

# Big Jewish Nonprofits Can't Keep Letting Only the Ultrawealthy Call the Shots

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At a time when newly elected political figures in the United States are looking more like the American people as a whole, nonprofits that advance Jewish causes are stuck in a cycle that ensures a small group of ultrawealthy donors calls the shots. It's time Jewish organizations tackled the imbalance of power and the homogeneity of faces within their leadership circles.

America's formal Jewish institutions — from umbrella bodies to local and national organizations to advocacy groups — were established to serve the needs of Jews both in the United States and abroad. Indeed, these institutions have played a central role in the lives of Jews throughout the United States since the turn of the 20th century.

Yet these once-strong advocates no longer reflect large segments of American Jewry. Most Jewish nonprofits rely almost entirely on fundraising to support their activities and efforts. In this structure, the major portion of budgets is raised from a select number of ultrawealthy Jews. These donors are given significant leadership positions in Jewish institutions, resulting in what is effectively an undemocratic and unrepresentative plutocracy.

The increasing irrelevance of these longstanding institutions appears to be belied by their steady financial growth. For example, the [147 local Jewish federations in North America](#) continue to be some of the largest sources of aid to Jewish causes in the United States, Israel, and worldwide, providing more than \$2 billion a year. A December 2017 [national study](#) of U.S. Jewish philanthropy found that while Jewish family foundations and corporate foundations are outspending federations by a four-to-one ratio, the federations remain the greatest philanthropic supporters of Jewish and Israeli causes.

However, this financial growth appears to reflect the support of a small pool of donors made up mostly of affluent and older Jews. Many of those donors also hold volunteer leadership roles in the nonprofits they support, so that means just a small number of people hold control. As early as 1990, experts were estimating that 40 to 60 percent of annual federation campaigns were based on the [contributions of 1 percent](#) of their donors. By engaging only the elite in leadership positions, Jewish institutions are missing the opportunity to remain relevant to a diverse and evolving community.

Data from the landmark 2013 Pew Research Center [survey](#) on American Jewry reinforces the notion that Jewish nonprofits rely on an increasingly narrow pool of supporters. Those findings show that making a financial contribution to a Jewish cause is more common among older Jews from high-income households.

## Unwieldy Boards

This skew is nothing new. As early as the 1960s, Jewish activists [demanded that federations](#) be run by more than a handful of major philanthropists. While more spiritual and educational leaders are taking part in Jewish philanthropies, key decisions are still made by a small group of major donors.

Additionally, this dependence on megadonors leaves Jewish nonprofits at the mercy of the whims and urges of philanthropists, and vulnerable to [instability](#) if those donors leave. The current situation creates elitism and exclusion, while imperiling the long-term sustainability of Jewish nonprofits.

Establishment Jewish institutions also maintain large and unwieldy boards of directors. In the decision-making processes at these institutions, the boards easily outrank staffers. Further, these boards usually follow the lead of major donors. While there is a gender balance in these organizations' governance bodies, representation of the broad diversity of the Jewish population is lacking. Current Jewish leadership is overwhelmingly composed of male, old, white Jews. Middle Eastern Jews, Russian-speaking Jews, Jew with disabilities, Israeli-American Jews, Jews of color, LGBTQ Jews, and millennial Jews are largely absent.

## Polar Opposite of Politics

Amid this dearth of diverse representation in Jewish leadership circles, the opposite development is taking hold in America at large.

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In the watershed 2018 midterm elections, we saw Congress change greatly as more minorities and women took office. [Female representation](#) grew from 92 women in the 115th Congress to 106 in the 116th. Capitol Hill also became more racially diverse, with a 10 percent increase in African-American representation, a nearly 15 percent increase in Asian representation, and a 100 percent increase in Native American representation. This Congress also saw record growth in the black and Hispanic caucuses.

Further, there has been a generational shift. The numbers of [Generation Xers](#) in Congress grew 17 percent, and millennials skyrocketed 420 percent, while representation among the Silent Generation and baby boomers decreased about 13 percent. Over all, the average age in Congress fell from 57 to 47.

One possible impetus for these changes is the rise in online political fundraising, including crowdfunding. Although many American politicians still chase heavyweight donors and political-action committees to support their campaigns, some very successful politicians have sought to avoid undue influence by taking their case directly to the people through online fundraising.

Jewish nonprofit institutions can learn many lessons from the shift in political fundraising. President Obama's 2012 re-election campaign was one of the first to [raise significant funds online](#), attracting 4.5 million individual donors to the Democratic National Committee, including 2.9 million who had not contributed to his campaign in 2008. Sen. Bernie Sanders took small-dollar online fundraising to a new level in his 2016 bid for the presidential nomination, [raising \\$218 million](#) from 2.8 million

individual donors. This trend is continuing as we enter the 2020 election season. Former Rep. Beto O'Rourke raised [\\$6 million online](#) on the first day of his campaign.

Unfortunately, this shift is not being mirrored by Jewish nonprofits and leaders. By moving away from an overreliance on ultrawealthy donors and engaging more Jews through online fundraising and authentic representation, the Jewish community could elicit more buy-in from a larger portion of the Jewish people. Greater responsiveness and participation would in turn do more to ensure Jewish continuity than any large donation ever could.

## Promoting a Democratic Approach

Simultaneously, major Jewish donors have invested millions in programs that combat assimilation and encourage young Jews to build stronger bonds to organizations that advance their faith.

Yet perhaps the most effective way to get young people more involved is to open up leadership positions to a diverse range of Jews. If ultrawealthy Jews would encourage a more democratic leadership structure, rather than taking leadership positions for themselves, they would help make institutions more attractive and responsive to the very constituents whose participation is a stated priority for many of the wealthiest Jewish philanthropists.

This is not merely a recommendation. It is a necessary step to ensure the viability and effectiveness of Jewish institutions. For the sake of the long-term sustainability of American Jewry, the nonprofits that advance Jewish causes must open a debate about becoming more representative.

One possible vehicle for that discussion is holding elections to determine the levels of representation that American Jews want to see. There is a precedent for this type of convening. In 1897, the [First Zionist Congress](#) brought together approximately 200 representatives of Jewish communities from 17 countries. This can serve as a model for a forum that advances the goal of more representative decision making on the future of American Jewry.

There are many ways to foster change. There is no magic pill. But democracy will almost certainly lead to greater participation. By making its leadership structure more inclusive, Jewish nonprofits can achieve both democracy and stability.

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