


Sheryl Sandberg, COO of Facebook, speaks about **tzedakah & philanthropy**:
www.sjfcf.org/groups/blc/2010/breakfast.asp#Sandberg.

its local, centralized, consensus-driven system of giving in an age of individualism, mobility, fragmentation, acculturation, and globalization?

- How can Jewish communal culture more strongly embrace and value the giving of time, service, and forms of “giving” other than gifts of money?
- How do we prioritize the needs of Jews and non-Jews in our giving?
- Can American Jewish philanthropy reclaim the idea of giving funds, time, and service as a matter of *obligation* rather than as a matter of personal discretion and virtue? If so, what would the concentric circles of giving look like in the world of

the contemporary Jew?

- To whom are independent Jewish foundations accountable, and how might they more strategically align themselves with each other and with the larger Jewish communal structure?

These are questions we must face in forging the future. *Tzedakah* teaches us what is required to be fully human. Philanthropy teaches us what is possible in recognizing God’s image in the world around us and in repairing that world. New thinking and strong leadership will be required for today’s American Jewish community to learn to honor such a noble heritage and to fulfill such promising possibilities. 

The New Social Economy: A Broader Mix of Players

LUCY BERNHOLZ

What does it mean to be Jewish and philanthropic in 2011? Larry Moses wisely addresses this question from the perspective of the Jewish tradition of *tzedakah*. I am not a religious scholar; I am a philanthropy wonk. I study, write about, and consult with philanthropists on the changing ways we can create, fund, and distribute shared social goods such as education, health services, elder care, and cultural and artistic endeavors. My perspective on this question is to look at the modern business of giving, and to seek to apply those tools to the pursuit of justice.

Moses notes, “The interplay between *tzedakah* in its traditional formulation and Jewish philanthropy as it is practiced today prompts a rethinking of American Jewish giving.” He asks us to consider how the different elements of giving — from charitable to strategic, from individual to institutional, or, to borrow his metaphor, from emergency room to medical research center — fit together. He leaves us with several enticing questions about institutional philanthropy and *tzedakah*. I am as interested as he is in the discussion of those questions, though I think we must expand our vision to the broader social economy. This economy encompasses the full range of private financial, institutional and individual sources that we use to create shared social goods. In the social economy, it is not enough to consider only the interplay between our charitable dollars and justice; we should also

actively question the roles of our investment capital (the impact investing movement), our workplace structures (the social business movement), our shopping choices (embedded giving), and our contributions of time and wisdom.

In the past 20 years, institutional philanthropy in the United States has become big business. Between 1990 and 2009, the number of foundations more than doubled from 32,000 to 76,000 and their assets increased fourfold. While foundations are large and important, they represent a small portion of total giving and involve relatively few decision makers and recipients. Most of the \$300 billion that Americans give each year comes through small, direct donations to religious, educational, and social services organizations.

But these aggregate measures of giving don’t capture the complete picture of how we fund social goods. The measures omit the value of volunteer time, the role of social businesses, the rapidly emerging world of social finance, and the new forms of social change being birthed by mobile connectivity that are not yet enshrined in tax law.

Philanthropy is more than foundations, and the private economy that funds social goods is more than philanthropy. The social economy is framed by market-based assumptions and the reality of global connectivity. These two forces — new enterprise structures, and the ability to connect to anyone, anywhere, at any time — are not

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simple additions to philanthropy. They are a broader, and different, starting ground for how, when, where, and with whom we contribute our time, treasure, and skills to our communities.

We are restructuring how we create, fund, and distribute social goods. Social entrepreneurs who seek the scaling power of markets are driving some of this change, as are devolving public budgets, the formalization of sustainability metrics for investors, and the disruptive power of global telecommunications. Small groups of individuals, tethered only by their mobile phones and not by an organizational affiliation, have both toppled governments and greatly improved the effectiveness of recovery from natural disasters. Volunteers with phones now regularly guide international responses to earthquakes and floods. They provide news coverage when the broadcast media are banned and facilitate both riots and cleanups.


At the same time, commercial companies are bringing their efficiencies to bear in building affordable housing and providing solar lighting, innovating how rural farmers can bank via phone, and teaching people to read by teaching them to text. The mobile phone communities often use no institutional structure; the commercial firms rely on investment dollars and revenue, not grants. Both are becoming increasingly visible and viable contributors to the social economy.

We need to understand this broader mix of players and to recognize individual and complementary strengths of the different kinds of enterprises and financial sources. These new entrants in the social economy challenge the regulatory frames that guide nonprofits and

philanthropy. The time has come for new policies that can ensure, protect, and encourage social good while also attracting necessary new capital and ideas to the sector.

After reading Moses' essay, I realized that the opportunity before us is more than simply using the tools of our time to pursue justice. Looking at the financial and enterprise innovations of the past several years, it is clear that there is no shortage of new ways to attract and grow capital for social good. However, where is the insurance or the assurance that these innovations will maintain their commitment to shared social good?

We have witnessed plenty of financial innovation over the years and have seen both social good and social destruction come from it. When it comes specifically to attracting new capital to the social economy, we must be more careful. We must create new financial, institutional, and policy structures that contain a commitment to fairness and a goal of justice. We must find ways of building these modern tools so they are contemporary applications of the principles of *tzedakah*. Innovation for innovation's sake is one thing. Innovation for the sake of justice would be world changing. The questions at hand are twofold: What can the tools of the social economy do for *tzedakah*, and what can *tzedakah* do for these innovations?

These can be critical and guiding questions as we find our places, as Jews and philanthropists, in this social economy. The wisdom of the ages, a personal commitment to justice, and a community's obligations to its own and its neighbors have much to offer to the financial and structural innovation of our times. 

Terms of Reference

Efficiencies: seeking ever greater impact with same or fewer resources

Embedded giving: donating money as part of another financial transaction, i.e. "shopping for good"

Impact investing: actively investing funds for both financial and social returns

Social business: commercial enterprises with social missions

Social economy: the set of capital and enterprises that deploy private resources for public good

Social finance: the use of commercial capital for social good

Creating a *Tzedakah* Standard

DON ABRAMSON

Larry Moses aptly describes the biblical commandment to do justice, *tzedek*. His essay also examines the rabbinic interpretation that *tzedakah* be directed to those who cannot meet their basic human needs, within the context of a model of concentric circles of giving. In response to Moses' suggestion, I will explore the model of concentric circles as a way of creating a workable *tzedakah* standard.

While there are a wide range of interpretations of what *tzedakah* is, there is common agreement that the purpose of *tzedakah* is to

benefit others and, specifically, to correct the injustices that deny people the fulfillment of their basic needs. We all share in this obligation to our Covenantal Partner to help correct those injustices and, in so doing, strengthen our ties both to that Partner and to each other.

Debating the definition of *tzedakah* is not merely an intellectual exercise, but also an activity that has real-world implications for how we treat and care for people in greatest need, people who generally have the least power to advocate for themselves. According to a 2007

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