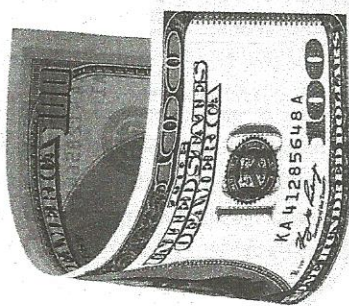


WHEN JEWS CHOOSE THEIR DUES



In our changing financial and cultural climate, a number of Reform congregations are experimenting with a “free will” system whereby members can pledge an annual contribution of their own volition. What can we learn from this radical rethinking of dues?

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In recent years, an increasing number of congregations are rejecting the old model of congregants paying fixed dues and introducing new systems that include voluntary dues. What has triggered this rethinking?

There have been a number of contributing factors.

The first factor is the recession. Since it began in late 2007, Americans have less discretionary income. Consequently some congregants have been unable to pay their dues and left their synagogue, leading to a drop-off in membership and revenue. To retain members for whom dues represent a hardship and to attract young families for whom a large upfront dues payment is a barrier to entry, many temple leaders are rethinking the entire dues structure.

Historically, this is not a new situation. The financial health of U.S. synagogues has always roughly mirrored the financial health of America. Synagogues saw their most successful expansion and renewal in the roaring 1920s, the suburbanizing 1950s, and the booming 1990s—all periods of substantial economic growth. Conversely, the Depression era saw not only massive economic dislocation but a “spiritual depression,” a marked drop-off in religious participation and religious apathy in both Christian and Jewish communities.

A second factor in rethinking the fixed dues system is the perception that it is now out of step with contemporary Jewish culture and values. Over the years, congregations have used differ-

ent revenue-generating systems that made sense for their times. Since the 14th century, a major way most synagogues worldwide raised money was by selling or auctioning off Torah honors. When Jews first came to America in the 17th century, they continued this tradition and found other ways of raising funds, including imposing fines on board members who were absent, late, or disruptive at meetings. The first Reform synagogue in America, Kahal Kadosh Beth Elohim in Charleston, South Carolina, founded in 1749, abolished the practice of holding mid-service auctions in part because of fears that if Christians saw Jews holding an auction in the middle of services, it would reinforce the perception of Jewish avarice. In time other Reform congregations followed suit.

Throughout much of the 19th century, most synagogues funded themselves by selling yearly seat licenses—a system which imitated the American Protestant church practice of selling or renting pews. Members would buy a seat (or seats) in perpetuity and pay a yearly assessment on the seat(s) they owned—similar to today's buying of season tickets to a pro-football team.

But by the early 20th century, selling seats went out of favor. In 1920, the president of Adath Israel, Louisville's leading Reform synagogue, spoke for many synagogue presidents when he said that at a time of a growing democratic ethos in the country, allowing the wealthy to buy better seats than those who were less well off discouraged everyone from using this system. Instead, a dues system where everyone paid the same was deemed fairer and more in keeping with changing American mores.

Membership dues have remained the synagogue's primary revenue source for roughly the past 100 years. However, this system which once seemed fair and egalitarian is beginning to fall out of favor. Writing a check to a synagogue for dues can feel like paying the price of

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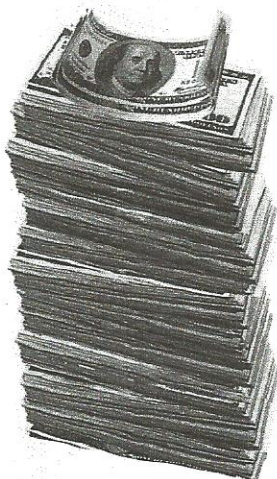
Hyper-competition for the Jewish dollar is another contributing factor to congregations' rethinking of dues. Whereas in the past synagogues were basically the sole providers of Jewish education and lifecycle events, nowadays in most areas with a sizeable Jewish community there are independent Hebrew schools to send your kids to; independent rabbis to perform bar/bat mitzvahs, weddings, and funerals; Chabad houses where one can experience Shabbat; and a vast variety of free resources on the Internet for Jewish learning. In this environment, some synagogues recognize that it puts them at a competitive disadvantage to be saddled with a funding mechanism that appears so uninviting and out of touch with the contemporary zeitgeist.

When Rabbi Stephen Wise founded the “Free Synagogue” in 1907, the word “free” had three meanings: the rabbi would have freedom of pulpit (not the norm at that time), the seats would be freely available to all members rather than owned, and the synagogue would be free of dues. As Wise wrote in his autobiography: “Both [dues and owning seats] introduced into what should have been the democratic fellowship of religious communion all the unlovely differentiation of the outer-world.” He believed that only a voluntary giving system would promote the free exchange of ideas he saw as the synagogue’s highest ideal.

"Writing a check to a synagogue for dues can feel like paying the price of belonging to an exclusive country club, rather than to a sacred community."



**"Free will
nurtures a
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There are instructive lessons here. Wise was correct in his belief that cultivating voluntary gifts reinforces the value of community. The fact that the SWFS system was not sustained does not mean it is unworkable; I know of a dozen synagogues in America right now that would say otherwise. It does, however, caution synagogue leaders not to rely on a few philanthropists to make the budget; in the long run congregations need to build a broad base of financial support.

The Torah, Talmud, and other sacred writings do not specify a single model that must be followed, allowing congregations to implement systems that work best from a practical point of view. The Bible does offer different models of raising funds. One is tithing. In Genesis 28 Jacob promises God a tenth of all he possesses if he is returned in safety to his father's home, and in Numbers 18 the Israelites are told it is incumbent upon them to each give a portion of their produce to the Levites. Another model is giving freely from the heart. In Exodus 25, Moses stirringly calls upon everyone whose heart moves them to give a gift toward the building of the Mishkan, the holy Tabernacle—which has inspired what some congregations today describe as a “free will” giving model (there is of yet no single term to define this voluntary payment system).

Over the past few years, a small number of URJ synagogues have done something which is quite simple but radical. They have asked their members for money in the form of donations, but have done away with congregational oversight of those donations, eliminating abatement committees and/or other follow-up procedures to secure payment when funds are not forthcoming. Leaders furnish guidelines for pledging, typically dividing their total budget by the number of member

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I can understand this fear given the amount of time congregations now spend trying to get people to pay their dues, but the facts show that every URJ synagogue that has moved to this model in the past five years has experienced either modest growth or stayed even—a very impressive statistic given the trend of decreasing congregational revenue nationwide.

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Scott Roseman, vice president of the Board and Leadership Development for 500+ family Temple Beth El (TBE) in Aptos, California, points to the good will and trust TBE engendered after enacting the free will system as a key factor in revitalizing the congregation in the midst of an economic downturn three years ago when TBE was losing members and revenue and leaders had to cut back staff and programming. Changing to a free will system reversed the downward slide, as both membership numbers and revenues increased, in part, Roseman believes, because “We removed the whole paternalistic system of dues forgiveness where people had to justify why they paid what they paid. Now, our system honors everyone for whatever s/he is able to pay, everybody is on the same ‘honor’ system, and most people



Temple B'rith Achim, King of Prussia, Penn-

A large, thick stack of US dollar bills, with a one hundred dollar bill visible at the top. The stack is composed of many individual bills, creating a dense, layered appearance. The top bill is a one hundred dollar bill, featuring the portrait of Benjamin Franklin. The stack is oriented vertically, with the bills fanned slightly at the top.

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an engaged congregation, people want to see their religious community survive. There is a deep value at stake.

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Do temples with successful free will systems have anything in common?

There are perhaps as many differences as there are commonalities among the nine URJ free will congregations I've studied. They range in size from small to medium, are in different regions, approach Reform Judaism from differing perspectives, have different economic profiles, are urban and suburban, have different age profiles, and face differing levels of competition from other synagogues.

That said, four general commonalities may contribute to their success.

First, before they eliminated dues, all of them were well-functioning, engaged communities—vital qualities when people no longer have a dues obligation but are asked to value the synagogue themselves. Take, for example, Beth Israel Congregation in Jackson, Mississippi. Peter Sharp, the vice president for finance, says the congregation was “very down to earth, with people giving of their time, and very social with each other. Our community was solid, without a lot of turnover. We moved to the free will system in part because we were kind of doing it anyway. Lots of people weren't paying full dues, and we never chased after them, so we figured, let's turn this into a positive and promote a system that reflects our values. Now pledges are up by 5%.”

Second, in all congregations, strong lay leaders, not clergy and/or professional staff, acted as the catalysts for change. Kay Magilavy put this change at the top of her agenda when she became president of Beth-El in Jersey City, New Jersey “because it was the right thing to do.”

Third, a business owner or financial expert was the primary driver of change at many—though not all—synagogues. Having a leader with business credibility facilitated buy-in from the rest of the decision-makers, who had confidence that s/he could be trusted to be realistic about money and would not leave the congregation in ruins.

Fourth, most of these congregations took a year to talk to their members about

the new system before implementing it. They held open meetings, discussed it in the temple bulletin, and held individual conversations with many members, asking the majority of them, “If we move to this system, can we count on you to support us by paying the sustaining amount?” In the case of families with means, they asked, “Will you be supportive over and above the sustaining amount?” In other words, the congregations did enough groundwork so that everyone felt relatively comfortable that the transition year would be successful—and it was.

I would not encourage any synagogue to change its financial system without such a deliberative and inclusive process.

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If a congregation wants to consider other new models, what are the alternatives?

A couple of congregations are experimenting with hybrid financing models. A Conservative synagogue in Pennsylvania has had success in creating a tiered system of dues whereby people pledge at different levels and receive different benefits based on their level. Leaders also promise not to ask members for additional funding during the year. For more information: tbhbe.org/drupal/content/membership.

A Reconstructionist congregation in Massachusetts has designed a successful two-part system: a half-shekel campaign (their language) whereby everyone pays a minimum amount, and, above that level, a fair share commitment. For more information: dorsheitzedek.org/mediv-lev.

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What other basic models of synagogue financing are congregations using?

In addition to the two we've discussed—dues and free will—there are two other basic models: fair share and development.

In the fair share model, some synagogues ask members to give a percentage of their income—usually somewhere between 1% and 2% of gross income. Others specify different dues amounts based on income, e.g., “If you make between \$60,000 and \$70,000 your dues are \$1,200.” Some synagogues use a progres-

sive system, similar to the U.S. tax code: the more you make, the higher percentage you are asked to pay.

The pros of this system are economic fairness. The cons are twofold. First, it can create negative feelings, because many congregants believe it's an invasion of privacy to tell congregational leaders how much they make. Second, many leaders feel they're being taken advantage of, believing that many members are putting themselves in a lower income bracket than they really are.

In the development model, of which Chabad is the best example, building donor relationships and writing grants become the core—rather than a component—of the organization's funding. Chabad's impressive development work at the national level, combined with low expenses on the local level, has made this model work very well for them.

The main pro of the development model is making Jewish life more affordable for everyone. The cons are the slim likelihood of a congregation being able to fundraise at the level that would be needed to drastically reduce dues, and the possibility that the congregation might become less democratic in decision making if a few philanthropic donors held undue dominance over synagogue affairs.

Right now, 17 URJ congregations are in the process of changing their financial models (see sidebar, “Strategic Experiment in Synagogue Finance”). In many cases, the best approach for any congregation weighing the options is to research the various financial experiments happening in other congregations and then engage in a community-wide conversation about money in the synagogue, focusing both on practical monetary questions as well as broader questions concerning how the congregation's financial decisions reflect its values.

Ultimately I think we are going to see many more congregations adopting a free will model. Members want to feel good about giving to their synagogue, and this system allows that to happen in deeper ways than a dues model. The congregations that have already made this change report that they are doing well financially, living more in tune with their values, and engaging members more than ever. □