



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 Model** —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 encourages organisations to clearly describe their Theory of Change, supported by a Logic Model. This quick guide outlines the kind of information that helps support shared understanding at application stage.

Definitions

Theory of Change?

A Theory of Change is way of explaining: “**If we do these things, in this way, with this group of people, we expect to see these changes / outcomes.**”

A Theory of Change is usually described in words, rather than a table. It sets the scene for your Logic Model by explaining:

- the **problem or challenge** your initiative is responding to,
- **who is affected**, and what you know about their experiences or needs,
- **why your approach makes sense** in this context, and
- **how your activities are expected to support change** for the people you work with.

A Theory of Change also helps explain **what is expected to change for people** as a result of the initiative. For example, changes in confidence, skills, relationships, behaviour, or connection – and how these changes are expected to lead to the outcomes you are seeking.

This understanding might be informed by:

- Your experience delivering services,
- Insights from people, whānau, or communities,
- Local knowledge,
- Relevant research or evidence.

A Theory of Change does not need to be perfect or use technical language. It should reflect your understanding of the people you support, the challenge you are responding to, and what you believe will make a difference.

Logic Model?

A Logic Model takes the Theory of Change and breaks it into more detail. It shows the causal logic — *how* planned activities are expected to lead to changes for people, and how these changes support short-, medium-, and long-term outcomes for the cohort you are working with.

Example: *“Group mentoring builds confidence and peer-to-peer relationships, which support sustained participation in training.”*

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 a simple, linear Logic Model, as shown in the table below, is sufficient when it is supported by a clear Theory of Change that explains the problem being addressed and how change is expected to occur.

Why They Matter to the Social Investment Fund

A Theory of Change and Logic Model are essential for the Social Investment Fund because we do not rely on government-set service specifications and a compliance contracting model. Instead, the Theory of Change and Logic Model sit at the heart of the outcomes-based agreements used by the Fund. They help us understand the credibility of proposed approaches and how we can learn over time about what is making a difference, and why.

Here is a simple structure:

Intention	Problem?	It <i>can</i> be useful to frame the logic model with a clear problem statement (for example, “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 or initiative is 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).
		What shifts for people because of the activities (often internal, relational, or behavioural). These shifts help explain how your initiative leads to the short- and longer-term outcomes shown below.
Outcomes	Short- to Medium-term Outcomes	<p>Outcomes at individual, family, or whānau level that result from the changes described above (e.g., improved school engagement and attendance, strengthened relationships, increased service uptake, improved self-efficacy, cultural reconnection, acceptance and commitment, behavioural change).</p> <p>These outcomes are typically where organisations monitor progress and support learning across the delivery pathway, using information gathered through everyday practice and engagement with people and communities.</p>
	Long-Term Outcomes	<p>The long-term changes or outcomes that relate back to the overall vision of the initiative. We will work with funded organisations to identify specific IDI-measurable outcomes, and will report to Ministers primarily using those measures.</p> <p>These longer-term outcomes complement the learning and evaluation that occurs across the delivery pathway.</p>

Want to Go Further?

You can also explore:

[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.

[Making sense of evaluation: A handbook for everyone](#) (Superu) A beginner-friendly overview of evaluation in Aotearoa's social sector.

If you're new to the IDI, the [SIA's Beginner's Guide to the IDI](#) is a great starting point to understand how it works and how it supports outcome measurement.

[Other Quick Guides and FAQs](#)

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