

Amy Whitaker, Hannah Grannemann*

New York University (USA), *University of North Carolina at Greensboro (USA)

Artists' Royalties and Performers' Equity: A Ground-Up Approach to Social Impact Investment in Creative Fields

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ABSTRACT

In this paper we argue that new models of artists' royalties and performers' equity can form the basis of social impact funds in the arts. Following the principle that those who contribute value should own part of it, we model social impact funds using a "value creation" lens, starting with royalties, profit shares, and other rights granted to visual artists, performers, and playwrights (referred to collectively as "artists"). We draw on data from DACS, the United Kingdom manager of the Artist Resale Right (ARR) and copyright licensing, as well as Arts Council England. We build on case studies of the Artist Pension Trust and Olav Velthuis' suggestion of applying football (soccer) transfer fees to the arts, in order to argue for an artist-centric view of sustainable investing in the culture sector. This proposal complements cultural impact investing funds started by LISC and Upstart Co-Lab while creating more diversifiable, flexible, and artist-centric systems to address problems of risk and diversification of early-stage investment in creative work.

KEY WORDS

Artists' resale royalties, social impact investing, subsidiary rights, investment management, fractional equity

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Amy Whitaker is an assistant professor in Visual Arts Administration at the New York University. She is author of the books *Art Thinking* and *Museum Legs* and of numerous scholarly articles, artists' projects, white papers, and essays. She began her career in art museums including the Guggenheim, MoMA, and Tate, and worked after art school for the hedge fund manager D.E. Shaw & Co., L.P. Her research and teaching have been featured in the New York Times, the Financial Times, Harper's, the Atlantic, Art Forum, the Art Newspaper, Artsy, Forbes, the Boston Globe, Vanity Fair, and the Stanford Social Innovation Review.

Email: amy.whitaker@nyu.edu

Hannah Grannemann is an assistant professor and Director of the Arts Administration Program in the College of Visual and Performing Arts at the University of North Carolina at Greensboro. She was the Executive Director of the Children's Theatre of Charlotte, the Managing Director of PlayMakers Repertory Company in Chapel Hill, NC, Associate Managing Director of Yale Repertory Theatre. She has worked with Snug Harbor Productions, a general management company working on Broadway and Off-Broadway, New York Stage & Film and Elissa Myers Casting.

Email: hgranne@uncg.edu

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