

# Why Invest? Motivations for Americans Investing in Israeli Companies

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## Background

Israel has the greatest number of start-up companies per capita in the world, and is recognized as the leading nation in innovation. It is important to define the following terms as they are understood in this study:

- Investment: the action and/or process of investing money or capital for profit
- Zionism: as a movement where people support the existence and wellbeing of the State of Israel.

In order to test my hypothesis, I have divided motivation for investing in Israel into four main schools of thought:

- Religious motivation behind American investments to Israel
- Political affiliation driving American investments to Israel
- American personal financial gains when investing in Israel
- Israel's reputation as the Start-Up Nation

I selected 2 investment clubs in the DMV area as my research group:

- Habonim, a stand alone investment club located in Maryland
- Fistful of Shekels, part of a local synagogue located in D.C.

## Hypothesis

Hypothesis: Americans invest in Israeli companies because they are politically and or religiously motivated by Zionism to support Israel

Alternate Hypothesis: Israeli companies tend to offer a good return on investments, which makes people financially motivated to invest in Israel

## Methods and Data Sources

Small-n Case Comparison of two DMV investment groups

- Fistful of Shekles
- Habonim
- Observation: attended and took notes on discussions during investment club meetings
- Survey: six question online survey. The survey yielded 30 responses in total.
- Interviews: spoke with organization leaders and financial advisors of each investment group in order to understand the structure of the clubs and the motivations for investment at a collective level.

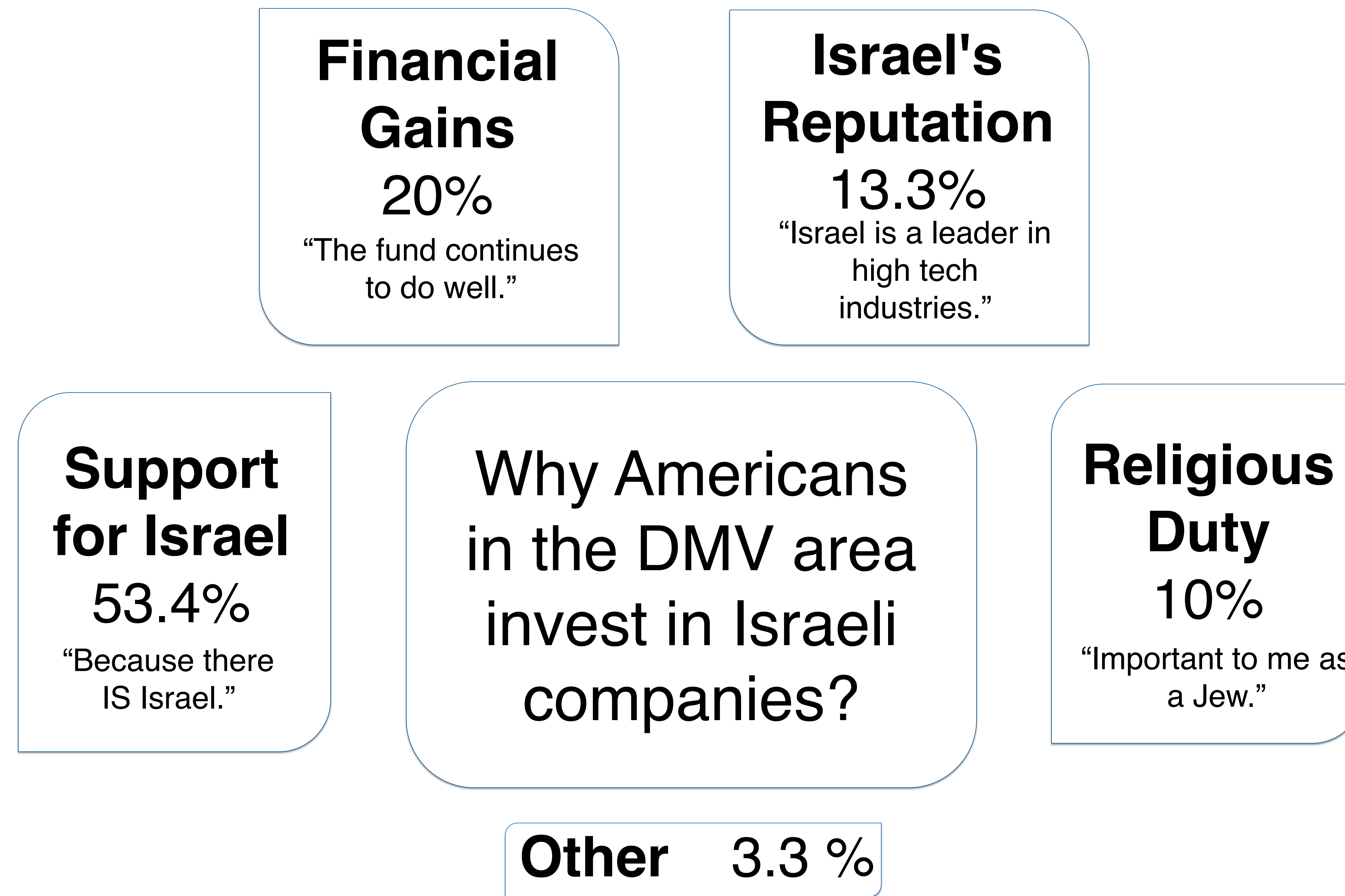
## Findings

- The primary reason for investing financially in Israel is to support Israel as a country and ideological symbol.
- The secondary reason is for financial gains through investments.
- Thirdly, Israel's positive reputation as the start-up nation.
- Lastly, religious duty was the least impactful reason members chose to invest in Israeli companies.

## Conclusion and Implications

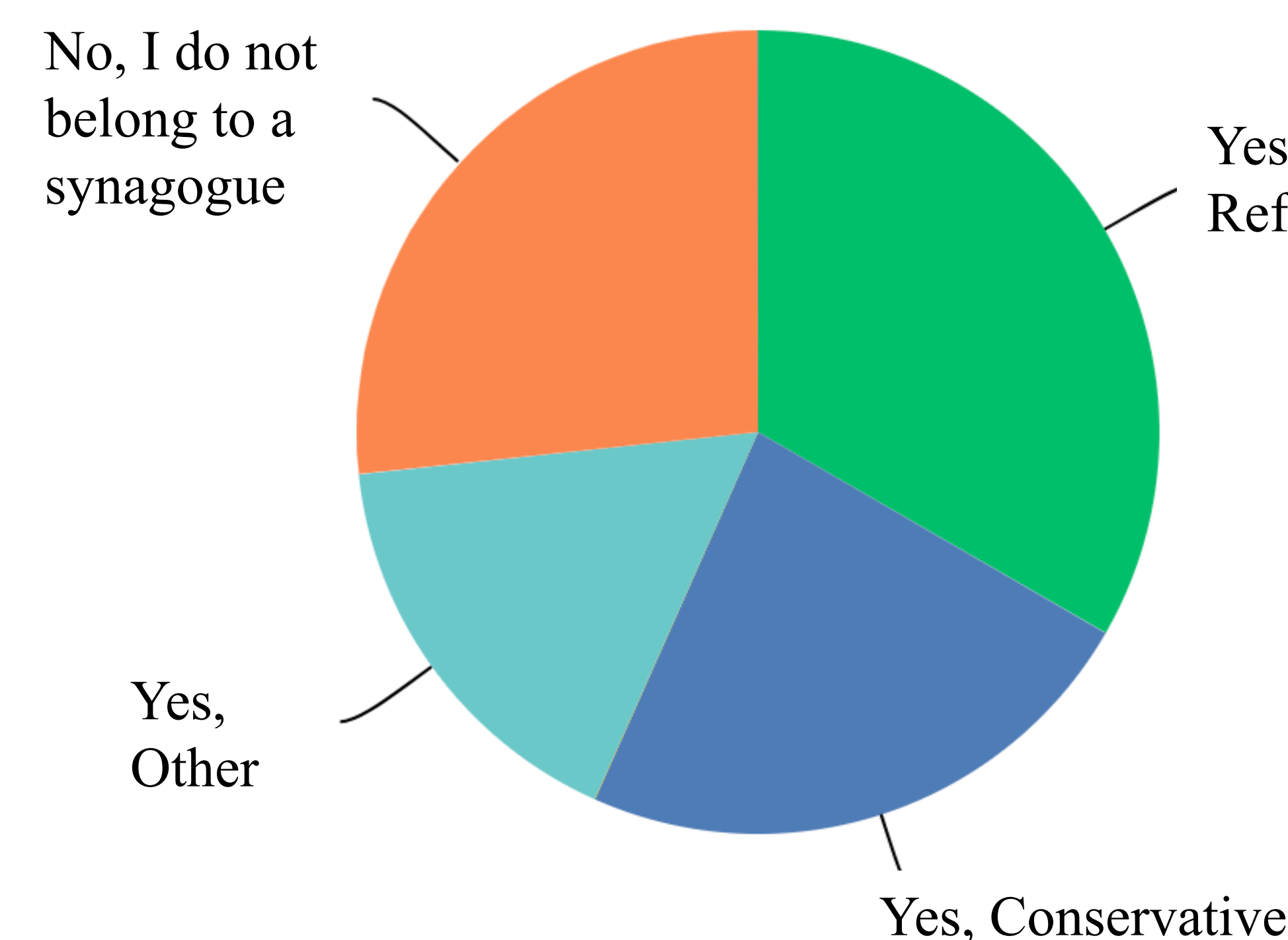
People feel a sense of political and religious connection to Israel, which creates a sense of urgency around Zionism. One of the ways Americans choose to make an impact is to invest money in Israeli companies, which in turn supports Israel's economy and the overall strength of the country. Investing in Israel not only supports the state financially, but also gives back to the people of Israel and the world at large.

To continue to expand my research and avoid the biases inherent in small group studies, I would need to look at more investment clubs in the area.



Do you belong to a Synagogue?

Answered by: 30



Have you visited Israel? If so, how many times?

Answered by: 30

