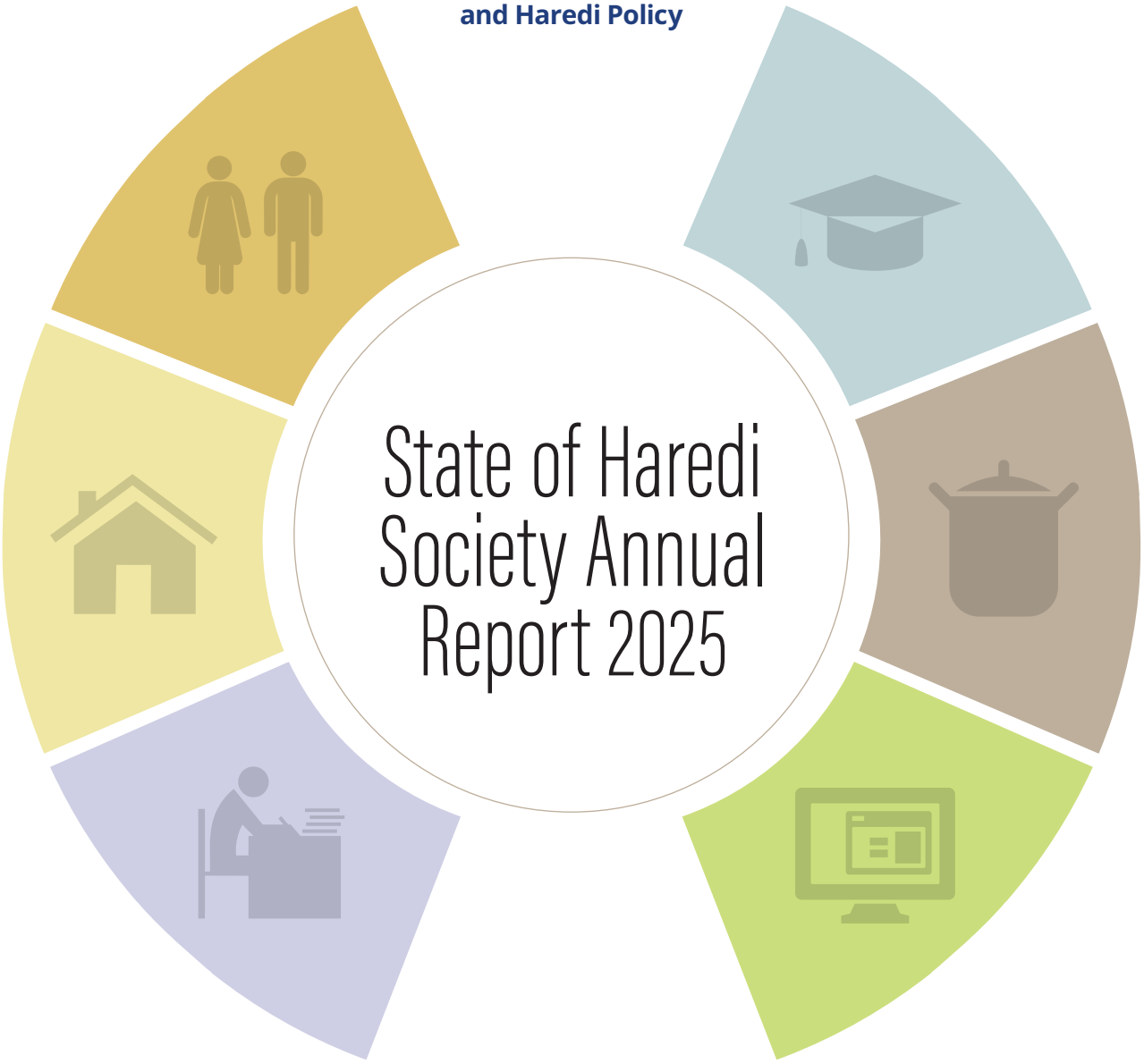
The Institute for Strategy and Haredi Policy



State of Haredi Society Annual Report 2025

Eitan Regev | Yehudit Miletzky

State of Haredi Society Annual Report 2025

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This report is published thanks to the dedicated and professional work of Elad Reuveni, Elia Yakin and Adam Nishri of the institute's Research and Data Unit, who greatly assisted in analyzing and processing the administrative data. We would also like to thank the employees of the Central Bureau of Statistics Information Accessibility Unit, especially Julia Weider, Sigalit Mazeh, and Yifat Klopstock, for creating and making accessible the raw data on which most of the analyses in this report are based.

The establishment of the Wohl Data Center and the publication of the State of Haredi Society annual report for 2023 was made possible through the generous support of the Wohl Foundation.

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Commitment to Data in a World of Uncertainty

The report before you, “State of Haredi Society, 2025,” is presented to the public at a moment when data is not merely a working tool, but serves as a compass for navigating a turbulent Israeli reality and as a vital infrastructure for responsible, evidence-based public discourse.

Since the establishment of our Data Center and the development of the unique algorithm for identifying the Haredi community in government databases — an algorithm that has become the professional hallmark of the Institute — our data has served as a central and authoritative source for decision-makers, government officials, and journalists. Alongside the unique breadth of our data, the Institute also provides context and responsible, fitting interpretation, not intended to prove narratives or reach predetermined conclusions.

In this context, we are witnessing a troubling trend in recent years, in which data and economic analyses concerning the Haredi community are being used to portray an entire population group as a threat to the future of the State of Israel. Against this discourse, sometimes driven by political agenda or worldview, the Institute stands as a rock of professional stability. Our commitment is singular: to present the most objective, thorough, and rigorous research truth, free of bias and hidden agenda, acknowledging its complexity and limitations — and not as it would be convenient to imagine it.

The 2025 report reveals a picture that is both complex and unambiguous. The data we have gathered show that integration processes do not occur along a linear trajectory and that they are sensitive to economic changes and social legitimacy. Thus, we identify deep processes of searching for pragmatic solutions to a changing and challenging reality, alongside the desire to preserve core values of Haredi identity. This search produces a complex and multifaceted dynamic — reflected, for example, in the enrollment of Hasidic communities in the State-Haredi education track and the significant growth in the number of students within it, alongside the troubling fragility in the employment rates of Haredi men, which appears to be influenced by the failure to regulate the status of Torah scholars in legislation.

We see great importance in our role to continue investing in research, in the development of data infrastructure, and in in-depth analysis, with the understanding that only knowledge grounded in solid facts can serve as the foundation for effective policy-making and social resilience.

I wish to thank from the bottom of my heart Yehudit Miletzki, the Institute’s director, for her determined leadership and for the vision that makes the Institute an institution of influence and uncompromising professional integrity. Special thanks to Dr. Eitan Regev and the Institute’s data team, for developing unique models and for the meticulous and brilliant work that transforms dry numbers into a living, precise, and relevant picture of reality.

I trust that this report, which holds up a credible mirror before Israeli society, will serve as a central working tool in shaping a shared future — one grounded in a deep understanding of reality, and not in fears, shortcuts, or outdated assumptions.

Sincerely,

Eli Paley

President of the Paley Foundation and Founder of the
The Institute for Strategy and Haredi Policy

Introduction

Over 77 years of its existence, the State of Israel has experienced social, economic, and security upheavals that have shaped its character and its challenges. The years ahead are expected to confront Israeli society with challenges no less significant.

The year 2025 draws to a close with Haredi society in Israel continuing to stand at the center of public, political, and economic attention. As of this year, it numbers approximately 1.31 million people, concentrated in approximately 250,000 households, and its share of the country's population stands at 12.9% and 16% of the Jewish population in Israel. The Haredi way of life rests on religious and ideological principles, alongside unique social and cultural norms and values that influence all domains of life, including housing, education, higher education, health, employment, economics, and consumption patterns.

The distinctive characteristics of Haredi society, and in particular its high growth rate in recent decades, have broad strategic implications for core issues facing the State of Israel. Demographic, social, and economic trends within Haredi society directly affect state systems and require adapted preparation and long-term planning that will ensure the country's social and economic resilience, for the benefit of Israel's continued existence as a diverse, rich, stable, and thriving society.

This report presents an up-to-date picture of Haredi society in 2025. It includes current data and long-term trends in central areas of life, among them demographic patterns, housing, employment, higher education, digitization, and household economics. These data trace the contours of Haredi society in Israel, which is engaged in ongoing processes of preserving existing social structures and cultural values, alongside a measured movement that adapts itself to the dynamics unfolding in Israeli society and to the changes taking place in the economy and society over time.

The data presented in the report serve two important strategic purposes. The first is to lay a comprehensive and updated database containing information as accurate as possible about Haredi society in the domains vital to its socioeconomic flourishing and that of the entire population of Israel. The second is to provide readers and the general public with a thorough and in-depth acquaintance with Haredi society and with the variety of streams that comprise it, deepening their understanding and knowledge of the unique sociological characteristics that underlie the dry numbers.

Methodology

Most reports dealing with Haredi society rely on the aggregation of existing data and indicators from various sources. This report significantly expands the existing knowledge base and relies primarily on original analyses performed on administrative data files by the team of the The Institute for Strategy and Haredi Policy. These files were assembled by the Information Accessibility Unit for Research at the Central Bureau of Statistics and integrate data from a wide range of governmental sources, among them the Population Registry, the Tax Authority, the Ministry of Education, higher education institutions, the Council for Higher Education, and Karmán real-estate files.

The use of integrated administrative databases enables levels of precision and resolution significantly higher than those achievable through various surveys, including in the measurement of higher education levels and employment and wage data. They also enable analysis of long-term trends, such as fertility rates and population growth patterns.

Identification of the Haredi population in these files was carried out by means of an advanced algorithm developed at the The Institute for Strategy and Haredi Policy, which combines variables known as predictors of Haredi affiliation (such as residential patterns) with machine-learning methods, relying on the cross-referencing of a large number of information sources. This method enables particularly precise identification of Haredi affiliation, as well as internal classification by the main streams within Haredi society — Hasidic, Litvak, Sephardic, and Chabad. This division carries analytical importance, given the substantial differences between the streams. The identification is based on comprehensive mapping of thousands of educational institutions currently operating or having operated in the past decade, under Haredi and State-Religious supervision.

The application of advanced methodologies and the use of a broad administrative database make it possible to deepen and extend findings and forecasts presented in previous reports. In the past, we showed that precise identification of the Haredi population indicates that its proportional share of the total population and its growth rate are lower than the accepted estimates. Accordingly, the assessments presented in previous reports projected that the future size of Haredi society in 2065 would be significantly lower than the forecasts that until then had been used in policy planning. In the current report, we present a complementary analysis of these findings in additional fields, among them higher education, housing, fertility, employment, and wages — all of which have direct implications for long-term policy planning.

Haredi Society in 2025:
Overview And Main Trends

Haredi society is one of the largest, most dynamic, and most influential population groups in Israel. In recent decades, it has stood at the heart of public, economic, and political discourse, owing to its distinct way of life, which differs from that of other groups in Israeli society. This way of life rests on three central principles: subordination to rabbinic authority, spatial and cultural separateness, and the primacy accorded to Torah study among men (the "society of scholars" model). At the same time, the Haredi population is heterogeneous and comprises numerous communities that differ from one another in ideology, patterns of education and learning, employment structures, residential patterns, and the degree of integration into the Israeli economy and society.

This chapter presents a cross-sectional overview of Haredi society in Israel in 2025 and offers an integrative reading of the trends emerging from the data. Haredi society stands today at a unique moment in time. On one hand, this is a large, young population with a rapid growth rate, whose demographic, social, and political centrality is set to intensify in the coming decades. On the other hand, the most recent data indicate that the socioeconomic trajectory of Haredi society does not develop in a linear fashion but is volatile and not immune to a slowdown or even a reversal. Haredi society finds itself in constant motion between the preservation of values and social norms and the adaptations it is required to make in response to the social and economic reality in Israel. Thus, expressions of growing and intensifying economic pressures are visible, yet the processes of economic integration remain partial and fragile.

In 2025, the Haredi population of Israel numbers approximately 1.31 million people, representing 12.9% of the total population and 16% of the Jewish population. This is a particularly young population: more than half of Haredim are under the age of 19, and the share of the Haredi population in working-age cohorts remains relatively low, though it is expected to grow in the coming decades. The combination of a young age structure, high birth rates, and a rapid growth rate positions Haredi society as a central demographic factor shaping the future of the State of Israel.

Nevertheless, contrary to forecasts that were previously accepted, the most recent data point to a moderate slowdown in the growth rate of the Haredi population, stemming primarily from a sustained decline in the fertility rate. These trends do not negate the demographic centrality of Haredi society, but they do require updating the long-term baseline assumptions that have until now been used in policy planning in the areas of education, employment, housing, and infrastructure.

The institution of the family continues to stand at the heart of the Haredi way of life and serves as a social, cultural, and values-based anchor. Patterns of early marriage, high fertility rate, and average family size significantly higher than those of other population groups express the centrality of the family as a value in Haredi society: the average Haredi family is the largest among population groups in Israel, with 5.08 members, compared with 2.8 among non-Haredi Jews and 4.18 in Arab families. Nevertheless, in recent years, a moderate but consistent decline has been observed in fertility rates and average family size. This trend does not undermine the ideal of the large family, but it does reflect careful adaptations to economic and social changes: the steadily rising cost of living, which constitutes a challenge for large families, as well as changes in the Haredi way of life — chief among them the increase in the extent of women's participation in the labor market, their entry into more demanding professions, and a growing awareness of their psychological and physical well-being.

The effects of economic pressures on the Haredi household are particularly pronounced in the area of housing, where a sharp turning point has been evident since 2022. Purchasing an apartment is not perceived in Haredi society as merely a consumer decision, but as a normative milestone in the life course of young families, expressing family stability and community belonging. Against this background, patterns of apartment purchase in Haredi society have long been characterized by relatively inelastic demand that does not respond immediately to economic fluctuations. However, the sharp rise in housing prices and mortgage interest rates in recent years has curtailed the ability of young families to realize this pattern and has led to a sustained decline in the number of apartments purchased by Haredi households, particularly among young couples. This decline reflects an economic constraint that is steadily worsening and undermines the ability of young households to realize a housing pattern that until recently was almost taken for granted.

In 2024, some recovery was observed in the volume of apartment purchases by Haredi households, yet transaction volumes among first-time home buyers remain lower than those recorded in 2019. In this sense, Haredi demand for housing continues to be driven by normative and social considerations, but it now operates under stricter economic constraints that limit its possibilities of realization. As a result, Haredi families are being pushed more than before to seek alternative housing solutions, with many purchasing smaller and less expensive apartments and migrating to the periphery — primarily to the northern Negev, the Haifa region, and the north of the country. Consequently, the Haredi residential map continues to change, and a broader geographic spread of the Haredi population is apparent. This trend requires adapted preparedness on the part of local authorities to provide educational, religious, and community infrastructure services to a young and growing population, and generates the potential for new opportunities in social and economic respects.

In recent decades, a perception has become entrenched in public and research discourse according to which Haredi society is on a gradual path of economic integration, expressed in rising employment rates and the expansion of higher education. Indeed, a long-term view points to significant changes,

chief among them the sustained increase in employment rates among Haredi women, alongside a marked expansion of their integration into the higher education system.

Nevertheless, data from recent years paint a more complex and fragile picture, particularly concerning the economic integration of Haredi men. After a prolonged period of growth, since 2023 a moderate but consistent decline has been recorded in the employment rates of Haredi men. This decline is particularly pronounced among young men and indicates that the process of economic integration is not necessarily a continuous or irreversible one.

In the field of higher education as well, a clear distinction is evident between women and men. While the proportion of Haredi men with an academic degree remains low compared with other population groups, among Haredi women significant and continuous progress has been recorded over the past decade. As of 2025, the proportion of Haredi women with college degrees has reached 16%, and among women aged 30-34 it approaches 19%. These figures indicate that higher education has become a legitimate and common pathway for Haredi women. Employment data testify that investment in female human capital is gradually translating into improvements in employment status and higher wages.

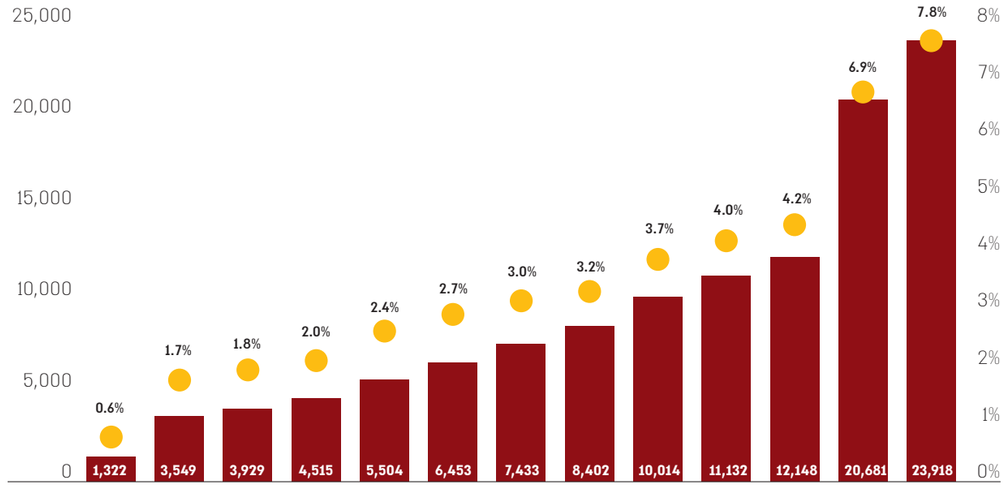
At the same time, developments in public and political discourse surrounding issues such as military conscription, welfare allowances, and the status of Torah scholars continue to influence the incentives for entering education and employment, particularly among Haredi men. In the absence of immediate regulatory change, the sense of uncertainty and the deepening of public controversies surrounding the "society of scholars" model affect individual decisions and patterns of economic and social integration in the short term.

In this context, note may be taken of the continuation of the trend of rapid growth in State-Haredi educational frameworks, in which in the 2025-2026 academic year an increase of 16% in the number of students was recorded — a rate four times higher than that of Haredi primary education as a whole. This growth does not necessarily reflect a deep ideological change, but appears rather to be a consequence of increasing economic pressures. For many educational institutions, the transition provides a more stable and comprehensive budgetary framework. For many families, and particularly among young parents, the choice of the State-Haredi track is perceived as a decision aimed at broadening the future integration horizons of their children in the labor market, alongside relief from the high tuition payments common in Haredi frameworks not under state supervision.

This trend is neither uniform nor does it cut across all streams and communities, thereby demonstrating that Haredi society does not operate as a single unit. Nevertheless, the very fact of sustained growth in State-Haredi education, even in years when the political and social sensitivity and volatility surrounding Haredi society reached new peaks, constitutes an important indicator that processes of economic integration, even when blocked in the labor market and in higher education, continue to take place through other channels.

Figure 1

Primary School Students in the State-Haredi Track / Share of the State-Haredi Track in Haredi Primary Education, 2014-2026

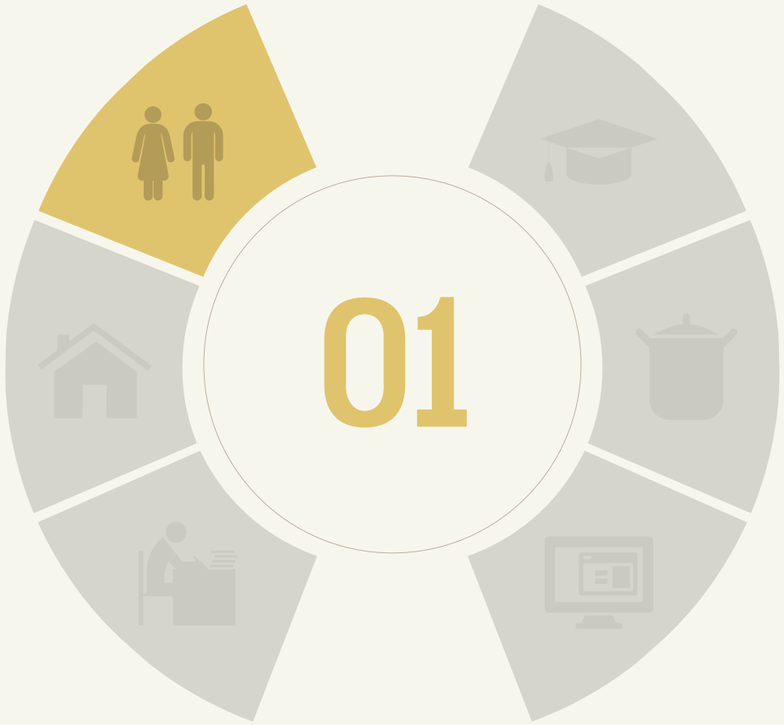


Source: The Institute for Strategy and Haredi Policy, based on Ministry of Education data

Alongside the gaps between Haredi society and other population groups in Israel, there are also significant gaps within Haredi society itself. Employment, education, fertility, and housing patterns vary considerably among the Haredi streams, between men and women, and among age groups. These gaps underscore that this is not a homogeneous group and that social and economic processes operate with varying intensity on sub-groups within Haredi society. There is therefore a need for interpretive caution and analytical precision that reflects these differences — in research and in policy-making.

The year 2025 constitutes a test case for Haredi society. The demographic and social patterns ensure its centrality in Israel also in the future, but the data also point to the limitations of the existing integration model and to the fragility of trends that have been built up over years.

The chapters of this report expand and deepen these findings in the areas of demographics, housing, employment, higher education, and digitization. Together, they make clear that the formulation of effective policy toward Haredi society cannot be based on linear assumptions or automatic forecasts and requires an understanding of the complexity, the fragility, and the contexts in which economic and social decisions are made.



Demographics

Israeli society is diverse, comprising population groups that differ in values and ways of life. Haredi society is among the largest, most dynamic, and most influential of these groups. Its significance is not captured by a numerical figure alone: its demographic characteristics form the foundation on which the social and economic processes discussed in this report rest. Systematic measurement and in-depth analysis of the demographic trends in Haredi society and of its growth patterns over time are therefore of great importance.

Many developed countries have in recent decades been confronting social and economic challenges arising from sharp declines in birth rates, aging populations, and a shrinking potential workforce. The demographic profile of Haredi society in Israel is entirely different: exceptionally high birth rates, a young age structure, and rapid growth. In recent decades, the growth rate of this population has been approximately 4% per year, roughly twice the rate of the rest of Israel's population. This has made the Haredi population a central factor in shaping the future demographic composition of the state. This demographic profile has shaped Haredi lifestyles over decades, including family and community patterns and the relationship between Haredi society and the state in education, welfare, housing, and the labor market.

Over the years, public and policy discourse has tended to treat Haredi demography as a stable, almost fixed datum, dictating future trajectories in advance. But a close examination of the latest data indicates that the demographic patterns of Haredi society are in a process of change and adaptation. In recent decades, there has been a sustained decline in fertility, a moderate rise in the age at marriage, and a gradual reduction in Haredi household size. The starting point of these changes involves fertility levels and family sizes that are significantly higher than those of the non-Haredi Jewish population, yet they indicate processes of adaptation to growing economic and social pressures.

These trends have wide-ranging implications beyond the field of demography. The growth rate of the Haredi population, its age structure, and its internal distribution among age groups and gender directly affect demand for educational institutions, the housing market, the potential for integration into the labor market, and the scope of public resources required to provide services. Even relatively moderate changes in fertility and family patterns can therefore accumulate into significant effects in the medium and long term.

This chapter presents the central demographic trends in Haredi society in Israel, focusing on population size, age structure, fertility, age at marriage, and household size. In addition to describing past and present developments, the chapter also presents updated long-range population projections that re-examine widespread assumptions about the expected growth rate of Haredi society.

The findings of this chapter serve as an analytical foundation for understanding the challenges and tensions presented in subsequent chapters, highlighting the close link between demographic dynamics and the limits of economic and social flexibility in Haredi society specifically, and in the State of Israel generally.

Key Findings

1.31
million Haredim
live in Israel

12.9%
of the general population

16%
of the Jewish population

~405,000
Haredim

are of working age (25–64) vs ~3.15M of non-Haredi Jews. The Haredim make up ~11% of the Jewish working force

56%
of the Haredi Population

are under age 19, vs 30% of non-Haredi Jews

450,000
in the Litvak stream (34% of Haredim)

424,000
in the Sephardic stream (32% of Haredim)

384,000
in the Hasidic stream (29% of Haredim)

5.08
persons in an average Haredi family

Haredi families are the largest. 2.8 persons in an average non-Haredi Jewish family. 4.18 persons in an average Arab family

36% of Haredim aged 18-24 are married. Haredim marry the youngest. Among Arabs, the rate is 7.6%. Among non-Haredi Jews, it is 5.3%.

7
The Fertility Rate in the Hasidic stream, the highest in the Haredi society. In the Litvak stream, it is 6.6% and in the Sephardic stream, 5.3%.

6.2
The Fertility Rate in the Haredi society, the highest in the country. Among Arabs, it is 2.6% and among non-Haredi Jews, 2.3%.

Key Trends

Growth Rate
The organic growth rate of the Haredi population (births minus deaths) currently stands at 3.85% per year. Taking into account net exits (those who leave the sector minus those who join), the growth rate stands at 3.45%.

Number of Haredim
According to current fertility trends and the rate of net exits, by 2065 the Haredi population is expected to constitute 22% of Israel's population.

Age of Marriage
The age at marriage in Haredi society is rising: since 2014 the proportion married in the 18-24 age group has dropped from 46% to 36%.

Family Size
Over the past five years, average Haredi household size has been declining, from 5.25 persons per family on average in 2020 to 5.08 persons on average in 2024.

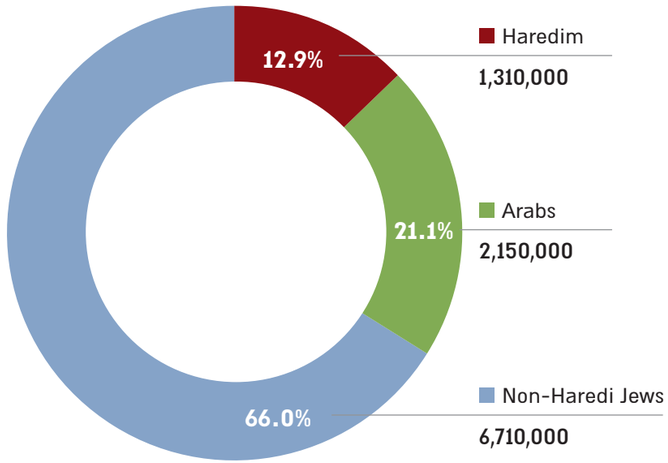
Fertility Rate
Haredi fertility has been declining since 2004, and since 2020 has stood at the lowest level in 40 years: 6.2 births per woman on average.

Population Distribution in Israel

At the end of 2025, Israel's population totals approximately 10,170,000 persons: approximately 6.71 million non-Haredi Jews (and others), who are 66% of the total population; approximately 2.15 million Arabs, who are 21.1% of the total; and approximately 1.31 million Haredim, who are 12.9% of the total population and 16% of the Jewish population in Israel. This figure is based on CBS estimates for the size of the Jewish and Arab populations at end-2025, and on The Institute for Strategy and Haredi Policy estimates for the current size of the Haredi population, based on its growth rate over the past three years.

Figure 2

Distribution of Israeli Population by Sector, 2025



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data and CBS publications

In the early years of statehood, the Haredi population numbered several tens of thousands. Its growth rate was particularly rapid, around 7% per year, mainly due to high fertility but also to the immigration of Orthodox communities, primarily from Europe. The Haredi population quadrupled in just two decades, and by the late 1960s it numbered approximately 130,000 persons.

From the 1970s through the early 2000s, the Haredi population grew at an average rate of 4.3% per year. The decline over the past two decades in the fertility trend has led to a further gradual slowdown in the growth rate of the Haredi population, which now stands at approximately 4%.

Figure 3 presents four possible scenarios for the growth of the Haredi population to 2065. In the first scenario, where the Haredi growth rate is highest, a hypothetical situation is presented in which Haredi fertility remains stable at 6.2 births per woman on average, as it was in 2023. In this scenario, and based on current exit and joining rates, the average growth rate of the Haredi population over the next forty years will be 3.45% per year. By 2065, its number will reach approximately 1.5 million and its share will be 23% of Israel's total population.

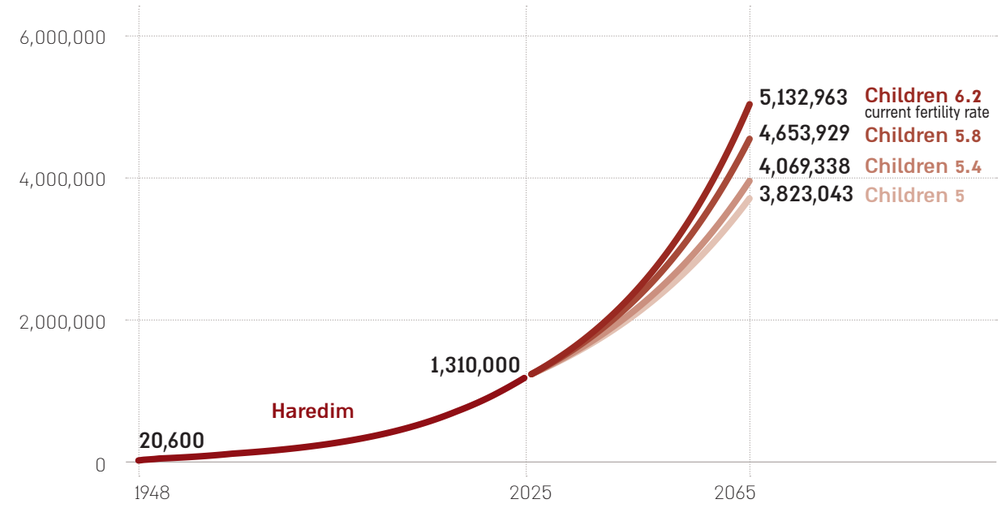
The estimate for the future size of the Arab and non-Haredi Jewish populations is likewise based on their current growth rates (2.34% and 1.49% respectively) and on the current net transfer rate between Haredi society and non-Haredi Jewish society. No slowdown has been observed in the non-Haredi Jewish growth rate over the past three decades, and it has even risen somewhat over the past two decades. Hence, in the scenario in which no change occurs in the growth rate of population groups over the coming forty years, the Haredi share in 2065 will be approximately 23% of Israel's population.

The second scenario is based on a projection of continued decline in average Haredi fertility to a multi-year average of 5.8 births per woman (without change in assumptions for the other groups). In that case, by 2065 the Haredi population will number approximately 4.6 million and its share will be 21%.

Figure 3

Estimated Haredi Population Size, 1948–2065

Projections according to fertility scenarios (multi-year average), accounting for people leaving the haredi sector (13.5% of young Haredim), and joining it (1.5% of young Non-Haredi Jews)



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data and CBS publications

In the third scenario, average Haredi fertility in 2024-2065 will be 5.4 births per woman on average (without change in assumptions for the other groups). The Haredi population in 2065 will reach approximately 4 million and its share will be 19%.

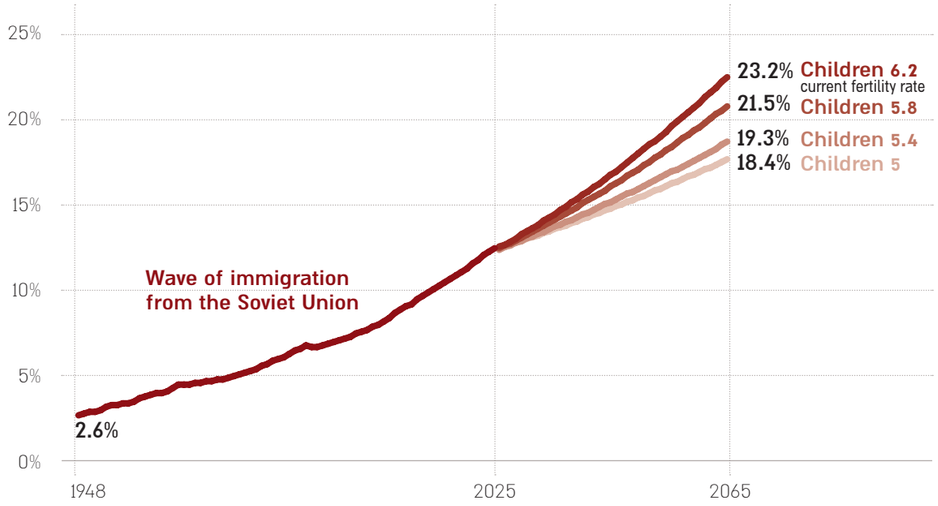
In the fourth scenario, the Haredi growth rate is the lowest and is based on a fertility of 5 births per woman on average in 2024-2065 (without change in assumptions for the other groups). In that case the Haredi population in 2065 will stand at approximately 3.8 million and its share will be 18%.

These figures show that the previously accepted estimate, based on the CBS medium projection according to which by 2065 the Haredi share of Israel's population would be 32%, is not expected to materialize. The current demographic trends, which align with lower projections, underscore the importance of tracking fertility trends among the different population groups and updating population distribution forecasts.

Figure 4

Share of Haredim in the Population, 1948–2065

Projections according to fertility scenarios (multi-year average), accounting for people leaving the haredi sector (13.5% of young Haredim), and joining it (1.5% of young Non-Haredi Jews)

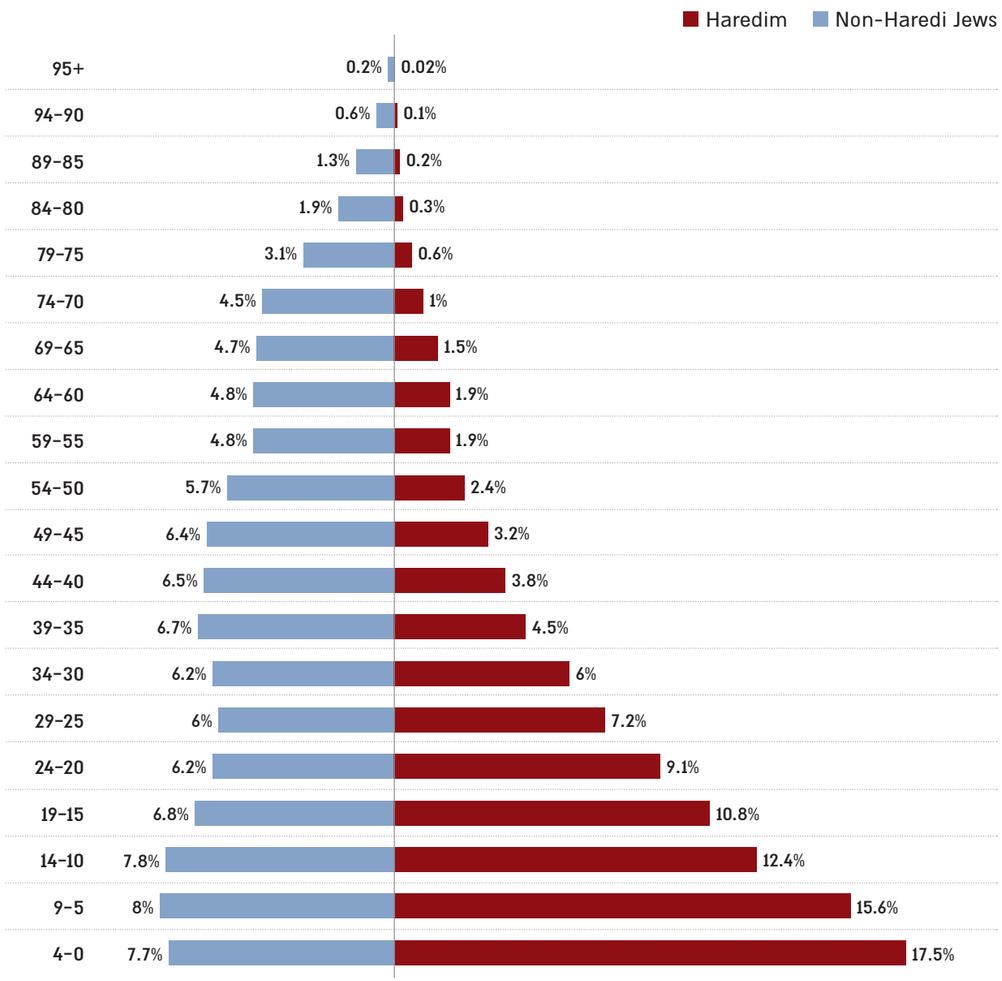


Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data and CBS publications

The rapid growth rate of the Haredi population also creates a distinctive age structure: 56% of the Haredi population is below age 19, compared to 30% of the non-Haredi Jewish population. In working ages (25-64), the trend is reversed: 47% of the non-Haredi Jewish population is in this age group, compared to only 31% of the Haredi population. As of 2025, there are approximately 405,000 Haredim of working age, compared to approximately 3.15 million non-Haredi Jews.

Figure 5

Age Distribution by Sector, 2024



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data and CBS publications

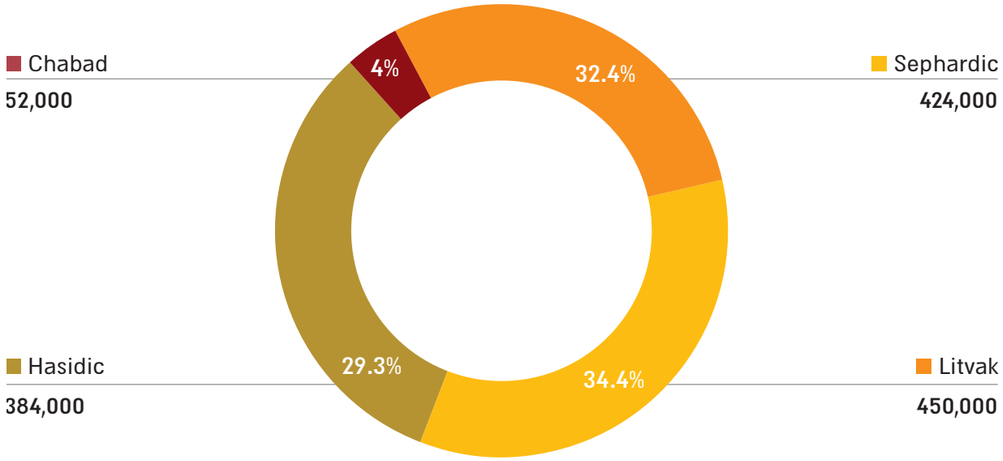
These figures illustrate that even though the Haredi share of the total population is growing, its share of the potential workforce remains relatively small. However, given the young demographic structure of Haredi society and its high growth rate, the number of Haredim of working age will increase in the coming years.

Haredi society in Israel comprises three main streams: Litvak, Hasidic, and Sephardi. All three share similar core values, including strict observance of mitzvot, but each has unique historical, social, and cultural characteristics that influence their outlooks and practices in areas such as education, higher learning, employment, and engagement with Israeli society.

The Litvak stream crystallized in Eastern Europe in the 18th and 19th centuries. It emphasizes Torah study and intellectual principles, and is characterized by a uniform hierarchical communal structure shared by all Litvaks. The Hasidic stream, which also emerged in Eastern Europe in the 18th century, emphasizes the experience of divine service and strong communal life. Within the Hasidic stream there is a range of Hasidic courts, each headed by a rebbe and each with unique sub-characteristics. The Sephardi stream, by contrast, encompasses diverse groups of Jews of North African and Middle Eastern origin and is characterized by a traditional approach to observing mitzvot in accordance with local heritage.

Figure 6

Distribution of Streams in Haredi Society, 2025



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

The Litvak stream is the largest, numbering approximately 450,000 persons and constituting 34% of Haredi society. The Sephardi stream is second in size, approximately 424,000 persons, or 32% of the Haredi population. The Hasidic stream (excluding Chabad) is somewhat smaller, approximately 384,000 persons, or 29% of Haredi society. Chabad Hasidism numbers approximately 50,000 persons and accounts for 4% of all Haredim.

The numerical breakdown is presented to clarify the relative weight of each group within Haredi society. Subsequent chapters will present differences among the various streams in areas such as fertility, employment, and education. Despite their importance, these differences are today obscured in the discourse on policy and strategy regarding Haredi society, causing a bias in the interpretation of trends of change. Since public policy processes in various areas do not affect the Haredi population uniformly, it is important to address the different streams distinctly as part of formulating effective policy.

Geographic Distribution of the Haredi Population

The rapid growth rate of the Haredi population, together with a sharp rise in the cost of living in Israel generally and in real estate prices in the central demand areas of the sector, specifically Jerusalem and Bnei Brak, has made it increasingly difficult for many Haredi families to purchase apartments in those areas. In recent decades, internal migration and geographic dispersion of the Haredi population across the country have become evident.

The maps below present the development of the geographic spread of Haredi society over more than five decades, from the 1970s to 2023, allowing changes in Haredi locality patterns to be tracked.

In the 1970s, and 1980s, Haredi society was characterized by limited geographic concentration. Haredi communities lived in the established cities of Jerusalem and Bnei Brak, which constituted the dominant centers. Small communities were scattered in the north, primarily in Safed and Haifa, and in the south, mainly in Netivot and Be'er Sheva. The distribution in this period reflects a relatively small Haredi society, organized around historical leadership centers, educational institutions, and yeshivot, with high dependence on established urban centers. Beginning in the 1990s, an acceleration of the geographic expansion process became evident. Alongside continued growth in Jerusalem and Bnei Brak, Haredi communities began to appear in additional cities, including Ashdod and Beit Shemesh. At this stage a dual spatial dynamic was evident: rapid natural growth within the established concentrations, alongside a search for new residential spaces. At the end of the decade, the new Haredi cities of Modi'in Illit and Elad were established, and Beitar Illit was subsequently also declared a city.

During the first decade of the 2000s this trend strengthened and the Haredi population's presence throughout the country became more substantial. Communities in Jerusalem, Bnei Brak, Ashdod, and Beit Shemesh had a more prominent presence, parallel to continued expansion of the new Haredi cities. During these years, growth of the Haredi population in the north, in the cities of Safed and Haifa, was also evident, as part of the movement of Haredi families to areas where housing is cheaper. By 2023, a broad distribution of the Haredi population throughout the country was already evident: Jerusalem and Bnei Brak retained their status as the largest Haredi population centers, and their demographic presence in these cities reached record numbers, despite the significant rise in housing

Geographic Distribution of the Haredi Population

Legend

Haredi Population Size:

1–1,500

1,501–4,000

4,001–8,000

8,001–25,000

25,001–50,000

50,001–100,000

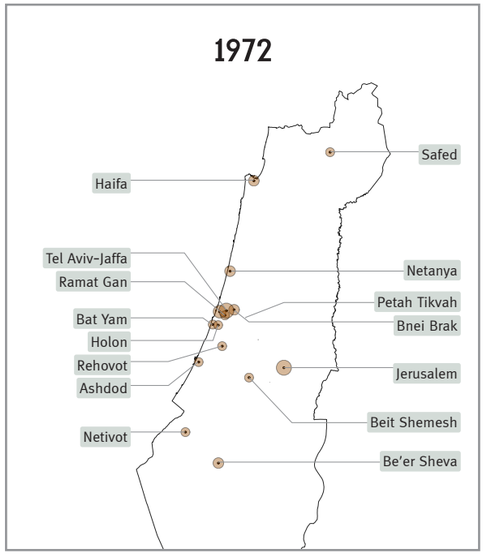
100,001–150,000

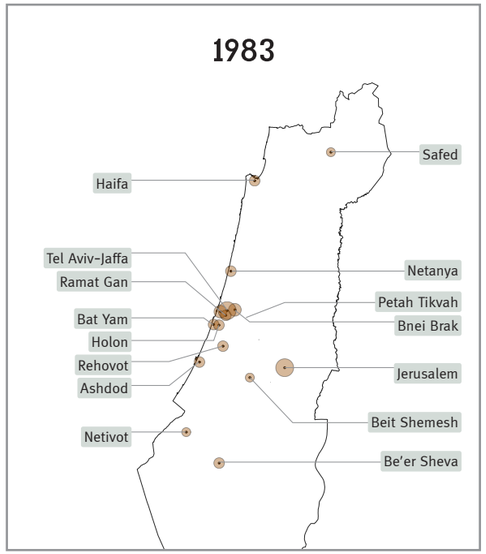
150,001–200,000

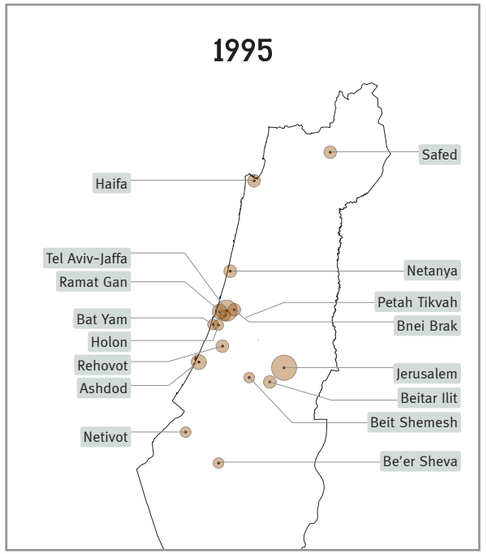
200,001–250,000

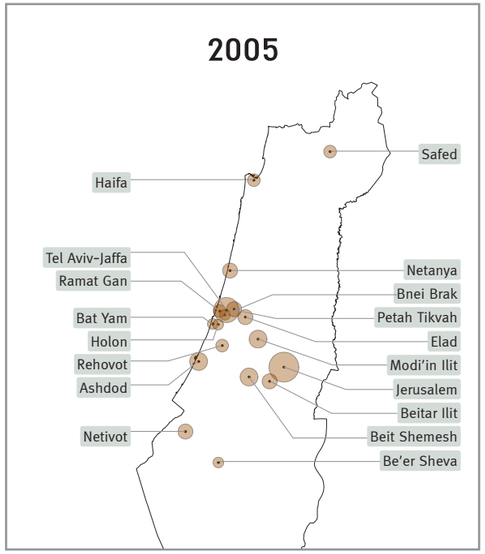
Over 250,000

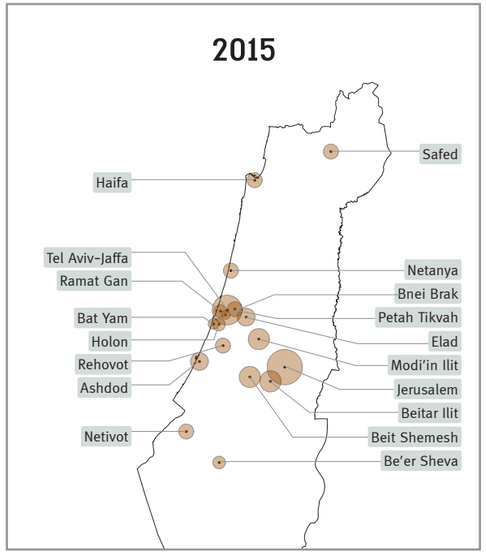
Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

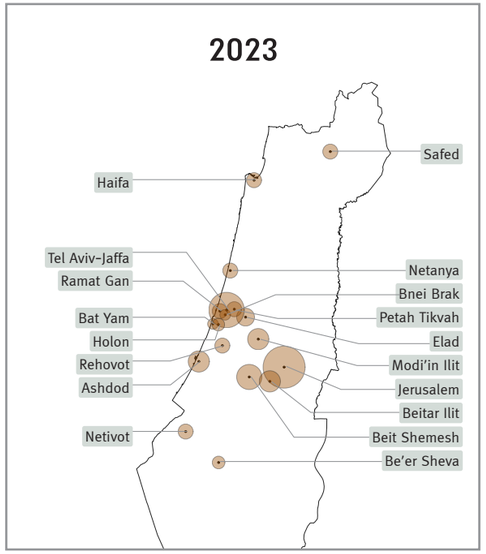












prices there. At the same time, communities were growing in secondary Haredi concentrations, mainly in Beit Shemesh and Ashdod, while the number of Haredim living in the Haredi cities, mainly Modi'in Illit, Elad, and Beitar Illit, stabilized because of maximal utilization of land and building reserves in those cities.

These trends have far-reaching social, economic, and planning implications. The geographic dispersion reflects a quantitative change in the Haredi population alongside its spatial positioning within Israeli society. This carries deep future implications for employment, access to services, familiarity with Israeli society and contact with it, and more. Understanding these trends is essential for analyzing future policy in areas of housing, transportation, education, employment, and regional development.

Marital Status

Haredi society places great importance on the institution of the family and views it as a cornerstone of individual life. The family is seen as providing stability, a framework, and a strong communal sense of belonging, and as a central mechanism for transmitting religious and cultural values to future generations, ensuring the continuation of society in its current structure. Establishing a family at a young age is therefore a social norm accompanied by a clear expectation of the community and the extended family, to which great value is ascribed.

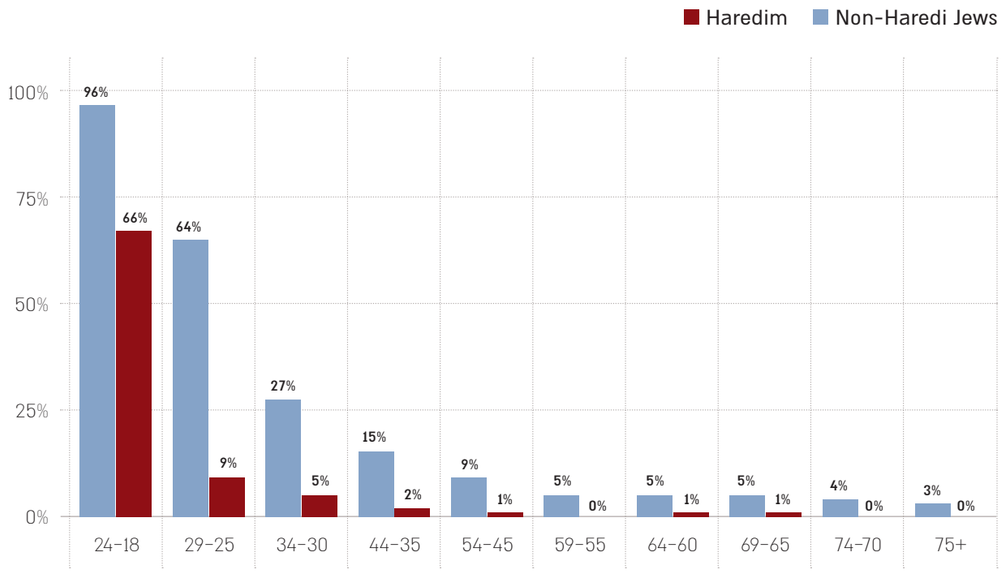
Accordingly, in 2024 the proportion of single men and women in Haredi society was far lower than in non-Haredi Jewish society, and the overwhelming majority marry by age 30, often earlier: among those aged 18-24, 66% of Haredim are single, compared to 96% of non-Haredi Jews. This gap widens in the 25-29 age group: while in Haredi society the proportion of singles drops to 9%, in non-Haredi Jewish society 64% of that group are unmarried.

In the older age groups the gaps between population groups narrow but do not disappear. Among those aged 30-34 the proportion of singles in Haredi society is 5%, and among those aged 35-44 it reaches 2%. In contrast, in non-Haredi Jewish society the proportion of singles in these age groups is significantly higher: 27% and 15%, respectively.

Marriage patterns are not merely a demographic characteristic but a central component in shaping the Haredi life course and distinguishing it from that of non-Haredi Jewish society. Early marriage, relatively speaking, has broad implications for other areas that will be presented later in the report, including integration into higher education, entry into the labor market, gender role division, and fertility patterns.

Figure 7

Bachelorhood Rate by Age Group and Sector, 2024



Source: The Institute for Strategy and Haredi Policy, based on Labor Force Survey data

Accordingly, the proportion of married young men and women in Haredi society is notably higher than in other population groups. In 2024, the proportion of married Haredim aged 18-24 stood at 36%, compared to 7% in Arab society and only 3.5% in non-Haredi Jewish society.

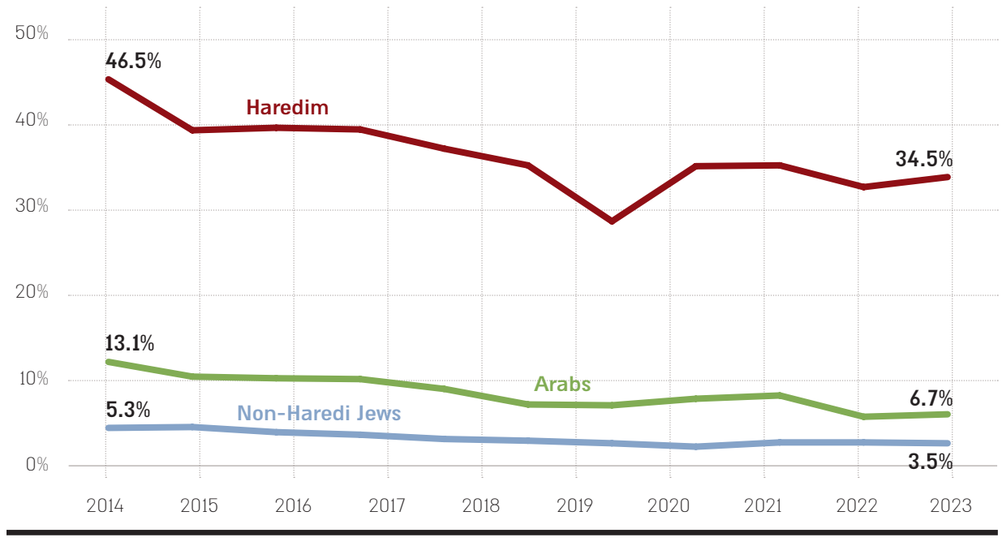
Examining the data over time shows a trend of declining marriage rates in the 18-24 age group across all population groups. The proportion of married Haredim in these ages stood at 46% in 2014 and has gradually declined over the past decade to 34% in 2024. A sharp but temporary decline was recorded in 2020, when the rate dropped to 29.5%, apparently because of COVID restrictions and their direct impact on holding events.

This downward trend does not indicate an overall decline in the status of the institution of marriage in Haredi society. It most likely stems from a growing tendency to establish families at older ages, generally for economic reasons: in recent years, the need for early financial stability has grown stronger, especially among women, who in most cases bear the burden of providing income in the early years of marriage. In the past, young Haredi women tended to marry while pursuing vocational training, but today there are demanding requirements for certification to enter quality positions in high-productivity sectors. These requirements often encourage postponing marriage until the completion of training and initial establishment in the labor market.

In non-Haredi Jewish society, no notable change was observed in the proportion married at a young age, and throughout the entire measured period, the average marriage rate in these ages stood at 4%. In Arab society, a similar downward trend is evident to that in Haredi society, with the proportion married in this age group declining gradually from 13% in 2014 to 7% today.

Figure 8

Marriage Rates by Sector, 2014–2024, Ages 18–24



Source: The Institute for Strategy and Haredi Policy, based on Labor Force Survey data

Average Family Size

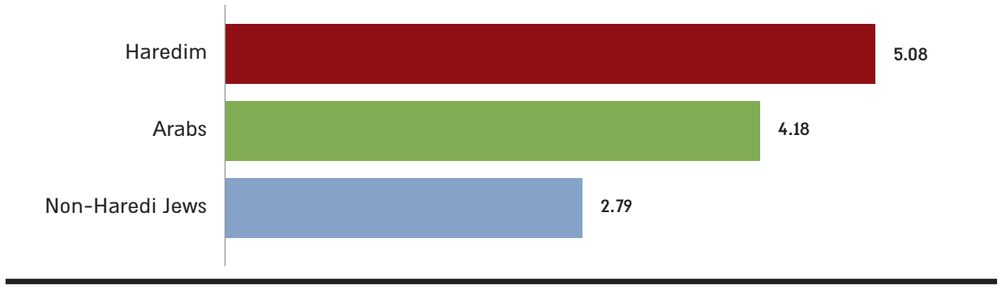
The importance that Haredi society attaches to the institution of the family is also expressed in the aspiration to establish large, multi-child families. This aspiration rests on the Torah commandment "Be fruitful and multiply" and on a worldview that sees the large extended family as the foundation of family and community life.

This pattern involves significant economic challenges, and Haredi families are required to cope with multiple needs alongside relatively limited incomes, as will be presented in detail in the employment chapter. Nevertheless, the economic challenge does not undermine the standing of the value of the large family, which remains a central and organizing foundation in Haredi identity and communal life.

Accordingly, the average Haredi family is the largest among Israel's population groups. In 2024, the average size of a Haredi family was 5.08 persons. This compares to an average of 2.8 persons in a non-Haredi Jewish family and 4.18 persons in an Arab family. The average Haredi family size does not reflect its final size, since this measure includes families at early stages of the family life cycle, in which not all children have yet been born, alongside more established families in which some children have already married and left home. The average family size therefore embodies a dynamic demographic structure rather than the full scope of Haredi family childbearing.

Figure 9

Average Household Size by Sector, 2024



Source: The Institute for Strategy and Haredi Policy, based on Labor Force Survey data

Over the years, changes in family sizes have occurred in all of Israel's population groups, against the backdrop of social, economic, and cultural processes.

Between 2014 and 2020, there was a moderate increase in average family size in Haredi society, from 5.06 to 5.25 persons. From 2020 onward, a moderate downward trend has been evident, and in 2024 the average Haredi family size reached 5.08 persons.

Among non-Haredi Jewish families and Arab families, a sustained and moderate decline in family size occurred over this period. Among non-Haredi Jews, average family size declined from 2.94 persons in 2014 to 2.8 in 2024. In Arab society, average family size declined during this period from 4.63 to 4.18 persons.

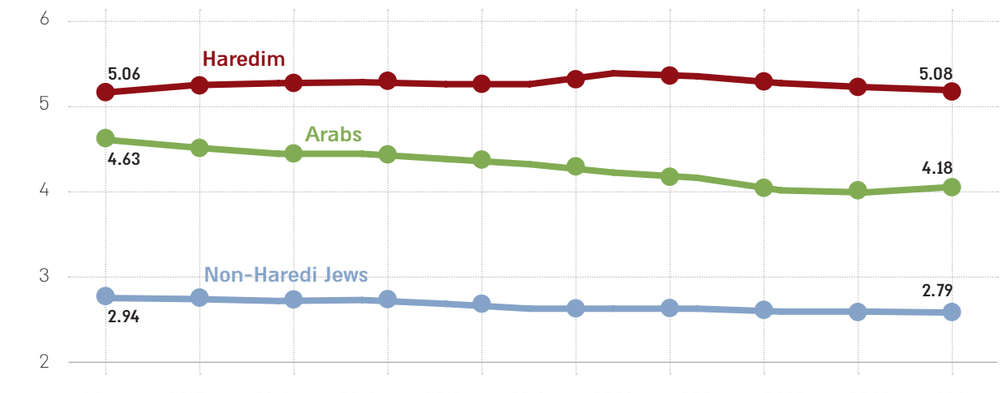
These figures indicate that in recent years Haredi society has been joining, even if partially, the general trends of declining family size in Israel. This trend may stem from a combination of economic pressures and constraints that are growing within Haredi society. The cost of living, housing prices, and the need for more stable income pose significant challenges for large households with a relatively large number of children. In addition, changes in the Haredi way of life, principally the expansion of Haredi women's participation in the labor market, at times in more demanding professions than in the past, can also affect fertility patterns and the pace of family expansion.

Despite this trend, the average number of persons in a Haredi family remains notably high compared to other population groups in Israel and continues to constitute a unique and central characteristic

of Haredi society. This figure illustrates the high commitment in the Haredi community to the value of family, but also highlights the need to cope with the challenges accompanying the economics of a large household.

Figure 10

Average Household Size by Sector, 2014–2024



Source: The Institute for Strategy and Haredi Policy, based on Labor Force Survey data

Fertility Rate

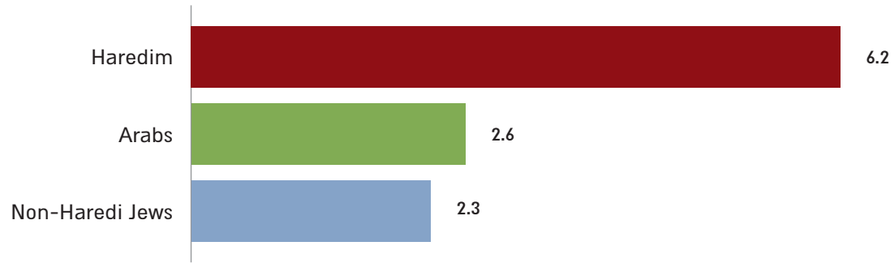
Family size derives primarily from women's fertility rate. As with average household size, fertility in Haredi society is the highest among Israel's population groups, standing at 6.2 births per woman on average. The average fertility rate among non-Haredi Jews is significantly lower, at 2.3 births per woman. In Arab society the average fertility Rate is similar, at 2.6 births per woman, a figure reflecting an ongoing process of convergence toward the fertility patterns prevailing in Israeli society at large.

Like changes in average family size, the fertility rate among Israel's various population groups is not fixed but changes over time and reflects broad social, economic, and cultural processes. A historical examination of fertility patterns shows the unique demographic trajectory developed by each population group in Israel.

Since the 1950s, average fertility among Haredi women has been rising gradually. In 1955, this figure stood at 4.8 births per woman, the lowest in the period examined. Since then fertility rose steadily and reached a peak of 7.3 births per woman in 2003. This trend reflects the consolidation of the ideology of "the society of learners" and the strengthening of the religious and social value of the large family.

Figure 11

Fertility Rate by Sector, 2023



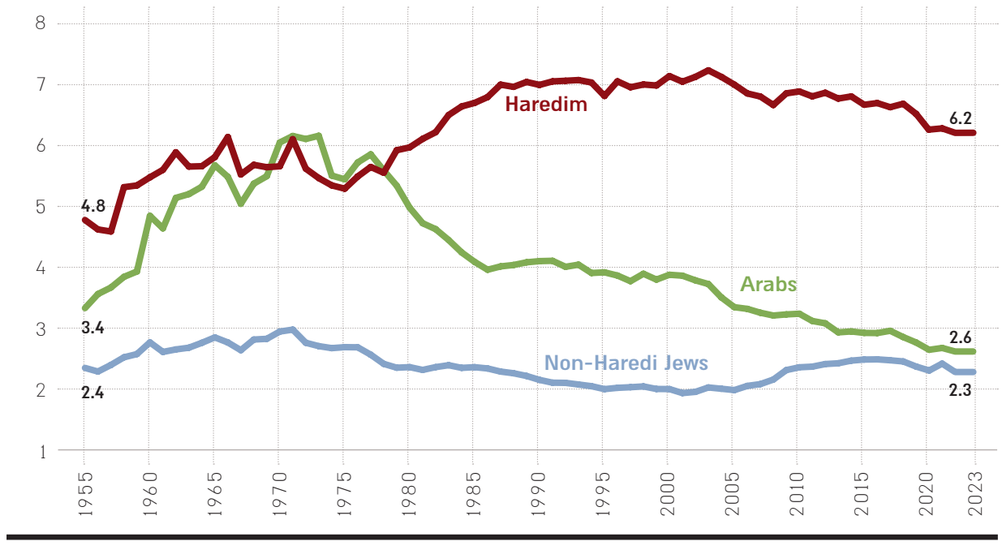
Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

In 2003, a turning point occurred in this trend, and since then a sustained decline in fertility among Haredi women has been evident. In 2020, the lowest fertility in 43 years was recorded: 6.2 births on average, a level that remained stable in 2023 as well. This decline may stem from socioeconomic factors, including housing prices, the cost of living, and the difficulty of supporting large families, as well as from employment trends among Haredi women, who have gradually integrated into high-productivity sectors and taken on demanding roles and professions. In contrast, among non-Haredi Jewish women, the fertility pattern has remained relatively stable over the past seventy years. In 1955, fertility in this group stood at 2.4 births per woman on average, a level similar to that measured today (2.3). Within this stability, however, fluctuations occurred: in 1971 a peak of 3 births per woman on average was recorded, while in 1999-2005 a low of 2 births was recorded.

In Arab society the trend is more complex. In 1955-1973, there was a sharp increase in fertility, from 3.4 to 6.2 births per woman on average. In 1970-1978, fertility in Arab society was even higher than in Haredi society. However, since then a sustained decline in these figures has occurred, expressing social and economic changes in the Arab sector, including growing integration of women into the labor market and rising educational attainment. In 2022, fertility in Arab society reached a historic low of 2.6 births per woman on average, a figure that remained unchanged in 2023.

Figure 12

Fertility Rate by Sector, 1955–2023



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

Fertility Rate by Stream

The differences among the various streams in Haredi society are also expressed in fertility patterns. As of 2023, the highest figure was recorded in the Hasidic stream, with an average of 7 births per woman. In the Litvak stream this average is somewhat lower, at 6.6, and in the Sephardi stream the lowest figure was measured: 5.3.

A historical examination points to changes in fertility trends among the various streams in Haredi society. In the 1950s, and early 1960s, the highest fertility was in the Sephardi stream, reaching an average of 7 births per woman. Beginning in the late 1960s and through the 1970s, there was a sharp decline in this figure, to an average of 4.9, a trend that aligned with the decline in fertility among all Eastern communities.

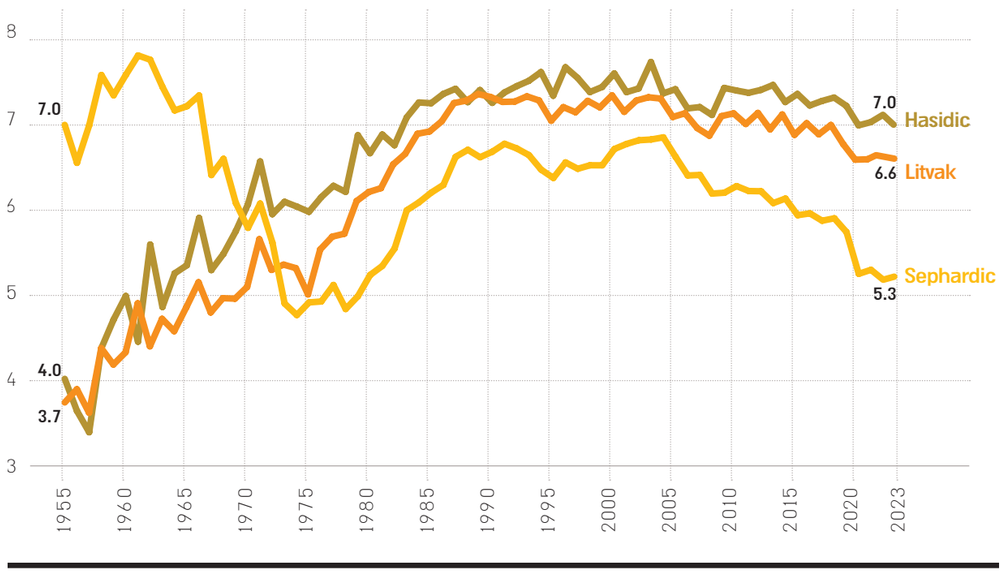
From the 1980s through the early 2000s there was a rise in Sephardi stream fertility, indicating the strengthening of Sephardi-Haredi identity and the influence of the dominant Haredi model. In 2003, the average in this stream reached 6.9 births per woman. However, in the past two decades there has been a sharp and sustained decline in Sephardi stream fertility, and today the average stands at 5.3, the lowest fertility rate among the different streams in Haredi society.

In the Litvak and Hasidic streams, a sustained upward trend in fertility was recorded from the 1950s, reaching its peak in the early 2000s. In the Litvak stream, fertility rose from 3.7 births per woman on average in 1955 to a peak of 7.4 in 2000. Afterward a moderate and gradual decline began, stabilizing around an average of 6.6 from 2020 onward. A similar pattern is evident in the Hasidic stream, in which fertility rose from 4 births per woman on average in 1955 to a peak of 7.8 in 2003, then gradually declined and stabilized at 7 births per woman on average from 2020 onward.

Overall, beginning in the late 1970s, when the "society of learners" model became established, similar trends are discernible in all three Haredi streams: rapid increases in fertility through the early 2000s and afterward a gradual and consistent decline. The decline since 2004 may be linked, among other things, to cuts in child allowances and changes in the structure of economic incentives, alongside additional social and economic changes. Nevertheless, over the past two decades a widening gap has been emerging between the streams, particularly between the Sephardi stream and the Litvak and Hasidic streams. This trend emphasizes that even within Haredi society fertility patterns are not uniform, and that the balance of the various forces within it is in motion in ways that may affect broader social and economic trends in the coming years.

Figure 13

Fertility Rate by Haredi Stream, 1955–2023



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

Fertility Rate by Locality

Alongside the variation in fertility among the Haredi streams, fertility patterns of Haredi families in various localities were also examined. Since affiliation with a Haredi stream is linked to the choice of place of residence, the variation in fertility levels is also evident among localities.

The peak of fertility is found among Haredim living in Afula and Arad, where the average stands at 7.6 births per woman, and in the city of Lod, where the average stands at 7.2. In these cities there is a significant presence of Hasidic communities, and these figures reflect the relatively high fertility of the Hasidic stream.

High fertility figures were also found in Modi'in Illit (7.1), a city characterized by a Litvak population, and in Beit Shemesh (6.98), which consists of a diverse population of conservative Hasidic communities alongside more modern ones.

At intermediate levels are cities with a more heterogeneous Haredi community, such as Ashkelon, Netanya, Rehovot, Ashdod, and Netivot, with an average ranging around 5 to 5.8 births per woman. These cities reflect a middle model of Haredi life within a general urban space.

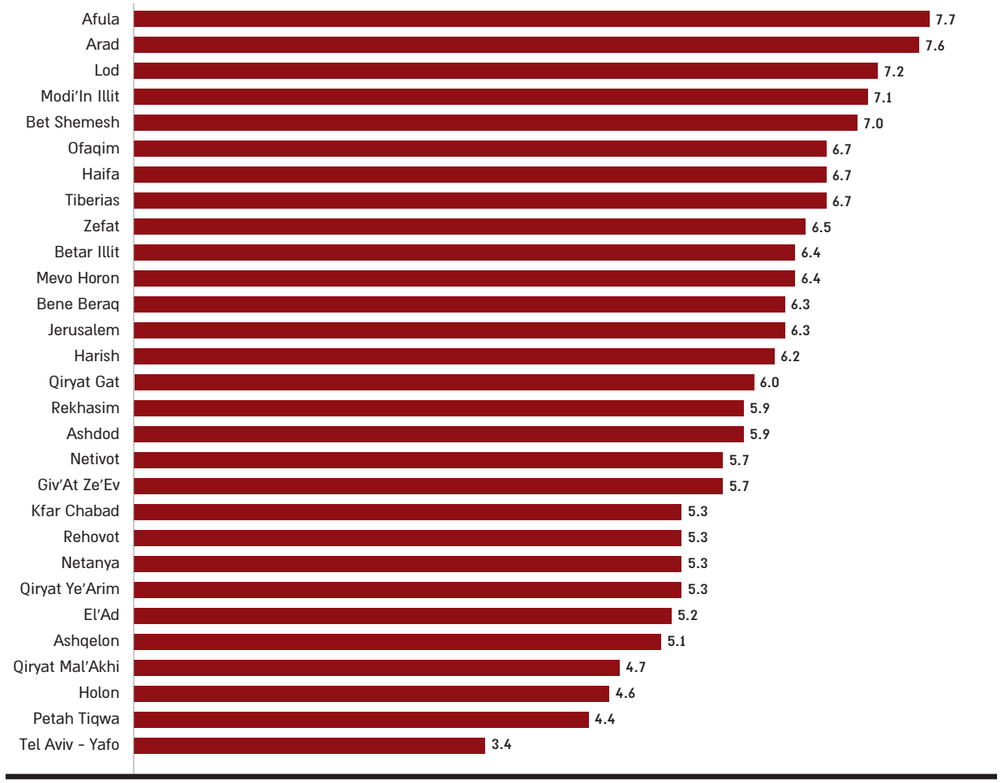
At the bottom of the table are localities in the center of the country, such as Tel Aviv (3.4), Petah Tikva (4.4), and Holon (4.6). In these localities, and particularly in Petah Tikva, relatively young Haredi groups live, with more significant integration characteristics in employment and education, qualities linked to below-average fertility.

The main Haredi cities, Jerusalem and Bnei Brak, where the largest and most established Haredi concentrations live and where a mix of all streams in Haredi society exists, are positioned in the middle of the table, with fertility similar to the average for the Haredi population as a whole (6.3).

Over the years, fertility levels have changed significantly among the Haredi cities, but in all localities a similar pattern is discernible: very high fertility at the beginning of the 2000s, a gradual decline over the past two decades, and a relative stabilization at lower levels in the past decade.

Figure 14

Fertility Rate in the Haredi Sector by Locality, 2023

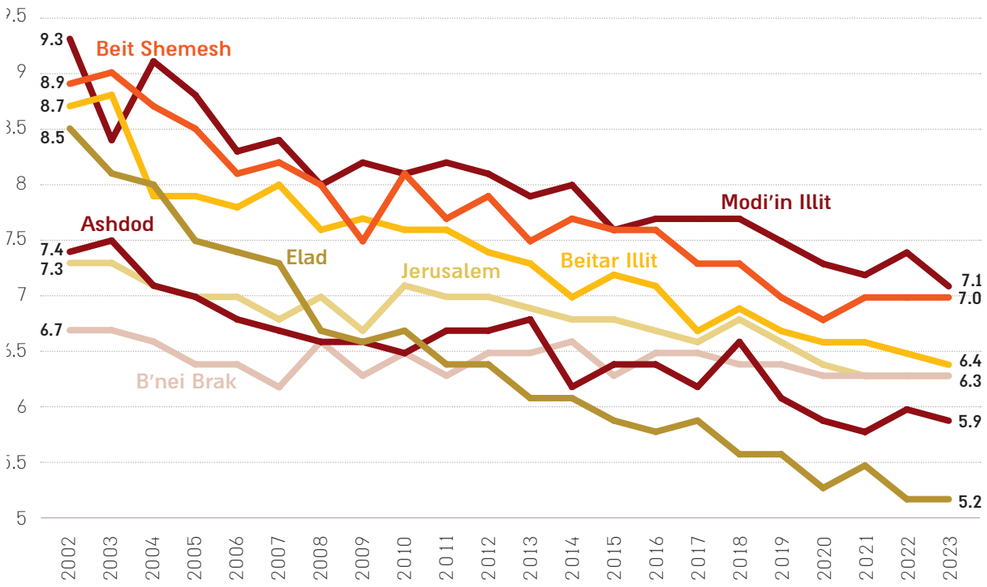


Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

In the relatively young Haredi cities, particularly high fertility levels have been recorded throughout the entire period. Modi'in Illit has had the highest fertility in most of the years examined, with peaks of over 9 births per woman on average at the beginning of the period, and a gradual decline to 7.1 births in 2023. Beit Shemesh and Beitar Illit show a similar but more moderate pattern: very high fertility at the beginning of the 2000s (8.8-8.9 births per woman on average) and a consistent decline over the years. Beit Shemesh retained a high average even in 2023 (7.0) compared to Beitar Illit, where fertility declined notably to 6.4 births per woman on average. The ongoing influx of young families to Beit Shemesh, which has been undergoing sustained construction activity in the past decade, apparently affects its relatively high fertility rate, compared to Beitar Illit where land and construction reserves have already been exhausted.

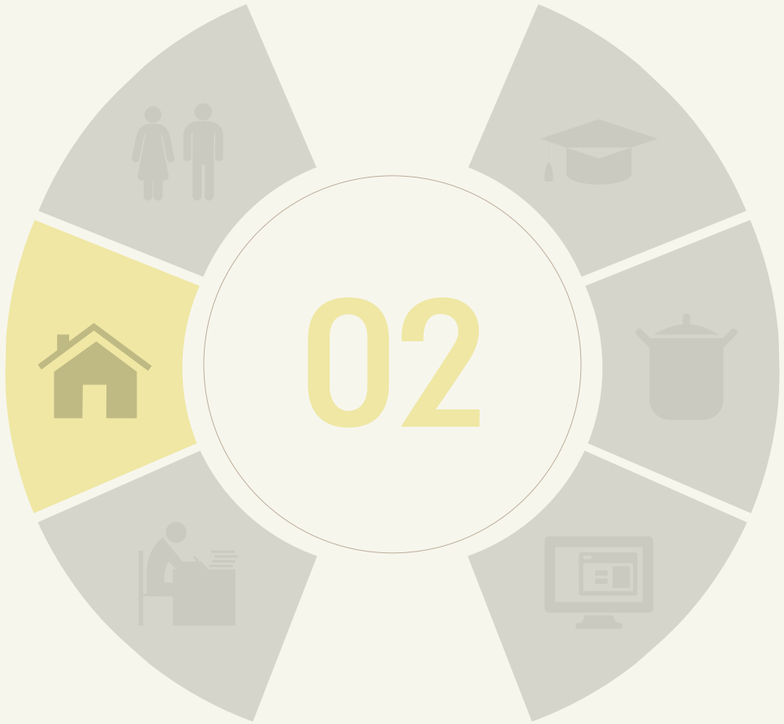
Figure 15

Fertility Rates in the Haredi Sector in Selected Cities, 2002–2023



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

In Bnei Brak, the second largest city in terms of Haredi concentration, the smallest changes in fertility were recorded among the cities examined: from 6.7 births per woman on average at the start of the period to 6.3 at its end. This moderate decline is consistent with the relatively conservative character of the city's population. In Jerusalem too the average declined moderately: from 7.3 in 2002 to 6.3 in 2023. The sharpest decline among the cities examined was observed in Elad: the average fertility in the city stood at 8.5 births per woman in 2002, and by 2023 it had fallen to 5.2. This trend most likely stems from the presence of Sephardi communities in the city, which according to the data presented above, have the lowest fertility rate in Haredi society. In Ashdod a more moderate downward trend was observed, from 7.4 at the beginning of the period to 5.9 at its end. This city too has a presence of Sephardi communities alongside various Hasidic communities.



Housing

Housing has become one of the most pressing economic and social challenges in Israeli society in recent decades. The sustained rise in apartment prices, the shortage of supply in demand centers, and the sharp increase in the cost of housing credit have created mounting pressure on households and led population groups to adopt different housing patterns and new housing strategies. These processes are particularly evident among young people with relatively low incomes, manifesting in delayed purchases, reduced leverage, and geographic movement away from traditional demand areas.

This chapter examines housing patterns in Haredi society and compares them to those of non-Haredi Jewish society, distinguishing between all apartment buyers and first-time buyers. This distinction is essential, since young couples are far more strongly affected by changes in housing prices, interest rates, and financing conditions, and serve as a sensitive indicator of structural changes in the market. In Haredi society, the housing market is a central arena in which the tension between deep-rooted social norms and growing economic constraints is sharpened. Purchasing an apartment is perceived as a central normative stage in the Haredi life course, occurring as a rule near the time of marriage or in the very early stages of the young couple's life. This norm is supported by family and community assistance mechanisms, including significant help with apartment purchase as a wedding gift, and has over the years contributed to relatively high ownership rates and a particularly young age for first-time apartment buyers in Haredi society.

This commitment to apartment purchase today exists against a backdrop of increasingly stringent economic constraints, chief among them the rise in housing prices, interest rates, and the cost of living. As a result, a dual phenomenon has been evident in recent years: on the one hand, the proportion of Haredi households that own an apartment has been declining and the number of first-time purchases has contracted. On the other hand, among households that continue to purchase, the relatively rigid demand for housing translates into deeper use of credit and higher leverage levels. This pattern distinguishes Haredi society from other population groups, in which the rise in interest rates was accompanied by a reduction in leverage and delayed purchases, and it points to a different adaptation to the economic cycle and to changes in credit pricing.

At the same time, clear changes in Haredi society's residential patterns are evident, chief among them the expansion of apartment purchases in the northern and southern periphery. This trend is particularly evident among first-time buyers, who are turning to developing cities where there is a combination of more accessible housing prices, new projects, and the gradual establishment of Haredi community infrastructure. In many cases, these buyers serve as the pioneers of Haredi locality in new spaces and drive long-term processes of community consolidation.

The movement away from Haredi core cities is not random but is contingent on the existence, or the potential for establishment, of educational, religious, and community institutions adapted to the various streams in Haredi society. For this reason, the geographic dispersion is concentrated in a limited number of cities, such as Beit Shemesh and Haifa, where significant Haredi concentrations have consolidated in recent years. These processes may generate frictions in urban space with veteran populations and underscore the need for early planning and institutional readiness to create shared and functional urban spaces.

The housing patterns of Haredi households directly affect employment patterns and daily mobility, the distance to employment centers, and the quality of integration in the labor market. In this way they create a close connection between the housing market and the trends described in the employment chapter. This sharpens the need for renewed discussion of the housing needs of the Haredi population and the social, spatial, and policy implications of current adaptation patterns.

Key Findings

66%
of Haredim own apartments
compared to 63% among non-Haredi Jews and 76% among Arabs

45%
of Haredi households took a mortgage
compared to 28% of non-Haredi Jewish household

15,271
apartments were purchased by Haredim in 2024, compared to 70,936 by non-Haredi Jews in the same year

25%
of Haredi families who own an apartment purchased it from a contractor, compared to 31% among non-Haredi Jews

1.76
NIS million
Average apartment cost for Haredim — 85% of the average cost among non-Haredi Jews (2.08 million NIS)

3.8 Rooms
Median floor area of apartments purchased by Haredim, compared to 98 sq. m. in apartments purchased by non-Haredi Jews

87 sq. m
Average number of rooms in apartments purchased by Haredim, compared to 4 rooms on average in apartments purchased by non-Haredi Jews

8%
of Haredi families who rent apartments receive family assistance for rent payment, compared to 2% among non-Haredi Jews

5
Years
Median age of apartments purchased by Haredim in 2024, compared to 7 years in apartments purchased by non-Haredi Jews

29
Years
Average age of Haredi apartment buyers, compared to 39 among non-Haredi Jewish buyers

3,800
NIS
Average rent paid by Haredim, compared to 3,913 NIS paid by non-Haredi Jews

4,361
NIS
Average monthly mortgage repayment of Haredim, compared to 5,078 NIS paid by non-Haredi Jews

Leading purchase destinations in 2023–2024: Jerusalem (4,380 apartments), Bnei Brak (2,519), Beit Shemesh (2,231), Ashdod (1,296), Haifa (930).

Key Trends

Homeownership
In 2022-2023, a real turning point occurred. Alongside the continuing decline in the homeownership rate in the general population, for the first time a sharp and significant decline of three percentage points was recorded in the homeownership rate in Haredi society: from 69% to 66%.

Mortgages
The share of Haredi households with a mortgage rose steadily, from 40% in 2021 to 45% in 2023.

Monthly Mortgage Payments
In 2023, the average monthly mortgage payment among Haredi households continued to rise, increasing by 14% from NIS 3,836 in 2022 to NIS 4,361. By contrast, among non-Haredi Jewish households, the average payment declined slightly, from NIS 5,130 to NIS 5,078.

Number of Apartments Purchased
In 2023–2024, apartment purchases declined across all major Haredi demand centers compared to 2021–2022, with the exception of Jerusalem. The sharpest decline was recorded in Beit Shemesh (50%), followed by Bnei Brak (12%), Ashdod (11%), and Haifa (7%). By contrast, Jerusalem saw a 5% increase in apartment purchases.

Age of Apartment Buyers
The average age of apartment buyers has remained stable in recent years: 29 among Haredim and 39 among non-Haredi Jews.

Apartment Purchases in the Periphery
The share of Haredi apartment purchases in the Northern, Haifa, and Southern districts out of total Haredi purchases nationwide rose sharply, from 18% in 1999–2002 to 44% in 2021–2024.

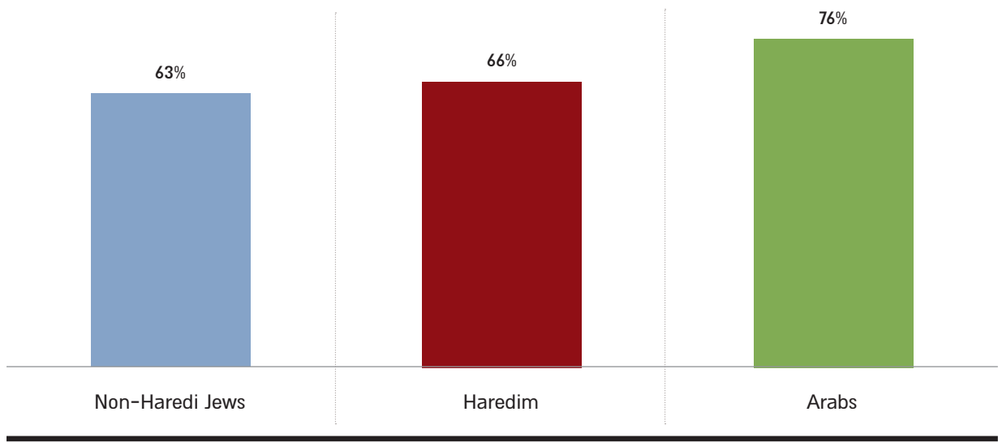
Homeownership Rates

The Haredi family attaches great importance to the home, which is perceived not only as a place of residence but as an anchor of economic, social, and communal stability. Purchasing an apartment for a young couple is perceived as a normative stage in the life course, occurring as a rule near the time of marriage and considered an important condition for establishing the family unit. This perception places apartment purchase at a relatively early stage of family life, sometimes even before full economic stability has been achieved.

The gap between the importance of homeownership and the limited economic capacity characteristic of young couples has, over the years, created a social convention according to which the financing of apartment purchase is not borne only by the couple. Parents, and at times additional family members, participate significantly in the financing, whether through long-term savings or through direct assistance with the purchase or mortgage repayments. This family support is a central component in the ability of Haredi families to achieve homeownership at a young age. Alongside family support, a network of institutional community mechanisms operates in Haredi society to support the realization of this norm. In many Haredi communities, free-loan funds (gemachim) and interest-free loan funds operate, financed by community member donations or private individuals, providing financial assistance to cover significant expenses including apartment purchase. There are also charity funds and designated accounts offering loans, grants, and additional forms of financial support that complement family and bank financing.

Figure 16

Homeownership Rates by Sector, 2022-2023



Source: The Institute for Strategy and Haredi Policy's calculations based on Household Expenditure Survey data

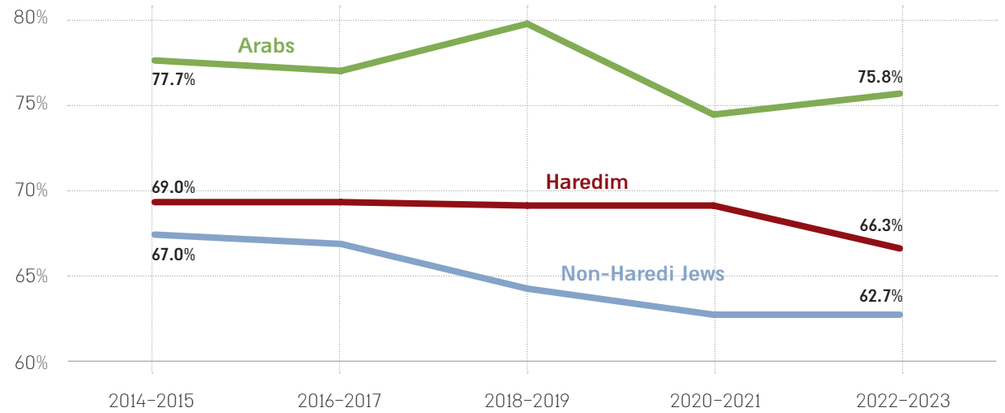
The existence of a broad social convention encouraging apartment purchase at a relatively early stage of married life is reflected in the differences in homeownership rates among population groups. In 2025, the homeownership rate in Haredi society stood at 66%, a rate higher than that of non-Haredi Jews, which reached 63%. In Arab society the ownership rate is the highest, reaching 76%, mainly on the basis of self-construction on existing family land.

In 2014-2021, relatively stable gaps in homeownership rates among population groups in Israel were maintained. Throughout this period the homeownership rate in Haredi society was slightly higher than in non-Haredi Jewish society, and notably lower than the ownership rate in Arab society. Until 2021 only minor changes occurred in the Haredi homeownership rate, while in non-Haredi Jewish society a sustained decline in the ownership rate was recorded, from 67% in the middle of the decade to 62% at the end of the period.

A real turning point occurred in 2022 and 2023. Alongside the continuation of the declining homeownership trend among non-Haredi Jews, for the first time a sharp and significant decline was also recorded in the Haredi homeownership rate. Within two years the Haredi homeownership rate fell by three percentage points, from 69% to 66%, and Haredi society joined for the first time the general declining trend in homeownership rates in Israel over the past decade.

Figure 17

Homeownership Rates by Sector, 2014–2023



Source: The Institute for Strategy and Haredi Policy's calculations based on Household Expenditure Survey data

This finding is based on a relatively small sample of Haredi households (approximately 600 families), and it is therefore too early to determine whether this represents a stable and sustained trend. However, the notable decline in the ownership rate may constitute an initial indication of the economic difficulties

experienced by many Haredi families against the backdrop of the sharp rise in housing prices and the interest rate environment. These difficulties may also affect broader socioeconomic areas, including employment, education, and consumption patterns, as will be illustrated in subsequent chapters.

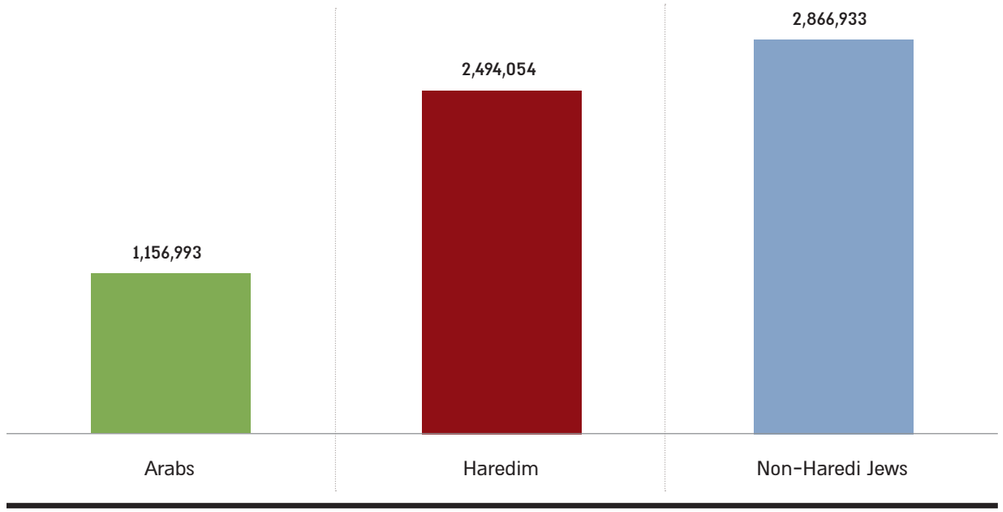
Property Values

Significant differences are also evident in the value of assets owned by households in the different population groups. The average value of an apartment owned by Haredi households stands at NIS 2.49 million. This figure is lower than that of non-Haredi Jews, whose average apartment value stands at NIS 2.87 million, but notably higher than the value of apartments owned by Arab households, which stands at NIS 1.16 million.

These differences reflect a combination of structural and spatial factors. The relatively lower price levels in Haredi society compared to non-Haredi Jewish society stem, among other things, from the purchase of smaller, older apartments in less expensive locations, usually in the geographic periphery or in developing neighborhoods. In comparison, to Arab society, where self-construction on family land in areas with low land values is prevalent, the value of Haredi assets is significantly higher, partly because of concentrated purchases in cities and neighborhoods with full urban infrastructure and stable demand.

Figure 18

Average Value of an Owned Apartment by Sector, 2023



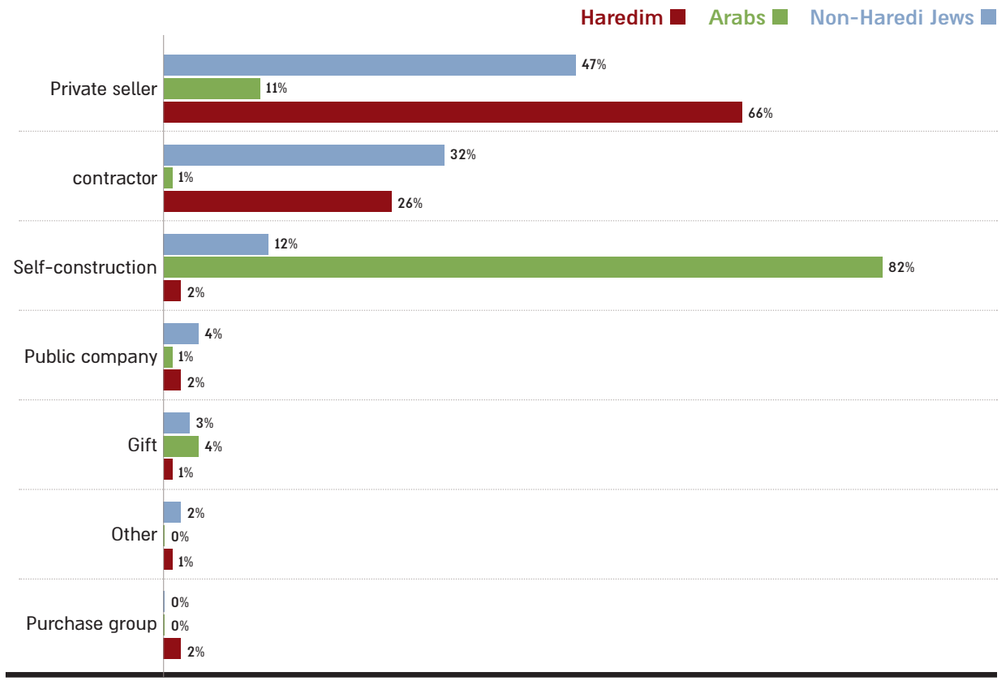
Source: The Institute for Strategy and Haredi Policy's calculations based on Household Expenditure Survey data

The data regarding the decline in homeownership rates in Haredi society underscore that even though the apartments purchased by Haredi households are not the cheapest in the market, their purchase involves stringent financial conditions. This decline therefore reflects the difficulty of households in attaining ownership of an apartment whose average value remains relatively high, particularly against the backdrop of the rise in housing prices and financing costs.

The way in which households achieve homeownership is not only a question of price but a reflection of an entire system of norms, constraints, and economic adaptation mechanisms. Accordingly, examining apartment purchasing patterns by sector sharpens the deep differences among population groups in Israel and clarifies how the structure of the housing market translates into different ownership paths.

Figure 19

From Whom the Owned Apartment Was Purchased, by Sector, 2023



Source: The Institute for Strategy and Haredi Policy's calculations based on Household Expenditure Survey data

Thus, among Haredi households, 66% of purchases are made from a private individual, a rate significantly higher than that recorded among non-Haredi Jews (47%). Purchase from a contractor accounts for only 26% of Haredi purchases, compared to 32% among non-Haredi Jews. This pattern indicates a clear Haredi tendency toward the second-hand market and purchase in an existing

urban environment, rather than large-scale new construction. In Arab society the purchase pattern is fundamentally different: 82% of apartments are self-built, usually on family land, and only 11% of apartments are purchased from a private individual. Purchase through public companies, purchasing groups, or gifts constitutes a marginal component in all groups, particularly in Haredi society.

These findings clarify that Haredi households operate almost exclusively in the formal housing market, with a high dependence on market transactions and housing credit, unlike Arab society which relies on mechanisms of self-construction. This pattern explains both the relative asset values and the deepening of the leverage observed among Haredi apartment buyers.

Proportion of Mortgage Holders

Apartment purchase in Israel is in many cases accompanied by taking out a loan secured by a mortgage on the purchased property. In 2023, 45% of Haredi households paid a mortgage, compared to 27% of non-Haredi Jews. In the Arab sector the picture is entirely different: although the homeownership rate is high, the proportion of households carrying a mortgage is particularly low, standing at only 4%. The high proportion of mortgage holders in Haredi society reflects a combination of an entrenched social norm of apartment purchase, particularly at a young age, and a relatively limited ability to raise equity. As a result, apartment purchase in Haredi society relies heavily on external financing and on taking out a mortgage at high financing rates.

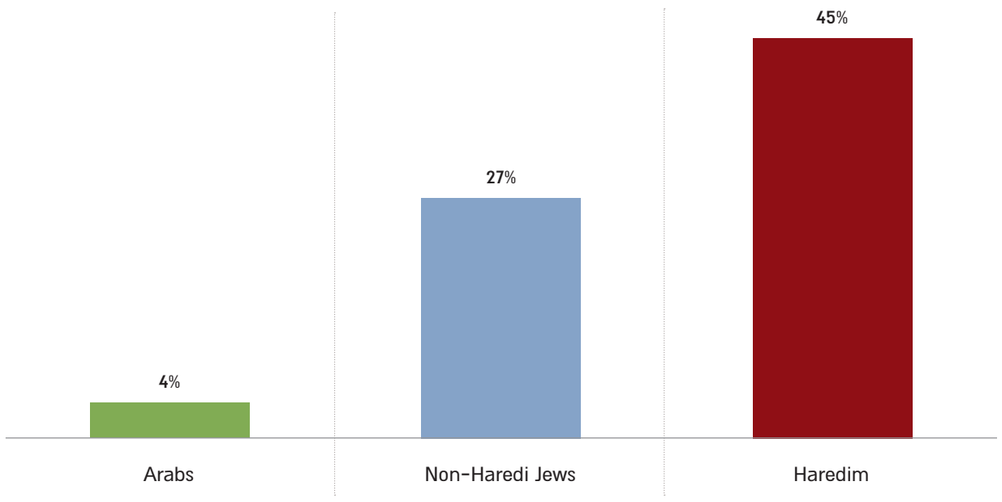
The mortgage process in Haredi society differs from what is common in non-Haredi Jewish society and is characterized by broad involvement of the family and communal unit. Due to the great importance attributed to homeownership as an anchor of economic and social stability, the parents of the couple, and at times additional family members, participate in financing the purchase, whether through long-term savings or through ongoing assistance with monthly mortgage repayments. This family support plays a significant role in the ability of many Haredi families to achieve homeownership.

Despite this support, because of relatively low per-capita income levels, many Haredi families have difficulty raising equity and rely on mortgage tracks that allow high financing rates. In some cases, funds from family and community sources are also recruited to complete the initial equity. These characteristics contribute to the deepening use of housing credit and the extension of repayment periods.

In addition, in Haredi society there is widespread use of Haredi mortgage advisors, who are known in the community and are well acquainted with the culture, income structure, and family needs. These advisors assist in constructing a loan mix adapted to the family's monthly repayment capacity, sometimes obtaining favorable terms. One of the prevalent practices is extending the repayment period as far as possible in order to reduce the monthly payment. This practice enables ongoing meeting of repayment obligations but significantly increases the overall cost of the mortgage until it is fully repaid.

Figure 20

Share of Households with a Mortgage by Sector, 2023



Source: The Institute for Strategy and Haredi Policy's calculations based on Household Expenditure Survey data

Over the years, changes in the proportion of mortgage-taking households occurred in all population groups, against the backdrop of social and economic trends in the Israeli economy. In 2014-2017, the proportion of Haredi households carrying a mortgage rose from 40% to 45%. During this period, the proportion of mortgage takers among non-Haredi Jews remained relatively stable at 32%. In contrast, in 2018-2021 the proportion of Haredi households taking out a mortgage gradually declined to 39% and the proportion of non-Haredi Jewish households declined to 28%.

In 2022, and 2023, a change in this trend occurred. After approximately five years of decline, in 2023 an increase was recorded in the proportion of Haredi households carrying a mortgage and their rate rose again to 45%. Among non-Haredi Jews, no parallel increase was recorded and there was even a further slight decrease in the proportion of mortgage takers to 27%.

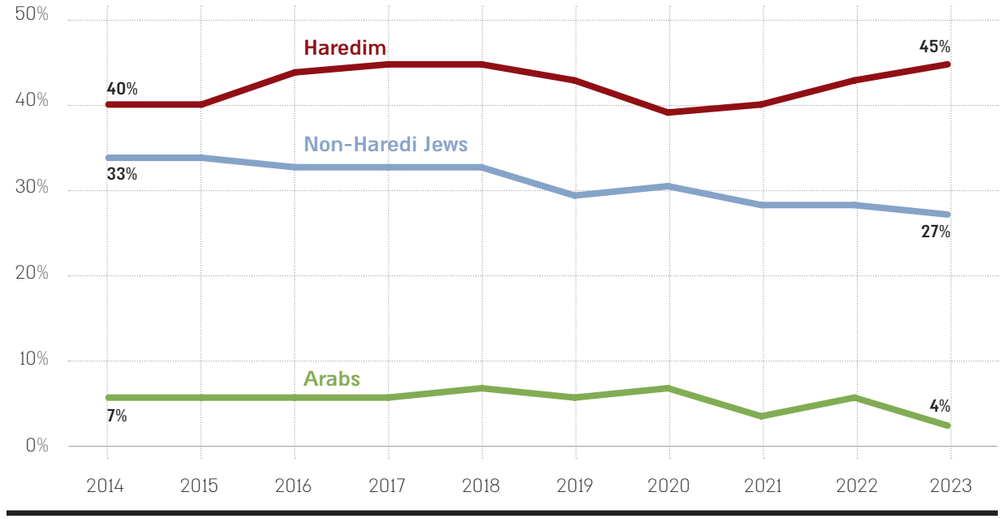
The combination of a renewed increase in the proportion of Haredi households taking out a mortgage alongside the decline in Haredi homeownership rates most likely reflects the impact of two central economic forces operating in the housing market in recent years: the sharp rise in apartment prices and the rise in mortgage interest rates. Under these conditions, the proportion of households that succeed in purchasing an apartment decreases, while those purchasing an apartment are required to rely on external financing in larger quantities than before. Relatively well-established households that in the past could finance an apartment purchase without a mortgage are now compelled to take out a mortgage, even if of limited scope, and join the housing credit market. This finding reinforces the

assessment of growing economic distress in Haredi society, against the backdrop of the contraction of the possibility of family and community assistance and the hardening of market conditions.

In Arab society, in contrast, the proportion of mortgage-holding households remained low and stable over the years. In 2014-2022, it stood at 7%, and in 2023 it fell to only 4%. This low rate reflects the characteristics of the housing market in Arab society, chief among them the limited scope of apartment purchases in the formal market and the high prevalence of self-construction on family land.

Figure 21

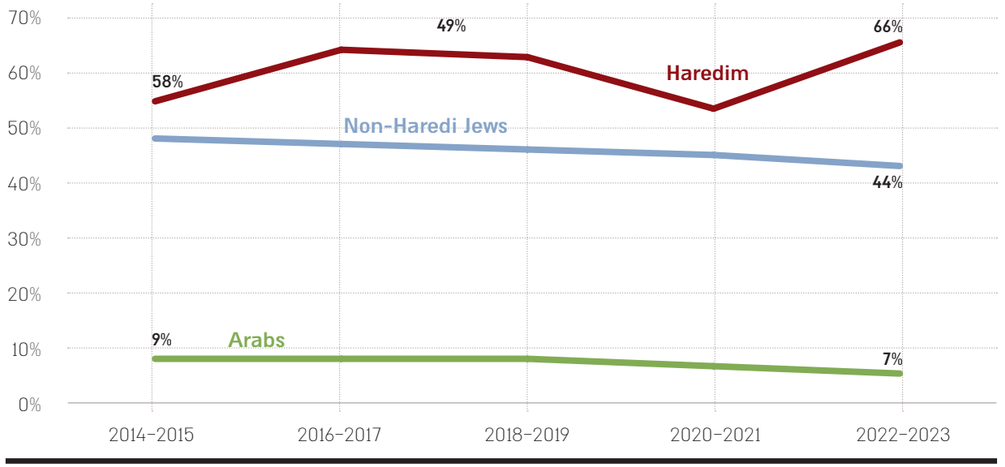
Share of Households with a Mortgage by Sector, 2014–2023



Source: The Institute for Strategy and Haredi Policy's calculations based on Household Expenditure Survey data

Figure 22

Share of Mortgage Holders among Homeowners, by Sector, 2014–2023



Source: The Institute for Strategy and Haredi Policy's calculations based on Household Expenditure Survey data

Average Mortgage Payment

The proportion of Haredi homeowners and the proportion of Haredi households with a mortgage are higher than those in non-Haredi Jewish society. However, the monthly loan repayment amount for Haredi households is slightly lower than the monthly repayment in non-Haredi Jewish society.

Haredim pay an average monthly mortgage of NIS 4,361, compared to an average of NIS 5,078 paid by non-Haredi Jewish households. The average monthly mortgage repayment among Arabs is the lowest, standing at NIS 3,202.

The lower monthly repayment may stem from the loan amount that Haredi families take out for housing purchases, which is lower than the average loan in non-Haredi Jewish society. According to this explanation, Haredi families are expected to take out a smaller loan for housing than non-Haredi Jews, because of unique characteristics of Haredi society: Haredi households tend to purchase smaller, older, and cheaper apartments (as shown in subsequent figures in the chapter); many households rely on family and community support for significant initial equity for the apartment purchase, which reduces the loan and accordingly the monthly repayment; and the unique economic constraints of the Haredi household, arising from lower employment rates and income levels compared to the general population, lead to spreading mortgage payments over the longest possible period to allow payment to be met. These reasons lead to the determination of a monthly repayment that is lower than in the general population, but this arrangement increases the total amount paid until the mortgage is discharged.

During 2014-2021, a consistent trend of rising average monthly mortgage repayments was recorded in all population groups, alongside a gradual narrowing of the gap between Haredim and non-Haredi Jews. In 2014, the gap between the average monthly repayment of the two groups stood at NIS 1,080 and in 2021 it stood at NIS 710. During this period the gap between Haredim and Arabs also almost completely closed, against the backdrop of a sharp rise in mortgage repayments among Arab households. In 2022, with the sharp rise in interest rates, an abrupt change in this pattern occurred. The average monthly repayment of non-Haredi Jewish households jumped to NIS 5,130, while the repayment among Haredi households rose at a more moderate pace to NIS 3,836. As a result, the gap between the two populations widened and stood at approximately NIS 1,300 per month, the highest level recorded over the examined period.

Figure 23

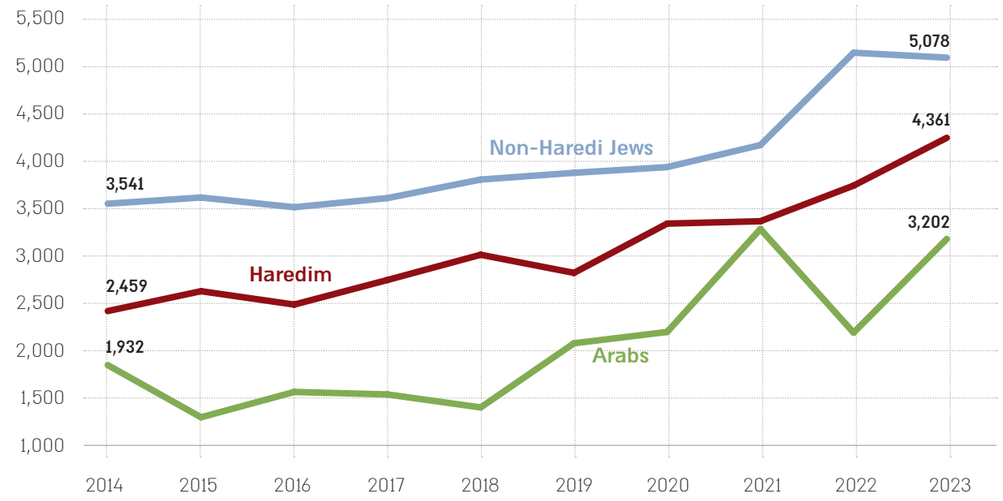
Average Monthly Mortgage Payment by Sector, in NIS,2023

Source: The Institute for Strategy and Haredi Policy's calculations based on Household Expenditure Survey data

In 2023, a reversal was recorded: the monthly repayment of Haredi households continued to rise and reached NIS 4,361, while among non-Haredi Jews stability and even a slight decrease in the repayment amount to approximately NIS 5,078 were recorded. As a result, the gap between the groups narrowed to approximately NIS 720 per month, a level similar to that recorded on the eve of the sharp interest rate rise. This finding indicates that the impact of the high interest rate environment on Haredi households continued in 2023, while among non-Haredi Jews a higher ability to curb the rise in repayments is evident, whether through financial adjustments or through deferred new purchases. A relative examination of the monthly repayment amount also points to a gradual narrowing of the percentage gaps between Haredi and non-Haredi Jewish households. In 2014, the monthly repayment of Haredi households stood at only 69% of the repayment among non-Haredi Jews (NIS 2,459 compared to NIS 3,541). This rate rose gradually over the years and in 2021 reached 83%. After the widening of the nominal gap in 2022, a further relative convergence took place in 2023, and the monthly repayment of Haredi households stood at 86% of the repayment among non-Haredi Jews (NIS 4,361 compared to NIS 5,078). This figure indicates that despite short-term volatility, in the long term a trend of relative convergence in the monthly burden between the groups is evident, even if the absolute repayment level weighs especially heavily on Haredi households because of their lower income levels.

Figure 24

Average Monthly Mortgage Payment by Sector, in NIS, 2014–2023



Source: The Institute for Strategy and Haredi Policy's calculations based on Household Expenditure Survey data

Average Rent Payment

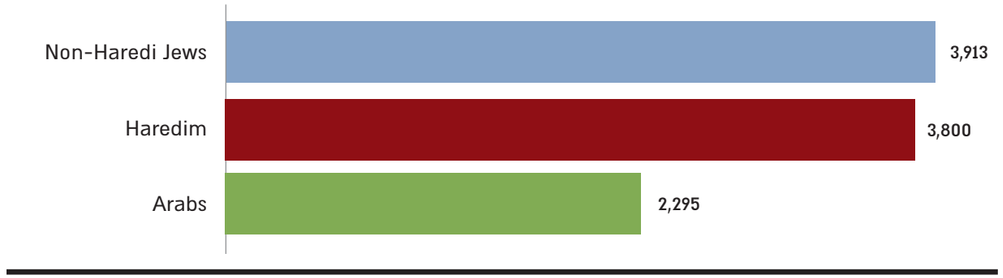
The homeownership rates in Israeli society indicate that a significant portion of the population, including some homeowners, rents apartments. In 2023, the average rent in Haredi society was NIS 3,800, slightly lower than among non-Haredi Jews, where it stood at NIS 3,913. The average rent in Arab society was the lowest, at NIS 2,295.

Since 2014, an acceleration in the trend of rising housing prices in Israel has been evident, manifesting among other things in a sustained increase in average rent. The interest rate environment has also contributed to these developments, affecting the rental market indirectly: the rise in mortgage repayments increases the cost of holding a property for apartment owners, and it is reasonable that part of this cost is passed on to tenants through rent increases. Throughout the entire period, the average rent of non-Haredi Jewish households was the highest, but the rate of rent increase among Haredi households was faster: in 2014 the average rent among Haredim stood at NIS 2,677. By 2023, it had risen by 42% to NIS 3,801. During this period, average rent among non-Haredi Jews rose at a more moderate rate of 27%, from NIS 3,086 in 2014 to NIS 3,913 in 2023. As a result, the gap in

average rent between Haredim and non-Haredi Jews, which at the beginning of the period stood at over NIS 400, narrowed gradually and in 2023 stood at approximately NIS 100 only.

Figure 25

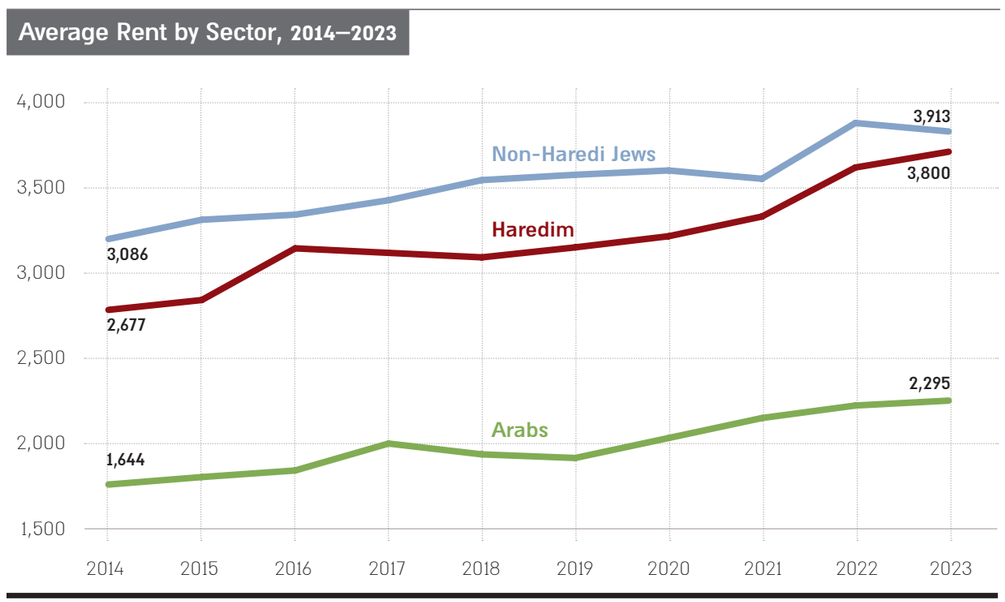
Average Rent by Sector, in NIS, 2023



Source: The Institute for Strategy and Haredi Policy's calculations based on Household Expenditure Survey data

Figure 26

Average Rent by Sector, 2014–2023



Source: The Institute for Strategy and Haredi Policy's calculations based on Household Expenditure Survey data

This pattern is also connected to changes in demand in the Haredi rental market. The decline recorded in recent years in Haredi homeownership rates and the high natural growth rate are expected to increase the number of Haredi households turning to the rental market at a faster pace than that recorded among non-Haredi Jews. The growth in demand can explain why in 2023 average rent among Haredim continued to rise, while among non-Haredi Jews it remained stable and even declined slightly. In addition, Haredi households tend, particularly in the rental market, to limit their apartment search to areas where there is community, educational, and religious infrastructure adapted to them. In established Haredi areas, land reserves are limited and the pace of supply expansion is relatively low, while demand grows steadily. This combination of rigid and expanding demand and limited supply creates local pressures on rental prices and helps explain the relatively high rate of rent increase recorded among Haredim, even in a period when the general rental market stabilized.

The pressures in the Haredi rental market are also reflected in rent payment financing patterns. The data indicate that the proportion of households renting and relying on family for rent payment is particularly high in Haredi society: 8.1% of Haredi households renting an apartment report relying on family to meet ongoing rent payments. This rate is significantly higher than that recorded among Arab households (6.9%) and non-Haredi Jews (2.1%).

Figure 27

Share of Households Receiving Family Assistance for Rent Payment (among Renters), by Sector, 2023

Source: The Institute for Strategy and Haredi Policy's calculations based on Household Expenditure Survey data

This finding reinforces the assessment that the rise in rent in the Haredi market is accompanied by a growing difficulty in meeting the rental burden from current income alone, deepening dependence on family assistance mechanisms even among renters, and not only among apartment buyers. In this context, family assistance with rent serves as an additional adaptation mechanism enabling Haredi

households to continue living in demanded and community-adapted areas, but it simultaneously indicates growing erosion of the independent economic capacity of some families and an expansion of distress circles into the rental market as well.

In summary of the first part, based on the household expenditure survey, a picture emerges of mounting housing pressure in Haredi society: ownership rates have been eroding in recent years, and among those who continue to purchase apartments, a deepening of credit use and a rise in the monthly burden are evident. At the same time, the rental market is becoming more expensive at a relatively high rate and is accompanied by an expansion of family assistance. This picture indicates a "dual-track" economic adaptation: fewer households succeed in achieving homeownership, but those who enter the market are forced to take on more leverage. At the same time, more households are being pushed into more expensive rental.

Characteristics of Purchased Apartments

The high rate of homeownership in Haredi society is not the product of favorable economic circumstances; rather, the opposite, it exists despite relatively low income levels and low labor force participation rates. Homeownership in Haredi society is a central cultural norm: private property is perceived as an anchor of economic and social stability for the young family. This perception makes apartment purchase not only an economic aspiration but a mandatory social goal for which the family and community are mobilized to assist in its realization.

To understand how Haredi families succeed in achieving homeownership despite the limited economic situation of most of them, it is insufficient to examine financing sources alone; the characteristics of the purchased product must also be examined. Such an examination reveals that behind the ownership data in Haredi society lies a consistent picture of apartments with unique characteristics compared to those purchased by the non-Haredi Jewish population: their price is lower, their area smaller, their location different, and at times their age older. These differences constitute a central component in explaining the ability of Haredi families to purchase apartments despite their low income levels.

Apartment Prices

The price of the purchased apartment is one of the central data points that can explain the gaps in homeownership rates between Haredi society and non-Haredi Jewish society. In 2024, the average price of an apartment purchased by a Haredi family stood at NIS 1.76 million, approximately 15% less than the average price of an apartment purchased by a non-Haredi Jewish family, which stood at NIS 2.08 million.

This figure indicates that the Haredi public succeeds in creating a lower entry threshold to the housing market by purchasing less expensive properties. The lower price of apartments purchased in Haredi society may stem from various characteristics, such as their size, age, and geographic location, which will be examined later in the chapter.

Figure 28

Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

Since 1999, and more sharply since 2008, a steep and sustained rise in apartment prices in Israel was recorded, both among Haredi buyers and among non-Haredi Jews. The rise in these years stemmed from economic processes such as rising land and construction input prices that slowed the increase of housing supply, and from bureaucratic processes such as the lowering of mortgage interest rates that accelerated demand for residential and investment apartments. The gap between demand and supply led to a dramatic rise in apartment prices in Israel, to an almost unprecedented degree compared to other developed countries. However, the patterns of apartment price increases are not identical among Haredim and non-Haredi Jews and reflect differences in the motivations and characteristics of apartment purchases that affect demand.

The average price of an apartment purchased by a Haredi person in 1999 stood at NIS 497,000, and by 2008 it had risen to NIS 562,000. In 2008-2021, an average annual increase of approximately 7% was recorded, but in 2022 the average price of an apartment purchased by Haredim jumped by approximately 15% and reached NIS 1.5 million. In 2023, the pace of increase moderated somewhat, but it remained high relative to the multi-year trend and stood at 11%. In that year, the average price of an apartment purchased by Haredim reached NIS 1.66 million. In 2024, stabilization occurred and the average price of an apartment purchased by Haredim rose by 6%, in line with the trend seen in the previous decade, and reached NIS 1.75 million.

Among non-Haredi Jews, a similar rate of apartment price increase was also recorded in these years: the average price of an apartment purchased by a non-Haredi Jew in 1999 stood at NIS 586,000. In 2008, it reached NIS 763,000, and from that year until 2021 an average annual increase of approximately 6% was recorded, a rate similar to that seen among Haredi buyers in this period. However, in 2022 no parallel price jump occurred in apartments purchased by non-Haredi Jews, and the average apartment price rose by 5% to NIS 1.79 million. In 2023, the price rise was arrested, but in 2024 apartment prices purchased by non-Haredi Jews jumped, similar to the jump that occurred among Haredim in 2022, by 16%, and reached an average of NIS 2.07 million per apartment.

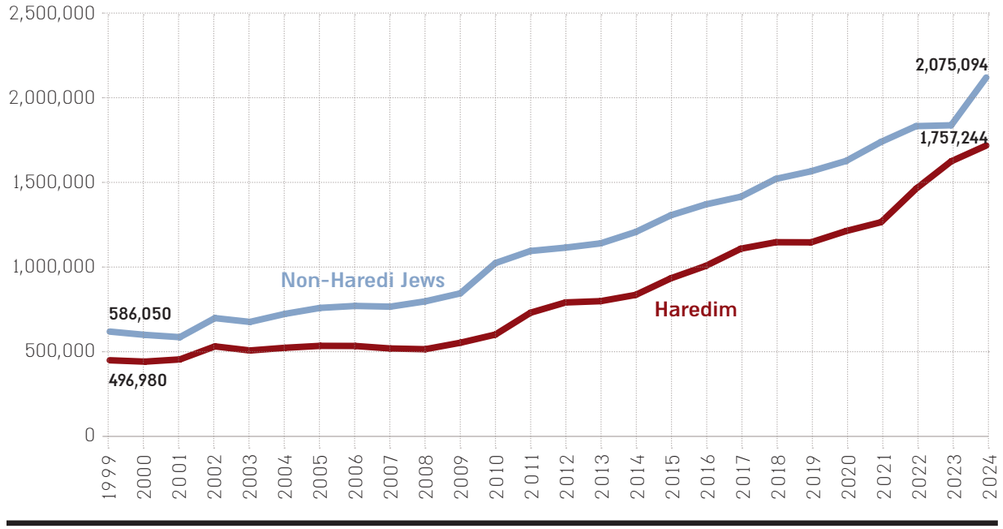
The different trends in apartment prices over the years express the unique demand mechanisms of the Haredi public. In 2022-2023, a sharp rise in interest rates occurred, creating a jump in monthly

mortgage repayments and arousing great uncertainty in the economy. Haredi buyers continued to demonstrate rigid demand, and it is clear that the institutionalized social norm around apartment purchase remained dominant. In contrast, in these years non-Haredi Jews demonstrated greater flexibility regarding apartment purchases: changes in interest rates, building material prices, and delays in planning and construction processes for new apartments led knowledgeable investors to proceed cautiously, reconsider real estate investments, and wait for market stabilization. This behavior was accompanied by a relative moderation of housing prices in the general population in 2022-2023. Only in 2024 did pent-up demand effects apparently appear, because of changes in interest rates alongside a slowdown in the supply of apartments being built owing to construction delays from the war in those years, and this led to a renewed jump in the average price of apartments purchased by non-Haredi Jews.

Despite the differences in the timing of price increases and in each sector's response patterns to market changes, the cumulative trends ultimately led to a similar rise in apartment prices in both groups: in 1999-2024 the average apartment price among Haredim and non-Haredi Jews rose by approximately 250%, meaning that in both groups the price of an average apartment more than tripled during the past 25 years.

Figure 29

Average Apartment Price at Time of Purchase by Sector, in NIS, 1999–2024



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

Nevertheless, since each sector responds to market forces at a different time and in a different way, the price gap between them is volatile and changes. In the past decade, the price of an apartment purchased by Haredim has generally ranged between 75% and 80% of the price of an apartment purchased by non-Haredi Jews, with a trend in recent years of narrowing the price gap: it currently stands at approximately 85%.

Examination of apartment prices purchased by first-time buyers reveals that price trends in this group are similar to those seen in the overall housing market. In 2024, the average price of an apartment purchased by Haredi first-time buyers stood at NIS 1.56 million, compared to NIS 1.89 million among non-Haredi Jews. This figure shows that both Haredim and non-Haredi Jews purchase a first apartment at a price approximately 10% below the general average of their sector, because of budget constraints and the absence of significant equity.

Figure 30

Average First-Apartment Price at Time of Purchase by Sector, Ages 18–40, in NIS, 2024

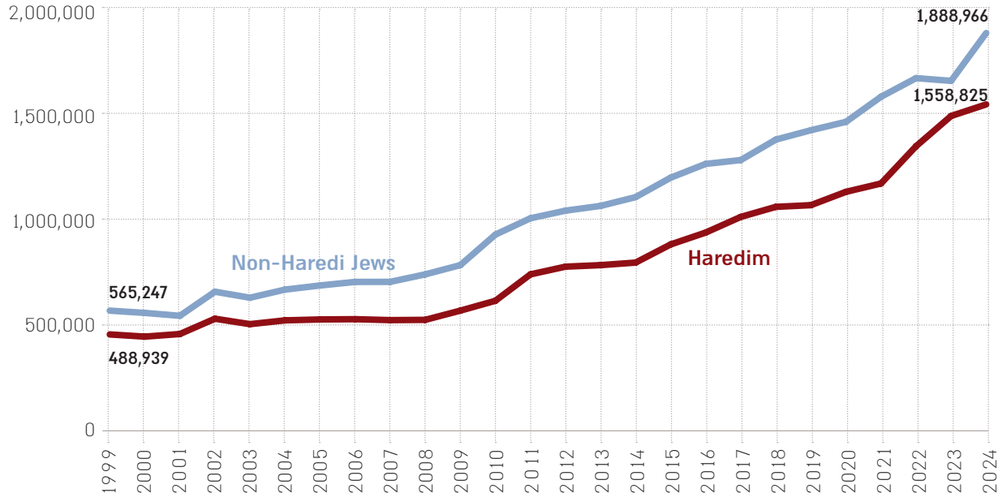
Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

Apartment price patterns among first-time buyers are similar to those seen among all apartment buyers over the years. Among Haredi buyers, as in the overall picture, a sharp price jump was recorded in 2022: the average price of a first apartment rose by approximately 15% and reached NIS 1.36 million. In 2023, the rise in first apartment prices continued, albeit at a more moderate pace of approximately 10%, while in 2024 a further moderate increase of 4% was recorded, slightly lower than the 6% rise among all Haredi buyers in that year.

Among non-Haredi Jews, purchasing a first apartment, a similar trend to that seen in the overall sector is also evident. Among them too, the price jump that occurred among Haredi buyers in 2022 was not recorded, and in that year first apartment prices rose by 6%, in line with the decade trend. In 2023, a temporary freeze and even a slight price decline was recorded, but in 2024 a significant jump of 14% in first apartment prices occurred (compared to a 16% rise among all buyers in this sector). These data indicate that also among first-time buyers there are timing differences in market responses, arising from the demand characteristics of each sector.

Figure 31

Average First-Apartment Price at Time of Purchase by Sector, Ages 18–40, in NIS, 1999–2024



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

Number of Apartments Purchased

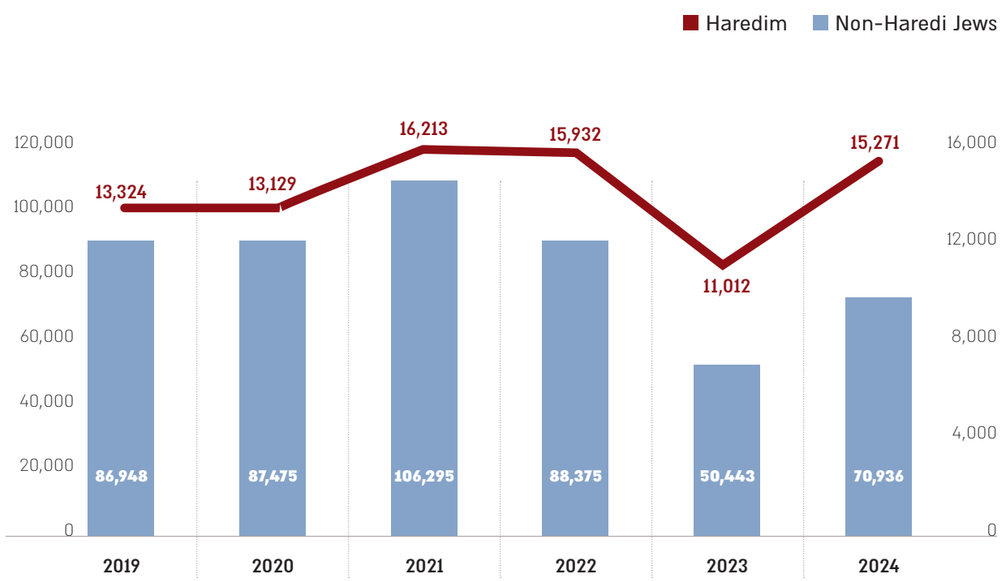
Examination of the number of apartments purchased in 2019-2024 among Haredim and non-Haredi Jews yields complementary insights regarding changes and trends in apartment prices in the two sectors and sharpens the unique demand characteristics of each group.

In 2019-2020, a high and stable level of purchases was recorded in both sectors: the number of apartments purchased by Haredim stood at approximately 13,000 per year, and by non-Haredi Jews at approximately 87,000. The number purchased by non-Haredi Jews was significantly higher than that of Haredim, but the trends were similar.

In 2021, an increase in the number of apartments purchased in both groups at a similar rate of 22% was recorded. The number of apartments purchased that year by Haredim rose to approximately 16,200, and by non-Haredi Jews to approximately 106,000. Beginning in 2022, a decline in purchases began in both sectors. Among Haredim, the decline was relatively moderate, at 2%, and the number of apartments purchased fell to approximately 15,900. Among non-Haredi Jews, a sharp decline of 17% was recorded and the number of apartments purchased plummeted to approximately 88,000. This decline was most likely an initial response to the gradual interest rate rise that occurred in that year. In 2023, with interest rates reaching new highs, this trend deepened and a low was recorded in the number of apartments purchased in the market. The number of apartments purchased by non-Haredi Jews was only approximately 50,000, a decline of 43%. Among Haredim, a significant, if more moderate, decline of 31% in apartments purchased was recorded, standing at approximately 11,000. In 2024, a recovery in purchases in both sectors was evident. In that year approximately 71,000 apartments were purchased by non-Haredi Jews, an increase of 41%, and approximately 15,000 by Haredim, an increase of 39%. These purchase levels had not yet returned to the peak levels preceding the decline that occurred in 2022.

Figure 32

Number of Apartments Purchased by Sector, 2019–2024



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

Apartment purchase trends sharpen the differences in demand patterns between the sectors. In the Haredi public, apartment purchase is generally linked to immediate family needs, such as establishing a family or expanding a household, and rests on deep cultural principles and norms regarding homeownership. Therefore, demand for apartments is less sensitive to changes in housing market conditions such as rising interest rates or economic volatility. In contrast, among non-Haredi Jews, purchases that are not first apartments include to a large extent housing upgraders and investors, groups characterized by greater flexibility and a tendency to defer purchases in times of rising interest rates, economic uncertainty, or declining yields. As a result, macroeconomic fluctuations translate far more quickly into sharp declines in the number of purchases in this sector. This comparison reinforces

the distinction between a Haredi market characterized by relatively stable demand and a more flexible and volatile general market, and helps explain why similar trends in the number of purchases affect housing prices differently in each sector.

Examination of the number of first apartments purchased in 2019-2024 sharpens the differences in demand patterns between Haredim and non-Haredi Jews and illustrates how the two groups respond differently to shocks in the housing market. In 2019, approximately 8,300 first apartments were purchased by Haredim and approximately 36,800 by non-Haredi Jews. In 2020, while among all buyers relative stability was recorded in both sectors, a moderate decline was evident among first-time buyers: among Haredim there was a decline of 7% and purchases fell to approximately 7,800; among non-Haredi Jews a more moderate decline of 3% was recorded and purchases fell to 35,600. In 2021, a renewed increase in first apartments purchased occurred: among Haredim the number rose to approximately 8,300 (an increase of 7%), and among non-Haredi Jews to approximately 37,500 (an increase of 5%). This is a relatively moderate increase compared to the sharp rise recorded that year among all buyers, which stood at over 20% in both groups. This gap arose from the fact that the main growth in housing market activity in 2021 came from a significant expansion of purchases by housing upgraders and investors. That year was characterized by a particularly low interest rate environment, which made the real estate market an attractive investment channel and encouraged established households to purchase additional apartments and take advantage of favorable financing conditions. First-time buyers, particularly young couples, found it difficult to respond to these incentives because of equity constraints and economic uncertainty.

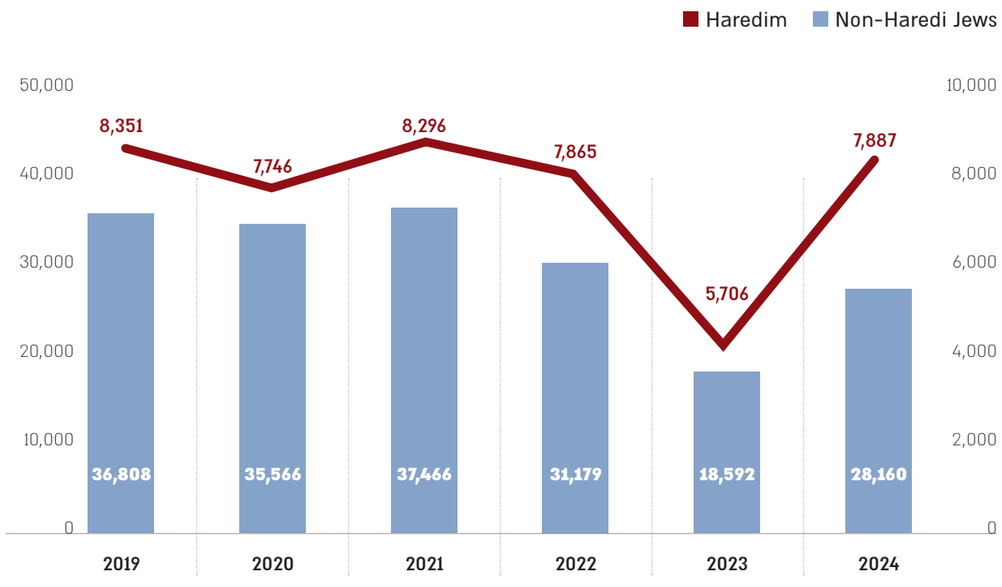
Beginning in 2022, a significant gap began to develop in first apartment purchase trends between the two groups. Among Haredim, a relatively moderate decline of 5% was recorded and purchases fell to approximately 7,900 apartments, while among non-Haredi Jews a sharper decline of 17% was recorded and purchases fell to approximately 31,200. This trend deepened in 2023: the number of first apartments purchased by Haredim in that year fell to approximately 5,700, a decline of 27%, while the number of apartments purchased by non-Haredi Jews plummeted to only approximately 18,600, a decline of 40% compared to the previous year.

In 2024, a recovery in both sectors was evident, but at different intensities: among Haredim the number of purchases rose to approximately 7,800 apartments (an increase of 38%), and among non-Haredi Jews it rose to approximately 28,200 apartments (an increase of 50%). In both cases, purchase levels had not returned to the peak levels of 2021.

These data emphasize that also among first-time buyers, Haredi demand remained relatively rigid throughout the period. Although in years of economic worsening a decline in purchase volume was recorded, it was more moderate and was accompanied by a faster recovery; and in 2024 purchase volumes had already returned to levels similar to those recorded in 2020. This trend reflects the standing of first apartment purchase as a normative and necessary stage in the Haredi life course.

Figure 33

Number of First Apartments Purchased by Sector, 2019–2024



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

Apartment Size

The price of a purchased apartment is significantly affected by its size, and the examination of the floor areas of purchased apartments is a central component in understanding housing price gaps among population groups. Median floor area data of apartments purchased over the years point to a consistent gap between Haredim and non-Haredi Jews, but also to significant changes over time.

In 1999-2002, the floor areas of apartments purchased by non-Haredi Jews were slightly larger than those purchased by Haredim, but the gaps were negligible: the median area among Haredim stood at 77-80 square meters, and among non-Haredi Jews at 80-85. Beginning from the mid-2000s, a gradual process began in which the floor areas of apartments purchased by non-Haredi Jews expanded, alongside a contraction of the areas of apartments purchased by Haredim. This process peaked in 2014-2015, when the median area of Haredi apartments stood at only 68-71 square meters, while among non-Haredi Jews the median area reached 89-92 square meters, a gap of 20-21 meters.

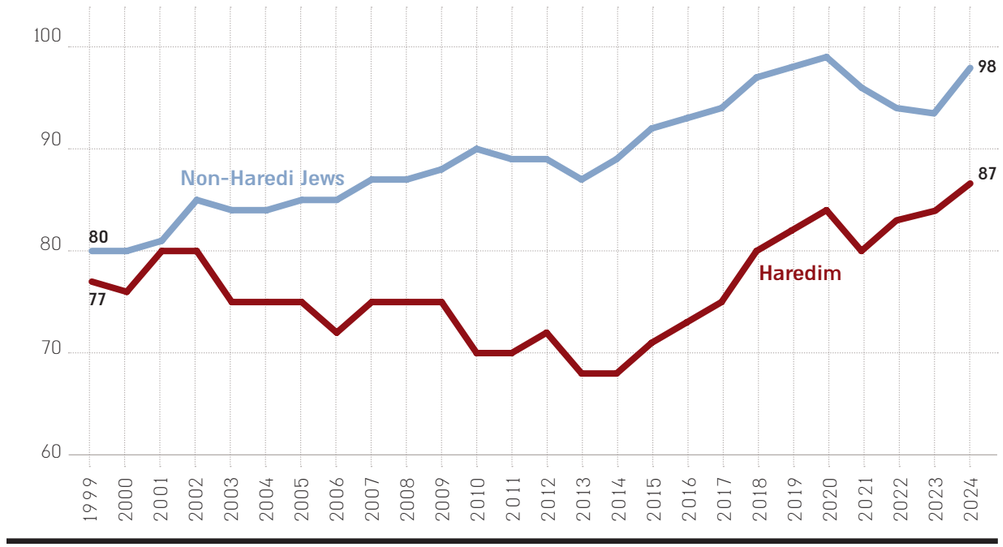
From 2015, onward, a gradual rise in the floor areas of apartments purchased by Haredim was recorded: from 71 square meters in 2015, to 80 in 2018, and reaching 87 in 2024. Among non-Haredi Jews, relative stability in apartment areas was recorded during this period, ranging between 93 and

99 square meters. As a result, the gap between the sectors narrowed somewhat in the past decade, although it remained significant in 2024.

The data indicate that over the years Haredi society coped with economic constraints by purchasing relatively small apartments. The increase in the floor areas of apartments purchased in recent years does not necessarily reflect an improvement in the economic capacity of Haredi households but may indicate a change in the housing market format in which they operate. In particular, as will be presented later in the chapter, a growing movement to new demand areas is evident, namely peripheral or developing localities where a stock of larger apartments at lower prices, relative to the established demand centers, is offered.

Figure 34

Median Floor Area of Apartments Purchased by Sector, in Sq. M., 1999–2024

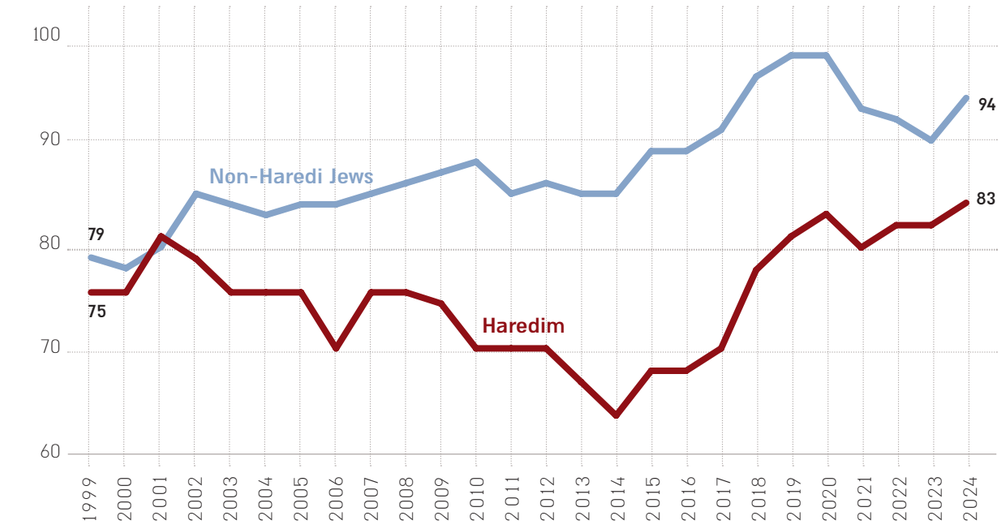


Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

The floor areas of apartments purchased by first-time buyers present a more moderate trend than that of all buyers. Throughout the entire period, the median apartment area of first-time buyers is consistently lower than that of all buyers in each sector, a finding reflecting the constraints of entering the housing market and the equity limitations of young households. In 2024, the median area of apartments purchased by Haredi first-time buyers stood at 83 square meters, compared to 87 among all Haredi buyers. Among non-Haredi Jews, the median area stood at 94 square meters among first-time buyers, compared to 98 among all buyers in that group.

Figure 35

Median Floor Area of First Apartments Purchased, Ages 18–40, by Sector, in Sq. M., 1999–2024



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

Similar to the overall picture, also among first-time buyers the gap in apartment areas between Haredim and non-Haredi Jews widened during the years, mainly since 2002. However, the gaps among first-time buyers were smaller than those observed in the overall market. From 2015, onward, a trend of rising apartment areas is evident in apartments purchased by Haredim, both among all buyers and among first-time buyers, a trend that has led to a gradual narrowing of gaps. Today these gaps are similar to the median area gap between the sectors in all real estate transactions (including housing upgrader purchases), which stands at 11 square meters.

Number of Rooms

In line with the smaller apartment areas purchased by Haredim over the years, the average number of rooms in apartments purchased by Haredim is also consistently lower than in apartments purchased by non-Haredi Jews.

In 2024, the average number of rooms in apartments purchased by Haredim stood at 3.82 rooms, compared to 3.98 rooms in apartments purchased by non-Haredi Jews, a gap of 0.16 rooms. This gap appears small in absolute terms, but its social significance is broad when household size is taken into account: Haredi households are characterized by a significantly higher number of persons than

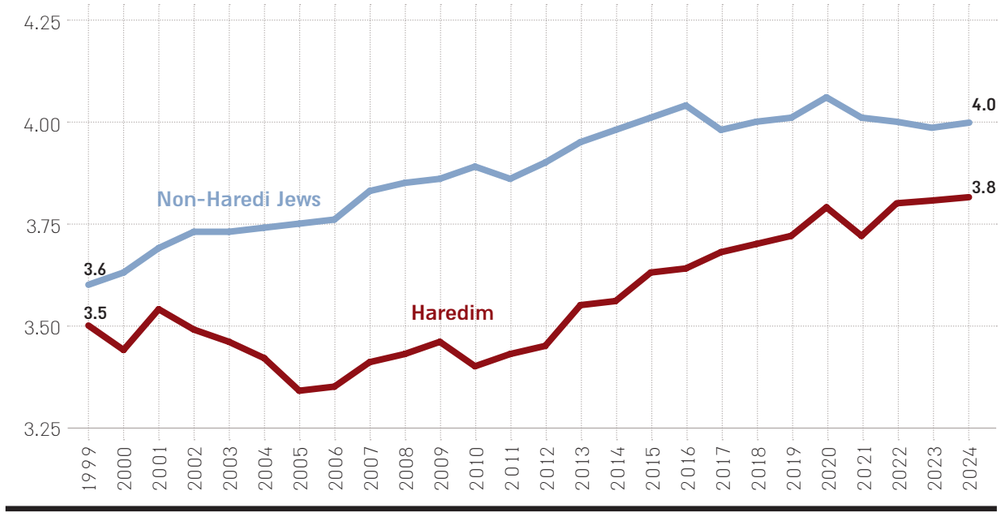
the average among non-Haredi Jews, and therefore even a relatively small gap in number of rooms means higher levels of residential crowding.

At the beginning of the 2000s, the average apartment purchased by Haredim had 3.5 rooms, compared to 3.6 rooms in the average apartment purchased by non-Haredi Jews, so the gap in the number of rooms in purchased apartments ranged between 0.15 and 0.20. From the mid-2000s, a gradual rise in the number of rooms in non-Haredi Jewish apartments was recorded. The rise recorded among Haredim was more moderate, apparently as part of the way of coping with rising housing prices. As a result, the gap widened to 0.4 rooms and remained relatively stable for approximately a decade, until 2016. In 2017-2018, the gap began to narrow and in 2022 returned to levels similar to those seen at the beginning of the 2000s. In 2023, the gap almost completely disappeared, and in 2024 the gap in number of rooms remained relatively small at 0.15. This despite the fact that the average number of rooms rose in both sectors, to 3.8 in the average apartment purchased by Haredim and to 4 in the average apartment purchased by non-Haredi Jews.

The gradual rise in recent years in the number of rooms in apartments purchased by Haredim corresponds to the data regarding the rise in the size of purchased apartments. This growth most likely stems from a growing movement to less expensive residential areas that allow the purchase of larger apartments in area and number of rooms, better suited to the needs of the Haredi household.

Figure 36

Average Number of Rooms in Apartments Purchased, by Sector, 1999–2024



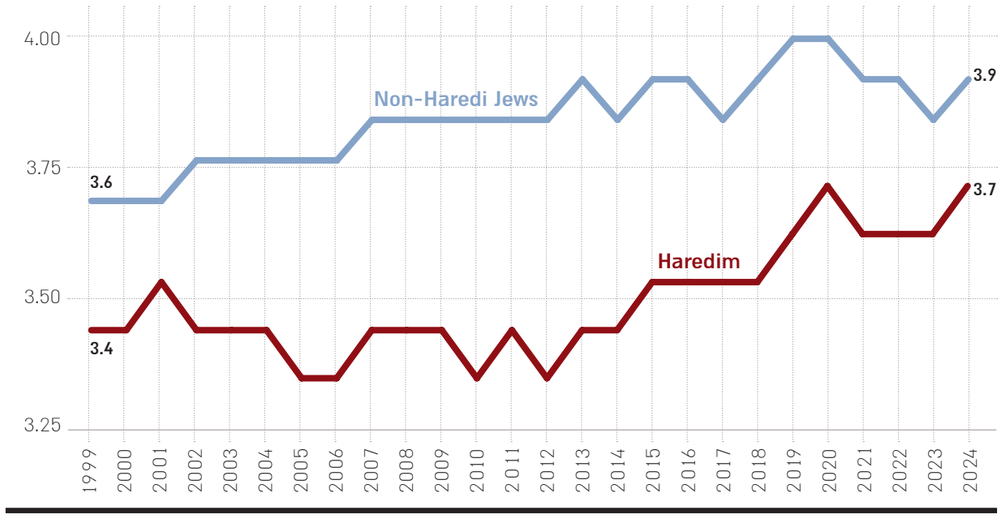
Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

Examination of the number of rooms in apartments purchased by first-time buyers presents a pattern similar to that seen among all buyers, but at slightly lower levels and in a manner reflecting the constraints of entering the housing market.

Throughout the entire period, the average number of rooms in apartments purchased by Haredim is lower than that of non-Haredi Jews, but the gap between them is relatively small and stable. In 2024, the average number of rooms in first apartments purchased by Haredim stood at 3.67 rooms, compared to 3.85 rooms among non-Haredi Jews, a gap of 0.18 rooms. This gap is slightly larger than the gap in number of rooms between all Haredi buyers and non-Haredi Jews.

Figure 37

Average Number of Rooms in First Apartments Purchased, Ages 18–40, by Sector, 1999–2024



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

At the beginning of the 2000s, the number of rooms in first apartments purchased by Haredim stood at 3.4-3.5 rooms, while among non-Haredi Jews the average stood at 3.6-3.7 rooms. From the mid-2000s onward a gradual rise in the number of rooms in both groups was recorded, with the rise trend among Haredim more moderate but consistent. From 2015, and more markedly in the past decade, a clear rise in the number of rooms in first apartments purchased by Haredim was recorded, reaching 3.6-3.7 rooms in recent years. Throughout most of the years, the gap between the number of rooms in first apartments purchased by Haredim and those purchased by non-Haredi Jews is larger than the corresponding gap among all buyers. This gap most likely stems from the more established

economic situation of non-Haredi Jewish households at the first apartment purchase stage, compared to Haredim, who are generally at an earlier life stage when purchasing their first apartment and have more limited economic capacity.

Age of Apartments

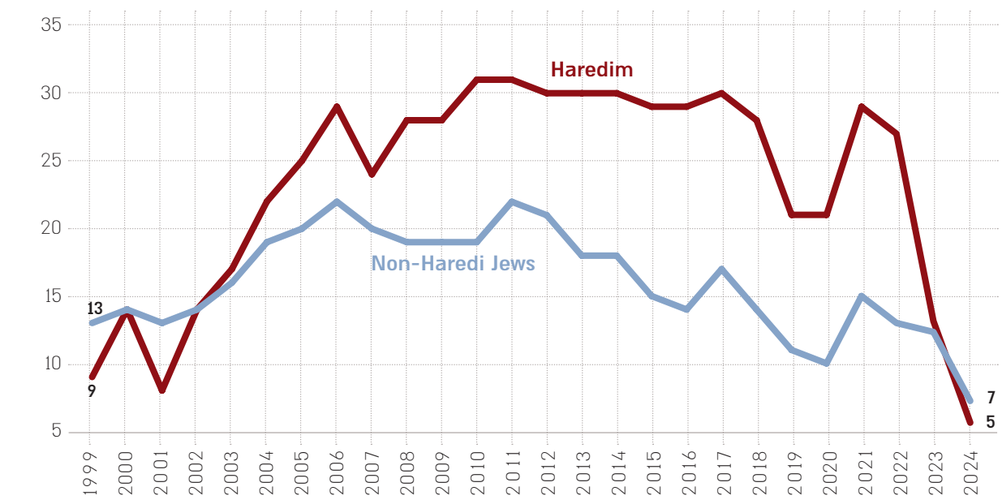
An additional figure that helps explain price gaps between apartments purchased by Haredim and those purchased by non-Haredi Jews is the age of the apartments.

In 2022, apartments purchased by Haredim were almost twice as old: the median age of apartments purchased by Haredim stood at 25 years, compared to only 13 years among non-Haredi Jews. This gap illustrates the existence of clearly different purchasing patterns that directly contribute to price gaps between the sectors, since older apartments are generally priced lower, even when they are in in-demand areas.

Updated data point to a significant change in this pattern. In 2023, the median age of apartments purchased by Haredim fell to 13 years, and in 2024 it plummeted to only 5 years. In these years the median age of apartments purchased by non-Haredi Jews also fell to 12 years, and subsequently to 7 years.

Figure 38

Median Apartment Age at Time of Purchase by Sector, in Years, 1999–2024

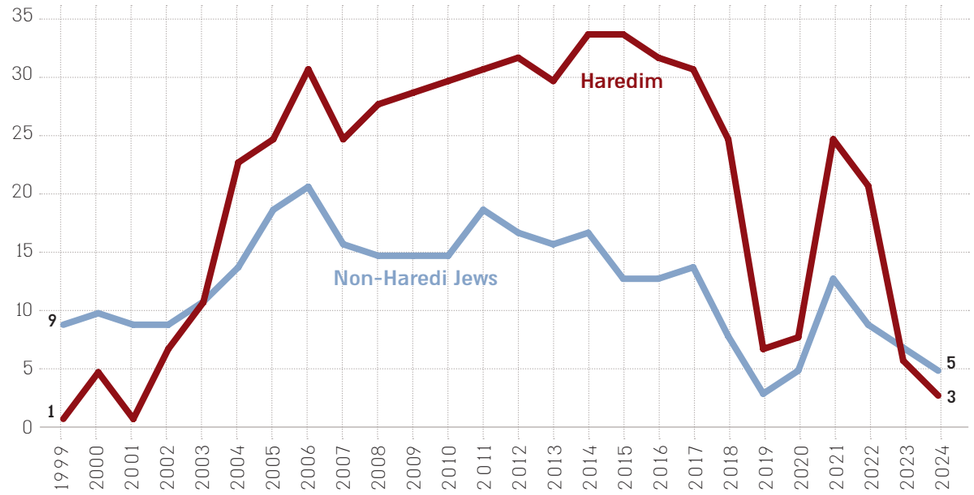


Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

Although over the years one of the ways the Haredi population has coped with rising apartment prices has been the purchase of older apartments, these data indicate a clear movement by Haredi buyers toward newer apartments. In 2024, for the first time since the early 2000s, the apartments purchased by Haredim were not older than those purchased by non-Haredi Jews, and were even slightly newer than them. This change is apparently made possible by new projects in developing localities, such as the city of Beit Shemesh, which has been experiencing significant new construction activity in recent years.

Figure 39

Median Age of First Apartment at Time of Purchase, Ages 18–40, by Sector, in Years, 1999–2024



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

A similar pattern is observed among first-time buyers. Throughout most of the examined period, Haredi first-time buyers purchased significantly older apartments than those purchased by non-Haredi Jews, with relatively large gaps. Thus, in 2006-2016 the median age of apartments purchased by Haredi first-time buyers stood in a range of 31-34 years, while among non-Haredi Jews the median age stood at 13-21 years. This gap reflects the more limited economic situation of the Haredi household at the stage of entering the housing market and the reliance on older apartments as a central strategy for coping with price barriers. However, also among first-time buyers a change in purchasing patterns was recorded in recent years. From 2019, onward, a dramatic decline in the age of purchased apartments occurred in both groups, and in 2024 the median age of apartments purchased by Haredi first-time

buyers reached only 3 years, compared to 5 years among non-Haredi Jews. Thus, in the past two years the gap that characterized the age of apartments between the sectors has almost completely disappeared in the first apartment market as well.

Location of Apartments

An additional central characteristic affecting the prices of purchased apartments is their geographic location in Israel. One of the main ways the Haredi population has coped with the rapid rise in housing prices and with economic capacity constraints is a spatial shift in demand: a move from expensive, high-demand areas to more distant areas where apartment prices are lower. Comparing the distribution of locations of Haredi apartment purchases between 1999-2002 and 2021-2024 illustrates the spatial changes that occurred in these years, with some areas showing a decline in Haredi apartment ownership rates and others showing an increase.

The data point to a sharp decline in the rate of Haredi apartment purchases in the center and the Tel Aviv district. At the beginning of the 2000s, the rate of Haredi purchases in these two districts together stood at 36% of all apartments purchased (20% in the center district and 16% in the Tel Aviv district). In 2021-2024, this rate fell to only 23% (11% in the center district and 12% in the Tel Aviv district). This decline reflects the sharp rise in housing prices in central demand areas, such as the city of Bnei Brak, which constitutes the second largest Haredi concentration in the country, and the erosion of the ability of Haredi households to purchase apartments in these spaces; together with the development of alternative supply in less expensive areas.

Alongside the decline in the central areas, a clear movement of Haredi buyers toward the northern and southern periphery is evident. In 1999-2002, the rate of Haredi purchases in the northern, Haifa, and southern districts together stood at only 18% (3% in the north, 3% in Haifa, and 12% in the south). In 2021-2024, this rate jumped to over 44%, with the southern district particularly prominent at 21% of purchases, alongside increases in the northern (12%) and Haifa (11%) districts. This change reflects the growing role of peripheral localities as investment and residential spaces for the Haredi population, including owing to land availability, large-scale new projects, and relatively accessible housing prices.

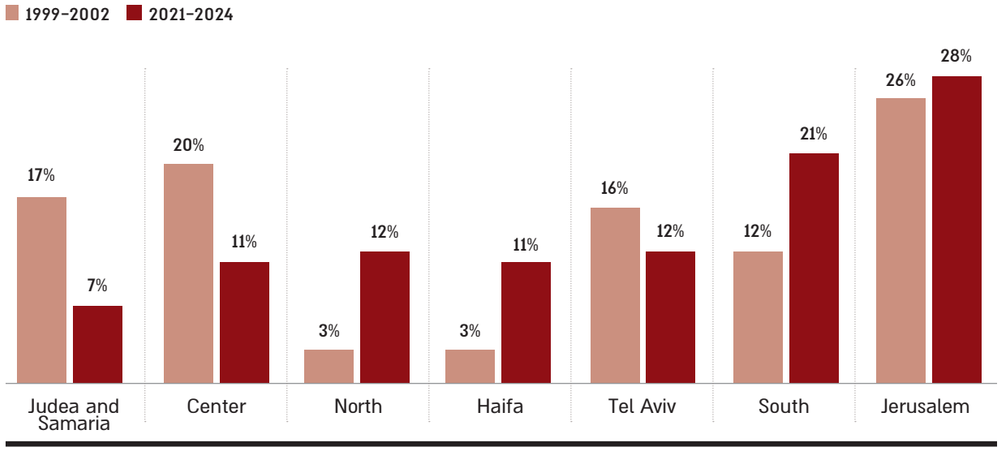
A further significant decline was recorded in the Judea and Samaria district. In 1999-2002, 17% of all apartments purchased by Haredim were in this district, while in 2021-2024 this rate fell to only 7%. This decline is most likely connected to the exhaustion of land and construction reserves in the main Haredi cities in this district, namely Modi'in Illit and Beitar Illit, and to their accelerated population absorption in the past decade which significantly reduced the supply of available apartments for sale.

The Jerusalem district, in contrast, presents relative stability. The rate of apartments purchased in it by Haredim stood at 28% at the beginning of the 2000s and at 26% in 2021-2024. This stability stems from Jerusalem's unique status as a spiritual, cultural, and communal center of Haredi society, which gives it and the entire district attractiveness for apartment purchases, even in the face of the rise in housing prices. In addition, some Haredi apartment buyers in Jerusalem are diaspora residents, with relatively high economic capacity that moderates the impact of prices on purchasing patterns.

The stability in the Jerusalem district also reflects intra-district movement. In the past decade, net emigration of Haredim from the city of Jerusalem is evident, alongside significant growth in the satellite communities of the district, primarily the city of Beit Shemesh. This city has in the past decade become a central destination for Haredi apartment buyers from Jerusalem and the central area, because of the construction boom in the new neighborhoods and housing prices significantly lower than those in the established Haredi cities. So while the volume of Haredi apartment purchases in the Jerusalem district remained stable, its internal composition changed, expressing a transition from an established urban center to developing spaces within the same district.

Figure 40

Distribution of Apartment Purchases among Haredim, by District and Period



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

Examination of the geographic distribution of first apartment purchases among Haredim points to a spatial pattern similar to that seen among all buyers. Here too, a sharp decline in apartment purchases in expensive demand areas and a significant increase in the periphery are evident, indicating particularly high sensitivity of first-time buyers to housing prices. At the beginning of the 2000s (1999-2002), 36% of first apartments were purchased in the center and Tel Aviv areas together (20% in the center district and 16% in the Tel Aviv district). In 2021-2024, this rate fell to only 22% (11% in the center and 11% in Tel Aviv). This decline reflects the erosion of the ability of young Haredi couples to enter the housing market in these areas, where apartment prices rose at a particularly rapid pace.

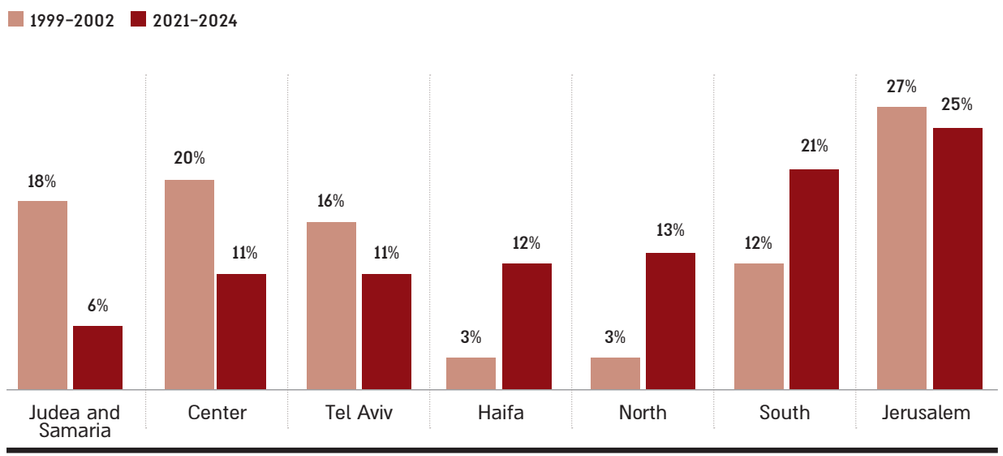
At the same time, a clear spatial movement of first apartment purchases to the northern and southern periphery is evident. In 1999-2002, the purchase rate in the northern, Haifa, and southern districts stood at only 18%; in 2021-2024 this rate rose to 46%. The particularly notable increase was in the southern district, where 21% of first apartments were purchased, as well as in the northern (13%) and Haifa (12%) districts. This pattern indicates that the periphery today serves as a central entry point to the housing market for young Haredi couples, due among other things to land availability, a broad volume of new construction, and more accessible prices.

Similar to the findings among all buyers, also among first-time buyers a sharp decline was recorded in the purchase rate in Judea and Samaria: from 18% at the beginning of the 2000s to only 6.5% in recent years. This decline is most likely connected to the exhaustion of land reserves in the main Haredi localities in the district and local price increases, which made the area less accessible to young buyers.

The Jerusalem district presents relative stability also among first-time buyers, with only a moderate decline from a rate of 27% at the beginning of the 2000s to 25% in 2021-2024. This stability stems from Jerusalem's unique status as a communal and spiritual center, but here too this largely reflects a transition of young couples from Jerusalem to satellite communities, primarily Beit Shemesh, where new apartment purchases at more accessible prices were made possible in these years.

Figure 41

Distribution of First Apartment Purchases among Haredim, by District and Period, Ages 18–40



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

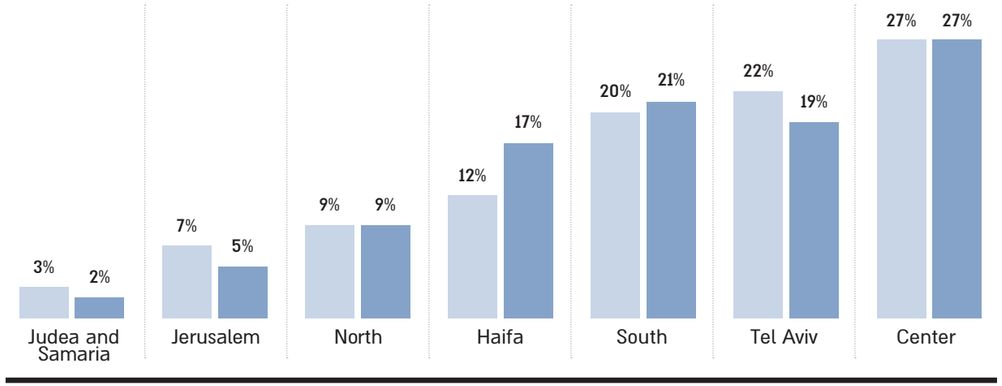
Among non-Haredi Jews, different trends in the geographic distribution of purchased apartments are evident, characterized by greater stability over time. In this population no significant spatial movement, similar to that observed in Haredi society, was seen.

Throughout the entire period, the center district remained dominant in apartment purchases among non-Haredi Jews. At the beginning of the 2000s, the rate of apartment purchases in this district stood at 27%, and in 2021-2024 this rate remained almost unchanged. This stability indicates that the central area is a primary attraction center for the general public, despite the significant rise in housing prices there.

In contrast, a moderate but consistent decline in the relative share of the Tel Aviv district and the Jerusalem district is evident. In the Tel Aviv district, the apartment purchase rate fell from 22% at the beginning of the period to 19% in recent years, and in the Jerusalem district, a decline from 7% to 5% was recorded. This decline may stem from the large price rise in these areas, alongside a change in the general public's residential preferences, including a move to nearby cities.

Figure 42

Distribution of Apartment Purchases among Non-Haredi Jews, by District and Period



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

At the same time, the apartment purchase rate in the Haifa district rose from 2% in 1999-2002 to 17% in 2021-2024. This rise may indicate a strengthening of the attractiveness of the Haifa area as an alternative to the center for non-Haredi Jewish buyers. In the southern district, a slight increase from 20% to 21% was recorded, while in the northern district, the purchase rate remained relatively stable at approximately 9-10% throughout the period. In Judea and Samaria, the non-Haredi Jewish share remained small and marginal, with a slight decline from 2.6% to 2.4%. The relative stability in the

geographic distribution of apartment purchases among non-Haredi Jews indicates that the housing choices of the general public were less affected by the economic constraints that accompanied the rise in apartment prices in Israel.

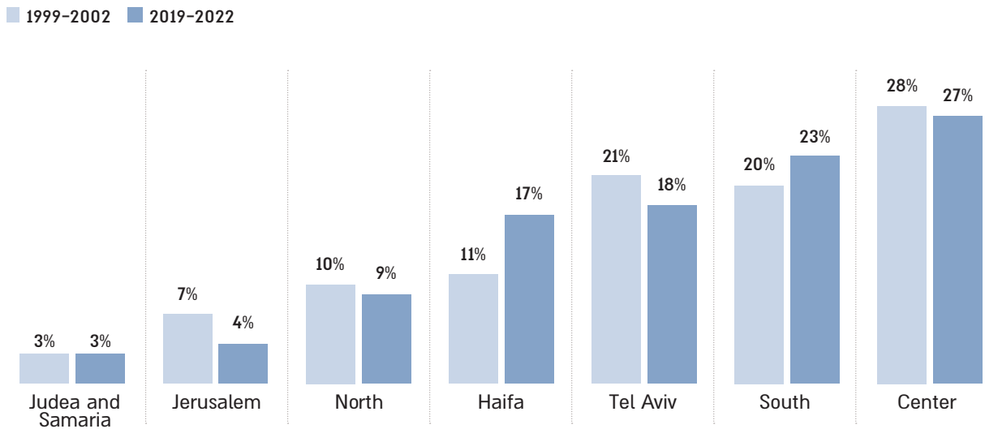
Examination of the geographic distribution of first apartment purchases among non-Haredi Jews points to a pattern similar to that seen in the overall market and to a general trend of stability relative to Haredi first-time buyers. This stability highlights the different considerations that exist when purchasing an apartment among Haredim compared to non-Haredi Jews.

Among first-time buyers, the center district remained the dominant area throughout the entire period, although a moderate decline occurred: the purchase rate in the center district fell from 28% in 1999-2002 to 27% in 2021-2024, most likely because of the rise in housing prices in central Israel.

Similar to the findings among all buyers, a decline in the relative share of the Tel Aviv district and the Jerusalem district is evident among first-time buyers. In the Tel Aviv district, the purchase rate fell from 21% to 18%, and in the Jerusalem district, a decline from 7% to 4.5% was recorded. This decline reflects the difficulty of first-time buyers in dealing with the particularly high price levels in these areas and the transfer of purchases to nearby, less expensive areas.

Figure 43

Distribution of First Apartment Purchases among Non-Haredi Jews, by District and Period, Ages 18–40



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

The Haifa district stands out also among first-time buyers, with a significant increase in its relative share: from 11% at the beginning of the 2000s to 17% in 2021-2024. This trend points to a strengthening of the Haifa area as a relatively accessible alternative to the center for young couples, similar to the trend seen in the overall non-Haredi population. An increase in the southern district was also recorded, from 20% to 23%, while in the northern district, the purchase rate remained relatively stable at approximately 9%. In Judea and Samaria, the share of non-Haredi first-time buyers remained marginal, with only a slight decline from 3.0% to 2.9%.

These data show that even when it comes to the initial entry into the housing market, the non-Haredi Jewish public does not dramatically change its residential map but operates mainly within familiar metropolitan spaces. This finding reinforces the claim that, unlike Haredi society, in which first-time buyers serve as a central engine of spatial movement, in the general society, even the stage of entry to the housing market relies on relatively stable residential patterns and long-term residential considerations.

The Haredi population is concentrated in a relatively small number of localities, mainly owing to demand for housing in areas with large Haredi communities where there are educational, religious, and cultural services adapted to its needs. A focused examination of the five leading cities in apartment purchases by the Haredi population, namely Jerusalem, Beit Shemesh, Bnei Brak, Ashdod, and Haifa, completes the district picture presented in previous figures and highlights the movement between the demand centers of the Haredi housing market.

In 2021-2022, Beit Shemesh was the leading city in the number of apartments purchased by Haredim, with approximately 4,500 apartments, more than Jerusalem, where approximately 4,200 apartments were purchased in that period. This figure reflected Beit Shemesh's status as a central destination for new Haredi locality, relying on broad construction volumes, new neighborhoods, and prices lower than those in Jerusalem and the center. However, in 2023-2024, only approximately 2,230 apartments were purchased in the city, a decline of approximately 50%. This decline may stem from a combination of a general slowdown in the housing market, partial exhaustion of the available apartment supply in the new neighborhoods, and a rise in local prices that reduced the city's advantage relative to other destinations.

Jerusalem maintains its status as a stable anchor in the Haredi housing market. The number of apartments purchased there even rose slightly, from approximately 4,170 apartments in 2021-2022 to approximately 4,380 apartments in 2023-2024. This stability reinforces the claim that despite the sustained rise in housing prices in the city, the religious and communal importance of Jerusalem continues to ensure its status as a central housing focus for Haredi society.

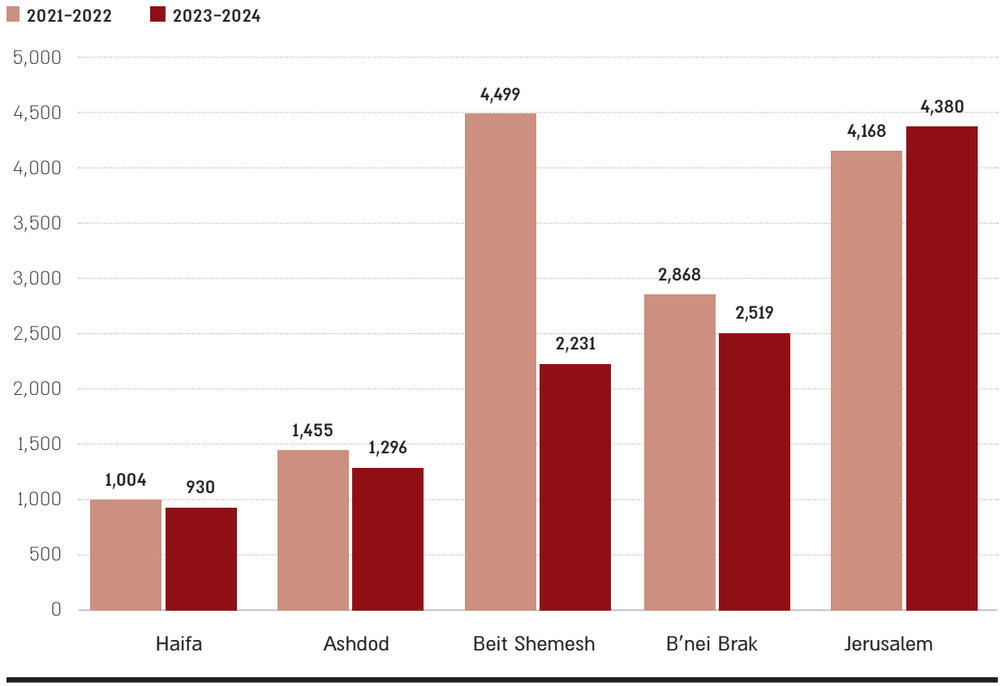
In Bnei Brak, the oldest and most densely populated Haredi city in Israel, a relatively moderate decline in purchases was evident, from approximately 2,870 apartments in 2021-2022 to approximately 2,520 in 2023-2024. This decline primarily reflects the steep rise in housing prices in the city, alongside significant supply constraints, partly due to reliance on urban renewal, which is in its early stages and limits the rate of new apartments entering the market.

In Ashdod, too, a moderate decline was recorded, from approximately 1,460 apartments to approximately 1,300. Nevertheless, despite the decline, the city continues to serve as an important destination for Haredi apartment purchases, mainly in neighborhoods with high Haredi concentration, and it benefits from a combination of developed urban infrastructure and relatively accessible prices compared to the central area.

A notable finding concerns Haifa, where approximately 1,000 apartments were purchased by Haredim in 2021-2022, and approximately 930 in 2023-2024. Even though this represents a slight decline, the volume of purchases in the city, compared to just dozens of apartments at the beginning of the 2000s, indicates that Haifa today serves as a significant destination for Haredim. A considerable portion of the apartments are purchased as investments and rented to a non-Haredi population, but a gradual increase in the number of Haredim actually living in the city is also evident. This trend aligns with the general increase seen in the Haredi purchase rate in the Haifa district and illustrates the Haredi geographic expansion beyond traditional residential areas.

Figure 44

Number of Apartments Purchased by Haredim in the Five Leading Purchase Destinations



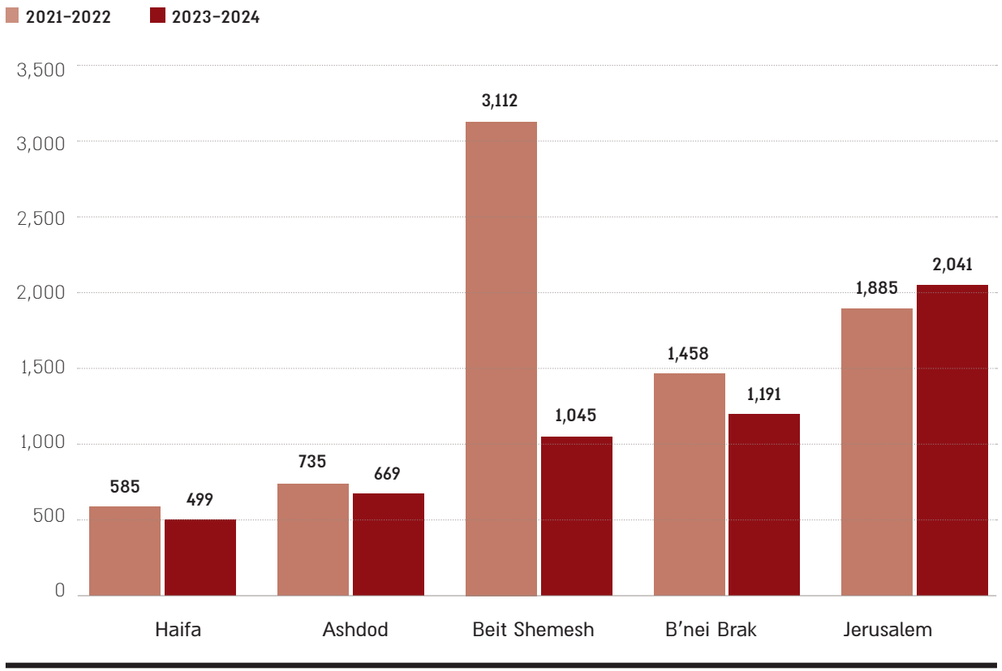
Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

Examination of first apartment purchase data in the five leading cities among the Haredi population sharpens the distinction between housing market entry patterns and general purchasing patterns.

In 2021-2022, Beit Shemesh was the main destination for Haredi first-time buyers, with approximately 3,100 first apartments purchased in the city, a number far higher than any other city. However, in 2023-2024 only approximately 1,050 first apartments were purchased in Beit Shemesh, a decline of 66%. This decline is even sharper than that seen in all apartment purchases in the city and reflects the high sensitivity of first-time buyers to changes in market conditions: rising interest rates, tightening of financing conditions, rising local apartment prices, and partial exhaustion of the new apartment supply.

Figure 45

Number of First Apartments Purchased by Haredim in the Five Leading Purchase Destinations



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

Jerusalem, in contrast, shows an opposite trend: the number of first apartments purchased in the city rose from 1,885 in 2021-2022 to 2,040 in 2023-2024. This trend points to stability and even an increase in first apartment purchases in Jerusalem, made possible among other things by the existence of

new projects in the framework of urban renewal in the city in recent years, alongside continued entry into relatively older and less expensive neighborhoods.

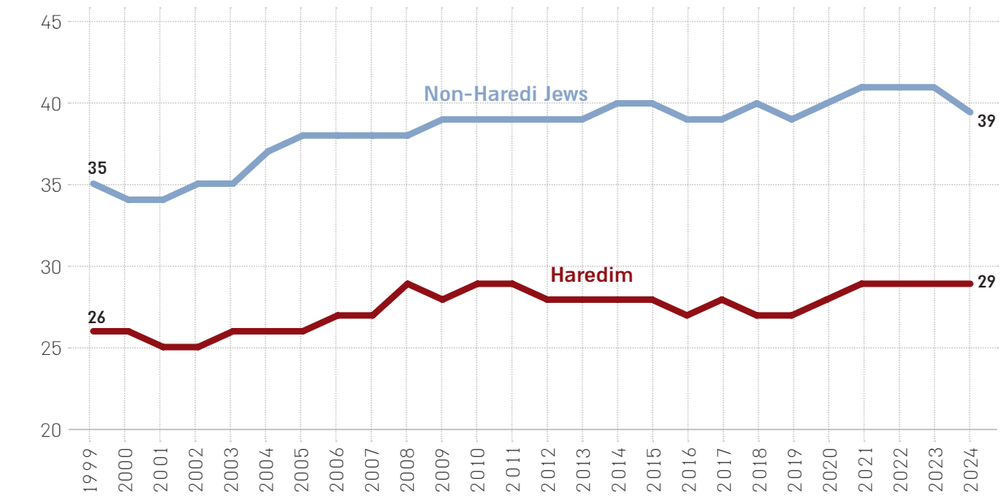
In Bnei Brak a more moderate decline was recorded, from 1,460 first apartments to 1,190, reflecting the continuing impact of the steep price rise in the city alongside supply constraints. In Ashdod and Haifa too a relatively moderate decline in the number of first apartments purchased was recorded, from 735 to 670 in Ashdod and from 585 to 500 in Haifa, but in both cities not-insignificant purchase volumes remained, indicating their role as secondary destinations for young Haredi couples, at times also for investment purposes.

Age of Buyers

In addition to the differences in characteristics of purchased apartments described above, the characteristics of buyers themselves must also be examined, primarily their age at the time of apartment purchase.

Figure 46

Median Buyer Age at Time of Purchase, by Sector, 1999–2024



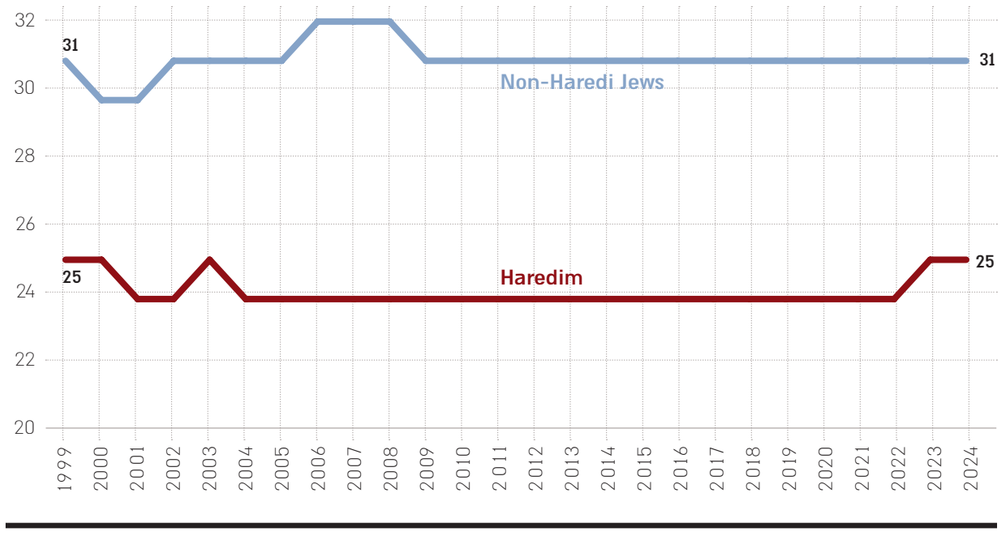
Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

In 2024, the median age for apartment purchase among Haredim was 29 years, both among first-time buyers and among housing upgraders. In contrast, among non-Haredi Jews, the median age for apartment purchase in that year was 39 years. This gap reflects the social differences in the apartment purchase process. In Haredi society, apartment purchase takes place at a young age, near the time of marriage, and as part of a structured and normative life course, while in non-Haredi Jewish society, apartment purchase takes place at a later stage, generally after occupational and economic establishment.

In recent decades, relative stability in the median age of Haredi apartment buyers has been evident, and since the late 1990s it has risen only moderately, from 26 years in 1999 to 29 years in 2024. These data indicate that despite the sharp and sustained rise in housing prices, apartment purchase at a young age has remained a central value of great social significance in Haredi society. However, the moderate rise in the purchase age may indicate a sustained change in the financing structure: young Haredi couples today participate to a greater extent than in the past in apartment payments, and are sometimes required to defer purchase by a number of years until relative economic stability in the first years of marriage is achieved.

Figure 47

Median Buyer Age for First Apartment Purchase, by Sector, Ages 18–40, 1999–2024



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

In contrast, among non-Haredi Jews, a greater impact of the rise in housing prices on the purchase age is evident. The median age for apartment purchase rose from 35 years in 1999 to 41 years in 2021-2023, and in 2024, a slight decrease to 39 years was recorded. In other words, over two and a half decades, apartment purchase in this sector was deferred by approximately four to six years. This

deferral reflects the perception of apartment purchase in the general society as an economic decision subject to discretion, weighed against market conditions, interest rates, employment, and personal economic stability, and not as a mandatory stage of social significance.

Examination of the age of first-time buyers reveals that throughout the entire examined period, and particularly stably, the median age for first apartment purchase among Haredim stood at only 24-25 years, compared to 31-32 years among non-Haredi Jews. This constant gap of approximately six to seven years has remained almost unchanged since the late 1990s to 2024.

This stability indicates that the first apartment purchase in Haredi society takes place at a very early life stage, near the time of marriage and sometimes even simultaneously, and constitutes an integral part of the normative path of establishing a household. In contrast, among non-Haredi Jews, the first apartment purchase takes place at a later age, also stable over the years, around the age of 31. First-time buyer data highlight the difference between the two social approaches to housing purchase, both of which have remained stable over the years in the face of rising housing prices and broad macroeconomic trends.

Employment

The labor market in Haredi society is shaped to a considerable degree by a unique socio-cultural structure associated with the ethos of the “society of learners,” in which Torah study is central. This structure is accompanied by a distinctive household economic model based on a gender-based division of roles: men devote many years to religious study, while women bear primary responsibility for earning income and managing finances. While widely accepted, its implementation varies across communities and life stages, producing diverse employment patterns. This structure developed through historical and ideological processes since the establishment of the State, including the creation of an independent Haredi education system that equips boys and girls differently according to their social roles. Boys focus on religious studies, while girls also acquire skills for labor market integration, shaping long-term employment characteristics.

As of 2025, employment among Haredi men stands at 53%, compared with 86% among non-Haredi Jewish men and 77% among Arab men. In contrast, Haredi women’s employment rate is 81%, close to that of non-Haredi Jewish women (83%) and higher than that of Arab women (49%). Wage gaps are also significant: in 2023, Haredi men earned NIS 10,900 on average (49% of non-Haredi Jewish men’s wages), while Haredi women earned NIS 10,400 (72% of non-Haredi Jewish women’s wages).

As the demographic weight of Haredi society has grown, Haredi employment has become a central socio-economic issue. Policy measures alongside internal pressures—such as rising living costs—have driven change. Haredi women have seen sustained increases in employment and diversification into new sectors, while changes among men remain more moderate and less stable, with persistent wage gaps.

The findings highlight that integration processes are neither uniform nor linear, requiring flexible and targeted policy tools based on up-to-date data and a nuanced understanding of social and economic.

Key Findings

53%
Employment rate of Haredi men
significantly lower than the employment rate of non-Haredi Jewish men (86%) and Arab men (77%)

81%
Employment rate of Haredi women
similar to non-Haredi Jewish women (83%) and significantly higher than that of Arab women

The hourly wage of Haredi men is lower than that of Haredi women:
71 NIS compared to 76 NIS.

In most Industries,
Haredi men earn on average less than 60% of the wage of non-Haredi Jewish men

In most Industries,
Haredi women earn on average about 70% or less of the wage of non-Haredi Jewish women

NIS 10,900
Average monthly wage of Haredi men.
A Haredi man earns 49% of the wage of a non-Haredi Jewish man (approximately 22,200 NIS)

NIS 10,400
Average monthly wage of Haredi women.
A Haredi woman earns 72% of the wage of a non-Haredi Jewish woman

86%
The hourly wage of Haredi women as a share of the hourly wage of non-Haredi Jewish women. Non-Haredi Jewish women earn on average 89 NIS per hour, compared to 76 NIS among Haredi women

61%
The hourly wage of Haredi men as a share of the hourly wage of non-Haredi Jewish men. Non-Haredi Jewish men earn on average 117 NIS per hour, compared to 71 NIS among Haredi men

The highest average wage of Haredi employees was measured In Petah Tikva:
14,600 NIS among Haredi men and 13,500 NIS among Haredi women.

Key Trends

Men's Employment ↙
The employment rate of Haredi men has been declining for the second consecutive year, falling from 55% in 2023 to 53% in 2025.

Women's Employment ↗
The employment gap between Haredi women and non-Haredi Jewish women stood at 2 percentage points for the third consecutive year.

Young Men's Employment ↗
The pace of growth in the employment rate of young Haredi men aged 20-24 continues to be the highest of all age groups. Since 2005, it has nearly tripled, from approximately 10% to approximately 30% in 2023.

Wage Gaps among men →
Wage gaps between Haredi men and non-Haredi Jews remained stable compared with the previous year, standing at 49%. This comes after a sustained widening of the gap over the past two decades: in 2005, a Haredi man's wage was approximately 70% of that of a non-Haredi Jewish man, a gap of approximately 30%.

Wage Gaps among Women →
Wage gaps between Haredi women and non-Haredi Jewish women have remained stable over the years, both on a monthly and on an hourly basis.

Wage Gaps between Haredi Streams ↗
Since 2005, the wages of both Litvak men and women have been higher than those of Hasidic or Sephardic men and women.

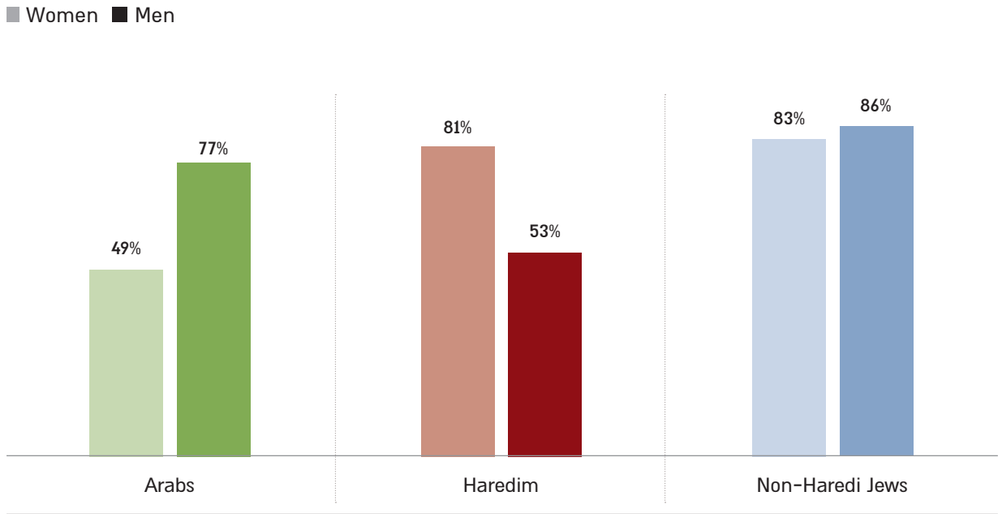
Employment Rate

Israel's population is composed of diverse cultural and social groups with different characteristics of origin and religious observance that influence lifestyle and the paths chosen by members of each group. These characteristics also shape patterns of labor market participation, which derive from the degree of access to employment opportunities, the level of human capital, and the norms prevalent in each group regarding education and employment. As a result, employment rates vary significantly across Israel's population groups.

As of 2025, the employment rate of Haredi men stands at 53%. This rate is lower than that of non-Haredi Jewish men at 86% and Arab men at 77%. The employment rate of Haredi women stands at 81%, similar to the rate of non-Haredi Jewish women at 83% and higher than that of Arab women at 49%.

Figure 48

Employment Rate by Gender and Sector, 2025



Source: The Institute for Strategy and Haredi Policy's calculations based on Labor Force Survey data

Among non-Haredi Jews, employment rates of men and women are similar, reflecting a nearly symmetric participation model. By contrast, in Haredi society, the picture is different: women's employment rates are significantly higher than men's, reflecting the unique structure of the "society of learners" and the division of roles within Haredi households. In Arab society, the gender picture is reversed, and men's employment rates are significantly higher than women's, owing to social norms, educational barriers, limited employment opportunities, and other factors. Nonetheless, analyses based on administrative data from the Tax Authority show a consistent rise in recent years in the participation rate of Arab women in the labor market, with the gender gap in that society narrowing.

A combination of social processes and economic pressures has led in recent years to changes in employment rates across population groups, including among Haredi men. Their employment rates remain low compared with those of non-Haredi Jewish men and Arab men, but over the past decade, a moderate upward trend is evident: the employment rate of Haredi men rose from 48% in 2014 to 53% in 2025.

This gradual rise reflects, in all likelihood, a combination of parallel processes taking place in Israel's social and economic sphere, including targeted efforts by government bodies, philanthropic organizations, and other actors to encourage employment in the Haredi sector, among other means, by making vocational training and higher education accessible. This occurs alongside growing economic pressure on Haredi households, driven partly by rising interest rates, which leads Haredi men to enter the labor market at younger ages than in the past.

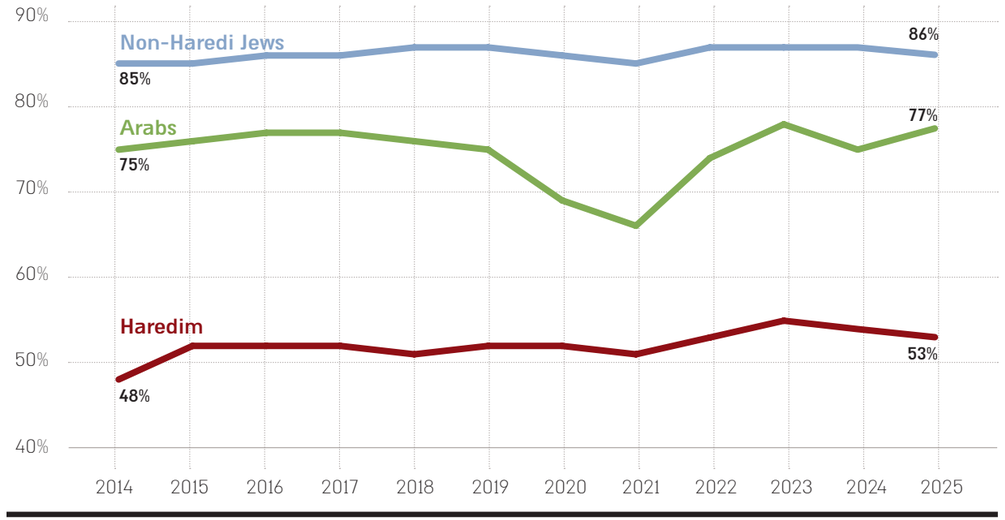
Although the overall employment rate rose over the past decade, the years 2023-2025 saw a slight retreat from 55% to 53%, signaling a temporary halt to this process. This decline likely stems from a combination of two central factors linked to Israel's security situation during these years. The economic effects of the war led to a slowdown in economic activity in certain sectors, with the initial impact falling on the weaker segments of the labor market, including Haredi men. At the same time, even as signs of economic recovery appeared in the most recent year, the downward trend in Haredi men's employment did not ease, suggesting that social factors may be exerting greater influence than economic conditions: in the past year, public, political, and media discourse was dominated by the conscription law debate. This preoccupation created external pressure, which often generates a counter-reaction in Haredi society toward insularity and withdrawal from integration into Israeli frameworks, including the labor market, as the perceived threat to the Haredi way of life creates an incentive for prolonged stay within protected Torah frameworks. The negative trend in Haredi men's employment over the past two years illustrates the high dependence of Haredi integration processes on the degree of social and political stability in Israel and the fragility of existing trends in the face of fluctuations in public discourse.

Among non-Haredi Jews, the employment rate has remained relatively stable over the years, moving between 85% and 87% since 2014. The employment rates of Arab men hovered in the early part of the decade around 75%-78%, then fell to 66% in 2020-2021 because of the Covid-19 crisis. In subsequent years, a renewed rise to 78% was recorded, the highest rate measured among Arab men in the past decade. In 2023, the rate fell again to 75%, most likely owing to the security situation and tensions between Jewish and Arab society that year, as well as to a slowdown in construction, where many Arab men are employed. In 2025, the employment rate of Arab men climbed back to 77%, reflecting economic recovery and the efforts being made to return to normality under Israel's challenging security conditions.

Employment trends among women over the years differ from those among men. The employment rate of Haredi women rose consistently from 68% in 2014 to 81% in 2025. This rise is the result of sustained government processes and increasing economic pressure on the Haredi household. Since 2020, the employment rate of Haredi women has become very close to that of non-Haredi Jewish women, and over the past decade, the gap between them has narrowed from 10 percentage points to 2 percentage points. A notable rise in the employment rate has also occurred among Arab women in recent years, from 33% in 2014 to 49% in 2025. It should be noted that in administrative measurement based on Tax Authority data, significantly higher employment rates were recorded among Arab women than in the labor force surveys, standing at 58% in 2023.

Figure 49

Men's Employment Rate by Sector, 2014–2025

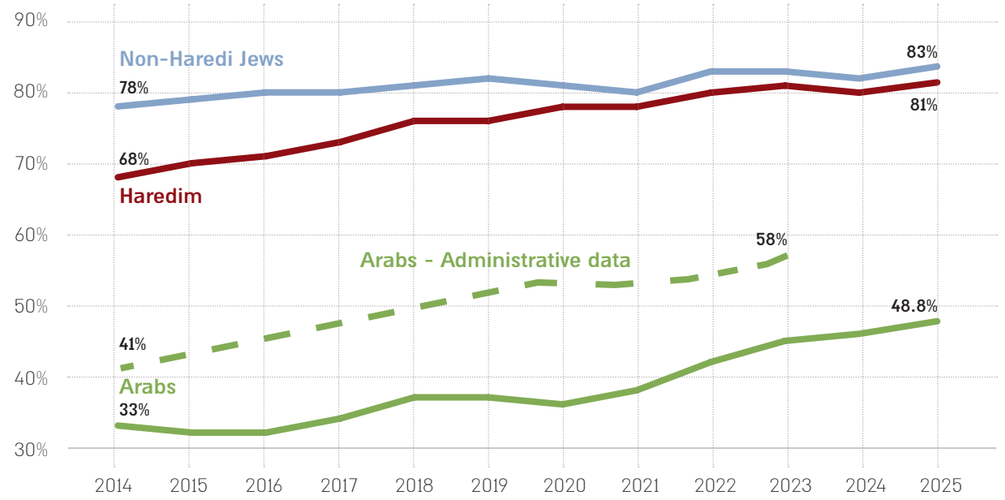


Source: The Institute for Strategy and Haredi Policy's calculations based on Labor Force Survey data

In 2024, a slight decline in employment rates was recorded among Haredi women and non-Haredi Jewish women, most likely owing to the security situation and the difficulty working mothers faced in maintaining employment stability. In 2025, however, employment rates returned to their pre-war levels, indicating economic recovery despite the security challenges and their impact on many households. The employment rates of Arab women continued to rise in 2025, pointing to a long-term trend of increasing labor market participation that is linked to targeted efforts to make education and suitable employment accessible to Arab women.

Figure 50

Women's Employment Rate by Sector, 2014–2025



Source: The Institute for Strategy and Haredi Policy's calculations based on Labor Force Survey data

Average Wage

Alongside the gaps in employment rates of men and women across Israel's population groups, there are also significant differences in wage characteristics. These gaps are connected, in all likelihood, to inequality of opportunity embedded in Israel's socio-economic structure, and against this backdrop, an examination of wages serves as a central tool for understanding the depth of social disparities in Israel.

In 2023, the average monthly wage of Haredi men stood at NIS 10,900, representing 49% of the average wage of non-Haredi Jewish men at NIS 22,000, and 88% of the average wage of Arab men at NIS 12,400. These gaps are the result of a range of social and economic factors that consistently shape the characteristics of Haredi men's integration into the labor market.

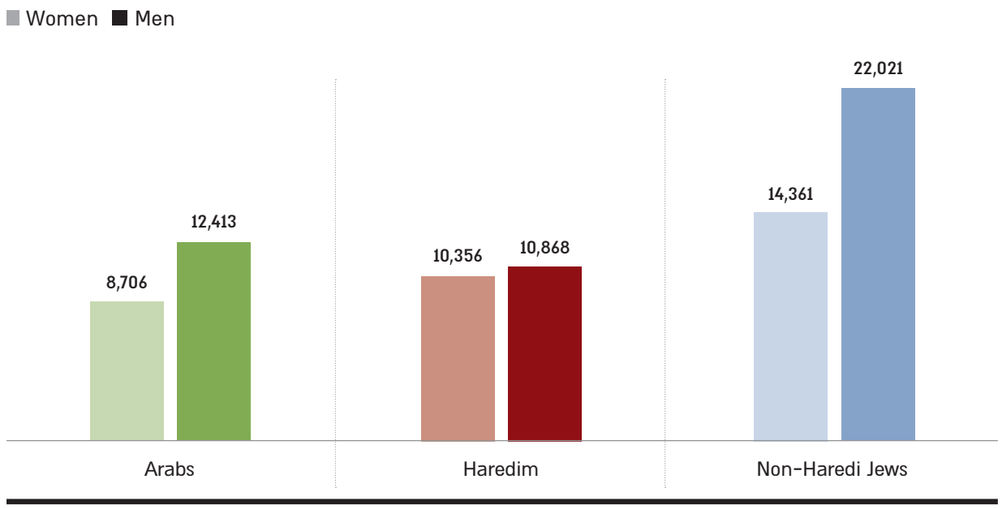
First, most Haredi men lack formal vocational training or a college degree. The absence of advanced training and education constitutes a significant barrier to entry into high-productivity sectors, limits the employment options of Haredi men, and leads them toward occupations and roles in which wage levels are low. Furthermore, because of the unique life trajectory of Haredi men, which is typically devoted entirely to Torah study, many of them enter the labor market at a relatively late stage of life. This late entry reduces their ability to accumulate employment experience and diminishes their

earning potential. Finally, many Haredi men turn to employment within the community, which suits their way of life and their skills, such as teaching positions and related roles in the field of education. In these work environments, wages are typically significantly lower than in more professional and lucrative roles.

Wage gaps also exist between Haredi women and non-Haredi Jewish women, though they are more moderate than those among men. The average monthly wage of Haredi women stands at NIS 10,400, representing 72% of the average wage of non-Haredi Jewish women at NIS 14,400, and 19% more than the wage of Arab women at NIS 8,700. These gaps are explained, among other things, by work in part-time positions and a lower number of weekly working hours. Additionally, the common training tracks among Haredi women influence their earning potential: most pursue vocational training rather tha college degrees, and for cultural and social reasons, they tend to integrate into occupations with relatively lower wage levels. The smaller wage gaps among women compared with those among men may stem from the relatively limited differences in education and training between Haredi women and non-Haredi Jewish women. Haredi women also enter the labor market at a younger age, partly because they do not serve in the military, and can thus accumulate employment experience earlier.

Figure 51

Average Monthly Wage of Salaried Employees by Gender and Sector, in NIS (Gross), 2023



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

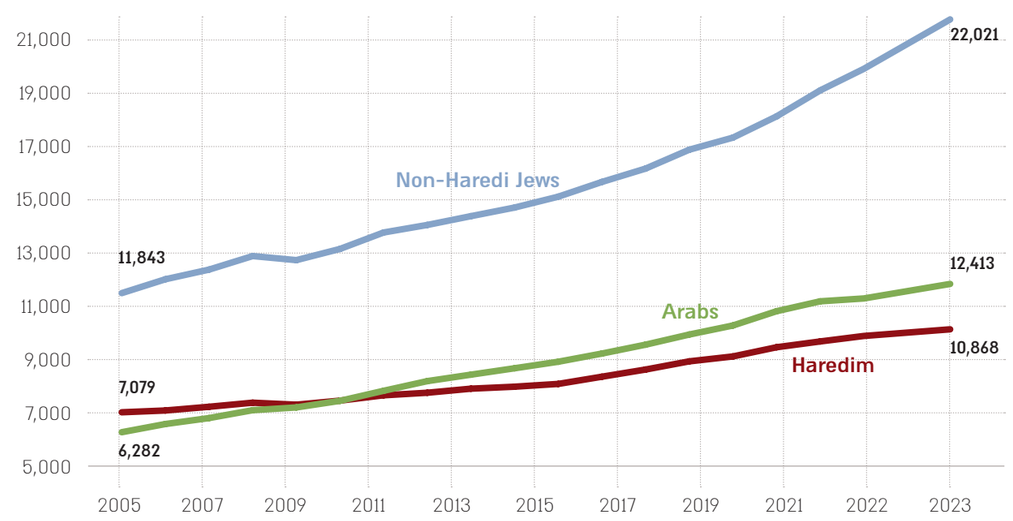
Long-term wage trends among men point to a consistent and significant widening of the wage gap between Haredi men and non-Haredi Jewish men. In 2005, the average monthly wage of Haredi men stood at NIS 7,079. Over the 15 years that followed, their wage rose to only NIS 10,900, a growth of just over 50% in nominal terms. Among non-Haredi Jewish men the rise was far more rapid: from NIS 11,800 in 2005 to NIS 22,000 in 2023, growth of 86%, nearly double the increase recorded among Haredi men. Nevertheless, since 2019 the widening of the wage gap has moderated, and between 2022 and 2023, the wage of Haredi men remained at 49% of the wage of non-Haredi Jewish men.

The picture is more complex when examining the wages of Arab men: in 2005 their average monthly wage stood at NIS 6,300, lower than that of Haredi men, but a rise of nearly 100% in their wage to NIS 12,400 meant that since 2011 they have been earning more than Haredi men.

Among the three groups examined, Haredi men recorded the lowest rate of wage growth. As a result, the wage gaps between them and non-Haredi Jewish men continued to widen, and a negative gap relative to Arab men also opened and continues to grow. The reasons for these gaps are likely linked to changes that have taken place in the labor market over recent decades, during which the Israeli economy underwent an accelerated transformation driven by growth in high-productivity sectors, including high-tech, financial services, engineering, data professions, and advanced technologies. These occupations require, with almost no exception, higher education, quality professional training, command of foreign languages, and complex technological abilities.

Figure 52

Average Monthly Wage of Male Salaried Employees by Sector, in NIS (Gross), 2005–2023



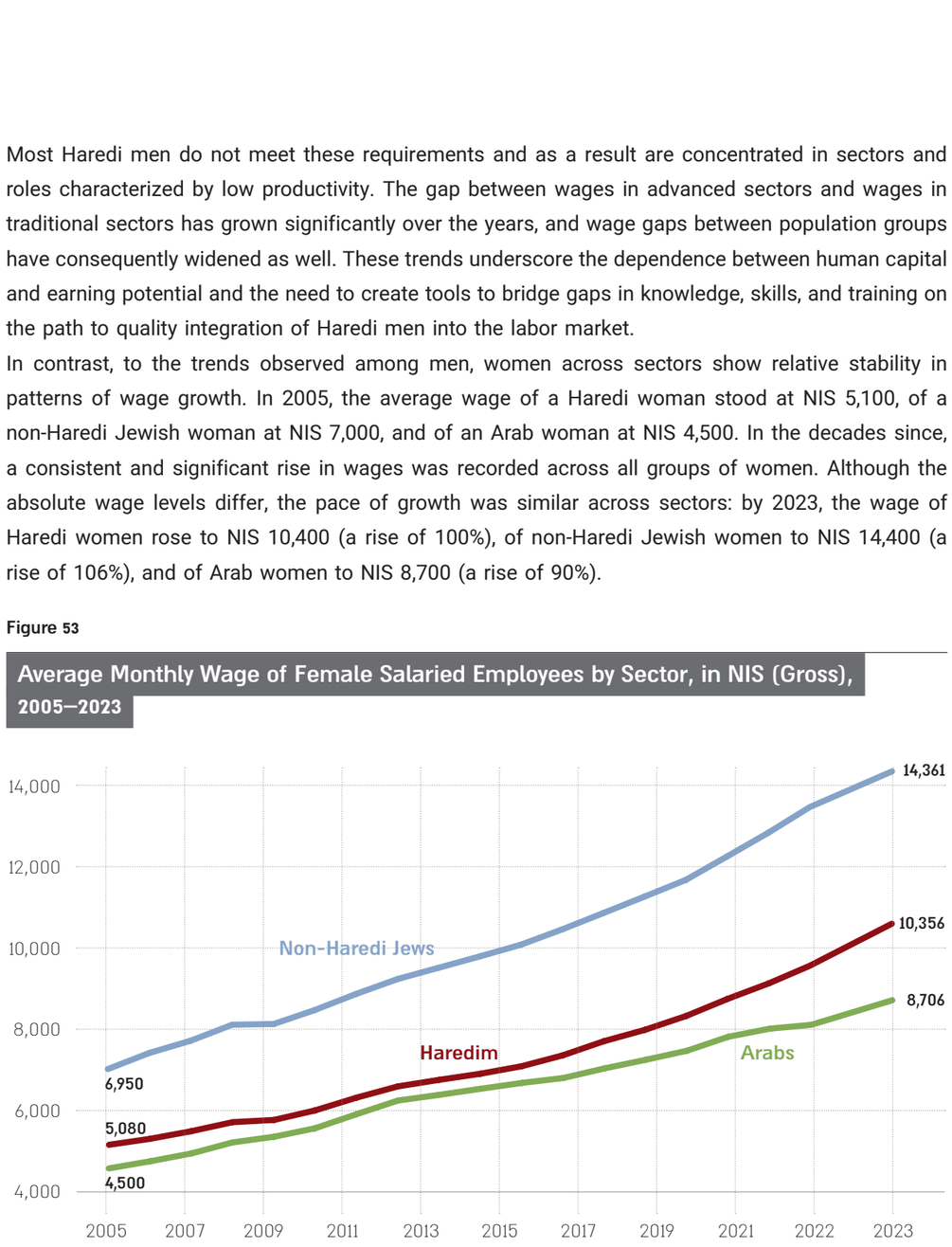
Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

Most Haredi men do not meet these requirements and as a result are concentrated in sectors and roles characterized by low productivity. The gap between wages in advanced sectors and wages in traditional sectors has grown significantly over the years, and wage gaps between population groups have consequently widened as well. These trends underscore the dependence between human capital and earning potential and the need to create tools to bridge gaps in knowledge, skills, and training on the path to quality integration of Haredi men into the labor market.

In contrast, to the trends observed among men, women across sectors show relative stability in patterns of wage growth. In 2005, the average wage of a Haredi woman stood at NIS 5,100, of a non-Haredi Jewish woman at NIS 7,000, and of an Arab woman at NIS 4,500. In the decades since, a consistent and significant rise in wages was recorded across all groups of women. Although the absolute wage levels differ, the pace of growth was similar across sectors: by 2023, the wage of Haredi women rose to NIS 10,400 (a rise of 100%), of non-Haredi Jewish women to NIS 14,400 (a rise of 106%), and of Arab women to NIS 8,700 (a rise of 90%).

Figure 53

Average Monthly Wage of Female Salaried Employees by Sector, in NIS (Gross), 2005—2023



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

As a result, the wage gap between Haredi women and non-Haredi Jewish women remained almost stable throughout the period. In 2005, the wage of a Haredi woman stood at 73% of the wage of a non-Haredi Jewish woman, and in 2023 it stood at 72%. This stability is particularly striking in light of the widening wage gaps among men and illustrates that the dynamics of the women's labor market differ. A central explanation relates to changes that have taken place within Haredi society: faced with the economic challenges of Haredi households and the uncontested role of women as primary breadwinners, the options for vocational training available to women expanded significantly in the past decade, primarily in Haredi seminary institutions. These shifted from traditional training tracks, such as teaching, to training programs tailored to higher-productivity occupations, including technology, software development, software testing, data analysis, finance, and healthcare. A consistent increase in the share of Haredi women pursuing higher education has also been recorded, a process made possible in part through the development of culturally adapted frameworks.

This momentum, stemming primarily from community initiatives and philanthropic presence alongside government action, enables Haredi women to maintain a relatively limited wage gap relative to non-Haredi Jewish women and to avoid deepening the gap, as has been observed among men. Nevertheless, these steps have not yet produced a real narrowing of wage gaps, and additional tools are needed to enable optimal integration of Haredi women into high-productivity sectors and occupations.

Consistent with the monthly wage data, analysis of hourly wages also presents clear disparities between population groups, alongside gender gaps within each group. In 2023, the hourly wage of a Haredi man stood at NIS 71, lower than the hourly wage of Haredi women, which reached NIS 76. This outcome is unusual in the Israeli context: in all other groups in society, without exception, the picture is reversed, and men earn more than women per hour of work.

This unique hourly wage structure reflects trends that are widening the gender gaps in Haredi society. In the past decade, there has been a significant rise in the proportion of Haredi women pursuing technological, vocational, and academic training, as well as a broader entry of Haredi women into high-productivity sectors where hourly wages are higher. These processes raise the human capital level of Haredi women and even position them at an advantage relative to men from their own community, who enter the labor market later and generally without formal training.

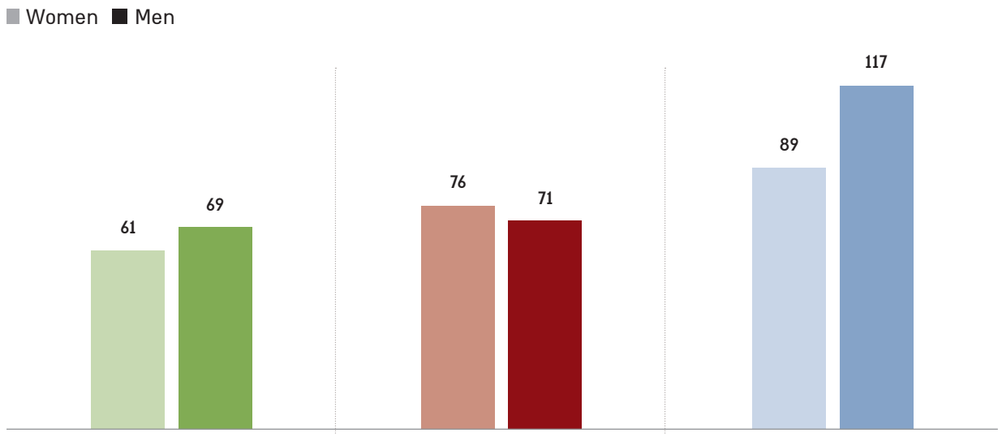
Comparing Haredi women with non-Haredi Jewish women, the wage gap observed at the monthly level is also observed at the hourly level: the hourly wage of Haredi women is 86% of the hourly wage of non-Haredi Jewish women, which stands at NIS 89. This gap is important because it shows that the common assumption that monthly wage gaps between Haredi women and non-Haredi Jewish women stem solely from differences in work hours and from Haredi women working part-time is only partly correct. Hourly wage gaps point to the existence of additional reasons for the monthly wage differences, including gaps in skill levels, training quality, and the types of roles that Haredi women attain. The hourly wage of Arab women is the lowest among employed women and stands at NIS 56 per hour, a wage 25% lower than the hourly wage of Haredi women.

Gaps among men are even more pronounced: the hourly wage of a non-Haredi Jewish man reaches NIS 117, 65% more than that of a Haredi man. This gap reflects the dramatic differences in education,

skills, and professional experience between the two groups, and the barriers to Haredi men's entry into high-productivity sectors. By contrast, the hourly wage of Arab men is close to that of Haredi men, standing at NIS 69, a difference of only a few percentage points.

Figure 54

Average Hourly Wage of Salaried Employees by Gender and Sector, in NIS (Gross), 2023

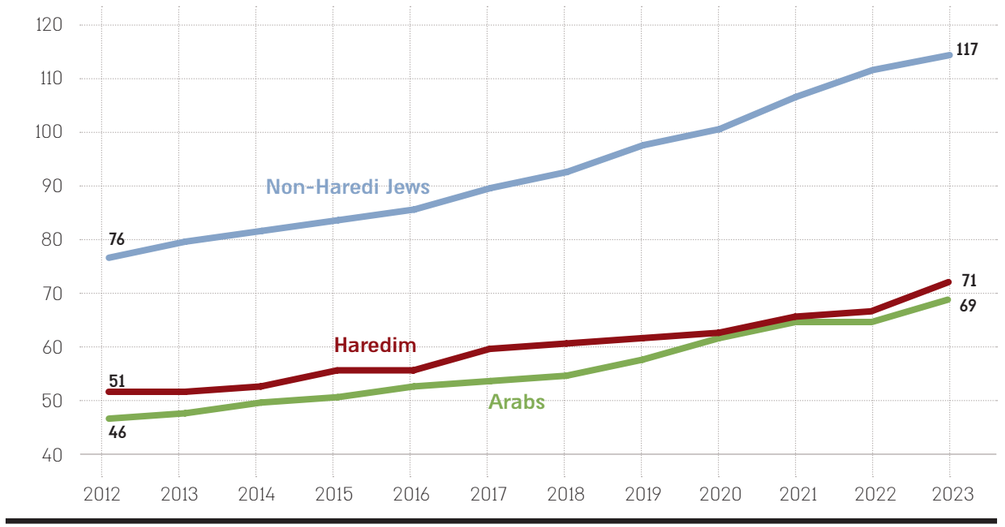


Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

The widening wage gaps between Haredi men and non-Haredi Jewish men are also evident when examining hourly wage trends over the past decade. Between 2012 and 2023, hourly wages rose across all groups, but the expression of this differed in each group. Among non-Haredi Jewish men there was a marked rise of 54% during this period: from NIS 76 per hour to NIS 117. This rise reflects broad integration into high-productivity sectors such as high-tech, finance, engineering, and professional services. Among Arab men, too, a relatively significant growth was recorded: their hourly wage rose by 50%, from NIS 46 to NIS 69. By contrast, the hourly wage of Haredi men rose during this period by 39%, from NIS 51 to NIS 71. While this represents a significant rise in nominal terms, the pace of growth compared with the other two groups creates cumulative gaps that grow each year.
The slower growth in the hourly wage of Haredi men parallels the pattern observed in monthly wages, and it reflects first and foremost deep gaps in human capital: a low rate of formal education, the absence of advanced professional training, a relatively late entry into the labor market, and integration into low-productivity sectors. At the same time, rewarding sectors of the Israeli economy, based on advanced skills, have become more competitive in recent years, a trend that amplifies the gap relative to groups with a lower starting point, such as Haredi men, who find it difficult to integrate into these positions and sectors.

Figure 55

Average Hourly Wage of Male Salaried Employees by Sector, in NIS (Gross), 2012–2023

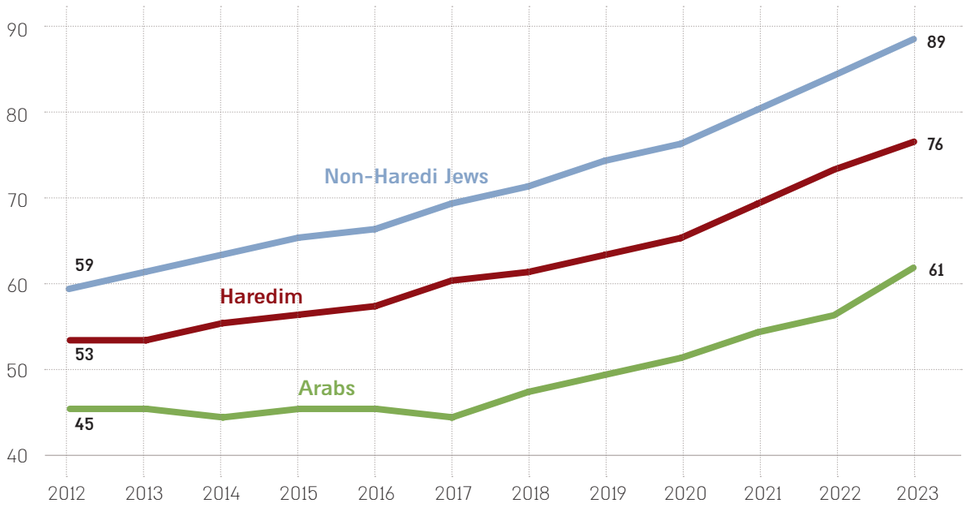


Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data and Labor Force Survey data

Hourly wage trends among women largely reflect the trends observed in monthly wages. Among Haredi women, between 2012 and 2023 there was a rise of 37% in average hourly wage, from NIS 56 to NIS 76. During this period the average hourly wage of non-Haredi Jewish women rose at a slightly faster rate: from NIS 59 to NIS 89, a rise of 50%. Among Arab women, the rise was 36%, from NIS 45 to NIS 61 per hour.
The patterns of hourly wage growth of Haredi women and non-Haredi Jewish women are very similar, and the wage gap between them has therefore remained almost stable over the years. In 2012, the hourly wage of Haredi women stood at 90% of that of non-Haredi Jewish women. By 2023, this figure declined slightly to 86%. This gap has not grown significantly, despite the human capital and training differences between the two groups, a fact that reflects the cumulative effect of social and economic processes within Haredi society: advanced vocational training, the opening of quality training tracks in girls' seminaries, and a rise in the share of Haredi women with college degrees.
These trends moderate the widening of the gap but do not bring about its narrowing. The stability of the hourly gap indicates that the advancement of Haredi women in the labor market is still taking place within a sectoral and employment framework that does not allow them to reach the wage levels of non-Haredi Jewish women. Further action is therefore required to enable a narrowing of wage gaps in the near future.

Figure 56

Average Hourly Wage of Female Salaried Employees by Sector, in NIS (Gross), 2012–2023



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data and Labor Force Survey data

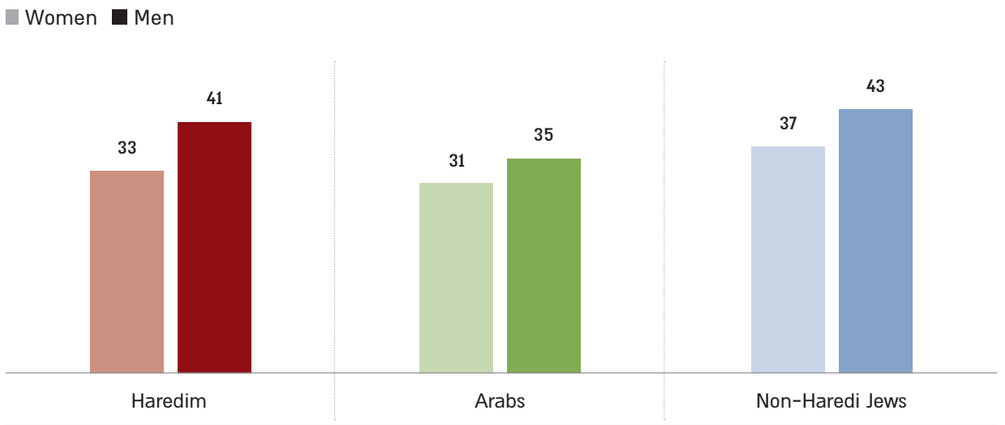
Work Hours

The employment characteristics of Israel's population groups also find expression in the weekly work hours of each group. Comparing sectors, Haredi society has the highest proportion of employed women and men working part-time. Haredi women work an average of 31 hours per week, compared with 37 hours among non-Haredi Jewish women and 33 hours among Arab women. Among men, the gaps are even more pronounced: Haredi men work an average of 35 hours per week, compared with 43 hours among non-Haredi Jewish men and 41 hours among Arab men.

The gaps in work hours are a central factor in the monthly wage gaps between Haredim and non-Haredi Jews, particularly among women. They reflect employment patterns influenced by social and cultural preferences regarding the balance between work and family and community life, and they stem from a more reserved attitude among Haredi women and men regarding long working hours. For Haredi men, the lower number of hours is generally linked to an attempt to combine employment with Torah study, a central component of their identity and way of life. Among Haredi women, working fewer hours sometimes reflects the need to devote more time to raising a large family, which demands availability, time, and resources.

Figure 57

Weekly Work Hours of Salaried Employees by Gender and Sector, 2023



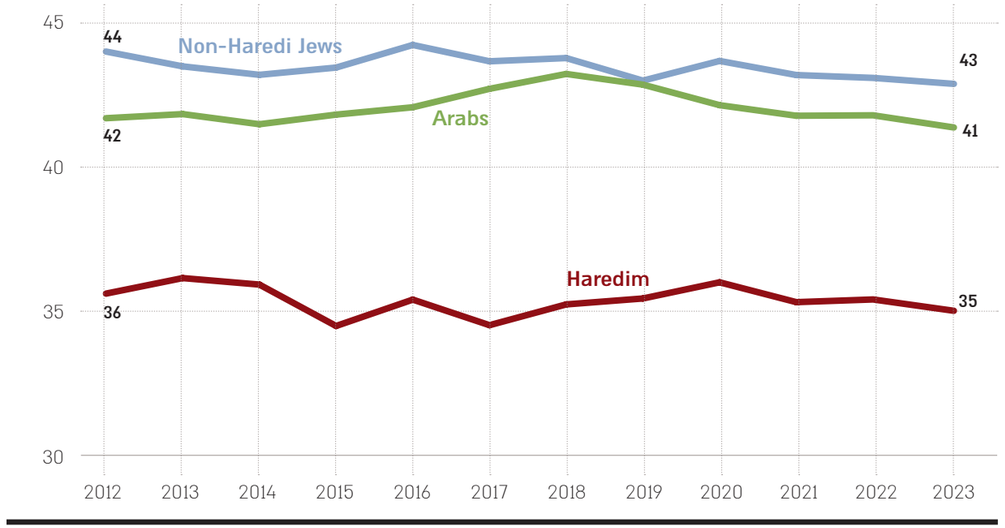
Source: The Institute for Strategy and Haredi Policy's calculations based on Labor Force Survey data

Over the years, moderate changes have taken place in the average number of weekly work hours among men from the different groups. Between 2012 and 2023, the number of work hours among Haredi men stood at 35 hours, with a temporary decline to 34 in 2015 and 2017. The average Work hours among non-Haredi Jewish men stood at 43 hours, with a temporary rise to 44 in 2016. Among Arab men, the number of weekly work hours was more volatile: between 2015 and 2018 a gradual rise from 41 to 43 hours took place, and since 2019 a gradual moderate decline to 41 hours in 2023 is evident.

The data show that the gaps between the weekly work hours of men from different sectors have been maintained throughout the entire period, without any real convergence trend. This fact indicates that the scope of working hours, unlike the employment rate itself, is one of the most stable components of the employment identity of Israel's population groups. While employment rates can rise or fall in response to economic, security, and social changes, the number of weekly hours proves more rigid and reflects entrenched lifestyle patterns, community norms, and fixed employment structures.

Figure 58

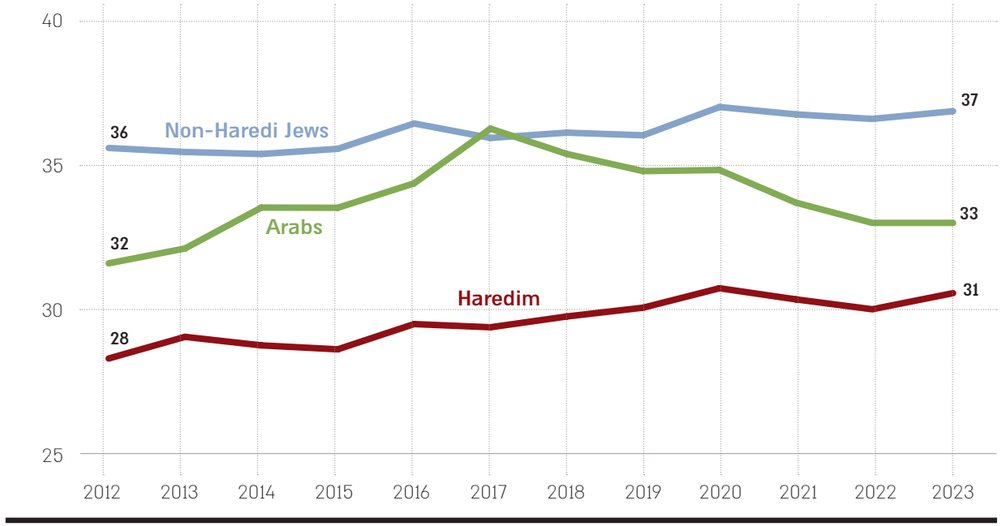
Weekly Work Hours of Male Salaried Employees by Sector, 2012–2023



Source: The Institute for Strategy and Haredi Policy's calculations based on Labor Force Survey data

Figure 59

Weekly Work Hours of Female Salaried Employees by Sector, 2012–2023



Source: The Institute for Strategy and Haredi Policy's calculations based on Labor Force Survey data

Among Haredi women, by contrast, a gradual and sustained increase in the scope of weekly work hours is evident over the past decade. In 2012, at the beginning of the decade, the average work hours of Haredi women stood at 28 hours per week, and in 2023 the average rose to 31. This is a moderate but consistent movement, pointing to changes taking place in the employment characteristics of Haredi women and to their integration into occupations and sectors with higher productivity, which generally require full-time work. This contrasts with the part-time work available in the traditional employment sectors of Haredi women.

Among non-Haredi Jewish women, relative stability in the scope of work hours was recorded over the years: between 2012 and 2019 the average stood in most years at 36 weekly hours. From 2020 onward, the average rose to 37 hours, most likely following structural changes in the labor market, including the effects of the Covid-19 crisis and the expansion of hybrid work. Among Arab women, a more complex picture emerges over the decade. Between 2012 and 2017, the average work hours rose from 32 to 36 hours, expressing growth in participation rates, a rise in educational levels, and entry into sectors requiring a larger scope of employment. However, since 2018 a gradual decline to only 33 hours in 2023 has been evident, which may stem from the rise in the participation rates of Arab women in the labor market leading to an initial broad entry, typically characterized by part-time work at the beginning of the employment trajectory.

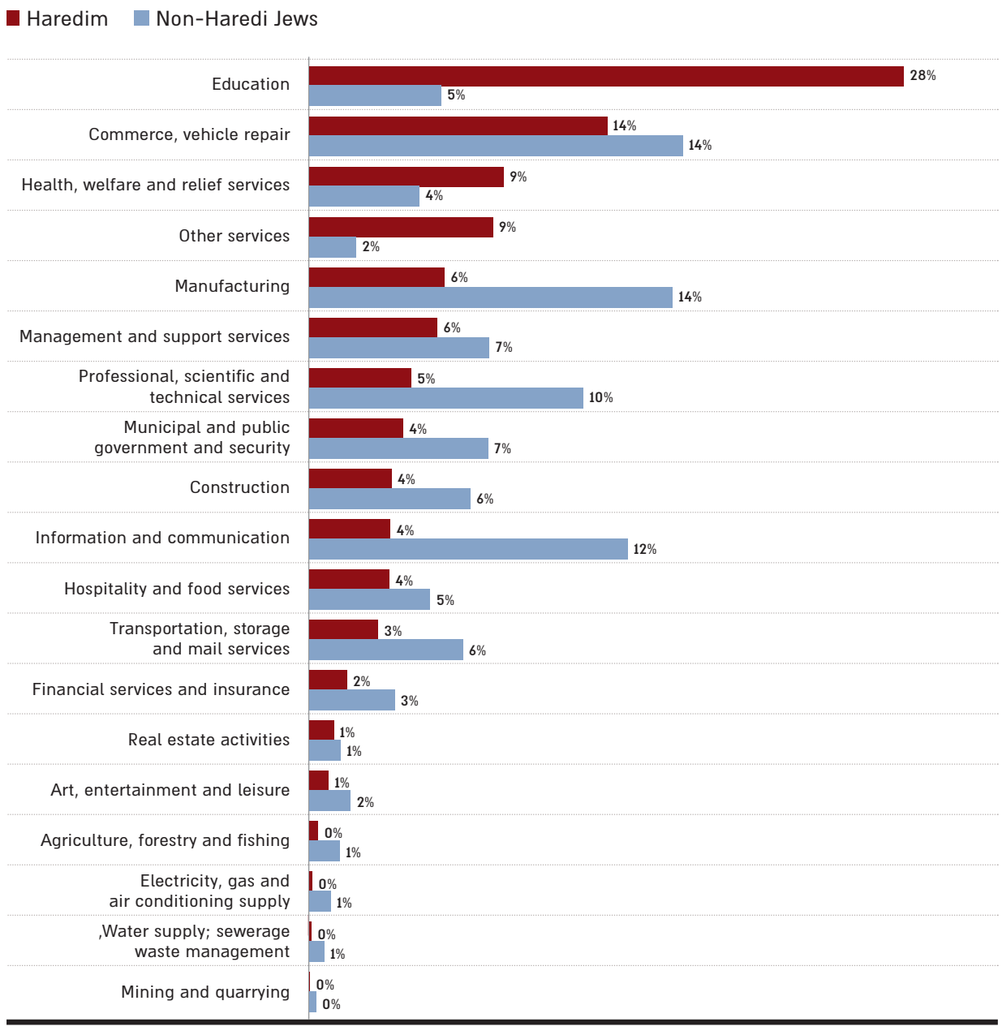
Industry Distribution

Israel's labor market is composed of a variety of economic sectors, including high-productivity sectors requiring advanced training and technological skills alongside more traditional sectors characterized by physical work or community-based roles. Each sector has different entry requirements, different wage levels, and unique working conditions, and therefore the sectoral mix of each population group's integration has implications for the quality of its employment, its earning potential, and its career advancement opportunities.

Looking at the industry distribution among Haredi men, a sharp gap compared with non-Haredi Jewish men is striking: 28% of Haredi men are employed in the education sector, a rate four times higher than that of non-Haredi Jewish men at 5%. This high representation reflects a combination of structural and cultural factors. First, the high birth rate in Haredi society generates a need for many more responses within the Haredi education system. Furthermore, the Haredi education system is based on separate frameworks for boys and girls, creating a need for men in education and teaching roles in boys' institutions. Finally, for many Haredi men, teaching and education roles within the community are perceived as work that allows a continued connection to Torah study, a familiar and community-based work environment, and relatively flexible working hours.

Figure 60

Industry Distribution of Employed Men by Sector, 2023



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

By contrast, in sectors characterized by high wages and growing demand for professional skills, such as engineering, technology, communications, and professional services, Haredi men are underrepresented: 6% of Haredi men work in manufacturing, compared with 14% of non-Haredi Jewish men. A similar gap exists in the information and communications sector, where 4% are employed among Haredim compared with 12% among non-Haredi Jews. In the professional, scientific, and technical services sector, which includes legal, financial, engineering, and business roles, the gap is somewhat smaller: 5% among Haredim compared with 10% among non-Haredi Jews.

The central reason for these gaps lies in the human capital characteristics of Haredi men: the educational and ideological life trajectory of Haredi men creates a higher alignment with community-based roles and low-productivity sectors, alongside a near-structural barrier to integration into advanced sectors, as the vast majority lack the formal education or technological skills required for admission to the more lucrative positions in the Israeli economy.

Figure 61

Industry Distribution of Employed Women by Sector, 2023

Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

Similarly to the industry distribution among Haredi men, Haredi women also show a clear concentration in the education sector, which is their main employment focus. Close to 40% of Haredi women are employed in this sector, nearly three times the rate of non-Haredi Jewish women at 14%. This high representation rests on a range of social, demographic, and systemic factors, including the high birth rate in Haredi society, which generates sustained demand for teaching and education staff. Haredi society has also positioned the teaching profession for decades as the default employment choice for women, owing to its suitability for the Haredi way of life, including flexible working hours, a protected community environment, and the possibility of combining work with raising a large family. This mechanism led the vocational training of Haredi women to focus for many years on teaching tracks and pre-primary education, thereby preserving their especially high representation in this sector to this day. Today they are also employed outside the Haredi system, integrating into state and state-religious education frameworks.

In addition, the industry distribution among Haredi women differs from that of Haredi men: although they too show underrepresentation in advanced sectors and high-productivity occupations, the gaps between Haredi women and non-Haredi Jewish women are significantly smaller than the parallel gaps among men. For example, in the professional, scientific, and technical services sector, one of the highest-productivity sectors in the economy, 7% of Haredi women are employed compared with 9% of non-Haredi Jewish women; in trade, 6% of Haredi women are employed compared with 11% of non-Haredi Jewish women; in the information and communications sector, characterized by high wage levels and demand for technological skills, 5% of Haredi women are employed compared with 7% of non-Haredi Jewish women; while in manufacturing, where the most significant gap exists, 1% of Haredi women are employed compared with 7% of non-Haredi Jewish women.

As will be shown below, the sectoral difference is one of the central factors explaining the wage gaps between Haredi women and non-Haredi Jewish women, stemming from, among other things, the tendency of Haredi women to work in smaller scopes of employment, alongside their human capital characteristics and training.

Average Wage by Industry

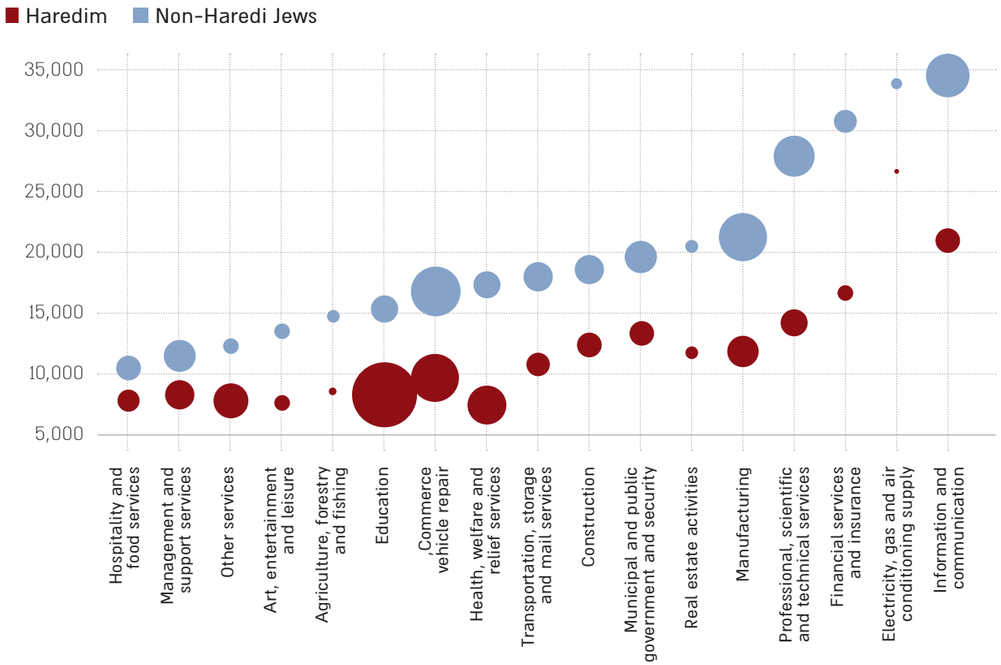
The wage gaps between Haredi employees and non-Haredi Jewish employees are influenced, among other things, by the different industry distribution of each sector. However, even when workers from both groups are employed in the same sector, significant wage gaps are evident between them. This means that the disparity does not stem only from the choice of different employment sectors but also from the roles, training, and skills that each group brings within the same sector.

In most economic sectors, Haredi men earn 60% of the wage of non-Haredi Jewish men. The most striking gaps appear in health services, where Haredi men earn only 45% of the wage of non-Haredi Jewish men. This gap stems, in all likelihood, from differences in the roles and occupations of Haredi men within the health sector: while non-Haredi Jewish men are employed in academic occupations as physicians, senior paramedical professionals, or various managerial positions, Haredi men are generally employed in relatively junior roles where wages are significantly lower.

In hospitality and food services and in management and support services, by contrast, the wage gaps are the smallest, though they are still significant: Haredi men earn 76% of the wage of their non-Haredi Jewish counterparts in these sectors. These sectors have relatively low productivity and more basic entry requirements, so gaps in human capital are also expressed to a lesser degree.

Figure 62

Industry Distribution and Average Monthly Wage among Men, in NIS (Gross), by Industry and Sector, 2023



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data. * Circle size represents the proportion of employed in the sector from all employed in each sector.

In high-tech sectors, namely information and communications and professional, scientific, and technical services, the gaps are wide. Haredi men earn 61% and 52% respectively of the wage of non-Haredi Jewish men. These figures point to a moderate widening of gaps compared with the previous year, further evidence of the deepening disparities in high-productivity knowledge-based occupations.

The sectoral picture reflects one of the central structural challenges facing Haredi men: gaps in formal education, technological skills, and professional experience serve as barriers that make it difficult for them to integrate into high-productivity, high-wage sectors.

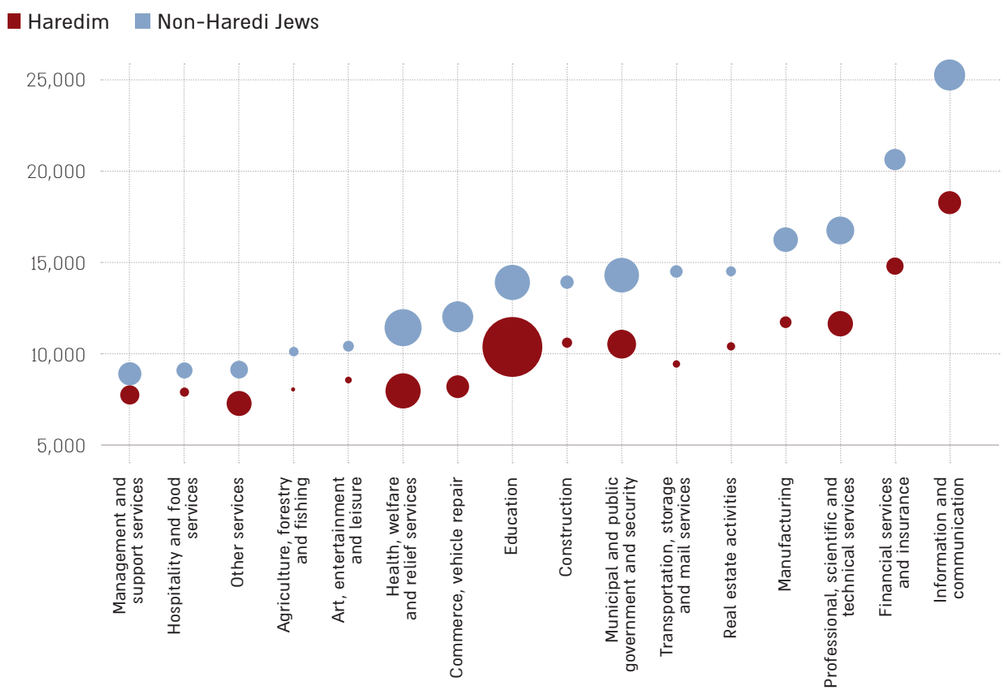
Among Haredi women, too, intra-sectoral wage gaps exist, and in each of the economic sectors their average monthly wage is consistently lower than that of non-Haredi Jewish women. These gaps are, however, more moderate than those found among men. In most sectors, the gap narrows to only 25%, so that Haredi women earn on average 75% of the wage of non-Haredi Jewish women. Similarly to Haredi men, the smallest gap for women is also observed in sectors characterized by relatively lower wages and flexible entry requirements, such as management and support services and hospitality and food services. In these sectors Haredi women earn 90% of the wage of non-Haredi Jewish women, most likely because of the similar nature of the occupations and the absence of significant differences in the required professional training.

By contrast, in high-tech sectors, namely information and communications and professional, scientific, and technical services, the gaps are much larger. In these sectors Haredi women earn approximately 70% of the wage of non-Haredi Jewish women. This gap stems to a large extent from differences in human capital, arising from relatively limited access to advanced technological training and to relevant academic tracks. Cultural perceptions regarding management and leadership roles add to this, since senior positions in these sectors generally require long working hours, high availability, and managerial responsibility that can conflict with community norms and values. As a result, many Haredi women do not reach, and at times do not wish to reach, these senior positions, a situation that creates significant wage gaps.

The scope of employment is a significant factor affecting wage gaps. Haredi women work, on average, in more part-time positions than women in the general sector, partly owing to the burden of caring for a large family, community norms that encourage a balance between work and family and home, and sometimes also to a personal preference for less demanding positions that allow greater flexibility. As a result, even when Haredi women succeed in entering the same sectors, their career advancement paths and integration into lucrative roles are more limited.

Figure 63

Industry Distribution and Average Monthly Wage among Women, in NIS (Gross), by Industry and Sector, 2023



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data. * Circle size represents the proportion of employed in the sector from all employed in each sector.

Hourly Wage by Industry

Examining hourly wage gaps between Haredi employees and non-Haredi Jewish employees by employment sector sharpens the picture seen in monthly wage gaps. The data present a consistent picture: in sectors characterized by low productivity, where professional requirements are relatively limited, the gaps between the groups are narrower and the hourly wage of Haredi workers is close to that of non-Haredi Jewish workers. In sectors characterized by high productivity, large gaps between the two groups are evident. The hourly wage of Haredi men employed in hospitality and food services stands at NIS 57 per hour, compared with NIS 68 among non-Haredi Jews, a gap of 20%. In additional low-productivity sectors the gaps are still relatively moderate, such as in management and support services (NIS 60 compared with NIS 79) and other services (NIS 62 compared with NIS 87).

In high-productivity sectors the picture is markedly different. In the information and communications sector, considered one of the main engines of economic growth, the hourly wage of Haredi men stands at NIS 119 compared with NIS 198 among non-Haredi Jewish men, a gap of 67%. In the professional, scientific, and technical services sector, which includes engineering, software, and advanced consulting roles, the wage of Haredi men stands at NIS 91 per hour compared with NIS 162 among non-Haredi Jews, a gap of 78%. In financial services, insurance, and real estate the gap is even larger: NIS 94 per hour among Haredi men compared with NIS 171 among non-Haredi Jews, a gap of 81%.

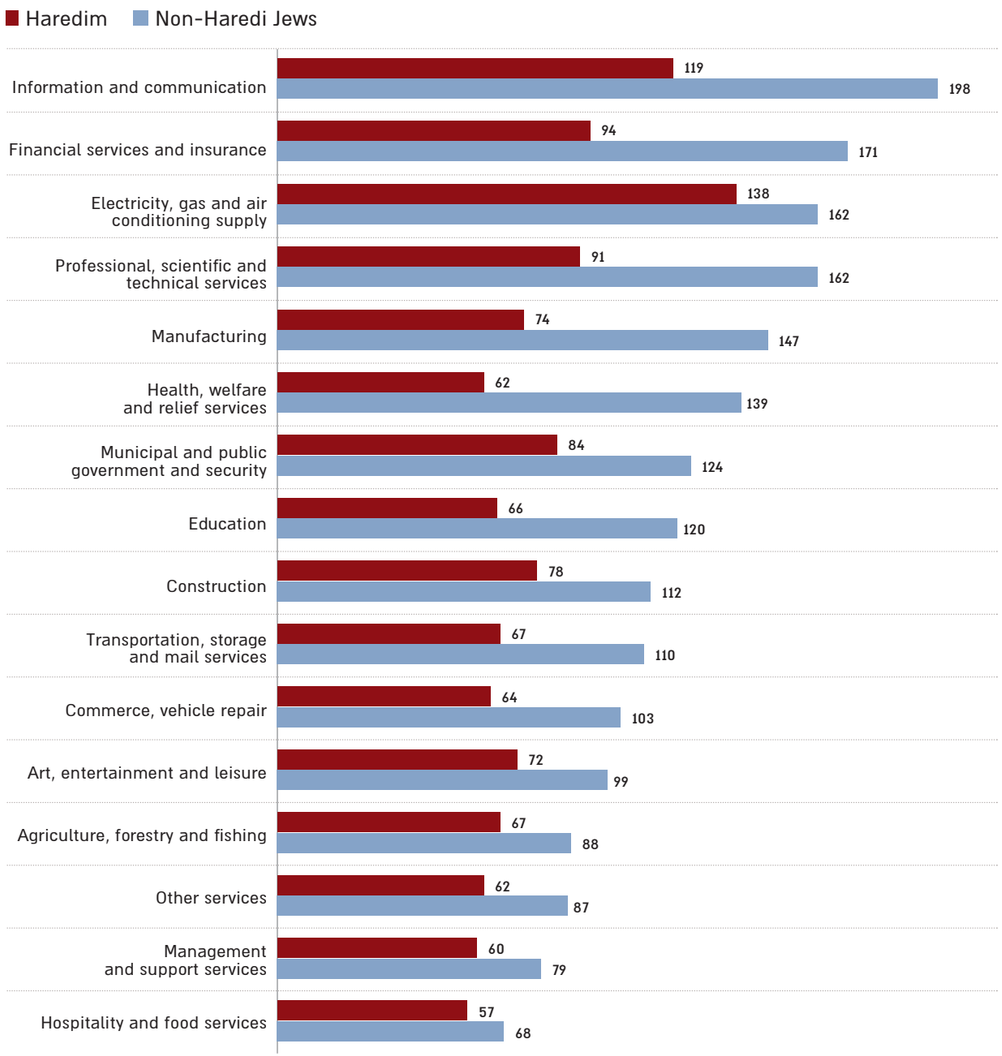
The growing gaps in knowledge-intensive sectors underscore the depth of the human capital disparities between the groups. These sectors require quality education and training, and Haredi workers are at a disadvantage, reflected in wages far below those of non-Haredi Jewish workers. By contrast, in sectors based on operational and service skills rather than on formal education, the gaps narrow significantly. This shows that when barriers to entry are low, variation in education and training has less effect on wages and allows Haredi men to attain an earning level relatively similar to that of other workers in the economy.

The education sector is an anomaly in the wage gap structure between Haredi and non-Haredi Jewish workers and merits separate attention because of its central importance in Haredi employment and because of its distinctive nature as a system with different structures between the sectors. The hourly wage of Haredi men in the education sector stands at NIS 66 per hour, compared with NIS 120 among non-Haredi Jewish men, a gap of more than 80%. There are indeed significant differences in the certification and training of Haredi men employed in education compared with non-Haredi Jewish employees, but the wage gaps reflect not only human capital differences but also the manner in which the Haredi education system operates as an independent and separate system. This system is partially funded, minimally supervised, and operates according to internal wage arrangements that do not match those of the Ministry of Education. As a result, wage levels in the Haredi system are significantly lower than wages in the state system. Furthermore, the organizational structure of Haredi educational institutions differs from that of the general education system, and career advancement tracks to management, supervisory, or professional guidance positions are almost nonexistent, so Haredi men are generally employed only in basic teaching roles.

The education sector is the main and most accessible employment track for Haredi men, as it is embedded in the community space and aligned with their values. For precisely this reason, comprehensive regulation of its employment conditions and the development of more professional and quality career tracks within it are called for.

Figure 64

Hourly Wage of Male Salaried Employees by Industry and Sector, in NIS (Gross), 2023



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data and Labor Force Survey data

Among women, a different pattern is evident from that of men: in most sectors the hourly wage gaps between Haredi women and non-Haredi Jewish women are narrow, and certain sectors show virtually full equality, such as in management and support services and in hospitality and food services, where

the hourly wage of all women stands at NIS 57. These figures suggest that in some low-productivity sectors the differences between the groups stem almost not at all from hourly wages but from different scopes of employment and different working conditions, as explained in the sections on monthly wages and working hours.

In somewhat more rewarding sectors moderate gaps are evident: in other services the hourly wage of Haredi women stands at NIS 58 compared with NIS 61 among non-Haredi Jewish women, a gap of only 5%. In trade there is a gap of 20%: NIS 58 per hour for Haredi women compared with NIS 70 among non-Haredi Jewish women. In these sectors, the gaps most likely reflect differences in the characteristics of Haredi businesses, which in the trade sector are typically smaller, with more limited career advancement possibilities.

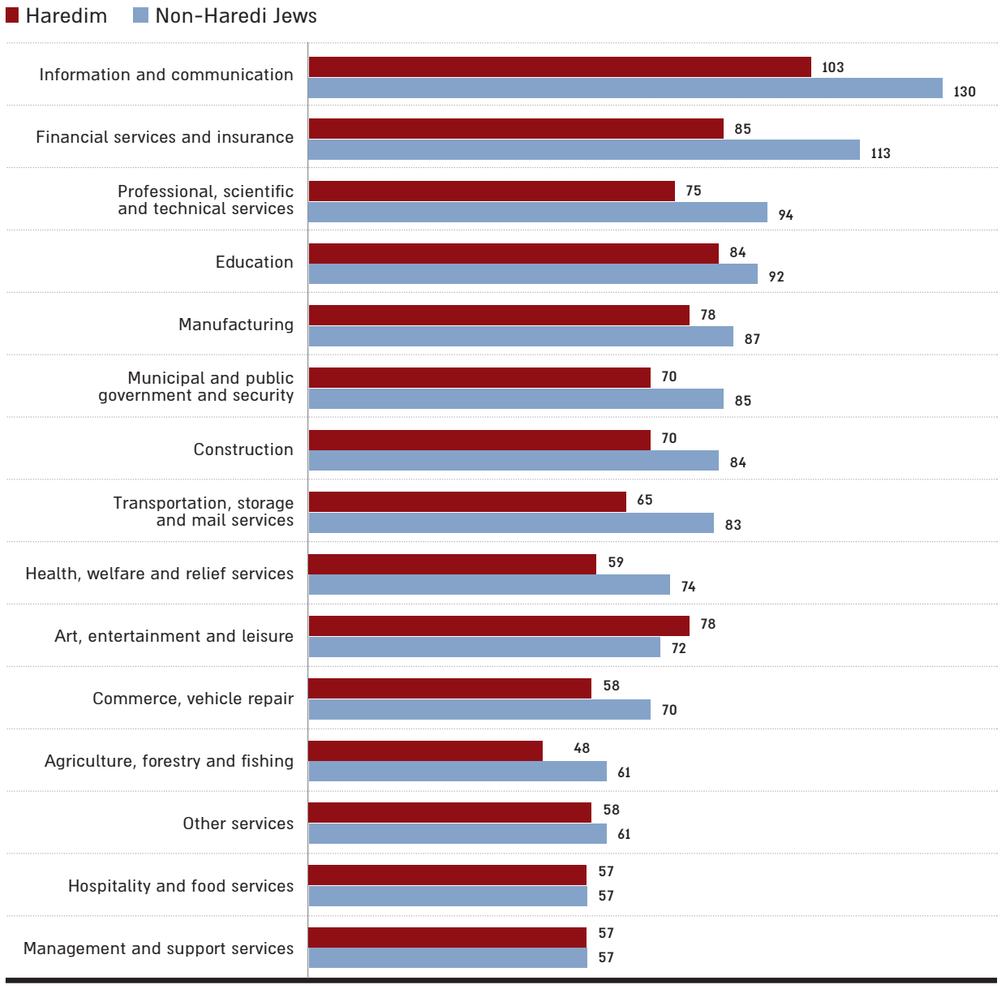
In health and welfare services, one of the main employment tracks for Haredi women, the hourly wage stands at NIS 59 compared with NIS 74 among non-Haredi Jewish women, a gap of 24%. This gap reflects the different certification levels and the roles in which women from each sector are employed, with many Haredi women integrating into service and administrative roles within the sector, while those with academic training are concentrated in nursing and paramedical roles.

The gaps grow in more sophisticated knowledge-intensive sectors. In the information and communications sector, one of the main high-tech sectors, the hourly wage of Haredi women stands at NIS 103 compared with NIS 130 among non-Haredi women, a gap of 26%. In the financial services and insurance sector the gap reaches 32%, the largest hourly wage gap between Haredi women and non-Haredi Jewish women.

The gaps in these sectors stem, in all likelihood, from differences in the human capital and training characteristics of Haredi women, alongside social and cultural factors that influence their professional advancement patterns within the labor market. Haredi women often prefer, particularly in life stages when they are busy raising a large family, to remain in roles that do not require high availability or overtime. This limits their advancement to more professional and lucrative senior positions or to managerial levels. These gaps underscore the importance of investing in advanced training for Haredi women and examining the cultural and structural barriers standing before them.

Figure 65

Hourly Wage of Female Salaried Employees by Industry and Sector, in NIS (Gross), 2023



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data and Labor Force Survey data

Employment Rates by Locality

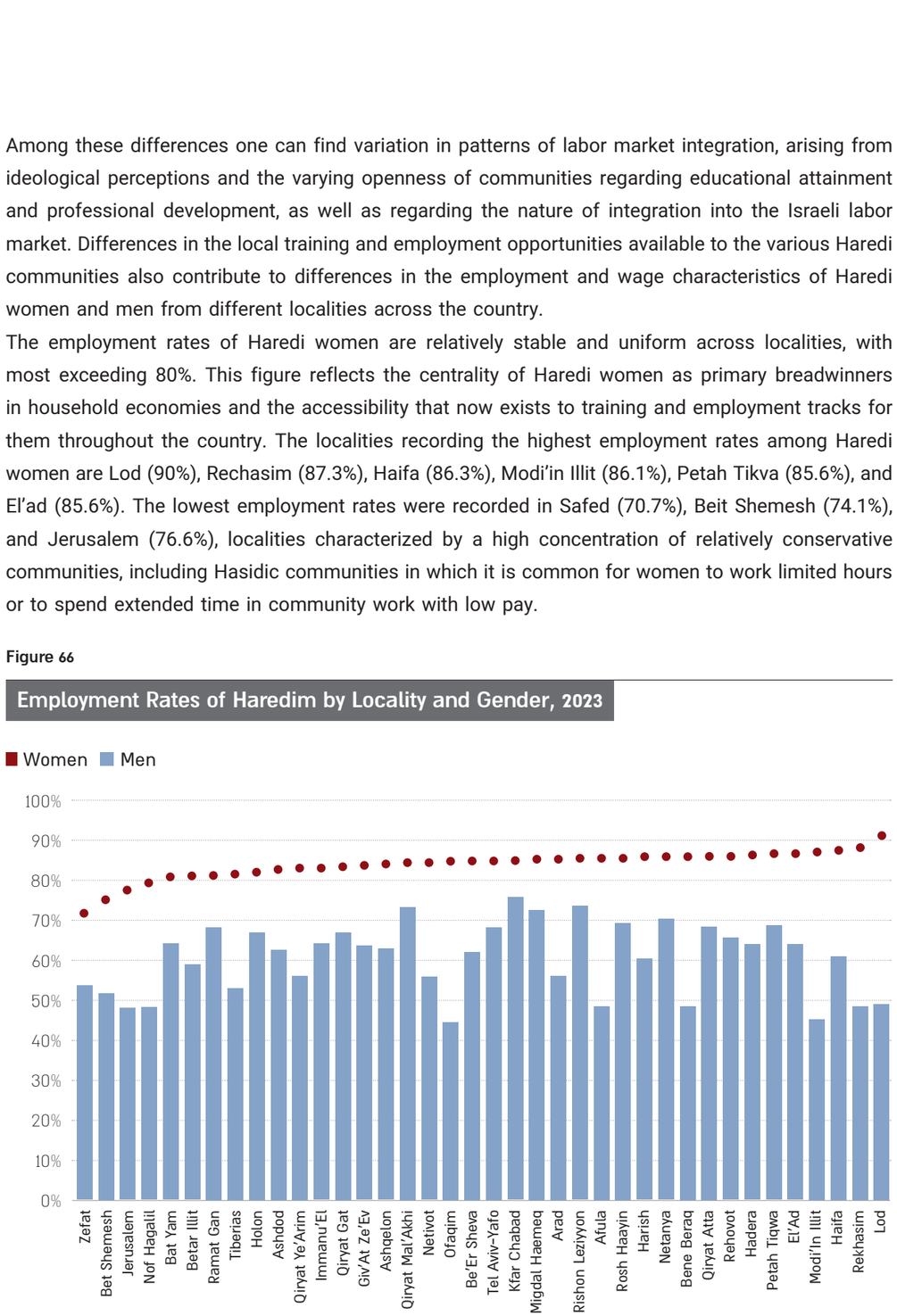
Haredi society is spread across a variety of localities throughout the country. The different communities have distinct social and cultural characteristics, expressed in aspects of daily life, such as birth rates and the distribution of Haredi streams within a locality, as presented in the Demographics chapter.

Among these differences one can find variation in patterns of labor market integration, arising from ideological perceptions and the varying openness of communities regarding educational attainment and professional development, as well as regarding the nature of integration into the Israeli labor market. Differences in the local training and employment opportunities available to the various Haredi communities also contribute to differences in the employment and wage characteristics of Haredi women and men from different localities across the country.

The employment rates of Haredi women are relatively stable and uniform across localities, with most exceeding 80%. This figure reflects the centrality of Haredi women as primary breadwinners in household economies and the accessibility that now exists to training and employment tracks for them throughout the country. The localities recording the highest employment rates among Haredi women are Lod (90%), Rechasim (87.3%), Haifa (86.3%), Modi'in Illit (86.1%), Petah Tikva (85.6%), and El'ad (85.6%). The lowest employment rates were recorded in Safed (70.7%), Beit Shemesh (74.1%), and Jerusalem (76.6%), localities characterized by a high concentration of relatively conservative communities, including Hasidic communities in which it is common for women to work limited hours or to spend extended time in community work with low pay.

Figure 66

Employment Rates of Haredim by Locality and Gender, 2023



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

Among Haredi men, the gaps between localities are significantly larger and reflect the social and ideological characteristics of each community. Employment rates of Haredi men affiliated with the Chabad stream are higher than those of other men in Haredi society, so the highest rates were recorded in localities with a notable share of Chabad communities, including Kfar Chabad (76.1%) and Kiryat Malachi (73.8%). Following these are localities such as Rishon LeZion (73.9%), Migdal HaEmek (72.5%), Netanya (70.5%), Ramat Gan (68.5%), Petah Tikva (68.7%), and Tel Aviv-Jaffa (67.9%).

The lowest employment rates among Haredi men were recorded in localities characterized by a Litvak or Hasidic population, which tends to be more conservative, such as Ofakim (44%), Modi'in Illit (44.9%), Nof HaGalil (47.5%), Jerusalem (47.7%), Rechasim (47.8%), Afula (48%), Bnei Brak (48.2%), and Lod (48.8%). In these localities a stronger adherence to the ideology of the "society of learners" is evident, alongside a limited economic reality that offers employment mainly in low-wage sectors.

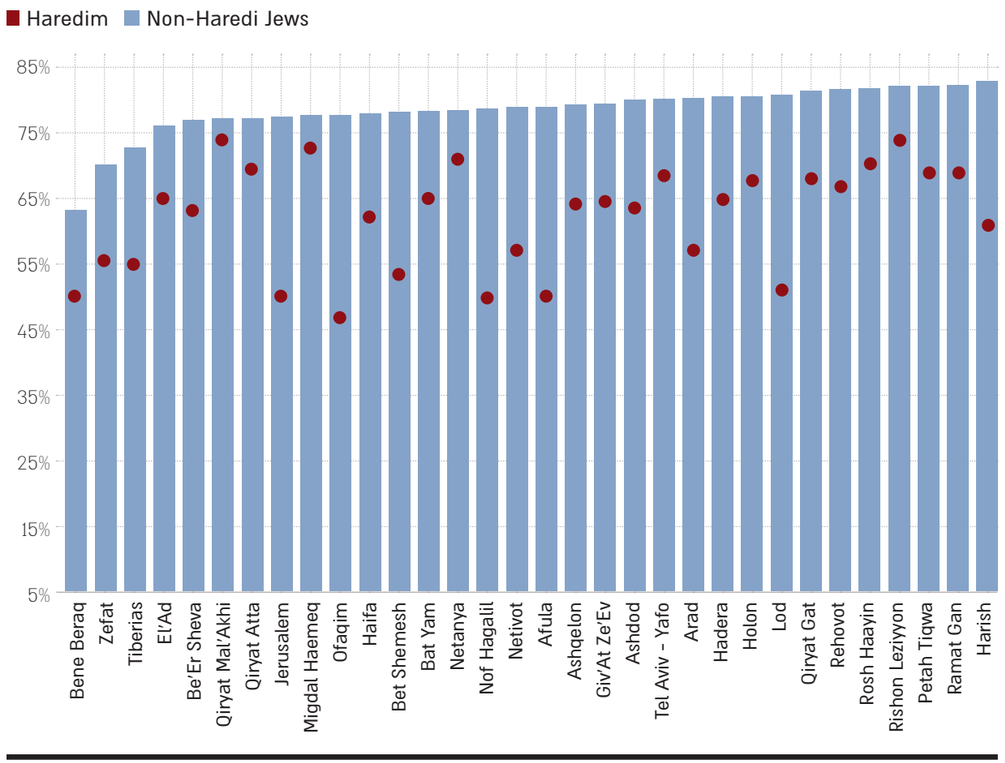
Employment rates are affected not only by internal community characteristics but also by environmental factors such as distance from training and employment centers and transport accessibility. It is therefore important to examine the employment rates of Haredi men in comparison with the employment rates of non-Haredi Jewish men in the same locality. This comparison allows one to isolate to some extent the effect of external conditions and to identify the gaps stemming from values, community norms, and human capital characteristics. The data show that in all mixed localities examined, a significant gap was measured between the employment rate of Haredi men and non-Haredi Jewish men, but the size of the gap varies from locality to locality. The largest gap was found in Lod, where the employment rate of Haredi men residing in the locality stands at 48.8% compared with the employment rate of non-Haredi Jewish men at 82.6%. A large gap was also measured in Ofakim: 44% compared with 79.3%. Large gaps also exist in Jerusalem, Modi'in Illit, and Nof HaGalil, against a backdrop of particularly low Haredi men's employment levels.

By contrast, there are localities where the employment gap between Haredi men and non-Haredi Jewish men residing in the same locality is more limited. The smallest employment gap was found in Kiryat Malachi, where the employment rate of Haredi men stands at 73.8%, compared with 78.7% among non-Haredi Jewish men. In Migdal HaEmek, Rishon LeZion, Givat Ze'ev, and Kiryat Gat, relatively moderate gaps of 6 to 13 percentage points were also found, indicating more significant integration of Haredi men into the labor market.

There are localities where employment rates are low in both groups, such as Safed and Tiberias. These data underscore that in some distant and peripheral localities there is a structural shortage of employment opportunities affecting all populations, regardless of their social and religious characteristics.

Figure 67

Employment Rates of Men in Mixed Cities by Sector and Locality, 2023



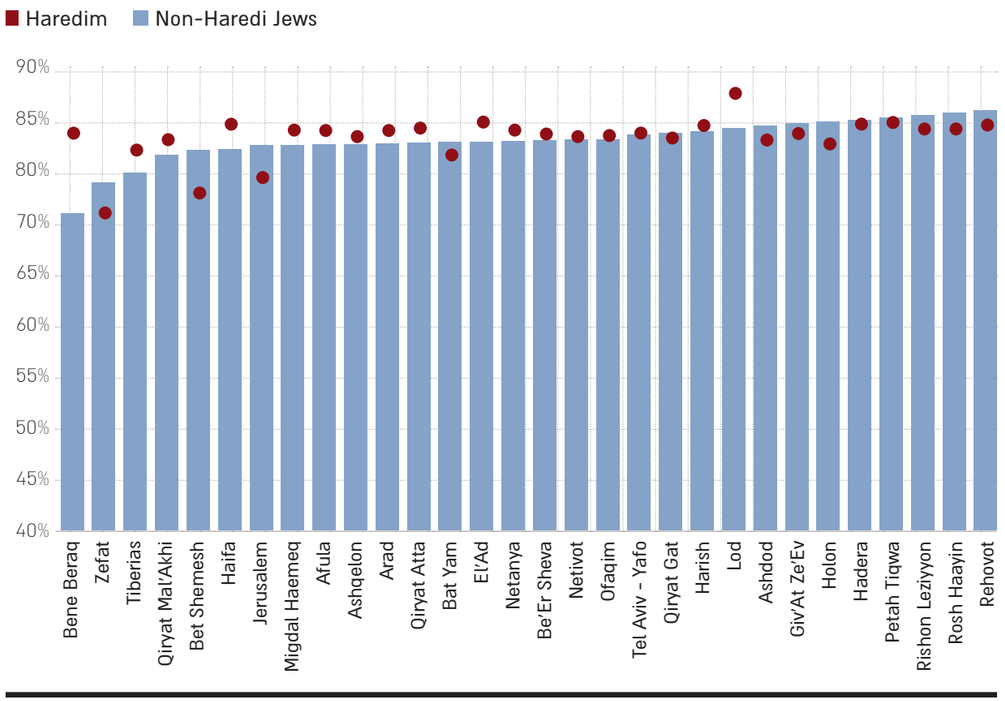
Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

The picture emerging from an analysis of Haredi women's employment rates in different localities differs from the locality-based employment picture of Haredi men. Among women, similarly to the national employment picture, no large employment gaps were found between localities between Haredi women and non-Haredi Jewish women.

In most localities, the employment rates of Haredi women are very high, at times even higher than the employment rates of non-Haredi Jewish women living in the same locality. For example, the employment rate of Haredi women in Lod, the highest of all localities examined, reaches 90%, compared with 83% among non-Haredi Jewish women. Similar figures were observed in Arad (84% compared with 81%) and in Haifa (86% compared with 80%). These figures reflect the high stability of Haredi women's participation in the labor market and their centrality as breadwinners in Haredi households.

Figure 68

Employment Rates of Women in Mixed Cities by Sector and Locality, 2023



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

Wage by Locality

Among Haredi employees living in different localities, wage differences between women and men are also evident. In most localities, the monthly wage of Haredi men is higher than that of Haredi women, though the gap is generally not large.

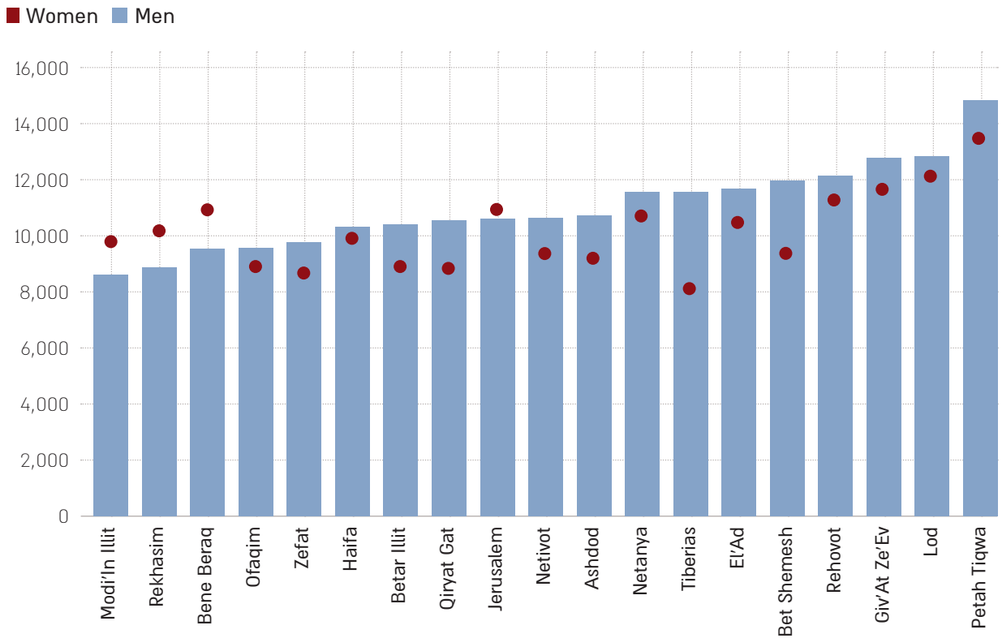
Among localities where significant wage gaps are recorded, Tiberias stands out, with an exceptional gap of more than NIS 3,300: the average monthly wage of Haredi men stands at NIS 11,411, compared with NIS 8,078 among Haredi women, the lowest wage among Haredi women of all localities examined. A notable gap was also recorded in Beit Shemesh: NIS 11,793 for Haredi men compared with NIS 9,380 for women, a gap of NIS 2,400. These figures are consistent with those of the previous year.

By contrast, there are several localities where Haredi women earn more than men. This trend is particularly evident in Bnei Brak, where the average wage of Haredi women stands at NIS 10,967, a wage approximately NIS 1,560 higher than the men's wage of NIS 9,403. In Modi'in Illit, Haredi women

earn an average of NIS 9,749, compared with men's wage of NIS 8,500, the lowest average wage of all localities examined. Modi'in Illit is also the city where the employment rate of Haredi men is among the lowest in the country, exceeded only by Ofakim.

Figure 69

Average Monthly Wage of Haredim by Locality and Gender, in NIS (Gross), 2023



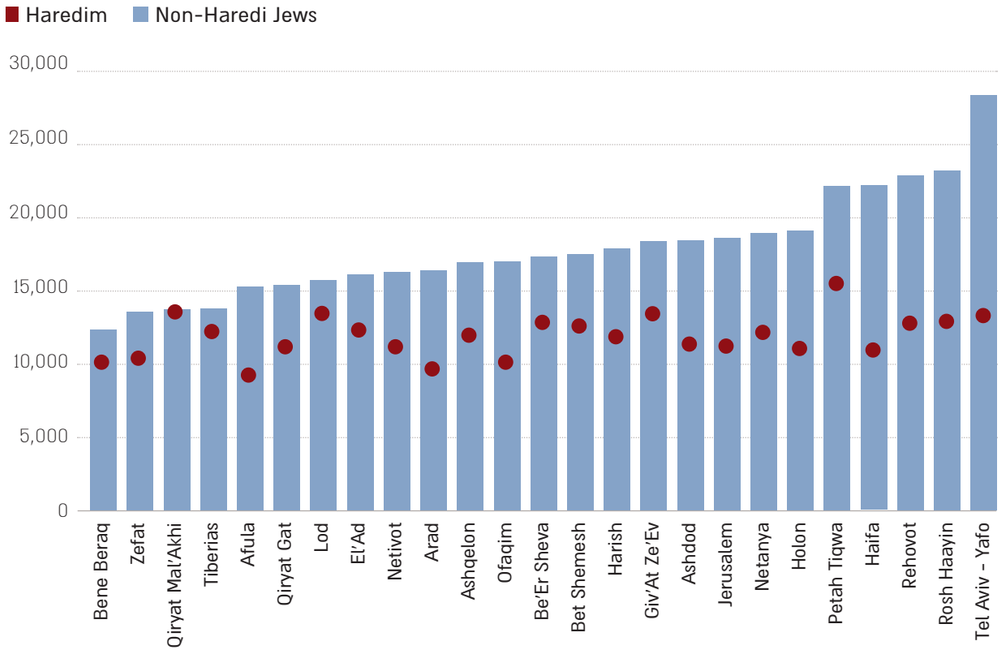
Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

At the upper end of the wage scale, Petah Tikva stands out as recording the highest wage levels for both women and men. The average wage of Haredi men in the city reaches NIS 14,629 per month, the highest of all localities, while the average wage of women stands at NIS 13,493. In this city the employment rate of Haredi men is among the highest in the country. Similarly to the comparison of employment rates, comparing the monthly wage of Haredi men with that of non-Haredi Jewish men in the same locality also allows an examination of earning gaps while reducing the effect of environmental factors such as geographic location, transport supply, and distance from employment centers. The data show that in all localities examined, Haredi men earn less than non-Haredi Jewish men, but the size of the gap varies between localities and is apparently influenced by the characteristics of the local Haredi communities.

The largest wage gap between Haredi men and non-Haredi Jewish men was found in Tel Aviv-Jaffa: a Haredi man residing in the city earns an average of NIS 12,500, a wage higher than the national average for Haredi men. This wage represents approximately 45% of the wage of a non-Haredi Jewish man, who earns an average of NIS 27,900. This enormous gap reflects first and foremost the particularly high wage levels of non-Haredi Jews in Tel Aviv-Jaffa, Israel's leading employment center in high-tech, finance, communications, and advanced services. These figures are similar to those of the previous year.

Figure 70

Average Monthly Wage of Men in Mixed Cities by Sector and Locality, in NIS (Gross), 2023



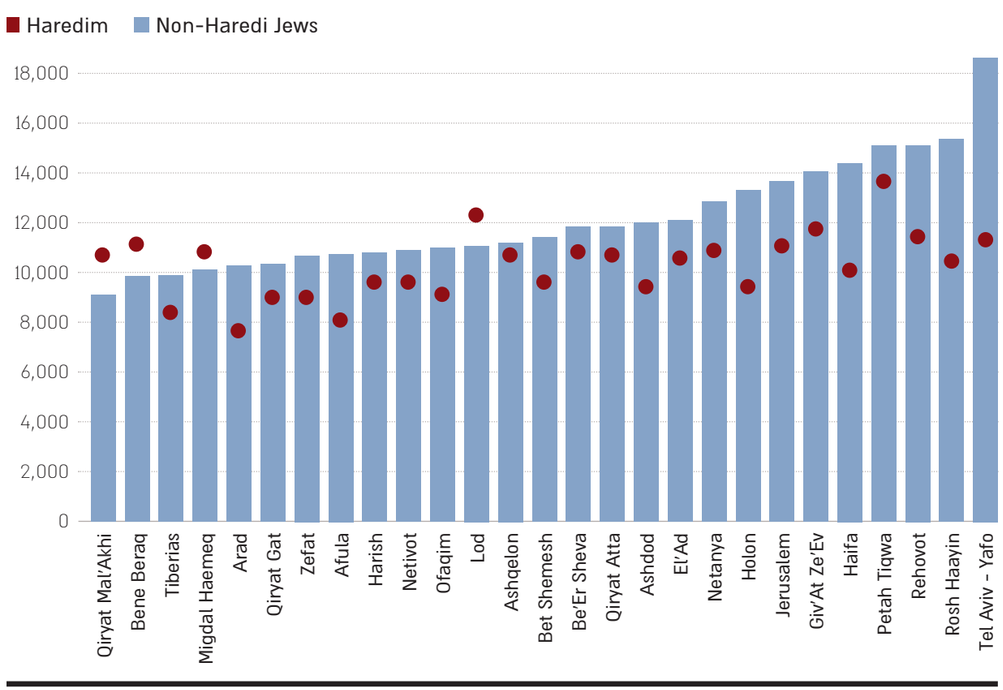
Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

In other localities, significant gaps are also evident, though more moderate than those in Tel Aviv-Jaffa. In Petah Tikva, which has one of the highest concentrations of quality employment in Israel, Haredi men earn an average of NIS 14,600 compared with NIS 21,800 among non-Haredi Jewish men, a gap of NIS 7,200. In Haifa, Rehovot, Rishon LeZion, and Rosh HaAyin, wage gaps of approximately NIS 10,000 or more exist between the two populations, reflecting differences in the ability to integrate into the high-wage positions available to local residents.

At the other end of the scale, the smallest wage gaps were found in Kiryat Malachi and Tiberias. In Kiryat Malachi, the average wage of Haredi men stands at NIS 12,700, representing 94% of the average wage of non-Haredi Jewish men in the city at NIS 13,500. In Tiberias, the gap is similar: a Haredi man earns NIS 11,400, representing 84% of the wage of a non-Haredi Jewish man at NIS 13,500. The relatively limited wage gaps between the two groups in these cities stem from the significantly below-average wage levels of non-Haredi Jews in both cities, while the average wage of Haredi men is relatively high. In these localities, the smallest wage gap between Haredi men and non-Haredi Jewish men was also found in the previous year.

Figure 71

Average Monthly Wage of Women in Mixed Cities by Sector and Locality, in NIS (Gross), 2023



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

The overall picture shows that wage gaps between Haredim and non-Haredi Jews within the same locality cannot be explained solely by geographic factors and are also the result of human capital levels, the employment opportunities available to each sector, and the employment fields accessible to Haredi men. In localities where available employment is in knowledge-intensive sectors, or where the labor market is diverse and broad, the gaps grow. By contrast, in localities with a more basic employment mix, where wage levels are low even among non-Haredi Jews, the gaps narrow and sometimes become negligible.

High variation in wage gaps within the same locality is also evident among Haredi women and non-Haredi Jewish women. Unlike men, there is no consistent and clear pattern among women that can explain the size of the gap between localities.

Among women, too, the largest gap was found in Tel Aviv-Jaffa: the average monthly wage of a Haredi woman in the city stands at NIS 11,200, representing 61% of the wage of a non-Haredi Jewish woman residing in the city at NIS 18,300. The large gap of more than NIS 7,000 per month stems first and foremost from the particularly high wage levels of non-Haredi Jewish women in Tel Aviv-Jaffa, who are employed at high rates in key high-productivity sectors and in professional and managerial roles that are apparently not equally accessible to Haredi women.

Nevertheless, unlike men, there are localities where Haredi women earn more than non-Haredi Jewish women. In Kiryat Malachi, the wage of a Haredi woman stands at NIS 10,530, higher by NIS 1,600 than the wage of a non-Haredi Jewish woman at NIS 8,930. This gap mainly reflects the below-average wage of non-Haredi Jewish women in this city, while the wage of Haredi women in the locality is close to the national average. Similar figures were found in Lod and Migdal HaEmek, where the average wage of Haredi women is a few percent higher than that of non-Haredi Jewish women.

In most localities, the wage of Haredi women is approximately 15% lower than that of non-Haredi Jewish women, but the gaps are significantly smaller than those measured among men. The emerging pattern is that the gaps stem from variation in employment sectors, professional training, and the work characteristics of Haredi women, such as working in part-time positions or working within the Haredi community.

Employment Rate by Stream

Haredi society in Israel is not monolithic but is composed of three main streams: Litvak, Hasidic, and Sephardic. Within the Hasidic stream, it is customary to distinguish between the Chabad movement, which has unique characteristics, and other Hasidic groupings. The different groups share common features, including strict observance of Jewish law and tradition, the placement of Torah study as a core value, and recognition of the authority of Torah leaders. Nevertheless, significant differences exist between the groups in central areas such as education, housing, and the characteristics of their integration into the labor market.

The data show that in all streams the employment rate of women is considerably higher than that of men, but the size and nature of the gap and its implications differ between the groups. In the Litvak stream, 83% of Litvak women participate in the labor market, compared with 46% of men. This is the largest gender gap measured in Haredi society and clearly reflects the “society of learners” model, in which many men devote their time to Torah study while women are the main, and even sole,

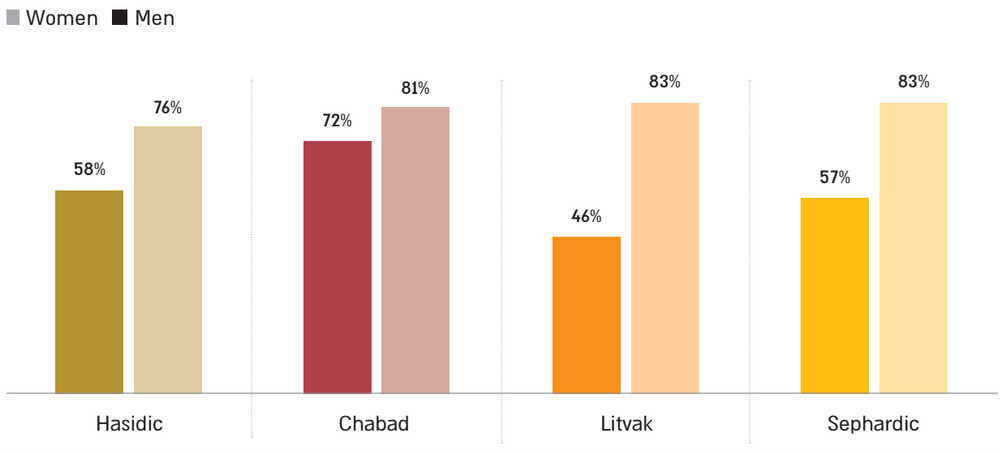
breadwinners. In the Sephardic stream, the employment rate of women is similar to that of Litvak women, reaching 83%. The employment rate of men, by contrast, is higher than that of Litvak men at 57%. This gap indicates an economic model in which responsibility for earning a livelihood is more broadly shared between spouses than in the Litvak stream, even though many women are still the sole breadwinners. In the Hasidic stream, the gender gaps are the smallest: the employment rate of Hasidic men reaches 58%, the highest of the three main streams. The employment rate of Hasidic women is the lowest among Haredi women at 76%. These figures indicate a family and employment structure in which men bear a larger share of the economic burden, while many women still participate in the labor market at a high rate, partly in response to family and community needs.

The Chabad movement presents a unique gender employment pattern: a fairly high employment rate among men at 72%, alongside an even higher employment rate among women at 81%.

The data show that in many Haredi households, the employment of Haredi women serves as an economic mechanism that allows men to maintain their role as Torah scholars. In this sense, going out to work is not a personal decision but an expression of a collective conception of household economics, based on a gender division of roles and on communal commitment. This conception is implemented differently in each of the streams.

Figure 72

Haredi Employment Rates by Gender and Stream, 2023



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

An examination of employment patterns over time among Haredi men presents a consistent picture of wide gaps between the different streams, reflecting the ideological, social, and community differences between them.

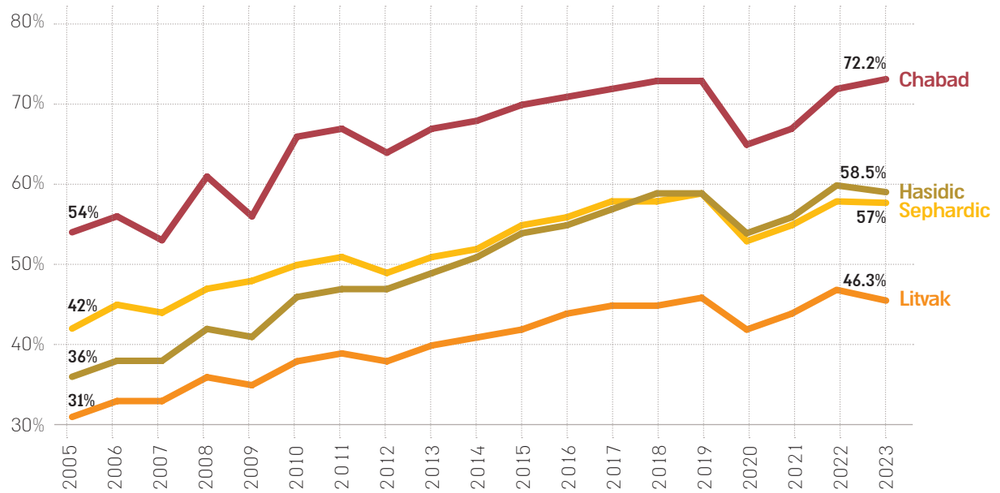
In 2005, the employment rate of Litvak men stood at 31%. This rate rose gradually over the years to 46% in 2023, a growth of 48% relative to the starting point, a significant but still the lowest rate compared with the other streams. This finding reflects the enduring centrality of the "society of learners" model in Litvak society, which means prioritizing Torah studies and avoiding integration into the labor market as much as possible.

Among the Hasidic community, a significant growth trend was recorded in recent decades. In 2005, the employment rate of Hasidic men stood at only 36%, lower than the employment rate of Sephardic men at 42%. Over the years, however, a consistent rise took place to a level of 58% in 2023, a growth of 64% in the employment rate, which made Hasidic men the group with the highest men's employment rate (with the exception of Chabad). This trend reflects the combination of relative community openness to vocational training with community patterns that allow men to work without relinquishing their connection to the Hasidic world.

A rise in employment rates is also evident in the Sephardic stream: from 42% in 2005 to 57% in 2023, a growth of 35%. This is the most moderate growth of the three main streams, but the starting point of Sephardic men was already higher. This growth most likely reflects the partial adoption in recent years within Sephardic communities of the Litvak "society of learners" model.

Figure 73

Haredi Men's Employment Rates by Stream, 2005–2023



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

In the Chabad movement, which has unique characteristics in its approach to engagement with the practical world, employment rates have continued to be the highest throughout the entire period. At the same time, in 2023, a slight decline of 2% was recorded in the employment rate of Haredi men from all three main streams compared with 2022. Only in the Chabad stream did the upward trend in men's employment continue relative to the previous year. Also, between 2020 and 2021, a decline in the employment rates of Haredi men from all streams occurred, most likely due to the effects of the Covid-19 pandemic on the labor market, but in 2022, most Haredi men returned to employment rates similar to those of 2019, before the Covid-19 crisis.

The differences in the employment rates of Haredi men and the changes that have taken place in them over the years illustrate the importance of developing differential tools and models to encourage employment based on the unique characteristics of each stream, local community, and its distinctive lifestyle model.

The employment rates of Haredi women have also risen significantly in all streams over recent decades, but the pace of change and the current level of labor market participation continue to reflect the cultural and community differences between the streams. Significant gaps were already evident from the beginning of the period, particularly between Hasidic women and Litvak and Sephardic women, and these gaps were maintained in 2023, though they narrowed slightly.

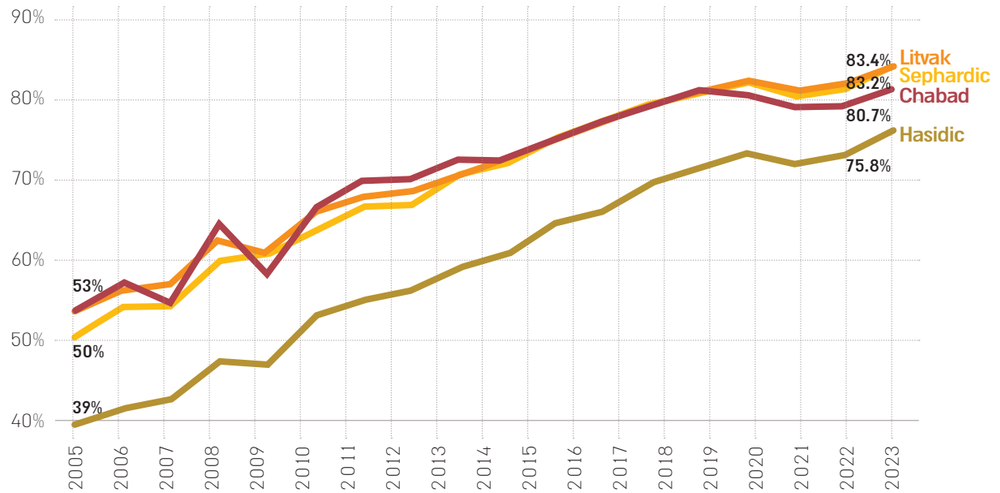
In 2005, the employment rate of Hasidic women stood at only 40%, compared with 53% among Litvak women and 50% among Sephardic women. Women affiliated with the Chabad movement already showed a relatively high participation rate of 54% at that time. Over the past two decades, these gaps have narrowed, though they have not disappeared: by 2023 the employment rate of Hasidic women almost doubled to 76%. This is the highest rate of growth among the streams and stems, in all likelihood, from the increase in the economic burden on large households that necessitated a change in the economic participation of Hasidic women and their entry as additional, and sometimes sole, breadwinners, alongside the expansion of training and employment frameworks tailored to Hasidic women. It is also possible that the existence of models of quality education and employment for Haredi women from the Sephardic and Litvak streams influenced Hasidic women.

The employment rates of Litvak and Sephardic women rose as well, reaching 83%, a growth of 66% among Sephardic women and 56% among Litvak women. Among Haredi women, from the Chabad stream a rise also occurred, though more moderate, from 54% in 2005 to 81% in 2023.

Despite the narrowing of the gap between the Hasidic stream and the others, Hasidic women still participate in the labor market at the lowest rate. Litvak, Sephardic, and Chabad women show particularly high employment rates, among the highest in the Israeli economy.

Figure 74

Haredi Women's Employment Rates by Stream, 2005–2023



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

Wage by Stream

The differences between the Haredi streams in communal structure, in the approach to formal training and advanced education, in the characteristics of labor market integration, and in the division of roles within the household are also reflected in the average wage levels of men and women. Although in all streams men's monthly wages are higher than women's, wage gaps exist between men from different streams and between women and men within the same stream.

In the Litvak stream the smallest wage gaps between men and women are evident. Litvak women earn an average of NIS 11,414, higher than women from other Haredi streams, and Litvak men earn NIS 11,279, also a relatively high average wage. This unique wage structure stems from the Litvak "society of learners" model, which places on women the central burden of earning. For this reason, Litvak women turn in large numbers to advanced vocational training tracks, generally within the seminary framework, and to academic studies, acquiring tools that allow them to integrate into lucrative roles in the Israeli economy. As a result, the Litvak household is able to rely on the woman's sole income. At the same time, Litvak men, who work at significantly lower rates compared with Hasidic or Sephardic men, enter the labor market at a later stage. Due to the community costs associated with going out to work, they set themselves a high wage threshold that would justify it, and therefore their wage levels are relatively high even if the scope of their employment is limited. As will be presented in detail in

the Higher Education chapter, Litvak men pursue vocational and academic training at higher rates and accordingly integrate into more lucrative roles and occupations.

In the Hasidic stream the average wages of both women and men are the lowest relative to the other streams, and the gender wage gaps are the highest. A Hasidic man earns an average of NIS 10,083 and a Hasidic woman NIS 8,922. The employment rates of Hasidic men are higher than those of Litvak men, as it is more accepted within the Hasidic community for men to go out to work. However, the community mechanisms that allow this are conservative, and the pursuit of vocational training and higher education, or going out to work outside the community, are less accepted. These limitations affect the occupations available to Hasidic men, the characteristics of their positions, and their earning potential. Similarly, the more conservative approach in Hasidic communities regarding women's place in the household economy leads to relatively low employment rates and more limited access to advanced vocational and academic training for women. Hasidic women who marry young generally do not continue to the vocational training tracks offered to graduates of Haredi education and integrate into more community-based and junior roles. As a result, their average wage is the lowest.

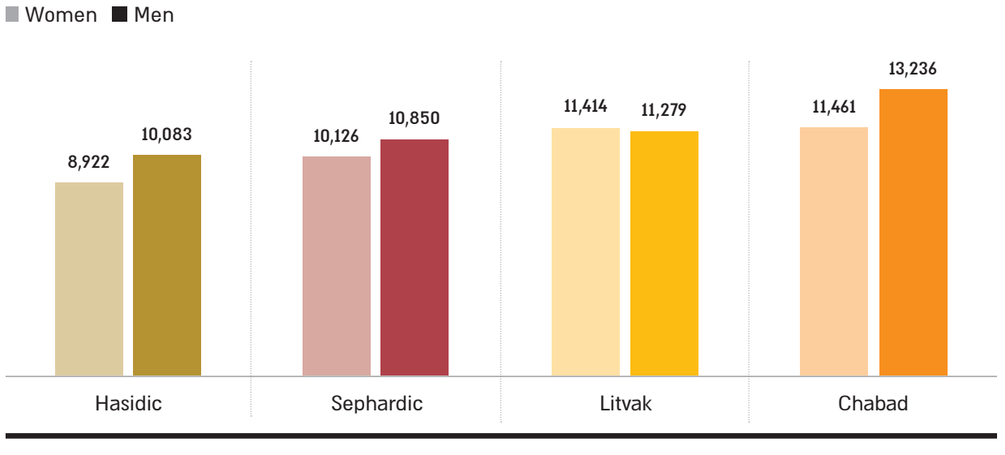
In the Sephardic stream wage levels are intermediate relative to the other streams: the average wage of a Sephardic woman stands at NIS 10,126 and that of a Sephardic man at NIS 10,850. Some Sephardic communities have adopted household role division models similar to those of Litvak society, including investment in women's education, while others have retained more traditional characteristics of traditional Sephardic religiosity. As a result, the employment rates of Sephardic men are higher than those of Litvak men, but their wages are lower, most likely because of employment in relatively low-wage sectors. For women from the Sephardic stream, particularly in communities that have adopted the Litvak "society of learners" model, relatively high access to quality training tracks in seminaries and to higher education is available, similar to Litvak women. Nevertheless, the earning burden placed on them is lighter, as the proportion of Sephardic men who work is significantly higher than that of Litvak men, so the economic yoke on them is lighter and their wages are lower than those of Litvak women, but higher than those of Hasidic women.

In the Chabad stream the highest wage figures are recorded, both among women and men. The average wage of a woman in this stream stands at NIS 11,461 and the average wage of a man stands at NIS 13,236. These wage levels reflect, in all likelihood, the relatively high openness to academic studies that exists in the various Chabad communities, which allows integration into high-productivity employment sectors.

The wage differences between Litvak, Hasidic, and Sephardic men and women stem from differences in values, community structure, and each group's approach to employment integration and educational attainment.

Figure 75

Average Monthly Wage of Haredi Salaried Employees by Gender and Stream, in NIS (Gross), 2023



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

The social, economic, and community processes that shaped employment patterns in Haredi society over the past two decades are also clearly reflected in wage trends of men in each of the streams. The data show that the gaps between wage levels of Litvak, Hasidic, and Sephardic men have narrowed over the years, but the relative ranking structure between them has remained stable. In 2005, the wage of Litvak men was the highest of the streams, reaching an average of NIS 8,111, 34% higher than that of Hasidic men at NIS 6,070 and 15% higher than that of Sephardic men at NIS 7,068. The gap between Sephardic and Hasidic men that year stood at 16%. The division between the streams was clear: Litvak men integrated into the labor market at relatively low rates but in more lucrative jobs, while Hasidic and Sephardic men integrated at higher rates but with lower wages. This was for reasons connected to community structure, education, and employment preferences.

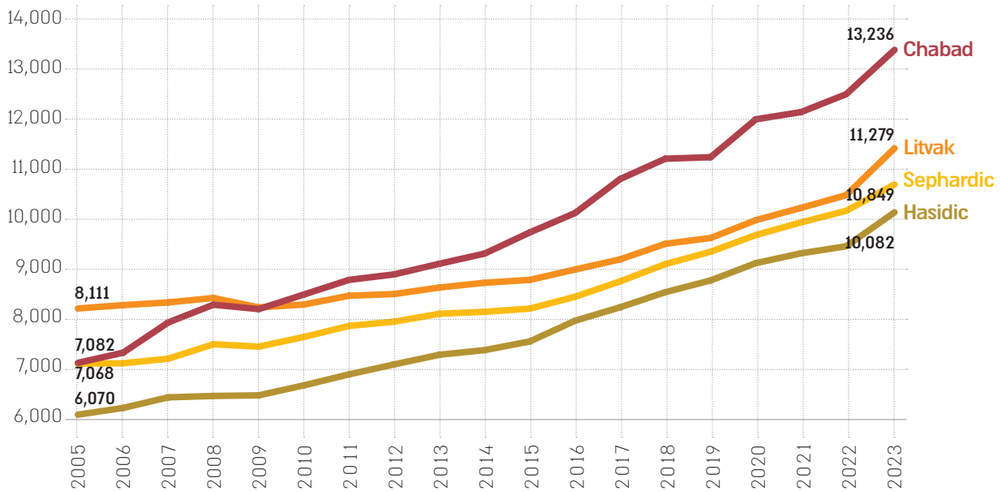
Over the years, the average wage of all Haredi men rose, but the pace of growth differed between the streams. By 2023, the wage of Sephardic men rose to NIS 10,850, a growth of 53%, and the wage of Hasidic men rose to NIS 10,083, a growth of 66%. As a result, the wage gap between them narrowed to 7%. The wage of Litvak men rose to NIS 11,279, a growth of 39%. This pace of growth is the slowest of the three streams but their wage remains the highest. Nevertheless, the gap between them and Sephardic men narrowed to only 4% and relative to Hasidic men to 12%.

The Chabad stream shows the fastest wage growth: from NIS 7,082 in 2005 to NIS 13,236 in 2023, a rise of 87%. This significant leap rests, in all likelihood, mainly on the high rates of higher education in this stream and on an employment mix more similar to that of the non-Haredi Jewish population.

Despite the relative narrowing of the wage gaps between the streams, the structural division is still maintained: the average wage of Litvak men is the highest, Sephardic men are in the middle, and Hasidic men earn the lowest average wage. The reasons for this are most likely connected to community perceptions regarding work, to the age of entry into the labor market, and to education characteristics: Litvak men, who integrate at relatively low rates into the labor market but pursue training and academic studies at higher rates, are employed in more lucrative positions. Among Hasidic men, by contrast, relatively high rates of labor market integration are recorded, but the employment supply remains mostly community-based, less professional, and less lucrative. Among Sephardic men an intermediate pattern is evident, with relatively high integration rates but an employment mix that relies partly on lower-wage work.

Figure 76

Average Wage of Male Haredi Salaried Employees by Stream, in NIS (Gross), 2005–2023



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

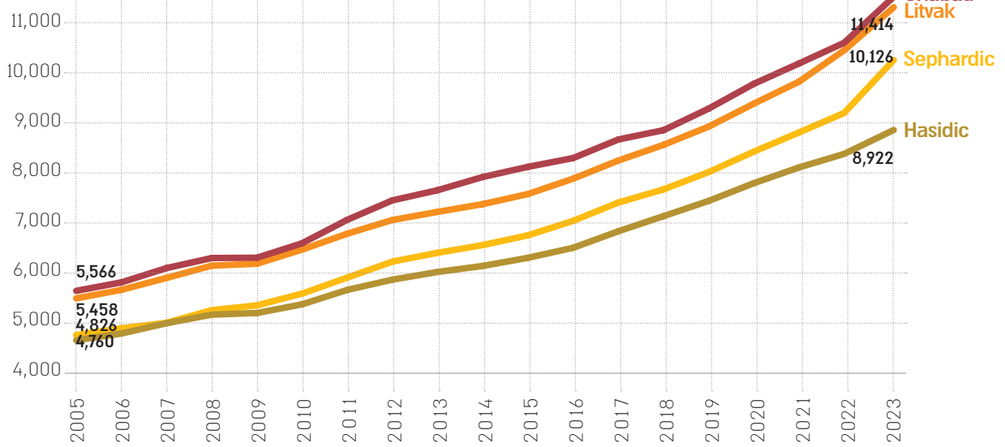
Similarly to the trends recorded among Haredi men, among women from the different streams varying wage trends were also evident over the years. In 2005, the wage of Litvak women was the highest, reaching NIS 5,458, 15% higher than that of Hasidic women at NIS 4,760 and 13% higher than that of Sephardic women at NIS 4,826.

Over the past two decades, the wages of Haredi women rose in all streams, but the pace of growth was not uniform. Litvak women recorded the most significant growth, with their wage reaching an average of NIS 11,414 in 2023, a rise of 109% compared with 2005. A significant rise was also recorded among Sephardic women, whose average wage in 2023 stands at NIS 10,126, a rise of 110% relative to 2005. The wage of Hasidic women also rose, but at a more moderate rate, and their average wage remains the lowest of the streams: from NIS 4,760 in 2005 their wage rose to NIS 8,922 in 2023, a rise of 87%. The different growth trends in women's wages have led to a more significant wage gap in 2023 than in the past between Hasidic women and women from the other streams: the wage of Sephardic women is 14% higher than that of Hasidic women, and the wage of Litvak women is 28% higher. By contrast, the gap between Sephardic and Litvak women has barely changed throughout the period, remaining stable at 13%-14%.

At the same time, a sustained rise in the wage of Chabad women is evident. In 2005, their average wage was similar to that of Hasidic women, reaching NIS 5,565. In 2023, their average wage reached a high of NIS 11,460, a rise of 106%.

Figure 77

Average Wage of Female Haredi Salaried Employees by Stream, in NIS (Gross), 2005–2023



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

These trends sharpen the influence of the communal and ideological structure on the economic integration of Haredi women. The responsibility of Litvak and Sephardic women to manage the household economy gives them greater access to advanced education and training, and grants them broader community support in integrating into higher-wage occupations and roles. This contrasts with the Hasidic stream's perception of women's place and regarding the employment sectors and

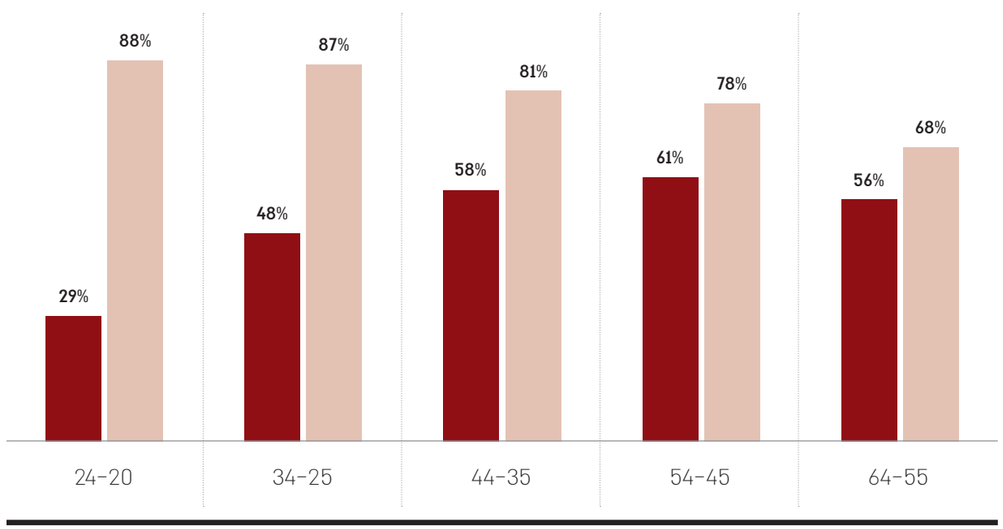
training tracks available to them. These differences present potential for narrowing gaps within Haredi society, but they may also deepen the gaps between the streams without targeted efforts in the various communities.

Employment Rate by Age Group

The “society of learners” model of Haredi society and the clear gender-based division of roles lead young Haredi women and men to follow a relatively structured and distinctive employment trajectory, producing unique participation patterns for different age groups. Haredi women enter the labor market at an early stage and acquire vocational training, generally in Haredi seminaries, upon completing their studies in the education system. Already at the beginning of their twenties they begin to work, driven by the expectation that they will bear the burden of household finances, particularly in the early years of marriage. Haredi men, by contrast, generally remain in Torah frameworks in their young years and tend to integrate into the labor market at older ages and gradually, as the family grows and its economic needs increase.

Figure 78

Haredi Employment Rates by Gender and Age Group, 2023



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

Employment data for Haredi women and men from different age groups point to an inverse movement between the employment rates of women and men throughout the entire age continuum: the employment rate of Haredi women is especially high at young ages and declines as the family burden expands. By contrast, the employment rate of men is low at young ages but rises gradually with the years.

This trend is particularly prominent in the 20-24 age group, in which the employment rate of Haredi women is the highest at 88%, while the employment rate of Haredi men is the lowest at 29%. In the 25-34 age group a trend of convergence begins: the employment rate of women declines moderately to 87%, while the employment rate of men nearly doubles to 48%. Among those aged 35-44 both lines continue to move in opposite directions: the employment rate of women falls to 81% while that of men rises to 58%. In the 45-54 age group the employment rate of women continues to fall to 78%, while that of men rises to a peak of 61%. In the 55-64 age group a decline in the employment rates of both Haredi women and men is recorded, most likely due to partial entry into early retirement or a reduced willingness to continue intensive employment: the employment rate of women falls to 68%, and that of men to 56%.

The clear pattern emerging from these data illustrates the economic and social model of Haredi society well: in the early years of marriage the woman is the primary bearer of the earning burden, while the man devotes his time to Torah study. At later stages, as the family grows and expenses rise, many men enter the labor market, while women, who also bear the burden of child-rearing, gradually reduce their labor market participation.

An examination of employment trends of Haredi men over the past two decades shows a consistent rise in employment rates across all age groups, but also striking differences in the pace of growth between generations. Since 2005, growth has occurred in all age groups, but the sharpest growth was recorded among the youngest, who are entering the labor market earlier than the previous generation: in 2005 the employment rate of Haredi men aged 20-24 stood at 10%, while in 2023 it reached 29%, nearly three times higher in less than two decades.

Significant growth was also recorded in the 25-34 age group: in 2005 it stood at 29% and in 2023 reached 48%, a rise of 66%. Growth was also evident in older age groups but at a more moderate pace. The employment rate of Haredi men aged 35-44 rose from 43% in 2005 to 58% in 2023; among those aged 45-54 it rose from 47% to 61%; and among those aged 55-64 it rose from 38% to 56%. In some groups, stability is evident in recent years after a sustained rise over most of the period.

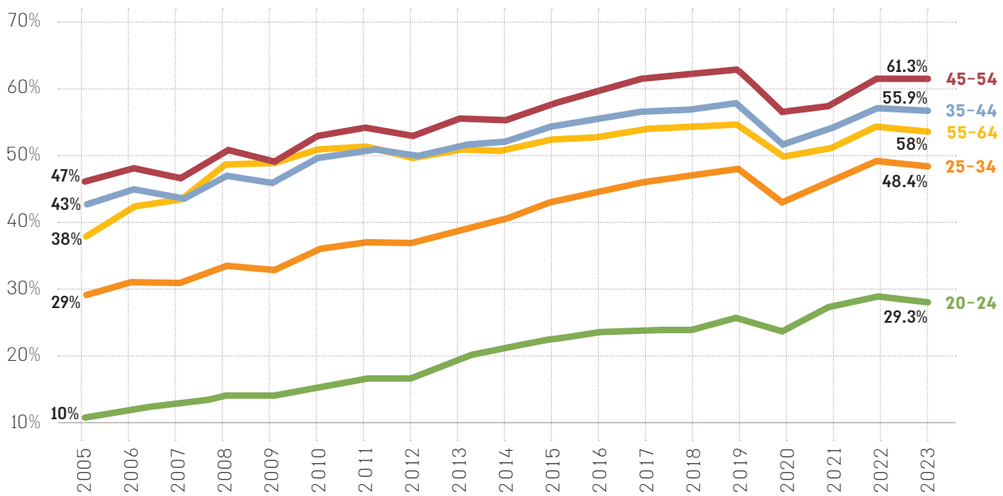
Alongside the long-term upward trend in Haredi men's employment rates, the impact of specific external shocks is also evident. The Covid-19 crisis led in 2020 to a sharp decline in employment rates across all age groups, but the upward trend resumed already in 2021. In 2023, a moderate but broad decline in Haredi men's employment rates was also recorded in most age groups, particularly among the young: the employment rate of those aged 20-24 fell by 1%, of those aged 25-34 by 3%, and of those aged 35-44 by 2%. Although the declines are moderate in scope, they are exceptional relative to a consistent multi-year trend of growth (with the exception of the Covid-19 year) and raise questions about the factors underlying them and future development directions. This trend may reflect, at least

in part, the growing uncertainty surrounding the conscription law debate and its developments since 2023, which could affect the incentives for young Haredi men to enter work and be expressed in delayed entry into the labor market, in return to Torah studies, or in avoidance of integration into formal employment during a period of regulatory uncertainty.

Nevertheless, in a long-term perspective the data indicate that the rise in Haredi men's employment rates over the past two decades stems to a large extent from a rise in the proportion of young people joining the labor market, characterized by higher employment rates than the generations that preceded them. This inter-generational pattern has been documented over time, though it does not in itself guarantee the continuation of the trend in the future. If these characteristics are maintained, and no fundamental changes occur in the institutional and regulatory incentives affecting individual decisions, it can be assumed with high probability that Haredi men's employment rates will return to rising in the coming years, as the weight of young generations in the labor market strengthens.

Figure 79

Haredi Men's Employment Rates by Age Group, 2005–2023



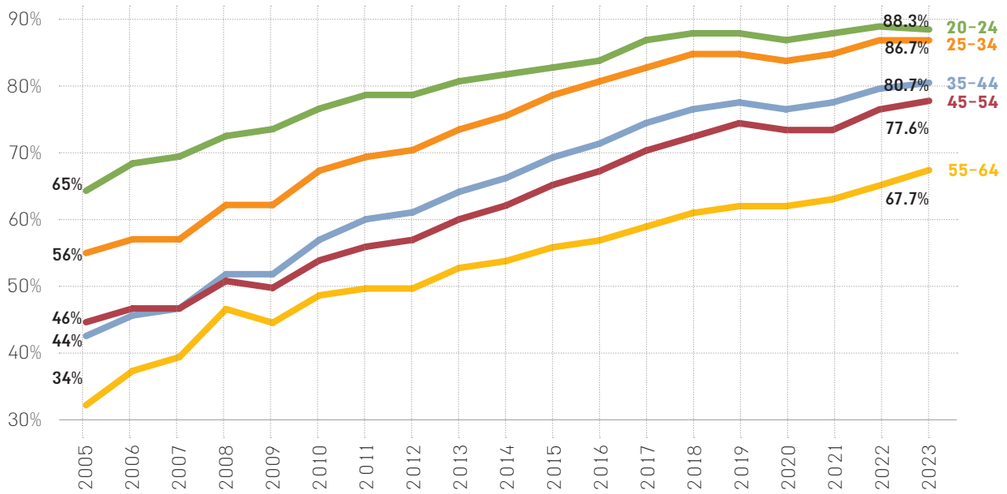
Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

A long-term examination of the employment rate of Haredi women in different age groups presents a consistent and significant rise since 2005, at a faster pace than that measured among men. However, the pattern of the upward trend differs considerably between age groups and points to a distinctive dynamic of the Haredi woman's life trajectory.

The most significant rise in the employment rate of Haredi women was recorded in the 35-44 age group. In 2005, their employment rate stood at only 44% and in 2023 it reached 81%, a rise of 84%. In second place is the 45-54 age group, where the employment rate rose from 46% in 2005 to 78% in 2023, a rise of 69%. A significant rise also occurred in the 25-34 age group, from 56% in 2005 to 87% in 2023, growth of 56%. The lowest growth was recorded in the 20-24 age group, from 65% in 2005 to 88% in 2023, growth of 36%. Although the pace of growth is more moderate, the employment rate of women in these ages remains the highest throughout the entire period, proving that Haredi women enter the labor market at a particularly young age, generally immediately after completing seminary or vocational training, and function as breadwinners already at the beginning of their adult lives. The employment rate of the oldest age group, 55-64, rose from 34% to 68%, growth of 100%, but their overall rate remains the lowest relative to other age groups. This trend reflects a gradual exit from the labor market at older ages, as well as the fact that some women in this age group married and started families in a period when Haredi women's integration into the labor market was more limited. The data indicate that the employment rates of Haredi women across all age groups rose over the years and that in the younger age groups the employment rates of Haredi women are higher than those of non-Haredi Jewish women. Indeed, if the 20-24 age group were included in the official definition of prime working ages, the employment gaps between Haredi women and non-Haredi Jewish women would almost entirely close even today.

Figure 80

Haredi Women's Employment Rates by Age Group, 2005–2023



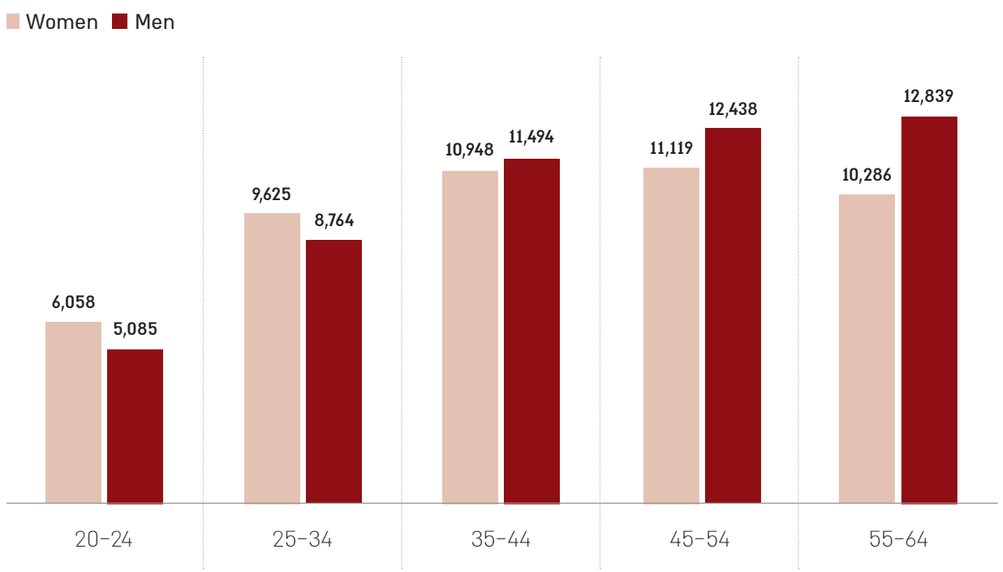
Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

Wage by Age Group

Alongside the differences in employment rates by age group in Haredi society, significant differences are also evident in wage levels of women and men, with wage levels rising with age in both cases.
In the youngest age group, 20-24, the average wage of Haredi women stands at NIS 6,058 and the average wage of Haredi men stands at NIS 5,085. In the 25-34 age group a significant rise in wages occurs in both groups: the average wage of women reaches NIS 9,625, a rise of 59%, and the wage of men rises to NIS 8,764, a rise of 72%. These wage gaps in the young age groups reflect the division of roles in Haredi households, where in the initial family stages women are the primary breadwinners while many men devote most of their time to Torah study. Those men who do work do so in part-time positions and with less favorable wage conditions than women.

Figure 81

Average Monthly Wage of Employed Haredim by Gender and Age Group, in NIS (Gross), 2023

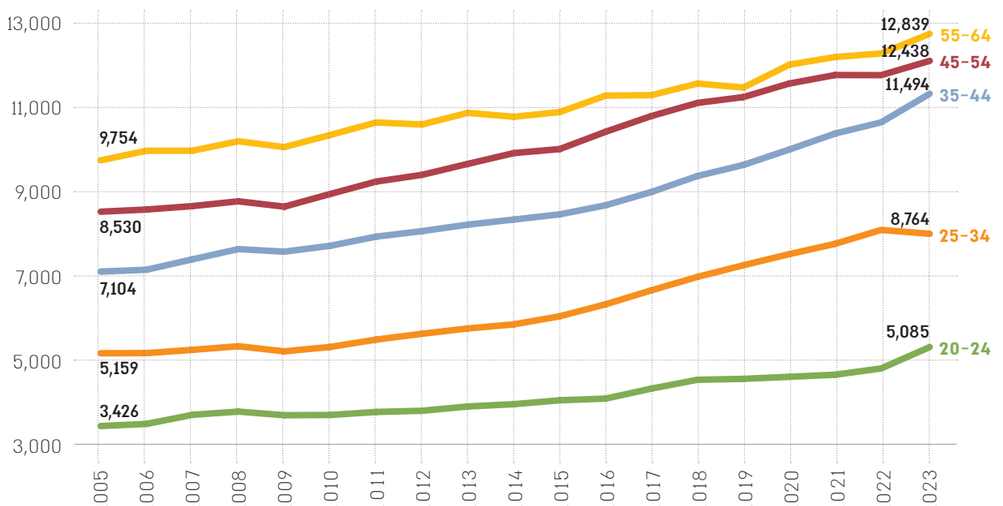


Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

In the 35-44 age group men's wages exceed women's for the first time: the average wage of women rises to NIS 10,948, a growth of 14%, while the wage of men rises sharply to NIS 11,494, a rise of 31%. The reversal in wage relations results from the later entry of men into the labor market and their assumption of a more central role in the household economy, with the completion of training and education that allows them to attain more senior and lucrative positions. The more moderate pace of wage rise among women in these ages may be connected to their need to balance work and family at this stage of life, when raising a large family leads many of them to prefer stable but less demanding positions, despite the career advancement limitations that result.
In the 45-54 age group the average wage of Haredi women reaches its peak at NIS 11,119. The average wage of Haredi men in these ages reaches NIS 12,438, a rise of 8% relative to the previous age group. In the oldest age group, 55-64, a dual trend is evident: among Haredi women a decline in the average wage to NIS 10,286 is recorded, generally reflecting a gradual transition to part-time positions or to roles in sectors relying on care or teaching work. Among men, the wage continues to rise and reaches a peak of NIS 12,839.
Analysis of average monthly wage trends of Haredi men over the years shows a consistent wage rise across all age groups, although at different paces. Despite the general upward trend, the gaps between age groups have been maintained and reflect the gradual entry of Haredi men into the labor market, alongside the acquisition of experience and training at a relatively late age.
In the youngest age group, 20-24, the average wage of Haredi men rose from NIS 3,426 in 2005 to NIS 5,085 in 2023, a rise of 48% over the period. Although this represents a significant rise, the wage level at these ages remains the lowest because of the very partial and initial entry of young Haredim, who arrive at this stage of life in the labor market without professional tools and without formal training. In the 25-34 age group the most significant wage growth occurred: from NIS 5,159 in 2005 to NIS 8,764 in 2023, a growth of 70%. The sharp rise in wages in this age group indicates that compared with the past, many Haredi men are entering the labor market at younger ages following basic vocational training, which brought about a relatively rapid wage rise in their first working years. In the 35-44 age group the average wage rose from NIS 7,104 in 2005 to NIS 11,494 in 2023, a growth of 62%. In the 45-54 age group it rose from NIS 8,530 in 2005 to NIS 12,438 in 2023, a rise of 46%. In the oldest age group, 55-64, the lowest growth occurred and wages rose from NIS 9,754 in 2005 to NIS 12,839 in 2023, growth of 32%. While this group presents the highest wage level, the pace of growth reflects career stagnation, alongside possible erosion or a transition to less demanding roles at this stage.

Figure 82

Average Monthly Wage of Haredi Men by Age Group, in NIS (Gross), 2005–2023



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

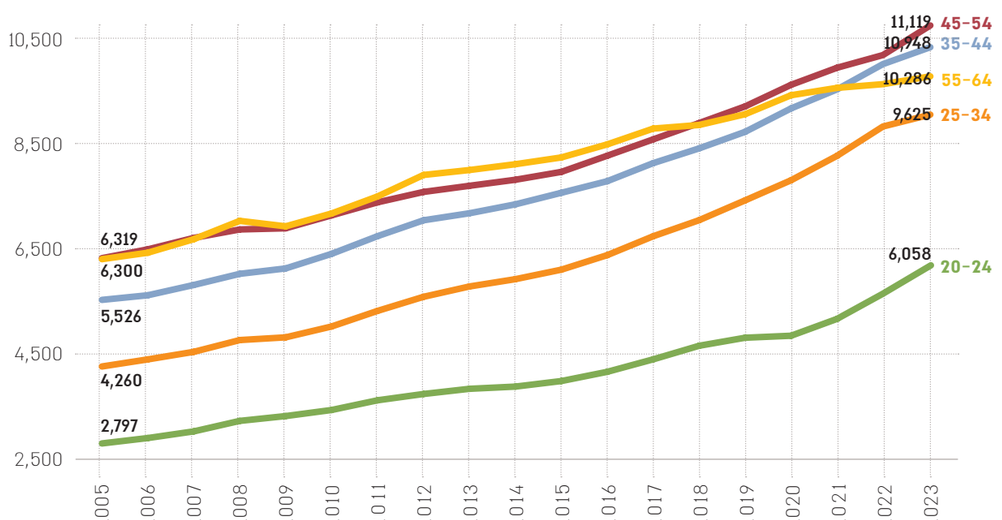
Wage trends among Haredi women from 2005 to 2023 point to changes different from those observed among men. While the wages of Haredi men rose over this period at a relatively moderate rate of 50% on average, the average wages of women surged at double the pace, and in most age groups the wages doubled over the years. This figure is proof of the place of Haredi women as the primary breadwinners in households and is the result of the efforts and community support to make tools for professionalization and higher quality labor market integration accessible to them.

In 2005 Haredi women aged 20-24 earned an average of NIS 2,797. By 2023, their wage surged to NIS 6,058, a rise of 117%. A similar trend was recorded in the 25-34 age group: the average wage rose from NIS 4,260 in 2005 to NIS 9,625 in 2023, a rise of 126%, the highest growth of all age groups. Among women, aged 35-44 the rise is more moderate but still significant: from a wage of NIS 5,526 in 2005 to NIS 10,948 in 2023, growth of 98%. In the older age groups, 45-54 and 55-64, rises of 76% and 63% respectively were measured.

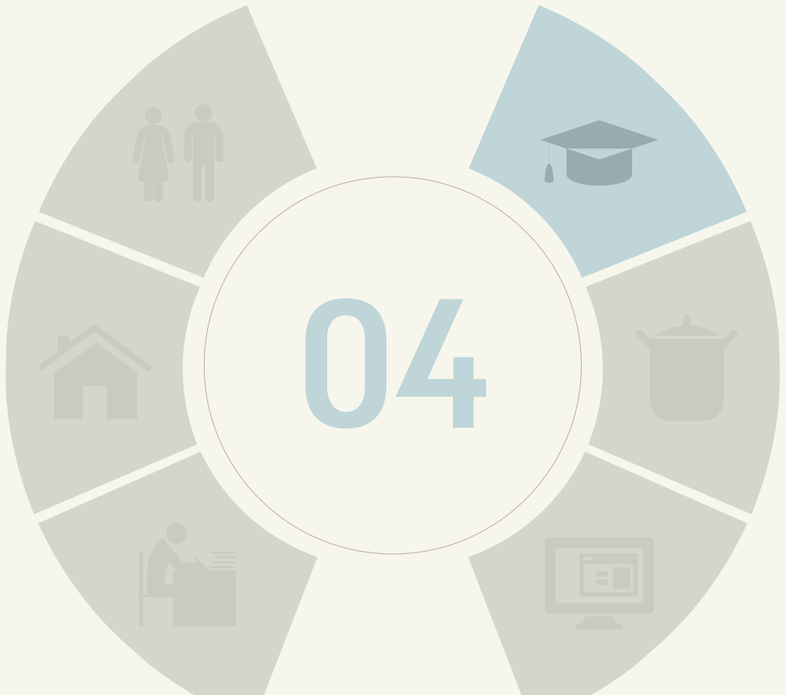
The cumulative result of the wage trends of Haredi women and men is that the wage gaps between women and men have narrowed significantly, and today women aged 20-34 earn more than Haredi men. Given the continuation of the education and training trends of Haredi women, alongside the relatively late entry of Haredi men and their need to complete formal training, and taking into account the young age pyramid in Haredi society, it can be said with high probability that in the coming years women's wages will surpass men's wages even in the overall average.

Figure 83

Average Monthly Wage of Haredi Women by Age Group, in NIS (Gross), 2005–2023



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data



Higher Education

The higher education system in Israel is another arena in which the tension between the national need to expand the economic integration of the Haredi population and the desire of Haredi society to preserve a distinct identity and protect its social and religious values is sharpened. In general Israeli society, academic studies have in recent decades become an almost built-in part of the path to quality employment. There is a social consensus that higher education is a prerequisite for professional positions and advancement, and college degrees are perceived as a first and natural step toward optimal economic integration.

In contrast, within Haredi society there is a deep and persistent reservation about higher education. Studies are perceived as a threat to the Haredi value system because of content, perceptions, and modes of thinking that can stand in tension with the foundations of religious and community identity. This concern is not limited to ideological aspects alone but also touches on the social consequences of exposure to academia, which is perceived as potentially undermining community boundaries and changing traditional ways of life.

In recent decades, institutional recognition has grown that higher education is a central driver of raising labor productivity and reducing economic gaps in the Israeli economy. Accordingly, and with the aim of promoting quality integration of Haredim into employment, considerable governmental and philanthropic efforts have been invested to make the higher education system accessible to the Haredi population.

These steps included the development of broad strategic plans, chief among them dedicated five-year plans of the Council for Higher Education, the establishment of campuses and tracks adapted to the Haredi way of life, the development of pre-academic preparatory programs to bridge knowledge gaps, and the allocation of scholarship programs and support systems designed to assist Haredi students throughout their studies and in the transition to the labor market. These dedicated frameworks are at the heart of public and value-based controversy, and in recent years the issue of gender separation has become one of the most sensitive and charged topics in the discourse on integrating Haredim into academia.

Despite the many efforts, and alongside continuous growth in the number of Haredi students – primarily among women – their proportion in the higher education system remains significantly below their share of the population, and the gaps relative to non-Haredi Jews remain large.

The role of higher education differs between men and women in Haredi society. Among men, attitudes toward academic studies continue to be reserved, and the proportion of Haredi men studying in institutions of higher education remains low. Accordingly, the increase in the proportion of those with college degrees over the past two decades has been moderate.

In contrast, among Haredi women the choice of the academic path has been expanding in recent years, and studies in institutions of higher education have become more common and accepted than before. This trend reflects a gradual social change in which higher education is perceived as a legitimate means of integrating into the labor market and improving the employment situation of Haredi women. The increase in the number and proportion of Haredi college-educated women, as well as the expansion of study and their integration into more diverse and higher-productivity employment sectors, indicates that higher education has become for many women a real lever for improving their employment and economic situation.

Nevertheless, the economic returns to an academic degree remain lower among Haredi women than that observed among non-Haredi Jewish women, and wage gaps have not fully closed. The findings of this chapter highlight a dual picture: on the one hand, a relative and clear success of the efforts to make academia accessible to Haredi women is presented; on the other hand, an understanding is emerging of the need to continue adapting, deepening, and improving the quality of integration in order to realize the potential of higher education as an engine of broad and stable economic change in Haredi society.

Key Findings

5%

The share of degree holders

among Haredi men aged 25–49, compared to 32% among non-Haredi Jews.

16%

The share of degree holders

among Haredi women aged 25–49, compared to 47% among non-Haredi Jewish women

39%

The highest share of degree holders among Haredi women is in the Chabad stream. Among Hasidic women the proportion is the lowest, at only 6.5%.

11%

The highest share of degree holders among Haredi men is in the Chabad stream. Among Hasidic men the proportion is the lowest, at only 2.5%

4,531

Haredi men study in higher education:

45% in academic colleges,
20% in teachers colleges, and
35% in universities (including the Open University)

10,431

Haredi women study in higher education:

40% in academic colleges,
30% in teachers colleges, and
30% in universities (including the Open University)

NIS 19,343

Average monthly wage of Haredi men with a degree — about 60% of the average monthly wage of a non-Haredi Jewish man with a degree (32,087 NIS)

A Haredi man with a degree earns on average 95% more — nearly double — the wage of a Haredi man without a degree.

NIS 14,279

Average monthly wage of Haredi women with a degree — about 75% of the average monthly wage of a non-Haredi Jewish woman with a degree (18,824 NIS)

A Haredi woman with a degree earns on average about 50% more than a Haredi woman without a degree

Key Trends

Share of Male Degree Holders

The proportion of degree-holders among Haredi men aged 25-49 has risen by 2.4 percentage points since 2000.

Share of Female Degree Holders

The proportion of degree-holders among Haredi women aged 25-49 has risen by 12 percentage points since 2000.

Widening Gaps in Academic Attainment

Over the past two decades, the share of degree holders has increased more rapidly among women and non-Haredi Jews, leading to widening gender and sectoral gaps.

Wage Gaps among male Degree Holders

The wage gap between Haredi men with degrees and non-Haredi Jewish men with degrees has grown over the years: in 2012, the wage of Haredi men with a degree stood at 72% of the wage of non-Haredi Jewish men with a degree. In 2023, this proportion stood at 60%.

Wage Gaps among female Degree Holders

The wage gap between non-Haredi Jewish women with degrees and Haredi women with degrees has grown over the years: in 2012, the wage of Haredi women with a degree stood at 80% of the wage of non-Haredi Jewish women with a degree. In 2023, this proportion stood at 75%.

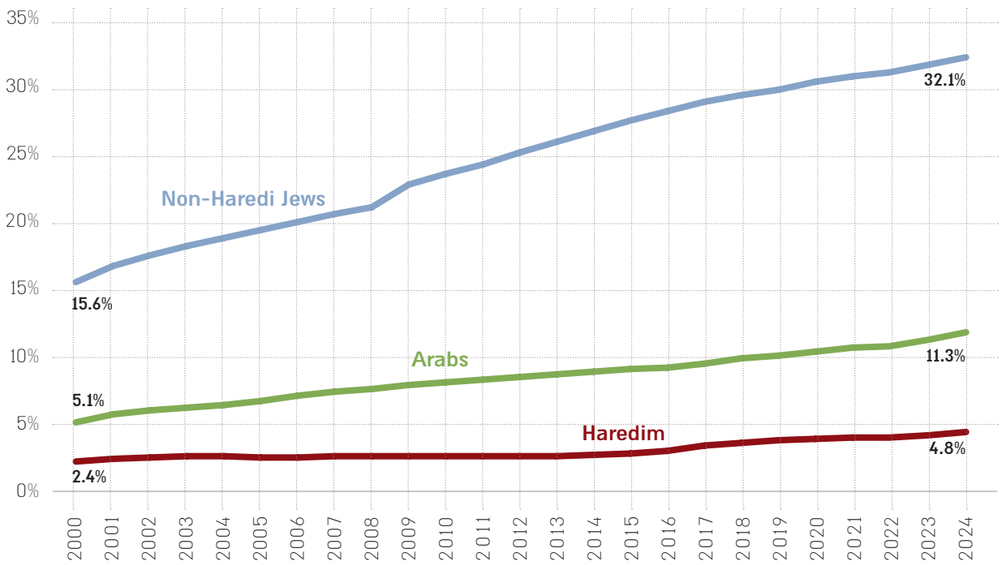
Share of Degree Holders

In recent years, considerable public resources have been invested, alongside philanthropic efforts and community initiatives, to expand the integration of Haredim into academic studies and increase the proportion of higher education graduates in the sector. These investments included the establishment and expansion of dedicated study frameworks and tracks, scholarship programs for Haredi students, and comprehensive support and mentoring programs from the preparation stage through graduation and integration into the labor market. Despite these efforts, the data shows that the increase in the proportion of college degree-holders among Haredi men has remained very moderate, and it remains low compared to men from other population groups in Israel.

As of 2024, only 4.8% of Haredi men aged 25-49 held a college degree, compared to 2.4% in 2000 – a cumulative increase of only 2.4 percentage points over 24 years. Nevertheless, in recent years there has been a moderate acceleration in the growth rate, and the proportion of Haredi men with an academic degree has grown by an average of about 1.5% per year, a rate slightly higher than that recorded in the previous decade. Although this acceleration is still far from causing a substantial change, it may signal the beginning of a trend toward the expansion of higher education among Haredi men.

Figure 84

Share of Men with an Academic Degree by Sector, Ages 25–49, 2000–2024



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

The proportion of college degree-holders among non-Haredi Jewish men rose from 15.6% in 2000 to 32.1% in 2024, and among Arab men from 5.1% to 11.3% in the same period. Since 2000, the ratio between the proportion of academics among non-Haredi Jewish men and their proportion among Haredi men has steadily grown, reaching more than ninefold in 2013. Since then, this ratio has been on a consistent and sustained downward trend. This trend may reflect the effects of the multi-year five-year plan of the Council for Higher Education, which was approved in 2012.

The gaps in higher education data largely reflect the cultural, social, and technical challenges facing Haredi men who wish to integrate into academic studies. Entry into academic studies typically occurs at a relatively late stage in life, when many Haredi men are already married and parents to several children. These circumstances make the long-term investment required for such studies – which also involves delaying labor market entry by several years – challenging to the point of being nearly economically impossible. Haredi men must also contend with opposition from many groups within Haredi society to the pursuit of higher education and with the absence of community support. Furthermore, as graduates of the Haredi education system that focuses on religious studies, there are many significant knowledge gaps between Haredi students and students from Israel's general education system. These knowledge gaps make it difficult for Haredi men to meet admission requirements and to complete their studies successfully.

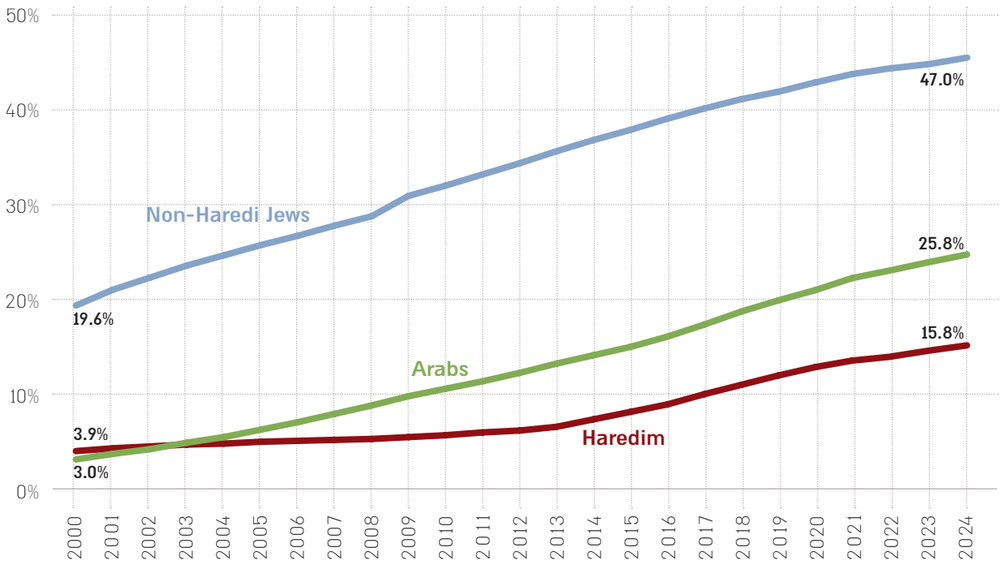
Among women, the trend is somewhat different, and over the years a consistent and sustained increase in the proportion of college-educated women can be seen across all population groups. The proportion of Haredi women holding an academic degree has grown by nearly fourfold in recent decades, from 3.9% in 2000 to 15.8% in 2024. In the first decade of the 2000s, the growth rate averaged 3%-4% per year. From 2012, onwards, the growth rate accelerated significantly and reached 10%-13% per year, likely owing to the multi-year five-year plan that the Council for Higher Education approved that year. In 2023-2024, the growth rate moderated and returned to 4% per year. During this period, the proportion of college degree-holders among non-Haredi Jewish women also rose, from 20% in 2000 to nearly 47% in 2024. Among Arab women, the increase is even sharper: from 3% in 2000 to 25.8% in 2024 – a dramatic change that points to deep processes taking place in Arab society regarding the integration of women into the Israeli economy.

The proportion of college-educated women among non-Haredi Jewish women is three times higher than their proportion among Haredi women. Similar to the trends observed among men, among women too a sustained decline in this ratio has been apparent over the past decade, and even at an earlier stage than observed among men. From the beginning of the 2000s, the ratio between the proportion of non-Haredi Jewish college-educated women and that of Haredi college-educated women grew steadily, reaching sixfold in 2009. Today it stands at slightly less than threefold – a ratio significantly lower than that existing between non-Haredi Jewish men and Haredi men.

The gradual increase in the proportion of Haredi college-educated women reflects several processes, including the expansion of culturally adapted study tracks that made higher education paths accessible to women who do not wish to, or cannot, study on general campuses. Additionally, economic pressures placed Haredi women – who play a central role in household economics – in need of acquiring tools that would enable them to integrate into higher-quality and more rewarding positions in the Israeli labor market. Nevertheless, there are still social and technical constraints within Haredi society on the pursuit of higher education by women from various groups, particularly at younger ages before they enter the labor market. At later stages of life, the combination of caring for the family while being the primary breadwinners in the household makes it difficult for them to integrate into higher education.

Figure 85

Share of Women with an Academic Degree by Sector, Ages 25–49, 2000–2024



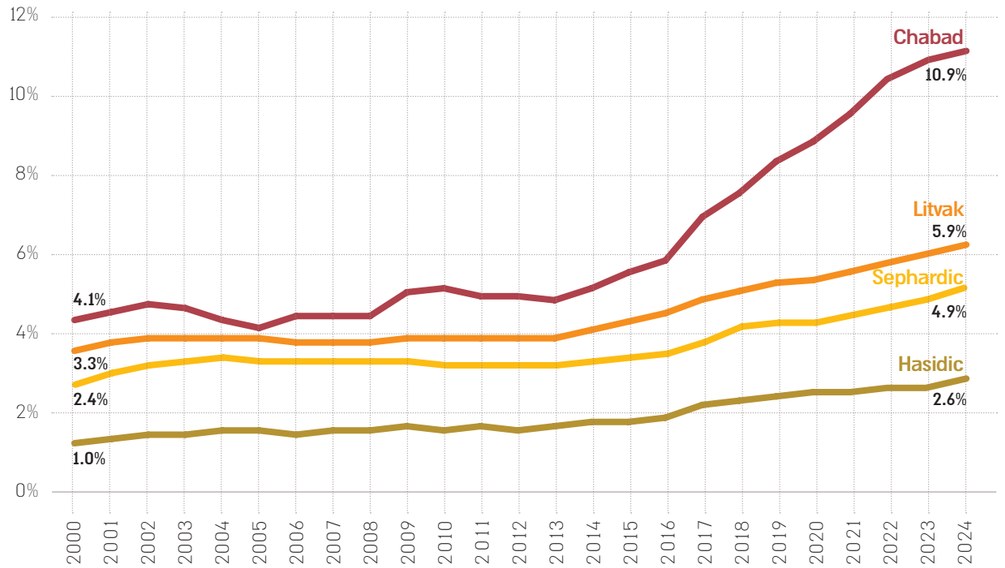
Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

An examination of higher education trends among Haredi men by the streams to which they belong highlights the influence of community structures and attitudes toward the integration of men in Israeli society and economy on patterns of educational attainment. Among the three major streams in Haredi society, throughout the entire period examined the highest proportion of college-educated men was found among Litvaks and the lowest among Hasidim. In 2000, the proportion of Litvak men with an academic degree stood at 3.3%, compared to 2.4% among Sephardi men and 1% among Hasidic men.

By 2024, the proportion of Litvak men with degrees had increased by 180%, the proportion of Sephardi men with degrees doubled, and the proportion of Hasidic men with degrees increased by 240% – the highest growth rate. However, even in 2024, the proportion of Litvak men with an academic degree remained the highest, at 5.9%, compared to 4.9% among Sephardi men and 2.6% among Hasidic men – less than half the Litvak rate.

Figure 86

Share of Haredi Men with an Academic Degree by Stream, Ages 25–49, 2000–2024



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

Higher education trends among Haredi men highlight the uniqueness of the Chabad movement within Haredi society. The proportion of college-educated men in Chabad rose from 4.1% in 2000 to 10.9% in 2024 – an increase of nearly 7 percentage points, the vast majority of which occurred in the past decade. During this period, the ratio between the proportion of higher education among Chabad men and among Litvak Haredi men – the leaders in higher education rates among Haredi men – doubled. Unlike Haredi streams in general, and the Hasidic stream in particular, Chabad's educational systems include core studies and build a basic infrastructure for professional and academic study. Additionally, Chabad's different worldview regarding integration into the Israeli space, stemming from a sense of mission to disseminate Judaism among the general public, provides men in this stream with community support for studies within Israel's higher education system. Nevertheless, even given

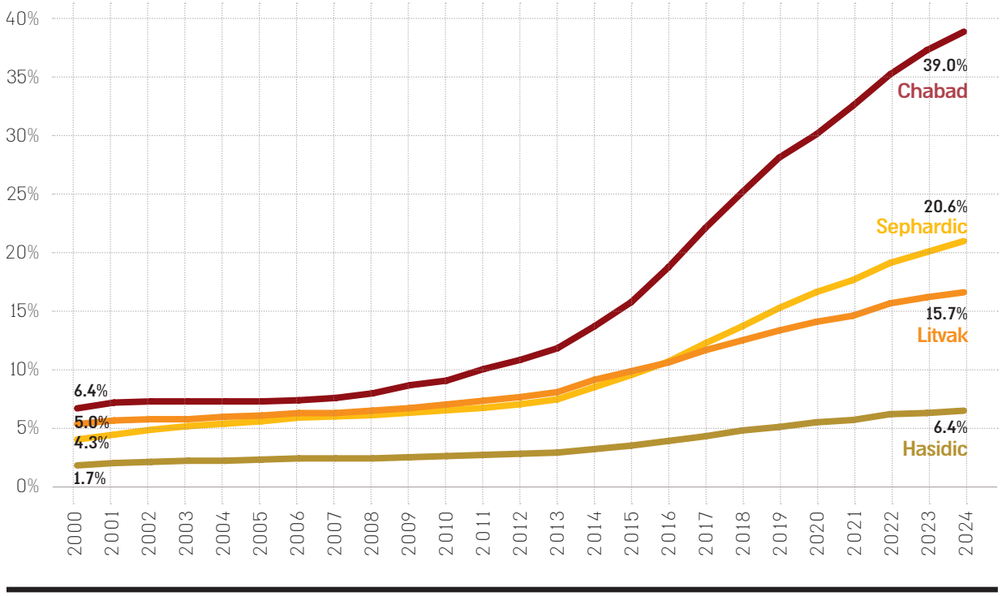
these data, there are significant educational gaps between non-Haredi Jewish men and Haredi men, including men belonging to the Chabad stream.

Over the past two decades, a significant increase – greater than that observed among men – has been registered in the proportion of Haredi women with college degrees across all streams. As among men, differences among women across the three major streams in Haredi society are apparent in the proportion of degree-holders and in the growth rate, stemming not only from differences in women's access to higher education or professional tracks but also from differences in community support for women pursuing these paths.

At the beginning of the 2000s, the proportion of college-educated women among Litvak women was the highest, standing at 5%, compared to 4.3% among Sephardi women and 1.7% among Hasidic women. By 2024, the proportion of Litvak women with degrees had tripled to 15.7%. During this period, the proportion of Sephardi women with degrees grew at a higher rate, reaching 20.6% – an increase of nearly fivefold – and in 2005 their rate became the highest among the three streams. This advantage has been maintained through 2024, except between 2009 and 2014, when Litvak women narrowed the gap.

Figure 87

Share of Haredi Women with an Academic Degree by Stream, Ages 25–49, 2000–2024



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

Among Hasidic women the picture is different. Although an increase in the proportion of college-educated women was recorded, from 1.7% at the beginning of the period to 6.4% in 2024 – a growth rate similar to that of Litvak women – the proportion of degree-holders among Hasidic women remained very low relative to Haredi women from other streams. This gap reflects the more conservative structure of Hasidic society, which is skeptical of general education and of educational and employment paths outside the community.

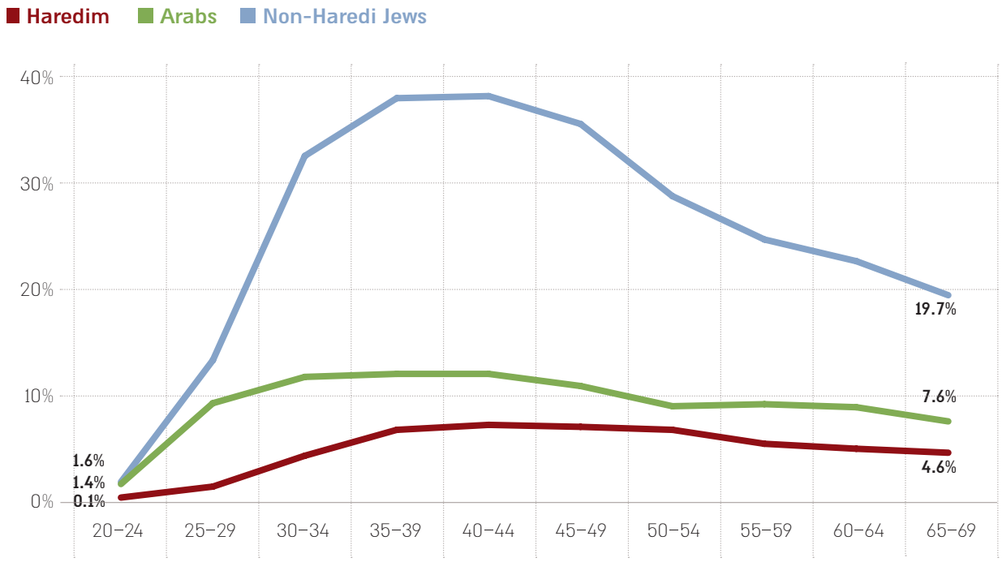
Against this background, Chabad stands out especially, leading in higher education rates also among women: the proportion of Chabad women with degrees rose from 6.4% in 2000 to 39% in 2024 – a dramatic jump of more than sixfold within just over two decades. This is the sharpest increase in all of Haredi society, among women and among men alike.

An examination of the proportion of college-educated men by age group highlights the uniqueness of the Haredi educational path and the differences between it and higher education patterns among men from other population groups. While among non-Haredi Jewish society and Arab society the proportion of degree-holders peaks in the thirties, among Haredi men the peak is recorded in an older age group. In 2024, the highest proportion of academics among Haredim is in the 40-44 and 45-49 age groups, at 7.4% and 7.2% respectively. Among younger ages, the proportion of Haredi academics is significantly lower, standing at only 4.3% among those aged 30-34 and 1.2% among those aged 25-29. Among those aged 20-24, the proportion of academics is almost negligible. In contrast, among non-Haredi Jews the highest proportion of academics is measured in the 35-39 and 40-44 age groups, where 39% of men hold a college degree. Among Arab men, too, the proportion of academics peaks in the 35-44 age group, standing at 12%. The explanation for the growth in the proportion of older Haredi college-educated men compared to other population groups likely lies in the relatively late age at which Haredi men enter the labor market, after which the need to acquire higher education as a condition for occupational development is only recognized at a relatively advanced age.

The timing of educational attainment among Haredi men directly affects the returns on the higher education they acquired: the investment in an academic track does not yield its full economic potential, as the benefits of education accumulate over the years through the accrual of professional seniority, career advancement, and specialization. Haredi men do not have time to enjoy these advantages, and the result is a persistent gap in returns on education between Haredim and non-Haredi Jews. This gap clarifies that higher education is not an effective tool for narrowing gaps between workers from different population groups in the labor market.

Figure 88

Share of Men with an Academic Degree by Sector and Age Group, 2024



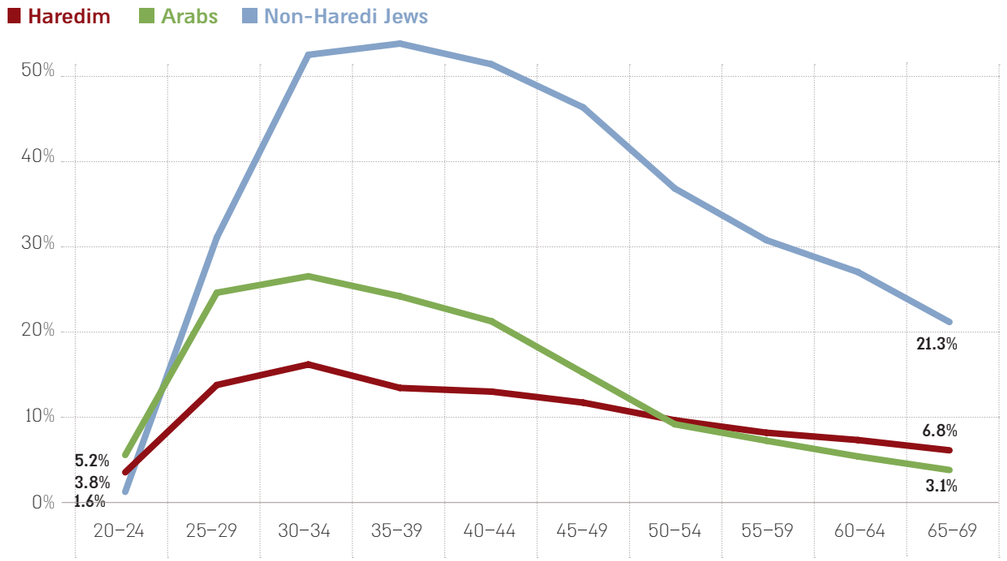
Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

Unlike the patterns observed among Haredi men, among Haredi women the highest proportion of academics is measured in the younger age groups, peaking at 18.5% among those aged 30-34. Among non-Haredi Jewish women and Arab women too, the proportion of academics peaks at these ages, at 53% and 30% respectively. This trend stems from the life path of Haredi women and their economic role in the household. They enter the labor market at a relatively early stage, usually shortly after marriage in their early twenties. In most households, particularly in the first decade of marriage, they are the primary breadwinners bearing the economic burden. Therefore, an academic degree is a real need for them, as it enables quality and stable employment in more rewarding sectors. The expansion of their access to higher education through the opening of academic frameworks tailored to Haredi women met this need, particularly among young Haredi women.

The difference between the higher education paths of men and women in Haredi society highlights their differing life trajectories: men reach higher education much later, thereby reducing the future return on investment, while Haredi women acquire education at an earlier age and realize a larger portion of the return potential of the college degree.

Figure 89

Share of Women with an Academic Degree by Sector and Age Group, 2024



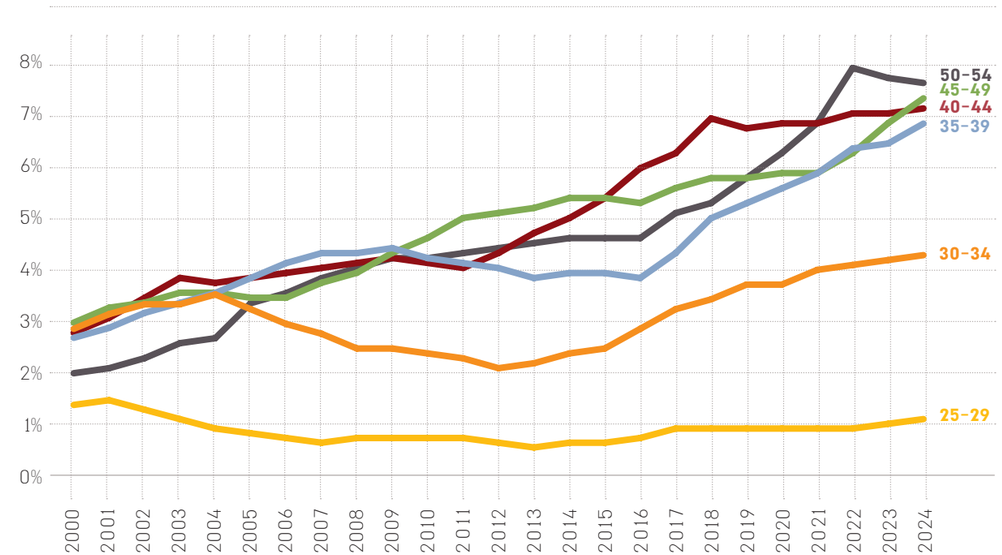
Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

An examination of higher education trends among Haredi men by age group clarifies why the proportion of academics peaks at an older age.

Over the past two decades, the sharpest increase in the proportion of degree-holders was recorded in the 50-54 age group, rising from just 2% at the beginning of the 2000s to nearly 7.7% in 2024 – a fourfold jump. Also among those aged 45-49, a significant increase was recorded, from 3% at the beginning of the period to 7.2% in 2024. Among the younger men, the proportion of academics aged 30-34 rose from 2.7% at the beginning of the period to 4.3% in 2024, and among those aged 25-29 it declined from 1.5% in 2000 to 1.24% in 2024. These findings indicate, again, that most Haredi men who turn to academic studies do so at a relatively advanced stage of their adult lives. This is partly due to their remaining in Torah studies at yeshivas and kollelim until a later age, which delays their entry into the labor market and the real need to acquire formal education. In addition, the absence of core studies means that knowledge gaps make their immediate entry into academic studies difficult and require supplementary studies.

Figure 90

Share of Haredi Men with an Academic Degree by Age Groups, 2000–2024



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

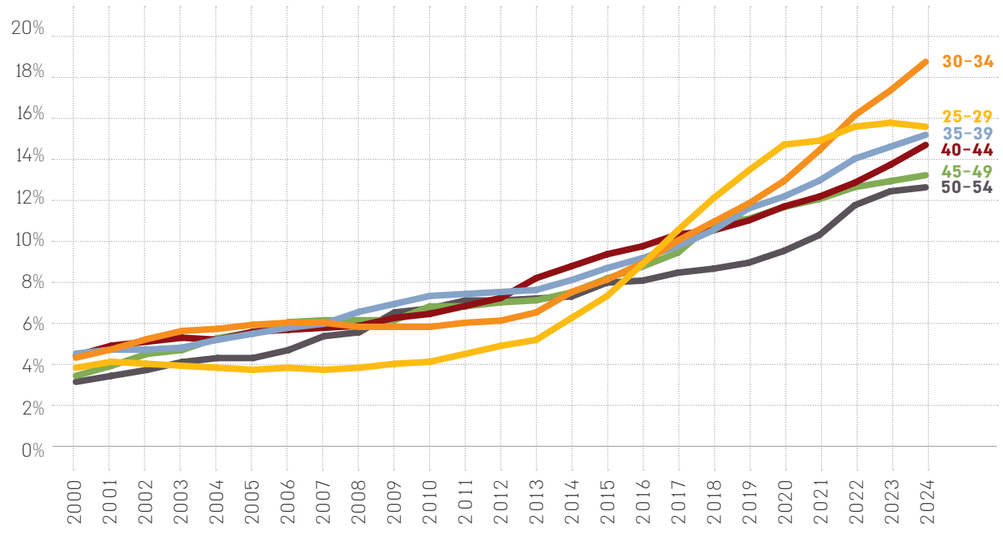
Unlike Haredi men, who typically obtain an academic degree later in life, Haredi women demonstrate earlier educational attainment over time.

Among Haredi women, the most pronounced increase in the proportion of college-educated women over the past two decades was registered among the younger ones: among those aged 30-34, the proportion of academics rose from 4% in 2000 to 18.5% in 2024 – a jump of more than fourfold. Most of this increase occurred between 2013 and 2023, during which the proportion of college-educated women in these ages rose by 10 percentage points. A similar jump was registered among those aged 25-29 – from 3.6% in 2000 to 15.7% in 2024. Among the older age groups of women aged 35-39 and 40-44, a significant increase was also recorded, though at a more moderate pace, from 4% to 15.3% and 14.8% respectively.

Thus, while at the beginning of the 2000s the proportion of college-educated women among Haredi women aged 35-39 and 40-44 was similar to, and sometimes higher than, that of women in their early thirties, the increase in higher education over the past two decades – particularly among the younger generation – has led to widening gaps among age groups.

Figure 91

Share of Haredi Women with an Academic Degree by Age Groups, 2000–2024



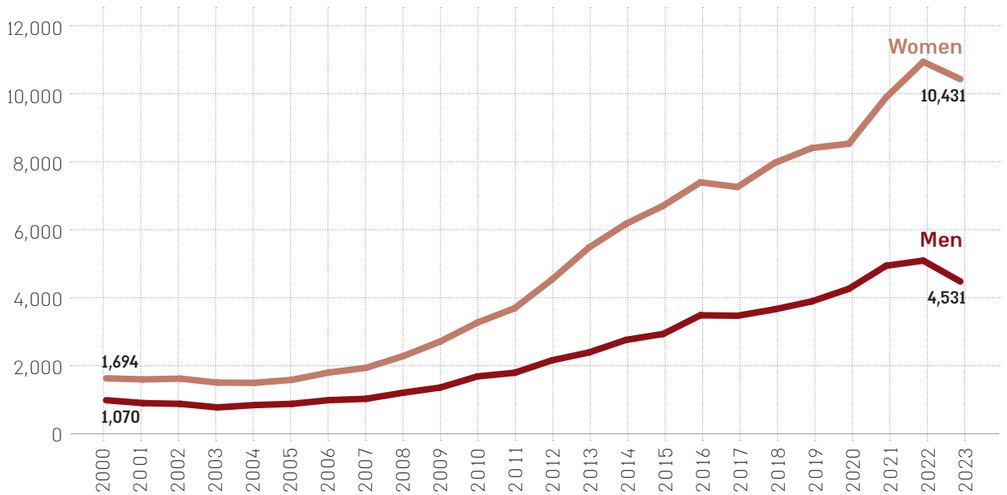
Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

The trend of increasing numbers of Haredi students in Israel's higher education system began already in the mid-2000s, but from 2009 onwards a significant acceleration was recorded, apparently around the growth of Haredi academic colleges in those years, which provided an accessible and tailored platform for hundreds of Haredi students. In 2005, approximately 1,650 Haredi women and approximately 960 Haredi men were studying in academia. By 2023, the number of Haredi women students jumped to more than 10,400 – a sixfold increase – and the number of Haredi men students grew to approximately 4,530 – a fourfold increase.

These trends are consistent with changes in the labor force participation patterns of Haredi society: in the years when the number of Haredi women students surged, the employment rate of Haredi women also rose and crossed the 80% threshold – an employment rate similar to that of non-Haredi Jewish women. This increase reflects a growing familiarity with the labor market and the needs of different employers, and an understanding that an academic degree has an impact on job quality and long-term earning potential. Among Haredi men, higher education trends remained moderate, similar to the moderate trends in their labor force participation rates, which remained significantly lower than those of non-Haredi Jewish men.

Figure 92

Number of Haredi Students by Gender, 2000–2023



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

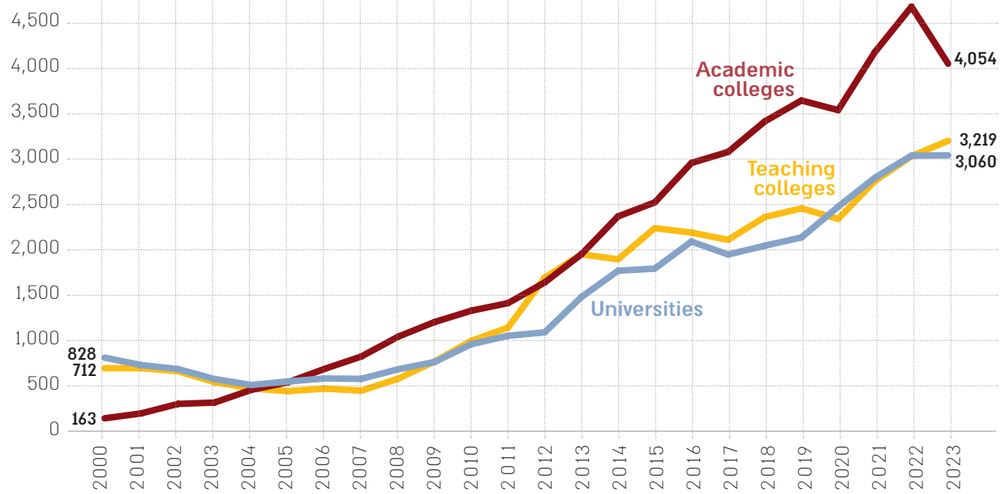
Since the beginning of the 2000s, changes have taken place in the characteristics of the institutions and in the mix of tracks to which Haredi students turn. In 2000, approximately 50% of all Haredi women students were studying at universities. This high rate stemmed from the fact that at the beginning of the decade the supply of academic frameworks suited to Haredi women outside universities was limited, as Haredi campuses and study units had not yet been established. The Open University was almost the only path that allowed Haredi women to study in a way that did not compromise their way of life. As such, it served as a relatively available and flexible alternative, mainly through distance learning tracks, personalized study program design, and the option of integrating into studies without changing the employment structure and without community visibility. In the early 2000s, separate and dedicated frameworks for Haredi women began opening at academic colleges. Nevertheless, even in those years there was a continuous increase in the number of Haredi women students at universities, growing from 828 in 2000 to 3,060 in 2023 – an increase of 3.5 times. However, by the 2010s their proportion among all Haredi women students had declined steadily, stabilizing at around 30%. This stability indicates that universities have remained a significant track for Haredi women, apparently because of the opening of programs and tracks tailored for them within additional universities in Israel.

A similar pattern is evident in teacher training colleges. During the period, measured, the number of Haredi women students in teacher training colleges grew from 712 in 2000 to 3,219 in 2023 – an increase of 4.5 times. However, at the beginning of the 2000s, the proportion of women students in teacher training tracks stood at 42% of all Haredi women students, reflecting the fact that teaching was the main profession for Haredi women. Since then, a downward trend began in this proportion, until it stabilized at around 30%. This decline reflects market changes: saturation in teaching positions in the Haredi education system, growing awareness of the significant wage gaps between teaching and more lucrative professions, and the expansion of training and education options for Haredi women. These data indicate that teaching has remained a central profession for Haredi women, but has ceased to be their default choice.

The most dramatic trend is seen in academic colleges. Throughout the entire measured period, the number of Haredi women students studying in them grew from 163 in 2000 to 4,054 in 2023 – an enormous increase of 25 times. The largest jump occurred in 2003-2008, during which the proportion of Haredi women students at academic colleges surged from around 20% to around 45%, remaining stable since then.

Figure 93

Distribution of Haredi Female Students for a Bachelor's Degree by Type of Institution, 2000–2023



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

This increase reflects a combination of several changes that took place during this period, chief among them the growth of dedicated and separate frameworks for Haredi women that also enabled the opening of study tracks in professions in demand in the Israeli economy, such as accounting,

psychology, and business administration. As a result, of these changes, a gradual but clear transition was made from a small number of study tracks at the beginning of the 2000s – mainly at the Open University and teacher training colleges – to a wide range of professional training tracks in sought-after professions at academic colleges, which today form the core of higher education among Haredi women. However, in 2023 a decline was registered in the number of Haredi women students pursuing a bachelor's degree at academic colleges, with their number falling to 4,054 – a drop of approximately 15% compared to 2022 and approximately 5% compared to 2021. This follows two decades of continuous growth, apart from a negligible decline in 2020 apparently due to the COVID-19 pandemic. At universities and teacher training colleges no decline was registered in the number of Haredi women students pursuing a bachelor's degree, though there is a notable slowdown in the continuation of the growth trend that characterized recent years.

Similar to the trends among Haredi women students, among Haredi men students too, a change has been registered since the beginning of the 2000s in the institutional composition in which they study. Alongside the sustained growth trends, a decline in their numbers in 2023 is also apparent.

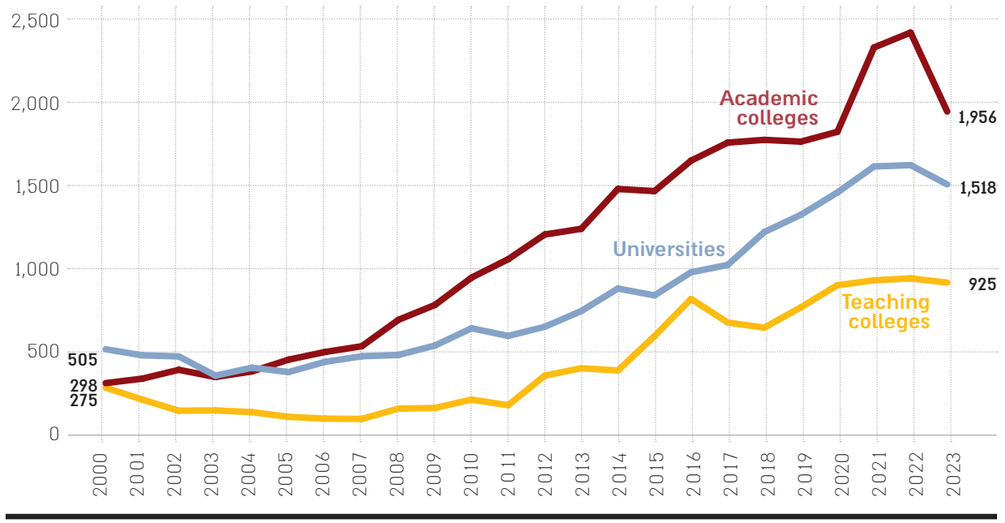
In 2000, 505 Haredi men were studying for a bachelor's degree at universities, which were at the time one of the two main channels for acquiring a college degree. As among women, the Open University was the main path, as it allowed flexible study that could be combined with a Torah study framework or with work, while maintaining the existing way of life. However, over the past two decades, the proportion studying at universities has declined. Their absolute number did increase threefold, to 1,518 students in 2023, with 2022 recording a peak of 1,636 students. However, their relative weight has remained stable, hovering around 30% of all Haredi students.

In 2000, 275 Haredi men studied at teacher training colleges, comprising 26% of all Haredi students, but in the early years of this century their number plummeted and their proportion fell to about 10% of all Haredi students. In 2012, renewed growth was registered in the number and proportion of Haredi students at teacher training colleges, until it stabilized at around 20% of all Haredi students. As of 2023, approximately 925 Haredi students are enrolled in teacher training colleges – a threefold increase since 2000. The most significant trend among Haredi men, even more pronounced than among women, is the increase in the number of students at academic colleges. In 2000, 298 Haredi men were studying in them. From the late 2000s, with the opening of dedicated frameworks at these colleges for Haredi men, the number of students studying in them grew rapidly, reaching a peak of 2,438 in 2022 – nearly sevenfold growth within two decades. In 2011, the proportion of Haredi students at academic colleges reached approximately 60% of all Haredi students. After that year a slowdown in the growth trend occurred, but the proportion of students at colleges remained relatively high at around 50%. These data indicate that academic colleges quickly became attractive and have remained so to this day.

However, similar to the trend recorded among women, a decline in the number of Haredi students pursuing a bachelor's degree in all study frameworks was registered in 2023. This decline returned the situation of Haredi students to numbers similar to those of 2020. The sharpest decline was observed at academic colleges, where the number of bachelor's students fell to 1,956 – a drop of approximately 20% compared to the previous year. A decline also occurred at universities, from 1,636 students in 2022 to 1,518 in 2023 – a drop of 8%. At teacher training colleges a more moderate decline was registered, to 925 students – a 3% drop compared to 2022. The significant increase in the number of Haredi women students in recent decades is evident in the surge in the number of those receiving a bachelor's degree. In 2000, approximately 400 Haredi women received a bachelor's degree, and in 2022 the figure was 3,657 – an eightfold jump. By 2024, a slight decline in the number of degree recipients occurred, but it remained high at 3,421. This represents a significant increase in the scope of higher education among Haredi women, reflecting a change in the perception of the role of higher education in their career path and the community legitimacy accorded to it.

Figure 94

Distribution of Haredi Male Students for a Bachelor's Degree by Type of Institution, 2000–2023

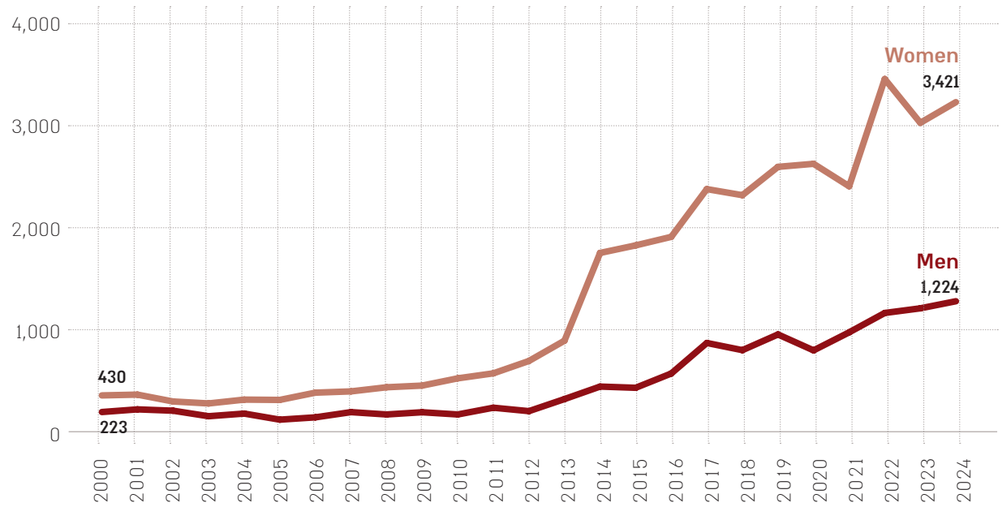


Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

Among Haredi men, too, significant growth in the number of degree recipients is evident, though at a more moderate scope: in 2000 approximately 200 Haredi men received a bachelor's degree, while in 2024 the number reached 1,224 – a fivefold increase. These data indicate that educational gaps between Haredi women and Haredi men are growing. In 2000, the number of women receiving degrees was double the number of men receiving degrees, and over the years this ratio grew until it stabilized at nearly threefold.

Figure 95

Number of Haredi Degree Recipients by Gender, 2000–2024



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

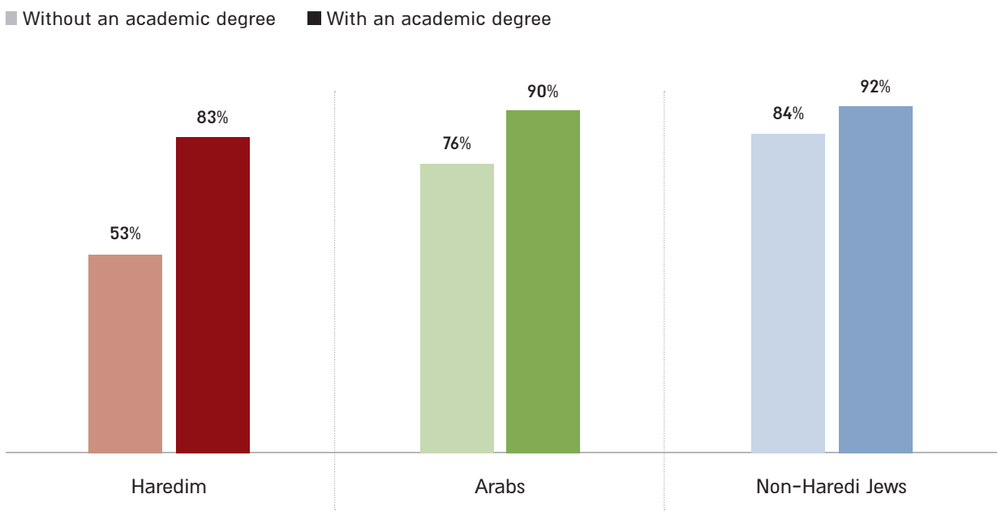
Returns to Higher Education: Employment and Wages

Academic education is one of the central factors affecting employment rates and wages. Beyond the acquisition of professional knowledge, it serves in the Israeli market as a marker of skills and abilities, enabling higher-quality employment opportunities at higher pay. The growing gaps between the proportion of Haredi men with degrees and the proportion of Haredi women with degrees illustrate the centrality of higher education in analyzing employment and wage gaps within Haredi society. These gaps also demonstrate the impact of education on differences in employment and wages between Haredi men and women and other groups in Israeli society, primarily in relation to non-Haredi Jewish women and men, whose education, labor force participation rates, and wages are higher.

An examination of employment rates by level of education reveals that among men from all sectors, there are significant gaps between those with college degrees and those without. However, among Haredi men, the gap is particularly large: the employment rate of Haredi men with a degree stands at 83%, compared to 53% among men without a degree – a gap of 30 percentage points. Among non-Haredi Jewish men, the gap stands at only 8 percentage points – 92% versus 84% – and among Arab men at 14 percentage points – 90% versus 76%. Since only approximately 5% of Haredi men hold a college degree, the overall average employment rate of Haredi men is determined almost entirely by the group without a degree.

Figure 96

Men's Employment Rates by Sector and Level of Education, Ages 25–64, 2023



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

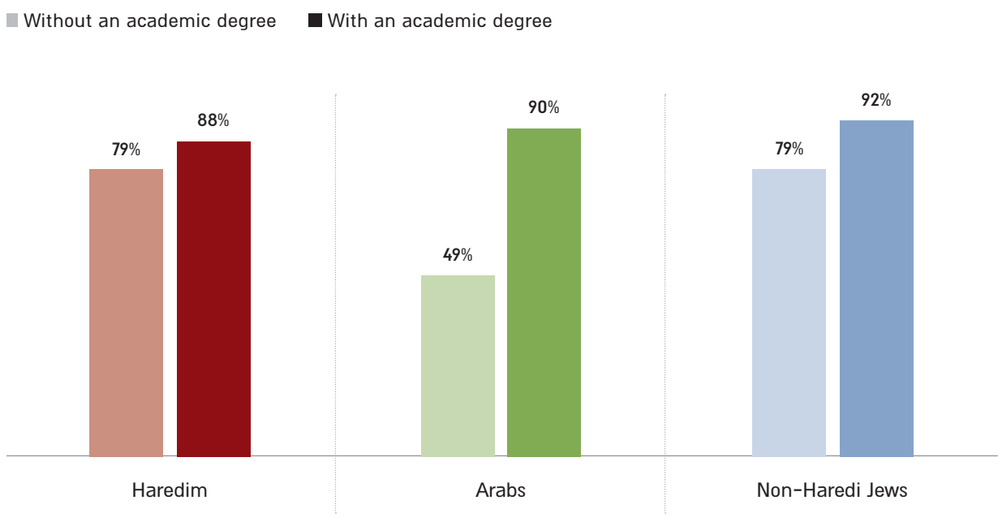
Among women, too, a gap is observed between employment rates of those with college degrees and those without. However, among Haredi women the gap is only slightly larger than the gap among non-Haredi Jewish women. In 2022, the employment rate of Haredi women holding an academic degree stood at 93%, and of Haredi women without a degree at 79% – a gap of 14 percentage points. Among non-Haredi Jewish women this gap stands at 10 percentage points, while among Arab women the largest gap is measured, reaching 41 percentage points.

Despite the large higher education gaps between Haredi women and non-Haredi Jewish women, the gap in employment rates between them is relatively small due to the high employment rates among Haredi women – both those with and without higher education. The widespread integration of Haredi women in the labor market at very high rates reflects their decisive role as primary breadwinners in Haredi households. The absence of higher education does not dramatically reduce their labor force participation rate, but primarily affects job quality and earning potential rather than participation in employment. Given the economic structure of Haredi households, many women enter the labor market under any circumstances and choose high employment rates even in jobs that do not require formal training.

Among Arab women, the largest gap is found between those with an academic degree and those without – 90% versus only 49%, a gap of 41 percentage points. This figure reflects the great importance of higher education in Arab society as a ticket to the labor market.

Figure 97

Women's Employment Rates by Sector and Level of Education, Ages 25–64, 2023



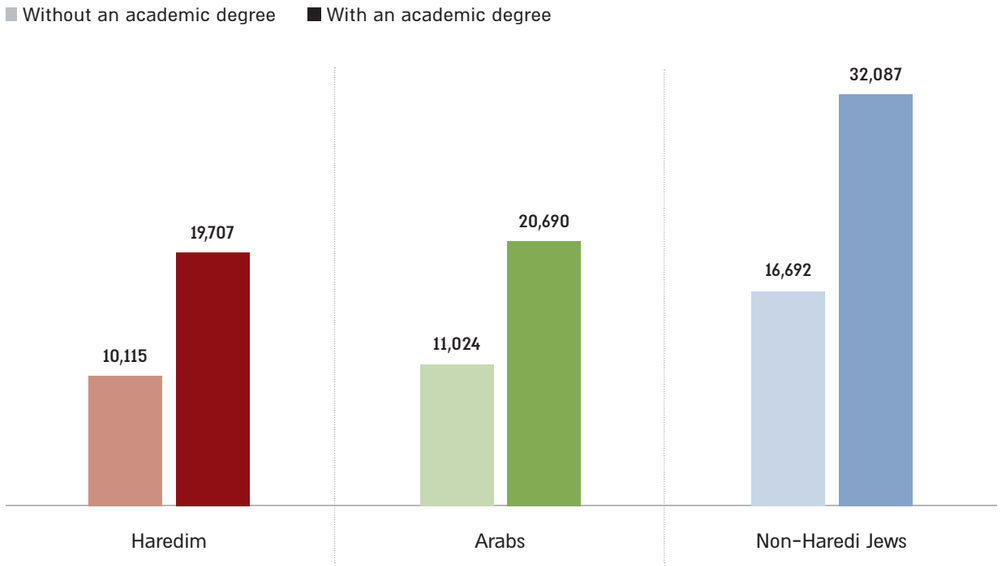
Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

Large gaps between workers with college degrees and those without are evident across all population groups in Israel. The data shows that among men from all sectors, salaried employees with college degrees earn almost twice as much as salaried employees without a degree. Thus, among Haredi men the average wage of degree-holders stands at NIS 19,707, compared to NIS 10,115 for Haredim without a degree. A similar trend is evident among non-Haredi Jewish men: the average wage of degree-holders is NIS 32,087 and of men without a degree is NIS 16,692. Among Arab men, the average wage of degree-holders is NIS 20,690, compared to NIS 11,024 among those without a degree. The data shows that wage gaps between Haredi men and non-Haredi Jewish men remain large even among degree-holders, even though both groups enjoy a significant increase in their wages following the acquisition of a degree. A Haredi man with a degree earns approximately 60% of the wage of a non-Haredi Jewish man with a degree. This gap indicates that completing an academic degree narrows some of the gaps between sectors but does not eliminate them. One explanation is Haredi men's choice to pursue degrees in relatively low-productivity fields, primarily education, social sciences, and humanities, rather than high-wage fields such as engineering, medicine, or law. The relatively late age at which they complete their degree also affects their economic return and the ability to realize the potential embedded in the education they acquired.

As presented earlier in this chapter, many Haredi men complete a degree at a late stage of life, sometimes only in their forties. Their late entry into the labor market limits the ability to accumulate years of seniority and restricts the options for specialization and advancement in the workplace, reducing the cumulative returns to higher education over a lifetime.

Figure 98

Average Monthly Wage of Male Salaried Employees by Sector and Education Level, in NIS (Gross), Ages 25–64, 2023



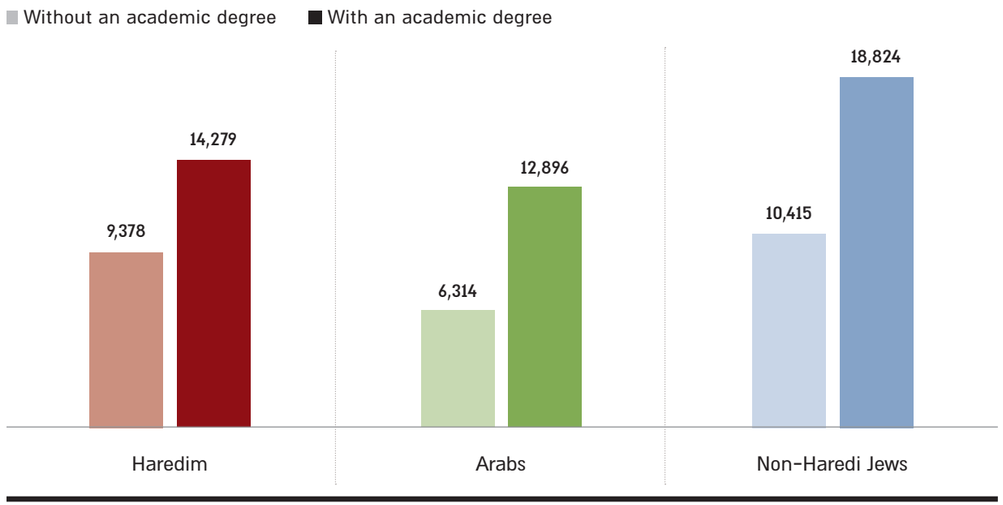
Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

Among women, wage gaps between those with a degree and those without exist across all sectors, but the gap varies considerably among them. Among Haredi women, the gap is relatively small, standing at 52%: Haredi women with a degree earn an average of NIS 14,279 compared to NIS 9,378 among women without a degree. This gap is lower than that measured among non-Haredi Jewish women, where the gap stands at 81% – NIS 18,824 for women with a degree compared to NIS 10,415 for women without a degree. Among Arab women, the college degree doubles the wage, standing at 104%: NIS 12,896 for women with a degree compared to NIS 6,314 for women without a degree. These data indicate that the returns to higher education among Haredi women are the lowest among employed women. The wage gap between Haredi women and non-Haredi Jewish women stands at 10% among those without a degree and 24% among those with a degree. This means that higher education increases wage gaps between Haredi women and non-Haredi Jewish women rather than narrowing them.

The reasons for this likely lie in the educational characteristics and employment patterns of Haredi women. Many women pursue degrees in fields characterized by relatively low economic returns, such as education and social sciences. This is due to a preference for occupations accepted within the Haredi community and the need to optimally combine work and family life. These considerations lead many women to choose partial employment and to remain in junior or mid-level positions in terms of responsibility, and the economic return they derive from the education they acquired is thereby reduced.

Figure 99

Average Monthly Wage of Female Salaried Employees by Sector and Education Level, in NIS (Gross), Ages 25–64, 2023



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

An examination of monthly wage trends among men in Israel over the past decade highlights the role of higher education as a central tool enabling high and stable earning capacity. Among men, from all population groups, the wages of those with college degrees are consistently higher than those without degrees, though the rate of wage growth varies across sectors.

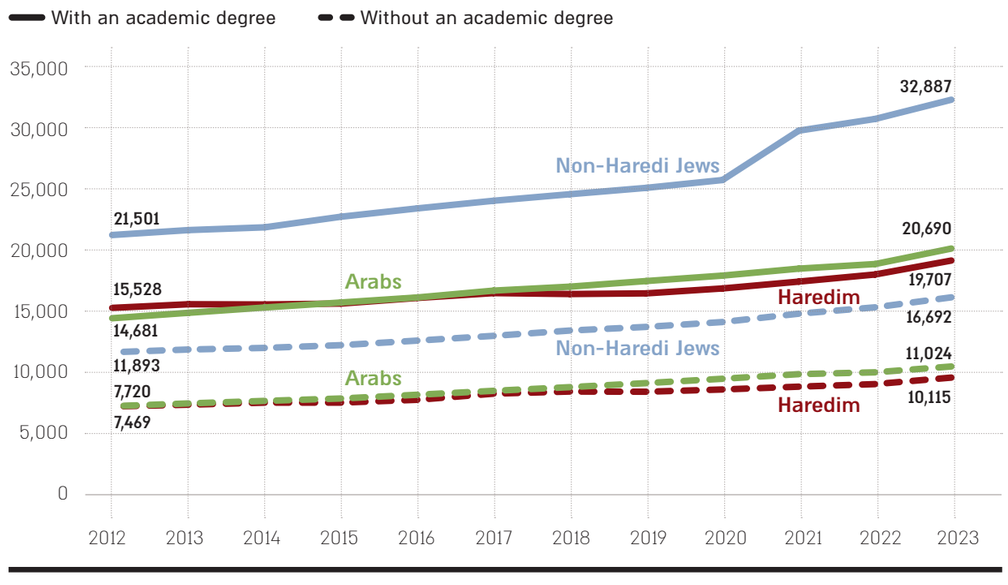
Between 2012 and 2023, the average wage of Haredi men without a degree grew from NIS 7,448 to NIS 10,115 – a growth of 36%. During this period, the average wage of Haredi men with a degree grew at a lower rate of 27%, from NIS 15,528 to NIS 19,707. These differences in wage growth rates led to a narrowing of wage gaps between Haredi men with a degree and those without, with the ratio of wages-without-degree to wages-with-degree rising from 48% to 51% over the past decade.

Among non-Haredi Jews, whose income level is the highest in the economy, a sharper increase in the average wage of men with a degree was recorded over the past decade – from NIS 21,501 in 2012 to more than NIS 32,800 in 2023. This is an increase of more than 50%, reflecting their relatively high presence in high-productivity sectors and high-wage professions such as computer science, engineering, finance, and medicine. Among men, without a degree too, an increase was recorded during this period – from NIS 11,893 in 2012 to NIS 16,692 in 2023. From these data, it emerges that among non-Haredi Jewish men, wage gaps between degree-holders and non-degree-holders have grown over the years, and today the wages of degree-holders are nearly double those of non-degree-holders. This gap points to high returns to higher education in this group and to their success in realizing the economic potential of the higher education they acquired in the most profitable sectors.

The increase in wages of degree-holders among non-Haredi Jewish men has led to a deepening of wage gaps between them and Haredi men with degrees: from 72% in 2012 to 60% in 2023. Among Arab men, the gap between wages of degree-holders and those without is smaller, though it has grown over the years: in 2023, degree-holders earned NIS 20,690 compared to NIS 11,024 among non-degree-holders – a gap approaching 90%. Over the period, a relatively stable increase was recorded in the wages of both groups, though the growth rate of degree-holders was faster at 48%, compared to 41% among non-degree-holders. As a result, the wage gap between them grew over the years. Wage trends show that while higher education increases earning potential in all sectors, the real return is higher among non-Haredi Jews than among Arabs, and especially compared to Haredi men. The difference likely stems from Haredi men's preference for less rewarding degrees in the labor market. While the returns to degrees in science, computer science, and other high-productivity fields have risen in recent years following wage increases in those sectors, the returns to the degrees preferred by Haredi men are lower, and the pace of wage growth in them is slower. As a result, the gaps between groups widened in a way that reflects differences in the structure of opportunities, the level of skills required, the distribution across different economic sectors, and the timing of entry into the labor market.

Figure 100

Average Monthly Wage of Male Salaried Employees by Sector and Education Level, in NIS (Gross), 2012–2023



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

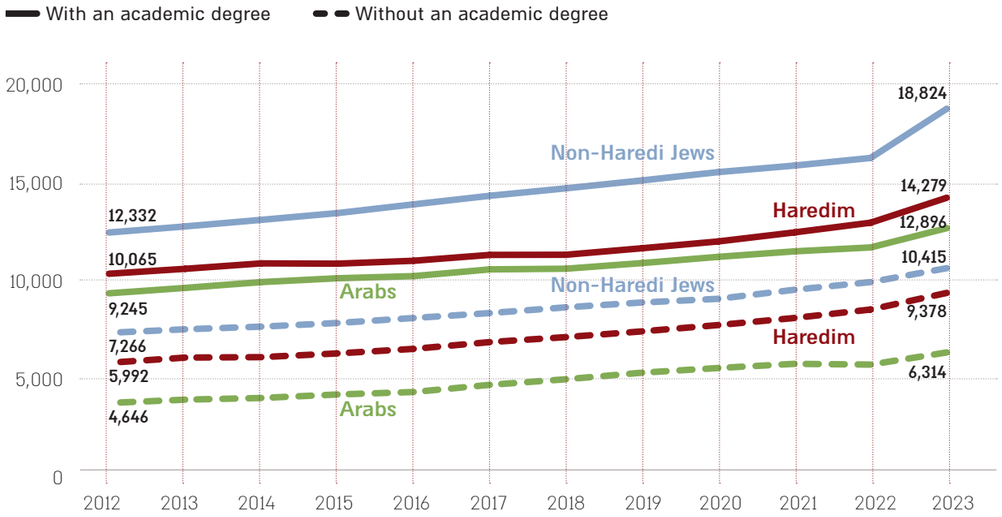
This increase leads to the situation where, despite the growth in the proportion of Haredi women with a degree, the wage gap between them and non-Haredi Jewish women with a degree has grown: in 2012, the wage of a Haredi woman with a degree stood at approximately 80% of the wage of a non-Haredi Jewish woman with a degree, and in 2023 it fell to approximately 75%. The widening gap is likely due to Haredi women's choice of degrees in less rewarding sectors and professions, where the pace of wage growth is slower, as well as a failure to realize their wage potential in the labor market, even in high-productivity sectors.

Among Arab women, the wage gap between those with a degree and those without is the highest. This gap grew slightly between 2012 and 2023: wages of those without a degree rose from NIS 4,646 to NIS 6,314 – an increase of 36%. Wages of Arab women with a degree rose by approximately 40%, from NIS 9,245 to NIS 12,896.

The data shows that higher education increases the earning potential of women in all sectors, but the return varies: it is particularly high among non-Haredi Jewish women and lower among Haredi women. These differences reflect the choice of study fields, employer requirements, the structure of the labor market, and the desire to combine career and family. Furthermore, despite the increase in the number of Haredi women with degrees, most are still concentrated in sectors and positions with lower wages, and their economic return from the education they acquired is therefore limited.

Figure 101

Average Monthly Wage of Female Salaried Employees by Sector and Education Level, in NIS (Gross), 2012–2023



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

Household Economy

The economics of Haredi households is a complex and fascinating issue, combining employment and income characteristics that differ from those of general society with a unique demographic structure. On one hand, employment rates and income levels in the Haredi population are relatively low, as presented in the Employment chapter. On the other hand, fertility rates are high and the number of persons per Haredi household is particularly large, as presented in the Demographics chapter. This combination raises the question of how Haredi households manage their day-to-day economics, balancing limited resources against many needs while contending with high consumption expenditures and a rising cost of living. An examination of the economics of Haredi households reveals a unique income and expenditure composition rooted in cultural and religious characteristics, reflecting distinct priorities and a distinctive value system.

The income structure, and in particular the employment income component, reflects the employment patterns typical of Haredi society: the employment income of a Haredi household averages 53% of the employment income of a non-Haredi Jewish household. This gap expresses the prevailing economic structure in Haredi society, which often rests on a single or primary breadwinner alongside relatively low labor productivity, limited acquisition of higher education, and a preference for part-time work or employment in community frameworks – a choice that combines ideological considerations of conservatism and separation with structural constraints of the labor market.

The expenditure composition of Haredi households reflects unique consumption patterns rooted in a value system that emphasizes frugality and contentment with little. These patterns manifest in low expenditure levels across almost all consumption categories, despite the fact that the average number of persons per Haredi household is considerably higher than other population groups. An exception is the field of education, which occupies a central place in the expenditures of Haredi households. This figure reflects the value-based and communal importance of education in Haredi society, the commitment to maintaining the independence of the education system, and it illustrates the willingness of Haredi families to bear high economic costs in order to ensure education that matches their values and way of life.

A key instrument enabling the Haredi household to balance meager incomes against consumption expenditures is the support and benefits system, which is 32% higher than its scope in a non-Haredi Jewish household.

The transformations that Haredi society is undergoing, including those related to increased integration in the labor market and the Israeli economy, are reflected in the income and expenditure composition of the Haredi household. Over the past decade, a sustained trend of increasing employment income and mandatory payments has been evident in Haredi households. Alongside this, a gradual reduction in dependence on allowances is apparent, expressed in a more moderate increase in the allowances and support that Haredim receive compared to the increase in other population groups. This process is accompanied by a sustained decline in poverty rates in Haredi society, though it remains higher than the poverty rate in general society.

The narrowing of gaps between Haredi households and non-Haredi Jewish households is also evident in consumption expenditure trends. In recent years, Haredi consumption has been converging toward essential categories and eroding or contracting in other basic consumption categories. This process indicates that a considerable portion of the growth in expenditures does not reflect an improvement in living standards but rather adaptation to the cost of living. In this sense, the economics of Haredi households is in a dual process: on one hand there is a gradual strengthening of economic independence through work and a reduction in the relative dependence on allowances; on the other hand, budgetary pressure continues to manifest in a marked increase in consumption expenditures relative to non-Haredi Jewish households. This phenomenon illustrates that a narrowing of income gaps does not necessarily equate to a narrowing of welfare gaps.

Key Findings

NIS 11,591

Net monthly income from work of a Haredi household — 53% of the work income of a non-Haredi Jewish household (21,998 NIS)

NIS 17,445

Total net income of a Haredi household — 61% of that of a non-Haredi Jewish household (28,503 NIS)

In almost all expenditure categories, except education and services, Haredi household expenditure is lower than that of other sectors, even though Haredi households are much larger

66%

The relative share of net income from work in a Haredi household, compared to 77% in a non-Haredi Jewish household

27%

Share of Haredi household consumption expenditure allocated to housing — 4,489 NIS in a Haredi household, compared to 5,090 NIS in a non-Haredi Jewish household

NIS 16,631

Average monthly consumption expenditure of a Haredi household, compared to 18,640 NIS in a non-Haredi Jewish household and 18,228 NIS in an Arab household

NIS 668

per month: Average charitable donation from a Haredi household — much higher than from non-Haredi Jewish households (126 NIS) and Arab households (45 NIS).

15%

Share of Haredi household consumption expenditure allocated to education and culture, compared to 11% in non-Haredi Jewish households and 9% in Arab households

38%

of Haredi households are below the poverty line, compared to 11% of non-Haredi Jewish households

Key Trends

Subsidies and Allowances

Between 2014 and 2023, the average income of a Haredi household from government allowances and support grew by 54%, compared to 64% for non-Haredi Jewish households and 68% for Arab households.

Labor Income

In 2014, the labor income of a Haredi household stood at 48% of the labor income of non-Haredi Jewish households. In 2023, this proportion rose to 53%.

Household Tax Payments

Between 2014 and 2023, tax payments of Haredi households grew by 78%, compared to an increase of 74% in payments of non-Haredi Jewish and Arab households.

Consumption Expenditures

Average consumption expenditures of Haredi households grew by 32% between 2014 and 2023. In these years, average consumption expenditures of non-Haredi Jewish households grew by 19% and of Arab households by 30%.

Poverty Rate

The poverty rate among Haredi households declined by 13 percentage points between 2014 and 2024, including a 2-percentage-point decrease between 2022 and 2024.

Composition of Household Income

In 2023, the use of administrative files for measuring household income, including employment income data, pension data, and allowance data, was expanded significantly. As a result, the comparison between 2022 and 2023 is an approximate comparison only and does not fully reflect the economic changes that took place in those years. Therefore, the figures in this chapter are not a precise measure of short-term change but present estimates of the main income and expenditure components, intended to serve as a tool for structural and dynamic analysis of household economics.

In addition, the economic conduct of the Haredi household is examined to a large extent through the Household Income and Expenditure Survey of the Central Bureau of Statistics. However, in recent years the survey has undergone significant methodological and structural changes, chief among them a considerable reduction in sample size and a transition to computerized responses beginning in 2019. Thus, while in 2018 approximately 9,000 households were sampled in the survey, including approximately 800 Haredi households, in 2023 only approximately 4,000 households were sampled, of which approximately 390 were Haredi households. These changes increased the sampling error and contributed to greater volatility in some of the survey's indicators. Therefore, extra caution is required in interpreting long-term trends, particularly regarding changes in employment income, mandatory payments, and poverty rates in Haredi society. Due to these limitations, for these key indicators, supplementary use is made in this chapter of the Institute's processing of Tax Authority data and National Insurance Institute estimates, which are also based on administrative files and allow a more stable and reliable reading of structural trends.

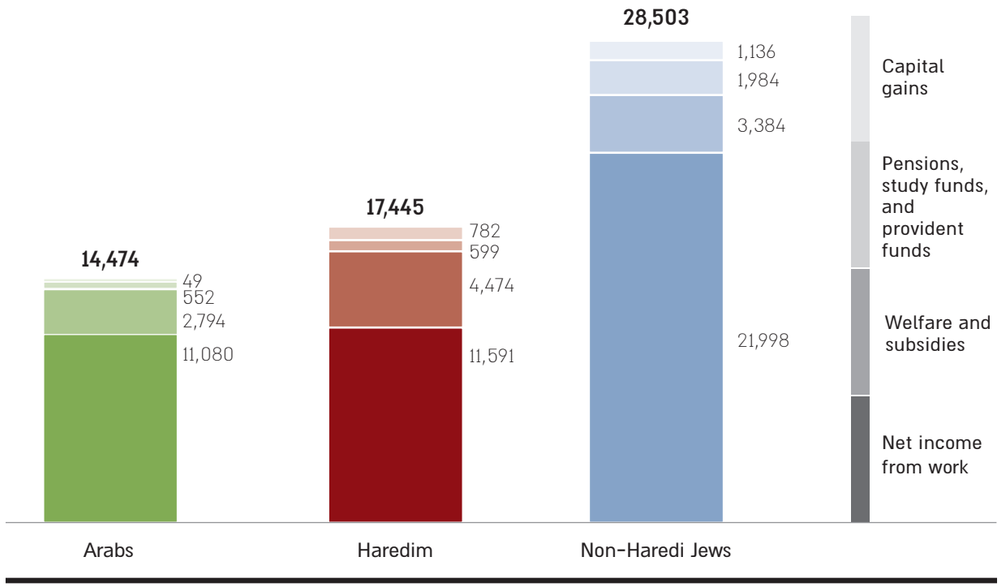
The income structure of the Haredi household is unique in Israel's socioeconomic landscape and reflects a combination of distinctive employment patterns, relatively low wage levels, and deep cultural and community characteristics. The relatively low employment rate of Haredi men and low wage levels – both among men and women – stem from employment preferences such as part-time work, concentration in low-productivity employment sectors, work in community frameworks, and limited training. Alongside this, community support networks and the array of allowances and transfers provided by the state play a central role in the income structure of the Haredi household.

In 2023, the average monthly net income of a Haredi household stood at NIS 17,445, approximately 61% of the income of a non-Haredi Jewish household, which stood at NIS 28,503. The average income of an Arab household in that year stood at NIS 14,474. These incomes come from four main sources: employment, allowances and support, capital income, and income from pensions and long-term savings instruments. Among population groups, sharp gaps are evident both in the scope of income from each of these sources and in their relative weight.

Net income from employment of a Haredi household stood at an average of NIS 11,591 – approximately 53% of the employment income of a non-Haredi Jewish household, which stood at an average of NIS 21,998. However, it is slightly higher than the employment income of an Arab household, which stood at an average of NIS 11,080. Yet the weight of employment income out of total income is particularly low among Haredi households, reaching 66%, compared to 77% among non-Haredi Jews and Arabs. In contrast, income from allowances and support of a Haredi household stands at an average of NIS 4,474, which is 26% of its total income – 2.2 times their weight in a non-Haredi Jewish household. Capital income of Haredi households stands at an average of only NIS 782, and income from pensions, study funds, and provident funds at NIS 599 – less than a third of their scope in non-Haredi Jewish households. The relative absence of these income sources indicates a limited capacity for capital accumulation, for building a financial safety cushion, and for coping with economic shocks. This aggregate of data sketches a picture of an income structure in the process of change, but still characterized by high economic vulnerability.

Figure 102

Composition of Household Income by Sector, 2023



Source: The Institute for Strategy and Haredi Policy's calculations based on the Household Expenditure Survey and administrative data

Although a gradual strengthening of the employment income component and a relative reduction in dependence on allowances are evident – primarily against the backdrop of growing integration in the labor market – the overall income level remains low and the income structure still limits the budgetary maneuvering room of Haredi households. This vulnerability is sharpened particularly in light of the housing characteristics of the Haredi population: high leverage rates, rising mortgage payments, and

expanding reliance on the rental market make the Haredi household particularly sensitive to interest rate increases and rent price rises. In the absence of significant savings and capital income, shocks in the housing market quickly translate into direct budgetary pressure and increase the risk of deepening economic distress even among working households.

The scope of support and allowances granted to households in Israel has changed over the years as a result of a combination of changes in welfare policy, broad economic and social transformations, and nominal updates to allowance amounts in line with inflation. Between 2014 and 2019, a moderate increase in income from allowances and support was recorded in Haredi society, while among non-Haredi Jews and Arabs relative stability in income from this source was registered in real terms during this period. This pattern reflects, among other things, the high weight of child allowances and transfer payments in the income structure of Haredi households already at this stage.

In 2020, against the backdrop of the COVID-19 crisis, a sharp and exceptional increase in the scope of government support occurred across all population groups. The average income from allowances and support in a Haredi household rose from approximately NIS 3,700 to approximately NIS 4,400, in a non-Haredi Jewish household from approximately NIS 2,400 to approximately NIS 3,300, and in an Arab household from approximately NIS 1,900 to approximately NIS 3,000. This increase stemmed primarily from one-time grants, furlough payments, and the expansion of compensation mechanisms for self-employed persons and workers affected by the economic shutdown. With the waning of the crisis and the return of a significant portion of workers to the labor market, a moderate decline in the scope of support was registered in 2021 in all sectors, continuing also in 2022, when income from allowances and support of all households returned to levels similar to those prior to the COVID-19 crisis.

In contrast, in 2023 an additional sharp and exceptional increase in income from allowances and support was registered across all population groups. Among Haredi households, average income from allowances rose from NIS 3,640 to NIS 4,474, a growth of 23%. Among non-Haredi Jews, a similar increase of 24% was recorded, from NIS 2,728 to NIS 3,384, and among Arab households the sharpest growth was registered – from NIS 2,198 to NIS 2,794, a growth of 27%. This jump likely reflects a combination of macroeconomic factors, including accelerating inflation and nominal updates to allowances and transfer payments, and the effects of the war that broke out in October 2023, which created a sharp shock in the final quarter of the year and led to the activation of broad-scope support and compensation mechanisms included in the annual income from allowances. That said, the effect of the expanded use of administrative data in the Household Expenditure Survey in 2023 must also be taken into account, as it may influence the level of estimates and their comparability with previous years.

Although throughout the entire measurement period the average income from allowances and support in a Haredi household remained the highest among population groups, the data point to a gradual narrowing of gaps between sectors. Between 2014 and 2022, the average nominal income from allowances in a Haredi household grew by 54%, compared to growth of 64% in non-Haredi Jewish households and 68% in Arab households. Accordingly, while in 2014 a Haredi household's income from allowances and support stood at 140% of a non-Haredi Jewish household's income, by 2023 this gap gradually narrowed to 132%. This trend fits into the broader picture of a slow but consistent strengthening of the employment income component among Haredim alongside a relative decline in the weight of allowances. However, it also emphasizes that for many Haredi households, allowances and support continue to play a central role in their ability to cope with cost-of-living pressures, housing, and household obligations.

Over the past decade, significant changes occurred in employment income of households across all population groups in Israel, reflecting long-term employment trends and cyclical shocks. Among Haredi households, a gradual and sustained increase in employment income was recorded, from an average of NIS 6,827 in 2014 to an average of NIS 11,591 in 2023. In parallel, among non-Haredi Jewish households average employment income rose from NIS 14,160 in 2014 to NIS 21,998 in 2023, and among Arab households average income rose from an average of NIS 6,795 in 2014 to NIS 10,313 in 2023.

In 2020, a moderate decline in employment income was registered across all sectors, against the backdrop of the effects of the COVID-19 crisis, which particularly affected labor-intensive sectors and groups of workers with lower employment stability. However, already in 2021 a recovery was evident, and the upward trend in employment income returned and even accelerated in subsequent years – both among Haredi households and among non-Haredi Jewish households.

A similar trend was also observed among Arab households: average employment income rose consistently between 2014 and 2019, reaching NIS 9,572, fell in 2020 to NIS 8,728, and then rose again to an average of NIS 11,080 in 2023.

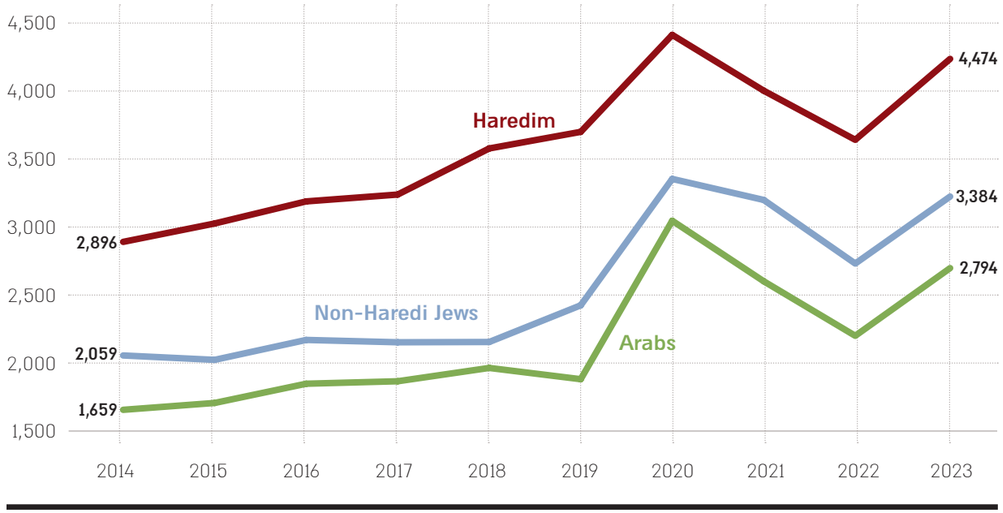
Throughout most of the period examined, average employment income of Haredi households and Arab households were similar, and the gaps between them remained relatively small.

An examination of the growth rate indicates differences between population groups: between 2014 and 2023, the average net employment income of a Haredi household grew by approximately 70%, compared to growth of 63% among Arab households and 55% among non-Haredi Jewish households. Although in absolute terms the employment income of non-Haredi Jewish households grew by the highest amount – approximately NIS 7,800 compared to approximately NIS 4,750 among Haredi households – the data point to a consistent process of gap narrowing: in 2014, the employment income of a Haredi household stood at 48% of the employment income of a non-Haredi Jewish household, and in 2023 this ratio rose to 53%.

This trend fits with the broader picture emerging from the other chapters of this report, chief among them the sustained increase in the employment rates of Haredi women, which is the central engine of growth in employment income of Haredi households. At the same time, the data illustrate that absolute income gaps remain significant and that further improvement in Haredi household income levels depends not only on expanding labor force participation but also on continued increases in labor productivity, hours of employment, and quality employment.

Figure 103

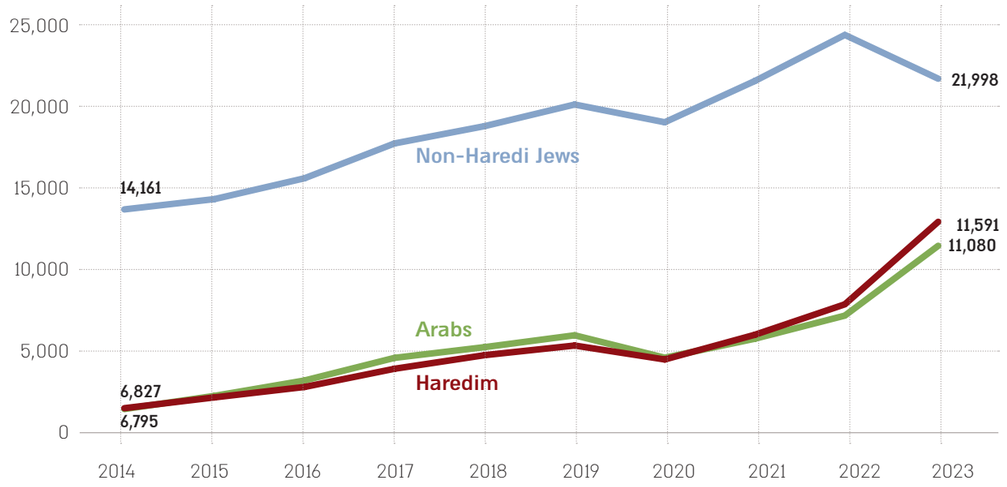
Monthly Income from Welfare and Subsidies by Sector, in NIS, 2014–2023



Source: The Institute for Strategy and Haredi Policy's calculations based on the Household Expenditure Survey

Figure 104

Monthly Net Income from Work by Sector, in NIS, 2014–2023



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

Consumption Expenditures

The expenditure composition of the Haredi household derives from income levels, but it is also a clear expression of the priorities and value system unique to Haredi society. Consumption patterns reflect a combination of persistent economic constraints and cultural norms of frugality and contentment with little, alongside intentional allocation of resources to areas perceived as of supreme value. Thus, the relatively low income level translates into low expenditure levels across most consumption categories, chief among them current consumption and food, while the scope of expenditure on education is particularly high.

This division stems from the fact that the Haredi education system does not belong, in its overwhelming majority, to the state education system, and therefore is not fully subsidized and relies heavily on parental payments – primarily in post-primary education. Parents' willingness to pay large sums for their children's education reflects the central place that education occupies in community identity and in the organization of Haredi family life, and the commitment to maintaining an independent education system with a Torah character, perceived as a foundational component of the social and value continuity of the community.

The overall level of consumption expenditure in the Haredi household is significantly lower than that of non-Haredi Jewish households. In 2023, the average monthly consumption expenditure of a Haredi

household stood at NIS 16,631, compared to NIS 18,640 in a non-Haredi Jewish household and NIS 18,228 in an Arab household. These gaps exist even though the average number of persons in the Haredi household is considerably higher, indicating lower per-capita consumption and tight budgetary adaptation to income constraints.

An examination of the ratio between income and expenditure sharpens the differences between population groups. A Haredi household spends on average approximately NIS 800 less than its net income, meaning it operates with a relatively tight budgetary balance. In contrast, Arab households spend on consumption approximately NIS 3,750 more than their net income. This exceptional gap may stem from a combination of factors: the existence of income not fully reported, particularly income from informal or occasional work; methodological differences between measurement of income, which increasingly relies on administrative files, and measurement of expenditures, based on self-reporting in the survey; and financing of part of consumption through accumulated savings, loans, or broad family support not recorded as current income. Therefore, this gap should be interpreted with caution as reflecting a combination of economic, institutional, and methodological factors, and not necessarily as a sustained budgetary imbalance. Among non-Haredi Jewish households a particularly large positive gap between income and expenditure is apparent, with average consumption expenditure NIS 9,860 lower than net income – a gap reflecting high savings capacity and considerably broader budgetary flexibility.

Consumption expenditure, as measured in the Household Expenditure Survey, does not include mortgage payments, which are defined in the survey as savings. However, only the principal component of a mortgage is savings while interest payments are current expenditure. Therefore, in households carrying a mortgage – and particularly in Haredi households – the gap between income and expenditure is smaller than what the consumption data alone reflect. This is especially true in a high-interest environment, where interest payments weigh on the current budget and further constrain the economic maneuvering room of households.

As presented in the Housing chapter, the average monthly mortgage payment among Haredi families stood in 2023 at approximately NIS 4,400. In the current interest rate environment, this amount approximately reflects a monthly payment on a mortgage of approximately NIS 800,000 over 30 years. Under these conditions, in the first year of mortgage repayment approximately NIS 3,400 per month goes toward interest payments and only approximately NIS 1,000 toward principal repayment. Hence a considerable portion of the mortgage payment is part of current expenditure not included in the consumption measurement. This explanation clarifies how many Haredi families may shift from a positive budgetary balance to a negative one – sometimes by a considerable margin – even when consumption data alone do not reflect this.

Figure 105

Household Expenditure on Consumption by Sector, 2023

Source: The Institute for Strategy and Haredi Policy's calculations based on the Household Expenditure Survey

In broad overview, the expenditure composition of the Haredi household reflects careful and tight budget management, based on relatively low consumption levels, clear priorities, and high sensitivity to the cost of living. These characteristics allow ongoing adaptation to income constraints, but also highlight the vulnerability of Haredi households to sharp changes in housing costs, financing, and essential consumption.

Over the past decade, a general upward trend in household consumption expenditures is evident across all population groups, though the pace and patterns of increase differ between Haredi households and non-Haredi Jewish households, in a way that sharpens the structural gaps between the two groups and reflects their different adaptation mechanisms to the cost of living.

At the beginning of the period, the expenditure level of Haredi households was significantly lower: in 2014 the average consumption expenditure stood at approximately NIS 12,600 per month, compared to approximately NIS 15,600 among non-Haredi Jews – a gap of approximately NIS 3,000, which is approximately 20% of the consumption expenditures of a non-Haredi Jewish household. In subsequent years, the expenditure level among non-Haredi Jews was high and stable, but among Haredi households a moderate and discontinuous increase in expenditures was recorded, characterized by volatility until it stalled in 2018-2019. In 2019, the gap between Haredim and non-Haredi Jews returned to approximately NIS 3,000.

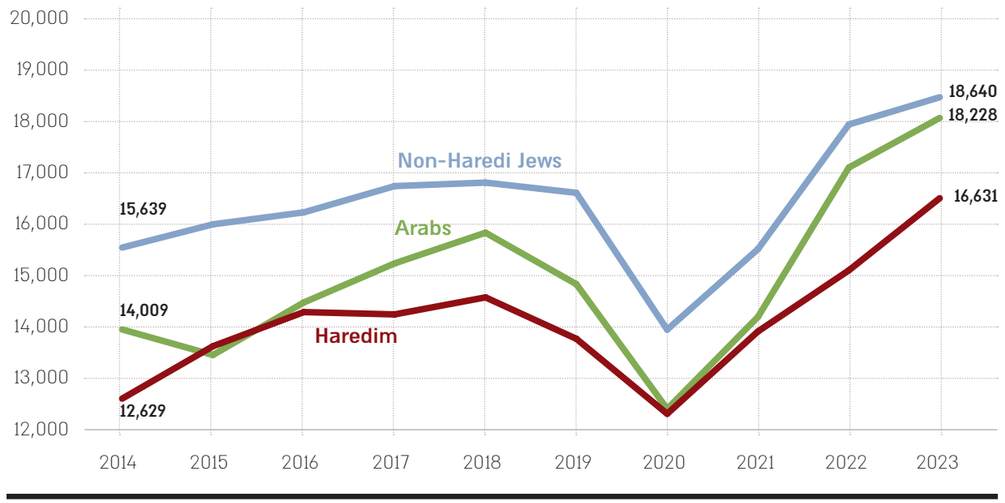
In 2020, the consumption expenditures of Haredi households plunged to approximately NIS 12,300 and the gap with non-Haredi Jewish households narrowed to approximately NIS 1,700. This was mainly due to a relatively sharp decline in the expenditures of non-Haredi Jewish households and not to an expansion of Haredi consumption.

With the exit from the crisis and the acceleration of consumption in 2021-2023, a sharp increase in expenditures occurred across all groups, especially between 2022 and 2023: consumption expenditures

of a Haredi household rose from NIS 15,191 to NIS 16,631, and among non-Haredi Jews they rose from NIS 18,096 to NIS 18,640. As a result, the gap narrowed in absolute terms to approximately NIS 2,000 and the consumption expenditures of a Haredi household reached approximately 90% of the consumption expenditures of a non-Haredi Jewish household.

Figure 106

Household Expenditure on Consumption by Sector, 2014–2023



Source: The Institute for Strategy and Haredi Policy's calculations based on the Household Expenditure Survey

In cumulative terms over the measured period, a relatively large increase in the consumption expenditures of Haredi households is evident compared to non-Haredi Jewish households. Between 2014 and 2023, Haredi household expenditures grew by 32%, while the consumption expenditures of a non-Haredi Jewish household rose by 19%. This gap may reflect a combination of parallel processes: on one hand, the cost of living affects Haredi households with much greater intensity, due to the larger number of persons and the high weight of essential expenditures in their budgets, such that even moderate price increases translate into a sharper percentage growth in expenditures. On the other hand, among non-Haredi Jewish households a relatively moderate consumption trend may be evident, in response to sustained price increases and erosion of real welfare. Additionally, the increase in consumption expenditures of Haredi households is also linked to the rise in employment income in recent years against the backdrop of the growth in Haredi women's employment rates, and in recent years also of Haredi men's, with 2023 being a peak point in the scope of their employment. This growth in income allows some expansion of consumption, while at the same time it is accompanied by sustained budgetary pressures. Therefore, the increase in expenditures largely reflects adaptation to the cost of living and growth in ongoing needs, and not necessarily a substantive improvement in living standards.

Tax Payments

An additional significant item in the household budget is mandatory payments, which include income tax, National Insurance contributions, and health tax. The scope of mandatory payments of a Haredi household is the lowest among population groups, standing in 2023 at an average of NIS 1,342 per month. In Arab households, mandatory payments average NIS 1,457 per month, while in non-Haredi Jewish households they are considerably higher, reaching an average of NIS 5,129 per month. From these data it emerges that the mandatory payments of Haredi and Arab households are approximately a quarter of those of non-Haredi Jewish households.

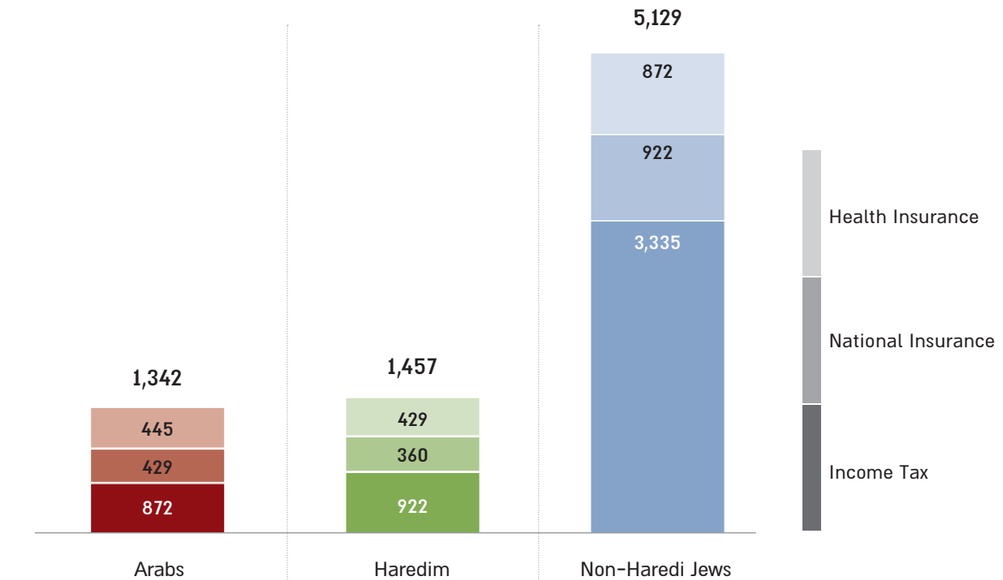
These significant gaps primarily reflect the progressive nature of mandatory payments in Israel, and in particular income tax, which is directly linked to income level. Due to the employment characteristics of Haredi households – including common reliance on a single or primary breadwinner, relatively low wage levels, and a high number of persons – a considerable portion of Haredi workers are below the tax threshold or in low tax brackets, and accordingly their tax burden is relatively limited.

Income tax is the main component of mandatory payments. The average monthly payment for income tax in a Haredi household stands at NIS 537, compared to NIS 668 in an Arab household and NIS 3,335 in a non-Haredi Jewish household. In relative terms, a Haredi household pays income tax at only 16% of the rate paid by a non-Haredi Jewish household. This gap stems not only from differences in employment rates but primarily from wage gaps between sectors, which directly affect tax liability.

In addition, tax benefits related to family structure – chief among them tax credit points for children – further reduce the tax liability of Haredi and Arab families, which are characterized by high birth rates. This mechanism contributes to a reduction of the income tax burden among these households, compared to non-Haredi Jewish households where the average number of children is lower. In the health insurance and National Insurance categories, the gaps between sectors are smaller but still evident. The average health insurance expenditure stands at NIS 445 in a Haredi household, NIS 429 in an Arab household, and NIS 872 in a non-Haredi Jewish household. National Insurance payments in Haredi and Arab households are similar, averaging NIS 360, while in a non-Haredi Jewish household they reach NIS 922. These gaps are smaller than those in income tax payments, since National Insurance and health tax payment rates are not progressive and because non-employed persons are also required to pay them. Low mandatory payments, alongside limited incomes and relatively high essential expenditures, do not indicate high economic welfare but rather a constrained budgetary framework in which a low tax burden coexists with high vulnerability to changes in income, employment, and the cost of living.

Figure 107

Average Household Direct Tax Payments by Type and Sector, in NIS, 2023



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

The level of mandatory payments of Haredi households is relatively low compared to other population groups, but over the past decade the fastest increase in payment scope was recorded among them. Between 2014 and 2023, mandatory payments of a Haredi household rose from an average of NIS 754 per month to NIS 1,342, a growth of 78%. In the same period, mandatory payments of Arab households rose from NIS 837 to an average of NIS 1,457 per month, an increase of 74%, and mandatory payments of non-Haredi Jewish households rose from NIS 2,944 to NIS 5,129 – also a growth of 74%.

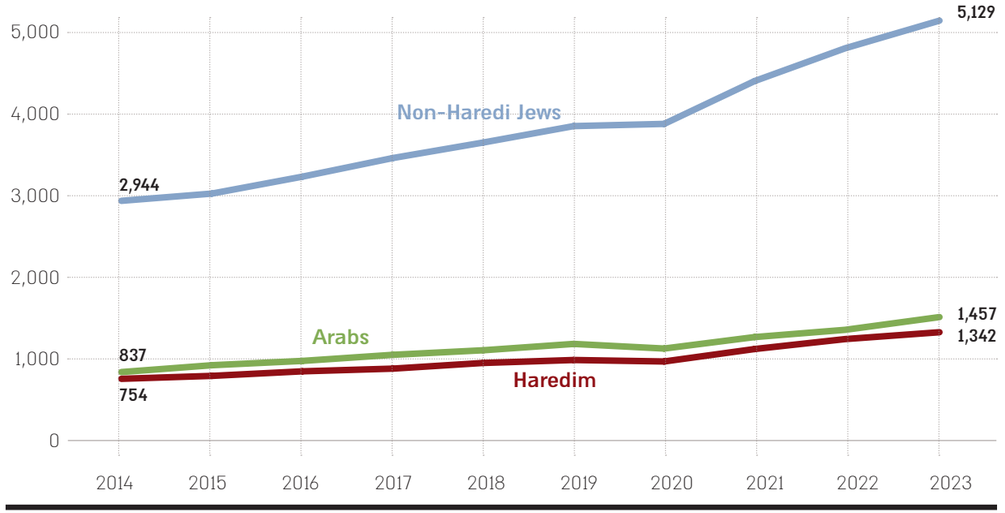
The relatively high rate of increase in mandatory payments of Haredi households primarily reflects a structural change in labor market participation characteristics and in the scope of employment income. The rise in employment rates in the Haredi sector, and in particular the sustained increase in the employment rate and wages of Haredi women, led to growth in the number of Haredi households liable for tax payments and to an increase in the average liability due to the expansion of taxable income.

However, although the growth rate in mandatory payments of Haredi households was relatively high, their absolute level remained considerably lower than that of non-Haredi Jewish households. This finding illustrates the duality characterizing the economic development of Haredi society over the past decade: a gradual strengthening of labor market integration and an increase in the tax burden, alongside the maintenance of significant gaps in income levels and economic capacity relative to general society.

In this sense, the increase in mandatory payments constitutes an important indicator of the economic direction of Haredi households, but it also emphasizes that the process of gap narrowing is advancing at a moderate pace and does not eliminate the structural budgetary vulnerability that characterizes a considerable portion of them.

Figure 108

Average Household Direct Tax Payments by Sector, in NIS, 2014–2023



Source: The Institute for Strategy and Haredi Policy's calculations based on administrative data

Composition of Consumption Expenditures

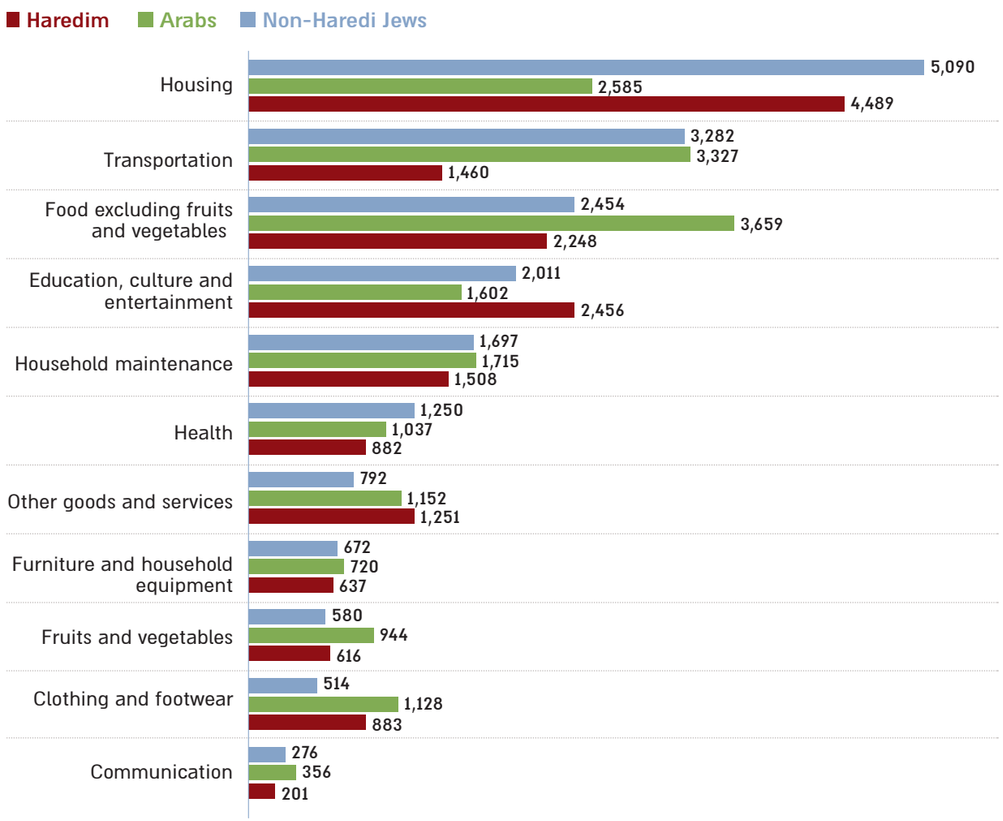
The Haredi household is the largest among population groups in Israel, with an average of 5.08 persons, compared to 4.18 persons in an Arab household and 2.8 persons in a non-Haredi Jewish household. Nevertheless, the consumption expenditures of Haredi households are the lowest across most expenditure categories, except for education and the category of "other goods and services," where their expenditures are the highest. This pattern reflects low per-capita consumption alongside targeted allocation of resources to areas perceived as having high value-based or functional importance.

Housing expenditure is the largest expenditure item across all population groups. This figure includes imputed expenditure for homeownership – an estimate of the rent the household would need to pay

were it not to own its home – while mortgage payments are not considered expenditure but savings. Against the backdrop of the relatively high homeownership rate in Haredi society, average housing expenditure in a Haredi household stands at NIS 4,489 per month. In non-Haredi Jewish households it reaches NIS 5,090 and in Arab households NIS 2,585. However, the weight of housing expenditure out of total expenditures is similar in Haredi and non-Haredi Jewish households, reaching 27%, compared to 14% in Arab households.

Figure 109

Composition of Average Monthly Consumption Expenditure by Type and Sector, in NIS, 2023



Source: The Institute for Strategy and Haredi Policy's calculations based on the Household Expenditure Survey

Average transportation expenditure of a Haredi household stands at NIS 1,460 per month, which is 9% of its total consumption expenditures, compared to NIS 3,282 in a non-Haredi Jewish household – 18% of its expenditures – a similar amount to that of an Arab household. The gap between populations stems likely from a low private car ownership rate, wider use of public transportation, and the concentration of residence and employment within a limited geographic area.

The field of education, culture, and entertainment is the only category in which the Haredi household spends a higher amount than other populations. Its average expenditure stands at NIS 2,456 per month, which is 15% of total consumption expenditures. In non-Haredi Jewish households the expenditure is similar in monetary terms, reaching NIS 2,454, but its weight is lower at 11%. In Arab households it is significantly lower at NIS 1,602, which is 9% of total expenditure. This level of expenditure reflects both the high number of children and the institutional structure of the Haredi education system, which relies heavily on parental payments – primarily in post-primary education.

An additional significant expenditure is the food category (excluding fruits and vegetables): NIS 2,248 per month on average in a Haredi household, which is 14% of its total expenditures. This compares to non-Haredi Jewish households where the expenditure stands at NIS 2,454 (13%) and Arab households where it stands at NIS 3,659 (20%).

Compared to 2022, in 2023 a general increase in consumption expenditures was recorded across all population groups, but at different intensities. In Haredi households, consumption expenditures grew by 9%, compared to 3% in non-Haredi Jewish households. The sharpest increases among Haredim were recorded in the categories of "other goods and services" (28%) and clothing and footwear (27%), while in non-Haredi Jewish households the increases in these categories were considerably more moderate. Expenditures on transportation and health rose among Haredi households by 13%, compared to an increase of 2%-6% among non-Haredi Jews.

In certain categories a decline in expenditures of Haredi households was recorded, chief among them the food category (excluding fruits and vegetables) and furniture, where declines of 1% and 5% respectively were measured, while in non-Haredi Jewish households growth of 3%-4% was recorded in these categories. This pattern points to budgetary adaptation under pressure, in which Haredi households reduce or defer flexible expenditures in order to cope with price increases in essential categories.

The relatively sharp growth in Haredi household expenditures reflects a combination of a low economic starting point, high sensitivity to the cost of living, and a large family size. Against this backdrop, even moderate price increases translate into a higher percentage growth in expenditures, while non-Haredi Jewish households, which enjoy higher and more stable incomes, succeed in spreading the effect of price increases over time and presenting more moderate and uniform expenditure growth.

Donations

Donations and support for others are a central component of the Haredi way of life, reflecting a combination of religious norms, community commitment, and internal solidarity mechanisms. In some cases, the donation is perceived as a personal obligation derived from a religious commandment; in others it is directed to community and educational institutions that enable the continuation of the Haredi way of life. Against this backdrop, the scope of Haredi household donations is consistently and significantly higher than that of other population groups.

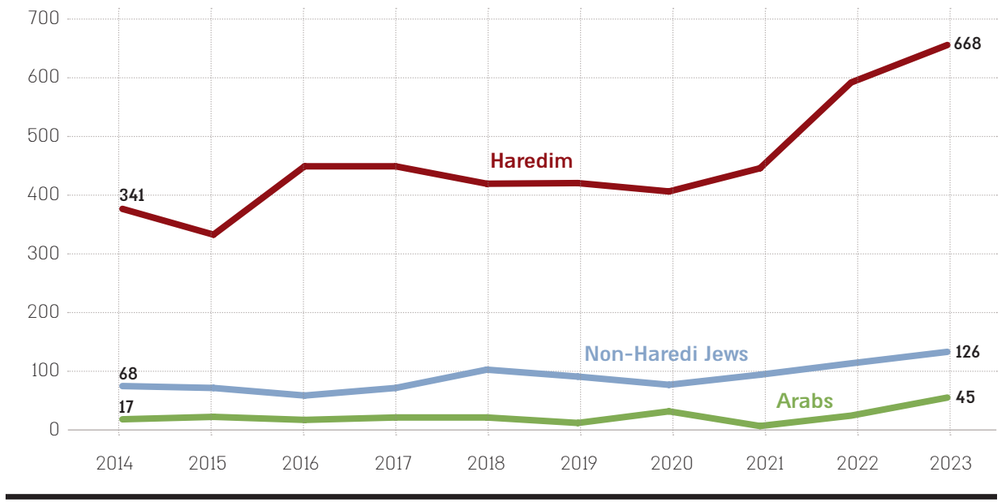
In 2023, the average monthly donation amount of a Haredi household stood at NIS 669, compared to NIS 126 in a non-Haredi Jewish household and NIS 45 in an Arab household. In relative terms, a Haredi household donates on average more than five times that of a non-Haredi Jewish household – a gap reflecting different budgetary priorities and a broad conception of community responsibility, even under economic constraints.

An examination of trends over time shows that the scope of donations in Haredi households was the highest in all measurement years. In 2014, the average donation amount stood at NIS 341 per month, and since then it has nearly doubled. Among non-Haredi Jewish households too, an increase in the scope of donations was recorded, at a rate of 86% during this period. Donation data in the Arab sector are more volatile, but in a long-term view a relatively sharp growth of 173% in average monthly donation scope relative to 2014 was recorded. In 2020, a decline in the scope of donations was registered among Haredi and non-Haredi Jewish households, apparently against the backdrop of the COVID-19 crisis, economic uncertainty, and temporary income losses experienced by many families. The contraction of donations in that year reflects a temporary preference for essential subsistence expenditures over voluntary expenditures. With the economic recovery following the crisis, and particularly in 2023, a return to the upward trend in donation scope was recorded, primarily among Haredi households.

In broad overview, donation patterns emphasize that even under sustained budgetary pressure, Haredi households continue to allocate significant resources to community and institutional support. This characteristic is an inseparable part of the Haredi household expenditure composition, but it also constrains budgetary flexibility margins and deepens the economic vulnerability of households to sharp changes in the cost of living and essential expenditures.

Figure 110

Average Monthly Charitable Giving per Household by Sector, in NIS, 2014–2023



Source: The Institute for Strategy and Haredi Policy's calculations based on the Household Expenditure Survey

Distribution of Households by Income Deciles

The income decile method, standard in Israel and internationally, ranks households into ten economic strata by income level, from the bottom decile (Decile 1), which includes households with the lowest income, to the top decile (Decile 10), which includes those with the highest income.

The distribution of households among deciles differs between population groups in Israel. Haredi households are largely concentrated in the lower deciles, and their prevalence decreases as one moves up the income ladder: 64% of Haredi households are in the three lowest deciles – 24% in Decile 1, 23% in Decile 2, and 17% in Decile 3 – while only 16% of Haredi households are in the high income strata, in Decile 6 and above.

In the Arab sector the picture is similar, though less extreme: 57% of households are concentrated in Deciles 1-3, and 24% are in Deciles 6 and above. This figure points to a wider distribution of Arab households along the income ladder, alongside a significant concentration in the lower strata. The picture among non-Haredi Jewish households is reversed. Only approximately 20% of them are in Deciles 1-3, while approximately 60% of households are in Deciles 6 and above.

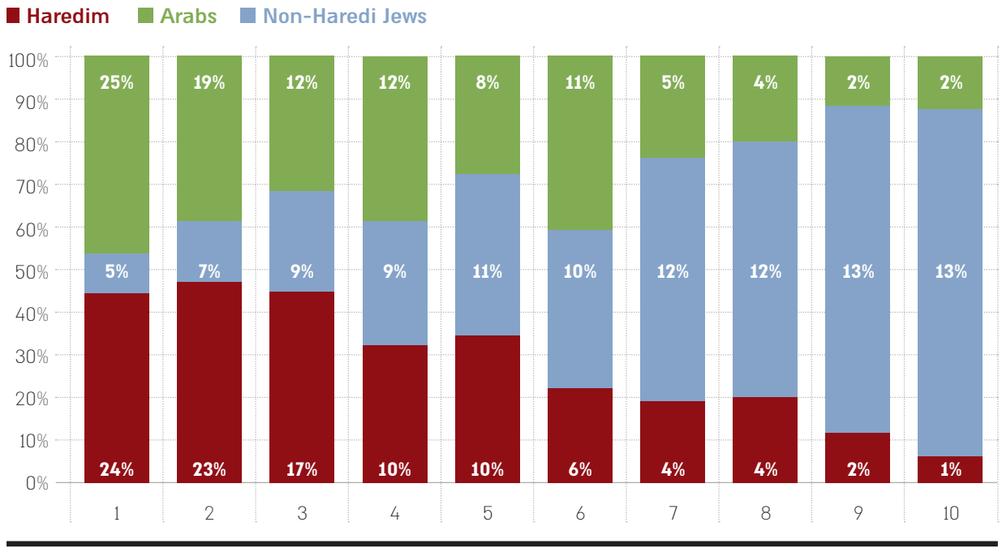
These sharp gaps in income distribution among the various populations highlight the structural differences between them and reflect deep gaps in employment patterns, wage levels, and economic stability.

The concentration of Haredi households in the lower deciles stems from a combination of structural and demographic factors. On one hand, the employment characteristics of Haredi men and women – including reliance on a single or primary breadwinner, relatively low employment rates, and low labor productivity – limit the overall income potential of the household. On the other hand, the high birth rates mean that even when employment income exists, it is spread across a large number of persons, and therefore a considerable portion of Haredi households are in the low income strata.

In broad overview, the distribution of households by income deciles illustrates that the economic gaps between sectors are not solely the product of short-term fluctuations. They reflect deep social, employment, and demographic structures that shape welfare levels and the economic vulnerability of households over time.

Figure 111

Distribution of Households across Income Deciles by Sector, 2023



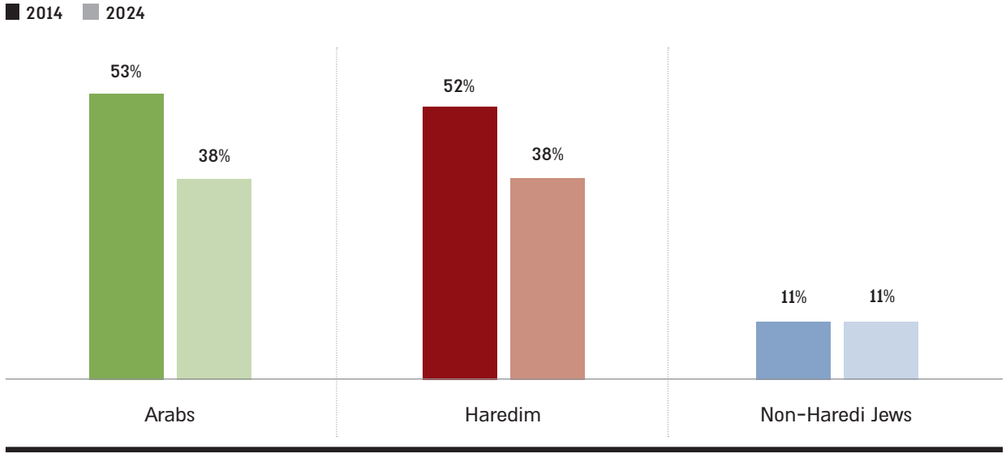
Source: The Institute for Strategy and Haredi Policy's calculations based on the Household Expenditure Survey

Poverty Rates

Poverty rates in the various sectors complement and sharpen the picture emerging from the distribution of households by income deciles. In 2024, 38% of Haredi households and 38% of Arab households are below the poverty line, compared to 11% of non-Haredi Jewish households. These gaps reflect different levels of economic vulnerability and illustrate the close connection between employment patterns, income levels, and household structure and the risk of poverty.

Figure 112

Poverty Rates by Sector, 2014 vs. 2024



Source: The Institute for Strategy and Haredi Policy's calculations based on the Household Expenditure Survey (2014); Poverty Dimensions and Income Inequality Report, National Insurance Institute (2024)

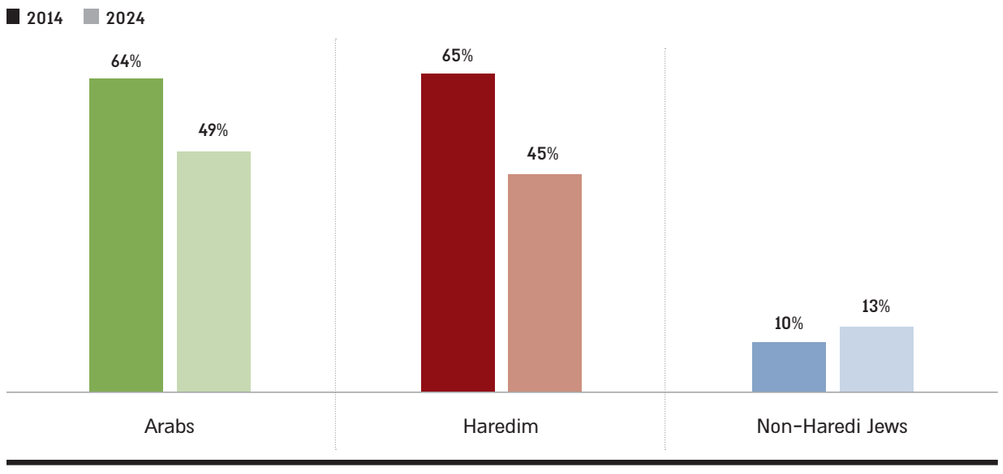
Nevertheless, a dynamic examination of the data points to a sustained improvement trend in Haredi society and Arab society over the past decade. Compared to 2014, the poverty rate among Haredi households fell by 13 percentage points and among Arab households by 15 percentage points. In contrast, among non-Haredi Jewish society no substantial change in the poverty rate was recorded over the period and it remained stable at 11%.

The decline in poverty rates in Haredi society can be attributed primarily to structural changes in employment patterns, chief among them an increase in the participation of Haredim in the labor market and an expansion of the proportion of households with two breadwinners. These trends contributed to increasing current income and reducing relative dependence on allowances. Nevertheless, poverty levels remain high and they indicate that labor market integration alone is insufficient: for continued

poverty reduction, a significant improvement in labor productivity and wage levels is required, both among Haredi workers and among Arab workers, so that growth in participation translates into a sustainable improvement in household welfare.

Figure 113

Child Poverty Rates by Sector, 2014 vs. 2024



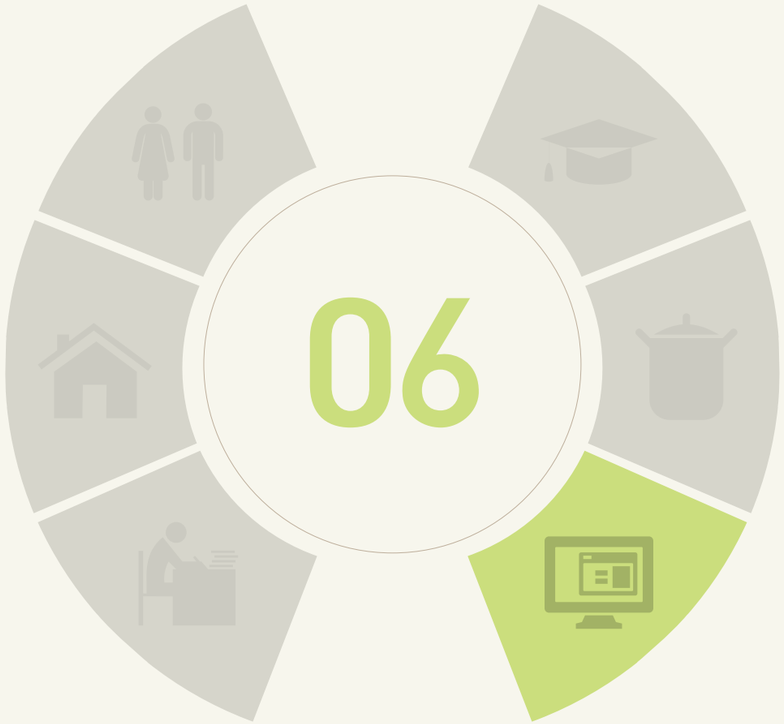
Source: The Institute for Strategy and Haredi Policy's calculations based on the Household Expenditure Survey (2014); Poverty Dimensions and Income Inequality Report, National Insurance Institute (2024)

The poverty rate among children in Haredi and Arab society remains high. In 2024, this rate stood at 45% among Haredi children and 49% among Arab children, compared to 13% among children in non-Haredi Jewish society. Nevertheless, a dynamic analysis over time points to a consistent improvement trend also among children: in 2014 the poverty rate stood at 65% in Haredi society and 64% in Arab society, such that within approximately a decade a cumulative decline of 20 percentage points was recorded among Haredi children and 15 percentage points among Arab children. This trend reflects a real improvement in the living conditions of some families, but at the same time emphasizes that poverty levels among children in these sectors continue to be high in comparative terms and may continue to weigh on the development of the human capital of the younger generation.

This chapter presents a complex picture indicating a gradual structural shift in Haredi households toward greater reliance on employment income and deepening economic participation, expressed in rising wage income, growth in mandatory payments, and a sustained decline in poverty rates. Nevertheless, the narrowing of income gaps does not necessarily translate into a parallel improvement in welfare levels. The economic starting point of Haredi households is still low and the absolute gaps relative to non-Haredi Jewish households remain significant. The income structure continues to be characterized by the high weight of allowances and a notable weakness in capital and long-term savings components, and the distribution by income deciles illustrates a high concentration of the Haredi population in the lower strata over time.

In parallel, the expenditure composition reflects careful budget management adapted to income constraints, with low consumption levels across most expenditure categories alongside a relatively high allocation to areas of value importance, chief among them education. This pattern allows ongoing coping with budgetary constraints, but also narrows economic flexibility margins. This vulnerability is sharpened particularly in light of housing characteristics: a high housing expenditure ratio relative to income, considerable leverage levels, and expanding reliance on the rental market make Haredi households particularly sensitive to interest rate increases and rent price rises. In the absence of significant savings cushions, shocks in the housing market and cost of living immediately translate into direct budgetary pressure.

The data indicate a slow but consistent change process, in which real progress has been made in economic integration and reduction of dependence, alongside the continued existence of deep structural constraints. The central challenge facing the economics of Haredi households remains the broadening of the quality income base, strengthening the capacity for savings accumulation, and improving economic resilience in the face of macroeconomic fluctuations, chief among them the cost of living and housing.



Digitization

Haredi society is characterized by a conservative and cautious approach toward technological innovations and cultural changes, including the use of the internet. The reserved stance toward internet services stems primarily from concern about exposure to content perceived as incompatible with Haredi values, as well as apprehension about cultural and social influences that could erode communal boundaries. In addition, using the internet for leisure and exposure to content not considered spiritually valuable may be regarded as neglect of Torah study and a waste of time.

In recent years, however, a gradual shift has been observed in Haredi society's relationship with the internet. The growing entry of Haredi women into high-knowledge and productive sectors of the Israeli economy, the gradual integration of Haredi men into the labor market, the expansion of higher education pathways, and the accelerated digitization of essential services have all contributed to a growing recognition of the necessity of internet use, primarily for study, employment, and daily life management.

This trend was significantly reinforced during the COVID-19 pandemic, when lockdown conditions and social distancing underscored the vital importance of digital means for work, learning, accessing services, and maintaining functional continuity. Institutional opposition to internet use moderated, and technological solutions developed concurrently, including filtering services, supervision tools, and content customization, enabling controlled internet use while preserving the normative boundaries accepted within Haredi society.

As a result, recent years have seen consistent growth in internet usage among Haredi households, alongside limited legitimization of controlled and purposeful use, primarily for functional needs. Even today, however, distinct usage patterns persist in Haredi society, reflecting a cautious and pragmatic approach: internet use is conducted primarily through personal computers rather than smartphones, allowing greater control over the nature and scope of online activity. A clear preference is also given to basic services such as email, information search, and online services, over cultural and social uses such as social networks and leisure content consumption.

A notable trend stands out in this context: unlike other population groups, the rate of internet connection and home computer ownership among Haredi families continues to rise with age, specifically into the 40s and 50s. This pattern reflects the gradual integration of Haredi men into the labor market and the ongoing professionalization process throughout adulthood, which entails increasing adoption of digital tools for work, study, and daily life management.

Digitization today constitutes a central infrastructure for improving quality of life and enabling economic and social integration, and it is required in virtually all areas of life, from employment and education to accessing public services, healthcare, and security. Accordingly, the digital gaps between different groups in Israeli society carry broad socioeconomic implications. Adapting digital services, making infrastructure accessible, and developing tailored responses to Haredi society's needs could help narrow these gaps and allow better realization of the economic and social potential inherent in the Haredi population.

Key Findings

44%

of Haredim use the internet every day, compared to 86% of non-Haredi Jews and 71% of Arabs

68%
of Haredim use the Internet

a lower rate than other groups in Israeli society: 93% among non-Haredi Jews and 80% among Arabs

53%
of Haredi families have a home internet connection, compared to 94% of non-Haredi Jewish families and 81% of Arab families

64%
of Haredi families own a home computer, compared to 90% of non-Haredi Jewish families and 71% of Arab families

39%
of Haredim use WhatsApp, compared to 91% of non-Haredi Jews and 78% of Arabs

In Haredi households, the rate of internet connection and home computer ownership rises with age, peaking around ages 40 to 50

Most common uses of the Internet by Haredim:

50%
Information search

51%
Government services

63%
Email

Least common uses of the Internet by Haredim:

14%
Discussion groups and social networks

7%
Online games

Key Trends

Internet Use

Internet use in Haredi society has risen significantly over the past decade: from 39% in 2014 to 68% in 2024.

Internet Connection at Home

The share of Haredi families with home internet connection has increased in recent years by approximately 25%: from 43% in 2020 to 53% in 2024.

Computer Use

The share of Haredi families owning a home computer has increased over the past decade by approximately 20%: from 53% in 2014 to 64% in 2024.

WhatsApp Use

WhatsApp use among Haredim has risen in recent years by approximately 30%: from 29% in 2020 to 39% in 2024.

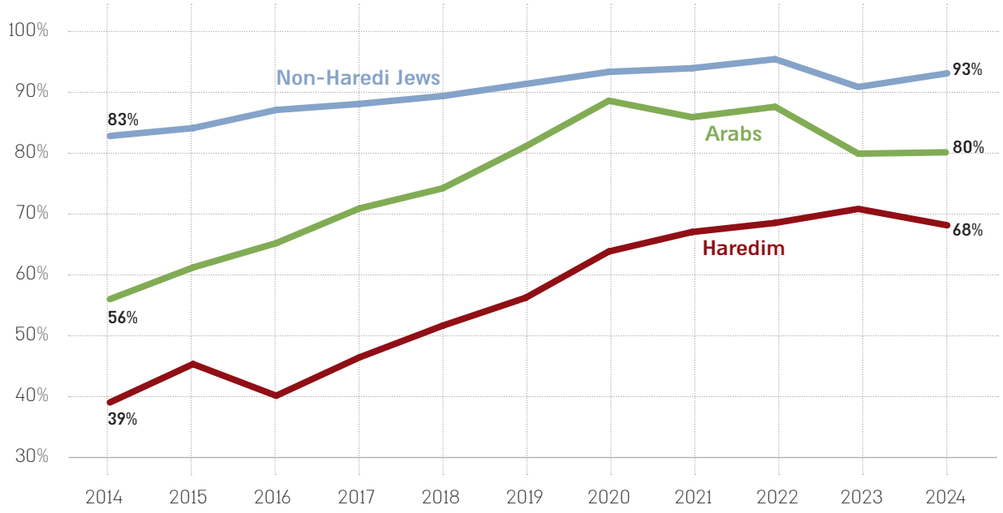
Internet Use

Over the past decade, the internet has become essential infrastructure for major daily activities. It now serves as the primary platform for performing and consuming a wide range of services, from work and study to healthcare, banking, government services, commerce, and cultural and leisure activities. In this reality, internet access has become a basic condition for participation in economic and social life. Accordingly, over the past decade, a consistent rise in the share of internet users has been recorded across all population groups in Israel. The sharpest and most notable increase has been among the Haredi population, which entered the digital world with relative hesitancy and reservation compared to the rest of the population.

Figure 114

Share of Internet Users by Sector, 2014–2024

Including tablets and Laptops, excluding smartphones



Source: The Institute for Strategy and Haredi Policy's calculations based on the Social Survey

In 2014, only 39% of Haredim reported internet use, a rate significantly lower than the 83% among non-Haredi Jews and 56% among Arabs. These gaps reflect Haredi society's concern about digital technologies and the desire to maintain a culturally and spiritually protected communication environment. Since then, labor market demands, the academic and professional study environment, the shift of essential services to online platforms, and the creation of protected digital environments led to an increase in controlled internet use among Haredim: from 45% in 2015 to 63.9% in 2020, and to 71.1% in 2023. In 2023, a slight decline was recorded in internet usage rates among non-Haredi Jews and Arabs, likely due to a change in the Social Survey question on internet use, which excluded smartphone browsing.

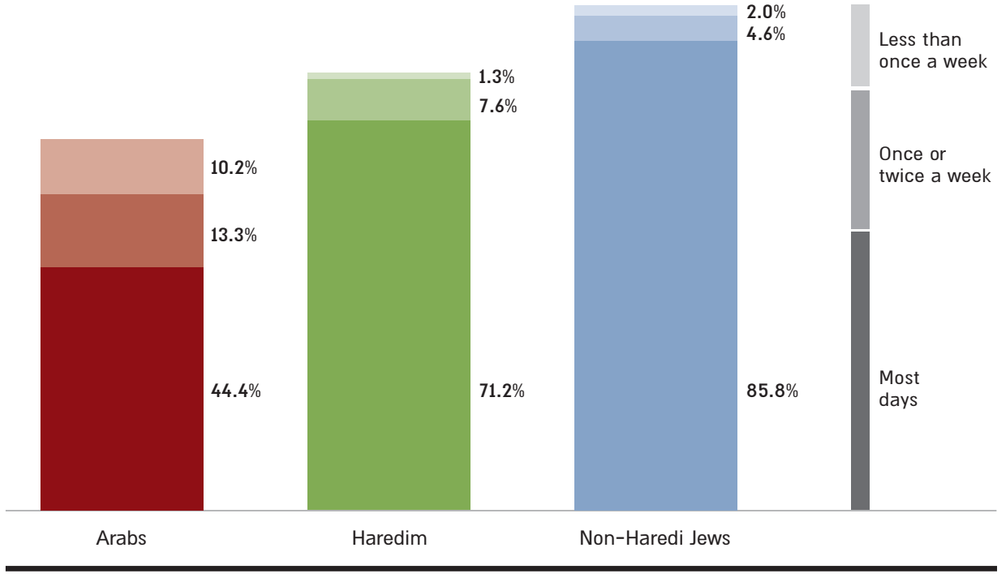
In 2024, however, the opposite trend emerged: the share of Haredi internet users declined to 68%, while usage rates among non-Haredi Jews and Arabs rose to 93% and 80%, respectively, fluctuations that may reflect sample size differences in the Social Survey during those years. Nonetheless, the long-term trend remains clear, positive, and strong, and over the past decade the gaps between Haredim and non-Haredi Jews and Arabs in internet usage have narrowed significantly.

Frequency of Internet Use

Beyond examining whether people use the internet, analyzing frequency of use allows us to understand how deeply the internet has become embedded in the lives of different population groups. In all groups, the majority of internet users do so on a daily basis, though there are differences in the share of those using it at that frequency.

Figure 115

Frequency of Internet Use by Sector, 2024



Source: The Institute for Strategy and Haredi Policy's calculations based on the Social Survey

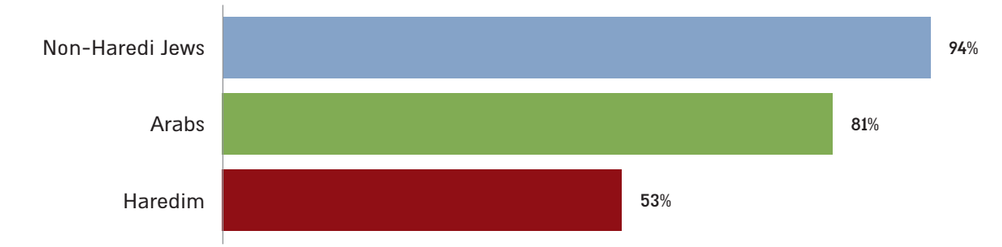
Among Haredim, 44% reported using the internet every day or almost every day, a rate far lower than other groups: 86% among non-Haredi Jews and 71% among Arabs.
Lower-frequency internet use is more common among Haredim: 10% use the internet once or twice a week, and 6% less than once a week. Such frequencies are almost nonexistent among non-Haredi Jews and Arabs, where 2% use it once or twice a week and 1% less than once a week.
These gaps indicate differences in internet accessibility and in the degree to which the internet has become an integral part of daily life. They likely stem from the characteristics of internet use in Haredi society, which tends toward functional use primarily for work and study rather than for leisure, entertainment, or social networking. These types of use are the main reason for higher usage frequency among other populations.
The lower frequency of internet use among Haredim may also be related to control and supervision mechanisms in Haredi society, including content filtering. Moreover, most internet use is conducted through computers placed in public or visible spaces where users can be monitored, as opposed to smartphones which allow private use because of their portability. Many Haredim access the internet through workplace computers or paid internet rooms available in Haredi residential areas. These mechanisms significantly reduce internet accessibility and thereby lower usage frequency.

Home Internet Connection

Home internet connection is a basic condition for full access to digital services such as working from home, remote learning, healthcare, banking, and government services. Among non-Haredi Jewish families, 94% have a home internet connection; in Arab society, 81% of families do; while in Haredi society this figure stands at 53% of families.

Figure 116

Share of Families with a Home Internet Connection, by Sector, 2024

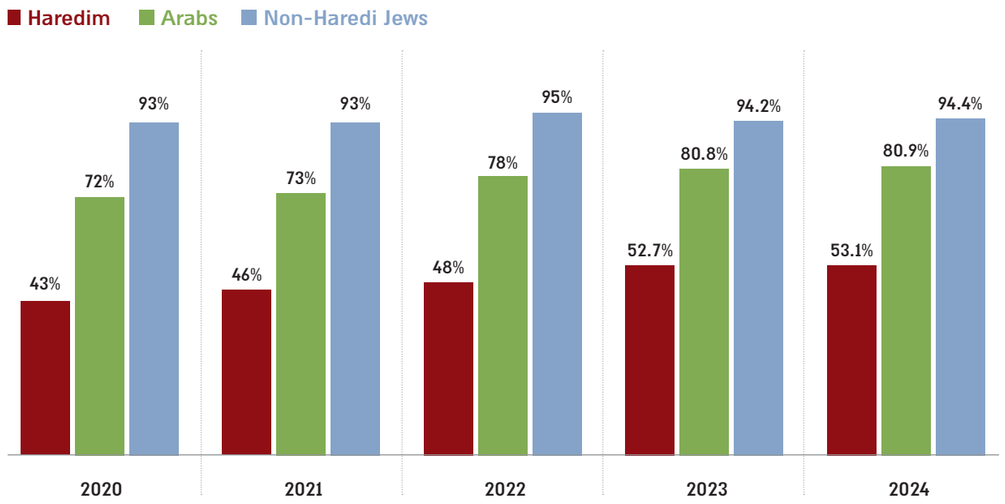


Source: The Institute for Strategy and Haredi Policy's calculations based on the Social Survey

The gap between these figures and the share of Haredi internet users indicates that a large portion of internet use in Haredi society takes place outside the home, likely at the workplace, place of study, or through supervised and monitored internet services in the community, such as internet rooms scattered throughout Haredi neighborhoods.
This pattern reflects the perception in Haredi society that internet use, particularly through a home connection, constitutes a threat to its identity and values, primarily to the purity of the home and children's education. Consequently, even when the internet is used for work or to access various services, it is typically done through limited and controlled means rather than as part of routine daily life.
Comparing the share of families across different population groups with home internet connection over time reveals a trend of change within Haredi society. Between 2020 and 2024, the share of Haredi families with home internet connection rose from 43% to 53%, an increase of 23% relative to the starting rate. The share of Arab families with home internet connection rose more modestly during this period: from 72% in 2020 to 81% in 2024, an increase of 11% relative to the starting rate. Among non-Haredi Jewish families, stability is evident, with the share remaining similar: 93% in 2020 and 94% in 2024. The data indicate that the rate of increase in home internet connection among Haredi families is the fastest of all sectors in recent years, likely because digital adoption in other populations occurred earlier and is nearly saturated among non-Haredi Jews.

Figure 117

Share of Families with a Home Internet Connection, by Sector, 2020–2024



Source: The Institute for Strategy and Haredi Policy's calculations based on the Social Survey

The growth in the share of home internet connections in Haredi society does not necessarily indicate a change in attitudes and perceptions toward the internet, but primarily reflects the rising need for it due to the shift of government and other essential services to digital platforms. Additionally, requirements for online access for work and remote learning have increased, calling for more accessible use of the internet.

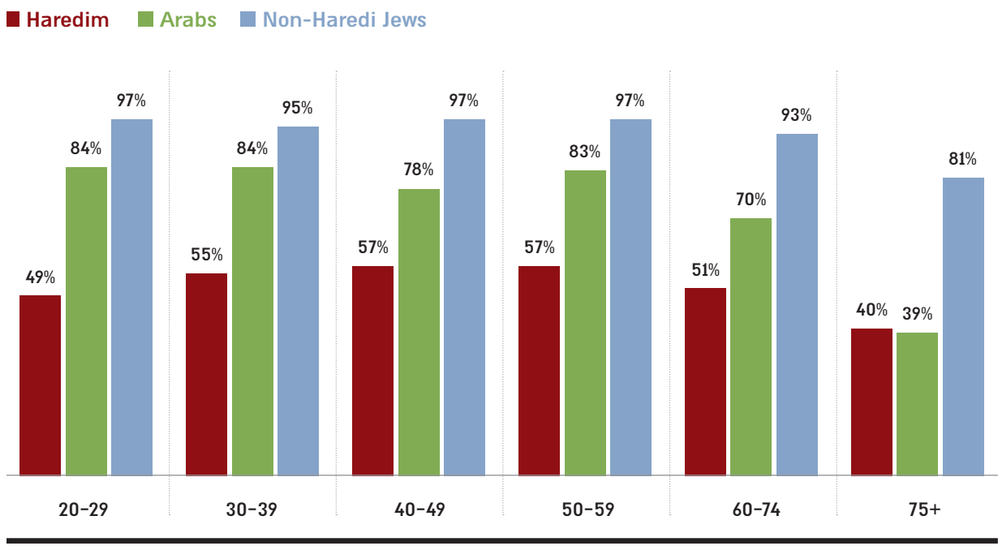
Home Internet Connection by Sector and Age Group

Examining the share of families connected to home internet by age group reveals disparities between sectors in Israel and a unique pattern within Haredi society. Across all age groups, the share of Haredi families with home internet connection is significantly lower than in other population groups. Uniquely, however, the share of connected Haredi families rises with age: among Haredim aged 20 to 29, 49% of families are connected; among those aged 30 to 39, this rises to 55%; and among those aged 49 to 59, it reaches a peak of 57%. Only among those aged 60 and above does the share of connected Haredi families decline.

Figure 118

Share of Families with a Home Internet Connection by Sector and Age Group, 2024

Including tablets and Laptops, excluding smartphones



Source: The Institute for Strategy and Haredi Policy's calculations based on the Social Survey

Among non-Haredi Jewish families, the share with home internet connection across all age groups reaches 95% to 97%, remaining similar from age 20 to age 60. Above age 75, this rate drops to 81%, yet remains the highest among all population groups at that age.

In Arab society, connection rates are lower than those of non-Haredi Jews but higher than among Haredim. The declining trend with age in this sector is more pronounced, though not consistent. The share of Arab families with home internet connection among those aged 20 to 39 is 84%, the highest among age groups. Among those aged 40 to 49, this rate drops to 78%, then rises again among those aged 50 to 59 to 83%. A more dramatic decline appears among those aged 60 to 74, to 70%, continuing above age 75, where it reaches 39%.

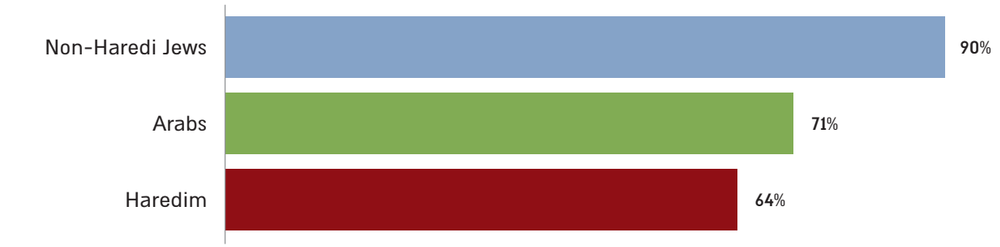
These data indicate that, unlike Arab society and non-Haredi Jewish society, home internet connection rates rise with age in Haredi society, up to the 60-and-above age group. This pattern may stem from the gradual integration of young Haredi men and women into the workforce and academia, leading to a need for home internet connection at later life stages. While Haredi women enter the labor market relatively early, the need for home connectivity may arise at later stages, with professional advancement and the gradual increase in household needs.

Computer Ownership

Computer ownership rates across different population groups in Israel provide an additional layer of understanding about the level of digital accessibility and the way each group adopts technology in daily life. A home computer is a key tool for online learning and developing technological skills, enabling labor market mobility and access to a wide range of online services. Accordingly, gaps in home computer ownership reflect differences in digital accessibility across Israeli society and in the manner in which each group uses technology in daily life.

Figure 119

Share of Families Owning a Home Computer by Sector, 2024



Source: The Institute for Strategy and Haredi Policy's calculations based on the Social Survey

The data show that alongside gaps in internet usage and frequency, differences also exist between groups in home computer ownership. In 2024, 64% of Haredi families owned a home computer, compared to 90% of non-Haredi Jewish families and 71% of Arab families. The lower rate of home computer ownership among Haredi families may stem from a combination of economic, social, and cultural factors. Haredi households are often characterized by relatively low income, which limits their ability to purchase a computer. Additionally, Haredi society tends to restrict children's and young people's access to various technologies, including computers, out of concern that such use would expose them to content and values incompatible with those of Haredi society.

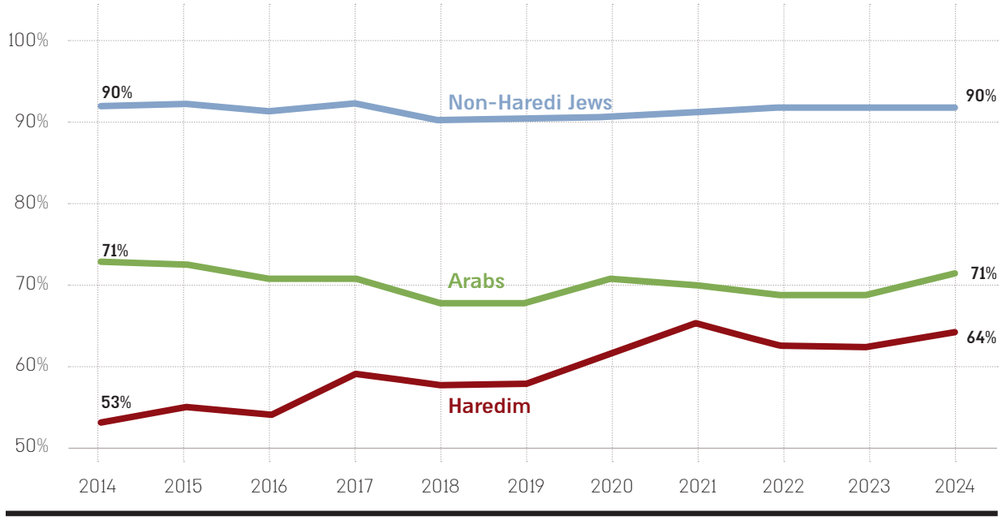
This stance is not confined to a principled position alone but is expressed in the requirement of many Haredi educational institutions for parents to declare that they do not own a home computer as a condition for enrolling their children.

The low rate of home computer ownership in Haredi society creates infrastructural limitations affecting the scope of home internet connectivity, and indicates limited access by young people and children to computers, which impairs their ability to acquire basic computer skills.

Figure 120

Share of Families Owning at Home Computer by Sector, 2014–2024

Including tablets and Laptops, excluding smartphones



Source: The Institute for Strategy and Haredi Policy's calculations based on the Social Survey

An examination of home computer ownership over time across different population groups indicates an ongoing trend of change in Haredi society, which is the only group showing an increase in the share of families owning a home computer, to the point where it has become part of the technological routine of many Haredi households.

In 2014, the share of Haredi families owning a computer stood at 53%, significantly lower than the 90% among non-Haredi Jewish families and the 71% among Arab families. While ownership rates remained stable among non-Haredi Jewish and Arab families, the rate rose steadily among Haredi families. In 2021, the share of home computer ownership peaked at 65%, likely driven by the COVID-19 pandemic, which accelerated digitization in Haredi households. The shift to home-based learning, remote healthcare services, and broader internet use for work created a genuine need for a home computer, especially in a society where smartphone use is more limited. In subsequent years, the ownership rate declined slightly to 62%, but in 2024 it rose back to 64%, making the home computer a relatively established part of the technological routine of many Haredi households.

Among non-Haredi Jewish families, no significant change occurred during this period, with the computer ownership rate remaining at 90%. Among Arab families, however, an opposite trend was observed: a persistent decline in the share of Arab families owning a home computer down to 67%, only slightly higher than among Haredi families. In 2024, this rate rose back to 71%. This trend may reflect a shift toward using smartphones and tablets as substitutes for a home computer, in contrast to the Haredi sector where the use of such devices is more limited.

Computer Ownership by Sector and Age Group

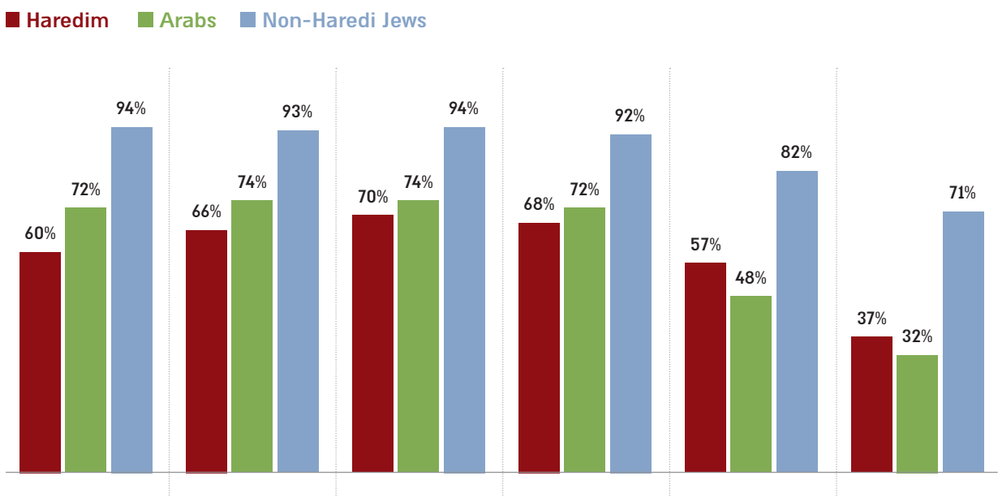
Examining home computer ownership rates by age group and sector reveals digital gaps combining economic capacity and social norms. In all sectors, a decline in computer ownership is evident in older age groups, though the gaps between age groups and relative to other populations differ.

Among Haredim, similar to home internet connection, an upward trend with age is also observed in home computer ownership: among Haredim aged 20 to 29, the share of families owning a home computer stands at 60%; among those aged 30 to 39, it rises to 66%; and among those aged 40 to 49, it reaches a peak of 70%. From age 50 onward, a decline is recorded in the share of Haredi families owning a home computer. Compared to internet connection, where large gaps exist, home computer ownership appears to be perceived in Haredi society as a more accepted norm. The computer is a tool whose use can be monitored, as it is placed in a more visible space, reducing concerns about uncontrolled exposure for both adults and children.

Figure 121

Share of Families Owning at Home Computer by Sector and Age Group, 2024

Including tablets and Laptops, excluding smartphones



Source: The Institute for Strategy and Haredi Policy's calculations based on the Social Survey

In non-Haredi Jewish society, computer ownership rates up to age 60 range between 92% and 94% among those aged 20 to 59. This is a stable rate reflecting a strong social norm of computer use for work, study, and leisure. Only in older age groups, 60 to 74, does it drop to 82%, and among those above age 75, to 71%.

In Arab society, the picture differs: computer ownership rates are relatively high among those aged 30 to 49, reaching 74%. In older age groups, a more significant decline occurs, even relative to Haredim: to 48% among those aged 60 to 74 and to 32% among those above age 75. The trend of change in the share of Haredi families owning a home computer complements the trend in home internet connection, reinforcing the assumption that with age, Haredim increasingly adopt technological and digital means, likely because of the characteristics of gradual integration into high-productivity sectors of employment, completion of education, and broader participation in the Israeli economy.

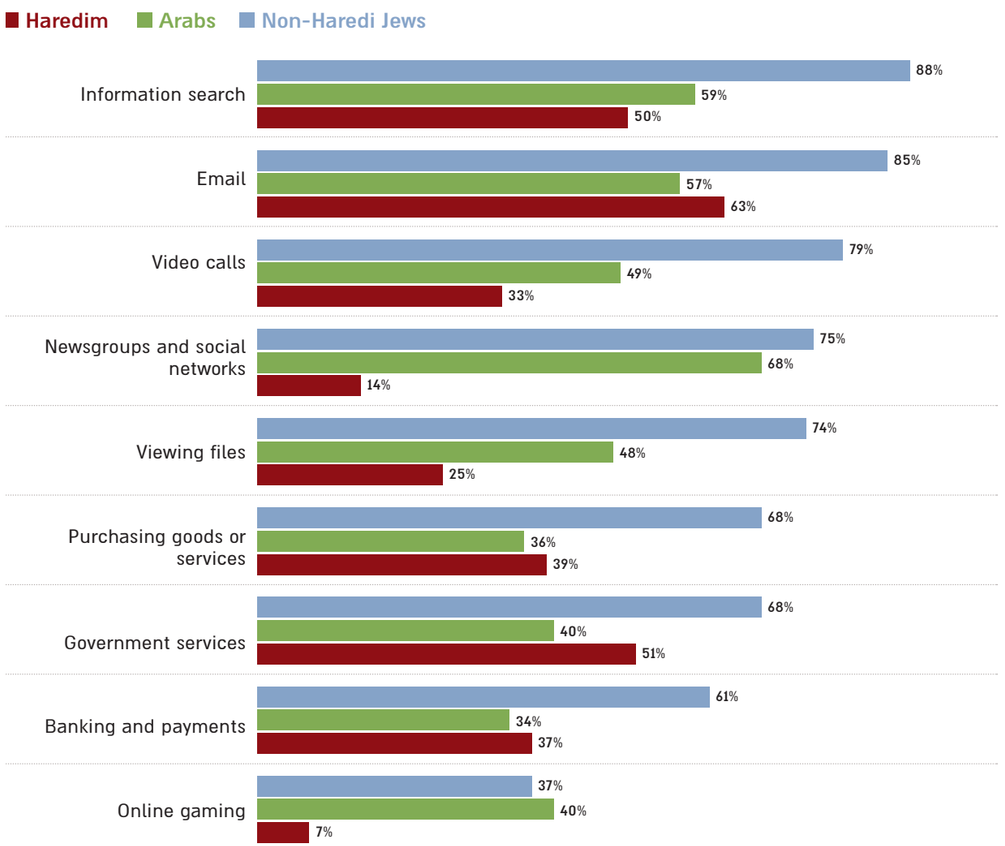
Types of Internet Use

The internet today serves as essential infrastructure for a wide range of activities, from work and study to commerce and leisure, but usage patterns and their composition vary between sectors.

Non-Haredi Jews report higher frequency of internet use for virtually all needs and services relative to other sectors, except for online gaming, where Arabs have a higher rate. In Haredi and non-Haredi Jewish society, the most common online activities are information search and email, but at different rates: 50% of Haredim use it for information search, compared to 88% of non-Haredi Jews; and 63% of Haredim use it for email, compared to 85% of non-Haredi Jews. Government services constitute the second most common internet activity among Haredim, with 51% using the internet for this purpose. Among non-Haredi Jews, this service is used less frequently relative to other internet activities, but still at a higher rate than among Haredim, standing at 68%.

Figure 122

Internet Use Rates by Type of Use and Sector, 2024



Source: The Institute for Strategy and Haredi Policy's calculations based on the Social Survey

In Arab society, the most common internet activity is participation in discussion groups and social networks: 68% of Arabs report this activity, compared to 14% of Haredim. Although the overall scope of internet use among Arabs is greater than among Haredim, examining by type of use shows that for certain services, usage rates among Haredim exceed those of Arabs. Email use stands at 63% among Haredim compared to 57% among Arabs; online purchases of products or services among Haredim stand at 39% compared to 36% among Arabs; and the share of Haredim using the internet for banking and payments stands at 37% compared to 34% among Arabs.

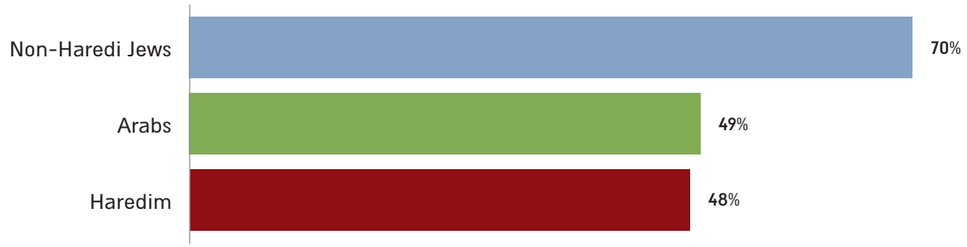
In contrast, only 7% of Haredi internet users participate in online gaming, 14% browse social networks or discussion groups, and 25% stream video content. These rates are considerably lower than internet use in other sectors. The differences in online activity patterns across population groups reflect cultural and economic differences. Haredi users prefer practical uses such as email, accessing government services, and information search over leisure and cultural activities such as online gaming and social network browsing. This preference reflects the perception in Haredi society of the internet as a tool to be harnessed for essential needs, to be used in a supervised, limited, and focused manner. By contrast, among non-Haredi Jews, the internet is integrated into most areas of life, while among Arabs it serves largely as a social, cultural, and leisure space.

Online HMO Services

Among all internet services, the use of health fund online services was examined in depth. These services allow scheduling appointments, receiving test results and medical information, renewing prescriptions, and consulting with physicians remotely. Such services are fundamental components of the healthcare system in Israel, providing not only technological convenience but also serving as an important means of improving access to healthcare, streamlining the system, and reducing geographical and social gaps.

Figure 123

Share of Individuals Using HMO Online Services by Sector, 2024



Source: The Institute for Strategy and Haredi Policy's calculations based on the Social Survey

Despite their importance, the data indicate disparities between groups in the use of these services: in 2023, the share of Haredi users reached 48%, significantly lower than among non-Haredi Jews at 70%, and slightly lower than among Arabs at 49%. These gaps underscore the need to continue making online healthcare services accessible and tailored to Haredi society. As the healthcare system increasingly relies on digital services, gaps in healthcare service consumption could widen.

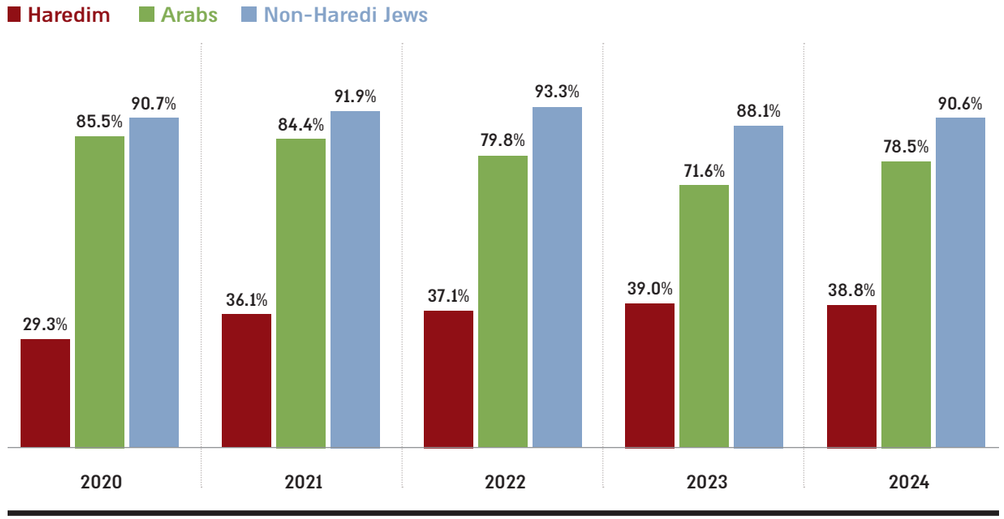
WhatsApp Use

Data on WhatsApp messenger use across different population groups reflect broader internet usage gaps, and in particular, gaps in the use of personal digital tools for social purposes.

In 2024, 39% of Haredim reported using WhatsApp, compared to 88% of non-Haredi Jews and 72% of Arabs. The share of Haredi WhatsApp users has risen consistently over the years, from 29% in 2020 to 39% in 2023, a rate that remained stable in 2024. This increase reflects socioeconomic trends in Haredi society, primarily related to the growing integration of women and men in employment and academia, which leads to changes in digitization processes and, consequently, in WhatsApp usage rates.

Figure 124

Share of WhatsApp Users by Sector, 2020–2024



Source: The Institute for Strategy and Haredi Policy's calculations based on the Social Survey

In non-Haredi Jewish society, the share of WhatsApp users rose slightly from 91% in 2020 to 93% in 2022, then declined and stabilized in 2024 at 91%, similar to the 2020 level. In Arab society, a sustained decline was recorded from 85% in 2020 to 72% in 2023, followed by a renewed increase in 2024 to 79%. These figures reflect a global trend of declining WhatsApp use among young people due to migration to other messaging applications, alongside saturation of usage rates.

This unique trend points to differences in communication patterns between sectors. WhatsApp serves in Israel as a central and significant communication infrastructure in general society, but its use remains low in Haredi society, likely because of control and supervision over the use of this application, alongside a general preference for non-personal technological devices.

Summary:

Integrative Overview of Haredi Society in Israel in 2025

This report presents a current, multidimensional picture of Haredi society in Israel in 2025 and examines the central trends shaping its economic and social development, against the backdrop of demographic changes, economic pressures, and various social processes.

Previous reports highlighted long-term trends of gradual integration. However, the findings of the current report clarify that 2025 represents a critical juncture at which the fragility of processes built over years is coming into sharper focus. The demographic weight of Haredi society continues to grow, but alongside this, signs of slowing, stalling, and even retreat are apparent in some key indicators, requiring a careful reading of reality.

The demographic trends presented in the report point to a sustained decline in fertility and a slowdown in the growth rate of the Haredi population, though birth rates remain high. These changes are compounded by growing economic pressures, chief among them the cost of living and housing prices, which directly affect the life patterns of Haredi households. The Housing chapter illustrates how the normative commitment to purchasing an apartment at a young age clashes with increasingly stringent economic constraints, a reality leading to changes in purchasing patterns, a decline in homeownership rates, and an acceleration of geographic movement from the center to the periphery.

In the field of employment, a complex and uneven picture emerges. On the one hand, the high integration of Haredi women in the labor market continues, including gradual expansion into more diverse and productive sectors of employment. On the other hand, employment among Haredi men is characterized by volatility and fragility: following a long period of growth, a moderate decline has been recorded in recent years in employment rates, particularly among young men, alongside deep and persistent wage gaps. This pattern highlights that the economic integration of Haredi society is not uniform and not guaranteed, and is particularly sensitive to economic, institutional, and normative changes.

In the area of higher education as well, a picture of partial realization emerges. Despite extensive public and philanthropic investment and a rise in the number of Haredi students, the share of degree holders remains significantly lower than the population share, particularly among Haredi men. At the same time, the economic returns to higher education for Haredim are lower than those observed among non-Haredi Jews, and the wage gaps between Haredi degree holders and their counterparts are not narrowing, and are widening over the years. These findings raise questions about the capacity of the higher education system, in its current form, to serve as an effective lever for broad, quality, and sustainable economic integration of Haredi society.

The Digitization chapter complements these trends and points to a process of partial normalization of digital means use in Haredi society, primarily for functional purposes related to employment, study, and accessing services. Although digital gaps are narrowing, usage patterns continue to reflect a cautious and controlled approach, with digitization becoming established only as essential infrastructure for economic integration.

In overall perspective, the report underscores that the economic integration processes of Haredi society in Israel are not a linear process, are not uniform across different groups, and are not irreversible. They depend to a great degree on the economic and normative context in which decisions are made at the level of the individual, the family, and the community. The continuation of positive trends requires stability, adaptation, and precision of policy tools, alongside a deep understanding of the internal complexity of Haredi society and the limits of flexibility of existing models. Without these conditions, there is concern that achievements already recorded will not translate into broad, quality, and sustainable integration over the long term.

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