

Empty entrance to the Oshman Family JCC in Palo Alto, which closed its facility in March due to the coronavirus pandemic.
(Photo/Courtesy OFJCC)

NEWS > BAY AREA

JCCs close, hundreds furloughed as Bay Area Jewish orgs feel weight of coronavirus

BY GABE STUTMAN | MARCH 30, 2020

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With shelter-in-place orders in effect in the Bay Area and social distancing guidelines from the federal government set to last at least through April, more

than 700 employees at four local JCCs have been temporarily laid off, and other Jewish nonprofit organizations are reporting an uncertain future.

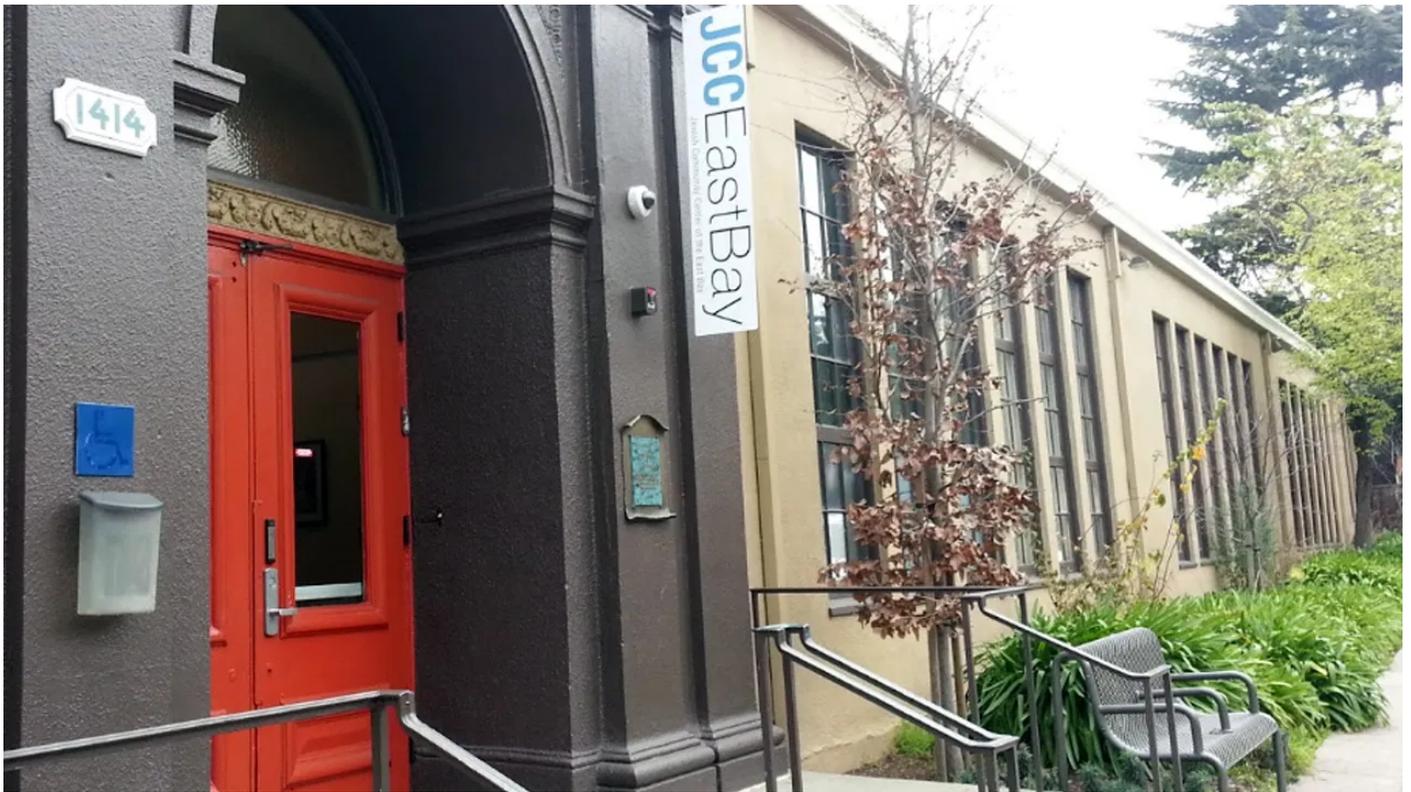
JCCs are among a host of Jewish institutions — including synagogues, preschools and various agencies — adapting to the coronavirus with virtual tools, but many are facing budgetary woes during the worst global pandemic in over a century.

On March 27, the Oshman Family JCC in Palo Alto, which had shuttered its campus on March 16, announced an extended closure of most programs and services and the furloughing of about 400 employees.

On March 30, three more Jewish community centers announced extended closures and temporary layoffs: the JCC of the East Bay in Berkeley, the Osher Marin JCC in San Rafael and the JCC of San Francisco — a \$30 million operation with an aquatic center, gym, preschool, café and art galleries.

“Just a few short weeks ago, the JCCSF was alive with activity,” CEO Marci Glazer wrote in a newsletter, announcing the furloughing of 70 percent of the center’s roughly 350 staff members, and more seasonal staff members. The suspension of in-person activities “puts the financial position of JCCSF into grave jeopardy.”

Employees will continue to receive health insurance through June 30, Glazer wrote, and about 100 people would stay on with reduced pay. “For the JCCSF to weather this crisis, we need to have organizational and financial resilience to serve you, your families and our City,” Glazer wrote, appealing to the community for donations and thanking those who had already contributed.



JCC East Bay in Berkeley, which has furloughed most staff due to financial strain brought on by the coronavirus, is just one of many Jewish organizations that has become financially strapped due to the crisis. (FILE PHOTO)

Earlier on March 30, JCC East Bay board president Tamara Abrams and CEO Melissa Chapman sent a community-wide email of their own, announcing a suspension of most operations and the furloughing of most staff. The leaders said the closure, effective immediately, “is vital in order to preserve our ability to reopen once it is safe to do so.”

“As a non-profit without public funding, we are heavily reliant on the dollars we receive from tuition – and we will no longer have that source of income,” the email said.

“Today I share a sorrowful message with you,” Osher Marin JCC CEO Judy Wolff-Bolton wrote in an email announcing the furloughing of the majority of the staff. “All furloughed staff are eligible for unemployment insurance,” Wolff-Bolton wrote, “and will be welcomed back to work as soon as we are able to do so.” Health care benefits will continue through June.

JCCs and other revenue-generating Jewish nonprofits are experiencing some of the most immediate and acute financial effects of the coronavirus crisis. The downturn is being felt nationally.

Two weeks after mandatory shelter-in-place rules were enforced in Pennsylvania, the Kaiserman JCC outside Philadelphia furloughed its entire staff of 176 people, whose health care coverage was set to disappear. “It’s like trying to run a marathon in quicksand,” Kaiserman JCC CEO Amy Krulik said about battling the crisis. “You can’t get any traction.”

Doron Krakow, CEO of the JCC Association of North America, told JTA that he was expecting massive layoffs across JCCs nationwide, which employ about 38,000 people. “The cuts are going to be painful and deep,” he said. “They are going to go into what I would call a hunker-down mode, which means that they’ll be subject to the kind of staff reductions that we are reading about affecting other industries.”

Zack Bodner, CEO of the Oshman Family JCC, was the first executive to announce the suspension of services and furloughing of staff, which he did in a heartfelt email.

“This is the most painful message I have ever had to send,” Bodner wrote.

The Palo Alto JCC, with approximately 500 employees including contractors, is temporarily laying off 400 staff members and reducing the pay of between 75 and 100 “essential” staff during the extended closure.

“We have 10 business centers,” Bodner told J. in a phone interview, listing such operations as the fitness center with thousands of members, the café, the preschool and the after-school program. “When none of them are bringing in revenue [except for fundraising], you understand the severity of the situation.”

The decision came after lengthy deliberations among Bodner and the board of directors. Ultimately it came down to dollars and staying viable over the long term; the organization’s payroll is about \$1.6 million each month.

Roughly half of its \$30 million in annual revenue comes from the gym, and the bulk of the rest from preschool tuition. Neither is operating.

Bodner said the JCC canceled gym memberships for April and future months while the fitness center remains closed, rather than waiting for customers to do it themselves.



Zack Bodner

“We felt it was better for us to not force people to pay for a service they did not feel like they were receiving, unless they chose to,” he said. He believed it would engender goodwill among the community and speed the JCC’s recovery when shelter in place is lifted. “That’s the menschy thing for a JCC to do.”

“We serve 25,000 people per week,” Bodner said. “We need to get back to that number as soon as possible.”

Facing massive budget shortfalls, many JCC heads and other nonprofit leaders are looking for relief from community donations, grant-making Jewish agencies and federal government programs. CEOs have asked their communities for emergency donations and for JCC members to continue paying membership dues if they can.

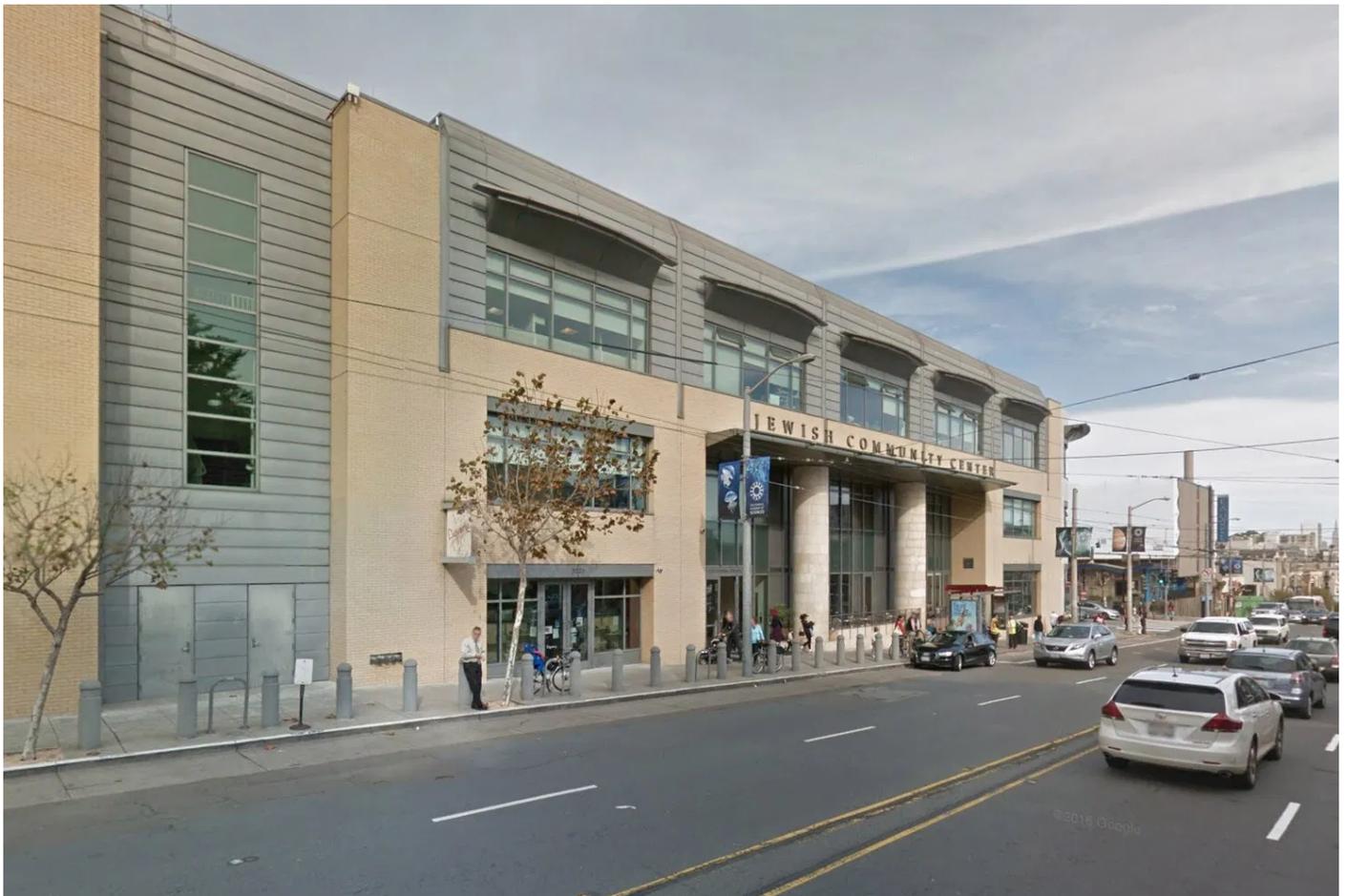
The S.F.-based Jewish Community Federation on March 13 announced an emergency Covid-19 task force and a corresponding fund — a response similar to one following wildfires and other crises. The Federation emailed a survey to local Jewish institutions asking for information on their needs. Many are waiting to hear whether they have been approved for funding.

Nationally, a \$2 trillion federal aid package signed into law March 27, known as the Coronavirus Aid Relief and Economic Security (CARES) Act, includes \$350 billion available for loans for small businesses and nonprofits, administered through the Small Business Administration.

The Jewish Federations of North America set up a [web page](#) with a webinar and a PowerPoint presentation to assist Jewish nonprofits in navigating this section of the initiative, known as the Paycheck Protection Program. The loans are geared toward keeping staff on payroll and maintaining benefits such as health care.

The maximum loan amount is \$10 million, available at an interest rate of 4 percent, with the possibility of loan forgiveness if organizations meet certain requirements.

But JCC leaders feel that these types of opportunities cannot necessarily be relied upon for immediate economic relief.



The JCC of San Francisco on California Street. (From file)

“Please know that we are pursuing funding from newly announced government assistance programs,” Glazer wrote to the JCCSF community. “However the details are too unclear to rely on it at this point.”

Leaders of the Palo Alto JCC, which has among its members a number of Silicon Valley executives and financial professionals, have met with experienced advisers on how to take advantage of the federal loan process. Still, “that money is not going to come for months,” Bodner said, if it comes at all. The bailout after the 2008 financial crisis, he said as an example, proved vastly insufficient for the thousands of small businesses that were hurting.

“I didn’t feel I could make a decision based on expecting that money in the immediate future,” he added.

Essential staff will stay on providing online content like personal training sessions, Zoom Shabbat for kids and other services — though at reduced salaries. And all furloughed staffers will continue to receive health care benefits, Bodner said.

When things return to normal, all of the JCCs said they plan to reinstate their workers.

“As soon as we reopen, we are bringing them back,” Bodner stressed.

Though with business models vastly different from that of JCCs, synagogues in the area are also facing tremendous economic uncertainty.

The coronavirus crisis and shelter-in-place rules have moved religious and lifecycle services — including weddings, b’nai mitzvahs and funerals — online. It has scuttled Passover plans and forced schools and day care centers to close.

Many synagogues rely on revenue generation through their preschools. Even though classes are not meeting in person, staff at some programs are trying to maintain a sense of normalcy for their students in the most unusual of circumstances.

“Everything is changing so quickly,” said Jodi Gladstone, the director of early childhood education at the Congregation Beth El Nursery School in Berkeley. “We haven’t been in school for two weeks, and that’s going to continue until May 1, or unless otherwise told.”

Teachers at Beth El have been providing video learning for the 60 or so students, ages 2 to 4. In Zoom meetings, they lead activities like yoga and story time, and have recorded videos, mentioning each student by name.

“They read stories to them, sing *boker tov* (“good morning”) songs,” Gladstone said.

“We’re trying to give them a sense of continuity, even though their world has turned upside down.”

The nursery school is not charging tuition for April, May or June. Some parents have chosen to donate theirs.

Aside from preschools and a few other revenue-generating programs, most synagogues rely heavily on donations and membership dues. And those tasked with managing budgets are concerned about the economic fallout. Will membership drop? Will donors still give to capital campaigns and other urgent needs when the immediate crisis wanes?

“Everybody is pretty confident there will be less charitable giving in the aftermath of this,” said Gordon Gladstone, executive director at Congregation Sherith Israel in San Francisco.

Each week, Gladstone convenes a video chat with other nonclergy temple leaders affiliated with BATA, the Bay Area Temple Administrators, of which Gladstone is the president.

“Depending on your fiscal year, you might be very worried right now,” Gladstone said. “But nobody knows how much.”

Synagogue leaders will be looking closely at membership renewals this spring and summer, before the High Holidays. If those are at normal levels, it would be a good sign for synagogue budgets. But if renewals, and the donations that often accompany them, shrink as they did following the 2008 financial collapse, that would be a bad sign, Gladstone said.

After the 2008 recession, donations dropped precipitously as the stock market tumbled and portfolios took a hit. Synagogues had to dip into their endowments, cut staff and take out loans.

“Membership shrunk and many were unprepared for how quickly it devolved,” Gladstone said. “I think this will be similar, only faster.”



Blueberries for Sal

Congregation Beth El teacher Emily Yerlick reads "Blueberries for Sal" to her students over YouTube. (SCREENSHOT/JODI GLADSTONE)

Most synagogues want to do the “menschlich thing” — to hold onto their staff, many of whom have vital institutional knowledge. At the same time, “synagogue boards are fiduciaries,” Gladstone said. “They have a responsibility to be stewards of the organization.”

Local synagogues are looking to the Federation’s emergency fund, federal grants and other offerings, he said — even while understanding that they are all in the same boat and vying for the same rescue funds.

“The important thing is to investigate every opportunity,” Gladstone said. “There’s no way any nonprofit walks out of this whole.”

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