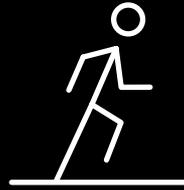
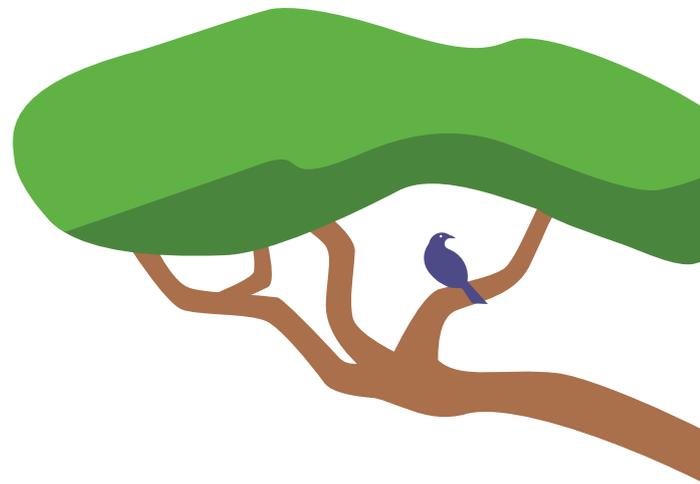


# The challenges to successful social investment



Social investment  
is a strong step forward...





### Why a social investment approach matters

While many New Zealanders are flourishing, an unacceptable number of our children, young people and adults experience alarmingly poor outcomes. Current social services do not always address their needs, which can lead to long-term negative impacts.

There is a pressing need to ensure New Zealanders are set up for good life outcomes and supported to be productive and healthy adults.

New Zealand's social sector government agencies each have access to a wealth of data on those they serve. This data shows us, for example, that:

- Children and young people with certain risk factors have a high chance of poor life outcomes. Left unaddressed some of them could cost taxpayers dearly in the long run, but worse still is that the potential of these young people may not be realised.
- Disadvantage often has a regional dimension. For example, while Northland is a region of promise it also has the highest dependency ratio among New Zealand's regions and its rate of youth not in employment, education or training (NEET) is nearly double that of the national rate.
- There is often an interplay of factors. A total of 60% of community-based offenders have substance abuse problems and almost half of all crimes are committed by people under the influence of drugs and alcohol.

New Zealanders are lucky to live in a country with a stable democracy and quality of life envied by most other nations. Everyone should be able to share in the benefits but that means tackling some persistent problems affecting people throughout the country.

The data tells us what part of the problem is. That's the first step. But it doesn't solve the problem – data to help evaluate what works is quite different.

### Challenges to the wider adoption of social investment

Social Investment is a strong step forward. The goal is to help people move away from being at-risk to leading happy, productive and fulfilling lives. But as alluring as it sounds, achieving that ideal is not easy.

In addition to our own research, we spoke to more than 20 leaders in politics, the public service, social service delivery, academia and business to get a sense of their thoughts, concerns and ideas on social investment. Through these conversations we identified a number of challenges to the widespread uptake of social investment. We group these challenges under each of the five principles for successful social investment laid out by Treasury in 2014:

- 1 Clarity on the key measurable outcomes
- 2 Better use of evidence, data and population information
- 3 Clear institutional incentives and accountability mechanisms
- 4 Financial and delivery flexibility
- 5 Evaluation and evidence-based feedback loops

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