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## Taken to the Cleaners, in Yehud

By Kerry Pechter     *Wed, Feb 20, 2019*

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*A better prime minister than Bibi Netanyahu would be Duke University behavioral economist Dan Ariely, said Aviram, who with his mother operates the laundry that I've frequented in Yehud, Israel.*

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When I dropped off a sack of dirty clothes and linen at the laundry this morning, I met the owner of the shop, Aviram, an Israeli of about 40. He has brown hair, blue eyes, and a beard, curly and slightly more Hellenic than Hasidic. A small knot gathered the hair on top of his head. He runs the business with his mother, a petite woman with white hair who, at that moment, was pressing a shirt.

“Yes, we have a lot of taxes. Too much, I think,” said Aviram, who has a gentle but confident manner. He lived on Staten Island for six years, but for some reason he speaks English with a slight British accent. “I’ve been to Philadelphia too. I saw the bell,” he said, half-smiling. Like me, he’d been a stranger in a strange land.

When I told him that I was visiting Israel to study the retirement/pension system (see last week’s cover story), he confirmed that more than half of most Israelis’ take-home pay goes to income taxes and social insurance taxes, which include taxes for the basic state pension and health care, as well as mandatory contributions to a personal pension and an unemployment fund.

“Would you like a coffee?” he asked.



Regarding pensions, he mentioned a grandfather with dementia, and one's risk of forfeiting a pension through early death. He conceded, however, that you could lock in payments for 20 years and thereby protect one's heirs. Day care for children is free to working parents in Israel, he said. I told him that, in the US, the cost of day care can be a heavy burden for young couples.

The subject easily drifted to Israeli politics and to Bibi Netanyahu. For Aviram, the four-term right-wing prime minister represents the unyielding and dogmatic view that groups of humans will always separate into a successful 20% and a not so successful 80%, just as unhomogenized milk separates into cream and whey.

A smarter, better leader than Netanyahu would be Dan Ariely, Aviram said. I was surprised that to hear that. Ariely is an Israeli psychologist who teaches at Duke University and famously blogs about behavioral economics. He's written several books, including the best-selling, *Predictably Irrational* (HarperCollins 2008).

The 2008 financial crisis, which occurred as Israel was beginning its transition from a voluntary to a mandatory defined contribution system of retirement savings, was very tough on Israeli families, Aviram told me. As in America, the crash reduced the savings of many older people who had just retired and didn't have pensions.

Suddenly underfunded, they turned to their children for financial help. But, in a country where housing costs are high—despite apartment construction projects wherever you look—real estate prices, many young couples expect help with their first mortgages from their parents. The combination of circumstances has evidently made life difficult for families.

As we talked, customers arrived and left. A tall Haredi Jew in a black suit and black broad-brimmed hat stopped in with laundry and instructions. He left, and two men with close-cropped hair came up. The older one, evidently the father, spoke in Russian to Aviram, who doesn't speak Russian. "They're from Uzbekistan. The Hebrew word for it is Bukhara," Aviram said. [Bukhara is a region and city in Uzbekistan.] "They come to Israel more for the economy than the religion." By way of saying goodbye, the older man went to each of us in turn, smiling and clasping our right hands with both of his.

Aviram again offered me refreshment. "Would you like a sandwich? We're making some in the back. Are you sure?"

The fee for washing, drying and folding five kilograms (11 pounds) of laundry was 50 shekels or about \$14. I'm out-sourcing my laundry because I haven't yet figured out how to operate my cousin's apartment-sized washer and dryer. Aviram's assistant, who was busy folding someone else's clothes, told me to come back in five hours. My laundry, including three pressed items, would be ready then.

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