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**MONEY IN CRISIS**

# WHAT DID WE DO WRONG?

by MIK MOORE

A few years ago, my great aunt called me in immense distress. Two days earlier, some workers had been in her apartment to fix a leak. After searching all morning, she realized that her jewelry box was missing. Stolen, she had concluded, by the workers. The next day, she called me again. The jewelry box hadn't been stolen after all; she had moved it many years earlier and had forgotten where she had put it.

In the years since this incident, my great aunt has given away many of her valuables — including much of her jewelry — to members of her family. She realized that she never used them and decided they would be better off with people who would.

For 24 hours, my great aunt believed that she had lost the jewelry she had intended to give away to future generations. From that day forward, it became clear to her that she had placed too great an emphasis on saving and too little on giving.

A few millennia earlier in a land far away, the Pharaoh of Egypt had a dream about seven lean cows eating seven fat cows without being sated. He called upon Joseph — at the time a prisoner in the dungeon (talk about wasted resources!) known for his ability to understand dreams — to offer his interpretation. Joseph said the lean cows represented seven years of hunger, the fat cows seven years of plenty. Only by saving enough during the fat years would Egypt survive the lean years. Joseph thus talked himself into a job. Under his care, Egypt saved enough food during the plentiful years to feed the nation during the lean years that followed.

The moral of each of these stories is clear. We save so that we have resources to use when they are most needed. We do not save to accumulate wealth for its own sake.

Judged by these markers, the American Jewish community has a mixed — and incomplete — record.

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*Mik Moore is the Chief Communications Officer at Jewish Funds for Justice, a national foundation based in New York. In 2008, the Forward named him to the "Forward 50," its annual list of influential American Jews. Ha'aretz recognized his work in its list of "36 Jews who have shaped the 2008 U.S. Election."*

With its historic creation of wealth in the past several decades, the American Jewish community should be well positioned to handle the one-two punch of a recession and the grand larceny of Madoff. And yet there is widespread concern that we are at a moment of crisis comparable, as one Jewish philanthropist told me, to the years following the destruction of the Second Temple.

What did we do wrong? Assuming Jewish wealth creation remains relatively stagnant for a few years, did we save enough to get through these challenging times? If so, are we willing to spend some of our savings to respond to the heightened need?

The first question — Did we save enough? — is less simple than it seems. While some of the losses of communal and private wealth are due to losses in personal income, the vast majority of wealth elimination has been in investments.

We invest our savings when we want a higher rate of return. But if it is true that one should invest only what one can afford to lose, can our investments, particularly those with higher levels of risk, be considered appropriate savings for use during a downturn? Investments not only lose value periodically, they tend to lose value at the very moment when more resources are needed to weather lean years.

The solution to this problem is clear. Put less money in middle- and high-risk investments and more money in low-risk investments or non-investment savings vehicles. Organizations and philanthropists who took this route are in a better position today than those who did not.

I work at Jewish Funds for Justice, which is home to Tzedec, the only national Jewish program for community investing in low- and moderate-income neighborhoods. Our investors are usually looking for social returns by turning their capital into new homes, small businesses and community centers. This year, many of our investors have commented that the small financial return on their investments has been the only splash of black in their otherwise red personal ledgers.

After a period of reckless investing that should inspire great humility, we should seek

safe and socially-responsible investments that would help realign the Jewish community with its core values.

The second question — Are we willing to spend our savings? — is in some ways the more difficult of the two. Because despite the tremendous hit we have suffered, the Jewish community still has vast resources. The need for those resources — to sustain vital institutions, to address a vast array of human needs, to create lasting policy changes to renew our country — is acute.

Yet many of our philanthropic institutions are so shell-shocked, they are considering cutting their spending rather than increasing it. "We have lost so much of our savings!" they say. "We need to create more wealth; then we will spend more again."

If this attitude dominates our communal thinking, we will have failed to learn from Joseph and the millennia of Jewish wisdom that followed his wise actions.

Our federal government, recognizing the scope of the crisis, is spending despite its enormous debt. It is doing so because it recognizes that the need is too great to ignore with pleas of poverty. We can spend much more than we currently do without approaching debt. So how can we fail to be bold?

This past March, the Jim Joseph Foundation (no relation to the original Joseph, as far as I know) responded to the crisis with an \$11 million gift to provide need-based scholarships and subsidies for children who will be attending Jewish day schools and summer camps during the next two years. While different institutional and individual givers will have different priorities, the willingness to spend more to help those most at risk should be a common thread.

My aunt, who learned about saving during the Great Depression, has accumulated many beautiful things during her life. If we are worried about an unstable future, it can be hard to ever spend — or give away — our valued assets. Yet if we sit on our great wealth now, saving it for another time, we will surely look back on these years with deep regret that we did not do more to help when we had much to give. ■

