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Religious Gifts Defy National Trend

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Charitable giving in the United States totaled an estimated \$308 billion in 2008, down nearly 6 percent from the previous year when adjusted for inflation, according to a report by the Giving USA Foundation. This is the second decline since Giving USA began publishing its annual reports in 1956.

Yet donations to religious institutions increased 5.5 percent, to \$107 billion. And the category known as Public-Society Benefit, which includes multi-agency organizations like the UJA-Federation of New York and the United Way, saw a boost in giving of more than 5 percent.

“It’s the historical good news, bad news about philanthropy in recessions,” said Jeffrey Solomon, president of the Andrea and Charles Bronfman Philanthropies. “Philanthropy does go down in recessions but never as much as the Dow.”

Part of that has to do with the fact that donors are keenly aware of the increased need due to rising unemployment and the deep losses in many portfolios, said Solomon. Also, many of the bigger donors make multi-year commitments and fulfill them even though they don’t have the same discretionary revenue to give away.

The Giving USA report does not divide data by religion or region. But those in the Jewish nonprofit world say that the Jewish community will continue to be hard hit by the decline in philanthropic dollars caused by rising unemployment and shrinking portfolios coupled with the Bernard Madoff Ponzi scheme scandal. As a result, many groups and federations have laid off personnel and slashed budgets and programming.

“I think that the report you want to look at is the one that will be done for the calendar year 2009,” said John Ruskay, UJA-Federation’s executive vice president and CEO. “UJA-Fed. had record-breaking results until the late fall.”

UJA-Federation’s annual campaign, which Ruskay admits is “challenged,” closes in two weeks, at the end of June. “We projected optimistically that our annual campaign would end at \$140 million,” down from \$153.7 million the prior year, he says. “We’re within fighting range.”

The campaign was framed as “for those who can,” step up to the plate, Ruskay said. “While most of our donors recognized our unique role in the community and the Jewish world, we encountered growing numbers of donors who lost enormous wealth. Or whose investments were decimated by Madoff.”

The bad news of the report was that human services agencies, which are more overextended than ever, experienced a 16 percent drop in donations in 2008. This may be because the “full impact of what was happening wasn’t truly understood until the last quarter of 2008,” said Solomon. His prediction? A lower gross amount of charitable giving in 2009, but a higher proportion of it will flow into the social services sector.

In fact, Ruskay said that in the first six months of 2009, 13 out of the 15 largest human service agencies that are part of the UJA-Federation network reported that their philanthropy was at last year’s level or higher. It’s possible that the uptick in giving to this area didn’t kick in until the beginning of 2009.

On the good news front, the recession offers a beacon of hope for one branch of Jewish institutions: synagogues and temples, said Robert Evans, a member of the Giving USA editorial review board and co-founder of the EHL Consulting Group. “Historically, Americans turn to their houses of worship in bad times,” he said. Close to 35 percent of giving in 2008 went toward funding houses of worship, up from 32 percent in 2007, and that percentage is likely to increase in 2009.

Houses of worship need to keep asking members of their congregations to give, Evans said. And give they will — as long as the appeal is to make synagogue life more affordable for all and so congregations can help those in need financially, he says.

Meanwhile Solomon estimates that the Jewish communal world will not see an uptick in overall giving until 2010, at the earliest. “I’m pessimistic in the short term,” he says. “But I have great faith in the generosity of Americans and American Jews in particular.”

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