

THE FUTURE: Envisioning the Role of Culture in the Future Economy of New York

Moderator:

Kinshasha Holman Conwill, director, A Cultural Blueprint for New York City

Panelists:

Suri Duitch, senior fellow, Center for an Urban Future

Ester Fuchs, special advisor for governance and strategic planning, Office of the Mayor of New York

Harvey Lichtenstein, chairman, Brooklyn

Academy of Music Local Development Corporation

Raymund Paredes, director of creativity and culture, Rockefeller Foundation

Conwill: What I'd like to do before I turn it over, first, to Ester Fuchs is a quick demographic survey. How many people in this audience were born in 1960 or later? [Pause] If you were born in 1970 or later, keep your hands up.

Ladies and gentleman, the future of culture in New York City!

But, as Richard Mitterthal said, in the long run, we'll all be dead. No, that's not it. No, it's that we're still here. As someone said Stephen Sondheim said, "We're still here." So you just wait, young people: your time will come. No, but I'm so happy that so many younger people are here, because it's good to keep the fight going. Yes!

What I've asked each of our very distinguished panelists to do is to answer some specific questions, which will lead us then into some discussion among the panelists, followed by questions from each and every one of you. To get us started, Ester Fuchs is going to lead us through some broad assumptions, possibilities and scenarios about the future economy of New York City, and she's someone who knows quite a lot about that.

Fuchs: The good news is, we currently have a

mayor who thinks it's important to talk about the budget and the economy in clear and distinct terms, in a way that all of us can understand. He's attempted to shine a light onto the budget issues and onto issues that confront the economy of New York right now.

To those of you who are uninitiated in the New York City budget process, that is actually something new and different. Having studied 50 years of New York City budgets and not quite gone mad in the process, this is really unusual. Part of the mayor's reason for doing this is that he wants the public to know. And he wants the public to know so that they will become engaged in ordering and setting the priorities for the years to come during his administration.

But the bad news is, of course, that the economy has taken a downturn, and I'll talk a little bit more about that through the data in the charts that I gave you. From a fiscal point of view, the city is actually confronting, in the middle of a fiscal year, the need to close a \$4.8 billion budget gap, out of what you think is a budget of \$40 billion. That's one of the things that I want to talk about.

If you look at the first chart very briefly—city revenues and city expenses as forecasted nine months ago—this is really an effort to get a handle on what the city is up against in closing this budget gap. You can see that for the fiscal year 2002, we were not expected to have this enormous gap in the budget: although the fact remains that even in the periods in which we had a growing economy and surpluses, the surpluses were used to pay off debt in the next fiscal year. So in effect, if you look at the city's forecast over even a five-year period, they were always forecasting gaps in the budget. Which is to say, we were proposing spending more than anybody really expected to get in revenue.

That's important, because the gaps are big-

ger now. And New York City is obligated, legally, to have a balanced budget at the end of the fiscal year. If they don't, something called the Financial Control Board comes in and literally takes over the city budget process. And in my opinion, this becomes extremely important, because in the end, the budget is a critical document for understanding where the priorities of existing administrations are, and where they have flexibility in spending, and where they have mandates and things that they really can't change at the city level.

The second point I want to make about the budget is that when you think of a \$40 billion budget, you think that there is an enormous amount of room to make changes in the budget. The reality is that \$27 billion is considered "non-discretionary spending" because it goes to programs that are either mandated by the state or federal government, or to contractual obligations with municipal employees, or to actually pay off the interest on the debt that the city has floated.

And the so-called "controllable" part of that budget—the part that the mayor may have discretion with—is considered to be about \$14.9 billion. And the way that is allocated now is that \$4.6 billion of that goes to the Board of Education, \$3.1 billion goes to police, \$1 billion goes to fire, and \$6.2 [billion] makes up all those other agencies that we think of as the services that probably everyone in this room cares deeply about.

It's not that we don't care deeply about the basic services of police, fire and education. But, in fact, what that does at the end of the day is really put cultural affairs in competition with libraries, parks and recreation, senior citizen services, services for youth, a whole range of services that most of us care very deeply about and would like to have expanded rather than contracted.

So the point on the fiscal side is that even though we are the City of New York, a global city, one of the greatest cities on the earth, and we have this enormous budget—by the way, the third-largest budget in the entire country, and [a budget] that is larger than most third-world countries—we are not a self-reliant city in the sense that we have control, legal authority to make our spending choices. I think that is something that has been virtually unattended to, in the sense of explaining it to the public, by most mayors. Partly, they've basically thought that it was politically better for them to obscure

the budget, to obscure how many people are really on the city payroll, to obscure who was really getting the money. This mayor is really determined to get that information out there. The point-and-click presentation of the budget is already on the city's web site, so you can see some of this, if you're interested, in more detail.

Now, the other part of the budget is where we get our revenue from, who we're dependent upon for getting tax dollars, inter-government aid and fees. Right now, our own tax base, I think, is important in this context, and it's an enormous problem. If you look at Table Two, this is the aftermath of Sept. 11. New York City lost almost 100,000 jobs in the private sector. In the following table, you can see the projection for lost jobs going into the year 2006.

The reality is, we were in a recession *before* Sept. 11, which was seriously and dramatically exacerbated by that terrorist attack that we all experienced. We know that the political rhetoric is that it was an attack on the nation, and that the nation has come to our aid. And in many ways, individuals have done that. Washington has promised \$20 billion of aid. The truth is, it doesn't come *close* to rebuilding the economic base that we have been dependent on to provide our basic services, and the services that New Yorkers care about over time. And it's a struggle to bring us back to the point we were at in September 2001. So we're starting, unfortunately, behind the eight-ball.

The next table, a table that's really important to the arts and culture community, is the tourism table, and the impact tourism has had on hotel occupancy rates. That has two important meanings for this conference. One is, tourists have been the economic rationale, in a way, for supporting the arts. I think the cultural commissioner, from the remarks she shared with me, has really encouraged everybody in this room and everywhere to think outside the box for explaining and arguing for a more sophisticated economic rationale for the arts that goes beyond its impact on the tourism industry.

And I think that is going to be the direction, as far as policy is concerned, both in Cultural Affairs and in the rest of the city. We cannot be what we'd call a "single-product economy" in New York. When third world countries rely on one product for their GNP, they very, very rapidly decline in moments of recession, and they are unable to fulfill their functions. We're nowhere near that point.

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—Ester Fuchs

But the reality is, the growth in the economic base of this city has been disproportionately in the tourism industry, which is mercurial at best. And the extent to which the arts community can hook itself into education, job creation, neighborhood revitalization, beyond the tourism industry—and I know I’m echoing some of Kate’s words here—that is a very important piece of the puzzle, at least from the public’s perspective and the city government’s perspective.

My final point is that in terms of the larger objectives of this administration, as it digs its way out of the budget crisis it unfortunately was left with—some of which was not controllable and some of which was—the two most important objectives, I believe, will be job creation and economic development: economic development that’s done in a way in which we create jobs that serve those people that live in the city of New York, as well as in the regional economy.

This mayor is fundamentally and strongly committed to reform in the education system, and in promoting an agenda that is about teaching and learning and improving kids’ performance in the classroom. I know everybody in this room understands that art and art education and art in the community, as well as theater and other important parts of the cultural life of the city, are part of that educational dynamic. I think this is an important argument to be made, not just with members of the administration, but also in the philanthropic community, in the business community.

And the extent to which we can create those collaborations between government, business and philanthropy to promote the agenda of the arts and culture community at the neighborhood level with the people who live in the city of New York, I think we have a mission that will be shared by the administration. It’s something that we can accomplish and, I think, it will give arts and culture a more stable place in the long-term budget process, as well as in the future of the city of New York more broadly.

I hope that begins the conversation about how arts can be part of a larger engine for economic development, and doesn’t end the conversation.

Conwill: Our next panelist is Suri Dutch, who’s a senior fellow at the Center for an Urban Future. The Center does many very important research projects. They were, lucky for us, part of the Cultural Blueprint, and did a report on

real estate and its impact in the cultural field. They also did a very important post-Sept. 11 study of the cultural organizations.

What I’d like to ask Suri to do is to talk about some of that research, and what you’ve heard, and what the impact of the culture on the economy, and of the economy on culture, will be.

Dutch: It’s a tall order.

I guess the first thing to say—or rather, to restate—is that New York City arts groups were hit very hard by Sept. 11, as was much of the city. You’ve heard about this today—it’s in the report that we wrote—so I won’t go into detail about that.

I would like to talk about some of the more positive things that we see coming out of Sept. 11, and going into the future. I would like to pose the idea that after Sept. 11, there really is a better understanding of the importance of arts and culture to rebuilding the city that was there before, for a variety of reasons. We’ve entered a new phase in New York City, at least in terms of viewing culture as integral to our social and economic life. It’s a pretty positive statement, so I’ll try to back it up.

One piece of evidence for this is the fact that New Yorkers have come out for arts and culture over the last six months, not just on Broadway and at the museums, but in arts and culture institutions throughout the five boroughs. So while we’ve seen tremendous drops in attendance and ticket sales and earned income and all that, certain organizations—the Botanical Gardens, the zoos, some of the museums—have actually seen increases in attendance. I think that’s very important.

I think that arts and culture is on the front burner for us right now as New Yorkers, because the way in which it’s crucial to our social lives has really been brought home. One of the things I try to do as a policy researcher and writer is take arguments and discussions of a need for policy change from various fields, and try to translate them to people who are not in that field. I do that in a lot of fields. I do that in arts and culture.

One of the things I really grappled with is taking the more intangible benefits for individuals and for society and making a hard-nosed policy argument for why society needs to support arts and culture, to politicians and to the media. And that is sometimes hard to do. I think that Sept. 11 helped us do that, because

arts and culture really helped people ground themselves after the attacks. I talked about attendance. But [look at] the ad-hoc photo exhibit in the storefront in Soho, which turned into a mecca for people struggling to deal with what had happened. Ginny Louloudes mentioned “The Guys,” at the Flea Theater. It’s been selling out every night. For me as a policy advocate, and for us as policy advocates for culture, it makes it easier, in some ways, to explain to people why arts and culture is important, and to explain it to politicians.

A couple of people talked earlier about the really crucial investments by private foundations that have really come through. Another positive that I’d like to point out is with the media. I think the media has really covered what’s happened to arts and culture in depth. I don’t even know if I could count on both my hands—I think it would take more than that—the number of times that I’ve seen Jenny Dixon from the Bronx Museum of Art quoted and talked about in stories. When we published our report on the effects of Sept. 11 on arts groups, we got a ton of press. One of the more interesting articles was a really long piece in *Queens’ Parent* magazine that talked about what was happening with arts and culture groups in Queens, and how that was going to affect the Queens families that patronize them. For a while, it seemed that every time a museum laid off a person, the *Times* wrote a story about it. Every day.

And so I think that can translate into an understanding of how that’s important to the city’s economic development and economic vitality. We really have lacked an arts and culture policy connected with economic development in this city. There were very important investments in capital infrastructure during the Giuliani administration, but there wasn’t a broad vision or articulation of arts and culture from an economic development point of view.

That’s true in general about policy in the city. One of the unfortunate facts here is that in New York City, people tend to compartmentalize, and not cross-fertilize, policymaking, because there is so much to do, so much going on. And even though there are a lot of people who get the connection between arts and economic development, there have always been barriers to institutionalizing it. Someone was talking earlier about the Department of Cultural Affairs having more of a convening power with other agencies. That’s certainly something we can point to. The Economic

Development Corporation of the city started to get involved with capital projects in the last administration, but I don’t think it was necessarily as part of an overall articulation of vision.

I think that now, we have a mayor who is saying some things that I’ve heard. He actually mentioned arts and culture in his State of the City address, and talked about its importance to the rebuilding of the city. He also talks about a five-borough economic development strategy, something that Ester just mentioned. I think these are opportunities for us. The fact that [World Trade Center developer] Larry Silverstein is talking about building a cultural center on the site is very important. And I think we have an opportunity to take these things beyond rhetoric for the first time in a long time, so that, for example, city policymakers in budget and planning and economic development actually carry cultural portfolios on a regular, ongoing basis. That’s something that’s happened in other cities, but not here.

And on our side, I think we can be more proactive in looking at how arts and culture stimulate economic and community development on a local level, something that Ester just mentioned and something that the Center is actually starting to do. It’s a high priority for us to look at this across the city. There’s been a lot of discussion about the negatives and the really grim funding picture and the terrible things that have happened to groups over the past six months. And those are all true. But I would say that I think there are positives too, and there are a lot of opportunities for us to look at.

Conwill: One of the things that you heard both Nina Cobb and Alberta Arthurs talk about were cyclical trends, and those included some of the great and welcomed support, particularly from major foundations, during this difficult period. A couple of times, you’ve heard people mention Carnegie and Mellon. There’s a very important fund at the New York Foundation for the Arts for a number of partners—the New York City Arts Coalition, A.R.T./New York, The Harlem Arts Alliance, Association for Hispanic Arts, and a number of other groups—and that’s funded by a consortium of funders that includes Mellon, the Rockefeller Brothers Fund and the Rockefeller Foundation, which has really been a leader in supporting culture nationally and internationally.

We are delighted to have with us our counter-cyclical friend, Raymund Paredes, who

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comes to New York, as the director of creativity and culture at the Rockefeller Foundation, from a long career at UCLA. Surely, L.A. is one of the most diverse cities in the world, and so is New York. One of the things we've asked Raymund to talk about relates to his experience in L.A.: the role of diverse voices and diverse cultures in this new economy of the 21st century in New York City.

Paredes: Thank you. I want to talk about that, but I also want to talk about some of the things Rockefeller is doing in relation to this large question of the future of the arts in cities like New York.

In relation to the question that you raised, I think it's quite clear that there's an inherent tension and a certain amount of uncertainty around the issue of how to deal with the changing demographics of large cities all over the country. It's striking that every large city in the country—whether it's New York, Los Angeles, Houston, Chicago, Miami, San Francisco—is undergoing an extraordinary demographic change. Most cities in this country will have a majority population of minorities within the next 15 or 20 years.

Take Los Angeles, for example. Los Angeles County is about 50 percent Latino, primarily Mexican-American. The schools in Los Angeles are 80 percent students of color, and over 50 percent of that number are first-generation immigrants. That situation is very similar in New York and in other large cities around the country.

Everybody knows that, and representatives of every large institution in the country know that the biggest challenge for cultural institutions is how to harvest that population as a patron base for those same institutions in the future. At the same time that everybody knows this, those same cultural institutions are reluctant to do what it takes to cultivate that audience. There are several good reasons for that. Most cultural institutions are not wealthy, even large and relatively powerful ones, and they're afraid of alienating their current patron base by doing a lot of programming, for example, that might attract the minority audiences that they're going to have to rely on in the future. Then, of course—because a lot of these future audiences for cultural institutions have not felt particularly welcome at these cultural institutions in the past—they have to be encouraged, provided with incentives to patronize those

institutions. That requires some kind of sustained commitment of both human and material resources, and cultural institutions haven't been willing to do that. That's one of the issues that we talk about at Rockefeller all the time.

One of my favorite examples of this dissonance between the direction of cultural institutions and the realities of American demographics is to look at an institution with which I'm very familiar, the Getty Museum in Los Angeles. It's hard to imagine how any museum conceived in the past 25 years in this country could have been designed to be more alien to precisely the populations that it ultimately will have to patronize. I've said this publicly, and that's maybe a reason why I'm in New York now instead of Los Angeles—and I said it at one point when I was at one of the Getty's opening receptions. I was asked how I thought this museum would appeal to the Latino and Asian-American and African-American populations of Los Angeles. I said, "The only way you could have made this place more inhospitable would be to build a moat around the place with alligators in it." I'm struck by the fact that even Los Angeles, which considers itself to be a place that is sensitive to people of color, would produce such an institution at the end of the 20th century.

Having said that, let me tell you some of the things that we're trying to give attention to. These issues are not exclusively of interest to the Rockefeller Foundation; every foundation in the city and around the country is talking about these issues, and I've had extensive conversations with colleagues from foundations all over the country—including, I should say after my previous remarks, the Getty Trust.

One thing that we very clearly have to do is strengthen arts education in cities all over the country. The Rockefeller Foundation hasn't been very much involved in arts education recently, but we are going to get involved in a serious way over the next two to five years.

Our arts education program will have several components. The first component refers to what I just talked about. We're going to try to develop these new audiences for cultural institutions. We're going to promote work in schools and beyond schools that teaches children to recognize that there are diverse aesthetic values present all around them in American cultures and American cities, and that they need to have a broad enough perspective so that they can entertain different kinds of aesthetic values. We

want to inform children about the importance of art to their own personal well-being. And we want children to be as well-informed as possible when they go to a museum, a concert or a play. At Rockefeller—just as we believe, in our education work, that all children can learn and that all children are entitled to a decent education—we’re committed to the principle that all children are creative, and all children have a right to express that creativity. So one component of that program will be not only to provide information about the arts, to establish that new patron base I talked about, but to provide and support programs that provide training in the arts. Once again, we want to be expansive in how we define “the arts.”

I happened to be in Los Angeles as a professor and an administrator at UCLA when I saw this extraordinary emergence of what at one point had been, or at least *apparently* had been, an act of vandalism: [graffiti] “tagging” all over the city of Los Angeles. A colleague of mine, a distinguished artist herself but also a great teacher named Judy Baca, takes a lot of these gang kids and turns them into artists with cans of spray paint. They had an exhibition at her organization—the Center for Social and Public Art—and brought that exhibition to UCLA. People were astonished at the quality of the work that these kids were producing with cans of spray paint. We want to find avenues for kids to express their creativity in ways that challenge conventional aesthetics.

We also want to look at a variety of approaches to providing arts education. We’re going to support arts education in the school when it’s connected to well-established disciplines. We know that arts education in the stand-alone fashion is not typically sustainable, because arts education typically gets cut when budgets go south—and of course, budgets always go south. We’re going to support arts and education programs that are produced by cultural institutions both large and small: organizations that are as large as Lincoln Center, perhaps, and as small as Self Help Graphics in East Los Angeles, an arts organization that has trained several generations of very distinguished Chicano painters. We’re going to take a look at computer-based education, and see if there are ways in which we can promote instruction in and about the arts through children’s use of computers, at home or in school or wherever they have access to them.

Finally, we’re very much involved in sup-

porting cultural policy work: work that documents the importance of culture, the access to cultural activities, and the well-being of communities. Most of the time, when we assess the circumstances and conditions of communities, we pay attention to factors such as economics and access to public health institutions like hospitals and clinics. We look at public safety issues—education once again, obviously. We want to make the argument, and we’re doing this by supporting policy research all over the country that focuses on culture as a factor in community well-being. How do you determine when a community is healthy in a cultural sense? Do children in a given community have easy access to a library? Do they have institutions like Self Help Graphics, where they can learn to become artists? Do the schools have strong programs in music and so forth? And if not, how can we fill the gaps that exist? We’re very much interested in the expressive health of communities. Are there opportunities for children to express their voices in different kinds of venues? We’re very interested in promoting the idea that, fundamentally, the quality of lives is as important as the livelihoods of people.

Conwill: We’ve heard a lot about economic development today. There are people who think we should talk more about it, there are people who think we should talk less. But surely in the entrepreneurial spirit in the cultural community, it has been extant for a while. We’ve had funders like the Robert Sterling Clark Foundation and New York Community Trust that fostered that back in the days when no one else cared about it. And they helped the *Cultural Blueprint*, so I really like them. In the recovery, as we look to the future, the role that culture literally will play in the rebuilding of New York is key.

A huge figure in that movement over the past 30, 40, 50 years—I don’t know, it’s been so long—is Harvey Lichtenstein. Harvey is the person who gave great quotes to Karen Hopkins, who’s been an inspiration to many of us. He is now onto a idea—there are no small ideas for him. He is the chairman of the Brooklyn Academy of Music Local Development Corporation, and we’d like him to share with us some of the flavor of how easy that’s been, and the very few obstacles he’s faced in making that happen.

Lichtenstein: Before I get into it, I just want to

make a few quick comments. One is that I worry, when I hear so much talk about education and cultural policy, about the fact of the artists themselves and the arts and the infrastructure that exists today. Obviously, education is important, and understanding what's going on in this country in terms of policy and so on is important. But unless we continue to support the artists and the work of the artists and the institutions that really *do the work*, that means nothing.

Second, I come from what is known as an "outer borough," from a place called Brooklyn, across the East River. Let me tell you a little story. We've been talking over the past couple of years to various groups and institutions and arts organizations around the city, who were having trouble in terms of real estate and finding space, about possibly coming to this cultural district we're trying to build in Brooklyn. At one board meeting of an institution that will remain nameless, I was talking about it, and I made mention of the fact that Paris has the Left Bank, and London has the South Bank, and New York has Brooklyn—or whatever, the East River or in between. And someone on the board of this institution raised his hand and said, "But you know, the people who live on the Left Bank are Parisians."

My point is that New York has been very centric in a lot of ways, but it's been very Manhattan-centric all these years. But New York is changing. It's going to take a lot of time and effort, but still... these same board members who come up with this attitude tell me that their kids are living in Brooklyn. Their sons and their daughters are living in Brooklyn. And you look at the development of what's going on outside of Manhattan, and even in other parts of Manhattan: in Brooklyn, in Long Island City, in Harlem, in Hunts Point, in Sag Harbor, in Staten Island. What is happening now is that for many reasons, there is a lot of activity outside of Manhattan because artists are being forced out.

Now, you talk about economic development and artists—*my God!* Look what happened in Soho. Look what happened in Tribeca. Look what happened in Chelsea. The whole development of those areas was preceded by the fact that artists began to reclaim a lot of that territory, and that began to generate all kinds of interest and development in those areas. Artists are essential to the life of the city. They are essential, particularly, to New York City. Because it's not

just the art that's produced here—it's the fact that creative people from all over the country and all over the world come here, and they regenerate what happens here. I mean, New York has gotten its energy and its life from regeneration: from immigrants, from people coming here to work and study. It is really the center of creative output, which fuels so much of what goes on in this city. So, just in and of itself, it is an economic development tool.

Now, what is happening to so many arts organizations, we've been finding out, is the difficulty of dealing with real estate. Rents have gone up 200, 300, 400, 500 percent. A theater company that has existed in a place for 25 years has found, all of a sudden, that next year, its rent is going to be doubled. This is going on over and over again. And things are happening. You now have Williamsburg, which is the center of arts activity in the city. And Greenpoint. You have DUMBO, which is developing.

It's interesting what is happening in DUMBO. The developer there, a guy named David Walentas, turns around and gives space to arts organizations for practically nothing, but only for a year or two. And what happens, of course, is the development of that area. That area gets built up because these galleries and performing groups come in there and they begin to establish a credibility to that neighborhood, an activity and a vitality. And then, of course, he turns around and begins development, and the arts institutions have to leave.

So, one important thing is really to try to understand the importance of the arts industry and artists and cultural institutions to New York, and to understand it in terms of how it can spread out. Brooklyn now is changing more than it has in a long, long time. You look at what's happening in Fort Greene, where I live and BAM lives and the BAM LDC lives, or in Park Slope, or in Bedford-Stuyvesant, or in Red Hook, or in Boerum Hill. You see the activity going on there, the artists moving in there, galleries coming in, restaurants coming in.

This leads to another aspect of development—gentrification—which is another thing you have to deal with as part of this process. And this process goes on and on. What we're trying to do with the BAM cultural district is to establish, more or less, a safe zone for artists, if we can. We're trying to deal with art facilities for organizations, with rehearsal studios, with housing, with office space, with performance space, in a way so that hopefully, there's longevi-

ty to the possibility of them staying there. With ownership, with very long-term leases, by subsidizing ownership, by subsidizing artist housing. And hopefully, that will stabilize the possibility of the arts community in Brooklyn.

We're also trying to look at the creation of arts districts. There are arts districts, but there are no *legalized* arts districts. The idea of arts districts having some give-backs from the city, or having the use of certain tax revenues, or some exemptions, or perhaps builders getting certain exemptions by building artist housing there, or middle-income artist housing. We're looking at the possibility of establishing an arts district in Brooklyn. Hopefully, this is something that can be replicated if we can get it going. We've talked to [Giuliani] and [Pataki] about this, and they're interested. I mean, Peekskill was a place where the government built subsidized artist housing and artist workspace. And [they're] very proud and interested in the possibility of that being replicated.

So, these are the things that I think are important for New York. I think it's important for New York that we understand that there's a city beyond the shores, beyond the island of Manhattan. That we understand that we really should support the dispersion of this cultural activity and cultural life beyond Manhattan. I think that when we look in Brooklyn and what we can do there, it's a matter not only of having other groups come in there: it's also a matter of dealing with that local community—the Brooklyn community—and having a place for them to develop their cultural activity and work. It's a real mixture of activity, and it's something that can really embrace the whole city and all the different cultures of the city.

Conwill: Okay, I have a very simple question for each of our panelists. Is it possible to have a set of cultural futures that do not put us in an either/or situation? That we have to have either arts in education or a central role for artists? Either a Manhattan-centric policy or a five-borough policy? Given all that you've heard and all that you already know, what are the two or three key things that each of you think we need to keep in mind about culture and the future of New York City's economy? You can talk about the rebuilding of downtown, you can talk about five sectors, you can talk about whatever you want—obviously, it's a global question. But let's we have Arts for Hope, now we need *hope for arts*.

Dutch: I think it's not an either/or thing. There is a connection between the transforming power of art and the five-borough economic development strategy, and it's connected with what Harvey was just saying.

In the arts research that I've done, particularly in real estate, people seem to accept a little too much the cycle of gentrification that comes with artists, and the fact that artists have to leave when the prices get too high for them. The BAM cultural district is one response to the issue of gentrification in neighborhoods that artists go to. There are a number of examples we can look to that connect—on a very local level, on a neighborhood level—the transforming power of arts to individuals, to communities, and that can also help to revitalize those communities economically without making it so that everyone who lived there to begin with has to leave because they can't afford it anymore. It's a really sticky problem, but I think that we could be more proactive about it.

One more thing. Losing the State Senate seat, losing the Republican seat, is a really big deal, but I think we can make arguments that sell arts and culture to all policymakers. It's a blow, but it's not a huge blow. We can make arguments that sell arts and culture to any politician on the basis of what their own agendas are, whether it's economic development or community.

Fuchs: I try to stay away from these complicated either/or questions, particularly in my new position. However, I'll try to make just two points, because I think what you said completely captures the issues that we're going to confront in the next ten years, let alone in the next four years of this mayor's administration.

I think there's a problem in trying to frame public policy around the arts and at the same time promote a free-market approach—which is to say, we want to nurture young artists, old artists, new artists, individuals who actually engage in the activity of providing us arts and culture, but we want them to be independent of the political institutions and the public sector, because that provides almost a contradiction in terms. We want to create cultural corridors and support that kind of activity so that artists are not forced to leave particular neighborhoods that they have helped to construct and create and make better. At the same time, we want to make the argument, "Isn't it great that artists go into these neighborhoods that are desolate and

horrible and make them better?” That’s part of the economic argument for the arts.

We don’t want the arts to be treated differently, in this context of looking at the economy, so when you bring up the issue of gentrification, I hold on to the edge of my chair. Because when you look at displacement broadly, it’s a much more complex, complicated problem. It’s not clear to me—and this is a controversial thing to say—that the arts and advocates for the arts help themselves very much by getting embroiled in that, because there are so many layers, and we haven’t really figured out what gentrification is in a completely negative sense—because we’ve reclaimed crummy neighborhoods and made them better, and isn’t that what we’re trying to do anyway, and does anybody have any “right” to still live in that neighborhood just because they’re there?

I worked up in the Harlem Empowerment Zone for some time. In the neighborhood conversations, there was this huge dilemma about whether we wanted these other organizations to come in, like “Why should we have Duane Reade, or Old Navy, or the Gap? In our neighborhood, we want to worry about our local entrepreneurs.” Did anybody ever ask people in Morningside Heights whether they want Columbia here, or whether they want Old Navy or the Gap or Duane Reade coming into these neighborhoods?

So why is it different for a neighborhood that’s coming out of poverty, in some sense, to have that kind of conversation, and to talk about how we structure [growth], and how you bring arts and cultural policy into that conversation in a constructive way? Not that we want everything to stay the way it was. We want the benefits of economic growth, but we want to be able to keep our space with no strings attached. I’m not saying the answer is “no oversight”: I really believe there’s a role in government to protect the individuals and institutions in our society that are destroyed by the market. But if we move in the direction of protection, I don’t think there’s a role for government in that. I don’t know how you do that in a constructive way without opening up a box that puts the arts and the cultural policy almost on the fringe in competing with the social service needs of a lot of these communities, whether it’s good schools, drug treatment or libraries. We can go down the list of the failures of public policy in marginal and low-income communities.

So my positive note here is to keep a space

in public policy for the arts that is unique and special in terms of its constructive role, and not put it in competition with those who really need government to support them because they’ve got nothing else. And really look at this. I believe, at the end of the day, that it’s got to be that collaborative model. Maybe you *do* have to let go to a certain extent, except in the high-income communities. We’ve had to let go of a lot of things in those communities. But in a way, that’s the opportunity that’s presented for the rest of the boroughs. And being somebody who grew up in Queens, where when I was growing up there were virtually no neighborhood-based cultural and art institutions—you had some community theater in the churches and synagogues, and you had libraries, but you had really nothing else going on there—it’s an enormous opportunity.

I would view *that* as the opportunity, and then not really worry about what can’t be recaptured. I would recommend Lynne Sagalyn’s “Times Square Roulette.” I think that’s an extraordinary story: about how Times Square revitalized, and how some of the interest groups played a functional role in that revitalization, and some played a dysfunctional role. When we think about transformation, I think we need to realize there are an extraordinary number of things we can’t control in that transformation process, and let’s go after the things that we *can* get a handle on.

Lichtenstein: Well, it’s curious. You say, not to worry. The fact is, you have no choice when you’re in a community. You’re dealing with that community, you’re building for that community, and whether you like it or not, you’re confronted in that community, with taunts of “gentrification” and this and that. You have to deal with it. It’s how you deal with it, and how you listen, it’s how you provide...

Fuchs: I didn’t say not to worry. I said not to worry about those things you can’t control.

Lichtenstein: But some of that you *can* control, but you have to deal with it.

Fuchs: Well, then you worry about it. But that’s the point. You have to figure out what you can control: what, that is, you can really do something about.

Lichtenstein: In talking about economic strategy, I had a meeting a couple weeks ago with the

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deputy mayor for economic development, Dan Doctoroff. And in talking about the [BAM cultural] district, he began to enumerate a three-tiered way of looking at economic development in the city: different levels of keeping jobs here; of keeping organizations here; and of rent and cost. And he talked about the [rent] level of midtown Manhattan, which organizations will always want to be in, and will pay for. And he talked about downtown Manhattan, which is at a lower level, and again, there exists a group of organizations and corporations that will want to be there.

When he talked about Brooklyn, what he said was very interesting. He said, “That’s a third level. It still may be higher than Jersey City, in terms of cost,” he said. “However, the idea of a cultural district as part of that whole economic development in downtown Brooklyn gives it added value, gives it something that the City of New York can provide.” And so, maybe we can really make that tier work with groups wanting to get out of the city, simply because there are more amenities there—there’s something that’s really important that we can provide. This is another aspect of how culture can support the economy of the city, and of how the city can support culture.

AUDIENCE QUESTIONS

Bernadette Scott, associated director of development, State Theatre in New Jersey: This question is for Raymund Paredes. You mentioned that arts organizations are not quite sure how to attract new audiences while not alienating their traditional audience. I just want to get a sense from you, and any other panel member, if you think that’s something most arts organizations are very concerned about. Is there a systematic way of going about that? Is there a step-by-step process? Because it seems it gets stuck somewhere along the line, and I’m not sure how that’s being addressed.

Paredes: I think a lot of institutions know how to do it, but they’re not willing to make the sustained commitment. Every cultural organization in the country has [tried it]. Musical organizations have had African-American concerts, Latino music and so forth, with varying degrees of success. But it’s a question of sustaining those kinds of activities over a period of time to build a new audience. From my perspective, I haven’t seen that occur very much. It’s a

question of funding, a question of will, a question of dissonance, a disjuncture between the boards of directors and the audiences out there.

Cheryl Young, executive director, MacDowell Colony: I failed to mention [earlier] that I’m also chairman of the Alliance of Artists Communities, a national consortium of residency programs in the country that has experienced enormous growth due to the lack of public policies supporting individual artists. Residency communities have sprung up all over the country, from a dozen or so to over 70.

I’m also an economist, and right now we are experiencing a huge influx of people in the cultural industry. This institution is graduating people at a huge rate, much huger than the culture is able to absorb into the workforce. If we go into arts education, that cultural workforce is going to grow even more exponentially. We don’t have any mechanism within public policy right now to absorb that. We don’t have any mechanism for stopping what was once called during the SEDA years the “discouraged worker effect”: people are out there, they want to do the work, but they can’t be absorbed into the economy.

I want that to be on the table as we’re looking at new paradigms. You have MBAs here—half the people in this room are very highly professional administrators. They know what the problems are, they know how to identify them, but they’re still not at the table in public policy or in the mayor’s office and so forth, and we need to change that paradigm. And in foundations, [we need to work] with, instead of against, each other.

Joan Firestone, special adviser to the chancellor, New York City Board of Education: Kinshasha, you led off by asking everybody who was born in the ’70s to put their hands up, to say that that was the future of New York. In fact, there are 1.1 million kids in the school who were born in the late ’80s and ’90s. I believe that’s the future.

Harvey, there is no separation in terms of the working artist and the educator. Several people with whom you are very familiar—Mark Morris, and Elliot Feld and others—are working very hard with kids in the public schools. What we are trying to do at the Board of Education is build internal sustainability. But we will never be able to do that alone: there just aren’t enough teachers. The artists are an integral part of that growth.

And I ask of Ester: The arts within educa-

tion are marginalized. How do we address that with policy?

Fuchs: I'll say one thing very briefly about the marginalization of the arts in education. In terms of what Suri was talking about—the media changing its attitude about covering the arts—I think there needs to be a public conversation about what the public policy priorities are in this city. This mayor wants to have that conversation. And as he said, it's not always going to come out the way everybody likes it, but in fact, we've had eight years of public policy without any public conversation about priorities and the direction of public policy.

So your point, Joan, is a critical one. We lost arts in the public school during the fiscal crisis and it never came back the way other services have come back in the city. And I think that, not just the arts community, but parents, family, friends of the arts community—the whole public discourse—have to recognize again that art and music need to be critical parts of a child's development in education. All the data and the research are there. It's been done. All of us in this field have seen it, and it now has to be made part of the political discourse again.

Norma Munn, chair, New York City Arts Coalition: It's interesting to hear a member of the administration talk about public policy. Obviously, those of us in the arts would welcome a change. I'm concerned about what I think was a misunderstanding of the discussion about gentrification—and Harvey can correct me if I'm misunderstanding him—but I don't think the arts community is promoting the idea that we have unlimited claim to the territory we improve. On the contrary, I think what we're saying is that if this or any other government or administration anywhere wants a diverse community, wants the arts...and diversity goes further than the arts. For example, the New York City Arts Coalition has never supported programs to increase housing for individual artists in a city in which huge numbers of people are underhoused, badly housed or homeless. But live/work space, arts districts, the development of space where people can have longevity: these things are essential if you are going to have an arts community 20 years from now.

The statistics this morning showed something that should have scared all of us: the rich were getting richer, and the poor were getting poorer. You cannot have arts in this city—and I

mean that in all the senses of the word—without maintaining space in which people live and work. That includes theater space, dance space, places for writers to write, for sculptors to work, everything.

Yes, gentrification is very complicated, and it doesn't just occur because artists improve an area. But there is a stakeholder argument that is not being articulated for all of the people in this city who are in that position. And we in the arts argue about it a great deal, but I'd like to see this administration consider the possibility that the century we're living in demands that we not respect private property so much that we do not consider the rights of those people who have made that community survivable for 20 years before the artists moved in. That's not happening.

Now, do I know that's complicated? You better believe I know it's complicated. But this is New York. So what? Everything we do is complicated. And I don't think the rest of the world is going to look at it, but if we don't do it, you will not have an arts community, except for the older institutions here. No one can afford it anymore. Too much of our money now is going for rent. We could also create a public trust, whereby we could take ownership of buildings, and create them in the same way that the Trust for Public Land has. Ted and I have been talking about this for two years. Who's got time for it?

If you want ideas, this community is full of them. And we would welcome a discussion about public policy.

Conwill: To Norma's point, I want to go back to one quick point about cultural workers and folks being around the table at larger civic discussions. There are large gatherings all over the city—the Civic Alliance, Municipal Arts Society, New York New Visions, all kinds of folks talking about Lower Manhattan, the Lower Manhattan Cultural Council has been a leader in some of those discussions. And we've got to be at the table, folks, to have these discussions. We can't just be here 20 years from now in a conversation about what didn't happen when we weren't part of the rebuilding of New York.

Dutch: Building on what Norma said, and in response to Ester, I think that no one is arguing to keep everything the way it is when artists move in to a community. And I don't think that the arts community wants to be marginalized in the public policy discussion or in the discussion of economic development policy by saying,

We've had eight years of public policy without any public conversation about priorities and the direction of public policy.

—Ester Fuchs

“we’re not subject to the markets.” But I think there’s a strategic role for public policy. There’s a strategic role for capital investments, whether they’re public or private. Ginny mentioned Pittsburgh earlier, as in, “Do you want Pittsburgh to do better than us?” The Pittsburgh Cultural Trust is an example that we could learn from. When the value of the land of the Pittsburgh Cultural Trust, which is a non-profit that supports the arts, went up, as they made the neighborhood livelier and more attractive, people started coming to their parking lots, and so the nonprofit gets the revenue from the parking lots because it owned the land for the past 20 years. It would be so great if we could do more of that in New York.

Patricia Cruz, executive director, Aaron Davis Hall: I think that it’s our obligation, whether we were born in 1910 or 1990, to fight to change things that cannot be changed. Because what has happened—and it’s very interesting that Kenneth Jackson spoke earlier today about this island of Manhattan and the wealthy place that it has become—is a lot of people that were here, whether they were artists or people of color, have been pushed out, and they have been displaced in ever-widening circles. It reminds me of some of the material that Foucault wrote about Paris, in which archers actually stood at the city gates to shoot down impoverished people and peasants before they could get there.

And I feel, in some way, that we have invisible archers that are poised to keep those people out. People were put in prisons for being poor. We have got to be able to accommodate change. I would submit that yes, people *do* have a right to stay in the communities that they have invested in, and loved, and grown up in, and that they have a longing to do that. We need to be able to support that, and policy can do that. I’m not saying everybody, everywhere, but we have to look at ways that we can allow for this diversity, so that we can allow this to remain what is ostensibly one of the most diverse places on the face of the earth, which is what we always claim. I rather doubt that claim, actually, if we look at history, but we like to claim it, just as we like to claim being the cultural capital of the world. We will not have any of that if we cannot make change. And I submit that as we look to the future, that’s what we have to dedicate ourselves to: to seeing how we can be a part of making that change.

(unidentified audience member): To follow up on

one of Suri’s points, one of the remarkable ironies that is, in some ways, a positive indicator for the arts since Sept. 11 has been the very hot topic of memorials. People aren’t discussing what this really means.

I started working during the early days of the culture wars; artist and art in this country have always been taboo and dirty words. But after Sept. 11, everybody is talking about memorials. They are demanding that artistic expression, in fact, is the thing that’s going to promote healing and unity. And unless we as an entire field seize this opportunity to say, “Yes, that’s right, you get it. Art is an opportunity to promote healing and unity, among other things,” we’re missing out on (and I hate to use this word at this time) a major opportunity.

Also, Ester, in terms of what you’re saying about public policy and public discussion, is we need to be addressing this in the field as a whole.

Agnes Murray, art services director, Brooklyn Arts Council: I’d like to follow up on the issue of gentrification.

In Brooklyn, we’ve certainly been seeing a lot about what’s going on in Fort Greene. Norma made the important point that there are people who are already living in those communities, many of which are culturally viable, but in a sense they are out of the mainstream, are somewhat invisible.

So I’d like to ask Harvey Lichtenstein: to what extent have you found that engaging with those populations has had a very positive effect on the development of the BAM LDC and their plans, in the sense of not only looking to bring in people from other places, but integrating that into the community that’s there? Because in many cases, it seems as if the communities that resist gentrification are, to a certain extent, the communities where the artists make common cause with the population that’s there, and they become a united community, rather than two separate communities.

[In other words,] to what extent has that process of engaging with the population there—which I know has very actively engaged *you*—helped you develop your thinking in new and positive ways to strengthen your process?

Lichtenstein: First of all, what’s happening in Fort Greene was happening before we ever got involved with the LDC. The gentrification has been going on there for a number of years, with people having to leave, and it’s been a process

happening in many communities, not just in Fort Greene, but in other areas of the city and in Brooklyn as well.

What we found out in talking to them was that from the very beginning, one of the major aspects of the cultural district was housing. The idea was to have a mixture of cultural activity, housing, public space, retail space and so on, simply because of the diversity and the density. We wanted density in that area because it's filled with empty parking lots, and we wanted people living there and working there: we wanted people there day and night. Since housing was, and remains, a key part of what we want to do, in terms of talking to the people in Fort Greene and understanding the process that's going on there, that is informing what we're looking at with our housing.

We've been talking to political representatives in the area about what kind of housing makes sense, what kind of subsidized housing and so forth, so the housing that we're going to be building—and we're looking to build somewhere between 500 and 700 units of housing—will be a mixture of housing in which the people in the community will have the first shot at, plus some artist housing, artist live/work space, as well as other kinds of artist housing. And in a sense, that is as much as we think we can do to try to address some of the gentrification problems in Fort Greene.

Conwill: I think part of the question was: To what extent, in terms of your methodology, has that methodology been informed by what those residents and artists and others have said to you? Did housing as a key issue come from those discussions?

Lichtenstein: No, housing has conceptually always been an important part of the project. However, a lot of those ideas about what kinds of housing, and who gets it, and so on, have come about in the conversations we've had with the community.

Conwill: Panelists—last comments?

Fuchs: I want to clarify my point about gentrification. The issue of gentrification, as everyone in the room knows, is very complicated. I have a personal problem with the term because I think it obscures—as was pointed out by the speakers—much larger dynamics that are going on in

a community. To be on the record, and to be clear about the issue of “should communities be involved in planning for their future?”—yes, of course, absolutely. But the issue of how to deal with communities becoming more desirable to people who have more money, I don't really know the answer to that question. If you want money to be invested in the community by the private sector, or even by the public sector, then you are bringing into the community new people and new partners who may have more power and a different vision for your community than you've had.

I've lived in communities like that, and I understand the problems that face the long-term residents of the community. But the problem of creating jobs and an economic base, so that we can support the institutions and the policies that we want in New York City, has a lot to do with creating viable local tax bases. So nobody in the room is saying “Leave things the way they are.” But I'm not saying, “Just give the person who has the money the power,” either.

I think we should get back to the middle ground of the conversation, which is, “How do you construct viable communities that address the issues of the arts community, of people who live in neighborhoods that are going through rapid economic transformation, and also the needs of those people who are trying to bring money into the community for development purposes?” That's a complex question. In a funny way, it's nice that we're having that conversation at all now. I missed that conversation for a couple of years, because I don't think it happened. So I'm not pretending to have the answer, or even pretending to have the administration's position on how that dynamic or process should take place. One thing I can say for sure is that this administration wants there to be a process, a conversation. That's probably very important to say right now, as we get into the sixth week with a new mayor.

Conwill: As we close, I just want to say that I hope that the cultural community, of all communities, can find ways to build social capital and economic capital at the same time. Even though we want to be better than Pittsburgh and every other city, I do think there are examples within our own city, and around the country, of ways in which people have found not just either/or or zero-sum solutions, but things that benefit all of us.