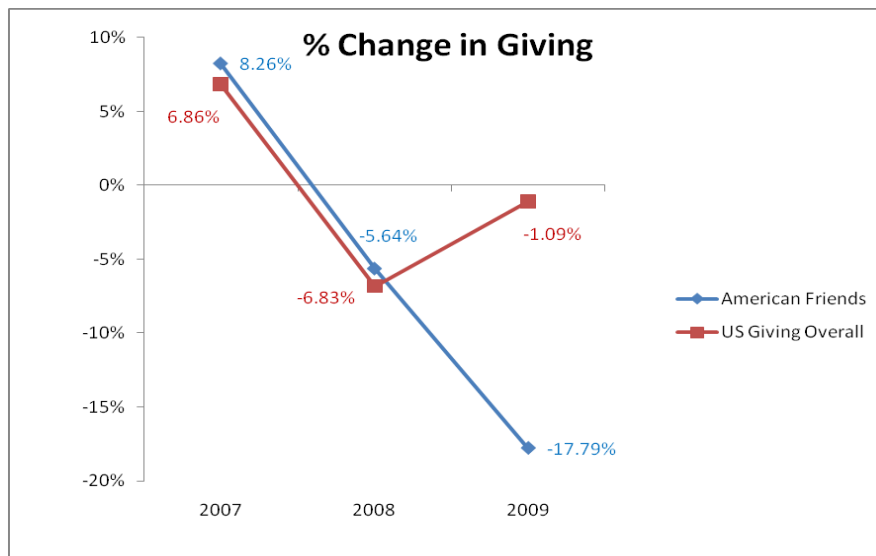


Executive Summary

American Friends: US Philanthropic Support for Israel found that American giving to Israeli nonprofits exhibits the same trends as American giving overall, but in a much more exaggerated way, with higher peaks and lower troughs.

To update its 2008 study of this subject, the EHL Consulting Group, Inc examined the patterns of charitable giving from 2006 to 2009 for a representative group of eighty American organizations that raise funds for a specific set of services in Israel, typically focused on a specific organization. The study examined four sectors: Arts and Culture; Education; Health; and Human Services. The study compared the performance of these “American Friends” organizations, based on data collected from their IRS Form 990, with that of giving overall in the US, based on statistics from the Giving USA Foundation, which publishes an annual report on American philanthropy.

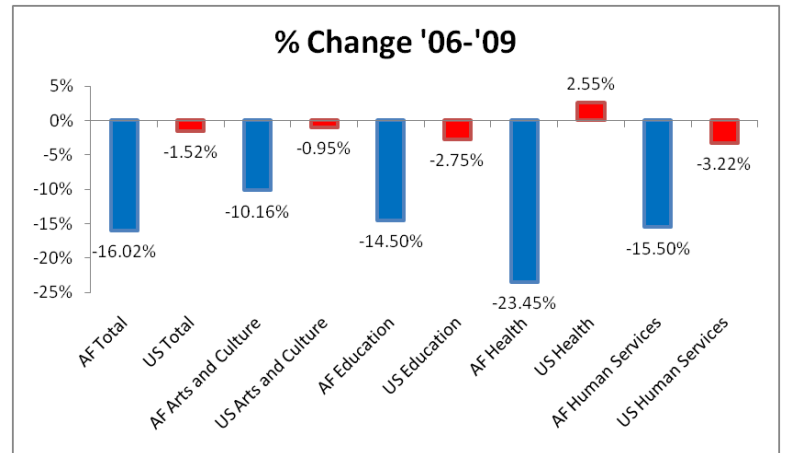
In 2007 and 2008, American Friends giving outpaced giving in the US with a larger increase and a smaller decrease, respectively. However, American Friends giving fell substantially in 2009, mostly because of decreased giving to higher education due to the recession. Giving in other sectors began to recover in 2009, as did US giving overall. All told, giving to the American Friends organizations in our



sample decreased 16.02% from 2006 to 2009 but giving to those four sectors overall in the US only decreased by 1.52%. However, giving to American Friends organizations and giving to the same four sectors overall in the US increased and decreased together, but not to the same extent.

The Arts and Culture sector of American Friends organizations experienced the smallest decrease in giving, and Health experienced the largest decrease. However, the Education sector's size, larger than the other three sectors combined, meant that the performance of the Education sector largely determined the aggregate performance of all four sectors.

The high increases in giving in 2007 compared with the decreases in subsequent years indicate that the Great Recession was the major cause of the decline. As the economy soured, donors decreased their giving and more carefully considered where their gifts would have the most impact. During this period, the Israeli economy performed better than the US's, and Israel experienced relative peace in comparison with the first half of that decade. So, donors may have shifted their giving temporarily to the US.



Nonetheless, giving to American Friends organizations remains in the hundreds of millions of dollars, reaching \$725 million even at its low point in 2009, a substantial source of foreign support that any country's nonprofit sector would envy.

Due to the scarcity of philanthropic dollars and the proliferation of new nonprofit organizations, American Friends organizations face an increasingly competitive fundraising environment. Furthermore, today's donors tend to be more entrepreneurial and have achieved significant wealth at an earlier age, and do not automatically prioritize Israeli causes. Therefore, it behooves American Friends organizations to aggressively and innovatively engage new donors and develop a sophisticated menu of giving opportunities that allow donors to understand exactly the impact their gift would make. Organizations should actively build and maintain relationships with potential and current donors, demonstrating clearly the impact their gift could make and provide full financial transparency. Finally, various technological solutions help organizations research donors, keep track of their donations, and maintain relationships with their donors.

Since 1991, the EHL Consulting Group has collaborated with more than 350 nonprofit organizations in the US, including a large number of Israel-based organizations that seek financial and leadership support from donors in America. Today, EHL Consulting works with several prominent Israel-based causes that rely on the firm's expertise in raising money for Israeli organizations in the US. Through this study and its 2008 predecessor, the firm contributes to aggregate knowledge of the sector in which its clients operate.