



# Catalyst or Inhibitor?

Rethinking how we fund through long-term, high trust funding

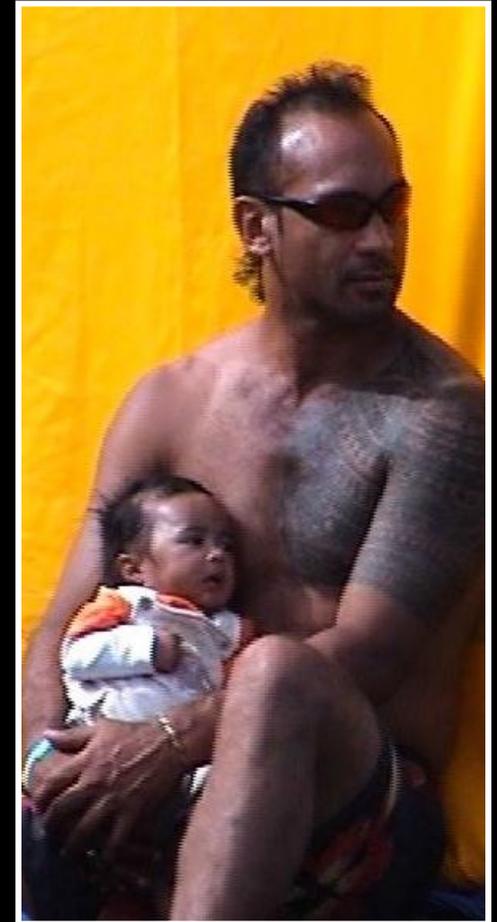
A presentation to the Philanthropy NZ Conference

By Kate Frykberg, the Todd Foundation

April 11 2013

# Overview

1. Who we are
2. What we did
3. Why we did it
4. The Processes
5. Case Study: Every Child Counts
6. Outcomes and learning



Great Fathers

# 1. About the Todd Foundation

- Private NZ foundation established by the Todd family in 1972
- Vision: Inclusive communities where all children families and young people thrive and contribute
- 2012 funding \$5.5m, (\$4.3m + \$1.2m to Christchurch earthquake recovery)



Thrive Teen Parent  
Support

## 2. What we did: Partnership Funding

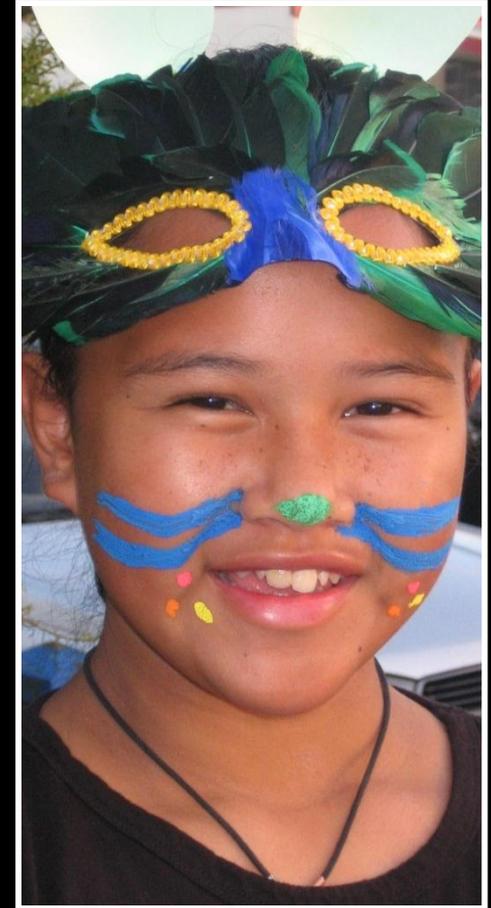
- Substantial 5 year funding (up to 100k per year for first 3 years then reduces)
- trusted previous recipients are invited to apply
- with no restrictions on how it is used
- plus an annual hui to share learnings
- plus matching funding for Capacity Building and Professional Development
- plus support with research and evaluation



Tairawhiti REAP

## 3a. Why we did it

- “Grantmakers are successful only to the extent that their grantees achieve meaningful results” (*Grant-makers for Effective Organisations*)
- Enabling grantees to maximise community impact requires:
  - Fewer restrictions on how funding is used
  - More multi-year funding
  - Better relationships with grantees



Comet

## 3b. Five uncomfortable questions

- Why do we trust business investment more than community investment?
  - To what degree do we model the behaviour we expect?
  - Who evaluates us?
  - What is the real amount we give – after the cost of compliance?
- ➔ *To what degree do we catalyse change and to what degree do we inhibit it?*



Great Start Taita

## 3c. A net grant scenario

A typical grant programme – what is our net community benefit really?

Grant budget (10 grants of 10k each)		\$100,000
Cost of applying (assume 10 hours @\$50/hour)	\$500	
Net grant if successful (\$ received - cost of applying )	\$9,500	
Net grant if unsuccessful (\$ received - cost of applying)	-\$500	
Community benefit when paid (assume 100 apps, 10 succeed)		\$50,000
Cost of reporting on grant (assume 10 hours @ \$50/hour)	\$500	
Total cost of reporting (assume 10 grantees)	\$5,000	
Cost of administering (assume overheads = 5% of grant budget)	\$5,000	
Total benefit to community at grant end:		\$40,000

## 4a. The change process

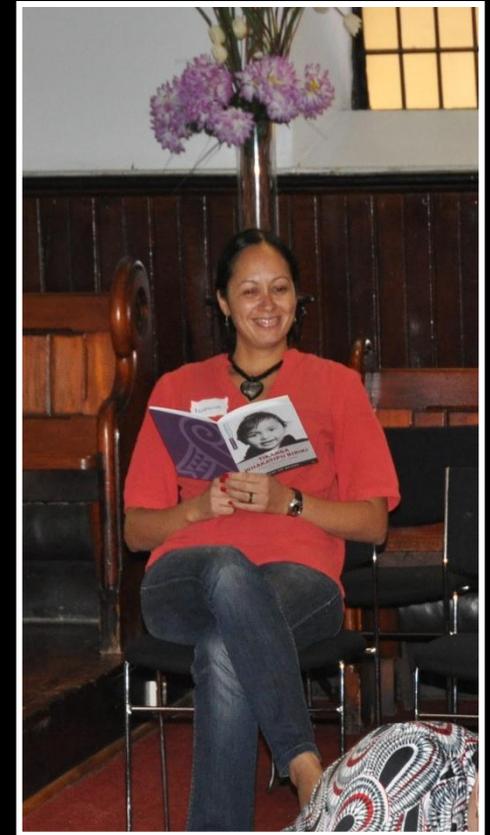
- Started with research & consultation with NZ, Aus and US funders
- Lots of input from trustees
- Key argument: difference between business investment and grants
- Implemented during GFC in 2009 – forward commitment of \$1.2m
- Low-key profile as we learn and adapt



Jigsaw

## 4b. The selection process

- Trustees identify a focus area
- Staff long-list previous grantees
- External Consultant undertakes desk research on each
- Trustee committee shortlist 3-4
- Applicants invited to apply
- Proposal and open presentation to committee and each other
- Committee recommends funding to board



Mana Ririki

# 5. Case Study: Every Child Counts

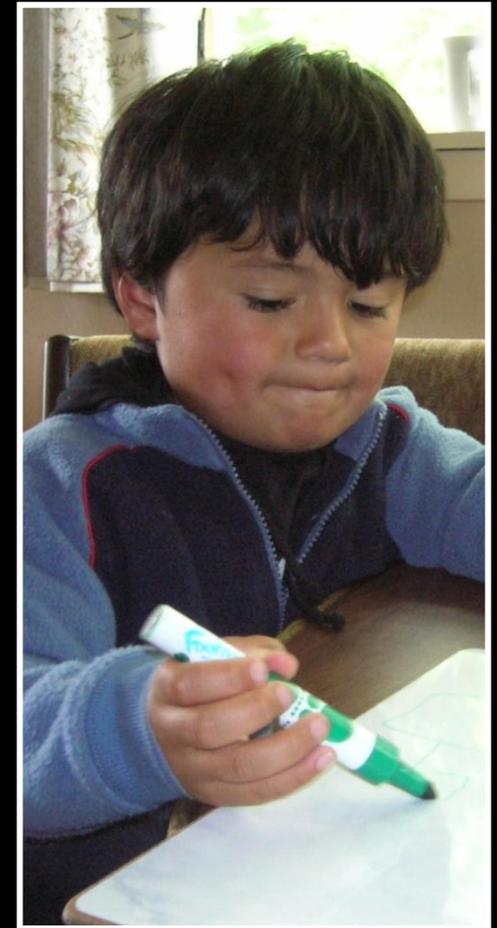
- A coalition of leading child-focussed organisations
- 5 year funding helped enable:
  - Employing an ex-MP child-advocate
  - Research into the fiscal impact of child abuse and neglect
  - Forums for businesses
  - Work with government commissions
  - Facilitation of shared advocacy
- “It’s a new era for us”



Every Child Counts

## 6a. Where we're at now

- 15 organisations funded so far:
  - 2009: Intergenerational Learning (4)
  - 2010: Youth Transitions (3)
  - 2011: Child and Family Advocacy (4)
  - 2012: Community-led development (4)
- Complementary approaches-  
“Creating change for children – from kitchen table to legislative chamber”
- Increasingly driven by recipients



WestREAP Early Literacy

## 6b. The successes

- Mid-point self-assessment:
  - Almost all can actively demonstrate being “a learning organisation”
  - Almost all can demonstrate significant progress towards goals
- 7 involved in collaborative advocacy
- Sharing of resources, training, even board members
- “Wisdom Exchange” in development
- Multi-year saves 2.25 weeks / year of grant-seeking time for managers



First Foundation

## 6c. What we're learning

- Would be a little easier in a single region
- Match funding works well – but make it broader than PD only
- Complementary approaches are a strength
- Successful transitioning at end of five years is the next challenge
- It's not easy to measure contribution to a vision...



Far North Parent  
Mentoring

# 7. Final thoughts

- Key question: Do we trust the organisations we fund?
- If so, back them!
  - Careful selection process
  - Provide an environment that catalyses reflection, learning, innovation, continuous improvement, collaboration and real relationships
  - Try to model this behaviour ourselves
- Our success as a grant-maker depends on how well we enable our grantees



Big Buddy



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