

# Impact Investments in Creative Economy Poised for Growth, Study Finds

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A focus on providing impact investments in the creative economy could help stabilize vulnerable communities and attract quality jobs to struggling regions of the country, a report from the [Calvert Foundation](#) and [Upstart Co-Lab](#) finds.

Funded by the [John D. and Catherine T. MacArthur Foundation](#), the report, *[Creative Places & Businesses: Catalyzing Growth in Communities](#)* (55 pages, PDF), found that while impact investment in the creative economy to date has occurred largely under the radar, the opportunity to generate financial gain and social impact through art, culture, design, and innovation has never been greater. The study identified twenty-six projects in fourteen states with total project costs of \$1.54 billion seeking impact investment capital between 2017 and 2022, including \$338 million in debt financing provided by community development financial institutions and community lenders and \$1.13 billion in impact and conventional equity, tax credits, and similar subsidies. Wealth advisors also confirmed to researchers that impact investors are eager to invest in the arts, creative businesses, and so-called creative places — which it defines as multi-tenant affordable real estate projects targeting creatives and benefiting their neighbors.

According to the report, creative businesses are well positioned to create quality jobs that offer a living wage and provide basic benefits and career- and wealth-building opportunities. At the same time, the study identified a number of barriers to investing in creative places and businesses, including the need to recognize them as a distinct segment within the broader field of community development, for investors to understand that the risks associated with such investments are similar to those associated with other real estate-based projects, and for community lenders to take a more inclusive approach to underwriting. For impact capital to truly meet the demand, the report argues, the ecosystem connecting impact investors to creative places and businesses with sustainable business models must be strengthened.

"This moment of early 2017 is a crucial time for underserved communities across the United States," the report concludes. "Because Creative Places and Businesses exist in rural and urban communities of all sizes and demographics, strengthening this segment of economic activity can have far-reaching benefits. Creative Places anchor communities and help foster cohesion and engagement at a time when our nation is divided and its values are tested."

"Creative Places & Businesses: Catalyzing Growth in Communities." Calvert Foundation and Upstart Co-Lab Report 04/03/2017.

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