



KEMACH

Promoting Haredi Employment

ANNUAL REPORT 2018



KEMACH

Promoting Haredi Employment

Our Mission

KEMACH provides effective solutions to increase the income and welfare of Haredi society in Israel, through career guidance, scholarships, job placement, encouragement of entrepreneurship, and the development of employment leadership.

Our Vision

The **KEMACH** Foundation is the gateway for Haredi society in Israel to enter into the world of employment and education. We believe that every Haredi family in Israel should be able to make a decent living while preserving their religious identity.



Mr Leo Noé
President & Founder

Rabbi Yosef Deutsch
Founder and Senior Advisor
to the Board of Directors

Mordechai Feldstein
Chief Executive Officer

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KEMACH Foundation

Rabbi Nechemia Steinberger
Director of Strategic
Partnerships
nechemia@kemach.org
+972-54-882-0531

Dear Friends,

We are delighted to present the **KEMACH Foundation** Annual Report 2018, which provides an overview of our organization's initiatives and their widespread impact.

Young Haredim are increasingly interested in joining Israel's workforce in order to support their families with dignity and to contribute to Israel's economy. However, both financial constraints and a lack of basic scholastic skills constitute virtually insurmountable obstacles for so many young men and women who seek a vocational or academic education.

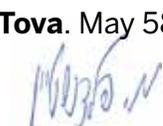
Thanks to the unique model developed by **KEMACH** - a multi-faceted programme that includes scholarships and loans, along with counselling, mentoring and training - over the past decade over 20,000 Haredim have been integrated into the Israeli job market and are making their mark on Israeli society.

KEMACH partners with various **Israeli government** agencies, the **Jerusalem Municipality** and **leading NGOs** to promote employment opportunities for Haredim. For example, we collaborate with **Start-up Nation Central** to integrate Haredi workers into high-tech and with the **Gesher** organization to promote the employment of Haredi women.

This past year there has been a significant increase in the number of young Haredim who we helped to pursue advanced studies. We are particularly proud of the **Kishrei Kehillot** programme, through which we engage with numerous Chassidic communities throughout Israel. Our programmes enable them to optimize their potential, while remaining faithful to their core beliefs and values.

But our success is also our challenge. **2,000 young Haredim** who wish to study medicine, engineering, law and many other fields are currently on our waiting list for scholarships. We can't let them down. We have launched a US\$5 million campaign for our flagship **Scholarship Programme**. Please contribute generously to this effort to help these young people, their families — and Israel's future.

We extend our sincerest wishes to you and your families for a **Ketiva V'Chatima Tova**. May 5880 be a year of blessing and prosperity for all of Israel.


Motti Feldstein,
CEO


Mr. Leo Noé,
President and Founder

LIFTING INDIVIDUALS OUT OF POVERTY



Since its establishment in 2007, the **KEMACH** Foundation has succeeded in significantly reducing poverty and welfare dependency in the Haredi sector. Working in close cooperation with the government and other agencies, **KEMACH** has made advanced education and integration into the workplace possible for the Haredi community. We achieve this through a comprehensive program that includes: career aptitude testing, personal counseling, higher education, vocational training scholarships, and job placement services.

Working within the ultra-Orthodox community and primarily staffed by Haredim who are committed to the organization's goals, **KEMACH** has become the go-to address for Haredim seeking to join the workforce. To date, it has awarded over 17,000 scholarships for higher education and vocational training programs, as well as providing subsistence grants to support students' families. Our goal is to enable every individual to fulfill their potential, while not compromising their religious values and lifestyle in any way.

RAISING EXPECTATIONS, INCREASING SALARIES

Many Haredim are blessed with large families, which makes it all the more important that they earn worthwhile salaries with which to support them with dignity. Every Haredi man or woman who enters the workforce in Israel becomes a role model for their children, their extended family, and their community. If they are seen as successful, others will follow their lead.



Government efforts to bring Haredim into the workforce were initially focused on gross numbers. **KEMACH** strives to help each individual to develop their skills and fulfill their potential by finding the best possible job that they are capable of. That is why we invest in aptitude testing and recommend training courses to those who come to us for help and encourage them to negotiate the best possible package of remuneration.

Employers are recognizing the enthusiasm and dedication that Haredim bring to the workplace; many companies have indicated that they want to hire more Haredim because of their high levels of commitment.

EMPOWERING SUCCESS, ENCOURAGING PROMOTION

KEMACH's Movilot program is designed to boost the success of Haredi women by encouraging them to aim higher in their aspirations so as to increase their earning potential. We are also encouraging successful individuals to pursue graduate level studies, so that they can make a greater contribution to their chosen profession.

Our **Mashpiim** program develops leadership and managerial skills in a select cohort of men and women destined for public sector positions. Each of these individuals is a role model as well as an ambassador for the Haredi community.

According to official data presented in the Knesset in December 2018, the average salary in the Haredi sector increased by 10%-14% in the preceding 12 months, compared with an average salary rise of 4% in the economy as a whole.

- Knesset Research & Information Bureau



IMPACTING THE HAREDI COMMUNITY



KEMACH encourages volunteerism, professionalism, entrepreneurship and community loyalty. We believe that evolution is more successful than revolution. When individuals within a community set out to help one another to improve their quality of life, the result is a win for everyone.

At the annual governmental conference on employment programs for the Haredi community in November 2018, Motti Elisha, head of the Labor Department of the Ministry of Labor and Social Services, said: *“Israel has so far invested 170 million shekels in employment programs for Haredim. We have a success rate of 80% which is impressive for any governmental investment.”* **KEMACH’s Kivun Placement Center** was one of the programs that he acknowledged.

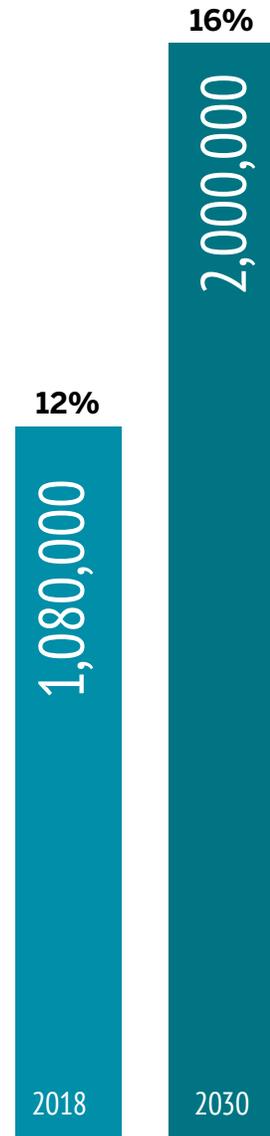
COLLABORATING WITH COMMUNITY LEADERS

KEMACH started out as a grass-roots program for individuals who sought to pursue academic studies and needed financial support. Today, the importance of **KEMACH** is recognized by Haredi community leaders across the spectrum.

Our **Kishrei Kehillot** program has been embraced by those who recognize the pressing need for appropriate employment opportunities for their followers. Volunteers from even the most insular communities have been trained to provide career advice. In many communities, our partnership is with the local charity network. This helps to reduce dependency, by offering training courses and respectable employment opportunities.



GROWTH OF THE HAREDI POPULATION IN ISRAEL



% of Israel's total population
(Source: Central Bureau of Statistics, 2018)

MODELING ECONOMIC INCLUSIVITY

Bizmax — **KEMACH's** business hub — was visited during 2018 by members of the Maoz Eco training program, who work to promote social and economic change in Israel. They learned how the **Bizmax** community encourages economic development in the Haredi community, while enabling participants to maintain their values and lifestyle.

In May, **KEMACH** hosted a high-level delegation from the UK, led by the UK's Ambassador to Israel, David Quarrey and the Rt. Hon. Alistair Burt, Minister of State for the Middle East. He said: "*The **KEMACH** model should be copied all over the world. The ability to let a community preserve its unique culture is important to the entire population, not only to that community.*"

"The **KEMACH** model should be copied all over the world. The ability to let a community preserve its unique culture is important to the entire population, not only to that community."
-Rt. Hon. Alistair Burt



KEMACH'S CONTRIBUTION TO THE ISRAELI ECONOMY

1 Haredi worker earns

 **108,000 NIS**

and contributes **240,000 NIS** to the economy each year.

KEMACH has helped **20,000** Haredim to join the labor force.

They contribute **4.8 billion NIS** each year to Israel's economy.



(Source: Chief Economist, Ministry of Finance)

IMPACTING WIDER SOCIETY

Within the Haredi community are many highly educated and very talented individuals. Unfortunately, some of them lack the fundamental skills that will allow them to contribute these talents to the economy and society in which they live.

Many of **KEMACH's** programs are designed to address the disadvantages that Haredim face when they approach the labor market. This principle underlies the workshops that we organize: English literacy, public speaking, technology skills, business management for entrepreneurs at **Bizmax**, and courses in basic studies and preparation for employment at our **Kivun Placement Center** in Jerusalem and our Mobile Placement Centers around Israel.

ENCOURAGING ENTREPRENEURSHIP

In order to integrate Haredim into Israel's dynamic hi-tech sector, **KEMACH** has developed entrepreneurship incubators, where participants benefit from a variety of high-level training courses designed to hone their skills. We are honored that the United States Embassy in Jerusalem provides **Bizmax** members with an advanced course in business English.



David Friedman, U.S. Ambassador to Israel, shown here with **KEMACH** CEO Mordechai Feldstein and others.

"The **KEMACH** Foundation has a huge influence not only over the Haredi community but over the entire Israeli economy! The US government understands the need and the importance of **KEMACH**, and the US Embassy will continue supporting and encouraging your important activities."
- Ambassador David Friedman

OPENING THE DOORS TO EMPLOYMENT

The achievements of the **Kivun Placement Center** have made it a model for promoting employment among Haredim. Senior officials from various government ministries visited **KEMACH** to hear about trends in the Haredi sector, the steps involved in encouraging Haredim to join the labor market, and **KEMACH's** successful initiatives.

In November, the **KEMACH** Foundation hosted a public meeting of the Authority for Young People of the Ministry for Social Equality, to consult young Haredi people on policy issues that are relevant to them. This gave **KEMACH** staff and clients the opportunity to impact government policy. One of the leaders of this project is a graduate of our **Mashpiim** program, who now works for the Authority for Young People and is charged with bringing Haredi people into the public consultation process.

PLAYING A LEADERSHIP ROLE

The first class of **KEMACH's Mashpiim** program graduated in September 2018, and we launched our first all-women's group. These programs provide training for work in the civil service and local government. At the same time, **KEMACH's Movilot** program is empowering Haredi women to seek better paying and more rewarding careers. They also develop leadership skills so that they can influence others in their communities. The graduates of these programs are demonstrating that it is possible to work in the public sphere and maintain a Haredi identity.



President Reuven Rivlin with **KEMACH** CEO Mordechai Feldstein

Speaking at the **Mashpiim** graduation ceremony, President Reuven Rivlin said: *"The choice to enter the public sector is a choice to take part in the responsibility for Israel's future. By electing to become civil servants, you have chosen to simultaneously serve the entire population and to make the voice of your own sector heard. Without Haredi society taking a meaningful part in decision making, in the labor market, in the shared responsibility, it will be hard for Israeli society to continue thriving."*

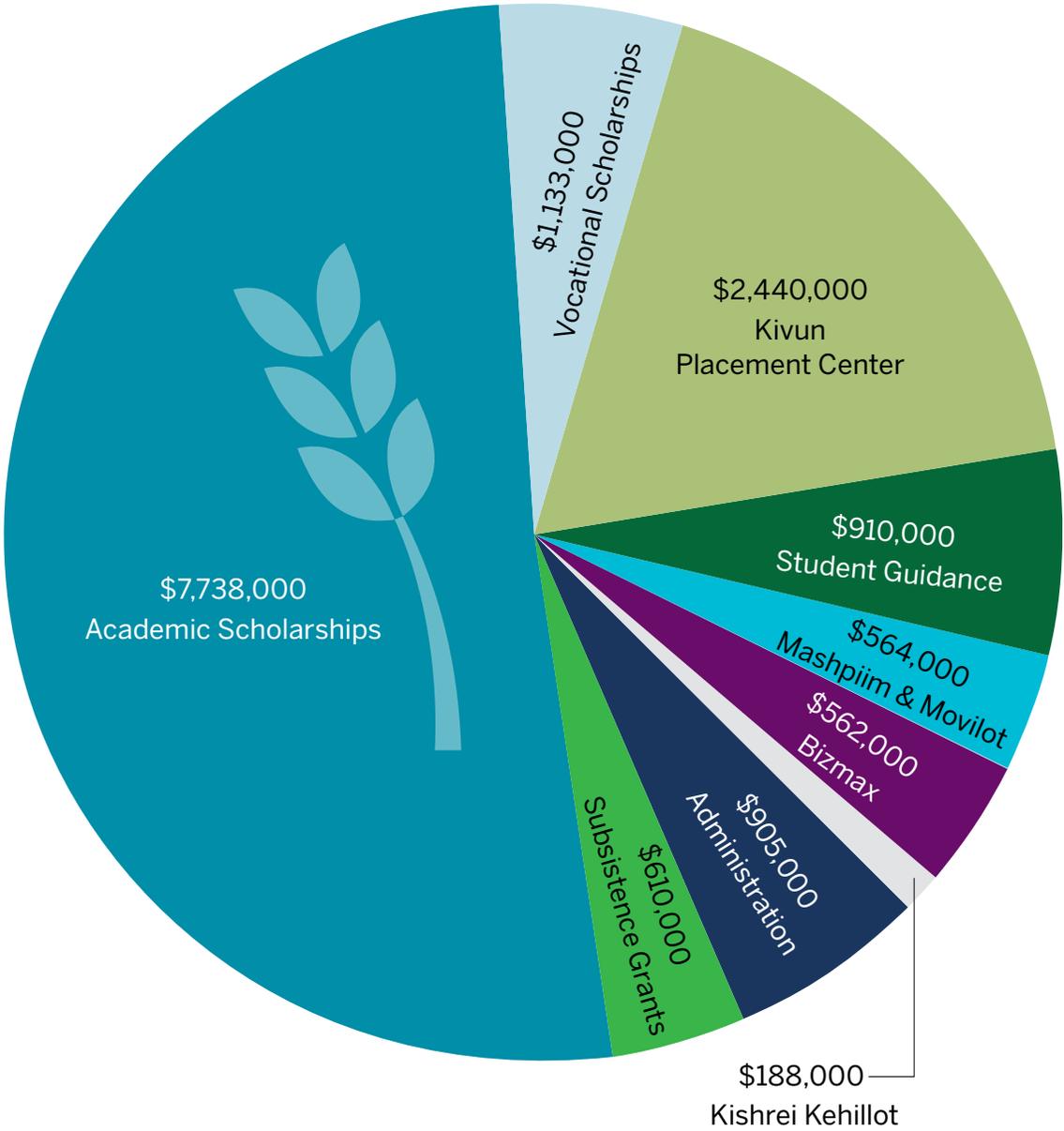
"Without Haredi society taking a meaningful part in decision making, in the labor market, in the shared responsibility, it will be hard for Israeli society to continue thriving."

-President Reuven Rivlin

KEMACH CEO Mordechai Feldstein said: *"When I am asked for the secret of our success, I always maintain that our greatest success is in the things we have NOT done. We have not changed anything in the Haredi lifestyle, and yet we have helped thousands of Haredi men and women to join the labor market, including senior positions in leading companies, and now in the civil service and local government as well."*

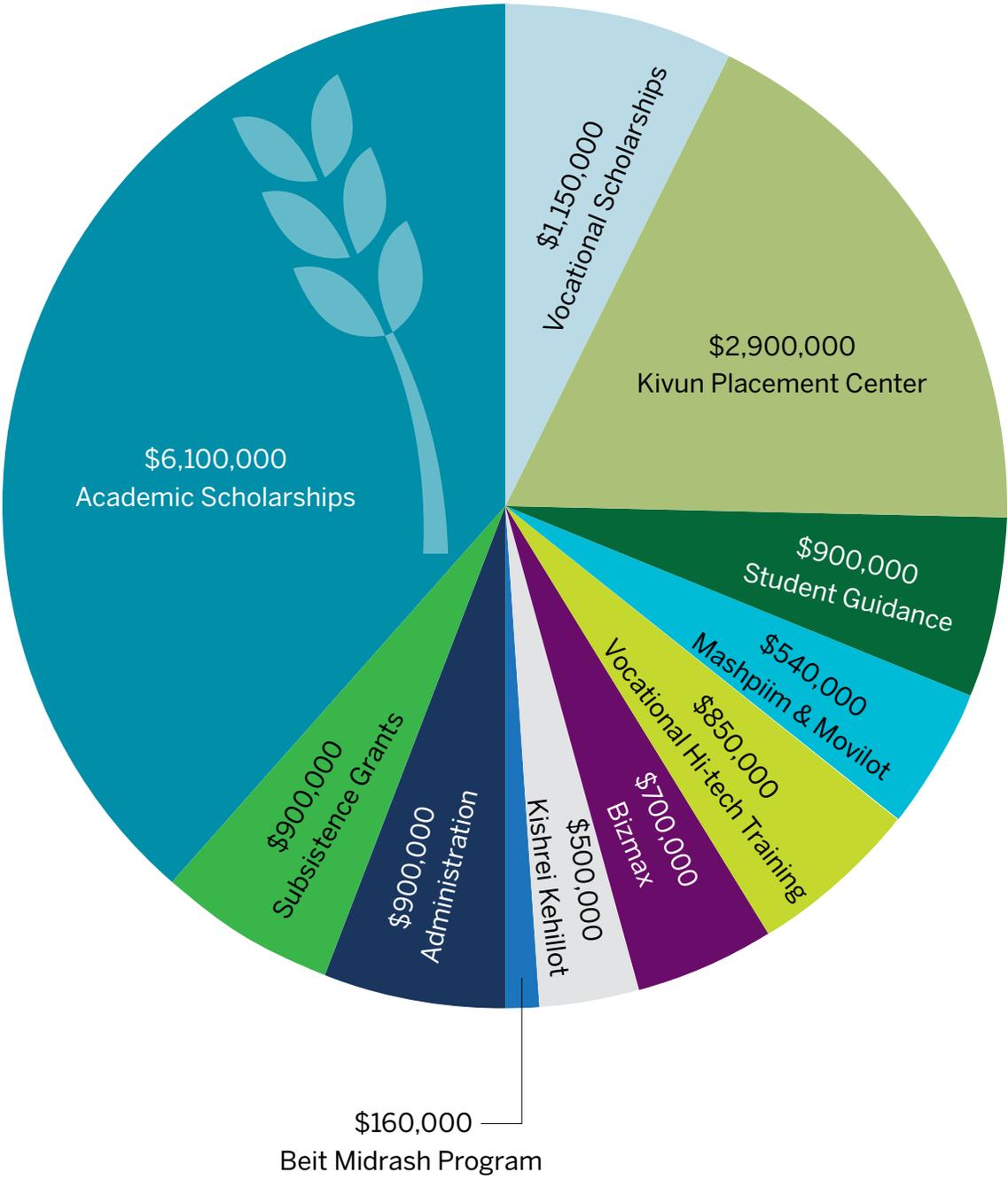


2018 KEMACH OPERATIONAL BUDGET (\$U.S.)



\$15,050,000 TOTAL EXPENSES

2019 KEMACH OPERATIONAL BUDGET (\$U.S.)

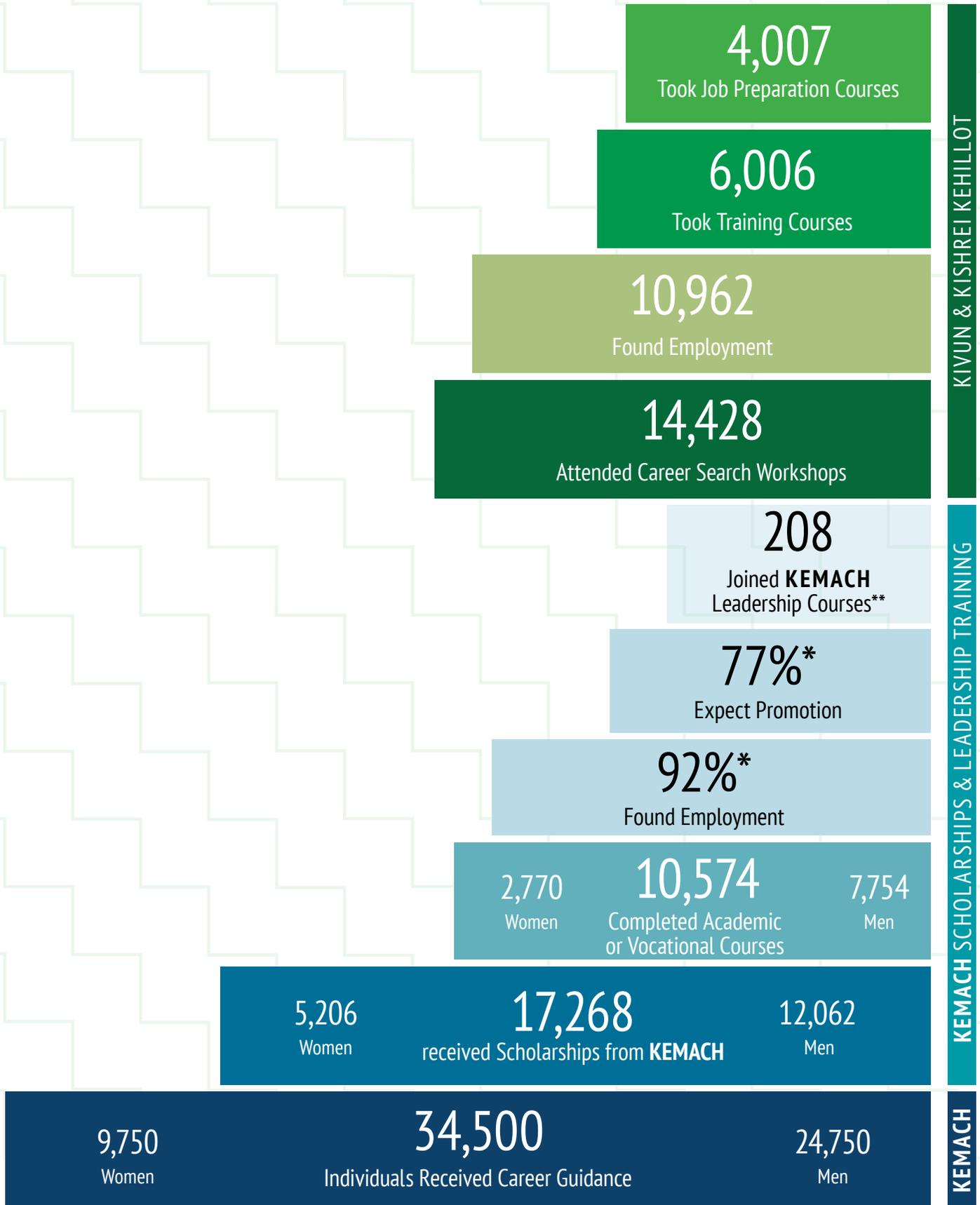


\$15,600,000 TOTAL EXPENSES

KEMACH'S 360° SOLUTION



THE IMPACT OF KEMACH SINCE 2007



* based on 2018 survey of 3,067 KEMACH graduates ** Movilot and Mashpiim

KIVUN PLACEMENT CENTER



Kivun has become the go-to address for all Haredi men or women seeking gainful employment. It was established in 2014 in Jerusalem – the city with the largest Haredi population in Israel – to help them find jobs with real opportunities for advancement and promotion and earn respectable salaries. The success of **Kivun** in Jerusalem has led to the establishment of similar government-funded career support centers for Haredim in 11 cities around Israel.

A recent study by the Ministry of Labor & Welfare found that 81% of **KIVUN** graduates were immediately successful in finding a job.

- Report on **Kivun** by the Ministry of Labor & Welfare

KIVUN TRAINING COURSES

Most Haredi men do not study basic Math, English or Computing Skills at school. **Kivun** runs 20-hour courses to help them acquire these essential tools for entering the workforce. **Kivun** partners with a wide range of professional training schools to offer practical courses in careers as diverse as: computer programming, cyber security, drone surveying, construction supervision, catering, sales, insurance, plumbing, electronics, and transportation.

2018 HIGHLIGHTS:

- Jerusalem Career & Job Training Fair for Women
- Conference on Careers for Haredi Women in Hi-Tech
- **Kivun** Training Fair for Haredi Men
- Banking & FinTech Career Fair
- Launch of the Ambassador Community Program of **Kivun**



FACES BEHIND THE FIGURES

Itay Hershkowitz, 28, Single, Jerusalem

Itay is a chartered accountant who had trouble landing a job. He sent out numerous CVs and never got a reply. Feeling frustrated, he turned to **Kivun** for help. The counsellors at **Kivun** helped Itay redo his CV and assisted him in securing job interviews, which led to him being offered employment at the well-known accounting firm where he now works.

The **Kivun Placement Center** receives 95% of its 8 million NIS annual funding from the Jerusalem Municipality, leaving the **KEMACH** Foundation to raise an additional \$100,000 each year.

KISHREI KEHILLOT

HELPING HAREDI COMMUNITIES THROUGHOUT ISRAEL

Communities served by **KEMACH's** Mobile Placement Centers



At the request of Haredi leaders all over Israel, **KEMACH's** career counseling, guidance services and vocational training courses are offered beyond Jerusalem through the **Kishrei Kehillot** program, helping members of even the most insular Chassidic communities.



Requested Assistance

3,966



Referred to local Mobile Placement Centers

633



Participated in Career Search Workshops

1,846



Started Vocational Training Course

200



Found Employment through **KEMACH**

681

VOCATIONAL TRAINING & WORKSHOPS

The **KEMACH** Foundation was awarded a government contract to run vocational training courses through our **Kishrei Kehillot** program, with funding from the Ministry of Labor and JDC Israel. These courses include:

- Electricians
- Construction Safety Inspectors
- Security Camera Installers (pictured here)
- Carpentry
- Engineering

Trainees receive assistance with placement after completing the program and some also receive a monthly stipend, based on economic need.



KEMACH SCHOLARSHIPS

The Haredi educational system does not always prepare students for lucrative careers. The **KEMACH** Foundation enables promising young students to acquire academic or vocational qualifications, enabling them to participate actively in Israeli society. In some cases, **KEMACH** also provides a subsistence grant to support their families while they are studying.

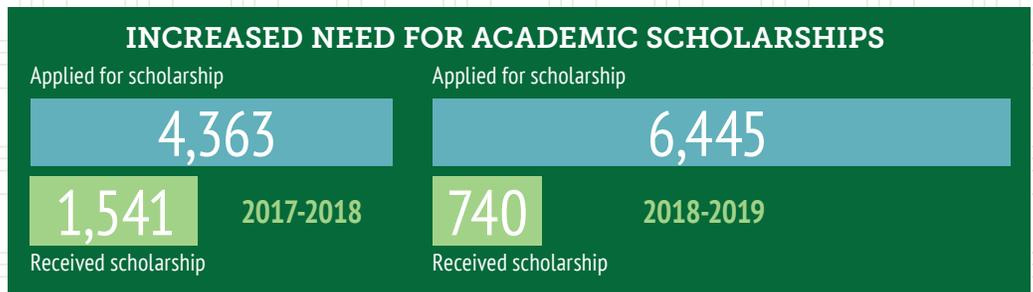
PARTNERING WITH GOVERNMENT

KEMACH works with Israel's Council for Higher Education (CHE) to provide academic scholarships for eligible students. In 2018, the Israeli government provided 12 million NIS in academic scholarships for **KEMACH** students, but many other students missed out because of **KEMACH's** funding shortfall.

TRAINING HAREDI DOCTORS

According to Israel's Central Bureau of Statistics, less than 1% of Israel's 5,194 medical students come from the

Haredi community. **KEMACH** is working to redress this imbalance. Since 2007, **KEMACH** has trained 64 doctors, 9 dentists and 20 medical researchers.

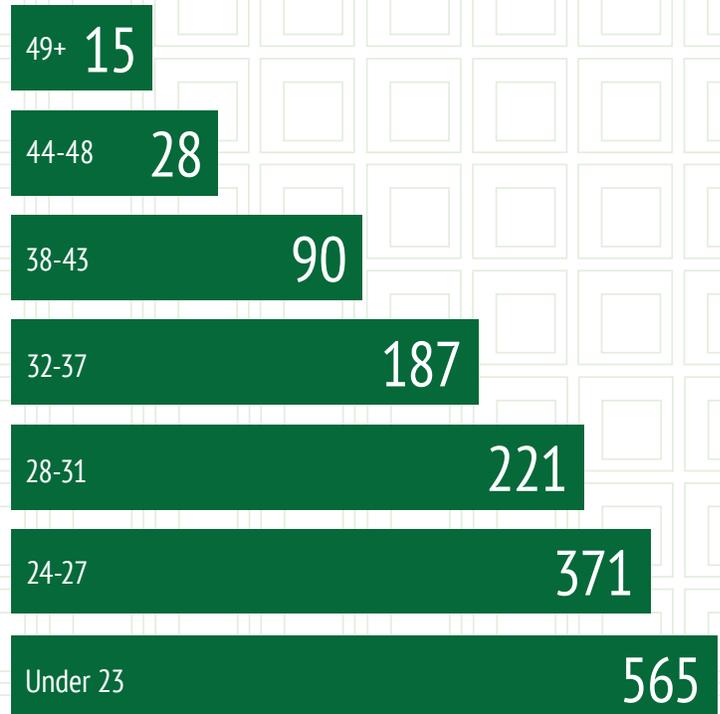


FACES BEHIND THE FIGURES

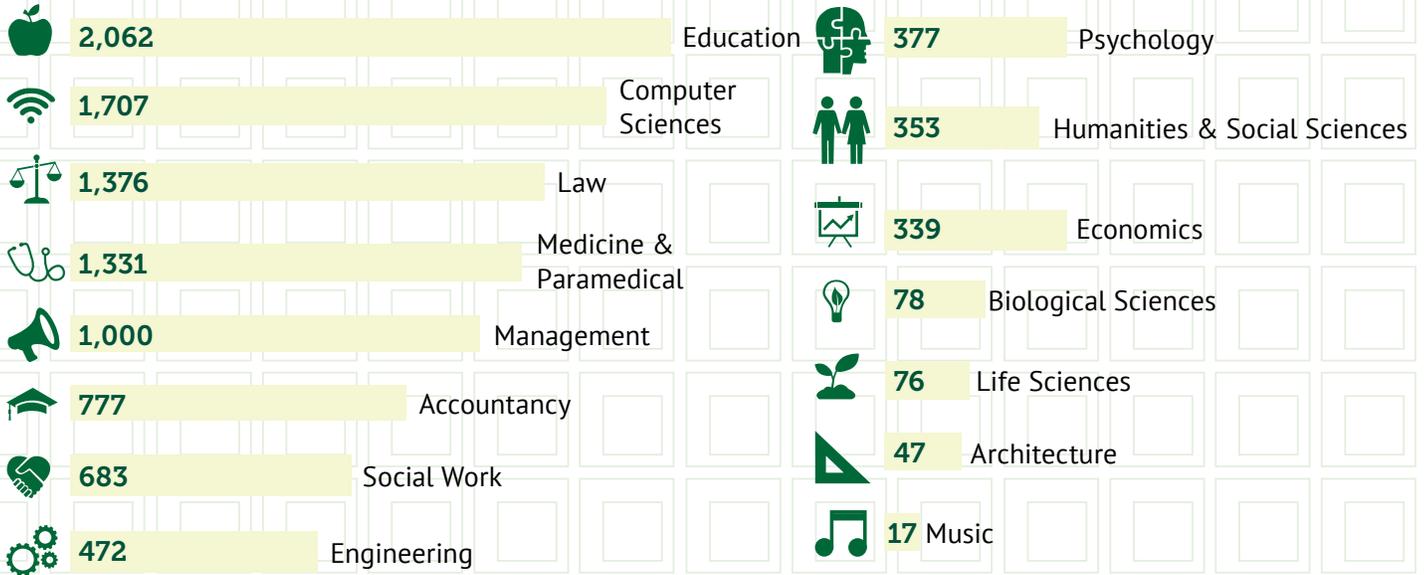
Tzila Hacker, single mother + 1, Tzfat

Tzila received support from the **KEMACH** Foundation to qualify as a nurse and was then accepted to the Bar Ilan University School of Medicine. Having completed her first year with a 74% average grade, Tzila is in her second year and dreams of becoming a surgeon or a gynecologist. *"I believe that the Haredi community needs female Haredi doctors, and I am grateful to **KEMACH** for helping me to realize my ambition."*

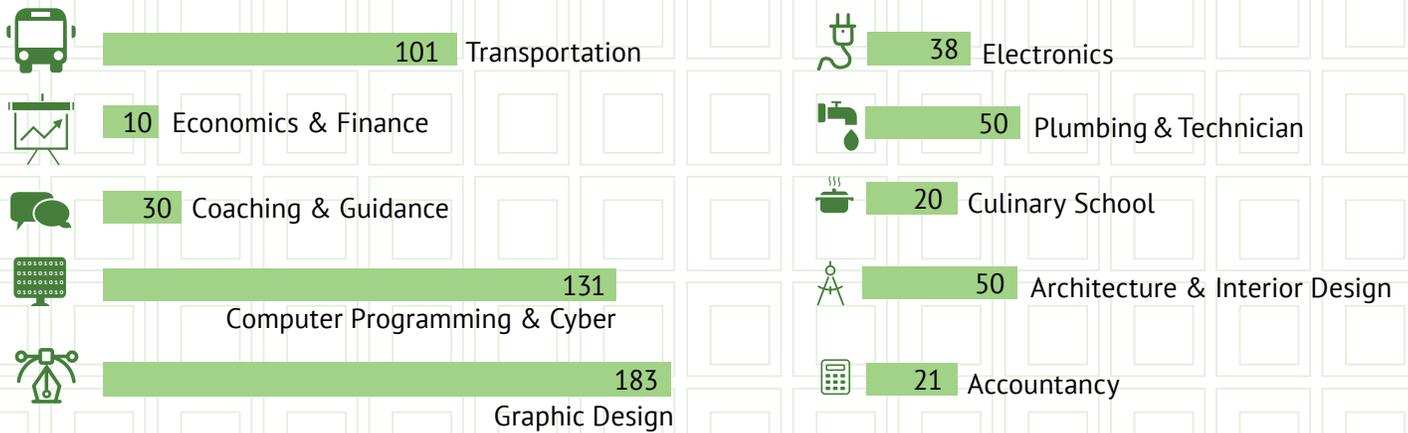
KEMACH SCHOLARSHIP STUDENTS BY AGE (2018)



KEMACH ACADEMIC SCHOLARSHIP STUDENTS BY SUBJECT



KEMACH VOCATIONAL SCHOLARSHIP STUDENTS BY SUBJECT



The Avnei Derech Program is a key component of **KEMACH's** scholarship program, enabling young Haredim to continue learning Torah while pursuing academic studies or working. The Wolfson Foundation funds an additional scholarship for students in academic courses who also learn in the **KEMACH** Beit Midrash. This encourages them to strengthen their Haredi identity and to become role models in their own communities, as well as providing a mutual support system.



Bizmax was established in 2017 in partnership with the Achim Global Foundation and the Jerusalem Development Authority. It provides shared work space and serves as an incubator for Haredi entrepreneurs. **Bizmax** helps freelancers and business owners grow and develop professionally in a supportive Haredi work environment. The **KEMACH** Foundation runs workshops to help them develop their businesses and fill gaps in their skill-set, such as: technical know-how, English language, public speaking skills, and negotiation expertise.

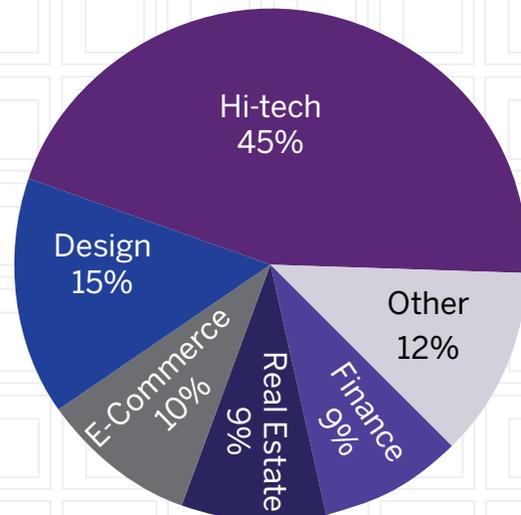
Over 100 Haredi entrepreneurs and freelancers work in the **Bizmax** Hub, located in Jerusalem's new Gateway District. **Bizmax's** thriving business ecosystem provides entrepreneurs with mentors and practical support, including workshops and networking events, in an environment where Haredi men can feel comfortable.



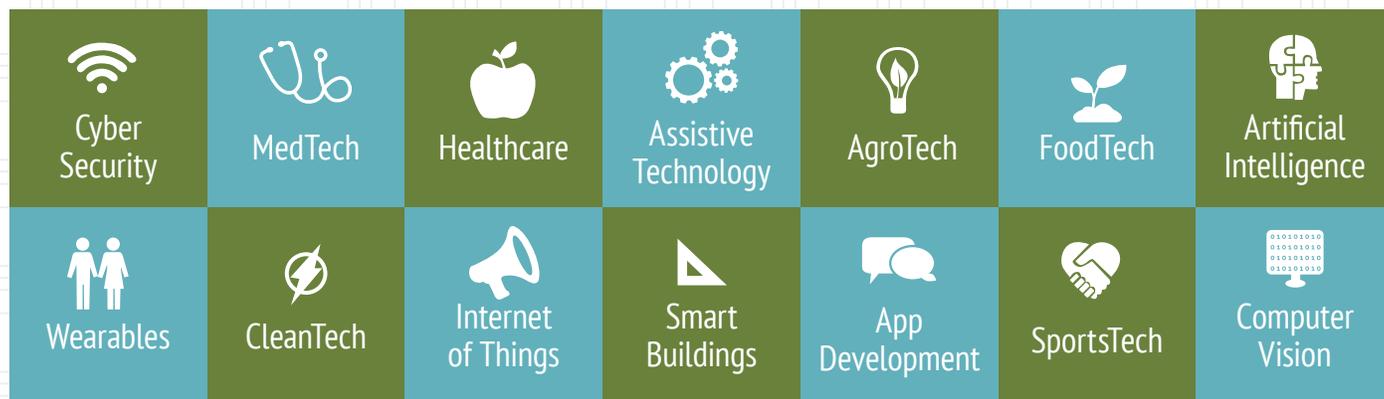
Bizmax

יוזמה. קהילה. הצלחה. מתחם עסקים

BUSINESSES SUPPORTED BY BIZMAX



In 2018, due to the discouraging rate of failure of new hi-tech companies, **Bizmax** began investing in the know-how and professionalism of Haredi startups. **KEMACH's** goal is to help them avoid the pitfalls and challenges that confront all new businesses. **Bizmax** supports hi-tech startups that are developing new ventures in:



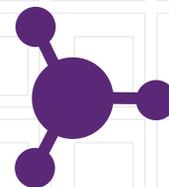
FACES BEHIND THE FIGURES

Efraim Teicher, married + 2, Beitar

Efraim was a software development manager in major companies and government offices. While managing a national project to shorten E.R. waiting times, he realized that Artificial Intelligence offered a solution. He invented Quze to offer this solution to healthcare providers worldwide. His team of seven is currently raising Round A funding for pilot projects. *“Entrepreneurship was always in my soul, but I would not have succeeded without guidance from **Bizmax**. Their mentors and workshops have helped me to clarify and reach my goals.”*

THE BIZMAX HUB: 2018 HIGHLIGHTS:

- Writing marathon for Michlol (Haredi Wikipedia) - produced 128 articles in 12 hours
- **Bizmax** Director Yitzchak Crombie joined Israeli economic delegation to Germany
- Visit by UK Minister for the Middle East, Rt. Hon. Alistair Burt
- **BizUp** Conference for 200 Haredi freelancers in advertising, digital design and social media
- Workshops on e-commerce, landing page design, and public speaking



MASHPIIM: TRAINING INFLUENCERS

The **Mashpiim** program seeks to impact public policy and add to the diversity of opinions in the public sphere. Mashpiim prepares outstanding Haredi men and women to work in municipal and civil service positions and accompanies them for up to two years. This government-funded initiative is run in conjunction with the Ministry of Labor & Social Services, the Civil Service Commission, and the Ministry of the Interior.



During 2018, 45 participants graduated from the Mashpiim program. 100% of our graduates are currently employed in various government jobs.



FACES BEHIND THE FIGURES

Aharon Spitz, 35, married + 6, Beitar Illit

Aharon studied Journalism and Political Science at Bar Ilan University and worked for an agency providing professional training and employment opportunities within the Haredi community. He applied to join the **Mashpiim** program because he recognized that by working in the public sector, he would be able to advance issues of importance to the Haredi community and to benefit Israeli society as a whole. Thanks to his participation in the **KEMACH** program, he is now the Executive Assistant to the Director of the Ministry of Energy.



The **Mashpiim** program is funded in partnership with the Wohl Foundation and the Russell Berrie Foundation. **KEMACH** must contribute \$200,000 each year, so we are seeking a program sponsor for 2020 and beyond.

MOVILOT: EMPOWERING HAREDI WOMEN

Haredi women have been involved in the workforce in Israel for several decades, but they are often stuck in lower-paid jobs with limited opportunities for advancement. They are often held back by their own lack of confidence and have few role models to offer them encouragement.



KEMACH's year-long **Movilot** program connects motivated and capable Haredi women with leading business leaders and change-makers in Israel, and empowers them to seize opportunities for advancement. Graduates usually double their earnings during or after the program. They are encouraged to become mentors and role models to women in their communities and in their workplaces.

MEASURABLE IMPACTS OF THE MOVILOT PROGRAM IN 2018:



FACES BEHIND THE FIGURES

Rotem, 30, married + 4, Bet Shemesh

Rotem graduated with a teaching degree from Beis Yaakov, and started a second degree in Geography and Urban Planning at the Hebrew University.

Married to a Kollel student and weighed down by loans, she turned to the **KEMACH** Foundation, which gave her a scholarship to help her complete her degree. She became the manager of the Building Inspection Department of the Gush Etzion Regional Council. Rotem graduated with the fourth **Movilot** cohort in July 2018. *"The dedicated **Movilot** team helped me to recognize my potential and led us all through a transformative life experience. They encouraged our self-awareness, reinforced the legitimacy of our communal identity, and motivated us to make empowered choices. I am proud to volunteer through **KEMACH** to help other Haredi women find more rewarding and appropriate employment."*

You can sponsor the **Movilot** program for \$50,000 for one year and help **KEMACH** to improve the salaries and prospects of hundreds of Haredi women.

KEMACH FOUNDATION FINANCIAL NEEDS FOR 2020

ACADEMIC SCHOLARSHIPS

1,500 Undergraduate Degree Scholarships at \$2,200/year	Total cost: \$3.3 million
Complete Undergraduate Degree Scholarship:	\$ 6,600
500 Graduate Degree Scholarships at \$3,000/year	Total cost: \$1.5 million

MEDICAL SCHOLARSHIPS

Haredi Medical Student	\$ 15,500 per year
Full Medical School Scholarship (7 years)	\$ 98,000
Dedicate the KEMACH Medical Scholarship Program (35 students)	Total annual cost: \$542,500

VOCATIONAL SCHOLARSHIPS

1,000 Vocational Training Scholarships @ \$3,000 each	Total cost: \$3 million
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BIZMAX ENTREPRENEURSHIP DEVELOPMENT

Community Incubator	\$ 25,000
Start-up Accelerator (2nd Cohort)	\$ 30,000
Annual Experts Day	\$ 25,000
E-Commerce Workshop	\$ 20,000
Total cost:	\$100,000

KIVUN PLACEMENT CENTER

Internship Program for 50 participants	\$165,000
Education Completion Program for 80 participants	\$ 40,000

KISHREI KEHILLOT

Mobile Placement Center	\$ 17,000 per community
15 Mobile Placement Centers as required (with matching funding from the JDC)	\$255,000

The **KEMACH** Foundation is honored and grateful for the support of the following individuals and organizations:

SUPPORTERS



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Mr. Ari Margulies

Mr. Gerald Ronson

Sir Mick Davis

Mr. Martin Moshal

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The Dyna and Fala Weinstock Charitable Trust

Isaac Levy, Finline Charities

Mr. Stuart Roden

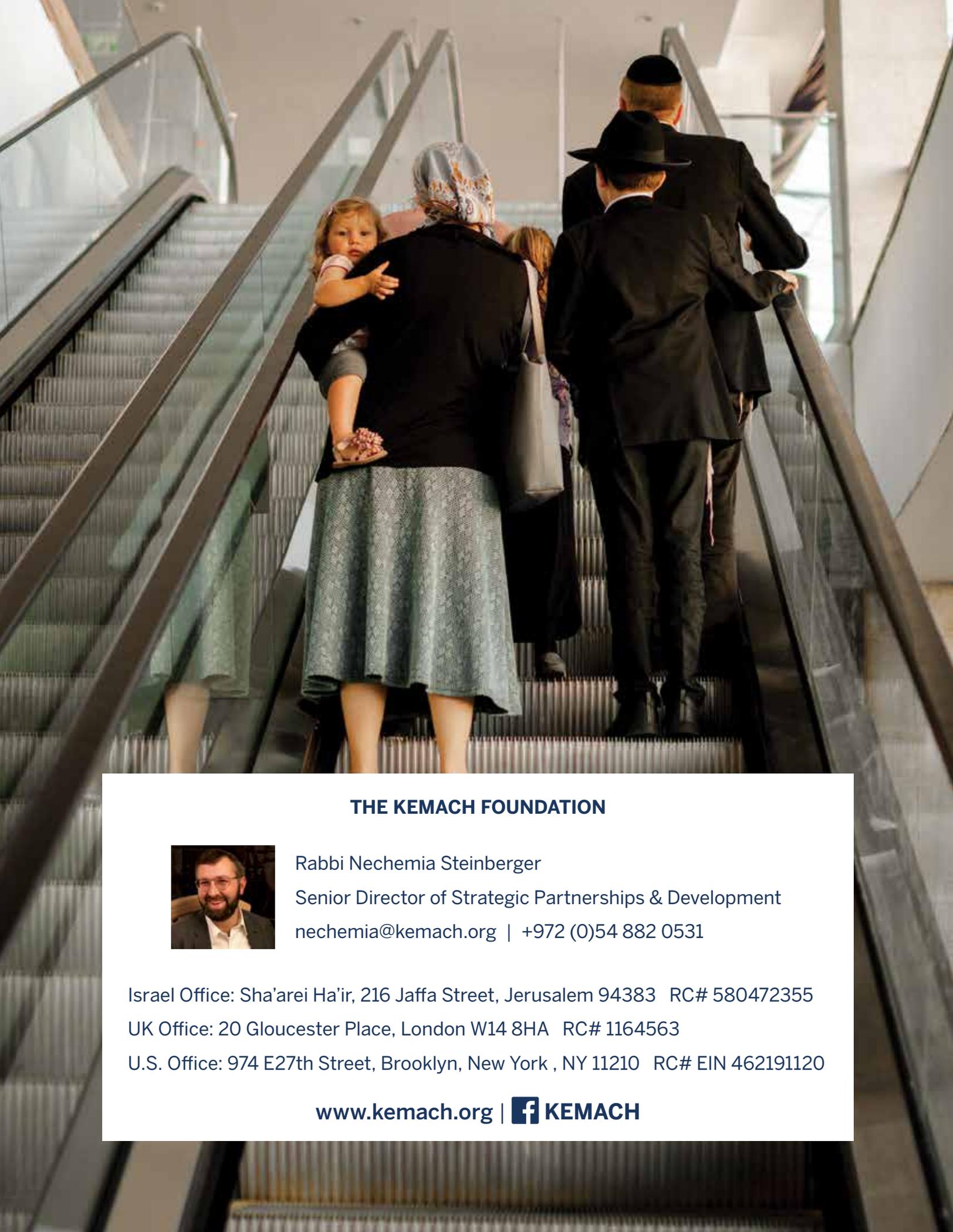
Mr. Aaron Wolfson

ORGANIZATIONAL SUPPORTERS



PROFESSIONAL PARTNERS





THE KEMACH FOUNDATION



Rabbi Nechemia Steinberger

Senior Director of Strategic Partnerships & Development

nechemia@kemach.org | +972 (0)54 882 0531

Israel Office: Sha'arei Ha'ir, 216 Jaffa Street, Jerusalem 94383 RC# 580472355

UK Office: 20 Gloucester Place, London W14 8HA RC# 1164563

U.S. Office: 974 E27th Street, Brooklyn, New York , NY 11210 RC# EIN 462191120

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