

**Jerusalem Institute for Israel Studies**  
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# **Jerusalem: Facts and Trends**

## **2012**

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Maya Choshen, Eitan Bluer, Michal Korach, Aviel Yelinek, Yair Assaf-Shapira

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## - Preface -

This publication presents an updated and concise picture of Jerusalem and of the trends and changes in the city in a wide range of fields, including population, employment, education, tourism, and construction. In this edition, for the first time, a chapter on the Business and industry is included. Other relevant chapters also include new data showing, for example, satisfaction rates in different aspects of life, and matriculation eligibility by population sectors.

The principal source of the data found herein is the *Statistical Yearbook of Jerusalem*, published annually by the Jerusalem Institute for Israel Studies and the Municipality of Jerusalem, with support from the Jerusalem Development Authority (JDA) and Leichtag Foundation (USA).

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 provided those data for their much-appreciated contribution to both the *Statistical Yearbook* and this publication.

We would like to express our special thanks and appreciation to Inbal Doron for her extensive assistance in preparation of this publication, to Esti Boehm for production, and to Hamutal Appel for preparation for printing.

Dr. Maya Choshen  
Eitan Bluer  
Michal Korach  
Aviel Yelinek  
Yair Assaf-Shapira

## - Area -

Jerusalem is the largest city in Israel. Its area of jurisdiction encompasses 125,000 dunams. By way of comparison, Be'er Sheva encompasses 84,000 dunams, Haifa has an area of 69,000 dunams, Rishon LeZiyyon has 59,000 dunams, Tel Aviv<sup>1</sup> has 52,000 dunams, and Ma'ale Adummim, which is situated east of Jerusalem, covers 49,000 dunams.

## - Population -

### Population Size

At the end of 2011,<sup>2</sup> the population of Jerusalem numbered 801,000. The “Jewish and Other”<sup>3</sup> population totaled 508,000, and the Arab population totaled 293,000.

At the end of 2010, the population of Jerusalem numbered 788,100. The Jewish population numbered 504,200, and the Arab population numbered 283,900. The Arab population included a Muslim majority (96%) and Christian minority. In 2010, the population of Jerusalem accounted for 10% of the population of Israel; the Jewish population constituted approximately 8% of the total Jewish population of Israel, while the Arab population constituted approximately 18% of the total Arab population of Israel.

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, to 68% in 2000, and to 64% in 2010. Simultaneously the Arab population rose from 26% in 1967 to 28% in 1980, to 32% in 2000, and to 36% in 2010.

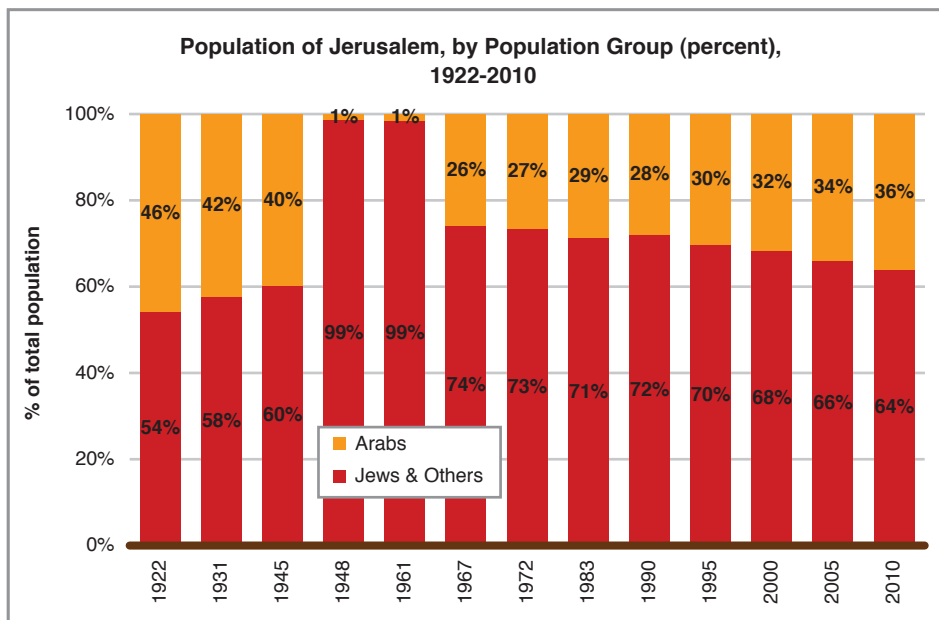
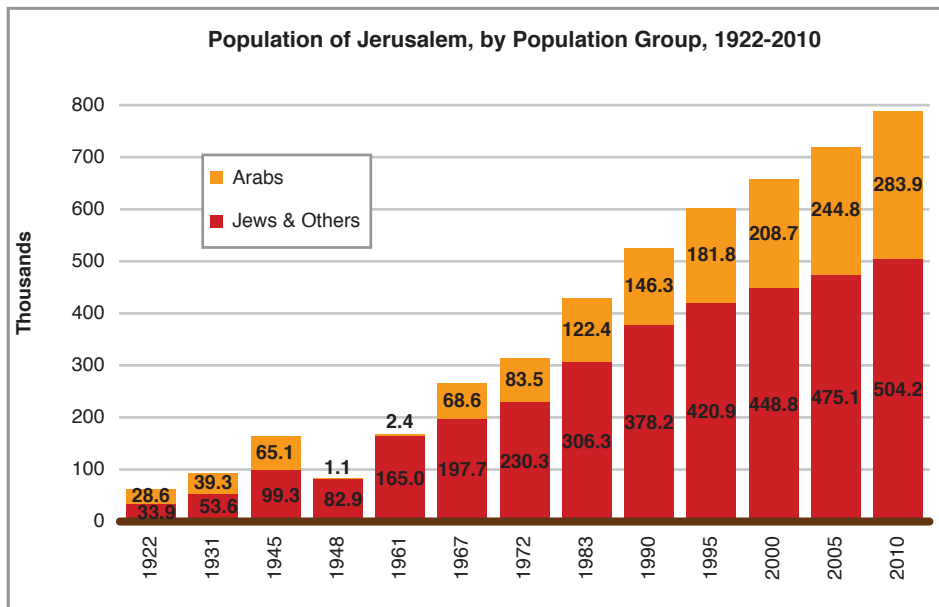
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<sup>1</sup> All data relating to Tel Aviv refer to the city of Tel Aviv-Yafo.

<sup>2</sup> Interim data.

<sup>3</sup> Hereinafter “the Jewish population.” In this chapter the statistics for the Jewish population include Jews, non-Arab Christians, and persons without religious classification.

The proportion of the Arab population in Jerusalem (36%) is high in comparison to the Arab population of Israel as a whole (20%), of Haifa (10%), and of Tel Aviv (4%).





## **Geographical distribution of the population**

At the end of 2010, 474,000 of Jerusalem's residents (Jewish and Arab) lived in areas annexed to the city in 1967 and they constituted 60% of the total population of the city.

Of the Jewish population, 192,900 lived in areas added to the city in 1967, representing 41% of the total number of residents of those areas and 38% of the total Jewish population of the city. Population figures for the larger Jewish neighborhoods constructed after 1967 were as follows: 41,400 in Ramot Alon; 40,400 in Pisgat Ze'ev; 29,600 in Gilo; 19,700 in Neve Ya'aqov; 14,600 in Ramat Shlomo (Rekhes Shu'afat); 14,000 in East Talpiyyot and 9,800 in Har Homa.

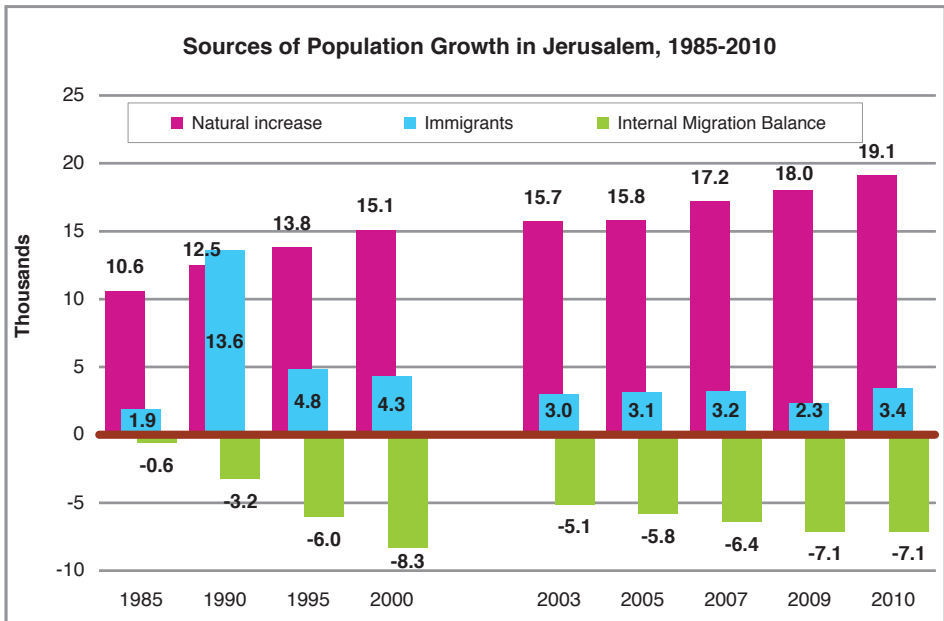
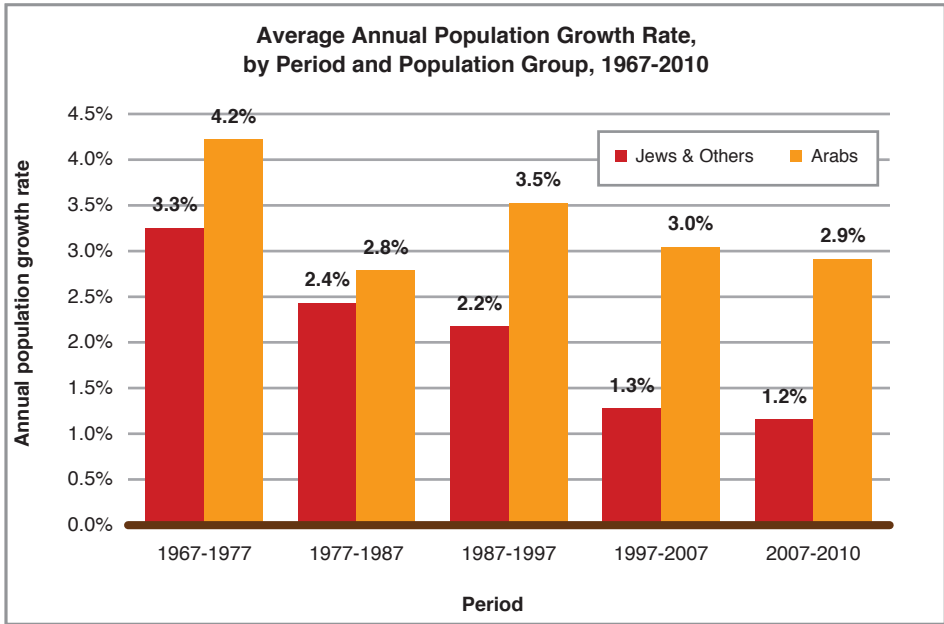
Of the Arab residents, 280,900 lived in areas annexed to the city in 1967, constituting 59% of the total population of these areas and 99% of the Arab population of the city.

## **Population growth**

During 2010 the population of Jerusalem grew by 2.0% (15,100 persons): The Jewish population grew by 1.4% (7,200 persons) while the Arab population grew by 2.9% (8,000 persons). These statistics indicate that the growth rate of the Arab population is higher than that of the Jewish population in both relative and absolute terms.

During 2010 the population growth rate in Jerusalem (2.0%) was comparable to the growth rate for Israel (1.9%) and significantly higher than the rates for Tel Aviv (0.1%) and Haifa (1.0%). The Jewish population growth rate in Jerusalem (1.4%) was lower than the rate for the Jewish population of Israel (1.7%) but significantly higher than the rates for Tel Aviv (0.1%) and Haifa (0.9%). The Arab population growth rate in Jerusalem (2.9%) was higher than the Arab population growth rate in Israel (2.5%).

During the years 1967-2010, the population of Jerusalem increased by 196%: The Jewish population grew by 155%, while the Arab population grew by 314%. During these years the population of Israel increased by 177%, with the Jewish population growing by 157% and the Arab population by 301%.



## Sources of population growth

Three factors contribute to population growth:

- Natural growth – the difference between the number of births and the number of deaths.
- Aliyah (Jewish immigration) – new immigrants who choose Jerusalem as their first place of residence within Israel.
- Internal migration – the difference between the number of new residents moving to Jerusalem from other localities in Israel and the number of those leaving Jerusalem for other localities in Israel.

## Birth

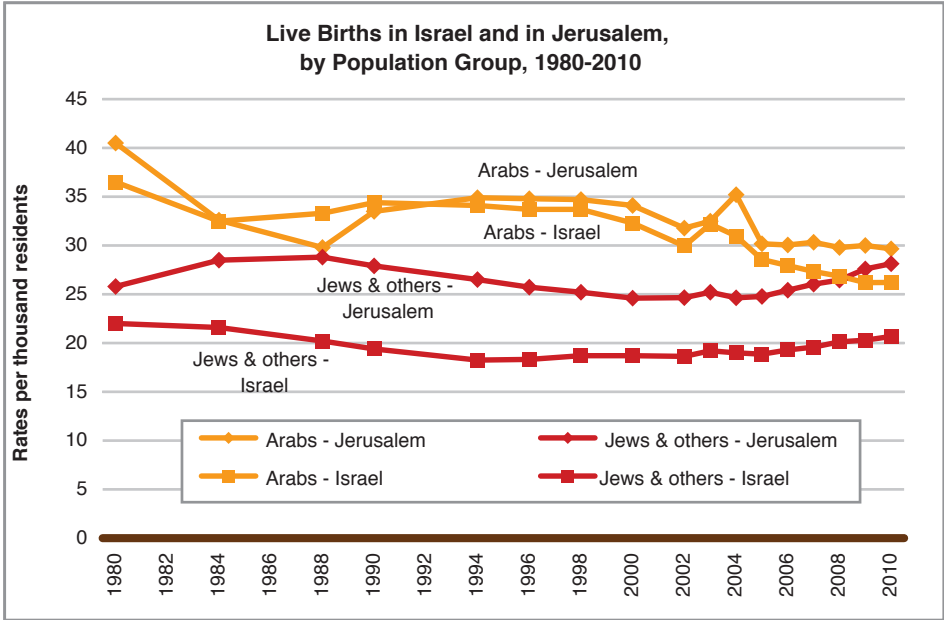
During 2010 a total of 22,400 infants were born in Jerusalem, 63% of whom were born to Jewish families, and 37% of whom were born to Arab families. Within Israel generally, by way of comparison, 75% of the total number of newborns were born to Jewish families and 25% to Arab families.

Jerusalem is characterized by high birthrates. The principal contributing factors are the Jewish-haredi (ultra-orthodox) population and the Arab-Muslim population. In 2010, the birthrate in Jerusalem was 28.7 births per 1,000 persons, compared to 21.8 births per 1,000 persons in Israel overall. The birthrate within the Arab population of Jerusalem is higher than that of the Jewish population. In 2010, the birthrate within the Jewish population of Jerusalem was 28.1 births per 1,000 persons (20.7 births per 1,000 persons within the overall Jewish population of Israel), while within the Arab population of Jerusalem the birthrate was 29.6 births per 1,000 persons (26.2 births per 1,000 persons within the overall Arab population of Israel).

Since the 1970s there has been a gradual decline in the birthrates within the Jewish population of Jerusalem. The average birthrate of the Jewish population dropped from 27.7 births per 1,000 persons during the 1970s (1973-1979) and the

1980s (1980-1989) to 25.7 during the 1990s (1990-1999) and to 25.6 during the years 2000-2010.

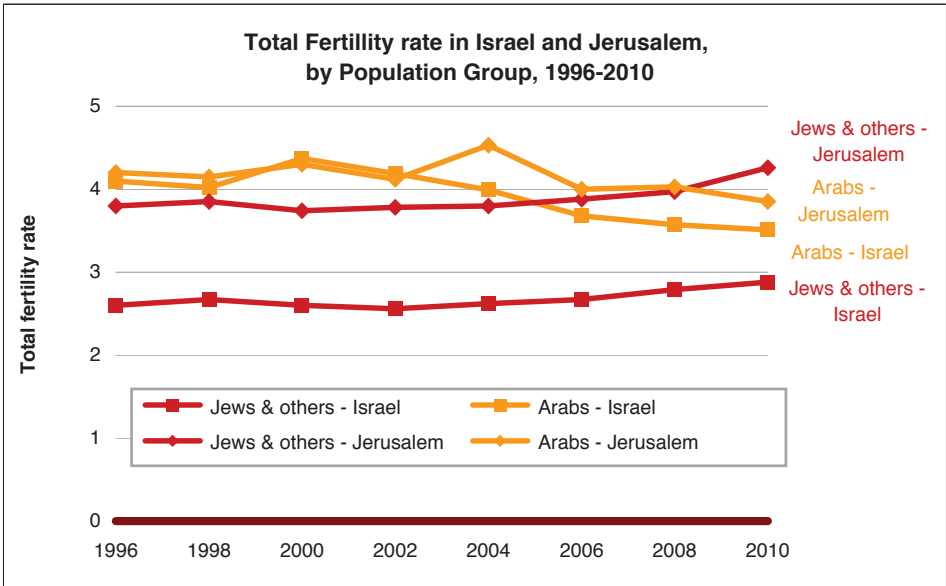
During the same period, a sharp decline occurred in the birthrate within the Arab population in Jerusalem. In the 1970s (1973-1979) the average birthrate within this sector was 42.5 births per 1,000 persons. This figure fell to 32.9 in the 1980s (1980-1989) and rose slightly to 34.1 in the 1990s (1990-1999). During the years 2000-2010, the average birthrate stood at 31.6.



In 2010, the total fertility rate (the number of expected births during a woman’s lifetime) in Jerusalem was 4.0, compared to 3.0 in Israel, 2.2 in Tel Aviv, and 2.1 in Haifa. Thus the average number of children that a woman in Jerusalem is expected to have is nearly double the figure for a woman in Tel Aviv or Haifa.

The total fertility rate of Jewish women in Jerusalem was 4.2, higher than the total fertility rate among the Arab women of Jerusalem, which measured 3.9. The principal contributing factor to the high rate among Jewish women is the high fertility rate among haredi women and the relatively high fertility rate among religious women. The overall fertility rate of haredi women in Israel peaked at the

beginning of the third millennium, with a significant decline recorded in 2005, and falling further to 6.5 births per woman in 2009. The fertility rate of religious women in Israel was more than four births during 2009. The overall fertility rate of non-religious – secular – women was 2.1 births per year in 2009.<sup>4</sup> Among the Muslim women of Jerusalem, the overall fertility rate was 3.9 children, slightly higher than the total fertility rate among Muslim women in Israel, which measured 3.8.



## Mortality

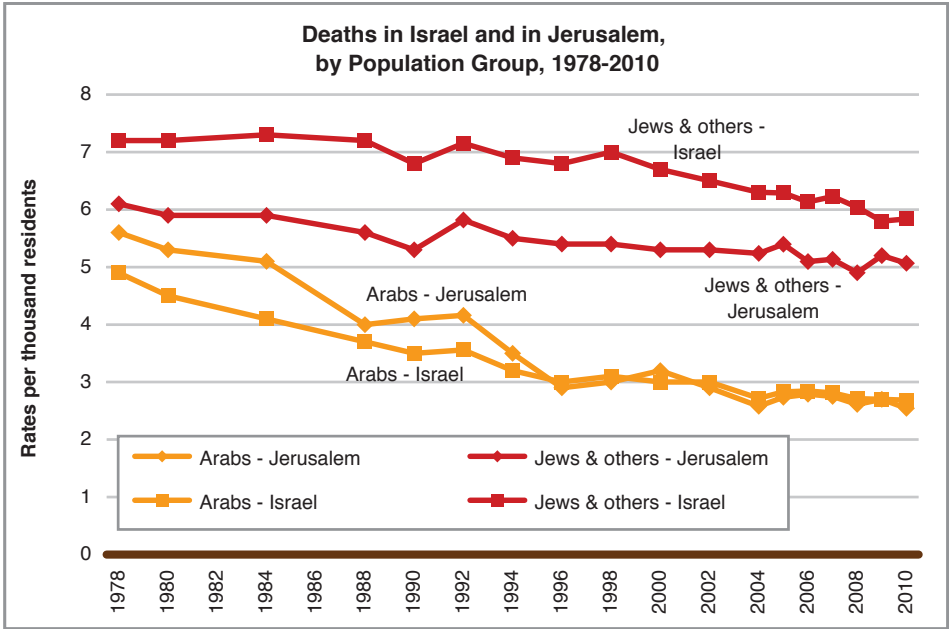
In 2010, the number of deaths in Jerusalem was 3,250, of which 78% were Jewish and 22% Arab. The mortality rate in Jerusalem was 4.2 deaths per 1,000 persons, lower than Israel generally (5.2), Tel Aviv (8.1), and Haifa (9.1) – a consequence of Jerusalem’s relatively young population.

The mortality rate within the Arab population of Jerusalem is significantly lower than that within the Jewish population. In 2010, the mortality rate of the Jewish

<sup>4</sup> Ahmad Hleihel, *Fertility Among Jewish and Muslim Women in Israel by Level of Religiosity, 1979-2009*, Central Bureau of Statistics, Working Paper Series No. 60 (2011), available at: <http://cbs.gov.il/www/publications/pw60.pdf>.

population in Jerusalem was 5.1 deaths per 1,000 persons (with 5.8 deaths per 1,000 persons among the Jewish population of Israel, 8.3 in Tel Aviv, and 9.6 in Haifa), double the rate of the Arab population of Jerusalem, which measured 2.5 deaths per 1,000 persons. (The mortality rate of Jerusalem’s Arab population is equal to that of the Arab population of Israel.)

Over the years the mortality rate of the Jewish population of Jerusalem has gradually declined, whereas the mortality rate of the Arab population has dropped sharply and quickly. The average mortality rate within the Jewish population fell from an average of 6.4 deaths per 1,000 persons during the 1970s (1973-1979) to 5.9 during the 1980s (1980-1989), to 5.5 during the 1990s (1990-1999), and to 5.2 during 2000-2010. Within the Arab population the average mortality rate dropped from 6.4 deaths per 1,000 persons during the 1970s (1973-1979),<sup>5</sup> to 4.5 during the 1980s (1980-1989), to 3.5 during the 1990s (1990-1999), and to 2.8 during the years 2000-2010.



<sup>5</sup> It should be noted that during these years the mortality rates of the Arab population of Jerusalem dropped from 7.3 deaths per 1,000 persons in 1973 to 5.3 deaths in 1979. Within the Jewish population mortality rates dropped from 6.8 to 6.0 during these years.

One of the principal explanations for the sharp decline in the mortality rate of the Arab population is the sharp decline of the infant mortality rate. During the 1970s (1972-1979) the average infant mortality rate within the Arab population of Jerusalem was 45.2 (deaths per 1,000 live births). This figure dropped to 17.2 during the 1980s (1980-1989), to 10.7 during the 1990s (1990-1999), and to 7.0 during the years 2008-2010.

During the years 2008-2010, the average infant mortality rate within the Jewish population of Jerusalem was 3.1 (and 2.7 within the Jewish population of Israel), while within the Arab population this figure measured 7.0 (and 7.0 as well within the Arab population of Israel). The relatively high infant mortality rate within the Arab population is a result, among other things, of birth defects that occur relatively frequently within the Muslim population because of intermarriage.<sup>6</sup>

The decreased mortality rates within the Arab population of Jerusalem are the result of improved sanitation, healthcare and preventive medicine during the 1970s and 1980s, and implementation of the National Health Insurance Law beginning in the mid-1990s.

Another reason that mortality rates of the Arab population are lower than those of the Jewish population is that the Arab population is younger than the Jewish one. In 2010, the proportion of children (ages 0-14) within the Arab population measured 40% (31% within the Jewish population), whereas the proportion of seniors (ages 65 and older) was only 4% (and 11% within the Jewish population). Seniors aged 75 and above constituted 1% of the Arab population (and 6% of the Jewish population).

## **Natural growth**

Natural growth (the difference between the number of births and the number of deaths) is the principal factor in the growth of Jerusalem's population. In 2010, natural growth resulted in the addition of 19,100 persons to the population of Jerusalem – 60% Jews and 40% Arabs. Natural growth in Jerusalem (19,100) is significantly higher than that in Tel Aviv (4,800 persons) or Haifa (1,400 persons).

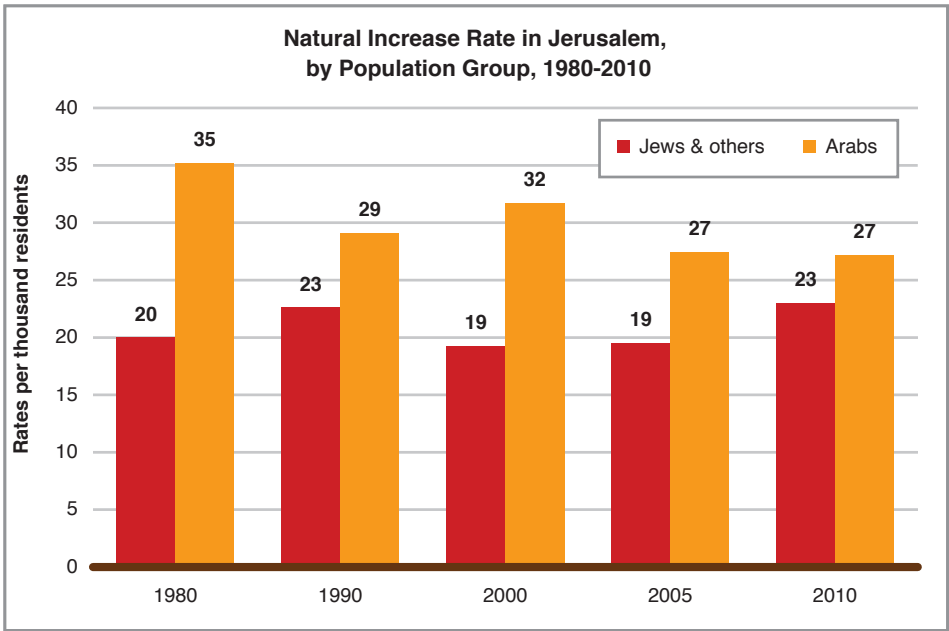
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<sup>6</sup> [www.health.gov.il/Download/pages/tmuta2003\\_tinuk.doc](http://www.health.gov.il/Download/pages/tmuta2003_tinuk.doc).

During this year the natural growth rate in Jerusalem was 24.5 per 1,000 persons, compared to 16.6 in Israel, 11.9 in Tel Aviv, and 5.2 in Haifa.

The natural growth rate of the Arab population of Jerusalem is significantly higher than that of the Jewish population. In 2010, the natural growth rate of the Arab population was 27.2 per 1,000 persons and 23.0 per 1,000 for the Jewish population. At the same time, the natural growth rate of the Jewish population of Jerusalem is higher than the natural growth rate of the Jewish population of Israel – 23.0 and 14.9, respectively. The natural growth rate of the Arab population of Jerusalem is higher than that of the Arab population of Israel – 27.2 and 23.3, respectively.

Since the 1970s there has been a decline in the natural growth rate in Jerusalem within both the Jewish and Arab populations. The decline within the Jewish population was gradual and steady: during the 1970s (1973-1979) and 1980s (1980-1989), the average natural growth rate within the Jewish population was 21.3 and 21.8 per 1,000 persons respectively. It fell to 20.3 during the 1990s (1990-1999), and during the past decade (2000-2010) it has remained steady at 20.4. Within the Arab population natural growth rate dropped sharply. During the 1970s (1973-1979) the average natural growth rate within the Arab population of





Jerusalem was 36.2 (per 1,000 persons). It fell to 28.5 during the 1980s (1980-1989), rose slightly to 30.3 in the 1990s (1990-1999), and averaged 28.8 during the years 2000-2010.

## **Aliyah (Immigration)<sup>7</sup>**

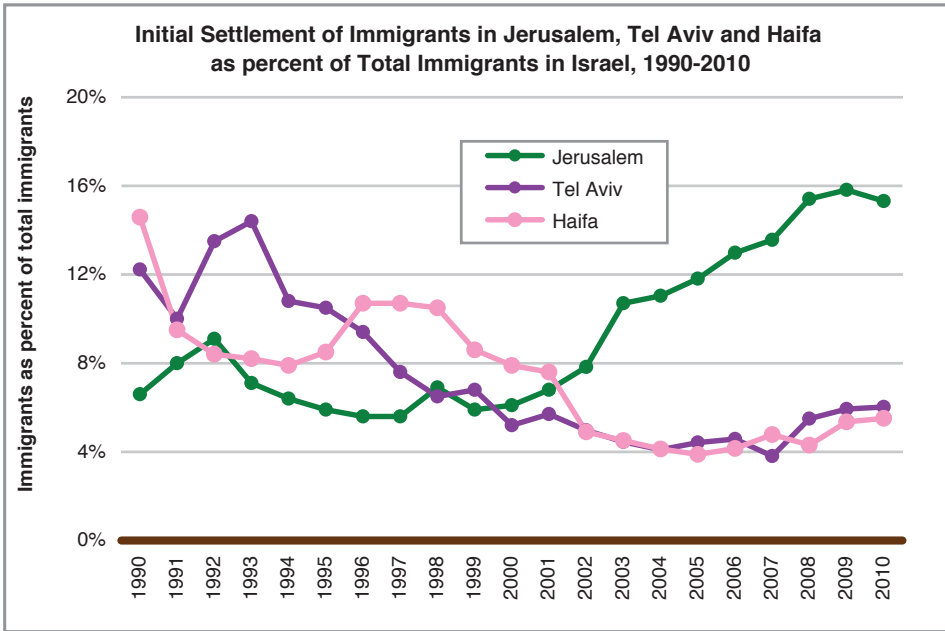
During the 1990s many new immigrants arrived in Israel, over 80% of whom came from states of the former Soviet Union. The year 2002 marked a turning point during which a significant decline occurred in the number of immigrants to Israel from these countries, measuring 55%. The relative proportion of these immigrants continued to decline in the years that followed, reaching 42% in 2010. Simultaneously, the proportion of immigrants from Western Europe and the United States increased. In 2002, a total of 33,600 new immigrants arrived in Israel. This figure dropped to 21,200 in 2005 and to 16,600 in 2010. In Jerusalem, however, the number of new immigrants has been relatively consistent throughout the first decade of the 21<sup>st</sup> century, totaling approximately 2,500 new immigrants annually during the years 2002-2007. In 2008, the number of new immigrants reached 2,100, and in 2010 it rose to 2,500. The number of new immigrants who settled in Jerusalem during 2010 is higher than the number of those who settled in Tel Aviv (1,000) or Haifa (900).

Jerusalem is less attractive than other options for immigrants with limited resources. Therefore, during the years in which a large number of immigrants arrived from the former Soviet Union, the proportion of immigrants who chose to reside in Jerusalem was low – approximately 7%. The changing profile of immigrants to Israel, in particular the increase in the proportion of immigrants from prosperous countries (mainly the U.S. and Western Europe), contributed to the significant increase since 2002 in the proportion of immigrants who choose Jerusalem as their first place of residence in Israel.

In 2010, approximately 15% of all new immigrants to Israel settled in Jerusalem, a much higher percentage than that recorded for Tel Aviv (6%) or Haifa (5%).

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<sup>7</sup> Not including “immigrant citizens” (returning residents of Israel).



During the years 2002-2010, immigrants to Jerusalem constituted approximately 12% of all new immigrants to Israel (and 7% during the years 1990-2001), compared to 5% in Tel Aviv and Haifa (and 10% during the years 1990-2001 in Tel Aviv and Haifa). The five countries from which the highest percentages of immigrants arrived were the United States (31%), France (20%), Russia (10%), Great Britain (7%), and the Ukraine (5%).

In 2010, those residents of Jerusalem who had immigrated to Israel during the period from 1990 onwards numbered 68,100 and constituted 9% of the total population as well as 14% of the “Jewish” population. Among the new immigrants, 58% had immigrated during the years 1990-1999 and 42% during 2000-2010. Those immigrants who had arrived during the period from 2000 onwards comprised 6% of the total Jewish population of Jerusalem.

The proportion of Jerusalem’s Jewish population that represents immigrants who arrived during the period from 1990 onwards (14%) is comparable to the figure for Tel Aviv (13%) but lower than the figure for Haifa (26%) and for some of the localities surrounding Jerusalem, such as Bet Shemesh (21%) and Ma’ale Adummim (16%). The proportion of immigrants in Giv’at Ze’ev (7%),

Mevasseret Ziyyon (10%), Modi'in Illit (6%), and Betar Illit (5%) is lower than that in Jerusalem.

The highest count of 2000-2010 immigrants was recorded in Bayit Va-Gan (1,600), Qatamon A-I (1,500), Talpiyyot-Arnona (1,500), and East Talpiyyot (1,400). The highest percentage of 2000-2010 immigrants in relation to overall neighborhood population was recorded in Talbiya (14%), the city center and Rehavya (13% each), and Baq'a (11%).

During 2011<sup>8</sup>, a total of 2,300 new immigrants settled in Jerusalem. Of the new immigrants who settled in Jerusalem in 2011, 800 came from the United States (35% of new immigrants who settled in Jerusalem), 400 came from former Soviet Union states (17%), 400 from France (17%), and 200 from Great Britain (9%).

## **Internal migration**

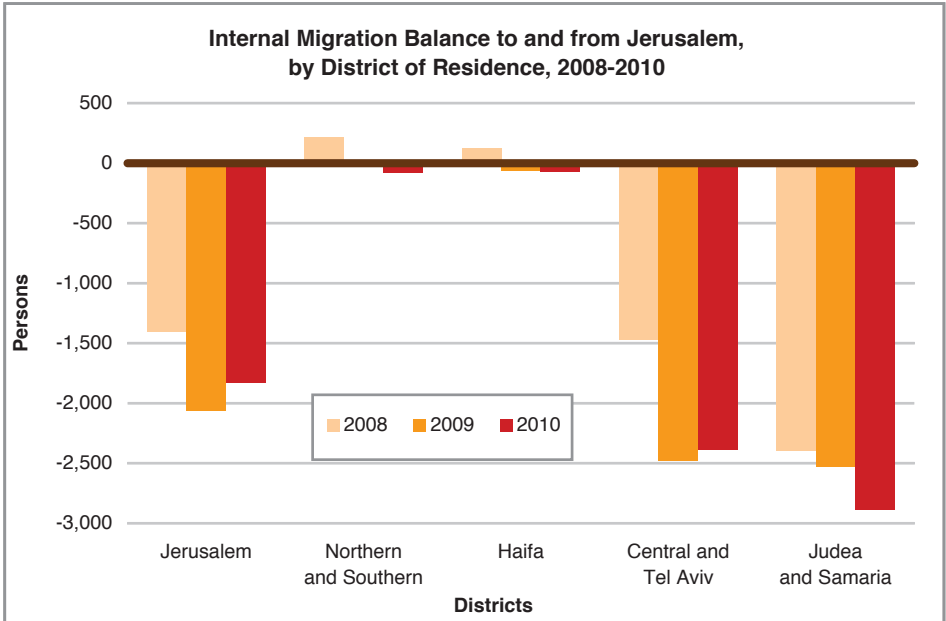
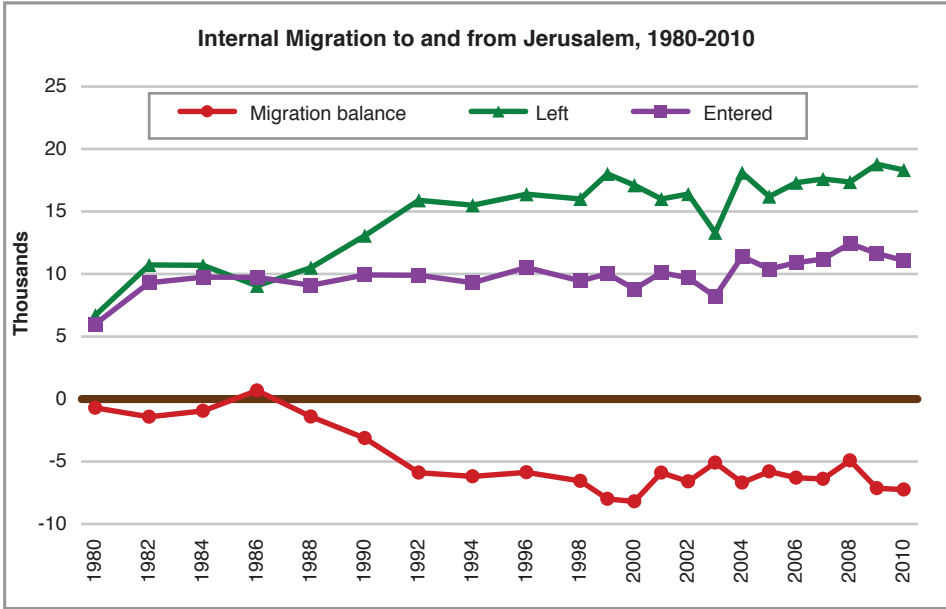
During 2011<sup>8</sup>, 10,500 people moved to Jerusalem while 18,000 residents moved out of the city. The net migration balance was thus negative, at -7,500.

The following data relates to 2010. During this year, a total of 18,300 residents left Jerusalem for other localities in Israel, and 11,100 new residents arrived in Jerusalem from other localities within the country. The balance of internal migration was negative for Jerusalem, amounting to -7,300, which is large in comparison to the past decade.

In 2010, a negative migration balance was recorded between Jerusalem and each of the districts within Israel, with the exception of the southern district. The negative migration balance between Jerusalem and Jewish localities in Judea and Samaria was the largest (-2,900 persons), followed in decreasing order by the Jerusalem District (-1,800 persons), the Central District (-1,300 persons), the Tel Aviv District (-1,100 persons), the Northern District (-100 persons), and the Haifa District (-70 persons). It should be noted that until 2009, the migration balance of Jerusalem with the Northern and Haifa Districts had been positive. During 2010, Jerusalem had a positive migration balance only with the Southern District (20 persons).

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<sup>8</sup> Interim data.



During the years 2006-2010, a total of 89,400 residents left Jerusalem for other localities in Israel, and 57,300 new residents arrived in Jerusalem from other localities. In total, the population of the city was reduced by 32,000 residents as a result of a negative migration balance. Among those who left Jerusalem the percentage that moved to the Jerusalem metropolis is evident – 48% (31% to Judea and Samaria, 17% to the Jerusalem District). During these same years, 34% of those who left Jerusalem migrated to metropolitan Tel Aviv (17% to Tel Aviv District and 17% to the Central District). Among immigrants to Jerusalem the proportion of those arriving from metropolitan Jerusalem is comparable to those arriving from metropolitan Tel Aviv. During the years 2006-2010, 36% of the immigrants to Jerusalem came from metropolitan Jerusalem (24% from Judea and Samaria, and 12% from the Jerusalem District), and 34% came from metropolitan Tel Aviv (17% from the Tel Aviv District and 17% from the Central District).

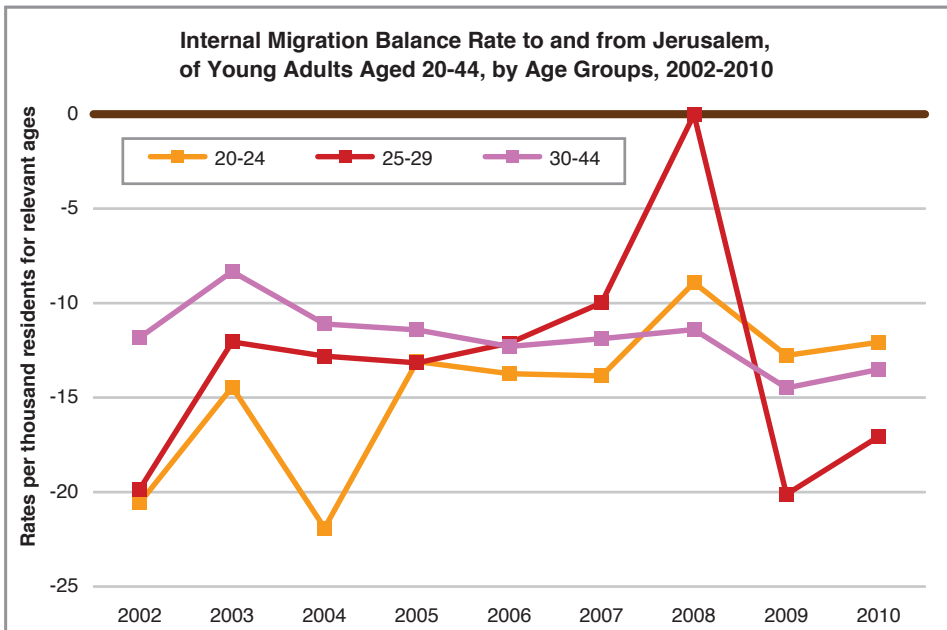
The localities that attracted the greatest numbers of residents from Jerusalem during 2010 were Tel Aviv (1,530), Bet Shemesh (1,360), Ma'ale Adummim (1,030), Modi'in-Makkabbim-Reut (1,010), Givat Ze'ev (940), and Betar Illit (910). The localities from which Jerusalem attracted the greatest numbers of residents were Tel Aviv (680), Bnei Brak (660), Bet Shemesh (500), Ma'ale Adummim (430), and Betar Illit (380).

As a general rule, migrants are characteristically young. This holds for Jerusalem as well: both those who leave the city and those who move to it are typically young. During the years 2006-2010, 48% of those who left Jerusalem and 54% of new residents were aged 20-34. The median age of those leaving Jerusalem was 25.2, and that of new residents was 25.3.

The age groups whose numbers were most reduced by Jerusalem's negative migration balance were the following: children aged 0-4 (whose families departed the city): -7,300; ages 30-34: -4,300; and ages 20-24: -4,000. Among migrants to Jerusalem during the years 2006-2010, senior citizens (ages 65 and up) constituted about 3% and among those who left Jerusalem, senior citizens constituted about 4%. The negative migration balance of those aged 65 and above during these years was -1,400.

## Migration balance by age for the years 2006-2010

	Total	Select age groups		
		0-14	20-34	65+
2006	-6,300	-2,100	-2,300	-300
2007	-6,400	-2,200	-2,200	-300
2008	-4,900	-1,900	-1,300	-300
2009	-7,100	-2,100	-3,200	-300
2010	-7,300	-2,600	-2,800	-300



## Migration within Jerusalem

During 2010 the number of migrants who changed their place of residence within Jerusalem measured 41,100. Among Jerusalem's Jewish neighborhoods, Har Homa had the greatest attraction for Jerusalem residents, with a positive internal migration balance of 1,220 persons. The number of those who moved to the Har Homa neighborhood from other Jerusalem neighborhoods during this year was

2,100 persons while the number of those who left the neighborhood for other neighborhoods within the city measured 880. Other areas that benefitted from a positive internal migration balance were Talpiyyot, Arnona, and Mekor Haim (280 persons), Pisgat Ze'ev (190 persons), Qiryat Ha-Yovel (120 persons), and East Gilo (80 persons).

Among neighborhoods with a negative migration balance, salient are Romema (-280 negative internal migration balance), the area of Sanhedriyya and Tel Arza (-270 persons), Har Nof (-250 persons), Bayit Va-Gan (-240 persons), Ma'alot Dafna and Shmuel Ha-Navi (-200 persons), and Rehavya (-180 persons).

## **Population age**

The population of Jerusalem is characterized by its relative youth. During 2010 the median age of its residents was 24 years (that is, half the population was younger than 24 years and half was older than 24). For the sake of comparison, the populations of Tel Aviv and Haifa were significantly older than Jerusalem's, with median ages of 35 and 38 respectively. The median age of Israel's total population was 29.

The Jewish population of Jerusalem is older than the Arab population. During 2010 the median age of the Jewish population was 26 and that of the Arab population was 20. In Israel generally the median age of the Jewish population was 32 and that of the Arab population was 21 for the same year.

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 2010, children (0-14) accounted for 34% of the city's total population, much higher than the proportion in Tel Aviv (17%) and Haifa (18%) or in Israel as a whole (28%). Within the Jewish population of Jerusalem, children accounted for 31%, compared to 40% within the Arab population.

The proportion of senior citizens (65 and up) in Jerusalem was relatively low. Members of this age group accounted for 8% of Jerusalem's population, 14% in Tel Aviv 18% in Haifa, and 10% in Israel. They accounted for 11% of the Jewish population of Jerusalem, compared to only 4% within the Arab population.

The Jewish haredi population<sup>9</sup> is characterized by its relative youth. Within the haredi population, the percentage of children (ages 0-14) was 42%, compared to 25% within the general Jewish population (secular, traditional, and Observant<sup>10</sup>). The proportion of senior citizens (ages 65 and up) within the haredi population was 6%, compared to 14% within the general Jewish population.

The Muslim-Arab population of Jerusalem is likewise characterized by its relative youth and is significantly younger than the Christian-Arab population. Children (0-14) accounted for 40% of the Muslim population, compared to 23% of the Christian-Arab population. Senior citizens (65 and up) accounted for 3% of the Muslim population, compared to 12% of the Christian-Arab population.

### Population of Jerusalem by age and population group, 2010

	<b>0-14</b>	<b>65 and above</b>	<b>Median age*</b>
<b>Total population</b>	<b>34%</b>	<b>8%</b>	<b>24</b>
<b>Jewish population</b>	<b>31%</b>	<b>11%</b>	<b>26</b>
General Jewish population (secular, traditional, and Observant) <sup>10</sup>	25%	14%	30
Haredi-Jewish population <sup>9</sup>	42%	6%	18
<b>Arab population</b>	<b>40%</b>	<b>4%</b>	<b>20</b>
Muslim-Arab population	40%	3%	19
Christian-Arab population	23%	12%	33
<b>Non-Arab Christian population</b>	<b>16%</b>	<b>19%</b>	<b>41</b>

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

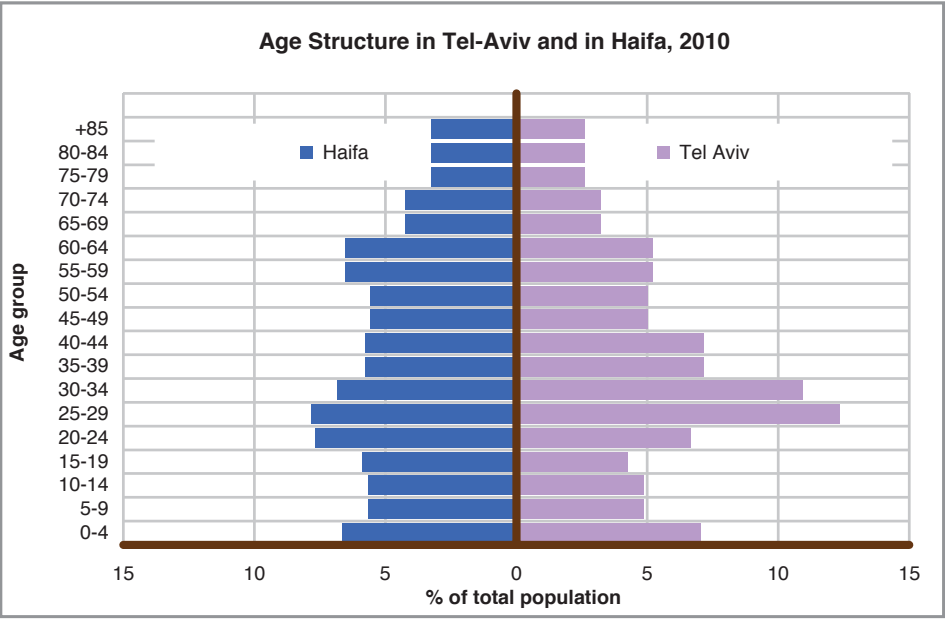
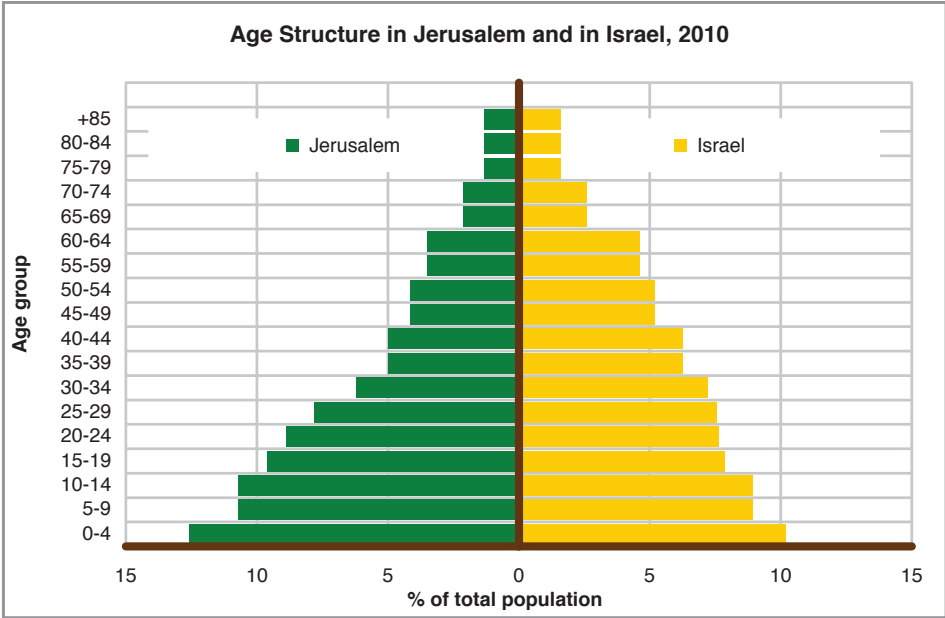
The population group with the oldest age structure in Jerusalem is the Non-Arab Christian population, which is also the smallest in size (3,000 residents), with a median age of 41 years. Next in descending order of groups with very elderly populations are the Christian Arab population, whose median age in 2010 was 33 years, and the general Jewish population (secular, traditional, and Observant),

<sup>9</sup> The Jewish population that resides in neighborhoods where most residents are haredi.

<sup>10</sup> The Jewish population living in neighborhoods in which most of the residents are secular, traditional, or observant.



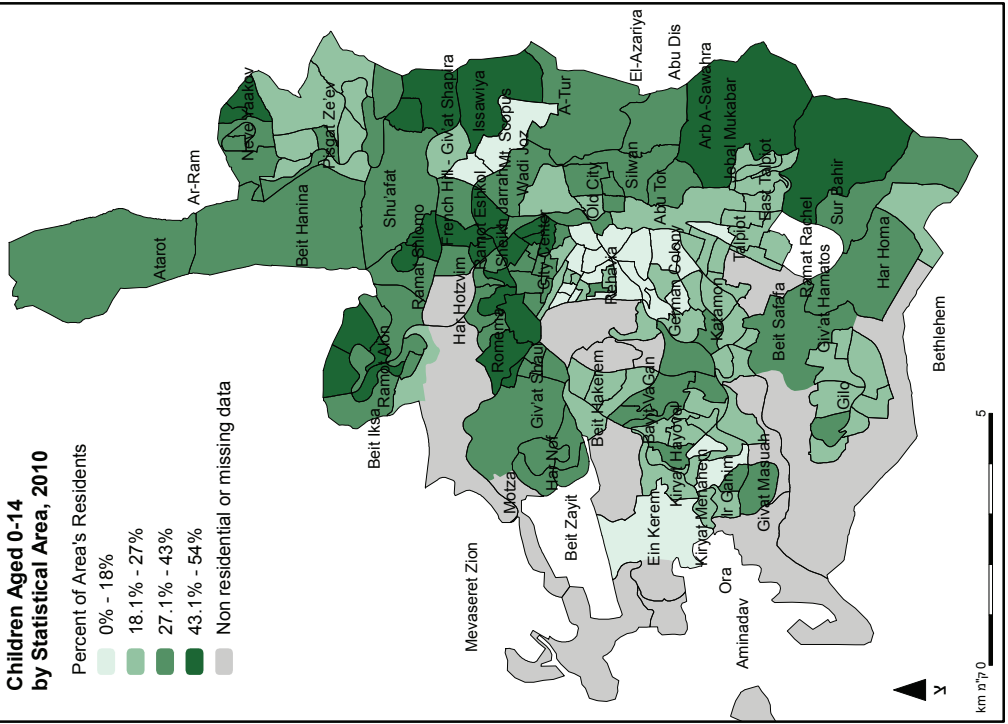
whose median age was 30. The youngest population groups are the Muslim Arab population, whose median age was 19 years, and the haredi Jewish population, whose median age was 18 years.



### Children Aged 0-14 by Statistical Area, 2010

Percent of Area's Residents

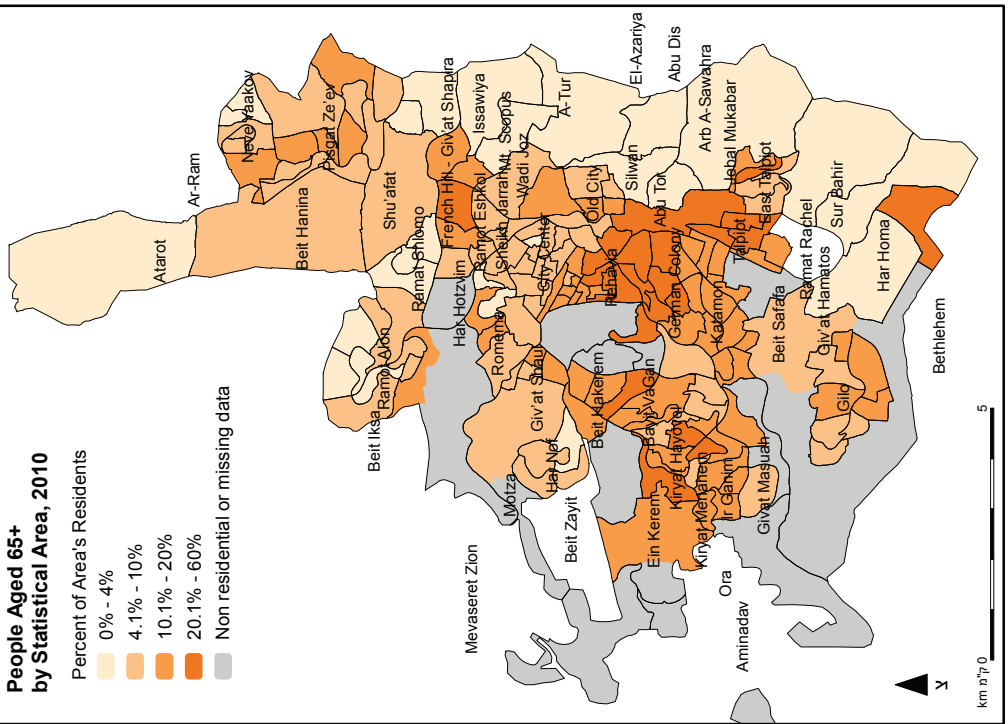
- 0% - 18%
- 18.1% - 27%
- 27.1% - 43%
- 43.1% - 54%
- Non residential or missing data



### People Aged 65+ by Statistical Area, 2010

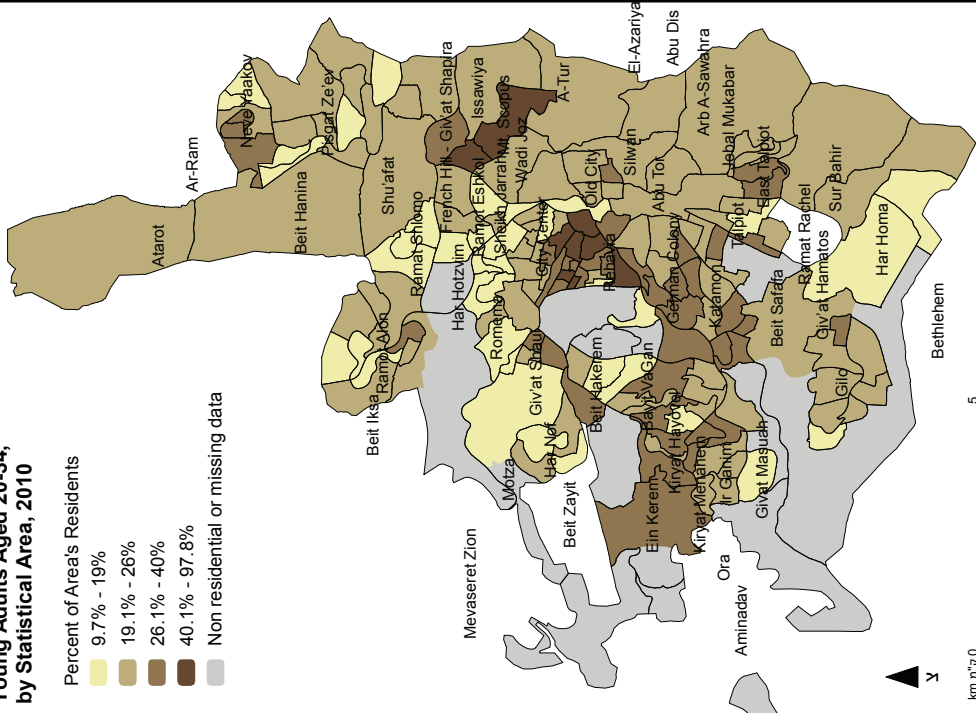
Percent of Area's Residents

- 0% - 4%
- 4.1% - 10%
- 10.1% - 20%
- 20.1% - 60%
- Non residential or missing data



**Young Adults Aged 20-34,  
by Statistical Area, 2010**

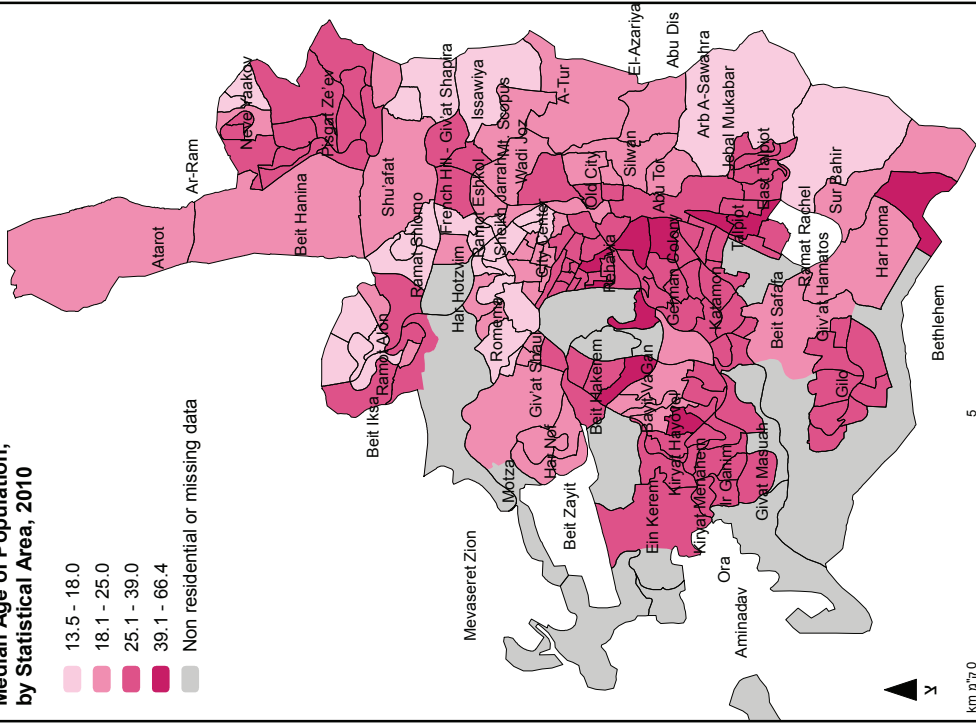
- Percent of Area's Residents
- 9.7% - 19%
  - 19.1% - 26%
  - 26.1% - 40%
  - 40.1% - 97.8%
  - Non residential or missing data



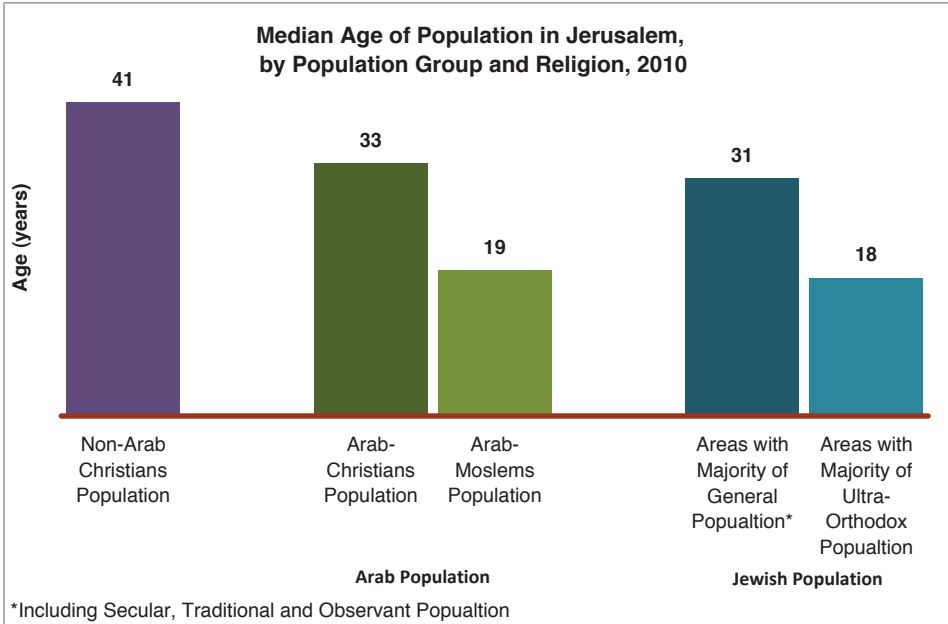
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**Median Age of Population,  
by Statistical Area, 2010**

- 13.5 - 18.0
- 18.1 - 25.0
- 25.1 - 39.0
- 39.1 - 66.4
- Non residential or missing data



km 0 5



## Population: Characteristics of the family unit

### Marriage and divorce

At the end of 2009, most of Jerusalem’s population (66%) aged 20 and above were married. Singles (never married) accounted for 23%, divorced for 6%, and widowed for 5%. The percentage of married residents of Jerusalem (66%) was slightly higher than the national average, which measured 63%, higher than Haifa (59%) and much higher than Tel Aviv (46%). The percentage of married Jewish residents of Jerusalem was 62%, lower than the figure in the Arab sector (72%).

Jerusalemites marry at a relatively young age. Among young persons aged 20-34, 53% were married, compared to 45% in Israel, 35% in Haifa, and 29% in Tel Aviv. 8% of all married persons in Jerusalem were in the age range of 20-24 when they wed. This was higher than the figure for Israel (4%), Haifa (2%), and Tel Aviv (2%). One percent of all married persons in Jerusalem wed before the age of 20.

The percentage of divorce in Jerusalem was relatively low. Among city residents ages 35 and up, 9% were divorced, compared to 16% in Tel Aviv and 14% in Haifa. The divorce rate among those aged 35 and above is higher in the Jewish population than in the Arab population, 11% and 3% respectively.

## **Single-parent families**

In 2010 Jerusalem had 7,900 single-parent families.<sup>11</sup> These families included approximately 14,000 children below the age of 18, who constituted 4% of the total number of children in the city. This percentage was lower than the figure for Israel, where 9% of children belong to single-parent families. In Tel Aviv and Haifa the percentage of children in single-parent families was especially high, measuring 17% and 15%, respectively.

In Jerusalem 16% of the children in single-parent families belong to households headed by unmarried singles (as opposed to divorced or widowed parents); this is lower than the figure for Israel, where 20% of the children in single-parent families belong to households headed by unmarried singles, and is much lower than the figure for Tel Aviv – 35%. The percentage of children in single-parent families who belong to households headed by unmarried singles in the communities surrounding Jerusalem are as follows: Mevasseret Zion – 22%; Ma’ale Adummim – 12%; Beit Shemesh – 9%; and Modi’in Illit – 5%.

## **Level of religious identification**

Jerusalem’s population is highly diverse and is composed of groups with distinct profiles, including groups that differ from one another in terms of their level of religious identification.

The social survey conducted by the Central Bureau of Statistics among those aged 20 and above reveals that (on average) during the years 2008-2010, 31% of Jews in Jerusalem defined themselves as traditional, 29% as haredi, 21% as

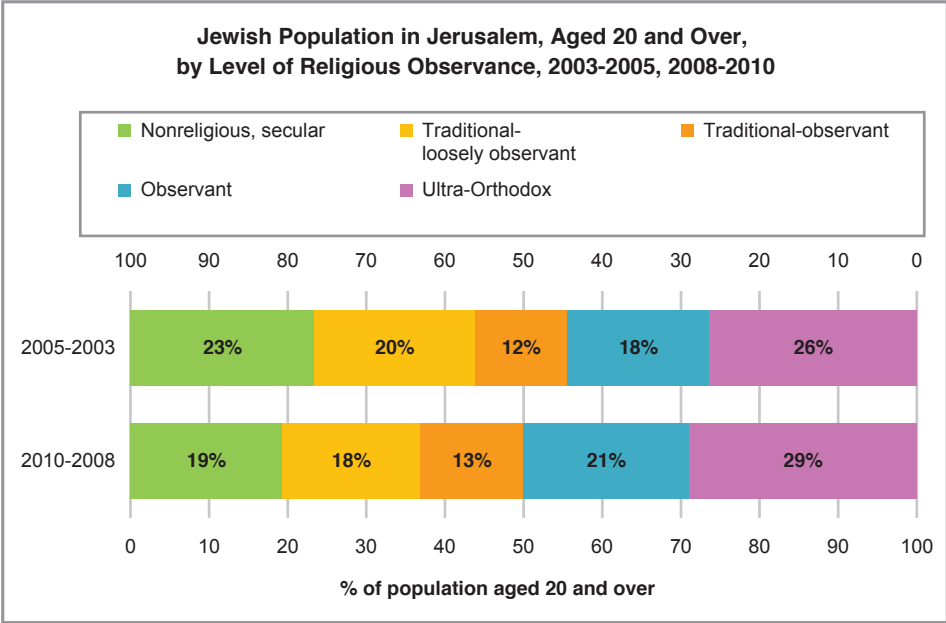
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<sup>11</sup> Families in which one parent is raising the child/ren, including widows and widowers, divorced men and women, and unmarried men and women.

observant, and 19% as secular. The percentage of Jerusalem’s population aged 20 and above who defined themselves as haredi is the highest among Israel’s main cities and is significantly higher than the proportion of haredi Jews in Israel (8%). In comparison, the percentage of haredi Jews in Tel Aviv is 2%, in Haifa 3%, and in Rishon LeZiyyon only 1%. Among 20-year-olds and above the percentage of Jerusalem residents who define themselves as Observant (21%) is also above the average for Israel (10%). The proportion of those who define themselves as traditional (Observant -traditional or traditional - loosely observant) in Jerusalem is 31%, which is lower than the average for Israel (39%) and the lowest among the main cities of Israel. The proportion of secular residents of Jerusalem (19%) is lower than the average for Israel (42%) and is the lowest among Israel’s main cities. The percentage of secular among Tel Aviv’s residents was the highest among Israel’s main cities, measuring 59%, as compared to 58% in Haifa, 47% in Rishon Lezion, and 32% in Ashdod.

**Level of religious identification of the Jewish population (20 and above) in Israel, Jerusalem and the main cities, 2008-2010 (average)**

<b>Religious Identification</b>	<b>Israel</b>	<b>Jerusalem</b>	<b>Tel Aviv</b>	<b>Haifa</b>	<b>Rishon LeZiyyon</b>	<b>Ashdod</b>
<b>Percentage</b>						
Haredi	8	<b>29</b>	2	3	1	10
Observant	10	<b>21</b>	4	4	6	7
Traditional-religious	14	<b>13</b>	10	8	12	21
Traditional – not very religious	25	<b>18</b>	25	26	34	30
Secular	42	<b>19</b>	59	59	47	32
Total	100	<b>100</b>	100	100	100	100



Within the non-Jewish sector of Jerusalem, about 14% of respondents defined themselves as very religious, 60% as religious, 21% as not very religious, and 5% as not religious. As a matter of comparison, within the non-Jewish sector of Israel, 7% defined themselves as very religious (half the figure for Jerusalem), 46% as religious, 26% as not very religious, and 21% as not religious.

**Level of religious identification of the non-Jewish population (ages 20 and above) in Israel and Jerusalem, 2008-2010 (average)**

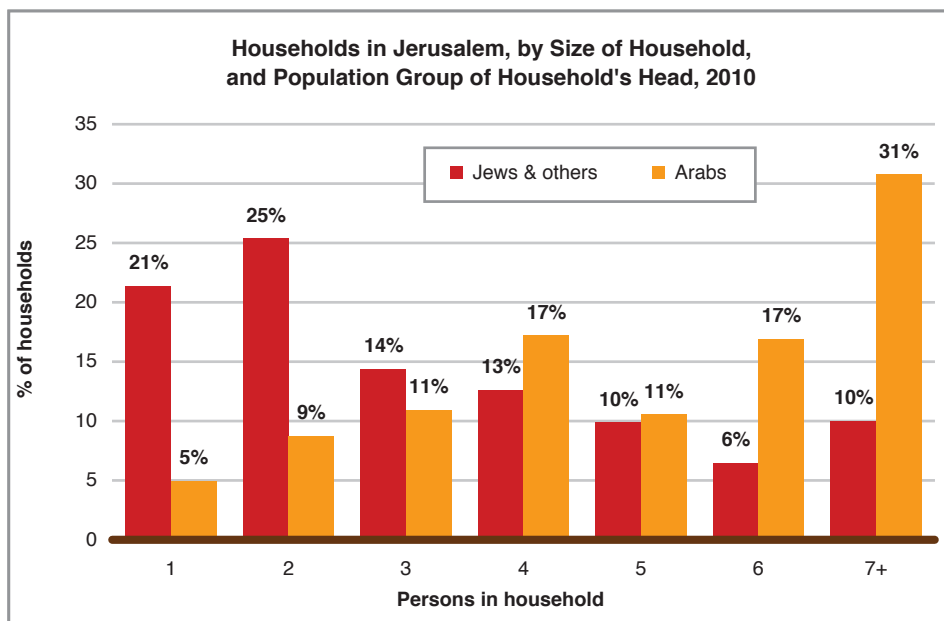
	<b>Total</b>	Not religious	Not very religious	Religious	Very religious
<b>Jerusalem</b>	<b>100%</b>	5%	21%	60%	14%
<b>Israel</b>	<b>100%</b>	21%	26%	46%	7%

A comparison between the extent of religious identification in Jerusalem and that of Israel reveals that in Jerusalem both the Jewish and the non-Jewish populations define themselves as more religious than in Israel overall.

## Households

In 2010, Jerusalem had a total of 190,300<sup>12</sup> households<sup>13</sup> as follows: 136,300 Jewish (72%) and 52,800 Arab households (28%). The Jewish population accounts for a higher proportion of households (72%) than its share of the city's population (63%). The reason for this is that Jewish households typically include a smaller number of persons than Arab ones. The average size of a household<sup>14</sup> was 3.4 persons in the Jewish population, lower than in the Arab population, which measures 5.3.

In 2010, 21% of Jewish households numbered one person, compared to only 4% of Arab households. Households of seven or more persons constituted 10% of the total number of Jewish households, compared to 31% of the total number of Arab households.



<sup>12</sup> Including households associated with an unknown population group as well as “Others” (members of other religions who are not Jewish or Arab).

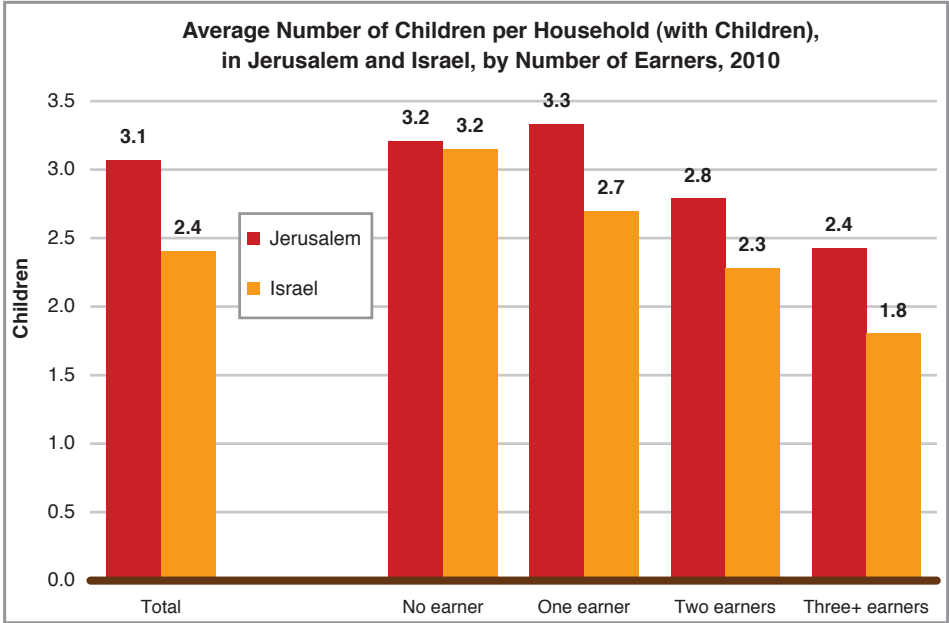
<sup>13</sup> A household is defined as one person or a group of persons living together in a single home on a permanent basis for most of the week, who maintain a joint expense budget for food. A household may include persons who are not related

<sup>14</sup> Including households of only one person.



Jerusalem’s Jewish population is characterized by large households relative to the Jewish population of Israel’s main cities. In 2010, the average size of Jewish households in Jerusalem was 3.4 persons, compared to 3.1 in Israel as a whole, 2.4 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 – 5.3 and 4.8 respectively.

A significant difference can be seen between the distribution of the number of persons per Jewish household in Jerusalem on the one hand and the distributions in Tel Aviv and Haifa on the other. In 2010, 21% of Jewish households in Jerusalem comprised a single person, compared to 40% in Tel Aviv and 29% in Haifa. In Jerusalem, 17% of Jewish households included six or more persons, compared to 2% in Tel Aviv and 3% in Haifa.



## Extent of poverty

In 2010, 24% of persons in Israel lived below the poverty line. The extent of poverty in the Jerusalem District (84% of the population of the district resided in the city of Jerusalem) was higher than that of Israel or each of the districts

within Israel. Thirty-four percent of the families and 58% of the children in the Jerusalem District lived below the poverty line, compared to 12% of the families and 24% of the children in the Tel Aviv District and 20% of the families and 35% of the children in Israel.

In 2010, 38% of the families in Jerusalem lived below the poverty line. The extent of poverty within the non-Jewish population of Jerusalem is significantly higher than within the Jewish population. 77% of the families and 84% of the children within the non-Jewish population live below the poverty line, compared to 25% of the families and 45% of the children within the Jewish population.

## **Ownership of durables goods**

Another indicator of a population's socio-economic status is the extent of a household's ownership of durables goods (key consumer products). In 2010, 12% of Jerusalem households owned two or more vehicles, compared to 19% in Israel, 15% in Tel Aviv, and 16% in Haifa. Among Jerusalem households, 69% owned a personal computer, compared to 77% in Israel, 82% in Tel Aviv, and 77% in Haifa. 52% of Jerusalem households had an internet account, compared to 68% in Israel, 75% in Tel Aviv, and 71% in Haifa. 75% of Jerusalem households had a television, compared to 89% of households in Israel, 93% in Tel Aviv, and 89% in Haifa. The proportion of those who subscribe to cable or satellite television is also lower in Jerusalem (35%) than in Israel (63%), Tel Aviv (66%), or Haifa (70%).

The relatively low proportion of Jerusalem households owning a television or having cable television or an internet subscription is influenced by the significant weight of the haredi population, which as a matter of custom does not typically have a television or internet connection in their home.

## **Monthly expenditure for consumption**

In 2010, the average monthly expenditure for consumption per household in Jerusalem was NIS 12,400. In Israel the expenditure for consumption was NIS 13,500 and in Tel Aviv, NIS 15,300. Yet in light of the difference in the size of

households – an average of 3.9 persons in Jerusalem, 3.3 in Israel, and 2.3 in Tel Aviv – the (standard) average monthly expenditure per persons in Jerusalem, at NIS 3,200, was lower than Israel at NIS 4,000 and Tel Aviv at NIS 6,700.

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 in Jerusalem, Israel, and Tel Aviv, but because of differences in household income, and particularly because of gaps in income per person, the nominal expenditure per person in each of the principal areas of consumption is significantly lower in Jerusalem than in Tel Aviv, and is also lower than in Israel generally.

**Percentage of monthly expenditure for consumption, 2010**

	<b>Jerusalem</b>	Israel	Tel Aviv
Area	% of total monthly expenditure for consumption		
Housing	<b>26</b>	25	30
Food	<b>18</b>	16	14
Transportation and communication	<b>17</b>	20	20
Education, culture, and entertainment	<b>13</b>	13	12

**Housing density**

In 2010, the average housing density in Jerusalem was one person per room within the Jewish population, and it was nearly double that figure in the Arab population – 1.9 persons per room. The average housing density within the Jewish population of Jerusalem (one person per room) is slightly higher than the housing density in Israel (0.8 persons per room) and in Tel Aviv and Haifa (0.7 persons per room). The average housing density within the Arab population of Jerusalem (1.9 persons per room) is higher than that within the Arab population of Israel (1.5 persons per room).

Over the years, there has been a decline in average housing density within the Arab population of Jerusalem, from 2.3 persons per room in 1990 to 1.9 persons per room in 2010. The same period saw only a slight decline in housing density in the Jewish population, from 1.1 persons per room to one person (1.0) per room.

## - Employment -

### Rate of participation in the labor force

In 2010, the rate of participation in the labor force<sup>15</sup> in Jerusalem was 46%. This figure is lower than the rate of participation in the labor force in Israel and in Haifa (both 57%) and in Tel Aviv (67%). The rate of participation in the labor force within the Jewish population of Jerusalem was 51% (compared to 61% within the Jewish population of Israel), and within the Arab population, this figure was 36% (42% for the Arab population of Israel).

Studies by the Bank of Israel show that a low rate of participation in the labor force and the employment market in Israel is characteristic of those with a low level of education, men who are fully engaged in ultra-orthodox (haredi) education, and Arab women, in particular those with a low level of 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.<sup>16</sup>

Between men and women, a significant gap exists in the rate of participation in the labor force. In 2010, the rate of participation in the labor force among the men of Jerusalem was relatively low (53%) compared to 71% in Tel Aviv, 62% in Israel, and 62% in Haifa. The rate of participation among the Jewish men of Jerusalem (50%) was lower than the rate among Arab men (59%).

The rate of labor force participation among Jerusalem women was only 40%, compared to 63% in Tel Aviv, 52% in Haifa, and 53% in Israel. The low rate of participation among Jerusalem women results primarily from the low rate of Arab women in the labor force – 14%, compared to 52% among Jewish women.

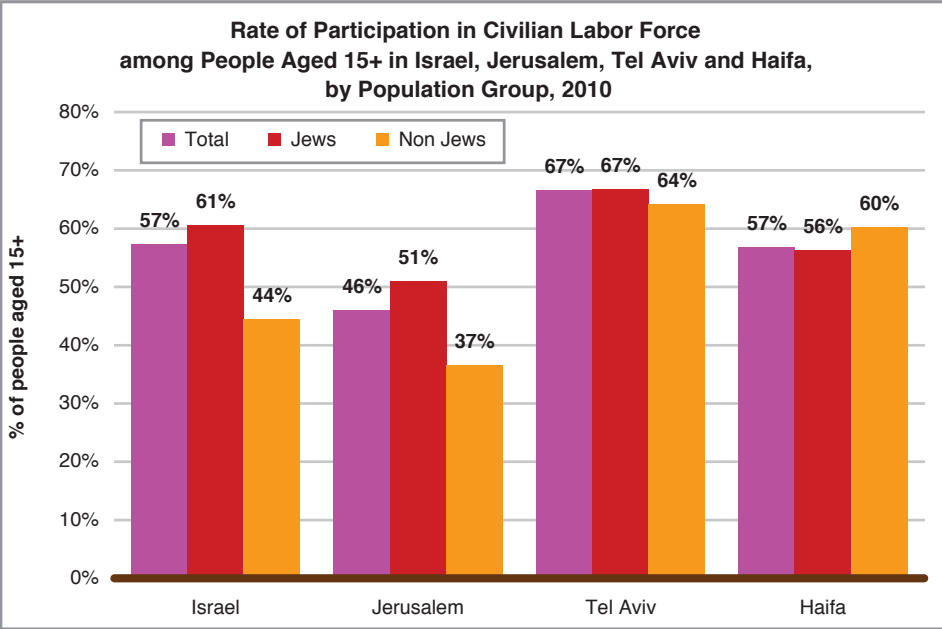
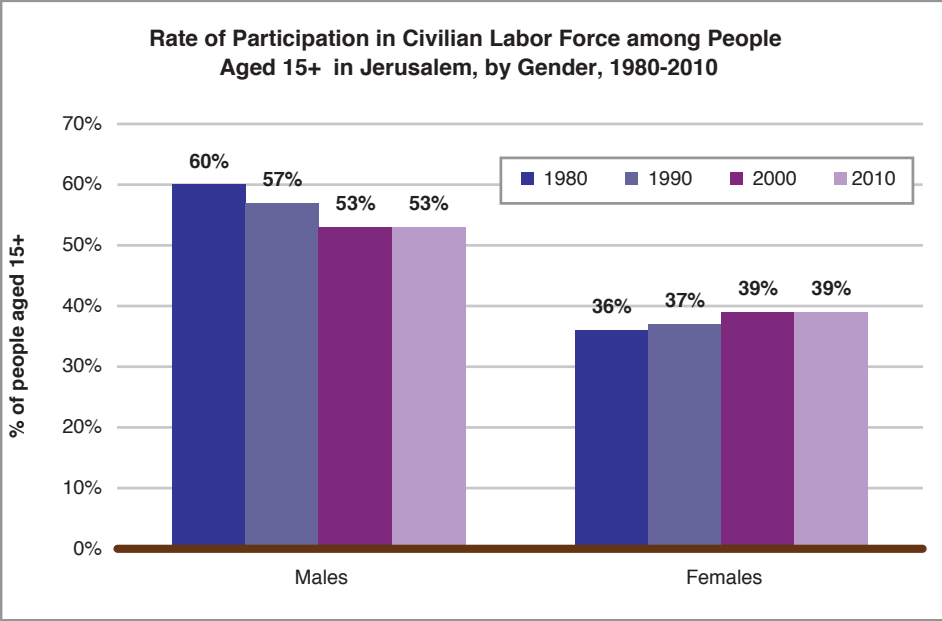
In 1980, participation in the labor force in Jerusalem was 47%. This rose to 51% in 1997 and has since then fallen gradually, reaching 46% in 2010. In Israel this

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<sup>15</sup> The employed persons and unemployed persons who are actively seeking work, as a percentage of the total population aged 15 and up.

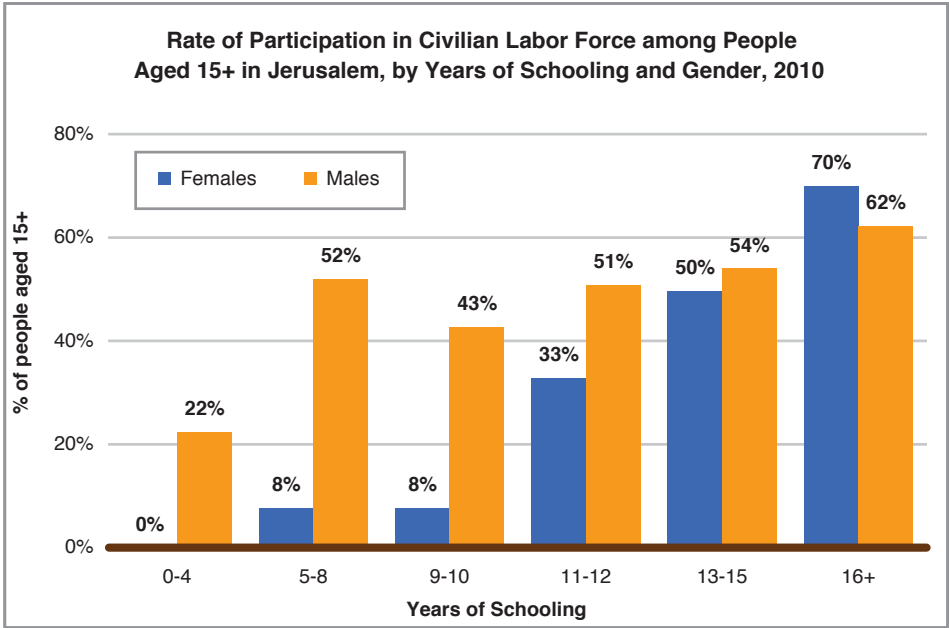
<sup>16</sup> Bank of Israel, Press Release: “The Employment Rate in Israel from an International Perspective” (Hebrew). [www.bankisrael.gov.il/press/heb/030317/030317a.htm](http://www.bankisrael.gov.il/press/heb/030317/030317a.htm).

rate rose over the same period from 50% to 57%, and it rose even more in Tel Aviv, from 47% in 1980 to 67% in 2010.



The participation rate in the labor force among Jerusalem men has fallen gradually, from 60% in 1980 to 53% in 2010. Conversely, the rate among Jerusalem women has risen slightly over the same period, from 36% to 40%.

There was a positive correlation between the rate of participation in the labor force and education levels – the greater the number of years of schooling, the higher the participation rate in the labor force. In 2010, the rate in Jerusalem among those with 0-4 years of schooling was 10%. This figure rose to 31% among those with 5-8 years of schooling, to 42% among those with 11-12 years of schooling, and to 66% among those with 16 years or more of schooling.

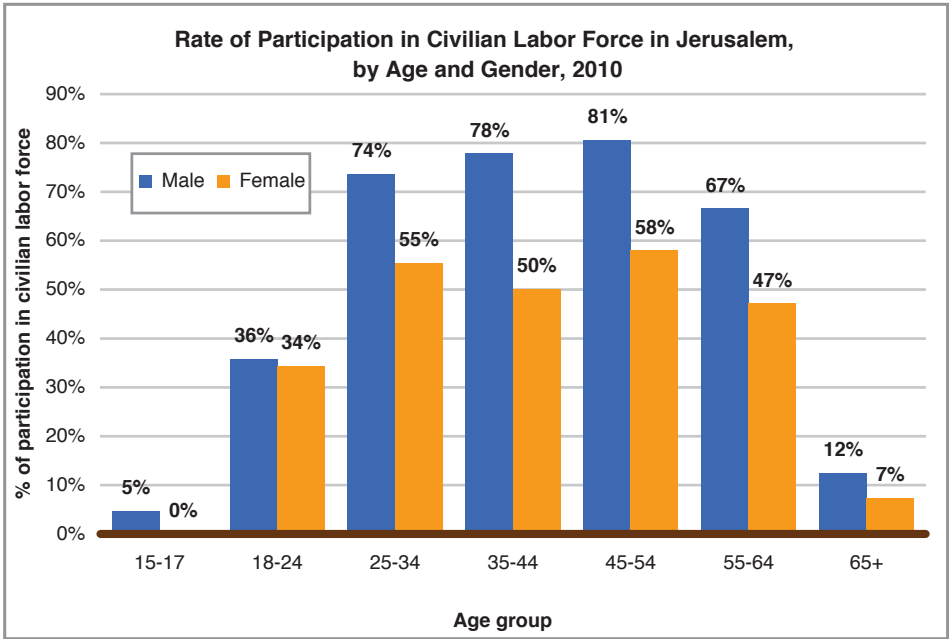


The figures also show that the participation rate in the labor force varies with age. In 2010, the percentage of those employed in Jerusalem between the ages of 15-17 was 4%, rising to 32% among those aged 18-24, to 64% for ages 25-34, and to 67% for ages 35-44. The highest rate of participation was recorded among those aged 45-54 (68%). For the 55-64 age group, the rate of participation dropped to 55%, and it fell to 12% among those 65 and above. In Israel the rate of participation in the labor force among those aged 15-17 was 8%, rising to 42% for ages 18-24, to 77% for ages 25-34, and to 81% – the highest recorded

rate – among those aged 35-44. Among those aged 45-54 the rate of participation decreased to 79%, to 63% for ages 55—64 and to 12% for ages 65 and up.

**Rate of participation in the labor force in Jerusalem and Israel by age, 2010**

	Total	15-17	18-24	25-34	35-44	45-54	55-64	65+
Jerusalem	46%	4%	32%	64%	67%	68%	55%	12%
Israel	57%	8%	42%	77%	81%	79%	63%	12%



**Rate of participation in the labor force by level of religious identification**

The rate of participation in the labor force varies in accordance with the level of religious identification of the residents. The Central Bureau of Statistics social survey data reveal that within the non-Jewish sector, the lower the rate of participation in the labor force, the lower the level of religious identification. This



correlation holds for both Jerusalem and Israel. It should be noted that the rate of participation in the labor force in Israel is higher than in Jerusalem for each classification of religious identification accordingly.

The data for 2008-2010 (the average across the years) reveals that within the non-Jewish age group of 20 and above in Jerusalem, the rate of participation in the labor force of those who defined themselves as not religious measured 62% (72% for Israel). This compares to 59% among those who defined themselves as not very religious (61% for Israel), 43% among the religious (41% for Israel), and only 12% among the very religious (20% for Israel).

The situation is slightly different in the Jewish sector, where the largest gap in rate of participation in the labor force was between those who defined themselves as haredi and those who do not define themselves as such, that is, secular, traditional, and observant. Among the self-defined secular, traditional, and observant – that is, the non-haredi – there were no significant differences. According to 2008-2010 data, the rate of participation in the labor force among non-haredi Jerusalemites ages 20 and up was 66%. The rate of participation among the haredi, by comparison, measured 44%. These figures were slightly higher for Israel, measuring 68% and 50%, respectively.

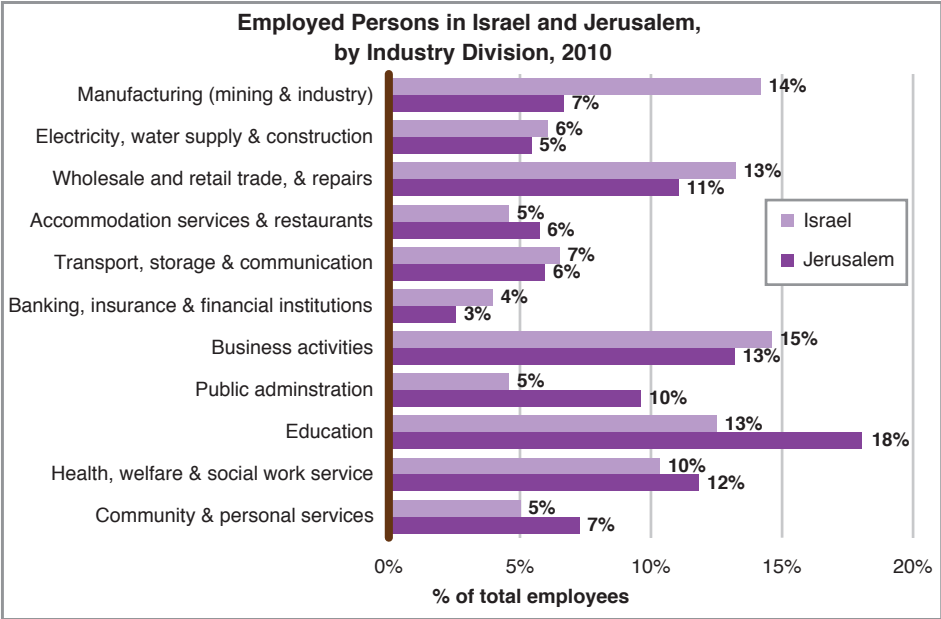
## **Employment by economic sector**

In 2010, the number of employed persons in Jerusalem measured 267,800, constituting approximately 9% of the total number of employed in Israel. In Tel Aviv, whose population is lower than Jerusalem's, the number of employed persons was greater than that of Jerusalem – 397,800 – and they represented 14% of the total number of employed persons in Israel. Haifa had 168,800 employed persons, constituting 6% of the total number of employed. In 2010, the number of employed persons in Jerusalem constituted 34% of the city's residents (267,800 employed and 788,100 residents). In Tel Aviv the number of employed persons was almost identical to the number of city residents: the former figure measured 98% of the total number of residents, though many are not residents of the city of Tel Aviv (397,800 employed and 404,300 residents). In Haifa the number of employed persons measured 63% of the total number of residents of the city (168,800 employed and 268,200 residents).

Jerusalem is the principal city within Metropolitan Jerusalem, which has approximately 1.2 million residents, 65% of whom are residents of the city. Metropolitan Tel Aviv, by comparison, has approximately 3.3 million residents, with the residents of Tel Aviv accounting for approximately 12% of the metropolis' residents. Metropolitan Haifa has approximately a million residents, 27% of whom are Haifa residents.

In 2010, 88% of employed Jerusalem residents worked in Jerusalem, compared to 76% of employed Haifa residents who worked in Haifa, and 68% of employed Tel Aviv residents who worked in Tel Aviv. Women’s workplaces are closer to home: in 2010, 84% of employed Jerusalem men worked in Jerusalem, compared to 94% of employed Jerusalem women. In Tel Aviv, 64% of employed men worked in the city, compared to 73% of women.

In 2010, the number of employed persons in Jerusalem measured 267,800, of whom 74% were Jerusalem residents and 1% were residents of Tel Aviv. In Tel Aviv, the number of employed persons was 397,800, of whom 36% were Tel Aviv residents, 6% were Rishon LeZiyyon residents, and 1% were residents of Jerusalem. Haifa had 168,800 employed persons, of whom 52% were Haifa residents.



Jerusalem's status as the capital of Israel and its governmental and administrative center, in which government ministries and national institutions are concentrated, results in a very high proportion of persons employed in public service. In 2010, 47% of employed persons in Jerusalem worked in public service (public administration, education, healthcare services, welfare, and community, social, and individual services), compared to 32% in Haifa, 32% in Israel, and 26% in Tel Aviv. Among those employed in civil service in Jerusalem, the proportion of those working in education is particularly notable – 18% (13% in Israel and only 7% in Tel Aviv), as well as health and social services – 12% (10% in Israel and 8% in Tel Aviv) and public administration – 10% (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 15% of employed persons, and in Haifa 3% and 16%, respectively. In Tel Aviv, Israel's economic center, the high proportion of those employed in these sectors is particularly apparent – 12% in banking, insurance, and finance, and 25% in commercial services. The proportion of employed persons in industry in Jerusalem (7%) is low, comparable to that in Tel Aviv (6%) and lower than that in Israel (14%) and Haifa (13%).

In 2010, the main sectors of the economy in which Jews employed in Jerusalem worked were education (20%), commercial services (15%), health and welfare (13%), and public administration (12%). Among those employed in Jerusalem who belong to other religions,<sup>17</sup> the main economic sectors were commerce (15%), construction (15%), and education (13%).

The main sectors of the economy among men employed in Jerusalem were commercial services (16%), commerce (14%), and education (11%). Among women the main sectors were education (26%), healthcare services and welfare (18%), and public administration (11%).

An examination of the place of residence of those employed in Jerusalem according to economic sector indicates that in most sectors, over 70% of those employed are residents of the city (for example, in the sectors of commerce, food and hospitality services, education, and commercial services). Two sectors for which relatively low numbers of employed persons living in Jerusalem were

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<sup>17</sup> The category "Members of Other Religions" includes all non-Jewish populations.

recorded are banking, insurance and finance (66%) and public administration (58%).

## Income and salaries<sup>18</sup>

In 2009, Jerusalem had 211,300 salaried employees (92%) and 17,900 self-employed workers or “freelancers” (8%). The proportion of salaried employees is comparable to the figures for Tel Aviv (90%), Haifa (94%), and Israel (92%).

In 2009, the average (gross) monthly salary for an employee in Jerusalem was NIS 7,300. The average monthly salary in Jerusalem is low compared to that of Tel Aviv (NIS 10,200), Haifa (NIS 9,400), or Israel (NIS 8,600). Similarly, the average monthly salary in Jerusalem (NIS 7,300) is low in comparison to surrounding localities, with the exception of localities that have a majority haredi population. In Har Adar the average (gross) monthly salary was NIS 14,700; in Zur Hadassah it was NIS 11,800; in Mevasseret Ziyon NIS 11,600; in Efrat, NIS 9,900; for localities of Mateh Yehuda Regional Council, NIS 9,400; in Giv'at Ze'ev, NIS 8,700; in Ma'ale Adummim, NIS 8,300; and in Bet Shemesh (where more than a quarter of the population is haredi), it was NIS 6,900. For localities where the population is primarily haredi, the average monthly salaries were as follows:

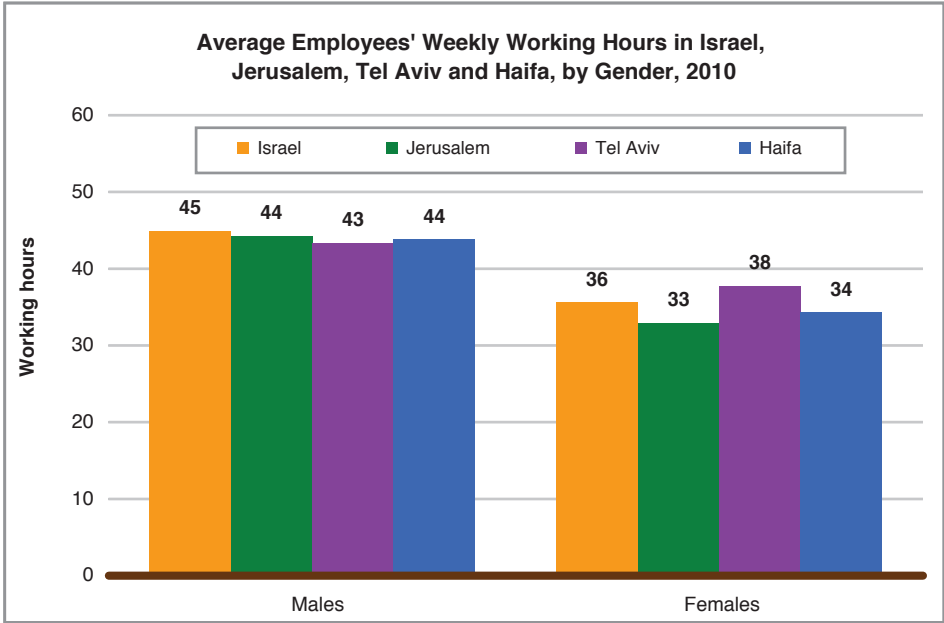
Kiryat Ye'arim (Telz Stone) – NIS 6,000; Kochav Ya'aqov – NIS 5,300; and Betar Illit – NIS 4,800. In Abu-Ghosh, the population of which is primarily Arab, the average monthly salary was NIS 6,000.

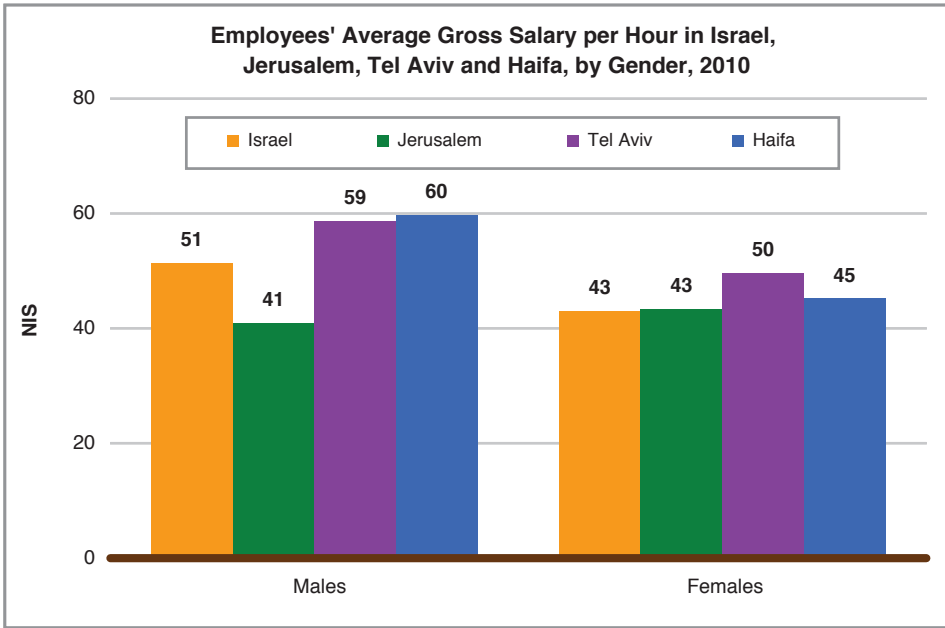
An examination of salary by gender reveals a significant gap between the salaries of employed men and women. In 2009, the average monthly (gross) salary in Jerusalem among men was NIS 8,100, which is 29% higher than the average for women – NIS 6,300. In Tel Aviv and Haifa, the average salary is higher than in Jerusalem, and the gap between men's and women's salaries is likewise greater. In Tel Aviv the average salary was NIS 12,200 for men, 51% higher than women's salaries, which averaged NIS 8,100. In Haifa, men's average salary was 62% higher than that of women – NIS 11,800 and 7,300 respectively. For Israel

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<sup>18</sup> Income and salary data are derived from two sources: “Average Salary and Income by Place of Residence and by Various Economic Variables,” by the National Insurance Institute of Israel; and “Survey of Incomes” by the Central Bureau of Statistics. It should be noted that each source assessed wages and income in a different way, and the data therefore differ.

generally, men's average salary was NIS 10,300, which is 51% higher than that of women – NIS 6,800.





Another difference between men and women relates to hours of work per week. In 2010, the average number of working hours per week among men in Jerusalem was 44, in Haifa it was 44, in Tel Aviv it was 43, and in Israel it was 45. The average number of working hours per week among women was 33 in Jerusalem, 38 in Tel Aviv, 34 in Haifa, and 36 in Israel.

In 2010, the average (gross) hourly wage among Jerusalem men was NIS 41, compared to NIS 59 in Tel Aviv, NIS 60 in Haifa, and NIS 51 in Israel. The average hourly wage among Jerusalem women was NIS 43; in Tel Aviv it was NIS 50, in Haifa – NIS 45, and in Israel – NIS 43.

The employment market in Jerusalem is characterized by low rates of participation in the labor force among Haredi men and among Arab women. In addition it is characterized by large salary discrepancies among various population groups. These characteristics created a phenomenon unique to Jerusalem, reflected in relatively small gaps between the monthly salaries of men and of women, and large gaps in the numbers of their working hours. Thus, we find that the average (gross) hourly wage of women in Jerusalem is higher than that of men by 5%, in contrast to the situation in Israel, where the average hourly wage of women is

lower than that of men (-16%), and in contrast to the situation in Tel Aviv (-15%) and Haifa (-25%).

In 2009, the average monthly income of self-employed workers was NIS 7,200 in Jerusalem, compared to NIS 9,700 in Tel Aviv, NIS 8,600 in Haifa, and NIS 8,100 in Israel.

During the same year the average monthly wage of households headed by salaried employees in Jerusalem (NIS 10,500) was 1.4 times higher than the average monthly employees' wages (NIS 7,300). This ratio was lower in Jerusalem (1.4) than in Israel, which measured 1.8 (the average monthly wages of households headed by salaried employees in Israel were NIS 15,700, compared to the average monthly employees' wages of NIS 8,600), and lower than in Tel Aviv, where the ratio was 2.1 (NIS 21,500 as opposed to 10,200), or in Haifa, with a ratio of 2 (NIS 18,900 as opposed to 9,400).

The average monthly (gross) income<sup>19</sup> of households headed by salaried employees is lower in Jerusalem than in Israel, Tel Aviv, or Haifa. In 2010, the average monthly income of households headed by salaried employees was NIS 12,400 in Jerusalem, NIS 18,500 in Tel Aviv, NIS 17,600 in Haifa, and NIS 16,700 in Israel. Moreover, the average number of persons per household in Jerusalem is high (4.3) compared to Tel Aviv (2.5), Haifa (2.9), and Israel (3.7), and consequently, the income per person in Jerusalem is significantly lower than that in Haifa, Tel Aviv, or Israel.

The average monthly (gross) income of households in Jerusalem whose head is not employed was NIS 5,600, compared to NIS 7,300 in Tel Aviv, NIS 6,800 in Haifa, and NIS 6,000 in Israel. The average age of an unemployed head of household was 60 in Jerusalem, 65 in Tel Aviv, 64 in Haifa, and 64 in Israel.

The social survey of the Central Bureau of Statistics asked respondents ages 20 and above about their overall satisfaction with their workplace and income. They were also asked about fear of losing their employment.

The survey revealed that during 2008-2010 (average across the years), 83% of Jerusalem residents said they were satisfied to very satisfied with their workplace.

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<sup>19</sup> From salaries and income not received from work (capital and property, pensions, and benefits).

This is quite a positive picture. A comparison of Jerusalem to Israel and other main cities indicates that the rate of workplace satisfaction in Jerusalem is similar to the rate in Israel, Haifa, and Rishon LeZiyyon(86%) but lower than the rate in Tel Aviv (88%) and higher than in Ashdod (78%).

Regarding satisfaction with level of income, a total of 56% of Jerusalem residents were satisfied to very satisfied with their income. This was higher than the figure for Ashdod (47%) or Rishon LeZiyyon (53%), comparable to that of Israel (55%) and of Haifa (57%), and lower than that of Tel Aviv (58%).

Another interesting aspect is the fear of loss of employment. The statistics reveal that Jerusalem residents feel relatively secure about their workplace. A total of 58% had no fear of losing their employment. This figure was identical for Ashdod, lower than the figure for Haifa (62%), Israel and Rishon LeZiyyon (60%), and higher than the figure for Tel Aviv (51%). The differences between Jerusalem and Tel Aviv are especially interesting in light of the greater number of employment possibilities in the Tel Aviv labor market. The difference might result from a large number of Jerusalem residents being employed in the public sector, which is considered relatively “stable.” In contrast, a large number of Tel Aviv residents are employed in the private sector, which is characterized by a high turnover of labor. Only 14% of Jerusalem residents expressed fear of losing their workplace. This was higher than the figure for Ashdod and Rishon LeZiyyon (12%), Tel Aviv and Israel (11%), or Haifa (8%).

Regarding to the satisfaction with their financial situation, the survey reveals that Jerusalem residents are quite satisfied with their financial situation. During 2008-2010 (average across the years), the percentage of Jerusalem residents who expressed satisfaction with their financial situation was 59%, comparable to the figure for Israel (58%) and Tel Aviv (57%), and higher than that of Haifa (55%), Rishon LeZiyyon (55%), and Ashdod (48%). Interestingly, the percentage of Jerusalem residents who said they were very satisfied with their financial situation was 17%, higher than the figure for Israel (10%) and the highest among the main cities (6% - 8%).

The data reveal that most Jerusalem residents are satisfied with their lives. A total of 89% of Jerusalemites noted that they are satisfied or very satisfied with their lives, compared to 89% in Rishon LeZiyyon, 87% in Israel, 86% in Tel Aviv, and 83% in Haifa and Ashdod. Interestingly, the percentage of Jerusalem residents



who reported being very satisfied with their lives was the highest among the main cities and above the national average. The percentage of Jerusalem residents who were very satisfied with their lives was 44%, significantly higher than the figure for Israel (32%), Haifa (28%), or Tel Aviv and Rishon LeZiyyon (26%), and double that of Ashdod (22%).

Jerusalem residents are also the most optimistic regarding their future. Seventy percent of city residents assess that lives will be better in the future. This percentage is higher than the figure for Israel (62%), Tel Aviv (60%), Rishon LeZiyyon (59%), Ashdod (56%), and Haifa (53%).

**Jerusalem residents' satisfaction (ages 20 and above) in select areas of life, 2008-2010 (average across the years)**

Satisfaction with...	Very satisfied	Satisfied	Not very satisfied	Not at all satisfied
Workplace	36%	47%	13%	4%
Income	11%	44%	29%	16%
General financial situation	17%	42%	27%	13%
Life	44%	45%	9%	2%

## - Business and Industry -

### Active businesses<sup>20</sup>

Business activity in the urban sphere is one of the indicators of a city's economic strength. Business activity is affected by supply of and demand for economic activity in the city, the size of the population, and economic and social processes at the local, national, and international levels.<sup>21</sup> Business activity is measured in a number of ways, including by measuring the changes and trends among active businesses, openings and closings of businesses, and business survivability.

In Jerusalem, which serves a metropolitan area of about 1.5 million residents, there were 34,700 active businesses in 2010, constituting 7% of all active businesses in Israel. Tel Aviv, which is Israel's financial center and serves a metropolitan area of close to 3 million residents, had 64,700 active businesses during the same year (13% of the active businesses in Israel), which was more than Jerusalem. Haifa, which serves a metropolis of approximately one million residents, had a smaller number of active businesses than Jerusalem, at 20,000 (4%). Between the years 2008 and 2010, the number of businesses in Jerusalem grew by 4%, from 33,500 in 2008 to 34,700 in 2010. During the same period the rate of growth in Israel (7%) and Tel Aviv (6%) were higher than in Jerusalem (4%). In Haifa the rate of growth (3%) was lower than in Jerusalem.

In 2010, the active businesses in Jerusalem that belonged to the economic sector of real estate, rentals, and business activities constituted 26% of all active businesses in the city, compared to 40% in Tel Aviv, 33% in Haifa, and 28% in Israel.

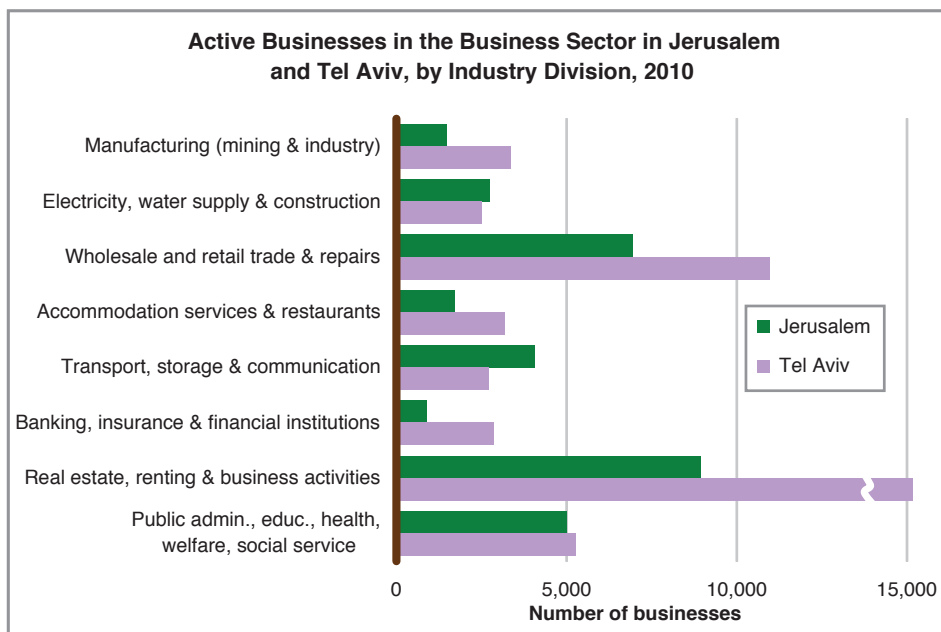
The active businesses belonging to the economic sector of wholesale and retail trade, and repairs constituted 20% in Jerusalem, 19% in Israel, and 17% in Tel Aviv.

The active businesses that belonged to the economic sector of public service – public administration, education, health, welfare and social services – constituted 14% of all active businesses in Jerusalem, 11% in Israel, and 8% in Tel Aviv.

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<sup>20</sup> An active business is defined as a business that registered at least one financial transaction per month during the year.

<sup>21</sup> Tzadik, A. (2007) "Small and Mid-Sized Businesses in Israel and Developing Countries," Jerusalem: The Knesset Center for Research and Science (Heb).



The industrial sector constitutes an important element of urban economy. In Jerusalem this sector constituted approximately 4% of all active businesses in the city during 2010, which is comparable to the figure for Israel, Tel Aviv, and Haifa (5%).

High-tech businesses<sup>22</sup> constituted 3% of all active businesses in Jerusalem, 5% in Tel Aviv, and 4% in Israel.

Another measure of business activity and economic strength is the number of businesses for every 1,000 residents (rates per thousand). This figure reflects the supply of business in relation to the demand for business in the city as well as the size and economic power of the geographic area served by the city. That is, the greater the number of businesses per 1,000 residents, the higher the likelihood of providing good commercial services to the residents. In 2010 the number of businesses per 1,000 residents in Jerusalem was 44, lower than the average for Israel (62), Tel Aviv (160) and Haifa (75). Examining the rate of businesses

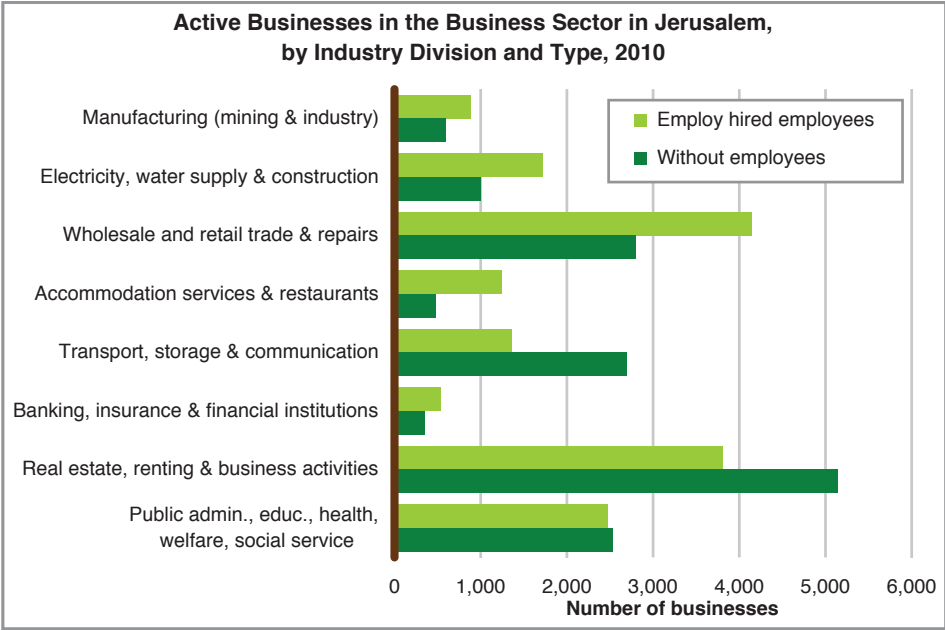
<sup>22</sup> The high-tech industry constitutes part of the industrial sector but includes businesses from other branches as well, such as communications, research and development, and others. For more information see the publication *Recommendations of the Sub-Committee for Official Classification of High-Technology Branches – High-Tech Definitions in Israel*, The Central Bureau of Statistics (Heb) [http://cbs.gov.il/www/publications/hitech/hi\\_class\\_heb.pdf](http://cbs.gov.il/www/publications/hitech/hi_class_heb.pdf)

per 1,000 residents by economic sector reveals that in 2010 in Jerusalem the economic sector of real estate, rentals, and business activities had the highest rate of businesses per 1,000 residents among all the sectors, measuring 11 businesses per 1,000 residents. This was lower than the figure for Israel (18), Tel Aviv (64), and Haifa (25). The food and hospitality sector is a source of attraction at the consumer and cultural levels for residents of the city, as well as residents of the metropolitan area who cannot find what they seek near their residences. In this sector Jerusalem recorded a rate of 2 businesses per 1,000 residents, which is lower than the figure for Israel (3), Tel Aviv (8), and Haifa (4). A higher rate was recorded in Jerusalem for the transportation, storage, and communications sector (5 businesses per 1,000 residents), a comparable figure to that of Israel (5) and Haifa (4), but lower than that of Tel Aviv (7).

The rate of businesses per 1,000 residents has hardly changed during the years 2008-2010, and in 2010 it measured 44 businesses per 1,000 residents, just as it did in 2008. In Israel this rate was 61 businesses per 1,000 residents in 2008 and it rose to 62 in 2010, in Tel Aviv during those years the rate increased from 152 to 160 businesses per 1,000 persons. Businesses with employees are an important part of the local, regional, and national economic system, serving as the economic engine that drives job creation and encourages innovation.<sup>23</sup> In 2010 half of the active businesses in Jerusalem had salaried employees (17,900 businesses), of which about 67% were small businesses employing between 1 and 4 salaried employees (12,000 businesses). It should be noted that small businesses employing 1-4 salaried employees are very important and constitute a key contributing factor to economic activity in cities. Large businesses employing more than 100 salaried employees are few in number, but they have an especially strong influence on the scope of employment within cities.

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<sup>23</sup> OECD (2011), *Entrepreneurship at a Glance 2011*, OECD Publishing.  
<http://dx.doi.org/10.1787/9789264097711-en>



## Business openings, closings and net change<sup>24</sup>

Business openings and closings, and the net change (difference between the number of openings and of closings) between them indicate the degree of economic development of cities and the feasibility of starting new initiatives and business innovation in them. During 2010, a total of 3,200 new businesses opened in Jerusalem, and 2,700 closed. The net change in number of businesses in Jerusalem was positive, measuring +500. In Tel Aviv, Israel’s financial center, as noted, 6,300 businesses opened and 4,400 closed, resulting in a net change of +1,900 businesses. In Haifa 1,900 businesses opened and 1,600 closed, resulting in a net change of +300.

Over time business openings and closings are characterized by consistent trends, but during times of crisis or economic recession, the number of closings rises

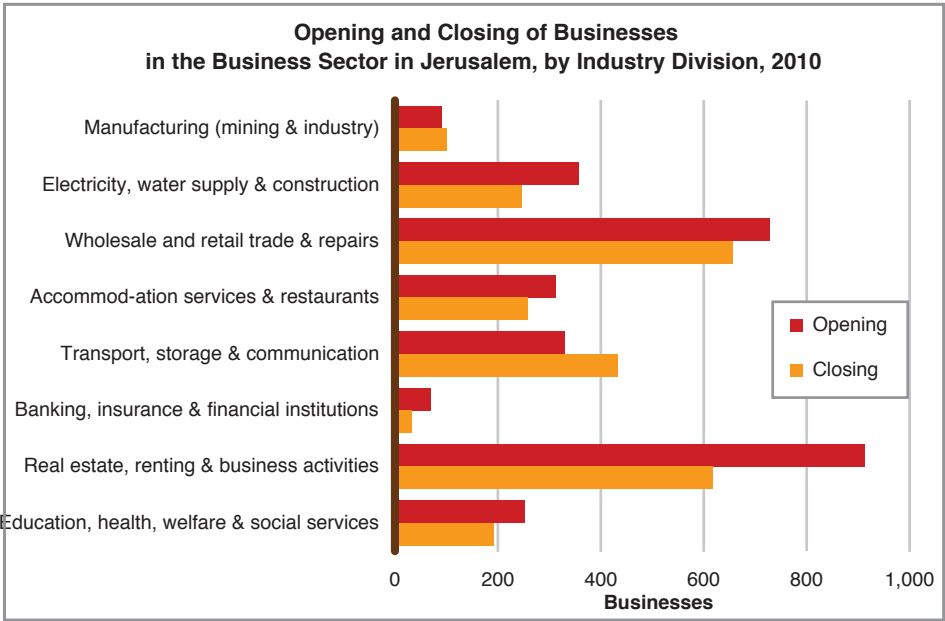
<sup>24</sup> Business openings and closings are defined by the date of registration of the business opening or its closing for VAT purposes. In contrast to the definition of an active business, requiring economic activity, registration for VAT purposes does not require reporting on the economic activity of the business. That is, a business can be defined as open even if it does not engage in any economic activity.

and the number of openings falls. The following table presents changes in the numbers of openings and closings of businesses in Jerusalem.

**Openings, closings, and net change in the number of businesses in Jerusalem, 2007-2010**

Year	Openings	Closings	Net change
2007	3,200	2,700	+500
2008	3,100	2,500	+600
2009	2,900	2,500	+400
2010	3,200	2,700	+500

In 2007 the net change between openings and closings was +500; it rose to +600 in 2008 and fell to +400 in 2009. In 2010 the net change increased, returning to +500 businesses. Tel Aviv had a positive net change, greater than that of Jerusalem: +1,700 businesses in 2007, falling to +1,400 in 2008, and rising to +1,900 in 2010. In Haifa, however, the net change was positive but smaller than that of Jerusalem: an unwavering +200 during 2008 and 2009, rising to +300 in 2010.



**Net change in openings and closings in Israel, Jerusalem, Tel Aviv  
and Haifa, 2007-2010**

<b>Year</b>	<b>Israel</b>	<b>Jerusalem</b>	<b>Tel Aviv</b>	<b>Haifa</b>
2007	+10,700	+500	+1,700	+100
2008	+10,700	+600	+1,400	+200
2009	+9,000	+400	+1,500	+200
2010	+12,500	+500	+1,900	+300

In 2010 the salient economic sectors in Jerusalem showing a positive net change were the real estate, rental, and commercial services sector, with a net change of +300 businesses (900 openings and 600 closings); the electricity, water, and construction sector with a net change of +100 businesses (350 openings and 250 closings); and the wholesale and retail trade, and repair sector with a net change of +100 businesses (750 openings and 650 closings). The transportation, storage, and communications sector experienced a negative net change in 2010, measuring -100 businesses (300 openings and 400 closings).

In 2010, approximately 1,300 businesses with salaried employees opened in Jerusalem and 300 such businesses closed, resulting in a net change of +1,000 businesses. By comparison, 1,900 businesses without salaried employees opened, and 2,400 such businesses closed, resulting in a net change of -500 businesses. The principal economic sectors in Jerusalem with salaried employees and a positive difference between openings and closings in 2010 were the wholesale and retail trade sector with a positive net change of +250 businesses and the real estate, rentals, and business activities sector with a positive change of +250 businesses.

## **Business survivability**

Measurement of business survivability following establishment allows us to understand and identify the stability and strength of the economic and business system of cities. The findings were that approximately half of the businesses established in Israel during 2005 were closed by 2010, which is comparable to the trend in Jerusalem, Tel Aviv, and Haifa. Jerusalem had a higher survival rate than Israel. The likelihood of a business established in 2005 surviving its first year was

89% (compared to 86% in Israel). The likelihood of surviving two years was 74% (71% for Israel). The rate was 65% for three years (61% for Israel), 58% for four years (55% for Israel), and 52% for five years (50% for Israel).

**Survival rate of businesses founded in 2005, 2006-2010**

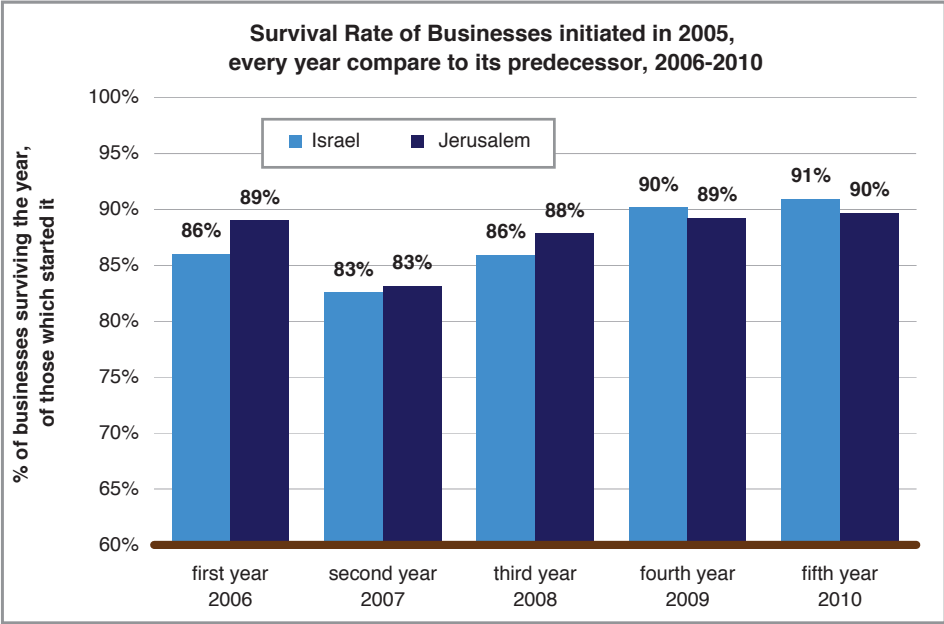
<b>Year</b>	<b>Israel</b>	<b>Jerusalem</b>	<b>Tel Aviv</b>	<b>Haifa</b>
2006	86%	89%	88%	86%
2007	71%	74%	72%	71%
2008	61%	65%	63%	60%
2009	55%	58%	57%	54%
2010	50%	52%	52%	49%

The various economic sectors have different survival rates. In Jerusalem the education and healthcare sector and the banking and finance sector had relatively high survival rates – 67% of them survived beyond five years. These sectors also had high survival rates in Israel (65% and 62% respectively) and in Tel Aviv (69% and 60% respectively). In contrast, the survival rate of businesses in the food and hospitality sector that were established in 2005 and still existed in 2010 was 35% only, and the survival rate of businesses in the wholesale and retail trade and repairs sector was 48%. During the same period, the survival rate of businesses in the food and hospitality sector (28%) and in the wholesale and retail trade and repairs sector (42%) were low in Israel and in Tel Aviv as well (25% and 44% respectively).

A total of 52% of all businesses in the industrial sector that opened during 2005 continued to operate through 2010. This is comparable to the percentage for Tel Aviv (52%) but higher than the figure for Israel (48%) or Haifa (45%). Apparently, however, the survival rate in Jerusalem for the High-tech sector (which constitutes part of the industrial sector) is higher than the other cities and might be an indicator of stability in this area. The survival rate of high-tech businesses that opened in Jerusalem in 2005 and continued to operate through 2010 was about 59%. This survival rate is higher than the figures for Israel (54%), Tel Aviv (56%), or Haifa (51%).



Closure rates for businesses are relatively high during their first two years. Thus, the likelihood of surviving another year increases for businesses that succeed in surviving their first two years. 89% of businesses that opened in 2005 in Jerusalem survived through 2006. The rate fell in 2007, when only 84% of businesses that had survived 2006 survived an additional year. Since that year there has been a steady increase in business survival rates, with 88% of businesses that survived 2007 surviving 2008 as well, then 89% of those surviving another year, and 90% of those who survived 2009 surviving 2010 as well.



## Industry

In 2010, a total of 416,700 persons worked in the industrial sector (High technology, mixed,<sup>25</sup> and Low technology), constituting 14% of all employed persons in Israel. A total of 17,900 persons worked in industry in Jerusalem, constituting 7% of all employed in the city.

<sup>25</sup> Mixed- Medium-High technology and Medium-Low technology.

The percentage of those employed in industry in Jerusalem (7%) is comparable to Tel Aviv (6%) but lower than the figure for Haifa (13%), Israel (14%), Rishon LeZiyyon (14%) and Ashdod (18%).

In the early 1970s the percentage of those employed in industry in Jerusalem was comparable to the figure for Israel. Over the years, however, there has been a gradual decline in the percentage of persons employed in this sector in Jerusalem, and today the figure is lower than that of the trade and business services sectors and, naturally, of the public sector, where nearly half of the city's employed persons work.

During 2008<sup>26</sup> the number of employment positions in Jerusalem in industry was 16,900, of which 32% were in High technology industry, 16% in mixed industry, and 52% in Low technology industry. In Tel Aviv the number of employment positions in industry was 29,700 (19% of these in High technology industry) and in Haifa there were 15,900 positions (30% of these in High technology industry). In Israel, 26% of employment positions in industry are in High technology industry.

The large industrial zones in Jerusalem in terms of number of positions are Mount Scopus (5,000 positions), Giv'at Sha'ul (2,500 positions), Talpiyyot (2,500 positions), and Atarot (2,600 positions). The main economic sectors within the city's industry in terms of number of positions include the industries of food, beverages, tobacco, textiles, leather and footwear (4,700 positions), lumber products, furniture, paper, and printing (4,100 positions), and electronic and electrical equipment (3,700 positions).

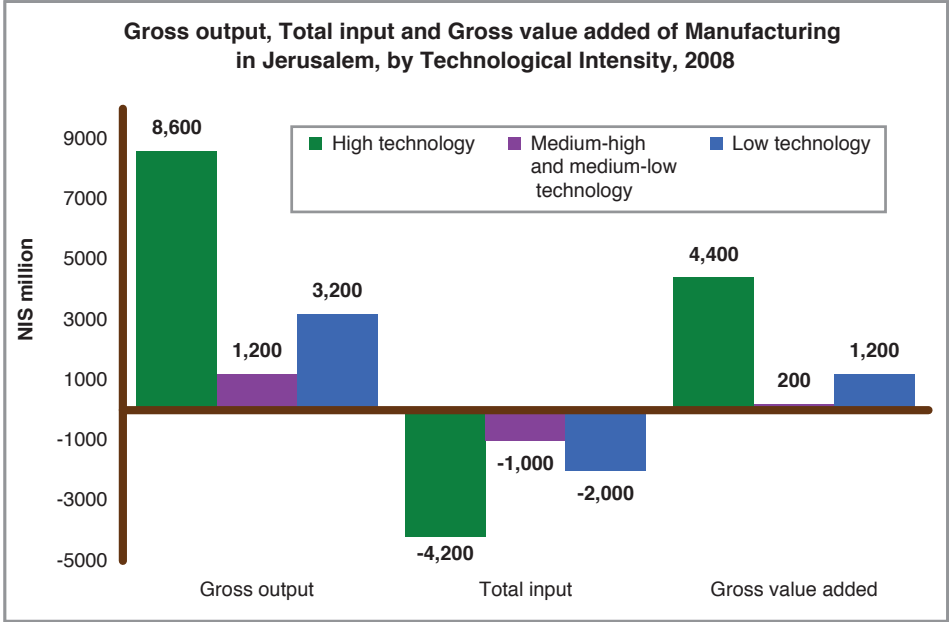
In 2008 the gross value added of Jerusalem's industry measured NIS 5.755 billion, which constituted 5.7% of the gross value added of industry in Israel. This figure reflects the relative strength of industry in Jerusalem: the percentage of positions in industry in Jerusalem is only 4.5% of all industry positions in Israel. By comparison, the industry positions in Tel Aviv constituted 7.9% of all industry positions in Israel while its gross value added was only 4.6% of the gross value added of industry in Israel.

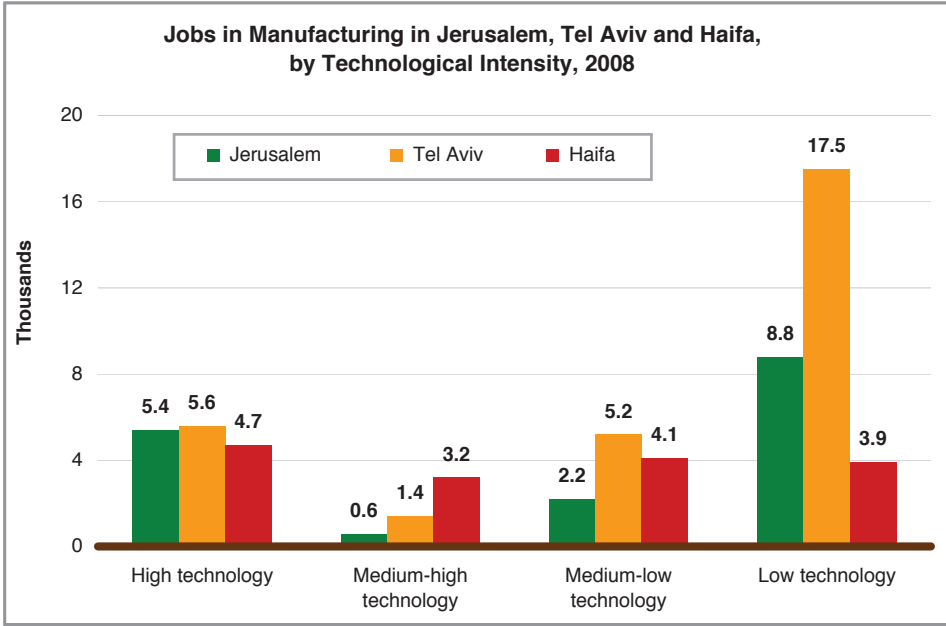
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<sup>26</sup> Statistics about industry are based on a national survey of industry conducted by the Central Bureau of Statistics. The updating of data, analysis, and publication take time and therefore the data presented in this section are for 2008.

Most (76%) of the gross value added of industry in Jerusalem comes from the high technology. Mixed industry contributes 4% of the gross value added, and low technology industry contributes 20%. It appears that the contribution from low technology industry in Jerusalem to the gross added value (20%) is identical to the contribution from this sector to the gross added value of industry in Israel (20%), but the contribution of high technology in Jerusalem to the gross value added in Jerusalem (76%) is significantly greater than the contribution of the high technology industry to the gross added value for Israel (38%).

Most (77%) of the contribution to gross value added in Jerusalem comes from large companies that employ 100 or more workers, yet the number of employment positions in these companies is only half the total number of industry positions in the city. The contribution of Jerusalem’s small companies (1-20 workers) to the gross value added was 10%, while the number of positions they provided was 30% of the total number of positions in industry. The large companies in Jerusalem in terms of number of employees were: Intel, Teva, NDS, Angel, Ophir Optronics, and Medinol.





The average annual Compensation for position<sup>27</sup> in the high technology industry in Jerusalem was NIS 231,100, which was 6% below the average for Israel and 28% below the average annual Compensation for Tel Aviv. The average annual compensation for position in the low technology industry in Jerusalem was NIS 87,100, which was 17% lower than the compensation for Israel and 25% lower than that of Tel Aviv.

<sup>27</sup> Employment wages, salaries, and supplementary expenses.

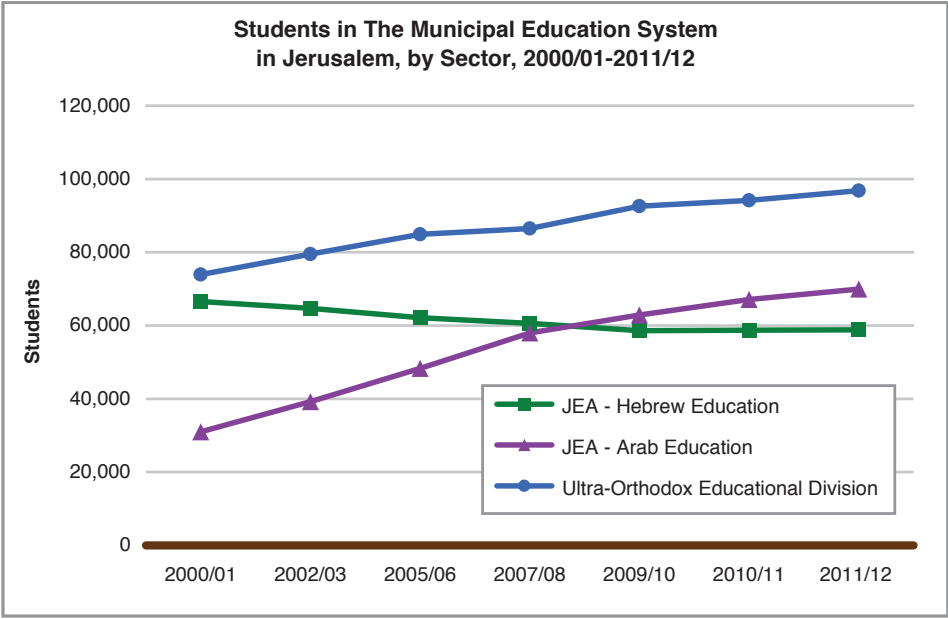
## - Education -

### **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 sectors in Jerusalem's education system are: state, state-religious, haredi, and Arab. The city's education system, in all these sectors, is marked by a high level of variance among schools and includes official public schools, recognized but unofficial schools, municipal and non-municipal schools, and private schools. Compared to other cities in Israel, Jerusalem has a large number of unique and diverse types of schools, including: experimental, arts, music, bilingual (Hebrew-Arabic), Anthroposophical, and secular-religious schools. The state-religious sector includes an arts school, a religious-scientific school, a pluralistic school, and an open school. Haredi education includes municipal, private, and Talmud Torah schools, as well as schools that belong to Ma'ayan Hachinuch Hatorani network. Arab education includes official public schools and recognized but unofficial schools, municipal and private schools, church schools, schools belonging to the Muslim Waqf, and schools operated by private bodies.

During the 2011/2012 academic year, approximately 245,600 students studied in the Jerusalem educational system; within the Jerusalem Education Authority (JEA), 58,900 students participated in the Hebrew state and state-religious system, and 70,000 in the Arabic system. A total of 95,700 students participated in the Haredi Education Division. Approximately 21,000 students attended private Arab schools (2000/2001 estimate).

Over the past five academic years (2007/2008–2011/2012), the number of students in Jerusalem's education system increased by 9%, from 226,000 to 245,600. The number of students in the Hebrew JEA system (state and state-religious) shrank by 3% (from 60,600 to 58,900), while the number in the haredi sector grew by 11% (from 86,500 to 95,700). In the Arab sector (official schools and recognized but unofficial schools, not including private), the number of students rose by 21% (from 58,000 to 70,000). (This increase is explained in the section on Arab education).



## Hebrew education

During the 2011/2012 academic year, 154,600 students<sup>28</sup> studied in the Hebrew education system in Jerusalem: 58,900 students (38%) participated in the Hebrew state and religious-state system, while 95,700 students (62%) studied under the Haredi Education Division.

Until 1997/1998, the number of students receiving Hebrew education (state and state-religious) – 70,000 – was higher than the number receiving haredi education (66,900). In 1998/1999, the number of students receiving state and state-religious education (67,000) was comparable to the number receiving haredi education (67,700). Since 1999/2000, the number of students in the haredi sector has surpassed the number of students in the state and state-religious sector.

Analysis of the patterns of change in the number of students points to differences in the rate of growth of the various educational sectors. Over the past five academic years (2007/2008 – 2011/2012), the number of students within the Hebrew education system (state and state-religious) in the JEA has declined from

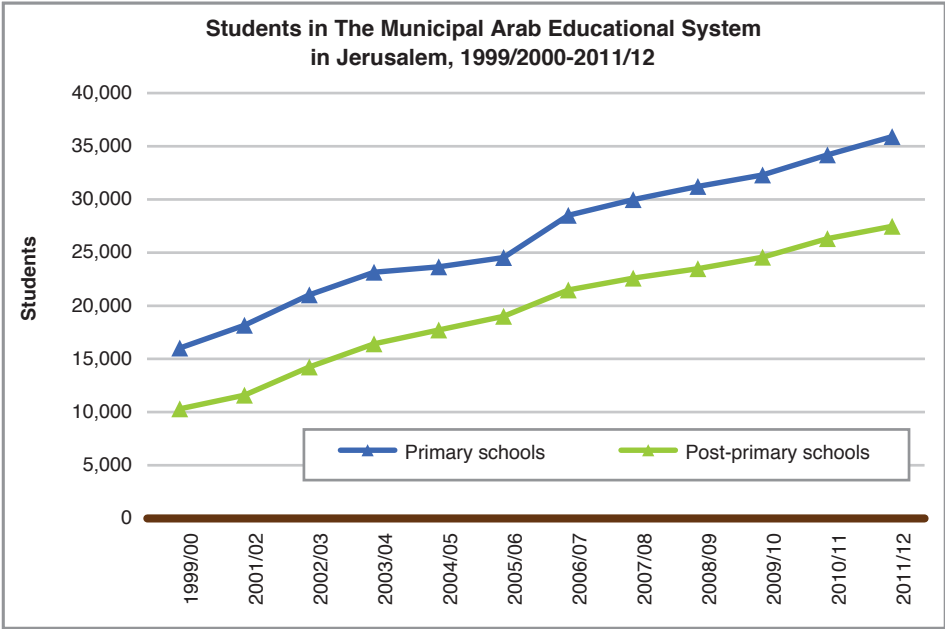
<sup>28</sup> Including grades 13 and 14.

60,600 to 58,900. An examination of the state and state-religious educational sectors<sup>29</sup> – each one separately – indicates that there has been a 4% decrease in the number of students receiving a state education (from 31,000 to 29,900), while the state-religious educational sector has experienced an increase of 2% in the number of students (from 26,500 to 26,900).

### Arab education

During the 2011/2012 academic year, 91,000 students studied in the Arab education system of Jerusalem, 70,000 of whom received Arab public education.<sup>30</sup> The number of students receiving a private education (church schools, schools of the Muslim Waqf, and other private schools) was 21,000 (2000/2001 estimate). Students in the Arab education system (public and private) constituted 37% of all students in the Jerusalem education system.

In the 2011/2012 academic year, the distribution of students in public education was as follows: 5,100 children in kindergartens and nursery schools, 40,500



<sup>29</sup> Not including non-municipal kindergartens or special education.

<sup>30</sup> Official education and recognized but unofficial education.

students in elementary schools, and 20,300 students in post-elementary schools. Approximately 1,500 students were enrolled in special education schools.

In recent years there has been a significant increase in the number of students enrolled in public Arab education. In 2001/2002, the number of students enrolled in the public Arab education system was 33,200. This figure rose to 43,500 in 2003/2004 and to 70,000 in 2011/2012. The increase in the number of students results both from an increase in the number of students in official public schools and from an increase in the number of formerly private schools that were recognized by the Ministry of Education and became recognized but unofficial schools (which belong to 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 2001/2002, the number of students in recognized unofficial schools was 1,500; this rose to 8,300 by 2004/2005, and to 25,000 by 2011/2012.

## **Eligibility for matriculation**

In 2009/2010, the total number of Grade 12 students (in state, state-religious, independent haredi, and municipal Arab education) who were Jerusalem residents was 5,900, of whom 88% studied in the city. 77% of the students in Grade 12 who lived in the city took the matriculation examinations. The eligibility rate for the matriculation certificate among Grade 12 students who were Jerusalem residents was 46%, compared to 59% in Israel.

The statistics of the Municipality of Jerusalem for 2009-2010 indicate that within the Hebrew education system, the state and state-religious schools led in terms of the percentage of students who took matriculation exams: 94% of Grade 12 students took the exams in each case.

In schools belonging to the haredi education system, 39% of Grade 12 students took the matriculation exams. It should be noted that the percentage of students who take the matriculation exams out of the total number of Grade 12 students in the haredi sector is much lower than 39% because the percentage of those who take the exams is calculated as a proportion of Grade 12 students within those schools that participate in the matriculation exams and does not include those schools that do not send any of their students to take the exams.



Regarding the percentage of Grade 12 students eligible for matriculation, during the 2009/2010 academic year the highest rate of eligibility in Jerusalem was among schools belonging to the state-religious sectors – 68%. The rate of eligibility for matriculation in schools belonging to the state sector is slightly lower, at 64%, and the rate of eligibility in haredi schools (that participate in the matriculation examinations) was 11% of all Grade 12 students in schools that participate in the exams.

A comparison between the matriculation success rate in Jerusalem and the rate in Israel reveals that the rate of matriculation eligibility of students in state-religious schools was higher in Jerusalem (68%) than in Israel (66%). Among state schools in Jerusalem, the rate of eligibility for matriculation is identical to that of Israel (64%). Within the haredi sector as well, the rate of eligibility in Jerusalem is identical to that of Israel – 11%.

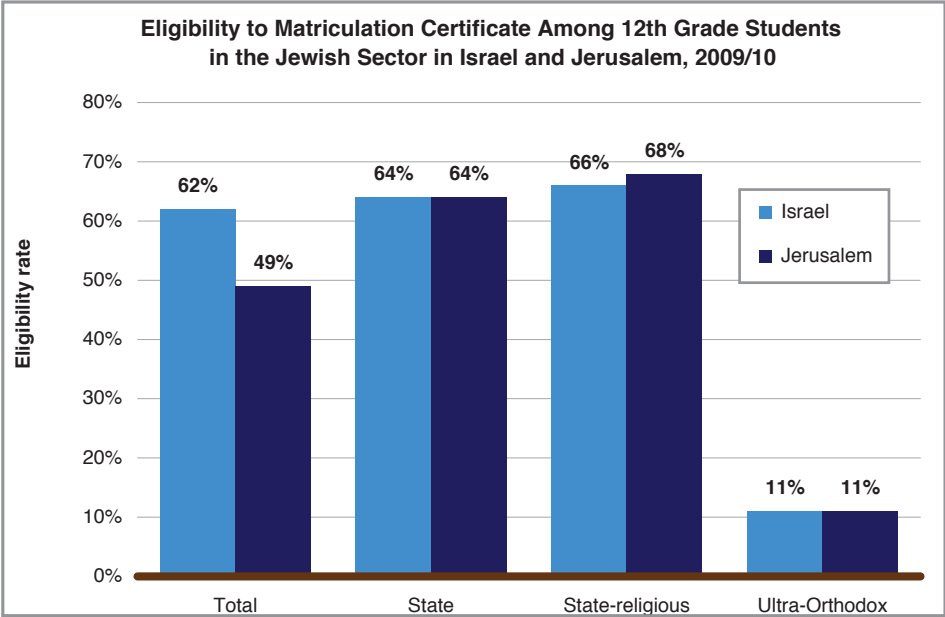
In recent years the matriculation success rate in Jerusalem has improved, both in the state schools (rising from 59% in 2008/2009 to 64% in 2009/2010) and in the state-religious schools (rising from 62% in 2007/2008 to 68% in 2009/2010). The trend is reversed for schools in the haredi sector, where the matriculation exam success rate declined (from 18% in 2006/2007 and 2007/2008, to 14% in 2008/2009, and to 11% in 2009/2010).

Within the Arab sector, a decisive majority of Arab students in Jerusalem do not take the matriculation examinations of the Israeli Ministry of Education. Arab students study in schools that teach the Palestinian curriculum, at the conclusion of which they take this program's matriculation exam and, if successful, receive the *Taugi'a* certificate. Those who successfully pass the *Taugi'a* exams are eligible to apply to universities of the Palestinian Authority and Arab countries. Higher education institutions in Israel regard the *Taugi'a* the same way they regard any non-Israeli matriculation certificate.

During the 2010/2011 academic year, about 83% of Grade 12 students in municipal schools within the Arab sector (not including schools in the recognized but unofficial education system or unrecognized system) took the *Taugi'a* examinations. Approximately 52% of Grade 12 students were eligible to receive the *Taugi'a* certificate. Of Grade 12 students participating in the Arab education system in Israel who took the Israeli matriculation examination in 2009/2010, the success rate was 47%.

In 2009/2010 the eligibility rate for matriculation (among Grade 12 students) in the environs surrounding Jerusalem was as follows: 68% in Mevasseret Ziyon, 67% in Ma'ale Adummim, 58% in Matte Yehuda Regional Council, 56% in Givat Ze'ev, and 50% in Bet Shemesh (where over one quarter of the population is haredi).

The data indicate a direct correlation between the population's socio-economic profile and the eligibility rate for the matriculation certificate. The higher the socio-economic status is, the higher the eligibility rate. In localities (with a population of 10,000 and above) whose population belongs to a high socio-economic class, the eligibility rate for matriculation (among Grade 12 students) was 66%. This figure fell to 64% in localities with a middle class socio-economic status, and to 51% in localities with a low socio-economic status (the socio-economic classification is based on the "nurturing scale" calculated by the Ministry of Education).



## Higher education

In 2010/2011, Jerusalem's institutions of higher education had a total of 36,500 students, constituting 15% of all higher education students in Israel. In Jerusalem, 20,400 students studied at the Hebrew University; 10,800 students studied at the

seven academic colleges; and 5,300 students studied at the five teacher-training colleges.

In 2009/2010, all of Israel's academic institutions (universities, academic colleges, and teacher-training colleges) had a total of 243,900 students. During this period, Jerusalem's academic institutions had 35,600 students, constituting 15% of all students in Israel's academic institutions. Among all the higher education students in Jerusalem, about 20,700 studied at the Hebrew University,<sup>31</sup> constituting 58% of all students in Jerusalem; 10,400 studied at academic colleges (29%), and 4,500 studied at teacher-training colleges (13%).

The distribution of students across institutions indicates that the percentage of university students out of the total number of students in higher education institutions in Jerusalem (58%) is higher than the figure for Israel (51%). The percentage enrolled in academic colleges is lower than the figure for Israel (29% in Jerusalem, compared to 38% in Israel), and the percentage of students in teacher-training colleges in Jerusalem is comparable to the figure for Israel (13% and 12% respectively).

The distribution of students by academic degree indicates that of the 35,600 students in Jerusalem's academic institutions, about 71% were pursuing a first degree, 22% were pursuing a second degree, 7% were pursuing a third degree, and less than 1% were pursuing a teaching certificate. The percentage of students working towards a first degree in Jerusalem (71%) was lower than the figure for Israel (76%), but Jerusalem had a higher percentage of students pursuing a second degree (22% in Jerusalem, compared to 19% in Israel) as well as a third degree (7% in Jerusalem, compared to 4% in Israel).

During the 2009/2010 academic year, the number of students pursuing a first degree at Israel's academic colleges and teacher-training colleges measured 109,600, which was more than the number of students working towards a first degree at the universities – 75,300. In Jerusalem the number of first degree candidates at the academic colleges and teacher-training colleges (13,700) also exceeded the number of Hebrew University students (11,400).

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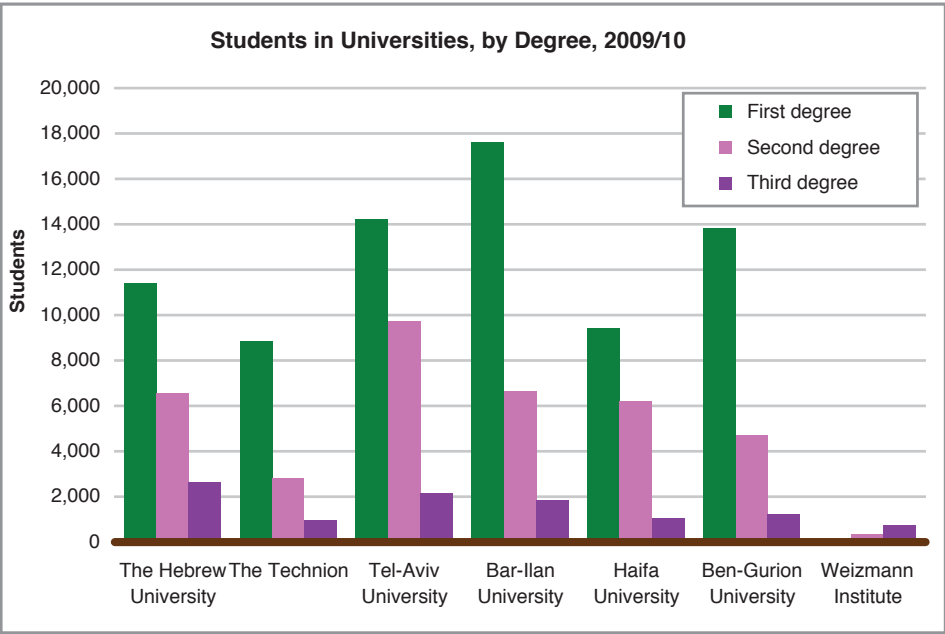
<sup>31</sup> Including the Hebrew University campus in Rehovot.

First degree candidates within all of Jerusalem’s higher education institutions constituted approximately 14% of all first degree candidates in Israel. The number of second degree candidates in Jerusalem measured 7,750, constituting about 16% of all second degree candidates in Israel.

During 2009/2010, the Hebrew University had approximately 20,700 students, of whom 55% were pursuing a first degree, 31% a second degree, 13% a third degree, and 1% a teaching certificate. The distribution of students by faculty was as follows: 27% in social sciences, 23% in humanities, 21% in natural sciences and mathematics, 15% in medicine (including medical assistance professions), 8% in agriculture, 5% in law, and 1% in engineering and architecture.

Of the universities in Israel, Bar-Ilan had the largest number of students – 26,500. This was followed by Tel Aviv University with 26,300 students and the Hebrew University with 20,700 students, as noted.

The Hebrew University had the highest number of third students – 2,600, accounting for 25% of all third students in Israeli universities. This compares to 2,200 third students (20%) at Tel Aviv University and 1,900 third students (18%) at Bar-Ilan University.



The distribution of students by gender indicates that there are more female than male students in Israeli universities. In the 2009/2010 academic year, 56% of students at universities in Israel were women. At the Hebrew University, women accounted for 56% of students. The highest proportion of women was recorded at Haifa University (65%) and Bar-Ilan University (62%); the lowest was at the Technion (36%).

## - Construction -

### **Apartments**

At the end of 2011, there were 201,000 residential apartments in Jerusalem (based on figures for the collection of residential municipal tax): 154,200 apartments (77%) in neighborhoods with a Jewish majority and 45,600 apartments (23%) in neighborhoods with an Arab majority. There were 1,200 additional apartments located in non-residential areas (such as industrial zones and open spaces) or whose precise location was unknown. The percentage of apartments in Jewish neighborhoods (77%) is greater than the percentage of Jerusalem's Jewish population, which measured 64% at the close of 2011, whereas the percentage of apartments in Arab neighborhoods (23%) falls below the percentage of Jerusalem's Arab population, which measured 36%. One of the reasons for this disproportionality is the large households within the Arab population. In 2010, the average household size within Jerusalem's Arab population was 5.3 persons, compared to 3.4 within the Jewish population.

The average area of an apartment in Jerusalem was 79 square meters. During 2001-2010, the average area of an apartment in Jerusalem increased by 4 square meters, from 75 to 79 square meters. This is identical to the average size of housing units in Tel Aviv, which also measured 79 square meters.

In 2011 the average area of an apartment in neighborhoods with a majority Jewish population was comparable to that in neighborhoods with a majority Arab population – 79 and 78 square meters, respectively. The average housing density in Jerusalem was 20 square meters per person. The average housing density (square meters per person) in neighborhoods with a majority Jewish population (24 square meters per person) is significantly lower than that for neighborhoods with a majority Arab population (13 square meters per person). Average housing density also varies among neighborhoods with a majority Jewish population. Neighborhoods with a majority haredi population had a higher average housing density (17 square meters per person) than neighborhoods with a majority general population – secular, traditional, and observant (29 square meters per person). Some of the difference between Jewish and Arab neighborhoods – and between Jewish neighborhoods- haredi as opposed to general population, can be attributed

to the large households within the Arab and haredi sectors. In addition, the higher housing density in these two sectors also reflects a lower standard of living in those areas.

In neighborhoods with a majority Jewish population, the smallest average apartment size was recorded as follows: in Giv'at Ha-Matos (33 square meters), in the vicinity of Ha-Madregot st. in Nahlaot, (47 square meters), and in the vicinity of Bar Yochay Street in Qatamon (48 square meters). Neighborhoods with the largest average size were Ha-Horesh Rd. in Ramot (140 square meters), Ramat Moza and Motza Tahtit (140 square meters), and Yemin Moshe (139 square meters).

In neighborhoods with an Arab majority, the smallest average apartment size was recorded in the Muslim Quarter (42 square meters), the Christian Quarter (43 square meters), and the Armenian Quarter (59 square meters). Neighborhoods with the largest average apartment size were Bet Hanina (99 square meters), Sur Bahar (94 square meters), Kafr 'Aqb (91 square meters), and Bet Zafafa (87 square meters).

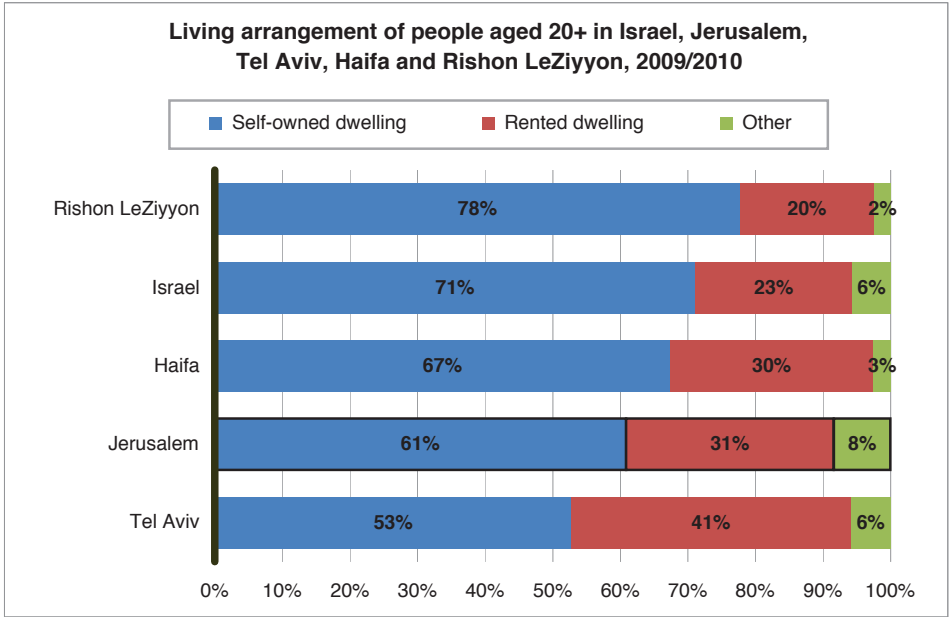
Regarding satisfaction with residential apartments, the social survey of the Central Bureau of Statistics indicates that during the years 2009-2010 (on average), 83% of Jerusalem residents ages 20 and above were satisfied or very satisfied with their residential apartments. This figure is slightly lower than the figure for Rishon LeZiyyon (88%), Haifa (87%), Israel (86%) and Tel Aviv (85%). Regarding satisfaction with their area of residence, 82% of Jerusalem residents ages 20 and above were satisfied or very satisfied. This is similar to the percentage for Haifa (81%) and lower than the figure for Tel Aviv (88%) and Israel (84%).

The survey also examined duration of residence in the apartment. It found that during 2009-2010 (on average), approximately half (49%) of Jerusalem residents ages 20 and above have resided in their current apartment for more than 10 years. This figure is comparable to the figures for Israel (49%), Rishon LeZiyyon (49%), and Haifa (46%), but higher than the figure for Tel Aviv (40%). The survey also found that more than a third (36%) of Jerusalem residents have resided in their current apartment fewer than five years. This is comparable to the figure for Haifa (37%) and Israel (35%) but higher than the figure for Rishon LeZiyyon (29%) and lower than the figure for Tel Aviv (46%).





The social survey further indicates that the percentage of renters in Jerusalem among residents ages 20 and above is 31%, which is comparable to the figure for Haifa (30%), significantly higher than the figure for Israel (23%) and Rishon LeZiyyon (20%), and lower than the figure for Tel Aviv (41%). 61% of Jerusalem residents live in apartments that they own (compared to 71% for Israel), and approximately 8% have other residential arrangements, such as living in the home of a family member or friend (compared to 6% for Israel).



## Apartment prices

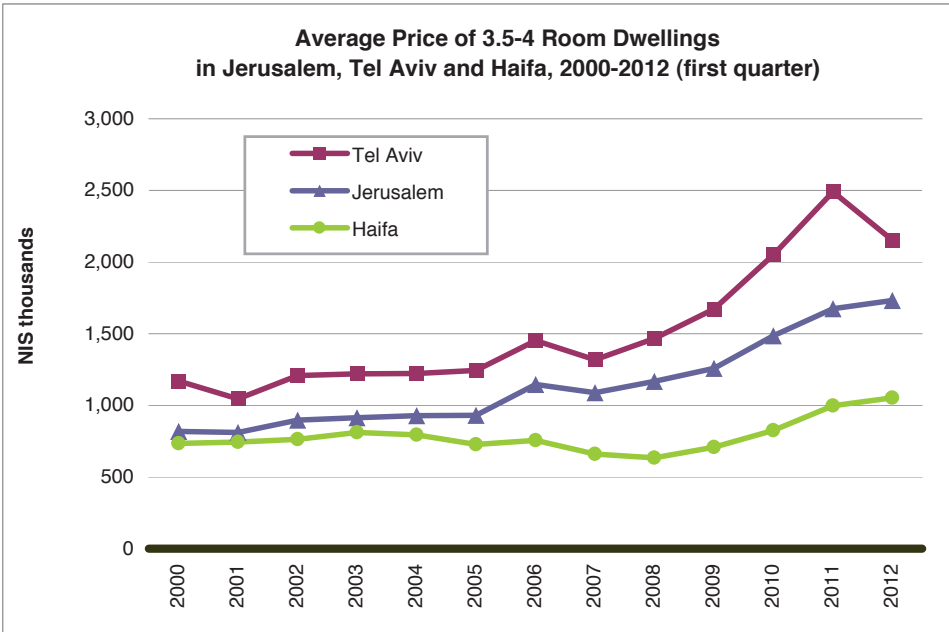
For a number of years, apartment prices have been continuously rising, with constantly increasing rates of growth. For example, the average price of a 3.5-4 room (privately owned) apartment in Jerusalem rose from NIS 827,400 (current price) in the final quarter (October-December) of 2000 to NIS 1,023,700 during the same period in 2005, and to NIS 1,779,000 in 2011. The average price of such an apartment during the first quarter of 2012 stood at NIS 1,731,600, which was slightly lower than the figure for the final quarter of 2011 but higher than the figure for the same period in 2011 (when the average price stood at NIS 1,674,000).

The average price of a 3.5-4 room apartment in Jerusalem during the final quarter (October-December) of 2011 – NIS 1,779,000, as noted – is low compared to Tel Aviv (NIS 2,160,900) but higher than the figure for Israel (NIS 1,165,700) and Haifa (NIS 1,097,200).

In some parts of the country apartment prices decreased during the final quarter of 2011 compared to the same period in 2010, but in Jerusalem prices continued to increase. Between the final quarter of 2010 and the final quarter of 2011, there was a (nominal) increase of 13% in the average price of a 3.5-4 room apartment in Jerusalem (from NIS 1,575,900 to NIS 1,779,000). Haifa experienced a sharper increase, at 17%, but in Israel there was a 2% decrease during this period, and in Tel Aviv there was a 9% decrease.

Between the final quarter of 2010 and the parallel period in 2011, the rates of price increases for Jerusalem apartments of other sizes were lower. The price of 1.5-2 room apartments rose by 6%, 2.5-3 room apartment prices rose by 9%, and 4.5-5 room apartment prices rose by 3%.

During the first quarter of 2012, the increase in Jerusalem apartment prices was somewhat moderated. The costs of 1.5-2 room apartments rose during this quarter



compared to the parallel period in 2011 by 3%, 2.5-3 room apartment prices also rose by 3%, as did 3.5-4 room apartments. Apartments with 4.5-5 rooms registered a 3% decrease in prices. In Tel Aviv, the prices of 2.5-5 room apartments fell by rates ranges from 6% to 17%, while 1-2.5 room apartment prices rose by 7%. In Haifa the prices of apartments of all sizes rose by rates between 6% and 24%.

## **Construction initiated**

In 2011, construction was initiated on 2,150 housing units in Jerusalem. The number of housing units initiated was comparable to the figure for 2010 (2,090) and 2009 (2,160).

The areas with high concentrations of new construction of housing during 2010-2011 were the city center (500 housing units), North Bet Hanina (320), Har Homa (270), and East Talpiyyot (260).

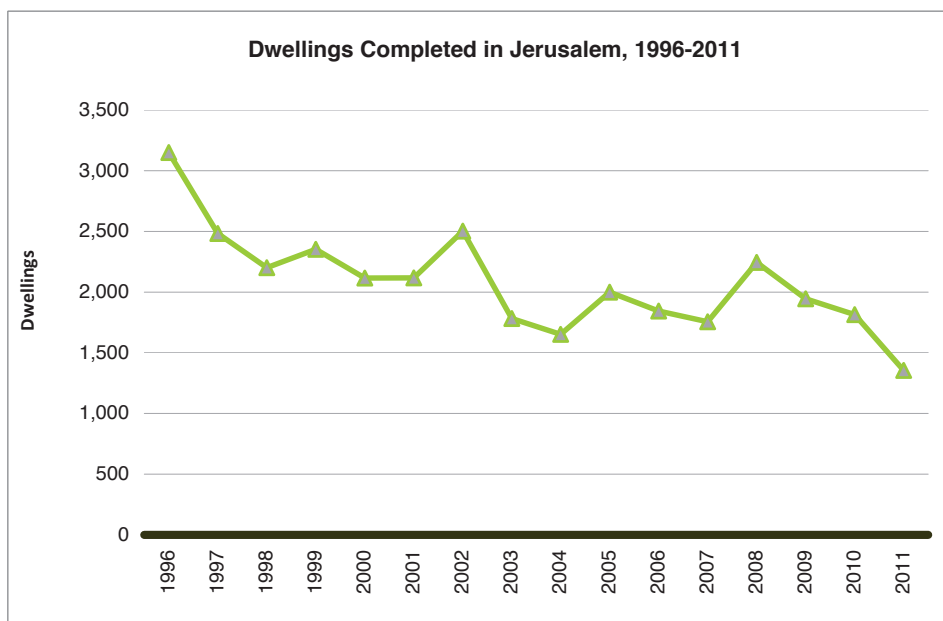
The total area (floors and walls) of new construction in 2011 for all purposes was 664,000 square meters. This figure constituted 6% of the area of newly initiated construction in Israel. It is comparable to the figure for Tel Aviv (643,000 square meters) and much higher than the figure for Haifa (185,000 square meters).

Of this total, newly initiated construction for housing in Jerusalem amounted to 480,000 square meters, that is, 72% of the total area (71% for the average of 2010-2011). By comparison, during 2010-2011, construction initiated for housing in Haifa (80%) and in Israel (77%) constituted a larger portion of new construction, while in Tel Aviv construction initiated for housing (68%) was a smaller portion of the overall construction initiated. Other designations for new construction on a significant scale in Jerusalem during 2010-2011 were commerce (9%), public buildings, healthcare, and education (8%), and industry and storage (5%). There is a marked in the percentage of area designated for offices, out of the total area of construction initiated, between Jerusalem (2%) and Tel Aviv (12%).

During 2010-2011, Jerusalem stood out in relation to Israel in terms of construction initiated for the purposes of healthcare (22% of Israel's total), public buildings not for education or healthcare (16%), transportation and communications (14%), hospitality (13%), and commerce (12%).

## Construction completed

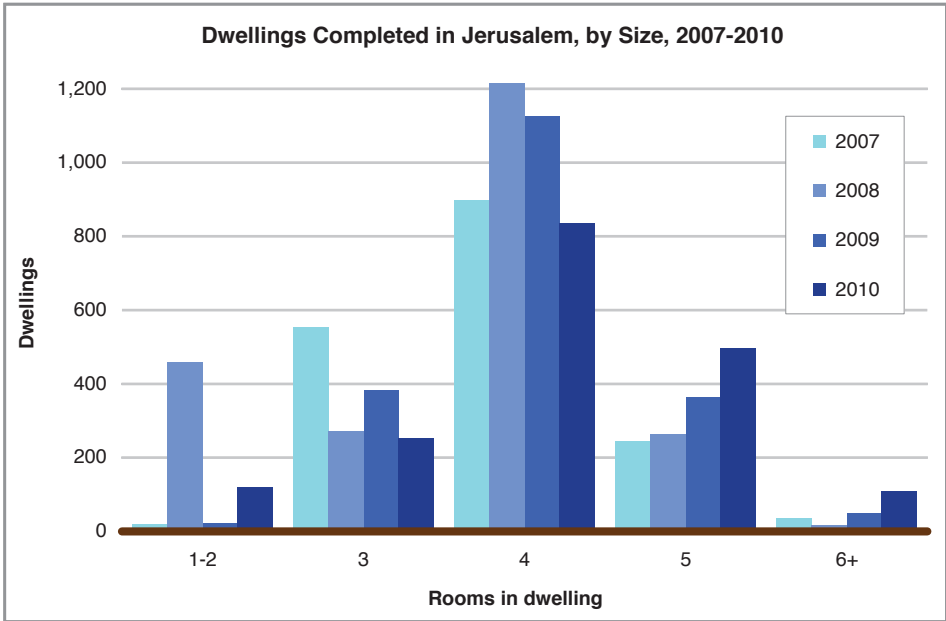
In 2011, construction was completed on 1,360 housing units. This is the third consecutive year during which the number of units completed has decreased. During the years 2008-2010, construction was completed, respectively, on 2,240, 1,950, and 1,810 housing units per year. With the exception of a few unusual years, there has been a decrease in the number of housing units completed per year since at least 1996, when 3,150 housing units were completed in Jerusalem. The year 2011 marked the first year, at least since the 1970s, during which fewer than 1,500 housing units were completed in the city. This trend is the reverse of the trend for Israel, where the data indicate a steady increase since 2008 in the number of housing units completed annually. In 2008, the total number of housing units completed in Jerusalem amounted to 7% of the total for Israel, and this figure fell to 4% in 2011.



During 2010-2011, completed construction in Jerusalem was concentrated in the areas of Har Homa (730 housing units), Qiryat Menahem and Ir Gannim (33), Gonen (200), and North Bet Hanina (170).

Of the apartments whose construction was completed in 2010-2011, the majority were 4-room apartments (52%). Housing units with 5 rooms constituted 28%, and housing units with 3 rooms constituted 10%. The remaining apartments were those with 6 or more rooms (5%) and apartments with 1-2 rooms (5%). This distribution differs from the distribution in Israel as well as the distribution in Jerusalem in the past. During 2010-2011, in Israel 4-room apartments constituted only 35% of completed construction, whereas large apartments with 5 or more rooms constituted 58% (compared to 33% in Jerusalem). Apartments with 1-3 rooms constituted 58% (compared to 33% in Jerusalem). Apartments with 1-3 rooms constituted only 7% of Israel's total (compared to 15% in Jerusalem).

Since 2000-2001, there has been a decrease in the percentage of 4-room apartments out of the total amount of construction completed in Jerusalem. At that time these apartments constituted 64% of the total (compared to 52% today). Apartments with 3 rooms constituted approximately a quarter (23%) of completed units at that time (compared to 10% today), and apartments with 5 or more rooms constituted only 11% (compared to 33% today). The percentage of apartments with 1-2 rooms increased: they constituted 2% in 2000-2001, compared to 5% in 2010-2011.



The areas of Jerusalem with the highest percentages of large apartments (5 or more rooms) completed in 2010-2011 (among neighborhoods in which more than 30 housing units were completed) were as follows in neighborhoods with a majority Jewish population: Romema (87% of the housing units), Giv'at Sha'ul (77%), and Nahlaot and Zichronot (71%). Among neighborhoods with a majority Arab population the figures were: Bet Hanina (south) and Shu'afat (52%), Bet Hanina (north) (49%), and Bet Zafafa (43%). The neighborhoods with a large percentage of small apartments (1-3 rooms) constructed were as follows in neighborhoods with a majority Jewish population: Mamila, and Morasha (100%), Ge'ula and Me'a She'arim (56%), and Gonen (32%). Among neighborhoods with a majority Arab population the figures were: Isawiyya and At-Tor (43%), and Sur Bahar and Um Tubba (18%).

In terms of the surface area of construction, during 2011 construction was completed on buildings totaling 350,000 square meters (floors and walls), of which 232,000 were for residential purposes. During 2010-2011, the area of construction completed for residential purposes constituted 71% of the total area. Other salient purposes were commerce (11%), public buildings, including education, healthcare, and others (8%), and industry and storage (6%). The area of construction in Jerusalem during the years 2010-2011 constituted 4% of the area in Israel. Construction completed in Jerusalem for the purposes of hospitality and commerce constituted a significant percentage of the area of construction in Israel (12% for each designated purposes).

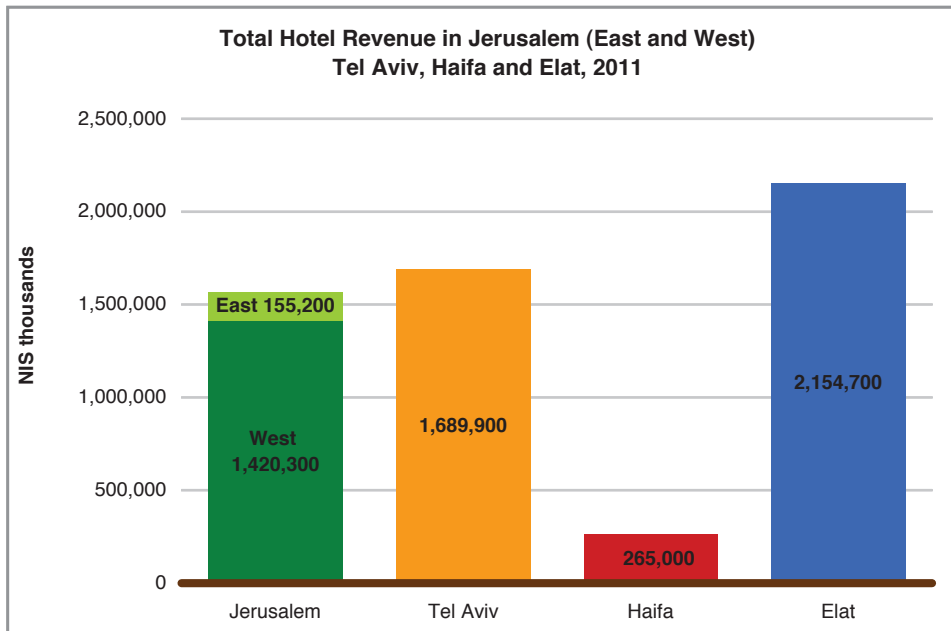
# - Tourism -

## Tourist hotels

Jerusalem attracts visitors from throughout the country and the world because of unique cultural and religious heritage, its status as the capital of Israel and a center for the Jewish people, and its rich variety of religious, historical, archeological, and cultural sites.

At the close of 2011, Jerusalem had 70 tourist hotels with a total of 9,342 rooms, which constituted 20% of all rooms in Israel's tourist hotels, compared to 23% in Eilat, 14% in Tel Aviv, 8% at the Dead Sea, and 3% in Haifa. The number of guestrooms in Jerusalem's tourist hotels was greater than the number in Tel Aviv (6,846) and Haifa (1,245) but lower than the number in Eilat (10,998).

During the same year, the revenues from tourist hotels in Jerusalem came close to NIS 1.6 billion (NIS 1,567,497,000), constituting 18% of the total revenues from tourist hotels in Israel. The highest revenues came from hotels in Eilat, at close to NIS 2.2 billion (NIS 2,154,680,000). Tel Aviv also had higher revenues than Jerusalem, at nearly NIS 1.7 billion (NIS 1,689,879,000). It is important to note



that the revenues in Tel Aviv were higher than in Jerusalem even though Jerusalem had a larger number of hotel rooms, more hotel guests, and more overnight stays than Tel Aviv. Lower revenues than in Jerusalem were recorded for Dead Sea hotels (NIS 1.1 billion, or NIS 1,096,406,000) and in Haifa (NIS 264,927,000).

## **Guests and overnight stays**

In 2011, the number of guests in Jerusalem hotels measured 1,336,400, of whom 71% were overseas tourists and 29% were Israelis. The number of overseas tourist hotel guests in 2011 measured 948,000, compared to 995,300 in 2010 and 769,900 in 2009. In 2011, 42% of overseas tourist hotel guests were from Europe and 41% were from America (mainly North and Central America). The number of Israelis hotel guests measured 388,300, compared to 357,100 in 2010 (a 9% increase) and 354,200 in 2009.

In 2011, the number of overnight stays in Jerusalem hotels measured 3,854,500, constituting 18% of the overnight stays in Israel. The number of overnight stays of overseas tourists measured 3,169,600, compared to 3,330,400 in 2010 and 2,583,600 in 2009. The number of overnight stays of Israelis during 2011 measured 684,900, compared to 653,900 in 2010 and 639,400 in 2009. The number of overnight stays per hotel guest in Jerusalem has not changed since 2007. From that year through 2011, it has averaged 2.9 overnight stays: 3.3 overnight stays per overseas guest and 1.8 per Israeli guest.

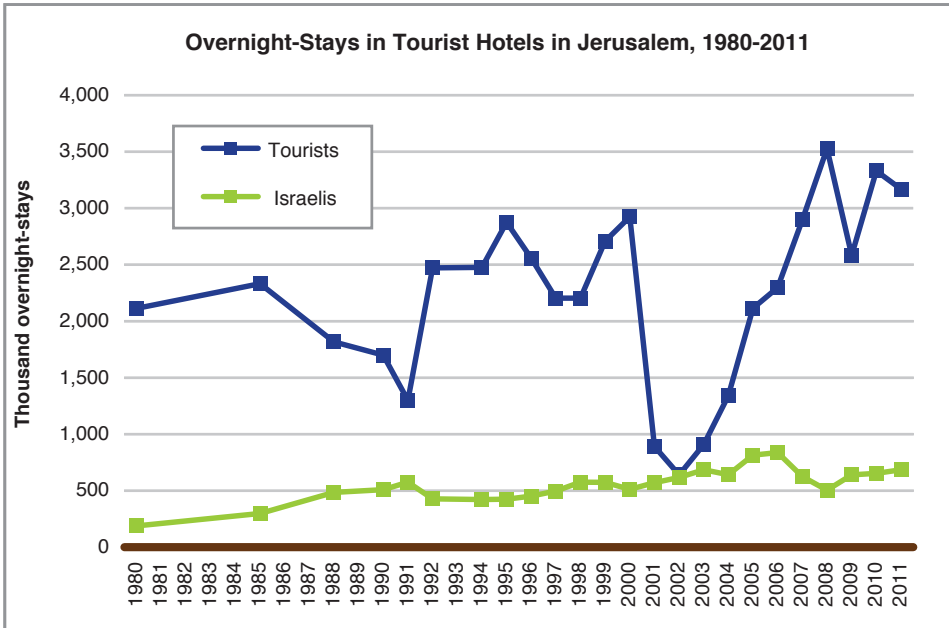
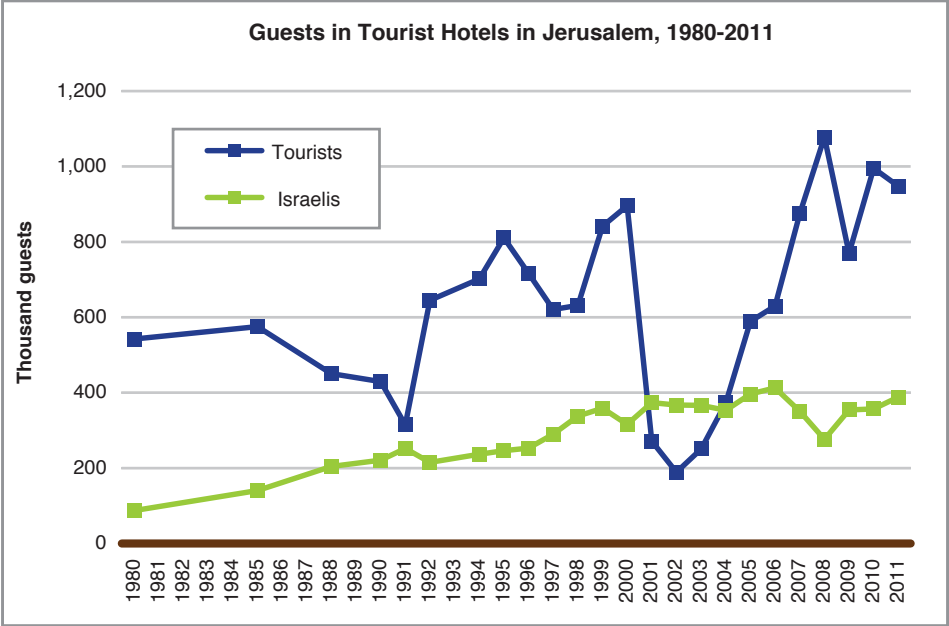
In 2011, the average number of overnight stays in Jerusalem among overseas tourists (3.3) was higher than the figure for Tel Aviv (3.1), comparable to that of Haifa (3.4), and lower than the figure for Eilat (4.0). The average number of overnight hotel stays of Israelis in Jerusalem (1.8) was higher than the figure for Tel Aviv and Haifa (1.7) and lower than that of Eilat (3.0).

In 2011, the months during which the highest numbers of overnight stays of overseas tourists were recorded were November (326,700), March (310,100), and May (305,800). The months during which the highest numbers of overnight stays of Israelis were August (112,000), July (83,000), and September (76,700).

In 2011, room occupancy in Jerusalem's tourist hotels measured 64% (66% in 2010 and 53% in 2009). The higher the hotel standard was, the higher the



occupancy. In the highest-class hotels (I and II), room occupancy measured 64%; in the middle-ranked hotels (III), it was 64%; and for the lowest-ranked, 56%.



## West Jerusalem – East Jerusalem

In 2011, Jerusalem's tourist hotels hosted 1,336,400 guests: 1,141,500 (85%) stayed in hotels in West Jerusalem and 194,800 (15%) in East Jerusalem. The number of overnight stays in Jerusalem's tourist hotels during this year measured 3,854,500, of which 3,346,200 (87%) were in West Jerusalem hotels and 508,400 (13%) in East Jerusalem hotels. It should be noted that the number of hotel guestrooms in West Jerusalem is significantly higher than that in East Jerusalem: 7,437 guestrooms in West Jerusalem (80%) and 1,905 in East Jerusalem (20%). The discrepancy in revenues is even greater: 90% of the hotel revenues were from West Jerusalem hotels.

In 2011, tourist hotels in West Jerusalem hosted 1,141,500 guests (68% of whom were overseas tourists), compared to 1,170,100 guests in 2010 (71% of whom were overseas tourists), and 984,400 guests in 2009 (65% of whom were overseas tourists).

The number of overnight stays measured 3,346,200 (81% of which are attributable to overseas tourists), compared to 3,467,900 overnight stays in 2010 (82% attributable to overseas tourists), and 2,802,800 overnight stays in 2009 (78% attributable to overseas tourists).

The average number of overnight stays per guest was higher in West Jerusalem than in East Jerusalem. The discrepancy is greater for average overnight stays of overseas hotel guests (3.5 in West Jerusalem and 2.7 in East Jerusalem) than for Israeli guests (1.8 in West Jerusalem and 1.6 in East Jerusalem).

Room occupancy measured 66% in 2011, which is lower than in 2010 (68%) and higher than in 2009 (56%).

In 2011, tourist hotels in East Jerusalem hosted 194,800 guests (90% of whom were overseas tourists), compared to 182,300 guests in 2010 (91% of whom were overseas tourists), and 139,600 guests in 2009 (91% of whom were overseas tourists).

The number of overnight stays in 2011 measured 508,400 (94% of which are attributable to overseas tourists), which was lower than the figure for 2010, at

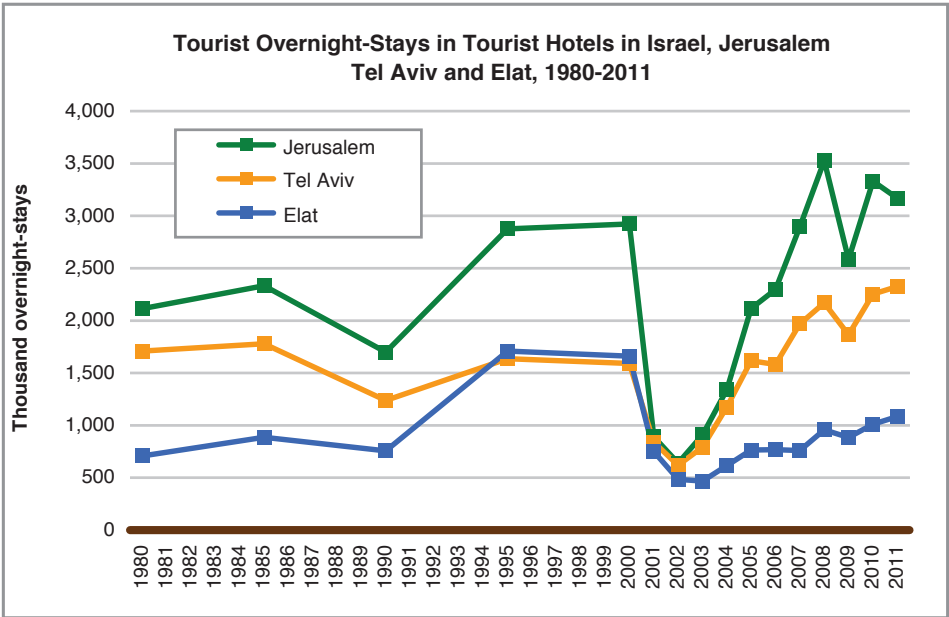
516,300 stays (95% attributable to overseas tourists), but significantly higher than the figure for 2009, at 420,200 overnight stays (94% attributable to overseas tourists).

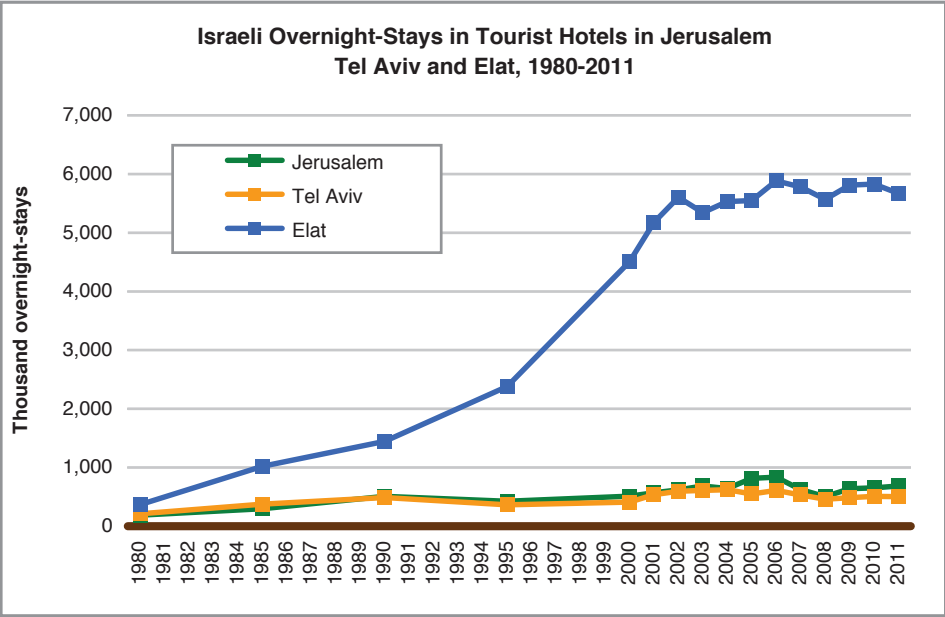
Room occupancy measured 54% in 2011, which was comparable to the figure for 2010 (53%) and higher than that of 2009 (42%).

## Jerusalem compared to select Israeli cities

In 2011, Jerusalem’s tourist hotels hosted 1,336,400 guests (16% of the total number of guests of Israel’s tourist hotels), compared to 1,030,300 guests in Tel Aviv (12%) and 2,188,800 guests in Eilat (26%). The number of tourist hotel guests visiting Jerusalem from abroad was 948,000 (29% of the total number of overseas tourists in Israel), compared to 740,800 in Tel Aviv (23%) and 269,800 in Eilat (8%). The number of Israeli hotel guests in Jerusalem was 388,300 (8% of the total for Israel), compared to 289,400 in Tel Aviv (6%) and 1,919,000 in Eilat (38%).

The number of overnight stays in Jerusalem’s tourist hotels measured 3,854,500 (18% of the total for Israel), compared to 2,830,100 in Tel Aviv (13%) and 6,754,600 in Eilat (31%). The number of overnight stays of overseas tourists





in Jerusalem was 3,169,600 (32% of the total of overseas tourists' overnight stays in Israel), 2,325,600 in Tel Aviv (23%), and 1,084,100 in Eilat (11%). The percentage of overnight stays of tourists from American, out of all overnight hotel stays of overseas tourists, was especially high in Jerusalem, at 45%. This figure was 32% in Israel, 13% in Eilat, 25% in Tel Aviv, and 39% in Haifa. Jerusalem's power of attraction for tourists from Europe is lower than its attraction for tourists from America. The percentage of overnight stays of European tourists, out of overnight stays of all overseas tourists in Jerusalem hotels, measured 40%, which is lower than the percentage for Israel (51%), Eilat (78%), Tel Aviv (45%), and Haifa (41%).

The number of overnight stays of Israelis in Jerusalem, as well as their percentage of such stay in relation to all Israeli overnight stays within Israel, is significantly lower than the figure for overseas tourists. In 2011, the number of overnight stays of Israelis in Jerusalem was 684,900 (6% of all overnight stays of Israelis within Israel). This figure was 504,500 for Tel Aviv (4%) and 5,670,500 for Eilat (48%).

These figures indicate that Jerusalem is the most attractive city for overseas tourists, in terms of numbers of hotel guests and overnight stays, while Eilat is the most attractive city for Israeli tourists (internal tourism). The percentage of

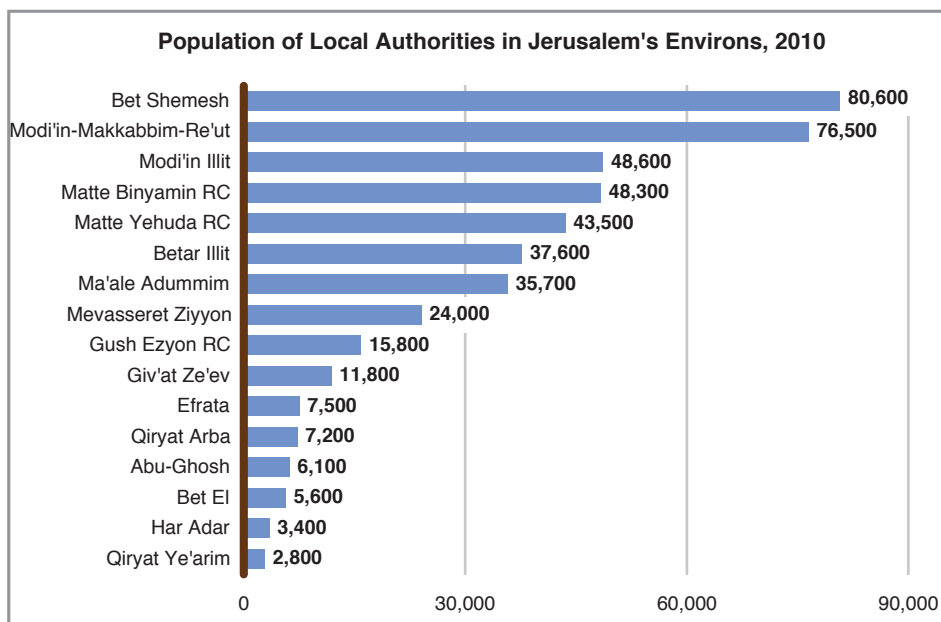
overseas tourists' overnight stays out of all overnight stays in Israel was very high in Jerusalem (82%), which was identical to the figure for Tel Aviv but higher than the figure for Israel (46%), Haifa (53%), and Eilat, where only 15% of overnight stays are attributable to overseas tourists.

In 2011, room occupancy for Jerusalem measured 64%, for Eilat it was 69%, and for Tel Aviv 75%.

## - The Environs of Jerusalem -

The environs of Jerusalem include the city of Jerusalem as well as cities and local and regional councils (which include communal localities, *kibbutzim*, and *moshavim*). These local authorities have reciprocal relations with Jerusalem, which is the principal city within this area. These relations exist in many and varied forms, including employment, education, commerce, culture, entertainment, and recreation, among others. In general, the closer the localities are to the principal city, the stronger the relations. Residents of localities within the nearest ring surrounding Jerusalem, therefore, have stronger and more varied relations with the city than residents of localities in the outermost ring, who have weaker relations with it. For example, Ma'ale Adummim, Mevasseret Ziyon, and Betar Illit have stronger relations with Jerusalem than do Modi'in, Bet Shemesh, and Qiryat Arba.

The cities and local councils within this area are as follows: Abu-Ghosh, Bet El, Bet Shemesh, Betar Illit, Efrat, Givat Ze'ev, Har Adar, Mevasseret Ziyon, Modi'in-Makkabbim-Re'ut, Modi'in Illit, Ma'ale Adummim, Qiryat Arba, and Qiryat Ye'arim. In addition, the area includes three regional councils: Gush Ezyon, Matte Binyamin, and Matte Yehuda. The regional council of Matte



Yehuda includes 63 localities (most of which take the form of a *moshav*, a rural cooperative locality), that of Matte Binyamin contains 26 localities (most of which are communal localities), and Gush Eziyon has 14 localities (mostly communal localities).

## Population size

Jerusalem, as noted, is the main city in the area and includes the largest and most heterogeneous population in all respects. Most localities in the environs of Jerusalem, in contrast, are characteristically relatively homogenous. It should be noted that through migration the population distributes itself in accordance with its character or profile, thereby creating segregation among neighborhoods, among localities, and among regions. The lines of segregation within this area reflect the society's polarization. In general, the greater the differences among population groups, the more marked their segregation.

The localities within Jerusalem's environs differ from each other in terms of population size and characteristics: localities with a religious population, localities with a haredi population, and localities with a secular and traditional population. The localities differ also in terms of their population's socio-economic standing, ranging from upper to middle to lower class.

In 2010, the largest of the localities in terms of population size, excluding Jerusalem (with about 788,000 residents), were: Bet Shemesh (80,600 residents), Modi'in-Makkabbim-Re'ut (76,500 residents), and Modi'in Illit (48,600 residents). The localities with the smallest population size were Bet El (5,600 residents), Har Adar (3,400 residents), and Qiryat Ye'arim (2,800 residents).

## Population growth

Three factors contribute to the population growth of a locality: natural growth (the difference between the number of births and the number of deaths), aliyah (Jewish immigration), and migration.

In 2010, the annual rate of growth of the population in Jerusalem's environs was highest in Qiryat Ye'arim and Givat Ze'ev, measuring 9%. The increase resulted

primarily from natural growth, as well as a positive migration balance. A high population growth rate was also recorded in Betar Illit (7%, primarily as a result of natural growth) and Har Adar (7%, primarily as a result of a positive migration balance). The positive migration balance in Har Adar was made possible, among other factors, by the construction and use of new housing units.

Relatively low rates of population growth were recorded in Mevasseret Ziyon (1%), Qiryat Arba (2%), Abu-Ghosh (2%), and Bet El (2%). The growth rate in Jerusalem measured 2%.

## **Internal migration**

The migration balance among localities is a salient issue within Israeli public discourse generally, and in Jerusalem specifically, especially in the context of the development, branding, and attractiveness of local authorities and localities. This issue surfaces frequently in the deliberations of policymakers and decision makers at the local, regional, and national levels because the internal migration balance is foremost among the factors contributing to population growth that can be influenced by implementing the policies of local authorities within a relatively short span of time in comparison to natural growth.

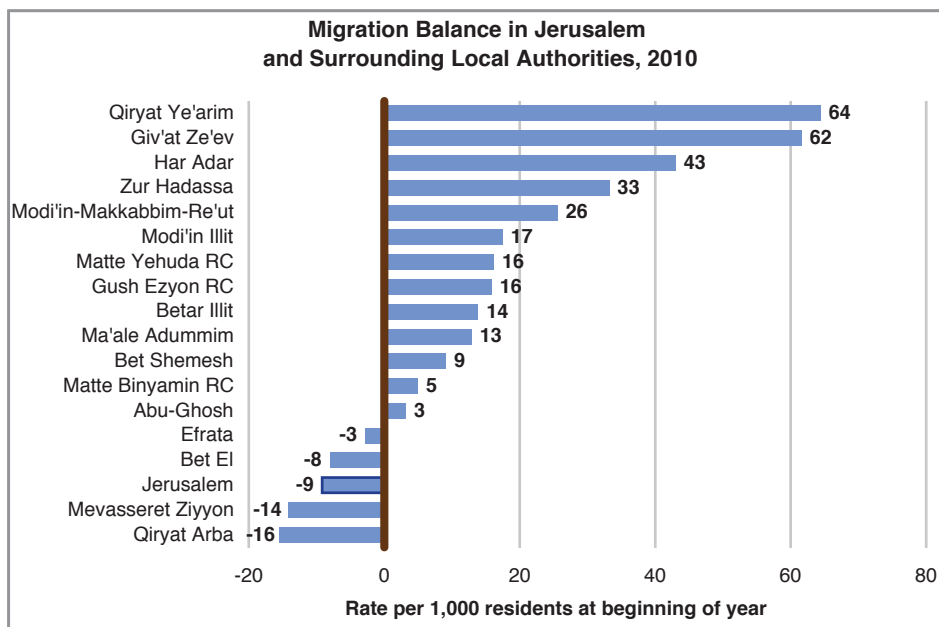
The matter of migration balance in Jerusalem has been attracting a great deal of attention for over two decades now, ever since the migration balance of the city's Jewish population switched from positive to negative. At the same time, it should be noted that approximately half of those who leave Jerusalem remain residents of its surrounding environs and maintain reciprocal relations with the city, thereby continuing to contribute to and benefit from it.

Examination of the migration balances of the localities within Jerusalem's environs reveals that four of these localities had negative migration balances in 2010: Mevasseret Ziyon (-330 persons), Qiryat Arba (-110 persons), Bet El (-40 persons), and Efrat (-20 persons).

The localities characterized by the greatest positive migration balance were Modi'in-Makkabbim-Re'ut (1,860 persons), Modi'in Illit (810 persons), and Bet Shemesh (700 persons). Modi'in is a new city that was founded in 1996 where



construction still continues. It draws primarily young, secular, and religious population groups. Modi'in Illit is a new city, also founded in 1996, that attracts the haredi population. Bet Shemesh is an old city, and in recent years has seen the construction of new neighborhoods that draw primarily haredi and religious population groups.

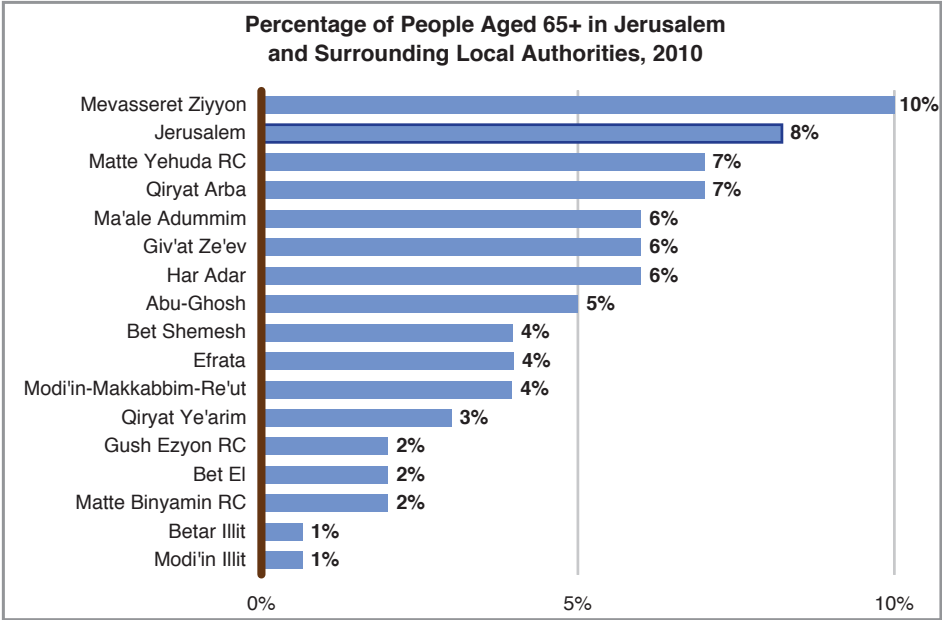
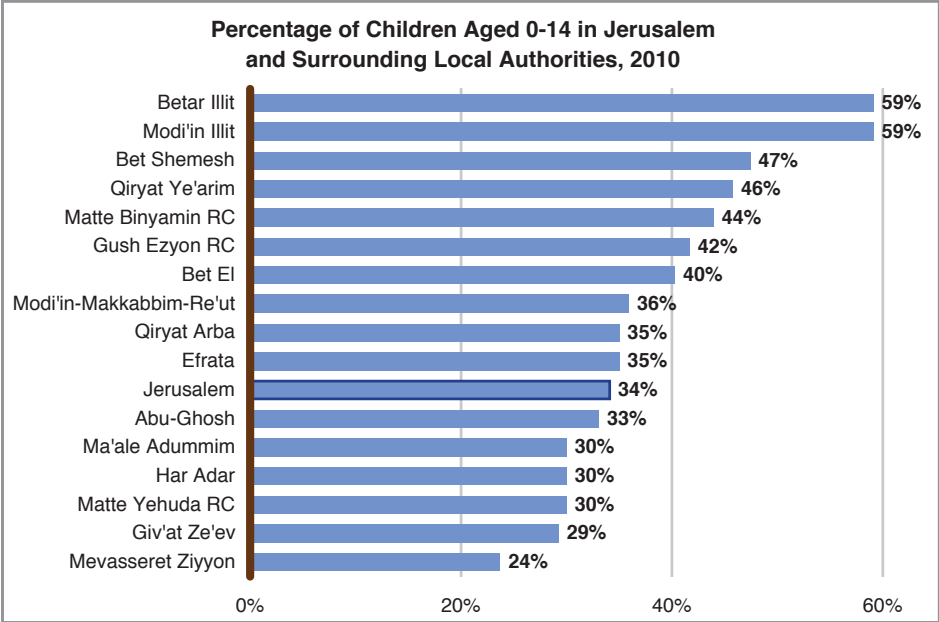


## Population age

The localities within the environs surrounding Jerusalem differ from one another in the age distribution of their population as well. Localities with a majority haredi population are characterized by the highest percentage of children. In 2010, the proportion of children aged 0-14 in the cities of Betar Illit and Modi'in Illit, whose populations are primarily haredi, measured approximately 59%. Bet Shemesh (more than a quarter of whose population is haredi) and Qiryat Ye'arim (a haredi locality adjacent to Abu-Ghosh) also recorded relatively high percentages for this age group – 47% and 46% respectively.

The percentages of children in the regional councils of Matte Binyamin and Gush Eziyon, which have primarily religious populations, were 42% and 44%

respectively. The lowest percentages of children out of the total population were recorded in Mevasseret Ziyon (24%) and Givat Ze'ev (29%). The percentage in Jerusalem was 34%.



Regarding senior citizens (ages 65 and up), the localities with a majority haredi population are characterized by a very low percentage of seniors. The percentage of senior citizens in Betar Illit and Modi'in Illit is less than 1%. The regional councils of Gush Eziyon and Matte Binyamin also have a low percentage – 2%. The highest percentage of senior citizens was recorded in Mevasseret Ziyon (10%) and the regional council of Matte Yehuda (7%). In Jerusalem this figure was 8%.

## **Education**

In 2009/2010, the highest eligibility rate for the matriculation certificate among Grade 12 students was recorded in the regional council of Matte Binyamin and in Modi'in-Makkabbim-Re'ut (76%), followed in decreasing order by the regional council of Gush Eziyon (71%), Mevasseret Ziyon (68%) and Ma'ale Adummim (67%).

Jerusalem registered an eligibility rate of 46% among Grade 12 students. It should be noted that approximately one third of Grade 12 students who reside and study in Jerusalem are enrolled in independent haredi schools. Most students in these schools do not take the matriculation exams, yet they are included in the calculation of eligibility rates. The inclusion of Grade 12 students from haredi schools in this calculation results in a downward deviation of the eligibility rate for the matriculation certificate for the Jewish sector of Jerusalem. The eligibility rate among those who actually take the examination is 60%, as opposed to 46% among all Grade 12 students.