

A new way of working

TODD FOUNDATION STAFF



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Todd Foundation changes funding strategy

After 45 years of running open grant application rounds the Todd Foundation is now pro-actively seeking funding partners to create sustainable, long-term social change.

When the Todd Foundation staff and board got together for their regular three-yearly strategic review in 2016, they had little idea that they were about to embark on a process that would fundamentally change the way they worked.

Executive Director Christina Howard says the board had already agreed the review should focus on the way the Foundation funded. “We were happy with our vision and focus on children and young people. So I expected the review would identify some improvements to make our existing funding programmes work better for applicants.”

Instead they ended up developing a completely new funding strategy which does away with competitive application rounds in favour of pro-actively seeking out communities, organisations and collectives to partner with.

Christina says the key to the new strategy was clarifying the Foundation’s purpose, then figuring out how to use its resources to best achieve that purpose.

“We thought really hard about our unique strengths as a family philanthropic, based in Wellington but funding throughout New Zealand. We also wanted to help make a difference at a systemic level, to help deal with the causes of problems rather than the symptoms.”

Coming out of the review, the Foundation has a clear purpose—to resource communities to create sustainable, long-term change for children, young people and families. It will do this through three main funding streams:

1. **Change:** the largest funding stream which supports co-ordinated, community-led action for change in selected focus areas.
2. **Collaboration:** provides funding for collaborative alliances with other funders.
3. **Capability:** provides funding for key organisations to provide capability support to the community sector.

The Foundation started working under the new model in January. But to help with the transition they deliberately pre-committed a large proportion of their 2018 funds.

“We wanted to give ourselves time to bed in the new strategy, which requires much more upfront work to understand our focus areas and build relationships. We also needed to honour the commitments we had made to organisations under our old strategy.”

A new way of working

It’s been a leap into the unknown as staff and board adjust to the fact that their work is no longer driven by funding-round closing dates.

While the lack of this familiar structure can be a bit daunting, staff are enjoying having more time to engage with communities, develop deeper knowledge of issues and provide support to funding partners. The board also has more time to engage in strategic discussions.

“We’re able to look up and out at what’s happening here and overseas. We’re also really aware that we have to drive our own activity, step up our outreach and keep doing the work required to get funding out into the community.”

What partly drove the change was a statistical analysis which found that over the previous decade the number of applications the Foundation received had increased tenfold—but the chances of success had dropped from over 50% to under 15%.

The figures struck a chord with the board. They were concerned about the amount of time organisations were spending on unsuccessful applications—and how much time staff were spending assessing them.

“They were really aware that with so many applications coming in it had become very transactional. They could see we had a highly skilled team with great relationships and lots of knowledge. But they spent most of their time processing forms. Was that really the best expression of how the Foundation could be supporting communities?”

The board could also see that running open application rounds encouraged competition rather than encouraging organisations to work collaboratively or strategically together.

“We knew that many organisations in the community sector were also frustrated by competitive funding models and were interested in finding new ways of doing things.”



How it works

“The new strategy was clarifying the Foundation’s purpose, then figuring out how to use its resources to best achieve that purpose.”

Christina Howard

Figure out what you’re looking for

For Christina, an SSIR article by US philanthropist Kevin Starr, director of the Mulago Foundation, was fundamental in shaping the change. *The Lazy Funders Guide to High-yield Philanthropy* suggested six ways to do ‘more with less’. Number one was ‘Figure out what you’re looking for—then act’.

Starr also advised against taking proposals—‘Proposals are a hassle to write, an ordeal to read, and still don’t give us what we need.’—and advocated for giving unrestricted funding.

It was a lightbulb moment for Christina, who sent the article to the board before their 2016 strategy session. And it eventually saw her visiting Kevin Starr at the Mulago Foundation in San Francisco, as well as two other Californian foundations, the Peery Foundation and the Whitman Institute.

“I was really struck by their focus on sustainable change, long-term funding and trust-based relationships. They all looked for ways they could support their funding partners beyond just giving money.”

To help develop the new strategy the Foundation also ran two one-day hui with funding recipients to get some blue-sky thinking about how to make the change.

“Most people at the hui could see why we wanted to make the change, and they challenged us to think about our ‘higher purpose’ and how we could do funding differently.”

Not surprisingly, some organisations were concerned that moving away from open applications would close off a potential source of funding. However, as Christina points out, the Foundation will continue to provide the same amount of funding, it will just be doing it in a different way.

Pilot initiative provides lessons

While the strategy is new, Christina says that in hindsight they had started working towards it in 2014, when they began their youth employment initiative. Programme leader Seumas Fantham spent about a year researching youth employment issues and solutions in New Zealand and overseas. He travelled the country to identify regions with both high youth unemployment and an appetite and ability to work in different ways.

“It was basically a pilot for the new strategy,” says Christina.

Ultimately the Foundation ended up supporting youth employment strategies and initiatives in Eastern Bay of Plenty, Tairāwhiti, and Lower Hutt.

Youth employment is now officially the first change project being funded under the new strategy and work has started on a second change project, focussing on fairer futures for children and whānau. It’s being developed through a five-step process (see panel) and the first significant funding will be allocated next year. Programme leader Susie Schwartz is currently in the exploration stage of the process.

Christina says they’re still finding their way with the new strategy, and while they’re relishing the challenge she realises it’s not the right approach for everyone.

“For some funders open application rounds will still make sense, and there’s room for a whole spectrum of funding. But as a sector I think we need to be creative and find more effective ways to support our communities. I’m looking forward to working with other funders to do that, and sharing the learnings as we go.”

The Todd Foundation pro-actively seeks out communities, groups and collectives to partner with under three main funding streams—Change, Collaboration and Capability.

The largest of these is the Change funding stream. It supports co-ordinated, community-led action for change in selected focus areas. Funding for these focus areas is allocated using a five-step process:

1 FOCUS

Determine the change issue.

2 EXPLORE

Carry out deep research into the issue using data and conversations with thought leaders and local leaders. Identify community readiness, energy and opportunity.

3 ENGAGE

Work with communities to understand their key issues and desired outcomes. Develop a long-term strategy and funding model for transformative change.

4 PARTNER

Provide long-term, flexible funding to support change.

5 REVIEW

Assess whether to continue funding, celebrate achievements and acknowledge and share what’s been learned.