

## Season 2, Episode 7: The Heart and the Head

**Rohini:** So I think the journey begins with the heart. What do we do when our hearts are involved? We see the best in the other side. And I think it's the same thing with giving. I think you will find it easy to trust the more you actually trust.

**Grace:** Welcome to *Giving Done Right*, a podcast on everything you need to know to make an impact with your charitable giving. I'm Grace Nicolette.

**Phil:** We're thrilled to be talking today to Rohini Nilekani, she's a dedicated philanthropist and writer. She's a signatory of the Giving Pledge with her husband, Nandan, she's founder and chairperson of Arghyam, a foundation she created for sustainable water and sanitation, and co-founder and director of Ekstep, a nonprofit that provides digital infrastructure for learning. She's based in Bangalore, India.

**Grace:** And what's interesting is Nandan's and her wealth comes from Infosys, which is one of the largest companies in India. We talk about trust-based philanthropy, what it looks like in India, and lessons for the rest of us. How do we let go of the outcomes of our giving? And how do we maintain a sense of humility?

**Phil:** We use the word strategy a lot in this conversation. And that is a word with sort of a tortured, you know, past and present in philanthropy. Because on the one hand, we see business types who come into the world of philanthropy and they say, "I want to do strategy like I do in business," which is all about uniqueness, but of course in philanthropy what's required a lot of collaboration. And then on the other hand, you've got folks who say, "well, strategy means, top down, let's get rid of it." But to Rohini, strategy is about what it takes to achieve impact, and that, to her, is about trust and collaboration; it isn't top down at all.

**Grace:** Yes. That's such an important point, Phil. I'm excited to dive in.

**Phil:** Rohini Nilekani, welcome to the *Giving Done Right* podcast.

**Rohini:** Thank you so much, Phil. Thank you so much, Grace. It is my honor and pleasure to be here.

**Phil:** You have a really distinct approach to giving that we want to talk about. But before we get there, let's talk about, sort of, your background and your

commitment to giving which precedes your having a considerable amount of wealth. So talk to us about that. Where does this spirit and commitment to giving back come from for you?

**Grace:** I think like in most people's lives, their families and their circumstances. And the same thing happened to me. From a family point of view, while we were very much middle class and nothing more, our values were very clearly about society before self. My grandparents and their lives were always held up to us as exemplars, and especially my paternal grandfather, who was a lawyer but refused to make money off of his clients, much to my grandmother's disgust, was also among the first batch that responded to Mahatma Gandhi's clarion call for volunteers in 1917 when he started the Champaran agitation. So my grandfather left everything and rushed off there and stayed there with Kasturba Gandhi, helping the local communities, building toilets, building schools, teaching, whatever it takes. And he continued that sort of selfless giving of himself till the end of his life, and, for me, he's a great model and an exemplar that I try to live up to. And so also my maternal grandfather, who was a bit wealthier than the other one, but also gave away his wealth setting up colleges and schools and stuff. So giving forward was something not so special because you're supposed to do it, you're supposed to be a part of a larger society.

**Grace:** When I was reading about your background, I noticed that you've devoted a lot of time to being very thoughtful and strategic about your giving and you didn't have to be, right? Like, there's no one grading you on how strategic your giving is, but yet you have really made being strategic and being thoughtful sort of your life's work when it comes to your giving. Where does that come from and what influenced you?

**Rohini:** Since childhood, since the age of four, I have been a reader. And when you read a lot and read very diversely, you try to live up to all those marvelous authors that you read and also think a little more than you normally would. So if I'm thinking at all, it's because of all the marvelous books that I've read ever since I was four years old.

But no, seriously, because it's important to give from the heart—very important. I think that is the first thing: you have to give from your heart as a human being, and the distance from the heart to the head is not more than one foot, but it is a very long journey indeed and it takes a while to reach giving from the head. Some people start from the head, but most people start from the heart. And I think the two have to be combined if you want to make your giving leave a lasting impact. I mean, when I give—we have, unfortunately, since the pandemic, many beggars again. It had come down; lots of people had been

lifted out of poverty. There were fewer beggars on the streets. Very sadly in the last few months, we are seeing beggars again when we actually step out of our homes. And if I give to a beggar, I don't know whether I'm helping the beggar or myself. But when I'm thinking and giving and giving over time and giving to lots of different organizations that are working for the same cause, I hope, at least, I hope that it will have a more lasting impact. So I think it's important to be strategic.

**Phil:** You mentioned the pandemic and obviously what India has been through has been extraordinarily difficult and devastating, and I was involved in a virtual event that was being broadcast to an audience of donors in India and had the opportunity to interact with Ingrid Srinath from the Center for Social Impact and Philanthropy and to read their excellent research on the impact of the pandemic on nonprofits. And what struck me was how similar many of the challenges were to what U.S. nonprofits went through, with a couple of added elements of difficulty, one being, obviously, a different dynamic with the government, and nonprofits in but the other being, you know, there wasn't equivalent to in the U.S. what was called the PPP program, which provided basically emergency funding to many, many nonprofits and it was really what helped them get through. So my sense was that the civil sector there has had a particularly difficult time. Can you talk about that and how you responded as a donor during that time?

**Rohini:** I think Indian civil society was—and all our frontline workers were—pretty gobsmacked by what was happening around us, but I would say they responded very rapidly. You know, I think it's because if you have a very active civil society, and we are used to responding to calamities, floods, and so there is sort of human infrastructure in place. Even new groups of volunteers banded together from the middle classes to respond quickly, and they quickly got in touch with other civil society organizations in their locality, not only to give money and things, but to give their time. And I thought the most heartening things of the last 18 months has been that civil society response, together with ordinary citizens. And in terms of our response—like all foundations, like all philanthropies—we teamed up do whatever we could for emergency relief. We waited a few months and just gave what was needed: oxygen, masks, and the usual stuff. But we very quickly pivoted to saying, “what can we do to look at the sustenance of the civil society institution itself?” So like many philanthropists, we said, “don't worry about what the pipeline funding was supposed to be. Come back to us, say what you need. Don't worry about impact metrics.” And we were able to pivot to give very, very open grants to keep those organizations themselves going. We are looking ahead already to say, what do we all need to do to band together create relationships of trust now when the emergency seems less panicky so that next time around, we will have learned

from this time and be even more effective? What do we have to do *now* to prepare for the next thing that's coming?

**Grace:** Let's talk about trust more. You have pioneered what we call here trust-based philanthropy. I think that a fundamental fear that many donors have is that any trust that they put in a nonprofit could be misplaced, right? Sometimes it can feel like a black box—especially in a crisis, you mentioned you're giving while loosening some of the normal restrictions or reporting requirements you might have. Talk to this prototypical skeptical donor. Why should a donor trust nonprofits? I mean, we live in a world where trust is increasingly a rare commodity. Talk to us about that trust.

**Rohini:** So I think the journey begins with the heart. What do we do when our hearts are involved? We see the best in the other side. And I think it's the same thing with giving. I think you have to assume—I'm not saying do zero diligence, I'm not saying go out there and say, “everybody who wants to come to me, come.” But I'm saying with very minimal diligence—they have to be registered or whatever it is that you think is your absolute basic threshold—after that I think you will find it easy to trust the more you actually trust. So if you begin with trust, as I keep saying, you end up with trust. To begin with trust, you have to just open your heart for the first time and the second time, and the third time you have to do nothing at all, it happens automatically. And what is the biggest risk? Okay, you might lose a bit of money. But you are a philanthropist because you seem to have a little extra anyway. So hey, it might teach you something if your trust is betrayed. Because again, I'm not saying it may not be—I have been lucky perhaps, but it's still worth taking that risk to trust upfront.

**Grace:** Hm.

**Rohini:** The rewards are so enormous.

**Grace:** It can be a different mindset, I think, from essentially, like, running a business or, you know, overseeing a business empire where perhaps there is a bit of micromanaging or just making sure that everything is exactly the way you'd want it. I mean, certainly you are trusting people to have the right skills to do the work in both cases, but can you talk a little bit about that? Because it does seem like a little bit of a mindset shift.

**Rohini:** Yeah, I think you're very right because in business environments, in the market space, everyone is very clear about what has to be achieved. And even if it is as simple as just making more shoes, making more good shoes and making sure you have more customers who love your shoes: everybody knows that's

your business model—and it will be much more complicated than that of course. In the social sector, it's not so easy to say that, right? I have met extraordinarily successful businesspeople in this planet who say it has been much easier to run their businesses than their philanthropy because societal change is complex. It's not simple. It is a mindset shift to let go of control for the outcome. In a business, if I was a CEO and I said, you know, “who cares about the outcome?” You will sack me tomorrow morning. But that's exactly what you have to allow yourself to do in philanthropy. You have to say, “I hope this will be the outcome,” but you have to let go of the certainty.

**Phil:** Andrew Carnegie, I think, famously said something about, ‘I have to now shift from the accumulation of wealth to the far more difficult task of giving it away wisely.’ And a century later, Warren Buffet, when announcing his gift to the Gates Foundation, in explaining why wasn't setting up his own foundation, said something similar, he said in business, you look for the easy things to do. You know, the simple ways to money. Philanthropy takes on the toughest problems, and it's a much harder game. And that's what you're saying, and other people have observed it. And yet, if you think about your fellow Giving Pledge signatories, I mean, there are in fact, a whole bunch of folks who come into it with the mindset that “I know exactly how to do this because I did so well in business, and I'm just going to apply that thinking to this world.” And then we watch this sort of slow-motion train wreck then unfolds. And it is years and years and years before that sort of humility is instilled and there's a shift. I don't know if you've thought about this much or how much you interact with the other Giving Pledge folks but is there a way to get folks to realize this earlier so we don't all have to watch the mistakes that get made over time and see the learning play out so slowly?

**Rohini:** In any gathering of philanthropists nowadays, we talk about this a lot. So in that sense, at least, the messaging and the conversation is right out there today. We are talking about modesty. We are talking about—well, we are talking about being humble. Not modest in your ambition, but humble in your approach. And so many people are sharing how they were forced into humility. If you do philanthropy, you better carry a mirror with you. It's a good thing our mobile phones have mirrors—you can actually sort of see yourself and say, take a step back to remember to be humble every today. Because success and failure have very strange timeframes in this sector. What looks like success today could be failure tomorrow. Similarly, we don't want to be falsely modest because what looks like failure today might easily be success tomorrow. So success and failure, in that very ordinary sense, become useless to guide you. And that's why you have to be humble and yet not modest.

**Phil:** One challenge, though, that we see play out a lot, is the distance between the major donor and the people they intend to help and, therefore, the problem that sometimes what the donor thinks is needed is not what people themselves feel they need or that they want. How do you think about that to make sure that whatever you're supporting—whatever strategy you're supporting—is the strategy that folks in the community you seek to help believe is right for them?

**Rohini:** I think it's true that donors think they know what could be the solution. And it's quite natural because when they get involved, they say, “oh, I know, this sounds so easy; we can do it this way.” But it's not worked so many times. Not only because—maybe their answers are right—but if you're not able to carry the people who are going to do the actual work with you and make them feel that it is also their co-created answer, their co-created solution, you won't get far, even if you're right—even if you're right—and so that's why to listen first—to listen first—is, I think, the most important thing. It doesn't mean you can't jump in. You are smart, you want to give, you want to find the answers—of course you should jump in too, but more as people sitting at a round table than a typical boardroom where you sit at the head. So, if you are able to do that, then it's more of a conversation and not just a dialogue of the deaf.

**Grace:** It seems to me that, broadly speaking, there is a relationship that we see between entrepreneurship and giving. So, you know, looking at your background, not only are you philanthropists, but you are also an entrepreneur, you're a serial entrepreneur. You've created many different kinds of organizations. Talk to us about that relationship. If we have listeners who are entrepreneurs, what are the aspects of entrepreneurship that you tap into in your giving?

**Rohini:** I think the first thing entrepreneurs, especially in the business community, do is they find a different approach to perhaps an old problem, right? So they innovate, they want to change the way something is done. And I think social entrepreneurs are the same, right? You want something to change for the better, and you want to innovate your way out of it. And if you're lucky, you get to also be a pioneer, which makes you feel really good—first time someone ever put foot on this territory, whatever that might be. So I think that drives people a lot, and certainly that drives me, to try to connect dots and find the next space where innovation seems to be very needed.

So—but as I've said and I've said it perhaps too many times in public—there is still an underlying theory that is consistent all my social entrepreneurship, which is: how can we more creative ways to engage the sum of society, its leadership and its institutions, to ethically engage in solving one problem or the

other? That's my underlying core philosophy. And so whether it was Nagrik, which we set up for safer roads and failed miserably—India has the highest number of road accidents and deaths in the world—that's not our fault, it's just that we didn't know how to tackle it, we didn't know how to be strategic. And that's okay. I learned from that failure.

**Phil:** On this issue of innovation and entrepreneurship that you were talking about it a minute ago: I worry sometimes—and I wonder what you think about this—about the overemphasis on the new and that sometimes donors just want to find the breakthrough when, in fact, something works, it's just not being funded enough. And so what is needed is just getting behind what we already know. So on the one hand, you want to celebrate the creativity and innovation entrepreneurialism of finding something that works in a way that nothing has before. On the other hand, we need donors to have—and it goes back again to this question of humility—the humility to recognize “somebody else may already have figured this out. Maybe the best thing for me to do is to just get behind what Rohini is already doing, rather than developing, even if I do it in a very collaborative way, some new approach.”

**Rohini:** Right, so you are saying don't reinvent the wheel, don't try to disturb—don't fix what isn't broke, right?

**Phil:** Exactly.

**Rohini:** And I completely agree with you. So just trying to be innovative for the sake of innovation makes no sense at all. When we are seeing something working, then you have to just double down on it and support what's already going on, right? So in many spaces in my work, my teams come back to recommend that “these people are doing a really great job, can we support them?” So what happens is we really double down on those institutions and give them very, very large grants to continue what they are doing so well. I don't need to go in there and try to create some competitive idea. Why should I if it's working well? So I agree. I think one of the things we are not doing enough, perhaps, as a philanthropy community, especially big givers, is we think everything should be inside our fence, inside our gate. And it goes back to your questions of trust. Can we learn to give more generously outside our fence? Can we give very large grants—and it depends, large could depend on the person's net worth and philanthropy budget, obviously—but can we try to give larger, multi-year grants to institutions that you know are doing well, to leadership that you know is committed—and they will learn, they will make mistakes, they will learn, they will grow—can you be the wind in their sails so that you don't have to design a whole new boat?

**Grace:** Listening to you, your legacy—talk to us about how you think about legacy in terms of family giving. How have you involved your family members in giving and what does legacy mean to you?

**Rohini:** The philanthropy conversation is always alive in my home. And the conversations about wealth—how to deal with wealth, what is the responsibility of wealth—both my children, by God’s grace, are politically very aware about what it means to create a good society. And both of them are very much interested in not just philanthropy, but strategic philanthropy. I hope other than the institutions that we build and support is that the next generation—and hopefully my little grandson will come into too soon, he’s very tiny though, he doesn't know how to spell philanthropy yet—but, but I think just as it came to me from my grandfathers, it is going to go down in that same way. You have to keep those conversations alive, you have to speak honestly, and you have to speak often.

**Phil:** Within your family, I wonder if you ever talk about the resentment and sort of push back that certainly has been on the rise, in the United States, anyway, the very existence of ultra-wealthy people. This sort of focus on how should that even possible? And you know, why are we looking to the benevolence of these individuals to do things that should be role of the state? How have you engaged with that critique, and how do you think about, and is that a dinner table conversation your house?

**Rohini:** Oh my God, it's probably from breakfast through—but the children are never there for breakfast. I don't know this young generation rises late. But we talk about it a lot. From the lens of justice, what should wealth creation even look like, right? What is the responsibility of that wealth? And also, what is good public policy? What is good public policy that doesn't allow runaway wealth creation and yet does not stifle entrepreneurship and innovation?

**Phil:** Right.

**Rohini:** Just like I said, philanthropists have to have a mirror in their pocket all the time. They are now going to need a much larger mirror they can see not only their own faces, but like those people do with those selfie sticks, you should be able to take in the background as well. And you must understand what that background is looking like today. That when you have such a runaway wealth, what you do with it and how you deal with it, is going to matter a lot, not only for society, which should be the first consideration, but even for you. And so it's a very important conversation in our house and it should be in all houses. I mean, we've seen capitalism reform itself, precisely because sometimes the

pendulum swings too far on one side, right? It happened a century ago, and now it's more than time to do it now, but if we all don't do it ourselves—and I'm not saying that pitchforks are coming, I hate to say stuff like that—but I'm saying, if we don't do it ourselves with our government and with our colleagues and with our societies—look at what's happening in China—I mean, in whichever way, state power will be used to change the status quo where only a handful of people is getting so wealthy, so wealthy that they even cannot give it away, even when they want to—even when they want to—because they're making more money while they're sleeping than they used to when they were awake. So I think these are important things for philanthropists to discuss today—and without self-blame.

**Grace:** Rohini, at the end of every episode, we ask all of our guests: giving done right to you is about: fill in the blank. How would you answer that?

**Rohini:** Giving done right to me is beginning from the heart and making the journey the head very carefully so that both are in play and always, always keeping a sense of joy in whatever you do—the minute you let the joy slip, you take yourself too seriously. And to know that, if you don't attach yourself to the outcome, but attach yourself to the action, I think the whole world travels with you.

**Grace:** Wow.

**Phil:** Wonderful answer.

**Grace:** That's great. Thank you so much, Rohini, for joining us today.

**Rohini:** Thank you so much, Phil and Grace, for this conversation,

**Grace:** So, Phil, what'd you think about our conversation with Rohini?

**Phil:** Well, I think Rohini is showing, not just other Giving Pledge signatories, but really all donors, a different path. And it is a path of belief and trust in others rather than this sense that we've got all the answers.

**Grace:** I loved it when she said if you do philanthropy, you better carry a mirror with you. Because, you know, that trust and the humility go hand in hand, it seems. And she makes that distinction between humility and modesty, right? So like, individually, as donors, we need to be humble. But our ambitions should not be modest for the change that we hope to see.

**Phil:** That's right. And if we want to see that change, are we really going to get there with single-year, restricted gifts in which nonprofits can't react or respond if conditions change, they're trying to manage to some arbitrary overhead cap—I mean, I think she just challenges all of those notions that continue to be, really, default practices in philanthropy.

**Grace:** I have an idea. I mean, we've never done this before on the show, but I actually would like to issue a piece of homework for our listeners this week. And that is around, you know, Rohini said trust begets trust, and even, you know, trying to give a gift with trust—letting go of what the outcome is—perhaps by the second or third gift that trust will actually be there. I'm not saying let's, you know, forget about doing the homework—do the homework on the nonprofits, find out which ones align with your values—but let's try giving some gifts with trust and really listening and that humility that she talked about.

We'd love to hear how it turns out for you, so let us know how it goes.

**Phil:** I love this. It's about belief in the knowledge and expertise of others over your own and recognizing that there's only so much you can know as a donor. So I think that's a wonderful idea, Grace.

**Grace:** So, Phil, where can people go for more information about effective giving?

**Phil:** Well, they can absolutely go to our website, [cep.org](http://cep.org), or to the podcast site, which is [givingdoneright.org](http://givingdoneright.org), where you'll find all our podcast episodes and show notes.

**Grace:** You can also find us on Twitter—[@gracenicolette](https://twitter.com/gracenicolette) and [@philxbuchanan](https://twitter.com/philxbuchanan). You can send us a note with any suggestions or comments at [gdrpodcast@cep.org](mailto:gdrpodcast@cep.org).

**Phil:** As always, I'd like to thank our sponsors, the Walton Family Foundation and the National Philanthropic Trust. Also, if you liked the show, please leave us a review on Apple Podcasts. It really helps.

**Grace:** Thanks again to Rohini for joining us.

*Giving Done Right* is a production of the center for effective philanthropy it's hosted by me, Grace Nicolette, and Phil Buchanan. It's produced by Sarah Martin with mixing and engineering by Kevin O'Connell and additional editing by Isabel Hibbard.

Our theme song is from Blue Dot Sessions and original podcast artwork is by Jay Kustka. A special thanks to our colleagues, Molly Heidemann, Sae darling, Naomi Rafal, for their research writing and logistical support.