

# THE CHANGING ECONOMY AND ECONOMIC STATUS OF AMERICAN JEWS

## Implications for Jewish Vocational Service Agencies

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*Because of the overrepresentation of Jewish wage-earners in the professional, managerial, and technical occupational groups, the American Jewish community has been particularly vulnerable to the current recession. The demand from Jewish clients seeking career changes and employment services from Jewish vocational service agencies has doubled since late 1990. These agencies must strengthen their services to accommodate a new influx of clients who are sophisticated but nonetheless bewildered by the changes in the economy.*

Constituents of Jewish federations are surprisingly unaware of the budgets and scope of services performed by Jewish vocational services (JVS) agencies throughout the United States, Canada, and Israel. Among the 28 affiliates of the International Association of Jewish Vocational Services (IAJVS), there are five U.S. agencies with budgets between \$10–\$70 million and ten with budgets of \$3 million. The larger agencies provide a broad range of rehabilitation services for the physically and mentally disabled, special programs for the aged, residential services for the mentally impaired, vocational training programs, and substance abuse treatment, in addition to the traditional refugee services, job development, and counseling and placement functions provided by all JVS agencies.

Historically, JVSs were founded to enhance refugee resettlement and provide jobs for the handicapped and other socially and financially depressed groups of Jewish society. Because of inadequate funding from community sources, many JVS organizations found that, by accepting governmental grants and fees for services, they could enlarge their services and provide more comprehensive rehabilitation and training services to the Jewish, as well as the non-Jewish community. In other words,

more Jews could be served more adequately by expanding the scope of JVS agencies. However, counseling, career and college guidance, job development, and placement for Jewish young adults, as well as the mature Jewish client, are available primarily on a sectarian basis through federation support. Were it not for this federation participation, JVS agencies would be incapable of providing these essential services.

Since 1990, a strange phenomenon has been occurring among JVS agencies. In contrast to the traditional population that has been served in the past, board members and their children are approaching our agencies for career counseling and job assistance. This phenomenon can be attributed to the confluence of at least two factors: the continual restructuring from a manufacturing to a service economy and the current formidable recession, resulting in a loss of 4.5 million jobs, which has, for the first time, significantly affected white-collar and managerial employees.

As a result of the current recession, the demand from Jewish clients seeking career changes and employment services from JVS agencies has doubled since late 1990. What is particularly challenging is that a surprising number of these clients formerly earned between \$50,000 and \$150,000 per year.

The group includes managerial, technical, and professional people concentrated in the legal, accounting, and financial areas.

The JVS agencies' experience reflects the Bureau of Labor Statistics information on mass layoffs in the third quarter of 1991. These data show a relative decrease in manufacturing layoffs, but an increase in unemployment in the service sector, which tends to be the white-collar/Jewish group. These layoffs are occurring in states with large Jewish concentrations. Although unemployment increased between 1990 and 1991 by 22% in the United States as a whole, the increase was 37% for New York, 32% for New Jersey, 29% for Pennsylvania, 48% for Massachusetts, and 25% for Florida.

#### DEMOGRAPHIC TRENDS

The demographic findings of the 1990 National Jewish Population Survey (NJPS) enable us to understand why the Jewish community has been affected so strongly by the current recession. Trends in educational attainment, occupational distribution, earnings, and the changing occupational status of women are presented below. This analysis is based on the work of Dr. Barry Chiswick (1991) of Ohio State University.

The proportion of Jewish men who completed college increased from 24% in the early post-World War II period to 72% in the NJPS. In the same period, the percentage of non-Jewish men who completed college increased from 11% to 25%. For Jewish women, the increase during the same period was from 13% to 57%, compared with 7% to 19% for non-Jewish women. Therefore, Jews have always experienced a higher educational attainment level than the non-Jewish population, and the differential has increased over time.

In 1990 Jewish men had the following occupational distribution (Chiswick, 1991):

- Professional and technical—46%
- Managers (nonfarm)—16%, a decline from 45% in 1950

- Blue collar—9%, a decline from 24% in 1950
- Self-employed—31%

Approximately 75% of Jewish women between 25 and 44 years of age were in the workforce, which is almost three times as many in the same age group as worked in 1957. More than twice as many women between the ages of 35 and 44 are working now as did in 1957. These figures should dispel the "Jewish American Princess" myth, for only 74% of non-Jewish women between 25 and 44 were in the workforce. The implications for supportive day care, as well as training and employment services for this Jewish cohort, are significant.

Chiswick (1991) notes that the large proportion of self-employed men (31%) in part reflects the predominance of self-employed professionals. If only half of this group is added to the 46% who state that they hold professional and technical occupations, one can arrive at a figure of about two-thirds of Jewish men as professionals.

The mean Jewish household income reported by the NJPS was \$73,050, as contrasted with \$38,041 for white households in a 1989 census survey. Nevertheless, in the NJPS, 3% reported incomes less than \$12,500 a year, and 9% reported earning at least \$20,500 but less than \$30,000.

Of interest is Jewish religious identity among college and university teachers, who constitute 3.1% of those born and remaining Jewish, but 7.4% of those who have abandoned their Jewish identity and 2.2% of those who have converted to Judaism.

The number of employed individuals living in Jewish households is 3,875,000 persons, and there were more than 1.5 million two-earner households (Kosmin et al., 1991). This latter figure may account in part for the high mean Jewish household income noted above.

Jewish tradition has, in effect, guided many individuals in their educational and career choices. The American Jewish population has an extremely high level of edu-

cational achievement as shown by the NJPS. Of those born Jewish, 66.4% of men and 52.2% of women have postgraduate educational experience. Approximately 70% of employed persons work in the private sector, 9% in the nonprofit sector, 15% in government and the public sector, and 6% in other arenas.

#### VULNERABILITY OF MANY JEWS TO THE CURRENT RECESSION

The attraction of Jews to professions or to the public sector explains their particular vulnerability to the current recession. When the NJPS was conducted in the summer of 1990, close to 5% of Jews surveyed were unemployed, which was close to the national average. Since that time, the nation has continued to experience a structural change in the economy that affects a greater percentage of professional, managerial, and technical people than other groups. In addition, the effects are greater than have ever occurred in any previous recessionary economic downturn. In other words, the unemployed Jewish white-collar population on a percentage basis may be experiencing greater unemployment than has ever occurred before or that is larger in comparison to other ethnic or religious groups in the United States.

As a result, JVS agencies throughout the nation are seeing more clients who have become discouraged in seeking employment through the normal channels and who previously had earned substantial incomes. This population was, by and large, absent from JVS caseloads before 1990. What is more unusual is that professionals, such as attorneys, accountants, and finance, administrative, real estate, and construction managers, as well as people experienced in marketing and other specialties that were in high demand during the 1980s, currently are faced with a lack of employment opportunities. The fact that Jewish professionals are represented in these fields in disproportionately large numbers places an additional job placement burden upon the network of JVS agencies. That many come to JVS

agencies after months of discouragement and, possibly as a last resort, further challenges their placement efforts.

Education always has been a critical factor affecting unemployment. For as long as employment records have been kept in this country, the higher an individual's attainment, the lower his or her unemployment rate. For the recessionary year of 1991, unemployment rates were as follows:

- Less than 4 years of high school—10.5%
- 4 years of high school—5.8%
- 1-3 years of college—4.8%
- 4 or more years of college—2.8%

As low as the figure is for those with 4 or more years of college, this rate was only 1.7% in 1988. This is a sizable rise in a relatively short period, which directly affects the Jewish employment rates.

The Economic Report of President George Bush transmitted to Congress, (1992) states:

The 1990-91 slump hit white-collar, highly educated workers harder than past downturns had. Particularly affected were workers in the financial and retail sectors. In contrast, during the 1980-82 recessionary period, employment in these sectors, as well as in the service industries, continued to climb despite a substantial fall in the economy-wide numbers of jobs. Unemployment rose among white-collar workers in 1990-91, but lower skilled production workers suffered not only higher unemployment rates, but also larger increases in unemployment. Educational attainments and job security still go together.

The recent Bureau of Labor Statistics figures, which present increases in the number of unemployed persons between 1990 and 1991 according to occupational status, supports the President's Economic Report:

- Managerial and professional personnel—34%
- Technical, sales, clerical—21%
- Service occupations—16%
- Precision, crafts workers—33%
- Operators, laborers—20%

Although unemployment rates are indeed high among less skilled service occupations or laborers, for the first time since World War II, the group comprising the managerial and professional personnel took a sizeable blow.

For example, the legal industry *increased* at an annual rate of 6.5% during the 1980s, resulting in an almost doubling of the number of attorneys, judges, and supportive personnel, to reach a figure of almost one million. However, between 1990-91 that sector, like so many other service industries, *fell* about 1%. Another area of employment heavily represented by Jewish personnel is the financial service sector, which includes accountants, auditors, and bookkeepers; it *grew* at an annual 5% rate during the 1980s, but in the 1990-91 period *fell* 4%. Similarly, real estate employment took a significant *drop* of 4.1%, and department store personnel *fell* 5% after substantial *increases* in the 1980s. Even medical care, which witnessed a 6% annual growth during the 1980s, slowed to a 2% growth in the 1990-91 recession.

The employment situation in the Jewish community has tremendous significance for its survival in the United States. Our federations have always depended on a small group of givers to provide 90% of its funds. With the restructuring of the American economy and the impact that recent economic trends have had on real estate, banking, financial, and stock brokerage institutions, federations are scrambling to widen the base of their support among less affluent groups. The success of this effort may well determine their capacity to continue as a viable fund-raising entity that can support Jewish agencies and institutions in our communities and abroad. The hope among Jewish communal leaders always has been that prosperous American Jews would be capable of providing aid to Israel, as well as sustaining and nurturing Jewish communal services and religious institutions at home. The advent of an increase in unemployment and the downsizing of many major American corporations,

when added to the current disenchantment with the size of government and its deficits, both on the national and local level, have serious implications and ramifications for social service organizations. The prospects of high employment that was experienced in the 1980s appear diminished during the remainder of the 1990s. Even such sacred cows as "guaranteed employment" in education, essential government services, and nonprofit institutions can no longer be assured.

#### IMPLICATIONS FOR JEWISH VOCATIONAL SERVICE AGENCIES

The U.S. Jewish population is, in the main, sophisticated, college educated, and affluent. To serve this community in a protracted period of significant structural economic change, which may last for the remainder of this decade, JVS and affiliated agencies need to take the following actions:

- Develop and recruit mature, seasoned staff with expertise in career planning, job development, and placement of individuals who formerly held professional and middle and upper management positions or were self-employed
- Enlarge and enhance the JVS U.S. and Canadian job bank networks to expedite relocation and placement of job-seeking clients
- Obtain from government and private sources the most up-to-date data on changes in the employment situation and distribute this material to the job bank network
- Provide professional college counseling staff in each agency to assist young adults in developing basic career goals and educational choices; develop supporting services as their educational and vocational goals undergo inevitable changes during their formative years
- Create small and intense training programs that enable clients to upgrade their computer, communications, and mathematical skills

- Expand JVS agencies' outplacement services with local industries; this effort not only establishes relationships with the business community but also assists with future job development and placement
- Develop skill programs for refugees that will make them more employable, such as CAD/CAM instruction for former Soviet engineers, construction trade training for former blue-collar workers, and programs teaching English as a second language (ESL) with concentration on "vocational" or job-specific English
- Develop focused programs for single parents, the majority of whom are women, who often have inadequate skills to enter the labor market
- Expand JVS language teaching capability in teaching ESL to those languages that will become necessary as the U.S. economy becomes more global
- Develop technical advisory committees to advise JVS agencies about regional economics, new technology in the workplace, and area changes in employment; knowledge about plant closings, strategies for outplacement programs, and planning for start-up with new enterprises should be part of the ongoing planning process
- Enhance board membership so that adequate representation exists in such areas as marketing, advertising, and manufacturing, particularly in "high tech" areas; include members who are knowledgeable about economics, finance, and the labor market; strategies that will create networks with the boards of federations and other agencies are essential to exploit potential employment opportunities
- Review budgets to determine whether JVS agencies have adequate means to serve this emerging area of increased need; finding employment opportunities for the largest cohort of Jewish wage earners—the professional and technical group—may become one of the highest priorities of the 1990s

### CONCLUSION

This article has outlined the crisis that the American Jewish community faces during the current recession. Due to the overrepresentation of Jewish wage-earners in the professional, managerial, and technical occupational groupings, they are particularly vulnerable to the structural downsizing of our workforce. A description of the services offered by JVS agencies and additional suggestions to strengthen their programs to accommodate a new influx of clients who are sophisticated but nevertheless bewildered by the changes in our economy have been presented.

### REFERENCES

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