

INVESTING ACTIVELY IN SOCIAL CHANGE



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- We see philanthropy as investment in the future and apply similar principles to our investment and charitable activities.
- Columbia Threadneedle Foundation aims to deliver measurable improvement to individual lives and the broader community.
- We partner with charities that share our goals and values, and are capable of delivering a return on our investment in terms of long-term, sustainable social change.

Successful investing and corporate philanthropy have much in common. Both are an investment in the future that requires faith in management, sustainable business models and strategy. The difference is that while active investing aims to identify companies with underlying growth potential, corporate philanthropy aims to support charities capable of driving long-term social change, with returns measured not in pounds or dollars, but rather lives impacted and transformed.

At Columbia Threadneedle Investments, we apply similar principles to investing and philanthropy. Through multi-year engaged partnerships the Columbia Threadneedle Foundation – a UK registered charity – aims to deliver measurable improvement to individual lives, and to bring benefits to the broader community over the longer term by helping to address critical social issues and drive lasting social change. To date, our long-term engagements with charities have delivered on these goals. In the UK, as our home is the City of London, we primarily support charities working to improve social inclusion in and around London. And since we have for many years supported the arts, sport and education, we focus particularly on charities in these sectors that are driving social change through their work with disadvantaged or marginalised people.

Our long-term charity partners share certain characteristics. They have consistent, sustainable and replicable business models. They have a coherent long-term vision, clear strategic aims and strong management teams. And they are grass-roots initiatives that we believe have the potential for outstanding growth and exceptional returns. Above all, we choose charity partners who share our goals and values.

We understand that supporting our charity partners means more than just providing money. Employees not only contribute to ad-hoc events such as clean-up days and art-based workshops for disadvantaged young people, but also support charity partners in their core programmes. We also introduce the charities to our own networks and have supported mutually beneficial collaboration between our partner charities. We believe that it is important to measure returns from corporate social investment both in financial terms and in terms of outcomes for the people concerned. The performance metrics of our charity partners show that they are already delivering extraordinary social and financial benefits, while their human stories tell of lives transformed.

Together, we work with the three charities below to deliver a return on our investment in terms of long-term, sustainable social change.

THE ART ROOM

This national charity offers art as therapy to 5-16 year olds who are experiencing emotional and behavioural difficulties. Grayson Perry CBE, patron of The Art Room, describes it thus¹:

“The Art Room... offers severely troubled school children a beautifully equipped and staffed art room as a refuge where they might catch a glimpse into their own creative power; where they might be reflective and not tossed about by the chaos of their lives.”

The first Art Room opened in Oxford Community School in 2002. Now, there are eight Art Rooms, located in primary and secondary schools in London, Oxfordshire and Edinburgh.

Juli Beattie, founder of The Art Room, describes its work as “art as therapy”, rather than art therapy: the focus is on developing creative skills as a means of building confidence, self-esteem and independence, rather than using art as a way of drawing out deep feelings without words. The aim is to enable disruptive or withdrawn children to re-engage positively with education. In 2015, a quantitative evaluation of survey responses from teachers, students and parents showed impressive results². Teachers reported:

- 36.8% reduction in ‘total difficulties’.
- 40.6% reduction in students’ emotional problems.
- 14.8% reduction in conduct problems.
- 33.3% reduction in hyperactivity.
- 41% reduction in peer problems.
- 23.8% improvement in positive ‘prosocial’ behaviour.

Research shows that social and psychological problems disrupt learning, not only for the students concerned but also for their classmates: the negative effects on eventual earning power are considerable and long-lasting³. These results suggest that The Art Room’s intervention, although short-term, may dramatically improve outcomes over the longer term both for Art Room students and for their peers.

¹Source: Grayson Perry, *Playing to the Gallery*, GB, Particular Books 2014.

²www.theartroom.org.uk/downloads/Cortina-Fazel.pdf.

³www.nber.org/papers/w22042.

ACCESS SPORT

A youth charity which uses sport to fight social exclusion, inactivity and obesity by empowering inspirational community volunteers to set up and run local sports clubs, Access Sport aims to overcome the obstacles to participating in sport caused by poverty, disability and gender. According to Sport England, research collected by the UK Government's CASE programme shows that young people's participation in sport improves their numeracy scores by 8% on average above non-participants. Moreover, underachieving young people who take part in sport see a 29% increase in numeracy skills and a 12 - 16% rise in other transferable skills.

Research also shows that participation in sports can particularly improve educational outcomes for girls⁴. However, access to sport can be problematic for girls from some ethnic backgrounds, so a key aim for the charity is to find ways of enabling girls to participate in sport.

Community sports clubs are a hugely underdeveloped resource, particularly in disadvantaged areas. Access Sport aims to develop them into sustainable, inclusive sports facilities for young people who are currently excluded because of social circumstances, cultural issues and health problems. The impact extends beyond participants: clubs become a beacon in the local community; local volunteering is multiplied and volunteers' upskilled and significant economic, social and environmental benefits can be demonstrated.

Its three current programmes are:

- The “Better Futures” social inclusion programme, which helps sports clubs to reach out and draw in excluded young people.
- The “BMX Legacy” programme, which builds BMX tracks and develops clubs to encourage young people into cycling.
- The “Ignite” programme, which equips sports clubs to cater for young people with disabilities.

TOYNBEE HALL – MONEY MENTORS PROGRAMME

Toynbee Hall, based in the East End of London, has been working on one of the poorest communities in the UK for well over a century. One area of its focus is financial inclusion, and its research finds that financial exclusion has high social costs and can lead to wider social problems, including evictions, lack of social mobility, and food and fuel poverty⁵. Additionally, the research shows that enhanced financial capability, which is people's ability to manage their own financial circumstances effectively, can lead to greater financial inclusion.

As part of its Financial Inclusion work Toynbee Hall's “Money Mentors” programme aims to reduce financial exclusion by providing accredited training in financial skills to people across London who lack financial skills and confidence. “Money Mentors” empowers participants to manage their own circumstances better and supports them to share their knowledge with people in their community.

⁴www.sportengland.org/media/3237/education_and_life_long_learning_-_summary.pdf.

⁵www.toynbeehall.org.uk/financial-inclusion.

An evaluation of the Money Mentors pilot programme based in the London Borough of Tower Hamlets, where deprivation is widespread, showed that the programme made significant difference to the finances, health and personal lives of the participants. In three years, the programme trained 350 mentors and by the end of the programme:

- 65% of participants said they have more confidence in their financial future.
- The number describing themselves as “always struggling” diminished from 40% to 2%.
- 54% of participants felt less isolated.
- 43% of participants felt that their relationships with family and friends had improved.
- Regular saving increased from 10% to 49%.

Following the success of the pilot, the Money Mentors programme is now being rolled out to all London boroughs, supported by funding from Columbia Threadneedle Foundation and JP Morgan Chase Foundation. As an integral part of the programme, experienced volunteers from Columbia Threadneedle are delivering training modules on financial products and providing one-to-one coaching for Money Mentors graduates.

In working with charity partners, Columbia Threadneedle Foundation typically creates a three-year renewable partnership in which we provide both funding and active support in the form of management and employee involvement - our relationships with The Art Room, Access Sport and Toynbee Hall all exemplify this approach. Once selected, we support the development of our charity partner, aiming to help them to help themselves rather than simply being given funds. Like many of our portfolio companies, we take great care not to see our charity partners through the lens of where they are today, but project out where we believe they can go in the future.