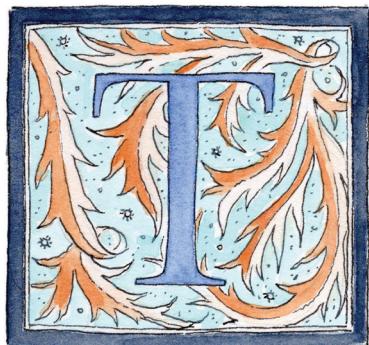


JORDAN CHANDLER HIRSCH

The Need for a Jewish Sovereign Wealth Fund

A new model of self-reliance



HE GOLDEN AGE of American Jewry is indeed ending—and the Jewish community can't see past its fading reflection. The institutions upon which American Jewish flourishing once relied are crumbling. It's time for American Jewry to build new foundations for its next phase of achievement, and to build them stronger than before.

Ours is not the first such moment of foundational transition for American Jewry. In his June 1920 *Menorah Journal* article “The Passing of the ‘Shtadlan,’” literature scholar and activist Johan J. Smentenko celebrated the creation of the American Jewish Congress as the end of the *shtadlanut* age. *Shtadlanut* (Yiddish for “intercession”) was the survival strategy by which the Jewish communities of Europe had interacted with their non-Jewish rulers. It involved courting the establishment power of the land and placing a *shtadlan* (intercessor) to represent the Jewish community in the ruler’s court.

A sweep of Jewish history finds *shtadlanim* and their antecedents in many guises across many eras, from ancient Babylonia to the British Empire. The archetype can be found in the Torah itself, with Joseph, who rose to serve as Pharaoh's viceroy, saving Egypt from famine and securing a place for his people. It appears in 10th-century Baghdad, where Saadiah Gaon advised the Abbasid Caliphate while leading a Talmudic academy; in 12th-century Cairo, where Maimonides served as physician to Saladin and guide to the Jewish community; and in 15th-century Portugal and Spain, where Don Isaac Abarbanel financed kings and shepherded the Jewish community until the expulsion of 1492.

By early modern Europe, the *shtadlan* had become a formalized, paid position in many Jewish communities, sitting atop a burgeoning communal infrastructure that collected taxes, conducted trade, managed estates, and much besides. It was a method of organizational structure, meant to curry favor, protection, and most important, a level of autonomy for the Jewish community.

On its face, *shtadlanut* was a way of securing de facto Jewish rights in lands where Jews were denied such rights de jure. At its core, it was the art of indispensability, to both the Jewish community and its non-Jewish overlords. The *shtadlan* was part courtier, part financier, and part counselor to non-Jewish rulers, who, in turn, guaranteed Jewish rights.

It was this system of “benevolent feudalism” that Smertenko said was dying a timely death in America. According to him, the creation of the American Jewish Congress, an organization founded by, among others, Supreme Court Justice Louis Brandeis to champion Jewish interests, signaled Jewish arrival in a new political epoch:

The democratic revolution in American Jewish life, the great achievement of the Jew in exile, is due to the decision to renounce

a policy motivated by fear and guided by the slave's principle that it is best to lie low and say nothing offensive to the benevolent master, and to supplant that policy expressing the needs and demands of the self-governing Jewish people. It embodies the decision of the Jews of America to present openly to the nations of the world a constructive program which the Jewish people are prepared to support with all the strength they can command, instead of following the back-stairs method of the "Shtadlan" of the Middle Ages and the Russian Ghetto, who asks for relief, not redress; for palliation, not prevention; for charity, not justice.

Through its mirroring of a great American political institution—the United States Congress—the American Jewish Congress represented the apex of Jewish political progress.

One sees a foreshadowing of Francis Fukuyama's "end of history" in Smertenko's democratic triumphalism. But like Fukuyama's prediction, it did not come true. As late as 2002, the very recently passed law scholar Marshall J. Breger, who served as President Reagan's liaison to the Jewish community, observed, "Jewish groups in Washington today continue to do a great deal of the *shtadlan*'s work."

How did Smertenko get it so wrong?

The answer lies, ironically, in exactly what he was celebrating: the Jewish community's mirroring of the American project. In their attempts to become Americans par excellence, Jews not only amassed unprecedented economic, political, and cultural capital via the prestige institutions of American life—universities, newsrooms, civic clubs—but modeled their own institutions on them. The American Jewish Committee, for example, began in 1906 as essentially a *shtadlan* cooperative of influential and well-respected American Jews and ultimately fashioned itself into the "State Department of the Jewish people."

Rather than end the era of *shtadlanut*, these organizations insti-

tutionalized it, employing what Breger called “a form of postemancipation Jewish politics” concerned “with the protection of the civil and political rights of individual Jews.” The strategy of intercession, far from extinct, adapted to the political structure of American democratic liberalism, much as it had adapted to the particular circumstances in different parts of Europe. Even there, a system of Jewish councils developed out of the work of individual *shtadlanim* in order to formalize the work of *shtadlanut*.

Although born of powerlessness, *shtadlanut* yielded meaningful results in stable, hierarchical societies. For one thing, it offered communal autonomy to Jewish municipalities. Jews taxed themselves, funded schools and hospitals, and provided for communal defense. But while this method of intercession was the coin of the realm, it was always a two-sided coin. If on one side was autonomy, enmeshment was on the other. Intercession required integration into the ruling power structures of the realm. The Jewish councils in Lithuania and Poland that performed institutional *shtadlanut* closely matched the organization of the Lithuanian duchy and Polish *sejmik* (parliament), entwining themselves, in a sense, as extensions of government authority.

This strategy paid off until it didn’t. In gaining unprecedented communal autonomy, the Jewish community sacrificed its political flexibility. Having latched themselves so closely to existing institutions—and having thereby lost their maneuverability—the Jews were dangerously exposed when, in 1648, Bohdan Khmelnytsky launched the Cossack revolt, shattering the ruling structure. The integration that had protected Polish Jews made them prime targets, particularly of anti-Jewish peasants who resented Jewish land

management on behalf of the hated nobility. In village after village, Jewish communities found themselves abandoned by their allies and defenseless against forces that recognized no authority, honored no agreements, and gleefully slaughtered Jews by the thousands.

This pattern repeats across geography and history. *Shtadlanut* proves potent when it successfully synthesizes transactional autonomy and institutional enmeshment. Yet perhaps because of a historically conditioned impulse for security, Jews eventually tend to prioritize institutionalization above autonomy—and when they do so, enmeshment risks exposure. During anti-institutional epochs, Jews do not merely face concomitant collapse—the very accomplishment that once secured them serves as grist for persecution. American Jews face such a moment today.

Much as in 1640s Poland, American Jews have become identified with the United States' institutional authority and its core characteristics—among them, meritocracy, expertise, and prosperity—at precisely the moment when that authority is fading. Where our ancestors courted dukes, we endowed universities; where they befriended bishops, we cultivated editorial boards; where they built self-governing institutions that interfaced with royal authority, we founded nonprofits and advocacy groups engineered to mirror American power structures. Other minorities press their concerns, to be sure—such is the beauty of American democracy—but no other community has fused its fate so completely with establishment institutions. If anything set American *shtadlanut* apart, it was America itself: Jews believed that, thanks to its republican creed, the United States would treat its embrace of the Jews not as barter but as principle. We placed our faith in a kind of civic loyalty.

Yet the institutions we invested in are crumbling.

Trust in government and media is at a historic low. Confidence in higher education has similarly plummeted. Almost no institution

in American public life remains broadly admired. As top-tier talent fled these bodies, their husks have been occupied in many cases by second-rate, navel-gazing functionaries, cosplaying radicals, and clenched-fisted commissars. In turn, Americans are rejecting the collective order that governed the country for decades.

Amid this decline, anti-establishment forces—podcasters, social media streamers, and political brawlers—have surged into the cultural mainstream. Commentators reach global audiences from Substacks and garage studios. Candidates win primaries with TikTok clips and Rumble shows. The anti-institutionalists hail from all sides of the political spectrum, ranging from the stoutly centrist to the proudly conspiracist, and often virulently oppose one another. But collectively, they owe nothing to credentialed experts, pledge loyalty to no hierarchy, and instinctively distrust anything and anyone associated with the old-line establishment. America's Jews, unapologetically identified as they have become with American social, cultural, and political norms and institutions, are the frontline targets in the assault on those same norms and institutions. As in earlier Diasporas, an increase in Jew-hatred is a worrisome indicator of broader civilizational decay. And lately, that decay is being intentionally accelerated by this proverbial army of anti-institutional forces, which are often—at best—indifferent to Jewish interests if not openly hostile to them.

Legacy Jewish organizations, designed to appeal to a system of mutual respect and stability, struggle on this terrain. They continue to court cable-TV hosts and newspaper editors, hoping to earn a fair shake; level charges of antisemitism, yearning for public sympathy; and seek coalitions to beat back their adversaries. As a result, they watch, stunned, as figures once beyond the pale of polite society now regularly grace well-watched YouTube channels, or onetime political enemies of the far-Left and far-Right broker modern day Molotov–Ribbentrop pacts for clicks. Each plea to fading author-

ity only underscores our vulnerability. We're not just losing influence; by communally clinging to institutions, we confirm every anti-establishment suspicion that we are paragons of a discredited order.

The populist wing of the political Right, for example, has recently extended the propensity for smashing sacred cows to questioning the U.S.-Israel alliance and, increasingly, the place of Jews in American public life. The scrutiny ranges from the subtle—wondering, in a “just asking questions” tone, whether Israel and its American Jewish supporters assume a disproportionate place in U.S. foreign policy—to the lurid, accusing Israel of assassinating JFK for opposing its nuclear ambitions.

For understandable reasons, American Jewish leaders often brook no gradations here; they instinctively register questions about Jewish power, whatever their scope or tone, as antisemitism. But whereas some far-right populists suffer from an obsessive fixation on Jewish power and influence—or Jewish Derangement Syndrome (aka JDS)—others find their way to Jew-skepticism through their suspicion of American institutionalism as a whole. Their anti-institutionalism inevitably leads them to a disdain for the Jewish community's strategy of institutional enmeshment. These conspiracy-curious skeptics are then drawn toward the outright antisemitic accounts of the deranged. Their gateway to Jew-skepticism is institution-skepticism, and since Jews are enmeshed within the institutions they distrust, this brings them into the target line. Were the Jewish community to disentangle itself from the institutional thicket, it wouldn't be caught in the crosshairs of this increasingly influential segment. Adopting its own non-institutional approach would make the Jewish community less suspect and more transparent as a community working like any other to secure its survival using its own resources.

To survive in this new world, we must rid ourselves of the enmeshment currency and trade autonomy for something better: sovereignty.

What does sovereignty mean in this context? In a sense, it is rather similar to what the anti-institutional forces are calling for. Many of them, especially on the political Right, call for a cold reassessment of inherited entanglements with allies and nongovernmental and intergovernmental organizations. They take particular aim at American foreign aid, the greatest recipient of which is, famously, Israel. In the anti-institutionalist view, American treasure is best kept at home and ought not be diverted to other sovereign nations regardless of how much of it ultimately comes back to the United States in weapons contracts and the like.

The anti-institutional world is less wood-paneled boardroom than open-air bazaar. Institutional America was relational, running on shared values and social mores that fostered trust. Anti-institutional America, by contrast, is transactional, with everyone haggling at arm's length—ad hoc, opportunistic, often devil-may-care. To prosper in the coming transactional disorder of anti-institutionalism, the Jewish community must disentangle itself from the institutions. Instead of investing so much financial and political capital in lobbying efforts to preserve our establishment station, we should invest that money in something we directly control: a Jewish sovereign wealth fund.

A Jewish sovereign wealth fund would represent a new form of Diaspora power, suited to the transactional age. Much like the wealth funds of other nations, it would wield capital as statecraft on behalf of Jewish interests, without apology or pretense.

Consider the recent success of the Gulf states in transactional

America. Rather than build grassroots advocacy organizations, they invest in U.S. infrastructure, from AI data centers to critical minerals. Rather than lobby for favorable coverage, they buy sports teams and entertainment properties that shape cultural narratives. Rather than appeal to shared values, they generate mutual profit. They build political alliances not through pleading but by creating dependencies.

Reorienting around the concept of sovereignty autonomy would signify a shift toward self-reliance. Institutionalized *shtadlanut* in America depended on building up others' resources—namely, those of lawmakers and taxpayers—to secure Jewish protection. A transactional approach, by contrast, would require insourcing rather than outsourcing Jewish security. Instead of building political patronage and pushing for resources through mediating institutions, the Jewish community would ask no one to spend on its behalf and would openly invest its own capital in pursuit of its own interests—indeed, its own happiness.

A wealth fund would allow the Jewish community to invite allies and skeptics alike into mutually beneficial investments. It could help key players solve their problems and achieve their goals, thereby securing support for ours. Skeptics who distrust our institutionalism might respect our show of independence. Anti-establishment forces might welcome Jewish capital that strengthens their projects. Most important, a wealth fund could transform both our psychology and our posture—from supplicants seeking protection into partners offering opportunity. Despite its corporate veneer, a wealth fund would not merely reproduce institutionalism. If *shtadlanut* sought seats at the institutional table, a wealth fund would build its own table and invite others in.

The fund's mandate would emphasize self-reliance and geo-economic power. Perhaps most immediately, a wealth fund could help offset U.S. military support to Israel. The current \$3.8 billion annual aid, which expires in 2028, helps underwrite Israeli

defense capabilities. But it places an increasingly weighty albatross on the U.S.-Israel relationship and on American Jewish interests, transforming what should be a relationship between equals into one of apparent dependency. The aid requires American Jews to lobby for taxpayer dollars to support Israeli security while rendering Jerusalem a mere client of Washington. This dynamic provides fodder to the JDS-afflicted obsessives and fuels resentment among skeptics, many of whom are wary of foreign engagements and allergic to client-state commitments. To wit, in an August poll, 44 percent of young conservatives (ages 18–34) agreed with the statement that “ending U.S. military aid to Israel would make me feel better about the U.S.-Israel relationship.” Although legally the fund could not directly finance the IDF, it could, for example, invest heavily in Israeli defense companies—and U.S. defense companies that supply Israel—that require stable funding for R & D and guaranteed mass production in key areas, such as munitions. The solution lies not in raging against the political turn against aid but in drawing from a different resource base: our own. Rather than petitioning for support, we would invest our own wealth in our own security, broadly defined.

At first glance, this approach may appear like a divorce from the U.S.-Israel strategic relationship—indeed, from the prior basis of the American Jewish relationship with the United States. Yet such self-reliance could prove salutary, calming the conspiratorial froth increasingly surfacing in discussions of U.S. support for Israel and American Jewish political power.

The benefits of a Jewish sovereign wealth fund would not be restricted to the State of Israel. It could also fuel Jewish communal investment in the United States. Just as American Jews have donated vast sums to American institutions, such as recent billion-dollar gifts to Johns Hopkins Medical School and the Albert Einstein College of Medicine, the fund could invest in core American infrastructure,

representing a 21st-century means for Jews to make patriotic contributions to the United States. The fund could, for example, anchor energy projects that secure the U.S. lead in artificial intelligence, finance mining operations that bolster critical mineral independence, and fund cutting-edge technology firms and research facilities that will power America's edge. Through such investments, the Jewish community would help launch the next generation of American strength.

The implications of this proposal are monumental. Metaphorically speaking, it is a call to change the currency of Jewish politics, exchanging intercession for sovereignty as the currency of power. It is a call for the Jewish community to exercise its economic and political power openly, in pursuit of its own interests, as any sovereign people would—measured in real-world security rather than cocktail-party applause.

Such a proposition may seem instinctively crude to sensibilities shaped by centuries of *shtadlanut*. Accustomed to courting establishment favor without attracting anti-Jewish conspiracy, we learned to downplay our influence, channeling it through the respectable machinery of advocacy organizations and nonprofits. We directed much of our hard-won resources to universalist causes and coalition building, presenting self-interested advocacy as quintessentially American civic virtue. We treated power as something to be disguised, not displayed.

Yet institutional collapse has rendered such discretion not just obsolete but dangerous. In the anti-establishment age, subtlety fuels suspicion. Power must now be legible and authentic: exhibited openly so allies understand the benefits, and adversaries the costs. Our ancestors adopted institutionalization because it fit the circumstance, both in the old country and in older America. But in the new America, and given the station Jews have earned here, the

environment calls for a new adaptation. Thankfully, we possess the resources, and the freedom, to carry our own weight. And our survival in the new world hinges on it.

The financial foundation for such a fund already exists. Researchers Hanna Shaul Bar Nissim and Matthew Brookner found that from 2000 to 2015, Jewish organizations donated more than \$46 billion. According to the historian Jack Wertheimer, Jews donated between \$13 billion and \$14 billion per year to Jewish causes in the early 2020s. These numbers represent only documented charitable giving, not the vast wealth held by communally active Jews on the Forbes list who themselves often represent hundreds of billions of dollars. And, as Dan Senor recently noted, alluding to Shaul Bar Nissim's research, "Of 33 Jewish individuals on a Forbes 400 list with publicly reported charitable giving, no more than 11 percent of their giving went to Jewish causes." If even a modest portion of those resources could be redirected, we could build a substantial portfolio, perhaps \$20 billion or more.

Investment and governance could begin with a small founding cohort of 12 to 15 individuals. They would set out the objectives, devise the investment plan, and commit the seed capital. They would also hire a professional investment team and establish a charter requiring the highest-level transparency: annual GAAP audits, public reporting of all investments, and term-limited oversight positions.

Unlike legacy Jewish nonprofit organizations, the fund would operate more like a venture partnership: clear investment thesis, defined return targets, and aligned incentives. Contributors could, for example, buy into specific investment strategies,

and decision-making could follow a simple majority vote among the board on investments above a certain threshold, with the professional team empowered to act swiftly on opportunities below that line. Board positions might rotate every three to five years, preventing calcification. Once the fund demonstrates performance, Jewish Federations, family offices, and eventually retail investors—both Jewish and non-Jewish—could buy in. New investors could enter through different share classes tied to specific investment verticals—Israeli defense, American infrastructure, strategic technologies—allowing them to align their capital with their priorities while maintaining overall fund coherence.

The prospect of a Jewish sovereign wealth fund would undoubtedly raise concern among some within the Jewish community. First, some will likely question the necessity of a fund in light of existing Jewish philanthropic infrastructure, which, as mentioned, contributes billions annually, mostly to non-Jewish causes. These institutions do valuable work, but they are just that—*institutions*, tools of enmeshment that depend on the old framework. They necessarily operate with a nonprofit mindset, focused on moral suasion and soft power. In the anti-institutional age, the Jewish community needs hard power: investments in tangible assets, vital industries, and unexpected alliances. We need an entity that thinks like a state, not a charity. Moreover, a wealth fund wouldn't need to replace the existing Jewish philanthropic infrastructure, but would operate alongside it, providing a potent combination.

Others will note that however large the fund, it almost certainly could not rival the world's largest sovereign funds, which manage hundreds of billions or even trillions of dollars. But the amount of assets alone is not dispositive. Bahrain's sovereign fund, for example, manages roughly \$18 billion and owns McLaren Racing, which

both generates returns and influence beyond its dollar investment. Because of its focused mandate, a Jewish fund could invest every dollar with far greater strategic density than the diversified portfolios of most nation-states.

Some may also question the fund's governance, demanding, for example, Jewish communal input into investment decisions made by such a small body. But this misunderstands how the fund would differ from legacy institutions. Current Jewish organizations operate through committees that often require unanimous consent, resulting in lowest-common-denominator decisions and limited agility. The wealth fund would instead follow the private-equity model: Investors commit capital based on clear strategies and trust professional management to execute. Rather than seeking broad communal input on each decision—which would paralyze the fund—it would provide radical transparency on results. Contributors dissatisfied with performance or direction could simply redirect their capital elsewhere, creating market discipline that's absent from legacy organizations, where donors rarely withdraw support regardless of outcomes. This isn't undemocratic; it's meritocratic. What's more, there is nothing new about select groups of Jews, such as the boards of major Jewish organizations, making decisions that affect the broader community. Democratic governance sounds appealing in theory, but in practice it would paralyze the fund with committee meetings and risk-averse investments.

At the most elemental level, many may worry that by so openly flaunting our financial prowess, a wealth fund would in fact inflame Jew-hatred. But this concern reflects the institutionalist, *shtadlanut* mindset that we must abandon. Those suffering from Jewish

Derangement Syndrome already fantasize about Jewish omnipotence; the reality of our power (or, historically, lack thereof) has little bearing on their addled minds. For other anti-institutionalists, a transparent, honest display of our strength—and one that leads to more winning—will earn more respect than relying on quiet methods will. Some may indeed continue to resent us. So it goes. We have survived worse.

For the past generation, our success blinded us. As we built a glittering tower of Jewish institutions, we failed to see that the edifice underpinning that tower—America's own institutions—was crumbling. We can sense the tremors now, but our instinct, bred by millennia, has been to hold, ever more desperately, to the world we know and worked so diligently to construct. But in doing so, we only increase our danger. It is a similar pattern to the demise of so many prior Diasporas, from medieval Spain to pre-modern Poland, in which *shtadlanut* transformed so quickly from survival strategy to death trap. The difference between their fate and ours depends on what we've learned from theirs, and how we adapt to the new world—whether we can abandon our faith that someone else's power can protect us.



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