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Jerusalem: Facts and Trends

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Maya Choshen, Michal Korach

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**Jerusalem: Facts and Trends
2009/2010**

Maya Choshen, Michal Korach

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- About the Authors -

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- Preface -

This publication presents an up-to-date and concise picture of Jerusalem, describing the trends and changes in the city in a wide range of fields, including population, employment, education, tourism, and construction.

In many areas, the publication presents a comparison between the Jewish and the Arab populations of Jerusalem. In fields for which there is no specific information relating to the Arab population, no comparative data are presented.

The principal source of the data included in this publication is the *Statistical Yearbook of Jerusalem*, published annually by the Jerusalem Institute for Israel Studies and the Municipality of Jerusalem, in cooperation with the Jerusalem Development Authority (JDA).

The data in the Statistical Yearbook of Jerusalem are collected from numerous sources, particularly the Central Bureau of Statistics and the Municipality of Jerusalem. We would like to thank all those who provide data for their much-appreciated contribution to the publication of the *Statistical Yearbook* and to this publication.

Our sincere thanks and appreciation are due to those who helped in the preparation of this publication: Yair Assaf-Shapira (graphic design), Inbal Doron (proofreading), Esti Boehm (production), and Hamutal Appel (preparation for printing).

- Area -

Jerusalem is the largest city in Israel. Its area of jurisdiction encompasses 126,000 dunams.¹ By way of comparison, Tel Aviv² has an area of 51,000 dunams; Haifa 60,000 dunams; and Ma'ale Adummim 49,000 dunams.

- Population -

Population size

At the end of 2008, the population of Jerusalem was 763,600. The “Jewish and Other”³ population totaled 495,000, while the Arab population numbered 268,600. The Arab population included a large Muslim majority (95%) and a Christian minority. In 2008, the city's populations constituted some 10% of the population of Israel. The Jewish population accounted for approximately 8% of the total Jewish population of the country, while the Arab population constituted 18% of the total Arab population.

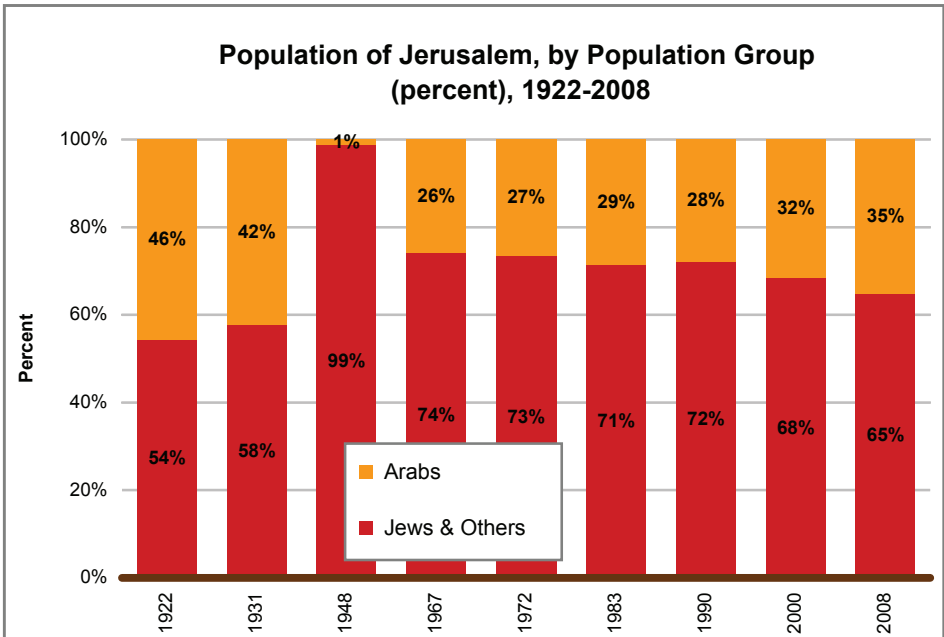
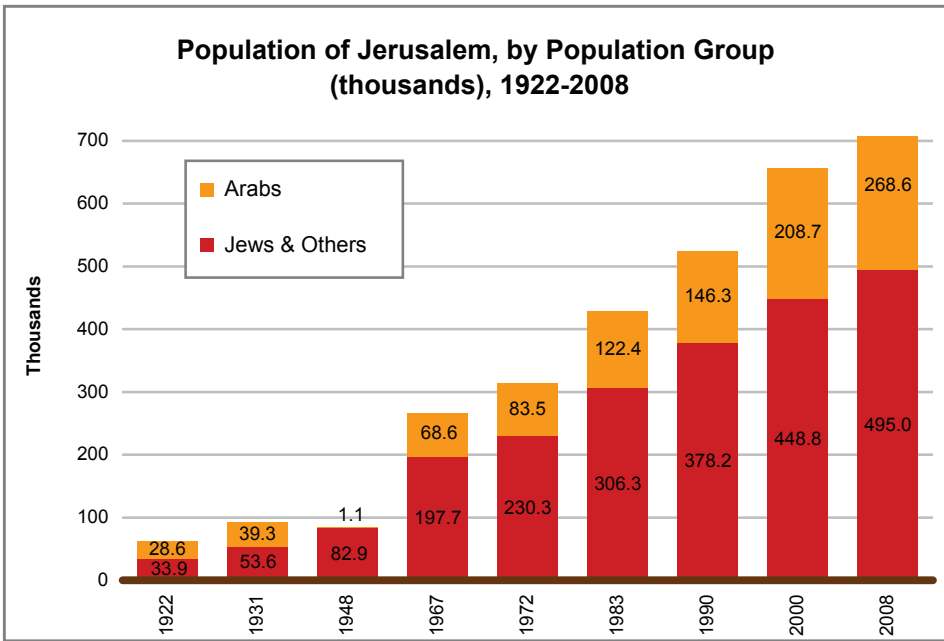
Over the years, there has been an evident decline in the proportionate size of Jerusalem's Jewish population, with a concomitant increase in the proportion of the Arab population. The proportion of the Jewish population fell from 74% in 1967 to 72% in 1980, and 65% in 2008. Conversely, the Arab population rose from 26% in 1967 to 28% in 1980, and 35% in 2008.

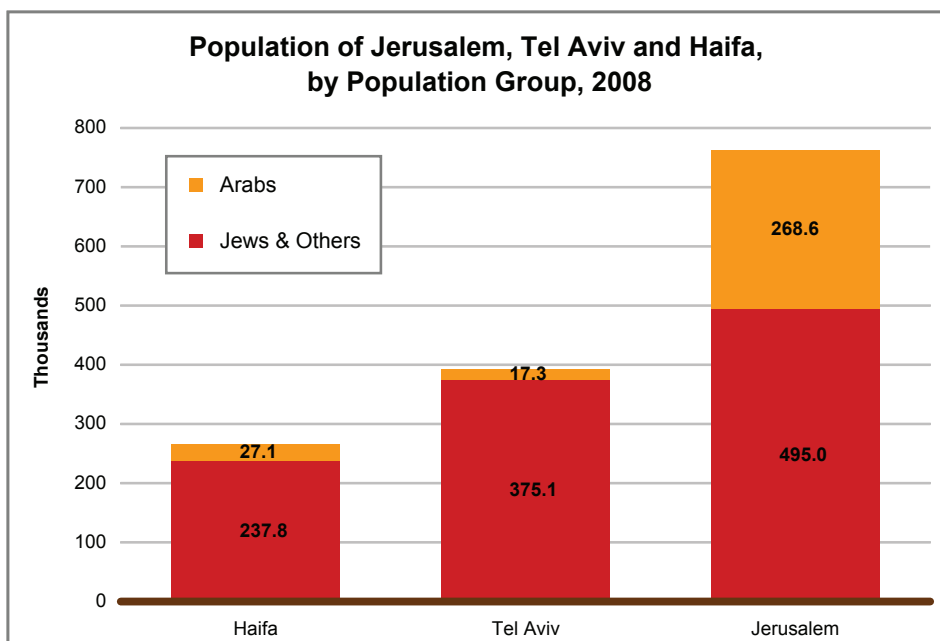
In 2008, the Arab population constituted 35% of Jerusalem's total population. This is a high proportion relative to the figure for Israel as a whole (20%), for Haifa (10%), and for Tel Aviv (4%).

¹ Four dunams equal approximately one acre.

² Wherever data are given for Tel Aviv, the reference is to the city of Tel Aviv–Yafo.

³ Hereinafter: “the Jewish population.” In this section, the figures for the Jewish population include: Jews, non-Arab Christians, and persons without religious classification.





Geographical distribution of the population

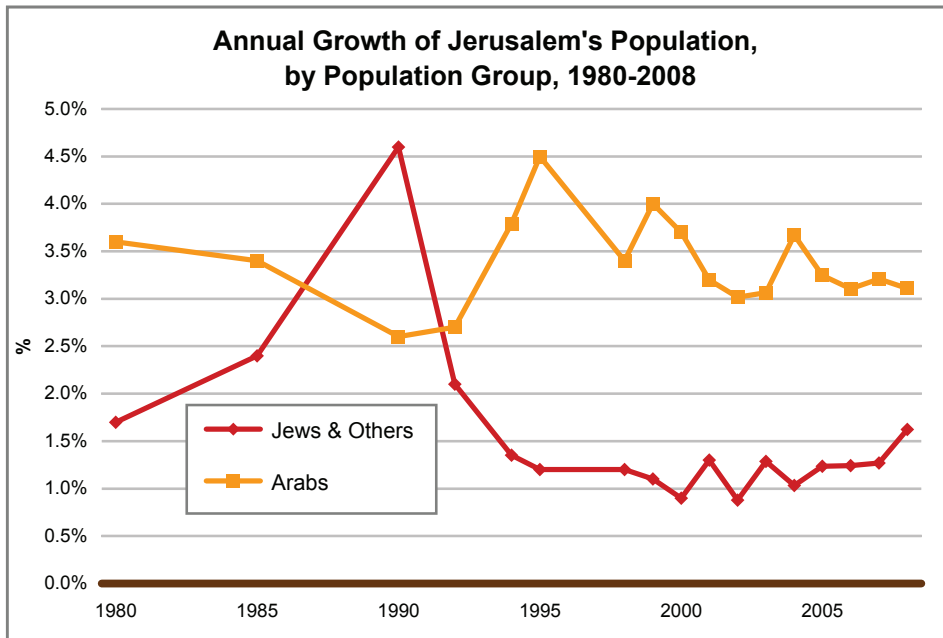
At the end of 2008, 456,300 of Jerusalem's residents (Jews and Arabs) lived in areas added to the city after its unification in 1967, constituting 60% of the city's total population.

195,500 Jewish residents lived in areas added to the city, accounting for 43% of the total population in these areas, and 40% of the total Jewish population in Jerusalem. Population figures for the large Jewish neighborhoods constructed after 1967 were: 42,200 in Ramot Alon; 42,100 in Pisgat Zeev; 26,900 in Gilo; 20,400 in Neve Yaacov; 15,100 in Ramat Shlomo (Rekhes Shuafat); and 12,200 in East Talpiot.

260,800 Arab residents lived in areas added to the city after its unification, constituting 57% of the total population of these areas, and 98% of the total Arab population in Jerusalem. The largest Arab neighborhoods in these areas are: Shuafat (including the refugee camp) – 38,800; Beit Hanina – 27,900; the Muslim Quarter – 26,300; and A-Tor (including A-Sawana) – 24,400.

Population growth

During 2008, Jerusalem's population grew by 2.1% (16,000 persons). The Jewish population grew by 1.6% (7,900 persons), and the Arab population grew by 3.1% (8,100 persons). These figures show that the Arab population has a higher growth rate than the Jewish population in both absolute and relative terms.



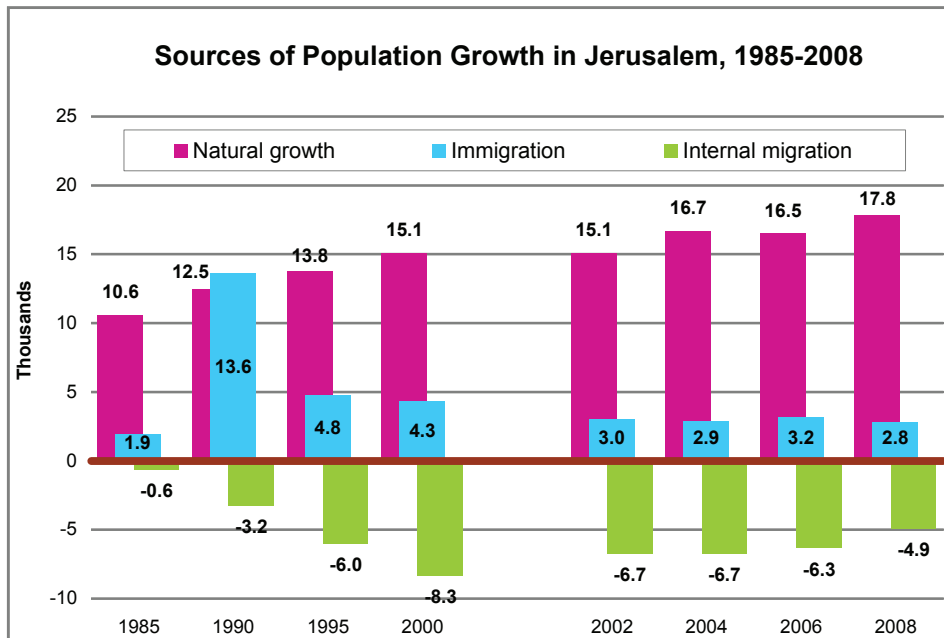
In the period 1967-2008, the city's population increased by 187%. The Jewish population grew by 150%, while the Arab population grew by 291%. By way of comparison, the population of the State of Israel grew by 166% over the same period: the Jewish population grew by 147%, and the Arab population by 279%.

Sources of population growth

Three factors contribute to population growth:

- ◆ Natural growth – the differential between the number of births and the number of deaths.
- ◆ Aliyah (Jewish immigration) – the number of new immigrants choosing to settle in Jerusalem as their first place of residence in Israel.

- ◆ Internal migration – the differential between the number of migrants to Jerusalem from other localities in Israel and the number of those leaving Jerusalem for other localities in Israel.



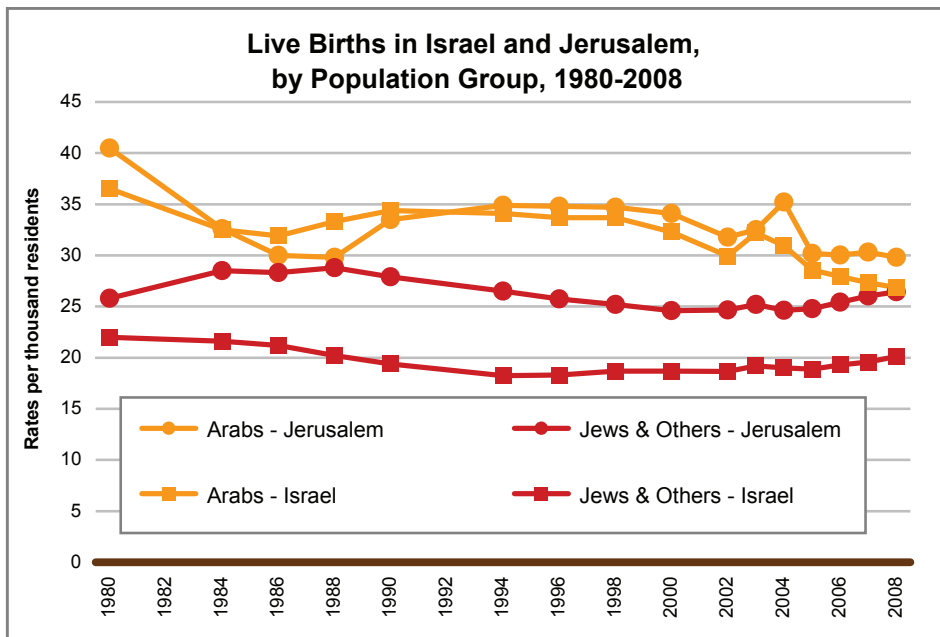
Birth

In 2008, 20,900 babies were born in Jerusalem: 62% were born to Jewish families, and 38% to Arab families. In Israel, by comparison, 75% of babies were born to Jewish families and 25% to Arab families.

Jerusalem's population has a particularly high birthrate. The two sectors that contribute to this are the Haredi (Ultra-Orthodox) Jewish and Muslim Arab populations. In 2008, the birthrate in Jerusalem was 27.6 births per 1,000 persons, compared to 21.5 births per 1,000 persons in Israel as a whole. The birthrate among the Arab sector is higher than among the Jewish population. In 2008, the birthrate among Jerusalem's Jewish population was 26.5 per 1,000 persons (20.1 births per 1,000 persons among the Jewish population in Israel), while among the Arab sector in Jerusalem the birthrate was 29.8 births per 1,000 persons (26.9 per 1,000 persons among the Arab population in Israel).

Since the 1970s, there has been a moderate decline in the birthrate among Jerusalem's Jewish population. The average birthrate of this sector fell from 27.7 births per 1,000 persons in the 1970s (1973-1979) and 1980s (1980-1989) to 25.7 in the 1990s (1990-1999), and 25.1 in the period 2000-2008.

During the same period, a sharp decline was seen in the birthrate among the Arab population in Jerusalem. In the 1970s (1973-1979), the average birthrate among this sector was 42.5 births per 1,000 persons. This figure fell to 32.9 in the 1980s (1980-1989), rose slightly to 34.1 in the 1990s (1990-1999), and fell again to 32.0 during the period 2000-2008.



In 2008, the total fertility rate (the number of children to whom a woman is expected to give birth during the course of her life) was 4.0 in Jerusalem, compared to 3.0 in Israel, 2.1 in Tel Aviv, and 2.0 in Haifa. Thus, the average number of children a woman in Jerusalem is expected to have is twice that of a woman in Tel Aviv or Haifa.

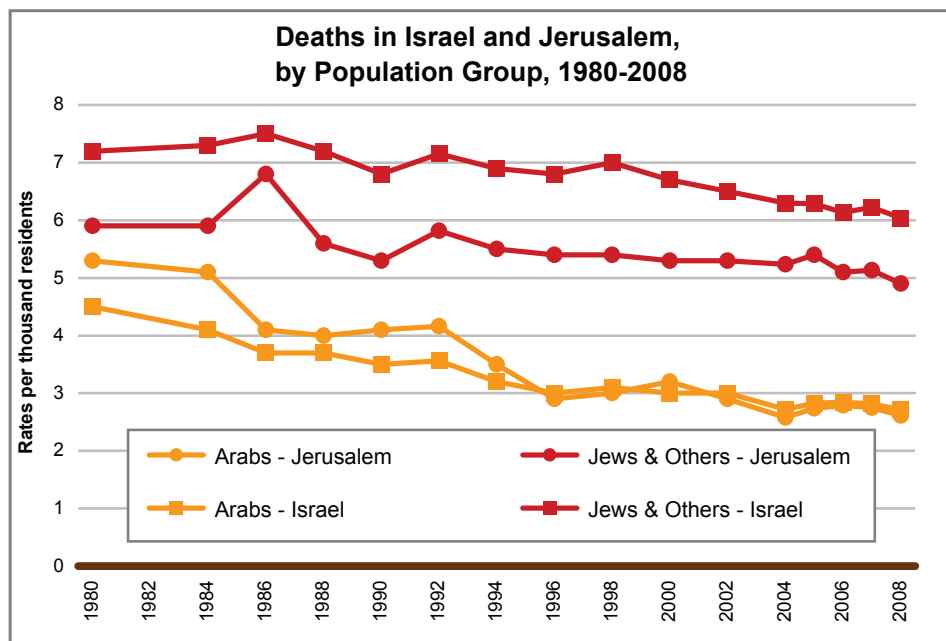
The total fertility rate for Jewish women in Jerusalem was 4.0, as was the total fertility rate for Arab women in the city. The high fertility rate among Jewish women is due largely to the high total fertility rate among Haredi women, who are expected to have an average of 7.7 children during the course of their

life.⁴ The total fertility rate among Muslim women in Jerusalem was 4.1 children, slightly higher than the total fertility rate for Muslim women in Israel – 3.8.

Mortality

In 2008, the number of deaths in Jerusalem was 3,100 – 78% of whom were Jews, and 22% of whom were Arabs. The mortality rate in Jerusalem was 4.1 deaths per 1,000 persons, lower than the figures for Israel (5.4), Tel Aviv (8.7), and Haifa (9.9). This reflects the relatively young age of the population.

The mortality rate in the Arab population in Jerusalem is significantly lower than that among the Jewish population. In 2008, the mortality rate in the Jewish population in Jerusalem was 4.9 deaths per 1,000 persons (6.0 per 1,000 among the Jewish population in Israel, 8.9 in Tel Aviv, and 10.6 in Haifa). Conversely, the mortality rate among the Arab population in Jerusalem was 2.6 deaths per 1,000 persons (2.7 per 1,000 among the Arab population in Israel).

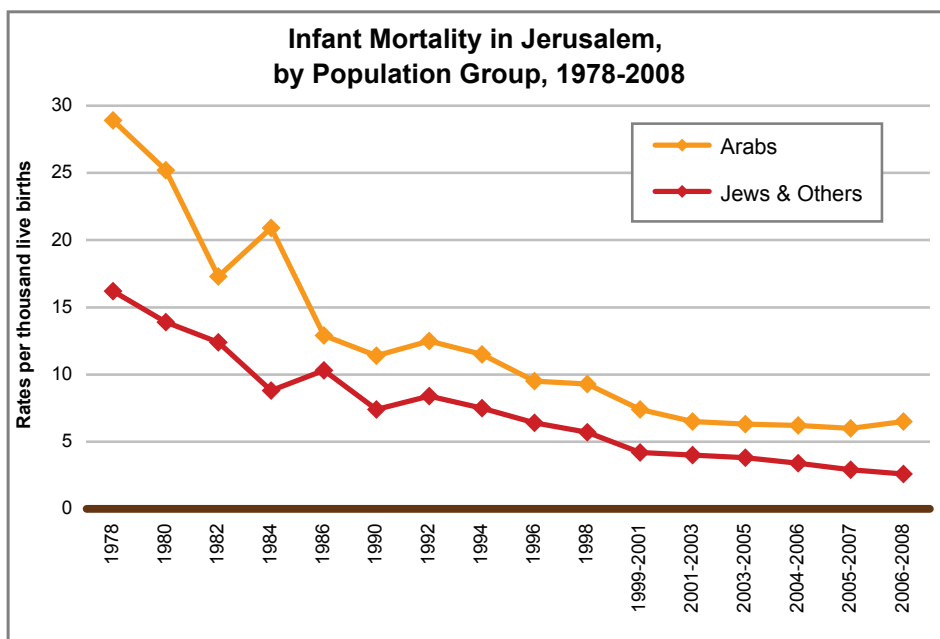


⁴ Gurvitz N. and Cohen-Castro A. (2004), *The Haredim – Geographical Distribution and Demographic, Social and Economic Profile of the Haredi Population in Israel, 1996-2001* (Hebrew), Central Bureau of Statistics, Working Papers Series No. 5, p. 39. Retrieved from www.cbs.gov.il/publications/int_olor.pdf (September 2010).

Over the years, there has been a moderate decline in the mortality rate in the Jewish population in Jerusalem, while in the Arab sector the decline has been rapid and pronounced. The average mortality rate among the Jewish population fell from an average of 6.4 deaths per 1,000 persons in the 1970s (1973-1979) to 5.9 in the 1980s (1980-1989), 5.5 in the 1990s (1990-1999), and 5.2 in the period 2000-2008. Among the Arab population, the average mortality rate fell from 6.4⁵ deaths per 1,000 persons in the 1970s (1973-1979) to 4.5 deaths in the 1980s (1980-1989), 3.5 in the 1990s (1990-1999), and 2.9 in the period 2000-2008.

One of the main factors explaining the sharp decline in the mortality rate among the Arab population is the sharp fall in infant mortality. In the 1970s (1972-1979), the average infant mortality rate in the Arab sector was 45.2 (deaths per 1,000 live births). This rate fell to 17.2 in the 1980s (1980-1989), 10.7 in the 1990s (1990-1999), and 6.5 in the period 2006-2008.

In 2006-2008, the average infant mortality rate among Jerusalem's Jewish population was 2.6 (2.9 among the Jewish population in Israel); compared to the Arab population's 6.5 (6.8 among the Arab population in Israel). The relatively



⁵ It should be noted that during this period the mortality rate in the Arab population fell from 7.3 deaths per 1,000 persons in 1973 to 5.3 deaths in 1979. Among the Jewish population, mortality rates in this period fell from 6.8 deaths to 6.0.

high infant mortality rate in the Arab sector is due, among other factors, to congenital defects, which are very frequent among the Muslim population due to inbreeding.⁶

The fall in mortality rates among Jerusalem's Arab population is the result of improved sanitary conditions, better health and preventative medicine services in the 1970s and 1980s, and the introduction of the National Health Insurance Law from the mid-1990s.

Another reason why mortality rates in the Arab sector are lower is this population's younger profile. In 2008, the proportion of children (age 0-14) in the Arab population was 41% (compared to 31% in the Jewish population), while the proportion of senior citizens (65 and older) was just 3% (compared to 11% in the Jewish population).

Natural growth

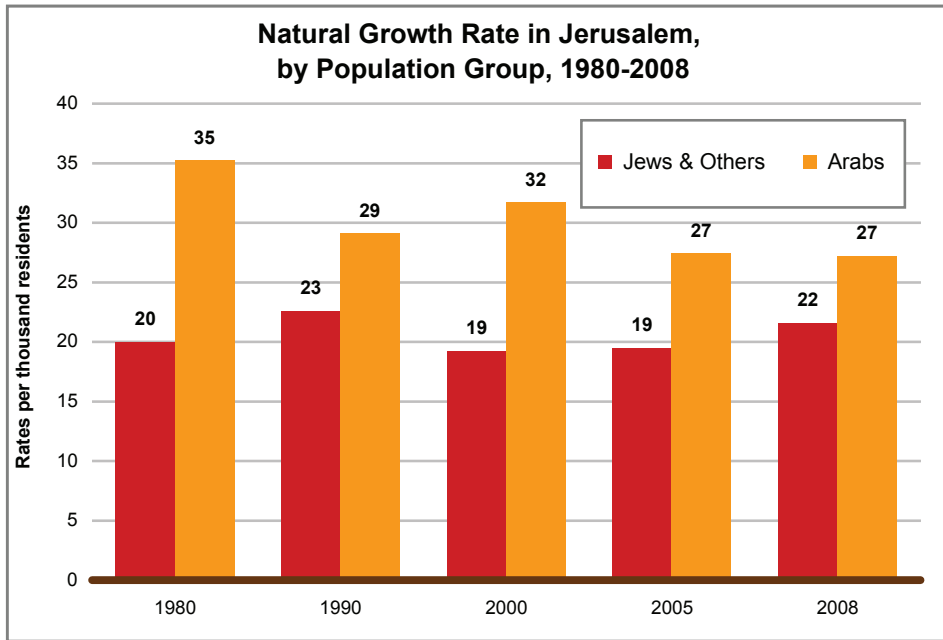
Natural growth (the differential between the number of births and deaths) is the main component in population growth in Jerusalem. In 2008, natural growth added 17,800 persons to the population of Jerusalem, 60% Jews and 40% Arabs. Natural growth in Jerusalem (17,800) is substantially higher than in Tel Aviv (4,500) or Haifa (1,000). In this year, the natural growth rate was 23.6 per 1,000 persons, as compared to 16.1 in Israel, 11.5 in Tel Aviv, and 3.8 in Haifa.

The natural growth rate in Jerusalem's Arab population is significantly higher than that in the city's Jewish population. In 2008, the natural growth rate in the Arab population was 27.2 per 1,000 persons, compared to 21.6 per 1,000 in the Jewish population. However, the growth rate among Jews in Jerusalem is significantly higher than the average natural growth rate of the Jewish population in Israel – 21.6 and 14.1, respectively. The natural growth rate of the Arab population in Jerusalem is also higher than that of Israel's Arab population – 27.2 and 24.1, respectively.

Since the 1970s, there has been a decline in the natural growth rate in Jerusalem among both the Jewish and the Arab populations. The decline among the Jewish population has been moderate and consistent: in the 1970s (1973-1979) and

⁶ Retrieved from www.health.gov.il/download/pages/tmuta2003_tinuk.doc (September 2010).

1980s (1980-1989), the average natural growth rate of the Jewish population was 21.3 and 21.8 per 1,000, respectively. This fell to 20.3 in the 1990s (1990-1999), and to 19.8 in the period 2000-2008. By contrast, there has been a sharp decline in the natural growth rate in the Arab population. In the 1970s (1973-1979), the average natural growth rate of the Arab population in Jerusalem was 36.2 (per 1,000 persons); this fell to 28.5 in the 1980s (1980-1989), rose slightly to 30.3 in the 1990s (1990-1999), and averaged 29.2 in the period 2000-2008.



Aliyah

There has been a sharp decline in the number of Jewish immigrants⁷ coming to Israel in recent years. In 2002, 33,600 immigrants arrived; this fell to 21,200 in 2005, and to just 13,700 in 2008. In Jerusalem, however, the number of immigrants has remained relatively stable in recent years (2002-2007), at around 2,500 a year. In 2008, the number of immigrants arriving in the city fell to 2,100. Nevertheless, the number of immigrants settling in Jerusalem in that year was higher than the figures for Tel Aviv (750) and Haifa (600).

⁷ Not including “citizen immigrants” (Israeli residents returning to the country).

The number of immigrants choosing Jerusalem as their first place of residence in Israel is also high relative to other large Israeli cities. In 2008, immigrants to Jerusalem accounted for 15% of total immigrants to Israel, compared to 5% to Tel Aviv and 4% to Haifa.

Since 2002, there has been a significant increase in the proportion of immigrants choosing Jerusalem as their first place of residence in Israel. This increase reflects changes in the profile of immigrants who have come to Israel in recent years: there has been an increase in the proportion of immigrants from prosperous countries (mainly the U.S. and Western Europe) who choose to settle in Jerusalem, the capital of Israel and of the Jewish people, and a concomitant decrease in the proportion of less-prosperous immigrants, such as those from the CIS, who accounted for the vast majority of immigrants in the 1990s.

In the period 2002-2008, immigrants to Jerusalem comprised approximately 11% of all immigrants to Israel (7% in 1990-2001), compared to 5% choosing Tel Aviv and 4% choosing Haifa (10% each in 1990-2001 for both Tel Aviv and Haifa). The five countries providing the largest proportion of immigrants to Jerusalem are: the U.S.A. (30%), France (21%), Russia (10%), Britain (6%), and Ukraine (6%).

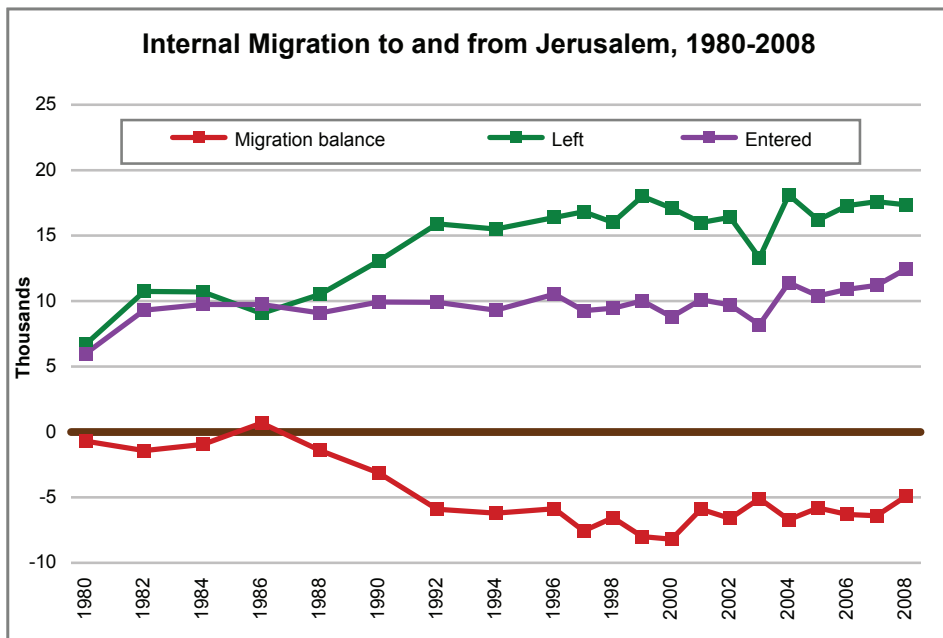
In 2008, a total of 65,300 immigrants who arrived in Israel in 1990 or thereafter lived in Jerusalem, comprising 9% of the total population of the city and 13% of the “Jewish and other” population. This proportion of immigrants in Jerusalem relative to the Jewish population (13%) is similar to that rate in Tel Aviv (13%), but lower than that in Haifa (27%) and in some localities in the vicinity of Jerusalem, such as Beit Shemesh (22%) and Ma’ale Adummim (15%). The proportion of immigrants in Givat Ze’ev (7%), Mevasseret Zion (10%), and Modi’in Illit and Betar Illit (6%) is lower than that in Jerusalem.

Internal migration

In 2008, 17,360 residents emigrated from Jerusalem to other localities in Israel, while 12,440 new residents migrated to the city from other localities in the country. The net balance of internal migration in Jerusalem was negative, at -4,920. In the period 1991-1996, the negative migration balance ranged from -5,600 to -6,200 persons. This rose during the second half of the 1990s, reaching a peak of

-8,200 in the year 2000. Since 2001, the negative migration balance has fluctuated between -5,100 and -6,700.

In comparison to 2006-2007, when the negative migration balance was approximately -6,300 in each of these two years, a decrease can be seen in the negative migration balance in Jerusalem in 2008. The decrease in the negative migration balance is due to an increase in the number of those moving to the city.



In 2008, a negative migration balance was recorded between Jerusalem and Jewish localities in Judea and Samaria (-2,400 persons). This is the most negative migration balance compared to other districts of Israel. A negative migration balance was also recorded between Jerusalem and localities in the Jerusalem District (-1,400 persons), and localities in the Tel Aviv District (-700 persons) and Central District (-800 persons). A positive migration balance was recorded between Jerusalem and the localities of the North, South, and Haifa Districts.

In the period 2001-2008, 132,100 residents migrated from Jerusalem to other localities in Israel, while 84,400 persons migrated from other localities in

Israel to Jerusalem. In total, the city's population was reduced by 47,700 over this period as a result. Among those migrating, the proportion moving to the Jerusalem metropolis is notable – 50% (31% to Judea and Samaria, and 19% to the Jerusalem District). Over the same period, 34% of persons migrating moved to the Tel Aviv metropolis (17% to the Tel Aviv District and 17% to the Central District). By way of comparison, in the 1980s the Tel Aviv metropolis and Jerusalem metropolis were equally attractive to Jerusalem residents – 36% of those migrating from the city moved to each of these areas. In the 1990s, the proportion of those emigrating to the Jerusalem metropolis rose to 48%, while the proportion of those moving to the Tel Aviv metropolis fell to 29%. The increase in the proportion of those migrating to the Jerusalem metropolis reflects its rapid development since the early 1990s, including extensive construction in localities around the city, such as Mevasseret Zion, Ma'ale Adummim, Beit Shemesh, Betar Illit and rural localities. Among those immigrating to the city, the number arriving from the Jerusalem metropolis and the Tel Aviv metropolis is equal. In 2001-2008, 35% of those immigrating to Jerusalem moved to the city from the Tel Aviv metropolis (18% from the Tel Aviv District and 17% from the Central District), and 35% arrived from the Jerusalem metropolis (22% from Judea and Samaria and 13% from the Jerusalem District).

The localities that attracted the greatest number of residents from Jerusalem in 2008 were: Tel Aviv (1,430), Beit Shemesh (1,240), Betar Illit (1,160), Ma'ale Adummim (930), and Modi'in-Maccabim-Reut (930).

The localities from which Jerusalem attracted the greatest number of residents were: Tel Aviv (810), Bnei Brak (690), Beit Shemesh (620), Ma'ale Adummim (570) and Betar Illit (440).

On the whole, internal migrants are typically young. This is also the case in Jerusalem – both those emigrating from the city and those migrating to it are typically young.

In the period 2005-2008, 47% of those migrating from Jerusalem, and 54% of those migrating to the city, were aged 20-34. The median age of those migrating from Jerusalem was 25.0, and of those arriving to the city – 25.3.

The main age groups affected by Jerusalem's negative migration balance were: children aged 0-4 (-5,500 – these are children who left the city with their families); young people aged 20-24 (-3,100); and people aged 30-34 (-3,000).

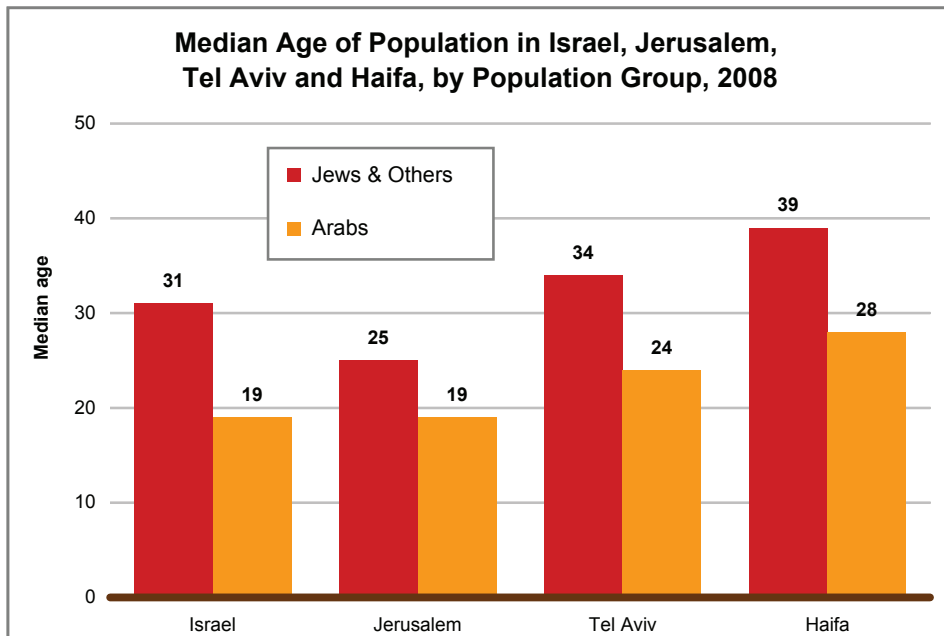
Population age

Jerusalem's population is characterized by its young age. In 2008, the median age of the city's residents was 23 (in other words, half the population is younger than 23 and the other half is older than 23). By way of comparison, Tel Aviv and Haifa had significantly older populations than Jerusalem, with median ages of 34 and 38, respectively. The median age of Israel's population as a whole was 29.

Jerusalem's Jewish population is older than its Arab population. In 2008, the median age of the Jewish population was 25, compared to 19 for the Arab population. In the same year, the median age of the Jewish population was 31, while the median age of the Arab population was 20.

Thus, Jerusalem is characterized by a young age structure, with a relatively high proportion of children (0-14) and a relatively low proportion of senior citizens (65 and above). In 2008, children (0-14) accounted for 35% of the city's total population, compared to 18% in Tel Aviv and Haifa, and 28% in Israel as a whole. Among the Jewish population, children accounted for 31%, compared to 41% in the Arab population.

The proportion of senior citizens (65 and above) in Jerusalem was relatively low.



This group comprised 8% of the population of the city, compared to 14% in Tel Aviv, 18% in Haifa, and 10% in Israel as a whole. Among the Jewish population, this age group accounted for 11%, compared to just 3% in the Arab population.

The Haredi Jewish population⁸ is characterized by its young age profile. Children (0-14) comprised 43%, compared to 25% in the general Jewish population (secular, traditional, and religious)⁹ and 41% in the Arab population. The proportion of senior citizens in the Haredi population was 6%, compared to 13% in the general population and 3% in the Arab population.

The Muslim Arab population in Jerusalem also has a young profile, and is significantly younger than the Christian Arab population. Among the Muslim population, children (0-14) accounted for 42%, compared to 21% in the Christian Arab population. The proportion of senior citizens (65 and above) in the Muslim sector was 3%, compared to 13% among Christian Arabs.

Population of Jerusalem by age and population group, 2008

	0-14	65 and above	Median age*
Total population	35%	8%	23
Jewish population	31%	11%	25
Arab population	41%	3%	19
General Jewish population (secular, traditional and religious)	25%	13%	32
Haredi Jewish population (Ultra-Orthodox)**	43%	6%	18
Muslim Arab population	42%	3%	19
Christian Arab population	21%	13%	35
Non-Arab Christian population	16%	16%	42

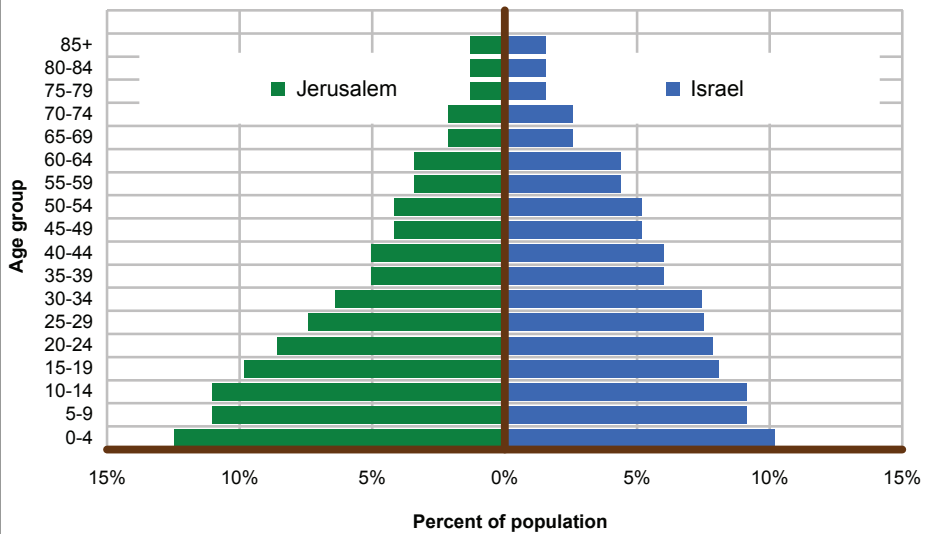
* The age at which half the population is older and half is younger.

** Neighborhoods in which most of the residents are Haredi.

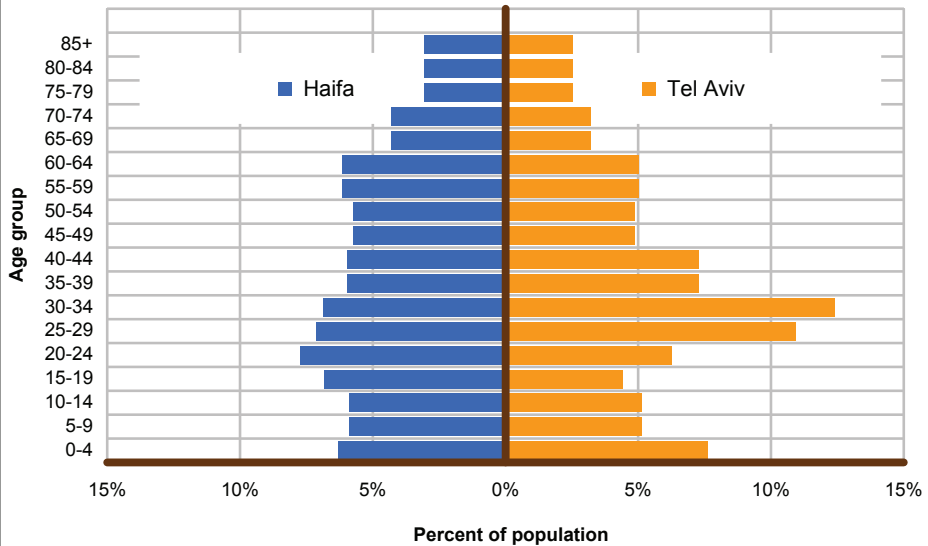
⁸ The Jewish population living in neighborhoods in which most of the residents are Haredi.

⁹ The Jewish population living in neighborhoods in which most of the residents are secular, traditional, and religious.

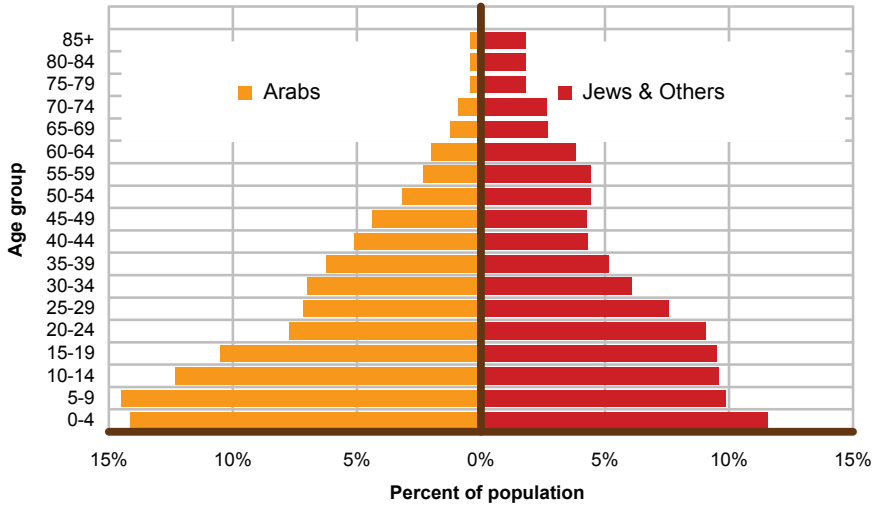
Age Structure of Population in Israel and Jerusalem, 2008



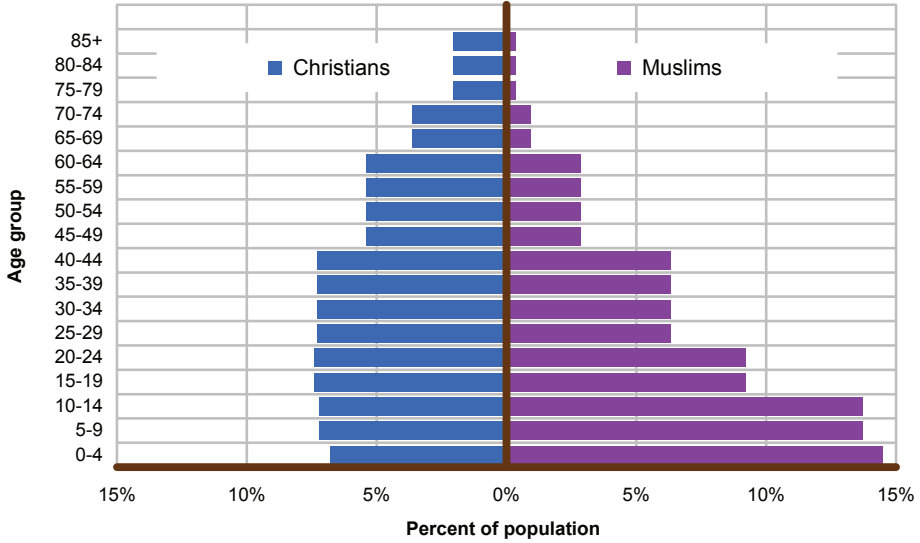
Age Structure of Population in Haifa and Tel Aviv, 2008



**Age Structure of Population in Jerusalem,
by Population Group, 2008**

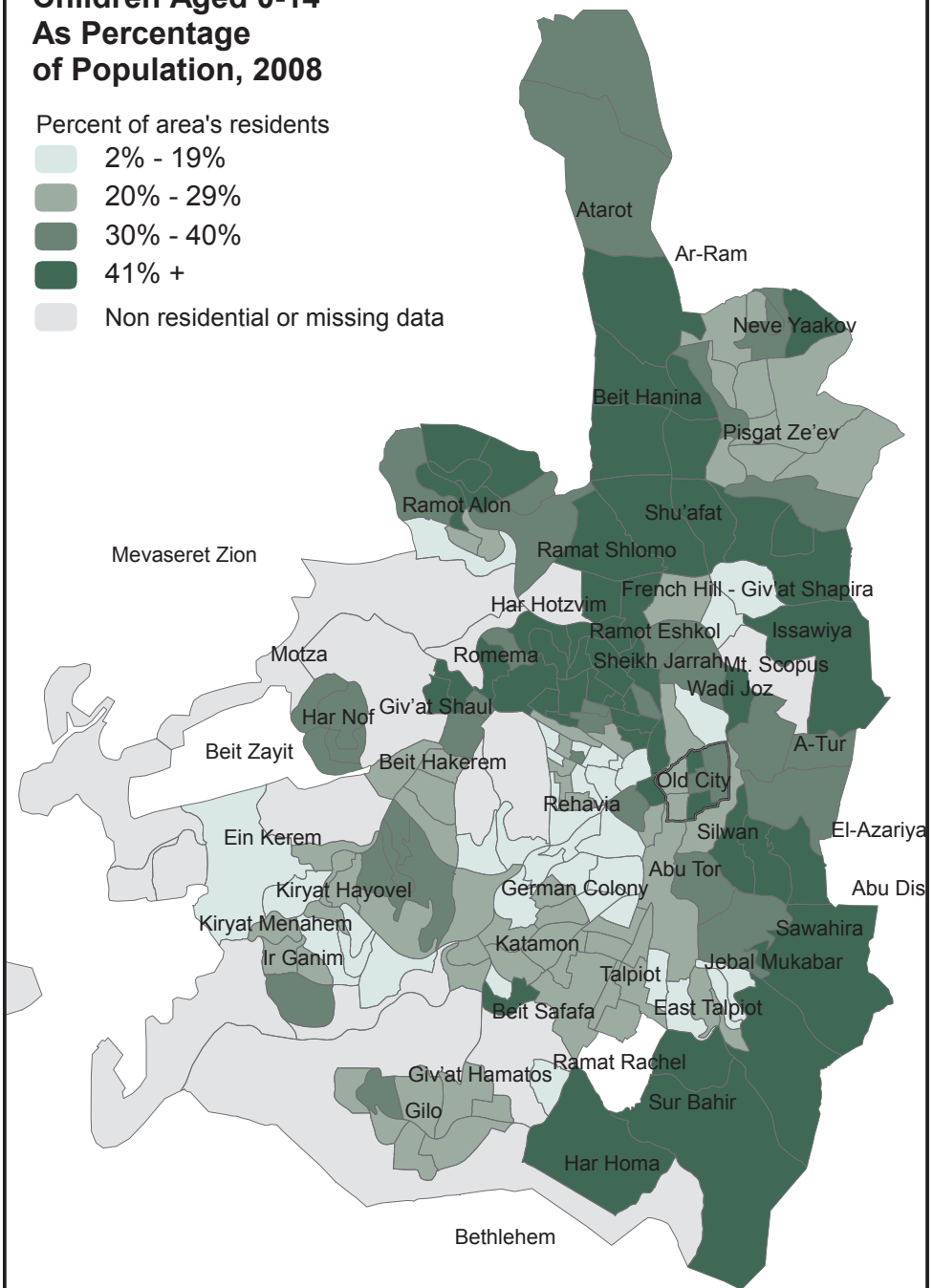
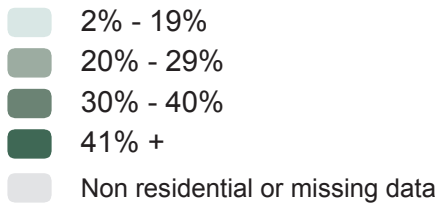


**Age Structure of Arab Population in Jerusalem,
by Religion, 2008**

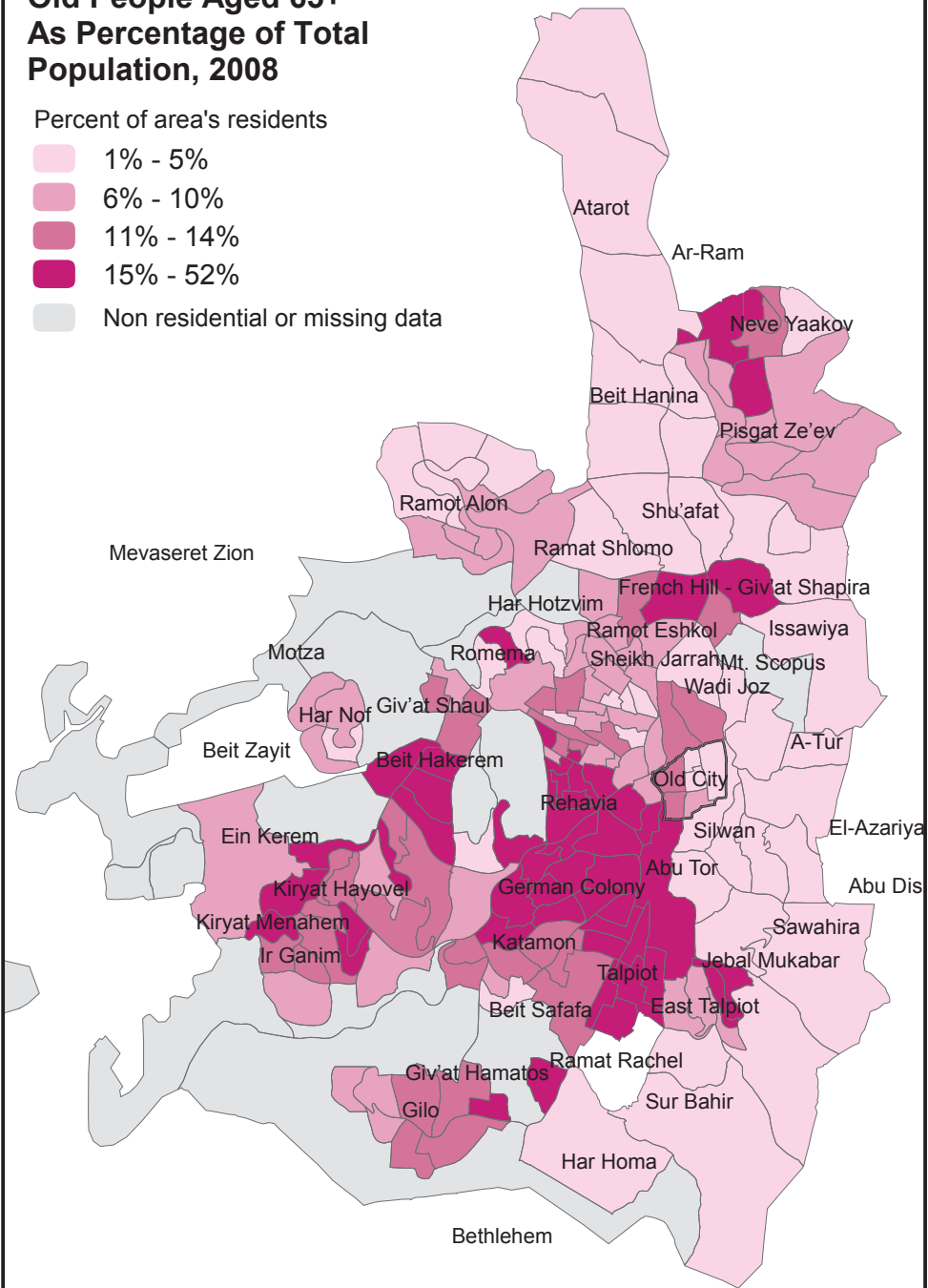
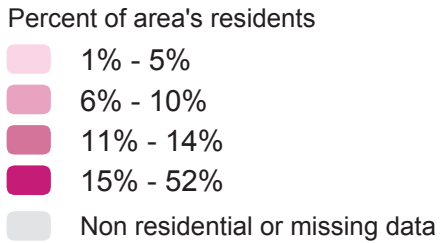


Children Aged 0-14 As Percentage of Population, 2008

Percent of area's residents



Old People Aged 65+ As Percentage of Total Population, 2008



Level of religious identification

Jerusalem's population is highly diverse and includes groups with distinct profiles. This is also true in terms of the level of religious identification.

In 2006-2008, 29% of Jews in Jerusalem aged 20 and above defined themselves as Haredi (Ultra-Orthodox), 18% defined themselves as religious, 33% as traditional, and 20% as secular.¹⁰ The proportion defining themselves as Haredi (29%) is the highest of all the large cities in Israel, and is almost four times the proportion of Haredis in Israel as a whole (8%). The proportion of persons aged 20 and above defining themselves as religious (18%) is also high relative to the other main cities, and 1.8 times the proportion in Israel. The proportion of those defining themselves as traditional (traditional-religious and not-so-religious traditional) in Jerusalem (33%) is similar to that in Tel Aviv (35%) and Haifa (29%), and lower than the proportion in Israel as a whole (40%) and in Rishon Lezion (45%) and Ashdod (52%). The proportion of secular Jews in Jerusalem (20%) is low by comparison to Israel as a whole and to other main cities.

Level of religious identification of the Jewish population (20 and above) in Jerusalem and the main cities, 2006-2008 (average)

Religious identification	Israel	Jerusalem	Tel Aviv	Haifa	Rishon Lezion	Ashdod
	Percent					
Haredi	8	29	2	3	2	10
Religious	10	18	5	4	5	7
Traditional-religious	14	14	9	7	10	20
Traditional – not so religious	26	19	26	22	35	32
Secular	43	20	59	63	48	31
Total	100	100	100	100	100	100

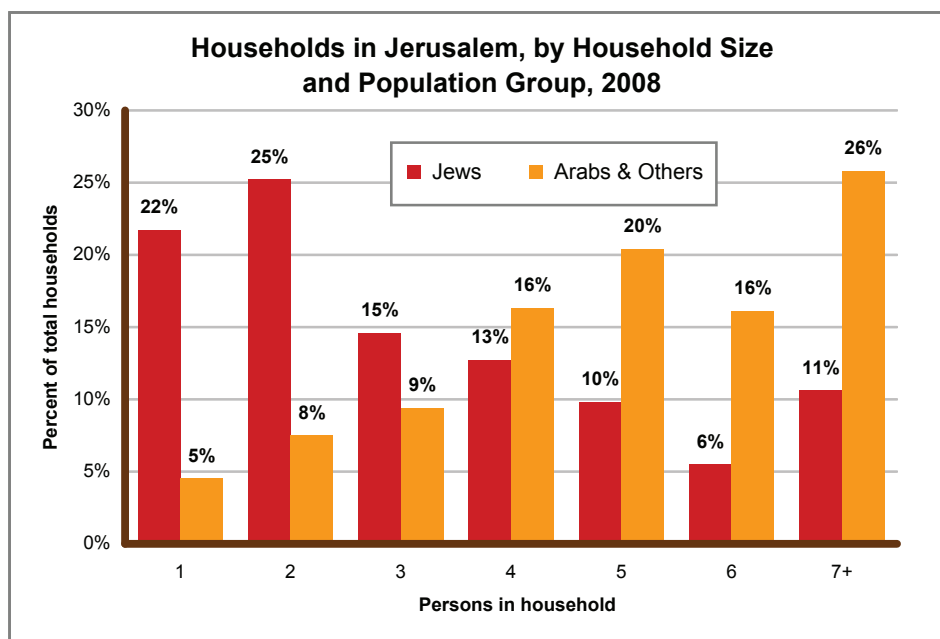
The proportion of the non-Jewish population in Jerusalem describing themselves as very religious or religious is also higher than in Israel as a whole. 7% of

¹⁰ These percentages represent the averages for this 2006-2008 period.

non-Jews – Muslims, Christians, and members of other faiths – aged 20 years and above in Jerusalem defined themselves as very religious, while 58% defined themselves as religious, 26% as not-so-religious, and 9% as not religious. The breakdown in Israel as a whole is 5% very religious, 44% religious, 29% not-so-religious, and 21% not religious.

Households

In 2008, Jerusalem numbered 187,000 households¹¹: 135,800 of which were Jewish households (73%), and 49,800 Arab households (27%). The Jewish (and other) population accounts for a higher proportion of households (73%) than its share of the city's population (65%). The reason for this is that Jewish households typically include a smaller number of persons than Arab ones. The average size¹² of a household was 3.4 persons in the Jewish population, lower than in the Arab population - 5.2.



¹¹ A household is defined as one person or a group of persons living together in a single apartment on a permanent basis for most of the week, who maintain a joint expense budget for food. A household may include persons who are not related.

¹² Including households with a single person.

In 2008, 22% of Jewish households consisted of one person, compared to just 5% of Arab households. Households including six or more persons constituted 17% of Jewish households and 42% of Arab households.

Jerusalem's Jewish population is characterized by large households relative to the Jewish population of Israel's main cities. In 2008, the average size¹³ of Jewish households in Jerusalem was 3.4 persons, compared to 3.1 in Israel as a whole, 2.5 in Haifa, and 2.2 in Tel Aviv. The average size of an Arab household in Jerusalem was larger than that of Israel as a whole – 5.2 and 4.8, respectively.

A significant difference can be seen between the distributions of the number of persons per Jewish household in Jerusalem and in Tel Aviv and Haifa. In 2008, 22% of Jewish households in Jerusalem comprised a single person, compared to 38% in Tel Aviv and 27% in Haifa. In Jerusalem, 17% of households included six or more persons, compared to 3% in Tel Aviv and 2% in Haifa.

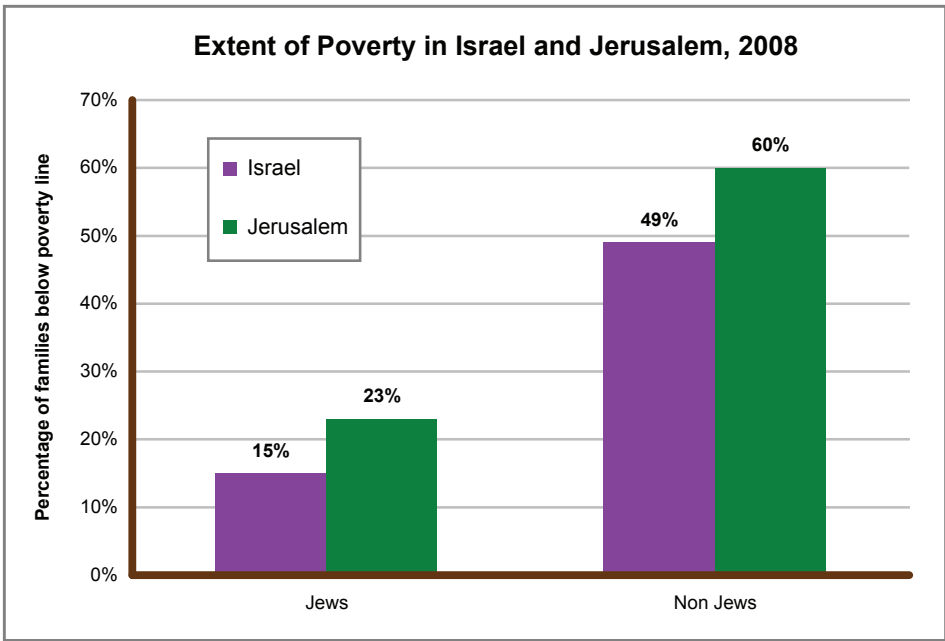
Extent of poverty

In 2008, 24% of persons in Israel lived below the poverty line. Of the fourteen major cities in Israel, the highest poverty rates were recorded in Bnei Brak (47%), Jerusalem (43%) and Ashdod (29%). These were the only three cities in which the poverty rate was higher than the average for Israel as a whole. One reason for the high poverty rate in these cities is that they include large Haredi populations. This sector is characterized by a high average number of children per family and a low participation rate in the workforce, resulting in low income per family and low average income per person. A relatively low poverty rate – 10% or less – was recorded in Herzliya, Petah Tikva, Rishon Lezion, Rehovot, Holon, and Ramat Gan.

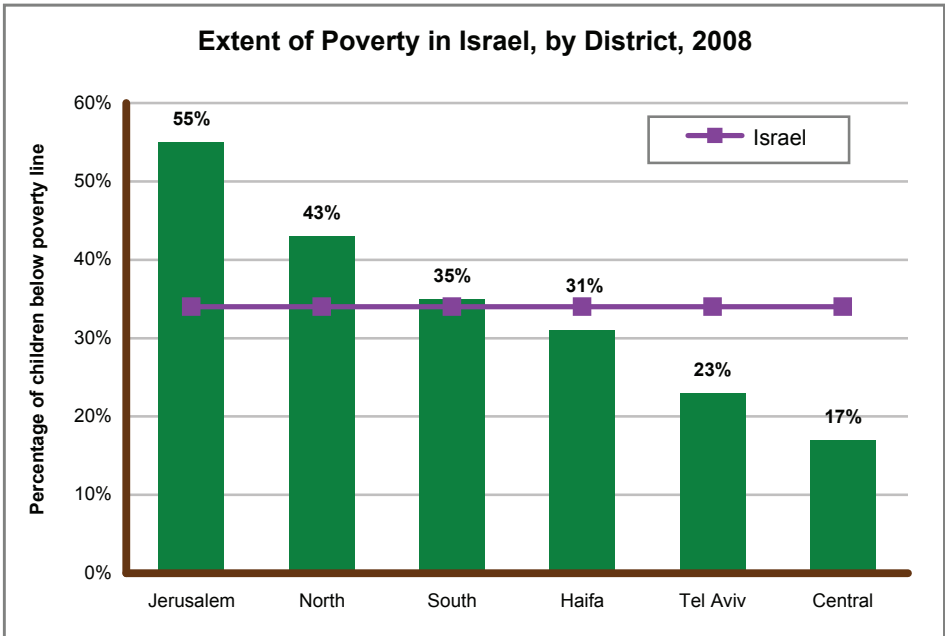
In 2008, the prevalence of poverty in the Jerusalem District (Jerusalem city accounts for 84% of the population of the district) was high by comparison to Israel as a whole, as well as to the other districts. In the Jerusalem District, 32% of families and 55% of children lived below the poverty line, compared to 14% of families and 23% of children in the Tel Aviv District, and 20% of families and 34% of children in Israel as a whole.

¹³ Including households with a single person.

Extent of Poverty in Israel and Jerusalem, 2008



Extent of Poverty in Israel, by District, 2008



In 2008, 33% of families in Jerusalem lived below the poverty line. The prevalence of poverty among non-Jews in Jerusalem is significantly higher than among Jews. Among the former, 60% of families and 74% of children lived below the poverty line, compared to 23% of families and 45% of children in the latter population.

Ownership of consumer durables

A further index of a population's socioeconomic status is the level of household ownership of consumer durables (key consumer products). In 2008, 8% of Jerusalem households owned two or more cars, compared to 17% in Israel, 17% in Tel Aviv, and 13% in Haifa. A personal computer could be found in 66% of Jerusalem homes, compared to 71% in Israel as a whole, 78% in Tel Aviv, and 69% in Haifa. Similarly, 45% of households in Jerusalem had an Internet subscription, compared to 62% in Israel as a whole, 74% in Tel Aviv, and 66% in Haifa. A television was present in 72% of Jerusalem households. In Israel, 90% of households had a television; the figures for Tel Aviv and Haifa were 95% and 89%, respectively. The level of subscriptions to cable television is also low in Jerusalem – 33%, compared to 65% in Israel and Haifa and 78% in Tel Aviv.

The relatively low proportion of Jerusalem households owning a television, holding cable television or having an Internet subscription is influenced by the significant weight of the Haredi population, which does not usually have a television or Internet connection in the home.

Monthly expenditure on consumption

In 2008, the average monthly expenditure on consumption per household in Jerusalem was NIS 11,500. In Israel, consumption was NIS 12,300, and in Tel Aviv NIS 13,800. However, due to the difference in the size of households between Jerusalem, on the one hand, and Tel Aviv and the state of Israel, on the other, this expenditure was shared among a different number of persons – an average of 3.8 in Jerusalem, 3.3 in Israel and 2.2 persons in Tel Aviv. Thus the average monthly per capita (standard) expenditure was NIS 3,800 in Jerusalem, NIS 4,600 in Israel, and NIS 6,600 in Tel Aviv.

The four main areas of consumption in households in Israel, Tel Aviv, and Jerusalem are: housing, transport and communication, food, and education, culture, and entertainment. As the following table shows, the proportion of

monthly expenditure devoted to each of these main areas of consumption is similar.

**Percent of monthly expenditure on consumption,
by principal area of consumption, 2008**

	Jerusalem	Israel	Tel Aviv
	Percent		
Housing	25	23	28
Food	18	17	15
Transport & communication	17	20	19
Education, culture & entertainment	13	13	12

Housing density

In 2008, average per capita housing density in Jerusalem was one person per room in the Jewish population, and almost twice this figure among the Arab population – 1.9 persons per room. Average housing density in the Jewish population (1 person per room) is higher than that in Israel as a whole (0.9 person per room) and in Tel Aviv and Haifa (0.7 person per room). Average housing density in Jerusalem's Arab population (1.9 persons per room) is higher than that among the Arab population in Israel (1.4 persons per room).

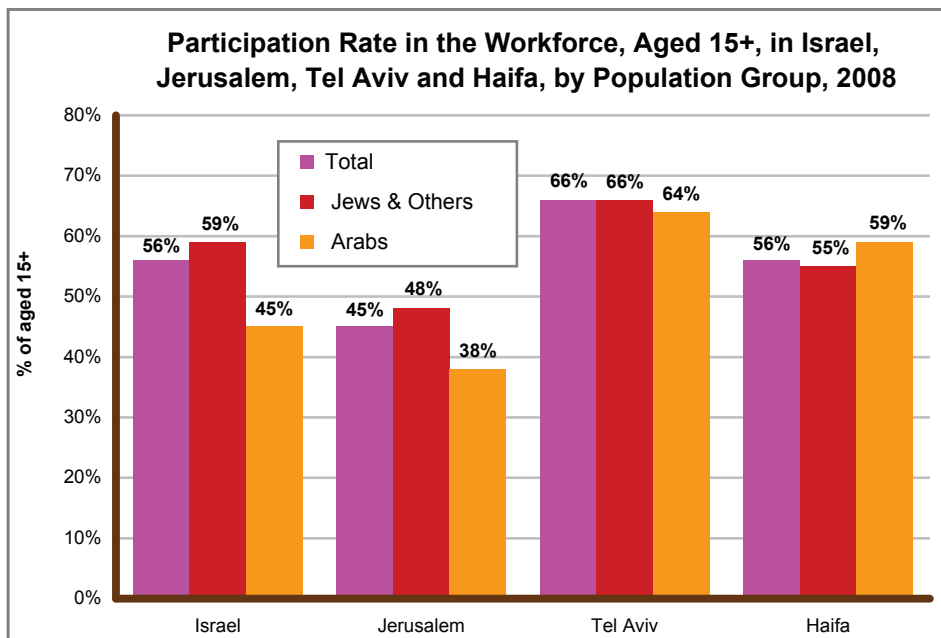
Over the years, there has been a decline in average housing density among the Arab population, from 2.3 persons per room in the 1990s to 1.9 persons per room in 2008. The same period has seen only a slight decline in housing density in the Jewish sector, from 1.1 persons per room to one person (1.0) per room.

- Employment -

Participation rate in the workforce

In 2008, the rate of participation in the workforce¹⁴ in Jerusalem was 45%. This is a low rate compared to the rate in Israel and Haifa (56%) and Tel Aviv (66%). The rate of participation in the workforce among Jerusalem's Jewish population was 48% (59% in the Jewish population in Israel as a whole), while among the Arabs the rate was 38% (45% in the Arab population in Israel).

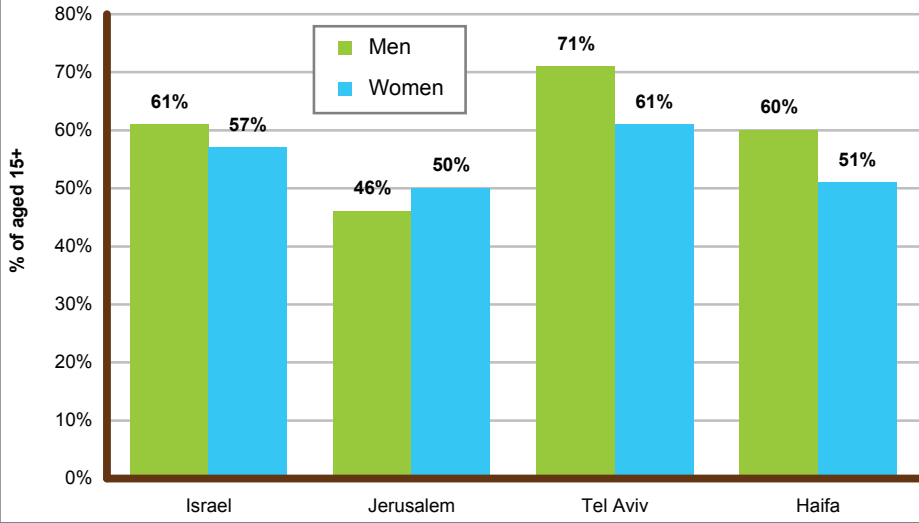
Studies by the Bank of Israel show that the low rate of participation in the workforce and the employment market in Israel is typically reflected in a portion of the population that is comprised of more lowly educated persons, men with a Torah education, and Arab women, especially those of low education. The low employment rate prevents utilization of the productive capacity of the economy, lowers the standard of living, exacerbates poverty, and increases government expenditure on transfer payments.¹⁵



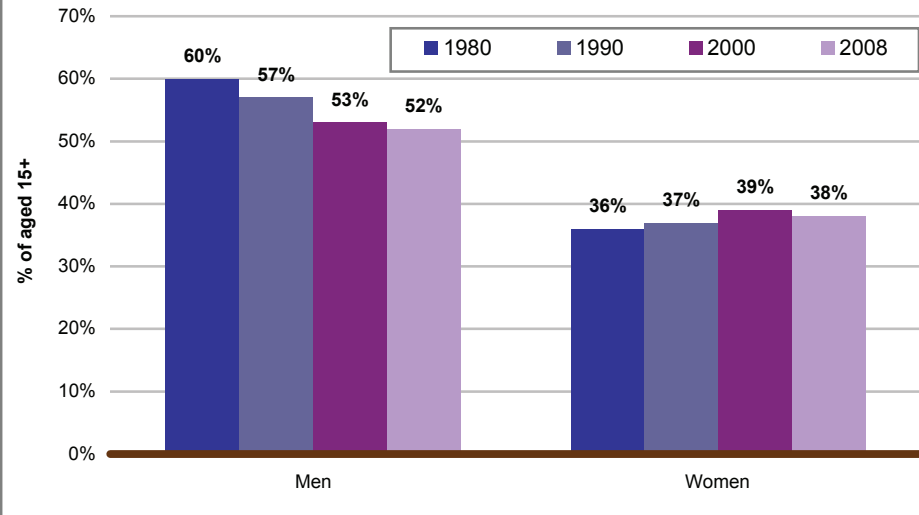
¹⁴ The percent of employed persons and unemployed persons, aged 15+, actively seeking work out of the total population.

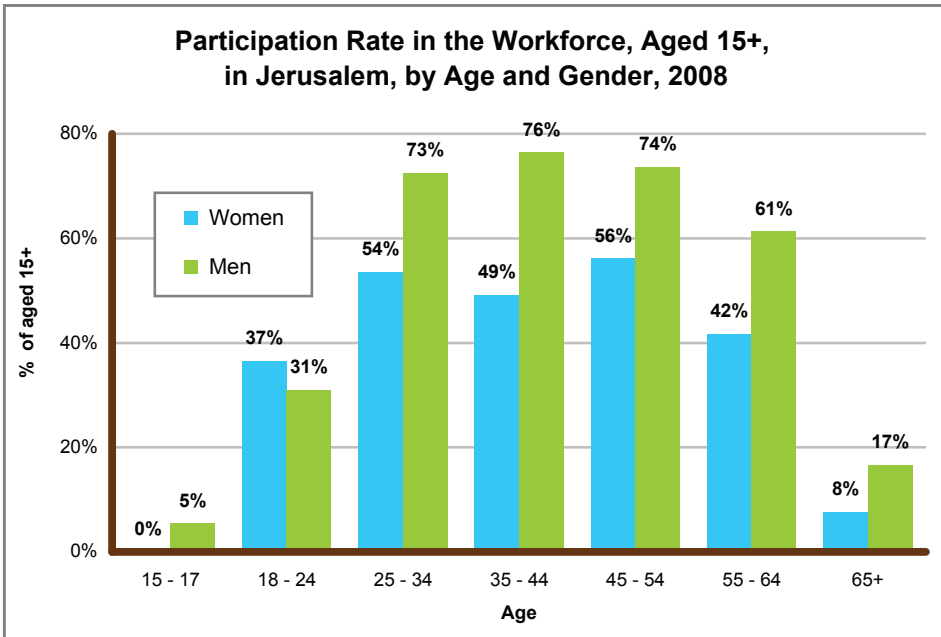
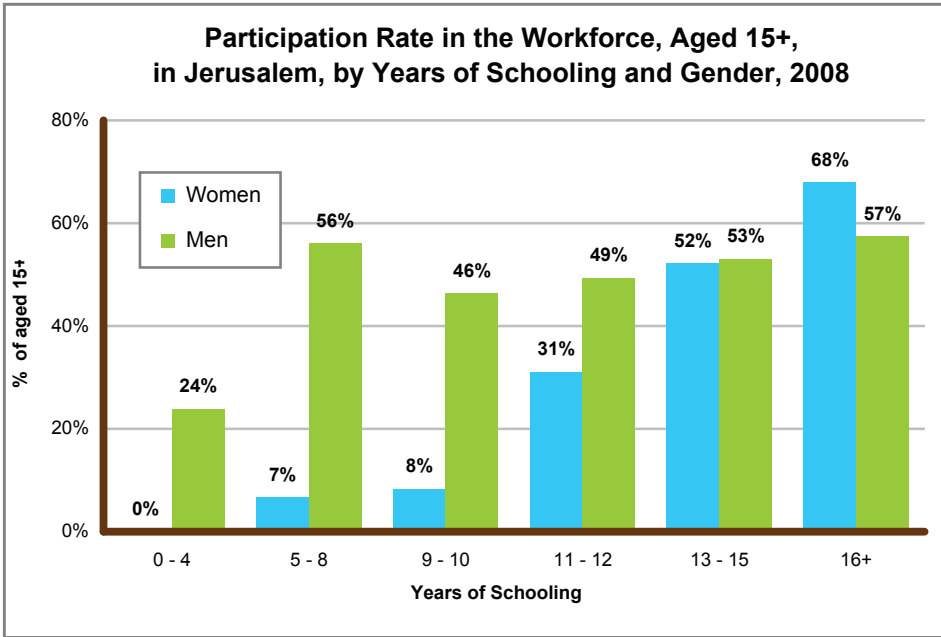
¹⁵ Bank of Israel, press release: The Employment Rate in Israel from an International Perspective. Retrieved from www.bankisrael.gov.il/press/heb/030317/030317a.htm (September 2010).

**Participation Rate in the Workforce (Jews), Aged 15+,
in Israel, Jerusalem, Tel Aviv and Haifa, by Gender, 2008**



**Participation Rate in the Workforce, Aged 15+,
in Jerusalem, by Gender, 2008**





In 2008, the unemployment rate¹⁶ was 9% in Jerusalem (7% in Israel) – 8% among the Jewish population (7% in Israel) and 13% in the Arab population (10% in Israel).

In Israel in general, there is a significant gap between men and women in terms of participation in the workforce. In 2008, the participation rate in the workforce among Jerusalem male residents was relatively low, at 52%, compared to 71% in Tel Aviv, and 62% in Israel and Haifa. The rate among Jewish men in Jerusalem was 46%, compared to 61% of Arab men.

The participation rate in the workforce among Jerusalem women was just 38%, compared to 61% in Tel Aviv and 51% in Haifa and Israel. This low rate is influenced by the particularly low participation rate among Arab women. Among Jewish women, the participation rate was 50%, compared to just 12% among Arab women.

In 1980, participation in the workforce in Jerusalem was 47%. This rose to 51% in 1997, and subsequently fell to 45% by 2008. In Israel, this rate rose over the same period from 50% to 57%, while in Tel Aviv a substantial increase was seen from 47% in 1980 to 66% in 2008.

The participation rate in the workforce among Jerusalem men has fallen gradually, from 60% in 1980 to 52% in 2008. Conversely, the rate among Jerusalem women has risen slightly over the same period, from 36% to 38%.

There was a positive correlation between the participation rate in the workforce and education levels – the greater the number of years of schooling, the higher the participation rate in the workforce. In 2008, the rate in Jerusalem among those with 0-4 years of schooling was 11%. This figure rose to 31% among those with 5-8 years of schooling, to 40% among those with 11-12 years of schooling, and to 62% among those with 16 years or more of schooling.

The figures also show that the participation rate in the workforce increased until the age of 54 (above 54, the rate falls). In 2008, the percentage of those employed in Jerusalem between the ages of 15-17 was 3%, rising to 34% among those aged 18-24, 63% among those aged 25-34 and 35-44, and 65% among those aged 45-

¹⁶ Persons who did not work at all during the week the Manpower Survey was conducted, and who actively sought work during the preceding four weeks.

54. The rate fell to 51% in the 55-64 age group, and to 11% among those aged 65 and above.

The figures for the number of breadwinners and children per household reflect the statistical connection between these two characteristics. The higher the average number of children per household, the lower the number of breadwinners. In 2008, households without a breadwinner in Jerusalem had an average of 4.2 children per household, compared to 2.5 children on average in households with two breadwinners, and 2.2 children on average in households with three or more breadwinners.

Employment by economic branch

In 2008, the number of employed persons in Jerusalem was 248,700, accounting for 11% of all employed persons in Israel. In Tel Aviv, by way of comparison, there were 374,500 employed persons, accounting for 16% of all employed persons in the country, and in Haifa there were 160,900 employed persons, accounting for 7% of the total number in Israel. In 2008, the number of employed persons in Jerusalem accounted for 33% of the total population of the city (248,700 employed persons out of 763,600 residents). In Tel Aviv, the number of employed persons was almost identical to the number of residents of the city – the number of employed persons was 95% of the number of residents (374,500 employed persons, compared to 392,500 residents). In Haifa, the number of employed persons was 61% of the total number of residents (160,900 employed persons, compared to 264,800 residents).

Tel Aviv functions as the central city of the Tel Aviv metropolis, which has a total population of 3.2 million, 12% of whom are residents of Tel Aviv. Haifa functions as the main city of the Haifa metropolis, which has a population of approximately one million, 26% of whom are residents of Haifa. Jerusalem is the major city of the Jerusalem metropolis, which has a population of approximately one million, some 75% of whom are city residents.

In 2008, 91% of employed residents of Jerusalem worked in the city, as compared to 74% of employed residents of Haifa, and 69% of employed residents of Tel Aviv. As a general rule, women work closer to home. In 2008, 89% of employed male residents of Jerusalem worked in the city, compared to 94% of employed

female residents. In Tel Aviv, 65% of employed men worked in the city, compared to 73% of women.

The proportion of those employed in the public sector is very high, reflecting Jerusalem's status as the capital of Israel and the administrative and governmental center, housing the government ministries and national institutions. In 2008, 47% of employed persons in Jerusalem worked in the public service (public administration, education, health services, welfare, and community, social, and individual services), compared to 34% in Haifa, 32% in Israel, and 24% in Tel Aviv. Among those employed in the civil service, the proportion of those working in education is particularly notable – 19% (13% in Israel and just 6% in Tel Aviv), as well as health and social services – 12% (10% in Israel, 7% in Tel Aviv) and public administration – 11% (5% in Israel and Tel Aviv).

The banking, insurance, and financial sectors accounted for 3% of employed persons in Jerusalem, while 13% worked in commercial services. In Israel, these sectors accounted for 4% and 14% of employed persons, and in Haifa 2% and 15%, respectively. In Tel Aviv, Israel's economic center, the high proportion of those employed in these sectors is particularly apparent – 10% in banking, insurance, and finance, and 25% in commercial services. The proportion of employed persons in industry is low in Jerusalem. The proportion of those employed in the industrial sector was 7%, the same as that in Tel Aviv, and lower than that in Israel (16%) and Ashdod (26%).

In 2008, the main economic sectors employing Jewish employed persons in Jerusalem were: education (20%), commercial services (14%), health and welfare (13%), and public administration (13%). Among Arab employed persons in Jerusalem, the main economic sectors were: construction (18%), commerce (18%), and education (14%).

The main economic sectors among employed men in Jerusalem were: commercial services (15%), commerce (14%), and education (11%). Among women, the main sectors were: education (29%), health and welfare services (18%), and public administration (12%).

Income and salaries

The average monthly income¹⁷ (gross) of households in Jerusalem headed by salaried employees is lower than that of households in Israel, Tel Aviv, and Haifa. In 2007, the average monthly income of households in Jerusalem headed by a salaried employee was NIS 12,100, compared to NIS 14,900 in Haifa, NIS 15,100 in Israel and NIS 17,000 in Tel Aviv. Moreover, the average number of persons per household is high in Jerusalem – 4.1, as compared to 2.9 in Haifa, 3.7 in Israel and 2.4 in Tel Aviv. Accordingly, income per person in Jerusalem is low compared to Haifa, Tel Aviv, and Israel.

The relatively low income of households in Jerusalem is due to the city's population profile and employment structure; the low participation rate in the workforce that is characteristic of the Arab population and the Haredi Jewish population has a significant impact on the average income of city residents. Income is also influenced by the employment structure in Jerusalem, which is characterized by a high proportion of employees in public service, in which salaries are not high, together with a relatively low proportion of employees in high-tech and financial sectors, which typically have relatively high salaries.

The average monthly income (gross) of households in Jerusalem whose head is not employed was NIS 5,500, compared to NIS 6,800 in Tel Aviv, NIS 6,100 in Haifa, and NIS 5,300 in Israel. The average age of an unemployed head of household was 54 in Jerusalem, 66 in Tel Aviv, 65 in Haifa, and 63 in Israel.

The average monthly wage (gross) of a salaried employee in Jerusalem is lower than in the neighboring localities, with the exception of those in which the majority of the population are Haredi. In 2007, the average monthly wage of a salaried employee in Jerusalem was NIS 7,200; the figure for Har Adar was NIS 14,000, Mevasseret Zion NIS 11,100, Tzur Hadassah NIS 11,500, Efrat NIS 9,700, Givat Ze'ev NIS 8,900, localities of Mateh Yehuda Regional Council NIS 8,900; Ma'ale Adummim NIS 8,200; and Beit Shemesh (over one-fourth of whose population are Haredi) NIS 6,900. As for localities where the majority of the population is Haredi: the average salary in Givat Ye'arim was NIS 6,100, Kochav

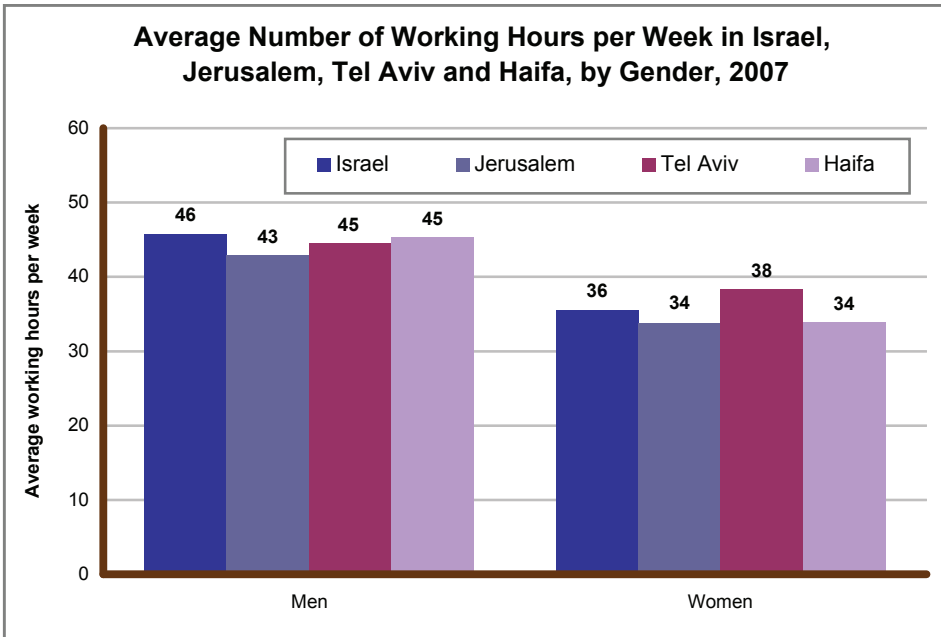
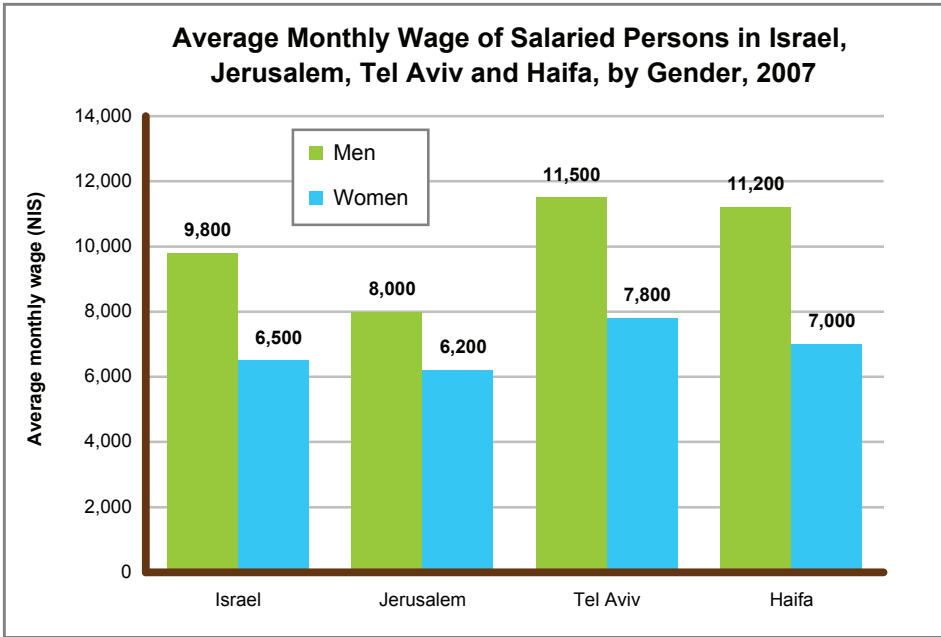
¹⁷ From salaries and income not received from work (that is, from capital and property, pensions, and benefits).

Yaacov 5,200, and Beitar Illit NIS 4,500. In Abu Ghosh the average salary was NIS 5,800.

An examination of salary by gender reveals a substantial gap between salaried men and salaried women. In 2007, the average monthly salary (per working month, gross) in Jerusalem was NIS 8,000 for men, compared to NIS 6,200 for women. Thus men's salaries are, on average, 29% higher than those of women. In Tel Aviv and Haifa, the gaps between men's and women's salaries are even greater. In Tel Aviv, the average salary of men was NIS 11,500, 47% higher than women's salaries, which averaged NIS 7,800. In Haifa, men's salaries were 60% higher than those of women – NIS 11,200 and NIS 7,000, respectively. In Israel the average salary of men is NIS 9,800, 51% higher than that of women – NIS 6,500.

A further difference between men and women concerns the number of hours worked each week. In 2007, the average number of working hours per week was 43 among Jerusalem men, compared to 44 in Tel Aviv, 45 in Haifa, and 46 in Israel. The average number of working hours per week for women was 34 in Jerusalem, compared to 38 in Tel Aviv, 34 in Haifa, and 36 in Israel.

In 2007, the average (gross) wage per hour for Jerusalem men was NIS 41, compared to NIS 59 in Tel Aviv, NIS 50 in Haifa, and NIS 48 in Israel. The average wage per hour for Jerusalem women was NIS 40, compared to NIS 46 in Tel Aviv, NIS 42 in Haifa, and NIS 40 in Israel. The figures show that hourly wages in Jerusalem for both men and women are lower than those in Israel, Tel Aviv, and Haifa. In addition, the hourly wages of men are higher than those of women. However, the gap between men's and women's wages is the smallest. The average hourly wage of men in Jerusalem is just 3% higher than that of women, compared to a gap of 28% in Tel Aviv, 20% in Israel, and 19% in Haifa.



- Education -

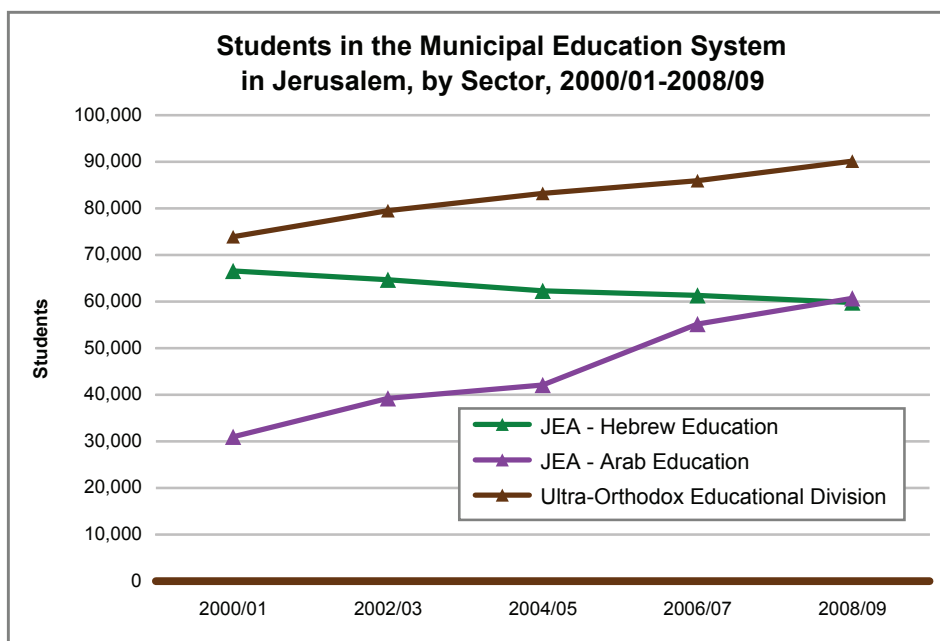
The education system in Jerusalem

Jerusalem's education system is the largest, most diverse, and most complex municipal education system in Israel. It must address the needs of populations with distinct characteristics. The four main educational sectors comprising the system in Jerusalem are: state, state-religious, Haredi (which has constituted a separate division within the Municipality of Jerusalem since 1993), and Arab. The city's education system, in all these sectors, is marked by a high level of variance between schools, and includes public schools (official and recognized unofficial), municipal and non-municipal; in the Arab sector, there are also private schools. Compared to other cities in Israel, there is a large number of unique and diverse schools in Jerusalem in both the state and the state-religious sectors. The state sector, for example, includes an experimental school, an arts school, a bilingual school (Hebrew-Arabic), an Anthroposophic school, and a joint secular-religious school.

The state-religious sector includes an arts school for girls, a Torah science school, a pluralistic school, and an open school. Haredi education includes Talmudei Torah and the Independent education system, which represent diverse Hassidic courts and communities. Arab education includes municipal public schools (official and recognized unofficial) and private schools, including church schools, schools belonging to the Muslim Waqf, and so forth.

In the 2008/09 school year, 231,600 students studied in the Jerusalem education system, including 120,500 students in the Jerusalem Education Authority (JEA): 59,800 in the Hebrew education system and 60,700 in the Arab education system. A total of 90,100 students attended the Haredi Education Division (60% of the total in Hebrew education). Approximately 21,000 students attended private Arab schools (estimate for 2000/01).

Over the past five years (2004/05-2008/09), the number of students enrolled in Jerusalem's education system has increased by 11%, from 208,600 to 231,600. The number of students in Hebrew education within the JEA (state and state-religious) has declined by 4% (from 62,300 to 59,800), while the number of students in the Haredi sector has increased by 8% (from 83,200 to 90,100).



In the public Arab sector (official and recognized unofficial), there has been an increase of 44% in the number of students (from 42,100 to 60,700) (for an explanation of this growth, see the section on Arab education).

The most prevalent school structure in Jerusalem is the “six-year” model – Grades 1-6 and Grades 7-12. In some schools, however, a different model is used, with the result that figures for the number of students in the Grades 1-6 differs from those for the number of students in elementary schools. Similarly, there is a difference between the number of students in Grades 7-12 and the number of students in post-elementary schools.

In 2008/09, 4,100 children attended compulsory kindergartens in Hebrew education within the JEA; 22,700 students attended Grades 1-6; and 26,800 students attended Grades 7-12. In this year then, the number of students in Grades 1-6 was lower than that in Grades 7-12 by 4,100. This difference indicates that in the coming years, the number of students in the junior-high and senior-high sections can be expected to decline.

In the Haredi Education Division, 9,000 children attended compulsory kindergartens (twice the number of children than in compulsory kindergartens in Hebrew education in the JEA); 32,900 students attended Grades 1-6, and 32,300

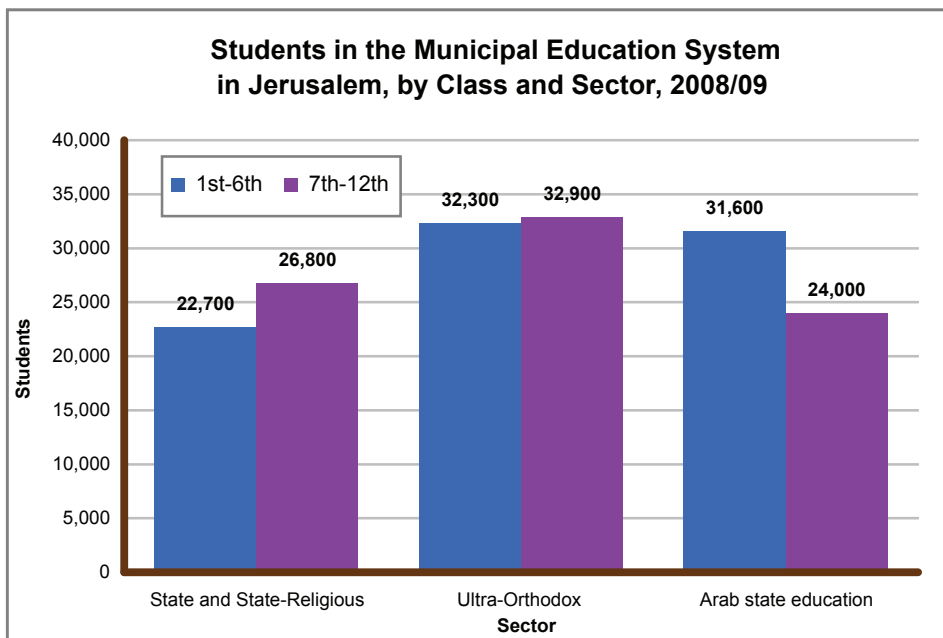
students attended Grades 7-12. Over the coming years, therefore, the number of students in the junior-high and senior-high sections can be expected to remain stable or to increase moderately.

In the public Arab education system in the JEA, 5,200 children attended kindergartens (pre-compulsory and compulsory); 31,600 students attended Grades 1-6; and 24,000 students attended Grades 7-12. Accordingly, the number of students in junior-high and senior-high sections in Arab education can be expected to rise.

Hebrew education

In the 2008/09 school year, 149,900 students studied in the Hebrew education system in Jerusalem: 59,800 students (40%) attended the Hebrew education system in the JEA, while 90,100 students (60%) attended the Haredi Education Division. This year continued the upward trend in the number of students enrolled in Haredi education, whereas the state system continued to decline in terms of the number of students.

Until 1997/98, there were more students enrolled in the Hebrew education system in the JEA (70,000) than in the Haredi sector (66,900). In 1998/99, the number of students in Hebrew education in the JEA (67,000) was similar to that in the



Haredi sector (67,700). Since 1999/2000, however, the number of students in the Haredi sector has exceeded that in the Hebrew education system in the JEA. The numerical gap between the two education sectors continues to widen.

The increase in the number of students in Haredi education, and the concomitant decline in the number of students in the state and state-religious system, is due to two main reasons:

1. The older age structure of the general (non-Haredi) Jewish population, as compared to the younger age structure of the Haredi population.
2. The smaller number of children per family in the general (non-Haredi) Jewish population relative to the high number of children per family in the Haredi population.

An analysis of the trends in the number of students by class ranks also reflects the differences between the various educational sectors. Between 2004/05 and 2008/09, the number of students in the Hebrew education system declined by 4%, from 62,300 to 59,800. A separate examination of the state and state-religious sectors¹⁸ shows that in state education there was a decline of 10% in the number of students (from 34,200 to 30,600), while in state-religious education there was an increase of 2% (from 25,300 to 25,900).

Arab education

In 2008/09, the number of students enrolled in the Arab education system in Jerusalem was 81,700, 60,700 of whom studied in the public Arab education system.¹⁹

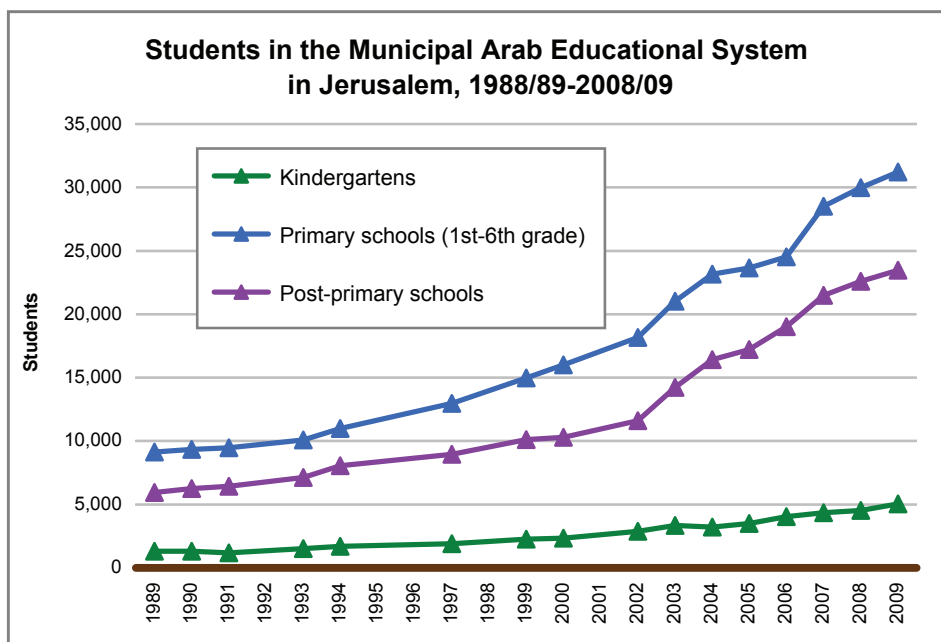
The number of students in private education (church schools, schools belonging to the Muslim Waqf, and other private schools) was estimated at 21,000 (estimate for 2000/01). Arab education students accounted for 35% of the total number of students in the Jerusalem education system.

In 2008/09, the breakdown of students in the public system was as follows: 5,000 in kindergartens, 31,200 in elementary education, and 23,500 in post-elementary education. Approximately 1,000 students attended special education schools.

¹⁸ Excluding non-municipal kindergartens and special education.

¹⁹ Official and recognized unofficial.

In recent years, there has been a significant increase in the number of students in public Arab education (official and recognized unofficial). In 2001/02, the number of students in public Arab education was 33,200; this rose to 43,500 by 2003/04 and to 60,700 by 2008/09. The rise in the number of students is due to both increased enrollment in the official public schools and to a great number of schools that were formerly private, but which have since received recognition from the Ministry of Education as unofficial schools (part of the public sector). Since the early 2000s, these schools have been included in the list of schools and students of the Municipality's Jerusalem Education Authority. In 2001/2, the number of students in recognized unofficial schools was 1,500; this rose to 8,300 by 2004/5, and to 19,100 by 2008/9.



Special needs education

In 2008/09, 4,700 students attended special needs education schools in Jerusalem: 1,400 attended kindergartens, 2,200 elementary education, and 1,100 post-elementary education.

A total of 2,000 students attended Hebrew education in the JEA, while 1,000 students studied in Arab education and 1,700 were enrolled in Haredi education.

Eligibility for the matriculation certificate

In 2007/08, the total number of Grade 12 students (in state, state-religious, Independent Haredi, and municipal Arab education) who were Jerusalem residents was 5,238, 89% of whom studied in the city. Of 12th graders studying in the city, 83% took the matriculation examinations. The eligibility rate for the matriculation certificate among Grade 12 students who were Jerusalem residents was 51%, compared to 56% in Israel. It should be noted that approximately one-third of Grade 12 students who live and study in Jerusalem attend schools belonging to the Independent Haredi education system. In these schools, most students do not take matriculation examinations, but they are included in the eligibility figures. For this reason, there is a downward deviation in the eligibility rate for the matriculation certificate among the Jewish sector in Jerusalem.

The eligibility rate for the matriculation certificate (among Grade 12 students) in the Jerusalem environs was: 73% in Mevasseret Zion, 63% in Ma'ale Adummim, 58% in Mateh Yehuda Regional Council, 65% in Givat Ze'ev, and 49% in Beit Shemesh (where over one-fourth of the population is Haredi).

There is a direct correlation between the population's socioeconomic profile and the eligibility rate for the matriculation certificate: the higher the socioeconomic status, the higher the eligibility rate. In Jewish localities (with a population of 10,000 and above) whose population belongs to a high socioeconomic class, the eligibility rate for the matriculation certificate (among Grade 12 students) was 65%. This figure fell to 57% in localities with a medium socioeconomic status, and to 49% in localities with a low socioeconomic status (the socioeconomic classification is based on the "nurturing scale" calculated by the Ministry of Education).

Higher education

For several years, there has been a decline in the number of students at universities and academic teaching colleges, while the number of students in academic colleges has risen. The number of students at universities in Israel fell from 124,400 in 2003/04 to 120,800 in 2007/08.

In 2007/08, 21,100 students attended the Hebrew University of Jerusalem.²⁰ Of these, 55% were studying for a bachelor's degree, 31% for a master's degree, 13% for a PhD, and 1% for diploma studies. Division of students by faculty is as follows: 26% humanities, 25% social sciences, 21% science and mathematics, 15% medicine (including paramedical professions), 7% agriculture, 5% law, and 1% engineering and architecture.

Of all universities in Israel, Bar Ilan has the largest number of students – 25,700. This is followed by Tel Aviv University with 25,100 students, and the Hebrew University with 21,100 students, as noted.

The Hebrew University has the highest number of PhD students – 2,700, accounting for 27% of all PhD students in Israeli universities. This compares to 2,100 PhD students (21%) at Tel Aviv University, and 1,700 students (17%) at Bar Ilan University.

A division of students by gender shows that there are more female than male students in Israeli universities. In the 2007/8 academic year, 55% of students at universities in Israel were women. At the Hebrew University, women accounted for 57% of students. The highest proportion of women was recorded at Bar Ilan University (63%) and Haifa University (61%); the lowest was at the Technion (35%).

²⁰ Including the Hebrew University campus in Rehovot.

- Construction -

Apartments

At the end of 2008, there were 191,000²¹ residential apartments (based on figures for the collection of residential municipal tax): 150,700 apartments (79%) in Jewish neighborhoods,²² and 40,100 (21%) in Arab neighborhoods.²³

In 2008, the average area of an apartment in Jerusalem was 78 sq. meters. Over the period 1992-2008, an increase of 13% was seen in the average apartment size in Jerusalem, from 69 sq. meters to 78 sq. meters.

In 2008, the average area of apartments in Jewish and Arab neighborhoods was similar - 78 sq. meters and 76 sq. meters, respectively. However, average housing density (sq. meters per person) in Jewish neighborhoods is significantly lower than in Arab neighborhoods. Among the Jewish population, this was 24 sq. meters per person – in neighborhoods with a majority Haredi population, the figure was 16 sq. meters per person, while in neighborhoods with a majority “general” population (secular, traditional, and religious) it was 29 sq. meters. In Arab neighborhoods, housing density was 12 sq. meters per person. Average housing density in Jerusalem was 19 sq. meters per person.

Of the Jewish neighborhoods, the smallest average apartment size was recorded in Givat Hamatos – 26 sq. meters; in the vicinity of Hamadragot St. in Nachlaot – 46 sq. meters; in the vicinity of Bar Yohai St. in Katamon, Ohel Moshe, Mazkeret Moshe, Zichron Tuvia, and Nachalat Zion – 48 sq. meters. Neighborhoods with the largest average size were Hahoresht Rd. in Ramot, Yemin Moshe, Ramat Motsa, and Motsa Tah'tit – 138 sq. meters; and Malcha – 129 sq. meters.

In Arab neighborhoods, the smallest average apartment size was recorded in Shuafat Refugee Camp – 35 sq. meters; in the Muslim Quarter – 41 sq. meters; and in the Christian Quarter – 42 sq. meters. Neighborhoods with the largest average apartment size are Beit Hanina (East) – 100 sq. meters, Kafr Aqab – 93 sq. meters, and Sheikh Jarrah – 91 sq. meters.

²¹ Including “unknown” (apartments whose addresses are unknown, and which cannot therefore be allocated to Jewish or Arab neighborhoods and are included only in the total number of apartments in the city).

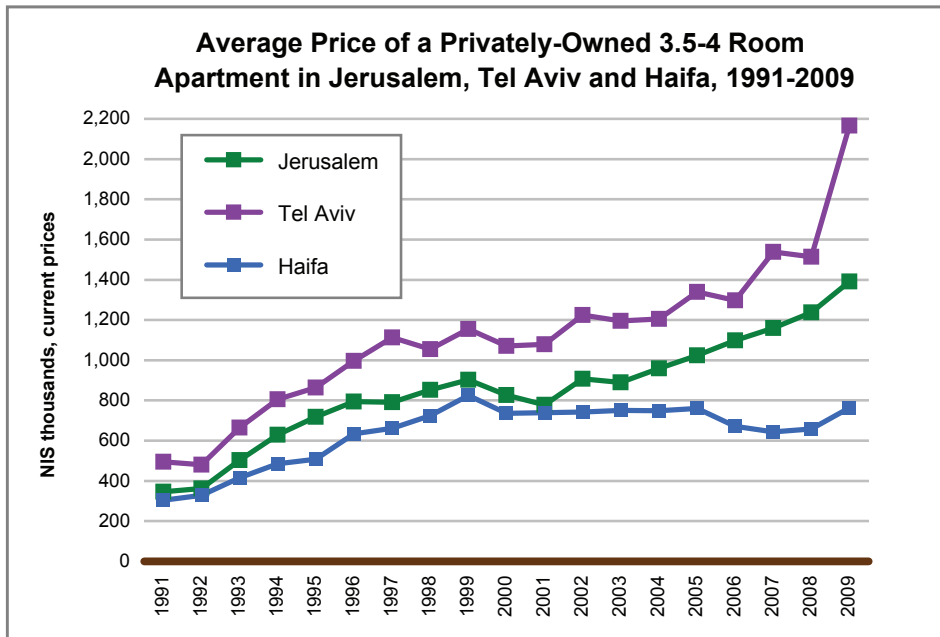
²² Neighborhoods whose majority population is Jewish.

²³ Neighborhoods whose majority population is Arab.

Apartment prices

In the last quarter (October-December) of 2009, the average price of a 3.5-4 room apartment (owner occupied) in Jerusalem was NIS 1,410,600 (at current prices). The average price in Israel was NIS 1,026,300, in Tel Aviv NIS 2,133,500, and in Haifa NIS 776,100.

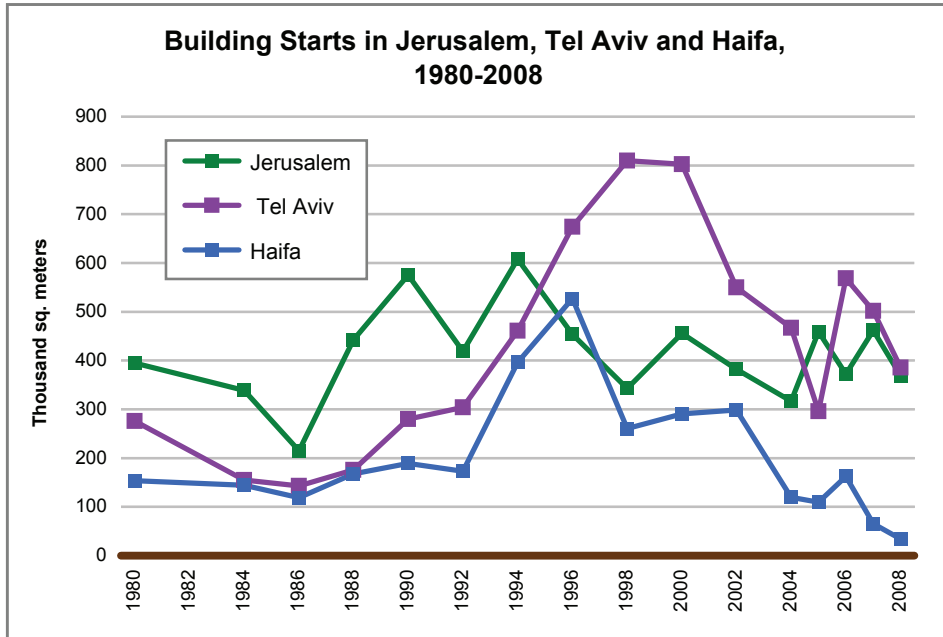
In the period 2008-2009, a (nominal) increase of 14% was seen in the average price of a 3.5-4 room apartment in Jerusalem (from NIS 1,238,100 to NIS 1,410,600). Over the same period, an increase of 21% was recorded in Israel (from NIS 845,300 to NIS 1,026,300). In Tel Aviv, a substantial increase of 41% was recorded (from NIS 1,513,500 to NIS 2,133,500), while in Haifa the increase was 18% (from NIS 658,300 to NIS 776,100).



Building starts

In 2008, there was a decline in the area of building starts in Jerusalem, which totaled 369,000 sq. meters (floor area), compared to 462,000 sq. meters in 2007, and 372,000 sq. meters in 2006.

Building starts in Jerusalem accounted for 4% of total building starts in Israel. Building starts in Tel Aviv accounted for 5%, and in Haifa 0.4%.



In 2008, a decline was also seen relative to the previous year in terms of residential building starts, which totaled 238,000 sq. meters, compared to 358,000 sq. meters in 2007 and 300,000 sq. meters in 2006. Residential building starts in Jerusalem accounted for 4% of total residential building starts in Israel. In Tel Aviv, residential building starts accounted for 5% of total residential building starts in Israel, and in Haifa 0.5%.

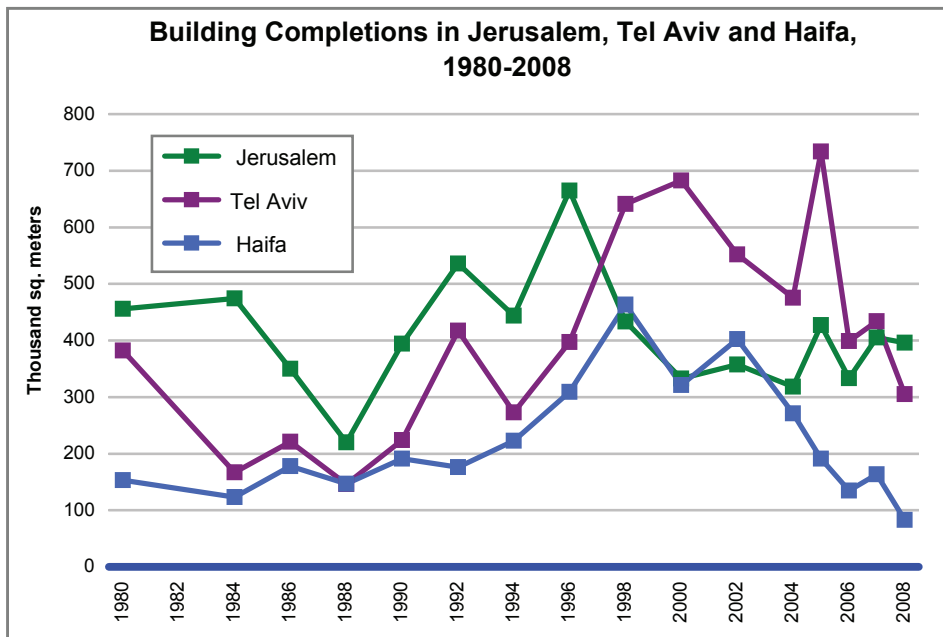
In 2008, construction of 1,599 residential apartments began in Jerusalem, compared to 2,169 apartments in 2007 and 1,977 in 2006. Of apartments whose construction began in 2008, 61% have 4 rooms and 17% have 5 rooms. The largest number of apartment buildings starts was in Har Homa (511) and Talpiot (133).

From 2004-2008, Jerusalem had housing starts (floor) of 1,979,00 sq. meters; 78% of these were residential, 14% were public buildings, 5% were for industry and crafts, and 3% for hotels, business and offices.

Building completions

In 2008, a slight fall was seen in building completions in Jerusalem. The figure for this year was 396,000 sq. meters, compared to 405,000 sq. meters in 2007 and 333,000 sq. meters in 2006.

Building completions in Jerusalem accounted for 5% of total building completions in Israel – those in Tel Aviv accounted for 4% of building completions in Israel, and in Haifa, 1%.



In 2008, a slight increase was seen over the previous year in residential building completions in Jerusalem. In 2008, this figure was 317,000 sq. meters, compared to 312,000 sq. meters in 2007 and 265,000 sq. meters in 2006.

Residential building completions in Jerusalem accounted for 6% of total residential building completions in Israel. In Tel Aviv, this figure was 4% of residential building completions in Israel, and in Haifa, 1%.

In 2008, an increase was seen in the number of apartments whose construction was completed – 2,265 apartments, compared to 1,755 in 2007 and 1,844 in 2006.

Approximately half (51%) of the completed apartments have 4 rooms, and 21% have 1-2 rooms. Compared to 2007, a significant increase was seen in the number of 1-2 room apartments in proportion to the total number. In 2007, approximately 1% of apartments had 1-2 rooms, while in 2008 this figure rose to 21%. The largest number of apartments was completed in Har Homa (520) and Ramat Beit Hakerem (300).

In 2004-2008, construction of buildings with a total (floor) area of 1,880,000 sq. meters was completed – 75% of this area was for residential purposes, 13% for public buildings, 6% for industry and crafts, and 6% for hotels, business, and offices.

- Tourism -

Tourist hotels

In 2008, there were 69 tourist hotels in Jerusalem, with a total of 9,283 rooms. The number of hotel rooms in the west of the city is significantly higher than that in the east – 7,343 rooms in the west (79%), compared to 1,940 rooms in the east (21%).

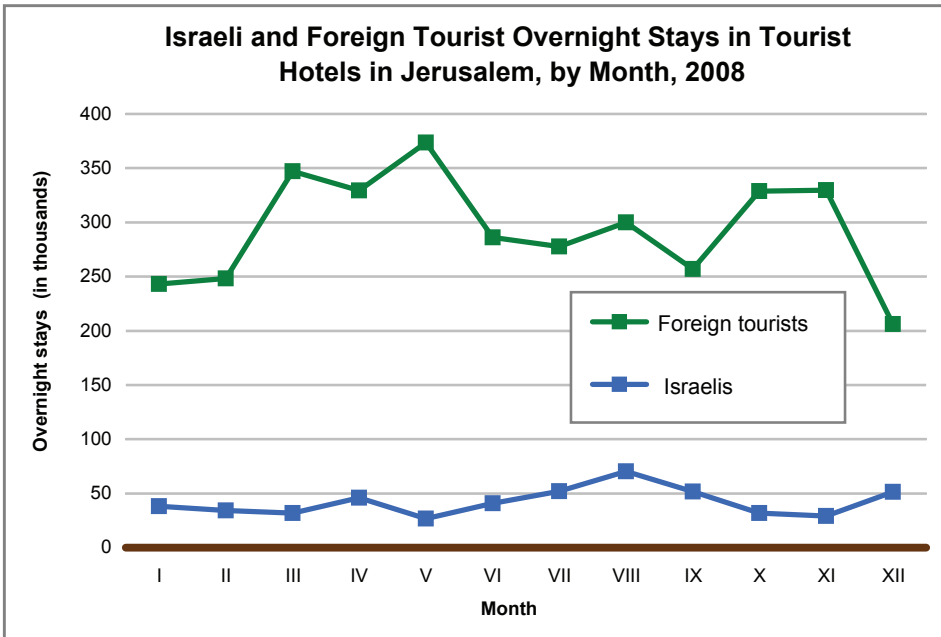
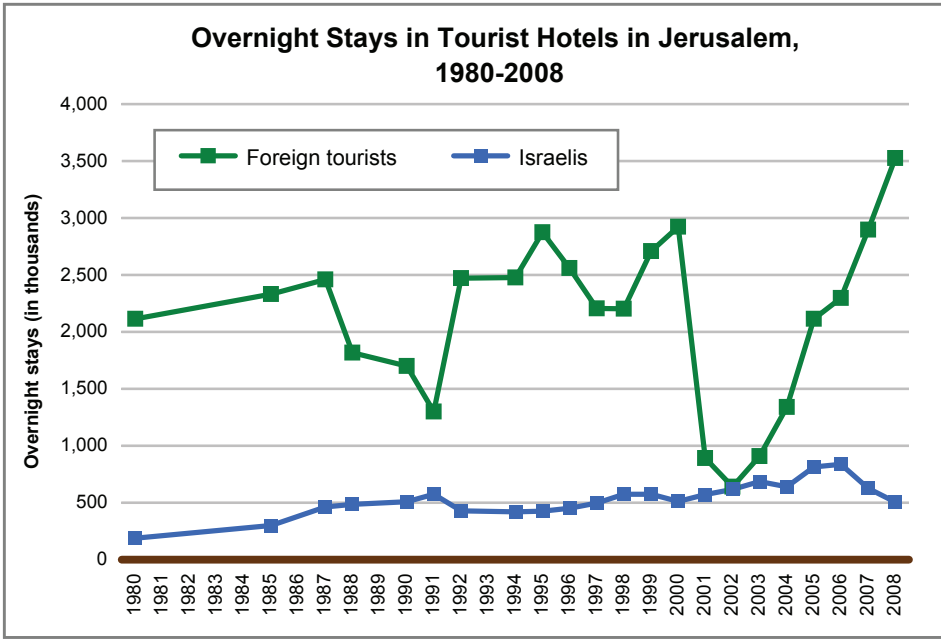
The number of hotel rooms in Jerusalem (9,283) was higher than the number of rooms in Tel Aviv (6,403) and Haifa (1,458), but lower than in Elat (10,914). The number of tourist hotel rooms in Jerusalem accounted for 19% of all hotel rooms in Israel, compared to 23% in Elat, 13% in Tel Aviv, 8% at the Dead Sea, and 3% in Haifa.

Guests and overnight stays

In 2008, the upward trend in the number of guests staying at hotels in Jerusalem continued, reaching 1,354,300, compared to 1,225,800 in 2007 (an increase of 10%), and 1,211,600 in 2000. The number of tourists from abroad also continued to rise, reaching 1,077,900, compared to 875,200 in 2007 (an increase of 23%) and 895,500 in 2000. Of tourists from abroad, 44% are from Europe and 40% from America (mainly North and Central America). The number of Israeli guests was 276,500, compared to 350,600 in 2007 (a decline of 21%) and 316,100 in 2000.

In 2008, the number of overnights at hotels in Jerusalem was 4,031,500, compared to 3,521,200 in 2007 (an increase of 15%) and 3,435,200 in 2000. The number of overnights of guests from abroad was 3,527,000, compared to 2,895,900 in 2007 (an increase of 22%) and 2,923,200 in 2000. The number of overnights by Israelis fell in 2008, totaling 504,400, compared to 625,300 in 2007 (a decline of 19%) and 512,000 in 2000.

In 2008, the months with the highest recorded number of overnights by guests from abroad were: May (373,500), March (347,200), and November (329,600). The months with the highest recorded number of overnights by Israelis were: August (70,400), July (51,900), and September (51,800).



The average number of overnights per tourist was 3.3 (3.3 in 2007 and 2000), while the average number of overnights of Israelis was 1.8 (1.8 in 2007 and 1.6 in 2000).

In 2008, occupancy rates at tourist hotels in Jerusalem rose to 66% (from 58% in 2007 and 2000). The higher the standard of the hotel, the higher the occupancy rate was. In the highest class of hotels (I+II), the occupancy rate was 69%, while the occupancy rate for the intermediate class (III) was 65%, and for the lowest classes, 54%.

West Jerusalem – East Jerusalem

In 2008, 1,147,100 guests stayed at hotels in **West Jerusalem** (77% of whom were foreign tourists), compared to 1,059,500 in 2007 (68% of whom were foreign tourists) and 1,040,800 guests in 2000 (71% of whom were foreign tourists).

The number of overnights was 3,463,600 (86% by foreign tourists), compared to 3,072,000 overnights in 2007 (81% by foreign tourists) and 2,844,600 in 2000 (83% by foreign tourists). Room occupancy was 70% in 2008 – higher than the figures for 2007 (62%) and 2000 (61%).

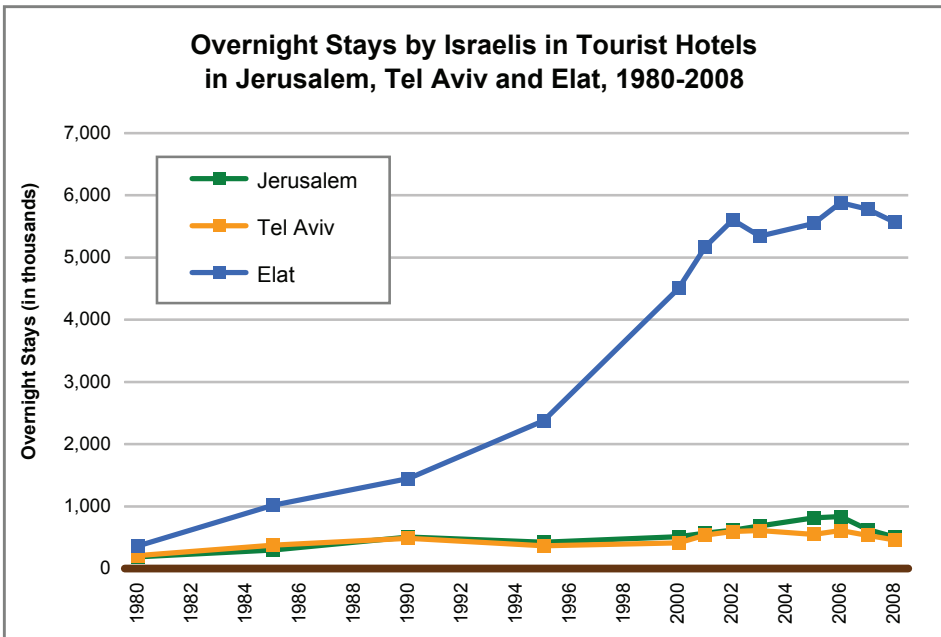
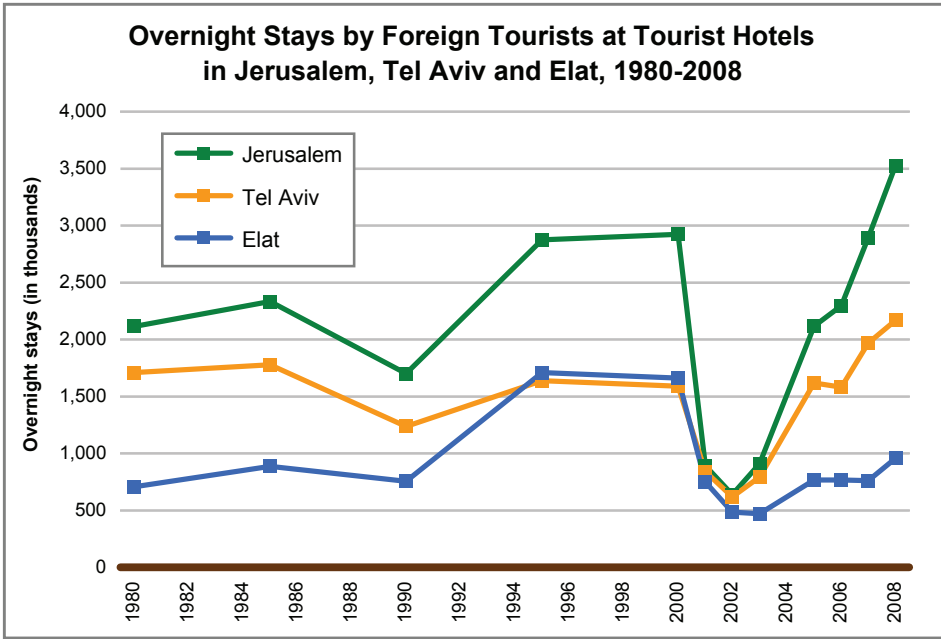
In 2008, 207,200 guests stayed at hotels in **East Jerusalem** (93% of whom were foreign tourists), compared to 166,300 in 2007 (90% of whom were foreign tourists) and 170,800 guests in 2000 (94% of whom were foreign tourists).

The number of overnights in 2008 was 567,800 (95% by foreign tourists), higher than the figure for 2007 (449,300, 93% of which were by foreign tourists), but lower than that for 2000 (590,600, 97% of which were overnights by foreign tourists).

Room occupancy was 49% in 2008, slightly higher than in 2007 (44%) and 2000 (47%).

Jerusalem compared to selected Israeli cities

Jerusalem attracts visitors from throughout Israel and around the world due to its unique cultural and religious heritage, its status as Israel's capital, and its rich variety of religious, historical, archeological, and cultural sites.



In 2008, a total of 1,354,300 guests stayed at hotels in Jerusalem (17% of the total number of guests at hotels in Israel), compared to 945,100 guests in Tel Aviv (12%) and 2,291,100 in Elat (28%). The number of guests from abroad was 1,077,903 (32% of total guests from abroad in Israel), compared to 689,700 in Tel Aviv (20%) and 307,800 in Elat (9%). The number of Israeli guests in Jerusalem was 276,500 (3% of total Israeli guests in Israel), compared to 255,300 in Tel Aviv (3%) and 1,983,300 in Elat (24%).

The number of overnights at hotels in Jerusalem was 4,031,500 (19% of total overnights in Israel), compared to 2,626,900 overnights in Tel Aviv (12%) and 6,525,500 in Elat (30%). The number of overnights by guests from abroad was 3,527,000 in Jerusalem (35% of total overnights by guests from abroad in Israel), 2,168,500 in Tel Aviv (21%), and 957,500 in Elat (9%).

The number of overnights by Israelis in Jerusalem, and their proportion relative to total overnights by Israelis in Israel, was significantly lower than those of foreign tourists. In 2008, the number of overnights by Israelis in Jerusalem was 504,400 (4% of total overnights by Israelis in Israel), compared to 458,300 in Tel Aviv (4%) and 5,568,100 in Elat (49%).

These figures show that Jerusalem is the most attractive city for foreign tourists, in terms of the number of guests and overnights, whereas Elat is the most attractive city for Israeli (domestic) tourists.

In 2008, room occupancy was 66% in Jerusalem, compared to 68% in Elat and 75% in Tel Aviv.

Revenues

In 2008, total revenues from foreign and Israeli tourists at hotels in Jerusalem were NIS 1.4 billion (the majority of the revenues – 90% – were received at hotels in the west of the city). Revenues in Tel Aviv totaled NIS 1.42 billion, and in Elat NIS 2.00 billion. Compared to 2007, an increase of 12% was seen in revenues received at hotels in Jerusalem, 8% in Tel Aviv, and 8% in Elat.

