

STRATEGIC PLAN

2009 - 2014



Introduction

Foreword

The Board of Directors of the Ottawa Jewish Community Foundation (the “OJCF”) take great pride in presenting our Strategic Plan for 2009 - 2014 and, indeed, beyond. Since 1971 the OJCF has served as the city’s leading Jewish endowment fund. As we approach our 38th anniversary, our fundamental purpose is as vital as when we were first established: to create a foundation that will be able to provide comprehensive funding for the vital institutions of the Ottawa Jewish Community.

Foundations are being challenged to demonstrate their value to society, and non-profits face funding difficulties unparalleled in recent times. As this plan makes clear, the OJCF intends to greatly expand its leadership role in addressing the vital needs of organized philanthropy in this new era.

The Ottawa Jewish Community has grown by 40% in the past 15 years to nearly 14,000 members. With this growth come increased needs to provide support for the elderly, poor and handicapped members of the community. There is an immigrant population requiring initial absorption assistance. We have an ever-increasing demand to provide excellent Jewish Education for the various facets of the community.

We are serving a much greater multi-faceted community including;

Orthodox	Unaffiliated
Traditional	Young
Conservative	Old
Reform	Students
Reconstructionist	Singles
Cultural	Married

The OJCF is well positioned to be an invaluable component of the Ottawa Jewish Community’s effort to meet the challenges of the new millennium. It is an excellent vehicle to foster long term strategic relationships with the various elements of our local Jewish community in order to ensure their viability. It provides everyone with the opportunity to fulfill the mitzvah of tikkun olam (*making a better world*).



I know I speak for the entire Board when I say we look forward to being part of an even stronger, more vibrant OJCF as it embarks on its next 38 years of service.

Michael Landau
Chairman, Strategic Planning Task Force
Fall, 2008

Historical Analysis

The Ottawa Jewish Community Foundation was founded in 1971. Far-sighted community members saw the need for a financial resource to maintain the community's fiscal structure and safeguard its future. This new organization would also be a means to perpetuate the name of a person or a family and link it to the community forever.

The original applicants for the charter and subsequently, the first Directors were: Alex Betcherman, Hy Joseph Harris, David Loeb, Samuel Taller, Hy Bessin, Norman Zagerman, Gilbert Greenberg, Abraham Palmer, Bernard Shinder and Hy Soloway. The first President was Gilbert Greenberg and for over twenty years Casey Swedlove served as volunteer Executive Director of the Foundation – raising funds for the future of the community.

The mission of the Ottawa Jewish Community Foundation is to provide donors with the vehicle to contribute to the long term financial stability and support of the needs of the agencies which serve the Ottawa Jewish Community. The Foundation acts as a steward for these gifts and links the past, the present and the future while building trust with everyone it serves. The OJCF wants to become the charity of choice for fulfilling donors' philanthropic wishes.

The Foundation currently has an asset base of approximately \$40 million, including money that is managed on behalf of other organizations. This has grown by 33% in the last 4 years, mainly due to the Community Endowment Campaign. The Foundation also enjoys a thriving tribute program, which collects approximately \$115,000 per annum and a life insurance program with a deferred face value of just over \$20 million.

But that is not enough. For the OJCF to fulfill its mandate, it must grow. It must attract new donors and new lay leadership. It must reach out and educate. This Strategic Plan envisions a multi-faceted approach based on an enhancement of the donor experience and reaching out to members of our community so that they can participate in the work of the OJCF.

The Foundation's strategy must involve three areas of focus:

1. Capitalizing on the impending generational wealth transfer;
2. Capitalizing on the new tax income tax laws that encourage gifts of appreciated securities and;
3. Capitalizing on the wealth of knowledge/experience of other Jewish Foundations.

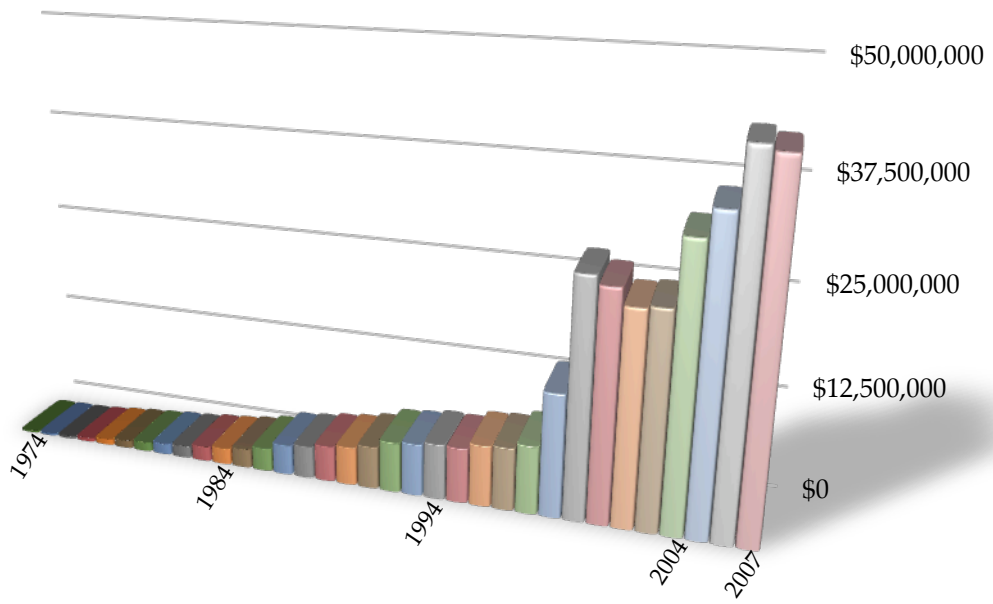
There is a more competitive market out there for donors' philanthropy and every year there are more sophisticated, compelling competitors. Some of these are direct competition, while others are indirect:

- The Annual Campaign of the Jewish Federation of Ottawa is an example of competition for Jewish philanthropic dollars as communal umbrella agencies;
- The Ottawa Hospital Foundation is an example of competition for philanthropic dollars as more donors are supporting non-Jewish charities. While it is important that all charities receive communal support, it is vital that we preserve our local Jewish institutions;
- The Community Foundation of Ottawa is an example of competition for philanthropic dollars as a donor-centered endowment.

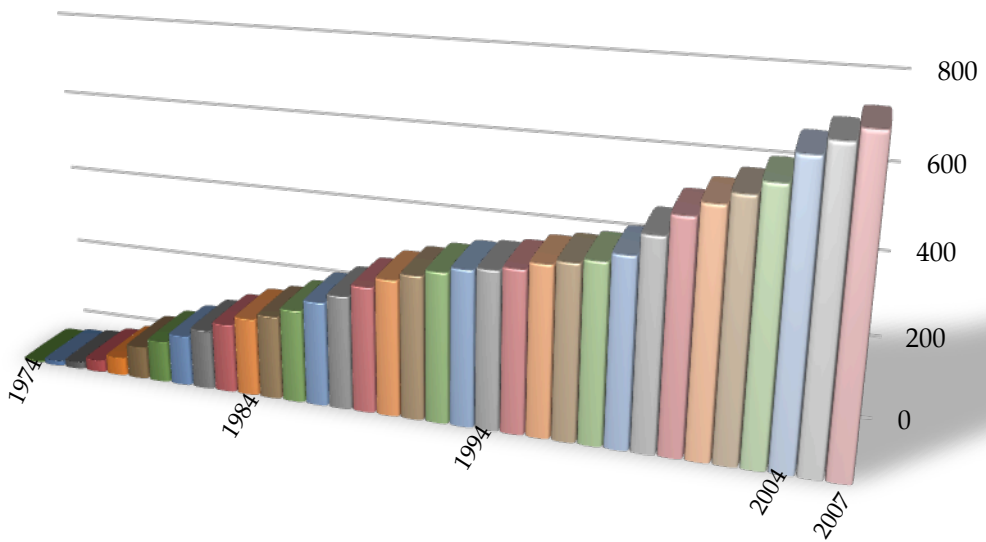
The Foundation must look at its philanthropic efforts through 3 distinct lenses when it embarks on this new strategic direction. These three lenses are:

- (a) What is the donor experience?
- (b) What can we do to increase the number of donors?
- (c) What can we do to increase the size of the gift?

Assets under Management -- 1974 to 2007



Number of Funds 1974 - 2007



The Goal

The goal of this Strategic Plan is to increase the overall profile of the OJCF so that there is more community involvement and growth in the Foundation's capital base. The two-fold objective is:

1. to mobilize and inspire volunteer participation in the activities of the OJCF and
2. to increase the number of donors by 100 and raise \$10 million in new capital (based on an average gift size of \$100,000) over the next 5 years, exclusive of commitments already made to the CEC.

This will help make the Ottawa Jewish community much more self-sufficient, while moving towards a desire of endowing the basic operations of the various beneficiary agencies. To reach this ambitious goal, we will need both the cooperation of the Board, as well as additional staff resources. It has become apparent that we need additional activity from our lay leadership and added professional assistance. We also realize that there should be metrics that the Board and staff are measured against -- some financial outcomes and some "soft" outcomes (i.e. moves management).

How do we get there?

The recipe for success is a basic one. We need to solicit 50 prospects per year over each of the next 5 years, realizing a 30% success rate. That works out to 15 gifts per year for 5 years, averaging approximately \$135,000 each. We will need different gift vehicles (present and deferred gifts) as well as new gift offerings (i.e. gifts of flow through shares).

To attain success, we need to be a proactive, "high touch" and "multiple touch" organization as opposed to the reactive state that the Foundation typically finds itself in. There needs to be a focus on education and awareness that moves the profile of the Foundation in the Ottawa Jewish Community from the background to the foreground.

There are obvious recognized differences between the Foundation and non-Jewish non-profits. There seems to be less clarity about the differences between the Foundation and the Annual Campaign -- namely that in the Annual Campaign the gift is distributed by an allocations committee, while with the OJCF, the donor often advises the Foundation to disburse the available income to a qualified charity.

As mentioned earlier, we need additional professional resources as well as a core group of volunteers that is willing to invest two to three years of time and energy helping the Foundation meet its objectives. The effectiveness of any fundraising endeavor begins at the top. OJCF lay leaders and staff must be able and willing to inspire others of similar ability to participate as donors and volunteers. This current deficiency of lay leadership is at the core of what lies ahead. Our community enjoys a 200-plus-person “army” of canvassers for the Annual Campaign, while the number of volunteers on the OJCF side is relatively small. The Collaborative Fundraising Model¹ (CFM) introduced by United Jewish Communities could be the conduit to gaining a much stronger “army” of canvassers for the benefit of the OJCF. The Annual Campaign canvassers in the “Retirees” division are testing the waters for the first time this year by asking select Annual Campaign prospects to endow the annual contribution, either through cash (or equivalents) or a deferred program.

In order to achieve these aspirational goals, it has been determined that the status quo of a basically reactionary OJCF will not work. Therefore, there are two logical directions for the OJCF to move:

1. Add more staff for the OJCF exclusively (i.e. do not adopt the CFM). This would envision a separate direction with little regard for the Federation’s model (i.e. we would be direct competition for the Federation); or
2. The CFM will be pursued.

This decision is a tactical implementation that will be addressed in the Annual Business Plan.

¹ The premise of the Collaborative Fundraising Model is to focus on the integration of planning, marketing and fundraising activities to strengthen and expand Foundations’ and Federations’ impact on total financial resource development in the community. It moves the Federation from a single focus on the Unrestricted Annual Campaign, to providing additional Supplemental, Impact Giving opportunities through multiple sources of funding by working collaboratively with the Foundation by benchmarking success against multiple fundraising streams—annual, endowment and capital—rather than focusing solely on the annual campaign. It engages donors both in understanding needs identified and prioritized by the community and also in considering a breadth of giving opportunities to meet those needs.

The Pillars of Success

Investments

- ◆ develop greater awareness of the OJCF's investment strategy
- ◆ review and study the tailoring of different investment strategies/vehicles for various donor groupings.

Fundraising/Donor Development

- ◆ cultivate 50 targeted relationships over the next 5 years (an average of 10 new relationships/year). These targeted relationships may include:
 - 🌊 Those that will benefit from the intergenerational transfer of wealth (i.e. inheritances). North America is experiencing the largest inter-generational transfer of wealth in the history of mankind.
 - 🌊 Baby boomers
 - 🌊 Young professionals
 - 🌊 Groups of like-minded people with large assets
- ◆ attract and motivate 10 - 15 volunteers who will spend 2 - 4 years each in assisting the OJCF staff in developing new relationships
- ◆ develop new gift offerings such as flow through shares and new ways of approaching donors.

Insurance

Through the Ottawa Jewish Community Foundation, one can leave a substantial gift to the community with a relatively small donation by purchasing a life insurance policy and naming the OJCF as the beneficiary and owner of the insurance policy. A detailed summary of our current program can be seen in Appendix A.

While it is not the intention of the Foundation to actively promote the idea of Life Insurance as a means of philanthropic support, there may be times when we come across prepaid policies and some other types of plans. The Foundation has decided to accept new insurance policies, provided that the donor's portion of the premium is fully paid within three years.

Awareness/Education

We propose that the term "Marketing" be dropped in favor of a more expanded role of the committee. This initiative will form the basis of all of our other initiatives. The Foundation, after 37 years of existence, still plays a relatively minor role in the minds of the community. This needs to change.

- ◆ attract and train 5 - 10 volunteers to significantly increase the awareness and understanding of what the OJCF is and what opportunities it has to offer in a donor-centered model
- ◆ determine levered points of contact within the community -- i.e. lawyers and financial advisors, influential figures such as spiritual leaders
- ◆ develop easy-to-understand marketing collateral to use with "levered points of contact", targeted relationships and members of the community-at-large
- ◆ reach out to the various age groups and members of our community -- to reach the young and old alike.

Governance

The Ottawa Jewish community has grown quite a lot in the last 37 years. No longer a small community, we are classified as an "intermediate" community by the United Jewish Communities, with over 25 agencies. There has long been an atmosphere of noncooperation and distrust with other communal agencies in Ottawa. In an era of

transparency and forthrightness, the Foundation will build stronger relationships with all beneficiary agencies by increased communication and by working cooperatively with donors' interests. Most notable would be a deeper relationship with the Jewish Federation of Ottawa. Donors can continue to endow their Annual Campaign gifts; we can use the "workforce" of the 200-strong Annual Campaign canvassers and lastly, we can coordinate "asks" for the more affluent donors/prospects.

- ◆the OJCF as the depository of large sums of capital, must show leadership in maintaining rules of governance
- ◆these protocols and procedures will ensure transparency and advocate a "best practices" model
- ◆these rules of governance will ensure transparency and foster the reputation of the OJCF.

In the last five or six years, the OJCF has instituted a lot of policies and procedures to better guide us in the decision making processes. We have not, however, been very effective in letting others know that we are a professional, well governed body that is worthy of investment support.

Conclusion

The success of the Strategic Plan will be measured by two indicia:

- 1.the growth of the OJCF over the 5-year period of the plan
- 2.the “seeds of growth” fostered during this period, measured by commonly accepted moves management/ personal contacts.

Looking at the model we have today, there is little chance of taking the next “big step” in philanthropy. There needs to be a concerted effort in gaining willing lay leadership, as well as a reinforcement of the staff that exists. An additional senior fundraising staff member needs to be acquired to help focus the lay leaders and execute the vision that this plan envisions.

It is hoped that the principles outlined in this plan will facilitate the OJCF meeting its goals so that it can continue to go “from generation to generation” with strength, wisdom and benevolence.

Appendix A: The Insurance Program

Insurance

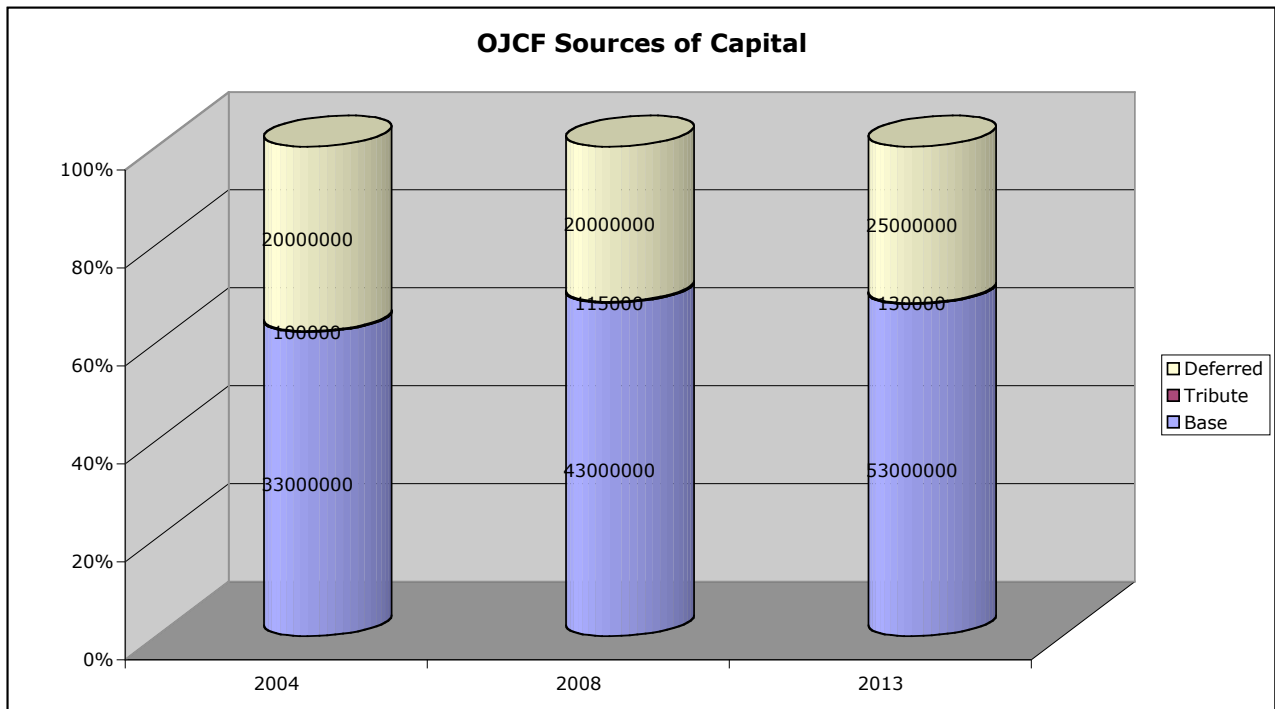
The purpose is to leave a substantially large gift to the community in perpetuity at a fraction of the cost to the donor. The benefits of the gift are:

- The proceeds from the life insurance policy are paid directly to the OJCF. As a result, the gift will not be included in one's estate, avoiding higher probate fees.
- The capital is an investment in perpetuity in the donor's name

The Foundation has had mixed results with its insurance program. There are 3 types of insurance that we currently offer:

- (1) Base Insurance --- these account for \$12.3 million, or 62% of the Foundation's deferred portfolio. These are primarily prepaid policies (and pose no risk of default to the Foundation).
- (2) GGEF Insurance --- these account for \$3.2 million, or 16% of the Foundation's deferred portfolio. These are primarily joint last-to-die policies (and targeted at people aged 30 to 50). These policies are subsidized by the Foundation (the Foundation pays the first \$300 of the annual premium). There has been more defaulting policies with this vehicle than the Foundation would like to see. The Foundation has proposed that on a go-forward basis, these
- (3) PACE Insurance ---- these account for \$3.8 million, or 19% of the Foundation's deferred portfolio. These policies are subsidized by a philanthropist (the first \$500 of the annual premium is "covered") and the donor needs to endow his or her Annual Campaign gift. For example, if a donor's gift to the Annual Campaign is \$10,000 an insurance policy of approximately \$285,000 is needed to endow that gift. The policy premiums may be approximately \$1,500 per annum, so the donor would pay \$1,100 towards the premium (and the additional \$500 would come from the private philanthropist).

Appendix B



Appendix C

Strategic Planning Task Force

Michael Landau, Chairman

Dan Kimmel

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