A Spotlight on Foundation & Philanthropic Giving in Israel

The Israeli Philanthropy Conference 2019
The Spotlight on Foundations and Philanthropic Giving in Israel is based on:

- **Data collection and background from diverse data sources (2015)**

- **Interviews with 18 large philanthropic foundations** operating in Israel donating >$10M annually. Overall ~1.5-2B NIS per year, of which ~75% interviewed (re 2018)

- **An online survey** for small/medium Israeli donors (100K NIS to 10M annually), 54 donors responded online + 4 interviews ~190M NIS (re 2018)
Fields of Activity
# Where is the Most Philanthropic Money Invested?

## Education and Social Services

NPOs total income in 2015

<table>
<thead>
<tr>
<th>Source of Income</th>
<th>Amount (B NIS)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from Government</td>
<td>69</td>
<td>50%</td>
</tr>
<tr>
<td>Philanthropic giving to NPOs</td>
<td>20</td>
<td>15%</td>
</tr>
<tr>
<td>Income from Paid Services</td>
<td>47</td>
<td>34%</td>
</tr>
<tr>
<td>Income from Interest</td>
<td>1</td>
<td>1%</td>
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</tbody>
</table>

Total NPOs income in 2015: **140 B NIS**
Where is the Most Philanthropic Money Invested?

**Education and Social Services**

Philanthropic giving by field, 2015 (NIS Billions)

- Advocacy & Politics - 0.7 (3%)
- International - 0.12 (1%)
- Health - 1.2 (6%)
- Religion - 2.7 (13%)
- Education & Research - 5.6 (27%)
- Philanthropy & Voluntarism - 4 (19%)
- Social Services - 4.2 (20%)
- Employment & Housing - 0.2 (1%)
- Culture 1.6 (8%)
- Unions 0.3 (2%)
What is the Total Philanthropy by Field of Activity?

Total Income by Fields of Activity

NPOs Areas-of-Activity and Size (in B NIS), 2015
Philanthropy vs Government Spending

Total Philanthropy by Fields of Activity in Comparison to Government Spending

Philanthropic funding as % of total funding, by field, 2015

International: 87%
Advocacy & politics: 71%
Religion: 50%
Social Services: 39%
Environment: 26%
Culture: 14%
Education & Research: 13%
Unions: 12%
Employment & Housing: 12%
Health: 20%

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What Do the Largest Private Donors Support?

Largest Private Donors Show a Strong Tendency Towards Education & Research

Donations by foundations in the survey, 2018 (NIS Millions)

- Religion - 4 (0.4%)
- Social Services - 88 (8%)
- Unions - 4 (0.4%)
- Culture - 168 (15%)
- Education & Research - 623 (56%)
- Employment & housing - 53 (5%)
- Health - 76 (7%)
- Philanthropy & voluntarism - 32 (3%)
- International - 4 (0.4%)
- Advocacy & Politics - 67 (6%)
- Environment - 0 (0%)
Investments in Education are Mostly in Universities

Total Donations by Foundations to Education & Research by Sub-fields, 2018 (NIS Millions)

- Supporting Organizations - 18 (3%)
- Research & Development - 122 (20%)
- Universities, tertiary education & teachers training - 252 (40%)
- High school - 182 (29%)
- Elementary schools - 49 (8%)

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Investments in Health are Mostly Capital Donations to Hospitals

Total Donations by Foundations to Health, by Sub-fields, 2018 (NIS Millions)

- **76M NIS**
  - Building & Equipment for Hospitals - 51 (67%)
  - Capital Donations for Health NPOs - 122 (20%)
  - Programs - 10 (13%)

Total: 1115 M NIS

- 76M NIS (7%)
  - Building & Equipment Donations 87%
Capital Projects

Capital projects are not the main focus of any foundation, yet their size makes them a significant part of total activity.

Total donations by foundations by donation type, 2018

1115M NIS

- Buildings & Equipment
  276M NIS (25%)

- Programs
  839M NIS (75%)

- Culture - 103M
- Education & Research - 100M
- Health - 64M
- Other - 9M
Capital projects are not the main focus of any foundation, yet their size makes them a significant part of total activity.

“We used to fund building for many millions per year... Now we don’t build at all.”

“We don’t fund any building projects at the moment, but we might get involved in a large project in the near future.”

“We want to stop building completely and focus on programs alone, but it’s a difficult change to make, and it would take some time.”
What is the Portfolio of Small/Medium Donors?

Small/Medium Donors Show a Relatively ‘Balanced Portfolio’ of Donations in Terms of ‘Fields of Activity’

Donations by Survey Participants, 2018 (NIS Millions)

Focus on education is similar to ‘overall philanthropy’ patterns, and much smaller than larger donors

*An online survey for small/medium sized Israeli donors

- Environment - 7 (4%)
- Culture - 13 (7%)
- Education & Research - 45 (24%)
- Employment & Housing - 29 (16%)
- Unions - 0 (0%)
- Health - 24 (13%)
- Philanthropy & Voluntarism - 10 (5%)
- International - 0 (0%)
- Advocacy & Politics - 23 (12%)
- Religion - 5 (3%)
- Social Services - 30 (16%)
Investments in education are mostly in universities but a significant share also goes to elementary education.

Total Donations by Small/Medium donors to Education & Research by Sub-fields, 2018 (NIS Millions)

- **45M NIS**: Donations to Universities 60%
- **45M NIS**: Education & Research
  - **190M NIS**: Research & Development
  - **45M 24%**: Universities, Tertiary Education & Teachers Training
  - **45M**: High Schools
  - **45M**: Elementary Schools

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Modes of Operation
Large Private Gifts Represent Only...

Large Private Gifts Represent ~14% of Philanthropic Giving, Equal to ~1.5-2% of Total NPOs Funding in Israel

Philanthropic giving by field, 2015 (NIS Billions)

- Israeli companies - 1 (6%)
- Israeli households donations - 3 (17%)
- Israeli households large donations - 1 (6%)
- USA Jewish community Private donations - 5 (28%)
- USA Jewish community Federations 2.5B NIS - 2 (12%)
- Non-USA Jewish communities - 0.6 (3%)
- Non-USA Jewish communities - 0.6 (3%)
- Non-USA Jewish communities - 0.3 (2%)
- Unknown (abroad) - 4 (23%)
Large Private Donors -
Donating > $10M annually
Overall ~ 1.5 - 2B NIS per year, of which ~ 75% interviewed

Small/Medium Donors
100K NIS to $10M per year
Do Large Private Donors Invest where there is Government Presence?

Large Private Gifts Represent ~14% of Philanthropic Giving, Equal to ~1.5-2% of Total NPOs Funding in Israel

- 85% of donations are in areas of Government dominance
- 6.5% of donations are in areas of Philanthropy dominance

A Spotlight on Foundation & Philanthropic Giving in Israel 2019
Large Private Gifts Represent ~14% of Philanthropic Giving, Equal to ~1.5-2% of Total NPOs Funding in Israel

Do Large Private Donors Invest where there is Government Presence?
- **Do Small/Medium Donors Support Capital Projects?**

- **Only a Small Portion of Small/Medium Donors Goes into Capital Projects**

- **190M NIS**

  - Capital Projects & Equipment: 20M NIS (11%)
  - Programs: 168M NIS (89%)

- **16M NIS (80%) come from 4 DONORS**
Small/Medium Donors’ Focus seems also correlated with Govt. investments but also more focused on areas of low Govt. investment.

- 60% of donations are in areas of Govt. dominance.
- 12% of donations are in areas of Philanthropy dominance.

190M NIS
Do Small/Medium Donors Invest where there is Government Presence?

Small/Medium Donors’ Focus seems also correlated with Govt. investments but also more focused on areas of low Govt. investment

- **Clear Philanthropic dominance**
  - International & politics
  - Advocacy
  - Religion
  - Social Services
  - Environment

- **Clear Govt. dominance**
  - Culture
  - Education & Research
  - Unions
  - Employment & housing
  - Health
High Presence of Private Donors in Areas of Government Dominance, Especially Larger Donors

Larger & smaller donors are highly active in areas of government dominance...

...Yet cooperation with government is much lower among smaller donors

* Orange - Large Donors
  Blue - Small/Medium Donors

85% of activity in areas dominated by govt.
60% of activity in areas dominated by govt.
55% of activity in ‘govt.-cooperating’ models
4% of activity in ‘govt.-cooperating’ models
Who Has a Strategic Model of Operation?

Activity Tends to Focus on Specific Fields But not in a ‘Strategic’ Operative Model

- Very focused activity, among larger & smaller donors alike...
  - 71% of activity is in 2 areas
  - 69% of activity is in 4 areas

- ...However, much less activity in ‘strategic’ models
  - 55% of activity in ‘strategic’ models
  - 40% of activity in ‘strategic’ models

* Orange - Large Donors
  
  Blue - Small/Medium Donors

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Which Donors Collaborate with the Government?

Although Active in the Same Fields, Smaller Donors have a Higher Tendency Towards Cooperation than Larger Ones

Most activity of both groups is in 5 distinct areas (Education, Health, Social Services, Culture, Employment & Housing):

- 91% of activity in these 5 areas
- 76% of activity in these 5 areas

...However, much less activity in ‘strategic’ models

- 20% of donors in ‘cooperative’ models
- 38% of donors in ‘cooperative’ models

* Orange - Large Donors
  Blue - Small/Medium Donors
Operative Models
What is the Model of Working?

Private Donor Activities Can be Viewed through Four ‘Model of Working’ Perspectives...

1. ‘Strategic Model’
   How focused and Theory-of-Change driven is the activity?

2. ‘Giving Model’
   How much ‘Giving-based’ or ‘Operation-based’ is the activity?

3. ‘Cooperation with Other Foundations’
   To what extent is there a will to cooperate with other philanthropists?

4. ‘Cooperation with Government’
   How involved is the Govt. in the activity - financially or operationally?

- Cooperation with Government
- How involved is the Govt. in the activity - financially or operationally?

- Cooperation with Other Foundations
- To what extent is there a will to cooperate with other philanthropists?

- Doing good
- Actively seeking collaboration

- Changing reality
- No-cooperation

- Unconditional giving
- Operating

- Constant partnership

- Giving Model
- How much ‘Giving-based’ or ‘Operation-based’ is the activity?

- Strategic Model
- How focused and Theory-of-Change driven is the activity?
Do Large Foundations have a Type?

Revealing Four ‘General Types’ of Large Foundations

- **‘Traditionalists’**
  - Less cooperative, tend to focus on unconditioned grants
  - 12% of Donations  .  20% of Donors

- **‘Strategic Soloists’**
  - Tend to have very clear theory-of-change, executed mostly using tight collaboration with government
  - 20% of Donations  .  35% of Donors

- **‘Strategic Cooperators’**
  - Tend to have clear theory-of-change, and execute it via self-operated initiatives, supported by other foundations
  - 35% of Donations  .  20% of Donors

- **‘Grant-Makers’**
  - Tend to create coalitions and join existing projects
  - 35% of Donations  .  35% of Donors
Correlations Found Between Areas of Activity and the Four General Types of Foundations

- **Health**
  - 51% Strategic Soloists
  - 49% Grant-Makers

- **Culture**
  - 69% Strategic Soloists
  - 17% Grant-Makers
  - 14% Strategic Cooperators

- **Education & Research**
  - 43% Strategic Soloists
  - 21% Grant-Makers
  - 27% Strategic Cooperators
  - 10% Traditionalists

- **Advocacy, Law & Politics**
  - 81% Strategic Soloists
  - 15% Grant-Makers
  - 4% Strategic Cooperators
  - 5% Traditionalists

- **Social Services**
  - 37% Strategic Soloists
  - 34% Grant-Makers
  - 29% Strategic Cooperators

The 4 Models of Working: Strategic Soloists, Grant-Makers, Strategic Cooperators, Traditionalists
Small/Med. Donors Activities Can be Viewed through Four ‘Model of Working’ Perspectives...

1. ‘Strategic Model’
   How focused and Theory-of-Change driven is the activity?

2. ‘Giving Model’
   How much ‘Giving-based’ or ‘Operation-based’ is the activity?

3. ‘Cooperation with Other Foundations’
   How involved is the Govt. in the activity - financially or operationally?

4. ‘Doing good’
   To what extent is there a will to cooperate with other philanthropists?
Do Small/Medium Donors Have a Type?

Small/Med. Donors Tend to the Grant-Makers Model, while ‘Replacing’ the ‘Strategic Soloists’ with a NEW Unique Model

- **Cooperation with Government**
  - **‘Strategic Cooperators’**
    - Tend to have clear theory-of-change, and execute it via self-operated initiatives, supported by other foundations
    - 4% of Donations . 8% of Donors
  - **‘Grant-Makers’**
    - Tend to create coalitions and join existing projects
    - 59% of Donations . 54% of Donors
  - **‘Traditionalists’**
    - Less cooperative, tend to focus on unconditioned grants
    - 2% of Donations . 7% of Donors
  - **Non-Government Strategists – NEW!**
    - Strategic-type behavior, but with no/low gov’t. involvement
    - 36% of Donations . 30% of Donors

- **Cooperation with Other Foundations**
  - **Giving Model**
  - **Strategic Model**