

Jewish Funders Network Covid-19 Response – The First Six Months

December 21, 2020

A look at Jewish funders' responses
to the pandemic



Conducted for JFN by
JOY GOLDSTEIN CONSULTING

Covid-19 Report – The First Six Months

Introduction

Covid-19 has presented the world with unparalleled challenges, devastating tolls on human life, and severe economic repercussions. As of December 8, 2020, there have been more than 67.9 million cases of coronavirus globally, of which greater than 15.1 million are in the United States and 348,285 are in Israel. Approximately 1.5 million people around the world have lost their lives to coronavirus, including more than 300,000 in the U.S. and more than 3,000 in Israel.^{1,2} The numbers change hourly, and there has been an alarming surge in cases throughout the U.S. After attempts to re-open, 49 states now have unchecked or escalating community spread of coronavirus, and the median number of daily cases in early December exceeds 200,000.³ Covid-19-related loss of jobs is of an unprecedented scale. While the national unemployment rate fell 1 percent to 6.9 percent between September and October, the latest wave of the outbreak threatens the recovery, and the number of claims for unemployment insurance is increasing.⁴ In Israel over one million people are unemployed (approximately one in four Israelis between the ages of 18-65). Needs across all age groups have increased to unimagined proportions.

As lockdowns and quarantines began in March, Jewish nonprofit agencies and schools quickly pivoted to new ways of delivering services, stretching their creativity in the face of this challenge. **Many foundations responded immediately, generously, and openly, often removing restrictions of time or purpose, in order to stabilize and strengthen the organizations and programs that many people rely on.** As of the writing of this report, 794 funders, including many Jewish funders, have signed the Council on Foundations' Pledge of Action, a commitment to loosen or eliminate restrictions on current grants and make new grants as unrestricted as possible. The eight-point pledge is intended to be philanthropy's commitment during Covid-19.⁵ However, six months after the national emergency was declared and with cases significantly spiking again, living with Covid-19 has become the new and unwelcomed normal, and some expect that the pandemic will continue to be a challenge until the third or fourth quarter of 2021, with its economic ripple effects felt for months if not years beyond that.

Philanthropy has played a major role in the story of communal and institutional resilience in this time of crisis. The purpose of this study is to explore Jewish funders' role and impact during the first six months of the pandemic, to identify leadership practices, and shape our approach as we navigate into longer-term recovery efforts.

¹ Covid World Map – Tracking the Global Outbreak. New York Times. <https://nyti.ms/3omEODN>.

² Covid-19 Pandemic in Israel. Wikipedia. <https://bit.ly/3oCK8U2>.

³ CDC Covid Data Tracker. Centers for Disease Control. <https://bit.ly/37tDk47>.

⁴ Unemployment Claims Rise as Economic Worries Grow. New York Times. <https://nyti.ms/3odlack>.

⁵ A Call to Action: Philanthropy's Commitment during Covid-19. Council on Foundations. <https://bit.ly/2VtH3ZV>.

Study Goals

This study was commissioned by Jewish Funders Network (JFN) in order to understand the nature of Jewish funders' responses to the pandemic: How have funders stepped up to the plate, what is being funded, how is it being funded, and what grantmaking practices have changed and continue to change as a result of Covid-19? In addition, what successes and challenges are driving further innovation and impact as philanthropists continue to support frontline relief and recovery efforts? Critically, this study seeks to foresee how funders will operate in the next few months as the pandemic and its economic consequences enter its second year.

The synthesized data in this report are based on a survey of Jewish funders about their philanthropic and strategic responses to needs that arose during the first six months of pandemic. To explore these issues, we utilized two data-gathering strategies. We developed a survey that included quantitative as well as open-ended questions. The survey focused on four areas: funders' general grantmaking prior to the pandemic, Covid-19 emergency grant funding, exploring the next 12 months, and funders' internal operations.

In addition to the survey, key informant interviews were conducted to gain a deeper understanding about funders' perceptions about successes, challenges, and disappointments during the first six months of the pandemic.

Survey respondents and interviewees were promised confidentiality. As a result, the data are presented anonymously, and the quotes used are not attributed.

See Appendix 1 for a description of the methodology.

Executive Summary

Jewish funders responded quickly, creatively, and generously to support grantee partners working to meet the unprecedented needs of their constituencies in new models of service provision.

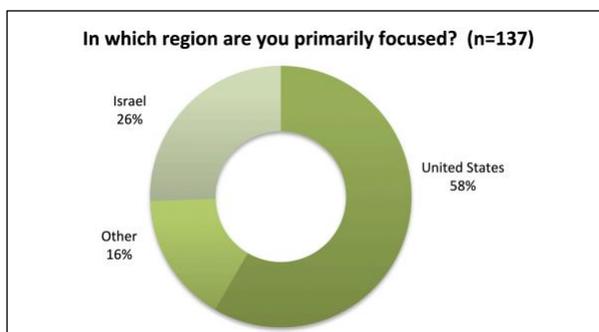
- ◆ **Of JFN's 514 member units, 155 responded to the Covid-19 survey, a response rate of 30 percent.** Participants included individual, foundation, and federation funders; represented every giving level, from \$25,000 - \$99,000 to \$20+ million; and responded from North America, Israel, and Europe. While not a scientific sample, **we believe the respondent funders represent a reliable picture of the Jewish funding world.**
- ◆ **Eighty-eight** percent of funders are concerned about new or increasing needs in the Jewish community as a result of Covid-19.
- ◆ Fifty-three percent of **funders broadened their grantmaking**, most supporting basic needs such as financial hardship and food insecurity, and 43 percent intend to maintain emergency funding over the next 12 months.
- ◆ Funders awarded a large number of emergency grants. As an example, 86 funders report awarding a total of **1,682 emergency grants to address pandemic-related needs.**
- ◆ In the same vein, funders granted significant resources to emergency needs. Ninety respondent funders awarded a total of **\$409 million in emergency grants.**
- ◆ **Seventy-six** percent of funders **increased their spending in order to provide these emergency grants.**
- ◆ **Seventy-seven** percent of funders report **changing their grantmaking practices to be more responsive and nimble** during this crisis.
- ◆ **Ninety-four** percent of Jewish funders **intend to give at the same level or higher** over the next 12 months.
- ◆ Seventy-two percent of **funders are encouraging collaborations**, joint ventures, and mergers among their grantee partners.
- ◆ Funders are challenged by the uncertainty inherent in the pandemic and the difficulty of balancing competing needs during the crisis.

Findings

Funders' Grantmaking – General (n=137)

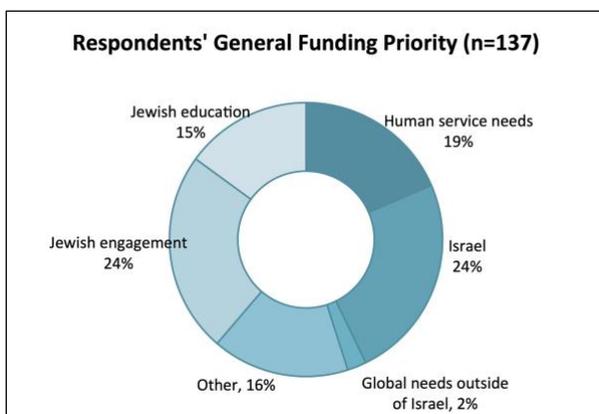
Respondents to the survey represented large and small funders with diverse grantmaking priorities, primarily focused on needs in the United States and Israel. The combined impact of the respondents' grantmaking is immense and varied. In their last fiscal year prior to the pandemic, a sample of 111 respondents reported awarding a total of almost \$1.13 billion to their grantee partners. On average, these funders awarded \$10.1 million in the last fiscal year.⁶ The range was \$13,000 to \$200 million.

Funders were asked to identify their general (pre-pandemic) geographic and funding priorities. The respondents are primarily focused on the United States (58 percent) and Israel (26 percent). Sixteen percent are geographically focused on Canada, Europe, and globally (outside of Israel).



The survey asked respondents to identify one broadly defined priority grantmaking area on which they focus, and a subsequent question directed them to select as many as apply from a detailed list of priorities. With respect to general funding priorities, 24 percent are largely focused on Jewish engagement. Similarly, 24 percent are focused on Israel. About one in five report human service needs as their general priority.

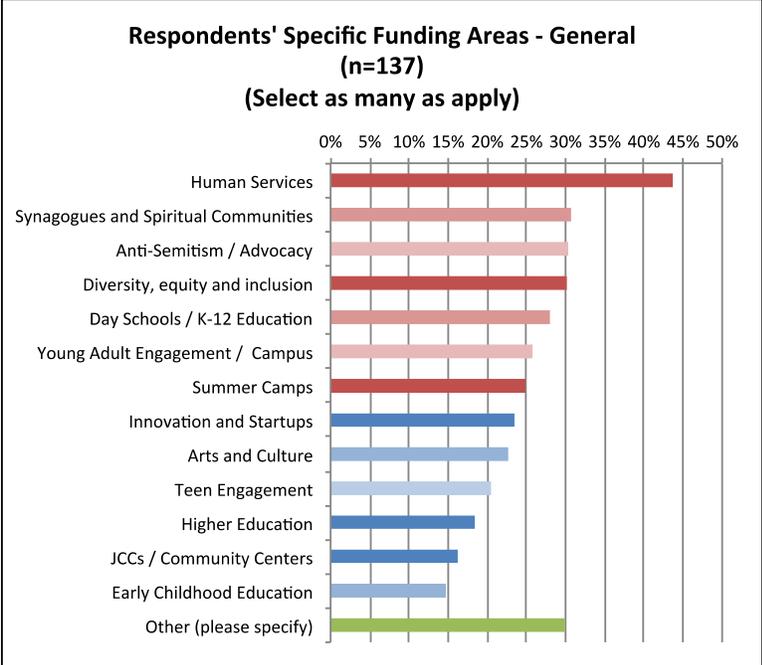
Respondents were then asked to select as many as apply from a list of specific priority funding areas in which they focus their grantmaking. On average, each funder selected three to four priority areas. Human Services was most frequently selected, with 44 percent of respondents selecting this category. Three in 10 funders selected Synagogues/Spiritual Communities, Anti-Semitism/Advocacy, and Diversity/Equity/Inclusion. One quarter of funders provide support for Day Schools / K-12 Education, Young Adult Engagement, and Summer Camps. The categories shown in blue in the following chart were selected by less than 25 percent of funders.



Forty-one funders selected “Other,” most often in combination with one or more of the other categories. The small chart below explains the funding areas specified under “Other.”⁷

⁶ Foreign currency was converted to U.S. dollar for this analysis.

⁷ It is likely that some funders categorized racial justice under “Diversity, Equity and Inclusion.” However, it was specifically written in by a number of funders. Given the importance of this issue, we wanted to highlight the number who specifically wrote it in.



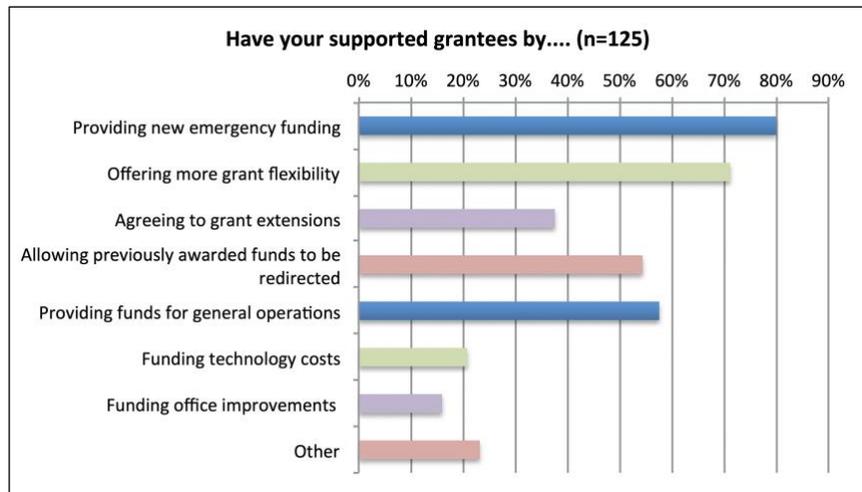
Respondents' Specific Funding Areas – "Other"	
Israel	10
Social / Racial Justice	8
Adult Education	4
Environment / Sustainability	4
Other	15

Forty-nine percent of the respondent funders award grants on a rolling basis, and 19 percent award grants once or twice a year. Thirteen percent do not accept unsolicited applications.

Fifty-nine percent of respondents have foundation offices. Almost all are currently working remotely and report they are adequately equipped under pandemic conditions in terms of business continuity. Ninety percent report they have retained all of their staff during this period, and some have hired consultants to address specific areas, such as strategic communications or streamlining grant processes.

Funders' Covid-19 Emergency Grant Funding (n=137)

Eighty percent of respondents reported that they awarded new emergency funds to grantees. A sample of 86 respondent funders awarded a total of 1,682 emergency grants as of the time they completed the survey. A sample of 90 funders awarded emergency grants that totaled \$409 million, with an average of \$4.5 million per funder. The range was \$5,900 to \$156 million.⁸



This reported scope of funding included emergency grants only. Some funders also allocated significant monies for loan funds. Three-quarters of the respondents who made emergency grants increased their spending above what they had budgeted. That is, funders generally exceeded their spending policies in order to make emergency grants to address Covid-19 needs.

Fifty-three percent of respondents broadened their grantmaking to address pandemic-related needs, most supporting basic human services needs such as food insecurity programs. Forty-three percent of funders intend to maintain or increase funding to new grantees.

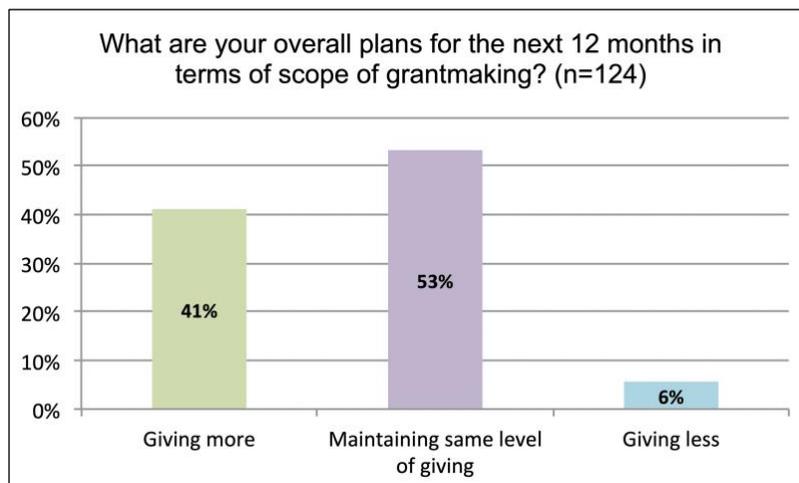
The chart in this section delineates the practices adopted by funders to support grantee partners during the pandemic. Seven out of 10 offered grant flexibility, and more than half awarded general operating funds and allowed grantees to redirect previously awarded funds. One-third agreed to grant extensions that allow the grantee partner additional time to spend down existing funds and ensure that deliverables can be met. This is a meaningful accommodation not only because the pandemic hindered programs in many ways, but because retaining the funds helps agencies' cash flow during this difficult time.

Jewish funders were quick to respond to the crisis: Eighty-three percent report having awarded first emergency grants in March or April 2020. Sixty-nine percent of funders continue to review emergency grant requests.

⁸ Foreign currency was converted to U.S. dollar for this analysis.

Exploring the Next 12 Months (n=124)

Almost nine out of 10 funders are concerned about new or increased needs in the Jewish community due to Covid-19. Remarkably, 94 percent of Jewish funders plan to give at the same level or higher over the next 12 months. This is notable because 76 percent of the respondents who made emergency grants increased their spending in order to do so, and the overwhelming majority intends to continue at those levels.



Grantees will receive more general operating funds, as almost six out of 10 funders plan to provide more unrestricted funding to grantees. It is important to note that some funders reported that their grantmaking is already unrestricted. Therefore, those funders are not included in the 56 percent who stated they intend to give more unrestricted funding.

Almost three-quarters of funders are actively encouraging and supporting organizational collaborations and mergers among grantees. In some cases, they are encouraging collaborations and/or integrations at the program level.

Recognizing that some of the recent grantmaking changes are positive, funders report that the following strategies are likely to continue in the post-Covid world:

- ◆ Fast-tracking approvals/renewals
- ◆ Streamlined applications and reporting
- ◆ Increased flexibility in grantmaking
- ◆ More general operating support
- ◆ Leveraging impact through collaborative efforts with other funders
- ◆ More active engagement with grantees
- ◆ Supporting online programs and innovation
- ◆ Helping grantees apply for government/other funds
- ◆ Increasing giving
- ◆ Grant extensions

Many of these practices reflect the commitments delineated in the Council on Foundations' Pledge of Action.⁹

⁹ A Call to Action: Philanthropy's Commitment during Covid-19. Council on Foundations. <https://bit.ly/2VtH3ZV>.

Successes

Jewish funders responded to the emergent needs in many and varied ways. Their successes reflect common themes and are a testament to the generous, innovative, and collaborative manner in which they stepped up to ensure that the unprecedented needs of the community would be met.

We are in this together. On March 13, 2020, the day that a national emergency was declared in the United States, a group of funders published an open message to grantees, in which they recognized that “grantee partners and other organizations face unprecedented challenges and concerns.” In keeping with the Jewish precept of *kol yisrael arevim zeh b'zeh* (all of Israel are responsible for one another), the signatories to the letter committed to maintaining funding levels, adjusting their expectations, giving organizations time to plan and respond, being nimble in their practices, and staying coordinated as a funding community.¹⁰

Unprecedented needs demand unprecedented response. Funders of all sizes have increased spending and awarded larger grants to support grantee partners as they work to meet unprecedented needs. Some report doubling their budgeted spending during this crisis. They are stabilizing nonprofits that are facing the economic effects of the pandemic while pivoting and changing to new models of service provision. While funders are acting with urgency, many are cognizant of long-term needs as the pandemic marches on.

Being nimble helps build resiliency. Funders went out of their established lanes, largely to support safety net services. They streamlined their processes to enable grantee partners to focus on meeting community needs rather than on application or reporting requirements. The increased flexibility has resulted in candid communication and stronger relationships with their partners.

Capacity building strengthens grantees. Funders have partnered to provide free technical assistance to grantees, to help them leverage foundation and government funding, such as Paycheck Protection Program loans, and to enable them to conduct meaningful planning for the short- and longer-term. Funders have helped grantees to rapidly adapt to the crisis through mentorship and by convening them to hear from experts in many areas, such as strategic communications, fundraising, health and safety, and virtual education planning.

There is strength in numbers. Funders have joined forces with each other and with Jewish Federations to provide a coordinated response through the establishment of Covid-19 emergency grant and loan funds. These initiatives have been targeted at the local and national levels as well as in the Jewish and broader communities. Through these collaborations, funders have provided significant support to food banks, rent-abatement grants, bridge funding to small businesses awaiting Paycheck Protection Program loans, grants to people-of-color-owned and women-owned businesses, and technology to help schoolchildren succeed with learning from home.

Engaging the next generation builds a legacy of leadership. Funders are engaging their children and grandchildren in philanthropic decisions during a time of crisis. On a larger scale, funders have supported community-wide, large-scale programs to engage young adults.

Funders successfully shifted to a new working model. Funders note their own commitment to the health and safety of their staffs and boards. The shift to working remotely has been effective, with professionals and board members remaining fully engaged, positive, and able to manage increased workloads while working from home. Funders also note that they overwhelmingly retained staff during this period.

¹⁰ “An Open Message to Grantees from the Funder Community.” eJewishphilanthropy. <https://bit.ly/39yX0pO>.

Success Stories

A family foundation focused on Israel reallocated unused conference funds to create a micro-grant process to support “**street level**” **social and spiritual entrepreneurship** during a time of chaos and social and financial crisis. It issued a Request for Applications (RFA) in the field of Israeli Judaism, which drew significantly more interest than available funds. The foundation recruited a funding partner to join in awarding the first round of grants; **the second cycle will be supported by a collaboration of seven funders** committed to a model of integrated philanthropy. The new RFA is co-branded, and the joint digital application reflects the funding partners’ giving strategies, target populations, and criteria. In this way, the funders will be positioned to make individual grants, yet create impact together in this space.

Three foundations joined forces with Jewish United Fund of Metropolitan Chicago to establish the **Technical Assistance Collaborative**, a capacity-building effort that has helped about 100 Jewish agencies and synagogues. The program initially surveyed the community and learned that organizations were in need of planning, leadership development, technology resources, and access to experts. Sessions on financial modeling and planning for virtual educational and experiential programs have been offered. The Collaborative’s services are offered one-on-one as well as to cohort groups. This initiative has assisted agencies to plan and respond to unprecedented large-scale challenges, even at a time of panic and anxiety arising from not knowing how long this situation will last.¹¹

The Jewish Community Response and Impact Fund (JCRIF), a \$91 million partnership of eight Jewish foundations and the Jewish Federations of North America, was created to address the many challenges facing Jewish institutions during the Covid-19 pandemic. JCRIF has two components: **a zero-interest loan fund and an aligned grant program**. The loan fund, managed in partnership with the Nonprofit Finance Fund, has awarded \$20 million in loans and is in the process of reviewing another \$20 million of loans. The aligned grant program is supporting American Jewish education, engagement and leadership programs. Each foundation in the aligned grant program makes its own funding decisions about the proposals that come through the program.

Serve the Moment, powered by Repair the World in partnership with Jewish Service Alliance, is a new coalition of more than 44 organizations and funders that seeks to engage Jewish young adults and college students in 100,000 acts of meaningful service and learning addressing the Covid-19 crisis and its economic fallout. The program’s founders began “by asking the question, ‘**How might the Jewish community show up at this moment, when our neighbors are suffering and our own community is grappling with extreme change?**’” Serve the Moment is open to anyone between the ages of 18 and 29, to Jews and non-Jews alike, although most participants are from the Jewish community. The program has drawn 100 Summer and 240 Fall Service Corps members who volunteer in their communities to work with human service agencies, delivering food, tutoring children, and assisting people to file for unemployment benefits.¹²

¹¹ “Teaming up to help agencies in need.” Jewish United Fund. <https://www.juf.org/news/local.aspx?id=450554>.

¹² “Leadership Lessons in the Face of Shifting Realities.” eJewishphilanthropy. <https://bit.ly/3moLErW>.

Challenges

Twelve years ago, the Great Recession of 2008 caused millions of people to lose their jobs, their homes and their savings. Nonprofits struggled to meet the increasing demands for their services during the massive financial downturn. The 2008 recession was caused by a collapse in the financial markets, while today's economic challenges are caused by a pandemic that has wrought devastating health and financial crises even as it has not, as of the writing of this report, had a major impact on the stock market. About 8.5 million jobs were lost between 2008 and 2010, with a peak unemployment rate of 10 percent. Much of the economic recovery that began in 2009 came to an abrupt end when the pandemic struck, even as the crisis has not yet impacted stock markets in a dramatic way. The markets' stability has made it easier to keep the same level of giving and increase it, a marked difference from the 2008 recession. It is an open question whether funders will maintain their forecasted giving should the markets collapse.

The pandemic has brought an even greater wave of devastation than the 2008 recession. Almost 21 million people lost jobs in April 2020, when the unemployment rate reached 14.7 percent. While there has been some recovery, the U.S. economy is still down 10 million jobs from February 2020. The November jobs report revealed that nearly 4 million people are now classified as long-term unemployed, accounting for 37 percent of the unemployed.¹³ This paints a troubling picture for the recovery. "As many as 54 million people, or 1 in 6 people in the country, live in families with a sidelined worker."¹⁴ Furthermore, almost 26 million adults (12 percent) reported that their household didn't have enough food in the last seven days, a three-fold increase over food insecurity reports in 2019.¹⁵

The Jewish funders who participated in in-depth interviews expressed deep concern about the ongoing and increasing needs arising from the pandemic and its economic effects. One respondent noted, "We can't come close to meeting the vastness of the needs before us – food insecurity, personal protective equipment, technology to adapt to virtual programming, equipment to support reopening, financial support for individuals who have suffered job loss, health issues." Another stated, "Philanthropy cannot fill gaps in government funding."

As the impact of the coronavirus marches on, protests for racial justice and equity intensify. The pandemic has revealed and compounded deeply rooted racial inequities as Covid-19 disproportionately affects communities of color. And in the midst of the crises, political tensions deepen. Funders noted the difficulty of balancing competing needs:

- ◆ Between addressing Covid-19-related needs and racial justice/equity needs
- ◆ Between addressing Jewish community needs and general community needs
- ◆ In specific regions, like the West Coast, affected by fires, drought and COVID, there's a question of prioritization urgent needs.
- ◆ Between investing in existing relationships vs. supporting new grantees
- ◆ Between funding Israel/overseas and diaspora needs
- ◆ Between getting needed information and not over-burdening grantee partners.

¹³ Employment Situation Summary – November 2020. U.S. Bureau of Labor Statistics. <https://bit.ly/33U3Fr5>.

¹⁴ Tracking the Covid-19 Recession's Effects on Food, Housing and Employment Hardships. Center on Budget and Policy Priorities. <https://bit.ly/2VvdMhs>.

¹⁵ Center on Budget and Policy Priorities. <https://bit.ly/2VvdMhs>.

There is concern that choices funders make during this time may impact organizations' survival. Funders also expressed concern that staff layoffs at grantee organizations will lead to the loss of talented Jewish communal professionals.

Uncertainty about the long-term impact of the pandemic makes it hard to plan for the future. For both funders and grantees, it is difficult to budget, to project client numbers, to anticipate needs – to even know if they will open next season. And there is concern about future donor fatigue as long-term recovery efforts are needed. JFN's work on future scenarios has been hailed as a useful tool to help funders, communities, and organizations cope with and prepare for an uncertain future.

Conclusion

The implications of Covid-19 have been widespread and dramatic, from the impact on human life to the economic repercussions. Nonprofits cannot fully meet the ever-increasing needs. Even with a vaccine on the horizon, we are living at a time of great uncertainty. We do not know how long and how intensely the virus will march on, how long restrictions will remain in place, how long the economic downturn will last, or how much funding will be needed to sustain the institutions and agencies whose missions it is to help those in need.

Jewish funders have been at the forefront of addressing needs and building communal and organizational resiliency. We are at an inflection point, as the experiences of the first six months will help shape the path and dynamic forward. The respondents to our survey convey pride in what has been achieved and optimism about grantee partners' adaptability, flexibility, and creativity to address emerging and ongoing needs. Jewish funders are strongly "in this together" – with the community, with service providers, and with each other. They are committed to ongoing nimbleness, active engagement with grantees, and leveraging impact through collaboration. In the strength of their response to the pandemic, Jewish funders have preserved services, sustained institutions, and bolstered communal assets, and they have fostered and supported collaboration, integration, and partnership.

While the philanthropic response in the first six months has been extraordinary, there's great concern for the future; as the duration of the crisis extends and new needs emerge, funders voice concern about needs far outstripping the available funds. Thus, developing and incentivizing philanthropy is noted as a major need in the next phase of the crisis. This next phase should go beyond shoring up existing institutions to creatively reimagining the community system in its entirety. The pandemic has created new needs, but it has also accelerated epochal changes that were transforming Jewish life even before Covid-19 hit.

The exemplary strength and commitment shown by funders in their initial response will be needed as we move from emergency response to recovery to reimagining.

Appendix I - Methodology

The survey was disseminated via SurveyMonkey in August 2020 to JFN's 514 member units (JFN membership is limited to individuals and foundations that donate at least \$25,000 annually to nonprofits); responses were encouraged and collected through October 2020. At the end of the field period, 155 funders had provided data, for a response rate of 30 percent.

The quantitative data were tabulated using Excel's data analysis tools, and the open-ended responses were analyzed and coded. The survey completion rate was 77 percent. However, respondents did not answer every query, which resulted in varying rates of data availability from question to question. Throughout the report, the number of responses to each question is indicated in the text and the tables in the related sections.

In addition to the survey, key informant interviews were conducted to gain a deeper understanding about funders' perceptions about successes, challenges, and disappointments during the first six months of the pandemic. Fourteen key informant interviews were conducted during September and October 2020. The list of interviewees was representative with respect to funder scope and geographic focus.

Respondents included individual, foundation, and federation funders, and represented every membership level, from \$25,000 - \$99,000 to \$20+ million. Responses were received from the United States, Israel, and Europe. While not a scientific sample, we believe the respondent funders represent a reliable picture of the funding world. The findings are, therefore, indicative, though not necessarily representative, of the full membership.

Survey respondents and interviewees were promised confidentiality. The data are presented anonymously and the quotes used are not attributed.