

The Jewish Agency for Israel: *Budget Shortfalls and the Impact on Our Work*

A Jewish Agency Memo

December 2009



הסוכנות היהודית לארץ ישראל
Jewish Agency for Israel

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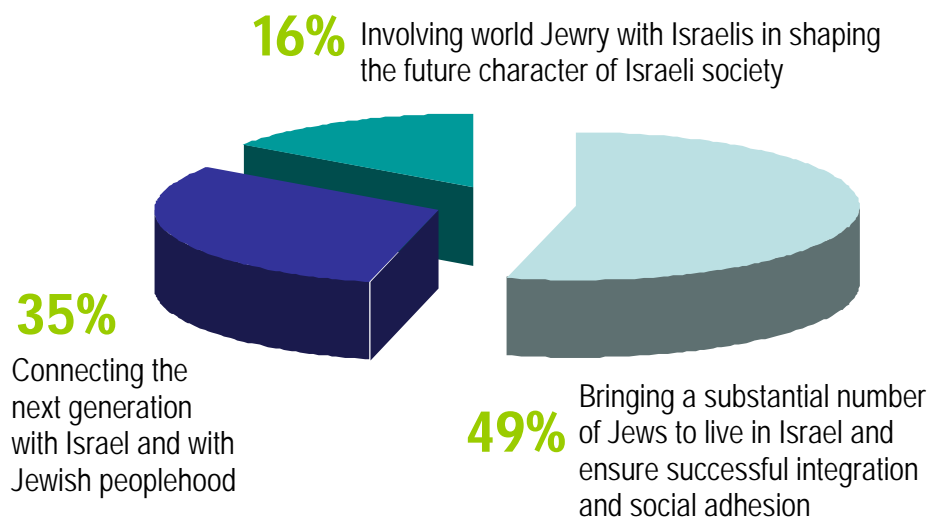
The Jewish Agency for Israel: *Budget Shortfalls and the Impact on Our Work*

For eighty years, the Jewish Agency has convened the Jewish people in an unparalleled partnership with a singular purpose: ensuring the Jewish future with a strong Israel at its heart. Together, we have built the State of Israel, bringing over three million Jews home, transformed deserts into communities, and offered opportunity where there was once devastation.

It is the donors, partners, and philanthropists around the world who join our efforts through both undesignated and designated funding and enabling us to make a difference. In Israel and around the world, we are able to be the Jewish world's representatives as we implement strategic activities, leverage other funds raised, operate at capacity, and respond to rapidly changing realities and emerging situations.

But increasing needs in Israel and throughout the global community mean serious and critical decisions must be made. With fluctuating dollar versus shekel rates, worldwide financial instability, and a growing economic crisis, our financial ability to carry out our core activities is at risk—more than two million Jews in eighty different countries might not receive the services and care on which they have come to rely.

Our goal is to do our work in the most professional manner possible and to continue reaching those who need our support and assistance. As we divide our undesignated dollars among three primary areas of activity, the current fiscal realities leave us to make tough choices. Which program areas can withstand substantial financial shortfalls? Which beneficiaries can we leave without our assistance?



Reductions to the Regular Budget: Where they hit hardest

With an ongoing commitment to efficiency and budgetary controls, we have made \$73.4 million in budget cuts to cover existing deficits. Simultaneously, we are continuing to streamline processes, improve working procedures, and centralize our work force. Nevertheless, the budgetary threats to our primary activities are greater than ever and too many of our beneficiaries are being left without the support they rely on each day.

2009 Budget Reductions

\$73.4 million in budget cuts

In order to maintain budgetary balance, we have further slashed expenditures in 2009.

Cuts in U.S. \$/in millions

Structural changes & overhead reductions	-\$13.2
Savings through JAFI subsidiaries	-\$2.0
Program Cuts	-\$44.4
STRENGTHENING ISRAEL through immigration and absorption	-\$26.7
PARTNERING WITH ISRAELIS to effect transformative change	-\$4.5
CONNECTING NEXT GENERATION with Israel and peoplehood	-\$3.3
JAFI-wide programs	-\$2.5
Net exchange rate effect	-\$10.8
Other adjustments	-\$3.0

We continue to make major reductions in personnel and as you can see from the facing charts, administrative cuts have been just as deep.

We are now implementing changes to our organizational structure to not only reduce costs further but to increase efficiencies by centralizing key functions.

While we continue to make every effort to minimize the negative fallout on our beneficiaries, unfortunately, we have also had to make major reductions in essential programs in order to be able to responsibly manage these financial realities.

Employee Reduction



11% reduction in personnel; **20%** since 2006

Administrative Cuts



\$13.2 million in administrative budget cuts in 2009, \$18.9 cut since 2006

It is in these times of unprecedented fiscal hardship, when our beneficiaries rely on us more than usual, that we need to maintain operative levels of funding. With every shortfall, another person will be deprived of the services and programs that they need to alleviate their hardships or to cement their connection to the land and people of Israel.

As we continue our work despite limited resources, we are aware of additional critical decisions that must be made. We implement those decisions with full transparency, but as we face these challenging times, we must remember that with **every dollar that is withdrawn from the budget, individuals and communities are left behind as services and programs are reduced. As we set priorities and make critical choices, we would like to share with you just a few of the harsh dilemmas we face in confronting these realities.**

Informal Jewish Education in the former Soviet Union (FSU): Every year the Jewish Agency is actively involved in operating Jewish youth clubs throughout the FSU. The clubs engage more than 20,000 Jewish youngsters, some for the first time, with their Jewish community, Jewish tradition and their connection with Israel. This network serves as an essential operational base for recruiting young Jews to Jewish summer camps and continuing programming throughout the year.

During the summer of 2009, over 5,000 Jewish youth participated in a 7-10 day summer camp. In 2006, 13,000 youth were able to join this unique Jewish identity experience, but the devaluation of the dollar combined with reduced funding from our donors meant that we have been implementing camp for fewer youngsters each year. The camping program serves as a critical step for these youngsters to embark on a journey of discovery of Jewish identity by connecting them to an Israel-centered experience. Many of the young people continue their personal involvement in the camping experience from year to year and eventually become counselors in the camps and enter Jewish leadership training programs. Eventually a significant portion of camp alumni enroll in MASA programs and other Israel education experiences. The youth clubs are a vital base of operations in committing Jewish youth to their heritage and their connection with Israel. Without the youth clubs, the Jewish camping program in the FSU would be unable to attract significant numbers of participants.

A budgetary reduction of \$1 million would close all the youth clubs and would jeopardize the Jewish camping program in the former Soviet Union.

MASA: The flagship educational program of the Jewish Agency seeks to recruit thousands of young Jews from abroad into meaningful long term (5-12 months) programs in Israel. The program has become a major vehicle in strengthening Jewish identity and community involvement while returning young people to their Jewish roots. During the current Jewish calendar year 9,000 participants from all over the world are actively involved in the program. The average amount of scholarships extended to MASA participants is \$5,000; half this amount must be raised by the Jewish Agency and the other half is matched dollar for dollar by the Government of Israel.

1000 young people from Jewish communities all over the world will be prevented from experiencing MASA programs in Israel if there is a \$2.5 million budget cutback.

Young Emissaries (shlichim): During 2009, thousands of elementary and high school aged children and their families benefitted from the formal and informal educational efforts of 100 young emissaries dispatched by the Jewish Agency to different communities throughout the world. These committed young people work daily to strengthen Jewish ties to Israel in different communal venues including community centers, synagogues, day and supplementary schools, and university and college campuses. Through their activities they become an important resource for Jewish identity for those they come in contact with and the entire community. The funding of each young emissary is shared by the Jewish Agency and the community where he/she works. The Jewish Agency covers the costs of all expenses associated with recruitment, training, assignment of the emissary to the community, as well as providing support during the period of service. The Jewish Agency also gives special additional support for emissaries going to communities lacking financial resources.

Applying a \$1 million reduction to the Young Emissaries program would deprive thousands of youth of the opportunity to make a personal link with the 100 motivated young Israelis who would not be placed in Jewish communities throughout the world.

Absorption Centers: Absorption Centers are playing a major role in the integration of Israel's newest citizens. As a first address in Israel these institutions provide the immigrant with housing, Hebrew language Ulpan, and a professional staff dedicated to their wellbeing and advancement as fully contributing members of Israeli society. For some of the most vulnerable immigrants, arrival in Israel is fraught with social challenges; with limited resources and personal property, these immigrants rely on the absorption center and its staff for support and assistance as they transition to their new lives. Lone immigrant soldiers, students, and families from countries of distress all view the absorption center as their primary tool for adjustment – not just a home, but also a caring family and a comprehensively supportive environment.

Reducing the budget by \$4 million would assist in balancing the Jewish Agency's budget – but at the cost of having to close all of the absorption centers that it funds and operates. This will jeopardize the successful integration of over 5,000 newcomers from fifteen countries around the world, excluding Ethiopia.

Integration of Newcomers from Ethiopia: The successful integration of Ethiopian immigrants is important not only for the newcomers themselves but also for the fabric of Israeli society. The Jewish Agency operates absorption centers for Ethiopians co-funded by the Government of Israel. More than 85,000 Ethiopian immigrants have come to Israel since the founding of the state – taking a four-hour plane ride that brings them to a world 400 years ahead of the environment they know. Pending government decisions, we expect an approximate 1,500 additional Ethiopian immigrants in the coming years. For all these newcomers, it is the Jewish Agency's special services that support successful integration, including: educational enrichment for children from Ethiopia to assist them in bridging their educational and developmental gaps; translation and acculturation services for families in absorption centers; special emergency financial aid to pay for unexpected health problems, including dental care and eye glasses which are not covered by national health services.

Two Ethiopian absorption centers, housing nearly 250 immigrants each, would be closed if a \$3 million budgetary reduction were to be implemented. Similarly, all support services for these immigrants would be discontinued.

Immigration from the FSU: Currently about 800,000 people who qualify for immigration to Israel under the Law of Return are living in the former Soviet Union. The Jewish Agency has allocated major resources in providing this population with information about life and living opportunities in Israel. It also assists by participating in funding absorption grants for those who have made the move to Israel. And as the political climate in the FSU is constantly changing, our presence and professionalism in the field allow us to respond in times of crisis—to be “on-call” and ever-ready in emergency situations to provide relief and rescue for those in need.

Responding to declining revenues with a budget cutback of \$10 million would terminate the existence of the Jewish Agency delegation working to encourage immigration in the FSU and seriously jeopardize both the continuation of immigration from this area of the world and the Jewish Agency’s ability to respond when calamity strikes.

Youth Aliyah Villages: For 1,000 youngsters, the Jewish Agency’s network of four Youth Aliyah villages, Ramat Hadassah, Ben Yakir, Kiryat Yearim, and Hadassah Neurim, are the only educational and social settings in which they can succeed and thrive. It is in these residential educational facilities that these youth receive the scholastic support they need to grow to be independent, contributing members of Israeli society. Residence in Youth Aliyah villages provides these young people with an escape from dysfunctional families and weak socioeconomic conditions, and allows them to benefit from professional help in overcoming behavioral issues that sometimes put the entire family in peril. Many are newcomers to Israel coming from countries of distress including Ethiopia and underdeveloped areas of the FSU. Their upbringing and home environment have caused many of the villages’ students to suffer from low scholastic achievement as well as emotional and behavioral problems.

The villages provide a unique nurturing social and educational setting. The child is given an opportunity to overcome his/her educational and emotional problems and fully integrate into the next framework in his life, whether it is into a regular high school, the army or living independently in his/her community. Graduates of Youth Aliyah villages have proved the success of the program: integrating into Israeli society, demonstrating normative behavior, and completing academic degrees. By working together with its international and Israeli philanthropic partners the Jewish Agency’s investment in these villages has been maintained at high levels and the results are quite obvious.

Cutting Jewish Agency expenditures by \$6.5 million will shut the doors of all Jewish Agency Youth Aliyah villages. For more than 1,000 students, there will be no supportive educational setting in which they can learn and live. This loss would yield a total shortfall of \$13 million because of the withdrawal of matching funds invested by the Jewish Agency’s partners to this program.

Youth Futures: Youth Futures is an innovative program dedicated to provide youth at risk, living in the most disadvantaged regions of the country, with an equal opportunity to succeed in life and to realize their personal potential. The program is aimed at youth, ages 8-18, building their motivation, self-esteem, and personal capabilities. It creates an atmosphere that allows the young participants to improve scholastic achievement, amend their home environment, and adapt to their family life. The program works with all the elements that surround the child: schools, social services, parents, and non-formal educational frameworks. The program activates hundreds of "Trustees" (mentors) who become part of the youngster's life and serve as a positive role model. Each of the Trustees works with up to 15 youth, each coming from very difficult family and environmental circumstances. First the Trustee learns the individuals' background including all his/her strengths and weaknesses. Trustees then develop a work plan together with the youngster, teachers, and social service providers. Over the course of the three-year program, Trustees have daily contact with their charges and are involved in every aspect of the youngster's life. Youth Futures currently reaches 7,000 youth at risk and their families. The program is creating opportunity for growth and excellence for youth in Israel's geographical and social periphery and is an important step for real positive change throughout Israel.

Closing down this program would save the Jewish Agency \$4.2 million. Because the Jewish Agency has leveraged the program with funding from other sources, the total amount of funding put at risk would be \$11.4 million. Meanwhile 7,000 youngsters, at a pivotal point in their lives, would remain at risk.

Conclusion

As all our donors cope with fiscal instability and Jewish communities worldwide face growing needs, stark choices face us all. The Jewish Agency has been dealing with these challenges over the past few years, and continues to do so. With the full involvement of our governing bodies, we have made difficult and sometimes painful decisions – thoughtful evaluation of strategic priorities; restructuring of administrative functions to enhance efficiency and responsiveness, coupled with ongoing and drastic cuts to overhead costs; and where necessary, reduction or elimination of programs.

Today, the Jewish Agency is again embarked on a review of its strategic directions. But this much is already clear – the future of the world Jewish community depends on strengthening the bonds between the Diaspora and Israel, especially among the young. Without a commitment to Jewish peoplehood, the concept of “Kol Yisrael Areivim Zeh LaZeh” – the mutual responsibility of every Jew for every other— will inevitably shrivel over time. Dealing urgently with this challenge, and with the accompanying need of enhancing the social fabric of Israel as a global Jewish goal, has motivated the Jewish Agency and its funding partners over eight decades. It cannot be put on the back burner.

The Jewish Agency will continue to operate with transparency and financial prudence. It will set its priorities in the interests of world Jewry. But it cannot spend what it does not have. As has been shown above, budget reductions have real consequences for real people and for our collective Jewish future. This is why our worldwide partners have shown their longstanding commitment to the Jewish Agency. The urgency is certainly no less today.

