



Unlocking Holistic Philanthropy for Impact

A Focus on Philanthropic Capital Deployment Approaches for Asia

This Philanthropy Research Report is brought to you by the Asia Centre for Changemakers (ACC) as part of the Impact Philanthropy Partnership, a collaboration between the Wealth Management Institute and the Private Banking Industry Group and supported by the Monetary Authority of Singapore

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By the Wealth Management Institute (WMI)

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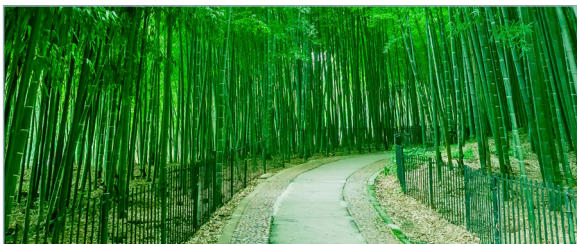
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Ms Foo Mee Har
Chief Executive Officer
Wealth Management Institute

CEO Foreword

As part of the commitment by the Impact Philanthropy Partnership (IPP) towards building thought leadership to advance practice in the philanthropic sector, I am delighted to share our latest research report, titled “Unlocking Holistic Philanthropy for Impact”.

This study, undertaken by WMI's Asia Centre for Changemakers (ACC), comes amid global concerns that the world is not on track to achieve the targets set out within the United Nations' Sustainable Development Goals (SDGs). Urgency over climate change, healthcare and food security has dominated philanthropy conversations in the past few years.

A common theme among these conversations is that philanthropy has the potential to catalyse meaningful progress towards the UNSDGs – which ultimately aim to end poverty, protect the planet, and ensure peace and prosperity for all. This is apt, for philanthropy at its core means the “love of humanity”, having taken root from two Greek words, “philos” (love) and “anthropos” (humanity).

Philanthropy therefore encompasses all our efforts to do good. In Asia, philanthropy has long been practised through grantmaking, with the lives of countless generations transformed for the better.

But the sector has seen many exciting developments in recent years: Alternative forms of doing good, such as impact investing and venture philanthropy, have taken hold as potential new models to catalyse innovative and sustainable solutions. These have also given rise to blended finance as a structure that combines concessional and non-concessional financing to enable development deals that would not have otherwise been viable.

What is even more encouraging is that wealth holders are starting to look beyond the spectrum of impact capital to consider how to

align business with their aspirations to contribute positively to planet and community. A purpose lens is now being applied to profit-making.

This report consolidates insights from industry experts and practitioners, delving into the newer philanthropic capital deployment approaches (PCDAs) mentioned above, and providing practical guidance for wealth holders as well as advisers. However, its true value lies in synthesising the various concepts of philanthropy as an asset class, shared value and mutual value into a comprehensive approach termed “Holistic Philanthropy”.

Adopters of Holistic Philanthropy put aside the traditional mental segregation of business, investment, giving and legacy. Instead they have a holistic view of capital allocation, aligning business and investment goals with social outcomes and legacy aspirations.

At WMI, we believe Holistic Philanthropy is a key mindset shift that is essential to unlock the true promise of philanthropy. We hope this report will help put more wealth holders and their trusted advisers on a strategic path to real, sustained impact.

Last but not least, this report is testament to the collective efforts of our esteemed partners, committed stakeholders, and insightful interviewees within Asia’s philanthropy ecosystem. We extend our sincere gratitude to the Private Banking Industry Group (PBIG) and the Monetary Authority of Singapore (MAS) for their trust and support in bringing this report to fruition. These collaborative efforts highlight a shared commitment to advancing understanding and influence within the dynamic landscape of philanthropy.

I look forward to engaging further as we continue to strengthen our philanthropic ecosystem together.



Arnaud Tellier
CEO, Wealth Management Asia, BNP Paribas
Chairman of the PBIG Philanthropy Workgroup

The Impact Philanthropy Partnership (IPP) has been a tremendous success over the last two years, and it is my privilege to introduce the IPP's second flagship report on "Unlocking Holistic Philanthropy for Impact". These past two years have been an inspiring and fulfilling journey, with capital deployed into innovative, forward-looking philanthropic vehicles through shared dedication and strategic partnerships.

As we look ahead, our greatest challenge – and opportunity – is to showcase how philanthropic capital can drive transformative progress towards our Sustainable Development Goals (SDGs). Today, we are witnessing a shift in the way many wealth holders approach philanthropy. Moving beyond "chequebook giving", they are embracing solutions such as venture philanthropy, impact investing and blended finance to unlock and drive meaningful impact across Asia. This report focuses on these philanthropic capital deployment approaches (PCDAs), which are at the heart of this evolving landscape.

With decades of experience in managing and deploying wealth, the wealth management industry is uniquely positioned to support this evolution. The industry has long been an effective facilitator in capital flows, and its potential to accelerate philanthropy is immense, offering unique ways to enable donors to direct their wealth to collectively meet our financing gaps.

The IPP has played a key role in fostering crucial connections between the wealth management industry and the broader philanthropic ecosystems. It has brought together wealth and philanthropy advisers, grantmakers, non-profit organisations, and social entrepreneurs to drive meaningful, systemic change. This report also highlights how these collaborations are enabling wealth holders to adopt holistic philanthropy strategies – combining venture philanthropy, impact investing, and blended finance – to create lasting impact.

As we reflect on the progress of holistic philanthropy, let us take a moment to celebrate the partnerships that have been instrumental to our philanthropic journey in the last two years. The commitment of our donors, the dedication of our partners, and the unwavering support of our community have been pivotal to our collective achievements.

On behalf of the Private Banking Industry Group (PBIG), I would like to extend my heartfelt thanks to all who have embarked on this philanthropic journey with us. Your enthusiasm, generosity, and commitment to making a difference have displayed the spirit of IPP.

Here's to another year of philanthropy that has been inspiring and enlightening. I look forward to building on this momentum in the years ahead.

Executive Summary

Philanthropy is private action for public interest. Yet today, philanthropy in Asia needs to be activated in a bigger way to adequately respond to the challenges of our time. What kind of paradigm shift do we need to transform and accelerate philanthropic impact in our world today? How do we unlock the flow and scale of capital for impact?

This report addresses the two questions by exploring some of the major challenges influencing the flow and scale of philanthropic capital, particularly in the Asian context. It introduces "holistic philanthropy" as an approach that addresses these challenges towards better outcomes and impact, with a specific focus on venture philanthropy, impact investing, and blended finance. Finally, it provides recommendations for regulators, wealth holders and ecosystem professionals with an eye for a paradigm shift towards making holistic philanthropy more practicable for all.

The report utilises both primary data obtained from interviews and discussions with wealth holders, ecosystem partners, and advisers who are part of the contemporary philanthropy ecosystem. It also draws on a wide repository of research insights drawn from industry reports, academic papers, and other knowledge materials to materialise into a landscape overview of the state of philanthropy in the context of holistic philanthropy, and what we need to do to scale more philanthropic pursuits towards venture philanthropy, impact investing, and blended finance.

Core Challenges

The Gulf

The report frames the core challenges as a "Gulf" that exists between philanthropic aspirations and realised outcomes, against the socio-cultural and historical backdrop of Asian philanthropy.

The Gulf is represented by the five main gaps:

- *Knowledge gap: Lack of critical information and skills to be informed*
- *Motivational gap: lack of incentives and inspiration to begin*
- *Commitment gap: lack of will and adherence to task*
- *Cooperation gap: lack of willingness to initiate or explore collaboration*
- *Scale gap: lack of ambition and alignment to make big bets*

These gaps are represented three critical areas. First is in Philanthropy's Four Dilemma, which makes it difficult for wealth holders to scale their philanthropic pursuits. Second is in aspirational considerations, which focuses on the the lack of trusted advice, knowledge and awareness that inhibit wealth holders from taking bolder steps towards more innovative forms of giving. Finally, these areas materialized into a financing gap of about US\$4 trillion annually, which is expected to take 32 years of committed funding to get back on track.

In Asia, wealth holders stand at the cusp of massive intergenerational wealth transfers and immense opportunities. Yet the trajectory of philanthropy growth remains fragmented. We describe this phenomenon as "Wealth 2.5", adopting Jaffe, Keffeler & Grubman's Wealth 3.0 framework, to explain how strong motivations towards more purposeful wealth may be tempered by older legacies around familial, societal and cultural expectations and fears. But when transitioned well, these expectations can become powerful forces that drive wealth holders to commit to philanthropy both as an aspirational motivation and societal obligation to advance the local communities and social causes they are invested with.

Solution

Holistic Philanthropy

Addressing the core challenges requires us to make a paradigm shift towards a holistic approach that recognises the value of different insights to make philanthropy an effective action. We call this "Holistic Philanthropy". Holistic Philanthropy is an aligned, purposeful and mutual approach based on six key principles:

- Repurposing Capital for Impact
- Total Impact Portfolio
- Viewing Impact Across The Spectrum
- Collaborating for Mutual Value
- Philanthropy as Private Action in Public Space
- Serving Change with Communities

Holistic Philanthropy emphasises impact intentionality and materiality. The report uses six logic approaches and a Holistic Scorecard to map impact intentionality and materiality to funders' programmes and initiatives. This framework aims to prepare Asia's wealth owners to navigate opportunities and challenges within a Wealth 2.5 context. We believe the frameworks and tools provided will be valuable to wealth holders, philanthropy advisers and their teams to embark on Holistic Philanthropy.

Applying to Venture Philanthropy, Impact Investing, and Blended Finance

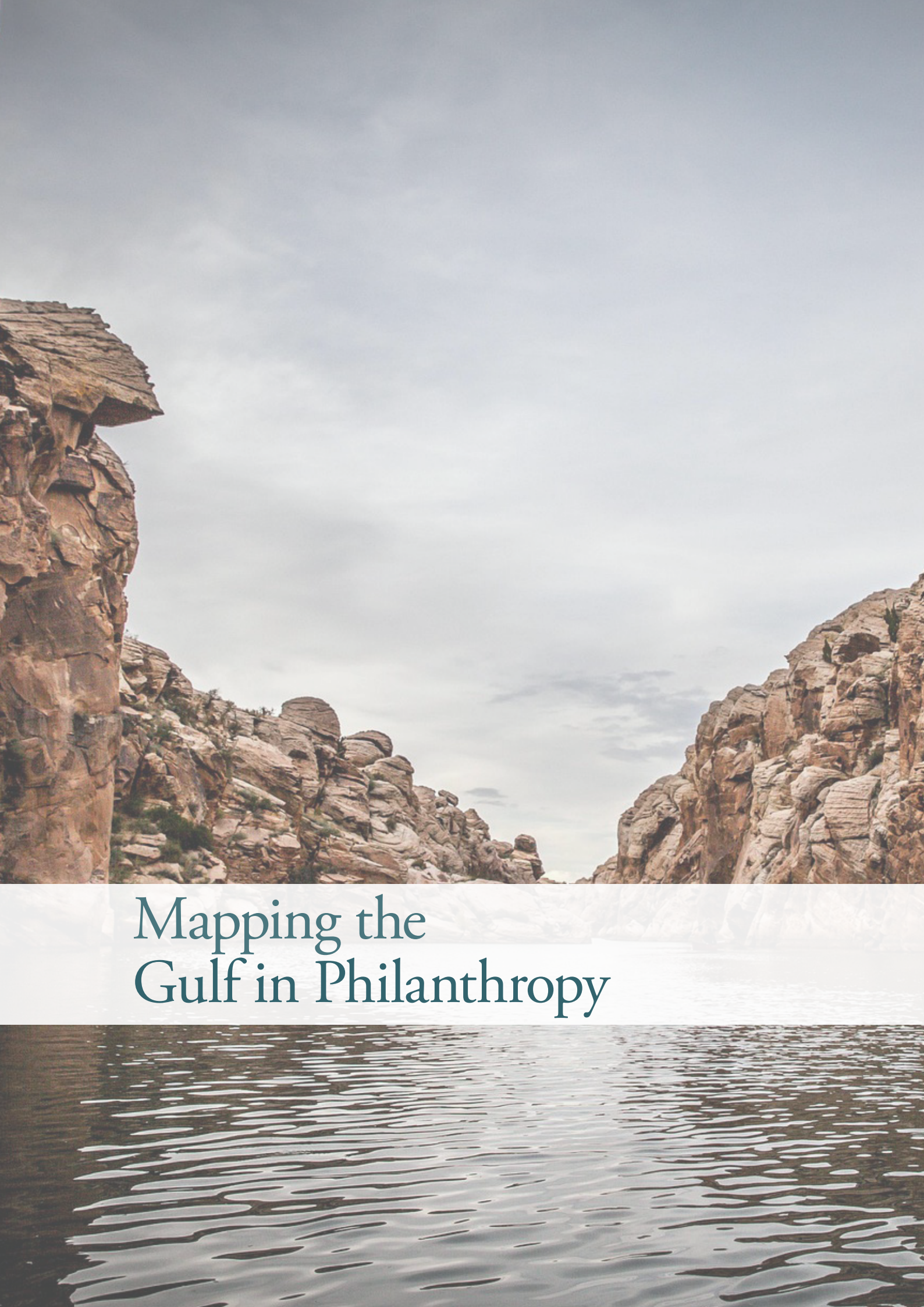
With Holistic Philanthropy, wealth owners dismantle the traditional mental boundaries of capital allocation for business, investment, giving and legacy. Instead they adopt a holistic approach to doing good, aligning business and investment goals with social outcomes and legacy aspirations.

In this way, Holistic Philanthropy paves the way for integrating venture philanthropy, impact investing, and blended finance into the wealth holder's overall impact strategy. This report offers the what, how, why and who of these social investing models and financing structures in doing good, equipping wealth owners and advisors with the tools to create impact via these pathways.

Recommendations

The report provides macro-level recommendations to three groups of key players in the philanthropy ecosystem. Wealth holders are encouraged to embrace holistic principles to guide their impact strategies, with the objective of integrating profit and purpose. Ecosystem partners should develop their holistic advisory offerings through training and collaboration. Regulators and policymakers have a crucial role in establishing enabling processes and policies.

For Singapore, building a more holistic philanthropy ecosystem will go a long way towards supporting its aspiration to become a philanthropy hub.

A scenic photograph of a rocky coastline. On the left, a large, layered rock formation juts out into the water. The water in the foreground is dark and shows gentle ripples. The sky is overcast with soft, grey clouds. The overall mood is serene and natural.

Mapping the Gulf in Philanthropy

Introduction

This report begins with a fundamental question: **what is the most influential paradigm shift that could transform and accelerate the philanthropic impact most needed today?** We are witness in the role of philanthropy in driving positive social and environmental impact.

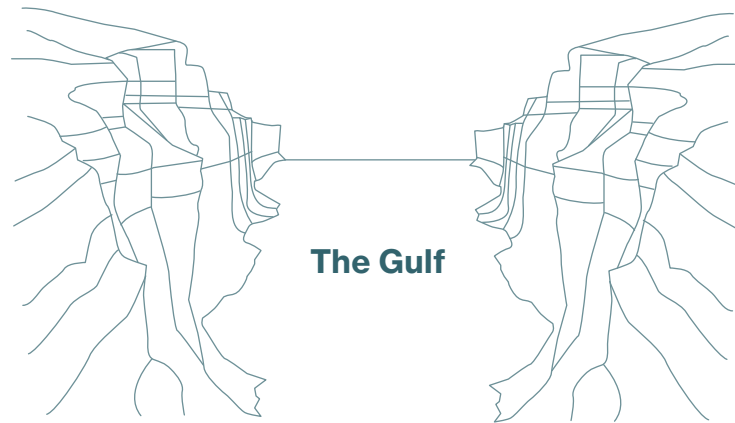
Philanthropy has always served as a powerful force in influencing how societies address longstanding and emerging social causes, access and inequalities. But what makes philanthropy truly transformative is its ability to not only fund, but also introduce new opportunities through catalysing bigger and bolder solutions to some of our world's biggest problems. This is not without criticism, as the works of Anand Giridharadas's *Winners Take All* and Kris Putnam-Walkerly's *Delusional Altruism* is a somber reminder that philanthropy may just be part of the problem it aims to solve.

In this report, we define philanthropy as a philosophy that deeply believes in the significance and potentials of private action in public interest. Philanthropy is aimed at influencing public outcomes with a positive impact. While philanthropy may have often been regarded only in the confines of grantmaking, we believe that this can extend further. As new approaches to impact such as venture philanthropy, impact investing and blended finance become mainstream, a robust philanthropic strategy that is invested in good outcomes will require reconciling them in a holistic approach.

Above all, there is common consensus that philanthropy is a unique form of capital distinguished from its public and corporate counterparts. With the rapid rise of the number of wealthy families in the last few decades through immense wealth creation and accumulation globally, this unique force can play a pivotal role with public and private capital in supporting our aspirations of closing financing gaps for our social and environmental needs.

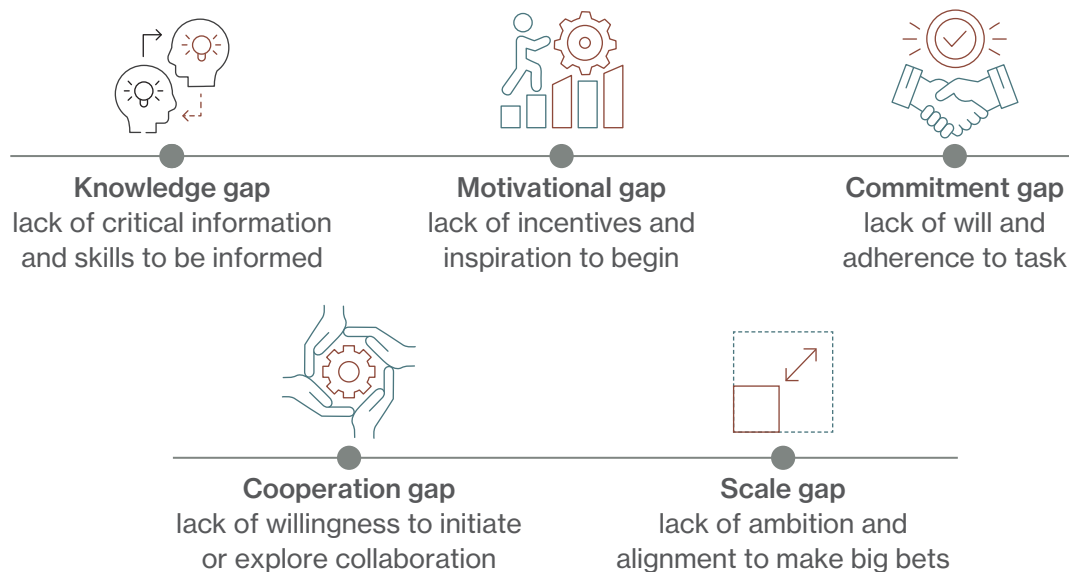
The essence of this report is aimed at helping us understand what is needed to **unlock the flow and scale of philanthropic capital for impact**. We begin this inquiry by outlining the central issues that are making progress difficult or challenging. This involves identifying the big questions around the problem that the report serves to address. We call this "The Gulf".

1.1 The Gulf:



The Gulf represents the chasm between our aspirations and, the intended goals and achievements. The Gulf can be recognised in two interrelated ways: an ideological aspect that requires a paradigm shift in the assumptions we hold about philanthropy in order to change justifications and purposes; and a material aspect that manifests the distance we need to close. In this segment, we identified five gaps in the Gulf based on our review of the existing literature as well as findings from our interviewees.

The Five Gaps



Together, these five gaps represent the fundamental difference between major funders currently, and those who aspire towards similar scale or impact. In this chapter, we examine what are the current issues leading to these gaps in two ways.

In addressing the ideological front of the gulf, we look at the **four perennial dilemmas in philanthropy** to explain what needs to be addressed to produce effective “why’s” and “how’s” that inform our philanthropic approaches. This is followed by examining the **state of giving** in our world today to understand the material front. We will then introduce our answer to close the gulf between aspirations and achievements through Holistic Philanthropy.

1.2 Philanthropy's Four Dilemmas

Philanthropy often finds itself at a crossroad. With Asia steadily consolidating its place as an arena for purposeful wealth, there are central questions that wealth holders in philanthropy would face. We call this the “**Four Dilemmas**” in Philanthropy.

Each of these dilemmas represents the ethical, organisational, social and personal struggles wealth holders face when considering their philanthropic purposes and pursuits. By discussing these dilemmas, the intention is to show that there are no **right solutions** to them. Instead, these are **decisions** that wealth holders **must make** and be **accountable** for as informed by their purpose, values, responsibility and legacy.

Dilemma 1: How Much Should I Give or Keep?

The first dilemma involves how much wealth holders should allocate to philanthropy versus retaining wealth for their financial interests to secure a sustainable and conscious impact for the long haul. This is a complex issue that intertwines personal values, societal responsibilities, and financial strategies. There is no one-size-fits-all answer, as affluent individuals grapple with questions around sufficiency versus the impact of their charitable contributions. The decision-making process often involves weighing immediate family welfare against broader societal impacts, with an ongoing debate around how wealth holders ought to prioritise.

Conventional approaches to this dilemma, including the values-based estate planning by Scott Fithian¹, promotes the notion of prioritising and consolidating one's own financial independence and family's legacy before embarking on a social capital legacy. Such approaches remain a popular choice – the idea that “charity starts at home” focuses on securing a stable financial nest for one's own and family's needs before giving the remainder as philanthropy has become institutionalised in many estate planning doctrines.

¹ Fithian, S. C. (2000). *Values-Based estate planning: A Step-by-Step Approach to Wealth Transfer for Professional Advisors*. Wiley. <https://www.wiley.com/en-sg/Values-Based+Estate+Planning%3A+A+Step-by-Step+Approach+to+Wealth+Transfer+for+Professional+Advisors-p-9780471380405#tableofcontents-section>

Wealth Holder's Portfolio Mandates



Investment Mandate

- Clear financial returns on investment (ROI)
- Social and environmental impact agnostic
- Capital preservation or expansion



Giving Mandate

- Philanthropic capital to be expensed with little financial considerations on returns
- Social and environmental impact must be visible and direct
- Total capital loss (as grants or donations)

This is also why most wealth holders operate on some variants of a two-mandates portfolio strategy: an investment mandate that focuses solely on driving returns to secure financial independence and legacy; and a giving mandate that strives to maximise philanthropic pursuits. Like oil and water; the two capital streams do not comingle, operating on different impact principles and investment logic that correspond to the profit-making and non-profit worlds accordingly.

A major critique of the conventional approaches is that it fails to consider two emerging realities. The first is that when wealth holders do not have heirs to inherit their wealth, the question of legacy and philanthropy becomes intertwined as they consider how they are to be remembered in the context of why and how they give. This reality is further compounded by the trend that shows that only 43% of Asian HNWIs have estate planning plans in place². Relying on the two-mandates strategy thus limits the roles wealth holders can play in shaping and scaling the purpose and impact of their philanthropic legacies during their lifetimes.

² Olano, G. (2019, December 18). *Wealthy Asians are procrastinating on succession planning - report.* Insurance Business Asia. <https://www.insurancebusinessmag.com/asia/news/breaking-news/wealthy-asians-are-procrastinating-on-succession-%20planning--report-195245.aspx>

A second critique is that as financial worlds are opening up to new investment vehicles that prioritise impact over financial returns in the short run, or even harmonising both impact and financial gains, the two-mandates portfolio runs the risk of missing out on identifying such opportunities. This leads to a distortion effect where the mandates do not effectively capitalise on latest investment opportunities that can serve both financial returns and impact. This is especially for areas such as the global impact investing markets. The Global Impact Investing Network (GIIN) estimates these markets are worth over US\$1.5t in assets under management (AUM) with a 21% compound annual growth rate (CAGR) since 2019³.

In the context of venture philanthropy, impact investing and blended finance, the bifurcation makes it difficult for wealth holders to appreciate the value of combining both portfolios in a focused interest in delivering both financial and social impact. This limits the potential for capital to be used simultaneously, reducing its capacity for multiplier effects beyond simply financial or social outcomes.

Dilemma 2: Should I Fund Capacity or Programmes?

Which to Fund?



Funding
Capacity



Funding
Programmes

Another related dilemma is the question around what philanthropic capital should fund. The capacity versus programmes dilemma underlies two issues. First, it reveals problematic assumptions among funders that programmes are the better of the two when it comes to impact. But such biases, along with unrealistic expectations, may lead non-profit into a “starvation cycle”, when insufficient funds for capacity building stretch them beyond their limits to sustain existing programmes (Gregory & Howard, 2009⁴). A lack of capacity building severely hampers a non-profit’s ability to effectively operate, innovate and scale solutions for the communities they serve (Salamon, 1999⁵). Secondly, it reveals the

3 Xiao, D. H. M. U. H. P. K. (n.d.). *Sizing the impact Investing Market 2024*. The GIIN. <https://thegiin.org/publication/research/sizing-the-impact-investing-market-2024/>

4 The nonprofit starvation cycle. (n.d.). Bridgespan. <https://www.bridgespan.org/insights/the-nonprofit-starvation-cycle>

5 Salamon, L. M. (1999). *The Nonprofit Sector at a Crossroads: The Case of America*. VOLUNTAS International Journal of Voluntary and Nonprofit Organizations, 10(1), 5–23. <https://doi.org/10.1023/a:1021435602742>

problem of “impatient capital”, where funders expect quick, easy and publicly-visible results to validate their philanthropic impact. Such expectations lead to funders’ preferences for programmes over capacity building.

A major consideration comes under what organisational capacity exactly means, as a charity’s have varying definitions which determines so. In Singapore, while there are no other expense limits to overheads except for a fundraising efficiency ratio of up to 30%⁶, there is an oft-heeded industry-wide practice of keeping overall administrative costs at about 10% of charity’s total expenses⁷. Apart from expense limits, the idea of having common standards for what capacity building entails, as well as who or what counts as capacity building in non-profits remain unclear at the detriment of the latter’s effectiveness for impact⁸. On the public front, funders may also be pressured by stakeholders to show and be accountable to what they give. Funding capacity may result in visibility and impact concern as it is not straightforward to measure and show the impact of capacity building compared to programmes. For funders who are held to higher levels of public scrutiny, funding capacity may not be viable or attractive.

The dilemma of considering either capacity or programs also forecloses the possibility for venture philanthropy, impact investing and blended finance to be considered in earnest. By privileging a grant-making mindset, it makes it difficult for wealth holders to think of how the innovation brought about by the above approaches may be useful for them to revolutionise impact.

As many of these approaches do not simply into the categories of capacity or program development, this limits the potential wealth holders possess in driving impact beyond just the two options.

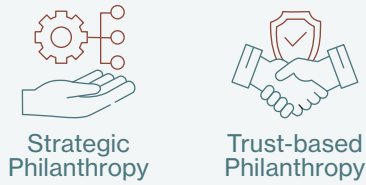
⁶ **Fund-Raisers duties and obligations.** (n.d.). <https://www.charities.gov.sg/Pages/Fund-Raising/Fund-Raisers-Duties-and-Obligations.aspx>

⁷ **Ee, G., & Spence, P. (2019).** *Full cost recovery for charities* (Isabel Sim, Alfred Loh, & Teo Chee Khiang, Eds.; Booklet 3 of 5) [Handbook]. <https://www.charities.gov.sg/PublishingImages/Resource-and-Training/Publications/Books/Documents/Handbook%203%20-%20Full%20Cost%20Recovery%20for%20Charities%20E-copy.pdf>

⁸ **Philanthropy, J. C. F. (2024, April 11).** *Rethinking what capacity building should be — and who should decide.* Johnson Center for Philanthropy. <https://johnsoncenter.org/blog/rethinking-what-capacity-building-should-be-and-who-should-decide/>

Dilemma 3: Should I Rely On Strategy or Trust?

The Debate: Strategy or Trust?



The next dilemma centers on whether funders should focus on being systematically strategic about how they fund, or simply leave it in the hands of organisations to do what is best. Made popular by the debate between the “strategic philanthropy” and “trust-based philanthropy” approaches, advocates and critics both have compelling claims on how funders ought to reconcile their relationships with organisations when managing their philanthropic funds.

Advocates of strategic philanthropy, driven by Andrew Carnegie’s *Gospel of Wealth* in 1889, and more recently popularised by the works of Peter Karoff, Peter Frumkin, as well as Bridgespan’s Thomas Tierney and Joel Fleishman, argue that giving strategically offers funders a means to be more mindful and intentional about their philanthropic capital. When funders back their giving by sound logical models, vocalise their intent and measure impact, they are able to give smart and make effective and efficient change over time. Their critique of trust-based philanthropy lies in the idea that funders should be responsible for distributing philanthropy capital, whether through grants, investments or other means, and materialise this responsibility to stakeholders, so that they may serve to meet the strategic goals⁹. They cannot leave this task to others, who may have competing interests or little incentive to ensure philanthropic capital is effectively used for strategic aims that manifest the theory of change.

⁹ Strategic Philanthropy is alive and Well (SSIR). (n.d.). (C) 2005-2024. <https://ssir.org/articles/entry/strategic-philanthropy-in-defense-of>

On the other hand, advocates of trust-based philanthropy call out strategic philanthropy as projecting onerous and sometimes, misplaced objectives that hinder non-profits from doing their jobs effectively. As a growing movement which includes the likes of Mark Kraemer, Hal Harvey, Steve Phillips and The Whitman Institute, the argument is that trust-based philanthropy shifts the focus from donors to the non-profits, allowing the latter to make effective decisions for positive impact. The concern is twofold. Firstly, donor expectations may not reflect the right knowledge and experience to understand where funding is needed to solve the ground issues. Second, they argue that strategic philanthropy infantilise non-profits, as it accords donors powers over them to do what is good for the former, which is often at the expense of the latter. Instead, funders should focus on building processes that develop trust for non-profits as experts to steer where philanthropic capital needs to go.

In the context of venture philanthropy, impact investing and blended finance, the strategy vs trust debate comes out most clearly in terms of favouring the former. While these approaches may be more aligned with strategic philanthropy, early investments through trust-based philanthropy is also equally crucial in refining how these approaches may work out for existing initiatives.

Moreover, venture philanthropy, impact investing and blended finance actually requires both strategy and trust to operate practically. By dwelling on either side, wealth holders find it difficult to appreciate the catalytic effect of the other.

Dilemma 4: Should I Focus on Agnostic or Altruistic**Agnostic or Altruistic Philanthropy?**

As the idea that impact should drive philanthropic capital mobilisation instead of personal motivations so as to derive effectiveness becomes more accepted, a debate over whether to **adopt an agnostic approach focused solely on measurable impact or an altruistic approach driven by moral purpose becomes evident.**

Agnostic philanthropy, supported by thinkers like Peter Singer and William MacAskill through the effective altruism movement, emphasises funding interventions with the highest measurable outcomes, using data-driven evaluations like those from GiveWell to maximise lives saved or improved. Here, impact is seen as the sole measure of philanthropic success.

In contrast, altruistic philanthropy, as argued by Robert Reich in *Just Giving*, stresses philanthropy as a moral duty to address systemic inequalities and support democratic values, even if measurable results are uncertain. Reich and others critique the agnostic approach for prioritising outcomes over community empowerment and ethical considerations. At the same time, others such as James Grubman and Daniel Jaffe in *Wealth 3.0* remind us of the importance of purpose in driving funders' motivations. Impact alone is insufficient to sustain wealth holders' philanthropic drive.

In the context of venture philanthropy, impact investing and blended finance, the tendency to see them in agnostic lenses may be prevalent, given the integral aspects of evidence-based implementations. But this does not preclude the possibility for altruism to drive forward looking wealth holders to consider them even when the evidence may not be available. Altruism, in this aspect, may drive wealth holders to take the important steps while learning how they may apply to their portfolios.

Mapping Your Position within the Four Dilemmas

The above dilemmas share common principles in terms of what wealth holders have to consider when positioning their philanthropic pursuits. They are a reminder of the following areas:

- No right solutions, just decisions that they have to find an orientation or justification to stand by
- Influence how other decisions are made, and how others see you
- Become an important compass to your long-term philanthropic approach toward the material aspect of the gulf
- Recognising the value and pitfalls of your positions in order to be mindful about how and why you give
- The importance of connecting and communicating your position with your core team of wealth and philanthropic advisers, stakeholders and family members

To help wealth holders understand the purpose, value and concerns around their positions, consider using the mapping tool below to help them identify them across the four dilemmas, and what they need to look out for to be aware of their current status and journey of giving.

Dilemmas	Range of Positions	Choice of Position	Why did you choose this position?	What is your biggest concern in this position?
How much to give or keep?	Consider what is the percentage of wealth you would consider for philanthropy?	%		
Fund capacity or program?	Consider what is the percentage of your fund you would fund for capacity or program	%		
Strategy or Trust?	On a percentage level, how comfortable are you with leaving your funds in the hands of non-profits you are giving to?	%		
Agnostic or Altruistic?	On a percentage level, how much of your giving needs to be guided by your own personal preferences, over allowing an expert to determine the most impactful area to give to?	%		

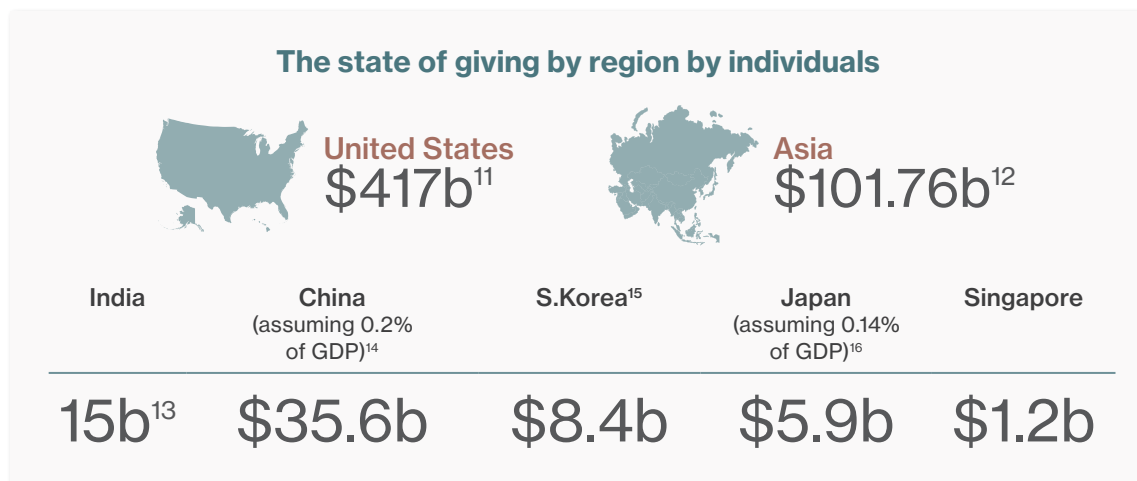
This mapping tool is a potential starting point for wealth holders to consider and adapt where necessary.

1.3 State of Giving in Asia

In this section, we assess the current state of philanthropy funding that helps illustrate the material gulf between what we hope to achieve and where we are here in Asia. This is done through assessing the financing and aspirational gaps.

Financing Gap

Philanthropic Capital: A Visual (USD)



¹⁰ Herschander, S. (2024, January 31). Foundations Gave \$97.5 Billion Last Year as Assets Hit Record Highs. <https://www.philanthropy.com/article/foundations-gave-97-5-billion-last-year-as-assets-hit-record-highs>

¹¹ Global Giving. (n.d.). <https://www.citigroup.com/global/insights/global-giving>

¹² Goldberg, R. (2024, September 23). Ultra High Net Worth Philanthropy 2024 - Altrata. Altrata. <https://altrata.com/reports/ultra-high-net-worth-philanthropy-2024>

¹³ India Philanthropy Report 2024. (2024, August 20). Bain. <https://www.bain.com/insights/india-philanthropy-report-2024/>

¹⁴ IMD Business School. (2025, January 15). The past, present and future of Chinese philanthropy - IMD business school for management and leadership courses. IMD Business School for Management and Leadership Courses. <https://www.imd.org/research-knowledge/china/articles/the-past-present-and-future-of-chinese-philanthropy/>

¹⁵ Magazine, A. (2023, April 19). Giving in South Korea growing in both size and type - Alliance magazine. Alliance Magazine. <https://www.alliancemagazine.org/blog/giving-in-south-korea-growing-in-both-size-and-type/>

¹⁶ Sasaki, S., Kurokawa, H., & Ohtake, F. (2021). An experimental comparison of rebate and matching in charitable giving: The case of Japan. Japanese Economic Review, 73(1), 147–177. <https://doi.org/10.1007/s42973-021-00085-9>



Asia's Untapped Potential:

The region has the potential to reach up to \$701 billion (or six times of current giving) if matched US's ratio of giving/GDP¹⁷

Wealth of Holders

Billionaires (2023)	UHNWIs (2023) ²²	Wealth Dynamics in Asia
Global 2781 ¹⁸	Global 626,619	UHNWI Growth 230,000 by 2028, or 38.3% over 5-year period
US 813 ²⁰	US 225,077 ¹⁹	Total Wealth \$177.8 ²¹ trillion
ASIA 950	ASIA 165,000	Intergenerational Wealth Transfer (2024 - 2030) \$5.8 million

Green Financing Gap:



Gobally

\$5t annually to meet its goal of limiting temperature increase by 1.5 degree Celsius in 2050. Only receiving \$1.3t, with a shortfall of \$3.7t.



Asia

\$1.1t - \$1.5t annually to meet 2030 climate targets, but only receiving \$333b, resulting in a gap of \$815b.

17 Cua, T. (2022, September 28). *Unlocking Cross-Border philanthropy in Asia*. Asia Philanthropy Circle. <https://asiaphilanthropycircle.org/unlocking-cross-border-philanthropy-asia/>

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21 Hassan, A. (2024, May 12). *20 wealthiest countries in Asia*. Yahoo Finance. <https://finance.yahoo.com/news/20-wealthiest-countries-asia-212348696.html>

22 Kotanko, B., & Sengupta, J. (2024, September 9). *Asia-Pacific's family office boom: Opportunity knocks*. McKinsey & Company. <https://www.mckinsey.com/industries/financial-services/our-insights/asia-pacifics-family-office-boom-opportunity-knocks>

Asia also



Contributes 2/3 of global growth in 2023²³



Produces half of global carbon emissions



Produces about 85% of its energy from fossil fuel²⁴



Has only \$5.2b of dedicated green investments in 2022²⁵

SDG-related Financing Gaps in Asia

\$4 trillion annually²⁶ across 17 SDGs

1 NO POVERTY



Poverty (international poverty line of US\$3.20 daily): 1.2b people, or ¼ of Asia's population. Requires \$669b annually to reduce poverty and hunger²⁷

4 QUALITY EDUCATION



Education: \$376b in investment gap to meet educational infrastructural needs effectively²⁸

3 GOOD HEALTH AND WELL-BEING



Healthcare: \$72b in investment gap to meet healthcare infrastructure needs effectively

23 EXPLAINER: How Asia can unlock \$800 billion of climate financing. (2024, January 29). IMF. <https://www.imf.org/en/Blogs/Articles/2024/01/29/explainer-how-asia-can-unlock-800-billion-of-climate-financing>

24 What will it take to finance Asia's green transition? (2023, December 4). Temasek Corporate Website English. <https://www.temasek.com.sg/en/news-and-resources/stories/sustainability/sustainability-temasek-cop28-climate-finance>

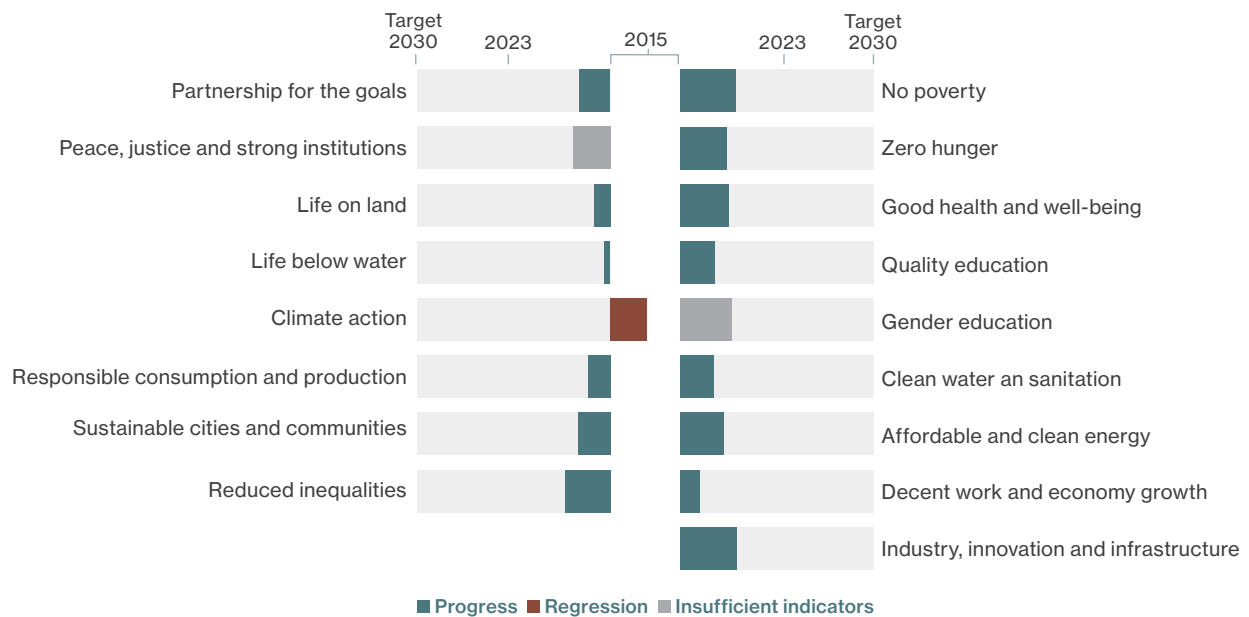
25 What will it take to finance Asia's green transition? (2023b, December 4). Temasek Corporate Website English. <https://www.temasek.com.sg/en/news-and-resources/stories/sustainability/sustainability-temasek-cop28-climate-finance>

26 Inter-agency Task Force on Financing for Development. (2024). Financing for Sustainable Development Report 2024. In Financing for Development at a Crossroads. United Nations. <https://developmentfinance.un.org/fsdr2024>

27 Why can't dynamic Asia-Pacific beat poverty? (n.d.). ESCAP. <https://www.unescap.org/blog/why-cant-dynamic-asia-pacific-beat-poverty>

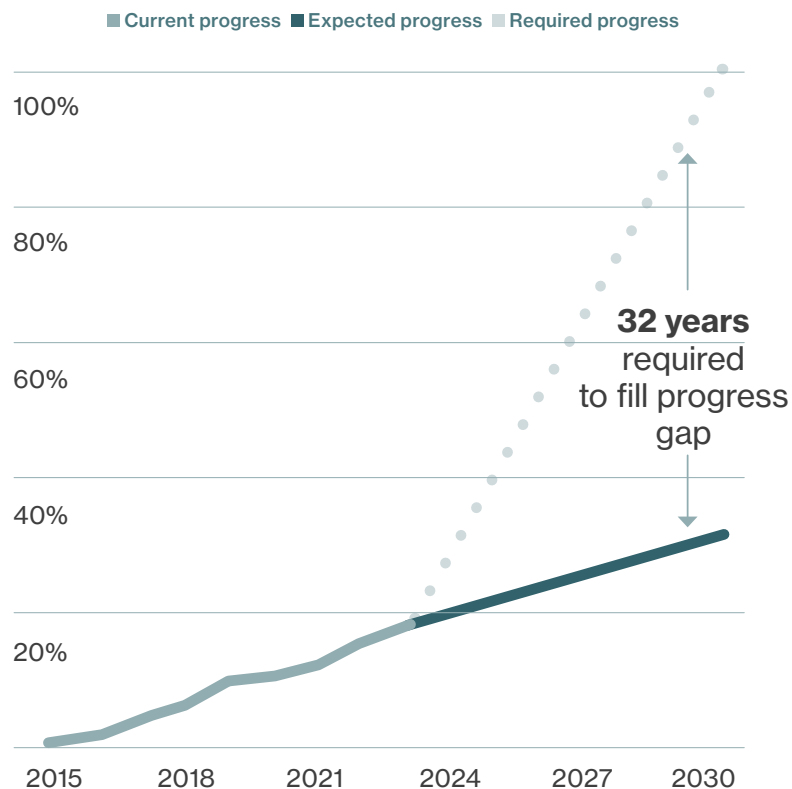
28 Ra, S., Li, Z., Asian Development Bank, & Kairon Shayne D. Garcia. (2018). Closing the financing gap in Asian infrastructure. In ADB South Asia Working Paper Series (Issue No. 57). Asian Development Bank. <https://www.adb.org/sites/default/files/publication/431261/swp-057-financing-gap-asian-infrastructure.pdf>

SDG progress in Asia-Pacific



Adapted from ESCAP SDG Gateway Asia Pacific. *Asia and the Pacific (ESCAP)—Snapshot*

SDG progress gap in Asia-Pacific



Adapted from ESCAP. *Asia and the Pacific SDG Progress Report 2004*.
Showcasing Transformative Actions. <https://data.unescap.org>

Aspirational Gap

Numbers only tell us part of the story. While the financing gap reveals the quantitative differences, aspirational gap tell us about how we visualise the distance between philanthropic aspirations and existing levels of achievements. Drawing upon 245 resource points including 177 journal articles, book chapters, reports and 58 in-depth interviews with thought leaders in the philanthropy ecosystem in Singapore and abroad on Asia's philanthropy landscape²⁹, we consolidate the findings as follows.

When it came to aspirations, there are four central themes that emerged most evidently. They are:



Interest in Philanthropic Innovation (83%)

A significant majority of findings (83%) point to a keen interest in philanthropic innovation aimed at making a purposeful impact on specific social causes. This indicates a shift towards recognising that traditional giving methods may not adequately address complex societal challenges. Wealth holders are increasingly seeking innovative solutions that leverage technology, data analytics, and collaborative approaches to enhance the effectiveness of their impact and contributions.

This trend suggests that philanthropists are eager to augment their existing checkbook giving by engaging social entrepreneurs, organisations, and concessional capital partners that prioritise capital innovation. By embracing new ideas and models, they can drive more impactful outcomes and foster an era of philanthropy characterised by experimentation and adaptability to fit purpose with results.

²⁹ Please refer to our Methodology section at the end of the report for fuller explanation on the scholarship review and interviews.

Finding a Purposeful Legacy (65%)

Establishing a purposeful legacy is a powerful aspiration in philanthropy. This aspiration highlights a deep-seated need by wealth holders to find a purposeful legacy that contributes to meaningful change and leaving a lasting impact beyond their lifetimes. This desire comes at the point of Asia's largest intergenerational wealth transfer to date, with Knight Frank's *The Wealth Report* estimating over 70,000 UHNWIs passing on more than US\$2.5 trillion to their Millennials and Zillennials heirs in the next decade.

For many wealth holders in this transition, philanthropy transcends giving for giving's sake; it is about creating a narrative that aligns with their values and beliefs about what they stand for and wish to pass on to future generations.

This focus on legacy motivates wealth holders to engage more deeply with the causes they support, often leading them to invest time and resources into understanding the issues at hand. By prioritising legacy, these individuals can inspire future generations to continue philanthropic efforts, fostering a culture of giving that extends beyond individual contributions.

Developing a Positive Public Image (41%)

While 41% of the findings indicated a desire to develop a positive public image through philanthropy as an aspiration, this motivation is complex. The desire for favourable public perception can drive individuals to support high-profile initiatives or causes that attract media attention and public goodwill. This comes at a time when there is an increasing polarisation of politics, mistrust of political elites and institutions, as well as reduction in economic optimism, as indicated in Edelman's *Trust Barometer Report* in 2023. All these signal a weakening of trust and confidence that those in power can enact effective social change for the societies they serve. With a deluge of information and exposure from social media platforms, wealth holders are beginning to come to terms with the fact that they no longer can afford to be low-key and private about their wealth, and are stepping up to invest in a positive image that supports their personal and public interests.

However, this motivation raises questions about authenticity in philanthropy and claims that philanthropy has been used to entrench decision making powers to those who can "pay-to-play"³⁰. Wealth holders must balance the pursuit of positive public relations with genuine intentions to effect change. Inversely, recipient organisations must bear in mind that some wealth holders may not always appreciate being seen as coming into partnerships as the financial backers, even if they do have the means for so. If philanthropic efforts are perceived as self-serving or primarily image-driven on either side, they risk undermining the trust and credibility essential for effective giving.

30 "Wise Philanthropy Institute." (n.d.). "Wise Philanthropy Institute." <https://wisephilanthropy.institute/insights/458-pay-to-play-a-cautionary-tale-for-both-funders-and-nonprofits>

Scaling Philanthropy in Less-Funded Areas (21%)

While there is awareness of underfunded issues, many wealth holders may feel constrained by existing commitments or lack the will and motivation to scale their giving into areas that may need funding. Reasons for the relatively low aspirational focus include the perception that bigger and bolder philanthropic capital sizes are usually for large foundations such as the Gates Foundation, and that smaller funders have to be highly strategic about where their money go. Wealth holders interviewed also expressed concerns around stretching themselves, and are unsure how to properly scale their efforts in tandem with the operating and fiscal resources needed to do so. Others are cautiously adopting a wait-and-see approach in an uncertain market situation to consider whether they have sufficient bandwidth and capital to move more capital into philanthropy.

These findings indicate an opportunity to consider how philanthropic organisations and advisers can encourage wealth holders to scale giving in uncertain times. By highlighting the potential of viewing philanthropy as a market-resilient vehicle for impact that can create both profit and purpose-driven opportunities, they can inspire wealth holders to view critical gaps in funding as potential market space for even smaller givers.

Reasons for aspirational gaps

What challenges or barriers do wealth holders face in achieving their aspirations? Using the same set of materials above, we reveal the top 10 issues as categorised into four gap areas:

Reasons Wealth Holders Do Not Increase their Philanthropy

	Issue	Numbers of hits (out of 245)	(%)
1	Lack alignment	202	82%
2	Lack of trusted advice	193	79%
3	Competing or unclear information	151	62%
4	Lack of or unclear opportunities	137	56%
5	Lack of awareness on latest trends	109	44%
6	Intergenerational wealth uncertainties	95	39%
7	Family-related concerns or conflicts	87	35%
8	Concerns around public image	43	17%
9	Lack of cultural integration	28	11%
10	Too small to make a difference	11	4%

Category

Philanthropic Alignment and Trusted Advice
 Knowledge and awareness gaps/conflicts
 Intergenerational, familial and cultural considerations
 Limitations for Meaningful Difference

Philanthropic Alignment and Trusted Advice

Wealth holders often struggle with a lack of clarity regarding their philanthropic purpose. In this review, we identified two main issues which topped the list:

- **Philanthropic Alignment (82%):** Many wealth holders struggle to align their philanthropy with their personal, professional and philosophical identities. It is challenging for them to scale their philanthropy until there is some level of alignment due to the fear of making an irrevocable decision they may regret later on.

Wealth holders also shared that alignment stems from within. It must come from a position in which they deeply resonate with instead of being told from an external source.

Alignment concerns also extend to governance and industry alignment. The ecosystem has influence on how wealth holders approach philanthropy. Factors such as governance, legislation and regulatory bodies influence the synergy between private (wealth holders), public and people sectors' goals for potential philanthropic collaboration.

- **Lack of Trusted Advice (79%):** Wealth holders' next major challenge is in sourcing a trustworthy source of advice for their philanthropic planning. Recognising that the notion of "independent advisory" is often difficult to achieve, wealth holders are less concerned about independence than they are about trusting that the source of advice is made from a point of consideration in the wealth holder's interest as compared to the adviser's self-interest.



The Trust Equation for Philanthropy Advisory

$$\text{Trust (T)} = \frac{\text{Credibility (C)} + \text{Reliability (R)} + \text{Intimacy (I)}}{\text{Self Orientation (SO)}}$$

This challenge is best described in Maister, Green and Galford's work, *The Trusted Advisor*³¹, where the biggest determinant of trust is **Self-orientation**. Self-orientation refers to how much wealth holders perceive their advisers to be explicitly or implicitly expressing behavior that suggest a prioritisation of the former's interest over the latter. Understanding the role Self-orientation plays to trust is important as it suggest two critical factors: trust is relational and is influenced by how individuals perceive their interests being represented by another person's attention and actions. Secondly, trust can be built by both time spent and how people carry themselves in interactions that build perception and reputation.

³¹ Maister, D. H., Galford, R., & Green, C. (2001). *The trusted advisor*. Simon & Schuster

Knowledge and awareness gaps/conflicts

The next priority set of issues relate to knowledge and awareness:

- **Conflicting Information (62%):** Wealth holders often encounter unclear or conflicting information on the most effective ways to give. Instead of a lack of information, wealth holders express the difficulty in making sense of a deluge of information, sometimes competing ones, in guiding their giving. Wealth holders find it difficult to assess the quality and relevance of information presented by stakeholders, resulting in confusion. This confusion can lead to indecision or suboptimal philanthropic strategies that fail to maximise impact.
- **Lack of Awareness on latest trends (44%):** Many wealth holders find it difficult to keep up with the pace of thought engagement on new ideas, areas and methods of giving that could enhance their impact, such as impact investing or collaborative funding models. Coupled with the above issue around information confusion, wealth holders are hesitant to be leading new ideas or fund in places where their social causes can derive most impact. Instead, they prefer to defer to more established and institutionalised models of giving. This is not only an issue with small and mid-sized funders. A recent trend has also revealed that major philanthropists are also relying on conventional institutions in a majority of their philanthropic capital or “large bets”, resulting in inertia around targeting capital where it is needed most or where new forms of impact can be fronted with capital support.

Intergenerational, familial and cultural considerations

Wealth holders are mindful of how familial and cultural considerations are a key variable in shaping or inhibiting developments in philanthropic aspirations. We cover three most pertinent ones:

- **Intergenerational Wealth Uncertainties (39%):** The next-gen and younger members within wealthy families frequently feel uncertain about their wealth status and role as successors. This anxiety prevents them from committing to philanthropy even if they want to, especially if philanthropy is not a core consideration as exiting leaders within families create succession plans and execute intergenerational transitions. This uncertainty ultimately delays and undermines future attempts by the next-gen to engage in philanthropy.
- **Family Conflicts (35%):** Internal family dynamics can complicate philanthropy decisions. This is especially so when family members hold key positions within the family’s philanthropic platforms. Discussions around new causes to support, modalities to conduct philanthropic activity and how much to commit to philanthropy may give rise to dissent and inhibit the potential growth in the family’s philanthropy.

- **Cultural Integration (11%):** An interesting emergent consideration points to the importance of cultural integration as a key variable for meeting philanthropic aspirations. These are typically wealth holders who are moving into Singapore from abroad, and are seeking to integrate into the local philanthropy scene. A lack of cultural alignment or fitting into the nuances of cultural dynamics may lead to difficulties or inertia by entrant wealth holders to quickly integrate and envisage the roles they can play in local philanthropic ecosystems. Such concerns are however also addressed with a recent surge of engagement sessions hosted by financial institutions, philanthropic organisations such as the Asia Community Foundation, and ecosystem builders such as the Philanthropy Asia Alliance (PAA) and the Asia Centre for Changemakers. These opportunities reduce the cultural barriers that entrant wealth holders may face when integrating. Still, this calls into point the importance of cultural fit and alignment in helping wealth holders feel like they are not only investing in others through philanthropy, but are also invested in themselves as they fit into their roles within the ecosystem.

Limitations for Meaningful Difference

Finally, wealth holders also grapple with the perception that their contributions are too small to make a significant impact in two ways:

- **Perception of Impact to Public Stakeholders (17%):** There is a pervasive belief that philanthropy is meaningful if wealth holders can make large donations, invest huge amounts into impact investing or establish large foundations. This emphasis on large gestures can discourage individuals from scaling up their philanthropy since even after scaling up, they feel their efforts are still not worthy of any attention. Other wealth holders may also prefer keeping a low-profile, avoiding the public scrutiny their philanthropy will attract. Philanthropy is a deeply personal endeavour and some wealth holders feel public scrutiny is akin to a public examination of their character and wealth. Despite being genuine with their philanthropy, some wealth holders feel that they will receive backlash for not doing enough, resulting in reputational risk. One example is “greenhushing”³², where wealth holders hold back from publicising their philanthropy in climate change or sustainability efforts as a precaution in case their efforts do not make the intended impact. Greenhushing has the possibility to reduce collaborative effects as well as make it difficult for other philanthropists to lead moonshot goals in climate action research and investments, especially in areas where the role of philanthropy as risk capital is most apt for.

³² Brue, M. (2023, June 21). Green hushing in the corporate world: Why ESG is no longer a topic of discussion. Forbes. <https://www.forbes.com/sites/moorinsights/2023/06/21/green-hushing-in-the-corporate-world-why-esg-is-no-longer-a-topic-of-discussion/>

- **Too small for meaningful difference (4%):** Apart from public image, wealth holders themselves are also cautious about how they see themselves as holding the status of a philanthropist. This is particularly so in Asia, where philanthropists are often seen as a title culturally associated with those who are already widely revered or respected for their contributions in society³³. This is intersected by a growing consciousness that philanthropy is becoming far more complex, and the problems it aims to solve are wicked problems that may not be resolved by a single programme. Wealth holders who are coming into the philanthropic scene may feel discouraged at the larger scale of their counterparts, and may lead to situations where they are not encouraged to be aspirational about their giving journeys.

Conclusion

In this chapter, we framed the problem that the report aims to address: what is the most influential paradigm shift that could transform and accelerate the philanthropic impact most needed today?

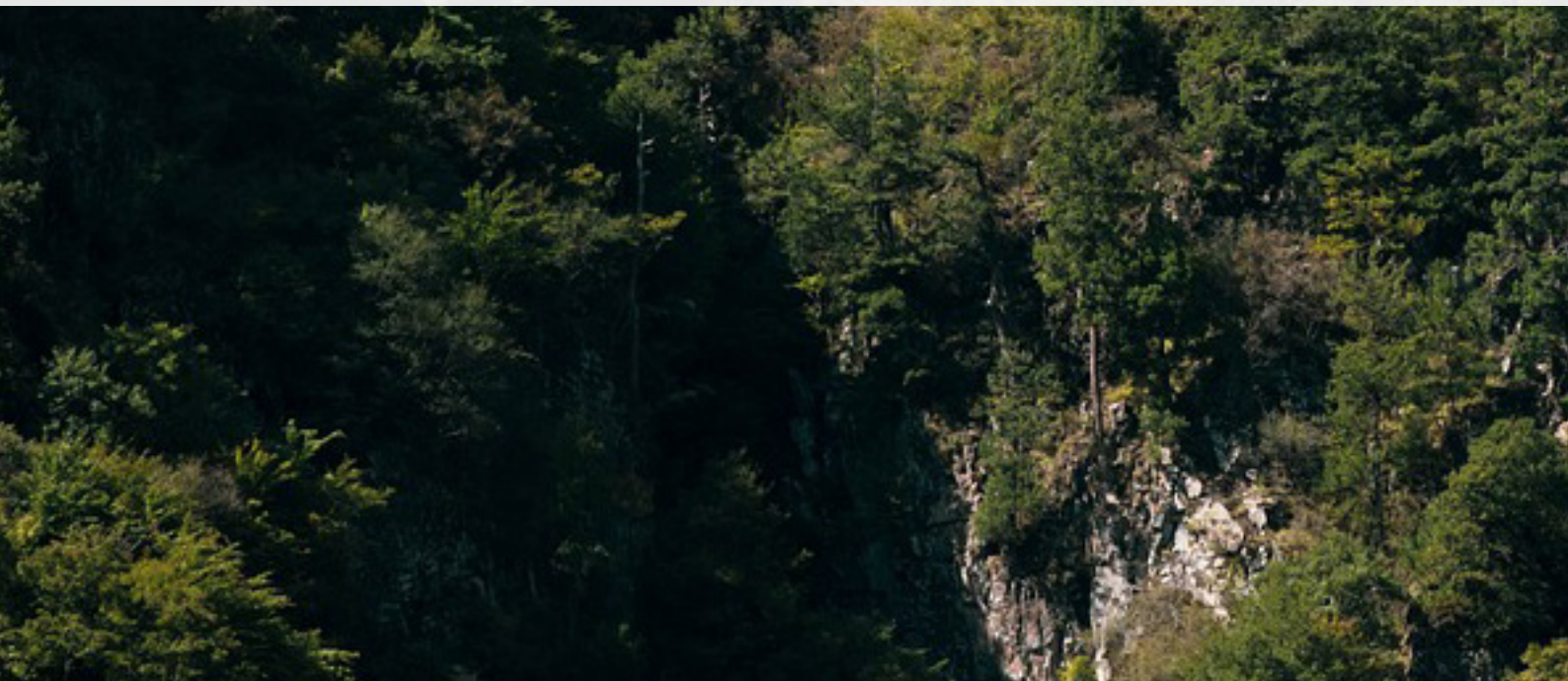
By outlining the central issues that contribute to the Gulf between aspirations and achievements across five dimensions, we recognise that the problems are driven by both philanthropic dilemmas as well as material gaps in financing and aspirations.

In the next chapter, we shall discuss our answer to the fundamental question: **Holistic Philanthropy**, including why and how it seeks to transform the existing paradigms of how we ought to think about capital for philanthropic good.

³³ The Economist. (2024, January 10). *Philanthropy in Asia is becoming more professional*. The Economist. <https://www.economist.com/special-report/2024/01/10/philanthropy-in-asia-is-becoming-more-professional>



Holistic Philanthropy



Introduction

This chapter sets the foundation for why and how Holistic Philanthropy is our answer to the gulf between aspirations and achievement highlighted in Chapter One. It first sets out to consider why Holistic Philanthropy proves to be a promising approach to reconcile the central questions around strategy, trust, catalyst and impact that existing approaches have focused on. But instead of seeking to replace or reject them, Holistic Philanthropy is an attempt at considering how to harmonise a consistent and cogent narrative built from the successes of different approaches. It strives for a holistic alignment of the critical success factors that have guided successful transformation in our philanthropic scholarship. In doing so, holistic philanthropy aims for a co-existence of values, ideas, and practice that allows for wealth holders and advisers to embrace a holistic approach to their reasons, scale, and ways of giving.

2.1 “Aligned, Purposeful, Mutual”: The Roots of Holistic Philanthropy

Holistic philanthropy is not new. Instead, it is a timely emergence inspired by a cumulative call for an aligned, integrated and total approach to philanthropy by some of our most successful thought leaders in the ecosystem. In this report, we explore three key works which have inspired our approach:

Alignment



The field of philanthropy is overdue for a serious reassessment of its mission and an examination of many of its operating assumptions.

A good defense is not the answer.

Peter Karoff

“On the Issue of Trust” (2004)

In 2004, Peter Karoff, the Founder and Chairman of The Philanthropic Initiative, wrote a seminal essay on what he thought was an intervention when philanthropy in the United States was facing a crisis of trust, both in the eyes of the public as well as those in the field. Titled “On the Issue of Trust³⁴”, it was a reminder of what was at the essence of philanthropy – **a private action in public space**. Karoff is however cognisant of how contemporary philanthropy struggles with figuring out how to successfully bridge the dichotomies between “self-interests” and “public interests” as a question of harmonising the private with the public.

³⁴ Honstein, E. (2021, February 23). *On the Issue of Trust*. ICNL. <https://www.icnl.org/resources/research/ijnl/on-the-issue-of-trust>

This is why the alignment of vision, passion and interests takes the highest level in Karoff's Philanthropic Learning Curve. Recognising that bridging the private with the public is an essential step in one's philanthropic journey, Karoff places the question with wealth holders and advisers to discover their alignment between self-interest and the common good³⁵.

Karoff's Philanthropic Learning Curve



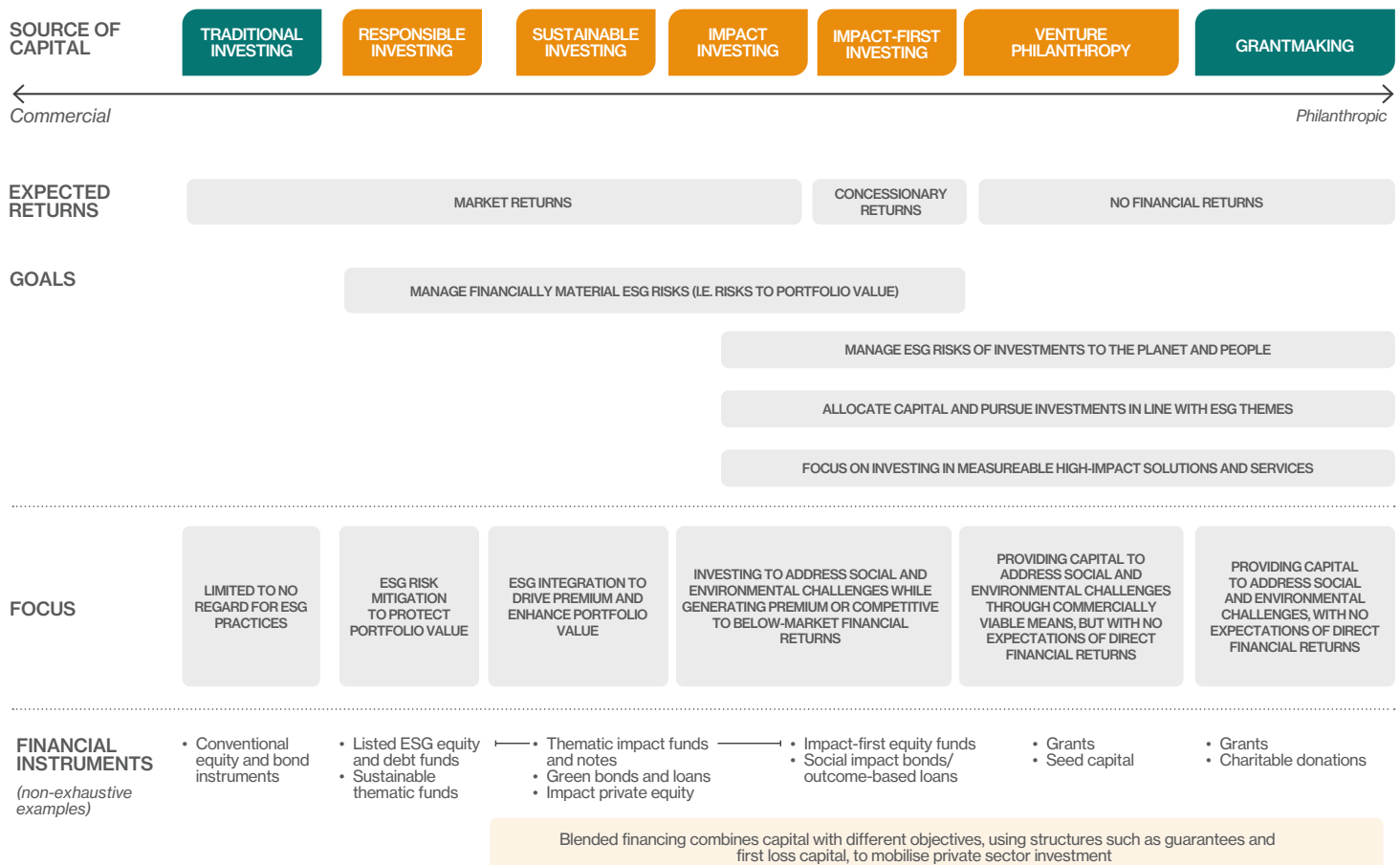
Repurposing Capital for Blended Value



Each of us is the market just as we contribute to the creation of and give lifeblood to capital markets. We each have the possibility of embracing a new, deeper and more inclusive understanding of capital's place and purpose in our lives and in determining the future survival of this planet.

Jed Emerson
The Purpose of Capital (2018)

Like Karoff, Jed Emerson deems alignment as central to how we transform the way we approach our impact. Focusing on capital in his text *The Purpose of Capital*³⁶, Emerson saw the historical formations of capital under neoliberal financial capitalism as far too narrow, self-serving and inhibitive. He challenges wealth holders to think beyond the strict confines of how contemporary markets operationalise capital, liberating capital from its financial structures and re-orientating it back to the common “we”. He does so by deconstructing the dualism between “doing well” and “doing good”, concluding that by integrating the two, we derive what he calls “blended value”, as the ultimate value proposition for what capital should strive for.



Adapted from Centre for Impact Investing and Practices (CIIP), 2023

Figure 1: The Spectrum of Capital

Similarly, the *Centre for Impact Investing and Practices (CIIP)* has operationalised the above by showing that impact investments can indeed transform the conventional dichotomies between profit and purpose by drawing on the possibility of both across a spectrum of how capital may be deployed to blend both. This is best described in their capital spectrum chart above which shows that there is indeed a viable market for impact-oriented investments to exist, where their primary value is blended for profit and purpose to co-exist.

36 Emerson, J. (2018) *The Purpose of Capital*. Blended Value Group Press.

Economics of Mutuality



Our view is that we may soon need a new, more mutually beneficial and more complete form of capitalism that holistically optimises value for all three inputs—the people, the planet, the financial capital—to reform the current system of financial capitalism that may one day collapse...

...We still have the ability to choose between these degrees of pain, but maybe not for too much longer.

Bruno Roche & Jay Jakub
Completing Capitalism

Another major school of thought that recognises the value of harmonising the private and public dimensions of capital is the Economics of Mutuality (EOM) model. Driven by proponents such as Bruno Roche, Jay Jakub, and Nadia Terfous, the EOM began with a fundamental question: what should the right level of profits be for a company?

When John Mars, a family principal of the Mars, Inc., floated the question to his CEO, it triggered the company to search for an operating principle that was focused on an approach towards long-term, sustainable, and responsible value creation. The company eventually rediscovered their purpose in the idea of mutuality – a concept grounded in reciprocally beneficial relationships between business and the rest of society. This idea later evolved into EOM.

The essence of the EOM is founded on the idea of Mutual Value (MV). Like Emerson's blended value, MV re-orientates the conventions of businesses for private profit into a quest that focuses impact as the standard for how we derive value comprehensively. To do that, it challenges business owners to discard a zero-sum game mentality, and instead integrate profits, people and planet into a superior model of value creation for the long term with other stakeholders. Like blended value, it seeks to harmonise doing well with doing good by re-wiring the way businesses understand, invest and co-create mutual value with stakeholders and the ecosystem as a priority.

Principles of Holistic Philanthropy

Taken together, the above approaches share six central principles that which are aligned with what holistic philanthropy stands for as follows:

- 1. Repurposing Capital:** Acknowledge that our relationship with capital must go beyond serving isolated functions (invest, give, retain etc.) or solely for financial purposes.
- 2. Total Impact Portfolio:** Embrace impact not just as part of corporate social responsibility or philanthropy, but as a total portfolio approach by dissolving the mental boundaries around how we segregate our businesses, investments, giving, and legacy.
- 3. Impact Spectrum:** Recognise the interrelatedness between impact and profits not as a dichotomy, but as integrated and even aligned across an impact spectrum for a range of needs, positions, and consequences.
- 4. Collaborating for Mutual Value:** Open ourselves to collaborating and co-creating opportunities with others to find mutually beneficial value for the ecosystem and ourselves.
- 5. Philanthropy as Private Action in Public Space:** Engage thoughtfully about how the private and public considerations of our actions are not in conflict with each other. Instead, they can be integrated to reflect our purpose, values and legacy of what it means to sustain the flourishing and love of humanity through meaningful private actions in addressing public issues.
- 6. Co-creating Change with Communities:** Act not just in accordance with legal or ethical principles, but to be responsible for and trust those whom you are seeking to co-create change with. This means involving the local communities whom your change is oriented towards through presence, participation and empowerment.

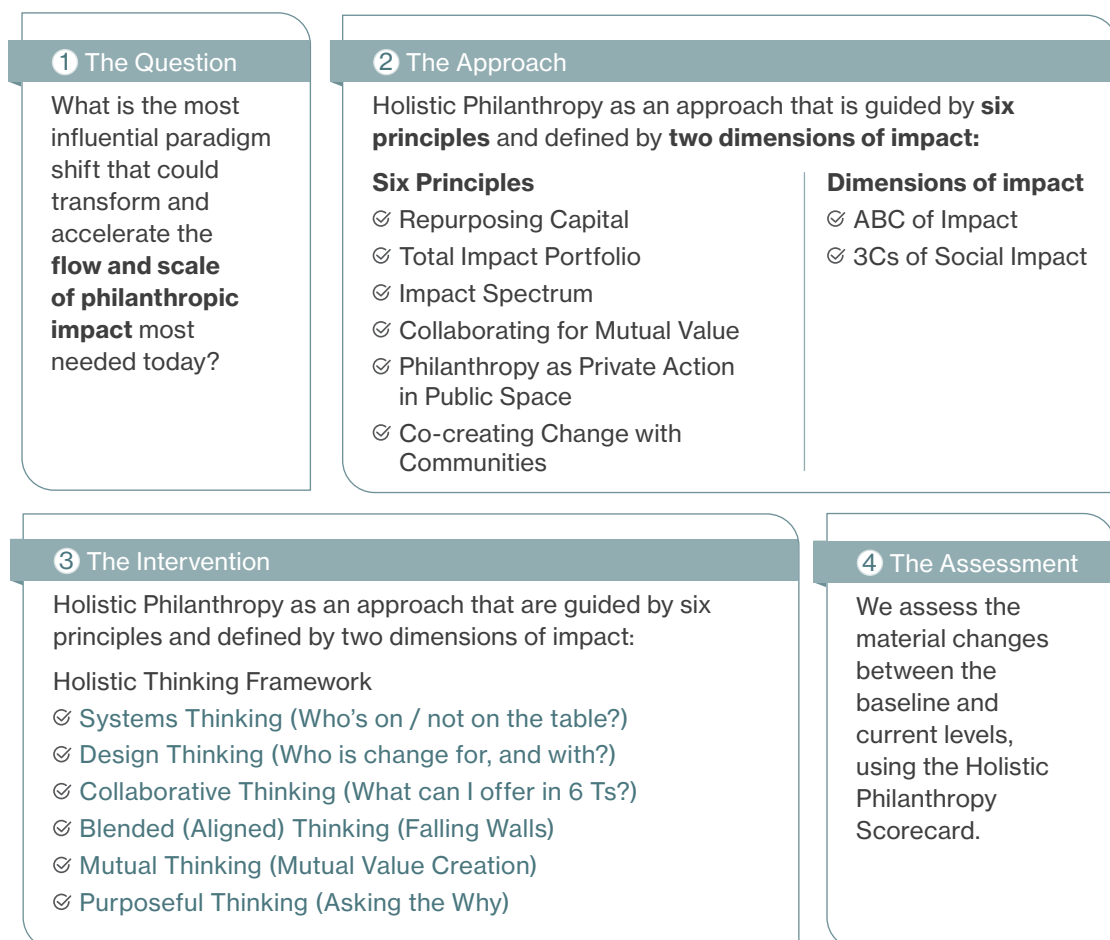
Like Karoff, Emerson, Roche and Jakub, we believe that simply relying on incremental improvements as an effective response to the ideational and material gaps wealth holders will face in their philanthropic journey will no longer do justice to themselves or the communities they serve. Instead, we follow in their footsteps in consolidating and presenting what we think would be an important collective intervention that would go towards making the long-due paradigm shift a reality. These six principles support the conditions for what we hope to see as material outcomes that signify what the paradigm shift would look like. In order to understand how we can effectively arrive at these principles, we shall discuss Holistic Philanthropy's Theory of Change and how we define what impact looks like.

2.2 Unlocking Holistic Philanthropy: Theory of Change for Impact

A Theory of Change (ToC) model is a comprehensive framework that outlines how and why a desired change is expected to occur in a specific context. It involves mapping out the necessary steps and conditions that must be in place to achieve the outcomes. Popularised by scholars such as Carol Weiss in the field of community and social development during the 1990s to demonstrate programme effectiveness³⁷, it is widely used today as a way to systematically present and articulate how initiatives and programmes evoke a measurable change, forming a clear and empirical relationship between the intervention and its subsequent results. It has also gained mainstream acceptance in managing and evaluating philanthropic initiatives for their effectiveness.

Mapping Holistic Philanthropy

To understand how holistic philanthropy can help us arrive at our desired outcomes as outlined by the six principles, we will use the TOC to identify and map out the processes required to achieve what it sets out to do. To this end, we identify four key parts: (1) The Question, (2) The Approach, (3) The Intervention, and (4) The Assessment.



³⁷ Weiss, Carol (1995). *Nothing as Practical as Good Theory: Exploring Theory-Based Evaluation for Comprehensive Community Initiatives for Children and Families* in 'New Approaches to Evaluating Community Initiatives'. Aspen Institute

Defining Holistic Philanthropy

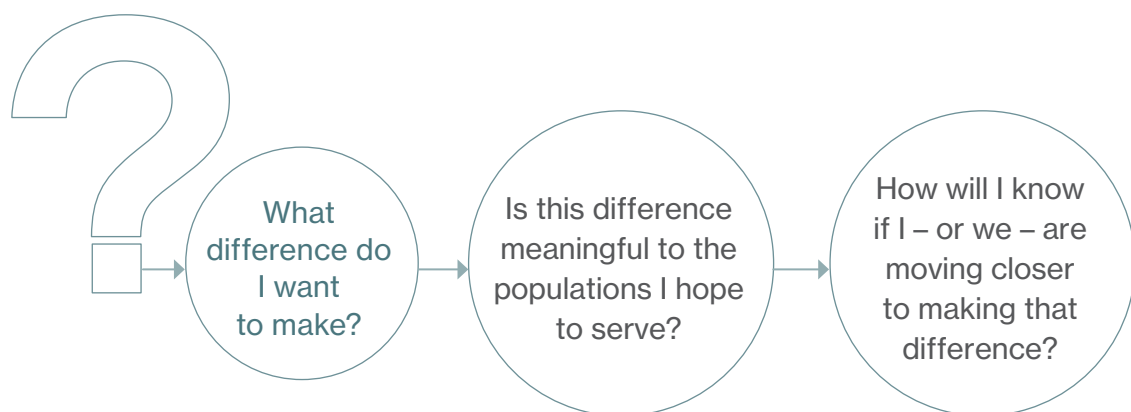
Holistic philanthropy is first and foremost defined as an approach to transform how wealth holders repurpose their relationship with capital by embracing and producing aligned and mutually beneficial impact through philanthropy. Philanthropy is thus seen as a starting point for where wealth holders want to move towards – the **holistic integration of business, investment, legacy and giving for impact**. The goal is to develop a conscientious practice towards achieving the six principles which allow wealth holders to demonstrate what repurposing capital can do for their own impact journeys.

Operationalising Impact

Apart from principles, another critical aspect of holistic philanthropy is conceptualising what impact means for this approach. The complexities around a consensus for impact is best described in The Center for High Impact Philanthropy's Report titled: *What Are We Talking About When We are Talking About Impact?*³⁸, where they outlined five critical areas when considering the central debates

- Distinguishing attribution from contribution
- Measurability
- Time horizon
- Tendency to define impact as positive
- The power to define impact

They concluded that while there are genuine benefits to aligning how impact can be understood in philanthropy, narrowing the definition of has the tendency to empower some groups (e.g. funders, large philanthropic organisations) at the expense of others (e.g. local communities, minorities), leading to unequal outcomes that may not be conducive for the changes local communities may envision. Instead, they provide three important questions when it comes to how concerned parties ought to define what impact means for their work:



³⁸ Wallman-Stokes, et al (2013) *What Are We Talking About When We Talk About Impact? The Center for High Impact Philanthropy*. WMM Summit Working Paper.

Drawing on these questions, we recognise the peculiarities of the first two questions as contextualised by wealth holders' demographics, life experiences and social purposes; these questions cannot be squarely addressed without helping wealth holders work through their journeys to respond to them. Instead, we choose to focus on the third question: how do we know if we are moving closer to making that difference?

To address this, we will be adapting two dimensions of impact in a double materiality context to identify how impact is a two-way street between the Self and Society. We will draw on the Social Impact Theory – Impact Management Project's (IMP) ABCs of Impact, and Dynamic Social Impact Theory.

Double Materiality



The Double Materiality framework or context is a common tool used in ESG assessment and governance models to denote the relationship between “inwards” objectives such as profits to the company, and “outwards” objectives such as impact on society. Applied to holistic philanthropy, it shows that impact is a two-way street. On the one hand is the “Self”, where impact is derived when the wealth holder undergoes a transformation towards self-actualisation that can be counted as impactful to one’s self-development. On the other hand is “Stakeholders”, where impact is derived when a tangible difference is materialised into the lives of relevant others through the wealth holder’s action. The two dimensions of impact are therefore intertwined – as wealth holders create impact for their stakeholders, they are also impacted by the stakeholders they engage with, forming a virtuous cycle of impact.

ABC of Impact

The ABC of Impact framework by the Impact Management Project (IMP) provides a structured approach for foundations and philanthropic organisations to assess their impact towards social and environmental goals. Within ABC of Impact, impact is understood as the net difference a wealth holder makes by committing to a position of difference between where one is and where one wishes to be. We term this as **impact intentionality**.

Impact intentionality brings into focus the significance of the wealth holder in making an intentional decision to recognise the difference they make as a process towards it. By applying ABC of Impact for impact intentionality, it enables the wealth holders to produce not just a goal, but an estimation of how far/much the journey would incur. It also helps wealth holders to be practical and strategic about what they can do within the time frame allocated to transform the way they define impact. Below is an example of how ABC of Impact is applied:

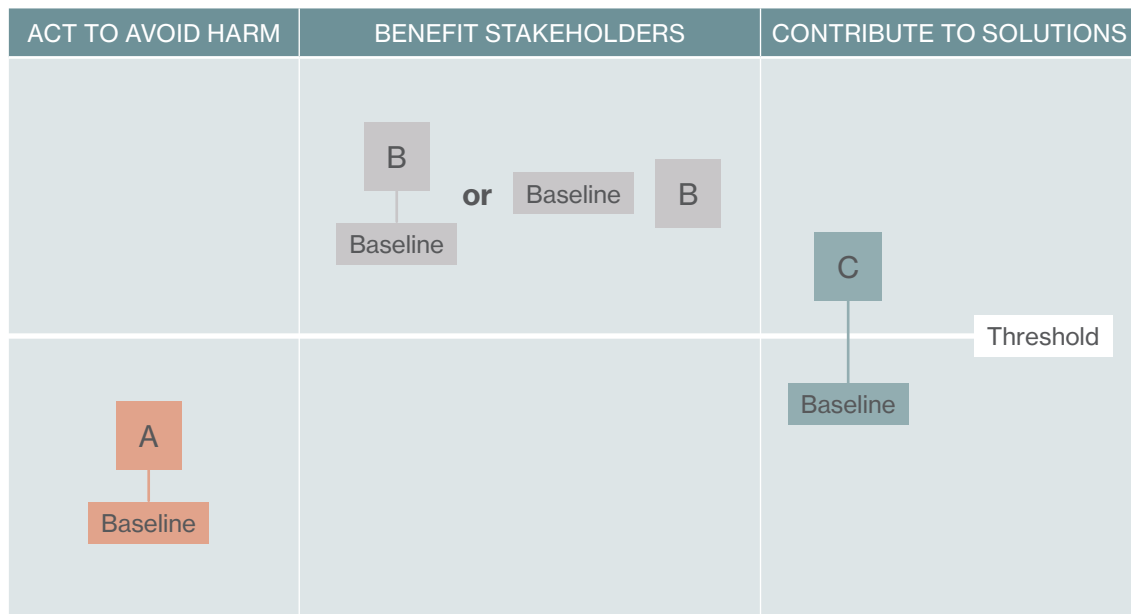


Figure 2: ABC of Impact Framework

To understand how wealth holders can consider their impact intentionality, ABC of Impact offers three intents in ascending order: (A) Act to Avoid Harm, (B), Benefit Stakeholders, and (C) Contribute to Solutions.

The first intent, (A) Act to Avoid Harm, refers to the idea that philanthropy should not cause harm. This involves identifying and mitigating any negative impacts of their funding or initiatives on communities and the environment. For example, a foundation funding a project in a vulnerable community should ensure that its operations do not displace residents or degrade local ecosystems.

The second intent, (B) Benefit Stakeholders, goes beyond merely avoiding harm, into actively seeking to benefit stakeholders. This could involve supporting programmes that improve education, health care, or economic opportunities for underserved populations. For instance, a foundation might fund educational initiatives that enhance learning outcomes for children in low-income areas, thus contributing positively to the community.

The third and highest intent of impact is achieved when wealth holders contribute to systemic solutions that address root causes of social and environmental challenges. This could involve funding innovative projects that tackle climate change or poverty alleviation on a broader scale. For example, a foundation might invest in renewable energy projects that not only reduce carbon emissions but also provide sustainable energy access to marginalised communities.

To apply the ABC of Impact framework, consider the five following steps:

1. Identify your “baseline” position of where you think your philanthropy is
2. Assess your commitment to intentionality, either as crossing a position (e.g. A to B), or focusing on your intensity levels (e.g. Baseline to A2)
3. Consider your “threshold”, or the objective that you would accept as viable to achieve the most minimal expectation in your impact
4. Identify the timeframe and resources you have and mark a realistic shift in your intended position (upward and/or right) based on what you think you can achieve within it. The more time and resources, the bolder your intended position can be
5. Connect the line between your “baseline” and “intended position”, and commit to closing the distance

Dynamic Social Impact Theory

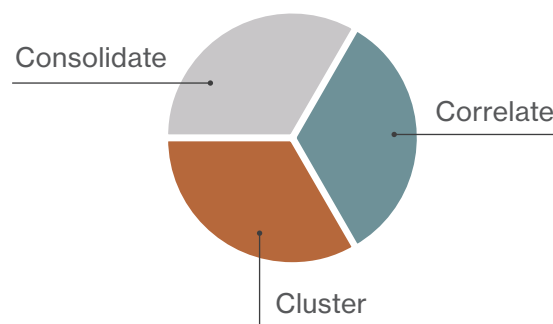
Dynamic Social Impact Theory (DSIT) is an extension of the original Social Impact Theory developed by Bibb Latané in the 1980s. It emphasises the reciprocal nature of social impact, highlighting how individuals not only respond to social forces but also actively shape them through their interactions. Often used in explaining social norms development in group or ecosystem settings, DSIT is a viable framework to help us identify our **impact materiality**.

Impact materiality is defined as how we materialise impact in clear, tangible and measurable outcomes that can be understood in different contributions to stakeholders. Applied to holistic philanthropy, DSIT operationalises impact by framing it in three ways as follows:

Consolidation: This refers to **efficacy impact** when scale and concentration of resources are consolidated to effect a change. Applied to holistic philanthropy, the most basic example would be the impact that **philanthropic programmes** directly or indirectly produce. They are often measured as lives changed for the better, worse or none at all due to a programme’s existence. This is often the most basic form of impact that most if not all organisations will assess their viability of programmes by.

Correlation: This refers to **congruence impact** when resources are allocated to fund capacity building, knowledge generation, skills and maintaining key institutions that serve these functions. When sufficiently done, it provides institutions the resources to correlate and align with their objectives. Applied to holistic philanthropy, it would refer to the **philanthropic capacity** that is sustained as a result of capacity funding that may not lead to direct or visible change in served communities, but may produce required knowledge to help others overcome knowledge, human or skills barriers, as well as be informed and aligned in terms of knowing and learning how best to do philanthropy.

Clustering: This refers to **convergence impact** when networks are connected by the (re)development of existing infrastructures that makes certain forms of relationships accessible or inaccessible. Applied to holistic philanthropy, it would refer to the **philanthropic ecosystems** that are enriched as a result of investments to the infrastructures that bind ties. It also suggests that impact can be derived simply by meaningfully bringing people together to allow them to interact and engage, forming new potentials for opportunities for collaboration and collective actions.



Taken together, DSIT allows us to frame the kinds of impact that wealth holders make through philanthropy as follows. It also allows wealth holders to better recognise what kind of impact they are or are not contributing to materialise the change they hope to see. It is also a reminder that all three forms of impact are essential in a healthy philanthropy ecosystem:

- Efficacy impact represents how well programs and enterprises are delivering the material difference as intended to serve the local communities they are designed for.
- Congruence impact represents how much capacity organisations and institutions can produce or possess in supporting the knowledge, skills and human capital needs to thrive. The lack of congruence impact at the organisational level may risk non-profit starvation³⁹. At the funder's level, it increases the likelihood of ineffective or unintended negative externalities from philanthropic initiatives, or demotivates wealth holders from scaling their giving.

³⁹ Altamimi, H., & Liu, Q. (2022). *The Nonprofit Starvation Cycle: Does Overhead Spending Really Impact Program Outcomes?* Nonprofit and Voluntary Sector Quarterly, 51(6), 1324-1348.

- Convergence impact represents the outcomes of infrastructural connections and development investments that go into sustaining healthy, collaborative and innovative philanthropic ecosystems. The lack of convergence promotes isolation or unhealthy engagements among stakeholders in the ecosystem, leading to less collaboration, alignment and sharing of ideas and resources. Philanthropy at the ecosystem-level is deprived or thrives as a result of how much convergence impact is produced.

2.3 Holistic Thinking Framework

With the impact question defined in the earlier discussion, we will next examine how we can unlock holistic philanthropy for impact through **impact intentionality** and **impact materiality**.

Drawing on the six principles of **holistic philanthropy**, we present six interlinking logic approaches to form what we term as the **Holistic Thinking Framework (HTF)**. Each of the logical approaches comes with specific sets of processes and questions that guide wealth holders and advisers into embracing the core tenets of holistic philanthropy when they plan and execute their giving.



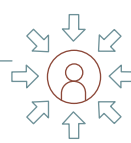
Systems Thinking

What

Thinking in terms of interrelatedness and interactivity around a complex and dynamic map of parts on the philanthropy “table”.

Considerations

- What’s on the table?
- Who’s at/not at the table?
- How will they respond to your actions/inactions?



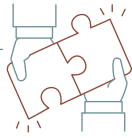
Design Thinking

What

Thinking in terms of human-centredness to design innovative solutions that effectively resonate with local communities’ presence, needs and experiences.

Considerations

- Who do we need to communicate with to empathise with and define the scope of the problem?
- Who must we involve in local communities that can ideate sustainable and practical solutions?
- How do we prototype and test solutions that are calibrated to ground needs and experiences?



Collaborative Thinking

What

Thinking in terms of collective contributions that reflect shared responsibilities and resource interdependence towards solving a problem.

Considerations

- What 6 Ts⁴⁰ can I offer?
- What Ts do I have?
- Who in my networks have Ts that compliments mine?
- How do we pool our Ts together to effectively create solutions?



Blended Thinking

What

Thinking in terms of crossing boundaries that promote innovative hybridity in solutions. This involves synthesising frictions and enabling “opposites” to co-exist as part of the equation.

Considerations

- What are the key boundaries constraining solutions to a problem?
- What do we get when we tear down those boundaries?
- What needs to change to enable the boundaries to remain down?



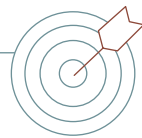
Mutual Thinking (From Economics of Mutuality)

What

Thinking in terms of creating mutual value with stakeholders to achieve aligned impact that sustains profits, people and purpose within a community.

Considerations

- What opportunities can I discover by mapping my capabilities with what my local communities need?
- What value creation opportunities and risks do I possess with my local communities?
- Where are such value creation opportunities or risks located?
- How do I integrate these to enhance my value creation processes?



Purposeful Thinking

What

Thinking in terms of a purposeful wealth legacy around one's ethos, values, and stewardship of capital.

Considerations

- What is my ethos as a moral biography?
- What are my values that define my actions?
- How will I steward capital for future generations?

The above illustration provides a comprehensive view of what each part of the Holistic Thinking Framework consists of, and the main considerations that wealth holders and advisers can engage in recognising how it shapes their philanthropy. Next, we will explain in greater detail on how each part may be utilised as reflective of holistic philanthropy, including a detailed example of how to apply them to one's impact creation.

Systems Thinking

The Systems Thinking approach allows wealth holders to analyse their impact in terms of the interrelatedness and interactivity, effectively mapping out how stakeholders will respond when a particular action is taken, and the ripple effects across them. Applied to holistic philanthropy, the approach begins with thinking about the “giving table”, a metaphor to describe the setting in which your giving will influence or be influenced by.

By identifying and analysing who is present or missing at the table, wealth holders can better understand which parts of their giving can be enhanced or require particular attention, and how it would increase the efficacy of impact when addressed. The table exercise also helps wealth holders understand who the key people to their giving processes are, their roles in facilitating the processes, and how they respond to the wealth holder's action. At the same time, it allows wealth holders to identify who is not at the table, especially stakeholders whom they think are critical to their success. By repeatedly conducting this process over different instances of giving, Systems Thinking help wealth holders to identify how certain patterns are reinforced, and how to solve structural issues by exploring with different pathways to elicit new responses from stakeholders. Wealth holders can even use the table to plan for scenarios and build on capacity development by recognizing key gaps in one's giving.

As an exercise in Systems Thinking, consider an example in which you are planning to donate a sum of US\$1 million for food security in your country. Based on this context, illustrate two scenarios based on the following questions:

Scenario 1: Your Ideal Table

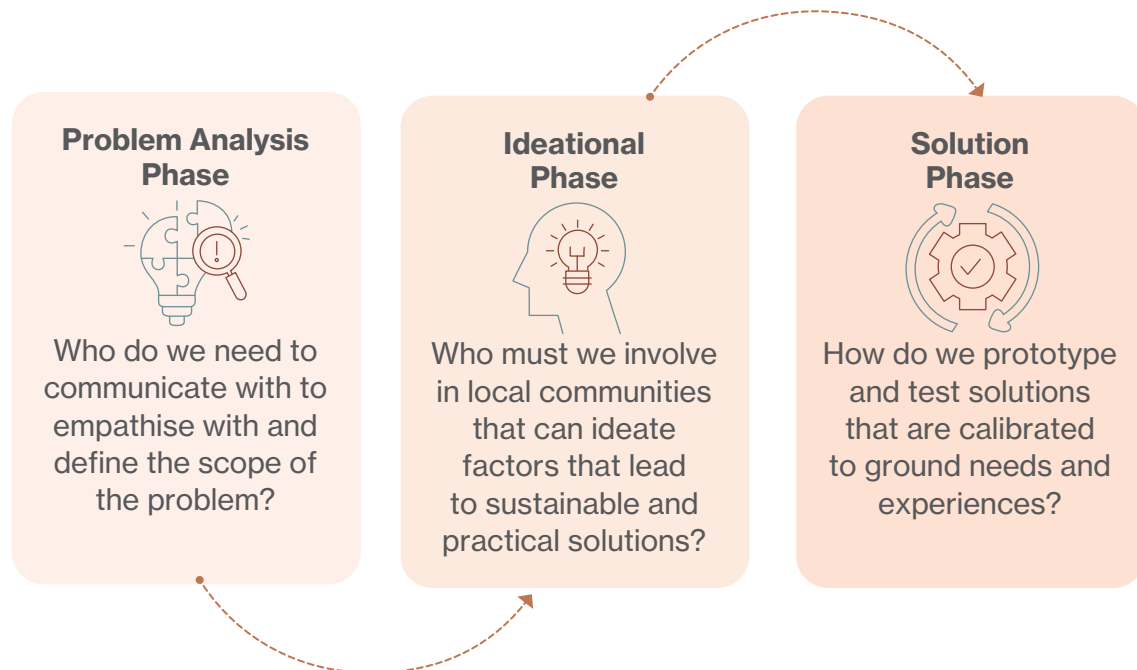
Scenario 2: Your Actual Table

-
- (For 1 & 2) Who is at the table?
 - (For 1) Why do you think this set-up matches your ideal process?
 - (For 1) Who are the critical stakeholders that ensure your success?
 - (For 2) Who is not at the table that you think they should be?
 - (For 2) Consider possible reasons why are they not at the table?
 - (For 2) What is your plan to bring them to the table?
 - (For 2) What are some reactions from existing stakeholders that you will have to manage?
-

Design Thinking

The Design Thinking approach challenges wealth holders to think in terms of human-centredness in terms of problem analysis and solution development. The design process is essential in highlighting how every problem needs to be considered in its own merit and contexts, and solutions have to be curated to address the specific conditions of the problems.

Applied to holistic philanthropy, this means thinking in terms of how solutions have to involve those whom you would have a direct impact on. It is important to ensure that these stakeholders are part of the consideration as early as possible for two reasons. One, the iterative process of problem identification can be critical to success, and having the alignment sorted out would increase the chances of buy-in from local stakeholders as well as the relevance of the solution to their needs. There are three phases that define how Design Thinking is processed and each of them has its own set of goals to be achieved:



In each of the phase, wealth holders or advisers must consider how to design solutions by working closely with the people who are interfacing these issues, and combine external resources and insights to lend new breakthroughs. The solutions must however be tested within a limited environment, so as to mitigate unintended consequences and for further refinement.

Collaborative Thinking

Collaborative Thinking re-orientates the perception of stakeholders as people to manage into people with assets to collaboratively contribute. Inspired by the Assets-Based Community Development (ABCD) approach⁴¹ and contributive justice⁴², collaborative thinking promotes shared responsibilities and resource interdependence towards solving a problem with local communities. It leverages on recognising what capital local communities have and uses them as part of the equation for solution, empowering local communities to collaborate with others.

Applied to holistic philanthropy, collaborative thinking begins with considering what the *American College of Financial Services* calls the “6 Ts of giving”. These six attributes form the spectrum of assets one can capitalise on to benefit or offer others in planning for giving.

To understand how best what the can help using a comprehensive view of assets wealth holders can start off by considering mapping their 6 Ts on a scale of 1 – 5, with 1 being the most difficult or scarce to mobilise, and 5 being the easiest or most abundant in one’s assets. This may be plotted against a spider graph that allows wealth holders to visualise what their 6 Ts of giving look like:



Figure 3: The Six “Ts” of Your Giving

⁴¹ Asset based community Development (ABCD) - Nuture development. (2016, November 30). Nuture Development. <https://www.nuturedevelopment.org/asset-based-community-development/>

⁴² Timmermann, C. 2018. “Contributive Justice: An Exploration of a Wider Provision of Meaningful Work.” Social Justice

By completing this graph, wealth holders are able to better articulate what assets they may offer for collaboration. The next most important step would be to identify others in one's giving circles or networks that may be able to complement or attract (like a magnet) their assets. By doing that, wealth holders are able to recognise potentials for collaborations and who to call upon as allies and collaborators in existing projects. Likewise, in planning for impact, consider working with local communities to identify their own assets with the 6Ts, and then factor that into how their own assets can value-add or complement what they need for collaborative giving to work. Meanwhile, it also helps local communities identify who they may be able to call upon that possess assets that they can co-grow together. To that extent, collaborative giving becomes a multiplier for a catalytic approach to philanthropy, affecting even more potential for people of different T's to contribute to a solution that they are empowered and responsible to own for.

Blended Thinking (From Blended Value)

Blended thinking is fast becoming a central approach to public-private-people partnerships⁴³, leveraging on the idea that crossing boundaries enable new forms of blended value that is driven by a symbiosis of interests with a common goal for positive impact on economy and society. Beginning with the assumption that what is good for profits can also be good for purpose, public, and planet, blended thinking synthesises frictions and enables “opposites” or “mutually exclusives” to co-exist as part of the impact equation.

Applied to holistic philanthropy, a technique for blended thinking involves what is called “falling walls”. A large part of our heuristic biases in our strategy and thinking involves setting up logical dichotomies that enable us to differentiate and categorise things into places they ought to be. “Falling walls” involves getting wealth holders to consider some key boundaries constraining solutions to a problem. For instance, instead of having to choose between funding programmes as opposed to capacity building, challenge wealth holders’ conventions by forcing them to imagine what a hybrid between the two would look like.

While some may require designing a new philanthropic vehicle or set-up to run, others, such as Technical Assistance Facility (TAF) in blended finance, is an amazing example of complementing a programmatic aspect of funding (support a deal by de-risking it) while investing in capacity building elements (provides human capital development in a particular ecosystem).

43 The Partnering Initiative. (2025, February 5). Public Private Philanthropy Partnerships - the Partnering Initiative. The Partnering Initiative - Unleashing the Power of Partnership. <https://thepartneringinitiative.org/programmes/philanthropy-partnerships-systems-change/pppps-for-people-and-planet/>

In a broader extent, falling walls apply to how wealth holders consider constructing blended portfolios that operate beyond conventional standards of how capital ought to be used. For instance, instead of having to choose between setting aside assets for either philanthropic or investment, or what Jed Emerson called “bifurcated value proposition⁴⁴”, wealth holders may choose to develop a fund portfolio that specifically looks at blended value propositions that transforms how capital performance is evaluated. Such opportunities often realised in the impact investing arena, where emerging opportunities challenge wealth holders to reconsider what sort of metrics of measure such blended value may look like. Applying blended thinking is the start to quest, and the first step is by intentionally thinking about falling walls in our minds and our practice. This may also mean identifying some or more prominent aspects of “walls” in our wealth management – while some are necessary in terms of upholding governance and accountability, others may be due for a more hybrid approach in evaluating value propositions.

Mutuality Thinking (From Economics of Mutuality⁴⁵)

Reinforcing the systems, design and collaborative thinking approaches, mutuality thinking prioritises the notion of “mutual value” with stakeholders to achieve aligned impact based on mutually sought after capital gains. By understanding who (systems), why (collaborative) and how (design) we can develop mutual value with, mutuality thinking sets four key considerations in every philanthropic strategy:

- Where are my communities? How am I situated within these communities, and in relation with others within and across communities?
- What opportunities can I discover by mapping my capabilities with what my local communities need or have?
- What value creation opportunities and risks do I possess with my local communities? How do I capitalise and address them in unison?
- How do I make my communities’ value creation process and/or outcomes as a part of my own and vice versa?

Purposeful Thinking

Purposeful wealth is a deceptively simple concept to understand but difficult to follow. Henry Ford’s quote that “...the highest use of capital is not to make more money, but to make money do more for the betterment of life” is an apt expression to the core of purposeful thinking. It takes the question what is the best and highest use of capital into a holistic assessment of how capital becomes the “ink” that manifests one’s legacy into writing. Instead of a strictly financial conceptualisation of capital, purposeful thinking is an embodiment of what it means to be a “wealth holder” – the notion that one’s role is to steward capital for future generations. This goes beyond simply leaving financial assets; it also entails one’s

⁴⁴ Understanding blended value. (n.d.). https://www.csrwire.com/press_releases/735271-understanding-blended-value

⁴⁵ Mutual Value labs. (n.d.). Mutual Value Labs. <https://www.mutualvaluelabs.com/#our-approach>

ethos and values that go into what are being passed down to heirs.

As part of holistic philanthropy, purposeful thinking is a constant reminder of how every single action a wealth holder takes becomes part of their moral biography – a narrative of why one's life is worth living for. By understanding one's ultimate destination, it offers clarity around what the journey entails and serves as resolve when wealth holders are faced with difficult choices or under a crisis. It also prepares wealth holders for their final moments – what is your presence in absence to those who care, love and hope to remember you by?

Below are some ways wealth holders can start developing their own steps towards purposeful thinking:

- As your moral biography, what do you hope to be remembered by?
- Based on your life so far, is this what others will remember you by?
- What needs to be changed or preserved to achieve your vision?
 - ☑ How does it change your current ways of managing wealth?
 - ☑ How does it change your current ways of engaging with people?
 - ☑ How does it change your current ways of seeing yourself?

2.4 Assessing for Holistic Philanthropy: A Scorecard

Any robust plan for success requires an assessment framework to evaluate one's performance as part of the learning journey. Holistic Philanthropy thrives on timely assessments for wealth holders and advisers to monitor the efficacy of their philanthropy in alignment with the central principles of the approach. In this report, we provide a rudimentary scorecard across 24 items under six principles to assess impact intentionality and materiality, the two key outputs for how we determine a change.

It must be recognised that this scorecard is not meant to be a conclusive assessment of one's philanthropic outcomes for holistic philanthropy, or replace existing regulatory or institutional reporting and objective requirements in meeting SDG related goals. Instead, it is meant to be a self-diagnostic tool to make preliminary assessments of applying the holistic cognition framework. Holistic philanthropy also recognises that each and every wealth holder's journey is distinct, and so to would their choice of measure of success across commonly agreed standards for various purposes.

Holistic Philanthropy Scorecard

The scorecard assesses holistic philanthropy by the frequency of considerations made in the last three philanthropy initiatives since the last assessment, as in the case for a typical year. The goal is to allow wealth holders and advisers to evaluate their philanthropic actions in closer detail. For larger funding organisations or foundations, you are encouraged to tweak the scoring range to fit a yearly or half-yearly schedule based on the frequency of programmes that have started or are in operation.

Each frequency type has a score attached. For 0 – 1 times, 0 points, for 2 times, 2 points, and 3 times, 4 points, for a total of 96 points. Half of the assessment covers impact intentionality, while the other half covers impact materiality, with questions corresponding to these two outcomes. A remaining 4 points are awarded for three or more consecutive assessments made (including present one), to make up a total of 100 points.

The scorecard is evaluated as per below:

Question	0 – 1 times (0)	2 times (2)	3 times (4)	Total Score:
Impact Intentionality				
Systems Thinking 1: I have mapped out my ideal and actual table while planning for my initiative				
Systems Thinking 2: I have identified reached out to stakeholders who are supposed to be at the table				
Design Thinking 1: I have engaged with relevant stakeholders whom I am solving the problem with at the problem-solving and ideation stages				
Design Thinking 2: I have made attempts to prototype and calibrated solutions with relevant stakeholders				
Collaborative Thinking 1: I have identified my 6Ts of giving				
Collaborative Thinking 2: I have identified people whom 6Ts complement my own for collaboration				
Blended Thinking 1: I applied “falling walls” to my initiative				
Blended Thinking 2: I innovated or adopted a new process or vehicle as a result of applying fall walls.				
Mutual Thinking 1: I have identified my communities				
Mutual Thinking 2: I have engaged with my communities to identify our mutual values				
Purposeful Thinking 1: I have contemplated about my moral biography and how I hoped to be remembered				

Impact Materiality				
Purposeful Thinking 2: I have identified changes to the way I manage wealth, people and myself to align with my aspirational moral biography				
Repurposed Capital 1: Capital used has been (re)purposed to meet the impact of the projects to my stakeholders' satisfaction				
Repurposed Capital 2: I can identify a wide variety of capital (6Ts) including but not limited to financial ones that has been deployed for the projects.				
Total Portfolio 3: Projects have been assessed in totality with how it fits into one's overall business and philanthropic activities				
Total Portfolio 4: Projects showed returns that are clearly and directly "blended value", comprising of both profits and philanthropic components.				
Impact Spectrum 1: Projects have been assessed through the capital spectrum (See Figure 1: The Spectrum of Capital)				
Impact Spectrum 2: The outcomes have been reported as showing impact as defined in both profits and philanthropic purposes.				
Mutual Value 1: The project's outcomes have been reported as showing how the value exhibits mutuality for funders and local communities				
Mutual Value 2: Stakeholders have conveyed clearly that they have derived mutually positive value as a result of the project's outcomes.				
Public Purpose 1: The projects' outcomes have shown a clear relationship between funders' purpose and public outcomes or impact.				
Public Purpose 2: Stakeholders have conveyed clearly that they are able to understand the relationship between a funder's purpose and their public outcomes or impact.				
Community Centricity 1: The projects' outcomes are aligned with what the communities need, according to local stakeholders.				
Community Centricity 2: The projects have clearly shown how and why local communities are participating in co-creating outcomes.				

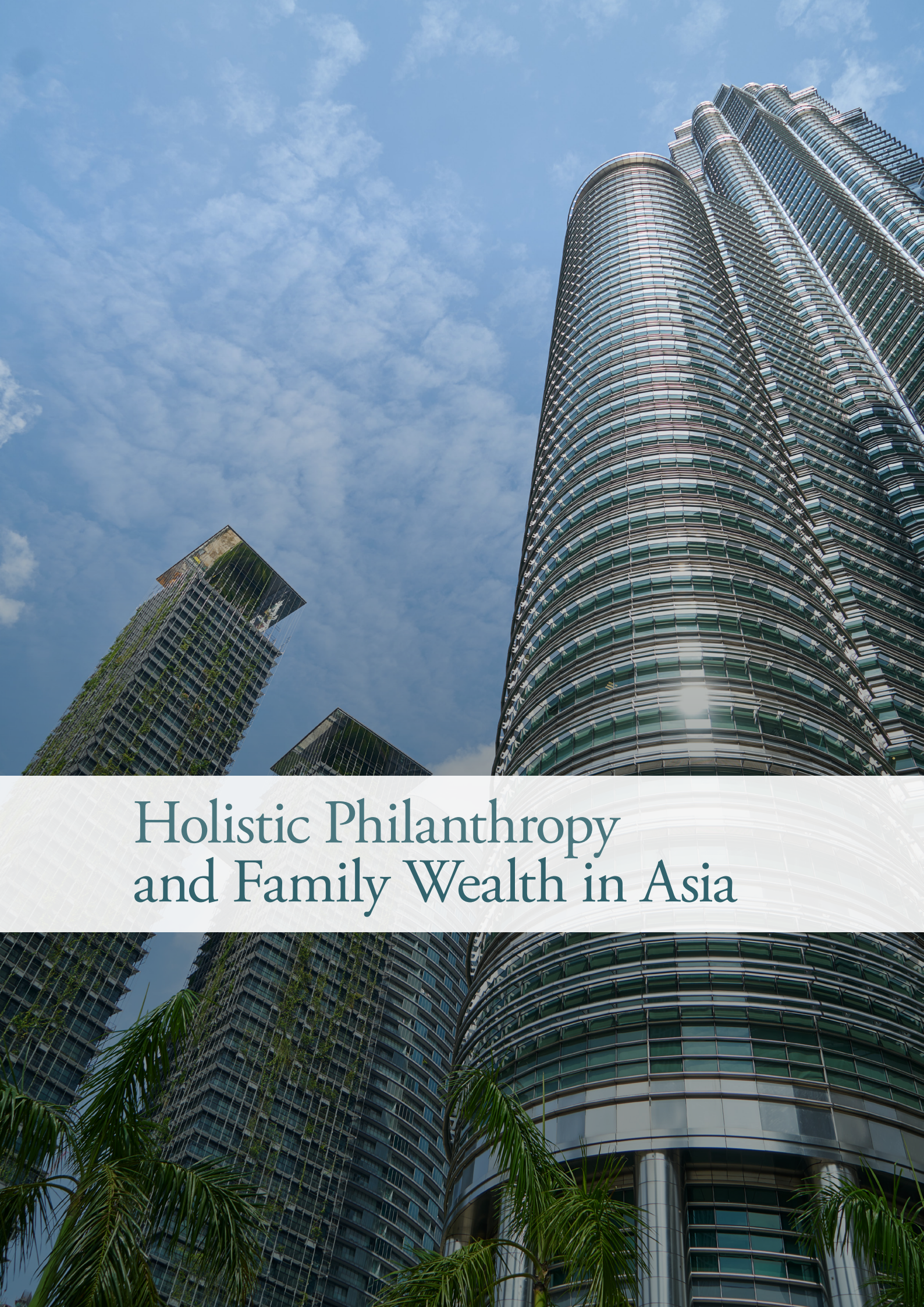
This mapping tool is a potential starting point for wealth holders and advisers to consider and adapt where necessary

Conclusion

This report on **Holistic Philanthropy** articulates a transformative approach to philanthropy that seeks to bridge the gap between aspirations and tangible outcomes. By synthesising insights from notable thought leaders in the field, it emphasises the importance of aligning personal values, interests, and public good within philanthropic endeavours. The report outlines six core principles that guide holistic philanthropy:

- **Repurposing Capital:** Encouraging a multifaceted relationship with capital that transcends traditional financial purposes.
- **Total Impact Portfolio:** Advocating for an integrated approach to impact across all philanthropic activities.
- **Impact Spectrum:** Recognising the interconnectedness of profit and purpose rather than viewing them as opposing forces.
- **Collaborating for Mutual Value:** Promoting partnerships that yield benefits for both the philanthropic entity and the communities served.
- **Philanthropy as Private Action in Public Space:** Highlighting the potential for private philanthropic actions to address public challenges effectively.
- **Co-creating Change with Communities:** Emphasising the need for active engagement with local communities in creating meaningful change.

The report also introduces a **Theory of Change** framework, which outlines a systematic approach across six logic approaches to achieving desired impacts through Holistic Philanthropy. This includes identifying key questions, approaches, interventions, and assessments necessary for measuring success. Holistic Philanthropy is therefore presented not just as a method of giving but as a comprehensive philosophy that integrates wealth management, investment strategies, and legacy considerations into a unified effort aimed at fostering sustainable and equitable societal change. By adopting this paradigm, wealth holders can significantly enhance their philanthropic impact while contributing to a more just and thriving world.



Holistic Philanthropy and Family Wealth in Asia

Introduction

Philanthropy in Asia has experienced significant transformation and growth over the past few decades, reflecting the region’s dynamic economic landscape and evolving social challenges in what advocates have dubbed an “Asian Century”.

As Asian economies continue to rise, so too does the recognition of the vital role that philanthropy plays in addressing pressing issues such as poverty alleviation, education, healthcare, and environmental sustainability.

This chapter explores the multifaceted nature of philanthropy in Asia, which can be understood in two ways. On the one hand, philanthropy in Asia is a narrative of how unprecedented wealth growth has opened both immense opportunities and challenges for equitable and sustainable forms of growth. On the other hand, it is an examination of how Asian philanthropy diverges from its Western counterparts in motivations and orientations to do philanthropy, developmental strategies to achieve them, and cultural nuances that influence family, business and public life.

This is why it is important to first understand the landscape of philanthropy in Asia before looking into why and how holistic philanthropy is a timely intervention into what wealth holders and business families in Asia are looking for, amidst the region’s largest wealth accumulation and intergenerational wealth transfer to date.

Holistic philanthropy is not new. Instead, it is a timely emergence inspired by a cumulative call for an aligned, integrated and total approach to philanthropy by some of our most successful thought leaders in the ecosystem. In this report, we explore three key works which have inspired our approach:



3.1 Inside the Worlds of Wealth Holders in Asia

There is an oft-repeated comment among philanthropy professionals about philanthropy and wealthy families: “if you’ve seen one wealthy family, you’ve only seen one wealthy family”. This phrase is never more appropriate within the context of Asia. Despite popular misperceptions that wealthy families in Asia embodied by Kevin Kwan’s larger-than-life figures in *Crazy Rich Asians*, wealthy families in Asia are as diverse as the region itself in status, source of wealth and familial dynamics.

Yet there is a lot of speculation and excitement around Asian wealth in recent years, and for good reasons. The total wealth assets in Asia has rapidly accelerated in the last two decades, tripling its 2006’s figures⁴⁶ to about US\$177.82 trillion in 2022,⁴⁷ making it the wealthiest region compared to North America (US\$151 trillion) and Europe (US\$104 trillion). The region’s wealth spurt has also seen a rise of billionaires and Ultra High Net-worth Individuals (UHNWI), with about 1,019⁴⁸ and more than 165,000⁴⁹ respectively. If such figures are an indication of the potential scale of philanthropic efforts, Asia stands to give as much as US\$701 billion if matched to US’ levels of giving⁵⁰. Yet, this potential can only be unlocked if the existing infrastructures, policies and ecosystem dynamics provide the foundations to do so in alignment with what wealth holders and their families need and are experiencing.

To understand that, we need to look at the emergent trends affecting wealthy families and how as well as why they are motivated to embrace holistic philanthropy for their wealth and personal purposes. Through our findings, we have identified three main trends that illustrate wealthy families’ motivations and goals for holistic philanthropy. They are,



46 HSBC Research 2022. Accessed from: <https://www.research.hsbc.com/C/1/1/320/svKzVQm>

47 UBS Global Wealth Report 2023. Accessed from: <https://www.ubs.com/global/en/wealthmanagement/family-office-uhnw/reports/global-wealth-report-2023/exploring.html>

48 UBS Billionaire Ambitions Report 2023. Accessed from: <https://www.ubs.com/global/ja/media/display-page-ndp/en-20231130-great-wealth-transfer.html>

49 Knight Frank Global Wealth Report 2024. Accessed from: <https://www.knightfrank.com/wealthreport>

50 Cua, T. (2022, September 28). *Unlocking Cross-Border philanthropy in Asia*. Asia Philanthropy Circle. <https://asiaphilanthropycircle.org/unlocking-cross-border-philanthropy-asia/>

Transformational Motivations: Transitions and Experimentations

Asia is home to numerous new wealthy families in the last three decades, a sizable part of their fortunes made within the generation. Many of these families are not only nouveau riche; some rode on the wave of increasing prosperity of their own countries' national development and social transformations.

With increasing income levels, a rising middle class, higher educational levels, and a maturing society, these have brought in new expectations among the public for wealth holders to invest and give back to their communities. This is especially so for a wide group of first-generation wealth creators who relied on state-led development or benefitted from favourable national policies. For countries such as China, India, Singapore, Malaysia, Indonesia, Thailand and the Philippines, where various periods of developments across them in the last half a century have produced not only new generations of wealth holders, it has also created vastly different realities and roles that wealth holders have to play to maintain their place in society.

What do social expectations for the wealthy look like in Asia?



China

Under Xi Jinping's "common prosperity" campaign in 2021, wealthy Chinese individuals faced growing pressures to contribute their share of wealth via wealth taxes as well as engage in philanthropic activities to support local social assistance programmes in partnership with the government. Most recently, the government has also begun looking into enforcing taxes on overseas investment gains of Chinese's ultra-rich⁵¹, a move that will likely affect Chinese wealth flows and the commodities facilitating such moves.



India

A mandatory initiative was introduced in 2013 to get companies to spend a minimum of 2% of their net profits in Corporate Social Responsibility (CSR). There have also been calls for more wealth distribution policies and greater responsibilities on wealthy individuals, and these have been a mainstay in India's political debates. There are pressures on Prime Minister Modi's government to find an equitable distribution of India's economic development, in light of vast inequalities with about 60% of India's wealth held by just 1% of its population⁵².

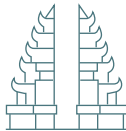
51 China moves to tax the ultra-rich for overseas investment gains. (2024, October 15). The Straits Times. <https://www.straitstimes.com/business/economy/china-moves-to-tax-ultra-rich-for-overseas-investment-gains>

52 Rohini Nilekani Philanthropies. (2016, December 23). India's Uber Rich: How they Should Behave. - Rohini Nilekani Philanthropies. <https://rohininilekaniphilanthropies.org/resources/indias-uber-rich-how-they-should-behave/>



Hong Kong, SAR

Hong Kong's philanthropic scene received a boost of enthusiasm and momentum with the injection of over US\$600m committed by The Hong Kong Jockey Club in a bid to cultivate Hong Kong's influence as a philanthropic hub. Leveraging Hong Kong's existing philanthropy scene, the Institute of Philanthropy (IOP) was formed in 2023 as a "think-fund-do" tank to front the collective philanthropic efforts alongside other numerous wealth management institutions and initiatives. Compared to China, Hong Kong's approach reflects a more consultative and engaging relationship with its wealth holders, a sign that it aims to redouble its efforts at wooing back AUM from other financial hubs in the region while securing itself as the international gateway for Chinese wealth.



Indonesia

A country with longstanding public debates around the role of wealthy individuals and their families in Indonesia's shared prosperity, Indonesia has always been an important part of Asia's wealth narrative. Currently, Indonesia tops the list for Charity Aid Foundation (CAF) World Giving Index as the most generous country. More recently, Indonesia has sought to set up places to attract family offices⁵³. Although not without infrastructural and human capital challenges, the Indonesian government has always set eyes on wooing back its wealthy citizens through development opportunities. The most influential factor however would be Indonesia's most recent leader, President Prabowo Subianto, and his plans for the role of the wealthy in Indonesia. Most recently, Prabowo has declared that Indonesia's wealth for all requires going beyond "trickle-down economics", a statement he made just days before assuming his presidency⁵⁴. All eyes are on the new administration's wealth distribution policies in the near future.

⁵³ Indonesia aims to draw single family offices to holiday island Bali. (2024, June 5). The Business Times. <https://www.businesstimes.com.sg/international/asean/indonesia-aims-draw-single-family-offices-holiday-island-bali>

⁵⁴ 'Wealth for All': Prabowo says he doesn't believe in Trickle-Down economics. (n.d.). Jakarta Globe. <https://jakartaglobe.id/business/wealth-for-all-prabowo-says-he-doesnt-believe-in-trickledown-economics>



Singapore's philanthropic scene has witnessed a massive growth in the last decade, and with its status as a financial hub, the family offices which have settled here in the last 4 years have made the city-state an exciting space for philanthropy and social impact. The Singapore government has always recognised the importance of wealthy individuals for their enterprise, knowledge and philanthropy to Singapore and the region. Like Hong Kong, there are investments to further enhance the philanthropy ecosystem, as it serves as an integral part of Asia philanthropy as a philanthropic hub.

This outward pressure is an impetus for wealthy families to pivot and strive for a favourable public image to satisfy both public and private stakeholders to enable their presence for the long term.

This transformative pressure is also driven from inwards. Many of these same wealthy families are also dealing with succession-related questions, where experts estimated some \$5.8 trillion worth of wealth to exchange hands across generations by 2030⁵⁵. This transition is happening at a time where successful succession is expected to disrupt the “business-as-usual” climate of their families' existing enterprises towards innovation and longevity, and also meet the aspirational needs of a new generation of incoming wealth holders who want to do more than succeed in the business. The drive for new narratives of legacies to capture their essence of familial transitions also compels wealth holders or their heirs to be open to experimenting with different ways of doing well and doing good.

Wealthy families who face such concurrent pressures view philanthropy not just as a “strategic” choice, but also as an existential imperative by which their self identities and place in society are remade. Social and familial pressures aside, these wealthy families are also at the cusp of immense opportunities and disruption in Asia. With growing calls for businesses to capitalise on the potential upsides and mitigate the risk of climate change in Asia, the challenges these wealthy families face are in pivoting and securing their positions for an incoming wealth revolution. For many of such first-generation wealth creators and their families, it is a familiar tale of how regional transformations can change the fate of their fortunes. Their emphasis would be to make these transitions work for them when previous strategies and the rules of the games are no longer relevant.

55 Kotanko, B., & Sengupta, J. (2024, September 9). *Asia-Pacific's family office boom: Opportunity knocks*. McKinsey & Company. <https://www.mckinsey.com/industries/financial-services/our-insights/asia-pacifics-family-office-boom-opportunity-knocks>



Inspirational Motivations

Another group of wealth holders, some of them overlapping with the earlier transition trend members, belong to the inspired “camp”. This refers to wealth holders who are either just starting out or are experiencing a paradigm shift in their philanthropic journeys, causing them to be extremely inspired and motivated to manifest their giving plans. Factors leading to such behaviours may include returning from an inspiring event, joining or leading giving circles, being influenced by personal milestones (e.g. marriage, having children, retirement), or even a personal existential crisis. In Asia’s context, global financial hubs such as Hong Kong and Singapore are drumming up philanthropy as a key role for wealth holders in society. This has led to a rise in initiatives aimed at activating such inspirations, with more wealth holders having more opportunities and lower barriers to be part of local and regional philanthropic ecosystems.

This jubilation can however be double-edged if not tempered with properly. Excessive optimism may lead to wealth holders rushing into their philanthropic journey without due consideration for how or why they give, often leading to mismatched expectations and a poor understanding of their roles. This increases the risk of **philanthropic harm**⁵⁶, and may hamper the sustainability of their journey for the long term. When channelled and sustained properly, however, this motivation can be a powerful force that drives wealth holders to a fulfilling and purposeful journey.



Maturity Motivations

The earlier two trends focus on the majority of new wealth holders who are new on the philanthropic journey, and are driven by social and motivational considerations. This final group is a reminder that Asia is also home to seasoned philanthropists, some of whom are custodians and trustees of long-standing foundations that span across generations. While dubbed as Asia’s “old wealth”, many of these families’ fortune narratives are actually not so different from their contemporary counterparts. Many have made substantial fortunes in certain businesses linked to colonial or early developmental policies set by fledgling Asian states. These included agriculture and mining, manufacturing, energy, real estate, and telecommunications. Many of these wealth holders may be part of a larger familial structure of extended kins, each having differentiated responsibilities and ties to the wealth. Some may have also made their own wealth within or outside the family’s domains.

⁵⁶ Meiksins, R. (2018, August 17). *10 Ways Donors Can Be Less than Helpful - Non Profit News | Nonprofit Quarterly*. Non Profit News | Nonprofit Quarterly. <https://nonprofitquarterly.org/10-ways-donors-can-be-less-than-helpful/>

Apart from old wealth, there are also first-generation wealth creators who are advanced in their giving. While their wealth journeys may not be as long as their counterparts, their commitment to accelerate their philanthropic aspirations allow them to quickly catch up on scale and impact, making some of them the biggest and most generous philanthropists in Asia. Many of them are situated in giving circles where a mix of old and new wealth philanthropists gather, and a part of their acceleration can be attributed to their participation and willingness to collaborate with more seasoned philanthropists. One such successful example is the Asian Philanthropy Circle (APC), a highly advanced yet inclusive giving circle whose members come from different parts of Asia.

For many of these wealth holders with such experiences, philanthropy is already regarded as an integral part of their legacy and strategic wealth management. This is also often a sign of a maturing giving portfolio that is reaching consolidation in terms of how wealth holders recognise their purpose in doing and giving well. With a longer duration of experiences and immersion in the ecosystem, these wealth holders are always seeking to align their philanthropic activities with that of the most potential returns for impact. This is what Karoff termed as the highest level in his Philanthropic Learning Curve, in which wealth holders constantly calibrate and align their giving based on the latest knowledge, tools, human capital and policies to maintain or scale their activities. Access to these resources therefore becomes a valuable capital which they recognise as integral to maintaining their status and impact⁵⁷.

3.2 “Wealth 2.5” Asia

The above trends signal two important characteristics. Firstly, they suggest that wealthy families in Asia are at very different stages and trajectories of wealth. This is a reflection of the various cycles of development leading to uneven wealth accumulation in the region. This means that with varying motivations across wealth holders, there will not be a one-size-fits-all model to drive them into scaling and enhancing their giving. Instead, the goal is to identify what particular trends resonate with wealth holders and their families, and work towards addressing the motivational factors arising out of their needs.

⁵⁷ Thompson, X. L. K. S. C. a. R. (n.d.). *The philanthropic potential of Asia's rising wealth*. Bridgespan. <https://www.bridgespan.org/insights/philanthropic-potential-of-rising-wealth-in-asia>

Secondly, with growing expectations to do more and an urgency to respond to climate challenges, Asian wealth holders are compelled to accelerate their transformation plans to meet these varying needs without the luxury of time that their counterparts in Europe and the United States had across several generations or business cycles. Unlike in the United States and Europe where philanthropy has reached a certain level of consolidation in both their ecosystems as well as major pools of wealth holders, the philanthropic ecosystem in Asia is still nascent in terms of its infrastructural density, level of activities, and scale of giving⁵⁸. This is in spite of the vast potential of Asia philanthropy, with some of the biggest potential social and environmental impact to be gained in the region.

Wealth 3.0: The Future of Philanthropy

These factors have led to what we describe as Asia undergoing a “Wealth 2.5” paradigm, adopting Jaffe, Keffeler & Grubman’s Wealth 3.0 framework⁵⁹ for analysis. Analysing wealth development narratives and how they influenced wealthy families and wealth advisers in the United States, the authors charted three stages of development.

How We Got Here

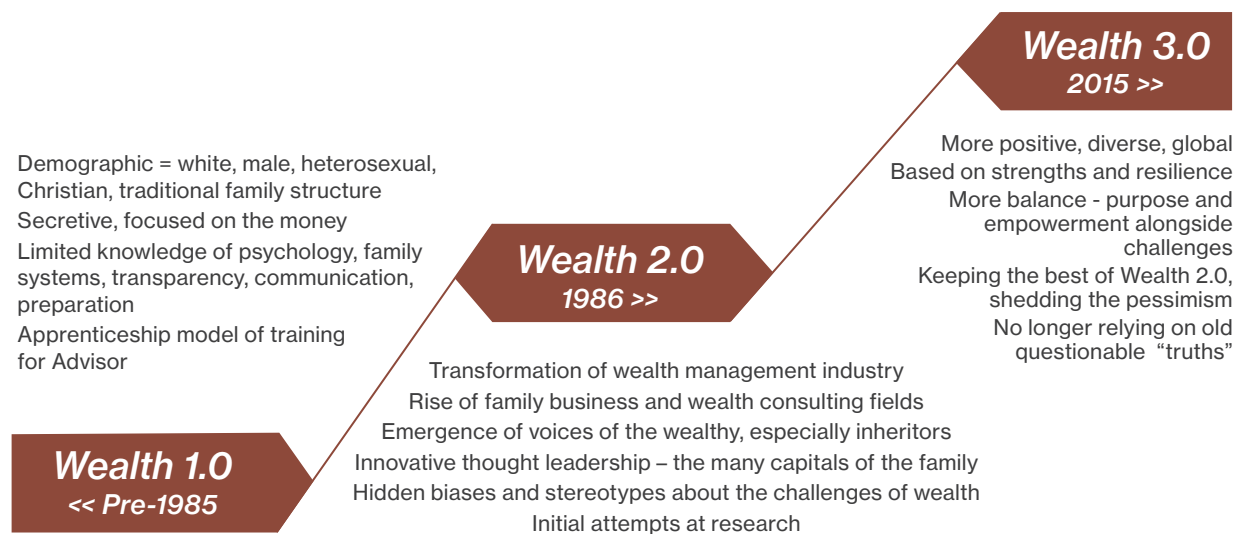


Figure 4: Development of Wealth 3.0

58 SIDHU, Dalvin and CHEN, Jinwen. *Giving and receiving: A study of barriers and enablers in Asian philanthropy*. (2020). 1-31. Available at: https://ink.library.smu.edu.sg/lien_reports/16

59 Jaffe, D, Keffeler, K. & Grubman J. (2023). *Wealth 3.0: The Future of Family Wealth Advising*. San Jose: Family Wealth Consulting

In the first stage or “Wealth 1.0”, wealth preservation and management is understood very strictly in terms of protecting and increasing assets strictly on financial terms. Wealth advisers tended to be financial brokers and advisers, with a mind to balance gains with volatility, and maintain a purely transactional relationship by providing professional advice. Philanthropy is seen as not within the purview of wealth management, as is the case with family concerns, as they are looked upon as private matters that should not affect professional investment decisions.

In “Wealth 2.0”, the narrative and role of wealth moved from focusing on the wealth creator alone to family wealth, legacy, business succession, governance and philanthropy. This signalled an expansive view to wealth management, where the effects of intergenerational wealth transfers and preserving wealth across generations through a range of tools and approaches became commonplace. This also led to the rise of more strategic and intentional use of philanthropy in the overall wealth planning. Yet, despite the integrative potentials embedded in Wealth 2.0, the emphasis on fear and loss has led to a narrative around the implications of poor wealth planning. With the infamous but not debunked phrase, “wealth does not last beyond three generations”,⁶⁰ Wealth 2.0 has amplified a culture of fear among wealthy families to get them to devote even more resources to getting things right.

For Grubman and his fellow authors, Wealth 3.0, at the timing of writing, represents the epitome of wealth management. Shifting away from fear to engagement and purpose, Wealth 3.0 is a move which aims at retaining the best of its earlier stages while planning for the future of philanthropy. This includes cultivating a shared and holistic purpose for why and how wealthy families should give, as well as being strategically cognisant of and adapting to wealth management approaches that benefit them and their communities. Most importantly, Wealth 3.0 emphasises that philanthropy comes from within and is driven by the desire to give as a way of transmitting shared values, legacies and responsibilities through collaboration, trust and openness. For Grubman, this will be the rhythm of what philanthropy is geared towards in this new era.

60 WMI. (2024, August 19). *What is Legacy?* - WMI. <https://wmi.edu.sg/insights/philanthropy-guide/issue-06/>

“Wealth 2.5”: Charting Asia’s pathway to Wealth 3.0

While we are aligned with Grubman’s Wealth 3.0 framework, we contest that Asia’s philanthropic experience will likely not parallel its counterparts in the United States and Europe. Instead, Asia’s trajectory is likely to witness vital differences in both tempo and expectations for reasons as follows. We term this difference as “Wealth 2.5”:

The elements of Wealth 1.0 remain a dominant reality for many first-generation wealth creators in Asia, although gender parity will challenge the semblance of patriarchal philanthropy.

The rapidly increasing appetite for new models and approaches of giving in Asia puts the potential of Wealth 3.0 within reach. Yet this dissonance may be intergenerational and due to a lack of viable models for opportunities in Asia.



The historical, infrastructural, and societal conditions of Asia reinforces the narrative of fear and loss embedded in Wealth 2.0. These external pressures are both a vital momentum as well as a challenge for wealth holders.

Under such circumstances, Asia’s wealth holders possess the capacity and readiness to move into Wealth 3.0, but vital challenges and obstacles that enable a successful transition remain top of their concerns. This missing “half-step” is the gap that needs to be addressed.

As shared earlier, Asia’s pathway to Wealth 3.0 is likely to experience a different trajectory, but the conditions of earlier stages remain relevant all at once for the region in different ways. For instance, the dynamics of Wealth 1.0 remains prevalent for two reasons. Firstly, a sizable number of the first generation wealth creators are still holding on to the reins of the family’s wealth. Secondly, preliminary discussions around wealth management and preservation may remain limited to building financial security and growth, as wealthy families look towards setting up the foundations of their wealth base as a priority. But what makes Wealth 1.0 different from Asia is that changing contemporary demographics of wealth creators and holders, with increasing gender parity among UHNWIs and billionaires both Asia and globally. For instance, women now account for more than 43,000 and 337 of the UHNWIs and billionaires pool respectively⁶¹. Nearly 90 percent of women in HNW households are also either the sole decision maker or an equal partner for philanthropic decisions⁶². The increased gender parity is likely to not only accelerate

61 Jaffe, D, Keffeler, K. & Grubman J. (2023). *Wealth 3.0: The Future of Family Wealth Advising*. San Jose: Family Wealth Consulting

62 Nonprofits must work for women’s trust. (2011, December 12). Lilly Family School of Philanthropy. https://philanthropy.indianapolis.iu.edu/news-events/news/_news/2011/women-drive-philanthropic-decisions-in-wealthy-households-but-nonprofits-must-work-for-their-trust-finds-bank-of-america-merrill-lynch-center-on-philanthropy-study.html

philanthropic initiatives, it is also likely to see women taking more active and collaborative roles in such initiatives in social causes that have traditionally been ignored by a male-dominated audience, such as inclusive education, food and healthcare, femtech, animal welfare, family support, and ageing⁶³.

Likewise the narrative of fear and loss remains a growing concern for wealthy families in Asia, with the myth of generational curse to wealth inhabiting a life of its own in Asia's context. As discussed earlier, social and political pressures on wealthy elites to contribute to social equity and justice in Asia has become a prevalent theme, with many in less-privileged positions pointing to wealthy families as both the causes and symptoms of vast social inequalities in their countries⁶⁴. The fear of loss comes from two interrelated sources.

The first is the fear of a lack of public legitimacy for wealth holders to sustain and grow business and wealth in a climate where their statuses are safeguarded. Wealth holders are cognisant that public policies are in part influenced by public sentiments, and with the rise of populist politicians, there is uncertainty about whether their wealth status may come under further scrutiny. Wealth holders therefore understand that they need to build trust, not just with political elites, but also with the wider pool of public stakeholders to gain a "social licence" to operate. This is especially true for family businesses undergoing massive transformation in areas such as agriculture and manufacturing, where pressures to conform to sustainable practices may come in conflict with short-term local interests such as employment and livelihood due to disruptions. Asian wealth holders transitioning their businesses know that they need to address both concerns in order to secure their right to operate in society. This in turn addresses the second fear, which is the potential rise of radical wealth distribution or new industrialisation policies that may threaten wealth holders' businesses and wealth bases in their home countries. This fear comes into full view as more political leaders are beginning to consider making wealth holders socially accountable to pay their share of wealth in return for operating, instead of simply being an altruistic motivation.

Yet, Asia is not insular from global philanthropic ecosystems, and much of the operating philosophies of Wealth 3.0 have permeated into the region. This is mainly driven by both professional wealth and philanthropic organisations such as Bridgespan, Give2Asia, Asian Venture Philanthropy Network (AVPN), and Philanthropy Asia Alliance (PAA), as well as major foundations with an Asian presence such as the Bill and Melinda Gates Foundation, Rockefeller Foundation, and Bloomberg Philanthropies. Wealth holders who are tethered within such networks are also influenced by more innovative and impactful approaches to giving, and become role models for their other local counterparts. This makes Wealth 3.0 within reach.

63 Charities Aid Foundation. (n.d.). Crucial, growing role of women in philanthropy | CAF. <https://www.cafonline.org/personal-giving/resources/crucial-growing-role-of-women-in-philanthropy>

64 Kidd, S., Athias, D., Nastasi, S., & Pop, A. (2022). *Inequality and social security in the Asia-Pacific region* (By United Nations Development Programme & United Nations Development Programme Regional Economist Network for Asia-Pacific). <https://www.undp.org/sites/g/files/zskgke326/files/2022-02/UNDP-RBAP-Inequality-and-Social-Security-in-Asia-Pacific-2022.pdf>

There is however a huge gap in terms of motivation, knowledge and purpose between wealth holders who are familiar with Wealth 3.0's tenets, and those who have just entered the scene and are gradually acclimatising to the ecosystems. As such, the crucial missing "half-step" that would enable Asia's philanthropic ecosystems to fully embrace Wealth 3.0 is not just due to unresolved elements of its Wealth 1.0 and 2.0 stages, but also key dissonance factors as follow:

Asia's philanthropic infrastructural ecosystems remain fractured by cultural and national boundaries. With the exception of green energy and decarbonisation concessionary markets, there is very little interest to build alignment and invest in bilateral or multilateral policies or engagement to harmonise philanthropic activities.



Cultural boundaries around what philanthropy looks like remain a major obstacle for innovation and increased professional activities to flourish. A major issue in Asia is the idea of paying for philanthropy advisory and services - there is still an expectation among conventional wealth holders that philanthropy advisory should be a complimentary part of wealth management services.

Philanthropy still remains a largely private affair, with giving circles being discreet and confined to specific cause-based or relations-based circles. Wealth holders may feel that professional wealth and philanthropy advisory are too concerned about AUM, rather than supporting their purpose for giving.



- There is a social perception in Asia that philanthropy only comes in when there is market or governmental failure. While this provides impetus for action, it limits the kinds of cross-cutting collaborations that involve multiple stakeholders across public, private and people sectors to build solutions for public issues.

These factors have a common factor - **culture**. The culture around philanthropy in Asia needs a paradigm shift for it to reach Wealth 3.0. At the same time, the cultural transformations cannot be rushed, nor should the entire ecosystem be accelerated or leap-frogged to replicate other cultural models out there. Instead, Asia's own "Wealth 2.5" transformational journey should be allowed to run its course and develop its own unique traits that reflect the region's character of philanthropy. But this does not mean there is nothing we can do. Instead, there are immense opportunities for infrastructural and capacity development at every step and part of the philanthropic ecosystem.

3.3 How Does Holistic Philanthropy Achieve Asian Wealth Holders' Needs?

Based on the above discussion, we distil five demands that would help us to understand Asian wealth holders' wants and needs, and how holistic philanthropy can help realise wealth holders' Wealth 3.0 ambitions.

The ability to build a **holistic governance structure** that enables wealth holders to navigate and align personal, family, business, social, and political considerations in a rapidly evolving Asia.



The ability for philanthropy to cultivate **trust and legitimacy** with public, private and people sector stakeholders in specific Asian social contexts to support wealth holders' social license to operate.



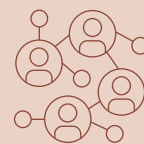
The ability to design impact that would **resonate with the alignment and holistic governance structure**, and to be able to do so innovatively to address the complex nature of social and environmental issues in Asia



The ability to effectively prepare the family for **legacy, transition and succession** – to be able to equip both the predecessor and successor to send and receive the wealth while taking into consideration the needs and desires of the members involved.



The ability to **communicate, connect and bridge** the different philanthropic and business ecosystems in Asia, bringing in opportunities for collaboration in the region with a variety of stakeholders.



In view of these five demands, how should philanthropy professionals and financial institutions support Asian wealth holders in their journey? We propose six roles which are aligned to the central principles of holistic philanthropy that you can start with either as a wealth holder or someone advising/supporting one:

1. One-stop Governance Expert

With governance as a priority for many wealth creators and holders to quickly secure and build a holistic base that addresses various needs aside from financial ones, having a coordinated team specialising in governance and comprising of legal, tax, financial, philanthropy and family experts would be highly desirable. This one-stop solution is critical for wealth holders and their advisers seeking a virtual team that would work closely with their core team to assess and design suitable governance structures and approaches to build the alignment of business, family and legacy into the foundations of their family offices or trusts.

2. Trust Architects

Trust will be a valuable resource that wealth holders are also keen to cultivate, and this means that professionals who are able to integrate and design how to produce trust from the family's business, philanthropic and legacy structures would be highly sought after. Known as "trust architects", these are professionals who would work with wealth holders and trusted advisers to strategise, refine and implement solutions that build trust or mitigate trust risks with stakeholders. Each family would have different gaps ranging from capacity-based needs such as communication, implementation and impact assessment. It is very unlikely to monopolise the entire suite of trust needs due to the wide range involved, so it would be ideal for professionals and institutions to consider building a niche forte that is aligned with their existing services for better synergy, cost effectiveness and value proposition.

3. Impact Strategist and Engineers

With the ever-growing demand around organisations seeking to secure experts who are able to design and measure impact effectively, this will be a highly competitive and sought-after human capital need. The "strategist" role focuses on aligning what wealth holders want to do with what they can, as well as with what local communities need, into a clear impact narrative and system. Meanwhile, the "engineer" roles refer to those who are able to design effective frameworks and programmes that resonate with wealth holders' impact narratives and systems. Of importance is in seeking out impact strategists and engineers who are also familiar with contextualising their work around the complexities of assessing and adapting impact frameworks with local communities, turning them into tangible assets for stakeholders, instead of simply being for compliance sake.

4. Family Wealth Adviser

In *The Family Philanthropy Navigator*, Vogel *et al* remind wealth advisers that the family can become the binding force that brings together one's purpose, relationships and the way we organise why and how we give. Conventional professional advice is often designed around the client, where agent-principal relationships are highly established for confidentiality and authority. But wealth holders today make wealth decisions more collectively and in relation to those closest to them. The imperative ability to not just navigate, but also harness the power of the family in such decisions will be the fundamental difference between a good and great adviser. This include not just being able to manage relationships, but utilise them to help wealth holders see family members as the most valuable assets and collaborators they have in preserving wealth as a united entity.

5. Enablers and Ecosystem Builders

As Asia's fragmented ecosystems progress as more connections and collaborations are developed, those with the ability to enable and foster such connections will be highly sought after. Such skillsets and networks require time as professionals become acquainted with the ecosystem, as well as understand their role to contribute as recognised by others. Enablers refer to people who are able to design and work out collaborative opportunities with different stakeholders, providing a compatible reason for mutual value creation. It requires people who are able to identify the assets other stakeholders possess, as well as what they desire to achieve out of working with others. Ecosystem builders on the other hand foster the gravitational interactivity of stakeholders by focusing on developing convening opportunities that bring best ideas, practices and deals into common platforms. These includes events, dashboards or platforms, educational seminars, learning journeys, etc. With the best forms of collaborations being those that emerge out of organic needs from common interests, ecosystem enablers and builders are essential roles in ensuring continuity of momentum for ecosystems to thrive.

6. Trusted Adviser

With the increasing professionalisation of the philanthropy and wealth management sector, there can be a push back from wealth holders against advisers who are too focused on professionalising the experience by reducing client relationships to a sales pitch. Thus, there will be a rise in demand for trusted advisers who are able to cover a wide range of issues relating to wealth holders' concerns, and be able to bring in the experts to dive deep into these issues. For philanthropy and wealth professionals, this means considering what trust looks like in one's wealth advisory relationship between different wealth holders, and how it goes into the work to produce reciprocal relations of trust. As wealth holders are likely to diversify their risks by spreading across different financial institutions, market capitalisation for wealth holders' assets are driven primarily not by what financial institutions have to offer, but how much they can trust the advisers to serve them across a wide range of wealth-related needs.

Conclusion

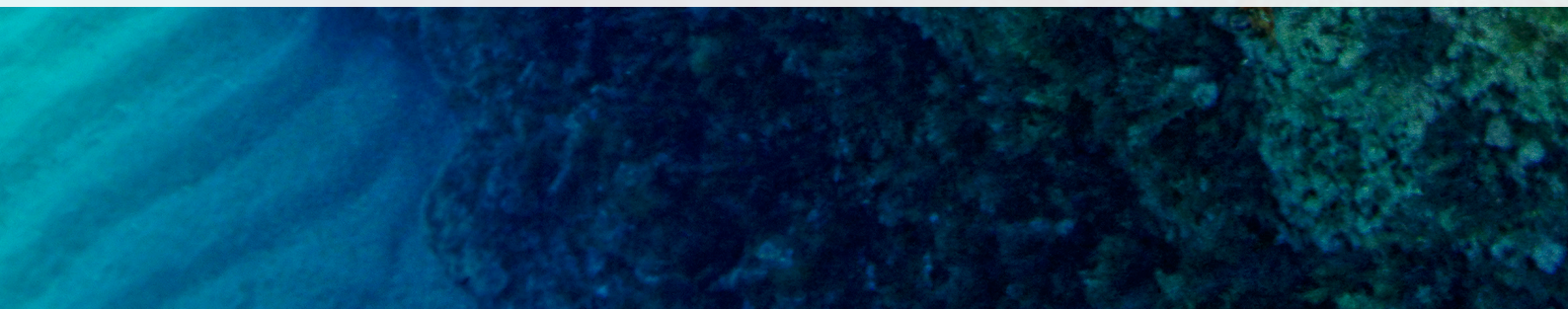
To truly understand how we can use holistic philanthropy to unlock more impact among wealth holders in Asia, we need to first understand what they need in response to contemporary socio-political contexts, and their motivations for engaging in philanthropy. In this chapter, we explored how these considerations may be understood in terms of transformational, inspirational and maturity motivations, as well as in Asia's "Wealth 2.5" paradigm.

By harmonising the external conditions with their internal goals, we can better understand how to design the necessary advisory and services for wealth holders to embrace holistic philanthropy. Here, we provided five trends that outline what Asian wealth holders need, and how professional philanthropy advisors and service providers can better serve these needs through the roles required.

In doing so, the goal is to drive Asia's journey for Wealth 3.0 under its own terms, prompting a cultural revolution in the relationship between wealth and philanthropy, and its role in advancing Asia and its people needs.



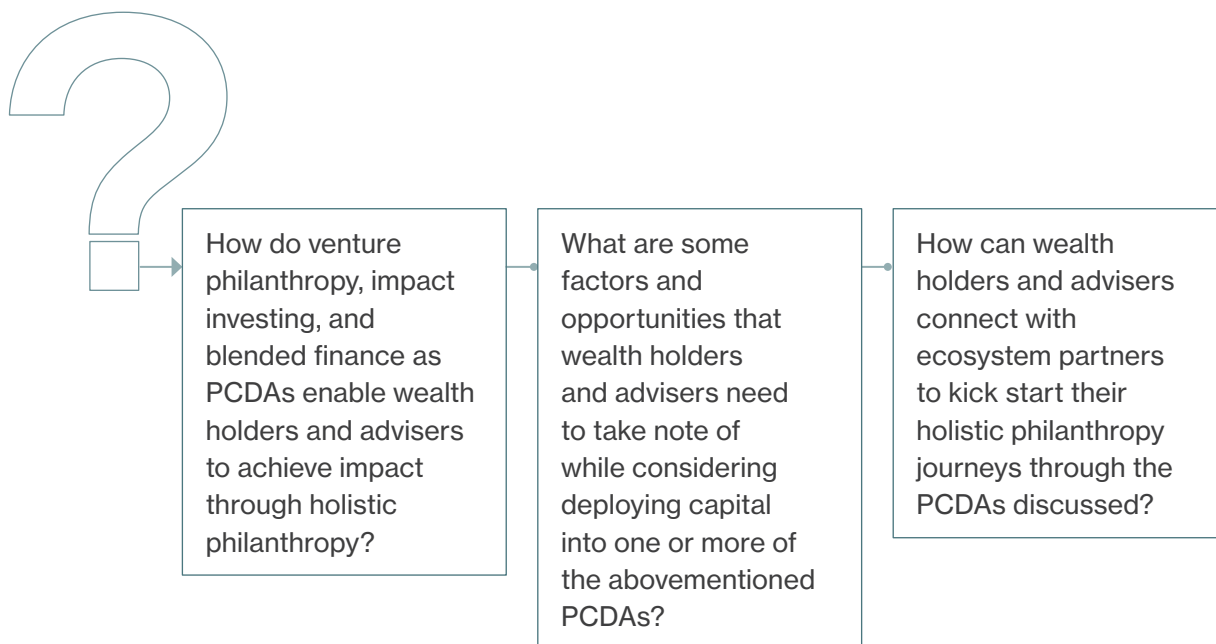
Unlocking Holistic
Philanthropy with
Philanthropic Capital
Deployment Approaches
(PCDAs)



Introduction

The principles of holistic philanthropy are not new, and in this chapter, we show how they are central to some of the innovative and forward-looking philanthropic models in existence. Referred to as philanthropic capital deployment approaches or PCDAs, these approaches have garnered much traction along different trajectories in the last four decades in response to wealth holders' desire to make a greater and more aligned impact. This can be witnessed by the advancement and proliferation of various approaches which are aimed at addressing the issues around alignment, mutual value and blended capital.

In this chapter, we ask the following questions in relation to PCDAs:



4.1 Holistic Philanthropy and philanthropic capital deployment approaches (PCDA)

PCDAs refer to the different ways wealth holders structure their philanthropic capital deployment portfolios in response to their philosophies and legacies. They are the direct ways wealth holders produce their impact by selecting how they wish to do so through the capital deployed, with different approaches focusing on different aspects of holistic philanthropy. This also means that not all approaches may be viable or suited to one's purpose. Instead, wealth holders and advisers need to be able to distinguish what each approach does, and how to configure a portfolio that serves to achieve the intended outcomes.

In this report, we frame PCDAs using the Centre for Impact Investing and Practices (CIIP) Capital Spectrum Framework. This framework outlines the degree of capital deployment across the conventional sources of capital spread between philanthropic and commercial ends. The framework is useful in showing how capital has been typically distributed across a wealth holder's portfolio, but at the same time illustrates the potential for capital to be easily repurposed for different values and functions within the spectrum.

Another useful reason for utilising this framework is that it holistically incorporates **venture philanthropy, impact investing, and blended finance**, the three approaches we are keen to explore, allowing wealth holders to recognise how these PCDAs are interrelated to the intersectional impact produced when mapped across the Goals and Focus factors indicated.

In this chapter, we will use the above framework to discuss and explain the operational aspects of unlocking holistic philanthropy through Venture Philanthropy, Impact Investing and Blended Finance. Before we dive into each of these approaches, here are three reasons why they matter for holistic philanthropy.

Firstly, these three approaches now dominate some of the most forward-looking philanthropic initiatives in response to making clear and measurable impact to social and climate change funding challenges. For instance, venture philanthropy as an innovative grant-making approach have paved the way for social enterprises to develop and reach a scale where the latter can operate independently. Meanwhile, impact investing has raised over \$1.5 trillion in assets under management (AUM) globally to finance social and environmental related investments⁶⁵. These are just some of the examples of the ability for these PCDA's being used in different formats globally to tackle the global financing gaps to the existing Sustainable Development Goals (SDGs), and represent some of the most successful cases out there. Holistic philanthropy is therefore interdependent to the success of these approaches becoming mainstream - a feat that has not been established despite growing interest and deployment. The first step is to resolve the knowledge gap by providing a detailed explanation of what these approaches are and how they can be operationally fundamental to wealth holders' holistic development journey.

Secondly, these PCDA's have flourished in large part due to the rapid growth of their respective ecosystems in tandem with the demand for further sophistication to adapt to deployment needs. These ecosystems are however often independent of each other and may not intersect in ways that could produce even more strategic alignment of philanthropic capital deployment. In this report, we share the major players of each approach corresponding to Singapore's philanthropic contexts. In doing so, we aim to provide different ways for wealth holders and advisors to explore how they can connect and embark on their holistic philanthropy journeys by engaging in the PCDA(s) of their choice.

Finally, with increasing sophistication of these PCDA's, wealth holders may not understand how or why they might be useful to their portfolios. To resolve the pertinent "why" question, we share what advisers can do to enable their wealth holders to understand how these approaches correspond to their giving aspirations.

Taken together, this report hopes to unlock Holistic Philanthropy through venture philanthropy, impact investing and blended finance, with a focus on helping wealth holders and advisers address the "what", "why", and "how" to these PCDA's. While the focus of this report will be on these three PCDA's, other approaches such as grantmaking, sustainable investing and mutual value are also part of Holistic Philanthropy. At the same time, we provide a step-by-step guide to enable wealth holders and advisers to recognise what and who they need in order to get started on deploying capital holistically.

⁶⁵ Xiao, D. H. M. U. H. P. K. (n.d.). *Sizing the impact Investing Market 2024*. The GIIN. <https://thegiin.org/publication/research/sizing-the-impact-investing-market-2024>

4.2 Venture Philanthropy

What is Venture Philanthropy?

Venture philanthropy is an approach that combines the principles of venture capital with philanthropic goals, focusing on investing in social enterprises that aim to achieve both financial sustainability and measurable social impact. Venture philanthropy also emphasises a more engaged and hands-on approach. This includes providing not only financial resources but also strategic support, operational expertise, and mentorship to help social enterprises scale effectively.

While the origins of venture philanthropy being practised can be traced to much earlier initiatives from the 19th and 20th century, including in Asia's context where philanthropists were instrumental in setting up early educational, healthcare and social assistance programmes to aid local communities, the systematic discussion of venture philanthropy only became mainstream in the late-1990s in the United States. Driven by the seminal article published in Harvard Business Review titled "Virtuous Capital: What Can Foundations Learn from Venture Capitalists", it raised a difficult but pertinent question on the minds of many seasoned philanthropists - *what prevents philanthropy from moving the needle on social change and showing results?*

While the amount of funds is critical to a non-profit's success, the article also pointed to the importance of how the funds are structured in ways that enable the most value and impact in terms of results-driven approaches. Since then, venture philanthropy has become a mainstream approach to a more strategic, intentional, results-driven giving process that guide large foundations and family offices in their philanthropic portfolios.

While venture philanthropy shares many similarities with, and are often mistaken for impact investing, the central difference is that venture philanthropy invests in impact that may not be defined in financial returns. Instead, it is closer to grant-making, albeit drawing on some key practices commonly used by venture capitalists to spot, grow and invest in start-ups. Like their financial counterparts, philanthropic venture capitalists recognise that non-profit organisations often struggle to reach a stage where they can create a viable business model to operate and deliver the impact/service to local communities. The role of venture philanthropy is therefore to provide resources to help organisations (1) develop, (2) refine, (3) succeed, and (4) scale their proof of concept in creating a sustainable model to operate.

Based on these goals, venture philanthropy generally focuses on the following five key principles:

01	Results-driven outcomes that match funding requirements.
02	Fund sizes are meant to scale social organisations to reach a level where they can make effective impact and/or self-sustain their activities.
03	Funds are “patient capital”, allowing much longer duration and runway for organisations to build up their capacity and impact for and in the long term.
04	Funds are structured in ways that process how and why organisations are funded in a systematic way to align funding with impact.
05	There is an “exit strategy” aimed at enabling funded social organisations and companies to continue positively contributing to the local communities they serve, while the “philanthropic venture capitalist” takes a back seat or exits from the venture.

Apart from these principles, venture philanthropists typically seek to invest in organisations that address pressing social or environmental issues – such as lack of education, healthcare needs, poverty, and sustainability – while also demonstrating the potential to sustain its own activity as an entity. Even though finance returns are often a part of how venture philanthropists assess an organisation’s ability to sustain itself, that may not be a priority or even in the funding agenda at least in the short term. This allows wealth holders to contribute to meaningful change in society while also ensuring that their investments can yield returns in terms of the financial and broader non-financial impact it produces as a result of providing a product or service.

In Asia’s context, while venture philanthropy has never been explicitly described as an approach until recently, it has long roots in the social investments wealthy families make to develop their local communities. Early examples of venture philanthropic initiatives included educational institutions (schools and universities), medical facilities (hospitals and hospice care), poverty alleviation (soup kitchens and mutual benefits organisations), and caring for those in need (elderly homes and orphanages). Many of these organisations were later either incorporated into part of public social assistance or become leading non-profit organisations in paving the way for others to come into the social services sector. These early venture philanthropists would not only offer grants, they would also often take on a catalytic approach in investing their time, networks, knowledge, skills and testimony to set up these organisations. Thus despite the nascency of the term, venture philanthropy has often been an integral part of Asian philanthropy. This is especially true of countries where public provision of social services are not sufficient, and rely on civic-driven interests in the form of venture philanthropy to fill the gaps.

Venture philanthropy in Asia today has also seen positive potential in terms of synergy with the entrepreneurial growth in the region. As wealth holders see themselves playing more critical and hands-on roles in guiding their philanthropic capital, the expertise wealth holders draw on from their businesses and corporations allow best practices in the venture capitalist ecosystems to advance the non-profit sector. Along with that, the market for venture philanthropy is ever growing, as the Asia looks to a US\$1.5 trillion annual gap to meet its Sustainable Development Goals (SDGs) needs by 2030⁶⁶.

Why Should Wealth Holders Consider Venture Philanthropy?

There are various opportunities set aside for venture philanthropy, but this requires commitment and some level of advancement in one's philanthropic journey to do it well, or certain forms of capital that may increase the synergistic effects in one's wealth portfolio. Below are some reasons that would help wealth holders recognise if venture philanthropy is right for them:

1. Further structuring of giving for more strategic impact

One of the most compelling reasons for wealth holders to consider venture philanthropy is when they wish to further structure their giving, going beyond passive cheque-book philanthropy or ad-hoc and reactive giving. Instead, wealth holders want a systematic approach to develop a clear rationale for what, how and why they would fund a social project. This is also a sign of maturity along the Philanthropic Learning Curve, where seasoned philanthropists look to more consistent and impactful ways of giving to align their purpose with their results.

2. Motivations to scale and assess their giving

Another closely related reason is when wealth holders are at a stage of considering how to advance and scale their philanthropic capital and activities, while ensuring that their giving is producing results-oriented outcomes that can be measured and calibrated for effectiveness. Venture philanthropy requires wealth holders to embrace some elements of strategic philanthropy, including developing an assessment framework for deciding how funds are distributed and accounted for. This also enables wealth holders to better understand their contributions in terms of capital-to-impact ratios across their wealth portfolios, justifying higher quantum of capital deployed into ventures that can benefit one's wealth management strategy while effectively serving public interests. Examples include funding blue-sky research areas as a venture philanthropic initiative, while synergising the research outcomes to help wealth holders open up new opportunities for industry applications or enable government's public funding based on them. Another such instance would be the New Venture Fund, which uses a "fiscal sponsorship" model to incubate and accelerate innovative ideas that can alleviate social issues with other non-profit organisations.

⁶⁶ Filling the finance gap for a green and inclusive recovery | Asian Development Blog. (n.d.). <https://blogs.adb.org/blog/filling-finance-gap-green-and-inclusive-recovery-2>

3. *Catalytic Potential To Give Holistically*

Wealth holders are not just defined by their financial assets, but also by the broader capital they hold or possess during their lifetimes. Some of these capital may be more valuable or elicit a greater impact than financial funding for non-profit organisations seeking to scale or transform their solutions. Venture philanthropy may therefore be suitable with those who are also able to give more holistically to help organisations fill their gaps along the “6 Ts”:



Time



Talent



Ties



Treasure



Testimony



Trust

4. *Leveraging on entrepreneurial mindset*

When wealth holders come from entrepreneurial backgrounds, venture philanthropy becomes a natural fit in terms of how they can maximise their philanthropic impact when compared to a non-entrepreneurial counterpart. Leveraging on their experience and acumen, entrepreneurial wealth holders are able to amplify the capital they deploy to either reach much greater effectiveness or reduce the cost of doing so through venture philanthropy. It also enables wealth holders to transfer their knowledge for philanthropic purposes when they are able to assess the critical success or failure factors organisations must face to become viable and sustainable as a solution.

5. *Diverse opportunities in a rapidly transforming Asia*

While the above reasons focus on the wealth holders' motivations and abilities, the context of Asia matters in terms of being at the right place for venture philanthropy to unlock untapped opportunities in both nascent as well as mature markets. For nascent markets, venture philanthropy can thrive alongside their private venture counterparts to fund new social ventures and make them viable for market-returns investments. These include being angel investors or funding the development of ecosystem infrastructures to enable new ventures to benefit from the support and pooled resources available. This makes venture philanthropists an important part of any vibrant and thriving start-up ecosystem in Asia, where many of the major venture successes come from addressing key gaps in human or natural capital needs. In mature markets, venture philanthropy enables wealth holders to address existing market or state failures by disrupting and making viable solutions that were otherwise impossible due to the lack of risk capital available. Serving as a risk and patient capital for impact, venture philanthropy enables mature market players to find new innovations for underserved areas not covered by private or public players.

How Do Wealth Holders Engage In Venture Philanthropy?

When considering venture philanthropy, wealth holders may look at four areas to develop a basic framework to further refine into a coherent approach. These four areas are not however meant to replace a team of experts who would need to assess and structure the necessary processes in place to integrate venture philanthropy into your capital deployment approaches. With the right team in place, identifying one's core purposes across these four areas would help to accelerate the setting-up process:



What Is Your Approach?

Developing a strategic plan of the preliminary components in one's venture philanthropy approach is vital for two reasons. Firstly, it becomes the central philosophy that grounds what will or will not be granted on the basis of whether an idea or initiative fits into what the venture philanthropy platform aims to serve. Secondly, it enables wealth holders to recognise where their value is in terms of what they are willing to invest in. In developing this strategic approach, there are six questions to consider:

1. What is your initial motivation to embark on venture philanthropy?
2. What does the ecosystem need that is lacking?
3. What are your funding/grant requirements or preferences?
4. What is your exit strategy?
5. How do you assess and measure your success?
6. Who do you need to help you achieve all these?

While the trajectory of these questions may change over time due to emergent situations, it nonetheless provides a starting point where the wealth holder can strategically develop them to serve the structure in which the venture philanthropy entity will be housed under. Apart from addressing these questions, a strategic approach also requires three important practices applied across these six questions. They are: (1) research, (2) learning, and (3) collaboration.

Research refers to deferring to authoritative sources of knowledge or expertise to inform your practices. It is an important step to review what others have already done, and whether there are any best practices out there to adopt instead of re-inventing the wheel. Research also helps to secure an evidence-based giving approach that is central to the strategic values of venture philanthropy.

Learning on the other hand refers to upskilling yourself and your team to be ready for the task. While external support is available, building up your own resources to rely on is a vital task to ensure that you are accountable for your successes as well as failures. Learning enables you to ensure that you are able to replicate and own the success.

Finally, **collaboration** comes out of the recognition that no single team can achieve all its goals on its own. By bringing together an “extended team” of collaborators, your core team will be able to extend its efficacy to cover a lot more ground and initiatives. Collaboration is also essential for ecosystem efficiency, where like-minded partners can come together to pool their resources to co-develop a solution for their needs. This also highlights the collaborative nature of venture philanthropy, where wealth holders and their teams may come together to not only co-invest in projects, but may also collaborate to share research, human capital and ideas to benefit the ecosystem directly.

What Do You Have To Offer?

Every venture philanthropy deal is a two-way exchange of resources, ideas and leadership for success. As much as the venture capitalist or philanthropist may be the more powerful partner in the relationship in most cases, organisations and social entrepreneurs may also be selective in who they wish to work with to ensure not only the best possible chance of success, but also under the right motives.

This is especially more important for philanthropic ventures, where viability is not just measured by the ability for an organisation to sustain itself, but to also do so in a way that resonates with a sense of purpose or produces a type of impact that may not be financially congruent, but necessary for flourishing of communities. Thus, when venture philanthropists are able to articulate what they can offer, they can achieve the following:

- **Produce greater alignment of purpose and impact** between venture philanthropists and organisations or social entrepreneurs that they are working with
- **Achieve better fit** in terms of offering the right kinds of capital for the organisation to scale and grow as intended
- **Develop a reputation and expert base** for certain social ventures that future projects may benefit from with greater efficiency and reduced rate of failure.

In deciding what to give, the “6Ts” model of giving that was introduced in our holistic philanthropy approach in Chapter 2 is an effective way to assess what and how you can offer as the critical resources for ventures. To help wealth holders and advisers plan for this, the following table would be a useful way to identify your resources along the “6Ts” model:

	Treasure	Time	Talent	Ties	Testimony	Trust
In each of the following boxes corresponding to the 6Ts, write down the top 3 resources you can give in each category, ranked by the amount you are willing to give.	(eg. cash, stocks, land, properties, items)	(the amount of time you can commit to for your involvement)	(the people you can provide as human capital)	(the people you can introduce as social capital)	(use of your reputation to open opportunities for others to explore with the organisation)	(use of your reputation to build trust capital for organisations when engaging with others)
These will be the resources you can offer.						

Table 2: Capitalising Your 6Ts of Giving for Venture Philanthropy

How Do You Want To Get Involved?

Apart from recognising what you can give, understanding how you wish to get involved is a crucial step for wealth holders and advisers to help develop a sound strategy for your venture philanthropy. This question would in part be influenced by both your approach as well as what you have to offer. In assessing the different modes and options for engagements, Harvard Business School Professor Allen Grossman and team⁶⁷ provide two important questions to guide wealth holders and advisers on this segment:

- How would I want my funding to accelerate the growth of an organisation towards scale?
- How does my funding create measurable impact to provide a proof-point for an organisation's next stage of growth or next level of funding?

Aside from these questions, Grossman and team also highlight the importance of recognising how wealth holders may choose to come in at different stages of the organisational development process, which will inevitably shape the kinds of resources needed and development opportunities for scale or growth.



Figure 5: Venture Philanthropy Across Stages of An Organisation's Development

Source: Grossman et al, HBS, 2013.

These questions and the Stages of Development are essential in helping a wealth holder or adviser decide how the capital will be deployed in response to a wide spectrum of options available. In this report, we will discuss four main ways of doing so:

- **Direct Approach**

The most direct way a venture philanthropist may get involved would be by directly participating in the venture process as an individual. This provides the highest level of autonomy in terms of selecting projects as well as negotiating what kinds of capital a wealth holder may wish to provide or invest, and what roles they may play in the organisation in return or as a result of the investment.

⁶⁷ Venture Philanthropy: its evolution and its future - Background note - Faculty & Research - Harvard Business School. (n.d.). <https://www.hbs.edu/faculty/Pages/item.aspx?num=44847>

- ***Setting Up a Venture Philanthropy Organisation***

In handling multiple ventures or larger scale projects, doing it as a single individual may not be viable. Instead, wealth holders who are considering investing a larger grant quantum or would like a more structured approach could set up a venture philanthropy organisation or equip their existing philanthropy platform with a venture philanthropy team/portfolio. This mode of engagement provides high levels of support and oversight with the right team in place, and enables venture philanthropists to deal with multiple ventures across different time horizons and themes. There are however higher overhead costs associated with this mode.

- ***Pooled Funds***

Pooled funds refer to the pooling of one's resources with other institutional or individual investors to be managed by a philanthropic organisation. They are an excellent way to join an established venture philanthropy organisation with a versatile track record for new wealth holders who want to learn best practices of venture philanthropy as they invest. While this may mean having little control over what one might choose to invest in, it helps to accelerate the learning process for those who are unsure how to kick start their journeys. Pooled funds also offer a range of services and opportunities that one may not get from being an individual investor, which can be valuable for structuring one's giving more effectively.

- ***Returnable or Recoverable Grants***

For venture philanthropists who are keen to build a re-investible pool of funds to fund future various venture cycles, the development of a returnable or recoverable grant approach is ideal. The method involves incorporating an interest-free and long-term loan component where grantees will pay back as part of the investment criteria or when certain milestones are achieved. The sum will then go back into the main pot of funds to be used for future ventures. This method creates an opportunity for successful organisations to contribute back to the very funds they benefited from, creating a co-ownership effect and benefitting future ventures from a pool of mentors, funders and resource partners that they can rely on. While returnable or recoverable grants are often structured in financial terms, it can only incorporate elements of non-financial impact or capital that mature and sustainable ventures can offer, such as mentorship, coaching or for successful entrepreneurs to serve as board members of upcoming ventures.

The above modes of engagement are not mutually exclusive, and wealth holders may typically take advantage of various modes to structure their capital deployment as their venture philanthropy journeys matures or when there are new opportunities arising. The choice of engagement should not however be taken lightly, and would involve a team of experts to assess the value and impact of one's engagement with the intended venture(s) to be invested in mind.

Why Are You Doing This?

As much as structure, strategy and intentionality are vital to venture philanthropy, a holistic approach also requires considering how such investments align with one's philanthropic philosophy. At the same time, it may be the most difficult to identify at the early stages of one's journey. The reason for one's entry may vary and evolve around the way. This too is a sign of how venture philanthropy is less of destination, and more of a journey. The goal is to develop your narrative of why you are engaged in venture philanthropy, and who you hope to attract into your circles and why they should seek you as a partner in this journey. This narrative becomes the "North Star" by which other stakeholders will recognise you for as well as guide your team to achieve its success.

As wealth holders share their expertise and resources from the business and corporate worlds into non-profit ones, the goal is to enrich both ecosystems in the hopes of not just drawing on the best practices from private to public, but also showing that the latter can shape the former. With the rise of conscious corporations such as the Benefit Corporations (B Corps) Movement globally, it is a reminder that business can be a force for good. Venture philanthropy therefore becomes the bridge that connects businesses and social ventures, blurring the lines between doing well and doing good for local communities.

Who Can Wealth Holders and Advisers Reach Out To Accelerate Their Venture Philanthropy Journey?

This section offers knowledge partners that wealth holders may speak with to explore more about venture philanthropy, including how it may be structured into your own capital deployment approaches, as well as linking up with other experts and thought leaders on venture philanthropy in Asia.



Philanthropy Asia Alliance (PAA)

<https://philanthropyasiaalliance.org/>

The Philanthropy Asia Alliance (PAA) is a newly established organization focused on addressing environmental and social challenges across Asia. Launched with a pledge of over S\$1 billion Singaporean dollars, PAA aims to foster multi-sector partnerships and enhance the capabilities of the philanthropic sector. Its flagship initiative, the annual Philanthropy Asia Summit, promotes innovation and collaboration among stakeholders to drive impactful solutions. PAA prioritises issues such as climate change, biodiversity loss, and improving the quality of life for underserved populations, positioning itself as a key player in advancing sustainable development in the region.



ASIA
PHILANTHROPY
CIRCLE

Asia Philanthropy Circle (APC)

<https://asiaphilanthropycircle.org>

Founded in 2015, the Asia Philanthropy Circle (APC) is a membership-based platform that facilitates collaboration among philanthropists to tackle systemic challenges in Asia. APC serves as a convenor, capability builder, and advocate for strategic philanthropy, encouraging members to engage in joint projects that amplify their impact. By fostering an environment for knowledge exchange and best practices, APC aims to empower philanthropists to act as change agents for social good across the continent.



Asian Venture Philanthropy Network

AVPN

<https://avpn.asia>

The Asia Venture Philanthropy Network (AVPN) is the largest network of social investors in Asia, comprising over 600 members across 33 markets. AVPN focuses on increasing the flow of financial, human, and intellectual capital toward social impact initiatives. As an ecosystem builder, AVPN connects diverse stakeholders to enhance collaboration and effectiveness in deploying capital. The organisation is committed to addressing critical social issues such as poverty alleviation, gender equality, and climate action through innovative investment strategies.



Dasra

<https://www.dasra.org>

Dasra is a prominent strategic philanthropy organization based in India, founded in 1999 by Neera Nundy and Deval Sanghavi. It aims to catalyse social change by working with philanthropists, families, and corporate foundations to amplify their giving impact. Dasra supports non-profits in India by facilitating collaborations with government and other stakeholders to implement scalable solutions. The organisation focuses on ensuring that marginalised communities can thrive with dignity and equity through targeted philanthropic efforts.

**Acumen****Acumen Ventures**

<https://acumen.org/acumen-ventures>

Acumen Ventures is an early-stage venture capital fund that invests in startups emerging from Southeast Asia and Australia. Established with a focus on technology-driven solutions, Acumen Ventures seeks to support innovative companies that address pressing social challenges while achieving financial sustainability. By providing capital and mentorship, Acumen Ventures aims to empower entrepreneurs who are committed to creating positive social impact through their business models.

**raiSE**

<https://www.raise.sg>

The Singapore Centre for Social Enterprise, known as raiSE (Raising Awareness of Social Enterprises), is dedicated to developing the social enterprise sector in Singapore. It provides support for aspiring social entrepreneurs and existing enterprises through grants, fellowships, and capacity-building programmes. raiSE aims to raise awareness about social entrepreneurship while promoting sustainable business practices that generate social outcomes alongside financial returns.

**The Asia Foundation**

<https://asiafoundation.org>

The Asia Foundation is a non-profit international development organisation committed to improving lives across Asia and the Pacific. With a focus on good governance, women's empowerment, inclusive economic growth, and environmental sustainability, the Foundation operates through 18 country offices across the region. By collaborating with public and private partners, The Asia Foundation leverages local expertise to implement programs that address critical issues affecting communities.



Social Ventures Partners International (SVPI)

<https://www.socialventurepartners.org/about-svpi>

Social Ventures Partners International (SVPI) is a global network of engaged philanthropists who invest their time, money, and expertise into high-impact organisation that address social challenges. SVPI connects local partners with resources and knowledge sharing to enhance their effectiveness. The network emphasises collaborative philanthropy by encouraging members to work together on initiatives that drive significant community impact.

These organisations represent a diverse array of approaches within the realms of venture philanthropy and social impact in Asia, each contributing uniquely to addressing pressing societal challenges through innovative funding mechanisms and collaborative efforts.

4.3 Impact Investing

What is Impact Investing?

Broadly speaking, impact investing is defined as any investment that has a financial return in which an investor makes with a clear intention to not only profit, but also measure the social and environmental impact produced as a result of an investment. This definition of impact investment is best illustrated by the Global Impact Investing Network (GIIN) as comprising of four core characteristics:

- 1. Intentionality:** The investor must have the intention to produce positive social and/or environmental impact through the investments. It cannot be an after thought, by-product or unintended positive externality. The intentionality to integrate impact into investment decisions is essential.
- 2. Returns to investments:** The investment must make sound financial sense with the expectation to make a financial return on capital, or return of the principal capital.
- 3. Exists across a range of asset classes:** Impact investments include financial returns that range from below market to risk-adjusted market rate, to those that outperform average market performance. It can also receive capital across asset classes such as fixed income, venture capital or private equity.
- 4. Measurability of impact:** Impact investments require the investor to measure and report social and/or environmental impact and performance of said investments, which go into supporting the evidence that the investment can or has produced the impact as intended.

Apart from these four core characteristics, Hockerts et al (2022)⁶⁸ adds **four more essential principles to impact investing**. They are:

- 1. Additionality of impact investments:** This refers to the additional impact that the investment brings that would not have otherwise materialised. By proving additionality in terms of impact, impact investment is seen as providing superior value compared to the inclusion of a non-impact investment counterpart.
- 2. Contribution of impact investment:** Apart from the additional impact, impact investment should also add value in terms of contributing to the effectiveness or viability of the investment. This could range from being on the board of the invested firms to providing counsel and direction in encouraging others to participate in impact investing by doing so.
- 3. Materiality of investment and impact:** Materiality refers to the vital information required for disclosure that would have a material influence on investors' decisions. This principle requires the investor to make considerations around the material information provided to connect the investment's impact with investors' decisions. Impact investments therefore need to adhere to a certain degree of materiality based on an agreed set of information that is deemed to be required for reporting and auditing purposes.
- 4. Attribution of impact:** Attribution requires the impact investor to be able to prove responsibility for the impact generated as a direct result of their investments. It makes the source of impact clear and without contestations. This makes impact investments accountable for their claims to supporting a change or shift in outcomes.

Taken together, these eight principles outline the central frame by which impact investments are analysed, designed and implemented. In practice however, some of these principles may be difficult to achieve, and this variance determines the non-financial quality of impact investment portfolios accordingly. Thus the more principles an impact investment portfolio is able to achieve, the more robust the impact investment is.

Merging of Investment Ecosystems

Beyond definitions however, there is a considerable amount of discussion around how impact investing should be practised, in large part around how the approach ought to be defined that distinguishes itself from other capital deployment approaches, especially with regard to its philanthropic counterparts. A major source of contention lies in what ought to be a practical starting point for impact investment, as split between the “market-returns” and “first-loss” camps across the spectrum. This contestation is the result of the emergence of impact investments from two different parts of the capital and asset class ecosystems.

⁶⁸ Hockerts, K., Hehenberger, L., Schaltegger, S., & Farber, V. (2022). *Defining and Conceptualizing Impact Investing: Attractive Nuisance or Catalyst?* Journal of Business Ethics, 1-14.

The first is with regard to “purely market” or what is known as **impact-agnostic investments**. Proponents of impact investing in this ecosystem regard the superior value position as an impact investment portfolio that can match to or even outperform market expectations, and be able to attribute intentional and measurable social and/or environmental impact as a critical part of the investment. The goal is to showcase the ability for impact investments as a sound financial model, and that investors need not sacrifice financial returns for non-financial impact in the long run. In doing so, it makes impact investment attractive to impact-agnostic investors who can generate more value per capital deployed when they switch to impact investments. For proponents of this camp, an underperforming impact investment or worse, one that cannot sustain its return of capital, is considered a failed impact investment.

Meanwhile, the growing interest in impact investing is also derived from the philanthropy ecosystem, where proponents of impact investing here prioritise the value this approach brings in deriving more value for capital deployed. On this front, the market and philanthropy camps share a common investment philosophy in deriving optimal value. The difference however is that proponents in the philanthropy ecosystem may recognise a “first-loss” impact investment as a viable product for philanthropic purposes. The loss of capital is therefore not seen as a failure within an investment portfolio, but as upholding certain philanthropic aims as investment which may be loss-bearing from the start. Impact investing therefore begins with the intention of bringing more accountability and efficiency to capital otherwise deployed as philanthropic grant capital.

Despite differences in motivations for financial expectations, there is immense synergy for impact investing to be the catalyst that produces a holistic approach to capital deployment that considers profit, purpose, people and planet. To date, the GIIN estimates that the global impact investment market is worth more than US\$1.164 trillion⁶⁹, and growing. It is testament to the opportunities impact investments bring to the table, whether as an investment and/or advanced grant deployment. At the same time however, owing to the diverse areas of investments and unequal levels of growth, the impact investment ecosystem has been slowly but surely taking shape.

The GIIN reports that the top three areas of progress made in the ecosystem are:

- Increased human capital with relevant skills for impact investments
- Research, knowledge and trends analysis for impact investments
- Harmonisation of impact measurement frameworks

In the same report, the GIIN noted that the top three areas of challenges are:

- Comparing impact results to peers or other approaches
- Fragmentation across impact measurement frameworks
- Verification and auditing related concerns around impact

⁶⁹ What you need to know about impact investing. (n.d.). The GIIN. <https://thegiin.org/publication/post/about-impact-investing/>

These progress and challenges highlight the critical issues faced in the impact investing ecosystem, but they also shows how stakeholders are recognising and addressing them in ways that will eventually steer impact investing towards the right direction.

Thus, the following considerations are important to note in how we can reconcile and adjust to different expectations across two different ecosystems as well as how some of the existing challenges will affect the way wealth holders engage in impact investing. They also become a good reminder of what wealth holders and advisers may consider as important technicalities to impact investing that signal clarity over the approach.

- **Impact investing is not a strategy:** Impact investing does not provide a strategy, in that it is not a set of rules and mechanisms that derive certain returns or outcomes as a result of following them at a particular juncture of the market. Neither is it corporate social responsibility, where one part of the investments is given to impact to offset negative externalities of other investments in the portfolio. Instead, impact investing is a serious commitment to a paradigm shift that transforms one's investment portfolio into recognising, measuring and deliberating on both financial and non-financial returns as material to one's investment decisions. This fundamentally changes how investors deploy their capital as investments.
- **Pay attention to how you frame impact-to-capital relationship:** As described earlier, the impact imperative to returns on/of capital may vary depending on who you are engaging with and how they see their portfolio. This is crucial as it forms the heuristic frame in persuading or engaging with impact investors on the sell-side and buy-side fronts. For instance, speaking about first-loss capital on investment or under-performing market returns as an option to achieve certain non-financial impact may be shut down by impact investors who are seeking deals that meet or exceed market performance. Conversely, pitching about superior market performance to an impact investor who has a larger appetite for non-financial impact at the cost of some financial returns may risk turning them away due to not meeting their needs.
- **A blended portfolio offers a holistic approach to impact investing:** Like any investment portfolio, an impact investment portfolio will also come in various market returns, time frame, risks, investment areas, etc. Designing an impact investment portfolio without a careful consideration of one's financial and impact goals may run the risk of not utilising the potentials of impact investing well. This is especially so when wealth holders typically apportion their capital into distinct and discrete portfolios or mandates. This may present some impact investments as viable but exclude others when they do not meet certain strict restrictions around being a for-profit or philanthropic investment portfolio. To solve that, a blended portfolio offers wealth holders an opportunity to consider a wider choice of capital deployment options beyond one that maximises on either side of the spectrum.

- **Impact Investing is an evolving landscape:** The idea of impact investing can get quite daunting, especially when technical jargons, highly detailed measurement assessments and commitment to measuring and materialising impact may deter wealth holders from attempting to go into this area. This is in part due to the evolving landscape of impact investing, as new deal structures are constantly being designed to meet different needs in the market.

The rise of impact platforms and professionally managed pooled investments funds for impact investing in recent years have radically lowered the barriers to entry to participate in impact investments. Wealth holders now have a choice on how they wish to participate in impact investing, from being direct investors, to working with impact platforms' or investment fund houses to indirectly fund impact investments.

Why Should Wealth Holders Consider Impact Investing?

While the non-financial impact and high potential for market performance make the most compelling case for why wealth holders should consider impact investing, there are also other considerations that would help wealth holders and advisers make a decision:

- In principle, impact investing's impact is structured towards mitigating the risks or issues around climate change and sustainable development goals (SDGs). This in turn adds to the financing pool for sustainable solutions in a broader scope. Today, the SDG financing gap in Asia stands at around US\$800billion⁷⁰, and impact investing is a way to close the financing gap while making market returns.
- Early entry into impact investing has a first-mover advantage in terms of capitalising on the early high-potential growth in the industry. This means that impact investors will likely have a lot more opportunities to choose from and a wider range of flexibility in terms of impact-to-return ratio they would like that fits their portfolios and needs. Another first-mover advantage is in gaining the knowledge, networks and expertise to understand and integrate impact in one's investments, in what is likely a major part of the financial ecosystem in the future. This enables impact investors to be in better positions when it comes to mitigating long-term and systemic risks such as climate change on investment performance.
- More importantly, and in conjunction with the principles of holistic philanthropy, impact investing allows for philanthropic vehicles such as foundations, trusts, and donor-advised funds to capitalise in a different way towards making positive social and environmental impact while growing their philanthropic capital for future purposes. While regulations differ across jurisdictions, there are often

⁷⁰ Basu, R., & Cheng, H. L. (2024, January 29). *Explainer: How Asia Can Unlock \$800 Billion of Climate Financing*. IMF Blog. <https://www.imf.org/en/Blogs/Articles/2024/01/29/explainer-how-asia-can-unlock-800-billion-of-climate-financing>

opportunities offered by impact investing organisations to deploy philanthropic capital for impact investing purposes. This allows for a more strategic use of funds that widens the ability for wealth holders to utilise market performance for philanthropic good, while ensuring profits can be re-deployed for even greater scale of grants or social investments.

How Do Wealth Holders Engage In Impact Investing?

In this part of the report, we distill the essential recommendations made by leading organisations in impact investing to help wealth holders and advisers understand what they can do to help make their journeys viable.

These recommendations however are not sufficient in ensuring that one's impact investment portfolio is robust and accountable to the stakeholders involved. We highly recommend wealth holders and advisers to work closely with experts and partners in the impact investing ecosystem to find the tools and advice needed to ensure an effective and accountable impact investing portfolio.

The common best practices wealth holders need to consider while advancing and transitioning towards impact investing are as follow:

1. Forming or transitioning your core investment team
2. Restructuring existing capital portfolios and identifying financial and non-financial goals
3. Avoid impact-washing and re-inventing the wheel by designing your impact measurement framework with leading and recognised frameworks existing in the ecosystem
4. Incorporate periodic audit and assessment checks on portfolio's market and impact outcomes

Forming or transitioning your core investment team

To develop a robust impact investment portfolio, wealth holders must begin by forming or transitioning their core investment team to include professionals with expertise in both finance and social impact. This team should comprise individuals who understand the nuances of impact investing, including financial analysts, social impact specialists, and sector-specific experts. As highlighted by the GIIN, a well-rounded team can enhance the effectiveness of investment strategies by integrating diverse perspectives and skills. Wealth holders should prioritise recruiting talent that are not only financially savvy but also passionate or equipped with the knowledge around investing for social change, ensuring that the team is aligned with the organisation's impact goals. This transition may also involve upskilling existing team members through training programmes focused on impact measurement and management to meet the technical or knowledge gaps around this area.

Restructuring capital portfolios to meet financial and non-financial goals

As shared in Chapter 1, wealth holders typically organise their capital around two portfolios—one for investments, and one for philanthropy, with strict mandates governing each. Impact investing however offers an opportunity for wealth holders to take a “blended” approach by allowing capital to do both—achieve financial returns while making measurable and attributable impact. This process requires wealth holders to assess their current capital deployment to determine how they align with desired social outcomes and financial objectives they want to achieve as part of an overall portfolio. Defining specific impact themes—such as climate change, education, or healthcare – is crucial for guiding investment decisions.

By conducting a thorough portfolio analysis, wealth holders can identify underperforming assets and opportunities for reallocating capital toward investments that generate both financial returns and measurable social benefits. Establishing clear goals will not only facilitate better decision-making but also enhance the overall coherence of the investment strategy, allowing for a more intentional approach to achieving impactful outcomes.

Avoid impact washing and align impact measurement frameworks with existing leading frameworks and indicators in the ecosystem

Impact washing is the practice of knowingly or unknowingly misleadingly portraying investments as producing more positive impact than actually produced. This can happen when investment impacts are exaggerated or fabricated in order to influence investors’ decisions. Impact washing has become a serious issue when impact investments rely heavily on said impact’s attribution, contribution and verifiability to make a sound case for so. While regulations and penalties around impact washing remain grey and often under-enforced⁷⁷, responsible wealth holders and advisers ought to keep up with the standards of best practices around impact assessment, verification and rectification in order to maintain one’s investment integrity and accountability. While totally avoiding impact washing is impossible, wealth holders and advisers need to be cognisant of some “red flags” that may suggest signs of impact washing. They include:

- Unrealistic or overly-ambitious impact goals/outcomes that are difficult to ascertain without a clear or plausible theory of change
- Lack of empirical evidence or unclear details around sites/populations involving the change
- Lack of access to said sites/populations to ascertain impact
- Lack of third-party and independent verification

Despite best efforts, it may still be difficult to deal with issues around impact washing, especially when unintentionally occurred. Wealth holders can mitigate this by designing their impact measurement or assessment frameworks using established standards and recognised methodologies within the ecosystem. This involves leveraging frameworks such as IRIS+ Impact Measurement Tools developed by GIIN⁷¹, or the Operating Principles for Impact Management by the International Finance Corporation (IFC)⁷². By adhering to or adopting these frameworks, investors can ensure that their impact measurement processes are aligned with some of the more reputable practices in the field. This structured approach not only enhances credibility but also facilitates meaningful comparisons across investments, enabling wealth holders to assess the effectiveness of their portfolios in generating impact.

Incorporating periodic audit and reviews for portfolio's impact outcomes

Like any investment portfolios, setting periodic performance reviews and audit processes allow for a more robust, accountable and accurate portfolio that responds to wealth holders' financial and non-financial objectives. Of importance to impact investing is the regular review and tracking of the portfolio's impact outcomes. While wealth holders may choose to incorporate self-assessments for these reviews, it is also useful to reach out to third-party independent and professional verification firms for impact investing. The benefits of such independent verifications are as follow:

- A second professional assessment on portfolio's impact outcomes, providing an independent perspective to identify areas for potential enhancements or vulnerabilities around metrics or outcomes
- Early detection for potential or existing impact-washing behaviour
- Assurance that one's portfolio meets global standards for independent verification raising confidence around attribution and contribution

In situations where self-assessments may be viable or cost-effective, wealth holders and advisers can also incorporate globally recognised tools and frameworks available such as the United Nations UNEPFI Investment Portfolio Impact Analysis Tool⁷³, into their own assessment metrics. The Analysis Tool provides a holistic framework across different areas, metrics of impact, and asset classes that allows for wealth holders to adapt to their own needs. This helps to ensure that one's self-assessment tools are also informed by professional standards available.

⁷¹ Welcome to IRIS+ System | the generally accepted system for impact investors to measure, manage, and optimize their impact. (n.d.). IRIS+. <https://iris.thegiin.org/>

⁷² Invest for Impact | Operating Principles for Impact Management. (n.d.). <https://www.impactprinciples.org/>

⁷³ Investment Portfolio Impact Analysis Tool. (n.d.). <https://www.unepfi.org/publications/investment-portfolio-impact-analysis-tool/>

Who can wealth holders and advisers reach out to accelerate their impact investing journey?



Centre for Impact Investing and Practices (CIIP)

<https://ciip.com.sg>

The Centre for Impact Investing and Practices (“CIIP”) fosters the growth of impact investing and practices in Asia and beyond by building and sharing knowledge, bringing together stakeholders in the community, and bringing about positive action that accelerates the adoption of impact investing. Based in Singapore, CIIP was established in 2022 as a non-profit entity by Temasek Trust, a steward of philanthropic endowments and gifts. Temasek and ABC Impact are their strategic partners.

CIIP is SDG Impact’s anchor partner for Asia. SDG Impact is the United Nations Development Programme initiative tasked to develop resources that accelerate investments towards achieving the United Nations SDGs by 2030. Through this partnership, Asia investors and businesses are provided with clarity, insights and tools that support their contributions towards achieving the SDGs.



Co-Axis

<https://www.coaxis.network>

Co-Axis, or “Collaborative Action to Xcelerate Impact and Sustainability”, symbolises the intersection of social and environmental impact with profit and progress.

Co-Axis is a digital platform where global impact communities connect, collaborate, and catalyse innovation for a sustainable world. By unlocking and blending different types of capital and mobilising the expertise and networks of our community, Co-Axis speeds up and scales solutions for a better tomorrow.

Based on the belief in a “whole of ecosystem” approach to tackle the complex environmental and social challenges, Co-Axis was set up with DBS Foundation, UBS Optimus Foundation and other leading industry partners.

abc IMPACT

ABC Impact

<https://abcimpact.com.sg>

Headquartered in Singapore and a member of Temasek Trust Asset Management, ABC Impact is a private equity firm dedicated to impact investing for the purpose of generating positive, measurable social or environmental impact, alongside a compelling risk-adjusted return.

**GIIN (Global Impact Investing Network)**

<https://thegiin.org>

Since 2009, the Global Impact Investing Network has been the global champion of impact investing, dedicated to increasing the scale and effectiveness of impact investing around the world. The GIIN builds critical infrastructure and supports activities, education and research that help accelerate the development of a coherent impact investing industry. Impact investing accomplished much as an industry – including dedicating over \$1.164 trillion USD in impact assets under management globally – and there is still much work to be done. Alongside GIIN members and partners, the GIIN contributes to a shift in the broader financial systems in which investors deploy capital both for financial gains and positive impact for all people and the planet.

**Impact Investing Institute**

<https://www.impactinvest.org.uk>

The Impact Investing Institute was launched in 2019 as an independent institute with a simple mission: to accelerate the growth and improve the effectiveness of the impact investing market in the UK and internationally. The Institute's aim is for capital markets to be fairer and work better for people and the planet, in order to deliver sustainable and inclusive economic growth. The institute is also home to an open-source learning hub that serves the purpose to increase knowledge and skills when it comes to impact investing.



Tideline

<https://tideline.com>

Tideline is a women-owned, specialist consulting firm that provides expert impact investing advice and has played a foundational role in building the field since the firm's inception in 2014. To date, Tideline has completed more than 200 projects for clients deploying over \$200B in impact capital.

With services focused on strategy and implementation, the firm supports impact investing platforms, programs, and vehicles globally across themes and sectors. Tideline's thought leadership, including many seminal reports and the Compass Series webinars, also places the firm at the centre of the market's development.



BlueMark

<https://bluemark.co>

BlueMark is the leading provider of independent impact verification and intelligence for the sustainable and impact investing market.

With decades of experience in the impact investing industry, the BlueMark team brings knowledge and capabilities in providing a range of specialized impact assessment services. An independent assessment from BlueMark is designed to support investors in their impact investing journeys – whether helping asset managers to understand their degree of alignment to industry standards and financial regulations, or enabling asset allocators to optimise their engagement with portfolio companies and managers.

BlueMark offers diagnostic and verification services that are structured around two key pillars of accountability for impact performance – impact management (IM) practice and impact reporting. BlueMark's verification methodology is grounded in knowledge of evolving industry standards, market frameworks, and regulatory requirements.



elea Foundation

<https://www.elea.org>

elea Foundation for Ethics in Globalization exists to fight absolute poverty with entrepreneurial means, leveraging the opportunities of globalisation.

The Foundation aspires to be a role model globalisation with global charisma in the field of philanthropic impact investing. As a professional, active investment manager, the Foundation creates measurable, lasting impact. It strives to be the partner of choice for impact entrepreneurs and philanthropic investors, and ambitious, talented people seeking a career as impact investing professionals.

4.4 Blended Financing

What is Blended Finance?

While the term “blended finance” was officially incorporated as a solution at The Third International Conference on Financing for Development to support the funding gap to finance efforts towards developments aligned with the SGDs in 2015, the origins of this capital deployment approach goes back further in a variety of Public-Private-People Partnerships (PPPP) projects and initiatives over the last three decades.

The essential qualities of blended finance are principally encoded through the spirit of the PPPP design where the stakeholders involved play their distinct and catalytic roles in putting together concessional and non-concessional financing that enable development deals that would not have otherwise been viable through any single stakeholder financing it solely.

Given the wide scope of what blended financing may entail, there is no universally agreed definition to the term, although the following are commonly accepted as useful working definitions for what blended finance entails:

“The use of catalytic capital from public or philanthropic sources to increase private sector investment in sustainable development” - Convergence

“The strategic use of development finance and philanthropic funds to mobilise private capital flows to emerging and frontier markets” - World Economic Forum

“...Combines concessional public finance with non-concessional private finance and expertise from the public and private sector” - United Nations⁷⁴

⁷⁴ UN (2015), “Addis Ababa Action Agenda”, Outcome document adopted at the Third International Conference on Financing for Development, Addis Ababa, Ethiopia, 13-16 July 2015, and endorsed by the UN General Assembly in its resolution 69/313 of 27 July 2015, www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA_Outcome.pdf

While these definitions differ in their focus, the central principles of combining **concessional and non-concessional finance**, the importance of multi-sector involvement, and the potential for such partnerships to mobilise capital is evident in the value of blended financing.

Despite differences in definitions, the blended financing world possesses immense opportunities in terms of scale for climate action. To date, Convergence, the leading global network for blended finance, has recorded a total of 1,233 blended finance transactions, with a market value of about US\$231 billion globally. Climate related deals make up about half of these deals to date, with 78 out of 127 deals in 2023⁸⁵. The size of these transactions is testament to the scale blended financing can play in narrowing the financing gap in Asia.

A central question that wealth holders and advisers typically ask about blended finance is - how does one get involved in blended deals? In principle, philanthropic capital would go under the umbrella of “concessional capital”, and defined as concessional non-Official Development Assistance (ODA) according to Convergence.

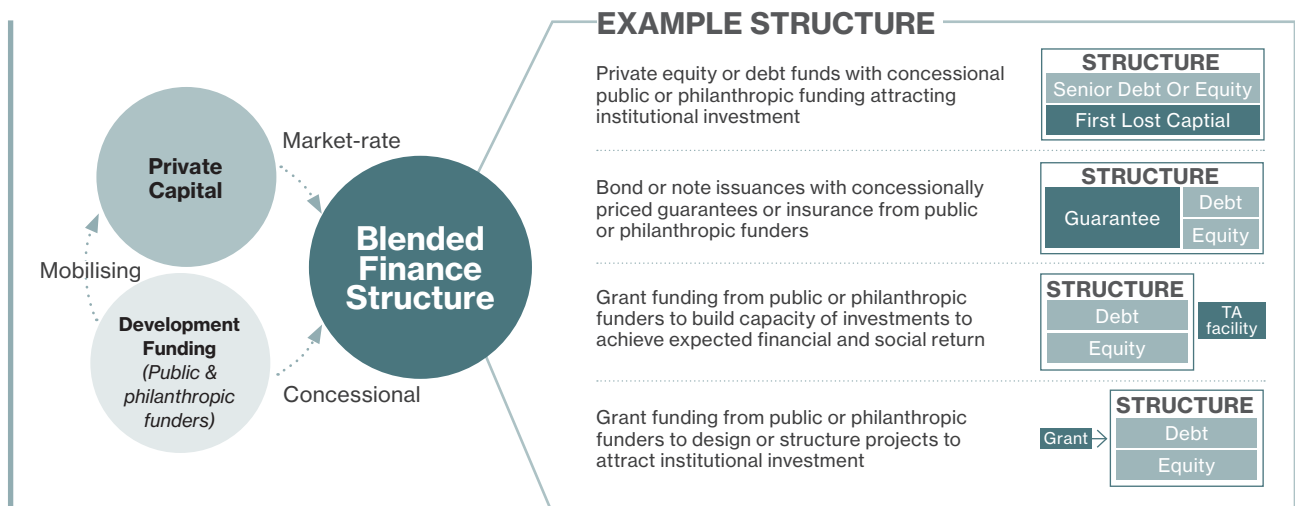


Figure 6: Typical blended finance mechanics and structures

As the graph shows, the typical structure that philanthropic funding can support are in four ways as follow:

- Act as “first-loss” capital to reduce risk and increase attractiveness for institutional investments
- Act as a “guarantee” to absorb or underwrite the risks involved
- Act as “technical assistance” to invest or build capacity to increase the viability or scale of success in terms of financial returns
- Act as a “grant” to support early development that will go towards forming a financing deal for the development project

While these functions help wealth holders understand how the capital deployed is being utilised, some may be sceptical about the role of underwriting risk using concessional capital so that for-profit investors may benefit from them. Furthermore, given the scale of financing deals, philanthropic capital may pale in size compared to its counterparts, as shown in the graph below:

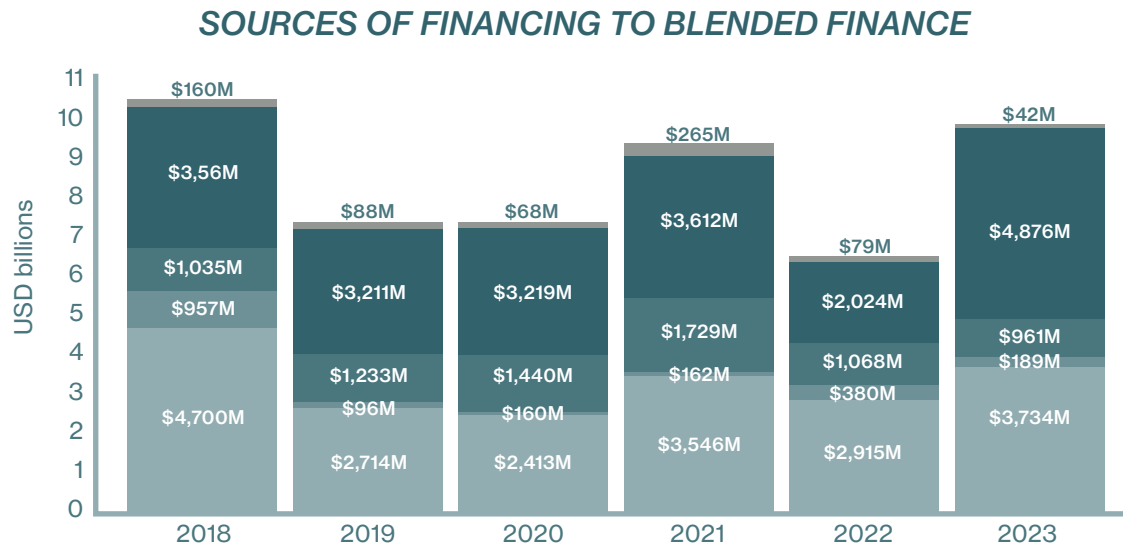


Figure 7: Sources of financing to blended finance deals (excl. guarantees & insurance instruments), 2018-2023

■ Concessional (Non-ODA) ■ DFI/ MDB (market rate) ■ ODA ■ Other public (market rate) ■ Private sector financing (market rate)

As the graph shows, philanthropic capital, as part of the concessional (non-ODA) category, makes up for about 0.4% of annual financing contributions. Despite this low percentage, the amount of philanthropic capital involved (US\$42 million) is not a small amount, which averages US\$ 330,000 of philanthropic capital per deal in 2023. In this context, sceptics have regarded the role of philanthropic capital in blended finance deals as inconsequential. While this may be true in terms of capital sizes relative to other forms of financing, the true value of philanthropic capital should instead be understood in three significant ways:

- Addressing market and public limitations for developmental financing
- Potential to increase financial and developmental additionality
- Catalytic gains from philanthropic capital involvement

Addressing market and public limitations for developmental financing

In deciding why philanthropic capital should be used in blended financing, the most holistically impactful value would be in its ability to make a difference in addressing crucial areas where there are market or public limitations in developmental financing. Also known as “market failure” and “public failure”, there are instances where a developmental project may not receive sufficient attention or financing due to lack of viable market or public interest in an issue, or that they are bounded by institutional mandate to not be able to finance certain aspects of the project that may attract future funding.

One such pertinent example would be the provision of Technical Assistance (TA) in supporting or opening up blended deals. TAs are specific support mechanisms utilised towards capacity building that would help make a development viable either by injecting knowledge, technical, human or infrastructural capital. The Asian Development Bank categorises TA into two types - Transactional TA (TRTA) and Knowledge and Support TA (KSTA)⁷⁵. TRTA refers to a TA mechanism that directly enables the implementation readiness of a project by enhancing its transactional related capabilities. KSTA on the other hand refers to capacity building in terms of overall human capital development, training, enhancement of support functions to enhance the effectiveness of public and private decision making processes towards the development plans. Philanthropic capital are vital funders for TA through research, education, advisory and capacity development that would lead to public or private interests. In this sense, philanthropic capital can become critical enablers to open new opportunities for development areas that would otherwise be underfunded or not funded due to the lack of crucial infrastructural support to drive the developmental projects towards financing.

Potential to increase financial and developmental additionality

Another important value philanthropic capital brings to blended finance is its potential to increase financial and developmental additionality. Additionality refers to the impact or outcomes that the fund brings that would not have otherwise materialised. In blended financing, philanthropic capital has the potential to increase additionality in three ways - financial, value and development additionality.

Financial additionality refers to the extra concessional and non-concessional capital that philanthropic capital can unlock or attract as a result of its deployment. More specifically, this refers to making developmental projects bankable or investible by either mitigating or absorbing certain risks in the project, or by providing an initial outlay of capital to cover certain unbankable aspects of the project, increasing the overall viability for financial institutions to invest in. In such instances, philanthropic capital can play the role of absorbing risks or initial loss-based outlays through grants, guarantees, or first-loss capital in order to make such projects bankable by influencing its risk-return profiles.

⁷⁵ Xandro. (2021, November 13). What is ADB technical assistance (TA)? Asian Development Bank. <https://www.adb.org/business/how-to/technical-assistance>

Value additionality refers to the non-financial capital or value that philanthropic capital brings to the table in financing a project. One such instance of value additionality is the halo effect of philanthropic capital in a blended deal, or the positive reputational impressions a project gets simply by being funded by philanthropic capital as a sign of endorsement. This may in turn increase the viability or success of the project when a blended finance deal is deemed to have philanthropic value by stakeholders. It can also send positive signals to private and public investors when prominent wealth holders are willing to be part of a deal, staking their reputation and name for its success.

Development additionality refers to certain public outcomes or impact of a development being produced or distributed as a direct result of philanthropic capital being involved. Often used as a measure for whether public investments should go into a blended deal, philanthropic capital can also bring development additionality when it unlocks certain development outcomes through strategic use. One such example is a mechanism known as “Pay-For-Success” (PFS), where philanthropic capital can be used to fund the PFS scheme and/or provide financial incentives when development projects achieve certain milestones or outcomes that can be attributable to the PFS’s direct involvement. By incentivising outcomes, it increases the viability for a project to not only meet its goals, but also influences the behaviour of project implementers towards intended expectations. Such PFS mechanisms have been successfully deployed in development projects and are known as Development Impact Bonds (DIBs)⁸⁷.

Catalytic gains from philanthropic capital involvement

Finally, the value of philanthropic capital can be seen not only by its capital value, but also by its *catalytic value*. When wealth holders participate in a blended deal, the capital deployed is not only measured by the financial value they bring, but oftentimes, the non-financial capital (networks, knowledge, advisory, reputation, trust) they provide in the course of doing so. This is known as catalytic gains, and is crucial for lending support to deals that may possess immense potential and opportunity for success, but may require sufficient trust and social capital for public and private institutional investors to come on board or it may not succeed at all. In such cases, wealth holders can play an active role advocating for development projects that they feel strongly for to attract even more capital.

Why Should Wealth Holders Consider Blended Finance?

With the value of philanthropic capital now clear for stakeholders in blended deals, we turn the conversation around to explain why wealth holders should consider blended finance as a viable philanthropic capital deployment approach.

It must be qualified however that relative to other philanthropic capital deployment approaches, blended finance may seem restrictive in terms of the autonomy wealth holders possess in influencing how a blended deal is structured or used for. While there are a variety of mechanisms to achieve some levels of autonomy, there has to be a level of trust for the institutional players that are structuring the financing deal once philanthropic capital is deployed. Ample due diligence work prior to deployment is therefore crucial for wealth holders to understand what they have signed up for in blended deals.

Nevertheless, blended finance may be immensely attractive for wealth holders who wish to achieve the following:

- **Be at the forefront of development projects and making an outsized impact using their philanthropic capital in specific interests areas**

The biggest incentive for wealth holders in blended finance is to be involved in large development projects that few may be able to fund as a result of large ticket sizes. Blended finance allows for wealth holders to have a seat in the front row of development projects by actively contributing to an outsized impact through their philanthropic capital. It effectively scales the value of philanthropic capital's impact, by taking into consideration the potential gains from the non-financial contributions and additionality of philanthropic capital. Thus even when philanthropic capital sizes may pale relative to public and market-based finance, it plays a significant role in making blended deals bankable and investible.

- **Working with public and private sector players to bring the best solutions and working relationships through catalytic and collaborative partnerships**

The value philanthropy plays in financing is not just measured by its capital size, but also by transforming the purpose of the deal into a holistic investment through collaborative and catalytic partnerships. For wealth holders, this means being able to cultivate collaborative networks with policymakers, public agencies, market-based innovators, and financial institutions who are aligned in making a positive impact on our local communities and ecosystems. Beyond social capital, it produces an all-of-society effort towards contributing to development projects in areas that hold significant interest for philanthropists. In doing so, blended deals become successful precedents that can set the stage for more partnerships in development projects in the future. The impact is therefore not just in facilitating existing partnerships, but also in fostering new ones.

How Do Wealth Holders Engage In Blended Finance?

Blended finance is often highly complex and requires a great amount of technical expertise and costs to structure a deal for development projects. Regardless of whether one belongs to a pool of advanced wealth holders with the capital size to co-lead blended deals or those who are just starting out on this journey, professional technical expertise, advisory and assessment are all crucial towards success. Thus, while the following may be essential steps that would help you kickstart your journey into blended finance, it is important to seek professional expertise to guide your needs in developing a sufficient approach towards understanding and deploying capital through blended finance.

How should wealth holders start their journey into blended finance? Below are four common steps that will help to advance the journey:

1. Identify or research on development projects which are aligned with key areas of interest to understand the role of philanthropic capital in them

The first step is in understanding how and why philanthropic capital should be channelled into development projects which one is keen on or have a strategic interest in. This allows wealth holders to build a keener understanding on what roles philanthropic capital can play in future blended deals. This also provides a sense of what is to be expected from philanthropic participation in blended deals.

2. Recognise your value the table in a blended deal as philanthropic capital

“Why should partners choose to work with you in a blended deal?” This question helps wealth holders recognise the value they bring to the table when considering what deals are a right fit. As shared previously, financial capital is only one part of the equation. Wealth holders can exercise a catalytic approach in bringing non-financial capital such as networks, knowledge, and reputation as a holistic package. A great way to start would be to assess one’s Giving “Ts” as discussed in Chapter 2. Apart from contribution, wealth holders may also choose to use this question as a way to define how they may wish their philanthropic capital to be utilised before committing to a project, so as to ascertain the right partners in the deal.

3. Connect with network partners to access wider range of blended deals

A major challenge is in accessing high quality and suitable blended deals in the market, due to the lack of platform access for retail investors. Wealth holders should therefore look to connect with network partners to understand how to access such deals, and the opportunities available to participate in them. This may mean getting on board early to understand how the deal process works, and recognise the commitments required in deploying into blended deals.

4. Setting up a trustworthy and efficient due diligence team/process

Similar to the above, the immense commitment in a blended deal may require wealth holders to practise a good due diligence process by either reaching out to experts or work towards building the capabilities into their core team. This process may require months of fact-finding, interviews, assessments and pilot trials before one may be committed towards a deal. Having access to a trustworthy and efficient due diligence process or team enables wealth holders to have a much more effective process towards ensuring a successful and meaningful experience.

Who can wealth holders and advisers flows to accelerate their blended finance journey?



Convergence

<https://convergence.finance>

Convergence is the global network for blended finance. It generates blended finance data, intelligence, and deal flow to increase private sector investment in developing countries.

Convergence's global membership includes public, private, and philanthropic investors as well as sponsors of transactions and funds. Convergence offers this community a curated, online platform to connect with each other on blended finance transactions in progress, as well as exclusive access to original market intelligence and knowledge products such as case studies, reports, trainings, and webinars. To accelerate advances in the field, Convergence also provides grants for the design of vehicles that could attract private capital to global development at scale.

**International Finance Corporation**

<https://www.ifc.org/en/home>

The International Finance Corporation (IFC) – a member of the World Bank Group – is the largest global development institution focused on the private sector in emerging markets. IFC works in more than 100 countries, using IFC capital, expertise, and influence to create markets and opportunities in developing countries.

In fiscal year 2024, IFC committed a record US\$56 billion to private companies and financial institutions in developing countries, leveraging private sector solutions and mobilising private capital to create a world free of poverty on a livable planet.

**Tri-Sector Associates**

Tri-Sector Associates is an end-to-end impact firm dedicated to finding new ways for society to work together to solve the hardest social problems.

Tri-Sector Associates believes that the Asia-Pacific region has a tremendous opportunity for social innovation. Many countries across the region are experiencing unprecedented change in a single generation. With this change has come incredible wealth, but also unique social challenges that cannot be solved by any one actor alone. The only way to solve these challenges is if the whole of society can put its minds and hands together in an effective way.

Tri-Sector Associates specialises in creating effective methods of cross-sector collaboration, such as the Pay For Success mechanism. It draws from the latest data analytics and impact investing tools across the world and combines this with deep local knowledge from leaders in the people, private, and public sectors in the Asia-Pacific. It thereby hopes to unlock a new wave of social innovation that will measurably improve the lives of those in need.

4.5 Advising PCDA's for Impact in Asia: Key Considerations Towards Achieving Holistic Philanthropy

In this final segment, we examine the role of the Adviser in enabling an effective and holistic approach for wealth holders to deploy PCDA's for impact in Asia. The role of philanthropy advisers in enabling wealth holders to effectively integrate PCDA's with holistic philanthropy in mind is essential for two reasons.

Firstly, wealth holders may not have the bandwidth to explore new opportunities within the philanthropy ecosystem that may be beneficial for scaling their philanthropic impact. They rely on their teams to provide the first round of assessments or to structure a deployment plan that would achieve the range of purposes and outcomes set out by wealth holders and their family members. With the growing complexities of new PCDA's and other philanthropic vehicles, philanthropy advisers need to be able to help wealth holders define their purpose and develop impact strategies to achieve the holistic approach for their principals.

Secondly, as philanthropy advisers are typically tasked to design and lay the foundations of their principals' philanthropic initiatives, how they do so has a material significance to the ways holistic philanthropy is practised. When philanthropy advisers are able to effectively reproduce wealth holders' intentions for holistic philanthropy, it forms a robust connection between the purpose and impact, ensuring that philanthropic capital is purposefully deployed to produce outcomes aligned and consistent with intentions.

Thus holistic philanthropy is as important to wealth holders as it is to the advisers who guide them through their PCDA choices. Below are three considerations that philanthropy advisers ought to taken into account to effectively guide their principals towards embracing holistic philanthropy.

1. Your Seat At the Table: The Technical Expert vs. The Expert Convenor

The first question philanthropy advisers must address is their role in the advisory team, or what is commonly referred to as the "table". Ascertaining your role is crucial in understanding what and how you need to contribute to the overall success of the team's effort. There are typically two positions - the "technical expert" and the "expert convenor".



The technical expert's role is to dispense knowledge, skills and/or advisory expertise that addresses a certain issue or provide a function to the overall team. Their scope of work is narrowly limited to what these experts are brought in to do. In such instances, technical experts should envisage and detail the steps towards achieving their tasks, in consultation with the lead adviser, or "expert convenor". Technical experts may be admitted and exited at different stages of the PCDA processes, depending on the team's needs. An effective technical expert must therefore plan for the following when brought in:

- What is the function or purpose you are supposed to perform?
- What are the underlying steps towards achieving the function or purpose as outlined by the lead adviser?
- What resources (money, manpower, time, space, technology) do you need in order to achieve each step of the way?
- What is the outcome you need to achieve for you to recognise your exit?
- What is the unique or superior value you bring to the team/project for you to remain as a technical expert?

Having a plan for the above questions allows for technical experts to recognise how they can best serve the team while also specifying the scope of their expertise so as to focus on what they can and ought to provide advisory or services for.

Expert convenors on the other hand plays the leading role in ensuring that the right technical experts and stakeholders are brought to the table to meet the project's outcomes. Their role is to plot the direction in which the project is steered towards, and set clear objectives for the technical experts to meet. This means that expert convenors does not need to be a technical expert, but ensure that they manage a team of experts to collaboratively and coherently work together; a task that is often more complex than it sounds.

To optimise the effectiveness of convening the right expertise and provide a holistic environment for the project's success, there are four "whos" that expert convenors must take into account:

- Who should be at the table in designing the project's expectations and impact outcomes to effectively deploy the capital?
- Who do I need to connect with to identify the expertise that I need to meet those expectations or produce the outcomes?
- Who do I need to engage to fulfill the expertise gap that I am facing in my project's progress?
- Who do I need to be accountable towards when assessing and reporting the impact outcomes?

As shown in the above considerations, the tasks set out for the expert convenor are vastly different from that of the technical expert. Thus it is imperative that advisers recognise what their roles are, and focus on them in order to support the operative functions required.

2. Portfolio Review

Another task that is essential to the PCDA initiative's success is the pre-action phase where advisers should conduct a portfolio review and scenario analysis of their principal's assets, wealth allocation, legacy plans and overall purpose. This step is crucial as it enables advisers to recognise how they should align the larger aspirations their principals may wish to achieve, with what is feasible across a timeline, as well as what the central tenets of one's philanthropic approach are. In this case, the six principles defined in Chapter 2's Holistic Philanthropy approach would be a good start to consider what the ideal entails, and see how the existing portfolio can achieve that. Another possible consideration would be to start with what is feasible, and build the objectives around the "lowest-hanging fruit", while building the capacity to slowly steer towards more ambitious goals as defined by the journey. Either approach are viable, and will be dependent on the wealth holder's preference. If the wealth holder is more conservative, has apprehensions around being involved in PCDA's, or are not ready to commit fully, the feasibility approach might be a great way to develop a proof of concept in showing how one's purpose and portfolio is compatible with the one or more PCDA's discussed here.

3. Making the Talk: Timely Conversations

A central issue many advisers face is finding the right opportunity to raise the topic of philanthropy with their principals. In this report, we recommend that the conversations align with the stage in which the wealth holders and their families are at in their lives. In Chapter 3, we discussed how the three stages, (1) transformations, (2) inspirations, and (3) maturity, are all effective settings to contextualise your "ask".

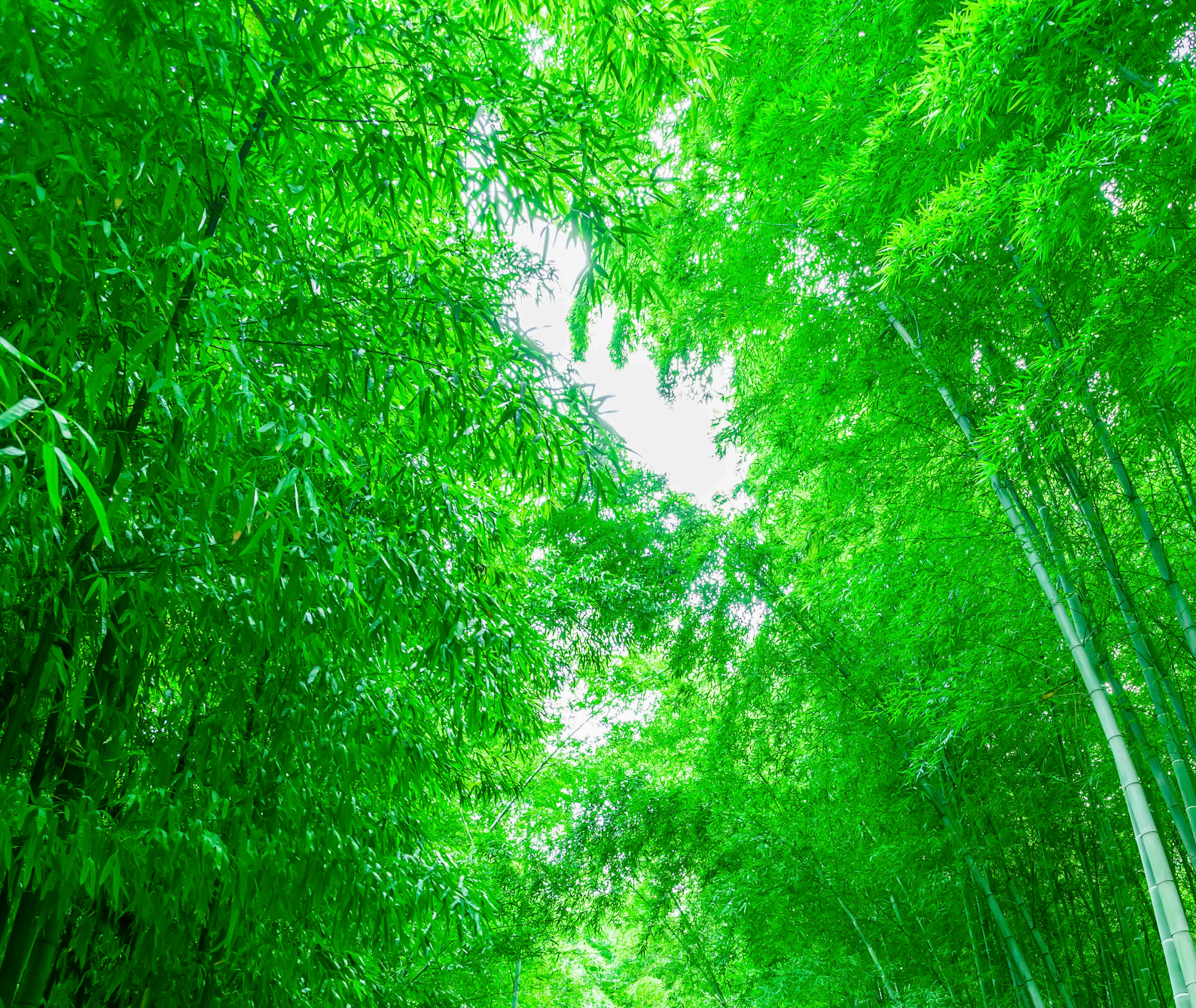
Another common dilemma advisers face is how they may make a value proposition for PCDA's beyond the regular tropes of philanthropic goodness or strictly strategic outcomes. Again in Chapter 2, we discussed how advisers may draw on the central tenets of the following ideas to shape the value proposition more holistically:

- ☑ **Philanthropic Learning Curve:** Where is the wealth holder along the curve, and how would the PCDA help to elevate their giving journey?
- ☑ **Blended Value:** How might the wealth holder produce blended value through the PCDA that shows a superior position that harmonises profit, philanthropy and purpose?
- ☑ **Economics of Mutuality:** What kinds of mutual value creation might the wealth holders be able to produce in response to the local ecosystems or communities they are embedded in?

These ideas are designed to provide a span of motivational influences that would attract different wealth holders. For those who are already committed and invested in philanthropy, the learning curve is an effective approach to level up one's giving impact. For those who are torn between achieving financial returns and philanthropic objectives, they may be keen on the premise of blended value. For wealth holders who are invested in local communities, mutual value creation becomes a powerful motivator to get them to co-create solutions with the communities they hope to serve.

Conclusion

In this chapter, we showed how the different forms of PCDA's are an effective way of practising holistic philanthropy for various purposes. By bringing together venture philanthropy, impact investing, and blended finance, this report offers wealth holders and advisers an opportunity to be acquainted with the fundamentals of each approach, with the hopes that they can be deployed in the future. As the characteristics of funding gaps become more complex so do the varieties and mechanisms involved in PCDA's in order to arrive at a sustained rate of contribution to meet Asia's SDGs. This chapter also provide key considerations for advisers to perform effectively at their essential roles to translate and produce holistic philanthropy.



Unlocking Holistic Philanthropy for Impact: Recommendations for Wealth Holders, Ecosystem Partners and Regulators and Policymakers



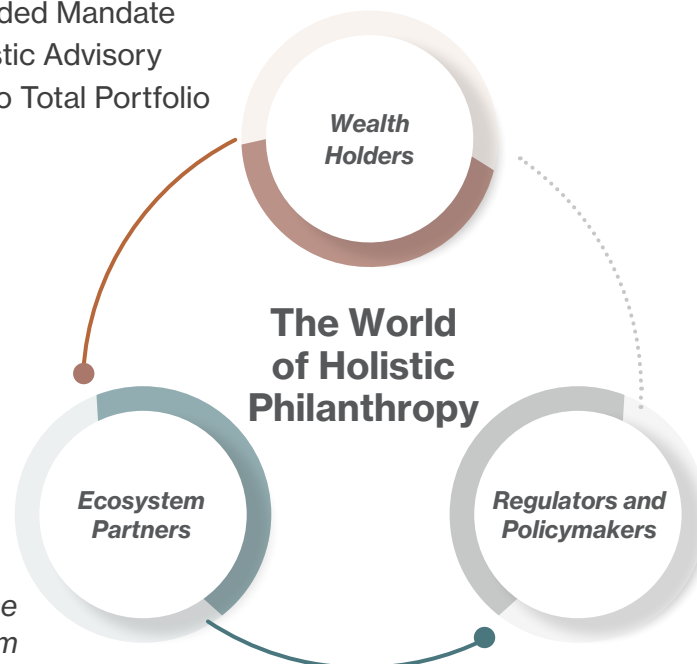
Introduction

In this chapter, we explore how ecosystem partners can drive impactful holistic philanthropy by enhancing existing infrastructure, policies, and industry practices to better support and realise this transformative approach for producing and sustaining impact in Singapore and beyond. We will look at three key sets of stakeholders, (1) wealth holders and advisers, (2) ecosystem partners, and (3) regulators and policymakers, and propose recommendations on what they can do towards cultivating a robust and conducive environment for holistic philanthropy.

We present the nine recommendations as follow:

Principals across generations in positions to make or influence decisions around wealth allocation, management and advisory in the family.

- Blended Mandate
- Holistic Advisory
- Micro Total Portfolio



Partners supporting the philanthropy ecosystem (e.g. financial institutions, professional advisory, service providers, fund/grant managers, impact organisations and intermediaries)

- Blended advisory teams
- Holistic niche for wealth advisory and management
- Integrating impact holistically into performance

Policymakers in charge of overseeing the regulatory and developmental environment of Singapore's philanthropy ecosystem

- Enhance incentive structures to promote blended mandate and impact capital spending
- Harmonise governance policies relating to philanthropy
- Set up a Philanthropy Alliance for Action to plan strategic direction and drive ecosystem alignment

5.1 Recommendations for Wealth Holders

Wealth holders are the central catalysts for holistic philanthropy. Their direct actions lead to the impact that the approach aims to deliver, repurposing capital for aligned profit and purpose motives, blended value with the local ecosystems the initiatives are grounded in, and material impact towards our collective efforts for SDGs. To that end, the recommendations for wealth holders are fleshed out fully in Chapter 2, 3 and 4 in addressing the “how” and “why” towards holistic philanthropy, and its application to philanthropic capital development approaches (PCDAs). Here, we summarised the key recommendations as centred around three important paradigm shifts for wealth holders seeking to make holistic philanthropy possible for their legacy, giving and futures:

- Re-structuring Portfolio Towards a Blended Mandate
- Developing a Team of Holistic Advisers
- Experimenting with Micro Total Portfolios For Impact Discovery

Re-structuring Portfolio Towards a Blended Mandate

Blended mandates refer to a principled approach to one’s wealth portfolio that de-emphasises or ceases to distinguish profit and philanthropic purposes as a measure of success. Instead, it focuses on thematic or impactful purposes, blending the two in unison. It takes into consideration the radical idea that capital needs to be allocated in reference to impact, with both profits and purpose considered in tandem with each other. A blended mandate also compels the wealth management team to take a holistic view to the assets, recognising that the **spectrum of capital** that one can take is not defined by a dichotomy between earning and giving, but by finding ways to create new opportunities for achieving both earning and giving at the same time.

Re-structuring one’s wealth portfolio towards a blended mandate requires the following steps in ensuring minimal disruptions to capital allocation needs:

- **Initiate conversations with wealth advisory teams across the spectrum:** The first step involves setting the agenda for transition with one’s wealth advisory team, which would typically include the investment portfolio and philanthropic portfolio.

Getting the team’s buy-in to the blended portfolio is essential as it will require a closer collaboration between the two teams, especially if they are housed under different entities such as a family office or foundation.

The conversation should extend to the four key steps: (1) the overall purpose to blending framed by the intended impact, (2) the expectations around financial and non-financial returns as adjusted to said impact, (3) the proposed timeline and key milestones, and (4) strategy to achieve and evaluate milestones.

- **Develop and evaluate blended mandate execution plan with experts:**

Expecting an overhaul of one's wealth portfolio over a short period of time will not be ideal for a smooth transition. There is a need to anticipate for adjustment factors that will have an adverse impact on assets' performance. This is why evaluating how the blended mandate plan will be executed is essential to minimising any performance related issues and transitioning one's wealth into asset classes that will deliver the holistic expectations as outlined above.

This task may not be solely taken up by the wealth holder's core team of advisers. Instead, this is an opportune moment to reach out to experts in the field to evaluate how best such transitions can be designed, and how the transition reflects the key principles of what impact looks like for the wealth holder in question.

- **Review blended mandate performance with Monitoring Evaluation and Learning (MEL) strategies:**

An effective blended mandate is one that is able to satisfy or exceed the financial and non-financial capital returns which it sets out to do. This would require assessing the blended mandate's performance through Monitoring, Evaluation and Learning (MEL) strategies. As the concept suggests, MEL enables wealth holders and their teams to calibrate their strategies by monitoring, evaluating and learning how to pivot towards optimal performance and impact. It also allows wealth holders to adapt their portfolios by identifying key areas to enhance when theory meets practice. Broadly speaking, the different components refer to each part of what the MEL strategies require the Monitoring and Evaluation team(s) to perform:



Monitoring

A set of tools and feedback channels to track progress in a systematic manner to provide timely, valid and reliable empirical data.



Evaluation

A system of assessing the data collected to ascertain if there is sufficient proof to consider that the theory of change is present or has occurred, or that the impact has been produced.



Learning

Insights and results derived from the evaluation and monitoring stages to inform the next steps required to calibrate strategies and interventions for more effective ways of achieving objectives. This feeds back to the new monitoring stage to evaluate if the new strategy has derived a clear and discernible impact from before the new intervention was introduced.

MEL frameworks and strategies for philanthropic impact may come in various forms. An important point for consideration is that the MEL framework should fit one's blended mandate portfolio performance, not the other way around. By finding out how other MEL strategies have measured certain forms of impact or performance, it provides a starting point to design a holistic MEL framework.

Developing a Team of Holistic Advisers

Apart from investing in transitioning the portfolio, wealth holders pursuing a blended mandate or are incorporating holistic philanthropy are also recommended to invest in a team of holistic advisers. This may mean either restructuring or adding on new members to one's current core team to meet the effective needs of the portfolio.

To begin with this, one needs to do a throughout assessment of one's core team. A core team consists of the wealth holder's most direct and closest circle of trusted advisers, confidants and professionals who are directly responsible for managing different aspects of the wealth portfolio. Such teams range in numbers and roles depending on the complexity, scale and structure of wealth involved. A typical wealth holder's core team may range anywhere from 2 – 12 people, and would have 1 – 2 senior/most trusted advisers managing other members of the core team in the areas of investment, family concierge, and philanthropy.

Developing a team of holistic advisers would first require assessing what critical skills or knowledge gaps are evident in enabling a wealth holder's transition towards a blended mandate or incorporate holistic philanthropy. This is followed by a strategy in acquiring said skills and knowledge, and the extent of involvement by the new hired help. Below is a checklist of guided questions and possible steps to consider that wealth holders and advisers can use to make a core team assessment:

Issue	Question	Consideration 1	Consideration 2
Skills gap identification	"What are the necessary skills your team needs to implement a blended mandate or incorporating holistic philanthropy?"	Consider skills in the following domains: Industry know-how Technical function Psychosocial capability Infrastructural/managerial capability	
Core vs. secondary skills identification	"Which of these are divided into core and secondary skills?"	They are core skills if they are/have: Vital for outcome success High risk if not present High multiplier effect	They are secondary skills if they are/have: Complement other skills Low to moderate risk or multiplier effect
Degree of expertise	"What is the depth of expertise I need for the core skills identified, and where are they located?"	Expertise depth can be assessed by examining: Industry expectations Scalability to outcomes Scalability to risks	Core skill locations: Industry networking Institutes of learning Senior experts' references Skills networking sites

Cost of expertise	“How do I pay a fair rate for the right expertise that I need?”	Consider engagement needs for expertise: Hours based Activation based Project based Outcomes based Retainer based	Rates derived from:: Talent scouts and industry-relevant Human Resources experts Skills networking sites
Extent of involvement	“How extensive do I need the expert to be involved in the process?”	If extensive, incorporate into core team, spelling out their involvement, and the purpose of their appointment	If not extensive, incorporate into virtual (secondary) team, and have a core member in charge of the virtual team

Experimenting with Micro Total Portfolios For Impact Discovery

Another recommendation for wealth holders to kick-start their holistic philanthropy journey would be to experiment with “Micro total portfolios” as they transition their main portfolios into a blended mandate configuration.

Micro total portfolio experimentations refer to micro-portfolios or micro-investments aimed at developing a proof of concept of totality for the allocation strategy for the main blended portfolio that can be scaled at a later stage. They are one level above pilot tests, and consist of a series of micro-investments or grant-making into specific areas and organisations across a set period of time to assess a realistic performance in relation to market conditions.

Capital allocation for micro total portfolio can be determined by a number of factors, but three of which are most critical in such considerations:

- Capital liquidity and types of assets accessible from transition process
- Risk appetite for innovation and experimentation
- Rate of impact discovery

While capital liquidity and risk appetite are common considerations, the rate of impact discovery requires further elaboration. Impact discovery is the process of identifying, assessing and consolidating the impact outcomes which wealth holders wish to make through their portfolios. The central purpose of experimenting through micro total portfolios is to allow wealth holders to test their vision for impact under actual conditions to assess if the strategy can produce the theory of change they set out to do. The higher the capital available for the micro total portfolio, the more extensive one’s impact discovery process can be, allowing the wealth holder to experiment with more programmes with larger or more grant sizes.

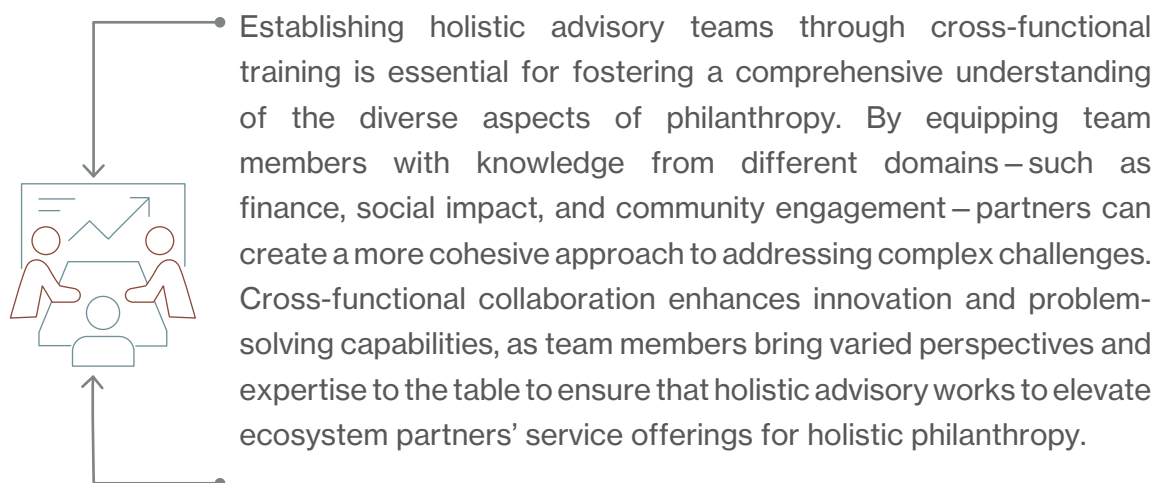
5.2 Recommendations for Ecosystem Partners

In the evolving landscape of philanthropy, ecosystem partners play a pivotal role in unlocking the potential of holistic philanthropy. Ecosystem partners refer to a wide range of service providers and producers supporting or rely on the philanthropy ecosystem to sustain their activities. They include financial institutions, professional advisory, service providers, fund/grant managers, impact organisations and intermediaries. The decision to put this wide spectrum of players into the “Ecosystem Partners” category is based on identifying common best practices to support wealth holders’ needs towards holistic philanthropy. This analysis outlines three key recommendations, each designed to enhance philanthropic practices and drive meaningful change:

- Designing Holistic Advisory Teams
- Holistic Niche Into Wealth Advisory
- Integrating Holistic Impact Into Wealth Management Performance

Designing Holistic Advisory Teams

As wealth holders assemble their core teams, the demand for expertise to accelerate holistic philanthropy will increase. Ecosystem partners have a pivotal role in providing external professional support by assembling their own holistic advisory teams to complement what wealth holders need as well as their own service offerings. These considerations depend on what kinds of services or products the ecosystem partner is providing. In addressing the needs, three factors are most crucial – training; connections and insights development.





Holistic Niche into Wealth Advisory

Anticipating the diverse needs wealth holders may present for service providers is an immense opportunity to accelerate the ecosystem towards holistic philanthropy. Most ecosystem partners however may not possess the resources to provide a one-stop solution in all areas, even within a single function such as wealth advisory. An alternative would be to build what is called a “holistic niche” – defined as specific competitively advantageous offering in one or more interrelated parts of the PCDA value chain. This may already be identified by the existing services that ecosystem partners provide, or as mandated by institutional structures. In such cases, the strategy is to communicate how one's holistic niche can be derived from one's competitive advantage in a certain area or service function, helping wealth holders and their advisers recognise the connection. For ecosystem partners who have not defined their holistic niche, the goal is to consider playing to one's strengths in eking out a niche offering that can be identified as an expertise or skillset that wealth holders and their advisory teams can recognise and seek out.

Apart from developing holistic niche in terms of strategy and organisational offerings, investments into the organisational culture to develop one's holistic niche is also a powerful means to build a brand for recognition within holistic philanthropy. In the words of guru Peter Drucker, culture eats strategy for breakfast. A definitive cultural niche is crucial for others to recognise organisations' not only for the skills they can provide, but also for what they stand for as part of their total purpose within the philanthropic ecosystem.

Integrating Holistic Impact into Wealth Management Performance

A final recommendation would be in integrating holistic impact into wealth management performance indicators. This is particularly so for financial or wealth management institutions, where performance metrics are tied to financial capital returns. If non-financial impact is to be pursued in alignment, the relevant indicators measuring said impact also need to be incorporated into wealth management performance indicators as well.

Apart from aligning practices, integrating holistic impact can indirectly support ecosystem partners in their wealth management practices with clients as well. Here we identify three such benefits:

“Stickiness” of AUM and Relationships

Integrating holistic impact into wealth management performance enhances the “stickiness” of assets under management (AUM) and client relationships. When clients perceive their investments as also contributing to positive social impact, they are more likely to remain loyal to or retain their advisers. For instance, a report from State Street Global Advisers suggests that clients with advisers that guide them on philanthropic related planning matters are 40% more likely to be very satisfied with their advisers’ performance⁷⁶. This dual focus not only strengthens client engagement but also drives sustainable growth for wealth management firms.

Attribution and Contribution

As the ecosystem pivots to evidence-based approaches towards impact, being able to develop an accountable metric that measures impact performance enables an easy transition to develop attribution and contribution factors. This is especially so for measuring the effectiveness of philanthropic investments. By defining how individual investments contribute to overall impact goals, advisers can provide clients with transparent assessments of their philanthropic portfolios.

⁷⁶ Brousse, A. (2024, August 16). *Top 3 Reasons Wealth Advisors Should talk to Clients about Philanthropy* | NPT UK. NPT UK. <https://www.nptuk.org/philanthropic-resources/giving-perspectives/top-3-reasons-wealth-advisors-should-talk-to-clients-about-philanthropy/>

From Capital Gained to Capital Repurposed

Shifting the narrative from capital gained to capital repurposed underscores the transformative potential of philanthropy. Advisers should encourage clients to view their investments not just as financial gains but as opportunities for societal impact. This perspective aligns with the growing trend toward responsible investing, where financial returns are coupled with measurable social benefits. By framing philanthropy as an integral part of wealth management, firms can inspire clients to engage more deeply with their giving strategies.

5.3 Recommendations for Regulators and Policymakers

The next set of recommendations focuses on Singapore's philanthropic ecosystem. To enable and sustain this broader approach to philanthropy, Singapore must build a more holistic impact ecosystem. This report provides 3 recommendations:

- Enhance incentive structures to deepen blended mandate and impact capital spending
- Harmonise governance policies relating to philanthropy
- Set up a Philanthropy Alliance for Action to plan strategic direction and drive ecosystem alignment

Enhance incentive structures to promote blended mandate and impact capital spending

Singapore's philanthropic ecosystem has received widespread attention as the number of family offices, most recently reported at 2,000, has increased due to the country's reputation as a wealth management hub. The view that existing and incoming family offices can play a significant role in accelerating Singapore's role as a philanthropic hub for Asia has also gained significant traction, most recently with the establishment of various initiatives to spur such growth. One direct instance is the Philanthropic Tax Incentive Scheme (PTIS) for family offices.

PTIS, Singapore's first tax incentive scheme for overseas giving, is a step in the right direction. However, while Singapore now has several tax incentive schemes for philanthropy – mainly PTIS, the 250% tax deduction for donations to Institutions of a Public Character (IPCs), and the Overseas Humanitarian Assistance Tax Deduction Scheme (OHAS) – they all have the potential to be extended beyond grantmaking⁷⁷.

⁷⁷ Even though the PTIS allows for qualifying donations to be made towards innovative forms of philanthropy (i.e. blended finance structures, social impact bonds, impact investments, venture philanthropy), the scheme does not allow for principal repayment or returns generated to be given back to the qualifying donations.

To cultivate Holistic Philanthropy, Singapore should consider extending tax incentives to include the newer philanthropic capital deployment approaches (PCDAs), namely impact investing, venture philanthropy and blended finance, while accounting for the potential financial returns. Given the complexity of the latter, other incentives could also be considered, such as dollar-for-dollar matching schemes.

In the longer term, as impact measurement frameworks improve in sophistication and standardisation, a tiered incentive structure linked to impact outcomes could do well to align financial incentives with sustainability efforts.

Harmonise governance policies relating to philanthropy

Philanthropy in Singapore currently operates within three separate regulatory domains – charity, tax, and finance – each with distinct governance requirements. This approach has served Singapore well, enabling the rapid growth of philanthropy in the country. Singapore now ranks highly in the World Giving Index (WGI) in terms of charity donations and volunteerism. The WGI is an annual report published by the UK's Charities Aid Foundation, using data gathered by Gallup and ranking over 140 countries in the world.

However, the immense growth of this sector coupled with rapid innovations in philanthropic practice in turn merit consideration on how Singapore could enhance broad alignment of policy direction to create an environment that facilitates wealth owners in engaging in more innovative forms of philanthropy. At the same time, this could spur financial institutions to develop cross-domain, cost-effective products and services that support the needs of the impact ecosystem, thereby better fulfilling their potential as key enablers and partners in philanthropy.

By strengthening policy alignment that encourages structures and services to support effective implementation across the distinct domains, Singapore will be even better placed to capitalise on philanthropy as a new growth area while maintaining strong governance standards.

Set up a Philanthropy Alliance for Action to plan strategic direction and drive ecosystem alignment

Philanthropy in Singapore has grown significantly, with numerous individuals, institutions and impact organisations playing key roles in shaping the sector. To help Singapore strengthen its position as a philanthropy hub for Asia, it is timely to introduce a more formalised coalition to shape strategic direction and drive ecosystem alignment.

A suitable model would be an Alliance for Action (AfA) – an industry-led coalition that enables collaboration across the public, private and people sectors to ensure diverse expertise and perspectives.

Having a dedicated commission would provide momentum in building Singapore's philanthropy ecosystem. The AfA could first develop a framework to broaden our perspective of what constitutes philanthropy, given the newer PCDA's. It can and should also be tasked with developing a national philanthropy roadmap, including a plan to align philanthropic capital with Singapore's green financing commitments.

In the long run, by providing industry insights to inform policy and stimulate philanthropic innovation, the AfA will ensure that regulatory frameworks support innovations in philanthropy and reduce barriers to capital deployment. This would create a more dynamic, aligned and thriving philanthropy sector in Singapore.

Conclusion

In this report, we underscore the transformative potential of holistic philanthropy as a strategic approach to enhancing social impact through wealth allocation. By engaging wealth holders, ecosystem partners, and regulators, the recommendations presented aim to cultivate a robust environment conducive to impactful philanthropic practices. This can however be done if we move the needle for the different ecosystem players across nine recommendations.

Wealth holders are encouraged to adopt a blended mandate that integrates profit and purpose, fostering a holistic view of capital allocation. This shift not only aligns financial goals with social outcomes but also promotes sustainable development initiatives. The establishment of holistic advisory teams and the experimentation with micro total portfolios further empower wealth holders to explore innovative pathways for impact discovery.

Ecosystem partners play a crucial role in this landscape by designing tailored advisory services and fostering connections across sectors. By developing insights and creating a culture that supports holistic philanthropy, these partners can enhance their offerings and contribute to a more interconnected philanthropic ecosystem.

Finally, policymakers and regulators play a crucial role in enabling the critical infrastructure in ensuring that ecosystem players get the necessary strategic support and direction needed to draw a cohesive and collaborative approach to holistic philanthropy.

Ultimately, the report advocates for a collaborative approach among all stakeholders to unlock the full potential of holistic philanthropy. By recognising the interdependence of financial success and social responsibility, we can pave the way for more meaningful and sustainable urban development that addresses both current needs and future challenges.

About the Wealth Management Institute

Established in 2003, the Wealth Management Institute (WMI) is committed to building capabilities for investing in a better tomorrow. Founded by GIC and Temasek, our vision is to be Asia's Centre of Excellence for wealth and asset management education and research. WMI has been appointed as Singapore's Lead Training Provider for Private Banking by the Institute of Banking and Finance Singapore (IBF) and supported by the Monetary Authority of Singapore (MAS).

WMI provides a comprehensive suite of practice-based certification and diploma programmes and collaborates with leading universities for master's qualifications. With over 20,000 annual enrolments, WMI provides training in asset management, wealth management, compliance, risk management, family office, as well as the development of the next generation across more than 130 programmes.

WMI helms the Global-Asia Family Office Circle, a network platform that fosters a trusted environment to build capabilities and community in the family office sector.

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About the Asia Centre for Changemakers

Established by the Wealth Management Institute, the Asia Centre for Changemakers (ACC) aims to build capacity and nurture a strong pipeline of active and informed changemakers with a focus on Asia. Our mission is to empower these individuals to deploy their resources, skills and passion for a better tomorrow. As Asia's foremost learning lab for philanthropy and impact capital, the ACC is committed to guiding family principals, professionals, advisers and social entrepreneurs in moving up the learning curve, through three key initiatives: Building capabilities, talent, and professionalism in the impact sector; fostering a community of practice; and shaping and sharing Asian-grown thought leadership. The ACC is supported by Temasek Trust and the Philanthropy Asia Alliance.

Within ACC sits the Impact Philanthropy Partnership (IPP), a joint initiative between WMI and the Private Banking Industry Group (PBIG) with support from the Monetary Authority of Singapore (MAS). The initiative aims to drive awareness and momentum towards more purposeful and impactful ways of giving, by bringing together family principals and offices to tackle society's most pressing challenges and issues.

Acknowledgement

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