

Giving Jewish

How Big Funders Have Transformed
American Jewish Philanthropy

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A Report of The AVI CHAI Foundation



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Executive Summary

Though some may wax nostalgic for the blue and white *pushke* (charity box) carried door-to-door to collect small change for the nascent State of Israel, and others fondly recall the Super-Sunday phone-a-thons by Federations to solicit a donation, however small, from *every* Jewish family, today's Jewish philanthropy is primarily about the largesse of big donors. Major local institutions, such as Federations of Jewish philanthropy, Jewish Community Centers and museums, increasingly rely upon large gifts, as do synagogues and educational institutions engaged in capital campaigns. Big giving serves as the lifeblood of national Jewish non-profits, such as the large defense organizations whose mission is to combat anti-Semitism; Birthright Israel, which sends young people on free trips to Israel; and the Hillel organization and its campus affiliates. Foundations are key to launching new start-ups of national scope, such as Moishe House for Millennials, PJ Library for families with young children and start-ups engaged in "repairing the world," to take a few examples. All the more so, Israeli institutions ranging from yeshivas to hospitals, cultural centers to universities—all rely predominantly on big gifts. As a rule of thumb, most institutions refer to the rule of 80/20 or even 90/10: between 80 and 90 percent of the funds they raise come from a small minority of their donors.

The dramatic expansion and diffusion of big giving have made it difficult for all but the most engaged insiders to keep track of the rapidly changing field. A variety of new players with diverse interests have entered the scene, a hodgepodge of funder-created initiatives dot the landscape, and an ever-changing set of partnerships characterize big giving, so much so that Jewish philanthropy now resembles a kaleidoscope, with ever-changing optics. As a result, what has been written about this country's philanthropy, in general, holds true for Jewish giving too: "Every American knows some piece of the

independent sector...But very few people have glimpsed its extraordinary sweep and its possibilities."¹

This report aims to provide a sense of the scope and altered character of big Jewish giving in our time. Rather than attend to every donor and initiative from the ground-level, it offers, instead, a perspective of the landscape from 30,000 feet. It seeks to understand how and why the philanthropic landscape has changed fundamentally over the past quarter century, how donors today think about their giving and the impact they wish to have, whether sub-groups of donors differ in their philanthropic priorities, how staffed foundations are driving changes, and what challenges confront the field.

In focusing sharply on big givers, this report does not intend to minimize the role of average donors to Jewish causes, those who write checks for a few hundred or several thousand dollars. From a financial perspective, the big donors represent a disproportionately large amount of dollars contributed. But Jewish giving also has important religious and communal purposes that cannot be measured solely in quantitative ways. By contributing to support Jewish life, donors with limited financial capacity are fulfilling the *mitzvah*, commandment, of *tzedakah* and helping to maintain Jewish life. Such participation is an important expression of caring and belonging. If anything, when Jewish charities are primarily, if not exclusively, oriented to raising sums from big givers, they are doing a disservice to the cause of Jewish communal unity.

Indeed, if a major purpose of Jewish initiatives today is to engage more Jews, encouraging them to contribute money and time in accordance with their differentiated capacities ought to be high on the communal agenda. Jewish social capital is built when donors of all kinds know that they are supporting Jewish life. Put in the simplest terms, whether

1. John Gardner quoted in Joel L. Fleishman, *Putting Wealth to Work: Philanthropy for Today or Investing for Tomorrow?* New York: Public Affairs, 2017, p. 2.

they are mega-wealthy or people of average, if not even meager, means, all can feel they are part of a unified effort—and that through their *tzedakah* they are doing the right thing. This in the past was a major motive driving Jews of all stripes to contribute to Federation and UJA (United Jewish Appeal) campaigns: they knew that their dollars, combined with those of others, were making a difference and addressing worthy Jewish needs.

It also needs to be said at the outset that this report is about big giving to *Jewish causes*. Jewish giving has taken on a highly elastic meaning in recent decades to the point where any philanthropy that helps others is treated as an expression of Jewish imperatives or “values.” Undoubtedly, philanthropic giving by Jews to a range of non-sectarian causes is a story worth telling. But that is not the focus of this report: its purview, instead, is large giving to institutions and programs that *specifically and almost exclusively benefit Jews*.

We note, too, that big donors come in different sizes. The most substantial philanthropists give away many tens of millions of dollars annually, whereas others distribute sums in the hundreds of thousands of dollars each year, and of course there are important contributors who bestow sums in between. Compared to average givers who may donate a few hundred or several thousand dollars annually, all three types of donors may be classified as big givers. Even a check for \$100,000 goes a long way for local institutions, such as start-ups geared to Millennials or synagogues or day schools. Gifts in the hundreds of thousands of dollars range may spur experimental initiatives or serve as building blocks for a capital campaign. Million-dollar-plus gifts enable the largest Jewish institutions—seminaries, cultural centers and universities in this country or hospitals and museums in Israel—to construct new wings or initiate programs. More often, as we shall see, the largest grants do not solely benefit institutions but rather are used to spur new initiatives to address what funders perceive to be underserved Jewish populations or endemic challenges. **For the purposes of this report, big giving is defined as total grants from a donor of a half million dollars or more annually to Jewish causes.**

Big donors also differ in the types of philanthropic vehicles they utilize to disburse funds. The best known of these are the private foundations, and certainly their numbers have grown explosively in this country. Yet not all foundations are the same: a small number with a strong Jewish interest employ a staff, which is responsible for monitoring and advising grantees, engaging in research, and helping shape the foundation’s goals. Most foundations, though, are run by a few principals and virtually no staff personnel. These operate differently from their staffed counterparts. They primarily write checks, rather than launch new initiatives.

Foundations are not the only game in town. Donor Advised Funds parked with a charitable organization have grown at an even more torrid pace as popular instruments for giving. A good deal also is donated in the form of personal checks or the transfer of assets. **Bequests have risen in importance, both because very large sums have come in to major institutions and because bequests may be the last money given by a family to a Jewish cause if heirs shift their interest to non-sectarian causes.**² In general, gifts of these sorts are less strategic in setting goals and expectations than are foundation grants. They are designed to offer support, maintain programs and enable the vital institutions of the Jewish community to fulfill their functions.

To the extent possible, this report tabulates what we know about the sums of annual giving to Jewish causes during the current decade. It also explains what is *unknowable* about big giving and why a significant portion of largesse cannot be tracked. Still, by looking at the major Jewish causes receiving large sums, it is possible to estimate where large sums of Jewish philanthropy are being directed.

In dollar terms, here are a few highlights:

2. Friends of Israeli organizations are especially driven to lock in bequests for this reason, fearing a waning interest in Israel among heirs.

- In recent years, the top **250** foundations making total grants of a half million dollars or more to Jewish causes collectively have given between **\$900 million and one billion dollars** on average each year for Jewish purposes.
- These sums amounted to roughly **42 percent** of their total giving; in other words, even those foundations with a strong Jewish interest still directed the majority of their grants to non-sectarian causes.
- Sixteen foundations make grants for Jewish purposes of between ten and over **\$50 million**. Of the top **250** giving to Jewish causes, **146** give in the range between **\$1 and \$5 million** annually.
- Donor Advised Funds (DAFs) connected to Federations of Jewish Philanthropy (or in a few cases, separate from them but still serving a Jewish communal purpose) allocated roughly **\$400 million** to Jewish causes in the U.S. and Israel in 2014.³
- In addition, Federations plus their supporting foundations and endowment funds channeled approximately **\$1.55 billion** to Jewish causes in 2014.
- It is not possible to know how many dollars make their way to Jewish causes from Donor Advised Funds *not* under Jewish auspices, but as those DAFs grow almost exponentially, the sums are not negligible. Nor is it possible to know how much big Jewish giving comes to Jewish causes in the form of checks, the transfer of assets or bequests.
- If we assume that total giving to Jewish causes domestically and to Israel amounts to roughly **\$5.5 to \$6 billion** annually, it should be clear that funds allocated by and through Federations constitute roughly one third of giving to Jewish causes, while giving by the largest **250** foundations interested in Jewish causes represents less than one-fifth of the total. And giving by “smaller” big givers who contribute in the hundreds of thousands of dollars (but not a half-million dollars annually) represents a considerable percentage of Jewish philanthropy. Why foundations, then, receive disproportionate attention is a question addressed in the report.

The primary emphasis of this report, though, is not quantitative. Rather, it seeks to understand the altered landscape of giving by addressing matters of a more qualitative concern. Specifically, the report identifies six current trends:

1. New causes have captured the imagination of big givers, while some that previously were widely touted now receive considerably less funding. Jewish education continues to be supported by local, smaller big givers, but with a few exceptions, the big foundations now prefer to support what they call *engagement*—activities that bring the least involved Jews to episodic gatherings of a Jewish flavor. The reasoning behind this is straightforward: some of the biggest givers are convinced that most Jews, especially Millennials and intermarried families, will not become active participants in synagogues, Federations

or other established institutions. To reach them, it is necessary to offer opportunities for Jews to gather, even if it is on an infrequent basis.

In a related shift, programs to build Jewish identity have now superseded social services as favored causes. Whereas in the past, care for the elderly, immigrants, and poor Jews was a priority, today it is assumed by many big funders that the down-trodden are receiving proper support and, therefore, the greater need is to help Jews connect with some aspect of their identity. The massive investment in Birthright Israel, a ten-day, free trip to Israel, exemplifies this latter trend. So too does the increased support for Jewish summer camps and Hillel campus centers.

Though there is much discussion about waning support for Israel in some sectors of the American Jewish community, substantial giving continues to flow to Israel. The largest gift ever made to a Jewish institution, a \$400 million bequest, went to an Israeli university. To be sure, that gift and other multi-million dollar grants generally are made by older generations of Americans. There is much concern among fundraisers for

3. Not all moneys distributed by Donor Advised Funds, Supporting Foundations and Endowment Funds at Federations originate from “big givers” as defined in this report—i.e. those making annual grants to Jewish causes of a half million dollars or more—but the vast bulk of the sums in all likelihood come from such givers.

Israeli institutions that some Jews, particularly younger ones, are so dismayed by Israeli government policies or have become indifferent to Jewish life due to their own assimilation that they will not give money to Israeli causes. It is not hard to find examples of family giving that has shifted due to these altered circumstances. But on the whole, big giving to Israeli institutions and causes continues to be robust.

2. Though often overlooked, local donors continue to serve as the mainstay of Jewish communal life. The sums they donate to sustain local institutions—through Federations, and also directly to synagogues, day schools, summer camps, Hillels, Jewish Community Centers, senior centers, cultural programs and museums, and also to national organizations—in the aggregate dwarf what the large national foundations expend annually. Without the continuing largesse of local donors, the basic needs of Jewish communal life would not be met. Though unheralded in reporting that finds innovation most compelling, these funders of the day-to-day necessities are indispensable. Some communities are blessed with such donors in abundance; others have seen a significant attrition, either because big donors are relocating to other parts of the country or because the descendants of once major local donors are not carrying on their work. This donor gap in some communities, especially in smaller ones, has devastated local institutions.

3. In recent decades, close to 100 staffed foundations with more than a passing interest in Jewish life in the U.S. and Israel have emerged. They tend to operate differently than their counterparts lacking personnel, if only because staff members bring an element of professionalism and strategic thinking. How much influence staff personnel actually exercise differs depending on the structure of the foundation. When the founder is still actively involved, staff members tend to play a smaller role in making decisions: the founder generally sets policy. Foundations run by strong boards also limit the authority of staff people. In due course, though, as the founding generation passes away and boards want to professionalize operations, staff people assume a greater role. This, of course, has profound implications for agenda-setting, and in many cases, both successor generations and their staff members have reprioritized commitments to Jewish causes considerably.

A key responsibility of staff members is to serve as the eyes and ears of the foundation. Staff members have established networks with peers at other foundations to exchange information. They also are directly involved in monitoring the progress of grantees to insure the foundation's investment is being put to good use. With the rise of staffed foundations, grantees are now required to submit detailed reports demonstrating how they are spending grant money and how well they are living up to their stated objectives.

Because staffed foundations, which disburse collectively hundreds of millions of dollars annually for Jewish purposes, represent a new phenomenon, they understandably must receive special attention in this report about new trends in big giving. **By devoting considerable attention to their role, this report is neither making a claim about their outsized impact on American Jewish life nor minimizing the importance of big givers who channel their largesse through other funding vehicles, including foundations with little or no staff personnel.** In general, the primary contributions of staffed foundations are to invest in, and in some cases establish, innovative, yet risky, programs and to address challenges of national scope. Several thousand big givers without foundations of their own play an equally important, if not more significant role: they sustain existing institutions and make it possible for local Jewish communities to thrive. This division of labor is primarily a phenomenon of the past 30 years.

4. As is the case with many staffed foundations generally, Jewish ones are spearheading a shift from “expressive giving” (which is designed to show support for a cause or institution) to “instrumental giving” (which is about achieving a social aim or addressing a systemic problem).⁴ The crucial element here is the desire to make a broader *impact*, to go beyond support to addressing underlying challenges to Jewish life. Implicitly or explicitly, instrumental giving is based on a theory of change, a conception of how a big problem can be remedied. Grounded in such a theory, funders seek evidence that programs they are supporting are making an impact in addressing larger problems.

4. The terms are discussed by Joel L. Fleishman, *The Foundation: A Great American Secret*. New York: Public Affairs, 2007, p. 47.

If a program, for example, is designed to foster blended and online learning in Jewish day schools, a foundation supporting such work will inquire how well the schools are adapting to “flipped classrooms” and how well students are learning. Or if a grant is designed to deepen the Jewish knowledge of camp staffers, what evidence can be adduced to show that the acquisition of such knowledge translates into more intentional Jewish programming? From the perspective of funders, philanthropy is more effective if clear goals are set and then data are collected to measure how well they have been met.

5. In the quest to streamline and rationalize philanthropic efforts, some of the biggest funders have become more receptive to forging strategic partnerships with one another.

These partnerships can take several different forms, ranging from the sharing of information to co-funding a project. In some cases, a foundation will develop a new initiative and then recruit other foundations, Federations, and local funders to bring that program to their own communities. Other forms of partnership may entail developing a program in concert and then sharing the costs. Foundations have become the drivers of most new initiatives. They have assumed a role described by a senior officer at the Ford Foundation as the “passing gear”⁵ enabling start-ups and new initiatives to launch because foundations are best positioned to provide “risk capital.” For this reason, the large foundations tend not to support the operating budgets of existing institutions (though quite a few actually do contribute small proportions of their grants to annual campaigns of Federations and other local institutions). The lion’s share of their funding, however, supports innovation.

6. Not only are many new big funders surfacing, but some are drawn from sub-populations that in the past played far smaller roles in Jewish philanthropy. Especially noteworthy are the new roles women are assuming as funders and executives of foundations; the increase in numbers of Orthodox donors; and the emerging role of Millennials.

Women today are running foundations, both as top executives and as volunteer leaders. More than a handful of foundations are now run by women who have managed to break through a glass ceiling that continues to impede the progress of females in the top tier of the not-for-profit sector. Equally important, increasing numbers of women are assuming responsibility for foundations and Donor Advised Funds they established with their own resources or that have been set up by their husbands or parents. This trend is expected to accelerate in the years to come.

Orthodox big giving also has been transformed. To be sure, the Orthodox world has long benefitted from the largesse of big givers. What is novel today is the increased numbers of such donors within the so-called Ultra-Orthodox (Haredi) sectors and the investment of some Orthodox big donors in outreach activities directed toward non-Orthodox Jews. These developments take on additional significance in light of the growing proportion of Orthodox Jews among active American Jews.

Perhaps the biggest wildcard in Jewish big giving is the role younger Jews—the Gen X and Millennial generations—will play. In the coming decades, these populations will inherit vast sums of money and assume responsibility for their parents’ foundations and Donor Advised Funds. How they decide to prioritize their giving will have a major impact on Jewish philanthropy in the decades ahead. But some of the answers are beginning to emerge already today as the Baby Boomers consciously initiate their children into philanthropic practices, and some younger Jews have already amassed great wealth on their own. Some of the more far-sighted philanthropists of the older generation are working at their own initiative to mentor these up-and-coming younger donors.

By way of conclusion, the report explores the implications of these trends with special reference to the challenges and opportunities they represent.

5 Cited in Fleishman, *Putting Wealth to Work*, *op. cit.*, p. 6.

Introduction

Since its founding in 1999, Birthright Israel has raised in excess of \$800 million from individual donors and Federations, mainly in the form of multi-million dollar gifts, to send over a half million Jews between the ages of 18 and 26 on a free ten-day trip to Israel.⁶ Through the generosity of funders, the number of campers at residential Jewish summer camps grew by 22 percent between 2007 and 2016 at a time when the overall number of non-Orthodox children has declined sharply. Over the past two decades, Hillel Houses have received a major infusion of dollars from alumni and national foundations to help them reach as many of the roughly 400,000 Jewish students on college campuses as they can. Funders have also created new initiatives designed to train future Jewish leaders, help Jewish day schools make capital improvements and implement tuition-lowering plans, and engage Jewish teens, college students and Millennials. A good deal of new funding is flowing also into start-ups that channel the energies of Jews eager to offer service to the needy both domestically and globally. All the while, the established institutions of Jewish life—synagogues, Federations and their agencies, Jewish Community Centers, facilities for the aged and hospices, and defense agencies, museums and cultural centers—have continued to function thanks in large measure to the generosity of local Jewish donors. The outpouring of funds by philanthropists, in short, is the essential lifeblood sustaining Jewish communal activity both at home and abroad.

Yet for most Jews, the nature of the Jewish philanthropic enterprise is shrouded in mystery. Yes, Jewish newspapers periodically report on big gifts, and interested readers can find ample discussion on the internet about new donor initiatives. Given the many local and national funders and the multiplicity of efforts they support, it is difficult, though, for all but insiders with a professional interest to discern the bigger picture about the parameters and impact of Jewish philanthropy.

Not only is the diffusion of efforts perplexing, the rapid pace of change makes it hard to keep up. To put this in personal terms:

6. Additional funds have come from the government of Israel and Federations of Jewish philanthropy.

In 1997, I published a lengthy essay examining trends in Jewish philanthropy.⁷ Most striking to me at the time were:

1. Not-for-profits were relying ever more heavily on bigger givers;
2. Dramatically larger proportions of Jewish philanthropic dollars were being directed to non-sectarian, rather than Jewish, causes;
3. Designated giving was replacing gifts to umbrella organizations;
4. Jewish big givers were establishing foundations to disburse their wealth, though in the main not to Jewish causes; and
5. Jewish philanthropy had shifted from aiding the most impoverished to enhancing the Jewish lives of all Jews.

Revisiting the subject two decades later, it is evident that these five trends persist. But it also is apparent that new, and previously unforeseen, trends play a great role currently. Not only do new players dominate the scene and new vehicles for giving channel most Jewish philanthropic dollars, but the causes now favored, the processes employed by grant-makers and the expectations of many funders are entirely different today.

In light of the massive changes, there is a need for an updated discussion of how Jewish big giving functions in our own time. This report aims to render such an account by addressing the following questions:

- How does the current Jewish philanthropic environment differ from what was apparent at the end of the last century? And what accounts for the major changes?
- What are the major vehicles funders currently employ to distribute their largesse?
- One hears a good deal about the larger foundations: What is their role? And relative to other forms of Jewish big giving, what is the significance of their philanthropy?
- Are there important variations among big givers when we differentiate them by generation, gender, type of community and religious orientation?
- What are the current challenges confronting big Jewish giving today?

7. Jack Wertheimer, "Current Trends in American Jewish Philanthropy," *American Jewish Year Book*, 1997, pp. 3-90.

In addressing these questions, care will be taken to place recent developments into three wider contexts: One is the altered demography of the American Jewish population. New patterns of family life and Jewish engagement have transformed givers and also spurred them to address new needs. Second, shifting values and ways of understanding Jewishness also have prompted funders to rethink which causes they support. And third, as funders go about their work, they are influenced by the altered philanthropic climate in the United States. How does big Jewish giving fit into the broader American philanthropic enterprise? All three of these contexts will factor into this report.

To whom is this report directed? Insiders involved as funders, staffers of philanthropic endeavors and personnel at Jewish not-for-profits may find it helpful to read an overview of the larger enterprise they devote so much energy to advancing. Readers interested in general philanthropic trends in the United States may find it illuminating to examine broader giving patterns through the prism of Jewish funding. And those with a professional or personal interest in American Jewish life may find it helpful to understand how the funding system that undergirds so many institutions has been transformed.

A word about what is intentionally *not* addressed in the following pages: Readers will find little here about giving to non-sectarian causes. It's not that such giving is unimportant, let alone negligible: to the contrary, all the evidence of survey research shows that more Jews give to non-sectarian causes than to Jewish ones.⁸ The data we have about big givers, moreover, indicates that the majority of their funds are directed to non-sectarian causes. Though many funders connect their giving to what they perceive to be "Jewish values," the majority of dollars donated by American Jews benefits non-sectarian institutions serving a diverse clientele. No doubt philanthropists may view their giving to medical research, environmental clean-up and aid to the poor in far-flung places as deriving directly from Jewish imperatives. **This report, though, is about large funds channeled to address specifically Jewish causes.**

8. For example, a study conducted in 2013 found that 92 percent of Jews who claimed to make charitable donations said they gave "to non-Jewish causes while 79 percent support Jewish organizations." Jim Gerstein, Steven M. Cohen, and J. Shawn Landres. *Connected to Give: Key Findings from the National Study of American Jewish Giving*. Los Angeles: Jumpstart, 2013, p. 7.

Readers looking for information about individual foundations and funders are likely to be disappointed. Because the purpose of this report is to note *trends*, the names of individual foundations appear infrequently in these pages. This report is about broader patterns at work, both those acting upon Jewish funders and those deriving from their decisions.

Individual funders are not named here for a second, more practical reason. In order to obtain first-hand and current knowledge, I rely heavily in this report on some 125 interviews conducted with funders and trustees, staff people working at foundations and not-for-profits receiving grants, and also observers of the philanthropic scene. In all cases, I pledged to regard our conversations as "on background," meaning I neither would attribute quotations and observations to specific interviewees nor would I name funders other than in cases where the information is already in the public domain. The payoff came in the form of rich and candid interviews from which I learned a great deal. I am deeply indebted to the many insiders who shared their perceptions with me. With the exception of a handful who preferred complete anonymity, they are named in an Acknowledgement section at the end of this report.

The Altered Philanthropic Environment

It was not long ago that big funders of American Jewish life generally conducted their philanthropic giving according to a fairly standard script: Most were guided in their decisions by professionals at their local Federation of Jewish philanthropy whom they regarded as experts on Jewish communal needs. They treated their synagogue(s) and then the broader local Jewish community as their primary philanthropic responsibilities, as was giving to Israel. An important segment of donors during the second half of the 20th century reversed these priorities: for them, support for the Jewish State in the form of donations to the United Jewish Appeal (UJA) was their highest priority; for others, Israel-giving was intertwined with contributions to the local Federation, the fundraising and allocations organization supporting local Jewish agencies and transferring funds to Israel. The wealthiest donors took it upon themselves to work together to raise significant amounts of money at times of crisis in Israel, and they also shouldered responsibility for shortfalls sustained by their local synagogues

and Federations. To the extent that donors supported national organizations, they mainly gave to the large defense organizations, the religious seminaries, Brandeis University and so-called “friends of” organizations raising funds for a specific Israeli university, hospital, museum or other institution.

Much of their giving happened through personal interactions: their rabbi asked for funds and wealthy peers exerted social pressure to join in with a gift to match their own. Card calling meetings at which donors were expected to announce their gift in public exemplified this form of peer giving. In the wake of the Six Day War, missions to Israel created another powerful setting to exert social pressure. The logic was straightforward, if cynical: “Put them through a hectic itinerary and when they’re thoroughly exhausted solicit the hell out of them.”⁹ None of this would have worked were funders not primed to take responsibility for Jewish needs. Local giving was seen by them as a form of “Jewish tax” and giving to the UJA was referred to as “sacrificial giving” because it was to come at the expense of spending on personal luxury items for all but the wealthiest donors.

Donors also tended to write personal checks or contribute funds through their companies. Indeed for many of the big donors, giving was intertwined with their business dealings. Successful entrepreneurs, real estate developers and executives of financial services companies gave together as an extension of their business interests.¹⁰

In the postwar decades, a fairly wide base of donors contributed, even if the biggest givers were responsible for a disproportionate share of the funds raised. Local and national institutions saw it as their responsibility to draw support from donors in every financial stratum as a means to justify their claim to be representative of all Jews, not just the wealthy. Often the venue for solicitation was a gathering over breakfast on a Sunday morning or a fancy evening dinner at a hotel; in both instances, the goal was a turnout of smaller givers and bigger ones. The religious seminaries tried to work through

synagogues to raise sums from “ordinary” Jews, while also soliciting the bigger givers. Federations of Jewish philanthropy ran Super Sunday campaigns to reach as many average Jews in the community as possible, usually after they had solicited the largest donors. At the time of the Yom Kippur War in 1973, one million gifts were made to the combined North American Federations. But the largest donations still remained critical to the success of every fundraising campaign.

Federations today rely upon somewhere between 30-40 percent of the number of gifts they received at the time of the Yom Kippur War.

Even a superficial examination of the current scene suggests that Jewish philanthropy operates very differently in our own time. Most dramatically, the base of support has shrunk for almost every institution. Federations today rely upon somewhere between 30-40 percent of the number of gifts they received at the time of the Yom Kippur War in 1973. The same is true of many national organizations and friends of Israeli institutions: Fewer give, but those who make grants tend to bestow large sums.¹¹

In the meantime, the Jewish communal system runs because 10 to 20 percent of donors account for 90 percent of the dollars raised—and because those who do give are likely to be more generous than in the past. This shift has profoundly altered the ways Jewish not-for-profits conducted their business. If in the past, the goal was to spread as wide a net as possible to raise money from Jews of all strata, the sharp focus on big gifts required the recruitment and training of a different kind of staffer with a core competency in major gifts fundraising and cultivating donors and prospects. Budgets, time, activity and skills now shifted to an emphasis on reaching the big donors instead of planning events evaluated by the size of the crowd, sending out direct mail or engaging in other low-end fundraising activities.

9. This and other quotations, unless otherwise sourced, are taken from my interviews, in this case with an experienced Federation executive.

10. For a vivid depiction of the way Jewish philanthropy worked 40 years ago and how it has changed, see Robert P. Aronson, “What I Learned about Raising Money from Jews,” *EJewish Philanthropy*, June 15, 2010. <http://ejewish-philanthropy.com/what-ive-learned-about-raising-money-from-jews/>

11. Jewish institutions don’t publicize information about their donor bases, but close observers of the scene have remarked upon the drop off. The North American Federations of Jewish philanthropy claimed to have received one million gifts in 1973. By the current century, the numbers bruited about suggested a decline of between 60-70 percent in the number of gifts received.

Any account of current Jewish philanthropy must therefore highlight the role of big givers, those whose *annual* largesse to Jewish causes is numbered in the hundreds of thousands of dollars, if not millions. This population has grown in size, as has its influence. Some quantitative data will appear in the next section, but for the moment we note several important ways large funders differ from their counterparts at the end of the 20th century.

A development cited almost universally by experienced fundraisers is a shift in Jewish sensibilities: with the exception of the oldest populations, those in their mid-70s and up, the causes that had resonated in the past no longer have the same hold on the imagination of wealthy Jews. For Jews who lived through or right after the Holocaust and establishment of the Jewish State, those events were seared in their consciousness and prompted strong feelings of collective responsibility toward fellow Jews. Younger Jews don't regard their coreligionists as current victims of persecution and no longer see Israel as either embattled or impoverished. If anything, they have been exposed to an Israel that is a military superpower in its own neighborhood and a "start-up nation" whose economy flourishes. Last century's battle cries portraying Israel under siege and Jews at home and abroad as vulnerable are inconsistent with the life experiences of donors under the age of 70, and certainly those under 40.

A substantial number of funders simply have lost interest in Jewish causes. As one funder put it about his peers: "Many funders don't want to be put in a Jewish box. They feel their values are Jewish, but they fund non-sectarian causes they believe are congruent with their Jewish values." Medical research to cure illnesses, environmental clean up to sustain the planet, or aid to help the neediest around the globe raise themselves out of poverty and ignorance are causes to which Jewish funders resonate. And the eagerness with which domestic universities, museums, symphony orchestras and medical centers woo Jewish donors also creates new giving and status opportunities for funders. Jewish causes must vie for the attention of donors bombarded with unending appeals from all kinds of causes. That coupled with the aspiration of

donors to make the world a better place militates against parochial giving to Jewish causes in favor of global needs.¹²

It has not helped matters that the definition of "Jewish" is now up for grabs. It used to be that the parameters of Judaism and its values were fairly clear, even if various denominations offered somewhat distinctive answers. Over the past generation, the nature of Jewishness has become contested: Who is a Jew? What is Jewish identity and how ought it to be expressed? Which values actually derive from Judaism? In an age eager to celebrate hybridity, fluidity and the collapse of boundaries, these questions don't lend themselves to simple, let alone agreed upon, answers. And that confusion permeates all of American Jewish life, including philanthropy.

Donors today also differ because relative to the recent past, those at the top of the pyramid have greater sums of money to expend on philanthropy. Speaking to me about younger Jewish men in their 30s and 40s in her Midwestern community, a funder nonchalantly referred to individuals who had "already made their first billion." Sums of money that were unfathomable even two decades ago are now at the disposal of more individuals (and at a younger age than ever before). The billionaires are still an elite group, but far more individuals of means have tens, if not hundreds, of millions at their disposal, as is evidenced by the growth of foundations with huge assets.¹³ Even those on the lowest end of big giving donate hundreds of thousands of dollars annually to philanthropic causes. Inflation alone, we should note, does not account for the disparity in sums of money available. The high tech and hedge fund boom years of the 21st century have enriched

12. Fundraisers tend to distinguish between the older generation of givers, those over 75, and the Gen X and Millennials. It is harder to generalize about the Jewish giving of Baby Boomers, some of whom are staunch supporters of Jewish causes and Israeli institutions, while others tend to favor non-sectarian causes. That said, generalizing about different generations of givers has become more complicated, especially as the generations confer and are influenced by one another.

13. We speak here of general trends. The Great Recession, with its market sell-off and increased economic instability, proved to be a blip. But while it was happening, donors cut back, especially older ones who suddenly worried about having enough assets to live out their days. Some not-for-profits continue to feel the residual effects of donors who use the economic decline as an excuse not to give generously.

some of the biggest funders beyond what the 20th century real estate moguls and builders of businesses amassed.¹⁴

That has translated for some donors into a desire to employ significant sums to make a big difference, to invest in a “game changing” initiative. Until the last 15 years or so of the 20th century, few funders of Jewish needs thought in such grandiose terms about their philanthropy.¹⁵ They viewed existing institutions as proper vehicles to address Jewish needs. Today, it’s unusual to find donors who value established institutions as levers of change. The nexus of power and money has shifted to funders and their favored projects, which usually are unconnected to established organizations. With such huge assets—much of it new wealth—concentrated in the hands of donors of Jewish origin, one might have expected that these would be idyllic days for Jewish not-for-profits. Paradoxically, the high ambitions of today’s donors have been detrimental to most established Jewish institutions, for in addition to directing a massive flow of Jewish money into non-sectarian, “global” causes, the biggest givers are unpersuaded that Jewish institutions *possess the capacity to absorb large gifts*. Israeli universities and cultural projects, like their American counterparts, can put a \$400 million gift to good use,¹⁶ but donors are skeptical that domestic Jewish organizations are similarly equipped. In any event, the biggest funders are looking to make a large impact independent of existing Jewish communal agencies.

14. One consequence of this accumulation of vast assets by younger people is that some no longer work their way up the philanthropic ladder in the same way as their predecessors who tended to begin with small gifts, were socialized into Jewish giving, and only in their 60s and later years made substantial gifts. That educational process no longer works for a sector of the very wealthy young people impatient to make an impact. (We shall see that for others, new socialization and educational tracks are being created through giving circles, for example.)

15. A few noteworthy exceptions were Sanford (Zalman) C. Bernstein, Charles and Edgar Bronfman, Caroline and Joseph Gruss, Charles and Lynn Schusterman, Michael Steinhardt and Leslie Wexner, all of whom established foundations during the last 16 years of the century. That said, a report issued in 1999 claimed there were 3,500 foundations that gave to “something Jewish.” The large majority were modest in their philanthropic ambitions. See *Jewish Foundations: A Needs Assessment Study*. Institute for Jewish and Community Research, 1999, p. 5.

16. An Israeli university received a bequest for \$400 million, the largest gift to date to a Jewish institution. Lidar Grave-Lazi, “US Couple Donates \$400 Million to BGU,” *Jerusalem Post*, June 26, 2016. <http://www.jpost.com/Israel-News/US-couple-donates-400-million-to-BGU-457785>

Some funders, to be sure, also have lost faith in the flexibility of the established institutions to adapt to a changed world. It’s a commonplace for funders to express exasperation with the rigidity or cluelessness of Jewish organizations. As they survey the scene, they have concluded that ever more Jews are gravitating to the margins of Jewish communal life, and therefore the best place to invest is in efforts to re-engage the least involved Jews, rather than fund programs for moderate or active participants. They are encouraged in this belief by the many voices asserting with unquestioning belief that younger Jews are not interested in their parents’ and grandparents’ favorite institutions. Judging from popular accounts, the action in Jewish life is limited to start-ups—and the more edgy, innovative and disruptive, the better. (More recently, a number of funders are taking a second look at what establishment institutions have to offer. We shall note below examples of new initiatives operated by foundations that rely on Federations and other long-established actors with the experience and knowledge of local conditions to carry out their work—e.g. PJ Library, The Teen Initiative, etc.)

The biggest givers are unpersuaded that Jewish institutions possess the capacity to absorb large gifts.

Established communal institutions come in for considerable criticism by both older and younger funders for how they conduct their business. The persistence of hierarchical leadership structures, consensus-driven policy-making, and patronizing attitudes of organizations toward younger people, especially women, is a source of resentment. Emblematic of this impatience are complaints by younger Jews who in their professional lives have learned to work creatively in small teams because they are far more efficient, and then when they attend meetings in Jewish institutional settings they find themselves seated with an unwieldy number of people around the table. Equally off-putting is the slow pace at which younger people are permitted to assume positions of influence in established Jewish institutions—a jarring experience, especially if they already play decision-making roles in their professional lives.

A further push in this direction away from collective Jewish needs has come from the well-documented shift to unfettered individualism in American society. Donors are far less tied to communal giving; some younger donors self-consciously reject the favored causes of their parents and grandparents; and everyone is much more concerned about how their money is put to good use. Rather than entrust their wealth on faith to others making the decisions, donors insist on exercising control, making sure their money is well-spent. There is a good case to be made that these are positive developments: why should donors constrain themselves and give to the causes of their forebears? And what is wrong with donors insisting on their money going to specific activities most congruent with their own values? Yet even a top executive with one of the largest Jewish foundations has lamented that among the biggest donors “everyone wants to make Shabbos for themselves, and that is a destructive trend.” We will see further on that some countervailing developments may be reversing this hyper-individualism. But surely the belief of donors that they know best how to spend their own money, and in the case of operating foundations, they are more nimble in developing programs geared to present-day realities, and they can do better than existing institutions—these assumptions have an impact on philanthropy in general and certainly within the Jewish sector.

For all of these reasons and others, established institutions hold little appeal for some big givers. And that, in turn, has deprived those agencies of the funds they need to spur innovation. The established institutions are caught in a “catch 22.” They are perceived as ineffective and therefore donors deprive them of the funding that might enable them to make a greater impact, let alone take the risks necessary for innovation.

Funders, in turn, respond by granting favored status to startups and initiatives of their own to address the great challenges of Jewish life. For many funders, in other words, the action has shifted from supporting the infrastructure and programs of synagogues, Federations, and national Jewish organizations to investing in pop-up religious settings, cultural innovators unencumbered by entrenched ways of doing business and new national initiatives created by foundations. If the former constituted the key governing institutions in Jewish life 40 years ago, as Daniel Elazar argued in his classic, but now thoroughly

outdated study, *Community and Polity*,¹⁷ they have also suffered the same fate as governments: both have less financial resources to work with than in the past and are being sidelined by philanthropists who will see to their own forms of innovation.

The larger American scene offers additional parallels: most obvious in recent years has been the fragmentation of American society, and current ideological polarization. American political leaders are finding it ever more difficult to craft messages of unity or to speak about common goals. So, too, Jewish communal life is highly fragmented. Jews are divided over politics, questions of American public policy, Israeli government actions, religious issues and cultural questions. All of these divisions have further weakened the bonds of what once was called Jewish peoplehood, the responsibility and kinship Jews felt toward one another globally. Many American Jews retreat instead into small, local communities, which they visit episodically. Nor are Jewish givers immune from these shifts: they are no less affected in their own lives by heightened communal fragmentation. Often, their philanthropy is shaped to address the current communal dysfunction, even as it may add to it by creating still greater diffusion of energy.

Another parallel to general American trends is evident in the way Jewish big giving now serves as the “risk capital” of our time. Describing the broader American scene, David Callahan notes that “givers can attack challenges with a freedom and agility that public officials could only dream of—which is one reason why philanthropy has been called ‘society’s passing gear.’”¹⁸ In the Jewish setting, we can note the same developments if we substitute established institutions for government.¹⁹

So too are there parallels between the efforts of America’s mega-donors and those in the Jewish community in their

17. Daniel J. Elazar, *Community and Polity: The Organizational Dynamics of American Jewry*. Philadelphia: Jewish Publications Society, 1976. The American Jewish community described in this book no longer exists in the same way, swept away by many of the currents described above.

18. David Callahan, *The Givers: Wealth, Power and Philanthropy in a New Gilded Age*. New York: Knopf, 2017, p. 9. Callahan claims Warren Buffet first described the role of philanthropists as providing “society’s risk capital.”

19. Foundations with an interest in American social issues at times develop experimental initiatives that if successful are then adopted by governments. In this sense too, foundations offer the risk capital. Within the sphere of Jewish giving, philanthropy does not play the same kind of role both because Jews represent such a small minority and also due to Church/State separation.

An Experienced Federation Executive Takes Exception

Having worked for decades in high-level positions at a number of different Federations, a now retired executive understands how thoroughly the Jewish philanthropic environment has changed—and he is none too pleased. He laments the shift from what he terms “a communal economy” to one dominated by private philanthropy.

The shortcomings of the new system are manifold, as he sees it. First, private philanthropists have created a Jewish world in their own image. They tend not to be connected to a local community—either because they don’t do that kind of thing or because they travel between homes in multiple localities. They therefore feel little connection to a place or allegiance to a community.

Their lack of rootedness, great wealth and the individualism of our age, in turn, have pushed them to give short shrift to any collective decision-making process. There was a time, he recalls, when the biggest givers came to the Federation table and seldom “took their gun out of their holster.” At a meeting of a Federation planning committee around 25 years ago, he observed a heated debate, which ended in a final vote of nine to two, with the wealthiest donor in the minority. The next day, that donor agreed to fund the entire project because the communal process was

more important to him than the specific issue. Today, the wealthiest donors don’t even come to the table.

The new philanthropy also distorts the process, in his view, because it requires Federation executives, above all else, to have the ability to connect with big givers. In his recollection, executives in the past were imbued with a broad understanding of Jewish life and thought systemically about issues. Now they are primarily fundraisers who can speak the language of the wealthiest donors. That impoverishes the quality of current leadership, in his view.

And finally, he laments the loss of a collective decision-making process in favor of what he describes as a catering to the pet projects of the biggest donors. In saying this, he acknowledges that the consensus-driven approach tended to be slow and that it was not democratic in the sense that the views of all members of the Jewish community were represented at the table. Decisions were made by upper-middle class and upper-class donors, but they had strong connections to “the Jewish street.” Unlike today’s biggest donors who tend to focus on specific areas of Jewish concern, the Federation planning process looked at the entire ecological system within Jewish communities. And that broad purview has been lost.

grand ambitions. Writing of the “activist class” of American donors, Callahan describes them as “intent on using their money to make things happen that otherwise wouldn’t.... In other words, they’re not keen to kick in funding to existing, popular causes; instead they want to invest their money in places that can be decisive.”²⁰ Precisely the same is true of some major Jewish givers who are prepared to make big bets, aspire to transform fields, not merely organizations, and dream of making game-changing investments.

But it is not only the scope of ambition that sets some of the biggest donors apart from their predecessors: they also are far more strategic in how they give. They want to tackle underlying challenges or endemic weaknesses, rather than help maintain institutions and causes. Using a more traditional Jewish category, a Chabad rabbi of my acquaintance distinguishes between “*ba’alei tzedakah*” and philanthropists: the former want to aid

Jews in need and the institutions serving those Jews. Philanthropists, he contended, seek to address a problem. To be sure, there is no hard and fast line of demarcation between “expressive” and “instrumental” givers—between those described in the Executive Summary as primarily concerned with supporting a cause or institution and those aspiring to achieve a social aim or address a systemic problem.²¹ Most of the biggest givers tend to aid needy Jews and maintain key institutions serving them, even as they devote the work of their foundations to developing strategic approaches to large problems. With the rise of staffed foundations, however, much greater emphasis is now placed on strategic grants than was the case in the past.

How, then, does the Jewish philanthropic scene differ today, as compared to the second half of the 20th century? The current environment places greater emphasis on individual decision-making by big donors and attends far less than in the past to shaping a coherent agenda for the Jewish collective. Fewer

20. *Ibid*, p. 121. The quotation comes from an interview with an early Facebook developer and his wife who give large sums to disruptive causes.

21. The terms are discussed by Joel L. Fleishman, *The Foundation*, p. 47.

big donors account for the bulk of giving to Jewish causes, which further elevates the importance of their understanding of current needs. Established institutions are dismissed as out-of-touch, as products of the past century when very different challenges faced American Jewry; accordingly, new initiatives are favored because they are seen as the best way to address current realities. For many of the biggest givers, breaking with the past, funding riskier, innovative initiatives, and betting on disruption are bolder investments worth making because the established institutions are *passé*. They are more inclined to invest strategically to solve problems rather than sustain existing communal programs or institutions. No matter how one judges these developments—as positive strides forward, as worrisome evidence of communal decline, or both—one thing is certain: In the 21st century, a new philanthropic climate is transforming Jewish communal life.

How They Give

We have devoted attention to the American context in which Jewish giving takes place because donors, of course, do not live in a vacuum. There is an additional context to consider: Jewish giving, like philanthropy in general, is governed by the American legal system. Laws determine the types of vehicles donors may create to channel their giving. Moreover, government policies have created opportunities for people of means to shelter their wealth and manage their giving in ways that lowers taxes owed. Legislation sanctions the creation of philanthropic vehicles that keep donors completely anonymous, thereby offering privacy to givers.²² And tax legislation treats certain types of wealth-producing activities differently from earned income—most notably the financial rewards of running a hedge fund. It's impossible to know how much giving would cease were these laws not in place, but surely government policies have shaped philanthropy.²³

22. The passage of a massive tax reform bill at the end of 2017 may have important ramifications for giving in the years ahead. As this report went into production, it was too early to know how the laws would affect big Jewish giving.

23. There is no shortage of criticism about tax policies. For a particularly trenchant, though overly negative, analysis of Donor Advised Funds, see Lila Corwin Berman, "Donor Advised Funds in Historical Perspective," Oct. 21, 2015. A summary and paper can be found at <https://histphil.org/2015/10/21/donor-advised-funds-from-an-historians-perspective/>

The best-known vehicle for donor giving is the private foundation designated as a 501(c) (3) by the IRS tax code. In recent decades, the number of such foundations in the United States has increased explosively from 32,000 in 1990 and 57,000 in 2000 to nearly 80,000 in 2014.²⁴ No precise figures are available on the number of such foundations established by Jews because there is no requirement to designate the religion or ethnicity of the donor. But as the IRS does require private foundations to file an annual 990 report about its expenditures and grants, and these are treated as public documents, we can identify a significant number of private foundations with a serious interest in giving to Jewish causes.²⁵

Sifting through 990s for the year 2015, one can identify roughly 250 foundations annually making grants totaling at least half a million dollars *for specifically Jewish purposes*, including contributions to Israeli institutions.²⁶ (Another 130 foundations gave lesser sums to Jewish causes, but still in the hundreds of thousands of dollars range.)²⁷ Sums allocated by a foundation may vary from year to year, so it may be more useful to look at total giving over a three-year period. From 2010 through 2012, three of the very largest foundations with a Jewish interest each gave away a total of over \$100 million to Jewish causes, with the largest making grants over twice that sum. Another dozen made grants of over \$10 million annually

24. Foundation data for 1990 and 2000 are taken from <https://www.statista.com/statistics/250878/number-of-foundations-in-the-united-states/>; for 2014, see The Foundation Center, <http://data.foundationcenter.org/>

25. For a brief history of Jewish foundations, see Jeffrey R. Solomon, "Jewish Foundations: An Introduction," *Journal of Jewish Communal Service*, Fall/Winter 2005, pp. 101-105.

26. All data reported here about foundations were compiled by a team working under my direction.

27. The total number of foundations in the United States with some interest in Jewish causes has been approximated at nearly 10,000. I suspect this figure is vastly exaggerated. A search of the database at the Foundation Center, a repository of information (including IRS filings) about foundations, located 3,800 claiming an interest in "the Jewish people." Were we to add those giving to Israel and also to support of Judaism and religious institutions, the figure would be higher undoubtedly. As this report is about big givers, I have set a threshold of a half million dollars of annual giving to Jewish causes. Clearly, many more give far smaller amounts. On the estimate of 10,000 foundations, see Erik Ludwig and Aryeh Weinberg, "Following the Money: A Look at Jewish Foundation Giving," Institute for Jewish and Community Research, 2012. The authors limited their own focus to 56 foundations. <http://ejewish-philanthropy.com/wordpress/wp-content/uploads/2012/03/A-Look-at-Jewish-Foundation-Giving-Feb-2012.pdf>

during those years, and some 85 gave between nine and two million dollars annually. (In all cases these figures refer to giving to Jewish causes, alone.)

Over the three years from 2010-2012, the 250 *largest* foundations with a strong Jewish interest made their grants to Jewish communal funds, higher Jewish education and Federations. But the largest *number* of grants from those foundations went to support Jewish day schools, synagogues and social service agencies. To illustrate: gifts to day schools averaged \$48,000, to summer camps \$110,000, to Federations \$276,000 and to Israeli institutions \$232,000. Though it is widely assumed that American Jewish giving is heavily skewed toward funding Israeli institutions, the foundations most invested in Jewish causes send only one-fifth of their grants to Israeli institutions (some \$543 million from 2010-2012).

The combined grants to *Jewish causes* from the 250 or so foundations identified as giving over a half million dollars annually during that three-year period came to \$2.572 billion. In that same period, these foundations also made grants totaling \$3.503 billion to *non-sectarian* causes, which comes to 58 percent of their combined largesse. These figures, it should be stressed, exclude foundations established by Jewish donors that gave less than a half million dollars annually to Jewish causes. In other words, they represent the foundations with the *strongest* interest in such causes, yet still they disbursed the majority of their grant funds to *non-sectarian* causes.

Though they are best known, foundations are not the only, or even the most popular, vehicle employed by big givers, probably because of their drawbacks. For one thing, given the start-up costs, donors are advised to make a minimal initial transfer into the foundation of between \$1-2 million, though such a sum is not required by law.²⁸ If that expectation is not off-putting, donors may also be discouraged by the time they must invest to run a foundation or the costs of hiring professional help. Not least, foundations may be deemed objectionable by some big givers because of their reporting requirements and the availability of tax filings for public scrutiny.

28. <https://www.suntrust.com/resourcecenter/article/starting-a-private-foundation-17-frequently-asked-questions#.WWfuremSTa8>

Funders of various types—including big givers and those of more modest means—avail themselves of other vehicles if they prefer to simplify their giving. The first is known as a Donor Advised Fund (DAF). Individuals can open such a fund for no more than \$5,000 and are then freed of administrative involvement because DAFs are housed at public charities, which oversee them. Unlike foundations, which are required by law to spend at least five percent of their assets annually, Donor Advised Funds have no minimum distribution requirement. They also operate with complete anonymity.²⁹ As is the case with sums transferred to foundations, assets transferred to DAFs receive an immediate tax benefit, while, as a practical matter, the decision of how much and when to spend is left entirely in the hands of donors.³⁰ DAFs have grown at a torrid pace over the past 25 years, leading an observer of American philanthropic trends to describe them as “the most significant ‘new’ tool donors have available.”³¹

As of 2015, there were nearly 270,000 DAFs in the United States. And though they faced no requirement to spend their money, on average they gave away some 20 percent of their assets annually (as compared with the five percent generally given away by foundations).³² Contrary to critics who regard DAFs as a convenient way to park money indefinitely, high percentages of DAFs give away substantial amounts of their assets annually and then are replenished by funders. The Jewish Communal Fund of New York, the largest such fund under Jewish auspices, reports that its fund holders distribute 26 percent of total assets annually. Ten percent of its

29. DAFs also differ from foundations in that they cannot tie their funding to benchmarks or engage in program related investments or make grants to individuals. Most important, they have far less oversight over the way their funds are used than do foundations with staff members who can monitor grantees. In short, DAFs are for writing checks, not for engaging in partnerships with grantees.

30. For a chart comparing the major differences between various types of philanthropic vehicles, see <https://www.nptrust.org/daf-forms/A-Comparison-of-Philanthropic-Vehicles.pdf>. For a helpful introduction to various forms of charitable giving, see Peter J. Klein and Angelica Berrie, *A Passion for Giving: Tools and Inspiration for Creating a Charitable Foundation*. Hoboken: John Wiley and Sons, 2012.

31. Robert I. Evans, “U.S. Giving Reaches New Highs,” *EJewish Philanthropy*, July 13, 2017. <http://ejewishphilanthropy.com/u-s-giving-reaches-new-highs-again-showing-unprecedented-increases-unparalleled-generosity/>

32. “Growth in Recent Years,” *2016 Donor Advised Fund Report*. National Philanthropic Trust. <https://www.nptrust.org/daf-report/recent-growth.html>

DAFs give away more than half their assets annually, and 60 percent replenish annually with new funding.³³

Over 1,000 public charities in the United States sponsor DAFs. The advantage for these charities is that they maintain a relationship with donors, even if only to act upon their orders to allocate sums to other charities. DAFs are easily accessed online and even on phone apps, making it simple for donors to notify fund administrators where they wish to direct their grants. The flexibility accorded by DAFs have drawn Jewish funders, including some who dissolved their own foundations and replaced them with a DAF to simplify the process of giving.

Particularly over the past two decades, Federations of Jewish philanthropy have moved aggressively to woo donors to open DAFs at Jewish communal funds under their aegis. (A few such funds, such as the ones in New York and San Diego, are independent of Federations.) According to the conventional wisdom, Jewish donors take great satisfaction from knowing their gift to the United Way, their alma mater, a hospital or any other non-sectarian institution comes from a checking account of a Jewish communal fund. They believe it makes for good will and wins friends for Jews.

A survey conducted in 2014 by the Jewish Federations of North America elicited answers from 61 Jewish communal funds and Federations sponsoring DAFs, accounting, I was told, for roughly 85 percent of the total.³⁴ The combined grants made that year by donors using DAF money under Federation auspices³⁵ amounted to \$941 million, with 43 percent going to Jewish causes domestically or abroad.³⁶

Another set of vehicles created by Federations consists of endowment funds, in some cases restricted for specific

purposes or programs, and in other instances unrestricted and therefore contributing to the annual campaign. Set percentages of these endowments are directed annually to various communal initiatives. These funds tend to give the highest proportion of their annual grants to Jewish entities: In 2014, Jewish causes were the beneficiaries of 68 percent of endowment grants, amounting to some \$858 million.³⁷

Even with these data on Jewish big giving, there are very large holes in our knowledge. It's all to the good, for example, that data on DAFs connected to Jewish Federations are available, but we have no way to know how much big Jewish giving flows from DAFs housed at the major investment houses, such as Fidelity, Vanguard and Schwab. Not only are their donors shielded by anonymity, no data are made public on the specific recipients of DAF grants (as opposed to the general categories in which grants fall). Nor do we know the dollar amount donated to Jewish causes through bequests,³⁸ the transfer of assets or checks written by individuals.

The Grantee Perspective

In order to develop a more comprehensive picture, then, we turn to the grantee side of the equation: What do we know about the sums of money in the coffers of Jewish not-for-profits? An ambitious effort to answer this question was launched by a reporter for the *Forward*, an English-language national Jewish newspaper.³⁹ Reviewing the 990s filed by Jewish not-for-profits, Josh Nathan-Kazis concluded that the aggregate revenue of 3,600 American Jewish organizations (including those supporting Israeli institutions) came to between \$12

33. *Jewish Communal Fund 2017: Giving Report*. <https://www.jcfny.org/wp-content/uploads/2017/11/JCF-2017-Giving-Report.pdf>, p. 1

34. *2014 Annual Survey of Planned Giving and Endowment Programs*. Jewish Federations of North America. Feb. 3, 2016. I am grateful to the JFNA for sharing this document with me.

35. The relationship between Federations and local Jewish Communal Funds can range: in some communities, the latter donate all their profit above expenses to the annual federation campaign and they see themselves as partners of the federation; in other places, the communal funds are at odds with the federation or formally divorced from them.

36. There is no way to know how much of this sum came from donors who disbursed a half a million dollars or more to Jewish causes, which means that not all these funds came from "big givers" as defined in this report.

37. The high percentage going toward Jewish needs is not surprising given the greater say Federations have in how the Endowment Funds will be used. Annuities and bequests are also part of the mix, but are not included in these figures.

38. For a pioneering study of planned giving by Jews, see *Connected to Give: Jewish Legacies*. Jumpstart Labs, 2013. (www.jewishlegacies.connectedtogive.org). The study found that among Jews with annual incomes over \$300k who have made provisions in their will for bequests, 85 percent intend to leave some funds to Jewish organizations (p. 6).

39. Josh Nathan-Kazis, "26 Billion Bucks: The Jewish Charity Industry Uncovered," *Forward*, March 24, 2014. <http://forward.com/news/israel/194978/26-billion-bucks-the-jewish-charity-industry-unco/>. The data Nathan-Kazis provides appears to be credible, thoroughly gathered and internally consistent. Unfortunately, we have no other attempts in recent years to track the Jewish GDP, and therefore no way to check the *Forward's* reporting against other estimates. Accordingly, the data need to be treated with caution.

and \$14 billion in 2013. The vast bulk of this revenue came in the form of fees charged for services and government funding, not philanthropy. As for philanthropic moneys, Nathan-Kazis pegged giving in that year at some \$3.7 billion—and that does not include funds donated to synagogues and other religious institutions, such as rabbinical seminaries, yeshivas, and day schools, *which are not required to file 990s*.⁴⁰ How many philanthropic dollars flow to the institutions of American Judaism is anyone's guess, but we may estimate conservatively that when we add in giving to religious institutions the annual sum of giving to Jewish not-for-profits is in the vicinity of \$5.5 billion to \$6 billion.⁴¹

A good deal of Jewish big giving does not come from mega-donors, but from people of more modest, yet still significant means.

Based on this estimate, we may draw a number of conclusions about trends in Jewish philanthropy. To begin with, a significant portion (around \$2 billion in 2014) still is channeled to Jewish needs through Federations and endowment funds connected to them. To say this is not to deny the shrinking or static dollar sums collected by many (though not all) Federations for their annual campaigns and the consequent constraints under which they operate. But DAFs and supporting foundations parked at or near Federations supplement the annual campaigns significantly. In addition, the 250 largest foundations giving to Jewish causes add between \$900 million

40. Nathan-Kazis cites a study appearing in 2010 in which 3,495 Jewish religious organizations were counted. Many are quite small, but all together they might well attract tens if not hundreds of millions of philanthropic dollars not counted in the \$3.7 billion dollar figure. For this reason, Nathan-Kazis estimates the total American Jewish philanthropic outlay as falling between \$4.5 and \$6.5 billion in 2013. This report errs on the side of a conservative estimate of religious giving.

41. Historically, the largest slice of American philanthropy has consistently flowed to religious institutions. Although that proportion has steadily declined, as of 2015 it still stood at 32 percent, the largest sector. "2015 Was America's Most Generous Ever," *Giving USA*. <https://givingusa.org/giving-usa-2016/>. Jewish patterns may diverge somewhat from the broader philanthropic community in the United States, but with some 3,000 to 4,000 synagogues and other settings for Jewish religious congregating, several hundred day schools, at least nine rabbinical seminaries and additional numbers of advanced yeshivas, and hundreds of Chabad centers, the Jewish religious sector attracts large infusions of philanthropy.

and a billion dollars annually. We therefore can track roughly \$3 billion of Jewish giving.

Second, somewhere in the vicinity of \$2.5 billion to \$3 billion of Jewish giving is coming neither from foundations nor through DAFs, supporting organizations or other endowment funds. Much of this goes to religious institutions, a sector that remains shrouded but clearly attracts substantial funds from large and average givers.

And then there are the funds making their way to Jewish not-for-profits through channels that cannot be tracked. To learn about how dollars reach Jewish agencies, I contacted several "friends of" organizations raising funds for Israeli institutions to learn about *the form* their gifts take. These groups tend to raise larger sums than virtually any domestic Jewish educational or community relations institution—and primarily from big givers. They therefore may serve as a proxy for how large gifts are conveyed to the range of Jewish institutions. Though the percentages varied from one to the next, in each case foundation giving accounted for between 10 and 40 percent of the total; estate bequests varied from a low of two percent to a high of 24 percent; and corporate giving tended to be in the single digits. Smaller percentages of dollars came from individual donors in the form of stock or other asset transfers, online pledges and, to a far smaller degree, annuities. The highest proportion, though, came in the form of *checks by individuals*. Those contributions are impossible to track, but they add a substantial amount to Jewish philanthropy—and most of it comes from big givers.

For some close observers, the ways donors choose to make payments is of relatively minor importance. Yes, their chosen vehicle has tax implications for the donors. More important for overall philanthropy is that donors fulfill their commitments by transferring funds from a variety of pockets in a manner that works best for them. Among the foundations making the largest grants to Jewish causes, for example, are some that have virtually no working capital: When a grant commitment is due, the funder transfers dollars into the foundation, which then pays the grantees. Dollars are made available, in other words, as needed. Other funders who control major businesses may run a corporate philanthropy department that handles their obligations. A fair number only

establish a foundation late in life. In some cases, foundations are established with the proceeds of an estate, and during the lifetime of the funder, grants were made in the form of personal checks. The possible variations are unlimited. It's the dollar transfers that matter ultimately.

This leads to still another important take-away: A good deal of Jewish big giving does not come from mega-donors, but from people of more modest, yet still significant means. Whether they donate by writing checks or having their DAFs transmit money, a good many donors give away hundreds of thousands of dollars or perhaps more annually to a variety of Jewish causes. Their largesse is recognized at fundraising dinners and other local events, but tends to be unheralded on the national level. Jewish life is lived by most Jews in their local communities, and that means local supporters of means are the ones sustaining the key institutions serving average Jews.

All of this also suggests the importance of placing grants by private foundations into perspective. The roughly \$1 billion allocated by the 250 largest foundations giving to Jewish causes annually is obviously of critical importance. Placed in perspective, though, it constitutes less than 20 percent of Jewish philanthropy, not, as some imagine, the major source of Jewish funding. Looking at the larger picture, if the total annual budget of the American Jewish community is around \$12-\$14 billion⁴² and roughly half of that comes from philanthropy with the rest contributed by government grants and fees for services, the foundation sector accounts for eight to nine percent of the American Jewish communal budget.

Reading news reports about the initiatives taken by the largest foundations, one might conclude otherwise. To repeat an observations made by Warren Buffet, foundations offer the risk capital; they launch new initiatives and help to reshape specific fields. Those are vital functions: in some cases, they set the agenda, especially when they define strategic goals and work together to further those aims. Meanwhile, the day-to-day operation of Jewish communal life persists thanks to the initiative of thousands of donors who may give less than a half million dollars annually to Jewish causes but still donate

considerable sums. **In broad strokes and with exceptions, this division of labor lies at the heart of the new Jewish philanthropy.**

Current Trends in Big Giving

What's Hot and What's Not

Tracing the long-term trajectory of Jewish big giving over the past century, the most noteworthy shift has been from investment in the physical and material welfare of Jews to funding initiatives aimed at strengthening their identification with Jewish life. Even as recently as the 1990s and the first decade of the current century, American Jews cumulatively raised over a billion dollars to resettle immigrants from the former Soviet Union in Israel. Lesser, but not inconsiderable, sums helped to do the same for those who immigrated to the United States. Before that, huge sums were expended annually on "emergency" campaigns to shore up Israel at times of war and crisis. And in earlier periods, providing for impoverished Jews at home and abroad was a primary goal of Jewish giving.

As the need for emergency relief campaigns waned, funders began to focus their attention elsewhere. Beginning with the so-called "Jewish continuity" campaigns of the 1990s, more funding was directed to Jewish education and other forms of youth engagement. With rising concern about high rates of intermarriage and the indifference of many Jews to their religious and cultural heritage, new programs were created to reverse those trends. At the close of the 20th century, funders banded together to support three new initiatives directed at strengthening Jewish connections. The best known and longest lasting is Birthright Israel, the free 10-day trips to Israel subsidized by big funders, and to a lesser degree Federations and the government of Israel. The goal was and remains to ignite feelings of connection to some aspect of Jewish life. Acquiring knowledge about Israel is secondary to strengthening the ties that bind participants to the Jewish people. A second funder initiative was the creation of the Partnership for Excellence in Jewish Education (PEJE),⁴³ initially an effort

42. The figure is based on Kazis, cited above.

43. In the case of PEJE, the largest Federation, that of New York City, was a founder too.

to increase the number of day schools and the numbers of children attending them, but eventually one focused on building the capacity of these schools through improved fiscal and governance measures. And still a third type of effort, though considerably smaller in size and reach, was directed at synagogue renewal in the form of Synagogue 2000 and Synagogue Transformation and Renewal (STAR), with the intention of developing techniques for synagogues to attract more participants and serve as centers of Jewish life. All three of these efforts were launched by what then were called “mega-donors” between 1997 and 2000.⁴⁴

Funding Jewish Engagement

In the current century, funders have become enamored of new initiatives to engage the Jewish population, especially youth. Much big funding has gone to reinvigorate experiential Jewish settings. Hillels across the country, as well as the national office, have received large infusions to build new centers on campuses and expand their reach to Jewish students. Jewish summer camps have also been major beneficiaries. Funding has gone to building enhanced facilities and opening new camps, particularly specialty camps focused on sports, the arts, science and technology, outdoors adventures or ecology. The Foundation for Jewish Camp, founded in 1998, is regarded as one of the great success stories of American Jewish philanthropy. It serves as a resource and advocate for Jewish summer camps, including training programs to help camp staffers infuse their programs with Jewish purpose and content. For younger children, PJ Library, a program created and operated by the Harold Grinspoon Foundation, offers free Jewish books to families. It has expanded across the country through the generosity of local funders who want children in their geographic area to benefit from the enterprise.

In recent years, funders in local communities and on the national level have created a raft of programs directed at Jewish Millennials, a sub-population deemed at risk because so many post-college younger Jews are not engaged in Jewish activities. Even as established organizations and synagogues have stepped

up their efforts to attract Jews in their 20s and 30s, many start-ups also have sought to engage this demographic. Beginning in 2006, Moishe House has spread across the country, each house serving as a hub for Jewish social mingling, Shabbat and holiday gatherings, and study programs. Houses in the network receive support from local Federations and extensive philanthropic support from local and national funders. To this we may add a wide range of funder-supported religious start-ups that meet in unconventional spaces—night clubs, bars, performing art spaces, lofts, bookstores, warehouses and other rented properties. These, in turn, are augmented by programs to facilitate volunteering for service. In an appeal to the idealism of younger Jews and their social concerns, start-ups funded by donors organize activities for participants to clean up the environment, aid the poorer sector of society, and rally in support of social causes. Though the purpose of these efforts is to offer succor to the needy in non-Jewish sectors of society, they also are designed to bring younger Jews together in a common Jewish-inspired enterprise of “repairing the world.” Still other initiatives offer opportunities for younger Jews to bond over cultural activities.

Meanwhile, a whole industry had cropped up in response to the massive upsurge of intermarriage. Hoping to draw intermarried families into Jewish life, funders have invested in a range of new programs specially designed to address their perceived needs. Among the new initiatives are free trips to Israel for recently married intermarried couples sponsored by Honeymoon Israel and free Friday evening meals to teach such couples and singles how to welcome the Sabbath (sponsored by OneTable). Others are designed to help intermarried families meet with one another to discuss the challenges they face.

A common goal of nearly all these efforts is a focus on what is called “engagement”: creating a sufficiently enticing ambience to encourage younger Jews to show up. Will these efforts move people from shallow engagement to actively live a Jewish life or deepen their knowledge? That, the funders state, may develop in time. First people must make themselves accessible before they can be expected to avail themselves of more purposeful forms of Jewish participation.

44. Two other funder initiatives of the 1990s that have endured are the Jewish Funders Network and the Foundation for Jewish Camp, the latter almost single-handedly sustained for a half decade by the Bildner family until it took off.

Intensive Education and Outreach

There are important exceptions to this emphasis on engagement. So-called “outreach programs,” primarily funded by Orthodox Jews, set standards for Jewish learning and *regular* participation. Currently, the Olami program, which is not confined to the United States but has centers in numerous countries, employs some 2,500 couples around the globe and is funded to the tune of \$100 million annually—solely for campus efforts. Other Orthodox outreach groups run community learning centers (Kollelim), telephonic or online study platforms (Partners in Torah and WebTorah) and trips to Israel for mothers (Jewish Women’s Renaissance Project) are all heavily subsidized by donors. Complementing these efforts are study groups at Hillel houses, summer camps, Moishe House and free-standing learning centers for adults.

By far the largest and best-known Orthodox enterprise in the outreach realm is Chabad. With an infrastructure employing at least 4,000 full-time emissaries and back-office personnel, Chabad is estimated to be a \$1-billion-a-year operation in the United States alone. To be sure, some of these funds come in the form of fees for services and even government payments. But the bulk come from donations. And some of these are quite substantial. In the past decade, centers have erected multi-million-dollar structures, something they could not have done without large capital gifts.

There is no centralized source of information on funds channeled to Chabad. Conversations with a half-dozen emissaries have yielded some tantalizing information about the largesse they have managed to attract. *Sbluchim* (emissaries) who run some of the larger centers claim they rely upon a number of donors who write annual checks in the hundreds of thousands of dollars. For capital campaigns, such as new construction, they raise multi-million-dollar gifts: a capital campaign for the expansion of an existing Chabad center garnered a \$3 million pledge from a single donor, for example. The motivations of givers to Chabad are not easy to discern. Surely some of the money coming to Chabad stems from the obvious success its programs have in reaching Jews of all ages who otherwise are not engaged. Some have speculated that non-observant Jews give to salve their conscience for not being sufficiently pious; others claim the mantle of authenticity worn by Chabad

emissaries trumps what other religious groups have to offer; still others focus on the personal attention Chabad emissaries provide to donors—weekly private study classes, 24/7 availability, etc.

In a number of communities, Jewish day schools across the denominational and post-denominational spectrum have been the beneficiaries of big grants designed either to facilitate new construction and upgrading, or to freeze tuition costs. Between 2010 and 2012, the top 250 foundations giving to Jewish causes allocated a quarter of a billion dollars to Jewish day schools. Recent gifts have included a \$20 million grant to the Jewish Primary Day School of the Nation’s Capital to create a middle school program; continuing support by the Samis Foundation and Weinberg Foundation to keep tuition costs down at Seattle’s day schools and those in Baltimore, respectively; over \$32 million was donated to the Golda Och Academy in West Orange, New Jersey by two donors; the Kohelet Foundation supports day schools in or near Philadelphia, including a new Orthodox school established with foundation money; and in communities such as the Bay Area, Cleveland, Los Angeles, Marblehead, MA and Philadelphia, day schools have been renamed to honor significant donors of multi-million-dollar gifts.⁴⁵

Aiding Jewish Start-ups Focused on Social Justice and Leadership

Though they tend to start as small operations, start-ups of all kinds have won the hearts of a good many funders. We live in a time, after all, where disruption is all the rage. If start-ups can promise to outmaneuver established synagogues or other well-established institutions, particularly if they show promise of attracting currently unengaged populations, donors are prepared to take the risk. They hold a special appeal to those who work in the financial services industries because Jewish start-ups remind them of business start-ups. Social entrepreneurs and the more adventurous sectors of the financial services industry, after all, share a common predilection to find the next new thing. As they evaluate grant proposals, younger funders think of themselves as venture capitalists, applying

45. These gifts come both through foundations and from individual donors.

the same criteria as when they make business decisions. Younger donors also regard work with grassroots innovators as more rewarding than involvement with long-established, staid organizations.

Among the most favored of these start-ups were those attending to what they describe as “social justice” work both at home and abroad. The largest and most successful of these, in fact, was not a start-up but an existing organization called American Jewish World Service, which was transformed and its global reach vastly expanded. Funders also helped finance smaller operations working closer to home, such as Avodah, Hazon, Mazon: A Jewish Response to Hunger, the Jewish Council on Urban Affairs, Jewish Funds for Justice, Bend the Arc, and many others that tend to be directed to involving younger Jews as volunteers. With major foundation help, an umbrella organization called Repair the World was launched with branches in seven U.S. cities.

Even more popular are leadership training programs. Perhaps the largest pioneering venture in this sphere was mounted by the Wexner Foundation in Columbus, OH, with its dual programs to train future professional and lay leaders, an effort that began in the mid-1980s and continues to the present. Virtually every large foundation runs some kind of effort to train future Jewish professionals or lay leaders. There are programs for future synagogue officiants and up-and-coming lay people who will assume the reins of influence on boards of Jewish institutions; other programs are geared to transform promising educators into heads of school or energetic younger staff people at Jewish organizations who one day may climb the ladder to reach the top administrative offices. Some programs serve to enrich the Judaic knowledge of undereducated lay people, while others seek to teach rabbis and educators how to administer a congregation or school properly. No doubt, this emphasis stems from a hardheaded belief that the success of any enterprise is fundamentally determined by the quality of leadership. “If the top factor accounting for the success of an NGO is its executive leadership, then you must train good leaders,” notes an executive at a leading foundation. Based on this premise, at least a dozen foundations have invested in advanced training for promising talent. Leveraging their know-how, talent pool and critical mass, these combined foundations

can accomplish far more together than individually. Undoubtedly too, leadership training is a far more manageable enterprise than working with average Jews. A foundation can point with pride to the leaders doing good work as a result of the training they received at its programs. That said, currently there are more opportunities available for aspiring Jewish leaders to ratchet up their skills and network with each other than ever before in history.

Giving to Israel

Contrary to the widespread talk about how distant American Jews have become from Israel in recent decades, contributions by big givers to Israeli institutions remain robust thus far. In 2013, approximately \$1.9 billion was remitted by American Jews to Israeli institutions, and as is the case with philanthropy in general, the large majority of funds came from big givers.⁴⁶ The main beneficiaries have been Israeli universities, museums, hospitals and cultural institutions. Among Orthodox donors, giving to Israeli yeshivas remains a priority, especially among funders in the Yeshivish sector. Though Israel continues to attract significant philanthropic dollars, an important shift has occurred: the money is flowing to particular institutions and causes in Israel, not to the umbrella agencies of the United Jewish Appeal (UJA) and the Jewish National Fund, once the central addresses for Israel giving. Only a fraction of the dollars allocated by Federations to Israel in the past are now going there, perhaps prompting donors to direct their funds to their own causes in Israel.⁴⁷

Fundraisers for Israeli institutions worry that big giving will peter out because younger funders will not step up in the same way as the older generations of donors. That may be true with the passing of the baton from older to younger generations

46. The figure comes from Nathan-Kazis, *ibid.* The difficulties of coming up with accurate figures for giving to Israel are discussed in Eric Fleisch and Theodore Sasson, *The New Philanthropy: American Jewish Giving to Israeli Organizations*. Cohen Center, Brandeis University, 2012, especially p. 4. <https://www.brandeis.edu/cmjs/pdfs/TheNewPhilanthropy.pdf>. The authors also trace an upward trajectory of sums given to Israel through 2007, the end point of their historical analysis (p. 8).

47. Though Israeli institutions are the beneficiaries of the largest sums of international giving, donors to organizations such as the JDC, the American Jewish Joint Distribution Committee, continue to offer aid to Jews in other lands, particularly in areas once behind the Iron Curtain.

within long-established donor families, but among those who have amassed great wealth most recently, support has increased for initiatives to build civil society and pluralism in Israel, and to provide a leg up for Jews of Middle Eastern heritage. In addition, funders are eager to win new friends for the Jewish State by bringing current and future American influentials—Jews and non-Jews alike—to learn about Israeli society, and also from Israeli know-how.⁴⁸ Among these are funder-sponsored programs bringing American engineers, MBA students, technologically savvy graduate students and others to work as interns in Israeli start-ups. (Though not channeled through foundations or other 501(c)(3)s because it is illegal, significant funds also support various Israeli political factions.)

Perhaps the greater challenge when it comes to philanthropy for Israel is in shifting the conversation from what in the past were primarily emergency gifts at times of war and crisis, or capital gifts to help build the infrastructure of Israeli institutions, to less tangible causes. In the past it was straightforward to persuade wealthy American Jews to donate an ambulance to the Magen David Adom or a building to an Israeli university or a ward in a hospital. Now that Israel is an advanced economy, the needs are social: building civil society, bridging the gap between Jews and Arabs, forging dialogue between different types of Jews, developing cultural understanding, and so on.

Big funding for Israel-related matters is also raised to support advocacy and lobbying on behalf of the Jewish State in the United States. With the spread of the BDS movement on campuses, funders have focused new attention on shoring up Jewish students to withstand, if not respond, to those who defame Israel. Some new programs encourage younger Jews to advocate on behalf of the Jewish State. In the past two decades, AIPAC has attracted large sums and many new members in its mission “to strengthen, protect and promote the U.S.-Israel relationship in ways that enhance the security of the United

48. We note in this connection the mismatch in how funders give to domestic versus Israeli causes. One cannot help but be struck with how a funder will support only medical research in the U.S. but in Israel all the giving will support civil society programming. Or a funder may invest in Jewish education in the U.S. but give only to the cause of building bridges between secular and religious Jews, or in America the favorite Jewish causes may be Jewish schooling but in Israel only cultural institutions win grants. Of course, funders may be responding to their perceptions of the greatest needs in each country. Still, the lack of consistency is noteworthy.

States and Israel.” AIPAC is arguably more powerful than any Jewish organization, even as it does not limit itself to Jewish membership. The largest Jewish defense organizations are also rebounding after suffering difficult years after the Great Recession. As anti-Semitism, anti-Zionism, and anti-Israelism have become more prevalent (and intertwined), donors have increased support for national agencies battling those who spew hatred for Jews, lobbying for legislation to protect Jews and ban BDS initiatives, and engaging in so-called community relations efforts designed to make friends for Jews.

Causes in Disfavor

If these causes are the big winners, which needs are attracting little funding? One obvious candidate is the supplementary school sector, the religious and secular programs where most Jewish children receive a Jewish education. Historically, these part-time educational programs relied upon congregational or communal support. They still absorb a good deal of synagogue budgets, but they have not won national champions. The one effort in this direction, the Partnership for Effective Learning and Innovative Education (PELIE), was funded by a number of donors, almost all women, but within a decade ceased operations. To make matters worse, CAJE conferences, the annual gatherings of educators mainly from this sector, ceased operations due to financial shortfalls. And the various Jewish denominations lack the resources to offer proper support to their own schools.

The reason is that the Jewish denominational organizations in general attract minimal financial support. In the wake of the Great Recession, both the Union for Reform Judaism and the United Synagogue of Conservative Judaism drastically cut personnel in their education departments, and generally retrenched. The Orthodox Union, by contrast, has expanded its programming, but it could do so without as much philanthropic help: Its revenues are considerably augmented by earnings of its OU Kashrut supervision. Funding for the denominations is hard to come by, and even the major rabbinical seminaries are not attracting many big gifts comparable to what has been bestowed upon domestic and Israeli universities. And though for a brief period some big funders were supportive of efforts to renew synagogue life, those programs have

been allowed to peter out. So while there are cross-denominational umbrella organizations to help day schools, summer camps, Hillels, social justice efforts, and other sectors of the Jewish community, there is no analogue for synagogues. Congregations are left to their own devices, receiving scant support from their relatively impoverished denominational offices and no systemic help from other sources.

To come full circle, at the outset of this section, the shift in philanthropic emphasis was noted. Programs for the Jewish aged, poor, immigrant resettlement, aid for Holocaust survivors, and family and child services are not favored causes. To the extent they are supported, it is through the annual allocations of Federations. But big donors tend not to regard them as high priority items—this despite the fact that demographic studies have demonstrated the existence of pockets of severe poverty within some large Jewish communities.

Viewed from a historical perspective, this shift from the funding of human services and emergency campaigns for Israel to investment in programs to strengthen Jewish identity represents the culmination of a battle begun already in the 1960s. Most prominently, at the General Assembly held on 1969 of what then was called the Council of Jewish Federations, young Baby Boomers demanded a re-orientation of communal priorities to address rising rates of Jewish illiteracy and assimilation. Fifty years later that argument has triumphed, albeit only partially: Jewish education still remains a low priority for most of the large foundations,⁴⁹ but strengthening Jewish identity is in vogue.

The Continuing Importance of Local and Sustaining Giving

Except for those who are most mobile—and are rich enough to own homes in different places—Jews live their Jewish lives in their local communities. The most engaged participate actively

49. On the unmet education agenda, see Sandy Cardin and Yossi Prager, “Philanthropic Funding for Jewish Education: Unlimited Potential, Questionable Will,” *What We Now Know about Jewish Education*, Roberta L. Goodman, Paul Flexner and Linda D. Bloomberg, eds. (Los Angeles: Torah Aura Publications, 2008). One can glimpse the priorities by perusing an annual report called Slingshot, which identifies worthy innovative causes. The bias is entirely to start-ups, rather than established organizations, on the assumption that the latter do not innovate, and with few exceptions, educational programs for those under age 18 do not seem to register as worthwhile. For the 2017 report, see <http://slingshotfund.org/overview/>.

in a synagogue or less formal place of religious congregating near their homes; children interact with peers in their schools and day camps or residential camps—and parents do the same with their adult counterparts in the same schools and camps. Even those Jews whose attendance at Jewish gatherings is episodic partake of offerings near their homes at Jewish Community Centers, cultural centers and museums; others attend Jewish film festivals; and those who volunteer do so at local institutions. To be sure, national initiatives, such as PJ Library, Moishe House and OneTable, enrich local communal life, but these programs are usually made available through the largesse of local donors, usually including Federations. PJ Library has forged partnerships with 135 Federations in the U.S. and Canada; Moishe House can be found in 35 cities in the U.S.; and OneTable is available in 49 cities.⁵⁰

Indeed, virtually all local Jewish life is sustained by local donors. Some channel their giving through Federations to help support the agencies of their community. Some also give to specific institutions within their communities. No one expects local day schools to be supported financially by national donors living at a geographic distance; Jewish schools are beneficiaries of local funders. The same can be said of the myriad of other local agencies. All of this is self-evident, but rarely acknowledged, and certainly it is not widely publicized. Lavish attention is given to those who fund national efforts; as for those who look to the needs of their local communities, not so much. And yet without them, Jewish communal life would wither.⁵¹

A few examples may illustrate this point. During the past five years, Jewish homes for the aged in Baltimore, Los Angeles and New York were beneficiaries of gifts in the \$10-\$15 million range. A single Jewish day school in New Jersey under Conservative auspices received over \$32 million through two gifts, a bequest and a foundation gift. A Los Angeles Reform temple

50. PJ Library numbers are in Will Schneider, “Can There Be Symbiosis between the Federations and Mega-Donors,” *EJewish Philanthropy*, July 25, 2017. <http://ejewishphilanthropy.com/can-there-be-symbiosis-between-the-federations-and-mega-donors/>; Moishe Houses are listed at <https://www.moishouse.org/houselist>; and OneTable metrics are on an infographic produced by OneTable.org.

51. A good number of funders who play an active role on the national stage, we might add, are also supporters of their local Federation campaigns and help support institutions in their home communities.

undergoing a major capital campaign received *two* \$30 million gifts. A day school in Las Vegas was the recipient of a \$50 million gift. And smaller gifts in the range of \$5-10 million were received by Jewish Community Centers, day schools, Hillel campus centers, synagogues and senior homes in different parts of the country. The same types of local institutions in many other cities also benefited from smaller gifts in the million dollar range.

The importance of local giving for sustaining Jewish life in communities should not obscure the fact that some big donors also sustain national institutions.

Chabad emissaries have been among the most successful local fundraisers in the past two decades. Consisting of married couples who move into what they consider to be underserved areas of Jewish population, the emissaries (*shluchim* and *shluchos*) establish centers offering cradle to grave services—early childhood programs, Hebrew schools, teen groups, campus programming, adult education, and also initiatives directed to sub-populations, such as families coping with disabled children, drug abuse and other social ills. Some of this is covered, to be sure, by fees for service and smaller donations. But most Chabad centers rely upon larger donors who make annual gifts in the hundreds of thousands of dollars range. Those in areas of denser Jewish concentration have erected substantial structures, requiring capital campaigns to raise the many millions needed to complete the job. Virtually all this money comes from local donors, nearly all of whom are not personally Orthodox, but either regard the Chabad center as their Jewish home when they attend services, or from Jews who hold membership in a Conservative or Reform synagogue but wish to support the Chabad center because they believe in its mission and are taken by its emissaries.

Supporters of local institutions are motivated by a number of considerations. Funders, including some of the largest, feel a responsibility to give back to the communities that helped nurture them before they were wealthy. Funders also may feel a pride of place or a special obligation to individuals in their home communities. They also are likely to be solicited by neighbors they have known for decades; familiarity itself may make it harder to say no. No doubt the personal dimension of such solicitations influences funders, but philanthropists may also feel they can accomplish more by giving locally. As one local funder put it: “Giving nationally is dominated by the big

players; therefore, we give locally where we can have a greater impact.” A donor who can give \$100,000 annually may be “priced out of the national market and dispirited,” to employ the words of a Federation official, but a gift of that size can be of great help to a local institution. Since even the largest funders usually start their philanthropic giving with relatively modest amounts of capital, they tend to have their first funding experiences writing checks to support a local cause. Such giving has the additional virtue of making a tangible or observable impact literally where the funder lives.

The importance of local giving for sustaining Jewish life in communities should not obscure the fact that some big donors also sustain national institutions. The major defense organizations and the fields of Jewish community relations, museum projects and Holocaust centers, religious seminaries and Jewish universities all rely upon this kind of largesse.

And yet from the perspective of some philanthropic advisors, “expressive” giving to sustain institutions treats symptoms rather than solves underlying problems, and therefore is a poor investment for the biggest givers. Some dismiss it as “feel-good philanthropy” because it isn’t strategic: It does not address broader needs or get to the root issues. If that is their sole philanthropy, it “merely” satisfies friends and long-time acquaintances of the funder who solicit for their pet causes. And it primarily supports the day-to-day operating costs of institutions and agencies, bottomless wells of need that never can be satisfied. Funders who sustain local and national enterprises don’t see things the same way. They can help a congregation build its endowment to ensure continuity, provide scholarships for students who otherwise would be priced out of day schools, or enable more children to attend a Jewish camp, travel to Israel or sustain enjoyable cultural programming. On the national level, their grants can help train future Jewish leaders and enable Jewish organizations to address anti-Semitism. In all these ways, they are having a direct impact on Jewish lives.

To be sure, some wealthier funders conclude there is just so much they can give locally without running out of causes. Funders also may wish to diversify their giving because they are wary of local agencies becoming too reliant upon them. Such dependence is unhealthy both for the grantees and the funder. They, therefore, turn to giving opportunities on the national stage. And of course working on that scale is both stimulating and enlightening: Research available to national funders is far more plentiful and probing than what they can find locally.

The View from a Smaller, Unstaffed Foundation

Having taken over the reins of a foundation from his now-deceased parents, a funder feels the weight of responsibility to honor their commitments. In his case, that is not complicated: He shares the religious and ideological outlook of his late parents and is persuaded his grants are entirely consistent with what they would have supported.

With assets of around \$30 million and annual grants after overhead expenses a bit shy of \$900,000, the foundation has to be judicious about where it gives to maximize its impact. National giving is dominated by “big players,” and the funder recognizes his foundation is not in their league. Accordingly, he ensures that grants are given equally to local and Israeli causes where they can make a difference.

Yet, interestingly, the foundation draws a sharp distinction between what it supports domestically and in Israel. Its local funding almost entirely goes to established institutions—local day schools, JCCs, and the Hillel at a nearby university. All offer services to

the more engaged sectors of the Jewish population. But its funding in Israel either supports STEM institutions with no specific Jewish content or populations in Israel on the periphery. This disconnect is hardly unusual. Some of the largest foundations also give very differently to domestic Jewish causes as compared with Israeli ones. Still, this disparity is noteworthy because the funder volunteers that he gets much greater satisfaction from supporting so-called in-reach rather than outreach efforts.

Though the foundation is a member of the Jewish Funders Network, it engages in few collaborative efforts. Important exceptions are support for the local PJ Library initiative and, together with another foundation, it aids under-served Israeli populations. The foundation does a good deal, though, in partnership with the local Federation beyond its contribution to the annual campaign. Through its local giving, the foundation has ensured the viability of key institutions. As a token of their appreciation, some of the latter have named a building after the founders of the foundation.

Still, it needs to be said that some local giving can be instrumental in furthering strategic aims, and existing institutions are more than capable of developing innovative programs to address larger systemic challenges. To imagine that new initiatives are hatched only in start-ups or foundation offices simply is fallacious. Federations in New York, Boston and Los Angeles, to take a few examples, have launched far-reaching new efforts over the past two decades that have been copied in other communities. The large national organizations are not merely repeating what they’ve always been doing, as some imagine. And some of the more successful start-ups were first incubated with support by Federations.

There is an additional reason funders with the means strive for an impact nationally: they recognize that some local needs can best be achieved through coordinated programs. By supporting the development of a Hebrew curriculum for use in schools around the world, a foundation can address a systemic challenge that no single community has the means to resolve. Initiatives we have already noted, such as Birthright Israel, Moishe House, OneTable and Leading Edge, could not have been launched through local funding alone. Their scale makes it possible for a coordinating mechanism to function. The same is true in the religious and educational realms where personnel—rabbis, cantors, school administrators and educators—must be trained, and that is only financially feasible if

the training institutions can attract a national, if not international, student body. Educational institutions require teaching materials and shared knowledge about best practices from across the landscape, not only from local institutions.

Or to take another favored area of funding, leadership development programs build on high-level expertise of national stature and require a minimum number of participants to make the program scalable. All such efforts, contends Yossi Prager, an experienced foundation executive, “can best be addressed through centralized programming developed by talented people with a more centralized perch. This is perhaps even truer today, when it is possible to weave networks that enable the sharing of knowledge, and the creation of new knowledge, across communities and between local and centralized efforts through the internet.”⁵² There are good reasons, then, for funders with the means to support coordinated national efforts.

Briefly put, giving to sustain the key local and national institutions of Jewish life remains a vital necessity. Fortunately, there are considerably more funders who care about sustaining than about impact investing.

52. Yossi Prager, “Strategic Philanthropy: Linking Central and Local Philanthropy,” *EJewish Philanthropy*, November 11, 2013. <http://ejewishphilanthropy.com/strategic-philanthropy-linking-central-and-local-philanthropy/>

Unfortunately, not all communities enjoy the same high levels of support. And those that must make do with considerably smaller resources are in danger of withering, even if national programs remain strong. Upon even superficial examination, we can discern just how much communities differ from one another in the resources they can draw upon. Some communities can boast a plethora of rich and committed donors. Indeed, communities such as New York, LA and the San Francisco Bay Area can rely upon home-grown funders and also attract newcomers with deep pockets. Other communities are blessed with a more limited number of wealthy donors but benefit from a well-developed culture of giving. In cities of the Midwest, Federations in Chicago, Cleveland and Detroit continue to run successful annual campaigns and manage to channel additional dollars to support other local institutions, even though their Jewish populations have been declining numerically.

By contrast, a growing number of communities, especially of small to intermediate size, are not nearly as fortunate. Their wealthiest givers don't have pockets nearly as deep as do the hedge fund or high tech moguls in other locales. Some communities have never established much of a culture of giving, which makes fundraising a challenge. And still other communities are clearly in eclipse as their Jewish population erodes due to intermarriage and assimilation. Nor does it help when the scions of families that had long supported communal institutions are moving away to other parts of the country. Philanthropic dollars, in short, are not distributed evenly, and that has hurt a good many communities and their Jewish institutions.⁵³ (Even the capacity of communities to participate in national initiatives may be constrained by their limited budgets.) All the more reason to recognize how critically important local giving is for the vitality of Jewish communal life.⁵⁴

53. Some Federations may have been hurt by their slow adaptation to the altered philanthropic environment. That is the argument of Joseph C. Imberman and Donald P. Kent, "Is the Zuckerberg/Chan LLC another nail in the coffin of Collective Philanthropic Responsibility or . . .?" *EJewish Philanthropy*, May 25, 2016. <http://ejewishphilanthropy.com/is-the-zuckerbergchan-llc-another-nail-in-the-coffin-of-collective-philanthropic-responsibility-or/>

54. For a good analysis of the interplay between local and national funding, see Marcella Kanfer Rolnick, "Act Global to Think Local," *EJewish Philanthropy*, October 21, 2013. <http://ejewishphilanthropy.com/act-global-to-think-local/>

Staffed Jewish Foundations Alter the Scene

Surely the most visible shift in Jewish philanthropy in recent decades has been the creation of staffed foundations, partially or fully committed to Jewish giving. As is true of American foundations generally, Jewish ones in the main do not have a staff, or if they do, the number of personnel is small. Only a few have as many as 10 people. But those that have multiple staff personnel are able to go about their work very differently than unstaffed foundations. Based upon data filed by foundations, we can identify nearly 100 staffed foundations giving minimally a half million dollars annually to Jewish causes. Collectively, these foundations disbursed some \$530 million to Jewish causes in 2015, not a negligible sum.⁵⁵

Staff members play multiple roles. Most obviously, they bring a measure of professionalism to the enterprise. In the past, much of big giving was relationship driven: the funder would give to a Federation person or development officer at an institution known to him or her, or was approached by a peer to contribute to a pet cause. Funders tended to give because they were asked, and perhaps because they trusted the opinions of those who solicited them. Professional staff people, by contrast, try to wean funders away from what they regard as haphazard, emotionally-driven funding decisions. They see their role as persuading funders to become outcomes-driven, by which they mean strategic in funding toward specific larger goals. "Having staff allows the principals to be removed from the personal and behave in a more business-minded fashion," notes a foundation staffer. Effectiveness, impact, outcomes are the new watchwords at staffed foundations.

To be sure, foundation staffers generally don't set the agenda; they work within the priorities laid out by the funder and/or board. The latter decide on the causes they would like to support. Often those decisions are based upon the life experiences of the donor. If a family member has suffered from a specific illness, a funder may decide that part of the foundation's giving should help find a cure for that illness or bring relief to those suffering from it; if a funder feels a strong commitment to Israel, the foundation will allocate resources to programs

55. In cases where 2015 data were not yet available, 990s from 2014 were employed to come up with a rough estimate.

or institutions there; if the funder has a strong ideological or religious commitment, the foundation will prioritize initiatives furthering those goals. Funders and/or boards also establish hierarchies of giving and the proportionate allocation of resources to specific areas of interest. Thus a foundation may allocate a third of its resources to medical research, an equal percentage to an environmental cause, and the rest will be divided between giving to Israel and local Jewish institutions. Only a small minority of foundations with a Jewish interest channel all their grants to Jewish causes.

Once those priorities are set, staff members often play important roles gathering information necessary for making philanthropic decisions. Funders and boards rely upon their staff to educate them about best practices in philanthropy and also developments in the fields the foundation supports. Funders tend to have only limited time to keep abreast of such developments, especially if they mainly are occupied with continuing to amass and manage their wealth. They have to rely upon staff people to meet with peers at other foundations, let alone with grantees, attend conferences to learn about the latest philanthropic practices, and recommend improved procedures to attain the foundation's goals. Needless to say, the latitude given to staff people varies considerably from one foundation to the next.

We note in this connection three important distinctions affecting the roles of staffers and boards: one is the difference between foundations with a living funder still actively involved in giving decisions as compared to a foundation run by a board. The former is the more common arrangement. A living funder generally insists on setting policies, and that limits the ability of staff members, let alone a top foundation executive to make big decisions. Conversely, when a foundation is run by a board, especially one not dominated by the funder's family, the professional staffers have far greater latitude. In such cases, foundations can become far more flexible, even if they pay attention to what interested the founder most. Speaking with descendants of funders, it quickly becomes apparent that though many try to honor the founder's priorities in broad brushstrokes, foundations re-set their allocations to suit the interests of the current board leaders. In the case of Jewish foundations, this is most obviously

played out when boards decide to give only paltry sums, if that, to Jewish causes, even though the original funder had strong commitments to Jewish giving.

Only a small minority of foundations with a Jewish interest channel all their grants to Jewish causes.

Though there is no definitive evidence, in the view of some observers, foundations with a living donor tend to be bolder than those led entirely by boards. Many founders of foundations, after all, made their wealth by taking big risks. They tend to run their foundations the same way, making bets on experimental initiatives and not fearing failure. Board members, by contrast, are more likely to feel constrained by their fiduciary responsibilities; and, to hear some funders tell it, professionals especially are far more risk-averse.

A second, related distinction to be drawn is between foundations whose founder left explicit instructions about how grants ought to be distributed and those whose funder was committed not "to rule from the grave." Based on my informal conversations, it is hardly unusual for individuals who devote decades to amassing great fortunes to leave few instructions about the philanthropic disposition of those assets after they have died. Funders offer a variety of reasons why they take a *laissez-faire* approach to how their foundation allocates its money after their demise. Some express trust in the wisdom of their heirs and appointed trustees. (One funder who left nearly a billion dollar estate limited his instructions to urging his heirs to "do the right thing.") Others want their foundations to have the flexibility to make funding decisions appropriate to future circumstances, and don't want to tie the hands of those who will be responsible then for allocations. Still others want their foundation to serve as a unifying factor holding their descendants together: if they can come to a consensus about giving, their thinking goes, their offspring will remain in close contact. For some funders, that is far more important than the specific uses to which their money will be put. In a minority of cases, funders would rather exercise control either by spending down during their lifetimes or leaving very specific instructions about their priorities. Despite the prominent

cases of non-sectarian foundations embarking on a direction diametrically opposed to the interests of their founders,⁵⁶ most founders of foundations seem content to leave future decisions to the good judgement of their boards after they have passed from the scene.

Given the high rates of intermarriage and assimilation as the generations pass, some of the foundations most committed to contributing to Jewish life turn their backs on Jewish needs. The causes of the founder are ignored in favor of new ones favored by those now running the foundation. Sometimes allocations are made as an offering to board members' own personal causes. Suddenly a new priority is added or funding goes to a community that had never before registered on the radar of a foundation, all because a new trustee joined the board.

Yet a third circumstance differentiating foundations is the decision to play a grant-making role exclusively or to become an operating foundation. In the case of the former, staff people oversee grantees, monitoring and, in some instances, ensuring they meet their goals. In the case of the latter, staff members of the foundation actually initiate and then operate programs on the assumption that they can do a better job than any existing organization. These efforts get mixed reviews from close observers. In some cases, operating foundations are lauded for addressing an unmet need. But others are criticized: "There are elements of hubris and impatience that motivate giving beyond a simple philanthropic model," notes an observer of the Jewish foundation scene. "There are risks to becoming an operating foundation. It dilutes effectiveness and can be hard to manage. But that does not stop those who think they can do it better."

Foundations also differ in their receptivity to proposals submitted by outsiders or insistence on supporting only initiatives generated from within. They differ, too, in scope: some will only address domestic needs, while others are focused internationally. And they differ in how large a stake they are prepared to invest in Jewish versus non-sectarian needs.

With all these distinctions, it is no wonder that a statement attributed to Jeffrey Solomon, a long-time participant in and observer of Jewish philanthropy, is so widely quoted, namely, "If you know one foundation, you know one foundation."⁵⁷ Speaking with funders and staff people at several dozen foundations, I quickly discovered the truth of that observation. The idiosyncrasies of funders, historical evolution of their giving, geographic location of a foundation and its particular areas of primary interest all create a specific culture of giving. Not a few of my interviewees also claimed the source of wealth of a funder also shapes the approach adopted in making funding decisions. Those who've made their money in real estate tend to be more conservative. "Lawyers are the worst," claims an experienced professional. "They are risk-averse and don't know how to run a business or manage." Those whose wealth derives from the financial investment industry, by contrast, are thought to be more risk-tolerant, and even more important, they allegedly focus on the leadership abilities of potential grantees, asking whether the human resources and overall business plan are in place, rather than worry as much about short-term impact. The shrinking numbers of people who have generated their wealth from running businesses, in turn, are thought to bring yet a different mindset to the task of philanthropy. Undoubtedly, these are stereotypical perceptions, but those in the field give them credence.

All that said, foundations are not necessarily so different from one another in some important ways. Especially as they transition from being run by the fiat of the donor to leadership by boards, certain *commonalities* are surfacing. These include a fairly standard process for evaluating proposals (even though there is no common grant application form) and also for measuring the success of their grantees.⁵⁸

Staff members are also bringing a measure of conformity. Increasingly, they are drawn from the same educational backgrounds—with degrees either in law, business or management (though usually not in Jewish studies). They meet regularly with peers at other foundations to share information and learn

56. Joel L. Fleishman has challenged this interpretation, though he does acknowledge examples of "donor's remorse" when their foundations took turns to which they objected. *Putting Wealth to Work*, op. cit., especially p. 146-47.

57. During the course of my research, this observation must have been quoted by at least two dozen interviewees.

58. Some foundations do not entertain outside proposals, preferring to generate new initiatives from within and then seek out individuals or firms to carry the work forward.

The Challenge of Succession

At a gathering of large funders, the topic of generational succession was aired. Funders were of different minds about whether to require their heirs to continue supporting their favored causes after their demise. One funder launched the discussion by stating forthrightly that his highest priority is keeping his family together. “They can give my money wherever they wish”—i.e. outside of the Jewish community. This was a funder who cares a good deal about supporting Jewish life, but he viewed his foundation as a centripetal force drawing his descendant inward and together. The next speaker took the diametrically opposite position. “I will insist that my foundation continue to give Jewish,” he stated. And then a third funder rose to take a middle of the road position: “I want my kids to be involved, but I’ll put strictures in place so a certain percentage must go to things I care about.”

The discussion, as it was related to me, was not about adult children having their own favorite Jewish causes and lack of

interest in the founder’s Jewish pet projects. That was taken for granted as a natural development occurring through the passing of generations raised in different eras and with consequently fresh perspectives on the great Jewish needs of the time. Instead, the actual subtext was a discussion about assimilation. In a good number of foundations, younger generations feel little connection to Jewish life and even less to Israel.

Those who have amassed great wealth over their lifetimes are coming to terms with the possibility that Jewish life will no longer interest their descendants. How, then, might they respond? Some are specifying their wish for a set percentage of grants to be set aside for Jewish causes. Others are working to educate their grandchildren to respect their giving priorities. Some are intent on spending down their fortune during their lifetimes in order to avoid the dilemma entirely.

about best philanthropic practices. As many are Millennials, they also explain how their age peers think and what they prefer to do. They also tend to favor start-ups, perhaps because new initiatives seem fresh, perhaps because the founders of start-ups are their age peers, if not friends, perhaps because they view established organizations as stodgy. Attempting to explain the attraction, an observer in his mid-forties remarks: “The innovation sector of Jewish life has great intellectual appeal. The leading edge appeals to younger people.”

The danger of staff conformity is that the process becomes somewhat of a closed system. Grantees approved by one foundation have a leg-up with others, presumably because they have been vetted already, but in some instances this can deteriorate into a kind of favoritism, which excludes those who lack the proper connections or history. One foundation I encountered will only collaborate with staffed foundations and would not even consider working with a funder lacking staffers. Other foundations will not accept proposals; everything they do must be generated either internally or through contact with other foundations. To the outsider, the new philanthropy can seem off-putting, if not unfairly stacked. The biggest losers are the old-time established institutions and organizations, which some of the largest funders will not even consider as operating partners. As a leading Federation executive put it,

“New wealth is tougher; they have their own ideas.” Worse, some have created their own exclusive club.

A long-time funder who also works to raise money for a specific cause has described how educational it has been for her to shift back and forth in both roles. It’s not only that foundation personnel usually have no experience working on the other side of the table and therefore may lack empathy for how difficult it is to apply for grants and satisfy funders. It also has become more difficult to gain access to philanthropists. Funders in the past personally met with potential grantees; more commonly today, philanthropists are shielded by their professionals who serve as gatekeepers. Personnel at long-established institutions who used to meet directly with funders now are fortunate if they can win an audience with foundation staff members decades younger than them—and who therefore have no personal history with or patience for legacy causes. The professionalization of foundation giving has not been an unalloyed boon for not-for-profits.

That said, grant recipients also speak positively about the help they have received from foundation staff members who have pressed not-for-profits to articulate their goals, develop means to measure the attainment of those goals and recalibrate if their goals are not met.

The Pendulum Swings toward Metrics

This, in fact, is part of the broader revolution staff members have brought to foundation giving. They see their role as devising effective solutions to larger Jewish problems. Melissa Berman, CEO of Rockefeller Philanthropy Advisors, has emphasized the significance of this dimension of the new philanthropy: “For many years, people funded the problem and not the solution. Many funders would allocate their dollars based on how terrible the problem was—throwing money at the biggest issues even if there wasn’t a true fix available. Now, savvy donors are asking questions like: ‘What is the solution to the problem?’ and requesting that nonprofit organizations show them evidence that their approach actually works.”⁵⁹

As staffers at foundations are increasingly drawn from the ranks of MBAs or graduates of professional schools in not-for-profit management, they have adopted strategic design approaches. Chief among these are theory of change scenarios. The most popular of these stress backward design that begins with identifying desired outcomes and then develops a set of interventions and activities likely to achieve the end-goals. Personnel employ such logic models both with their own internal work and increasingly expect grantees to develop such models. Once that is accomplished, the next step is to develop a process to document change.

The quest for evidence, in turn, has led to a much greater emphasis by funders on clear metrics to demonstrate how the programs they are funding are making a difference. If a program, for example, is designed to send people who deal with policy in the Middle East on trips to Israel, a foundation will ask whether in fact upon their return they wrote policy papers based on their trip. If another program aims to build the spiritual practices of Millennials, what evidence can it provide of making an impact on such practices? Or if a grant is designed to deepen the Jewish knowledge of camp staffers, what evidence can be mustered to show that such knowledge translates into more intentional Jewish programming? From the perspective of funders, philanthropy is more effective if

59. Berman’s talk is summarized in Tamar Snyder, “Four Philanthropic Trends You Need to Know About Now,” EJewish Philanthropy, May 26, 2014 <http://ejewish-philanthropy.com/four-philanthropic-trends-you-need-to-know-about-now/>

clear goals are set and then data are collected to measure how well they have been met.⁶⁰

Given this orientation, reporting requirements have become far more onerous, especially because staffers at foundations have the time to read reports, whereas funders and board members are less likely to have the time. Simply put, grantees of foundations are not given *carte blanche* once funds have been committed. They are required to check in regularly with data demonstrating how much progress they have made. The thinking behind this emphasis is that such reporting can help foundations do their due diligence overseeing how their money is being spent, while also analyzing the progress made by projects.

But the goal of many foundations is also to help grantees. Foundation staffers cite examples of not-for-profits that learned how to work more efficiently and deliver on their own stated goals. Data collection also has helped grantees tell their own story more effectively. In short, such reporting can be clarifying for grantees.

The quest for evidence has led to a much greater emphasis by funders on clear metrics to demonstrate how the programs they are funding are making a difference.

Foundation personnel concede that reporting requirements also can be onerous and time-consuming. To aid their grantees, several foundations pay for staff time and even the hiring of new personnel needed to produce reports because they understand that their insistence on detailed and ongoing evaluation takes away staff time from working on other tasks. It is not unusual for foundations to hire outside evaluators, and though this may seem intrusive, the goal of such efforts is to help grantees learn how to become more effective. A small number of foundations have taken it upon themselves to teach

60. For a clear exposition of such a results-oriented philanthropy that continually monitors performance, see Charles Edelsberg, “Innovation Is Great But It Means Nothing without Results,” Jewish Telegraphic Agency, Jan. 28, 2010. <https://www.jta.org/2010/01/28/news-opinion/opinion/op-ed-innovation-is-great-but-it-means-nothing-without-results>

grantees how to collect data and which types of information are important to gather.⁶¹

Some foundations go a step further by offering program support to help grantees build and implement their capacity to accomplish their goals. It's not only that they pay for additional staff, but in some cases they pay for outside consultants to help their grantees formulate plans likely to lead to success. And in line with the conception of some funders that they are partners with their grantees, it is not unusual for foundations to provide direct support in the form of time and advice offered by foundation staff. A few foundations intentionally hire staff members with prior business or not-for-profit experience who can advise their grantees. They are knowledgeable about ways to engage in proper business planning, improve internal communication within a not-for-profit or teach how to speak to outside evaluators. Other advice may be about how a grantee can present itself online in a more visually appealing fashion. Such recommendations are designed not only to improve relations between the grantee and the foundation offering advice, but to help the grant recipient present itself in a more compelling fashion to *other* funders.

None of this is to suggest that the new roles assumed by foundation staffers always result in more amicable relations with their grantees. Some not-for-profits find foundations to be overbearing in their demands. Individuals working at not-for-profits question whether the reams of reports they produce at the cost of much staff time are even read. Others complain that they are expected to streamline their own ways of conducting business, even as foundations operate with little transparency or regard for their own needlessly complex procedures. Why, some wonder, have foundations sharing similar interests failed to produce a standardized grant applications form? Instead, every foundation has different requirements about what types of information must be provided. And why do some foundations as an afterthought suddenly demand a certain type of evaluation that never was included in the original grant agreement? As for transparency, grantees are pressed to be candid with foundation staff, but the same rules don't necessarily apply in reverse. It's not that grantees see

foundations as deliberately unreasonable, but they do complain about mixed messages and confusing requests issued by funders who at the same time seek to rationalize the operations of their grantees.

To cite this bill of particulars is not to suggest that all foundations behave badly, but to note that for all the emphasis on rationalizing operations and measuring effectiveness, the cultures of foundations "are not yet there," to quote the words of a staff member at a large foundation.

The larger unresolved problem, though, is that with the pendulum swinging from lassitude on the part of funders to careful scrutiny of what their money is accomplishing, the process of evaluation may not necessarily advance the goal of producing effective philanthropy. This is most evident in the confusion between outputs and outcomes when evaluating programs. Especially when it comes to "soft" goals, such as strengthening Jewish identity and influencing attitudes, it's impossible to gauge outcomes in the short term. "The modern business mindset of the professional foundation is very focused on metrics, management and the quantitative," observes a foundation professional. "This may work if you're trying to get more kids to read or to cure malaria. It's counterproductive if the goal is building Jewish identity. You are obsessively focused on things that don't matter." It's an easy shortcut, for example, to measure the effectiveness of Jewish identity-building programs by quantifying participants, and even more crudely by counting the increase or decrease in numbers of attendees. But these kinds of data offer little insight into the impact of programs, let alone their enduring effects.⁶²

Some of the more self-reflective foundation staff people in the Jewish sector acknowledge in conversation that metrics are of value but don't tell the whole story. To begin with, metrics need not only take quantitative form but also may be approached using qualitative lenses. But the field has generally not taken the time to think through useful ways of measuring in a non-quantitative way. More important still is the end-goal: How clear are those who do the measuring about what they aim to achieve? It will be interesting to see over the coming

61. For a primer on the uses of data produced by the Schusterman Foundation for grantees, see *Data Playbook* <https://www.schusterman.org/playbooks/data/>

62. In time, evaluation and metrics may actually become even more important to foundations as they assess their philanthropic investments, but they may employ very different yardsticks.

years how far the pendulum swings back to the center when it comes to metrics and evaluation.

Philanthropic Partnerships and Collaborations

“Doing things together has become the big thing in Jewish philanthropy,” notes a major funder. By this she meant that donors are working together on projects of mutual interest. At first blush, there is nothing terribly new about this. We have noted how in the past, funders would spur each other to give large sums to the United Jewish Appeal or local institutions facing budgetary shortfalls. Peer solicitation has been around a long time, and understood to be a particularly effective way of raising money. But in the current environment, philanthropic collaboration has taken on new forms.⁶³

Collaboration between large funders is complicated by the sheer size of funds at their disposal. Why collaborate if one has the means to do the work alone, especially if joint efforts usually involve compromise and negotiation? With millions, if not tens of millions, of dollars to expend annually, the large foundations can chart their own course, hire their own staff and fund any initiative that suits them.

Still, staffed foundations do collaborate in a number of important ways. The least intrusive form involves nothing more than the regular exchange of ideas concerning areas of common interest. Thus staff members at 10 foundations running programs in Israel meet on a monthly call to check in with one another. They regard each other as “thought partners,” though in a few cases they eventually co-fund specific projects. Similar meetings to share information are held regularly by C3, a group concerned with anti-Israel agitation on American campuses. Given the ideological differences between these foundations over which groups ought to be treated as allies or antagonists in their campus work, other kinds of collaboration are less likely. Far less contentious are foundation initiatives to send different types of American

63. For an overview of how high stakes collaborations have evolved among the largest non-sectarian American foundations, see Willa Seldon, Thomas J. Tierney, & Gihani Fernando, “High Stakes Donor Collaborations,” *Stanford Social Innovation Review*, Spring 2013. https://ssir.org/articles/entry/high_stakes_donor_collaborations. Neither the sums brought to bear nor the scale of such efforts has been tried by Jewish foundations.

graduate students to Israel to connect them positively to the technological, scientific or cultural know-how in the Jewish State. Foundations interested in fostering such trips exchange information and sometimes jointly support programs. The Jewish Funders Network has facilitated the creation of several peer networks for funders interested in issues such as Jews with disabilities and various ways of improving Israeli civil society. These groups may in fact generate actual funding commitments or may be described as *alliances* between like-minded philanthropists.

Employing a typology of collaboration identified by the Bridgespan Group,⁶⁴ we now turn to funding partnerships involving the use of money, not solely the exchange of information. In rare cases, philanthropists may choose to *fund another funder*. Though these efforts tend to occur under the radar and are intentionally anonymous, I have heard of a few examples of funders who contribute to the budgets of other foundations because they are so impressed with their mission, expertise and professionalism.

National-local partnerships have emerged as one of the most common forms of collaboration. Usually, the initiative comes from a national funder who then invites local givers to support the program in their city or region. In many cases, local Federations join the partnerships and either raise new money for projects or contribute from their annual campaign. Two examples are Moishe House and PJ Library, where national funders support the overall initiative and have won over local partners to fund specific branches. Some Birthright trips are funded this way, as was Birthright Next, the now defunct effort to offer follow-up programming for trip participants. OneTable, the Friday night Sabbath dinner format, is perhaps the most recent example of national/local partnerships between funders.

Such efforts, in fact, have been on the agenda as early as November 2005 when the so-called Tarrytown Group, consisting of representatives of foundations and Federations, began to gather to discuss areas of common interest.

64. Five are outlined in Partnering for Results. <https://www.bridgespan.org/insights/library/philanthropy/partnering-for-results>. A more recent typology not yet in the public domain sets forth an additional three.

Twelve major foundation representatives and another dozen Federation people met that year in Tarrytown, NY, the first of a series of on-going deliberations. By 2017, the group has grown to include 81 participants eager to explore areas of mutual concern and potential collaboration. Among the new programs to emerge from these discussions is Leading Edge, an initiative to “onboard” future professionals for Jewish not-for-profits and simultaneously improve the workplace culture where they are employed. It is quite evident why concern about who will replace the existing professional class would be a matter of mutual interest.

Leading Edge is funded through *co-investment*, perhaps the most common form of collaboration. Funders who co-invest typically either plan a new initiative cooperatively or a lead funder takes it upon itself to attract dollars from other funders. Sometimes, funders invest in each other’s programs as an act of good will, expecting reciprocity regardless of how committed they are to the actual initiative; in many cases, of course, funders share common aims and therefore co-invest. To cite a few examples: the Jewish Teen Education and Engagement Funder Collaborative, which underwrites Jewish teen programs, is supported by no fewer than five national foundations and 10 Federations, which in turn receive support from local funders.⁶⁵ The goal is to coordinate disparate programs to engage Jewish teens. OneTable grew from having two initial funders to over 16 foundation partners, along with local Federations. And the just-mentioned Leading Edge, which trains professionals for leadership positions in the Jewish community, is the beneficiary of support from over a half-dozen foundations and an equal number of Federations. Collaborations between fewer funders is also common. One foundation that shared information with me lists 15 separate funding partners for some of its initiatives, usually no more than two or three for each project.

Other forms of *co-investment* include *matching grants*, an especially popular vehicle to bring together funders interested in causes as varied as channeling funds to support day school

curricula, increasing teachers’ compensation and capping tuition to renewing Jewish life in Israel or engaging the intermarried. A lead funder offers a pool of money if others will join in to match what is in that pool. This incentivizes some funders and when the effort works, several dozen funders rise to the challenge, thereby bringing in millions of dollars in support of specific causes. Through the offices of the Jewish Funders Network, a variety of matching programs amounting to in excess of \$90 million have helped support outreach programs to the intermarried, spread STEM programs in Israel, promote Jewish renewal in Israel and help with day school finances.⁶⁶ The founding of Prizmah, a merger of agencies supporting the various types of day schools under the prodding of The AVI CHAI Foundation, is another example of co-investment, led by a lead donor but supported by other foundations.

**Big Jewish giving has shifted
from “a centralized to a
networked model.”**

Participants in these ventures are not naïve about the complexities of managing philanthropic partnerships. They cite the proprietary interests that make it difficult at times to work together and the very real differences of opinion about how best to proceed. After all, funders have made their money individually; it goes against the grain to give it away collaboratively.⁶⁷ And yet, quite a few do become partners because they recognize the undoubted advantages. Funders can share information and learn from one another; and they can leverage their own money when partners contribute to their projects. Not least, they share risk. As for the broader impact: Big Jewish giving, as the late Jon Woocher put it to me, has shifted from “a centralized to a networked model.” The drivers of new initiatives tend not to be Federations or national agencies

65. The ways the project actually engages in collaboration are addressed in, *Preparing to Deepen Action: A Funder Collaborative Finds its Way*, June 2017. <http://www.teenfundercollaborative.com/wp-content/uploads/2017/06/Funder-Collaborative-Case-Study-Final-20170605RC.pdf>

66. “Matching Grant Initiatives,” Jewish Funders Network. <https://www.jfunders.org/matching-grants>

67. Funders of Jewish causes are not unique in their cautious undertaking of large-scale collaboration. On the general reticence in philanthropic circles, see Willa Seldon, “Donor Collaboration Can Bring Big Results, but Most Philanthropists Prefer to Go Solo,” *Chronicle of Philanthropy*, March 10, 2013. <http://www.teenfundercollaborative.com/wp-content/uploads/2017/06/Funder-Collaborative-Case-Study-Final-20170605RC.pdf>

controlling decision-making, but funders working together horizontally as partners.⁶⁸

For up-and-coming or future big givers, new vehicles have been designed to help them collaborate in their funding on a smaller scale. These vehicles educate them about Jewish needs and socialize them into Jewish giving. Participants, with rare exceptions, are not currently among those defined in this report as big givers, but their experiences may help them graduate to that level once they have acquired the means.

Most noteworthy in this regard are giving circles, which constitute an entry level form of philanthropy, both in the sense that each member is expected to contribute a fairly small annual sum—generally, a few thousand dollars—to a pool of money that will be allocated by members of the circle, and more importantly because they are designed to educate donors about Jewish needs and causes. (They are included here despite their not qualifying as big givers because though contributors to giving circles may begin with relatively small grants, they are being educated in ways that may one day pay off if they become big givers.) Portrayed as “a cross between a book club and an investment group,” they entail individuals “pooling their resources to support charitable organizations, individuals in need, and individuals doing good works.”⁶⁹ Jewish giving circles focus on Jewish and Israeli causes; in some instances they give to non-sectarian organizations that are addressing issues deemed to be congruent with Jewish values.⁷⁰

What draws funders to Jewish giving circles? Part of the attraction is the opportunity to learn about issues. The educational experience is key—and it helps inform donors as they make their own funding decisions, not solely when they confer with other members about how to spend pooled money. This kind

of collaborative learning brings additional benefits: there is a social dimension, of course; people can network. And there also is the experience of engaging in joint decision-making: philanthropy by consensus appeals to some.

In recent years, Federations of Jewish philanthropy have come to appreciate the benefits of hosting giving circles in their communities. Usually those who join local giving circles have a history of supporting their local Federation and other causes. Participation in giving circles tends to augment their giving to established Jewish institutions with new allocations to start-ups. A few of the larger foundations have come to appreciate the role of giving circles as educators of future big givers, so much so that two support an organization called Amplifier; its task is to foster the creation of Jewish giving circles. As of 2017, Amplifier was able to identify 111 Jewish giving circles in five countries and involving over 3,200 donors, the large majority in the U.S.⁷¹

To illustrate how these giving circles vary, we note a few examples. A giving circle located in a Midwestern city consists of local donors who contribute a minimum of \$10,000 annually to the Federation. To join the giving circle, they must commit to contributing an additional \$10,000 to the pooled fund. Members then decide through a consensus process how the pool of money will be allocated for the year. By virtue of its local focus, the giving circle has had to navigate political sensitivities unique to that community and organizational turf issues. Jewish Women’s Foundations, which concern themselves with women’s and girls’ causes, both non-sectarian and Jewish ones, offer another example of a giving circle. Here too the members must decide how to allocate their annual pooled funds. Or to cite a third example, a teen funder program including over 2,000 adolescent philanthropists gives away \$1 to \$2 million annually. B’nai Tzedek, a program pioneered in Western Massachusetts and replicated elsewhere, encourages *b’nai mitzvah* to contribute to a pool of funds they will help disburse.⁷²

68. Though not necessarily an example of collaborative philanthropy, the popularity of matching grants warrants mention. Funders of all kinds of institutions and projects try to leverage their money by offering to match funds raised from others. The internet has given a major push to matching challenges by giving institutions the opportunity to appeal to their donor bases and track progress toward the matching goal set by a funder.

69. Angela M. Eikenberry, *Giving Circles: Philanthropy, Voluntary Associations and Democracy*. Bloomington: Indiana University Press, 2009, p. 57.

70. For a how-to primer on forming and running a Jewish giving circle, see *Giving Circle Essentials: A Guide to Jewish Giving Circles* produced by Amplifier and the Schusterman Foundation. http://www.amplifiergiving.org/media/resources/Giving_Circle_Essentials.pdf

71. On Amplifier, see <http://www.amplifiergiving.org/amplifiers-impact/>. The total sums allocated through these giving circles was \$5.6 million, not a huge amount, but the importance of these giving circles is better measured by the new donors who are educated and involved.

72. On the Teen Funders Network, see <http://www.amplifiergiving.org/circles/58/jewish-teen-funders-network/>

The Education of a Younger Funder

Raised in the Midwest in a family with strong ties to its Reform temple and local Federation, this funder never was interested in playing a leadership role in either institution. From his perspective, “A lot of Jewish philanthropy infrastructure solves problems that no longer exist. They are left over from the immigrant period.” An investor by profession, he sought to learn about the innovative sector of Jewish life.

An invitation from old friends active in Natan provided precisely such a learning opportunity. He was immediately attracted by the “energetic and passionate people who played offense, not defense. They focused not on danger but wanted things to get excited about.” He also enjoyed the social ambience: “Everybody was rich but without the ego and competitive attitude.” Within a short period, he got involved in researching applicants as he would any other investment. He looked for “mission, management and *menschlichkeit* [human decency]” in the potential grantees.

The actual grant-making consisted of very small sums of \$20-30,000, more akin to rewards than to significant investments. But the process engaged his interest. Participating in the deliberations “offered a connection to cool stuff....I was exposed to things I didn't know were there. It got me more interested in what is going on in the modern Jewish world. It's given me a lot of optimism about the future that I didn't have ten years ago” as a board member of a large national Jewish organization.

Devoting time to sifting through grant applications “served as a research project to find programs to get engaged with.” By the time he reached his late forties, he and his wife were giving away several hundred thousand dollars annually, divided between non-sectarian anti-poverty causes and Jewish needs—with the clear prospect that those sums will increase in the years to come. He also has become active in his local Jewish community, sharing what he has learned about the start-up field.

Involving over 200 philanthropists and giving away over \$11.6 million since its inception in 2007, Natan is the largest Jewish giving circle.⁷³ Its members have tended to participate as couples, unlike other groups where one married partner may join. More significantly, Natan has focused unabashedly on the so-called innovative sector of Jewish start-ups. It deliberately supports start-ups, both because they are seen as offering something fresh and also because they appeal to the relatively younger 30 and 40 year-olds from the hedge-fund and investment sector who join Natan. To do the job properly, members invest significant amounts of time learning about the innovation sector. The giving model is akin to an investment committee, which scrutinizes applicants and treats them like they are part of an investment portfolio, reports one long-time member. Says another about the longer term benefit of joining: “The people on Natan's board will eventually have their own family foundations. Natan is a training ground. It exposes people to what's going on out there in the Jewish community.” And one might add, its purview is national and international, so the education is broad.

The Center for Entrepreneurial Jewish Philanthropy (CEJP) offers a very different model. Like giving circles, it too aims to leverage philanthropic dollars, but not through pooled decision-making. Instead it offers research and know-how to members, and the opportunity to contribute to some specific projects organized or promoted by the CEJP. For example, ten philanthropists agreed to contribute \$100,000 each in partnership with the Rashi Foundation to aid communities in Northern Israel. Eventually, six additional partners joined. Among other partnership efforts organized by the CEJP are support for Hillels engaged in countering BDS and reaching Latino populations in the United States to educate them about Israel's actual role in the Middle East. Different sets of partners join in support of these and other projects. And in some cases, the outfit brings together philanthropists and Israeli municipalities to make matching commitments.⁷⁴ By offering deep research, strategic thinking and the opportunity for donors to leverage their dollars, the CEJP creates its own variation of funder collaboration.

73. “Our Story.” http://www.natan.org/cgi-bin/about/our_story.pl

74. <http://www.cejp.com/index.html>

Women Are Stepping Up

That women play an important role in philanthropy is not an innovation of the current age. Historically, women have spearheaded philanthropic efforts and especially volunteering.⁷⁵ Women have been no less crucial in supporting American Jewish causes—whether through women’s organizations such as Hadassah, the National Council of Jewish Women or 19th century-style ladies Hebrew benevolent societies and 20th century women’s auxiliaries of the religious denominations. By the last quarter of the 20th century, a number of women assumed leadership at the Council of Jewish Federations and also their local Federations.

What is novel, though, is the emergence of women who have become major players in Jewish philanthropy through their control of large wealth. Put in quantitative terms, at least half a dozen foundations are chaired by women, including the AVI CHAI and Schusterman foundations, two of the three largest giving to Jewish causes; at least six foundations have appointed women to their top executive position. Added to this, a number of not-for-profits, especially friends of Israeli institutions, have hired women as their professional heads. To be sure, women continue to be under-represented proportionately in these key positions. But it is equally noteworthy that change has begun, and the strides made thus far may be harbingers of even more intensive women’s leadership in Jewish philanthropic efforts.

A number of factors account for women’s emergence as major funders. In most cases, women have inherited the mantle after their husbands who earned great wealth passed away. This is not happenstance: many foundations and DAFs are run jointly by couples, and if the wife does not have a career of her own, she is often the one who is most active in the day-to-day philanthropic decision-making. In addition, women have amassed wealth through their own business acumen, and they too are creating philanthropic vehicles to channel their giving.

The emergence of female executives at the helm of Jewish foundations is also a recent development, even though their presence has been noteworthy in non-sectarian philanthropy

for a while. Leading American philanthropies such as the Bloomberg, Ford, Gates, Robert Wood Johnson, Packard and Rockefeller foundations have been run by women. Now Jewish foundations are beginning to catch up. Women are dramatically over-represented as staffers at foundations with a Jewish interest, and some are rising to the top positions. For some staff members, the process is too slow: there is much disenchantment with the “old boys’ club” atmosphere of Jewish foundations and glass ceilings impeding women’s advancement. A women’s roundtable consisting of funders and top personnel at Jewish foundations meets regularly to discuss workplace issues and offer support. All of this attests to frustration with the slow pace of change, but quite evidently women are running foundations with a Jewish interest—e.g. the Harry and Jeanette Weinberg Foundation, the Wexner Foundations, the Samuel Bronfman Foundation, the Gottesman Fund and Revson Foundation, to cite a few examples.

Whether women’s increased roles will redirect Jewish philanthropy is a question rarely discussed, perhaps because it may be too early to say. It is noteworthy, however, that research on women’s giving in the non-sectarian world has identified gender differences in how donors choose to give. Here is one analysis by a leading researcher: “Women engage in philanthropy differently and have different philanthropic motivations based on the role they’ve been socialized to play. ... Women give from the heart while men give from the head. We find that women are not that interested in the tax implications of charitable giving; instead, they want to know that when they give, their gift will make a difference. Men, on the other hand, are much more willing to write the check and hand it over to an organization without worrying so much about what happens after it is cashed—unless, of course, it involves having their name attached to a building. That’s another difference. Women don’t care so much about having their name splashed on a building. Empathy for others is a very strong motivation for women when they give, whereas for men giving is often more about self-interest.”⁷⁶ Of course,

75. Olivia Sage was a prominent example during the Gilded Age. See Ruth Crocker, *Mrs. Russell Sage: Women’s Activism and Philanthropy in Gilded Age and Progressive Era America* (Philanthropic and Nonprofit Studies). Bloomington: Indiana University Press, 2006.

76. Debra Mesch, *Do Women Give More: Findings from Three Unique Data Sets on Charitable Giving*. IUPI: Women’s Philanthropy Institute, September 2015, p. 4. The impact on American philanthropy of gender and new family configurations are set forth in this study too.

A Woman Presides Over Her Family's Foundation⁸⁰

Asked by her father to assume responsibility to professionalize the family's foundation when she was in her twenties, this funder embarked on her own program of self-education. She landed a job at a local community foundation and in other ways learned the business of philanthropy. Over the years she "reworked the board structure, where we actually had a real board, an alive board...as opposed to one that was two-thirds deceased." Not only has she prepared analyses for the board to consider, she also has worked patiently with three generations of her family—all of whom insisted on being involved in decision-making, despite not having the time to become fully involved. All the while, she has administered the foundation which gives roughly equal amounts of its grants to Jewish and non-sectarian causes.

She notes especially a few turning points in her work of running the foundation. One came when after doing a good deal of leg-work, together with a cousin, in the field of supplementary Jewish education, she persuaded the board to embrace a new ap-

proach—to the point where "now everyone in our family believes they invented it." She also learned to take the foundation board on field trips, giving them a more direct, hands-on encounter with those in need.

Yet for all her accomplishments, she is acutely aware of what she calls "a titanium ceiling" blocking women's advancement. The widely bruited myth that "the boy gets the business and the girl gets the foundation" remains a reality—and even then she was given only limited authority over the foundation. Off the record she expresses frustration about how hard it has been to win acceptance for her philanthropic work among the male executives of her company. Symptomatically, when she was thanked for agreeing to be interviewed about her philanthropic work, she noted how unusual it was to be heard out: "I'm not that accustomed to people caring about what I have to say." This, despite the fact that she presides over a foundation allocating annual grants of between \$12 and \$15 million.

these are gross generalizations.⁷⁷ But they do suggest avenues of inquiry about how gender affects philanthropic decision-making at a time when ever more wealth is concentrated in the hands of women.

Thus far, though, it is unclear whether personnel in Jewish not-for-profits grasp how rapidly women are assuming responsibility for large philanthropies. Studies have highlighted the massive wealth transfer currently underway from Baby Boomers to Millennials. Many of these dollars first will be inherited by widows who will be the primary decision-makers at foundations and DAFs. As Debra Mesch has noted in her work on gender roles in philanthropy: "For policymakers, nonprofit leaders, and practitioners, the changing nature of household arrangements in America creates challenges and opportunities."⁷⁸ Within the Jewish philanthropic world, the

same point has been driven home by Lisa Eisen of the Schuster Foundation, "Women are often overlooked as a vital philanthropic resource, even in the Jewish world, where the ranks of so many foundations and organizations are populated by females. Those who wish to secure the future of their Jewish causes ought to pay closer attention to the philanthropic power of women, both lay and professional, and develop fundraising strategies that will appeal to the funders' priorities."⁷⁹

Niche Giving

Though some funders take a scattershot approach to their philanthropy, most focus on a limited number of causes. Perusing the websites of foundations, it is not uncommon to find no more than three or four areas identified as of primary philanthropic concern. A foundation, for example, may fund biomedical research into a particular illness, support a sector of

77. For an analysis comparing the giving patterns of Baby Boomer and Millennial women, see "Fidelity Charitable study shows Millennial women are changing the giving landscape, Baby Boomer women more satisfied," May 9, 2017. <https://www.fidelitycharitable.org/about-us/news/study-shows-millennial-women-changing-giving-landscape-baby-boomer-women-more-satisfied.shtml>

78. *Ibid.*

79. Lisa Eisen, "Six Key Trends Transforming Jewish Philanthropy," *Philanthropy News and Digest*, Feb. 11, 2011. <https://philanthropynewsdigest.org/commentary-and-opinion/six-key-trends-transforming-jewish-philanthropy>

80. This is drawn from an anonymous profile in Joan Sara Kaye, "Portraits of Jewish Women Philanthropists." Ph.D. dissertation: Pepperdine University, 2004, pp. 110-13.

Israeli not-for-profits and give to local Jewish causes. Another foundation may focus mainly on outreach to unengaged Jews, aiding the poorer sectors of Israeli society and supporting American or global environmental causes. The variations are endless, not only for foundations but also for those who give through other philanthropic vehicles.

Some funders, though, are focused far more single-mindedly on institutions addressing the needs of one particular niche. Their rationale is straightforward: If we don't support our own, no one else will. Giving based upon a sense of special responsibility is emblematic of this kind of philanthropy. When donors will give all or nearly all of their largesse to support a single sub-population of Jews to which they personally belong, we can describe their approach as niche giving.

Orthodox Big Givers

Niche giving is most evident among Orthodox Jews. For all their differences, Orthodox Jews still identify strongly with one another. When they are traveling, Modern Orthodox Jews—those who are well-integrated into American society as evidenced by their choice of higher educational institutions, careers, neighborhoods and levels of acculturation—might find their way to a Haredi synagogue whose denizens tend to be far more insular and suspicious of American mores and culture; the latter will acknowledge the Modern Orthodox as kin. But the sense of kinship goes even deeper. When pressed, Orthodox givers will communicate their belief that they and their fellow Orthodox Jews represent the core of the Jewish population—and the only group capable of producing successor generations committed to what they regard as authentic Jewish living. It's not hard to comprehend why those who hold such a view would give mainly, if not exclusively, to Orthodox institutions. Their giving is a bet on the Jewish future.

Before examining giving patterns among the various streams of Orthodoxy, a clarification is in order. In zeroing in on Orthodox big givers, the intention is neither to be voyeuristic nor intrusive. Orthodox givers warrant attention because their patterns of giving are different from Conservative, Reform and other kinds of religious Jews. They also require a far more extensive Jewish communal infrastructure than do other kinds

of Jews. And finally, they also express their motivations for giving differently than other types of donors.⁸¹

Despite their diversity, Orthodox givers share four important commonalities. First, the cost of Jewish living for all types of Orthodox Jews is far higher than for nearly every other Jewish sub-population. The biggest ticket item, of course, is day school tuition and additional dollars parents are expected to contribute to scholarship funds. Depending on the type of school, tuition can run between \$10,000 to \$15,000 in the most inexpensive to \$35,000 or more per child each year. Given that Orthodox Jews have more children on average than any other sectors of the Jewish population, families in the Modern Orthodox sector with three or four children may be hit with a tuition tab of over \$100,000 annually. Those with the means, moreover, contribute to day school scholarship funds to aid families struggling to cover the high tuition costs. Even grandparents whose children are no longer of school age are not freed of responsibility for day school tuition. It has become common for grandparents to chip in to help with tuition payments for their grandchildren and/or to contribute to day school fundraisers. And as Modern Orthodox Jews are having more children today than in past generations, grandparents face escalating costs if they offer financial support to cover the high costs of Jewish living for their offspring. All of this means that Modern Orthodox families *with means* may be on the hook for over \$100,000 just to meet day school costs annually. On top of that, families support their home synagogue with membership dues and contributions. That does not leave much discretionary money for philanthropy, except among the super-wealthy. The costs are different in the Haredi sector (often, though inadequately, referred to as the ultra-Orthodox). Day school tuition is lower, but most Haredi Jews have far more children and tend to have more modest incomes than their Modern Orthodox counterparts. All this affects what is left for discretionary philanthropic giving.

81. The distinctive character of Orthodox giving has warranted the publication of a substantial volume on the topic, consisting of essays by Orthodox researchers and sponsored by the Orthodox Forum; nothing comparable exists for Conservative or Reform or non-denominational Jews. See Yossi Prager, ed., *Toward a Renewed Ethic of Jewish Philanthropy*. (New York: Yeshiva University, 2010). On some of the unique dimensions of Orthodox giving, see especially the overview offered by Margy-Ruth Davis and Perry Davis, "For the Poor and the Stranger: Fundraisers' Perspectives on Orthodox Philanthropy," pp. 31-52.

A second commonality is that Orthodox giving tends to be institutional and less geared to innovative programming. Of course, some institutions develop new initiatives, but the quest for the next big Jewish thing that so animates many of the biggest non-Orthodox givers seems to have no counterpart among the Orthodox. Funders in the Orthodox sector know what works and does not: Education is paramount, and the more immersive and intensive the better; synagogues are vital for creating a cohesive community; and support for advanced learning in yeshivas for males is the key to nurturing the next generation of leaders. Moreover, Orthodox Jews maintain a vast and highly complex network of aid organizations, known by their Hebrew acronym *Gemach* (*gemilut chesed*) programs for extending aid and comfort. As the most traditional sector on the Jewish spectrum, Orthodox Jews don't succumb to the romance with innovation and disruption that so captivates other Jews.

Another common approach among Orthodox funders of all kinds is a bias in favor of giving to institutions of a more rightward religious orientation and against supporting those to one's religious left. In practice this means that Modern Orthodox funders who send their own children to co-ed day schools and then to university campuses not under Jewish auspices help support so-called Centrist institutions such as Yeshiva University and day schools that segregate male and female students into different classrooms, if not school buildings. These same funders, though, are unlikely to support day schools of the more liberal denominations. The same pattern is evident in Centrist circles where funders have a warm spot in their hearts for what are called Yeshivish and Hasidic institutions. Personally, they would not join these communities, but they see merit in them as preservers of authentic Judaism—and they find such giving to be self-validating because they are identifying with what they regard as a more durable form of Judaism, or so some observers have claimed about the attractions of giving to Haredi institutions.

Still another commonality is that much of Orthodox giving is informed not only by values, which is true of all giving, but also by religious commandments, especially the religious tradition of tithing (*ma'aser*). It is impossible, of course, to know what motivates an act as complex as giving away wealth for

others to use. But in conversations with a considerable number of funders of all kinds, the Orthodox ones distinguished themselves as the only ones who almost to a person invoked *ma'aser* as a duty. Some claim it is a commandment parents discuss explicitly with their children when they engage them in conversation about philanthropy. Others speak about tithing every time they make a large sum of money, so they will have the dollars available for philanthropy. And some talk of how bigger givers think about dispensing multiples of ten percent of their annual income—i.e. 20, 30 or even 40 percent of dollars earned. Even skeptics within the Orthodox community who question how many funders actually honor the commandment to tithe still assume it remains an ideal.⁸²

Now to the specific sub-groups of funders: To the extent that the Modern Orthodox donate to institutions that do not serve their families directly, they may give to yeshivas and hospitals under Orthodox auspices in Israel or to cover the costs of security in day schools out of a sense of communal responsibility, and to *Gemachs* serving their own communities or those of Haredi Jews. They also give to some pan-Jewish causes, such as Federations,⁸³ though as the Orthodox community increasingly breaks with the liberal consensus in the rest of the Jewish community both over Israeli policies and also domestic politics, more Modern Orthodox Jews seem to have been alienated by agencies they perceived as accommodating the Obama administration's policies toward Israel and Iran. AIPAC, by contrast, has picked up considerable Modern Orthodox support. So too have so-called settlers in the West Bank (Yehuda and Shomron). Still, overall Modern Orthodox Jews repeatedly invoke the same term to describe their highest priority—to support “*unser*,” Yiddish for “our own.”

82. A Google search reveals a variety of *ma'aser* apps, including one by Giving613.com “offering an ‘all-in-one’ *ma'aser* and *tzedakah* platform. You are able to donate directly to your favorite organizations, use the advanced program that tracks your donations and *ma'aser*, and record donations given outside the program. This way you can track all your *ma'aser* and *tzedakah* in one place, wherever it's given to help donors keep track.” *The Yeshiva World*, March 12, 2015. <https://www.theyeshivaworld.com/news/headlines-breaking-stories/290931/new-app-created-to-track-all-your-maaser-and-tzedaka-in-one-place.html>

83. The variables affecting Orthodox relations with Federations in different communities are sensitively explored by Michael Berger, “Orthodoxy and Jewish Federations: Reflections from ‘Out-of-Town,’” in *Toward a Renewed Ethic of Jewish Philanthropy*, op. cit., especially pp. 178-80.

There is one important exception: wealthy supporters of Orthodox outreach to non-observant Jews. Some of the largest sums contributed by Orthodox funders of all stripes are supporting Chabad, Aish HaTorah, community Kollelim and Olami, the National Jewish Outreach Program and the Manhattan Jewish Experience, all of which are primarily focused on teaching and working with Jews who never were or have ceased to be Orthodox. Each of these groups has a strong campus presence, and most also serve adults of all ages. Although they are suspected of seeking to “convert” the non-observant to Orthodox Judaism, most speak of having far more modest goals, namely of teaching Torah, exposing Jews to the beauty of Jewish practices, and showing love for all Jews. Funders supporting these efforts are helping Orthodox outreach workers, and in that sense are furthering the cause of “*unser*,” but their ultimate target population transcends the Orthodox. Regardless of their ultimate aims, funders of outreach are pouring hundreds of millions of dollars annually into this enterprise. Giving on this scale to the cause of Orthodox outreach is unprecedented.

When we turn to the Haredi sector, there is much that is new too. Those who support the so-called Yeshivish sector—which includes advanced schools of Talmudic study for men in their twenties and beyond and also the communities that have formed around those academies—are almost all alumni who have personally spent years during their twenties at one of the yeshivas. They appreciate what they received during those years at advanced yeshivas such as the Beth Midrash Govoha in Lakewood, NJ; Ner Israel in Baltimore, MD; Chofetz Chaim in Queens, NY; and yeshivas in Israel. After amassing wealth, they are giving back to the communities that nurtured them. This is in sharp distinction to supporters of those yeshivas in the last century who tended to be outliers who for idiosyncratic reasons opted to support institutions of the yeshiva world.

Today’s supporters of Haredi communities also differ numerically. A far larger cohort of funders has been nurtured to value what communities built around learning can achieve and to take it upon themselves to support Haredi institutions. Speaking of those who have made their wealth in real estate, health care management and hedge funds, an active funder proudly affirms that “the same 30 people show up at every fundraising

meeting. Those with the deepest pockets give the majority of the money.” Projected nationally, in his estimate, this means that a few hundred people support the major Haredi organizations, including Hasidic ones. Most of these funders give a few hundred thousand dollars annually to a range of aid organizations (*Gemachs*), yeshivas, and Israeli institutions serving Orthodox Jews, though a few have far deeper pockets and are reputed to give many millions.

Much of Orthodox giving is informed not only by values, but also by religious commandments, especially the religious tradition of tithing (*ma’aser*).

One way to think about today’s big givers to the yeshiva world is to analogize them to graduates of Ivy League universities. Their cultivation as donors began during their years of study where they were imbued with an idealized understanding of how learning is the key to Jewish living. Givers in this sector support all kinds of higher academies, especially those in Israel, including Hasidic yeshivas. As evidence, we may note the constant stream of emissaries sent by Israeli yeshivas to the United States every few months to collect funds, largely from Yeshivish donors who have been well-socialized to regard Jewish learning as paramount. (The Mir Yeshiva in Jerusalem, to take one example, enrolls some 8,500 to 9,000 students and has an annual shortfall of \$30-40 million. Its representatives regularly arrive on these shores to raise money to meet their budget.) Like their university-trained counterparts, students at the advanced yeshivas also develop contacts that serve them in good stead for the rest of their lives. An insider to this world put it this way: “The yeshiva serves as a network for future business partners and givers.” An alumni officer at any major university today couldn’t say it any better. The business and philanthropic interests of yeshiva alumni are inter-connected—as are their social networks.

What does set Yeshivish funders apart, though, is their integration into communities with multiple socio-economic strata. There are more wealthy donors than ever, but Yeshivish communities also contain a good number of families that are barely scraping by due to low levels of general education and the large

Big Giving in a Haredi Community⁸⁴

Once I became a frum [observant] Jew, I started giving *ma'aser* or double *ma'aser* right away. Throughout my adult life since then, I've tried to give double to triple *ma'aser*. ...The day I received my first large dividend, I immediately put aside 20 percent, because I didn't want to hold onto it. My attitude was that if I reach my "time" early, I don't want that money sitting in my account! Within a few days, I had given away a few million dollars, but I'm sorry to say, it's not a happy story after that.

Virtually every friend, acquaintance, neighbor, relative, teacher, rabbi, even doctors, were besieging us with requests for *tzedakah*, either for themselves or for an organization. We had two phone lines for our house and we weren't able to use either one, because they were ringing non-stop, day and night...

I finally tried telling people that if they wanted a donation, they had to write a handwritten letter with a self-addressed envelope and send it through the US Postal Service. It didn't work at first and I realized that, unfortunately, it's because collectors are used to being told no. They're used to having doors slammed on them and phones hung up on them, so it didn't cost them anything to keep trying me in person anyway. I had to make it cost something if I really wanted them to stop. So I instituted a one-year "No

Tzedakah" list. If anyone solicited me in any way besides a hand-written letter in the mail, I put them and their organization on the One-Year-No-*Tzedakah*-List. After a year, they could send a letter and get in the back of the line.

For Purim, I have a system that I have also developed over the years to find a balance that works. On Purim night, we give out checks in my shul, Kollel Ner Avrohom. When collectors first come in, they fill out a short form. The form is then run upstairs ...by young boys (about 10- to 12-year-olds), and we have about eight to ten high school to seminary-aged girls who are writing the checks. Each individual person gets \$25, with a maximum of \$250 per group. The checks are then ferried to me by the boys and I stamp them.

We end up giving out about 600 checks on Purim night. On occasion, I'll see the name of an organization on a check that I want to give more to, so I'll write "Void" across the front and send a note to my oldest daughter, who is working upstairs, with the amount that I want to give them instead.... They were expecting \$75. The replacement check came back for \$50,000 for them instead. They were shocked and happy. It's a nice feeling for me. I like to make them feel good.

size of their families, which are several multiples above replacement levels. Meanwhile, what was once a middle class is rapidly experiencing downward-mobility. All of this places severe pressures on social service and poverty agencies. In addition to supporting yeshivas, bigger funders donate to *chesed* organizations, agencies delivering food, clothing, material support, counseling and other aid to the needy in their communities.

Those with means, moreover, also make direct contributions to individuals in need. To shield themselves from supplicants, some go so far as to hire a *gabbai*, a representative, to handle the day-to-day distribution of charity. An interview with one of the larger givers in the town of Lakewood, New Jersey offers a vivid portrait of how severe the needs are and the pressures endured by those who have the means to be charitable (see box above).

This is a very different kind of giving than what is favored by those who advocate for strategic or impact philanthropy. Clearly, large sums are given away annually, albeit in small amounts at a time, and in support of individuals who claim to need donations, rather than to institutions. Direct giving of this type is a throwback to an earlier era of *tzedakah* disbursed to needy supplicants and *meshulochim*, emissaries of charities and yeshivas. One would be hard-pressed to imagine funders in other sectors disbursing cash or writing checks to people who come to their door, but in the Haredi sector funders address both institutional and individual needs.

Hasidic sects constitute still another sector of the Orthodox population. They also have a limited number of big givers, but they operate differently than their Yeshivish counterparts. Whereas the latter donate to a range of yeshivas in this country and Israel, Hasidic donors tend to give almost uniformly within their own sect. If one is a Bobov Hasid, then one must send his children to a Bobov yeshiva and support Bobov institutions. The Yeshivish population, by contrast, can join a

84. Simmy Horowitz, "A Chat with Dr. Rich Roberts," *Yated Neeman*, Mar 8, 2017. <https://yated.com/chat-dr-rich-roberts/>

range of communities and have more school options. Hasidim also give almost exclusively to their Rebbe. “The greater concentration of giving within Hasidic communities reflects the greater concentration of living,” notes an observer. Hasidim are imbued with the notion that they are tied to their community and it will receive all their largesse. Of course, there is another consequence to this concentration in that the Rebbe, the spiritual leader, and his court determine how the money will be spent and who is worthy of financial support—a potent form of social control.⁸⁵

Sephardi Giving

Though they often are overlooked, Sephardi Jews maintain their own distinctive patterns of giving. Most descendants of Jews who had lived in North Africa, the Middle East, Iran or Afghanistan attend Orthodox-style synagogues, even if they are not fully observant themselves.⁸⁶ Among the larger concentrations of Sephardi Jews—the Syrians of Brooklyn and Deal, New Jersey, the Persians in Great Neck and Beverly Hills, the Bukharans in Forest Hills—families will gravitate to a synagogue of their own sub-ethnic group. Where a critical mass exists, Sephardi Jewish community centers are playing an increased role too. In smaller communities and where Israelis of Sephardi descent are common, a synagogue may attract Middle Eastern Jews of multiple sub-ethnic backgrounds. And in turn, giving to institutions will follow the same patterns.

Outside observers describe the approach of Sephardi givers as “tribal.” They primarily support their own synagogues and communal institutions in the United States and also contribute heavily to Israeli ones connected to their distinctive sub-cultures. There are exceptions, especially when Sephardi

Jews live outside the largest Jewish populations centers: they identify more fully with the local Jewish community and contribute to its causes, including to the Federation. (Some Sephardi Jews of means also support synagogues and organizations serving all kinds of Jews.) As they tend to organize their families more traditionally, financial decisions are usually left to the men, even if women work outside the home. The division of labor is one in which women serve to organize charitable events, but men do the giving. Their preferred causes are yeshivas, rabbis in the U.S. and Israel, and various kinds of social welfare (*chesed*) initiatives to provide for the poor, including help with day school tuition.

Like their Ashkenazi Orthodox counterparts, Sephardi young givers take tithing very seriously. Personnel familiar with DAFs under Jewish umbrellas note how committed young Jews of Syrian descent in their twenties and thirties are to setting aside at least ten percent of their earnings. That they are channeling their giving through such DAFs also suggests that even if their giving is mainly directed to Sephardi institutions, they are also connecting with some of the agencies of the wider Jewish community. This may presage their greater involvement with pan-Jewish causes.

Giving to Women’s and Girls’ Causes

Another type of niche giving focuses exclusively on support for women and girls. The primary drivers of this kind of funding are 23 Jewish women’s foundations operating in the U.S., with one more in Israel.⁸⁷ Their combined assets amount to roughly \$40 million and they disburse around \$3 million annually. Presently these are relatively small sums that do not qualify as “big giving,” but Jewish women’s foundations have been growing in number and may continue to increase the size of their funding. Like the aforementioned giving circles, they are recruiting and training grounds for future large donors. Traditionally, they have supported groups in their local communities, but some now give to national or international not-for-profits. Initially, these foundations gave exclusively to

85. For a description of how the Hasidic courts operated historically, see Samuel C. Heilman, *Who Will Lead Us: The Story of Five Hasidic Dynasties in America*. (Oakland: University of California Press, 2017, pp. 1-7). Not all dollars are collected from within. A small number of Jews outside the Hasidic sects support these communities. For a particularly striking example of a family that gave away \$10 million a year but managed to remain outside the public gaze, see Josh Nathan-Kazis, “Michael Karfunkel, The Orthodox Billionaire No One Heard Of, Dies at 72,” *Forward*, April 28, 2016. <http://forward.com/news/obituaries/339660/michael-karfunkel-the-orthodox-billionaire-no-one-heard-of-dies-at-72/>

86. In Israel, these Jews are called Mizrachi (Eastern) Jews, but in the U.S. they tend to favor the term Sephardi, those who originated on the Iberian Peninsula.

87. The emergence of Jewish Women’s Foundations, their relationship to other women’s philanthropies and the adoption of social change agendas by women’s groups are the subject of a study by Deborah Skolnick Einhorn, “Power of the Purse: Social Change in Jewish Women’s Philanthropy.” Ph.D. dissertation: Brandeis University, 2012.

Jewish causes, but gradually they began to make grants to non-sectarian ones.

The Jewish Women's Fund of Atlanta (JWFA), to cite one such foundation, allocated its 2017 funds to 20 organizations mainly in Israel with a "mission to promote social change through a gender lens." It is funded by over 120 Jewish women of different "ages and backgrounds who use the power of collective giving to find long-term solutions to issues that impact women and girls in the Jewish community."⁸⁸

Almost all of the Jewish Women's Foundations are under the aegis of local Jewish Federations, which partially accounts for their style of giving. Most contributors to these funds are older women who support egalitarian aims. Their critics take them to task for not using their clout to demand greater women's representation in lay and professional leadership positions of Jewish organizations, top executive positions, and to demand equal pay at the organizations of their grantees. But the focus of these women's foundations is on grant allocations, not lobbying.

The activities of women's foundations provide a lens that may be used to view other types of giving directed exclusively to a single cause. We lack good data on funders who focus sharply on one area of Jewish life, but certainly it is not uncommon for funders to give the bulk of their grants in support of a cause, whether it is day school education, the inclusion of the disabled or the intermarried, Jews of all sexual orientations or hawkish or dovish Israeli groups. Niche giving, in short, is valued because it is strategic in its sharp focus.

Gen X and Millennials

This same approach has been touted by some observers as the hallmark of yet a fourth set of niche givers—the emerging Gen X and Millennials who are beginning to assume responsible

roles within their family's foundations and DAFs or are creating philanthropic vehicles with money they have amassed on their own.⁸⁹ Two often repeated fears about this generation are: 1. It has little interest in Jewish causes, only in non-sectarian ones. 2. Even on the local level, it has no interest in supporting the established organizations of Jewish life, but only start-ups and other innovative ventures. An interviewee for this study expressed dismay that her children seem to care only about the causes of their friends, most of whom are not Jewish or involved in Jewish life. Another funder accepted that his children who are intermarried will redirect a multi-generational family foundation with a long track-record of support for Jewish causes solely toward non-sectarian giving. In short, it is common to hear Boomers express fear their own off-spring's niche will not be Jewish.

Without doubt that is already true of some and will be the case with more Millennials as they inherit responsibility for their family's philanthropies. But it is premature to gauge the future giving trends of Millennials who are only gradually playing an increased role in making large giving decisions. Limited evidence suggests, though, that Millennial funders are not breaking with the past to the extent some fear. Based on a study including Jewish and Gentile younger funders, Sharna Goldseker and Michael Moody conclude that while "some newer causes—such as climate change and LGBT rights—will rise in importance, our research reveals that, contrary to popular predictions, traditional causes favored by their parents' and grandparents' generations will *not* be abandoned."⁹⁰ In a separate study of younger Jewish big givers, Goldseker found a considerable amount of generational continuity. Younger big givers attributed much of their philanthropic orientation and commitment to the values they learned from their parents and grandparents; they tended to give to the Jewish causes important to their elders; and they

88. The article did not report on the sums allocated. "Jewish Women's Foundation of Atlanta Announces 2017 Grantee Partners," May 24, 2017. <http://ejewishphilanthropy.com/jewish-womens-fund-of-atlanta-announces-2017-grantee-> Giving in the same year by the Jewish Women's Foundation of New York amounted to some \$600,000, a small fraction of what is collected by the New York Federation. "Jewish Women's Foundation of New York Announces Grants," *EJewish Philanthropy*, June 26, 2017. <http://ejewishphilanthropy.com/jewish-womens-foundation-of-new-york-announces-new-grants/> But for the grantees, these sums are vital if they are to conduct their work.

89. For an analysis of differences between Millennials and their elders with an emphasis on variations in philanthropic outlook by gender, see "Women and Giving: The Impact of Generation and Gender on Philanthropy." Fidelity, 2017. <https://www.fidelitycharitable.org/insights/women-and-giving.shtml>

90. Sharna Goldseker and Michael Moody, *Generation Impact: How Next Gen Donors are Revolutionizing Giving*. N.Y.: Wiley, 2017, pp. 11-12. For a report stressing the disruptive philanthropic approaches of this generation, see *Passing the Torch: Next-Generation Philanthropists*. 2017 BNP Individual Paribas Philanthropy Report. <https://wealthmanagement.bnpparibas/en/news/philanthropy-report-2017.html>

Passing the Torch to Millennials⁹²

Three generations play a role in running a family foundation with assets of over \$25 million based in New England. The money was made and the foundation established by the grandfather who is viewed by his offspring as “very generous to institutions and people.” But the grandparents were not particularly forthcoming about their own family histories or even what motivated their philanthropic largesse.

It was the parent generation that took upon itself to learn about philanthropy through involvement with the local Federation and other institutions of the Jewish community. This turn was much influenced by the mother’s friendship networks.

Both parents are in the helping professions. It was through their work that they absorbed an understanding of the needs of the less fortunate in society. They intentionally passed that on to their children, the third generation, especially by taking them on vacation trips to countries where they saw extreme poverty up-close. In order to induct their children into philanthropic giving, they began to give them small amounts of money “around Hanukah time” to donate to the charities of their choice.

Those lessons were not lost on their children who harbor a strong desire to aid those in need. Their Jewish commitments, though,

are complicated. The oldest of the children, who is part of Gen X, makes a point of stressing his lack of connection to the Jewish religion, but feels he is culturally Jewish. Yet he is strongly committed to continuing the legacy of his grandfather, who made the family fortune, and that includes giving to Jewish causes. His commitment stems from admiration for the grandfather’s business success and generous treatment of people, though not necessarily sympathy for the causes favored by the grandparents’ generation. His Millennial sister, by contrast, has gained a strong connection to the Jewish people through her travels. Having spent time in Israel and in Russia, she came to identify with needs of Jews as part of her commitment to aid those less fortunate. For her, as for her parents, involvement with the family foundation is a way to keep the family, including cousins, connected. “I’m excited to be part of it,” she says. “I’m interested to see what will happen as we grow up and grandparents are no longer with us, but I think it’s really wonderful to be able to carry on their legacy and to be able to work together as a family.” Her brother is less certain: “It’s going to be impossible,” he avers in regard to synchronizing the philanthropic interests of the third generation who share the same “values” but apply them in different ways.

ranked “religion and faith-based giving” second in their priorities, superseded only by educational causes.⁹¹

It would seem, then, that Millennials currently differ not so much in the causes they support but in their insistence on playing a more hands-on role than did their elders and ensuring their philanthropy has an impact on large problems.

An Emerging Niche: Foundations Committed to Impact Investing

In the broader philanthropic sector, interest and pressure are growing to put foundation assets to work as investments,

91. Sharna Goldseker, *The Future of Jewish Giving: Respecting Legacy, Revolutionizing Philanthropy*. Published by 21/64 and the Johnson Center for Philanthropy, 2013, pp. 5-10. https://www.nextgendonors.org/wp-content/uploads/next-gen-donors_jewish_2013.pdf

92. This profile is based on a longer exposition in Debra Rahmin Silberstein, “Authenticity: How Jewish American Families Sustain Philanthropic Values and Behaviors across Generations.” Ph.D. dissertation: Brandeis University, 2009, pp. 368-75.

not solely as grants.⁹³ Because the law requires foundations to spend no less than five percent of their accumulated assets annually, many foundations allocate their grants and still grow the size of their holdings. The question posed by proponents of impact investing is: **Why not invest your assets in investment portfolios that reflect your values?** The answer in the past was that pulling money from fossil fuel stocks or companies that do business with dictatorships or other socially undesirable actors results in a lower return on investment. Such a course is irresponsible in a fiduciary sense, even if it conforms to the ethical and ideological values of the funder.

As evidence has mounted that impact investing does not necessarily lead to lower returns, some foundations are giving it a second look. It’s not hard to fathom how foundations driven by a set of core values would find such an approach

93. Impact investing is both described and promoted in *Impact Investing: An Introduction*. Rockefeller Philanthropy Advisors, April 2016. <http://www.rockpa.org/resource/1015-2/>

A Foundation Adopts Impact Investing⁹⁵

“Foundations can be so much more than private investment houses that give away 5% of their assets each year. We have the opportunity to put a larger portion of our assets to work for impact,” says Phillip Fisher, the Fisher Foundation’s Vice Chair. “There is a deep connection with *tzedakah* here. If philanthropy is truly justice work (the direct translation of *tzedakah*), then we need to use all the tools we can to repair the world (*tikkun olam*). Mission Related Investments (MRIs) involve investments made from a foundation’s endowment, the 95% of assets not distributed annually. ...By 2015, with a number of successful investments under their belt, the Foundation was ready to increase the percentage of assets allocated to mission investing. The new target was set at 3.6% of the Foundation’s assets, or \$10 million. However, one important goal remained unachieved—making an impact investment in Israel.

The Fisher Foundation has long had a commitment to at-risk youth in Israel. So when in 2014 they met Allan Barkat, the Founder and Chairman of Dualis, an Israeli impact fund investing in social enterprises (many of which employ at-risk youth in the service industry), an impact investment into Dualis seemed like a natural partnership. ...After two years of conversations, it turned out that

the easiest way for the Foundation to make an impact investment into Dualis was by doing just that—writing a check directly to the fund using an expenditure responsibility agreement—a legal tool that allows foundations to make program investments into mission aligned organizations internationally....The investment was concluded in late 2016 when the Fisher Foundation made a \$250,000, seven-year loan, with a 3% interest rate, to Dualis.

While progress on impact investing has been modest,... the past several years have seen a steady growth in both interest and actual investments made by Jewish funders. Increasingly, these are not limited to Israel. For example, Simone Friedman, from Emanuel J. Friedman (EJF) Philanthropies, is promoting better treatment for animals within the kosher meat industry by providing loans to kosher meat companies to help build supply chains for humanely raised beef.

Despite the slow start, impact investing is definitely showing signs of catching on in the Jewish world. “Mission-aligned investing is going to be an increasingly important tool for our shared work with partners; both for-profit and for-impact,” says Bitonti Stewart. “Progress is inevitable, and it’s just a question of what leadership role Jewish foundations want to play in this exciting evolution.”

attractive. Still, foundation boards may balk because impact investing raises potentially divisive ideological questions, while also requiring someone at the foundation to do a considerable amount of homework about the political dimensions of investments. How this will play out in the coming years is far from clear, but the challenge is under consideration at some foundations with a Jewish interest. Impact investing in theory is not limited to any single area of Jewish life, but it is included in our discussion of niche giving because it appeals to those who want to put their assets into investments they consider to be socially desirable. Much of it thus far has gone to sustain the environment, further LGBTQ inclusion, and further other causes seen as offering a social benefit.⁹⁴ How this will play out in the Jewish philanthropic sphere is less evident at present.

94. For an overview of impact investing favored by younger philanthropists, see “Sustainable Investment Joins the Mainstream,” *The Economist*. Nov. 25, 2017. <https://www.economist.com/news/finance-and-economics/21731640-millennials-are-coming-money-and-want-invest-it-responsibly-sustainable>

Above is an example of how one such Jewish foundation slowly tested the waters.

Challenges and Opportunities

The foregoing overview has made the case that the Jewish philanthropic scene has changed significantly over the past 20 years. For all its dynamism and achievements, it nonetheless faces challenges, most of which also present new opportunities. What follows is an inventory of what still needs to be addressed in the view of my interviewees:

1. Anyone making the rounds of foundations and not-for-profits to learn about their work will hear variations of the same question, “**How can we encourage more Jews to give more to Jewish causes?**” The question stems from a variety

95. Avi Deutsch, “Changing the Face of Jewish Philanthropy, One Investment at a Time,” *EJewish Philanthropy*, June 30, 2017. <http://ejewishphilanthropy.com/changing-the-face-of-jewish-philanthropy-one-investment-at-a-time/>

of concerns: the continuing explosion of not-for-profits in this country and Israel prompts worry about who will attend to the many Jewish needs; the disinclination of younger Jews to support the large Jewish organizations or in many cases see merit in funding any Jewish causes engenders concern about the future of Jewish giving; so too do high rates of intermarriage, which often lead to alienation from Jewish life. The challenges are evident.

But so too are the opportunities. Individuals of Jewish background are among the titans of the new tech and hedge fund economy, even as others have amassed considerable wealth as professionals, real estate developers and entrepreneurs. Will these newly wealthy Jews and the scions of traditionally philanthropic families devote some of their resources in support of Jewish causes? And if so, how will they be recruited?

In the past, the local Federation reached adults of all ages and strata and thereby was often the first institution with which potential donors made contact. This pipeline has been damaged by the declining attractiveness of Federations for a good many Jews of means. As one big giver noted, “It’s not possible today to know who is interested in Jewish funding—who has the values, the capacity and interest—because they haven’t come up through the Federation.” What mechanism, then, exists to identify and recruit future givers?

The answer is now clear: They will be recruited through their social networks and through the efforts of older donors who invest the time to mentor them as Jewish funders. Some of the largest donors to Jewish causes have taken it upon themselves to meet with younger up-and-comers with some regularity, sometimes in groups and other times individually. The latter are happy to learn, especially from prominent individuals in their chosen field of work. One foundation has hired a dedicated staff person just to identify and cultivate Millennials of significant means, a task abetted by the fact that her own husband is in the target population. Usually established funders will refrain from a hard sell. They may spend time listening to what is of interest to younger colleagues. They will speak about areas of Jewish philanthropic activity they find compelling. And they will most certainly communicate why they take joy in their giving.

The opportunity to network with peers is also a great inducement to potential funders: New York’s UJA-Federation, for

example, continues to enjoy significant success attracting Millennials who are lawyers, Wall Street bankers and real estate people to their respective affinity groups. There they can meet peers and also the leaders of their respective fields. Then there are giving circles that work locally to draw in like-minded people who can learn together about how and where to direct their funds. The Wexner Foundation’s Legacy Heritage Program offers an intensive two-year educational experience on a sophisticated level for potential and current lay leaders who want to learn about Jewish history, formative Judaic texts and values that have shaped Jews. Its graduates have become major funders of local and national efforts. Some of these programs have been working assiduously for several decades. Remarkably, they continue to reach younger donors.

None of these efforts are simple. The nature of the educational challenge is well-illustrated by the following story related by an interviewee about an individual who had just sold his business for \$15 million and wanted to give some of it to worthy causes. Because he had no idea what proportion to give away, he googled “how much to give away” and discovered the existence of a Biblical principle called “tithing.” That impressed him so much that he decided to give away \$1.5 million. Among those Jews who acquire wealth there are others who want to give some of it away for the betterment of others, but don’t know how to do so or where to give. Educating such people will generate greater largesse.

Of course, all of this necessitates a good deal of time to help younger funders identify ways they can contribute to Jewish life. It also will require older funders to take responsibility for attracting successors among younger Jews. No doubt, some efforts will fail among well-to-do people who have no interest in Jewish causes or are hostile to what they regard as Jewish tribal allegiances. But efforts such as Birthright Israel, Hillel programs, Orthodox outreach, and the impact of dynamic synagogues and educational programs will resonate with others, particularly as they grow older and raise families. They will require mentors to guide them toward Jewish philanthropy and its variety of options.

2. For those who take on the responsibility to reach younger funders, their task is complicated by the fact that so many Jews never received a strong Jewish education during their formative

years. Programs such as Birthright Israel or the Wexner Heritage Legacy classes or any number of leadership training efforts aim to remediate the inadequacies of Jewish education for Jewish youth. **All the more reason to wonder, then, why is improving Jewish education for children not a high priority for funders?** Rather than make up for missed opportunities, why not get it right the first time around? True enough, some local donors give generously to support day schools in their communities. Others who have wanted to do something in the supplementary school arena have been discouraged by the sheer complexity of the challenge: parents who don't want their children to spend too much time engaged in Jewish learning; students who come exhausted to after-school programs; a host of distractions pulling at children; a scarcity of *trained* teachers; and an absence of national operators who can bring systemic change. No doubt the challenges are daunting, but if funders care about nurturing successor generations of funders and ordinary Jews who will be the beneficiaries of their programs, how can they continue to avoid addressing supplementary Jewish education? A solid Jewish education for all Jewish children is the most effective way of building a pipeline not only to leadership but also to future philanthropists and engaged participants in Jewish life.

3. Much foundation funding in this century has been invested in programs to involve college students and Jews in their 20s and 30s in some kind of Jewish activity. Birthright Israel and the smaller Honeymoon Israel designed to expose younger adults to the Jewish State; Moishe House, various *tikkun olam* efforts and OneTable, to cite a few examples, offer settings for participation locally. The buzzword in so many of these funder initiatives is “engagement.” Events designed to attract twenty- and thirty-somethings usually are free or require no more than a modest admission fee at the door. Participants attend episodically and are treated to programming that is light on Jewish content and heavily-oriented to socializing. The rationale, of course, is that you first have to attract people who are suspicious of events being “too Jewish” or too similar to what older Jews might prefer. Free stuff is especially desirable—free meals, drinks, programs. **The challenge facing these funder-supported efforts is whether they can move participants from Jewish lite to something more content-rich, let alone demanding, without turning people off.** The line is not easy to walk. But if engagement initiatives continue to expect

the minimum, they merely will replicate the shallow educational programs these younger Jews encountered in Hebrew school and other settings where so little was asked of them.

4. Shallowness of a different type is the danger when it comes to how funders think about their giving. Big funders have taken large risks launching a variety of innovative programs. But programs are not the same as field building. An effort such as the Jewish Teen Education and Engagement Funder Collaborative strives to bring together a range of programs in a dozen or so communities to develop the field of teen engagement. This represents a large step toward **addressing a challenge that must be solved locally but requires national financial resources and know-how.** Joining together all day schools outside of the Haredi communities under the leadership of Prizmah is another example of field building. And the work of the Foundation for Jewish Camp offers still a third example. These, however, only scratch the surface of fields that might be built collaboratively around synagogue renewal, education for children and teens not enrolled in day schools, Israel study, Hebrew language education, the inclusion of marginalized groups, and the upgrading of human services, to cite a few.

5. Such an effort at field building would be enhanced considerably if funders employed the evaluations and metrics they collect to greater effect. At present, most such information is deemed proprietary by individual funders. For understandable reasons, they keep evaluation reports in-house in order to protect their grantees' anonymity. Doubtlessly, the larger findings are shared with some funding partners and potential collaborators. But for the most part, what is taken away from evaluations remains at the level of project learning: we tried this and here were the outputs. **If foundations shared information with each other and the wider Jewish public, they would catapult evaluation research to a new level.** It could enrich conversation about upgrading the larger field in which projects operate. A few foundations have pioneered more systemic ways of thinking about fields and have utilized evaluation research to inform broader, though generally closed, conversations. They serve as useful models of what might be achieved if project research is employed toward more ambitious ends—and if it is released in a manageable and useful fashion that clarifies rather than confuses. There is a role to be played in this regard

by the Jewish Funders Network as a promoter and disseminator of research. And there are bridges to be built through the sharing of information between staff personnel of funders and their counterparts in communal organizations who have the local connections and expertise.

6. There are a number of ways in which funders themselves might rethink how they conduct their own operations. They should start by putting themselves in the place of grantees. It's not easy to give money away effectively, but it is even more difficult to raise money in the current climate. When assured anonymity, personnel at not-for-profits speak forthrightly about how they would enjoy the relatively cushy life working at a foundation where they supervise grantees, rather than be forced to scramble for funding in order to preserve their programs. For the system to work, though, fundraisers and grant writers and other personnel at not-for-profits are indispensable—and deserve to be treated as valued partners. Learning about what it's like on the other side of the table might help funders act more responsibly, if not empathetically.

An obvious example is to be more understanding about how grantees have to cover their budget in order to operate their grants. “The broad field of philanthropy and the third sector suffer from an obsession for lowering overhead,” notes Jeffrey Solomon.⁹⁶ To make matters worse, the project-orientation of many funders makes it even less likely that they will attend to the general health of their grantees. As two executives of foundations have put it: “Donors today are less likely to give to the general operating support of organizations in favor of project-related funding that will provide the measurable results they seek. In the worst case, these project grants can actually generate a net loss to organizations that pursue them with great energy and without adequate repayment of overhead or staff support.”⁹⁷

Funders at times are guilty of other sins. Some provide start-up grants for a limited number of years and then leave their grantees to sink or swim on their own after that period has ended,

96. Jeffrey Solomon, “Foundation Life: Beyond Money and Grantmaking,” *Grantcraft*, May 12, 2015. <http://www.grantcraft.org/blog/foundation-life-beyond-money-and-grantmaking>

97. Mark Charendoff and Yossi Prager, “New Thinking for a Changing Philanthropic Climate,” *Toward a Renewed Ethic of Jewish Philanthropy*, op. cit., p. 314.

on the grounds that it's time to move on to the next exciting project. The same can be said for funders that spring arbitrary new demands on their grantees. Accountability, in short, is a two-way street. **Funders owe their grantees transparency and understanding, no less than grantees owe their funders.** This is something that can be fixed as funders become more self-reflective about their own internal cultures.

7. **As fashions change in the field of general philanthropy, Jewish funders will come under pressure to engage in impact investing.** A few foundations with a Jewish interest are tentatively exploring ways to support causes not only through grants, but also through the choice of investments. How this will affect Jewish institutions and initiatives is far from clear. But as pressures mount for foundations to put their money to better use even while it accumulates interest, it will become harder to avoid investment decisions that also include questions about how the principal of foundation assets is put to work to advance a socially approved set of ends. Already there is talk of foundations investing their assets more directly in the fields they support in the form of loan programs and other kinds of financial investments.⁹⁸

8. One of the developments highlighted in this report has been the turn to collaboration between funders. As we have seen, such collaborations take multiple forms, such as the sharing of information, matching grants, co-investment, etc. Equally significant, collaboration is increasing for certain projects between national and local funders, with the latter eager to ensure the importation of a national initiative into their home communities, and the national funders just as eager for partners who can ensure the success of their initiatives on the ground.

As these kinds of national/local alliances multiply, they almost inevitably increase the likelihood of involvement by local Federations. That in itself marks an important turn of events. When the mega-donors first began their work, a good deal of hostility marred their relationships with local Federations. As

98. Some new directions for philanthropy are explored in Lester A. Salamon, ed., *New Frontiers of Philanthropy: A Guide to the New Tools and New Actors that Are Reshaping Global Philanthropy and Social Investing*. Oxford University Press, 2014. The Omidyar Foundation is in the forefront of promoting various new forms of philanthropy. See <https://www.omidyar.com/our-work>.

time has passed, some of that tension has eased, if for no other reason than the dawning awareness of the large foundations that they need local operators for their initiatives and sometimes also local financial partners—developments Federations can make happen.

In the years ahead, more funders who once disdained legacy institutions as hopelessly slow to change and out-of-touch will have to reconsider—if only because they cannot operate all programs on their own and need partners with experience working with local communities. No doubt, some Federations and other large organizations are in a weakened state; some may not survive. But many others are refusing to play dead. They are learning institutions and gradually changing their ways, including by incorporating new techniques developed by foundation-sponsored initiatives. **The challenge ahead is to build bridges between foundations, which have a constituency of one or a few funders, with large organizations, which are accountable to multiple constituencies.** Without such bridges to Federations, it will be hard, if not impossible, to make an impact in local communities. In the absence of strong bonds to religious institutions, will it be feasible to make an impact on synagogues and congregational schooling? And without cooperation with the large defense agencies, a good deal of expertise will be lost to foundations seeking to address anti-Zionist and anti-Semitic groups. A healthy Jewish community needs mavericks and also conventional operators.

9. A healthy Jewish community also requires core institutions that consider the entire Jewish ecosystem and not merely its parts through the funding of innovative projects. There was a time when Federations and their national umbrella played such a role. Both on the local and national levels, planning committees assayed current needs and projected future ones. The system was imperfect, slow and subject to special interests, but there were mechanisms to look at the larger picture. The absence in this country of Jewish think tanks⁹⁹ is indicative of the vacuum.

99. Perhaps the closest we have is the Jewish People's Policy Institute. Based in Jerusalem and focused heavily on Israel and the range of diaspora Jewish communities, it can devote only limited attention to the systemic needs of the American Jewish community.

Even if they did not intend to address Jewish life comprehensively, the so-called mega-funders *at the turn of the century* put in place a valuable mix of initiatives to address Jewish day schools, summer camps, Israel trips, campus life, early childhood programs and supplementary schools. Not all bases were covered, but a large swath of programs arose to support Jews virtually from the cradle to the grave. Some of these continue to function, but in the meantime **new communal realities call for a re-thinking of Jewish communal life. And that, in turn, will require partnerships between funders, top personnel at not-for-profits, Federation leaders, creative thinkers in the innovation sector along with religious, educational and academic institutions.**

10. To ask for more systemic thinking from foundations is not to suggest that they alone should set the agenda for American Jewish life. It would be far healthier if some communal players could amass the clout to offer their own perspectives on the needs of American Jews. The absence of institutions that can offer a credible counterforce to the large foundations is a major weakness of contemporary Jewish communal life. Some foundations have come to regard institutions such as Federations, synagogues, JCCs, and the defense agencies as partners—and that is a positive step forward.

One way to temper some of their power is to subject them to the same scrutiny accorded to Jewish not-for-profits. The Jewish press is not bashful about shedding light on the flaws of the latter, but rarely runs accounts exposing the arbitrariness, duplication and lack of transparency in the arena of Jewish philanthropy. The philanthropic system is stacked against accountability for the simple reason that journalists and academics who might expose flaws in the field or draw attention to wasteful spending don't want to bite the hand that might feed them.

It's not that philanthropy is never covered by the Jewish media. But much of what is written critically is driven by political or ideological animus. Conservative donors are subjected to hit pieces by left-wing writers and their newspapers, while liberal funders receive the same treatment from conservative media. Not all investigative journalism has to be motivated by political axe-grinding. Indeed, though they make for lively reading, agenda-driven stories about philanthropy are easily dismissed.

It is possible, though, to ask serious questions about how philanthropists invest their largesse. Are dollars flowing to the most worthy causes or is there an unhealthy fixation on a few sectors while other important ones are left to languish? As the biggest funders remove themselves from the communal system, are their decisions wiser? If funders have made bets through their philanthropic investments, how well have those bets paid off? Have they done more harm than good in some instances?¹⁰⁰

Do foundation staff members have the requisite knowledge about Jewish life to play the kinds of roles they do? Is project-related funding so preferred by donors actually helping or hurting the larger mission of the not-for-profits running them?

Fortunately, the larger field of American philanthropy seems to be embracing greater transparency. As cutting-edge practices spread through the largest foundations, those supporting Jewish causes may come to new understandings about their accountability to the wider Jewish community.

100. For an example of such probing questioning of one foundation's billion-dollar investment that failed to stem decline, see David Callahan, "A Foundation Gives One Billion Dollar in One City and Things (Mostly) Get Worse—What's the Lesson?" *Inside Philanthropy*, June 27, 2017. <https://www.insidephilanthropy.com/home/2017/6/27/a-foundation-gives-away-1-billion-in-one-city-and-things-mostly-get-worse-whats-the-lesson>. Not surprisingly, one of the few trenchant analyses of the new Jewish philanthropy's problematic aspects was offered by top executives of philanthropic funds, not by outsiders. See Mark Charendoff and Yossi Prager, "New Thinking for a Changing Philanthropic Climate," in Prager, ed., *op. cit.*, pp. 314-15. A second critical discussion about foundations and not-for-profits appears in the dialogue between John Ruskay and Jeffrey Solomon, "Federations and Foundations Take on Innovating and Sustaining." *Journal of Jewish Communal Service*, Volume 86, Nos. 1/2, Winter/Spring 2011, pp. 132-40.

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