

CultureBank: A Vision for a New Investment System

*Deborah Cullinan, Yerba Buena Center for the Arts
Penelope Douglas, CultureBank@YBCA*

As we consider the role of artists in more equitable community development, we posit that arts organizations should focus on developing the conditions for new futures to emerge. In this vision, we as a society understand and value the essential role the artist plays as a key collaborator in more imaginative—and therefore, more productive—community investment. This understanding would lead to investments in arts and culture as incubators of community well-being, producers of health, and stewards of equitable community development. It starts with art. And CultureBank—an experiment in placing a tangible value on the contribution of arts and culture to community development, housed at Yerba Buena Center for the Arts (YBCA)—is exactly the kind of big, paradigm-shifting project that can help make this vision a reality.

We named this work CultureBank to provoke new ways of thinking about value. The name is inspired by seed banks, which store agricultural seeds to preserve genetic diversity and retain seeds with historical and cultural value. We propose that such a bank must exist to preserve the diversity and historical and cultural value of community assets—to steward resources in support of all that a community values, not just for the benefit of a fortunate few.

Language changes and crystalizes over time, reflecting the evolution in our collective understanding. At CultureBank, we use keywords as part of our broader strategy to shift core concepts in our investment system. Currently, these key definitions include the following:

- **Investment** — All forms of capital, whether structured as grants, debt, equity, notes, or combinations of these. This also includes nonfinancial assets.
- **Investor** — All of the key actors who invest in communities. For us, this includes artists.
- **Culture** — The values, beliefs, and traditions that inform a society’s way of being.
- **Artist enterprise** — The organization the artist leads and operates, however big or small.

The CultureBank concept sees the artist as a key early-stage investor who can help prepare a community for more substantial investment by working collaboratively with local residents and stakeholders to identify and develop assets that matter to the people who live in those neighborhoods.

Genesis: Yerba Buena Center for the Arts

When it opened in fall 1993, YBCA imagined itself as a new kind of art center—an inclusive center for the people that would prioritize diverse perspectives and experiences, as well as nurture the local arts ecosystem. Part of San Francisco’s Yerba Buena Gardens redevelopment project, YBCA and the surrounding gardens and amenities sit on land that is rich with complicated history. Once an Ohlone Indian burial ground, the gardens took shape amid decades of disagreement, displacement, and, finally, community consensus. These beginnings imbue the organization with an innate commitment to the diversity, complexity, and ingenuity of its place, as well as a propensity to explore new ways for arts organizations to engage and support their communities.

Today, YBCA embraces its role as a civic institution with a mission to generate culture that leads to individual and societal movement. Inspired by Jeff Chang—author (*Can’t Stop Won’t Stop*, *Who We Be*, and *We Gon’ Be Alright*), vice president of Narrative, Arts, and Culture at Race Forward, and YBCA board member—we believe that culture precedes policy and cultural movement catalyzes lasting change. We are committed to creating a place for people to come together to grapple with the urgent challenges and questions of our time. Recent lines of inquiry at YBCA have been shaped around such questions as: Can we design freedom? What does equity look like? How might we reimagine political power? By design, YBCA fellows and artists tackle those questions from diverse perspectives and disciplines, creating a powerful array of nuanced, poetic, out-of-the-box responses. We look for the game-changing ideas—whether they are policy propositions, artistic proposals, or new ventures—and we find a way to incubate them, to make them real.

It is this inquiry-driven creative environment that led to CultureBank. Penelope Douglas—an artist who also brings lenses from the worlds of community development, impact investment, and social entrepreneurship—was facilitating a cohort of YBCA Fellows focused on issues of labor and the question, “Why work?” At the same time, Penelope was a visiting scholar with the Federal Reserve Bank of San Francisco’s Community Development department. This overlapped with questions of equity and citizenship that YBCA was pursuing in other fellow cohorts and in our artistic program. Out of that cross-sector foment came CultureBank, which addresses major challenges in our financial and community development investment work and sees a new era that, this time, truly shifts the system of capitalism in service of long-term wellbeing for our communities and our planet.

Rethinking Investments in Well-Being

Twenty-five years ago, the idea of a triple bottom line gave rise to investment vehicles that married the mainstream U.S. financial system to other social-return objectives but without acknowledging communities as holistic entities. This concept gave birth to the term “impact investing.” Writing for the *Harvard Business Review* in 2018, John Elkington, who coined the term “triple bottom line,” stated that he was rethinking the concept:

But success or failure on sustainability goals cannot be measured only in terms of profit and loss. It must also be measured in terms of the wellbeing of billions of people and the health of our planet, and the sustainability sector's record in moving the needle on those goals has been decidedly mixed. While there have been successes, our climate, water resources, oceans, forests, soils and biodiversity are increasingly threatened. It is time to either step up—or to get out of the way.¹

Wellbeing is not just an aggregation of individual benefits. Rather, it relates to a much broader notion of who or what prospers in society in relation to each other and the long-term health of society as a set of interconnected systems.

For decades, policymakers have staked their antipoverty agendas on investment that focuses not on systems but on single components—solve housing, increase household employment, etc. This approach looks for solutions to discrete problems. As a result, policies fuel transactional and fragmented investments. For example, “We need more affordable housing” becomes a politician’s platform, yielding policy changes that incentivize transactions to bring housing units on board without a holistic assessment of supporting systems. “We must solve the workforce development problem” brings grants to community colleges for specific types of job training, which often come online just as the hoped-for skills are becoming outdated. Talented and creative community development investors have responded to these potential solutions by bringing greater and greater expertise to new products and transactional structures. Yet the wealth inequality gap continues to widen, and poverty persists.

The Question Is, “Have We Made a Culture of Equity Central to Our Investment System?”

In looking at this question, CultureBank takes an entirely different approach. As a starting point, it focuses on an undeveloped and mostly ignored part of the *investor* landscape. Artists, and arts and culture enterprises, are left out of major investments despite their proven ability to understand and celebrate the depth and diversity of community assets that exist and that matter to people. They are the missing piece if we are to invest for an equitable and regenerative future. CultureBank aims for a model that considers long-term outcomes and a more complex form of social return on investment (SROI).

To achieve this new model, we need to invest in the following:

- 1) A **shift** in how we define the scope of the returns that benefit society. We must evolve from value systems that focus on financial gain for some and toward a culture of equity and shared prosperity.
- 2) The **assets** that bond humans to their places and to one another, such as languages, knowledge of local geography, the real narrative of a neighborhood, and green spaces.

¹ John Elkington, “25 Years Ago I Coined the Phrase ‘Triple Bottom Line.’ Here’s Why It’s Time to Rethink It,” *Harvard Business Review*, June 25, 2018, <https://hbr.org/2018/06/25-years-ago-i-coined-the-phrase-triple-bottom-line-heres-why-im-giving-up-on-it>.

Artists are contributing their talent and skills to invest in assets that financial investors often do not see. In doing this work, they are creating conditions that allow us to invest very differently, valuing more equitable outcomes.

We know that artists are changing lives and transforming communities across this country, but their work as investors in their communities—as people who are committing time, money, and other forms of capital to realize their community’s development—remains marginalized and underfunded. CultureBank seeks to develop and scale the massive potential of artists as investors in their communities by encouraging new forms and structures of investments—all sources and all uses. In addition, CultureBank seeks to determine how to value and share the positive benefits of these investments.

The Three Streams of Returns

CultureBank structures its investments around the central concept of three streams of returns, each yielding value over short, medium, and very long (a generation’s) timeframes:

- 1) basic economic returns, where the repayment stream is financial revenue
- 2) the accruing assets of community (ex: improved community amenities in the short-term; systemic changes in attitudes, behavior, and social cohesion in the long-term)
- 3) shift in culture within the community (commitment to investment in shared prosperity that promotes an equitable future)²

The CultureBank Model: Tapping into Cultural Power

Many U.S. communities that have been traditionally understood as “poor” are home to a rich array of cultural assets. Often, these communities are under extreme stress, which makes them vulnerable. However, they also have power that can be better understood and nurtured. They hold assets of value, opportunity, and inspiration, such as music, dance, cultural traditions, diverse language skills, natural green spaces, knowledge of the geography, oral narratives, and people themselves, that are extremely valuable in achieving long-term health and shared prosperity. Identifying and unleashing the potential of these assets will help communities build a collective and resilient vision for their future. Therefore, investment in these assets becomes investment toward the *ROI* of long-term health and shared prosperity.

² Adapted from Penelope Douglas and David Erickson, “CultureBank: A New Paradigm for Community Investment,” Federal Reserve Bank of San Francisco Community Development Working Paper, March 2017, <https://www.frbsf.org/community-development/files/culturebank-cdfi-paradigm-for-community-investment.pdf>.

What Will Our World Look Like When We Get This Right?

Thirty years from now, imagine local communities whose citizens have designed a fully cooperative model for sharing in prosperity. They have come together over time, working with artists and their organizations, to first identify the value that exists in their community and then to co-create their distinct vision of community wealth. This vision includes cultural assets, as well as monetary resources, that they can build together. In this place, community asset mapping is a well-worn tool, used both to understand and honor lost assets, as well as to illuminate the dynamic landscape of current community wealth. Shared ownership that places the long-term value objectives first is a common principle among investors. Investors are community members, as well as other stakeholders, who have cowritten the key investment memoranda.

Ten years from now, in the Oak Cliff neighborhood in Dallas, TX, Tisha Crear's juice bar and fresh-food market—Recipe OC—has laid the groundwork for a dozen artist enterprises to contribute to a healthier neighborhood by building upon community assets, including language skills, knowledge of their geography, and natural outdoor spaces. Recipe OC was the first of what will be many enterprises that tie geography and language skills to community safety, and the results are grounded in real evidence.

Two years from now, by locating Recipe OC at a very specific site in the neighborhood, Tisha has reoriented the walking path for kids in the nearby school away from a hazardous section of road that lacked sidewalks. Activating the space at night with community dinners and events was the first step in creating a dialogue across several spoken languages. The community has clear evidence of increased social cohesion. Tisha's wall is full of people's sentences about their enjoyment of her juice, along with everything from their new blood pressure results to their new friends. These events also helped to reimagine the way people traverse the neighborhood, bringing back to life an underused park nearby.

Today, in summer 2019, Tisha's collaboration with CultureBank in Dallas and her participation with equally high-impact peers in a learning cohort positions her as an essential early-stage investor in the Oak Cliff neighborhood and paves the way for much more productive and collaborative investment in the community's vision of shared wealth.

The people who provided early capital to CultureBank are leading the way to demonstrate what a portfolio focused on regenerative principles looks like, as they celebrate these outcomes and increase their participation. Together, they share the experience, along with the various forms of value of community wealth. They have become comfortable investing in a variety of community assets simultaneously, as well as in their role as one in a community of shareholders that seeks interconnectedness and collective prosperity. Tisha and other artists and arts organizations experience a fundamentally different relationship within that same community of shareholders.

CultureBank at Work Right Now: Setting the Stage in Dallas

Here's what it looks like on the ground in Dallas.

CultureBank is collaborating with Clyde Valentin, the executive director of Ignite Arts Dallas, a leading civic engagement organization within Southern Methodist University (SMU)'s Meadows School of the Arts. This partnership is essential, given the leadership commitment that Clyde demonstrates, his deep knowledge of Dallas, our shared values, and the resources that SMU provides. Together, we have developed a critical relationship with The Arts Community Alliance (TACA), an intermediary that brings a long commitment to the local arts community and the capacity to fundraise and manage a fund. We are piloting a project to develop a new type of social impact fund at TACA, in which TACA and Ignite Arts Dallas are both part of the community of shareholders as the work progresses to its next phase.

These partners explored every neighborhood in Dallas and spoke with dozens of community and city leaders, with the goal of understanding the community landscape and identifying the first learning cohort of CultureBank Dallas artists. In early 2019, the partners hosted a series of conversations across the city's neighborhoods. They shared the CultureBank vision of artists as early-stage investors in communities, working with residents to develop and define the value of community assets. They discovered dozens of artists building enterprises and creating impact.

The CultureBank partners then invited artists who were interested in participating in a learning cohort to build their capacity as investors in their community and to demonstrate early-stage community asset development. Twenty-four artists responded to the invitation, and the partners chose six to participate, representing a diversity of practice and neighborhood. The artists have received resources to propel their work in identifying assets of value in and with their communities.

By the end of 2019, these six artists will have participated in several learning sessions together, as well as one-on-one meetings with the CultureBank team, to refine the scope of their work. They have established concrete commitments for what they bring to—and receive from—the cohort. They commit themselves to sharing their resources with one another (e.g., bringing a literacy popup to a food space). They commit themselves to the community by agreeing to seek service on a community association or nonprofit board. The CultureBank team has committed to providing investment resources, specific one-on-one expertise, content for each meeting of the cohort, and video documentary support for key milestones of the artist's work in the community.

In 2020, the CultureBank team will invite artists to join new learning cohorts and expand local partnerships across more institutions. CultureBank will also make larger demonstration investments. The structure of these investments will reflect the central return objective in this early phase: maximize the artist's capacity for impact by bringing to light the value of community assets and the benefits they provide to communities. These investments may be zero-interest loans, structured so that the loan is forgiven upon the completion of the artist's

work within a set time period, and the investor's and artist's shared understanding of the next steps on the path to community benefits.

The pilot phase in each place is the important testing and learning period. Achieving replicability and the opportunity to structure meaningful new forms of investment many times over will require resources and more capacity. The goal is to make major investments that steward a new model of value generation in the context of regenerative and equitable objectives in a community.

The partners have held conversations and meetings with numerous community leaders, family foundations, social enterprise organizations, philanthropic organizations, and arts and culture leaders in Dallas to follow the catalytic resources provided by the partners for the pilot phase.

CultureBank pilot partnerships are also on the ground in Kansas City, MO, and Oakland, CA.

An Invitation

For the pilot investment phase, donor capital is the most important financial support mechanism. These early investors will experience the initial steps in a new model of community investment. During its pilot phase, CultureBank seeks to illuminate value within communities and does not aim to achieve any sort of traditional ROI. YBCA, where CultureBank is housed, is committed to building the capacity of artists as true investors in their communities while building the demand from today's impact, community, and social investors for the vital role the artist will play in the work.

The invitation is here for everyone to consider: What will I do with my investment resources to support both a culture of equity and a more regenerative model for shared wealth in my community, in my place? What's the first shift I should make?

true wealth
is the already accomplished
organization of human capabilities
to clothe,
shelter, feed,
protect, inform,
and accommodate
the initiatives of human life
the magnitude of true wealth
consists of the number
of forward days
of the number of human beings
already provided for

—*Buckminster Fuller*

Deborah Cullinan is CEO of the Yerba Buena Center for the Arts (YBCA) and a founding partner of CultureBank. She is one of the nation's leading thinkers on the pivotal role arts organizations can play in shaping our social and political landscape, and has spent years mobilizing communities through arts and culture. She is committed to revolutionizing the role art centers play in public life. During her tenure at YBCA, Cullinan has launched bold new community programs, engagement strategies, and civic coalitions. She is a cofounder of ArtsForum SF, co-chair of the San Francisco Arts Alliance, and a board member of California Arts Advocates, Californians for the Arts, MissionHub, and the Community Arts Stabilization Trust.

Penelope Douglas is a founding partner of CultureBank. She has spent the past twenty-five years as a social entrepreneur, pioneer in community development investment, cofounder and CEO of Pacific Community Ventures, and senior executive and board chair of MissionHub and SOCAP. Throughout her career Douglas has been committed to building bridges across banking, community development finance, social enterprise, impact investing, and the arts. She currently serves as an advisor to several women-led social enterprises, is a board member of Startgrid, and was a visiting scholar with the Federal Reserve Bank of San Francisco's Community Development Department. She has been featured in media outlets such as the New York Times, NPR, the San Francisco Chronicle, and California magazine—that last highlighted her as a pioneer of “compassionate capitalism.” Douglas is also an artist, an athlete, a native Californian, and a graduate of Smith College.