



Culture and Communities

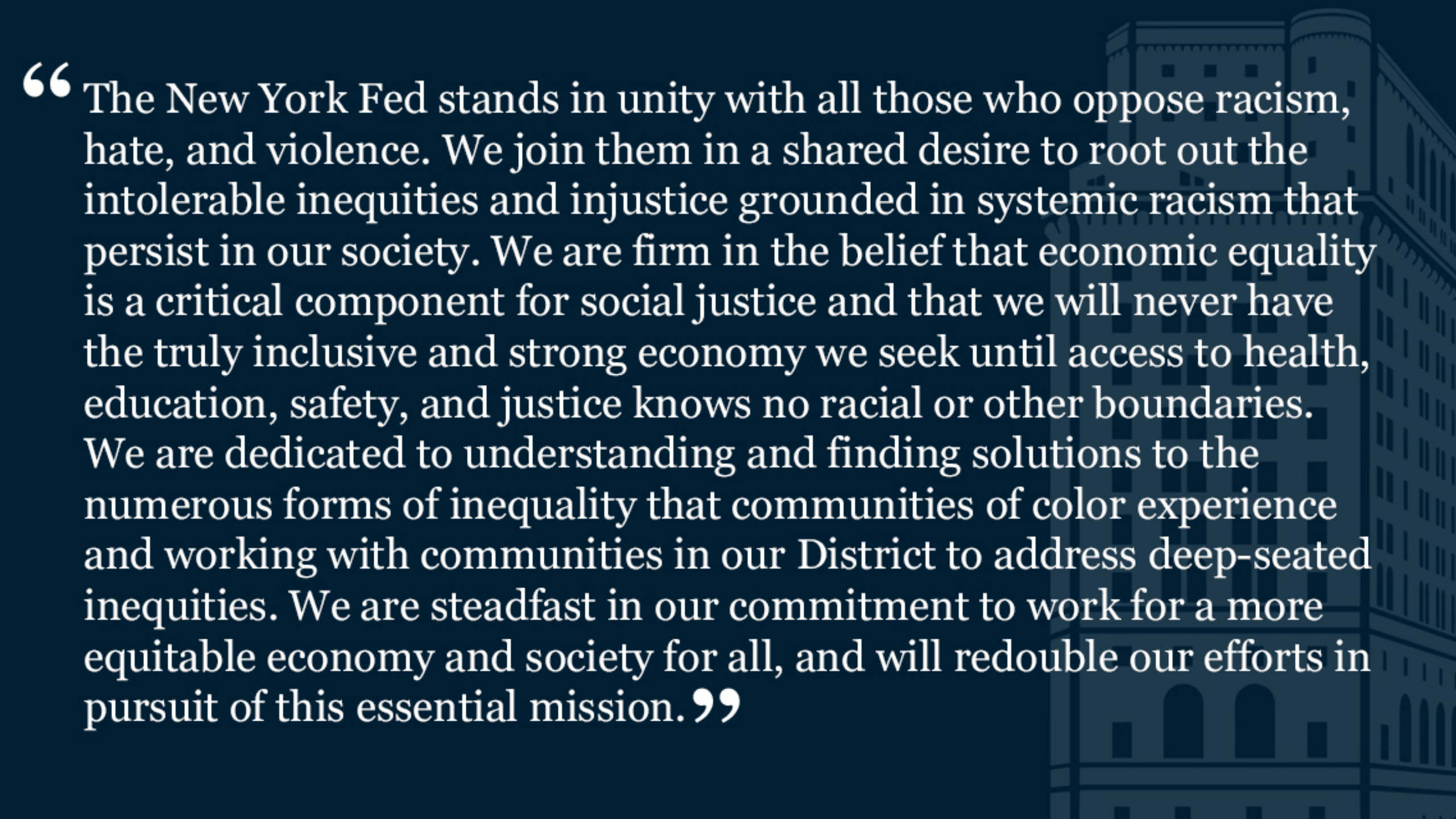
A Conversation about the Creative Sector,
Community Development and Impact Investing

October 16, 2020

This event will begin shortly. Please stand by.

FEDERAL RESERVE BANK *of* NEW YORK

Upstart Co-Lab



“The New York Fed stands in unity with all those who oppose racism, hate, and violence. We join them in a shared desire to root out the intolerable inequities and injustice grounded in systemic racism that persist in our society. We are firm in the belief that economic equality is a critical component for social justice and that we will never have the truly inclusive and strong economy we seek until access to health, education, safety, and justice knows no racial or other boundaries. We are dedicated to understanding and finding solutions to the numerous forms of inequality that communities of color experience and working with communities in our District to address deep-seated inequities. We are steadfast in our commitment to work for a more equitable economy and society for all, and will redouble our efforts in pursuit of this essential mission.”

Culture and social wellbeing

Mark J. Stern

University of Pennsylvania

Social Impact of the Arts Project (SIAP)

October 2020

<http://repository.upenn.edu/siap/>.

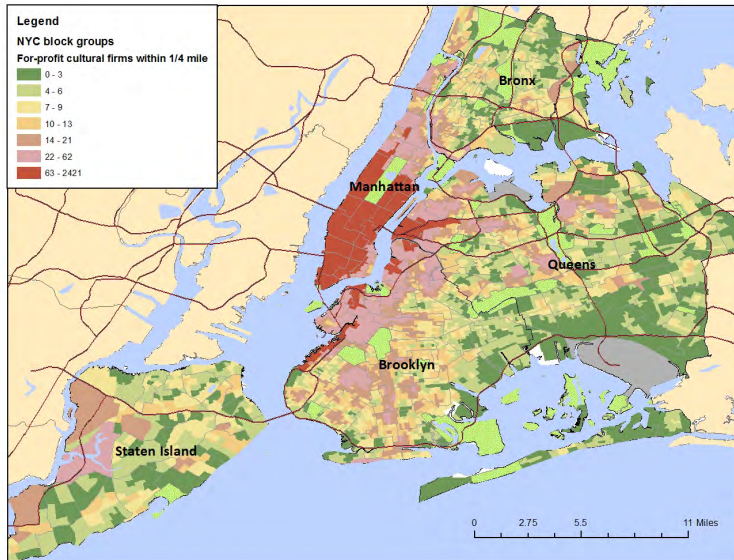


Social Impact of the Arts Project

Three points

- For-profit cultural firms are a significant element of New York City's cultural ecology
 - When we control for economic status, race and ethnicity, cultural assets are associated with positive social wellbeing outcomes, especially in low- and moderate-income neighborhoods
 - *Civic clusters*—low- and moderate- income neighborhoods with higher than expected numbers of cultural asset—provide a promising sites for a ‘build from strength’ community development strategy.
-

For-profit cultural firms are an important aspect of NYC's cultural ecology . . .and not just in Manhattan



New York City has over three times as many for-profit cultural firms as nonprofit cultural providers. They range from high-prestige galleries in SoHo to recording studios and dance academies in Bensonhurst and Flushing.

Type of cultural firm	Number of firms	Percent
Audio-visual (e.g. recording studios, video production)	1,828	10.2
Photography	1,704	9.5
Architects	1,675	9.3
Galleries	1,567	8.7
Publishing	1,495	8.3
Interior design	1,306	7.3
Graphic designers	1,125	6.3
Music (dealers, instruction, arrangers)	1,082	6
Cultural business services (entertainment bureaus, agents, consultants)	880	4.9
Theater	872	4.8
Broadcasting	631	3.5
Craft (pottery, picture framing, fabric)	619	3.4
Book stores	537	3
Designers	343	1.9
Other entertainers	342	1.9
Dance	317	1.8
Printing	277	1.5
Visual arts	209	1.2
Broadcast, news	202	1.1
Literary arts	200	1.1
Antiques, collectors, art	171	1
Fabricators	166	0.9
Advertising	158	0.9
Total	17,981	100

For-profit cultural firms by type, New York City, 2014.
 Source: SIAP calculation from Reference USA.

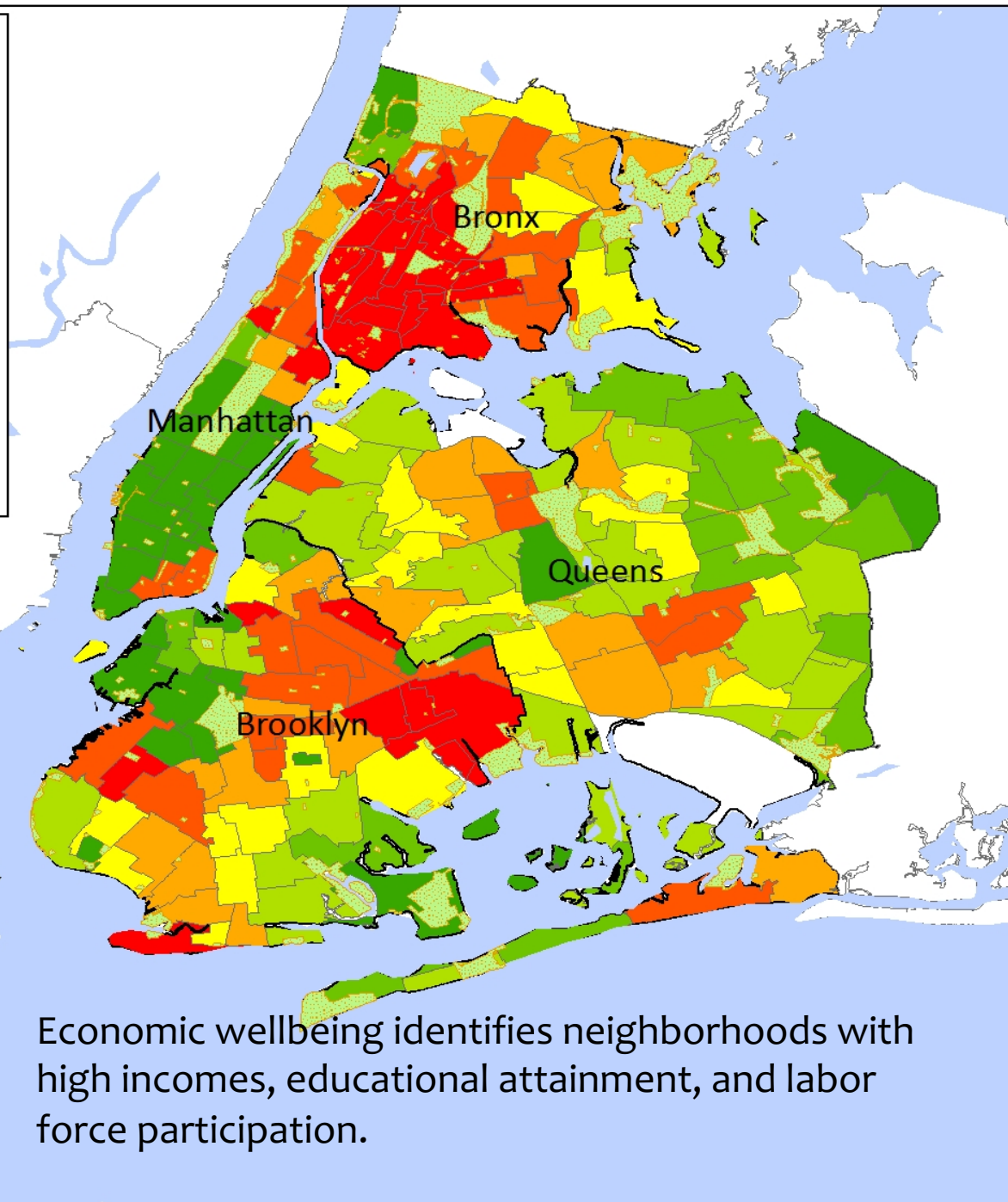
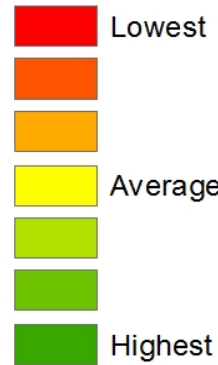
Dimensions of social wellbeing in NYC

Dimension	Indicators
Economic wellbeing	Income, labor force, educational attainment
Housing burden	Percent of income for housing, overcrowding
Ethnic and economic diversity	Income and ethnic segregation & integration
Health access	Health insurance rates
Health	Birth outcomes, child abuse/neglect, morbidity
School effectiveness	Test scores, school environment
Security	Major crime rates
Environmental amenities	Parks, land use, summer heat
Social connection	Selected nonprofits
Cultural assets	Organizations, artists, cultural participants

Legend

NYC Neighborhood Tabulation Areas

Economic wellbeing

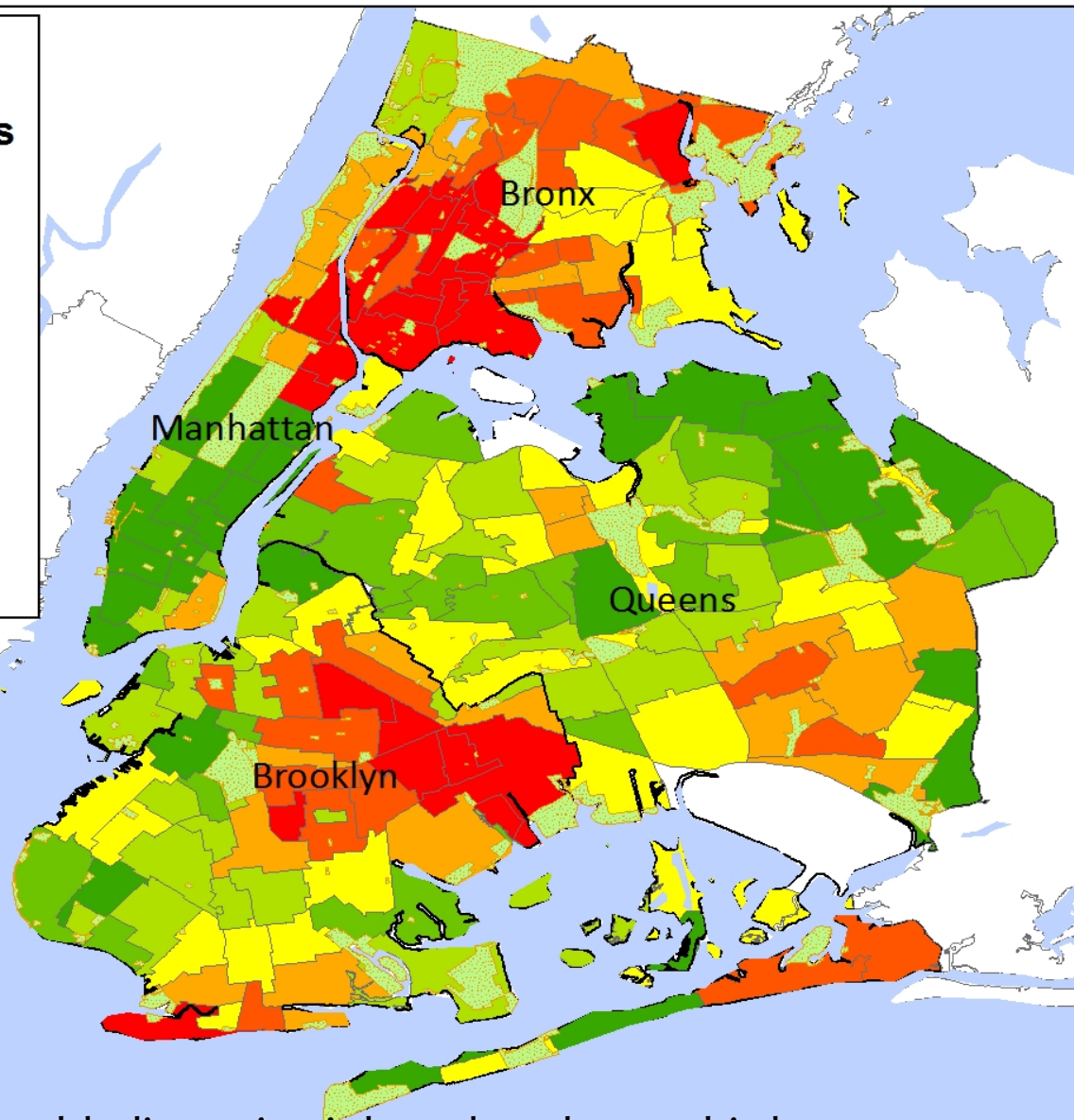
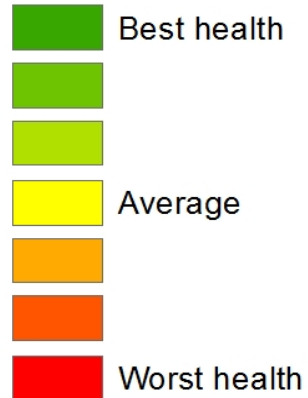


Economic wellbeing identifies neighborhoods with high incomes, educational attainment, and labor force participation.

Legend

NYC Neighborhood Tabulation Areas

Health index







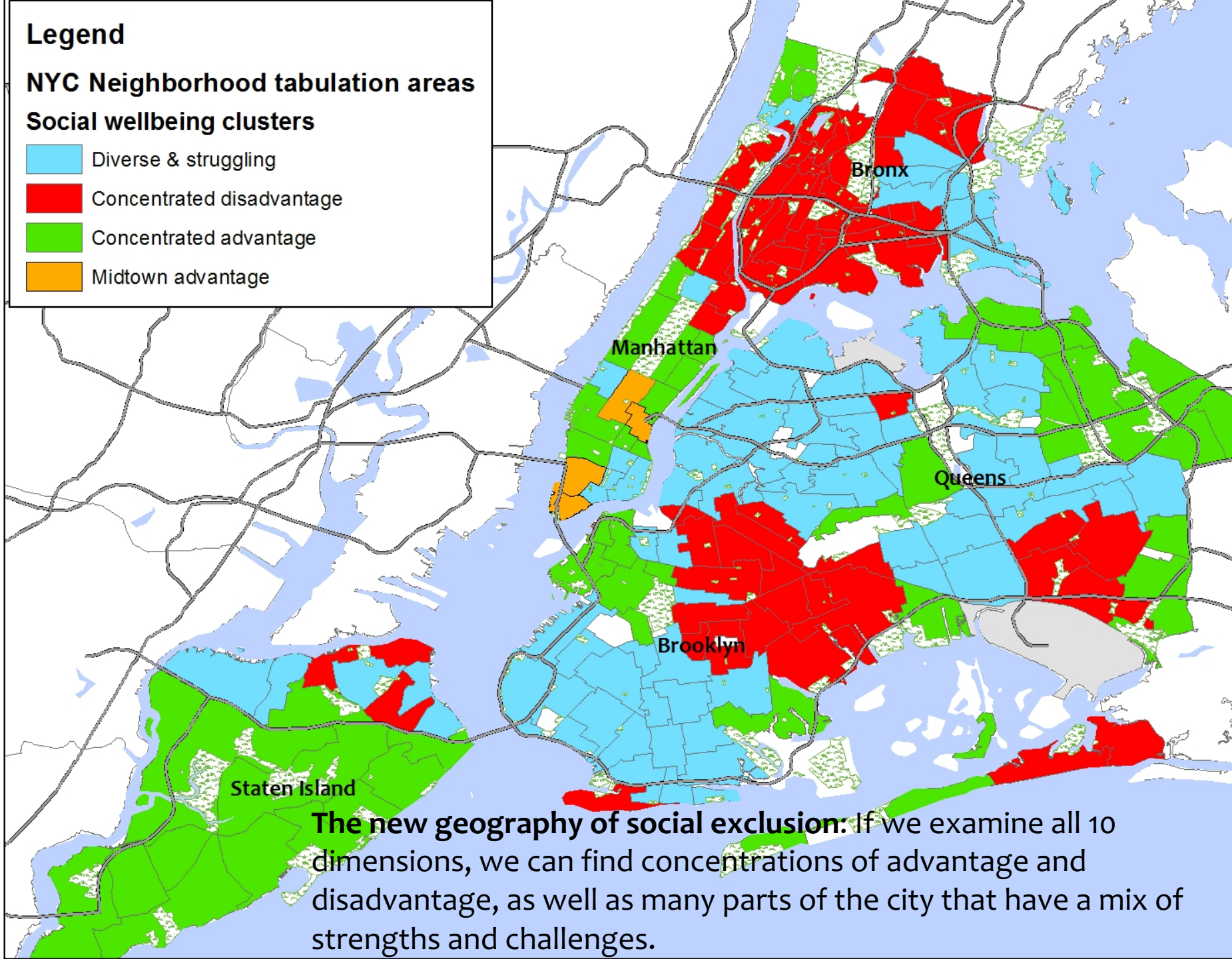
The health dimension is based on data on birth outcomes, indicated investigations of child abuse & neglect, and personal health indicators, like diabetes and high blood pressure.

Legend

NYC Neighborhood tabulation areas

Social wellbeing clusters

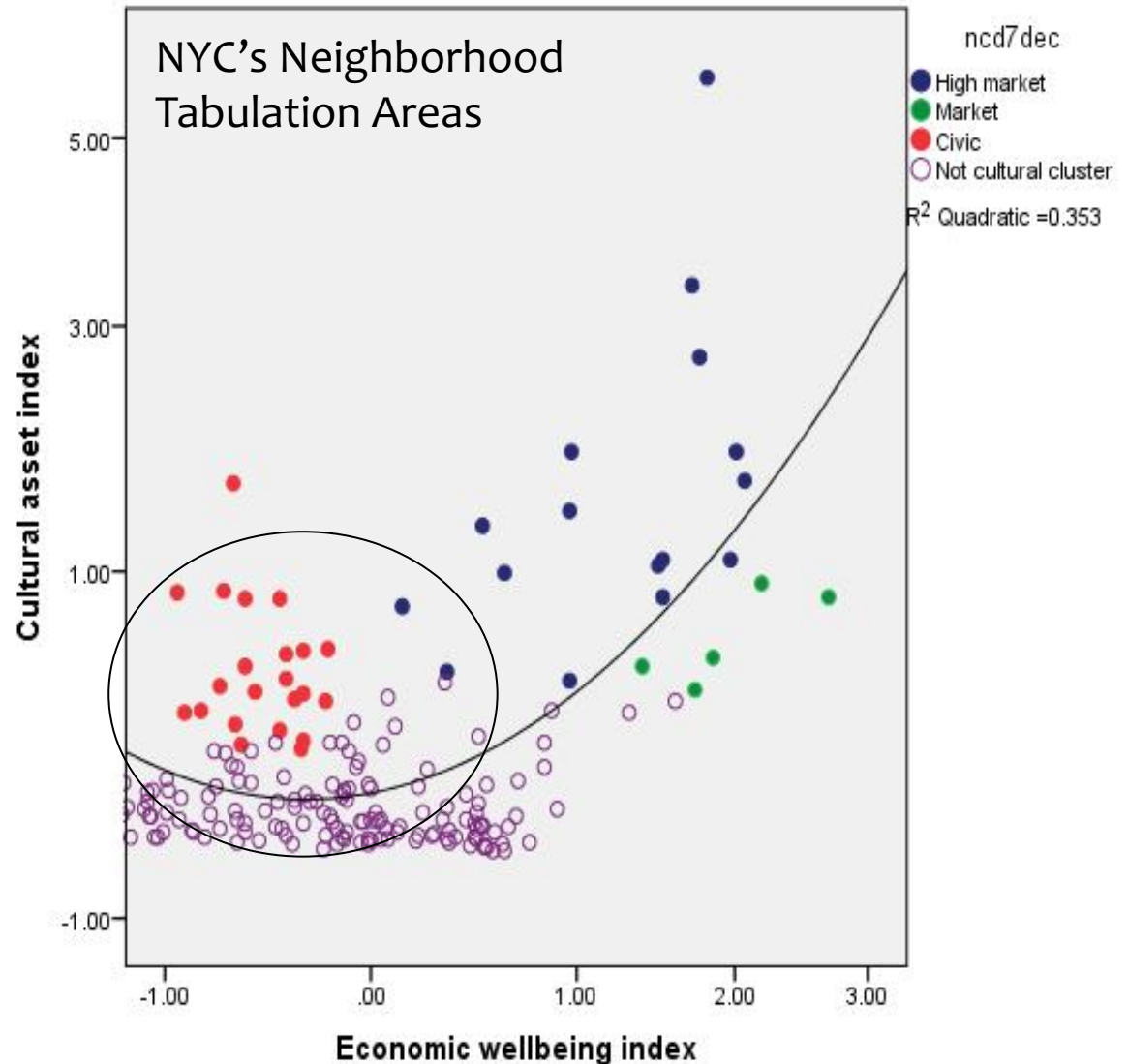
-  Diverse & struggling
-  Concentrated disadvantage
-  Concentrated advantage
-  Midtown advantage



The new geography of social exclusion: If we examine all 10 dimensions, we can find concentrations of advantage and disadvantage, as well as many parts of the city that have a mix of strengths and challenges.

Takeaway: Civic clusters power the link between culture and social wellbeing

Although cultural resources are unequally distributed across the city, significant numbers of low- and moderate-income neighborhoods have more cultural assets than we would predict based on their economic status

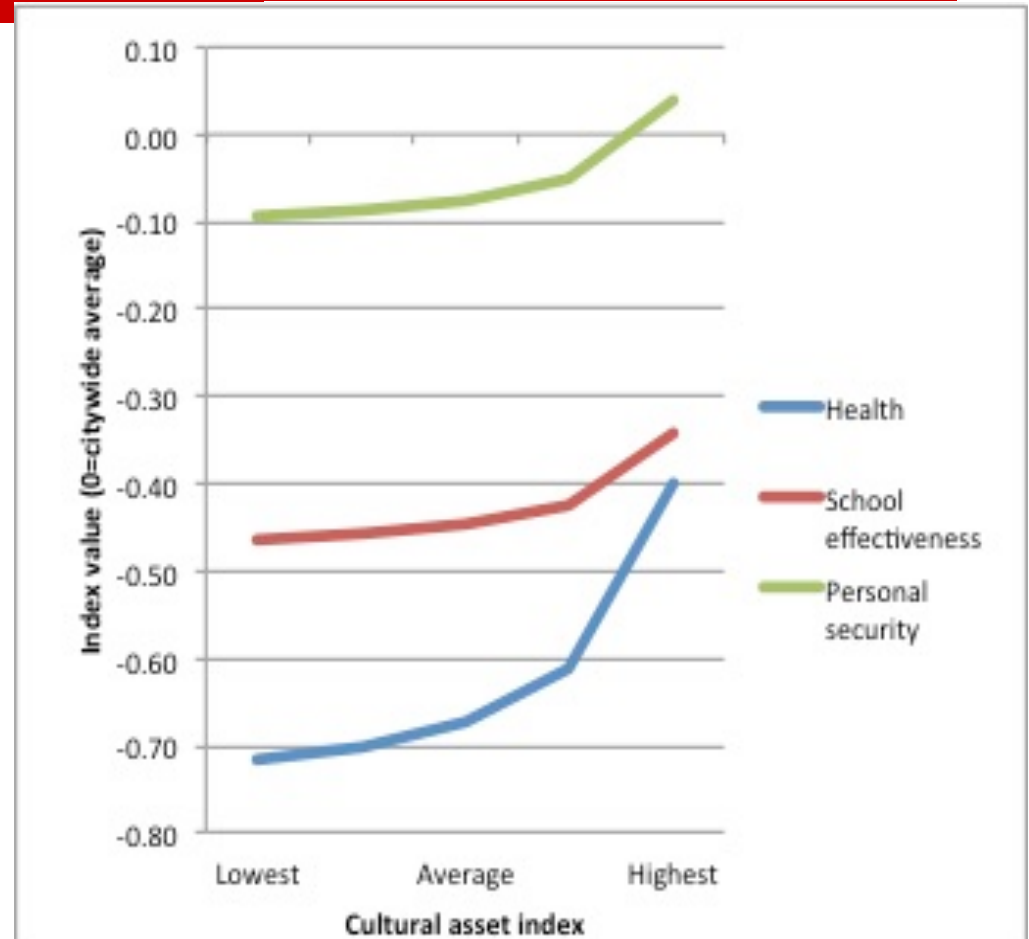


Takeaway: Culture mitigates the impact of social inequality & exclusion at the neighborhood level

Among low- and moderate-income neighborhoods, those with more cultural assets have:

- 7 percent lower diabetes rate
- 25 percent lower teen birth rate
- 17 percent lower indicated abuse and neglect rate
- 16 percent lower serious crime rate
- 23 percent more students scoring in the highest level on English Language Arts
- 20 percent more students scoring in the highest level on Math

Compared to those with fewer cultural resources (controlled for economic wellbeing, race, and ethnicity)



Social wellbeing & cultural assets, controlling for economic wellbeing, race, and ethnicity, 2014-16

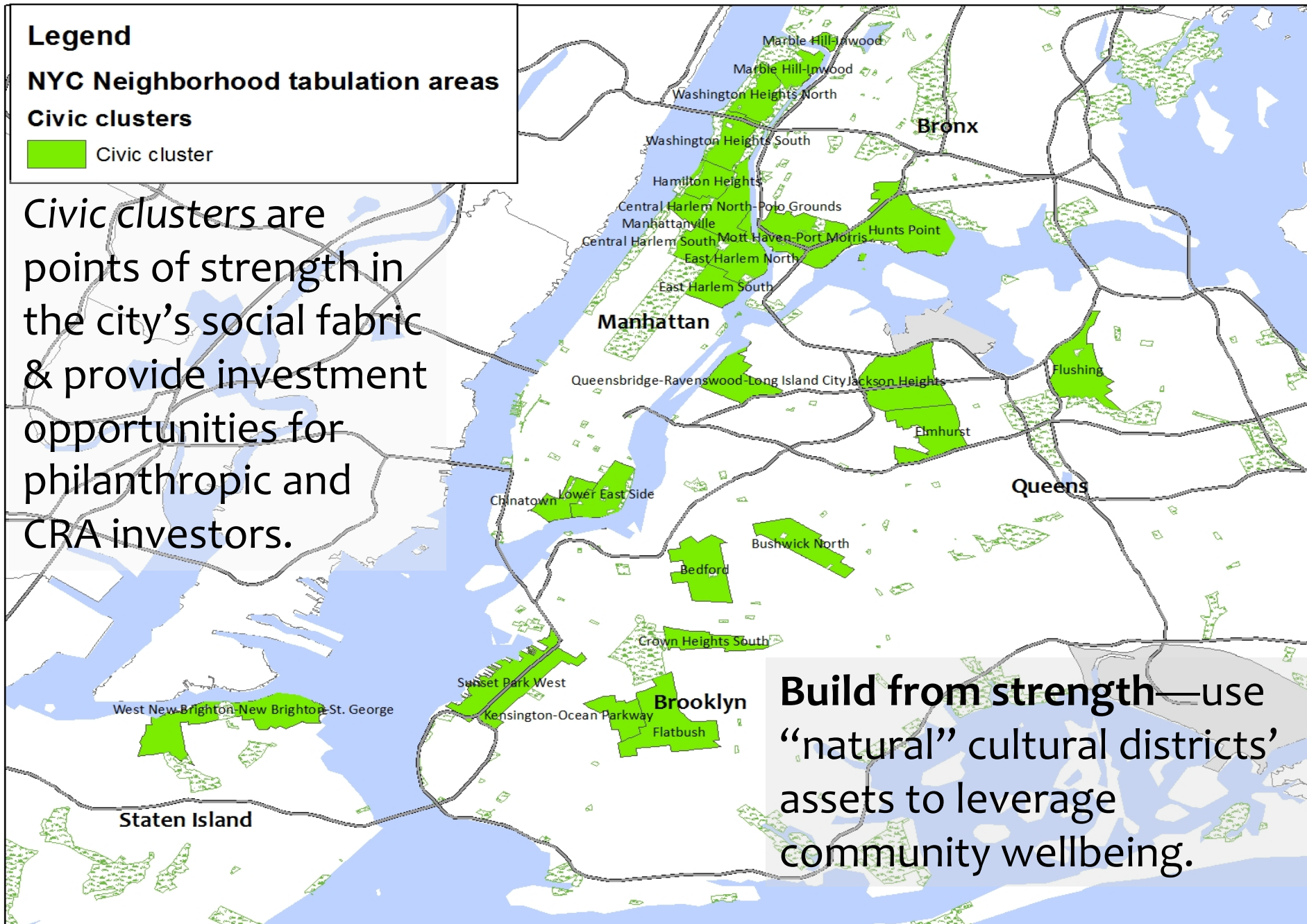
Legend

NYC Neighborhood tabulation areas

Civic clusters

 Civic cluster

Civic clusters are points of strength in the city's social fabric & provide investment opportunities for philanthropic and CRA investors.



Build from strength—use “natural” cultural districts’ assets to leverage community wellbeing.

For more information:

Social Impact of the Arts Project

<https://repository.upenn.edu/siap/>



CULTURE AND SOCIAL WELLBEING IN NEW YORK CITY —2014-2017

The Social Wellbeing of New York City's Neighborhoods: The Contribution of Culture and the Arts

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Mark J. Stern, *University of Pennsylvania*

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Susan C. Seifert, *University of Pennsylvania*

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MEREDITH PHILLIPS ALMEIDA Executive Director Myrtle Avenue Brooklyn Partnership

Like arts and cultural organizations, small businesses are very important to our communities. When I think about a corridor like Myrtle Avenue in Fort Greene and Clinton Hill, I think about the independently owned businesses that occupy 85% of the commercial space on the avenue.

There is an enormous opportunity to establish and grow relationships between cultural organizations and these small businesses. **Innovative partnerships could bring new audiences to local businesses, and businesses could provide opportunities for everyday shoppers to experience arts and culture.**

This could happen by decentralizing programming that normally takes place at cultural organizations and having it take place within surrounding communities at small businesses, community centers, or public spaces, like this Akhiro Ito sculpture we brought to Fort Greene Park on Myrtle Avenue together with the New York City Parks Department.

Or, by lowering the barriers to entry in advertising, cultural organizations could serve as promotional ambassadors for their surrounding communities, highlighting the rich local culture and unique offerings of

RESEARCH AND DISCOVERY

CREATENYC | 41

SOCIAL IMPACT OF THE ARTS

OVERVIEW

Engagement in arts and culture has been linked by scholars and advocates to higher academic achievement, civic engagement, and economic activity. New research conducted in New York City found that culture's impact on health, safety, and wellbeing of the City's neighborhoods is also critical.

The Social Impact of the Arts Project's (SIAP) groundbreaking two-year study was conducted by a team at the University of Pennsylvania led by Mark J. Stern and Susan C. Seifert. The report, entitled *The Social Wellbeing of New York City's Neighborhoods: The Contribution of Culture and the Arts*, explored the interconnected relationship between arts and culture and social wellbeing. The report outlines the integral role of arts and culture in creating healthy, thriving communities at a neighborhood level.

This research provides an in-depth exploration of how access to arts and culture can dramatically improve the lives of everyday New Yorkers, particularly those who live in moderate- and low-income neighborhoods. The study was funded by the New York City Cultural Agenda Fund in The New York Community Trust and the Surdna Foundation. The findings lay an important foundation for the recommendations highlighted in CreateNYC.

"Art se yon form d'expression
e li te permet zanset nou yo
kommike."

"Art is a form of expression
that has allowed our
ancestors to communicate."

— JENNIFER & PERLE, CARIBBEAN CULTURAL
PRODUCERS, BROOKLYN

FINDINGS

The SIAP research process found 4,700 nonprofit cultural programs and over 17,000 for-profit cultural businesses. When considered alongside the artists who live and work here and millions of cultural participants, the report found a cultural ecosystem of unparalleled breadth, diversity, and dynamism.

However, the SIAP study found that cultural assets are unequally distributed throughout the city's neighborhoods. While all communities have culture, significantly fewer cultural resources are located in low-income communities and communities of color.

The study states that "cultural resources in the city are extremely unequally distributed. Manhattan below 125th Street and neighborhoods near downtown Brooklyn have extraordinarily high levels of cultural resources, while many neighborhoods in all boroughs have far fewer. If we break the city's neighborhoods into five strata based on their overall economic status, we find that the wealthiest have many times more cultural resources than other parts of the city."

SIAP used data from over 50 cultural organizations and citywide ID data sets to estimate cultural participation. The methodology was focused on identifying relative differences in participation across the city's neighborhoods, and not on generating an estimate of the percentage of residents who are cultural participants per se. The cultural participation research revealed that across the board, cultural participation correlates with improved health, personal security, and school effectiveness, demonstrating the relationship between arts and culture and healthy community ecologies. Intriguingly, while low-income communities might have fewer cultural resources, these resources lead to greater measurable impact in social wellbeing. The unequal

BRIC

Opportunity, Transformation and Creativity in times of COVID-19

**Presentation to Culture and Communities:
A Conversation about the Creative Sector,
Community Development and Impact Investing
October 16, 2020**

BRIC

In the summer and fall of 2019, BRIC engaged hundreds of stakeholders in a **human-centered, iterative, and evidence-based process** to articulate a new manifesto and Strategic Plan for the next four years.

Brooklyn is home to the largest population of Black residents in the U.S., and 70% of its residents are people of color.

**On March 13, under the
looming threat of COVID-19,
we closed our doors and
accelerated our transformation.**

A Strategic Imperative that surfaced during our planning process...

Deepen service to creators, participants, and audiences by capitalizing on BRIC's unique synergy of visual, media, and performing arts strategies.

Increase our capacity to be responsive to shifts in artistic and consumer practices, especially around technology.

**We asked ourselves --
How will we show up for our
community in this moment?**

BRIC is committed to being responsive to our community.

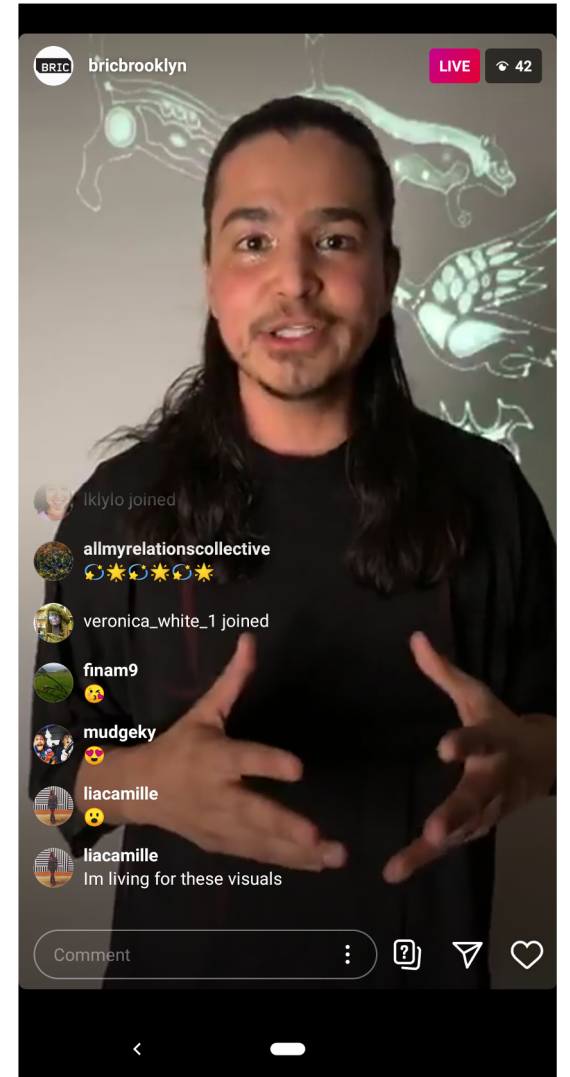
- We kept our entire workforce of just under 100 full-time staff members whole
- We ensured our platforms were available to artists, content-makers, students and peer organizations through BRICxHome, Youth, Family and Adult Education programs, and our Media Center.
- Through a DOE partnership, we've offered educational content via TV to aid in bridging the digital divide
- Our marquee program, **BRIC Celebrate Brooklyn! Festival: Live Everywhere** became a multi-platform event over 2 days
- We ramped-up our digital donations initiative with the launch of our Creative Future Relief Fund which raised over a million dollars in 6 months



BRIC Celebrate Brooklyn! Festival



Public art installation at the Prospect Park Bandshell



#BRICLabxHOME:
GIZHIBAA GIIZHIG
Revolving Sky (work-in-progress)

BRIC

*As we imagine a post-pandemic future,
we remember the arts have always
played a leading role in creating the
future we deserve.*

How will we live our **values**?



Culture and Communities

A Conversation about the Creative Sector,
Community Development and Impact Investing

October 16, 2020

Coffee Break

The event will resume at 10:15am ET. Please stand by.

FEDERAL RESERVE BANK *of* NEW YORK

Upstart Co-Lab

CREATIVITY INVESTMENT
IMPACT INCREASE

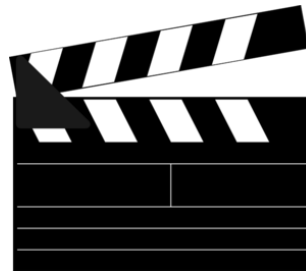
Upstart Co-Lab
CREATIVITY. INVESTMENT. IMPACT.



**Ethical
Fashion**



**Sustainable
Food**



**Social Impact
Media**



**Other
Creative
Businesses**



**Creative
Places**



UpstartCo-Lab.org
@UpstartCoLab



Sustainable and Impact Investing

2020 Performance Update

OCTOBER 2020

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2020 Sustainable Investing sentiment and flows: investors staying the course

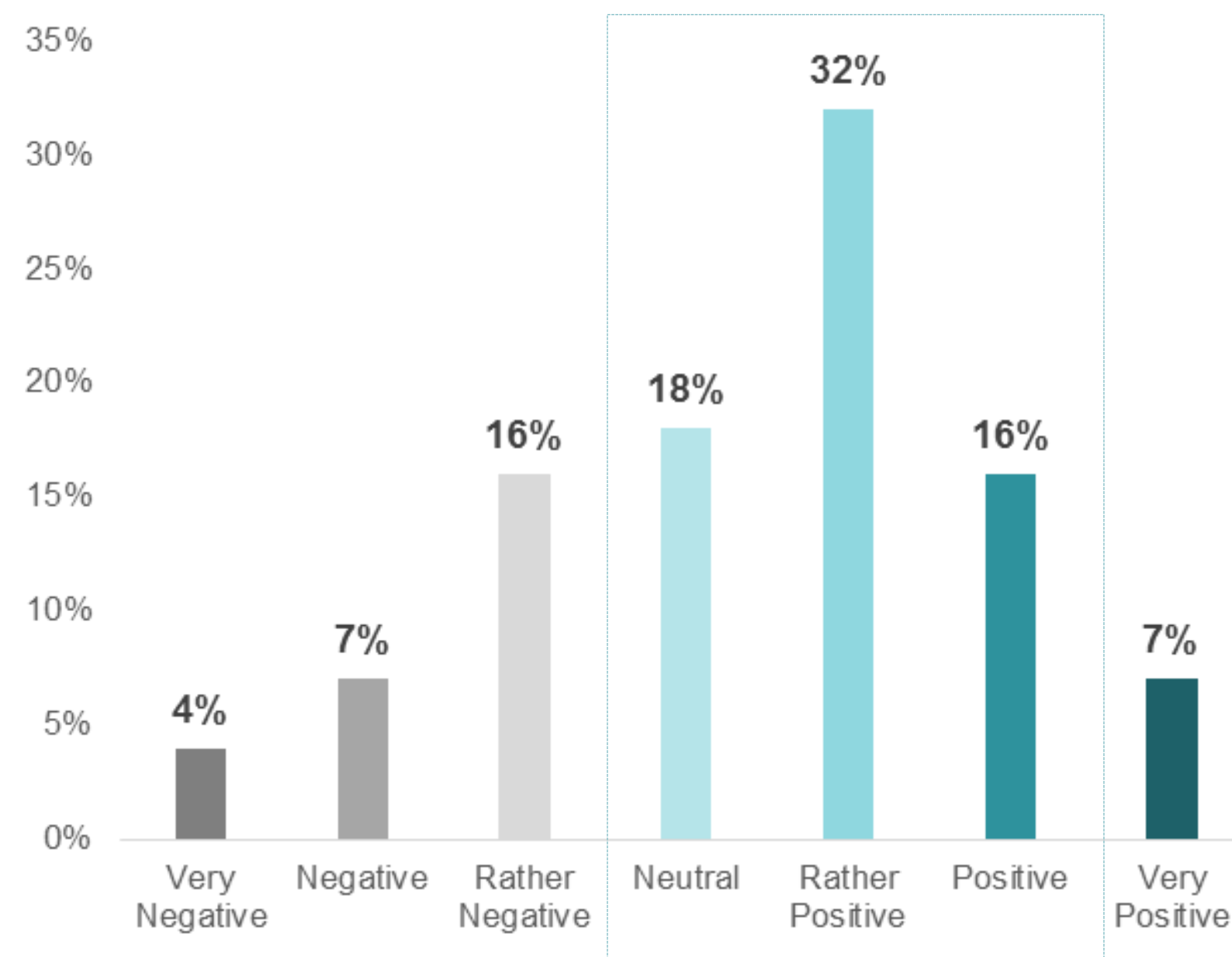
More than half of investors think COVID-19 will re-inforce the shift to ESG investing¹

- Heightened focus on “S” and “G” going forward

Sustainable fund flows have remained strong, bringing the total AUM invested sustainably above \$1 trillion as of Q2 2020²

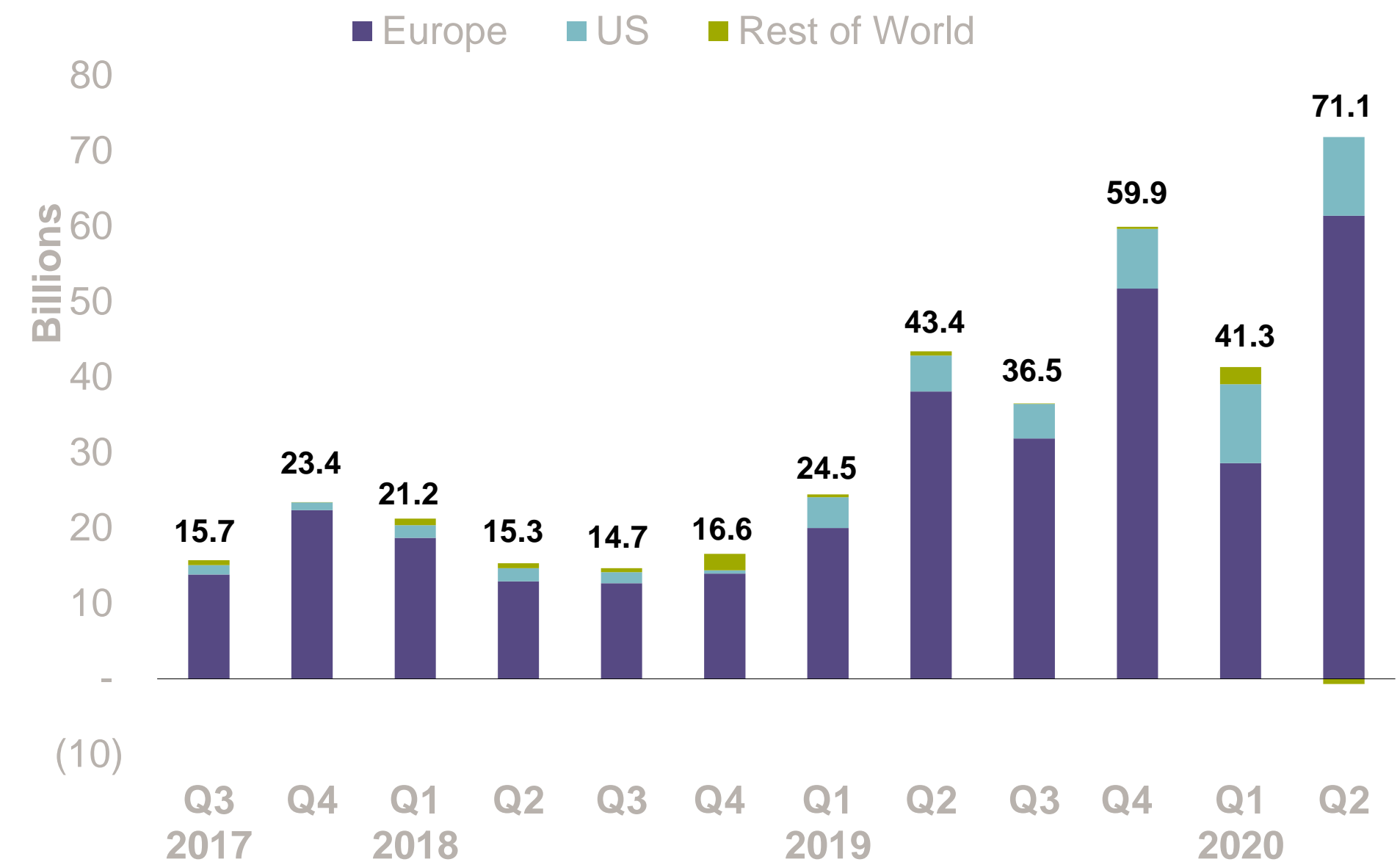
Survey on the impact of COVID-19 on ESG Investing¹

Question: In your view, what will be the implications of the COVID-19 crisis for the ESG investment momentum in the next 3 years?



Morningstar: Quarterly Global Sustainable Fund Flows²

Sustainable funds rebounded strongly after the pandemic market sell-off - global inflows into sustainable funds were up 72% in the second quarter of 2020



1) Source: J.P. Morgan Investor Survey, [Stay safe and think long term](#), J.P. Morgan Cazenove (March 2020)

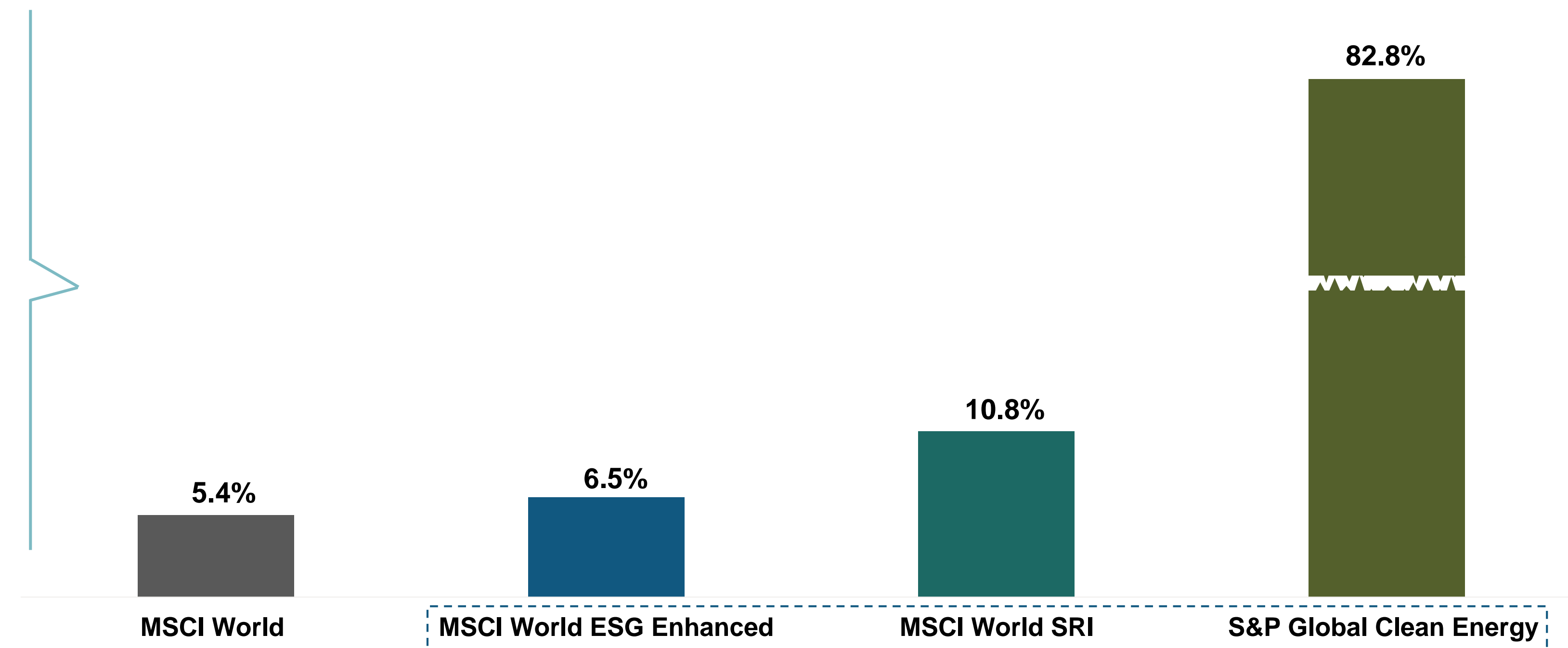
2) Source: Morningstar, Global Sustainable Fund Flows (July 2020)

A look at YTD performance in public markets

A look at traditional benchmarks and their ESG counterparts reveals that ESG funds have fared notably better

On the fund side, an impressive 72% of sustainable equity funds rank in the top halves of their Morningstar categories and all 26 ESG index funds have outperformed their conventional index-fund counterparts YTD²

ESG Indices Outperforming – Year to Date Total Returns %¹



1) Source: Factset as of October 9, 2020.

2) Source: Morningstar, Sustainable Stock Funds Held Their Own in Second-Quarter Rally (July 2020)

Past performance is no guarantee of future results. You may not invest directly in an index.

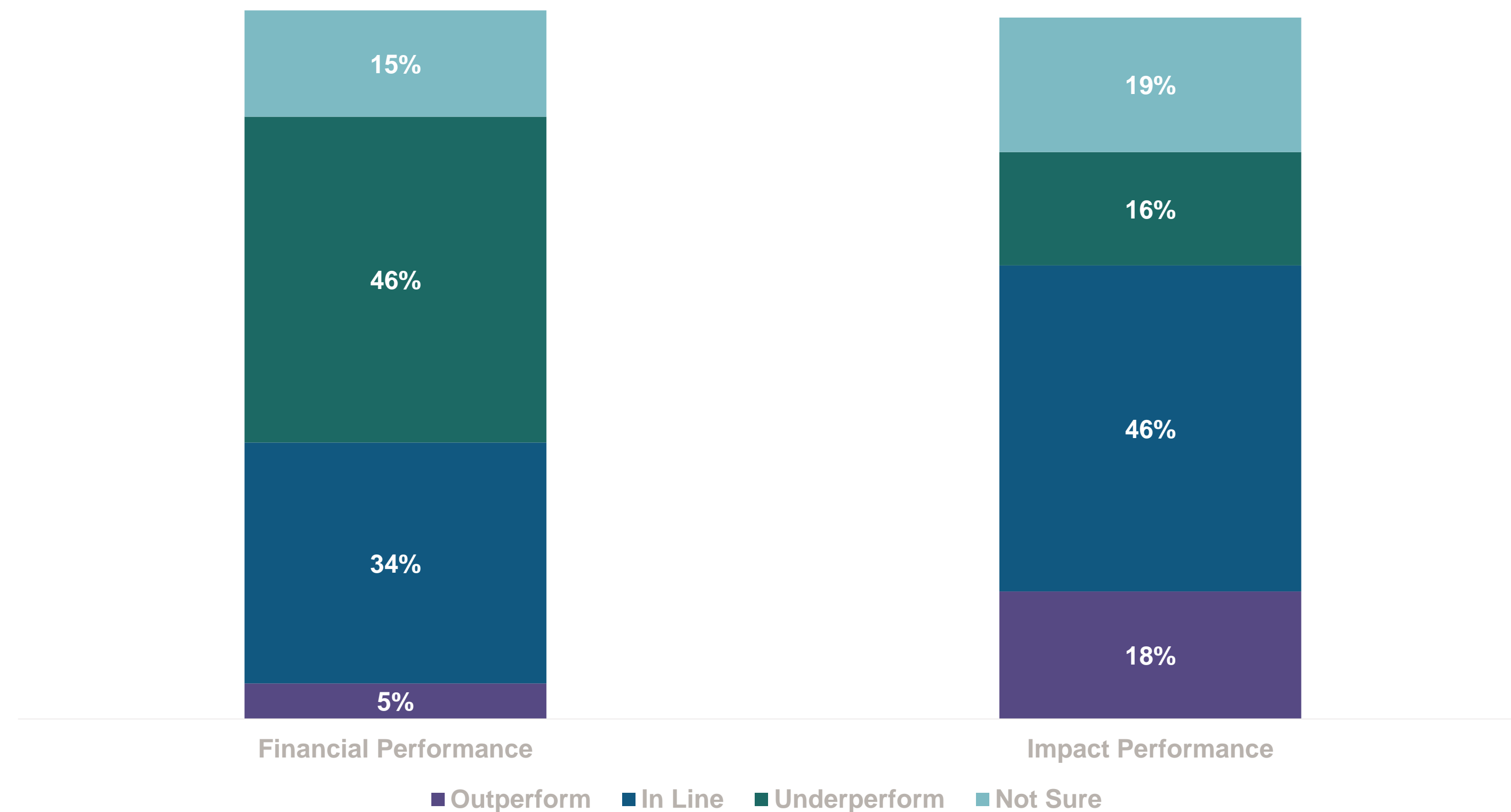
Performance of MSCI World Net Total Return USD Index, MSCI World ESG Enhanced Net Return Index, MSCI World SRI Net Return USD Index and S&P Global Clean Energy Net TR

Still too early to draw conclusions on Private Equity YTD performance, but expectations are mixed

Almost half of impact investors expect their portfolios to underperform expectations as a result of COVID-19

However, a much lower proportion, just 16% of those surveyed, expect the *impact* of their investments to underperform as a result of the pandemic

Impact Investing performance against expectations, as a result of COVID-19

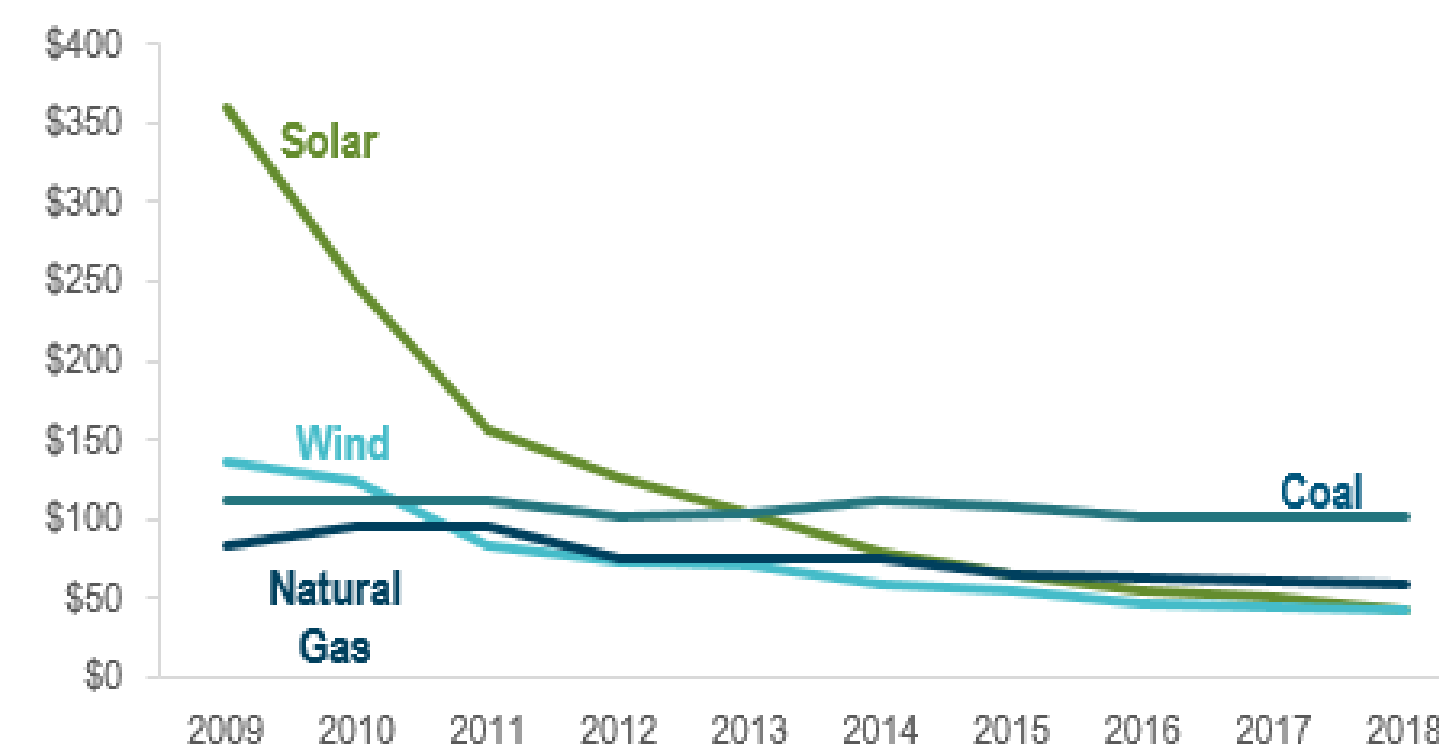


1) Source: Global Impact Investing Network, *Annual Impact Investor Survey* (June 2020). N=122 responses

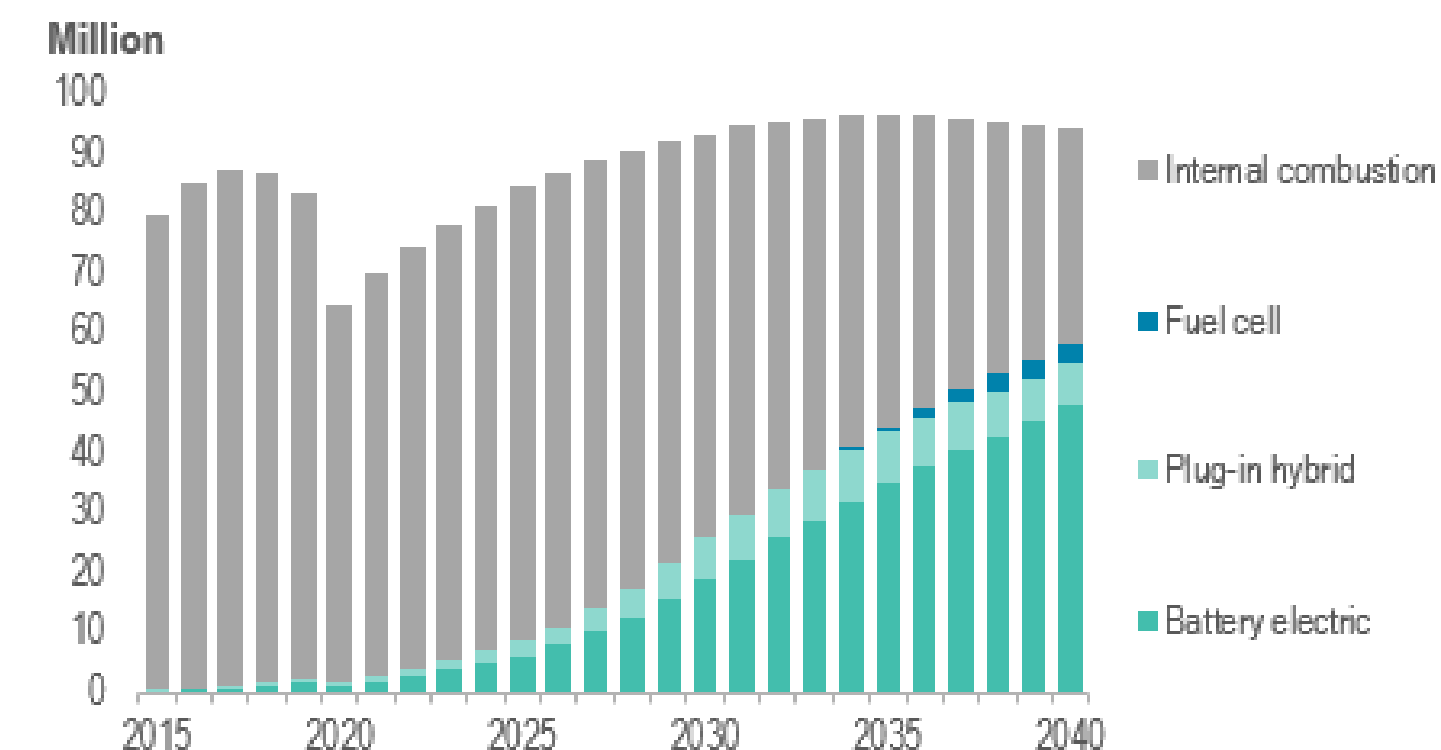
Looking ahead, secular megatrends are changing the global investment landscape

- IRENA estimates that in 2020, **more than 75% of new onshore wind and 80% of new utility scale solar projects globally will be cheaper** than new coal-fired, oil or natural gas option²
- Electric Vehicles (EVs) will **account for over half of all vehicles sales** and represent a third of all passenger vehicles on the road by 2040
- Despite the fact that **sustainability-marketed products** are only 16% of the market, they have **delivered more than half of the market growth**
- Sales of plant-based foods grew 29%** over the past two years. Comparatively, Total U.S. retail food sales over the same time period was just 4%

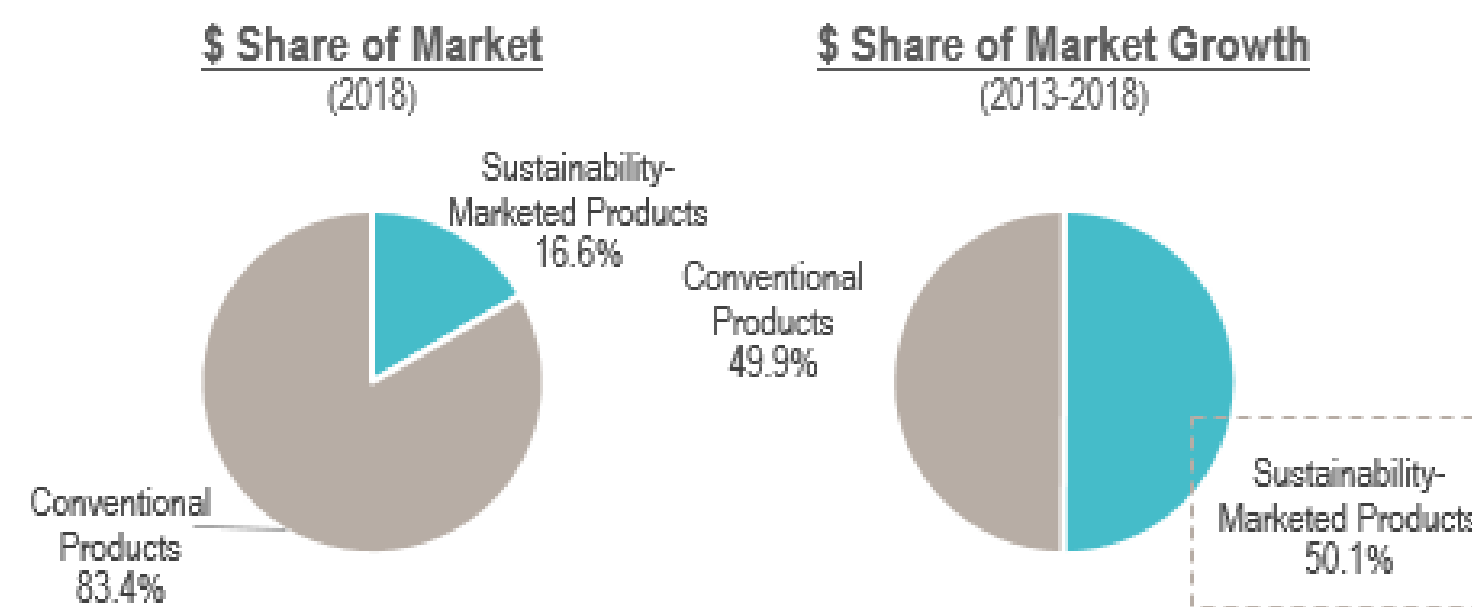
Cost of wind, solar, natural gas and coal¹



EV Sales by drivetrain³



Annual Sales of Sustainability Marketed Products⁴



Plant-Based Food Market⁵



1. Source: Lazard, "Lazard's Levelized Cost of Energy Analysis 12.0", November 2018. Represents the mean LCOE, measured in dollar per megawatt hour. LCOE is levelized cost of energy, the net present value of the unit-cost of electricity of the lifetime of a generated asset. It is often taken as a proxy for the average price that the generating asset must receive in a market to break even over its lifetime. 2. Source: IRENA (2019), "Renewable Power Generation Costs in 2018", International Renewable Energy Agency, Abu Dhabi. 3. Source: Bloomberg NEF, "Electric Vehicle Outlook 2020". EV sales include global passenger Plug in Hybrid Electric Vehicles (PHEV) and Battery Electric Vehicles (BEV). Internal Combustion Engine ("ICE") sales include gasoline, diesel and other vehicles. 4. NYU Stern Center for Sustainable Business, "research on IRI Purchasing Data (2013-2018)", published March 11, 2019. The total value of Sustainability-Marketed Products is estimated, based on the actual sales of 36 product categories, representing approximately 40% of the total market in measured channels, excluding alcohol and tobacco. 5. The Good Food Institute, "Plant-Based Market Overview", published January 2020

Thank you

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The MSCI World Index The MSCI World Index is a broad global equity index that represents large and mid-cap equity performance across all 23 developed markets countries. It covers approximately 85% of the free float-adjusted market capitalization in each country

The MSCI World ESG Enhanced Index The MSCI World ESG Enhanced Focus Index is based on the MSCI World Index, its parent index, and includes large and mid-cap securities across 23 Developed Markets (DM)* countries. The index is designed to maximize exposure to positive environmental, social and governance (ESG) factors while reducing the carbon equivalent exposure to carbon dioxide (CO₂) and other greenhouse gases (GHG) as well as their exposure to potential emissions risk of fossil fuel reserves by thirty percent (30%). The Index also aims to maintain risk and return characteristics similar to those of its underlying market capitalization weighted index (the MSCI World Index).

The MSCI World SRI Index The MSCI World SRI Index includes large and mid-cap stocks across 23 Developed Markets (DM) countries*. The index is a capitalization weighted index that provides exposure to companies with outstanding Environmental, Social and Governance (ESG) ratings and excludes companies whose products have negative social or environmental impacts. The Index is designed for investors seeking a diversified Socially Responsible Investment (SRI) benchmark comprised of companies with strong sustainability profiles while avoiding companies incompatible with values screens. Constituent selection is based on research provided by MSCI ESG Research.

The S&P Global Clean Energy Index The S&P Global Clean Energy Index provides liquid and tradable exposure to 30 companies from around the world that are involved in clean energy related businesses.

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