

Jewish Ethical Considerations: Venture Philanthropy and Communal Practice

Steven Windmueller

Sigi Ziering Ethics

This year, the practical ethics column will focus on money and power. The column is co-sponsored by Shelley and Bruce Whizin and Marilyn Ziering in honor of Marilyn's husband Sigi Ziering, of blessed memory. The series of columns, with responses, is available on www.shma.com.

TODAY'S MARKETPLACE offers new ethical challenges to both fundraisers and donors; Jewish law and practice may offer insights affecting communal practice and individual conduct.

In Judaism the principle of *genevat da'at*, the prohibition against creating a false impression and offering complete disclosure in the marketplace, represents the standard by which institutions are to be judged. A parallel concept (*lifnei iver lo titen mikh'shol*) requires one to provide truthful information.

Judaism also speaks of collective responsibility (*dei mahsoro*), which takes precedent over individual action, the commitment of donors to carry out their obligations, and the obligation to act magnanimously (even beyond legal requirements) in relationships.

The Association of Fundraising Professionals' "Donor Bill of Rights" expresses values that echo Jewish tradition:

- a. To be assured their gifts will be used for the purposes for which they were given.
- b. To have access to the organization's most recent financial statements.
- c. To feel free to ask questions when making a donation and to receive prompt, truthful, and forthright answers.

Increasingly, federations along with other charitable entities, in an effort to attract the venture donor, have created alternative giving options that raise new management challenges. The goals associated with venture philanthropy and other forms of directed-giving allow the donor, often in consort with fellow contributors, an opportunity to direct their giving toward shared objectives or specific projects. The characteristics of the new venture philanthropist, according to some studies, include a desire to make a significant impact that they can both see and measure and to have the

opportunity to apply their professional skills and business acumen toward achieving their philanthropic goals.

Reflecting on these new trends, various philanthropic oversight groups have warned that when such philanthropists seek to define the agenda through the power of the purse, the core mission and goals of the agency may be diverted from its principle functions, raising in the process new institutional and ethical challenges. This new generation of donors approach philanthropy by leveraging their resources while strategically seeking systemic change. Some venture philanthropists, according to these reports, lack a clear understanding of the boundaries between the collective good as defined by the charity and the self-interest goals of the donor. The National Committee for Responsive Philanthropy has noted that a level of ethical tension can arise for public foundations (i.e. federations) if donor actions interfere with the processes and obligations of doing business.

In an environment of strategic philanthropy, federations must devise creative opportunities to attract family foundations, donor-advised funds, and venture philanthropists to participate while not undermining their core Jewish mission. Associated with this marketplace approach are built-in overhead expenses, the need to restructure donor options, and the possible shift related to institutional priorities — all essential to the cost of doing business if this system is to attract these new communities of wealth. The experimentation with venture donors is as much about accessing these new constituencies, creating confidence-building experiences, and harnessing their leadership and business talents as it is about generating new funding streams. In

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exist — a deep, surprising (even to themselves) desire that so many young people have to access their heritage; a cross generational need for community and a sense of purpose; a growing commitment to support projects that are meaningful and have impact. If philanthropy is going to continue to successfully seed new ideas, encourage experimentation, and enable existing organizations to have a greater impact, then we need to learn more about this changing landscape. So, rather than offer a list of what philanthropists should be *funding*, here is an initial list of what we should be *asking*:


How are people accessing community and identity today? If people are no longer joining traditional institutions at the same rate, then what mechanisms should we (also) be funding to help people find a way into the Jewish conversation? Which organizations are thriving? Why? And how can we build on their success? How do we best support, network, and train the people behind the good ideas? How can

our grantees learn from the successes of other ethnic and religious communities that are responding to changing social trends? What is the role of culture and media in building identity? Is there a growing role for spirituality and social justice in these times of uncertainty? If so, does our funding reflect these changing realities?


While there are many questions and concerns, there is no one philanthropic response. Today, the task among philanthropists is to ask the broad questions about communal life, give our grantees the space, time, and money to do the same, and ultimately to support people and projects that are willing to experiment and take responsible risks in an attempt to build a community that reflect today's challenges and opportunities. While risk sounds great in theory, it is not easy to watch a funded experiment fail. Even so, our times demand no less. A "Crossingers" for our generation is waiting to be born. 

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part, this new orientation focuses on addressing the issues of personal meaning in place of communal expression.

Engaging the venture donor community represents a work in progress where ethical dilemmas and institutional practice await further clarification. Drawing upon the insights of Jewish legal thought and the guidelines offered by the philanthropic community, the federation system has a unique opportunity to provide donors with a set of governing principles designed to enhance their participation in the communal enterprise. Case studies of several successful federation models could also provide a framework for future institutional practice. 

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Is this an achievable vision? It is, because we are already on the way to achieving it. The next steps will require changes in mindset and in culture that are daunting. But, when have we ever shied away from big challenges? 

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