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EDUCATION AND EMPLOYMENT IN THE HAREDI SECTOR

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Education and Employment in the Haredi Sector

Eitan Regev*

Abstract

This chapter sheds new light on several central issues concerning the integration of Haredim in the labor market, and in particular the relationship between education and employment and wages in the Haredi sector. A new and more precise method of identifying the Haredi population was developed, enabling a deeper analysis as well as a more comprehensive picture of employment and education patterns. The findings point to a significant positive effect of formal education on the employment rates and wage levels of Haredi men and women. Paradoxically, however, in recent decades there has been a gradual decline in formal education rates in this sector. An in-depth examination of the Haredi labor market reveals several irregularities concerning the supply and demand for manpower. Among Haredi men and women, there is both a considerable over-supply of manpower in the field of education and a lack of the tools and training that are necessary for integration in other fields. These trends coincided with a sharp rise in the rate of Haredi men studying in yeshivas, and in their average length of study. All of this indicates a gradual transition from the labor market to the world of Torah study. Entrenchment of these patterns makes the return to the labor market a significant challenge.

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In 2011, an expanded panel of Supreme Court judges deliberated over a petition submitted by Prof. Amnon Rubinstein, Prof. Uriel Reichman and Lt. Colonel (Res.) Elazar Stern, requesting that the law granting small yeshivas¹ an exemption from teaching the core curriculum that is mandatory for all Israeli pupils be found unconstitutional. The panel's judges rejected the petition, citing the difficulty of invalidating the law on constitutional grounds. Judge Elyakim Rubinstein explained the reason for the ruling as follows: "The assumption is that many of us would be glad to see the Haredi (ultra-Orthodox Jews) world embrace core studies, but the question is whether we have reached a point where we have to exercise our authority?"² The petitioners argued, on the other hand, that there should be a minimum level of basic education provided to every child in the Israeli educational system, because without it, it would be extremely difficult to manage in the modern world and this constitutes a violation of the right to education. The petition was rejected because the petitioners were unable to prove that failing to study the core curriculum actually harms Haredi youth's chances of integration in the labor market. On the face of it, the petitioner's argument seemed logical, but in reality it was difficult to offer evidence of the claim.

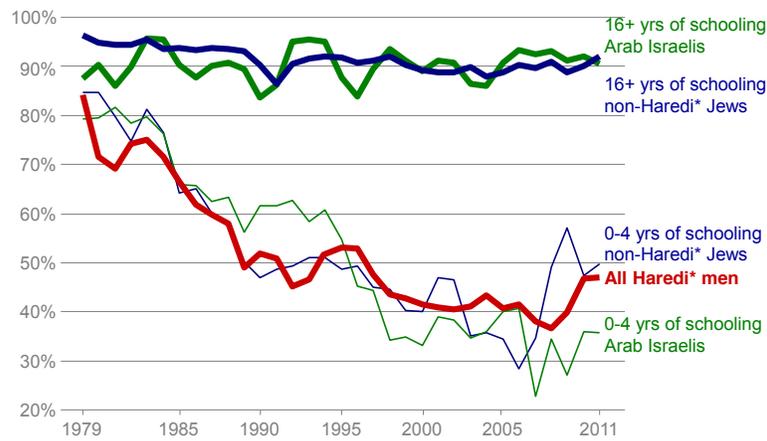
In the non-Haredi sector, there are those who think that this lifestyle is only a social phenomenon – a conscious choice, due to ideological considerations and social norms by the Haredi public, at the expense of integration in the labor market. This argument is insufficient, though, since it fails to explain why in the past the employment rates of Haredi men were much higher and very close to those of the general public. The *State of the Nation Report 2011-2012* shows an almost complete overlap between the trend of decline in the employment rates of Haredi men and

¹ Small yeshivas are Haredi educational institutions that teach boys from the eighth grade on. In this study, the term "great yeshiva" refers to both great yeshivas and *kollels*.

² Aviad Glickman, "High Court says law encourages Haredim not to learn core studies," *Ynet*, October 4, 2011, viewed: August 20, 2013, ynetnews.com/articles/0,7340,L-4131128,00.html

the parallel decline among non-Haredi men with only 0-4 years of education (Figure 1; Ben-David, 2012). This correlation provides an indication of the relationship between the type of education Haredi men receive and their integration opportunities in the modern labor market: it appears that without the core curriculum and academic studies, they find it difficult to enter the workforce.

Figure 1
Male employment rates, 1979-2011
 ages 35-54



* Haredi are ultra-Orthodox Jews

Source: Dan Ben-David and Eitan Regev, Taub Center

Data: Central Bureau of Statistics

On the other hand, in the Haredi sector there are those who contend that the difficulty of integrating in the labor market stems from employers' discrimination against Haredim rather than insufficient education. This argument, too, fails to explain the decline in the employment rates of Haredi men over the years. In order to resolve this issue, a closer examination of the relationship between Torah studies, formal education, and employment in the Haredi sector has been conducted here.

This chapter presents estimates of the effect academic education has on employment rates and wage levels of Haredi men and women, with reference to the dominant trends in formal education and Torah studies in this sector. Towards that end, several databases were used, and a new and more precise method of identifying the Haredi population was developed. This method was successfully applied to the database of the 2008 population census, and the large number of observations allowed a deeper analysis. For the first time, it was possible to identify reliably a large number of Haredim with academic degrees (about 800 men and 1,200 women) and compare them to Haredim without academic degrees.

The new identification method, its advantages, and the reasons for its use are detailed in the appendices to this chapter. Most of the figures appearing in this chapter are based on the data of the 2008 population census and on the new identification method.³

³ In figures requiring a multi-year comparison, data from the Central Bureau of Statistics *Labor Force Survey 1979-2011* was used along with the Taub Center's previous identification method (with the exception of Figure 6, which is based on data from the Central Bureau of Statistics *Social Survey* where Haredim are self-identified).

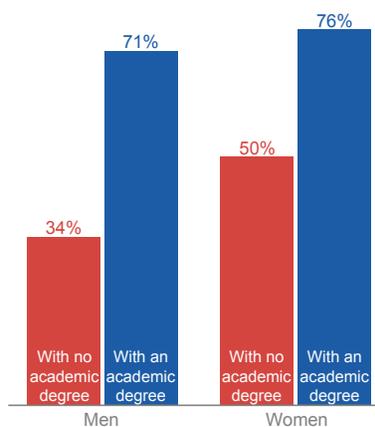
1. The Importance of Formal Education⁴ in the Labor Market

Employment, Wages and Household Income

Employment. Among Haredi men aged 25-64, the employment rate of those with an academic degree stands at 71 percent, as opposed to only 34 percent among those without an academic degree (Figure 2). There is a similar gap in each of the cities that have Haredi communities of significant size (Appendix Figure 1A). Among Haredi women, the gap is smaller but still very significant – 76 percent of degree holders are employed, as opposed to only 50 percent of those without a degree. In this respect, too, the gap between Haredi women with an academic education and those without remains fairly consistent across the various cities (Appendix Figure 1B). As can be seen, among Haredim with higher education the gap between the respective employment rates of men and women is relatively small (5 percentage points) while among those who do not have a degree the gap between the respective employment rates of men and women is much larger (16 percentage points). This stems from, among other things, the fact that most Haredi girls receive secondary education, whereas most Haredi boys begin studying in small yeshivas after concluding their primary education. It follows that the formal education level of Haredi women who do not hold academic degrees is generally higher than that of Haredi men without academic degrees, and this has an effect on their integration in the labor market.

⁴ Formal education – official studies that are not Torah study, i.e., primary school, secondary school and college degree. An “academic degree” refers to a college or university degree.

Figure 2
Haredi* employment rates by education level, 2008
ages 25-64



* Haredi are ultra-Orthodox Jews

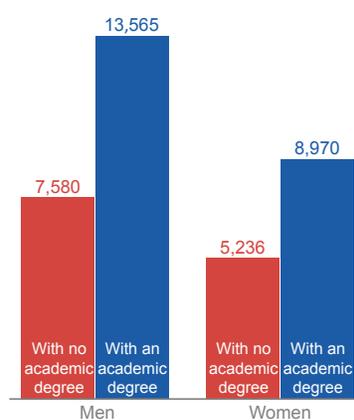
Source: Eitan Regev, Taub Center for Social Policy Studies in Israel

Data: Central Bureau of Statistics, *Population Census Data*

It is important to note that in Haredi society, the role of primary wage earner generally falls to the woman, and, therefore, the employment rates of Haredi women are higher than those of Haredi men. As such, one can conclude that an academic education makes a significant contribution to employment opportunities for Haredi women, who – with or without this degree – seek employment to fill the role of primary wage earner.

Wages. In the Haredi sector, there are also large gaps in wage levels between those with an academic degree and those without (Figure 3). Among Haredi men aged 25-64 who are employed full-time, the average monthly pay of degree holders is about 80 percent higher than the pay of those without a degree.

Figure 3
Gross monthly wage by education level, 2008
 Haredim* in full-time employment, ages 25-64, in shekels



* Haredi are ultra-Orthodox Jews

Source: Eitan Regev, Taub Center for Social Policy Studies in Israel

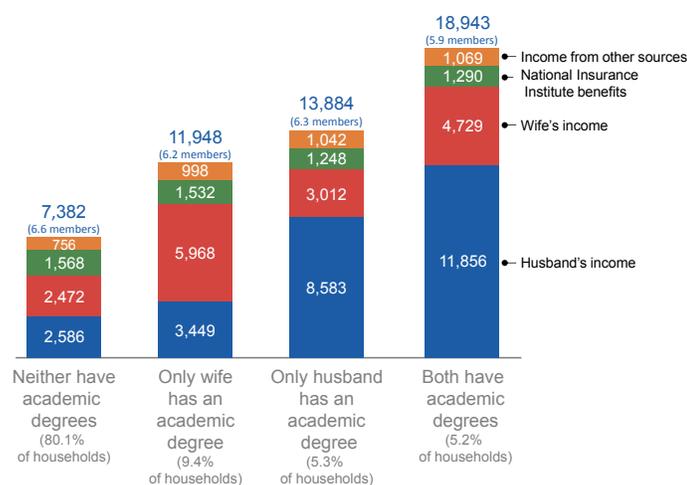
Data: Central Bureau of Statistics, *Population Census Data*

In the Haredi neighborhoods in each of the relevant cities, there is a significant gap in wages between Haredi degree holders and non-degree holders, with the largest gaps recorded in Bnei Brak and Beit Shemesh – 105 and 100 percent, respectively (Appendix Figure 2A). Among Haredi women aged 25-64 who are employed full-time, the average annual wage

of degree holders is 71 percent higher than the pay of those without a degree. As among the men, there was a significant gap in wages in each of the relevant cities, with the largest recorded in Bnei Brak and Beit Shemesh – 102 and 81 percent, respectively (Appendix Figure 2B). These gaps in wage levels may stem from differences between the jobs held by Haredim with and without academic degrees. As will be shown, Haredi degree holders benefit from better integration in those employment branches that are characterized by high pay.

Household income. An academic education significantly increases the income of households in the Haredi sector. Figure 4 presents the average gross monthly income (including National Insurance Institute allowances) of Haredi households. As can be seen, when only the husband has an academic degree, the household income is about 88 percent higher than the income of a household in which neither spouse has an academic degree. When only the wife has an academic degree, the household income is about 62 percent higher than a household in which neither spouse has an academic degree. When both spouses have an academic degree, the household income is about 157 percent higher than that of a household with no academic degree holders. In all of the relevant cities (with the exception of Modi'in Illit), when only the husband has an academic degree, the household income is higher than when only the wife has a degree (see Appendix Figure 3).

Figure 4
Monthly household income by couple's education level*, 2008
 married Haredim**, ages 25-64, in shekels



* Gross income including child allowances and NII benefits.

Average number of household members is in parentheses.

** Haredim are ultra-Orthodox Jews

Source: Eitan Regev, Taub Center for Social Policy Studies in Israel

Data: Central Bureau of Statistics, *Population Census Data*

In contrast to popular opinion, the wife's income does not necessarily constitute the largest share of a Haredi household income. The reason for this is simple: even though the employment rates of Haredi women are significantly higher than those of Haredi men (Figure 2), the pay of those men who are employed is (on average) much higher than that of women (Figure 3). Weighing these factors leads to the result shown in Figure 4:

in Haredi households where neither partner has an academic degree, the husband and wife's average wage levels are similar. Nonetheless, these averages are misleading, since in most of these households the husband does not work at all, while in others the husband works and earns more than his wife does.

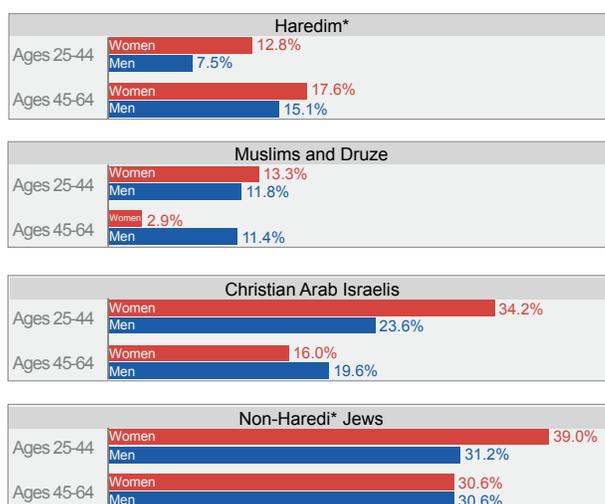
In households where only one of the partners has an academic degree, that partner is generally also the primary wage earner. In households where both partners hold academic degrees, the husband's income is the main source, since as noted, Haredi men's average wage is higher.

It is important to note that these figures also include child allowances and other transfers provided to households by the National Insurance Institute. This means that even after government allowances and benefits are accounted for, household incomes of Haredim with an academic education are much higher than those of Haredim without an academic education. In other words, an academic degree has a significant influence on a Haredi family's chances of escaping poverty.

Formal Studies and Torah Studies

Academic degree holders. Figure 5 shows that the percentage of academic degree holders among both Haredi men and women is much lower than the percentage among non-Haredi Jews. As was shown in Figure 2, this situation significantly reduces the chances of Haredi integration in the labor market. In contrast to the trend among all other sectors, the share of academic degree holders among younger Haredim (ages 25-44) is significantly lower than the share among older Haredim (ages 45-64). These findings may indicate a decline in the rate of degree holders in the Haredi sector in recent decades, and additional indicators of this trend will be presented later. It is nonetheless possible that some Haredim acquire an academic education at a later stage in their lives; but even if this were the case, it means that the tools required for integration in the modern labor market are acquired at a very late stage (if at all).

Figure 5
Share of academic degree holders, 2008
 by gender, religion, and age group



* Haredi/m are ultra-Orthodox Jews

Source: Eitan Regev, Taub Center for Social Policy Studies in Israel

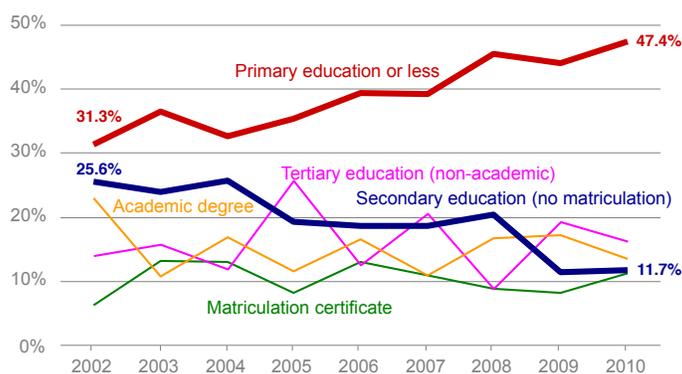
Data: Central Bureau of Statistics, *Population Census Data*

Formal studies. A worrying trend that is evident in the Haredi sector in recent decades is a decline in the length of formal studies. Figure 6 shows that during the years 2002-2010, the share of individuals with a primary school education and below among Haredi men of the primary working ages (35-54) rose from 31 to 47 percent. In parallel, the share of those completing secondary education among the same group dropped from 26 to 12 percent – i.e., there has been a consistent and significant

decline in the extent of secondary studies and in the average total length of formal studies. This phenomenon, documented here for the first time, is unique to the Haredi sector and completely contrary to the trend of rising education levels among the rest of the population in Israel and other developed countries. As will be shown, the main reason for this phenomenon is the gradual transition from secondary school studies to Torah studies. More and more Haredi youth have begun to study at small yeshivas upon concluding their primary education, at the expense of secondary school studies.

Figure 6
Highest formal certificate earned, 2002-2010

Haredi* men aged 35-54



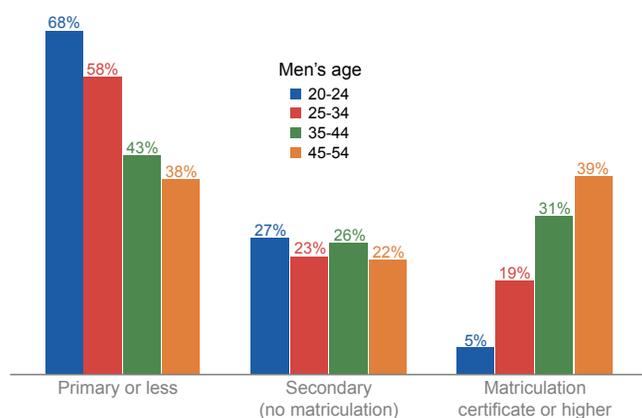
* Haredi are ultra-Orthodox Jews

Source: Eitan Regev, Taub Center for Social Policy Studies in Israel

Data: Central Bureau of Statistics, *Social Survey*

Further proof of this phenomenon can be seen upon examination across various age groups (Figure 7). The formal education of 68 percent of Haredi men aged 20-24 consists of primary school level or lower, as opposed to only 38 percent among those aged 45-54. Only 5 percent of those aged 20-24 have a matriculation certificate⁵ or higher, as opposed to 39 percent among those aged 45-54.

Figure 7
Highest formal certificate earned by Haredi* men
 as percent of all Haredi* men in each age group, 2008



* Haredi are ultra-Orthodox Jews

Source: Eitan Regev, Taub Center for Social Policy Studies in Israel

Data: Central Bureau of Statistics, *Population Census Data*

⁵ Matriculation examinations and certificate or bagrut assess knowledge on subjects studied in high school. It is often compared to the New York State Regents' Exams and ETS Advanced Placement (AP) tests. Bagrut scores represent an average of the test score and the grade received on that subject in school. Subjects are tests at study unit levels ranging from 1 to 5 units, calculated by the number of class hours devoted to the subject.

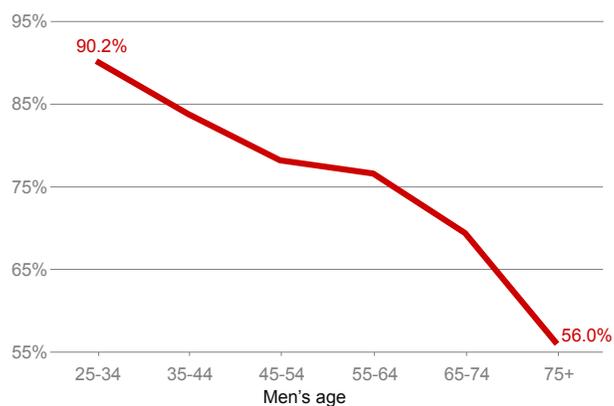
It is important to note that some Haredi youth may conceivably complete their matriculation at a later stage in their lives; however, in contrast to other sectors where the younger groups are more educated, the opposite holds true in the Haredi sector (Figure 5). These gaps between the older and younger Haredim provide an indication of the significant decline in recent decades in the share of Haredi men attending formal studies and in their average length of study.

Yeshiva studies. In parallel to the declining rates of formal education, in recent decades there has been a significant rise in the percentage of Haredi men studying in great yeshivas as well as in their length of study in these institutions. As Figure 8 shows, 56 percent of Haredi men ages 75 or older attended a great yeshiva, as opposed to 90 percent of Haredi men aged 25-34. In other words, the share of Haredi men studying at a great yeshiva rose by about 61 percent in the last four decades.

Figure 8

Haredi* men who are studying or have studied in a great yeshiva

as percent of all Haredi* men in each age group, 2008



* Haredi are ultra-Orthodox Jews

Source: Eitan Regev, Taub Center for Social Policy Studies in Israel

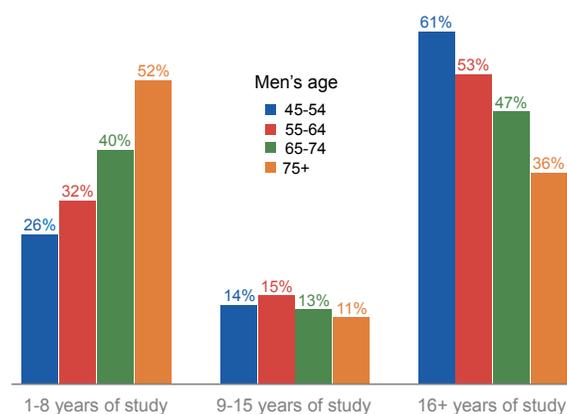
Data: Central Bureau of Statistics, *Population Census Data*

Furthermore, the average length of study at a great yeshiva also rose considerably – about 46 percent of Haredi men aged 45-54 attended a great yeshiva for at least 16 years, as opposed to only 16 percent of Haredi men aged 75 or older. Even when Haredi men who never studied at a great yeshiva are removed from the analysis, and a comparison is made only between those who actually attended a great yeshiva, a similar picture emerges – only 36 percent of Haredi men aged 75 or older who attended a great yeshiva did so for 16 years or more, as opposed to 61 percent among those aged 45-54 (Figure 9). Thus, even a conservative analysis that only examines actual attendees indicates that there has been a significant rise in the average length of study at great yeshivas in recent decades.

Figure 9

Years of study in a great yeshiva, by age group

Haredi* men who studied for at least one year in a great yeshiva, 2008



* Haredi are ultra-Orthodox Jews

Source: Eitan Regev, Taub Center for Social Policy Studies in Israel

Data: Central Bureau of Statistics, *Population Census Data*

Yeshiva studies also have a significant effect on the number of children in a Haredi family. On average, Haredi women whose husbands did not attend a great yeshiva gave birth to one less child than Haredi women whose husbands did attend a yeshiva (Figure 10). Possible explanations for this are ideological factors or religious beliefs – Haredim who attend great yeshivas might be more exacting and stricter in their observance of all the commandments, including to be fruitful and multiply. Another possible explanation relates to social and economic pressures and community norms, which may be more incumbent upon yeshiva students, since they are more dependent on community support for livelihood and mutual assistance. In other words, yeshiva students are possibly more reliant on economic assistance from the community, and a large number of children may signal their commitment to the community and their being “worthy” of support (Berman, 1999).

Figure 10
Average number of children in Haredi* families, 2008
 by mother's age



* Haredi are ultra-Orthodox Jews

Source: Eitan Regev, Taub Center for Social Policy Studies in Israel

Data: Central Bureau of Statistics, *Population Census Data*

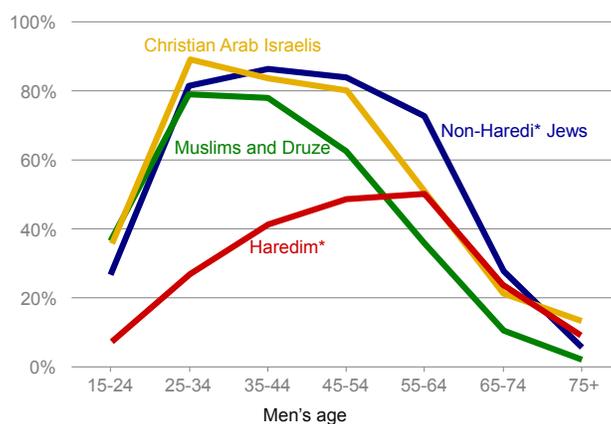
In summation. The findings presented in part 1 lead to the conclusion that the decline in employment rates and average length of formal studies among the Haredim in the last few decades is a product of a gradual adoption of a way of life that places greater emphasis on religious studies, at the expense of work and formal studies. It is not surprising that the increase in attendance rates at great yeshivas, and in length of study there, took place in parallel to the sharp drop in employment rates; it was a gradual transition from the labor market to the world of Torah. But were the causes of the transition solely ideological, or did it also stem from a lack of choice due to the growing difficulty of integration in the modern labor market without the appropriate tools? If it were simply a social or ideological phenomenon, unrelated to the type of education Haredi youth receive, it is unlikely that such large differences between the employment rates of Haredi academic degree holders and non-degree holders would be seen. Although it is reasonable to assume that Haredi men who hold an academic degree are characterized by a greater willingness to integrate into the labor market (hence their efforts to obtain an academic degree), that alone is insufficient to explain such large gaps. In this context, it is important to remember that for Haredi women, who as noted are the primary wage earners in most households, an academic education provides a significant advantage in the labor market. This factor indirectly provides an additional indication that with respect to men as well, the differences are not just a matter of motivation to work, but rather, a real and significant advantage in the labor market that Haredim with an academic degree have over those without.

2. Haredim in the Labor Market

Age of Employment and Employment Branch

Employment by age. In contrast to other sectors, Haredi male employment rates reach their highest level only as men reach their fifties, and even then, the rates are rather low (only about 50 percent). These patterns are in sharp contrast to those of Christian and Muslim Arab Israelis, who reach much higher levels of employment (80-90 percent) already in their twenties, and among non-Haredi Jews, who reach a similar peak in their thirties (Figure 11). This phenomenon is the result of the long periods of time that many Haredi men devote to Torah studies at the expense of joining the labor market.

Figure 11
Male employment rates, 2008
 by religion and age group



* Haredi/m are ultra-Orthodox Jews

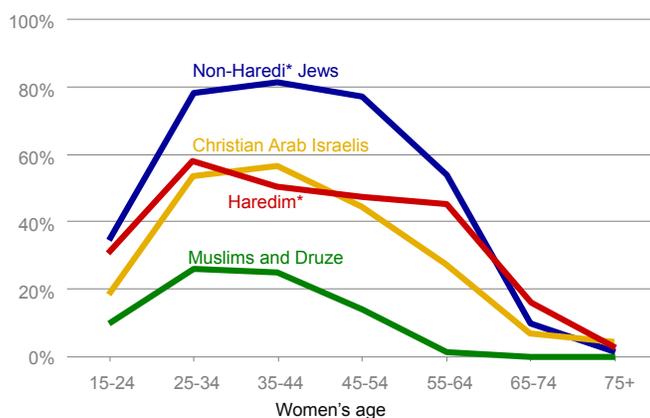
Source: Eitan Regev, Taub Center for Social Policy Studies in Israel

Data: Central Bureau of Statistics, *Population Census Data*

A comparison of the employment distribution of Haredi men to Muslim and Druze men by age group yields interesting insights. In both of these sectors, the level of formal education is low relative to the general population – a factor that harms the chances of finding work and limits employment options. From a young age many Muslim and Druze men tend (for lack of a better option) to engage in demanding physical labor, which becomes increasingly difficult with advancing age. Hence, their employment rates drop steeply at older ages. In contrast, most Haredi men do not work at all in the first decades of their life, and begin working only at a much later stage. What this means is that for many young Haredi men, non-employment stems also from a personal choice and not only from a lack of employment options. The large gap between the employment rates of young Muslims and the rates among young Haredim indicates that the lack of formal education is not the only factor that accounts for the low employment level of Haredi men and that, in many cases, this way of life is a choice. This is made possible by virtue of other sources of funding, including the wife's income (especially in the early years of marriage).

In contrast to the employment rates of Haredi men, those of Haredi women reach their highest level by their twenties. Nonetheless, the employment rates of non-Haredi Jewish women in this age group are about 20 percentage points higher. Furthermore, while the employment rates of non-Haredi Jewish women continue to rise, remaining at a high level through their thirties and forties, the employment rates of Haredi women drop rather consistently during these decades (Figure 12). This drop stems from the larger family size and the consequent increased time investment in child rearing – factors that make it difficult for Haredi women at these ages to continue working as they did before their families grew. A similar phenomenon is also observed among Muslim and Druze women, although in these sectors (as opposed to the Haredi sector) women are not considered the primary wage earners, and their employment rates are very low at younger ages as well.

Figure 12
Female employment rates, 2008
 by religion and age group



* Haredi/m are ultra-Orthodox Jews

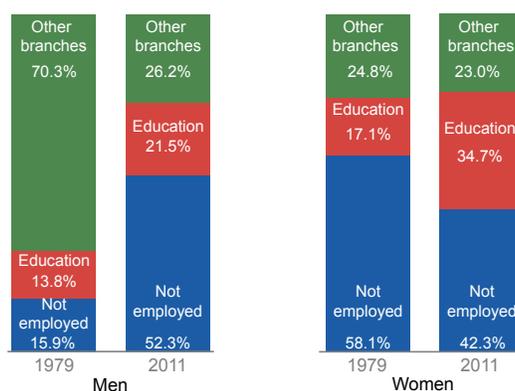
Source: Eitan Regev, Taub Center for Social Policy Studies in Israel

Data: Central Bureau of Statistics, *Population Census Data*

Employment branches. As Figure 13 shows, the rate of those employed in the education field among Haredi men of the primary working ages (35-54) rose from 13.8 percent in 1979 to 21.5 percent in 2011 – even though during these years there was only a 15 percent increase in the birthrate in the Haredi sector. The rise in the rate of those employed in education is extraordinary, particularly in light of the steep drop in the rate of Haredim employed in other employment branches (from 70.3 percent in 1979 to 26.2 percent in 2011). Among Haredi women of the primary working ages, in the past three decades there has been an even

more significant rise in the share of those employed in this field. In 1979, that share stood at 17.1 percent, rising to 34.7 percent by 2011, i.e., the share of Haredi women working in education doubled.

Figure 13
Distribution of Haredi* population
 by occupation type, ages 35-54, 1979 and 2011



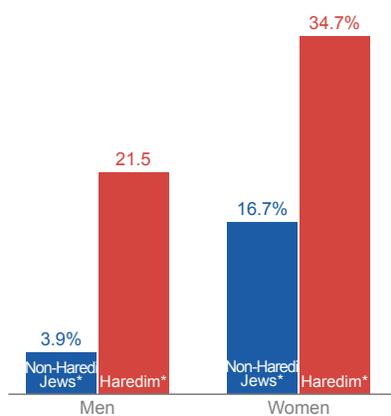
* Haredi are ultra-Orthodox Jews

Source: Eitan Regev, Taub Center for Social Policy Studies in Israel

Data: Central Bureau of Statistics, *Labor Force Survey*

The percentage of Haredi men aged 35-54 who are employed in the education field is extraordinarily high (21.5 percent) – five times the corresponding share among non-Haredi Jewish men, which stands at only 3.9 percent (Figure 14).

Figure 14
Share employed in education, 2011
 by gender and population group, ages 35-54



* Haredi/m are ultra-Orthodox Jews

Source: Eitan Regev, Taub Center for Social Policy Studies in Israel

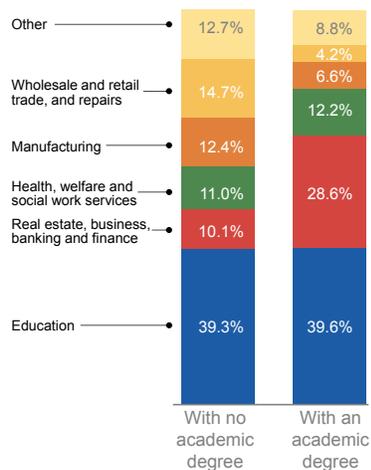
Data: Central Bureau of Statistics, *Labor Force Survey*

Although the higher birthrates in the Haredi sector require more workers in the education field, this factor alone cannot explain such large gaps. As may be inferred from Figure 11, some of the gap stems from the fact that the employment rates of younger Haredim (age 34 and below) are especially low, and, therefore, most Haredi teachers belong to the age group 35-54, whereas among non-Haredi teachers, the age distribution is more balanced. However, Figure 12 suggests that this explanation is not valid with respect to Haredi women, since the employment rates of younger Haredi women are high relative to older women. Even so, the rate of Haredi women aged 35-54 employed in the education field is double that of non-Haredi Jewish women (34.7 percent versus 16.7

percent). These disparities point to a significant difference between the respective labor markets in the Haredi sector and in the non-Haredi sector, especially in the education field

Distribution by employment branch. A comparison of the distribution of employment branches between Haredi men with and without a degree (Figure 15) shows that the percentage employed in the education field is almost identical in these two groups (about 39 percent). This may indicate that in the Haredi sector, an academic degree does not necessarily improve a man's chances of finding employment in the education field. This is not surprising in light of the fact that a large percentage of these men are employed at yeshivas rather than formal education institutions. On the other hand, the rate of those employed in real estate and commercial and financial services is almost three times higher among Haredim with an academic degree than those without (28.6 and 10.1 percent, respectively). This may indicate that for Haredi men, an academic education opens new opportunities in the labor market, especially in the business and financial fields.

Figure 15
Occupational distribution of Haredi* men
 by education level, ages 25-54, 2008



* Haredi are ultra-Orthodox Jews

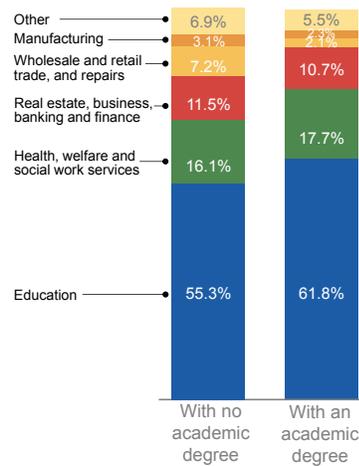
Source: Eitan Regev, Taub Center for Social Policy Studies in Israel

Data: Central Bureau of Statistics, *Population Census Data*

In contrast, no significant differences in employment branches are found between Haredi women with an academic degree and those without – except in the education field, where degree holders seem to have a slight advantage (Figure 16). This is because most Haredi women with higher education obtain degrees with an orientation to the field of education, and few study other fields. Many academic and non-academic educated women obtain a teaching certificate and aspire to find work as a school or preschool teacher. Consequently, the Haredi sector has an abundance of female education workers competing for a limited number

of jobs. As will be shown, in the past three decades this has manifested in a disproportional increase in the number of female school and preschool teachers relative to the increase in the number of pupils, with a parallel decline in the average number of work-hours per position in the education field. These findings highlight the need to create alternative training and employment channels that will improve Haredi women's chances of integration in the labor market and serve to diminish the excess demand for jobs in the field of education.

Figure 16
Occupational distribution of Haredi* women
 by education level, ages 25-54, 2008



* Haredi are ultra-Orthodox Jews

Source: Eitan Regev, Taub Center for Social Policy Studies in Israel

Data: Central Bureau of Statistics, *Population Census Data*

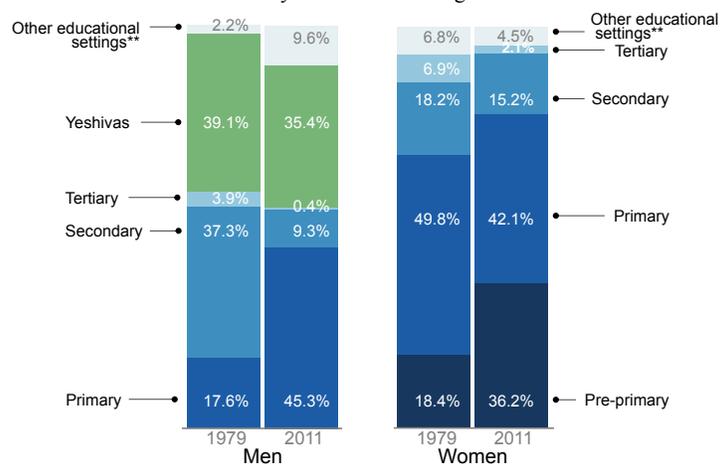
The Education Field in the Haredi Sector

In light of the rise in recent decades in the rates of Haredi men and women engaged in education, the question arises as to what their employment settings are and what changes have occurred in recent years. Figure 17 shows that among Haredi men, the principal shift occurred in primary and secondary schools. In 1979, only 17.6 percent of male Haredi teachers worked in primary schools, but by 2011, the share had risen to 45.3 percent, i.e., the share of male Haredi teachers employed in primary education (out of all male Haredi teachers) grew almost threefold in the last three decades. In contrast, the share of male Haredi teachers employed in secondary education today is one-quarter of what it was in 1979. This aligns with the drop registered during these years in the average length of formal studies among Haredi children.

Figure 17

Distribution of Haredi* teachers, 1979 and 2011

by educational setting



* Haredi are ultra-Orthodox Jews

** Educational institutions and schools that are not classified in a specific setting

Source: Eitan Regev, Taub Center for Social Policy Studies in Israel

Data: Central Bureau of Statistics, *Labor Force Survey*

Today, the vast majority of Haredi boys do not attend secondary schools, and begin studying in small yeshivas at the age of 13. It is, therefore, not surprising that there has been a steep drop in the share of male Haredi teachers working in secondary schools. On the other hand, as noted, there has been a very significant rise in the share of male Haredi teachers working in primary schools, which may attest to a shift of manpower from the secondary to the primary setting.

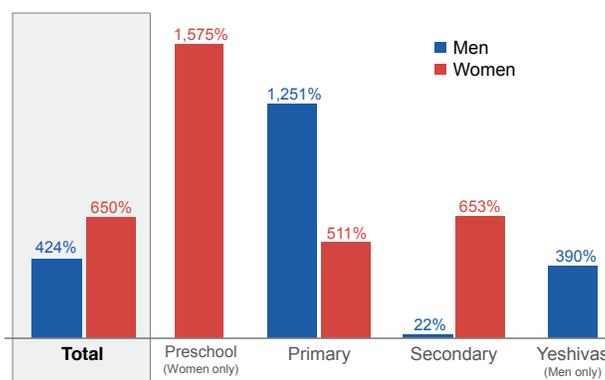
The distribution of Haredi female teachers by educational setting shows that only 18.4 percent worked in pre-primary education (kindergartens and preschools) in 1979. This rate almost doubled to 36.2 percent in 2011. As noted, this may attest to an excess supply of Haredi female teachers who are seeking employment in pre-primary institutions.

Figure 18, which presents the rate of growth in the number of persons employed in each setting, shows that in the last 30 years there has been a disproportionate increase in the number of Haredi men employed in primary schools – 1,251 percent, as opposed to a rise of only 424 percent in the number of Haredi men employed in the entire education field.

Figure 18

**Cumulative growth in the number of employees
in the education field, 1979 and 2011**

by educational setting, Haredi* men and women ages 25-54



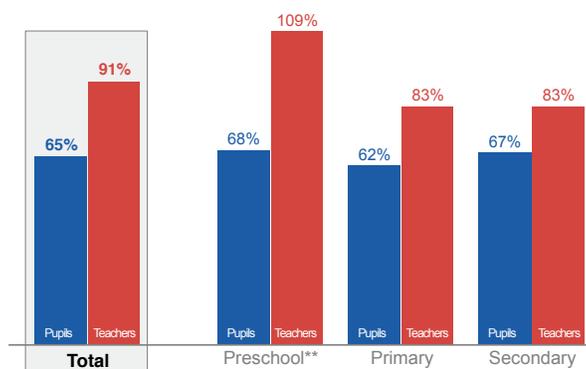
* Haredi are ultra-Orthodox Jews

Source: Eitan Regev, Taub Center for Social Policy Studies in Israel

Data: Central Bureau of Statistics, *Labor Force Survey*

The rate of growth in the number of Haredi women employed in the education field was even more significant: 650 percent. As can be seen, the most significant increase was registered in the pre-primary setting: during the years 1979-2011 the number of Haredi women employed in preschools increased by 1,575 percent, as opposed to 511 percent among those employed in primary schools and 653 percent among those employed in secondary schools. The rise in the rate of those employed in preschools – which includes both certified teachers and nannies – is extraordinary and disproportionate, and as Figure 19 shows it cannot be attributed solely to the increase in the number of children in Haredi preschools.

Figure 19
Cumulative growth in the number of female teachers and pupils
 Haredi* women aged 25-54, 2000-2010



* Haredi are ultra-Orthodox Jews

** Data on cumulative growth in the number of preschool pupils relates to both boys and girls because female Haredi preschool teachers also teach boys (Haredi men do not work as preschool teachers). The figure for preschool includes both certified teachers and nannies.

Source: Eitan Regev, Taub Center for Social Policy Studies in Israel

Data: Central Bureau of Statistics, *Labor Force Survey*

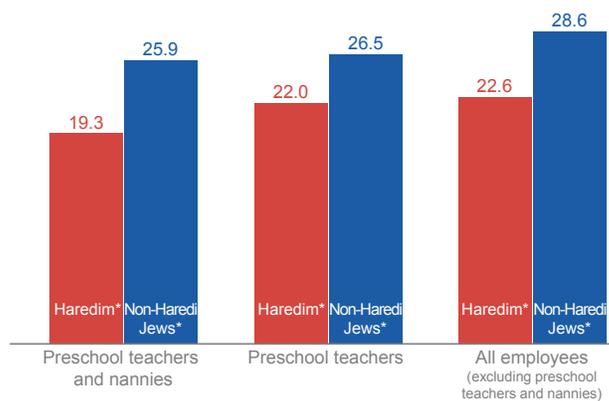
When the rate of growth in the number of female Haredi teachers is compared to the rate of growth in the number of female pupils in the Haredi education system, significant disparities are found (Figure 19). During the years 2000-2010 there was an increase of some 109 percent in the number of Haredi women employed in preschools. However, the number of children (boys and girls) in Haredi preschools grew by only 68 percent – a much lower rate. This implies that there has been a drop in

the average number of work-hours per position among Haredi preschool employees and/or a reduction in class size in Haredi preschools.

Another finding that aligns with these findings and which may also indicate a disproportionate increase in the number of Haredi preschool teachers comes from a comparison between Haredi and non-Haredi preschool employees' average weekly work-hours (Figure 20). Haredi preschool teachers and nannies work about 19 hours a week on average, as opposed to about 26 hours among non-Haredi Jewish women. This is a low number of weekly work-hours even in comparison to the average among all other employed Haredi women (22.6 hours). These figures are further evidence of the over-supply of employees in the education field in the Haredi sector, and especially among Haredi women in pre-primary education. It is, therefore, important to create alternatives and new training channels to direct this over-supply to other employment branches.

Figure 20

Weekly work-hours of female Jewish preschool employees, 2011



* Haredi/m are ultra-Orthodox Jews

Source: Eitan Regev, Taub Center for Social Policy Studies in Israel

Data: Central Bureau of Statistics, *Labor Force Survey*

3. Conclusions

The findings presented in this chapter point to a strong positive correlation between formal education and employment in the Haredi sector. The employment rates and average wages among Haredim with an academic education are much higher than among those without. The income of Haredi families in which both spouses hold an academic degree is 2.6 times higher than the income of Haredi families in which neither spouse has an academic education (even when National Insurance Institute allowances and benefits are taken into account). The obvious conclusion is that giving Haredi children a formal education is the most effective means of breaking the cycle of poverty.

Despite that, and entirely contrary to the decades-long trend among the rest of Israel's population, a steep drop has been registered in the length and extent of formal studies in the Haredi sector (especially among men). This is a unique and worrying phenomenon, unparalleled anywhere else in the Western world. It means that young Haredim have fewer tools for integration in the modern competitive labor market even relative to their parents. This may have serious consequences in the near future, especially in light of this population's rapid growth rate.

At the same time, there has been a sharp rise in the rate of Haredi men attending yeshivas and in the average length of their studies. This has caused a significant delay in the age of entry into the labor market.

The picture that arises is one of a gradual transition, over the course of 30 years, from the labor market to the world of Torah study. These processes have distorted the Haredi labor market and prompted its concentration around the education field, which has swelled to disproportionate dimensions. Among Haredi men and even more so among Haredi women, there is excess demand for positions in the field of education and insufficient tools and training to enable integration in other employment branches. Due to this demand, several people may share a single position and have reduced work hours. This, too, is a relatively new phenomenon, which was not evident in this sector in the past.

Paradoxically, despite the over-supply of teachers in the Haredi sector, Haredi pupils' formal education level is very low.

Taking all of these findings into account, it can be concluded that the steep drop in Haredi male employment rates in recent decades stems from a combination of three main factors that reinforce each other: a rise in the importance of formal education in the modern labor market; a drop in the rate of those acquiring formal education in the Haredi sector; and, a gradual entrenchment of the social norm granting preference to Torah studies over work. The last of these factors has led to a significant increase in the rate of those who study and the average length of their studies in yeshivas.

If this way of life were the result of ideological choices alone, it is unlikely that there would be such a large change in Haredi employment rates over time. This change confirms that in addition to ideology, the lack of formal education was a central factor behind the sharp drop in employment rates.

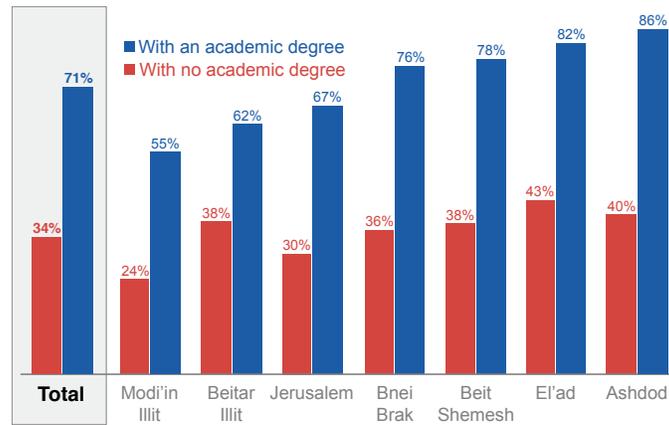
These findings clearly point to the great importance of formal studies for increasing employment and economic welfare in the Haredi sector in Israel. The state would, therefore, do well to reexamine its position with respect to mandating core curriculum studies in this sector⁶ and consider adopting a more active policy, which ensures that Haredi children are given the tools required for integration in the modern labor market. The state should also consider increasing its involvement in the professional guidance and training of Haredim, in order to open new alternatives for them and additional employment channels beyond the education field.

⁶ In July, 2013, the Knesset Education Committee approved a law which made the continued budgeting of Haredi Exempt institutions (where about 45,000 pupils study in grades 1-8) conditional on teaching core curriculum material and participation in the MEITZAV exams. However, no significant steps were taken in instituting these studies in post-primary settings (grades 9-12). Furthermore, in the primary school settings where some 200,000 Haredi pupils study, there is, as yet, no effective supervision for implementation of the core curriculum in practice.

Appendix A

Selected Figures

Appendix Figure 1A
**Employment rates of Haredi* men,
by city and education level**
ages 25-64, 2008

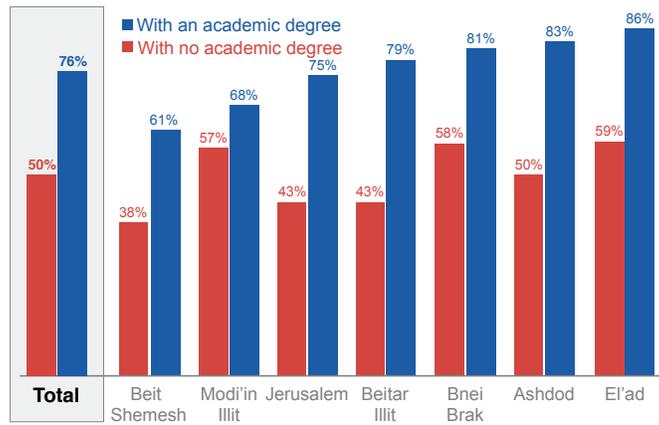


* Haredi are ultra-Orthodox Jews

Source: Eitan Regev, Taub Center for Social Policy Studies in Israel

Data: Central Bureau of Statistics, *Population Census Data*

Appendix Figure 1B
**Employment rates of Haredi* women,
 by city and education level**
 ages 25-64, 2008



* Haredi are ultra-Orthodox Jews

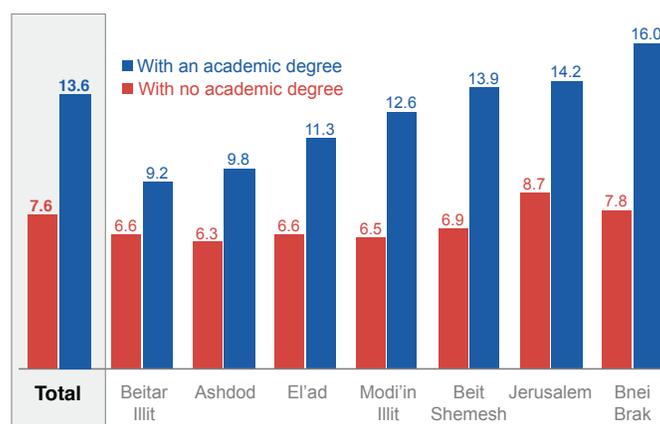
Source: Eitan Regev, Taub Center for Social Policy Studies in Israel

Data: Central Bureau of Statistics, *Population Census Data*

Appendix Figure 2A

Gross monthly wages by education level, 2008

Haredi* men in full-time employment, ages 25-64, in thousand shekels



* Haredi are ultra-Orthodox Jews

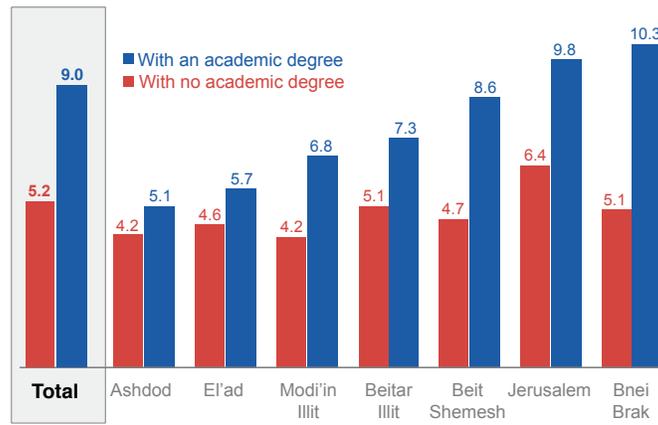
Source: Eitan Regev, Taub Center for Social Policy Studies in Israel

Data: Central Bureau of Statistics, *Population Census Data*

Appendix Figure 2B

Gross monthly wages by education level, 2008

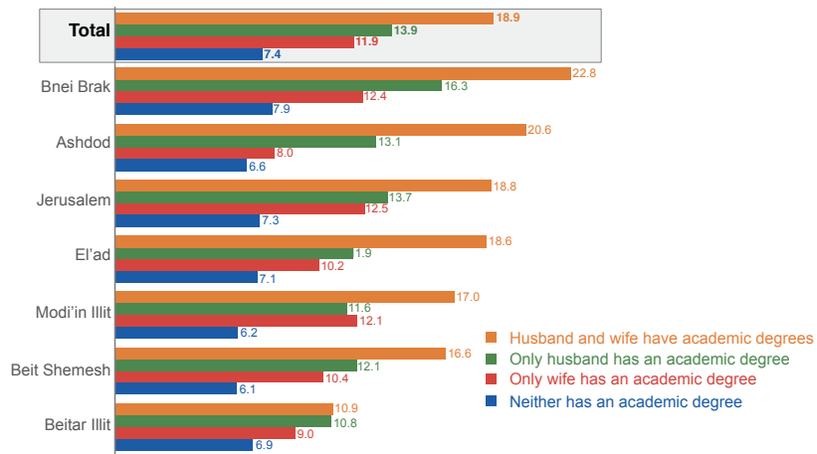
Haredi* women in full-time employment, ages 25-64, in thousand shekels



* Haredi are ultra-Orthodox Jews

Source: Eitan Regev, Taub Center for Social Policy Studies in Israel**Data:** Central Bureau of Statistics, *Population Census Data*

Appendix Figure 3
Haredi* household monthly income, 2008**
 married Haredim*, ages 25-64, in thousand shekels



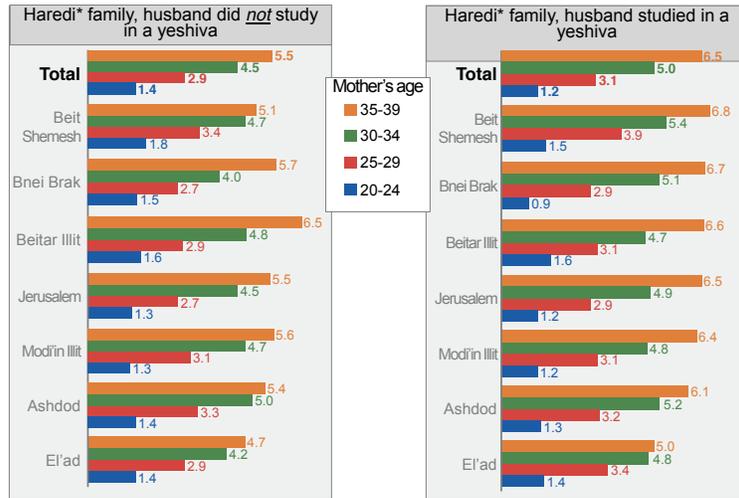
* Haredi/m are ultra-Orthodox Jews

** By city and couple's education level, gross income including child allowances and NII transfers

Source: Eitan Regev, Taub Center for Social Policy Studies in Israel

Data: Central Bureau of Statistics, *Population Census Data*

Appendix Figure 4
Number of children, 2008
 by city and mother's age



* Haredi/m are ultra-Orthodox Jews

Source: Eitan Regev, Taub Center for Social Policy Studies in Israel

Data: Central Bureau of Statistics, *Population Census Data*

Appendix B

New Methodology for Identifying the Haredi Population

In order to properly examine the effect of academic education on employment and wages in the Haredi sector, it is necessary to compare Haredim with an academic education to Haredim without this level of education. For this purpose, an identification method is required that identifies Haredi individuals with academic degrees (and not only those whose last place of study was a yeshiva), and at the same time filters out non-Haredi degree holders. The methods of identification currently practiced fail to meet these two conditions and are, therefore, unsuitable for examining this issue.

Existing identification techniques and their drawbacks

For the purpose of identifying the Haredi population in labor force surveys, identification techniques were based on the last educational institution of men in Jewish households.

According to the Taub Center method, in the first stage, Jewish men who are heads of their households or the spouse of the head of household and whose last place of study is a great yeshiva are identified. In the next stage, the other members of those men's households (their wives and children) are identified. In the final stage, Jewish men who are neither heads of households nor their spouses, but who last attended a yeshiva are identified. The total population identified over these three stages is defined as the Haredi population.

The Central Bureau of Statistics (CBS) employs a similar method. In the first stage, Jewish men who last attended a yeshiva (even if they are not heads of their households) are identified; in the next stage, the other members of those men's households (their wives, children, parents, and siblings) are identified; in the third stage, those households in which at least two adult men did not last attend a yeshiva are excluded; in the fourth stage, those households in which at least two men and/or women served in the army are excluded; and in the final stage, the entire (adult)

population living in Modi'in Illit and Beitar Illit is added.⁷ The total population identified over the five stages is then defined as the Haredi population (Fridman et al., 2011, pp. 9-11).

These methods have two main disadvantages:

1. The identification is partial and biased: Almost all of the men identified by these methods as Haredim last attended a yeshiva, i.e., Haredi men who attended an academic institution after their yeshiva studies and Haredi men who never attended a yeshiva at all fail to be identified. Fridman et al. (2011, p. 27) show that for 28 percent of Jewish men age 20 and over who define themselves as Haredi, a great yeshiva was not the last educational institution - 17.5 percent never attended a yeshiva at all.
2. The identification is imprecise: Many yeshiva students belong to the "religiously observant" sector rather than the Haredi sector, i.e., some of the men identified by the previous methods are not Haredi at all. Fridman et al. (2011) show that 24 percent of the Jewish men aged 20 and over who last attended a yeshiva do not even consider themselves as Haredi (16 percent define themselves as religiously observant, and 8 percent as "other").

It can be concluded that these identification methods are unsuitable for examining the effect of academic education on employment and wages in the Haredi sector. When the focus is only on men who last attended a yeshiva, identifying academic degree holders among them is difficult, and a significant portion of those identified (both men and women) is not actually Haredi, but religiously observant. This has a special impact on the figures for women: the rate of academic degree holders among religiously observant non-Haredi women is much higher than among Haredi women.⁸ It is reasonable to assume then, that many of the female

⁷ In Modi'in Illit and Beitar Illit, steps 1-4 are skipped as the entire population of these cities is included.

⁸ Among the men, too, there is a significant gap between the rate of religiously observant degree holders and that of Haredi degree holders, but since almost

degree holders identified by the existing methods are actually religiously observant (rather than Haredi) and that would prevent any valid comparison between Haredi women with and without academic degrees.

The new identification method

The new method developed for this study is based on the 2008 population census⁹ – a database with over one million observations (ten times more than in the CBS' Labor Force Surveys). The advantage that this large number of observations offers is the possibility of performing deeper analyses, especially with respect to matters concerning academic education in the Haredi sector.

Stages of identification:

The first stage is based on a methodology developed by Gurovich and Cohen-Kastro (2004) for the purpose of identifying localities and statistical areas (neighborhoods) in which the Haredi population lives. This methodology makes use of the voting figures for Haredi parties in elections to the Knesset in order to identify areas in which the Haredi share of the population is particularly high. Gurovich and Cohen-Kastro rated these areas by level of Haredi homogeneity: areas where the Haredi share of the population is highest are classified as Homogeneity Level 1 and areas where their share is relatively low as Homogeneity Level 12. In areas not classified at any homogeneity level, the Haredi share of the population is nil or negligible.

After the 2009 elections, this methodology was implemented anew by the Central Bureau of Statistics, and the list of relevant areas was updated. Fridman et al. (2011) show that about 64 percent of the total

all of the men identified by the older methods last attended a yeshiva, most of them are not identified as degree holders (even where religiously observant men are concerned), and, therefore, the gap is narrower.

⁹ The new identification method was designed to be implemented on the population census however applying certain adjustments (with the assistance of the CBS) would enable its implementation on other data sets, for example, the Household Expenditures Survey.

Haredi population reside in areas classified as Homogeneity Level 1-6, and that in these areas only 20 percent of the population do not define themselves as Haredi. Thus, in the first stage of the new identification method, the entire Jewish population residing in areas classified as Homogeneity Level 1-6 was identified in the population census.

The second stage was designed to eliminate the non-Haredi population residing in areas classified as Homogeneity Level 1-6. To this end, it was necessary to find a unique attribute or variable that distinguishes Haredi from non-Haredi households. Such an attribute was indeed found: possession of a television set at home. An analysis of the data from the CBS 2011 Social Survey – in which the subjects were asked directly whether they define themselves as Haredi – reveals that about 91 percent of all Haredim do not watch television at all, and another 7 percent watch television less than an hour a day (perhaps outside their homes). As opposed to that, only 6 percent of non-Haredi Jews declared that they do not watch television at all. It follows that excluding the households in which there is no television will serve to remove most of the individuals who are not Haredi, and leave the vast majority of the Haredi individuals.¹⁰ Therefore, the households having a television set in those areas identified as Homogeneity Level 1-6 were excluded from the research population.

When all the above factors are weighed, it is estimated that under the new identification method, about 98.5 percent¹¹ of the final research

¹⁰ The census population also includes a small number of institution residents for which this kind of filtering is irrelevant. Therefore, institution residents (who reside in areas 1-6) and also attend yeshivas were identified as Haredi. That is, yeshiva students who reside in an institution (yeshiva) located in a Haredi neighborhood were identified as Haredi. The vast majority are not employed, bachelors, younger than the age of 25, and less than 1 percent of them have an academic degree. This population has a negligible effect on the outcomes of the research – which mainly focuses on those aged 25 and over.

¹¹ $98.5\% = (95\% * 80\%) / ([6\% * 20\%] + [95\% * 80\%])$. The calculation assumes that in 95 percent of Haredi households there is no television set. This, as mentioned previously, is based on the assumption that some of the Haredim

population are indeed Haredi. As noted previously, the Central Bureau of Statistics' method has only a precision level of about 76 percent. Furthermore, under the new method, Haredim who last attended an academic institution are also identified, which was impossible to do using the old methods. The final research population under the new method comprises about 10,000 Haredi men (roughly 800 of them academic degree holders) and about 10,000 Haredi women (roughly 1,200 of them academic degree holders).

In summary, it can be said that the new research population meets three necessary conditions for a proper comparison between Haredim with and without an academic education: a high level of precision in identification; efficient identification of Haredim with academic degrees; and a large number of observations.

As noted, meeting these conditions also facilitated a deeper analysis of the Haredi labor market, with a concomitant examination of the various employment branches and the attributes of those employed in them (age group, educational level, place of residence, and so on).

who watch television less than an hour a day do not keep a television set in their homes, but watch randomly when they are away from home. Nonetheless, even if a more cautious approach is taken, assuming that in only 91 percent of Haredi households there is no television set, a similar outcome is obtained: $98.4\% = (91\% * 80\%) / [(6\% * 20\%) + (91\% * 80\%)]$.

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