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Context to the nugget

Venkat speaks about how individuals should think about giving money versus giving time to the Not for profit sector. He says that all money and no time may not move the needle given the complexities involved and might not be a fulfilling experience. He goes on to say that all time and no money might not get you the attention of the NGOs that actually need your help. He speaks about the sweet spot of money and time that each one of us has to find. He also offers some powerful metaphors around how we should think about ROI of time and money invested in the social impact space versus in the capital world.

Transcription

Deepak Jayaraman (DJ): And in the work I do Venkat, when I work with leaders in transition they often hit a pointer on midlife, where as you rightly said in the context of some of your batch mates, they achieve a certain material comfort and they want to give back to the society but often struggle to find the right mechanism. So, in your experience, how should people think about giving time, money and attention and no particular order, but what are again where are some of the common areas where people trip up in the way they end up giving versus how they should actually think about giving?

Venkat Krishnan (VK): Yeah, I think the biggest challenge for a lot of extremely successful people is time is a hugely short commodity, right? And so, therefore they start by giving money and it gives you some joy so you can give a little bit of money but my biggest learning is beyond a point money is not going to make a difference. And after the point, you will start getting frustrated that you are giving money, but kuch ho nahi raha, kuch hon nahi raha. It's only when you actually start getting involved with your time that you actually start seeing the nuances involved, the difficulties involved, the challenges involved and you start enjoying your giving journey. Writing cheques brings more joy but actually volunteering your time and volunteering does not mean you are going and teaching a child or anything like that. You could be sitting and helping the NGO chalk out its communication plan. You could be helping them put together a financial management system, which is anything that you could be doing for an organisation, but you are getting, you are part of the solution, right? You are not just sitting outside the box and giving gyaan to somebody else. And, I would say that if people can invest however much little time they can and, you know, a lot of people might think that you know what two hours a week is too much time for me to be able to set aside, I can afford to give away Rs 50,000 more every week instead of those two hours. And my point to you is if you can give only Rs 50,000 a week, then sure, give only Rs 50,000 a week but I would rather that you give Rs 25,000 a week and one hour of your time a week. And I can assure you the impact of that is far high, far, far, far high, right? Because, I mean, let's face it, right, if whoever is paying you Rs 25,000 a week or whatever an hour for your time whether it's a McKinsey or any other company which you are

working for they are not idiots, right? And they are paying you Rs 25,000 an hour because the value add you are bringing to the table is much more than that. So, why do you devalue your own time when it comes to working in the social sector? In fact, here the impact is far higher because whatever you do there is no proprietorship, there are no intellectual property restrictions, and so any value that you add has the potential to get scaled manifold as compared to in a business or a private sector kind of an organisation. So, I think, if people could somehow find it in them to say I will give a little time and balance it, don't do only time, I think it's great to do only time but most NGOs will not value you if you give only time. So, I think, it's useful to give a combination of time and money. So, a lot of people who have I think if you are not earning and you don't have money then please give time, I think it's extremely valuable. But if you have both I would say do the right combination of both. Give some amount of time, please two hours a month, three hours a month, start with something as small as that and then, you know, I don't have to say anything. If you start with three hours a month, you will eventually get sucked in. I have enough friends who started with a couple of hours a month who are now doing 20 days a month volunteering.

DJ: And the other reason I asked, Venkat is there's also the other chain of thought which says that if I am, if I want to make a difference and make an impact but let's say I am in a place, let's say I am a private equity investor and I am able to multiply my money at a certain accelerated pace. Maybe I should have built that up and then probably donate a larger corpus which can move the needle in a bigger way. How do you think about, does that come up in your conversations about that trade-off?

VK: Yeah. So, one of the things Mohandas Pai said to me long back, about 10 years ago that stuck with me for a long time, a very, very interesting thing. So, Mohandas Pai said, corpus is the capitalisation of misery.

DJ: Wow!

VK: Very interesting thing, he said and that stuck with me for a long time. So, you know, you can do very simple math on this, the social return on investment for even inefficient non-profits is at least four or five times higher than the highest returning for-profit investments, right? So, the average social return on philanthropic investments is somewhere in the order of six to nine months payback of capital, right? Now you illustrate with a few examples. A cataract surgery for a slightly old farmer in a village, right? Buddha ho gaya hai, mid-fifties, early sixties, both eyes cataract, can't work in the field. Cataract surgery cost is now Rs 2,000, earlier much lower but now Rs 2,000, can't afford it, doesn't do it, winds up doing all kinds of other stuff, gets paid Rs 30 a day, Rs 20 a day doing this thing, gets dejected, gets ill-treated at home, everything like that, right? You get this guy a cataract surgery, he will start earning Rs 3,000 a month at the barest minimum, even in a village, incremental, over the Rs 30 a day he was making. Rs 2,000 payback is Rs 3,000 a month, what is that ROI? Show me any bloody investment where you will give me that type of ROI, I will make that investment tomorrow, I will put all my cash into that. If anybody gives even one-fourth of that return, right? Or you take schooling for a child, alright, a good child schooling, 10 years' schooling cost you about Rs 2 lakhs or Rs 3 lakhs, very good school, not the fancy private schools. But at the very least it will put that kid on an incremental Rs 5,000 to Rs 10,000 a month earning journey or even higher. Again, look at the payback, I am spending Rs 2 lakhs and earning Rs 10,000 bucks a month more, it's like a 12-15 month payback and this is a long, you know, it's not even Rs 5,000 a month more for the rest of my life, that gap keeps growing if you look at it, right? If I am a plumber for the rest of my life versus a farmer, you know, even an accountant for the rest of my life.

DJ: The NPV is very, it's a different order of magnitude, right as you say?

VK: That's right, so any social impact and also this is something that we keep discussing even in our LivingMyPromise group, and I keep asking myself the same question, which is that money... if I put money somewhere and invest it and it gets me 12%, 15% or even 18% return on investment, there are people getting hurt today. If I put all my money to use today, the return to society is far higher than if I compound it at 20%, 30%, 40%, 100% per annum, right, and then give away a much larger pot later on, the problems would have multiplied so much more. If I put a kid through good schooling today, the next several generations of that kid's family are going to be great, right? Their healthcare issues are going to get sorted, a whole bunch of things and their outlook to life is going to be better, and their financial discipline is going to be better. So, many other social outcomes that will come out of it. 30 years I don't give and I just keep accumulating it into a corpus, the problems are actually multiplying at a faster rate than your compounding interest.

DJ: **Very interesting.**

VK: And so, therefore giving away today is the best thing to do. Of course, like I said earlier, I mean, everything you put in a context, so the direct therefore question to me why haven't I therefore given away everything I have and the answer is because I am trying to bring about specific change in some areas and I don't have. So, if I could I would do that actually.

DJ: **So that goes back to the point about...**

VK: Because if I had a scalable solution to do what I am trying to do today I would spend all the money today.

DJ: **Fair, fair.**

VK: So, coming out of any insecurity or anything like that. And, one of the things I did do in Covid and a bunch of other people I know did, many friends, we stepped up our giving significantly, so I kind of met my full year's giving target in the first one-and-a-half months of Covid this year. So, gave far more than I was expecting to give in all of this year in the first two months.

Reflections from Deepak Jayaraman

DJ: Bring it back to Social Venture Partners, the organization that I am associated with, I guess what has been fulfilling is that it seems to be a healthy mix of time and money in the way we engage with the selected NGOs. We pool in a certain financial contribution from each Partner and then choose how to deploy the corpus and that is a structured process where we evaluate several organizations. Once we pick a few, we then have teams engage with some of these organizations. This is like a combination of Venture Investing and Management Consulting at some level. The fact that you are in the company of several other likeminded people makes the journey even more rewarding in addition to the value that you are deriving fulfilment from your contribution to the NGO. Do email me at deepak.jayaraman@transtioninsight.com if you want to know more. Happy to share more details about how this works.

End of nugget transcription

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About Deepak Jayaraman

Deepak seeks to unlock human potential of senior executive's / leadership teams by working with them as an Executive Coach / Sounding Board / Transition Advisor. You can know more about his work [here](#).

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