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The U.S. Indian Diaspora: Investment Preferences and Demand for a Fixed-Income Social-Impact Investment

Asia and the Middle East Economic Growth Best Practices (AMEG) Project
Chemonics International Inc.
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THE U.S. INDIAN DIASPORA: INVESTMENT PREFERENCES AND DEMAND FOR A FIXED-INCOME SOCIAL-IMPACT INVESTMENT

MARKET RESEARCH

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ACRONYMS

AMEG	Asia and Middle East Economic Growth
CDFI	Community Development Financial Institution
IdEA	International diaspora Engagement Alliance
RADP	Rockefeller Foundation-Aspen Institute Diaspora Program
SME	small- and medium-sized enterprises
TiE	The Indus Entrepreneurs

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EXECUTIVE SUMMARY

Representing about 1 percent of the population, Indian Americans are the highest-earning ethnic group per capita in the United States. They contribute in virtually all professions including agriculture, biotechnology, business, economics, finance, information technology, journalism, management, medicine, health, and various sciences. Many Indian Americans use this wealth to invest in India through remittances, real estate, or (to a lesser extent) traditional investment funds. Yet there are few avenues for investing in Indian companies and organizations that aim to generate both financial and social returns, despite an increasing number of successful social enterprises operating across the country. With the recent election of Indian Prime Minister Narendra Modi, the Indian diaspora seems to have a strengthened connection to India and an increased desire to improve social outcomes in India. Given this landscape, USAID/Washington’s Asia Bureau and USAID/India are exploring innovative methods for mobilizing social investment capital from the Indian diaspora to India.

Methodology. To support USAID in this endeavor, AMEG conducted market research to determine (1) the background and investment interests of Indian diaspora living in the U.S. and (2) the conditions under which they would invest in a fixed-income security that finances Indian SMEs in social-impact sectors, such as healthcare, clean energy and the environment, early education, water, and sanitation. To answer key research questions, an AMEG research team developed and launched a self-administered online survey — which was live from September 10 to October 21, 2014. AMEG also held four focus groups in metropolitan areas with heavy concentrations of people of Indian descent: Austin, Texas; Chicago, Illinois; New York, New York; and San Francisco/San Jose, California. The assessment was designed to address key research questions across the following four topics.

Factor 1: Demographic profile. Over a period of 41 days, the AMEG research team engaged 142 members of the Indian diaspora through focus groups and the online survey. The demographic profile of these market research participants confirms existing research: the U.S. Indian diaspora is highly educated, professionally successful, and made up of high income earners. More than 97 percent of participants hold a bachelor’s degree or higher and two-thirds of the participants have an annual family income of \$100,000 or greater. In addition, our sample reflected balance across genders, ages, and migration status (i.e., persons of Indian origin versus those who were born in India and then migrated to the U.S.).

Factor 2: Engagement with India. AMEG’s survey and focus group results indicated a highly engaged Indian diaspora. Many members of the Indian diaspora return to India frequently — more than 80 percent of participants had traveled to India within the past three years. The Indian diaspora also engages with India through remittances and donations to charitable causes focused on India. When asked about their motivations for investing in India, members of the Indian diaspora indicate that financial returns (benchmark interest rates in India are approaching 10 percent) and social impact are the two most important reasons for investing. While this finding supports the prospects of a social-impact-oriented fixed-income security, each focus group raised concerns about corruption impeding efforts to improve social outcomes.

Factor 3: Investment background and interests. Given the Indian diaspora’s educational attainment and financial resources, it is unsurprising that market research participants are relatively sophisticated investors with substantial amounts of net investable wealth. The majority of respondents indicated that they would describe their level of risk tolerance when investing as “aggressive” or “moderately aggressive.” However, the focus groups indicated a deep skepticism and risk aversion toward investing in India, driven by many stories of corruption and fraud. When investing in India, members of the Indian diaspora tend to invest in real estate or family business — investments that are tangible and easy to oversee. In terms of potential sectors for investment, market research participants indicated that education, healthcare, and water/sanitation are the most attractive sectors for social-impact investment.

Factor 4: Models for mobilizing diaspora investment. The AMEG research team found a strong preference for U.S. dollar denominated investments, as well as a relatively short maturity period. Because a new investment instrument would, by definition, lack a track record, a relatively short maturity period — two years was the most common preference among focus group participants — would give the investment managers time to demonstrate their ability to achieve results and return the investor’s principal. In terms of the institution managing the investment, respondents indicated a lack of trust for the Indian government and banks. The most attractive option was a model in which a U.S.-based Community Development Financial Institution (CDFI), with experience managing comparable investments, partners with an Indian bank or Indian NGO. This model is attractive to potential investors because, according to focus group respondents, (1) the U.S. institution would increase transparency and hold the Indian partner accountable, and (2) the Indian partner would offer “boots on the ground” needed to achieve meaningful impact in India.

In the focus group setting, the research team began by asking people how they think about investment. However, given the anticipated returns of a social-impact fixed-income security (under 5 percent, which is very low for India), people quickly changed their mindset — looking at the proposal as charity, rather than an investment. Given this reality, the Indian diaspora’s demand for this investment depends less on the interest rate offered and more on their confidence that the investment will be used and managed effectively (not simply in terms of little waste, but also of a real tangible social impact being achieved).

Key conclusions and recommendations. Despite the Indian diaspora’s deep skepticism toward investing in India, AMEG’s market research team found demand potential for a social impact oriented fixed-income security. To attract investment, the fixed-income security’s investment characteristics and management approaches must (1) address Indian diaspora investors’ concern of corruption and financial mismanagement in India and (2) demonstrate a sustainable and measureable impact on social outcomes in India — including the cost effectiveness of achieving improved outcomes. Market research participants noted several approaches to appease their fears and thus increase demand for the investment; many of those approaches are outlined in this report for consideration. In the end, USAID and its implementing partners should pursue a balanced approach that maximizes transparency and social impact (using clearly defined impact metrics), minimizes administrative costs, and complies with U.S. and Indian securities regulations.

INTRODUCTION

A. PURPOSE OF RESEARCH

USAID/Washington’s Asia Bureau and USAID/India are interested in exploring innovative ways to mobilize social investment capital from the U.S. to India. To determine the viability of a potential USAID-supported investment instrument, AMEG conducted market research to better understand (1) the background and investment interests of Indian diaspora living in the U.S. and (2) the conditions under which they would invest in a fixed-income security that finances Indian small- and medium-sized enterprises (SMEs) in social-impact sectors, such as healthcare, clean energy and the environment, early education, water, and sanitation. The market research included three methods of data collection: an online survey, focus groups, and one-on-one interviews. Focus groups were held in four major U.S. cities with large Indian populations — Austin, Texas; Chicago, Illinois; New York, New York; and San Francisco, California. The AMEG research team used these methods to collect quantitative and qualitative information in September and October 2014. The findings and analysis are presented in this report.

B. ABOUT AMEG

AMEG is designed to support USAID missions in developing effective and efficient economic growth programs that address technical and strategic challenges specific to countries in which USAID operates in Asia and the Middle East. Through AMEG, USAID is able to conduct rapid and strategic economic growth assessments, pilot innovative approaches in economic growth programming, and consolidate and disseminate best practices in economic growth projects learned from USAID implementation throughout the world.

C. ORGANIZATION OF REPORT

This report includes six primary sections. Section A begins with an overview of the research methods used by the AMEG research team, discussing the survey design, sampling approach, and focus group protocol. Section B provides a demographic overview of the Indian diaspora in the United States, followed by demographic information about the focus group participants and survey respondents who informed the conclusions outlined in this report. Section C discusses the Indian diaspora’s engagement with India, answering questions such as: how often does the Indian diaspora travel to India? How frequently do they send money to India and for what purpose? Section D covers Indian Americans’ investment background and preferences, detailing the Indian diaspora’s risk profile and attitudes toward investment in India. Section E digs into specific models for mobilizing diaspora investment and how Indian Americans think about various aspects of an investment (e.g., interest rate, maturity length, etc.). Finally, Section F presents recommendations to any institution seeking to develop a social-impact investment fund that will be marketed to the U.S. Indian diaspora. The Annexes present several documents that were key to AMEG’s market research, including the survey methodology, survey questions, and focus group protocol.

D. ASSESSMENT TEAM AND ACKNOWLEDGEMENTS

The field assessment was conducted in September and October 2014 by AMEG consultants Isaiah Oliver and Dr. Liesl Riddle, with research, analytical, and outreach support provided by Jordan Raupp. There are many organizations and individuals to thank for their contributions to AMEG's research. The team would like to thank Qahir Dhanani at the World Bank for sharing lessons learned conducting comparable research of the Caribbean. The team would also like to thank The Indus Entrepreneurs (TiE) for their help disseminating the online survey portion of the assessment, and Anjum Malik, co-founder and managing partner of the Alhambra-U.S. Chamber of Commerce, for her help recruiting focus group participants in Austin, Texas. Last, but certainly not least, the team would like to thank Dany Khy, Lori Rakoczy, and Manpreet Anand of USAID's Asia Bureau, as well as Romi Bhatia of USAID's Development Credit Authority office, for their guidance, support, and input into this research.

MARKET RESEARCH REPORT

The purpose of this market research study is to explore the degree to which members of the U.S. Indian diaspora are willing to invest in a fixed-income security that would lend invested capital to social impact-oriented, small- and medium-sized enterprises in India. Additionally, this study seeks to uncover whether there are specific characteristics of this type of fixed-income security that would contribute to its perceived attractiveness in the Indian diaspora. For example, how relatively important are such factors as the security's maturity, rate of return, and currency of denomination in the investment decision-making process for members of the Indian diaspora? Furthermore, to what extent does it matter to potential Indian diaspora investors what type of institution issues the security and/or is involved with the subsequent loan of the funds raised to SMEs in India? Answers to these questions will help identify Indian diaspora preferences for various fixed-income security offerings, determine whether there might be a viable market for such an offering, and provide insights into target marketing strategies should such an offering be brought to market.

This report presents findings from two months of market research. Section A provides an overview of AMEG's research methods. Section B describes the Indian diaspora population and demographic information about focus group participants and survey respondents. Section C summarizes AMEG's findings about how the Indian diaspora currently engages India, including methods, frequency, and attitudes. Section D outlines the Indian diaspora's overall investment acumen, preferences, and attitudes. Section E digs into the Indian diaspora's preferences about specific characteristics of a potential fixed-income, social-impact investment. Finally, Section F presents a series of recommendations for USAID and its partners as they continue to explore opportunities to mobilize social investment capital from the U.S. Indian diaspora.

A. RESEARCH METHODS, SAMPLE, PARTICIPANTS, AND MEASURES

The study was designed as a mixed-method study, including a national survey, focus groups in target cities, and a small number of one-on-one interviews. Unless otherwise noted, all graphs and charts in this report aggregate data from the online survey and focus groups.

Pilot survey. A national, self-administered, online survey was piloted, consisting of 46 closed-ended questions to provide quantitative estimates of key research questions, including measures of interest for the fixed-income security offering and target-market demographic, psychographic, and behavior profiles. A complete list of survey questions is in Annex B. The survey questions aimed to solicit information regarding:

1. *Demographic characteristics.* Demographic questions include gender, foreign-born status, number of years spent in the U.S., five-digit zip code, occupation, education,

Market Research at a Glance

- Time period: 41 days
- 4 focus groups held in Austin, Chicago, New York, and San Francisco with 6-12 individuals in each
- With online survey, research reflects input from 142 participants who broadly reflect the U.S. Indian diaspora

and total annual household income. All respondents were asked where most of their friends and family in India currently reside (i.e., which state), and those born in India were also queried about the state in which they were born.

2. *Indian diaspora engagement.* The survey also included questions to measure diaspora engagement with India, including annual remittances sent to India and annual charitable contributions made to organizations in India over the past three years. Respondents were also asked how many trips they have made to India over the past three years to measure circular migration.
3. *Indian diaspora investment interests and behavior.* The survey also included questions to explore Indian diaspora investment behavior, including measures probing total investable wealth, the composition of respondents' investment portfolios, perceived risk tolerance, estimated size of investments made in India over each of the past three years, preference for state-specific investments in India, and perceived investment attractiveness for each of India's states.
4. *Interest in a social-impact fixed-income security.* Although listed fourth in this list, the survey started with questions measuring overall interest in a fixed-income security to lend money to social-impact SMEs in India as well as interest levels for various security characteristics, such as maturity, rate of return, currency, and issuing institution. The survey also queried Indian diaspora respondents about their top three factors in the investment decision-making process for this type of an investment offering.

Survey links were distributed throughout the Indian diaspora with the help, promotion, and partnership of Indian diaspora organizations, who had volunteered to support the survey effort. The USAID International diaspora Engagement Alliance (IdeA) shared with AMEG a list of 25 Indian diaspora organizations to help with this outreach. Some of those organizations, however, were not based in the United States and therefore were not contacted for assistance. AMEG took the remaining organizations and built up a list of Indian diaspora organizations in the U.S., contacting nearly 60 Indian diaspora organizations, including business, professional, cultural, and social organizations. A full list of the organizations contacted for support can be found in Annex D. The survey was also disseminated via Twitter and Facebook by USAID and AMEG.

It is important to note that the AMEG research team faced several challenges when disseminating the online survey. The most obvious challenges included:

- *Prime Minister Modi's visit.* September was a busy month for many Indian diaspora organizations, partly due to the visit of India's recently elected Prime Minister, Narendra Modi. As a result, many of the diaspora organizations contacted did not have the time and resources needed to assist AMEG with dissemination of the online survey.
- *Competing survey live.* While conducting this market research, the Rockefeller Foundation-Aspen Institute Diaspora Program (RADP) had a comparable live survey focused on diaspora investment seeking input from the Indian diaspora community. Some of the Indian diaspora organizations contacted for our survey had also been contacted by RADP, making it more difficult to solicit interest and cooperation.

Focus groups. To complement the survey, AMEG used a seven-question focus group protocol in four metropolitan areas — Austin, Texas; Chicago, Illinois; New York, New York; San Francisco-San Jose, California. Focus groups generated qualitative explanatory data to shed richer and deeper insight into the reasons why members of the Indian diaspora community invest in India, what characteristics of a fixed-income security offering are or are not attractive to the Indian diaspora, and what features would make such an investment offering relatively more or less attractive, and why.

Each focus group consisted of between 6 and 12 participants. Participants in three of the four focus groups were recruited by market research firms, and soft quotas were set to ensure age, income, occupational, and immigrant generational diversity in each of the groups. The fourth focus group, held in Austin, Texas, was organized with the assistance of the Alhambra-U.S. Chamber of Commerce. This was a valuable focus group because it included several high net worth individuals (net investable wealth of more than \$1 million) who would have not likely participated in traditional focus groups.

B. DEMOGRAPHIC PROFILE

B1. THE INDIAN DIASPORA IN THE UNITED STATES

The U.S. Indian diaspora collectively consists of approximately 2.6 million immigrants and their children (first and second generations) living inside the United States. Approximately two-thirds of this community was born in India. Indian immigrants are dispersed throughout the United States, but are predominantly found in California (approximately 350,000), New York (300,000), and Texas (165,000). The metropolitan areas with the largest Indian diaspora populations include New York City, Chicago, San Jose, Washington, D.C., San Francisco, and Los Angeles.¹

Well educated and professionally driven. The Indian diaspora is relatively young, highly educated, and economically successful. Members of the Indian diaspora hold advanced degrees at four times the rate of the U.S. general public and earn a median annual income \$39,000 above the median for all U.S. households. This stems from the fact that many Indian immigrants came to the United States on student or temporary worker visas for highly skilled workers. Half of all Indian diaspora households earned annual incomes in the top 25 percent of the U.S. income distribution (more than \$90,000 per year). More than half of the Indian diaspora are in professional or managerial occupations and are overrepresented in scientific, engineering, and information technology professions.

B2. MARKET RESEARCH PARTICIPANTS

As discussed in Section A, between September 10 and October 21, the AMEG research team held four focus groups in four major U.S. cities with large Indian populations — Austin, Texas; Chicago, Illinois; New York, New York; and San Francisco, California. To supplement the qualitative data generated by the focus groups, AMEG also piloted a national, self-administered, online survey consisting of 46 closed-ended questions to provide quantitative estimates of key research questions. The research team originally planned to

¹ Migration Policy Institute. (2014). "The Indian Diaspora in the United States." Retrieved from <http://www.migrationpolicy.org/sites/default/files/publications/RAD-Indiall-FINAL.pdf>. (Accessed September 10, 2014).

have the survey live for a total of 21 days, but extended it for an additional 20 days in October. A total of 101 members of the Indian diaspora responded to the survey, providing quantitative data to augment the focus group findings. Focus group participants completed a shortened version of the survey (including demographic questions, etc.) at the time of the focus group meeting.

In total, 142 members of the Indian diaspora participated in the market research study. As outlined below, these participants were representative of the broader Indian diaspora, reflecting diversity across many characteristics, including gender; religion, including Hindus, Muslims, and Christians; immigrants and first-generation members of the Indian diaspora; investment experience and expertise; frequency of travel to India; and current and previous investment in India. The graphs and charts below illustrate the demographic breakdown of the 142 market research participants.

Note: deliberate over-representation to target those most likely to invest. The focus group participants included an over-representation of (1) those with a master's degree or higher and (2) older members of the diaspora, who also are more likely to have been born in India. The research team pursued this approach intentionally to solicit input from those most likely to have investable wealth and thus most likely to have the ability to invest in a fixed-income security. For example, as seen above, 78 percent of participants were born in India. Although this does not align perfectly with the overall U.S. Indian diaspora population, of which approximately 66 percent were born in India, the research team thinks this sample reflects likely investors in the U.S. Indian diaspora community, who tend to be older, have higher incomes (see exhibits below), and are more likely to have been born in India.

Exhibit 1. Gender

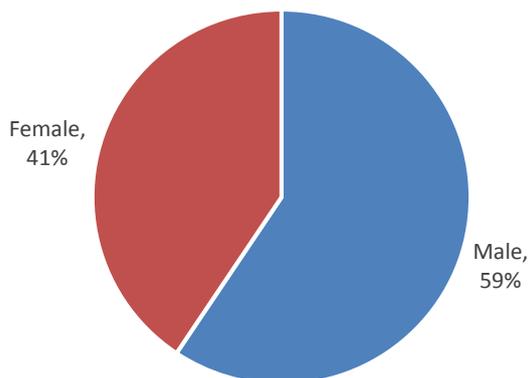


Exhibit 2. Country of Birth

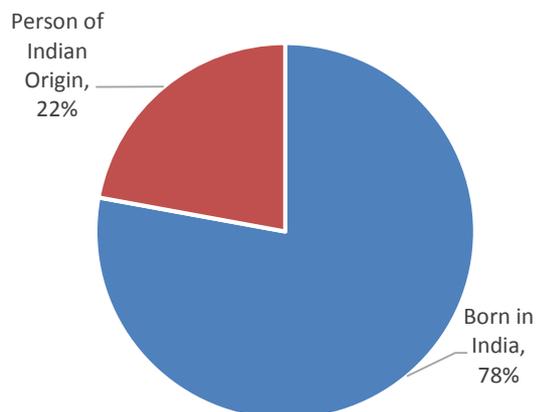


Exhibit 3. Age Groups

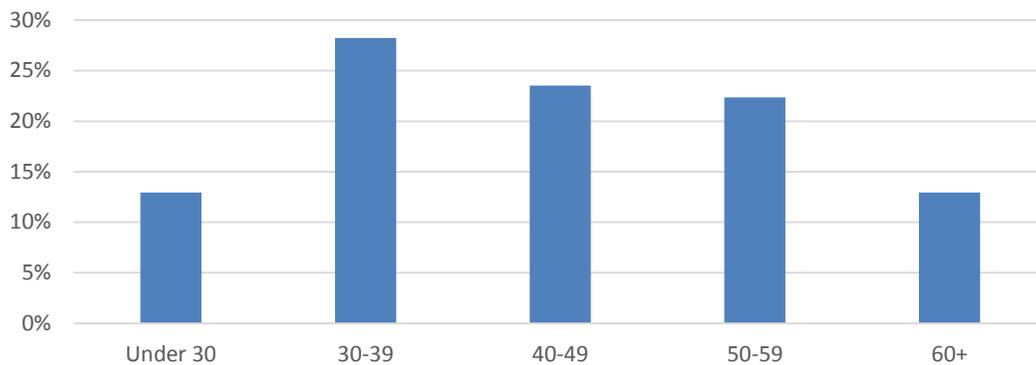


Exhibit 4. Level of Education

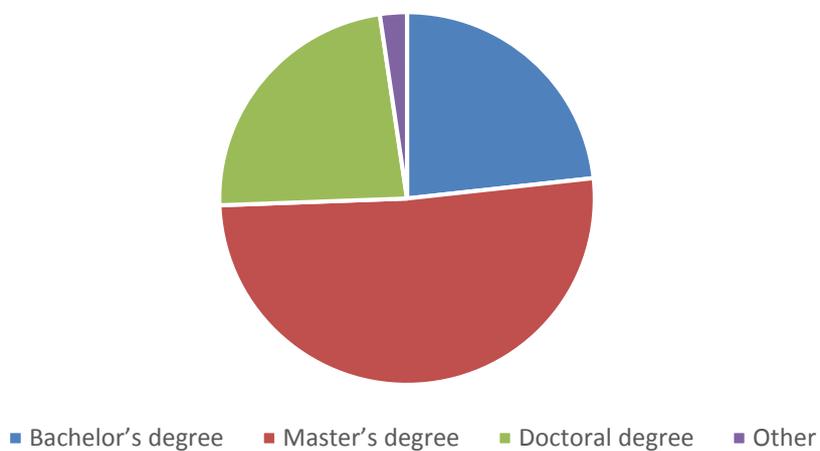


Exhibit 5. Total Annual Family Income

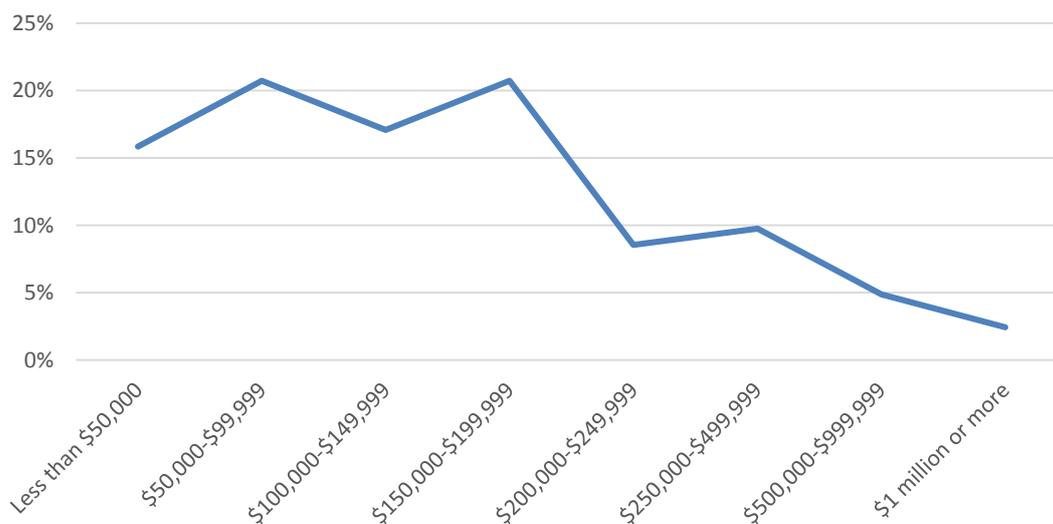


Exhibit 6. Geographic Distribution of Market Research Participants



Some highlights of the sample:

- *Extremely well educated.* The U.S. Indian diaspora is a very well educated population, and our sample reflects this fact. Nearly 75 percent of research participants hold a master's or doctoral degree. More than 97 percent of participants hold a bachelor's degree or higher.
- *63 percent of respondents have annual family income of \$100,000 or higher; 35.8 percent of sample has net investable wealth of \$100,000 or higher.* Indian Americans represent the highest earning ethnic group in the United States, and our sampling strategy deliberately targeted high net worth individuals most likely to become investors.
- *Balanced geographic distribution with focus on the states and metropolitan areas with the highest concentration of Indian Americans.* As illustrated in Exhibit 6 above, many market research participants live in California or the greater New York City area. In addition, a focus group was held in Austin, Texas, to ensure the three states with the highest concentration of Indian Americans were adequately sampled.

C. ENGAGEMENT WITH INDIA

This section discusses how the Indian diaspora engages with India. Current and past engagement, such as travel to India and frequency/volume of remittances, provides useful insights. For example, these findings help answer such questions as: To what extent would a fixed-income, social-impact investment compete with remittances and donations?

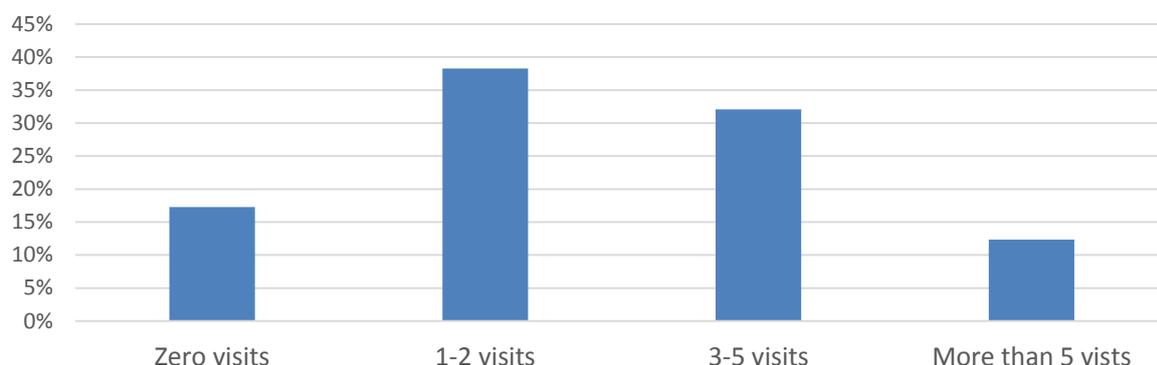
C1. CURRENT AND PREVIOUS ENGAGEMENT WITH INDIA

The Indian diaspora is well organized, and many engage India through remittances and philanthropy. In absolute terms, India receives the largest amount of remittances of any country in the world (\$67 billion in 2012, \$13 billion of which was from the United States.). Studies of Indian diaspora philanthropy note that many Indian Americans consider giving back to India an obligation and a welcome responsibility. Diaspora economic involvement also includes entrepreneurship and investment. Many Indian Americans have started businesses in India and have equity investments in the country. In 2012, Indian banks held approximately \$68 billion in deposits from members of the diaspora. Since 1991, the government of India has issued three bonds, which have raised a total of \$11.3 billion.

Large number of diaspora organizations to facilitate engagement. Indian Americans engage each other and India through a variety of diaspora organizations spread out across the U.S. These include cultural associations (some Indian state specific, such as Gujarati Samaj), religious, philanthropic, advocacy, and professional associations.

High frequencies of circular migration. Despite the cost and distance, Indian Americans travel to India frequently. More than 80 percent of market research participants traveled to India in the past three years, with 44.4 percent traveling to India three or more times in that period. (See Exhibit 7.)

Exhibit 7. Number of Visits to India in Past Three Years



Those who travel also engage economically. Our research suggests that those who travel to India also engage India economically — whether through investment, remittances, or charitable donations. Of those respondents who traveled to India over the past three years 84 percent also sent investment, remittances, or charitable donations to India over the same period. More specifically, of those who traveled to India over the past three years, 63 percent invested in India, 60 percent sent remittances, and 72 percent sent philanthropic donations to India. (Many individuals contributed in more than one way.)

Large volumes of remittances and philanthropic donations to India. Survey and focus group participants indicated significant engagement with India through investments (discussed in more detail in Section D3), remittances, and charitable donations. Over the past three years, respondents have remitted on average \$8,242 annually to India (see Exhibit 8). In total, 60.5 percent of market research participants sent remittances to India at least once over the past three years.

Exhibit 8. Remittances Sent to India

	In the Past Year	One Year Ago	Two Years Ago
Mean	\$8,186	\$4,813	\$11,726
Max	\$200,000	\$50,000	\$250,000
1st Quartile	\$0	\$0	\$0
Median	\$0	\$250	\$0
3rd Quartile	\$5,000	\$3,750	\$5,000

Over the past three years, respondents have given on average \$5,164 annually to charities in India (see Exhibit 9). In total, 77.4 percent of market research participants gave at least one charitable donation to help people in India over the past three years. A recent report of the Indian diaspora in Silicon Valley notes, “These newly-wealthy individuals, many of whom arrived in the United States with few assets, have not forgotten their Indian roots. Many donate large amounts of their personal wealth to support a variety of causes in India, such as education and health care.”²

² Silicon Valley Community Foundation. (March 2012). “On the Shoulder of Generations: Philanthropy of the Indian American Community of Silicon Valley.” Retrieved from <http://www.siliconvalleycf.org/docs/indian-american-philanthropy-final.pdf>. Accessed October 17, 2014.

Exhibit 9. Charitable Donations to India

	In the Past Year	One Year Ago	Two Years Ago
Mean	\$1,223	\$3,072	\$11,197
Max	\$15,000	\$100,000	\$500,000
1st Quartile	\$0	\$0	\$0
Median	\$300	\$100	\$150
3rd Quartile	\$1,000	\$1,000	\$1,250

C2. ATTITUDES AND PREFERENCES OF INVESTING IN INDIA

In addition to the descriptive statistics listed in Section C1, the market research aimed to capture the root motivations of the Indian diaspora’s investment in India. More specifically, AMEG aimed to answer such questions as: Why do Indians want to invest in India? Is it for purely financial motivations? Do they feel that they receive an emotional return from their investments back home? Or do they believe investing in India will yield some kind of social-status benefit to them?

Financial and emotional returns are the main drivers of Indian diaspora investment. Our study suggests that financial and emotional return expectations are the main drivers of Indian diaspora investment (see Exhibit 10, next page). In a battery of questions designed to probe underlying psychological drivers for investment, respondents registered greatest agreement with financial-motivation measures, such as “Profitability is my greatest concern when I invest in India,” “Personal financial independence is my primary goal when I invest in India,” and “I invest in India to improve my investment portfolio.” Emotional-motivation statements, such as “I feel a sense of personal accomplishment when I invest in India,” “I take great pride when investing in India,” and “I feel it is my personal duty to invest in India” also were salient to respondents. Most importantly, respondents were mostly driven by an interest in making a social impact in India.

Social-status concerns — which often are important diaspora investment considerations in other diaspora communities — were less important to respondents in this study. There was weaker agreement with statements probing expected social-status rewards or sanctions associated with diaspora investment in India. Statements such as “I invest in India because my family expects me to do so,” and “I would feel disgraced if I did not invest in India,” and “People within the Indian diaspora lose social status in the Indian diaspora if they do not invest in India” did not receive strong levels of agreement among respondents.

D. INVESTMENT BACKGROUND AND PREFERENCES

This section outlines the investment psychographics and behavior of the Indian diasporans who participated in AMEG’s focus groups and online survey. Specifically, this section examines respondents’ net investable wealth, level of investment risk tolerance, level of investments already made in India, and possible location preferences when investing in India.

D1. NET INVESTABLE WEALTH

What is the net investable wealth profile of the Indian diaspora? Respondents represented diversity across all levels of net investable wealth (see Exhibit 11). More than one-third (36 percent) of all respondents possessed \$100,000 or more in net investable wealth.

Exhibit 10. Drivers of Investment in India

(degree of agreement using 7-point Likert rating scale)

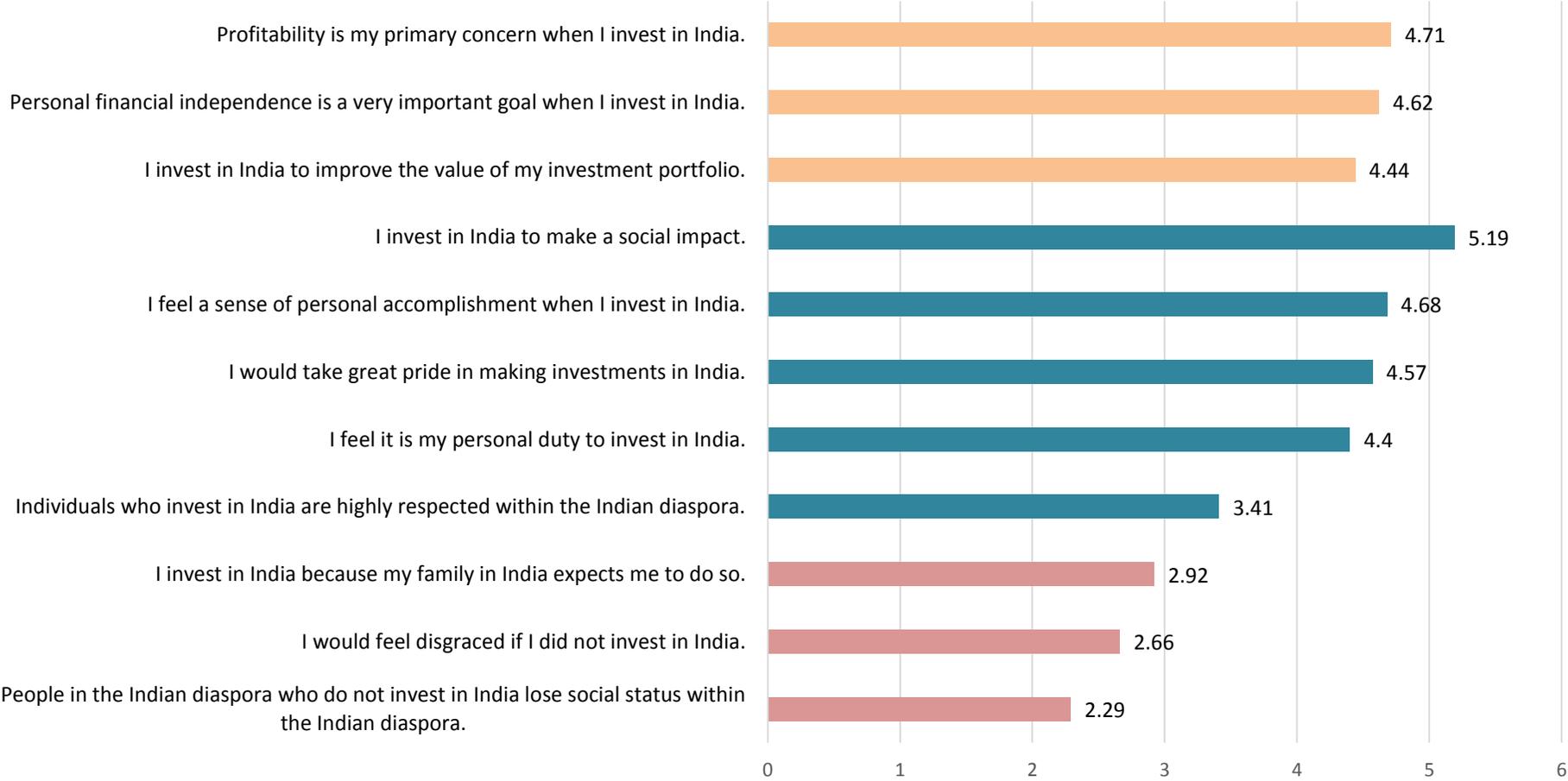
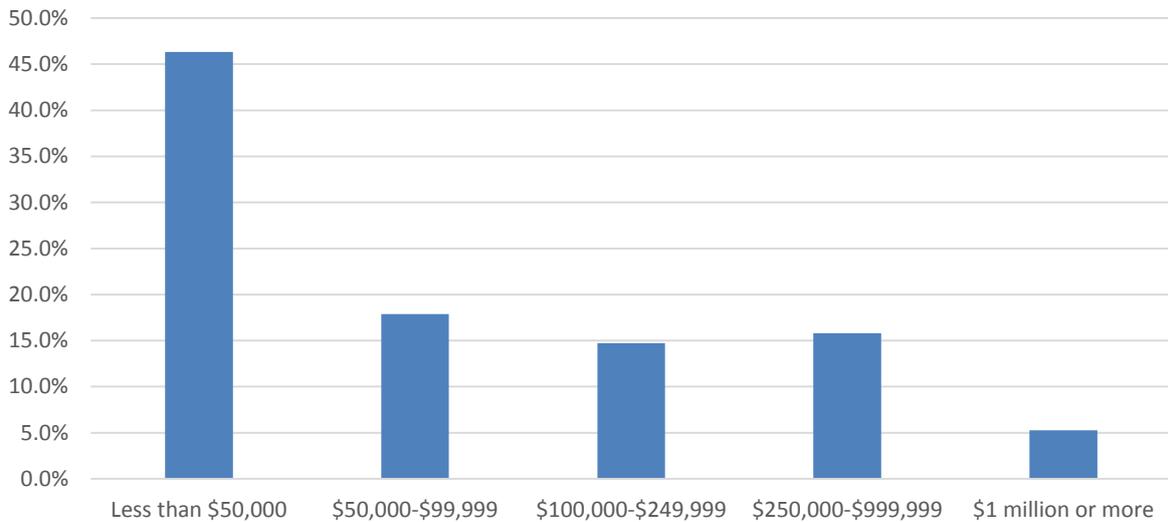


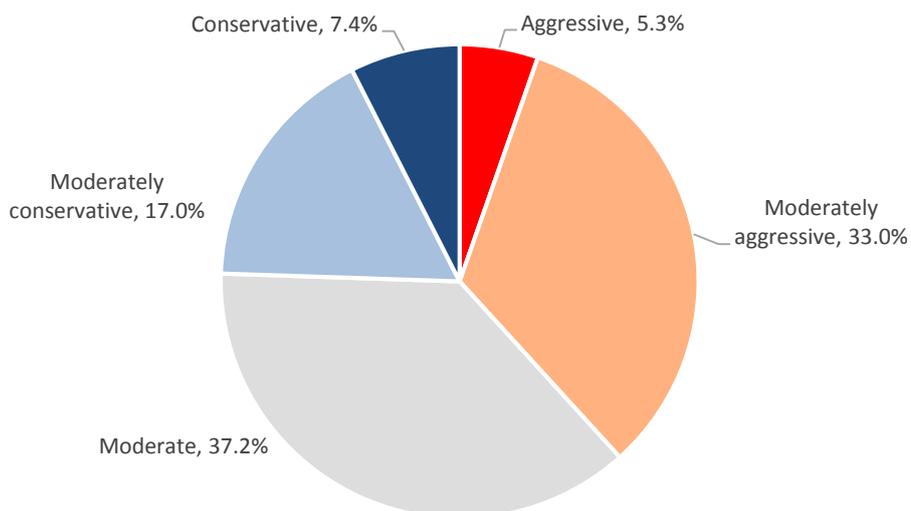
Exhibit 11. Net Investable Wealth



D2. RISK TOLERANCE

Are Indian diasporans risk takers when it comes to investment or are they risk averse? The majority of respondents (38 percent) in this study indicated that they would describe their level of risk tolerance when investing as “aggressive” or “moderately aggressive” (see Exhibit 12). More than one-third (37 percent) indicated a “moderate” level of risk tolerance. Seventeen percent claimed to hold a “moderately conservative” risk tolerance when investing. Only 7.4 percent indicated a “conservative” level of investment risk tolerance.

Exhibit 12. Risk Tolerance

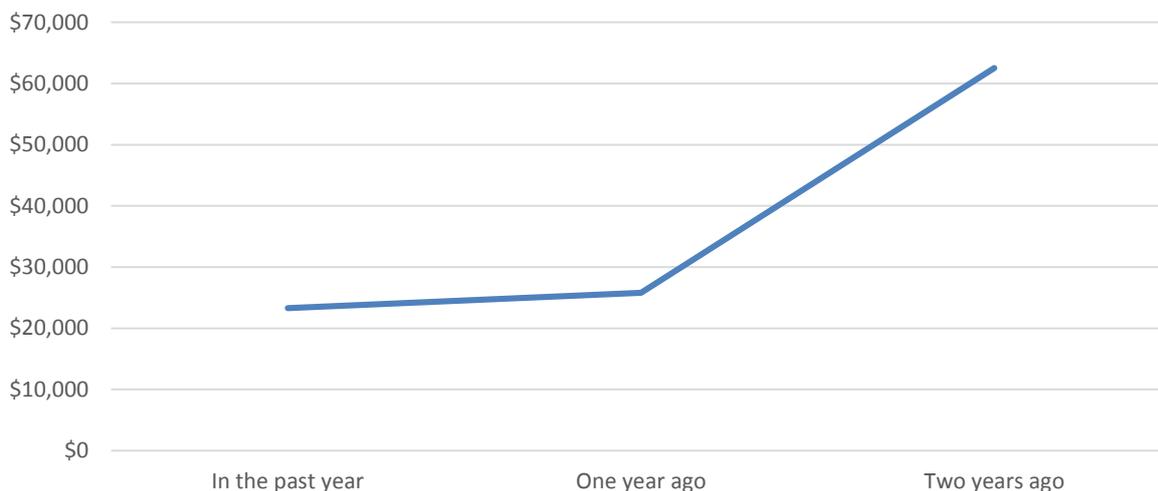


D3. INVESTMENT IN INDIA

Each of the respondents was asked whether they had invested in Indian companies or other investment vehicles in India and if so, how much they had invested each year over the past

three years. Almost one-third of respondents indicated they had invested in India (see Exhibit 13). The sum of their investments in the past three years total more than \$18 billion. Across all three years, the average amount invested annually by respondents was \$40,559. The average annual amount invested in the last year was \$24,324 (standard deviation \$79,516).

Exhibit 13. Investments Made in Indian Companies and Other Investment Vehicles



	In the Past Year	One Year Ago	Two Years Ago
Mean	\$24,324	\$29,108	\$68,247
Min	\$0	\$0	\$0
Max	\$600,000	\$600,000	\$1,000,000
Standard Deviation	\$79,516	\$99,609	\$198,998

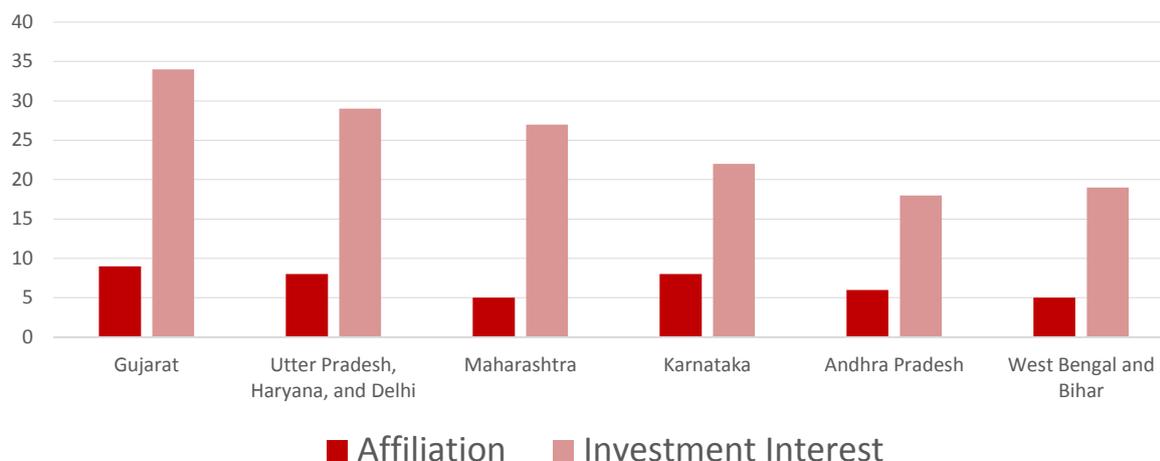
Although market research participants do not think of themselves as risk-averse investors, focus group participants painted a picture of an Indian diaspora that takes extreme caution when investing in India. Every focus group highlighted the Indian diaspora’s propensity to invest in real estate or family businesses in India — investments that are relatively simple and can be overseen easily from the United States with the assistance of family and friends in India.

D4. INVESTMENT LOCATION PREFERENCE

Respondents were queried as to whether they preferred to invest in a particular state or states in India when investing in the country or whether they had no state-specific preference. Almost one-quarter of all respondents (21 percent) stated that they had no state-specific preference when investing in India.

The majority who did possess a location preference were asked to select the states that they found attractive for investment in India. Exhibit 14 below illustrates that respondents tend to indicate investment interest in the states from which they originated but also indicate interest in other states as well. Gujarat, Uttar Pradesh, Haryana, Delhi, and Maharashtra received the greatest level of investment interest. Karnataka, Andhra Pradesh, West Bengal, and Bihar also registered interest among respondents.

Exhibit 14. State of Affiliation vs. Investment Interest by State



E. MODELS FOR MOBILIZING DIASPORA INVESTMENT

This section explores attitudes and preferences of the Indian diaspora for a fixed-income, social impact-oriented investment opportunity in India. General, top-of-mind reactions to the basic opportunity are explored, as well as specific reactions to investment-vehicle characteristics, such as maturity, interest rate, currency denomination, and issuer. The perceived ideal deal structures, including the most popular combination of investment-vehicle characteristics, also are described.

E1. REACTION TO GENERAL INVESTMENT OPPORTUNITY DESCRIPTION

Initial tepid response to general investment opportunity. Survey respondents were queried as to how strongly they agreed with the following general investment description:

“I would be willing to invest in a fixed-income investment for the Indian diaspora, even if the rate of return was below market rates, if funds were used to invest in businesses that positively impact poor and/or disadvantaged Indians and support India’s economic development.”

The average reported agreement hovered near the midpoint, yielding only 4.8 out of 7 (where 7 = strongly agree). The standard deviation for this measure was 1.8, suggesting that the reaction to the general investment opportunity was tepid. These results — coupled with the mild enthusiasm about the investment opportunity observed in conversations with diaspora leaders by the research team — raised one key question: Why is interest seemingly limited? To answer this question, a focus group protocol was designed to further probe Indian diaspora reactions to the investment opportunity and to identify the investment characteristics (e.g., maturity, interest rate, currency, issuer type) that are most preferred by the Indian diaspora. Focus group discussions revealed that many Indian diasporans react to the investment opportunity with skepticism, concerns, and fears due to shared feelings of distrust of and insecurity with the Indian investment environment.

Investment skepticism, concerns, and fears. In focus groups, participants were shown a flip chart describing the same general investment opportunity referenced above. Across all four

focus groups the top-of-mind, first reactions to the description were similar: Members of the Indian diaspora react to the proposed investment opportunity with skepticism, concern, and even fear. They voiced worry concerning the security of their investment funds and uncertainty about the likelihood of social impact.

For example, after the flip chart was revealed in Austin, Texas, the immediate conversation focused on investment fear due to a lack of trust in individuals and institutions in India.

Male 1: I'm scared.
Moderator: You're scared. Say why.
Male 1: Because I can't trust anybody back home.
Moderator: You can't trust anybody. People agree with this statement?
Male 2: Yes.
Male 3: Yes.
Female 1: Yes.
Moderator: Why can't you trust anybody?
Male 4: Because what if they just lock up and walk away? What happens?

After the flip chart was unveiled in Chicago, Illinois, the discussion also centered on investment security and corruption concerns.

Male 1: Is there security?
Male 2: Because corruption is so rampant in India, and especially at grassroots level, that ... I mean are the funds really being used for education for example? Is that poor kid really getting school clothes, books? Or do you have some guy stuffing the money and give him one rupee and his pocket is hundred rupees?
Female 1: Exactly.
Male 2: That is exactly what I think goes through everyone's mind, is corruption, corruption, corruption. That's the first thing to think of.
Female 2: Yeah, I'll pay for my cousin's kid's education rather than giving money to education institution.

Notably in each of the four focus groups, the presentation of the general investment opportunity drove someone from the participant group to independently voice concerns about corruption in India. In each of these instances, the mention of corruption generated a lively discussion, in which respondents seemed to emotionally bond with each other over shared experiences of corruption back home. Stories were shared with great vocal and physical animation, often to the point where participants began to talk over one another. Once these stories were shared, increased eye contact among focus group participants was observed, and they began more readily to build on each other's contributions to the overall discussion, enriching the group conversation.

Importance of trust and security. Keyword analysis of the full length of the four focus group transcripts reveal two salient issues to the Indian diaspora as it relates to investment: trust and security. On average in each of the focus groups, the word "trust" was mentioned 25 times and the word "security" was mentioned 22 times when describing reactions to investment in India. A participant in the New York focus group summed up the Indian diaspora's investment skepticism, concern, and fears:

"I would love to go into something like this [investment opportunity] where you can eat the cake and have it too. It's a win-win, win-win, win-win situation, but hey, I think it looks a

little Utopian...but when you think of any fixed-income investment, you worry about lots of principal. The interest is that carrot that they dangle in front of you. But you may lose all [of] your principal because you're worried about the stability of the numbers of the market or you're worried about how the funds will actually be used, will the investment actually appreciate, and how stable your investment is."

E2. INVESTMENT-VEHICLE CHARACTERISTICS: MATURITY

Focus group participants discussed various possible maturity levels for a fixed-income social-impact investment in India, from one-year maturity possibility to a potential 10-year maturity opportunity. The pros and cons of each level of maturity were discussed.

Shorter-term maturity (<5 years) creates opportunity to build trust. Across the focus group discussions, a clear preference emerged for a shorter-term maturity (< 5 years). This was suggested as a means of building investor confidence and trust. One man in New York noted, "If I am investing for two years, and I can see that the next two years is going to be the same government, the same people, it reduces the risks." Another man, in San Francisco, observed, "Five years is a long time. I would like to see some impact in a reasonable time frame, like two to three years is reasonable. Five years is very hard to monitor."

E3. INVESTMENT-VEHICLE CHARACTERISTICS: INTEREST RATES

Participants in the focus groups also discussed different levels of interest that a fixed-income social-impact investment opportunity could yield. Since typically social-impact investments yield less than market rates, participant reaction to rates ranging from 0 percent interest to 6 percent interest were explored.

All presented interest rates (0-6 percent) were below participants' perceived price floors. After viewing the general investment opportunity description, focus group participants were first asked how they would feel if that opportunity yielded a 6 percent interest rate. Participants were reminded that social-impact investments typically yield interest rates below market. In each of the four groups, reaction to the 6 percent interest offer was mild. A man in Chicago summarized the reaction by saying,

"Six percent is not a huge amount; it is more of a feel-good investment. You're giving back to a social-impact sector. If company's done their due diligence and it really is helping the needy, then you'll feel good about investing the money even though it's not a huge return but you're just doing it just to give back."

Participants compared the presented fixed-income social-impact investment opportunity investment yield to their perceptions of investment yields back in India. As a man in New York noted, "Right now in India investing has become a big deal...for what I [have] invested in India, the returns are between 12 to 36 percent. This doesn't even come close."

A 0-interest rate yield may be attractive for several reasons. At the opposite extreme, some participants provided rationale for the benefits of a 0-percent yield for the fixed-income social-impact investment opportunity.

Some Muslim participants in the groups (particularly in Austin and Chicago) noted that a 0-interest security could be a viable opportunity to Muslims who view interest-bearing

investments as *haram*, or forbidden. “Because with us, because we’re Muslims, we can’t do interest. We can’t take that interest,” said one woman in Austin. Since the presented investment opportunity focused on social-impact sectors, one Muslim male focus group participant in Chicago suggested to the moderator after the focus group that the investment be marketed to Indian Muslims in the diaspora as a form of *zakat*, or duty-bound charity.

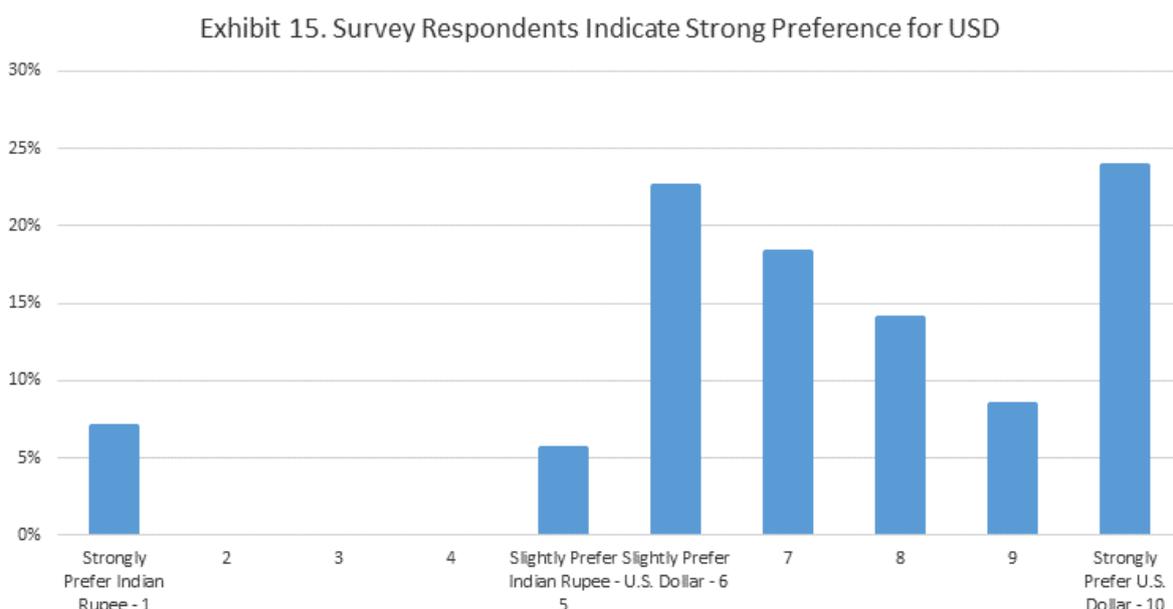
Other focus group participants viewed a 0-percent social-impact investment as a creative way to save money. One participant observed, “It [the fixed-income social-investment security] is like lay-a-way for your money — but it helps people.”

Some participants thought that a 0-percent investment offer might also be credibility enhancing. One focus group described this rationale saying, “Maybe it is better for an opportunity like this to not give you interest. Makes it seem like they are really helping people with our money.”

E4. INVESTMENT-VEHICLE CHARACTERISTICS: CURRENCY DENOMINATION

In each focus group, participants were asked how they would feel if the proposed fixed-income social-impact investment was denominated in Indian rupees or U.S. dollars. Although each focus group included individuals currently holding assets in India denominated in Indian rupees, almost all of the participants preferred to invest in U.S. dollars and receive U.S. dollars in return at maturity. In almost all cases, participants voiced a very strong preference — and even demanded — that the investment be offered in U.S. dollars.

Survey respondents indicated an overwhelming preference for U.S. dollar-denominated investments: 87 percent of respondents indicated some degree of preference for the U.S. dollar over the Indian rupee. Exhibit 15 below illustrates this preference.



Indian rupee devaluation concerns were voiced by many in the focus groups. “It [the Indian rupee] brings the safety factor down. The currency can lose its value...What happens then?” observed one participant. Several participants shared memories of specific historical Indian rupee devaluations (many referring to a major devaluation that occurred in 2013) and the resulting impact the devaluations had on their investments in India.

Three individuals across the four groups held a different point of view, voicing a preference for Indian rupee investment. These individuals had recently moved to the United States and most of their investments remained in India. They noted that they still had several family members that they were supporting back home through these investments, and thus had a need for Indian rupees on hand.

E5. INVESTMENT-VEHICLE CHARACTERISTICS: ISSUER

One of the liveliest topics of conversation in the focus groups centered on which type of entity would be the most appropriate issuer of a fixed-income social-impact security, marketed to the Indian diaspora, that would lend funds to small- and medium-sized enterprises in India. Participants were individually asked to comment on how they would feel if the Indian government were the issuer, or banks (whether the issuer be a local Indian bank or a U.S. multinational bank with a subsidiary in India), or a U.S. community development financial institution (partnering either with a local bank or nongovernmental organization). The pros and cons of each issuer — and the rationale for attitudes and preferences — were probed in each discussion.

Corruption concerns have weakened perception of Indian government as the ideal diaspora security issuer. Across the groups, the words “corruption” and “distrust” consistently were associated with the idea of the Indian government as an issuer of the proposed investment opportunity. One participant noted, “being Indians, we know how much corruption is in India. That is why we are so skeptical [about this investment opportunity].” Another commented, “I don’t trust the [Indian] government, to be honest. . . If I [invest] 100 percent, only 30 percent or 20 percent will reach the people. Eighty percent will be gone.” In each of the four groups, mention of the Indian government as a possible issuer of the investment opportunity generated a story about government corruption in India. Stories of personal experiences with and perceptions of petty and grand corruption were shared.

Even when the moderator probed further to encourage any possible minority opinion supporting the Indian government as issuer of the proposed investment opportunity, the best that was mustered by participants was a “wait-and-see” attitude. The conversation in the San Francisco focus group is emblematic of the discussions we observed:

- Moderator: Would this be attractive to you if the Indian government were to offer it to you? Would anybody in the room find that attractive? [Almost all of the heads shaking ‘no’ in background]
- Female1: No.
- Female2: Not really.
- Moderator: Not a single person?
- Male1: It’s not that I would invest in it right away, but there’s been a change back in India in who’s the Prime Minister and everything, so I might give it a thought. I might give it some wait period. Maybe a year to see how well is that project going on? Does it really cause a social impact?

- Female3: All governments talk big and every time there's a huge sea change obviously there are two very, very opposing political parties that are coming up with it. Some of this new government has given everybody hope, whether they belong to one party or the other. It's a wait and watch, definitely. I'll give a year or year and a half to see how they are.
- Male3: I would not invest in the new government or whatever government.

Financial crisis has dimmed perceived bank reliability as an issuer. While some participants were open to — and even preferred — a bank as an issuer of the proposed investment opportunity, most respondents voiced concerns with the reliability of such an investment. In Chicago, a lively discussion ensued when the possibility of a bank issuer was raised:

- Male 1: Seriously, if you put your money in a bank, what do you get? [scoffs]
 Female 1: No, you get nothing.
 Male 2: I know, but at least they're honest about not giving you anything [said in contrast to the previous conversation about the Indian government].

In several of the groups, participants commented that banks were not seen to be as reliable as they used to be in the recent past because the financial crisis had negatively affected their feelings toward banks as reliable financial institutions.

Across all four groups, there was little to no interest expressed in a local Indian bank issuing the proposed investment. When the possibility of a U.S.-based multinational bank with a subsidiary in India was suggested, many participants automatically thought of Citibank as a candidate. The suggestion of Citibank evoked a mixed reaction. Across the four groups fewer than five individuals described Citibank as “reliable” or an entity that “could be counted on.” But the majority of participants shook their heads in disagreement when asked if a bank like Citibank would be a viable issuer of the proposed investment. One participant summarized the majority perspective in his group, claiming, “Citibank is big in India, but Citibank is a joke.”

U.S. community development financial institution with local partner perceived as honest broker with “boots on the ground.” Participants in each focus group were asked how they would feel if the proposed investment opportunity was offered by a U.S.-based community development financial institution. The mention of this type of institution often elicited questions from participants to clarify the type of institution being described. In all cases, this type of issuer was further defined as a non-governmental organization, or NGO. Across all four groups, the mention of the citizen-sector status of the U.S. community development financial institution generated increased energy and enthusiasm in the room. One respondent in San Francisco summarized the reaction by saying, “I would trust an NGO any day over a bank or multinational or a government.” Another respondent in Austin noted, “...an NGO is set up for doing that [social-impact] work. Whereas for a bank, it's just a side business. They're more likely to be corrupt people involved in that banking area than in that NGO. That's not to say that NGOs don't have any corrupt people, but the likelihood of that will probably be smaller.”

Given that NGOs were welcomed relatively more positively as a possible issuer across groups, respondents were queried as to the types of NGOs they would expect or like to see associated with the proposed investment opportunity. Common mentions included the Bill

and Melinda Gates Foundation (three mentions), the Sankara Eye Foundation (two mentions), and the Make-a-Wish Foundation (one mention).

Respondents were queried about whether a U.S. community development financial institution should partner with a local institution to lend money to small- and medium-sized enterprises in social-impact areas in India. Across all groups there was ready agreement that a partner would provide local insights, knowledge, and connections that would be essential for the success of the investment. In two groups, respondents described the local partner as providing important “boots on the ground” for local operations.

Most respondents preferred that the U.S. community development financial institution partner with another NGO on the ground in India, citing the reasons for the overall NGO preference as an investment issuer and manager. A few cited an openness or preference for the U.S. community development financial institution to partner with a local bank, noting that banks are often in the business of lending money to small- and medium-sized enterprises. In two of the focus groups, the conversation about partnership centered on the need for the U.S. community development financial institution to closely monitor and regulate the activity of the local partner to prevent corruption or inefficient use of funds on unnecessary administrative expenses.

E6. INVESTMENT-VEHICLE CHARACTERISTICS: OTHER ISSUES

When discussing the characteristics of the proposed investment opportunity, a few issues other than maturity, interest rate, currency, and type of issuer were mentioned by participants. The paragraphs below highlight other issues that came up in focus groups. Exhibit 16 provides comparable issues identified by survey respondents.

Detailed, frequent communication about social impact. A clear concern voiced across all four groups is a shared need among the Indian diaspora for the social-impact measures and goals to be clearly defined and communicated to potential investors. Participants prefer a detailed account of how their money will be used, how success will be measured, who will benefit and how. Many participants expressed a desire to be kept up to date during the investment period about the progress that is being made and how their funds are being used. These conversations linked this type of detailed communication to “credibility enhancing” and “trust-building” behavior of any possible investment issuer.

Importance of opinion leaders in investment decision-making. Some respondents mentioned that their interest in the proposed investment would be enhanced if people they respected were investing in the opportunity as well. In some cases, respondents claimed that these respected opinion leaders were specific family members and/or close friends. Others mentioned the importance of the support and involvement of well-respected individuals and brands, such as the Tata Group or the Sankara Eye Foundation.

Belief that social-impact activity may be diluted by heterogeneity. When time allowed in several of the focus groups, participant preferences regarding the composition of the proposed investment’s portfolio was explored to identify potential investor priorities among social-impact sectors, such as education, healthcare, clean energy, sanitation, etc. These conversations suggest that potential investors in the Indian diaspora may perceive investments made in too many differentiated sectors as relatively weaker and less effective than investments made in a few, key sectors. Preferences in these conversations were voiced

for the potential investment opportunity to focus on lending investor funds to enterprises in the education and sanitation sectors specifically.

U.S. government financial backing encourages investors. In three of the four groups, when the general investment concept was presented to participants, a question was raised about the role of the U.S. government in securing the investment. In the groups where the issue was raised, the idea that the U.S. government would support and/or secure the investment was received very positively by participants.

E7. PERCEIVED “IDEAL DEAL” STRUCTURES

An activity was undertaken in each focus group to allow participants to create their ideal fixed-income social-impact investment opportunity in India. Participants were provided with a custom-made stack of cards in which each “suit” represented an investment opportunity characteristic, including maturity length and interest yield pairings (one year and 0 percent, 10 year and 6 percent, etc.), currency type (U.S. dollar or Indian rupee), and type of issuer (Indian government, local Indian bank, U.S. multinational bank with a subsidiary in India, U.S. community development financial institution, U.S. community financial institution with a local Indian bank partner, and U.S. community financial institution with a local Indian NGO partner). A “wild card” was also given to each participant to represent any additional characteristic that participants felt would make the deal ideal. Participants were invited to make their own ideal deal using one card from each suit. Then each participant was asked to describe and explain their choices to the group.

Exhibit 17 below summarizes the combined preferences expressed by participants through this exercise across all four groups. Most (59 percent) selected that the investment opportunity be issued by a U.S. community development financial institution with some kind of local partner. The majority of these participants (54 percent) indicated a preference for a maturity length less than five years. One quarter (26 percent) voiced a preference for that U.S. community development institution to issue the investment at 0 percent interest and the maturity rate to be set at one year.

More than one quarter (26 percent) selected a U.S. multinational bank with a subsidiary in India as the ideal investment issuer. Among those, a five-year maturity with a 3 percent interest rate was preferred.

Fifteen percent of participants identified the Indian government as the ideal issuer for this investment opportunity, and about half of that group preferred a 10-year investment yielding 6 percent interest.

Exhibit 16. Top Factors Driving the Indian Diaspora's Investment Decisions

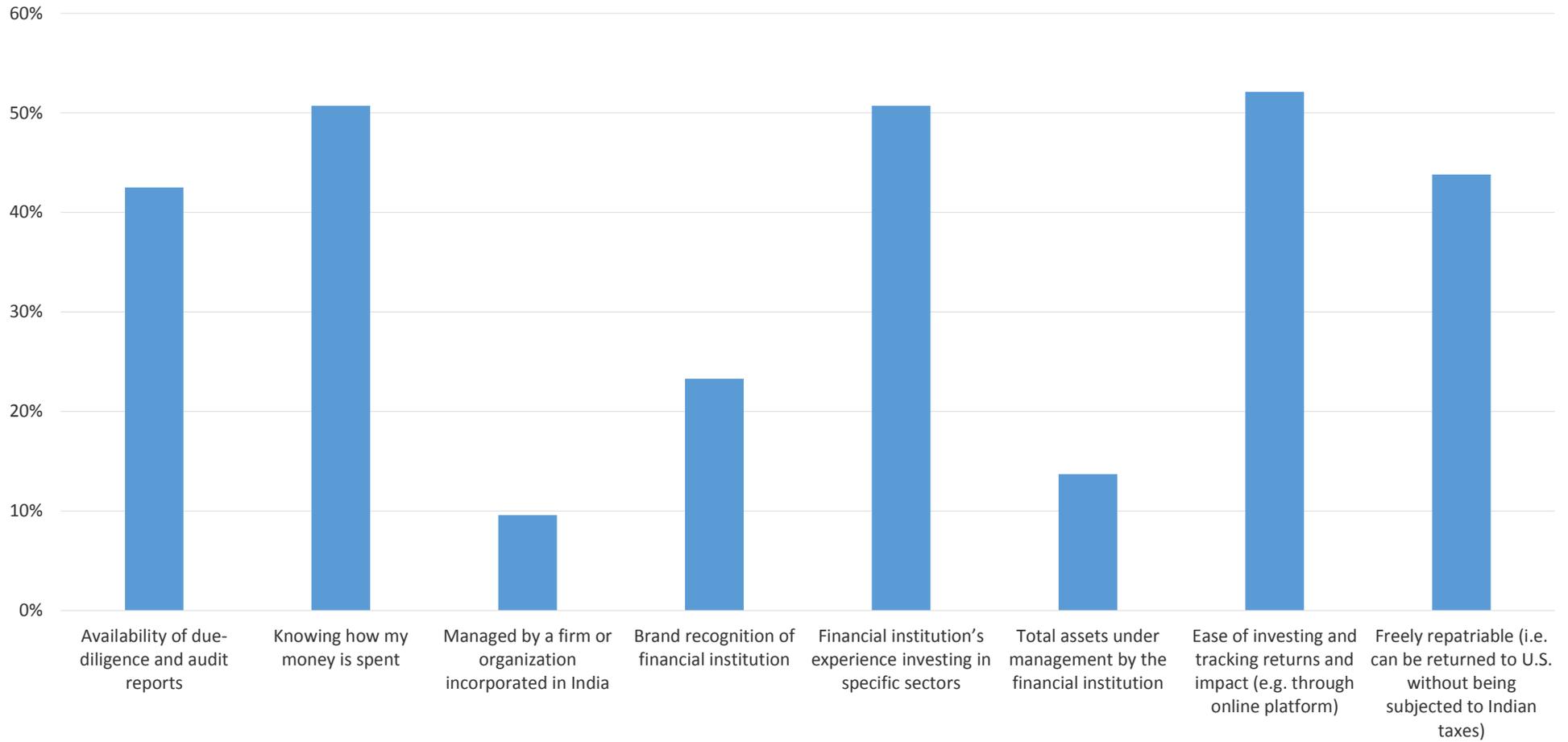


Exhibit 17. Focus Group Preferences: Institution, Interest Rate, and Maturity

ISSUER	1yr./0%	2yr./1%	5yr./3%	10yr./6%	TOTAL
U.S. Community Development Financial Institution <i>with Local NGO</i>	26%	7%	7%	7%	47%
U.S. Community Development Financial Institution <i>with Local Bank</i>	—	4%*	4%	4%	12%
U.S. MNC with Subsidiary in India	7%	4%	15%	—	26%
Indian Government	4%*	4%	—	7%	15%

F. RECOMMENDATIONS

1. *Start with a short-term maturity and use the demonstration effect to increase investment in future.* To decrease investor skepticism, concern, and fear and increase confidence, it is recommended that the initial investment opportunity be structured to mature within a relatively short time frame (less than five years). As investors realize the positive social impacts of their initial investments, they are likely to continue to invest and encourage others to do the same.
2. *Unless the investment can compete with benchmark rates, focus on social impact more than interest rate.* Indian diasporans perceive a significant opportunity cost to investing in the proposed opportunity, given that the likely interest rate will be less than current market rates in India. To compensate for these opportunity costs, the proposed investment must clearly demonstrate a significant, measureable social impact to justify the diversion of funds away from greater interest-generating investment activity.
3. *Frequent and detailed communications about financial performance and social impact are key.* The U.S. Indian diaspora desires frequent and detailed communication about where their money is being used — e.g., who are the beneficiaries and how exactly is the social-impact investment making a difference. This information enhances investor trust and decreases investor anxiety about investing in India. One focus group participant suggested periodic investment visits to allow Indian diaspora investors an opportunity to see firsthand how their investment dollars are being used in India.
4. *Select portfolio of social enterprises before marketing the investment (if possible).* *Education and sanitation sectors may yield greatest interest.* As discussed above, transparency would strengthen the attractiveness of any social-impact investment among the Indian diaspora by increasing their confidence that their money is being used wisely. Voiced preferences suggest investments made in education and sanitation are most salient to the U.S. Indian diaspora.
5. *U.S. community development financial institution in partnership with local NGO or bank may be credibility-enhancing.* If the investment opportunity is issued by a U.S. community development financial institution, research suggests that highlighting the

organization's nongovernmental status may help decrease investor skepticism and distrust, enhancing the reliability and credibility of the investment opportunity.

6. *Market the U.S. community development financial institution's success in social-impact investing in emerging markets (and successfully partnering in those markets for social impact).* To mitigate potential investor concerns about the U.S. community development financial institution's lack of track record or experience in the Indian economy, the organization's successful experience in other similar emerging markets could be highlighted in promotional material about the investment opportunity.
7. *Market partner financial institutions' track record of success, particularly in India.* Similarly, an emphasis on the U.S. community development financial institution's local partner success in India could also mitigate investor concerns. Research indicates that the local partner can be described as providing essential local knowledge and contacts to best employ investor funds on the ground in India.
8. *Continue to invest in and leverage relationships forged with nearly 60 Indian diaspora organizations.* Through these research efforts, organizations and contacts were identified in key geographic areas of the U.S. Indian diaspora. The conversations initiated through this research on behalf of USAID can be built upon for future diaspora engagement.

ANNEX A

RESEARCH METHODOLOGY

This document provides an overview of our research methodology, which includes an online survey, focus groups, and one-on-one interviews. Below, we describe the target population, research questions, methods, sample, participants, and measures for the study.

A. Target Population

The U.S. Indian diaspora collectively consists of approximately 2.6 million immigrants and their children (first and second generations) living inside the United States. Approximately two-thirds of this community was born in India. Indian immigrants are dispersed throughout the United States, but are predominantly found in California (approximately 350,000), New York (300,000), and Texas (165,000). The metropolitan areas with the largest Indian diaspora populations include New York City, Chicago, San Jose, Washington D.C., San Francisco, and Los Angeles.

The Indian diaspora is relatively young, highly educated, and economically successful. Members of the Indian diaspora hold advanced degrees at four times the rate of the U.S. general public and earn a median annual income \$39,000 above the median for all U.S. households. Half of all Indian diaspora households had annual incomes in the top 25 percent of the U.S. income distribution (more than \$90,000 per year). Over half of the Indian diaspora are in professional or managerial occupations, and are overrepresented in scientific, engineering, and information technology professions.

The Indian diaspora is well organized and many engage India through remittances and philanthropy. In absolute terms, India receives the largest amount of remittances of any country in the world (\$67 billion total in 2012, \$13 billion of which was from the U.S.). Studies of Indian diaspora philanthropy note that many Indian diasporans consider giving back to India an obligation and a welcome responsibility.

Diaspora economic involvement also includes entrepreneurship and investment. Many Indian diasporans have started businesses in India and have equity investments in the country. In 2012 Indian banks held approximately \$68 billion in deposits from members of the diaspora. Since 1991, the government of India has issued three bonds, which have raised \$11.3 billion combined.

B. Research Questions

This study seeks to understand to what degree members of the U.S. Indian diaspora would be willing to invest in a fixed-income security that would lend invested capital to social impact-oriented, small- and medium-sized enterprises in India.

If there is interest in this type of security, how large might the market be for this type of an investment? Are there specific demographic, psychographic, and/or investment-behavior segments within this market? Is there particular interest among key opinion leaders and high

net worth individuals in the diaspora for this type of an investment? These are key questions this study seeks to answer.

Additionally, this study seeks to uncover whether there are specific characteristics of this type of fixed-income security that would contribute to its perceived attractiveness in the Indian diaspora. For example, how relatively important are such factors as the security's maturity, rate of return, and currency of denomination in the investment decision-making process for members of the Indian diaspora? Furthermore, to what extent does it matter to potential Indian diaspora investors what type of institution issues the security and/or is involved with the subsequent loan of the funds raised to SMEs in India? These issues are also explored in this study.

Answers to these questions will help identify Indian diaspora preferences for various fixed-income security offerings, estimate the market size for such an offering, and provide insights into target marketing strategies should such an offering be brought to market.

C. Methods, Sample, Participants, and Measures

The study is designed as a mixed-method study, inclusive of a national survey, focus groups in a small number of target cities, and in-depth interviews.

Survey. A national, self-administered, online survey will be conducted, consisting of approximately 30-40 closed-ended questions to provide quantitative estimates of key research questions, including estimates of demand for the fixed-income security offering and target market demographic, psychographic, and behavior profiles and size estimates.

Survey measures include questions measuring overall interest in a fixed-income security to lend money to social-impact SMEs in India as well as interest levels for various security characteristics, such as maturity, rate of return, currency, and issuing institution. The top three factors in the investment decision-making process for this type of an investment offering are also queried.

The survey also includes questions to explore Indian diaspora investment behavior, including measures probing total investable wealth, the composition of respondents' investment portfolios, perceived risk tolerance, estimated size of investments made in India over each of the past three years, preference for state-specific investments in India, and perceived investment attractiveness for each of India's states.

Questions are included in the survey to measure diaspora engagement. Annual remittances sent to India and annual charitable contributions made to organizations in India over the past three years are queried. Respondents are also asked how many trips they have made to India in the past year to measure circular migration.

Demographic questions include gender, foreign-born status, number of years spent in the U.S., five-digit zip code, occupation, education, and total annual household income. All respondents are asked where most of their friends and family in India currently reside (which state), and those born in India are also queried about the state in which they were born.

Survey links will be distributed throughout the Indian diaspora with the help, promotion, and partnership of various Indian diaspora organizations who have volunteered to support the survey effort. A full list of these organizations are currently being recruited and compiled. The current list includes TiE (The Indus Entrepreneurs), which is one of the largest nationally dispersed business and professional networks of the Indian diaspora, headquartered in Silicon Valley with chapters throughout the United States. The organization includes more than 35,000 members. Also on the list are 25 Indian diaspora organizations identified by the IdEA network.

Focus groups. A seven-question focus group protocol will be conducted in four metropolitan areas — Austin, Texas; Chicago, Illinois; New York, New York; and San Francisco-San Jose, California. Focus groups will generate qualitative explanatory data to shed richer and deeper insight into the reasons why members of the Indian diaspora community invest in India, what characteristics of a fixed-income security offering are or are not attractive to the Indian diaspora, and what features would make such an investment offering relatively more or less attractive, and why.

Each focus group will consist of between 6 and 10 participants (to the extent possible, two-thirds of participants will be India-born to reflect the diaspora population). We will seek to balance groups wherever possible by gender and will aim to select groups that are reflective of the educational, occupational, and income levels of the Indian diaspora. In most cities, focus group participants will be recruited by a local focus group facility, using a quota protocol specified by the AMEG survey team.

Focus groups will be conducted in the evening, during the middle of the week to increase participation. There will be approximately 2 hours of discussion and each participant will also complete a questionnaire. Focus groups will be moderated by the principal investigator and observed by another member of the AMEG team. Focus group conversations will be fully transcribed for analysis.

In-Depth Interviews. Semi-structured interviews will take place with at least 20 opinion leaders within the Indian diaspora, including diaspora organization leaders and significant investors. Interviews will explore opinion leaders' perspectives on trends in Indian diaspora investment, Indian diaspora investment motivations, the attractiveness of the specific fixed-income security offering, and the various features that could make the offering relatively more or less attractive to the Indian diaspora.

Opinion leaders will also be queried as to their suggestions for the best methods for reaching the diaspora to both enhance survey respondent reach and provide insights into the marketing of any diaspora investment offering in the future.

ANNEX B

SURVEY QUESTIONS

There are several ways to invest in India – *but are there any investment offerings missing in the marketplace that you might find appealing?* By spending **ONLY 10-15 MINUTES** on this survey, you can help the U.S. Agency for International Development identify investment opportunities to make a difference in India’s economic and social development.

BY PARTICIPATING IN THIS SURVEY, YOU CAN OPT TO SUBMIT YOUR NAME INTO A DRAWING FOR A FREE iPad WITH RETINA DISPLAY.

Data reported for research purposes will only be reported in aggregate as collective survey results. All responses will remain anonymous. If you have any questions about this research project, please do not hesitate to contact the principal investigator, Dr. Liesl Riddle, Associate Professor of International Business and International Affairs at The George Washington University, lriddle@gwu.edu (202) 994-1217.

INVESTMENT INTEREST

- 1. If you were able to invest money today, to what degree would you be willing to invest in the opportunity described below?** [NOTE: Response categories are Likert 1-7 with anchors labeled 1 = Not Willing to Invest at All Today and 7 = Strongly Interested in Investing Today]

I would be willing to invest in a **FIXED-INCOME SECURITY** ([click here for definition](#)), even if the rate of return (interest) is below market rates, if the funds were used to ***invest in businesses that have a positive social impact in India***, including businesses in the healthcare, education, water, sanitation, and clean/renewable energy sectors.

- 2. Often investments made in social-impact sectors, such as healthcare, education, water, sanitation, and clean/renewable energy, generate rates of return lower than that of a corporate bond. If you were to invest in a social-impact investment opportunity today, what annual rate of return (interest) would you be willing to accept BELOW THE MARKET INTEREST RATE FOR A CORPORATE BOND?**
 - 0 (I would prefer to invest in a regular corporate bond)
 - 0.01-1.99% interest
 - 2.0-2.99% interest
 - 3.0-3.99% interest
 - 4.0-4.99% interest
 - 5.0-5.99% interest
 - 6.0% interest or greater

Imagine a FIXED-INCOME SECURITY ([click here for definition](#)) **THAT WOULD PROVIDE FUNDS TO SMALL AND MEDIUM SIZED ENTERPRISES IN INDIA IN SOCIAL-IMPACT SECTORS, such as healthcare, education, water, sanitation, and clean/renewable energy.**

Please indicate your **CURRENT DEGREE OF INTEREST IN INVESTING** in each of the scenarios described below, assuming that the maturity time period and interest rate are at levels acceptable to you. Note that 1 = No Interest at all and 7 = Extremely Interested. [NOTE: Randomize questions 2-8 to prevent order effects. Q1 should come first to acquire baseline demand].

3. If the fixed-income security was issued by a PRIVATE SECTOR BANK?
4. If the fixed-income security was issued by the INDIAN GOVERNMENT?
5. If the fixed-income security was issued by a MULTINATIONAL BANK HEADQUARTERED IN THE UNITED STATES WITH A SUBSIDIARY IN INDIA?
6. If the fixed-income security was issued by a U.S.-BASED COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION that partnered with a LOCAL INDIAN BANK?
7. If the fixed-income security was issued by a U.S.-BASED COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION that partnered with a LOCAL INDIAN NON-GOVERNMENTAL ORGANIZATION?
8. If the fixed-income security was issued by a LARGE, WELL-KNOWN LOCAL INDIAN BANK?
9. If the fixed-income security was issued by a MULTINATIONAL BANK HEADQUARTERED IN INDIA?
10. **When determining whether to invest in an Indian diaspora investment vehicle, WHICH THREE FACTORS would you consider the MOST IMPORTANT in making an investment decision?** [NOTE: Randomize options to prevent order effects]
 - Availability of due-diligence and audit reports
 - Knowing how my money is spent
 - Managed by a firm or organization incorporated in India
 - Brand recognition of financial institution
 - Financial institution's experience investing in specific sectors (e.g., health)
 - Total assets under management by the financial institution
 - Ease of investing and tracking returns and impact (e.g., through online platform)
 - Freely repatriable (i.e., investment can be returned to U.S. accounts without being subjected to Indian taxes)
 - Other (include text box for manual entries)
11. **A fixed-income security that invests in social-impact sectors could include businesses in a variety of sectors. Please choose THREE SECTORS THAT ARE MOST APPEALING TO YOU for inclusion in a social-impact investment in India.**
 - Agriculture/fisheries/livestock

- Construction/infrastructure
 - Clean energy
 - Education
 - Healthcare
 - Information and communications technology
 - Infrastructure/construction
 - Manufacturing/assembly
 - Sanitation/water
 - Other sectors (*include a textbox for manual entries*)
 - The specific sector is not a factor in my investment decision-making process when considering an investment in social-impact sectors in India.
12. **When evaluating an investment in India, how important is it to you that the investment is DENOMINATED IN U.S. DOLLARS?** [NOTE: Response categories are Likert 1-7 with anchors labeled 1 = Not Important at All and 7 = Extremely Important]
13. **When evaluating an investment in India, how important is it to you that the investment is DENOMINATED IN INDIAN RUPEES?** [NOTE: Response categories are Likert 1-7 with anchors labeled 1 = Not Important at All and 7 = Extremely Important]
14. **What would be your PREFERRED CURRENCY for an Indian diaspora investment instrument?** [NOTE: Response categories are Likert 1-10 with anchors labeled: 1=Strongly Prefer Indian Rupee and 11=Strongly Prefer U.S. dollar. We assume that most respondents will indicate a preference for the U.S. dollar, so we created a wider scale to determine the extent to which that is the case]
15. **What would be your preferred LENGTH OF MATURITY (payback period) for a fixed-income investment in India?** [NOTE: Response categories are Likert 1-5 with only anchors labeled:
- 1 = Strongly Prefer 2 Year Maturity Length
 - 5 = Strongly Prefer 5 Year Maturity Length
 - Box at side = Neither a 2 year nor a 5 year maturity length is acceptable for me
16. **When thinking about investing in India, how important is the LOCATION of the investment (e.g., WHICH STATE the investment is located in) when making a decision to invest?** [NOTE: Response categories are Likert 1-7 with anchors labeled 1 = Not Important at All and 7 = Extremely Important]
17. **(IF ANSWER ABOVE IS GREATER THAN 1) WHICH states of India do you find are the MOST ATTRACTIVE FOR INVESTMENT TODAY? Please check all that apply.**
- No preference on a state. I find the entire country attractive for investment.
 - I do not find any of the states of India attractive for investment.
 - Andaman and Nicobar Islands
 - Andhra Pradesh

- Arunachal Pradesh
- Assam
- Bihar
- Chandigarh
- Chhattisgarh
- Dadra and Nagar Haveli
- Daman and Diu
- National Capital Territory of Delhi
- Goa
- Gujarat
- Haryana
- Himachal Pradesh
- Jammu and Kashmir
- Jharkhand
- Karnataka
- Kerala
- Lakshadweep
- Madhya Pradesh
- Maharashtra
- Manipur
- Meghalaya
- Mizoram
- Nagaland
- Orissa
- Puducherry
- Punjab
- Rajasthan
- Sikkim
- Tamil Nadu
- Telangana
- Tripura
- Uttarakhand
- Uttar Pradesh
- West Bengal

18. **For the states of India that you find attractive for investment, how would you rate your LEVEL OF INTEREST IN INVESTING IN THOSE STATES TODAY?** [NOTE: *Response categories are Likert 1-7 with anchors labeled 1 = Strongly Disagree and 7 = Strongly Agree*]

INVESTMENT EXPERIENCE *[include reminder about anonymity before this section begins]*
 As a reminder, data will only be reported in aggregate as collective survey results. All responses will remain anonymous.

19. **How would you describe your LEVEL OF RISK TOLERANCE when investing? If unsure, please take this one minute risk tolerance questionnaire ([click here](#)).**
- Aggressive
 - Moderately aggressive
 - Moderate
 - Moderately conservative

- Conservative
20. What is your **NET INVESTABLE WEALTH**? Investable wealth includes all assets that you are able to withdraw easily and reinvest elsewhere, such as cash, stocks, bonds, and fixed deposits. It excludes property and retirement accounts.
- Less than \$50,000 (3 million Indian rupees)
 - \$50,000-\$99,000 (3-6 million Indian rupees)
 - \$100,000-\$249,999 (6-15 million Indian rupees)
 - \$250,000-\$999,999 (15-60 million Indian rupees)
 - \$1 million or more (60 million Indian rupees or more)
21. Thinking about **ALL OF YOUR INVESTMENTS AS A WHOLE PORTFOLIO** (including 401K plans, self-directed investments, etc.), please estimate **WHAT PROPORTION (%) of your current TOTAL INVESTMENT PORTFOLIO** is in each of the following types of investments: [NOTE: Need to program this section so that all answers add to 100%]
- Bonds
 - Cash
 - Gold
 - Private equity & venture capital
 - Savings, money markets, & fixed deposits
 - Mutual funds
 - Real estate
 - Stocks
 - Other (include text box for manual entries)
22. What is the approximate **VALUE OF MONEY THAT YOU HAVE INVESTED IN INDIA**, including investments in Indian companies or other investment vehicles? **PLEASE ENTER ONLY A NUMBER – DO NOT USE DOLLAR SIGNS, PERIODS, OR COMMAS. For example, for \$1000, simply type in 1000.**
- In the past year
 - One year ago
 - Two years ago

INVESTMENT MOTIVATION

Please select a response that most accurately indicates your level of agreement with each of the statements below. [NOTE: Response categories are Likert 1-7 with anchors labeled 1 = Strongly Disagree and 7 = Strongly Agree]

23. Profitability is my primary concern when I invest in India.
24. I invest in India to improve the value of my investment portfolio.
25. I invest in India to make a social impact.
26. Personal financial independence is a very important goal when I invest in India.
27. I feel it is my personal duty to invest in India.
28. I feel a sense of personal accomplishment when I invest in India.
29. I would take great pride in making investments in India.
30. I invest in India because my family in India expects me to do so.
31. I would feel disgraced if I did not invest in India.

32. People in the Indian diaspora who do not invest in India lose social status within the Indian diaspora.
33. Individuals who invest in India are highly respected within the Indian diaspora.

DIASPORA ENGAGEMENT

34. **Over the past THREE YEARS, how many times have you visited India?**
35. **What is the approximate value of ANNUAL REMITTANCES (money and goods) that you have sent to India? PLEASE ENTER ONLY A NUMBER – do not use dollar signs, periods, or commas. For example, for \$1000, simply type in 1000.**
- In the past year
 - One year ago
 - Two years ago
36. **What is the approximate value of CHARITABLE DONATIONS that you have made to Indian organizations and causes? PLEASE ENTER ONLY A NUMBER – do not use dollar signs, periods, or commas. For example, for \$1000, simply type in 1000.**
- In the past year
 - One year ago
 - Two years ago

DEMOGRAPHICS (n=9)

37. **Please indicate your gender**
- Female
 - Male
38. **In what year were you born?**
39. **In what country were you born?**
Include scroll list of all countries in world with United States at the top option.
40. *[If born in India]* **In which state were you born?**
- Andaman and Nicobar Islands
 - Andhra Pradesh
 - Arunachal Pradesh
 - Assam
 - Bihar
 - Chandigarh
 - Chhattisgarh
 - Dadra and Nagar Haveli
 - Daman and Diu
 - National Capital Territory of Delhi
 - Goa
 - Gujarat
 - Haryana
 - Himachal Pradesh
 - Jammu and Kashmir

- Jharkhand
- Karnataka
- Kerala
- Lakshadweep
- Madhya Pradesh
- Maharashtra
- Manipur
- Meghalaya
- Mizoram
- Nagaland
- Orissa
- Puducherry
- Punjab
- Rajasthan
- Sikkim
- Tamil Nadu
- Telangana
- Tripura
- Uttarakhand
- Uttar Pradesh
- West Bengal
- Don't know/don't remember

41. Where do most of your FAMILY AND FRIENDS IN INDIA LIVE TODAY?

- Andaman and Nicobar Islands
- Andhra Pradesh
- Arunachal Pradesh
- Assam
- Bihar
- Chandigarh
- Chhattisgarh
- Dadra and Nagar Haveli
- Daman and Diu
- National Capital Territory of Delhi
- Goa
- Gujarat
- Haryana
- Himachal Pradesh
- Jammu and Kashmir
- Jharkhand
- Karnataka
- Kerala
- Lakshadweep
- Madhya Pradesh
- Maharashtra
- Manipur
- Meghalaya
- Mizoram
- Nagaland
- Orissa

- Puducherry
- Punjab
- Rajasthan
- Sikkim
- Tamil Nadu
- Telangana
- Tripura
- Uttarakhand
- Uttar Pradesh
- West Bengal
- Don't know/don't remember

42. (If not born in the USA) **In what year did you first arrive to the United States?**

43. **What is your household's five-digit U.S. postal code?**

44. **What is your current occupational field?**

- Business owner/entrepreneur
- Clerical/administrative professional
- Doctor/nurse/medical professional
- Engineer/technical professional
- Entrepreneur
- Financial services professional
- Government worker
- Homemaker
- Investor (full-time)
- Lawyer or legal professional
- Manager
- Researcher/scientist/professor
- Student (full-time)
- Teacher/education professional (primary and secondary education)
- Retired
- *Other (insert text box for manual entries)*

45. **What is your highest level of completed education?**

- Less than high school diploma
- High school diploma
- Technical/trade school diploma
- Associate degree
- Bachelor's degree
- Master's degree
- Doctoral degree

46. **What is your approximate total annual family income from all sources?**

- Less than \$50,000 (Less than 3 million Indian rupees)
- \$50,000-\$99,999 (3-6 million Indian rupees)
- \$100,000-\$149,999 (6-9 million Indian rupees)
- \$150,000-\$199,999 (9-12 million Indian rupees)

- \$200,000-\$249,999 (12-15 million Indian rupees)
- \$250,000-\$499,999 (15-30 million Indian rupees)
- \$500,000-\$999,999 (30-60 million Indian rupees)
- \$1 million or more (over 60 million Indian rupees)

INTEREST IN FOLLOW UP

Our research team is interested in speaking with members of the Indian diaspora about their investment preferences and experiences. Would you be willing to speak to a researcher about your investment preferences and experiences?

- Yes, I would be willing to speak with a researcher
- No

If yes, please provide an email and phone number where a researcher can reach you to set up an appointment.

- Name
- Email
- Phone number (please include three-digit U.S. area code)

Any additional comments? *[NOTE: add text box for additional comments]*

ANNEX C

FOCUS GROUP PROTOCOL

DATE/LOCATION

9/16/14 – San Francisco, California

9/17/14 – Austin, Texas

9/18/14 – New York, New York

10/1/14 – Chicago, Illinois

RECRUITMENT

8-10 Indian diasporans living in the USA recruited with the help of professional market research firms and/or diaspora organizations.

Aiming for at least 2-3 recruits to be non-resident Indians and remainder to be persons of Indian origin (with or without official PIO status). Each group will include individuals representing a diverse mix of gender, occupations, income, and interest/experience in investing in India.

TIMING

6:00pm-6:20pm	Participants arrive, are greeted by research team, are provided snacks and are asked to complete a short survey (all questions from survey except those related to investment opportunity).
6:20pm-6:30pm	Participants are invited to join moderator at conference table at their designated (with nameplate) spot. Moderator provides an overview of the focus group activity and “rules of the game.”
6:30pm-6:45pm	Introduction (Q1) and transition questions (Q2) are discussed.
6:45pm-7:35pm	Key questions Q3 & Q4 are discussed (~50 minutes; ~5 minutes each bullet)
7:35pm-7:50pm	Key activity (~15 minutes)
7:50pm-8:20	Key questions Q5 discussed (~30 minutes)
8:20pm-8:30pm	Closing questions Q6 & Q7 discussed. Participants are thanked for their participation.

QUESTIONS

[OPENING]

1. Please tell us your name and describe what it means to you to be a member of the Indian diaspora.

[TRANSITION]

2. Do members of the Indian diaspora invest in India? If so, why? If not, why not?

[KEY]

[DISPLAY GRAPHIC THAT ILLUSTRATES GENERAL FIXED-INCOME SECURITY OPPORTUNITY]

Imagine an investment opportunity that is marketed to the Indian diaspora. This investment would be a fixed-income security, an investment vehicle in which an investor loans money to an entity (like a government or corporation) that borrowes the funds for a defined period of time at a fixed interest rate. The borrower makes fixed, periodic payments to the investor and returns the principal amount to the investor at maturity. Funds generated by this fixed-income security would then be loaned out to SMEs in India that are engaged in areas that make a social impact in India, such as in healthcare, education, renewable energy, etc.

3. Based on this basic description, how attractive does that opportunity sound to you? Why or why not?
 - a. Do you think it would be attractive to others in the Indian diaspora? Why or why not?
 - b. Is there a particular type of investor among the Indian diaspora that this would be especially appealing to?
4. Next, let's talk about what other aspects or details about the opportunity you would want to consider before deciding to invest.
If you were considering investing in this fixed-income security that would lend money to SMEs in India to make a social impact, how important would...

- (a) The payback period and interest rate be to you? For example, how attractive would it be if ...
 - All of your money was returned to you in two years but you earned no interest? Would the opportunity still be attractive to you? Why or why not? How about if all of your money was returned to you at five years but you earned no interest? Why would this be attractive or unattractive to you?

- What if your investment would pay back at two years with a 1% interest? Why would this be attractive or unattractive to you? How about if the investment would pay back at five years with 1% interest? Would this be attractive or unattractive?
 - Would you be willing to invest if the investment would pay back at two years with 2% interest? Attractive? Unattractive? At five years with 2% interest? Attractive? Unattractive?
 - What if the investment would mature at five years with but you earned 3% interest? Attractive? Unattractive?
- (b) Still thinking about investing in this fixed-income security that would lend money to SMEs in India to make a social impact – How important would it be to you which currency the investment would be denominated in?
- In other words, how attractive would it be to you if your initial investment was converted from U.S. dollars into Indian rupees and you received your money back (and any interest) in rupees? Why would this be attractive? Or why would this be unattractive?
 - What if the initial investment and the money you received back (including any interest) were all in U.S. dollars? Why would this be attractive or unattractive?
- (c) Fixed-income securities can be issued by different entities. They can be issued by governments, banks, and non-financial intermediaries. Thinking still about this fixed-income security that would lend money to SMEs in India to make a social impact.
- How attractive would it be if this security was issued by the Indian government? In other words if you were to invest in this fixed-income security, the Indian government would take the funds raised from the security and lend it to SMEs in India working in social-impact areas, like healthcare, education, renewable energy etc. How attractive would that opportunity be to you?
 - How attractive would it be if the security was issued by an entity, like a bank or a non-financial intermediary that was in the private sector? Would this be less or more attractive than if the security was issued by the Indian government? Why?
 - If this security was issued by a bank, does the type of bank make the opportunity more or less attractive? For example, what if the bank that issued the security was a U.S. multinational bank with subsidiaries in India? What if the bank was an Indian multinational bank? What if it was a large local bank?
 - As we mentioned before, securities like this can also be lent by entities other than banks. What if the security was issued by a U.S.-based community development financial institution? In this scenario, the community development financial institution would pool

the money and then lend the money to either a bank or a non-bank financial institution in India. How attractive or unattractive would this scenario be to you? Why?

[HAND EACH PARTICIPANT A DECK OF PRE-MADE CARDS WITH DEAL TERMS ON EACH CARD, COLOR CODED BY VARIABLE]³

5. You are now being given a deck of cards. You will see that there are color groupings in the cards. Each color represents one of the characteristics we have discussed about this fixed-income security investment: payback period and interest rate, currency, and entity that issues the security. Take a look at all of the cards carefully. TAKING ONE CARD FROM EACH COLOR CATEGORY, please “build” what you think is the best combination of characteristics for this fixed-income security. The best combination should represent an investment that you yourself would want to invest in.

- (a) [after deals are created by each participant] Let’s go around the room and each of us share our choices one at a time. Why was each choice important to you? Why were the other options rejected?
- (b) Are there areas of commonality across our choices? Why or why not? Are there areas of disagreement? Why or why not?

[CLOSING]

- 6. Thus far we have talked about the investment’s pay-back period, interest rate, and what type of entity collects the funds and invests them in SMEs in India for a social impact. Are there other factors that you would assess about the investment or would want to know before making a decision whether to invest in this security or not? If so, what are they and why are they important to you?**
- 7. We want you to help us evaluate the attractiveness of a fixed-income security that would be marketed to the Indian diaspora and would lend money to social-impact SMEs in India. Is there anything we missed? Is there anything that you wanted to say tonight that you did not get a chance to say?**

³ CARDS = BLUE FOR MATURITY/INTEREST RATE COMBINATIONS – 2YR/0%; 2YR/1%; 2YR/2%; 5YR/0%; 5YR/1%; 5YR/2%; 5YR/3%. WHITE FOR CURRENCY – INDIAN RUPEE; U.S. DOLLAR. YELLOW FOR INTERMEDIARY – GOVERNMENT, U.S. MULTINATIONAL WITH SUBSIDIARY IN INDIA; INDIAN MULTINATIONAL, LOCAL INDIAN BANK, U.S. COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION.

ANNEX D

ORGANIZATION CONTACT LIST

1.	The Indus Entrepreneurs (TiE) - Silicon Valley Chapter
2.	TiE – Washington, D.C. Chapter
3.	TiE - Boston Chapter
4.	TiE - Seattle Chapter
5.	TiE Angels Group Seattle (TAGS)
6.	Indian Business and Professional Women
7.	Overseas Indian Facilitation Centre
8.	Give2Asia
9.	International South Asia Forum
10.	Charities Aid Foundation
11.	Organization for Diaspora Initiatives
12.	The Indian Diaspora Website
13.	Society for Policy Studies (Indian Organization)
14.	Pratham USA
15.	Global Organization of People of Indian Origin
16.	Pravasi Bharatiya Divas
17.	Indian Ministry of External Affairs – NRI Division
18.	India Canada Association
19.	Pratham UK
20.	White House Initiative on American Asians and Pacific Islanders
21.	McLean County India Association
22.	Punjabi Cultural Society of Chicago
23.	Vidyaranya Kannada Kuta of Illinois
24.	Network of Indian Professionals – Chicago
25.	Network of Indian Professionals – Washington, D.C.
26.	Silicon Valley Indian Professionals Association
27.	South Asian Professional Association of San Francisco
28.	American Association of Physicians of Indian Origin
29.	Monsoon Capital – DC

30.	Foundation for Excellence
31.	Network of Indian Professionals*
32.	American Muslim Health Professionals*
33.	Erasing Borders*
34.	Bengali Association of Southern California*
35.	Indian American Council (IAC)*
36.	ISHIVEST*
37.	South Asian Bar Association of Northern California
38.	Seva Network Foundation
39.	BMGIndia.com*
40.	Seva Network Foundation*
41.	TenshiPeak*
42.	Global Forum on Diaspora and Transnationalism*
43.	Habitat For Humanity International*
44.	Hindu American Seva Communities*
45.	GOPIO - Global Organization of People of Indian Origin*
46.	Institute for Diaspora Research and Engagement, Simon Fraser University*
47.	Foundation for Excellence*
48.	American Hindu World Service*
49.	South Asian Journalists Association*
50.	American India Foundation
51.	Silicon Valley Indian Professionals Association
52.	Gujarati Cultural Association of Bay Area
53.	Gujarati Samaj of Metropolitan Washington
54.	South Asian Bar Association - Washington DC
55.	India Abroad
56.	sulekha.com
57.	India America Today

*Organizations included on initial list provided by IdEA

U.S. Agency for International Development

1300 Pennsylvania Avenue, NW

Washington, D.C. 20523

Tel: 202.712.0000

Fax: 202.216.3524

www.usaid.gov