

Grants Management Intelligence

Vital Signs special report

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Vital Signs: Community reports with clout

Melbourne's Centre for Multicultural Youth backed by the Lord Mayor's Charitable Foundation. Pic: Gerard Hynes/Hynesite Photography

Prove it. It's the challenge that runs through every grant program.

When it comes to reporting, you as a grantmaker must prove that you have allocated money well, you must prove it has been properly spent, and you must decide where you'll spend money in future.

Providing proof requires collecting and managing data effectively; building compelling, readable reports; and communicating well with stakeholders.

It's a tough business, but community foundations – 36 locally based philanthropic groups distributing \$21 million in grants each year in Australia – have shown us all a way forward.

That way is called [Vital Signs](#), a reporting framework that is a focus for this edition of [Grants Management Intelligence](#). It lets foundations assess the vitality of a community using credible data, to create reader-friendly reports about social and economic trends.

What's more, those reports are used as catalysts for "Vital Conversations", using town-hall style gatherings to identify where priorities should lie in health, welfare, sports, gender, education, housing or the arts.

Talking of proof, this edition also explores how Our Community's [Innovation Lab](#) is generating new insights in grants data, and reveals how equipping grant recipients with the right tools can boost the return on your investment.

Of course, the fraught political environment means investments may not have the impact you're hoping for, which is why we've featured US philanthropist Mae Hong's views on coping with a post-Trump world.

Looking further ahead, but not as far as some people think, have you considered how artificial intelligence could impact grantmaking? Our thinker-in-residence Chris Borthwick has.

We hope you find this edition not just interesting, but useful.

Matthew Schulz, editor

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Credits, contacts, back issues for *Grants Management Intelligence*



The Vital Signs framework has been adopted by community foundations across the globe.

Q Community intelligence

How Vital Signs is sparking new life in communities

By Matthew Schulz, journalist, Our Community

First conceived in Toronto in 2001, and developed by [Community Foundations Canada](#) (CFC) in 2006 into a national program there, Vital Signs has spread to 85 Canadian communities, and communities across the world, and now it has a foothold in Australia.

The reporting framework is intended for use by community foundations, but the results are also providing lessons for governments and grantmakers of all shapes and sizes.

Melbourne, Ballarat and Fremantle are three Australian cities that have used Vital Signs as a community health check, but many more are looking carefully at the model.

[Australian Community Philanthropy](#) supports the system for community foundations in Australia.

It is licensing the use of the Vital Signs system for \$500–\$1000 per foundation, which goes to developing the program and resources here, but most of the tools for the service are free for anyone to use.

Executive officer Kate Buxton says Vital Signs “connects the dots of data” for “understanding, engagement and response” to create insights for grantmakers, but also the rest of the community.

She says foundations are using Vital Signs to leverage their two big assets: endowments and “deep local knowledge” to improve the way they disburse funds and increase their influence.

While Vital Signs is still new to many in Australia, Ms Buxton expects many more of the country’s foundations – many in rural and regional areas – will adopt the system.

What’s different about Vital Signs?

One of the big selling points of Vital Signs is its target of civic engagement, creating a focus for public debate via easy-to-read reports that feed into “community conversations” about big issues such as unemployment or the environment.

Those conversations take place with residents, businesses, community groups, universities, and community leaders.

In turn, those conversations can generate new priorities and media coverage. ►

Community foundations place themselves at the centre of the process to:

- Set strategic priorities
- Inform community grants
- Guide donor and community engagement
- Create conversations with leaders and partners
- Generate public awareness and attention.

While we've all developed evaluation methods, Vital Signs has at its centre the concepts of sharing resources, adapting existing data, and using community knowledge.

For instance, Vital Signs reports here would be expected to draw on credible data available from the ABS, universities or governments.

Vital Signs uses that data to spell out the state of affairs for geographic communities with a set of measures that matter for that local community.

What's more, the method can connect local efforts with global aims. Foundations have the option to link to the [UN's 17 sustainable development goals](#) – from ending poverty and hunger, to creating jobs and a better environment.

Does size matter when it comes to Vital Signs?

Community Foundations of Canada (CFC) president Ian Bird, in Melbourne recently for the [National Community Foundations Forum](#), says Vital Signs can benefit an entire community.

He told *Grants Management Intelligence* that Vital Signs had worked as well in small communities as in cities, if not better, because levels of engagement were higher and getting attention can be easier without competition from the “clutter” of cities.

He says communities had gotten involved for as little as \$2000, supported by an “open platform” approach by CFC, backed by free webinars and other resources.

Key ingredients for success with Vital Signs include:

- Dedicating at least six months of concentrated effort to the project
- Engaging partners, including qualified researchers and community leaders
- Submitting a participation agreement in Australia
- Establishing an advisory committee
- Identifying key issues
- Conducting consultation
- Developing your communication strategy
- Developing your data and indicators
- Generating surveys if needed
- Implementing community engagement post-release. ▶

Vital Signs: An introduction

What is it?

Vital Signs is a reporting framework that uses community knowledge to measure the vitality of communities, by first gathering credible and reliable data, then publishing reader-friendly reports on that community's social and economic trends.

What is it used for?

The reports on such issues as poverty, education, unemployment and the environment help the community foundations who've commissioned them to spark conversations with local authorities, and decide where to focus their resources and grants to have the biggest impact. The reports are also used to drive policy and change at local, national and global levels.

Who uses it?

The Vital Signs system, developed in Canada, is primarily designed to be used by community foundations to enable them to engage with citizens and stakeholders on the big issues. Foundations encourage partnerships with governments, education institutions, funders and service providers – including in the production of reports.

Who else could use it?

Any community foundation in the world can get access to the Vital Signs resources through both [Australian Community Philanthropy](#) and [Community Foundations of Canada](#).

At this stage, the Canadian originators of Vital Signs haven't created any products for organisations that aren't foundations, but say they are open to the possibilities.

However, any place-based grantmaker – that is, any grantmaker focused on a geographic area, such as a local government grantmaker – could adopt the same broad approach as Vital Signs: that is, use reliable data to inform your funding decisions, and form partnerships to solve problems.

How big should your report be?

The package comprises the Vital Conversation, Vital Brief, Vital Focus and Vital Signs main report. But organisations are allowed to create their own spin on those elements – for example, Momentum Waikato's Vital Impact Programme (see pg8).

Mr Bird attributes part of the success of Vital Signs in Canada to the fact that foundations had pooled resources (about \$1000–2000 per foundation) to help generate data, then analysed it centrally.

He says it's a demonstration that organisations can scale the size of their study to match their budgets.

For example, smaller organisations can start on a single topic, whether sport, health, or welfare.

"Vital Signs provides your community with the opportunity to take the pulse, and to see together what's really going on.

What's working, what's not working. It breaks it down into specific issues. You can look at arts and culture, you can look at health and wellbeing, you can look at economic equality," Mr Bird says.

"It allows your community to assess and prioritise where they ought to put their resources, their time and their attention to make for a more vital community."

Something you can read on the bus

Mr Bird told the forum Vital Signs provided "street-level" knowledge that could shape grantmaking, development goals and strategies, yet while a report created a snapshot, its true value was "in the everyday".



Community Foundations of Canada president Ian Bird says foundations can make a significant impact with a relatively small outlay. Picture: Andrea Dicks

Vital Signs users who had "flourished" had been the ones who considered how the report's implications would "play out over the next 52 weeks", or even over spans of two or three years.

Outside the session, Mr Bird said: "In today's busy world, you've got lots of activities going in all sorts of directions, but if you take on Vital Signs you get this chance for alignment ... and can build a strategy to address those concerns".

Unlocking those insights was partly achieved with partnerships, he said. ▶

COMMUNITY INVOLVEMENT - VOLUNTEERING

In 2016

21.3%

of Fremantle people volunteered.²³

19% of WA people volunteered.



There are 57 community organisations registered as charities in Fremantle.²⁴

The Fremantle Foundation report is typical of the easy-to-read Vital Signs format.



The Fremantle Foundation's Vital Signs report showed a need for better inclusion, diversion and engagement for youth, and the result is a \$100,000 grant for its Night Hoops program and its Saturday night basketball tournaments. Picture: [Jean-Paul Horré](#)

He gave the example of a small community in the state of Manitoba in central Canada that had chipped in \$10,000 to produce the report, and created a partnership with a local college to enable a skilled researcher to get involved.

Using researchers from recognised institutions – such as universities – meant that organisations would be far more able to “produce credible data”.

“So much of the data is tucked away in an academic sense ... you need professional help to get it out and make it freely available”.

In the same way, organisations were encouraged to develop a communications plan that involved packaging information and partnering with local media to get the message out.

“People should be able to read a Vital Signs report on the bus; it should make sense to them,” Mr Bird said.

What’s the role of other authorities?

Asked why organisations wouldn’t just turn to local government studies or the ABS for this kind of information, Ms Buxton said Vital Signs “isn’t just about where we’re sitting, but why, and how we can respond”.

“Councils may have reports and data, but what Vital Signs does is look behind the data to the story. And the way of creating the report – the whole engagement process – is just as important.”

“Even if you’ve got data coming out of your ears, Vital Signs provides something else.”

That process of talking with a community – which may be very small – can help generate a much better understanding of needs than just another study, she says.

Importantly, community foundations could place themselves as a “neutral broker” outside the normal politics to host those conversations, while harnessing resources that governments couldn’t – such as connections with other philanthropic supporters and donors.

For instance, the [Momentum Waikato](#) project mentioned earlier generated a broad study with great community engagement, with the backing of other philanthropic partners.

But Ms Buxton stresses local and other levels of government are able to take advantage of the reports, because data is in an accessible form, unlike the often “dense” official demographic studies.

This had been the experience in Canada, where council equivalents were “relying heavily” on the work of foundations, she says.

CFC says it is open to the evolution of Vital Signs, as interest grows from organisations that aren’t foundations. But while partnerships with media and tertiary institutions are often crucial to the success of reports, so far the focus has been on it being a philanthropic tool to better inform grantmaking and priorities. ■



'If Melbourne was 100 people ...' in *Greater Melbourne Vital Signs 2017* typifies the quick-fire summary approach.

Q Community intelligence

What impact can Vital Signs have?

By Matthew Schulz, journalist, Our Community

Melbourne shines a light on issues

At the National Community Foundations Forum in Melbourne, Australia's biggest community foundation, the [Lord Mayor's Charitable Foundation](#), launched its Vital Signs 2017 report to strong public interest.

"Melbourne is vibrant and culturally diverse, and Greater Melbourne Vital Signs 2017 has taken the pulse," Foundation chief Catherine Brown says.

Critically, Ms Brown says, the report doesn't try to display everything in glowing terms.

"As Melburnians, we have great things to celebrate such as our city's sport and arts culture, education, healthcare and stability; however, we need to keep working on issues such as reducing homelessness, discrimination; increasing employment opportunities for young people; and ensuring we work on creating sustainable food systems."

Data for the report, as for other Vital Signs studies, has been collected from a wide range of sources including the 2016 Census, the Victorian Population Health Survey 2015, federal and state government department research reports, the Bureau of Meteorology and the CSIRO.

Ms Brown told the forum Vital Signs had demonstrated "a very practical impact", including the foundation's decision to appoint separate project managers for topic areas.

"It's been a wonderful tool and we expect that we will use it more."

Ms Brown says Vital Signs allows foundations to "leapfrog your capability" by using the processes, design and data methods already developed by others globally.

In future, Australian cities and regions would be able to compare their data sets on education, health and other topics to create an even more powerful tool. ▶



Lord Mayor's Charitable Foundation CEO Catherine Brown says adopting the Vital Signs framework allowed the organisation to "leapfrog" its capabilities by using processes that have already been developed.

Ms Brown said the Lord Mayor's Charitable Foundation relied on existing data from 96 sources including the ABS, but Vital Signs enabled the foundation to gain local insights from the data, to present them in a digestible way, and to identify trends.

"This way people can see trends and big issues – and making it accessible is a very big part of it."

Ms Brown says the Vital Signs report has "made a big difference to us", particularly in the way it tackled the big issues facing Melbourne, and says the resource was "much more valuable" once it was being used by other people.

But despite the helpful template, she stresses that Vital Signs is no "cookie cutter", and each town, city or region is required to adapt a different set of data based on its needs.

In a [comment piece](#) published soon after the event, she said: "This local self-help approach which community foundations embody is well understood within the community foundation movement around the world. Using a collective approach to tackle local challenges faced at any particular time has been proven to make a difference in many communities, from Melbourne to New Orleans."

Fremantle's report sparked change

Where the Melbourne project drew on the resources of a well-endowed foundation, the [Fremantle Foundation's](#) Vital Signs report was produced as a "bootstrapped" \$30,000 project.

It was streamlined as much as possible and drew on the academic resources of the [Centre for Social Impact at the University of WA](#) and the [University of Notre Dame](#).



[Fremantle Foundation CEO Dylan Smith says the Vital Signs concept should work in the same way a small town keeps an eye out for trouble, and steps in to help.](#)

Foundation chief Dylan Smith said the effort had been well worth it, "aligning community needs with the available resources", but also sparking significant debate in his community.

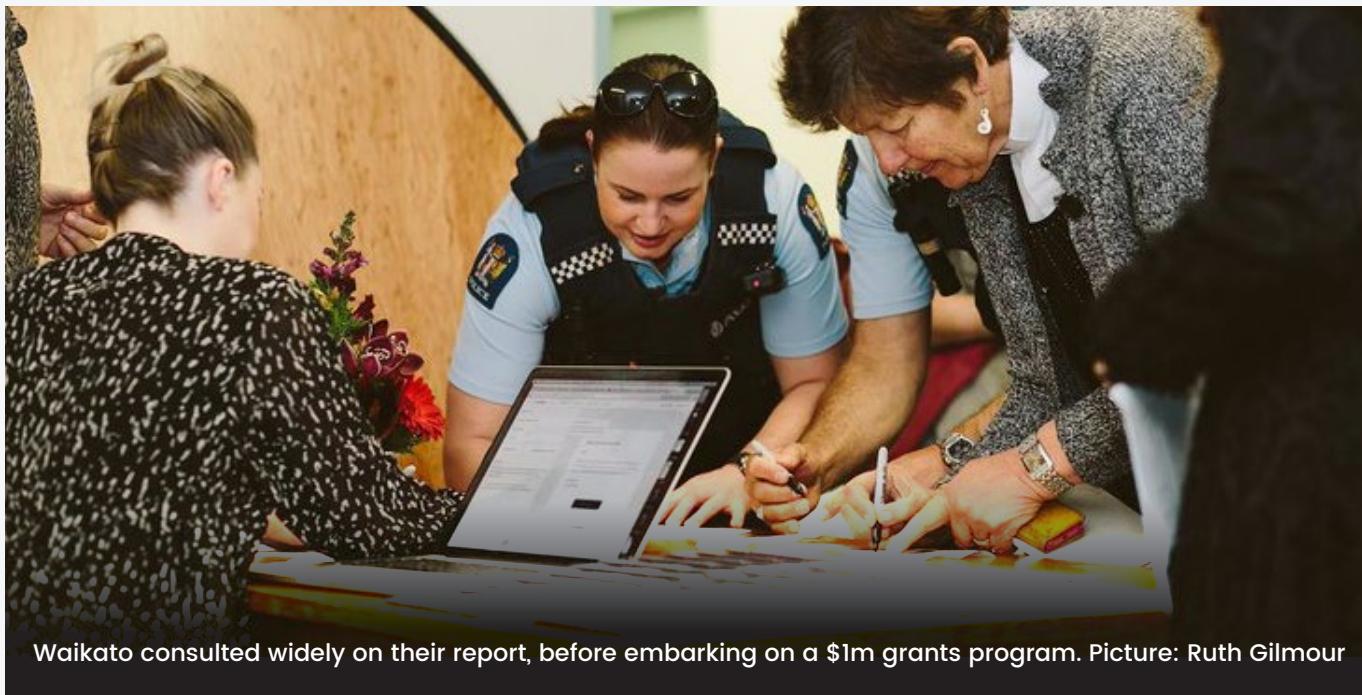
"There's no document that better demonstrates our role in the community," Mr Smith said.

Mr Smith drew comparisons between the report and his upbringing in small-town Victoria, where the sense of community meant everyone was alert to the "signs" of trouble, or simply change.

He cited the example of his dad's broken-down car being spotted on the roadside, which ►



Jess is among the Fremantle Foundation stories in its report, highlighting the benefits of weekly cooking classes which won a \$100,000 grant from the organisation. Picture: [Jean-Paul Horré](#)



Waikato consulted widely on their report, before embarking on a \$1m grants program. Picture: Ruth Gilmour

prompted half a dozen townsfolk to offer repairs, school pickups and other help by the day's end.

In the same way, the Fremantle Vital Signs report – distributed through the local newspaper and promoted with a \$150 Facebook advert – was simple for locals to digest, or as Mr Smith put it, “something you could read on the bus”.

Yet for its simplicity, it combined hard data with compelling stories – images and stories about cooking classes, a homework club, and mates supporting mates – to illustrate the work being done in “Freo” on disadvantage, education and mental health.

Among the report's unexpected findings was that within Freo's wealth, there were significant “pockets of real disadvantage”. This came as a shock to some stakeholders, but the foundation, like its Melbourne equivalent, refused to whitewash the issues.

As a result, the report served as a starting point that drew the mayor, donors, supporters and the community into asking the question: “If Fremantle could speak, what would it say?”

While the foundation wasn't going to take all the credit, it could certainly claim a hand in the council's decision to proceed with a homelessness project, Mr Smith said.

Either way, it had given the foundation a chance to broaden the usual chatter with donors – and would-be donors – about ancillary funds, or reporting requirements, he said.

As Mr Smith put it, “you're building the social infrastructure that's needed for change.”

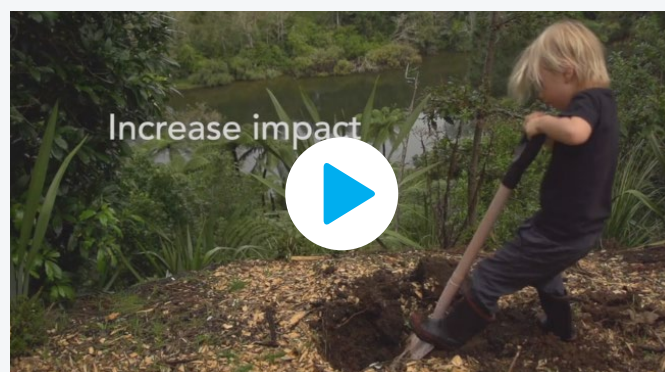
Kiwi community aims for big impact

Waikato in New Zealand's north – through Momentum Waikato, the region's community foundation – has gone further than most in adapting Vital Signs to suit the region's needs.

It developed its plan for a \$NZ1 million grants program based on ten community priorities it highlighted during a brainstorming session involving 400 people in four towns.

Better community connection and improved education for youth were the top two priorities agreed, and the foundation targeted “inspirational” and “transformational” projects for funding in a [“Vital Impact Programme”](#) (VIP) including:

- A healthy school lunches project for 10 schools
- A partnership that aims to plant 80 million native trees to improve local waterways
- A street youth work program for the city of Hamilton that aims to cut crime by 20% and create jobs. ▶



[Watch:](#) Momentum Waikato's Vital Impact Programme.

Momentum Waikato developed VIP with three components: the Vital Waikato Fund, Waikato Vital Signs and Vital Waikato Grant. The CFC encourages this type of flexibility.

Momentum Waikato's Gemma Slack describes the VIP approach as collective community impact, allowing "anyone in our region to make a gift to the fund, which is then pooled for grants".

And significantly, those grants are determined based on the needs and aspirations identified from the Vital Signs project.

Ms Slack says findings from Vital Signs were also presented to local councils, "who have used the report to inform decision making in strategic planning".

A separate funder, [WEL Energy Trust](#), used the same findings to establish a [new \\$NZ400,000 grant to target housing](#).

How Canada is reading the signs

The same pattern of information, conversation and action has played out in similar ways in Canada for more than a decade.

For example, take the Youth Catalyst Fund grants program, which ran in 2015–2016 in response to youth unemployment issues uncovered in the Community Foundations of Canada 2012 Vital Signs report [#GenerationFlux](#).

The program saw [\\$C1.2 million in high-impact grants to organisations](#) across Canada, followed by C\$1 million in impact investments in social enterprises across Ontario.

Another Canadian study by the small community of [Centre Wellington](#) in southern Ontario highlights that the benefits of Vital Signs go beyond the distribution of cash.

For example, its study found there was great potential for arts and culture industries in the community, but that activity was disparate across hundreds of events.



[Watch now:](#) How Winnipeg in south-central Canada produced its Vital Signs study.



[Watch:](#) Ian Bird and Dylan Smith on Vital Signs.

In response, Centre Wellington's foundation created a network to help guide the region's arts and culture program.

Centre Wellington's Erin Pratley – in Australia to help develop the program here – says the foundation has used the report to highlight to grantseekers the kinds of programs it's more likely to fund, to build connections with local government, and to extend its community outreach.

But many other organisations are now relying on the Centre Wellington Vital Signs findings to apply for grants elsewhere, and develop their own community programs.

"They use it because of the specific local data it contains and because it has an authority to it that other sources may not," Ms Pratley says.

The "open data" approach at the heart of Vital Signs is also something for all grantmakers to consider, a method that can shine a light on a community's priorities, and make the information free for government, the private sector and not-for-profits. ■

MORE RESOURCES

[Video:](#) Ian Bird, Dylan Smith talk Vital Signs

[AIGM help sheets:](#) Program evaluation | Sharing the lessons learned

[AIGM report:](#) Kate Buxton on community foundations in Australia

[Backgrounder:](#) Australian roll-out

Vital signs reports: [Melbourne micro site](#) | [Fremantle](#) | [Ballarat](#) | [Vital Signs Canada](#) | [Momentum Waikato](#) | [Centre Wellington](#)



👁 Data intelligence

Why it's crunch time for local government



By Matthew Schulz, journalist, Our Community

Our Community's Innovation Lab is generating new insights in grants data, and local government grantmakers have been quick to show interest.

While the food and drinks were great at the recent Local Government Muster, held at an inner-city Melbourne eatery, it was the prospect of serious data crunching that had grantmakers buzzing with possibilities at the event hosted by the [Australian Institute of Grants Management](#).

In particular, the prospect of being able to share and benchmark grantmaking performance against other councils saw people's ears prick up, as the [Innovation Lab](#) Director of Data Intelligence, Sarah Barker, spelt out the rollout of [CLASSIE](#) and new data features onto the SmartyGrants platform, the Our Community grants management system.

Fourteen organisations were represented, but it was grantmakers from among the 49 Victorian councils already using [SmartyGrants](#) who were most enthusiastic.

Ms Barker explained how organisations can leverage their information to increase impact and reduce waste, by showing how they can use the SmartyGrants dashboard and CLASSIE, the classification system for social sector initiatives and entities.

Mrs Barker showed how councils (and other grantmakers) can use the dashboard to see:

- Application indicators such as approval rates and submission rates
- What is being funded (CLASSIE "subjects")
- Who the recipients are (CLASSIE "populations")

SmartyGrants is developing capabilities to display live benchmarks. Ms Barker presented graphs of key interest and demographic groups, the relative spending in different program areas, and grant approval and submission rates, to demonstrate how benchmarks might be used.

"You might have a submission rate of 77%. Is that good or bad? It can be useful to know how you compare to other grantmakers," Ms Barker said.

Lower submission rates, for instance, could demonstrate there were problems with guidelines, forms or timelines. Mapping functions being developed would allow grantmakers to see where funds were being directed, by applicant address or by project locations.

Future functions would include the ability to overlay other data over maps, including population, socioeconomic and remoteness information.

In line with the Our Community motto that insights must be "useful and not just interesting", Ms Barker said, "SmartyGrants will continue to make it easier ►

for grantmakers to see where the money is going, compare themselves to similar organisations (for example, by CLASSIE "organisation type" and size) and compare similar programs. This will open up opportunities to collaborate and learn from each other."

Those tools of course will be more effective as more councils make use of the CLASSIE system, using a common "language" across the sector.

City of Glen Eira community development officer Beverley Rayner said after the session that councils had an obligation to make better use of available data.

"I think the risk is that you're not aware of how you're distributing your money with your grants, you're not looking at your strategic direction, and you're not looking at what you have, how you're supporting your local community and how it aligns with that strategic direction."

City of Greater Dandenong community funding team leader Gavin Murphy said that without making use of the data available, organisations risked failing to properly meet the community need.

"While as a grantmaker you may have a gut feeling about where the grants aren't coming from, that's a really hard thing to explain to people – and say you need invest in resources. When you've got the data to back it up then everyone's going to say yes."

The City of Greater Dandenong was in the process of migrating to the SmartyGrants system, and intended to create data sets specific to the needs of Melbourne's southeast.

"We're seeking to collect data that's really relevant to our community and what we want to measure," Mr Murphy said.

Mr Murphy said the uses of that data included being able to locate the source of unsuccessful applications, whether that's by geography or demography, enabling the council to consider increasing resources to reach out to those communities.

"That's how I see the data being used more than anything. To see where our gaps are, to then spend time and resources to address those needs," he said.

Knox Council community resourcing officer Deb Robert said her organisation was also gearing up to make better use of the system.

"We're certainly very keen to document, to get as much out of our data that we're collecting through grants as possible. And we know there's



City of Glen Eira community development officer Beverley Rayner says there are risks of not using the data at your disposal. Picture: Matthew Schulz

a lot of really valuable stories to tell in all that grants information."

Ms Roberts had high hopes for how SmartyGrants, and CLASSIE, would be able to help organisations clarify what they were doing with data. She said everyone needed to be clear with their purpose.

"SmartyGrants as a leader in the field is in a good position to have that overview, which can help guide the purposes which the data can best be put to."

City of Port Phillip grants and community projects officer Trishula Nagarajan said she was quickly learning the significance of the use of data in her relatively short time at the bayside council.

"Data is integral. It's the new language. All the decisions are made based on data. Council has made a great investment with SmartyGrants and it sounds like there's some really interesting developments and I'm excited to see what's to come." ■

MORE RESOURCES

[About CLASSIE](#) | [The Innovation Lab](#) | [Video: How grantmakers want to make data work](#)

[AIGM help sheets: Record keeping](#) | [Performance measurement](#)

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Grantmakers' role in the global battle against inequality

By Matthew Schulz, journalist, Our Community

Leading US philanthropist Mae Hong says global political turmoil is a wake-up call for funders with the power to push for change.

The Vice President of [Rockefeller Philanthropy Advisors](#) (RPA) says philanthropists in particular had become the “guardians of good”, and faced a battle like no other to hold the line against powerful forces eroding civil society.

But Ms Hong says her stark appraisal – in the wake of Donald Trump’s election and the rise of populist authoritarians – should no longer be a shock to those working in the field.

Ms Hong recently visited Australia as a guest of Australian Executor Trustees (AET), which struck a partnership with RPA to bring its expertise here.

Even as the “poor cousin” of the Rockefeller Foundation, the RPA advises and manages US\$250 million a year in giving globally, and has overseen US\$3.8 billion in grants globally.

This is why Ms Hong – also [past chair of Grantmakers for Effective Organisations \(GEO\)](#) – puts so much stock in the value of “sense making” in the current environment.

By understanding the current political climate, funders will be able to continue to make the greatest impact for their respective missions, she told an attentive group of philanthropic experts in Melbourne recently.

“I’m trying to put together ... perspectives that will help contribute to sense making that will lead to new insights that can strengthen and improve our change making.”

Grantmakers are among those at the centre of a new battleground, where what’s at stake is the future of civil society and the voluntary sector.

Ms Hong says Donald Trump’s election blindsided progressives who assumed his election couldn’t actually happen, but it also electrified those committed to social change – into action.

She dubbed her commentary *American Vertigo: Philanthropy and Democracy in Uncertain Times*, in reference to the Hitchcock film and the unsettling medical condition characterised by nausea, and an appropriate analogy for global affairs.



Philanthropist Mae Hong says the biggest surprise was that we were all so surprised by Trump’s election win.

“There’s no sphere of US life that hasn’t been touched since Donald Trump was elected”.

She paints the picture of a world beset by racial protests, environmental calamities, rising nuclear threats, polarised views, and instability in politics.

“It’s almost as if the 1930s called, and it wants its ideas back ... our collective self image has been shattered,” she says.

Time and time again, her commentary about the battles raging in sexual politics, climate change, racism and asylum seekers drew parallels with the Australian experience of same-sex marriage, the battle over the Adani coal mine, and the division linked to Australia’s continuing asylum-seeker crisis, to name a few examples.

“The biggest surprise was that we were so surprised ... this has been in the making for thirty years,” Ms Hong says.

She was citing the recent work of author Lewis Lapham and his predictions in *Age of Folly: America Abandons Its Democracy*. ▶



Donald Trump's election is a symptom and result of a power shift over decades says Mae Hong.

Picture: Michael Vadon (CC BY-SA 2.0)

Lapham's writing since the end of the Cold War has documented the slide of power from democracy into the hands of the super-rich.

That drift from democracy has coincided with the rise of authoritarianism, populism and malcontent, and the resulting political response shown in the Brexit vote, and election results in France, Germany and the US, she says.

Those reactions are happened even in strong economies, and it's a situation which Ms Hong says has a lot to do with the wealthy in those countries taking more than their fair share, and cutting others out of that prosperity.

Those "plutocrats" with the power and cash are pushing for policies that benefit themselves, such as tax breaks, concessions and favourable laws. She says one of the world's richest men, Warren Buffett, admits he pays less tax than all of his employees.

On the other side of the coin, the poor continue to lose influence and power, and face "a rigged system" of negative policies, and less access to goods and services.

What this all means is a "massive seismic shift in the relationship of money and power".

This includes a reversal of the connotations of "public" and "private". For example, in the '50s, public services, public hospitals and public housing were viewed positively, but those views were turned on their head in the '80s economic shakeup, when everyone became enamoured of "private planes, private trainers and private schools".

The reduced tax take from the wealthy and the inability to protect the disadvantaged have weakened governments, who are losing income and legitimacy, she says.

That loop of increasing inequality has been the mark of our times, she says.

And when the richest eight people in the world boast the wealth of 3.6 billion others, it's no wonder Ms Hong fingers inequality as the new global threat.

It's no different in Australia, where the top 1% own the same as the bottom 70% combined, she notes.

"You cannot have chronic underinvestment in the public good, and not expect there to be some consequences," she says.

Those consequences are social, political and economic instability.

"The market is broken, the government cannot do its job; all that is left is civil society and the voluntary sector, where many of you are doing your good work.

"Civil society is now the guardian of the public good, but this is also the new battleground."

The new politics of giving

Now the plutocrats have entered the philanthropic fray. The big end of town now "playing the game" in civil society – including Bill Gates, Mark Zuckerberg, Bloomberg and the Eli and Edy Broad foundations – are pursuing social change agendas, but ones that reflect their own views.

New philanthropic giants exercising massive global power are also expected to come from China, India and Russia.

Ms Hong accepts they are doing good for many, "but who elected them"?

"They are using private wealth to set public priorities in education, global aid and scientific research," she says.

"People are deploying all of their resources, combining their charitable giving with their political giving, investing, influence and service ... all in the exercise of shared goals. Can we call all of that philanthropy? That depends on your point of view." ►



Billionaire philanthropist Bill Gates – pictured meeting US Secretary of Defense Jim Mattis – has given away \$US29.5b of his fortune. Picture: US Dept of Defense, [CC LICENCE](#)

In some cases, large institutions have returned gifts that carry perceptions of being tainted by political agendas, in a world where there are “no neutral platforms”.

“Everything is political now, except politics – that’s personal,” Ms Hong quips.

For those seeking money, it also means asking the question: “What am I saying by accepting that gift?”

Now the battle rages in the US over where philanthropic money is being spent, and people’s views on whether the spending is good or not are based on their politics, values and priorities.

Other philanthropists in the audience were swift to draw parallels in Australia, where, for instance, environmental lobby groups face the real prospect of losing their tax-exempt status if they spend their donations on advocacy, rather than on direct action such as planting trees.

But like other realms of society, philanthropy is facing disruption, with crowdfunding, direct donations and other forms of support increasingly democratising philanthropy, or fighting back with “rage giving” against what many see as Trump’s most objectionable policies.

Ms Hong estimated US\$700 million had been donated in response to Trump’s policies, and that there had been an “extraordinary amount of energy to hold the line” by donors involved in health care, housing and the environment.

The shock of the new, and how to cope

Ms Hong described us all living in a “[VUCA](#)” world, a one-time military term that refers to:

- Volatility
- Uncertainty
- Complexity
- Ambiguity

She gave the example of cashmere sweaters, which once cost hundreds of dollars each and are now sold by Walmart for US\$20. The unintended consequences saw the goat herds of Mongolia doubling in size, which led to massive overgrazing ... and sandstorms that covered almost all of Asia. ▶



[Watch now:](#) Mae Hong on ‘holding the line’.

It's just one example of one economic driver having a big impact elsewhere.

The appropriate response to a complex world is to "build better shock absorbers", by cultivating increased resilience, especially in the civil sector. And that means it's time for an alternative definition of VUCA:

- **Vision**
- **Understanding**
- **Clarity**
- **Adaptation**

It's also why Ms Hong says philanthropists with a conscience need to step in and protect civil society, and be unafraid of stepping away from a "neutral" position.

That means "paying attention" to others, avoiding the "echo chamber" of those who support your own views on social media and elsewhere, and finding ways to support civil society by increasing the "voice, agency and power" of others.

She was confident about young people getting more involved and active, but stressed civil society and NGOs needed to get "close to the front lines" of neighbourhood associations, civic groups, and other places where people could connect.

For philanthropists it also meant remembering our love of humanity, instead of the overemphasis on strategies and programs.

Ms Hong says she drew inspiration from US poet and activist Maya Angelou, who says: "I have found that among its other benefits, giving liberates the soul of the giver. The giver is as enriched as the recipient, and more important, that intangible but very real psychic force of good in the world is increased ... the gift is upholding the foundation of the universe ... each boon we give strengthens the pillars of the world."



Mae Hong channelled activist Maya Angelou to urge changemakers to stick with the spirit of giving. Picture: Reynaldo Leal/Panamericanonline.com/CC licence.

MORE RESOURCES

[Video: Mae Hong on 'holding the line'](#)

[AIGM news: Ms Hong urges focus on grantee capacity](#) | [Cat Fay: Does private cash reveal the future of grants?](#)

[Top 10 action plan: Grants in Australia survey.. grants lessons](#)

['Grants that transform' \(via Generosity\)](#) | [RPA's Theory of Foundation \(via SSIR\)](#)

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Just because grantmaking is hard, doesn't mean we will be immune from disruption.

Future grants

Disrupting distributing: Grantmaking in the AI era

By Chris Borthwick, Thinker in Residence, Our Community

Many, many industrial jobs are falling to automation. In many areas, process workers are an endangered species. The movement towards driverless cars, for example, is today only picking off jobs on the fringes (take mining trucks, which are now self-directing) but is eventually going to shake out hundreds of thousands of jobs.

Up till now, the economy has coped surprisingly well. As machines take over in some fields, jobs have been created in areas that are harder to automate, jobs that require judgement, common sense, and human sympathy – jobs like grantmaking.

Any grantmaker who on that basis congratulates themselves on their job security, though, needs to take a long look at the most important term in that last sentence.

Which is not, as it happens, “judgement” or “common sense” or “sympathy”. It’s “harder”.

We’ve all seen the slogan “The difficult we do immediately. The impossible takes a little longer.” For us humans, that’s a chirpy and irritating witticism. For artificial intelligence (AI), it’s a mission statement. And the important word in *that* sentence is “little”.

Because – well, let’s look at how the grantmaking field works now. It’s a large field, with little regularity and little standardisation. There’s a range of working methods and a spectrum of operations. At one end, there’s the old-fashioned gut feel method. You read all the applications, which are basically rambling letters from almost anyone saying why they think they deserve some money.

You weigh up an uncountable multitude of factors and pick a few decision points from a buzzing, teeming multitude of possible influences. You pass out money in highly flexible – and thus highly personal – ways to recipients who do really, really good things, but if you’re ever asked to explain exactly why Paul got the grant and Peter didn’t, you’re going to have to fall back on case-by-case reasoning and a fair dose of intangibles. ►



Will you still be making all the decisions years from now?

At the other end of the spectrum you have the timid bureaucrat, someone who doesn't want to take personal responsibility for any decision, and thus demands that the process be fed through a series of sieves.

The criteria for applications are as far as possible numeric and unambiguous, drawing thick black lines between cases that look to the outside observer almost indistinguishable. There's no room for appeal and no sympathy for bad luck.

Selection, too, involves numerical ranking: points are allocated to each specified element of the task's demands, and these are then summed to produce a clear list.

A losing applicant can't argue the toss, any more than a golfer can complain that the scorer should have given less attention to the number of their strokes and more attention to their environmental soundness in replacing their divots.

Sketching this spectrum, incidentally, doesn't imply any criticism of either approach. There are many possible goals to pursue in the grants process, and some of them – flexibility, say, and predictability – are incompatible.

Afterwards, too, there are two approaches to impact assessment. The qualitative approach seeks to understand the outcomes, expressing that understanding in broad principles; quantitative approaches track measurable numbers and concentrate on seeing whether prior promises have been met or missed.

At the moment, numerical approaches are largely bluffing, because the core data (income gains, health measurements, educational progress) have to be based on what people tell you rather than on checking the relevant databases, but this is changing; researchers are already going to big data for [answers](#).

Numbers in, numbers out: that's an algorithm. Anything that can be expressed in an algorithm can be delegated to a computer. ►



Thinker in Residence Chris Borthwick considers the possibilities for artificial intelligence in grantmaking, and suggests that big data has changed the game.

A grantmaking program can not only give out funds to any not-for-profit that scores best on the algorithm, it can modify that algorithm – by looking at which criteria are most significant in producing change, or by adding new ones that tweak behaviour to the desired norm.

Given 50 years (say) of whole-of-government data, it can identify the variables that correlate with resilience, self-improvement, and mental health, and it can then exert pressure on those variables in real time in a vast feedback loop.

And don't think that avoiding numbers is going to save you, either. That's what doctors thought – that there was an intangible and unmechanisable essence of doctor, an instinct developed looking at x-rays of melanomas for 40 years that couldn't be set out in words, still less figures – knowledge that was tacit, not explicit; the difference between learning what a bicycle is and learning how to [ride a bicycle](#).

It turns out, however, that a robot can learn to ride a bicycle, and a robot can [diagnose melanomas](#) better than a clinician – first better than a novice clinician, and then better than any clinician.

The machine looks at what you look at, and recognises patterns, and applies them. Either your work is entirely random, or you're doing things for a reason; and if that's the case, AI can eventually work out what that reason is. We'd like to think – wouldn't we? – that we're doing our grantmaking for a reason. We're in the sunspots.

As with any prophecy, the bit that's doing all the work is the date. When, exactly, do you have to schedule your unemployment? Not in 10 years, possibly in 20, probably in 30. [Give or take](#).

“The machine looks at what you look at, and recognises patterns, and applies them. Either your work is entirely random, or you're doing things for a reason; and if that's the case, AI can eventually work out what that reason is.”

Grantmaking does, after all, have its protections. One is that while outcomes measurement is a contested field, the most obvious measure – client satisfaction – doesn't work at all for grantmaking.

Those who get the grants will be very satisfied; those who don't will not be. As Louis XIV said, "If I grant one office, I make ninety-nine men unsatisfied and one ungrateful."

This gives you a grantee approval rate of just 1% if you do everything right, and if you do it all wrong.

So we can prove mathematically that we can't do better, and we can't do worse. Beat that, Deep Thought! ■

MORE RESOURCES

[AIGM tools: Assessing applications](#) | [Deciding who gets the grant](#) | [More tools](#)

[GMI special edition: Dipping into data](#) (PDF)





If you want your grant recipients to perform well and give you valuable data, give them the right tools.

Technology solutions

Give grantseekers the right tools to help you too

By Matthew Schulz, journalist, Our Community

AN expert in not-for-profit technology needs says one of the best things funders can do to help grant recipients, and themselves, is to buy better software to help them better monitor outcomes.

It's a way of funding evaluations that the Australian Institute of Grants Management has previously advocated among the top 10 actions for grantmakers, as derived from the [Grants in Australia 2017](#) research study.

[Infoxchange](#) consulting services manager Matt Walton says a client management system (CMS) for recipients can increase return on investment, as governments, funders and supporters call for more sophisticated information about impact.

"Technology projects are becoming more commonly funded (but) there's a move from funding hardware, such as servers and desktops," Mr Walton says.

"Now it's more that we'll fund for a system that will manage your outcomes better.

"That can mean funding business intelligence, or outcome management, or measurement projects". ►



[Infoxchange](#) consulting services manager Matt Walton says grantmakers can increase impact measurement by giving clients the right tools.

"The impact of that is going to be a lot higher than just funding the purchase of a \$2000 PC," he says.

"There's a direct correlation for funders: if I can get my grant recipients to measure outcomes, then I can more effectively improve outcomes."

Those measures are also going to improve with the right tools.

For example, traditional measures might show "attendances over a year as part of the funding acquittal", but "now it's show me the progress or outcomes by each individual. That is: How many people did you teach to cook, or help get a job?"

Many of those systems have outcomes "embedded", and these can then be displayed using data output tools to present information in dashboards or reports.

Infoxchange provides one of the many services on the market.

Theirs is called "SRS (Service Record System) Client and Case Management", and is used by more than 3000 organisations in Australia.

Mr Walton says whichever system is used, proper planning is the key.

Some off-the-shelf or cloud-based services can cause problems, for instance, when data is stored on multiple systems.

That's why Mr Walton advocates for "a single source of truth" when it comes to data.

"If a client calls and updates their email, you don't want to have to update four different systems."

Small organisations behind the times

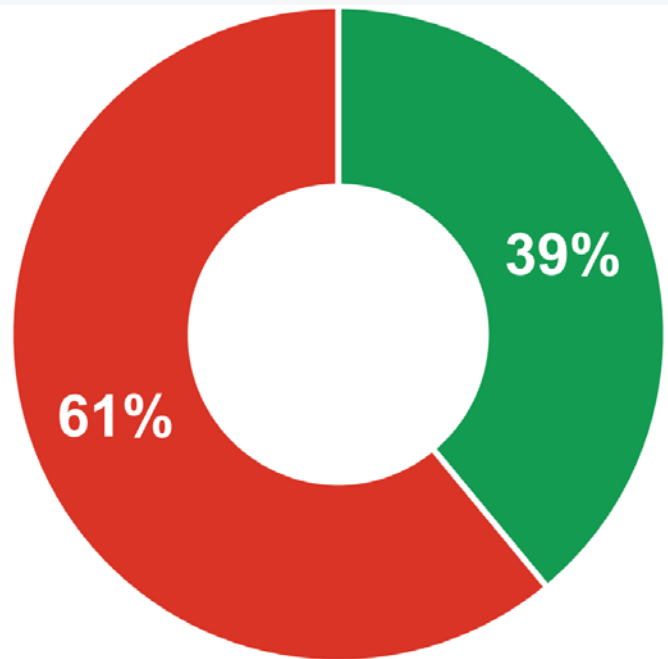
[Digital Technology in the Not-for-profit Sector](#), a report produced last year by Infoxchange, Connecting Up and Tech Soup New Zealand, showed one of the big challenges for not-for-profits was IT capability.

For example, in the study, most organisations weren't able to see their own data easily, with 61% unable to get a snapshot view of all the assistance provided to a client over time.

The latest study, due out late this month, reveals "early indications are that non-profits have a much bigger focus on implementing better client, member or stakeholder management systems to enable them to better achieve their mission and goals," Mr Walton says.

It appears some groups at least have heeded the warning in the previous report.

"Having an effective system that stores client data in one place will become increasingly critical over time as not-for-profits need to find ways of



The number of not-for-profit staff unable to have a single view of the assistance given to a client through existing systems. Source: *Digital technology in the not-for-profit sector* report

operating more efficiently to save themselves time and money," the report says.

In the meantime, it appears not-for-profits still have a lot of catching up to do.

Last year's Infoxchange study shows not-for-profits are underspending on IT needs compared to corporates by almost three to one, despite the need for those organisations to increase their digital capability.

Yet the 230 mostly small organisations that responded are spending an average of just \$4000 a year per staff member on IT, or 3–5% of their total operating expenditure. That's compared to as much as \$12,000 by corporate groups, who are now starting to compete in the same space – such as disability services, where the outspending ratio is often eight to one.

That under-investment in digital technology and focus on frontline service delivery has remained consistent across previous surveys too. ■

MORE RESOURCES

[Download the full Infoxchange report](#) (PDF) | [Grants in Australia study actions for grantmakers](#)

[Help sheets: Monitoring progress, reporting](#) | [Reviewing acquittals, closing grants](#) | [Record keeping](#)

Grants Management Intelligence

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