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Upstart Co-Lab is unique in the US working at the intersection of impact investing and the creative economy. Could you elaborate on Upstart's key mission and founding principles?

Upstart Co-Lab connects capital with creative people who make a profit and make a difference. We do this because we believe creative people are natural problem-solvers — for people, for communities, for the planet – addressing real-world challenges.

Upstart is a nonprofit field builder, catalyst and connector — working at the intersection of impact investing, community development, and the creative economy. Our focus is on supporting entrepreneurs who are building businesses in the creative industries to drive meaningful change. Some are artists or designers. Others hold MBAs. What matters is that they're using a business in a creative industry as a tool for impact.

We are not just launching a fund, we are developing the whole ecosystem for impact investing in the creative economy. We do that by making the case, building the coalition, and mobilizing capital.

We make the case through original research which is publicly available on our site, by speaking at conferences, and participating in initiatives like this report.

We've built the coalition in different ways. Over three years, we ran a peer community of ten families and foundations who learned together, reviewed deals together, and ultimately invested $14 million in twelve creative economy ventures. We've worked with cultural institutions — mostly museums, but also libraries, art schools, and performing arts centers — helping them align their endowment investments with their missions and values.

And when it comes to mobilizing capital, that's where our partnerships with LISC, Calvert Foundation, and our Inclusive Creative Economy Strategy come into play — turning this vision into action.

In 2018, Upstart Co-Lab launched the NYC Inclusive Creative Economy Fund with the Local Initiatives Support Corporation (LISC), raising $6.5 million. Tell us about how this vehicle was structured and its investment and impact thesis.

Before launching the NYC Inclusive Creative Economy Fund with LISC in 2018, we had already piloted a similar approach with the Calvert Foundation. That early effort raised $2.5 million, which was deployed through Artspace — a nonprofit focused on affordable housing for artists. The pilot with Calvert gave us the confidence to scale up: work with a larger partner, raise a bigger fund, and hold broader ambitions. That's when we partnered with LISC.

As with everything we do, this initiative started with research. We published a report. *Creative Places and Businesses: Catalyzing Growth in Communities* looking at how creative enterprises and spaces — from museums to communal kitchens and maker spaces to small businesses like restaurants and cabinet makers — have historically contributed to stabilizing vulnerable communities and driving quality job growth. We realized there was a strong case for impact investors to support the creative economy by working through existing CDFIs (community development financial institutions).

What we discovered was surprising: CDFIs had already been funding creative spaces and small creative businesses for years — they just hadn't been categorizing their investments that way. Loans to a florist shop or nail salon, or financing for expansion and renovation of a theater were simply recorded as small business or community space investments. But when we asked CDFI partners to re-examine their portfolios through a creativity lens, it became clear they were already deeply involved in supporting the creative economy — without even knowing it.

That insight laid the foundation for our partnership with LISC and Sam Marks, who was leading their NYC office at the time. Together, we launched the NYC Inclusive Creative Economy Fund. The fund attracted a diverse group of investors: New York foundations passionate about the arts, impact-driven individuals (many of them artists themselves), and financial institutions like Deutsche Bank through their Community Reinvestment Act programs.

The proceeds from the fund supported affordable real estate for creative economy businesses — enabling them to stay and grow in New York City. The thesis was clear: by giving creative businesses a stable and affordable home base, we could help fuel quality, middle-skill jobs in the creative industries in NYC.

In 2024, Upstart launched a national Inclusive Creative Economy Strategy. How has Upstart Co-Lab's investment focus evolved over time? What key criteria do funds and companies need to meet today to align with your investment priorities?

Our earlier work with Calvert and LISC helped shape how we think about investment structure. Back in 2016–2018, a 2.5%–3% return on a note from a AA-rated counterparty was considered market-rate. But for many investors — especially those less familiar with what a risk-adjusted rate of return really means — 3% felt low compared to double-digit returns in the equity portion of their portfolio. We learned investors had a real appetite for equity investments in the creative economy, even though the risk profile was higher. That was an important insight for us.

We also ran a three-year member community starting in early 2020 — families and foundations with varying levels of experience in impact investing, but a shared commitment to art, design, culture, heritage and creativity. We brought them a wide range of opportunities: funds with exposure to creative industries, real estate projects, SAFE notes, and more. Their questions — about financial returns, social impact, and investment structure — helped shape our approach for the Inclusive Creative Economy Strategy.

At the same time, we were speaking with wealth advisors — the gatekeepers who decide what goes on client platforms at firms like Morgan Stanley and Veris Wealth Partners. They gave us clear feedback about what it takes for a new opportunity to be viable for their clients, including clients who are both artists, art collectors, patrons of the arts – and impact investors.

So, with that experience and insight — and an ever-growing deal pipeline — we launched our national Inclusive Creative Economy Strategy in 2024. We make equity investments, take a portfolio approach investing in funds with 50%+ exposure to the creative industries and in companies in the creative industries and serving creative people. We have a 5-part social impact thesis. We're aiming for market-rate returns and meaningful social impact.

One of the goals of our Strategy is to highlight existing sustainable and impact funds with strong creative economy exposure. In our report *Hiding in Plain Sight: Impact Investing in the Creative Economy*, we analyzed over 100 sustainable and impact funds and found a strong correlation between those led by diverse managers and those investing in creative industries.

So far, we have invested with firms raising their second funds, and getting close to meeting the requirements to qualify for major wealth advisory platforms. By backing these funds now, we're helping pave the way for broader adoption among mainstream advisors, bringing more attention and capital to funds investing in creative economy.

Direct investments in companies are just as important. They allow us to support standout founders, and help demonstrate the potential of the creative economy to impact fund managers. Making the creative economy more visible and investable is all part of Upstart Co-Lab's nonprofit mission.

Upstart applies the following investment criteria, prioritizing funds:

- 50%+ exposure to the creative industries through portfolio company investments
- Generating market rate returns for investors
- Delivering, measuring, and reporting on social impact
- Based in the U.S.

We invest in companies:

- Raising Seed or Series A equity
- In the creative industries and serving creative people
- With a confirmed qualified lead investor
- Based in the U.S., employing U.S. workers, serving U.S. customers
- With demonstrated market traction of >$500k in trailing 12-month revenue
- Following a compelling impact strategy aligned with Upstart's impact thesis
- Committed to impact reporting

Further details available at the Upstart Co-Lab's website.

What is Upstart Co-Lab's impact thesis? What impact can investors in the creative economy expect to achieve?

When we talk about Upstart's impact thesis, the first step is always to define what we mean by investing in the creative economy and supporting creative people. We are not talking about buying Picasso paintings. We're not talking about supporting ballerinas. We're talking about investing behind founders of real businesses, that are in industries like fashion, food, film and TV, video games -- and operating in an authentic, ethical, and sustainable manner.

When people hear "impact in the creative economy," they often think of beauty, aesthetics, or delight — which are great, but hard to objectively quantify. So the second step is to ground the impact conversation in terms that most impact investors already prioritize: quality jobs, community development, and financial inclusion. Our message to investors is that they can achieve the same kinds of impact they aim for in other parts of their portfolio — through investments in the creative economy.

To guide our impact reporting, Upstart tracks the impact of our creative economy investments across five dimensions:

- **Access to capital:** Equity investment for funds investing in companies in the creative industries, and companies in the creative industries serving the creative economy.
- **Quality jobs:** Jobs that provide a living wage, basic benefits, career-building opportunities, wealth-building opportunities, and a fair and engaging workplace.
- **Vibrant communities:** Activities that strengthen economic development, encourage civic engagement, build resiliency, and contribute to quality of life.
- **Sustainable creative lives:** Ownership models, earnings opportunities, and pathways to wealth building that support a "creative middle class."
- **An inclusive creative economy:** Economic activity anchored in Openness & Experimentation, Diversity & Inclusion, and Tradition & Innovation — benefiting artists, designers, and all members of the community.

While environmental impact hasn't been our core focus, we do recognize and highlight when the funds or companies we support are making sustainability a priority. And many are — especially in industries like food and fashion, where climate and resource issues are deeply embedded in the business model.

From 1998-2004, you served as Associate Director at The Rockefeller Foundation, where you oversaw the Program Venture Experiment and led two investments in creativity and culture. What did you learn then that informed the work of Upstart Co-Lab today? How have foundations been part of Upstart Co-Lab's journey since you launched in 2016?

My time at the Rockefeller Foundation made one thing very clear: investing in the creative economy as an impact investor is absolutely doable. We proved that through the Program Venture Experiment, which made investments aligned with all four of the foundation's program priorities at the time — health equity, food security, working communities — and creativity and culture. I closed two investments in creativity and culture as part of ProVenEx.

When I left the Rockefeller Foundation, a new chapter began under a new president, Judith Rodin. She is rightly credited with helping to build the modern impact investing ecosystem. During her tenure, the foundation made significant grants to establish many of the key impact investing intermediary organizations: GIIN, Toniic, Mission Investors Exchange, B Lab — the infrastructure of the space was shaped in that period. Even the term impact investing was coined at a Rockefeller-hosted convening.

But during that same period, Rodin also shut down the foundation's creativity and culture program. That was especially unfortunate given the Rockefeller family's historic leadership and support for the arts. The result was creativity and culture had no champion in the emerging impact investing movement. From that point forward — and speaking specifically about the U.S. context — the creative economy was absent from the impact investing conversation.

So, what did I learn from my time managing what was then a $3 billion endowment, and experimenting with new financial tools for social good?

It's possible to invest in creativity and culture — we did it. But, without knowledgeable, investment-savvy champions at the table, pushing for the inclusion of the creative industries, they get left out impact investing. And while other themes — climate, gender, equity — have become central to the impact investing conversation, the creative economy is still catching up.

As for foundations and their role in Upstart's journey — we wouldn't be here without them. When I had the idea for Upstart Co-Lab, the first person I called was Darren Walker at the Ford Foundation. We'd worked together on the Program Venture Experiment at the Rockefeller, Foundation and I asked him point-blank: is this a bad idea? Instead of saying no, he gave me the first grant to get started.

We also received initial support from The Rockefeller Foundation, the Heron Foundation, the Andrew W. Mellon Foundation, and the Surdna Foundation. That early backing from some of the largest and oldest foundations in America allowed us to launch in 2016. Over the past decade, most of our philanthropic support has come from foundations, and they've remained key to our growth. They're not only our early champions — they're also the lead investors in the our Inclusive Creative Economy Strategy.

As a former Senior Deputy Chair of the National Endowment for the Arts, how do you envision effective collaboration between public and private capital to foster a thriving creative economy in the U.S.?

Let's talk about what *should* be possible in the U.S. There's a great deal of inspiration to be found from all around the globe.

In the UK, they have been leading on this for years. My friend Fran Sanderson launched the NESTA Arts and Culture Finance program, which now continues under the independent entity Figurative. There is also Creative England. Together these two organizations have demonstrated how government support and impact investing can blend to strengthen the creative economy. As a result of the success in the U.K., Canada and Australia are now exploring similar approaches, showing that where national commitment to arts and culture engages impact investing, public-private collaboration happens naturally.

The governments of France and Nigeria have made significant national investments in culture and the creative industries. Indonesia has determined that the creative industries are the economic solution as its very young population grows up; dependance on extractive industries worked in the past but won't work for the future. The Middle East is investing heavily in their creative economy – video games, music and more — to enhance their global reputation, and as hedge against over-dependence on fossil fuels.

In the U.S., we're seeing early signs at the state and local level. Some state arts councils are exploring the idea of launching impact investing funds for businesses in creative industries alongside their traditional grantmaking to arts nonprofits. That's exciting because it brings the arts agencies into closer alignment with state economic development — recognizing the creative economy as a driver of quality jobs and community vitality. One state we're speaking with believes that by putting their imprimatur on an impact fund, they can attract capital from foundations and other impact investors from throughout the state — and I think they're absolutely right.

In 2023, you published a report titled *The Creator Economy: A Guide for Impact Investors*. Why are data and evidence so critical to introducing a new topic like the creator economy to impact investors?

Impact investors have educated themselves about clean energy, affordable housing, health tech and other industries – so, they tend to come to the table with pre-existing frameworks for understanding financial returns and social outcomes. But when you're introducing a newer topic like the creator economy, you really need to make a clear, evidence-based case. That means showing how money can be made, what kind of impact can be achieved, and why the opportunity is both timely and substantial.

When we published *The Creator Economy: A Guide for Impact Investors* in 2023, we were intentional about presenting the information in a way that could speak to everyone -- whether they learn through quantitative data, or stories and real-world examples.

And, we realize it's not just about convincing one individual. Even when someone is personally excited about the idea of impact investing to help bring societal guardrails to the already large and quickly-growing creator economy, they often have to bring others along — whether it's a boss, a board, or a financial advisor. Information equips allies who intuitively get the opportunity with the tools and arguments they'll need to get the investment made.

How do nonprofit arts and culture institutions — like museums, libraries, performing arts centers, parks and zoos — fit in conversation about impact investing and the creative economy?

Upstart did the research and found that nonprofit cultural institutions — especially museums, but also libraries, art schools, performing arts centers, parks, and zoos — collectively hold about $64 billion in endowments. Museums alone account for roughly two-thirds of that amount.

These are nonprofit organizations, often serving as anchors in their communities. They're major employers, they attract tourists, they help activate local economies, and they play a critical civic role. That's why it's so important — and promising — that many of these organizations are now curious about how to align their investments with their missions and values.

But there's a big knowledge gap. Most cultural institutions don't have in-house chief investment officers. Their most senior financial leaders are usually CPAs, so accountants, not investment professionals. They feel unprepared to engage with board members — who bring decades of career experience in finance and investment. So, even when leadership is interested in impact investing, they often don't feel equipped to make the case to the board.

That's why Upstart Co-Lab launched our Cultural Institution Study Group — to educate senior staff and trustees at museums and other cultural organizations. We brought in experts to cover key topics in impact investing.

We also published two original research reports: What cultural institutions need to know about investing for values and mission, provided a general overview, spotlighting first-movers who were already aligning their endowment strategies with their institutional missions. *Cultural Capital: The state of museums and their investing* shared findings from the first-ever survey of independent museums of art and design — which, as mentioned, hold the largest share of endowment capital in the sector. What we found was telling: only around 13% of these museums are engaging in impact investing, compared to over 50% of universities and foundations. There's still a long way to go, but there are bright spots.

If the US were to establish a Ministry of Creative Economy tomorrow and you were invited to lead it, what would be your first three priorities to support and grow the sector?

If I were leading a newly formed U.S. Ministry of Creative Economy, my first priority would be to actively engage and educate the impact investing community about the opportunity the creative economy represents — both in terms of financial returns and meaningful impact. We need to show up where the investors already are. It's not enough for the arts and culture community to talk among themselves about the challenges they face. Impact investing won't solve every funding gap, but activating even a fraction of the trillions of dollars in this space to support the nearly 10% of the U.S. economy made up by creative industries would be transformative. And when creative people gain access to capital, they pay it forward — often reinvesting in their peers, enriching the whole ecosystem.

Second, we need to work with the tools that already exist. That means using familiar metrics and investment vehicles to make creative economy opportunities feel less unfamiliar to investors. We don't have to reinvent everything — we just need to meet the market where it is. That said, I firmly believe the creative economy is a wellspring of innovation for the broader economy. We're seeing new, inclusive solutions emerge from this space that later scale to other industries. One example is Making Space, a company we recently invested in. It's led by Keely Cat-Wells, a creative entrepreneur who launched an e-learning platform that prepares people with disabilities for jobs in media and entertainment. She started with a focus on employment in the creative industries, working with Amazon Studios, Netflix, and NBCUniversal — but the model she's building has applications across emerging technology, education, government and beyond. It's a great example of how creative entrepreneurs can pioneer scalable, cross-sector solutions.

Third, we must continue to engage globally. The U.S. is the world's largest exporter of creative goods and services — our music, movies, and fashion are popular and influential around the globe. But countries in the Global South are leapfrogging us in innovation. They're building new creative economy models from the ground up — driven by necessity, powered by youth, and often supported by strong national strategies. These regions are moving away from extractive industries and toward technology-enabled sectors like video games, film and TV, and the creator economy that celebrate and export their unique cultures. We should learn from these efforts, collaborate across borders, and continue validating that investing in the creative economy is not only viable — it's essential.

Because ultimately, the creative economy isn't just about art — it's about resilience, opportunity, and the future of inclusive innovation.

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Download Upstart Co-Lab's 2024 Report (June 2025) to learn more.