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VAETHANAN

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**Editors' Note: This week, we are proud to feature a series of pieces on Jewish education, including student voices, as well as a range of perspectives on how to best ensure Jewish day schools' sustainability.**

**TEACHING TALMUD IN THE 21ST CENTURY:  
A STUDENT VOICE**

**DAN JUTAN, DOV GREENWOOD, and MEIR KERZNER** study at Georgia Tech, Yale, and Columbia, respectively.

**Preface**

**W**e would like to begin by expressing our profound gratitude for the educational institutions that have brought us to this point. All three of us share a debt of gratitude to Yeshivat Har Etzion, where we studied during our gap year in 5778; and, of course, we'd like to thank our high schools—Frisch, Koholet, and Atlanta Jewish Academy. This essay owes its existence to the fantastic educators and thought-provoking ideas they have exposed us to over the past six years.

Esteemed educators have recently taken to the pages of the *Lehrhaus* to discuss the foundations of our educational system, from its ideologies to its methodologies. As Rabbi Jay Goldmintz notes in his [recent article](#), educators, if they are interested in understanding their students' needs, "are left with the unscientific option of actually asking our students." We hope that we can provide this voice from our shared, but variegated, experiences—while the memories are still fresh in our minds, but with the hindsight to judge them critically.

Our collective reflections on our high school years lead us to join the conversation begun in the previous *Lehrhaus* pieces on the topic of Modern Orthodox high school curricula. We do so not to challenge the authority of our generation's educators; rather we wish to enrich the dialogue pertaining to these issues by sharing the often unheard student voice, with the hope that further voices will follow suit.

In particular, we notice that Modern Orthodox schools see it as their mission to achieve two primary goals. One, as presented by Rabbi David Stein in his [recent article](#), is to use the curriculum as a vehicle through which to clarify Modern Orthodox ideology, and to thereby model the proper balance between traditional Judaism and modernity. Two, as presented by [Rabbi Herschel Grossman](#), is to induce students to view Talmud study as a religiously significant and all-encompassing pursuit, and that they eventually come to love the Talmud in a qualitatively different manner than, say, math or English literature.

We will instead propose that schools should not prioritize these lofty tasks. With regard to the former, the student must strike his or her personal *Torah u-Madda* balance; the "right" approach cannot be prescribed. As for the latter, investing a disproportionate number of curricular hours into Talmud study has yet to reliably induce such an epiphany in most students. The very fact that articles continue to be penned addressing the modern "Talmud crisis" signal that we must reassess what schools can and cannot accomplish with respect to Talmud study. While we concede that students can learn to extract meaning from the Talmud, we believe that we must abandon the long-held hope, championed by Rabbi Grossman, that a well-designed Talmud experience alone can bring the average student to love Torah.

**Toward a Non-Prescriptive Modern Orthodox Ideology**

*I entered high school barely knowing what Modern Orthodoxy was, let alone identifying with it. Yet what reassured me of Modern Orthodoxy's legitimacy was not a formal explication of the ideology, but rather my Gemara teacher's personal example. During those formative years, he helped me see my engagement with Talmud Torah as part of a rigorous, dynamic tradition, one that I could identify with. Meanwhile, a cursory glance at his office bookshelf, combining as it did the classic works of Torah and Western literature, convinced me that here was a scholar committed to seeking out the truth, wherever it may be found. (Meir)*

This seemingly effortless transmission of Modern Orthodoxy's core values—a passion for Torah and a deep familiarity with general wisdom—seems almost too good to be true. As Rabbi David Stein notes, the fate of Modern Orthodoxy seems to hang in the balance: Modern Orthodoxy has, until now, failed to express to its students the “dynamic tension” that lies at its heart.<sup>1</sup> Some students do encounter pedagogues who render them speechless and draw them down the path of Modern Orthodoxy, instilling in them an inherent understanding of this “dynamic tension.” But not all teachers exude such a presence; Modern Orthodoxy *must*, he asserts, articulately transmit its ideals and values in order to survive. If the teacher cannot act as its mouthpiece, then the curriculum must pick up the slack.

There is something troubling about this insistence that schools act as “the vehicles for inculcating our communal values and ideological worldview... articulating ways in which [the values in our world and in our tradition] can be balanced,” without which “our schools will cease to be relevant.” In a similar vein, we are troubled by Rabbi Herschel Grossman's insistence that the proper environment for learning Torah is one in which “the Rebbe must be a voice of authority. Democratic principles are wonderful tools for a lively and engaging classroom experience, but they can never capture the true flavor of *Torah mi-Sinai*.” While these ideals lead the two authors to radically different conclusions, they share a basic premise: a proper Jewish education cannot simply convey information and values—it must transmit a holistic worldview. It follows, then, that a student must emerge from high school steeped in a particular ideology, armed with a framework to assimilate the ideas they encounter into their personal identities—in a particular way.

The problem with this approach is that it constricts the range of acceptable approaches to Judaism. Fundamentally, the balance of Torah and modernity in a person's life is shaped by emotion and experience, not just intellect; a person can be taught values, but cannot be taught *how* to value something. Great educators demonstrate their own balance by example, and sometimes influence their students to follow in their paths, but transforming a way of life into an ideology damages the educational system as well as the student. Too often, both in the Modern Orthodox educational system and our personal lives, we view Judaism as a chemical mixture that will implode if too much of one ingredient is added; in the face of such fear, we feel compelled to instill an overarching ideology, a “one-size-fits-all” solution, as it were. But in reality, only the student can discover this balance. The motto of Modern Orthodoxy is “*Torah u-Madda*”—not “64% Torah, 32% Madda, and 4% for you to figure out on your own.”

Living as a Jew in the modern world requires careful thought and a recognition of tensions and priorities. The solution, however, cannot be to idealize a certain balance that students often do not buy into. And while educators might respond that this will lead to students being unable to define Modern Orthodoxy, our experience is that this vagueness, and the room for self-expression it provides, is precisely the beauty of Modern Orthodoxy. We acknowledge from the outset that there exists a variety of equally valid ways to experience the

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<sup>1</sup> Although this worry may be overstated; see Rabbi Zvi Grumet's study of Yeshiva High School graduates, in which 61% responded that they continue to identify as Modern Orthodox, and 84% of respondents overall identified themselves as Orthodox.

world as a Torah-committed Jew. The question then becomes how we may best lay a sturdy foundation that prepares high school students to confront this plurality of perspectives as they begin their lives.

### Embracing a Broader Curriculum

*There is a certain irony to seeing all of my friends put so much effort into preparing for their behinot. Double-period Talmud has, after all, become a phrase imbued with disappointment and groans; students breathe a sigh of relief when one of those periods is replaced with school-wide programming. Yet, while we dread the five hours of Talmud study a week, we prepare intensely in order to ensure that, next year, we will be able to study it for five hours a day. We don't know why we want this—it is a contradiction that drives right to our cores. We have some sort of intuition that, after our gap year, something will change. Something: either us, or the Talmud itself. (Dov)*

Why do students emerge from *yeshivah* and *midrashah* suddenly able to appreciate the Jewish canon? This is the key question. The very heart of Orthodox Judaism lies in our reverence for our sacred texts, from which we draw our wisdom, values, and guidance. Rabbi Goldmintz begins his essay by asking how we can impart to students how studying Talmud and Tanakh is “different from studying for any other subject.” Similarly, in his [2017 Lehrhaus essay](#), Rabbi David Stein is troubled by a day school principal who pessimistically remarks, “we know our students aren't going to care about learning gemara here.”

We must first acknowledge that this issue—that students do not find the Talmud, as a text, to be something worthy of reverence and love—is different from the issue of students finding meaning in a particular *sugyah*. We must distinguish between two pedagogical goals: on the one hand, enabling a student to find meaning in a text and, on the other hand, helping the student to imbue the text itself with meaning. Put differently, “How can I help my students find meaning in this *sugyah*?” and “How can I get my students to love Gemara?” are distinct questions with distinct answers. With regard to the former, there have been different answers proposed in this forum; but with regard to the latter, it may be that this is an issue that cannot be dealt with at the high school level. Indeed, focusing on this issue may come at the expense of a richer Judaic studies curriculum.

Imbuing a text with meaning—forming a deep, personal relationship with the text<sup>2</sup>—is, in a certain sense, a return to an uncomfortably non-rationalistic understanding of the power of our sacred texts. It is to suggest that Tanakh may not be the greatest compendium of literature ever composed, that there exist intellectual challenges more stimulating than the Talmud, that Maimonides was not the ultimate philosopher. “Woe to that man who says that the Torah comes to teach mere stories and plain words, for if so, even in our

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<sup>2</sup> Martin Buber, in *I and Thou*, asserts that we can relate to texts and art not as “it”s but as “Thou”s—the same way we relate to other human beings—by discovering in them an access point to the “eternal Thou,” God. This the type of relationship with our Sacred Texts that lovers of Talmud Torah find themselves in, which is so difficult to communicate to students in the classroom setting.

day we could write a Torah of plain words—that are even more beautiful than those of the Torah!”<sup>3</sup>

Students cannot be awakened to the uniqueness of these texts—cannot understand why these should be cherished and revered above all others—without a *transformative experience*,<sup>4</sup> one that not only invariably changes the individual, but also his or her relationship to *sifrei kodesh*. This is something that high schools are simply unsuited to do—and it is not something to strive for, as it is not their purpose. It is rather the purpose of *midrashot* and *yeshivot* (the transformative gap year) to grant students the ability to imbue texts with meaning.<sup>5</sup>

Giving up on resolving this issue in high school does not stem from any cynicism, but from hope. *Of course* Talmud study in high school is of the utmost importance, as is study of Tanakh and other sacred texts. But we must realize that the role of the high school Talmud educator is akin to the role of the Tanakh educator: to allow students to find meaning in and be excited by their studies so that, if the students cannot yet love the Talmud, they can at least love Talmud class. In such a case, there is no “one-size-fits-all” approach to teaching Talmud; educators can best distill the messages that they themselves have discovered in the text.

If this is the purpose of the high school Talmud curriculum, then it follows that Talmud class deserves the same emphasis as other Judaic studies classes, not more. Dedicating to Talmud double the number of curricular hours that we dedicate to other classes is the pursuit of a futile endeavor at best, and raises the ire of students at worst.<sup>6</sup> Cutting down the amount of time dedicated to Talmud class could foster greater student enjoyment and excitement, at the level that can be expected of a high schooler—a student who has not yet gone through the transformative experience of a gap year program, but can nevertheless enjoy a class if it is taught in a way that respects her or his individuality and values.

Additionally, it is worth noting the multiplicity of goals that recent Lehrhaus writers expect to achieve through Talmud study: the *sugyah* can act as a vehicle for transmitting “accompanying underlying values... contemporary values... an underlying appreciation of the marriage relationship... [and] ongoing underlying spiritual concerns as well” (Goldmintz); overall, study should “attach [students] to this unbroken chain from Sinai” (Grossman); and class should help students determine “how the Talmud informs their sense of Jewish citizenship” (Tikvah Wiener).

These important goals might best be actualized not by using the Talmud as a vehicle, but by directly addressing these subjects in their

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<sup>3</sup> *Zohar*, Beha’alotkha 152a.

<sup>4</sup> For more information on the particular type of “transformative experience” we are writing about, see *Transformative Experience* by L.A. Paul, page 16.

<sup>5</sup> For an interesting description of this experience, see *Keter Shem Tov*, 161-162.

<sup>6</sup> Modern Orthodoxy has always occupied the uncomfortable position of needing to justify itself, to convince the rest of the Orthodox world—and itself—that it truly is possible to accept modernity without sacrificing any Orthodoxy; it is guilt, not aspiration, that compels us to shape our curriculum in this way.

own topically-focused classes. We can say from experience that we emerged from high school with little understanding of *Mahashava*, *Hashkafa*, and an understanding of *Torah she-Ba’al Peh*—even though these subjects were touched upon in Talmud, *Humash*, and *Nakh* classes. Newly freed curricular hours could go towards classes that discuss these subjects directly, using the range of Jewish texts from over 3000 years of history. Further, the students could be given a choice as to which areas they invest their focus in, encouraging meaning-making by allowing students to follow their passions. (We have personally been impacted by initiatives that allowed us to explore our interests, like the Tikvah integrated Jewish philosophy and American literature course at Kohelet; as well as to pursue our passions in the context of Torah, in the form of a student-initiated *devar Torah* video project at Atlanta Jewish Academy.<sup>7</sup>)

While one might claim that our proposal to reduce the curricular hours devoted to Talmud would prove detrimental for Talmud-oriented students, we would hope that schools would continue to provide resources for students who are already passionate about Talmud, either by virtue of entering high school with extensive prior exposure or, better yet, through being engaged by their Talmud classes. For example, these opportunities might take the form of after-school learning programming, incentivized participation in national Talmud competitions like the Yeshiva University high school *Bekiut* Program, or perhaps even more advanced Talmud tracks that would emphasize independent *hevrutah* learning and encourage students to produce their own Talmud-centered projects. These Talmud enrichment opportunities would carry the additional benefit of better preparing students to excel in their gap-year learning programs and beyond.

### A Pedagogy of Meaning

While thinkers like Rabbi David Stein propose that Modern Orthodox education serves to clarify its ideological platform, we believe that Modern Orthodox schools must prioritize students’ needs. Rabbi Stein wants to “instill and inspire Modern Orthodox identities”; he wants to produce committed Modern Orthodox Jews that reflect, clarify, and bolster the Modern Orthodox platform (Stein). We simply propose that, in principle, schools should focus on inspiring passion and commitment rather than instilling polished Modern Orthodox values. Nor will a cookie-cutter approach work. A student needs to be approached on a personal level; she needs to feel that her personal search for meaning matters.

Teaching should involve a teacher-student relationship, and the student should be the center of the teaching, not the subject matter<sup>8</sup>. As Jay Goldmintz aptly points out: “We must ask ourselves... What is it that our students need and want at this particular point in time and place?”

“If Modern Orthodox day school education does not sufficiently foster deeply integrated Modern Orthodox identities among its students,” claims Stein, “then our schools will cease to be relevant,

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<sup>7</sup> The following is a link to our final, summative (live) video <https://www.youtube.com/watch?v=ExMK5wt2mhA>.

<sup>8</sup> Thanks to experienced headmaster Rabbi Lee Buckman for sharing these points with us, as well as the point that students should be given choice and that Torah education should encourage meaning-making through making connections. Thanks also to his influence on my (Dan’s) Torah education as headmaster of Greenfield Hebrew Academy and his mentorship beyond.

especially in a world of rising tuition costs.” A school that suits the needs of its students never ceases to be relevant. While Stein insists that we construct a sharp, specific definition for Modern Orthodoxy, one characterized by “dynamic tension,” we suggest that it is precisely its capacity to harmoniously welcome a variety of hashkafic approaches that make our schools so relevant. We should not demand that educators adhere to a narrow philosophy. What our schools need is educators who can anticipate the needs of the next generation—those that can select, with erudition and care, from a broad set of Modern Orthodox approaches to appeal to each student.

Modern Orthodoxy is not a formulaically prescribed, unendingly tense balance of ideas, but rather a plurality of approaches to the issue of Judaism and modernity that together constitute an ideological spectrum. Rather than unilaterally favoring one such balance for our students, we should focus on what thinkers like Hirsch, Soloveitchik, Lamm, Berkovitz, and Lichtenstein all had in common: the value of *Torah u-Madda*. From there, we should seek to inspire students to see themselves in the text, embrace their role in the Jewish story that continues to be written, and see themselves as its writers. The story takes on meaning when we are taught to *give* it meaning, each in our personal way.

## TO LOWER TUITION COSTS, STOP DONATING TO SCHOOLS AND START A BANK

**HILLEL DAVID RAPP is the Director of Education at Bnei Akiva Schools of Toronto.**

A popular narrative in the Jewish Day School community considers affordability to be the most critical problem facing Jewish education, perhaps even the Jewish future, in the diaspora. It is also likely that more philanthropic money currently flows into Jewish schools than at any point since the Day School movement began. At the same time, cost increases continue to outpace inflation and earnings, with no end in sight. Why is that?

I don't think the answer is complex. Donors have, by and large, not been giving money to make Jewish education more affordable. While a lot of money has certainly been invested in Jewish schools, that is entirely different from investing in affordability. Even when money is given directly to scholarships and financial aid, the impact on affordability is negligible at best, counterproductive at worst. To be clear, scholarships and financial aid do a lot to help individual families afford a Jewish school. Without the subsidies provided by schools, many, if not most, families would not be able to provide their children a Jewish education. But this is an investment in Jewish families, not in providing a sustainable way to deliver affordable Jewish education for everyone.

The problem of affordability is not any individual school's problem as much as it is a market problem. The rising price for Jewish education across all schools seems to signal that the average consumer of Jewish education desires the increased value he is getting and is willing to pay for it. Yet our Shabbat table conversations hardly reflect this reality. People seem more frustrated than ever with the increased financial burden of paying for Jewish school. It seems, then, that the current price of Jewish education is artificially inflated through, often heroic, fundraising efforts by schools that results in using a steady stream of subsidy dollars to sustain a high-cost model.

When price in a market is not signaling the interests of the actual end user of the product, that market is likely to contain misaligned incentives. That is the problem with our current model.

Consider how our schools have evolved in the last two decades to invest significant resources into fundraising. This effort sustains rising costs while also allowing schools to avoid the most significant economic motivator to lower costs - falling revenue. Subsidies help many Jewish families afford a Jewish education. They also provide perverse incentives. Instead of feeling the push to lower costs, schools feel the push to raise more money to cover rising costs.

So the cycle goes something like this: “It costs more to run our school than our customers can pay so we better raise money. In order to raise money, our school needs to showcase the best overall program to compete for our community's philanthropic resources. Therefore, we need to expand our program which, in turn, raises our costs and requires us to increase our fundraising to cover those costs.” Fundraising, after all, is a bonus-based business model. Either implicitly or explicitly, fundraising is the easiest decision for a school board to justify and to continually invest more in the people who can perpetually raise more. The cycle continues to incentivize increased expansion and spending.

There is no doubt that expanding what a school can offer often has real educational value that serves our community well. But the system is creating a feedback loop where, as long as there is a donor to cover the shortfall, no one is all that motivated to think about how to get great results while lowering costs. As an example, some schools hire fancy PR teams and professional party planners for Open Houses to best showcase their product. What competitive spirit drives this type of agenda? Are they competing for the business of the average customer who wants the best education at the lowest cost or are they competing for business of donors who want to support a thriving school? There is an honorable purpose in the latter, but it is not going to help affordability and sustainability. Philanthropy can save Jewish education, but only when philanthropists stop giving money to Jewish schools.

Yet another bad incentive occurs when families consider applying for financial assistance. Many Day School families would prefer a lower price. Some of those families might welcome experimentation in educational delivery, reassessing administrative structures or even scaling back on certain resources, if it meant a more affordable product. But they don't have that option because school boards, which set budgets, are generally risk averse. After all, boards are typically comprised of donors and those community members in the strongest financial position whose incentives are generally to preserve and protect the structures in place, even at an inflated cost. Misaligned incentives again.

Philanthropic support for Jewish education, so much as it wants to address affordability, would be best served by working to realign the current incentive structure. The best way I can see to accomplish that is to stop giving money to Jewish schools. Let schools operate like any business and receive direct data from their end users via the most relevant economic signal - price. In a non-subsidized market, if there is demand for a no-frills education, a school will find a way to provide a no-frills education at a no-frills price. If there is demand for a luxury education, another school will provide the luxury education at a luxury price. But the school that can provide the best possible education at the lowest possible price will corner the market. While some ideas for cost reductions have been offered and tried, most schools have not yet had any real incentive to invest in what's been

suggested or build on what's been tried.<sup>9</sup> Getting schools out of the subsidy business will encourage greater innovation and serve to realign incentives so that the school and educational consumer (Jewish families) share the same goal.

If schools stop providing subsidies the burden to provide financial aid for those in need will shift as the donations that used to go directly to Jewish schools are available to be allocated elsewhere. This will also allow those seeking to address affordability to do so using a better economic model for the redistribution of resources - banking. Perhaps more suitably, we should call this *philanthropic banking*. Consider an independent financial organization, or a number of organizations, free to operate with greater flexibility than individual schools to provide a variety of financial aid possibilities. Everything from subsidized loans to collateralized lines of credit to need-based scholarships to alternative investments can all be structured and offered by what is effectively a bank. It will be designed with the primary purpose of assessing the available resources against the financial situation of those seeking assistance. This "bank" will be better equipped to consider applications and implement new ideas for funding, and can be seen as far more independent than the average tuition committee. The bank will also have a real incentive to maximize its communal reach by keeping its per-student costs low, operating in tandem with the desires of the average consumer of Jewish education and pushing schools to provide the best possible product at the lowest cost.

It's also important to recognize that this suggestion, if adopted on any large scale, seems likely to shed some additional light on certain economic disparities within the Jewish Day School community. One could imagine that different schools within one community offering vastly different products can lead to a sharpening of the lines between the wealthy and the middle class. This is a possibility, but I don't think it is likely. For one, Jewish Day Schools are fed by relatively small homogeneous communities that are connected across socio-economic positions in various ways, including shared values, shuls, and friendships. In addition, we are at a point where a majority of families are struggling in some way to afford tuition, and that is true for many of those paying full tuition as well. If there is an equal or better product for a lower price, that should garner significant interest from a broad group. Let's face it, a Jewish family with four kids earning \$400,000 a year is likely still interested in a cheaper school, so that makes for a pretty large consumer group that is incentivized to innovate toward cost savings. Besides, if super wealthy families were going to create a high priced luxury school, it likely would have happened already.

Get the incentives right and nearly every school will be attempting to innovate toward cost savings without sacrificing quality, or they will risk losing customers to a school that can. This should result in a better, cheaper product for everyone. Transparent pricing and consumer freedom have always been the essential ingredients for innovation that serves consumers. Right now, Jewish education lacks transparent pricing and consumer freedom. So wouldn't it be best to allow consumers the freedom to use their individual preferences in price point to drive a better outcome for more people? Doesn't it make more sense to have school leadership focused on producing a great education at a lower cost instead of focusing on raising money for a great education at a higher cost?

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<sup>9</sup> See [Yeshivat He'Atid](#) or [Adraba](#) for cost saving models currently in use. Also see my [previous article](#) for an alternative model.

There is much to be gained from philanthropic investments in Jewish education, from promoting a particular educational ideology to generating influence within the institutions that shape our future. But if the goal in giving is to facilitate the most broadly accessible, and best possible, Jewish education, then the best idea is not to donate to a Jewish school. Start a philanthropic bank and give it directly to the consumer instead.

## WILL DAY SCHOOL BE AFFORDABLE AGAIN?

**RAFI EIS is Executive Director at the Herzl Institute.**

### Introduction

In the decade since the Great Recession brought the day school affordability crisis front and center, we are nowhere near solving it. While some schools froze tuition for a few years, only one school significantly lowered its tuition. Every other school increased its tuition. Will we be able to solve the affordability crisis?

This distressing topic however, can't undermine our primary principles. Oscar Wilde famously defined a cynic as 'a man who knows the price of everything and the value of nothing.' Similarly, when discussing the distressing topic of the high cost of Jewish day school, it becomes too easy to think that the whole Jewish day school endeavor costs too much. No matter the cost of Jewish day school, however, it is worth the price. No other institutional Jewish experience has anywhere near the same level of teaching, inspiring, and forming the next generation of committed Jews. [Dr. Jack Wertheimer's exhaustive study](#) proves it. These formative years [require the unique environment of Jewish day school](#). Literally, [Jewish day school is invaluable](#).

### The Rise of Tuition

In 1995, the average annual K-12 Jewish day school tuition was \$5,700, which would be \$9,100 today when adjusted for inflation. But other than [most yeshivish and Hasidic schools](#), which have kept pace with inflation, day schools have generally doubled or tripled tuition! Why has tuition grown far faster than inflation?

At the most basic level, we grossly underfunded Jewish day schools in 1995. At that time, New York and New Jersey spent [\\$9,000 per public school student](#), which is 45% more than the \$5,700 previously mentioned! This discrepancy in funding becomes more pronounced when we realize that Jewish day school provides a dual curriculum with at least a 20% longer day and sometimes 50% longer, depending on age level and school type. [The Avi Chai report from the mid-1990s](#) decries the woeful state of school financing and the report's primary medium-term goal is to infuse the day school system with additional funds. That has now been accomplished.

Already in the year 2000, [Dr. Wertheimer writes](#) about the substantial new investment in Jewish education and that it then cost \$10,000 to educate a day school student. To understand the current cost of Jewish day school, we need to put it in context. [New York](#) and [New Jersey](#) currently spend more than \$18,000 per pupil in public school. With its dual curriculum program, a day school tuition in the New York metropolitan area which is in the mid-\$20,000 range is proportional with the geographic K-12 education industry. We are using the data for the New York metropolitan area, which has the highest geographic concentration of schools, but fully understand that the affordability crisis applies to day school families

nationally. The context of day school affordability must begin by comparing the local day school tuition with the [state's public school cost per student](#).

The above history does not make day school affordable. Too often, however, people complain about the cost of day school without an appreciation of what their children are receiving. Solving the affordability crisis requires an understanding of school costs and revenues. Both of those likely need to change to make day school affordable again. To do this, we need to understand the reason for the increased costs.

### *#1: Schools are Better*

Jewish day schools have gotten more expensive because they have also gotten a lot better. Schools offer much more individualized attention and opportunities through a wider range of course offerings, which means more teachers and smaller class sizes. An AP Calculus BC course or an advanced Talmud track, for example, only enroll a handful of academically elite students. Schools also provide more robust services for students with additional learning, organizational, or behavioral needs. To provide these opportunities and support, school personnel are now far more credentialed, with a much higher percentage having a Masters' degree or PhD. Previously, much of the learning support staff acted as tutors by filling in the gaps in student knowledge and skill; now they tend to be trained specialists who can also address the underlying language acquisition and organizational issues. Many schools also employ full time mental health professionals.

Beyond classroom learning, schools also place great value on informal education like *Shabbatonim*, clubs, contests like color war, and increased competitive sports with destination tournaments. [Some schools also offer adult education](#) programs to bring parents and children together in a holistic way. For the stage after high school, schools offer robust college guidance and Israel guidance departments. These courses, programs, and services require expert staff.

All these additions also require greater direction, organization, alignment, and oversight. Schools have therefore hired more administrators to ensure that the right courses are being offered, are being implemented properly, do not conflict with other school offerings, and that the correct students are being properly serviced by these programs. Alongside increased individualized programs, parents also need personal guidance as to which programs and courses are best for their child. A basic principle of management is that the more an organization does, the more effort it must make to do it properly, including schools.

Twenty five years ago, Jewish schools fit into the parochial school model. As the overall day school community became wealthier and raised its expectations from schools, the schools instituted more robust programs—APs and course electives, informal education, clubs, sports teams, destination sports tournaments, college and Israel advising departments—and have entered the category of the independent school.

### *#2: Respectable Teacher Compensation*

Growing up in the 1980s, my image of a Jewish day school teacher was of them driving around in a beat-up station wagon. [Reports](#) have their salaries in the \$20,000 range with minimal benefits. That would be less than \$35,000 in 2018. While we do not have public

data about teachers' wages over the past three decades, anecdotally, teachers now live much more respectably. They live in the communities they serve and they drive new-ish minivans. Simply put, schools have gotten more expensive because instead of being paid on the low economic end, teachers are now paid a middle-class salary, competing with the [market rate for excellent teachers in that area](#).

Accompanying the rise in teacher salary is the offering of health and retirement benefits to teachers, which schools anticipated would add about 5% to their budget. Pension costs are capped and matched to employee contribution. That has therefore stayed the same and probably makes up 2% of a school's budget. Health insurance premiums, on the other hand, correlate with our healthcare costs which [have risen over 170%](#) between 2000 and 2018! While we now know the increased cost of health insurance, schools did not anticipate this level of increase when they offered the benefit. This probably added an additional, unanticipated 10% to a school's budget. It should be noted, that the Affordable Care Act, as of 2016, mandates schools with over 50 full time employees to offer health insurance.

### *# 3: Industry Trends*

Jewish day schools are part of the education industry and are impacted by the trends of the industry. If we would adjust NY/NJ per student spending from 1995, NY/NJ spending should be around \$14,400, yet it is over \$18,000. [The increased cost of university](#) has [far](#) outpaced inflation. Many of these costs stem from the additional staff and services described above, but it also includes improvements to physical plants and increasing technology expenditures. In other words, the cost of all education has greatly exceeded inflation.

### *#4: Stagnant US Salaries*

While the costs of day school have been rising significantly, the salary of the average parent has not risen in parallel. While [salaries rose in the 1990s, since 2000](#) they have either stagnated or risen modestly, aside from the top 1%. The [median salary just rose above](#) its level in 2000. School budgets in, say, 2003 assumed rising wages like in the 1990s, even though that was no longer the case. Even moderate tuition increases of 3% per year makes day school unaffordable if wages stay the same.

The expenditures enumerated above explain the major rise of school tuition, as staff salaries and benefits make up about 75-80% of a school's budget. With tuition being the primary and most stable revenue source of a school, schools collect these costs through tuition.

### **Where Do We Go From Here?**

On the one hand, defining affordable day school can seem like a purely financial question about the relationship of family income, average family size, and the cost of day school. On the other hand, this can be hard to define since priority of values and other lifestyle choices—type of house and neighborhood, automobiles (number and vehicle type), travel, summer camp, and food all impact a family's perception of their economic needs. Each family will answer these questions differently, especially since the [cost of day school has led to more people entering high earning careers](#), with their immense time commitment and stress. As an example, a person stated to me that day school should be affordable enough to allow for an annual family vacation.

As the median salary is basically at 2000 levels and the upper middle class salary is moderately higher, we will define affordable tuition at an average of around \$14,000, since that is basically the per child expenditure in 2000 adjusted for inflation. To reiterate, this is currently less than New York and New Jersey's cost per student for a single curriculum education.

The above factors apply to every day school with an affordability crisis. The impact of each factor will differ based on location and each community will define affordable tuition based on local income levels and cost of living. Housing costs and quality of life are different, as are [competitive teacher salaries](#). A state's cost per student is easily [found online](#). If a day school's tuition is proportionate with the local public school's spending per student, then only the solutions below will make the day school affordable, not "cutting waste" or "lowering costs."

How do we get back to affordability while still compensating teachers in a respectable manner and without sacrificing attention to students with individual needs? It is easy to discuss these three issues [in isolation](#), but any proposed solution will have to address them together.

Obviously, there are two ways to make day school more affordable: by reducing expenses and increasing non-tuition revenue.

### **Reducing Expenses**

#### *#1: Going Back in Time?*

While it is critical to understand how we got here, the way down from high tuition is not necessarily to reverse our steps and become a parochial school again. Yeshivish and Hasidic schools have lower tuition because their costs are lower. They compensate their [teachers poorly](#), have a high student-teacher ratio with fewer course options, and [have much less individualized support](#). Their parochial school models stem from their communities' expectations and quality of life. We cannot so easily mimic their low cost.

Schools, however, could instill more discipline in their budgeting process by incorporating [Zero Based Budgeting](#), which assumes zero dollars in expenses and then each budget line item needs to be justified as if it were a new addition in each year. This prevents accepting the previous year's expenditures as a basis for the next year's budget, which leads to increased costs, by grandfathering in old costs.

#### *#2: Paying off the Mortgage and Other Non-staff Efficiencies*

In general, day schools have little waste, especially when looked at as a per student cost. [Much effort](#) has been expended to find efficiencies in Jewish day school: email instead of paying for postage, schools combining their purchasing power together, and running a capital campaign to pay off the school mortgage. These can lead to [significant reductions](#) in a school budget and lower tuition.

These efforts should be applauded, but only address the 20-25% of the schools budget that is not staff-related.

#### *#3: Technology/Blended Learning*

Blended learning, where classrooms combine teachers and virtual learning, can make school much more affordable, [reducing costs by as much as 35%](#). On the technology side, much of a teacher's job—

recording attendance, disseminating and assessing basic knowledge, for instance, can be automated. This, in turn, frees the teacher to support more students than before. The student-teacher ratio can be increased and schools can reduce the size of their faculty. Students will have less time with teachers, but the quality of the student-teacher interaction is higher and more individualized, especially as the teacher receives continuous data in real time. The school can do the same with less.

One important caveat is that the data collected and reported back to the teacher by the online program needs to be [based on standards](#), like Common Core, against which the data can be compared and analyzed. Second, online programs mostly teach and test for content at the lower levels of [Bloom's taxonomy](#), like memorization and description. Creativity and analysis are best taught by teachers.

### **Increasing Revenues**

#### *#1: Increasing Enrollment*

It can seem very reasonable to assert that tuition will be reduced with more students filling empty seats. While it is true that many classes have empty seats, those seats are not easily filled. At least in the Orthodox community, day school attendance is about 90% of the available market, with the other 10% not attending due to specific circumstances. Some students need a level of [special education that only public school offers](#), and some want the boutique academic programs of elite private schools. We should note that anecdotally it seems that there is significant enrollment at the less expensive, right wing schools that is not based on the espousal of a particular ideology but because they are simply cheaper. It will require significant resources to enroll these students in Modern Orthodox schools. In short, the pool from which Modern Orthodox schools can increase enrollment to significantly boost revenue is exceedingly small.

The [Avi Chai report](#) on the financing of Jewish day schools from 1997 emphasizes that larger schools do not save money per student. My experience as a school administrator during a period of 30% enrollment growth tells me as well that that remains true today. The programmatic additions to attract and accommodate those additional students often equal the tuition revenues they bring in. The empty seats that need to be filled are in already existing classes; the creation of new classes and programs offsets the additional tuition revenues.

Further, a school increasing its enrollment by adding additional segments of the population, whether to the right or left, will impact school culture. Dramatic culture changes to attract other student populations can also lead to the [loss of the base population](#).

#### *#2: Endowments and Mega Funds*

[Endowments](#) and Mega Funds can also lower tuition. The amount of revenue needed to make tuition affordable is quite high. For instance, if a 400-student school wants to lower tuition from \$25,000 to \$14,000 without reducing expenses, it would need an additional income of \$4.4 million per annum. Suppose the school has an endowment of \$20 million earning 4% interest per year. The interest would allow a reduction of only \$2,000 per year, and if the principle is used to defray tuition, the endowment would be depleted within a decade. For this strategy to be effective, much larger endowments are needed, like the [Generations Fund](#) in Montreal, which has raised over \$80 million dollars, and offers income based tuition subsidies for middle class families.

### #3: Other Revenue Streams

Schools are generally large and well-equipped facilities that stand empty for much of each weekend, the holidays, and the summer. Renting out school facilities during these times are another potential, albeit most likely modest, revenue stream.

### #4: Vouchers and Tax Credits

[Vouchers](#) and [tax credits](#) have the potential to completely change the dynamics of Jewish school financing and solve the affordability crisis. A full voucher that will pay for all General Studies salaries and costs, including classroom usage, could reduce tuition by over 60%! Getting a voucher system implemented involves numerous political steps and depends on a particular state's political climate. The [amount](#) of the voucher, who is eligible to be paid by the voucher, and who is entitled to receive the voucher will determine whether vouchers make a slight dent in the affordability crisis or solve it altogether.

The Orthodox Union has done incredible work in bringing [millions of government dollars](#) into Jewish day schools. The Great Recession first created a sustainability crisis, where many schools questioned their ability to stay open, and the OU helped save the day by guiding schools to receive the maximum of existing funds and advocating to maintain and increase non-public school educational funds. Their efforts, however, have not made schools affordable for many families, mainly because their successes were in areas of security grants and STEM education, not in securing an [Indiana model voucher system](#) in those states with the largest Jewish communities.

### #5: Whole Community Dues

A repeated suggestion is the establishment of a [communal](#) super organization to collect school revenues from all community members. Instead of schools collecting tuition as a user pay model, where the enrolled family pays tuition, all community members would pay annual dues to support the synagogue and schools. The impracticality of these models should be obvious at two levels. First, we have no ability to enforce payment from individuals and families who do not have school-enrolled children. Communities want to invite new members in, not create financial barriers to entry. Families that have already paid tuition will want to accumulate their wealth for other reasons. Second, the disbursement of communal funds will invariably lead to infighting, as schools cost different amounts and every school has immense fundraising pressure.

More fundamentally, American religious communities are structured to offer choice of school and of place of worship. We pay to the institution that validates and promotes the values that we believe are right for our family and society. Developing a community-based model will limit people's choice of school and synagogue, and it is precisely the American model of religious disestablishment and competitive marketplaces that has allowed our institutions to grow and thrive. Non-competitive communal institutions, like *eruvim*, *mikva'ot*, and *bikur holim* societies generally remain separate organizations that are not bound to particular schools and synagogues. Umbrella organizations, like Federations, have a broader, but looser community, whereas the community-based model outlined above would require a much tighter relationship between institutions. The most obvious way to share resources would be for synagogues and schools to share a building, as they both need a sanctuary and classrooms. Their main usage days do not

conflict, and yet every community has its share of reasons as to why the synagogue and school do not share a property.

### Results Matter

Communities and organizations have embarked on many well-meaning initiatives that have generated additional revenues for schools and created significant savings. They have not made tuition affordable, let alone lower. Significant energy has been devoted to solutions of limited or no impact, like obtaining security and technology grants. We have outlined eight strategies above, and none of them should be ignored, even if their potential impact is limited. Every bit helps. Three of them—return to a 1990s parochial education, blended learning, and vouchers—have the potential to make tuition affordable again in the long term, and only the latter two can lower tuition while maintaining educational excellence. Therefore, though we should take a multi-pronged approach, our primary efforts should be geared to advocating for vouchers and to implementing excellent blended learning tools in all subjects.

## BACK TO SCHOOL: A PATH TO SUSTAINABILITY

**CHAVIE N. KAHN** is Director of Day School Initiatives at UJA-Federation of New York.

September is nearly upon us. As the school year begins anew, the “tuition crisis” is front and center. Shabbat table talk is dominated once again by exasperated adults bemoaning the economic burden of day school tuition. Over the course of those conversations, some may refer to the September 2016 [massive Google public spreadsheet](#) sharing JDS tuitions, and others to the September 2017 blog posting [“I can ‘do Jewish’ on just \\$40,000 a year.”](#) Some parents have even felt compelled to educate their children in other venues.

Why is day school so expensive? I am grateful to my colleague Rabbi Rafi Eis for [surveying](#) the various cost factors that impact JDS tuition, and his *Lehrhaus* piece provides a starting point for the discussion of what we can do to effect change on the ground. Broadly speaking, the overarching challenge to the educational ecosystem, which it shares with the independent school landscape, is the fundamental fragility of the JDS business model. Costs have risen steadily over the last decade. This upturn is largely related to increased compensation costs due to the uptick in total educator and administrative compensation and benefits. What is more, given heightened academic expectations and regulatory requirements, there are more adults in the school building today relative to the number of students than ever before. Our senior administrative leadership is asked to achieve the near impossible: maintain excellent faculties, administrative staff, and facilities and oversee a spectrum of extracurricular programming, while at the same time deliver a flat budget. Heads of School often are forced to fundraise for “special projects” such as needed capital improvements, all while financial aid as a percentage of the annual budget has [continued to increase](#) year after year since 2008. To be sustainable, the JDS ecosystem requires a rejiggering.

And while some might suggest abandoning the JDS model, I very much agree with Eis' premise that day school education is invaluable, and is the premier immersive environment for ensuring connectivity to the Jewish community and to Jewish values for the next generation. While other immersive experiences such as Birthright trips, overnight summer camps, and youth programming also play a

critical role in enhancing the connectivity of Jewish youth, [research](#) underscores that day schools and yeshiva educations provide the strongest incubators for continued attachment to the Jewish community and preparing the next generation of Jewish leaders.

We return, then, to the seemingly interminable question of how to proceed. We may begin with the assertion that many of the classical proposed solutions simply do not suffice. For example, to the extent that Eis notes that one tactic for an “affordable” JDS tuition might be to go “back in time” to a “parochial education,” this tactic is not viable for many communities. Too many in our community will not settle for anything less than an academically excellent education. The lightning speed of technological advances also increases the pressure on school leadership to respond to pressure on the academic excellence front. Far from going back in time, the JDS system must keep apace by effectively utilizing social media, hosting attractive websites, and disseminating regular digital newsletter updates.

As for other suggested strategies noted by Eis, while the integration of technology into education may be a net positive from an educational perspective, the jury is still out on its impact on the bottom line. Numerous schools jumped on the “blended learning bandwagon,” which promised to save schools money and keep costs down, and indeed many of these schools do feature a lower-cost tuition sticker price. The cost savings achieved by schools featuring blended learning, however, do not come solely from that learning model, but are also a result of cutting costs in other areas, such as administrative and educational staff (including on-site mental health professionals and nurses) and sophisticated extra-curricular programming (such as night *seder*, advanced tech programming, and varsity sports teams). Additionally, the blended learning model may not be cheaper in the long run. The most important aspect of innovative education is having not physical space, hardware, or software but educators who are trained and knowledgeable enough to teach advanced learning methods, such as problem solving and computational thinking. Adding administrative costs, I have seen schools that started with “every sixth grader gets an Ipad” five years ago, which now are hiring chief technology officers to manage the ever-increasing pressure to ramp up educational technology integration.

[Government funding](#) as a vehicle to meaningfully reduce tuition, another oft-proposed solution, may be unrealistic at this time. While several states have adopted initiatives that offer tax credits for contributions to scholarship funds for non-public schools, other states such as New York have not adopted such legislation. Leaving the church-state argument aside, targeted government funding is helping non-public schools in important areas such as security and, in New York, Mandated Services Reimbursement dollars. In the current climate, government funding to significantly reduce a family’s tuition bill remains largely aspirational. Similarly, whole community or “*kehillah*” dues present a plethora of challenges, and to date have not succeeded in significantly reducing tuition bills.

Certainly, various local interventions have impacted tuition in smaller North American communities. For example, in some communities, communal endowment funds have been effective in providing reduced tuition prices for middle income families. Other successful interventions include [freezing tuition](#) and school mergers accompanied by tuition cuts.

These successes notwithstanding, we need a systemic response to this national communal challenge. While day school funding is currently hyper-local, the future of our community depends on

moving away from the “I donate to my school” model. Cross-denominational funding initiatives leverage more dollars to secure broader and deeper results. In the endowment arena, matching incentive programs which leverage funds from large donors increase total dollars flowing back to schools. Communities with a defined number of schools can start with a [regional](#) perspective, bringing together local funders to build the future of our joint communities. Of course, any collective regional funding initiative comes with inherent challenges, including the recruitment of initial stage funders, second stage funding, implementing a governance model in which philanthropic leaders can discuss and exchange ideas, metrics to track progress, and the scaffolding to distribute the funds on an equitable basis. Yet we can - and must - do it if we want to ensure the Jewish future for our children, grandchildren, and beyond.

What else can we do to impact the high cost of day school tuition? The most viable solution is evidenced by New York University’s recent unexpected [announcement](#) of free tuition for all current and future medical students, “regardless of need or merit.” NYU said that the rationale for the impressive initiative was the recognition of “a moral imperative that must be addressed” given the crippling debt burdening today’s medical school graduates. Yet a closer examination of NYU’s strategic initiative also reveals lessons that can be fruitfully applied to day school tuition.

How did NYU do it? In one word: *endowment*. NYU is planning to raise \$600 million to endow the affordability initiative, and has already raised more than \$450 million towards its goal. To the extent that NYU’s goal is to encourage more students to enter primary care, there is some [pushback](#) on whether this is the best means to achieve that goal. And while NYU’s initiative is [expensive](#) and a mere aspiration for many graduate schools, let alone undergraduate programs, we can nonetheless identify three critical takeaways for JDS:

1. [Cultivate and steward donors](#): Day schools need to cultivate and steward donors, not only for annual fundraising and capital projects, but also for potential planned gifts (bequests) and endowment gifts. Some donors, largely current parents and recent alumni families, want to give to schools to support today’s educational agenda, and don’t necessarily have the funds to make large donations. But other donors can take the long view and donate an endowment gift that is positioned to benefit schools in perpetuity. \$100 million of NYU’s endowment was contributed by an existing donor, [Kenneth Langone](#), founder of Home Depot, who had previously named the medical school. Reading between the lines, NYU leadership has worked hard to keep Mr. Langone close to the medical school and maintained a strong relationship with the family.
2. [Create and build endowment funds](#): While it is true that endowment fundraising can be the toughest dollars to raise, once a school community sees the endowment dollars directly impacting the budget’s bottom line, the school is better positioned to raise even more endowment dollars. In my role as senior professional spearheading UJA-Federation of New York’s [Day School Challenge Fund](#) initiative, which is on track to raise \$100 million in endowment dollars for twenty-one participating day schools and *yeshivot* by the end of calendar year 2018, I advise school leadership that each day that a school does not have an endowment fund is a day less that the dollars

can grow and ultimately flow back to the school. While there are certainly schools that, for various reasons, are not positioned to raise endowment dollars, there are other schools in which leadership can prioritize endowment fundraising. Often, multi-generational families and alumni are interested in the long-term financial health of the school.

3. Strengthen the professional and lay leader partnership: A successful endowment campaign has many common elements, including a strong partnership between a school's professional and lay leadership. Day schools have much to learn in the arena of enhancing and leveraging the professional/lay partnership to raise endowment dollars. Day school boards are learning that a skilled and dedicated development director (one who is not tasked with numerous additional job functions such as marketing, admissions, and communications) nets a positive ROI (return on investment).

Many [universities](#) and [independent schools](#) have long understood that endowments are a critical feature of a business model that helps ensure the sustainability of an academic institution. Beyond the potential to lower tuition, endowment funds at day schools ensure a third stream of revenue in addition to tuition and annual fundraising. They also allow schools to better weather difficult economic times.

What is more, beyond the dollars that flow back to schools from their endowment funds on an annual basis, endowment funds offer value in other ways. Donors tend to invest in schools with endowment funds, which convey the [messages](#) of financial viability, long-term vision, and stability. We can educate school leadership as to the importance of endowment fundraising: what it means, how to do it, and what success looks like. To use a sports analogy, in whitewater rafting, the paddlers on each side of the raft not only need to look at the current immediately in front of them, but also to read the current ahead to adequately prepare a tactical response to upcoming rocks or churning water. Schools with endowment funds, planned giving opportunities, and strategic plans convey that they seek to tackle not only the challenges of today but also those of tomorrow.

Some challenge the viability of the endowment solution, arguing that raising endowment dollars might cannibalize annual fundraising dollars. Others say that their communities don't have the donors with sufficient resources to give endowment gifts. At least in many cases, these responses remind me of the year we were gearing up for a day school's annual dinner, and we pushed for the board to offer a \$100K donation in that year's fundraising. "No one has given at that level," we were told. "The top donation to date has been \$50K!" We added the \$100K level, engaged in a messaging strategy communicating the increased needs of the school, sat in a number of donors' living rooms, and received a \$100K gift the following year. Endowments are built over time, and are based on relationships that are cultivated over years. It's hard work, and well worth the effort in the long term.

There is no magic bullet to "solve" the affordability crisis. But since it is our collective responsibility to ensure that we transmit our tradition and values from generation to generation ([Mishneh Torah, Laws of Torah Study, Ch. 1](#)), we must strategize, plan, and attract new investors to the day school system, all with the objective of yielding sustainable day schools and *yeshivot* for years to come. We cannot simply focus on this year and next year's budget; we need to play the long game. The long-term sustainability of day schools and *yeshivot* should be on the communal agenda as a key component of a solution

to a core communal challenge. And the best players are playing the endowment game.

## MAKING JEWISH EDUCATION AFFORDABLE

JAY KELMAN is Founding Director of [Torah in Motion](#) and teaches Rabbinitics at TanenbaumCHAT (Community Hebrew Academy of Toronto).

I read with great interest Chavie Kahn's [recent article](#) suggesting that endowments are the primary solution to the day school affordability crisis. She has presented a cogent argument for the need for our community to adopt long-term thinking in dealing with the tuition crisis that threatens the viability of our day school system. In theory, I could not agree more. However, in practice, the current use of endowments is actually part of the problem, not the solution.

Endowments are an investment in the future, but we must first deal with the present. Thus, it behooves us to use monies raised to pay for our educational needs of today as opposed to investing them and using the income—some 5% (or less)—to fund Jewish education. By using only the income generated, 95% of the monies raised are effectively left unused, when they are so desperately needed. For the income from endowments to be significant in the present, the funds necessary to endow day school education are so staggering as to render such an approach almost impossible to achieve—which is exactly why it has not yet happened.

For instance, in Toronto, where I live, there are approximately 8,000 children enrolled in (Federation-funded) day schools and *yeshivot*. The cost to run these schools is just about \$110,000,000. To make day school education free—as NYU is doing for its medical students, and which is the model we would all love to see—would require an endowment of at least \$2,000,000,000. This would be possible if we had visionaries like Bill Gates and Warren Buffet to initiate a Giving Pledge in which Jewish billionaires would donate generously to Jewish education. But alas, they have not done so.

I teach at a large community school which had an enrollment of 1,538 students for the 2008-9 school year. Over the succeeding years, however, enrollment steadily declined as tuition steadily increased, such that this past year, the school enrolled just 872 students. (Lest one thinks this reflects a drop in the quality of education, the school's retention rate is some 97%, the highest of any private school in Canada.)

Seeking to reverse this trend, last year, two visionary philanthropists donated a total of \$14,000,000 over five years, on condition that tuition be lowered by \$10,000 for every student. As a result, last year, 199 students entered ninth grade, down from over 400 a year nine years ago. This year, we are welcoming 296 grade nine students—a growth rate of 50% in one year! And this with tuition still at \$18,500. Imagine the increased enrollment if tuition were to be \$8,500! Had that money been given as an endowment, there would have been no impact on enrollment in the day school.

What will happen in five years when the donated money runs out? No one knows, but you can be sure that the school will do all it can to raise another \$3,000,000 a year to ensure that the lowered tuition can continue.

Which brings us to another problem with endowments: laziness. Once an endowment is set up, there is little incentive to try to raise more funding, and complacency sets in—with potentially devastating consequences. Lowering tuition for some 872 students by \$10,000 costs more than the \$3,000,000 donated (though given the students already receiving a tuition subsidy, the cost is significantly less than \$8.72 million). But this was the point. The school was forced to find additional savings to cover the initiative, which it did successfully.

There are billions of dollars in charitable foundations in Canada, and even more in the United States, all controlled by leading Jewish philanthropists. Each year only a small percentage is distributed and the rest sits invested for some future date. If just a small fraction of that money was invested in students, the tuition crisis would be solved overnight.

Each generation has the responsibility to fund its own charitable needs. With so many current needs and limited resources, the funding of today should be spent on the needs of today, not on some unidentified need fifty years hence. The community needs of the future should be met by our children and grandchildren's generations. To put it in halakhic terminology, we have a *holeh le-faneinu*, a day school system that is very sick and needs CPR now. The Halakha requires that when faced with a *holeh le-faneinu*, we do all we can to save the patient, regardless of the future impact.

Using Toronto as an example, let me very briefly suggest one approach that I believe can help solve this crisis once and for all. In line with family income, tuition would be capped at between 10-15% of family income, regardless of the number of children in a family. Such a plan would cause an annual shortfall of approximately \$45,000,000 a year. To fund the shortfall, we would need bridge financing, ideally a gift or an interest-free loan, a “one-generation” endowment, if you will, of \$1,000,000,000. We would turn to the philanthropists for these monies.

To take an example, under this model, annual tuition for a family with four children (two in elementary school and two in high school) and earning \$250,000 would be lowered from \$85,000 to \$30,000 (12% of their income), yielding a savings of over \$50,000. In return, the family would purchase a \$750,000 life insurance policy payable on the death of the second spouse and donate the policy to the school or central communal fund set up for this purpose. If each member of a couple is thirty years old, such a policy would cost \$5,100 a year for 15 years, at which point no more premiums would be due. As this is a form of charity to the school, each family would receive a tax receipt. In essence, the premiums would take the place of a large part of tuition and would need to be fully paid over the course of time when one's children are enrolled. (If each spouse was forty when they started, the premiums would be \$7,200 a year for 15 years; and, at age 50, \$11,900 a year for 15 years, much less than the cost of tuition of a child.<sup>10</sup>) With approximately 300 new families enrolling in the Toronto day school system each year, once the policies start paying out, \$225,000,000 will be available every year to help fund Jewish education (and repay the loan if need be). At that point we would have a large enough and growing fund to support Jewish education for all.

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<sup>10</sup> These figures were provided by Al G. Brown and Associates, a large insurance agency in Toronto. While U.S. figures will vary slightly, both the saving to a family today and the long-term benefit to the community are most significant.

Not only would the above plan bring in new money year after year, it enables the middle class to fund Jewish education for their children and those of the community without constantly relying on handouts from wealthy philanthropists. While they cannot afford the tuitions of today, they can offer the world a gift after leaving it.

The tuition crisis is perhaps the greatest threat to the future strength of our community. By working together and managing our money properly, we can solve this challenge and take a step in the direction of Yehoshua ben Gamla, who instituted free education for all Jewish children (*Bava Batra* 21a).

**LEHRHAUS EDITORS:  
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