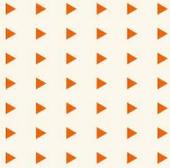




# Philanthropy Flashcards



April 2024 | Volume 1

Part B

A decorative background pattern of overlapping, concentric, light-colored triangles that create a sense of depth and movement.

**FAMILY  
FOUNDATIONS**

Philanthropy has historically been a part of Indian culture and tradition. Of all forms of philanthropic capital, family giving has played a pivotal role in shaping the nation. A key mode of giving for families is through the setting up of family foundations. Rooted in family values, a deep sense of community, and nation-building ethos, family philanthropy has been a cornerstone of India's social development. As younger generations embrace this legacy, the landscape of family philanthropy is evolving, marked by generational shifts, strategic approaches, and a focus on emerging areas of impact.

This note delves into the unique challenges and opportunities faced by family foundations. Drawing insights from an expert panel discussion held at the Dasra Philanthropy Week (DPW) on 29th February 2024, it offers valuable perspectives on the lived experiences of family foundation leaders, around collaboration, innovation and impact.

## CONTEXT

Families often express their philanthropic vision through the establishment of family foundations. These are playing a significant role in promoting grant-making to the social sector, building the philanthropy infrastructure, and strengthening civil society institutions.

While definitions of family foundations vary around the world due to differences in context, the Council on Foundations offers a helpful starting point: a foundation funded by one or more members of a single family. For this note, we also consider the boundaries as members of the family continuing to serve in decision-making or advisory capacities.

Presently, in India, the key modes of operations for family foundations are described below. These modes may be distinct or overlap among family foundations.

- **Own and Operate:** Many affluent families, particularly those with substantial philanthropic capacities, choose to establish their own foundations and actively engage in the operations and implementation of philanthropic initiatives. These foundations may or may not have financial ties to the family's corporate structures. Based on conversations with 165 families in Dasra's GivingPi<sup>1</sup> network, 46% have founded their own foundations with dedicated staff. Examples include the Koita Foundation led by Rekha and Rizwan Koita, utilizing technology to support NGOs; The Art & Photography Foundation India, spearheaded by Abhishek Poddar to promote arts and culture; and Hi5 Youth Foundation, helmed by Radhakrishnan and Usha Sundar, which empowers underprivileged children through basketball, among others.
- **Grant-making:** Conversely, some families opt for grant-making, directing resources to nonprofit partners aligned with their mission. However, families often go beyond mere grant-making, utilizing their extensive technical knowledge, peer networks, and influence to engage with change makers at various levels. This involvement may include offering their time, skills, or advocacy to support nonprofits. Examples of such philanthropic efforts include Rohini Nilekani Philanthropies, which supports NGOs across diverse domains such as gender, mental health, climate, access to justice, and active citizenship; Azim Premji Philanthropic Initiatives, which supports a wide range of areas including disability, civil society strengthening, land, water, forests, and governance; and ATE Chandra Foundation, led by Archana and Amit Chandra, which focuses on social sector capacity building and sustainable rural development.



## ROLES PLAYED BY FAMILY FOUNDATIONS

Family foundations are uniquely positioned to unlock greater domestic philanthropy and bring much-needed flexibility and innovation to India's social sector needs through:

- **Building a legacy of giving:** As family wealth grows, a generational shift in philanthropy is occurring, with younger family members assuming greater responsibility and decision-making authority. This transition has enabled funders to expand the scope of their family foundations by venturing into new sectors like environmental conservation and mental health, supporting innovative social impact ventures, and funding research-driven solutions, thereby enriching the family's philanthropic legacy.
- **Investing in philanthropy infrastructure:** Family foundations are driving impactful and transformative giving by investing in nonprofit capacity building, creating investment-ready vehicles, enhancing advisory strategies, and allocating resources for research, innovation, monitoring, and evaluation. More such investments are needed to fortify the philanthropy infrastructure, ensuring more effective and sustainable philanthropic endeavours.
- **Amplifying their influence and inspiring peers to embrace philanthropy:** Family foundations possess a unique capacity to go beyond traditional grant-making by leveraging their extensive networks and influencing key stakeholders to catalyze change. Additionally, they have been contributing valuable resources such as time, expertise, and influence, encouraging greater engagement in philanthropy among their peers.

## BREAKPOINTS

Given its potential, when unlocked, philanthropy via family foundations can be truly catalytic for India. This section discusses opportunities amidst the challenges faced by foundations, presented as breakpoints. Examining these breakpoints can help meet the needs of the most vulnerable communities as well as address gaps in underserved sectors.

### Breaking through sectoral barriers to reach the last mile

Family foundations often face barriers such as gaps in streamlining of knowledge, service delivery, and reporting across the philanthropic ecosystem as well as fragmented or weak narratives around the need for giving. However, they are inspired to contribute toward nation-building. Intermediaries who focus on institutions and talent can bring more professionalism and nuanced skilling to the sector as well as help streamline the connection between affected communities, nonprofit organisations, and funders. Signs of this shift are visible as foundations have begun promoting participatory approaches and feedback loops.

### Providing patient and flexible capital to strengthen sectoral resilience

"We believe that true impact extends beyond mere program funding. Donors often struggle to understand the need for such shifts, and that's where family foundations can be role models. With the flexibility to provide patient risk capital and prioritize the long-term success of organizations over short-term gains, foundations can support complex, yet sustainable form of impact."

**Poonam Chokshi**  
ATE Chandra Foundation

In the aftermath of the pandemic, India's development challenges have escalated in both scale and complexity, surpassing the government's solitary capacity to address them. Unlike institutional foundations and corporations, family foundations possess greater flexibility and autonomy to provide risk capital. Strengthening grassroots nonprofits has become increasingly critical, ensuring their ability to withstand shocks and empowering the communities they serve to fortify their resilience. Funders must cultivate increased trust in local NGOs, enhancing their agility, responsiveness, and overall resilience as organizations. This necessitates a distinct funding approach—one that is flexible, long-term, and encompasses the genuine costs essential for NGOs to meet the evolving needs of the community. Family foundations have the potential to give flexible funding to non-profits and provide risk capital for innovation and research in underfunded areas and for solutions that have a long-term impact.

## Building a deep understanding of on-ground issues and fostering listening as a core value

"The complexity of the social issues underscores the need for systemic solutions and collaborative approach. It is not enough to provide financial support; it is also about creating and supporting self-sustaining programs that leverage creativity and innovations. Unburdened by short-term interests, family foundations can act with a deep understanding and empathy for the challenges at hand, brings a range of stakeholders together and really drive impact.."

**Ashwin Malwade**  
EkSaath Foundation

Given their proximity to grassroots community groups and understanding of local realities, NGOs play a critical role in supporting the most vulnerable communities, enabling last-mile connections. It is imperative for foundations to tailor their initiatives according to community needs and prioritize active listening to communities via partner NGOs closely involved with them, ensuring a comprehensive understanding of ground-level challenges. Collaborating increasingly with NGOs that have cultivated trust and strong relationships within the community, along with robust feedback mechanisms, is key. Building a trust-based relationship and safe spaces for communities and NGOs is crucial for ensuring their voices are heard. Foundations can achieve this through regular and meaningful interactions, fostering open dialogue about program initiatives.

## Investing in multidimensional solutions through a collaborative approach

"Family foundations have a unique advantage in fostering meaningful change by collaborating closely with stakeholders, actively listening to their specific needs. Thus, foundations are able to adapt and evolve their end-goals and outcomes, responding to what is required. However, what remains consistent is the focus on making social change happen, a commitment that family foundations are well-equipped to uphold."

**Disket Angmo**  
Mann Talks

Family foundations possess a critical advantage in their agility to respond promptly to emerging challenges and opportunities. As families increasingly commit to influencing systemic issues with long-term investments, adopting a holistic mindset and collaborating with diverse stakeholders to address root causes becomes imperative. Whether through partnerships with the government to scale programs, engagement in formal funder collaboratives, or alliances with fellow foundations, prioritizing collaboration is essential for leveraging collective strengths effectively. While one on one partnerships between foundations exist within certain thematic areas, the potential that foundations have to shape the development ecosystem is great. They can act as catalysts in forging connections between government entities, businesses, civil society organizations, and communities, thereby fostering a domestic momentum towards collaboration and bringing the power of many to the table.

## Strengthening the philanthropy infrastructure to create ripples

While the ecosystem of family giving in India has grown and matured significantly over the last decade, there remains a significant gap between the giving potential of family foundations and the needs of the most vulnerable communities in India. In order to bridge this gap, there is a critical need to invest in strengthening the philanthropy infrastructure, which can help address existing information -expectation-priority asymmetry in the sector and unlock greater and more equitable capital at scale through family foundations. The role of intermediaries and private wealth managers becomes critical as family foundations can be complex and demand patience and competence, requiring diverse services to enhance their strategic nature. This includes facilitating access to robust and reliable data on funders and NGOs, offering a diverse range of shovel-ready and fully designed vehicles for giving, fostering platforms for learning and knowledge exchange, providing easy access to high-quality, well-organized insights and thought leadership and delivering high-quality, bespoke strategy advice.

## CONCLUSION

Family foundations stand at the forefront of India's evolving philanthropic landscape. With generational shifts, younger foundation leaders are bringing new ideas, new operating processes, and a willingness to shape nascent and underfunded sectors through refreshed approaches adopted by family foundations. To enhance their impact, family foundations should look to invest in testing new ideas, and invest in strengthening the philanthropy infrastructure to make giving more effective in India. They can unlock greater domestic philanthropy, foster flexibility, and effectively address societal needs through collective action, showcasing their unique role in driving sustainable change.

---

*'GivingPi, under the aegis of Dasra, is India's first and exclusive family philanthropy network focused on growing the philanthropy circle for a transformed India, where a billion people thrive with dignity and equity. This invite-only network is for India's most philanthropic families to engage, learn, and accelerate philanthropy, while aspiring to solve India's development challenges individually and collectively.'*



## About the Philanthropy Flashcard Series

Private philanthropy, growing at 10% in FY 2023, is pegged at INR 1.2 lakh crore (\$15 billion). It is playing a critical role in addressing India's most pressing challenges and advancing its boldest ambitions. If you want to know the big picture, it helps to start with the small details. This series aims to provide a strategic vantage point into the ever-changing landscape of philanthropy in India. Presented as flashcards, we capture key insights on shifting trends, barriers, and opportunities, on philanthropy. This volume covers three key segments: family foundations, corporate social responsibility, and collaborative philanthropy. Dasra is committed to boosting philanthropy within and towards India from a global perspective. The Philanthropy Flashcard series provides succinct insights based on data and conversations with key stakeholders.

