Survery of Philanthropic Foundations
and Funding Institutions in Israel

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Executive Summary

This survey examined the structure and extent of institutional philanthropy in Israel in the year 2006. The survey relates to the activities of 288 philanthropic institutions- nonprofit organizations (NPOs), whether listed as associations, public-benefit companies or endowments. The core activity of these institutions is the raising of monies from various sources and the funding of individuals and organizations by distributing grants. The main findings of the survey are the following:

The main source of income of philanthropic institutions is monetary transfers (80%) while only a small portion is derived from the institutions' equity capital financing income (1.5%). The remainder of revenue drives from sales of services and programs (18%) and other sources.

The majority of the monetary transfers originate outside Israel (68%) and only a small share of it is from Israel – transfers from the government and national institutions (13%), contributions of households (6%), the business sector (5.5%), other NPOs in Israel (2.5%) and unknown sources (2.7%).

Institutional philanthropy expenditures in Israel constitute 1.03% of GDP and 2.38% of government expenditure for the year 2006. Of these, monetary transfers distributed by philanthropic institutions amounted to 5.1 billion NIS which are 0.8% of GDP. Between
the years 2002 – 2006, the total amount of transfers distributed grew by an average of 2% annually.

The field of institutional philanthropy is characterized by a high degree of centralization – 86% of the total revenue was concentrated in the hands of the large institutions (which make up only 13% of all institutions) and most of the transfers from abroad are contributed to a limited number of institutions. The same is true for the institutions’ expenses: about 88% of the expenses of all institutions were dispensed by large institutions, as most of the grants (91% of current transfers and 82% of capital transfers) were distributed by these institutions. Only 1.5% of the grants were contributed by the small institutions (which make up 54% of the institutions).

Institutional philanthropy in Israel supports different types of organizations-NPOs (40% of transfers) the public sector-government, local government and the national institutes (35%). The preferred areas for grants are: welfare (49%), education (17%), health (12%), the arts, culture and sports (8%), environment protection (8%) and religion (5%). Most of the philanthropic organizations operate "all over the country" and are not restricted to a specific geographical location. However, only 33% of the grants of the large institutions are dedicated to the periphery.