



## SOCIAL INVESTMENT FUND QUICK GUIDE

# Understanding Theory of Change and logic models

**The Social Investment Fund (the Fund) partners with organisations to deliver social services that make a positive difference in the lives of New Zealanders.**

This quick guide is for organisations preparing proposals for funding. It covers the Theory of Change and logic models — how we think about them, what they are, how they work together, and how we use them to understand the design and the potential of initiatives.

### What we look for

When assessing proposals, the Social Investment Fund looks for organisations that have a Theory of Change, which is underpinned by a logic model. This quick guide provides details of the kind of information we are hoping to see.

### Definitions

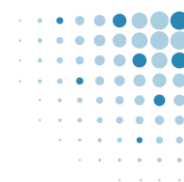
<b>Theory of Change</b>	A theory that says, “if we do these things, in this way, with this group of people, we expect to see these changes / outcomes.”
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<b>Logic model</b>	Takes the Theory of Change and breaks it into more detail. It shows the causal logic — how planned activities are expected to lead to short-, medium-, and long-term changes, and why these will work for the cohort of people in the given context. Example: “Group mentoring builds confidence and peer-to-peer relationships, which support sustained participation in training.”
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A logic model is often presented in a diagram or table showing the key components of the initiative and how they connect. It lays out the ideas in a Theory of Change a logical sequence:

**Inputs -> Activities -> Outputs -> Outcomes**

These components tell the story of an initiative in a clear cause-and-effect sequence, making the approach easy to share and understand. A logic model can guide staff training, resource planning, progress indicators, and the ongoing evaluation of impact – and it should evolve over time as the theory is tested in the real world.



## What we look for in a logic model

Logic models can be presented in a variety of ways. To apply for the Social Investment Fund you will need to have a simple linear logic model as shown in the table below.

## Why they matter to the Social Investment Fund

A Theory of Change and logic model are essential for the Social Investment Fund because we will not be relying on Government-set service specifications and a compliance contracting model. The Theory of Change and logic model will sit at the heart of the outcomes-based agreements used by the Fund and the decision to invest in initiatives will depend on an assessment of their credibility.

Here is a simple structure:

Intention	Problem?	It <i>can</i> be useful to frame the logic model with a problem statement, e.g., ‘too many young people in town X are giving up on education, training, and employment’.
	Goals, objectives, or targets	The specific intention of the initiative – what is the service / initiative seeking to achieve.
Inputs and Outputs	Input	Resources required (e.g. facilities, investment, staff, skills, training, partnerships, IT systems)
	Activities	Key actions delivered (e.g. case management workshops, wānanga, outreach visits, navigation, therapy, counselling, activations, events).
	Outputs	Immediate deliverables from activities (e.g., number of clients engaged, sessions completed, plans developed, services accessed).
Outcomes	Short- to Medium-term Outcomes	Short to medium-term outcomes at individual, family, or whānau level, e.g., improved school engagement and attendance, strengthened relationships, increased service uptake, improved self-efficacy, cultural reconnection, acceptance and commitment, behavioural change – the things that the Theory of Change posits will support changes to the longer-term outcomes.
	Long-Term Outcomes	The long-term changes or outcomes that relate back to the vision at the top of the table. Note that the Social Investment Fund will match specific IDI-measurable long-term outcomes to each funded initiative in consultation with funded organisations. The Fund will report to Ministers primarily using those measurable long-term outcomes.

## Further resources

- [Logic Models and Theory of Change - What Works](#) A practical guide for community groups and organisations to show how their work makes a difference.
- [What is a Theory of Change Evaluation Hub](#) A quick explainer and tools to support evaluative thinking in policy and programme design.
- [Logic Model Development Guide](#) A practical guide to assist nonprofits.