a new 10-member coalition of investors ranging from art institutions and artists to individual funders.

Collectively, this member group—which includes the U.S.-based arts institutions and foundations Souls Grown Deep, an organization promoting the African-American artwork from the Southern U.S.; BRIC, a Brooklyn-based arts and media institution; and Denver’s Bonfils-Stanton Foundation—has \$1 billion in funding capacity.

Laura Callanan, founding partner of Upstart Co-Lab, doesn’t expect all that capital to flow to projects in the creative economy—as the sector is known—yet it’s a potentially powerful war-chest that could move the needle.

“We’re bringing together art lovers, artists, foundations that fund in the arts, and endowed cultural institutions, to learn about and deploy capital in an organized way for impact in the creative economy,” Callanan says.



**Neil Hamamoto, a member of the Upstart Co-Lab coalition.**

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Courtesy Upstart Co-Lab

Before today, the project, founded in 2015 to explore what was possible in terms of impact investing in this sector—and supported by several major foundations including the Ford Foundation, and the David Rockefeller Fund—had “mobilized \$11 million in impact capital intentionally to go to the creative economy,” says Callanan, a formerly senior deputy chairman of the National Endowment for the Arts.

While proud of this effort, Callanan recognizes that it’s not enough, so she gathered this group of “pioneers and evangelists and ambassadors,” she says, “to really push this forward and start to illustrate what’s possible.”

The creative economy refers to a range of industries—from food, to fashion, to the visual and performing arts. Specifically, Upstart Co-Lab focuses on ethical fashion, sustainable food, and social impact media, as well as projects in other creative industries, such as architecture or graphic design. It also looks at real estate in the context of “creative places.”

One individual member of the new coalition is Lorrie Meyercord, who has been working with Upstart Co-Lab since it started, and has a portfolio of investments that’s 100% oriented to impact. Meyercord has invested in the nonprofit Artspace’s projects providing housing for workers in creative fields, as well as the Local Initiatives Support Corp. (LISC)’s \$6.2 million [New York City Inclusive Creative Economy Fund](#)

Meyercord also turns to Upstart Co-Lab for guidance when investing in projects that come her way, and has been grateful when Callanan can steer her away from investments that may not be worthwhile or can confirm when it makes sense to invest. One in the latter category was Meow Wolf, an immersive, interactive arts project housed in a former bowling alley and created by non-traditional artists in Santa Fe, N.M., that is now expanding to Denver, Las Vegas, and Washington, D.C.

Meow Wolf “is an example of really [supporting] a group of artists who maybe weren’t having their voices heard,” Meyercord says. They are “giving jobs to so many artists, and are inspiring people’s creativity.”

Meyercord will have a chance to parlay her relatively deep experience in this still new sector as one of the more veteran investors in Upstart Co-Lab’s new coalition. She views this new group as a way to spur the kind of information sharing that often goes on in other more developed areas of impact investing, such as socially inclusive fintech, sustainable housing, and health care.

An anonymous family foundation that’s participating in the coalition also can lend an experienced perspective, which will be particularly useful for a few members that are brand new to impact investing, Callanan says.

One of these is New York conceptual artist Neil Hamamoto, a “next-generation” impact investor, “who is thinking about this from the entrepreneurial side of the brain as well as his capacity on behalf of his family to learn about impact investing and to start to bring resources to impact investing,” she says.

Another is Martha J. Fleischman, a trustee and chairman emerita of the Archives of American Art at the Smithsonian, and a private dealer in American art of the 18th to 20th centuries. “She’s an example of somebody who might not have engaged in impact investing if it hadn’t been on the topic of the arts, which was near and dear to her heart,” Callanan says.

### **The Investment Pipeline**

Currently, the project has a pipeline of about 150 investment opportunities that are tagged for the type of impact they are seeking to drive, “whether it’s supporting women entrepreneurs, or entrepreneurs of color, low-income communities, or environmental impact,” Callanan says. They also point out which projects have an artist founder or are led by artists in some way.

The potential investments range from funds, to direct investments into specific enterprises and real-estate projects. They involve both debt and equity, and a lot of the investments are in early stage endeavors.

One project that’s a potential direct investment is Upriver Studios, “a women-led, environmentally friendly, sound-stage facility” led by the actress Mary Stuart Masterson and Beth Davenport, a film director and producer. Upriver is designed to provide quality high-paying jobs and economic development in the Hudson Valley region of New York state.

Last summer, Upstart Co-Lab brought some interested investors, including Meyercord and members of Souls Grown Deep—which is seeking to invest its nascent endowment solely into impact investing in the creative economy—to visit Upriver. Next month, members of Upriver will get on a call with the new member coalition to make their case as a direct investment opportunity, followed by an opportunity for members, new and old, to talk about the pros and cons together.

After three years of working with these members, Callanan says success would mean many more fund managers and wealth advisors will be using a creativity lens to find investment opportunities.

“We will understand what the opportunity and the need for capital is and whether there is sufficient capital from investors to put that capital to work,” she says. “That’s part of what we can learn actively engaged with 10 members that we can’t learn from desk research and blue sky thinking.”

And if they succeed, there's a chance to unleash some \$58 billion, by Upstart Co-Lab estimates, that's sitting in the endowments of America's museums, libraries, performing arts centers, art schools, and artist-endowed foundations. "For the most part, the vast majority of these institutions haven't begun to investigate what mission-related investing and value-aligned investing can mean," she says.