2012 Survey Report

Executive Summary

Schools, not-for-profits, philanthropic foundations and trusts in Australia

Building knowledge to maximise the impact of philanthropy in education

30 November 2012

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GLOSSARY

This brief glossary is designed to provide some understanding of what we mean by engagement and when we speak of the three sectors in this report: philanthropic, schools and not-for-profits. It is not intended to be exhaustive. A more comprehensive glossary was developed as part of the *LLEAP Dialogue Series Guide* (discussed throughout this report), which can be viewed via: http://www.acer.edu.au/lleap

Engagement	The use of the term 'engagement' in LLEAP signals the importance of some form of mutual commitment in the relationship to bringing about an improvement for a learner(s), irrespective of the longevity or nature of the engagement.
Philanthropy	*'The planned and structured giving of money, time, information, goods and services, voice and influence to improve the wellbeing of humanity and the community.'* (Philanthropy Australia) Philanthropy is about finding '*opportunities to fund work which is innovative and imaginative, and where the grant has a good chance of making a difference'.* (Joseph Rowntree Charitable Trust, UK)
Not for Profit	Almost all philanthropic trusts and foundations will require that a grant recipient organisation is run as a not-for-profit. 'Not-for-profit' means that an organisation is not run for the profit of its directors, members or shareholders. Not-for-profit organisations aim to either provide services to members (for example, a professional association or club), or to address an environmental, social, health, educational or other community issue or need. They do not distribute any net surplus to directors, members or shareholders and instead reinvest these funds in their organisation to achieve their objects. (Catherine Brown, *Great Foundations*, 2010) For the purposes of the LLEAP project, we identified not-for-profits that have an education focus and have worked with or for the benefit of schools. Often, the not-for-profits play an intermediary or brokerage role between philanthropy and schools (especially government schools).
Schools	The LLEAP project has involved schools across all sectors (Catholic, Independent and Government); across every state and territory; and across all learning/year levels.

EXECUTIVE SUMMARY OF KEY FINDINGS

> *Until doing this survey I was unaware that these organisations were available to apply to or contact – so very limited information sources.*
>
> (School respondent, 2012)

Introduction

LLEAP – Leading Learning in Education and Philanthropy helps take the guesswork out of philanthropy in education so outcomes for learners most in need in schools and communities throughout Australia can be improved.

LLEAP began because of a widespread view that effective engagement of philanthropy in education was hampered, in many cases unnecessarily, by gaps in knowledge, understanding and ways of doing things better. LLEAP explores issues from the perspectives of philanthropic education grant making foundations and trusts, schools, and not-for-profits working with schools. One key part of LLEAP is a national annual survey.

In 2012, the LLEAP Survey received a total of 507 responses from 359 school (Government 69%; Independent 20%; Catholic 11%, from every state and territory), 87 not-for-profit and 61 philanthropic foundation or trust respondents. This brings the total survey response across 2011-2012 to 809. The survey covered five areas, with questions in two sections (in italics below) modified to better fit a philanthropic audience:

- Demographics and characteristics
- Education grant seeking priorities/*Education grant making priorities*
- Experiences in seeking and securing grants/*The nature of philanthropic support in education*
- Learning
- Philanthropy in schooling – Gonski review.

Key findings

The LLEAP 2011 and 2012 findings show that many schools are 'pressed up against the glass' and wondering what they are looking at when it comes to philanthropy in schooling. A big knowledge gap for schools exists in Australia. Not-for-profits are generally the 'old hands' in this space. In part, this is because their very existence depends on philanthropic support. But more than this, historically they have served as an important linchpin between philanthropy and learners. Nothing in the findings from LLEAP 2012 suggests that this role is diminishing.

While the LLEAP surveys are not designed to be comparative in nature (i.e. from year to year), there is a noticeable shift this year with regard to the reported philanthropic desire to engage more directly with education, particularly working in collaboration with schools and not-for-profits around common areas of need for learners.

1. **New versus old territory**
    - ➢ **Is philanthropy in schooling part of our mindset in Australia?**
    - 1.1. The same finding from the school survey as last year emerged: philanthropy is a whole new world for 9 out of 10 schools in Australia. Whereas 8 out of 10 not-for-profits report they are experienced or expert in grant seeking.
    - 1.2. Philanthropy has been around for more than a century in Australia, but tends to fly under the radar. About one third of not-for-profits were unsure whether the schools they were working with knew the support from them was made possible from philanthropic sources.
    - 1.3. Philanthropic education grant budgets in the previous financial year reflect a wide range of organisational budgets from the 61 respondents: $521 through to $2,711,000.
    - 1.4. Philanthropy is more than dollar support in the education space.

> **Proposition 1:** Effective school-community relationships are an important tool for addressing locally identified learner needs. Philanthropy is and continues to be part of this landscape.

2. **Target groups and priority areas**
   - ➤ *Who are the beneficiaries of philanthropy in education?*
   - ➤ *Around what priorities are grants sought and offered?*

   2.1. 'Disadvantage' was the most common term used in association with the main beneficiaries of a philanthropic education-related grant. Beneficiaries spanned from birth to 25 years of age.

   2.2. Interpretations of disadvantage typically were associated with specific groups: common across survey responses were references to Indigenous[1]; parents; people with cultural or linguistic barriers and those with disabilities.

   2.3. Interpretations of disadvantage were coupled strongly with the local context and circumstance of a learner. Viewed in this way, disadvantage is dynamic, local and not a label bestowed on particular individuals, groups and communities.

   2.4. Student engagement was seen as a common need to address. Beyond this, nine associated needs (e.g. retention, health and wellbeing) appeared to drive and underpin overarching priorities to:
      - overcome barriers to student learning
      - create effective learning environments for students
      - broaden and connect learning for students.

   2.5. The top specific priority for schools and philanthropic foundations and trusts was to broaden and connect learning for students via some type of 'learning/academic focus area'. This priority was second only to 'access to expertise' for the not-for-profits. Literacy, numeracy and music-based areas of focus were the strong contenders from the school responses. These also featured in philanthropic and not-for-profit responses but alongside broader (e.g. leadership) and specific (e.g. dairy/agriculture) areas of focus.

   2.6. A harsh reminder that basic barriers to student engagement exist in Australia, is the identification of 'material assistance' within the top three priorities across all three groups (e.g. uniforms, assistive technologies, school supplies etc).

   2.7. A further reminder that more sophisticated relationships are required to address the needs of learners, is the finding that 'community building' and direct 'parent/family learning and support' fell within the top six specific priority areas of both not-for-profits and philanthropics, and within the top ten priorities for schools.

> **Proposition 2:** Identify and understand priorities. This will focus local decisions for greater learner impact.

3. **Support**
   - ➤ *Where is additional funding support for learners and learning sought?*
   - ➤ *What kinds of support are sought and offered?*

   3.1 Schools rarely connect with philanthropy as part of their fundraising approach. They stay close to 'home base' with school-based fundraising events or government funding (this year federal and state) being their equal major sources of additional support sought (34%). In contrast, philanthropy is the most commonly sourced form of major funding support for not-for-profit respondents (67%) from within their broad range of funding sources, including business.

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[1] For the purpose of this survey/report, the term Indigenous is used to refer to Aboriginal people and Torres Strait Islander people.

3.2 Not-for-profits and philanthropics are well aligned when it comes to their top responses of grant support for 'new or improved', 'pilot projects' and 'ongoing projects'. Less well aligned are the most important types of grants for schools–grants for 'infrastructure' and 'professional learning'.

3.3 Those in philanthropy are also sources of introductions to other potential supporters and facilitators of ideas exchange. Types of support also included advice with evaluation and governance.

3.4 Important to not-for-profits, but less well aligned across the three groups was the assistance sought and offered around *additional funds to have the project evaluated by another group*.

3.5 Support for those looking to bring about a positive change for a learner(s) is a strong theme this year. It makes sense that the effectiveness of a grant made in education will also rely on the capacity and capabilities of those charged with its implementation and longer-term sustainability and impact.

Proposition 3: Support beyond the financial is an untapped strength of philanthropy.

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4. Enablers and barriers

> *What helps and hinders the possibility for maximum engagement of philanthropy in education?*

4.1 Tax requirements limit the potential for many philanthropic foundations and trusts to make grants directly to schools, should they seek to do so. On the other hand, schools have no or limited funds set up to maximise their potential fundraising (e.g. only 7% of school respondents had a scholarship fund but 43% of philanthropic respondents indicated they can support bursaries and scholarships).

4.2 There is room to build better internal organisational governance knowledge. This would include, knowledge of tax status: 47% of schools had no fund set up for fundraising purposes; 80% of principal respondents, largely from government schools, were unsure of what funds (e.g. building fund) they had set up for fundraising purposes. Seven percent of philanthropics and 9% of not-for-profits were unsure of whether their organisation can support schools.

4.3 The biggest barriers to more effective philanthropic engagement in education for philanthropics are structural issues – from the legacy of their own foundation's or trust's way of grant making through to tax-related constraints on their education grant making.

4.4 For schools and not-for-profits, capacity issues present as their biggest barriers. Being time poor was common to both. Not-for-profit responses attributed this to perceptions of unnecessary application processes and the struggle to align these across multiple funders. For schools, it was the perceived additional workload to 'play' in this space, coupled with limited experience and expertise.

Proposition 4: It is hard to maximise the impact of philanthropy in education, if the basis for engaging with donors or the beneficiaries of donations has not been set up or understood.

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5. Actions

> *Where might energies best be directed to improve engagement of philanthropy in education?*

5.1 Small, 'today-type' actions could be taken to improve engagement. The way information is sourced and used is one such example. Points of difference are evident around the main information sources used to inform decision making: not-for-profits (46%) make direct contact with a foundation or trust; schools use personal networks (31%). Beyond this, not-

for-profits go directly to a foundation or trust website (22%). Schools (24%) were sometimes unsure where to source information. Neither group (0%) used annual reports from philanthropy as a main source of information.

5.2 As brokers and facilitators, philanthropics are themselves looking at broader, more strategic collaborative practices. The main type of philanthropic activity they would like to do more of is 'co-funding with other foundations or trusts for joint grant making '(45%), followed by 'strategic planning with a cluster of schools around a key area of need' (23%).

5.3 Schools and not-for-profits have a different picture of where philanthropics might best direct their energies. Pooling funds was the highest 'not at all' ranked issue considered important for improving engagement.

5.4 However, not-for-profits ranked investing in 'knowing what the priority areas are of grant makers' (65%) as their major issue to focus attention on. This is a direct match with what philanthropics (47%) also ranked as their top major issue to focus on and is consistent with their desire to plan with a cluster of schools.

5.5 The major issue for schools was to see energies focused around 'balancing the effort required to apply for a grant versus the grant amount' (60%).

5.6 Ten factors perceived as critical to successful philanthropic engagement in education were identified from the 2011 LLEAP survey responses. In 2012, we asked what people thought were the most important and most challenging to enact. Aside from the factor of a 'good fit', not one of the factors selected in either category was the same across the groups. The most important factors were: 'making a well-informed decision' (philanthropy); 'good communications' (not-for-profits) and 'build capacity' (schools). The most challenging factors to enact were: 'being impact focused' (philanthropy); 'committing appropriate resources' (not-for-profits) and 'a good fit' (schools). These findings offer further insight into what matters most to the groups and a starting point for more sophisticated engagement.

5.7 A major review of funding for schools was published in late 2011. Known as the Gonksi review, in it were a number of recommendations to the Australian Government. Recommendation 41 related specifically to philanthropy in schooling. So this year we asked respondents to consider what the perceived benefits and disadvantages of establishing a national fund to improve philanthropy in schooling might be from their organisation's perspective. A total of 251 responses about benefits and 242 responses about disadvantages were received and analysed.

5.8 In general, the findings highlight that a national fund should be underpinned by guiding principles and practices. The principles tended to cluster around issues of purpose – to address inequities for learners most in need; maximising donor engagement – overcome tax barriers; and the 'mechanics' of its administration – provide useful and unbiased information to donors and donor recipients through a single repository.

5.9 All respondent groups identified potential benefits and disadvantages (to avoid or overcome). Nine benefits and 10 disadvantages were identified.

5.10 There was a striking consistency overall across the three groups in the categories of perceived benefit. The most frequently mentioned types of benefits were linked to issues of building greater capacity for engagement and improved coordination of information through a 'one-stop-shop' repository. However, while a perceived benefit may be shared, the ways this might be evident in practice differed depending on the respondent group.

5.11 A disadvantage raised by all three groups was a view that somehow a national fund may constrain how the fund was implemented. For not-for-profits and schools, this concern was expressed in, for example, schools not being able to 'innovate' around their own locally identified needs. Philanthropics expressed a concern that one of the hallmarks of philanthropy – their nimbleness – could be eroded in the context of a national fund.

5.12 Strong caveats to the idea of establishing a national fund were canvassed around whether, for example, the fund would be 'truly' independent from government.

> **Proposition 5:** Identifying points of commonality and difference opens up the possibility to facilitate more sophisticated relationships of philanthropy in education.

6. Impact

> ➤ *What kinds of impact might effective engagement of philanthropy in education reap?*

6.1 Schools (31%) and not-for-profits (34%) saw the main role of philanthropy in education as to 'support and encourage innovation'. Philanthropics viewed their role in education at either end of a continuum. Most frequently they saw themselves as a 'catalyst for change' (25%), followed by their role to 'fill an immediate need' for a learner (18%) at the other end.

6.2 In addition to specific project outcomes, five categories of outcomes – Learner; Practice; Knowledge transfer; Relationship; and Process – were identified in LLEAP 2011. Across the categories were nine specific outcomes. Given the education focus of all three responding groups, it was not surprising that the highest mean score (i.e. considered important to all groups) was 'the grant resulting in improved access to learning for the target audience.'

6.3 The second identified area of importance for philanthropics was the 'funded project leading to a new or refined model of practice'. This resonates with the concept of their role as a 'catalyst for change'. For not-for-profits, 'the grant leading to new or further opportunities for the target audience' was highlighted as important, aligning with ideas of longer-term impacts. 'Improved school-community relationships' were seen as important to schools.

6.4 The biggest difference across the groups relates to 'providing a final acquittal report on the grant received'. Schools rated this much lower than philanthropic or not-for-profit respondents.

6.5 A free text question also invited respondents to identify any additional outcomes. Schools tended to drill down into specific knowledge and skill outcomes of learners. Both school and not-for-profit respondents rated relationship outcomes with the local community as important. Both sought greater community engagement and appreciation of a learner's context and/or situation. Philanthropic responses appeared to seek additional 'scale' and 'influence' outcomes as evidence of the impact of their grant in education.

> **Proposition 6:** A shared view about the outcomes sought will better guide realistic measures for change.

Feedback on the use and assistance of LLEAP

The LLEAP project findings and products are reported as being used to assist:
- strategic planning processes
- to explore collaborative opportunities
- to help prepare proposals.

The LLEAP project is assisting to:
- improve knowledge of philanthropy in education
- help inform planning
- provide new resources.