

# Funding the noble cause

## GETTING MONEY-READY TO TAKE THE LEAP

Dedicating one's life to a social cause often means a transition from a secure life to an irregular income. Here's what it takes to make the switch.

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**MUMBAI:** Charity may begin at home but to take the big leap of not just donating a few bucks but your life to a social cause is a critical decision. It may require you to make the transition from a comfortably-seated, high-paying job to a non-profit one.

The couple Rahul Aggarwal, 36, and Ridhi, 35, also felt a little pressure from their families when they left their jobs in 2012 to work at a charitable organisation. "We were on an attractive growth path, but we were sure of our aspirations to do something for rural education," said Aggarwal. The couple joined Krishnamurti Foundation School to understand the education situation in India. "My wife and I are conservative investors, so all our money was in fixed deposits. We were getting some meagre interest from it. But, the need to invest in other instruments did not arise," he added.

"For us, it was not about our risk appetite or how conservative we were when it came to choosing or expanding our portfolios. Since our organisation was at a very nascent stage, we wanted to devote all the time to it and not think about where to invest," said Aggarwal. He said that they could manage their expenses because they cut down on lifestyle expenses. "We also do not intend to leave a huge lump sum for our son because we believe the child should be able to fend for himself." The couple then went on to set up Swatantra Talim, a non-profit NGO, in



**ANAND VASUDEVAN, 53**

**Consultant at Cuddles Foundation**

**Past profession:** Head of equity research at Franklin Templeton

2013 which focuses rural children education. "To keep our expenses in check, we only take the number of projects that we can afford in a year. We have around 1,000 children and we do not take in more than that," said Aggarwal, adding that a lot of their peers, corporate contacts chipped in look at their credentials. "CSR initiatives with Wipro also helped us a lot," he added.

Aggarwal and Ridhi park most of their money in bank accounts and organisation fixed deposits. "We cut our cost



### THE CHANGE MAKERS

**RAHUL, 36 AND RIDHI AGGARWAL, 35**

**Founders of Swatantra Talim**

**Past profession:** Rahul was a chartered accountant and Ridhi was a Wealth manager



according to our cloth and hence are running our NGO with minimal financial glitches," said Aggarwal.

For most people, working for a cause comes a little late in life. Anand Vasudevan, 53, who has worked as an equity researcher, now works as a consultant for an NGO-Cuddles Foundation, a Mumbai-

based organisation which provides nutritional support to cancer affected children. "I was working in the corporate space for at least 27 years and I wanted to make a difference to the society," he said. He quit his job in December 2017 and moved to Cuddles Foundation after that.

"I have planned my investments on a

long term basis all throughout my career," said Vasudevan. He has invested in mutual funds, both equity and debt and a small portion in fixed deposits for short-term needs. "When it comes to insurance, I use it as a protection instrument."

He hired a financial advisor after he quit his job. "I wanted to devote my time to the NGO and various other activities. The help of a financial advisor was useful," he said. His portfolio was structured, keeping in mind that his income needs were taken care of, said Vishal Dhawan, founder, Plan Ahead Wealth Advisors. "He could focus on his work as we monitor his portfolio," he said.

### PLANNING THE TRANSITION

According to Shyam Sunder, founder of Peak Alpha Financial Services Private Ltd, planning for this transition is to achieve financial independence, manage cash flows and provide liquidity. "In terms of financial independence, the goal is to create a portfolio that has a proper balance between safety and growth," he said. "Instruments for safety would include fixed deposits and debt funds while for growth, look at stocks and equity funds. In terms of cash flows, you should replace the income that the family needs by using a combination of annuities and systematic withdrawals from mutual funds," said Sunder. In terms of liquidity, one must make sure they have some funds that can be liquidated at very short notice for sudden emergencies, he added.

"You should keep three years of emergency savings in a liquid fund," said Dilshad Billimoria, director, Dilzer Consultants Private Ltd., an investment advisory firm. For the initial corpus required to start the NGO, park your money in ultra-short term funds if you plan to begin in three years and hybrid funds if you plan to begin in five years, she said.