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Elite Philanthropy in Israel: Characteristics, Motives and Patterns of Contribution

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Introduction

The article aims to describe and analyze the phenomenon of elite philanthropy and public attitudes toward elite philanthropy in Israel. Philanthropy in general and elite philanthropy in particular are not a new phenomenon on the Israeli scene (Haski-Leventhal & Kabalo, 2009). Philanthropy is a time-honored phenomenon in Jewish society, and the concept of charity (*tzedaka*) is deeply rooted in Jewish tradition. Before the establishment of the State of Israel in 1948, Diaspora Jewish communities made donations to the residents of the Old *Yishuv* (the Jewish community that lived in the Land of Israel, from the destruction of the Second Temple in 70 CE to the First major wave of immigration to the Land of Israel in 1881). Those donations were part of the economy of distribution that existed among the residents of the Old *Yishuv* (Bartal, 2004; Friedman, 2000; Rothschild, 1969). In that economy, the residents of the Old *Yishuv* viewed themselves as an elite group which was supported by Diaspora Jewry in exchange for dedicating their lives to Torah study and prayer in the Holy Land. Those residents assumed that there would be a constant flow of funding from the Diaspora to the Old *Yishuv* as part of the mutual dependency between the two communities. The welfare and existence of Diaspora Jewry was influenced by Torah study and by the prayers of the residents of the four holy cities of Safed, Jerusalem, Tiberias, and Hebron.

From the middle of the 19th century to the beginning of the 20th century, changes began to take place in the characteristics of philanthropy among the Jewish residents of Eretz Israel and the charitable contributions provided by the Jewish communities in Europe. Instead of allocating donations to *Kollel yeshivas* in the Old *Yishuv*, the donations began to focus on productive economic development of the land, and on goals that were identified with the idea of national revival and the Zionist

Movement. The activities of wealthy barons such as Moses Montefiore (Bartal, 1984) and Baron Edmond de Rothschild (Mordechai, 1986) were part of that trend. During the periods of Montefiore (1827-1875) and de Rothschild (1881-1923), philanthropic activities in Eretz Israel no longer focused on charity and support for the poor. During that period, philanthropic donations also played a role in the development of employment and industry among the population living of the Land of Israel. Later, when the State of Israel was established and in the years that followed, donations from Diaspora Jewry played a significant role in financing the processes of development, and they met with ambivalent responses from the Zionist institutions (Stock, 1987). On the one hand, the Zionist establishment expressed criticism and scorn about the dependence on donations from abroad, and there was general criticism about the Diaspora culture of *schnorring*, or asking for handouts, when the Jewish residents of the land sought to create an image of an independent and productive people that does not rely on those handouts. On the other hand, funding from Diaspora Jewish communities played a major role in allowing the Zionist *Yishuv* to attain its goals (Berkowitz, 1996). During that period, the philanthropic relationships that ensued, like the relationships between residents of the land and Diaspora Jewry were exchange relations. Both sides actively contributed to promoting the existence of the Jewish State: one side contributed through its daily life and existential struggle in the land, while the other side made financial contributions.

Over the years, various entities were developed for fundraising and donations to the Jewish State. The most important entities were the national institutions (*Keren Kayameth* – the Jewish National Fund and *Keren Yayesod* – the United Israel Appeal), the Jewish organizations (the Joint Distribution Committee and Hadassah Women's Organization), and the United Jewish Appeal. Thus, until the major financial crisis in

2008-09, the past few decades have witnessed the emergence of numerous independent funds. In addition, family-based and public associations have raised donations, mediated, and channeled funds to social programs and other projects. Concomitantly, there has been an increase in the number of organizations, nonprofit institutions, and foreign foundations that operate in Israel. There has also been an increase in the number of Israeli philanthropists who engage in philanthropic activity aimed at supplementing the social programs offered by the government and improving the well-being and quality of life for various populations in Israeli society. Today, most Israeli philanthropists operate through private funds and associations (Rudich, 2007).

Private elite philanthropy in Israel involves a mixture of veteran philanthropists and "new philanthropists". The veteran philanthropists are from families and social networks whose motives are ideological, moral, emotional, spontaneous, and romantic. Their activity is based on the premises of charity, altruism, and help for disadvantaged populations. The new philanthropists, in contrast, are mainly people who made their fortunes in the electronic and high-tech industries, and who perceive themselves as investing in an effort to influence social and political processes. They are more involved in society, and they expect a proportional return on their investment (Shimoni, 2008). The phenomenon of elite philanthropy has been examined only partially by a few researchers (Shimoni, 2008; Silver, 2008), who have focused on the characteristics and ideology of those philanthropists and on their relationships with the government. However, public attitudes toward philanthropy in general and elite philanthropy in particular have not been examined to date. In an attempt to fill the gap in systematic knowledge and information on the topic, the present survey examined the phenomenon of elite philanthropy, the sociodemographic

characteristics of elite philanthropists, their motives for giving, the scope of their donations, and their preferred areas of interest for donations, as well as the perceived impact of those philanthropists on promoting social programs and initiatives. The survey also examined public attitudes toward philanthropic activities, and public perceptions of the philanthropists' motives for giving donations. In addition, the survey examined the extent to which those donations affect social and political processes in Israel.

Elite Philanthropy

The philanthropic act of giving has been defined by O'Herlihy and Schervish (2006) as a gift that is formally or informally granted to nonprofit organizations or individuals, such as gifts or goods that are provided directly or as contributions from the donor's estate. According to O'Herlihy and Schervish (2006), private donors give most of their donations to nonprofit organizations. In the United States, 76% of all grants to charitable organizations in 2001 derived from private contributions, and only 7.7% were from estates. Breeze (2009) found that in England, most of the mega-donations exceeding £ 1 million were provided by private donors. In 2006-2007, 53% of the donations exceeding £ 1 million and all of the donations exceeding £100 million were provided by private donors (Breeze, 2009). The importance of private donations, rhetorically or in practice, is reflected in the donors' view that personal philanthropy is different from business philanthropy (Silver, 2008). The characteristics of elite philanthropy can be distinguished from those of private philanthropy in general. Elite philanthropy is a unique sub-group, which includes different types of new philanthropy. It has also been referred to as strategic, task-oriented philanthropy, and as philanthropy that aims to be effective, influential, entrepreneurial, and leverage-oriented (Katz, 2005). The different streams of elite

philanthropy are characterized by specific channels of donations such as foundations, personal contributions, and business contributions (O'Herlihy & Schervish, 2006).

Elite philanthropy can be defined on the basis of two main dimensions: the donor's estimated income or capital; and the scope of the donor's philanthropic activity. According to Rooney and Frederick (2007), elite philanthropy relates to the population of households whose net worth is one million dollars or more, or whose annual income is over $200,000. Rooney and Frederick (2007) have identified sub-categories of elite philanthropists: very wealthy philanthropists, bequeathers, devout philanthropists, secular philanthropists, entrepreneurs, strategic philanthropists, and "others". The mega-donor or high-net-worth donor can make donations as an individual in his lifetime or after his death (in his estate). Donations can be made through the establishment of foundations, through business firms, or through the establishment of community funds, donor advised funds, split interest funds, and in other ways (Rudich, 2007; Tobin & Weinberg, 2007). Elite philanthropy represents a combination of three components: mega-donations, volunteer activity, and an umbrella framework of organizations that receive donations (e.g., non-profit organizations). As such, elite philanthropy is a social and cultural framework for mega-donors, and it includes activists that seek to preserve the donor's role, status, and identity. By nature, elite philanthropy is institutional, and it encompasses foundations, public interest companies, and member organizations. It includes financial support, as well as volunteer activity and participation in decision-making processes (Rudich, 2007).

In terms of the scope of philanthropic activity, Tobin and Weinberg (2007) have defined elite philanthropy as mega-donations ranging from 1 million to 10 million dollars. In addition, the scope of their contributions by private philanthropists

is greater than those of regular philanthropists. For example, O'Herlihy and Schervish (2006) found that elite donors contributed a larger share of their income than did donors who are not wealthy. Specifically, whereas most philanthropists donate about 2%-3% of their income, wealthier households donate about 4.4% of their income (about 37% of all contributions in cumulative terms). Another interesting finding is that the lion's share of elite donations derives from acquired capital and not from inherited capital (O'Herlihy & Schervish, 2006). Rooney and Frederick (2007) also found that the larger the amount of existing capital, the higher donations are. According to those researchers, the wealthiest donors contribute 10 times more than those with capital ranging from 10-50 million dollars, and 50 times more than those with capital ranging from 1-10 million dollars (Rooney & Frederick, 2007). The growth of an elite group of philanthropists is part of a series of changes that have been taking place in the Western world, e.g., in the United States and Western European countries. Those changes have had a major, dramatic impact on third sector organizations, and have been reflected for the most part in the growing number of mega-grants, and in the increasing trend toward entrepreneurship among donors (Tobin & Weinberg, 2007). As for the situation in England, the amount of mega-grants in 2008 was significant. That year, about 30 of the wealthiest philanthropists in England made donations amounting to a total of £ 2.3 billion, and the large number of "8-digit" donations (£ 10 million to £ 99 million) was particularly noteworthy (Breeze, 2009).

This trend is also evident in Israel, where there have been changes and developments in the arena of elite philanthropy. In that context, there has been a new awakening, as evidenced in the emergence of a culture of giving among elite philanthropists (Shimoni, 2008; Silver, 2008). Silver (2008) found that fundraisers

have reported substantial changes in the culture of giving in Israel, where there has been a correspondence between the growing needs of the population and increased donations. In addition, awareness of these needs among elite philanthropists has been growing in light of changes in patterns of philanthropy abroad. For example, philanthropists abroad have placed preconditions on funding, so that there has been a decline in donations from abroad to Israel (Silver, 2008). Thus, the impact of Israeli philanthropy is significant, as reflected in the statistics of the Bank of Israel (2008), which reported that NIS 5 billion in donations are from foreign philanthropists, NIS 1.2 billion are from private Israeli donors, between NIS 8-9 billion are from Israeli foundations and businesses (partly cash, and partly the value volunteer hours in third sector organizations). In that way, Israeli philanthropy has established itself as one of the funding sources of the third sector in Israel (Schmid & Rudich, 2009). In addition, between 1996 and 2005, there was an increase of NIS 12.10 billion, which comprise 8.2% of all philanthropic donations to the third sector during that period. In 2008, it was reported that donations and philanthropy to third sector organizations comprised 18.4% of all donations from individuals and businesses, totaling NIS 18.69 billion. However, most of those donations were from abroad and not from Israeli philanthropists. In 2007, donations to Israel from abroad amounted to 2.438 billion dollars (Schmid & Rudich, 2009).

Elite Philanthropy: The New Philanthropy

One noteworthy characteristic of new elite philanthropy is the diversity of donors. New philanthropists engage in several activities besides raising donations. They provide management and marketing consultation, they are spokespersons for the

organizations that receive donations, they raise public awareness of the organizations' activities, and they engage in marketing and publicity about the organization's goals and the need for more philanthropists (Noonan & Rosqueta, 2008). New philanthropy includes a dimension of assertiveness and involvement of donors. A major manifestation of this dimension is the donors' increased demand for transparency and for reports from the organizations that receive contributions (Silver, 2008). This practice can be attributed, among other causes, to the donors' demand for knowledge and information about the activities of the third sector organizations. Noonan and Rosqueta (2008) found that lack of knowledge affects the activities of philanthropists. For example, "new philanthropy" earmarks donations for the establishment of new organizations, even when effective and efficient organizations that serve various target populations already exist in the same fields (Noonan & Rosqueta, 2008).

Another interesting phenomenon is the emergence of venture philanthropy. Venture philanthropy combines perceptions of investments that developed in high-tech industries during the 1990s on the one hand, and social change rhetoric that developed in the political arena on the other. This form of philanthropy enables donors to translate their contributions into social investments. However, the tools for measuring the social return on those investments are not clear-cut (Frumkin, 2003). In fact, there are those who argue that the venture philanthropy model has not led to a comprehensive change in the nature of private philanthropy (Moody, 2006). However, it should be noted that the perspective of contributions as social investments, which characterizes venture philanthropy, is different from the principles of good will and mutual trust that characterize private philanthropy in general (Rudich, 2007).

Venture philanthropists, who represent the new philanthropy and part of elite philanthropy, have established new philanthropic structures, and have raised funds for

existing institutions. Some of those philanthropists have established their own foundations, or they have established nonprofit organizations in which they are the sole or primary donors. They have also mobilized coalitions and partnerships of members and associations to engage in philanthropic projects that promote public welfare (Silver, 2008). That group consists of wealthy philanthropists, where 50% or more of their capital derives from venture capital investments. Those philanthropists contribute a higher share of donations (about 25% more) than other elite philanthropists, and they earmark their donations primarily to educational, environmental, and international organizations (Rooney & Frederick, 2007). Venture philanthropy is fashionable among elite donors, and reflects their attempt to apply venture capital techniques to the field of philanthropy. In that context, emphasis placed on the long-term development of beneficiaries of contributions in terms of their skills, infrastructure, social networks, and organizational abilities. In addition, those philanthropists set the goals, standards, and benchmarks for the organization's progress (Katz, 2005).

In Israel, there is a relatively new network of elite venture philanthropy, which bases its activities partly on inherited capital and partly on acquired capital. The main characteristics of those networks are willingness to devote time, personal skills, professional experience, leadership, and commitment – and not necessarily as an investment of a large amount of capital. These characteristics are evident in new foundations such as the Israel Venture Network (IVN), Israel Venture Partnership (IVP), and *Temura* (Shimoni, 2008; Silver, 2008), which represent a group of entrepreneurs who made their fortunes in high-tech and currently engage in philanthropic activity, in addition to supporting some partisan political and national activities. This group of philanthropists has a unique subculture, which characterizes

high-tech tycoons. They follow their own code, maintain mutual social and business relationships, and adhere to an ideology of skills and efficiency in management (Rudich, 2007; Silver, 2008). This kind of philanthropy has a rational and task-oriented dimension, and it symbolizes the main transition that has taken place in the field – a transition from emotional philanthropy to rational, task-oriented philanthropy (Shimoni, 2008), where donors attempt to influence Israeli society through their contributions.

Against that background, the present article seeks to describe and analyze the unique characteristics of elite philanthropy in Israel. Toward that end, it presents information on the incentives that motivate philanthropists to give, as well as the preferred areas of interest for contributions, estimates of the share of contributions out of philanthropic income and profits, and perceptions of the extent to which elite philanthropy influences various domains of life and society in Israel.

Literature Review

The literature presented here focuses on the topics that have been addressed in this article. These topics relate to existing research on philanthropists' motives for giving, preferred areas of interest for contributions, and size of donations, as well as to the philanthropists' perceptions of the effectiveness of their contributions and public attitudes toward philanthropy.

Philanthropists have numerous and diverse motives for giving, which range from ideological motives at one extreme to economic and utilitarian motives at the other extreme. The motive of altruism would be at the ideological extreme. Altruism is a multi-faceted concept, which is defined in different ways by different theorists and researchers. In studies dealing with motives for altruism, altruistic behavior has been defined as behavior that takes place in a social space, whose main objective is to

benefit others (Rushton, 1980). Consistent with that perspective, sociologists have adopted a definition of altruism as behavior that is based on motives which take the needs of others into consideration. In a similar vein, studies have found that a feeling of empathy and/or a pro-moral set of values are the main motives for making contributions. Accordingly, altruistic behavior can also derive from the existence of values and norms that encourage or prohibit certain behaviors (Bekkers, 2004; Krebs, cited in Schwartz, 2003; Piliavin & Charng, 1990). Alternatively, there is the perspective of economists, who emphasize the costs to the altruists rather than the motives for altruistic behavior, and the perspective of psychologists, who emphasize the intentions underlying the altruistic act and the benefits to those who engage in altruism (Piliavin & Charng, 1990). In that context, social learning theory offers a model for the emergence of altruism. According to that approach, socialization for altruism is achieved through sensitivity to social norms and through exposure to models of charity that encourage altruistic behavior (Piliavin & Charng, 1990). Altruistic motives embody "pure altruism", which derives from genuine concern and empathy for others without receiving anything in return. This situation also explains why philanthropists with those motives prefer to remain anonymous and do not want publicity. It also explains "normative altruism," which derives from behavior that conforms to accepted social norms of giving in the society where the donor lives and operates (Frumkin, 2006). The donor's identification with others is also perceived as a motive for philanthropic behavior (Martin, 1994; Schervish, 1995; Schervish, 2005; Schervish & Havens, 1997; Schervish, Oherlihy, & Havens, 2001). The basis for that approach is the ethic of identification proposed by Thomas Aquinas, which promotes the expansion of self-love to love for others by creating "relations of concern" between two parties (Schervish & Havens, 1997). Those relations are created as a

result of the identification of self-interests with the interests of others. The model of identification is characterized by four main variables that influence and promote philanthropic behavior: (1) formal and informal networks of relationships (Bekkers, 2005; Schervish & Havens, 1997; Wilhelm, Brown, Rooney, & Steinberg, 2002); (2) the individual's consciousness, which formulates priorities, value systems, a sense of belonging, giving, and involvement (Schervish & Havens, 1995, 1997); (3) direct requests for donation of time and resources, where exposure to a request for a contribution or volunteer activity encourages philanthropic behavior (Bekkers, 2004); (4) recollection and personal experience with philanthropy, which influence the scope and objectives of giving in the future (Schervish, 1995).

An important motive for philanthropy is the ethical, pro-social orientation that is reinforced by a feeling of community and the need to give the community and the collective some of the wealth that the individual has acquired with the help of the community members. A sense of community belonging is also accompanied by the motive that drives individuals with abundant resources to share some of their wealth with the society that has contributed to them by showing confidence in their talents and abilities. Returning wealth to society and society's acknowledgement of the contribution are factors that reinforce and encourage giving. Other factors that encourage donors to continue contributing to the community include publicity and disclosure of the contribution (Frumkin, 2006). The utilitarian aspect of philanthropy includes several motives related to giving. The first is defined as "social egoism", where the philanthropic act suffices to satisfy the donor's emotional and psychological needs without taking the purpose or goal of the contribution into consideration. Giving *per se* fulfills the donor's psychological need, where the "inner voice" that tells him to make the contribution suffices to give him satisfaction (Frumkin, 2006).

The economic and material rewards for the donation are another important motive for philanthropy. Economic theory assumes that the "economic man" behaves rationally, and seeks to attain personal gains from exchange relationships with others (individuals, groups, or communities). Exchange relations are motivated by consideration of the costs and benefits to the donor. The costs and benefits can be material or psychological, as reflected in strengthening one's social position by establishing connections with parties that influence decisions at the level of public affairs and business. The benefits can also be reflected by rewards such as expanding one's business and attaining prestige (Breeze, 2009; Cornes & Sandler, 1994; Rudich, 2007; Silver, 2008; Vesterlund, 2006). For these philanthropists, giving is a ticket to elite groups that enjoy social prestige, political power, and broad business connections. These connections, as well as associations with elite social groups, provide an incentive for giving because they not only bolster the philanthropist's ego but they also legitimize the association with a group that enjoys prestige, influence, and political connections (Glazer & Konard, 1996; Schervish, 1995, 1997). All of this generates organizational capital, which derives from the association with several wealthy people who have common personal and social motivations (Schervish, 1997).

The literature addresses factors that have a direct impact on the willingness of elite philanthropists to contribute and on the scope of their donations. The factors with the greatest impact on personal giving are personal characteristics and personality attributes of the donor such as age, gender, education, income, and marital status (Limor, 2008; Mesch, Rooney, Steinberg, & Denton, 2006; Bron & Ferris, 2007). Those studies have revealed that large, frequent contributions correlate positively with high income, extensive capital, extensive religious activity, active patterns of volunteering and are most prevalent among older, married persons with higher

education. However, the impact of variables such as gender, ethnic origin, and religion are difficult to measure. Those characteristics, in addition to external incentives and benefits, influence the scope, purpose, and target population of contributions.

Age. Studies have indicated that the scope and frequency of philanthropy activity increase steadily up to age 65, and even up to age 75, after which there is a decline. However, these findings are inconclusive. Some studies indicate that the scope of philanthropy is higher among younger groups (O'Herlihy & Schervish, 2006; Rooney, Steinberg, & Denton, 2006; Rudich, 2007). However, in Israel it has been found that the scope and frequency of donations reach a peak between the ages of 25 and 65, and afterwards there is a decline. About 69% of all adults aged 25-65 made contributions in 2007, compared with about 53% of those below age 24, and about 59% of those aged 65+ (Israel Central Bureau of Statistics, 2007). Studies have also revealed that people who made contributions in young adulthood continue to contribute in later life (Schervish, 1997).

Gender. Findings regarding the impact of gender on the scope and frequency of philanthropy are also inconclusive. O'Herlihy and Schervish (2006) found no difference between men and women in the frequency of contributions, whereas the scope of contributions was found to be greater for women. This finding has been attributed primarily to men's income advantage over women. According to O'Herlihy and Schervish (2006), when all of the variables that affect the frequency and scope of contributions are taken into account, gender does not play a significant role. Regarding the motives for philanthropy, Mesch, Rooney, Steinberg, and Denton (2006) found differences between men and women. Whereas women tend to contribute in order to promote social change or to help disadvantaged populations,

men tend to contribute in order to advance their status and prestige (Mesch et al. (2006). Brown and Rischall (2003) also found differences between men and women with regard to willingness to contribute, the purpose of contributions, and scope of contributions. In addition, those researchers found that men are more influenced by variables such as level of income and cost of the contribution, and they tend to donate to a small number of causes (Andreoni, Brown, & Rischall, 2003). The Israel Central Bureau of Statistics (2007) has revealed that in 2007, there was a difference in the scope of contributions provided by men and women in Israel. The largest contributions (above NIS 1,000) were provided by 18% of all men, compared with 9% of all women.

Marital status. Numerous studies have found that the philanthropist's marital status has a significant impact on the scope of contributions. Among married couples, the frequency and scope of contributions was found to be greater than among single persons, primarily because married couples have more shared capital and income than single persons. The social survey of the Israel Central Bureau of Statistics (2007) revealed that about 70% of all married persons made donations during the course of the year, compared with only 57% of all single persons. Mesch et al. (2006) also found that the higher frequency of contributions among married couples can be attributed to the influence of the wives, and that by nature women are more altruistic and encourage involvement in philanthropy. In addition, they claimed that altruistic characteristics and pro-social behavior are more developed among women; that women are more caring, extroverted, self-sacrificing, altruistic, and empathetic than men; and that the role norms and motives of women are oriented toward the benefit of others (Mesch et al., 2006).

Education. Higher education affects the tendency toward philanthropy and the extent of philanthropy. In a study conducted by O'Herlihy and Schervish (2006), 95% of the participants with higher education contributed to charitable causes, compared with 68% of those who were defined as lacking secondary education. The scope of contributions among people with higher education was found to be 2.5 times higher than among other those with lower levels of education (O'Herlihy & Schervish, 2006; Rooney et al., 2006; Rudich, 2007). In Israel, findings have revealed that the scope and frequency of philanthropy among people with higher education is greater than among those with lower levels of education. About 77% of the contributions in 2007 were from people with higher education. Of those, about 16% contributed over NIS 1,000 (Israel Central Bureau of Statistics, 2007).

Heritage / family history. A heritage based on family philanthropy is an incentive for making contributions, because it plays an educational role for the private donor (Independent Sector, 2002; Janoski & Wilson, 1995). Silver found that in Israel, heritage serves as an example for charity or for involvement in Zionist or Jewish community life. In that context, the impact of family capital on willingness to donate is less than the impact of education to give from a young age. Education for giving takes place in several settings, including the family, school, and youth groups. In addition, exposure to giving occurs during extended periods of residence abroad, or as a result of membership in international business or philanthropic networks. All of these factors promote giving and socialization for philanthropy (Shimoni, 2008; Silver, 2008). Moreover, the desire to establish a family heritage of giving in itself can lead to philanthropic activity. Rooney and Frederick (2007) found that very wealthy elite philanthropists contribute in order to serve as an example for their

children and others, and in order to bequeath a heritage of giving and benevolence to future generations.

Religion. Religiosity has also been found to affect philanthropic behavior (Frumkin, 2006; Katz & Haski-Leventhal, 2008). Rooney and Frederick (2007) define religious philanthropists as people who participate in religious ceremonies at least once a week, and who contribute to religious causes. Religiosity at least doubles the tendency to contribute to religious causes, whereas secular people tend to make contributions aimed at providing solutions to immediate problems (Brown & Ferris, 2007; Rooney & Frederick, 2007). In Israel, findings indicate that the scope of philanthropic activity is greatest in the ultra-Orthodox sector. About 87% of all ultra-Orthodox Jews made donations in 2007; of those, about 45% contributed over NIS 1,000. By comparison, 65% of the religious population made donations, and only 7% of those contributed over NIS 1,000. Notably, the distribution of contributions in the ultra-Orthodox and religious sectors was similar for organizations and private individuals. By contrast, the secular population channeled 80% of their contributions to organizations and institutions (Israel Central Bureau of Statistics, 2007). Religious organizational frameworks encourage giving and altruism. Those frameworks include institutions that religious people tend to be involved in such as synagogues, churches, *mikvas* [ritual baths], religious schools, *Hevruta* learning groups, and other learning groups. They encourage mutuality and recognize the moral commandment to help the needy and poor. Thus, findings indicate that education for giving begins in those frameworks and continues with contributions to broader social and community institutions (Schwartz & Howard, 1984; Wood & Houghland, 1990).

Factors that Encourage Philanthropy

Private philanthropy, which is based on the unique characteristics of each donor, is strongly influenced by general external factors and incentives that affect a person's willingness to contribute and the frequency of contributions.

Social capital. The nature of philanthropic activity is affected by the social capital and social networks of philanthropists, and has been defined as network-based social capital (Mesch et al., 2006). Social capital is defined as a set of networks in communities and social groups, where values of trust and mutuality serve as the basis for collective activity. Social capital plays a major role in promoting private philanthropy, because it encourages outputs, implementation, and productivity (Brown & Ferris, 2007). O'Herlihy and Schervish (2006) found that the beneficiaries of private donations can be predicted on the basis of the donors' membership in communities of participation, i.e., groups or organizations which the donor belongs to or is involved with in some way (O'Herlihy & Schervish, 2006). This is because philanthropists use their social capital in the process of making decisions about the purpose of their contributions. For example, donors rely on their colleagues for receipt of information about various causes and organizations. Essentially, donors receive most of their information about the recipients of contributions from networks of friends, colleagues, businesses, and above all from other philanthropists. The exchange of information among philanthropists serves a dual purpose: First, information about the purposes of contributions can be obtained from other philanthropists. Second, it enables philanthropists to ask each other questions and exchange ideas in a non-committal atmosphere, without the pressure of fundraising (Noonan & Rosqueta, 2008). Research has also indicated that the higher the donors' level of education, the broader their social networks. Hence, there is a positive correlation between social capital and elite philanthropy, as mentioned (O'Herlihy &

Schervish, 2006). Silver (2008) found that social capital among elite philanthropists in Israel affects decisions about contributions and the purposes of philanthropic activity. Silver (2008) revealed that there is a complex social network of wealthy philanthropists in Israel, which includes family relations, formal educational settings, friends from the army, and business partnerships. Notably, the contribution itself is a way of enhancing the donor's social capital. Hence there is a symbiotic relationship between philanthropic activity and the development of social capital.

Personal benefits. The rational approach of costs and benefits also appears to guide philanthropic behavior. Against that background, Vesterlund (2006) argued that there is a need to examine philanthropy in the same way as any other product. According to Vesterlund (2006), the scope and frequency of donations depend on the donor's level of income, on the costs of the donation, and on the benefits derived from it. The benefits of donations can be divided into two categories: public benefits to the donor and the environment; and personal benefits to the donor, which lead to the optimal contributions (Vesterlund, 2006). Personal benefits are enjoyed exclusively by the donor, and constitute the donor's reward for the donation. Giving is tantamount to purchasing a product, where the compensation is expressed in the personal benefits that the donor derives in exchange for the investment. In some cases the compensation is substantive, such as public recognition, letters of appreciation, updates about the donor's activities, letters of commendation, prestigious meals, and membership in an elite social club where the donor's membership are covered by the contribution (Vesterlund, 2006). In other cases the compensation is less substantive, such positive or negative influence on the philanthropist's reputation and business. Contributions can also be a legitimate way of displaying wealth and attaining social, commercial, and professional prestige. Moreover, by helping others the donor gains a sense of self

satisfaction, empowerment, and accomplishment in addition to promoting change (Breeze, 2009; Rudich, 2007; Silver, 2008; Vesterlund, 2006).

Tax benefits. The impact of tax benefits on philanthropy has been debated. The economic approach argues that people tend to contribute in accordance with the cost of the contribution, on the assumption that those people are rational and aim to maximize their economic benefits in terms of tax benefits. However, studies have shown that in practice, philanthropists do not know what tax benefits they are entitled to for the donation, although they know that in general the government will give them a tax benefit for their donation and they believe it is worthwhile for them economically. Because tax benefits are an incentive for philanthropy, government policy influences the scope and frequency of donations by determining the complexity of the processes involved in receiving those benefits and exemptions (Limor, 2008). In addition, tax benefits influence the timing of donations, in that the donations are made during periods when tax benefits are optimal (Auten et al., 2000). In Israel, donors are entitled to a tax credit totaling 35% of the amount of their donations to a certified institution, as long as the donations are larger than NIS 180 and do not exceed 30% of the donor's taxable income. As of 2008, approval for tax deductible donations has been granted to 4,600 organizations. However, the feeling among third sector organizations is that these benefits are not enough to maximize the potential of Israeli philanthropy (Blum, 2009) – although research findings on the impact of tax benefits on philanthropy are limited (Rudich, 2007). Vesterland (2006) found that tax benefits are a major incentive for philanthropy. Because changes in the taxation system influence the scope and frequency of contributions, it can be assumed that the cost of philanthropy has a substantial impact on giving (Vesterland, 2006). Silver (2008) found that among elite philanthropists in Israel, tax exemptions for

contributions provide an incentive for giving, but they are not an essential condition. Therefore, those benefits are more a mechanism that the government uses to encourage giving than they are a financial incentive (Silver, 2008). Consistent with that view, Rooney and Frederick (2007) found that tax benefits have a mixed effect on the involvement of wealthy and very wealthy philanthropists. In some cases they provide an incentive, and in others they don't.

Purposes for donations. A major dimension that differentiates elite philanthropists from private and general philanthropists is how they allocate their contributions and the focus of their philanthropic activity. Most studies have found that private donations are allocated in a relatively constant way, and can be divided into six to eight categories. Most contributions are allocated for educational purposes, including higher education, culture, and social causes (Rudich, 2007). In a study on elite philanthropic contributions in the United States between 2001 and 2003, Tobin and Weinberg (2007) found that 89% of the private donors contributed to three main areas: education and higher education, health and medicine, and arts and culture. Moreover, those were the areas that received the largest number of donations and the largest sums of money. About 55% of the private contributions were for higher education, and about 79% of all donations exceeding 10 million dollars were allocated to that purpose. In contrast, the smallest number of donations and smallest amounts of money were allocated for religious causes (Tobin & Weinberg, 2007). Noonan and Rosqueta (2008) found that among private donors, the mains areas of interest for contributions were education (55%), health (39%), children (27%), poverty (27%), religion (21%), and art (18%) (Noonan & Rosqueta, 2008). Interestingly, secular donors allocated most of their contributions to education, health, and art (Rooney & Frederick, 2007). O'Herlihy and Schervish (2006) found that elite philanthropists in

the United States donate to education, religious, social services, adolescent development, and health. In England, researchers have found that elite philanthropists prefer to contribute to higher education, health, and international assistance and development (Breeze, 2009; Stokes, 2009). In 2006-07, over £45 million was contributed to higher education in England – a sum that comprises 42% of all large donations during that period. In addition, about £22 million (13.8% of all contributions) was donated to health causes, and about £15 million (11.5% of all contributons) was donated to international assistance and development (Breeze, 2009). Silver (2008) found that philanthropists in Israel contribute to education and welfare, health, and women's causes.

Promoting social change. The above distribution of the purposes for donations today derives partly from a desire to generate profound social change, and not just to satisfy an immediate humane need. Accordingly, a perspective of philanthropy as a catalyst for social change has developed (Breeze, 2009). The current trend in philanthropy is to deal with the root of social problems. For example, many donors allocate contributions to education in order to reduce social inequality. Most wealthy donors made their fortune as a result of the education that they received, and therefore contribute to that area out of a belief that their investment in education will lead to a reduction of social inequality (O'Herlihy & Schervish, 2006). In addition, those philanthropists consider investment in educational reform to be a means of encouraging future economic growth (Frumkin, 2003). That phenomenon has also affected elite philanthropy in Israel, where structural mechanisms are being established for apolitical and super-sectoral purposes, and where education is viewed as the main means for effecting long-term social change (Silver, 2008). Silver found that private philanthropists in Israel are concerned about the processes taking place in

Israel society – widening socioeconomic gaps, the threat to social solidarity, social resilience, and social prosperity. According to Silver, there is a need to change the status quo through philanthropic activity that takes place as an alternative arena to political activity in Israel. This change can be effected through approaches that focus on long-term solutions. Therefore, the majority of contributions are directed toward programs for youth, as well as toward educational programs, higher education, and assistance for disadvantaged populations. A major dimension of the pursuit of change among elite philanthropists is the attempt to influence the bureaucratic political system in Israel. Shimoni (2008) found that most elite philanthropists have negative attitudes toward the government sector, as reflected in a lack of regard for government representatives and lack of confidence in their abilities. These criticisms relate mainly to provision for basic needs such as alleviating hunger and poverty (Shimoni, 2008), education, and welfare. Israeli philanthropists view empowerment of disadvantaged populations in Israel and those populations helping break out of the circle of poverty as a major patriotic goal, and they derive a sense of satisfaction and achievement from those activities (Blum, 2009). Interestingly, O'Herlihy and Schervish (2006) found that the perception of philanthropy as redistribution of wealth as equality of opportunities is irrelevant, because philanthropists donate at the local level, in their domains of interest and to the causes that yield benefits for them. Hence, there is segregation and differentiation of donations in geographic and socioeconomic terms (O'Herlihy & Schervish, 2006). Other researchers have concluded that philanthropy does not have a substantial or unique impact on redistribution of wealth, and that despite the declared views of philanthropists on that issue, they have not succeeded in effecting a significant change (Frumkin, 2006; Wolpert, 2006). Moreover, as part of

an existing global trend, philanthropy does not play a unique role in social change (Prewitte, 2006).

To sum up this part of the Literature Review, it can be argued that there is no one model or approach that explains the behavior of philanthropists and the process of philanthropy. The theoretical and empirical literature outlines the following profile of an elite philanthropist: a wealthy person; a professional in the field of high tech; an entrepreneur who made his fortune over the past 20 years; a "new philanthropist" who seeks compensation or return for his investment; an involved activist who wants to influence internal processes in the organizations he donates to; a rational, goal-oriented person; a person who invests in programs or projects, where his contribution is "earmarked", as opposed to traditional philanthropists, who tend to make general contributions. The main factors that impact positively on the scope and frequency of contributions have been mapped in the research literature. Those factors include religiosity as a stronger incentive than others. The literature also addresses the role of family heritage as a variable that has a significant impact on all aspects of philanthropy, and that gives philanthropy a dimension of continuity. However, in addition to the personal characteristics of private philanthropists, there are other factors that have a significant impact on philanthropic behavior. Those factors include, among others, the donor's personal capital and assets, which play an important role in the decision about making a contribution and the purpose of that contribution. The social network of philanthropists and their areas of personal interest are what channel contributions to the main causes cited here. However, notwithstanding the findings of recent studies in the field, it is still not clear whether donors formulate their decisions on the basis of rational processes before they make contributions. The findings suggest that these decisions are based on the donors'

personal intuition or on their desire to promote certain causes, and that the donors do not operate according to a purely rational model of decision-making. Other external factors that encourage philanthropists to make donations include tax incentives, although researchers in the field have expressed differences of opinion on this issue. The desire to gain social benefits through philanthropic contributions is also a factor that influences the decision to make a donation as well as the decision regarding the purpose of the donation. The desire for social benefits is also related to the characteristics of new elite philanthropists presented above. Finally, the literature highlights the conflict between the social benefits and personal benefits deriving from philanthropic activity. These conflicts have had both a positive and negative impact on the scope and frequency of contributions.

Regarding public attitudes toward philanthropy, studies have found that those perceptions are influenced by religious views and value orientations, as well as by attitudes toward the roles of the government, and the division of labor among the government, third sector organizations, and the developing sector of philanthropic organizations. In England, it was found that charity organizations and philanthropic activity are viewed as an ineffective, outdated strategy (Wright, 2002). An opinion survey revealed that not only is the necessity for social contributions underestimated, but those contributions are even viewed as a threat. Most of the participants in that survey (66%) agreed that philanthropic giving and charity "relieves the government of its responsibility [toward needy populations]". In addition, 88% of the participants in that survey believed that the government needs to provide more assistance [to needy populations], and that it should not rely on charitable organizations to provide such assistance. By contrast, the participants in a Canadian survey were in favor of the unique role of philanthropists in provision of services and in encouraging innovation –

but they qualified their support by expressing concern that philanthropy would replace services and programs that the government should provide (Husbands, McKechnie, & Leslie, 2001).

In Israel, Shay et al. (1999) examined public attitudes toward philanthropy on the basis of statements that symbolize positive and negative perceptions of philanthropic giving. The argument that the need for donations derives from ineffective functioning of the government represented negative attitudes, whereas the argument that philanthropic giving is a unique value represented positive public attitudes. The results of the survey revealed that a relatively high percentage of Jewish participants viewed philanthropic giving as a unique value (67% of the Jewish participants, compared with 52% of the Arab participants). In contrast, the vast majority of Arab participants believed that the need for donations derives from the ineffective functioning of the government (80% of the Arab participants, compared with 56% of the Jewish participants).

In addition, a direct relationship was found between high levels of education and income and positive attitudes toward philanthropic giving, as reflected by the view that giving is an important value. In contrast, the lower the participants' levels of education, the higher the percentage of those who viewed contributions as an undesirable substitute for government responsibility, and the lower the percentage of those who viewed contributions as a unique value. Regarding the impact of religiosity, the differences between religious groups were not substantial. Among the religious participants, there was a tendency to attribute special value to donations, whereas the ultra-Orthodox participants expected the government to show more involvement and responsibility than did the other groups, who supported government involvement (Shay, Lazar, Duchin, & Gidron, 1999).

Regarding theoretical approaches to understanding philanthropic processes, various attitudes have been presented. There are those who view philanthropy as a direct continuation of the religious tradition of giving charity. In that context, giving is perceived by the public as a religious practice that embodies the values of love of God, compassion, and responsibility for those who are weak and have been weakened. Philanthropic giving is perceived by the public as a manifestation of social responsibility and good citizenship (Radley & Kennedy, 1995). As such, it embodies values and characteristics of a political culture that emphasizes individualism, self-help, freedom, and a community orientation. Individuals in the society have a right and obligation to shape the public space according to their preferences and needs, to the extent possible without government intervention (Payton, 1988; Putnam, 2000).

Concomitantly, the public has expressed critical views of philanthropy. Some of the criticism relates to the outcomes of philanthropic activity, and questions the effectiveness of philanthropy. Ultimately, the resources available to philanthropists are not sufficient to effect substantial change, despite the donors' entrepreneurial aspirations for innovation (Greene, 2005). Furthermore, it has been claimed that sometimes the donors' attitudes are imposed on those who need their contributions, and that the patronizing behavior of the donors leads to a situation in which the real needs of the population and the recommendations of professionals are ignored. Moreover, it has been argued that there is a lack of concern for planning in philanthropy, which often causes harm rather than improving the situation. It has also been claimed that philanthropy can pose a threat to democracy, because the donors' influence on public policy-makers is even greater than that of elected representatives and professionals (Hess, 2005; Reich, 2006).

Even those with Leftist leanings have criticized philanthropy. In their view, philanthropy serves as an instrument of the economic elite to instill their values in society and bolster their own status. They claim that the power held by donors and foundations with abundant resources poses a threat to democracy; that it is a tool for instilling neo-liberal values, and that is serves to maintain the status and power of social and cultural elites. As such, most philanthropic activity does not benefit low-income, working class populations or minorities (Arnove, 1982). From an international perspective, philanthropy in general and the activity of American foundations in particular is a catalyst for adopting conservative perspectives that promote the economic values of the free market (Fisher, 1982).

The theoretical background presented above was the conceptual framework for the goals of this survey, which examined elite philanthropists in Israel and public attitudes toward elite philanthropy.

The goals were as follows:

1. To learn about the personal and demographic characteristics of philanthropists in Israel;
2. To estimate the scope of contributions and giving;
3. To examine the factors that motivate contributions and giving;
4. To examine the preferred purposes and target populations of contributions;
5. To examine channels for donations and the modes of contributions;
6. To evaluate the impact of philanthropic giving on the domains of philanthropy, from the perspective of the philanthropists;
7. To examine public attitudes toward philanthropy and philanthropists.

Method

The description here relates separately to the methodology used in the survey of philanthropists and the methodology used in the survey of public attitudes toward philanthropy.

A. *The Survey of Philanthropists*

The Research Population

The research population consisted of men and women who are citizens of Israel and engage in philanthropic activity. For the purposes of the survey, philanthropic activity was defined as follows: donations amounting to over NIS 5,000 per year, volunteer activity in organizations, or social enterprises that are not in the framework of nonprofit organizations.

Sampling Method

Data collection was based on the snowball method – which is non-probabilistic. These sampling methods are used in cases where the research population is not completely known, or in cases where there is no way of establishing contact with a large share of the population. In those situations, selection of the participants is not random (Panacek & Thompson, 2007).

The Sample

Using the snowball method, we obtained a potential pool of 174 Jewish Israeli philanthropists. We were unable to reach 15 of those philanthropists, nor could we find updated contact information about them. About 80 of the potential participants refused to be interviewed or postponed the interview to an unknown date. Thus, the final sample of consisted of 79 participants – 21 women, and 58 men.

Research Instrument

Data were obtained through structured interviews, based on a questionnaire that consisted of open and closed questions. The questionnaire was divided into several sections:

The first section examined the participants' demographic characteristics – gender, year of birth, country of origin, year of immigration to Israel, religion, and level of religiosity.

The second section examined the participants' socioeconomic situation – level of education, occupation and job position, business domains, and level of income (profits and assets during the year of the survey).

The third section examined the participants' ideology, their overarching goals, and their motives for philanthropic activity.

The fourth section examined the participants' areas of interest for contributions, i.e., the areas that they contribute to.

The fifth section examined patterns of donation in 2006 (the year of the survey) – the scope of contributions that year, preferred modes of contribution, and the main organizations that they contributed do.

Face-to-face interviews were conducted by the investigators or by research assistants at the location preferred by the participants (the participant's home, the university, or a public place).

Data were collected from February 2007 to May 2008.

Data Analysis

In the first stage, we conducted qualitative analysis of the responses to the open questions on the questionnaire. A list of appropriate categories was prepared, and responses to the open questions were coded according to those categories.

In the second stage, we conducted univariate analyses and examined the frequency of the categories.

In the third stage, we conducted bivariate analyses of the categorical variables. Fisher tests were conducted to examine the relationships between the variables (except in cases where that test could not be conducted due to the small number of observations). Pearson's correlations were conducted for the continuous variables.

To examine the relationships between continuous and categorical variables, we conducted Wilkinson's tests for dichotomous variables (with two levels), and Kruskal-Wallis tests (an expanded version of the Wilkinson's test) for categorical variables with three or more levels.

The reports of the correlations here relate only to significance levels of $p<.05$ and $p<.01$.

Limitations of the Survey of Philanthropists

Without a centralized list of philanthropists in Israel, it is clear that sampling was problematic, and that it was difficult to arrive at a representative sample population. In addition, because many of the participants refused to provide quantitative information about their capital and profits, we could only obtain partial data on the scope of their contributions during the year of the survey. As a result, there were numerous "missing values" in the data, and it is difficult to draw conclusions from the participants' responses to some of the questions. Moreover, the rate of refusal to participate in the study poses another problem with regard to the representativeness of the sample. The group of Israeli philanthropists examined in the survey is a relatively new one in this field of research. Hence, the reluctance to cooperate in many cases is understandable. However, the findings might be somewhat biased, because the sample of participants represents only part of the target population

of philanthropists that this survey sought to examine. Finally, the scope of contributions that the participants were asked about relates to only one year. Hence, it is difficult to draw general conclusions about the overall scope of philanthropic contributions in Israel – especially because there is a high degree of variation in the scope of the contributions from year to year among large donors (Rudich, 2007).

B. *The Survey of Public Attitudes toward Philanthropy*

Data were collected through telephone interviews, which were conducted among a sample of 800 participants who represent the adult population of Israel (aged 21 and over). Data collection was conducted in January 2008, and data analysis was conducted in February and March 2008.

Research Instrument

The main instrument was a questionnaire developed by a team of researchers in collaboration with the B. I. and Lucille Cohen Institute for Public Opinion Research at Tel Aviv University. The questionnaire consisted of 46 closed and open questions, which were formulated in a pilot study conducted among 50 participants. Following the pilot study, several changes were introduced in the questionnaire, including changes in the wording of certain questions and addition or elimination of categories of responses.

Sample Size

At all stages, data were collected from a probability sample without quotas for replacements. It was a representative sample of the adult population of Israel (aged 21 and over), and consisted of a total of 800 participants – 500 Jews and 300 Arabs. To conduct analyses for the two subgroups that are most relevant to the study (ultra-Orthodox Jews and Arabs), their proportions in the sample were multiplied (100 ultra-Orthodox Jews and 300 Arabs), and the analysis for the entire sample was conducted

by weighting, based on their proportions out of the total population. Interviews were conducted in Hebrew, Russian, and Arabic.

Sampling Method

The survey was based on a probability sample of households in statistical areas. The households were selected from strata that are defined according to the sociodemographic characteristics of each statistical area, in a way that ensures the representation of different population groups – particularly groups that comprise a small proportion of the Israeli population.

In the first stage, a sample of statistical areas was derived from all of the statistical areas that comprise the population of Israel. The statistical areas were organized into strata according to sociodemographic characteristics, in order to create homogeneous groups in terms of religion (Jewish, Muslim, Christian, Druze, mixed Jewish-Arab areas), geographic regions (large cities versus small towns), years of residence in Israel, levels of religiosity (ultra-Orthodox, religious, traditional), and socio-economic status (education). Sampling was carried out in a way that the probability that each statistical area would be included in the sample was proportional to the size of the population in that statistical area, so that an equal number of households was sampled in each statistical area.

In the second stage, the households in each statistical area were sampled on the basis of the correspondence between the file of telephone numbers for the statistical areas in the sample. The file of telephone numbers included all households with a land telephone line, who are not identified as a business and whose number is not unlisted. Within the statistical area, simple random sampling was conducted.

In the third stage, each interviewer received a list of telephone numbers of households to be interviewed.

This procedure ensured that all stages of sampling would be random. Lists of households to be interviewed were prepared in advance, in order to ensure that the participants would not be able to intervene in the selection of households or to arrange substitutes for households on the list.

In each of the households, one adult aged 21 and over was interviewed. Participants who were not interviewed were listed in a journal, and repeat contacts were organized at various dates and times or according to dates arranged with the interviewees. This procedure allowed for control and maximization of the sample.

Data Collection, Verification, and Supervision

- Telephone interviews were conducted, using a structured questionnaire.
- The questionnaire was translated into Hebrew and Russian. Interviews in Russian and Arabic were conducted by native speakers of those languages.
- All of the interviewers were briefed, and received clear instructions about the survey.
- The work was supervised and monitored by coordinators, whose job included spot checks of interviews and ongoing supervision of interviewers.
- The investigators took the following steps in order to ensure that a representative sample would be obtained at a response rate of 50% of the potential interviewees approached, in accordance with Miller's (2000) guidelines:
    a. All of the sampled households were sent an introductory letter.
    b. The amount of time allotted for data collection was four months.
    c. At least five repeat contacts were made for each of the households in the sample, on different days of the week and at different times.

d. Each household that refused to be interviewed was contacted at least twice by experienced, veteran interviewers.

Results

A. *The Survey of Philanthropists*

Demographic Characteristics

The sample of participants consisted of 21 women (27%) and 58 men (73%). The age range of participants was from 31 to 83 years, (*M*=56 years, *SD*=11.4). Of the participants in the sample, 53 were immigrants (67%) – 16% of the immigrants were born in North America, 10% were born in Europe, and 5% were born in Asia-Africa. All of the participants were Jewish (53% secular, 27% traditional, and 19% religious). As for marital status, 82% of the participants were married, and 16% were divorced or widowed. Most of the participants (94%) lived in the central region of Israel, and only 6% lived in peripheral areas. The average number of years of philanthropic activity was 19 (*SD*=12.7, range 2-60 years). Only 11% of the participants were "new", i.e., they had engaged in philanthropy for only 3-5 years, whereas the majority had engaged in philanthropy for 20-40 years. The average level of education was high – only 10% of the participants had a high school or non-academic diploma, and 90% had some academic education. In addition, the rate of participants with MA or Ph.D. degrees was high (51%). As for occupations, the participants had various jobs in the business sector, and most of them held more than one position concurrently; 38% were managing directors of companies, 22% were CEOs, 15% were entrepreneurs, 28% owned a private company, 22% were partners in a private company, and 25% did not belong to any of the above-mentioned groups. The main occupational groups of the participants (relative frequency 15%) were as follows: business and financial services (24%); venture capital enterprises (28%), and computer and communications

technologies (16%). In addition, 14% of the participants worked in the field of real estate, 10% worked in the field of health, and 49% worked in other fields (food, transport and motor vehicles, manufacturing, media and advertising, fashion and textile, education, and arts and culture). Regarding the total revenue and assets in 2006, 33% of the participants who reported that information; of those, about 15% had assets valued at less than 1 million dollars, 19% had assets valued at 1-5 million dollars, and about 58% had assets exceeding 15 million dollars. Of the participants who reported their revenue (50%), 30% had a yearly income of one-half to one million dollars, 25% had a yearly income of 1-5 million dollars, and 17% had a yearly income of more than 15 dollars.

Scope of Contributions in 2006

Overall donations. 58 participants (73%) responded to this question. The average value of donations amounted to NIS 16,163,129 for individual donors in 2006 (*SD* 101876712). The maximum value reported was NIS 775 million, followed by NIS 75 million. The lowest value reported was NIS 7,000. Owing to the large discrepancy between the value of the highest donation and the value of the donation that followed, and given the effect of that discrepancy, the highest value (NIS 775 million) was excluded from the calculation of mean value of donations. According to that calculation, the mean value of donations for individual philanthropists was NIS 2,850,200, the median value was NIS 662,500, and the mode was NIS 1 million.

The percentage of donations out of total profits. 35 participants (44%) responded to this question. Of those who responded, 53% reported that their donations amounted to more than 10% of the earnings, 24% reported donations amounting to 1%-3% of their earnings, and 13% reported donations amounting to 4%-5% of their

earnings. The mean percentage of donations out of total profits was 7% (*SD*=2.673, range 0.9%-25.0%).

Preferred modes of contribution. The main mode of contribution reported by the participants was through intermediaries such as non-profit associations and foundations (46%), direct personal contributions to the beneficiary (29%), and contribution of time (37%); 25% of the participants reported that they made contributions through their business or through establishing a foundation. Contribution of goods and contribution of hours of volunteer activity by company employees were the least prevalent modes of contribution. The mean number of organizations that the participants donated to was 22 (*SD* 30.1, range 5-120 organizations).

Motives and Incentives for Philanthropic Activity

Some of the participants (45%) indicated that there was no specific motive or pivotal event that caused them to engage in philanthropic activity, and that the background for their involvement was deeper (for further details, see below). Other participants (19%) described a change in their life circumstances or a pivotal event that caused them to become involved in philanthropy. The following examples were mentioned as the background for philanthropic activity: family history of giving, education, and values of giving at home (52%), religion (15%), a sense of need (30%), and gratitude (5%).

The participants described the following pivotal events or changes in life circumstances: a crisis, change in marital status, change in economic situation, and a request from an external entity. The most prevalent events or changes mentioned (relative frequency of over 15%) were: change in economic situation (25%), and socio-political change (20%); 11% of the participants mentioned that they had

received a request for a contribution or a request to volunteer from an external entity, and 6% described a change in their marital status or a marital/family crisis; 28% of the participants described a combination of background factors and a pivotal event / change in life circumstances – for most of those participants (16%), the combination included change in economic situation together with family history, education and values, gratitude, and a sense of need.

Motives for Philanthropic Activity

Participants were asked to rank the extent to which they are motivated by different factors, on a scale ranging from 1 (*very low*) to 5 (*very high*).

INSERT TABLE 1 ABOUT HERE

In general, the mean ranking was low to moderate. However, the table indicates that the main motives for philanthropy were a sense of responsibility for one's surroundings, a sense of satisfaction, a crisis (political, social, or economic) that requires people with resources to be involved, a sense of belonging to the community, and the desire to promote certain issues. Motives that ranked particularly low were participation in fundraising events as part of one's social standing, and the demands of certain social circles.

INSERT TABLE 2 ABOUT HERE

When the motives for philanthropic activity were aggregated into indices, it was found that "promoting social issues" ranked highest (4.40), followed by "satisfaction and intrinsic motives" (4.33), and then by "a sense of belonging to the community and commitment to the community" (4.15). "Values that encourage giving" and "belonging to a certain social circle or group" ranked lowest (3.80 and 3.12, respectively).

Areas of Interest for Contributions

Participants in the survey were asked to rank the three main areas of interest for contributions, out of the following: welfare, housing and development, health, social change, culture, art, sports, religion, road safety, the peace process, victims of terror, the Israel Defense Forces, human and civil rights, coexistence, and "other areas". Notably, the areas were ranked only according to the mean, without considering the rates of participants who chose each area. Therefore, areas were ranked first of all on a scale ranging from 1 (the lowest ranking) to 5 (the highest ranking). A primary classification of areas of interest was assigned on the basis of the order of the rankings for each area (from highest to lowest), according to the percentage of participants that expressed interest in contributing to a given area. When an equal percentage of participants expressed interest contributing to a given area, a secondary classification was assigned, which reflects the average ranking.

INSERT TABLE 3 ABOUT HERE

The table indicates that in general, most of the areas of interest ranked low, except education and welfare, which ranked relatively high (62.00%), followed by health and prevention (21.51%), social change (20.25%), culture (15.00%), higher education (13.92%), and religion (11.39%). The following areas ranked lowest: sports (1.26%), victims of terror and (2.52%), art (5.00%), the IDF, human and civil rights, and the peace process (6.39%), coexistence (8.80%), and research (10.00%). The three most significant areas in the area of welfare were children and youth at risk (8.86%), immigrant absorption and special needs populations (5.00%), and disadvantaged populations (3.80%). The subcategory of single mothers and elderly persons was not mentioned by any of the participants in the survey.

Philanthropists' Evaluations of the Effect of Philanthropic Giving

Of the participants in the survey, 76% indicated that philanthropy generates change, whereas only 20% believed that it does not generate any change. Those who supported the argument that philanthropy generates change believed that it promotes leadership development and excellence as well as social mobility, and that it strengthens communities, promotes social goals, influences civil society organizations, places issues on the public agenda, and influences public policy making.

Analysis of the Relationships between Different Variables

In the second stage of data analysis, we examined the different background variables and their relationships to motives and incentives for donating, and to areas of interest for contributions, as well as the interrrelationships among the different characteristics of donations (scope of donation, years of philanthropic activity, areas of interest, and incentives for philanthropy).

The Relationships between Different Background Variables (Gender, Religiosity, and Education) and Motives for Donating, Areas of Interest for Contributions, Scope of Contributions, and Percentage of Contributions Out of Total Profits

Gender. No significant correlation was found between the donor's gender and motives for donating, areas of interest for contributions, and scope of contributions.

Religiosity. Fisher Z tests revealed a significant relationship between religiosity and charity as a motive for donating, as reflected in the statement "Charity and deeds of lovingkindness are equal to the observance of all the commandments in the Torah" ($p<.0001$). With regard to the other motives, no significant relationships were found between religiosity and the ranking of statements. As for areas of interest for contributions, no significant relationship was found between religiosity and the

ranking of different areas. Moreover, no significant relationships were found between religiosity and the size of donations or percentages of donations out of total profits.

Education. No significant correlations were found between level of education and motives for donating. Nor were any significant correlation found between level of education and areas of interest for donations, except for the area "higher education": participants with higher levels of education ranked higher education at the highest level (p=.0.0649). In addition, the Kruskal-Wallis test revealed a significant correlation between the participants' level of education and the total amount of contributions (p<.001).

Years of philanthropic activity. No significant correlations were found between years of philanthropic activity and the scope of contributions, the percentage of contributions out of total profits, motives for philanthropic activity, and areas of interest for contributions. The number of years that the participant engaged in philanthropic activity did not affect the size of their contributions or the percentage of contributions out of their total earnings. Nor did the participants' attitudes toward the size of the contributions change with time. Similarly, the other characteristics of philanthropy were not affected by years of philanthropic activity.

The Relationship between the scope of contributions and percentage of contributions out of total profits, and the relationship between scope and percentage of contributions and the number of organizations that the donor contributes to. No significant correlation was found between the scope of contributions and the percentage of contributions out of total profits. Similarly, no significant correlation was found between the scope of contributions and the number of organizations that the donor contributes to. That is, neither the size of the donors' contributions nor the

percentage of contributions out of their total earnings increased as a function of the number of organizations that they contributed to.

The relationship between areas of interest for contributions and motives for philanthropic activity. Fisher Z tests revealed correlations at varying levels of significance in the correlations between the donors' reasons for choosing preferred areas of interest for contributions and their motives for philanthropic activity.

INSERT TABLE 4 ABOUT HERE

Fisher Z tests revealed several correlations between the reasons for choosing preferred areas of interest for contributions and their motives for philanthropic activity. For each item, the response rate was 100%, i.e., all 79 participants responded to every item. The correlations were as follows: the motivating factor "social political change" correlated with promoting new philanthropic perspectives (p=0.0168), and Zionist ideology correlated with promoting a Jewish state in the Land of Israel; "a request from an external entity" correlated with promoting religious values and a religious worldview (p=0.615), and with promoting a social worldview (p=0.511); the sense of need to contribute correlated with promoting a social worldview (p=0.0954) and with promoting Zionist ideology (p=0.0264); and family history, education and values correlated with the desire to promote new philanthropy (p=0.0490).

B. *The Survey of Public Attitudes toward Philanthropy*

The survey included 800 adults from the general Jewish, ultra-Orthodox, and Arab population groups of Israeli citizens. Participants were asked questions relating to their attitudes and beliefs about Israeli philanthropists and philanthropy. The findings of the survey revealed that most of the participants (80% of the general Jewish participants, 95% of the ultra-Orthodox Jewish participants, and 89% of the Arab participants) believed that philanthropy is a positive phenomenon; 67% of the

Jewish participants and 54% of the Arab participants believed that initiation and implementation of social programs and projects are the responsibility of the government. The percentage of participants who expressed that belief was lowest among the ultra-Orthodox sector (39%). Most of the participants believed that philanthropy supplements government activity, and is not a substitute for government activity (92% of the general Jewish, 91% of the ultra-Orthodox, and 80% of the Arab participants); 66%-67% of the general Jewish participants indicated that their motives for philanthropic contributions are to promote personal interests such as prestige, acquiring power, and gaining recognition, as well as to promote political interests and to establish connections with policy-makers and decision-makers, although the percentages of ultra-Orthodox and Arab participants who expressed those motives were lower. In all three of the population sectors surveyed, an average of 40% indicated that the Israeli philanthropists' motivations for making contributions derive from social interests. However, high percentages of the participants in all three sectors expressed favorable attitudes toward philanthropists (81% of the general Jewish, 90% of the ultra-Orthodox, and 80% of the Arab participants). Notably, participants with higher levels of education and income attributed more altruistic motives to philanthropy than did participants with lower levels of education and income.

The preferred areas of interest for contributions were welfare, education, and health. Moreover, most of the participants indicated that the government should encourage philanthropy.

The participants' response regarding the role of the government and philanthropy in the Second Lebanon War is also noteworthy: 50% of the participants in the general Jewish population indicated that philanthropists did what the government failed to do and should have done (the percentages were lower among the

ultra-Orthodox and Arab participants), whereas 53% of the participants from the general Jewish population indicated that philanthropists take advantage of the opportunity to improve their status in Israeli society. (Here, too, the percentages of ultra-Orthodox and Arab participants who expressed this belief were lower.) However, 65% of the general Jewish participants and 66% of the ultra-Orthodox participants indicated that philanthropy played an essential role in the Second Lebanon War, and that philanthropists actually put their declarations into practice. The percentage of Arab participants who expressed that view was much lower (36%). Regarding public attitudes toward donations from Diaspora Jewish communities, 88% of the general Jewish and ultra-Orthodox participants expressed a favorable view of those donations, and 58% of the general Jewish participants indicated that the scope of contributions from Diaspora Jewry is very large.

Discussion

Characteristics of Elite Philanthropy in Israel

Demographic characteristics of philanthropists. The findings of the present survey indicate that Israeli philanthropists have a relatively high level of academic education: 51% of the philanthropists participating in the survey had a MA or Ph.D. degree in various disciplines. Moreover, a correlation was found between the overall size of donations and level of education. That is, people with higher education were found to contribute more than those with lower levels of education. However, the relationship between the philanthropists' education level and their levels of income and assets could not be determined. The survey findings also indicate that philanthropists with higher levels of education tended to be more interested in donating to institutions of higher education than did those with lower levels of education. This finding is consistent with the results of studies conducted in other

countries, which have revealed that people with higher education are more generous than those with lower levels of education. However, the philanthropist's gender and age were not found to correlate with willingness to make donations (Bekkers & deGraaf, 2006; Rooney, Steinberg, & Denton, 2006; Smith, 2004). The survey also revealed that the proportion of religious philanthropists (ultra-Orthodox and national-religious) was higher than the proportion of those groups in the overall Israeli population. The 2007 Social Survey conducted by Israel Central Bureau of Statistics (2009) revealed that the proportion of religious people in the total population of Israel is 17.30%, whereas the proportion of religious philanthropists participating in the survey was 26.58%. The high proportion of religious philanthropists in the survey is consistent with the findings of other studies which have revealed that religion affects philanthropic contributions in general and contributions to religious causes in particular (Katz & Haski-Leventhal, 2008). The survey of public attitudes toward philanthropy also supported this finding.

Motives for philanthropy. By nature, there are certain incentives that motivate philanthropists to make contributions, a topic that has been dealt with extensively in the literature (Bekkers, 2005; Kogut & Ritov, 2007; Limor, 2008; Silver, 2008). The findings of the present survey supported the results of other studies, which have revealed that strongest motive for philanthropy is a family history and tradition of giving and education at home. Besides those motives, the religious variable was found again to have a strong impact on motives for giving, and particularly motives to help people with special needs. The role of religion as a factor that motivates giving has also been addressed by Katz and Haski-Leventhal (2008), who found that religious faith influences contributions, and that religious people are more altruistic than their non-religious counterparts. Those findings were further supported by the survey of

public attitudes toward philanthropy. This behavior can be attributed to the relatively well-developed social networks among the religious population, which include affiliation with community institutions such as synagogues, charitable and voluntary institutions, and other community organizations. Those networks emphasize the need to give and the tradition of giving from the perspective of "All Jews are responsible for each other". However, the premise that religious people contribute more than their secular and traditional counterparts was not supported in this survey, nor was a correlation found between religiosity and scope of contributions.

The need to "return wealth to society" and express gratitude for being able to make a fortune and accumulate assets were also mentioned as a motive for giving. This need combines internal motives for giving with the external motive of seeking to promote central issues on the agenda of one's society and community. Motives that are directly related to the benefits of philanthropic contributions for the donors themselves in the context of establishing their social position or becoming part of an elite group of philanthropists in the community were ranked particularly low by the participants in the survey. Thus, the findings suggest that at the level of declarations, Israeli philanthropists have serious misgivings about being labeled as part of an elite group that seeks, among other things, to focus on large contributions. However, even though the Israeli public considers philanthropy to be a positive phenomenon, the findings suggest that they believe it is motivated by the desire to gain personal benefits such as accumulation of capital, recognition, social standing, and connections with policy-makers and decision-makers. In that context, the findings of the present study also support the results of previous research, which indicate that notwithstanding the suspicions about philanthropists, they have a broad sense of responsibility toward society at large and toward their immediate communities in

particular. This sense of responsibility is reflected in their need to "return wealth to society". In light of the government's inability to cope on its own with all of the complex problems of Israeli society, the philanthropists feel they need to help provide appropriate solutions. Moreover, the findings indicate that the commitment and responsibility of Israeli philanthropists intensifies at times of war and crisis, as evidenced in the two last wars (the Second Lebanon War and Operation *Oferet Yetzuka* in Gaza). During those wars, wealthy individuals as well as private and public foundations in Israel and abroad joined the effort to respond to the needs of vulnerable populations that were exposed to the threat of attacks, in light of the government's inability to provide appropriate assistance. The public in Israel acknowledged the urgent need for those contributions, as reflected in the findings of our survey of public attitudes toward philanthropy (Schmid & Rudich, 2008). In that context, the Zionist ideology of building a nation in the Land of Israel was found to be a significant factor that influenced giving in general and giving at times of crisis in particular. This finding is consistent with the results of studies which have revealed that philanthropic giving in Israel is perceived as a form of Zionist involvement and pioneering volunteerism (Silver, 2008), or as voluntary activity for the nation (Shimoni, 2008).

Modes of Contribution. Israeli philanthropists contribute in a variety of ways, including: financial donations through intermediaries who earmark the funds to end clients (nonprofit organizations and foundations), direct personal donations to clients without intermediaries, hours of volunteer work by employees in the donor's private business, involvement in the organizations that receive donations (e.g., membership on the organization's board of directors, fundraising, consultation), establishment of private foundations, financial contributions through the business owned by the donor, contribution of goods, and other types of contributions. The relatively high ranking of

contributions through the establishment of foundations is interesting – even though there is no legal definition of this type of institution in Israel today (Gidron et al., 2006). The possible motives for using the term "foundation" or for declaring a donation through the establishment of a foundation can be altruistic – the declaration of a long-term contribution as part of the commitment to make a donation, and the status accorded to a "shareholder" in a philanthropic foundation.

The low ranking of contributions through business firms – particularly contributions of goods or volunteer activity by company employees – is also interesting. In the view of donors who own businesses, philanthropy is a personal activity, and it is primarily related to financial contributions and contribution of time, which is reflected less in contribution of other resources from the business such as equipment or volunteer activity by company employees. In addition, like other elite philanthropists in the world, Israeli philanthropists attribute considerable importance to contribution of time, as well as to various forms of involvement in organizations that receive donations (Ostrower, 1999).

Elite Philanthropy and Policy Making

The similarity revealed in the comparison of the Israeli philanthropists' perceptions of their influence on domains of life in Israel with the perceptions of the public at large is interesting. The present survey revealed that 76% of the participants believed that their contributions generate social changes, and that they influence public policies as well as the third sector organizations that they support. Consistent with this finding, the Israeli public has endorsed the view that philanthropists influence various domains of life and society (Rudich, 2008).

Nonetheless, the complementary contribution of Israeli philanthropists does not generate second-order and third-order changes (Bartunek & Moch, 1987, 1994),

i.e., radical or strategic changes that alter the directions and the domains of activity and interest in the organizations that philanthropists contribute to. The changes generated by philanthropic contributions are restricted to incremental changes. Nonetheless, they are significant in that they set new processes in motion rapidly through the initiation of innovative projects and programs. Notably, in light of the increased involvement of philanthropists in social processes, the contribution of Israeli philanthropy in some areas has been substantial and their efforts have been successful. In other areas, however, philanthropists have not succeeded in promoting the social projects and programs that they have been involved in. Evidently, this was due to the lack of agreement between state institutions, public policy makers, and Israeli philanthropists (Bar & Zychlinsky, in preparation). In that context, the relations between philanthropists and social change organizations are particularly interesting. Those organizations, by nature, are less dependent on government funding because such dependence would suppress their protests and their desire to effect social change. In contrast, funds deriving from philanthropic contributions allow those organizations more freedom to initiate social changes which the bureaucratic establishment views as a threat to the functioning of the government. Therefore, the coalition formed between philanthropists and social change organizations can yield changes in various domains of life that have not been given sufficient attention and resources by governmental agencies.

In that connection, the survey revealed that the donors gave the highest ranking to motives and activities related to promoting social issues. They also mentioned social change as a motive for philanthropic activity. This finding highlights the role of ideology as a motive for philanthropy, but there is a need for further research on the extent to which Israeli philanthropy actually contributes to the goal of

change, and how that goal is defined. A previous study found that Israeli philanthropists don't usually use the term "social change" in reference to the integration of socially excluded groups. Rather, they refer to liberal civil rhetoric that focuses on improvement of the situation in Israel (Shimoni, 2008).

The Scope of Elite Philanthropy in Israel

There are various forms of philanthropic giving: money, hours of volunteer activity, and contribution of goods and services in kind. In that connection, it would be worthwhile to examine the scope of contributions and percentages of those contributions out of the Israeli philanthropists' total profits. The findings of the present survey indicate that the average scope of contributions made by individual philanthropists is below NIS 3 million per year – a sum that is lower than the amount for entitlement to full tax benefits under Article 46 of the tax law. Notably, only 11% of the nonprofit organizations in Israel are recognized institutions for the purpose of tax benefits on donations. These findings indicate that tax benefits are not the main consideration for making philanthropic donations. In fact, the participants in this study did not mention tax benefits as a declared motive for philanthropic donations. Therefore, the results of the survey suggest that willingness to contribute is motivated by other factors, including the financial situation of the philanthropist, as well as by the philanthropist's need to strengthen his solidarity with Israeli society. It is also important to note that the scope of contributions does not correspond with the rise in the number of organizations that Israeli philanthropists contribute to. One of the explanations for this finding derives from the assumption that philanthropists set aside a certain sum for donations out of their earnings, and that sum does not increase even when they donate to a larger number of organizations.

In contrast, research evidence points to a positive correlation between income level and the scope of contributions, that is, individuals with higher income are more willing to make philanthropic contributions (O'Herlihi et al., 2006; Schervish, 2006). However, other researchers have revealed that people with lower income also express a high level of willingness to make contributions. For example, studies conducted in the United States have found that the wealthiest and poorest people contributed about 3% of their income (McClelland & Brooks, 2004).

The findings of the present survey indicate that the average percentage of contributions out of the philanthropists' total earnings (7%) is not lower than the percentage of contributions made by philanthropists in other Western countries (3.3% in the United States, and 0.63% in Britain). In our view, this refutes the argument that Israeli philanthropists are not generous, and that they don't donate large sums of money. Nonetheless, this finding still needs to be qualified on several grounds. First, many of the philanthropists in the present research sample refrained from reporting on their income and revenue. This in itself reflects the lack of transparency in conveying information that is essential for drawing conclusions about estimated philanthropic investments. Second, existing data on the percentage of contributions out of total profits in other countries relate to the population at large, whereas the data in the present survey relate only to relatively large donors. Third, there is a problem with the representativeness of the sample due to the sampling procedure.

Another interesting finding on the scope of philanthropic contributions in Israel relates to the number of organizations that Israeli philanthropists contribute to – 22 organizations on the average (range 5 to 120 organizations). Evidently, the relatively large number of organizations indicates that the distribution of giving reflects the distribution of risk involved in the contribution. When philanthropists

invest in a small, limited number of organizations, any failure in achieving the organization's goals can weaken the motivation to give. In contrast, the broad distribution of contributions over a relatively large number of organizations can be construed as a lack of strategic focus – even though the preferred areas of interest for contribution were clearly delineated by the philanthropists participating in the survey. This finding is not consistent with the results of other studies, which have revealed that 89% of all private donors in the United States allocate their contributions to three main areas (Tobin & Weinberg, 2007).

New Philanthropy in Israel

In recent years, public discourse has addressed the topic of "new philanthropy" and "new Israeli philanthropists". In the present survey, the participants also mentioned the topic of new philanthropy frequently, both directly and directly. Those references were found in the participants' explanations for choosing to contribute to certain areas and organizations, and in their descriptions of the influence that they sought to gain through their activity. The findings of the present survey showed that only 11% of the participants were "new philanthropists" who had engaged in philanthropic activity for only 2-5 years, whereas the vast majority of participants had been engaging in philanthropy for a much longer period. However, the findings and the open interviews held with the veteran philanthropists indicate that some of the veteran philanthropists had adopted businesslike and task-oriented characteristics and behavior that typify new philanthropy. The vast majority of veteran philanthropists engaged in management and entrepreneurship, and their occupations were related to high-technology industries and venture capital enterprises (Wagner, 2002).

An outstanding characteristic of new philanthropy is reflected in the terminology used, in the goals it seeks to achieve, and in the rationale for choosing to

contribute to certain areas (instilling business norms in social activities, and giving leverage to investments), as well as in the philanthropists' perception of themselves as new philanthropists and as entrepreneurs in the field of social activities.

The mixture of veteran philanthropy and new, business-oriented philanthropy is indicative of the new patterns that are being adopted in Israeli philanthropy. As such, Israeli philanthropy has yet to become established, both in terms of its expectations of itself and in terms of its expectations of the institutions and organizations that receive donations. The findings clearly indicate that Israeli philanthropy is not strategic. Rather, it responds to needs that emerge in Israeli society in a tactical, ad-hoc way. This is evident in the modes of contribution preferred by Israeli philanthropists, who mainly donate through intermediaries rather than making direct donations to individuals and organizations. In contrast, contribution of time – another element of elite philanthropy – might also be related to new philanthropy because it is indicative of extensive involvement in the organization that receives donations in order ensure a "return on their investment".

Finally, the survey examined the process of making decisions about philanthropic contributions, the scope of contributions, and areas of interest for contributions. It appears that the philanthropists' decisions are based more on their intuition, past experience with giving, a family tradition of giving, and interpersonal relations with the recipient than they are on rational, systematic considerations. In light of the results of previous studies, it is known that personal relationships and "chemistry" between the donor and the recipient of the donation play a key role in decisions about giving and are more important than other factors (Noonan & Rosqueta, 2008; O'Herlihy & Schervish, 2006).

Summary

Even though Israeli philanthropy has existed for a long time and dates back to the 19th and 20th centuries (Haski-Leventhal & Kabalo, 2009), it is in the process of transition and unique patterns of philanthropic activity have not yet been formulated. The field of Israeli philanthropy is characterized by a mixture of philanthropists. On the one hand, there are those who have engaged in the field for years, and who continue the traditional patterns giving they were educated with. On the other hand, there are new entrepreneurial and business philanthropists, who made their fortunes in high-tech industries, electronics, venture capital, and computers. Those people have introduced new patterns of philanthropic behavior, even though they have relatively little experience in the field.

The philanthropists' relationships with government institutions and with nonprofit organizations are in the process of being shaped and formulated. Undoubtedly, Israeli philanthropists do not view themselves as a substitute for official state institutions, and they often voice criticism about the functioning of public and governmental agencies. The Israeli public also views philanthropy in that way, and is not willing to relieve the government of its social responsibility. The relatively generous contributions of Israeli philanthropists cannot substitute government budgets – and they are not intended to do so. Based on the statements of the participants in this survey, Israeli philanthropists seek to supplement government activity, to contribute to society in areas where the government has had difficulty meeting the needs of the population, and to put processes in motion where the bureaucratic government encounters red tape. In fact, the contribution of Israeli philanthropists – at least according to the findings of the present survey – is no less generous than that of philanthropists in various Western countries. This finding was revealed despite arguments to the contrary, and despite the suspicion expressed by broad sectors of

Israel society. In light of these results, there is a need to examine the contribution of philanthropy further among a larger and more representative research population.

Notably, the survey was based on findings obtained before the world financial crisis. Nonetheless, the implications of the financial crisis in 2008-2009 for philanthropic activity in Israel cannot be ignored – especially in light of the patterns of donations and motives for giving as revealed in this survey. In general, the impact of the financial crisis is clear, as evidenced in declining levels of income and revenue which have resulted in a concomitant decline in the scope of donations. This, in turn, has affected organizations and institutions, whose income from philanthropic donations has been harmed. It would therefore be interesting to repeat this study and encourage future research aimed at examining changes in elite philanthropy following the economic crisis of 2008-09.

There is also a need to conduct additional studies among populations that were not addressed in this survey – particularly among the Arab population of Israel. In addition, it would be worthwhile to examine the relationships that are being formed between Israeli philanthropy and civil society and the government of Israel, as well as ways in which philanthropy has succeeded in achieving its goals.

Table 1: Motives for Philanthropic Activity

Statement	Low	Moderate	High	Mean*	SD
a. I feel responsible for my surroundings.	3.80	5.06	89.87	2.87	0.44
b. I get satisfaction from giving.	3.80	5.06	87.34	2.87	0.44
c. It seems to me that in such a problematic times, those who have the power and ability to initiate change need to make at least a minimal effort.	6.33	6.33	86.08	2.81	0.54
d. I feel part of my environment, part of the community I live in.	7.59	8.86	83.54	2.76	0.58
e. I want to promote certain issues, and this is the appropriate way of doing it.	5.06	13.92	79.75	2.76	0.54
f. I feel good when I give. It's fun.	6.33	15.19	74.68	2.71	0.58
g. I think we are responsible for one another.	8.86	20.25	69.62	2.62	0.65
h. I feel responsible for what takes place in my environment.	17.70	7.59	69.62	2.55	0.79
i. The concept of contributing to the community runs in our family; it’s a concept I grew up with.	22.70	5.06	72.15	2.49	0.85
j. I grew up with values of altruism – if you “have more”, you have to give.	16.40	18.99	64.56	2.48	0.77
k. “Charity and deeds of lovingkindness are equal to the observance all the commandments in the Torah”.	34.18	17.72	48.10	2.14	0.90
l. Participation in fundraising events is part of my social standing.	58.20	7.59	32.91	1.74	0.93
m. When you move in certain social circles, you feel you have to donate. That’s part of having money.	64.56	11.39	22.78	1.58	0.85

* On a scale ranging from 1-5, where 1 is the lowest ranking, and 5 is the highest ranking.

Table 2: Ranking by Groups of Motivations

Index	N	Mean*
Promoting social issues	79	4.40
Satisfaction and intrinsic motivations	78	4.33
Sense of belonging to the community	79	4.15
Values that encourage giving	79	3.80
Status and belonging to a social circle	78	3.12

* On a scale ranging from 1-5, where 1 is the lowest ranking, and 5 is the highest ranking.

Table 3: Ranking of Areas of Interest for Philanthropic Contributions

Area	No. of Rankings (%)	Average Ranking *	High	Moderate	Low
Education	62.02	1.35	69.39	26.53	4.08
Welfare	62.02	1.90	22.45	44.90	32.65
Health and prevention	21.51	1.94	35.29	25.53	41.18
Social change	20.25	2.38	12.50	37.50	50.00
Culture	15.1	2.33	16.67	33.33	50.00
Higher education	13.92	1.82	36.36	45.45	18.18
Religion	11.39	1.89	33.33	44.44	22.22
Research	10.12	2.63	12.50	12.50	75.00
Coexistence	8.86	2.29	28.57	14.29	57.14
Human and civil rights	6.32	1.80	20.00	80.00	-
Peace process	6.32	2.60	-	40.00	60.00
IDF – Israel Defense Forces	6.32	3.00	-	-	100.00
Art	5.06	2.50	-	50.00	50.00
Road safety	2.53	1.50	50.00	50.00	-
Victims of terror	2.53	2.50	-	50.00	50.00
Sports	1.25	3.00	-	-	100.00

* On a scale ranging from 1-5, where 1 is the lowest ranking, and 5 is the highest ranking.

Table 4: Correlations between the Motives for Philanthropy and Reasons for Choosing Preferred Areas of Interest for Contributions

	Reasons for choosing the area of interest for contributions					
Driving forces	Response to external event	Promoting new philan-thropic perspectives	Zionism	Religion	Social perspective	Other
Change in marital status	1.0000	1.000	0.1730	0.4630	0.6047	0.2007
Change in economic situation	0.1021	0.3988	0.7832	0.4355	0.7717	0.6120
Personal/family crisis	1.0000	1.0000	0.3190	1.0000	0.3172	0.6752
Sociopolitical change	1.0000	0.0168**	0.0324**	0.6774	0.3431	1.0000
Request from external factor	1.0000	1.0000	0.2588	0.0615*	0.0511**	0.3109
Family history, education and values	0.4842	0.0490**	0.2258	0.1570	1.0000	1.0000
Sense of need	1.0000	0.4286	0.0341**	0.7149	0.0954*	0.8076
Gratitude	1.0000	0.5809	0.0911*	1.0000	0.5687	1.0000
Religion	1.0000	0.3276	1.1802	0.0264	0.4994	0.3482

* $p<.05$, ** $p<.01$

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