



## Long Term Trends in Education, Employment and Earning for Haredi Men: Are the Disparities Lessening?

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*This paper reviews the data on Haredi men in the Israeli labor market and their education trajectory in comparison with non-Haredi Jewish men using a novel combination of extensive administrative data and Central Bureau of Statistics surveys, in addition to measures of long term follow-up for graduates of the Israeli public-school systems.*

The **first chapter** looks at employment, and the **second chapter** income.

The **third chapter** traces the long-term follow up of public education graduates.

The **fourth to sixth chapters** examine education, and the **seventh** work experience.

The **eighth chapter** is dedicated to the *Yeshiva* and *Kollel* institutions.

The **ninth and tenth chapters** break down the disparities and explore long term trends.

### Summary

The rate of Haredi men's employment began trending upwards after the 2000s, but plateaued in recent years and has, in fact, stagnated. Most of the rise (and later the stagnation) can be attributed to changes over time in the participation of relatively young Haredi men in the workforce.

There is a large disparity in income between Haredi men and non-Haredi Jewish men that doesn't lessen over time. These disparities in employment and income exist in all age groups. The employment disparities are particularly striking in the younger cohort, while the income disparities between those employed are more prominent in older age groups. The disparity in average income between Haredi and non-Haredi men stems from both the different distribution of employment categories, as well as income disparities within each category of employment.

A review of the probable causes for the income disparities shows a large difference in the rate of eligibility for the *Bagrut* certificate (high school matriculation). Despite the rise in such eligibility in the past two decades, only a small minority (less than 3%) of Haredi men born in 2000 (supposedly matriculating in 2018) were eligible for their *Bagrut* – both because of the low rates of Haredim who take the tests, and the low rates of passing among those who do. These low rates of passing are due to the fact that the large majority of Haredi schools do not teach any subjects required for the *Bagrut* certificate.

The rate of Haredi men applying for the psychometric exam is low as well, and their achievements therein, apart from the verbal section of the exam, are lower than those of non-Haredi Jewish men.

A growing number of Haredi men enroll in academic studies, but the Haredi student tends to study professions, such as law and education, the returns on which are relatively low compared to his non-Haredi colleague. Furthermore, it seems that Haredi students' lack of earlier formal education impairs their academic studies, with nearly half of them dropping out of academic education and not obtaining their degree. This points to the "affirmative action" policy for accepting Haredi men into academia being, in fact, harmful to them in practice, since a large number waste time and resources in academic institutions without attaining any significant benefit. Getting accepted on easier terms by dint of affirmative action policies signals that their lack of pre-academia education will not be an impediment to success, but they later do find it difficult to overcome the obstacle of their weaker starting point.

Naturally, Haredi men joining the workforce have no employment experience, which leads to Haredi employees' average work experience to be much less than the non-Haredi employee, even in the same age group. Absent formal education, work experience is a decisive factor in Haredi men's income and is the primary engine behind the increase in income for Haredi employees in the past decade and a half.

The "Kollel" institutions present an obstacle for integrating Haredi men into the labor market and for acquiring the relevant education, among others because of the obligation to dedicate long hours to religious studies. The employment and income rates for "*avreichim*" (Kollel students) are very low and so is their rate of non-religious academic education. Besides the *avreichim* group, a significant percentage of Haredi education graduates do not learn in a Kollel, and an even more significant percentage drop out – they show better scores on employment, education, and income but these are still significantly lower than those of non-Haredi Jewish men.

Haredi men's incomes have risen in the past decade and a half, but the disparity between them and non-Haredi Jewish men has grown, since non-Haredi men's incomes have risen more sharply in those same years. An econometric review of all factors

explaining the disparity in incomes shows that more than 78% of the disparity can be explained by the observable characteristics of individuals in terms of their background, academic education, family situation and employment history.

Reviewing the disparity between income over time shows that even by the most optimistic projection, in which Haredi men's academic education and employment close the gap with non-Haredi Jewish men, the disparity in incomes will remain in place long term.

The most likely scenario is that the disparity will widen, due to the growing disparities in academic education that block Haredi men's access to high paying and knowledge rich industries such as hi-tech.

[Full paper in Hebrew](#)