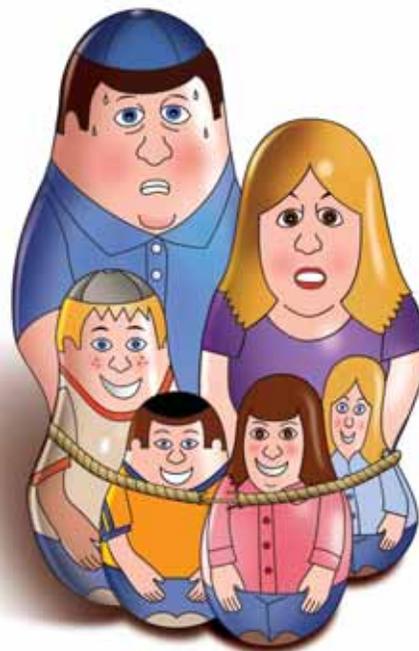


The Tuition Squeeze



Paying the Price of Jewish Education

BY YOSSI PRAGER

Jewish schools, in partnership with Jewish homes, have been responsible for the extraordinary and glorious continuity of Jewish tradition for almost 2,000 years. The Talmud in *Bava Batra* (21a) records that initially children were educated only by their fathers, condemning those without fathers to illiteracy. Schools began to open regionally, serving older children, until Yehoshuah ben Gamla, a first-century Kohen Gadol, mandated that Jewish schools be established in every town to educate children from the age of six or seven. In America today, Jewish schools are more necessary than ever to shape young Jews sufficiently dedicated to Torah to withstand the centrifugal pull of an assimilationist American culture.

The good news is that Jewish day schools have been among the strongest

Mr. Prager is the executive director-North America of The AVI CHAI Foundation, and a parent and board member at a yeshivah day school in New Jersey.

growth industries in the American Jewish community over the past fifteen years, with enrollment up 35 to 40 percent since the early 1990s.¹ Today, there are over 200,000 students in approximately 760 American day schools. The school budgets are estimated to total \$2 billion annually. Philanthropic interest in day schools has also grown, resulting in new programs of various kinds to enhance and grow the field. And yet, there is a sense that many schools are at the precipice of financial crisis. Too often, lay boards struggle to keep schools afloat while parents wonder why already high tuitions keep rising.

Financial Concerns

There is cause for concern about the financial future of the day school enterprise. To begin with, while there are more American day school students than ever before, nearly 40 percent of the day schools enroll fewer than one hundred students.² These schools, which do not benefit from economies

of scale and have small bases of support, are financially fragile. Some of these schools are new and will grow to a reasonable size, but others serve either cities with small committed Jewish populations or niche groups within larger communities.³

Additionally, few day schools have endowments or financial reserves, leaving both schools and families vulnerable to economic downturns that generate more demand for scholarship dollars. In recent years, the poor economy has caused enrollment declines and financial crises at a number of schools.⁴ *Aliyah*, too—while highly desirable—creates financial challenges by depriving schools of students and thus anticipated tuition.

A further financial pressure, which will increase over time as enrollments continue to grow, is driven by a serious shortage of Jewish studies teachers outside of the *Chareidi* community. Ultimately, developing an adequate supply of teachers will require significantly raising salaries and benefits, which

teachers deserve in any case but which schools will have trouble funding.⁵

Finally, and perhaps most importantly, is the critical need to close the gap between schools' operating budgets and their incomes from tuition and fees. The gap can be as high as 30 to 40 percent of the budget.⁶ Federation funding—totaling over \$65 million nationally in 2003⁷—helps considerably, but school leaders nonetheless scramble on an annual basis to raise 10 to 30 percent of their schools' budgets.⁸ For schools in less affluent communities, the fundraising challenge is an uncertain proposition every year, and for many schools it is a consuming and exhausting task.

Making Sense of the Figures

From a parent's perspective the oft-heard question is "Why are day schools so expensive?" There are two answers. First, they are not—in comparison to the cost per student at public schools. According to the National Education Association, the average expense per K-12 public school student in the New York Tri-State area in 2003-2004 was \$11,750,⁹ for a curriculum that covers only general studies and in a system that is large enough to benefit from economies of scale. While analogous data have not been collected for Jewish schools, the average cost per student in the same geographic area is almost certainly comparable or lower even though day schools have a longer day and require separate general and Jewish studies staffs.

The other factor to consider is how much the community asks from the schools. The expectations include academic excellence in both Jewish and general studies, small classes and a pedagogy that addresses each child's needs, including appropriate services for the growing number of students with special needs. Beyond academics, parents and community leaders have come to recognize the need for schools to both inspire passionate Jewish living and protect students from social pathologies such as eating disorders and alcohol and drug abuse. These multiple require-

ments generate a need for hiring a sufficient number of talented staff, who must be given appropriate support and supervision.

In addition to increased operating costs, enrollment growth has also led to hundreds of millions of dollars of new capital costs. Well over one hundred day schools have undertaken construction or renovation projects over the past five years.¹⁰

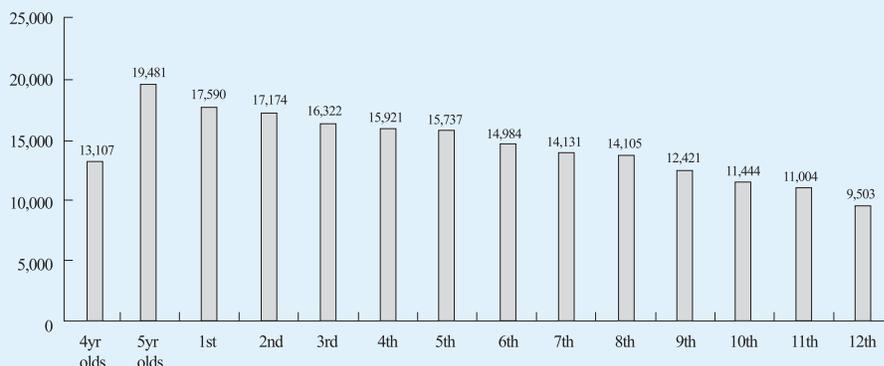
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Tuitions at schools range from \$5,000 to over \$18,000 per student, depending on grade level and community.¹¹ Annual tuition increases are a necessity even if a school does not grow or offer new programs: Since at least 70 percent of the typical day school budget covers staff compensation, tuition must rise to fund at least cost-of-living increases for school personnel. Lay boards and school heads often believe that the true needs of the schools necessitate even higher tuitions—to attract better or specialized staff, to improve or

maintain facilities or to more effectively serve special needs students.¹² However, tuition increases are limited by concerns about affordability. No doubt efficiencies could be achieved in many schools. For example, the Boston-based Partnership for Excellence in Jewish Education (PEJE) has developed a national joint-purchasing program for supplies, insurance and various services. A study of day school budgets in search of efficiencies might identify other opportunities for savings. However, efficiencies are not likely to alter the fundamental economics or meaningfully reduce tuitions.

High (and ever-rising) tuitions impact the day school field in different ways. For schools that serve non-Orthodox (or marginally Orthodox) families, high tuition is a factor leading parents to send their children to public schools. These children will be statistically far less likely to marry Jews, attend synagogue regularly or observe Shabbat in any way. In most Orthodox communities, tuition does not limit enrollment, but it does place a great strain on families and often prevents one parent from staying at home to raise the children. The old joke about day school tuition being the best form of birth control in the Modern Orthodox community is, sadly, true.¹³

Day school enrollment (across the ideological spectrum) in the United States. Enrollment declines slightly from kindergarten through eighth grade. Notice the dramatic change, however, when high school is reached. Nevertheless, it appears that parents who opt to send their children to day school are committed, at least through the elementary grades.



Graphs taken from Marvin Schick, "A Census of Jewish Day Schools in the United States, 2003-2004," The AVI CHAI Foundation (January 2005). All "Facts" in this section are from The AVI CHAI Foundation, unless indicated otherwise.

Progress, but No Easy Solutions

Against this background, the articles in this issue highlight some recent efforts to tackle the day school finance problem. Essentially, there are only two possible sources of additional revenue for schools: philanthropy and governmental support. The articles reporting on private philanthropic programs show that reduced tuition can help schools serving non-observant families grow significantly.¹⁴ In addition to the efforts cited here, philanthropist Lev Leviev funds a school in Queens, New York, for children of Bukharian origin that charges no tuition at all. In just three years, adding grades each year, the school has attracted 620 students from a population that does not generally send children to Jewish schools.

However, Rob Toren's sober and insightful report on the experience of the Samis Foundation in Seattle demonstrates the problem with relying on a single funder—except, perhaps, the Gates Foundation—to provide sufficient funding for long-term tuition reduction programs. For this reason, the more promising models are those in Chicago, described by Micah Greenland, which seek to generate broader-

erly day school donors to contribute a total of \$2.4 million (which the program matched with an equal amount) to Jewish day schools of their choice.¹⁵ The hope is that many of these new donors will become ongoing supporters of Jewish education. The program is now being assessed, and additional philanthropic partners have stepped forward to help expand the reach of this initiative.

The benefit of government vouchers is evident in Milwaukee, where nine-

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ty-six students have their full tuition paid by the government. However, as both Nathan Diament and Shlomo Levin argue, a broad-based voucher system that will benefit most day school families seems unlikely in the near-term for both political and legal reasons.

outline a nascent and innovative approach for day school partnership with public schools that deserves further consideration. However, the evolving plan faces significant public policy, political and legal hurdles.

Taken together, the articles in this issue suggest innovative thinking and activity, but no easy fixes to the challenges of day school finances and high tuitions. Importantly, none of the private philanthropy programs described target the New York metropolitan area, which contains two-thirds of the nation's day school enrollment. The tuition totals in the New York area are likely in the \$1 billion range, making meaningful tuition reduction a very expensive proposition. What, then, can be done?

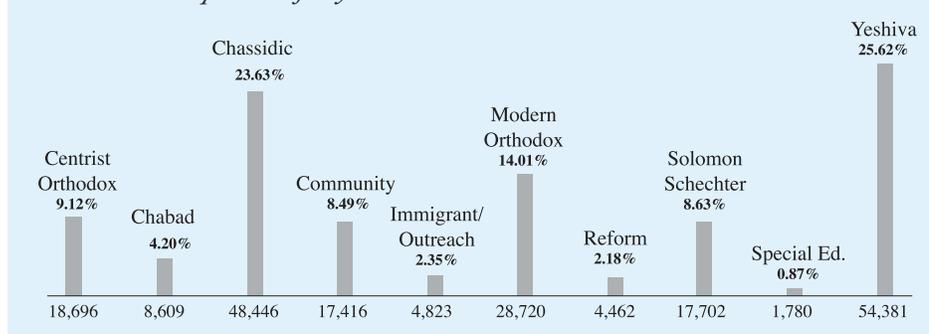
Advocacy

To stimulate additional philanthropic support, day school advocates and parents should join together across ideological lines to continue to promote the importance of day school education to the broader Jewish community. There are mounds of research data showing that day school is the best vehicle for instilling lasting Jewish commitment, measured by in-marriage, observance and financial support of Jewish causes.¹⁶ There is also a sense, not yet supported by much data, that day school graduates are successful in college, graduate school and subsequent careers. Day school leaders and advocates should band together to educate the broader community, especially philanthropists for whom the day school message does not yet resonate.

Federations should be one target audience, though dramatically increased federation funding is unlikely because most federation annual campaigns have not kept pace with inflation. It is more realistic to press federation leaders to join day school supporters in promoting the cause among local donors, especially those who have established philanthropic funds with the federation.¹⁷

In reaching beyond the communal establishment to individual non-observant funders, the Orthodox community

More than 80 percent of day school students are enrolled in Orthodox schools.



based philanthropic support.

In a more limited way, a 2004 program funded by The AVI CHAI Foundation and operated by the Jewish Funders Network (JFN) shows that new funders for day schools remain to be tapped. By offering matching grants to new donors of Jewish education (or to donors making a five-fold increase in their largest prior gift), The AVI CHAI/JFN program induced over sev-

While voucher advocacy should remain a feature of the Jewish community's public policy, Diament suggests that our political energies would be better served pressing for the geographic expansion of small programs now available in some states (e.g., for textbooks and busing) and for an increase in the number of states offering tax credits for contributions to scholarship funds.

Jonathan Isler and Kenny Gluck

in particular must make the case that Orthodox day schools produce graduates who benefit the larger Jewish community through their commitments to Jewish causes and their positive influence on American Jewish life.

Recognizing Our Obligation

While making the case to the broader community, we must recognize that much of the solution, at least for the Orthodox community, is in our own hands. There are many people of means in the community. Orthodox Jews today can be found among the ranks of successful entrepreneurs, managing directors at banks and law firm partners. However, the wealth is not evenly distributed, and there are many in the community who are just getting by. What is needed is a new way of thinking about our collective and individual responsibilities for day school financing.¹⁸

The first Hebrew day school, Yeshivat Minhat Areb, was established back in Colonial times, in 1730, in New York City. By 1854, there were seven Hebrew day schools in the country.

Courtesy of Rabbis Dovid Bernstein and Yaakov Fruchter

Fact

The complaints about high day school tuitions are not new, and one wonders if the situation dates back to the days of Yehoshuah ben Gamla. In fact, however, the current system of financing Jewish education is relatively recent and reflects both the collapse of the *kehillah* system and the adoption of American notions of individual autonomy by almost all segments of the Jewish community. It is commonly understood that contributions to day school education, certainly above the amount owed to a school as tuition, come from the family *tzedakah* budget. However, in the *Shulchan Aruch*, the funding of yeshivah education appears not in *Hilchot*

Tzedakah, the laws on giving charity, but in *Hilchot Shutfim*, the section that lists all of the communal services funded through *kehillah* taxes (e.g., gates to protect the city and the establishment of a synagogue). Rema (*Choshen Mishpat* 163:3) rules:

In a place in which the residents of a city establish among them a teacher, and the fathers of [all] the children cannot afford tuition, and the community will have to pay, the tax is levied based on financial means.

From the Rema it is clear both that parents of means must pay tuition and that subsidizing the tuition for poor families is a communal obligation independent of voluntary *tzedakah*.

This system was still functioning into the twentieth century. Rabbi Yechiel Michel Epstein (1829-1907), in his *Aruch Hashulchan* (*Yoreh Deah* 245:9-10), reaffirms the community's obligation to fund the Jewish education of the needy, if necessary through mandatory assessments. He further writes that fathers who are able to hire teachers for their children (and grandchildren) are obliged to do so, and the community yeshivah is available for poorer families. If a parent who could hire a teacher nonetheless wishes to enroll his child in the community yeshivah, he is obliged to contribute "much money" in order to benefit the poorer children.

In his *Hatakanot BeYisrael* (vol. 4, pp. 284-291), Rabbi Yisrael Schepansky provides a historical review of the ways in which communities levied taxes to support tuition for those unable to pay.¹⁹ Some communities assessed based on means, as presented by Rema; others imposed a head tax; and at least one community levied a kind of "sales tax" on *shechitah*. The conclusion is inescapable: In the Jewish worldview, Jewish education is not a consumer good, like detergent, but a communal obligation.

Given the absence of a *kehillah* structure today, a Jewish head tax or income tax would be hard to implement. However, if there was sufficient communal will, one could imagine a

sales tax system in which the major *kashrut* supervision organizations join together to require kosher hotels (e.g., over Pesach) and restaurants to collect a "day school surcharge" on all bills for a day school scholarship fund. This kernel of an idea requires further development, and an economic analysis would be needed to ensure that the amount raised would far exceed any diminution in voluntary contributions arising from the surcharge.

The larger point is that the financial future of day school education depends upon our collective recognition that schools are not one among the many *tzedakah* causes that compete for scarce funding but a basic obligation for people with means—whether or not they have school-age children and irrespective of the *tzedakah* interests they may have.

In these complicated times, our greatest obligation to Jewish children, after ensuring their basic physical needs are met, is to provide them with a Jewish education. Day schools are the foundation upon which all of our values, hopes and dreams for the next generation are built. The statement of Chazal (*Sanhedrin* 37a), "*Kol ham-ekaveim nefesh achat beYisrael, keilu kiyeim olam malei*, One who maintains a single Jew is considered as if he maintained an entire world," is often cited to prove the equal worth of each Jew.²⁰ For Jewish education, too, all Jews are equally deserving, whether rich or poor, observant or not.

It is our collective obligation to pursue all mechanisms—government support, promotion to the larger Jewish community and an internal *cheshbon hanefesh* about our priorities—to ensure that we meet our commitment to the Jewish future. **IA**

Notes

1. This information is drawn from day school censuses conducted by Dr. Marvin Schick in 1998/1999 and 2003/2004 for The AVI CHAI Foundation. The census reports are available at www.avichai.org. The totals provided in the article do not include

Canadian schools, which were not covered by the censuses.

2. Marvin Schick, "A Census of Jewish Day Schools in the United States, 2003-2004," The AVI CHAI Foundation (January 2005): 21.

3. Twenty years ago, there were Orthodox schools outside New York that were "community schools" in the sense that they served observant and non-observant families seeking a day school education. These Orthodox "community schools" are much less common today, in part because of the larger number of Solomon Schechter Day Schools and trans-denominational and Reform day schools. (These new schools have led to increased day school enrollment among non-Orthodox families.) However, it is increasingly common to have more than one Orthodox school in a community—even in areas with small Orthodox populations—because of the desire to accommodate different ideological orientations (e.g., co-educational versus separate gender). The end result is a larger number of

smaller schools with their own infrastructures and budgets.

4. Marvin Schick, "The Impact of the Economic Downturn on Jewish Day Schools," The AVI CHAI Foundation (2003).

5. See Moishe Bane's article in this issue regarding pensions for faculty.

6. The extent of the gap varies considerably by type of school. According to a 1995/1996 study by Marvin Schick and Jeremy Dauber based on responses from 154 day schools outside New York, the smallest gaps are in Solomon Schechter Day Schools and Reform day schools. For Orthodox and community day schools, the percentages of budget received from parental tuition and fees were 57 percent and 68 percent respectively. Schick and Dauber, "The Financing of Jewish Day Schools," The AVI CHAI Foundation (1997), table 9.

7. "Federation Day School Funding: Policies and Procedures 2002-2003" (United Jewish Communities, undated), executive summary. On a per

capita basis, the funding as a percentage of budget is much higher in communities with fewer students. In New York, for example, the per capita federation contribution is very small, a function of there being hundreds of schools in the catchment area.

8. Schick and Dauber, "The Financing of Jewish Day Schools," table 9. Schools that cater to immigrant students, whose parents are unable and sometimes unwilling to pay for day school, must raise a much larger percentage of their budgets.

9. "National Education Association Report of School Statistics" (fall 2004), table 5. The Tri-State area is used for comparison because it contains two-thirds of Jewish day schools. The NEA national average was \$8,200.

10. In the past five years, The AVI CHAI Foundation has made interest-free construction loans to approximately seventy schools. At least thirty additional projects—perhaps many more—have been undertaken.

11. There has been no comprehensive study of day school tuition nationally. However, the Schick/Dauber study (“The Financing of Jewish Day Schools”: 19) found average tuitions outside New York to be between \$5,000 and \$6,000. A 2001 report (Jack Wertheimer, “Talking Dollars and Sense About Jewish Education,” The AVI CHAI Foundation: 7-8) cites average tuition in Los Angeles in 1997 as \$7,800 for elementary school and \$10,700 for high school, and tuition in Denver ranging from \$5,500 to \$7,200. In his article in this issue, Micah Greenland indicates that the average Chicago elementary day school tuition is approximately \$7,500.

12. The question of special needs students deserves independent treatment. Sadly, students with severe special needs often end up in public schools because day schools do not have the resources to properly serve them.

13. A small number of Orthodox families have opted for homeschooling as an alternative to day school. On the plus side, there is anecdotal evidence that high tuitions encourage *aliyah*.

14. Descriptions of other tuition reduction programs can be found in a report released by the UJC/JESNA Continental Council for Day School Education called “Day School Tuition Subvention, Reduction and Scholarship Programs” (2003), available at www.jesna.org. Additional programs have been developed since the completion of the report.

15. The program was also available to new donors to other kinds of Jewish education and attracted an additional \$1 million in commitments to summer camps, Hillels and other institutions.

16. Information on the studies can be found on the Partnership for Excellence in Jewish Education web site (<http://www.peje.org/advocacy/MakingCase.asp>), which also offers other resources for making the case for day schools.

17. In recent years, there have been substantial contributions to day school education that have been made through the good offices of the federation, the largest of which was in 2004, when three families committed a total of \$45 million.

18. The essential argument that funding for day school education is a communal responsibility, not a consumer good, was advanced in the American public square some time ago by Marvin Schick. It has been championed more recently by George Hanus (see Micah Greenland’s article in this issue).

19. Unrelated to the question of tuition, Rabbi Schepansky cites a statement in the name of Rav Hai Gaon (tenth to eleventh centuries) permitting the teaching of Arabic and math alongside Torah in the local yeshivah. Thus, the notion of a “modern” day school may not be so modern at all.

20. There is some uncertainty about the correct *girsā* in the Mishnah, which might more broadly address the saving of any life, not only that of a Jew.