

Transcript of *Harnessing Brooklyn's Creative Capital: The Impact of Self-Employed Creative Professionals on the Borough's Economy*

*A Forum Presented by the Center for an Urban Future and
Brooklyn Economic Development Corporation*

*Wednesday, March 5th, 2008, 8:30 am to 10:30 am
Dweck Auditorium at the Brooklyn Public Library*

Welcoming remarks: Maud Andrew, Manager of Programs and Outreach, Brooklyn Public Library

Presentation—The Growth of Self-Employed Creative Professionals in Brooklyn: Kristine Reed, Director, Initiative for a Competitive Brooklyn, BEDC

Panel Discussion

Moderator:

Jonathan Bowles, Director, Center for an Urban Future

Panelists:

Scott Adkins, Playwright; Founder, Brooklyn Writers Space

Pauline Barfield, President, Barfield Public Relations

Sara Horowitz, Founder and Executive Director, Freelancers Union

Michael Kelly, Principal, Michael Kelly Design; Adjunct Professor, Pratt Institute

Maud Andrew, Brooklyn Public Library: Welcome to the Dweck Auditorium at the Brooklyn Public Library. I'm very proud of our new auditorium, and we're so happy to be using it for such an interesting program as this one this morning. My name is Maud Andrew, and I am a representative from the library's business library, and we hope you are aware that we are in downtown Brooklyn, and you can use all our wonderful resources all the time, and we are here to help you. That is our motto. So this morning, we are very pleased to be hosting this program with the Center for an Urban Future, and the Brooklyn Economic Development Corporation, two wonderful organizations that do great work. And without further adieu, I'd like to introduce Jonathan Bowles from the Center for an Urban Future, who will tell you all about what to expect this morning. Thanks very much.

Jonathan Bowles, Director, Center for an Urban Future: Thanks Maud, and thanks to the Brooklyn Public Library and this wonderful space for hosting us this morning, and thank you all for coming out so early on a wet morning. I'm excited and thrilled to be a part of this discussion today, and clearly there's a lot of interest in this topic. We actually

had 185 people pre-register for this event. I think it is a sign of just something percolating out there, that there's an interest in this part of the economy, and I'm going to tell you a little bit why we're doing this forum today.

First, for those of who you don't know the Center for an Urban Future, we are an independent think tank based here in the city, that does studies about everything from the role of immigrant entrepreneurs in the city's economy, to what Staten Island's economy should do for growth over the next ten to fifteen years. Those are a couple of studies we did in the last year. We've also written extensively about the importance of New York's creative economy. In your packets, you will find a report that we issued a couple of years ago called *Creative New York*. In that report, we documented the creative sector, which beyond just artists and arts organizations, we detailed, includes nine different sectors that make up the creative core, from graphic design to film, and a lot of things in between. And that this part of the economy, the creative economy, is a very powerful economic force today in New York City, and it's one that has a lot of growth potential, but that there are real challenges.

Now, to go from *Creative New York* to creative freelancers, I think one of the reasons why we decided to have this forum today is really because we understood in focusing on the creative economy that there are a lot of self-employed professionals in this part of the economy. In fact, our report detailed that 29 percent of all the creative workers in New York City are self-employed. That comes to about 79,000 individuals. Beyond that, I think some even more compelling reasons why we decided to have this event with the Brooklyn Economic Development Corporation, is that we think this is a growing part of the economy that deserves greater exploration. And I'm going to give you just a few quick reasons why.

One: in the last few years, the self-employed have been one the fastest-growing segments of New York City's economy, accounting for a much larger share of the growth in employment than employer-based businesses. Second: much of this growth is occurring in Brooklyn, and a big chunk of it is in creative occupations, from writers and photographers to jewelry makers. Third: While those who have been to a coffee shop here in the borough understand or witness just the growth of creative freelancers, or freelancers in general, this is still a part of the economy that we have little understanding about, and has really gone under the radar of policymakers and economic development officials. So we think it's important to have this discussion to get greater understanding of the importance of this sector, but also a lot of the challenges that creative freelancers face here in Brooklyn and in New York. Without any further adieu, I want to shed some further light on this topic by introducing Kristine Reed of the Brooklyn Economic Development Corporation, she's going to present, make a very brief presentation about some very interesting and compelling numbers that BEDC has come to recently, about this part of the economy, and just showing how important it is and how Brooklyn is doing with respect to the city's overall community of creative freelancers. Kristine is the director of the Initiative for a Competitive Brooklyn, within the Brooklyn Economic Development Corporation. I'm not going to go on any further, you can look at her bio in

your packets, but I'm very pleased to introduce Kristine, who's a co-sponsor, with BEDC of this event. Kristine?

Kristine Reed, Director, Initiative for a Competitive Brooklyn, Brooklyn Economic Development Corporation: Thank you Jonathan, thank you Maud, thank you all for coming out on this less-than-auspicious day. Limited amount of time to talk about data and data can be numbing, so what I'm going to do is leave you with the conclusions at the beginning. Half a billion dollars on the books is the value of the creative economy in Brooklyn. That is larger than about 15 countries that participate in the International Monetary Fund, that is probably, add another half billion dollars, and you'll get the actual impact of this economy when you include those who don't declare to the IRS that that is how they make their living because they're not prepared to do so yet, and all of those who supply this economy in the form of supplies, services, assistance, and of course, the incredibly powerful, unspoken economy that happens between communities where they help each other and there is, in some cases, an assigned value to it and in other cases it's just working to get work done between people who understand you have common goals. So half a billion on the books, one billion real impact to Brooklyn alone.

The Brooklyn Economic Development Corporation is a 30-year-old organization that has been dealing in the promotion and continuation of living-wage jobs in Brooklyn. We do it in a variety of ways. Just to give some background, we look at how to help store merchants, corridors of commercial activity, individuals with disabilities and entrepreneurs who want to create businesses, and we also, in the case of our initiative, which brings this information here, work on looking for industries that have particular opportunity to grow in Brooklyn. We're very clear that in Brooklyn, the green construction business, allied health professions, which are, by the way, the seven out of 10 people on your health team who are not doctors or nurses, those who are engaged in specialty and ethnic food that supports not only the day-to-day retail along small grocery stores but those who are providing specialty foods for the restaurant business which is booming in Brooklyn, and particularly self-employed Brooklyn. Self-employed further breaks down into different categories. There are skilled trades, there are professional services, there are people in health care and child care, and of course, there are the creative professions, and we're going to deal with the latter today.

The creative self-employed business in Brooklyn have increased at five times the rate percentage wise that it has in Manhattan over the period of 2000 to 2005. We have grown 33 percent, Manhattan has grown 6.5 percent. Obviously, we're bringing this audience into Brooklyn and we're bringing this marketplace into our borough. They're creating themselves here or moving here from other places. Right now, we've got 22,000 creative service employees who are self-employed. And I keep stressing self employed because you all know among your community, sometimes people are also working in other places or pick up money to go from month to month to ease cash flow. We are now moving onto to being one-third of the creative population in the borough, in the city, 28 percent is a 4 percent uptick, in the last couple of years, and of these, overwhelmingly 70 percent are independent artists, writers, photographers, jewelry makers, designers. Included within the creative sector are movie makers, architectural services specializing in design services

and then those who produce art and creative work. 70 percent of that population is in the last category.

We have a creative crescent, that I think all of you will recognize on sight. Dumbo, BoCoca, Red Hook, Park Slope, Williamsburg, these are the places where our creative population is concentrated. East Brooklyn has its share of self-employed individuals, but they tend to be in the skilled trades, they tend to be in fabrication, light industry, working with their hands more than with their laptops. Neighborhoods matter a lot to people who live in Brooklyn, and here I'd like to just show you, in a bar chart, which is difficult to read from a distance, the dark blue bars at the bottom represent how many independent artists, writers, photographers, designers, are in each of the major neighborhoods in the Heights, straight through to Prospect Heights. The sandwich numbers at the top represents the smaller numbers, although often very high income and revenue sources of film production, graphic design, industrial design, interior design. We have left out the neighborhoods where the population is less than 500 in the neighborhood for those, so you need to understand that what you're looking at here could be filled in with smaller numbers across all of the other neighborhoods in which we live.

Half a billion and growing. It's 51 percent more in revenues than we saw three years ago. If you'd like to compare, let's put some numbers side by side, we saw a 30 percent increase in creative professionals in the last three years. The income and revenue that is just reported on the books—so I can't stress the degree to which there's underreporting, that we understand, it's part of the culture—51 percent increase. Let's compare that with some of the other self-employeds that you saw mentioned before. Among construction workers, health-care workers, people in the allied-health professions, and those who are in the food business, they're probably making, they are making, about 50 percent less, even though their numbers are not so different in terms of volume. So we're talking to an economy, that while it's spread over a great number of people, has a real powerful boost per capita on average.

The average reporting revenues are low, I've think I've said it probably five times already, we know they're very understated and don't represent the real power, the real impact of the economy, but I think it's important to know that we know that there's a vibrant, active economy that isn't something the IRS would track distinctly as a piece of data. And I go again to the coffee shops, the suppliers, the arts supply providers, the materials providers, they're reporting differently but they're also a very important part of this economy because they give it its substance.

Bottom line, \$500 million is the tip of the iceberg. Traditional market measurements not only are difficult to obtain and tie back to this economy, but they also may not be the point. It may be the point that the community activity and the buying and selling of services within and between members of the community, is the fact that we need to take to heart to our policymakers. Perhaps its not what's on the books with an IRS return, that counts for what the power of the economy is, and we believe that we need to find a way to do a measurement that doesn't result in new tax implications necessarily, doesn't result

in any diminution of the kind of vitality and sharing of sources and resources and instincts and inputs, but one that can expand and support and supply that and celebrate it.

We believe that to do that, community sites and spaces are the model for inclusion. There are pockets across Brooklyn where people can go and work together or share resources and share their working spaces. These need to continue to grow and thrive. Policymakers need to adopt a holistic view of this economy. There are organizations that look after self-employed individuals in culture, organizations that look after self-employed people in the construction world, self-employed people elsewhere, self-employed people attached to schools. This is a siloed and diversive approach to this community that we believe needs to be cut across and bring them together in one understood organization and community and economy.

And, last but not least, there is no growth and no support and no protections for this community, unless their marketing opportunities, meaning, their ability to make a living, are understood as being every bit as important as our restaurant business, our cultural institutions, our Broadway and entertainment facilities, and just as the New York City tourism strategies we believe represent a very sound model for how to grow and franchise this population, we call on our agency counterparts to consider looking at that for our creative self-employed. I would talk for three hours about this. But we have other conversations that are equally and even more important to hear. This is the contact information for us. It is on your presentation materials, we're eager to talk about your insights and inputs about not only where do these numbers make sense to you, but where and how would a holistic or community approach or what kind of language to craft to a policy discussion. Everyone in this room is a subject matter expert from a different part of the view on this community. Everyone is a subject matter expert. So, your contact to us is most warmly invited, and I thank you for your time and energy, and I thank you any future conversation you may want to have about this. And we'll move on now to the panel discussion. Jonathan?

Jonathan Bowles, Director, Center for an Urban Future: Thanks, Kristine, and let me say that BEDC, one of the reasons that they are here and one of the reasons why they are interested in this subject is that they're pursuing this; it's part of the Initiative for a Competitive Brooklyn, they're looking to figure out solutions and how that they can strategize to help this growing part of Brooklyn's economy. As I'm going to introduce the panelists here, I also just want to point out one other key statistic that I think is one of the reasons why we're here today, is that Brooklyn is doing terrific, but overall, the self-employed, it's just a growing and huge part of the city's economy today. One statistic that I saw recently is that there are now, as of 2006, there are 375,000 self-employed residents in New York City, and that in the period from 2000 to 2006, the number of self-employed residents citywide increased by 23 percent and the number of people in employer-based businesses increased by just 6 percent during the same period. So this is a real driver of the economy today and those same statistics showed that Brooklyn has seen the fastest growth of any of the boroughs, which obviously BEDC's figures corroborate.

Now without further adieu, I'd like to just briefly introduce the panelists, starting with Scott Adkins here, is a playwright and cofounder of the Brooklyn Writers Space, and Room 58, the Brooklyn Writers Space is a shared writing space for writers in the borough, which opened in 2003, and has served over 500 writers in the community. Room 58 opened in May 2007, and is a new writing space in Brooklyn geared toward journalists.

Sara Horowitz founded Working Today, the Freelancers Union, in 1995, to represent the needs and concerns of the growing independent workforce. In recognition of her efforts to create a self-sustaining organization of flexible workers, she was awarded a John D. and Catherine T. McArthur Foundation "Genius" Award Fellowship in 1999. Before founding Freelancers Union, she worked as a labor attorney, union organizer and public defender in New York City.

Pauline Barfield runs one of the borough's most well-known public relations companies, Barfield Public Relations. Her corporate clients include McDonald's, Verizon, Pfizer, Aaron Davis Hall, and CUNY, and she has been profiled in *Crain's*, *The Daily News*, *Newsday*, *Westchester County Press*, and *Black Enterprise*, and she is the recipient of numerous awards including the *History Maker* award from the Brooklyn Borough President, and *The Media Communications* award from 4W Circle of Arts and Enterprise.

Finally, Michael Kelly is the sole proprietor of Michael Kelly Designs, he provides graphic design services and consultation to a wide range of clients, from small arts organizations to international financial services companies. He has full-time positions as a designer at the American Stock Exchange and design director at his alma mater Pratt Institute, but he has kept his freelance work going since receiving his BFA in 1996.

Finally, one other panelist was expected to join us today, Heather Chaplin, who's a freelance journalist here in Brooklyn, unfortunately she called this morning, she has pneumonia, she was hoping to make it, but she just could not get out of bed. She apologizes, but we're going to go on without her and I want to first tell you, the format here is that we're not going to have opening statements, but we're going to go right to the Q and A, and hopefully create a lively discussion. For the last 25 to 30 minutes or so, we're going to open it up to questions from the audience. So let me start out, just for everybody on the panel, we saw how BEDC's statistics a real growth and a real growth here in Brooklyn among creative self-employed professionals. Why is this happening? Why has there been such a real growth in the self-employed population in New York, and why Brooklyn? Anybody, feel free to jump in.

Sara Horowitz, Founder and Executive Director, Freelancers Union: Okay, I'll just jump in, then. I think that the first thing is that you can see that we're facing global trends, national trends and local trends, but the major thing is that the nature of work, I think, itself is changing, and a third of the workforce in the country is now independent. About 18 percent are part time, 10 percent are self-employed or independent contractors, 2-plus percent are temps. And so, that is the group that really as, as we've heard, has been driving economic growth. But what's really significant is that this group, though it's so

significant, is completely falling out of the New Deal safety net. And so the number one issue for people is that they are the squeezed middle class. And we as the creative class, the creative workers, are really now becoming almost the mainstream of this trend.

And so, I think that when we look at why Brooklyn, one of the things that we can see what's happening in the city, where people are often priced out of Manhattan, looking for more affordable space to live and work, but this is just one manifestation of this squeeze of the middle, because people are having a hard time also affording basically health insurance, saving for retirement, and are having episodic income. So in that, I think the major thing is that Brooklyn is providing a haven, by making it more affordable, and also has always had a rich culture of supporting the arts. So let me just stop and we can hear from others, but I think that if we put it into that context, it starts making a lot of sense.

Michael Kelly, Principal, Michael Kelly Design; Adjunct Professor, Pratt Institute:

Well, I can mainly just speak to my profession, graphic design, in terms of why it's growing when it comes right down to it, for creative professionals, freelancers, the reason why it's growing is because companies can do it. And I got contacted through a Creative Hotlist ad the other day by a client who basically told me that it's much more cost-effective for him to have a team of freelancers and creatives that he can work with on a freelance basis, rather than bring people into his space in Manhattan, so I think from that standpoint, it's more appealing to a number of companies and organizations. All the issues that Sara brings up of course, but then, the other side, that's great, it's less for them, but then we have issues with health insurance and I mean, I pay Social Security for my employees and for myself and all those issues, so I think a lot of it just comes down to, they can.

Pauline Barfield, President, Barfield Public Relations: Good morning. I think, again, going back to the issue of housing, we find Brooklyn is booming because a lot of people are coming across the water to Brooklyn, because of the increase in housing and rent in Manhattan. And so we find a larger part of freelancers moving to Brooklyn. Personally, myself, I was in Manhattan for 19 years, and I got priced out, so I moved my business to my home. And I've always done work in Brooklyn and Manhattan, but since I've moved my business to Brooklyn, I'm getting work in Brooklyn. So, you know, I think Brooklyn is part of that booming economy that we're facing.

Sara Horowitz: And face it, Brooklyn is just great. I mean, what do you need to say?

Scott Adkins, Playwright; Founder, Brooklyn Writers Space: That's what I was going to say, Brooklyn is the best.

Jonathan Bowles: Scott, I actually have a specific question for you about this. I wonder if you can tell people about the couple of the spaces that you've created and what kind of growth you've seen. These are relatively new creations that are serving creative freelancers, I guess, in the borough. Have you seen a lot of demand, are you able to fill that demand? I guess that's a testament to the idea that this is growing, no?

Scott Adkins: Yeah, we were able to fill the demand, and there is a lot. We actually have waiting lists at the Writers Space. We offer a very specific kind of service so it's for creative writers at the Writers Space, but at Room 58, we decided to take a different approach, because a lot of journalists were coming to me and asking for a better service than the Writers Space, which was to offer them a room with them having the ability to use the phone and actually conduct the business side of writing. And so Room 58 is filling that niche right now. And it's starting to fill up. I have to say, though, its location is not the absolute best, and that certainly has a huge impact, I think, on where people are willing to work. Room 58's located down between 2nd and 3rd Avenue, on 7th street, so it's sort of down in the Gowanus area, which is a booming area, there's stuff opening all the time there. So I think, yeah, we see growth constantly, I don't advertise, it's all word of mouth, and we're always getting new applicants.

Jonathan Bowles: How many members do you have, Scott?

Scott Adkins: We maintain 170 members at the Writers Space, and we have about 25 members at Room 58. And so we have probably a 20 percent attrition rate, so people come and go, we allow that, and try and make it as easy as possible, versus like, what phone companies and cell phone companies do where they charge you to leave. We don't charge people to leave, we actually welcome it; it's great, because then it opens up a spot for another writer and for someone else to make use of the service. And so, yeah, it's a pretty constant growth, it's mind-blowing to me. I have heard that they've moved to Brooklyn or moved to Park Slope because of the Writers Space, which is great, and it allows people to live in a smaller place, and have an extended place to work.

Jonathan Bowles: I guess, besides the comment that a couple of you made about comment how great Brooklyn is, which I don't disagree with, I'm just curious, what is it that you all think goes beyond that, about why this borough has, I think that when you look at the numbers, you really start to see a cluster here, that there's really almost a critical mass of creative freelancers it seems like, here in Brooklyn, and maybe, you know, years ago you saw that on the Upper West Side, or maybe parts of the Village, or SoHo, different clusters of various creative people, but it seems like Brooklyn has really attracted that cluster today. What is it that's attracted, because when we talk later on today about some of the strategies to make sure this continues here in Brooklyn, I think it's important to know what attracted so many of these creative people to Brooklyn in the first place.

Scott Adkins: I'm just going to attack this one real quick, I think it's because Brooklyn offers all the services and more, than Manhattan, even better. We've got better restaurants in a lot of cases, we've got great entertainment, we've got music figures, we've got BAM, we've got the museums, so we offer everything that Manhattan offers, as far as quality of life. We've got the food co-op, and Whole Foods coming, and IKEA...

Jonathan Bowles: Okay.

Scott Adkins: You know, it is its own city, it was designed that way, and I think personally for me, I prefer Brooklyn over Queens, because we have a city center. Brooklyn was established as its own city versus Queens, in my mind, was established as a suitcase borough. People moved there before they could go to Long Island back in the day when they were trying to get out of Manhattan. So I think the infrastructure of Brooklyn lends itself to, to have all of these services and this economic development.

Pauline Barfield: I think the whole concept of the virtual office offers that stability and people working and living in Brooklyn, as well as what we see in Brooklyn, I mean, I've lived in Brooklyn practically all my life, and when you look at downtown Brooklyn, you have Metrotech, you have co-ops coming, condominiums coming on Fulton Street. I think that the new buildings and just what's happening in terms of the building industry, the easy access to and from Manhattan, the virtual office, it's attractive. And Brooklyn, it's less crowded, and it gives you a sense of space that you can move around a little. So I think that's a large attraction to Brooklyn.

Sara Horowitz: You know it's interesting, as I look out to the people here, and there's so many people that really know the history of Brooklyn, and you know, BAM is a very old cultural institution. We actually have a history that goes back well over a hundred years of supporting creatives. Brooklyn Heights was a bohemian writers neighborhood, surprisingly, and you could just see that there actually has been, and had been, that infrastructure there. But I think it's also that Brooklyn has a kind of, I would call it a *je neis se quoi* "fuck you" quality that has been pretty interesting, where we are open, we are creative, and I think what's interesting about New York and Brooklyn in particular, when you think about the discussion of red and blue states. Red states might hate New York, but everybody loves Brooklyn. There's something about it, and I kind of feel like that would be an interesting thing to kind of unpack, but I guess the point would be that the creative class didn't just come to New York in the last ten years. You know, the acceleration is the story, the differentiation, the interesting thing. The Freelancers Union, we have about 50,000 people in New York, we have a lot of members in manufacturing, and we couldn't figure out why. That was interesting, like freelance manufacturers. Well it turns out that anybody who knows that field, knows that there's a lot of creative work that goes into the manufacturing sector on many levels. Lots of independent contractors, lots of different types of work groups, and it's that kind of interesting thing that is Brooklyn.

Jonathan Bowles: You know, I want to get into some of the challenges in just a little bit, but I'm curious about whether you think this part of the economy is going to continue to grow. Obviously nationally, from what you've all said, it sounds like there's probably good reason to believe it will nationally, will it continue to grow here in New York City, in Brooklyn? I think one of the things I think about, you know, in today's digital economy, where you can almost be anywhere, and you know, you've got a laptop, you've got wireless, what's going to make sure, what's going to ensure that people are doing this in their homes, or in cafes in Brooklyn as opposed to Philadelphia, or Hudson, New York, or somewhere else? You know, is it clear that it's going to continue to grow in Brooklyn?

Michael Kelly: Well, I mean, the point Sara was making about that *je ne sais quoi* quality of Brooklyn, it's largely a personal decision right? But a lot of people want to stay here, that combination of the great restaurants, and the fact that, it's so close to Prospect Park for a lot of this crescent, why would you not want to, well, from my opinion, why would you not want to stay in a place that's so close to all the access of Manhattan and all that's happening in Brooklyn, and still have resources like Prospect Park and still be so close to get to Philadelphia, get up to Westchester, or where have you. So I see, personally, no appeal to leaving.

Scott Adkins: One quick question, is it declining in Manhattan?

Jonathan Bowles, Sara Horowitz: Yes.

Scott Adkins: I ask that just because the concept of getting priced out of Park Slope is very real for all of our members at the Writers Space. Unless they own where they live, they are getting priced out every day. I think now a one bedroom with an office goes for \$2700 in center Slope, that's just mind boggling that that much rent can be taken at this point. And willing to be given; the market is supporting it, which is odd as well. So I think, yes, it will continue to grow, but at the same time, we're going to lose a lot of people, too. And yes, they're going to go to Philadelphia and Pittsburgh, and upstate New York, there's no reason why they have to work in an urban center, either. I think upstate New York is just ripe and ready for a huge flourish.

Pauline Barfield: You know, I think people, they're freelancers and they work for themselves, a lot of times, on a need basis. And as our economy declines, and people lose their jobs, you do it out of necessity. And so the best thing to do is take your skills and your craft and try to make it on your own for yourself, and, but then, of course, being self-employed, doing that comes with a lot of downfalls, and I think that Jonathan, maybe that's the part that we're going to get into, is the pros and cons of being self-employed. Is it going to grow? I think that it'll grow as people lose their jobs, yes, they have to find other ways of making a living. And as one said earlier, corporations, it's easier to hire a self-employed person, because it cuts out their health insurance, all of the fringe benefits that you would get from a corporation if you were a staff person; you don't have to do that with a self-employed person. So I think a lot of it is happening now, because of a need, and because of the way our economy is floundering.

Sara Horowitz: Can I just say, getting to the first part of the question, about, you know, why, why here, and why not, let's say, Philadelphia? I think that that is a way of looking at it as if we're in a zero-sum game with workers competing against one another. And in Philly, that's been the prevailing paradigm for the last 25 years, and it gets us into this idea of you know, advocacy, competitive, agenda, that, aside from being, I think, a really negative way to be, it also doesn't really help. And I think that the more important question would be to start articulating what are the policies that we actually need that will make our lives so much better.

And I think one thing that's really significant is that last year, the Freelancers Union, along with the Speaker, Christine Quinn and the Mayor, proposed a reduction of the unincorporated business tax, and it was successfully, some part of it was repealed. And that's an important story, but I think what is really significant, was that that tax really came about in the 1970s, and they trying to get the corporations that were trying to evade taxes. So they thought okay, you know, let's put it on these partnerships and other things, and nobody even uttered the phrase freelancer, let alone thought of it in the 70's. But then as the city evolved, and the commuter tax was taken away, it became a really great source of revenue. Unfortunately, freelancers were the ones who had to pay, and they became like the dolphins in the tuna net. And so, what was really significant was that freelancers had no voice, because people are working off on their own. Yet they're privately sitting there having to pay a lot of these taxes or even fill out these crazy forms even when they don't owe any money.

But what became really significant was for the first time, that people starting seeing: wait a minute, this is a group, this is actually a significant group. 92 percent of our members are registered to vote, 87 percent have voted in the national elections. Well now suddenly, this is a very important issue. And so, I think, again, instead of getting into a: how do we fight this or that, or pitting one group of workers against one another, why don't we start seeing that we actually are part of a national movement, that can really start doing things for ourselves and things for society, because we can think about what the next New Deal is going to be, not in some abstract terms. We just have to sit down and think: what do we need, what are the tax code changes, what are the retirement changes, what is the kind of health insurance system, what's the national health insurance system that's going to work for us? And that's the way we have a debate that actually gets us some achievable wins, and I think we should be thinking about it like that.

Jonathan Bowles: I think that's all important, I think that's part of one of the things we want to come out of this event today, is to try to get some solutions and I think that you're making it, that they probably should be very national in how we approach this. But I think that one of the ways that we're approaching this event is that this is an important part of New York City's economy, that this should be part of the fabric of economic development in Brooklyn and New York, and if the future growth, if there's a possibility for growth in creative freelancers in Brooklyn, but because of a number of factors like rising costs, or other things, that that growth may not happen here, I think it's a valid issue for economic development officials and other policymakers to really take a look at, and say: well, maybe this growth is not certain, and maybe we need to figure out if there are policies that we need to develop to support it. Maybe all the policies should be at a national level geared towards everyone, but I think that just as we, as a city look at: well, how do we make sure that biotechnology companies that are spun out of institutions here in New York stay here, you know, and just as we look at other industries, maybe we should be looking at this as part of the economy that's important.

Sara Horowitz: I guess I would suggest that we look at it in terms of looking at the New Deal. Interestingly, we pioneered the New Deal in New York State, the first unemployment system started in New York. I think that when we're looking at Brooklyn

as, you know, the preeminent hub of the preeminent hub, that we could start having real leadership talking about exactly what people need, and with Brooklyn, we have the numbers, we have the interest, we have really interesting infrastructure that's emerging. I think this whole workspace issue is truly fascinating and one of the areas of great growth, where people are not only looking at it in terms of economic development, but something about solidarity and cooperation. You know, people aren't just going there to get a desk, they're looking for community. And I think that these are opportunities. We live in interesting, but also exciting times, and that's where I think we can be taking the leadership role. New York already has.

Jonathan Bowles: Well, let me go a little further into the actual challenges and obstacles that creative freelancers face here in Brooklyn. And let me start with personal observations from those of you who have been a freelancer. There's a lot, we're going to get into this quite a bit, hopefully, but for those of you who have worked out of your home, those of you who have been self-employed, what are the challenges that you face here in Brooklyn, and maybe they're challenges that you face everywhere, but just for purposes of telling the audience, what are some of the major challenges today?

Scott Adkins: Getting paid!

Jonathan Bowles: What do you mean?

Scott Adkins: I think every corporation that hires from the freelance pool stretches the 90-day limit when they issue the check. We get that a lot at the space. People aren't getting paid. Also, people getting paid in lumps. So I would consider financial planning a major issue for everybody who's self employed, and just being able to handle a \$25,000 check and not spending it all in one spot, but knowing that they need to spread it out. So managing cash flow is a major, major issue.

Jonathan Bowles: What else?

Pauline Barfield: Getting paid!

Jonathan Bowles: Okay.

Michael Kelly: I'm getting paid pretty well. Reliable mass transit.

Jonathan Bowles: And how are you paying the freelancers?

Michael Kelly: All the interns that I'm bringing in, I'm paying them. When I talk about reliable mass transit, I live out in Kensington, which means that I'm right in the dark corridor between the F and the Q. And so, you know, you reach a certain point in the day and it's like: I've got to get to a meeting, I have to allow myself an hour and half if I want to get into Manhattan in order to meet with a buyer to show a presentation. If I want to go up to southern Westchester, then it's like an all-day affair. When I actually get there, am I actually going to see a train in like five minutes instead of 15?

Sara Horowitz: You know, and the interesting getting paid issue is that if you're an employee, the Department of Labor has the wage and hour division where you can file a claim against an employer, and the government pays to go and recoup that. If you're a freelancer, you're entitled to go to small claims court and get your own lawyer. You're entitled to burn your bridge with that company where they're never going to hire you again. So I think this is an example where New York again could have our state Department of Labor start evolving their policies and leading in the country in saying: we're going to make it an aggressive campaign to make freelancing fair in New York and it's getting paid, getting paid, getting paid, episodic income, health insurance, marketing yourself, these are the issues.

Jonathan Bowles: Well could you give me, those who are freelancers I'm sure, obviously, are, this seems to be an issue of which everybody's aware, for those of us who don't, or aren't completely familiar with this issue, of getting paid, could one of you give us an example. I mean, if you were a freelance journalist, Scott, are you saying that people don't get paid ever or just to get paid, or reimbursed for the work they did, it takes months and months and months?

Scott Adkins: Oh, well freelance journalists...

Jonathan Bowles: Or other freelancers?

Scott Adkins: Freelance journalists don't get paid till they publish, so if you're writing for a newspaper, you'll get paid pretty regularly. If you're writing for a magazine, let's say the *New Yorker*, you're not getting paid until your piece runs. That could be six months, that could be a year. So you could work really, really hard to write a 10,000-word article, which takes a long time, and you won't get paid until it runs, if it runs. So I think there's that issue. If you're a book writer, you will get paid in advance, so maybe you can get a \$25,000 advance, that might be \$100,000 all together, so you get it in four chunks. And so you'll probably get paid pretty regularly on that every three months. And I think all the other freelancers, I've just heard complaints that coming from them, from little magazines, and such, where it just takes a long time to get paid. So they turn in the work and then it takes up to 90 days for the check to actually reach them.

Michael Kelly: Again, I actually have been really lucky in terms of, in getting, getting paid when asked and such, I have a really great client who pays me when you sign the contract, and as soon as it's in his files, hands over a check to me, so I consider myself very lucky for those reasons. But a large issue, for me, in terms of making money and getting paid, is clients understanding what the value of what my service is. I don't know how many clients I've had very brief phone calls with and where they're kind of like, oh, I need a logo and an identity, and I say: that should cost about X, and they say: oh, I really don't have that much money, and their idea is more like a tenth of X. And I try to be pleasant, but sort of say, just how much do you think I should be paid an hour? I mean, I don't know how much you plan on making with this logo, but I have bills to pay, when it comes down to it. But not getting too far ahead in terms of what can be done, but I

think there's a certain education of the client, that's necessary, again, from my standpoint, in terms of just what the value of, say, identity is, or a magazine, or what have you. I saw a great listing, I was on Craigslist a while back which was asking for a magazine to compete with *Vogue*, and they're like, a startup, and 176 pages and you know, high glamour at \$10 a page. \$10 a page, what's up with that?

Pauline Barfield: Again, I think it's having the client understand what you do and what they're asking for. I find that a lot of the not-for-profit organizations, it's an education, you have to educate them in terms of public relations and marketing their organizations. Most times they don't have the budget or the money to pay what you're worth. So, if you come to a middle, and you take on the job, then for us, we always take a third, a third, a third, and sometimes that second third, and that third, just, you know, takes a while coming. And a lot of the smaller companies would take about 90 days to pay. And I also find that with the government, it takes about 90 days, so you must have cash flow. And so that's why we go after multiple clients, so that you can keep your revenue up and keep your cash flow in order to pay people to work for you. But it's a juggling act, always.

Jonathan Bowles: Well it sounds like some of these financial issues, getting paid being one of them, Scott talked about just having some financial management around cash flow issues, and Sara, you were talking about the unincorporated business tax, and I'm just curious with a lot of these financial issues, I imagine that not every creative freelancer has a business degree or an MBA, and knows a lot of these difficult financial issues. You know, what do you do when you're a freelancer here in Brooklyn or you're a writer or you're a designer or a photographer, are there nonprofit organizations, are there industry associations, obviously, Sara, there's yours, but do people have places to turn to here in Brooklyn, to get advice about filing taxes and all the things that they should do as a freelancer. Is the infrastructure there, in place, here in Brooklyn?

Sara Horowitz: I think that, first, there's always room for more, so that goes without saying, and in a more organized and coherent way. But I know from the chambers of commerce to our organization, there are always monthly educational programs to help people market themselves or do their taxes. We're about to launch the first freelancers retirement plan, that will be a group plan, to try and make it so that people don't have to pay the same administrative costs or other things, looking at just these kinds of vehicles, but I do think that it's the infrastructure is inchoate, you know, it's not well organized yet, organically, so every freelancer and people here can certainly talk about the importance of your informal networks. And that's how people really find out about these kinds of resources, why you don't have to market because you have something of value so people are going to want to tell their friends about something that's really helpful. And that seems to be the way, but I would say policymakers really need to start tapping into those informal networks, and figuring out how they can support them. And I think the other thing about freelancers as a group, is that I don't think we're looking for government to do it for us, actually, I think we're looking for government to enable it and government to facilitate it. And I think that often becomes kind of like a mishearing of elected officials, because they're kind of used to, again, the last 25 years era of: you know, if there's a problem, have government do it. But that's just not the zeitgeist of

freelancers, people don't want to be having to always pay for everything, always bearing the costs, but would prefer to get it in a more interconnected, cooperative, mutual aid way. And I think that policymakers could realize that that's a real profound change, and that's something they need to understand. I think that would go a long way as well.

Jonathan Bowles: All right, what other issues, so these are the financial issues that a lot of freelancers face, a couple of you earlier mentioned obviously the real estate, the rising prices here. If the real estate prices continue to skyrocket in Park Slope and some of the neighborhoods that Kris in her statistics showed were the main clusters where freelancers in Brooklyn, will creative freelancers just be able to go to neighborhoods that may be a little less expensive in Brooklyn? Or is that a risk to the borough's freelance population? Just how important are some of the real estate issues, both for living space, but also workspace issues?

Michael Kelly: From a living space standpoint, as I said, I just moved out of Kensington, close to a year and a half ago now, which is not quite in the crescent that Kris discussed, and we were happy to move out there, we want to stay in Brooklyn, we love Brooklyn. The only issue that we noticed in terms of being priced out, you have to state your income. So when you state your income as a freelancer, it's sort of like: well, yeah, this is I made this much last year, well, how much are you going to make this year? And I can show them, you know, teaching at Pratt, that's not going to pay for me to get into your co-op. So I've got to get letters from all the organizations I do work for, that say, yes, we guarantee that Michael Kelly's going to make this much for the year, and some of them can't really do that. So there's a little more research and legwork involved, sometimes, in validating your role in this economy.

Jonathan Bowles: Do any of you know, is it one or two people or quite a number of people, that are moving out because of real estate prices? Freelancers? Is that happening now? Yeah? Where are people going?

Scott Adkins: Jersey.

Other panelists: Philly. Vancouver.

Scott Adkins: People move to LA all the time. Some people go where the work is, some of it depends on the kind of writing that you do, and this is from the Writers Space perspective only, and other people, they just fully move out of town, to Florida, wherever, from what I see, it's completely random. There's no destination, it's wherever they feel they can go and make it.

Sara Horowitz: Well, I think it's more a churning of the workforce, people are coming in and going out. But it is a combination of things. I think one thing that people often think about freelancing or this kind of workforce is that people are just so flexible and mobile because the work is flexible and mobile. But people have lives and families and friends and relationships and houses, and I really think that those are the kinds of things

that if Brooklyn really wants to promote the growth of this, that it is looking at where people are rooted, and trying to make that easier, for sure.

Scott Adkins: Yeah, I would totally agree with that. I think choosing to be a freelancer is a life choice, and its a quality of life choice. And possibly it's a generational thing. It's something that our generation, Generation X, I guess it's called, is, is pushing forward because we are seizing independence and freedom in a different way than previous generations did, than the baby boomers did. You know, if you look at the 80s, people are definitely looking for those high-paying jobs, corporate jobs, getting them locked in. I remember growing up with my mom saying, just be sure and get a job and get health insurance. That's number one, friends come second. So obviously I disagree. I want the freedom to have a different quality of life, spend more time with my kids if I can, and that sort of thing. And I think that's definitely the impact of freelancing. Motivation. As well as corporations downsizing their infrastructures. I failed to mention that earlier, but the *New York Times* case in point, they're moving more and more to freelance journalists, and that's just so they can save money.

Jonathan Bowles: You mention healthcare, something I know that Sara, you've worked on, Carl Hum, I don't know if you're still here, he was here earlier from the Brooklyn Chamber of Commerce, has been working on a lot of issues related to health care for small businesses here in Brooklyn, and I'm curious, just how big an issue is healthcare for freelancers and what's happening with solutions right now?

Sara Horowitz: Well I think that this is a really interesting thing. New York does not get credit for being the health insurance innovator that it has been, because there has been big talk about Massachusetts, to some degree Maine, we've seen what's happened in California. But what we're really seeing is that, for the most part, states cannot do this themselves, because it costs too much. And that's really a bottom line. But what's been interesting about New York is that New York has kind of been quietly pioneering for the last ten years, different models from Brooklyn Health Works to the Freelancers Union, to others that are saying the important piece of what we do is not that we're covering millions and millions of people that say as Medicaid is. But more that we're experimenting with what the models are going to look like going on into the future. We have Healthy New York, which, without going into great detail, what it did is it said: we can't afford necessarily the subsidized premium, because it's not sustainable, unless we have a coherent, big plan, but we can subsidize the capital, and the different, what are called the risk pools, which really is just a fancy way of saying if you have a big claim, you can deal with it. And so New York has actually had the most sustainable and interesting pilots, more than almost any other state. So I think that's another example of really highlighting that.

One thing we were just talking about in our office yesterday, that was interesting to us, and hopefully to you as well, is that we now cover about 17,000 freelancers in New York for health insurance. When 9/11 happened, there were all these people that lost their health insurance, because of losing their jobs. And then there were people who were actually in the towers, and either through their spouse or they could not work and lost their health insurance. And we, the 9/11 fund, the American Red Cross came to us, this

teeny non-profit. We became the third-largest grantee of the 9/11 fund, to handle all the benefits, because we actually had the IT infrastructure all along, because we said health insurance is going to be dispersed, people are all over the place. What's been interesting is the American Red Cross, we then looked at Katrina and other things, they never learned, they never took it kind of internally to figure out, was there a model that could actually work?

And I think in New York we really need to say that there's a lot that we're doing. Let's just start figuring out how we can really support that need, and highlight that as the national model. And it's been interesting to me that policymakers haven't. Yet when you look at our funders, they're Rockefeller, Ford, Robert Wood Johnson, of all these programs, so they're aware that these are the national models, but I think that's something that we really should and could do, and could then start building on it.

Jonathan Bowles: Beyond promoting this, I think getting the word out is a great idea, and making them potentially go to be a national example rather than just a local model. But what should be done locally to expand on these great innovative programs we have? I mean, is there room for expansion?

Sara Horowitz: I'll tell you what I think we should do. I think that we should subsidize capital so that there are blended values, between three and eight percent, for a return, so that we can start having businesses that don't have to have a return on investment that's like Wall Street, but can create jobs for people in New York. And we already have models of this. Economic, targeted investment that come out of our comptroller's office, they have a pool of money, we have all sorts of interesting ways that we could start looking at how to use our own assets, our own capital, and realizing that there are different ways, you don't have to believe that just the free market unfettered, that's just going to race through and race out. That you can imagine that you could have other goals. That if you have capital that can be reused, that can be recycled, that you just want a return, something that keeps the system going you could actually be building a lot of businesses in New York.

And I often think about, you know, what if I were the Mayor of Syracuse, but maybe I could say the grand poobah of Brooklyn, it would matter to me that there are groups of people who need to be employed, because it costs me more if they're on welfare, or chronically unemployed. So if I could figure out a way that there would be a lending stream for businesses that's really below market, well then I could start justifying it economically and start sustaining a business, that then is really something that makes the borough better. But I think what's happened is our left traditionally has thought that anything that makes the market is bad. And I really think that like we need to get over that and start realizing that there are all these interesting things that we can do. So at the Freelancers Union, we've been able to become independent, because we then look to generate fees that instead of building three McMansions for a bunch of brokers, we can start having advocacy and education, and again, we wouldn't want government to do it, because we can advocate for our members if our members are having a problem, we can advocate the system, we can help shape a policy debate. We wouldn't want the

government to come in and start creating workspaces, we want the government to provide lots of low-cost capital, so that there can be ten of those workspaces. And they're going to be much more responsive to the market, because they're so much closer to the ground, and I presume not looking to be the next Wall Street titan, but you know, the next Brooklyn titan.

Scott Adkins: I could talk for 12 hours nonstop about health insurance. It's the bane of our existence. I mean, a healthy society is a productive society, it's our economic future. But the fact that, that so many people are not covered or unable to cover themselves is just mind-boggling to me. As far as a plan, I've thought about so many of them. I think what you guys are doing is, is the right direction, Fractured Atlas is another organization that offers subsidized health insurance. The thing I don't like about all of the plans is that the insurance companies still exist. And you tell me that they exist, you know, maybe 20 to 30 percent profit off of our health, it's not right. That's where my lefty stuff comes in, and I say the market should refuse it, we should not support it. I think John Kerry came up with a plan where he said: well let's just subsidize everybody and pay the premiums for the companies. Because you're supporting the insurance companies. I don't believe health insurance companies should exist. I believe the infrastructure should exist. And I think that's part of the solution. Is that exactly what you've said. Take the profits down to 8 to 10 percent, and move it all out of this 20 to 30 percent profit, and suddenly you'll have affordable insurance. New York State has the most expensive health insurance in the country. It's absolutely outrageous. And a lot of that is deep profit, unfortunately.

Jonathan Bowles: Scott, can you give me a sense, I'm going to put you on the spot, but with your two spaces, Room 58 and Brooklyn Writers Space, can you give me an estimate of what share of all the writers that are part of the spaces, probably don't have health insurance? Is it a small number, is it a large number?

Scott Adkins: To be honest, I'd only be guessing. I'd say it's a large number. Anytime I bring it up, a group health insurance plan and such, everybody gets excited. So, I would say it's a large number, not covered.

Jonathan Bowles: Any other perspectives on health insurance from panelists? Pauline?

Pauline Barfield: Well, when I was working in Manhattan, I had three employees, and they were all covered under full health insurance benefits. And I had to, when I moved, I had to cancel the insurance. I kept it going for about six months, and then I cancelled it and then they had no insurance. And I really felt badly, that I had to do that, but the insurance coverage went up, and I couldn't afford it. And so, I agree that we should not have to pay the kind of health insurance that we're paying into, for ourselves, for employees, because it's just mind-boggling to me that, you know, we live in the richest country in the world and have people with no health insurance. I don't know how to resolve it.

Michael Kelly: Well I was just going to say that having taught for six or so years now, I know that students graduating, the recent graduate pool, if they don't get those jobs that

have health insurance, they're going out to freelance on their own, health insurance is the first thing to be cut off. They need an apartment, they need food, their girlfriend, boyfriend, whatever. And the health insurance, they realize how important it is when one gets a full-time job, but insurance gets cut first.

Sara Horowitz: I just want to say two things. One is, I agree with Bernie Sanders, I agree with this one particular thing that he's working on that is really important, which is what's happening with dental care, and a lot of times, people say, you know, it sounds like "plastics" from *The Graduate*, but it really isn't, because it's really becoming a class issue of how people can care. And it's showing, I think again, the declining middle class. And that's something we never thought was going to be an issue that we'd even have to think about. And now it's actually becoming a luxury, and I think that's really troubling.

But let me get back to the point that we were making, and you know, I don't think that we've gotten into this mess just by accident. I think we should really look at what happened with sort of the Reagan/Thatcher era, where we got rid of what were called mutual companies, where people who were the premium owners were the ones who then provided the insurance, and those were all considered undervalued assets though the 80's. And as such, private equity firms were buying them, and cherry-picking and figuring out how there was a way that you could do this. And if you now close your eyes and say I'm going to count the top insurance companies in America, you know, you're going to come up with a list of maybe 10, maybe 20, because there's been such centralization. That wasn't funded by capital that cost 2 percent. That was funded by capital that cost 18 to 30 percent and when you have such expensive capital, and you have to make your bottom line in a year and a half, you're not going to be tender-hearted. You've got a goal and a bottom line. And I think that, again, we need to start looking at that.

So sometimes I find that we get into the health insurance discussion, and it gets this idea that it's all so complicated. And actually, I think that in some ways it's really not complicated, but I think there are political realities that aren't easy. And they're messy, and there are certain honest things that we have to say. And I think we know these are the basic honest things. There's got to be a universal system, it's got to be paid for, it's not just mandatory, it's got to be paid for. I believe it still has to work through a market, because I think that you've got to have competition. I think you have to have subsidized capital, that's going to make it so that if you have social outcomes, and if it's subsidized capital, the people who don't achieve the social outcomes, don't get more capital. I think there's a whole way that we can be doing it, and I think again, it would be great because, New York, again, can't solve the whole problem, but New York has already pioneered the idea of subsidizing some of the capital and particularly through Healthy New York and other plans. So I really think we need to do that. And I think we also need to get our political debate in order here, and not sort of hold on to our orthodoxies, because that's one that really neatly divides over lines that never get anything done. I think we need to get over it.

Jonathan Bowles: We're going to start audience questions in just a few minutes, there's two other quick questions I have. One, is, moving in a totally different direction, one of

the things when you talk about freelancers or this new kind of creative worker, in the economy, you often hear talk about the need for Wi-Fi spaces, wireless networks and I'm curious. You know, obviously, there's a lot of movement on that with Bryant Park and so many other parks in the city kind of going with Wi-Fi hot spots, a lot of cafés here in Brooklyn, you can go and bring your laptop and do work there. Just how important is that and does Brooklyn have decent infrastructure? Not only for hot spots, public spaces, but for the broadband infrastructure so that if you're going to be working out of your home, anywhere in the borough, you know you're going to have the ability to do the kind of work you need to be done. Where are we on that, is that important?

Scott Adkins: I think it is extremely important. We're sort of in a dead zone right now, with the roll-out of FIOS with, from Verizon, I think they stopped developing their DSL speeds, I know I've got limited access at my home and at the Writers Space. And we're surviving, we're doing okay. But I do think it's essential, I think the infrastructure is being lit, literally. The fiber optics were laid five or six years ago, and it's going to change everything.

Jonathan Bowles: So you're saying that basically the DSL that everybody can get, there's just not enough for a lot of people that are doing this kind of work?

Scott Adkins: Yeah, your DSL ranges from 728 or whatever to 10 megs, I think, to three megs but most people are getting on the lower end, they just don't offer it in the upper ends. They charge you for it, but they don't offer it, actually.

Jonathan Bowles: Any other perspectives on this, and not only the kind of just broadband infrastructure, for homes and businesses, but also, what about that idea of a public Wi-Fi space? How important is that? Is this something Brooklyn needs to focus on?

Michael Kelly: I know the places near Pratt, I know the spaces near where I live, I know the places near where I work generally, and where I can go to, and I've had pretty good success with it. I only think more of those spaces would be better, certainly, but it's working fine for me and why not make it better?

Jonathan Bowles: Okay, well, a lot of these issues we can get into a lot more detail at another time or everybody can come up and talk to the panelists later. Before we get to the audience questions, my final question is: if we can just go through everybody on the panel, what one thing would you suggest be done by local government—local city or state government—to support this part of the economy, creative freelancers? And what one thing would you like to see organizations like BEDC and other nonprofits in Brooklyn and the city do to support this part of the economy? Why don't we start over there with you, Michael.

Michael Kelly: Well, I'm not sure about the policy but I know that before Kris made a comment about marketing, in terms of marketing campaigns about this group. Yesterday I was on the train and I was paying such close attention to ads for child protection

workers, they're on the subways now, which are excellent ads, actually, they're very clear and strong and they get the real message across. And I think that that kind of promotion of what we do tied with sort of the education I was mentioning earlier, about, how you work with a freelancer and the kind of contract issues, that would really help clarify the relationship.

Jonathan Bowles: Okay, Pauline?

Pauline Barfield: From my perspective, it's space, low-rent space, and affordable health care.

Jonathan Bowles: A lot of these space issues and health care issues, there's a lot to be done and I'm not suggesting that shouldn't be the kind of primary issues that we go to policymakers here to do, but I'm curious, are there any relatively easy slam-dunks, that organizations here in Brooklyn could do real soon that could greatly improve the lives or the working careers of freelancers? Like, if BEDC was to do something later this year, and I'm sorry to put BEDC on the spot, but I know they're interested in these issues, I'm just curious, some of you talked earlier about what's out there needs to be pulled together. Is that something that should be done? Do we need subsidized or government to help fund spaces for the kinds of things Scott does, or in other parts of the borough. I'm curious, are there things that can be done now?

Sara Horowitz: I just had an idea, but I see Brad Lander's in the back so I'm going to say this, and then, make a major housing/zoning error thing, but hey, what the hell. I think it'd be interesting to have a zoning of freelancers, a zoning area, something that would promote affordable micro space that makes it easier to get in and develop, some kind of tax credit. So then I would then continue our discussion about, if we were grand poobahs, what would like, and I think that when you look at really interesting areas like in northern Italy where they have a whole revenue model of how they support and spawn off new cooperatives, they really look at the area as a geographic area, and then figure out how to provide this kind of capital. And I think that what people want is, they want capital for their businesses. They don't want capital because they want a government entity. And I really think that's a distinction. So I think people would love it if there was a grant, you know, hey, I would take free money, but I think a low-cost loan would be happy. Yeah, you'd settle for like 2, 1, 3 percent. So I refer to Brad Lander on my first idea, but I think capital is a big thing, and it can be done.

Jonathan Bowles: Scott, anything else?

Scott Adkins: On the initial issue of getting paid, if you are getting a cash-flow crunch, getting a short-term loan, I know there are some networks out there, the small business network offers it, but I think it's laborious to get through the application process if your credit's not so good, you can be denied, so I think if the government could come in and set up some level of an assessment and say: yeah, this person's going to get paid, they just need some money to cover it and we'll get the money back at the end of three months, and it works out. That could ease things, that would definitely be a help, I think.

I don't think I'm looking at free money, that's not going to help me. Travel grants help, that sort of thing, bridge loans, health care.

Jonathan Bowles: Well, I'm going to pose it out to the audience here, and we've got a lot of people here that want to ask questions and we're going to get out of here at 10:30, so if everybody could please just limit your questions, make them brief and in the form of a question. Yes, sir, in the middle.

James Sanford, Brooklyn Economic Development Corporation: My question is for Sara Horowitz. Do you see the Freelancers Union taking an expanded role like the Writers Guild?

Sara Horowitz: Sure. The Freelancers Union is a nonprofit that is structured as what's called a 501(C) 4, which is like an advocacy organization. A traditional union that's governed by the National Labor Relations Act is a (C)5, which means it engages in collective bargaining. But because freelancers are moving from project to project and place to place, collective bargaining isn't just logistically the thing that is particularly helpful in the short term. But for sure, what we find is that it's organizing people for power in markets and power in advocacy. We are, since being granted the (C)4, seeking to form a PAC as well, which would then start being able to talk about what are these issues and helping our members really advocate for them. So, to me, it's really a question of what are the tools that are available and what are the tools that make sense, not falling in love with a particular tool for the sake of the tool, but really loving it for the thing that it can do. And that's really where we are now. I don't know if that answers your question. But we work with all of those groups, of course.

Representative, City of New York Economic Models Task Force: Hi, I work for the City of New York, the Economic Models Task Force, and I just had a question for all of you, but Sara kind of brought it up. It's really the idea of not pitting workers against each other, but that from the way you talk, it seems like in some ways, some freelancers and the way corporations take advantage does pit workers against each other, employers, workers, and freelancers, because there's an incentive for employers to shift to cheaper freelance work. If you guys have encountered that and the way that creates problems in your community, and, also any ideas of not having necessarily having government create the safety net but keeping some of the responsibility on employers to maybe augment your raise because you're going to have to pay for health insurance? Any of those issues?

Sara Horowitz: Yeah, I mean I think the issue is, for sure, in a lot of the growth industries, there's a drive that keeps freelancers because you don't have to pay benefits. And I think that's just clear that employers are doing that. And the answer is really figuring out how you have leverage to get it so that all firms have the benefits that they need. And I think that's where the debate gets kind of confusing because people focus on the misclassification of workers. But I think if we look at the trends, let's have everybody here who are full-time employees raise their hand and do you think you have the same health benefits that you had 10 years ago? So the trend is actually for all workers to be declining and that, I think, is the answer that we need to be saying to employers, whether

you're paying for insurance through employees at the job or you're paying insurance because you are taxed and it goes to a general revenue that gets divvied up to all workers in America, what really matters is that we have a progressive tax system, and we shouldn't get deluded. We shouldn't be always saying that we all want to go back to being full-time employees because I think that's just not where the global economy is going. And I think if we do that, that's just like, good talk. But that doesn't really help us.

Marina Bekkerman: I'm Marina Bekkerman, I'm a graphic designer, and my question is about the getting paid issue. And I know this is kind of an economic forum, and I don't know, but I've basically been in that position of not getting paid for long periods of time, and also, for example, I had a bicycle accident a long time ago, and a person who has a job, and has a position would get reimbursed from insurance for the time that they couldn't work. I'm a freelancer, I cannot do that. Basically since there's such a big force, can we get legislation to take care of us, and issues like that, like getting paid or getting disability insurance, since we're getting so big, and maybe bigger than the employees, I mean, why can't we get paid very well? Anyway, I know this is an economic forum, but I would like to see legislation. How can I accomplish that? I guess that's my question.

Jonathan Bowles: I think we'd all agree with that.

Sara Horowitz: We just did a focus group last week, and what's really interesting is that what people who, and I'm sure that you're doing this or your friends are doing this, is that people, when they get that \$25,000 check are typically putting something away to a saving account and they're putting it away to pay their estimated taxes and some rainy day funds. And I think if you ask probably 99 percent of them they would say I'm not doing it enough. And so I think one of the things is that it doesn't fit into a neat paradigm of unemployment, because unemployment is the employer can verify that you now are not working, so you can have what's called an insurable event, like a hurricane. But these aren't necessarily insurable events, like, you might want to take two weeks off in the summer, call that vacation, and that should be a legitimate thing and you should be able to have some money that you could actually do that.

So why couldn't we look at some kind of tax break, like the New York State tax, where you could write off some amount, like 10 percent or something like that, and have it be like a flexible spending account, where you would be able to then take that money and for specific purposes, be able to use it when you needed to. So, it could be for those kinds of times, for disability, and times for that. I think there are a lot of things that once you start thinking about it, there are lots of creative ways that we can start imagining, but you know, we are talking about taxes and revenues and budgets, so it is going to be something that is an advocacy and policy issue. So it really is not just what's happening to individuals, but individuals recognizing that they have to come together, because it's good for them but it's also good because it will move us all to a more civilized state here.

Jonathan Bowles: You know, you talk about how there's a business side to being a freelancer, even though a lot of these people are really writers or designers or jewelry makers at heart. In Brooklyn and throughout the city, there are a lot of seminars in every

borough and in a lot of neighborhoods around helping make entrepreneurs write business plans, get advice on marketing, do all of these things about how to run and grow a small business, and I'm curious, are there similar events taking place about how to make the most of your taxes? Or how to do financial planning if you're a freelance writer? Maybe all that's happening to the extent that it should be? Is that right? It is happening or could more of that be a curriculum here in Brooklyn?

Pauline Barfield: Sara had mentioned before, a lot of these classes are given through the chamber of commerce, and now the Brooklyn Chamber of Commerce, the Caribbean Chamber of Commerce, some local economic development agencies, they hold WIBO classes ,so there are lots of resources out there, even New York State...

Jonathan Bowles: And they're geared toward freelancers?

Pauline Barfield: Well, they're geared toward small businesses. Self-employed businesses, so it's information that a freelancer can certainly use. As a self-employed person, there's information out there.

Sara Horowitz: I just want to say that that the point is it's all as if freelancers are businesses, but freelancers are workers, and I don't mean that as a semiotic thing. But for instance, if you look at the City Council, there's a committee on small business. There's no committee on independent workers. And that's getting to be ridiculous, so I think the point is that there are really great resources, it's just that you have to find it through your informal network, because the city's resources are organized around small business. I think that's a real change that could be made.

Jonathan Bowles: Excellent. Yes.

Gloria Sandiford: Hi, my name's Gloria Sandiford, and my background is in arts management, and I used to manage artists as well as on the nonprofit and for-profit side, as well as entrepreneurship education of artists and, and my question is, I'm just curious as to how many of you would consider yourselves entrepreneurs, because I've had some artists who have a problem with that, considering themselves an entrepreneur. Would you say that all of you consider yourselves pretty much an entrepreneur?

Michael Kelly: I don't think I've ever used the word. I'm not joking. I consider myself a designer, I consider myself, to some degree, a businessman despite no business background, but that word's never come up. But I guess by your definition of it, that's what I'm doing, right? Going out and promoting myself and selling a brand if it is Michael Kelly Designs to different clients, so I guess yes.

Gloria Sanford: And my second question would be whether or not any of you have considered or created a business plan for your business, as this would be a way of helping to project cash flow, and help you to strategize for growth and things of that sort. Whether or not you've prepared one for your business, why or why not? And do you think that this would be something that would be beneficial to you as artists? Thank you.

Pauline Barfield: I'll answer. Twenty years ago, when I started my business, I started without a business plan. But I would say a year later, I was advised by some of these local organizations, classes that I took, to write a business plan, which I did, and you know, it really helps over the years to see where you are with your business, and give you projection on how to market. But you have to be true to it, and really follow it, and there are times when a lot of us, we don't. But it's important to have a business plan.

Scott Adkins: I did make a business plan for the Writers' Space. I don't know how helpful it was because it was never right. But it's about crunching the numbers. I think more important is a budget, and that's something I've learned late in life is that even having a household budget, just echoing what Sara was saying about freelancers are workers, they're not businesses, and I think a budget for a freelancer is something that is essential, because once you've actually hired yourself out, control over where you're spending your money, what you're spending it on, and how much credit that you can sustain, and what does that mean versus your assets and all that. It's very interesting, we're a debt nation now, we've always been a debt nation. And only until the 60's did we become a consumer debt nation. And that's where it started to get a little bit out of control. And I think for freelancers, it's becoming a big issue. Because, you know you're going to have a big check coming, so you run up your credit card debt, all of a sudden, oops, you went \$10,000 over the check. So now you're building your debt faster than you're building your income. And I think, simple budgeting techniques would be useful, more than a business plan.

Audience speaker: I've heard taxation mentioned, mentioned a couple of times and I'm just wondering, I've heard something about the fair tax, and I was wondering how moving from an income-based taxation system to consumer-, or consumption-based taxation would affect the freelancer and the creative class.

Sara Horowitz: Please define it. What is that?

Speaker: It's moving from an income tax, so in other words, businesses won't be taxed based on, obviously income, salary tax, payroll tax, everything. I'm sorry, I assumed that you guys would know.

Sara Horowitz: Right, so you're basically saying if you remove all the kind of encumbrances and taxes on employed people, you'll be employing many more people and a lot of people nationally are also looking at saying: well, it would be far more interesting to tax natural resources so that you could slow the use of natural resources but increase the rate at which people would be employed. So that you start having your economic interests aligned with some of the national goals. I think that makes a lot of sense.

Speaker: Specifically, I'm talking about simplifying the relationship between the employer and the employee.

Sara Horowitz: I would say the one thing that you would have to worry about is really great programs like Social Security and that's funded by the payroll tax; you don't want to get rid of Social Security, it's like the only thing we have left.

Jonathan Bowles: Right, thank you. Right here.

Speaker: I am part of the business team for a health insurance company called Atlantis Health Plan. And I'm not here necessarily to promote the business companies. We grew sixty percent last year, we are interested in working with other organizations like Freelancers Union to reach freelancers and individuals.

Jonathan Bowles: Well anybody can come visit you afterward if you're interested.

Speaker: So I work in youth development and education and in the field there this whole thing about making the connection between education and the economy, and young people and the future, blah, blah, blah, and so, you know, I feel like kind of the cultural trends in this, in this area that arts is sort of, you have the really talented young people and they go to select high schools, or arts used as a way to bring back the at-risk kids, move them back into the school and there's this whole other parallel trend of the learning to work and career exploration, and internships, but a lot of those kids get plugged into, you know, corporations or larger organizations, because, quite frankly, they have the infrastructure to be able to take on high school kids and tutor them and so forth. And so you know, the big picture perspective, how do we change this trend of getting young people interested in and really thinking about arts as a viable future as opposed to this thing that they do on the side, or something that is creative and is that they do on the side at school? It's just kind of like a little sister.

Jonathan Bowles: I'm not sure if that's not a conversation for another day, but does anyone have a thought on that?

Sara Horowitz: I think we should put it in the recommendations to do.

Jonathan Bowles: That's another conference. Let me, there's a lot more people, is there a freelancer out there that has a question? Yes.

Speaker: I've been in Brooklyn because it's where my artist friends live and there's a community here for me, but, you know, I started out in Cobble Hill, now I'm in Fort Greene, I'm priced out, I'm going to Bed-Stuy. How do we make people, do you guys have recommendations for making people aware of the value of creative capital? Because I find myself, like you were saying, proving to people all the time like, no really, you should pay me. I know you think that's a performing artist, I'm sort of nonprofit, but, you know, I'm, having a kid, I need to figure out how to do that. What are some of your recommendations on how as individuals as well as a group, we can sort of advocate for ourselves in a way to make people aware of the value that we provide? Richard Florida just talked about it at length, but I feel it's not really hitting the ground.

Jonathan Bowles: Well, honestly, it's one of the reasons that we're having this event today, and one of the reasons why we as an organization have been writing a number of reports about the value of artists and creative industries and I think that this part of the economy has almost been taken for granted for a long time, and we're trying to show the economic argument that this is incredibly powerful, it's growing, and in a global economy, this is the kind of thing that has a lot of potential for growth in this city, so we need to support it and we need to figure out strategies and this creative freelancers is one segment of this. Ah, and obviously, just in our conversation here, we've talked about a half-dozen various issues, from Wi-Fi to health insurance to transportation and the F train that probably could be done not to mention housing and real estate issues. It's very difficult. Anybody else have any thoughts about this?

Michael Kelly: As an individual, all I can offer is just to do good work. I'm not sure exactly how to attach that to performance art, but in a number of the situations where people would say to me, you know, we have someone who's going to charge us, you know, X for this, and I've given them a budget that would be 3X, let's say. When they ask me, well, can you lower that, I say no, I mean, I really can't, unless you want less rounds of proofs, unless you want less presentation or something like that. So once we start to make the decision of, oh yeah, you know what, I can be paid less, then the rate before that wasn't really real. In my industry, as long as individuals take that approach in dealing with clients, then it doesn't offer them that opportunity to say, well, no I can get this for \$500 when you're going to charge me \$1,000 for it. So do good work and then stand by it is the best way, if that helps.

Jonathan Bowles: Yes?

Susan Schear, Artisin: Two points. One, no discussion on business insurance, when I think about freelancers in that perspective. And the other point, is the challenge of SIC codes and reporting from the point of business and industry representation, what will it do for freelancers.

Jonathan Bowles: Anybody on the panel?

Michael Kelly: Not everybody goes by SIC codes.

Pauline Barfield: NAISC codes!

Jonathan Bowles: SIC codes are "standard industry classification," it's part of the labor department figures, and I think that Susan was kind of alluding to that there's not a lot of good information. It's difficult to find information about how important, how big this part of the economy is and to break it down into different facets of the creative field.

Susan Sheer: Well also, for reporting. I mean, when they ask you to self-select as to what you are or what you do.

Scott Adkins: As far as I know, there aren't many options.

Sara Horowitz: I think it's a great point.

Jonathan Bowles: We're going to have one final question.

Audience speaker: Hi, I'm a public relations consultant, and I guess I'm going into my eighth year. But some issues that have been raised, I have a couple comments on. One would be disability insurance. I went shopping for it recently, and to get something that covers you when you might need it, it's very expensive, and I think there would probably be a good desire for the resources on this topic to be available to freelancers.

Sara Horowitz: I just have to say, again, like this person from Atlantis, we offer through Guardian for freelancers, you should just check it out.

Speaker: Okay, the other issue is what people were talking about as a way to get resources to run your business, or the business side of freelancing. I found that some of the small business classes that are available, they're not so relevant to me; I'm not really a business, I'm a consultant, so the things that people were talking about in terms of budgeting, I think there's a need for resources for freelancers that are a little different than what's out there, because it's difficult to extrapolate out. And then I guess in terms of health care, I need to be in a specific kind of plan that gives a lot of access to a lot of different kinds of doctors and I end up paying a lot for it and I've had to go outside of some of the more conventional set-ups, like the Freelance Association, or I guess Working Today. So I think there's a need to continue to look at an arrangement of providers, Blue Cross/Blue Shield etc. and see how they can be brought in to the mix of available offerings.

Jonathan Bowles: All right, well thank you, and I apologize to everybody for not being able to take more questions. It's 10:30, we promised everybody we'd be out of here. I'm sure you all have a lot of important things to do. I want to thank all of our panelists. Also, a very hearty thank you to the Brooklyn Public Library and Maud, and Brooklyn Economic Development Corporation, our co-sponsor, and just to let you know lastly is that we hope this doesn't end here. This obviously is a changing and growing part of the economy and we're going to be putting a transcript of this event on the Center for an Urban Future's website in the next couple of weeks, and you'll be able to see it at www.nycfuture.org, and we hope to continue having more discussions like this. Maud, do you want to say a word?

Maud Andrew, Brooklyn Public Library: I want to make a brief announcement, we have 60 locations in Brooklyn, and they all have Wi-Fi, and custom space for all of you to use to do your creative work and we are going to be having more programs because they're very popular programs at our business library, one on the art of business that's been nominally successful and another one on artists and how to pay taxes. So please bring your ideas about the kind of information you need to the library. Thanks a lot.

Jonathan Bowles: Thanks everyone.