

5 Employment

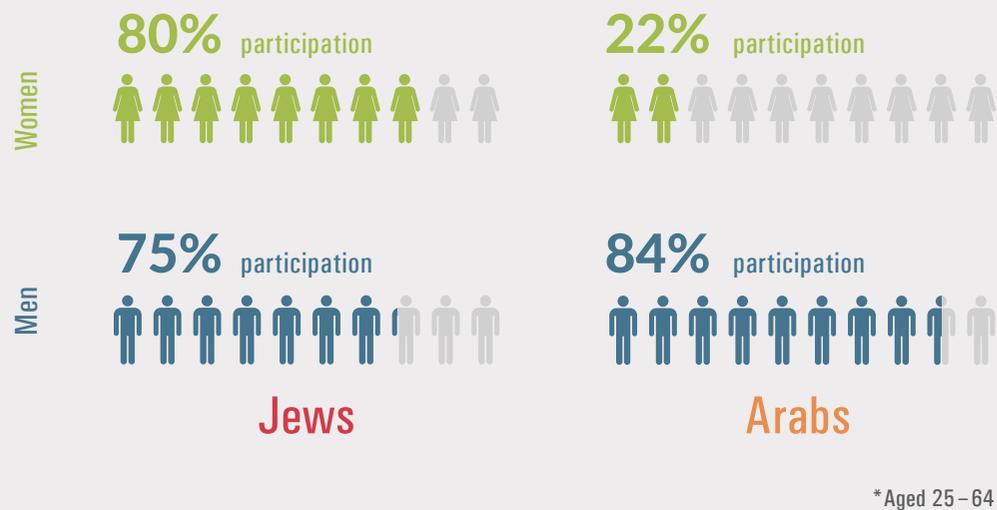
Participation in the labor force

Employed persons

Salary



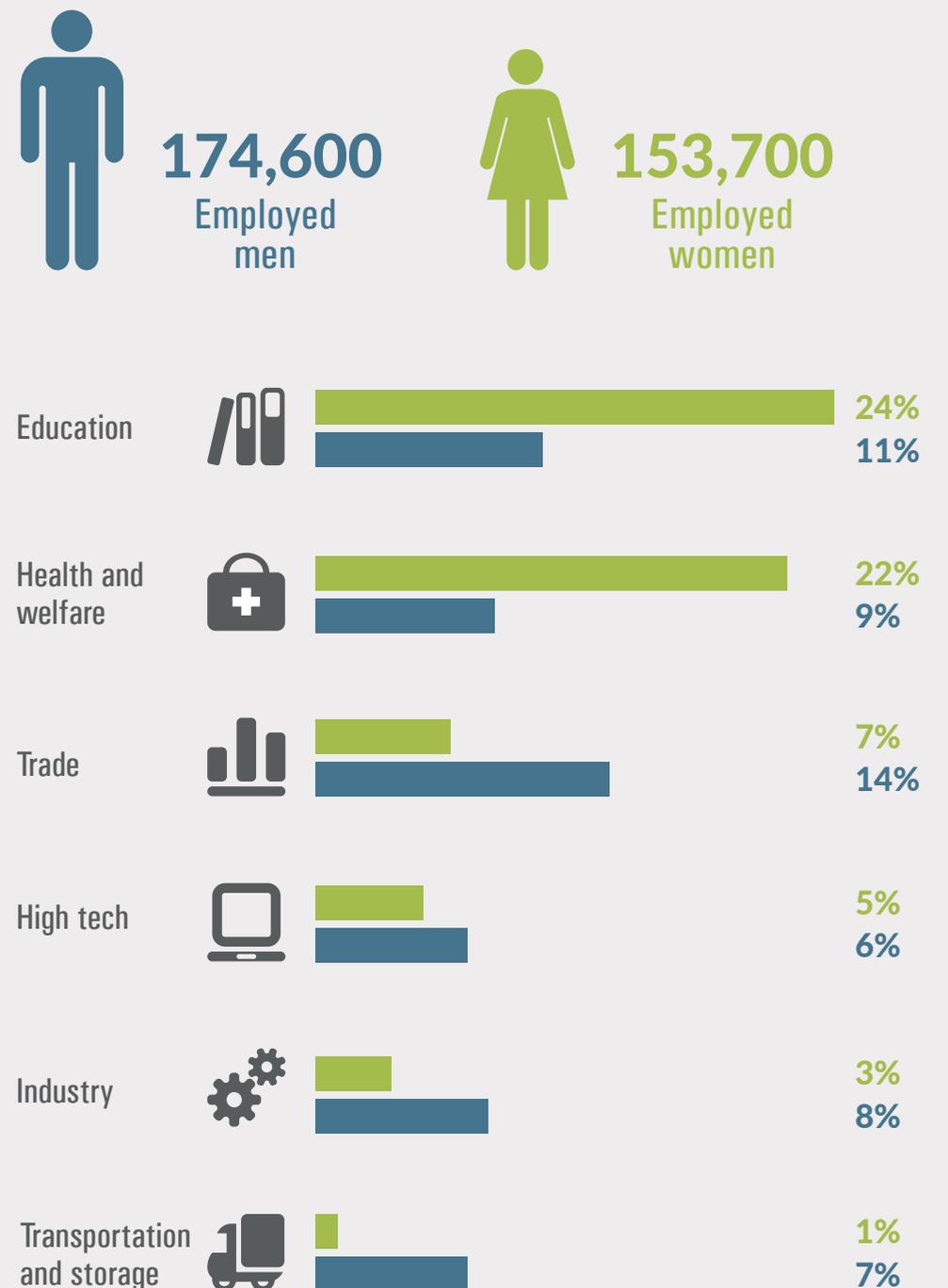
Participation Rate in the Labor Force* in Jerusalem, by Population Group and Gender, 2016



Average Monthly Wage in Israel, Jerusalem, Tel Aviv, and Haifa, by Gender, 2015



Employed Persons Working in Jerusalem, by Selected Economic Sector and Gender, 2016



Participation in the labor force

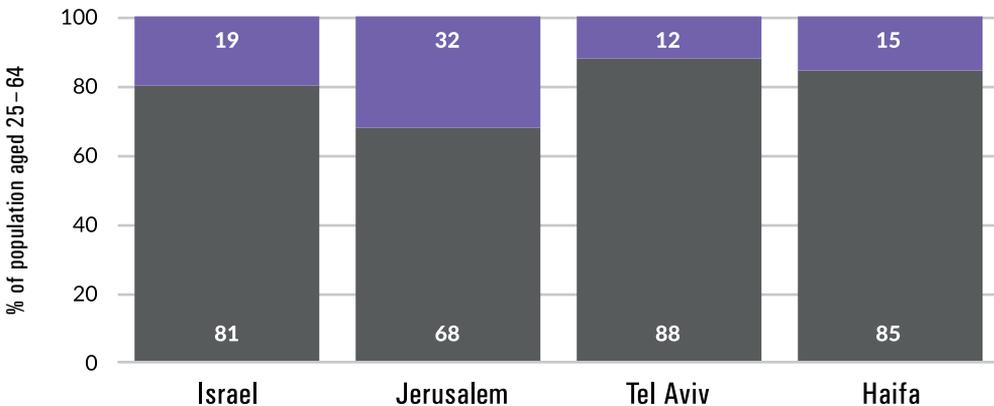
In 2016 the labor force participation rate among Jerusalem residents of peak working ages (25–64) was 68%, significantly lower than the rate in Israel at large (81%), Tel Aviv (88%), or Haifa (85%).

The labor force participation rate among Jerusalem men aged 25–64 (78%) was lower than the rate in Israel (86%), Tel Aviv (90%), or Haifa (88%). The low labor force participation rate among Jerusalem men stems from the relatively low participation rate among ultra-orthodox men, who tend to engage in yeshiva study rather than employment. It should be noted, however, that during the past decade the labor force participation rate among ultra-orthodox men has been rising.

The labor force participation rate among Jerusalem women aged 25–64 (58%) was also lower than the rates for Israel (76%), Tel Aviv (86%), and Haifa (82%). The low labor force participation rate among Jerusalem women is linked to the particularly low rate of participation among Arab women, at 22%, compared with 80% among Jewish women. The low participation rate among Arab women is attributable to a low level of education, traditional and cultural characteristics, and the lack of a supportive infrastructure for working mothers (daycare centers and pre-schools), among other factors.

Labor Force Participation Rate for Population Aged 25–64 in Israel, Jerusalem, Tel Aviv, and Haifa, 2016

■ In labor force ■ Not in labor force



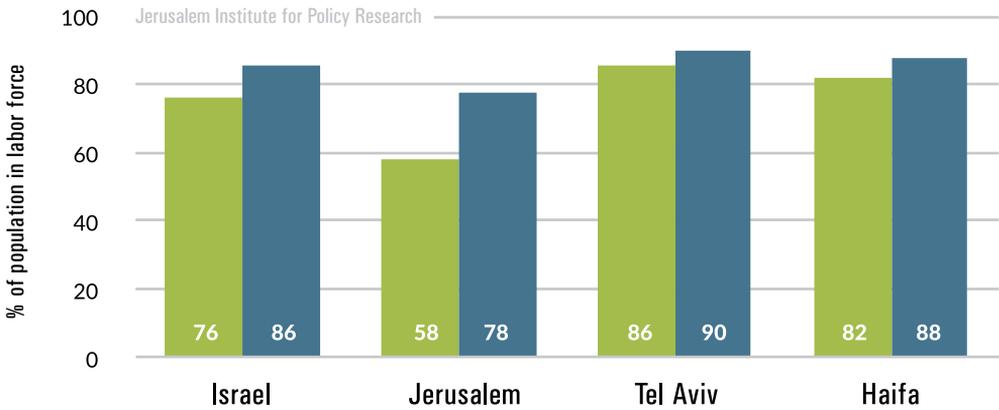
Jerusalem Institute for Policy Research

There is a significant discrepancy between the labor force participation rate of men and that of women in Jerusalem. In 2016, as noted, the participation rate among men aged 25–64 in Jerusalem was 78%, compared with 58% among women (a

difference of 20%). In Israel, Tel Aviv, and Haifa the discrepancy between men's and women's participation rates was smaller, ranging from 10% for Israel to 4%–6% for Tel Aviv and Haifa.

Labor Force Participation Rate for Population Aged 25–64 in Israel, Jerusalem, Tel Aviv, and Haifa, by Gender, 2016

■ Women ■ Men



Labor force participation by population group and gender

The labor force participation rate among Jerusalem’s Jewish population (aged 25–64) was 77%, higher than the rate among the Arab population (52%). The participation rate among Jewish men (75%) was lower than the rate among Arab men (84%), whereas the rate among Jewish women (80%) was significantly higher than the rate among Arab women (22%).

In Israel, as in Jerusalem, the labor force participation rate of the Jewish population (86%) was significantly higher than the figure for the Arab population (57%). Similarly, the participation rate for Jewish women (84%) was higher than the figure for Arab women (35%). In contrast to Jerusalem, however, the participation rate among Jewish men in Israel at large (88%) was higher than the rate among Arab men (80%).

Labor Force Participation Rate for Population Aged 25–64 in Jerusalem, by Population Group and Gender, 2016

■ In labor force ■ Not in labor force



Labor Force Participation Rate for Population Aged 25–64 in Israel and Jerusalem, by Population Group and Gender, 2016

	Israel			Jerusalem		
	Total	Jews	Arabs	Total	Jews	Arabs
Total	81%	86%	58%	68%	77%	52%
Men	86%	87%	81%	78%	75%	84%
Women	76%	85%	35%	58%	80%	22%

Jerusalem Institute for Policy Research

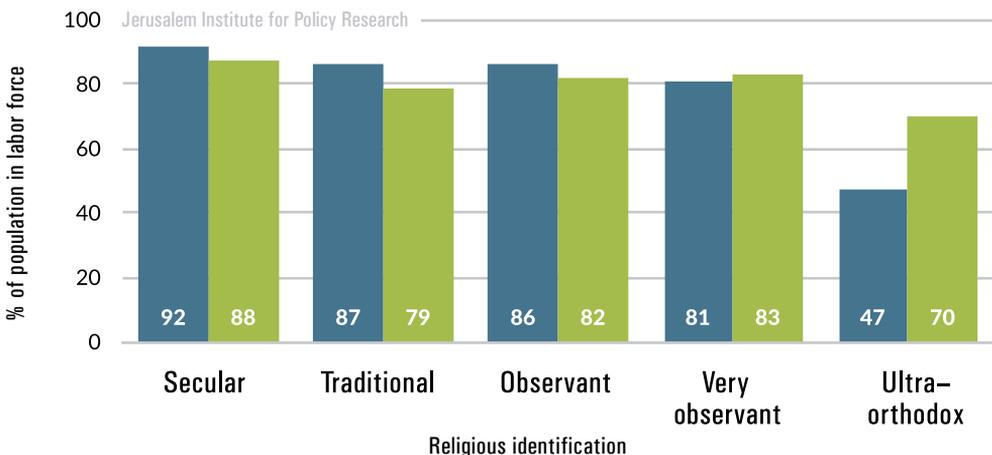
Labor force participation rate by nature of religious identification

Within the Jewish population of Israel as well as that of Jerusalem, there was a significant discrepancy in the labor force participation rate between those who defined themselves as belonging to the general Jewish population (secular, traditional, and religiously observant) and those who identified as ultra-orthodox. The greater the degree of religious identification, the lower the labor force participation rate tended to be.

The labor force participation rate among Jerusalem residents aged 25–64 was 90% among those who identified as secular, 83% among the traditional, 84% among the religiously observant, 83% among the very religiously observant, and 59% among the ultra-orthodox. The labor force participation rate among secular women in Jerusalem (88%) was identical to the figure for Israel, while the rate among ultra-orthodox women in Jerusalem (70%) was lower than the figure for Israel (76%).

Labor Force Participation Rate among Jews Aged 25–64 in Jerusalem, by Nature of Religious Identification and Gender, 2016

■ Men ■ Women



Labor Force Participation Rates among Jews Aged 25–64 in Israel and Jerusalem, by Nature of Religious Identification, 2016

	Total population	General Jewish Population (Not ultra-orthodox)					Ultra-orthodox population
		Total	Secular	Traditional	Religiously observant	Very religiously observant	
Israel	86%	88%	90%	85%	85%	86%	66%
Jerusalem	77%	86%	90%	83%	84%	83%	59%

Jerusalem Institute for Policy Research

Labor Force Participation Rates among Arabs Aged 25–64 in Israel and Jerusalem, by Nature of Religious Identification, 2016

	Total	Secular	Traditional	Religiously observant	Very religiously observant
Israel	58%	68%	58%	53%	48%
Jerusalem	52%	58%	53%	48%	–

Jerusalem Institute for Policy Research

Similarly, within the Arab population of Israel as well as Jerusalem, there were vast differences in labor force participation rates in accordance with degree of

religious identification: the greater the degree of religious identification, the lower the labor force participation rate tended to be.

Labor force participation rate by level of education

Labor force participation rates in Jerusalem vary greatly in accordance with level of education. The highest participation rates in 2016 were recorded among graduates of institutions of higher education: academic institutions (82%), post-secondary, non-academic educational institutions (77%), and teacher and preschool training colleges (74%). Among high school graduates the rate of participation was 62%. Particularly low labor force participation rates were recorded among residents with an elementary or middle-school level of education (43%) and graduates of yeshivas (42%).

Among Jerusalem men the highest participation rates were recorded for graduates of teacher and preschool training colleges (95%) and graduates of post-secondary or academic institutions (89%–90%). Among women the highest rates were recorded for graduates of academic institutions (76%) and graduates of teacher and preschool training colleges (72%).

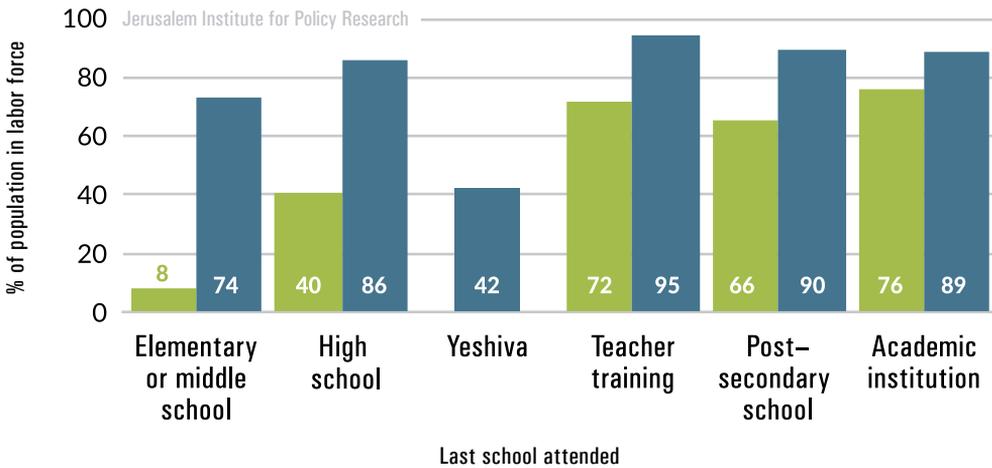
As a rule, there is a correlation between level of education and labor force participation rates: the higher the level of education, the greater the labor force participation rate tends to be. The one

exception to this rule in Jerusalem is the category of Arab men, among whom no correlation could be found between level of education and rate of participation in the labor force. The labor force participation rate was high and comparable

among Arab men with a secondary-level education or above. The reasons for this pattern are varied and include, among other factors, cultural considerations and barriers such as lack of familiarity with the Hebrew language.

Labor Force Participation Rates among Jerusalem Residents Aged 25–64, by Type of School Last Attended and Gender, 2016

■ Men ■ Women



Labor Force Participation Rates among Jerusalem Residents Aged 25–64, by Last School Attended, Population Group, and Gender, 2016

	Total	Elementary and middle school	High school	Teacher and preschool training college	Post-secondary institution	Academic institution
Jews						
Men	75%	59%	84%	100%	92%	90%
Women	80%	63%	65%	74%	78%	87%
Arabs						
Men	84%	75%	87%	92%	87%	87%
Women	22%	4%	12%	-	35%	45%

Jerusalem Institute for Policy Research

Employed persons

In 2016 the number of employed persons in Jerusalem (aged 15 and older) totaled 329,100, constituting 9% of the total for Israel. Tel Aviv, Israel's economic and business center, had more employed persons than Jerusalem, at 420,000, accounting for 11% of Israel's total. Haifa had 176,500 employed persons, constituting 5% of the total figure for Israel.

In 2016 the number of employed persons in Jerusalem corresponded to 37% of the total number of residents in the city (329,100 employed persons and 882,700 residents). In Tel Aviv the number of employed persons was nearly identical to the number of residents, at 96% of the city's population (420,000 employed persons and 438,800 residents). In Haifa the number of employed persons accounted for 63% of the city's population (176,500 employed persons and 279,600 residents).

An analysis of the places of residence of persons employed in Israel's three major cities reveals that in 2016 a majority (77%) of persons employed in Jerusalem were residents of the city, 11% resided in Judea and Samaria, 5% resided in the Jerusalem District (excluding the city of Jerusalem), and 6% resided in the Tel Aviv District and Central District. Tel Aviv presented a completely different picture: 39% of persons employed in Tel Aviv were residents of the city, 26% resided in the Tel Aviv District (excluding the city of Tel Aviv), 26% resided in the Central District, and 2% were residents of the Jerusalem

District. Evidently, therefore, most of the persons employed in Jerusalem were residents of the city, whereas in Tel Aviv slightly more than a third of those employed in the city were also residents of the city, and about half resided in localities within Tel Aviv's metropolitan area.

In 2016 a total of 285,500 of Jerusalem's residents were employed, and 88% of them worked in Jerusalem. By way of comparison, 72% of Haifa's employed residents worked in Haifa, and 65% of Tel Aviv's employed residents worked in Tel Aviv.

In general, women are more likely than men to work close to home. In 2016, among employed women who resided in Jerusalem, 92% also worked in the city, while 85% of employed Jerusalem men worked in the city. In Tel Aviv, 68% of employed women who resided in the city also worked in the city, compared with 62% of the men. In Haifa, 79% of employed women who resided in the city also worked in the city, compared with 65% of the men.

Employed persons by economic sector

Jerusalem's status as the capital of Israel and its governmental and administrative center, where government ministries and national institutions are concentrated, results in a very high proportion of persons employed in public service. In 2016 the main economic sectors of employment in Jerusalem were as follows: education – 17%

(12% in Israel and 7% in Tel Aviv), human health and social work services – 15% (11% in Israel and 8% in Tel Aviv), and local and public administration – 10% (10% in Israel and 6% in Tel Aviv). Trade accounted for 10% of the employment in Jerusalem (12% in Israel and 9% in Tel Aviv).

A total of 2% of Jerusalem's employed persons worked in financial and insurance services, and 6% worked in professional, scientific, and technical services. In Israel the figures for these sectors were comparable, at 3% and 7%, respectively. Tel Aviv had a notably high percentage of persons employed in these sectors:

9% worked in financial and insurance services, and 15% in professional, scientific, and technical services. The percentage of persons employed in the industrial sector in Jerusalem was low, at 6%, comparable to the figure for Tel Aviv (4%) and lower than the figures for Israel (11%) and Haifa (11%).

Employed persons by population group and gender

In 2016 the main sectors of the economy in which Jewish persons were employed in Jerusalem were education (19%), human health and social work services (16%), and local and public administration (13%). The main sectors of the economy in which Arab persons employed in Jerusalem worked were trade (17%), construction (14%), and education (14%).

The main economic sectors among men employed in Jerusalem were trade (14%), education (11%), local and public administration (9%), and human health and social work services (9%). Among Jewish men the main economic sectors were education (14%), local and public

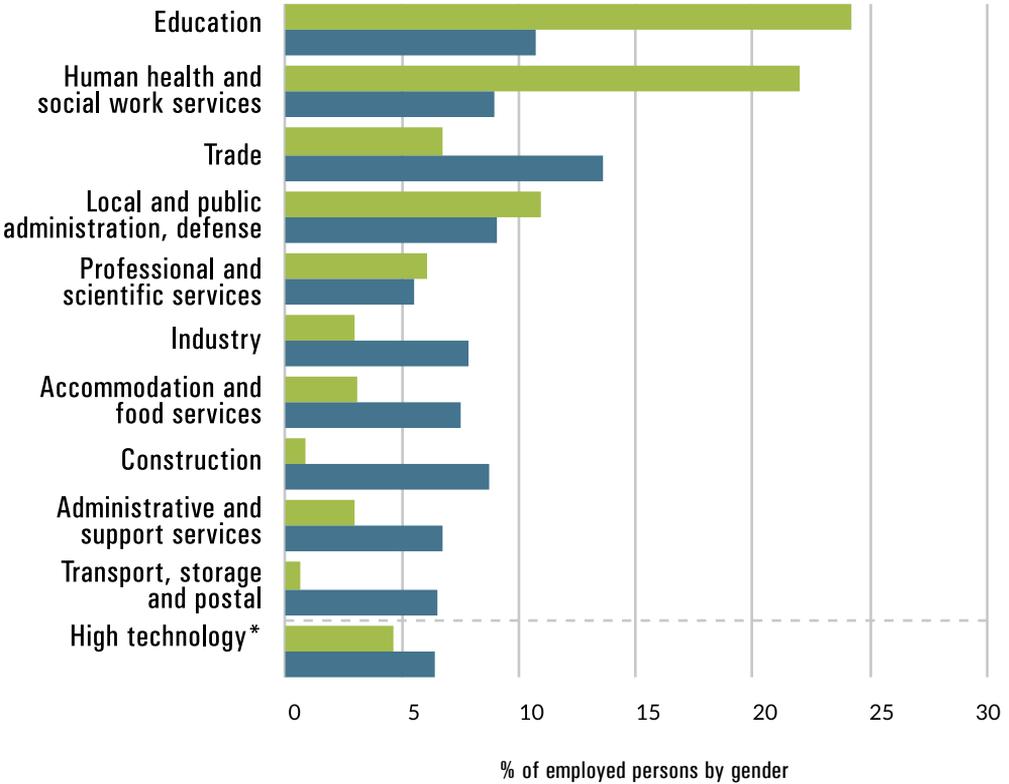
administration (14%), and trade (10%), while among Arab men the main sectors were trade (20%), construction (18%), and accommodation and food services (11%).

The main economic sectors among women employed in Jerusalem were education (24%), human health and social work services (22%), and local and public administration (11%). Among Jewish women employed in Jerusalem the main economic sectors were education (22%), human health and social work services (22%), and local and public administration (12%). Among Arab women employed in Jerusalem, strikingly high numbers worked in education, at 49%, and in human health and social work services, at 24%.

Persons Employed in Jerusalem by Economic Sector (Main Sectors) and Gender, 2016

■ Men ■ Women

Jerusalem Institute for Policy Research



* This branch comprises several smaller branches that belong to different economic sectors

Salary

In 2015 Jerusalem had 268,000 salaried employees and 18,500 self-employed workers. The average (gross) monthly wage of salaried employees in Jerusalem that year was NIS 8,600. This was lower than the average for Israel (NIS 10,400), Tel Aviv (NIS 12,500), or Haifa (NIS 11,200).

The average monthly salary in Jerusalem was lower than that of adjacent localities, with the exception of localities that have a majority ultra-orthodox or Arab population. In Har Adar the average (gross) monthly salary was NIS 17,100; in Tzur Hadassa it was NIS 14,100; in Mevasseret Zion NIS 13,400; in Efrat NIS 11,800; in localities within the Mateh Yehuda Regional Council it was NIS 11,900; in Giv'at Ze'ev NIS 9,900; in Ma'ale Adumim NIS 10,300; and in Beit Shemesh (where about half of the population is ultra-orthodox) the average salary was NIS 8,100. In localities where the population is primarily ultra-orthodox, the average monthly salaries were lower than the average in Jerusalem: in Qiryat Ye'arim (Telz–Stone) it was NIS 7,200; in Kochav Ya'akov NIS 6,600; and in Betar Illit it was NIS 5,900. In Abu Ghosh and Ein Naquba, Arab localities adjacent to Jerusalem, the average monthly salary was NIS 7,500 and NIS 7,400, respectively.

An examination of salary by gender revealed a significant gap between the salaries of employed men and women, which can be attributed primarily to fewer working hours and lower hourly wages among women as compared with men. In 2015 the average (gross) monthly salary among men in Jerusalem was NIS 9,400, which was 25% higher than the average for women, at NIS 7,500. In Israel at large, the average salary for men was NIS 12,400, which was 49% higher than women's average salary, at NIS 8,300. In Tel Aviv and Haifa the average salary was higher than in Jerusalem, and so too was the discrepancy between men's and women's salaries. In Tel Aviv the average salary was NIS 14,800 for men, which was 46% higher than the average salary for women, at NIS 10,200. In Haifa, the gap between men's and women's salaries was the greatest, at 57%, with men's salaries averaging NIS 13,700 and women's salaries averaging NIS 8,700.