The Postwar Economy of American Jews

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Introduction

Jews in the United States are a distinctive population. They are primarily the descendants of turn-of-the-century (1880–1924) immigrants from Eastern Europe and Russia, reinforced after the Second World War by displaced persons. They have ascended from economic deprivation to impressive achievements in cultural and economic matters. These achievements have often been cited and frequently celebrated in articles and books, both fiction and nonfiction, that recount the struggles and achievements of individual Jews in the arts, business, the professions, academia and public service. Even writings that do not focus on the high achievers, such as Ande Manner's *Poor Cousins* (1972) and the turn-of-the-century study by Hutchins Hapgood, *The Spirit of the Ghetto* (1902), are largely anecdotal and celebratory rather than analytical and dispassionate.

This paper presents a picture of the state of the economy of American Jews, using quantitative techniques and the most reliable data available. In so doing, it follows in the tradition established by Arthur Ruppin, Simon Kuznets and Arcadius Kahan in their important research on the immigrant and mid-twentieth-century experience of American Jews.[1]

For a population that has been so thoroughly analyzed in the literary world and anecdotal accounts, there is remarkably little systematic quantitative research on its economic and labor market status.[2] This is surely not due to the scarcity of Jewish social scientists (either sociologists or economists). Jews are well represented in these fields and have been at the forefront of scholarly research on other American minorities, including blacks, Hispanics, immigrants and women. One explanation often advanced is the fear that revealing Jewish economic success would invite anti-Jewish sentiment. Another possible explanation is that the focus of research on minorities is on disadvantaged groups, including groups perceived to suffer current disadvantage because of deprivations in the past. Thus, Jews, Mormons, the descendants of the American Revolution patriots and those of northwest European origin are "less interesting" to study.[3] A more compelling explanation is that Jews are a difficult group to study, not because of any characteristic inherent in the Jews themselves but because of the virtual absence of the key ingredient for such an analysis—the data.

On the whole, Americans are perhaps an "overmeasured" population. Government and private data-collection efforts have produced an inordinate amount of statistics describing various facets of the population. Teasing out data on Jews from the wealth of data, however, is extraordinarily difficult for several reasons. First, the most important data collection agency in the United States, the Bureau of the Census, has not and will not include a question on religion or code a response (such as to an ethnic-ancestry question) that would reveal the respondent's religion. The one exception to this rule provides an important source of data for this study. Second, Jews constitute a small proportion of the population (about 2.5 percent), so that even surveys that include a question on religious preference and retain a separate code for Jews generally have too few identifiable Jews for a meaningful statistical analysis. Third, Jewish communal surveys, which clearly identify Jews, typically ask numerous detailed questions about Jewish religious practice and community involvement; designed for comparisons among Jews, they lack a parallel sample of non-Jews for comparative purposes. As a result, the research to date comparing American Jews with others has relied on a variety of indirect methodologies for identifying Jews (such as a Yiddish mother tongue or Russian ancestry) and on special surveys.

The discussion in this paper relies primarily on three independent sets of data. Although each data set taken separately has either methodological or sample size problems, the fact that they all paint the same picture greatly enhances our confidence in the results. A description of the data sets is followed by analyses of Jewish/non-Jewish differences and trends in educational attainment, labor supply, occupational and self-employment status, and earnings. The summary and conclusion tie together what has been learned from the analysis.

The Data

The Current Population Survey (CPS) has been conducted every month since the late 1940s by the Bureau of the Census for the Bureau of Labor Statistics, U.S. Department of Labor. In March 1957, in addition to the usual questions on demographic and labor market characteristics, the CPS asked for the first and last time the respondent's religion. The sample consisted of about 35,000 households. Jews constituted 3.2 percent of the population aged 14 and over, and were nearly all urban residents (96.1 percent), with few living in the South (7.7 percent). Unfortunately, only two very limited reports were released by the Census Bureau in which a variety of socioeconomic variables were cross-tabulated by religion.[4]

The long questionnaire administered to 15 percent of the population for the 1970 Census of Population affords another, albeit indirect, opportunity to study Jews. A mother-tongue question was asked of the respondent: Was there a language other than or in addition to English spoken in the home when you were a child? With the data limited to second-generation Americans (those born in the United States with at least one foreign-born parent), those reporting Yiddish, Hebrew or Ladino can be identified as Jews, while non-Jews are identified as those raised in a home in which only English or some other language was spoken. The study population is limited to

second-generation Americans because non-English mother tongues virtually disappear by the third generation. It has been shown elsewhere that, although this procedure underestimates the number of Jews, it provides a reliable first approximation for the characteristics of second-generation American Jews around 1970.[5]

The third data set is the General Social Survey (GSS). Conducted by the National Opinion Research Center, the GSS is a random probability sample conducted nearly every year since 1972 of about fifteen hundred independently selected individuals. The data file studied here (1972–1987) is centered on 1980. In addition to asking the respondents numerous questions about their own demographic and socioeconomic characteristics, they were asked their religious preference currently and at age 16. This provides a wealth of data on adult Jews and non-Jews in the U.S. labor market for the period around 1980.[6] A major limitation of the GSS, however, is the small sample size for adult Jewish men (about 150 observations). Religion at age 16 is used to identify Jews, as this is less likely than current religion to be influenced by current economic status.

Finally, the GSS also asked the respondents numerous questions regarding the demographic and socioeconomic characteristics of their parents when they, the children, were age 16. Since the sample is centered on 1980 and the average age of the adult respondents was 42, the reports regarding their fathers and mothers refer to the early 1950s. Because the respondents in the GSS include an equal number of males and females, the sample of fathers is about double that of the male respondents (about three hundred observations), as is that of the mothers.

Taken together, these data permit an analysis of the patterns of Jewish economic achievement over the course of the post–Second World War period. Unfortunately, the data are not strictly comparable, as there are subtle and perhaps not-so-subtle differences in methodologies, definitions and the manner in which the data were made available by the survey agency. Yet they can be used to present a picture, not previously available, of the patterns of American Jewish achievement relative to non-Jews over this long interval.

Educational Attainment

Educational attainment is a complex concept involving both the quality of a unit of schooling and the number of units acquired. Quality differences are particularly difficult to measure, as are the differences in characteristics that students bring to the classroom that can greatly influence the extent to which they acquire productive skills in school.[7] For these reasons, this study follows the tradition of using "years of schooling completed" to measure individual and group differences in educational attainment.

In spite of disadvantages associated with immigrant parents or grandparents, and discrimination against Jews in access to higher education and many professions requiring higher education, American Jews had achieved a remarkably high level of educational attainment by the early postwar years.[8] Among adult men in the early postwar years (the GSS fathers), American Jews had an average of 11.6 years of schooling, compared with 9.7 years for white non-Jews (Table 1). This schooling

Table 1. Distribution of Schooling of the Adult Male Population (Jews and Non-Jews)

Schooling (Years)	GSS Fathers[a]		1957 CPS[b]		1970 Census[c]		GSS Respondents[d]	
	Jews	Non-Jews	Jews	Non-Jews	Jews	Non-Jews	Jews	Non-Jews
0–7	15.0	24.7	10.6	18.6	1.5	7.1	2.0	5.3
8	9.7	20.5	11.2	17.1	3.6	13.3	1.3	5.3
9–11	12.6	12.3	10.6	19.4	12.4	21.5	2.7	13.8
12	30.0	24.0	24.3	26.5	28.5	32.0	12.7	30.9
13–15	8.9	7.9	14.9	8.4	17.5	11.7	16.7	20.2
16	12.1	6.2	28.5	9.9	14.8	7.1	28.0	12.5
Over 16	11.7	4.3			21.6	7.3	36.7	12.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Median	12	10	12.7	11.2	13	12	16	12
Mean	11.6	9.7	NA	NA	13.7	11.5	15.7	12.8

Sources: U.S. Bureau of the Census, "Tabulations of Data on the Social and Economic Characteristics of Major Religious Groups, 1957" mimeo, n.d., Table 12; U.S. Bureau of the Census, 1970 Census of Population, Public Use Sample, 1/100 sample (15 percent questionnaire); and National Opinion Research Center, *General Social Surveys, 1972–1987, Cumulative Data File* (Chicago: 1987).

Notes:

NA = Not available in source.

Figures may not add up to 100 percent because of rounding.

[a]Educational attainment of the fathers of adult (aged 25 to 64) white male and female respondents at age 16. Sample size: 247 Jews and 9,043 non-Jews.

[b]Employed males aged 18 and over for Jews and all (Jews and non-Jews). Sample size: about 35,000 households.

[c]Adult white men not enrolled in school and born in the United States with at least one foreign-born parent. Jews defined as those raised in a home in which Yiddish, Hebrew or Ladino was spoken instead of or in addition to English. Based on a 1/100 sample of the 1970 Census of Population (15 percent questionnaire).

[d]Adult (aged 25 to 64) white male respondents. Sample size: 150 Jews and 5,199 non-Jews.

difference of 1.9 years increased over time to a 2.9-year advantage among the GSS respondents.

Perhaps more telling are the differences in the proportion with at least four years of college education. Among the Jewish men, the proportion increased continuously over the time period, from 24 percent in the early postwar years to 29 percent in 1957, to 36 percent in 1970 and to 65 percent in the 1980 period. By contrast, the proportions for non-Jews increased only from about 10 percent in the early postwar years and 1957 to 14 percent in 1970, and was still only 25 percent in 1980.

The pattern among women is similar. As shown in Table 2, Jewish women have a higher level of education than non-Jewish women, and the difference in educational attainment has increased over time. For example, the Jewish mothers in the GSS had 11.4 years of schooling, and 13 percent had 16 or more years of schooling, in contrast to the 10.2 years and 7 percent, respectively, for non-Jews. By about 1980, the Jewish women averaged 14.4 years of schooling (40 percent with 16 or more years), in contrast to 12.3 years (16 percent with 16 or more years).

Table 2. Distribution of Schooling of the Adult Female Population (Jews and Non-Jews)

Schooling (Years)	GSS Mothers[a]		1957 CPS[b]		1970 Census[c]		GSS Respondents[d]	
	Jews	Non-Jews	Jews	Non-Jews	Jews	Non-Jews	Jews	Non-Jews
0–7	9.1	17.0	6.5	13.0	1.4	6.7	0.0	3.8
8	9.5	18.8	9.2	13.6	4.5	12.8	0.0	4.7
9–11	10.9	14.5	11.3	18.4	11.4	21.1	2.4	16.1
12	45.8	34.4	40.1	36.9	51.3	41.6	28.3	41.7
13–15	11.6	8.8	16.4	9.3	15.5	10.5	29.5	18.0
16	8.4	5.0	16.4	8.5	8.7	4.4	24.1	9.5
Over 16	4.7	1.6			7.2	2.9	15.7	6.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Median	12	11	12.6	12.1	12	12	14	12
Mean	11.4	10.2	NA	NA	12.5	11.1	14.4	12.3

Sources: U.S. Bureau of the Census, "Tabulations of Data on the Social and Economic Characteristics of Major Religious Groups, 1957" mimeo, n.d., Table 12; U.S. Bureau of the Census, 1970 Census of Population, Public Use Sample, 1/100 sample (15 percent questionnaire); and National Opinion Research Center, *General Social Surveys, 1972–1987, Cumulative Data File* (Chicago: 1987).

Notes:

NA = Not available in source.

Figures may not add up to 100 percent because of rounding.

[a]Educational attainment of the mothers of adult (aged 25 to 64) white male and female respondents at age 16. Sample size: 275 Jews and 10,067 non-Jews.

[b]Employed females aged 18 and over for Jews and all (Jews and non-Jews). Sample size: about 35,000 households.

[c]Adult white women not enrolled in school and born in the United States with at least one foreign-born parent. Jews defined as those raised in a home in which Yiddish, Hebrew or Ladino was spoken instead of or in addition to English. Based on a 1/100 sample of the 1970 Census of Population (15 percent questionnaire).

[d]Adult (aged 25 to 64) white female respondents. Sample size: 166 Jews and 6,358 non-Jews.

It is interesting to note that the gender difference in favor of males is larger for Jews than for non-Jews. In the most recent period, Jewish men had 1.3 years more schooling than Jewish women, an increase over the virtual equality in schooling in the early postwar years. Among non-Jewish men, however, the recent male advantage is only 0.5 years, in contrast to an earlier male disadvantage (comparing GSS mothers and fathers) of 0.5 years. Does this mean that Jewish parents sacrificed the educational attainment of their daughters to enhance that of their sons? Apparently not, as adult Jewish women in the 1980 period had a schooling level that substantially exceeded that of non-Jewish men, with this differential not changing over the four time periods (compare Tables 1 and 2).

A question can be raised, however, as to whether the high level of Jewish educational attainment is attributable to where Jews live (predominantly in the urban areas and states outside of the South), and to their parents' higher level of education.[9] An analysis of the Jewish/non-Jewish difference in educational attainment in the early postwar years indicates that the observed 1.9-year schooling

difference declines to a still statistically significant 1.0-year difference when father's residence (when the respondent was age 16) and the respondent's age (a proxy for the father's age) are held constant. Among the GSS respondents (around 1980), controlling for age and residence at age 16 reduces the educational advantage from 2.9 to 2.5 years for men and from 2.1 to 1.6 years for women, with all of these differences statistically significant. Adding an additional control for father's education reduces the differentials, but they are still large and significant—2.1 years for men and 1.3 years for women.

In summary, the data on educational attainment for the four postwar time periods indicate that American Jews have a substantially higher level of schooling, whether measured on average or as the proportion with 16 or more years of schooling, that this differential is greater among the men than among the women, and that the gap appears to have increased over time. Some of this higher level of schooling is attributable to Jews living predominantly in areas with higher schooling levels in general, and some is due to their greater parental education. Yet even after adjusting for these factors, the patterns remain (although the differences are reduced in magnitude). Indeed, even where other variables are the same, there has been an increase in the Jewish educational advantage from the fathers' to the sons' generation.

Labor Supply

The labor supply of a population is an important dimension of the economic characteristics of the group. A greater labor supply by men or women enhances family money income, on the one hand, thereby expanding the family's ability to purchase goods and services. On the other hand, a greater labor supply reduces the time available for engaging in "home production" and leisure-time activities. Home production activities include providing child care. Parental time—and for most families in practice this means predominantly mother's time—is an important "input" in children's developing a greater potential for success in schooling and, ultimately, in the labor market. Thus, greater female labor supply does not unambiguously enhance a group's economic situation. This depends instead on several factors, including the timing of this labor supply with respect to the number and age of children in the group.[10]

There are several dimensions of labor supply. This study focuses on the labor force participation rate, that is, the proportion of the adult (noninstitutionalized) members of a group who are either employed (i.e., wage, salary and self-employed persons) or are unemployed (i.e., looking for a job).

The labor force participation rates of adult "nonaged" men (25 to 54 years) are very high, vary but slightly across ethnic and religious groups, and have shown little change over time. Among younger men (aged 18–24), participation has declined over time as a result of increased college attendance, while among older men (aged 55 and over), earlier retirement has reduced participation.

The 1957 CPS data indicate that Jewish men aged 25 to 34 years had a participation rate of 97 percent, the same as for non-Jewish men (U.S. Bureau of the Census, no date, Table 11). Even for those aged 45 to 64 years there was little difference—

Table 3. Labor Force Participation Rates By Age Among Women (Jews and Non-Jews) (percent)

	1957 CPS[a]		1970 Census[b]		GSS Respondents[c]	
Age	Jews	Non-Jews	Jews	Non-Jews	Jews	Non-Jews
14–17	NA	17.7	30.6	26.1	NA	NA
18–24	57.2	45.5	58.5	57.5	54.5	58.3
25–34	25.5	34.8	39.7	42.2	66.1	60.6
35–44	33.5	42.6	48.8	47.4	68.6	63.6
45–64	38.2	41.1	53.3	49.2	60.7	49.8
65 and over	8.5	11.5	19.7	10.7	26.2	9.8
All women	30.7	35.1	46.8	30.0	53.3	48.0

Sources: U.S. Bureau of the Census, "Tabulations of Data on the Social and Economic Characteristics of Major Religious Groups, 1957" mimeo, n.d., Table 11; U.S. Bureau of the Census, 1970 Census of Population, Public Use Sample, 1/100 sample (15 percent questionnaire); and National Opinion Research Center, *General Social Surveys, 1972–1987, Cumulative Data File* (Chicago: 1987).

Notes:

NA = Not available in source.

[a]Women aged 14 and over for Jews and all (Jews and non-Jews). Sample size: about 35,000 households.

[b]White women born in the United States with at least one foreign-born parent. Jews defined as those raised in a home in which Yiddish, Hebrew or Ladino was spoken instead of or in addition to English. Based on a 1/100 sample of the 1970 Census of Population (15 percent questionnaire).

[c]White women respondents. Sample size: 242 Jews and 9,228 non-Jews.

96 percent for the Jews, compared with 93 percent for non-Jews. The lower Jewish male labor supply among men aged 18 to 24 years (54 percent compared with 79 percent) is due to their higher college enrollment. The greater Jewish labor supply among men aged 65 and over (47 percent compared with 37 percent) is due to the greater proportion of Jews who are self-employed and in professional and other white-collar occupations.

Variations in labor supply are far more interesting among women. As shown in Table 3, labor force participation rates in the postwar period have increased for both Jewish and non-Jewish women in nearly every age group.[11] Except for the college-age population, the increase in labor supply was greater for the Jewish women. Although Jewish women had a lower participation rate in the 1957 CPS, the rate was higher among the 1980 GSS respondents. The greater increase in Jewish female participation rates may be attributed, in part, to the larger increase in their educational attainment and their lower fertility.[12]

Detailed analysis of the 1970 Census of Population reveals important differences between Jewish and non-Jewish women in the impact or effect of schooling and children on labor supply.[13] Jewish women's labor supply is more sensitive to the positive effect of schooling, thereby reinforcing the favorable effect on labor supply of the growth in the schooling differential. In addition, the labor supply of Jewish women is more sensitive to the presence of children in the home. That is, Jewish female labor supply declines relatively more than the non-Jewish female labor

Table 4. Female Labor Force Participation Rates for Married Women by Presence and Age of Children (Jews and non-Jews)

	1957 CPS[a]		1970 Census[b]	
	Jews	Non-Jews	Jews	Non-Jews
Total	27.8	29.6	51.7	46.8
No children under 18	30.0	35.6	55.4	50.2
With children 6–17, none under 6	28.6	36.7	49.2	44.7
With children under 6	11.8	17.0	25.1	31.1

Sources: U.S. Bureau of the Census, "Tabulations of Data on the Social and Economic Characteristics of Major Religious Groups, March 1957," n.d., Table 13. U.S. Bureau of the Census, 1970 Census of Population, Public Use Sample, 1/100 sample (15 percent questionnaire).

Notes:

[a]Women aged 18 and over for Jews and all (Jews and non-Jews).

[b]White women aged 25 to 64, second-generation Americans. Jews defined as in Table 3, footnote b.

supply when there are school-age and especially preschool children in the family (see Table 4). The decline in Jewish fertility has therefore increased the Jewish female labor supply by more than would a similar decline in non-Jewish fertility.

An analysis using the 1970 Census of differences in labor supply (holding constant age, schooling, other family income and location of residence), suggests a more "optimal" pattern of labor supply on the part of Jewish women. They are more likely to work before children are born and after the youngest attains age 18, and are less likely to work when the children are of preschool or school age. Among mothers with school-age children who work, the Jewish mothers are more likely to work part-year and part-time.

The greater labor supply of Jewish women is enhancing family income. The greater labor supply is also associated with low fertility, which eventually has implications for an aging Jewish population that is a smaller proportion of the total population. It is less clear what is happening to parental investments of time and other resources in the next generation of young Jews. If there is a decline in direct parental investments, and if high-quality alternatives (e.g., schooling) are not acquired, there may be negative implications for these children.

Occupational and Self-Employment Status

Occupational Status

A person's occupational status is one of the most commonly used measures of the level of economic attainment.[14] Occupation reflects skills previously acquired through schooling, apprenticeship programs and on-the-job training, as well as the myriad of unmeasured and more subtle characteristics that an individual brings to the labor market. It is a measure of the outcome of the labor market process.

Comparisons of achievement across time are facilitated by an examination of occupation, as distinct from earnings, since the latter are more sensitive to temporary or cyclical factors and need to be adjusted for changes in the overall price level.

Much of the analysis of occupational attainment will be presented in terms of the frequency distribution of workers by occupational status. Occupation is by definition a categorical variable—unlike age or earnings, which are quantitative and continuous variables. To convert the categorical occupational distribution into a quantitative variable, sociologists have developed occupational prestige scores. These scores reflect the evaluation by individuals as to how "good" a given occupation is, converted into an index number that is a linear combination of the average level of schooling and income of workers in the occupation.[15] The GSS includes the prestige scores for the occupational status of the respondents and for their fathers when the former were age 16. This permits an examination of a quantitative measure of occupation at the start and end of the interval under study.

Table 5 reports the occupational attainment for adult Jewish and non-Jewish men for the four time periods, using the three data sets. These data show a dramatic increase in the professionalization of the Jewish labor force. Professionals increased from 13.8 percent of the male Jewish labor force in the early post-Second World War period (GSS fathers) to 20.3 percent in 1957, 27.2 percent in 1970 and 43.0 percent in the 1980 period (GSS respondents). The increase was spread among a wide range of professional occupations, including medicine, law and academia.

This professionalization was counterbalanced by a decline in managerial employment from nearly half of the Jewish men in the early postwar period to a quarter in the more recent period. Blue-collar employment also declined. The proportion of Jews in craft, operative, transportation, laborer and service jobs declined continuously over the period, from 25 percent in the early postwar years to 22 percent in 1957, 18 percent in 1970 and 9 percent in the recent period. Farming was and remained a negligible occupation among the Jews.

In each of the time periods, there is a higher level of occupational attainment among the Jews than among the non-Jews, and although non-Jews have also experienced a rapid improvement in occupational status, the gap has widened. For example, in Table 5, the proportion of professionals among the Jews exceeded that of the non-Jews by 5.0 percentage points for the early postwar period: 10.4 percentage points in 1957, 11.8 percentage points in 1970 and 24.7 percentage points in the period around 1980. In contrast, blue-collar employment (craft, operative, laborer, transportation and service) declined much more sharply among the Jews, from 26 percent in the early postwar period to 9 percent around 1980, in contrast to 53 percent and 50 percent, respectively, among the non-Jews. (Among non-Jews, the farm owner and farm manager category declined from 15.6 percent to 3.1 percent.)

The occupational prestige scores in the GSS can also be used to document the higher level and greater improvement over time in occupational status among the Jews. Table 5 reports the frequency distribution of the occupational prestige scores of the male respondents and the fathers in the GSS separately for Jews and non-Jews. Typical occupations are listed for each of the prestige score categories to provide a better sense of the substantive interpretation of these values. About two-thirds of the Jewish male respondents had occupational prestige scores of 50 or

Table 5. Occupational Distribution and Self-Employment of Adult Men (Jews and Non-Jews) (percent)

	GSS Fathers[a]		1957 CPS[b]		1970 Census[c]		GSS Respondents[d]	
	Jews	Non-Jews	Jews	Non-Jews	Jews	Non-Jews	Jews	Non-Jews
A) *Occupation*[e]								
Professional	13.8	8.8	20.3	9.9	27.2	15.4	43.0	18.3
Medicine (MDs, DDS)	2.5	0.9	NA	NA	6.1	1.4	8.3	0.8
Law	3.5	0.6	NA	NA	3.6	0.7	5.6	0.9
Col. & univ. teach.	1.1	0.4	NA	NA	1.3	0.6	4.9	1.0
Other P, T & K	6.7	6.9	NA	NA	16.2	12.7	24.2	15.6
Managers (nonfarm)	44.9	14.8	35.1	13.3	26.5	13.4	26.4	16.7
Sales	12.0	4.7	14.1	5.4	19.7	7.0	13.2	6.2
Clerical	3.9	3.6	8.0	6.9	8.3	8.1	8.3	5.8
Craft	13.1	24.6	8.9	20.0	8.4	23.5	4.2	24.0
Operatives (excl. transp.)	6.7	12.4	10.1	20.9	2.9	12.5	0.0	10.1
Transport	3.2	4.6	NA	NA	3.3	5.3	1.4	5.1
Laborers	1.1	7.1	0.8	10.2	1.1	5.4	0.0	5.3
Farm managers & farmers	0.0	15.6	0.1	7.3	0.2	2.3	0.0	3.1
Service	1.4	4.0	2.3	6.1	2.4	7.2	3.5	5.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
B) *Self-employed*[f]	55.6	36.2	31.8	8.5	31.9	14.1	35.1	16.3

Sources: U.S. Bureau of the Census, "Tabulations of Data on the Social and Economic Characteristics of Major Religious Groups, 1957" mimeo, n.d., Table 15; U.S. Bureau of the Census, 1970 Census of Population, Public Use Sample, 1/100 sample (15 percent questionnaire); and National Opinion Research Center, *General Social Surveys, 1972–1987, Cumulative Data File* (Chicago: 1987).

Notes:

NA = Detail not available.

Figures may not add up to 100 percent because of rounding.

[a]Fathers of adult (aged 25 to 64) white male and female respondents, when respondent was age 16. Sample size: 283 Jews and 10,191 non-Jews.

[b]Employed males aged 18 and over for Jews and all (Jews and non-Jews). Sample size: about 35,000 households. Percent self-employed refers to self-employed managers (excluding farm) and professionals as percentage of all employed males. Self-employment not reported for other occupational groups. Operatives include transport workers.

[c]Adult (aged 25 to 64) white men not enrolled in school who worked in 1969 and were born in the United States with at least one foreign-born parent. Jews defined as those raised in a home in which Yiddish, Hebrew or Ladino was spoken instead of or in addition to English. Based on a 1/100 sample of the 1970 Census of Population (15 percent questionnaire).

[d]Adult (aged 25 to 64) white male respondents. Sample size: 144 Jews and 5,186 non-Jews.

[e]Professional refers to professional, technical and kindred workers; laborers includes farm laborers; service includes private household workers. Operatives excludes transportation workers except for the 1957 CPS.

[f]Percent self-employed is self-employed as a percentage of all workers except for 1957 CPS, where it is self-employed (and unpaid family workers) in professional and managerial occupations as a percentage of all workers.

more, in contrast to less than one-third of the non-Jews. Among the fathers, the proportions were more than half of the Jews and only one-fifth of non-Jews with scores of at least 50. Although the mean occupational prestige scores increased from fathers to sons from 40.5 to 41.9 among non-Jews, the increase was larger among the Jews, from 46.6 to 53.2.

It is known, however, that occupational status varies systematically with certain characteristics. On average, it increases with the level of education and is higher in urban rather than in rural areas. Both of these characteristics favor high Jewish occupational attainment. One of the releases from the 1957 CPS recomputes the occupational distribution for urban men by standardizing for the educational attainment of employed adult males (U.S. Bureau of the Census, no date, Table 15). That is, it shows what the occupational distribution of urban Jews would be if they had the same distribution of years of schooling as all urban men. When this is done, the proportion of Jewish professionals is below that for non-Jews, 10 percent compared with 12 percent (compare with Table 4, columns 3 and 4). The proportion of Jewish blue-collar workers increases under this experiment, becoming 30 percent compared with 59 percent for non-Jews. Jews still have a high proportion in the nonprofessional white-collar occupations (60 percent compared with 30 percent), especially as managers and sales workers. This exercise suggests that much of the Jewish occupational advantage in 1957 was attributable to their urban location and especially their higher level of schooling, but that with the exception of professionals they still had on average a higher occupational attainment.

Fortunately, far more can be done analyzing the occupational prestige scores for the respondents and fathers in the GSS, using as well such variables as age and marital status, education and place of residence.[16] Among the male workers in the early postwar period (the GSS fathers), the Jews had a statistically significant higher occupational prestige score, 46.6 versus 40.5, a difference of 6.1 points. Holding constant differences in their education, age and place of residence reduces this advantage to a statistically significant 3.1 points, or about half of the observed differential.

The observed difference in occupational prestige scores between Jewish and non-Jewish respondents in the GSS is a statistically significant 11.3 points. Controlling for the above-mentioned variables, the Jewish occupational prestige advantage is reduced, but Jews still have a statistically significant advantage of 3.8 points. Perhaps Jews do well because their fathers had a high occupational status, and occupational status is transmitted from father to son independent of schooling and other measured variables? After holding constant the father's occupational status, the result is only a small reduction in the Jewish occupational advantage, from 3.8 points to a still statistically significant 3.5 points.

The analysis indicates that, among employed adult males, Jews had a higher occupational status throughout the postwar period. Although diminished in value, this differential persists even after controlling for other readily measured variables such as age, schooling, urban residence and father's occupation. Moreover, there has been an increase in the relative Jewish occupational advantage over the period, even after controlling for other variables.

Self-Employment Status

There are three main occupational avenues for self-employment in the United States: as managers of nonfarm enterprises, as farm owners or as self-employed professionals. Most men working in agriculture in the United States are self-employed. For the United States as a whole, self-employment has decreased with the decline in the proportion of the agricultural labor force. Among the fathers in the GSS, 36 percent were self-employed, in contrast to the 16 percent self-employed among the respondents, reflecting the decline in the farm manager and farm owner occupational category from 16 percent to 3 percent.

In spite of the fact that a negligible number of American Jews are engaged in farming, Jews have a very high rate of self-employment—a rate that substantially exceeds that of non-Jews (Table 5). Jewish self-employment decreased from the early postwar period, when it was 56 percent, to 32 to 35 percent in the later time periods. These data mask more substantial movements in the nature of self-employment away from being a self-employed manager (primarily of a manufacturing or retail trade enterprise) to being a self-employed professional (doctor, lawyer, etc.).[17]

In the 1957 CPS data, self-employment status is reported only for those in professional and managerial occupations. Jews have substantially higher rates of self-employment in these two occupations. More than one-third of Jewish professionals were self-employed, twice the ratio for non-Jews. Among managers, more than two-thirds of the Jews were self-employed, in contrast to one-half among non-Jews.

Thus, the entrepreneurial spirit remains strong among Jews, although it is increasingly expressed in terms of self-employed professional activities rather than in the management of business enterprises.

Income

Income or earnings are a measure of both labor market performance and the ability to buy goods and services, that is, the command over resources. As a measure of the labor market outcome, income has the advantage of being a direct quantitative, continuous measure—as distinct from occupation, which is a categorical variable; or the occupational prestige score, which is a constructed value. However, two disadvantages of income are that nominal values may change over time merely because of inflation, and groups may differ in their trade-off between measured and unmeasured dimensions of full compensation. Furthermore, as would be expected, reporting difficulties prevented the collection of data on the income or earnings of the fathers in the GSS survey.

Table 6 reports the mean or median income or earnings among adult Jewish and non-Jewish men in the 1957 CPS, the 1970 Census and among the GSS respondents. In each of the three time periods, earned income is substantially higher among the Jews. In the 1957 CPS data, Jewish median income was 36 percent greater than that of non-Jews. The only standardization or statistical control shown

Table 6. Distribution of Occupational Prestige Scores for General Social Survey Respondents and Fathers (Jews and Non-Jews)[a] (percent)

Score (Points)	Occupations	Fathers		Respondents	
		Jews	Non-Jews	Jews	Non-Jews
10–19	Construction laborers, baggage porters	3.9	7.4[b]	2.7	6.6
20–29	Sales clerks, taxi cab drivers	7.8	10.9	5.4	11.1
30–39	Restaurant managers, auto mechanics	15.9	24.6	10.9	26.1
40–49	Real estate agents, policemen	17.0	36.0	13.6	25.6
50–59	Librarians, bank tellers	44.5	14.1	36.1	18.8
60–69	Mechanical engineers	3.9	4.3	8.2	8.1
70–79	Lawyers, professors	5.7	2.0	18.4	3.4
80 and over	Physicians	1.4	0.5	4.8	0.3
Total		100.0	100.0	100.0	100.0
Mean score		46.6	40.5	53.2	41.9

Source: National Opinion Research Center, *General Social Surveys, 1972–1987, Cumulative Data File* (Chicago: 1987).

Notes:

Figures may not add up to 100 percent because of rounding.

[a]Respondent refers only to males, while the fathers are for male and female respondents.

[b]Includes one observation with a score less than 10 (bootblack).

in the released data is for urban residence and major occupational category. With these controls, the Jewish median income exceeds that of non-Jews by 6.7 percent (Table 7). That is, even within the same major occupational category, Jews had a higher level of income. Yet controlling in this way may result in "overadjusted" data, if the purpose of the exercise is to ascertain Jewish/non-Jewish income differences controlling for the skills the individual brings to the labor market. Although occupation is in part determined by age (labor market experience), schooling and other characteristics embodied in the person that are brought to the labor market, it is fundamentally a measure of the outcome of the labor market process.

The 1970 Census data on second-generation Americans show much higher mean earnings for Jews. The 55 percent greater earnings is reduced to 16 percent when a set of explanatory variables describing the skills and characteristics workers bring to the labor market is held constant.[18] That is, for the same readily measured inputs into the labor market, the Jews receive 16 percent higher incomes.[19]

The GSS respondent data also permit a comparative analysis of earnings. The observed earnings difference of nearly 40 percent is reduced to 15 percent when there is a statistical control for age (experience), schooling, marital status and place of residence. Within the nearly fifteen-year interval of the GSS data, there is no trend in the ratio of Jewish to non-Jewish earnings, other variables being the same.

Taken as a whole, these data suggest very high earnings for American Jews relative to non-Jews that are partly attributable to the difference in the skills (e.g.,

Table 7. Income or Earnings of Adult Men (Jews and Non-Jews)

Income or Earnings	1957 CPS (Median Income)[a]	1970 Census (Mean Earnings)[b]	GSS Respondents (Mean Earnings)[c]
Jews	4,900	16,176	27,322
Non-Jews	3,608	10,431	19,750
Ratio (1) to (2)			
Observed	1.36	1.55	1.38
Other variables held constant[d]	1.07	1.16	1.15

Sources: National Opinion Research Center, *General Social Surveys, 1972–1987, Cumulative Data File* (Chicago: 1987); U.S. Bureau of the Census, "Tabulations of Data on the Social and Economic Characteristics of Major Religious Groups, 1957" mimeo, n.d., Table 15; and U.S. Bureau of the Census, 1970 Census of Population, Public Use Sample, 1/100 sample (15 percent questionnaire).

Notes:

[a]Income in 1956 of males aged 14 and over with income for Jews and all (Jews and non-Jews). Sample size: about 35,000 households.

[b]Adult white men not enrolled in school who worked in 1969 and were born in the United States with at least one foreign-born parent. Jews defined as those raised in a home in which Yiddish, Hebrew, or Ladino was spoken instead of or in addition to English. Based on a 1/100 sample of the 1970 Census of Population (15 percent questionnaire).

[c]Earnings of adult (aged 25 to 64) white male respondents with earnings. Sample size: 124 Jews and 4,169 non-Jews.

[d]Statistical controls are for urban residence and occupational distribution for the 1957 CPS and for age (experience), schooling, location, marital status and weeks worked for white men in the 1970 Census (second-generation Americans) and the GSS.

schooling) and other characteristics (e.g., location) they bring to the labor market. Yet even after adjusting for these other characteristics, Jews have about 15 percent higher mean earnings. It is not obvious that there is a trend over time in this differential.[20] The earnings differential in favor of Jews appears to vary by level of schooling. It is small for those with very low levels of schooling and increases with schooling level.[21]

Summary and Conclusions

This paper has examined several dimensions of the economy of American Jews compared with white non-Jews in the postwar period by a study of census and survey data at four time periods.

American Jewish men had higher levels of schooling, occupational attainment and earnings in the 1950s than non-Jewish men. During the course of the postwar period, their levels of attainment increased sharply. For schooling and occupational status, the differential between Jews and non-Jews widened over this period. Even after holding constant several important determinants of attainment—such as age, place of residence, parental characteristics and, for occupation and earnings, also the person's level of education—Jews had more schooling (by about 2.1 years) and

higher occupational status, and they earned more (by about 15 percent) than non-Jews.

There are interesting differences for women in some of these patterns. The Jewish educational attainment exceeds that of non-Jews by a smaller magnitude overall, and also when other variables are the same. For example, other variables being the same, Jewish women have only 1.3 years more schooling than non-Jews. The labor supply of Jewish women appears to have increased over time more rapidly than for non-Jewish women. This may be the result of the favorable effects of the higher level of education and smaller family size (lower fertility) of Jewish women. Furthermore, the pattern of labor supply with respect to age of the respondents appears to differ—Jewish women are less likely to work when there are young children at home, and they are more likely to work at other times. This suggests a greater sensitivity to the optimal allocation of parental time between child care and the labor market.

The entrepreneurial spirit remains strong among Jews. Throughout the period under study, Jews have had a much higher rate of self-employment, although its nature has changed. Jews are now less likely than previously to be self-employed managers and are more likely to be self-employed professionals. Within either occupational category, however, Jews have a much higher rate of self-employment than non-Jews.

There has been a concern that from generation to generation American Jews would "regress to the mean," that is, to the American norm. This concern appears to be without foundation. Jews retain a strong commitment to educational attainment and labor market advancement, and they continue to display a strong entrepreneurial spirit. The differentials in attainment in favor of Jews have not narrowed in the postwar period; in important instances, they even appear to have widened. Thus, although there are serious problems facing the American Jewish community, including issues of self-identity, intermarriage and an aging population, the American Jewish economy is doing well.

Notes

1. Arthur Ruppin, *The Jews of To-Day* (New York: 1913); Simon Kuznets, *Economic Structure of U.S. Jewry: Recent Trends* (Jerusalem: 1972); *idem,* "Immigration of Russian Jews to the United States: Background and Structure," *Perspectives in American History* 9 (1975), 35–126; Arcadius Kahan, *Essays in Jewish Social and Economic History* (Chicago: 1986).

2. Some additional notable exceptions include Barry R. Chiswick, "The Earnings and Human Capital of American Jews," *Journal of Human Resources* (Summer 1983), 313–336; *idem,* "The Labor Market Status of American Jews: Patterns and Determinants," *American Jewish Year Book 1985* (New York: 1984), 131–153; *idem,* "Labor Supply and Investment in Child Quality: A Study of Jewish and Non-Jewish Women," *Review of Economics and Statistics* (November 1986), 700–703; *idem,* "Jewish Immigrant Skill and Occupational Attainment at the Turn of the Century," *Explorations in Economic History* 28 (Jan. 1991), 64–86; *idem,* "The Skills and Economic Status of American Jewry: Trends Over the Last Half Century," in *A New Jewish World: Continuity and Change 1939-1989,* ed. Robert Wistrich (Jerusalem: forthcoming); Sidney Goldstein, "Socioeconomic Differentials Among

Religious Groups in the United States," *American Journal of Sociology* 74, no. 6 (May 1969), 612–631; William M. Kephart, "Position of Jewish Economy in the United States," *Social Forces* 28, no. 2 (Dec. 1949), 153–164; Thomas Kessner, *The Golden Door: Italian and Jewish Immigrant Mobility in New York City, 1880–1915* (New York: 1977); and Joel Perlmann, *Ethnic Differences: Schooling and Social Structure Among the Irish, Italians, Jews and Blacks in an American City, 1880–1935* (Cambridge: 1988). For studies that address the achievement of Jews in other diaspora countries, see Mordechai Altshuler, *Soviet Jewry Since the Second World War: Population and Social Structure* (New York: 1987); Daniel J. Elazar with Peter Medding, *Jewish Communities in Frontier Societies: Argentina, Australia and South Africa* (New York: 1983); and S. J. Prais and Marlena Schmool, "The Social-Class Structure of Anglo-Jewry, 1961," *Jewish Journal of Sociology* 16 (June 1975), 5–15.

3. In addition to the studies of Jews noted above, a notable exception is the analysis of "Euroethnics" in Stanley Lieberson and Mary C. Waters, *From Many Strands: Ethnic and Racial Groups in Contemporary America* (New York: 1988), and the U.S. Commission on Civil Rights, *The Economic Status of Americans of Southern and Eastern European Ancestry,* Clearinghouse Publication 89 (Washington, D.C.: Oct. 1986), both of which include analyses for those of Russian ancestry—a proxy for Jews.

4. These data, released in the U.S. Bureau of the Census, "Religion Reported by the Civilian Population of the United States: March 1957," *Current Population Reports, Population Characteristics,* Series P. 20, no. 79, 2 February 1958, and *idem,* "Tabulations of Data on the Social and Economic Characteristics of Major Religious Groups," mimeo (undated), have previously been studied by Chiswick, "Labor Market Status of American Jews"; Goldstein, "Socioeconomic Differentials"; and Kuznets, *Economic Structure of U.S. Jewry.*

5. See, e.g., Chiswick, "Earnings and Human Capital of American Jews"; Frances E. Kobrin, "National Data on American Jewry, 1970–71: A Comparative Evaluation of the Census Yiddish Mother Tongue Subpopulation and the National Jewish Population Survey," in *Papers in Jewish Demography, 1981,* ed. U. O. Schmelz, et al. (Jerusalem: 1983), 129–143; and Ira Rosenwaike, "The Utilization of Census Mother Tongue Data in American Jewish Population Analyses," *Jewish Social Studies* (April/July 1971), 141–159.

6. For a detailed technical analysis of Jewish/non-Jewish differences in economic characteristics using these data, see Chiswick, "Skills and Economic Status of American Jewry."

7. The apparently larger return from schooling for Jews than for non-Jews may reflect a higher quality of schooling or the unmeasured characteristics that enhance the productivity of schooling for Jews. See Barry R. Chiswick, "Differences in Education and Earnings Across Racial and Ethnic Groups: Tastes, Discrimination and Investment in Child Quality," *Quarterly Journal of Economics* (Aug. 1988), 571–597.

8. See, e.g., Leonard Dinnerstein, "Education and the Achievement of American Jews," in *American Education and European Immigration, 1840–1940,* ed. Bernard J. Weiss (Urbana: 1982).

9. For the technical detail, see Chiswick, "Skills and Economic Status of American Jewry." In addition, an examination of educational attainment within the time period (1972–1987) for the respondents' and fathers' samples reveals a significant relative improvement over time among the Jewish fathers, and a small, nonsignificant relative improvement among the Jewish respondents.

10. For the most comprehensive analysis of the economics of family formation and decision-making, see Gary S. Becker, *A Treatise on the Family* (Cambridge, Mass.: 1981).

11. Comparable data on the labor force participation of the mothers of Jewish respondents are not available in the GSS.

12. A lower labor supply for Jewish women, especially when there were children at home, appears to be emphasized by commentators at the turn of the century. See Nathan Glazer, *American Judaism* (Chicago: 1957), 80–81, and Gretchen A. Condran and Ellen A. Kramarow, "Child Mortality Among Jewish Immigrants to the United States," *Journal of Interdisciplinary History* 22, no. 2 (Autumn 1991), 223–254.

13. For the detailed analysis, see Chiswick, "Labor Supply and Investment in Child

Quality." Similar patterns emerge in an analysis of Jewish/non-Jewish differences in labor supply using data from Jewish communal surveys. For the United States, see Paul Ritterband, "Jewish Women in the Labor Force." Report prepared for the American Jewish Committee, March 1990; for Canada, see Byron G. Spencer, "Child Quality and Female Labor Supply: How Different Are Jewish Women?" (unpublished paper). Canadian Jewish women had a lower labor supply in the 1981 Census, similar to the 1957 CPS pattern.

14. See, e.g., Peter M. Blau and Otis Dudley Duncan, *The American Occupational Structure* (New York: 1967); David Featherman and Robert Hauser, *Opportunity and Change* (New York: 1978); and Albert J. Reiss with Otis Dudley Duncan, Paul K. Hatt and Cecil C. North, *Occupations and Social Status* (New York: 1961).

15. See Reiss, *Occupations and Social Status,* for further detail on the construction of the occupational-prestige scores.

16. See Chiswick, "Skills and Economic Status of American Jewry."

17. This shift has been less intense among non-Jews, as they have experienced a small increase in managerial employment from their previous low level (in contrast to the sharp decline for Jews), along with a less dramatic increase in professional occupations.

18. The Jews are older, have more schooling, are more likely to be currently married and are more likely to live in urban areas outside of the South. Each of these characteristics is associated with higher earnings among both Jews and non-Jews.

19. As a test, what happens if the broad occupational categories—in addition to the other explanatory variables—are held constant in the 1970 Census data? In this case, the Jewish earnings advantage falls to 10 percent. This is not very different from the 7 percent advantage in the 1957 CPS when the group differences in occupational structure are held constant.

20. The lower ratio in the 1957 CPS may arise from the statistical control for occupation, as well as from using medians rather than means if there is a greater "positive skewness" in the distribution of Jewish incomes.

21. In the 1970 Census data, for example, earnings increase by 8.0 percent per year of schooling for Jews and by 6.8 percent for non-Jews.