

Can Synagogues Live By Dues Alone?

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Some synagogues are exploring new ways to achieve financial sustainability.

by Barry Mael

Across the synagogue world there is one topic high on every board and staff agenda: financial sustainability. Lay and professional leaders from all denominations are grappling with how to create a fair, inclusive funding structure and at the same time allow the synagogue community to generate the dollars necessary to fulfill its sacred vision and mission.

Over the last century North American synagogues have become dependent on membership dues to meet their operating expenses. The percentage of synagogue costs supported by dues varies, but recent studies and surveys report numbers ranging from 45 percent all the way to 85 percent.

In the last several years, particularly after the recent financial meltdown, many synagogues have felt greater strain on the revenue side of their ledgers. They also face demographic and social challenges – a younger generation, for instance, that no longer sees synagogue membership as mandatory – which make it harder to count on dues for paying the bills. It's unlikely that most congregations will eliminate dues anytime soon, but we do need to examine the options available for alternatives revenue streams. We also need to study some of the other issues creating tension regarding synagogue membership and sustainability.

Traditional and New Dues Models

In the current synagogue landscape, there are roughly five dues models. It's hard to say how many congregations are using each one, but in a recent, unscientific survey of United Synagogue *kehillot*, 81 percent of the 120 responding said they were still using a traditional, fixed dues model, while only 7 percent were using what is called a “fair share” approach. Another 12 percent said they were using some other model or hybrid approach. (The percentage of fair share congregations is higher among Reform and Reconstructionist congregations.)

Let's look at the five models in more detail.

1. The Fixed Dues Model: This traditional model has sustained most synagogues for close to a century. This model sets several dues levels, often based on age, family status, marital status, one- or two-adult household, etc. These categories are commonly identified as Family, Young Family, Single, Senior, Senior Individual, and so on. There might also be add-ons such as a building fund or security fund. Some congregations offer incentives such as first-year discounts, young person discounts and more, but they always come back to a standard membership rate. Members pay the same rate whether they pray daily or once a year. It is similar to a country club or health club. There are issues regarding the underlying assumptions of the age-based price setting, such as the belief that young families or seniors have fewer resources and should pay less. Some of those assumptions are antiquated or in fact false. It is understood that members who have difficulty paying the fee set for their demographic must request a reduction. This “dues consideration” or abatement process varies from congregation to congregation.

2. The Progressive Tax/Fair Share Model: This model is similar to a progressive income tax, a system of taxation in which persons or corporations are assessed at a greater percentage of their income according to their theoretical ability to pay.

Some people refer to this as the Fair Share dues model. It requires each individual, couple or family to make an annual payment based on a percentage of the annual household income. The formula usually ranges between 1 and 3 percent of gross income. Some congregations base their progressive system on net income or on adjusted gross income.

The Fair Share dues system is marketed as more flexible, allowing members to pay according to their ability. It also aims to make membership affordable to all who wish to join.

One of the primary challenges with this model is that many congregants are concerned that by being honest about their

giving level, those in leadership will be able to figure out personal income levels. For many, this is an unfair breach of privacy. Most *kehilla* leaders are hesitant to ask for proof of income level.

The Fair Share model is a system based on trust and the willingness of *kehilla* leaders to accept the contribution of members at whatever giving level they say fits their income. It can create a disincentive among members to declare their full income, because the discrepancy between members' dues rates can be vast. For example, in one synagogue's fair share system, a member who earns \$61,000 – \$80,000 is asked to pay \$1,220 – \$1,600, while a member who earns \$251,000 – \$275,000 is asked to pay \$5,020 – \$5,500 – or four times more for the same membership. Some people might actually consider this a flat tax model because the rate is the same regardless of the level of income. Indeed, there are some synagogues that adjust the percentages up as income levels increase.

I believe that for this program to take hold and be successful long term, there will need to be some cap for the highest dues level, with an understanding that those extra dollars will need to be raised through philanthropic means.

3. The Sustaining Model: This model has recently been a hot topic for discussion based on the [experience](#) of a number of synagogues, such as [Temple Israel](#) in Sharon, Massachusetts.

The model is based on the premise that each member would need to pay a certain amount in order to sustain a *kehilla's* budgetary needs.

That “sustaining” number is calculated roughly by taking the annual operating expenses of the synagogue (not including Hebrew school or other fees for service) minus projected revenue streams and dividing that result by the number of member units.

Rob Carver, a Temple Israel lay leader explains: “At membership renewal time, we send a letter saying this is the sustaining amount we need – if you can do this great, if you can go above this, even better – but you tell us how much you are going to pay, and that’s what you will pay.” One of the major benefits reported with this approach is the lack of need for an abatement committee and a greater commitment by members to pay their “dues.” Clearly, a healthy, highly communicative and invested *kehilla* membership and leadership is important to making this kind of approach work.

4. The Tiered Model: This is a newer model that has started to gain popularity in our *kehillot*. This model incorporates a flat “standard” rate with more fundraising requests, or various levels above and beyond the standard rate. There can also be a discounted or “entry level” category which will guarantee more access to synagogue life. Some of these additional donor categories include additional benefits.

A fascinating example of integrating a traditional model and this new tiered model is taking place now at [Temple Beth Hillel-Beth El](#) in Wynnewood, PA. It has traditional giving levels based on age that are called the “Partner” level. Beyond this, the congregation instituted what is called the “Community Circle Commitment Model.” This model offers tiered giving levels, such as *Supporter*, *Benefactor*, *Sustainer*, *Patron*, or *Builder* that offer additional benefits to members giving at higher levels, such as tickets to educational programs and synagogue dinners, guest tickets for high holiday services and a reserved parking space. The promise is that members who enter the Community Circle Commitment level will not be asked to make additional donations to an annual campaign or major fundraisers.

5. The Philanthropic Model: This might be known as the “Chabad model.” Basically, members do not pay dues but rather donate – or don’t donate – whatever they’d like. While I have found no Conservative or Reform congregations willing to try this model, it does exist and, in some cases, is quite successful. This is also the pervasive model throughout the church world.

The Philanthropic Model requires the leadership to understand that they need to commit a substantial amount of time to relationship building, donor identification and cultivation. Cooperation, partnership and expectations for volunteers, clergy and professionals need to be in balance in order for this model to work. Although it will take change and strategic intention, I believe we need to move closer to a philanthropic model and further from dues expectations.

What’s Next?

There is no magic answer regarding financial sustainability. Moving away from the traditional fixed dues model brings opportunities and challenges. The progressive or sustaining models ask many people to pay more than they are currently paying in the traditional dues system. The tiered model and philanthropic model require substantial professional and volunteer coordination and follow through. For all congregations, changing membership models will

require strategic thinking and action.

First, synagogue leaders must understand why change is important. There are, indeed, several reasons:

- In this day and age, all congregations need to put increased emphasis on resource development, both short and long term, regardless of the dues model adopted by a particular *kehilla*. There is especially a need for every one of our congregations to begin a planned giving program.
- Most people no longer see synagogue affiliation as a must-do or mandatory action. All synagogue memberships are voluntary by nature. We must appreciate and encourage affiliation with a *kehilla* as a way of creating sacred relationships and experiences, rather than emphasizing obligation or expectation.
- There is a continued need to prove value to our members. Our competitors are not other synagogues; our competitors are the myriad choices in our society for how to spend time and discretionary dollars. Our commitment to providing quality programs, services and experiences will be integral to maintaining and growing our communities.

Where Do We Start?

Dynamic, successful *kehillot* are based on the building and cultivation of deep, meaningful relationships with current and prospective members. People want to matter and want to feel a sense of belonging. This effort needs to be driven as a joint effort between clergy, professional staff and lay leadership. It is the culture of successful sacred communities.

We need to start treating all of our members as donors and thank them for their “investment” in our *kehillot*. Although this is not a distinctive dues model, there needs to be a cultural shift towards appreciating and recognizing the choice that our members have made to support our communities.

Synagogues are still significant and important in Jewish life, but we need to be practical and creative in order to keep our sacred communities central and relevant to a new generation of Jews. How we deal with the connection of synagogues and financial sustainability will go a long way towards defining that relationship moving forward.

Where can you start?

Selecting the right dues model for the future is a big step. It takes a vision of community and sense of shared purpose. It also takes an honest assessment of the culture of your congregation and the capacity to follow through so you can find the right model for your community.

Here are some resources from United Synagogue to get started:

- Join our Learning Community on Membership and Financial Sustainability. New resources and opportunities, including webinars on financial sustainability, can be found on the [Kehilla Operations and Finance](#) area of our website.
- Become a member of our membership listserv and meet other *kehilla* leaders who are asking the same questions as you. Click [here](#) to subscribe.
- United Synagogue’s [Sulam for Current Leaders](#) program will give your leadership a place to start on the path towards having strategic conversations about your vision for community and capacity for making changes in your dues model.

We welcome your best practices, questions and input. Please contact me at mael@uscj.org with your input, feedback or suggestions.

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