

What is social investment?

Social investment is about using data and evidence to improve the lives of New Zealanders by investing in what is known to create the best results.

The social sector supports all Kiwis by investing in their education, health and wellbeing so they can live fulfilling and productive lives. But some people need more support to thrive and enhance their quality of life.

People are at the centre of social investment.

It's called social *investment*, not spending, because it's about investing resources upfront to enable people in need to thrive over the longer-term.

Four elements of social investment

- Use **data** smarter to better understand people's current and future needs
- Systematically measure the effectiveness of services in **meeting people's needs**
- Measure **long-term outcomes** for people over their lifetime and **feeding back** into decision-making
- Understand the **fiscal implications** of better outcomes and help to manage the long-term costs to government.

No data without stories, no stories without data

While the numbers are critical, the insight gained from doing the analysis is just as important. This ensures there's a complete view of why different individuals may experience different outcomes from the social services being delivered. These insights add crucial context to investment advice to support decisions around where to best target investments.

Cabinet's definition of social investment (2015)

Putting the needs of people who rely on public services at the centre of decisions on planning, programmes and resourcing by:

- Setting **clear, measurable goals** for helping those people
- Using **information and technology** to better understand the needs of people who rely on social services and what services they are currently receiving
- Systematically **measuring the effectiveness of services**, so we know what works well and for whom, and then feeding these learnings back into the decision-making process
- **Purchasing outcomes** rather than specific inputs, and moving funding to the most effective services irrespective of whether they are provided by government or non-government organisations (NGOs).

More information

Find out more about the background of social investment is available on [The Treasury website](#) , and on [our fact sheets page](#) .