



# Institutional Philanthropy in Israel

## Characteristics, Trends, Challenges

Noa Krauz-Lahav

April 2022



The Institute for  
Law and Philanthropy  
The Buchmann Faculty of Law  
Tel Aviv University



**The Institute for Law and Philanthropy**  
The Buchmann Faculty of Law  
Tel Aviv University

# **Institutional Philanthropy in Israel**

## **Characteristics, Trends, Challenges**

April 2022

### **Research Team**

Author and Lead Researcher: Noa Krauz-Lahav

Research Assistant: Maor Yeshua

Contributors: Galia Feit, Osnat Hazan



**The Institute for  
Law and Philanthropy**  
The Buchmann Faculty of Law  
Tel Aviv University

## Acknowledgments

This study relied on the cooperation of philanthropists, philanthropic foundations, and their leading professionals operating in Israel. We thank the organizations and individuals whose participation and insights made it possible to shed light, through this study, on areas so far unexplored. We deeply appreciate their willingness to share their perceptions and practices of philanthropy and their contribution to the ongoing research efforts to improve the understanding of institutional philanthropy in Israel today.

We are grateful to the leaders of the Israeli philanthropic networks: The Forum of Foundations in Israel, The Jewish Funders Network—Israel, and The Committed to Give initiative. Their cooperation and support in disseminating the survey enabled us to reach a broad range of organizations.

Dr. Paula Johnson, of the Hauser Institute for Civil Society at the Harvard Kennedy School, provided support and advice in the preparation and conduct of this study and we thank her for her valuable assistance.



### **The Institute for Law and Philanthropy (ILP)**

The Institute for Law and Philanthropy (ILP) is a research body established at Tel Aviv University Law School in 2014. In line with the commitment of TAU Law School to social justice, the mission of the ILP is to help integrate philanthropy into Israel's socio-economic policy and support the country's philanthropic endeavor in its quest to foster a more equitable and prosperous society.

The ILP operates predominantly in three areas—research, education, and community outreach. From an international perspective, the ILP strives to develop research capacity, foster creative knowledge exchanges between the academic and practice communities, and disseminate the evidence base to inform policy and practice.

For further information, see <https://www.ilp.sites.tau.ac.il/>

# Table of Contents

---

Introduction	5
– Institutional Philanthropy in Israel	6
Methodology	7
Section 1: General Definitions and Characteristics	11
Section 2: Governance and Reporting	15
Section 3: Organizational Focus, Causes, and Areas of Interest	19
Section 4: Operational Strategies	30
Section 5: Financial Resources	40
Section 6: Evaluation and Assessment	46
Conclusions	50
References	54
Appendices	55



# Introduction

---

This study aims to chart the profile and role of institutional philanthropy in Israel by improving understanding of the main characteristics, modes of action, and guiding perceptions of philanthropic foundations and their impact on the socio-economic spheres. The study focuses on the operational strategies, organizational structures, decision making processes, and other aspects of philanthropic foundations operating in Israel. One of the study's main goals is to characterize the vision and practices of diverse types of private institutional giving and philanthropic entities in Israel. Seeking to outline the wider socio-political and cultural implications of institutional philanthropy, it also examines sociological questions raised by the ways foundations perceive their role and carry out their policies.

The main contribution of this research is the development of a knowledge base on institutional giving in Israel to be available for international comparative research and in future studies of Israeli philanthropy. The study offers sociological insights on the reactions and potential influence of philanthropic institutions on Israel's cultural and socio-political environment. Following global trends, it will also lay the foundations for a much-needed platform of transparency and shared knowledge on institutional philanthropy and clarify its impact on the NPO sector and civil society.

This study is part of a pioneering effort of international collaboration — [The Global Philanthropy Report \(GPR\)](#) led by The Hauser Institute for Civil Society at the Harvard Kennedy School. More than twenty countries participated in the project,<sup>1</sup> and The Institute for Law and Philanthropy (ILP) was in charge of conducting the GPR research in Israel.

The objective of this effort is to begin to develop a knowledge base to address the size, scope, and practice of institutional philanthropy across the globe. Despite the broad agreement on the increasingly important impact of private philanthropy around the world, philanthropic actors, social entrepreneurs, and researchers are hindered by the lack of reliable data on philanthropic resources and trends. The global foundation sector in particular has seen accelerated growth in numbers, assets worth, and scope of giving since the early 1990s. The scholarly interest and comparative attempts that have also expanded accordingly, however, face obstacles due to the dearth of basic data on foundations' financials and their operation. Furthermore, conceptual frameworks of the foundations' definitions, purposes, and roles are still underdeveloped and yet to be commonly accepted (Toepler, 2018).

Foundations across the globe appear in various legal forms and sizes—they may be endowed or sustained by fund-raising and may be grant-making, action-oriented, or both. One widely agreed characteristic of foundations, however, is their independence, both from market considerations and from political expectations (Anheier, 2018). This feature is what sets them apart from the private and public sectors and, potentially, enables long-term planning and relative risk-taking. This dual independence rests on their self-sufficiency regarding financial resources that, in turn, is a key factor setting them apart from other types of nonprofit institutions (Anheier, 2018; Toepler, 2018).

The rising number of foundations has evoked increasing attention to them in governments (for their ability to supplement, substitute, or collaborate in projects) and among policy makers charged with regulation. For their part, critics have been concerned with, inter alia, the foundations' basic lack of transparency and accountability. The GPR is a first step in the attempt to portray the magnitude of global philanthropic funding, provide comparative analysis across countries, and help to create an evidence-based discussion on global philanthropy (Johnson, 2018).

---

1. For a list of all participating entities, see Appendix A.

Based on the GPR survey, which includes issues of governance and employment, organizational focus, operational strategies, financial resources, and evaluation and reporting, our findings point to key trends, characteristics, and future challenges to institutional philanthropy in Israel. A picture of dynamic institutional philanthropy emerges, which fluctuates between tradition and innovativeness, closure and openness, center and periphery, consensus and controversy, and partnership and independence.

Due to the COVID-19 crisis, we also considered various implications of the pandemic for institutional philanthropy in Israel as well as tactics that foundations resort to in order to cope with socio-economic crises. [The findings of this further investigation are published separately.](#)

## Institutional Philanthropy in Israel

Israeli philanthropy is deeply rooted in the Jewish tradition of *tzedakah* (charity) and, up until the 1980s, was dominated by the pre-state National Institutions focused on fundraising abroad. This endeavor was viewed as part of the symbolic, financial, and political exchange relations between Israel and the Jewish Diaspora. Inside Israel, only a few local wealthy families were involved in sporadic philanthropic activities (Haski-Leventhal & Kabalo, 2006). Local corporate (Barkai, 2003) and private philanthropy did not gain prominence until the 1990s (Silber, 2008).

The sparse research available on elite philanthropy in Israel describes a dynamic field in constant motion, characterized by developments and transformations both at the institutional-organizational level and at the level of discourse, practices, and conceptions of the actors operating within it (Barkai, 2003; Haski-Leventhal & Kabalo, 2006; Krauz-Lahav, 2020; Krauz-Lahav & Kemp, 2020; Schmid & Rudich, 2012; Shimoni, 2009, 2017; Silber, 2008, 2012). The rapid formation and involvement of Israeli philanthropy over recent decades has been associated with social and economic factors, including the shrinking of the Israeli welfare state, the spread of neo-liberal policies, the sharp increase in social divides and inequalities, the growing attrition of social rights, and the dramatic escalation in social needs beyond the government's reach.

After fundraising efforts had long been concentrated in Jewish communities in the United States and Europe, the share of Israeli philanthropists contributing via private and corporate foundations has gradually increased. Thus, we have witnessed over recent decades the emergence of various independent philanthropic institutions in Israel: family, corporate, public, and community foundations that raise, mediate, and allocate donations to social programs and initiatives (Gidron et al., 2006). Leading Israeli philanthropists currently direct their philanthropic activities through private organizations, NPOs, and foundations that are often managed by the philanthropists themselves (Silber, 2012). In recent years, a growing number of Israeli family foundations have been established (Brener et al., 2010), though a prominent characteristic of the Israeli field is the large number of foreign foundations operating in the country, often in collaboration with local institutional philanthropy.

The data and analysis of the scale, scope, and practices of philanthropic institutions in Israel, however, is limited, although several important attempts have been made in recent years to shed light on them (Brener et al., 2010; Gidron et al., 2006; Limor, 2008). Yet, despite the significant contribution of these initiatives to the knowledge about institutional philanthropy in Israel, systematized data on it is far from adequate. Building on previous efforts, then, this study seeks to provide new analysis and insights on the nature, role, and operating models of foundations and philanthropic organizations. It is based on a first-of-its-kind survey tool that builds on local knowledge and integrates globally comparable indicators detailed in the next chapter.

# Methodology

---

To gather the data on Israel presented in this study, the Institute for Law and Philanthropy (ILP) used a common survey developed by the global working group that included both quantitative and qualitative questions. We approached foundations and organizations active in the field of institutional philanthropy to collect information on organizational structure, governance, organizational focus, operational strategies, financial resources, and evaluation and reporting. The objective of this standardized survey was to develop comparative data and information on institutional philanthropy around the world. We did make some adjustments to the questionnaire, however, in order to reflect local particularities.

A substantial methodological challenge to the study of institutional philanthropy in Israel is the limited scope of data collection, due to the lack of a formal and unified database able to provide information on the scope and activity patterns of philanthropists and foundations (Schmid & Rudich, 2012; Silber, 2008). We developed our research plan to confront this problem by defining a three-step methodology: (A) Mapping out the field of Israeli institutional philanthropy. (B) Defining criteria for the sampling frame. (C) Creating the sample.

## A. Mapping out the field of institutional philanthropy in Israel

Mapping out the field of institutional philanthropy in Israel was not only a methodological step but an ongoing independent objective. We intended to capture, through an inclusive approach, all the organizations and entities operating as foundations.<sup>2</sup>

We aggregated into one inclusive database information retrieved from various sources in the field: The Israeli Register of Associations (through the Guidestar platform), the Israeli Register of Charitable Trusts, the “Forum of Foundations in Israel”, the “Jewish Funders Network (JFN) Israel”, the “Committed to Give” initiative, and the National Institutions.<sup>3</sup>

## B. Defining criteria for the sampling frame

To identify criteria for building the sampling frame, we addressed two key questions: What are the indicators of institutional philanthropy? What is the definition of a philanthropic foundation? We defined five elemental characteristics common to all the organizations, institutions, associations, or entities that had so far been included in the research of “philanthropic foundations”:

1. The existence of an independent, nonprofit, constituted entity.
2. The existence of a governing board or family headquarters that outlines policy.
3. Funds are primarily derived from private (non-governmental) philanthropic sources.
4. Financial resources are allotted to social and public benefit purposes.
5. Funds are mainly distributed by supporting other organizations or/and individuals or, at times, by operating programs.

---

2. Note that the current data is not sufficient to indicate the **precise** number of philanthropic organizations operating in Israel today, as former studies of institutional philanthropy show (Brener et al., 2010; Gidron et al., 2006).

3. The International Classification of Non-Profit Organizations (ICNPO) was used as an auxiliary tool. The researchers focused on organizations classified by Guidestar in the category of “philanthropy and volunteering”. These organizations were then compared to the ICNPO classification method (all lists were updated to 2018).

Besides these five characteristics, we also sampled from the Guidestar platform all the foundations operating with a budget of over five million NIS per year as an indicator of large-scale impact. The sampling frame came to include a total of 250 organizations.<sup>4</sup>

### C. Creating the sample

To recruit the sample mapped out according to the defined criteria, we reached out to the potential participants. Aiming to ensure representation to the broadest possible range of foundations, organizational structures, and areas of interest, we approached all of them several times by email and over the phone, and also offered assistance in filling out the questionnaire.

The final sample included 59 respondents. This response rate may reflect methodological obstacles affecting the research of elite philanthropy, the lack of systematic information and of a comprehensive database, the limited access of researchers to economic elites, and the tendency of philanthropic actors (philanthropists and foundations) to avoid exposure and maintain their privacy<sup>5</sup> (Johnson, 2018). The completion of the survey by dozens of philanthropic foundations is thus a significant achievement given that the study of institutional philanthropy in Israel is just beginning and also by comparison with GPR studies in other countries participating in the project. Sample size, however, suggests that the results should be interpreted with caution.

## Analytic procedures

Data was collected using the Qualtrics (2020) platform and analyzed using SPSS 23. Analysis was mainly descriptive, since the small size of the sample critically limits the statistical power of inferential analysis. Three independent variables were used as bases for comparison:

- 1) Place of registration—Israeli or “foreign” foundations operating in Israel. The term “foreign” foundations refers to philanthropic foundations that were established and registered abroad but operate in Israel through funding and/or by operating social programs. They were included in the study due to their major role in Israel’s philanthropic field.<sup>6</sup>
- 2) Age—determined according to the organization’s year of founding. Based on the literature on elite philanthropy that points to the emergence of “new philanthropy” trends in Israel during the early 1990s (Shimoni, 2009; Silber, 2008), the participating foundations were split into two groups: those established before 1990 (referred to as “old foundations”) and those established after 1990 (referred to as “new foundations”).
- 3) Operational model, based on the GPR typology that defined five models of foundations: independent, family, corporate, community, and government-linked.<sup>7</sup>

For the qualitative data, the thematic analysis method was used.

- 
4. Based on the five elemental characteristics of philanthropic foundations, we included associations of friends in the sample, despite their somewhat unique features. Due to the lack of accessible information, we did not include in the sample endowment-based charitable trusts (Jewish Hekdesh and Islamic Waqf) operating in Israel.
  5. A unique methodological challenge confronting the study of philanthropy in Israel is obtaining cooperation from organizations and individuals in Jewish ultra-Orthodox community.
  6. These foundations were asked to report only on their activity in Israel.
  7. For full descriptions of the operational models, see Appendix B.

## Quantitative index measures

As part of the data analysis, the following measures were designed:

- Diversity measure—examines to what extent foundations aim at diversity in the composition of their governing bodies. According to the respondents' accounts on their implementation of diversity policies, foundations were graded on a 0-3 scale (a higher ranking means greater diversity).
- Transparency measure—examines to what extent foundations apply reporting methods and implement transparency. According to the respondents' accounts about their reporting methods, foundations were ranked on a 0-5 scale (a higher ranking means greater transparency).
- Accessibility measure—examines to what extent foundations use inventive approaches when reaching out to potential recipients. According to respondents' accounts about methods for identifying and selecting beneficiaries, foundations were ranked on a 0-4 scale (a higher ranking means higher accessibility).
- Evaluation measure –examines to what extent foundations are committed to evaluating and measuring the effectiveness of their projects. According to respondents' accounts about their evaluation policies and methods, foundations were ranked on a 0-10 scale (a higher ranking means higher value assigned to evaluation).

## Global comparative dimension

The first GPR report (Johnson, 2018) includes a modest comparative dimension on some variables but notes: “Comparative analysis of global philanthropic giving across a wide range of countries poses myriad challenges. ... there is no established research framework for global philanthropy. Definitions and concepts of indicators vary – sometimes significantly – among countries. In many countries, the legal status of philanthropic institutions is vague, ... there are no standards or norms for asset valuation and expenditure accounting, or a universally agreed upon classification system of issue areas, beneficiaries, and other aspects of philanthropic giving. ...Variations in cultural concepts, legal definitions, and philanthropic structures and practices make it difficult to construct a globally functional framework” (Johnson, 2018: 9).

The situation in Israel is even more complicated since many of the entities operating in the country are foreign foundations, which are not subject to the control and reporting requirements of Israeli regulation and supervision. Moreover, the available data on institutional philanthropy in Israel is sparse and anecdotal, based on the foundations' willingness to share information.

## GPR Operational Models

### ➤ Independent Foundation

Independent foundations are independent, separately constituted nonprofit entities; have no members or shareholders; and have their own governing board. They have their own established source of income, sometimes, but not exclusively, from an endowment, of which 50% or more comes from one private source (e.g., an individual, family, or corporation). They distribute their financial resources for educational, cultural, religious, social or other public benefit purposes, either by providing financial support to other public benefit entities (such as charities, associations, educational institutions) and/or individuals; and/or operating their own programs.

### ➤ Family Foundation

Family foundations are independent foundations whose funds are derived from members of a single family. Family members often serve as officers or board members of the foundation and have a significant role in governance and program decisions. (Family foundations are self-identified: in most countries there is no legal definition.)

### ➤ Corporate Foundation (Company-established)

Corporate (company established) foundations are independent foundations whose funds are derived primarily from the contributions of a profitmaking business. The corporate foundation often maintains close ties with the donor company (e.g., mission may align with corporate goals, there may be overlap between the corporate board and foundation board), but it is a separate, legal organization, sometimes with its own endowment.

### ➤ Community Foundation<sup>8</sup>

Community foundations are independent, separately constituted nonprofit entities; have no members or shareholders; have their own governing board; and have a mission to work toward the greater good of the citizens in a defined geographic area. Their funds are derived from multiple donors and held in an independently administered endowment or investment fund. They distribute their financial resources (endowment and/or income earned from endowment) for charitable purposes within their geographic region by providing financial support to other public benefit entities (such as charities, associations, educational institutions) and/or individuals.

### ➤ Government-linked Foundation

Government linked foundations are independent, separately constituted nonprofit entities; have their own independent governing board; and have no members or shareholders; They are created by a governmental body that provides initial capital; They may receive ongoing contributions from government and other sources of which 50% or more is received from a government body. They distribute their financial resources for educational, cultural, religious, social or other public benefit purposes, either by providing financial support to other public benefit entities (such as charities, associations, educational institutions).

### ➤ The National Institutions<sup>9</sup>

The National Institutions—The World Zionist Organization, the Jewish Agency for Israel, the Jewish National Fund (KKL), and the United Israel Appeal (Keren Hayesod) are organizations that were established by the Zionist movement in the pre-state period to advance the Zionist enterprise.

8. A majority of the respondents that classified themselves as “community foundations” are city and local municipalities foundations.

9. “The National Institutions” category was added to the GPR typology as a unique operational model that illustrates the particularity of the Israeli case.

# Section 1

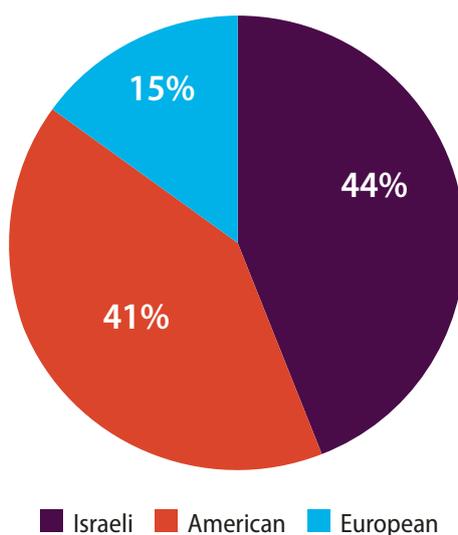
## General Definitions and Characteristics

### Variations in place of registration, age, and operational model

This section presents the sample's characteristics according to self-definitions and classifications based on information collected from the respondents.

**Place of registration:** 44% of the respondents are Israeli foundations established and registered in Israel while 56% are foreign foundations established and registered abroad but operating in Israel. Of the foreign foundations, 75% are American and 25% are European (Figure 1).

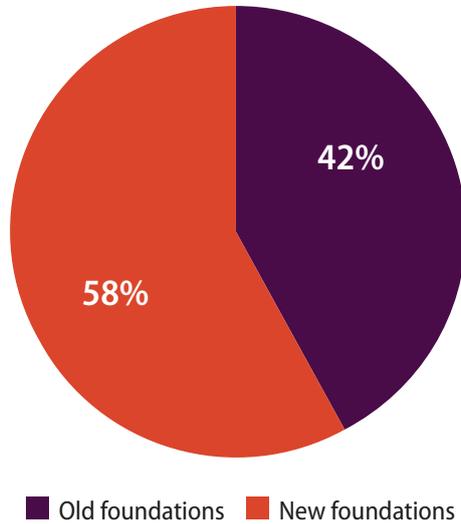
**Figure 1.** Place of registration



N = 39

**Age:** 42% of the foundations were established before 1990 and 58% during or after 1990. The date of foundation indicator, as noted, was chosen as fitting the context of “new philanthropy” trends rising in Israel and globally<sup>10</sup> (Figure 2).

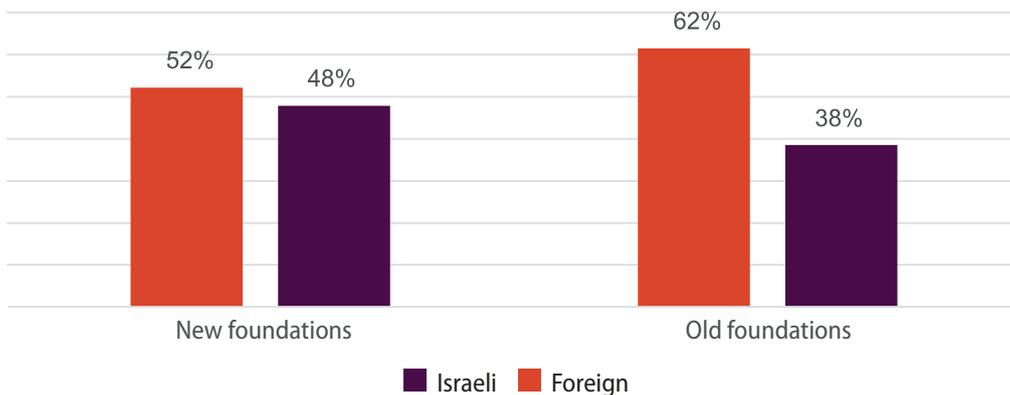
**Figure 2.** Year of founding (age)



N = 50

The findings indicate that most Israeli foundations were established *after* 1990 and are thus classified as “new” foundations, while most foreign foundations were established *before* 1990 and are thus classified as “old” foundations (Figure 3).

**Figure 3.** Place of registration by foundation’s age

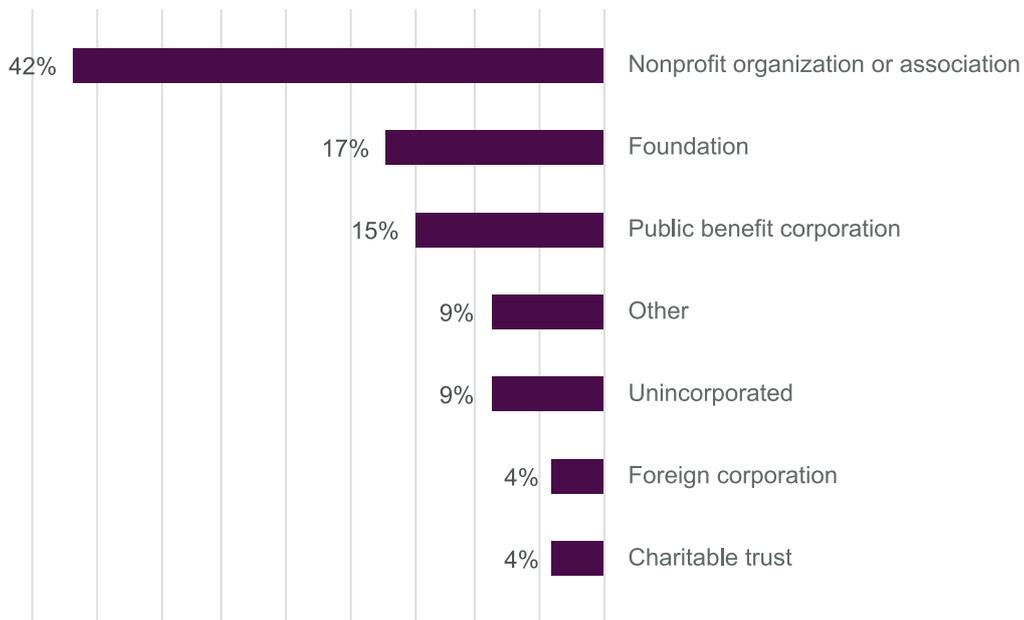


N = 36; Old foundations = 13; New foundations = 23

**Legal status:** The legal status of the responding organizations includes mainly three legal forms of incorporation: nonprofit organizations or associations (42%), foundations (17%), and public benefit corporations (15%) (Figure 4). Whereas most Israeli entities are legally constituted as nonprofit organizations, most of the foreign ones are constituted as foundations.

10. On the “new”/“old” foundations split, see the methodological chapter.

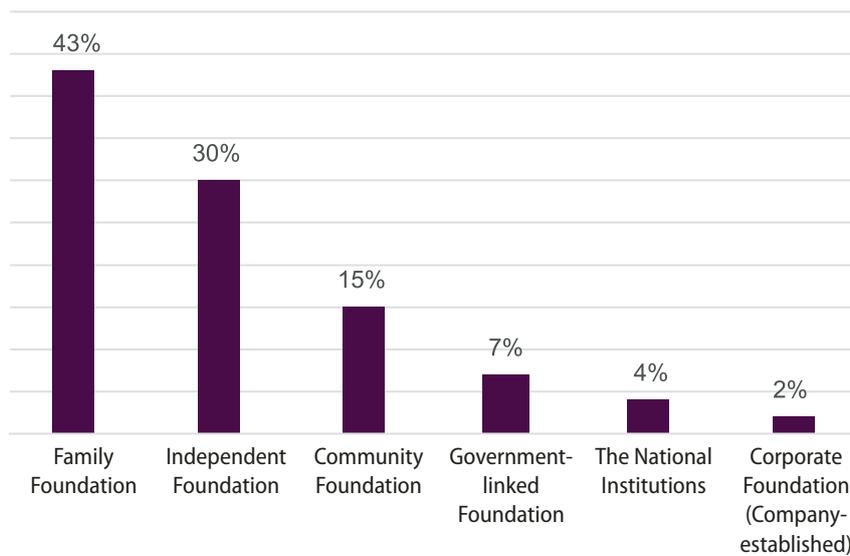
**Figure 4. Legal status**



N = 53

**Operational model:** Based on the GPR typology,<sup>11</sup> most respondents fall into one of three main categories: family foundations (43%), whose funds are derived from members of a single family that serve as board members and play a significant role in governance and program decisions; independent foundations (30%), which have their own established source of income and distribute their financial resources among various public benefit purposes, and community foundations (15%), which work for the greater good of citizens in a defined geographic area and whose funds are derived from multiple donors. (Figure 5)

**Figure 5. Operational model**



N = 54

11. For full description of the GPR operational models, see Appendix B.

## Global comparison and the Israeli sample

**Age of foundations:** 40% or more of the foundations were established in this century (Johnson, 2018). **In the Israeli sample**, 48% were established in the 21<sup>st</sup> century.

**Classification types:** Significant regional and national variations among foundation types were observed:

- Independent foundations are particularly prevalent in the United States (96%) and Europe (87%).
- Corporate foundations are particularly important in Latin America (50%)
- Government-linked foundations are common in China (38%) and in the UAE (73%).
- Community foundations are underrepresented in the global data set.
- **In the Israeli sample** – Family foundations are overrepresented.

Foreign foundations providing grants and operating programs are a prominent characteristic of the philanthropic field in Israel. Their activity, significant and decades-long, illustrates developments in modern cross-border giving.

## Section 2

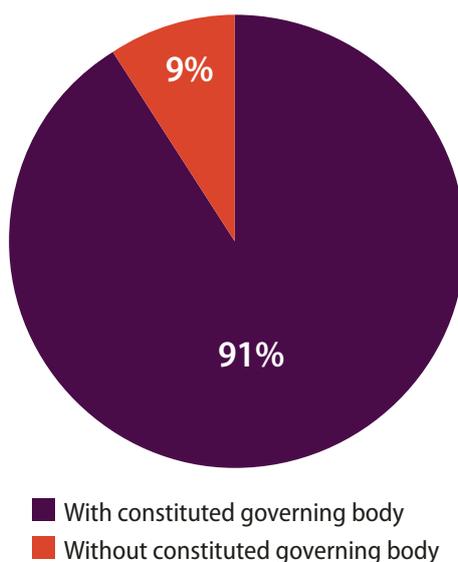
# Governance and Reporting

## Diversity and transparency – a long haul ahead

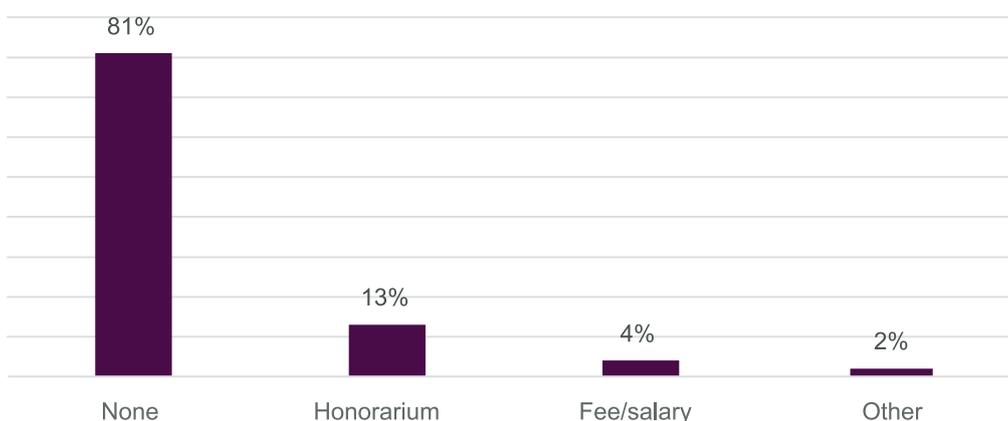
This section presents the foundations' practices of governance and the characteristics of their governing bodies. It also examines their methods of reporting and the availability of information on them to the public.

**Governing body:** 91% of the entities in the sample have a formally constituted governing body (Figure 6). 81% of the respondents reported that governing members do not receive any compensation—salary, fee, or honorarium payment (for full segmentation, see Figure 7).

**Figure 6. Formally constituted governing body**

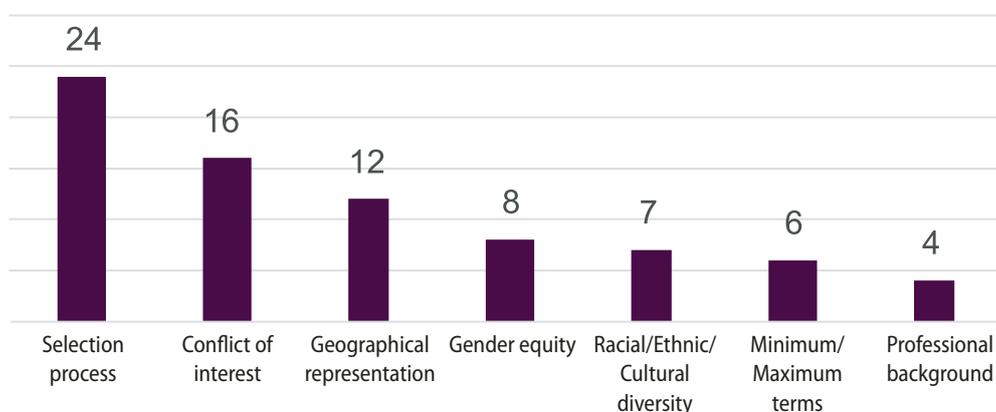


N = 54

**Figure 7.** Percent of foundations that use different forms of compensation

N = 54

**Appointment and composition:** When appointing people to their governing body, most respondents stated they choose members relying on selection processes and on procedures for precluding conflicts of interest (Figure 8). Diversity policies, such as geographical representation, gender equity<sup>12</sup>, and racial/ethnic/cultural inclusiveness, count much less in these appointments. The relatively low response rates to questions on appointments to the governing body and on considerations guiding its composition are worth noting.

**Figure 8.** Number of foundations that use different types of appointment policies

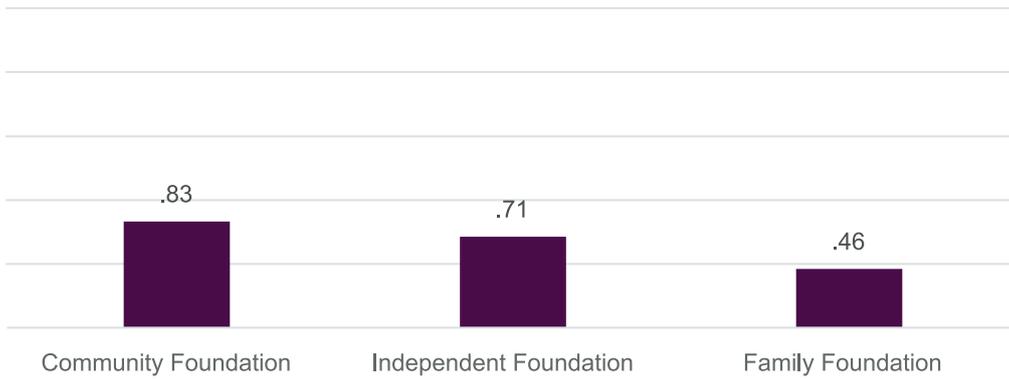
N = 33

**Diversity:** A measure designed<sup>13</sup> to examine to what extent foundations aim at diversity in the composition of their governing bodies found that half of the respondents do not apply any diversity considerations, with community foundations the most diversity-oriented in their appointment policies and family foundations the least (Figure 9). Although half of both Israeli and foreign foundations indicated that they do not apply any kind of diversity considerations, foreign foundations were slightly more aware of them.

12. For further research on institutional philanthropy and gender issues, [see here](#).

13. See quantitative index in the methodological chapter.

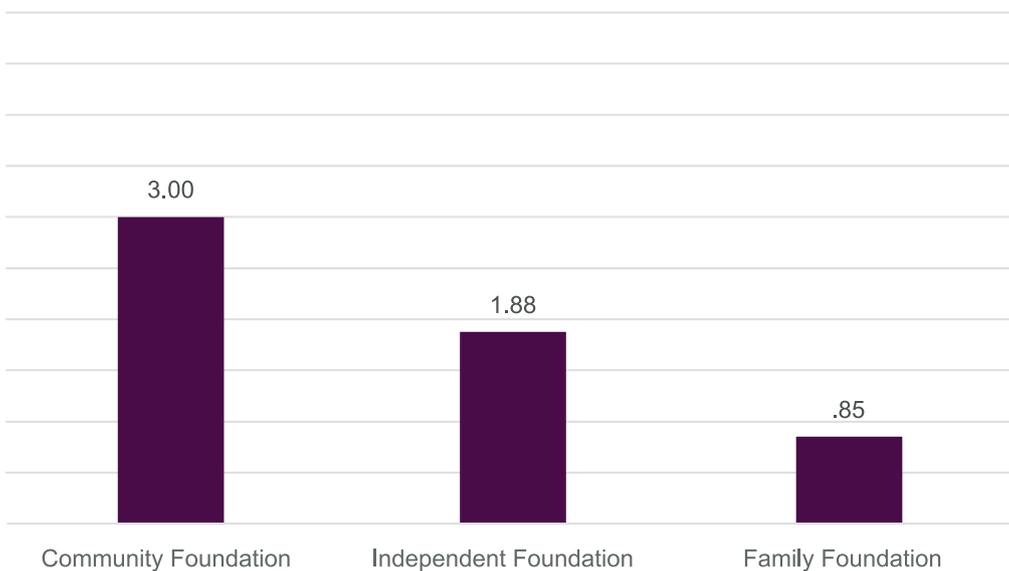
**Figure 9. Mean diversity value by type of foundation**



*N* = 33; Independent foundations *n* = 14; Family foundations *n* = 13; Community foundations *n* = 6. Diversity index on a 0-4 scale—higher value = higher implementation of diversity policies.

**Reporting and transparency:** 41% of the respondents neither report nor publish any type of information. Those who do report use the following means, in descending order: audited financial statements, descriptive reports, and annual reports. A small group (16%; *N*=37) placed information on their websites. A measure designed<sup>14</sup> to examine to what extent foundations make use of reporting methods and implement transparency found that community foundations are the most “transparent” and family foundations the least (Figure 10).

**Figure 10. Mean transparency value by type of foundation**



*N* = 44. Transparency index on a 0-4 scale—higher value = greater use of reporting methods.

14. See quantitative index in the methodological chapter.

## Global comparison and the Israeli sample

**Governing body:** “In large part, the near universal presence of governing bodies is a reflection of legal policy. ... interviews with foundation leaders and philanthropic experts suggested that boards can be relatively inactive, and that they often lack professional standards and guidelines” (Johnson, 2018: 29).

**Compensation:** “Globally, a very small percentage of board members receive any type of compensation. Only in the United States was the percentage (20%) above 5 percent” (ibid., 29). **In the Israeli sample,** 9% of the respondents reported that governing members receive compensation.

## Section 3

---

# Organizational Focus, Causes, and Areas of Interest

## Fluctuating between consensus and controversy, center and periphery

This section presents the foundations' organizational focus— their causes and areas of interest, their funding of different populations and beneficiaries, and their geographical areas of activity, offering a comprehensive and detailed picture of the foundations' agendas and priorities.

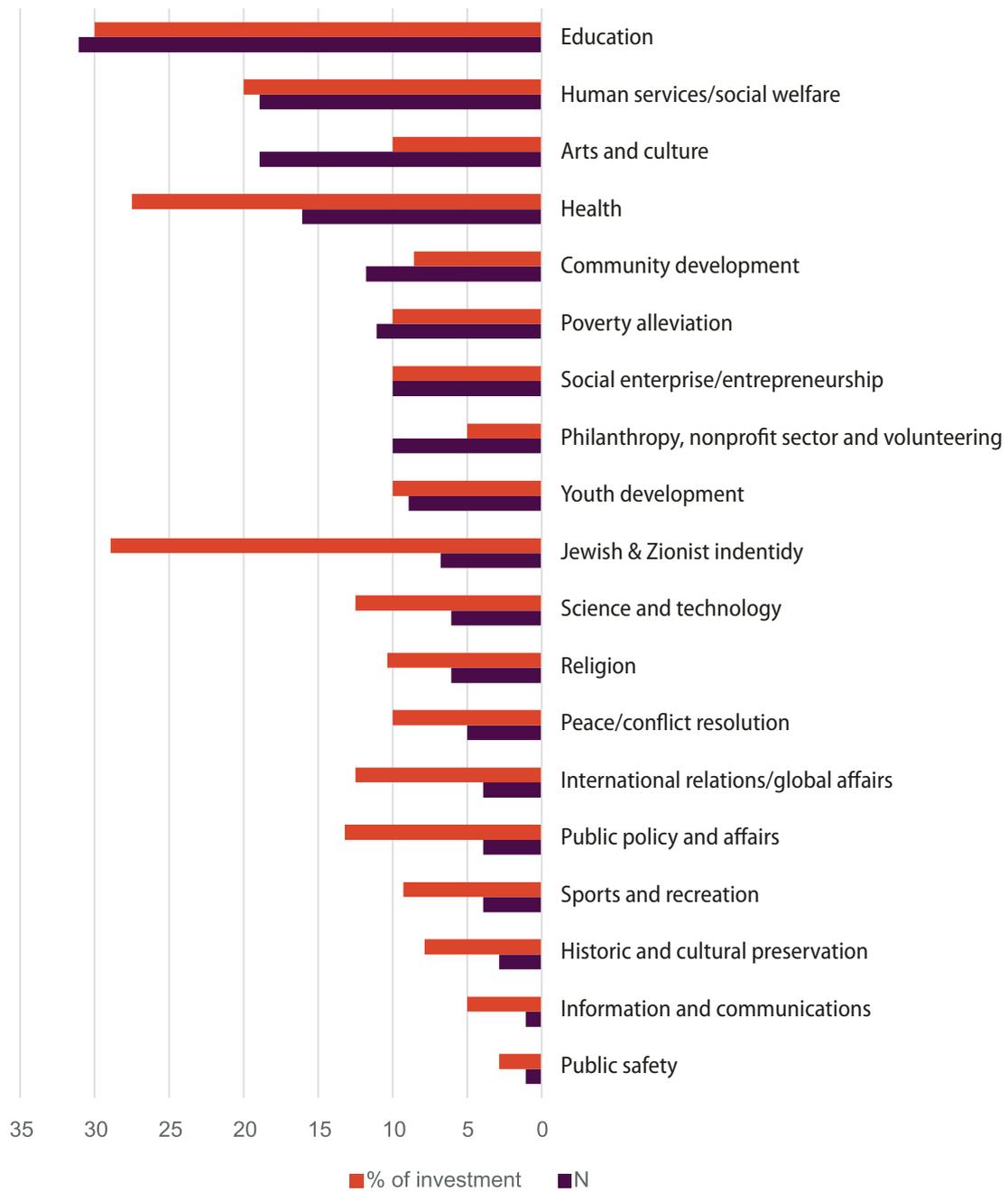
**Causes and areas of interest:** Education is the most prominent cause among the respondents, both in terms of frequency ( $n = 31$ ) and percentage of funding (median = 30%). Half of the respondents who focus their activity on education allocate to it at least 30% of their funds, followed, in descending order, by Jewish identity and Zionism ( $Md = 29\%$ )—highlighting the particularity of the Israeli case—health ( $Md = 27.50\%$ ),<sup>15</sup> human services and social welfare, economic development, and public affairs and policy. The areas of least interest to foundations are agriculture, fishing and forestry, and public safety. Only 6 of the respondents focus on the pressing environmental issue, and half of them allocate less than 10% of their funds to this cause.

As for frequency, the leading areas are human services / social welfare, and arts and culture, each with 37% ( $N = 19$ ). The next most frequent issues are health (31%;  $N = 16$ ) and community development (24%;  $N = 12$ ). Agriculture, fishing and forestry, and public safety are the least frequent areas of activity (For full descriptive data, see Figure 11).

---

15. The high funding allocated to “health” should not be interpreted as a result of the Covid-19 crisis since most respondents were reporting on their past activity, before the outbreak of the pandemic.

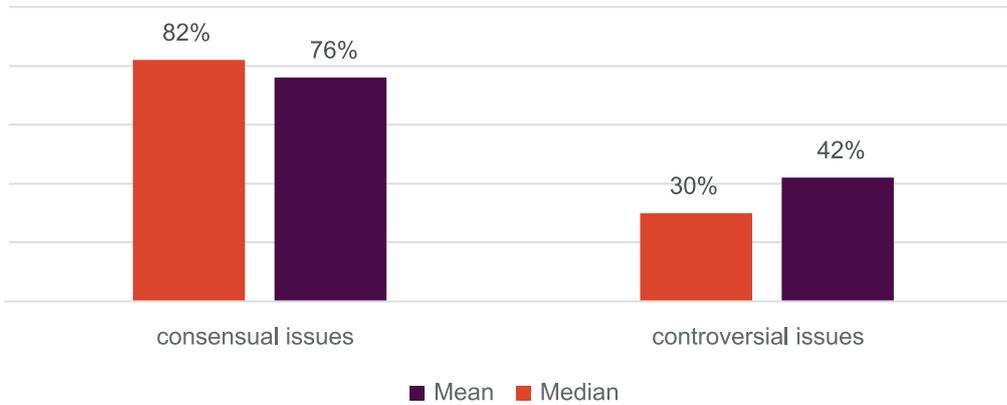
**Figure 11. Median value of funding and number of foundations by areas of interest**



N = 51. Higher values = greater funding and more foundations.

When these varied categories are split into two clusters—controversial issues v. consensual issues<sup>16</sup>—we found that the funding of consensual issues is considerably higher ( $M = 75.56\% \pm 26.00\%$ ;  $Md = 81.75\%$ ) than the funding of controversial ones ( $M = 41.79\% \pm 31.10\%$ ;  $Md = 30.00\%$ ) (Figure 12).

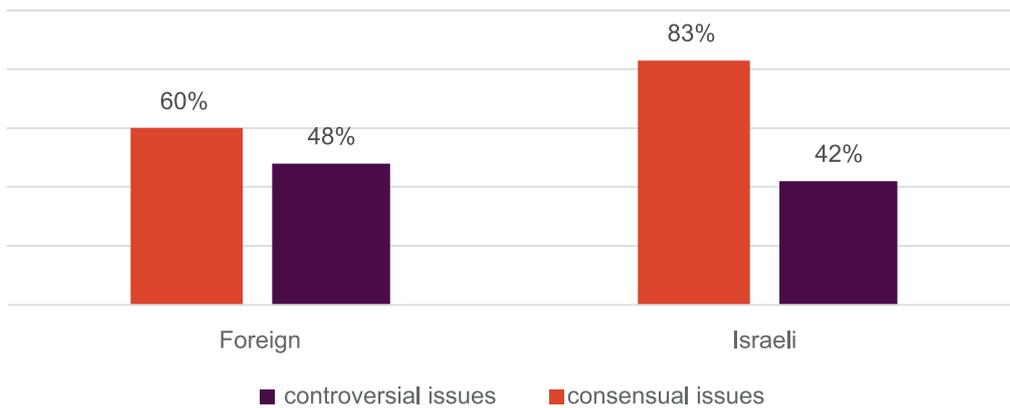
**Figure 12. Funding of controversial v. consensual issues**



N = 44. Grand mean and median of funding.

A comparison between Israeli and foreign foundations (Figure 13) shows that the gap between consensual and controversial issues is significantly smaller among foreign foundations than among Israeli ones. The more consensual issues—social welfare, economic development, and education—receive considerably greater funding from Israeli foundations, unlike the more controversial issues—civil and human rights, Jewish identity and Zionism, and peace/conflict resolution—that foreign foundations are more disposed to fund.

**Figure 13. Mean value of funding of controversial v. consensual issues by place of registration**

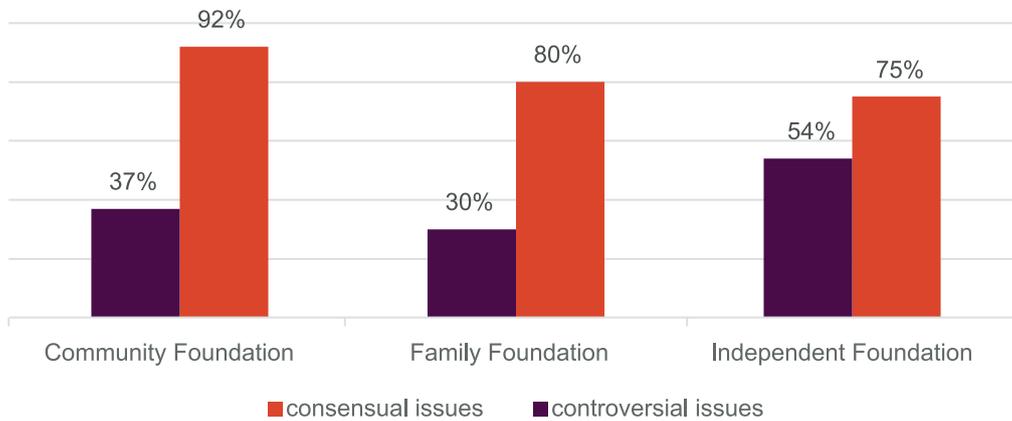


N = 36

16. For a detailed division between consensual and controversial issues, see Appendix C.

A comparison between types of foundations (Figure 14), shows that independent foundations lead in the funding of “controversial issues” ( $Md = 53.78\%$ ), followed by community foundations ( $Md = 37.05\%$ ), and family foundations ( $Md = 30\%$ ).

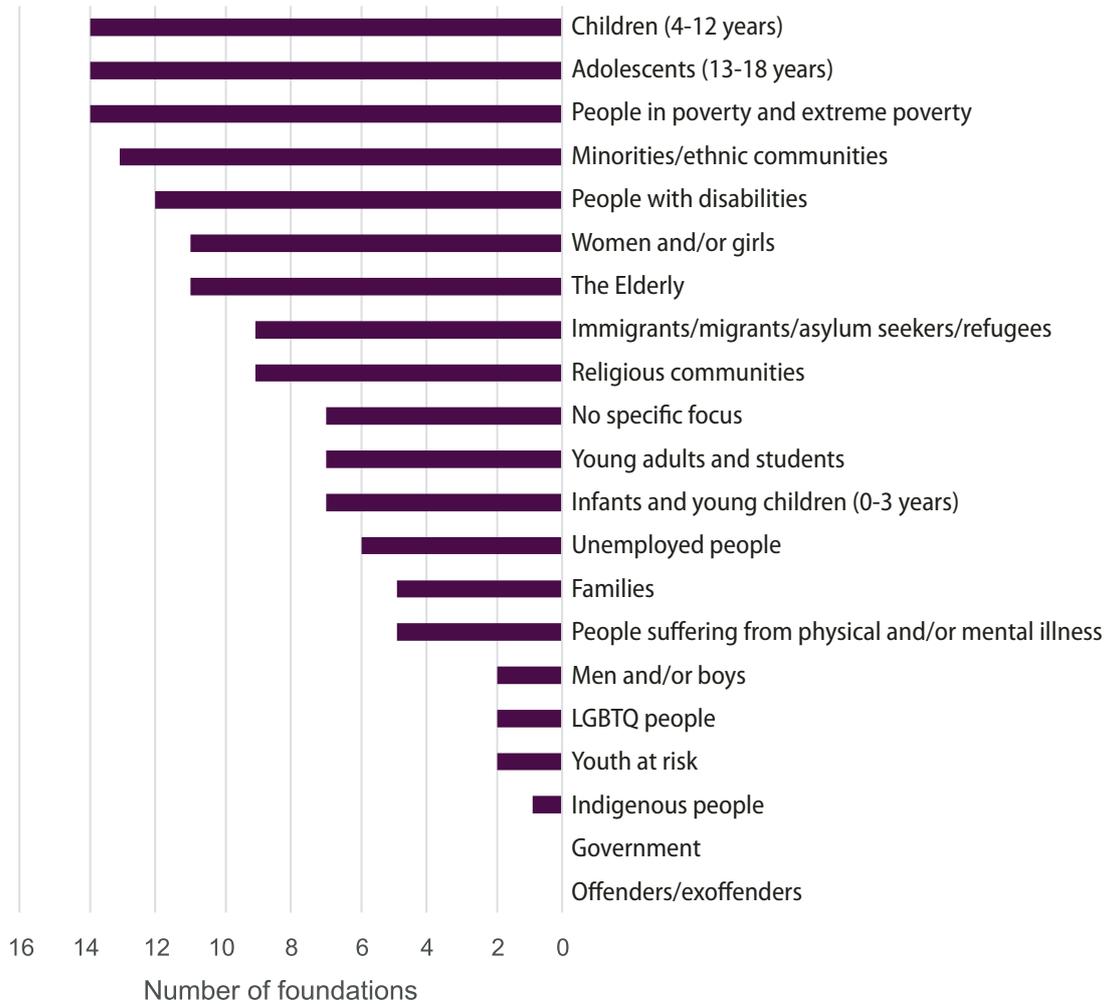
**Figure 14.** Median value of funding of controversial v. consensual issues by type of foundation



N = 44

**Populations and beneficiaries:** The most frequent beneficiaries of the foundations’ philanthropic activity are, in descending order: people in poverty, adolescents (13-18 years), and children (4-12 years), with 34% each. Minorities/ethnic communities, people with disabilities, the elderly, and women and girls are also among the principal beneficiaries, whereas the lowest priorities are the government, offenders/ex-offenders, men and boys, and LGBTQ people (For full descriptive data, see Figure 15).

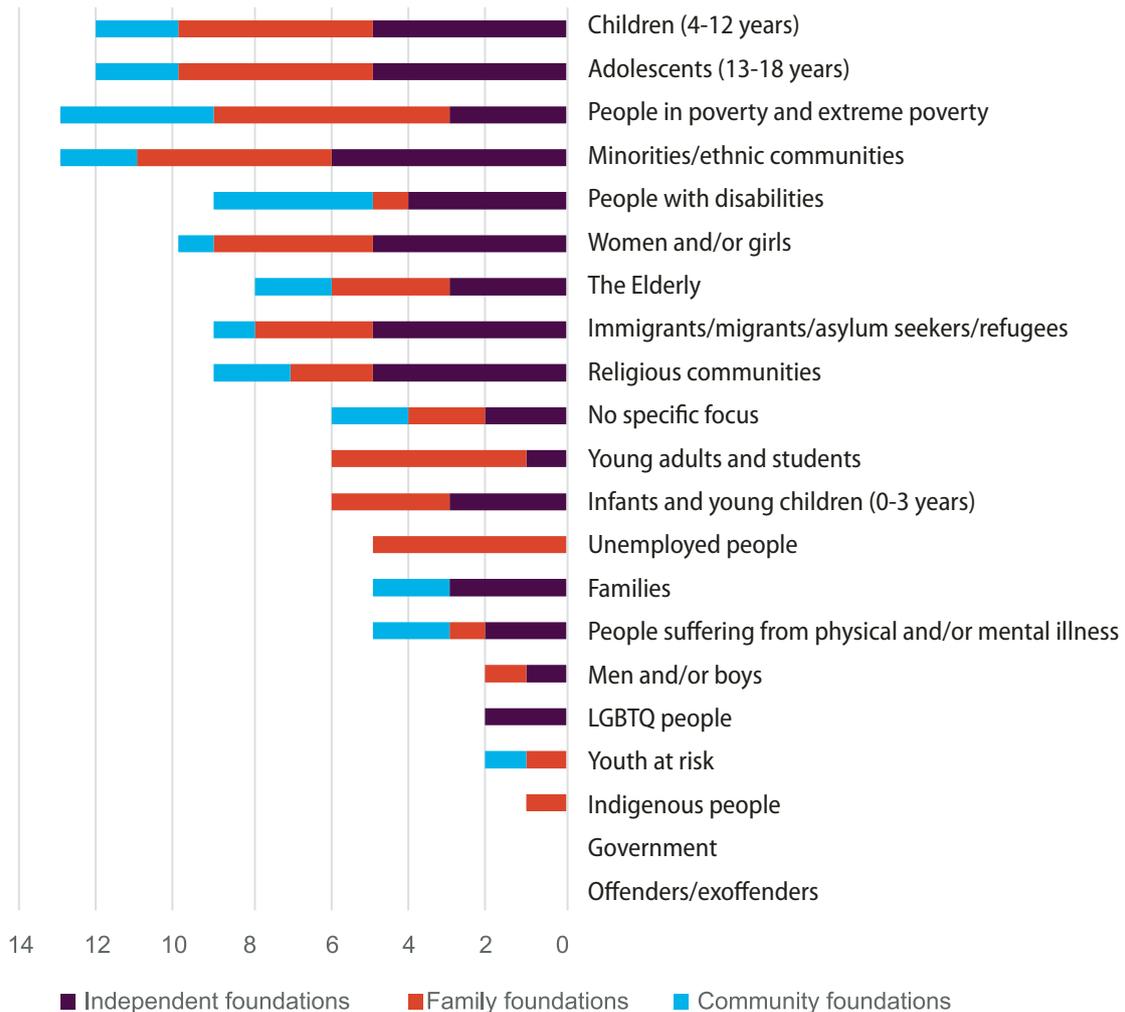
**Figure 15. Number of foundations funding various beneficiaries/populations**



N = 41

A comparison by types of foundations shows that independent foundations allocate more funds to minorities/ethnic communities, immigrants/asylum seekers/refugees, LGBTQ people, and religious communities (referring mainly to Muslim and Christian Arabs).<sup>17</sup> Family foundations allocate more funds to people in poverty and the unemployed, while the priority beneficiaries of community foundations are people with disabilities and people in poverty (Figure 16). Independent foundations, then, tend to focus on more peripheral groups of Israeli society rather than on the consensus beneficiaries of “mainstream” philanthropic activity.

**Figure 16. Beneficiaries by type of foundation**

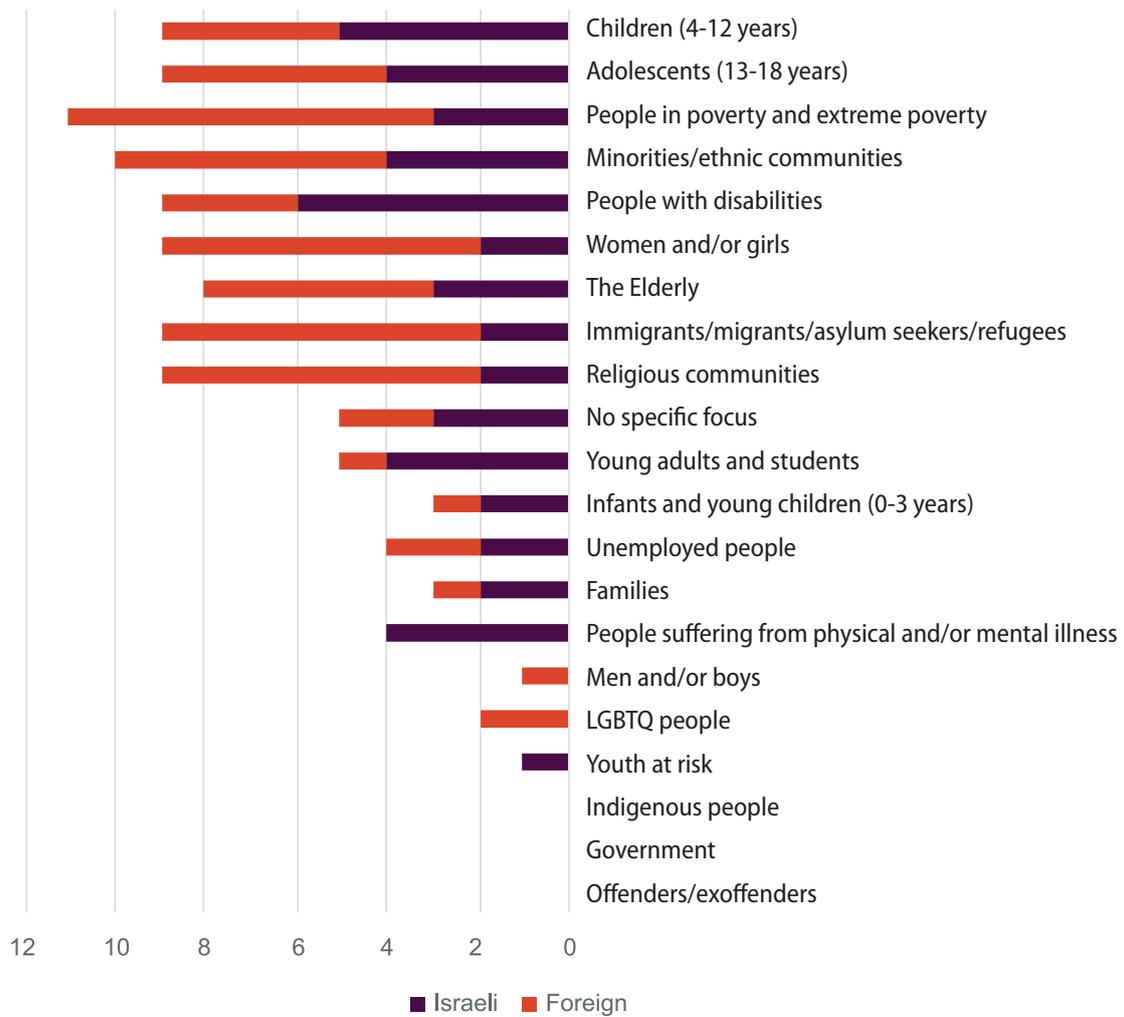


N = 37; 15 independent foundations, 15 family foundations and 7 community foundations.

17. Respondents who chose this category were asked to specify the religious community they allocate funds to. Most of them clarified that their funding is allocated to communities of Muslim and Christian Arabs in Israel.

This tendency is also apparent when we compare Israeli and foreign foundations (Figures 17-18). People with disabilities and people suffering from physical or mental illness are supported mostly by Israeli foundations while foreign foundations tend to support marginal and non-consensual social groups such as immigrants/asylum seekers/refugees, minorities/ethnic communities, and religious communities of Muslim and Christian Arabs.

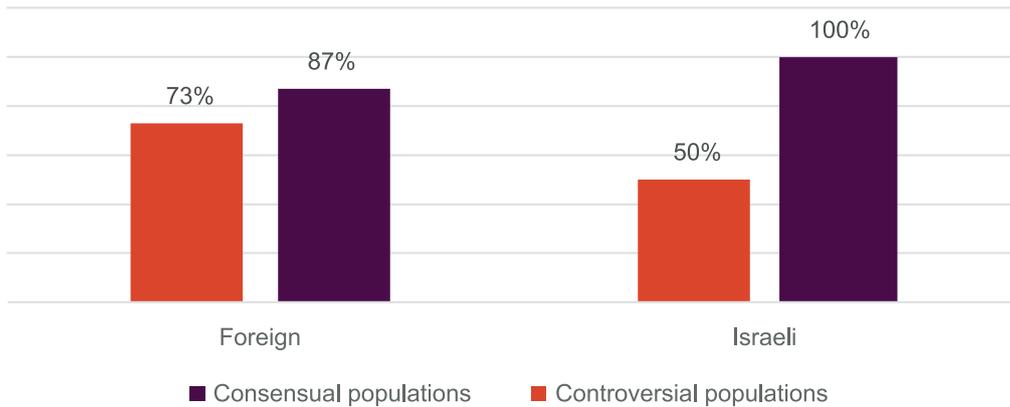
**Figure 17. Beneficiaries by foundations’ place of registration**



N = 29; 13 Israeli, 16 Foreign.<sup>18</sup>

18. The N is relatively small in some analyses because some of the respondents did not define themselves as “Israeli” or “foreign” foundations.

**Figure 18. Median value of funding of consensual v. controversial groups by foundation’s place of registration**

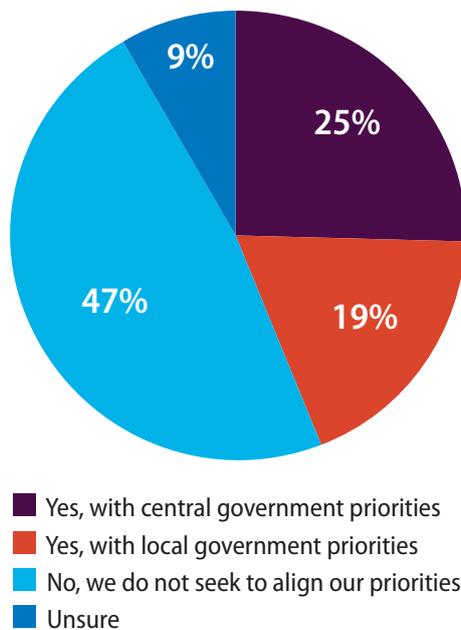


N = 25; 10 Israelis, 15 Foreign.

Another robust finding is the considerably higher focus of foreign foundations on “women and/or girls” (44%), compared to the relatively low allocations of Israeli foundations to this specific group (15%). For further qualitative research on institutional philanthropy and gender issues, [see here](#).

**Alignment with government priorities:** 47% of the respondents report they do not seek to align their organizational preferences with the priorities of the government. 25% do seek to stay in line with government priorities, and 19% wish to take into account the priorities of local authorities (Figure 19). When results are compared by type of foundation, those that reported they do not seek to align with government priorities are all independent or family foundations.

**Figure 19. Proportion of foundations preferring to align with central and local government priorities**



N = 51

Nevertheless, when replying to open-ended questions and regardless of whether they do tend to align with official priorities or not, many respondents emphasized the importance of their being in charge and exercising autonomy when deciding on causes and modes of activity. They stressed their independence from the government and the divergence of their professional considerations from government interests.

Respondents who stated they aligned with government priorities explained their position as instrumental and pragmatic, based on considerations of efficiency, leveraging resources, and widening impact. They also stressed that their alignment with the government was implemented through collaboration, dialogue, and consideration for official priorities rather than by them adapting to and conforming with the government.

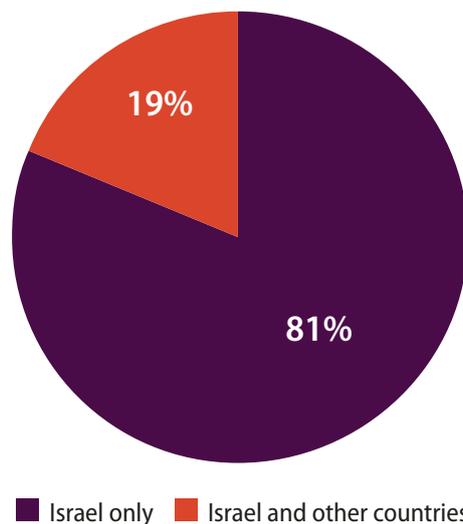
Of those respondents who claimed they do not align with government priorities, many described themselves as “social” foundations supporting grassroots advocacy associations that contest official priorities and act to change them. These foundations define themselves as questioning government policy and aiming to support communities and issues where the “lack of government” is evident.

By contrast, respondents willing to align their priorities with **local** government and collaborate with local authorities, perceived and described them as attentive and responsive to the needs of their populations.

For further expanded insights on respondents’ perceptions regarding their public role and public position, see Appendix E.

**Geographical focus:** 81% of the Israeli respondents focus their philanthropic activity solely on Israel (Figure 20). This finding is consistent with the theme of local patriotism and the claim that Israeli philanthropic entities, unlike American and European ones, refrain from supporting international causes and tend to allocate funds mostly to local needs and national causes.<sup>19</sup> Note, however, that only 60% of the Israeli foundations answered this question.

**Figure 20. Focus on Israel/abroad**



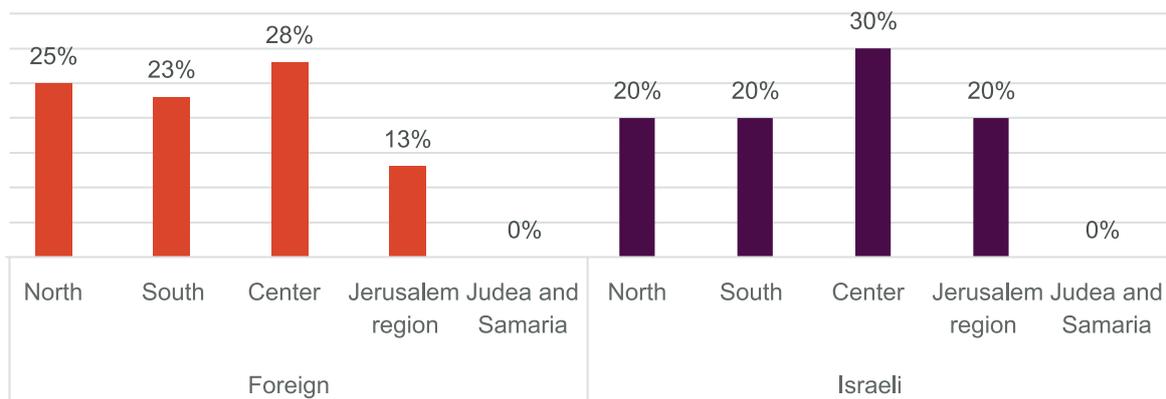
N = 16. Israeli foundations only.

19. Brener et al. (2010) point to the nationalist and Zionist characteristics of Israeli philanthropists. They suggest that the pattern of allocating most of their resources to internal Israeli causes is incompatible with Israel’s position as a leading economic player and OECD member.

Both the Israeli and foreign respondents reported that, geographically, their philanthropic activity focuses on the center of Israel and then, in descending order, on the north of the country, the south, and the Jerusalem region (Figure 21). Most respondents, then, operate and distribute funds only within the “Green Line”, which marks Israel’s pre-1967 border. Note that response rates to the question on the geographical distribution of funding were also low.

Foreign foundations spread their philanthropic activity within Israel more equally than Israeli foundations, which focus more prominently on the center of the country.

**Figure 21. Estimated median percentage of expenditures in geographical areas within Israel by place of registration**



Israeli N = 13, Foreign N = 14.

## Global comparison and the Israeli sample

**Causes:** Education is a global top priority. 35% of nearly 30,000 foundations focus some of their resources on this cause, followed by human and social services (21%), health (20%), and arts and culture (18%) (Johnson, 2018). Findings in Israel are similar regarding the spread of the priorities, though the percentage of foundations that chose education as their first preference **in the Israeli sample** is far more significant (61%) than that reflected in the global data.

**Beneficiaries:** On a global scale, foundations prioritize people in poverty (16%), people with disabilities (14%), and the elderly (13%), with variations among regions:

- In North America, over 50% of foundations support people in poverty, women and girls, people with disabilities, minority communities, religious communities, and men and boys.
- In Europe, the principal beneficiaries are people in poverty (17%), infants and young children to age three (12%), and the elderly (11%).
- In Latin America, the principal beneficiaries are adolescents (42%), children (37%), and people in poverty (31%).
- In the Middle East, the only target population supported by more than 10% of the foundations is people with disabilities.
- In Asia, adolescents, the elderly, and people with disabilities are supported by 8-9 percent of the foundations.
- **In the Israeli sample**, the three prioritized populations are people in poverty, children, and adolescents – with 34% each.

**Aligning with government priorities:** “Among 541 foundations ..., 52% indicated that they intentionally align their activities with government priorities. Approximately a third (34%) of foundations align at the local and regional level, and 45% align with national government priorities. Government alignment was significantly higher in Latin America (60%) than in other regions (30%)” (Johnson, 2018: 24). **In the Israeli sample**, only 25% align their activities with national government priorities, and 19% align with government at the local level.

## Section 4

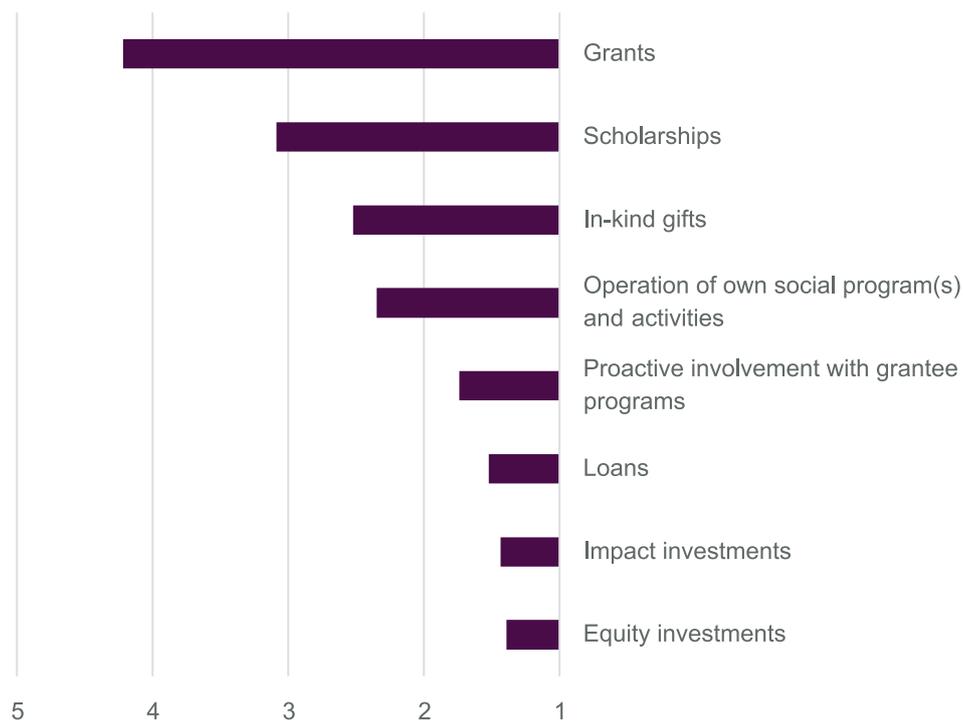
# Operational Strategies

## Incipient shifts from traditional to innovative perceptions and practices

This section addresses questions touching on “how” foundations conduct their philanthropic activity. It presents their operational strategies, including financial and functional instruments, methods for selecting beneficiaries and projects, and practices of intra-philanthropic and inter-sectorial collaborations.

**Mechanisms and financial instruments:** The mechanisms respondents use most frequently in the conduct of their philanthropic activity are grants ( $M = 4.24$ ,  $SD = 1.29$ ) and scholarships ( $M = 3.08$ ,  $SD = 1.29$ ), followed by in-kind gifts, and the operation of their own social programs and activities (For a full description, see Figure 22).

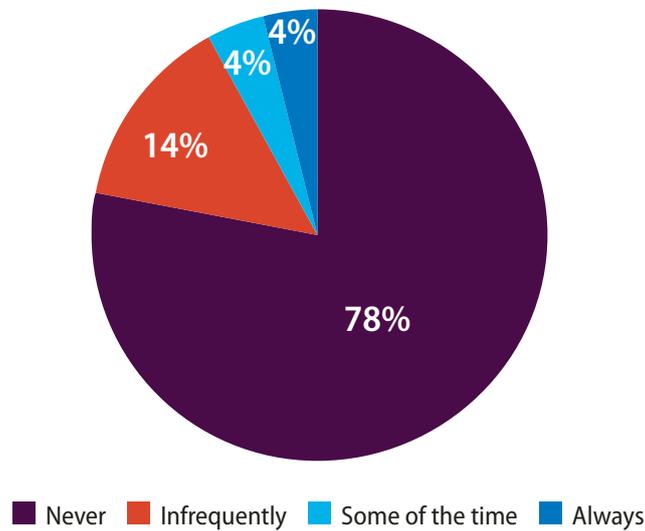
**Figure 22.** Mean frequency value of use of mechanisms and financial instruments



$N = 51$

The least used mechanisms are equity and impact investments, when 78% of the respondents reported they had never relied on them (Figure 23).

**Figure 23. Distribution of foundations by use of impact and equity investments**



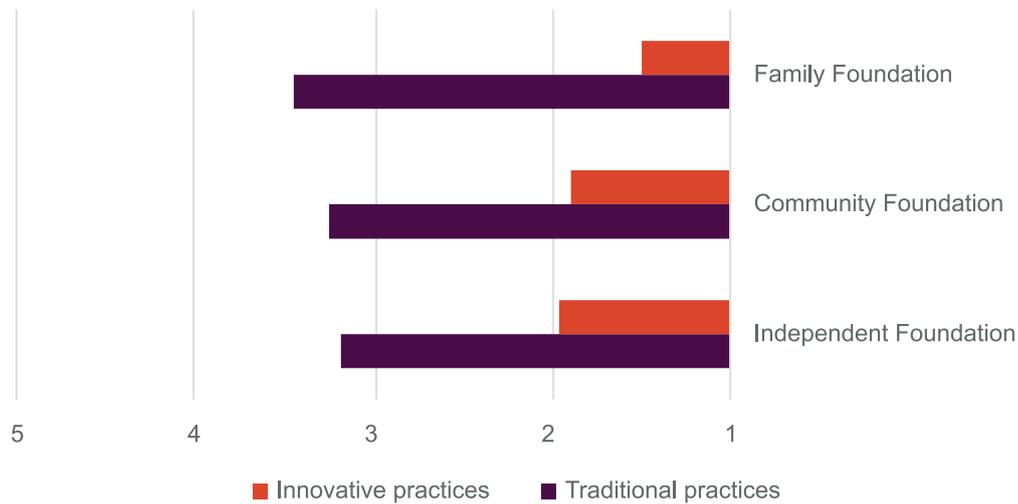
N = 50

Correlations between the use of various mechanisms seemingly point to two distinct operational styles involving innovative as opposed to traditional practices.<sup>20</sup> For instance, equity investments are positively correlated with impact investments ( $r = .31$ ;  $p = .031$ ;  $N = 50$ ) and with loans ( $r = .30$ ;  $p = .048$ ;  $N = 45$ ), and negatively correlated with grants ( $r = -.32$ ;  $p = .023$ ;  $N = 49$ ). In other words, higher use of equity investments is associated with higher use of impact investments and loans, and with lower use of grants. In addition, proactive involvement with grantee programs is positively correlated with loans ( $r = .34$ ;  $p = .023$ ;  $N = 45$ ), equity investments ( $r = .35$ ;  $p = .013$ ;  $N = 50$ ), and impact investments ( $r = .38$ ;  $p = .007$ ;  $N = 50$ ). Higher proactive involvement with grantee programs, then, is associated with higher use of loans as well as with equity and impact investments. This correlation could suggest a connection between innovativeness and engagement, both of them values attributed to the “new philanthropy” movement.

20. For a detailed division between traditional and innovative practices, see Appendix D.

A comparison by types of foundations indicates that the average use of traditional practices is highest in family foundations, and the average use of innovative practices is lowest among them (Figure 24).

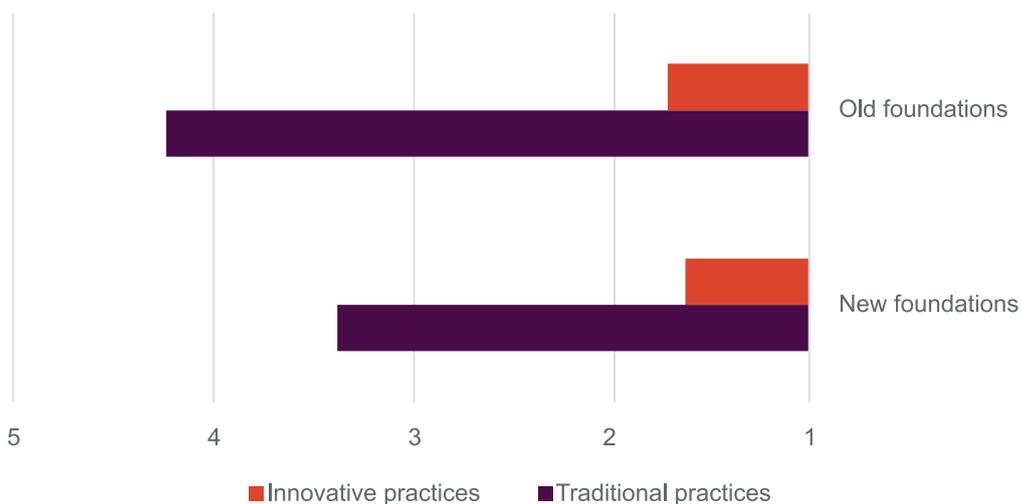
**Figure 24. Mean frequency value of use of innovative and traditional mechanisms by type of foundation**



N = 51

When comparing old and new foundations (Figure 25), only slight differences were found in their use of “innovative” or “traditional” practices. This finding could be an indication of intergenerational transitions and of old foundations adopting new patterns.

**Figure 25. Mean frequency value of use of innovative and traditional mechanisms by age of foundation**



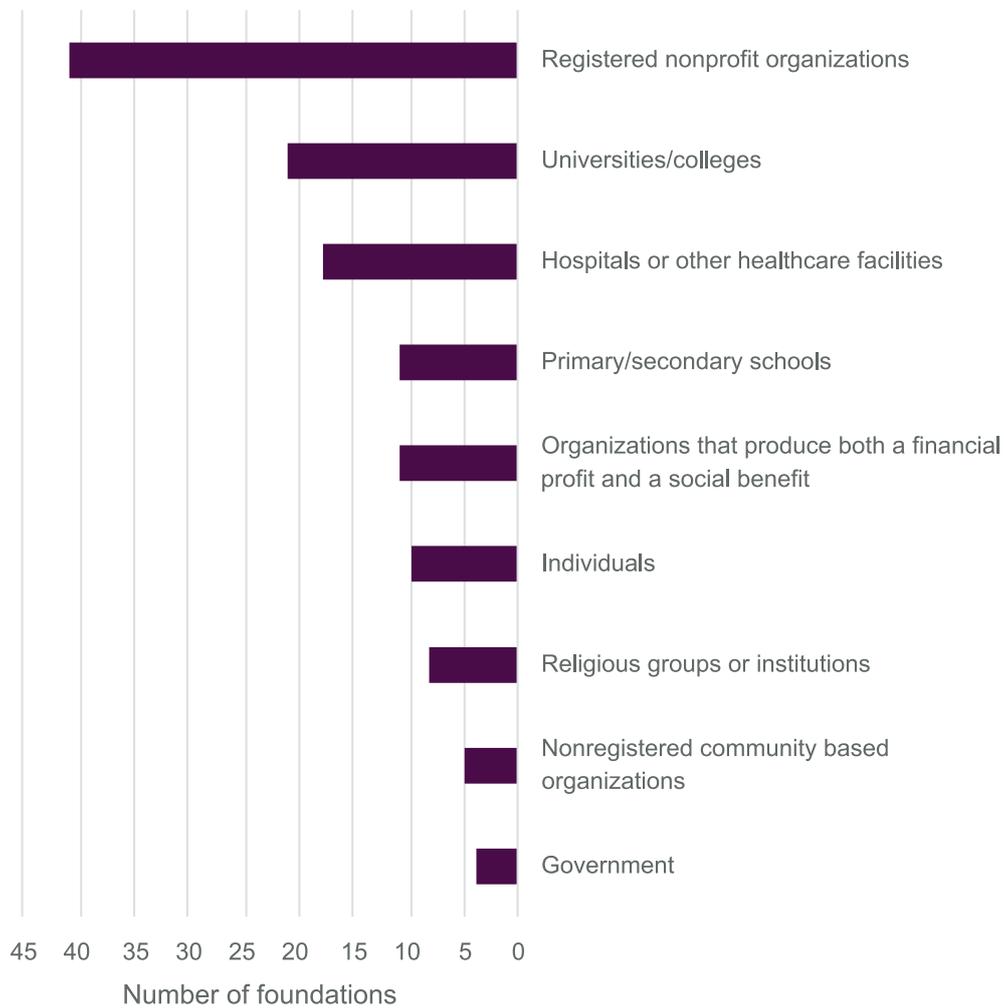
N = 51

About 66% of the respondents noted that no changes had been implemented in the previous five years whereas 32% reported significant changes in the mechanisms of their philanthropic activity in that period. They described operational shifts toward: a) Implementation and examination of impact investments, including social bonds. b) More proactive involvement of the foundation in projects,

including strategic development, capacity building, and collaborations. c) Self-operation of projects and programs as opposed to granting and financing projects only. Responses to an open-ended question point to initial indications of gradual change in their methods of conducting philanthropy. These incipient signs involve a transition from the more traditional mechanisms of grants and scholarships toward more innovative patterns of strategic involvement, capacity and resources building, long-term impact, and the “import” of business-like instruments and terminology. Although this change process is in its early stages, the emerging trend entails growing implementation of new and up-to-date patterns and practices of institutional giving.

**Type of recipients:** The types of recipients supported by the respondents include mainly registered nonprofit organizations, followed by universities/colleges, and then hospitals and other healthcare facilities. The government is the least supported recipient (Figure 26).

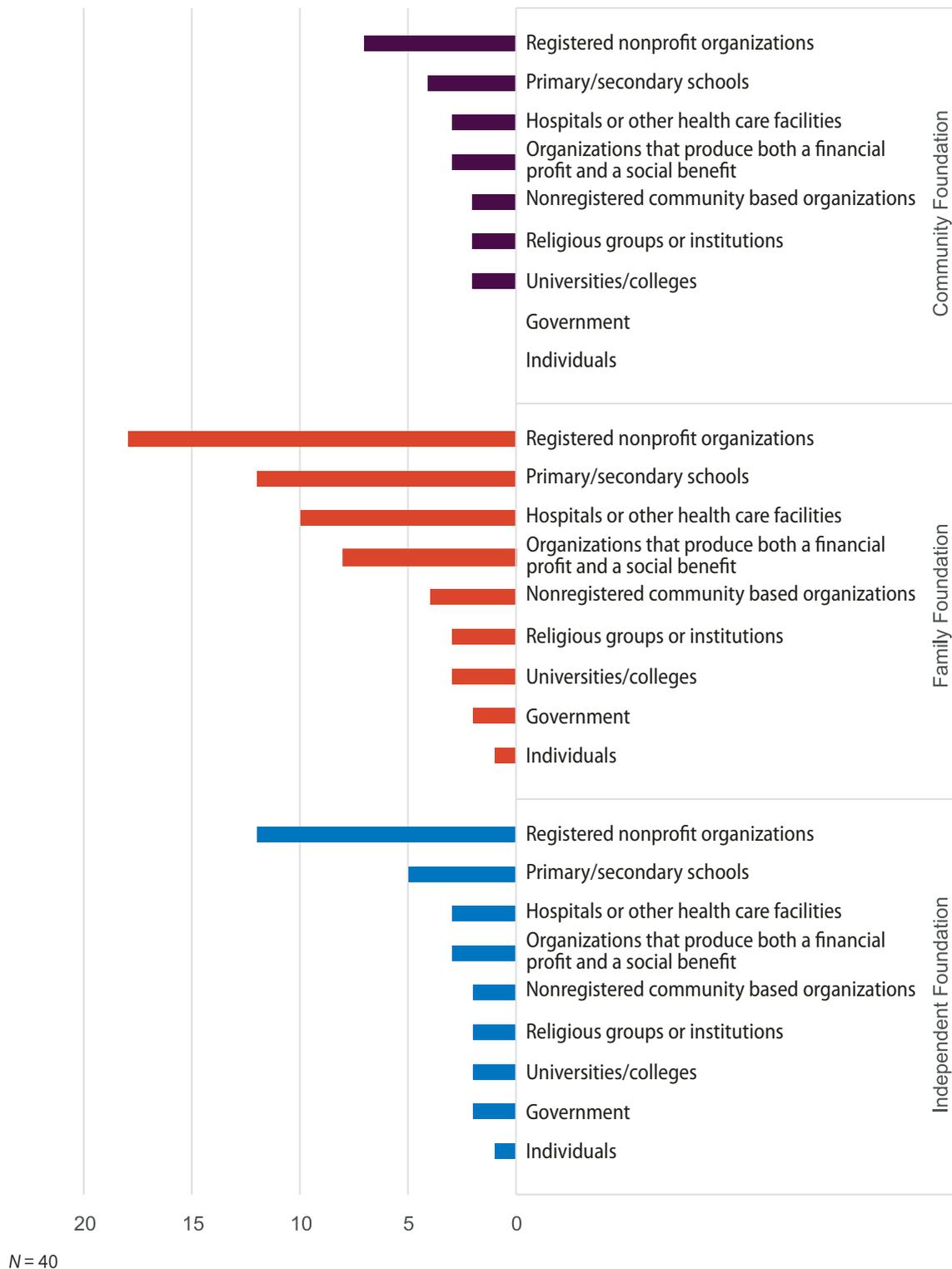
**Figure 26. Number of foundations supporting different types of recipients**



N = 46

Family foundations' support for universities and hospitals is considerably greater than that of independent and community foundations. This finding may suggest that, regarding the type of recipients, family foundations represent more "traditional" philanthropic trends (Figure 27).

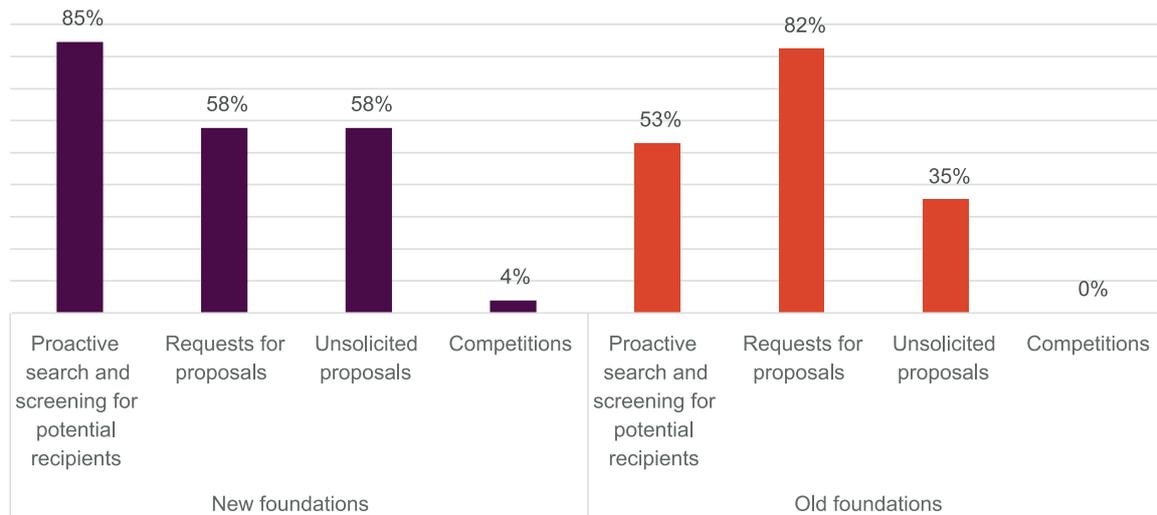
**Figure 27. Number of foundations supporting different types of recipients by type of foundation**



**Methods of identifying and selecting recipients:** A majority of the respondents proactively search and screen for potential recipients, followed by, in descending order, requesting proposals, accepting unsolicited proposals, and promoting various kinds of competitions.

A proactive outreach strategy is more common among new foundations, which also use various methods to identify and select their recipients. Old foundations rely mainly on the method of requesting proposals (Figure 28).

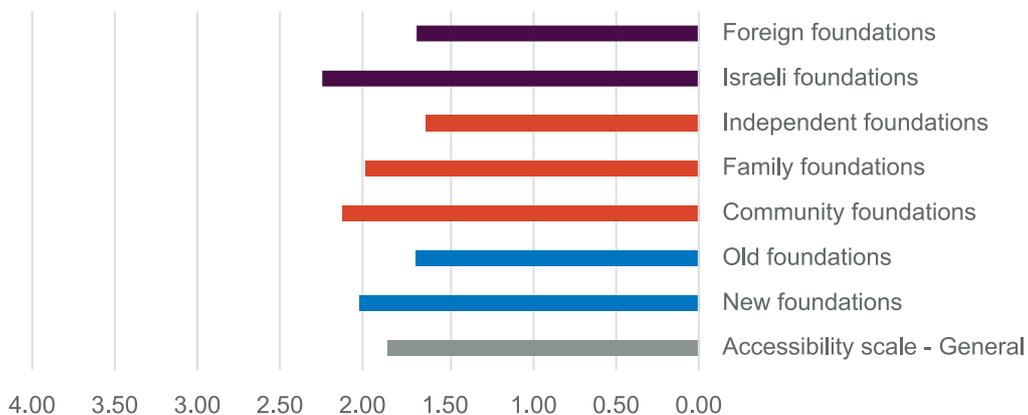
**Figure 28. Proportion of methods for selecting projects/recipients by foundation’s age**



N = 43. New foundations = 26.

An accessibility index was designed<sup>21</sup> to examine to what extent foundations rely on various methods for identifying and “reaching out” to potential recipients (Figure 29). Based on this index, we found that the accessibility average of the respondents is relatively low ( $M = 1.87, SD = .78$ ). Comparing types of foundations, community foundations were shown to be the most accessible, meaning that they offer potential recipients multiple ways of applying. We also found that Israeli foundations are more accessible than foreign ones and new foundations are more accessible than old ones.

**Figure 29. Accessibility values by place of registration, type, and age of foundation**

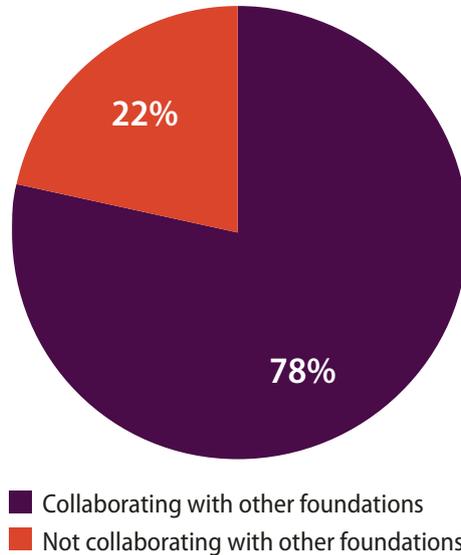


0-4 scale

21. See the quantitative index in the methodological chapter.

**Philanthropic collaborations:** 78% of the respondents reported that they routinely collaborate with peer philanthropic institutions and foundations (Figure 30). Collaboration was highest in family foundations and lowest in community foundations.

**Figure 30. Collaboration with other foundations**



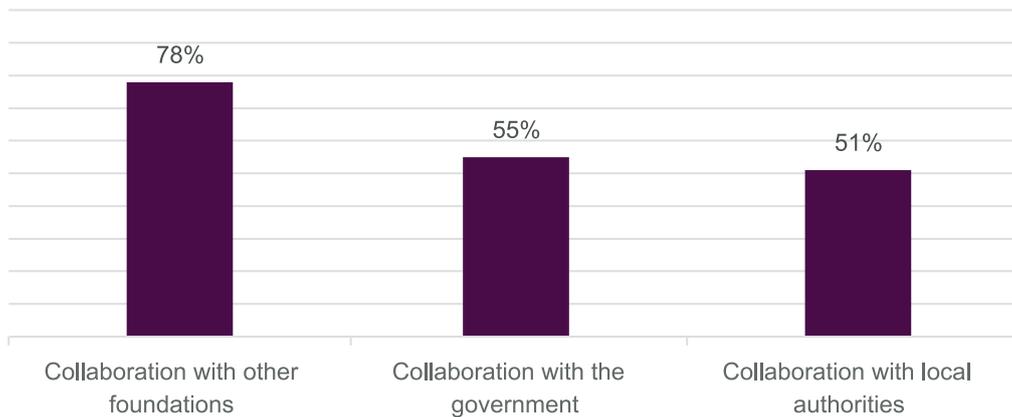
N = 51

In reply to open-ended questions, respondents usually mentioned a desire and an actual search for further collaboration with other foundations. They acknowledged the various potential benefits of these partnerships, such as peer learning and knowledge exchanges, integrating and pooling resources, and merging initiatives. Though also aware of possible difficulties reflecting the partners' different agendas, respondents described their mutual collaboration efforts as "multipliers" in two distinct sectors: in the social sector, collaboration led to increased efficiency, and in the government sector, collaboration acted as a force influencing decision makers. Foundations, then, perceive philanthropic collaboration and partnerships of various kinds as a useful and vital tool in leveraging action and increasing their social impact. Regarding the COVID-19 pandemic, respondents generally defined it as an event that illustrated how connections and partnerships within the philanthropic field can serve to address unattended emergency needs through joint initiatives.

For further qualitative research on institutional philanthropy and the Covid-19 crisis, [see here](#).

**Collaborating with the government and local authorities:** 55% of the respondents stated that they work in partnership with the government and 51% reported partnerships with local government (municipalities) (Figure 31). A comparison with the finding of 78% reporting collaboration with peer philanthropic foundations suggests greater readiness to collaborate **within** the philanthropic field than to enter into inter-sectorial partnerships with the government.

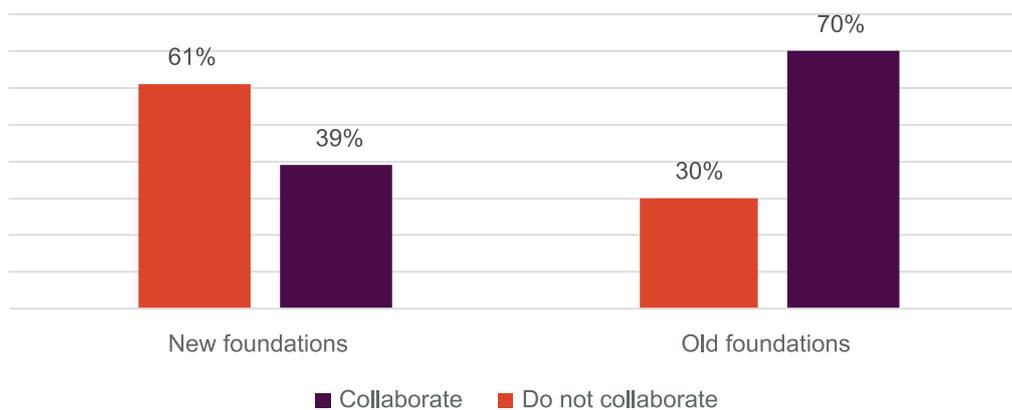
**Figure 31. Proportion of foundations collaborating with central and local governments and with other foundations**



N = 51

Of those that collaborate with the government, the majority are Israeli foundations and old foundations established before 1990 (Figure 32), while most of the foreign foundations and the new foundations do not collaborate with the government. The same pattern emerged regarding partnerships with local authorities – the majority of the foundations that collaborate with local authorities are old Israeli foundations.

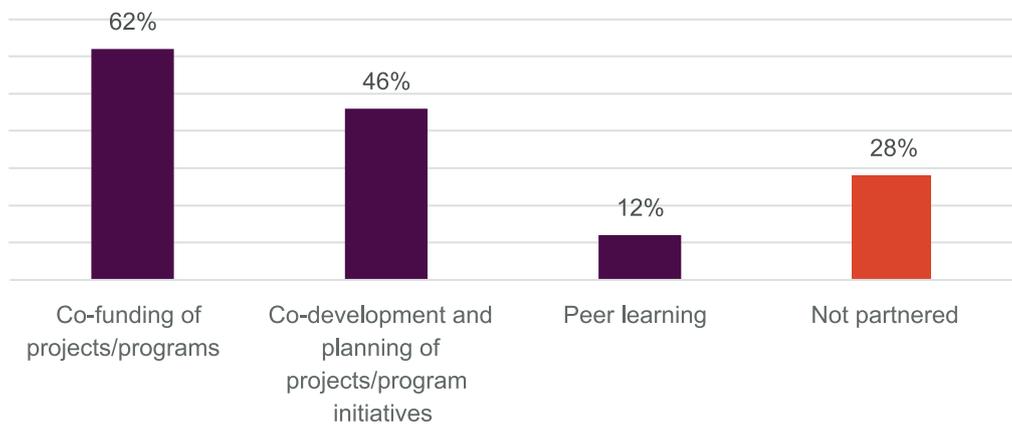
**Figure 32. Proportion of foundations collaborating with the government by age of foundation**



N = 48

As for foundations collaborating with the central and/or local governments (Figure 33), findings show them endorsing various practices. 62% co-fund projects and programs, 46% participate in the co-development of projects, and 12% in peer learning. The practice of co-funding is more frequent in family foundations while the practice of co-developing projects is more frequent in independent foundations.

**Figure 33. Practices of collaboration with central and/or local government**



N = 50

When asked about their motivation for collaborating with the government, respondents usually pointed out that cooperating increases the budget, impact, and long-term sustainability of projects given the government's ability to implement social activities and services on a large scale. The government's budget and legitimation motivate foundations to enter into joint ventures to promote and validate their projects. Through inter-sector collaborations, foundations also attempt to convey the needs of NGOs and of the public to the government.

Discourse analysis reveals that the terminology in use regarding partnering with the government reflects ambivalence and necessity ("forced", "needed", "necessary", "inevitable"), and an instrumental discourse of "effectiveness" and "feasibility". By contrast, the discourse regarding partnering with the local authorities reflects a sense of strong commitment, devotion, and the perception of a common end.

For further expanded insights on respondents' perceptions regarding their public role and public position, see Appendix E.

## Global comparison and the Israeli sample

**Operating approaches and mechanisms:** “A majority of foundations globally operate their own programs and activities, while grant making is central to philanthropic practices in several countries, the United States in particular” (Johnson, 2018: 11).

Excluding data from the United States and Australia, out of 669 foundations, 83% engage in internal programs, 54% in grant making, 47% in scholarships, 44% in in-kind gifts, 16% in equity investments, 11% in loans, and 8% in impact investing. The interest in innovative practices is greater in Latin America. **In the Israeli sample**, grant making and scholarships are the most common, while impact and equity investments are rare.

**Peer collaboration:** Collaboration among peer foundations is broad (42%), but interviews reveal it may not be deep. **The Israeli sample** shows that peer collaboration is prevalent (78%) and that respondents aim to extend and strengthen philanthropic partnering.

**Government-Foundations collaboration:** “Globally, 21% of 1,768 foundations ... indicated that they partnered with government, but there were significant variations among countries. Public private partnerships (PPPs) appear to be particularly significant among the samples in India, Argentina, Colombia, Ireland, Nigeria and the UAE, all of which reported over 60% of foundations engaged in partnerships with government. ... Of a smaller number (328) of foundations ... methods of collaboration included: peer learning (45%); co-development and planning (77%); and co-funding (56%)” (ibid., 29) **The Israeli sample** shows that about half of the foundations (55%) collaborate with the government, most of them by co-funding projects and programs.

## Section 5

---

### Financial Resources

#### Protecting financial secrecy and the lack of research data

This section presents information on the respondents' financial resources, including sources of funds and the nature of expenditures, and analyzes the financial aspect of the foundations' activities and allocations in Israel.

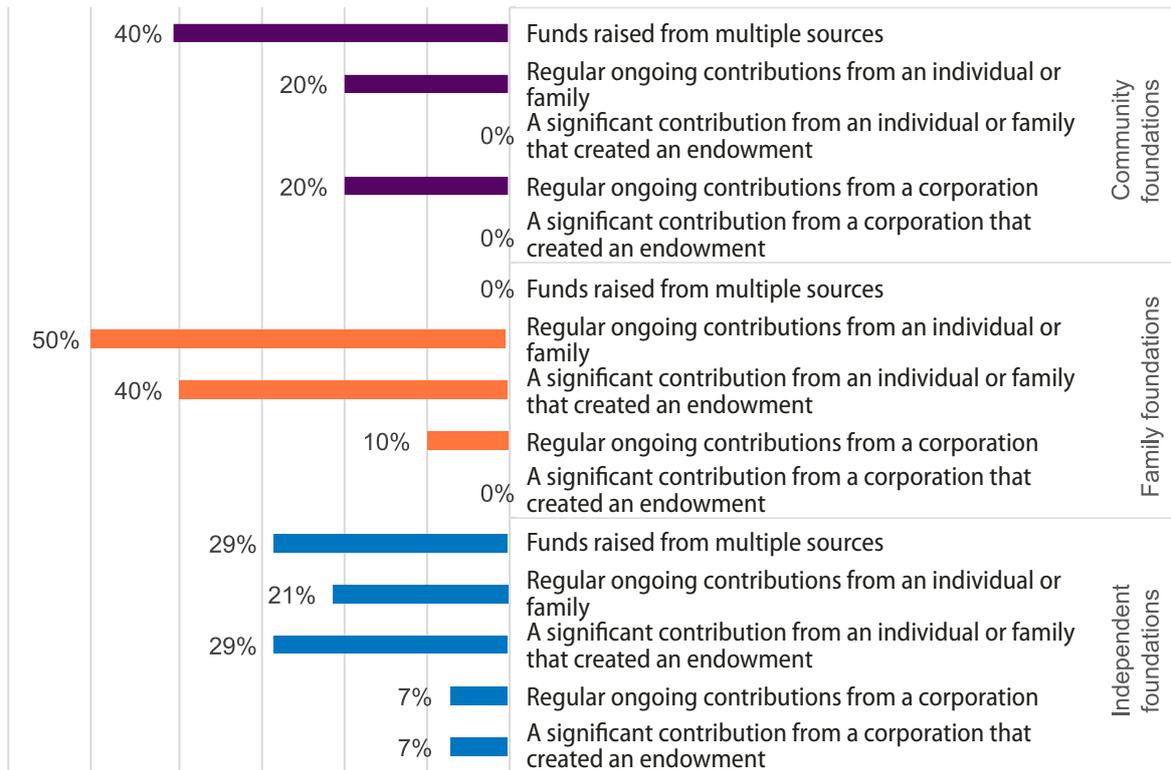
Response rates to questions in the financial section were significantly lower; only 40% of the participants replied to them. This pattern conveys the reservations of philanthropic actors about sharing financial data, as described in the "Global Philanthropy Report" (2018). Researchers of institutional philanthropy agree that "one of the most challenging areas of philanthropic data collection globally is amassing information on financial assets and expenditures ... As such, this section in particular should be considered only a partial picture" (ibid., 16).

**Assets and expenditures:** 50% of the respondents reported that the total value of the foundation's assets (money, stocks, bonds, real estate, or other resources) was 15.8 million NIS and above (N=20). 50% of the respondents reported a total annual value of expenditures (including grant making) of 4.6 Million NIS and above.

**Source of assets:** Unsurprisingly, given the proportion of family foundations in the sample, the principal source of assets reported by the respondents is most frequently ongoing contributions from an individual or a family, followed by a significant contribution from an individual or family that created an endowment. The least frequent source is a significant contribution from a corporation that created an endowment.

A comparison by types of foundations shows that independent foundations most frequently rely on a significant contribution from an individual or family that created an endowment and on funds raised from multiple sources. Family foundations rely mostly on ongoing contributions from an individual or a family, and community foundations tend to rely on funds raised from multiple sources (Figure 34).

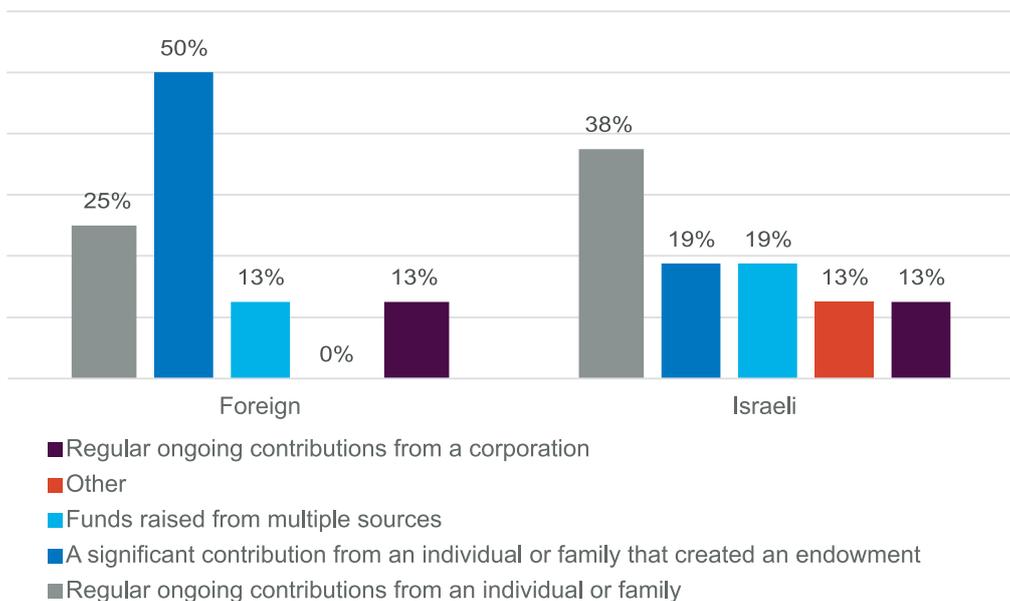
**Figure 34. Frequency proportion of source of assets by type of foundation**



N = 39; Independent foundations = 14; Family foundations = 20; Community foundations = 5.

Relying on a significant contribution from an individual or a family that created an endowment is most frequent among foreign foundations, while Israeli foundations rely on ongoing contributions from an individual or a family (Figure 35). A significant contribution from an endowment is also more frequent among old foundations than among new ones.

**Figure 35. Frequency proportion of source of assets by place of registration**

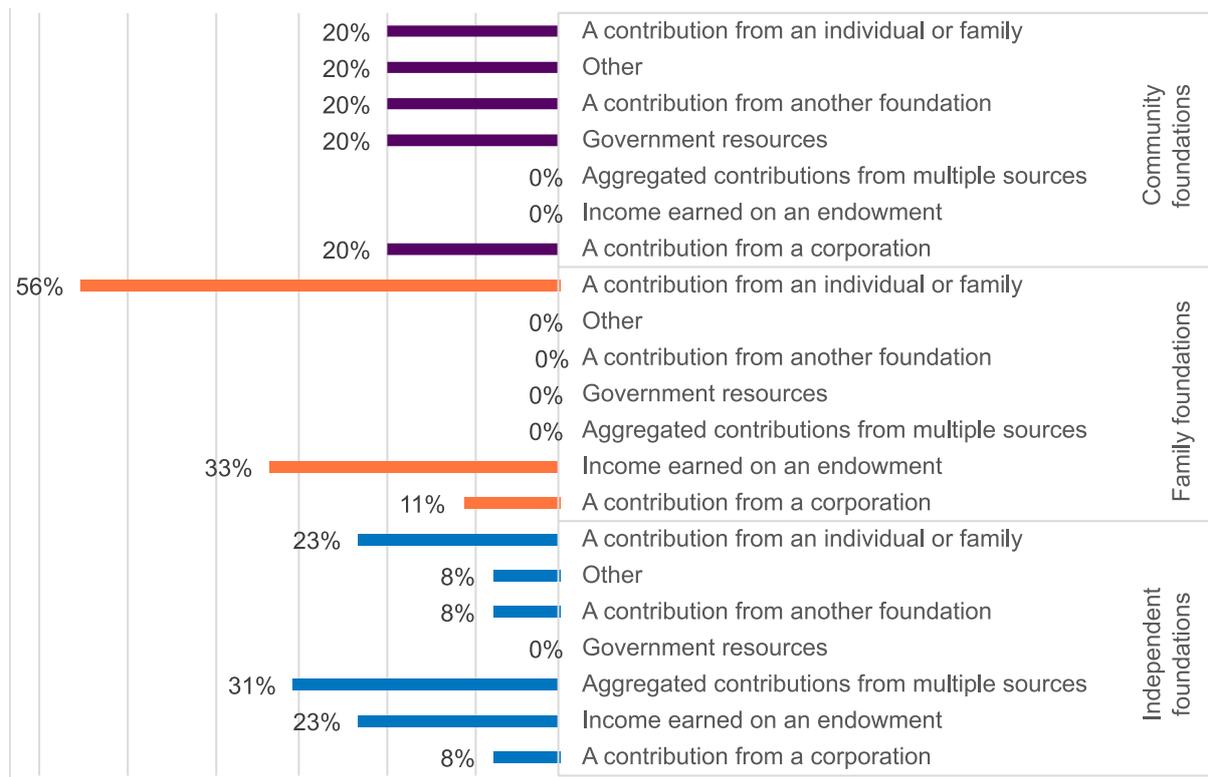


N = 32; Israeli = 16; Foreign = 16.

**Income/revenue:** Most respondents reported that the largest share of the foundation’s income/revenue is a contribution from an individual or a family followed by income earned on an endowment.

As presented in Figure 36, family foundations reported most frequently that their main source of income is a contribution from an individual or a family, while independent foundations reported most frequently that their main source of income is aggregated contributions from multiple sources. Community foundations reported that their sources of income are equally spread between contributions from an individual, a family, another foundation, a corporation, and government resources

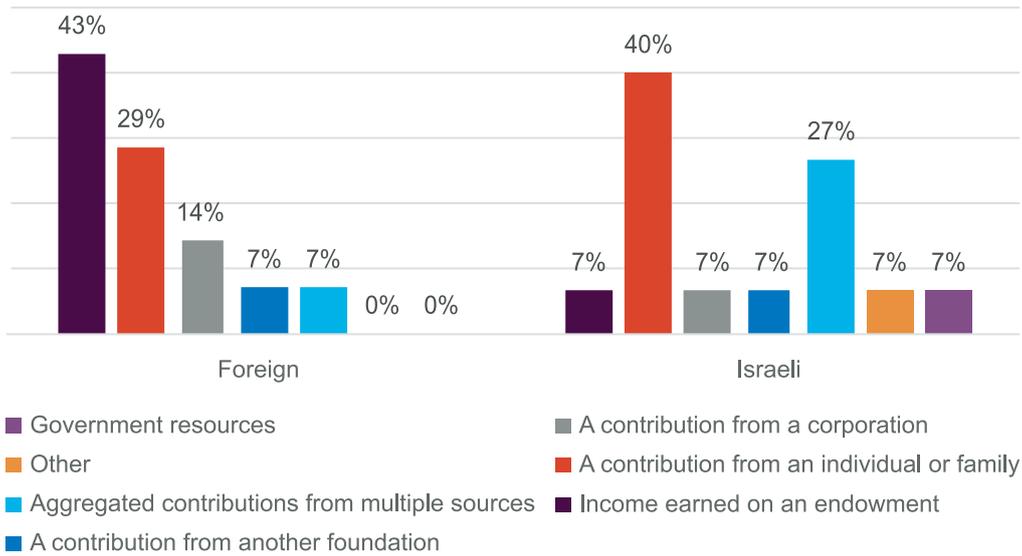
**Figure 36. Frequency proportion of main source of income/revenue by type of foundation**



N = 36; Independent foundations = 13; Family foundations = 18; Community foundations = 5.

As presented in Figure 37, Israeli foundations most frequently reported that their main source of income is a contribution from an individual or family, while foreign foundations reported most frequently that their main source of revenue is income earned on an endowment.

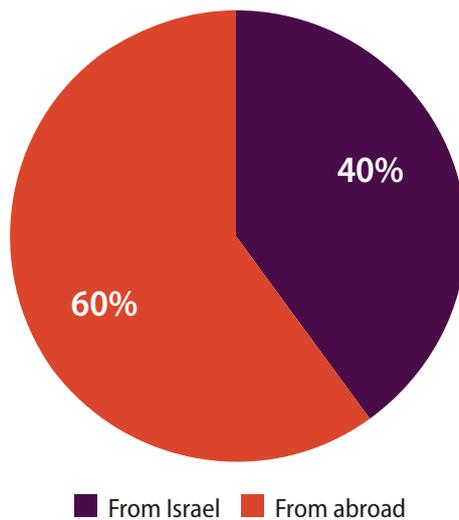
**Figure 37. Frequency proportion of main source of income/revenue by place of registration**



N = 29; Israeli = 15; Foreign = 14.

**Funding sources from Israel or abroad:** 60% of the respondents receive most of their income from abroad and 40% receive most of their income from Israel (Figure 38).

**Figure 38. Funding from Israel/abroad**



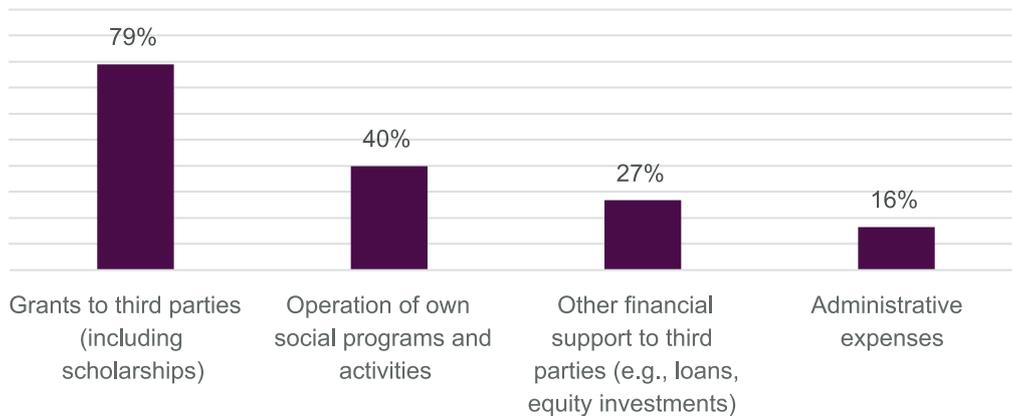
N = 40

When comparing old and new foundations, these rates remain—both the foundations constituted before the 1990s and those constituted after, report a 60/40 rate in favor of funding from abroad.

While foreign foundations report that their funding sources are all located abroad, Israeli foundations report a 60/40 rate in favor of sources located in Israel—a significant finding for expectations of gradual growth in the share of local sources of funding.

**Distribution of expenditures:** The most significant and widespread type of expenditure are grants to third parties, including scholarships. These constitute almost 80% of all the expenditures reported by respondents, followed by, in descending order, operating their own social programs and activities, and other financial support to third parties (e.g., loans and equity investments) (Figure 39).

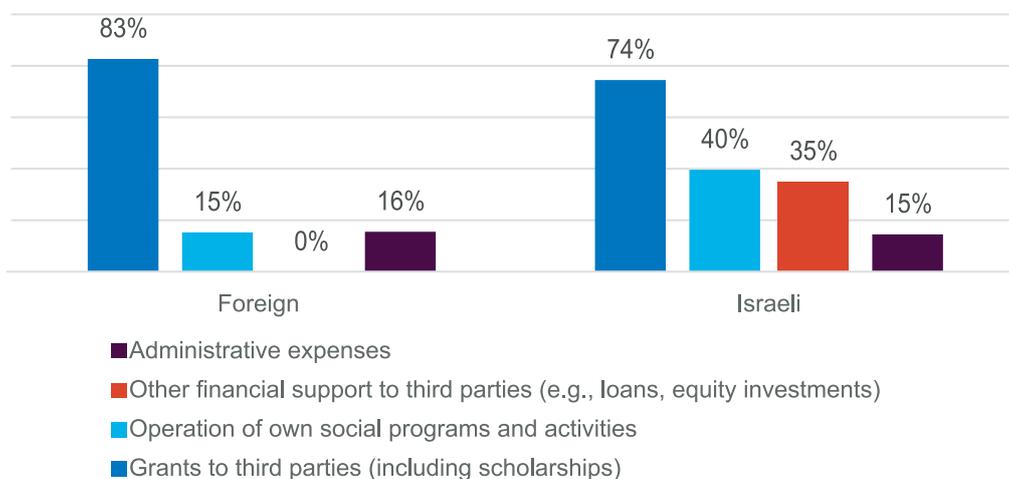
**Figure 39. Mean value of types of expenditures in percentages**



N = 36.

Compared to foreign foundations, Israeli foundations allocate twice as much of their expenditures to the operation of their own social programs. Additionally, only Israeli foundations allocate expenditures to loans and equity investments while foreign foundations focus mainly on grants and scholarships (Figure 40).

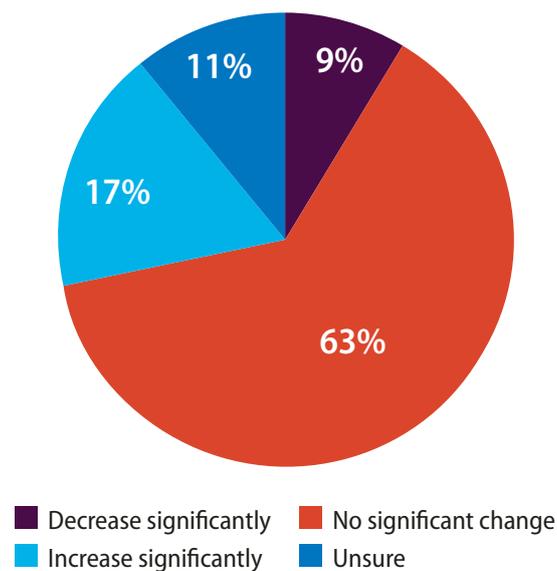
**Figure 40. Mean value of types of expenditures in percentages by place of registration**



N = 28

**Financial predictions:** When asked to predict whether the foundation’s program budget would decrease, increase, or not change significantly in the next fiscal year, 63% of the respondents replied that their budget would not change significantly (Figure 41), suggesting a sense of confidence in the stability of philanthropic financial sources. This prediction is even more remarkable given the Covid-19 crisis and its social and financial implications, though it merits note that data were gathered in the early months of the pandemic. Most of the respondents who predicted their budget would not change significantly in the next fiscal year represent foundations whose income is based on an individual or family contribution or earned on an endowment.

**Figure 41. Financial prediction for the next fiscal year**



N = 46

The prediction of budget stability is more solid among foreign and old foundations. Respondents who predicted a significant decrease in their budgets were all representing Israeli and new foundations.

Respondents who predicted a significant change (either increase or decrease) in the budget of the successive year explained it as part of “COVID-19 impacts”. Those who predicted an increase expected the COVID-19 crisis to be a factor in expanded fundraising while those who predicted a significant decrease in their budget viewed the crisis as introducing uncertainty, hindering fundraising efforts abroad, and reducing foundations’ willingness to invest in new areas and directions.

For further research on institutional philanthropy and the Covid-19 crisis, [see here](#).

## Global comparison and the Israeli sample

**Philanthropic capital:** GPR reports a seeming “shift towards multi-donor and public fundraising models” (for example in Spain, Netherlands, Germany, Switzerland and common in Latin America) “moving away from the conventional practice of one principal source providing the lion’s share of philanthropic capital” (Johnson, 2018: 11).

**In the Israeli sample,** the practice of one principal source – by most accounts ongoing contributions from an individual/family (for Israeli foundations), or a significant contribution from an individual/family that created an endowment (for foreign foundations) – is still the most prevalent, apparently because of the large proportion of family foundations in the sample.

## Section 6

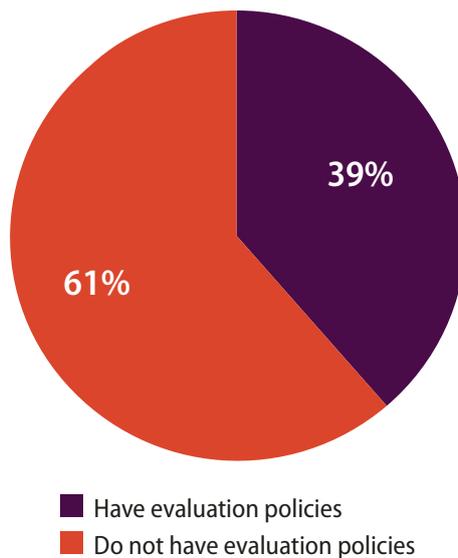
### Evaluation and Assessment

#### The gap between expectations and practice

This section presents the ways respondents approach and conduct evaluations and assessments of their philanthropic activity, including the use and publication of the evaluations' results.

**Evaluation policies:** 61% of the respondents, representing Israeli and foreign foundations as well as new and old foundations, reported that they have no set evaluation policies (Figure 42).

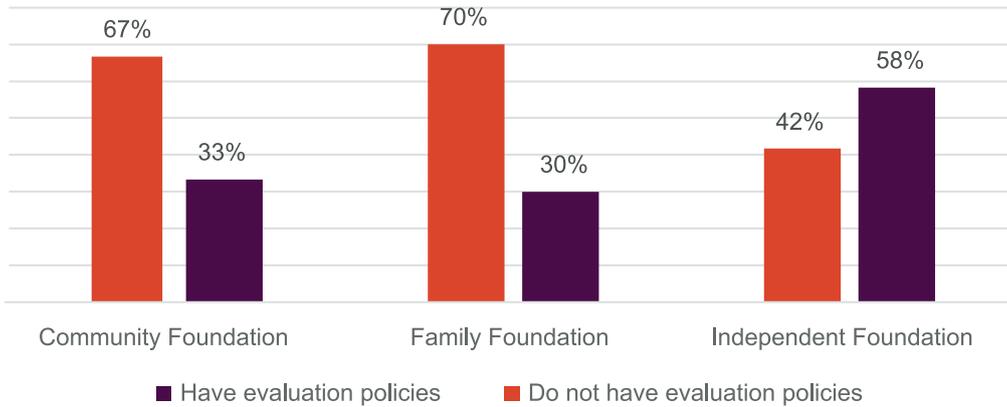
**Figure 42.** Proportion of foundations that have / do not have defined evaluation policies



N = 44

A comparison by types of foundations (Figure 43) shows that most independent foundations have defined evaluation policies while most family and community foundations do not.

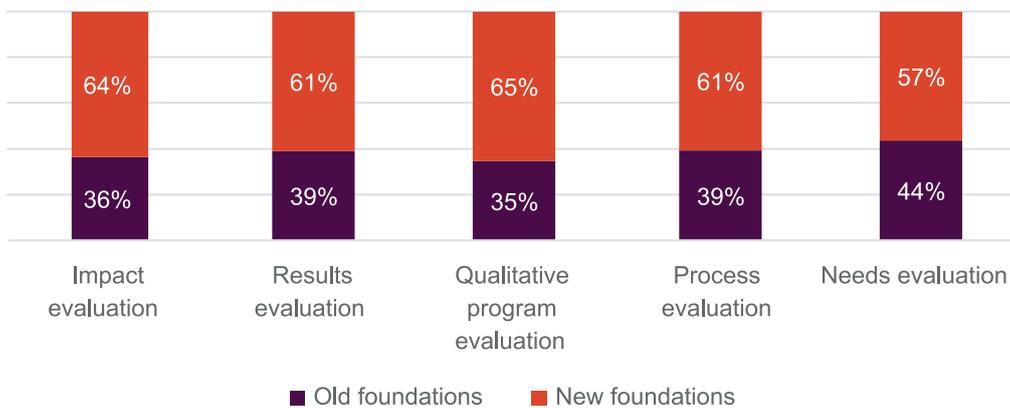
**Figure 43. Proportion of foundations that have / do not have evaluation policies by type of foundation**



N = 38; Independent foundation n = 12; Family foundation n = 20; Community foundation n = 6.

**Methods of evaluation:** Respondents stated that the evaluation methods they used most frequently were, in descending order, needs evaluations (assessment of beneficiary needs), qualitative program evaluations, and process evaluations. The method least frequently used was impact evaluation (assessment of results using a control group). Regarding specific mechanisms, internal evaluations are more widespread than external ones in all types of foundations. A comparison between new and old foundations (Figure 44) showed new foundations using more evaluations of all kinds. This finding aligns with “new philanthropy” conceptions on the importance of evaluation and assessment in the actual practice of strategic philanthropy.

**Figure 44. Frequency proportion of new/old foundations by evaluation method**



N = 38; Impact evaluation n = 11; Results evaluation n = 23; Qualitative program evaluation n = 26; Process evaluation n = 28; Need evaluation n = 23.

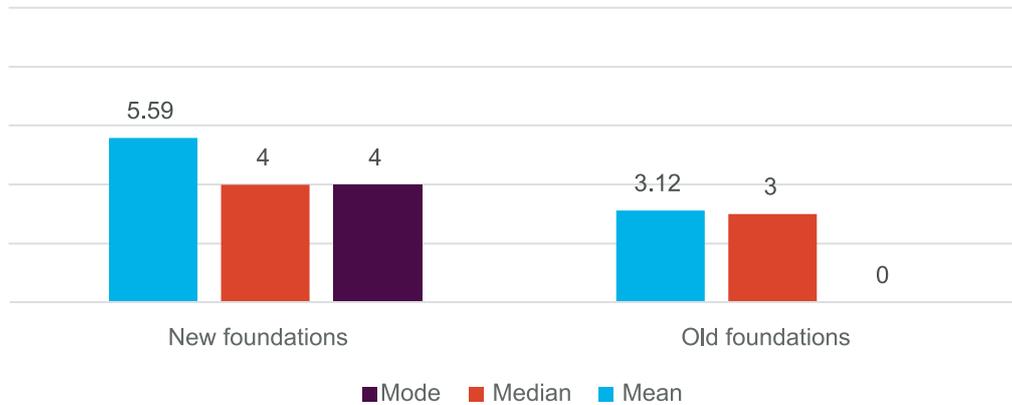
A measure<sup>22</sup> that examines to what extent foundations are committed to evaluating and measuring the effectiveness of their projects found that the respondents’ evaluation average is relatively low (on a 0-10 scale, 15% were rated 4, and 75% were rated even lower).

Low rates were consistent through family, independent, and community foundations as well as through new and old foundations, though most of the new ones were rated 4 while most of the old ones were

22. See quantitative index in the methodological chapter.

rated 1 or 0. On average, then, old foundations implemented fewer evaluation practices than new ones (Figure 45).

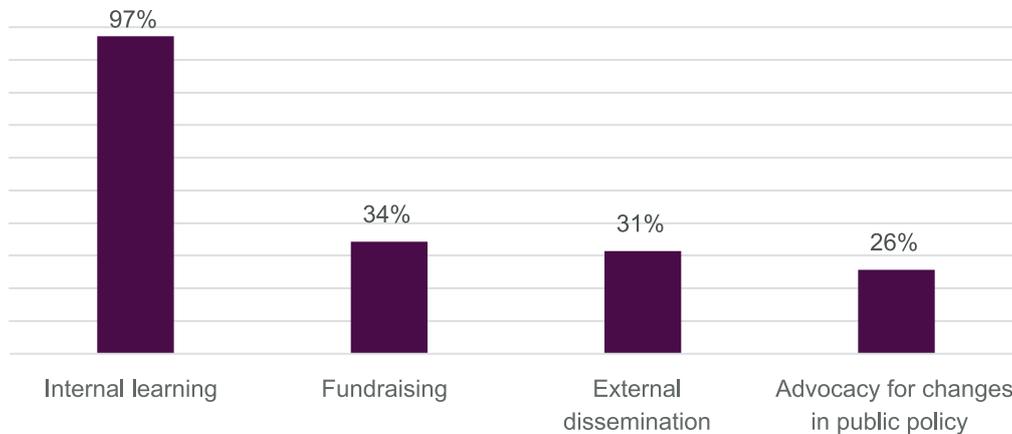
**Figure 45. Evaluation rates by age of foundation (mean, mode and median)**



*N* = 39. Old foundations *n* = 17; New foundations *n* = 22. Potential range of evaluation index = 0-10.

**Use of evaluations' findings:** 97% of the respondents who said they had used an evaluation method of some kind also stated they used the findings for internal learning and, in descending order, for fundraising, external dissemination, and advocacy purposes (Figure 46).

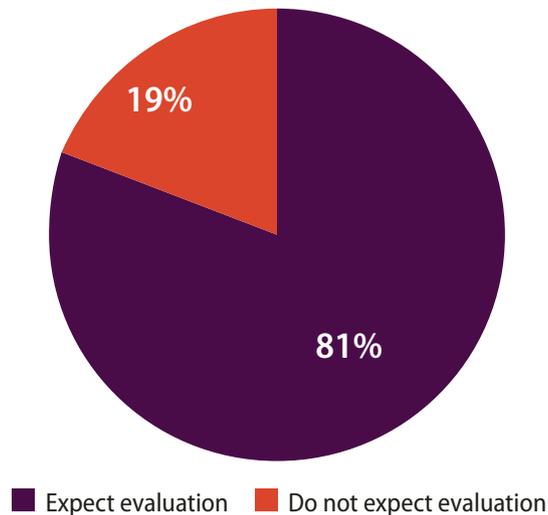
**Figure 46. Proportion of foundations' use of evaluations' findings**



*N* = 35

**Evaluations by beneficiaries:** 81% of the respondents (Figure 47) reported that they expect their beneficiaries (i.e., organizations they support) to conduct evaluations. This expectation prevailed across all types of foundations.

**Figure 47.** Proportion of foundations' evaluation expectations from their beneficiaries



N = 42

### Global comparison and the Israeli sample

“There is growing interest among foundations in impact assessment, although the number of foundations engaged in systematic evaluation is difficult to measure. Given the large proportion of foundations with little or no staff, many institutions likely lack the internal capacity to carry out robust assessments of their activities. In a limited set of 560 foundations, ... 72% indicated that they had some sort of organizational evaluation policy” (Johnson, 2018: 29) These figures are far higher than the findings from **the Israeli sample**, where only 39% of the participants mentioned defined evaluation policies.

# Conclusions

---

This section summarizes the main findings of the descriptive analysis, identifies key trends and characteristics, and points out some intriguing challenges confronting institutional philanthropy in Israel. The findings of the study cover the spectrum of perceptions prevalent in philanthropic foundations as to their role and operation in the local philanthropy field and in Israeli society at large. They also trace a dynamic picture of local institutional philanthropy as fluctuating between tradition and innovativeness, closure and openness, center and periphery, consensus and dispute, and partnership and independence.

## Main findings

- The sample profile: 44% Israeli foundations and 56% foreign foundations; 3/4 American and 1/4 European. 42% old foundations and 58% new foundations. 43% classify themselves as “family foundations”, 30% as “independent foundations”, and 15% as “community foundations”. 42% are registered as non-profit organizations, 17% as foundations, and 15% as public benefit corporations.
- 91% of the respondents have a formally constituted governing body. 81% of them do not compensate their governing members. Appointments to the governing bodies rely mostly on selection processes and on policies meant to preclude conflicts of interest. Diversity considerations—gender equity, ethnic/cultural inclusiveness, geographical representation—are rarely taken into account in these appointments. Appointment policies are most diversity-oriented in community foundations and least in family foundations.
- 59% of the respondents report their activity via audited financial statements, descriptive reports, and annual reports, though only a few make their information public through the foundation’s website. Nearly half of the respondents do not use any method of reporting and/or publishing information. Community foundations are the most “transparent” while family foundations are the least interested in making this information available to the public.
- 61% of the respondents focus their operations on education causes, followed by health and “Jewish identity and Zionism” as the areas of greatest investment, with human services / social welfare and arts and culture as the most frequent areas. The areas of least interest are agriculture, fishing and forestry, and public safety.
- The respondents’ preferred beneficiaries are people in poverty, children and adolescents while the least intended beneficiaries are offenders/ex-offenders, and the government.
- 81% of the Israeli foundations engage in philanthropic activity only in Israel. Geographically, both Israeli and foreign foundations focus mostly on the center of Israel. Most respondents operate only within the “Green Line”, which marks Israel’s pre-1967 border.
- Funds are distributed mainly through philanthropic mechanisms of grants and scholarships, while the least frequent practices are equity and impact investments. Indeed, 78% reported that they had never engaged in equity and/or impact investments.
- 78% of the respondents routinely collaborate with peer philanthropic institutions and foundations, with family foundations the most cooperative within the philanthropic field.
- 66% of the respondents do not seek to align their activity with government priorities, but about 20% do seek to align their activity with the priorities of local authorities. In practice, 55% of the respondents—most of them old Israeli foundations—collaborate with the government and/or with local authorities.

- Financially, the most frequent source of reported assets is ongoing contributions from an individual or a family. Foreign foundations and old foundations rely mostly on a significant contribution from an individual/family that created an endowment.
- 60% of the respondents reported that their funding is mostly transferred or allocated from abroad. Israeli foundations, however, report a 60/40 proportion in favor of funding from Israel.
- 79% of the respondents distribute funds through grants and scholarships. While foreign foundations allocate funds mainly through grants, Israeli foundations also use funds to operate their own social programs and activities.
- 63% of the respondents predicted that the foundation's program budget would not change significantly in the subsequent fiscal year. Most of them are foundations whose income is based on contributions from an individual/family or earned on an endowment.
- 61% of the respondents have no defined evaluation policies. Independent foundations are the highest users of evaluation measures and family foundations are the lowest. New foundations use evaluation measures more than old ones.
- The evaluation method most frequently used is "needs evaluation" (assessment of beneficiary needs). Internal evaluations are more prevalent than external evaluations, and their findings are used mainly for internal learning.

## Key Trends and Characteristics, and Intriguing Challenges

When studying the foundations' modes of governance and operation, four significant characteristics emerge from the findings, suggesting that institutional philanthropy in Israel still has a long haul ahead to adjust to the contemporary social ambiance that praises diversity, openness, transparency, and accountability.

The first characteristic is the dearth of diversity policies, reflected in the limited **diversity of the governing bodies' composition**. When defining their appointment policies, 50% of the foundations do not apply diversity considerations (gender equity, ethnic and cultural diversity, geographical representation). Striving for more varied representation, especially in terms of gender and ethnicity, is a vital challenge currently facing foundations.

Another significant concern touches on **transparency, reporting, and accessibility of information** to the public. Nearly 50% of the foundations stated they do not use any method of reporting and/or publishing information, be it through formal channels (financial, descriptive, or annual reports), or informal ones (foundations' websites). In the context of new social and public perceptions on the importance and necessity of transparency, progress toward a more transparent philanthropy appears inevitable. This development exposes the tension within foundations between attempts to open up and the need to protect the privacy of financial information.

The third aspect that foundations can promote and expand is their **accessibility to potential beneficiaries** and the social sphere in general. Although findings on foundations' selection and reaching out methods indicate relatively low accessibility, community, Israeli, and new foundations are more approachable and offer potential recipients multiple ways of applying. This operational aspect of foundations' ways of identifying and selecting projects is crucial in terms of their openness and communication with NGOs in particular and civil society in general.

The fourth issue that requires further attention and implementation in the sphere of institutional philanthropy touches on **evaluation policies and procedures**. Despite the foundations' explicit expectation from their beneficiaries to conduct evaluations, more than 60% of them have no defined policies in this regard. This dissonance is evident throughout all types of foundations (family, community,

and independent), Israeli and foreign, old and new. Their relatively low commitment to evaluating and assessing the effectiveness of their projects is a major concern, especially to those who embrace and promote ideas of “strategic philanthropy”.

Analyses of the data on the foundations’ organizational focus reveal trends that could further understanding of the socio-political and cultural aspects of their activity and their role in Israeli society. These trends illuminate the positioning of philanthropic foundations between consensus and controversy, mainstream and social margins, center and periphery.

Regarding the foundations’ **causes and areas of interest**, the split between “consensual” and “controversial” issues is particularly interesting. Our findings show that the funding for consensual issues is considerably higher than that for controversial ones. Whereas Israeli foundations tend to concentrate on consensual issues (social welfare, economic development, and education), foreign foundations tend to direct funding to more controversial ones (civil and human rights, peace and conflict resolution). Independent foundations are also more willing to support controversial issues than family and community foundations.

The support of independent and foreign foundations for causes that are not necessarily part of the Israeli mainstream is also evident regarding their **intended beneficiaries and social groups**. Marginal social groups that are a controversial subject in the Israeli discourse—minorities, immigrants, refugees, Muslim and Christian Arabs, and the LGBTQ community—are funded mainly by independent and foreign foundations while family and community foundations tend to direct funding to more conventional publics—people in poverty and the unemployed. Independent and foreign foundations thus appear to have a sense of greater flexibility in their choice of beneficiaries, enabling them to opt for a more political and less consensual agenda.

The tendency of Israeli foundations to favor center and mainstream causes in the social realm is also manifest in their **geographical focus**. 81% are active only in Israel, reinforcing the local-patriotism feature of Israeli philanthropy. This tendency is also evident in the distribution of their funding within Israel, which gives preference to the center of the country. Though foreign foundations also favor the center, they do spread their funding more equally among different regions.

The analysis of the respondents’ accounts highlights the significance of philanthropic and inter-sectorial collaboration in the field of institutional philanthropy, exposing the complexity of the reciprocal relations between philanthropic foundations, the government, and local authorities.

Regarding the **alignment with government priorities**, even foundations that did report a tendency to stay in line with official preferences emphasized their autonomy and professionalism in their decision making. This divergence from official concerns applied to the government, whereas aligning with the priorities of local authorities was perceived as an important and worthy goal.

This distinction comes forth when the issue is **collaboration with the government and with local authorities**. Partnering with the former is perceived as a necessity and justified in instrumental terms such as effectiveness, wide impact, and leveraging resources whereas cooperating with the latter is described as a genuine partnership and driven by a strong commitment. Most foundations described a desire to collaborate with local authorities and viewed them as appreciated partners.

The attraction of cooperative ventures is manifest in the support for **philanthropic peer-partnerships**. Unlike the ambivalent hesitant attitude toward collaboration with the government, a trend bringing together philanthropic organizations is clearly growing. 55% of foundations work in partnership with the government, but 78% routinely collaborate with other philanthropic entities. The understanding that this collaboration entails benefits and advantages reinforces the motivation to join or initiate

philanthropic partnerships. The common perception is that pooling philanthropic resources together increases the foundations' social impact and also enhances their standing when interacting with the government and social organizations.

This expansion of philanthropic connections is one component in a larger shift from traditional to new philanthropic practices and perceptions. The picture emerging from the foundations' reports of their operational strategies portrays the initial stages of a gradual transition toward an innovative updated philanthropy.

In terms of **mechanisms and financial instruments**, foundations seem more willing to examine and implement new and up-to-date patterns and practices. A correlation was also found between proactive strategic involvement and the implementation of innovative philanthropic practices such as impact investments, though only 33% of the foundations in the sample report significant changes in the mechanisms of their philanthropic activity in recent years.

The use of traditional instruments such as grants and scholarships is far more prevalent in family foundations, whose attachment to long-established patterns is also displayed in the **type of recipients** they support, which include institutions such as hospitals and universities.

Another indication of the differences between old and new institutional philanthropy is the foundations' **financial predictions**. A sense of financial stability prevails in old and in foreign foundations, which could also be related to their reliance on "old money" and its endowment funds, unlike Israeli foundations, which tend to rely on short-term resources and require constant fundraising.

Financial predictions also show how, despite **the Covid-19 crisis** and its socio-economic implications, most foundations foresee no significant change in their next annual spending budgets. Concerns about financial instability were raised only by new and Israeli foundations. The Covid-19 crisis thus emerges as a key factor in both optimistic and pessimistic forecasts.<sup>23</sup>

This study endeavors to contribute to the knowledge on the evolvement of institutional philanthropy in Israel today, including the philanthropic foundations' modes of action, guiding perceptions, roles, and influence. The investigation of the foundations' governance, policies, organizational focus, and operational strategies, which are inseparable from the wider socio-political and cultural context, is crucial to the understanding of philanthropy's impact on Israeli society. We hope that this study and its insights will lead to a lively exchange in academic circles and in the philanthropic field, and will also encourage more philanthropic actors to participate in future research efforts.

---

23. For further research on the ways institutional philanthropy in Israel copes with the Covid-19 crisis, [see here](#).

## References

---

- Anheier, H. K. (2018). Philanthropic foundations in cross-national perspective: A comparative approach. *American Behavioral Scientist*, 62, 1591–1602.
- Barkay, T. (2003) *Neoliberalism and Zionism: Business Social Responsibility in the Light of the Social Struggle on Israeliness*, Thesis for MA degree, Tel-Aviv University.
- Brener, N., Hazan, O., Rudich, A. and Schmid, H. (2010) *survey of philanthropic foundations and funding organizations in Israel*, Center for the Study of Philanthropy in Israel, Hebrew University of Jerusalem.
- Gidron, B., Elon, Y., Schlanger, A. and Schwartz, R. (2006), *The Sector of Philanthropic Foundations and Funding Organizations in Israel: Its characteristics, functions, relationship with government and patterns of management*, Israeli Center for Third Sector Research, Ben-Gurion University of the Negev.
- Haski-Leventhal, D., and Kabalo, P. (2009) *A Historical Overview of Monetary Philanthropy in and for Israel in the 20<sup>th</sup> Century*, Center for the Study of Philanthropy in Israel, Hebrew University of Jerusalem.
- Johnson, P. D. (2018). *Global Philanthropy Report: Perspectives on the global foundation sector*, The Hauser Institute for Civil Society at the Harvard Kennedy School of Government, Harvard University.
- Krauz-Lahav, N. (2020). *Elites, Philanthropy and Questions of Difference: An ethnography of an Israeli philanthropic-economic elite*. PhD Thesis. Tel-Aviv University.
- Krauz-Lahav, N., and Kemp, A. (2020). Elite without Elitism: Boundary Work and the Israeli Elite Philanthropy in a Changing Field of Power. *Social Problems*, 67(2), 324-341.
- Limor, N. (2008). *A Proposal for Organizing the Philanthropic Foundations in Israel*, The Israeli Center for Third Sector Research, Ben Gurion University at the Negev, The BRM Institute of Technology and Society, Tel Aviv University.
- Schmid, H. and Rudich, A. (2012) 'Elite Philanthropy in Israel: Characteristics, Motives and Patterns of Contribution', *Society*, 49(2),175-181.
- Shimoni, B. (2009) *Business and New Philanthropy in Israel: Ethnography of Mega Donors*, Center for the Study of Philanthropy, The Hebrew University of Jerusalem.
- Shimoni, B. (2017). Mega-Donors Perspectives on Philanthropy and Government Relations in Israel. *Society* 54(3), 261-271.
- Silber, I.F. (2008) 'A New Era for Philanthropy? The Case of Israel', *Civil Society and Third Sector in Israel*, 2,9-32.
- Silber, I.F. (2012) 'The Angry Gift: A Neglected Facet of Philanthropy', *Current Sociology*, 60(3),320-337.
- Toepler S. (2018) Toward a Comparative Understanding of Foundations, *American Behavioral Scientist*, 62(13), 1956-1971.

# Appendix A

---

## National collaborators

### Africa

#### Nigeria

African Philanthropy Forum (in collaboration with Global Philanthropy Forum)

### Asia and Pacific

#### Australia

Swinburne University of Technology, Centre for Social Impact

#### China

Chinese Foundation Center and Tsinghua University, Institute of Philanthropy

#### Hong Kong SAR, China

Centre for Civil Society and Governance The University of Hong Kong

#### India

Dasra

### Europe

#### France

ESSEC Business School and Fondation de France

#### Ireland

Philanthropy Ireland and Trinity Business School, Centre for Social Innovation

#### Switzerland

Universität Basel, Center for Philanthropy Studies

#### Turkey

TUSEV

#### United Kingdom

Cass Business School, Centre for Charitable Giving and Philanthropy

### Latin America

#### Argentina

Universidad de San Andrés, Centro de Innovación Social

#### Brazil

Grupo de Institutos Fundações e Empresas (GIFE)

#### Chile

Universidad Adolfo Ibáñez, Centro de Filantropía e Inversiones Sociales

#### Colombia

Asociación de Fundaciones Empresariales Colombia (AFE Colombia)

#### Mexico

Alternativas y Capacidades, AC

**Peru**

Universidad del Pacífico

**Middle East and Northern Africa****Israel**

The Institute for Law and Philanthropy (ILP), Tel Aviv University Law School

**Saudi Arabia**

The American University in Cairo, Gerhart Center for Philanthropy and Civic Engagement

**United Arab Emirates**

Globesight

**North America****Canada**

Philanthropic Foundations Canada

**United States**

Foundation Center

# Appendix B

## GPR Operational Models

### ➤ Independent Foundation

Independent foundations are independent, separately constituted nonprofit entities; have no members or shareholders; and have their own governing board. They have their own established source of income, sometimes, but not exclusively, from an endowment, of which 50% or more comes from one private source (e.g., an individual, family, or corporation). They distribute their financial resources for educational, cultural, religious, social or other public benefit purposes, either by providing financial support to other public benefit entities (such as charities, associations, educational institutions) and/or individuals; and/or operating their own programs.

### ➤ Family Foundation

Family foundations are independent foundations whose funds are derived from members of a single family. Family members often serve as officers or board members of the foundation and have a significant role in governance and program decisions. (Family foundations are selfidentified: in most countries there is no legal definition.)

### ➤ Corporate Foundation (Company-established)

Corporate (company established) foundations are independent foundations whose funds are derived primarily from the contributions of a profitmaking business. The corporate foundation often maintains close ties with the donor company (e.g., mission may align with corporate goals, there may be overlap between the corporate board and foundation board), but it is a separate, legal organization, sometimes with its own endowment.

### ➤ Community Foundation

Community foundations are independent, separately constituted nonprofit entities; have no members or shareholders; have their own governing board; and have a mission to work toward the greater good of the citizens in a defined geographic area. Their funds are derived from multiple donors and held in an independently administered endowment or investment fund. They distribute their financial resources (endowment and/or income earned from endowment) for charitable purposes within their geographic region by providing financial support to other public benefit entities (such as charities, associations, educational institutions) and/or individuals.

### ➤ Government-linked Foundation

Government linked foundations are independent, separately constituted nonprofit entities; have their own independent governing board; and have no members or shareholders; They are created by a governmental body that provides initial capital; They may receive ongoing contributions from government and other sources of which 50% or more is received from a government body. They distribute their financial resources for educational, cultural, religious, social or other public benefit purposes, either by providing financial support to other public benefit entities (such as charities, associations, educational institutions).

### ➤ The National Institutions<sup>24</sup>

The National Institutions: The World Zionist Organization, The Jewish Agency for Israel, the Jewish National Fund (KKL), and the United Israel Appeal (Keren Hayesod) are organizations that were established by the Zionist movement in the pre-state period, to advance the Zionist enterprise.

24. “The National Institutions” category was added to the GPR typology, as a unique operational model which illustrates the particularity of the Israeli case.

# Appendix C

---

## Split between consensual and controversial issues

### Consensual issues:

- Education
- Health
- Human services / social welfare
- Poverty alleviation
- Arts and culture
- Community development
- Economic development
- Agricultural, fishing and forestry
- Environment and animals
- Historic and cultural preservation
- Information and communication
- Philanthropy, nonprofit and volunteering
- Public safety
- Science and technology
- Social enterprise / entrepreneurship
- Sports and recreation
- Youth development
- Disaster response

### Controversial issues:

- Civil and human rights
- Peace / conflict resolutions
- International relations / global affairs
- Religion
- Public policy and affairs

## Appendix D

---

### Split between traditional and new/innovative practices

#### **Traditional practices:**

- Grants
- Scholarships
- In-kind gifts

#### **New/Innovative practices:**

- Equity investment
- Impact investment
- Operation of own social programs and activities
- Proactive involvement with grantee programs
- Loans

## Appendix E

### Institutional Philanthropy and Its Public Role

The findings presented in this appendix are based on a thematic analysis of responses to open questions. These questions examined the respondents' perceptions of the role of institutional philanthropy in the public realm in Israel: How do foundations understand their public position in the sense of promoting and changing policy? What is the scope of ideological-political agendas in the definition of their priorities? How are they affected by public discourse and public criticism?

#### **Policy promotion and change, and foundations' influence on government priorities:**

- In their position vis-à-vis the government, many respondents draw a clear distinction between “direct” influence, interaction, or action as opposed to “indirect” influence, interaction, or action. Most foundations emphasized that they operate indirectly to change policy and that they affect government priorities only indirectly.
- Abstention from direct contact with the government is also manifest in the respondents' emphasis on the bottom-up approach endorsed by the foundation. Most of them emphasized that they are involved in policy change and promotion through their support for social organizations that encourage change and influence rather than through the foundation's independent activity. The prevailing approach then is to support grassroots organizations active in attempts to change policy.
- The few foundations that attested they are directly and explicitly involved in promoting policy changes and influencing government priorities, noted that they rely on a strategy of cooperation with government ministries rather than on one of protest and resistance. Some spoke of philanthropy's potential to be the engine of initiative and development on the one hand, with the public sector encouraging and leveraging this activity on the other.

#### **Ideological-political agendas and their role in the foundations' decision-making processes:**

- The main theme that emerged in the responses was that the foundation's political agenda unquestionably influences decision making, both regarding investments in specific projects and involvement in ventures with partners supporting different political orientations.
- Notwithstanding the apprehension that the topic is too “sensitive” and foundations would refrain from answering, the responses we obtained were clear, sincere, and direct. The discourse about the effect of political agendas was open and included unequivocal pronouncements on decisions touching on “delicate” matters, such as investments beyond the Green Line.
- Several respondents addressed the “price” the foundation pays for its adherence to a declared political agenda, particularly in the last decade and given the public ambiance prevalent in Israel. Some described a conscious decision to avoid standing out in specific endeavors that could be perceived as political, “drawing fire” to the foundation in ways prejudicial to its broader activity.

## **The influence of the public discourse and public critique on the foundations' activities:**

- The attitude of a vast majority of the respondents was that public and media criticism of philanthropists in Israel does not affect the foundation's decision making and its activities. And yet, despite their initial declaration, a considerable number of these respondents then proceeded to detail various ways whereby public criticism is related to the foundation's conduct.
- The public criticism they reported does not affect the philanthropists' readiness to contribute, the extent of their philanthropic support and donations, or the very activity of the foundations, but rather the willingness to disclose information about themselves and their activity. This emerged as a key theme in many different foundations, which described how (what they perceived as) cynical reactions and critiques created patterns of refraining from exposure and publicity.
- An intriguing dissonance characterized the gap between the respondents' initial and almost unanimous reactions, where they stated they are not affected by the criticism of philanthropists in the Israeli public and media, and the emotional tone evident in subsequent answers, attesting to harsh feelings among actors in the philanthropic field confronting these critiques.