

# The Economic Downturn and the Future of Jewish Communities

Jonathan D. Sarna

‘The great recession’ has followed almost twenty years of unprecedented economic advancement, from which Jews greatly benefited. Investors brought a venture capital mindset into the Jewish nonprofit sector, promoting innovation, experimentation and also a certain amount of overconfidence and hubris.

The collapse of the stock market and various financial frauds and scandals have destroyed a good deal of this new Jewish wealth and damaged Jewish philanthropy generally. Now an era of belt-tightening is threatening Jewish educational, cultural and religious initiatives. As a community we will have to make difficult decisions about ‘who will live and who will die’ in Jewish communal life.

What we know is that organizations that were weak or undercapitalized before the recession are the least likely to survive.

There are five important trends to watch: 1. We are witnessing Jewish organizations that either have or are close to being merged into non-Jewish organizations; 2. Efforts to re-engage small donors; 3. Calls for higher standards of ethics and for greater transparency in Jewish philanthropy; 4. New focus on sweat equity; 5. As jobs disappear in the diaspora, we can expect to see both demographic decline and greater *aliyah* to Israel.

Israel is overtaking the United States as the largest Jewish community in the world in one of the great demographic transformations in contemporary Jewish life. This development demands adjustments in communal thinking and in the flow of money and power. Meanwhile, unlike most of the world’s great religions, Judaism is contracting and reducing its exposure to the larger world.

Will the years ahead be marked by assimilation or revitalization? Will the Jewish community be able to identify a mission compelling enough for young Jews to become passionate about, to replace the great causes of the past? Once the economic downturn is behind us, the goal of formulating a new and compelling mission for our Jewish community needs to be high on our agenda.

My assignment – to talk about the future of Jewish communities in the wake of the economic downturn – is a dangerous one for an historian. Anyone who examines the history of prophecies about Jews, whether in America or anywhere else, will quickly discover that a great many of them proved wrong. The oldest recorded mention of the name Israel was, in a sense, such a prophecy. Included in an Egyptian hymn of victory dating to Pharaoh Mer-nep-tah (about 1230 BCE), it read, ‘Israel is laid waste, his seed is not [i.e. his offspring is wiped out].’<sup>1</sup>

We know, of course, that things worked out rather differently; in fact the Pharaohs were eventually wiped out, while Israel lived on. The second mention of Israel, 400 years later in the so-called Mesha Stone, is of the same order: ‘I have triumphed...’ Mesha king of Moab declared, ‘while Israel hath perished for ever.’<sup>2</sup> Again, things worked out rather differently. Except for The Hebrew Bible, who would ever have heard of Mesha?

## Predictions prove wide of the mark

In America, in 1818, one of the nation’s wisest leaders, Attorney General William Wirt, predicted that within 150 years Jews would be indistinguishable from the rest of mankind.<sup>3</sup> Today, William Wirt is himself indistinguishable and long forgotten; while Jews in America are more noteworthy than ever. In 1952, England’s greatest Jewish historian, Cecil Roth, delivered a lecture in New York on ‘The Next One Hundred Years: An Historian’s Forecast.’ He predicted that Russian Jewry under Communism would be completely lost to the Jewish

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<sup>1</sup> James B. Pritchard (ed.), *The Ancient Near East: An Anthology of Texts and Pictures* (Princeton, NJ: Princeton University Press, 1958), 231.

<sup>2</sup> *Ibid.*, 209.

<sup>3</sup> Jonathan D. Sarna, *Jacksonian Jew: The Two Worlds of Mordecai Noah* (New York: Holmes & Meier, 1981), 178, n.65.

people. Even if the Soviet Union fell, he declared, only 'a few thousand Jews would return to full Judaism. . . 'Russian Jewry,' he announced sadly, 'has to be written off.'<sup>4</sup> Obviously, that prediction too proved quite wide of the mark.

Nor did popular journalistic predictions turn out any better. America's *Look Magazine* in a famous cover story in 1964 wrote of 'The Vanishing American Jew.'<sup>5</sup> The article received worldwide coverage; rabbis everywhere made it the subject of sermons. Yet, today, *Look Magazine* itself has vanished – not just once but twice – and again the Jewish people lives on. In short, as Mark Twain is supposed once to have said, 'prophecy is very difficult, especially about the future.' That may be worth bearing in mind as we proceed.

In this spirit, let me turn now to our subject: the economic downturn, what some are already calling 'the great recession.' It is important at the outset to remind ourselves that this recession followed an almost twenty-year period of unprecedented economic advancement, from which Jews greatly benefited. The number of billionaires (a reasonable measure of wealth in a capitalist society) practically quintupled in the United States during these years (there were, according to *Forbes Magazine*, 99 billionaires in the USA in 1990 and 469 in 2008.) Worldwide, the number of billionaires grew at a similar pace, almost tripling just in the last twelve years (423 billionaires in 1996 and 1125 in 2008.) How many of these billionaires were Jewish is disputed – one can find numbers ranging from 24 per cent to 44 per cent in the USA; up to 38 per cent worldwide.<sup>6</sup> Whatever the case, all of the major Jewish communities – the United States, Israel, France, Canada, the United Kingdom and the Former Soviet Union – experienced dramatic increases in wealth since 1990. In Britain, five of the country's ten richest people are Jewish according to the *London Times*.<sup>7</sup> In the United States, more Jewish wealth may have been created during this last economic boom than in all of American Jewish history put together. And since much of that wealth was created by investors and venture capitalists, it is no surprise that they brought a venture capital mindset into the Jewish nonprofit sector, promoting innovation, experimentation, and also, as we now recognize, a certain amount of overconfidence and hubris.

### Damage to Jewish philanthropy

The collapse of the stock market destroyed a good deal of this new Jewish wealth (by no means all) and did a great deal of damage to Jewish philanthropy generally. Private Jewish foundations are reputedly down by roughly 30 per cent (the more

aggressive they were, the harder they fell.) More conservative Jewish communal and institutional endowments generally lost less, in the range of 15–20 per cent. Some mega-donors, of course, lost far more: two particularly generous contributors to Jewish causes, Sheldon Adelson and Lev Leviev, lost the major part of their fortunes. Adelson, a prime contributor to Birthright Israel and many Israeli causes, reputedly lost \$24 billion in 2008.<sup>8</sup> Leviev, a key funder of Chabad, reputedly lost two-thirds of his \$4.5 billion fortune.<sup>9</sup> Both men, understandably, have drastically cut back on their philanthropic contributions.

On top of these billions of dollars in endowment and investment losses – which may be temporary assuming that markets recover – the Jewish community has also lost huge amounts of money to various financial frauds and scandals. The largest by far – indeed, perhaps the largest financial scandal in all of Jewish history – is the Bernard Madoff Ponzi scheme. It wiped out 51 foundations entirely, including such important players in Jewish life as the Chais Family Foundation, the Elie Wiesel Foundation for Humanity, the Robert I. Lappin Charitable Foundation, the Picower Foundation, and the Yeshaya Horowitz Foundation. Some 143 other foundations, as well as organizations like the American Jewish Congress, Hadassah and Yeshiva University also took huge hits.<sup>10</sup> Jews throughout the world have suffered directly and indirectly from Mr Madoff's now confessed misdeeds.

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Some of the most tragic Madoff stories, in my view, are the losses to small-scale institutions and individuals. For example, many years ago a generous donor contributed a scholarship fund to the Maimonides School in Brookline, which my two children attended. Instead of giving the money directly to the school ('what does a Jewish day school know about investing money?' the donor apparently believed), he gave the money to the great Jewish investor, Bernard Madoff, to invest on the school's behalf. For a long time, that seemed like a wise move: the money grew into a \$3 million scholarship fund that generated between \$120,000–150,000 a year in scholarship funds – a hugely important part of the school's tuition budget. Tragically, most of that money has now vanished forever.

Lots of generous individual Jews in the Northeastern

<sup>4</sup> Cecil Roth, 'The Next One Hundred Years: An Historian's Forecast' (March 23, 1952), Box 436, Judeans Papers, American Jewish Archives, Cincinnati, OH., pp.11–12.

<sup>5</sup> Thomas B. Morgan, 'The Vanishing American Jew,' *Look* 28 (5 May 1964), 42–46.

<sup>6</sup> Nathaniel Popper, 'Rapid Rise of Mega-Donors Reshapes Communal World,' *Forward* 2 March 2007 and comment by Ariel Kohen, <http://www.forward.com/articles/10246/>; on billionaires, see <http://hypertextbook.com/facts/2005/MichelleLee.shtml>.

<sup>7</sup> *Jewish Chronicle*, April 30, 2009.

<sup>8</sup> [http://www.forbes.com/2009/01/06/ces-sheldon-adelson-tech-personal-cx\\_bc\\_0106adelson.html](http://www.forbes.com/2009/01/06/ces-sheldon-adelson-tech-personal-cx_bc_0106adelson.html).

<sup>9</sup> <http://jta.org/news/article/2009/03/16/1003759/financial-crisis-hits-russias-billionaires-hard>.

<sup>10</sup> The full list of Madoff clients, as released by the court, is found at <http://online.wsj.com/public/resources/documents/madoffclientlist020409.pdf>. The figure for foundations affected comes from Jeffrey Solomon of the Andrea and Charles Bronfman Philanthropies as quoted in Haviv Rettig Gur, 'Solomon Urges Behavioral Changes in Jewish Community,' *Jerusalem Post*, July 9, 2009.

United States, Florida, California, Denver, Minneapolis and Portland likewise lost much of their net worth in the Madoff scandal. While it is important to remember that some of the largest losers in the scandal were general banks and investment firms, the Jewish community's losses were certainly very substantial – in the billions of dollars.<sup>11</sup>

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Nor was this the only scandal that vapourized Jewish capital. So called 'mini-Madoff' cases have proliferated – they always do when markets head south – including the \$216 million scam allegedly perpetrated by Bruce Friedman in Los Angeles,<sup>12</sup> the several hundred million dollars lost to Ezri Namvar, a pillar of the Persian Jewish community also in Los Angeles,<sup>13</sup> the \$255 million fraud allegedly perpetrated by Joseph Shereshevsky and WexTrust against the members of Congregation B'nai Israel in Norfolk, Virginia,<sup>14</sup> and the \$250 million (2 billion rand) Ponzi scheme attributed to Barry Tanenbaum of South Africa.<sup>15</sup> All of these 'affinity scams' have made the Jewish community much poorer and depleted funds from Jewish philanthropies. Moreover, unlike money lost in the market, the funds lost to Madoff and 'mini-Madoffs' will never come back; that money is gone forever.

#### New era of belt-tightening

These losses are taking their toll on Jewish communal life. Just as the great rise of Jewish wealth over the last twenty years fueled one 'big thing' after another in Jewish life – educational initiatives, Birthright Israel and an array of cultural and religious undertakings – so now a sudden and highly significant era of belt-tightening is threatening these initiatives. Birthright Israel has significantly cut back on the number of trips it is offering in 2009.<sup>16</sup> In the UK, plans for an ambitious Jewish Community Centre for London have been put off.<sup>17</sup> And many other projects are being scaled back, including one at my university. Over the next 12-24 months, we as a commu-

nity will have to make difficult decisions concerning 'who will live and who will die' in Jewish communal life – decisions made especially difficult when individual needs are rising and communal means are falling.

Seeking to stave off the 'evil decree,' different sectors of the Jewish community today are busy explaining to all who will listen why *their* particular area of the Jewish economy has to be preserved at all costs: human services, obviously a priority in tough times; Jewish education, as necessary as oxygen; Jewish camping, shapes Jewish memories and lifelong associations; innovative Jewish start-ups, they are the most efficient sector of the Jewish economy and in many ways the most creative; Birthright Israel, perhaps the most successful programme we have established in decades and critical to preserving Jews' ties to Israel; and so forth and so on – more or less every programme is too good to give up.

In a way, the community acts like my university. Everyone where I teach understands that we need to cut back in hard times. The faculty simply insists that nothing be cut from crucial areas like the arts, the humanities, the sciences, the social sciences and the extra-curricular activities. Everything else is on the table.

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Nobody, either in Europe or in the United States, so far as I know, has put forth serious ideas about how to cut the Jewish communal budget by one-third, which may, in the end be what we need to do. The hope, everywhere, is that we will be able to dodge that bullet, make smaller-scale cuts of a more manageable 10-15 per cent, and hope that the stock market goes up soon. It remains to be seen whether that strategy succeeds.

What we know so far is that organizations that were weak or undercapitalized before the recession are the least likely to survive. The demise of the American Jewish organization known as CAJE, 'The Coalition for the Advancement of Jewish Education,' is a good example of that – it owed \$500,000 and had been financially precarious for some time.<sup>18</sup> Limmud, initiated in London, seems to be a more viable model. Similarly, the weaker Jewish day schools – those that barely scraped by in good times – are unlikely to survive this recession. There have been a whole slew of reports of Jewish day

<sup>11</sup> <http://blogs.jta.org/philanthropy/article/2008/12/30/1001903/comparing-jewish-losses-to-non-jewish-losses-in-the-madoff-scheme>.

<sup>12</sup> <http://www.sec.gov/litigation/litreleases/2009/lr20926.htm>.

<sup>13</sup> <http://www.labusinessjournal.com/article.asp?aID=8657284.4956583.1759238.3029841.1011606.483&aID2=135317>.

<sup>14</sup> Ianthe Jeanne Dugan, 'The Rabbi, the Do-Gooder, The Lost \$100 Million,' *Wall Street Journal*, September 15, 2008, p.C1; <http://www.sec.gov/litigation/litreleases/2008/lr20678.htm>.

<sup>15</sup> [http://www.fourwinds10.com/siterun\\_data/business/corporate\\_fraud/news.php?q=1244753903](http://www.fourwinds10.com/siterun_data/business/corporate_fraud/news.php?q=1244753903).

<sup>16</sup> <http://www.foxbusiness.com/story/personal-finance/lifestyle-money/lifestyle-money/recession-hits-birthright-israel/>.

<sup>17</sup> <http://www.thejc.com/articles/duffield%E2%80%99s-plan-hits-a-red-light>.

<sup>18</sup> <http://blogs.jta.org/philanthropy/article/2009/02/09/1002872/caje-will-officially-close>.

schools cutting back teachers, middle schools, and in some cases, such as the Morasha Jewish Day School in Orange County, California and the Metropolitan Schechter Academy in New York, closing down entirely.<sup>19</sup> The basic rule was articulated, in his usual colourful way, by the American billionaire investor Warren Buffett: ‘You only find out who is swimming naked when the tide goes out.’<sup>20</sup> Too many Jewish organizations have recently been found to be financially without cover, swimming naked and under water. Many of them, alas, will now sink into oblivion.

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### Trends to watch out for

Let me point to five important trends to watch:

**1. Particularly in the United States, we are witnessing Jewish organizations that either have or are close to being merged into non-Jewish organizations.** This trend began back in the 1990s when, under government pressure, Jewish and non-Jewish hospitals merged. A good example is the 1996 merger that created the ‘intermarried’ Boston hospital known as Beth Israel-Deaconess Medical Center.<sup>21</sup> Now we are seeing other mergers. In 2004, the Young Men’s & Women’s Christian Association (YMCA) and the Jewish Community Center of Toledo, Ohio merged, reputedly the first-ever merger of two faith-based nonprofits with different religious backgrounds.<sup>22</sup> Other JCCs and YMCAs are watching this experiment closely. More recently, we have seen the merger of Baltimore Hebrew University and Towson University<sup>23</sup>, as well as the merger of the Philadelphia Jewish Archives Center and Temple University.<sup>24</sup> Some Jewish day schools are also reputedly in discussions about sharing secular

classes and facilities with non-Jewish private or parochial schools. None of this could have happened during the Great Depression in the 1930s, when antisemitism was so rampant. But today Jews seem confident — maybe too confident — that deals can be made with secular non-Jewish or even avowedly Christian organizations without Jewish identity being lost.

**2. Efforts to re-engage small donors.** Historically, into the early twentieth century, large, wealthy donors dominated Jewish philanthropy in most countries. In the United States, for example, Jacob Schiff and ‘Our Crowd’ held sway over many aspects of philanthropy and communal policy. In England, the so-called ‘Cousinhood’ held similar power.<sup>25</sup> But then the catastrophe of World War I and the great desire of immigrants in the West to aid relatives left behind led to mass philanthropy.<sup>26</sup> For the next sixty years or so, mass philanthropy not only raised a good deal of money, it also served as a form of Jewish identification. By contributing to a Jewish charity one announced that one was a paying member of the Jewish community. Then, over the past twenty years, business-minded consultants persuaded charity heads to focus on big givers for the sake of efficiency. The cost per dollar (or pound sterling) raised was much less with wealthy donors, the consultants observed, and with only so much time to educate donors, they thought it was a better investment in time and resources to educate wealthy ones.<sup>27</sup> As a result, in the United States, the donor base dropped from 900,000 to under 500,000 over the past 20 years, even as the amount of money raised increased.<sup>28</sup> Jewish philanthropy became, once again, dominated by those with means. Today, at a time when so-called mega-donors are cutting back, new web-based technologies have made it easier than ever before to re-engage small donors cheaply and efficiently. The Obama presidential campaign in the United States demonstrated this conclusively. Many of the innovative Jewish start-ups and the young people’s *minyanim* (prayer services), like Hadar in New York, have adopted this technique and come to rely on aggregated donations from small donors. Birthright Israel, the JTA: the Global News Service of the Jewish People and other Jewish philanthropies are likewise experimenting with these technologies. The loss of some of our wealthier older donors makes efforts to re-engage small donors more urgent than ever.<sup>29</sup>

<sup>19</sup> See [http://www.peje.org/knowledge/changing\\_economy/](http://www.peje.org/knowledge/changing_economy/); <http://www.ujc.org/page.aspx?id=199826>; Gary Rosenblatt, ‘Cash Crisis Crippling US Schools’ <http://www.thejc.com/articles/cash-crisis-crippling-us-schools>; Rebecca Spence, ‘Families Mourn as School Abruptly Closes,’ *Forward*, September 29, 2007, <http://www.forward.com/articles/11505/>.

<sup>20</sup> <http://www.berkshirehathaway.com/2001ar/2001letter.html>.

<sup>21</sup> For a brief history, see <http://www.bidmc.org/AboutBIDMC/TheHistoryofBIDMC.aspx>.

<sup>22</sup> Julie Ryan, ‘YMCA-JCC Merger Receives National Recognition,’ *Toledo Free Press*, March 27, 2009, <http://www.toledofreepress.com/2009/03/27/ymca-jcc-merger-receives-national-recognition/>.

<sup>23</sup> Arthur Hirsch, ‘Board Approves Baltimore Hebrew Merger With Towson,’ *Baltimore Sun*, June 19, 2009, <http://www.baltimoresun.com/features/bal-bhu-towson-0619,0,4100020.story>.

<sup>24</sup> Jacob Berkman, ‘Pressure Mounts for Jewish Organizations to Merge,’ *JTA*, January 15, 2009, <http://jta.org/news/article/2009/01/15/1002215/pressure-mounts-for-jewish-organizations-to-merge>.

<sup>25</sup> Stephen Birmingham, *Our Crowd: The Great Jewish Families of New York* (New York: Harper Row, 1967); Chaim Bermant, *The Cousinhood* (New York: Macmillan, 1971).

<sup>26</sup> See Henry H. Rosenfelt, *This Thing of Giving* (New York: Plymouth, 1924).

<sup>27</sup> Thanks to Barry Shrage for clarifying this point; see John Ruskay, ‘UJA Federation of New York: Strengthening A Global Jewish Identity,’ *Changing Jewish Communities* 5 (15 February 2006), [http://www.jcpa.org/JCPA/Templates/ShowPage.asp?DRIT=4&DBID=1&LANGID=1&TMID=111&FID=623&PID=0&IID=759&TTL=UJA-Federation\\_of\\_New\\_York:\\_Strengthening\\_a\\_Global\\_Jewish\\_Identity](http://www.jcpa.org/JCPA/Templates/ShowPage.asp?DRIT=4&DBID=1&LANGID=1&TMID=111&FID=623&PID=0&IID=759&TTL=UJA-Federation_of_New_York:_Strengthening_a_Global_Jewish_Identity).

<sup>28</sup> <http://central.ujcfedweb.org/page.aspx?id=193801>.

<sup>29</sup> Alison Buckholtz, ‘The Changing Face of Jewish Philanthropy,’ *World Jewish Digest*, October 18, 2007, <http://www.acbp.net/About/PDF/ARTICLE-Changing%20Face%20of%20Jewish%20Philanthropy.pdf>; see the website of the Grinspoon Institute for Jewish Philanthropy Technology Program, <http://gijptech.org/>.

**3. Calls for higher standards of ethics and for greater transparency in Jewish philanthropy.** Madoff losses, investment losses and nationwide dissatisfaction with high executive salaries and perks are having their effect on the non-profit world. Donors, and in some cases, governments are demanding more financial openness, greater disclosure of conflicts of interest, and less reliance on the wisdom of a small, wealthy clique. *Jewish Action*, the magazine of the Union of Orthodox Jewish Congregations in the United States, has called for precisely this kind of openness in its most recent issue:

Influential donors should mandate a uniform standard of reporting for all charitable institutions. Even confidential and sensitive information should be provided to at least designated community leaders for review. It is intolerable for privately 'owned' charities to operate behind a veil during a charity crunch. . . . Equally important, transparency and accountability will force charities to reconsider salaries that are often inappropriately high or embarrassingly low and to pay greater attention to expenses and operating styles. Finally, these comprehensive reports will offer important information to donors regarding appropriate charitable priorities. . . .<sup>30</sup>

Our Jewish non-profits will be stronger, in the years ahead, if these kinds of reforms are instituted.

**4. New focus on sweat equity.** In the absence of lots of start-up money, young, creative, technologically savvy Jews will give time to causes that inspire them. A new international organization called JCorps, which operates in New York, Jerusalem, Montreal, and soon London, illustrates this trend. JCorps brings young single Jews together to volunteer in soup kitchens, food pantries, hospitals and the like. The goal is for them to make a difference and, also, as a side benefit, for them to meet one another and socialize.<sup>31</sup> The Orthodox Union's plan for inexpensive Jewish day schools similarly calls for donations of sweat equity. In return for lower tuitions, each family would donate one hour per week to the school.<sup>32</sup> Expect to see more proposals of this sort in the months ahead.

**5. Finally, as jobs disappear in the diaspora, we can expect to see both demographic decline and greater *aliyah* (immigration to Israel).** Demographic decline frequently accompanies prolonged downturns: people simply do not feel secure enough to have children. The Great Depression serves as a good example: Jews restricted family size during the hard times and then a baby boom followed once prosperity returned.<sup>33</sup> Anecdotally, I have heard rabbis report that they are

seeing fewer births this year, but hard evidence is so far lacking. If true, this development will have a ripple effect down the road on Jewish education and communal life. We do possess good data on *aliyah*. According to the *Jewish Chronicle*, 'the recession has seen the largest influx of British Jews making *aliyah* for a quarter of a century,' and *aliyah* is also rising from South Africa, North America (where it is up by 15 per cent), and France.<sup>34</sup> The organization *Nefesh b'Nefesh*, which has received new funding, is promoting *aliyah*,<sup>35</sup> and the Jewish Agency, according to press reports, 'is trying to sell its MASA programme to recent American graduates through a series of steamy viral videos,' entitled 'Israel a better stimulus package.'<sup>36</sup> With unemployment for young people at the highest levels in decades in the United States and the United Kingdom, it is no wonder that Jews are turning to *aliyah*, especially among the Orthodox.

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Israel's demographic rise marks the ultimate triumph of Zionism: the first time since the days of the Bible that Israel will truly be the single largest population centre of world Jewry.

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### Emergence of Israel as largest population centre of world Jewry

We cannot underestimate the significance of this change because it underscores what is, in fact, one of the great demographic transformations in contemporary Jewish life: Israel is overtaking the United States as the largest Jewish community in the world. Already there are more Jews in Greater Tel Aviv than in Great New York (New York is no longer 'the greatest Jewish city in the world.')<sup>37</sup> Demographers debate the precise numbers of Jews in the United States, but Israel's emergence as the largest population centre of world Jewry seems to me inevitable. Indeed, Israeli statisticians claim that the balance has *already* tipped in Israel's favour.<sup>38</sup> Population shifts of this sort occur rarely in Jewish history: Israel to Babylon, Babylon to Spain, Spain to the German lands, the German lands to Eastern Europe, Eastern Europe to the United States, and now back to Israel. Indeed, from an Israeli point of view, Israel's demographic rise marks the ultimate triumph of Zionism: the first time since the days of the Bible that Israel will

<sup>30</sup> Mark Bane, 'The Financial Restructuring of the American Orthodox Community', *Jewish Action*, 69 (Summer 2009) online at [http://www.ou.org/index.php/jewish\\_action/article/54423/](http://www.ou.org/index.php/jewish_action/article/54423/); see also <http://ejewishphilanthropy.com/trust-and-transparency/>.

<sup>31</sup> <http://www.jcorps.org/home.php>.

<sup>32</sup> Saul Zucker, 'Addressing the Tuition Crisis', *Jewish Action* 69 (Summer 2009), online at [http://www.ou.org/index.php/jewish\\_action/article/54450/](http://www.ou.org/index.php/jewish_action/article/54450/).

<sup>33</sup> See *American Jewish Year Book* 51 (1950), 7-9.

<sup>34</sup> Marcus Dysch, 'Aliyah Soars as Crunch Bites', *Jewish Chronicle*, June 4, 2009, online at <http://www.thejc.com/articles/aliyah-soars-crunch-bites>; <http://blogs.jta.org/philanthropy/article/2009/06/18/1005992/jafi-aliyah-for-north-america-is-up-15-per-cent>.

<sup>35</sup> [http://www.nbn.org.il/media/media\\_news/news\\_2008/\\_december/12.09.08\\_gonorth.htm](http://www.nbn.org.il/media/media_news/news_2008/_december/12.09.08_gonorth.htm).

<sup>36</sup> Jacob Berkman, 'Jewish Agency ad campaign gets MASA-smutty', *JTA*, June 5, 2009, online at <http://blogs.jta.org/philanthropy/P10/>.

<sup>37</sup> *American Jewish Year Book* 108 (2008), 619.

<sup>38</sup> Compare the two different population estimates in the *American Jewish Year Book* 108 (2008), 178, 617; cf. 585-596.

truly be the single largest population centre of world Jewry. For the rest of the world, though, this development will demand adjustments in communal thinking and in the flow of money and power. We are probably moving toward a two-centred model of Jewish life – akin to Babylon and Jerusalem in rabbinic times – and this will entail significant realignments and policy shifts in all of the major countries where Jews live.

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### The great Jewish demographer Sergio Della Pergolla reports that some 81.3 per cent per cent of world Jewry lives in just two countries: the United States and Israel.

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Looking back to the 1930s, we know that the Great Depression inaugurated far-reaching changes in Jewish life. For several years, Jewish education drastically declined, in some places by 20–30 per cent, with devastating long-term impacts. Jewish communities also turned inward, paying less attention to the crises faced by Jews elsewhere and demonstrating less willingness to help Jews in crisis elsewhere – developments, alas, that ultimately cost many Jewish lives. Families stopped growing during the Depression, and members chipped in and often moved in together to help one another survive. At least in the United States, more and more Jews entered government and civil service, an important occupational shift. The five-day working week spread, initially as a means of promoting job growth. This eventually had life-changing implications for leisure and for *Shabbat* observance. Governments, during the Growing Depression, assumed new responsibilities for social welfare, which eventually freed up Jewish charitable funds for other purposes, such as Jewish education. And the Depression also legitimated centralized planning by Jewish communities, parallel to central government planning; this became the norm in Jewish communities across the diaspora.<sup>39</sup>

Significantly, most of the changes I have just enumerated were only discernible in retrospect. That will undoubtedly be true this time around as well. When the economy recovers, as it inevitably will, we will know much more about the changes that the ‘Great Recession’ has wrought. It is far too early to take the full measure of those changes now.

### Most of the world’s Jews have been affected by downturn

I do, nevertheless, want to point to one fundamental change highlighted by the economic downturn, and that is the fact that the vast majority of the world’s Jews have been affected by the downturn, in similar ways, because the vast majority of the world’s Jews actually live in a very small number of countries. That runs counter to the prevalent image of world

Jewry. Most people view Jews as part of an *am olam*, a global people spread from one end of the world even unto the other. In truth, though, the Jewish world has consolidated rapidly since World War II and continues to do so. The great Jewish demographer Sergio DellaPergolla reports<sup>40</sup> that some 81.3 per cent per cent of world Jewry lives in just two countries: the United States and Israel. Slightly more than half of all Jews (52.2 per cent) live in just five metropolitan areas: Tel Aviv, New York, Jerusalem, Los Angeles and Haifa. Fully 98.3 per cent of all Jews live in but 15 countries: Israel, United States, France, Canada, United Kingdom, Russia, Argentina, Germany, Australia, Brazil, Ukraine, South Africa, Hungary, Mexico and Belgium. A mere 35 countries boast Jewish communities of 5000 Jews or more. Most of the 200 or so countries of the world, including several where Jews had lived for millennia (like Iraq, Syria, and Ethiopia) are now completely barren of Jews or show tiny communities (less than 1000 Jews) that are unsustainable. Indeed, huge areas of the world show no Jewish presence whatsoever. For all that we Jews like to talk about ‘improving the world,’ the truth is that the vast majority of Jews no longer live in those sections of the world – Africa, Asia, and Latin America – that most need improving.

### Judaism is contracting

There is, to be sure, a silver lining in this data: the bulk of diaspora Jews, as DellaPergolla has shown, have moved to ‘economically affluent, politically stable and socially attractive environments’ over the past fifty years.<sup>41</sup> They have abandoned underdeveloped countries like Yemen, and unstable, dangerous countries like Afghanistan and now live in the world’s most economically advanced countries: America, Israel, France, Canada and the United Kingdom. Yet this benefit comes at a price. Where most of the world’s great religions – Christianity, Islam and Eastern religions – are expanding today, Judaism is contracting. Where other peoples are preaching the gospel of globalism and spreading their diasporas north, south, east and west, we Jews, who invented the very concept of a diaspora, are reducing our exposure to the larger world and practising consolidation. The question, especially as we look at the economic downturn and its shared effects across the Jewish world, is whether this will prove to have been a prescient move or a blunder of historic proportions?

### Assimilation or revitalization?

Two more questions about the future. First, will the years ahead be marked by assimilation or revitalization? It is easy, reading the Jewish press, to make the case both ways. One week we learn that intermarriage is going through the roof, and the next week that, in some communities (like London),

<sup>40</sup> For what follows, see Sergio DellaPergola, ‘World Jewish Population, 2008,’ *American Jewish Year Book* 108 (2008), 569–620.

<sup>41</sup> Sergio DellaPergola, ‘Changing Cores and Peripheries: Fifty Years in Socio-Demographic Perspective,’ *Terms of Survival: The Jewish World Since 1945* (London: Routledge, 1995), 13–43, quote is from p.36.

<sup>39</sup> Jonathan D. Sarna, *American Judaism: A History* (New Haven: Yale University Press, 2004), 255–258; Beth S. Wenger, *New York Jews and the Great Depression: Uncertain Promise* (New Haven: Yale University Press, 1996).

new Jewish day schools are bursting at the seams. One week we read that the Jewish birthrate is collapsing, and the next week that Jewish culture – literature, art, music, dance, theatre, film – is flourishing. Which in the end will predominate – assimilation or revitalization? The truth is that nobody knows. That will be determined day by day, community by community, Jew by Jew.

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**Diaspora Jews are the poorer for not having a well-defined, elevating mission to inspire us. Once the economic downturn is behind us, the goal of formulating a new and compelling mission for our Jewish community needs to be high on our collective agenda.**

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#### **What mission will inspire us in the future?**

A second question concerning the future is more subtle: will the Jewish community in the years ahead be able to identify a mission compelling enough for young Jews to become passionate about and rally around? The great causes that once energized and invigorated contemporary Jewry – immigrant absorption, saving European Jewry, creating and sustaining a Jewish state, rescuing Soviet, Arab, and Ethiopian Jews – have now been successfully completed. Today, for the first time in historical memory, no large community of persecuted Jews exists anywhere in the diaspora. Nor, I suspect, will 21<sup>st</sup> century young western Jews gain the kind of meaning from helping Israel, keeping alive the memory of the Holocaust, and fighting antisemitism that their 20<sup>th</sup> century parents did. These themes do not excite my students the way they excited me and my peers years ago. There is, to be sure, no shortage of secular and universal causes that young Jews can embrace. Indeed, we have seen a large rise in social justice organizations directed at Jews, such as American Jewish World Service, Hazon and the Jewish Funds for Justice. We have also seen Jews embracing programmes to promote energy independence, conservation, environmentalism, ethical treatment of animals and the like. These are significant causes with a sound basis in our tradition. But they are not, ultimately, *Jewish* causes, in quite the same way that Zionism and the Soviet Jewry movement were. They are, instead, Jewish counterparts to the general progressive causes of our day. Diaspora Jews, I think, are the poorer for not having a well-defined, elevating mission to inspire us. Once the economic downturn is behind us, the goal of formulating a new and compelling mission for our Jewish community needs to be high on our collective agenda.<sup>42</sup>

#### **Jewish history gives us great cause for optimism.**

Let me conclude, however, on a more optimistic note. The good thing about being a Jewish historian is that I know that Jewish history is full of problems and crises, and anticipated catastrophes – far worse than anything described here. Jews, after all, are the people that invented that famous joke about the telegram that reads ‘start worrying: letter follows.’ The fact that we have defied the odds and continue to survive testifies to the value of our being highly attuned to potential problems. We have learned that complacency is a luxury that Jews cannot afford. So even if Jewish historians are occasionally pessimistic about the future – and who isn’t sometimes pessimistic in economic times like ours? – let us always remember that Jewish history gives us great cause for optimism. We have overcome far worse. Indeed, through the years, we have survived one crisis after another and one doomsayer after another. We have done so, I believe, not by ignoring or belittling prophets of gloom and doom, and not by fatalistically relying on the recitation of Psalms or the coming of the Messiah to pull us through at the last moment. No, we Jews have survived because time and again we have carefully *analyzed* the problems that we face – which is precisely why we need an Institute for Jewish Policy Research. We have then moved to resolve those problems by changing our ways, creating new institutions and recovering old ideals.

In this paper, I have tried to focus on some of the challenges that our community faces and some of the trends that may lie ahead. But lest anybody misunderstand, let me make the following perfectly clear. Our future is not predetermined. It will depend upon those who have the vision and the fortitude to *shape* the future. Let us hope that we shape it well.

<sup>42</sup> In response to a question from the audience, I suggested that diaspora Jewry’s mission in the 21<sup>st</sup> century should be to demonstrate that Judaism can succeed and flourish in a free, democratic and pluralistic diaspora environment. Now that Zion is a reality, I suggested, our mission should be to make diaspora Judaism work. This theme requires separate treatment.

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