



A New *Heart for* Giving

by Margie Cooney

“We are a generous country,” Sue McCabe, Chief Executive of Philanthropy New Zealand tells me. “In terms of our money, but also in terms of our time and in terms of our thinking... really, we are a generous country in the broadest possible sense.” She concludes, reiterating the fact that New Zealand ranked third on last year’s World Giving Index (behind Indonesia and Australia) and cutting to the heart of a topic we had been discussing for almost an hour. Philanthropy in its most formal sense refers to the various bodies — trusts, family foundations, community organisations and individual givers — that dedicate their time and money to support those working to make some kind of difference in the world. It is a sector that sits at the heart of social change. It’s vast and complex nature a reaction to the complicated and, as McCabe articulates, often intergenerational issues woven through the fabric of our society.

Many Givers, Many Backgrounds

From longstanding family-based organisations like the J R McKenzie Trust and the Todd Foundation, to far-reaching community trusts like Foundation North, to the place-based giving of community foundations, to the new breed of philanthropy exemplified by The NEXT Foundation, the players in this sector sport a variety of backgrounds and an equally diverse set of mandates for change. And while the scope of Kiwi philanthropy might feel immense, it's only by embracing this essential vastness that organisations can flourish.

As Christina Howard, Director of The Todd Foundation tells me, "You have to get used to working in complexity and not fighting it or being paralysed by it, but being willing to experiment and try new things." Howard emphasises that there's space for all kinds of giving in New Zealand, and the almost \$3 billion which New Zealanders give to charitable causes every year (according to BERL's *Giving New Zealand* report) carries some serious weight.

Philanthropy in this country has the power to change lives in ways that the government is not currently able to. But are we realising the full potential of Kiwi philanthropic giving? And if not, what are the ways in which it can and should evolve?

New Strategies For Giving

"The proportion of people who make smaller donations is declining... but those who are donating, are donating more frequently and more generously," John McLeod tells me. As the former Executive Director of wealth management company JBWere, McLeod helped to establish its philanthropic arm. Along with advising private clients on how best to put their money towards causes, he has undertaken detailed research around the philanthropic landscapes in both Australia and New Zealand.

In 2017, he penned The New Zealand Cause Report, a document that analysed the not-for-profit sector, outlining potential areas for growth and underlined what appears to be one of the biggest areas of change across the sector in general. Philanthropic entities, both individuals and organisations, are changing their strategies around giving.

This paradigm shift has led to a move away from mass-market philanthropy — giving frequently but in smaller amounts — and toward acknowledging the fact that making a real difference requires longer, larger investment. The CEO of Foundation North, Jennifer Gill ONZM, expresses a similar sentiment. "We are all increasingly acknowledging that we want to fund for impact," she says. "Just giving out endless small grants doesn't shift the dial."

It's an idea that is perhaps best exemplified by the recent funding changes the Todd Foundation has made, revising its entire strategy to take on a more collaborative, proactive approach. Christina Howard

tells me that it was a necessary move, to achieve long-term social impact more effectively. "I guess we think of ourselves now more as enablers or supporters of communities in order to facilitate long term change," she says. The Todd Foundation no longer accepts grant applications, instead, it will invest in collaborative, strategic initiatives within the communities it is trying to help. Initiatives it sees as holding potential far into the future.

"Funders need to take a good hard look at themselves," Howard says, "and make sure they are funding in the most effective way." This puts the onus back on the grant-makers and suggests that perhaps it's they who should be required to provide evidence that what they're doing is working (instead of, as currently, where that requirement is mostly on the organisations they're supporting). "It's more like an investment," says Howard, "it's about putting money in early, going in with a vision for long term return rather than immediate results, and trusting the people carrying out the work." She reminds me that, if progress is to be made, then most of the areas in which the Todd Foundation is trying to effect change — young people, families and social inclusivity — require time, and lots of it.

So, what has become the new imperative? Consultation with communities — deep consultation in which meaningful relationships are established. Consultation through which those with lived experience are listened to. "Unless communities actually design and own the solutions, they won't be effective because they don't become part of the fabric of a society," Howard says. "Solutions simply given from the outside are just add-ons and then as soon as the money goes, the solutions go too."

By contrast, connecting with a community is beneficial beyond the monetary help that funding can bring. As Howard explains, "we often talk with people who say that, while the money we give them is essential, it's actually the relationship that means the most... and the fact that they are able to bounce ideas off us, or even just knowing that someone believes in their cause... makes all the difference." She continues, "the fundamental value of relationships meets a human need in all of us, and it's something I can't stress enough." Another proponent of this idea is Jennifer Gill ONZM (Foundation North), who tells me that the sector needs to "maximise community effort and community capital," to solve the issues at hand.

Robyn Scott, Executive Director of the J R McKenzie Trust echoes Howard and Gill: "We are increasingly thinking about how we can be better informed by the communities in which we seek to make a difference." J R McKenzie, New Zealand's oldest family foundation, is a good case study of how philanthropy is evolving and has recently moved to adopt a more forward-thinking and community-anchored approach to giving.

Its *Philanthropic Landscape Review*, published last

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year via the Centre for Social Impact, showed that for J R McKenzie, tapping into the knowledge of "experience experts," was the most effective way of guiding decision-making around the allocation of funds. "These issues haven't arisen overnight," Scott says, "and they'll only be solved by a range of actors working to change the system from the inside out."

It's the old teach-a-man-to-fish adage. "We are all starting to recognise the importance of sharing power and understanding from people who have lived experience," Scott says. "When policies are developed by people in glass buildings in Central Wellington, there can be a more limited understanding of the issues."

Collaboration Is King

That idea has other resonances in the evolution of Kiwi philanthropy, where collaboration has become key. On one hand, collaboration between foundations and the organisations they are funding, but on the other (and perhaps more importantly) collaboration between the funders themselves. It's something about which Adele Cubitt Cohen, a social change strategist with vast experience, speaks passionately. She sees that philanthropy has a unique opportunity to effect change by uniting its proponents in support of a common cause.

"If philanthropists could come together more and combine their money and actually look at contributing to solutions change," she says, "we could solve some of the problems we have a lot faster." One way she suggests doing this is by consolidating efforts into various subject-matter-based foundations. "Say there was an environmental or waste solutions fund," she says, "where it's less about the word 'fund' and more about the collective problem-solving. Then the money could be used to start a movement, thereby calling others to action." As Sue McCabe (Philanthropy New Zealand) tells me, "a philanthropic funder by themselves can help a hungry child to have a full tummy when they go to school... but a philanthropic funder by themselves cannot solve the cause of that child going to school hungry."

Christina Howard (Todd Foundation) also

acknowledges that increased collaboration in the space is necessary. The Todd Foundation, along with others including the J R McKenzie Trust, is part of the Working Together More Fund, which sees funders put money towards encouraging and facilitating organisations in communities to collaborate. "Just as there are lots of organisations trying to do the same thing and compete for the same money," Howard says, touching on the competitive landscape of grantmaking, "there are probably too many funders all giving out money to the same thing and not collaborating, which encourages more competition and duplication."

This competitive structure is starting to be discussed as a hindrance on the efficacy of the sector. Sue McCabe tells me that the essential question for funders is how they can make the system more streamlined so that community groups with limited resources are not spending more of those resources than necessary on fundraising. "We need to be looking at who is actually making an impact," McCabe says, "rather than only at who is the best at communicating their impact to us."

But there is a bigger picture around how competitive grantmaking seems to be stifling the overall impact of philanthropy. Where government contracts often cover just enough for an organisation to carry out essential work, there is little margin left for innovation or risk-taking. This is, as John McLeod (JBWere) tells me, where the philanthropic dollar is supposed to shine.

Describing it as "the venture capital of social change," McLeod adds that "Philanthropy really is the only source of money [given to organisations] that can be used to take risks. It's not the dominant amount of money, but it's the one that comes with the least amount of ties."

Organisations should, therefore, be using the philanthropic dollar to try new things, experiment with solutions and when they find something that works, approach the government to help them scale it up. That's the theory anyway. The reality, as McLeod explains, is that in many cases, the philanthropic dollar is used to plug budget deficits, meet specific demands or simply keep the lights on. The competitive process of fundraising often leaves the philanthropic dollar wanting when solutions for entrenched social issues will only be found with clever, innovative thinking.

On the global stage, Bill and Melinda Gates are encouraging a style of philanthropy that differs from tradition. With the idea of 'giving while living' central to their modus operandi, the reach of their initiative The Giving Pledge — encouraging other high-net-worth individuals to dedicate most of their personal wealth to philanthropic causes — is prolific. And it's affecting how philanthropy looks in New Zealand. Take The NEXT Foundation, for instance. Started five years ago by Neal and Annette Plowman, it stands out in our philanthropic landscape as a foundation putting into practice the change that is needed.

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A New Model For Philanthropy

The Plowmans established The NEXT Foundation with \$100 million and set a clear strategy for that money to be drawn down over 10 years. Focusing its funds on education and the environment, this limited-life, spend-down model is purposeful and unprecedented. “The Plowmans supported many charities, but they wanted to make sure that any money they gave away created maximum impact,” CEO of The NEXT Foundation, Bill Kermod tells me.

“There is a trend internationally and nationally” he continues, “to be more strategic about giving... linking financial assistance with the principles of sound business practice — good governance, clear goal setting, measurement and accountability.” So, The NEXT Foundation concluded, after thorough research into how to fund for impact, that only working with a very small number of organisations, but working with them on multiple levels — some financial, some focusing on systems and support — was their best bet at effecting real change. And it’s proving the merit of long and large philanthropy.

Having just hit the halfway mark of its 10-year lifespan, The NEXT Foundation is taking stock and looking to opportunities for impact in the next five years. In his summary of learnings from the Foundation’s first half, Kermod wrote in his review, “the ultimate measure of success for NEXT will not be the number of organisations we support — it will instead, be whether the NEXT investments and support have... catalysed change in the systems in which they operate.”

The NEXT Foundation is also ensuring that once its 10 years are up, the progress it has made is maintained in perpetuity, even when the money is gone. Around its aim of a predator-free New Zealand, for example, NEXT has signed an agreement called The Tomorrow Accord, in which the Department of Conservation has pledged to (if external parties hit certain ecological targets) take over the work and underwrite those gains forevermore.

Community Foundations

This idea of giving in perpetuity is something also being embodied by New Zealand’s growing number of community foundations, where endowments are being grown via the income from the investment of individual donations. And although community foundations represent a relatively new philanthropic arena in New Zealand (they’ve existed in the United States and Canada for around a century but have been here for just over fifteen years), they’re already having a significant impact. The Acorn Foundation in Tauranga, for example, distributed more than \$930,000 to its community last year and has, as Eleanor Cater, Executive Officer of Community Foundations New Zealand tells me, close to \$30 million under management — built entirely from local generosity.

For Cater, the growth of interest in community foundations really comes down to the fact that much of the giving is proven to have far-reaching effects and is largely donor-led.

Cater lays some impressive numbers on me. “If you give \$100,000 to charity and it’s spent, it will do something amazing at the time but eventually, it will be gone,” she says. “But if you invest \$100,000 in something like a community foundation for 100 years, it can return around \$770,000.” This, combined with the idea that community philanthropy is very much tailored to what the donor wants, creates a recipe for long term success. That said, Cater also explains that many foundations with sizeable endowments are starting to consolidate. From starting with specific, donor-directed funds, many are moving to a model where donors give to a general fund. From this, the foundation will conduct research into the areas of most need in the local community.

Community foundations also encourage an individual philanthropic mindset. As Cater says, “this is the structure that allows everybody to be a philanthropist,” and in many ways, she’s right. People want to feel connected to the causes they support. They also want to be able to see that their giving makes a difference. Community foundations fulfil this need.

The Arts As Beneficiaries

A similar thing could be said for the Arts. Despite the fact that historically in New Zealand, the Arts hasn’t been an area in which the philanthropic dollar has been a priority — although really, it should — it’s a cause around which people who give seem to gain a sense of fulfilment, and in doing so, inspire others to follow suit.

Speaking with Jo Blair, Director of Brown Bread — a consultancy firm that works with businesses on social missions or organisations seeking to make an impact — it’s clear the emotional impact the Arts has on the morale of a community. She speaks of the work Brown Bread did around the Christchurch Art Gallery, post-

earthquake, and how one piece by Michael Parakowhai, installed in the city when the gallery was closed, united a struggling community.

“We helped to develop a campaign called the Together Campaign,” Blair tells me, “where we wanted to set up an endowment for the gallery that would help them to buy and acquire work.” The aim was to raise \$5 million in five years to purchase five major artworks (the final one was bought last year) and it was an effort that went a long way to restoring a sense of identity to a city that had literally been torn apart.

Importantly, Blair tells me that at least half the people who donated to the Christchurch Art Gallery effort were under 45, which demonstrates the particularly unique way the Arts attracts new and young donors. “What drives us,” Blair tells me, “is inviting and welcoming people into philanthropy who might not see themselves as patrons, and then offering them a really great time in return... so it’s an experience to give, rather than some kind of elitist club.”

This idea is reiterated to me by the Foundation Manager at the Auckland Art Gallery Foundation, Penny Dever. “We’re trying to dispel the image that to give you have to give huge amounts or you have to be wealthy,” she says. “It’s not the case at all.” For Dever, people give to the Auckland Art Gallery because of the sense of community it gives them through the various gallery events, but also due to that fact that people seem to be increasingly aware of the impact of the Arts on society as a whole. “For one thing, it gives us a sense of who we are,” says Dame Jenny Gibbs — a prolific figure in arts philanthropy in New Zealand. She continues, “we are a very multicultural society and it’s a great way for people to have a sense of identity that joins us all together.”

Importantly, it is through foundations like the Auckland Art Gallery and the Arts Foundation (of which Dame Jenny was a founder) that individuals can find their philanthropic feet. Perhaps they start with small, incremental amounts, and then that grows over time. As many of the people I spoke to for this article said, giving is a journey.

And if we’re to have a more open discussion around why philanthropy is important for the strength of our society (something John McLeod (JBWere) tells me is crucial), we need to make it easy for people to cross the threshold and continue to build the momentum of the sector into the future.

Looking Forward

So what does that future look like? Jennifer Gill ONZM (Foundation North) answering my question of about where philanthropy might be heading in New Zealand, explains that we’re about to see the largest inter-generational transfer of wealth in history, as baby boomers inherit from their parents and in turn, begin to think about their own estates. It’s a phenomenon that

holds huge potential for the sector, prompting people to question how baby boomers will make decisions about inheritance and bequests? “There is possibly going to be quite an explosion in philanthropy,” Gill tells me, “so it’s quite exciting.”

Gill also speaks on other areas that will be likely focal points for future philanthropic efforts, including housing and the environment. The former, she explains as something she has come to accept as one of the most-needed areas for the philanthropic dollar. “Many of the issues in high-need communities come back to poor quality housing, lack of housing or overcrowded housing.” When I speak with her, she tells me that Foundation North was in the throes of celebrating the completion of its ten-thousandth newly-insulated house — part of its support of the hugely impactful Healthy Homes Tai Tokerau initiative. “Housing for me has become a really crux issue,” Gill says, emphasising the multi-faceted approach needed to combat poverty and the housing crisis that is one of its symptoms.

But the most common refrain I hear when talking about the future of philanthropy in New Zealand, is around the environment.

“There are some issues that philanthropy cannot run away from,” Gill tells me. “Poverty is one and climate change is definitely another.” And it seems that philanthropic entities are starting to target the latter idea in varying ways.

This brings us back to the idea of investing strategically. If one thing has become clear in the last few years, it’s that we need innovative thinking, a collective attitude and collaborative practices if we’re to address the complex issues surrounding environmental degradation. It’s the cause of our time — its potential repercussions holding our future in a precarious balance — and it’s certainly not going to be solved by one party acting alone.

Why Being Small Is Big

Luckily, the size and connectedness of New Zealand affords us a unique opportunity to take the learnings of the wider philanthropic community, and apply them to our charitable practices. As Adele Corbitt Cohen (social change strategist) explains, “we’re so rare in the fact that we’re small, which means that we can actually achieve significant change if we want to.” Sue McCabe (Philanthropy New Zealand) reiterates this. “If anyone can do it, New Zealand can.”

As far as what we as individuals can do, the common call I heard from some of the biggest players in the sector, was to ask people to adopt more thoughtful philanthropic practices. “I would encourage New Zealanders to keep on giving,” Jennifer Gill ONZM tells me, “but to be thoughtful about that giving, to ask questions about where the money is going and to not spread it too thinly.”

Want to give? Here are the 5 things to think about

1. Be bold, brave and relevant

You can explore solutions and ideas that the government and corporates cannot, so take measured risks. Also, assess whether something you were passionate about 10 years ago is still relevant now.

2. Be outcomes focused

Addressing the root causes of problem and the barriers to change is key. Think carefully about what you actually want to achieve first, and then figure out the most effective way of getting there.

3. Be collaborative and strategic

If you can give big, do so in a longterm, strategic way. Offering short cycles of piecemeal solutions that don’t address the bigger issues won’t achieve substantial change.

4. Trust the experts

They know what they’re doing so empower them to do it — including with operating costs. Micromanagement will do nothing for progress.

5. Give in your lifetime

Seize the moment and give to organisations that are doing a good job now. Change waits for no man (or woman) and if you give now, you’re more likely to see at least some of the impact of your generosity.