

Israel evolves, so does Israel Bonds

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By Larry Hankin

When I was a child in the 1960s, every year at our extended family's Chanukah party all the children would line up and walk past Zaydie, our great-grandfather, as he gave each of us a \$100 Israel Bond. At that time, I didn't understand the significance of Israel Bonds. All I knew is that they weren't worth \$100 when he gave them to us, but we were told to be patient because their value would grow with time.

Indeed, they did. We socked those bonds away and when I was 18, I used them to help finance my first trip to Israel. That trip was pivotal for me. Not only did it introduce me to Zionism, but it pointed me toward my career path as a Jewish journalist. So, thank you Zaydie!

When my great-grandfather was giving us those Israel Bonds in the 1960s, they were still a relatively new concept, as the first Israel Bond was issued in 1951, three years after the establishment of the Jewish state.



Israel Maimon.

Since that time, the focus of the marketing of Israel Bonds has changed as the State of Israel has evolved from a fledgling nation into a sophisticated world leader in many fields.

Israel Maimon has been the president and CEO of the Development Corporation for Israel — the formal name of Israel Bonds — since 2016. An attorney, Maimon relates to Israel Bonds on a deeply personal level.

“My name is Israel. I'm from Israel, and I'm the president of Israel Bonds,” he says proudly.

Maimon's law firm had represented the Likud Party for about 10 years when he was tapped to be government secretary, which he likens to the position of White House chief of staff in the US. He held that position under two prime ministers, Ariel Sharon and Ehud Olmert.

“I worked next to the lions of Israel,” Maimon tells the IJN in a phone interview. “I learned so much about representing Israel and about the connection between the Jewish world and Israel.”

That, along with his experience in producing events and conferences, led to Maimon being offered the Israel Bonds president and CEO position.

Maimon is headquartered in New York, but Israel Bonds operates in the US, Canada, Europe, Brazil and Mexico.



He feels fortunate to visit the Jewish communities in those places, including Denver. He is still learning about the richness of Jewish life outside of Israel.

Maimon updated the IJN and its readers on Israel Bonds and reflected on how the organization has changed over the years.

IJN: How has the marketing focus of Israel Bonds changed from when Israel was a new nation in 1951 to now, when Israel is perceived as advanced?

Maimon: Three years after Israel was created, the basic message was, “Help us build the country,” because Israel didn’t have any capital from income or from the outside financial world.

No bank wanted to give loans to this young country; no one gave it a future. No one wanted to take the risks.

The messaging of Israel Bonds in the 1950s was “Invest in order to assist us build the country. For three or four decades, this was the message. At that time, Israel was leaning to social policies that were less liberal, less open to the world and the market. In the 1980s, when Israel became more open, more leaning toward the Western, American kind of economy, Israel became more economically independent because it had more income and more resources.

When our economy changed, Israel changed its message, which is not “help us build the economy” but “be part of a successful economy.”

The message has changed dramatically, 180 degrees from the ‘50s to today.

But now we are back to the message that “Israel needs you because of the economic impact of the pandemic.” Every country needs additional capital. Yes, Israel’s economy is strong, but we need additional capital due to the pandemic.

The response?

Investors are responding even though the pandemic is affecting their own pockets. I’m admiring that because everyone has concerns about the future, the uncertainty, what’s going to be with their jobs.

Even though you expect that we would see less Bonds sales this year, I am very, very pleased to say that we are seeing a great response of the Jewish community, and not only the Jewish community, but from Christians who love Israel.

Beside the individual investors, there are states, municipalities and counties that are buying Israel Bonds to support the State of Israel.

Does the State of Colorado buy Israel Bonds?



Colorado is in the process of changing its law to buy Israel Bonds. I came to Denver a year-and-a-half ago. We met with the state Treasury Department and we are working to enable Colorado to buy Bonds.

Has Israel Bonds been affected by BDS?

Israel has not felt any effect of BDS. It hasn't succeeded in boycotting Israel. These groups are really more active against Israel on college campuses.

I wish that Jewish organizations would coordinate better on focusing on what's happening on the campuses.

How would you categorize the majority of Israel Bonds investors — those who purchase Bonds because they want to support Israel, or those who do it primarily for financial, investment purposes?

Most of them will tell you, "Look, if I'm making an investment, why shouldn't it be something that appeals to my heart?"

There are institutions that are more connected with the investment factor. The most successful investor in the last century is Warren Buffett, no doubt. Warren Buffett is more of an equity guy. We had events with him, and he told us, "I'm holding only two kinds of bonds, treasury bonds and State of Israel Bonds."

That's a great endorsement, a great vote of confidence in Israel.

When you ask him why, he says, "Look at what Israel has achieved in only 70 years. Look at the values. Look at the open market. Look at the entrepreneurship. This is why I believe in the state of Israel."

Are you reaching the younger portion of the workforce?

Honestly, this is our challenge. The generation of the Holocaust survivors and the second generation — they know it, they get it.

We invest a lot of resources in delegations of young people, subsidizing bootcamps — we had a great bootcamp in Austin — and developing young leadership for Israel Bonds with the millennials and even younger. We are very heavily focused on the next generation.

Israel Bonds had a major presence in Denver for decades, and then that changed. What is the status now?

We had an office there, and it was closed for many years. About three years ago, we established a presence again. We had a sales representative in Denver for two years, but she received another offer so, as of now, we don't have a sales representative in. We very much want to have a rep in Denver. We will find the right person and we will have a presence in Denver. For now, it's being orchestrated through Dallas, Texas.



How do you educate financial advisors about Israel Bonds?

In Canada, we work through investment advisors. They know a lot about Israel Bonds and recommend our product. In the US, we do not pay any commission. Investment advisors have no incentive. However, the customer in the end doesn't pay any commission to buy Israel Bonds.

We market directly to the end client and not to investment advisors. There are some investment advisors here and there that recommend Israel Bonds, but they do it because they care about Israel, not because of commission.

Larry Hankin is IJN's Associate Editor.