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Jewish Social Entrepreneurship and its Discontents

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I have more than passing interest in the debate that has emerged about the field of Jewish social entrepreneurship that has become a hot topic on the Jewish blogosphere. I am a serial entrepreneur, having founded a synagogue—Adat Shalom Reconstructionist Congregation in Bethesda, MD, a national Jewish educational organization—the PANIM Institute for Jewish Leadership and Values, and a national interfaith initiative—the *E Pluribus Unum* Project (EPU). Among the fruits of my labor are: an enormous level of joy and fulfillment; not a few gray hairs; and some lessons that might be helpful to the next wave of pioneers and the community that is encouraging them.

When I founded the first two of the above in the late 1980's, there were no organizations around to incubate and support innovation in the Jewish community. The re-launch of the Joshua Venture along with several other Jewish social innovation incubators represents an important development and signals the realization on the part of funders that one of the Jewish community's greatest assets is the creativity of the younger generation. Notwithstanding the impressive array of services and programs provided by the organized Jewish community, younger Jews have to be given the chance to re-invent the Jewish community for themselves.

Still, I always fear a stampede. In the rush to put a spotlight and throw resources at new Jewish ventures, we can do more harm than good without prudence. First, we must be careful to balance the encouragement of the “new” with support for those organizations that have worked hard and have a proven track record. Second, without the right kind of mentorship and support, young entrepreneurs may invest several years of hard work only to “crash and burn” when they are no longer the freshest face on the block and the attention turns to “the next new thing”.

It is vital for some serious research to be done about the trajectory of Jewish start-ups over the past 30 years in order to better understand what made some succeed while others failed. In the meantime, I'd like to offer observations on three critical yardsticks that I learned from my years as the founder and leader of two projects that succeeded and one that had huge impact but could not be sustained. The three yardsticks are: impact, sustainability and succession.

Impact: No new social venture can succeed unless its leader can correctly identify a need and provide a new way to address it. But even when the marketplace gives evidence that the new program or service is desirable, that alone is not enough. In the non-profit realm evidence must be provided that the impact has social value. Most non-profit start-ups are hard pressed to afford the kind of independent evaluations that can validate social value. PANIM's first independent evaluation did not take place until its 6th year and we commissioned it despite the fact that we could not afford it. Still, it was only after the publication of that JESNA-sponsored study that we started to attract some serious foundation funding.

Sustainability: The term suggests two things, both significant. First, can the organization provide the founder and other employees with a living wage? I took no salary in the first six months of PANIM, funding organizational expenses out of my pocket, and it took several years until I earned a salary that was appropriate for someone of my age and experience. Still, as I built my staff up to 21 people over the same number of years, our growth rate of 10-15% per year allowed me to hire people who were willing to share in the risk/reward and work like the dickens to create an organization of excellence.

Second, organizational sustainability is only achieved when revenue comes from varied sources. By year 8 PANIM had significant revenues from tuition, private gifts and foundation grants. I've seen too many new organizations burst onto the scene with a boatload of grants that made others green with envy. But if by year 5 the organization cannot produce something valuable enough for the marketplace to pay for, it will have a hard time surviving.

One of the great frustrations of running a small non-profit is the discovery that foundations will not continue to fund you even if you deliver everything that you promised to do. Until that situation changes (and it should), an executive has to spend a large percentage of time finding new revenue sources, oftentimes at the expense of paying attention to the all-important operations and program of the organization. The EPU project that I created ran for four years and had great impact but ultimately, it was entirely grant-driven and the foundations backing it were not prepared to underwrite it in perpetuity.

Succession: I've had the pleasure of watching the synagogue I founded grow to a 500family congregation with a state of the art and environmentally friendly building under my successor, Rabbi Fred Dobb. I've also watched with great satisfaction the merger of PANIM into BBYO this past summer as a result of my decision to step down as the organization's CEO. The result will be a larger platform for PANIM and stronger educational content for BBYO. But many founders do not plan for the day that they may step away from their baby. Too many do not work at transferring the loyalty of Board members from a commitment to the founder to a commitment to the organization. If the venture has social value, a social entrepreneur must pro-actively build that lay stewardship from the first year of the venture onward.

The Jewish world stands to enjoy great benefit from the next wave of social entrepreneurship. To maximize its impact, both founders and funders need to be as smart as they are dedicated.

Rabbi Sid Schwarz is a 2002 Covenant Award winner for his leadership in the field of Jewish education. He is the author of *Finding a Spiritual Home: How a New Generation of Jews can Transform the American Synagogue* and *Judaism and Justice: The Jewish Passion to Repair the World*. He consults to organizations and synagogues around the country.