



Employment Characteristics of Ethiopian Israeli College Graduates

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Introduction

This chapter is an excerpt from of a comprehensive research report on Ethiopian-Israelis who came to Israel between 1979 and 1991 and were between the ages of 0 and 45 at the time of arrival. At the time of the interview some twenty years later (December 2009 - June 2010), they were 23-65 years old. In the report, they are referred to as *vatikim* (Hebrew for “people who have been in Israel for many years”). The study examined their integration in various areas of life, including education, vocational training, military/national service, employment, economic situation, and social and cultural integration.

One of the main topics of discussion regarding the integration of Ethiopian-Israelis is the employment situation of college graduates (persons with an academic degree). It is often argued that most cannot find work in their professions and are forced to work in occupations not commensurate with their college education (see the Israel Association for Ethiopian Jews, 2006).¹ In our survey, we collected information about the disciplines studied at college and the current occupation, enabling us to empirically evaluate this assertion using both objective and subjective measures. There were a total of 100 *vatikim* college graduates in the sample, 87 were employed at the time of the interview. The entire sample was weighted on the basis of Ministry of Absorption data. Thus, our respondents represent 2,000 *vatikim* college graduates.

This document presents a series of data analyses of Ethiopian-Israeli college graduates.

- A comparison between the occupations of *vatikim* college graduates and non-immigrant Jewish graduates in the same age group² (Table 27).
- The connection between their current occupation and their field of study, using objective measures (Table 28) as well as subjective assessment of the connection (Table 29). Here, we distinguish between graduates who learned a profession in college, such as social work, law, and engineering, and graduates who learned an academic discipline such as sociology, history, and biology, where career paths are less clearly defined.
- Comparisons of the number of weekly work hours and wages of *vatikim* college graduates and non-immigrant Jewish graduates (Tables 30-31)
- Examination of graduates’ perceptions of their wages in relation to those of other Israelis of similar age and education, and their satisfaction with their wages (Table 32)

The chapter concludes by presenting possible explanations for the wage gap, relying also on other studies.

¹ The Israel Association for Ethiopian Jews. 2006. *Difficulties of Integration into the Labor Market for Ethiopian-Israeli College Graduates and Recommended Solutions* (Hebrew).

² Only 2% of the Ethiopian-Israeli college graduates are aged 45 and over, compared with 34% of non-immigrant Jewish graduates. In order to allow for a more precise comparison between the two groups, the data for non-immigrant Jews were adjusted to the age distribution of Ethiopian-Israeli college graduates.

Occupations

Using the occupational classification from the Central Bureau of Statistics, we examine employment in the two highest categories that are the most relevant for those with academic degrees.

- *Vatikim* graduates are employed at lower rates than are non-immigrant Jewish graduates in jobs in the highest level of the occupation classification. Only 34% hold academic or management positions, compared to 54% of the non-immigrant Jewish graduates.
- 35% of *vatikim* graduates are employed in associate professional/technical occupations (such as practical engineer or laboratory assistant) compared to 22% of non-immigrant Jewish graduates.
- When we combine the two levels, the percentage employed in academic and associated professions is quite similar (69% vs. 76%).
- The gap between the two populations in the rate of employment in academic occupations is larger among women, while in associate professions it is larger among men.

Table 27: Occupation of College Graduates: *Vatikim* vs. Non-Immigrant Jews,^a by Gender (%)

	Total	Men	Women
Total employed <i>vatikim</i> graduates N	2,021	790	1,231
Academic	29	40	(22)
Management	((5))	((5))	((4))
Associate professions/technical	35	39	33
Clerical/sales/services, other* ^b	31	(16)	41
Total employed non-immigrant Jewish graduates			
Academic	42	48	39
Management	12	18	8
Associate professions/technical	22	15	25
Clerical/sales/services, other ^b	24	19	28

Figures in parentheses: relative sampling error greater than 25%; figures in double parentheses: greater than 40%

*Significant difference by gender: $p < .05$. Statistical significance was not assessed for non-immigrant Jews

^a The data on the Jewish non-immigrants were based on a special analysis of the Central Bureau of Statistics (CBS) *Labor Force Survey 2009* for ages 23-44.

^b Among the Ethiopian-Israeli population, "other" consists mainly of service in the career army; among the non-immigrant Jewish population, it consists mainly of skilled work in industry and construction. The CBS does not publish data on army service.

The Connection between Current Occupation and Field of Study

We made an effort to examine the connection between fields of study and subsequent occupation, as this has been a major issue in the public discourse.

For graduates who learned a profession in college, such as teaching, social work, law, engineering, and nursing (Group A comprising 40% of Ethiopian graduates), it was possible to examine whether they were working in their specific professions. We created seven categories of possible connections between occupation and field of study. Table 2 presents the categories and the percentage of graduates in each category.

- 89% of those who learned a profession in college (Group A) are working in their profession.
- None are working in clerical and service jobs.

It was not possible to do a similar analysis for graduates who learned an academic discipline such as sociology, history, biology, and economics, where career paths are less clearly defined (Group B comprising 60%). Instead, we examined whether they are employed in any kind of academic occupation.

- Only 19% of those who studied an academic discipline (Group B) are employed in an academic occupation
- Half are working in clerical or service jobs

Table 28: The Connection between Occupation and Field of Study among *Vatikim* Graduates (%)

	% of Group	% of all graduates
Learned a profession in college (Group A)	100	40
1. Working in one's acquired profession	89	35
2. Working in another academic occupation	0	0
3. Working in an associate professional occupation (not requiring an academic degree)	((11))	((5))
4. Working in clerical or service job	0	0
Learned an academic discipline (Group B)	100	60
5. Working in an academic occupation	(19)	(11)
6. Working in an associate professional occupation	30	18
7. Working in clerical or service job	51	31

Figures in parentheses: relative sampling error greater than 25%; figures in double parentheses: greater than 40%

We do not have data that would allow us to conduct the same analysis for non-immigrant college graduates.

Subjective Assessment of the Connection of Occupation to the Field of Study

Alongside the objective measures noted above, we asked respondents to subjectively assess their situation: To what extent is your current job connected to your field of study?

- About 65% reported that they work in jobs with a strong link to their academic discipline, which is somewhat less than the rate for non-immigrant Jews (69%).
- There are significant differences between graduates who studied a profession and those who studied an academic discipline: 89% of the former, compared to only 51% of the latter group, perceive a very strong or strong connection between their work and their field of study.
- A high percentage of *vatikim* (77%) report that they are satisfied or very satisfied with the possibility of using their skills at work. This percentage is higher, if not significantly higher, among graduates who studied a profession (86%) compared to those who studied a discipline (72%). A notable percentage of Ethiopian-Israeli graduates (around 20%) believe that they are able to use their skills in their occupations even if they are not employed in their academic discipline (not shown in table).

Table 29: Perceived Connection between Current Occupation and Field of Study, and Satisfaction with Use of Acquired Skills, by group (%)

	<i>Vatikim</i>			Total Jewish Non-Immigrants ^a
	Total	Group A	Group B	
Connection between current occupation and field of study*				
Very high/high	66	89	51	69
Low/None	34	((11))	49	31
Satisfaction with use of skills in current occupation				
Very high/high	77	86	72	No data
Low/None	23	((14))	28	

Figures in double parentheses: relative sampling error greater than 40%

* Significant difference between Group A and Group B, $p < 0.05$.

^a The data about non-immigrant Jews are based on a special analysis of the CBS *Social Survey 2009* for ages 23-44.

Employment Status, Number of Weekly Hours, Wages

- The percentage of college graduates who were self-employed was significantly higher than the percentage among all *vatikim* – 13% vs. 5%. Examples of the self-employed are lawyers and health promotion lecturers.
- *Vatikim* college graduates work the same number of weekly hours as their non-immigrant peers.

Table 30: Number of Weekly Hours, Hourly Wage and Wage Ratio – College Graduates: *Vatikim* and Non-Immigrant Jewish Population,^a by Gender (Average)

	Total	Men	Women
Ethiopian-Israeli <i>Vatikim</i>, Graduates, Employed			
Number of weekly hours*	41	49	36
Hourly wage (NIS)*	40	47	35
Non-Immigrant Jews, Graduates, Employed			
Number of weekly hours	42	47	38
Hourly wage (NIS)	65	78	56
Gross hourly wage of <i>vatikim</i> (% of wage of non-immigrants)	60.9	60.0	63.1

*Significant difference by gender: $p < .05$. Statistical significance was not assessed for non-immigrant Jews

^aThe data about non-immigrant Jews are based on a special analysis of the CBS *Income Survey 2009* for ages 25-44.

- The average hourly wage for *vatikim* college graduates is NIS 40, which is 40% lower than the average hourly wage of non-immigrant graduates (NIS 65) (Table 30).
- Wage gaps among non-graduates are far smaller: Ethiopian-Israelis with only 12 years of schooling and no matriculation certificate earn an average hourly wage that is 12% lower than non-immigrant Jews with this level of education. Among those with a matriculation certificate and/or at least 13 years of education, the average wage is 21% lower (see Table III-4 in Appendix III).
- Wage gaps are similar among women and men (Table 30).
- Wage gaps also appear clearly in wage distribution relative to the minimum wage (Table 31).

Table 31: Hourly Wages in Relation to the Minimum Hourly Wage (NIS 20.70) – College Graduates: *Vatikim* vs. Non-Immigrant Jews,^a by Gender (%)

	Total	Men	Women
Total graduate <i>vatikim</i>, employed, N	1,756	660	1,096
Hourly wages in relation to minimum wage			
Minimum wage or less*	(16)	0	(25)
From x 1.01 to 1.25 minimum wage (NIS 25.89)*	(14)	((7))	(18)
From x 1.26 to 1.5 minimum wage (NIS 31.05)	(16)	((10))	(20)
From x 1.51 to x 2 minimum wage (NIS 41.40)*	24	(32)	(19)
More than x 2 minimum wage (NIS 41.41+)*	30	51	(18)
Total graduate non-immigrant Jews, employed, N	341,687	153,203	188,484
Hourly wages in relation to minimum wage			
Minimum wage or less	3	2	4
From x 1.01 to 1.25 minimum wage (NIS 25.89)	5	3	6
From x 1.26 to 1.5 minimum wage (NIS 31.05)	6	4	9
From x 1.51 to x 2 minimum wage (NIS 41.40)	17	13	20
More than x 2 minimum wage (NIS 41.41+)	69	78	61

*Significant difference by gender: $p < .05$. Statistical significance was not assessed for non-immigrant Jews

Figures in parentheses: relative sampling error greater than 25%; figures in double parentheses: greater than 40%

^a The data about non-immigrant Jews are based on a special analysis of the CBS *Income Survey 2009* for ages 25-44.

^b 14% refused to answer the question about wage

- 16% of *vatikim* earn an average hourly wage equal to the minimum wage (NIS 20.70) or lower. None of the men graduates are employed at this wage level, but one-quarter of the women are. Among non-immigrant Jews, only 3% of the graduates report earnings equal to or lower than the minimum wage and there is no significant difference between the men and women (Table 31).
- Only 30% of *vatikim* earn more than twice the hourly minimum wage, compared to 69% of non-immigrant Jews (Table 32).

Subjective Assessment of Wages

Table 33 examines how *vatikim* graduates perceive their wages in relation to those of other similarly educated non-immigrant Jews of similar age, and their satisfaction with their wages.

Table 33: Assessment of *Vatikim* Graduates: Their Wages Compared to the Wages of Non-immigrant Jews of Similar Ages and Similar Level of Education, and Satisfaction with their Wages, by Gender (Percent)

	<i>Vatikim</i>			Total Non-Immigrant Jews
	Total	Men	Women	
Total employed <i>vatikim</i> N	2,021	790	1,231	
Respondents' Assessment of their Wages				
Higher/much higher	(14)	(22)	((9))	
More or less the same	40	(30)	47	No data
Lower/much lower	36	36	36	
Don't know	(10)	((12))	((8))	
Satisfaction with Wages*				
Satisfied/very satisfied	50	48	51	66
Not so satisfied/not at all satisfied	50	52	49	34

Figures in parentheses: relative sampling error greater than 25%; figures in double parentheses: greater than 40%

*Significant difference by gender: $p < 0.5$

- A little over half of the graduate *vatikim* (54%) believe that their wages are similar or even higher than those of other Israelis of the same age and with the same level of education. This rate is similar to the total population of *vatikim* (see Table 25), In contrast, a little over one-third believe their wages are lower than those of the comparison group.
- According to the objective measures (see Tables 30-32), the wages of *vatikim* graduates are actually significantly lower than those of other Israelis of the same age with a similar education. This suggests that like the other *vatikim*, the graduates may have been overly optimistic with their evaluations.
- Half of *vatikim* graduates are satisfied or very satisfied with their wages, compared with about two-thirds of non-immigrant Jewish graduates.

Possible explanations for the Wage Gap

The findings indicate that *vatikim* graduates earn significantly less than non-immigrant Jewish graduates. Several possible explanations for this can be suggested:

- a) **Field of study:** *Vatikim* (and Ethiopian-Israelis in general) tend to study in disciplines such as the humanities, social sciences, education, teaching, and nursing, which offer relatively low wages. This is confirmed by recent CBS data on students (CBS press release on the occasion of the Ethiopian Sigd festival, 12 December 2012). Caplan et. al. (2009)³ report differing returns on a college education according to field of study. The highest reported wages were found in the fields of engineering and natural sciences, while the lowest wages were found in humanities and social sciences.
- b) **Quality of education:** A majority of Ethiopian-Israeli students study in colleges rather than universities – 61% studied in colleges vs. 33% in universities (6% studied in the Open University) in the year 2011-2012 (CBS, 2012). A study of the differential returns for education in universities and colleges found that in disciplines such as economics, law, and computer science, college graduates earned 20-30% less than university graduates in their first job after graduation (Caplan et. al., 2009).
- c) **Type of job:** About a third of *vatikim* graduates work within the Ethiopian-Israeli community, chiefly as liaisons and coordinators in social programs, which typically offer relatively low wages.
- d) **Lack of professional networks:** As is typical for new immigrants, Ethiopian-Israelis often lack professional networks that could help them find good jobs.
- e) **Employment screening tests as a barrier to employment:** Poor performance on some of the employment screening tests, which are widespread in Israel, makes it harder for Ethiopian-Israelis to gain access to high-paying jobs (Fischman and King, in progress).
- f) **Discrimination:** 36% of *vatikim* graduates felt that they received lower wages than do non-immigrant Jewish college graduates of similar age (see Table 33). In response to a set of questions on the issue of discrimination, 34% reported they had personally encountered discrimination by their boss at work. While we have no details about these encounters and whether they concerned wages, these findings collectively suggest that a significant percentage of Ethiopians believe that discrimination in the workplace is a barrier for them.

Because the overall job satisfaction among *vatikim* graduates is far higher than satisfaction with wages (83% vs. 49%) it is possible that other aspects of employment, such as the ability to use their skills in their job, compensate the *vatikim* for their lower wages.

³ Caplan, T., Furman, O., Romanov, D., Zussman, N. (2009). *The Quality of Israeli Academic Institutions: What the Wages of Graduates Tell About It* Bank of Israel, Research Department, Jerusalem (Heb).