



The Investments Made by Avi Chai

Thursday, July 9 2009



MOSCOW, Russia — 1967. New York: American businessman Sanford Bernstein founded the Sanford C. Bernstein & Company, specializing in investment management. Within 15 years, Bernstein became one of the largest firms on Wall Street. Within the next 15 years the annual turnover from clients served by the Company reached 80 million dollars.

2009. Moscow: The Avi Chai Foundation allocates a sizeable grant to Or Avner, the educational umbrella organization which, among many other projects, oversees Jewish children's summer camps in Jewish communities in the former Soviet Union. Thanks to this funding, educational projects threatened with closure due to the financial crisis were literally saved. As in previous years, more than 2,000 children will benefit from overnight Jewish camps this summer.

What do these seemingly unrelated events – a successful American businessman who passed away ten years ago and Jewish education in the former Soviet Union, spanning years and vast geography, have in common?

Sanford Charles Bernstein was born in 1929 to a modest Jewish family. He served in the United States Navy, studied economics and accounting at New York University, and received a master's degree in business administration at Harvard School of Business. After a successful career as an economic analyst, Mr. Bernstein founded his own company in 1967. At that time, his company was distinguished from most other investment firms on Wall Street by its unconventional business approach. The group of professional analysts from Sanford C. Bernstein & Co. were engaged in researching the financial market; based on these studies the Bernstein offered its clients opportunities for investing their money. "You can trust us with your money" read the Bernstein Company's slogan to potential clients, an atypical business approach for that time. But it worked, as did the full page advertisements placed in The New York Times which simply read, "BERNSTEIN: Coming Soon" The proof was in the output and within 10 to 15 years, Sanford C. Bernstein & Co became one of Wall Street's largest investment firms.

In the late 1970s, following his father's death, Bernstein began to take an interest in Jewish

life and activity. In 1984, motivated by his now active interest in Jewish life and study, Bernstein, who changed his name from Sanford Charles to Zalman Chaim, established Avi Chai, a foundation dedicated to Jewish education and activity.

“The Foundation works in a very interesting way. Zalman Bernstein left substantial funds and, since he built his business with a careful analytical approach to investments, he wanted to copy this unique model to the world of philanthropy, ‘the business of philanthropy’ explains David Rozenson, the director of the Avi Chai Foundation in the former Soviet Union. “To try and accomplish this, Bernstein gathered people from different walks of life, who represented the fiber and fabric of the Jewish people and who would, together with him, make careful analytical decisions about the ways in which Avi Chai would conduct ‘its business.’ The board of the Foundation represents leading personalities from the world of academia, philosophy, business, and Jewish philanthropy. Some are from the United States, others from Israel, each with his or her own opinion and views of what can be done to strengthen and expand Jewish education, life, and activity. They do not donate money to the Foundation, as Mr. Bernstein, of blessed memory, is the Foundation’s sole benefactor, but, rather, they donate their intellectual and personal understanding of the Jewish people, enabling the Foundation to hopefully represent and support a wide array of projects and activities, all of which are based, prior to support, on extensive due diligence, evaluations, and, following the grant approvals, on close supervision. Of course we are not always right, make mistakes, but hopefully the way in which we approach our work makes us better equipped to make, in the world of many projects and possibilities, informed – and hopefully wise - decisions. The board is very active – and very demanding, requiring extensive work from its staff prior to any decision being made.”

Today, Avi Chai’s main offices are located in New York and Jerusalem, where about a year ago, a new educational and cultural facility, Beit Avi Chai was opened on King George Street. There are professional analysts working at these offices, who are researching different areas of interest in the Jewish world. According to the results of these studies, Avi Chai selects the areas and projects where it should be providing assistance, which includes many areas of activity. Each project involves feasibility studies, benchmarks for success, and requires evaluations and follow-up. Avi Chai monitors the development of the projects it funds and the changes that have occurred as a result of the support provided by such projects.

In 2000, the Avi Chai Foundation entered the former Soviet Union.

The renaissance of Jewish life in the former Soviet Union is largely due to the Rohr Family Foundation, headed by two exceptional and successful American Jewish businessmen– Mr. Sami Rohr and his son George. In 2000, George Rohr, the co-founder and president of New Century Holdings, one of the largest investors in the former Soviet Union at that time, became a board member of the Avi Chai Foundation. Among the different educational and social projects supported by the Rohr Family Foundation, there was a Jewish educational program in Siberia. Working on this project was a Leningrad native and graduate of New York’s Yeshiva University, David Rozenson, whom George Rohr proposed study the potential for the work of the Avi Chai Foundation in the former Soviet Union.

“After about a year of many visits and discussions in different cities in Russia, Ukraine, and beyond – and reports describing the potential opportunities, including Jewish day schools - how and what is done in each Jewish school, how many years they have been operating, how many children are enrolled in these schools, what is their capacity for growth, as well as an extensive focus on the Jewish camping opportunities in each of these regions - we began with a project that is very similar to what Avi Chai does in America,” recalls David Rozenson. “It was an attempt to help Jewish schools in the FSU. A grant was developed for schools in different cities – Moscow, St. Petersburg, Odessa, Kharkov, Novosibirsk, Riga, Rostov, Minsk, and beyond – wherever the larger Jewish schools operated. We learned that one of the main criteria for parents in choosing schools is its academic level, and we noticed that the academic level of Jewish schools in the former Soviet Union was rather low.”

As such, the Avi Chai Foundation decided to allocate funds to schools to pay highly qualified teachings in the subjects of English language, computer science, physics and mathematics, as well as for purchasing equipment, and for organizing effective campaigns for promoting these schools. With regard to Jewish education, the Foundation focused on informal Jewish education– funding Shabbatons, various extracurricular activities, organizing clubs and libraries. “I cannot say that the grant is simple, I cannot say that we could change the entire face of Jewish education. But in many instances, I think we were and are able to make a positive contribution and continue to do so in order to help in this sphere,” stated Mr. Rozenson.

According to various estimates, there are half a million to one and a half million Jews living in the former Soviet Union, with many children not in Jewish day schools, summer camps, or other organized Jewish activities. In 2004, based on studies and ongoing work, Avi Chai moved beyond school activities, thus trying to reach out to a wider and more diverse Jewish audience “One of our major goals has become to try and reach those students whom we call “Physics Students,” explained David Rozenson. “These are young, educated but largely unaffiliated Jews Ordinary people who may be highly erudite in the field of Russian literature and culture, but know little, if anything, about Jewish life and heritage. The question is how to draw the interest of this majority of the Jewish population. What could we do, knowing that we do not have a significant infrastructure and with only a small group of people working for us? What could the Avi Chai Foundation, which has the financial capacities, do in this sphere?”

It turned out that there was much that could be done. Thus, the “Eshkol” project was born, through which Moscow clubs have been regularly offering Jewish literary discussions, cultural events, and programs for Jewish children and families. Most recently, a new project – Eshkolot – was launched by the Foundation, which focuses on ongoing Jewish study opportunities. Other projects include Sefer – an umbrella group of Jewish educators and academics, which, with Avi Chai support, organizes ‘field schools’ that are led by Israeli and local Jewish academics for young, university Judaica students in regions throughout the FSU that are rich in Jewish history and retain vestiges of Jewish life. The results of this work is a growing group of young Judaica specialists, new centers for Jewish study, and extensive research and publications.

Two years ago, the Department of Jewish Studies at the Moscow State University, the premier university in the country, became the first full-fledged Department of Jewish Studies to be established in Russia in the country's entire pre-and post-revolution history. The Avi Chai Foundation contributed to the realization of this project. In the coming academic year, the Center for Bible and Jewish Studies at the S. Petersburg University, which is also supported by the Avi Chai Foundation, is also due to receive this historic status. To date, it is rather difficult to identify areas in the field of Jewish education in the FSU where Avi Chai is not active. For several years, Avi Chai has, together with several Russian publishing houses, supported a series of books entitled "The Prose of Jewish Life" and The Chais Family Library of Jewish Thought." Recently, the first book in the "Keshet" series, which is devoted to children's literature on Jewish themes, was also published.

For several years now, the Avi Chai Foundation has been devoting its efforts and funds towards additional opportunities for Jewish children in the countries of the FSU.

This year, the Avi Chai Foundation played a key role in saving several projects of importance to Jewish education. However, David Rozenson is careful to not overestimate the Avi Chai Foundation's contribution. "We all know that throughout Jewish history, there were a number of outstanding Jewish individuals who played historic roles in Jewish life of their day. One of these people was Mr. Rothschild – and the Rothschild banking family. For his outstanding work and contribution to Jewish life, the Jews of his day simply called him, 'Hanadiv Hayadua' (the well-known benefactor) and people immediately knew to whom the reference was being made. I have no doubt that in today's age this can be applied to Mr. Leviev. Not only does he, despite many difficulties, contribute his own funds, but encourages others to do the same. All for the benefit of Jewish education.. This has made and continues to make Mr. Leviev an example for all of us to follow."

The Avi Chai Foundation has been providing support for Jewish schools in the former Soviet Union for seven years now, including schools of the Ohr Avner educational network. The children's summer camps organized by this network have become a unique educational project for Avi Chai. "When we first visited the Or Avner camps, we found a very good Jewish atmosphere," explains Rozenson. "However, most of the counselors serving at these camps were from Israel and the U.S. They all had a lot of energy, but due to the obvious language barriers they were not capable of talking with the children and their parents. They also came for just a few weeks and then left, without an ability to follow-up on the powerful Jewish summer camp experience with the thousands of local campers. So we decided to involve local youth, who are involved – or can be engaged - in the Ohr Avner network to head up these programs. We helped with Or Avner's initiative of creating a structured, year-round, learning experience for these local youth, providing both pedagogical and Jewish knowledge, so that local Jewish youth would be equipped with the skills they need to head summer camps and other youth activities throughout the year. And, hopefully, become the Jewish leaders of tomorrow – if not today".

Together with Or Avner, a pilot project was launched aiming to attract local Jewish youth in seven cities in Russia and Ukraine. At that time, the project was attended by only about 50 Russians and Ukrainians, and the rest of the participants were mainly from Israel and the

United States. The Ohr Avner and Avi Chai Foundations have been jointly implementing this project over the last two years. “This confirms that Ohr Avner understands that the community’s leaders should be local residents,” noted Rozenson. Indeed, in just a few years of running this project, the situation has changed dramatically. Now, the vast majority of counselors serving in Jewish children’s camps in the FSU today are indeed local youth.

However, this past year, due to financial cutbacks, summer camps and many other Jewish educational projects in the CIS have been threatened with closure. “When the financial crisis became a reality for all, we realized that this presented a strong risk that many programs would not be able to take place this summer and that much of our investment in sparking the interest of local Jewish youth could potentially be lost, says Rozenson. “Then we made an exclusive decision. We had never - nor do we intend in the future – to provide funding for room and board but exclusively to the Jewish educational programs and activities. But this year, we were presented with a choice to either find the means, or to deny the opportunity for an estimated 2,500 children to attend Ohr Avner overnight camps this summer and to be denied what is often the case the only Jewish 24/7 experience for local Jewish children.”

Faced with this reality, Avi Chai made a unique decision –to provide financial support for summer camps organized by the Ohr Avner Foundation so that they can take place this summer. In addition, despite its own difficult financial situation, the Ohr Avner Foundation, headed by Lev Leviev and Chief Rabbi of Russia Berel Lazar – who also serves as the Chairman of the Association of CIS Rabbis – were able to raise funds and complement the contribution made by the Avi Chai Foundation. Through such support, this year the summer camps are being organized and running at the same capacity as in previous years at Ohr Avner camps. “I must say that I was most impressed by Mr. Leviev and Rabbi Lazar,” notes David Rozenson. “Avi Chai allocated a portion of the funds needed and this would have provided for many camps. However, the leadership of the Federation of Jewish Communities of CIS were not satisfied with merely relying on this help, and provided approximately an additional 40 percent of funding needed so that the camps would function on the same scale as in previous years. “Our hope is that, please G-d, in the coming year, Mr. Leviev and others will soon recover from this difficult time and re-establish the needed funding so that camps can take place next summer without any additional worry”.

When Zalman Bernstein established the Avi Chai Foundation, he wished that the Foundation function during the lives of its founders (apart from Bernstein, there is the current Chairman of its Board of Directors, Arthur W. Fried, and several others), whom he trusted. According to an official statement by Mr. Fried, the work of the Avi Chai Foundation must be completed by 2020, at which time the Foundation will cease to operate. When asked what will happen beyond this time, David Rozenson says that there is no question that the work will in no way be finished. At the same time, he confidently states that the key to the continuation of Avi Chai’s mission lies in its search of partners. “From the first day of working in Russia, we have been looking, and thank G-d, have been successful in identifying partners to work with,” he explains. “This includes large Jewish organization and people of means who partner with us on the various activities that Avi Chai supports. Here in the FSU, there are unfortunately thus far few individuals and

philanthropic Jewish foundations; It is strange for any non-local organization to understand why, in a country with so many wealthy individuals and business magnates, there are not more local individuals taking the reins of ensuring the needs of Jewish education and activity. But I have much hope in the future. We see this in the Jewish academic world. When we started to support educational projects seven to eight years ago, many of the Jewish academics leading these programs were people who taught clandestinely in Soviet times. Today, thank G-d, we find that many graduates, the alumni, from go on to become today's teachers and professors. They do not go into other fields. They can get jobs outside of education, but they choose to teach Jewish Studies at Moscow State University, the Russian State Humanitarian University and educational centers across the country. For us, this is a main goal, for people who studied, participated, and benefited from these programs becoming its leadership.

“I hope the same will occur with respect to the world of Jewish philanthropy in the FSU – today's students, tomorrow's business people, who will understand that as alumni benefiting from these programs today, tomorrow will become its main supporters. Let us speak again ten years from now and we will hopefully see that a young Jewish boy or girl in this summer's Or Avner program will not only be Jewishly committed but will also be one of the young supporters of their local Jewish community. And, hopefully, there will be many like them.”

Sanford Bernstein built Sanford C. Bernstein & Co on the principles of sound investment management. Zalman Chaim established Avi Chai on the same model. And what could be a better investment than in the Jewish education of Jewish youth? In the United States, in Israel, and in the countries of the former Soviet Union? Both for today and for tomorrow.