Philanthropic Practices in Israel

We asked Jewish Funders Network (JFN) members and other philanthropists about their philanthropic practices

We thank JFN & Impact Investing Israel for their engagement in the preparation of this study and for hosting it during their annual conferences of 2015.

For further information
Galia Feit - gfeit@post.tau.ac.il
The Institute for Law and Philanthropy (ILP)
How long have you been giving in Israel?

- 0-5 Years: 23%
- 6-10 Years: 22%
- 11-20 Years: 28%
- 21 years & more: 27%

20% of Israeli donors have been giving for over 21 years compared to 31% of non-Israeli donors whom have been giving for over 21 years.
How much have you given to causes in Israel in the past 12 months?*

<table>
<thead>
<tr>
<th></th>
<th>Up to $100K</th>
<th>$100K-$500K</th>
<th>$500K-$1M</th>
<th>More than $1M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non JFN</td>
<td>72%</td>
<td>12%</td>
<td>4%</td>
<td>12%</td>
</tr>
<tr>
<td>JFN members</td>
<td>27%</td>
<td>26%</td>
<td>7%</td>
<td>39%</td>
</tr>
</tbody>
</table>

*Note: This study was conducted amongst wealthy donors with high commitment to charitable giving.
In choosing to give, how likely are you motivated by…?

- 91% Social responsibility
- 78% Social justice
- 66% Tikun Olam (Repairing the world)
- 93% Sense of purpose
- 81% Personal satisfaction
- 50% Becoming a role model
- 39% Leaving a legacy
- 18% Recognition

Responses reveal that **inner personal motivations are stronger than motivations of outer appreciation**.
What types of philanthropy would you say you practice?

<table>
<thead>
<tr>
<th></th>
<th>JFN members</th>
<th>Non JFN</th>
<th>Israelis</th>
<th>Non Israelis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occasional donations</td>
<td>34%</td>
<td>42%</td>
<td>39%</td>
<td>46%</td>
</tr>
<tr>
<td>Strategic donations</td>
<td>76%</td>
<td>36%</td>
<td>55%</td>
<td>78%</td>
</tr>
<tr>
<td>Lending money or assets</td>
<td>9%</td>
<td>2%</td>
<td>2%</td>
<td>12%</td>
</tr>
<tr>
<td>Investing in non-profit social enterprise</td>
<td>48%</td>
<td>20%</td>
<td>40%</td>
<td>44%</td>
</tr>
<tr>
<td>Investing in for-profit social enterprise</td>
<td>15%</td>
<td>17%</td>
<td>12%</td>
<td>24%</td>
</tr>
</tbody>
</table>

Responses reveal that market-investment related practices are adopted, but for-profit practices are still limited. Non Israeli donors choose strategic donations significantly more than Israelis do. Non Israelis also tend to prefer for-profit giving more than Israelis do. JFN members tend toward sophisticated, business-like philanthropic practices.
What types of legal services do you rely on to direct your philanthropic giving?

- **Tax planning**
  - Israeli: 26%
  - Non-Israeli: 47%

- **Estate planning**
  - Israeli: 10%
  - Non-Israeli: 28%

- **Business transactions**
  - Israeli: 12%
  - Non-Israeli: 21%

- **Negotiation & contract with beneficiaries**
  - Israeli: 25%
  - Non-Israeli: 33%

Israeli donors rely significantly less than other donors on estate & tax planning.
Are tax benefits important to you?

Tax benefits are more important for those receiving them in Israel and USA than for those receiving them elsewhere.

- **Receiving tax benefits in Israel**
  - Highly important: 17%
  - Moderately important: 68%
  - Not important: 15%

- **Receiving tax benefits in USA**
  - Highly important: 21%
  - Moderately important: 63%
  - Not important: 15%

- **Receiving tax benefits elsewhere**
  - Highly important: 16%
  - Moderately important: 46%
  - Not important: 38%
Donating with a tax benefit or having your donation matched by private funds. What would you prefer?

<table>
<thead>
<tr>
<th>Tax benefits</th>
<th>For whom tax benefits are highly important</th>
<th>For whom tax benefits are moderately important</th>
<th>For whom tax benefits are not important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Matching</td>
<td>16%</td>
<td>58%</td>
<td>82%</td>
</tr>
<tr>
<td>Tax</td>
<td>84%</td>
<td>42%</td>
<td>18%</td>
</tr>
</tbody>
</table>

By size of donation:
- Amongst donors of over $1M
  - Matching: 69%
  - Tax: 31%
- Amongst donors of up to $100K
  - Matching: 48%
  - Tax: 52%

By age:
- Ages under 40
  - Matching: 64%
  - Tax: 36%
- Ages above 40
  - Matching: 52%
  - Tax: 48%

Responses in general tend to prefer matching over tax benefits.

Responses are in correlation with degree of importance of tax benefits.

The preference for matching grows with size of donation. It is also stronger among young adults under 40.
From your experience and to your knowledge, what are the main barriers to philanthropy in Israel?

- Underdeveloped culture of giving
- Cumbersome bureaucracy
- Underdeveloped capacity & accountability of NGO's
- Lack of sufficient tax benefits
- Lack of sufficient partnerships with Israeli NGO's
- A negative sentiment towards philanthropy
Thank You

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