

SO YOU'RE THINKING OF STARTING A

B'NAI TZEDEK

TEEN PHILANTHROPY PROGRAM

What you need to know to get to

GO!

Why B'NAI TZEDEK?

In 1997, philanthropist Harold Grinspoon established B'NAI TZEDEK in his home community of Western Massachusetts to simultaneously address two needs of the Jewish community. Firstly, he was worried about the future of funding for Jewish life in America and believed that efforts had to be made to educate a younger generation about the importance of Jewish philanthropy -- and endowments in particular -- to help ensure the future vibrancy of Jewish organizations. Secondly, he was alarmed at the growing evidence that a bar/bat mitzvah, rather than launching teens to a new level of Jewish engagement, was all too often the end of Jewish involvement for an ever growing proportion of Jewish youth. Consequently, he decided to create B'NAI TZEDEK to stimulate teens, from the time of their bar/bat mitzvahs, to begin a lifelong relationship with Jewish philanthropy. He did this by extending a challenge to teens and to his community. B'NAI TZEDEK asked teens to set aside a certain amount of the money received from their bar/bat mitzvah (in Western MA the amount was set at \$125). He asked his local Jewish endowment fund to match each bar/bat mitzvah with an equal sum and to set up an endowment fund in each teen's name. Then he matched the two together, so that each teen ended up with an individual endowed fund in his or her name with a total of \$500. Every year, the teen was to donate 5% (the anticipated average interest) of the fund to a Jewish charity of his or her choice. In addition, teens were encouraged to add money over the years to their individual endowment funds to grow the principal, and thus the disbursements, from accrued interest.

Over the years, B'NAI TZEDEK has become a model for dozens of other communities, which adapted it to suit their local situation. In some communities, teens are required to give more than \$125; in others, a group of local funders match each teen without any match from the local endowment foundation; in some communities, teens distribute the interest from the endowment exclusively to Jewish organizations; in others, some of the distribution may go to non-Jewish organizations. Over time, the program has grown more robust -- enhanced by teen philanthropy retreats, appreciation banquets and local youth foundations, which allow highly engaged B'NAI TZEDEK teens to launch additional philanthropic initiatives. But the essence of the program has remained the same in all

B'NAI TZEDEK communities: each teen has an individual endowment set up in his or her name, the initial amount the teen puts into the fund is matched by a local donor and/or endowment fund, and the teen makes an annual distribution from his or her individual account. In addition, teens are encouraged to add to the principal over the years, thus increasing their philanthropic involvement in their community.

B'NAI TZEDEK has become a catalyst for a growing movement within the Jewish community to engage teens in Jewish philanthropy. In 2006, B'NAI TZEDEK staff at the Harold Grinspoon Foundation played a key role in launching the first ever Jewish Youth Funders Conference in Denver, Colorado. This led to the establishment of a national youth philanthropy office at Jewish Funders Network which serves as an umbrella organization for the burgeoning number of teen philanthropy programs. Today, B'NAI TZEDEK actively cooperates with the national youth philanthropy office, while maintaining its essential distinctive features. B'NAI TZEDEK communities throughout the country all have local funders who provide the matching grants for teens in their local community. At the same time, the Harold Grinspoon Foundation provides substantial technical assistance, and in many cases, financial assistance, to help ever more communities get the program off the ground. We believe that among teen philanthropy programs, B'NAI TZEDEK remains unique in educating teens about endowments, and empowering them to control their own account as part of launching them on a life-long relationship with Jewish giving.

Essential Elements of a Successful Program

To launch a successful B'NAI TZEDEK program, a community must have the following:

- 1) **A funder or funders who are willing to provide a match to each teen who sets up a B'NAI TZEDEK account.** In some communities, one philanthropist matches every teen, in other communities several philanthropists fund the program together, and in some communities there is no match. In most communities, the local Jewish endowment fund provides part of the match.
- 2) **A mechanism for establishing and administering the funds.** Most often, B'NAI TZEDEK should be launched in a full partnership with the local Jewish endowment fund, or with a foundation that is able to house the endowment funds created by the teens.
- 3) **A program manager who is in charge of recruiting the teens, maintaining contact with them and assuring that there are additional programs that engage them in philanthropic issues.** Often that person may be a part-time Jewish teen educator, or a staff person from the local Jewish federation.
- 4) **Buy in from key stakeholders in the Jewish community:** rabbis, Jewish day school principals, lay leaders in the Jewish community, supplemental Jewish educators, Jewish youth leaders etc. These are the people who will help get the word out about B'NAI TZEDEK in the community and provide access to teens.

1. FUNDING

How much money is needed to initiate the fund in my community?

The amount of funding needed to launch a B'NAI TZEDEK program will depend on the size of your community and the potential pool of B'NAI TZEDEK teens. The main goal of B'NAI TZEDEK is to re-define what it means to be a philanthropist – that one does not have to be wealthy to engage in an authentic relationship with life-long giving. To meet this goal, the initial contribution from the teen needs to be accessible for most families.

in your community. Not all teenagers receive numerous checks for their b'nai mitzvah. If you want to make this program accessible to teens in your community who are older and have already had their B'nai Mitzvah, the initial contribution needs to be accessible for them as well. Most communities begin with an initial contribution of \$125 or \$250 from the teen. A few communities have the contribution as high as \$1000. The amount of annual funding needed will be the number of teens joining B'NAI TZEDEK each year times the amount of the match. The percentage of b'nai mitvah who join the program will depend on the level of marketing and acceptance the program gains in your community and may initially be difficult to assess. This is likely to initially create resistance from some funders. However, some communities have launched B'NAI TZEDEK by gaining commitments from a funder/funders for an initial number of teens. For example, a funder can say that they will make \$25,000 available with a match of \$250 for every teen who joins, thus assuring funding for the first 100 b'nai mitzvah in the community. In our experience, success breeds on success and funders often increase their funding over time as they become enamored of the program. Furthermore, communities are free to honor their local donor/s and many do – hence we have the Lewis D. Cole B'nai Tzedek program in Louisville, KY and the Ida Fay and Luba Gretel B'nai Tzedek Youth Philanthropy Endowment in Dayton, OH honoring the funders' grandmothers.

The good news, too, is that the match is a one-time match on the part of the funder. This means that once the initial match has been made, B'NAI TZEDEK teens are encouraged to grow the principal of their endowment fund with their own contributions as they learn more about tzedakah.

Furthermore, the amount and percentage of the match is entirely up to each community.

Some current models are:

In Western Massachusetts:

Teen's Contribution	\$125
Jewish Endowment Foundation	\$125
Harold Grinspoon Foundation	\$250
<i>Total initial amount</i>	<i>\$500</i>

In Phoenix, Arizona:

Teen's Contribution	\$180
Multiple funders	\$320
<i>Total initial amount:</i>	<i>\$500</i>

How to attract a funder

B'NAI TZEDEK is an innovative program that works. It is perfect for a funder with a genuine interest in the future of his or her local Jewish community. The genius of B'NAI TZEDEK is that it not only engages and educates Jewish teens in the values of Tzedakah and philanthropy; it directly and concretely builds the next generation of support for the Jewish community. B'NAI TZEDEK not only answers the question of how we keep young people dynamically involved in Judaism, but how we provide the skills and knowledge for young people to actively and financially support the Jewish community for a lifetime.

Funders in more than 30 communities throughout the United States and Canada already understand this, and support their local B'NAI TZEDEK community. The support provided by the Harold Grinspoon Foundation which has expanded the program based on its own successful experience is an additional compelling reason to start the program.

B'NAI TZEDEK staff from the Harold Grinspoon Foundation and other communities can provide your community with valuable expertise in successful launch and growth of the program. Our B'NAI TZEDEK national director is available to meet with donors in other communities to help explain the program to prospective funders in your community.

Addressing potential funder concerns:

One concern raised by some potential funders is the length of the investment. Most funders are more comfortable with an investment that requires less funding over time instead of more. In the case of B'NAI TZEDEK, the more successful it is, the more funding required. It is important to convey that every fund that a teen opens is money well spent because it empowers each teen to engage in a relationship to life-long giving. The more funding that is required, the more young philanthropists are born to support their generation of Jewish community. If teens add to the principles of their individual funds, they will be giving away more each year in the distribution of the interest. If they do not significantly grow the fund, it eventually becomes part of the general Jewish endowment fund of the community, and so is not lost to the community.

Furthermore, if B'NAI TZEDEK is very successful, the funder and B'NAI TZEDEK participants can decide to endow the program itself!

Addressing the concerns of community fundraisers:

We've heard concerns from federation or endowment professionals about over soliciting existing funders with B'NAI TZEDEK when there are so many other needs of the federation and community. Studies have shown that the nature of philanthropy is changing: funders want to have a more direct connection with a program that they are passionate about. We've noticed that funders give above and beyond the annual campaign when they are inspired by an innovative project in which they can be personally engaged. In Western Massachusetts, Harold Grinspoon and his wife Diane Troderman delight in joining the B'NAI TZEDEK teens once a year at the B'NAI TZEDEK banquet. In other communities, funders become highly engaged with the teens in programs about philanthropic giving.

2. ESTABLISHING AND ADMINISTRATING THE FUNDS

In most communities, B'NAI TZEDEK works as a partnership between a funder/funders and the local Jewish endowment foundation, which houses and administers the financial aspects of the program. In rare cases, a private foundation houses the funds, supplies the matching grants, and administers the program.

In establishing a B'NAI TZEDEK program with your local endowment foundation or private foundation, there are two important questions that need to be considered.

The first: since it takes more time and resources to manage smaller funds, what is the status of these funds when a teen first establishes them; and what amount does the fund need to reach in order to become a donor-advised restricted fund?

While it is a learning experience for the participant to be able to make decisions with their fund during their high school years, B'NAI TZEDEK has the most impact when the teens have the opportunity to keep their funds for their entire lives.

The second: how does one set up a program that both meets the needs of the teen for their own life-long fund, and meets the management needs of the endowment foundation? When a participant signs up for B'NAI TZEDEK, the individual's "fund" is really part of a larger fund called the "B'NAI TZEDEK Fund" or "Teen Fund," but has each participant's name attributed to a certain portion of it.

Each community needs to ask how long they are willing to keep track of and send statements to all the individual participants while their "fund" is part of the larger "B'NAI TZEDEK" fund. In considering how long the endowment foundation is willing to maintain the teen's fund, it's important to notice whether the individual teens are actively contributing to their fund while they are learning about philanthropy. One question that needs to be determined early in the game is: How much does a teen have to contribute to his or her fund in order by what age to keep it as a donor-advised restricted fund?

Some current models are:

In Columbus, OH

The initial B'NAI TZEDEK fund of each teen is \$500. The local endowment foundation requires that the fund have a \$2000 balance after 10 years of active grants activity. If the fund has less than \$2000 by that time, it will be converted to a permanent unrestricted endowment fund of the Columbus Jewish Federation in the teen's name. If at any time the fund exceeds \$2000, it can be converted to a philanthropic fund in the teen's name and regulated by the current bylaws of the Columbus Jewish Federations

In Western MA

The initial B'NAI TZEDEK fund is \$500. Each B'NAI TZEDEK participant has 20 years to grow the fund. If after 20 years the fund has reached \$2500 the account becomes a permanent donor advised fund. If it doesn't reach \$2500, it is rolled into the Jewish Endowment Foundation's unrestricted fund. If after 20 years the fund reaches \$10,000, it becomes a regular donor advised fund.

In San Antonio, TX

Teen contribute \$250 and this amount is matched with \$250. Each year through the end of high school, the teen contributes 20% of the fund's balance. In June of the teen's graduation the BT fund can continue as a permanent fund of the Jewish Philanthropies of San Antonio (\$1,000 minimum) or it can be of donated to the Student Co-operative Fund or to other charities.

We suggest an achievable amount to transition the fund from an unrestricted to donor-advised restricted fund, even if it means having the endowment foundation make an exception for B'NAI TZEDEK. Weeding out the participants that haven't contributed to their fund during their high school years can help minimize paperwork so that the endowment foundation doesn't have to manage funds that aren't growing at all.

Addressing the concerns of endowment foundation directors

We've found that resistance to the program from federation directors usually revolves around limited resources. Concerns have been raised about the additional time and effort it takes to administer the program.

There are two elements to the administration of the program – endowment fund management and marketing/programs. In addition to the number of teens enrolled in the program, there are many variables that factor in to the number of hours professional staff will be needed: computer systems currently being used to manage the accounts, mailing of statements – annually vs. quarterly, number of programs held for teens, level of marketing to the Jewish community, amount of media exposure marketing person seeks for the program. For an assessment of the estimated amount of professional staff time necessary to administer the program in your community, please consult with the B'NAI TZEDEK national director.

3. PROGRAMMING FOR B'NAI TZEDEK

Over the years, we have learned that the strength of a community's B'NAI TZEDEK program depends on its having a skilled professional to recruit the teens and provide meaningful programming on the subject of philanthropic giving. We admit, we learned this the hard way. After setting up BT in Western Massachusetts, we discovered after a few years that less than 5% of teens with B'NAI TZEDEK accounts were actually making a distribution each year. In short, they were not engaged. So we added a programming element to B'NAI TZEDEK. Initially, we introduced an annual banquet, where teens not only got to hear a dynamic speaker who had changed the world for the good in innovative ways, but also had a chance to meet with the funder of the program (the most common question they asked Harold Grinspoon: How did you get all your money?). Then, we introduced an annual retreat around the themes of tzedakah and thoughtful giving, mixing a social event with serious values learning. Eventually we added a youth foundation – providing a forum for the most active B'NAI TZEDEK teens to learn the ins and outs of grantmaking and to provide a means for them to engage

seriously in issues of social justice, welfare and the role of philanthropy in modern America and the Jewish world. Today, in Western MA, most of the teens in B'NAI TZEDEK make their annual distribution as part of the annual banquet, and a significant number of teens have grown the principle in their fund.

Year-round, our local B'NAI TZEDEK program director meets with synagogue leaders, parents and pre b'nai mitvah classes to discuss, explain and promote B'NAI TZEDEK.

We now strongly encourage B'NAI TZEDEK communities to run accompanying programming to assure B'NAI TZEDEK achieves its full potential for youth engagement. In fact, we are so convinced of the critical role of professional staff to the success of the program that we help fund the cost of personnel outside of Western MA to a number of communities to assure B'NAI TZEDEK gets off to a strong start.

It is important for B'NAI TZEDEK communities to realize that there will be staff costs associated with the program if it is to succeed.

4. STAKEHOLDERS

Launching a successful B'NAI TZEDEK program requires buy-in from stakeholders – and the sooner in the process the better. This means that parallel to lining up a funder, it is important to convene rabbis, lay leaders, teen educators, youth group leaders, and federation and endowment professionals in your community to explain B'NAI TZEDEK and get their input.

These are the gatekeepers to the teens who will make up B'NAI TZEDEK. They need to understand the program, help you promote the program, and be partners in administering the funds and or running programming.

It is critical that they fully understand the opportunity and rationale for B'NAI TZEDEK. You can show how B'NAI TZEDEK has been successful in other communities by watching a 10-minute video from the Harold Grinspoon Foundation that features interviews with

teens, parents, Jewish professionals, and local philanthropists. In addition, it's useful to review data and reports that reflect the experiences of other B'NAI TZEDEK communities. Finally, the B'NAI TZEDEK national director at the Harold Grinspoon Foundation is available for conference calls, and possibly a visit to your community, to speak about the program.

Furthermore, it is important to address the concerns of the potential partners, and give them an opportunity to envision the program in your community.

It is also important to interview the potential partners before the meeting to find out their level of commitment to Jewish teen involvement and Jewish continuity. Once the needs have been identified from their perspective, a brief report can be prepared that illustrates how B'NAI TZEDEK meets important needs and benefits the community. This report can be a topic of discussion at the meeting. When the partner wants to proceed, different funding structure models can be explored.

ESTABLISHING THE GROUND RULES

It is important to establish the ground rules of B'NAI TZEDEK in your community. Here are some of the questions that need to be discussed with the stakeholders, and approved by the funder and B'NAI TZEDEK administrator organization:

- * What will be the minimum a teen must put into the fund?
- * What will be the match?
- * How long and how much money must a teen add to his or her individual fund to have it become a donor-designated endowment fund in perpetuity?
- * How much will be distributed from the fund each year? (We recommend 5% of the principle.)
- * What organizations will be eligible for B'NAI TZEDEK donations? Only Jewish organizations? Jewish and non Jewish? Only local organizations? Let the teens decide at the start of the program?

READY, SET, GO....

So you have a funder in place, your endowment foundation is confident it can administer the program, you have identified potential staff for the program (or at least have funding for the part-time position), you have convened the stakeholders who are jazzed about the program.

Congratulations, you have just graduated to GO!

Good luck and be in touch!