

## Credit Card Leading Charge for Charity

By E.B. SOLOMONT

**S**tarting this month, shoppers will be able to show their support for Israel when they're buying new shoes, purchasing Hanukkah presents or just filling up their gas tanks.

Menachem Landau and Zev Dobuler founded Heritage Affinity Services to launch the HAS Advantage Card, a specialty credit card that generates money for charitable groups in Israel while racking up redeemable points for cardholders. The card is being issued in November in conjunction with U.S. Bank and Visa.

The HAS Advantage Card will be the first of its kind to benefit Israel by supporting Israeli charities, boosting tourism and encouraging spending in Israel — while simultaneously accumulating benefits for the cardholder.

"To us, supporting Israel means three things," Landau said. "The first component is charity, the second is travel and spending in Israel, and the third is buying Israeli products."

The card will operate as an affinity card and rewards card in one. Like other affinity cards — charge cards issued jointly by financial institutions and nonprofit organizations — a small percentage of each cardholder's purchases is automatically donated to charity; cardholders can choose up to five recipient charities from a growing number of organizations, including the Jewish National Fund, Herzog Hospital and the One Family Fund.

But in addition, cardholders receive one point for every dollar they spend. These points can be redeemed for products, discounts and services from a list of partners: El Al Airlines, the Dan and Sheraton hotels in Israel, Avis and Budget rental cars in Israel, domestic travel, merchandise, Judaica products or gift certificates. (Cardholders also can donate their points back to charities in the HAS network.)

By late 2006, cardholders also will have the option of doing business with a "partners in solidarity" network of more than 200 merchants that offer discounts and double points to cardholders. The program will be launched first for



JERRY MYERS

**WHERE CREDIT IS DUE:** Menachem Landau (left) and Zev Dobuler (right) are set to launch the HAS Advantage Card (below) this month.

Israeli businesses and then for those in the United States.

According to Tanya Turner, senior vice president of affinity products at U.S. Bank, the HAS Advantage Card blends traditional rewards with specific components that benefit Israel. U.S. Bank has more than 110 other partners in the affinity market. "We think it's a

multibillion-dollar credit card industry.

Consumers pulled out the plastic nearly 40% of the time they made purchases in 2003, according to a report by MarketResearch.com. At the time, there were nearly 850 million credit cards in use.

Financial insiders have said that affinity cards constitute fewer than 10% of all credit cards today. However, affinity cardholders are extremely loyal, according to Jim Donahue, a spokesman for MBNA Corporation, the largest affinity card lender in the world. "They are much more likely to pull that card out and use it first and sometimes exclusively," Donahue said.

Landau and Dobuler — two North Americans who moved to Israel and served together in the army before becoming businessmen and moving back to the States — spent years brainstorming an effective way to direct American dollars to Israel. Finally they came up with their affinity card concept. "Because credit cards are so heavily used, it was a natural choice," Landau said.

"You are using a credit card anyway," Dobuler said. "Now Israel can benefit from your spending."



tremendous opportunity and it's been exciting to work with them, really designing the custom plastic" and the reward component, Turner said.

For U.S. Bank and other credit card issuers, affinity cards represent an important niche market in a