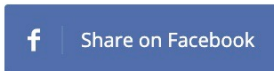




# What's in the Wallets of the Frum Community? // Nishma Research's revealing findings on the finances of America's Orthodox families

By **Yossi Krausz** - January 5, 2022



## How well off are you?

For the past couple of years, if someone referred to “the health of the Jewish community,” you would probably assume he was talking about physical health and infectious diseases. But the financial health of our communities is a timely issue as well, because our physical well-being is dependent in large part on how well we’re doing financially.

That is why the findings of a new survey, published in December by Nishma Research, are so fascinating. The survey looks at the fiscal health of American *frum* communities on an individual level. Without broader questions, we can only guess as to how they are truly faring.

The survey, which was carried out in two waves in November 2021, takes a dive into the dollars and cents of Jewish families, looking at everything from income and tuition to housing and food costs.

It also asked respondents for their advice to families who are dealing with financial difficulties, and compiled the responses as a community resource.

The full report is available for free on Nishma Research’s website. We have included the findings that are likely to most interest *Ami’s* readers. We also spoke to the founder of Nishma Research, Mark Trencher, about what he sees as most important in the new report.

## Digging into the Community

In his business life, Mark Trencher was an executive who headed the research divisions at two Fortune 200 financial companies. He also taught business statistics at three universities. After his retirement, he decided to use his skills to ana-



Mark Trencher

**During the COVID-19 pandemic, Mark carried out several surveys, looking at the effects of the disease on the community and its attitude towards it.**

lyze Jewish life, giving the community data it could use to flourish even more.

In 2015, Mark founded Nishma Research. Eighty percent of its research is done pro bono. Past surveys have delved into a number of issues of great interest to *frum* Jews, including the experiences of *baalei teshuvah*, the general profile of the Modern Orthodox community and its future, and the political views of the *frum* community.

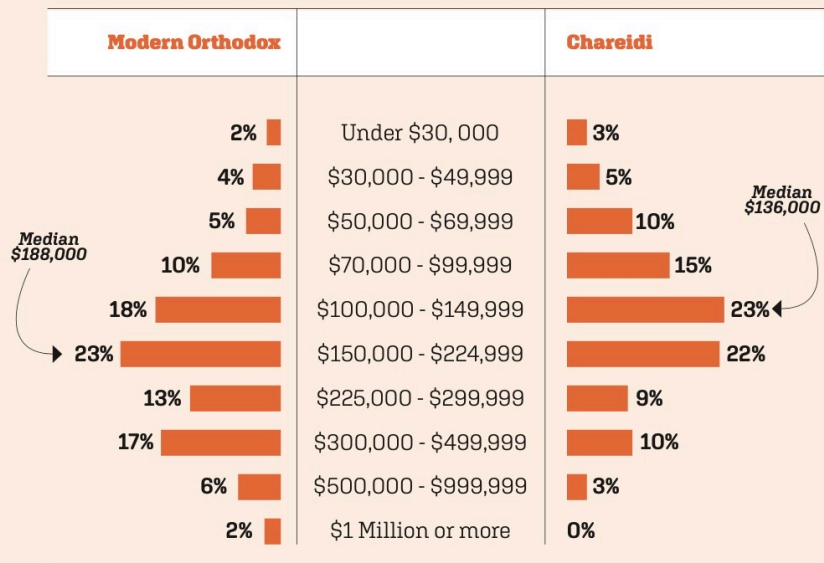
During the COVID-19 pandemic, Mark carried out several surveys, looking at the effects of the disease on the community and its attitude towards it, including a survey commissioned by Hatzalah and released in June 2021.

Thanks to his work on these studies, he developed a database of members of the

## Annual Household Incomes of Orthodox Jewish Families

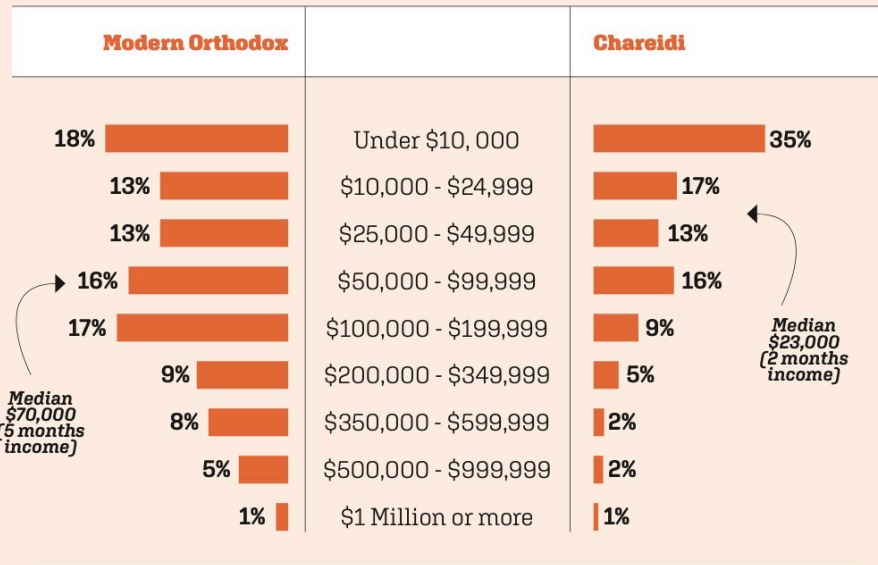
Incomes are nearly 40% higher among Modern Orthodox (median income \$188K, with 21% under \$100K and 25% at \$300K or more) than among the chareidim (median income \$136K, with 33% under \$100K and 14% at \$300K or more).

*(The median is a midpoint; half of the respondents are above this figure and half are below.)*



# Household Savings (Excluding Retirement Plans)

Modern Orthodox families have a median of \$81K in non-retirement savings (equivalent to 5 months of income); chareidi families have a median of \$24.5K in non-retirement savings (equivalent to 2 months of income). Chareidi families have significantly less of a “savings cushion.”



Jewish community who could be surveyed, and for this particular study used that pool as well as other connections made through *shul* rabbis.

The survey included 1,334 people who identified as Modern Orthodox and 972 who identified as *chareidi*. Among the *chareidi* respondents, 589 were *yeshivish* or *Litvish*, 304 were *chasidische*, and 79 identified as “heimish” or some other form of *chareidi*. Respondents were from communities across America, with larger numbers, as expected, in the East Coast bastions.

Mark has succeeded in getting responses from *chareidim* in a way that secular surveys have not. For example, when he did the Hatzalah survey, 3,000 *chareidim* responded, including 2,000 *chasidim*. Still, he noted that it’s hard to reach everyone.

“Is this a representative sample of the entire *chasidische* community? No, because we’re probably not getting to those *chasidische* people who don’t even have access to a filtered or kosher smartphone,” he pointed out. “That said, we’re still get-

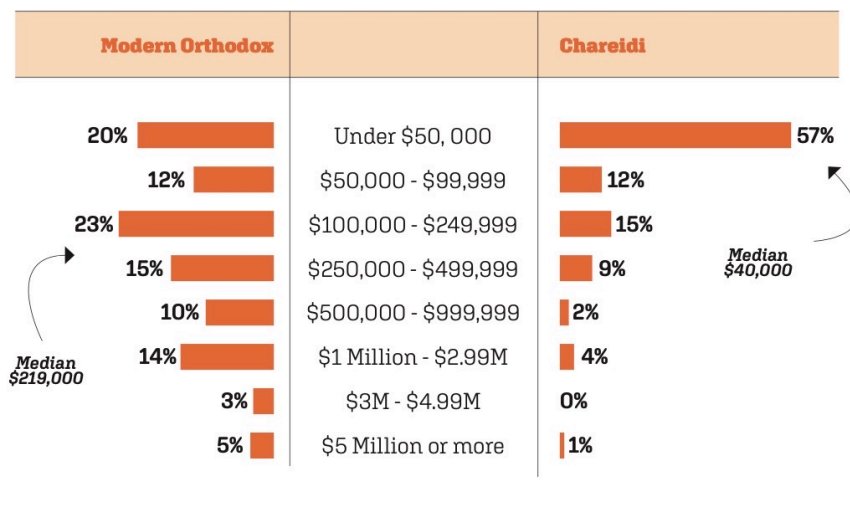
ting a pretty good sample of the *chasidische* community as a whole.”

Although this survey was taken during the COVID-19 pandemic, Mark said that he doesn’t believe the pandemic had a major impact on the results, except in a couple of areas. “We did ask people how much they spent on vacations and major trips, which was much lower than in the past. We also asked people how much they had spent on *simchahs* over the past five years, and I’m pretty sure that was suppressed somewhat because there was a time when *simchahs* were very small.”

His survey highlights some of the differences between the finances of Modern Orthodox and *chareidi* families, as well as some of the strong similarities. One major difference between the two populations was evident even before respondents discussed their finances: the *chareidi* respondents tended to be much younger on average. That is why, he explained, the survey found that the average *chareidi* family has only four children, because there are many young couples with still-growing families in the survey.

## Household Retirement Savings

Modern Orthodox families have a median of \$220K in retirement savings; chareidi families have a much lower median of \$40K in retirement savings. However, the chareidi community is younger, on average, than the Modern Orthodox community—a difference that is reflected in this survey’s respondents—and so they’ve had less time to save for retirement.



### Expensive but Worthwhile

One interesting finding is the precise numbers the report gives for how much Jewish families earn and how much they spend. But Mark said that what most surprised him wasn’t a dollar figure, but a general outlook and attitude.

“The question I really like to point to is the one at the very end of the survey,” he said. “After they’ve told us how much they earn and spend on tuition and food, etc., I ask them bluntly: ‘Living an Orthodox life is very costly. Is it worth it?’ Only a very tiny minority said no.

“Several people responded by saying that it was a dumb question. ‘What kind of question is this? How can you possibly think that it isn’t worth it?’ The overall attitude was, ‘It’s totally worth it. I wouldn’t live any other life. We have our values and we have Torah learning.’ There were people who had mixed feelings, but relatively very few.”

The *chareidi* community’s attitudes were noteworthy for another aspect. With regard to almost every concrete

measure of income and wealth, the Modern Orthodox came out ahead. (One notable exception was the average cost of tuition: \$31,000 for Modern Orthodox and \$20,000 for *chareidi* families.) Yet in response to a question about hopes for their future financial situations, *chareidim* tended to be more optimistic.

“Actual earnings were higher in the Modern Orthodox community, but hope for improvement was higher among *chareidim*,” Mark noted. “That might be more about having a positive attitude than anything factual.

“We did a survey early on in the pandemic, in which we asked people whether the coronavirus had affected them Jewishly and religiously. The *chareidim* said more often, ‘Not at all.’

“I’m not a member of the *chareidi* community; I would describe myself as Modern Orthodox—even though most of my family is *yeshivish*—but I sensed that they had a high level of optimism.”

Another group that showed more positivity was women.

“There are always going to be differences

between men and women,” Mark said. “In this case, if a woman answered, it might mean that she wasn’t married. Certainly, the incomes were a bit lower and they were feeling more financial stress. However, as in many surveys I’ve done, women have a strong, positive attitude. So although the finances are different, the attitudes are better than those of the men.”

Optimism also seemed to be dependent on the ability of a respondent to make changes and improve his or her financial situation. In a breakdown between *yeshivish* and *chasidische* families, *yeshivish* respondents were slightly more optimistic, but they also indicated having less pressure due to housing prices. That may be because *chasidim* sometimes have fewer options in terms of where to move if they want to stay near the base of their *chasidus*.

### More Alike than Different

While the survey results showed differences between the Modern Orthodox and *chareidi* communities, part of what is so illuminating is that it highlighted similarities as well. The similarities were particularly evident in response to the open-ended questions, Mark said.

“There were a few questions like that,” he explained. “One was, ‘If you could give advice to a family that is struggling with costs, what would you tell them?’ There were several pages of what we call verbatim responses.

“In the beginning, I thought we’d have one page for responses from the Modern Orthodox and one page from the *chareidim*, but after I looked at it, I realized you couldn’t tell the difference because they were all basically saying the same thing. You struggle. It has always been that way.

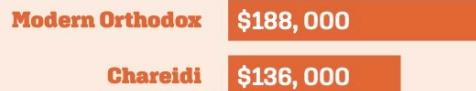
“There were some smallish differences between the communities, such as tuition



## Income and Assets Summary

While Modern Orthodox families have median annual incomes about 40% higher than those of chareidi families (\$188K vs. \$136K), the Modern Orthodox have median total assets (defined as the sum of savings, retirement savings and home equity) more than triple that of chareidi families (\$514K vs. \$158K).

### INCOME



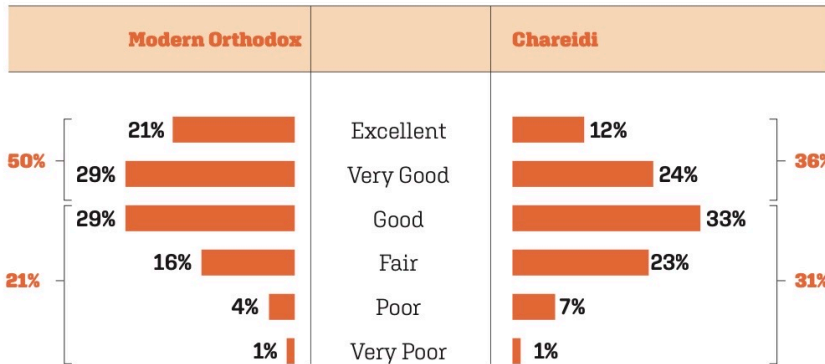
### ASSETS

	Savings	Retirement	Home Equity
<b>Modern Orthodox</b>	<b>\$70,000</b>	<b>\$219,000</b>	<b>\$225,000</b>
	<b>TOTAL: \$514,000</b>		
<b>Chareidi</b>	<b>\$23,000</b>	<b>\$40,000</b>	<b>\$95,000</b>
	<b>TOTAL: \$158,000</b>		

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## Overall Assessment of Household Financial Health

Household financial health is seen as stronger by Modern Orthodox than by chareidim. Half (50%) of Modern Orthodox rate their financial health as Excellent or Very Good, compared to slightly more than one-third (36%) of chareidim. At the other end of the scale, more chareidim rate their financial health as Fair, Poor or Very Poor (31% of chareidim vs. 21% of Modern Orthodox).



costs, even though the incomes among the Modern Orthodox are higher so they're spending more. But ultimately, they were more similar than different in many ways."

### What's Next?

What important conclusions can community leaders and policy makers draw from the report?

"When people get married, I'm not sure they all have the level of knowledge to properly take care of their finances with regard to budgeting and how much life insurance to get," Mark said. "Many times, when someone passes away, we hear about a campaign to raise money for the family, which is necessary because the person didn't have insurance. That's why I tell people that term insurance is really inexpensive."

"So first of all, I think we need to encour-

## Expectations for Overall Household Financial Change Over Next 5-10 Years

While the chareidim perceive their financial situation as currently poorer than do the Modern Orthodox, chareidim are more optimistic that their financial situations will improve in the years ahead.



# Educational Expenses, K-12

Among households with one or more children attending an Orthodox Jewish day school or yeshiva, or other type of Jewish day school, the median total annual tuition and fees [net of scholarships] is \$31K for Modern Orthodox and \$20K for chareidim. 41% of M.O. households and 52% of chareidim, respectively, get some form of tuition assistance.

## Modern Orthodox



## Chareidi



TUITION ASSISTANCE FROM SCHOOL(S) OR OTHER COMMUNAL SCHOLARSHIP SOURCES	M.O.	CHAREIDI
Do not get any assistance	59%	48%
Get tuition assistance	41%	52%
A little assistance (\$2,500 or less per child)	10%	24%
Moderate assistance (\$2,500 to \$9,999 per child)	17%	25%
A lot of assistance (\$10,000+ per child)	14%	3%

**“I think we need to encourage people to be educated financially, and we need to encourage the mindset that you don’t have to be driving a fancy car. People are trying to keep up with each other...”**

age people to be educated financially, and we need to encourage the mindset that you don’t have to be driving a fancy car. People are trying to keep up with each other, but it has to come from the top down that everyone should be *samei'ach b'chelko*. Are we actually doing it? Maybe not so much.

“Making *simcha's* affordable is also not a bad idea. The main thing is to get the conversation started about all of these things.”

Mark also has some ideas about future research he would like to done.

“Every survey I’ve done has resulted in a few people coming to me with questions about breakdowns into further subcategories, such as singles and those who are widowed or divorced,” he said. “When it comes to singles and *shidduchim*, finances are a big part of it, and there’s also the issue of how they fit into the community. We’re very focused on our *kehillos*, but when I talk to single people, they say that they don’t feel like they fit in. I might do further research exploring a very broad range of issues related to the life of single people across the spectrum of ages.”

He said that people in the *chareidi* world are getting more comfortable answering his surveys, in part because he

## Variations Within Chareidim: Chasidic vs. Yeshivish

The chart below compares chasidic with yeshivish (with M.O. included for comparison), and finds notable differences: Chasidim have lower income, savings, and overall financial comfort; but also lower educational expenses.

	M.O.	CHASIDIC	YESHIVISH
<b>INCOME AND SAVINGS</b>			
•Median Household Income	\$188K	\$102K	\$164K
•Median Non-Retirement Savings	\$70K	\$12K	\$33K
•Median Retirement Savings	\$219K	\$35K	\$50K
<b>OVERALL FINANCIAL COMFORT:</b>			
•Household Financial Health [% Rated as Excellent/Very Good]	50%	31%	39%
•Household income cover expenses [% Fully Agree]	56%	43%	49%
•Household income lets me save for retirement [% Fully Agree]	41%	16%	24%
<b>CHILDREN'S SCHOOLING:</b>			
•Have 3 or more children	55%	67%	71%
•Have child(ren) in K-12 / college gap year	53%/15%	71%/11%	71%/16%
•K-12 Median Expenses (those with children in K-12)	\$31K	\$15K	\$24K
•K-12 Receive Assistance [\$2,500 or more per student]	31%	23%	29%
•College/Gap Median Expenses (those with children in college/gap)	\$20K	\$14K	\$23K
<b>OVERALL COST ATTITUDES:</b>			
•Kosher Food [% saying significant negative impact on household budget]	16%	20%	17%
•Area Residing [% saying significant negative impact on household budget]	33%	38%	32%
•Negativity Indicator (Overall, cost of Orthodoxy is worth it; % who disagree)	9%	6%	2%
<b>Number of respondents</b>	<b>1,334</b>	<b>301</b>	<b>584</b>

works so hard to make sure anonymity is preserved.

"Everything is completely confidential," he emphasized. "I don't know anyone's names or information. In the verbatim answers, if someone includes any kind of identifying information, such as the name of a *shul* or a neighborhood, I remove it.

I don't want anyone to be able to read something and say, 'I think I know who wrote that.'"

Respondents' openness means that Mark has been able to learn important facts about the community that haven't been available in the past. But Mark said he wishes even more people were being

surveyed, as that would provide an even fuller picture of the *frum* world.

"I would love to do in-person surveys with people in the Yiddish-speaking world to find out what they think," he said. "I'm probably too old to get that done, but maybe someone younger than me will be able to do it." ●