

The Economics of Contemporary American Jewish Family Life

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The Jewish community in the United States has experienced a remarkable economic transformation during the twentieth century, from a community of impoverished immigrants to one of suburban professionals.¹ This transformation may be thought of as following two overlapping phases. In the first half of the century, most American Jews were either immigrants or the children of immigrants, born in poverty or near-poverty. Jewish men during this period focused on upward occupational mobility, acquiring high levels of secular education and moving into middle- and high-level occupations with correspondingly high wage rates. During the later decades of the century, the community's new socioeconomic position would be consolidated as second- and third-generation suburban Jews, both men and women, attained even higher levels of education and the community shifted from business to professional occupations. While the typical Jewish male at the beginning of the century may have been a tailor or a peddler, by mid-century he was a businessman, doctor, accountant, pharmacist or lawyer and by its end he would have been a professional (often salaried) in any one of a variety of fields.

Although lagging behind the experience of Jewish men by some decades, the typical adult Jewish woman by 1990 was also a well-educated labor force participant, usually with some post-college training. In contrast to her mother or grandmother, she was less likely to be an unpaid worker in a family business (as her husband was less likely to have his own business) and more likely to be managing her own firm or developing a career as a salaried employee. Labor force participation rates of married Jewish women were high: in 1990, about 75 percent of those with no children at home were working, as were 75 percent of the married women with school-age children and about half of those with very young (preschool) children.²

This article considers some of the most important implications for the American Jewish family of these changes in its economic context. Nearly a century after the period of mass immigration, most American Jews are at least one or two generations removed from their immigrant forebears. They live and work among non-Jews in a secular world where they expect to be respected for their personal qualities and technical expertise without regard to their Jewishness. Earnings from their professional occu-

pations place American Jews, and by extension the American Jewish community, comfortably in the upper middle class. The implications of this environment for American Jews' consumption patterns, including investments related to family life in general and Jewish family life in particular, will first be discussed. Then follows an analysis of the effect of economic incentives on marriage, fertility and parenting, along with the consequences for American Jewish demographic patterns. The final section presents a brief summary of findings and some implications for the future of the American Jewish family.

Jewish Consumption Patterns

Family, including the entire configuration of interpersonal relationships and consumption patterns understood by that phrase, is an economic "good" in that it is both desirable to have and costly to obtain.³ Yet by its nature, family life is not available for purchase; the marketplace provides only goods and services that are then used by family members to create shared experiences and consumption activities constituting the family "good." Thus family life may be viewed as the "output" of a home-production process for which the "inputs" include the time and effort of family members as well as purchased goods and services.⁴

The home-production approach to family is well known among economists.⁵ In brief, the home-produced family "good" may be thought of as having an underlying "technology" (that is, production method) for combining purchased inputs with one's own time and effort to yield the desired output.⁶ Moreover, the productivity of a given set of inputs is enhanced by "human capital," by which is meant the entire spectrum of skills and prior experiences brought to bear on the process. For example, if regular dinners are used as a vehicle for building and sustaining the relationships that constitute the family good, their effectiveness is enhanced by a variety of skills associated not just with cooking but also with the social relationships themselves.

Religion in general, and Judaism in particular, is another example of an economic good (that is, something both desirable and costly) that necessarily must be self-produced rather than purchased.⁷ Like family life, religious experience is an "output" obtained by combining purchased "inputs" (goods and services) with own-labor "inputs" (the consumer's time and effort). A particular religion may be viewed as providing a set of "technologies" for producing religious experience, a context for the human capital (experiences and skills) specific to that religion. Jewish technologies would include the rules for observance of kashruth, Shabbat and *brit milah*, each of which infuses with religious meaning an otherwise secular activity.

Where religious expression becomes intimately involved with the particulars of family life, as in the observance of holidays or life-cycle events, they may be viewed as jointly produced by a single set of activities. This underlying approach provides a framework for the present analysis of American Jewish families, where the discussion focuses first on the time and money costs of this home-production process and then on productivity issues associated with human capital accumulation and changes in technology.

Cost of Family Life

The cost of family life includes not only the money spent on purchased goods and services, but also the value of time devoted to their consumption. Since consumers budget their time among many different activities, time is valued in terms of foregone opportunities; that is, the "opportunity cost" of time for one activity is its value if it had been allocated instead to its next best use. Whenever the value of an extra hour spent on producing the family "good" (or any other activity) is lower than its opportunity cost, the consumer would be better off by rearranging his schedule to spend more time on its best alternative use. Similarly, if an extra hour of family time is worth more than its opportunity cost, the consumer gains by spending more time on the family good. The most efficient allocation of time is where all possible gains have been realized by reallocating time from lower- to higher-valued uses.

An important implication is that a consumer who budgets his or her time efficiently among all available activities will find that the marginal value of time (that is, the value of the least productive hour) is more or less the same for every activity. The value of marginal time may therefore be measured as its value in any arbitrarily selected activity. For an adult labor force participant, the earnings potential associated with an additional hour of work (conventionally measured as the wage rate) makes a convenient first approximation of the value of time spent in home-production or in any other leisure activity.

Although the wage rate is a good first approximation, it generally understates the value of time for people making large investments in market-related human capital. For example, if students and new immigrants are willing to accept low-wage jobs in order to gain skills and experience, this does not reflect the high future wage rates that are part of the full "payment" for their work. Similarly, the full value of time for a housewife is not her actual wage rate (which is zero) but rather the value of her activities as home-producer of services within the family. Yet to the extent that such persons have access to market opportunities, the wage rate that they could be earning is an appropriate benchmark against which to measure the value of their time.

With this important caveat, the value of time in both market and non-market activities varies across individuals according to the characteristics affecting their wage rates. If these wage rates differ markedly by gender and age, a corresponding division of labor in home production can enhance the efficiency of family resource utilization. Indeed, the within-family division of labor is often sustained by gender and age differences in the opportunity cost of time as they affect the efficiency of particular consumption patterns. The gains from such specialization need not derive from any special competence in an absolute sense, but only from the relative efficiency of family members with respect to each other. Nor need they be based on inherent characteristics; productivity differences can arise even among equally able individuals who agree to specialize in different activities and so acquire different experiences and skills.⁸ Thus, the family-based roles assigned to various gender and age groups may vary across time and space with economic circumstances.⁹

Although available data are not adequate to establish the changing wage rates of American Jews, shifts in the occupational distribution of Jewish men reveal the broad

Table 1. Occupation Shifts over Time: Adult Jewish Men

Occupation group	1890	1900 ^a	1910 ^a	c.1948	1957	1970	c.1980	1990
Professions	4.6	2.3	2.3	13.8	20.3	27.2	43.0	47.4
Managerial	2.8	8.2	3.4	44.9	35.1	26.5	26.4	16.7
<i>Subtotal</i>	7.4	10.5	5.7	58.7	55.4	53.7	69.4	64.1
Clerical	19.5	1.5	1.4	3.9	8.0	8.3	8.3	6.3
Sales	56.7	7.6	16.6	12.0	14.1	19.7	13.2	16.1
<i>Subtotal</i>	76.2	9.1	18.0	15.9	22.1	28.0	21.5	22.4
Craft	11.5	19.0	27.1	13.1	8.9	8.4	4.2	6.4
Other ^b	5.0	61.5	48.9	12.4	13.4	9.9	4.9	7.1
<i>Subtotal</i>	16.5	80.5	76.0	25.5	22.3	18.3	9.1	13.5
Total	100.1	100.1	99.7	100.1	99.8	100.0	100.0	100.0

Source: B. Chiswick, "The Occupational Attainment of American Jewry, 1890 to 1990: A Preliminary Report"; reprinted by permission of the author.

^aJews identified as foreign-born men of Russian origin.

^bIncludes laborers.

patterns of their earning capabilities (see Table 1). Occupations classified as "laborers" are associated with the lowest wages, whereas the high-level "professions" and "managerial" occupations include those with the highest earnings. At the beginning of the twentieth century, when more than three fourths of all Jewish men were laborers and craftsmen, Jewish families were poor and their wage rates were among the lowest in the United States. By mid-century, only a small (and aging) fraction of all Jewish men were laborers, whereas the high-earning business and professional occupations had grown to be a large proportion of the total, especially for younger cohorts.

This occupational transformation was very rapid, both in absolute terms and relative to the upward mobility of non-Jewish Americans. Jewish immigrants were investing heavily in American (secular) human capital during the early decades of the century, both directly in themselves and indirectly by educating their children for high-level occupations. The implicit value of this investment would have raised the value of their time substantially higher than their relatively low market wage. Subsequent rises in wage rates would reflect the value of these investments as immigrant Jews assimilated into the American economy, succeeded in business and settled into comfortable middle-class patterns of work and consumption. Throughout the second half of the twentieth century, Jewish families would be characterized by high market wages whether in comparison with their former selves, with Jews in their countries of origin, or with non-Jewish Americans as a group.

The implications of high wage rates for Jewish family life in America are fundamental. While a high value of time discourages all consumption activities by raising their cost, it has a disproportionate effect on such time-intensive, home-produced goods as family and Jewish religious life. This wage effect differs from the implications of high family income, which encourages increased consumption of all goods, including "expensive" ones like family and religion. To the extent that high family income is associated with, or even derived from, high wages, such increases in con-

sumption are typically accompanied by a search for less time-intensive (and thus relatively cheaper) home-production technologies.

The imperative to "save" time effectively raises the value of anything that improves the efficiency of whatever time is still devoted to family consumption. One way of achieving this is to substitute purchased goods and services for time, raising the ratio of purchases relative to own-time input. For example, during the early years of upward economic mobility, Jewish consumers became an eager market for kosher prepared foods, whether in packages (cans, bottles or boxes) or from counters (delicatessen or "appetizing" stores).¹⁰ High-wage American Jews also developed an extensive system of schools, synagogues, camps and community centers for expressing their Judaism and for the Jewish education of their children, a system that makes much heavier demands on their pocketbooks than on their time budgets.

Changes in consumption that systematically raise the ratio of purchases to own-time are often referred to as a substitution of the "quality" of time for its "quantity." In this usage, a higher "quality" refers to the well-being achieved from a given expenditure of time, presumably accomplished by purchasing more or better goods and services. Whether or not this constitutes an improvement in the consumer's overall lot depends on the effectiveness of the new consumption pattern. Indeed, the notion of "quality" associated with these quantity-quality trade-offs is that alternative means can be used to achieve the same goal, so that a "quality-intensive" consumption pattern would be preferred to a "quantity-intensive" pattern only in those cases where time is relatively expensive.

Time quantity-quality substitutions in consumption are widely observed and are a stable characteristic of high-wage American Jews.¹¹ Sometimes the phenomenon is lamented, as when "consumerism" and "materialism" are viewed as poor substitutes for the time family members might otherwise spend together. Yet sometimes it is lauded, as when high expenditures on child care, health, education or leisure activities are seen as expressions of caring and solid family values. Regardless of the point of view, however, goods-intensive consumption patterns are so pervasive in the high-wage American Jewish community that they are often associated with Americanization itself.

Family Human Capital

For given inputs of time and money, the quality of family life (that is, the efficiency with which the family "good" is produced) depends greatly on the skill and experience of its members. Many such skills have value in other activities as well and are best viewed as part of an individual's general human capital. Yet there is an important group of acquired skills and prior experiences for which the sole benefit is that they enhance relationships associated with marriage and family. Such skills are "family-specific" in that they are specialized for home production of the family good and do not contribute to productivity in other activities.¹²

Marriage improves the efficiency of each partner in home-production activities associated with the family good. It also provides security that enhances the rate of return to investment in human capital specific to a particular set of family members.

Some of these family-specific skills are general, arising simply from a shared consumption pattern (for example, skill in preparing meals at home).¹³ Others are associated with the mutual knowledge and caring within the family and grow out of the intimacy of ordinary family life.¹⁴ Jewish religious ideals of family emphasize such commitments: to be a life companion (helpmeet) for one's spouse; to nurture and educate children; to honor one's parents; and to care for the sick, the widow and the orphan.

Since various types of human capital are mutually complementary they tend to be highly correlated with each other, and people with high education levels tend to invest more in family-related skills.¹⁵ In effect, a higher level of one productive attribute (for example, health) improves the productivity of another (for example, education) and thus raises the rate of return to human capital investments generally. The very high level of secular education among American Jews thus provides a strong economic incentive for them to invest in family-specific human capital. This in turn raises the productivity of their family time and offsets (at least partially) those incentives to reduce time-intensive family activities.

The positive relationship between education and family skills is sometimes obscured by the low time-intensity of consumption patterns among the highly educated, as high wage rates also alter the optimal composition of skills in ways that affect the very nature of family life. For example, the convergence of male and female wage rates in the United States has greatly reduced economic incentives for a household division of labor between Jewish husbands and wives. By the end of the twentieth century, the kitchen skills of American women are much less time-intensive than those that are still nostalgically associated (perhaps fantasized) with Jewish motherhood. Similarly, Jewish fathers are more likely than their immigrant forebears to participate in day-to-day chores of food preparation and parenting. Even the process of skill acquisition is affected: instead of the relatively time-intensive learning-by-helping methods of an earlier era, American Jews rely heavily on a wide variety of purchased materials (such as books, manuals, classes or professional counseling services) to learn how to carry out mundane home-production activities (such as raising children, preparing foods or tending to illness or infirmity).

Analogous changes are evident in the Jewish practices of American families. In an environment where time-intensive activities are relatively costly and purchased inputs are correspondingly cheap, popular Judaism (including secular Jewish culture as well as religion per se) has exchanged the time-intensive customs of Eastern Europe in favor of typically goods-intensive expressions. Indeed, the pervasiveness of this "Americanization" has effectively produced a new Jewish subculture that differs markedly from its immigrant origins in such fundamentals as language, cuisine and daily rhythms of family life.¹⁶

The Jewish quality of family life is also affected by the Jewish human capital of its members—skills that may have been acquired through Jewish education (formal or informal) and previous Jewish experiences in family, synagogue or community.¹⁷ Like secular education, religious skills can be highly complementary with other forms of human capital, whether general or family-specific. Indeed, the complementarity between Jewish human capital and family human capital is especially strong for the many religious observances inextricably entwined in the particulars of family life: life-cycle celebrations, holiday observances and practices associated with kashruth.

Yet the acquisition of Jewish experience and skills is itself a time-intensive process, very costly in an economic environment where it must compete for time with many attractive alternatives. Strategies for responding to this fundamental problem take one of two basic approaches: Jewish lifestyles can focus on practices that avoid costly investments in Jewish human capital or, alternatively, they can innovate “new” forms of Jewish human capital that are complementary to high levels of secular investment. Both of these strategies are evident in the American Jewish community.¹⁸ For example, combining English with Hebrew in the rituals of home and synagogue facilitates participation by persons with only a basic familiarity with the Hebrew language, thus avoiding the need to make the relatively large investments that true Hebrew fluency requires. American Jewish schools (usually called “Hebrew schools” because of the importance of language in their curriculum) have adopted institutional structures and teaching methods that complement (and are complemented by) the secular schooling received by American Jews. Even so, the curriculum of Jewish schools varies widely in Jewish-specific content: although some schools view Judaism as a culture whose language, literature and history is infused with religious meaning, others approach it as a universal ethical system that requires few skills not shared by non-Jewish neighbors.

Jewish lifestyles adapted to low investments in specifically Jewish forms of human capital are especially attractive for families in which parents and grandparents themselves have followed this strategy. Partly as a consequence of rapid upward mobility during the first half of the twentieth century, a large segment of late twentieth-century American Jewry is characterized by very low levels of Jewish human capital.¹⁹ Whatever its cause, however, a human capital “portfolio” combining high levels of secular skill with low levels of Jewish skill is inherently unstable, insofar as it means that the value of time spent in Jewish observance is less “productive” at the margin than time spent in secular activities. In effect, it provides an incentive to further reduce the time allocated to Jewish observance and the Jewish content of family life, which in turn reduces the incentive to invest in Jewish-specific forms of human capital.

While many family-based traditions have difficulty competing for the time of high-wage American Jews, others effectively combine Jewish time with family time while enhancing the quality of both. Some of these traditions, like Shabbat dinner or the Passover seder, have been practiced for centuries. Others are new, like the family-oriented bar/bat mitzvah ceremony with its attendant wedding-like celebration, or various synagogue traditions in which families participate together. A blending of Jewish religious observance with family life enhances the mutual complementarity, and thus increases the efficiency, of two very time-intensive activities. American Jews are especially receptive to innovations in Jewish practice that accomplish this and are often willing to invest in the corresponding forms of Jewish human capital.

Thus the high value of time, and the quality-quantity tradeoffs that it induces, affects both the very nature of Jewish human capital and the Jewish quality of family life. Along with American Jews’ occupational stabilization at high levels during the second half of the twentieth century has come the development of a variety of American Jewish institutions designed to complement the scarce time of Jewish families. Jewish camps, schools and community centers enable parents to purchase substitutes for their own time, thereby raising the goods-intensity of family activities.

Synagogues and *havurot* often sponsor family events for Shabbat or holidays that provide relief from logistical duties as well as a shared social activity. Synagogue attendance itself has become a family activity in the United States, and synagogues have adapted to this phenomenon not only by mixed seating but also by distinctively American innovations that give the entire family a role in the religious service.

Family Formation and Life Cycles

For many American couples, including Jews, the most time-intensive non-work activity for which a family must budget is child-rearing (that is, parenting). The extended education and investments associated with launching a high-wage career raise the cost of starting a family at a young age, often making it more efficient to establish career before family rather than the reverse. High wage rates (especially for women) also raise the cost of having many children. These incentives are consistent with an observed pattern of later marriages, fewer children, and an extended period of financially independent single adulthood.²⁰

Family Human Capital and Marriage

Since individuals differ greatly in their preferences and aspirations for family life, the magnitude of the gain from marriage depends on the sorting of partners (whether by themselves or by helpful matchmakers) into mutually compatible couples. The conventional economic model views the marriage market as a search process that has costs but also yields benefits in the form of a potential marriage partner. Each person entering the marriage market is viewed as knowing (more or less accurately) his or her own characteristics and those of an “ideal” partner. Since any potential partner revealed by the search process inevitably falls short of this ideal, the searcher must decide whether to accept a given match or else continue looking; the outcome depends on whether the marginal benefit of additional search (finding a “better” partner) is likely to outweigh the additional cost. Matches occur when each partner decides that the other is “optimal,” in the sense that additional search would cost more than the potential gain.²¹

If the economic basis of marriage is mutual productivity of the two partners, the multidimensional nature of consumption goals (as well as individual differences in tastes and preferences) make the selection of marriage partners especially complex. Yet whenever human capital raises productivity in some activity, it thereby enhances a person’s desirability as a marriage partner. One implication of the economic theory of search is that the optimal sort (that is, the pairing that occurs if each person chooses his or her “optimal” partner) tends to match persons with similar levels of human capital.²² Highly educated men and women thus tend to marry each other and, conversely, men and women with relatively little schooling also tend to pair together.²³

Economic incentives affecting marital search match couples not only by secular education and career aspirations but also by the amount and content of their religious human capital. Complementarity between various types of human capital militates in favor of religiously homogamous families, especially for those who understand their

Judaism in terms of particularistic Jewish knowledge and experiences. In contrast, those who prefer to focus their religious aspirations on general (for example, ethical) values shared by many Americans make few investments in specifically Jewish human capital and hence have correspondingly less to gain from the Jewishness per se of a potential marriage partner. These human capital considerations are closely related to the “exclusivist-ecumenical” continuum along which Protestant denominations are sometimes ranked: human capital specific to Judaism is “exclusivist” insofar as it serves to differentiate members of the group from nonmembers, whereas the more general forms of Jewish human capital are “ecumenical” since they do not promote such a distinction.²⁴ While Jewish “exclusivism” in this sense may be stronger among the Orthodox in comparison with the other synagogue movements, it is frequently evident among the non-Orthodox as well. Similarly, there is some degree of Jewish “ecumenism” in all American synagogue movements, although its most hospitable environment is among the Reform. While there tends to be a positive correlation between the level of investment in Jewish human capital and the specificity of its Jewish content, within-group variations in Jewish education make the correlation across synagogue movements less than perfect.

Among American Jews, the religious compatibility of a potential marriage partner depends to a crucial extent on the relevant concept of Jewish human capital. From this perspective, the extraordinarily high outmarriage rates among American Jews derive not so much from the American fondness for innovation in Jewish practice but rather from the extremely low specificity of Jewish human capital with which so many (but not nearly all) of these innovations are associated. Table 2 presents the dis-

Table 2. Outmarriage Rates by Denomination Raised
(First Spouse of Ever-Married Jews-by-Birth)

Denomination raised	All ^a		Under age 65	
	Size (%)	Spouse not Jewish (%)	Size (%)	Spouse not Jewish (%)
All Jews-by-birth	100	25	100	32
Orthodox and Traditional	24	10	19	15
Conservative, Reconstructionist and “just Jewish”	39	22	42	29
Mixed Jewish ^b	3	21	33	33
Reform	26	35	28	41
Secular, miscellaneous, and no religion	3	42	3	45
Non-Jewish ^c	5	66	5	68
Sample size:	2,282	2,282	1,720	1,720

Source: 1990 National Jewish Population Survey (household weights)

^aIncludes all Jews-by-birth ever married by 1990

^bPersons raised as both Orthodox and Conservative, both Orthodox and Reform, or both Conservative and Reform

^cJews-by-birth raised as non-Jews, including those who were raised as “both” Jews and non-Jews

tribution of American Jews by affiliation with the various synagogue movements along with the outmarriage rates (the proportion whose first marriage was to a non-Jewish spouse) for each group, both for all ever-married adults and for those under age sixty-five. Since human capital and marital decisions were somewhat different for immigrants than for those born in the United States, the figures for persons under age sixty-five are the most indicative of the American Jewish experience.

Table 2 ranks the main branches of American Judaism by the relative intensity of their Jewish-specific human capital. The Orthodox tradition emphasizes forms of family-related human capital most specific to Judaism and generates higher benefits to homogamous couples. The outmarriage rate of 15 percent among the Orthodox (who account for 19 percent of American Jewry) is indeed the lowest of all groups identified here.²⁵ The Conservative movement, which seeks a balance between Jewish-specific human capital and secular lifestyles, is characterized by an intermediate outmarriage rate of 29 percent and accounts for 42 percent of American Jewry. The Reform movement, with its focus on Jewish beliefs and practices shared by many non-Jewish Americans, is marked by a higher outmarriage rate of 41 percent.²⁶ This is close to the 45 percent outmarriage rate among persons raised with “no” religion, though not nearly as high as the 68 percent rate for persons born Jewish but raised in other religions.

Jewish Family Life Cycles

The high schooling level characteristic of American Jews generally militates against marriage at young ages. Delayed marriage may be the consequence of early human capital investments made by young adults launching high-level careers, causing them to postpone heavy family-specific investments until later. Full-time schooling that extends into early adulthood also delays the availability of information relevant for marital search: career choices may not stabilize until relatively late, and important adult characteristics may not be revealed (either to oneself or to a potential partner) until after labor force entry and the acceptance of financial responsibility. Early marriages based on incomplete information tend to be unstable; indeed, early age at marriage is one of the strongest and most robust predictors of subsequent divorce. Overall, it is generally optimal for the highly educated to delay family formation until well into adulthood.²⁷

The marital status of American Jews in 1990 (see Table 3) thus reflects their education and earning levels. American Jewish men and women remain single until their mid-twenties, the typical age of first marriage being about twenty-six years for men and twenty-four years for women.²⁸ Somewhat earlier marriage ages are observed for cohorts born during the Great Depression and the Second World War (men aged fifty to fifty-nine and women aged forty-five to fifty-nine in 1990 who would have entered adulthood during the 1950s). These “baby boom” parents were presumably influenced by an exceptional set of economic circumstances, but apart from them, the pattern seems to have been fairly stable throughout the century.

Even in the twenty-five to thirty-four age cohorts (where exclusion from the sample of those who have yet to marry at age thirty-five or older lowers the average age at first marriage), Jewish women remained single until well over the age of twenty-

Table 3. Marital Status by Age and Sex

Age in 1990	Percentage of all adult Jews	Percentage distribution							
		Age at first marriage ^a		Never married		Married		Previously married ^b	
		Men	Women	Men	Women	Men	Women	Men	Women
25-29	10	24.4	22.8	65	39	34	53	1	8
30-34	11	26.0	23.4	34	24	60	69	6	7
35-39	12	26.2	24.6	17	11	72	75	11	14
40-44	12	26.3	24.5	15	12	74	75	11	13
45-49	9	26.3	21.8	7	8	78	78	16	14
50-54	6	24.6	21.2	12	7	77	74	11	19
55-59	7	25.9	21.9	8	1	85	74	8	25
60-64	7	26.5	22.7	4	3	90	80	6	18
≥65	27	26.9	24.3	3	2	82	57	15	41
All ages	100	26.2	23.4	17	11	72	68	10	21

Source: 1990 National Jewish Population Survey, (Jews-by-birth aged 25 and older)

^aMean age at first marriage for ever-married persons

^bMarital status in 1990 was divorced, separated, or widowed

three. Among those in their late twenties (ages twenty-five to twenty-nine), married couples accounted for only one-third of the men and just over half of the women, while 65 percent of the men and 39 percent of the women in this age group were still single (never married). Among those aged thirty to thirty-four, the never-married accounted for a third of the Jewish men and a fourth of the women. In contrast, some three-quarters of the men and women aged thirty-five to sixty-four in 1990 were married, and the rest were more likely than not to have been previously married.²⁹

If a stable marriage encourages investment in family-related human capital, American Jewish couples generally view children as ipso facto enhancing the quality of family time.³⁰ Yet raising a child is intrinsically time-intensive, and high wages make it expensive to have many children. Thus, high-earning couples tend to have smaller families than do couples whose time is less costly. Yet high-earning couples also have more income and typically spend more on purchased goods and services for each child. In analogy to the substitution of quality for quantity in family time, this pattern is often described as a trade-off between the quantity and "quality" of children.³¹

Much of the observed decline in American Jewish birth rates is the consequence of this quantity-quality trade-off and is shared by other high-wage American groups. Evidence from the 1990 childbearing histories of American Jewish women of various ages suggests that their birth rates may have stabilized at an average of two children per woman (see Table 4). The exceptional economic circumstances of the forty-five to fifty-nine age cohorts are reflected here by their low rates of childlessness and relatively large number of children, a Jewish "baby boom" in the 1950s that nevertheless raised the average to no more than 2.76 children. In contrast, the average number of children born to Jewish mothers over age sixty-five in 1990 was only 2.25.

While Jewish birth rates have clearly declined over time, family size appears to be

Table 4. Marital Fertility by Age (Born-Jewish Adult Women)

Age in 1990	Childless women (percent of all women)		Ever-married women			
	Never married	Ever married	Age at first marriage (mean)		Children ever born (mean)	
			Childless women	Mothers ^a	All women	Mothers ^a
25-29	39	35	23.5	21.9	0.41	1.59
30-34	24	16	25.6	22.9	1.20	1.99
35-39	11	14	27.7	24.1	1.48	1.99
40-44	12	11	30.2	23.5	1.61	2.08
45-49	8	11	<i>b</i>	21.5	1.89	2.32
50-54	7	9	<i>b</i>	20.6	2.14	2.56
55-59	1	3	<i>b</i>	22.0	2.65	2.76
60-64	3	8	<i>b</i>	21.9	2.17	2.44
≥65	2	11	28.8	23.7	1.98	2.26
All Ages	11	13	26.2	22.9	1.55	2.25

Source: 1990 National Jewish Population Survey, (Jews-by-birth aged twenty-five and older)

^aWomen with children ever born

^bFewer than twelve women in sample

fairly stable in recent decades, averaging about two children per woman. If observed birth rates appear to be somewhat lower than this, much of the difference may be attributable to the patterns of delayed marriage and childbearing that were discussed earlier. For example, the first two columns of Table 4 indicate that fully 24 percent of all adult Jewish women are childless, yet the age distribution suggests that young women may be delaying rather than avoiding motherhood. Similarly, childlessness among married women is partly due to the recentness of their first marriage (at age twenty-six, compared to age twenty-three for women with children) and partly to the relative instability of young marriages, which is itself an incentive to postpone childbearing.

Although high-wage families with few children typically spend more resources per child than their low-wage counterparts, the selection of expenditure patterns will vary with parental goals. As it is the adults who ultimately control a family's resource allocation decisions, it is they who determine the balance between parental sacrifice and self-indulgence within the family. American Jews are typically willing to "sacrifice" their own consumption in favor of their children's health and education.³² Yet both of these items are not just consumption; they are important forms of investment in human capital that may be understood as a bequest, transmitting high-level skills from parents to children. Apart from satisfying parental goals for their children, this understanding of the nature of child "quality" underlies intergenerational stability of the high-wage occupational structure characteristic of American Jewry.

The opportunity cost of a child's time is determined not by his or her current wage rate (which is typically very low or negligible) but rather by the value of his or her investments in human capital. Thus, heavy investments in child "quality" raise the value of children's time relative to that of their parents, providing an incentive for

high-wage Jewish parents to enhance the quality of time for their children. Not only do American Jewish parents hire service providers to relieve their children (and themselves) of household chores, they also spend much of their valuable leisure time enhancing their children's participation in a wide variety of broadly defined educational activities, frequently driving them from one to the other and supporting them in behind-the-scene parent groups.

The high-wage demographic patterns of American Jews (especially the late marriages and small families) also have communal implications. American Jewry is characterized by relatively few children and an unprecedentedly high proportion of never-married adults. Middle-aged Jewish adults are more likely than ever before to be caring for young children, while somewhat older "empty-nesters" (usually the parents of single adults) have emerged as a significant demographic group. The age gap between children and their grandparents is larger than ever before, and while improved health and increased longevity extend the active lifespan of these grandparents, they also increase the cohort of "very aged" Jews.³³

The demographic patterns that emerge as Jewish families adapt to their high-wage economic opportunities further alter the environment in which American Judaism is shaped. For example, Jewish families with only one or two children have a high incidence of same-sex siblings and hence of families with only daughters.³⁴ As these parents seek valid religious expression in the absence of male offspring, they become an important constituency for egalitarianism in all dimensions of American Jewish life. Similarly, the relatively high number of one-child families leads invariably to an increasing proportion of one-grandchild families: that is, of families in which a child has neither siblings, cousins, aunts nor uncles and is the sole descendant of four (presumably doting but inevitably aging) grandparents. Such families become a constituency for revisions in the balance between Jewish home and community, as when unrelated families join forces for a Passover seder, when Shabbat and holiday meals are shared in the synagogue, or when Jewish schools and youth groups organize intergenerational activities with unrelated "grandparents."

Conclusion

The basic approach of this analysis has been to view family and religion as two home-produced goods, potentially interrelated, that require as inputs both time and money. To the extent that high-wage occupations are characteristic of American Jewry, the community is one in which time has a high value and time-intensive consumption patterns are correspondingly costly. This fundamental fact underlies much of the American impulse to innovate new Jewish "traditions," an impulse that often distinguishes contemporary American Jews from both their immigrant forebears and, at least to some extent, from other branches of world Jewry.

The underpinning of the high-wage economic environment of American Jewry is an extremely high level of secular education, a heavy investment in work-related human capital, for both men and women, that for many is an identifying characteristic of this community. This has important implications for American Judaism as well, for while Jewish and secular education must compete with each other for the resources

(especially time) of American youth, complementarities between the two types of education increase the productivity of investments in Jewish human capital. Not surprisingly, American Jewish education tends to focus on skills best suited to a community in which secular skills are high, time is costly and goods are relatively cheap.

As in most communities where high wages are the norm, families tend to be small. American Jews marry relatively late and spend generously on their few children, boys and girls alike. Heavy investments in the health and education of these children are typically a matter of course, an expectation (for both adults and children) associated with the essence of family and communal life. The consequent social and demographic patterns have established themselves as economically successful, intergenerationally stable, and hence enduring characteristics of American Jewish family life.

The high cost of time also underlies some of the apparent paradoxes in American Judaism. If high-wage men and women spend little time at home, they nevertheless devote much attention to their children and invest heavily in family-related skills. If the incentives of educated Jews are unfavorable to traditional religious observance, they nevertheless favor such new forms of Jewish education as the study—in English—of Jewish history, literature and social science. They also favor the development of new adaptations to the economic environment. Thus even as Americans seem to distance themselves from the large families and family-based religious observance associated with their Jewish heritage, they have been prolific in the development of religious institutions and lifestyles that raise the quality of Jewish family life in the United States.

This article has examined some of the ways in which the American Jewish family, and Jewish family life in America, have been influenced by their economic environment. The broad outlines of this economic influence provide a useful perspective on the Jewish family in its American context. This in turn yields insights into the historical process of Jewish assimilation into the high-wage subculture of professionals in the United States. It will presumably also yield insight into the future of world Jewry, as more countries (including Israel) enter the orbit of modern economic development.

Notes

1. Two major new sources of data shed light on the economic transformation of the American Jewish community during the course of the twentieth century. Data on selected economic variables for American Jews and non-Jews, by decade from 1890 to 1990, have been developed from various census and survey sources and are now available for statistical analysis; see Barry R. Chiswick, "The Occupational Attainment of American Jewry, 1890 to 1990: A Preliminary Report" (unpublished manuscript, Nov. 1994). In addition, the *1990 National Jewish Population Survey* (NJPS) contains a wealth of information on the social and demographic characteristics of American Jews in 1990; see Sydney Goldstein, "Profile of American Jewry: Insights from the 1990 National Jewish Population Survey," *American Jewish Yearbook* 92 (New York and Philadelphia: 1992), 77–173. These two complementary sources permit a more complete analysis of the economic transformation of twentieth-century American Jewry. Also see two previous studies by Barry R. Chiswick, "The Labor Market Status of American Jews: Patterns and Determinants," *American Jewish Yearbook* 85 (New York and Philadelphia: 1984), 131–153 and "The Postwar Economy of American Jews," in *Studies in Contemporary Jewry*, vol. 8, *A New Jewry? America Since the Second World War*, ed. Peter Y. Medding (New

York: 1992), 85–101; and Carmel U. Chiswick, “The Economics of American Judaism,” *Shofar* 13, no. 4 (1995), 1–19.

2. *Ibid.* (Carmel U. Chiswick).

3. Some people do not view family life as desirable, just as there are some people who do not like ice cream. Since their presence in the American Jewish community does not affect the present analysis, this group will be ignored here.

4. One implication of this approach is a blurring of the distinction between production and consumption for self-produced goods. Indeed, the general topic is sometimes referred to as “production in consumption.”

5. See, for example, Gary S. Becker, *A Treatise on the Family* (Cambridge, Mass: 1981); and T. Paul Schultz, “Symposium on Investments in Women’s Human Capital and Development,” *Journal of Human Resources* 28 (1993), 689–974.

6. See Becker, *A Treatise on the Family*.

7. See Corry Azzi and Ronald Ehrenberg, “Household Allocation of Time and Church Attendance,” *Journal of Political Economy* 83 (1975), 27–56; Laurence R. Iannaccone, “A Formal Model of Church and Sect,” *American Journal of Sociology* 94 (suppl.), S241–S268; and Chiswick, “Economics of American Judaism.”

8. For example, if two equally productive people agree to specialize, one in market work and the other in home production, and each invests in skills best suited to their respective job, their productivity would then differ in each type of work.

9. See Chiswick, “Economics of American Judaism.”

10. Although Jewish women often withdrew from the labor force during the first half of the twentieth century, they increasingly entered (often as volunteers) the educational and communal occupations that Jewish men were leaving for more lucrative activities. Their high time-value behavior reflected the importance placed on these activities by American Jews.

11. See Jenna Weissman Joselit, *The Wonders of America: Reinventing Jewish Culture, 1880–1950* (New York: 1994).

12. These skills are commonly referred to in the literature (primarily on the economics of marriage and divorce) as “marriage-specific,” to distinguish them from “market-specific” skills. Since the marriage relationship is only one aspect of family life, however, they will be referred to here as “family-specific” skills.

13. Other efficiencies associated with marriage result from economies of scale; for example, housing or meals may be less expensive (per person) if shared. Gains of this sort tend not to be family-specific in that they are observed both before and after a divorce-and-remarriage sequence. Indeed, many of these gains are enjoyed by roommates or various other group living units and are not unique to the family per se.

14. See Carmel U. Chiswick and Evelyn L. Lehrer, “Religious Inter-marriage: An Economic Perspective,” *Contemporary Jewry* 12 (Jerusalem: 1992), 21–34.

15. See Robert T. Michael, “Education in Nonmarket Production,” *Journal of Political Economy* 83 (1973), 306–327.

16. See Chiswick, “Economics of American Judaism,” and Joselit, *Wonders of America*.

17. See Azzi and Ehrenberg, “Household Allocation of Time and Church Attendance,” and Laurence R. Iannaccone, “Religious Practice: A Human Capital Approach,” *Journal of the Scientific Study of Religion* 29 (1990), 297–314.

18. Jack Wertheimer documents this tendency in his excellent discussion of “Popular Religion: Apathy and Renewal” in his *A People Divided: Judaism in Contemporary America* (New York: 1993), ch. 6.

19. Following economic incentives that led them to focus on secular achievement, many American Jewish immigrants made relatively small investments in their children’s Jewish education. Moreover, the Jewish skills acquired by these children were often imperfectly adapted to the high-schooling, high-wage suburban environment in which they would find themselves as adults. See Carmel U. Chiswick, “The Economics of Immigrant Religion: American Judaism as a Case Study,” *Papers in Jewish Demography* 1997 (forthcoming).

20. This pattern is generally shared by all high-wage American religious and ethnic groups. It has been documented for American Jews by data from the 1990 NJPS.

21. This discussion of the economics of marriage and family is based on a vast literature. The theory is concisely and elegantly presented in Becker's *Treatise on the Family*, which includes an extensive bibliography, and has been applied elsewhere by many researchers (see, for example, Chiswick and Lehrer, "Religious Inter-marriage"; and Evelyn L. Lehrer and Carmel U. Chiswick, "Religion as a Determinant of Marital Stability," *Demography* 30, no. 3 [1993], 385–404).

22. This occurs because a person with higher levels of any attractive characteristic (for example, schooling) is more likely to be accepted by a "better" potential partner and is thus more likely to benefit from additional search. It follows that he or she is less likely to agree to marry a partner with less attractive characteristics.

23. See Becker, *A Treatise on the Family*.

24. See Dean M. Kelley, *Why Conservative Churches are Growing: A Study in Sociology of Religion* (New York: 1972).

25. The fraction of American Jews raised as Orthodox is substantially higher than the fraction currently identifying as such. This oft-noted "denominational drift" is a consequence of the economic assimilation of immigrants as well as the growth of non-Orthodox American synagogue movements.

26. As the movement most hospitable to those who view themselves as Jewishly "marginal" (for whatever reason), outmarried Jews are most likely to be affiliated with Reform synagogues.

27. Sexual maturity is not subject to the same economic incentives as marriage and family formation, leading to a potential difficulty among young adults. One "solution" is a pattern of informal marriage (cohabitation) among young adults prior to formal marriage with a life partner. Another is a serial marriage pattern where an early pairing (preferably childless) is followed by divorce and subsequent remarriage in a more enduring relationship.

28. The mean age of first marriage reported in Table 3 is slightly lower than this because incomplete marital histories, especially in the youngest cohorts, exclude many who will marry later.

29. Higher rates of being currently married among men over age fifty-five reflect the longer life expectancy of Jewish women, among whom the incidence of widowhood increases correspondingly in older cohorts.

30. This perception is not specific to Jews but rather a generally shared value for nearly every society. Judaism reinforces the desire for children with its emphasis on parent-child relationships, both in specific religious observances and in an obligation to contribute to inter-generational communal survival.

31. The term "child quality" is conventional in the literature, although perhaps unfortunate since it refers not so much to the child as to parental aspirations for the child. The presumption is that parents allocate family resources to their children's consumption precisely because they view such expenditures as quality-enhancing.

32. Emphasis on education is not unique to Jews, but neither is it universal among high-wage groups. Some groups, for example, tend to place a greater value on attending a socially prestigious college than on education per se. Others place more emphasis on opportunities for their children to have "fun," to lead a fashionable lifestyle or to carry on a family business.

33. The emerging phenomenon of four-generation families is also of some importance. Four-generation families arise from the juxtaposition of longer life expectancy with relatively early childbearing for two or more generations of women, a condition that characterized the somewhat exceptional "baby-boom" cohorts and their mothers. Thus, the four-generation Jewish family should probably be viewed as a delayed consequence of the transition to later childbearing rather than as an enduring feature of the American Jewish family.

34. An equal probability for each sex implies that exclusively female children can be expected in 50 percent of the one-child families, 25 percent of the two-child families, and 13 percent of the three-child families. To understand the implications of this, consider that most American Jewish families have two children and that most of the remaining families have only one child. This means that all-daughter families are somewhere between 25 and 50 percent of the total, tending toward the higher end of this range as the incidence of one-child families becomes greater.