

India

Indian diaspora givers becoming a powerful force in global philanthropy

An emotional link to their roots means causes in the homeland are a principal target for their philanthropic funding



GMSP Foundation focuses on investing in women and girls and directs much of its giving to Gujarat

OCTOBER 21, 2016 by: **Sarah Murray**

Sonal Sachdev Patel was born in the UK to parents who spent much of their lives in East Africa. Yet her family retains a strong sense of its Indian roots. “We were brought up with a very Indian culture. And we want our children to feel connected to India,” says Sachdev Patel, a former strategy consultant who now runs her family’s GMSP Foundation, which focuses on investing in women and girls.

The Sachdev family, which has so far given away more than £8m, is among many from the global Indian diaspora for whom an emotional link to the homeland means Indian causes are a principal target for their philanthropic funding.

It is a source of funds that should not be underestimated. Research by the Bridgespan Group, a non-profit adviser, estimated that if the Indian diaspora in the US gave at similar rates to those of other American households, and directed 40 per cent of this to India, it

would generate \$1.2bn a year — more than US foreign aid to the country, which in 2014 stood at about \$116m.

Of course, this figure is a projection based on the average household incomes of US citizens of Indian origin. Yet, given the activities of some individuals, the indications are that Indian diaspora givers are becoming a powerful force in global philanthropy.

Take one of the US's most prominent Indian philanthropists, Gururaj “Desh” Deshpande, an entrepreneur and investor, who in 2001 donated \$20m to establish the Deshpande Center for Technological Innovation at the Massachusetts Institute of Technology.

When he and his wife Jaishree turned their philanthropic attentions to India, it was to replicate this model of innovation, but with a focus on social innovation, funding a series of “sandbox” centres (incubators for social entrepreneurs) in districts around Bangalore.

While Deshpande acquired his wealth through entrepreneurship, the ranks of the wealthy Indian diaspora include a wide range of individuals, including IT executives, doctors and financial services professionals, says Rohit Menezes, a partner in Bridgespan's Mumbai office. “And their pathway to wealth has been pretty short and dramatic compared with other immigrant communities,” he says.



'Investing in women and girls can transform the entire community'

In the case of Ramesh and Pratibha Sachdev, it was the investments they made in the UK home care sector that generated much of the wealth that now allows the family to write

charitable cheques. Arriving in Britain in 1965 from Mombasa, Kenya, with only a few pounds in his pocket, Sachdev trained as an accountant and went on to create Lifestyle Care, a company with a portfolio of purpose-built care homes around London and south-west England.

When it comes to the geographical focus of their giving, many Indian diaspora donors turn to their homeland. “Because they’re relatively new to America, they still retain community ties to India,” says Menezes of the US diaspora.

“Certainly they have been giving to charities that are close to home, whether in education or health, or something they were connected with emotionally,” says Rohini Nilekani, a prominent India-based donor and champion for philanthropy in the country.

A concern for donors is the danger of their money going astray as it can be hard to identify credible non-profits on the ground

For Mumbai-born Vijay Goradia, a start in India is what prompted him to direct funding to his country of origin. Goradia migrated to the US from India in the 1970s and built an international chemical trading company, Vinmar International, with more than \$4bn in sales and 34 offices worldwide.

“While we give in the US as well, my parents wanted to give back to India because it was where they felt they were given the initial opportunities and education to pursue their goals,” says Sapphira Goradia, the Houston millionaire’s daughter, who now runs the family’s Vijay and Marie Goradia Foundation.

However, Nilekani sees many diaspora givers combining this emotional connection with a more strategic approach. “They’ve also begun to give things like education at a national scale beyond their home areas,” she says.

This is the case for Goradia’s family. “We concluded that our way of creating impact was to reach as many people as possible and that means we can’t tie ourselves to one geographic area,” she says.



School children sponsored by the Vijay and Marie Goradia Foundation

While GMSP Foundation directs much giving to Gujarat, the family's home state, it also wanted to maximise its impact. "We combined the head and heart," says Sachdev Patel. "We looked strategically at where the gaps are and where we could create the greatest change, but also what fits with our family values and interests.

"Women reinvest 90 per cent of their income back into their families, so investing in women and girls can transform the entire community."

One concern for overseas donors to Indian causes is the danger of their money going astray. And when living outside the country, it can be hard to identify the most credible and effective non-profits working on the ground.

For this reason, a number of intermediaries have emerged. These include Give2Asia, which provides international giving services to US donors, GiveIndia, an online platform that facilitates donations to credible Indian non-profit organisations, and Dasra, an Indian foundation that connects donors with non-profits and others in India.

We combined the head and heart to
make the greatest impact
Sachdev Patel

"That helps overcome one of the biggest barriers, which is lack of information," says Melissa Cortes, senior private client manager for international clients at the UK's Charities Aid Foundation.

As diaspora philanthropists gain confidence in giving to India, they could do more than add to the pool of philanthropic dollars flowing to India. They could also replace some of what has fallen away as the Indian government has tightened control on foreign funding to Indian non-profits.

“There’s a huge potential and India needs this interest from the diaspora now because many of the foreign donors are leaving,” says Nilekani. “It would be good if some of that vacuum was filled by Indians who live abroad and who care about what’s happening in India.”

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