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Jerusalem: Facts and Trends 2016

The State of the City and Changing Trends

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- Table of Contents -

- About the Authors -

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- Preface -

Jerusalem: Facts and Trends – The State of the City and Changing Trends provides an up-to-date picture of Jerusalem across a wide range of topics, including population, employment, education, tourism, and construction. The publication is intended to present the main findings of the *Statistical Yearbook of Jerusalem* in an accessible manner, by means of a brief narrative description accompanied by graphs and illustrative maps that help the reader understand developments in Jerusalem, the largest and most complex of Israel's cities.

The main source of the data presented here is the *Statistical Yearbook of Jerusalem*, which contains some 250 tables and dozens of graphs. The *Yearbook* is published annually by the Jerusalem Institute for Policy Research and the Municipality of Jerusalem, with the support of the Jerusalem Development Authority (JDA) and the Leichtag Foundation (USA). The data appearing in the *Yearbook* are collected from numerous and varied sources, chief among which are the Central Bureau of Statistics and the Municipality of Jerusalem.

We would like to express our gratitude to all who have contributed data to the *Statistical Yearbook of Jerusalem* and this publication.

Our thanks and appreciation are also extended to Sarah Stone for proofreading, Esti Boehm for the production of this volume, and Hamutal Appel for preparing the text for printing.

Dr. Maya Choshen, Michal Korach, Dafna Shemer

- Summary -

Population – In 2014 the population of Jerusalem numbered 849,800 residents, of whom 520,700 (61%) were Jewish, 303,400 (36%) were Muslim, 12,300 were Arab Christians (1%), 10,000 (1%) had no religious classification, and 3,300 were non-Arab Christians (0.4%).
In areas added to the city after 1967 there were 521,900 residents in 2014, of whom 201,200 were Jewish, constituting 39% of all the residents of those areas and 39% of the city's total Jewish population. A total of 301,600 Arabs resided in these areas, constituting 58% of all the residents in those areas and 99% of Jerusalem's Arab population.
During the course of 2014, Jerusalem's population increased by 2.4% (19,900 persons). The Jewish population grew by 2.2% (11,600 persons), and the Arab population by 2.7% (8,300 persons). These data indicate that the Arab population growth is slightly greater than that of the Jewish population.

Natural increase – 2014 marked the first year in which the rate of natural increase of the Jewish population was slightly higher than that of the Arab population. In 2014 the rate of natural increase (the difference between the number of births per thousand and the number of deaths per thousand) was 23.7 per thousand for the Jewish population and 23.4 for the Arab population. It should be noted that the rate of natural increase of the city's Jewish population is significantly higher than that of the Jewish population of Israel – 23.7 and 15.0, respectively. The rate of natural increase of the Arab population in Jerusalem (23.4) is also higher than that of the Arab population in Israel (20.9) although the disparity is lower than the figure for the Jewish population.

Fertility – For many years the overall fertility rate (the number of births expected during a woman's lifetime) of Arab women in Jerusalem was higher than that of Jewish women. However, in the past five years the fertility rate among Arab women has decreased, while the fertility rate of Jewish women has increased. In 2008, for the first time, the fertility rate of Arab women equaled that of Jewish women, and since then the fertility rate of Jewish women has surpassed that of Arab women. In 2014, the figure was 4.3 children on average among Jewish women in Jerusalem (and 3.0 in Israel), compared with 3.3 children on average among Arab women in Jerusalem (and 3.2 in Israel). If this trend continues, there is expected to be a decrease in the growth rate of the Arab population and a concomitant increase in the growth rate of the Jewish population.

Migration – In 2014, a total of 17,100 residents left Jerusalem for other localities in Israel, while 10,400 new residents moved to Jerusalem from other localities in Israel. Consequently, the migration balance of the city was negative, at -6,700 residents.
A geographical examination of the balance of migration reveals the following picture: The highest negative migration balance for Jerusalem was recorded in relation to its surrounding metropolitan area, at -3,200, with half in the area West of Jerusalem and half in Israeli localities in Judea and Samaria. The localities with which Jerusalem had the

highest negative migration balance were Tel Aviv (-870), Beit Shemesh (-860), Modi'in-Maccabim-Reut (-560), Giv'at Ze'ev (-500), Betar Illit (-390), and Modi'in Illit (-300). Of those leaving the city, 38% moved to localities in metropolitan Jerusalem, and of those entering Jerusalem, 33% of new residents moved from localities in its metropolitan area. The negative migration balance of Jerusalem's ultra-orthodox (haredi) population was calculated at -2,500, constituting 37% of the total negative migration balance of Jerusalem.

Aliya (Jewish Immigration) – In 2014 there was a significant increase in the number of new immigrants settling in Jerusalem; 2,800 new immigrants settled in Jerusalem in 2014, compared to 1,500 in 2013. In 2014, the total number of new immigrants settled in Jerusalem (2,800) was comparable to the figure for Tel Aviv (2,700) and higher than the figure for Haifa (1,700). The new immigrants who settled in Jerusalem constituted 12% of all immigrants to Israel, compared with 11% in Tel Aviv and 7% in Haifa. Of the immigrants who settled in Jerusalem during 2010-2014, 30% were from the United States, 23% from France, 10% from Russia, and 7% from Britain. For the sake of comparison, in Israel at large 16% of new immigrants were from France, 15% from the Ukraine, 13% from the United States, 9% from Russia, and 9% from Ethiopia.

Construction – During the past decade, 2014 marked a record year in terms of new construction in Jerusalem. Following two years (2013-2014) in which there were 3,400-3,500 construction starts, in 2015 construction was initiated on 3,200 residential apartments. During 2015 construction was completed on 2,700 housing units.
The increase in number of apartments completed reflects growing demand as well as efforts by planning authorities to promote faster construction of housing units.

Education – The education system in Jerusalem is the largest, most diverse, and most complex in Israel. During the 2014/2015 academic year a total of 274,600 students were enrolled in Jerusalem schools. Within schools under the jurisdiction of the Jerusalem Education Authority (JEA – both official and recognized but unofficial), 63,300 students were enrolled in the Hebrew education system (state-secular and state-religious)[1] and 100,700 students were enrolled in ultra-orthodox schools. 89,600 students were enrolled in the Arab schools under the JEA (official and recognized but unofficial) and 21,000 in private Arab schools.
During the past five years (2010/2011–2014/2015) there was a 7% increase in the number of students in state-secular and state-religious schools. The number of students in ultra-orthodox schools rose by 6% during this period. In the Arab public schools, including official and recognized but unofficial schools there was an increase of 30% in the number of students.
In the academic year 2013/2014, Jerusalem's institutions of higher education had a total of 38,500 students, constituting 15% of the total for Israel. The Hebrew University of Jerusalem had a total of about 20,600 students (constituting 53% of the total students in

1 Including the state-ultra-orthodox students.

Jerusalem).[2] A total of 12,200 students were enrolled in eight academic colleges (32% of the students in Jerusalem), and 5,700 students were enrolled in five academic colleges of education (15% of the students in Jerusalem).

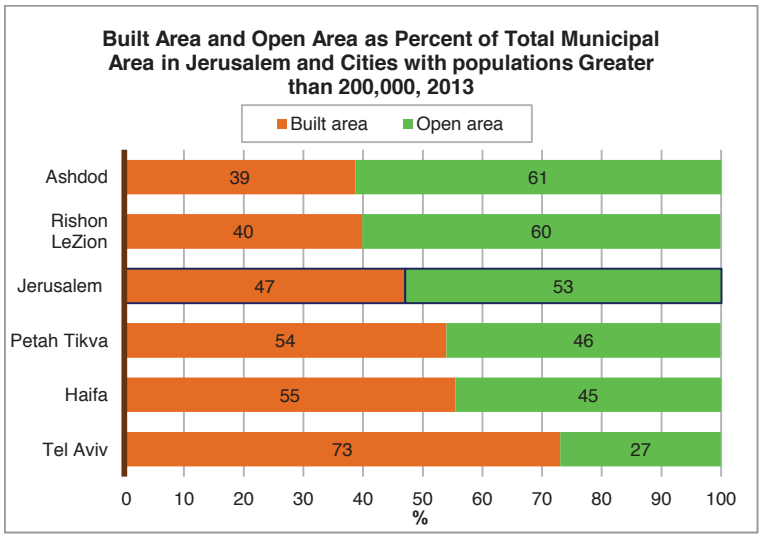
Employment – In 2014 the rate of participation in the labor force for peak working ages (25-64) in Jerusalem was 66%, which is considerably lower than the rate for Israel (80%), Tel Aviv (90%), and Haifa (84%). Interestingly, the rate of participation in the labor force for Jewish women of peak working ages (78%) was higher than the rate for Jewish men (70%). By contrast, in Israel at large the rate of participation for Jewish women (83%) is slightly lower than the rate for Jewish men (87%).
The rate of participation in the labor force for Arab women of peak working age in Jerusalem is very low (18%), and significantly lower than the rate for Arab men (83%). In Israel at large, the rate of participation for Arab women (36%) is higher than the rate for Arab women in Jerusalem (18%). In Jerusalem the rate of participation in the labor force for Arab men is higher than the figure for Jewish men (83% and 70%, respectively), because of the low rate of participation among ultra-orthodox Jewish men. In Israel at large the situation is reversed, as the rate of participation for Arab men is lower than the rate of participation for Jewish men (80% and 87%, respectively).

Tourism – Jerusalem has a unique cultural and religious character because of its status as the capital of Israel, the center of global Jewish life, and a holy city for the three monotheistic faiths. Jerusalem's unique character, combined with its wealth of religious, historical, and archeological sites and cultural centers, makes it an attractive destination for visitors from all over Israel and the world.
In 2015 Jerusalem's tourist hotels recorded 2,568,300 overnight stays by foreign tourists, constituting 31% of overnight stays by tourists in Israel. By comparison, Tel Aviv had 2,186,500 foreign tourist overnight stays (27%), and Eilat had 575,900 tourist overnight stays (7%).
The number of overnight stays by Israelis in Jerusalem – and their proportion of the total number of overnight stays by Israelis in Israel – is significantly lower than the figure for foreign tourists. In 2015 the number of overnight stays by Israelis in Jerusalem was 905,800 (7% of all overnight stays by Israelis in Israel), compared with 703,900 overnight stays in Tel Aviv (5%) and 6,310,900 in Eilat (47%).

2 Including the Hebrew University campus in Rehovot.

- Area -

Jerusalem's area of jurisdiction encompasses 125 square kilometers (sq. km.). By way of comparison, Be'er Sheva encompasses 117 sq. km., Haifa has 65 sq. km., Rishon LeZion has 59 sq. km., Tel Aviv[3] has 52 sq. km., and Ma'ale Adumim has 47 sq. km. Jerusalem's built-up area constitutes 47% of its land and the remainder is open area. Haifa has 55% built-up area and Tel Aviv has 73%. The high percentage of open area in Jerusalem is a result of the city's planning policy, which restricts construction in its valleys in order to maintain open spaces. As a result, Jerusalem is characterized by neighborhoods that are physically separated from one another by open space.



3 All data relating to Tel Aviv refer to the city of Tel Aviv–Yafo.

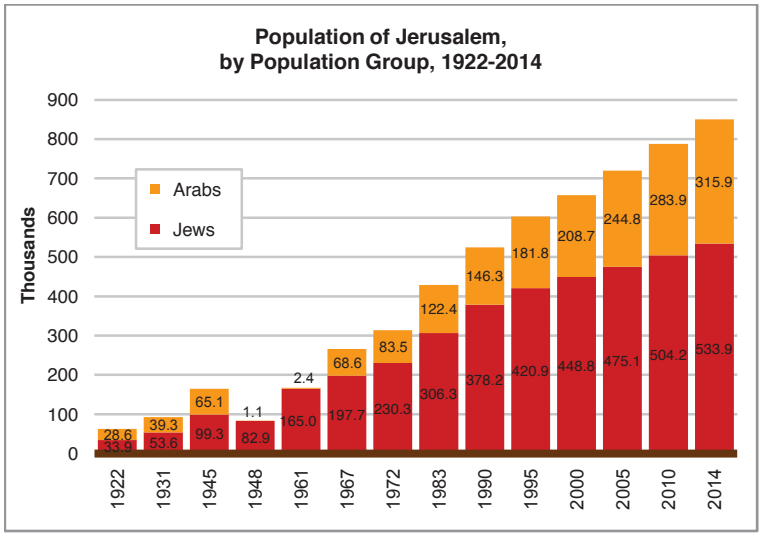
- Population -

Population size

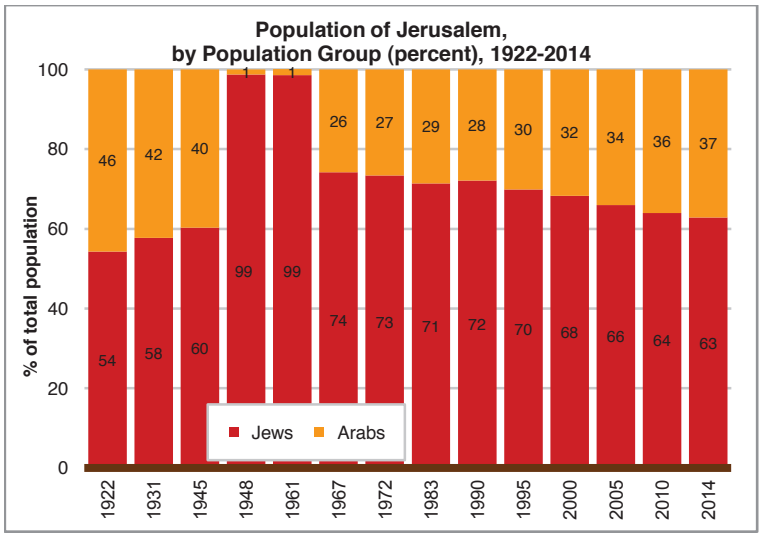
Jerusalem is the largest of Israel's cities in terms of population. At the end of 2014 its population numbered 849,800 residents, nearly double the population of Tel Aviv, Israel's second-largest city (426,100 residents), which is followed by Haifa (277,100 residents). Jerusalem is a mixed city whose population in 2014 was comprised of 520,700 Jews and 315,900 Arabs (96% Muslim and 4% Christian), 3,300 non-Arab Christians, and 9,900 with no religious classification.

In 2014 Jerusalem's population constituted some 10% of Israel's total population. Its Jewish population[4] amounted to 8% of Israel's total Jewish population, while its Arab population amounted to 18% of Israel's total Arab population.

Over the years, there has been a decline in the relative size of Jerusalem's Jewish population, with a concomitant increase in the proportion of the Arab population.
The proportion of the Jewish population fell from 74% in 1967 to 72% in 1980, to 68% in 2000, and to 63% in 2014. Simultaneously, the Arab population rose from 26% in 1967 to 28% in 1980, 32% in 2000, and 37% in 2014.



4 Unless otherwise indicated, wherever the Jewish population is mentioned, it refers to the population group of "Jews and Others," that is, the entire non-Arab population including Jews, non-Arab Christians, and persons not classified by religion.

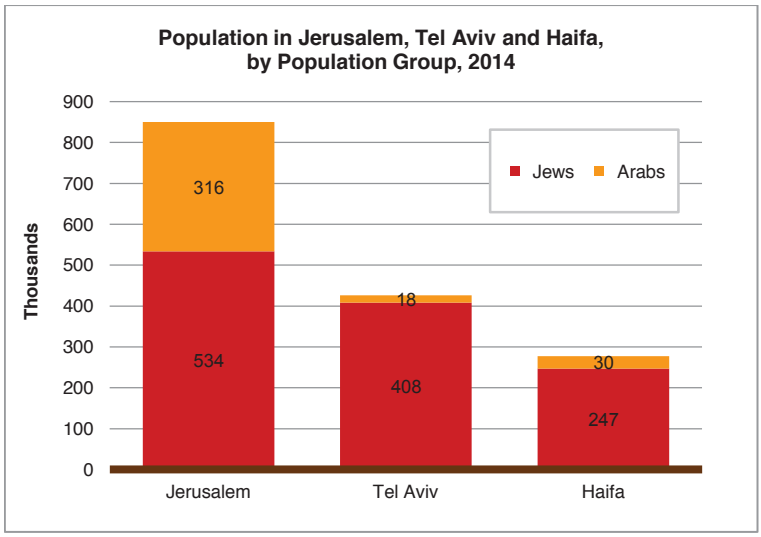


Jerusalem has the largest Jewish population of Israel's cities, with 533,900 Jewish residents. This figure is larger by one-quarter (24%) than the number of Jews in Israel's second-largest city, Tel Aviv (408,200 Jewish residents). Jerusalem also has the largest number of ultra-orthodox Jews, assuming that 35% of the city's Jewish population is ultra-orthodox. In 2014 the ultra-orthodox population numbered 186,000.[5] In Bnei Brak (the largest ultra-orthodox city in Israel), by comparison, the population in 2014 numbered 178,300, although this figure includes the city's non-ultra-orthodox residents as well.

Jerusalem also has the largest Arab population in Israel, with 315,700 Arab residents. This is significantly larger than the Arab population of Israel's other major Arab cities: Nazareth (74,600), Rahat (60,400), Umm al-Fahm (51,400), Taibe (40,200), and Shfaram (39,200).

The relative size of Jerusalem's Arab population (37%) is also significantly greater than the proportion of the Arab population in Israel (21%) and the major mixed cities of Haifa (11%) and Tel Aviv (4%).

5 The ultra-orthodox population size in Jerusalem is estimated on the basis of the Jewish population that resides in neighborhoods where most residents are ultra-orthodox (ultra-orthodox homogeneity levels 1-5). These neighborhoods were determined by the percentage of votes for ultra-orthodox parties in elections to the 19th Knesset (Israeli parliament) in January 2013. See "**Population Distribution by Level of Ultra-Orthodox Homogeneity – 2013**," Central Bureau of Statistics (Hebrew).

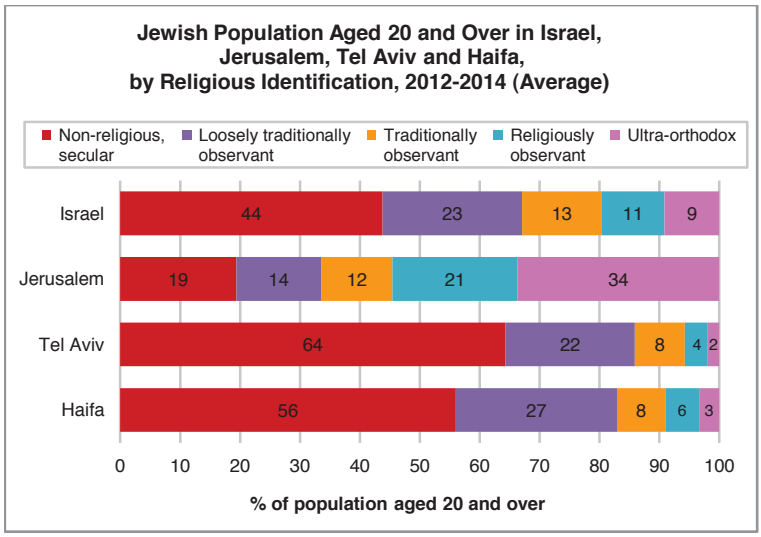


Nature of religious identification

The population of Jerusalem is diverse and composed of groups with different characteristics. One of the factors that distinguish between the groups in Jerusalem is the nature of their religious identification.

The social survey conducted by the Central Bureau of Statistics (CBS) among people aged 20 and over found that during the years 2012-2014 (on average) 19% of the Jews in Jerusalem defined themselves as secular, 26% traditional (traditionally observant and loosely traditionally observant), 21% religiously observant, and 34% defined themselves as ultra-orthodox.

The percentage of Jews aged 20 and over who defined themselves as secular in Jerusalem (19%) was low compared to Israel (44%), and was the lowest among the major cities in Israel (cities with a population of more than 200,000). The percentage of the secular in Tel Aviv was the highest of the major cities, at 64%, compared with 56% in Haifa, 46% in Rishon Lezion, and 35% in Ashdod. The proportion of the traditionally observant in Jerusalem was 26%, which was lower than the percentage in Israel (36%) and was the lowest among the major cities in Israel (30% in Tel Aviv, 35% in Haifa). The proportion of those defining themselves as religiously observant in Jerusalem (21%) was higher than in Israel at large (11%). The percentage of Jews aged 20 and over in Jerusalem who defined themselves as ultra-orthodox (34%) was the highest among Israel's major cities (population of more than 200,000). In Tel Aviv 2% defined themselves as ultra-orthodox and in Haifa 3%. The figure for Jerusalem was also higher than the percentage of ultra-orthodox in Israel at large (9%).



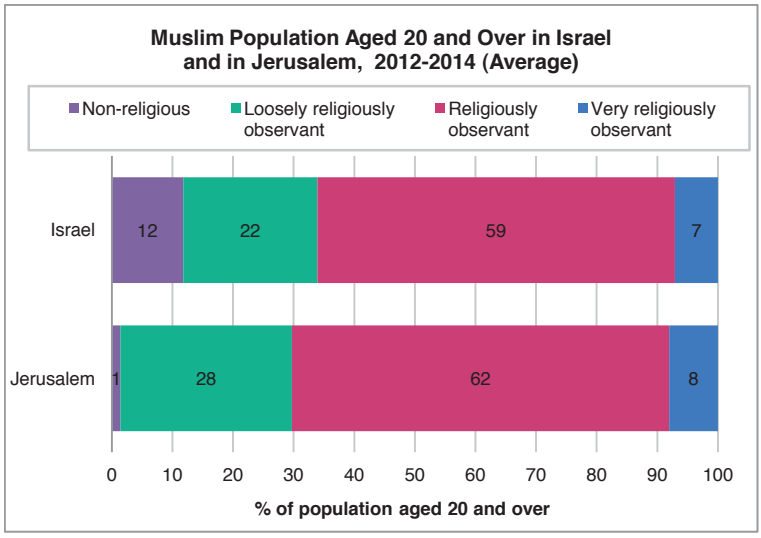
Nature of Religious Identification of the Jewish Population (aged 20 and over) in Israel, Jerusalem, and the Major Cities, 2012-2014 (average)

Religious Identification	Israel	Jerusalem	Tel Aviv	Haifa	Rishon Lezion	Ashdod
Secular	44%	**19%**	64%	56%	46%	35%
Loosely traditionally observant	23%	**14%**	22%	27%	30%	27%
Traditionally observant	13%	**12%**	8%	8%	15%	17%
Religiously observant	11%	**21%**	4%	6%	8%	7%
Ultra-Orthodox	9%	**34%**	2%	3%	1%	13%
Total	100%	**100%**	100%	100%	100%	100%

In 2014 for the first time the CBS Labor Force Survey included a question about religious identification by household. Analysis of this data found that the number of secular households in Jerusalem in 2014 was 36,900, constituting 25% of the Jewish households in the city. In Israel at large the percentage of secular households was 51% – double the figure for Jerusalem.

In the years 2012-2014, a majority (62%) of the Muslim population in Jerusalem identified as religious, 28% as loosely religiously observant, 8% as very religiously observant, and 1% as not observant. A comparison between Jerusalem and Israel reveals that the level

of religious identification among Muslims is relatively comparable, with the exception of those who identified as not observant (1% in Jerusalem, compared with 12% in Israel).



Nature of Religious Identification of the Muslim Population (aged 20 and over) in Israel and in Jerusalem, 2012-2014 (average)

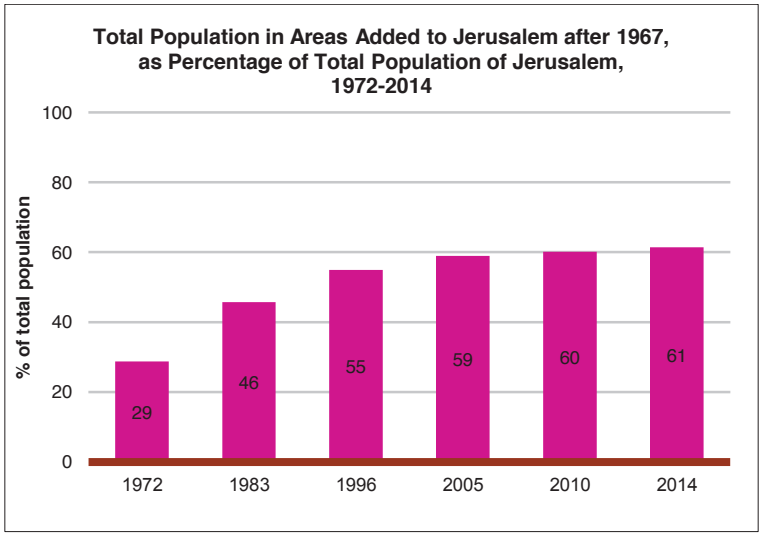
	Total	Not observant	Loosely religiously observant	Religiously observant	Very religiously observant
Israel	100%	12%	22%	59%	7%
Jerusalem	**100%**	**1%**	**28%**	**62%**	**8%**

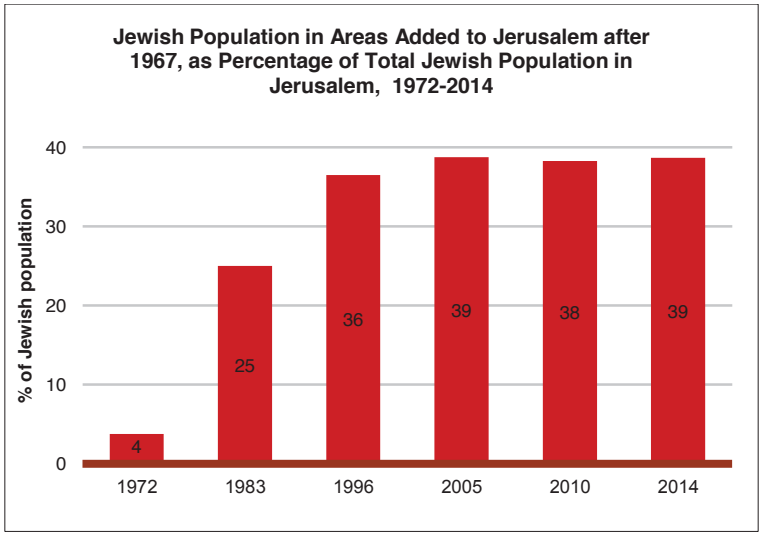
Geographical distribution of the population

In 2014, a total of 521,900 of Jerusalem's residents (Jewish and Arab) resided in areas added to the city after 1967, constituting 61% of the total population of the city. Over the years, there has been a relative increase in this figure: in 1972, the percentage of the population living in the areas added after 1967 was 29% of the city's total population; this proportion rose to 46% in 1983, to 59% in 2005, and to 61% in 2014.

In 2014 a total of 201,200 Jewish residents resided in areas added to the city after 1967, constituting 39% of all residents in those areas and 39% of the entire Jewish population of the city. In the 1970s and 1980s, as large Jewish neighborhoods were being built in these areas, the number of Jewish residents rose significantly. In 1972, they numbered 8,700,

just 4% of the total Jewish population of the city. In 1983 the figure was 25% and in 1996 it reached 36%. Since 1996 it has not changed significantly, and in 2014 the percentage of Jewish residents living in areas added to the city after 1967 stood at 39%.





Over the years, there has also been a rise in the percentage of Jewish residents in relation to the total number of residents in areas added after 1967: in 1972, they represented 10%, in 1983 they were 39%, and by 1996 the figure had risen to 46% of the total population in

those areas. However, since 1997, there has been a gradual decrease in the proportion of Jewish residents in the areas added after 1967, and in 2014 the figure stood at 39%. This decrease stems from a higher growth rate on the part of the Arab population compared with the Jewish population and from an aging Jewish population in the areas.

In 2014, residents of the large Jewish neighborhoods that were built in areas added to the city after 1967 numbered: 44,100 in Ramot Alon, 40,700 in Pisgat Ze'ev, 30,300 in Gilo, 21,300 in Neve Ya'akov, 18,900 in Har Homa, 15,100 in Ramat Shlomo, and 14,000 in East Talpiot.

In 2014, a total of 301,600 Arabs resided in areas added to Jerusalem after 1967, constituting 60% of the overall population of these areas and 99% of the Arab population of the city. The 2014 Arab population in the largest Arab neighborhoods was distributed as follows: 37,300 in Beit Hanina, 27,100 in the Muslim Quarter of the Old City, 25,200 in Ras el-Amud, 25,000 in A-Tur and the slopes of the Mount of Olives, 23,500 in Jabel Mukaber, and 21,900 in Shuafat.

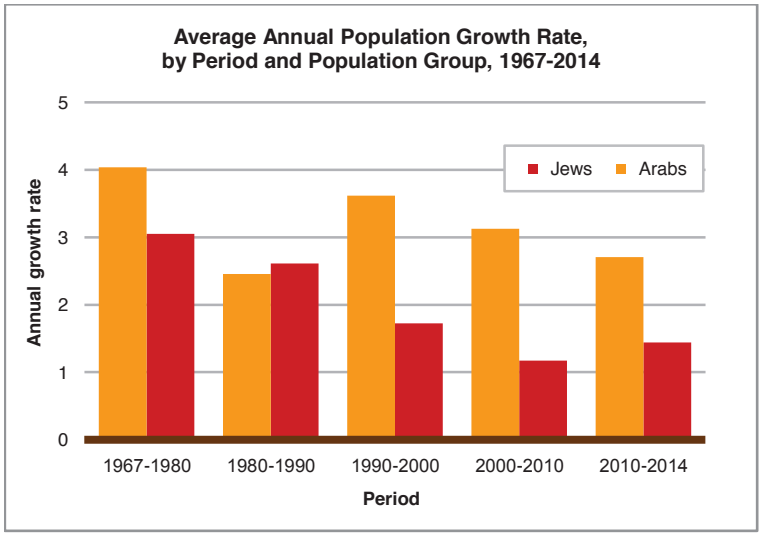
Population in Satellite Neighborhoods of Jerusalem, 1985-2014

	1985	1992	2000	2006	2014
Pisgat Ze'ev	14,800	29,400	36,500	41,900	40,700
Neve Ya'akov			20,300	20,200	21,300
Ramot	20,100	38,100	37,900	41,400	44,100
Gilo	23,900	30,400	27,600	27,100	30,300
East Talpiot	11,800	15,200	12,800	12,200	14,000
Har Homa	-	-	-	5,700	18,900

Population growth

During 2014 the population of Jerusalem increased by 19,900 residents. The increase in the number of Arab residents of the city (8,300 additional persons) was lower than the increase in the number of Jewish residents (11,600 additional persons). The total population of Jerusalem grew by 2.4%, with the Jewish population growing by 2.2% and the Arab population growing by 2.7%. These data indicate that the relative increase in the Arab population is greater than that of the Jewish population. At the same time, it should be noted that recent years have shown a decrease in the growth rate of the Arab population, while the growth rate of the Jewish population has remained steady with a slight increase.

The population growth rate in Jerusalem (2.4%) was higher than the figure for Israel (2.0%), Tel Aviv (1.8%), and Haifa (1.4%). The growth rate of Jerusalem's Jewish population (2.2%) was higher than the figure for Israel (1.9%), Tel Aviv (1.8%), and Haifa (1.2%). Among the Arab population, in contrast, the population growth rate in Jerusalem (2.7%) was slightly higher than the figure for Israel (2.2%).



Population age

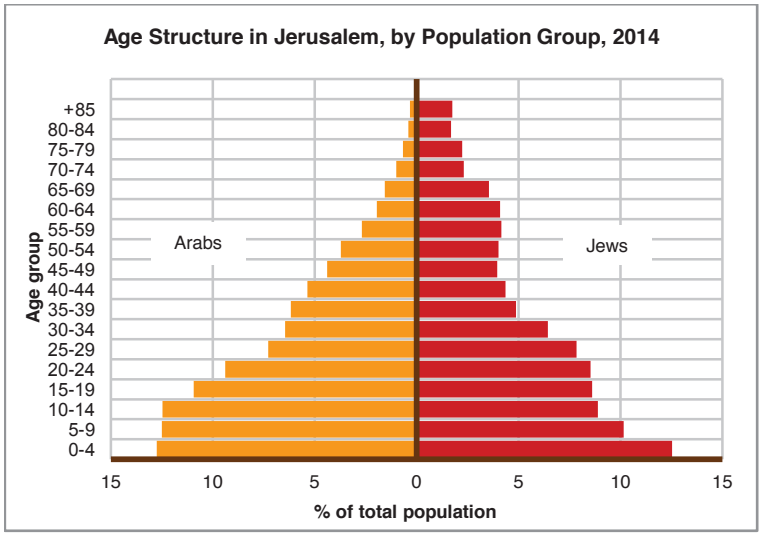
The population of Jerusalem is characterized by its relative youth. In 2014, the median age of residents was 24 (that is, half the population was younger than 24 and half was older than 24). For the sake of comparison, the populations of Tel Aviv and Haifa were significantly older than Jerusalem's, with median ages of 35 and 38, respectively. The median age of Israel's total population was 30. The low median age in Jerusalem stems from the large proportion of the city's ultra-orthodox and Arab population groups, which are characterized by a particularly young age structure because of the large number of children per family.

The Jewish population of Jerusalem is older than the Arab population. In 2014 the median age of the Jewish population was 26, compared with 21 for the Arab population. In Israel at large the median age of the Jewish population in 2014 was 32 and that of the Arab population was 22 for the same year.

Jerusalem is characterized by a relatively large proportion of children (ages 0-14) and a relatively small proportion of senior citizens (ages 65 and older). In 2014 children constituted 34% of the total population of Jerusalem, compared with 18% in Tel Aviv,

19% in Haifa, and 28% in Israel. Within the city's Jewish population, children constituted 32%, compared with 38% within the Arab population of Jerusalem.

The proportion of senior citizens (ages 65 and older) in Jerusalem was relatively low. Members of this age group accounted for 9% of Jerusalem's total population, compared with 15% in Tel Aviv, 20% in Haifa, and 11% in Israel at large. Senior citizens accounted for 11% of the Jewish population of Jerusalem, compared with 4% of the Arab population.



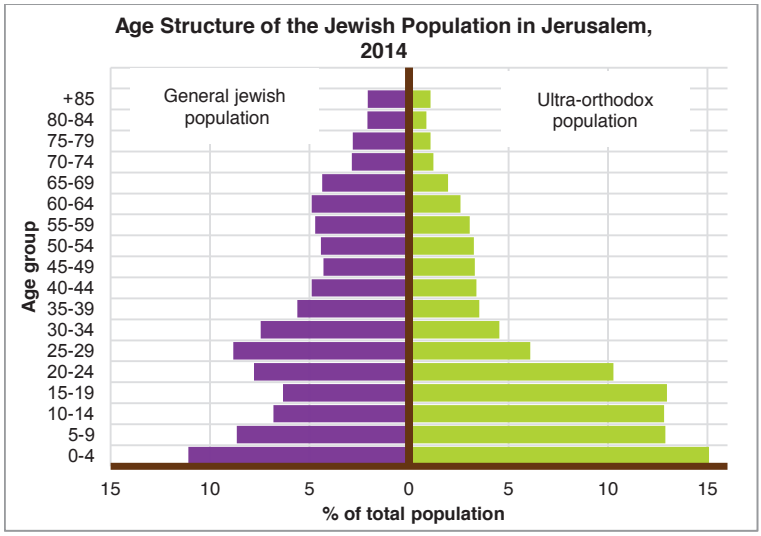
The ultra-orthodox Jewish population[6] is characterized by its very young age structure, which is even younger than that of the Arab population. Within the ultra-orthodox population, the proportion of children (ages 0-14) was 40%, compared with 28% in the general Jewish population (secular, traditional, and religiously observant).[7] The proportion of senior citizens (ages 65 and older) in the ultra-orthodox population was 6%, compared with 14% in the general Jewish population. The Arab Muslim population of Jerusalem is also characterized by its young age structure and is significantly younger than the Arab Christian population. Children (ages 0-14) accounted for 39% of the Muslim population and 21% of the Arab Christian population. Senior citizens (ages 65 and older) accounted for 4% of the Muslim population and 13% of the Arab Christian population.

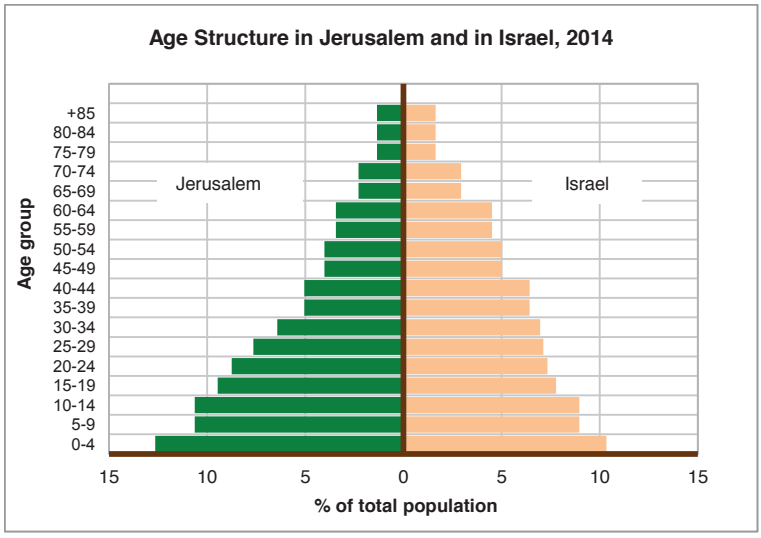
In 2014 the population group with the oldest age structure in Jerusalem was the non-Arab Christian population. This group numbered only 3,300 residents, with a median age of

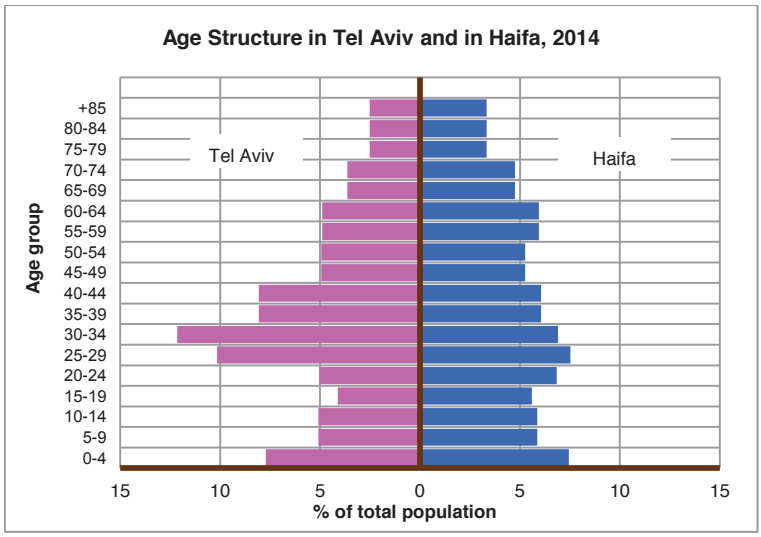
6 See note 4.

7 This refers to the Jewish population living in neighborhoods in which most of the residents are secular, traditional, or religiously observant. These include all Jewish areas not ranked 1-5 on the ultra-orthodox homogeneity scale. See note 4.

42 years. The Arab Christian population is also relatively old, with a median age of 34 years. The youngest population groups were the ultra-orthodox Jewish population, whose median age was 18 years, and the Muslim-Arab population, whose median age was 20 years.





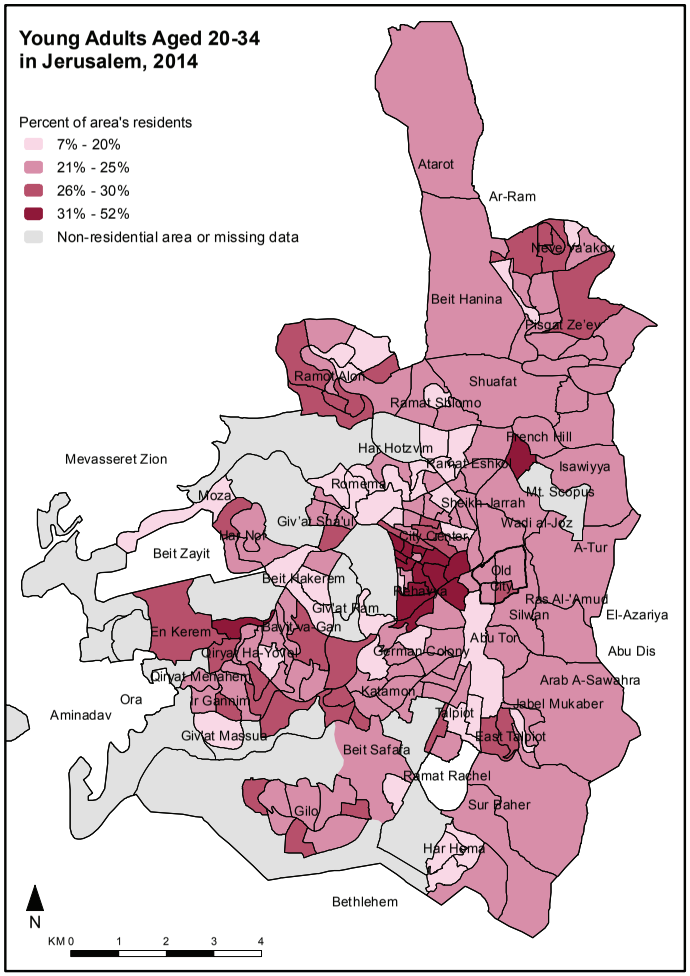


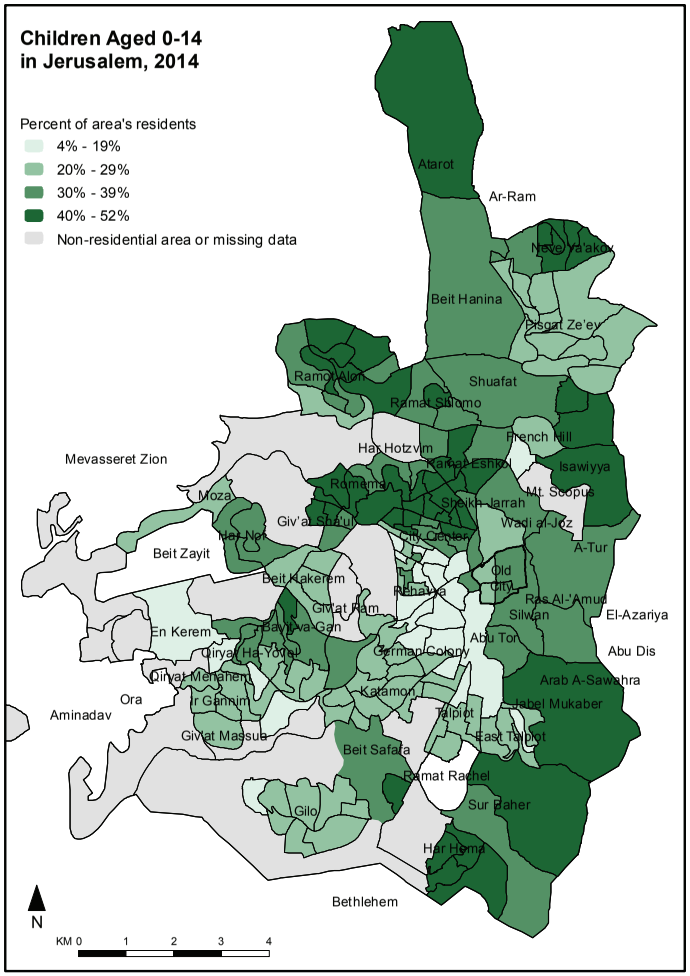
Population of Jerusalem by Age and Population Group, 2014

	Children (ages 0-14)	Senior Citizens (ages 65 and older)	Median age*
Total population in Jerusalem	**34%**	**9%**	**24**
Jewish population	**32%**	**11%**	**26**
General Jewish population[8] (secular, traditional and observant)	28%	14%	29
Ultra-Orthodox Jewish population[9]	40%	6%	18
Arab population	**38%**	**4%**	**21**
Muslim Arabs	39%	4%	20
Christian Arabs	21%	13%	34
Non-Arab Christians	**17%**	**19%**	**42**

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

8 See note 7.
9 See note 4.


Young Adults Aged 20-34
in Jerusalem, 2014
Percent of area's residents
7% - 20%
21% - 25%
26% - 30%
31% - 52%
Non-residential area or missing data
Atarot
Ar-Ram
Neve Ya'akov
Beit Hanina
Pisgat Ze'ev
Ramot Alon
Shuafat
Ramat Shlomo
Har Hotzvim
French Hill
Kafr Aqab
Isawiyya
Mevasseret Zion
Romema
Mt. Scopus
Moza
Sheikh Jarrah
Giv'at Sha'ul
Wadi al-Joz
Har Nof
City Center
A-Tur
Beit Zayit
Old City
Beit Hakerem
Rehavia
Ras Al-'Amud
Giv'at Ram
Silwan
El-Azariya
En Kerem
Ein Kerem
Abu Tor
Qiryat Ha-Yovel
German Colony
Abu Dis
Qiryat Menahem
Arab A-Sawahra
Ora
Ir Ganim
Katamon
Jabel Mukaber
Aminadav
Talpiot
Giv'at Massua
East Talpiot
Beit Safafa
Ramat Rachel
Sur Baher
Gilo
Har Homa
Bethlehem
N
KM 0 1 2 3 4


Children Aged 0-14
in Jerusalem, 2014
Percent of area's residents
4% - 19%
20% - 29%
30% - 39%
40% - 52%
Non-residential area or missing data
Atarot
Ar-Ram
Neve Ya'akov
Beit Hanina
Pisgat Ze'ev
Ramot Alon
Shuafat
Ramat Shlomo
Har Hotzvim
French Hill
Kafr Aqab
Isawiyya
Mevasseret Zion
Romema
Mt. Scopus
Moza
Sheikh Jarrah
Giv'at Sha'ul
Wadi al-Joz
Har Nof
City Center
A-Tur
Beit Zayit
Old City
Beit Hakerem
Rehavia
Ras Al-'Amud
Giv'at Ram
Silwan
El-Azariya
En Kerem
Ein Kerem
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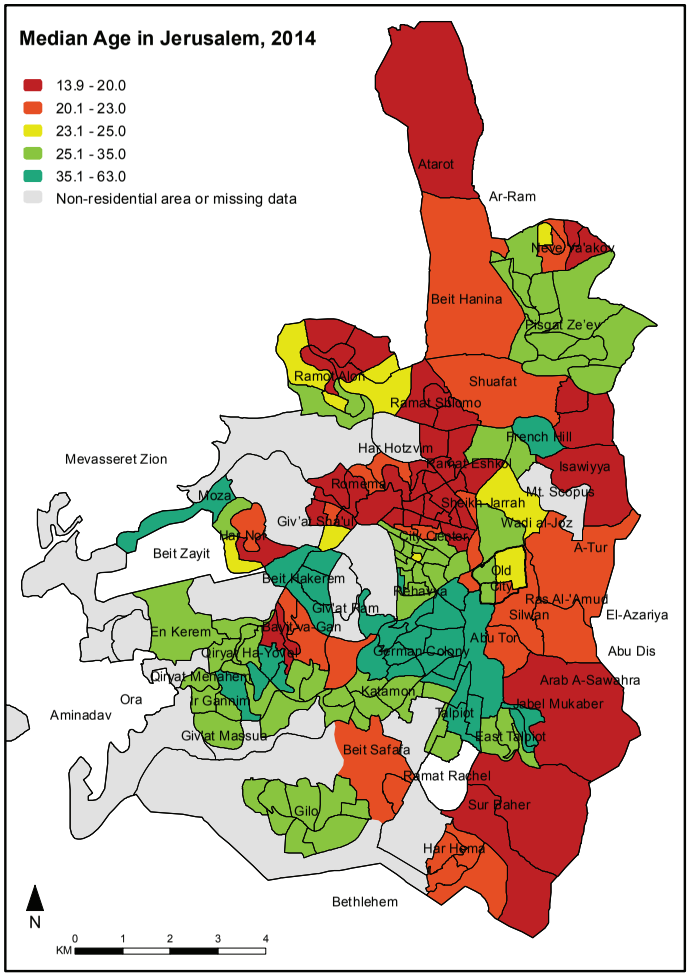
Bethlehem
N
KM 0 1 2 3 4


Median Age in Jerusalem, 2014
13.9 - 20.0
20.1 - 23.0
23.1 - 25.0
25.1 - 35.0
35.1 - 63.0
Non-residential area or missing data
Atarot
Ar-Ram
Neve Ya'akov
Beit Hanina
Pisgat Ze'ev
Ramot Alon
Shuafat
Ramat Shlomo
Mevasseret Zion
Har Hotzvim
Kafr Aqab
French Hill
Isawiyya
Romema
Mt. Scopus
Sheikh Jarrah
Moza
Giv'at Shaul
Wadi al-Joz
Har Nof
City Center
A-Tur
Beit Zayit
Old City
Beit Hakerem
Rehavia
Ras Al-'Amud
Giv'at Ram
Silwan
El-Azariya
En Kerem
Bayit Va-Gan
Abu Tor
Qiryat Ha-Yovel
German Colony
Abu Dis
Qiryat Menahem
Arab A-Sawahra
Ora
Ir Ganim
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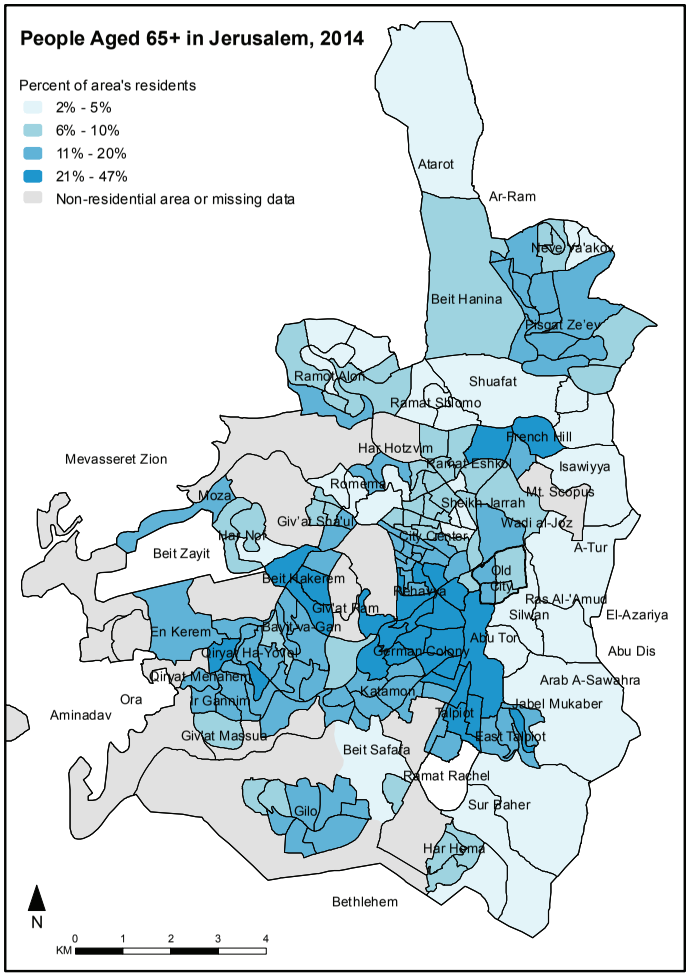
Jabel Mukaber
Aminadav
Talpiot
Giv'at Massua
East Talpiot
Beit Safafa
Ramat Rachel
Sur Baher
Gilo
Har Homa
Bethlehem
N
0 1 2 3 4
KM


People Aged 65+ in Jerusalem, 2014
Percent of area's residents
2% - 5%
6% - 10%
11% - 20%
21% - 47%
Non-residential area or missing data
Atarot
Ar-Ram
Neve Ya'akov
Beit Hanina
Pisgat Ze'ev
Ramot Alon
Shuafat
Ramat Shlomo
Mevasseret Zion
Har Hotzvim
Kafr Aqab
French Hill
Isawiyya
Romema
Mt. Scopus
Sheikh Jarrah
Moza
Giv'at Shaul
Wadi al-Joz
Har Nof
City Center
A-Tur
Beit Zayit
Old City
Beit Hakerem
Rehavia
Ras Al-'Amud
Giv'at Ram
Silwan
El-Azariya
En Kerem
Bayit Va-Gan
Abu Tor
Qiryat Ha-Yovel
German Colony
Abu Dis
Qiryat Menahem
Arab A-Sawahra
Ora
Ir Ganim
Katamon
Jabel Mukaber
Aminadav
Talpiot
Giv'at Massua
East Talpiot
Beit Safafa
Ramat Rachel
Sur Baher
Gilo
Har Homa
Bethlehem
N
0 1 2 3 4
KM

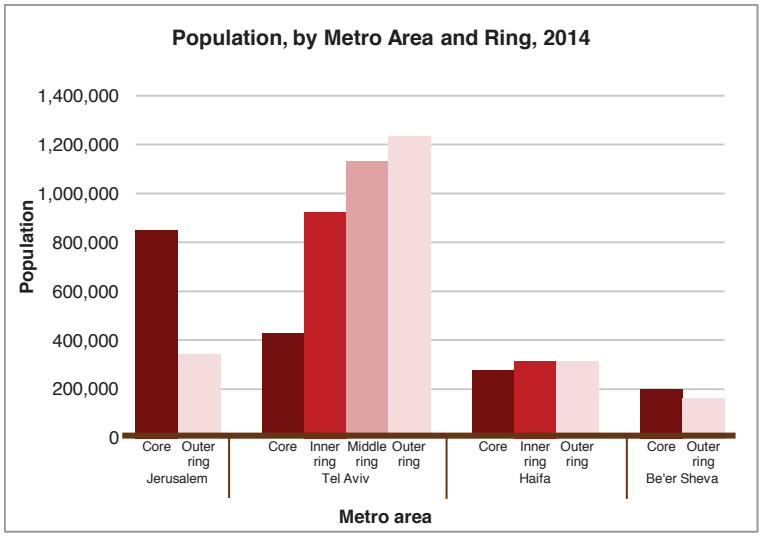
Metropolitan Jerusalem

After the 2008 census the Central Bureau of Statistics set new criteria for the definition of a metropolitan area. On the basis of these criteria, the borders of the three metropolitan areas of Tel Aviv, Haifa, and Be'er Sheva were updated, and for the first time a fourth metropolitan area – metropolitan Jerusalem – was defined and its borders delineated.

Metropolitan Jerusalem contained 86 localities and had a total population of 1.2 million residents in 2014. The metropolitan area is composed of an urban core and an outer ring. The urban core contains 849,800 residents. The outer ring is divided into two sections with a total of 344,700 residents: the Western part of the Jerusalem district (177,400 residents) and the section comprising of the Israeli localities in Judea and Samaria (167,200 residents).

The relationship between the population of the urban core (main city) and the surrounding population of the entire metropolitan area reflects the character of the metropolitan area in both spatial terms – is the population scattered or concentrated? – and economic terms – how much weight does the outer ring have and what is its potential economic contribution to the prosperity of the main city?

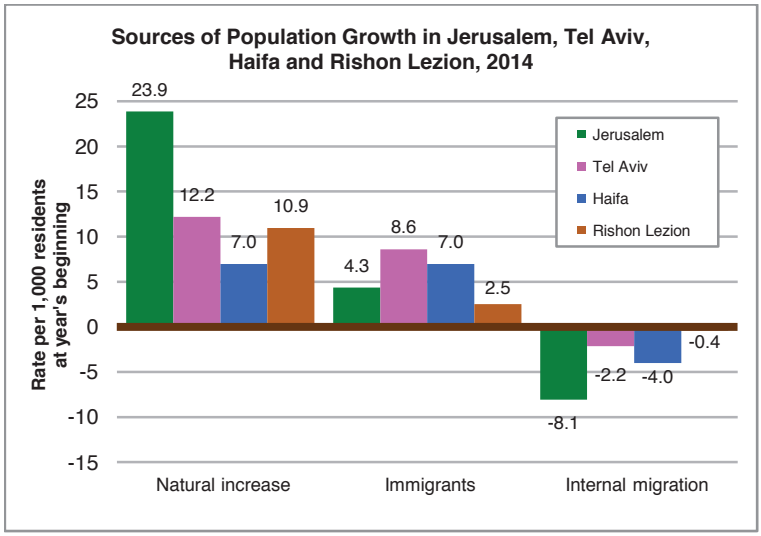
Relations between the core and the outer rings differ greatly across Israel's metropolitan areas. In metropolitan Jerusalem, the urban population constitutes 71% of the total metropolitan population. By contrast, for Tel Aviv the urban population is 11% of the total metropolitan population. For Be'er Sheva and Haifa this ratio is 56% and 31%, respectively.



- Sources of Population Growth -

Three factors contribute to population growth:

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



Births

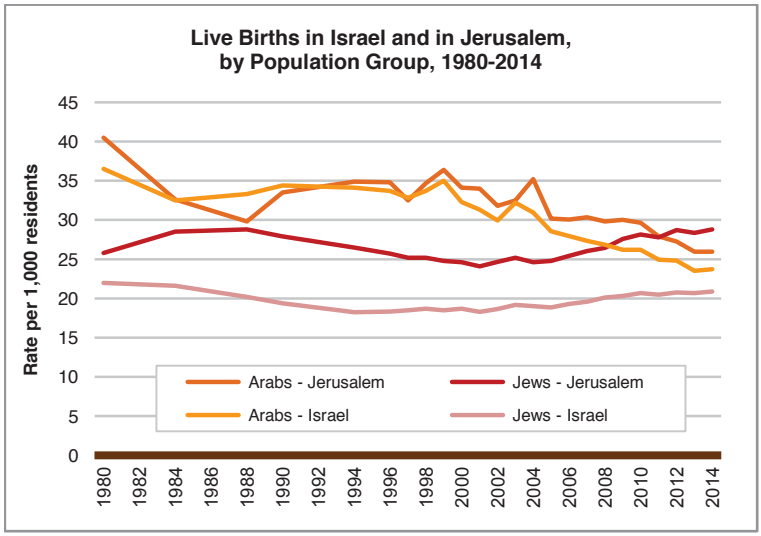
During 2014 a total of 23,300 infants were born in Jerusalem: 15,200 (65%) to Jewish families and 8,100 (35%) to Arab families.

Jerusalem is characterized by high birthrates. In 2014 the birthrate in Jerusalem was 27.7 births per 1,000 persons, which is higher than the average for Israel, at 21.5 births per 1,000 persons. The birthrate of the Jewish population in Jerusalem was higher than that of the Arab population. In 2014 the birthrate within the Jewish population of Jerusalem was 28.8 births per 1,000 persons (compared with 20.9 births per 1,000 persons within the overall Jewish population of Israel). Within the Arab population of Jerusalem the birthrate was 26.0 births per 1,000 persons (compared with 23.7 births per 1,000 persons within

the overall Arab population of Israel). Until 2012 the birthrate of the Arab population was higher than that of the Jewish population. Since 2012, however, this trend has been reversed, with the birthrate of the Jewish population exceeding that of the Arab population.

From the 1970s through 2010 there was a gradual decline in the birthrate within the Jewish population of Jerusalem. The average birthrate of the Jewish population dropped from 27.7 births per 1,000 persons during the years 1973-1989 to 25.7 during the years 1990-1999. During the years 2000-2009 the average birthrate remained comparable, at 25.3. In recent years, however, there has been an increase in the birthrate within the Jewish population, as noted, because of high fertility rates among religiously observant and ultra-orthodox women. During 2010-2014 the average birthrate was 28.4, which is higher than the recorded average for the 1970s.

Over the years there has been a sharp decline in the birthrate within the Arab population of Jerusalem. During 1973-1979, the average birthrate within this sector was 42.5 births per 1,000 persons. This figure fell to 32.9 during the years 1980-1989 and rose slightly to 34.1 in the period 1990-1999. Since the turn of the century, however, there has again been a decline in the Arab birthrate in Jerusalem; in the years 2000-2009 the average birthrate stood at 31.8, and in 2010-2014 it dropped to 27.4. The declining birthrate of the Arab population is related to higher levels of education and increased participation in the labor force on the part of Arab women.



Birthrates are a function of age structures and fertility patterns. Fertility patterns are influenced primarily by cultural characteristics, education level, and labor force participation rate.

Birthrates in Jerusalem vary by neighborhood, in accordance with the age structure and characteristics of each population. The Jewish neighborhoods that recorded the highest birthrates in 2014 were ultra-orthodox: Shchunat Ahva[10] (51 births per 1,000 persons), Kerem Avraham (51), Mea She'arim and Batei Ungarin (48), Knesset and Batei Broide (48), Mahane Yehuda (46), and Kiryat Mattersdorf and Romema Illit (45).

The neighborhoods that recorded the lowest birthrates were as follows: Yemin Moshe, Mishkenot Sha'ananim, and Givat Hananya (Abu Tor) (11 births per 1,000 persons), Kiryat Wolfson (12), Ramat Beit Hakerem (13), and Giv'at Massua (14).

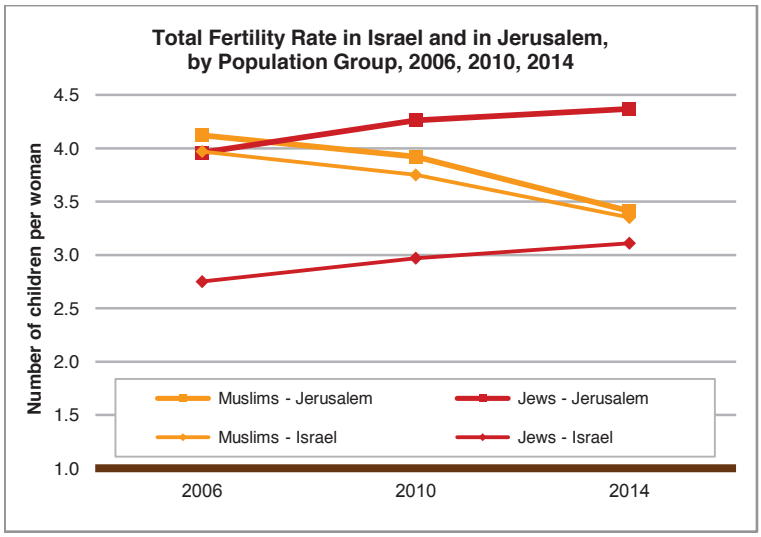
Among Arab neighborhoods the highest birthrates were recorded in New Anata (38 births per 1,000 persons), Shuafat Refugee Camp (36), Kafr 'Akb and Atarot (35), Jabel Mukaber (32), and Umm Tuba (29). The neighborhoods with the lowest birthrates were the Christian Quarter of the Old City (16), Bab A-Zahara and Masudiya (20), and the Muslim Quarter of the Old City (21). These data reflect the difference between neighborhoods of a rural nature, where birthrates are high, and those of an urban nature, which have lower birthrates.

In 2014 the overall fertility rate (the number of births expected during a woman's lifetime) in Jerusalem was 3.9, significantly higher than the rates for Tel Aviv and Haifa (2.2 and 2.3, respectively) and for Israel at large (3.1).

The overall fertility rate of Jewish women in Jerusalem for 2014 was 4.3 (3.0 for Israel at large), higher than the overall fertility rate among the Arab women of Jerusalem, at 3.3 (3.2 for Israel at large). The principal contributing factor to the high overall fertility rate among Jewish women is the high fertility rate among ultra-orthodox women and the relatively high fertility rate among religiously observant women. Among the Muslim women of Jerusalem, the overall fertility rate was 3.4 children, comparable to the overall fertility rate among Muslim women in Israel.

In recent years there has been an increase in the fertility rates of Jewish women, both in Jerusalem and in Israel, while fertility rates among Muslim women have declined. In 2006, the overall fertility rate of Jewish women in Jerusalem was 3.9, rising to 4.3 in 2014. Fertility rates among Jewish women in Israel at large also rose during these years, from 2.7 to 3.0. A reverse trend is evident within the Muslim population of Jerusalem, where the fertility rate declined between 2006 and 2014, from 4.1 to 3.4. A comparable decline also took place among the Muslim population of Israel at large, from 4.0 to 3.4.

10 Located in the City Center, between the Mea She'arim neighborhood and Makor Baruch.



Mortality

In 2014 there were 3,500 deaths in Jerusalem: 75% of these were Jews and 25% Arabs. The mortality rate for Jerusalem – 4.1 deaths per 1,000 persons – was lower than the figures for Israel (5.2), Tel Aviv (7.7), and Haifa (8.8). This disparity is attributable to Jerusalem's relatively young population.

The mortality rate among the Arab population of Jerusalem is significantly lower than that of the Jewish population. In 2014 the mortality rate of the Jewish population in Jerusalem was 5.0 deaths per 1,000 persons (compared with 5.8 deaths per 1,000 among the Jewish population of Israel, 7.9 in Tel Aviv, and 9.4 in Haifa). This was higher than the rate for the Arab population of Jerusalem, which was 2.7 deaths per 1,000 persons. (The mortality rate of the Arab population in Israel at large in 2014 was 2.8).

Over the years the mortality rate of Jerusalem's Jewish population has declined steadily, whereas that of the Arab population has dropped sharply and rapidly. The average mortality rate among the Jewish population fell from 6.4 deaths per 1,000 persons during the years 1973-1979 to 5.9 during the years 1980-1989, to 5.5 during the years 1990-1999, to 5.2 during 2000-2009, and to 5.1 during 2010-2014. Among the Arab population the average mortality rate dropped from 6.4 deaths per 1,000 persons during the years 1973-1979,[11] to 4.5 during the years 1980-1989, to 3.5 during 1990-1999, to 2.8 during 2000-2009, and it continued to decline during the years 2010-2014, reaching 2.6.

11 It should be noted that during these years the mortality rates for Jerusalem's Arab population dropped from 7.3 deaths per 1,000 persons in 1973 to 5.3 deaths in 1979. Within the Jewish population mortality rates dropped from 6.8 to 6.0 during those years.

One of the principal explanations for the significant decline in the mortality rate among the Arab population is a sharp decline in the infant mortality rate. During the years 1972-1979, the average infant mortality rate among the Arab population of Jerusalem was 45.2 (deaths per 1,000 live births). The rate fell to 17.2 in the period 1980-1989, to 10.7 in 1990-1999, to 6.8 in 2000-2009, and to 5.7 during the years 2010-2014.

During the years 2012-2014 the average infant mortality rate among the Jewish population of Jerusalem was 2.4, comparable to the rate for the Jewish population of Israel at large. The infant mortality rate among Jerusalem's Arab population was 4.8, lower than the figure for Israel's Arab population, at 6.3. The higher infant mortality rate among the Arab population is primarily a result of birth defects and genetic diseases[12] that occur relatively frequently within the Muslim population because of inbreeding and premature births.

The decreased mortality rates within the Arab population of Jerusalem are the result of improvements in sanitation, healthcare, and preventive medicine during the 1970s and 1980s, as well as improvements stemming from implementation of the National Health Insurance Law beginning in the mid-1990s. Another reason for the relatively low mortality rates is that the Arab population is young. In 2014 the proportion of children (aged 0-14) within the Arab population stood at 38% (32% within the Jewish population), whereas the proportion of seniors (aged 65 and older) was 4% (12% within the Jewish population). Seniors aged 75 and above constituted 1% of the Arab population compared with 6% of the Jewish population.

The highest mortality rates were recorded in the older, longstanding neighborhoods of Jerusalem, where the population comprises mostly general Jewish residents (secular, traditional, and religiously observant) and the percentage of children is relatively low while the percentage of seniors (ages 65 and older) is relatively high. The neighborhoods that recorded the highest mortality rates were Kiryat Wolfson (35 deaths per 1,000 persons), Nahalat Tzadok and Sha'arei Hesed (15), Talbiya (14), and Rehavya (13).

Among Arab neighborhoods, the highest mortality rates were recorded in Bab a-Zahara and Masudiya (8), the Christian Quarter of the Old City (7), Wadi al-Joz and Sheikh Jarrah (5), and the Armenian Quarter of the Old City (4). Among the Arab population, too, the highest mortality rates were recorded in older, longstanding neighborhoods of an urban character. The mortality rates recorded for Arab neighborhoods were significantly lower than that for Jewish neighborhoods.

12 See the **report on infant mortality and prenatal mortality** in Israel for 2008-2011, Ministry of Health (Hebrew).

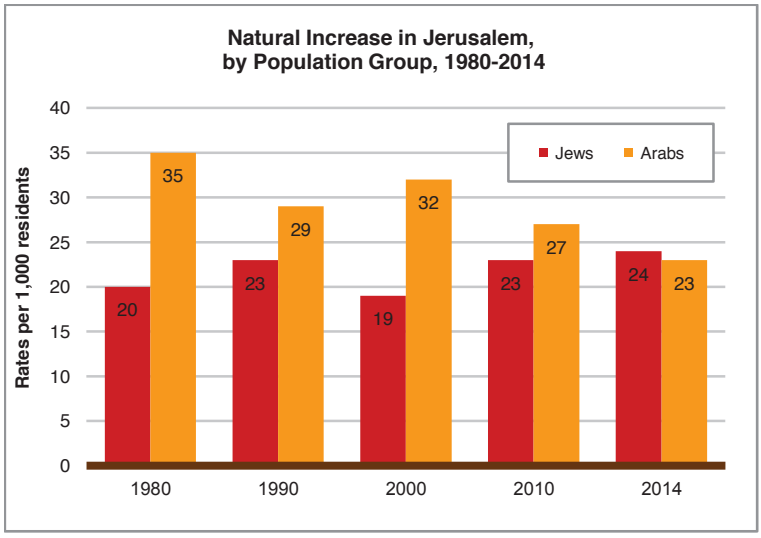
Natural increase

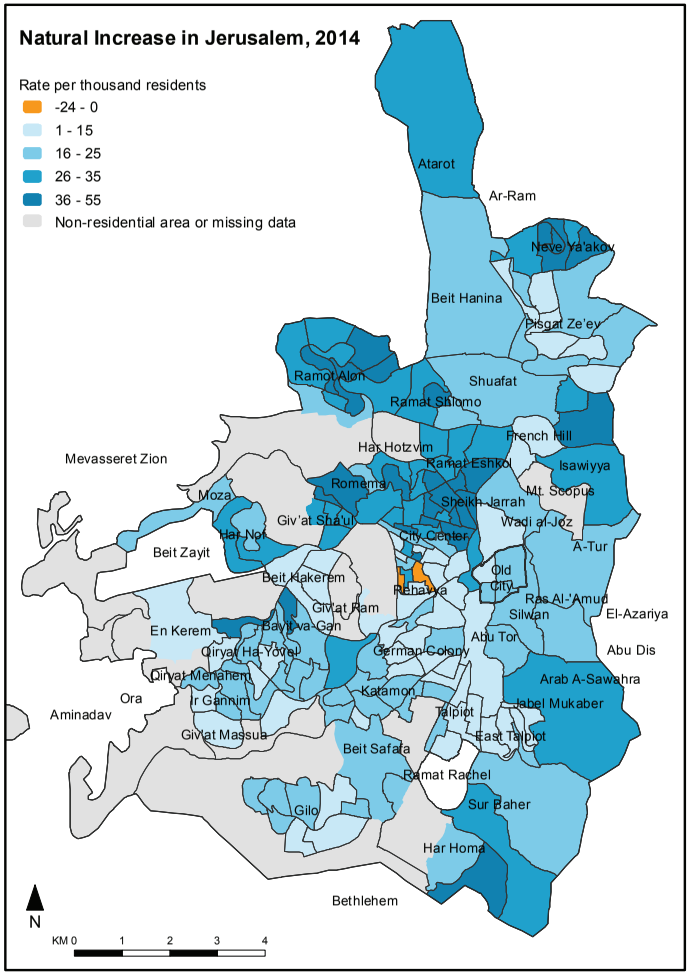
Natural increase (the difference between the number of births and the number of deaths) is the principal factor in the growth of Jerusalem's population. In 2014 natural increase resulted in the addition of 19,800 persons to the population of Jerusalem: 63% of whom were Jewish and 37% Arab. The rate of natural increase in Jerusalem for 2014 (23.6 per 1,000 persons) was significantly higher than the rate for Israel at large (16.2), Tel Aviv (12.0), and Haifa (6.9).

In 2014 the rate of natural increase of the Jewish population in Jerusalem was slightly higher than that of the Arab population: 23.7 per 1,000 persons and 23.4 per 1,000 persons, respectively. This was the first year in which the rate of natural increase of the Jewish population was higher than that of the Arab population.

The rate of natural increase for the Jewish population of Jerusalem was significantly higher than the rate for Israel at large: 23.7 and 15.0, respectively. Likewise, the rate of natural increase among the Arab population of Jerusalem (23.4) was higher than the rate for Israel at large (20.9) although the discrepancy is smaller.

Since the 1970s there has been a decline in the natural rate of increase in Jerusalem for both the Jewish and the Arab populations. The drop within the Jewish population was moderate: during the years 1973-1979 and 1980-1989, the average rate of natural increase within the Jewish population was 21.3 and 21.8 per 1,000 persons, respectively. It fell to 20.3 during the years 1990-1999 and remained comparable during 2000-2009 (20.0). During the years 2010-2014 the average rate of natural increase in the city rose to 23.1.




Natural Increase in Jerusalem, 2014
Rate per thousand residents
-24 - 0
1 - 15
16 - 25
26 - 35
36 - 55
Non-residential area or missing data
Atarot
Ar-Ram
Neve Ya'akov
Beit Hanina
Pisgat Ze'ev
Ramot Alon
Shuafat
Ramat Shlomo
French Hill
Har Hotzvim
Mevasseret Zion
Ramat Eshkol
Isawiyya
Romema
Mt. Scopus
Moza
Sheikh Jarrah
Giv'at Sha'ul
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Giv'at Ram
Silwan
El-Azariya
En Kerem
Bayit va-Gan
Abu Tor
Qiryat Ha-Yovel
German Colony
Abu Dis
Qiryat Menahem
Arab A-Sawahra
Katamon
Ora
Ir Ganim
Talpiot
Jabel Mukaber
Aminadav
Giv'at Massua
East Talpiot
Beit Safafa
Ramat Rachel
Sur Baher
Gilo
Har Homa
Bethlehem
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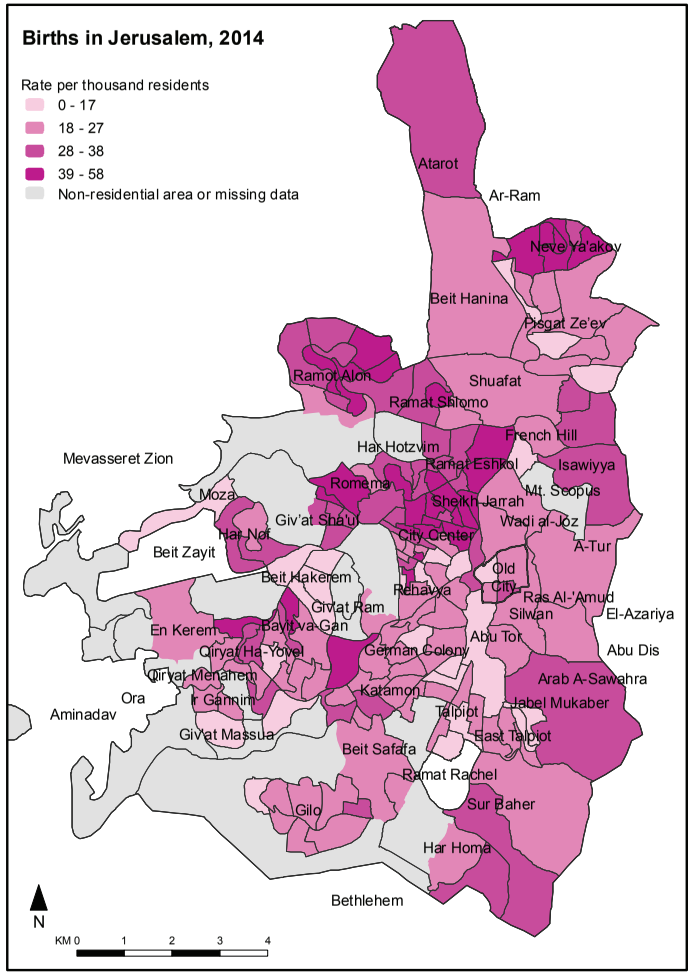
Births in Jerusalem, 2014
Rate per thousand residents
0 - 17
18 - 27
28 - 38
39 - 58
Non-residential area or missing data
Atarot
Ar-Ram
Neve Ya'akov
Beit Hanina
Pisgat Ze'ev
Ramot Alon
Shuafat
Ramat Shlomo
French Hill
Har Hotzvim
Mevasseret Zion
Ramat Eshkol
Isawiyya
Romema
Mt. Scopus
Moza
Sheikh Jarrah
Giv'at Sha'ul
Wadi al-Joz
Har Nof
City Center
A-Tur
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Ras Al-'Amud
Giv'at Ram
Silwan
El-Azariya
En Kerem
Bayit va-Gan
Abu Tor
Qiryat Ha-Yovel
German Colony
Abu Dis
Qiryat Menahem
Arab A-Sawahra
Katamon
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Ir Ganim
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Jabel Mukaber
Aminadav
Giv'at Massua
East Talpiot
Beit Safafa
Ramat Rachel
Sur Baher
Gilo
Har Homa
Bethlehem
N
KM 0 1 2 3 4

Within the city's Arab population, in contrast, the rate of natural increase has dropped sharply. During the 1970s the average rate was 36.2 per 1,000 persons. It fell to 28.5 during the 1980s, rose slightly to 30.3 in the 1990s, and dropped to 29.0 during the decade 2000-2009. The downward trend continued during the years 2010-2014, with an average rate of 24.8.

Aliya (Jewish Immigration)

In the past decade the number of new immigrants[13] to Israel has declined significantly. In 2002 there were 33,600 immigrants; the number dropped to 21,200 in 2005 and to 16,900 in 2013. But in 2014 there was a significant increase in the number of immigrants to Israel, at 24,100 new immigrants. The increase in the number of immigrants to Israel in this year is due to the increase in immigration from Ukraine (from 1,900 in 2013 to 5,700 in 2014) and from France (from 2,900 in 2013 to 6,500 in 2014).

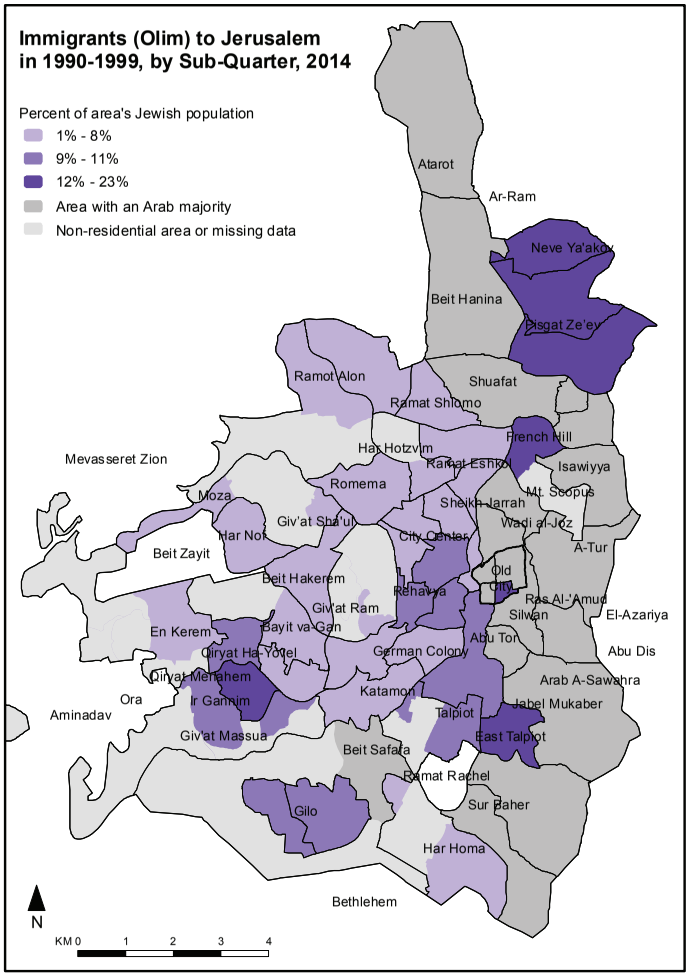
In contrast to the overall trend in Israel, the number of immigrants to Jerusalem has remained relatively steady at an average of 2,500 per year during the years 2002-2007 and an average of 2,300 per year during the period 2008-2013. In 2014 there was an increase in the number of immigrants who settled in Jerusalem, at 2,800 immigrants, due mostly to the overall increase in immigrants from France (from 580 immigrants to Jerusalem in 2013 to 930 immigrants in 2014), and also Ukraine (from 130 in 2013 to 210 in 2014).

In 2014 a total of 2,800 new immigrants settled in Jerusalem, comparable to the figure for Tel Aviv (2,700) and higher than the figure for Haifa (1,700). About 12% of all immigrants to Israel in 2014 settled in Jerusalem, 11% in Tel Aviv, and 7% in Haifa.

During the years 2010-2014 immigrants to Jerusalem constituted approximately 13% of all new immigrants to Israel (and 7% in the years 1990-2001), compared with 8% for Tel Aviv and 7% for Haifa (and 10% in 1990-2001 for both Tel Aviv and Haifa). In the years 2010-2014, the countries from which the highest percentages of immigrants arrived were the United States (30%), France (23%), Russia (10%), and Great Britain (7%). In Israel at large, 16% of the immigrants who settled in Israel between 2010 and 2014 arrived from France, 15% from Ukraine, 13% from the United States, 9% from Russia, and 9% from Ethiopia.

Jerusalem is less attractive to immigrants with limited resources. Consequently, during the years when most of the immigrants to Israel arrived from the former Soviet Union, the proportion of immigrants choosing to live in Jerusalem was low – some 7%. From 2002 onward there was a significant increase in the proportion of immigrants choosing Jerusalem as their initial place of residence in Israel, as a result of an increase in the proportion of immigrants arriving from prosperous countries (largely the United States and Western Europe).

13 This does not include returning citizens of Israel who had previously emigrated.


Immigrants (Olim) to Jerusalem
in 1990-1999, by Sub-Quarter, 2014
Percent of area's Jewish population
1% - 8%
9% - 11%
12% - 23%
Area with an Arab majority
Non-residential area or missing data
Atarot
Ar-Ram
Neve Ya'akov
Beit Hanina
Pisgat Ze'ev
Ramot Alon
Shuafat
Ramat Shlomo
French Hill
Har Hotzvim
Ramat Eshkol
Isawiyya
Mevasseret Zion
Romema
Mt. Scopus
Moza
Sheikh Jarrah
Giv'at Sha'ul
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Giv'at Ram
Silwan
El-Azariya
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Qiryat Ha-Yovel
German Colony
Abu Dis
Qiryat Menahem
Arab A-Sawahra
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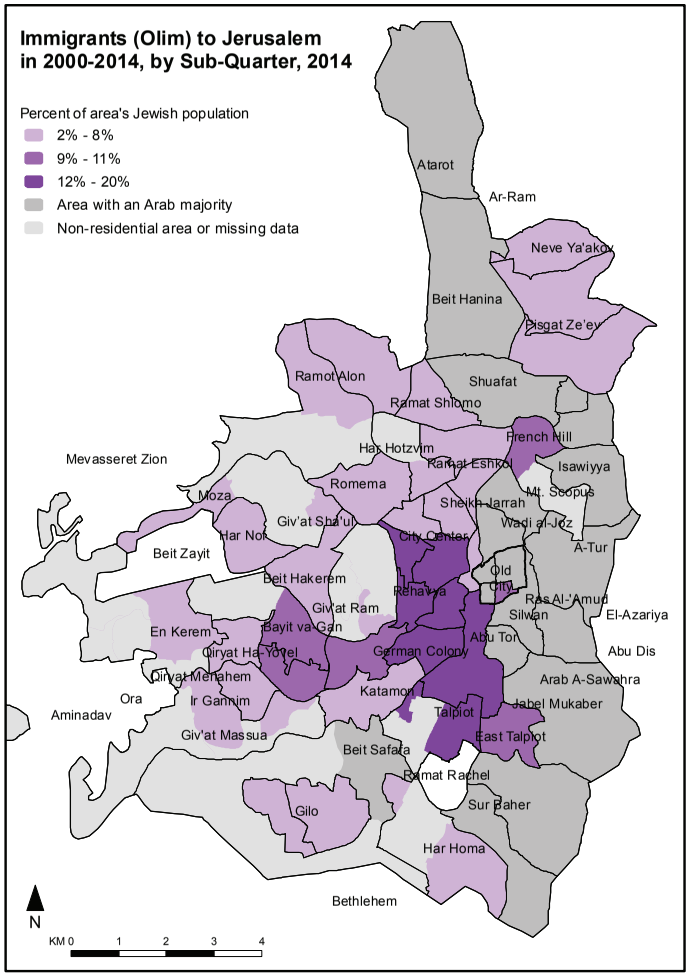
Giv'at Massua
East Talpiot
Beit Safafa
Ramat Rachel
Sur Baher
Gilo
Har Homa
Bethlehem
N
KM 0 1 2 3 4


Immigrants (Olim) to Jerusalem
in 2000-2014, by Sub-Quarter, 2014
Percent of area's Jewish population
2% - 8%
9% - 11%
12% - 20%
Area with an Arab majority
Non-residential area or missing data
Atarot
Ar-Ram
Neve Ya'akov
Beit Hanina
Pisgat Ze'ev
Ramot Alon
Shuafat
Ramat Shlomo
French Hill
Har Hotzvim
Ramat Eshkol
Isawiyya
Mevasseret Zion
Romema
Mt. Scopus
Moza
Sheikh Jarrah
Giv'at Sha'ul
Wadi al-Joz
City Center
Har Nof
A-Tur
Beit Zayit
Old City
Beit Hakerem
Rehavya
Ras Al-'Amud
Giv'at Ram
Silwan
El-Azariya
En Kerem
Bayit va-Gan
Abu Tor
Qiryat Ha-Yovel
German Colony
Abu Dis
Qiryat Menahem
Arab A-Sawahra
Katamon
Ora
Ir Gannim
Jabel Mukaber
Aminadav
Talpiot
Giv'at Massua
East Talpiot
Beit Safafa
Ramat Rachel
Sur Baher
Gilo
Har Homa
Bethlehem
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KM 0 1 2 3 4

In 2014 those residents of Jerusalem who had immigrated to Israel during the period from 1990 onward numbered 69,300 and constituted 8% of the total population of the city and 13% of the Jewish population. Among them, 50% had immigrated during the years 1990-1999, 31% during 2000-2009, and 19% during 2010-2014. Immigrants who arrived during the period from 2000 onward comprised 6% of the total Jewish population of Jerusalem.

The proportion of Jerusalem's Jewish population that represents immigrants who arrived during the period from 1990 onward (13%) is the same as the figure for Tel Aviv (13%) but lower than the figure for Haifa (25%) and for some of the localities surrounding Jerusalem, such as Beit Shemesh (18%) and Ma'ale Adumim (16%). In Giv'at Ze'ev new immigrants constituted 8% of the total population, and in Modi'in Illit, Betar Illit, and Har Adar they accounted for 5%.[14]

Jerusalem neighborhoods with a relatively large number of residents who have immigrated since 2000 include Pisgat Ze'ev (2,200), Talpiot, Arnona, and Mekor Haim (2,200), Bayit Vagan (2,100), Katamonim (1,800), and East Talpiot (1,400). As a percentage of the neighborhood's Jewish population, a particularly high proportion of immigrants who have arrived since 2000 was recorded in Talbiya (20%), Rehavya (16%), the City Center (15%), and the German Colony and Old Katamon (14%), Bak'a and Abu-Tor (14%), and Talpiot, Arnona, and Mekor Haim (14%).

The Jerusalem neighborhoods with a relatively high number of immigrants who had arrived during the years 1990-1999 were Pisgat Ze'ev (6,200), Gilo (2,700), Neve Ya'akov (2,200), Katamonim (1,600), Ramot Alon (1,600), Talpiot, Arnona, and Mekor Haim (1,600), and East Talpiot (1,600). A particularly high proportion of immigrants, relative to each respective neighborhood's Jewish population, was recorded in the following neighborhoods during the years 1990-1999: Pisgat Ze'ev (15%),[15] East Talpiot (11%), Neve Ya'akov (11%), and the French Hill (11%).

Internal migration

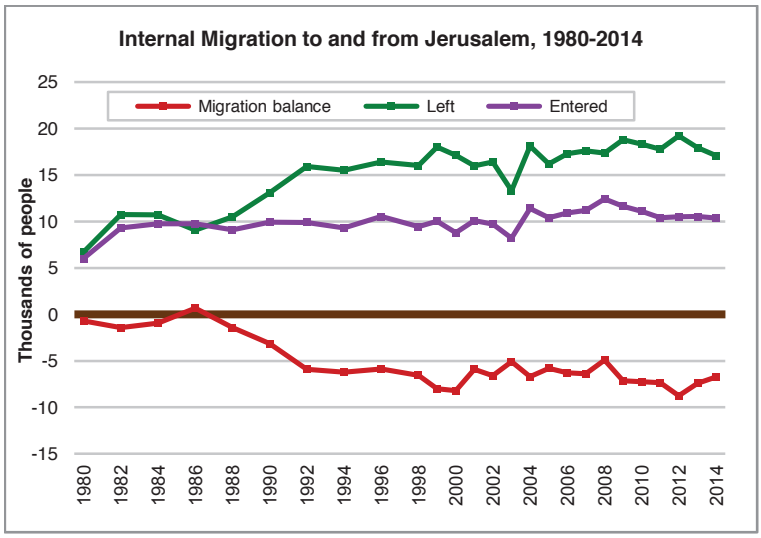
Internal migration is a salient issue in the public discourses of Jerusalem and of Israel. It is a particularly important consideration for policymakers and decision makers at the local, regional, and national levels, especially in the contexts of development, branding, and attractiveness of localities. Compared with other population growth factors (natural growth and *aliya*), a local authority's policies have great potential influence on the extent of internal migration.

14 Modiin Illit and Beitar Illit are ultra-orthodox communities; Har Adar is a mostly secular socio-economically well-off community.

15 The percentage of immigrants in relation to the overall Jewish population of the neighborhood is higher in Pisgat Ze'ev North (20%) than in Pisgat Ze'ev East (12%).

During 2014 a total of 17,100 residents of Jerusalem moved to other localities in Israel, and 10,400 moved to Jerusalem from elsewhere in Israel. The balance of internal migration for Jerusalem was negative, at -6,700 residents. This was the smallest migration balance in the past five years.

The migrants to and from Jerusalem were, for the most part, Jews, with a small minority of Arabs (3%-5%).[16]



Migration from Jerusalem

In 2014 a total of 17,100 residents left Jerusalem for other localities in Israel. The number of those leaving Jerusalem during this year was lower than the figure for 2013, when 17,900 residents left the city, as well as 2012, when 19,200 residents left.

The localities that drew the greatest numbers of residents from Jerusalem were Beit Shemesh (1,460), Tel Aviv (1,450), Giv'at Ze'ev (800), Betar Illit (790), Modi'in-Maccabim-Reut (690), and Bnei Brak (660). It is therefore evident that those who leave the city are a diverse group comprising of secular, religiously observant, and ultra-orthodox residents. Of these localities, Beit Shemesh, Betar Illit, and Bnei Brak are characterized by primarily ultra-orthodox populations; Tel Aviv is primarily secular; Giv'at Ze'ev and Modi'in contain mixed secular and religiously observant populations.

The Jerusalem neighborhoods from which the largest numbers of residents left in 2014 were Ramot Alon (1,550), Pisgat Ze'ev (1,030) Geula and Mea She'arim (920), Gilo

16 This figure refers to Israeli Arabs. East Jerusalem Arabs do not usually report internal migration and are therefore not included in the data.

(840), Kiryat Hayovel (760), and Katamonim (750). These are neighborhoods with large populations, and consequently they recorded the highest numbers of departing residents.

The highest proportions of people leaving (the number of residents leaving in relation to the size of the neighborhood's population) for this year were recorded in Nahlaot (57 departing residents per 1,000 residents), Rehavya (55), the City Center (53), Talbiya (47), and Kiryat Moshe and East Talpiot (41). The first four of the above six neighborhoods are characterized by frequent turnover of young residents and are populated by many young people and students, who reside in the neighborhood for only a few years. The homes they vacate are usually taken by new young adults and students.

A noticeably high proportion of those who leave Jerusalem are young. In 2014, 46% of departing residents (7,800) were aged 20-34. Another large age group is children aged 0-4, who constituted 18% of all departing residents (3,000). The main age groups leaving the city by age group were those aged 0-4 years and 25-29 years, each of which comprised 18% of all departing residents, as well as the 20-24 age group, which accounted for 15% of those who left.

According to estimates, about 5,000 of the emigrants from Jerusalem (29% of all departing residents) moved to ultra-orthodox localities or to localities with a large ultra-orthodox population. The main localities to which they moved were Beit Shemesh, Giv'at Ze'ev, Betar Illit, Bnei Brak, and Modi'in Illit.

Migration to Jerusalem

In 2014 a total of 10,350 new residents moved to Jerusalem from other localities in Israel. This is slightly lower than the figure for the past two years (10,500).

Among these newcomers, a notable portion came from metropolitan Tel Aviv – 38% (3,900 residents) as well as from metropolitan Jerusalem – 33% (3,400 residents).

The main localities from which new residents moved to Jerusalem in 2014 were Beit Shemesh (600), Tel Aviv (580), Bnei Brak (530), Ma'ale Adumim (400), Betar Illit (400), Ashdod (330), and Giv'at Ze'ev (300). Evidently the main localities from which new residents moved to Jerusalem were also diverse in nature and included secular, religiously observant, and ultra-orthodox residents.

The largest numbers of newcomers were recorded in the following Jerusalem neighborhoods: Ramot Alon (680), Gilo (550), Pisgat Ze'ev (540), Katamonim (500), and Geula and Mea She'arim (480).

The highest proportions of newcomers (the number of new residents in relation to the size of the neighborhood's population) were recorded in the City Center (53 newcomers per 1,000 residents), Rehavya (50), Nahlaot (46), Talbiya (44), Musrara (35), and Mishkenot

Ha'uma and Nayot (30). Most of these neighborhoods also had the highest percentage of departing residents. As noted, these are neighborhoods populated by many young adults and students, and are hence subject to great turnover of residents.

A noticeably high proportion of newcomers to Jerusalem were young (aged 20-34) – 48%. The proportion of young adults as a percentage of all newcomers is slightly lower than 2010-2013, when the figure was 51%-52%. Among newcomers to Jerusalem the main age groups, in units of five years, were 25-29 (19% of all newcomers), 20-24 (18%), 0-4 (13%), and 30-34 (11%).

According to estimates, about 2,500 of those moving to Jerusalem (constituting 24% of all newcomers) came from ultra-orthodox localities and localities with a large ultra-orthodox population. The main localities from which ultra-orthodox residents came were Bnei Brak, Betar Illit, Modi'in Illit, Kochav Ya'akov, Safed, Elad, and Kiryat Ye'arim.

Migration balance

In 2014 Jerusalem had a negative net migration balance, at -6,700. This was the lowest migration balance in the past five years.

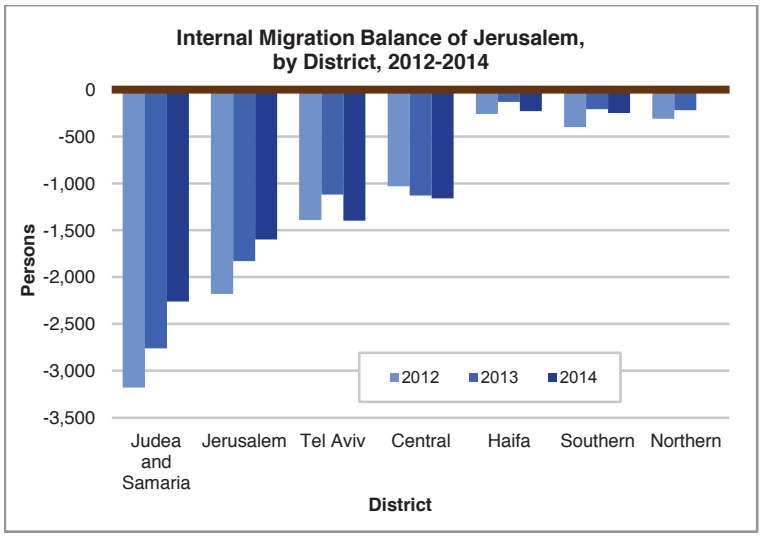
The localities with which Jerusalem had the largest negative migration balance were as follows: Tel Aviv (-870), Beit Shemesh (-860), Modi'in-Maccabim-Reut (-560), Giv'at Ze'ev (-500), Betar Illit (-390), and Modi'in Illit (-300). These data indicate that Jerusalem's departing residents come from the secular and religiously observant population as well as the ultra-orthodox population, considering that Tel Aviv is primarily secular, Modi'in-Maccabim-Reut and Giv'at Zeev contain a mixed population of secular and religiously observant residents, and Betar Illit and Modi'in Illit are ultra-orthodox localities.

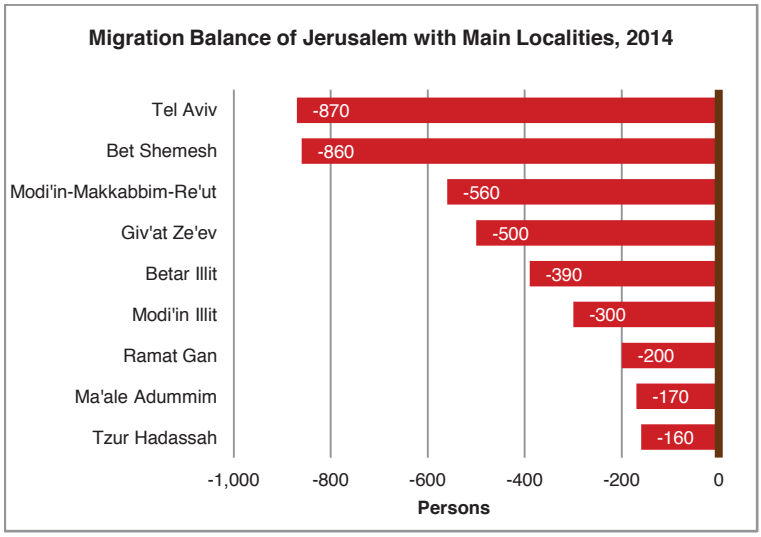
The neighborhoods that saw the departure of the highest numbers of residents were Ramot Alon (-870), Pisgat Ze'ev (-490), Geula and Mea She'arim (-440), Neve Ya'akov (-360), Ramat Shlomo (-320), and Gilo (-290).

The highest relative proportion of the migration balance (the migration balance as compared with the size of the neighborhood's population) was recorded in Malha (-24 residents per 1,000 residents), Ramat Shlomo (-21), Ramot Alon (-20), Ramat Eshkol and Giv'at Hamivtar (-19), and Giv'at Mordechai (-18).

The main age groups that left Jerusalem as a result of the negative migration balance were as follows: young children aged 0-4 (-1,720), young adults aged 25-29 (-1,110), ages 30-34 (-960), and ages 20-24 (-760).

The estimated negative migration balance of Jerusalem's ultra-orthodox population was 2,500, which constituted 37% of the total negative migration balance of the city.





Migration in Metropolitan Jerusalem

Jerusalem's overall migration balance reflects the difference between the total number of departing residents and newcomers. But there is a significant difference in the intensity of their relations with Jerusalem between those who leave the city for metropolitan Jerusalem and those who migrate beyond metropolitan Jerusalem. The former maintain strong economic and cultural relations with the city, whereas the latter are largely disconnected from it.

Residents of the surrounding metropolitan areas maintain relations with the core city in a number of ways, primarily through employment (working in the city), education and higher education (children attending schools in the city, young adults studying at universities or colleges in the city), culture, shopping, or services. These relations are economically important for the city. Places of employment generate added value, some of which the city recovers directly (through municipal taxes, for example) and some indirectly (through salaries paid to employees residing in the city, or services provided to places of employment by companies located in the city).

Accordingly, the two directions of migration should be differentiated, and migration to the entire metropolis should be examined; new residents from a locality outside the metropolitan area who settled in a locality within the metropolitan area will also adopt relations with the city even if they do not move to the urban core of the metropolis.

The city of Jerusalem is the urban core of the metropolitan area. In 2014 a total of 17,100 residents left Jerusalem. Of these, 38% (6,500) moved to localities within the surrounding metropolitan area of Jerusalem). The same percentage of residents (38%) moved to metropolitan Tel Aviv. Among newcomers to Jerusalem (10,350), 33% came from elsewhere in metropolitan Jerusalem, and 38% from metropolitan Tel Aviv.

In 2014, 13,600 new residents settled in the outer ring of Jerusalem (48% of whom came from the core city of Jerusalem), and 12,600 left the outer ring (of whom 27% moved to the core city of Jerusalem), giving the outer ring a positive migration balance of 1,100.

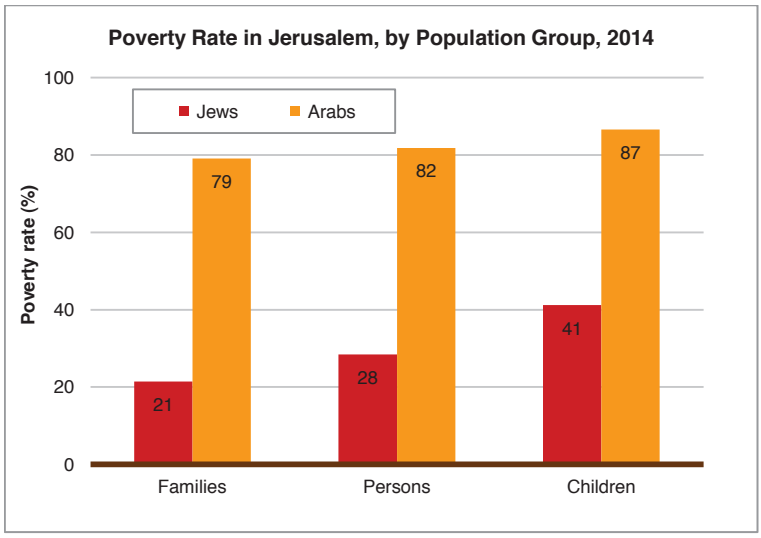
An examination of the entire metropolitan area – a very significant assessment for the city of Jerusalem – found that 24,000 new residents settled in metropolitan Jerusalem, and 29,650 left. The migration balance of the metropolis as a whole is therefore negative, at -5,700, a smaller figure than the migration balance for the city of Jerusalem (-6,700).

- Welfare and Standard of Living -

Extent of poverty[17]

In 2014 a total of 77,900 families in Jerusalem lived below the poverty line (37% of all Jerusalem families): 396,100 persons (49% of Jerusalem's population) and 195,900 children (61% of Jerusalem's children). The extent of poverty[18] in Jerusalem was significantly higher than the figure for Israel at large, where 19% of families – 22% of the population and 31% of the children – lived below the poverty line.

The extent of poverty in the Arab population of Jerusalem was considerably higher than in the Jewish population: 82% of the Arab population lived below the poverty line, compared with 28% of the Jewish population.



Within Jerusalem's ultra-orthodox population, 56% lived below the poverty line.
The extent of poverty in the ultra-orthodox population of Jerusalem was slightly lower than that in the ultra-orthodox population of Israel, where 59% of the population lived below the poverty line.

17 Poverty is a matter of relative economic distress and is measured in relation to the entire society. The poverty line in Israel is defined as an income level equal to 50% of the median disposable income per person. For detailed definitions and explanations, see the National Insurance Institute's annual reports, **Poverty and Social Gaps** (English).

18 The percentage of the population living below the poverty line.

Within Jerusalem's Arab population, in contrast, the extent of poverty was higher than in Israel: 82% of the Arab population in Jerusalem lived below the poverty line, compared with 54% of the Arab population in Israel at large.

The extent of poverty within the population of the Jerusalem District[19] is 46%, higher than the figure for the Northern District (where 32% of the population live in poverty), and the Haifa, Southern, Tel Aviv, and Central Districts (12%-18%). The extent of poverty among families (35%) and children (57%) in the Jerusalem District is the highest among Israel's districts.

One of the factors affecting the extent of poverty is the resident's number of years of education: the more years of education one acquires, the lower the extent of poverty. In 2014, 82% of Jerusalem's residents whose head of household had 8 years of education lived below the poverty line, compared with 37% of residents whose head of household had 13 or more years of education.

Family status

In 2013, 66% of Jerusalem residents aged 20 and over were married, 23% were single, 6% were divorced, and 5% were widowed. The percentage of married residents of Jerusalem (66%) was slightly higher than Israel's average (63%), and much higher than the average for Tel Aviv (46%) and Haifa (56%). The percentage of married Jewish residents of Jerusalem was 63%, lower than the figure for the Arab sector (72%). The percentage of Jewish divorced persons (8%) was higher than the figure for the Arab sector (3%). The percentage of widowed in the Jewish sector in Jerusalem (6%) and the percentage of singles (23%) were comparable to the figures for the widowed and single in the Arab sector (4% and 22%, respectively).

Jerusalemites marry relatively young: among persons aged 20-34 in Jerusalem, 55% were married, compared with 45% in Israel, 29% in Tel Aviv, and 36% in Haifa. In all, 8% of married persons in Jerusalem were in the age range of 20-24. This was higher than the figure for Israel (4%), Tel Aviv (1%), and Haifa (2%).

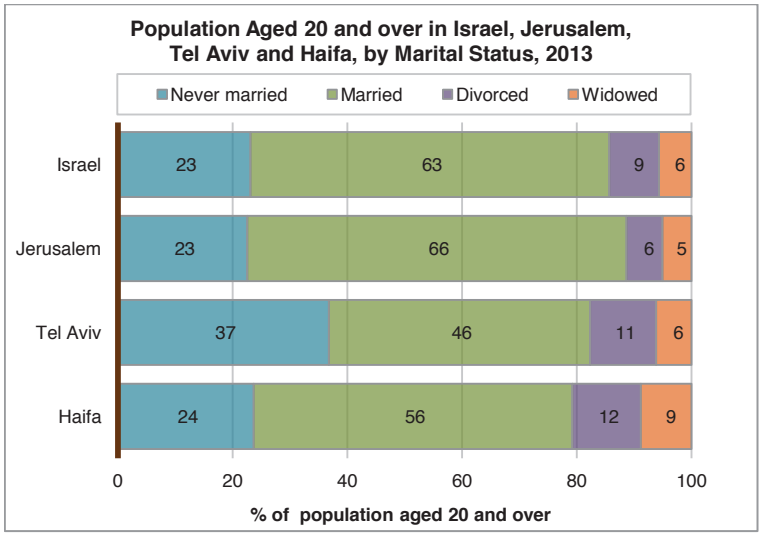
Among divorced person in Jerusalem, 11% were in the 25-34 age range, compared with 8% in Israel at large, 7% in Tel Aviv, and 6% in Haifa. In the older age groups, the percentage of divorced Jerusalemites is smaller than in other cities. The young age at time of marriage and high marriage rates in Jerusalem stem, among other factors, from the high proportion of ultra-orthodox Jews and Muslim Arabs in the city's population.

In 2015 Jerusalem had a total of 8,900 single-parent families,[20] who constituted 7% of all of the city's families. The percentage of single-parent families in Jerusalem (7%) is lower

19 A total of 82% of the District's population reside in the city of Jerusalem.

20 A single-parent family consists of a single parent who is raising children, and includes widowed, divorced, and unmarried individuals.

than the figures for Tel Aviv and Haifa (21% and 19%, respectively). Approximately 16,000 children below the age of 18 lived in single-parent families in Jerusalem, constituting 5% of the total number of children in the city. This is lower than the percentage of children living in single-parent families in Israel (9%). In Tel Aviv and Haifa, children of single-parent families constituted 17% and 15% of the total population of children in the city, respectively.



Households

In 2014 Jerusalem had a total of 210,100[21] households,[22] as follows: 149,000 Jewish households (71%) and 58,700 Arab households (28%). The Jewish population accounts for a higher proportion of households than its share of the city's population (63%) because Jewish households typically include a smaller number of persons than Arab households. The average size of a household[23] was 3.3 persons in the Jewish population, significantly lower than in the Arab population, where the average size was 5.3 persons.

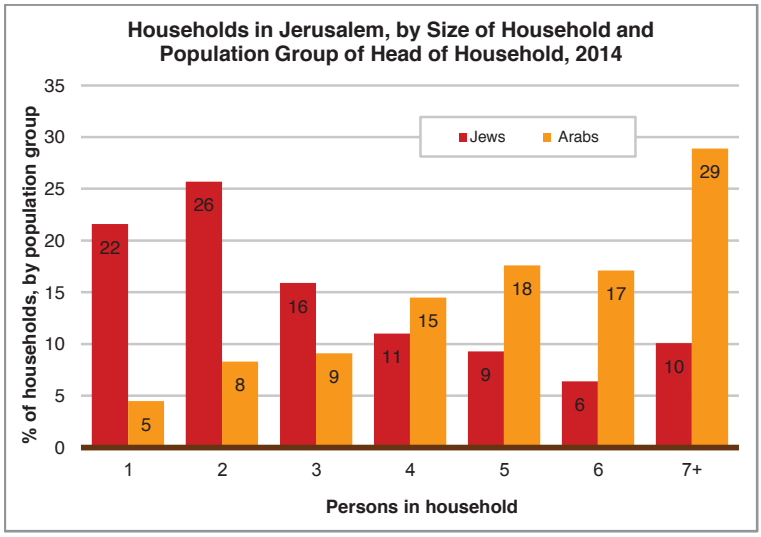
Jerusalem's Jewish population is characterized by large households compared with the Jewish population of other major cities. In 2014 the average size of Jewish households in Jerusalem was 3.3 persons, compared with 3.1 in all of Israel, 2.5 in Haifa, and 2.2 in Tel

21 These include households associated with an unknown population group as well as "others" (who are neither Jewish nor Arab).

22 A household is defined as one person or a group of persons who live together in a single home on a permanent basis for most of the week and maintain a joint budget for food. A household may include persons who are not related.

23 These include households consisting of only one person.

Aviv. The average size of an Arab household in Jerusalem was larger than that of the Arab population in Israel as a whole – 5.3 and 4.7, respectively.



Number of persons per household

In 2014, 47% of Jewish households in Jerusalem numbered one or two persons. In Israel the figure was 46%, in Tel Aviv 69%, and in Haifa 63%. The proportion of households with six or more persons in Jerusalem was 16%, compared with 2% in Tel Aviv and 3% in Haifa.

Among Jerusalem's Arab households, 13% have one or two persons, compared with 18% of Arab households in Israel at large. The proportion of Arab households with six or more persons was 46%, compared with 33% in Israel.

The distribution for ultra-orthodox households in Jerusalem was comparable to the distribution for Israel at large; a low percentage of households with one or two persons (22% in Jerusalem, 19% in Israel) and a high percentage of households with six or more persons (40% in Jerusalem and 41% in Israel). The percentage of secular Jewish households in Jerusalem with one or two persons (65%) was higher than the figure for Israel (52%).

The data indicate that the more earners there are per household, the lower the average number of children in the household: households with no earner or only one earner characteristically have a relatively larger number of children, while households with three or more earners typically had a smaller number of children. In 2014, the average number of children in households with no earner in Jerusalem was 3.5, compared with

3.2 children in households with one earner and 2.2 in households with three or more earners. In Tel Aviv the average number of children in households with no earner was 2.3, compared with 1.5 children in households with three or more earners.

Monthly expenditure on consumption

The average monthly consumption expenditure[24] per household in Jerusalem was lower than the figures for Israel and Tel Aviv but higher than the figure for Haifa. In 2014 the average monthly consumption expenditure per household was NIS 14,500 in Jerusalem, NIS 15,000 in Israel, NIS 15,100 in Tel Aviv, and NIS 13,000 in Haifa. The average monthly expenditure per person in Jerusalem was particularly low, at NIS 3,700, compared with NIS 4,600 in Israel, NIS 7,000 in Tel Aviv, and NIS 5,500 in Haifa. The expenditure per person in Jerusalem was low because households in the city are relatively large: an average of 3.9 persons per household in Jerusalem, 3.3 in Israel, 2.2 in Tel Aviv, and 2.4 in Haifa.

The following table indicates the percentage of expenditures by households in Israel and the major cities for four areas: housing, food, transportation and communications, and education, culture and entertainment. As the following table shows, the proportion of monthly expenditure devoted to each of these main areas of consumption was comparable for Israel and the major cities, with the exception of housing in Tel Aviv, where the proportion of expenditure was significantly higher. Haifa is characterized by a high expenditure on transportation and communication. Monthly consumption expenditure is influenced by monthly income. Because of differences in household income, and particularly because of differences in income per person, the expenditure per person in each of the principal areas of consumption was significantly lower in Jerusalem than in Tel Aviv, and was also lower than in Israel generally.

Monthly Consumption Expenditure by Main Areas of Expenditure in Israel, Jerusalem, Tel Aviv, and Haifa, 2014

	Israel	Jerusalem	Tel Aviv	Haifa
Total consumption expenditure (NIS)	15,000	14,500	15,100	13,000
Area:	% of total monthly consumption expenditure			
Housing	25%	27%	33%	20%
Food	16%	17%	15%	16%
Transportation and communications	20%	17%	17%	25%
Education, culture, and entertainment	12%	13%	12%	12%

24 This includes the total of all household payments for the purchase of goods or services, including expenditures for consumption of housing services.

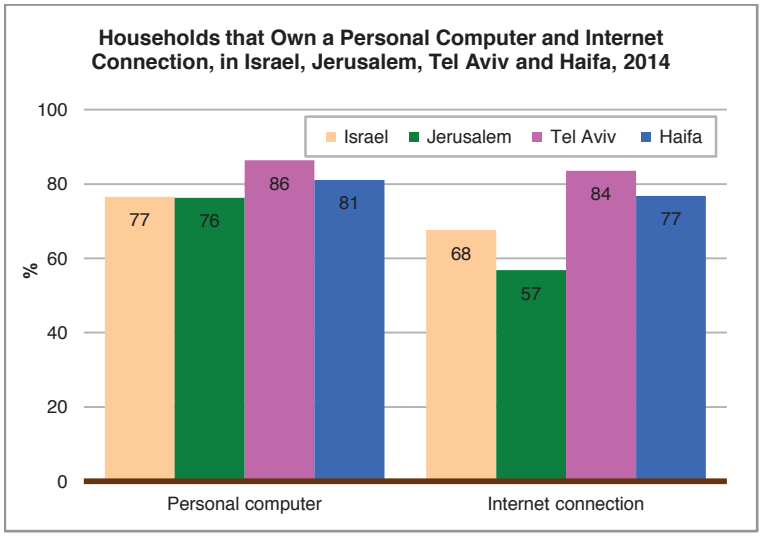
Ownership of durable goods

Another indicator of socioeconomic status within a population is the extent of a household's ownership of durable goods (key consumer products).

In 2014 a total of 76% of households in Jerusalem owned a personal computer, compared with 77% in Israel, 86% in Tel Aviv, and 81% in Haifa. A total of 57% of households in Jerusalem had internet subscriptions, 68% in Israel, 84% in Tel Aviv, and 77% in Haifa. In Jerusalem the percentage of those owning a tablet is also low (28%) compared with Israel (34%), Tel Aviv (41%), and Haifa (34%).

The percentage of Jerusalem households that owned a television (72%) was lower than the figure for Israel (84%), Tel Aviv (91%), and Haifa (92%). The percentage of subscribers to cable or satellite television was also low in Jerusalem, at 34%, compared with 57% in Israel, 63% in Tel Aviv, and 65% in Haifa. The relatively low percentage of Jerusalem households that had a television and cable service, like the low percentage of internet subscribers, results among other factors from the relatively large proportion of the ultra-orthodox population, which typically does not have a television or internet service at home.

Jerusalem recorded the highest percentage of households owning satellite dishes, at 29% (compared with 6% in Tel Aviv and 12% in Haifa), as well as households with digital converters, at 24% (compared with 9% in Tel Aviv and Haifa). At the same time, as noted, Jerusalem recorded the lowest percentage of cable or satellite television subscribers. The high rate of ownership of satellite dishes, which among other things receive television broadcasts from Arab countries, is primarily characteristic of Arab households.



Ownership of a vehicle is another indicator of socioeconomic status. The percentage of Jerusalem households that own at least one vehicle is relatively low: 56% of households in Jerusalem had at least one vehicle, compared with 65% in Israel, 60% in Tel Aviv, and 61% in Haifa. Moreover, the average age of cars in Jerusalem was relatively high, at 8.6 years, compared with Israel (6.7), Tel Aviv (4.9), and Haifa (6.0).

Housing density

In 2014 the average housing density in Jerusalem was 1.2 persons per room and 0.9 persons per room in Israel. In comparison to the fourteen largest cities in Israel, Jerusalem is second, with the highest housing density following Bnei Brak, which has an average housing density of 1.3 persons per room. In the remainder of the large cities, the average housing density was between 0.7 to 0.9 persons per room.

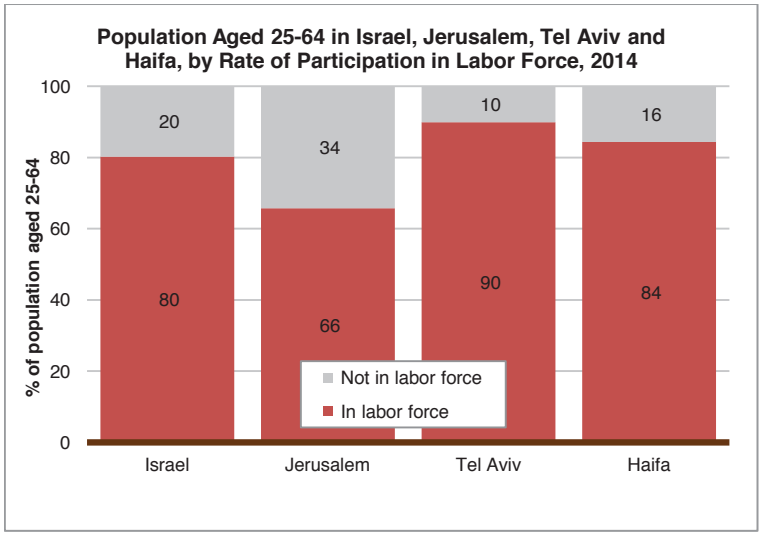
The average housing density among the Arab population of Jerusalem (1.9) was higher than the average among the Arab population of Israel (1.4).

- Employment -

Participation in the labor force

In 2014 the population of Jerusalem aged 15 and over numbered 532,900 persons, of whom 53% participated in the labor force.[25] Among those participating in the labor force, 259,200 were employed (93%) and 20,700 were unemployed (7%).[26]

Labor force participation rates vary greatly in accordance with the age of the population. In 2014 the rate of participation in the labor force in Jerusalem for the peak working ages (25-64) was 66%. This rate (66%) was significantly lower than the rate in Israel (80%), Tel Aviv (90%), and Haifa (84%).



Studies conducted by the Bank of Israel show that a low rate of participation in the labor force prevents optimization of the economy's production capacity, negatively affects the standard of living, and increases the scope of poverty. These studies further show that in Israel low labor force participation rate is characteristic of those with a low level of education, particularly men with a religious education and Arab women.[27] The relatively low rate of participation in the labor force in Jerusalem stems from the low rates of participation of ultra-orthodox men and Arab women.

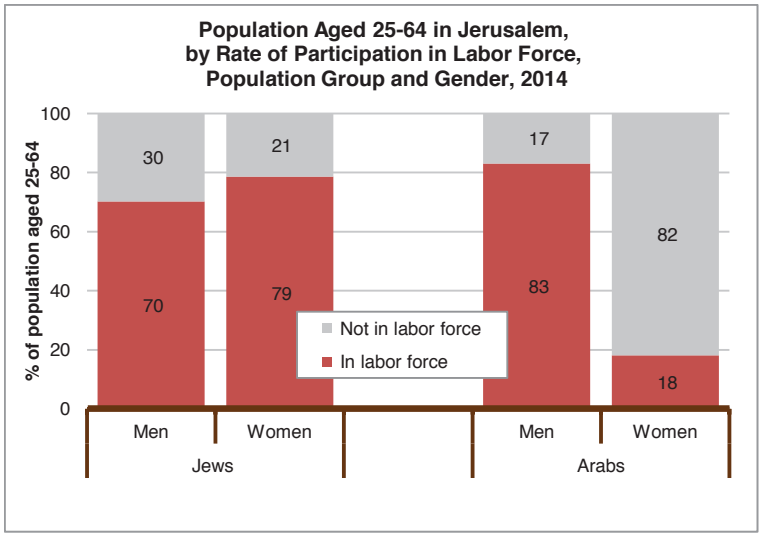
25 The labor force includes employed persons and unemployed persons actively seeking work among the population aged 15 and over.

26 These were unemployed persons actively seeking and available for employment.

27 Bank of Israel, Press Release, "**Rate of employment in Israel in an international perspective**," 2003 (Hebrew).

There is a significant gap between men and women in terms of labor force participation rates. In 2014 the rate of participation in the labor force among Jerusalem men aged 25-64 was relatively low (75%) compared with Tel Aviv (91%), Haifa (87%), and Israel (86%). The low labor force participation rate among Jewish men in Jerusalem (70%) was primarily due to the low participation rate of ultra-orthodox men. The rate of participation among Arab men was higher, at 83%.

Among Jerusalem women, the labor force participation rate for peak working ages was 57%, considerably lower than the rates in Tel Aviv (88%), Haifa (81%), and Israel (75%). The low rate of participation among Jerusalem women is attributable to the particularly low rate of participation among Arab women, at 18%, compared with 79% among Jewish women.
The rate of participation among Jewish women in Jerusalem (79%) was higher than the rate among Jewish men (70%), whereas in Israel this trend was reversed, with the rate of participation among Jewish men (87%) higher than the rate among Jewish women (83%).



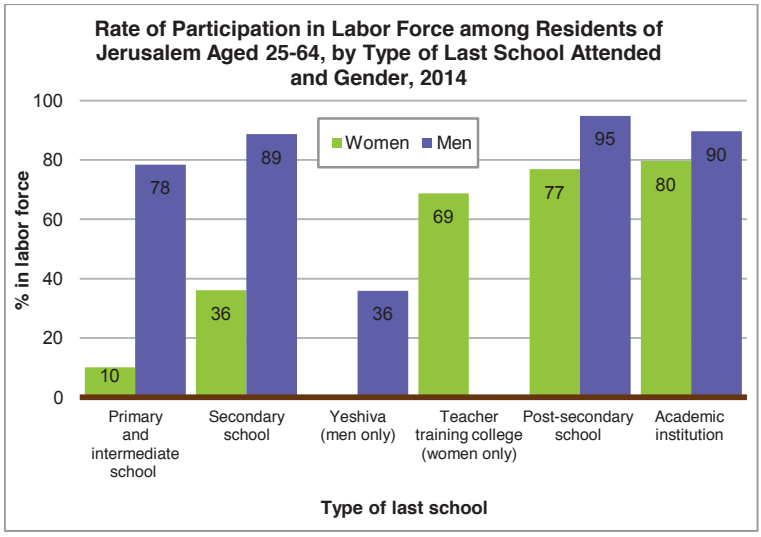
Labor Force Participation Rate among Population of Peak Working Ages (25-64) in Israel, Jerusalem, Tel Aviv, and Haifa, by Gender, 2014

	Israel	**Jerusalem**	Tel Aviv	Haifa
Total	80%	**66%**	90%	84%
Men	86%	**75%**	91%	87%
Women	75%	**57%**	88%	81%

Labor Force Participation Rate among Population of Peak Working Ages (25-64) in Israel and in Jerusalem by Population Group and Gender, 2014

	Israel			Jerusalem		
	Total	Jews	Arabs	Total	Jews	Arabs
Total	80%	85%	58%	66%	74%	50%
Men	86%	87%	80%	75%	70%	83%
Women	75%	83%	36%	57%	79%	18%

Labor force participation rates vary greatly in accordance with level of education. Among those of peak working ages (25-64) in Jerusalem, the highest participation rate was recorded for graduates of institutions of higher education: holders of academic degrees (84%), graduates of post-secondary educational institutions without academic degrees (85%), and graduates of teachers' and preschool training colleges (70%). Among high school graduates the rate of participation was 62%. Particularly low labor force participation rates were recorded among those with only elementary or middle school education (48%) and graduates of yeshivas (36%).

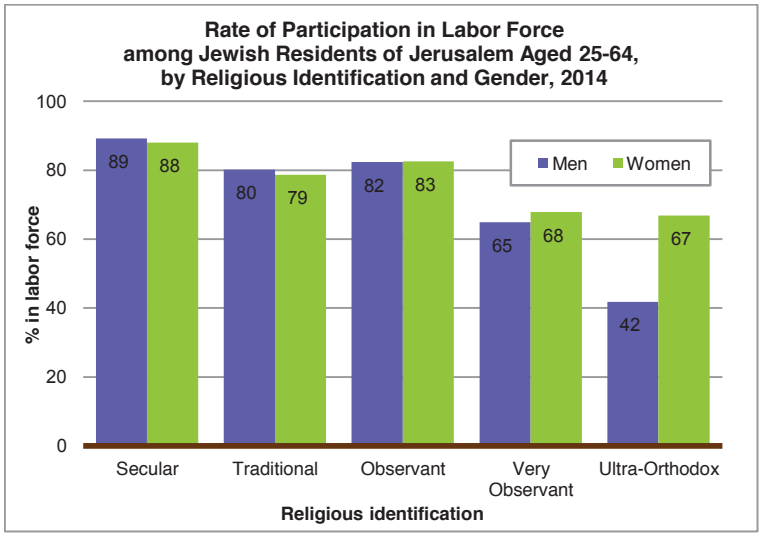


Labor force participation rate by nature of religious identification[28]

The religious identification of the population (secular, traditionally observant, religious, and ultra-orthodox) corresponds to its labor force participation rates.

In 2014 the labor force participation rate among Jerusalem's Jewish population aged 25-64 was 74%, lower than the rate for Israel (85%). There was a significant discrepancy in the labor force participation rate between those who defined themselves as belonging to the general Jewish population (secular, traditional, and religiously observant) and those who defined themselves as ultra-orthodox. The labor force participation rate in Jerusalem in accordance with religious self-identification was 89% among the secular, 79% among the traditional, 82% among the religiously observant, 75% among the very religiously observant, and 54% among the ultra-orthodox.

The labor force participation rate of Jewish women in Jerusalem (79%) is lower than that of Jewish women in Israel at large (83%). Secular women in Jerusalem participate in the labor force at a higher rate (88%) than their counterparts in Israel (86%). Ultra-orthodox and religious women in Jerusalem participate at a lower rate (67% and 68%, respectively) than ultra-orthodox and religious women in Israel at large (76% and 80%).



28 The data in this section were obtained from the **annual social survey** conducted by the Central Bureau of Statistics (English). Among other factors, the survey addresses the nature of religious identification as the survey respondents define themselves. It is of note that the definition of nature of religious identification within the CBS social survey varies from the definition within the CBS workforce survey, on which many of this section's statistics are based.

Labor Force Participation Rates for Ages 25-64 among the Jewish Population in Israel and in Jerusalem, by Nature of Religious Identification, 2014

	Total population	General Jewish Population (Not Ultra-Orthodox)					Ultra-Orthodox population
		Total	Secular	Traditional	Religiously observant	Very religiously observant	
Israel	85%	87%	89%	84%	83%	83%	64%
Jerusalem	**74%**	**83%**	**89%**	**79%**	**82%**	**75%**	**54%**

The labor force participation rate among the Arab population aged 25-64 is 50% in Jerusalem and 58% in Israel, lower than the rates for the Jewish population. The labor force participation rate among Arab men in Jerusalem (83%) is slightly higher than the rate among Arab men in Israel (80%). In contrast, the rate among Arab women in Israel (36%) is higher than the rate in Jerusalem (18%). There is wide variance in labor force participation rates within the Arab populations of Jerusalem and of Israel in accordance with level of religious observance: the higher the level of religious observance, the lower the labor force participation rate.

Labor Force Participation Rate among the Arab Population Aged 25-64 in Israel and in Jerusalem, by Nature of Religious Identification, 2014

	Total	Secular	Traditional	Religiously observant	Very religiously observant
Israel	58%	76%	59%	52%	50%
Jerusalem	**50%**	**59%**	**51%**	**47%**	**..**

Employed persons

In 2014 the number of employed persons in Jerusalem (aged 15 and over) totaled 302,800, constituting 9% of the total for Israel. In Tel Aviv, the economic and business center of Israel, the number of employed persons was greater than that of Jerusalem – at 407,300 – representing 11% of the total number of employed persons in Israel. Haifa had 170,800 employed persons, constituting 5% of the total number for Israel.

In 2014 the number of employed persons in Jerusalem corresponded to 36% of the total number of residents in the city (302,800 employed persons and 849,800 residents). In Tel Aviv the number of those employed was nearly identical to the city's number of residents: the number of employed persons corresponded to 96% of all residents, (407,300 employed

persons and 426,100 residents). In Haifa the number of those employed corresponded with 62% of all residents (170,800 employed persons and 277,100 residents).

An analysis of the places of residence of employed persons reveals that in 2014 a total of 75% of those employed in Jerusalem were residents of the city, 17% were residents of Jerusalem's outer ring – 11% from Judea and Samaria and 6% from the Jerusalem District (not including Jerusalem's urban core) – and 6% were residents of the Tel Aviv District and the Central District. In Tel Aviv the picture was different: 37% of employed persons were residents of Tel Aviv, 28% were residents of the Tel Aviv District (not including Tel Aviv's urban core), 26% were residents of the Central District and 1% were residents of the Jerusalem District. Evidently, most of those employed in Jerusalem were residents of the urban core of the city, in contrast to Tel Aviv, where only about one-third were city residents. The state of employment reflects a core city's economic power within its metropolitan area and the relative size of the city's population in relation to that of the metropolitan area.

In 2014 a total of 260,400 of Jerusalem's residents were employed, of whom 88% worked in Jerusalem. By way of comparison, 70% of Haifa's employed residents worked in Haifa, and 62% of Tel Aviv's employed residents worked in Tel Aviv.

In general, women are more likely than men to work close to home. In 2014 among employed women who were residents of Jerusalem, 91% worked in the city, compared with 85% of employed men who were residents of Jerusalem and worked in the city. In Tel Aviv, 68% of employed women who were residents of the city also worked in the city, compared with 57% of men.

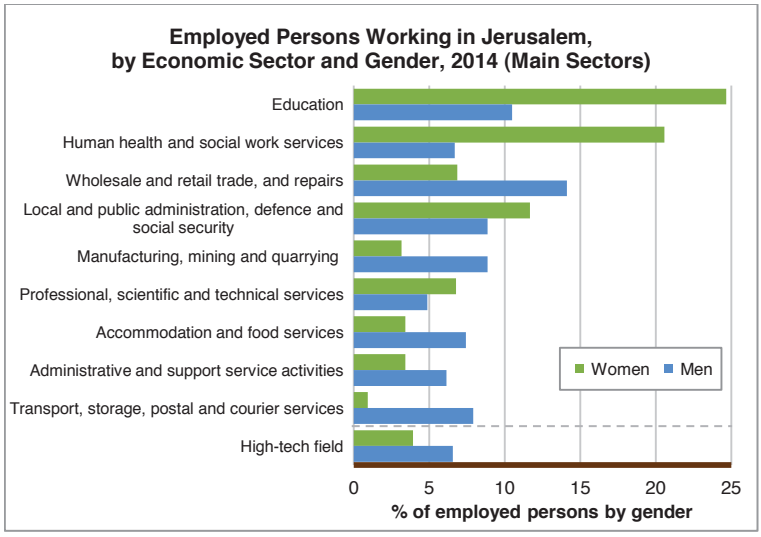
Jerusalem's status as the capital of Israel and its governmental and administrative center, where government ministries and national institutions are concentrated, results in a very high proportion of persons employed in public service. In 2014 a total of 40% of those employed in Jerusalem worked in the public service sector (local and public administration, education, and human health and social work services), compared with 33% in Israel, 31% in Haifa, and 22% in Tel Aviv. The main economic sectors in which employed persons in Jerusalem worked were as follows: education – 17% (12% in Israel and 7% in Tel Aviv), human health and social work services – 13% (11% in Israel and 9% in Tel Aviv), trade – 11% (11% in Israel and 10% in Tel Aviv), and local and public administration – 10% (10% in Israel and 6% in Tel Aviv).

Among those employed in Jerusalem, 2% worked in financial and insurance services, and 6% worked in professional, scientific, and technical services. In Israel the figures for these sectors were comparable, at 4% and 7%, respectively. Tel Aviv had a notably high percentage of employed persons in these sectors: 10% worked in financial and insurance services, and 14% in professional, scientific, and technical services. The percentage of employed persons in the industrial sector in Jerusalem was low, at 6%, comparable to the figure for Tel Aviv (4%) and lower than the figures for Israel (12%) and Haifa (12%).

In 2014 the main sectors of the economy in which Jewish persons were employed in Jerusalem were: education (20% of the Jewish population), human health and social work services (14%), and local and public administration (13%). The main sectors of the economy in which Arab persons employed in Jerusalem worked were trade (17%), construction (13%), and human health and social work services (11%).

The main economic sectors among men employed in Jerusalem were trade (14% of men), education (10%), and local and public administration (9%). Among employed Jewish men in Jerusalem the main economic sectors were education (15%), local and public administration (13%) and trade (11%), while among Arab men the main sectors were trade (19%), construction (15%), and manufacturing, mining, and quarrying (10%).

The main economic sectors among women employed in Jerusalem were education (25%), human health and social work services (21%), and local and public administration (12%). Among employed Jewish women in Jerusalem the main economic sectors were education (24%) human health and social work services (20%), and local and public administration (13%). Among employed Arab women, the very high percentage of those employed in education stands out – 44% – as does the percentage of those employed in human health and social work services – 28%.



Salary and income[29]

In 2013 Jerusalem had 260,400 salaried employees (86% of all employed persons in Jerusalem) and 17,700 self-employed workers.

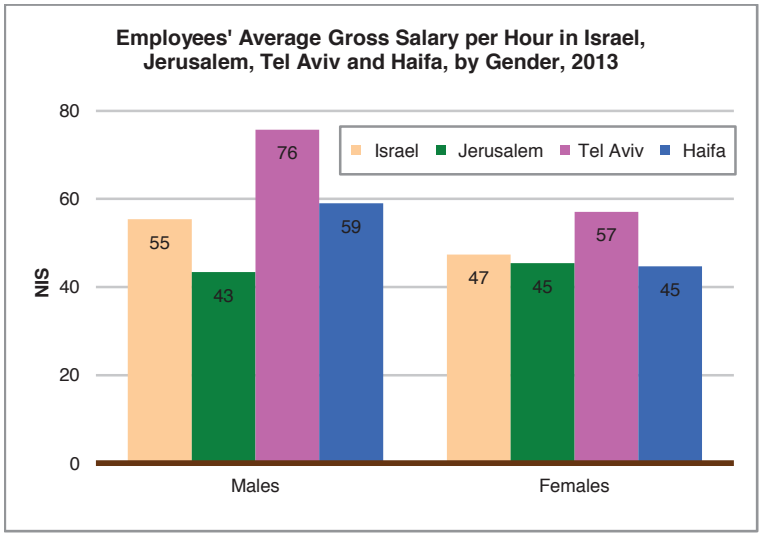
In 2013 the average (gross) monthly salary for an employee in Jerusalem was NIS 8,200. This was lower than the average for Israel (NIS 9,700), Tel Aviv (NIS 11,500), and Haifa (NIS 10,500). The average monthly salary in Jerusalem was also lower than that of adjacent localities, with the exception of localities that have a majority ultra-orthodox or Arab population. In Har Adar the average (gross) monthly salary for an employee was NIS 16,000, in Tzur Hadassa NIS 13,200, in Mevasseret Zion NIS 12,900, in Efrat NIS 11,400, for localities within the Mateh Yehuda Regional Council NIS 11,200, in Giv'at Ze'ev NIS 9,600, in Ma'ale Adumim NIS 9,800, and in Beit Shemesh (where about half of the population is ultra-orthodox) it was NIS 7,700. For localities where the population is primarily ultra-orthodox, the average monthly salaries were lower than the average in Jerusalem: in Kiryat Ye'arim (Telz-Stone) it was NIS 7,100, in Kochav Ya'akov NIS 6,200, and in Betar Illit NIS 5,700. In Abu Ghosh, where most of the population is Arab, the average monthly salary was NIS 7,000.

An examination of salary by gender revealed a significant gap between the salaries of employed men and employed women. In 2013 the average monthly (gross) salary in Jerusalem among men was NIS 9,100, which was 25% higher than the average for women, at NIS 7,200. In Tel Aviv and Haifa the average salary was higher than in Jerusalem, and so too was the gap between men's and women's salaries. In Tel Aviv the average salary was NIS 13,700 for men, which was 46% higher than the average salary for women, at NIS 9,400. In Haifa, the gap between men's and women's salaries was the greatest, at 58%, with men's salaries averaging NIS 13,100 and women's salaries averaging NIS 8,200. In Israel the average salary for men was NIS 11,600, which was 50% higher than the average for women, at NIS 7,800.

The difference in average monthly salaries between men and women can be attributed primarily to two factors: hourly rates and number of hours worked. In 2013 the average hourly wage for men in Jerusalem (NIS 43) was lower than the hourly wage for women (NIS 45). The average hourly wage among men in Tel Aviv (NIS 76) was 33% higher than the average for women (NIS 57). In Israel the average hourly wage for men (NIS 55) was 17% higher than for women (NIS 47).

The average number of working hours per week among men in Jerusalem was 42, compared with 46 in Tel Aviv, Haifa, and Israel. The average number of working hours per week among women was lower, at 35 in Jerusalem, 39 in Tel Aviv, 36 in Haifa, and 37 in Israel.

29 Income and salary data are derived from two different sources: **Wages and Income from Work by Locality and by Various Economic Variables** by the National Insurance Institute and **Income Survey** by the Central Bureau of Statistics. It should be noted that each source assesses wages and income in a different way, and the data therefore differ.



Job satisfaction across various professions

The social survey of the Central Bureau of Statistics asked respondents aged 20 and over about their level of satisfaction with their workplace and salary. They were also asked whether they are concerned about loss of employment.

The survey found that during 2012-2014 (on average), 86% of Jerusalem residents were satisfied or very satisfied with their workplace. A comparison between Jerusalem and all

of Israel as well as its other main cities found that the proportion of those in Jerusalem (86%) who reported being satisfied or very satisfied with their workplace was similar to the figure for Israel (87%), Tel Aviv, and Rishon Lezion (88% each), and slightly higher than the figure for Haifa (84%). In Ashdod the percentage of those who were satisfied or very satisfied with their workplace was identical to the figure for Jerusalem (86%).

Regarding satisfaction with their level of income, 55% of Jerusalem residents were satisfied or very satisfied with their income. The figure is slightly higher for Tel Aviv (61%), Israel (59%), and Rishon Lezion (58%), identical for Haifa (55%), and lower for Ashdod (52%).

Another interesting question relates to concerns about loss of employment. The data revealed that Jerusalem residents felt relatively secure about their workplace compared with the other major cities. During the years 2012-2014 (on average), 55% of Jerusalem's residents reported that they were not at all concerned about losing their job, comparable to the figure for Tel Aviv (54%). Higher percentages of residents were concerned about losing their employment in Ashdod and Rishon Lezion (67%) as well as Israel (63%) and Haifa (65%).

The survey also found that Jerusalem residents are fairly satisfied with their financial situation. During the years 2012-2014 (on average), 55% of Jerusalem residents were satisfied or very satisfied with their financial situation. This is identical to the figure for Tel Aviv and slightly lower than the figures for Israel and Haifa (56%) and Rishon Lezion (57%). In Ashdod 48% were satisfied or very satisfied with their financial situation.

Level of Satisfaction among Jerusalem Residents Aged 20 and over with Respect to Specific Aspects of Life, 2012-2014 (average)

Satisfaction with:	Very satisfied	Satisfied	Not very satisfied	Not at all satisfied
Workplace	35%	51%	10%	4%
Income	9%	46%	28%	17%
Financial situation	9%	46%	30%	14%
Life	35%	53%	9%	2%

- Business and Industry -

Active businesses[30]

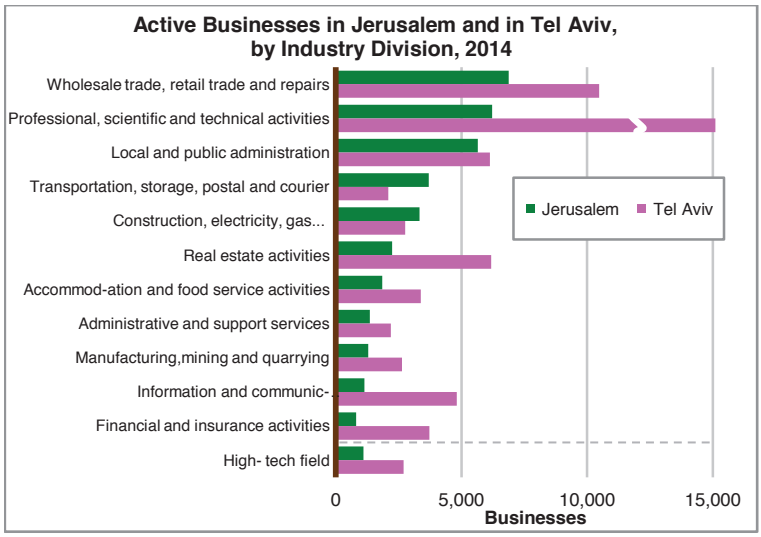
Business activity in the urban sphere is one of the indicators of a city's economic resilience. Business activity is affected by supply and demand in relation to economic activity in the city, the size of the population, and economic and social processes at the local, national, and international levels.[31] Business activity is calculated in a number of ways, such as by measuring changes and trends among active businesses, openings and closings of businesses, and business survival, among other factors.

In 2014 Jerusalem had 37,500 active businesses, constituting 7% of all active businesses in Israel. Metropolitan Jerusalem had a population of about 1.2 million people that year. In Tel Aviv, Israel's financial center, the number of active businesses was almost double the figure for Jerusalem, at 69,200, constituting 13% of the active businesses in Israel. The metropolitan area of Tel Aviv had a population of about 3.7 million that year, three times the population of metropolitan Jerusalem. Haifa had fewer active businesses than Jerusalem, at 21,000, about 4% of the active businesses in Israel. The population of metropolitan Haifa was about 903,000. Between 2010 and 2014 the number of businesses in Jerusalem increased by 8% (from 34,700 in 2010 to 37,500 in 2014). In Israel the increase was 11%, in Tel Aviv 7%, and in Haifa 5%.

In 2014 the largest numbers of active businesses in Jerusalem were recorded in the following sectors: wholesale and retail trade and repairs (18%), professional, scientific, and technical services (17%), and local and public administration, defense, education, and human health and social work services (15%). The percentage of businesses in the wholesale, retail, and repairs sector (18%) was slightly higher than the figure for Tel Aviv (15%) and comparable to the figures for Israel (17%) and Haifa (18%). The percentage of businesses classified as professional, scientific, and technical services was 17% in Jerusalem, lower than the figures for Israel (19%), Tel Aviv (27%), and Haifa (23%).
The percentage of businesses in the public service sector – local and public administration, defense, education, and human health and social work services – in Jerusalem (15%) was higher than the figures for Israel (11%) and Tel Aviv (9%) and comparable to the figure for Haifa (15%). The manufacturing, mining, and quarrying sector (industrial sector) constitutes an important element in the economy of cities. About 3% of all active businesses in Jerusalem were in this sector, comparable to the figure for Tel Aviv and Haifa (4%) and slightly lower than the figure for Israel (5%).

30 An active business is defined as a business that registered at least one financial transaction per month during the year.

31 Tzadik, A. (2007) "**Small and Mid-Sized Businesses in Israel and Developing Countries**," Jerusalem: The Knesset Center for Research and Information (Hebrew).



High-tech[32] businesses constituted 3% of all active businesses in Jerusalem, 5% in Tel Aviv, and 4% in Israel and Haifa.

The number of businesses per 1,000 residents (ratio per thousand) reflects the supply and demand for businesses in the city as well as the size and economic power of the geographic area served by the city. That is, the greater the number of businesses per 1,000 residents, the higher the demand and the greater the likelihood of providing adequate services to the residents. In 2014 the average number of businesses per 1,000 residents in Jerusalem was 44, lower than the ratio for Israel (64), much lower than the ratio for Tel Aviv (162), and lower than the ratio for Haifa as well (76). Examination of the ratio of businesses per 1,000 residents by economic sector in Jerusalem reveals that in 2014 the economic sector of wholesale, retail, and repairs had the highest ratio, at 8 businesses per 1,000 residents. This was still lower than the ratios for Israel (11), Tel Aviv (25), and Haifa (14). Jerusalem's accommodation services and restaurants sector recorded 2 businesses per 1,000 residents, lower than the ratios for Israel (3), Tel Aviv (8), and Haifa (4).

Additional relatively prominent economic sectors in Jerusalem included the professional, scientific, and technical services sector, although the number of businesses per 1,000 residents in this sector (7) was lower than the ratios for Israel (12), Tel Aviv (43), and Haifa (18). In the sectors of local and public administration, defense, education, and human health and social work services (7 per 1,000 residents for all these sectors combined), too,

32 The high-tech industry constitutes part of the industrial sector but includes businesses from other sectors as well, such as communications, research and development, and others. For additional information, see **Recommendations of the Sub-Committee for Official Classification of High-Technology Branches – High-Tech Definitions in Israel**, Central Bureau of Statistics (Hebrew).

the ratio of businesses to 1,000 residents was lower than the ratios for Tel Aviv (14) and Haifa (11), but comparable to the ratio for Israel (7).

The number of businesses per 1,000 residents in Jerusalem did not change during the years 2010-2014. The ratio in 2014 was 44 businesses per 1,000 residents, as it had been in 2010. In Israel this ratio was 62 businesses per 1,000 residents in 2010, rising to 64 in 2014, while in Tel Aviv the ratio increased during these years from 160 to 162 businesses per 1,000 residents.

Businesses with salaried employees have a significant role in the local, regional, and national economic systems, serving as the economic engine that drives job creation and encourages innovation.[33] Small businesses employing 1-4 salaried employees are very important and constitute a key contributing factor to economic activity in cities. Large businesses employing more than 100 salaried employees are few in number, but they have an especially strong influence on the scope of employment within cities. In 2014, 53% of the active businesses (representing 19,700 businesses) in Jerusalem employed salaried workers; some two-thirds of these were small businesses employing 1-4 salaried workers (13,000 businesses).

Business openings and closings[34]

Business openings and closings and the net change between these figures (difference between the number of openings and the number of closings) indicate the degree of economic development of cities and the feasibility of advancing new ventures and business innovation in a city. During 2014, a total of 3,440 new businesses opened in Jerusalem, and 2,800 closed. The net change in number of businesses in Jerusalem was positive, at 640. In Tel Aviv, 6,150 businesses opened and 5,250 closed, resulting in an increase of 900 businesses. In Haifa 1,790 businesses opened and 1,500 closed, resulting in a net change of 290.

Over time, business openings and closings are characterized by consistent trends, but during times of crisis or economic recession, the number of closings is greater than the number of openings. The following tables illustrate changes in the openings and closings of businesses in Jerusalem compared with other major cities in Israel.

33 OECD (2011), **Entrepreneurship at a Glance 2011**, OECD Publishing.

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

Openings and Closings of Businesses in Jerusalem, 2008-2014

Year	Openings	Closings	Net Change
2008	3,060	2,510	540+
2009	2,940	2,530	410+
2010	3,220	2,720	500+
2011	3,210	2,580	640+
2012	3,170	2,900	280+
2013	3,320	2,570	750+
2014	3,440	2,800	640+

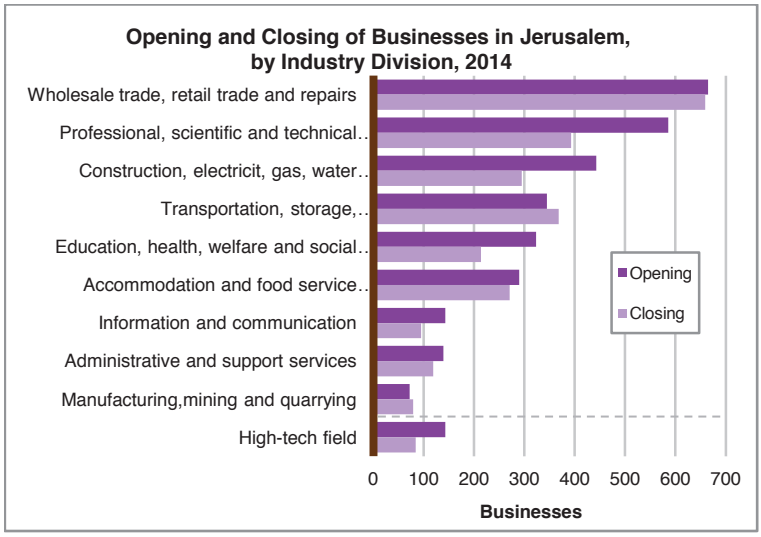
Net Change in Openings and Closings of Businesses in Israel, Jerusalem, Tel Aviv, and Haifa, 2008-2014

Year	Israel	**Jerusalem**	Tel Aviv	Haifa
2008	10,680+	**540+**	1,390+	210+
2009	8,990+	**410+**	1,520+	180+
2010	12,490+	**500+**	1,900+	290+
2011	12,160+	**640+**	2,100+	270+
2012	10,080+	**280+**	830+	170+
2013	8,670+	**750+**	800+	190+
2014	10,450+	**640+**	900+	290+

In 2014 most economic sectors in Jerusalem showed a positive net change. The prominent sectors were the scientific, professional, and technical services sector, with an increase of 190 businesses; the construction, electricity, gas, water, sewerage, and waste sector, with an increase of 150 businesses; and the education and human health and social work services sector, with an increase of 110 businesses.

In 2014 a total of 1,410 businesses employing salaried workers opened in Jerusalem and 840 such businesses closed, resulting in a positive net change of 570 businesses.
In the same year, 2,030 businesses without salaried employees opened in Jerusalem, and 1,970 such businesses closed. Thus businesses that do not employ salaried workers also showed a positive net change, with 70 new businesses. The principal economic sectors in Jerusalem with salaried employees and a positive net change between openings and closings in 2014 were the construction, electricity, gas, water, sewerage, and waste sector,

with a positive net change of 120 businesses; the professional, scientific, and technical services sector, with a positive net change of 90 businesses; and the wholesale, retail, and repairs sector, with a positive net change of 90 businesses.



Business survival

The indicator of business survival following establishment makes it possible to understand and identify the stability and resilience of the economic and business systems of cities. Of businesses founded in Israel in 2010, 58% managed to survive until 2014. Jerusalem showed a similar trend (57% of businesses survived). For Tel Aviv and Haifa, the survival of businesses established that year was higher (62% and 60% of businesses, respectively). The likelihood of a business established in 2010 in Jerusalem surviving one year was 88% (identical to Israel at large), for two years it was 74% (and 75% in Israel), for three years it was 64% (65% for Israel), and for four years it was 57% (58% in Israel). Therefore it appears that the likelihood that a business will survive in Jerusalem is similar to that of Israeli at large.

Likelihood of Businesses Founded in 2010 Surviving Through 2014

Year	Israel	**Jerusalem**	Tel Aviv	Haifa
2011	88%	**88%**	90%	88%
2012	75%	**74%**	78%	75%
2013	65%	**64%**	69%	66%
2014	58%	**57%**	62%	60%

The percentage of businesses that close during their first three years of operation is relatively high. The likelihood of surviving another year increases after a business has survived its first three years. Of businesses founded in Jerusalem in 2010, 88% survived through 2011, and this figure declined further in 2012, with 84% of the businesses that survived 2011 successfully surviving another year. A portion of businesses also fail to survive a third year, with 86% of those that survived 2012 successfully surviving 2013 as well. This figure was 89% for those businesses that survived in 2013 as well as in 2014.[35]

The sectors in which the likelihood of a business surviving beyond three years is greatest are information and communications (from 82% first-year survival rate to 93% in the fourth year) and wholesale and retail trade (from 80% to 90%). In contrast, the sectors of accommodation services and restaurants, manufacturing (including quarrying and mining), and electricity, gas, and water have a low likelihood of business survival beyond the third year (0%-3%). In the financial and insurance services sector the likelihood of survival beyond the third year declines to 3%.

The various economic sectors have different survival rates. Some sectors typically have higher survival rates than others for the four years following their establishment. These include education (73% of businesses established in 2010 survived 2014); financial and insurance services (71%); professional, scientific, and technical services (69%); and human health and social work services (69%). These sectors also had high survival rates in Israel (65%, 72%, 67%, and 71%, respectively) and in Tel Aviv (73%, 70%, 68%, and 76%, respectively). In contrast, survival rates for businesses in the accommodation services and restaurants sector that were established in Jerusalem in 2010 were the lowest among the economic sectors after four years, at 39%, comparable to the figure for Israel (40%) and lower than the figure for Tel Aviv (47%). It should be noted that the accommodation services and restaurants sector has the lowest survival rate in Israel, Jerusalem, Tel Aviv, and Haifa. The survival rate in Jerusalem for businesses in the wholesale and retail trade and repairs sector was 51% after four years, comparable to the rates for Israel (51%) and Tel Aviv (52%). The survival rate for businesses in the manufacturing sector that opened in 2010 and survived through 2014 was 64%, higher than the rates for Israel (57%), Tel Aviv (60%), and Haifa (56%).

Industry

In 2014 a total of 417,300 persons worked in Israel's industrial sector (high, mixed, and low technology),[36] constituting 12% of all employed persons in Israel.

35 The data relate only to businesses founded in 2010.

36 The high technology industry includes the electronics industry, medical equipment, medicines, and quality control and development. The high-mixed technology industry includes machine and equipment manufacturing, the chemicals industry, petroleum refining, and the manufacture of electrical engines. The low-mixed technology industry includes mining, quarrying, and manufacturing plastic products, metals, and jewelry. The low-technology industry includes the manufacture of food and beverages, textiles, paper, and furniture.

In Jerusalem a total of 18,800 worked in the industrial sector (including mining and quarrying), constituting 6% of all employed persons in the city.

The percentage of those employed in industry in Jerusalem (6%) was higher than the figure for Tel Aviv (4%) but lower than the figures for Haifa and Israel (12%).

In 2012[37] the number of employment positions in Jerusalem in industry was 14,700, of which 35% were in high and high-mixed technology industries, 15% in low-mixed technology industries, and 50% in low-technology industries. In Tel Aviv the number of positions in industry was 15,200 (36% of which were in high and high-mixed technology industries), and in Haifa there were 14,300 positions (50% of which were in high and high-mixed technology industries). In Israel the number of positions was 367,300 (42% of which were in high and high-mixed technology industries).

The large industrial zones in Jerusalem in terms of number of positions are Har Hotzvim (5,000 positions), Atarot (2,300 positions), Talpiot (1,900 positions), and Giv'at Shaul (1,600 positions). The main economic sectors within the city's industry in terms of number of positions include food, beverages, tobacco, textiles, clothing, footwear, and leather (5,400 positions); chemicals and minerals (2,500 positions); metal products, transport vehicles, and mechanized and office equipment (2,300 positions); electrical and electronic equipment (2,200 positions); and lumber products, furniture, paper, and printing (1,800 positions).

In 2012 the gross added value[38] of Jerusalem's industry stood at NIS 5,757 billion, which constituted 5.1% of the gross added value of industry in Israel. This figure reflects the relative strength of industry in Jerusalem, given that the percentage of positions in industry in Jerusalem was 4% of all positions in Israel's industrial sector. By comparison, the industrial sector positions in Tel Aviv constituted 4.1% of all industrial sector positions in Israel while its gross added value was 2.7% of the gross added value of industry in Israel.

Most of the gross added value of industry in Jerusalem came from large companies employing 100 workers or more (85% of the total added value in Jerusalem), although the number of positions in these companies was 52% of the total for industry in Jerusalem. The contribution of Jerusalem's mid-sized companies (20-99 workers) to the gross added value stood at 7%, whereas the number of positions in these companies constituted 24% of the total for industry in Jerusalem. The contribution of Jerusalem's small companies (1-19 workers) to the gross added value was just 8%, while the number of positions they provided was 23% of the total number of positions in industry.

37 Statistics about industry are based on a national survey of industry conducted by the Central Bureau of Statistics. The updating, analysis, and publication of data take a relatively long time and therefore the data presented in this section are for 2012.

38 The gross added value is the total gross output after deducting total input.

- Education -

The education system in Jerusalem

Jerusalem's education system is the largest, most diverse, and most complex in Israel. It is required to address the needs of diverse populations with distinct characteristics. The four main sectors in Jerusalem's Education Authority (JEA) are: state, state-religious, ultra-orthodox, and Arab. Educational institutions in the JEA across all these sectors have differing legal status, as the system comprises official schools, recognized but unofficial schools, independent, and exempted schools.

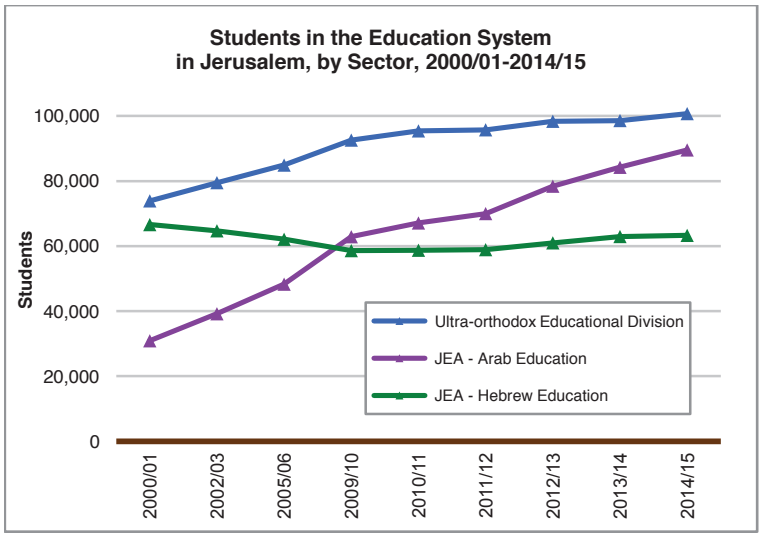
Jerusalem is characterized by a diversity of schools, in their legal status, ownership, and educational specialty within each diverse sector of the population. The state-secular and state-religious education systems offer their students a variety of schools, from schools specializing in the arts, academic excellence, to integrated religious-secular or Jewish-Arab schools. The ultra-orthodox education system also contains a range of schools in terms of their legal status, ownership, and curriculum. The Arab education framework includes a similarly diverse range of schools.

During the 2014/2015 academic year, approximately 274,600 students were enrolled in schools under the umbrella of the Jerusalem Education Authority: 63,300 students were enrolled in the Hebrew state and state-religious[39] education systems, while 100,700 students were enrolled in the Municipality's Haredi Education Division under JEA. A total of 89,600 students were enrolled in the Arab public education system through the JEA, and 21,000 students were enrolled in private Arab schools (2000/2001 assessment), which are not under the JEA's jurisdiction.

During the past five academic years (2010/2011 – 2014/2015), the number of students in Jerusalem's education system[40] increased by 14%, from 217,600 to 248,200. The number of students in the Hebrew education system of the Jerusalem Education Administration (state-secular and state-religious schools) increased by 7% (from 58,600 to 63,100), and the number of students in the ultra-orthodox sector increased by 6% (from 90,000 to 95,700). In the Arab public sector (official and recognized but unofficial schools) the number of students increased by 30% (from 69,000 to 89,600). The increase in the number of students in the Arab sector results in part from an increase in the number of school-aged children but mostly from improved data collection, especially in recognized but unofficial schools.

39 This includes 500 students who were enrolled in state-ultra-orthodox schools.

40 Not including grades 13 and 14 and private Arab schools.



Hebrew education

During the 2014/2015 academic year, 164,000 students[41] were enrolled in the Hebrew JEA education system in Jerusalem: a total of 63,300 students (39%) were enrolled in the Hebrew state-secular and state-religious schools, and 100,700 (61%) students were enrolled in the Haredi Education Division.

The distribution of students in the Hebrew JEA education system (state-secular and state-religious schools) was as follows: 11,700 children in kindergarten and nursery school, 24,600 students in elementary school, and 24,800 students in secondary school. A total of 2,200 students were enrolled in special education schools.

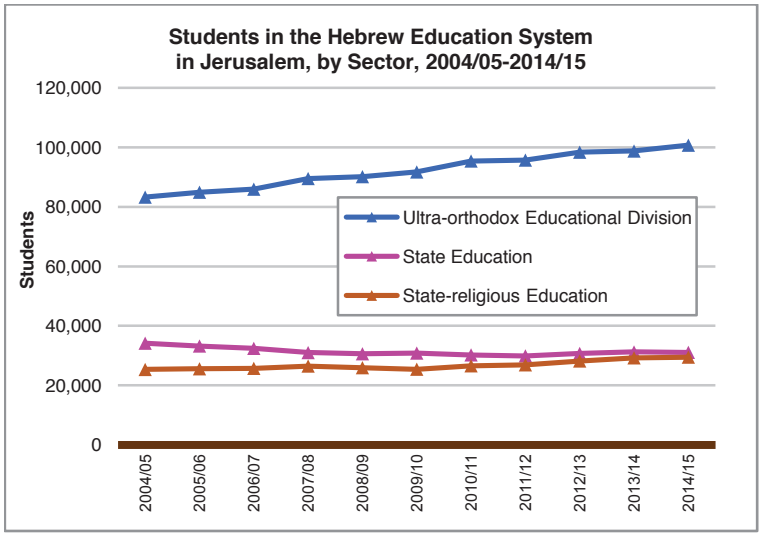
The distribution of students in the Hebrew ultra-orthodox education system was as follows: 23,800 children in kindergarten and nursery school, 47,400 students in elementary school, and 27,000 students in secondary school. A total of 2,500 students were enrolled in special education schools.

An analysis of the patterns of change in the number of students indicates different rates of growth among the various educational sectors. During the past five academic years (2010/2011 – 2014/2015), as noted, there has been an 8% increase in the number of students enrolled in the Hebrew JEA system (state-secular and state-religious)[42] from 58,800 to 63,300. In the state education system in Jerusalem, there was a 3% increase

41 Including grades 13 and 14.

42 Not including special education and grades 13 and 14.

in the number of students (from 30,200 to 31,100) while in the state-religious education system, the number of students increased by 11% (from 26,600 to 29,500 students).



Arab education

During the 2014/2015 academic year, 110,600 students were enrolled in Jerusalem's Arab education system, 89,600 of whom were enrolled in schools under the jurisdiction of the JEA, both official and recognized but unofficial schools.[43]
The number of students enrolled in private schools was estimated at 21,000 (2000/2001 assessment). Students in the Arab education system (public and private) constituted 40% of all students in the Jerusalem education landscape.

The distribution of students in schools under the JEA was as follows: 15,600 children in kindergarten and nursery school, 43,700 students in elementary school, and 24,500 students in secondary school. In schools that serve all ages, there were 3,800 students and approximately 2,000 students were enrolled in special education schools.

Since the 2000s there has been a significant increase in the number of students enrolled in the Arab public education sector of the JEA. In 2001/2002, there were 33,200 students in Arab public schools (official and recognized but unofficial schools). This figure rose to 43,500 in 2003/2004, to 78,400 in 2012/2013, and to 89,600 in 2014/2015. The notable increase results from an increase in the number of students in municipal and private schools that were recognized by the Ministry of Education and thus became "recognized but unofficial" schools and from improvements in the collection of data regarding

43 Official schools and recognized but unofficial schools.

students. Since the early 2000s, recognized but unofficial schools have been included in the registry of schools and registry of students of the JEA. In 2001/2002, the number of students in grades 1-12 in recognized but unofficial schools was 1,500; the number rose to 8,300 in 2004/2005 and reached 32,500 in 2014/2015.

Eligibility for matriculation

In 2013/2014, the total number of 12th grade students who were Jerusalem residents and enrolled in schools that prepare students for Israeli matriculation examinations (state, state-religious, independent ultra-orthodox, and municipal Arab schools) stood at 5,725. Of these, 73% took the matriculation exams. The percentage of those who qualified for a matriculation certificate among 12th grade students who were Jerusalem residents was 43%, compared to 65% in Israel. Notably, these data include only 12th grade students enrolled in schools that prepare students for matriculation exams. For the most part, however, among schools in the ultra-orthodox and Arab sectors that prepare students for Israeli matriculation exams, few students actually elect to take the exams.[44] Yet even if only one student in a school sits for the exams, all 12th grade students from that school will be counted in the data. This method of calculation creates a downward deviation in the rate of eligibility for matriculation, because every school that participates in the matriculation curriculum reduces the overall percentage of students eligible for the certificate.

Therefore, given the complex education system in Jerusalem, it is important to assess the rate of eligibility for each of the sectors separately: The statistics of the Municipality of Jerusalem for 2013/2014 indicate that the state-religious and state education systems had the highest percentage of 12th grade students taking the matriculation exams, at 96%. Within Arab schools that teach the Israeli curriculum, 91% of 12th grade students take the Israeli matriculation exams. Among ultra-orthodox schools that prepare students for matriculation exams, 43% of 12th grade students took the exams.

In terms of eligibility for a matriculation certificate among 12th grade students, during the 2013/2014 academic year, the highest eligibility rate in Jerusalem was recorded among schools in the state-religious sector, at 75%. The eligibility rate among state-secular schools was slightly lower, at 72%. The eligibility rate among Arab schools (that prepare students for the Israeli matriculation exams) was 17%, and for the ultra-orthodox education system the figure was 10%.

In addition to the eligibility rate for a matriculation certificate, the percentage of 12th grade students meeting the threshold requirements for acceptance to universities[45] was measured.

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44 Within the Arab sector in Jerusalem, most students do not take the standard Israeli matriculation examinations, but rather other systems' exams.

45 Threshold acceptance requirements include a matriculation certificate that covers all mandatory subjects including, among others, at least three units of mathematics, four units of English, and another advanced subject (five units).

In 2013/2014, among 12th grade students in the JEA education system (official and recognized but unofficial) in Jerusalem, 66% met the universities' threshold requirements. This was comparable to the figure for the state-religious sector, at 64%. In the Arab and ultra-orthodox sectors the percentage of students meeting the threshold requirements for acceptance to universities was much lower, at 10% and 5%, respectively.

A majority of schools in the Arab sector in Jerusalem follow the Palestinian curriculum and sit for matriculation exams known as *taugi'a*. Those who successfully pass the *taugi'a* exams are eligible to apply to universities of the Palestinian Authority and universities in Arab countries. Some higher education institutions in Israel regard the *taugi'a* as they do any non-Israeli matriculation certificate, and its holders must complete a preparatory program if they wish to enroll in a university.

During the 2013/2014 academic year, 92% of 12th grade students in municipal schools within the Arab sector sat for the *taugi'a* exams. The eligibility rate for a *taugi'a* certificate among 12th grade students was 54%.

Higher education

In 2013/2014 Jerusalem's institutions of higher education had a total of 38,500 students, constituting 15% of all higher education students in Israel. Of those, 20,600 students (53% of Jerusalem's students) were enrolled at the Hebrew University,[46] 12,200 students (32%) were enrolled in the city's seven academic colleges, and 5,700 students (15%) were enrolled in the five teacher training colleges.[47]

In 2013/2014 the Hebrew University had a total of 6,500 applications for the first year of studies towards a bachelor's degree. Of these, 30% were accepted but did not pursue studies at the Hebrew University. This is the highest percentage of applicants who were accepted but did not pursue studies among all of Israel's universities. At Bar-Ilan University, 22% of accepted applicants did not pursue studies, at Tel Aviv University 15%, and at Ariel University 3% of accepted applicants did not pursue studies.

In 2013/2014, 19% of applicants to the Hebrew University were rejected, compared with 49% at Ben-Gurion University, 40% at the Technion, 38% at Tel Aviv University, 23% at Ariel University, 19% at Haifa University, and 8% at Bar-Ilan University.

The percentage of students studying at the Hebrew University out of all students enrolled in institutions of higher education in Jerusalem (53%) was slightly higher than the figure for Israel (50%). The percentage of students studying at the Hebrew University out of all students in Jerusalem's higher education institutions has decreased over the years (in 2009/2010, 58% of students in Jerusalem were enrolled at the Hebrew University).

46 This figure includes the Hebrew University campus in Rehovot.

47 This includes only institutions recognized by the Council for Higher Education.

The percentage of students enrolled in Jerusalem's academic colleges out of all students in Jerusalem's higher education institutions (32% in 2013/2014) has increased over the years (in 2009/2010 the figure was 29%) and is approaching the percentage of students in Israel's academic colleges (37%). The percentage of students in Jerusalem's teacher training colleges (15%) is comparable to the figure for Israel (13%) and has remained slightly higher than the Israeli average since then.

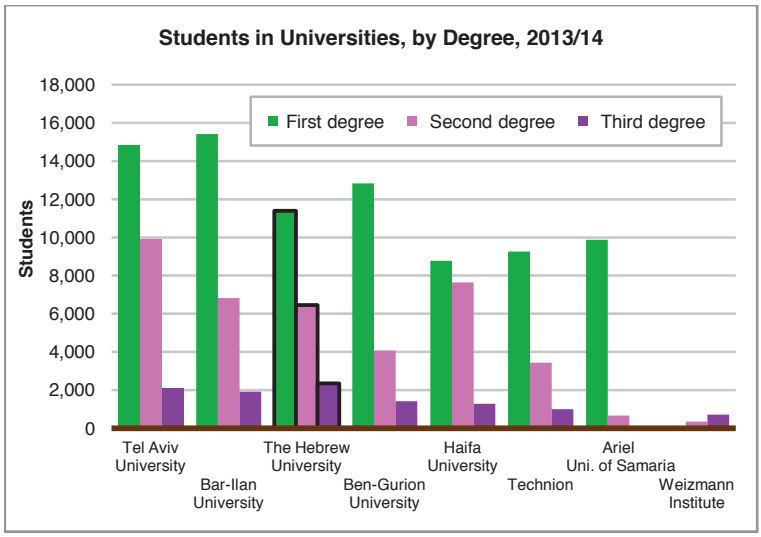
The distribution of students by academic degree indicates that of the 38,500 students in Jerusalem's institutions of higher education, about 72% were pursuing a first (bachelor's) degree, 21% a second (master's) degree, and 6% a third (PhD) degree. The proportion of students pursuing an advanced degree (second or third) decreased between 2009/2010 and 2013/2014. The percentage of students pursuing a first degree in Jerusalem (72%) was slightly lower than the figure for Israel (75%). The percentage of students pursuing a second degree in Jerusalem was comparable to the figure for Israel (22% in Jerusalem and 21% in Israel), while the percentage of students pursuing a third degree in Jerusalem was slightly higher than the figure for Israel (6% in Jerusalem and 4% in Israel).

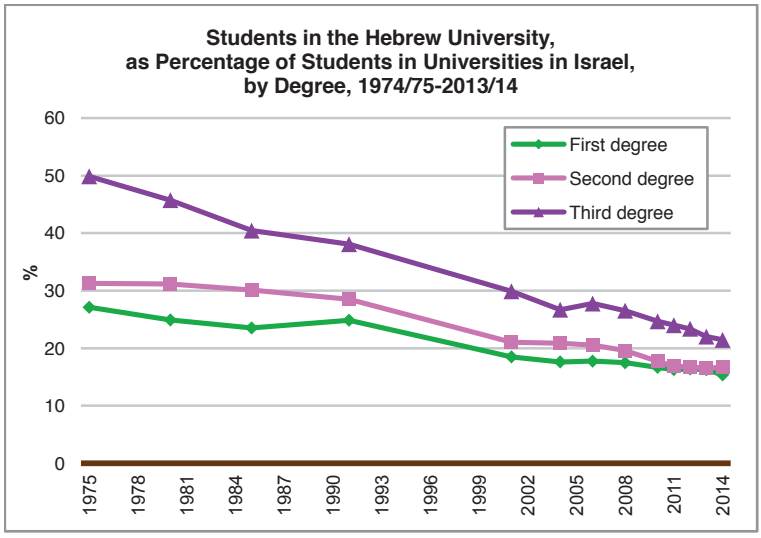
During the 2013/2014 academic year, about 20,600 students were enrolled at the Hebrew University: 56% for a first degree, 32% for a second degree, 11% for a third degree, and 0.7% for a diploma. The distribution of students by faculty was as follows: 27% in social sciences, 21% in humanities, 20% in natural sciences and mathematics, 17% in medicine (including medical support professions), 9% in agriculture, 6% in law, and 1% in engineering.

The proportion of students in the humanities at the Hebrew University decreased significantly from 32% in 2000/2001 to 21% in 2013/2014. Among medical students (including medical support professions) in Israel's universities, 23% are studying in Jerusalem, and among law students in Israel's universities, 22% are studying in Jerusalem.

In the 2013/2014 academic year, Tel Aviv University had the highest number of registered students (27,200), followed in descending order by Bar-Ilan University, with 24,500 students, and the Hebrew University, with 20,600 students.

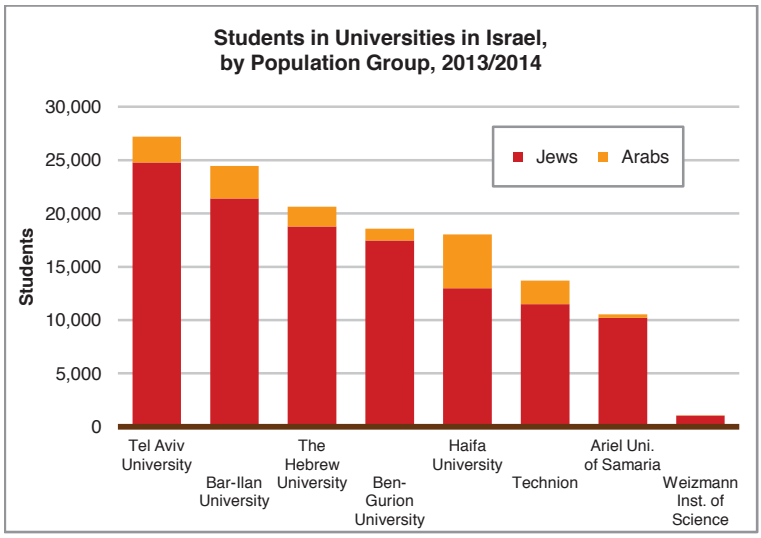
In 2013/2014 the Hebrew University had 2,300 students pursuing a third degree, constituting 21% of all third-degree students in Israel's universities. By comparison, Tel Aviv University had 2,100 third-degree students (19%) and Bar-Ilan University had 1,900 (18%). Over the years the percentage (out of all third-degree students) and the number of Hebrew University students pursuing a third degree have decreased: In 1969/1970 third-degree students at the Hebrew University constituted 55% of the total for Israel. The proportion fell to 30% in 2000/2001 and to 21% in 2013/2014. The decline in number of third-degree students at the Hebrew University is attributable to the growing number of third-degree programs at Israel's other universities.





In the 2013/2014 academic year, 88% of students in Israel's universities were Jewish and 12% were Arab. The proportion of Arab students out of all students in Israel's universities has increased over the years. In 1999/2000 they accounted for 7% of all students.
There is a lower proportion of Arab students at higher degree programs. Among first-degree students, Arabs constituted 11% of all students. Their proportion declined to 6% for second degree and to 5% for third degree.

Among Hebrew University students, 91% were Jewish and 9% were Arab. Haifa University had the highest percentage of Arab students among Israel's universities (28%) and the Weizmann Institute had the lowest (3%). Among students at Hadassah College, 15% are Arab, the highest proportion among Jerusalem's colleges.



There are more women than men enrolled in Israel's universities. During the 2013/2014 academic year, 55% of students at universities in Israel were women.
At the Hebrew University the proportion of women was identical to the proportion for Israel, at 55%. The highest percentages of women were recorded at Haifa University (65%) and Bar-Ilan University (64%), and the lowest was at the Technion (35%).

- Housing and Construction -

Apartments

As of the end of 2015, Jerusalem had 215,240 residential apartments:[48] 165,340 apartments (77%) in neighborhoods with a Jewish majority and 49,900 apartments (23%) in neighborhoods with an Arab majority. The percentage of apartments in Jewish neighborhoods (77%) was higher than the percentage of Jerusalem's Jewish population, which stood at 63% at the close of 2014. The percentage of apartments in Arab neighborhoods (23%) was lower than the percentage of Jerusalem's Arab population, at 37%. The reason for this discrepancy is the relatively large size of households within the Arab population. In 2014 the average household size for Jerusalem's Arab population was 5.3 persons, compared with 3.3 for the Jewish population.

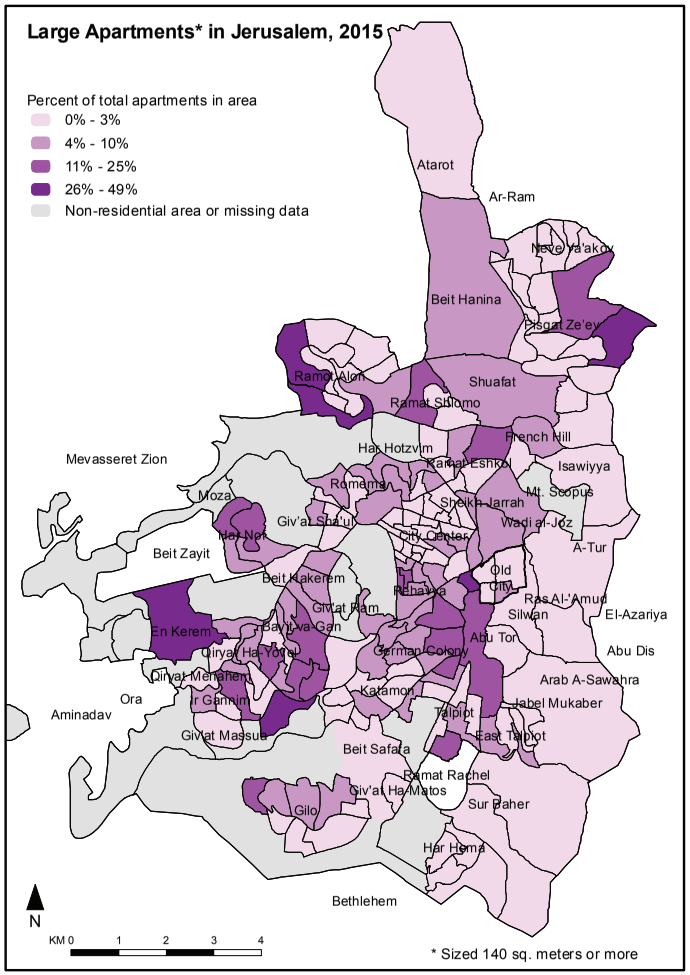
The average area of an apartment in Jerusalem was 81 square meters (m^2). During 2002-2015, the average area of an apartment in Jerusalem increased by 5 m^2, from 76 to 81 m^2. In 2015 the average area of an apartment in neighborhoods with a majority Jewish population was comparable to that in neighborhoods with a majority Arab population – 83 and 79 m^2, respectively.

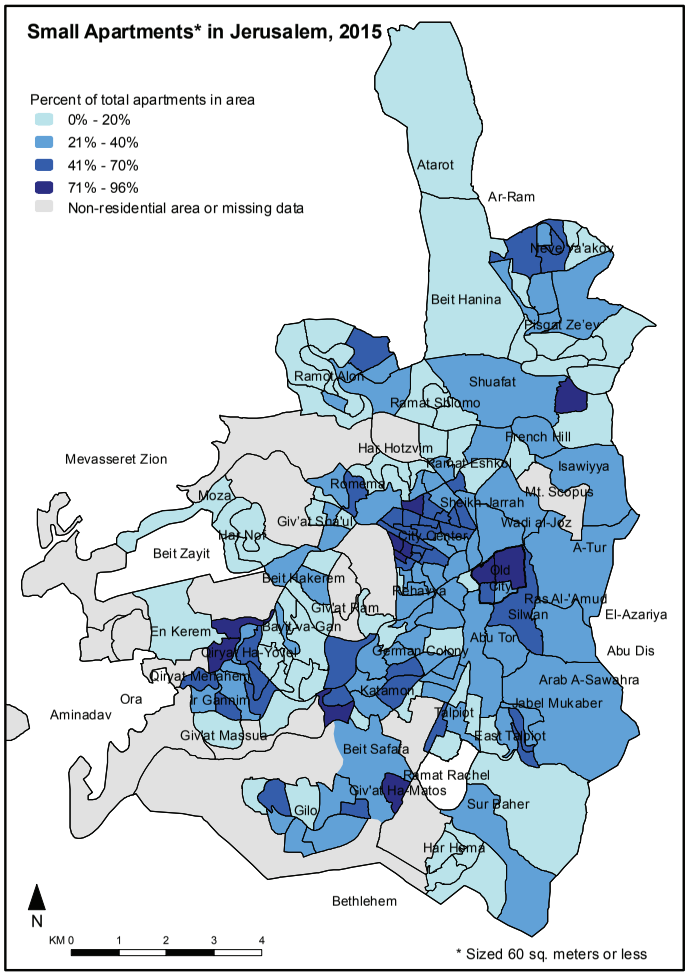
The Jewish neighborhoods that recorded the smallest average apartment size were Giv'at Hamatos (34 m^2), Katamon Tet (48 m^2), and the vicinity of Hamadregot St. in Nahlaot (49 m^2). Neighborhoods with the largest average apartment size were the vicinity of Hahoresh Rd. in Ramot Alon (145 m^2), Motza Tahtit and Ramat Motza (131 m^2), the vicinity of Avraham Raful St. in Pisgat Ze'ev (128 m^2), Malha (127 m^2), and the vicinity of Israel Zarhi St. in Ramot Alon (122 m^2).

The Arab neighborhoods that recorded the smallest average apartment size were Shuafat Refugee Camp (35 m^2), the Old City neighborhoods of the Muslim Quarter (45 m^2), the Christian Quarter (46 m^2), the Armenian Quarter (61 m^2), and Silwan (62 m^2). Neighborhoods with the largest average apartment size were Beit Hanina (96 m^2), Kafr 'Akb (91 m^2), New Anata (87 m^2), and Beit Zafafa (87 m^2).

The average housing density (defined as the average area per person) in Jerusalem was 20 m^2 per person. The average housing density in neighborhoods with a majority Jewish population (25 m^2 per person) was significantly lower than the average for neighborhoods with a majority Arab population (13 m^2 per person). Average housing density also varied among neighborhoods with a majority Jewish population. Neighborhoods with a majority ultra-orthodox population[49] had a higher average housing density (18 m^2 per person) than neighborhoods with a majority general Jewish population – secular, traditional, and religiously observant (27 m^2 per person). The discrepancy in average housing density between Jewish and Arab neighborhoods and between ultra-orthodox and general Jewish

48 This figure is based on data for the collection of *arnona*, the municipal tax.
49 See note 4.

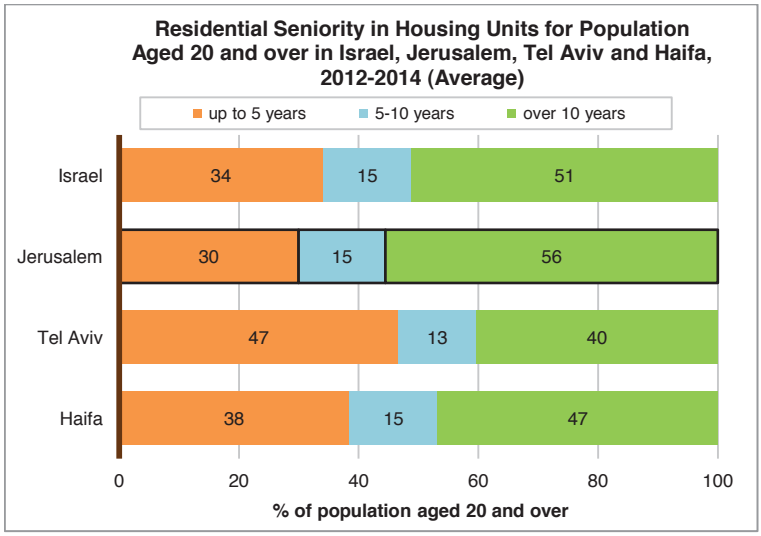

Large Apartments* in Jerusalem, 2015
Percent of total apartments in area
0% - 3%
4% - 10%
11% - 25%
26% - 49%
Non-residential area or missing data
Atarot
Ar-Ram
Neve Ya'akov
Beit Hanina
Pisgat Ze'ev
Ramot Alon
Shuafat
Ramat Shlomo
French Hill
Har Hotzvim
Mevasseret Zion
Kiryat Eshkol
Isawiyya
Moza
Romema
Mt. Scopus
Sheikh Jarrah
Giv'at Sha'ul
City Center
Wadi al-Joz
Mea She'arim
A-Tur
Beit Zayit
Old City
Beit Hakerem
Rehavia
Ras Al-'Amud
Giv'at Ram
Silwan
El-Azariya
En Kerem
Bayit Va-Gan
Abu Tor
Abu Dis
Kiryat Ha-Yovel
German Colony
Kiryat Menahem
Arab A-Sawahra
Katamon
Ora
Ir Ganim
Jabel Mukaber
Aminadav
Talpiot
Giv'at Massua
East Talpiot
Beit Safafa
Ramat Rachel
Giv'at Ha-Matos
Sur Baher
Gilo
Har Homa
Bethlehem
N
KM 0 1 2 3 4
* Sized 140 sq. meters or more


Small Apartments* in Jerusalem, 2015
Percent of total apartments in area
0% - 20%
21% - 40%
41% - 70%
71% - 96%
Non-residential area or missing data
Atarot
Ar-Ram
Neve Ya'akov
Beit Hanina
Pisgat Ze'ev
Ramot Alon
Shuafat
Ramat Shlomo
French Hill
Har Hotzvim
Mevasseret Zion
Kiryat Eshkol
Isawiyya
Moza
Romema
Mt. Scopus
Sheikh Jarrah
Giv'at Sha'ul
City Center
Wadi al-Joz
Mea She'arim
A-Tur
Beit Zayit
Old City
Beit Hakerem
Rehavia
Ras Al-'Amud
Giv'at Ram
Silwan
El-Azariya
En Kerem
Bayit Va-Gan
Abu Tor
Abu Dis
Kiryat Ha-Yovel
German Colony
Kiryat Menahem
Arab A-Sawahra
Katamon
Ora
Ir Ganim
Jabel Mukaber
Aminadav
Talpiot
Giv'at Massua
East Talpiot
Beit Safafa
Ramat Rachel
Giv'at Ha-Matos
Sur Baher
Gilo
Har Homa
Bethlehem
N
KM 0 1 2 3 4
* Sized 60 sq. meters or less

neighborhoods stems from the relatively large households characteristic of the Arab and ultra-orthodox sectors.

The Social Survey of the Central Bureau of Statistics found that during the period 2012-2014, (on average) 80% of Jerusalem residents aged 20 and over were satisfied or very satisfied with their residential apartment. This is lower than the figures for Tel Aviv (87%), Haifa and Israel (85%), and Rishon Lezion (91%). Regarding the area in which they reside, 79% of Jerusalem residents aged 20 and over were satisfied or very satisfied. The figure for Jerusalem was lower than the figures for Tel Aviv (89%), Ashdod (85%), Haifa (84%), and Israel (83%).

The Social Survey also examined duration of residence in the current apartment (in cities with a population of more than 200,000 residents). It found that during the years 2012-2014 (on average), Jerusalem had the highest percentage of residents who had resided in their current dwelling for more than ten years, at 56%. In Israel the percentage of residents who had lived in their current dwelling for more than ten years was 51%, in Rishon Lezion 50%, and in Tel Aviv 40%. A total of 30% of Jerusalem residents had lived in their current dwelling for a period of less than five years. In Israel this figure was 34%, in Rishon Lezion 33%, and in Tel Aviv 47%.

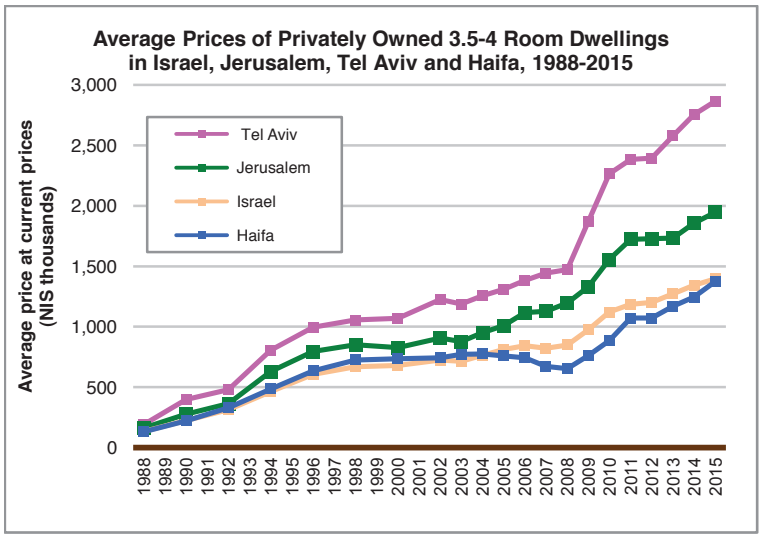


Apartment prices

During the past few years apartment prices have increased in Jerusalem as well as in Israel at large. For example, the average price of a 3.5-4 room (privately owned) apartment in Jerusalem rose from NIS 1,555,900 in 2010 to NIS 1,971,800 in 2015 – a 27% increase. A comparable price increase, 26%, was recorded in Israel at large for 3.5-4

room apartments. This period was characterized by large fluctuations in apartment prices in Jerusalem. The greatest increase was recorded in 2010, at 17%, as well as the years 2011, 2014, and 2015, at 6%-11%. During the years 2012 and 2013, in contrast, there was less than a 1% increase in apartment prices.

In 2015 the average price for a 3.5-4 room apartment in Jerusalem – NIS 1,971,800 – was higher than the average for Israel (NIS 1,408,100) and Haifa (NIS 1,296,200) but significantly lower than the average for Tel Aviv, at NIS 2,872,300.
The increase in average apartment prices in Jerusalem varies in accordance with the size of the apartment. The smaller the apartment is, the greater the increase in price. For example, from 2010 to 2015 there was an a 31% increase in the price of 1.5-2 room apartments and 2.5-3 room apartments in Jerusalem, compared with a 25% increase in 3.5-4 room apartments.

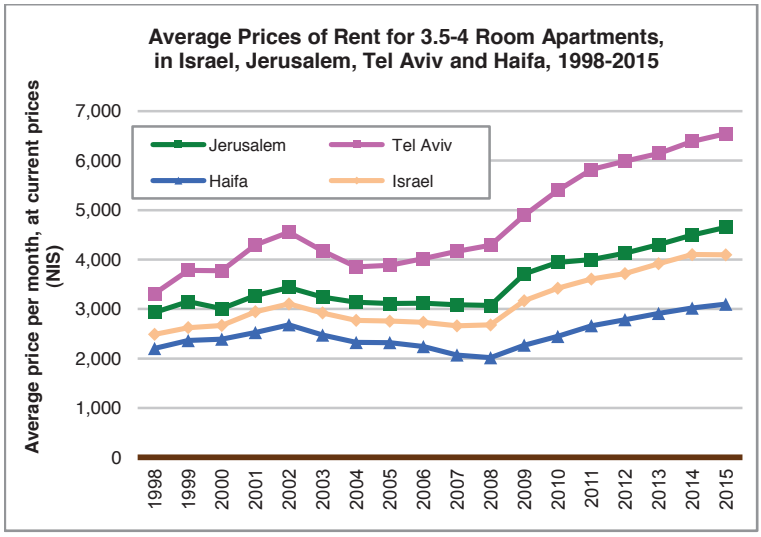


During the past five years average rental prices have also risen in both Jerusalem and Israel at large. For example, the average rent for a 3.5-4 room apartment in Jerusalem rose from NIS 3,900 in 2010 to NIS 4,600 in 2015 – an 18% increase. During the same period Israel recorded a 20% increase in rent for 3.5-4 room apartments, from NIS 3,400 to NIS 4,100. A comparison between the average increase in rent for a 3.5-4 room apartment in Jerusalem and the average increase in price for a privately owned 3.5-4 room apartment in Jerusalem indicates that the average increase in rent price (18%) was lower than the average increase in owned apartment prices (25%). In Israel the increase was the same, at 20%.

In 2015 the average rent for a 3.5-4 room apartment in Jerusalem was NIS 4,600. This is higher than the average rent in Israel (NIS 4,100) and Haifa (NIS 3,100), and significantly

lower than the average in Tel Aviv, at NIS 6,500. Similar differences in rent apply to smaller apartments as well.

Since 2009 there has been a steady increase in rental prices in both Jerusalem and Israel at large. The greatest average increase in rent was recorded in 2009 for 3.5-4 room apartments: 21% in Jerusalem and 18% in Israel. In subsequent years the increase was more moderate: 1%-6% per year in Jerusalem and 3%-8% in Israel. In 2015 Jerusalem recorded a 3.4% increase in average rent for 3.5-4 room apartments. Tel Aviv recorded a 2.4% increase that year, and Haifa recorded a 2.6% increase. In Israel, in contrast, there was a 0.1% decrease.

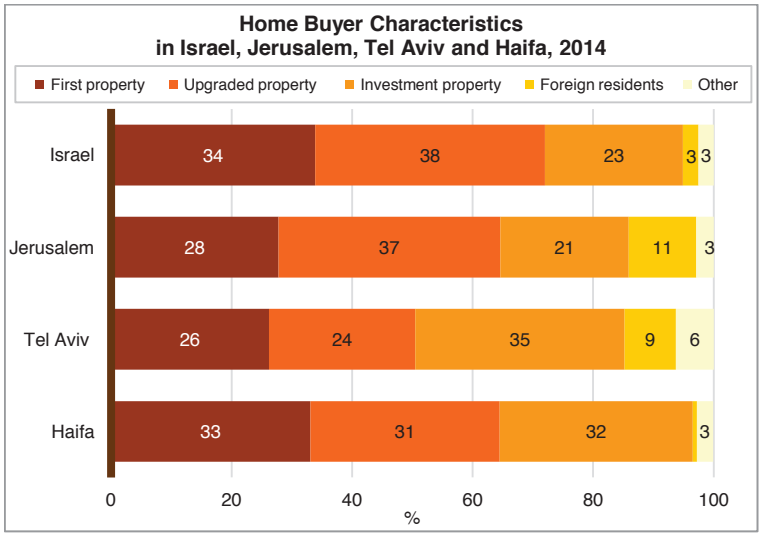


Among those who purchased apartments in Jerusalem in 2014, 28% were first-time homebuyers. This is lower than the figures for Israel (34%) and Haifa (33%), and higher than the figure for Tel Aviv (26%). Those upgrading their housing[50] constituted 37% of all housing purchasers in Jerusalem. This is similar to the figure for Israel (38%), and higher than the figures for Haifa (31%) and Tel Aviv (24%). Those purchasing an apartment as an investment (purchasers who already own an apartment) constituted 21% of purchasers in Jerusalem. This is slightly lower than the figure for Israel (23%) and significantly lower than the figures for Tel Aviv (35%) and Haifa (32%). Foreign residents constituted 11% of apartment purchasers in Jerusalem.[51] This is the highest percentage among cities of 100,000 or more residents. In Tel Aviv, as in Netanya, 9% of apartment purchasers were foreign residents.

50 These include purchasers of a single apartment that is not their first as well as purchasers of an additional apartment who declared that they would sell their previous apartment within two years.

51 These include foreign residents who purchased an apartment in Israel for residence and those who purchased apartments as an investment.

Among foreign residents that purchased apartments in Israel, 28% purchased apartments in Jerusalem and 23% in Tel Aviv. Together, the purchase of apartments by foreigners in Jerusalem and Tel Aviv account for over half of the foreign apartment purchases in Israel.



Construction starts[52]

Over the course of the past decade, 2014 was a record year for construction starts in Jerusalem. In 2015 the trend was moderated. After two years (2013-2014) in which construction was initiated on 3,400-3,500 residential apartments each year, in 2015 there were 3,200 construction starts. As land reserves diminish and construction in Jerusalem is increasingly based on urban renewal, the annual number of housing construction starts is expected to decline.

The neighborhoods with the highest numbers of housing starts in 2015 were the City Center (430 apartments – 13% of the total number of apartments), Beit Hanina (190 apartments – 6%), Ramot Alon North (190 apartments – 6%) and Har Homa (180 apartments – 5%).

In Jerusalem, the construction of apartments is characterized by construction of large apartments; of construction starts, only a small number were of apartments with three or less rooms. In 2015 only 5% of housing starts comprised 1-2 rooms. About half of all apartments (53%) whose construction was initiated in 2015 had 4 rooms. In Tel Aviv,

52 The data about construction starts and completions are drawn from the Central Bureau of Statistics' **table generator on construction** (Hebrew). The data extracted from the generator differ slightly from the data on construction that appear in the *Statistical Yearbook of Jerusalem*.

by comparison, 33% of housing starts had 4 rooms, and in Israel the figure was 39%. Tel Aviv recorded the highest percentage of small apartments: 16% of housing starts comprised 1-2 rooms, and 29% comprised 3 rooms.

Housing Starts in Israel, Jerusalem, Tel Aviv, and Haifa by Number of Rooms, 2015

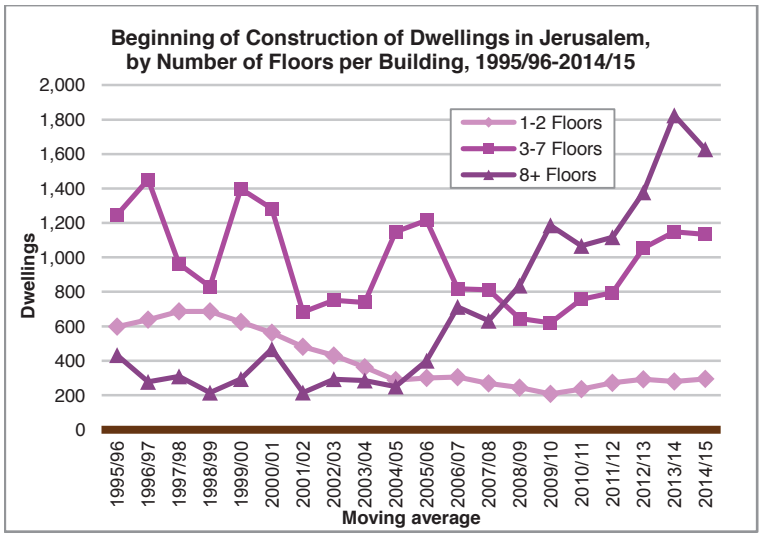
	Total number of apartments	Total	1-2 rooms	3 rooms	4 rooms	5 or more rooms
		Percent				
Israel	47,900	100	2	8	39	51
Jerusalem	**3,200**	**100**	**5**	**18**	**53**	**24**
Tel Aviv	2,300	100	16	29	33	22
Haifa	940	100	0	8	53	39

For many years Jerusalem maintained a policy of refraining from construction in valleys and from construction of tall buildings. In recent years, however, because of a shortage of available space for construction, reluctance to build in open spaces close to the city, and changing perspectives on planning, more plans for construction of tall buildings are being approved.

In 2015, 43% of the apartments under construction in Jerusalem were in buildings with 8 or more stories, identical to the figure for Israel (43% of apartments) and lower than the figures for Haifa (45%), Tel Aviv (55%), Rishon Lezion (68%), and Petah Tikva (68%). The relatively low figure for Jerusalem results from the desire to preserve historical contours and to retain the visual panorama from the Old City and its surroundings, among other factors.

The total area covered by construction starts for all purposes in Jerusalem in 2015 was 788,200 m^2. This constituted 7% of the total area of construction starts in Israel, which is higher than the total for Tel Aviv (594,300 m^2 – 5%) and significantly higher than the total for Haifa (130,200 m^2 – 1%).

In 2015, 79% of the area covered by construction starts in Jerusalem was for residential purposes. The figure for Israel was comparable, at 77%. In Tel Aviv 60% of the area covered by construction starts was for residential purposes, and in Haifa 91%. Other salient purposes in Jerusalem included education (7%) and transportation and telecommunications (5%). In Tel Aviv the main purposes aside from housing were commerce (25%) and office space (10%).



Construction completions

The year 2014 set a record for construction completions in Jerusalem, and 2015 continued this trend. During this year construction was completed on some 2,700 residential apartments, and during these two years the number of housing completions was the highest Jerusalem had recorded in the past decade. The number of housing completions during 2014-2015 was significantly higher than during 2011-2012, when 1,300-1,800 residential apartments were completed.

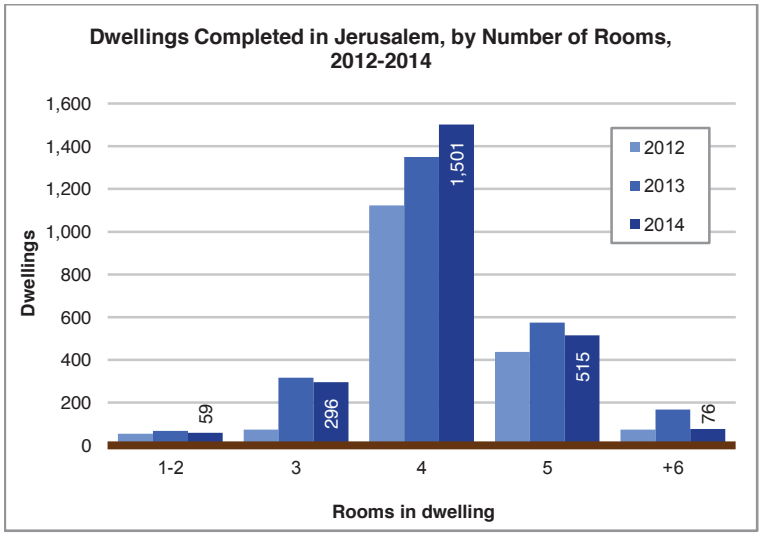
In general, an increase in the number of apartments constructed reflects increased demand, alongside efforts by planning authorities to expedite the construction of housing units. The increased demand for housing is related to demographic factors, especially population growth, an increase in the number of households, and apartment purchases by foreign residents.

The neighborhoods in which the most construction was completed in 2015 were: Talpiot, Arnona, and Mekor Haim (220 apartments – 8% of the total number of apartments), the City Center (210 – 8%), Beit Hanina North (170 – 6%), and Kiryat Hayovel (160 – 6%).

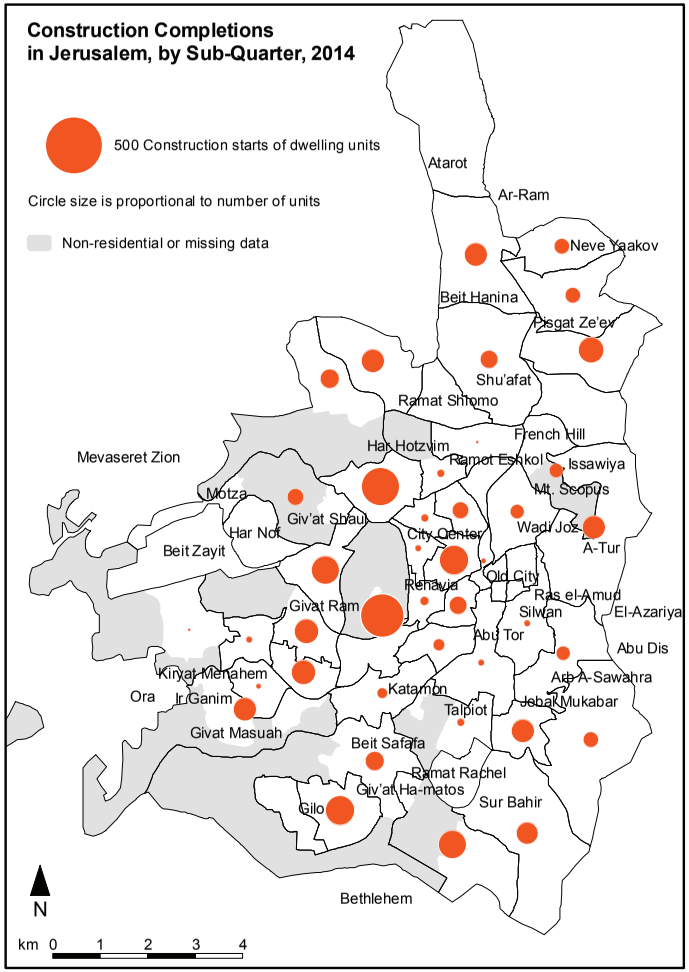
About half of the apartments completed in Jerusalem in 2015 comprised 4 rooms (56%). Apartments with 5 or more rooms constituted 27%, and apartments with 1-2 rooms constituted 4%. The size distribution differs for Israel and Tel Aviv.
The proportion of large apartments in Israel overall is notable: 54% of housing completions comprised 5 or more rooms, and 38% comprised 4 rooms. In Tel Aviv, in contrast, the proportion of small apartments is notable: 38% of housing completions comprised 3 rooms and 18% comprised 1-2 rooms.

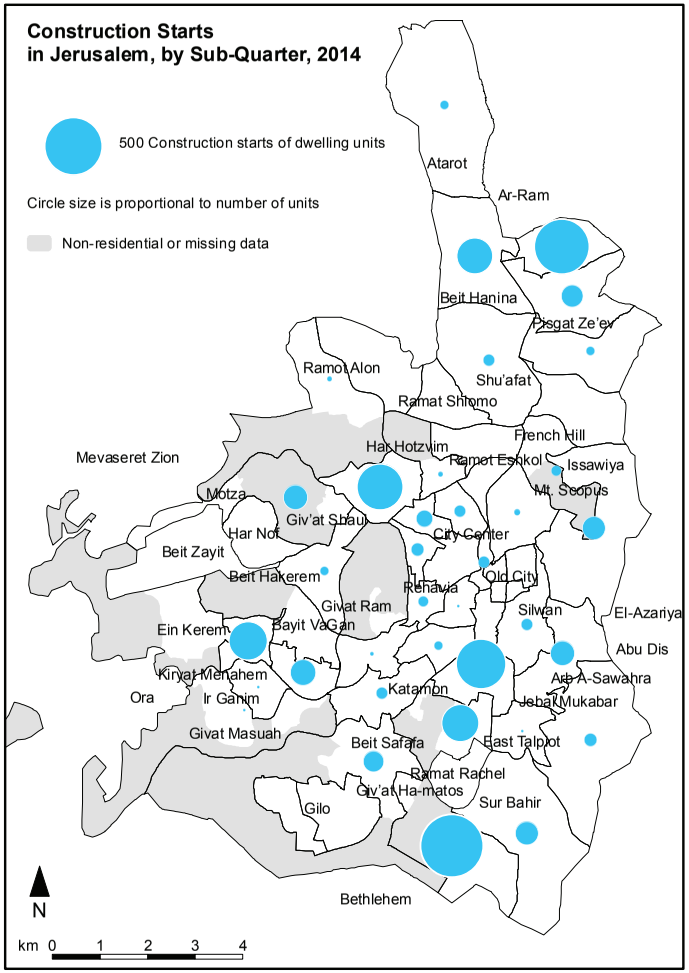
Housing Completions in Israel, Jerusalem, Tel Aviv, and Haifa by Number of Rooms, 2015

	Total number of apartments	Total	1-2 rooms	3 rooms	4 rooms	5 or more rooms
		Percent				
Israel	43,400	100	2	6	38	54
Jerusalem	**2,700**	**100**	**4**	**13**	**56**	**27**
Tel Aviv	3,600	100	18	38	27	16
Haifa	530	100	0	0	66	34



The total area covered by construction completions for all purposes in Jerusalem in 2015 was 736,700 m^2. This constituted 6% of the area covered by all construction completions in Israel, which is slightly lower than the total for Tel Aviv (797,400 m^2 – 7%), and six times the total for Haifa (117,800 m^2 – 1%). In 2015, 70% of the area covered by construction completions in Jerusalem was for residential purposes. This is comparable to the figure for Israel – 70%. In Tel Aviv 66% of construction completions were for residential purposes. Other salient purposes in Jerusalem were education (10%), public buildings not for educational purposes (9%), and office space (5%). In Tel Aviv the main purposes aside from residential were office space (22%), transportation and telecommunications (4%), and accommodation services, commerce, and education (2% each).


Construction Completions
in Jerusalem, by Sub-Quarter, 2014
500 Construction starts of dwelling units
Circle size is proportional to number of units
Non-residential or missing data
Atarot
Ar-Ram
Neve Yaakov
Beit Hanina
Pisgat Ze'ev
Shu'afat
Ramat Shlomo
French Hill
Har Hotzvim
Ramot Eshkol
Issawiya
Mevaseret Zion
Motza
Mt. Scopus
Giv'at Shaul
Har Nof
City Center
Wadi Joz
A-Tur
Beit Zayit
Old City
Renavia
Ras el-Amud
Givat Ram
Silwan
El-Azariya
Abu Tor
Abu Dis
Kiryat Menahem
Ora
Ir Ganim
Katamon
Ard A-Sawahra
Jebal Mukabar
Talpiot
Givat Masuah
Beit Safafa
Ramat Rachel
Giv'at Ha-matos
Gilo
Sur Bahir
Bethlehem
N
km 0 1 2 3 4


Construction Starts
in Jerusalem, by Sub-Quarter, 2014
500 Construction starts of dwelling units
Circle size is proportional to number of units
Non-residential or missing data
Atarot
Ar-Ram
Beit Hanina
Pisgat Ze'ev
Ramot Alon
Shu'afat
Ramat Shlomo
French Hill
Har Hotzvim
Ramot Eshkol
Issawiya
Mevaseret Zion
Motza
Mt. Scopus
Giv'at Shaul
Har Nof
City Center
Beit Zayit
Beit Hakerem
Old City
Renavia
Givat Ram
Silwan
El-Azariya
Ein Kerem
Bayit VaGan
Abu Dis
Kiryat Menahem
Ora
Ir Ganim
Katamon
Ard A-Sawahra
Jebal Mukabar
Givat Masuah
Beit Safafa
East Talpiot
Ramat Rachel
Giv'at Ha-matos
Gilo
Sur Bahir
Bethlehem
N
km 0 1 2 3 4

- Tourism -

Jerusalem attracts visitors from around the country and the globe because of its unique cultural and religious heritage, its status as the capital of Israel, and its importance as a center for the Jewish people and as a city holy to the three monotheistic religions. Jerusalem's rich variety of religious, historical, archeological, and cultural sites draws many tourists.

Tourist hotels

At the close of 2015, Jerusalem had 76 tourist hotels[53] with a total of 9,900 rooms, constituting 20% of all rooms in Israel's tourist hotels. By comparison, there were 11,000 rooms in Eilat (22%), 7,300 rooms in Tel Aviv (14%), 4,100 at the Dead Sea (8%), and 1,400 in Haifa (3%).

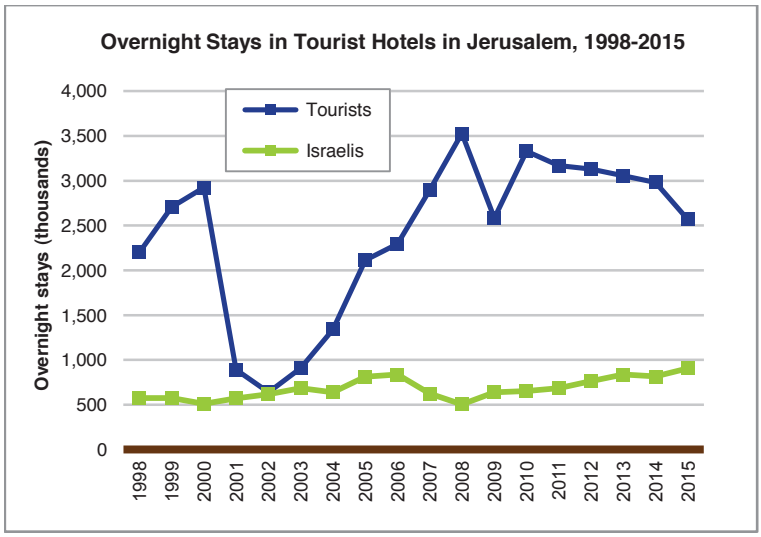
Guests and overnight stays

In 2015 the number of guests in Jerusalem hotels totaled 1,243,600, of whom 60% were foreign tourists and 40% were Israelis. Among foreign tourists, 48% came from the Americas (mostly North and Central America) and 29% from Europe. In 2015 Jerusalem's tourist hotels had fewer guests than in 2014 (1,333,300) and in 2013 (1,386,500).
The number of foreign hotel guests in 2015 was 744,600, which was lower than the figure for 2014 (878,500) and 2013 (898,300). The number of Israeli guests was 499,000, which was higher than the figure for 2014 (454,900) and 2013 (488,200).

The number of overnight stays in Jerusalem hotels totaled 3,474,100, of which 2,568,300 were overnight stays by foreign tourists (74%) and 905,800 were overnight stays by Israelis (26%). Overnight stays in Jerusalem hotels constituted 16% of the total number of overnight stays in Israel. The number of overnight stays in Jerusalem in 2015 was lower than the figures for 2014 (3,797,200) and 2013 (3,893,300).
The number of overnight stays by foreign tourists totaled 2,568,300, compared with 2,982,000 in 2014 and 3,057,100 in 2013. The number of overnight stays by Israelis in 2015 totaled 905,800, compared with 815,200 in 2014 and 836,200 in 2013.

In 2015 the average number of overnight stays per guest in Jerusalem hotels (for foreign tourists and Israelis) was 2.8. The average number of overnight stays per guest by overseas tourists was 3.4, which is identical to the average for the past two years.
The average number of overnight stays by Israelis was 1.8, which is identical to the average for 2014.

53 Tourist hotels include hotels and guesthouses registered with the Ministry of Tourism, on the basis of which the Central Bureau of Statistics prepares its analysis.



In 2015 the average number of overnight stays by foreign tourists in Jerusalem (3.4) was slightly higher than the average in Tel Aviv (3.1) and Haifa (2.9) and lower than the average in Eilat (4.0). The average number of overnight stays by Israelis in Jerusalem (1.8) was slightly higher than the average in Tel Aviv (1.6) and Haifa (1.7) and lower than in Eilat (2.8). The average number of overnight stays by foreign tourists is directly related to the variety and nature of the tourist attractions in each city, its geographic location, and its proximity to other points of interest.

The highest numbers of overnight stays by foreign tourists in Jerusalem for 2015 were recorded in October (293,700), May (266,200), and April (245,500). The months in which the highest numbers of overnight stays by Israelis were recorded were August (155,000), July (92,800), and September (92,700).

In 2015 the room occupancy rate in Jerusalem's tourist hotels was 54% (compared with 60% in 2014 and 64% in 2013). The occupancy rates for hotels of different standards were comparable: the highest-ranked hotels (levels I and II) had a 54% occupancy rate, the intermediate-ranked hotels (level III) had a 54% occupancy rate, and the remaining tourist hotels (mostly in the low-ranked hotels) had a 56% rate.

West Jerusalem – East Jerusalem

In 2015, as noted, Jerusalem's tourist hotels hosted 1,243,600 guests, of whom 1,093,700 stayed in West Jerusalem hotels (88%), and 149,900 stayed in East Jerusalem hotels (12%). The number of overnight stays in Jerusalem's tourist hotels during this year totaled 3,474,100, of which 3,009,900 were in West Jerusalem hotels (87%) and 464,200 (13%)

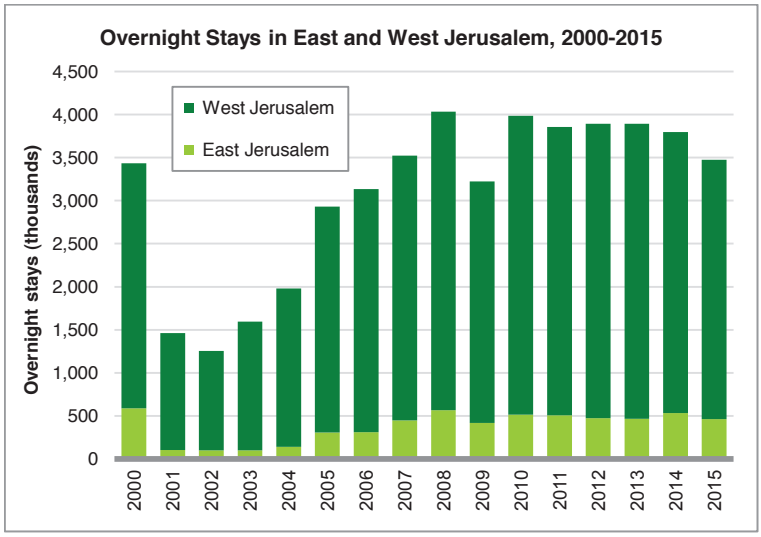
were in East Jerusalem hotels. It should be noted that the number of hotel guestrooms in West Jerusalem is significantly higher than in East Jerusalem: 7,950 guestrooms in West Jerusalem (80% of the Jerusalem total) and 1,960 in East Jerusalem (20%). A total of 89% of Jerusalem's hotel revenue was from West Jerusalem hotels.

In 2015 tourist hotels in West Jerusalem hosted 1,093,700 guests (56% of whom were foreign tourists), compared with 1,149,700 guests in 2014 (62% of whom were foreign tourists) and 1,225,900 guests in 2013 (61% of whom were foreign tourists). The number of overnight stays in West Jerusalem tourist hotels totaled 3,009,900 (71% of which were by foreign tourists), compared with 3,262,200 in 2014 (76% of which were by foreign tourists), and 3,424,200 in 2013 (76% by foreign tourists).

In 2015 the average duration of overnight stays by guests in West Jerusalem tourist hotels was 2.8 nights, lower than the average in East Jerusalem, at 3.1. The average duration of overnight stays by a foreign tourist in West Jerusalem was 3.5 nights, compared with 3.2 nights in East Jerusalem. The average for an Israeli guest in West Jerusalem tourist hotels was 1.8 nights, comparable to the average in East Jerusalem, at 1.7.

The room occupancy rate for West Jerusalem hotels in 2015 was 56%, which was lower than the rates recorded in 2014 (62%) and 2013 (66%).

In 2015 tourist hotels in East Jerusalem hosted 149,900 guests (91% of whom were foreign tourists), compared with 183,700 guests in 2014 (92% of whom were foreign tourists), and 160,600 guests in 2013 (90% of whom were overseas tourists). Overnight stays totaled 464,200 (95% by foreign tourists), which was lower than the figures for 2014, at 535,000 (95% by foreign tourists) and 2013, at 469,100 (95% by foreign tourists).



The room occupancy rate in East Jerusalem was lower than in West Jerusalem. In East Jerusalem the rate was 47%, which lower than the figures for 2013 and 2014 (52% and 53%, respectively).

Jerusalem compared to select Israeli cities

In 2015 Jerusalem's tourist hotels hosted 1,243,600 guests (14% of the total number of guests at Israel's tourist hotels), compared with 1,132,000 guests in Tel Aviv (13%) and 2,399,300 guests in Eilat (28%).

Jerusalem has a strong power of attraction for foreign tourists. The number of foreign hotel guests in Jerusalem was 744,600 (28% of all foreign hotel guests in Israel), compared with 705,000 in Tel Aviv (26%) and 143,600 in Eilat (5%). The number of Israeli hotel guests in Jerusalem was 499,000 (8% of the total for Israel), compared with 426,900 in Tel Aviv (7%) and 2,255,800 in Eilat (37%).

In 2015 the number of overnight stays in Jerusalem's tourist hotels totaled 3,474,100 (16% of the total for Israel), compared with 2,890,400 in Tel Aviv (13%) and 6,886,800 in Eilat (32%). The number of overnight stays by foreign tourists was 2,568,300 in Jerusalem (31% of all overnight stays by foreign tourists in Israel), 2,186,500 in Tel Aviv (27%), and 575,900 in Eilat (7%).

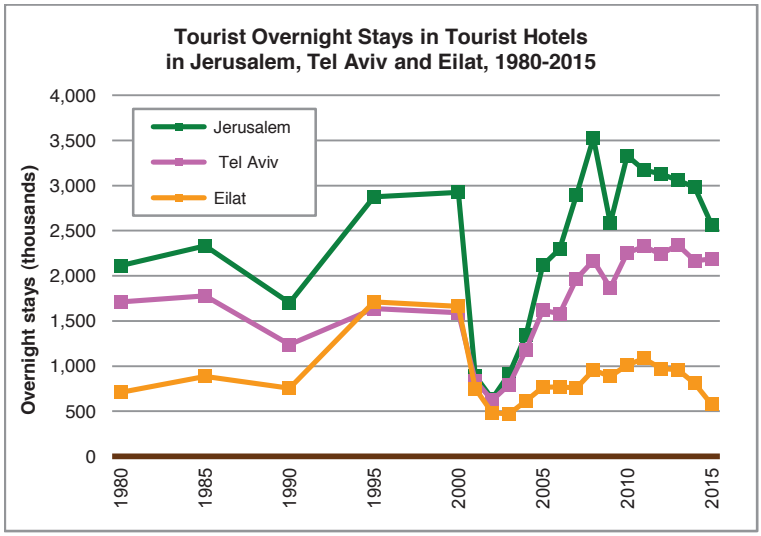
The percentage of overnight stays by tourists from the Americas (mostly North America) out of all overnight hotel stays by foreign tourists was especially high in Jerusalem, at 53%, compared with Israel (38%), Haifa (41%), Tel Aviv (35%), and Eilat (15%). For tourists from Europe, Jerusalem's power of attraction is not as strong. The percentage of overnight stays by European tourists out of all overnight hotel stays by foreign tourists was 27%, which was lower than the figures for Israel (42%), Eilat (75%), Tel Aviv (48%), and Haifa (36%).

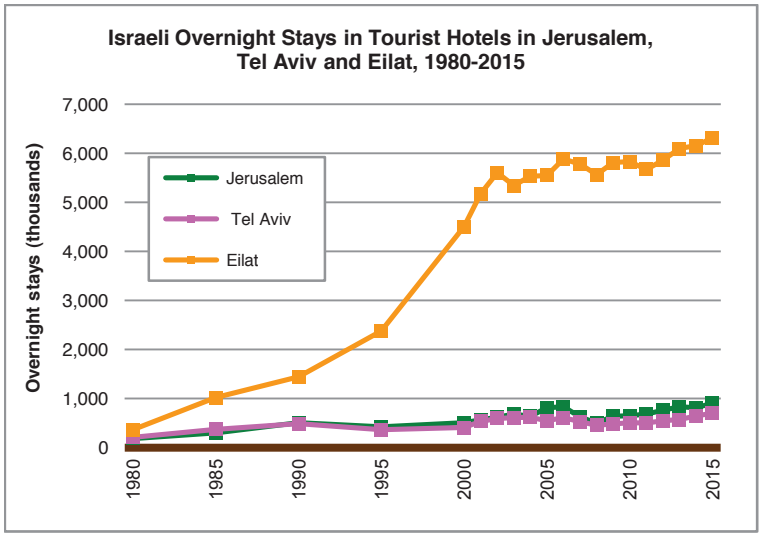
The number of overnight stays by Israelis in Jerusalem, as well as the percentage of such stays in relation to all Israeli overnight stays in Israel, is significantly lower than the figure for overseas tourists. In 2015 the number of overnight stays by Israelis in Jerusalem was 905,800 (7% of all overnight stays by Israelis in Israel), compared with 703,900 for Tel Aviv (5%) and 6,310,900 for Eilat (47%). Two other destinations favored by Israelis are the Dead Sea area, with 1,747,500 overnight stays (13% of all overnight stays by Israelis in Israel), and Tiberias, with 952,000 overnight stays (7%).

The data indicate that Jerusalem is the most attractive city for tourists from abroad (foreign tourism) in terms of numbers of hotel guests and overnight stays, while Eilat is the most attractive city for Israeli tourists (domestic tourism). The percentage of foreign tourists' overnight stays out of all overnight stays was very high in Jerusalem (74%), comparable to the figure for Tel Aviv (76%) but higher than the figures for Israel (38%), Haifa (42%),

the Dead Sea (19%), and Eilat, where 8% of overnight stays were attributable to foreign tourists.

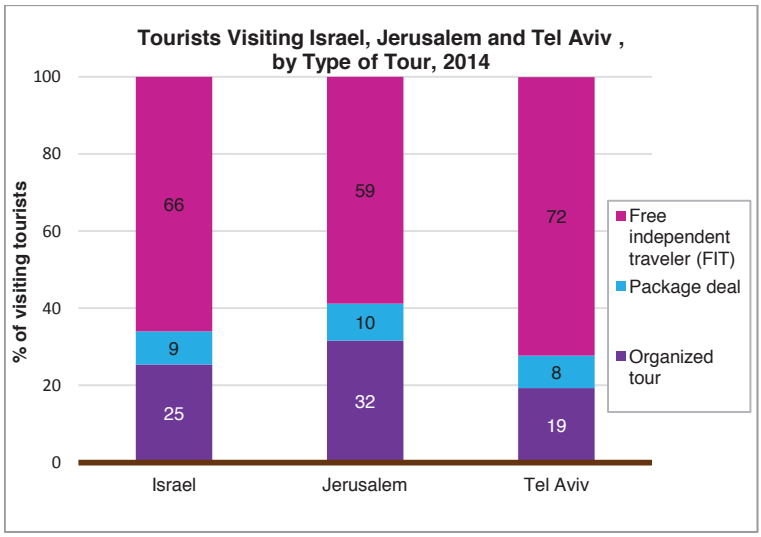
In 2015 the room occupancy rate for Jerusalem was 54%, which was lower than the rates for Eilat (69%) and Tel Aviv (70%).





Profile of the tourists

A survey of incoming tourism conducted by the Ministry of Tourism among foreign tourists, which explored the characteristics of tourists visiting Israel, found that 2,333,706 tourists visited Jerusalem in 2014, constituting 80% of all tourists visiting Israel in that year. The survey also found that 59% of the tourists who visited Jerusalem that year were Christian and 25% were Jewish. These figures are comparable to the figures for Israel. Among tourists who visited Tel Aviv, 49% were Christian and 29% were Jewish. The percentage for Muslim tourists in Israel, Jerusalem, and Tel Aviv was low, at 2%. The main purposes cited for visiting Jerusalem were as follows: touring (26%), religious visit or pilgrimage (26%), visiting relatives and friends (24%), and leisure and recreation (12%). For Tel Aviv the main purposes cited were visiting relatives and friends (28%), touring (24%), religious visit or pilgrimage (15%), leisure and recreation (14%), and business and research (14%). Among the tourists who visited Jerusalem, 59% were traveling on their own (rather than with an organized tour), while among tourists to Tel Aviv, 72% were traveling on their own. The different characteristics of tourists who visit each city and the different purposes of their visits reflect the different points of attraction of each city.



Revenues

In 2015 the revenues from tourist hotels in Jerusalem totaled NIS 1.67 billion, which amounted to 19% of all revenues from tourist hotels in Israel. The highest revenues came from hotels in Eilat, at NIS 2.38 billion (27%). The revenues from Tel Aviv hotels – NIS 2.01 billion (23%) – were higher than the figure for Jerusalem, although the numbers of hotel guests and overnight stays were higher in Jerusalem than in Tel Aviv.

The discrepancy results from the lower average price of hotel rooms in Jerusalem compared to Tel Aviv. Dead Sea hotels had revenues of NIS 1.06 billion (12%), and Haifa hotels had revenues of NIS 268 million (3%).