THE GREAT RECESSION AND AMERICAN JEWS:
Evidence from Baltimore, Chicago and Cleveland[1]

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I. INTRODUCTION

The Great Recession that started in December 2007 and ended in June 2009 was the deepest economic downturn in the United States since the Great Depression. Nearly 9 million jobs were lost.[2] Unemployment (especially long-term unemployment), under-employment and foreclosures increased dramatically. Millions of people found themselves, unexpectedly, in precarious financial situations. Though the recession has been officially over for nearly five years, the subsequent recovery has been sluggish, fitful and incomplete.

The experiences of Jews in three U.S. communities – Baltimore, Chicago and Cleveland – reflect the national picture. Substantial number of Jewish households suffered a decline in economic status, lost jobs and income, faced financial constraints on their communal participation, and came out of the recession just managing or unable to make ends meet. Jewish households with low levels of education, single parents, and divorced, separated and widowed respondents fared the worst during the downturn.

These findings emerge from an analysis of recent studies in the three communities. The Baltimore[3] and Chicago[4] Jewish community studies were conducted from March through June

[1] I am grateful to the North American Jewish Data Bank (the predecessor to the Berman Jewish DataBank) and its director, Arnold Dashefsky, for providing a Berman Research Fellowship to support the research reported here. Ron Miller, Arnie Dashefsky, Michael Hoffman and Erika Rudin-Luria reviewed this report. I thank them all, while retaining responsibility for the analysis.
[2] Mortimer B. Zuckerman. "The Great Jobs Recession Goes On." U.S. News and World Report, Feb. 11, 2011. Accessed at http://www.usnews.com/opinion/mzuckerman/articles/2011/02/11/the-great-jobs-recession-goes-on.
[3] 2010 Baltimore Jewish Community Study. 2010. Baltimore: The ASSOCIATED: Jewish Community Federation of Baltimore (producer). New York, NY: Berman Jewish DataBank (distributor).
[4] 2010 Metropolitan Chicago Jewish Community Study. 2010. Chicago: Jewish United Fund/Jewish Federation of Metropolitan Chicago (producer New York, NY: Berman Jewish DataBank (distributor).

2010, within the first year after the recession officially ended. The Cleveland[5] Jewish community study was conducted the following year, from March through June 2011. Various reports from and methodological information about each study are available at the Berman Jewish DataBank.[6]

Before proceeding, it is important to note that the Jews of Baltimore, Chicago and Cleveland do not represent all American Jews. Strictly speaking, each study only represents the Jewish population in its locale. However, in the absence of national data on how the recession affected American Jews,[7] the Baltimore, Chicago and Cleveland studies are our first and as of now best sources of data about the experiences of some American Jews during the Great Recession.

II. KEY FINDINGS

The effects of the recession, both economic and communal, were widespread across the three communities (see Table 1 in the accompanying file for comparisons of the three communities).

Economic effects

- In the aftermath of the recession, one-third of Jewish households in Baltimore (33%) and Chicago (35%) and more than four-in-ten Jewish households in Cleveland (41%) reported a negative financial status. This means that in response to a survey question, they said they could not make ends meet or were just making ends meet, as opposed to having enough money, having extra money, or being well-off.

- More than a quarter (27%) of Baltimore Jewish households and more than a third (36%) of Chicago Jewish households were in a worse financial situation after the recession than before it. This financial decline is based on comparing their current financial situation to their financial situation three years prior, recalled at the time of the current survey.[8,9]

[5] 2011 Greater Cleveland Jewish Population Study. 2011. Cleveland: Jewish Federation of Cleveland (producer). New York, NY: Berman Jewish DataBank (distributor).
[6] http://www.jewishdatabank.org/community.asp.
[7] The Pew Research Center's 2013 Survey of U.S. Jews did not contain any specific questions on respondents' experiences during the recession.
[8] The questions about current and 3-year prior household financial status had the same 5 response categories – could not make ends meet, just making ends meet, have enough money, have extra money and well-off. Households experiencing financial decline reported a worse financial category at the time of survey than they did in recalling their financial situation before the downturn. The recall question about financial status 3 years prior was not asked in Cleveland.
[9] A Pew Research Center survey of Americans focusing on the recession – conducted May 11-30, 2010, during the same time period when the Baltimore and Chicago community studies were being fielded - asked respondents if they were in better or worse financial shape now than before the recession. Nearly half of all respondents (48%) said they were in worse shape, 21% said they were in better shape, and 29% volunteered that their financial

- More than four in ten households in Baltimore (43%) reported that as a result of the economic downturn, someone in the household lost their job, had their income or salary reduced, or took a lower paying job to help pay the household's bills in the year prior to the survey.[10,11]

- In Chicago and Cleveland, more than half of all households said they were negatively affected by the recession, including a fifth in Chicago (21%) and a quarter in Cleveland (26%) that were *strongly* negatively affected, and a third in each community (35% in Chicago and 32% in Cleveland) that were *somewhat* negatively impacted.[12]

Communal participation

The surveys suggested the recession substantially constrained Jewish communal participation.

- In Baltimore and Chicago – where questions on these topics specifically referenced the recession – between 16% and 29% of households reported that financial costs prevented them from synagogue memberships, caused them to reduce their donations to Jewish causes, and, among those with children, prevented them from sending a child to a Jewish pre-school or summer sleep-away camp, all in the year or two before the survey.

- In Cleveland, where questions on this topic did not specifically refer to the recession, results were nonetheless similar. Roughly a fifth all households (18%) said financial costs prevented synagogue membership, and among those with children, just under a quarter (23%) said financial costs prevented them from sending a child to a Jewish pre-school or summer sleep-away camp, again in the year or two prior to the survey.[13]

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situation had not changed. Pew Research Center, "How the Great Recession Has Changed Life in America," released June 30, 2010. Accessed at http://www.pewsocialtrends.org/files/2010/11/759-recession.pdf.

[10] This question was only asked in Baltimore.

[11] In the Pew Research Center study focusing on the recession, more than half (55%) of respondents in the labor force reported that they had experienced a period of unemployment, a cut in pay, reduction in hours or an involuntarily move to part-time work during the recession. Pew Research Center, "How the Great Recession Has Changed Life in America," released June 30, 2010. Accessed at http://www.pewsocialtrends.org/files/2010/11/759-recession.pdf.

[12] In each community, less than half of households said they had been minimally negatively affected or not affected by the downturn. This question did not appear on the Baltimore study.

[13] Reductions in communal participation are consistent with broader American trends of cutbacks in spending. In the 2010 Pew Research Center study on the recession, more than six-in-ten Americans (62%) reported they had reduced their spending since the recession began in December 2007. Pew Research Center, "How the Great Recession Has Changed Life in America," released June 30, 2010. Accessed at http://www.pewsocialtrends.org/files/2010/11/759-recession.pdf

Differences in recession-related experiences

While the recession's effects were widespread across the communities, certain subgroups faced more difficult experiences than others. Differences in the recession's financial and communal effects were examined across six socio-demographic factors (education, household composition, marital status, age, nativity and gender) and three Jewish characteristics (denomination, in-marriage/intermarriage, and all-Jewish and mixed Jewish/non-Jewish households).

Among the demographic characteristics, education, household composition and marital status emerged as the most important factors dividing households' experiences during the recession, with low-education households, single-parent households and divorced, separated and widowed respondents typically faring the worst. The age of households' oldest member was also often related to how people experienced the recession, but not consistently, except among the youngest households, which tended to fare better than all others. Nativity and gender had few links to recession-related experiences. Among the Jewish characteristics, no consistent patterns emerge across all three communities, though some city-specific patterns are evident.

Interested readers may consult Table 2A-C through Table 10A-C for bivariate difference of proportion tests.[14] Dependent measures are highlighted in yellow. Categories of the independent variables that are highlighted in blue have a significantly higher proportion on the dependent measure than one or more other categories, which in turn are noted in the last column. For example, looking at Table 2A, 40% of households in Baltimore with less than a college education emerged from the recession with a negative financial status. This is significantly higher than both the 33% of households with a college degree and the 24% of households with a graduate degree that had a negative financial status in the aftermath of the recession. In addition, the 33% of college-educated households with a negative financial status after the recession is significantly higher than the 24% of households with a graduate degree.

Education

- Across all three communities, households with less than a college education usually did worse during the recession than households with a graduate degree and sometimes worse than households with college degrees (see Tables 2A-C). Across the three communities jointly, households with less than a college education had significantly higher proportions (indicating more adverse experiences) on 12 of the 16 measures, including 11 relative to households with graduate degrees and 7 relative to college-educated households.

- The recession-related experiences of households with college degrees were sometimes worse than households with graduate degrees, though not uniformly so, but only once

[14] Detailed calculations are available from the author.

worse than those with less than a college degree (adverse job events in Baltimore, Table 2A).

- Households with graduate degree holders experienced the fewest adverse effects during the downturn.

The linkage of low education and recession-related experiences in the three Jewish communities is consistent with national data from a 2010 Pew Research Center study which showed that "across most indicators, those with a high school diploma or less education have been hit harder than those with a college degree or more." [15]

Household composition

- Across the three communities, single adults with children generally fared the worst during the recession compared to other household configurations (Tables 3A-C), especially in Baltimore and Cleveland. Jointly, single adults with children had significantly higher proportions on 9 of 16 measures relative to other household configurations, and their proportions on many measures were the highest among all groups in the analysis.

- Adverse experiences for single adults living alone and households with 2 or more adults and children tended to be more city specific rather than cross-community.

- Households with two or more adults and no children withstood the recession better than others.

Marital status

- Among marital status categories, those who are divorced or separated tended to have the worst recession-related experiences (Tables 4A-4C). Divorced or separated respondents had significantly higher proportions on 13 of 16 measures relative to other marital statuses.

- Widowed respondents also tended to fare more poorly than others during the recession, but not as badly as divorced and separated respondents. Widowed respondents had significantly higher proportions on 10 of 16 measures relative to other marital statuses.

[15] Pew Research Center, "How the Great Recession Has Changed Life in America," released June 30, 2010. Accessed at http://www.pewsocialtrends.org/files/2010/11/759-recession.pdf, quote at p. 1.

- Married and cohabiting respondents generally withstood the recession better than divorced, separated and widowed respondents, but not as well as those who are single and never married.

- Respondents who are single and never married weathered the recession better than all other marital statuses.

Age

- Age often differentiated recession-related experiences, but adverse effects were not especially concentrated in any particular age cohort (Tables 5A-5C). Households in which the oldest members are 50-64 tended to fare slightly worse than households just older (oldest member age 65 or more) and just younger (oldest members age 35-49).

- The youngest households, those in which the oldest member are 18-34, tended to do better than all others, but not always.

Nativity and gender

- Neither nativity (Tables 6A-6C) nor gender (Tables 7A-7C) was broadly or consistently linked to experiences during the recession.

- However, women comprise majorities of respondents in households with other characteristics that predict relatively negative experiences during the recession – lower educational levels, single parents, divorced, separated and widowed respondents, and older ages. As a result, it is likely that women experienced more adverse effects from the recession than men, even though gender by itself was rarely linked to such experiences.

Jewish characteristics

Jewish characteristics – denomination, in-married and intermarried households, and households with all Jewish members and both Jewish and non-Jewish members – often differentiate recession-related experiences, and some more-or-less consistent patterns emerge within Baltimore and Chicago. But no generally uniform relationship between Jewish characteristics and experiences during the downturn exists across the three communities:

- No particular denomination fared steadily worse compared to others (Tables 8A-8C). Orthodox, Conservative, Reform, and secular Jews each had more adverse experiences than others on selected measures, but none stands out as having consistently more negative experiences than the others across all three communities.

- Neither in-married nor intermarried households were generally associated with recession-related experiences across the communities (Tables 9A-9C). Intermarried households in Baltimore tended to fare worse while in-married households in Chicago had more adverse experiences. In Cleveland, neither type of household stood out.

- Similar patterns emerge with respect to all Jewish and Jewish/non-Jewish households (Tables 10A-10C). In Baltimore, households with both Jewish and non-Jewish members tended to have more adverse recession-related experiences, but in Chicago all-Jewish household had greater difficulties. Again in Cleveland, neither type of household did generally worse than the other during the recession.

CONCLUSION

Like Americans generally, American Jews were adversely affected by the Great Recession, the worst economic downturn since the Great Depression. Data from Jewish community studies in Baltimore, Chicago and Cleveland – conducted in the aftermath of the recession – indicate widespread economic and communal effects from the economic crisis. Substantial numbers of Jewish households reported diminished financial status, lost jobs, reduced income and salaries, and overall negative impacts as a result of the recession. They also reported significant constraints on communal participation, including synagogue membership, sending children to Jewish pre-schools and summer sleep-away camps, and making donations to Jewish causes.

While no categories of households and people were immune from the recession's effects, certain demographic characteristics made some more vulnerable than others. In particular, households with low levels of education (less than college), single adults with children, and divorced, separated and widowed respondents had more adverse recession-related experiences than other household educational levels, configurations and marital statuses.

Age, in turn, was moderately tied to recession-related experiences, while neither nativity nor gender was. However, women more likely experienced adverse effects because of their disproportionate representation in other groups that were particularly susceptible to the downturn's effects.

In contrast, Jewish characteristics, unlike some demographic ones, were minimally and inconsistently connected to the recession. Looking across all three communities jointly, households' recession-related experiences were not consistently distinguished by their denominational identity, by whether they contained in-married or inter-married couples, or by whether all of their members are Jewish or are both Jewish and non-Jewish.

This initial analysis of how the recession affected some American Jews highlights the need for continued study of the economic and financial status of community members. Despite the official end of the recession almost five years ago, the downturn's long-term effects continue to be felt in the slow and fitful recovery that has followed, and economic growth below prerecession levels is projected for many additional years.[16] How Jews and Jewish communities adapt to the country's transformed economic landscape deserves continued monitoring, so that communal policy makers can identity those whose financial status has deteriorated and, especially, can help the most economically vulnerable members of the community.

[16] Maggie C. Woodward, "The U.S. economy to 2022: settling into a new normal," in the U.S. Bureau of Labor Statistics *Monthly Labor Review,* December 2013. Accessed at: http://www.bls.gov/opub/mlr/2013/article/pdf/the-u-s-economy-to-2022-settling-into-a-new-normal.pdf.