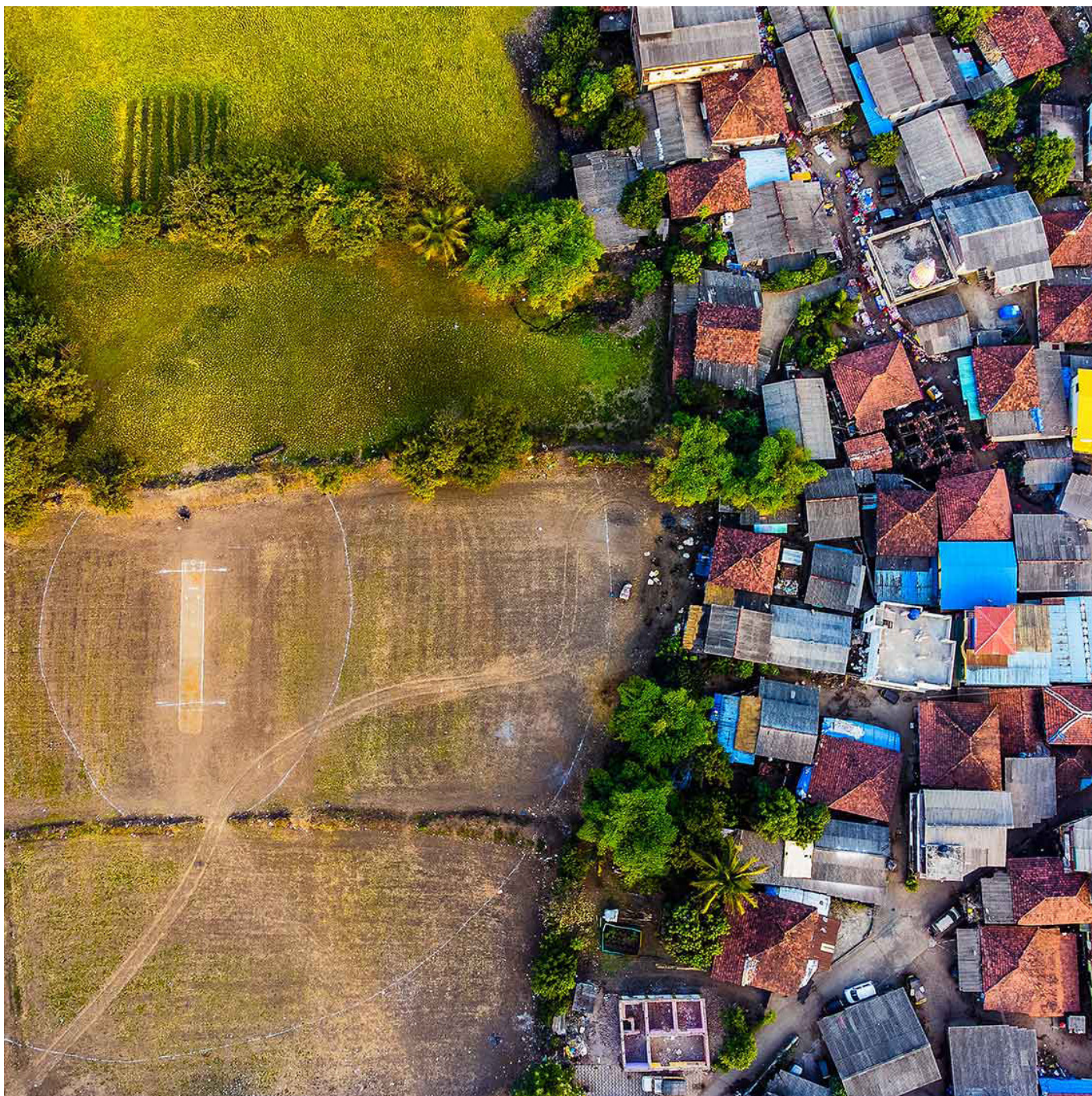




India Philanthropy Report 2023

Private philanthropy is beginning to reimagine a resilient future for India.



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Executive summary

India's economic growth remains robust, with a GDP growth rate of 8.7% in FY 2022. However, despite strong GDP growth, a burgeoning middle class, and striving to become a \$5 trillion economy by FY 2025, multi-dimensional inequalities continue to persist in India. As the country emerges from the Covid-19 pandemic, it is critical that ecosystem stakeholders invest in strengthening the philanthropic infrastructure for building community resilience.

India's social sector spending as a percentage of GDP grew from 8.6% in FY 2021 to 9.6% in FY 2022 due to 35% growth in public spending. Despite this progress, India remains well short of NITI Aayog's estimate (13% of GDP) of total annual funding required to achieve United Nations Sustainable Development Goals (SDGs) by 2030.

The public sector has been carrying the weight of social sector spending in India, accounting for 95% of total spending. However, with an expanding budget deficit, higher debt burden, and increased crude oil prices, private philanthropy needs to step up and play a catalytic role in bridging the funding gap in India. Overall, private philanthropy has grown at a moderate pace of about 8% from FY 2017 through FY 2022, despite foreign funding remaining stagnant. In FY 2022, private contributions totaled about \$13 billion (INR 1.05 lakh crore). Corporate social responsibility (CSR), family philanthropy (ultrahigh net worth individuals [UHNIs; net worth above INR 1,000 crore], high net worth individuals [HNIs; net worth of INR 200–1,000 crore], and affluent individuals [net worth of INR 7–200 crore]), and retail giving cumulatively contributed about 86% of private philanthropy in India and are expected to remain the foundation of private giving in India.

CSR spending has grown at 13% over the last five years, reaching \$3.3 billion (INR 27,000 crore) in FY 2022. While it grew at a slower pace in FY 2022, we expect it to sustain its historical growth and reach \$6.4 billion (INR 52,000 crore) by FY 2027.

Family philanthropy has grown at 12% over the last five years, reaching \$3.6 billion (INR 29,600 crore) in FY 2022 driven primarily by a growth in HNIs/affluent givers (net worth of INR 7–200 crore). UHNI contributions have been volatile with contributions (excluding contributions by Azim Premji) dropping by 5% in FY 2022, despite a 9% increase in their cumulative wealth. Indian UHNIs continue to donate substantially less compared to peers in the US, UK, and China.

Retail giving in India continues to be community-driven with just over 22% of contribution value coming from formal giving. It has grown at a modest 6% annually from FY 2017 to FY 2022, with contributions reaching \$4 billion (INR 32,700 crore). However, with the expanding middle class and the sheer growth in the number of donors, retail giving is expected to grow at 9% annually and contribute about 29% of total private giving by FY 2027.

The large funding gap makes clear that all the cohorts within private philanthropy will have a crucial role to play in bolstering inclusive and sustainable development. Narrative-driven retail giving is well positioned to address urgent and important community needs. Corporate India, which is bound by the CSR framework, can direct funding towards scaling proven nonprofit initiatives. HNIs and affluent givers are an emerging cohort with high potential to strengthen the philanthropic ecosystem. UHNI givers can play a particularly important role in strengthening the philanthropic infrastructure by providing flexible and long-term capital.

Within family philanthropy (UHNIs, HNIs, and affluent givers), we see two cohorts as harbingers in reshaping giving, disrupting sector barriers. Now-Gen givers, who are professionals and entrepreneurs with first-generation wealth, and Inter-Generational givers, which includes the current generation of traditional family philanthropists, are transforming giving by looking beyond historical funding preferences and beginning to focus on underrepresented causes. Over 90% of Inter-Gen and Now-Gen donors from our sample want to be increasingly involved in emerging causes such as climate change; gender, equity, diversity, and inclusion (GEDI); and strengthening philanthropic infrastructure. Most of these Inter-Gen and Now-Gen givers are open to adopting catalytic ways of giving; willingness to share insights, unrestricted funding, and collaborative funding. Giving behaviours of Now-Gen and Inter-Gen funders suggest a positive directional shift in philanthropy as we head towards India@100.

Private philanthropy has a unique role to play in building bridges by working at the intersection of government, businesses, foundations, civil society, and communities. It is critical to harness diverse resources and patient capital that strengthens the philanthropic infrastructure towards fostering greater learning, innovation, and collaboration. This will enable ecosystem stakeholders to create a transformed and resilient India where no one is left behind.

The status of social sector funding in India

The Indian economy continues to be one of the fastest-growing economies in the world, with a real GDP growth rate of 8.7% in FY 2022. While India's growth story remains robust, global factors such as the ongoing Russia-Ukraine crisis and the unpredictable nature of Covid-19 variants may continue to pose a degree of risk to the country's economy in the next couple of years.

Inequalities persist in India, despite strong GDP growth, a burgeoning middle class, and striving to become a \$5 trillion economy by FY 2025. The ratio of wealth between the top 10% and the bottom 50% stands at 22 (compared to 17 in the US and 14 in China). As India emerges from the Covid-19 pandemic, it is critical to prepare for negative shocks in a holistic manner across economic, social, technological, and environmental factors. The philanthropic ecosystem along with the public, private, and social sectors must collaborate effectively towards building community resilience for achieving the vision of long-term sustainable and inclusive growth.

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Over the last five years, total social sector expenditure in India has seen an annual growth of 15%, from \$135 billion (INR 11.1 lakh crore) in FY 2017 to \$276 billion (INR 22.6 lakh crore) in FY 2022. Much of this growth, however, is due to increasing government spending (central and state social expenditure), accounting for nearly 95.4% of total expenditure in FY 2022, up from 93.5% five years ago. In FY 2022 itself, public funding grew by 35%, driving the total supply of funds to 9.6% of GDP from 8.6% in FY 2021. Accordingly, the funding deficit reduced by 1% to 3.2% of the GDP in FY 2022.

Despite the growth, India is still significantly short of NITI Aayog's estimation of the total annual funds needed (about 13% of the GDP) to achieve UN SDG commitments by 2030. The current deficit amounts to \$94 billion (INR 7.7 lakh crore) for FY 2022. With the public spending growth rate likely to decline to historical levels once healthcare spending is reduced post-pandemic, the deficit is anticipated to reach \$152 billion (INR 12.4 lakh crore) by FY 2027.

Due to rapid growth in public spending, India's social sector spending as a percentage of GDP surpassed that of its neighbouring countries in FY 2022. Social sector spending is still considerably lower than that of other BRICS (Brazil, Russia, India, China, and South Africa) countries and the Organisation for Economic Co-operation and Development (OECD) countries (see *Figure 1*).

“The government and private sector are players who can take things to scale at a national or regional level. NGOs don't need to compete with either of them. NGOs can build effective programs through research and innovation, and the philanthropy ecosystem can fund them to build models that foster collaboration with these sectors. Having a well-thought-through perspective on these different mechanisms of scale and impact is very important.”

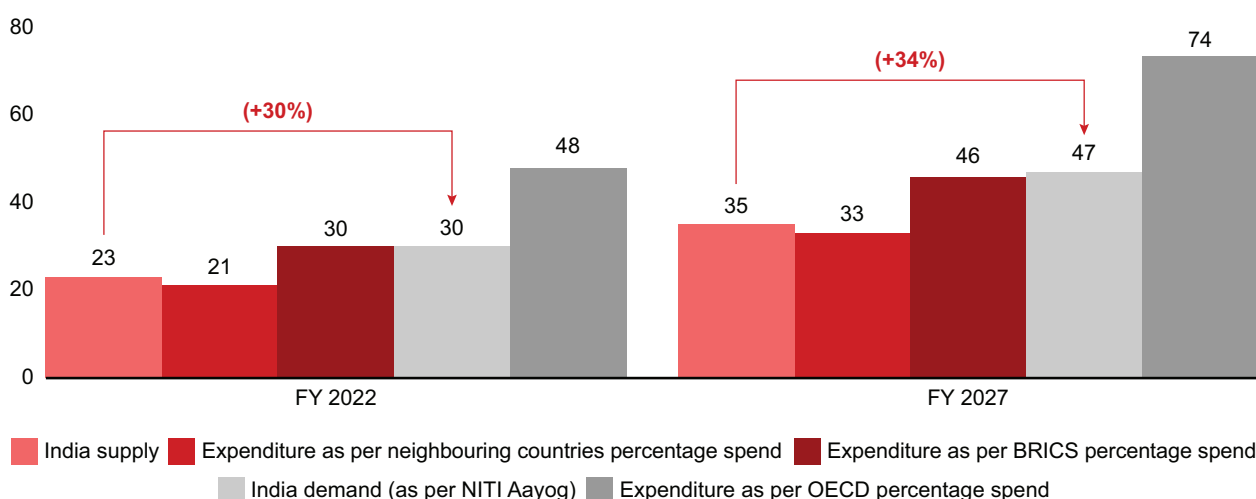
—Nachiket Mor, The Banyan Academy of Leadership
in Mental Health

It is critical to fill the social sector funding gap that exists in India. As in any developing country, the government has carried the weight. But with an expanding budget deficit, higher debt burden because of the pandemic, and increased crude oil prices, government finances are likely to be restricted. Accordingly, growth in public funding is likely to moderate to its pre-pandemic levels (an annual growth rate of about 12%) and the imperative remains on private philanthropy to play a catalytic role in closing the funding gap.

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Figure 1: The deficit in social sector funding in India could rise to about INR 12.4 lakh crore by FY 2027

Demand supply gap in social sector funding in India (INR lakh crore, until FY27)



Notes: Demand for social sector funding projected using NITI Aayog's Voluntary National Review report, citing an additional annual funding requirement of 6.2% of GDP by 2030; neighbouring countries include Sri Lanka, Bhutan, Nepal, and Maldives
Sources: OECD; United Nations Economic and Social Commission for Asia and the Pacific; Unicef; Bloomberg; NITI Aayog's Voluntary National Review (VNR) Report 2020; International Monetary Fund (IMF); Bain analysis

Private philanthropy growth has been restrained in FY 2022

Private sector giving comes from two major sources: foreign and domestic philanthropists. Domestic philanthropists include corporations (CSR and corporate trusts) and individuals. Domestic individuals are further classified as family philanthropists (UHNIs, HNIs, and affluent individuals), based on their net worth or income and donation quantity, and retail givers. HNIs, affluent individuals, and retail donors showed growth in FY 2022, while UHNI and international funding declined. Overall, private giving remained flat in FY 2022 at INR 1.05 lakh crore compared to FY 2021. CSR spending has continued to grow, driven by the government's 2% mandate. Retail giving grew through increased community giving towards supporting one another in times of need. The onus to fill the funding gap remains on family philanthropy.

1. CSR spending has grown 5% over FY 2021 to INR 27,000 crore in FY 2022. Contribution to overall domestic private giving at 30% in FY 2022 continues to increase compared to 29% in FY 2021 and 25% in FY 2017.
2. Excluding contributions by Azim Premji, UHNI giving has contracted by 5% from FY 2021 despite a 9% increase in cumulative UHNI net wealth in FY 2022. Overall UHNI philanthropic giving has dropped to INR 4,230 crore from INR 11,811 crore in FY 2021, largely influenced by Azim Premji's individual giving, reducing by INR 9,000 crore (due to the share buy-back in 2021 benefiting foundations directly).

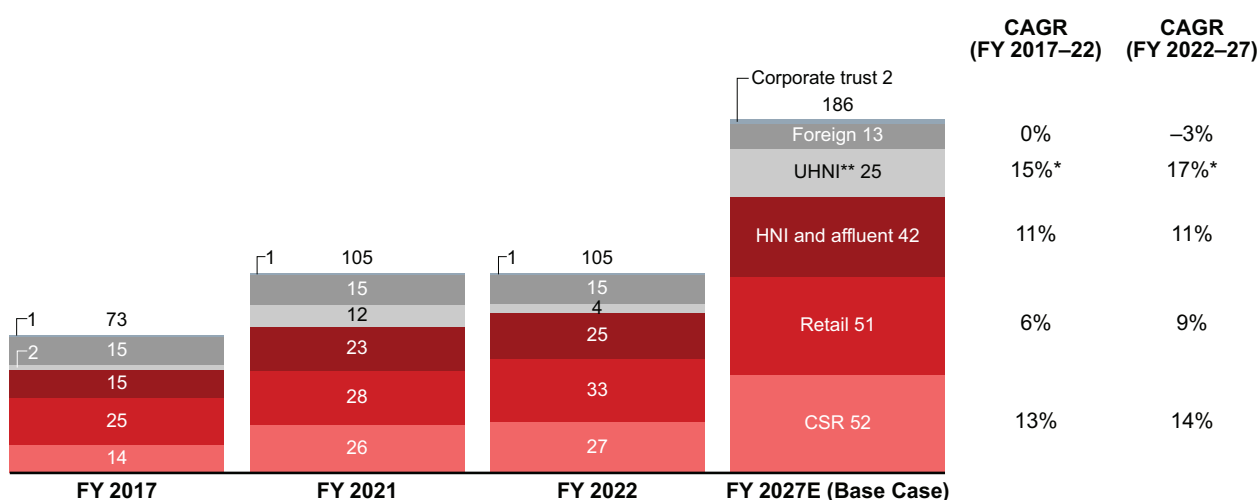
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3. HNIs and affluent individuals' giving grew 11% over FY 2021 to INR 25,300 crore. Their contribution has remained largely unchanged at about 28% in FY 2022 compared to about 26% in FY 2021 and 27% in FY 2017.
4. Retail giving grew 18% over FY 2021 to INR 32,700 crore in FY 2022. Retail contribution to domestic private giving remains at 36%. Retail giving continues to be largely unorganised (peer to peer/ community-based), with only 22% of giving directed through non-governmental organisations (NGOs).
5. Private foreign giving dipped by about 3% from FY 2021 to INR 15,000 crore in FY 2022; contribution to overall giving remains restrained at 14% compared to 15% in FY 2021 and 21% in FY 2017.

Total private philanthropy financing in India is expected to expand at 11% annually over the next five years, driven by strong development in three segments: CSR, family philanthropy (UHNIs, HNIs, and affluent givers), and retail. Growth can be even greater if we harness key enablers within each segment, as indicated in the next sections of the report (see *Figure 2*).

Figure 2: India's private funding breakdown by segment

India's private funding growth projection by segment (INR '000 crore)



Notes: UHNI: ultra-high-net-worth individual; HNI and affluent giving are not directly tracked by existing sources but estimated and retrospectively corrected based on updated population, wealth estimates, and giving ranges for each wealth level; *UHNI CAGR excludes Azim Premji; **UHNI funding amount includes Azim Premji; CAGR stands for Compound Annual Growth Rate
 Sources: Fair Credit Reporting Act (FCRA) filings; Hurun donor databases; IMF; Corporate Social Responsibility (CSR) portal; proceedings of the Parliament of India; Charities Aid Foundation report; TATA Trusts annual reports; Bain analysis

CSR remains promising but can adopt more need-based spending

Corporate spending on the social sector has seen a robust annual growth rate of 13% over the last five years, and currently stands at INR 27,000 crore in FY 2022. Its contribution to overall domestic private giving is at 30% in FY 2022 and has continued to increase from 25% in FY 2017. This is significantly higher than in the US, where corporate donations make up less than 5% of all charitable giving. The fact that many businesses have started giving more than the government-mandated 2% has helped fuel this surge even further, with BSE 200 companies contributing an additional INR 1,200 crore over the 2% mandate in FY 2022.

Historically 50% of the total CSR contribution was attributable to the BSE 200 listed companies. But with more companies falling in the domain of CSR regulations, this proportion has reduced to 47% by FY 2021. In FY 2021, 82% of corporations in India that fall under the CSR domain made positive CSR donations, up from 45% in FY 2017. Further, compared to 193 in FY 2017, 331 enterprises had an annual contribution of more than INR 10 crore in FY 2021.

However, about 50% of state-specific CSR spending is directed towards just a few states, namely Maharashtra, Gujarat, Karnataka, and Tamil Nadu, indicating a geographical bias and the need to broaden the allocation across states. On the contrary, public allocation is more evenly spread out and focused on need-based spending, with the government providing 32% of its social sector budget to six states with National Domestic Product (NDP) per capita of less than INR 1 lakh, compared to just 17% for CSR. The state-wise comparison indicates a greater need to fund Meghalaya, Bihar, Madhya Pradesh, Uttar Pradesh, and Jharkhand where both CSR spending per capita and NDP per capita are on the lower end of the spectrum (see *Figure 3*).

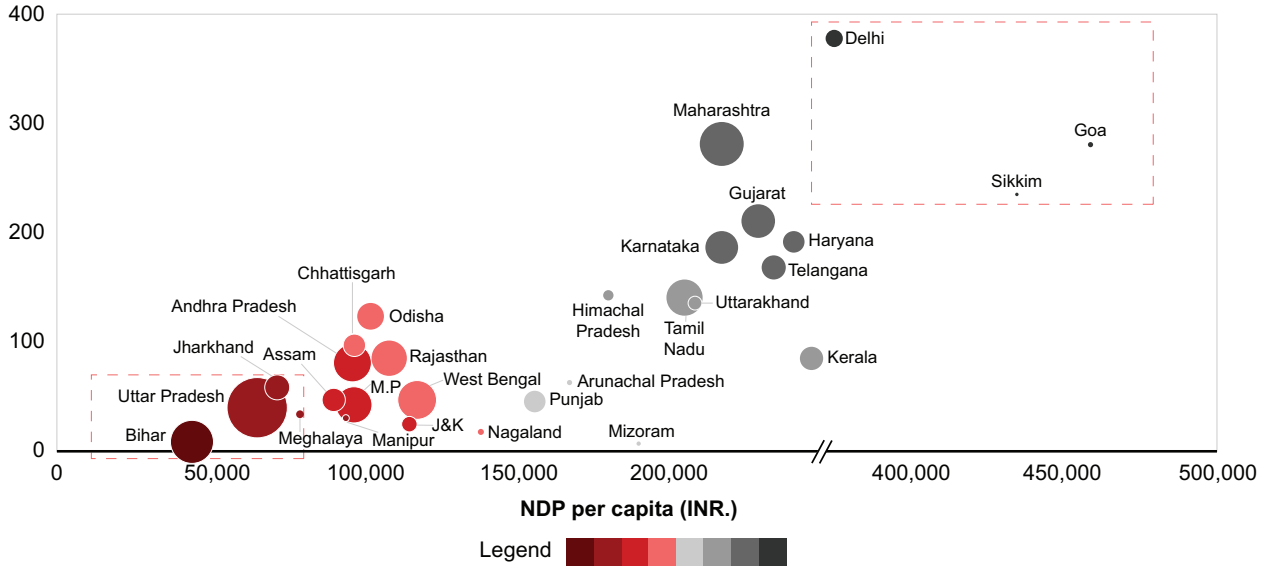
In addition to bringing corporate funds into social development, CSR 2021 amendments have aimed to enhance transparency and disclosures around existing CSR activities. With a requirement for independent impact assessments for corporate spending more than INR 10 crore in the previous three years, India is positioned to realign priorities based on the needs of affected communities. The welcome amendment for impact assessments will drive greater clarity.

In terms of sectoral allocation of funds, healthcare and education continue to lead the way with about a 55% share of contributions. Owing to the pandemic, funds for other causes were redirected towards healthcare and disaster relief, with their share increasing to 35% in FY 2021 and 32% in FY 2022 compared to 23% in FY 2020 (see *Figure 4*).

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Figure 3: States such as Bihar, Uttar Pradesh, Jharkhand, and Meghalaya lagged in their CSR per capita and NDP per capita in FY 2021

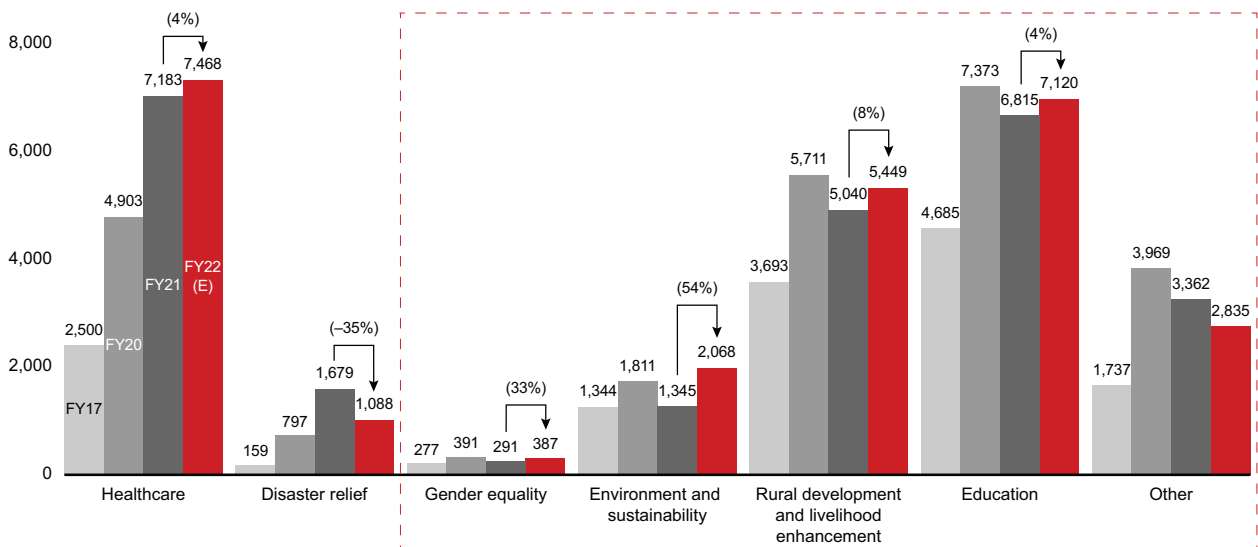
CSR per capita (INR.)



Notes: Size of the bubble represents state's population; colour gradient score based on CSR spending per capita and National Domestic Product (NDP) per capita, with red indicating a greater need to fund those states
Sources: Economic Survey 2021–22, National Corporate Social Responsibility (CSR) portal; Bain analysis

Figure 4: Healthcare and education continue to lead the way with 55% share of contributions

CSR Sectoral Fund Allocation (INR crore)



Note: Other includes causes such as art, culture, and heritage; skills development; and sports development
Sources: National Corporate Social Responsibility (CSR) portal; Bain analysis

Family philanthropy remains the key to bridge the social sector funding deficit

Contributions made by UHNIs (net wealth >INR 1,000 crore), HNIs (net wealth of INR 200–1,000 crore), and affluent givers (net wealth of INR 7–200 crore) together make up family philanthropy. It accounted for 33% of private domestic contribution and is expected to grow at an annual rate of 12% till FY 2027 (excluding Azim Premji).

Indian UHNI contribution has not kept pace with wealth creation and continues to be narrow

Growth in UHNI giving (excluding Azim Premji) is below-par with a 5% contraction in FY 2022. Overall UHNI philanthropic giving has dropped to INR 4,230 crore from INR 11,811 crore last year, largely influenced by Azim Premji's giving dropping by INR 9,000 crore (due to the share buy-back in 2021 benefiting the foundations directly).

Cumulative UHNI net wealth in India climbed by 9.2% in FY 2022, with the top level of greater than INR 50,000 crore wealth witnessing a 19% jump. Over the years, growth in contributions by top donors has been moderate, with a compound annual growth rate (CAGR) of 7% (excluding Azim Premji) from FY 2020–22, compared to their wealth increase of 24% and NIFTY50 growth of 25%. Given the decline in total donations and the overall increase in wealth in the last year, UHNIs' giving as a percentage of net wealth declined.

Compared with the US, UK, and China, Indian UHNIs donate substantially less across all wealth levels (see *Figure 5*). As highlighted in the India Philanthropy Report 2022, Indian UHNIs could boost their total contribution by 8–13 times if they matched their counterparts in China, the UK, and the US. Amid the rising wealth of UHNIs in India, more individuals must step up their giving.

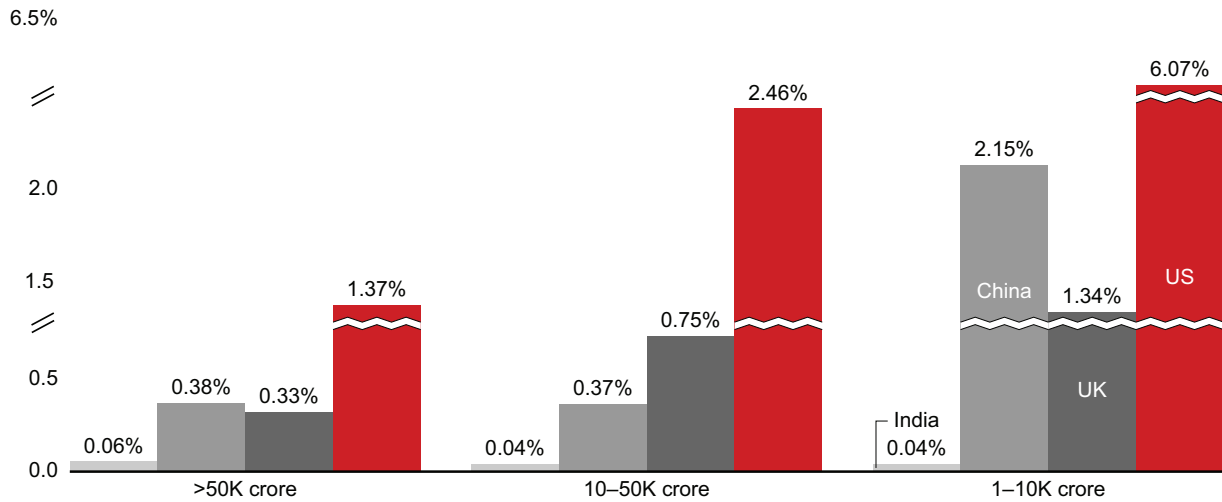
Looking at sectoral trends for the past three years, allocation has traditionally skewed towards education, with Azim Premji giving about INR 16,000 crore towards education over FY 2020 and FY 2021. Even excluding Azim Premji's contribution, healthcare and education made up 49% of UHNI giving in FY 2021. In FY 2022, too, education and healthcare accounted for 58% of total giving, while contributions to sectors such as art, culture, and heritage and rural development and livelihood enhancement dropped (see *Figure 6*).

When surveying a sample of UHNI givers, we found that 70%–75% of them contribute at least a share of their giving towards education or healthcare sectors, indicating a strong affinity. Comparatively, philanthropy in developed countries is more varied with only 40%–45% of givers contributing towards education or healthcare.

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Figure 5: Giving as a percentage of wealth for Indian UHNIs is low across wealth levels when compared to the US, China, and UK

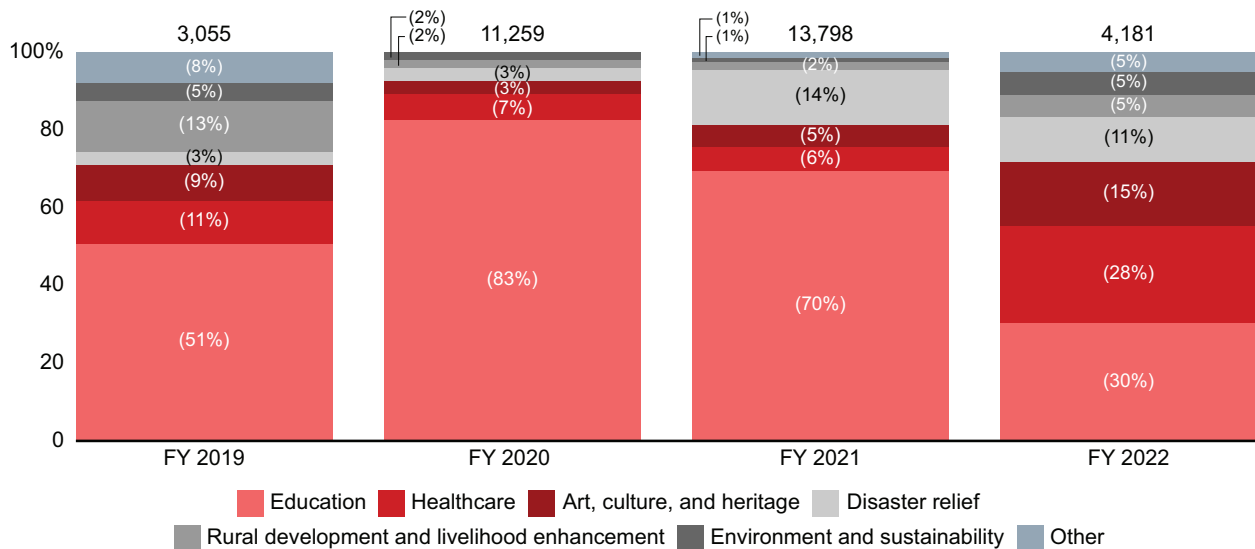
Average contribution by wealth (percentage of net worth donated, FY 2022)



Notes: Analysis excludes outliers (people donating more than 10% of their wealth in the mentioned year; Azim Premji for India); wealth levels equalised based on 2021 purchasing power parity, 2020 for US; 2021 for all other countries; UHNIs: ultra-high-net-worth individuals
Sources: Hurun donor databases; The Sunday Times Giving List 2022 (UK); The Philanthropy 50 List 2021 (US); Bain analysis

Figure 6: Share of education and healthcare dropped in FY 2022

Allocation of UHNI donations by cause (INR crore)



Note: UHNI: ultra-high-net-worth individual; Other includes sports development, societal platforms and thinking and others
Sources: Hurun donor database; Bain analysis

HNI and affluent population hold significant future potential

The rise in HNI and affluent giving is driven by a 12% increase in the affluent population and a 7% increase in the HNI population, with combined contribution increasing by 11% over FY 2021 to INR 25,300 crore. The affluent population is expected to play an important role in giving in the future, too, with its population predicted to rise to 15.5 lakh individuals by FY 2027 from the current 8.7 lakh individuals.

While giving has witnessed an upward trajectory, stakeholders have noted that HNI and affluent giving behaviours can be viewed as an extension of retail givers, such that their giving choices are driven by the narratives or stories that stir an emotional connection in comparison to having an affinity towards a sector or cause. Their involvement in that narrative strengthens with an increase in the quantum of giving, but this may not necessarily change the decision-making factors governing their giving choices.

Given this segment of givers is poised to grow in the future and has a strong desire to give, it is important to engage this group and enable their philanthropic journeys. For example, Give's crowd-funding events engage HNI and affluent givers via a tech-enabled platform. In their recent event, 30% of the funds raised came from this segment of donors, highlighting the vast potential that this cohort has.

“HNIs and affluent givers are a large segment with the desire to give. Building trust and unlocking their giving potential will require tech platforms that are convenient to use and access to reliable NGO data.”

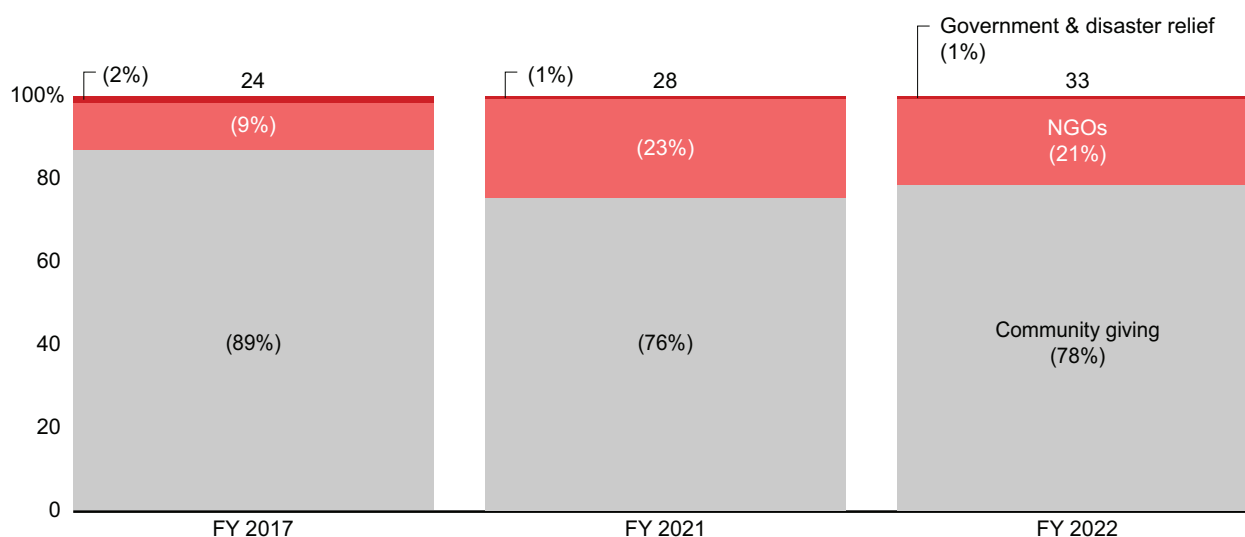
—Sumit Tayal, Give

Retail giving growing on the back of community giving and digital enablement

Retail giving rose 18% over FY 2021 to INR 32,700 crore in FY 2022, driven by increased contributions to NGOs, disaster relief funds, and community giving. This increase was primarily driven by a 20% growth in community giving to support one another in times of need.

78% of retail giving goes to community giving, with peer-to-peer healthcare donations being the biggest contributor. In parallel, contribution of formal giving has steadily increased over the years from 11% in FY 2017 to 22% in FY 2022. Increasing adoption of Unified Payments Interface (UPI), digital giving innovations in payroll giving, crowdfunding, and e-commerce-based giving have been central to this growth (see *Figure 7*).

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Figure 7: The share of formal giving rose from 11% in FY 2017 to 22% in FY 2022**Total retail giving by channel (INR '000 crore)**

Note: The chart does not include faith-based giving; NGOs are non-governmental organizations
 Source: Charities Aid Foundation; India Giving Report 2021, Sattva; Everyday Giving in India Report; Bain analysis

Disaster relief funds and NGO donations have become active in-app features on widely used payment apps such as Paytm and Google Pay. For example, Paytm was able to garner INR 100 crore contributions for the PM-CARES fund in 2020. Crowdfunding presents a significant opportunity for formalising retail giving with platforms such as Milaap, Ketto, ImpactGuru, and Give raising INR 3,600+ crore in 2020, driven by increased online giving during the pandemic. Charities Aid Foundation India predicts that 50% of all giving in India will occur through online channels within the next 5 years.

Role of various cohorts in Indian philanthropy

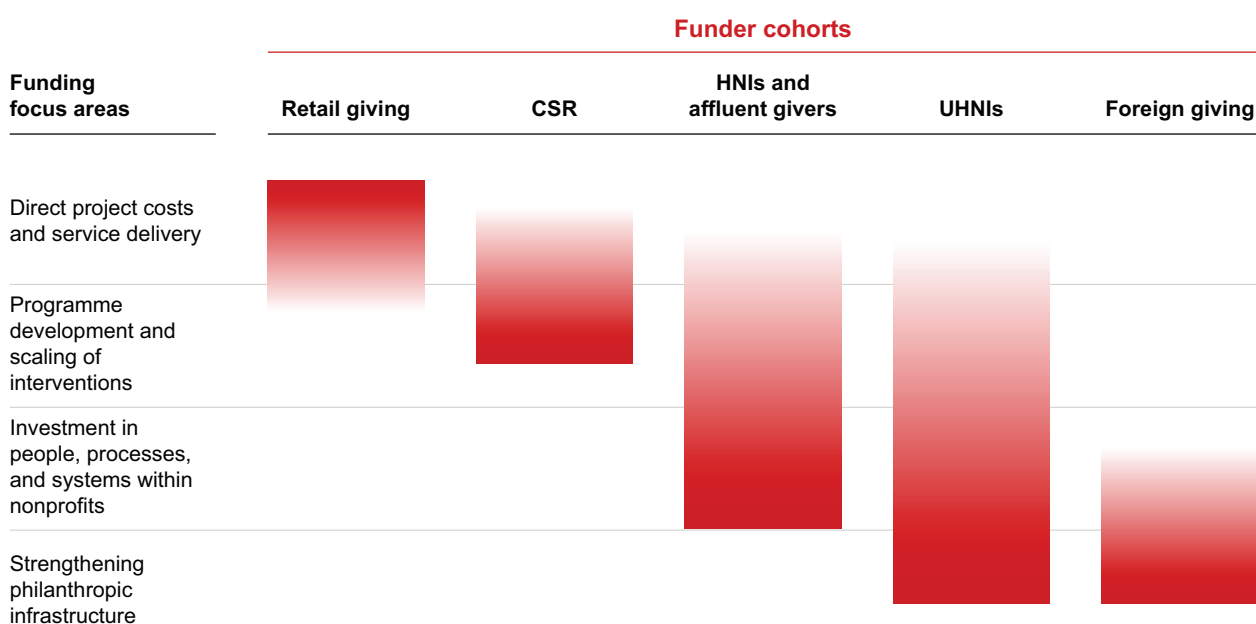
Indian corporations (via CSR), family philanthropy (comprising UHNIs, HNIs, and affluent givers), and retail givers are key cohorts shaping India's private philanthropy. The significant social sector funding gap in India necessitates each cohort to play a unique and important role to ensure inclusive and sustainable development. However, these roles are not explicitly articulated. While not mutually exclusive, building a narrative would streamline roles for the various cohorts, helping them approach their philanthropy more strategically and with better operational clarity. In practice, givers have overlapping funding focus areas within the philanthropy ecosystem as they respond to interconnected stressors and sectoral needs (see Figure 8).

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The roles played by these cohorts are also deeply correlated to their funding focus areas, involvement in the sector, critical needs of the community, and incentives and constraints that regulate their interactions in the philanthropic ecosystem. They can broadly be defined as:

1. Retail giving remains largely unorganised, and these givers are driven by narratives, which is ideally positioned to address urgent and critical community needs.
2. Corporate India is bound by the CSR framework and tends to be more compliance-driven. Given this, use of CSR funds can be directed towards scaling tested and proven nonprofit initiatives.
3. HNIs and affluent individuals are an emerging cohort of givers who have high potential to strengthen the philanthropic ecosystem (e.g., via capacity-building of nonprofits) and contribute strategically once they are engaged and build the trust of nonprofits.
4. UHNIs typically give through their own trusts and foundations. Thus, they can play a strategic role by providing more flexible and patient capital. UHNIs who make long-term commitments to provide consistent funding for building philanthropic infrastructure can be considered institutional givers.
5. Foreign foundations play an enabling and catalytic role in unlocking greater domestic capital and providing resources as well as foundational knowledge to strengthen nonprofit organisations and programmes.

Figure 8: Roles played by various segments of private philanthropy in India



Note: CSR: corporate social responsibility; HNIs: high-net-worth individuals; UHNIs: ultra-high-net-worth individuals
Source: Dasra and Bain analysis

“Family philanthropy has the flexibility and potential to invest in testing new ideas, making it well suited to invest in strengthening the philanthropy infrastructure. There is a growing recognition among philanthropic families to focus on utilising unique ways of capital mobilization to bring both philanthropic and commercial capital to the sector.”

—Prabhir Correa, Waterfield Advisors

The factors and barriers influencing various cohorts of donors offer actionable insights into **specific enablers** that can make philanthropy more effective (see Figure 9):

- 1. Retail Givers:** A need to formalise giving through increased adoption of digital platforms can drive penetration and upscaling of retail giving. This will help cultivate a stronger culture of giving among Indian families. While there has been increased adoption due to the Covid-19 pandemic, there is a need to sustain the momentum.
- 2. Indian Corporations:** Looking at CSR in tandem with overall corporate objectives is a key enabler to boost overall impact. Organisations have started considering philanthropy as an extension of corporate responsibility in areas such as environmental, social and governance (ESG) and diversity, equity, and inclusion (DEI). Examples include transition to renewable energy sources, ensuring that all aspects of society are well represented, offering employee retraining programmes and job placement services, and transparent and accountable governance.
- 3. HNIs and Affluent Individuals:** Increased collaborative funds and innovative finance platforms providing greater visibility on impact can unlock significant potential amongst HNIs and affluent donors. Some progress on this has already been made through the setup of funds such as ACT Grants, GROW fund, Young India Philanthropic Pledge (YIPP), and Rebuild India Fund. Private equity funds and innovative finance platforms with newer vehicles, such as returnable grants, blended finance, and interest subvention methods, are also being adopted.
- 4. UHNIs:** An increased number of trusted intermediaries who focus on institutions and talent, bring more professionalism and nuanced skilling to the sector. They can also streamline the connection between affected communities, nonprofit organisations, and funders. Signs of this shift are visible as givers are promoting participatory approaches and feedback loops.

Among the enablers described above, philanthropic infrastructure is the common denominator that cuts across all funder cohorts. Strengthening philanthropic infrastructure is critical for channelling funds to the social sector. Consequently, inadequate infrastructure is also one of the key barriers to the inflow of capital.

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Figure 9: Influencing factors and barriers to giving across domestic cohorts in the philanthropic ecosystem

Private giving segment	Influencing factor	Barriers
Retail givers	• Compelling narrative-based campaigns by nonprofits • Organized giving opportunities through crowdfunding websites, subscription-based initiatives, etc.	• Insufficient incentives for formalization of giving • Lack of awareness on giving platforms and nonprofit programmes
CSR through corporations	• Driven by quantifiable and measurable impact • Corporate governance and employee engagement can influence decision making on geography and sectors	• Stringent norms around use of funds lead to projects with shorter gestation periods • Dependence on quantitative impact assessment and administrative obligations
HNIs and affluent individuals	• Motivated by new wealth creation and an interest in “giving back” • Influenced by opportunities arising due to donation requests, narrative-based campaigns, or peer-learning	• Trust deficit with NGOs due to existing information gaps • Inadequate infrastructure to unlock giving with insufficient investment vehicles and limited intermediary presence
UHNIs	• Inspired to contribute toward nation building • Responsibility and accountability toward easing social inequalities	• Gaps in streamlining of knowledge, service delivery, and reporting across the philanthropic ecosystem • Fragmented or weak narratives around the need for giving

Note: CSR: corporate social responsibility; HNIs: high-net-worth individuals; UHNIs: ultra-high-net-worth individuals
Source: Dasra and Bain analysis

Family givers play a catalytic role in strengthening philanthropic infrastructure

Family philanthropic capital with the freedom to be more flexible has a particularly important role to play in strengthening the infrastructure to make giving effective, be more disruptive, and shift focus to causes that are underserved. Philanthropic infrastructure can be strengthened by supporting nonprofit capacity building, setting up investment-ready vehicles, bolstering advisory strategy, and providing funds for research, innovation, monitoring, and evaluation. Prioritising philanthropic infrastructure can also help givers break through sectoral barriers and move in the direction of creating systemic impact.

Within family philanthropy, we see two cohorts as harbingers in reshaping giving by overcoming existing sector barriers owing to their disruptive mindsets:

- Now-Generation (Now-Gen), which comprises professionals and entrepreneurs who are first-generation wealth creators
- Inter-Generational (Inter-Gen), which comprises the current generation of traditional family philanthropists

Case Study: Inter-Gen and Now-Gen givers are “green shoots” with high growth potential

Conversations with GivingPi members (a network of family philanthropists in India) reveals that while historically preferred sectors such as education and healthcare continue to be supported by both Inter-Gen and Now-Gen funders, these cohorts are beginning to focus on underrepresented causes within these sectors, including life skills, teacher training, special needs education, tuberculosis, palliative care, eye care, and cancer care.

Furthermore, a significant number of Inter-Gen and Now-Gen funders are diversifying their giving portfolios (see *Figure 10*):

- **Inter-Gen donors leading the way in applying a GEDI approach:** 33% of Inter-Gen donors are investing in underrepresented sectors, such as GEDI, which includes mental health (e.g., Raj Mariwala, Vidhi Shanghvi) and gender equality (e.g., Roshni Nadar, Riah Forbes). The GEDI approach focuses on building a more equitable and inclusive world while acknowledging the diverse realities in society. Almost one in five (19%) Inter-Gen donors are giving to emerging areas such as arts, culture, and heritage (e.g., Sanjiv Saraf, Abhishek Poddar) and sports (e.g., Radhakrishnan Sundar), and 36% are supporting livelihood enhancement and skill development (e.g., Jalaj and Vita Dani).
- **Now-Gen donors leading in their focus on the philanthropic ecosystem:** 31% of Now-Gen donors are investing in ecosystem strengthening (e.g., Amit Chandra, Donald Lobo). Conversations with Now-Gen cohorts showcase that they are technologically savvy and have an entrepreneurial approach to their giving.
- **Climate action as a common focus:** 31% of donors from both cohorts are giving to climate action and resilience efforts (e.g., Rohini Nilekani, Nithin and Nikhil Kamath, Leena Dandekar, and Aditi Kothari Desai). This includes giving to fields such as wildlife conservation, environment, water treatment, sanitation, forestry, and renewable energy.

“Our philanthropy centers on the climate crisis, which intersects with various sectors and has a far-reaching impact on them. Our outlook has evolved from supporting initiatives in the domain to also investing in building relevant narratives for increasing awareness throughout the ecosystem and driving meaningful change through policy advocacy.”

—Nikhil Kamath, Zerodha and Young India Philanthropic Pledge

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Figure 10: Sectoral split of giving by Inter-Gen and Now-Gen philanthropists

Where they give	Inter-Gen	Now-Gen
Historical causes	75%	75%
Livelihood enhancement and skill development	36%	13%
GEDI	33%	6%
Climate action	33%	25%
Arts, culture, and heritage; Sports	19%	6%
Ecosystem strengthening	3%	31%
Other	17%	25%

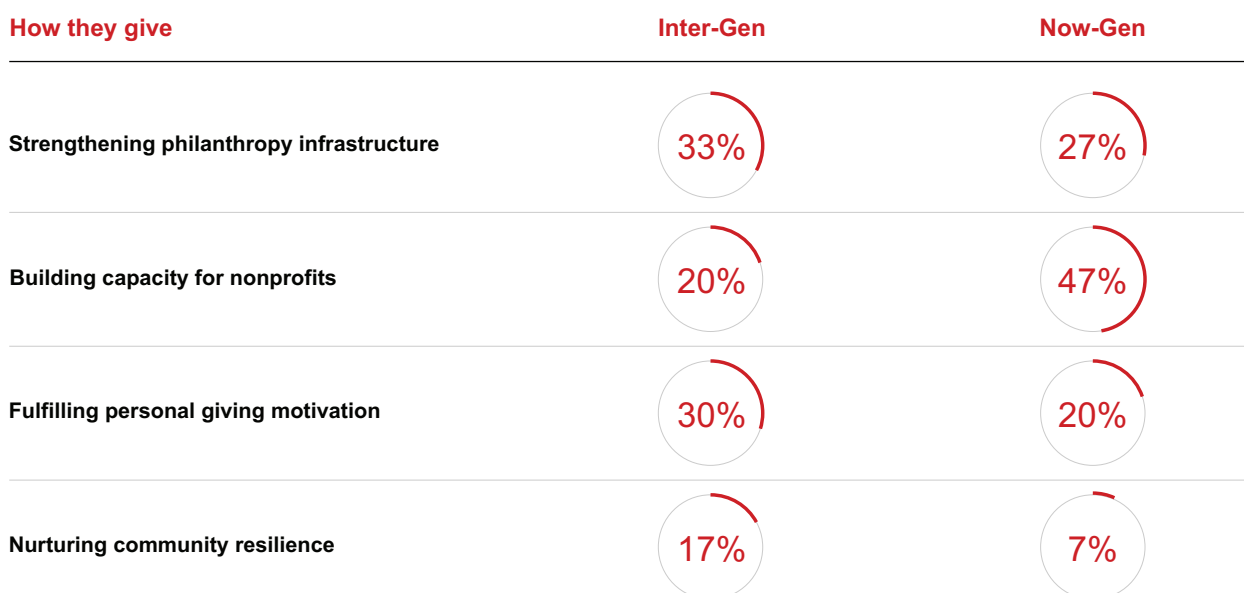
Notes: N for Inter-Gen and Now-Gen are 36 and 16, respectively; historical causes include education, healthcare, EdTech, senior care, palliative care; Gender, Equality, Diversity, Inclusion (GEDI) includes gender equality, social justice, disability, and mental health; Other includes animal welfare, rural development, urban planning, and sector-agnostic
 Sources: Dasra GivingPi; Bain analysis

Inter-Gen and Now-Gen are increasingly leveraging data, technology, and narrative building to make giving more effective. Emerging evidence from GivingPi also suggests that there is a clear shift from giving based on personal motivations to building a stronger India. Inter-Gen and Now-Gen donors are keen to nurture community resilience, strengthen philanthropic infrastructure, and build capacity of nonprofits (see Figure 11).

“The next generation of philanthropy is increasingly adopting a systems-thinking and field-building approach. Many of them are keen to build a resilient India through technology innovation, collaborative action, and pooled funds, increasing uptake of blended finance instruments, and a greater emphasis on equity and inclusion in their giving.”

—Pritha Venkatachalam, Bridgespan Group

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Figure 11: Philanthropy rationale of Inter-Gen and Now-Gen philanthropists

Note: N for Inter-Gen and Now-Gen are 36 and 16, respectively
 Sources: Dasra GivingPi; Bain analysis

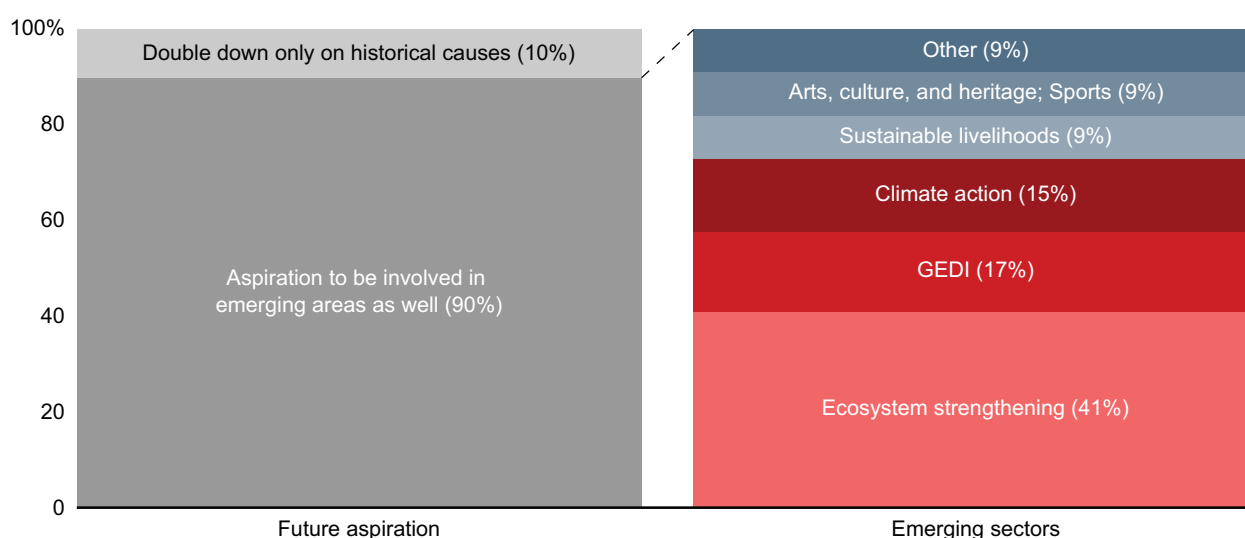
Giving behaviours of Inter-Gen and Now-Gen funders suggest a positive directional shift in philanthropy as we head towards India@100. To make family giving more effective, two key considerations for the philanthropy ecosystem that emerge are (i) embedding intersectional lenses that focus on climate action and GEDI, and (ii) reimaging giving approaches through collaboration, cross-learning, and flexible funding.

“Pockets of the future” in reimaging giving paradigms

“Pockets of the future” are emerging trends in the present that have the potential to significantly influence the outcomes for tomorrow. In the context of present giving behaviours, there are promising shifts in the “where” and “how” of philanthropy. This is reflected in the giving aspirations of Inter-Gen and Now-Gen givers, who can trigger a new era of bold and innovative philanthropy in India.

Giving aspirations are extending beyond historical funding preferences, as evidenced by GivingPi conversations, which indicate that 90% of funders want to invest in emerging areas. Analysis points to donors deepening their focus in themes such as climate action, GEDI, and ecosystem strengthening. Along with scale, funders are also factoring in depth of impact and vulnerabilities of affected communities in their giving journeys. This trend will likely multiply over the long-term (see Figure 12).

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Figure 12: Future aspirations of Inter-Gen and Now-Gen givers**Share of individuals giving towards specific areas (%)**

Notes: N is 48; historical causes includes education, healthcare, EdTech, senior care, palliative care; Gender, Equality, Diversity, Inclusion (GEDI) includes gender equality, social justice, disability, and mental health; Other includes animal welfare, rural, and urban development
 Sources: Dasra GivingPi; Bain analysis

Where will philanthropy focus?

Investing in philanthropy ecosystems through innovation, research, and institution building

Philanthropic infrastructure is the common denominator across funder segments. When strengthened, it can unlock greater funding for the social sector at large. Funders are recognising that a robust philanthropic infrastructure can enable better outcomes towards achieving development priorities. There is a large shift in aspirations towards investing in ecosystem strengthening by both Inter-Gen and Now-Gen cohorts (41%). Emerging investment areas gaining interest include capacity building of nonprofits, innovative ways of giving, collaborative platforms, specialised systems and processes, and insightful narratives that can influence social change. The aspirational inclination of Inter-Gen and Now-Gen givers can also inspire others in the philanthropy community to invest in strengthening India's philanthropy ecosystem.

“Unfortunately, there are not too many who come forward to fund capacity building of NGOs and innovative pilots that can create high impact. It is vitally important for philanthropists to focus on ecosystem strengthening. Resilience of the social sector should be a priority.”

—Rati Forbes, Indian philanthropist

Deepening impact for the most vulnerable with GEDI

Vulnerable communities are disproportionately impacted by inequities. GivingPi conversations show that givers in both Inter-Gen and Now-Gen cohorts (17%) aspire to make it a part of their future giving goals. Within the broader category of GEDI, areas such as disability, mental health, and a focus on underserved communities (across castes, tribes, and minority groups) and gender intentionality are becoming prominent. To understand experiences of affected communities and provide nuanced solutions, applying a GEDI lens with more rigour helps address complex challenges such as caste discrimination, mental illness, and gender bias.

“The GEDI lens needs to be built out thoughtfully and, therefore, capacity building is required. Every challenge we see across sectors, including health, poverty, education—there are identifiable gender gaps that we are working to close as a country and sector. There remain very deep pockets of inequality and poverty, though—and using a vulnerability lens that combines gender, community, regional, and class perspectives together is more important than ever.”

—Yamini Atmavilas, The Udaiti Foundation

Strengthening climate action with a focus on adaptation and community resilience

While Now-Gen and Inter-Gen givers have affinities to distinct sectors, there is greater understanding from both cohorts that climate is not a standalone cause but has adverse intersectional impact across sectors. According to GivingPi conversations, givers in both Inter-Gen and Now-Gen cohorts (15%) are keen to incorporate an environmental and climate lens to their existing portfolios and invest more deliberately in climate solutions. Waste management, water treatment, and biodiversity conservation are areas within climate action that have garnered attention from these cohorts. While this is a positive shift, significant room remains for philanthropy to elevate efforts both in funding and strengthening the narrative for adaptation and community resilience in a sector that has hitherto primarily focused on mitigation.

“The climate ecosystem must shift focus from mitigation to adaptation; it requires indigenous databases and contextual research. This needs to be combined with a greater focus on working with grassroots organizations that often miss out on climate financing platforms.”

— Gaurav Gupta, Dalberg

How will the giving approach change?

Emerging evidence from the GivingPi conversations show that both Inter-Gen and Now-Gen givers are open to adopting catalytic giving approaches. In our analysis, catalytic giving is a combination of three factors:

- **Openness to learning**, which refers to willingness to share knowledge and insights with each other
- **Unrestricted funding**, which refers to willingness towards providing capital with trust and flexibility
- **Collaboration**, which refers to partnering with each other and stakeholders (e.g., government, nonprofits)

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GivingPi conversations show that more than 70% of givers displayed high or medium catalytic giving potential, have a greater appetite for investing in pooled funding vehicles, and want to take advantage of cross-learning opportunities. Given the benefits, more givers may intentionally adopt catalytic giving approaches in their journeys. Therefore, intermediaries have a critical role to play in building evidence-based narratives and facilitating greater incorporation towards this approach. For example, ACT Grants was once a Covid-19 relief project but has since transformed into a longer-term philanthropic initiative. Similarly, YIPP, started by Nikhil Kamath, is a collaborative of young Indian changemakers giving back to society.

“The next generation of givers are collaborating and giving together to critical challenges such as climate, gender, health, and nutrition, among others. ACT Grants, GROW fund, YIPP, Rebuild India Fund, etc. are examples of vehicles that can support the growing momentum of collaborative philanthropy.”

—Arnav Kapur, Bill and Melinda Gates Foundation

Conclusion

As India emerges from the Covid-19 pandemic, ecosystem stakeholders must come together to strengthen community resilience. Given the cascading effect of commodity price shocks, climate-related disasters, and the lingering effects of the pandemic, individuals and communities are vulnerable. This calls for collaborative action from the philanthropic ecosystem to nurture community resilience.

The weight of social sector commitments is being carried largely by the government. However, public funding growth will likely level out to pre-pandemic levels. Therefore, the imperative is on private philanthropy to realise its full potential and bridge the funding gap in India. Private philanthropy can play a catalytic role in building bridges at the intersection of government, businesses, foundations, civil society, and communities. Harnessing diverse resources and patient capital is critical to building a transformed and resilient India where no one is left behind.

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GivingPi 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.



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Dasra, meaning "enlightened giving" in Sanskrit, is a pioneering strategic philanthropic organization that aims to transform India where a billion thrive with dignity and equity.

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