

News Release

The Hebrew University of Jerusalem

האוניברסיטה העברית בירושלים

President of Charles Bronfman Philanthropies highlights steep drop in US donations to Israel

At Hebrew U. conference on 'Jewish philanthropy in the United States and its influence on the third sector in Israel'

Jerusalem, November 17, 2008 – There has been a steep drop in donations to Israel through US Jewish federations, claimed Dr. Jeffrey Solomon, president of the Andrea and Charles Bronfman Philanthropies at a conference held yesterday, November 16, at the Hebrew University of Jerusalem.

"The significant decrease is a sign of the changes in the donor patterns in American Jewry", he said in a statement ahead of the conference on 'Jewish philanthropy in the United States and its influence on the third sector in Israel in a changing environment' at the University's Center for the Study of Philanthropy.

Contributions received in Israel from American Jewry make up a significant part of the income for Israel's third sector - estimated at 19 percent of the third sector's income - amounting to approximately US\$1.5 billion per year. According to Dr. Solomon, the drop in contributions points to a move from donations through Jewish federations to direct donations by Jewish philanthropists. But, it also signifies a change in the targets of Jewish federations. "A big part of Jewish philanthropic funds are currently directed to causes [in the United States] that don't identify with Israel - such as support for secular and national causes preferred by major donors in the fields of culture, higher education and art."

Dr. Solomon pointed out that the global financial crisis means donations from the United States are in danger of further decreasing. This is due Jewish organizations having to provide an answer to new needs that were raised in Jewish communities following the financial crisis. "On the background of this challenge is the devaluation of the dollar," warned Dr. Solomon. "There is a concern regarding the financial stability of the third sector in Israel and the sustainability of non-profit organizations' social programs."

But Prof. Hillel Schmid, Director of the Center for the Study of Philanthropy at the Hebrew University is convinced that the financial crisis is an opportunity for non-profit organizations to re-think their financial structure. "Their dependence on government funds casts doubt on their uniqueness as independent, groundbreaking organizations," he explains. "They also can't rely on the generosity of philanthropists, or that the business sector will stand by them in a time of crisis. It's good that organizations will assume leadership if we are to rethink their roles and organizational and financial structure that will reduce their reliance on traditional funding contributions."

Other speakers at the conference included Mr. Arnon Mantver, Director of the Joint Distribution Committee in Israel, and Mr. Mike Prashker, Director of Merchavim for the Advancement of Shared Citizenship in Israel.