

## American Jews Still Give Big for Israel, But Donors Are Charting New Paths

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Supporting Israel has been one of the great projects of American post-war philanthropy. A multi-generational effort spearheaded by prominent organizations like the Jewish National Fund and Hadassah, U.S.-based giving to Israel has amounted to billions of dollars in private aid to a once-fledgling nation that has found itself embroiled in conflict after conflict since the day it was founded 72 years ago—even as it's come to achieve enormous prosperity.

Yet the current moment is a tricky one for U.S. giving for Israel. While reflexive support for Israel has long been a touchstone among American Jews, this has become a more polarizing issue in recent years amid rising disenchantment with that country's political direction and treatment of the Palestinians. Many younger Jews, meanwhile, lack a deep religious or cultural affiliation with Judaism, and therefore with Israel as a homeland. On top of this, changes are afoot when it comes to the organizational structure of Israel giving, as well as the priorities of donors.

Analysis of grantmaking data, along with conversations with leaders in the Jewish philanthropy community, reveal that donor support for Israel remains robust. But there are also indications that this giving space is changing in ways that reflect both generational and political shifts. Here, we take a look at how Israel giving is evolving and what the future might hold.

### *By the Numbers*

When breaking down U.S. givers by religious affiliation, Jews have long been among the most generous. A 2017 report by Giving USA found that American Jews far outpaced all other faiths when it comes to donating money, with the average Jewish household donating \$2,526 that year (the next highest was Protestants with an average of \$1,749). Giving to charity—or tzedakah—has long been one of the foundational tenets of the Jewish religion, which is perhaps why 60 percent of Jewish households earning less than \$50,000 per year donate, compared with just 46 percent of non-Jewish households in the same income bracket.

Furthermore, American Jews have long been strong supporters of Israel. A Brandeis University study showed that from 1975 to 2007, Jewish giving to Israeli causes rose steadily from \$1.05 billion to \$2.05 billion. And according to the Israeli Bureau of Statistics, charitable gifts to Israeli organizations from sources outside of Israel (including the U.S. and other foreign countries) grew from \$1.95 billion in 2009 to \$2.91 billion in 2015.

Yet while Jewish giving to Israeli causes remains strong and continues to increase in absolute terms, the data suggests there is a slowdown taking place on a relative basis. The same Brandeis study found that while Jewish giving to Israeli causes increased from 2000 to 2015, it grew at a slower rate than giving to non-Jewish causes and to Jewish causes in other parts of the world (we should note that this data is based on grants of more than \$500,000). The share of American Jewish grantmaking that supports Israeli causes decreased from 14 to 9 percent during that 15-year period. In contrast, giving to Jewish causes outside Israel rose from 14 to 32 percent.

## *A Growing Divide*

By many measures, Israel—which was long a left-of-center country—is becoming more socially, politically and religiously conservative. American Jews, on the other hand, overwhelmingly identify as liberal, with a recent Gallup poll finding that 68 percent of Jewish Americans identify as Democrats or independents who lean Democratic, with only 28 percent identifying or leaning Republican. While that same Gallup poll found that 95% of American Jews feel favorably toward Israel, the growing ideological chasm between Jews in the U.S. and those in Israel is clearly fraying the bond that links the two nations—with important ramifications for Israel-related giving.

Steven Windmueller, emeritus professor of Jewish communal service at the Skirball Campus of Hebrew Union College in Los Angeles, notes that there are now two distinctive groupings of American Jewish donors to Israel. “The first category of funders, which is emerging more definitively at this time, is committed to embracing causes that support the economic, political and religious interests in Israel, who are committed to strengthening and expanding Jewish nationalism and Israel’s geopolitical footprint. The second model involves a class of donors who have long held to a two-state solution, and continue to focus their giving on peace initiatives and charitable endeavors designed to promote Palestinian and Jewish cooperation and human rights/social justice concerns.”

According to Windmueller, the first class of donors is categorized by the traditional Jewish philanthropy organizations—a majority of which either support the current Israeli sociopolitical culture or consider their support for the state of Israel sacrosanct, regardless of the current sociopolitical climate. The latter class can be categorized by newer organizations such as Americans for Peace Now, the Israel Policy Forum and the New Israel Fund, which are pushing back against the current Israeli administration’s policies and the broad support being offered by the American government.

This growing bifurcation can be seen in grantmaking data. In the 21st century, the years 2002, 2003, 2006-2008, and 2011 were all peak years for U.S. giving to Israel. Those years coincided with major wars in Israel, including the Second Intifada, the Second Lebanon War, and the war in Gaza in 2008. Yet in 2012 and 2014, when the conflict in Gaza flared up again, no such increases in U.S. giving to Israel were recorded. Perhaps this was due to the slow recovery from the Great Recession. Or it may have reflected that liberal American Jewish donors are less willing to open their checkbooks for an Israel that embraces conservative policies, starting with a hard line on security issues.

And it’s not just foreign policy that is exacerbating this ideological divide. Many U.S. Jews are also disturbed by Israel’s domestic agenda, as Prime Minister Benjamin Netanyahu has pursued political coalitions with the growing right-wing faction of Israeli politics. A recent example is the 2017 decision by the Knesset to grant the Chief Rabbinate (a government ultra-Orthodox establishment) a monopoly over the conversion process to Judaism. This essentially excludes Reform, Conservative and Reconstructionist Jews from properly converting—at least in the eyes of the Israeli government.

The Jewish Federations of North America expressed deep disappointment with Prime Minister Netanyahu’s 2018 proposed compromise, which they lambasted as a capitulation to the religious

right for political purposes. Although the bill—which has since been delayed—technically only applies to conversions in Israel, it is viewed as having broader consequences around the issue of “who is a Jew,” a hotly debated topic among many Jews, given the plethora of religious sects that exist in Judaism.

### *The New Kids on the Block*

When it comes to U.S. giving to Israel, legacy organizations such as United Way and the Jewish federations still lead the way, accounting for \$2.3 billion in donations to Israel causes between 2000 and 2015. But private foundations and pass-through organizations are not far behind, moving \$2.2 billion in support during the same period.

This suggests a structural shift in U.S.-Israel giving. Previously, American Jews mainly donated to communal and regional organizations that aggregated gifts and collectively distributed funds to Israeli nonprofits and causes. Now, such giving is fragmented and less centralized, with various friends-of organizations, pass-throughs and private foundations playing a larger role. The less monolithic structure of giving for Israel has evolved in tandem with growing cleavages in views toward both Israel and the practice of philanthropy. Donors are choosing a wider array of paths, including next-gen donors who are keen to promote social justice values and place a bigger emphasis in their giving on transparency, measurable impact, and direct contact with beneficiary organizations.

An example here is the New Israel Fund (NIF). Founded in 1979, NIF’s mission is to promote issues within Israel that aren’t being addressed by the traditional legacy foundations. NIF has granted over \$300 million to more than 900 organizations, with a focus on issue areas such as civil rights, social justice and a left-of-center approach to the Israeli-Palestinian issue. NIF exemplifies the shift that has taken place in U.S. giving to Israel, with liberal Jewish donors embracing alternative avenues for Israel-related giving that align with their values. The maturation of Jewish philanthropy in the U.S. in recent decades, a period that has seen the creation of many new private foundations and growing use of donor-advised funds, has made it far easier for donors to engage this issue area in a more customized way.

It’s important to note, however, that legacy institutions like the Jewish federations aren’t necessarily in conflict with private and family foundations. Indeed, the former often work in tandem with the latter. Jo-Ann Mort, CEO and founder of Change Communications, advises nonprofits and family foundations about issues pertaining to Israel and the Jewish community. According to Mort, “decades ago, there was some tension in that regard (between Jewish federations and family foundations). Now, there are a lot of interesting efforts to get everybody around the same table to work toward common goals.”

Mort acknowledges the generational divide facing U.S. and foreign-born Jewish giving to Israel. She highlights the dual trends of social justice giving and less reflexive support for Israel. She also notes—anecdotally, given that data here is difficult to come by—that many younger Jews are giving out of family tradition. Their parents or grandparents were staunch supporters of Israel, hence they feel a familial responsibility to carry the torch forward. However, as Mort asserts, “you don’t want to create a generation of donors who are just giving because of legacy. You want them to be giving because of values, commitment, partnership and engagement.” Mort sees nurturing

such authentic engagement as an ongoing challenge facing U.S. and foreign-born Jewish giving to Israel.

To that end, Mort and others are stoking engagement in Israeli issues that resonate with donors who don't fit the traditional mold. An example is Mort's work advocating for the Arab sectors of Israel. She has advised numerous U.S., Canadian and U.K. Jewish donors around issues of civic engagement and economic equality pertaining to Arab communities in Israel. Mort touts the fact that "this isn't just giving to Israel for the sake of giving to Israel, but is based on a philosophy and a value system that is similar to what a foundation is doing someplace else." Rather than simply being a blank check to Israel, this type of engagement looks to match issues with donor priorities—a very different form of support than what U.S. and foreign-born Jews are used to historically.

All of that said, the favored method of U.S. giving to Israel is still through the federations and legacy institutions that allocate money to Israeli causes. From 2000-2015, only \$2.8 billion of the \$8 billion granted by U.S. Jews to Israel went directly to Israel-based organizations. The rest was allocated to U.S.-based organizations that re-allocated the money into Israel. Most of that money was given to umbrella organizations like the legacy Jewish federations (\$2.5 billion), institutes of higher education (\$1 billion), friends-of organizations (\$1 billion) and institutions providing healthcare services (\$700 million). That leaves slim pickings for social justice organizations like NIF. So although such pass-throughs have risen in prominence in recent years, disrupting the traditional centralized paradigm, they have far from toppled it over.

Meanwhile, competition for U.S. liberal Jewish donor dollars is fierce, given the array of national and global issues that engage these donors. The results of the 2016 election have galvanized greater giving for such domestic U.S. causes as supporting civil liberties, independent media and reproductive rights. Internationally, many donors are drawn to such issues as the refugee crisis, climate change and global health. All these competing priorities can lead liberal Jewish donors to give less to Israeli causes—not because they are actively turning their backs on Israel, but because they are simply prioritizing other causes they see as more urgent.

Many decades ago, when American Jews first began giving to support Israel at a large scale, that country was still relatively poor and struggling to secure its borders against powerful hostile neighbors. The situation is now very different. Israel has experienced impressive levels of wealth creation over the past generation, which means Israelis themselves are now tackling—and increasingly being expected to tackle—social justice and domestic policy issues. As Efrat Oppenheimer, director of family philanthropy at JFN Israel points out, "the trend is that a lot more funding in Israel comes from Israelis than it used to in the past."

To the extent that American Jewish donors helped create the more mature and prosperous Israel of today by giving billions of dollars in private support over decades, this story stands as a compelling example of high-impact philanthropy.

### *An Enduring Commitment*

While the contours of U.S. giving to Israel may be shifting, that doesn't necessarily imply that U.S. Jewish support for Israel is eroding. Rather, this support is evolving to meet the changing needs

and priorities of donors, especially those from the next generation. While liberal Jewish donors are disturbed by Israel's shift to the right, that isn't stopping them from discovering their own avenues of support for Israeli causes that speak to their values.

In the end, whether they see it mainly as a religious homeland or a secular democracy, Israel remains so important to most American Jews that disengaging is not really an option. And the beauty of philanthropy, as we often note, is the enormous diversity of approaches that donors can take to support the causes and places they care about. Israel is many things to many people; giving in this space reflects that more than ever.

Apropos of that point, we will let **Dr. Anita Friedman**, president of the Koret Foundation—one of the leading givers to Israeli causes—have the last word:

Creating a strong U.S.-Israel relationship is a priority with benefits for Americans and for the Jewish Community in so many different ways. Israel is a strategic ally and close friend of the U.S. with deeply shared values. And Israel has emerged as a powerhouse that is contributing to the whole world in the fields of science, technology, education, cyber-security, intelligence and much more. Equally important, a vibrant interactive relationship between American Jews and Israel makes the Jewish people worldwide stronger and better.