

Wealth with Purpose

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Introduction:

The "Wealth with Purpose" report, published in July 2024, is a comprehensive study on private Indian philanthropy, created through a collaboration between Accelerate Indian Philanthropy (AIP) and the Boston Consulting Group (BCG). The report delves into the philanthropic landscape in India, offering insights from interviews with 100 ultra-high-net-worth individuals (UHNIs). It highlights the motivations, challenges, and strategies employed by these philanthropists, aiming to inspire and guide others in their philanthropic endeavors.

Key Findings:

- **Philanthropic Potential in India:** This section emphasizes the significant potential for philanthropy in India, driven by the rapid increase in wealth among Indian UHNIs. Despite this potential, the report highlights a gap between wealth creation and philanthropic giving, urging Indian philanthropists to increase their contributions to address the country's vast social challenges. If India's UHNIs direct just 5% of their annual wealth growth to philanthropy, it could unlock ₹75,500 crore capital in a year.
- **Philanthropists Archetypes:** The report identifies six philanthropist archetypes: The Altruistic, motivated by social responsibility; the Legacy Builder, focused on lasting impact; the Networker, who values collaboration; the Innovator, drawn to funding new ideas; the Pragmatist, focused on measurable results; and the Institutional Builder, committed to creating enduring institutions. The TIE model emphasizes that philanthropic contributions go beyond funding, including personal involvement and advocacy through Treasure, Involvement, and Evangelization.
- **Transformative Power:** Indian philanthropists are transforming the country by establishing world-class institutions, enhancing existing ones, and driving innovation in various sectors. The Tata Group, Azim Premji, and Shiv Nadar are notable examples, having created influential educational institutions like The Indian School of Business (ISB). Modern philanthropists are also collaborating with the government to address systemic issues, as seen with the Central Square Foundation's efforts in education. Additionally, foundations like Swades and Dani are focusing on holistic development and empowering communities at the grassroots level.
- **Motivations and Barriers:** Despite a significant rise in Indian billionaires from 102 in 2020 to 169 in 2023, their median philanthropic contribution remains very low, at just 0.02% of their wealth. This gap between wealth and philanthropy is due to personal challenges like lack of motivation and time, structural issues such as procedural complexities and transparency deficits, and cultural barriers

including traditional views on wealth and philanthropy. Efforts to address these barriers include promoting open discussions about giving, celebrating philanthropists, and emphasizing the importance of personal philanthropy alongside CSR initiatives.

- **Giving Philosophies:** Philanthropy can involve various forms, including financial contributions, personal time, talent, and connections, often evolving from initial donations to deeper engagement and strategic involvement. Education and healthcare are top priorities for many Indian philanthropists, followed by environment and sustainability. The involvement of family, philanthropy advisors, and innovative funding mechanisms like Donor-Advised Funds (DAFs) further enriches the philanthropic landscape.
- **Emerging Trends and Future Outlook:** Several emerging trends include a growing interest in funding systemic change, an increasing focus on transparency and accountability, and the rise of younger philanthropists who are more hands-on and innovative in their approach. The report concludes with a call to action, urging Indian UHNIs to increase both the scale and effectiveness of their giving to meet the country's urgent social needs.

Conclusion:

The "Wealth with Purpose" report serves as a roadmap for Indian philanthropists, offering insights into the current landscape, identifying key challenges, and providing actionable recommendations to enhance the impact of their philanthropic efforts. It also highlights the growing trend among younger philanthropists to support systemic change initiatives and work closely with the government to ensure sustainability and scale. By adopting a more strategic and collaborative approach, Indian UHNIs have the potential to significantly contribute to the country's social development and leave a lasting legacy.

Read More: <https://www.bcg.com/publications/2024/india-wealth-with-purpose-a-report-on-private-indian-philanthropy>

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