

Organized Philanthropy's Relationship to Independent Jewish Philanthropy: A Dialogue between John Ruskay and Jeffrey Solomon

Interviewed by Noel Rubinton

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In recent years, both federations and family foundations have been hugely important forces in Jewish philanthropy and communal service. But there continues to be tension between the two models, which, despite their structural differences, are sometimes seen in direct competition. There is debate over what makes for the best practice in fulfillment of service to the Jewish community.

Two leaders in the fields of federations and family foundations, respectively, recently sat down for a conversation. John Ruskay has been CEO and executive vice president of UJA-Federation of New York since 1999. Jeffrey Solomon has been president of the Andrea and Charles Bronfman Philanthropies since 1997. Earlier in their careers, each of them was in a different place on the spectrum: Ruskay, who, as a child of the sixties was a leader of the Havurah movement, served as vice chancellor of the Jewish Theological Seminary and educational director of the 92nd Street Y in Manhattan. Solomon was chief operating officer of UJA-Federation of New York and worked earlier in federation beneficiary agencies.

Ruskay is a leading spokesman for the collective, for the power of the federation system. Although he and the New York federation are supporters of many new grassroots and cutting-edge initiatives in Jewish life, he has also emerged as a not so subtle critic of "boutique philanthropy." Solomon, who with his wife remains a major donor to the federations, has voiced a critique of the federation system in terms of process, priorities, and ability to change.

In a conversation moderated by Noel Rubinton, director of editorial content for UJA-Federation of New York, they spoke about their different perspectives over the years, as well as the future.

NR: John, you were on the forefront of creating new institutions and you questioned whether federations could be reformed and that the way to address it was to have counter institutions. So what changed? What happened now that you're leading the largest federation in North America?

JR: You are correct. As a graduate school student in the early 1970s, I questioned the importance of federations. Why? Truth be said, I had emerged as a synagogue Jew—deeply influenced by the synagogue where I grew up (Temple Beth El of Cedarhurst) and by powerful identity-shaping experiences at Camp Ramah, youth group, and Israel trips. From that perspective, the critical challenge was

how to create inspired institutions that could “sear the soul” and enable broader numbers of Jews to experience the power of Jewish life. In the 1970s, the federation seemed marginal at best to this agenda.

Beyond that, as one who was an early dove in the conflict between Palestinians and Israelis—I now describe myself as a “devastated dove”—I was put off by what I experienced to be the cheerleading role that federations and UJA assumed with Israel's settlement building enterprise post-1967. So in that context, federations were both marginal to renewing Jewish life and problematic on the critical issue of peace in Israel.

I was recruited to UJA-Federation in 1993 at a time when the prime minister of the state of Israel was aggressively pursuing the Oslo Peace Process and when it had become increasingly clear that federations in general and UJA-Federation in particular were elevating the import and resources devoted to strengthening Jewish identity. And having worked in several settings—the 92nd Street Y and the Jewish Theological Seminary—I had come to recognize that federations, working with others, were essential in the transformation of Jewish life that was presenting itself as a real possibility after the 1990 National Jewish Population Survey.

NR: Jeff, you've gone in the other direction: your journey has been, in effect, the reverse of John's. What do you think of his comments and how do you connect it With your own journey?

JS: I'm not certain it has gone in the other direction, in the sense that I started also as a product of the 1960s, the civil rights movement, in human services, in all kinds of things having to do with the quality of life for individuals. To me the federation is the unique place in Jewish life where there is the potential synergy between those incredible Jewish values that educated Jews understand and that a renewed community can understand, and the manifestation of that in the delivery of high-quality services to people in need. So, having experienced that, coming at it from the human services side, I think we are probably very similar in the way we view the great opportunities that the federation offers. Among the challenges, very often, is that the various components of the federation are pitted one against the other, because it becomes a discussion of resources and resource allocations. And that becomes a challenge because in that there are winners and losers and it distorts the brilliance of the American *kehillah*, the federation.

NR: So do you think though that the federations are at the forefront now, or is their nature flawed?

JS: My criticism of the federation is primarily around the issue of financial resource development. Most federations, in my view, are pursuing a flawed marketing and fundraising strategy, and I say that with great pain. Because what I want for my grandchildren is a dynamic Jewish community with adequate resources to do all of the things that John and I both believe in. So my criticism emerges from the fact that students and scholars of philanthropy have identified the changes that have taken place in philanthropy and many organizations have responded to those changes very dramatically and effectively. Federations haven't, for the most part (with some notable exceptions).

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The annual campaign strategy is and has been failing. Honest, strategic professional inquiry should drive federations to a more donor-based comprehensive approach, such as what has been developed and executed so effectively in Toronto. And so to the degree that I'm considered a critic of the system, it is a loving criticism, and a respectful criticism, but it is centered around trying from the outside to help the system see some of its own flaws in the context of fulfilling its mission and its potential.

NR: John, what do you think that the family foundations, a part of the spectrum that Jeff now represents, contribute to Jewish life today?

JR: Here you have the Jewish family foundations often led by individuals who had held senior volunteer leadership positions in their local federations, and then determined that there were one or more issues about which they felt, "I really want to care about those issues." Terrific. They decided to devote themselves and their resources to seriously growing that area: experimenting with it, research and development, having a flexibility of being able to say, "I'm about to put a serious amount of money, and by the way, fail if needed," which I think is a great resource for the community. And so the family foundations can be and have been, in part, extraordinary incubators of new models of service, of research and development work, of being prepared to take some risk because it's a constituency of one. They are prepared to invest in areas they care about.

The sterling example of that in my view, in the Jewish community is Birthright Israel. Birthright Israel is actually the marketing of an old idea. Israel trips have been around since the state of Israel was created in 1948, but Birthright took that idea, which had a meager participation rate among American Jewish youth, and raised it to new levels in terms of numbers, impact, buzz, attractiveness, etc. That happened because philanthropists said that they wanted to grow it to another level. Birthright stands apart.

One of the challenges we now have is everybody wants to be identified with the next Birthright, and that's easier said than done. It actually can even be an impediment to experimentation.

The critique I have of family foundations is that they become too fervent. Many believe that there is a single bullet. Sometimes when I'm talking to a family foundation leader who cares deeply about Birthright Israel, I say, "Let's also talk about Jewish summer camping." They say, "Oh my God, we don't have Birthright fully funded." Which I can understand, but in my view the imperative of the moment is to strengthen all of Jewish life in North America.

We live in the most open, accepting society where Jews have ever lived. There is no one single answer to the challenges of strengthening Jewish identity in a highly open society. Synagogues have to be strengthened, the numbers going to Jewish summer camps have to be increased. Ditto Israel trips. Youth groups have to be intensified, the numbers attending day schools increased. All of these experiences and settings need to improve their quality. And so I think that one of my critiques—a loving critique—is that many family foundations have become so fervent that unless we pursue "their" idea, we're heretical or disloyal. The value of deepening Jewish identity is both to engage Jews and also to have them

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learn about broader issues, including caring for those in need, the elderly, the homeless, the hungry, and the Jewish people. So family foundations have a great role to play but if they become absolutist, they can undermine the whole community and over time weaken it.

NR: Jeff, what do you think of this fervency issue? Then can you speak more broadly about what you think the federations can learn from the family foundations?

JS: I absolutely agree with John on the fervency issue. Look, there are strategic foundations and there are vanity-driven foundations. There are foundations that see themselves trying to work in the context of a larger community, and there are foundations that simply ignore the larger community and, from my perspective, make ethical errors in the way they spend their money. And it's a serious problem. You know the physicians' rule to "first do no harm" has great relevance to foundations, and frankly even more so to Jewish foundations, which for the most part are still in their first generation, and have not had the learning that some of the large and great American foundations have over time.

Someone described foundations as "society's passing lane." And there is huge opportunity in foundations, and Birthright Israel is a perfect example. The success of Birthright rests on the failure of the Andrea and Charles Bronfman foundation in spending \$19 million on something called the Israel Experience, which produced no additional kids going to Israel, which was its primary objective. But the lessons that we learned created a management system that took the vision of Birthright and executed it in a way that in eight years, 200,000 young people have participated, with a 91% success rate in terms of achieving objectives. In a federation, every donor, whether \$5 or \$1000, feels ownership. A federation is driven by a large board and constituents. So it would be very hard for a federation to say what I just said: "We spent 19 million dollars and blew it." But it was a noble failure on which we could build a success. And that's the opportunity that foundations have.

NR: So what happens at federations after their failures? What do they do?

JS: I think two things happen. One, they often continue with failed strategies, because politically it's hard to get out of them. Or two, there is never the ability for the kind of transparency, because of the nature of accountability at a federation. The great challenge, and I have enormous respect for the leadership, professional and lay, at federations, is trying to weave a community into an entity that can make change happen for the positive. One can't expect John to go up and stand in front of his board and say that we had the following mistakes in the last year, because somebody's going to say, "Wait a minute, why am I giving to an organization that makes mistakes with my money?"

NR: John, you must have made mistakes at federation; the organization must have failed. How did you handle this failure?

JR: First I want to comment on the statement of the \$19 million as a noble failure. Jeff makes that admission after discussing what is obviously the home run of Jewish philanthropy right now—Birthright. I challenge him to identify other

foundations in the Jewish community that have publicly acknowledged their noble failures.

The reason I make this point is because issues of public presentation and responsibility are not exclusive to federations or foundations. We at UJA-Federation of New York have acknowledged disappointment, if not failure, to our board. Let me tell you an interesting story. In an effort to provide new models for those in their 20s and 30s, we at one point put a million dollars or so to fund some things, one being a particular new journal, which for this purpose will be nameless. When it came out, I was horrified. It was later written up in one of the major New York dailies as an "anti-Zionist publication funded by UJA-Federation." You can imagine what that set off. We got e-mails; we got calls. We went to every donor and explained to them the following—I too actually was offended by the journal. But I want you to know something: if this federation is not prepared to take \$2 million a year (out of \$140 million) and invest it in experiments for those in their 20s and 30s, a generation that everyone says we do not know how to reach, we should close our doors. I do not believe that we lost a single donor.

Birthright is so clouding the conversation. Birthright is a home run, to be sure. But beyond that I believe the record of family foundations is far more modest—good things—but truth be said, I think the federation model is strong. Certainly in New York, what we are doing—from Jewish hospice, to synagogue change, the day school work, to engagement in the next generation—it compares favorably with family foundations. Our federation is about both sustaining a community and innovation, and I think we've demonstrated over the last decade our ability to do both.

I think family foundations have an imperative to dismiss the import of sustaining, and they focus only on innovation and change. I think they fail to recognize that a set of institutions in a community provide a platform for caring and essential Jewish education and for experimentation. They assume someone else will pay for the essential platform, so they can simply focus on the add-ons. My hope is that the people who succeed us will come to recognize the need to do both sustaining and innovating in a better way than we have.

Family foundations

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NR: Let me let Jeff get back in the conversation. What I heard as John's critique is that foundations are not multidimensional like federations, and they are limited in their abilities and their power in the community.

JS: I've been accused of saying accurately that if you've seen one Jewish family foundation; you've seen one Jewish family foundation. Each one of these is an island unto itself.

JR: True. We agree on that.

JS: And among the problems, the challenges, is that very few of them are self-reflective. And that is, I think, in the nature of the first generation of wealth and the entrepreneurs who create that wealth. Sadly, and I say this with regret, but many people believe that, along with money come intelligence and power. The first lesson we teach, as part of the orientation for any of our staff, is the fact that they are no funnier than they were before they came to the foundation, they're no better looking, and they're no smarter. The sad reality is that adjacency to

money distorts relationships and no less so in foundations. I once wrote a piece on "The Ten Great Lies of Philanthropy," and number one was "I'm not here to ask you for money; I'm here to ask you for your advice."

NR: Let me go to a subject that you've touched on, which is the governance issue. You've both worked in different settings in your careers. Could you talk about how it is different to work with a board of 100 or 150, like at UJA-Federation of New York, or working with a major living philanthropist? And what are the pros and cons not in terms of your life as an administrator, but for the output, in terms of how things work out?

JS: All nonprofit boards are incompetent groups of competent individuals. They are huddles of quarterbacks. Whether you are working with a board of 60 at a JCC, 3 at a family foundation, or 150 at a federation, in many ways it requires the same amount of professional community organizing skills to enable the clarification of goals and objectives and the adequate buy-in to operationalize those in a variety of action plans. Now there are many foundations, I say with regret, that do not represent a partnership between the lay leadership, the principals, and their professional staff. There are some that do.

There are very few federations where there isn't some kind of a partnership between the lay leadership and the professionals. But the nature of that partnership is also unique to each of the organizations. In the New York federation, you've got a strong dynamic leader like John, who's got a vision, who in essence becomes, if you will, the secular rabbi to his board. Not that they'll follow him anywhere if they think he's wrong, but they are looking to him for leadership. They are looking to him for direction, and that is what you want to see in a professional leader.

JR: Here we agree and I note that Jeff hired me at UJA-Federation. As Jeff has said, if you've seen one family foundation, you've seen one. They are different. The principal philanthropists vary enormously as to what they seek in the professional. Ditto with federations. Federations have evolved over the last three decades for understandable reasons. The federation professional has evolved from providing primarily facilitative leadership, broadly speaking, to a notion of stronger professionals who can provide substantive leadership. The partnership with volunteer leadership is essential. In a family foundation, this is similarly true. Some family foundations might seek facilitators, and others look for a strong substantive partner to shape an area. So it varies enormously in terms of the players. Does the philanthropist seek a professional leader, a professional partner, or someone to, I hate to say it, execute his or her views?

So I would say this is really about the mix of substantive leadership and partnership that occurs with both a board and philanthropists. Having consulted with a number of family foundations and been involved with many others, the best of them are fabulous. But some, and not just a few, see staff as hired help. That is, somewhat strategically, less true in the federated world, because there's a recognized need for full-time, professional leadership. Federations are simply too complicated for volunteers alone. And a colleague recently said, "I'd rather work for a board of 150 or an Executive Committee of 15 than a single person. Because if you irritate one, you're out the door." My executive committee has

15 members. If I irritated 5 or 10, I should be gone. But it's not about a market of one. So part of this is temperamental—it's about a mix of chemistry, professional substantive leadership, and partnership and how that plays through.

NR: Let's try to drill a little bit deeper into this. Does having a small group, perhaps just one person to partner with, versus having a large board, necessarily produce better or worse results? Or is it equal?

JS: I don't believe it's a question of better or worse; I think it's very different. And one has to recognize that when I made the transition twelve years ago from the federation to the foundation, people would ask me, "What are the differences?" I remember saying at the time that in my federation life, for every 15 minutes of content work that I did, there were 20 hours of process of getting it through the various levels of lay leadership. Whereas, in the foundation world, for every 20 hours of content work that I did, there were 15 minutes of process. Now, that suggests a different level of efficiency, if you have the right leadership in the foundation – and I agree with John that too many foundations don't have the right leadership.

But the structural differences are profound. Federations rely on engagement for everything they do. The best federations engage more and more and more. There is a cost to engagement. There's a cost in terms of the amount of professional time it takes. That's part of the difference between the two and why foundations have both the luxury and the responsibility to be doing edgier things because they don't have to deal with engagement as a core responsibility.

JR: Engagement can be seen as a means, but it also can be viewed as an end. People ask me, "How can you—as an educator—spend so much time fundraising?" One of the great surprises is that I actually find it quite interesting. You have very serious, very intense conversations with people about things that matter, whether they are about the Jewish people, their money, or both.

The very act of approaching these individuals and saying, "I want you to care about the Jewish people—those you know and those you never will. I want you to expand your horizon from your local x, y, or z, and also think about Jews in the former Soviet Union or the question of how we're going to reduce the financial bars for Birthright Israel or Jewish summer camps" —I consider myself a communal educator. So campaign and planning are ways to have people learn more, become more involved, and hopefully become passionate about this work.

NR: Couldn't you have the same engagement with a family foundation just on a much smaller scale?

JR: That is of course correct. But in the city of New York, we have thousands and thousands of men and women who are identified as Jews, who care passionately about the Jewish people, but are not creating family foundations. So the federation becomes a means of engaging them, asking them to step in, opening doors. They want to help develop a laser-like initiative in an area. Some are energized about a crisis. We work on figuring out where the appropriate place is to engage them. I believe federations are uniquely positioned to do that. It's a way of connecting them to Jewish life, of maximizing their resources. So, the challenge in

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Jewish life is the opportunity for a federation to be a far larger tent. Per capita, the resources of a family foundation might be larger. But engaging a large tent at all levels of the community is in and of itself an act of strengthening the community and moving our people forward.

NR: I want to ask two last questions focused on the future. Jeff, what do think the federations should do going forward into the future?

JS: What I'm about to say is with love. If we're going to talk about the federations nationally and not talk about New York, I would like to see three things.

One, I would like to see the same philosophy about engagement that John identified here really play itself out in many communities, because it is not the norm in many communities. What is increasingly happening is only the engagement of the mega-wealthy who can drive the high end of the campaign. The system has gone from 900,000 donors to 540,000 donors in a fairly brief amount of time, and I think that reflects the fact that there's a great concentration on the high-end donors. But community building is not only about the high-end donors.

Two, I think that we have a serious human resource management crisis in finding inspiring, professional leaders who are prepared to work in the federation world. It is amazing how many Jewish leaders there are working in the not-for-profit world. When you talk to them, they don't want to have anything to do with the federation world or the Jewish communal world, because they see it as a very difficult world to operate in. And I would like to see a reemergence of the Jewish communal world generally and the federation very specifically as a place for the best and brightest to aspire to, not to avoid.

Three, I'm beginning to see a trend in many communities of narrowing the definition of the federation—of basically saying we are only going to do this, we are not going to take responsibility for our local agencies, they have to do it themselves. Federations are beginning to imitate foundations. I think that is a frightening trend. I think federations are not foundations; they shouldn't want to be foundations. I think federations should maintain the notion of being the American *kehillah*, the American community. And I fear that as the business gets more difficult for all of the reasons that unprecedented freedom provides, the North American Jewish community of federations are looking for a quick fix, and that quick fix is to narrow their focus. And I believe that is a terrible mistake.

NR: John, what would you like to see family foundations do in the years ahead to improve how they can contribute?

JR: I'm going to name two. One, to actualize the rhetoric about the strengthening of the whole community. My experience of the last decade is it has been expressed in the continuing gift of many, not all, to the federation. But rhetorically and agenda-wise, it's been far narrower, and there has been a tendency to discredit the broader recognition of multiple needs, multiple constituencies, of broad community. So I would love what Jeff expressed about the entire *kehillah* to be reflected, but actually as much as it is about the money, it is also perhaps more rhetorically important.

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And that leads me to my second thing. I would hope family foundations could develop more humility. At the time when I had little to do with federations, one of the things I did not like about them was that they called themselves the "central address." What are we talking about? The synagogue is the largest expression of Jewish participation in the Jewish community. We are a wonderfully diverse community with multiple sources of creativity and resource. I, for one, never—and neither does this federation—use the words "central address" anymore. And neither does our leadership.

The beginning of wisdom is knowing what one doesn't know. And we are all in the very early chapters of living in the most open society where Jews have ever lived. And therefore we are all trying to develop muscle and experiment about how we can strengthen Jewish life in the open society. The insular communities have their own approaches. It is those of us who are out here who are trying to test Mordechai Kaplan's notion that we can live in two civilizations. So the opportunity is great, and family foundations have a unique role to play, but I would hope that we could find a way, a language, a *modus operandi*, to honor the critical work of each, because each is indispensable. If there was no federation, whole sets of institutions would be needed to care for those who are left out, for those who are most vulnerable. And similarly, it's a great thing to have centers of innovation, creativity, places that are willing to have noble failures. We, and others who will follow us, will find a more effective way of strengthening one another in this effort.

NR: That leads in beautifully to the last question I want to ask. How can these two groups, federations and family foundations, work better together?

JR: We both need to disarm. We need to lower the rhetorical temperature. There are too many guns held up. They're not real guns; they're sort of water guns with little in them. "If you don't support my project, I won't make an annual gift. If you don't make an annual gift, I'm out of here for providing support for whatever your initiative is." We're probably in the earliest chapter of this family foundation-federation dance. So we should take dance classes together. Jeff and I and a few others are trying. I would not say we're doing too well at it yet. But I think this is the opportunity for the next generation that will succeed us. And my hope would be that the next generation, which will not have created some of these family foundations, will be emerging at a different moment in the federations and we may be able to dance better together.

JS: I think the kind of dialogue this article has allowed needs to happen on steroids. There hasn't been either a venue or a setting where we can have these kinds of discussions that look at the structural issues: What are the barriers to working together? And I agree that disarming is the first part of it. But we don't yet have the bridge builders who should be building the bridges. The opportunity for us, and I think it is shameful that the Jewish community is missing it, lies in the alliances that we can create together, taking the strengths of each to improve Jewish life, to reform organizations, to move trends in certain directions. We haven't figured out how to do that effectively, and we need to.

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