

## **Responding to Madoff: A Communal Professional Speaks Out**

*By Maxyne Finkelstein, CEO, JAFI North America*

The other day, I said to a colleague that a well known Foundation had been “Madoffed”. I realized after I said it, how easily it had slipped from my tongue and had become a part of my vocabulary. While this language eases the pain and suffering -- as a mere word becomes part of our every day vocabulary -- there is no question that as professionals in the community we have a special obligation in a crisis of this proportion. We cannot allow ourselves to be pulled down in the pit of *lashon hora*, the unending sharing of daily gossip, or the dwelling in the negatives. Our job is to assist our community and organizations in healing from this tragedy. We cannot forget that this is what we are compensated to do – to provide professional leadership daily and manage in crisis occasionally.

Madoff, piled on top of a weak economy, is the tragedy of this generation. We will all be suffering the consequences for many years, but let us not forget it is a tragedy of magnitude beyond money. The obvious are the impacts on beneficiaries as programs are reduced and the lay offs of colleagues abound. The tragedy of people having to deal with less and with change is the critical point. Additionally there is the demoralization of those

who have lived with many years of growth and expansion. Development professionals can easily become frozen in this environment as many have not had to put such profound and creative effort into cultivation for many years. Already on the decline, elaborate fundraising events may become an activity of the past and we will learn to gather and honor in new modalities. Most important though is the need to provide professional leadership in this environment. No one will do this for us – we must each do it, as we fulfill our responsibilities -- as those who have chosen communal service.

It is easy to criticize those who invested poorly or point out our own organizations foresight in investing well, but that is not the point. The mistakes have happened and we know how they can be avoided – due diligence is not a complicated term and it has to be key to investing others' funds. What is key is to articulate clearly what is important and discuss it openly.

The Madoff situation could lead us to become uniquely focused on the financial impacts. Of course our resources are critical and a priority, but what is more important is the quality of what has been built in Jewish North America in the past twenty five years. Mainstream organizations, despite certain limitations, have contributed immensely to Jewish engagement, outreach, service and education. Smaller boutique operations have brought

incredible value through the creative application of Jewish imagination. We have seen the “best in class” and know how to emulate it. Our Jewish world has many problems but it was healthier in 2008 than it has ever been in Jewish history. We may have been organizationally overpopulated but that can also keep more people engaged.

In the past decade we have become obsessed with the financial gain. We have drawn this from our general culture and also saw that substantial investment can often mean higher quality. Day school tuition is expensive but the end result is greater than supplementary/informal education. Sending a few young adults to Israel on a short or long term program is great, but sending 100,000 is amazing!

In our drive for success we also developed and accepted a culture of communal elitism. We stepped away from reaching out to the masses and began to consider organizations as service deliverers and less as community builders. We paid significant attention to those with major resources and less and less to those who could not contribute according to needs and expectations. Our culture narrowed the scope of involvement for many and drove them away from organizations. This combined with the popularized trend of “bowling alone” led to a net loss of those who were being reached by organizations.

All that being said, what is our role as professionals in this unique situation? The first is that we must reach out to those who have suffered losses. We need to address these losses with individuals who have long been our best friends and assure them that we are with them in tough times. We need to be flexible and invite their involvement in new ways which may not center only on their financial capacity. No body should feel they are less because they cannot give as they did a few months or a year ago.

We also need to go to those who have not lost and appeal to them to step up in difficult times. Today, everyone is afraid to spend and putting the community need in front is a critical professional responsibility. We are the best representative of those who benefit and their dependence on us is significant. This is the time to use our best personal resources for making the case for giving.

We must also encourage our organizations to spend resources if we are able. Money was not raised to be squandered but it was also not raised to be hoarded – in a time of crisis we may need to reach into reserves and accept that we will have to spend time rebuilding. In this situation organizational leadership can move towards stinginess and away from generosity as a result of fear – as professionals we need to encourage ongoing reality checks in regard to our unique mission.

This is also the time to consider reaching out to a broad base of supports. As President Obama taught us, a viral message can have an immense impact. In our small world we have the ability to create a new feeling of family and friends through electronic and personal outreach. We should never forget, as well, that many of those who have surprised us with endowment and legacy gifts have come from the small annual campaign donor. You can never know the resources and intentions of anyone until you really know them.

This is a time for each of us to reach into our own experience and find at least one creative action we can take to support and repair the current situation. We need to be part of those who are doing *Tikkun* as the needs that existed yesterday are only greater today.