
HOW FUNDING SYSTEMS CHANGE IS CHANGING US

FOUR YEARS IN

In 2018 the Todd Foundation launched a funding strategy which fundamentally changed the way we work. With our sights set on supporting sustainable long-term social change, we were determined to improve the way we support community-led, collaborative action aligned with our vision of 'An inclusive Aotearoa New Zealand where all families, children and young people can thrive and contribute'.

We transitioned away from competitive funding rounds and started reaching out to changemakers working together to address the root causes of some of New Zealand's most pressing social problems such as housing, the digital divide, and food poverty (to name a few).

We set out to form more high-trust relationships, to fund systemic change, and to fund collectives and communities for longer.

Four years into our five-year strategy, we've been reflecting on how we're changing as a Foundation.



01

Transitioning away from competitive funding has freed up staff capacity

As we have changed our funding strategy more staff time is now spent deeply researching our focus areas, spending time with our community partners and exploring potential funding leads. In some cases we're playing a more active role in contributing to systems-change initiatives, acting as a connector and collaborator, and sharing what we've been learning with others. Interestingly this has meant our governance team can also spend more time on systems change discussions, learnings and decisions.

02

Closer relationships and more time listening means we can support better

Our focus on supporting systems change means we're spending more time listening to communities about their aspirations for change and asking what we can do to support them. We are aware that we are not the experts on the challenges communities face – and that the voices and solutions of those closest to the issues need to be prioritised.

One example of a shift is that traditionally we as funders would ask communities to come in and present to us, and decide the reporting format and key dates. Now we mutually agree on how we might best get the information we need, accept invitations to participate in community strategic meetings, and better understand how impact might emerge from initiatives. These small flexible alterations make better use of resources, and allow our community partners to track closer to the change we all want to see.



03

Equity is key to what we do at all levels

Not only are we striving to fund more equity-focused initiatives, but an equity lens is informing our approach to evaluation, and it's something we consider whenever we convene cross-sectoral groups. We've challenged ourselves to fund more equitably, with a particular focus on amplifying Māori-led solutions. For example, alongside the Tindall Foundation, Foundation North and the J R McKenzie Trust we support Te Pai Roa Tika - Transforming Taitokerau. This is a consortium of 12 iwi who have developed a tikanga-led impact investment platform to create sustainable, lasting, economic, cultural and spiritual well-being for Māori and the wider community of Northland.

04

Learning and adapting along the way

We set out to engage in more long-term and high-trust relationships and to be flexible in the way we fund. Taking these principles from the strategic level to the operational level has meant adapting our structures, tools and internal processes to reflect this. Systems change is dynamic, and we are learning that the conditions required to maximise impact requires flexible and responsive funding.

Our high-trust relationships mean we stay updated on any changes and directions of resources. This flows on to our approach to reporting which we try to make as low-key as possible to reduce the administrative load on the groups we fund. We don't require them to supply financial statements – we can find those on the Charities Services register if we need them. And when it comes to reporting on progress our staff hold relationships which enable them to write reports in real time.

05

Sharing is something we need to do more of

Humility is a value many New Zealanders share, and one that has been held by the Todd Foundation for many years. In our work this year we've been challenged by our community partners and our philanthropic peers to share more about what we're doing. From sharing our learnings with other funders to sharing power with our community partners, we know that sharing is a critical part of supporting long-term change so this is something we're striving to do more of in 2022 and beyond.

Leading up to our 50th anniversary celebrations in 2022, we'll be reflecting further about what we can do to improve the way we fund. As US non-profit social advisory firm FSG outline in their paper *The Water of Systems Change*, "To fully embrace systems change, funders should be prepared to see how their own ways of thinking and acting must change as well." We are continually adapting and refining the way we do things so that we can be more responsive and more impactful as funders.