

The Moral Cost of Day School Tuition, or: [How] should the Jewish community pay for day schools?

By Aryeh Klapper¹

There is a lot of handwringing these days about the rising cost of day school, and the question of whether those costs are sustainable. The responses so far have addressed this issue as purely budgetary – how can we raise more money, perhaps from government, and how can we spend less, perhaps through technology. I contend these responses miss the key point. The primary cost of day school tuition is moral, not financial, and the key to solving the financial crisis is to address the moral issue.

What do I mean by moral costs? Let us imagine that someone proposed a new Jewish practice that had the following implications:

- a) Many parents take second jobs, or more than full-time jobs, that deprive them of almost all weekday contact with their children, and leave them too exhausted to make Shabbat meaningful.
- b) Almost one half of households change status from self-supporting contributors to the community to charity recipients, with no prospect of changing that situation for many years.
- c) Children who aspire to careers of direct service, such as teaching (especially Torah) or social work, or of intellectual or artistic creativity, are told that these are not sufficiently lucrative to sustain a committed Jewish lifestyle, and therefore are not options for committed Jews.
- d) Families choose to have fewer children for purely economic reasons.

I think we would all consider the introduction of any practice with those implications to be stunningly irresponsible, and assume that any Jewish leader with a sense of the real lives of his or her community would move heaven and earth to find a way to prevent its introduction.

But you have already realized that these are the real-life implications of even current day school tuition, and at the same time, the Jewish community seems committed to making day school education a standard element of serious Jewish childrearing. How can we morally sustain a system with those implications?

Furthermore - parents on “financial aid” have no guarantee, often not even an idea, of how their tuition payments for the next year will be affected by rises in the official tuition; how the school will take into account the loss of a job, birth of another child, breakdown of a car, expiration of a lease, gift from a parent, or extra income from a second job. This makes it impossible for them to make rational plans for the future, and leaves them in a situation of constant dependence on the decisions of others. It deprives them of their economic dignity.

¹ Rabbi Aryeh Klapper is Dean of the Center for Modern Torah Leadership, the intellectual catalyst of Modern Orthodoxy “Taking Responsibility for Torah”, and teaches Rabbinic Literature at Gann Academy, a pluralistic Jewish high school in Waltham, Massachusetts. Many of his lectures and articles can be found at the Center’s website www.TorahLeadership.org.

Finally - the “financial aid” application generally requires families to state in humiliating detail all their expenses, knowing that a committee will be sitting in judgment – based on criteria unknown to them – on their priorities. A family that eats nothing but pasta all month so that they can go to a movie risks having their allocation cut because they spend money on entertainment: a family that uses an inheritance to visit Israel and never-seen relatives risks a tuition increase on the ground that they can afford intercontinental travel. The price of poverty is often loss of privacy – but that is an evil which we should strive to minimize. And we’ve set the poverty line at more than quintuple the median income!

These implications undermine the Jewish effectiveness of day schools directly as well. When our children lack Jewish passion, is that not partially a consequence of parental exhaustion? When our children are materialistic, is that not likely a consequence of feeling unjustifiably poor, and of being told that they can only take highly lucrative career paths? When our children show increased signs of being “at risk”, is that not partially a consequence of lessened parental involvement? How are children supposed to internalize the core Jewish value of human dignity, and the emphasis in all Jewish sources on the spiritual value of financial independence, when their education compels them to be dependents?

One might feel that these arguments lead to the conclusion that we need to undo our commitment to broad-based day school education, which honestly is unprecedented in Jewish history, and would be inconceivable in a less wealthy community. But as a day school educator myself, I have a certain ambivalence about such a shift, and I believe that it is not necessary. We can solve the moral issues, and I believe that in doing so we will take a significant step toward addressing the financial issues as well.

A model with great potential has been set out by the Solomon Schechter School of Greater Boston. Here’s one way it might work: Tuition is set as either a fixed percentage of income, say 15% with small adjustments for the number of children a family has in the school. Families with very high incomes would have the option of instead paying a set amount per student, even if that results in their paying a much lower percentage of their income. Families unable to pay the 15% would apply for financial aid as in the past.²

² The Newton Schechter model is somewhat more complicated in that it also sets a maximum income level, adjusted for the number of children a family has in the school, above which one must pay the set amount rather than the percentage. It seems to me that this is an issue of detail rather than of principle, and so I simplified the model above in full awareness that nothing quite so simple would likely be implemented. Similarly, I have not addressed here the plight under the current system of parents who have children in multiple day schools, although I think the new model will make that issue much more amenable to solution. For example, a family could pay the percentage of income any single school would charge for multiple children to a local Federation account, and the Federation would take responsibility for deciding how those funds should be divided among the relevant schools. I have also not addressed here precisely which costs should be included under “tuition” – many schools charge mandatory extra fees for registration, afterschool, trips, busing, etc., and shield these from the financial aid process – in fact, the purpose of these fees sometimes seems to be to protect revenue from a process which the school itself mistrusts. My inclination is that schools should calculate the percentage they charge as inclusively as possible, so that families have a single fixed number to budget for, and to prevent stealth tuition increases. Finally, the model I advocate does not take assets, liquid or otherwise into account, nor does it consider the financial capacities of grandparents etc. This is a deliberate choice, and utterly necessary from the privacy perspective, and the contrary policy also runs the moral hazard of discouraging prudent saving.

This model has the following immediate moral advantages:

- a) It makes the tuition-setting process transparent
- b) It makes the tuition-setting process predictable
- c) It removes many middle-class families from the ranks of those receiving “financial aid” and instead frames our tuition system as one that gives financial incentives to the rich.
- d) It reconceptualizes day school education as a communal good paid for by taxation, rather than as an individual good paid for by purchasers.

These advantages, I contend, are necessary and sufficient to correct many of the moral deficiencies of the current system, and a significant step toward correcting the remainder.

At the same time, I recognize that day schools legitimately will consider only models that are at least financially equivalent to the present model. I believe that this model meets that test, and very likely exceeds it. Here’s why:

- a) The percentage can be set at a point that is roughly equivalent to the payment that most financial aid recipients make now.
- b) Families who would not consider day school under the current system, whether because of the uncertainty of financial aid, or because they find the financial aid process demeaning, will now enroll. They will know in advance exactly how their tuition will relate to shifts or stability of income, and they will not be required to submit any documentation beyond the first page of their tax return.
- c) Families with many children will be more likely to send their children to day schools (and day-school-committed families may be larger over time).
- d) Wealthier families will be more likely to donate significantly when they see their tuition payments as reflecting a discount rather than as subsidizing their upper middle-class peers.
- e) Middle-class families may make voluntary donations when they see their payment as a fair tax rather than as an arbitrary measure, and when their assessed tuition is not automatically seen as representing the limit of what they can pay.
- f) Families without children in the schools may be more willing to donate to the schools that are explicitly framed as communal, tax-supported institutions rather than as tuition-driven.
- g) Administrators will have a much clearer sense of revenues, and the entire school community will be more accountable for designing the school so that it remains within the financial ambit of its constituency.

I have heard serious and legitimate concerns that this will enable people to “cheat on their tuition” by hiding their incomes, and there is much popular resentment driven by anecdotes about families that drive up in expensive cars even while asking for financial aid on the grounds of insufficient income. Investigation is necessary to determine the prevalence of such situations. But regardless, these anecdotes reflect the current system’s failure to coherently account for how tuition payments should be correlated with standard of living. My suggestion is that under the proposed system such families would be seen as development opportunities rather than as deadbeats, and that a broad potential advantage of the proposed system is that it could transform what is currently an adversarial tuition system into a cooperative communal funding endeavor.

- h) Dan Perla³ of the AviChai Foundation argues cogently that setting school payments as a percentage of tuition during a recession, and a time when costs are rising faster than wages, is an excellent investment, as when times improve, schools who continue to collect a percentage will see their revenues rise significantly.
- i) The fiction of a “financial aid budget” currently leads many schools to forego revenues that would be almost pure net profit. The notion that “financial aid” is something that schools give parents as a subsidy leads to the misapprehension that a school “cannot afford” to take more than X students who pay less than the full tuition. In reality, any student who pays a significant portion of gross family income contributes significantly more than the marginal cost of their education, and when schools turn down students late in the admissions cycle because “the financial aid budget is spent”, they are depriving themselves of both revenue both immediate and for many years to come.

This new model of course requires elaboration and customization for specific environments. But I hope and believe it can redirect our community’s conversation and efforts toward a model of day school financing that is both morally and financially sustainable.

³Dan tells me that this point was suggested by the economist Dr. Steven Laufer.