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Six Key Trends Transforming Jewish Philanthropy

by Lisa Eisen, National Director, Charles and Lynn Schusterman Family Foundation



Just over a year ago, in the wake of severe economic dislocation affecting donors and nonprofits alike, I wrote an [article](#) in *Philanthropy News Digest* exploring how philanthropists and foundations can give effectively in challenging times.

Today, with the benefit of hindsight and a slowly rebounding economy, it is clear that while the financial crisis had a painful impact on giving, it did not provoke an abrupt reversal of course. Rather, it accelerated tectonic shifts already well under way in philanthropy. The Jewish philanthropic environment was and is no exception.

As we begin to emerge from the dark days of 2008 and 2009 amidst predictions that foundation giving is poised for modest growth in 2011, several trends are having a transformative effect on Jewish philanthropy. It is essential that we understand, adapt to, and embrace these fundamental changes to ensure that our community continues to thrive.

1) Increasing Democratization of Philanthropy

Gone are the days when philanthropy was solely the province of billionaire benefactors. Today, thanks to the rise of online tools that expedite and focus the giving process, anyone can be a donor. Intermediaries such as [Razoo](#), [Facebook Causes](#) and [Kiva](#) offer global donors of all sizes more direct paths to local initiatives, and many organizations are responding with online appeals that allow donors to make charitable contributions in targeted ways and according to particular interests.

According to [Blackbaud](#), online giving grew at a double-digit rate in 2010, and as it continues to mature, the likely effect on the Jewish world will be a further shift away from brick-and-mortar federated giving to more individualized byte-and-click involvement. The result? More donations, in smaller dollar amounts, to more organizations. Start-ups and entrepreneurs in the Jewish innovation sector could well reap the benefits.

2) Shift to Catalytic Philanthropy

"Catalytic philanthropy," says Mark Kramer, writing in the [Stanford Social Innovation Review](#), is characterized by donors who take responsibility for creating the change they seek. In that vein, sophisticated philanthropists are shifting their orientation from simply supporting individual organizations to advancing entire fields and focusing on tangible social impact. The burgeoning Jewish service and social justice movements are the products of such donor involvement.

Increasingly, Jewish funders are comfortable with the unique demands of focused, reflective giving, and as a result we can expect to see deeper, richer involvement on the part of many philanthropists with the organizations they fund. Of growing importance among these donors will be cross-organizational collaboration, measurable outcomes, benchmarked results, and proof of return on investment. To this end, more philanthropic dollars will be earmarked for rigorous evaluations that can prove impact and/or identify the need to refine or correct course.

3) Rise of the Networked Mindset

As donors take a more proactive approach to accomplishing their philanthropic objectives, they are increasingly relying on networks — both online and off — to galvanize the substantial human and financial resources required to move the needle on complex challenges. Savvy foundations and nonprofits are consciously weaving and catalyzing networks, and are working with increased awareness and intentionality about their power to enable collaboration, share knowledge, mobilize people, coordinate action, and affect broader, more sustainable change.

Within the Jewish world, funders will have to set the tone for collective action in the interstitial areas of Jewish life that are beyond the purview of any one funder and in which only successful collaborations are likely to achieve large-scale change. The rise of Jewish funding collaboratives and giving circles is just the beginning. The [Jewish New Media Innovation Fund](#), a partnership of our foundation with the [Jim Joseph](#) and [Righteous Persons](#) foundations, illustrates how donors can together maximize the reach and impact of their philanthropic investments to spark innovation and broad change. Similarly, as it moves into its next phase, the [Jewish Funders Network](#) can most fully serve our sector by focusing on leveraging the network to unleash the collective power of Jewish philanthropy.

4) Spend Downs

Several pillars of Jewish philanthropy — including the [Andrea and Charles Bronfman Philanthropies](#) and the [AVI CHAI Foundation](#) — are in the process of spending down, while the charters of key philanthropies such as the [Russell Berrie Foundation](#) include sunset provisions. Still other Jewish philanthropists not obligated to spend down may heed the call of Warren Buffet's [Giving Pledge](#) to commit half or more of their wealth to philanthropic causes during their lifetimes.

The reverberations will be dramatic. An unprecedented amount of wealth will soon enter the world of Jewish philanthropy, and significant players will look with greater urgency and intentionality at their spending to ensure they are creating an enduring legacy and impact. Moreover, the nature and style of their giving is likely to evolve as the desire to collaborate

around investments increases. Nonprofits dedicated to Jewish causes would be wise to look closely at the funding interests of limited-life foundations to see whether and how they fit into their vision for advancing Jewish life.

5) Generational Wealth Transfer

Boston College's Center on Wealth and Philanthropy once [estimated](#) that a wealth transfer of upwards of \$41 trillion could take place in the U.S. by 2052. The recent announcement that the [Richard and Rhoda Goldman Fund](#) will soon close and shift its funds to the foundations of the Goldmans' three children has fueled renewed talk about how the Jewish world will accommodate and manage the rise of the next generation of philanthropists.

This generational wealth transfer is already well under way, and in many cases the children feel less obligated to Jewish causes and may have different approaches and expectations than their parents. As a new generation of decision makers takes the helm of foundation boards, organizations should expect -and be prepared for — shifting priorities and a reallocation of resources. Our community, in particular, must engage the next generation of donors now to help shape their priorities and find critical points of intersection. Indeed, our foundation has learned from experience that changes in leadership happen far more smoothly with the right support systems already in place.

6) Ascendancy of Women

The new breed of donors will include a growing number of women who will increasingly define Jewish philanthropy. No longer will the likes of Lynn Schusterman and Mem Bernstein be seen as exceptions to the rule that philanthropy is a man's game. Indeed, a new [study](#) by the Center on Philanthropy at Indiana University shows that women across nearly every income category give significantly more than their male counterparts — in many cases, nearly twice as much.

Still, 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 their future in 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 their priorities.

These six fundamental shifts should sound a clarion call to nonprofit organizations. They are not fads or blips on the radar — they are the new way of doing business in Jewish philanthropy, and they will only become more entrenched over time. How donors and organizations adapt to them will determine the health of our community for years to come.

To successfully navigate these changes, Jewish funders and nonprofits alike will require:

- Adaptive, resilient leadership;
- Nimble, entrepreneurial approaches to the issues they are working on;
- An increased emphasis on collaboration, leverage, and cross-sectoral networking;

- A laser-like focus on performance and measureable impact; and
- The ability to harness the power of more sophisticated, engaged donors.

There is no question that Jewish philanthropy in North America will look dramatically different five years from now. If we prepare and adapt appropriately, "different" will mean more dynamic and effective, more mission driven, and, ultimately, more impactful.

Our community is up to the task, and our future depends on it.

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