

Q&A

‘Half the children in Israel are receiving a third-world education,’ warns economist Dan Ben-David

Through his Shores Institution, the Tel Aviv University professor is trying to push Israeli politicians to address the impending existential crisis facing Israel's economy and society

By Judah Ari Gross December 1, 2025



Hundreds of thousands of Haredi men attend the 'million man' protest against military conscription in Jerusalem on Oct. 30, 2025.

For the past few weeks, Israeli economist Dan Ben-David has been touring the United States, armed with graphs and charts, spreading dire warnings of Israel's imminent demise.

The president and co-founder of the Tel Aviv-based Shores Institution for Socioeconomic Research, Ben-David has for years been warning that Israel's

demographic and economic trajectory is unsustainable. Like a bowling ball balanced on a toothpick, the country's economy is resting on the work of far too few Israelis, a situation that will get worse if something is not done to improve the education system and bring more people into the workforce. This focuses primarily, but not exclusively, on Israel's Haredi community, whose schools generally do not teach the core curriculum of math and English, and whose male population enters the workforce far later than average.

This, he says, is the true existential crisis facing Israel, not the conflict with the Palestinians or the threats posed by Iran and its proxies. It's why 10 years ago, he and his longtime friend and colleague Hebrew University professor Ayal Kimhi launched the Shoresh Institution, its name meaning "root," to address the root issues facing Israeli society.

For too long, Ben-David told eJewishPhilanthropy last week, Israel has been "kicking the can down the road" on this issue and actions must be taken before the next elections, which are scheduled to take place within the next year. Believing that the Israeli public's post-Oct. 7 openness to radical change is dwindling, Ben-David says that it is now or never.

This interview has been lightly edited for clarity.

Judah Ari Gross: I am generally familiar with the Shoresh Institution's work, but tell me more about how you started and what you are looking at.

Dan Ben-David: Ayal Kimchi and I are good friends. We met in graduate school many, many, many years ago at the University of Chicago. We teamed up and established Shoresh because we felt that we were losing the country, that it was slipping between our fingers, and that the public focus is not on the root issues. It's on more superficial, more shallow, external issues, which are problems, but internally we're looking at a situation that is existential. We wanted to focus on the root, hence the name Shoresh, the root issues that underlie the demographics, and the socioeconomic direction of Israel, the trajectory.

The bottom line is that about half of the children today in Israel are receiving a third-world education. And they belong to the fastest-growing parts of the population, which means that when these kids grow up, they won't be able to support a first-world economy. That means that the economy will not be able to maintain first-world health care or welfare, but also not a first-world army, which we will need to defend ourselves like we have for the past 77 years.

There are people who want us dead. So the Venezuelan option of just destroying the economy, reducing GDP per capita by half within eight years, isn't an option for Israel because Venezuela doesn't have enemies that wanted to basically destroy it. We will need to do things like we did over the past two years. We don't know what they'll be, but we'll need people around here who will be able to do that and have the capacity and the economy to maintain it. And if we won't, we're talking about an existential situation. And that's what concerns us the most.

If we zoom out, only a fraction of the population is really keeping Israel in the developed world. Ten percent of our workforce is in high-tech. In fact, only 6% is in high-tech occupations in high-tech. They alone are responsible for half of Israel's exports, basically. When we talk about health care, it's a huge sector, but the people responsible for keeping us at the highest levels in the developed world are the physicians. The number of physicians that we have relative to the adult 25 and up population is just half a percent, 0.6% of the population. And the people who teach them in universities are just 0.2%.

The issue is this: those three groups, the high-tech people, the physicians and the people who teach them, that's less than 300,000 people altogether. We have a country of 10 million people. You don't need a million to get up and leave for it to be a catastrophe. We have less than 300,000 people basically keeping Israel in a first-world economy, in a first-world health care, and with first-world information and knowledge in the university.

JAG: We've reported on these concerns of a brain drain. There was just an article about this today in [the Israeli financial newspaper] Calcalist about a new study on emigration that showed that several hundred physicians have left the country in recent years.

DBD: Yes, I know the piece. Basically the bottom line is this, we've seen a surge in emigration in the past two years. We don't know what happened in 2025 because we'll need to get through 2026 to know who left and who remained. So the most recent figures that we have is through September 2023.

[Because of the immigration fluctuations caused by the Russian invasion of Ukraine] it's more relevant, in my opinion, to look at the native-born Israeli emigrants and returnees.

From 2009 to 2022, on average, 17,500 Israelis left the country and 12,204 returned. So in a normal year, 43% more are leaving the country than

returning. But when you look at what happened in 2023 and 2024, we have a 65% increase over the average.

The numbers themselves aren't that high. But again, keep in mind that less than 300,000 people are keeping us in the developed world. If several tens of thousands of them decide, 'We have no future' and go, then we begin what's called a spiral of collapse and that can be devastating. It's like a bank run. There's really no way out of it.

And what we're trying to do is to explain these issues, explain the changes that Israel underwent over the past several decades. We focus on the positive in Israel by looking at the Start-up Nation, which is phenomenal, but we kind of ignore the rest. And the rest is leading us on a very steady trajectory that is just simply unsustainable in the future. And what we're trying to do is to show this to politicians and show it to the public. And especially now, because the elections that are going to happen in Israel in the coming year are the most important in our history.

The seriousness of what we underwent in the past three years has created an opportunity like we've never had to change course. In the past, trying to explain the big things that we need to do, the common response was the equivalent to what they say in America, if it ain't broke, don't fix it. People understand in Israel that things are broken now. But they only see the tip of the iceberg.

JAG: What do you mean?

DBD: The share of Haredim in the Israeli population doubles every 25 years, every generation. If you look at 50- to 54-year-olds, they're only 6% of the population. Their grandchildren represent 26% of the kids, of the toddlers. That's not a prognosis for what will be. That's today. Tomorrow, they're in school. The day after tomorrow, they're in the army and in the workforce — or they're not. And if they're not, what happens then?

We don't have the luxury of kicking this can down the road anymore. It's not just an issue of not serving in the army. This is a whopper of a group that's coming down the pike here, and it's growing exponentially. By the way, if this continues, in 25 years, that means that half of the toddlers in Israel will be Haredi. I think something's gonna give way before then, but that's the direction, and that's how rapid these changes are.

JAG: So what are you proposing?

DBD: The most important thing is a change in our education systems, a literal overhaul, not just another reform. And don't make it about the Haredim because the entire system is really the worst in the developed world. We need to upgrade the common core curriculum. But — and that's a big but — when we upgrade the core we have to make it mandatory for all of the children in Israel. No one can be allowed to basically deprive their kids of that education. It involves how we choose teachers, train teachers, compensate them obviously, and the entire way the Education Ministry is run. It's literally closing down the system and opening up a new one.

We can't keep having four different education streams in Israel. It costs a fortune. It's basically politicized. We need to fix our education system if we want to fix the country.

How do we create incentives to do this? Why should anybody comply? Well, that's No. 2. Because of the terrible years that we've undergone, we have no money. We have to rebuild the south and the north and the army and all of the shattered lives, which are going to cost, if not tens of billions, hundreds of billions of shekels. We have no money to pay for many of the things that we've been paying for. No more funding of schools that don't give a full core curriculum. No more money to incentivize non-work and so on. Those are the two things that will basically change the trajectory.

No. 3 is addressing the question of "How do we make sure that the next government doesn't overturn them?" We need electoral reform, checks and balances between three branches of governments, ministers that actually know what their ministries do. And No. 4 is a constitution.

I'm not an expert in numbers three and four. ... But what we need is for [political parties] to put aside their right-wing, left-wing issues, to put together teams of specialists in each of these four areas, to come up with something that's agreeable to right-wing, religious Naftali Bennett all the way through to left-wing Yair Golan, something that most Israelis, normative Israelis would agree with, even if they don't agree with every piece of it. Go to the elections on that.

Show that you understand the core issues, the root issues, run on that with an umbrella party, which even many people in Likud and Shas would vote for, implement that immediately after the elections and then disband the Knesset, go to the elections in a new system, go back to being right-wing, left-

wing, whatever you want. But at least you've placed Israel on a course that is sustainable, which it is not right now.

If we have a new government after the next election, if they don't do these things, the public willingness for huge changes will dissipate, and I don't think we'll ever have that opportunity again.

JAG: In terms of meetings that you've had, does any of what you are proposing have any purchase with Haredi leaders? The Belz community, for example, is widely seen as more progressive on these issues of education and employment.

DBD: I've shown our research to [the Mizrachi Haredi political party] Shas twice over the past two decades, but not recently. Over the past several years it's just been impossible, literally impossible to reach these guys. And it is what it is. Right now, I don't think that we have the time to start talking about incremental steps anymore. We're now at cold turkey time, as unpleasant as that is. We've had 30 years to fix this. When the immigrants from the Soviet Union came, they bought us basically 25–30 years of demography to fix things, and we ignored it.

The most straightforward answer to your question is that in the past, I was always told that once the Haredim understand the catastrophic proportions of the issue, they'll be willing to talk. I think, if anything, the past two years of war has shown that even when we're in a war and have tens of thousands of soldiers either killed or wounded and we needed them, they're not there. They're not there. It's not something that they're going to understand at any point in time. And so we need to do this above their heads, and we just need to basically do what we need to do to save Israel, and they have to comply.

The only way to make them comply is money. They're poor. They need money, basically. And that's the only way to basically force the situation.

JAG: An argument that I've heard from Haredim on this issue is that a lot of the statistics that you are citing is about comparative inequality, about disparity. They will be much poorer than the national average. But that Haredi society doesn't care about that. They won't starve to death. They have all kinds of gemachim [free-loan societies] and other unofficial, voluntary ways of caring for one another. So they don't care about being poor. If that's the case, what's the problem?

DBD: If you take what you said as if they really meant it, I'm fine with that. You don't need physicians, you don't need [the state's] welfare system and you

don't need us to defend you. But that's not going to happen. When you're sick, you don't go to the rabbi. You go to a hospital. You go to a physician who studied and trained. When you want to live somewhere, somebody needs to design the home, an architect who studied many years, or an engineer. So it really isn't true.

Like I showed you, only a few people here in Israel are basically maintaining a first-world economy and first-world health care. It's not a sustainable situation. We need to give their children all of the opportunities to become doctors like the Rambam or engineers like the rebbe of Lubavitch. Remain Haredim, but you need to be able to support yourself, your community and others around you because that's how a modern world works.

JAG: What you are describing — shutting down the current incentive system and replacing it with something new — reminds me, in a way, of the current debate over artificial intelligence. In both cases, you will suddenly have people who are thrust into a new employment situation and who may not yet have the skills that they need. Eventually, it may work out for the better, but as [former Secretary of Commerce Harry Hopkins] famously said, “People don't eat in the long run.” So how do you propose providing for these people?

DBD: First of all, by way of background, economic growth is a process of what's called “Schumpeterian creative destruction.” In other words, there's always new stuff coming up that's making old ways of doing things no longer relevant. Once we had a whole industry of dealing with horses and horseshoes and carriages and so on. Who needs that anymore? We have cars. Not that long ago, to make newspapers in Israel, the printing presses had people typesetting everything. Thousands of people working for the newspapers, all of that was immediately replaced by computers. That's the growth process.

JAG: Yes, but there were far fewer typesetters in Israel than there are Haredim. This would be a lot of people whose society and economy is being completely overhauled.

DBD: I'm getting to the point here. This process means that you're going to lose occupations at the same time as you create new occupations that are much higher-productivity occupations. This means that you need to prepare the future workforce to give them the best tools possible for whatever comes down the pike when they're adults. That means, primarily, they need languages, not only their own language — in this case Hebrew — they also need English. But they don't [just] need Hebrew and English, they need math. They need math to open up the doors to sciences, to other things that are going to make things,

we don't know what will be, but they're going to have to learn on the run here how to adapt, how to change to new occupations.

The point I am trying to make is that the education overhaul is not about the Haredim. We have the worst education system in the developed world. We need to bring our entire system up to a place where these kids, when they are finishing school and going out in the marketplace, will be able to adapt [to] whatever is out there. It's not just AI, it's everything. It's going to be a whole new world. Things are going to happen in a different pace. They need to have the skills and the tools.

In the secular schools, their average scores in math, science and reading over the past 20 years are below the majority of OECD countries, below 57% of the OECD countries. They're crappy schools. They're really not good. It's way beyond the Haredi issue here. The religious-state schools, the ones that actually get more money than anybody else per child, they're below 80% of the OECD countries over the past 20 years — 80%!

Israel cannot become a third-world country. It just can't. Having a third-world economy means the destruction of Israel. We won't be able to defend ourselves. Literally.

JAG: The vast majority of eJewishPhilanthropy's readership is not Israeli. Much of your focus is on the upcoming election and the political process in Israel. What role do you see Diaspora Jewry and specifically the Jewish philanthropic world playing in this issue?

DBD: I think we're in money time now, not just for Israel, but for Jews abroad as well and for philanthropy specifically. These elections are going to be the most important ones we've ever had. They will determine if we will be or won't be [around] 30, 40 years down the road.

A lot of people, not just in Israel, but a lot of Jews abroad have a big stake in the outcome of what's going to happen here. Because this is not the standard right-wing/left-wing issue. It's not an Israel and the Palestinians or Israel and its neighbors issue. It's not the conventional issues that have been the topic of discussion for years. This is an internal socioeconomic demographic trajectory that will become existential in a few decades if we don't fix it. This is probably our final opportunity to fix things, which brings me to your question.

It's possible for philanthropic organizations to do what they can at the ground level and fix a school, fix a neighborhood, help this group, help that group. But

if the whole country, if the whole ecosystem around it goes to hell, how does that help? In other words, this is an opportunity basically for many of these organizations to make their weight felt.

Jewish philanthropic organizations, who many of our politicians go to for support, they need to knock heads together and tell them to start working together and move past the right-wing/left-wing issues, religious-secular issues. They need to come up with a plan, a serious plan [for] the next election.

This is where I think the big impact of world Jewry needs to be, to knock heads together here because we have a lot of people who are still living in La La Land. They don't understand the severity of the situation, the rapidness of change, what an exponential function looks like.

[Diaspora Jews] need to start asking you the big questions. When you come to us in the states, in Ohio, in New York, in California, and ask us for money, what do you plan to do about these things? How are you going to fix them? Don't talk to us about the botany of individual trees when the whole forest is going up in flames. Fix the damn forest.

JAG: A number of Jewish foundations and federations are focused on this issue. Have you been meeting with them as well?

DBD: That's what I'm doing right now in the States. I'm showing it to Jewish communities here. I've met with federations here. I'm meeting with synagogues. I'm giving them talks. I'm giving them briefings. I'm showing them what I'm showing our leading politicians in Israel. This is the same material.

Everybody's got to get on board with this. We need to fix this, and we need you guys in the States to push our guys in Israel. I'm not telling you who to vote for. That's not the issue here. It's basically banging heads together and telling them, "Like in a war, we work together. We don't ask who you voted for. We defend Israel."

This is now an issue of defending Israel. It's literally defending Israel. Because if we don't fix it now, there is a demographic, democratic point of no return where things that have become nearly impossible to pass in the Knesset will become literally impossible to pass.

JAG: What feedback have you been receiving on this trip?

DBD: Pretty much astonishment.

JAG: That people were unaware of the issue or unaware of the scale?

DBD: That's the key word, the scale of things. At the headline level, everyone knows the problems. Everyone's familiar with the issues. But no one really saw them being put together in this kind of a way of what all of that implies and how fast it's changing.

We've just been kicking the can down the road because we focus on the Palestinians, we focus on all kinds of other issues. Will Israel remain a Jewish country or not? Will we have a majority? That's solved. We'll be a Jewish majority forever. We have higher birth rates than anybody else. The question is, will we have a population that's more skilled and educated or less skilled and educated? If it's less skilled and educated, then this is not going to be a country that will be able to defend itself, very literally.

JAG: What you're talking about is no small feat. This isn't just changing a school system, this is about fundamentally reshaping how a significant portion of Israeli society operates. There are sure to be unknown, painful issues that arise because these are systems that have built up organically for decades.

DBD: Israel is unique in our ability to think outside the box and solve things.

We have a history of when our back is to the wall of turning on a dime. I don't know of any other countries that have done that as often as we have when our back is to the wall.

There are things that we've let develop because they're too difficult to deal with, each one separately. But they're bringing us to a point where all of them together are making it an insoluble situation, and so we need to break things, we need to change how things are done. Again, Israel does that. We had hyperinflation in the mid-1980s. We let that snowball. We should have killed it in the 1970s, but we let it snowball to 450% inflation in 1984. But when we killed it, we did it in a way that no other country was able to ever do that quickly, that big. We didn't solve it completely. We went down to about 20% inflation, which is still high, and eventually brought it down to normal levels. But going from 450% to 20%, I don't think any other country's done that.

We have that capacity of doing big things if we do them together. And we have very smart people still in Israel who know how to think outside the box. So use them. I think a lot of people would prefer to live in Israel and want to remain in

Israel, who believe that it's our home and we want to fix it. And so I think you'll have a lot of people willing to put in the time and put in the effort to come up with solutions.

We don't have any alternative, and when we don't have alternatives, we do big things. We just need to understand that we don't have any big alternatives right now. We have to fix things. And that's what we're trying to impress upon people. These elections are the most important in our history. This is when, if we don't make the decisions, we'll lose the country for our children and grandchildren.

If we do the things that we need to do after the elections, then Israel will be on a sustainable trajectory. We can go back to arguing about all the old things that we used to argue about, trying to deal with them. That's where we're at right now.