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New Venture Connects Socially Minded Artists With Cash

By Drew Lindsay



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ENTREPRENEURIAL CULTURE: Laura Callanan launched Upstart Co-Lab to attract impact investment for artists working to raise awareness of social issues and problems in their communities.

This article is one of a series The Chronicle is featuring this month about leaders who are pushing unorthodox ideas to give philanthropy more power to do good.

Laura Callanan has toggled between the arts and high finance for much of her life, often mixing the two. At 16, she was a theater intern. After college, she worked as a Wall Street investment banker helping large nonprofits, including cultural organizations, secure capital-project bonds. Stints at Moody's and McKinsey and Company intertwine on her resume with private-foundation positions and a year at the National Endowment for the Arts.

This vitae makes Ms. Callanan perhaps uniquely positioned to argue that the arts are getting

short shrift in "new philanthropy," where funding increasingly comes in the form of investments, not donations.

Philanthropists, she notes, are quick to see education and social-service nonprofit leaders as entrepreneurs and their work as a chance to invest in doing good. Artists? They get a few bucks to keep them fed and clothed, but they aren't seen as change agents.

In April, with backing from the Ford and Surdna foundations, Rockefeller Philanthropy Advisors, and others, Ms. Callanan founded the nonprofit Upstart Co-Lab to remedy that. It aims to promote and help secure impact-investment funding for artists and creative professionals who use their work to raise awareness about societal issues or tackle a local community's problems.

"There's no shortage of artists who are functioning as social entrepreneurs," says Ms. Callanan. Among them: international artist and urban planner Theaster Gates, who transforms unused and abandoned spaces into arts centers, theaters, and other cultural anchors, and violinist Sebastian Ruth, a MacArthur foundation "genius" grant winner who runs a free community music school in which top musicians teach and mentor children in a low-income Providence, R.I., neighborhood.

In Upstart's early work, Ms. Callanan is teaming with Calvert Foundation to create a vehicle through which individuals and institutions invest in a portfolio of artists and creative-design experts working to alleviate poverty or support underserved communities. She says it will be the first impact-investing product for the arts and creativity, with funds going to performing and visual artists, culinary artists, fashion designers, game makers, and more.

Upstart is also looking to connect artists with individual investors. Philanthropists and foundations increasingly want to find investment opportunities among arts entrepreneurs working to build strong communities, says Patricia Farrar-Rivas, CEO of Veris Wealth Partners, an impact-investment advisory firm. "We're seeing an emerging interest in this thematic area. This is the stage climate change was at 15 years ago."

Ms. Callanan says the arts are facing a pivotal moment: "As foundations break down that wall between grant making and investing, a sector that can't accept investment capital is going to really get left behind. We need to work on this now or the arts are really going to be at a huge disadvantage."

Note: A previous version of this article mistakenly said that Upstart teamed with Calvert Investments instead of Calvert Foundation.

WHAT'S THE BIG IDEA?



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