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METHODOLOGY AND DATA COMPANION | OPEN ACCESS

Executive Compensation in American Jewish Day Schools

Methodology and data companion to the working paper

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A full white paper, with the complete introduction, related literature, data and design, results, discussion, limitations, conclusion, and references, is available on request.

At a glance	
Research question	Does executive pay in American Jewish day schools vary by denomination, and has compensation growth kept pace with inflation and general wage growth over 2017 to 2024?
Data	Schedule J of 1,165 full IRS Form 990 e-filings (579 school-year records across 140 schools, with a 124-school growth panel), benchmarked against BLS price and wage indices retrieved via FRED.
Unit of analysis	The school-year, specifically each school's top-earning executive, grouped into four denominational categories.
Statistical method	Descriptive benchmarking using compound annual growth rates (CAGR) for each school, compared against external price and wage indices.
Headline finding	Median executive pay grew about 3.18 percent a year, below CPI-U at 3.71 percent and the Employment Cost Index at 3.88 percent, with the widest gap at Orthodox and Chareidi schools.
What it shows	A correlational benchmark of pay levels and growth, not a causal account of what sets compensation.

The question behind the paper

Discussion of day-school finance usually treats executive compensation as a fixed cost and stops there. This paper asks two measured questions of the schools' own IRS filings: whether top-earner pay varies by denomination, and how its growth compares with what the wider economy did to prices and wages over the same years.

The second question is the one prior work has largely skipped. Benchmarking pay growth against inflation and general wages reframes compensation as something to be measured rather than assumed.

Where the data come from

IRS Schedule J filings. Executive compensation comes from Schedule J, Part II of 1,165 full Form 990 e-filings, downloaded from the IRS bulk XML archive, which yields 579 school-year records across 140 schools; 124 schools with two or more comparable years form the panel used for growth analysis.

Federal price and wage benchmarks. Two U.S. Bureau of Labor Statistics series, retrieved through the Federal Reserve's FRED database, provide the comparison: the Consumer Price Index (CPI-U), which rose 24.4 percent over 2017 to 2023, and the Employment Cost Index for private-industry wages, which rose 25.7 percent over the same period.

Denominational grouping. Schools are sorted into four categories, Communal, Modern Orthodox, Orthodox/Chareidi, and Other, collapsed from a finer hand-verified ten-category scheme so that each comparison cell stays large enough for reliable estimates.

The statistical method, named and explained

The analysis is descriptive benchmarking rather than a hypothesis test or regression. For each school in the panel it computes a compound annual growth rate, or CAGR, in top-earner compensation over that school's own observation window, then takes the median CAGR within each denominational category. Those medians are compared against the annualized CPI-U rate of 3.71 percent and the annualized Employment Cost Index rate of 3.88 percent, so that the gap between pay growth and each benchmark can be read directly in percentage points. The same logic is applied to revenue, which lets the paper set each group's pay growth beside its institutional revenue growth.

Several choices guard the estimates. The paper reports two panel cuts, all windows of at least two years and windows of three years or more, uses two independent benchmarks (prices and wages), and collapses ten categories into four to avoid cells too thin for stable medians. It flags that a single 2017 to 2023 rate is applied to windows that vary in length, and that the sample skews toward larger schools that file the full return.

Key results from the paper

Table 1. Median and mean top-earner compensation, by denomination.

Category	n (school-years)	Median	Mean
Communal	330	$242,107	$277,420
Modern Orthodox	130	$243,166	$271,910
Orthodox / Chareidi	102	$193,338	$212,397
Other (Special Education)	17	$416,731	$386,782

Note. The Other category reflects specialized special-education staffing rather than a comparable head-of-school role.

Table 2. Compensation growth versus federal labor-market benchmarks, 2017 to 2023.

Series	n	Cumulative	Annualized
School top-earner pay (windows of 2+ yrs)	124	varies by window	3.18%
School top-earner pay (windows of 3+ yrs)	100	varies by window	2.92%
CPI-U, all items (Dec 2017 to Dec 2023)	n/a	24.4%	3.71%
Employment Cost Index, private wages (Q4 2017 to Q4 2023)	n/a	25.7%	3.88%

Note. Both benchmarks exceed both cuts of school pay growth, implying a modest real-terms decline.

Table 3. Compensation and revenue growth by denomination versus benchmarks.

Category	n	Comp CAGR	Revenue CAGR	vs. CPI (3.71%)
Communal	70	3.47%	4.46%	-0.24 pp
Modern Orthodox	28	2.69%	5.11%	-1.02 pp
Orthodox / Chareidi	23	0.75%	7.71%	-2.96 pp
Other (n too small)	3	9.04%	8.76%	+5.33 pp

Note. The Orthodox and Chareidi group pairs the fastest revenue growth with the slowest pay growth; the Other group is too small to interpret.

How to read the results

Table 1 shows that pay levels differ by denomination roughly as institutional size alone would predict, with Communal and Modern Orthodox medians near $242,000 to $243,000 and the Orthodox and Chareidi median about 20 percent lower. Table 2 shows that growth tells a different story, since median pay rose about 3.18 percent a year against 3.71 percent for prices and 3.88 percent for wages, a gap that compounds into a real-terms decline over six years. Table 3 locates the gap: it is widest at Orthodox and Chareidi schools, where pay grew 0.75 percent a year while revenue grew 7.71 percent, the reverse of the usual pattern in which faster-growing institutions pay their leaders more.

For orientation, one external reference sits above the whole sample. An independent-school compensation survey reports a median head-of-school salary of $351,674, well above every category here, which places these schools below the broader independent-school norm.

What the numbers do not claim

The finding is correlational and descriptive, so it identifies a pattern rather than its cause. Denominational classification is inferred rather than authoritative, the sample favors larger schools that file the full return, the Other category rests on only a few schools, and the paper does not test whether the Orthodox and Chareidi gap survives once school size or founding era are controlled, which it names as the natural next step.

Reproducing the analysis

The inputs are public. Schedule J compensation can be re-extracted from the IRS bulk XML archive of full Form 990 filings, and both benchmark series, the CPI-U and the Employment Cost Index for private-industry wages, are available through FRED, with the paper reporting the exact index values used at each endpoint. The denominational classification and supporting scripts are maintained with the paper's dataset, so the medians and growth rates can be rebuilt school by school.