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METHODOLOGY AND DATA COMPANION

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The Portable Paycheck and the Immobile House

Methodology and data companion to the working paper

Gavriel Brown, PhD

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	When an Orthodox community is cheaper, is it cheaper because the local labor market pays less, and do the two differences cancel?
Data	A database of 319 Orthodox Jewish communities compiled by the author from public sources, joined to BLS occupational wages for 92 metros, BEA price parities, ACS zip-level incomes and a hand-audited Orthodox high-school marker.
Unit of analysis	The individual community, keyed to its residential zip code and its metropolitan labor market, with household income endogenous to place.
Statistical method	A fixed six-occupation wage index by metro, a household cost model with local income and local taxes, and correlation of house price with the share of income retained.
Headline finding	Same-job pay varies 1.83 times across metros while the cost of Orthodox family life varies 6.62 times and the house 33.6 times; house price alone explains 84% of what a family keeps.
What it shows	The choice of an Orthodox community is a housing decision rather than an earnings decision, with occupation and a portable income as the two large qualifications.

The question behind the paper

Whenever the affordability of out-of-town Orthodox communities comes up, someone raises the same objection: a cheaper community is cheaper partly because its labor market pays less, so a family that moves trades one difference for the other. Every earlier paper in this series assumed a fixed household income and could not answer that objection. This paper lets income vary with place and tests it directly.

The finding is that the objection is wrong in levels and close to right at the margin. Pay across the country is far too compressed to offset a cost distribution four times wider. What the pay difference does accomplish is to cancel the gain from moving to a mid-priced destination, which describes most of the places families actually consider.

Where the data come from

The community database. The frame is 319 identified Orthodox Jewish communities in the United States, compiled from the Orthodox Union communities directory, carrying an institution roster, a representative residential zip code, typical three- and four-bedroom home values, state tax and voucher parameters, and an assignment to a federal metropolitan area. Of these, 260 have every input the cost model requires.

Wages. Occupational wages are the Bureau of Labor Statistics Occupational Employment and Wage Statistics, May 2025, matched to 92

metropolitan areas. Six occupations are priced: physicians, lawyers, accountants and auditors, pharmacists, civil engineers, and registered nurses. Every metro figure was cross-checked against two independent republishers of the same federal file, which agreed on every value examined.

Prices and mortgages. Local price levels are Bureau of Economic Analysis Regional Price Parities for 2023, all items, national average 100. The mortgage rate is the Freddie Mac survey average of 6.69 percent on 6 August 2026.

What families actually report. Household income in Orthodox neighborhoods comes from the Census American Community Survey five-year estimates for 2020 through 2024, at the zip-code level, for 282 zip codes. Ninety flagship communities carry a hand-verified neighborhood zip with a marker for how Orthodox that zip is.

High schools. Each flagship community is marked for whether an Orthodox high school exists: full, partial or none, with counts of 63, 9 and 18. Institution names in the source database were not sufficient, missing schools that demonstrably exist in six communities, so thirty borderline cases were audited directly.

How the wage index is built

The index holds the worker constant. For each metro, the local wage for each of the six occupations is divided by the national figure for that same occupation, and the six ratios are combined as an unweighted geometric mean scaled to 100. A reading of 120 means the market pays twenty percent above the national rate for identical work. Because the federal survey does not publish occupational wages below the metropolitan level, every community inside a metro shares one value.

Why physicians are measured at the eightieth percentile. The federal classification places trainees with the occupation they are training for, so teaching hospitals report residents into the residual physician code. Its metro median therefore measures the local ratio of residents to attending physicians rather than physician pay. Detroit shows it plainly: the tenth, twenty-fifth and fiftieth percentiles all sit inside a five-thousand-dollar band at stipend level while the seventy-fifth is $211,370. Measuring at the eightieth percentile lifts the estimate above the trainee mass, cuts the cross-metro spread from 6.5 times to 2.2, and moves the composite index barely at all. Family medicine, the obvious substitute, has the same defect.

How the cost model works

One household is moved around the country: two working parents, four children in day school, a four-bedroom home financed at 6.69 percent on eighty percent loan to value. Annual fixed cost is mortgage principal and interest, tuition net of a flat fifteen percent aid discount, state income tax, property tax, homeowners and automobile insurance, energy and sales tax.

The one change from earlier papers in this series is that income is not assumed. It is the local market wage for an accountant plus the local market wage for a registered nurse, $181,230 nationally, rising and falling with the metro, with state income tax levied on that local figure. That single change drives most of the reordering.

Tuition is modeled rather than observed for most communities, at $16,000 for elementary scaled by the local price level to the power of 1.5. The exponent was checked against the 39 communities that self-report a tuition band, which imply 1.58. Vouchers are excluded from headline costs so states without one can be compared fairly, and quoted separately.

Key results

Table 1. What varies across 260 communities, and by how much.

Measure	Minimum	Maximum	Ratio
Same-job pay index, 92 metros	79.8 (Little Rock)	145.8 (San Jose)	1.83
Local two-professional income	$146,880	$338,440	2.30
Annual fixed cost of the household	$69,190 (Youngstown)	$458,149 (Beverly Hills)	**6.62**
Typical four-bedroom home	$154,585	$5,188,984	**33.6**

Note. Pay is compressed and cost is not. Same-job pay tracks the local price level at 0.784, the textbook spatial-equilibrium result, but tracks the Orthodox cost bundle at only 0.582, because that bundle is dominated by housing and tuition rather than by general prices.

Table 2. Median values by quartile of house price, 260 communities.

Quartile of house price	Median house	Median local	Median fixed cost	Share of income

		income		kept
Cheapest quarter	$409,546	$173,280	$103,681	**40.9%**
Second quarter	$662,804	$187,170	$133,935	31.3%
Third quarter	$987,038	$225,370	$167,593	22.8%
Priciest quarter	$1,575,356	$225,370	$214,887	**4.2%**

Note. The house is the whole story. Its price correlates with what a family keeps at -0.919, so it accounts for 84 percent of the variance on its own. Families in the cheapest quarter earn 77 percent of what families in the priciest quarter earn, pay 26 percent as much for the house, and keep 9.7 times as large a share of income.

Table 3. What each profession is paid in selected metros, as a share of the New York rate.

Occupation	Cleveland	Memphis	Atlanta	Chicago	Baltimore	Phoenix
Physicians, 80th percentile	114	131	109	92	98	**134**
Pharmacists	100	95	99	100	98	102
Civil engineers	90	90	82	93	94	84
Accountants and auditors	76	73	81	78	81	76
Registered nurses	70	68	84	84	83	84
Lawyers	**64**	**64**	66	79	63	65

Note. Across fifteen metros with an Orthodox high school, physicians exceed the New York rate in nine of them, while lawyers earn between 63 and 85 percent of it everywhere and under 70 percent in nine. The same move enriches one and impoverishes the other.

How to read the results

Table 1 is the answer to the objection. If pay varied as much as cost, the two would cancel and location would be close to financially neutral. Pay varies by less than two to one and cost by more than six, so they cannot cancel, and the residual has to fall somewhere. Table 2 shows where: on the house.

Table 2 should be read as a single trade. Moving from the priciest quarter of communities to the cheapest costs a household roughly a quarter of its income and returns roughly three quarters of the house price, and the family ends up keeping 40.9 cents of every dollar instead of 4.2. Nothing else in this project moves a household by that much.

Table 3 is the caveat that matters most in practice. The aggregate index conceals the variable with the largest effect on any particular family, which is what the earner does for a living. A household should look up its own occupation before it looks at any ranking.

Two results in the paper do not appear in these tables. Leaving Teaneck for the nine destinations Orthodox families most often name costs a median of 121 percent of the saving, because those destinations are mid-priced metros; leaving for genuinely cheap communities with a high school gains between $9,359 and $24,642 a year. And a portable income, a New York salary earned remotely while paying another community's costs, is worth $29,000 to $70,000 a year, more than any tax, voucher or housing lever measured anywhere in this series.

What the numbers do not claim

The wage index is metropolitan, so every community inside a metro carries one value and real within-metro variation is invisible. Tuition is modeled rather than observed for most communities and remains the largest source of uncertainty on the cost side. The physician correction is incomplete in Detroit, which still reads 65 percent of the New York figure because its resident share reaches into the eightieth percentile.

Census income figures describe every household in a zip code, not only the Orthodox ones. Where the Orthodox share is high the figure is a fair proxy and is marked as such; where it is low the number describes the neighborhood. Williamsburg is the clearest case, its median inflated by a large non-Orthodox population.

Self-employment and business ownership, a substantial share of earning in several of these communities, are poorly captured by an occupational wage survey. Communal tuition assistance beyond the flat discount assumed, family transfers, proximity to relatives, the availability of a school of a particular orientation, and the marriage market all carry real weight and carry no price here.

Reproducing the analysis

The community frame, wage index, price levels, cost model and high-school marks are published as two files. A community panel carries all 90 flagship communities with their wage index, price level, house price, modeled cost, surplus,

zip income and high-school status. A metro panel carries all 92 metropolitan areas with the six occupational wages, the index computed with and without physicians, the price parity and the real-pay index. Every figure quoted in the paper can be recomputed from those two files and the parameters stated above.