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US Orthodox Jews financially fragmented but mostly secure, survey finds

Data from Nishma Research firm shows religious American Jews earn far more than average household, spend heavily on schools, fret about retirement

By LUKE TRESS ✓



Illustrative: Women walk with children during the Jewish holiday of Sukkot in the Borough Park neighborhood of the Brooklyn borough of New York, October 4, 2020. (AP/Kathy Willens)

A survey on the finances of US Orthodox Jews has found that the community is largely financially secure, but frets about savings and spends heavily on education and other cost-of-living expenses tied to religion.

Jewish respondents who identified as modern Orthodox reported an average median household income of \$188,000 per year, and \$31,000 in annual school expenses.

Just under half of modern Orthodox were confident they will have enough savings to retire, and 12% had concerns about covering daily expenses.

The survey by the independent Nishma Research firm collated responses from 1,334 modern Orthodox respondents and 973 ultra-Orthodox, or Haredi, participants.

The firm reached the respondents through synagogues and religious organizations. The participants had to opt in to the survey, meaning it was a self-selecting group, and not exactly representative of the community as a whole, the researchers said.

This was especially true for the Haredi respondents, since the researchers acknowledged they were unable to reach the most insular Haredi communities, and said they were exploring ways to do so.

The majority of participants in both groups lived in New York and New Jersey, with smaller numbers in Maryland, Washington, DC, Florida and Pennsylvania.

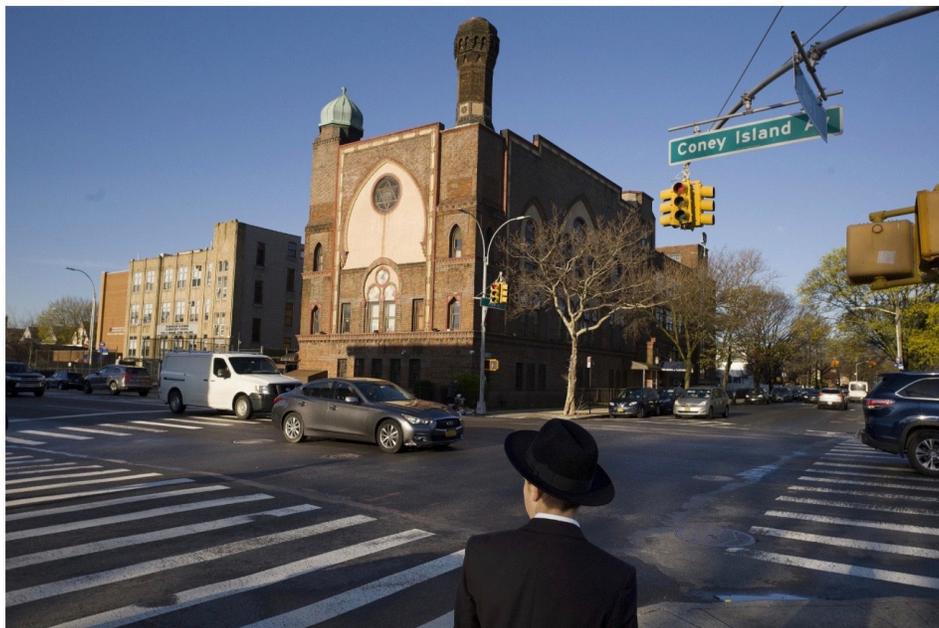
The data was broadly divided into modern Orthodox and Haredi categories. Community membership was determined by how respondents self-identified to a survey question — as either “Modern Orthodox or Centrist Orthodox,” including liberal and right-leaning groups; or as a member of an ultra-Orthodox group, including “Yeshivish,” “Agudah,” “Litvish,” “Chasidic,” “Chabad” or “other Charedi.”

Nishma Research said it did the survey because in its past research, the issue of cost often came up as a problem. In a 2017 survey, the cost of Jewish schooling was the top-ranked problem, for example.

Researcher Mark Trencher said studying the community’s finance was an “emotionally difficult topic, but one long overdue.

“The community is economically fragmented — many are doing fine but many are struggling.”

The survey was conducted last month and released on Tuesday.



A Jewish boy outside Yeshivah of Flatbush in the Brooklyn borough of New York, April 26, 2018. (AP/Mark Lennihan)

Kosher foods, pricy neighborhoods

Both groups had median household incomes far higher than the US average of \$67,521, with Haredi respondents reporting \$136,000. Again, however, this excludes more insular Haredi communities, which have some of the lowest income levels in the US.

The highest wage-earners were modern Orthodox respondents aged 35-54, with \$218,000 in median household income.

Both modern Orthodox and Haredi groups incurred heavy expenses tied to religion.

Haredi families spent \$20,000 per year on education, less than the modern Orthodox sum of \$31,000. The vast majority in both groups sent their children to Jewish schools and roughly half of both groups received tuition assistance.

(The median number is the middle of the data set, with half the figures above it, and half below. It is less prone to influence from outliers than the mean, or average.)

Modern Orthodox families spent a median of \$6,280 per year on expenses related to religion, including synagogue fees, donations, summer camps, holiday celebrations and trips to Israel.

Haredi families spent \$8,980 per year, with less spent on trips and celebrations, and more on items such as religious books, religious garb and holiday items like etrogs, an imported fruit used during the Sukkot holiday.

The researchers said kosher food is also a significant expense roughly estimated at \$12,000-15,600 annually, compared to \$8,000 in food expenses for the median US household, but the survey did not ask for specifics. Part of the kosher food cost is associated with large families and large holiday meals. One in six families said pricy kosher food hurt their budget.

Over half of families in both groups said the higher cost of kosher food, and expenses associated with Shabbat and holidays, had a negative impact on their household budget.



Ultra-Orthodox Jews in Brooklyn, New York City, September 14, 2021. (Luke Tress/Flash90)

Where people lived also incurred a significant cost, because religious Jews need to live in a neighborhood near a synagogue, which are often expensive, high-demand areas, the researchers said. One-third of respondents said housing location had a significant negative impact on their budget, and another third said it had a somewhat negative impact.

The researchers estimated Orthodox Jews spend around \$5,000 more per year than other households, including non-Orthodox Jewish households.

The majority of both groups said the costs related to Orthodoxy were worth it, including 89% of Haredi respondents.

Fears about retirement

Most people in both groups said they were comfortable covering expenses, but worried about retirement savings.

Twelve percent of modern Orthodox and 17% of Haredi participants had concerns about getting by, but a little less than half of Modern Orthodox and under one-third of ultra-Orthodox were confident they will have enough retirement savings.

Modern Orthodox households had a median of \$81,000 in non-retirement savings, \$220,000 in retirement savings and 78% own homes.

Haredi families had \$24,500 in non-retirement savings, or two months of income, \$40,000 in retirement funds and 63% own homes. The Haredi family homes were worth \$95,000, less than half of the modern Orthodox homes.

When all those assets were combined, modern Orthodox families had \$514,000 in equity, more than triple Haredi families, with \$158,000.

Overall, half of modern Orthodox rated their financial health highly, while 21% said it was “fair” to “very poor.” Among ultra-Orthodox, 36% said they were in “excellent” or “very good” shape, and 31% said they weren’t doing very well.

Just under half of modern Orthodox, and only 29% of Haredi participants felt confident they will have enough savings to retire.

Ultra-Orthodox were somewhat more optimistic about their financial future, although both groups mostly said things were looking up, or going to stay about the same.