



THE ART NEWSPAPER

Ethical investment options should come easy

→ Your article, “Philanthropy, but at what price?” (*The Art Newspaper*, September 2019, p1), addresses not only the recent protests against museums taking contributions earned from the sale of opioids and tobacco, and from board members connected to fossil fuels and the manufacture of tear gas, but goes on to pose the important question of how museums invest their endowments. The answer reveals an urgent knowledge gap about mission-forward investment options among museum leaders.

Fiduciaries are responsible for knowing how their money is invested, and many investors have already found prudent ways to align their financial goals with their values. The 50 colleges and university members of the International Endowments

Network know where their money is going. The 400 families across 26 countries who are members of TONIIC, a global action community for impact investors, don’t just think carefully about how to align their money with their values – they actually do it. The global asset owners among the 20,000 network members of the Global Impact Investing Network, including the Ford, Rockefeller, MacArthur and Gates foundations, don’t find the issue to be complicated.

Socially responsible investments

The \$23tn of global assets already invested in a manner that is socially responsible demonstrates it is possible to avoid alcohol, fossil fuels, weapons and other activities that hurt the environment and our communities, and even to intentionally yield a positive

impact. The financial institutions offering these types of investment opportunities are among the largest, including Blackrock, BlackStone, Goldman Sachs, JP Morgan, Morgan Stanley, TPG and UBS, suggesting that socially responsible options are readily available to major cultural institutions. In fact, many leaders of these financial firms sit on the boards of the museums at the centre of recent controversies. Some of these investment professionals have even gone on the record, like Larry Fink, the chief executive officer of Blackrock and a MoMA trustee, who wrote in his 2019 Blackrock annual letter how “profit and purpose are inextricably linked”.

There are early precedents of museums harnessing their endowments to advance their missions. The Louvre Endowment Fund already

allocates 5% of its €230m to socially responsible investment, with a focus on artisan and traditional craft businesses, sustainable tourism, and other themes connected to French culture and the mission of the Louvre Museum. The Field Museum and the American Museum of Natural History have committed to divest from fossil fuels consistent with their science and policy on climate change. The question is not which museum will be next, but who can afford to be last.

At a time when public participation in traditional cultural institutions is shifting, museums can reclaim their relevance and leadership in our communities by aligning fully to their purpose. No excuses.

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