



Philanthropic Sector Weekly Update 17th April 2020

Purpose of this update

Philanthropy New Zealand is releasing a weekly update to share philanthropic and grantmaking activity and insight as the sector seeks to support communities in the wake of COVID-19. This update is a general public document, provided to Ministers, Government, funders, community groups and media.

Key points for Government

- There are opportunities to fund recovery in a way that builds communities' economic and environmental resilience. This requires moving from the immediate response style of engagement to working with partners and taking community centred responses to complement macro level recovery approaches.
- Funders are collaborating to map philanthropic initiatives to reduce the digital divide, as this is a major area of sector concern. We appreciated a Ministry of Education briefing on government activity to support this, and will share our mapping with Government.
- Philanthropy New Zealand, the Centre for Social Impact, Hui E! and Volunteering New Zealand are meeting next week to develop a survey of community organisations to obtain a picture of impact, inform decision-making, and provide a benchmark to measure recovery from. We will provide updates on this.
- One unknown is how the pandemic will impact public donations. Research by the [Charities Aid Foundation](#) in the UK in late March showed 22 per cent of the public surveyed said they'll donate more to charity and 14 per cent said they'd donate less. JBWere's New Zealand Support Report, produced in partnership with Philanthropy New Zealand last year, estimated public donations to be worth approximately \$2 billion to charities in 2018.

Key points for funders

- The reliance on volunteers to deliver community assistance continues to be a point of concern for the funding sector, particularly given the disproportionate number of elderly volunteers coupled with the fact they are likely to isolate for a longer period. Funder discussions with community groups over how to mitigate this is encouraged. Get updated advice via [Volunteering New Zealand](#).
- A group of funders meeting to discuss supporting health activity have highlighted that health support charities without DHB or Ministry of Health contracts will be financially vulnerable and many need operational funding.
- A number of funders who support food recovery and distribution charities are regularly meeting, and we are engaging with Government over their activity in response and recovery



phases. A list of our topic specific funder member gatherings can be found on our [events page](#).

- When considering an equitable approach to supporting community organisations, PNZ funders have found it helpful to increase engagement with communities to find out which organisations are adding real value in their local area. It may also be useful to consider working with intermediaries to distribute funding in the most effective way to populations in need.
- The \$4.2 million a year Ethnic Communities Development fund offered through the Office of Ethnic Communities is now available for projects or activities that provide alternative means of staying socially connected, employment initiatives, and community resilience and recovery. More information can be found [here](#) for you to share with your community networks.

The philanthropic landscape

Community needs

Some of the issues highlighted in the news and PNZ discussions this week are as follows:

Digital equity & inclusion

A PNZ digital equity discussion with funders and Ministry of Education this week named critical aspects of this issue to be internet connectivity, skills and capability, digital well-being and the availability of devices.

For houses with school age children the Ministry of Education are working with partners to tackle these issues. It has also been very opportune that the Skinny “Jump” programme (a collaboration between Spark, the Spark Foundation, Skinny and a network of community organisations) that offers low-cost prepaid broadband access has recently been made available to all New Zealanders without internet. Initiatives that repurpose corporate electronic equipment such as the work of the [Digital Wings Trust](#) is assisting charities and community groups to get access to quality hardware and up to date software as well as skills support.

More broadly, there are other groups who at this time have increased need to connect – these include the elderly who may be wanting to use the Internet for the first time to connect with their family and access essential services and advice. Set up can require intensive support and there is a need for training and building confidence in use and how to be safe online. It is also important to remember the needs of rurally isolated communities where those experiencing violence are needing to drive some distance for cellphone coverage to call the helplines. A wider picture of what might be required for New Zealand to become fully digitally inclusive is outlined in the Government’s [Digital Inclusion Action Plan](#) developed late last year.

Examples of funders focusing specifically on these issues are Spark Foundation who continue to fund the building of young people’s skills and capabilities for digital futures via community organisations, and Internet NZ who provide support for the internet’s growth, development and use and offer funding to community organisations and individuals through grants, strategic partnerships and sponsorship.



No or low-interest loans

Community finance providers have identified that there is a strong need for no or low interest loans for families financially impacted by COVID-19. BNZ working with Good Shepherd as well as Ngā Tāngata Microfinance are two examples of collaborations providing breathing space for families to pay for the basics. In part, these efforts are also designed to disrupt the market for predatory lenders, who are expected to target the vulnerable in the current setting.

In determining best approaches to meet the needs of the most vulnerable, Wesley Community Action have raised that people 'at the bottom' can be experienced at handling stress and that a lot of whānau who commonly experience uncertainty and stress are finding it relatively easy to manage the lockdown. This resilience and knowledge is useful to consider when working with community groups to develop solutions.

Status of community organisations

Research released by United Way New Zealand, shows Kiwi charities are under increasing pressure, managing a surge in demand with fewer resources during the Covid-19 lockdown. The study, which surveyed 200 charities across New Zealand, found 95% have been directly affected by Covid-19. More than 74% require additional funding, 41% additional staff and volunteers and 27% additional resources, to continue to provide New Zealanders in need with the same support available prior to the pandemic.

Funders engaging with community groups are starting to see differences in the approaches of community organisations in the current situation. For example, BayTrust have observed the following distinctions:

- **Those that MSD are classifying as essential services** who now have worked through what government funding and other funding they can access and how they need to change and adapt to meet the lockdown rules. The funding requests from these groups now appears to be dropping off as they have secured the funding they need to see them through the next few weeks;
- **Those groups that have already started exploring how they can utilise the next month to plan and prepare** for the year ahead and look at the long-term implications and opportunities. These groups are likely to then apply to the normal grant application rounds;
- **Those that are still in a state of shock** and working through what it all means for them."

Funders are now considering how they might best help community organisations recover in the current situation but there will be limits on how far this can extend if organisations were in difficulties prior to COVID-19.



It has become clear that many charities are not well set up digitally (likely due to shortages in operational funding) and that there is heavy demand for digital support with the need to continue operations from home.

Rapid response and forward funding

The philanthropic sector continues to respond in a variety of ways, either funding immediately or focussing on the medium term.

Examples this week include Foundation North distributing \$100k to Pasifika Futures to support (alongside other funding partners) its distribution of food and household items to Pacific families in Auckland.

United Way has distributed \$125,000 to the 29 charities as part of its [COVID-19 Quick Response Fund](#), which has been supported by The Tindall Foundation.

Meanwhile Rātā Foundation who distributed just over \$20 million last financial year, highlighted a common approach other funders are taking in terms of continuing existing levels of funding, engaging with community groups, highlighting the importance of accessing government assistance and focussing on the medium-term. A Rātā Foundation update said:

“We have had a small number of enquiries related to whether or not we will initiate a new response fund to deal with COVID-19. At this stage we are not intending to set up an immediate response fund.

Our experience in dealing with disaster recovery is that we need a long-term approach to support our communities. We are keen to ensure community organisations are accessing the range of government support available in the first instance.

We are reaching out and working with our communities, other partners and funders to assess funding sources available to meet current needs, and also what the community will need in the medium to long-term recovery stages.”

Government packages this week

This week the Government announced a [tertiary student support package](#) to support students continue their studies and [new support](#) for small to medium sized business which includes tax relief plus measures to support commercial tenants and landlords and business consultancy. More free [mental well-being tools](#) have been made available including the Mentemia app, a health journal called Melon and an e-therapy programme called “Staying on Track”.

Here is a good summary of Government packages so far:

<https://minterellison.co.nz/our-view/covid-19-summary-of-government-support-available>



Beyond lockdown and recovery planning

Some funders and community organisations have observed that the recovery from COVID-19 and economic downturn is an opportunity to reset our society given the hardship and inequity that has existed for some time. Others are focussed on the related opportunities to create economic and environmental resilience in our communities and regions.

Some of the emerging questions looking to the medium term for communities in local and regional settings are:

- How many jobs can be saved?
- How can workers be supported to access new forms of employment?
- How can community organisations take advantage of recovery funds to put in place business continuity plans and embed more resilient systems and technology?
- How can communities be supported to become economically sustainable?
- How can minimising environmental impacts be considered in recovery plans and funding?
- What are the opportunities now to build and invest in green industry?

In terms of economic impact looking forward, the Treasury has released seven scenarios that it is using to plan the country's economic future whilst acknowledging that the impact of COVID-19 and related response measures on the New Zealand economy is highly uncertain. Limiting physical interactions worldwide will impact trade and financial linkages between countries and a weaker world economy will continue to impact New Zealand into the medium term with reduced exports and domestic investment demand.

Without additional government packages into the future following the initial \$20 billion of direct support, unemployment could rise to between 13% and 26%. With additional fiscal support (which has been signalled at this stage) they estimate unemployment rates up to 10%.

Full details are [here](#).