

WHAT EVERY JEWISH SOCIAL WORKER SHOULD KNOW ABOUT FEDERATED JEWISH FUND-RAISING *

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I. Introduction: The Basic Function of Federation

AT the outset, I want to make it clear that I do not have the *chuzpah* to title a paper "What every Jewish social worker should know about federated Jewish fund-raising". This title was suggested by the program committee.

The program committee suggested further that I try to answer the following questions: "How has federated Jewish fund-raising been doing in recent years? Where has it gained or lost strength? What is the outlook ahead? What problems need solving, what areas strengthening?" I must warn in advance that although I shall try to stay with the intent of the program committee, my observations will be only partially responsive to the specific questions.

My first observation grows out of the fact that I consider myself first a social worker, secondarily a fund-raiser. I do not recall which one of our politicians coined the phrase that "a statesman is a dead politician", but it causes me to observe that "a fund-raiser is a dead social worker". Certainly, he hasn't too much status among his professionals.

In our Cleveland Jewish Federation,

we like to think that fund-raising is a means to an end. We have twenty-two professional employees, and only five of them spend the majority of their time in fund-raising.

Most keep busy with planning, budgeting, research, community relations, involvement in urban problems, leadership development, central services for operating agencies, and other activities. My own duties incline me to spend about one-fourth of my time in a variety of fund-raising activities, and the balance in other work.

This distribution of professional time is not at all representative of the smaller Jewish Federations, nor indeed of all of the larger ones. It develops from our conviction that the Federation is—above all—the Jewish community's answer to the traditional desire of Jews to organize as a community, so that it may provide needed community services, preserve and enhance Jewish values, and have a place to consider community problems which affect Jews. We believe that fund-raising is incidental to these basic purposes. It should enable Federation to fulfill them.

There grows out of this point-of-view the observation that Federation is not to be equated with fund-raising and certainly not with the Jewish Welfare Fund, that, indeed, Federation should be looked upon as the host body for the

* Presented at the Annual Meeting of the National Conference of Jewish Communal Service, Detroit, Michigan, June 9, 1968.

Jewish Welfare Fund and that the other functions of Federation and its member agencies are the *raison d'être* for fund-raising and not vice versa.

Over the years, too, it has become clear to me that the strength of the annual campaign is only partially a reflection of the campaign organization as an isolated instrument. The basic strength of the campaign lies in the year-round performance of the Federation and its agencies. If Federation is a sound planning instrument, if its agencies perform in a manner to commend themselves to the contributing community, if the board and staff of the Federation and its agencies are convinced of the soundness of the effort to the point where they themselves contribute liberally, if a large number of laymen participate year-round in the work of the Federation and its agencies, then the campaign will be looked upon as a joint effort to enable the Jewish community to carry on its work. Otherwise, it tends to be viewed as the province of fund-raisers who dun people once a year for a contribution.

Unfortunately, this basic fact about federated fund-raising is not always understood by social workers and by board members. Indeed, it is frequently not understood by Federation executives. There are Federations which still devote themselves primarily and almost exclusively to fund-raising activities. This must have an adverse effect on the quality of Jewish life as well as on the campaign.

II. The Case for Voluntarism

It is important to establish another point, namely, that our system of voluntary community services is very much alive and has a bright future.

Perhaps this will be considered to be a self-evident proposition. I believe it is not always well understood, even by

some persons who spend their entire career in voluntary service.

We are committed individually and as a community to the rapid advancement of the public welfare system in this country. It has taken giant steps forward in our generation, and many of us work diligently to nurture its continuing development. Unfortunately, some social workers have come to believe that this commitment means that the voluntary system of social services is withering and will ultimately die. It would be a great tragedy for our total health and welfare system if such were the case.

I am tempted here to cite a great many facts to prove this point, but in the interest of time will limit myself to just a few. A study sponsored by the Welfare Federation of Cleveland shows that, in 1967, total health and welfare expenditures by public and voluntary health and welfare agencies in Cuyahoga County were \$261 million. Of these, \$111 million were expended by public agencies and \$150 million by voluntary agencies. The heavy expenditure by public agencies was for public assistance, \$85 million of the total of \$111 million. In the voluntary field, the heavy expenditures were in the hospitals, \$118 million of \$150 million. One additional fact: the gross budgets of a group of Community Chest-supported agencies (other than hospitals) grew from less than \$7 million in 1950 to more than \$28 million in 1958.

It will be seen that large expenditures are made *both* through public agencies and through voluntary agencies. The public assistance program in our community is overwhelmingly the responsibility of the public agencies. The bulk of the other social services are still provided through voluntary agencies.

Now, why do I belabor this point? Because I believe that the voluntary system is an essential ingredient in a sound

and progressive health and welfare program now and for the predictable future; because the voluntary health and welfare movement is moving ahead dynamically even during this period of rapid growth in public welfare; and because there are many voices abroad, including those of some social workers, which, in their understandable and justifiable zeal for a humane and equitable public welfare system, belittle, and thus tend to undermine the contribution of the voluntary agency.

III. Federated Fund-Raising and Agency Financing

Before addressing ourselves to the specific question of federated fund-raising for Jewish agencies, it is important to establish the fact that federated fund-raising is just one part of the formula for financing of agencies. The other major sources of support are payments by recipients of service, third-party payments, tax support, and endowment and foundation income. Also, there are several forms of fund-raising in addition to federated fund-raising, including fund-raising by individual agencies.

The expenditures of the local financially participating agencies of the Jewish Community Federation of Cleveland total approximately \$19 million. Of this sum, only \$3.5 million comes from the Jewish Community Federation. If we eliminate the general hospital, which is overwhelmingly self-supporting, then the agencies are 58 percent self-supporting and 42 percent Federation-supported.

Federated fund-raising is clearly only part of the financing arrangement in the Jewish community and among its agencies. If we are to appreciate fully the contribution of the voluntary agency, it must be seen in terms of its total program, not just its fund-raising aspect. If we are to evaluate and place

responsibility for the financing of a voluntary agency, we must think of it in terms of its total financing requirement and place the responsibility first upon the management and constituency of the agency, and only secondarily upon the federated fund-raising source. Finally, if we are to evaluate realistically the importance of federated fund-raising, we must take into account not only its dollar support of an agency, but the multiplier effect of that support in making viable a system of voluntary services which attracts substantial support from other sources as well.

IV. Federated Fund-Raising: Its Four Dimensions

Let us look now at how federated Jewish fund-raising has been doing in recent years, and conjecture as to the outlook ahead. The annual Jewish Welfare Fund is the most important component of federated Jewish fund-raising, and the first we shall discuss. Federated Jewish fund-raising takes into account also relationships with the Community Fund-United Appeal, the growing phenomenon of endowment fund-raising, and the important area of capital fund-raising.

The first big fund-raising campaigns by the Jewish Welfare Funds of the country were in 1946, when these funds raised \$132 million. This was about two and one-half times as much money as was raised in 1945. There were substantial increases in 1947 and 1948, the latter campaign raising \$205 million.

These tremendous campaigns—1946, 1947 and 1948—brought federated Jewish fund-raising to a new peak. These campaigns responded to the post-war revelation of what had happened to European Jewry, reflected an outpouring of sympathy and help for the residents of the concentration camps and the other victims of Nazi brutality, and finally, identification with the heroic

episode in Jewish life which culminated in the establishment of the State of Israel.

After 1948, the national campaign did not again reach the 1948 level until 1967, when the six-day war produced an emotional response which resulted in still higher levels of fund-raising. In the interim, the Welfare Funds raised large sums of money, very much greater sums than they had raised prior to 1946. Individual communities raised even more than they had raised in 1948. Overall, the period from 1948 to 1967 should be thought of as a period of consolidation of the strength of the Welfare Funds, and high-level but not record-breaking performance.

In 1967, the regular Welfare Fund campaigns were not yet completed when the six-day war brought on a spontaneous movement to raise an Israel Emergency Fund. This was to be the high-water mark of federated Jewish fund-raising. The regular campaign and the Israel Emergency Fund together raised about \$323 million. This magnificent result was testimony to the identification of the American Jewish community with the people of Israel. It also testified to the organizational strength which had been building up in the Jewish Welfare Funds of the country over a period of years.

This year, the precise result of the campaigns is not yet known. A number of the campaigns, and notably the New York campaign, are not yet completed. It appears, however, that the regular Jewish Welfare Fund campaigns will raise about \$151 million, or about five percent more than last year, and that the Israel Emergency Fund will raise about \$100 million. The total of \$251 million is the greatest amount by far ever raised in a single campaign, by our Jewish Welfare Funds, and second in total result only to the dual campaigns of 1967. It is further evidence of the commitment of

the American Jewish community to the people of Israel. It is an even greater demonstration than last year of the organizational strength which has been built into the Jewish Welfare Fund movement. It is clear that the institution of the Jewish Welfare Fund has been gaining strength, is capable of outstanding performance, is responsive to new conditions, and in general is a dynamic part of the total Jewish fund-raising structure.

A second important source of Jewish agency funds is the Community Fund-United Appeal. The Jewish Federations and Jewish agencies of the country receive something over \$20 million from the Community Funds and United Appeals of the country. Some of this comes through the Jewish Federations; some goes from the Community Fund directly to the operating agency. In either event, the Jewish Federation is involved in the United Appeal Fund-raising effort.

In recent years, the Jewish agencies have been receiving three, four, or five percent more per year from this source. These amounts have barely kept pace with the cost of living, much less enabled the progressive agencies to improve and expand their programs. As a result, although the Community Fund remains an important aspect of Jewish agency fund-raising, it has been necessary to supplement Community Fund support with other funds, usually from the Jewish Welfare Fund. The prognosis here is, I believe, for more of the same. It is probable that the United Appeals of the country will continue to raise modestly larger sums each year, and that the Jewish Federations and agencies will receive modestly greater dollar support from the United Appeals. Under prevailing conditions, I believe that realistic financing plans for our agencies should assume that the United Appeal probably will remain a constant source of support, but not a rich source of new funds.

The third Federation pocketbook is the Endowment fund. This is a dynamic new source of financial strength for the Federations, one which only recently has begun to be exploited on a planned basis. The large city Federations began to develop endowment fund programs just a dozen or so years ago, some of them more recently, and indeed a few not yet. The intermediate cities, as a group, are just beginning to cultivate this resource. Those cities which have worked the hardest at this program have had considerable success with it. The book value of endowment funds in twelve large city Jewish Federations grew from \$22 million in 1948 to \$70 million in 1963, an increase of 216 percent. The increases ranged by cities from a low of 94 percent to a high of 1431 percent.

This endowment fund third pocketbook is fast becoming the second pocketbook for a number of Federations, exceeding in importance the annual grant from the United Appeal. The rate of growth of a well managed Federation endowment fund could be ten percent or more per year for a great many years to come. It may safely be predicted that Federations which properly mine the endowment fund will reap rich rewards. They will increase their resources materially, and lay the groundwork for a new dimension in Federation work. Because of the nature of endowment fund money, we may confidently expect that the Federation of the future will be able to engage much more imaginatively in programs which go beyond bread-and-butter support of basic community programs. They will be in a far stronger position to support research, educational, and cultural activities, experimental and demonstration programs, and a variety of other constructive projects.

I shall say just a word about capital fund-raising. Most capital funds are still raised by individual agencies rather than by the Federation. There is a trend,

however, in the direction of more substantial Federation involvement in planning, scheduling, and raising of these funds. As the federations of the country have become more firmly established, more successful, more representative, and more broadly constituted, capital fund-raising has become an increasingly important aspect of their work. Frequently, the same people are involved, whether capital fund-raising is under Federation or under agency auspices.

Very large capital sums have been, are being, and will be raised by Federations and by their agencies. It may be anticipated that the giving public will continue to look to Federations more and more to rationalize the approach to the community for capital funds, to schedule these appeals, to authorize them to develop joint appeals, and to conduct them.

V. Summary

Overall, I think that we are justified in making the following observations about federated Jewish fund-raising:

1. The strength of the fund-raising operation in a Federation is determined largely by the quality and breadth of the year-round Federation operation and by the commitment of its professional and lay leaders to Jewish community life.

2. Health and welfare work under voluntary auspices in this country is a healthy, virile and growing phenomenon. For the predictable future, it will continue as a strong partner of public welfare in a total health and welfare system. The total health and welfare system needs to be nurtured by all social workers in its public *and* voluntary aspects. Federated fund-raising is an important ingredient in the total financing pattern of the voluntary system.

3. Federated Jewish fund-raising is a live, dynamic movement. It embraces the annual Jewish Welfare Fund campaign, the Community Fund-United Appeal,

the endowment fund, and capital fund-raising.

4. The Jewish Welfare Fund has been raising money at record-breaking levels; has had a sound, steady growth in organizational strength and in results; has proved to be responsive to emergencies; and has good potential for the future. During the past two years, it has been raised to record levels of performance by the six-day war. It is predictable that under prevailing conditions, it will probably recede from current record-breaking levels as the emotional impact of the six-day war recedes, but it should retain a level of fund-raising considerably beyond the pre-1967 level.

5. The Community Fund-United Appeal will continue to be an important source of support for the Jewish Federations and Jewish agencies. Basic programs by member agencies of the Community-Fund-United Appeal will continue to be nourished financially at fixed dollar levels approximating the present level of support. These agencies will need to look to other sources of support if they wish to improve quality or expand their activities. The Jewish Welfare Funds have partially filled this vacuum during the past several years and will likely continue to do so in the predictable future.

6. The most dynamic new source of federated Jewish fund-raising is the endowment fund. Federations' brief ex-

perience with planned endowment fund programs has shown that there is great potential in this field. As a result, most of the large cities, and some of the intermediate cities, have begun to apply themselves to cultivating the endowment field, and most of the rest of these cities may be expected to do so in the near future. As this program matures, it is to be expected that Federations will substantially strengthen their financial position and will be more creative in their support of research, demonstration, and other constructive projects.

7. Capital fund-raising is an increasingly important aspect of federated fund-raising, both in actual fund-raising and in its planning aspects. Large sums of capital funds have been raised, are being raised, and will be raised in the future. Planning for these programs and raising these funds will be more and more a central concern of federated fund-raising.

I conclude with this final observation: fund-raising is a difficult, time-consuming, sometimes grubby business. At the same time, it is a basic ingredient in our Jewish and American system of delivering needed community services. We who are professionally engaged in community work should continue our efforts to understand and interpret federated fund-raising for what it is: A means to enable us to improve the quality of the total Jewish community enterprise.