GARY SCHIFF



# FUNDING BY FEDERATION AND NON-FEDERATION SOURCES FOR JEWISH EDUCATION

## *INTRODUCTION*

The level of communal funding for Jewish education reflects its relative priority in the Jewish community. How high a priority Jewish education is at any given time is, in turn, closely related to the questions of Jewish identity and particularism.

Given the heightened interest in these concerns in the Jewish community, communal funding for Jewish education, although far from sufficient, has reached historic highs in recent years. Despite this relatively high level of funding, a leveling off and gradual decline are very possible in the near-to-medium future.

This projection is attributable to several principal factors: first, the Jewish charitable dollar is reaching its maximal capacity; second, other priorities within the Jewish community are becoming more successful in competing with Jewish education for the increasingly scarce communal dollar.

This leveling off or decline will necessitate a turning to both traditional, i.e., private Jewish, sources and especially to nontraditional, general, i.e., non-Jewish, extracommunal sources to supplement communal support. These latter sources can be tapped primarily via grantsmanship.

## COMMUNAL SUPPORT FOR JEWISH EDUCATION

### *Early History*

Jews have been concerned with and have provided for Jewish education for their children and themselves from their earliest days in this country. Nevertheless, from the Colonial period through the mid-19th century, Jewish education was viewed largely as a private matter, consistent with the then prevalent American attitudes toward both education and religion. Therefore, Jewish (i.e., religious) education was provided primarily by parents, tutors (*melamdim*), or in small private classes (*hadarim*). Some of the oldest congregations (notably Shearith Israel in New York and Mikveh Israel in Philadelphia) early on set up schools for their congregants' children, but Jewish education was not generally viewed as a wider communal responsibility. The first truly communal agency for Jewish education in the United States was the Hebrew Education Society of Philadelphia, founded in 1848 by that prolific genius of American Jewish life, Reverend Isaac Leeser, minister of Mikveh Israel. The Hebrew Education Society, which in principle concerned itself with the entire gamut of Jewish education from children to adults, in fact established the first all-day schools, including vocational day schools, in Philadelphia as early as the mid-19th century. The Society became an early constituent of the local Federation, and was also a forerunner of what today is Gratz College.

Only with the advent of mass immigration in the 1880s — which coincided with and gave impetus to the development of federated charities in the Jewish community — did the notion of overall communal responsibility for Jewish education take hold. This period saw the development of communally funded *Talmudei Torah* (supplementary Jewish schools), notably in such communities as New York, Minneapolis, Chicago, Philadelphia, and elsewhere. It also saw the rise of the first bureaus, or central agencies, for Jewish education, again with communal support, notably the Bureau of Jewish Education of New York, founded in 1910 as part of

DR. SCHIFF *is president of Gratz College, Philadelphia, Pa.*

the abortive attempt to establish a *Kehillah*.

This period also saw the rise of the first Jewish teachers' training institution in the country, Gratz College, formally launched in 1885. Its original source of funding, however, was private, i.e., the Hyman Gratz Trust, established in 1856. Not until 1928, when the College merged with the Hebrew Education Society, did Gratz become a constituent of the Philadelphia Federation. Thus, the roots of major communal funding for Jewish education clearly lie in this 1880s-1920s period.

The Depression of the 1930s, the war of the early 1940s, the suburbanization and the baby boom of the late '40s and '50s resulted in the decline of communal *Talmudei Torah*. Primary responsibility for the provision of most of Jewish education — which then, as now, was largely via supplementary schools — was assumed by synagogues and denominational movements. As religious institutions per se, they were then, and are now, largely outside the orbit of Federation funding. As such, the relative role of the community in direct funding of hands-on educational services declined commensurately.

Likewise, the early rise of Jewish day schools from the turn of the century through World War II was almost exclusively an Orthodox phenomenon. The fact that the Orthodox, too, were for all intents and purposes outside the realm of Federations and their funding precluded communal involvement in and support for this growing sector of Jewish education.

Thus, while there is a long tradition of communal support for Jewish education in this country going back at least a century, historically it was earmarked largely for such centralized functions as bureaus, communal schools, teachers' colleges and other institutions of higher education, rather than for direct hands-on provision of Jewish education to children in either supplementary or day schools.

### *Post-War Transformation*

It was only after World War II, the Holocaust, the establishment of the State of Israel, and the development of non-Orthodox (i.e., Conservative and communal) day schools; and especially after the 1960s, with its explosion of ethnic pride, the development of Jewish studies programs in many colleges and universities, the 1967 and 1973 wars, that Jewish education in all its wider manifestations became more acceptable and compelling as an object of large scale Jewish communal philanthropy. Again this phenomenon parallels the rise in Jewish particularism/neo-conservatism and the decline in Jewish universalism/liberalism; the greater feelngs of security and self-identity by American Jewry; and the diminution of some competing communal demands (hospitals, for example, in this period become increasingly government funded).

### *Contemporary Trends*

Reflecting the increased priority of Jewish education in Jewish communal funding, particularly in the post-'67 and post-'73 eras, we note, for example, that a total of $16.7 million was allocated by Federations to Jewish education in 1973, constituting some 21.4 percent of local allocations. A decade later, in 1984, Federations allocated a shade under $50 million to Jewish education, comprising 26 percent of total local allocations, the highest such figures on record. This increase constituted a 45 percent rise in allocations for Jewish education since 1980, as opposed to a 33 percent rise in allocations for other local services. To keep things in perspective, however, the Federation's contribution of $50 million to Jewish education still only covers about 10 percent of the estimated $500 million Jewish education annual tab.

Within the realm of Jewish education certain subtrends are apparent. For example, allocations to Jewish day schools in 1984 topped 50 percent of the Jewish education allocation, up from 44 percent just a few years earlier in 1977. Day schools are by now the largest single item of expenditure in the communal Jewish education budget. Yet, despite the fact that Federation funding for day schools is 50 percent of the local Jewish educational tab, it constitutes a mere 14 percent of day schools' total income,

hardly the panacea it is made out to be.

Funding for central agencies or bureaus of Jewish education, however, has remained fairly constant over the same period, fluctuating between 28 percent and 31 percent. The same is true for the minuscule percentage of Federation funding that goes to congregational schools, still barely 2 percent. However, Federation support for other kinds of schools, presumably communal supplementary schools, has declined noticeably from 13.5 percent in 1977 to 9.2 percent in 1984.

Even more noticeable and of concern is the decline from 8.5 percent in 1977 to 5.7 percent in 1984 of Federation support for institutions of higher learning. Among these are the very colleges whose mission it is to train Jewish educators, the lack of which is universally regarded as one of the most serious problems in Jewish education today. This trend may well turn out to be self-defeating.

### *Limits to Communal Funding and Counter Trend*

As previously mentioned, communal funding for Jewish education, expressed in either absolute dollar terms or as a percentage of total local allocations, has reached historic highs. However, a closer examination of the statistics will reveal the attainment of something of a plateau. The larger cities have remained about even in their funding for Jewish education for the last several years; only the small cities are recording percentages of about 30 percent of their local allocations for Jewish education, indicating perhaps a catch-up phenomenon taking place in these smaller communities, where in the past Jewish education — day schools, central agencies, or otherwise — may not have existed.

A number of limitations on Jewish communal philanthropy generally are taking hold that will prevent the overall Jewish philanthropic pie from expanding very much in the foreseeable future. Indeed, many of these same phenomena are affecting non-Jewish nonprofit institutions, which similarly are reaching maximal giving levels from their traditional sources. As a result, some of these organizations are turning not only to a more aggressive pursuit of competitive grant funds, but are also increasingly pursuing the option of entering profit-making businesses.

Among these trends are some generational ones, with the passing of an older generation of major givers and their replacement by a younger generation of largely professional and/or business people for whom Jewish philanthropy is only one aspect of their lives. The Yuppie generation is certainly not known for forgoing its personal pleasures for the overall communal good. Furthermore, the general course of assimilation and intermarriage further tends to dilute the Jewish community and its commitment toward communal institutions, particularly those of a particularistic nature such as Jewish education.

Other demographic factors: Due to a low birth rate there are fewer Jews, they are more spread out, have a less solid Jewish identity, and are older and increasingly in need of more services from the community, rather than being able to provide the wherewithal to it. Furthermore, Federations, as they become more cognizant of these trends, are becoming more zealous about centralizing Jewish philanthropy, leaving less independent money available.

In general, the cornering by any one sector of Jewish philanthropy of 25 percent of the total local allocation dollar, such as Jewish education has done, is very unusual, and is bound to spark forces vigorously competing for that same nongrowth pie.

Among these countervailing forces are overseas demands, particularly those of Israel. Given Israel's economic situation, these claims are not likely to diminish in the foreseeable future. On the local level, the sheer growth of the Jewish senior citizen population will give impetus to demands for more services for the aging, while the needs of families (single parent or otherwise) are also beginning to be more strongly felt.

Within Jewish education itself, demographic trends are taking their toll. The aging of the population and the low birthrate mean fewer children available for Jewish

education. Indeed, we have already witnessed a precipitous decline in enrollment. Whereas twenty years ago there were some 600,000 children in Jewish schools in the United States, today there are only 350,000. Even in such former growth areas as day schools, the 100,000 figure that was accepted for many years has been replaced by 90,000.

In Philadelphia, for example, a community of close to 300,000 Jews, all five Federation-funded day schools together have a static or declining enrollment, from elementary through high school, of some 1,400, less than 10 percent of the 15,000 children enrolled in any form of Jewish education in the community, itself a relatively low figure.

Finally, Jewish communal funding, like any form of public funding, goes through cycles and fads. Some things are "in" for a while, only to be overtaken by other, newer "in" priorities. Jewish education may well be near or at this point now, with urgent local and overseas needs regaining the upper hand in the coming decade.

## NON-COMMUNAL SUPPORT FOR JEWISH EDUCATION

### Training (Jewish) Sources: The Limits of Private Philanthropy

#### *Individual Donors*

Historically, there has been a long tradition of major donors for Jewish educational institutions in the United States. Some of the oldest major benefactions took place in Philadelphia, where Judah Touro of New Orleans left a bequest of $20,000 to the Hebrew Education Society in 1854. Hyman Gratz left his entire estate, valued at over $160,000, in trust to establish Gratz College in 1856; Moses Aaron Dropsie, when he died in 1905, left his estate, worth some $500,000, to establish Dropsie College.

While there continue to be major donors at all levels of Jewish educational endeavor, they are increasingly scarce and are generally of an older generation of philanthropists that is dying out. Such rare individuals as Joseph Gruss in New York are the exception that proves the rule. Sociodemographic changes resulting in the decline of the Jewish entrepreneurial class and the rise of the Jewish professional class undergird this phenomenon. Those major donors who are still left are generally zealously guarded by Federations. Furthermore, as a rule, the traditional major donor has not been a principal source for ongoing operating funds for Jewish education, but rather for capital projects, which are of less import in a period of consolidation.

It has been argued that a resurgence of Jewish entrepreneurial spirit has resulted in the rise of a new, albeit small, superaffluent Jewish business elite in the United States, which will offset the passing of the old-time major givers. While a hopeful development, it is by now means as yet clear that these individuals are commensurately philanthropic, Jewishly or generally, let alone interested in Jewish education.

Likewise, it has been asserted that the recent significant growth in Federation endowment funds — either unrestricted, from which discretionary grants can be obtained, or restricted, earmarked for specific purposes, such as Jewish education — will offset any decline in regular funding and/or insulate Jewish education from the vagaries of the funding process. While the expansion of these endowment funds is a positive development in Jewish philanthropy, whether or not they will have a major impact on Jewish education remains to be seen. Insofar as their income is discretionary, the distribution is dependent upon the same community process, prioritization and people as regular, campaign income. Insofar as they become earmarked, their donors are influenced by communal needs as perceived by Federations. In either case, they are not necessarily or solely for the benefit of Jewish education.

#### *Congregational and Other Religious Bodies*

Classically, congregations and their denominational bodies provided the principal funding for the most prevalent form of Jewish education, the congregational afternoon and/or Sunday School. With both school en-

rollment and membership drastically down from their heyday in the '50s and '60s, many congregations and their respective denominational bodies are finding it increasingly difficult to support individual schools. As a result, schools are often eliminated, consolidated, regionalized, or otherwise restructured to be more efficient. As mentioned previously, a small percentage of Federation funding is now being funneled to congregational schools, albeit usually indirectly under the guise of regional schools or via the good offices of the local bureau of Jewish education. Given the fiscal problems of congregations and their denominational bodies these days, then, major increases in funding for Jewish education from this source are unlikely at best.

### *Tuition/Parents*

Whereas tuition has traditionally been a minor source of support for supplementary schools, tuition has been the principal (60 percent) of day school income. While there may be room for selective increases in some instances, here, too, we have largely reached the outer limits of the ability of most parents to afford day school education. Day school tuition, it is said, has become an effective form of birth control, keeping families small so that they can afford such tuitions. No major increases from this sector are to be anticipated.

### *Traditional Fund Raising Techniques*

The traditional fund raising techniques on behalf of day schools — dinners, and books, raffles, solicitations, comprise some 27 percent of day school budgets. Given the circumscribed constituency with which they work; the volunteer and professional resources at their beck and call; and their utilization of virtually every known scheme of small scale fund raising known to man, this source is unlikely to be a major one for new funding.

### *General (non-Jewish) Sources: Learning the Art of Grantsmanship*

If Jewish philanthropy in general is reaching its outer limits; if Jewish education is riding a crest of communal funding that is neither permanent nor sufficient, and if traditional private Jewish sources of funding are unlikely to yield major increases, then Jewish education is facing hard times. If Jewish education is to survive and thrive in this country it must come up with new, nontraditional, alternative strategies and sources of funding outside the Jewish community. The key to tapping these sources is mastering the art of grantsmanship.

A few caveats are in order. Grants will provide a long-term or permanent substitute for the bread and butter costs of operating the Jewish educational enterprise: staff salaries, plant maintenance, supplies, etc. But they do offer an opportunity to unlock hitherto untapped funds for a wide variety of programs, activities, facilities, equipment, conferences, publications, consortial relationships, continuing professional education for staff and a whole host of other expenses which can enrich and strengthen the Jewish educational enterprise. In short, they are the principal potential source for creative new ideas and programs, the seed money, the venture capital for Jewish education in a period of constricting Jewish communal funds.

Just as Jewish educators and educational institutions do not know much about these sources and how to tap them, likewise these sources have had very little experience with Jewish education and may well view it as a legitimate new area of operation for their philanthropy.

These sources break down into three general areas: foundations, corporations and government agencies. In the last area some institutions, particularly day schools, may have some experience in terms of federal, state or local programs for such costs as lunches, transportation, books or mandated services, be they clerical, health, instructional (special education, the gifted), psychological or otherwise. This has remained a very small proportion of day school budgets. Yet it has caused considerable controversy within the Jewish community as to the propriety and constitutionality for ongoing costs.

What is being referred to here, however, are special one-time programs, equipment and/or facilities-oriented grants, which are generally offered on a competitive basis by either government agencies, foundations, or corporations.

Such grants would certainly raise no question of constitutionality in the case of the latter two types of funding sources, as both foundations and corporations are private sources. It does, however, raise the question as to why such non-Jewish funding sources would be interested in supporting Jewish education in the first place.

There may be a number of mixed motivations. One might be a desire to present a balanced array of funding recipients, i.e., Jewish as well as Christian and nonsectarian charitable organizations. This is particulaly true of community-based foundations, which usually bear the name of the city and whose very mandate is to serve the broad community. But it is also operative with general purpose and corporate foundations, particularly those which are based in the city or state where the applicant organization is located.

Another powerful motivation for funding sources is their desire to broaden the scope of their philanthropy and to change the recipient mix from time to time in order to respond to increasingly frequent criticisms of American philanthropy as being conservative, inbred, and closed to new beneficiary organizations. Such criticisms have raised the specter of increased government regulation of foundations, which they regard with dread.

Yet another motivation would be to support legitimately innovative and creative ideas in the private — in this case, Jewish — sector that may well be applicable and replicable in other spheres of education. For example, Jewish education, day schools in particular, have long been involved in bilingual education, now the subject of much public debate and controversy. If the experience with Hebrew has largely been successful, more so than the Spanish or other languages, then it may well prove instructive to the educational community at large, and can legitimately be portrayed as such to and by a general funding source interested in education. Similarly, values oriented education has been the mainstay of Jewish education since its very inception. And yet only now are such questions at the forefront of educational discussion in America, as are the questions of excellence and achievement orientation, long a central focus of Jewish education. Thus, each of these areas may well be the subject of grants applied for by various Jewish educational institutions.

On the debit side, Jewish education has been woefully deficient in the use of technology, particularly computers, and in development of programs for the learning disabled, handicapped and gifted. In these areas there may well be a positive reception to requests for funding.

The Jewish educational community has also been subject to various pressures for consolidation of schools, and has undertaken various consortial arrangements and the like, which developments parallel what is going on in public and private education, which have been subject to the same declining demographic statistics. Experimental and innovative programs in the area of consortial relations and joint programming, might well find a receptive ear among general funding sources, as they seek to stimulate a higher level of efficiency and effectiveness in education.

Another major focus in the general educational community today is cooperation between different levels of schools — elementary, high school and college — and between business and the educational community. There is no reason why these same concerns cannot be addressed by the Jewish educational community and appropriate funding sought from general sources.

Many other special programs undertaken in Jewish education could well be funded by outside sources if appropriately portrayed. Let us not forget that Jewish education, in addition to involving values and language instruction, also includes international education (Israel, the Middle East, the Holocaust, etc.), a major concern of a recent presidential commission.

Likewise, conferences and other special

activities as well as continuing education programs for faculty and administrators could be encompassed under grant funding. Libraries, museums and other resource collections of Jewish educational institutions are susceptible to grant funds, as are various types of adminstrative improvements.

The aggressive and creative approach to grantsmanship being advocated here as a complement to more traditional communal funding sources is applicable to every level of Jewish education, from elementary school through graduate school. By way of illustration, Gratz College has in the last year or so garnered more than a half million dollars in grants from major foundations and corporations to finance such diverse programs as a Visiting Distinguished Professor in the Humanities, the computerization of its vast music library, acquisition of computers and other library equipment, the establishment of its first professionally staffed development office, the launching of the first and only formal training program for Judaica librarians in the country, and the celebration of its 90th anniversary via the mounting of a museum exhibit on the history of Jewish education in America. It is also in the process of tapping such sources to help pay for its relocation to a new 30-acre campus and the renovation of existing and the construction of new facilities on the site, as well as for academic programs.

While still largely dependent on Jewish communal (i.e., Federation) support, Gratz has reduced this dependency from nearly 75 percent to about 60 percent of its budget by increasing the proportion of funding received from other traditional (Jewish) sources and especially from general, non-Jewish sources. Other Jewish educational institutions may be well advised to begin to learn the art of grantsmanship, if they have not already done so, in order to be able to broaden their base of funding as the Jewish communal dollar constricts.