

WHAT ARE STATE OF ISRAEL BONDS?

- State of Israel Bonds are sold by the Development Corporation for Israel¹
- The bonds can be purchased by private individuals or governmental entities such as the State of Minnesota.²
- Bonds are purchased for a fixed period of time during which interest accrues. When the bond matures, the buyer can either cash it in and receive the interest payments or reinvest in a new bond.³

HOW IS ISRAEL BOND MONEY USED IN ISRAEL?

- Money that is raised through the sales of Israel bonds go directly into general treasury.
- Bonds are sold by Israel to finance the infrastructural and economic development projects. Many of these projects include by-pass roads and settlement building in the West Bank and East Jerusalem. These settlements displace Palestinians from their own lands.
- Bond money is also used for building the illegal wall which, when it is complete, will leave less than 12% of historic Palestine for the indigenous population.⁴

MINNESOTA AND ISRAEL BONDS

- The State of Minnesota has investments in two Israel Bonds:
 - \$10,000,000: This will mature in 2015 and carry a floating rate of return which is 5.675% as of June 26, 2007. These bonds pay semi-annual interest.⁵
 - \$8,400,000: This will mature in 2024 at an interest rate of 5.50%.
- Minnesota purchased an Israel Bond for \$5,000,000 in 2003, which carried a 4.4% fixed rate of return. It matured in 2008 and was cashed in at that time.
- The sources of revenues for purchase of Israel Bonds are Basic Retirement Funds, Post Retirement Funds, Supplemental Investment Fund, and six non-retirement funds – Assigned Risk Plan, Permanent School Fund, Environmental Trust Fund, Miscellaneous Accounts, State Deferred Compensation Plan, and State Cash Accounts.⁶

ADDITIONAL RESOURCES

- Boycott, Divestment, and Sanctions for Palestine www.bdsmovement.net
- Stop the Wall Campaign www.stopthewall.org
- BADIL Resource Center for Palestinian Residency and Refugee Rights www.badil.org
- Jewish Voice for Peace www.jewishvoiceforpeace.org
- International Jewish Anti-Zionist Network www.ijsn.net
- US Campaign to End the Israeli Occupation www.endtheoccupation.org

¹ <http://www.israelbonds.com>

² http://www.israelbonds.com/israelbonds/bond_buyer_help.aspx

³ Frequently Asked Questions About Israel Bonds <http://www.israelbonds.com/israelbonds/about/faq.aspx>

⁴ <http://www.stopthewall.org/FAQs/33.shtml> Accessed 1/28/2010

⁵ Information received from Jim Heidelberg of Minnesota State Board of Investment November, 2009.

⁶ 2006 Annual Report (Minnesota) State Board of Investment