

Philanthropy by Pakistani Diaspora in the USA

Highlights from PCP's pioneering research study which seeks to understand the giving habits and philanthropic impulses of Pakistani diaspora in the USA.

The Study

This study, the first of its kind by PCP, focuses not only on what Pakistani-Americans 'give back' to their country of origin, but also on their non-Pakistan-related giving practices in the USA.

It covers a broad range of philanthropic practices; to institutions as well as individuals including cash, in kind, and in time.

The findings are based on 54 focus group discussions conducted in 23 major metropolitan centers around the United States, an analysis of 461 completed survey questionnaires with respondents from 30 different states, and perspectives from individual interviews.

This study was funded by a grant from The Rockefeller Foundation USA and commissioned to the Pakistan Centre for Philanthropy through the Aga Khan Foundation U.S.A.

The field research was conducted by a team of fifteen researchers led by Professor Adil Najam, Associate Professor of International Negotiation & Diplomacy, The Fletcher School of Law & Diplomacy, Tufts University.

Figure 1

Estimated Total Annual Giving by Pakistani Diaspora in the USA (Money, goods and time) Total ~ \$1 Billion



Pakistani Diaspora in the USA

There are about half a million Pakistanis living in the USA today, mostly concentrated in a handful of states and a few major urban centers. Over 60 percent are concentrated in just four states (New Jersey, New York, California and Texas). Over 100,000 Pakistanis live in or around New York City. Washington DC, Houston, Chicago and Los Angeles also have sizeable populations of Pakistani-Americans.

The history of Pakistanis in the US can be divided into five contiguous phases, each defined primarily by changes in US immigration regulations. The first

phase begins with the first wave of Punjabi men arriving in the mid nineteenth century and lasts till 1946. The passage of the Luce-Celler Bill allowed these men to acquire US citizenship through naturalization. The second phase from 1947 to 1965 saw a trickle of Pakistanis coming to the US which marked the beginnings of a distinct 'Pakistani' community in America. The US Immigration and Naturalization Act of 1965 was the third phase and triggered a steady and significant growth in immigrants from all over South Asia, including Pakistan. The fourth phase began in the late 1980s when favorable immigration laws and educational opportunities attracted large numbers of Pakistanis to

the United States. The fifth and current phase in the history of Pakistanis coming to the USA is therefore best defined as the post-9/11 phase.

Pakistanis in the USA are a relatively new and young community of immigrants, characterized by large numbers of highly trained professionals, and are economically well off, with higher household incomes than the national average.

Pakistanis in the US are an institutionally active community and have created a whole array of institutions that serve as support groups for the expression and nourishment of the Pakistani aspects of their identity. The immense investment of time and resources that keep these organizations alive is itself a form of community giving that provides essential identity support systems to the Pakistani diaspora.

Key Findings

While the study is rich with a variety of findings, there are seven broad conclusions that derive from this study:

#1. Pakistani Americans are a generous, giving and active community

- ➔ Total giving includes about US \$ 250 m in cash and kind and nearly 43.5 m hours of volunteered time. This comes to approximately US\$ 1 bn per year.
- ➔ On average, the Pakistani-

American household contributes 3.5% of its income.

- ➔ The community supports a rich and diverse tapestry of organizations that provide the diaspora with sustenance ranging from the arts and culture, to sports and recreation, to community support, to institutions of faith, to professional fraternities, to research and intellectual enquiry, charitable and other new initiatives and much more.

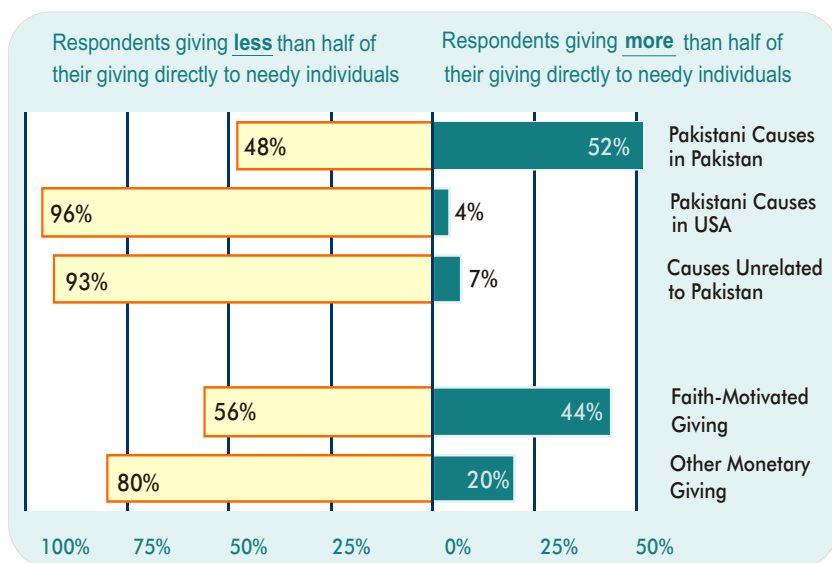
#2. There is a strong preference for giving directly to individuals in need

- ➔ The largest chunk of overall giving goes directly to individuals in immediate need, rather than to institutions and organized charities. Pakistani diaspora believe that giving directly to the needy and the deserving is superior to institutional giving. Kinship networks of friends and extended family (as opposed to organized charities) play a critical role in this direct giving to needy individuals.
- ➔ This preference is influenced by a striking lack of trust in nonprofit and philanthropic institutions in Pakistan. Although the Pakistani diaspora in the US is quite willing to direct their giving to NPOs in terms of what they give to causes outside of Pakistan (whether Pakistan-related or

not), they are quite hesitant to do so in Pakistan.

Figure 2

Direct Giving to Needy Individuals



#3.
People are motivated by faith, but mostly give to social issues

➔ A sense of faith-based moral duty to be charitable and to give to the poor is a major motivator of philanthropy by Pakistani diaspora in the US, but faith-based organizations are not a major direct recipient of their giving. Their faith-motivated giving is mostly channeled directly to the poor and deserving individuals in dire need.

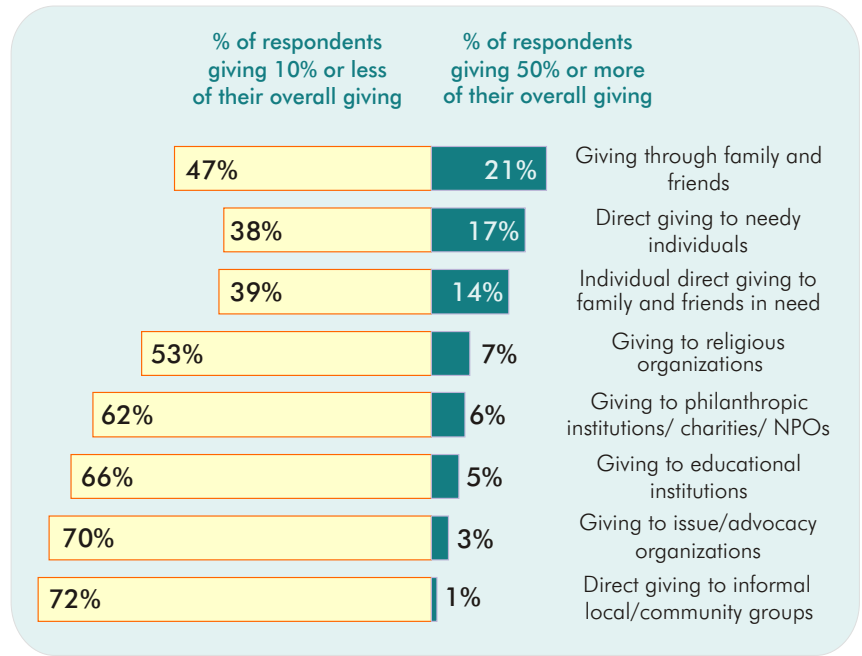
➔ The desire to help individuals in need is cited as an even more important reason to give than the motivation of faith. Social issues – especially the issue of poverty and helping the needy but also including education, health, civil and human rights, and community development – are amongst the most cited issues that people contribute to and wish to contribute to.

➔ To the extent they give to faith-based organizations, the vast bulk of this giving is to places of

worship in the US that are as much centers of community and social activity as of religious congregation.

Figure 3

Who Do Pakistanis in the USA Give To?



#4.
There are significant structural hurdles that make it difficult to give more to Pakistan

➔ The first barrier is the chronic lack of trust in the civic sector in Pakistan; over 80 % of the survey respondents believe that such organizations are inefficient, as well as dishonest, over 70 % feel that they are also ineffective and inattentive to the most pressing problems in Pakistan. Although people have high opinions of organizations and individuals they have themselves worked with, they have a deep suspicion of the sector as a whole and do not believe that institutional philanthropies are good custodians of their giving. The intensity of this suspicion is not only embarrassing for the sector it is also an unfair assessment of the sector. Importantly, however, it is the single most critical, and

possibly debilitating, challenge for the future of organized philanthropy in Pakistan.

➔ The second hurdle is the lack of convenient mechanisms to transfer funds to Pakistan and unclear US regulations about charitable giving abroad (especially after 9/11). There is also a dearth of reliable mechanisms to monitor the performance of organizations and a lack of opportunities to interact directly with organizations and their workers.

➔ The third constraint is that there is very little information available to Pakistani-Americans about philanthropic organizations in Pakistan. This becomes particularly important because it feeds on and exacerbates both the earlier mentioned barriers. Very few organizations are recognized by name, and even then there is only a rudimentary familiarity with what these organizations do and have achieved. Pakistan-related causes – especially those in Pakistan, but also those operating in the US – just do not ask for contributions as other causes. Over 80 % of our respondents say that, on average, they are asked to give to causes unrelated to Pakistan six or more times per month; only 4 % of our respondents say that they are asked at the same frequency to give to a Pakistani cause in Pakistan.

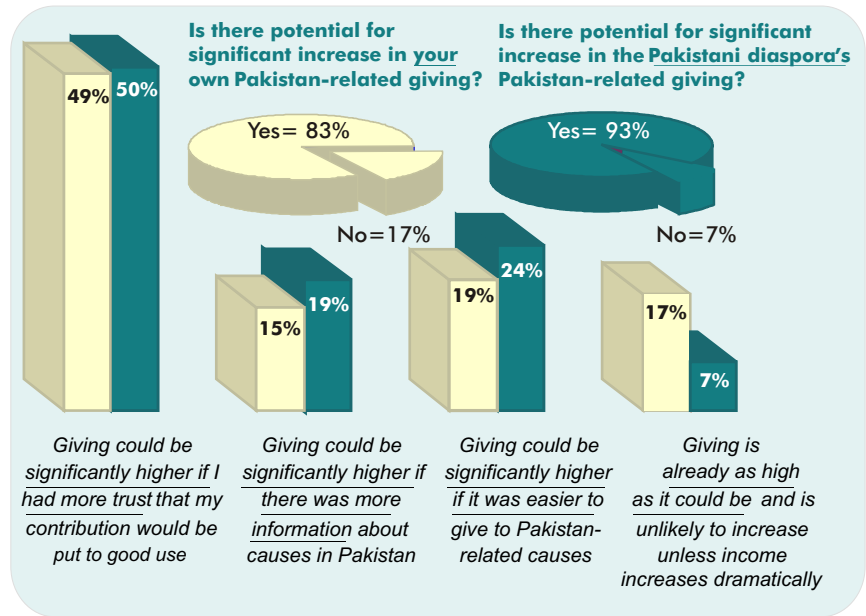
#5.
There is significant potential for more giving, including more giving to Pakistan

Significant numbers of our respondents (83%) feel that, given the right conditions, their own Pakistan-related giving could increase significantly; an even more overwhelming majority (93 %) feel that there is growth potential for the overall giving of the Pakistani-American diaspora.

A significant number of Pakistani-communities within the US have the willingness to give more to Pakistan-related causes but they are only infrequently approached by institutional philanthropic initiatives which tend to concentrate their activities in a few large metropolitan areas.

Figure 4

Giving Potential: *What is the Potential for Pakistan-related Giving to Increase?*



Respondent's assessment of the future giving potential of Pakistani diaspora in the USA

Respondent's assessment of their own future giving potential

#6.
9/11 made Pakistani-Americans more vigilant, but not less giving

There is a strong unease about the potential impacts of the post-9/11 government policies and how these might impact the giving by all immigrant communities and especially Muslim communities in the USA. The unease comes from uncertainty and lack of clarity about what the new policies are.

People have become extremely careful and vigilant in terms of who they give to, how they give and what they give for, but they have not actually become less giving.

Thirty-four percent of our survey respondents said that their giving to causes unrelated to Pakistan has increased since 9/11 and our focus group discussions suggest that this increase has come mostly in giving to causes that relate to being better and more active citizens within their American neighborhoods and communities.

#7.
The philanthropy of Pakistani-Americans is not limited to Pakistan

About 40 % of the monetary and in-kind giving by the Pakistani diaspora goes to Pakistani causes in Pakistan, another 20% to Pakistani causes in the US, and the remaining 40 % to causes unrelated to Pakistan.

Two important trends should be highlighted here. First, the longer someone has lived in the US, the more likely they are to give a larger proportion of their philanthropy to causes unrelated to Pakistan. However, they tend to do so by diverting additional philanthropic resources to non-Pakistan-related causes and without necessarily reducing their giving to causes in Pakistan. Second, largely as a result of post-9/11 effects, the Pakistani diaspora in the USA is becoming increasingly active in USA-based philanthropy including in mainstream US charitable organizations.

How Can We Harness Greater Giving for Pakistan?

	What can be done by PCP?	What can be done by individual organizations?	What can be done by other actors?
Building confidence in Pakistan's civic sector	✘ Initiate independent certification of NPOs.	✘ Ensure regular and transparent financial audits and reporting.	✘ Role for media in Pakistan to better report the positive activities and impact of civic sector initiatives.
	✘ Develop guidelines for standard financial and management reporting of NPO performance.	✘ Develop mechanisms to calculate and report development impact at the level of organization as well as individual contributors.	
	✘ Develop guidelines for better impact reporting of NPO performance.	✘ Seek outside certification; e.g., financial audits, management reviews, impact monitoring, registration in Pakistan as well as the US, etc.	
Facilitating easier mechanisms for giving to causes in Pakistan	» Conduct survey of emerging US laws and regulations on diaspora giving.	» Ask, and ask frequently.	» Role for State Bank of Pakistan to facilitate easier and cheaper international transfers to nonprofits in Pakistan.
	» Facilitate 'pooled funding drives' by sets of smaller NPOs, philanthropic organizations and educational institutions.	» Offer reliable and transparent international money transfer options for contribution; e.g., ability to give in small monthly installments, web-based giving through credit cards, etc.	» Role for government of Pakistan to work with US government to bring clarity and regulatory uniformity on how philanthropic remittances to Pakistan will be dealt with in the US.
		» Register for US tax-free status to offer peace of mind, tax incentive, and ease of giving.	
Improving outreach on impacts and achievement of civic sector in Pakistan	◀ Establish a web-based clearinghouse of information on philanthropies and NPOs in Pakistan that showcases best practice and performance.	◀ Create channels of better and more frequent communication to existing and potential donors, including websites, annual reports, financial audits, and impact assessments.	◀ Role for diaspora institutions, including diaspora media, in better acquainting itself with the activities and achievements of NPOs and philanthropic organizations in Pakistan.
	◀ Facilitate visits to the United States by team delegations of NPO and philanthropic sector leaders, especially from smaller organizations.	◀ Target visits by representatives around key diaspora events in the USA for outreach activities.	
		◀ Seek diaspora involvement through non-monetary giving, especially through knowledge-giving and volunteering.	

(Printed report is available from the PCP office, Islamabad)

About The Centre

The Pakistan Centre for Philanthropy (PCP) was established in 2001 as an independent nonprofit support organization. It is led by an eminent Board of Directors consisting of eminent citizens and leaders from the business and citizen sector.

The PCP grew out of the *Conference on Indigenous Philanthropy* held in October 2000 in Islamabad. The Conference, attended by the President of Pakistan, General Pervez Musharraf and His Highness the Aga Khan recommended the setting up of a “permanent institutional vehicle to promote philanthropy for social investment”. Rather than engaging in direct philanthropy, PCP seeks to help others in their philanthropic efforts through meaningful support services. These include the *Enabling Environment Initiative, Corporate Philanthropy for Education, Certification for Nonprofit Organizations, Research Studies, Information Dissemination and the General Promotion of Philanthropy*, and *The Philanthropy Portal*.

For more information please see our website.

Our Mission

to increase the volume
and effectiveness
of philanthropy

Our Objectives

- Creating a more enabling environment for philanthropy
- Assisting grant givers by professionalizing grant making
- Enhancing the grant recipients’ effectiveness by building their capacity in forming and maintaining relationships with grant makers.
- Raising broad societal understanding of philanthropy

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