



Realising a new economy: Friends Provident Foundation Grants Programme- 2024-2027

Background

Friends Provident Foundation began grant making in 2004. Since then, our programme has evolved from an initial focus on financial inclusion, to financial resilience and more recently a focus on systemic economic change. In the years after the 2008 crash, we funded a range of ideas about how economic systems change could be achieved. We also supported a number of influential organisations emerging in this space.

In 2024 the moment is changing. The financial system has firmly re-asserted itself post crash: climate breakdown and inequality have worsened. The UK is not short of ideas on how to change this: we have an active, creative movement of new economy organisations generating a wealth of intelligence, evidence and innovations for shifting the economy. We now want to turn our attention to what is stopping this becoming a reality.

There are many reasons why these ideas are not yet gaining traction – but three that we feel are important are:

1. Many negative impacts are **hardwired into our financial systems** –change is prevented by regulatory frameworks, fiscal rules and statutory requirements. The financial system is difficult to understand and to challenge. The ‘wiring’ is hidden.
2. **Cultural assumptions, stories and understandings about what the economy is and how it works often do not allow for the possibility of change.** ‘Common sense’ stories tell us that the economy is immovable, finite and inevitable. If we want to achieve large scale significant change in the economy this needs to shift
3. In addition, we believe that, **without dedicated support and investment in the capacity of organisations that exist to respond to these issues and react to wider changes in the economy, the new economy space cannot progress.** We need a strong movement capable of constantly arguing for the large scale changes needed.

Grants Programme 2024-2027: Realising a new economy

1. Shifting Cultural Perceptions

Exploring how to shift perspectives and cultural assumptions about the economy.

2. Transforming Financial Systems

Exploring barriers and blockages to change in the financial world itself such as regulations, policy ideas and cultures.

3. New Economy Infrastructure

Support for key organisations pushing for a new economy.
On-granting to support new diverse entrants into the new economy space.

1. Shifting cultural perspectives on the economy.		
<p>Description</p> <p>How we think about the economy, our perceptions, stories and understanding of what it is and what it does, often do not allow us to think about how we could change it. It can feel as though it is immovable and inevitable and the idea of shifting it then feels too big to tackle.</p> <p>We often talk as if the economy is an external structure. It isn't. It is about every single person and decisions they make every day, it is about how we live and interact. If we want to create a better economy for tomorrow we need to start talking and thinking about it differently, the more we do that, the more we can imagine what a better economy looks like.</p> <p>This strand of funding will explore how we can begin to shift perceptions and beliefs about the economy – what it is and what it could be. It will focus on how we can promote the idea that change is possible. Recognising the enormity of this challenge it will take the approach of an action research set, seeking to generate shared learning that will push our thinking further after a three-year period.</p>		
Delivery Approach	<ul style="list-style-type: none"> • Closed action research set (5 or 6 organisations recruited through an initial open process). • Several programme days a year bringing in expert speakers and sharing learning. • Participants will either bring their existing work/approaches to tackle the question or create new work to specifically focus on the question 	
Target Audiences	A movement of organisations trying to answer questions like this	
Who we might work with.	NGOs, think tanks, academics, media outlets, framing organisations, polling organisations and many more.	
Short term goals	Long term outcome	Learning opportunities
<ul style="list-style-type: none"> • Work collaboratively to develop aims • Create a community of people working on this • Build a strong learning approach that looks beyond the work of the group itself for knowledge and expertise 	<ul style="list-style-type: none"> • Shared reflections and learnings on how to answer this challenge. • Refine our ongoing work • Influence others working in the field and draw in other funders. • To see evidence that the public narrative is starting to shift. 	<p>Work with the same group of orgs on same underlying questions over 3 years – shared objectives and learning questions as well as agreed metrics for measuring progress</p>

2. Transforming Financial Systems

Description

The financial system is the machinery that exists to allocate available resources to meet economic and social needs. In practical terms this involves a range of institutions and actors and the legal, regulatory and policy framework in which they operate, which include:

- Policy and regulatory bodies such as: Treasury, Bank of England, FCA, PRA.
- Private actors such as Banks, Insurance companies, private equity funds, Unit trusts, hedge funds. Industry/sectors.
- Other asset owners – e.g. pension funds, local authorities, other public bodies (e.g. ‘eds and meds’), other endowed charities

Whilst some positive shifts were made within the system in response to the financial crisis of 2008, recently we are seeing a rolling back of some of that progress, meaning that work to push for a fairer and more sustainable system is having to run fast just to stay still. Through this programme of work we are seeking to reverse this and explore barriers and blockages to the creation of a fair and sustainable financial system within the system itself, such as regulations, policy ideas, power dynamics and cultures.

Delivery Approach

Open programme. We will define what we see as the financial system as a framework but the programme is then open and responsive to ideas from applicants as to what to focus on

Target Audiences

Policy makers, asset owners, wealth holders, regulators.

Who we might work with.

Civil society, NGOs, think tanks. Academic experts

Short term goals

- More firmly place ourselves as a funder in this eco system
- Develop a coherent body of work knowledge and collaborative networks in this area.

Long term outcome

- A clear coherent body of knowledge about the financial system – its dysfunctions, possible solutions
- Metrics could include a coherent list of policy demands and measurable movement on these
- We see evidence that financial system actors are harnessed for transformational change

Learning opportunities

- A focused group of organisations working on a concentrated area and supported by a learning partner (who would help us refine more specific metrics and impact measures)
- Annual programme learning days

3. New Economy Infrastructure

Description

The ecosystem of organisations that are predominantly working on economic systems change is still nascent and its capacity is stretched. If these organisations are to develop further and hold their own as respected institutions who can challenge on economic systems change, then support for their basic costs needs to be continued. As one of only a few funders in this space we recognise the need to retain our commitment to working with these organisations on a long-term basis and, where possible, pulling in additional resources to support them.

This strand will look to support key/anchor organisations that can push for economic systems change. They will be assessed for strategic fit and have a high level of trust.

In addition,

- We will on-grant £100k to another organisation better placed than us to support the aim of bringing in new organisations that can diversify this new economy space via a small grants programme.
- If funds allow, we will fund activities and services that underpin the movement (organisational capacity building).

Delivery Approach

Open applications. This replaces current 'core' programme which will no longer operate in parallel with the open grants programme.

Target Audiences

Whoever the funded organisations target. The movement itself

Who we might work with.

NGOs, think tanks, similar organisations to the current core portfolio with some additions. New entrants from marginalised communities who we want to support to work in this space.

Short term goals

- Offer stability to these organisations.
- Help develop a stable and well-rooted sector
- Allow organisations the space to be flexible, responsive and creative.

Long term outcomes

- A strong diverse collaborative community of practice with a wider range of funding sources and influence
- To position the movement so that it can outlive the Foundation.
- To advance the cause of economic systems change.

Learning opportunities

- learning partner
- Longitudinal study with common metrics and impact measures.
- Over time allow exploration of a participatory grant making process