

# The Social Impact Series

Strengthening philanthropy  
through regional learning  
conversations



**Session #1: Fit for  
purpose strategy**

Christchurch | 10 July 2018

# The Social Impact Series

The philanthropic sector in Aotearoa New Zealand is focused on making a difference for the communities that it serves. Across the sector, funders are looking to develop effective strategies and practices to strengthen their social impact. The Social Impact Series was designed by the Centre for Social Impact to contribute to strengthening philanthropic practice by providing space for knowledge sharing and learning conversations across the sector.

Convened by the Centre for Social Impact and collaborative host partners across New Zealand, the Series format provides insights from emerging practice, and explores regional case studies that highlight the challenges and opportunities experienced by organisations engaging with these practices.

## Session #1

The Social Impact Series Session #1 was co-hosted with Rātā Foundation in Christchurch on 10<sup>th</sup> July 2018, and was attended by philanthropic and local government stakeholders from across the South Island. The theme of Session #1 was:

**“Fit for purpose strategy – using evidence to inform practice.”**

Philanthropic organisations are constantly thinking about how they can best support the needs and aspirations of their communities. Increasingly, there is a shift towards engaging with evidence to design strategies, funding approaches and ways of working that are more responsive to communities and have higher potential for impact.

Through this summary report, the Centre for Social Impact shares conversations and insights gathered from presenters and participants at Session #1 – focusing on the value of data in creating an agenda for systems change and exploring the ways that the philanthropic sector can respond to this agenda.



# The Change Agenda:

## Creating the Catalyst for Māori Success

Tokona te Raki: Māori Futures Collective | Eruera Tarena and Kym Hamilton

**The Social Impact Series Session #1 keynote speakers were Eruera Tarena and Kym Hamilton from Tokona te Raki: Māori Futures Collective - a Ngāi Tahu-led collaboration established to increase Māori participation, success and progression in education and employment outcomes.**

The [Māori Future Collective](#)'s approach involves the effective use of data to develop insights, evaluate new ideas and measure progress – enabling iwi-led innovation with the potential to drive systems change and support better outcomes for Māori. This approach operates in a 'shared Treaty space' – between and alongside iwi and other partners and investors, including the philanthropic sector.

### Creating an agenda for change

Eruera and Kym's presentation highlighted the important role of data – both as a compelling tool for demonstrating New Zealand's existing and future gaps/inequalities, and as a mechanism for generating insights and conversations about the need for shifts in thinking and practice to support systems change.

Data and evidence collated by the Māori Futures Collective builds an agenda for change. This data shows that:

- The current income gap for Māori is \$2.6 billion per year. This could rise to \$4.3 billion per year by 2038 if current levels of inequality persist.
- The income gap does not account for other social costs – such as engagement with the justice system - where Māori are often disproportionately represented.
- The skills gap between Māori and non-Māori is a root cause of New Zealand's income gap. This skills gap is likely to widen as 43% of Māori are employed in two of the sectors most affected by projected future job losses. Only 1% of the Māori workforce are employed in a key future growth sector, computer mathematics.
- In turn, the skills gap is driven by disparities in educational achievement.
- For Ngāi Tahu, the income gap is larger than the value of their Treaty settlement; whilst income equity would generate more economic value per year than the total value of their tribal settlement.
- Allowing the income gap for Māori to maintain or widen is both a moral issue and an economic one. Whilst Māori will feel the harm from these inequalities first and most severely, the consequences will be felt across all New Zealand society. Issues related to equitable income and workforce participation for Māori will begin to intersect with other issues, such as the economic requirements of supporting an ageing Pākehā population.

## Learning conversation – reflections on the keynote presentation

- Quantitative data is a diagnostic tool. Effective use of data can provide funders and investors with strategic insights that help them to identify priority opportunities for impact. As a sector - and society - building our data literacy is important to enable evidence-driven decision-making.
- Funders need to consider investing in ways that are more targeted and aligned with evidence. This approach is needed just to maintain the current 'status quo' levels of inequality. To address the widening gaps that are projected by 2038 will require innovation, whole-of-system thinking and collective impact.
- The philanthropic sector is a key part of the wider system with potential to drive positive systems change. To deliver on this potential, funders need to consider their current and future approach and practice:
  - What are we doing now that may be perpetuating the current reality of inequalities?
  - How do we think and act beyond a grant-by-grant approach, and operate at a systems level?
  - What changes can we make to be more of a catalyst for change?
  - How can we use our whole purpose and potential (not just our funding) towards stemming the tides of inequality?
  - How can we build relationships across sectors, and develop a shared space to address systemic disadvantage?
  - What leadership is required of our organisation to support systems change?
  - How can we be effective Treaty partners and support iwi in their leadership?
- Inequality is a systemic, complex and multi-dimensional issue. There are no silver bullet solutions and addressing inequality cannot be achieved with a single approach. Philanthropic funders have capacity to be 'agnostic' in their approach – engaging with and testing different ways of working and funding.
- Investing to achieve systemic change for Māori and Pacific communities requires more relational ways of working. In the philanthropic context, this involves funders thinking about ways to reduce their focus on transactional grantmaking and increase their focus on building partnerships with communities. Such relational approaches will demand a shift in the 'typical' power dynamic between funders and communities. Funders will need to consider and challenge where the power lies in their current decision-making processes and systems; and also consider opportunities to use their power in other ways i.e. for influence and impact.
- Engaging with data is an ongoing practice. Alongside population data, funders can track their own data (quantitative and qualitative) to provide real-time information to inform decision-making:
  - What does the data tell us about our approach?
  - Do we need to shift our current course?
  - What challenges are we experiencing in adapting our practice?
  - What are we learning about our impact?

# Learning Conversations:

## Key themes and insights

### Philanthropic practice is shifting

- Funding approaches are shifting from being reactive and transactional, to more a strategic approaches focusing on priority outcomes.
- Evidence is increasingly shaping and informing how philanthropic strategy is designed and outcomes are prioritised. Input from and dialogue with communities will enable investments that are aligned with community aspirations for impact.
- Funders are growing their patience and developing longer-term mindsets. They are increasingly looking at the wider landscape to understand their role alongside others and to identify opportunities where they can have most impact.
- Philanthropic organisations are challenging themselves to think more about how to evidence their activities and impact.
- The next 20 years will see shifts in New Zealand's populations – with growing Māori, Pacific and Asian communities. The philanthropic sector will need to continually evolve its approach and strengthen its responsiveness to diverse communities.

### The value of evidence – insights for impact

- Quantitative, population-based data are an important sources of evidence. Data can act as a valuable diagnostic tool, by supporting philanthropic organisations to adopt a 'big picture' view, challenge assumptions and identify gaps and priorities for investment.
- Philanthropic organisations should be encouraged to consider what counts as 'good' evidence; as well as who decides what counts. This means questioning where evidence comes from, and from whose perspective it is gathered. Alongside qualitative data, value should be placed on learning that can be generated from community stories, grantee experiences, and the internal insights of funding advisors.
- Philanthropic funders are well-positioned to use their resources to seek and gather additional qualitative evidence; particularly where it empowers the perspectives of their local communities. Qualitative data can give meaning and insight that sheds light on quantitative data, by exploring the reality of communities in depth.

▼ Key opportunities to use evidence to inform philanthropic practice



- The philanthropic sector is increasingly focused on driving social impact at a systems level. Identifying opportunities to strengthen systems impact requires good data that tells funders whether they have identified the ‘right’ priorities, whether their activities are having the intended impact in the community, and what opportunities exist to change focus or approach in order to deliver better outcomes.
- It is particularly important that comprehensive and well-designed data is accessible to decision-makers. Boards need sufficient opportunity to engage with data in meaningful ways, so that this engagement can translate into effective decision-making.
- As philanthropic organisations strengthen their capacity to collect and use data to generate insights, it is important that, as a sector, we find ways of sharing knowledge and learning to grow sector intelligence and strengthen practice.

## Case Study: Investing for Impact in Northland

In 2018, Foundation North launched a new 15-year funding strategy. Through this new strategy, the Foundation was looking to “identify priorities to make the most of this opportunity for sustained investment” (Chloe Harwood - Foundation North Strategy and Innovation Manager).

The Foundation worked with the Centre for Social Impact to review population-based data highlighting priority challenges and current/future trends. Trustees were supported to engage with this data, enabling them to identify evidence-based priorities for funding.

One of the priorities identified by Foundation North through this [evidence review](#) was the need for sustained investment in Northland to address persistent inequalities affecting the region’s communities. [Further research](#) was then undertaken to better understand how these inequalities are experienced by communities in Northland; as well as understanding community aspirations for change in relation to these experiences.

Through targeted stakeholder interviews, Foundation North was able to more deeply understand the Northland community ecosystem and identify priority opportunities for impact – including targeted opportunities for investment, as well as non-financial roles that Foundation North can play in activating systems change in the region.

Using evidence played a vital role in generating insights that Foundation North could use to inform their practice, as they “start thinking about long-term strategies and approaches that might work best in moving the dial for our communities”.

For more information on the research, visit: <https://foundationnorth.org.nz/how-we-work/resources/>

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“Philanthropic organisations have the means, motive and opportunity. We need to try and do some new things with our pūtea.”

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## Key opportunities to strengthen impact

### An intergenerational mindset - addressing inequalities

- Philanthropy must consider how to invest to address inequalities – in income, employment, education, housing, health and wellbeing – particularly for Māori and Pacific communities.
- Focusing investment on inequalities requires hard decisions – especially for funders with limited resources and/or mission-based drivers to provide broad community support. This may involve divesting in initiatives to allocate resources to other or new opportunities with more potential for impact.
- An ‘intergenerational mindset’ is required to address inequalities. This involves understanding current and future demographic trends, committing to sustained investment in priority issues and seeking to evolve practice over time based on learning about what works.
- The intergenerational mindset is a shared space for philanthropy and iwi, who exist in perpetuity for the wellbeing of communities. This shared space provides a unique opportunity for partnership to enhance social equity for Māori.

### Practicing adaptive philanthropy

- There is growing recognition of the need for philanthropic funders to practice more adaptive philanthropy. Working adaptively can support funders to generate positive momentum for systems change, by responding more effectively to community needs and building stronger partnerships alongside community and other partners and investors – including local authorities, central government and iwi.
- To grow capacity for adaptive philanthropy, funders can:
  - Be ‘destination focused’.
  - Engage in high-trust relationships with community to develop solutions and opportunities for investment.
  - Reduce the focus on compliance, which can smother new ideas before their potential emerges or is realised.
  - Find ways to be operationally agile by, for example, creating different levels of authority to action ideas with potential, and to prevent decision-making processes stalling progress – especially when working alongside community in ways that are more relational.
  - Grow capacity to be culturally responsive and build effective partnerships with Māori and Pacific communities.

- Build board/trustee appetite and capacity to do things differently and not get ‘stuck’ in their own systems of decision-making. This means supporting trustees to be bold and courageous, i.e. willing to let go of existing behaviour and processes and being open to new ways of working.

## Leveraging funding and other non-financial resources

- The philanthropic sector has opportunities to leverage impact through non-financial roles – including:
  - Building authentic and reciprocal connections/relationships across the sector – assisting with the ‘heavy lifting’ of relationship building where community doesn’t have sufficient capacity or resource.
  - Hosting, facilitating or convening cross-sector conversations to unlock potential resources and collaboration.
  - Providing thought-leadership by sharing learning and knowledge with decision-makers – both within and outside of the philanthropic sector.
  - Influencing government investment policy by sharing insights and championing solutions or approaches that work.
- When seeking to achieve strategic outcomes and activate systems change, funders need to consider how they can invest in building the capacity of the groups that they fund. Community organisations will benefit from support and relationships that strengthen their capacity and capability, to fulfil their potential for impact.

## Innovation and systems thinking

- The philanthropic sector is learning that philanthropy has relative appetite, mandate and flexibility to take risks and try new things in order to try and effect systems level change. This ability to work beyond the more transactional processes - where government is often more confined - offers enormous potential for innovation and impact.
- Philanthropic organisations can consider their whole potential to achieve impact in different parts of the system. This includes thinking about the impact potential of the organisation’s purchasing/supply chains (social procurement) and endowment funds (impact investment); as well as the activation of other non-financial roles to leverage impact (as above).

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**“We need to use data to understand how our communities are changing; to challenge ourselves about how we evidence our impact and to help us understand where we can evolve our practice.”**

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- There is growing interest in the opportunities for more collaboration within philanthropy. The sector can sometime be hampered by the tensions that exist between regional and national focus or mandate. Funders are encouraged to understand their role as part of a wider system of investors and explore how and under what conditions the whole system can be activated for maximum impact.
- Investing in innovation has potential to be a more accessible space to activate systems thinking and collective impact within philanthropy. [VOYCE Whakarongo Mai](#) is an example of collaborative philanthropic investment in innovation to influence policy and systems change.
- To achieve systems impact, we need a paradigm shift in how resources are mobilised or shared. Achieving this paradigm shift can start with having the whole system ‘in the room’ and engaged in developing opportunities for impact. Philanthropic organisations can be a key player in facilitating this – brokering conversations between community, government, iwi and business.

## Valuing learning conversations:

- The opportunity to engage in a learning conversation was highly valued by participants of the Social Impact Series Session #1; creating space to share successes and challenges, and ‘redistribute’ knowledge and learning across the sector:
 

“This is the best professional development that staff and trustees can get – it is opportunity to connect, learn and think about future practice.”
- Finding ways to engage trustees in learning and practice sharing conversations is a both a major challenge and opportunity in the philanthropic sector.
- Creating space dedicated for learning conversations enables the sector to engage in systems-change thinking. Regular regional or sub-regional conversations across the philanthropic sector help to build practice, ideas and momentum for collaborative systems impact.



## Insights from the convenors

“As philanthropic practitioners we know that if we want to be successful at creating real change in our communities, we must become more equitable grantmaking organisations. However, while many of us recognise this, most of us still struggle with how to put equity into our practice.

I think The ‘Social Impact Series’ provides us with an important opportunity to bring in the infamous ‘organisational slack’ into our practice and consciously canvass how we can best evolve or adapt our work and keep putting the spotlight on an important matters for NZ’s future.”

- **Karyn McLeod, Rātā Foundation**

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“This was a welcome opportunity to connect and reflect with South Island funders, and for us all to share our knowledge and gain insights to inform our practice. The data and evidence that Eru and Kym shared helped anchor our conversation around the importance of funders understanding the populations they serve as they design strategies for impact. Eru and Kym's final questions remain with me as I look forward to future conversations: What change can you make? What could we achieve together? Who else needs to be involved to make progress?”

- **Alison Taylor, Centre for Social Impact**

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“Funders always want to change the world but not themselves. It’s great to see funders including themselves in the change and imagining what they too could do to contribute to change.”

- **Eruera Tarena, Tokona te Raki: Māori Futures Collective**