The Financing of Jewish Day Schools

- The average per capita expenditures in Jewish day schools are well below comparable expenditures at private schools and about the same as they are in public schools which offer only a secular program.
- In perhaps a majority of day schools, tuition income covers no more than half of the budget, so that substantial funds have to be raised from outside sources.
- Fiscal limitations are overcome by the commitment of teachers, administrators, parents and students, indeed, by the total day school environment which makes the learning experience challenging and effective. It is a tribute to day school education that students appear to be strongly motivated and high achievers.

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The findings, interpretations and conclusions are solely those of the authors.

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Introduction

THIS STUDY WAS PLANNED AS AN EXAMINATION of Federation support of Jewish day schools, a subject of considerable importance in our communal life. It quickly evolved into a far broader exploration of day school finances, including budgets, tuition, fundraising and, of course, the role of Federations.

While the focus has shifted somewhat away from the Federations, the report opens with an analysis of the dynamics of the Federation world because it continues to be crucial to Jewish communal planning and a window to understanding the larger world of Jewish philanthropy.

Except where another source is given, the statistics in this report were gathered by the authors and cover the 1995–96 school year. Some of the day schools which participated in the survey did not provide all of the information that was requested of them. In no category was the number as great as ten percent of the total. In tables where these omissions directly affect the character of the data presented in this report, as in the discussion of the number of schools which receive Federation assistance, the totals include only the schools which reported. In other tables, for the sake of consistency we give the full complement in each category, and an asterisk indicates that not all schools reported. As one relevant example, there are tables which list forty-one Community schools—the total number of such schools participating in the survey—although the data is derived from the somewhat smaller number of schools which provided the requested information.

A fuller discussion of these issues is included in "A Note on the Statistics" which is appended to this report.

While the financial profile of day schools which is presented in statistical form has substantial independent utility, we wish to underscore that the sociological analysis which accompanies it adds considerably to the understanding of the data, as well as, of course, to a more meaningful appreciation of the world of Jewish day schools.

We wish to express our gratitude to THE AVI CHAI FOUNDATION for providing the support needed to undertake this study, as well as for the many useful suggestions offered by the Foundation's Trustees and staff as the report evolved. We also wish to note with appreciation the significant contributions of Dave Bonfili, now at Oxford University, who was our statistical consultant, and Karen Weinberg who has been creatively involved in every aspect of this study. Dr. Leora W. Isaacs of the Jewish Education Service of North America (JESNA) provided helpful comments and we have benefited importantly from the skill and caring of James Velgot and Julie Bohan.

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Executive Summary

THIS REPORT, THE FIRST COMPREHENSIVE study of a vital aspect of American Jewish education, provides a statistical and sociological analysis of Jewish day school finances, including their budget, tuition and fundraising income and Federation allocations. Capital expenditures, however, are not examined.

The data contained in this study is for the 1995–96 school year and was obtained from questionnaires returned by 154 day schools outside of the New York Federation service area. Because New York is unique, with perhaps 250 day schools and yeshivas and as much as one-third of the entire national day school enrollment, the inclusion of its data would have distorted the findings.

What emerges from this study is a stark picture of the severe underfunding of Jewish day schools. This is evident when their expenditures on a per student basis are compared with per student expenditures in public schools and secular private schools. **Chart 1** indicates that the per capita expense ranges from $5,048 in Reform day schools, which primarily have classes in the lower grades, to $6,145 at Community schools. In the 1995–96 school year, the mean per capita spending in U.S. public schools was $5,653, while the National Association of Independent Schools (NAIS) reports per capita spending at $10,316 for the 1994–95 school year.

Thus, the average per capita expenditures in Jewish day schools, which encompass a dual track education program comprised of separate Judaic and secular components and faculty, are well below comparable expenditures at private schools and about the same as they are in the public schools which offer only a secular program. The extensive underfunding of Jewish day schools affects nearly every aspect of their operations, most importantly the salaries paid to faculty, extracurricular activities and the availability of electives and auxiliary course offerings for gifted and special students.

While fiscal limitations are often overcome by the commitment of teachers, administrators, parents and students, indeed, by the total day school environment which makes the learning experience challenging and effective, too many Jewish parents have come to believe that there is a great gap between what the day school offers and what is available in competing schools. As a consequence, they believe that their children would be better off in another school, the benefits of a Jewish day school education notwithstanding.

The average per capita expenditures in Jewish day schools, which encompass a dual track education program comprised of separate Judaic and secular components and faculty, are well below comparable expenditures at private schools and about the same as they are in the public schools which offer only a secular program.

On the income side, day schools generally have tuition and fee schedules which should generate sufficient income to cover their operating costs. However, as the data demonstrates, the tuition collected from parents is often considerably below what is indicated in the tuition schedules. Torah Umesorah (Orthodox) schools cover only 57.2% of their budgets from tuition and mandatory fees (such as registration fees or building funds). Community schools cover 68.3% of their budgets from these sources, with the percentage jumping to 87.5% for Reform schools and 89% for Solomon Schechter schools. We believe that the higher percentages for Reform and Solomon Schechter schools are due to generally wealthier parent bodies, as well as tighter

scholarship policies which reflect the view that Jewish education is a consumer product to be paid for by the consumer, rather than by the community.

When tuition income is correlated with school size rather than denomination, another perspective is provided. In the smallest schools, with no more than 75 students, only half of the budget is met by tuition and fees, while in schools of 300 or more students, at least 75% of the budget is covered by this source. These larger schools, however, comprise fewer than 30% of the day schools.

The often considerable gap between the budget and payments from tuition and fees is closed through fundraising and Federation allocations. By far, Torah Umesorah schools raise the largest percentage from the parents and the general community, both because their need is greatest and because their communities tend to view Jewish education as a communal responsibility rather than as a consumer product.

Perhaps due to their newness, Reform day schools reported the lowest percentage of Federation assistance, amounting to 2.8% of their budgets. Solomon Schechter schools reported 6.2%, Torah Umesorah schools reported 7.4%, and Community schools reported 13.8%.

The report provides more detailed data than was previously available on Federation allocations. One question addressed is the trend in Federation support for day schools. While about 40% of the schools reported an increase in Federation funding over the past five years when measured in absolute dollars, 67% of the schools reported that Federation funding had decreased when measured as a percentage of their budgets. In other words, Federation support has not kept pace with the rising costs of operating a day school. ■

Day Schools in American Jewish Life

THE FEDERATIONS ARE AMERICAN JEWRY'S primary instrumentality for providing communal services. As much as the dollars which they allocate, their priorities are the barometers of what is regarded as important in organized Jewish life, a way of assessing what the community considers to be worthy of support and attention. As one significant illustration of this role, the universalistic commitment to social justice which informed and inspired the American Jewish experience for decades was reflected in the philanthropic and programmatic commitments which coursed through the Federation network.

Whether it was the result of communal planning or the coincidental merging of separate developments, the organization of Jewish education has largely run parallel to events in the Federation world. Around the time when Jewish social services were being integrated into the Federation network early in this century, Jewish education was organized into centralized boards or committees of Jewish education in localities with significant Jewish populations. These new organizations were integrated into the Federation scheme as member agencies, receiving annual allocations which covered a large share of their budget, as well as other forms of Federation support.

The Significance of Federation

The place given to Jewish education on the Federation agenda—and therefore also on the agenda of American Jewish life—gave prominence to two interrelated commitments which for decades shaped the main activities of the Jewish education establishment. The first of these was the strong commitment to the ideal of professionalism, the view that, like education generally, Jewish education had to be guided by standards in teacher training and licensing, curriculum, student testing and financial accountability. Jewish education, according to this outlook, could not be conducted as a random activity by anyone who professed an interest in operating a school or teaching in a classroom.

When Federations gave financial support to the local boards of Jewish education, they were endorsing the work of professionals whose hallmark was the determined insistence that Jewish education be directed by experts who shared their vision and their notion of professionalism.

Secondly, the institutional expression of this commitment was a strong preference for after-school programs which were generally known as Talmud Torahs. They have also been referred to as religious or congregational schools and, more recently, as supplementary Jewish education. These were typically three-day-a-week programs conducted on Sunday morning and two afternoons during the week for Jewish students who attended public schools, with the usual focus being on the upper elementary school years, as students approached their Bar/Bat Mitzvah. There were variations on the theme, as in the once-a-week Sunday school programs which found favor in Reform Jewish ranks.

Hostility to Day Schools

The preference for Talmud Torahs captured the imagination of the Jewish masses, as well as the educational elite, for it allowed for a measure of religious training consistent with the great and virtually unchallenged American Jewish commitment to public education. This commitment was a cornerstone of the American Jewish ideology. All educational developments, whether in the Jewish or general domain, were evaluated in terms of their consistency with the profound belief in the moral and social utility of public education.

This faith in public schools helps to explain the long-standing antipathy of American Jewry toward yeshivas and, later, even to Jewish day schools. A May 1994 report on "Federation Allocations to Jewish Day Schools," issued by Jewish Education Service of North America (JESNA), speaks of day schools being created "in a largely hostile environment marked by vehement opposition from many in the establishment." This hostility was especially manifested by the Jewish educational elite, notably by people who staffed the local boards of Jewish education and the decision-makers in Federation. Yet, in an important way, the neglect of yeshivas and day schools was less a rejection of the idea of religious education than it was an expression of the view that in this new world of freedom and opportunity, a pattern of education that linked the public school with after-school Jewish educational programs was the best way to go.

Sadly, for at least two generations the path to Judaic abandonment was paved with this good intention.

The Preference for Supplementary Education

Supplementary education was the overwhelmingly favorite mode for educating Jewish youth. Relatively few children attended yeshivas or the more modern day schools, a pattern that probably would not have been much altered had there been less hostility at the time to this more intensive mode of formal Jewish education.

It should be noted, because it is relevant to the contemporary picture, that, for the most part, Jewish schools, including Talmud Torahs, were not the direct recipients of Federation funding. The financial responsibility for maintaining supplementary schools rested primarily with the sponsoring organization, most often a congregation, and the parents through their tuition payments. Federation subventions essentially went to the boards of Jewish education to help cover their operating budgets and the services that they provided to schools.

A Changing Environment

After World War II, there was a considerable increase in the number of day schools, nearly all of which were sponsored by the Orthodox. This trend has continued unabated for more than four decades, with more recent developments indicating a growing interest in day schools in non-Orthodox sectors. Although the statistics of American Jewish education are generally not reliable, the best indications are that there are now nearly 200,000 students in more than six hundred Jewish day schools, ranging from pre-school through the high school years.

These numbers suggest some of the daunting problems inherent in the financing of Jewish day schools, for many of these institutions have very small enrollments in comparison to public school enrollments.

The Shift to Day Schools

As more students have been enrolled in day schools, there has been a concomitant shift in communal attention to their needs. Because the local boards of Jewish education have been the designated service providers and Federations generally did not provide direct grants to schools, the growing attention to day schools was primarily reflected at first in the activities of local Jewish education agencies. As early as the 1960's, there was a perceptible expansion in services to day schools around the country, a development that was both a response to their growing enrollment and also the result of greater personal sympathy to the ideal of day school education among the new generation of educational professionals.

There were significant departures in some communities from the national pattern, as local considerations or personalities were responsible for particular Federations providing direct grants to day schools.

The Federation world's attitude toward day schools was profoundly affected by the changing mood in American Jewish life. This is an ongoing process for which an equilibrium has yet to be established and, indeed, may never be established. Still, it is possible to delineate two distinctive phases in the creation of a new, more favorable, Federation attitude toward Jewish day schools.

In the earlier stage, American Jewry moved away from its universalistic agenda toward more particularistic concerns. This process was forged by a confluence of social and psychological circumstances, including growing Jewish insularity arising from American Jewish concerns about Israel and Soviet Jewry, as well as such potent domestic issues as urban unrest, Black-Jewish relations, anti-Semitism, Jewish poverty, neighborhood instability and much else.

vate or personal foundations. This has deprived Federations of a customary source of significant income.

In programmatic terms, the priority called Jewish continuity encompasses, for Federations and much of organized American Jewry, a good deal more than formal Jewish education. The range of continuity activities includes Israel experiences, campus programs, camping, adult education, the March of the Living and informal education. Federation planners are apt to regard all of these as relevant to the effort to stem advanced assimilation.

As they seek to move away from their past commitment to universalistic services, Federations have encountered a number of roadblocks. Governmental funding formulas frequently limit the freedom of action of recipients and there are also pressures from donors and agencies which compel Federations to move cautiously as they seek to reallocate their funds. Today's new outlook does not carry with it the ability to easily turn away from what had been agreed to in the past.

Most tellingly in programmatic terms, the priority called Jewish continuity encompasses, for Federations and much of organized American Jewry, a good deal more than formal Jewish education. The range of continuity activities includes Israel experiences, campus programs, camping, adult education, the March of the Living and informal education. Federation planners are apt to regard all of these as relevant to the effort to stem advanced assimilation. When day schools turn to Federations for support, their primary competition nowadays comes not so much from hospitals and social service agencies as from synagogues, educational activities and other claimants whose language and programs are imbued with the goal of promoting Judaic growth.

A Complicated Picture

Even within the domain of formal Jewish education for children of school age, there is abundant competition and complications engendered by the realization that however important day schools are and however superior they may be to other educational modes, they constitute a form of Jewish education preferred by a minority of American Jews. Indeed, perhaps no more than one-third of Jewish parents who are determined to give their children a formal Jewish education opt for day schools. About twice the number of Jewish youngsters are in supplementary schools. Supplementary school students and their families cannot be ignored by the organized Jewish community and they must be taken into account by Federations in the planning and funding processes.

Thus, day schools have gained greater acceptance in American Jewish life at a time when competing communal pressures have placed enormous difficulties in the way of a substantial reallocation of philanthropic resources towards day schools. ■

The Study of Day School Finances

IT IS AGAINST THIS BACKDROP THAT THE AVI CHAI FOUNDATION provided support for this examination of day school finances and Federation funding of day schools. Apart from the powerful considerations discussed in the previous section, it should be evident that the burden of philanthropic support for any worthwhile communal activity cannot be placed exclusively or even primarily on the Federation network. This network is straining to meet an imposing array of obligations under dauntingly challenging conditions. But while Federations cannot be expected to shoulder the lion's share of the philanthropic burden needed to ensure the financial viability of day schools, they must do their share and their share cannot be minimalistic.

Federations also continue to be the best barometer we have for measuring trends in American Jewish philanthropy. What they do regarding day schools is apt to tell us much about the larger picture of how private Jewish philanthropy is responding to these institutions.

For all of the advocacy of greater Federation and Jewish philanthropic support for day schools, little is known about the extent of Federation support or, for that matter, about day school finances. As with other zones of communal activity where rational planning and activity should be the goal, reliable information is likely to advance the prospect for favorable funding decisions.

JESNA's Findings

Probably the best current source of information is JESNA's 1994 report which was based on research conducted in 1992. Thus, the data collected about Federation allocations could not have been more than minimally affected by the sad story revealed not much earlier by the NJPS. JESNA's study relied entirely on what Federations themselves reported about their allocations to day schools, a perspective that is understandable in view of JESNA's linkage to the Federation system.

Because New York is "sui generis," JESNA did not include the New York Federation of Jewish Philanthropies in its study. With perhaps 250 day schools and as much as one-third of the entire day school enrollment in its catchment area—both figures are more than ten times the number for any other Federation—New York's Federation is confronted by a situation that is radically different from what prevails anywhere else. The inclusion of its data would have distorted the findings, without adding at all to a fuller picture of Federation funding. This study has reached the same conclusion and therefore also excludes the New York schools.

Community Patterns

JESNA received information from sixty-five Federations, representing about forty percent of the approximately 160 Federations in the United States. This may appear to be a low response rate, given the official status of JESNA in communal life and the expectation that Federations would respond to its inquiry. However, fourteen of the nineteen large communities (excluding New York) replied. At the other end of the spectrum, only nine small communities out of the approximately sixty in that category responded. A number of these small communities—several have fewer than 1,000 Jews—have a Federation but are bereft of a day school. Presumably, they saw no need to answer a survey that had no direct bearing on their activity. If the entire category of small communities is excluded from the calculation, JESNA's response rate approaches sixty percent.

Table 1

Day School Enrollment by Affiliation and Grade*

	N-Pre-School	K-Pre-1A	1	2	3	4	5	6	7	8	9	10	11	12
Torah Umesorah	6,221	11,137	7,837	7,222	7,061	6,911	6,480	5,894	5,709	5,401	4,547	4,344	4,058	3,481
Solomon Schechter	761	1,720	1,714	1,533	1,541	1,430	1,261	1,184	836	734	233	195	187	173
Community	879	1,567	1,357	1,279	1,125	1,068	914	835	583	474	207	106	102	104
Reform	1,256	787	512	474	384	398	329	201	111	67	48	53	28	14
Total	9,117	15,211	11,420	10,508	10,111	9,807	8,984	8,114	7,329	6,676	5,035	4,698	4,375	3,772

*These figures are based on responses from 384 day schools out of a total of 501 which were surveyed. The affiliation breakdown is as follows: Torah Umesorah, 265 of 374; Solomon Schechter, 50 of 54;

At the same time, the sixty-five responding communities represented 164 schools, about forty percent of all day schools outside of New York. In 1992, these institutions enrolled 41,500 students or about 23% of the students attending day school in the U.S.; again, if New York is excluded, the figure rises to probably 35–40%.

Thirty-six of the responding schools were very small, with 75 or fewer students. Another thirty-four enrolled between 76–150 students. Only forty-nine had more than 300 students and more than half of these enrolled fewer than 500 students. These numbers suggest a great deal about the economic and educational structure of most American Jewish day schools and of the difficulties they face as they seek to attract children from marginal Jewish homes whose parents need to be persuaded that a small school, usually housed in a rather unattractive facility, is preferable to what is available in local public schools, as well as private schools, with their attractive physical plants and broad-based academic programs.

JESNA did not provide information regarding the grade level of the schools included in its survey. In line with a 1994 AVI CHAI report and with what is generally known about Jewish day schools, it is fair to say that the enrollment pattern in the 164 JESNA schools was weighted heavily toward the pre-school and lower grades, with relatively few students at the high school level. Indeed, AVI CHAI's statistics indicate that in 1993 there were fewer than 1,500 students enrolled in all of the non-Orthodox high schools in the United States.

Enrollment Patterns

Because enrollment by grade level has a direct and important bearing on the understanding of day school finances, it is useful to replicate a table included in AVI CHAI's 1994 report on "Jewish Day Schools in the United States." Schools with a combined enrollment of 115,000 students were covered by this report. **Table 1** provides the enrollment statistics according to affiliation and grade.

On the substantive side, JESNA found that for the 65 responding communities, nine percent of the "total campaign" was allocated to Jewish education. However, 24% of the "local" allocations were for Jewish education, of which about half went for day schools. Day schools located in small communities fared somewhat better than those located in larger communities, which JESNA interpreted as possibly indicating that "there is a greater reliance on communal support for Jewish education in smaller communities because of the limitation of other resources and sources of support." Another and perhaps more reliable explanation for this pattern is that the smaller communities had no more than one day school to support, a conclusion that is buttressed by other JESNA data.

Day Schools and Federations

JESNA found that the average per capita or per student cost in day schools ranged from $6,400 in the very small schools which enrolled 75 or fewer students, to about $5,000 in most other day schools. For all 164 schools, Federation allocations amounted to $530 per student or about ten percent of the average per capita cost. As a percentage of the budgets for the 164 schools, Federation support amounted, on the average, to 12.3% of the total.

When Federation allocations were examined in terms of community size, JESNA found that support ranged from $490 per capita and 9.6% of the school budget for the large communities, to $770 per capita and 19.8% of the budget in the small communities. It needs to be noted that 88 of the 164 schools were located in large communities; their 1992 enrollment amounted to more than 27,000 students or about two-thirds of the enrollment in the 164 schools.

Apparently, no effort was made to ascertain trends in Federation support for day schools, in particular, whether allocations—in raw dollar terms or as a percentage of school budgets—had gone up in the previous period. These are among the issues addressed in the current study.

Nor did JESNA probe whether Federation reports of support for day schools consisted exclusively of money allocated directly to these schools or whether they included a proportion of the funds allocated to local Jewish education agencies which provide support services for Jewish schools in their community. It also is not possible to know from JESNA statistics whether the Federation allocations include indirect support which may have benefited day schools, such as teacher training, continuity activities or grants to students for Israel experiences and the March of the Living.

Aims of This Study

Our survey, which covers the 1995–96 school year, is an effort to examine Federation funding and day school finances from the perspective of the schools. In an interesting and unexpected way, our effort at information-gathering from day schools evolved into part of the story which we have to tell. As we indicate in "A Note on the Statistics" appended to this report, the collection of data became an extended, quite difficult, and not entirely successful process. Questionnaires were mailed to about 400 day schools in the United States outside of the New York Federation service area. For several reasons, including inaccuracies on the lists and changes which occurred after they were compiled, we believe that our survey reached about 350 schools.

Ultimately, we received 160 completed questionnaires, of which 154 could be used. This figure is slightly below the 164 schools covered by JESNA's study, though since that agency was contacting Federations with which it has an ongoing relationship and which presumably have staff to deal with requests of this sort, we believe that our response rate compares quite favorably with JESNA's. The 154 day schools are served by approximately 97 Federations, which is to say that this study involves a very large proportion of the Federations which have day schools in their catchment area. If our calculation of 350 schools is correct, the 154 completed questionnaires represent a response rate of nearly 45%, which is usually regarded as an excellent result for a survey of this kind.

The 1995–96 enrollment in the 154 day schools came to 42,000, about the same as JESNA's figure. ■

The Underfunding of Day Schools

MUCH OF WHAT IS KNOWN ABOUT THE FINANCES of American Jewish education, including day schools, is impressionistic—bits and pieces of information that have evolved from the experiences and perceptions of people in the field and are not backed up by solid data. Yet, for all of the large information gaps and lack of statistical precision, much of what is reputed to be known turns out to be reliable. In the aggregate, day schools are underfunded, their budgets have been rising and their income is derived primarily from tuition and other parental charges. Also, their financial stability depends on philanthropic support and the success of their fundraising.

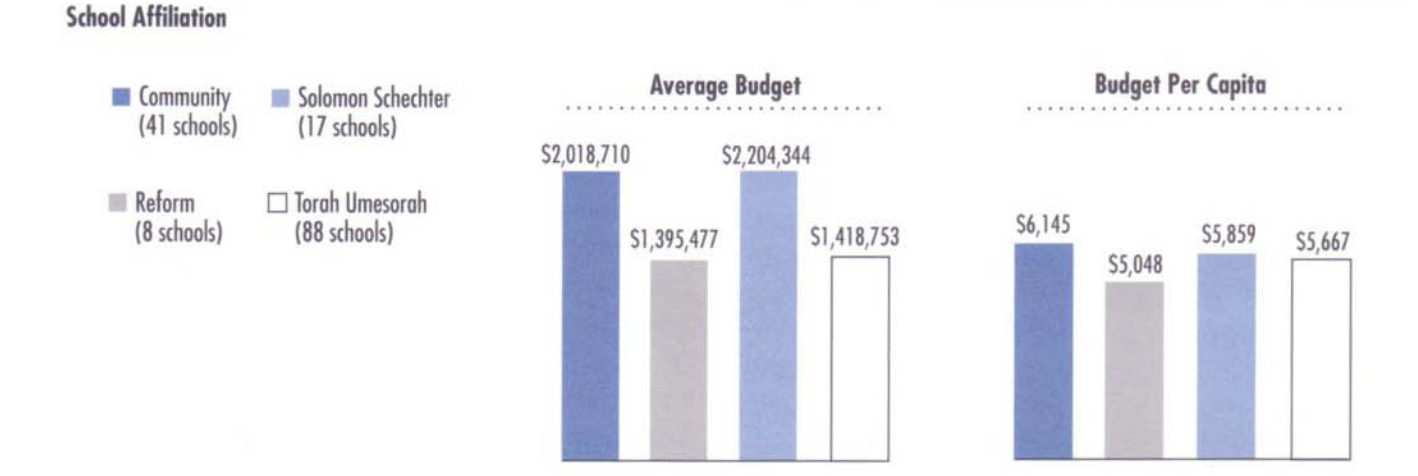
What has not been sufficiently available are precise monetary figures which provide a basis for analysis and planning.

Our survey confirms the extent of day school underfunding. When day school budgets are examined in raw terms without regard to the dual—and therefore more expensive—nature of their educational program or without regard to school size, and then compared with the budgets of public and private elementary and secondary schools, the inescapable conclusion is that many, perhaps most Jewish day schools are forced to live a parsimonious existence.

JESNA found that excluding the very small institutions, the average per capita operating costs for schools in its survey came to about $5,000. Our study, conducted four years later, has produced somewhat, but not greatly, higher figures, as is indicated in **Chart 1**. The per capita or student cost in our 154 schools ranged from a bit more than $6,000 in the Community schools, to about $5,000 in the small number of Reform day schools, and between $5,500–$6,000 in the Solomon Schechter and Torah Umesorah schools. The low figure for Reform day schools is explained by the high percentage in these schools of pre-school children, for whom the per capita cost is significantly lower.

Chart 1

JEWISH DAY SCHOOL BUDGETS



It might be expected that the enrollment structure of day schools results in a higher per unit or per student cost in smaller schools. Interestingly, as **Chart 2** demonstrates, this is not the case.

Per Student Expenditures

In fact, the highest per student expenditures occur in the larger schools, a pattern which accords with what is generally believed to be true of New York day schools where some of the largest and most successful have a higher per student expenditure rate because they are able to charge a significantly higher tuition than other day schools. The larger schools tend to have the most varied programs, which seems to be obvious, and they usually offer the highest salaries.

Overall though, the range is quite narrow—from $5,600 in the 43 schools with 76–150 students, to $6,600 in the schools with 501–700 students. As a generalization, the underfunding of day schools encompasses nearly all of these institutions, irrespective of their affiliation or size.

When day school budgets are examined without regard to affiliation or size, the annual per capita cost in 1995–96 amounted to between $5,400 and $5,600, which suggests (based on JESNA's figures) that in the 1990's, per capita costs have risen at the rate of two to three percent a year. This might appear to be on the low side, but it should be noted that the past half-decade has been a period of relatively low inflation, as well as low salary increases. Apparently and understandably, the economics of Jewish education reflect economic trends in the larger society.*

Public Education

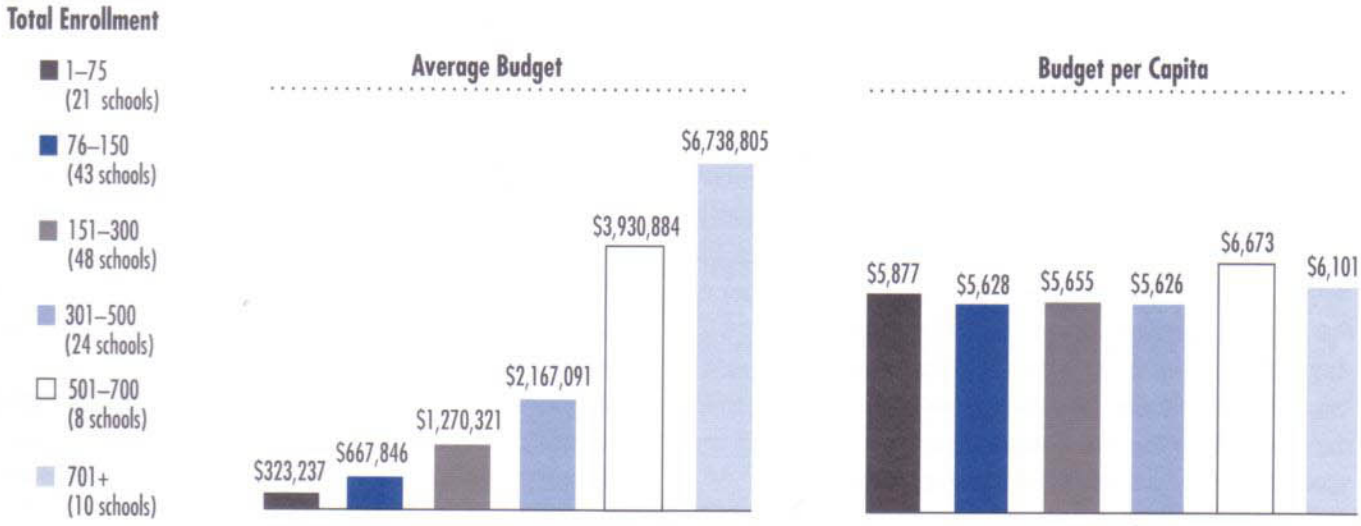
Because state and local governmental support for public education varies greatly throughout the United States, it is not easy to compare the outlays of public institutions and Jewish day schools. **Table 2** (*next page*), based on data published by the National Education Association (NEA) and accepted by Federal agencies, provides the most recent available information regarding per student expenditures in public elementary and secondary schools.

California's low ranking is a surprise and perhaps also an anomaly which raises interesting questions, more so for an analysis of public school financing than for a study of Jewish day schools. California does have, however, about thirty Jewish day schools or five percent of the total in the country. Illinois and Florida are other key states with rather low support for public education

**This observation is reflected in the data on public school education published by the NEA. According to the NEA, in the 1990's the annual increase in expenditures per public school student has been modest, generally in the 2–3% range, which contrasts with the pattern of far more substantial increases in the 1980's.*

Chart 2

School Size and School Budgets



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In fact, the highest per student expenditures occur in the larger schools, a pattern which accords with what is generally believed to be true of New York day schools where some of the largest and most successful have a higher per student expenditure rate because they are able to charge a significantly higher tuition than other day schools. The larger schools tend to have the most varied programs, which seems to be obvious, and they usually offer the highest salaries.

Overall though, the range is quite narrow—from $5,600 in the 43 schools with 76–150 students, to $6,600 in the schools with 501–700 students. As a generalization, the underfunding of day schools encompasses nearly all of these institutions, irrespective of their affiliation or size.

When day school budgets are examined without regard to affiliation or size, the annual per capita cost in 1995–96 amounted to between $5,400 and $5,600, which suggests (based on JESNA's figures) that in the 1990's, per capita costs have risen at the rate of two to three percent a year. This might appear to be on the low side, but it should be noted that the past half-decade has been a period of relatively low inflation, as well as low salary increases. Apparently and understandably, the economics of Jewish education reflect economic trends in the larger society.*

Public Education

Because state and local governmental support for public education varies greatly throughout the United States, it is not easy to compare the outlays of public institutions and Jewish day schools. **Table 2** (*next page*), based on data published by the National Education Association (NEA) and accepted by Federal agencies, provides the most recent available information regarding per student expenditures in public elementary and secondary schools.

California's low ranking is a surprise and perhaps also an anomaly which raises interesting questions, more so for an analysis of public school financing than for a study of Jewish day schools. California does have, however, about thirty Jewish day schools or five percent of the total in the country. Illinois and Florida are other key states with rather low support for public education

**This observation is reflected in the data on public school education published by the NEA. According to the NEA, in the 1990's the annual increase in expenditures per public school student has been modest, generally in the 2–3% range, which contrasts with the pattern of far more substantial increases in the 1980's.*

Chart 2

School Size and School Budgets

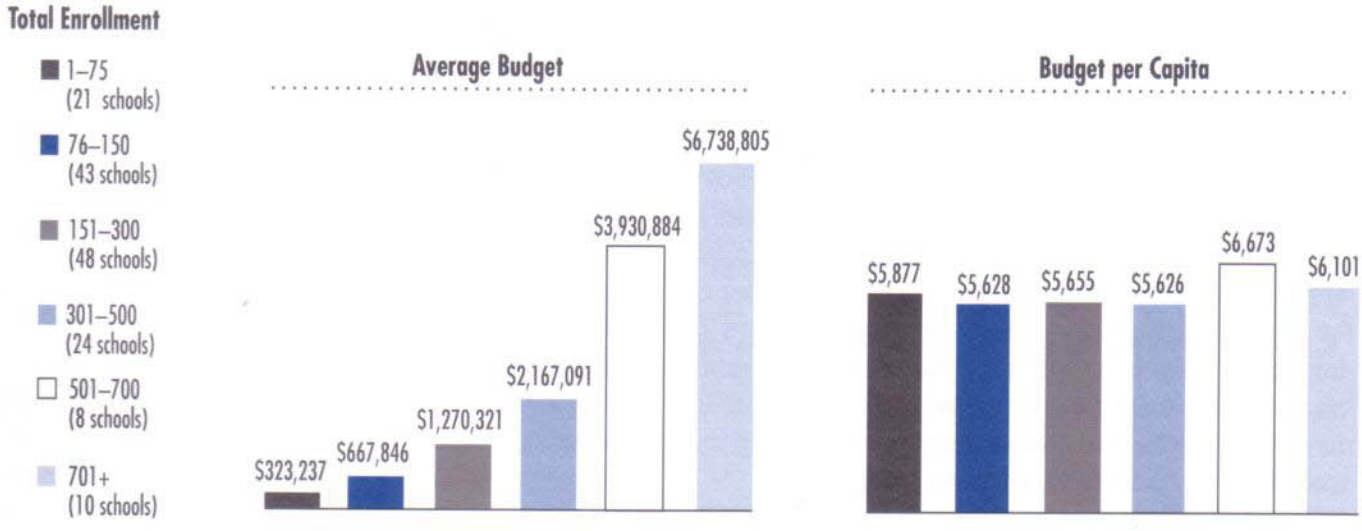


Table 2

EXPENDITURES FOR PUBLIC ELEMENTARY AND SECONDARY SCHOOLS PER PUPIL IN FALL ENROLLMENT, 1995–96 (EST.)

1	New Jersey	$9,318	15	Maine	$6,116	29	Ohio	$5,295	43	North Dakota	$4,534
2	New York	8,700	16	New Hampshire	5,999	30	Nebraska	5,190	44	Tennessee	4,386
3	Alaska	8,353	17	Oregon	5,844	31	Texas	5,168	45	Alabama	4,295
4	Connecticut	8,270	18	Hawaii	5,831	32	New Mexico	5,089	46	Idaho	4,237
5	Rhode Island	7,091	19	Wyoming	5,720	33	Colorado	5,086	47	Oklahoma	4,175
6	Delaware	6,944	20	Indiana	5,719	34	Georgia	5,069	48	Arkansas	4,086
7	Massachusetts	6,832	21	Washington	5,708	35	Illinois	4,991	49	Arizona	4,012
8	Dist. of Col.	6,767	22	Minnesota	5,689	36	California	4,878	50	Mississippi	3,912
9	Pennsylvania	6,744	23	Virginia	5,490	37	North Carolina	4,809	51	Utah	3,670
10	Michigan	6,565	24	Kentucky	5,414	38	South Dakota	4,773		**Mean**	**$5,617**
11	Vermont	6,505	25	Iowa	5,407	39	Nevada	4,709		**Median**	**$5,355**
12	Wisconsin	6,457	26	Florida	5,355	40	South Carolina	4,697			
13	Maryland	6,407	27	Montana	5,300	41	Missouri	4,629			
14	West Virginia	6,391	28	Kansas	5,296	42	Louisiana	4,537			

and a significant number of day schools. These three states contain nearly 15% of the roster of Jewish day schools, which is to say that their data about public school financing undermines to an extent the argument that the Jewish institutions are underfunded.

Still, the bulk of the day schools are located in states which spend heavily on public education and also in the larger and generally more affluent communities where per student expenditures are apt to be high, almost certainly higher than what they are in the neighboring Jewish day schools.

Private School Costs

Because day schools are a form of non-public or private education, it may be useful to compare their financial profile with what is known about the economics of non-sectarian private schools. There are thousands of such schools across the country, most of them small. What data is available comes from the NAIS which claims nearly 7,000 institutional members. Presumably, NAIS members are generally the more affluent private schools, although it is unlikely that the families which send their children to these schools are higher on the socio-economic scale than the parents of Jewish day school attendees, with the exception of the yeshivas which serve the most Orthodox. Accordingly, there may be good reason to compare private elementary and secondary schools with Jewish day schools.

The statistics in **Table 3** (*facing page*) are based on information provided by 698 NAIS members. We have not included data for the more than 200 boarding schools for which NAIS has statistics and for whom the per student costs are significantly higher than they are for non-boarding private day schools or Jewish schools with dormitory facilities.

Of note, these NAIS schools share the characteristic of most Jewish day schools of being small institutions, certainly when they are compared with public schools which can enroll as many as several thousand students, primarily at the high school level. At the least, NAIS data gives additional credence to the view that Jewish day schools are underfunded.

Dual Curriculum

In fact, the claim of underfunding is not predicated exclusively on comparative budgetary statistics. When the dual educational nature of the Jewish schools is factored in, their budgetary differential with private and public schools becomes far more glaring. All of our day schools are parochial schools, but not simply in the sense of Catholic schools where the institution has a religious mission and ambiance but most of the academic program is similar to what is found in public schools. The parochial nature of Jewish day schools extends importantly to the curriculum. Even in those schools, mainly non-Orthodox, where Judaic studies constitutes a relatively small part of the school day—

Table 3

Private School Financial Operations, 1994–95

	Elementary Day Schools		Elem.-Secondary Day Schools		Secondary Day Schools	
Expense Per Student						
Teaching Salaries	$3,267	36.7%	$3,518	34.1%	$3,621	31.2%
Instructional Support Salaries	253	2.8	257	2.5	321	2.8
Administrator Salaries	887	9.9	847	8.2	1,094	9.4
Other Salaries	591	6.6	777	7.5	813	7.0
Benefits/Payroll Taxes	1,020	11.4	1,109	10.8	1,238	10.7
Student Activities	96	1.1	100	1.0	170	1.5
Financial Aid	687	7.6	989	9.6	1,022	8.8
Other Expenses	2,188	24.3	2,719	26.4	3,310	28.6
Total Expenses	**$8,989**	**100.0%**	**$10,316**	**100.0%**	**$11,588**	**100.0%**
Income Per Student						
Tuition and Fees	$7,163	81.5%	$8,558	80.5%	$9,268	77.0%
Auxiliary Services	200	2.1	485	4.6	494	4.1
Other Programs	366	3.9	283	2.7	257	2.1
Investments	310	3.3	408	3.8	686	5.7
Gifts/Grants	682	7.3	674	6.3	1,153	9.6
Public Aid	19	0.2	24	0.2	27	0.2
Affiliated Enterprises	31	0.3	6	0.1	8	0.1
Other Income	116	1.2	191	1.8	144	1.2
Total Income	**$9,336**	**100.0%**	**$10,630**	**100.0%**	**$12,037**	**100.0%**
Number of Schools	259		376		63	
Average Enrollment	284		622		364	

Source: National Association of Independent Schools

perhaps as few as two hours a day—there are substantial additional costs entailed by the religious educational programming.

Because far more than half of the day schools—in the country and those included in our survey—are Orthodox, it is safe to say that in the aggregate, the Jewish studies component constitutes a significant proportion of the educational program, at times more than half of it. Yet, the substantial additional costs resulting from this dual responsibility are, in a sense, not reflected in day school budgets.

A dual curriculum always means two sets of faculty and in many institutions it also brings another layer of administrative personnel. Faculty and staff salaries and benefits comprise by far the lion's share of the additional costs. However, the non-personnel costs also add up, as they include textbooks, study and library material and even the additional maintenance and utility expenses which result from the typical day school operating longer hours, including, at times, being open on Sundays.

Low Enrollment and Small Classes

There is another element which sheds light on the extent of day school underfunding by making it more pronounced. Because of the relatively low enrollment in nearly all Jewish day schools, their per capita costs should be substantially higher, much in the way that the cost of goods and services is apt to be significantly higher when the volume of business is low. When this rational formula is applied to Jewish day schools, what should emerge is an extremely high per unit or per student cost. Yet we know that this is not the case.

The issue can also be viewed in terms of class size rather than overall enrollment. Across the country—and especially outside of New York, which again is unique in this respect—half-empty classrooms are as much the rule in Jewish day schools as they are not. There is no

way of knowing how many day school classrooms have ten to fifteen or even fewer students, although certainly the number is in the many hundreds.

A large majority of Jewish day schools are Orthodox, an affiliation which encompasses a rather broad spectrum of religious behavior and attitudes. Yeshivas separate male and female students, a practice which, especially for smaller communities or schools, inevitably results in even smaller class size and higher per student costs. Orthodox day schools tend to be co-educational, although there is a trend toward at least partial separation for all or some of the Judaic curriculum. While we cannot estimate how prevalent separation according to gender is in Orthodox day schools outside of New York, it is likely the number of schools which have opted for a measure of separation is not small. This is yet another factor that sheds light on the underfunding of day schools.

The under-utilization of Jewish classrooms, which must result in higher per student costs, becomes especially pronounced as grade level rises, a point that is clear from **Table 1**. Presumably, there are relatively few empty seats at the nursery, kindergarten and pre-school level, and perhaps also in the early grades. The picture is already greatly altered by the fifth and sixth grades and when the junior high school and high school years roll around, class enrollment is likely to be a pale shadow of what it was a half-dozen years earlier.

Because the academic program needs to be more varied as grade level rises, the ordinary cost of operating the upper grades is significantly higher than it is for the lower grades. This factor results in the deficit per student being far greater at the junior high school and high school levels, a circumstance that obviously is fed, as well, by the enrollment drop in these grades. The sad fact is that outside of New York, almost all day schools which function at the junior high school level or above, experience an extraordinary per student deficit.

This pattern, recognized by day school officials, acts as a powerful disincentive for the expansion of Jewish day school education into the high school years.

The Impact of Underfunding

The consequences of underfunding are neither abstract or minor. Underfunding affects nearly every aspect of day school operations, probably most notably the salaries paid to faculty. With relatively few exceptions, Judaic studies faculty are underpaid, at times severely, a situation that is universally acknowledged, even as it is lamented. Matters are not better, and they may be worse, at the general studies staff level.

It is a separate question whether low salaries have an adverse impact on the competency of the teaching staff, the consensus being that they do. Likely, the issue is more complex than what is suggested by the familiar proposition that there is a causal relationship between salaries and the quality of teaching. Even if higher salaries would attract a larger and hopefully more talented pool of teachers to the field, the status of teaching generally, and Jewish education in particular, must be recognized as potent elements in determining whether teaching is regarded as a desirable career choice among people who have the opportunity to choose. These elements operate, to a significant extent, independent of the salary scale.

This is a question that cannot be resolved. If public education sheds light on the subject, it is evident that higher salaries have not been a sufficiently strong magnet to draw gifted people to teaching careers. Still, the underpayment of day school faculty cannot be justified and cannot benefit the profession.

Parenthetically, there is an intriguing exception to the low salary pattern in day schools. Over the past decade or so, there has been a rapid escalation in what is being paid to retain and, more commonly, to attract educational administrators, such as principals and headmasters. The candidate pool is sparse. As a result, as more day schools have been established, salaries and fringe benefits packages have soared, at times to considerably above what is being paid to the principals of the much larger, governmentally-funded public schools in the same communities. But this situation is an exception to the generally low salary scale at these institutions.

Educational Consequences

Underfunding also affects, probably more severely, the availability of auxiliary course offerings for gifted and special students, as well as to make the academic program generally richer and more varied. Remedial education in many day schools consists of a limited resource room, while supplementary courses and enhancement programs of the kind that are routine in top-flight public and private schools are rare. Budgetary

constraints allow the typical day school to provide only a basic curriculum and not much more.

As for extracurricular activities, including sports programs and clubs, many day schools find creative ways of making do with scant financial resources and limited enrollment. What is available in most of these institutions more often than not is rudimentary and of limited attractiveness.

There are day schools that offer a varied, imaginative and attractive curriculum. There are schools that pay their faculty well and are willing and able to experiment to achieve educational excellence. Even more, the evidence shows that day school students are good achievers, both while in day school and in their subsequent academic experiences. These outcomes are predicated, at least to an extent, on good educational foundations. To an extent, fiscal limitations are overcome by the commitment of teachers, administrators, parents and students, indeed, by the total day school environment, which makes the learning experience challenging and effective. It is a tribute to day school education that students appear to be strongly motivated and high achievers.

It is, in short, one of the great truths about contemporary American Jewish life that many Jews of sincere Judaic commitment who send their children to day school or who attend synagogue regularly or who through other behavior demonstrate a high degree of Jewish involvement are also Jews at risk, whose attitudes and actions have been seriously affected by strong assimilatory forces.

Although some day schools manage to offer a strong curriculum and strive for academic excellence, and though day school students have the reputation for being motivated and good achievers, it is an exercise in self-delusion to believe that the underfunding of day schools does not exact a cost, both in the substance of the educational program and in the perception that many parents (especially those who are marginal in their Jewish affiliation and whose children therefore are most in need of a day school education) have of the relative benefits of the day school versus the competing public or private schools. Unhappily, this is evident in the enrollment curve. Day school enrollment is pyramidal, with a strong pre-school base. At that level, parents generally view the day school option as a form of private education, with the Jewish component as a bonus. As grade level rises, enrollment declines. This pattern is true for every grade, as is indicated in **Table 1**.

Parental Perceptions

Parents come to believe, rightly or not, that there is a growing gap between what the day school offers and what is available in competing schools. By the junior high school years, many parents who have demonstrated their commitment to day school education have also come to believe that, notwithstanding its benefits, their children would be better off in another school.

It is true that powerful social and psychological forces, apart from purely educational considerations, also take their toll, as parents believe that their children would blossom socially elsewhere. Even among parents who are willing to consider the day school alternative, there is still a too attenuated understanding of the value and necessity of a meaningful religious Jewish education. It is, in short, one of the great truths about contemporary American Jewish life that many Jews of sincere Judaic commitment who send their children to day school or who attend synagogue regularly or who through other behavior demonstrate a high degree of Jewish involvement are also Jews at risk, whose attitudes and actions have been seriously affected by strong assimilatory forces.

These Jews believe in day schools for their children, but they also have a picture in their minds of what a good academic education should be like. They are comparison shoppers who examine the academic program of day schools in relation to what is offered nearby in public and private schools. Too often, the academic program of day schools is the Achilles heel of religious Jewish education and none of the statistics about Jewish loss or the rhetoric about Jewish commitment can do much to improve the weak image of day school education in too many places. ■

Tuition

DAY SCHOOL EDUCATION IS A FORM of private education, one of whose distinguishing characteristics is the reliance on tuition and other mandatory charges to meet the budget, the idea being that what is being provided is a service whose cost must be borne by those who make use of it. Although day schools now tend to rely far more heavily than they used to on tuition income, they cannot meet their financial obligations solely from this source. Philanthropic support is needed.

This is to be expected, for historically Jewish education has been regarded as a communal responsibility and not merely a parental obligation. Jews have always recognized that the life of the whole community is enriched by education and scholarship. In nearly all their places of settlement, Jews have been comfortable with the notion of earmarking charitable contributions, personal and communal, for local religious educational institutions, as well as for schools in Israel and, at times, elsewhere. Jewish education has been accorded priority status as a recipient of charitable funds.

This was also the pattern for decades in the American Jewish experience, as financial constraints limited the capacity of parents to pay tuition and of schools to charge more than what was really a token. Yeshivas and day schools lived substantially off of philanthropy.

The underfunding of Jewish education was regarded as natural, even inevitable. Faculty members accepted salaries that were at best at the subsistence level. Even so, schools were often late in making payment.

Growing Reliance on Tuition

As American Jewry became more affluent, parents could pay more and tuition charges grew steadily. Besides, faculty members—more American and more assertive—no longer complacently accepted an arrangement which made it their obligation and privilege to subsidize Jewish education. It is now recognized in most, but not all, yeshivas and day schools that the lion's share of the budget must be met by tuition. Those responsible for day school education have come to believe that however important a religious Jewish education is from the communal perspective, it remains a service being provided to consumers who happen to be parents and they should be charged for this service as they would for any other. Increasingly, tuition charges are pegged to the actual cost of a day school education.

This attitude is at times manifested in restrictive scholarship policies, as well as in a certain nastiness directed at parents and children when what the schools ask for is not sent in by the consumers. Students have been denied admission, their report cards and diplomas have been withheld, and they have been barred from taking tests. Day schools are taking punitive measures to make parents pay what they regard as a fair share. These deprecations are justified by the financial hardship facing so many schools and yet they remain deprecations.

The Yeshiva World

These developments are occurring across the spectrum of day school education, encompassing Orthodox and non-Orthodox institutions, as financial realities have altered the attitude of day school officials. To an extent, however, tuition policy serves to distinguish yeshivas from day schools, as many yeshivas attempt to remain more faithful to the historic pattern. Some of this is attitudinal, as yeshivas refuse to yield to the notion that religious education is a service being provided to consumers.

Even more, the same financial realities which impel yeshivas to adopt tougher tuition policies are confronted by another set of realities which limit how far these schools can press and make demands of parents. The Orthodox are the least affluent of American Jews and their socio-economic status declines as their degree of religiosity increases. Thousands of yeshiva students are the children of parents who themselves are in Jewish

education, as teachers or kollel members, and hence financially limited by the system their tuition is being asked to support. More compellingly, there has been a striking increase over the past generation in the size of yeshiva-world families, with a half-dozen or more children being common. Full tuition or anything close to it is far beyond the reach of most of these families.

Still, it needs to be acknowledged that the yeshiva world has become more demanding in tuition policy, the result being growing tension between parents and school officials. The trend is likely to continue as more yeshivas find themselves in financial straits and recognize that tuition and mandatory fees constitute the best available source for generating additional income.

Modern Orthodox Attitudes

What of Modern Orthodox parents and those in the non-Orthodox sectors? How have they reacted to tuition increases? Do tuition charges limit the number of these children enrolled in Jewish day schools?

It has been said, only partly in jest, that the high cost of day school education promotes birth control among the Modern Orthodox, the point being that their family size is typically limited to two or three children, rather than the much larger number that has become the norm throughout the rest of American Orthodoxy. Presumably, financial considerations relating to tuition may influence their decision to limit family size.

From impressionistic information that is outside of the pale of this study, it appears that the largest and most successful Modern Orthodox schools have the highest tuition schedules of any Jewish day schools. They also tend to be among the most restrictive in allocating scholarship assistance which, as we shall see, is often predetermined as a relatively small proportion of the budget and therefore is available to rather few parents. Clearly, day school tuition can be a severe financial burden. But it is also true that Modern Orthodox families veer toward the highest earning professions. It is a good bet that however onerous or pesky tuition charges may be, socio-psychological forces arising from class status and also from attitudes and behaviors in the larger society have a far more decisive impact on the size of Modern Orthodox families than do tuition calculations.

Also, except for a small number, the Modern Orthodox do not now regard public schools as a viable alternative for their children, so that even if tuition policy affects what may be called the unborn, those who are born are destined to attend a Jewish day school.

The Effect of Tuition Charges on Enrollment

This leaves the non-Orthodox who constitute by far the largest potential pool of day school students and for whom there is a distinctively greater possibility that tuition charges may well be a deterrent, if only because historically the non-Orthodox have shied away from Jewish day schools. For them, the supplementary school is usually a satisfactory option.

Logic (though not an infallible guide in human affairs) suggests that tuition is a disincentive for these Jews. Tuition is probably a stronger force in restricting day school attendance as the degree of religiosity becomes weaker. This proposition, which may be regarded as axiomatic, tells us little about specific outcomes in particular homes, schools and communities.

The Seattle Study

As far as we know, the subject has not been examined with precision. Reports from several communities—Denver, Seattle and Montreal, for example—indicate that tuition is an important but not exclusive consideration. A study commissioned by the Samis Foundation of Seattle, perhaps the best examination of the subject, shows that when tuition is lowered, enrollment goes up. These are among its salient findings, based on the responses of 531 families to a survey conducted in the Spring of 1995:

- Of the 419 families who currently do not have children in Jewish day schools, one-third are seriously considering enrolling their children in a Jewish day school.
- Parents believe the quality of the teaching staff is the most important factor in assessing a school. Also considered important are the quality and variety of secular offerings and the availability of a program for gifted students. Extracurricular offerings, physical facilities, and the nature of the student body were deemed much less important.
- The quality of a school's Jewish studies program is deemed important by those considering enrolling their children in a Jewish day school.

- Factors that would encourage parents to enroll their children in a Jewish day school include: opportunity to develop a positive Jewish identity [93%], quality of the school [88%], belief that day schools are important to Jewish identity [87%], opportunity to learn Hebrew [72%], and school safety [62%].
- Parents would prefer affordable tuition rates over the availability of scholarship funds.
- Among those considering Jewish day school for their children, nearly half would be willing to pay between $1000 and $3000 annually for a child's tuition; nearly one-third would be willing to pay $3000 to $5000; and less than 20% would be willing to pay over $5000.
- Lack of fluency in Hebrew is a barrier for some children wishing to enroll in Jewish day schools.

Clearly, a majority of families whose children are not presently enrolled in day school are not interested in a day school education. As the Samis Foundation reports, "a significant proportion of the population is strongly committed to congregational and communal religious schools." Among those who would consider a day school education, tuition charges are just one of several key considerations. The Samis Foundation is providing a hefty subsidy to the single Jewish high school in Seattle on the condition that tuition charges be reduced to $3,000 per student. This has resulted in that school's enrollment being increased in one year from 58 to 69 students.

Is Tuition a Disincentive

Some day school officials say that prospective parents who opt against day schools usually give tuition—and the unavailability of adequate scholarship assistance—as the reason.

Apart from the limited evidence already pointed to, day school enrollment patterns shed some light on the subject. In many communities and for many parents, pre-school is private schooling, either because at that grade level the public school option is not available or is limited or because social expectations impel parents toward sending their little Jacks and Jills up the hill to private schools. As indicated, day school enrollment is highest in pre-school and drops immediately for the first grade where there almost always is a reasonable tuition-free option. This pattern holds true even for Torah Umesorah/Orthodox schools, which is a bit surprising, until one takes into account the fact that especially where other alternatives are unavailable, Orthodox day schools always have enrolled a significant number of non-Orthodox students, with the proportion by far the highest at the pre-school level.

While additional study is required, we can suggest that the decision of non-Orthodox parents to enroll their children in a Jewish day school is dependent on an amalgam of factors, including their degree of religiosity, the strength of competing local public and private schools, communal attitudes toward a day school education and perceptions of the strength and character of the day school's educational program. Tuition interplays with these elements and, at times, it can be the determining factor. More often, it is not an independent variable which alone decides the outcome. Thus, we can more readily understand that the decision of so many marginally religious parents to remove their children from day school during or after the middle grades cannot be predicated only on tuition.

Scholarship Policy

Scholarship assistance is a significant aspect of tuition policy. Relative to other private schools, Jewish day schools are liberal in granting financial aid. As with tuition generally, there have been changes as financial realities have imposed restraints.

Yeshivas and day schools generally differ in their approach to scholarship assistance. The traditional attitude in yeshivas has been to look at scholarship assistance as an integral part of the scheme of religious Jewish education. In a way, this mirrored the unchallenged attitude that charitable contributions were part of the religious educational system. Aid was given without regard to budgetary calculations, so that families which were deemed to be deserving of help because of their size, unemployment or low income, death or catastrophic illness, divorce or some other compelling factor were routinely granted substantial reductions in tuition and, not infrequently, free tuition. The availability of aid was not affected by the number of students receiving assistance or by the impact on the school's financial situation.

Inevitably, scholarship assistance in yeshivas has been affected by financial constraints. As a rule, yeshivas continue to be liberal, even generous, and they shy away from the day school practice of establishing a scholarship pool to be allocated among families requir-

ing assistance. Substantial aid is still common and full scholarships continue to be available in cases of extreme need. However, if the family is poor because of its size or low income, the new attitude is to require a minimum tuition—$2,000 per child is a frequent figure—irrespective of the financial hardship that this imposes on many families.

The day school approach to financial aid is more systematic and professional, adhering to the approach that is applicable generally in the field of education. Applicants are asked to fill out standardized financial aid forms which require precise personal financial information, including copies of tax returns, and a tuition committee is given a figure for the aggregate amount of aid that it can distribute. As a rule, assistance is quite limited, except in extraordinary situations akin to those noted in the discussion of yeshivas, as well as for new Americans, such as Russian Jewish students.

Parental Complaints

While these procedures are understandable, complaints are heard regularly from parents who feel that they have been mistreated. These relate more to the process employed by schools and tuition committees than to the substance of the decisions which emerge from the process. Parents say that they have been humiliated when they applied for assistance and sometimes offer their experience as the reason, indeed the justification, for their deciding against, or at times withdrawing their children from, day school.

Whether or not these complaints are justified, less affluent parents may not want to face the financial sacrifice and hardship of the day school, knowing that tuition-free public school education is theirs for the asking. For them, the absence of abundant scholarship assistance is a further disincentive to a day school education.

It needs to be underscored that day schools are in the main small institutions subject to the social and psychological imperatives inherent in such settings. The effort to achieve standardized formality in tuition and scholarship matters is frequently defeated by the antithetical tendency toward informality which exists in most small institutions. Parents have a greater capacity to bring pressure to bear because of this and they are frequently abetted by parallel pressure brought by rabbis, community leaders and other parents who voice their support for parents who are seeking tuition reduction. Also, day school officials, both administrative and lay, are usually good people who sincerely believe that Jewish children belong in a Jewish day school and that they should not suffer because of parental stubbornness or financial limitations. The result is that many parents end up having their way.

Finally this: As economic forces drive up the cost of day school education, there is almost certainly a correlation between this form of education and socio-economic status, much in the same way that there is a correlation between other private education and socio-economic status. This does not mean that people who aren't affluent are excluded from the world of Jewish day schools. As we know, Judaic commitment is the primary determining factor of parental choice. But it may be that as day school education becomes a real option for Jews of marginal religiosity, as with much else in organized Jewish life, the people who are less affluent are more likely to turn away from Judaic involvement.

Raw information regarding day school tuition schedules is provided according to grade level in **Chart 3** (*next page*). The number of schools listed for each grade level constitutes the totality of day schools which have a specific tuition charge for these grades.

Several patterns emerge: Day schools do not have a uniform tuition schedule. They calibrate their charges according to grade level, which is to say to the cost of what they are providing. In pre-school and kindergarten, educational costs are relatively low, as are tuition charges. In our survey, about half of the reporting institutions with a pre-school program for four-year olds charge below $3,500 and relatively few require tuition that is above $5,000. The schedule rises immediately and substantially for kindergarten (five-year olds). At that level, a tuition below $3,500 is reported by only one in six schools, with about 40% of the day schools grouped in the $3,500 to $4,999 range. A significant number charge above $5,000. In grades 1–8, a large share of the schools are included in the middle grouping of $4,500 to $5,999, with the data indicating that tuition charges rise for junior high school and high school.

One impression derived from this data is that tuition charges generally are on the low side, especially when we consider that these are private schools. It may be that around the country—and specifically outside of the

New York area—the tuition schedules at Jewish day schools are comparable to what private schools are asking in the same communities. Nonetheless, these tuition statistics reinforce the notion that the underfunding of Jewish day schools is built into the system.

What Do Parents Actually Pay

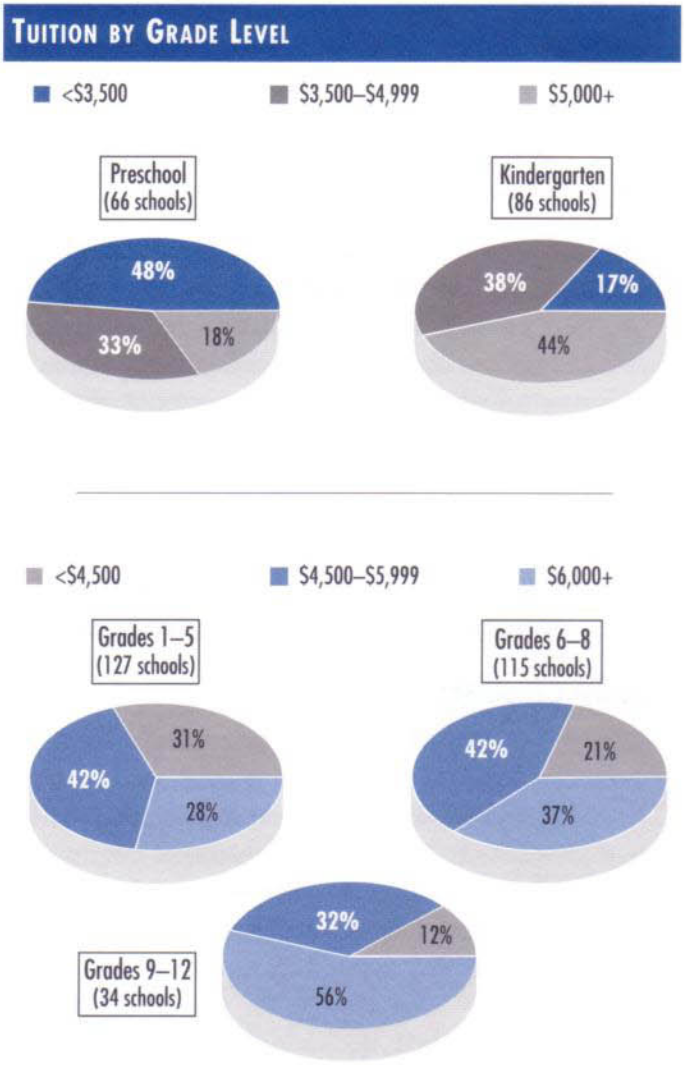
The raw data in **Chart 3** portrays only a limited picture of the relationship between tuition and a school's financial situation. The data does not indicate how tuition schedules relate to the average charge pegged to the number of students per grade. Of course, there is nary a clue as to what the parents in fact pay. Too great a reliance on the tuition schedules is likely to result in some distortion.

In an effort to get a fuller, hopefully more accurate, picture of tuition charges we have constructed what we term an "average tuition" model, it being a weighted tuition average that is arrived at by multiplying each school's enrollment per grade by its tuition charge for each grade. The sum is then divided by the school's total enrollment, with the product being designated as "average tuition." The ensuing data is included in **Chart 4**, which contains information presented in **Charts 1** and **2**, the purpose of the repetition is to establish a context for analysis.

There are limits to the reliability of the average tuition concept, yet it is evident that weighted averages give a more accurate picture of a school's tuition profile than the raw data derived from tuition schedules. Obviously, they do not convey information as to what parents actually pay.

The weighted tuition averages indicate that, by and large, what day schools set as their tuition is close to the actual cost of a day school education. Not unexpectedly, the greatest gap is for small schools of fewer than 150 students where the per capita cost is apt to be greater. Interestingly, the gap is greater for schools with 76–150 students than for the smallest institutions. Tuition charges at schools with more than 150 students are quite close to the actual per capita cost. As for affiliation, again not unexpectedly, for socio-economic reasons the gap between per student cost and the tuition averages is narrow for Solomon Schechter and Reform day schools. It is significantly wider, but still not too great, for the Community and Orthodox institutions.

Chart 3



This may be welcome news for officials at Federations, bureaus of Jewish education and day schools, as well as for some parents, contributors, and whoever else holds to the view that tuition charges should reflect the true cost of providing a day school education. Obviously, as suggested previously, tuition charges and tuition income are not the same thing, if only because of scholarship assistance, discounts for families with two or more students, recalcitrant parents who make tuition collection a war of the wills and other factors which reduce what schools actually take in from tuition. What is needed to complete the picture is a financial profile based on actual tuition income.

Supplementary Fees

This should be a simple exercise, but it is complicated by auxiliary mandatory charges which increasingly

constitute an important part of the income of most day schools. They have come up with an expanding array of supplementary fees and obligatory contributions, a development which is fascinating because it sheds light on the interplay between school and parents as the institution seeks to maximize what it can get from parents without increasing formal tuition charges too rapidly.

Supplementary charges are, of course, not new. There probably was a time when enrollment in a yeshiva entailed little more than parent(s) and child showing up at the office and being accepted after a quick interview and perhaps a form being filled out.

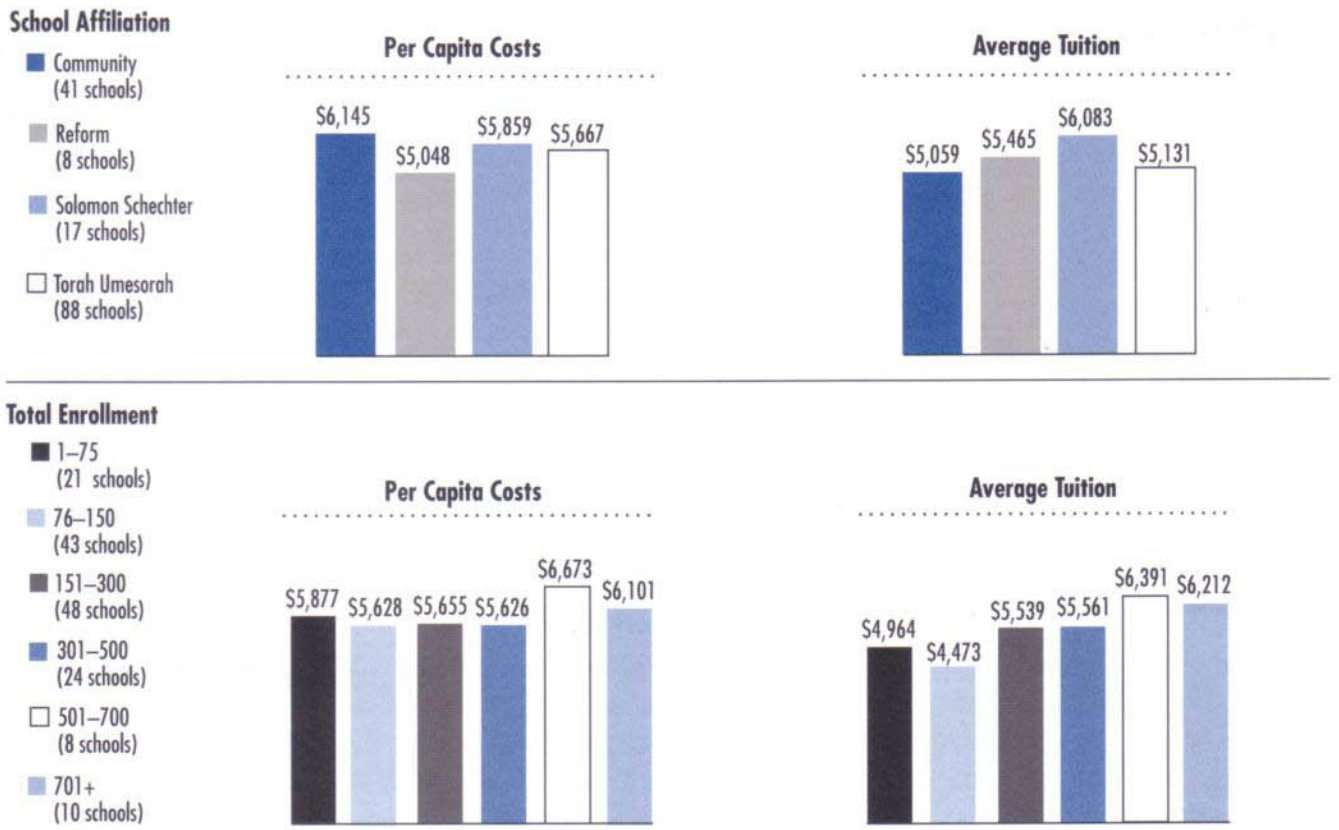
However, registration fees have long since become part of the standard operating procedure. These used to be minimum charges designed to cover administrative costs and perhaps also to dissuade parents from enrolling their children without a full commitment that when the school year opened their children would be in attendance. In recent years, registration charges have escalated—they can come to $250 or more per student—so that income from this source is today a significant item in the budget of most day schools. What is more, registration charges reduce parental maneuverability, for they are mandatory and outside of the scholarship process, are calculated per child and must be paid up front.

New Sources of Income

Again, as a way of holding down tuition increases without holding down income from parents, day schools have become creative, even bold, in imposing charges that straddle and probably obscure the boundary between tuition and fundraising. As a prime example, there is, for many institutions, the mandatory dinner contribution—typically calculated as the cost of two dinner reservations. These events are, of course, the primary fundraising vehicle for most day schools and many parents happily make voluntary contributions, at times significantly above the minimum, in honor of the occasion. The mandatory charges are directed at par-

Chart 4

Average Tuition and Per Capita Costs by School Affiliation and Size*



*Some of the data included in this chart is based on information received from fewer than the full complement of schools.

ents who do not, with the school regarding this charge as a "give or get" arrangement that allows parents to receive credit for what they fundraise from others.

Day schools with active building fund campaigns invariably impose a mandatory per family charge to support the activity, although it is not unusual for schools that are not in a building or expansion phase to obligate parents to pay a building fund fee, the idea or hope being that on some beautiful morning or enchanted evening there will be a campaign. More likely, the school has mortgage payments to meet or is simply in need of funds and this is a convenient way to generate income. In fact, income derived from building fund campaign charges often is not segregated in a special account but integrated into the school's general operating budget.

Of late, other income-producing schemes have been added to the repertoire, so that parents may be required to purchase coupons that can be used at supermarkets or retail establishments. Doubtlessly, as day schools learn from the experience of sister institutions or as school officials become even more creative, parents will be confronted with additional charges that are not called "tuition."

Calculating the Charges

If the effort to ascertain day school income from parents is complicated by the growing reliance on supplementary mandatory fees, the task is complicated further by the uneven way these fees are calculated and the impact they have on day school families. Tuition schedules tend to be straightforward or uniform, with modest reductions in some schools for a second child and perhaps greater reductions for three or more children. While the registration fee invariably is a per child charge, building fund and dinner fees are per family. Accordingly, the auxiliary fee schedule does not provide full information regarding how much the school may take in from this source, even if all of the supplementary obligations are being met in full and we know exactly how many students are enrolled in the school.

Table 4 provides information regarding mandatory fees, presented according to affiliation and school size. Because some schools which participated in the survey did not provide this information, the data covers fewer than our full complement of 154 day schools.

Table 4

Additional Fees by Affiliation and School Size*

	$0	$1–$500	$501–$1000	$1001–$1500	$1500+
Affiliation					
Community	7	20	5	1	4
Reform	0	7	0	0	0
Solomon Schechter	1	5	4	1	5
Torah Umesorah	9	35	17	10	10
Total	**17**	**67**	**26**	**12**	**19**
Enrollment					
1–75	3	14	2	0	0
76–150	7	22	8	2	2
151–300	3	19	7	8	8
301–500	3	6	5	1	6
501–700	0	2	2	0	2
700+	1	4	2	1	1
Total	**17**	**67**	**26**	**12**	**19**

*Some of the data included in this table is based on information received from fewer than the full complement of schools.

Caution should be exercised in relying on these statistics because of the blurred distinction, both in the minds of parents and the school, as to whether some of these fees should be regarded as contributions and fundraising income or income from parents. Still, we are confident that the data provides a generally accurate picture of a key element in day school financing and demonstrates the extent to which these schools are now relying on supplementary income.

Only a relatively small number of schools report that their fee schedule includes no mandatory charges other than tuition. It may be that in these instances, the registration fee is incorporated into the basic tuition charge. Nearly half or 47.5% of the institutions report supplementary fees in the $1–$500 range. Somewhat fewer or about 40% report fees above $500 and more than half of these or 22% of the day schools said that their supplementary charges were above $1,000.

Fees Add Up

This is a steep figure, as those who are familiar with supplementary charges at other educational institutions can readily appreciate. The tendency in private schools is to have a high tuition schedule and relatively minimal fees. The pattern appears to be reversed in most Jewish day schools, for tuition charges are relatively modest.

We might note parenthetically that both tuition and fees are exclusive of other outlays which in many instances add considerably to the cost of a day school education. These may include transportation, lunchroom charges, fees for trips, books and supplies and, in a small number of situations, room and board.

When **Table 4** data is analyzed by affiliation, an interesting pattern emerges. Nearly 20% of the community schools report no fee charges and about half of the 37 responses are in the below $500 range. All of the seven Reform day schools are in this latter category. As for Solomon Schechter schools, there is a rather even distribution among the five fee categories. The Orthodox, however, clearly tend to rely the most heavily on mandatory fees. About half of the Torah Umesorah schools which require supplementary fee payments charge above $500 and 20 of these—more than 50%—exceed $1,000. This is a significant finding regarding Orthodox day schools, the indication being that while the tuition schedules are on the low side, they rely quite a bit on fees to generate additional income from parents.

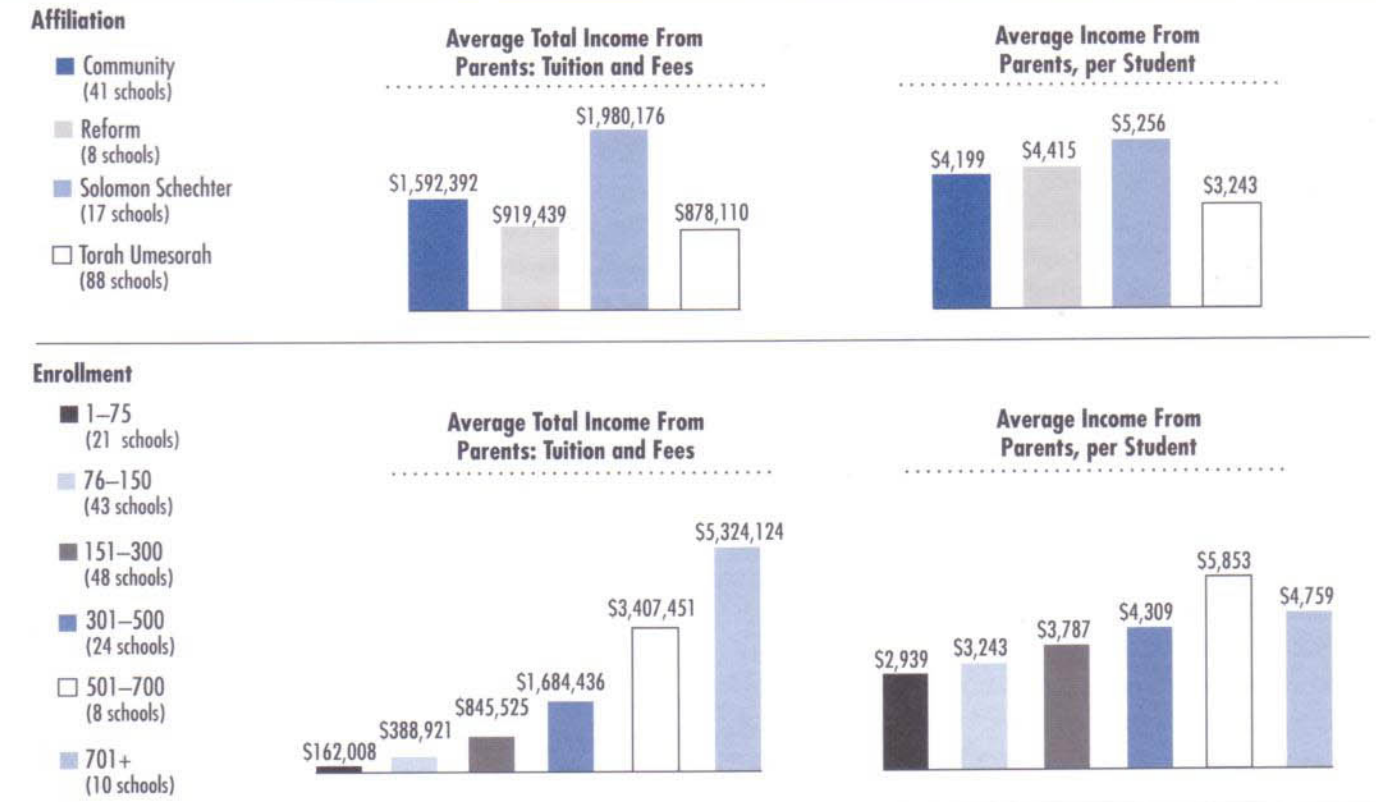
As for school size, it appears that small day schools of up to 150 students fall toward the lower end of the fee range, while larger day schools rely more heavily on mandatory fees. It may be that the latter have greater leverage with their parents. Of the 36 schools which enroll more than 300 students, 20 require mandatory fees in excess of $500. A similar pattern is found in day schools in the intermediate enrollment range of 151–300 students. Twenty-three of the 45 reporting schools in this enrollment category charge more than $500 and 16 charge more than $1,000.

The day schools were not asked to report tuition and supplementary fee income separately, the reason being that it is a sufficient task to get them to disclose their total income from parental charges. Besides, the tendency in many day schools is, as indicated, to combine all mandatory income from parents in a single category.

Chart 5 provides basic information regarding income from parents, first by school affiliation and then according to size.

Chart 5

Income From Tuition and Mandatory Fees by School Affiliation and Size*



*Some of the data included in this chart is based on information received from fewer than the full complement of schools.

Tuition Income and Budgets

Without reference to school budgets or the per capita cost of providing a day school education, these figures convey on their face a pattern of surprisingly, perhaps shockingly, low day school income from parents. In view of the financial needs of day schools and their efforts to generate significantly higher income from tuition and fees, the expectation was for greater income from parents. Whether calculated according to affiliation or size, the data discloses that a large proportion of American Jewish day schools receive far less from their parent body than what it takes to provide a day school education, even as we have underscored that this form of private education is greatly underfunded.

The picture becomes even starker when tuition and fee income is analyzed in the context of day school tuition schedules and per student costs. This is done in **Table 5**, again first according to affiliation and then by enrollment. It should be noted once more that "average tuition" is the weighted model we are utilizing in this study to arrive at the average tuition charged by the participating day schools.

Income From Parents

In no single category, whether by affiliation or enrollment, is the average per capita income derived from tuition and fees as high as 90% of the schools' budgets. The high water mark, which is defined here as three-fourths or more of the budget being covered by income from parents, is attained in Reform and Solomon Schechter day schools, which is not surprising in view of the relatively high socio-economic profile of their parents and the widely accepted attitude within these schools that they are a form of private education, with parents who benefit from the service obligated to pay for it.

When tuition and fee income are examined from the perspective of school enrollment, a clear pattern emerges: The percentage of the budget that is covered by parental charges increases as enrollment increases. In the smaller schools, only half of the budget is met by tuition and fees, while in the larger schools of more than 300 students, the benchmark figure of 75% is clearly attained. However, these schools comprise fewer than 30% of the day schools.

The larger schools tend to be stronger institutions and, as previously indicated, they are more able to insist on full tuition or something close to it from most parents. The small schools can ill afford to turn away parents/students on tuition grounds, if only because they need all the students they can get to ensure a more viable enrollment base.

For a large majority of Jewish day schools, income from parents covers two-thirds or less of the already underfunded budgets. The two-thirds figure is achieved for Community day schools, as well as for schools in the intermediate enrollment range of 151–300 students. For the 64 or about 40% of the day schools with enrollments of under 150, tuition and fees cover about 55% of the budgets.

Orthodox Schools

In the 88 Orthodox day schools, which constitute more than half of the institutions surveyed, income from parents comes to less than 60% of school budgets. This last finding seems to be in line with the widely held assumption that Orthodox day schools are more liberal in granting financial aid and probably more lax or vulnerable in trying to collect tuition and fee commitments that have been agreed to. Because Orthodox institutions continue to dominate the day school landscape, a situation that is likely to continue indefinitely, the data regarding these schools is especially telling.

Although the day schools participating in the survey comprise only an estimated 45% of the schools outside of New York and 25% of all day schools, if New York's institutions were included, we are confident that the statistics in **Table 5** would reflect the overall day school pattern. Indeed, were we to hazard a guess, complete statistical data from all yeshivas and day schools would show that because most non-reporting schools outside of New York, as well as the New York institutions, are in the Chassidic and yeshiva world sectors of Orthodoxy, their income from parents is below—and often considerably below—the nearly 60% level of support indicated for the Orthodox schools covered by the survey.

When we reflect on **Chart 5** and **Table 5** in light of what we believe to be generally true of day school finances, certain distinctive patterns emerge. If day schools have acted to enhance their income from parents by increasing tuition, limiting scholarship assistance and imposing mandatory fees, it seems that they are not successful in getting the results which they need from a substantial proportion of their parent body. It

Table 5

Day School Budgets: Per Capita Costs, Tuition Schedules and Income From Parents by School Affiliation and Size*

	Number of Schools	Budget Per Capita	Average Tuition	Tuition and Fees	
				Average Per Capita Income	% of Budget Covered
Affiliation					
Community	41	$6,145	$5,059	$4,199	68.3%
Reform	8	5,048	5,465	4,415	87.5
Solomon Schechter	17	5,859	6,083	5,256	89.7
Torah Umesorah	88	5,667	5,131	3,243	57.2
Enrollment					
1–75	21	$5,877	$4,964	$2,939	50.0%
76–150	43	5,628	4,473	3,243	57.6
151–300	48	5,655	5,539	3,787	67.0
301–500	24	5,626	5,561	4,309	76.6
501–700	8	6,673	6,391	5,853	87.7
701+	10	6,101	6,212	4,759	78.0

*Some of the data included in this table is based on information received from fewer than the full complement of schools.

would appear that in many schools, again notably the Orthodox, a minority—at times, a relatively small minority—of parents pay full tuition.

Implications of Low Tuition Income

In conceptual terms, this is not entirely surprising in view of the financial realities confronting most yeshivas which were described earlier. What is surprising is the extent to which low tuition and fee income prevails within Orthodox schools. We know from **Table 4** data that these schools are clearly on the high side in imposing mandatory supplementary fees. They have acted to bypass their limitations on the tuition front by mandating auxiliary fees. Yet, the impact of fee income on overall income from parents does not seem to be so pronounced. Also, we can hypothesize that if fee income were excluded from the per capita income calculations in **Table 5**, the average per student tuition payments in Orthodox day schools probably would amount to not much more than $2,500.

Because earlier data is not available—this being the first comprehensive study of day school finances—there is no way to compare current income from parents with data from previous years. It may be that while day schools, especially the Orthodox, appear to be doing poorly in getting parents to pay for the education being provided to their children, they are doing relatively better than before. Put otherwise, Orthodox day schools may have a lot of catching up to do and this inevitably is a process that extends over years. Still, in budgetary terms, it can hardly be said that day schools and especially the Orthodox are now doing well on this front.

Much the same can be said about income from day schools which enroll fewer than 300 students. Putting aside the percentage of the budgets of these schools which is covered by tuition fees—and we should expect it to be low in view of the small enrollment base of these schools—what parents seem to be paying in plain dollar terms appears to be surprisingly low. We would have expected the average tuition and fee income per student in these day schools to be above $2,939 for the small schools and $3,787 for the intermediate schools which enroll 151–300 students. After all, these statistics, as well as all of the data regarding average tuition and fee income, take into account the payments by parents who meet the full obligations listed in the tuition and fee schedules.

In short, these statistics suggest that a large number of day school parents continue to pay low tuition, despite the effort of day schools to alter the pattern. ■

Fundraising

THERE IS A CONSIDERABLE GAP BETWEEN DAY school income from tuition and fees and what it costs to provide the dual educational program that is essential to their mission. In Orthodox schools, this gap amounts, on the average, to more than forty percent of the budget. It must be bridged somehow if schools are to continue to operate.

The issue is not one of underfunding, but of expenses incurred which must be paid. There is perhaps a relationship between the income shortfall and underfunding, in that day schools cut back on all kinds of needed expenditures—maintenance and repairs, office help and supplies, special teachers and substitute teachers, educational material and much else—because they know just how far they can stretch the budget beyond what is readily available from tuition and fees. Quite rationally, their budgets are constructed in accordance with anticipated income.

It can accordingly be hypothesized that the extent of underfunding is greatest in Orthodox schools where the dual education program is most costly and where the shortfall from parental payments is most pronounced. Next in underfunding are the Community schools, many of which have what may be termed an Orthodox-style dual education program.

The Budget Gap

Day schools have limited options as they seek to bridge the budgetary gap. Given the powerful strictures regarding separation of church and state, governmental funding is currently unavailable except in New York and select other locations, and there, too, only to a limited extent. This may change if the advocates of school vouchers have their way and if the arrangement can pass constitutional muster. As yet, vouchers are not available to pay day school bills. Should they ever be extended to parochial schools, a new set of dynamics or tug of war between parents and schools over tuition will likely be set into motion.

To complete the picture, the schools that benefit from significant public funding generally are able to do so through their pre-school program or some other entry point on the educational landscape which provides for students with special needs or those from poor homes. Nearly all such schools are Orthodox, a result which obtains in some measure from reduced qualms in this sector about the separation doctrine. More important, there is a far greater willingness on the part of the Orthodox to fish in political waters.

If public funds are unavailable, what remains to help pay the bills is philanthropic support and, more broadly, fundraising. This isn't a new experience. As was suggested earlier, Jewish educational institutions and especially yeshivas have long enjoyed priority status as a recipient of charitable funds. Not too long ago, these were the main source of income for Jewish religious schools. What has changed is that tuition and fees now account for most of the budget, with fundraising and philanthropy being the junior, albeit desperately needed, partner.

With whatever degree of sophistication or organization they can muster, all but a few day schools try to induce people to contribute to their cause. There are holiday mailings, raffles, occasional appeals, special events, telephone solicitations, visits to prospective large givers and, most essentially, dinners as part of the fundraising arsenal of day school officials, lay and professional, who know that their school's financial health may well depend on their efforts.

The Annual Dinner

Of the many fundraising techniques, the annual dinner appears to be the most ubiquitous, maybe because dinners have become part of the ritual of organized American Jewish life. These events often do well enough to provide much of the added financial backing that is needed to eliminate the budgetary gap. But at times dinners are exercises in futility, primarily because of weak honorees or an inadequate effort.

Whatever the outcome of dinners—and for day schools far more are successful than not, if only because

of the mandatory charge levied on parents—they demonstrate the growing practice of making parents responsible for day school finances. While many parents may not pay what is regarded as a fair share in tuition fees, overall and in one fashion or another, the parent body accounts for almost all of day school income. Through the mandatory dinner charges, additional voluntary contributions and what they solicit from others, the dinners have emerged as parent-centered events. Understandably, much of the dinner income results from the giving and efforts of the more affluent parents who are already paying their fair share. Just the same, when parental fundraising is taken into account, day school balance sheets consist, in large measure, of parental giving and getting to a larger extent than is indicated by a reckoning of tuition and fee income.

Impressive Results

The statistics of day school fundraising appear to be impressive. For all school categories, whether by affiliation or enrollment, more than half of the income shortfall is bridged by contributions and, in some, it is virtually eliminated. Orthodox day schools do especially well, outperforming other schools by nearly two to one in per capita fundraising. Day schools which enroll fewer than 300 students also perform strongly in this regard. In some categories, particularly the smaller schools (1 to 75 students) and the Orthodox institutions, the per capita income from fundraising is absolutely remarkable.

While we have not tried to extrapolate what these figures might mean if they were projected across the entirety of American Jewish day schools, it is a safe estimate that charitable gifts to the 600 or more day schools approach the $250 million mark annually and may exceed it. This is apart from fundraising for capital expenses, as well as for special needs and situations, such as start-up costs.

The fundraising accomplishments of day schools add to the already substantial doubt about the reliability of estimates of American Jewish philanthropy. They are on the very low side and wildly inaccurate, as they fail to factor in the richness and breadth of American Jewish organizational and institutional life, including the day school sector. It may be, at least in the case of day schools, that since the charitable contributions mainly have parental fingerprints on them, they are not regarded as philanthropy.

The data in **Table 6** clearly shows that schools which need to raise money to get by, notably those which are Orthodox or small, do so, while institutions which can essentially rely on income from parents generate far less through fundraising. What is suggested by this is a

Table 6

Day School Fundraising by School Affiliation and Size*

	Average Fundraising			% of Budget	
	Number of Schools	Income	Per Capita	Covered by Fundraising	From Tuition, Fees and Fundraising
Affiliation					
Community	41	$174,010	$908	14.8%	83.1%
Reform	8	101,406	815	16.2	103.7
Solomon Schechter	17	155,667	501	8.6	98.3
Torah Umesorah	88	321,745	1,675	29.6	86.8
Enrollment					
1–75	21	$107,407	$1,948	33.1%	83.1%
76–150	43	179,043	1,552	27.6	85.2
151–300	48	243,386	1,141	20.2	87.2
301–500	24	294,509	800	14.2	90.8
501–700	8	311,438	532	8.0	95.7
701+	10	758,968	840	13.8	91.8

*Some of the data included in this table is based on information received from fewer than the full complement of schools.

This pattern of fundraising can result in financial instability. When so much depends on charitable gifts, a downturn in contributions has serious consequences for a school's program, in the same way that reduced enrollment can wreak havoc with a school. It is not uncommon for day schools to cut back in mid-year because they haven't raised sufficient funds to close the budgetary gap.

Endowments

Instability in fundraising could be offset by endowments, as it is in many major cultural and educational institutions. The catch, of course, is that few yeshivas or day schools have endowments of a sufficient magnitude for the income to make much of a difference. While we did not ask day schools to indicate whether they had endowment funds—if they responded affirmatively, it was highly unlikely that they would disclose the size of their holdings—we believe that within the day school world, meaningful endowments are currently the exception and not the rule.

Many day schools may live too close to a hand-to-mouth existence to have the luxury of an endowment fund. Furthermore, some day school offices may not yet have conceived of the possibility of the approach. If they would focus a bit on the idea, many would find that implementation is not all that formidable. This vital subject is somewhat outside of the purview of this report. However, any serious effort to improve the financial lot of day schools by confronting the problems that result from underfunding, must give high priority to the promotion of the idea of endowment funds within the day school world. ■

Federation Support of Day Schools

THIS REPORT—AND, INDEED, THE STUDY from which it is derived—began as an exploration of the role of Federations in day schools. As is obvious, much attention has been devoted to the broader picture of day school finances, so that it may seem that, after all, the Federation role is of minor consequence. Such a conclusion might be buttressed by **Table 6** data which shows that for all day school categories, no less than five-sixths of the budget is covered by what parents pay and income from fundraising. For many schools, the figure is nearly 90% or higher. Under these circumstances, how important can Federations be in the economic profile and planning of day school education?

In fact, the Federation role may be decisive.

For openers, ten percent (or certainly more) of a school's budget is not an inconsequential figure. In general, on the income side, day school budgets are made up of many items, most of which are recurring or more or less automatic, so that school officials can readily estimate how much will be taken in from these sources. When these officials speak of a deficit and of the difficulty they have in meeting their obligations, essentially they are referring to a relatively small proportion of the budget. This small proportion, which always amounts to less than 20% of the whole, can help to stabilize or to upset the institutional budget. Put simply, if a day school has a budget of $1 million, the people who are responsible for the institution's management rarely have to fret over more than ten percent or $100,000. If the needed funds come from a single source—for example, Federation—the school's income matches its outlays and, to boot, this has been accomplished without an inordinate expenditure of time and other scarce resources.

Federations Make a Difference

Beyond this, Federation support goes to the heart of the issue of educational underfunding, which we believe to be perhaps the most critical element in day school finances and a major factor in reducing the attractiveness of these institutions to marginally religious parents. Federation allocations can do more than plug budgetary holes; they can provide for programmatic expansion, the upgrading of facilities and other enhancements which make these institutions more suitable to the middle class or upper-middle class comparison shoppers who are their prospective parents.

Finally—and without minimizing the need for their financial participation—Federations are, as described earlier in this report, barometers for trends in Jewish philanthropy. Accordingly, their role is powerfully symbolic. When they downplay day schools, as they did for so long, they are sending a message to the organized Jewish community and particularly to its philanthropic sector that, at best, day school education is one more item on a long list of activities and institutions with hat in hand seeking alms from Federations and donors. However, when Federation increases its funding or contributes generously, the message being sent out is that meaningful religious Jewish education has achieved status and legitimacy in American Jewish life.

Types of Federation Support

The data in this report is from the 1995–96 school year, about a half-decade after the 1990 NJPS set off alarms about American Jewry. This is perhaps not much more than a blink of an eye in the eternity of the Jewish people, but it probably is a sufficient period to gauge whether the sad statistics of intermarriage and advanced assimilation, as well as the corollary evidence of the relative effectiveness of day schools, has generated increased support by the organized Jewish community for this form of education.

Exactly one out of seven or twenty-two of the 154 participating schools indicate that they receive no support from Federation. This is a surprisingly large number, yet perhaps not too much should not be made of it, since there are circumstances which account for much of this neglect. A number of these schools are located in areas served by small and weak Federations. This is especially the case of Rockland County in New York, which is blessed by an abundance of yeshivas. Another factor is that several of the twenty-two institutions were established fairly recently, so they have not been in operation long enough to qualify for a Federation allocation. Others are Orthodox high schools which primarily educate students who live outside of the Federation area.

This leaves 132 schools which receive Federation support. In order to get a full picture of the nature and extent of this assistance, we divided Federation allocations into two broad categories—"Direct" and "Indirect"—and then further subdivided each category into specific activities and projects. Direct assistance includes all funds which go from the Federation into the school's accounts, while indirect assistance refers to funds which go directly to faculty, students or some other project, but not into the school's accounts. In the former situation, there is a direct impact on the day school budget, while in the latter, the school may be regarded as a beneficiary although it does not receive a Federation grant.

Basic Grants

Clearly, the primary form of Federation allocations is the basic grant, essentially an annual subvention received by the school from Federation. Whether it is calculated according to enrollment or, more likely, simply a reflection of what Federation decides to give the school as it distributes available funds to agencies within its service area, the basic grant is direct assistance whose purpose is to help the recipient institution meet its financial obligations. It is not targeted toward specific activities and generally does not come with any programmatic strings attached, although the Federation may insist on certain administrative benchmarks relating to record-keeping, tuition charges, scholarship assistance and perhaps even fundraising.

As **Table 7** shows, all but eleven of the 132 day schools which received direct Federation support were given basic grants by their local Federations. Furthermore, for about 40 percent of the recipient institutions, the basic grant came to more than $100,000. On its face, this appears to be a high, even impressive, figure, although it does not take into account school size or other factors which may help determine the impact of the grant on a school's financial situation.

Table 7 also provides information on specific day school activities which received direct support. The expectation had been for more widespread and more substantial Federation assistance, primarily in view of the attention given in recent years to some of these activities, notably family education, outreach and conti-

Table 7

Direct Federation Support of Day Schools

Type of Support

	$0	$1–$9,999	$10,000–$24,999	$25,000–$49,999	$50,000–$99,999	$100,000+
Basic Grant/Allocation	11	6	15	16	30	54
	$0	**$1–$999**	**$1,000–$2,499**	**$2,500–$4,999**	**$5,000–$9,999**	**$10,000+**
Capital/Building Fund	128	1	0	0	0	3
Scholarship Assistance	112	0	2	4	2	12
Family Education	127	2	1	1	1	0
Outreach & Continuity	122	0	0	2	3	5
Russian & Special Students	77	1	10	3	7	34
Other	122	0	1	0	0	9

nuity. Fewer than a handful of day schools received any capital or building fund support, although for two of the schools which did, the level of assistance was extremely high. Also, there were several instances in which Federations allowed day schools to use their facilities without a rental charge.

As noted, the data relating to family assistance and continuity grants fell far below our expectations. Apart from the importance attached to these activities in contemporary Jewish life, it was our impression that more than a few day schools sponsored projects of this sort. Yet, 127 of the schools said that they had not received family education grants and 122 indicated that they did not receive outreach or continuity grants. We should note, as well, that for the small number of schools which received Federation support in these areas, the size of the grants was quite small.

The degree of support picks up for scholarship assistance, with twenty day schools reporting Federation grants for this purpose. There may be some overlap between scholarship assistance and the basic grant, since the latter may be expected to do double duty as both a deficit-reducing measure and as a way of encouraging the day school to provide assistance to needy students.

In only the grants for Russian and other special students category was the number of beneficiary institutions substantial. Fifty-five day schools said that they have received this form of assistance; for more than 60% of these schools, the grant level was above $10,000 per school. These statistics are in line with the powerful impulse that arose in American Jewish life in the 1980's to take special steps to assist Russian Jews, including measures which encouraged their greater Judaic involvement and commitment.

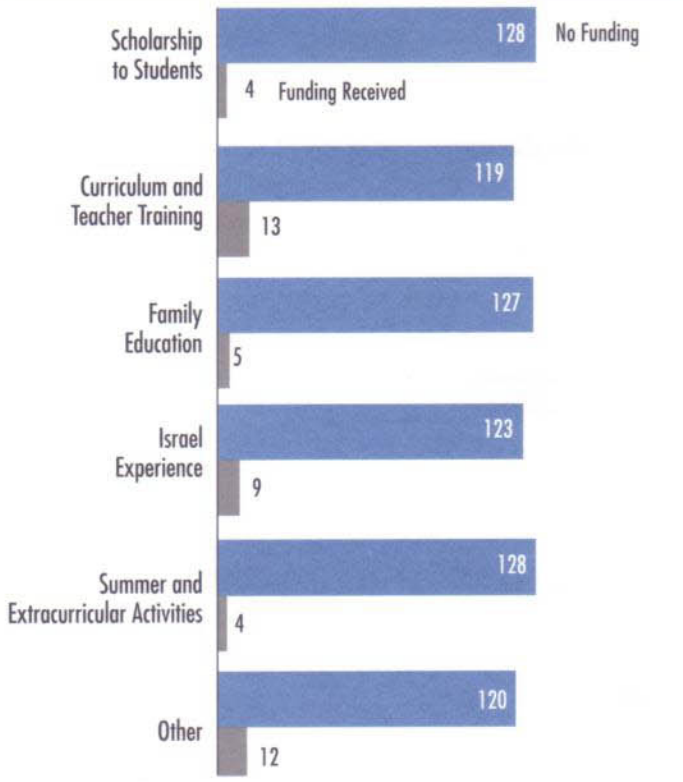
It may also be, however, that this category includes Federation support to some schools to provide special educational services for other groupings of students, such as those who are in need of remediation.

Indirect Support

Chart 6 provides information regarding indirect Federation support to day schools. As with the subcategories of direct support, the **Chart 6** figures are quite surprising. There may be an issue about the reliability of this data. While there is no reason to believe

Chart 6

INDIRECT FEDERATION SUPPORT OF DAY SCHOOLS



that any day school has underreported the assistance it receives from Federation, in the case of indirect support, day school officials may not be aware of some of the indirect benefits being provided by Federation through grants to faculty or students or some outside activity which the day school benefits from, such as curriculum preparation.

As it is, the data we have suggests that Federation involvement in day school education through auxiliary activities such as Israel experiences (presumably including the March of the Living), summer camping and family education is minimal. There is a slightly higher level of involvement regarding curriculum and teacher training. In this last category, however, the degree of surprise over the data is especially great, for these are services that have long been offered by local boards of Jewish education as an aspect of the allocations which they receive from Federation. It may well be that day school officials do not identify these activities as in any way emanating from Federation, even though the funds come from that source.

Table 8

Federation Support of Day Schools by School Category*

School Category	No. of Schools	Support Per School (incl. 0's) Avg. Fed	Support Per School Avg. Fed.	Support Per Capita (incl. 0's) Avg. Fed	Support Per Capita Avg. Fed.	% of Budget (incl. 0's) Avg. Fed.	% of Budget Avg. Fed.
Affiliation							
Community	41	$229,357	$241,119	$851	$895	13.8%	14.5%
Reform	8	23,027	36,844	139	222	2.8	4.4
Solomon Schechter	17	127,600	127,600	363	363	6.2	6.2
Torah Umesorah	88	125,795	162,798	418	541	7.4	9.5
Enrollment							
1–75	21	$14,491	$20,287	$300	$420	5.1%	7.1%
76–150	43	61,203	87,724	526	754	9.3	13.4
151–300	48	122,488	136,731	536	598	9.5	10.6
301–500	24	213,321	232,714	551	601	9.8	10.7
501–700	8	248,439	283,931	422	482	6.3	7.2
701+	10	675,929	675,929	596	596	9.8	9.8
No. of Schools							
1	39	$108,867	$121,309	$716	$797	13.4%	14.2%
2–4	33	132,453	145,698	554	609	11.4	12.6
5–10	31	196,883	210.461	473	506	7.0	7.5
11+	17	252,327	268,097	473	502	8.8	9.4
Age of School							
Pre-1984	114	$189,599	$213,575	$584	$679	10.7%	12.1%
1984–90	22	34,928	48,025	228	314	3.7	4.9
1991–	13	54,389	88,381	301	490	7.3	10.9
Grade Level							
N–8	113	$142,059	$163,802	$534	$616	10.2%	11.5%
N–12	25	217,995	286,835	478	629	9.2	11.7
7–12	3	270,328	270,328	939	939	10.5	10.5
9–12	12	28,346	52,643	159	296	13.3	2.2

*These points should be noted regarding the statistics in this table:

a) For all categories, "Federation Support" refers only to direct assistance.

b) Because some schools did not provide complete information, in certain categories the total number of schools is fewer than the full complement of 154.

c) In each calculation of Federation support, the first figure given is for all schools, including those which received no Federation support, which is indicated by "incl. 0's," and then the parallel figure is given for those schools which were assisted by Federation.

In both the direct and indirect categories of assistance, day schools were asked whether they have received any support from Federation other than that which is included in the sub-categories of **Table 7** and **Chart 6**. There were ten affirmative "other" responses for direct support and twelve for indirect support. There is no indication as to what the nature of this support might be.

Federation Trends

The outline presented so far of Federation support of day schools adds up to a partial profile of the subject. No regard is paid to such significant items as per student assistance or what portion of the day school budgets are met by Federation allocations. Nor is it possible to discern from **Table 7** and **Chart 6** trends in Federation assistance, whether, for example, the 1990's has been a period of stability in allocations or whether they have increased or decreased. These statistics also shed scant light on independent factors which may impact on Federation support patterns, including the denominational affiliation of day schools, their enrollment, how long they have operated or the number of day schools located within the Federation service area.

The questionnaire which we sent out asked for information on these variables and the results are presented in **Table 8**. For each factor, the assumption was that it

might determine the scope of Federation support. JESNA's survey had indicated that school size and the number of day schools in a Federation service area do affect the extent of per capita support. With respect to affiliation, we thought that it would be useful to see if it is a factor, although we had no reason to believe that this would be the case. This was also true of the hypothesis relating to the age of day schools, the point being that older schools might do better at the Federation till, if only because they had been around longer and may have gotten in on the ground floor.

Finally, we examined the grade level of schools to see whether institutions which go into the upper grades and therefore have greater expenses—and probably also greater deficits—fare better than those which do not.

The statistics in **Table 8** provide perhaps the fullest profile so far of Federation support of day schools.

Which Schools Are Supported

Community and Orthodox schools do appreciably better in garnering Federation support than their Conservative and Reform counterparts, which isn't surprising since they are far more likely to be in single-day school communities and also because they tend to be more aggressive in seeking communal philanthropic assistance. The low figures for Reform and Conservative institutions can be accounted for by their relative newness and perhaps also by their innate tendency to rely almost exclusively on tuition and fees to cover their operating budgets.

Overall, Community schools are the most favored by Federation, which is especially apparent when we examine the level of per capita support. When only those day schools which receive Federation aid are included in the calculations, per capita assistance is about 50% higher in Community schools than it is in the Orthodox. The disparity grows significantly when all schools, including those which receive no Federation support, are calculated, with the per capita level in Community schools being twice that of Orthodox day schools.

Apparently, the Community schools are favored because they are transdenominational and purport to serve the entire religious spectrum and perhaps also because they are more closely tied to the Federation network.

There is also a large disparity when Federation support is examined according to enrollment, with the smaller—but not the smallest—schools with 76 to 150 students doing better than all other day schools. The expectation that smaller schools are treated better by Federation arises from two somewhat linked considerations: First, their small size makes their financial situation more precarious and they are consequently considered more deserving of communal philanthropy via Federation; second, it is obviously less costly for Federations to allocate at a higher per capita level to smaller day schools.

The smallest schools may not fare as well because many are too new or, more likely, because with their enrollment concentrated in the pre-school, they are not regarded as particularly deserving of assistance. It may also be that because of their tiny size, Federation policy makers do not regard them as worthy of assistance.

The overall pattern of Federation assistance by school size disclosed in **Table 8** is generally in line with what JESNA found when it examined the same variable. The day schools with 76–150 students came out best, although the disparity between them and the other schools was narrower. All told, the extent of per capita support found by us is basically in line with JESNA's data. For the 164 schools included in its study, the per capita Federation allocation came to $530, which amounted to 12.3% of the school budgets. While our figures are a bit higher, this may result from increased support by Federation between 1992 and 1995, as well as from our inclusion of all forms of direct Federation support.

The category which accords most with the expected pattern is the number of day schools served by the Federation. There are obvious reasons why a single-day school Federation is likely to be substantially more generous than Federations which have two or more schools to assist. This expectation is supported by **Table 8** data. As for multi-school Federations, it appears that it makes little difference whether there are two day schools to serve or ten. This finding is also pretty much in line with what JESNA reported.

The Federation Pattern

If we regard the statistics relating to affiliation, enrollment and the number of day schools served by a Federation as reliable, at least to the extent that they

indicate a trend, the pattern that emerges can be described in this way: Community day schools are likely to enroll 76 to 150 students and also to be the only day school in their Federation service area.

We had expected the age of day schools to be a significant variable in determining the level of Federation assistance. This hypothesis is partly supported by **Table 8** findings, for pre-1984 schools do better than those established in the 1984–90 period. However, we cannot account for the relatively good showing of post-1990 schools.

Finally, indecisive is probably the best description to apply to grade level. While we had thought that the level of Federation support might rise with the grade level served by particular schools, the data seems to contradict this expectation. Admittedly, the issue is clouded by the exceptionally large number of day schools (113) which operate from pre-school through the middle grades up to the high school, as well as the fact that the large majority of high schools (70%) are attached to day schools. We wonder, just the same, whether Federations are sufficiently attuned to the educational needs and financial pressures of Jewish high schools.

The data on Federation support allows us to complete the profile of the income side of day school budgets, as is demonstrated by **Table 9**. Of course, the statistics relating to tuition and fees and fundraising income repeat data presented earlier in this report.

Income Shortfalls

It does not come as a surprise that many schools fall below their income goals or needs or occasionally take in more money than they spend. Budget preparation is not an exact science. At its best, the process is based on realistic estimates which rely on past performance and a strong grasp of ongoing commitments. This is true of the Federal government, as well as the diminishing number of households which continue to adhere to the goal of careful budgeting. Obviously, this is also true of day schools.

It seems from **Table 9** data that for most schools which experience them, income shortfalls are relatively slight. With the exception of the small institutions (1 to 150 students) and Torah Umesorah schools, they amount to no more than four percent of school budgets. Of course, there are always individual schools which have huge gaps after all ordinary sources of income are accounted for. But in the aggregate, budgetary deficits constitute a very small proportion of the budget. Presumably, the remaining gap is made up by delaying certain payments or through short term loans or by relying on past savings. Presumably, as well, there may be special income—bequests, for example, or endowment fund income—which is not reported as fundraising income that eliminates the deficit.

Table 9

Sources of Day School Income

	Number of Schools	% of Budget*			
		Tuition and Fees	Fundraising	Federation	Total
Affiliation					
Community	41	68.3%	14.8%	13.8%	96.9%
Reform	8	87.5	16.2	2.8	106.5
Solomon Schechter	17	89.7	8.6	6.2	104.5
Torah Umesorah	88	57.2	29.6	7.4	94.2
Enrollment					
1–75	21	50.0%	33.1%	5.1%	88.2%
76–150	43	57.6	27.6	9.3	94.5
151–300	48	67.0	20.2	9.5	96.7
301–500	24	76.6	14.2	9.8	100.6
501–700	8	87.7	8.0	6.3	102.0
701+	10	78.0	13.8	9.8	101.6

*These percentages are calculated by including day schools which report that they are receiving no Federation assistance.

In whatever fashion small schools close their budgetary deficits, they obviously operate under constant financial pressure, a condition that has unhappy consequences for their academic program and how they are perceived by prospective parents. Since 40% of all day schools are quite small, this is a major issue in contemporary Jewish education.

As for excess income over expenses, it is the rarer experience, although a review of the information received from day schools indicates that there are those which operate at what in the business world would be called a small profit. Excess income may allow for unplanned, yet needed, expenditures, such as for the purchase of equipment or building repairs. It may also be put into savings or endowments to provide for the rainy day which may come as early as the next school year.

Has Federation Support Increased

While the inclusion of information regarding Federation support just about completes the income side of the budgetary pie, what continues to be lacking is insight into trends of Federation giving to day schools. The past half-decade, after all, has witnessed the jolting revelations of the NJPS and its aftermath, as well as the corollary new enthusiasm for day school education in quarters where it was once denigrated. Nowadays, even those who remain skeptical of day schools recognize their value, their doubts largely arising from the view that it is unrealistic and inappropriate to place an inordinately large share of our education bets on day schools because for the large majority of American Jews who have experienced high dosages of assimilation, these schools continue to be off limits.

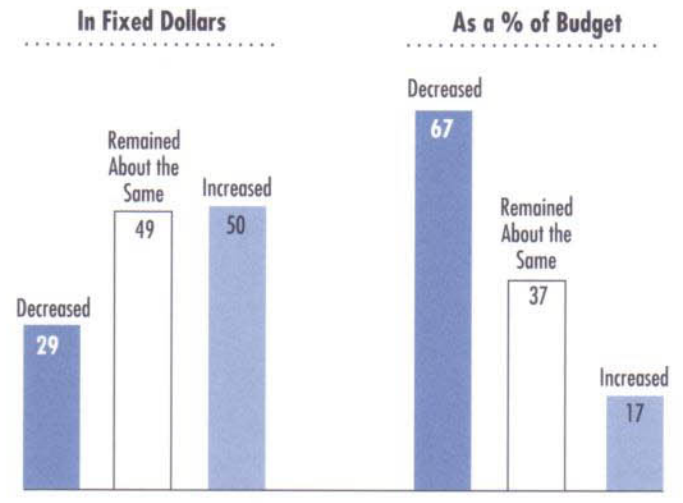
We might expect the new mood about day schools to be translated into increased Federation allocations. Indeed, it would be remarkable if the 1990's rhetoric about Jewish commitment and identity and the superiority of day school education was not reflected in the statistics of the distribution of funds to local institutions by Federations.

We asked day schools to indicate whether over the previous five years Federation support had increased, decreased or remained about the same, both in fixed dollars and as a percentage of the school budget. The relevant information is put in brief summary form in **Chart 7**. The responses refer only to schools which received Federation support and which also indicated the trend in Federation support.

These responses are broken down further in **Table 10** according to the three categories which seem relevant to Federation funding: 1) school affiliation; 2) enrollment; and, 3) the number of day schools served by the Federation.

Chart 7

TRENDS IN FEDERATION SUPPORT OF DAY SCHOOLS



A Mixed Bag

The data in **Chart 7** and **Table 10** is mixed, providing support for differing, even contradictory, interpretations of trends in Federation allocations. Thus, it is possible to read the fixed dollar statistics in **Chart 7** as showing a distinctive trend in the direction of increased funding, for nearly twice as many day schools report increased allocations over those which report decreases. However, by a wide margin of 78 to 50, the schools report that there was no increase in fixed dollars and more than twenty percent of the responding institutions indicate that they have experienced decreases. These statistics are crucial because they refer to fixed dollars and the trend covers the previous five years, which is the period that should have seen the full beneficial impact of the NJPS on Federation priorities and allocations.

As is to be expected, when Federation support is calculated as a percentage of the day school budget, relatively few schools report an increase. Yet, seventeen schools did, which at least means that for these institutions there was a strong determination on the part of Federation officials to do more for day schools.

Table 10

Trends in Federation Support By Day School Category

	In Fixed Dollars			As a % of Budget		
	Decrease	No Change	Increase	Decrease	No Change	Increase
Affiliation						
Community	10	18	10	19	12	3
Reform	0	2	4	1	4	1
Solomon Schechter	4	4	9	11	5	1
Torah Umesorah	15	25	27	36	16	12
Enrollment						
1–75	3	8	5	8	5	2
76–150	6	8	16	12	8	8
151–300	6	18	19	19	17	4
301–500	7	8	7	15	3	3
501–700	2	4	2	5	3	0
701+	5	3	1	8	1	0
Number of Day Schools						
1	5	16	16	16	10	6
2–4	4	15	14	17	10	5
5–10	10	9	13	21	10	1
11+	10	9	7	13	7	5

Furthermore, most of the thirty-seven schools which report that as a percentage of the budget their Federation allocations remained about the same, almost certainly received increased support, else their percentage calculation should have indicated a decrease.

However, overwhelmingly the trend is in the other direction, since a clear majority of day schools report that Federation support had decreased as a percentage of the budget.

We had best conclude that the trend is not yet entirely clear. It also may be well to refer back to the first section of this report where we discussed the possible obstacles to Federation funding of day schools. These include stagnation in Federation fundraising, competing priorities in education, continuity and outreach, and the inability of Federations to turn away from prior commitments. In addition, the growth in the number of day schools and in enrollment has restricted what Federation can do for recipient institutions, particularly on a per pupil basis.

The pattern disclosed in **Table 10** is, in the main, unclear or uneven, which is to say that there is no discernible pattern. In just about every category, there are schools which appear to have done well in the 1990's and other institutions which have done less well. There is one surprise, which concerns the trend reported by Community day schools. In view of the statistics included in **Table 9** indicating that fourteen percent of the budgets in the forty-one Community day schools was met by Federation allocations, it is remarkable to see that nineteen of these schools say that Federation support has declined as a percentage of the budget.

One final point about Federation: Apart from what we have said regarding the considerations which limit Federation support, it just may be that as a practical matter there really isn't much more that the Federation network can do to assist day schools through its ordinary distribution processes.

Federations, however, can assist day schools in the symbolic fashion that was outlined earlier, so that the larger philanthropic sector may look more favorably upon day schools. In addition, Federations can attempt to incorporate day schools into their special fundraising campaigns for capital purposes or for the establishment of endowments. ■

Conclusion

THE ESSENTIAL PURPOSE OF THIS REPORT was to examine the structure of day school finances. It has been our aim to present data and to allow the statistics to largely speak for themselves. There is, however, a theme which emerges in these pages and it is that day schools are, with relatively few exceptions, seriously underfunded. This truth cannot be news to people who work in day schools or who are responsible for day school financing. The challenge that faces all who care about day school education is to confront this issue, for unless it is confronted, most American Jews may never consider this form of education, and even when they do, will not elect it. Day schools will remain institutions that are praised in the abstract but ignored when parents actually choose where to educate their children. ■

A Note on the Statistics

THIS REPORT WAS PREPARED with the determination to get as accurate a picture of day school finances as can be achieved. The financial profile presented here is by far the most complete and broadest description of the subject. The statistics are internally consistent and they are consistent with what is known from other sources about day school operations. The effort which was made to achieve these ends was extensive. While we are confident that the financial profile in this report is on target, there are issues that deserve further discussion.

In an interesting and unexpected way, our effort at information-gathering from day schools evolved into part of the story we have to tell. Relying on lists from Orthodox, Conservative, Reform and Community school associations, we had calculated that there were as many as 400 day schools in the United States outside of the area served by the New York Federation. For several reasons, including inaccuracies on the lists and changes which occurred since they were compiled, our survey reached about 350 schools.

Responses were very slow in coming, which was also true of a pilot mailing to twenty well-established and relatively large day schools. The effort to generate responses to the survey extended over four months and encompassed additional mailings and contacts via fax and phone. We now know that a survey of Jewish day schools is labor intensive.

It is probably the case that in too many instances office staff or officials of these schools regard written requests for information as material that can and perhaps should be disregarded. However, we think that other factors explain why so often the effort to elicit responses became an exercise akin to pulling teeth.

With relatively few exceptions, Jewish day schools are small institutions and at times they are tiny. An enrollment of more than 300 is a fairly large-sized

school. As we underscore in the report, the small size of day schools has consequences for all kinds of things, the most serious of which are educational and the perception of prospective parents, but also in the burden put on the support staff. As a rule, even larger day schools or yeshivas are apt to be understaffed when their administrative structure is compared with public schools and comparably-sized private institutions.

The burden on the office staff is not proportionate to the size of the school, so that a day school with a low enrollment has, in key respects, administrative responsibilities and pressure equal to what is common in much larger institutions. As one illustration, day schools receive a considerable amount of mail (and nowadays faxes and e-mail), including requests for information about students, former students, faculty and other matters. Some of this comes from governmental agencies and must be responded to. For other paperwork, priorities are set, with educational, financial and administrative matters directly affecting a school's operations receiving attention All else, is likely to be on the back burner, if not neglected entirely, with the prospect of any attention being paid dependent on the staff finding the time and the will to do the work.

It is a safe bet that our questionnaire was not a welcome addition to the pile of paperwork confronting harried people. While our prodding resulted in a quite respectable response rate, in too many instances the documents which we received were prepared sloppily, even carelessly, a circumstance that required an additional effort on our part to collect accurate information.

Furthermore, our follow-up phone calls indicated that school officials may regard basic financial statistics, including budgets, tuition and fee schedules and income, and fundraising data as confidential. A significant number of schools did not provide all of the requested data, notably relating to their budget and fundraising efforts.

Where it was possible to extrapolate data from the information that had been provided, we were able to compensate for the omissions. For example, a rather significant number of schools did not indicate what their budget amounted to, we suspect because in too many instances the figure is not a set or precisely known amount but the end product of an ad hoc process in which schools spend whatever they manage to take in. School officials were more likely to indicate income derived from tuition and fees, fundraising and Federation support, which enabled us to calculate the approximate budget figure.

Follow-up calls filled in most, but not all, of the remaining gaps. In no category is the number of omissions as high as ten percent of the total. In those tables where the gaps directly affect the character of the data presented in this report, as for example in the number of schools that receive Federation assistance, the totals include only the schools that reported. In other tables, for the sake of consistency we give the full complement of schools in each category, although an asterisk indicates that not all schools reported. As one relevant example, there are tables which list forty-one Community schools—the total number of such schools participating in the survey—although, as the case may be, the data is derived from the slightly smaller number of schools which provided full information.

None of this shakes our confidence in the fundamental accuracy of the data presented in the report. Apart from questions which frequently arise in the compilation and presentation of statistical data, we wish to point out that inquiries about school finances—and especially about Jewish day school finances—are not quite like surveys which ask respondents to indicate their age, sex and other basic and readily coded information. We cannot claim that the financial data in this report is precise in the sense of statistical exactitude. We can claim substantial accuracy for the financial profile that has been presented in the preceding pages.

While the statistics have substantial independent utility, the sociological analysis which accompanies them adds importantly to the understanding of the data, as well as, of course, to a more meaningful appreciation of Jewish day schools. ■

Additional copies of this report may be purchased at $10 per copy through the Rabbi Jacob Joseph School, 350 Broadway, New York, New York 10013.

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THE FINANCING OF JEWISH DAY SCHOOLS

Marvin Schick and Jeremy Dauber

- THE AVERAGE PER CAPITA expenditures in Jewish day schools are well below comparable expenditures at private schools and about the same as they are in public schools which offer only a secular program.
- IN PERHAPS A MAJORITY of day schools, tuition income covers no more than half of the budget, so that substantial funds have to be raised from outside sources.
- FISCAL LIMITATIONS are overcome by the commitment of teachers, administrators, parents and students, indeed, by the total day school environment which makes the learning experience challenging and effective. It is a tribute to day school education that students appear to be strongly motivated and high achievers.

Commissioned by THE AVI CHAI FOUNDATION, *The Financing of Jewish Day Schools* is the first comprehensive study of a vital aspect of American Jewish education. It provides a statistical and sociological analysis of day school finances, including budgets, tuition, fundraising and the role of Federations. Because the Federations remain American Jewry's primary philanthropic source for the funding of communal services, their priorities are indicators of what is regarded as important in organized Jewish life.

Conducted by Marvin Schick and Jeremy Dauber, the study collected data for the 1995–96 school year from questionnaires returned by 154 day schools outside of the New York Federation area. New York is not a part of the study because the day schools and yeshivas within its Federation service area account for at least one-third of the national day school enrollment and their inclusion would have skewed the results.

The study calls attention to the severe underfunding of Jewish day schools. The average per capita expenditure in these schools, all of which provide a dual track curriculum encompassing separate Judaic and secular

Table 1

PER PUPIL EXPENDITURES IN PUBLIC, PRIVATE AND JEWISH ELEMENTARY AND SECONDARY SCHOOLS

Public Schools	
National Mean	$5,617
National Median	5,355
Selected States	
New Jersey	9,318
New York	8,700
Massachusetts	6,832
Pennsylvania	6,744
Florida	5,355
California	4,878
Private Schools	
Elementary Day Schools	$8,989
Elementary-Secondary Schools	10,316
Secondary Schools	11,588
Jewish Day Schools	
Affiliation	
Community	$6,145
Reform	5,048
Solomon Schechter	5,859
Torah Umesorah	5,667
Enrollment	
1–75	$5,877
76–150	5,628
151–300	5,655
301–500	5,626
501–700	6,673
700+	6,101

Sources: Public Schools—National Education Association; Private Schools—National Association of Independent Schools; Jewish Day Schools—Schick/Dauber Report

components and faculty, are well below comparable expenditures at private schools and about the same as they are in public schools which offer only a secular program. Almost every aspect of daily operations is affected by the underfunding of Jewish schools, including faculty salaries, extracurricular activities and the availability of electives and auxiliary course offerings for gifted and special students. As a consequence, too many Jewish parents have come to believe—we think erroneously—that their children would be better off in other schools, the benefits of a Jewish education notwithstanding.

Table 2

A Profile of Day School Tuition

	Budget Per Capita	Average Tuition Charges	Average Per Capita Income From Parents	Percentage of Budget Covered by Parents
Affiliation				
Community	$6,145	$5,059	$4,199	68.3%
Reform	5,048	5,465	4,415	87.5
Solomon Schechter	5,859	6,083	5,256	89.7
Torah Umesorah	5,667	5,131	3,243	57.2
Enrollment				
1–75	$5,877	$4,964	$2,939	50.0%
76–150	5,628	4,473	3,243	57.6
151–300	5,655	5,539	3,787	67.0
301–500	5,626	5,561	4,309	76.6
501–700	6,673	6,391	5,853	87.7
701+	6,101	6,212	4,759	78.0

Tuition

Although traditionally Jewish education has been regarded as a communal rather than a parental responsibility, fiscal realities have impelled nearly all day schools to turn to parents for the income they need to meet their budget. Nowadays, the lion's share of day school income comes from tuition and other mandatory charges imposed on parents.

In fact, another set of financial realities limit what many parents—especially from within the yeshiva world and Chassidic segments of Orthodoxy—are able to pay. Accordingly, schools must rely on other sources of income to cover their operating costs.

As a way of holding down tuition increases while increasing income from parents, day schools have become creative, even bold, in imposing additional mandatory charges that straddle and probably obscure the boundary between tuition and fundraising. As a prime example, there is for a clear majority of day schools, a mandatory dinner charge.

Schick and Dauber observe that the higher percentage of budget covered by Reform and Solomon Schechter schools may reflect their generally wealthier parent bodies as well as tighter scholarship policies. This, the authors suggest, reflects the view that Jewish education is a consumer product to be paid for by parents.

When tuition income is correlated with school size, it is apparent that in the smallest schools, with no more than 75 students, only half of

Table 3

Sources of Day School Income

	Number of Schools	% of Budget			
		Tuition and Fees	Fundraising	Federation	Total
Affiliation					
Community	41	68.3%	14.8%	13.8%	96.9%
Reform	8	87.5	16.2	2.8	106.5
Solomon Schechter	17	89.7	8.6	6.2	104.5
Torah Umesorah	88	57.2	29.6	7.4	94.2
Enrollment					
1–75	21	50.0%	33.1%	5.1%	88.2%
76–150	43	57.6	27.6	9.3	94.5
151–300	48	67.0	20.2	9.5	96.7
301–500	24	76.6	14.2	9.8	100.6
501–700	8	87.7	8.0	6.3	102.0
701+	10	78.0	13.8	9.8	101.6

Table 4

Federation Support of Day Schools by School Category*

School Category	No. of Schools	Support Per School (incl. 0's) Avg. Fed.	Support Per School Avg. Fed.	Support Per Capita (incl. 0's) Avg. Fed.	Support Per Capita Avg. Fed.	% of Budget (incl. 0's) Avg. Fed.	% of Budget Avg. Fed.
Affiliation							
Community	41	$229,357	$241,119	$851	$895	13.8%	14.5%
Reform	8	23,027	36,844	139	222	2.8	4.4
Solomon Schechter	17	127,600	127,600	363	363	6.2	6.2
Torah Umesorah	88	125,795	162,798	418	541	7.4	9.5
Enrollment							
1–75	21	$14,491	$20,287	$300	$420	5.1%	7.1%
76–150	43	61,203	87,724	526	754	9.3	13.4
151–300	48	122,488	136,731	536	598	9.5	10.6
301–500	24	213,321	232,714	551	601	9.8	10.7
501–700	8	248,439	283,931	422	482	6.3	7.2
701+	10	675,929	675,929	596	596	9.8	9.8
No. of Schools Served by Federation							
1	39	$108,867	$121,309	$716	$797	13.4%	14.2%
2–4	33	132,453	145,698	554	609	11.4	12.6
5–10	31	196,883	210,461	473	506	7.0	7.5
11+	17	252,327	268,097	473	502	8.8	9.4

*These points should be noted regarding the statistics in this table:
a) For all categories, "Federation Support" refers only to direct assistance.
b) Because some schools did not provide complete information, in certain categories the total number of schools is fewer than the full complement of 154.
c) In each calculation of Federation support, the first figure given is for all schools, including those which received no Federation support, which is indicated by "incl. 0's," and then the parallel figure is given for those schools which were assisted by Federation.

the budget is met by tuition fees, while in the schools of 300 or more students, at least 75% of the budget is covered by this source. These large schools, however, comprise fewer than 30% of the day schools.

The often considerable gap between the budget and payments from tuition fees is closed through fundraising and Federation allocations. By far, Orthodox schools raise the largest percentage from parents and the general community, both because their need is greatest and also because there is a tendency within this sector to view Jewish education as a communal responsibility.

Table 4 above provides a comprehensive picture of day school income from all sources.

Federation

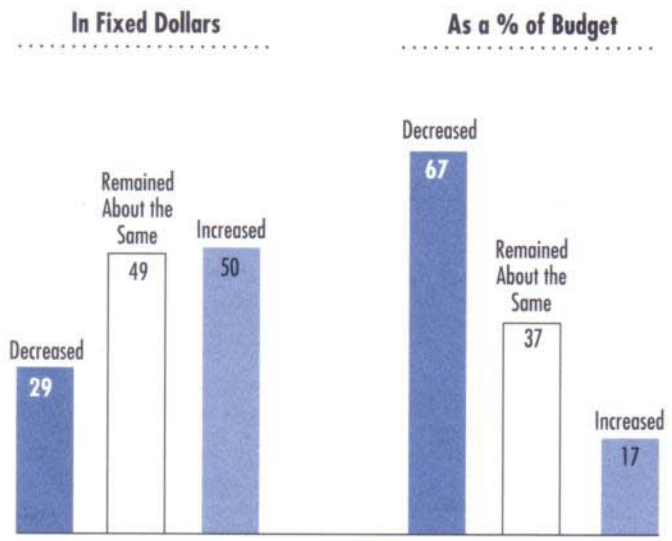
Federation support goes to the heart of the issue of educational underfunding which is the most critical element of day school finances and a major factor in reducing the attractiveness of these institutions to marginally religious parents. Federation allocations plug budgetary holes and they can also provide for programmatic expansion, the upgrading of facilities and other enhancements which make these institutions more suitable to the middle class or upper-middle class comparison shoppers who are their prospective parents.

The data in the report covers a half-decade after the 1990 National Jewish Population Survey set off alarms about American Jewry. One of the purposes of the study was to determine whether the sad statistics of intermarriage and advanced assimilation, as well as the corollary evidence of the relative effectiveness of day schools, generated increased support by the organized Jewish community for this form of education.

The statistics in Table 4 do not shed light on trends in Federation support. The study asked schools to

Table 5

TRENDS IN FEDERATION SUPPORT OF DAY SCHOOLS



indicate whether during the 1990's Federation allocations had increased, decreased or remained about the same both in fixed dollar terms and as a percentage of the school budget. The responses are indicated in Table 5.

While about 40% of the schools reported an increase in Federation funding over the previous five years when measured in absolute dollars, two-thirds of the schools reported that Federation funding had decreased when measured as a percentage of their budgets. In other words, Federation support has not kept pace with the rising costs of operating a day school. ■

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The full report, *The Financing of Jewish Day Schools*, may be purchased at $10 per copy through the Rabbi Jacob Joseph School, 350 Broadway, New York, New York 10013. Telephone (212) 334-9285 Fax (212) 334-9146