

**Putting our
money where
our hearts are**

Are Indian Americans good givers?

The Indian American diaspora (“IAD”) stands out as a group with tremendous philanthropic potential: we are large with 4.1 million members, we have one of the highest median household incomes of any ethnic community in the US, and we are recognized as being well-educated and socially aware. Surprisingly, the giving patterns of this high potential group has not been studied systematically in the past, meaning we have limited understanding of our own motivations and gaps in philanthropic giving. Where one-off efforts to understand giving patterns have occurred, these efforts have been focused on ultra-high net worth individuals, are globally focused and/or focus specifically on giving to India, as opposed to the giving patterns of the broader Indian diaspora in the US¹.

To answer this question, Indiaspora and Dalberg Advisors have launched The Indian American Community Engagement Survey, the first formal effort to study the Indian American Diaspora’s attitudes towards philanthropic giving. This ongoing survey explores the diaspora’s attitudes toward, motivations for and barriers to giving, as well as their actual philanthropic behavior². To date, we have received over 800 responses from across the US.

Over 90% of our respondents are donors. While the survey results are therefore not representative of the broader Indian American diaspora (and should not be treated as such!), the survey begins to paint a rich picture of motivations and self-reported behavior of the donor community³. The donor bias in the survey comes from two sources. First, we disseminated the survey through the distribution lists of 28 partner organizations working across philanthropy, media and community advocacy with deep reach into the Indian American community. The distribution lists of these organizations likely already have a high number of donors. Second, the survey was taken at will

by respondents, so it’s no surprise that the sample would be skewed toward those more interested in social philanthropy in the first place. The results therefore allow us to explore the self-reported patterns amongst the donor community in detail and identify opportunities to strengthen the philanthropic behaviour of donors. Moreover, understanding the donor population can also help us start understanding broader trends at play: e.g., what might motivate other segments, what barriers are likely to hold true more broadly, etc. Overall, our hypothesis—based on the demographic traits of the respondents—suggests our data represent a best-case scenario in terms of the giving patterns of patterns of the Indian diaspora.

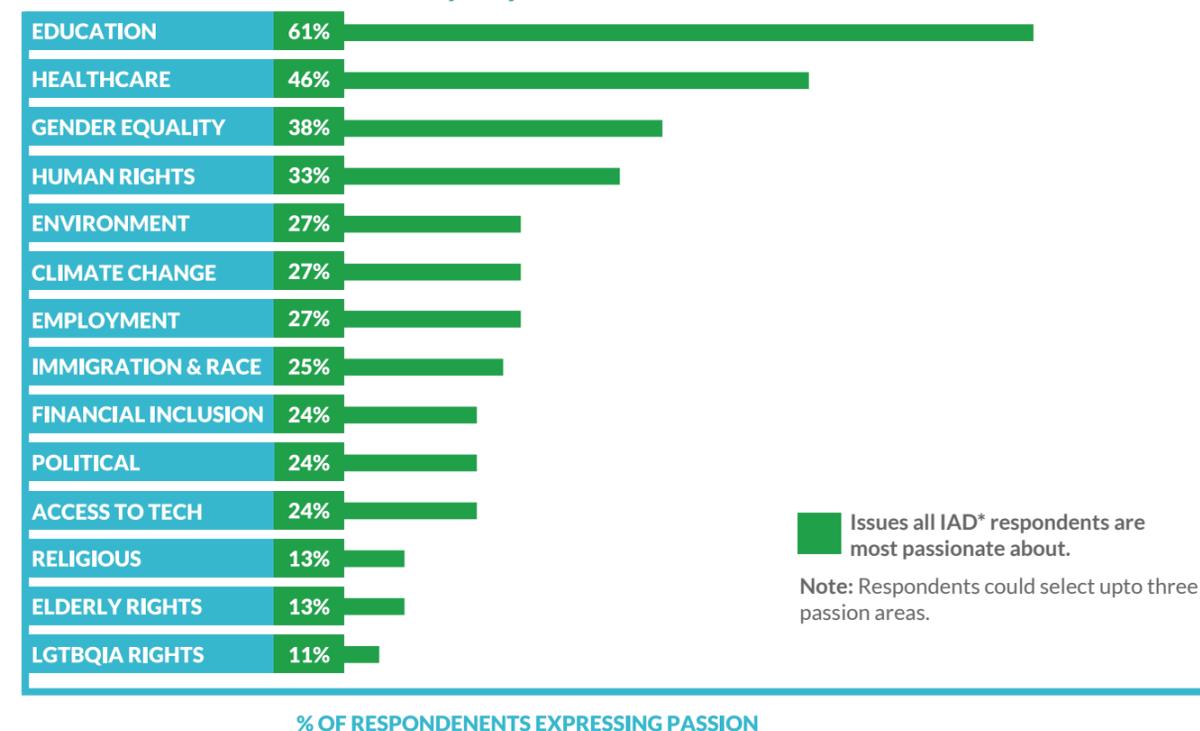
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1. The two most prominent studies include a Bill and Melinda Gates Foundation/Dalberg study that explored the gap in and opportunities to catalyze philanthropic giving to India by high net worth individuals in the Indian diaspora across the US, the UAE, Singapore and the UK (results are not-public) and a 2015 study by The Bridgespan Group, *Giving Back to India*, which studied the potential of Indian Americans to give back specifically to India.
 2. The findings in this document are based on the self-reported data from this survey and therefore may not fully capture actual behavior of individuals.
 3. Please refer to the annex on methodology for information on the survey objectives, design and dissemination, as well as a discussion of what the survey covered, did not cover and methodological limitations that are relevant to the findings.

The good news is that the donor community is passionate about social impact: we have a diversity of interests, are careful screeners and—most notably—are prolific volunteers.

Diversity of passions:

We asked respondents to choose the top 3 issues that they were most passionate about. Unsurprisingly, there is a large concentration of passion for big social impact areas such as Education (cited by 61% of respondents) and Healthcare (46%). Perhaps what is more interesting is that there was meaningful interest in less “traditional” sectors: Financial Inclusion (24%), Access to Technology (24%) and LGBTQIA rights (13%). One surprise is that—at 13%—our respondents seem to give significantly less to religious causes than we expected. Giving USA⁴ puts the religious figure for the average American at 31% (2017), the highest of any category and double second place (education, with 14%). There could be many reasons for this divergence; while we can’t confirm with certainty, it is possible that the demographic composition of our sample may not be representative of the broader Indian American population with regard to religious giving.

FIGURE 1: Passion areas of survey respondents



Diligent selection:

Respondents demonstrated a clear, consistent methodology in screening beneficiary organizations; over 60% listed mission alignment, operational efficacy and transparency as the three most important drivers of their decision to donate.

High volunteerism:

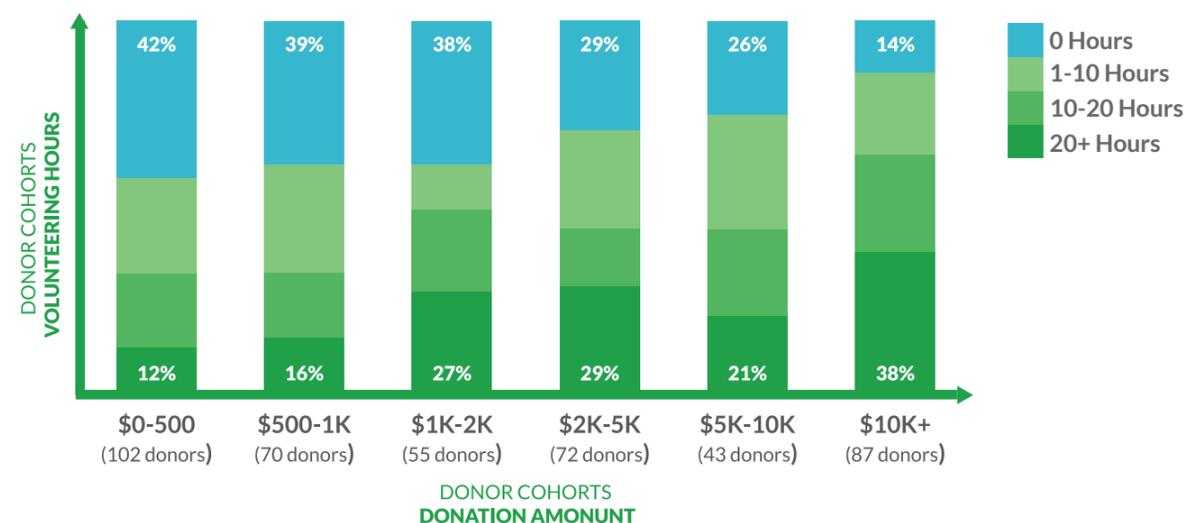
Passion for impact manifests in high volunteering activities⁵ as survey respondents averaged 19 volunteer hours a month, or 220 hours per year, nearly twice that of the US annual average of 124 hours amongst volunteers⁶. The top volunteer activities were in-person activities, such as helping in soup-kitchens and park-cleanings (62%) and serving on boards of non-profits (59%), while mentoring was the least common activity (47%).

Passion begets passion:

As Figure 2 shows, there is a positive correlation between amount donated and monthly hours volunteered - the highest Indian American donors are more likely to be actively engaged with social work in the field and can hence serve as philanthropic role models to educate and galvanize their communities towards collective social impact, particularly the large segments of non-volunteering low donors. Conversely, the lowest donors are most likely to be totally disengaged from volunteering.

FIGURE 2: Distribution of volunteering hours across donors

Passion begets passion as high donors are more likely to volunteer more



4. Giving USA: The Annual Report on Philanthropy, is the seminal publication reporting on the sources and uses of charitable giving in the United States for over 60 years. Its research is conducted by the Indiana University Lilly Family School of Philanthropy.
5. 73% volunteerism rate for sample.
6. *Volunteering and Civic Life in America, Corporation for National and Community Service*. This report finds that 25% of American adults volunteer, and 80% of these volunteers donated to charity – making this a mostly fair comparison with our sample comprising mostly donors, despite some bias due to demographics.

Still, we should not be complacent;

the Indian diaspora has a long way to go before we can consider ourselves to be good givers:

Large giving gap, on the order of \$2-3 billion:

Despite their favorable socioeconomic position, Indian Americans do not donate relative to capacity when they are benchmarked against the wider American population. Our sample respondents had an estimated donation rate in the range of ~1.5% of income per year, compared with the average American donation rate of 4% per year. This gap is captured in Figure 3, which shows the percentage of income donated across income levels. **Sample respondents underperform compared to the US national averages for philanthropic giving at each income level⁷.** Even more troublesome is that the gap increases with income. Ultimately the difference between what we currently give (estimated based on survey results) and if we gave at the US average, is a donation gap of at least \$2-3 billion.

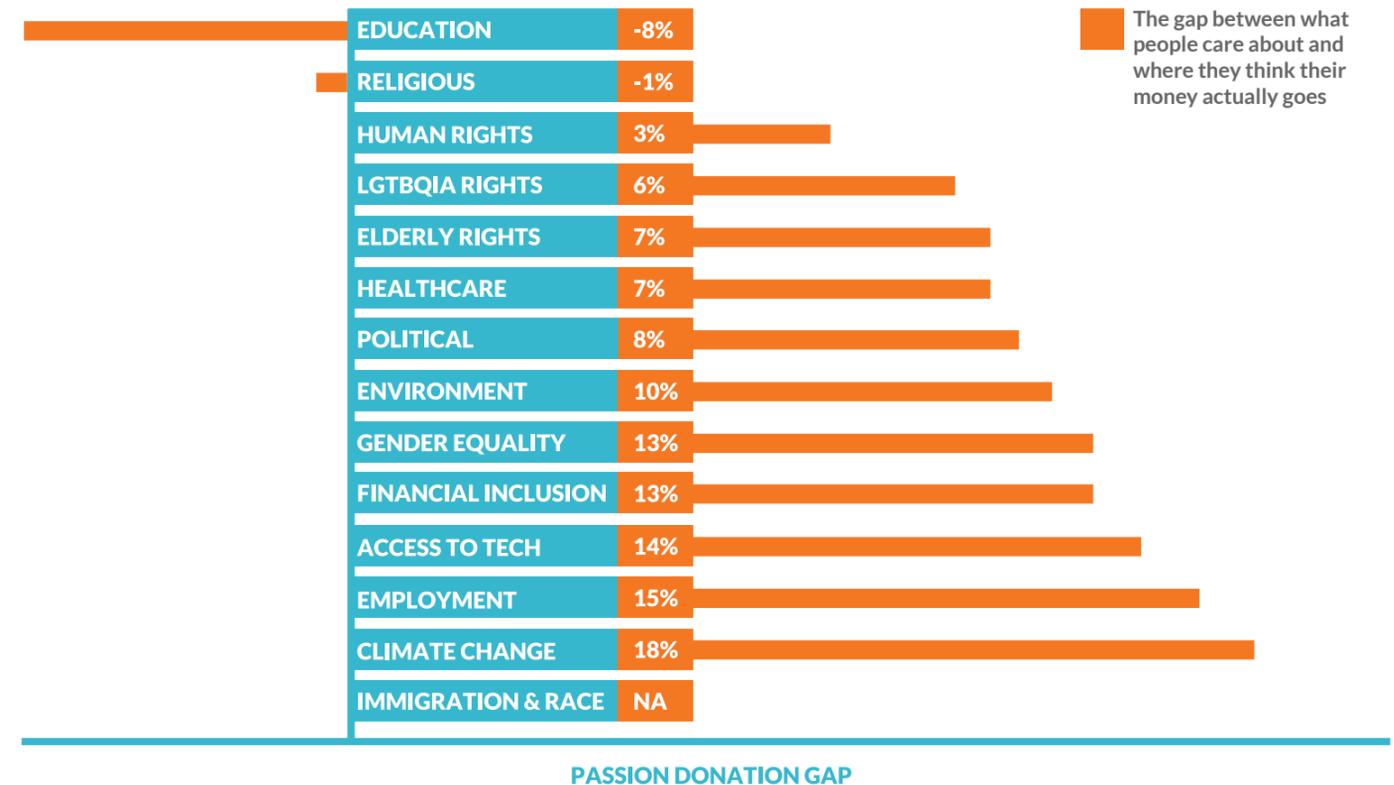
FIGURE 3: Percentage of income donated across income levels



While this is a good starting point in terms of understanding the behavior of Indian Americans and we are confident that the gap is in the order of billions of dollars, our gap calculation should be treated as indicative and not absolute⁸.

Passion-donation gap:

There were clear gaps between the respondents' indicated passion areas and where they believed their money went. For every listed field except education, a gap existed between the proportion of people that were passionate in it and those that believed their donation dollars went towards those fields. Issue areas such as gender equality, environment and climate change, financial inclusion and technology access each had a passion-donation gap of at least 10%.



Inconsistent – and perhaps troublesome – application of values:

Despite its passion for social impact, the Indian American community has an opportunity to make major improvements in two fields:

- **Gender equality**, where we saw the widest passion delta between women and men. For women in the Indian diaspora, this issue tops the list, tied with education (59% of women listed it as a passion area), but only 26% of men chose gender equality as a passion area, it ranked 6th for men. No other issue had this wide of a gender gap.
- Over 40% of respondents said that the **social and environmental impact of a business played little or no role in their decision to invest in it**. This suggests that the IAD separate their investment and business lives from their philanthropic donations. While interest and commitment to Sustainable, Responsible and Impact (SRI) investing is rapidly growing (according to a recent [Morgan Stanley study](#), SRI investing rose 33% between 2014-2016 to \$8.72 trillion), it is possible that the Indian diaspora is not keeping up with national trends on this issue.

7. These averages are based on IRS Statistics of Income 2014 data on Average Charitable Deductions as % of Adjusted Gross Income. Thus, it understates the population proportion given to charity because not everyone who gives to charity claims a charitable deduction.
 8. Deeper, more systematic review of the giving patterns of the diaspora can help validate the figures; our approach to calculating this figure, as well as the limitations to the approach are in the methodology.

A lack of sufficient information, skepticism toward recipient organizations and cultural attitudes are at the heart of our underperformance.

Unsurprisingly, and consistent with other studies, the primary reasons for IAD's philanthropic underperformance as cited by respondents are a lack of reliable, accessible information to determine which organizations are reputable (67%), lack of trust in philanthropic intermediaries (55%), particularly those operating in India and a cultural attitude that favors 'informal' giving to family or friends over giving to social organizations.

What's more is that poor community self-perception may be reinforcing low amounts of philanthropy. Over 55% of respondents believed that Indian Americans significantly underperformed compared to US averages of philanthropic giving. This poor self-perception damages morale, willingness to give and creates a negative feedback cycle that may stymie greater giving, particularly in light of network effects enabled by the IAD's close-knit nature.

These findings suggest we have an opportunity to harness our passions and means to become better givers.

Such lessons can be applied both by NGOs and the philanthropic sector, as well as by community leaders would benefit from increased giving by the diaspora.

Some thought starters on how we can begin to close this gap are below:

Create a robust, evidence based-understanding of the issues:

The Indian American diaspora remains understudied and data is scarce. Further research is needed to build on this survey, particularly in understanding non-donors, and the diversity of experiences and opinions that exist within the Indian diaspora⁹. More research is also needed to explore best practices across other diasporas for encouraging philanthropy, particularly in unifying the efforts of the diverse groups comprising the Indian Diaspora. We will seek to disseminate our findings, help build community awareness and momentum and enhance both the size and effectiveness of our giving.

Build a culture of giving and elevating role models:

That 80% of survey respondents prioritized giving to their own ethnic or linguistic group shows the inward pull and tight-knit nature of the Indian American community. We have an opportunity to harness the power of role models to create behavioral change, given the amplified network effects they can have on community-members¹⁰. Survey results suggest that potential role models already exist within the diaspora. Impact-oriented-investors and high donor-volunteers can organize and help galvanize communities towards better, coordinated philanthropy¹¹.

Get more men to care about gender issues:

It's well-known that gender equality issues are pervasive in India. What's less well known is that they are also present here in the US. For example, rates of domestic violence against women amongst the South Asian community in the US is high relative to other communities¹². While it's good news that women in the community care deeply about these challenges, it is troublesome that men seem to care significantly less; it's possible that the gendered views about the importance of this issue make their way into the home. We need to understand the underlying issues at play much more and identify ways to galvanize men on a topic that is not just important to women but also deeply affects our community.

Enhance trust in institutions:

Resources that offer information to community members about what organizations work in the fields they care about, provide perspectives on the quality of these institutions and ideally, directly link potential donors to these vetted organizations, can help bridge the trust gap and the passion-donation gap. Online resources, such as [Giving Compass](#), are already working to do exactly this with the broader American population, and it's worth exploring how such tools can best address some of the concerns of the Indian American diaspora. Furthermore, organizations can design smarter volunteering opportunities to build trust amongst members, helping unlock greater giving. This survey did not attempt to answer how to bridge the trust gap, and further research can help identify best practices.

Tie business interests and social interests together:

Given the high levels of investments made by members of the Indian diaspora—as well as the prevalence and importance of Indian Diaspora within the business community—individuals in the community need to see the linkages between social impact and business/investing. The community has an opportunity to move away from seeing social impact and investment as separate spheres of our lives, or perceive social interests as a “nice to have.” This will require us to invest in driving awareness and interest in sustainable investing principles, and ultimately, help translate momentum into adoption of sustainable investing behavior.

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9. For example, those respondents born in India devote more of their philanthropic efforts towards India than those born in the US or elsewhere, despite most respondents having long terms of residence in the US – such insights can drive targeting of NGOs fundraising efforts better.
 10. Only 37% of respondents cited the effect of solicitation by someone they knew as a factor in their donation, which given the Indian American community's close-knit nature is surprising, and hints at a lack of philanthropic role-models.
 11. 15% of respondents' investments were driven by the social impact of companies.
 12. See [here](#) for statistics on domestic violence against women of the South Asian community; and [here](#) for statistics on other communities.

What comes next for Indiaspora?

In addition to engaging with the community to identify solutions, we plan to incorporate the following activities into our own efforts to increase Indian American engagement in philanthropic causes:

- 1. Disseminate survey findings widely.** We will share these findings across a range of organizations to help build an understanding of Indian Diaspora donors.
- 2. Showcase role models to inspire others.** The Indian Diaspora contains notable role models whose philanthropic journeys can serve as an inspiration for others. Indiaspora will prominently showcase these individuals and their stories.
- 3. Indian American Giving within America.** Indiaspora is documenting a comprehensive database to learn more about Indian Diaspora philanthropy in the U.S. This project will showcase Indian American engagement in the fabric of American social life.
- 4. Facilitate collaborations between philanthropic organizations.** Indiaspora will facilitate closer strategic collaborations between philanthropic organizations to increase Indian Diaspora giving towards India.
- 5. Help bridge the trust deficit.** Indiaspora plans to work with selected organizations within India's philanthropic ecosystem to improve transparency and information sharing about charitable groups so as to build trust.
- 6. Advocate for socially conscious business, and business-minded philanthropy.** Through the examples of Indiaspora's members and friends, we will foster better inclusion of social consciousness in business activities, while simultaneously encouraging philanthropic organizations to become more rigorous in the evaluations of their own effectiveness.
- 7. Indiaspora annual forums.** Philanthropy will be a major theme of Indiaspora's annual forums, where we will share more detailed analyses with our members, thereby leading to specific calls to action.

Methodology

Our objective for the Indian American Community Engagement Survey was to understand and evaluate the self-reported behaviour of the Indian Diaspora, enabling us to answer the question “Are Indian Americans good givers?”

Indiaspora partnered with 28 organizations— working across philanthropy, media and community advocacy—with deep reach into the Indian American Community to disseminate the survey.

Our objective was to maximize the number of responses, so we built the survey in a tool that is popular and easy for recipients to use— SurveyMonkey—and designed the survey so that it would take no longer than 10-15 minutes to complete. The survey consists of 31 questions spanning four areas:

- Personal opinions: passion areas of social impact, perception of the IAD community's philanthropic activity, importance on giving to India vis-à-vis the US, influence of social impact on investment decisions
- Donations: amount contributed, if at all; motivations, factors of consideration and barriers that shape the decision to donate; recipient fields and organizations
- Volunteerism: hours spent, activities, motivations, barriers faced
- Demographic composition of Indian Diaspora: to understand the influence of demographic factors on philanthropic behavior

The structure, content and dissemination of the survey certainly have methodological challenges that are important to note:

It is not a comprehensive exploration of the relevant topics.

First, we prioritized getting a snapshot of the Indian diaspora, so we have not been able to explore the main topics in detail. Furthermore, we were not able to explore some key research areas that should be focused on in future efforts. A few examples include (i) detailed perspectives on where donors are giving their money to, and how

their donations vary in magnitude across issue areas (ii) understanding of motivations, in particular, the deviations from self-reported screening processes and the actual process undertaken while choosing beneficiary organizations; (iii) the role of giving to family, and money sent abroad as remittances, (iv) perspectives from donors as to what would help them overcome their experienced barriers to giving

It is not representative of the broader Indian American diaspora—

distributing the survey through partner organizations allowed us maximize reach cost effectively. This comes at a tradeoff that the results are not-representative of the broader population, most notably in the demographic population of the sample as well as the high number of self-reported donors, but also in that the respondents are older and likely representative of a higher socio-economic status than national averages. Key characteristics of our sample:

- Over 90% of respondents are donors
- 73% of respondents have in the US for over 21 years,
- 56% of respondents are male, 41% are female, 1% are transgender and 2% declined to state
- Over 36% of respondents were of age 51 or higher,
- 77% had attained a master's degree or higher,
- The average income for the sample was around \$335,000, with 33% of sample earning between \$101,000 and \$225,000, and 15% earning more than \$500,000.

The survey should therefore not be treated as statistically rigorous, but as a tool to give us directional findings, generate new hypotheses and identify key gaps in understanding to inform future areas of research.

As of June 30th 2018, the survey had 824 respondents with 593 complete responses. The survey will be kept open for another month.

Why and how we calculated the giving gap

In order for us to understand whether we are “good givers,” we needed some understanding of whether the Indian diaspora is giving relative to its potential or to other communities. Given that potential is a highly subjective term and that we don’t have great data on how other ethnic communities give, we compared the Indian diaspora population to the broader American population.

We used a simplified method to estimate the order of magnitude of the giving gap. First, we used the survey to identify approximately what % of their income sampled Indian Americans were donating. We asked respondents to select from a set of options that reflected (a) level of donations and (b) household income. In both of these instances, respondents were asked to select ranges, not enter an explicit number. We then calculated the giving gap as follows:

$$\text{Giving Gap} = \text{Donation capability} - \text{Actual donations}$$

(according to American national averages)

$$\text{Donation capability} = \text{No. of Households} \times \text{Donor Rate} \times \text{Mean HH Income} \times \text{Proportion of Income Donated by Americans}$$

$$\text{Actual Donations} = \text{No. of Households} \times \text{Donor Rate} \times \text{Mean HH Income} \times \text{Proportion of Income Donated by Indian Americans}$$

Our detailed assumptions are below:

Variable	Value	Assumption	Implications
Mean Income	\$110,000	Median = Mean, incomes normally distributed	Lower mean than reality as IAD income distribution is right-skewed
Donor Rate	67%	American average holds for IAD (we made this assumption because we do not have reliable data on the % of Indian diaspora members who are non-donors)	Likely that we are overstating number of IAD donors
Proportion of Income Donated	4% for Potential Giving, 1.45% for Indian Giving	Estimated sample proportion of wealth given holds for IAD population	Sample proportion likely to be higher than that of broader population due to self-selection of respondents
Household size	4 people per household	Indian diaspora families have on average the same number of family members as the broader American population	Likely has little to no effect on actual giving gap if accurate

These figures, by nature of the methodology, are indicative and not scientific. Still, we believe this data suggests that the size of the giving gap is sizeable and in the order of billions of dollars. If anything, our assumptions underestimate the giving gap. We have much work to do to harness the diaspora's massive potential to create social impact.