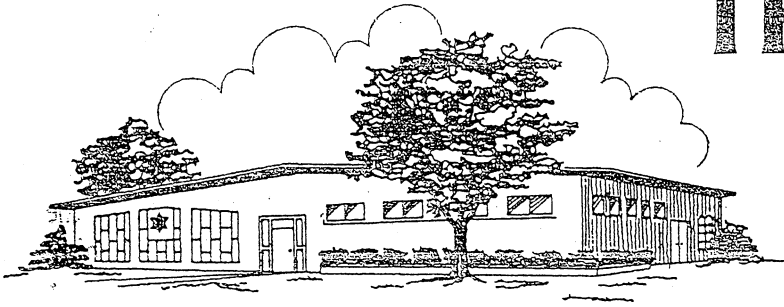


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GIVING WISELY

Visitors to Israel comment on what they see. The streets of the major cities are clogged with cars, many of them new. They note first hand that Israelis constitute the world's premier gadget consumer society. An Israeli without a cell phone clasped to his ear is considered sort of naked. Super market shelves are clogged with goods. If you have the money there is practically nothing that you cannot find in the stores and malls. All surface appearances point to a high standard of living. The reality is found in recently published figures: 25.2% of all children, 18.8% of all individuals, and 17.6% of all families are living below the poverty line. They are the ones who rely heavily on Israel's 30,000 registered *amutot* (non profit organizations). This article deals with the *amutot*, the Israel organizations that solicit your donations.

Thirty or forty years ago *meshulachim* made personal calls on most Jewish owned businesses from corner grocery stores to the Central National Bank. Then came increases in the cost of transportation, even Greyhound and Trailways, and gradually the ranks of these collectors thinned out. Now direct mail has to a great extent supplanted the *meshulach*.

If you are one of the many Jews who once upon a time contributed to one of Israel's *amutot* it's dollars to doughnuts that your name was traded or sold to a list manager. From then on your mailbox bulged with direct mail solicitations.

PR organizations replaced the *meshulachim*. They took over with colorful brochures, tricky literature, pictures of starving/disabled/crippled/homeless/blind children/adults/senior citizens/refugees, et al.

Eventually the list managers even sold your name to Save The Whale/the Wolf/the Rain Forest/the Pristine Sahara, etc. Even if you were not interested in whales or wolves, the Jew in you saw pictures of little children or pitiful looking old men and women and they tugged at your heartstrings.

Like most Jews, you support the Jewish Federation of Richmond, but you also would like to have a direct connection to people in Israel. How do you know which of the organizations represented by direct mail beautiful brochures and the king's English is worthy of your support? How much of your contribution will go to programs, how much to pay the salaries of the executives and staff that run the organization. Understand that "Non profit" does not mean that the organization uses the major portion of your contribution to help the poor souls pictured in the expensive literature. In some instances it is possible that most of every dollar that you send could go to administrative personnel. A well run charity should have a fund raising cost of between five and twenty percent. How can you tell if they are operating within that bracket? Usually you cannot and do not know how to find out. Few individuals who are solicited take the trouble to write for a financial statement. However there is a way for donors to measure the worth of an Israeli charity that has sent a direct mail solicitation or the occasional *meshulach*.

(OVER)

Dr. Eliezer David Jaffe is an *oleh* from the United States. Since 1960 and until his very recent retirement he taught at Hebrew University's Paul Baerwald School of Social Work. His long list of achievements include receipt of the President of Israel's Citation for Outstanding Volunteer Activity, the Mayor of Jerusalem Award for Outstanding Nonprofit Association chairman, the Bernard Revel Memorial Award as the most outstanding scholar and community leader among the alumni of Yeshiva University. He is also a consultant to the Rothschild Foundation and other foundations and private philanthropists in Israel and abroad. To me one of his greatest accomplishments was the establishment of the Israel Free Loan Association. Be sure to read about the IFLA later in this article.

Professor Jaffe has written and edited *Giving Wisely*, a 749 page encyclopedia that provides information on 62 categories of charity activities, and details of about 750 nonprofit organizations in Israel. The book, published by Gefen Books, New Street, Hewlett, NY 11557 Tel 516-295-2805 refenbooks@compuserve.com www.israelbooks.com, should be in the library of every Jewish Federation. Newsletter - The Weekly News Magazine wrote about *Giving Wisely* - "This book brings to our attention organizations that even well-informed people in Israel and abroad would hardly have heard of otherwise, and gives the philanthropist a chance to find a cause to identify with."

Now about the IFLA -

Maimonides analyzed and rated the different forms of *tzedakah* nearly a thousand years ago, "A loan is better than charity for it enables one to help himself." The Israel Free Loan Association carries out that concept, and the writer of this article is able to personally vouch for it. Since 1990 the Israel Free Loan Association has provided over \$25,000,000 in interest free loans to more than 15,000 needy Israelis. The IFLA is operated primarily by volunteers. Dr. Jaffe, the founder does not receive any salary at all, zero! The cost of administration is only 1.5% mostly for bank and legal fees. No funding comes from the Israel government. Applicants are mostly new immigrants

Emil B. Dere

Keep in mind that your dollars count more when you Give Wisely.

For more information, <http://www.freeloan.org.il>. E-mail ifla@freeloan.org.il or write P.O.B. 4579, Jerusalem 91041. Telephone: 02-536-0248; Fax 02-566-9504

United States tax exempt donations to the IFLA may be made by sending checks of \$25.00 or more to P.E.F. Israel Endowment Funds, Inc. 317 Madison Ave., New York, NY 10017. A note should accompany the check recommending to their trustees that the donation be used for the IFLA.

Loan repayments are reasonable and flexible, but the basic principle is that loans must be repaid on schedule so that the funds may be recycled and reissued to other borrowers. The default rate is approximately 5%. During the last ten years over \$25,000,000 has been provided to needy individuals.

From any country, such as Ethiopians moving from caravans to permanent housing, small business loans to immigrants, victims of terror and the intifada situation. This is not a charity but constructive self help. Donors of \$5,000 or more who want their funds directed to a particular need receive regular reports about how their funds are being recycled.