



BNEL 2026

BALTIMORE NEIGHBORHOOD
ECONOMICS LAB



THE DEBT TRAP

Scenario #2: Creative Arts Organization in Survival Mode

INTERACTIVE EXERCISE

1 WHO THEY ARE

EASTSIDE CREATIVE COLLECTIVE

*"We built a space for the community.
Now the space may take us under."*

Eastside Creative Collective is a for-profit arts and culture organization based in Baltimore, focused on youth arts education, performance, media production, and creative workforce development.

For nearly eight years, they've generated revenue through:



YOUTH ARTS
EDUCATION



PERFORMANCES
& EVENTS



MEDIA
PRODUCTION



WORKFORCE
DEVELOPMENT



CREATIVE SPACE
ACTIVATION

2 THE OPPORTUNITY

In 2021, the organization was selected for a local economic development initiative to activate vacant storefronts and commercial corridors.



RECEIVED ACCESS
TO A 6,500 SQ FT
BUILDING



RENT WAS FULLY
SUBSIDIZED FOR
THE FIRST 2 YEARS



ENCOURAGED TO
TRANSFORM THE SITE
INTO A PERMANENT
CREATIVE HUB

The vision included:



REHEARSAL
STUDIOS



PODCAST /
MEDIA ROOMS



PERFORMANCE
SPACE



CO-WORKING
FOR ARTISTS



YOUTH
PROGRAMMING

The organization believed the space would diversify revenue and create long-term sustainability beyond grants.

3 WHAT HAPPENED

COVID disrupted the original model. Several challenges emerged:



SCHOOL CONTRACTS
BECAME INCONSISTENT



GRANT CYCLES
SLOWED



ATTENDANCE & EVENT
BOOKINGS FLUCTUATED



INFLATION INCREASED
OPERATING EXPENSES



STUDIO RENTAL DEMAND
NEVER FULLY
MATERIALIZED



CONSTRUCTION &
EQUIPMENT COSTS
EXCEEDED PROJECTIONS

**MOST OF THE BUILDOUT CAPITAL WENT
INTO A BUILDING THEY DO NOT OWN.**

4 CURRENT CRISIS



PAYROLL DUE IN 10 DAYS



A major city contract reimbursement has been delayed by nearly 90 days.



Two key teaching artists are threatening to leave because payments have become inconsistent.



The organization also risks:

- losing school relationships
- canceling summer programming
- damaging its community reputation

5 THE DECISION

TO STAY AFLOAT, LEADERSHIP ACCEPTED:



\$75,000

HARD MONEY LOAN



35%
INTEREST



WEEKLY
REPAYMENTS



AGGRESSIVE
DEFAULT PENALTIES



PERSONAL
GUARANTEE
REQUIREMENTS

The lender marketed the loan as:

"fast bridge capital for growing businesses."



