

# LATET ORGANIZATION

## Mission

The Latet Israeli Humanitarian Aid organization was established in order to reduce poverty for a better and more just society by providing assistance to populations in need on a universal basis, mobilizing Israeli civil society toward mutual responsibility, and leading change in national priorities.

## Fields of Activity



Latet established and operates programs in various fields:

**Nutritional Security** – For the past 23 years, Latet has been operating as the leading umbrella organization, which remains widely influential and adamantly supported by Israeli civil society. Latet collaborates with a network of 180 food organizations operating in 105 localities nationwide in all sectors of society. Latet and these partner NGOs support and provide ongoing assistance to 60,000 families suffering from severe nutritional insecurity.

**Latet Youth** – Latet's youth organization, whose goal is to educate youth to volunteer, develop their leadership skills and to encourage them to carry out social initiatives.

**Aid for Life** – A holistic program offering physical and social aid to impoverished Holocaust survivors.

**City Without Hunger** – Latet's social laboratory, whose goal is to research the most effective intervention model to reduce nutritional insecurity and poverty, and to develop an innovative, groundbreaking solution to the problem.

In addition, Latet organizes activities designed to raise social awareness and promote a change in the national priorities, including the publication of the **Alternative Poverty Report**.



# ESSENCE AND GOALS OF THE REPORT

This is the 17<sup>th</sup> edition of the Alternative Poverty Report, which sheds light on the most up-to-date trends in the field of poverty and nutritional insecurity in Israel in 2019. These trends are studied by Latet, which operates nationwide in collaboration with 180 local NGOs and aid organizations.

The report serves as an alternative tool to study and understand the poverty phenomenon. As opposed to the official statistical reports, it reflects the human aspect of poverty, offering a broad outlook and in-depth analysis of the trends on the one hand, while giving a voice to the aid recipients and the NGOs that support them, on the other.

For the sixth year in a row, the report includes the Multidimensional Poverty Index, which shows the depth of poverty and its characteristics by measuring the degree of an individual's deficiency in relation to the most essential needs required to exist.

This year, a special chapter also sheds a spotlight on the poor elderly population in Israel, their unique needs and challenges. Life expectancy is rising but as a population above working age who suffer from loneliness, they have none of the resources required to live with dignity.

Latet publishes the Alternative Poverty Report in order to expose Israeli society to the human meaning of living in poverty in a direct and authentic manner. In general, the public is familiar with poverty from afar, mainly through the media, common perceptions or prejudices. The report is designed to enlighten the public on the causes of poverty, its characteristics and the main obstacles preventing people from escaping it. These hurdles primarily stem from policies that neutralize the ability of people living in poverty to do so. Moreover, the report serves as a means for pressuring decision makers in the government and the Israeli Parliament to take responsibility for the welfare of the country's citizens, by taking consistent steps to solve the problem of poverty and social disparity.

At Latet, we believe that it is the inherent duty of the Israeli government to place social inequalities and poverty issues at the top of the national agenda. This should include the allocation of the necessary resources and the implementation of an inter-ministerial government plan with the goal of reaching the average poverty rates in developed countries within ten years.

# METHODOLOGY



The Alternative Poverty Report is a unique document that draws a picture of poverty and social gaps in Israel in 2019.

This report is based on the integration of findings collected through four research studies and questionnaires:

**1. Study of aid recipients** – an analysis of the characteristics and coping methods of people living in poverty.

**2. Aid trends among partner NGOs** – a study conducted among aid organizations that operate in collaboration with Latet. The study examines the trends in poverty, needs and processes in the field.

**3. Survey of public’s perceptions** – a study conducted among the general public, designed to examine their perceptions of poverty-related issues and social gaps in Israel.

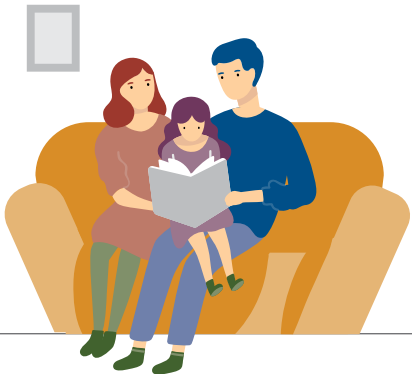
**4. The Multidimensional Poverty Index** – a tool used to measure poverty and its extent among the general public.

All the studies were conducted between July and August 2019. The preparation of the questionnaires, the data collection, the evaluation of the findings and their analysis were carried out by Latet’s research department, with the support

and guidance of leading Israeli professional research institutes:

**Rotem ar. Institute** – a research and analysis company owned and managed by Dr. Arie Rotem. Dr. Arie Rotem and Miriam Honen spearheaded the research used in this report.

**ERI Institute** – a social business that provides research and consultation services, combining expertise from academia and the third sector, as well as an advisory board of senior experts and an extensive pool of researchers from various fields and disciplines. The institute is headed by Gilad Tanay, an expert on poverty and social justice research, formerly the director and member of the founding team of the Academics Stand Against Poverty NGO. He lectures in the Global Justice Program at Yale University.



## Study of aid recipients

The study of the aid recipients was conducted using a survey administered to 957 people in need who receive aid from Latet’s partner food NGOs. The interview consisted of a questionnaire completed by the subjects on their own, with help from a Latet representative in cases where it was needed. The data was gathered in July and August 2019.

The maximal sampling error for this sample is +/- 3.2%, in accordance with the accepted levels of significance.

The information collected served as the basis for the study, whose goal is to reflect the daily routine and personal experience of the aid recipients. This routine is generally unknown to the general public or to decision makers and the top echelon of the government.

| Gender | Male   | 39.1% |
|--------|--------|-------|
|        | Female | 60.9% |
| Age    | 18-24  | 4%    |
|        | 25-34  | 15.6% |
|        | 35-44  | 28.5% |
|        | 45-54  | 23.4% |
|        | 55-64  | 13%   |
|        | 65+    | 15.5% |



|                                |                |       |
|--------------------------------|----------------|-------|
| Religion                       | Jewish         | 79.7% |
|                                | Muslim         | 13.4% |
|                                | Christian      | 3.9%  |
|                                | Druze          | 1.8%  |
|                                | Other          | 1.2%  |
| Levels of religious observance | Secular        | 30.1% |
|                                | Traditional    | 31.7% |
|                                | Religious      | 27.3% |
|                                | Very religious | 10.9% |

Aid trends among partner NGOs

The study of aid trends among partner NGOs was conducted using a survey administrated to 98 directors of aid organizations and associations (food organizations, social services of the Ministry of Labor, and soup kitchens) who are working on a regular basis and represent all sectors of Israeli society. The data was gathered in July and August 2019.

The maximal sampling error for this sample is +/- 4.6%, in accordance with the accepted levels of significance.

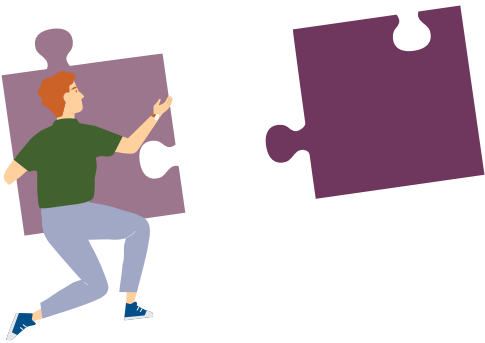
The different organizations giving assistance to populations living in poverty and in nutritional insecurity constitute a unique source of up-to-date and authentic testimony. It directly reflects the complicated reality people in need are coping with, as well as the hard work of the directors of aid organizations. The organizations' point of view is critical in order to assess a comprehensive picture of the poverty trends in Israel.

The Multi-Dimensional Poverty Index

The study was conducted via a phone and online survey among a representative sample of 696 individuals, ages 18 and more, who include all sectors of Israeli society (Jewish and non-Jewish populations). The data was gathered during August 2019. The maximal sampling error for this sample is +/- 4.5%, in accordance with the accepted levels of significance.

The Multidimensional Poverty Index constitutes a tool to measure poverty and its depth among the general public by analyzing someone's deficiency in relation to the most basic needs required for a proper existence.

|          |                                |       |
|----------|--------------------------------|-------|
| Gender   | Male                           | 48.9% |
|          | Female                         | 51.1% |
| Religion | Jewish                         | 80%   |
|          | Muslim                         | 15.2% |
|          | Christian                      | 2.8%  |
|          | Druze                          | 2%    |
| Region   | Jerusalem and the surroundings | 11.2% |
|          | Tel-Aviv and central region    | 28.3% |
|          | Haifa and North region         | 17.5% |
|          | South and Shfela region        | 38.3% |
|          | The Sharon plain               | 4.7%  |



Survey of public perceptions

The study was conducted via a phone and online survey among a representative sample of 502 individuals, ages 18 and more, who include all sectors of Israeli society (Jewish and non-Jewish populations). The data was gathered in July and August 2019. The maximal sampling error for this sample

is +/- 4.5%, in accordance with the accepted levels of significance. The results depict the opinions and perceptions of Israel's citizens in regards to the poverty phenomenon, its scope and the handling of the issue.

|                                |                                |       |
|--------------------------------|--------------------------------|-------|
| Gender                         | Male                           | 50.8% |
|                                | Female                         | 49.2% |
| Religion                       | Jewish                         | 79.9% |
|                                | Muslim                         | 16.1% |
|                                | Christian                      | 3 %   |
|                                | Druze                          | 1%    |
| Levels of religious observance | Secular                        | 47.9% |
|                                | Traditional                    | 30.4% |
|                                | Religious                      | 13%   |
|                                | Very religious                 | 8.7%  |
| Region                         | Jerusalem and the surroundings | 10.4% |
|                                | Tel-Aviv and central region    | 30.1% |
|                                | Haifa and North region         | 35.3% |
|                                | South and Shfela region        | 15.3% |
|                                | The Sharon plain               | 8.9%  |

4%

Gilles Darmon, Chairman and Founder of Latet

It is difficult for optimists to find reasons to be pleased with this new edition of the Alternative Poverty Report, due to the breadth of the disturbing poverty phenomenon in Israeli society. For years, we have witnessed the scope of this tragedy and the damage it wreaks; and we have unwittingly helped bring about the social exclusion of two million of our citizens.

The worst part of the stagnation in their status as poor people in Israel is first and foremost the despair that these families experience. Feeling as if they were incarcerated in jail, they have resigned themselves to the idea that nothing is expected to change today or tomorrow. The State, the government institutions and the political leadership have abandoned these families. They are lost in the backyard of the Start-Up Nation. This despair wreaks havoc and erodes the foundations of our society. It poses an existential danger that is larger than any other strategic or security threat.

Oh yes, I forgot, we live in a country considered to be an extraordinary economic success, with unbelievable growth for almost twenty years, an economy that boasts full employment, low inflation and a budget deficit that is the envy of 90%

of the OECD countries. In short, heaven on earth.

The most powerful social protest of the past years in a developed country broke out in Chile, which has similar if not better economic characteristics than Israel. Does anyone still believe that such a scenario is impossible here in Israel as well?

Within less than three days, the riots and looting spread like wildfire. Consequently, the State issued a curfew and military regime on the streets and fifteen people were killed. All this, because a junior clerk at the Ministry of Transportation increased the metro prices by 4%. More than 140 stations were almost completely destroyed; and it may take a long time until the largest and modern subway in South America returns to operation. There has been no such revolution in Chile since the coup of General Pinochet.

Two days before the riots, the Chilean Prime Minister was still presenting his country to the Financial Times as an economic oasis and as an exemplary democracy. No one predicted that civil society and not political parties would lead such a powerful revolution.

Just a few months ago, Chile was presented in all the international economics faculties as a successful economy using the ultra-liberal "Chicago Boys" model. This movement includes economists who were trained in the economic theories of Milton Friedman, a professor from the University of Chicago, who has become a shrine of economic liberalism. These "Chicago Boys" strangely remind me of the "Treasury Boys" we meet in the halls of the Budget Department in Jerusalem.

In a fascinating article recently published in the New York Times<sup>1</sup>, journalists try to analyze the different social revolutions that took place in the world in 2019. They describe revolutions such as the Yellow Vests in France, the demonstrations in Lebanon, the riots in Chile, India, Iraq, Ecuador and even Hong Kong, relying primarily on a study from the University of Denver<sup>2</sup>.

In the article, they indicate that the number of social protests has risen a great deal in recent years; and they have become routine in the developed countries. They

claim that there are a number of reasons for this. Firstly, the enormous increase in the social gaps and inequality between the rich and the poor, and the frustration that this gap can arouse (in Israel, on the one hand, there are 123,000 official millionaires and on the other, two million people living in poverty). Secondly, the failure of the political system, which does no longer allow these disadvantaged populations to make their voices heard and to generate political power in order to claim their demands (the series of futile electoral campaigns that occurred this past year did practically not include social issues or reference to the population living in poverty). Add to this the deceleration of the global growth and we have all the components for explosives, which inevitably turn the street into the only option that can make a difference and let the impoverished populations make their voices heard.

A 4% increase in the price of a metro ticket does not drastically affect the budget of Chilean families. However, it does convey the message that such a level of inequality

<sup>2</sup> "Trends in Nonviolent Resistance and State Response: Is Violence Towards Civilian-based Movements on the Rise?", Chenoweth E., Global responsibility to protect 9(1): 86-100, Jan. 2017.

<sup>1</sup> "From Chile to Lebanon, Protests Flare Over Wallet Issues - Pocketbook items have become the catalysts for popular fury across the globe in recent weeks", Declan Walsh and Max Fisher, New York Times, October 2019.

can be perpetuated as nothing will change the helplessness and passivity of the millions of poor who are excluded from society due to the economic model. This message was the catalyst for the social explosion.

The exceptional times of prosperity we are witnessing in Israel will not last forever. Now is the time, as long as the economic situation allows for it, to urgently invest resources to lower poverty rates in Israel to

the OECD average. It will cost much more to the state if we wait for the social explosion and have to stop the social tsunami that despair creates.



# IT GOES WITHOUT SAYING

Eran Weintrob, CEO of Latet

Winning the Nobel Prize in Economics for a work related to poverty reduction is not something to be taken for granted. It must be a wakeup call for the next government to attribute the appropriate importance and urgency to the handling of this issue that touches one quarter of Israelis and one third of the world's population. However, it seems that the 2019 Nobel Prize laureates in Economics – Michal Kremer, Abhijit Banerjee and Esther Duflo – received the prestigious global recognition for their contribution to something that should almost go without saying: the war against poverty. Although The Royal Swedish Academy of Sciences announced that the three laureates presented a new experimental approach for finding reliable answers related to the best ways to fight world poverty and that their field experiments conducted during the past two decades are already impacting millions of poor people in developing countries, did we really need this announcement in order to know how to fight poverty?

Duflo, the second woman to receive this prize since its creation, noted in the past that “our goal is to make sure that the fight against poverty is based on scientific evidence” and added that “too

often, decision makers refer to the poor in generalities and attribute to everyone the same characteristics – desperate and lazy – without understanding the root of the issue. What we try to do in our work is unpack the problems one by one to better understand the reasons for particular problems and examine them scientifically as much as possible.”

For civil society organizations that combat poverty, breaking down the problem into smaller problems that can be tackled and conducting experiments in fields such as education, health and nutritional security constitute their work plan. This is why, for the past 17 consecutive years, we have published the Alternative Poverty Report, which aims to simplify the meaning of living in poverty and make it accessible to the large public. The understanding that tackling the poverty issue requires a response to essential needs in all areas of life is what motivated us to create the Multidimensional Poverty Index. The Index examines the degree of deficiency in relation to five essential components which constitute, in our opinion, a person's welfare: housing, education, health, nutritional security and the ability to cope with the cost of living. This is also the main

trigger that led us to develop Latet's social laboratory, designed to research the most effective intervention model to reduce nutritional insecurity and poverty. It is no coincidence that the research studies conducted by the laboratory are based on a methodology similar to that used in the experiments conducted by the Nobel Prize laureates – Randomized Controlled Trial.

“The problem of poverty is so big,” claims Duflo, the youngest Nobel Prize laureate in History, “that people become uncomfortable the moment they start to think about it. Consequently, they focus on questions such as ‘how can we make this problem disappear?’ This form of thinking distracts attention from the real questions, such as ‘what can we do to improve the living conditions of poor people?’ The moment they recognize the fact that there is not one answer to these questions, then we can begin to focus on concrete things that can bring about a big change.”

The thing is, policy makers in Israel find it difficult to set a goal or formulate a detailed multi-year government plan to handle poverty, since it's a complex issue that requires a macro outlook, synergy between many government ministries and long-term

processes that do not offer incentives for contemporary political needs. The Israel Committee for the War against Poverty (2014) published a series of recommendations in the main fields that impact prevention, reduction and rescue from poverty, as well as a forecast – if these recommendations were implemented as part of an inter-ministerial government work plan, it would be possible to reach the average OECD poverty rates within a decade. The solutions exist. Five years have passed, the Committee's recommendations have only been partially implemented, and although there have been some changes towards the right direction, they were very specific and minor changes. Indeed, when poverty is measured according to disposable income, Israel is still positioned at the last spot among poverty rates in the West. The fact that the government intervention in Israel is very small, ineffective and does not offer a proper response to the extent of the problem is reflected in the measurement of poverty according to the gross income (before government intervention), which actually indicates that poverty rates in Israel are lower than the average of developed countries.



The multiple elections, a paralyzed Parliament, a transition government, and a second transition government, have created governmental stagnation for more than a year. The stagnation in the poverty rates is also indicated by the 2019 Multidimensional Poverty Index. Not only is there no multi-year operational plan or organized policy, but everything is also stuck, including the government budget and essential services that would somewhat ease the struggle of disadvantaged populations.

However, as opposed to politics, our lives and the lives of the poor living among us, do not stop. Their hardships are not

frozen (but their electricity account or bank accounts are) and their ability to escape poverty becomes more debilitated, due to an absence of systemic tools, government plan, multi-year budget, and consistent and continuous processes that are likely to bring about a substantial social change. The next government to be formed will have the opportunity to implement, as part of the 2020 state budget, a fair and just list of national and social priorities, which will not abandon the elderly and Holocaust survivors in their final years and will give hope for a better future to millions of children living in poverty.



## MAIN FINDINGS

**The Multidimensional Poverty Index for 2019 reflects a bleak reality:**

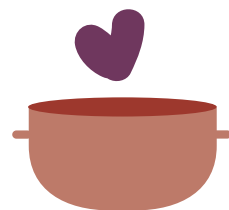
- 530,000 households in Israel live in poverty (20.9%)
- 2,306,000 people live in poverty (25.6%)
- Of which 1,007,000 are children (33.5%)

**1,007,000** + **1,299,000**  
**Children (33.5%)**      **Adults (21.2%)**

**2,306,000**

**Individuals living in poverty in Israel (25.6%)**





## Nutritional insecurity

**74.8%** of the aid recipients indicated that the food they purchased was insufficient and they did not have money to buy more, in comparison to **16.3%** of the general population.

**56%** of the aid recipients ate less than they wanted to due to their financial hardship, **34.9%** even reached a situation where they were hungry and did not eat.

**29.4%** of the aid recipients lost weight due to their financial situation and inability to purchase the food they needed.

**48.5%** of the parents receiving aid were forced to forgo baby formula for their children or to reduce the recommended quantity (diluting it with water or skipping meals).

**73.8%** of the families receiving aid estimate that they need an additional NIS 1,000+ to purchase food for a proper existence.

**54%** of the aid recipients indicated that they did not require assistance with food five years ago, i.e., their financial situation worsened in the past five years.

## Cost of living

The average monthly expenses of a family receiving aid are NIS 6,933; this is **32.4%** higher than the average income (NIS 5,237).

**61.9%** of the aid recipients have fallen into debt, **75%** more than the general population (**35.3%**).

**64.5%** of the aid recipients indicated that one or more household members lack clothing and shoes of the right size and in good condition because they do not have the means to obtain them or purchase them. This reality occurs 5.5 times more among aid recipients than the general population (**11.8%**).

**49.1%** of the aid recipients are unable to heat their home in the winter due to economic hardship.

**42.4%** of the aid recipients describe the treatment they receive from the government institutions designated to provide assistance to families in need as cold and apathetic. Another **19%** describe the treatment they receive as degrading and humiliating.



## Employment

**79.8%** of the families receiving aid have at least one employed member; in one fifth (**19.8%**), there are two or more.

**63.8%** of the unemployed aid recipients are in this situation due to health issues, an increase of **16.2%** compared to last year (**54.9%**).

**60.9%** of the aid recipients indicate that their lack of professional training prevents them from improving their professional situation to a great or very great extent. **58%** of the aid recipients indicate that the reason for this is their inability to pay for after-school childcare or activities.

**57.4%** of the working aid recipients indicate that they do not receive all of the social benefits and rights that they are entitled to at their workplace, as compared to **34.4%** of the general population.

**55.9%** of the aid recipients indicate that, to the best of their knowledge, they do not receive all of the rights they are entitled to from the National Insurance Institute. **60.5%** of them state that the reason is the difficult and complicated bureaucracy.

## Education

**69.1%** of the parents receiving aid reported that they could not purchase all the basic school supplies and textbooks for their children due to their financial hardship.

**81.7%** of the parents receiving aid indicated that they were forced to forgo private tutoring lessons for their children who needed it, as compared to **30.6%** of the general population.

**64.3%** of the parents receiving aid cannot afford to pay all the school's supplementary fees.

**87.1%** of the aid recipients were forced to give up extracurricular activities, enrichment activities at school, trips and participation in youth movements/organizations because they could not pay for them, as compared to **29.5%** of the general population.

**58.5%** of the aid recipients indicated that they avoided enrolling one or more children ages 0 to 3 (before municipal preschool) in an educational framework (kindergarten, daycare, etc.) because they could not afford the payments.



Housing

**77.6%** of the aid recipients do not have a high school diploma; almost half of the aid recipients (**47.9%**) did not complete 12 years of education, and only **4.8%** have academic education.

**74.5%** of the aid recipients did not repair serious malfunctions in their home for a long time because of financial reasons, in comparison to **26.9%** of the general population.

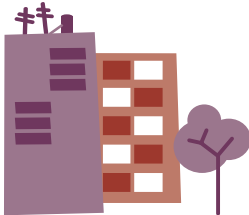
**46.7%** of the aid recipients had the electricity or water cut in the past year because they could not pay their bills, **36.1%** of the aid recipients were forced to purchase electricity using a prepaid meter.

**21%** of the aid recipients indicate that it is probable or highly probable that they will be forced to leave their home due to their inability to keep up with their rent or mortgage payments; a **12%** increase in comparison to last year (**18.6%**).

**57.1%** of the aid recipients report that their children were embarrassed to invite friends to their home in the past year due to the housing conditions and financial situation.

**21.5%** of the aid recipients report that there is physical violence in their residential area to a great or very great extent.

**22.7%** indicate that there are people who openly sell or use drugs in their residential area.



Health

**66.8%** of the aid recipients were forced to forgo purchasing essential medication or medical treatments at times or on a regular basis because they could not pay for them, in comparison to less than one quarter (**23.3%**) of the general population.

**58.2%** of the aid recipients were forced to forgo purchasing essential medication or medical treatments for their children at times or on a regular basis because of financial constraints.

**78.8%** of the aid recipients suffer from a chronic illness.

**23.1%** of the aid recipients have diabetes and over one quarter (**26.8%**) of the aid recipients have hypertension.

**13.2%** of the aid recipients suffer from mental disabilities, almost seven times more than the general population (**2%**).

**20.9%** of the aid recipients have a complementary health insurance, in comparison to **77%** of the general population.

Elderly

**97%** of the elderly aid recipients state that their old-age pension does not enable them or only partially enables them to meet their basic needs with dignity.

**78.2%** of the elderly receiving aid experienced loneliness frequently or occasionally during the past year, more than half (**55.5%**) experienced loneliness frequently.

**72.4%** of the elderly aid recipients were forced to forgo purchasing essential medication or medical treatments at times or on a regular basis because they could not pay for them.

**59.3%** of the elderly aid recipients need to renovate their homes in order to adapt them to their medical condition.

**70.8%** of elderly aid recipients did not repair serious malfunctions in their home during the past year, because of financial reasons, in comparison to **16.8%** of the general elderly population.

### Responsibility for alleviating poverty

**57.5%** of the public believes that the problem of poverty and social gaps constitutes the most pressing subject that needs to be addressed by the Israeli government (in the first and second place).

**82.5%** of the public considers the government to be the main factor for reducing poverty, more so than any other entity, an increase in comparison to last year (75.6%). However, only one quarter (25.9%) of the public thinks that the government is actually handling the problem of poverty.

**66.5%** of the public believes alleviating poverty is a low priority (for the government) or is not even on the national list of priorities.

**74.5%** of the local partners NGOs indicate that there has been a 19.4% increase on average in the demand for food by people in need as compared to 2018.

**Only 9%** of the budget of the local partner NGOs comes from government support, a significant decrease by almost half in comparison to the past two years (17.9% and 17.8%).



# NUTRITIONAL INSECURITY



**“THIS FEELING WAS NOT AT ALL SIMILAR TO WHAT I HAD IMAGINED AS FIERCE HUNGER. I HAD ASSUMED THAT HUNGER WOULD BE A FEELING OF ABSENCE. INSTEAD, IT WAS CLOSER TO PURE PHYSICAL PAIN”**  
**Haruki Murakami**

Nutritional insecurity is the most severe indicator of poverty, which is manifested by a lack of financial ability and regular access to basic nutrition needed for a balanced and proper existence. Nutritional security is defined as the condition in which people, at all times, have regular access, both physically and economically, to sufficient and nutritious food that meets their dietary needs and food preferences and enables them to live an active and healthy life (UN Food and Agriculture Organization).

An impaired nutritional security harms other life areas – without satisfactory nutrition, a person cannot function properly, a child cannot learn properly at school without a sandwich or nourishing breakfast, and a baby will not grow and develop without the proper and appropriate food. There are many studies that indicate a correlation between nutritional insecurity and a list of various diseases, such as: diabetes, heart diseases, stroke, obesity, depression, gum and mouth diseases, hypertension, kidney diseases, asthma, arthritis, lung diseases, etc.

Over the years, the problem of nutritional insecurity has remained extensive and severe, and reflects the many hardships families living in poverty are facing; such

as a serious lack of food, which is a basic existential need and a fundamental right. In Israel, 513,000 families (17.8%), 1,593,000 individuals (18.2%) and 638,000 children (25.5%) live in nutritional insecurity, of which 252,000 families (8.8%), 638,000 individuals (9.1%) and 352,000 children (14.1%) are living in severe nutritional insecurity (the National Insurance Institute 2018; data from 2016).

Latet's 2019 Multidimensional Poverty Index indicates that the nutritional insecurity rates have remained similar, with 18.4% of households and 18.5% of individuals suffering from it.

Nutritional insecurity often occurs because the expense for food is flexible, unlike fixed costs such as rent or taxes; therefore, families living in poverty are often forced to give up consumption of basic food in order to pay for other vital expenses.

There is a very strong correlation between poverty and nutritional insecurity with similarities between the population groups that are characterized by high poverty rates, and those who live in nutritional insecurity, such as Arabs, people with a low educational level and families with no employed members. Among single-parent families and families that receive a



74.8% OF THE AID RECIPIENTS REPORTED THAT IN THE PAST YEAR, THEY DID NOT HAVE ENOUGH FOOD IN THEIR HOME FREQUENTLY OR OCCASIONALLY, IN COMPARISON TO 16.3% OF THE GENERAL POPULATION



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Nutritional Insecurity among aid recipients

The aid recipients experience a daily reality of hardships and constant lack of vital food necessary to live a balanced and proper life. The families receiving aid live in constant fear that they will run out of food, while being unable to purchase more food and provide their family with regular balanced meals. More than half (53.8%) of the aid recipients report that in the past year, they did not have enough food in their home often or occasionally, and another third (31.8%) report that they had enough food but not always the types of food they would like to eat. 75.5% of the aid recipients were frequently or occasionally worried about finishing the food in their home before having money

to buy more. Three quarters (74.8%) of the aid recipients reported that they frequently or occasionally did not have enough food in their home and did not have money to buy more, in comparison to 16.3% of the general population. 80.7% of the aid recipients indicated that they frequently or occasionally did not have enough money to buy food that would enable them to eat balanced meals, in comparison to only 21% of the general population. About half (51%) of the aid recipients reduced the size of their meals or skipped meals, in comparison to 37.3% of the general population. Over half (56%) of the aid recipients reported



29.4% OF THE AID RECIPIENTS INDICATED THAT THEY LOST WEIGHT DUE TO AN INABILITY TO PURCHASE THE FOOD THEY NEEDED, A 28.3% INCREASE IN COMPARISON TO LAST YEAR

that they ate less than they wanted to due to their financial situation; 34.9% were hungry and did not eat. In addition, 29.4% of the aid recipients indicated that they lost weight due to an inability to purchase the food they needed, a 28.3% increase in comparison to last year (22.9%). 12% of the aid recipients indicated that due to financial hardship and lack of food at home,

they encountered humiliating situations, such as looking for food in garbage cans, begging for money in order to buy food, and/or eating scraps of food that were thrown out. This number indicates a rising trend as 9.3% and 9.2% of the aid recipients reported this in 2018 and 2017.

Which of the following sentences best describes the food consumed in your home in the past year?

From the aid recipients study

Aid Recipients 2019

|   |       |
|---|-------|
| We have enough food of the types we want to eat | 8.8%  |
| We have enough, but not always the type we want | 31.8% |
| Occasionally not enough                         | 33.8% |
| Often not enough                                | 20%   |
| Declined to answer                              | 5.6%  |

In the past year, did you look in garbage cans and/or beg for money to buy food and/or eat scraps of food that were thrown out?

From the aid recipients study

|     | Aid Recipients<br>2019 | Aid Recipients<br>2018 | Aid Recipients<br>2017 |
|-----|------------------------|------------------------|------------------------|
| Yes | 12%                    | 9.3%                   | 9.2%                   |
| No  | 88%                    | 90.7%                  | 90.8%                  |

“We (I) were (was) worried that we would finish the food before we had money to buy more”

From the aid recipients study

| Aid Recipients<br>2019 |       |
|------------------------|-------|
| Mostly true            | 18.9% |
| Occasionally true      | 56.5% |
| Not true at all        | 16.4% |
| Declined to answer     | 8.2%  |

Ability to purchase food

The percentages presented are of those who answered mostly true or sometimes true in each of the questions  
From the aid recipients study and the Multidimensional Poverty Index

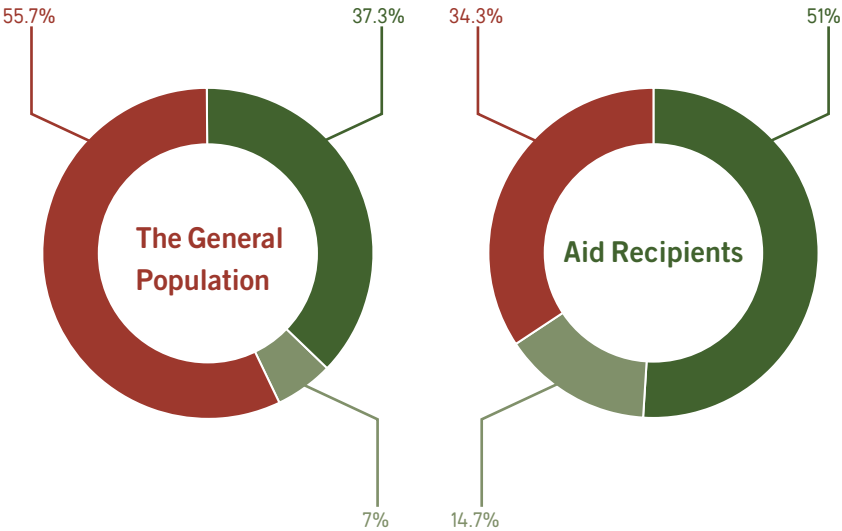
Aid recipients  
General population



During the past year, did you and/or other adults in your household reduce the size of meals or skip meals due to a lack of money to purchase food?

From the aid recipients study

- Yes
- No
- Declined to answer



Impairment of adults' nutrition due to financial hardship

The percentages presented are of those who answered 'yes' to all the questions  
From the aid recipients study

- Aid Recipients 2019
- Aid Recipients 2018
- Aid Recipients 2017

In the past year, did you eat less than you wanted to because there was not enough money to buy food?



In the past year, did you and/or other adults in your household feel hungry, but did not eat because you did not have enough money to buy food?



In the past year, did you and/or other adults in your household lose weight because you did not have enough money to buy food?



During the past year, did you and/or other adults in your household not eat for an entire day because you did not have enough money for food?





### Children suffering from Nutritional Insecurity

Children suffer the most from lack of food, as it has significant consequences on their mental and physical development. Every fourth child in Israel (25.5%) suffers from nutritional insecurity (The National Insurance Institute, 2018; data from 2016). Severe nutritional insecurity among children is manifested by their inability to consume the major food groups vital for their proper development as well as by skipping meals, feeling hungry, and lacking a balanced diet. These symptoms have far-reaching implications on children's physical, emotional and social wellbeing.

30.4% of the aid recipients reported that their children were forced to reduce the size of their meals or skipped meals due to economic hardship. About one quarter (23.5%) indicated that their children were hungry and did not eat because there was not enough money to purchase food.

The situation for some families is even worst. 10.4% of the families receiving aid reported that their children did not eat for an entire day due to financial hardship. Additionally, 77.1% of the aid recipients were forced to feed their children with cheap and non-nutritious food, because the money at their disposal was running out.

27.9% of the aid recipients reported that their children went to school without a sandwich frequently or on a regular basis, a 16.2% increase as compared to last year, when 24% of the aid recipients gave this answer. This situation affects the children's ability to concentrate and learn and even impairs their ability to form social relationships at school.



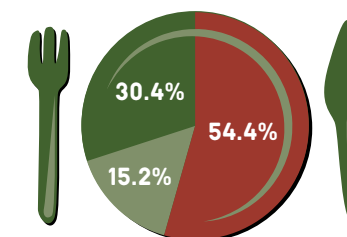
77.1% OF THE AID RECIPIENTS WERE FORCED TO FEED THEIR CHILDREN WITH CHEAP AND NON-NUTRITIOUS FOOD, BECAUSE THE MONEY AT THEIR DISPOSAL WAS RUNNING OUT

### Impairment of children's nutrition due to financial hardship

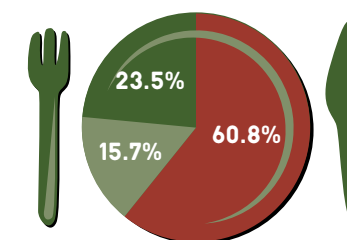
From the aid recipients study

- Yes
- No
- Declined to answer

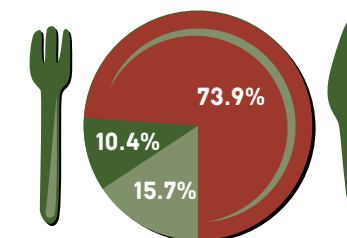
In the past year, did the children in your household **reduce the size of their meals** or skip meals due to a lack of money to buy food?



During the past year, did the children in your household **feel hungry and did not eat** because you did not have enough money to buy food?



During the past year, did the children in your household **not eat for an entire day** because there was not enough money to buy food?



“We fed the children with cheap and non-nutritious food, because the money we had at our disposal was running out”

From the aid recipients study

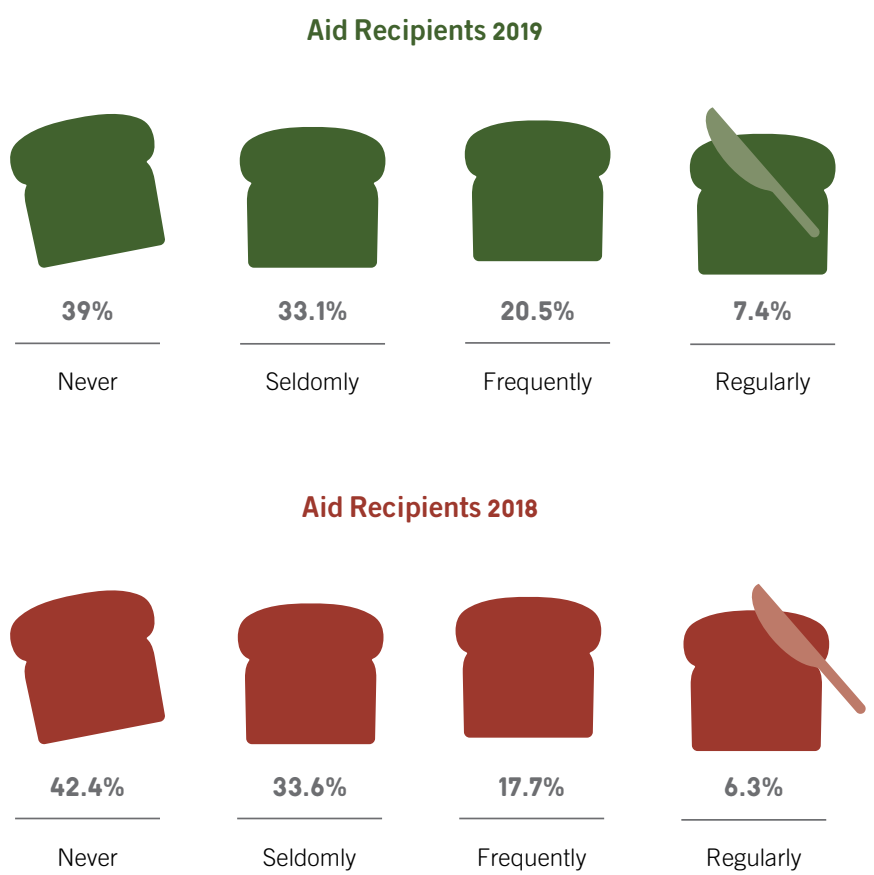
| Aid Recipients 2019 |       |
|---------------------|-------|
| Mostly true         | 30.3% |
| Occasionally true   | 46.8% |
| Not true at all     | 12.6% |
| Declined to answer  | 10.3% |



27.9% OF THE AID RECIPIENTS REPORTED THAT THEIR CHILDREN WENT TO SCHOOL WITHOUT A SANDWICH FREQUENTLY OR ON A REGULAR BASIS, A 16.2% INCREASE AS COMPARED TO LAST YEAR (24%)

If your children do not receive a meal at school, in the past year, did they go to school without a sandwich or another type of food for the day?

From the aid recipients study



For 76.3% of the aid recipients, the main ingredient in their children's diet is bread and spreads (42.2%) or carbohydrates (34.1%).

The children receiving aid are forced to forgo basic food products on a regular basis. Only 21.5% receive a meal containing meat more than once a week - in comparison to 74.1% of the general population. Only 16.6% of the aid recipients and their families eat meat/chicken/fish every two or three days, in comparison to 45.8% of the general population.

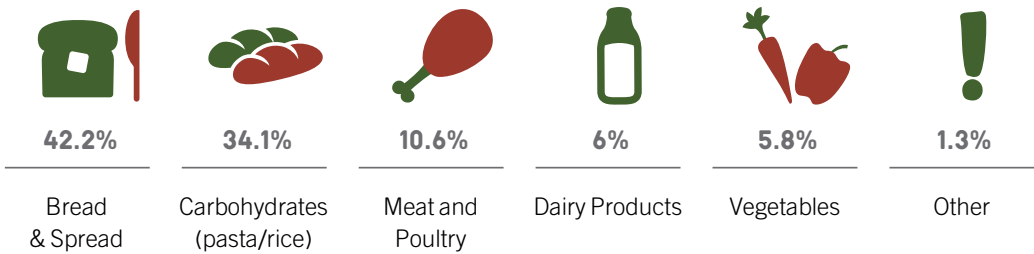
During the past year, the children who received aid were forced to deal with humiliating situations in order to obtain

food. 4.6% begged for money, 3.6% gathered food from the floor or garbage cans, and 4.3% were forced to steal food to overcome the lack of food.

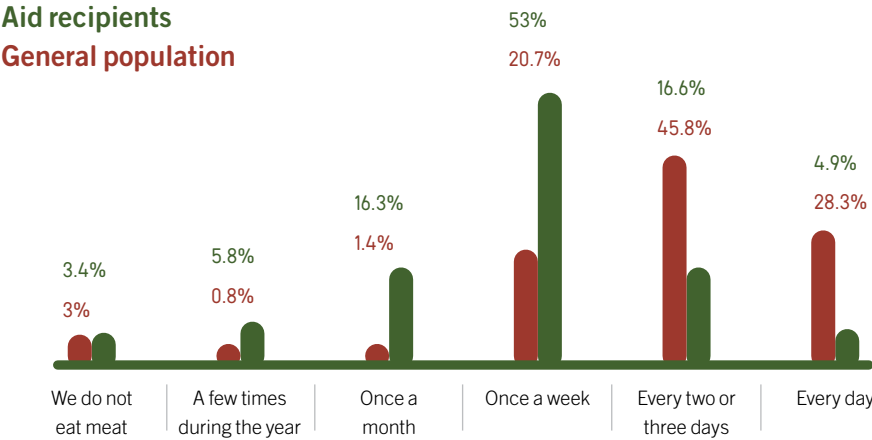
Many families receiving aid cannot afford the high prices of baby formula for their children. Although these are essential for the healthy development of babies, about half (48.5%) of the parents receiving aid were forced to forgo baby formula for their children or to reduce the recommended quantity (by diluting it with water or skipping meals).

Select the main product in your children's nutrition

From the aid recipients study



How often do you and your family eat meat/chicken/fish?



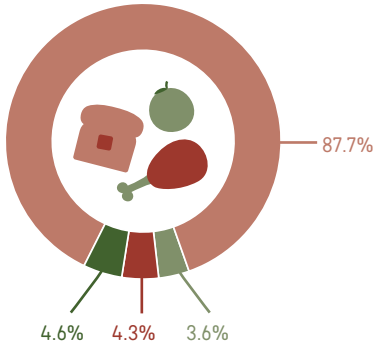


ABOUT HALF OF THE PARENTS RECEIVING AID WERE FORCED TO FORGO BABY FORMULA OR TO REDUCE THE RECOMMENDED QUANTITY

Which of the following situations did your children experience during the past year?

The total is higher than 100% since it was possible to provide more than one answer  
From the aid recipients study

- My children begged for money
- My children gathered food from the floor or garbage cans
- My children were forced to steal food in order to overcome the lack of food
- None of these situations



As a result of your financial situation, did you have to forgo baby formula for your children or reduce the recommended amount (by diluting it with water or skipping meals)?

From the aid recipients study



Receiving assistance from aid organizations

Over the past four years, the aid recipients have continuously and increasingly assessed the positive impact the assistance they receive from the local partner NGOs has on their state of nutritional security. In 2016, 44.1% reported that it contributes to the improvement of their nutritional situation to a great or very great extent, in comparison to 60.6% this year.

The food package the aid recipients receive from the food NGOs helps them in other ways, beyond the scope of nutritional security. The food package enables the families to redirect resources to other aspects of their lives where they find it difficult to meet some of their basic needs, thus helping reduce the depth of poverty among these families.

More than half of the families (54.9%) who receive aid indicated that the food package enables them to purchase additional food. One third (33.7%) indicated that the food package allows them to allocate funds to medication and medical treatments and 31.5% stated it enables them to allocate budget to pay for rent and/or bills. 12.6% reported using the money saved due to the food assistance to pay back debts.

54% of the aid recipients indicated that they did not require food aid five years ago, meaning that their financial situation severely deteriorated over the past five years; a 13.4% increase in comparison to last year (47.6%).



IN 2016, 44.1% REPORTED THAT AID FROM THE LOCAL PARTNERS NGOS CONTRIBUTED TO THE IMPROVEMENT OF THEIR NUTRITIONAL SITUATION TO A GREAT OR VERY GREAT EXTENT, IN COMPARISON TO 60.6% THIS YEAR.

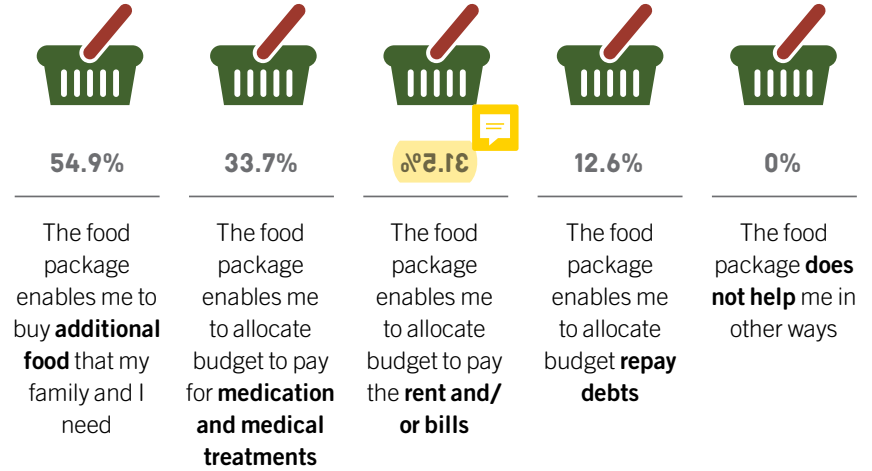
To what extent does the assistance you receive from the NGO help improve your nutritional situation?

From the aid recipients study

|                        | <div><div>Aid Recipients 2019</div></div> | Aid Recipients 2018 | Aid Recipients 2017 | Aid Recipients 2016 |
|------------------------|---|---------------------|---------------------|---------------------|
| Not at all             | 4.5%                                      | 3.4%                | 4.5%                | 3.2%                |
| To a small extent      | 10.7%                                     | 11.6%               | 16%                 | 15.7%               |
| To a fair extent       | 24.2%                                     | 29%                 | 32.9%               | 37%                 |
| To a great extent      | 33.6%                                     | 31.6%               | 28.2%               | 29.8%               |
| To a very great extent | 27%                                       | 24.4%               | 18.4%               | 14.3%               |

Does the food package you receive from the NGO help you in other ways?

From the aid recipients study  
The total is higher than 100% since it was possible to provide more than one answer

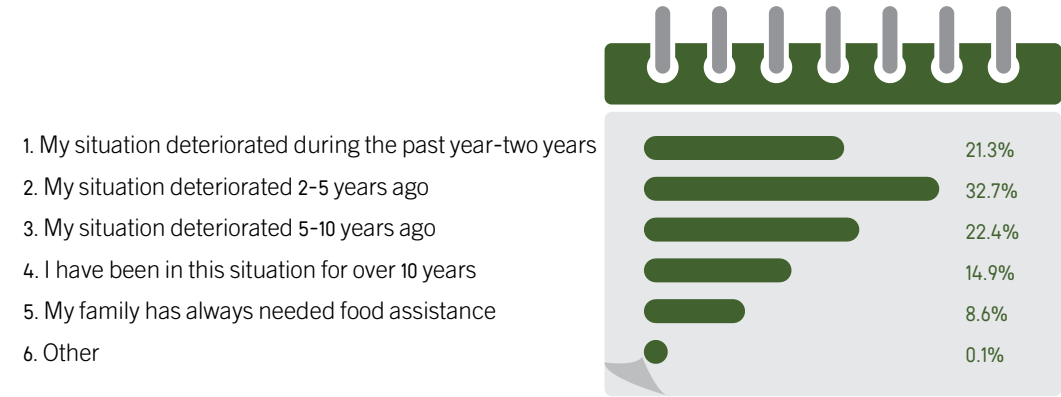


MORE THAN HALF (54%) OF THE AID RECIPIENTS INDICATE THAT THEY DID NOT REQUIRE FOOD AID FIVE YEARS AGO, MEANING THAT THEIR FINANCIAL SITUATION SEVERELY DETERIORATED OVER THE PAST FIVE YEARS; A 13.4% INCREASE IN COMPARISON TO LAST YEAR

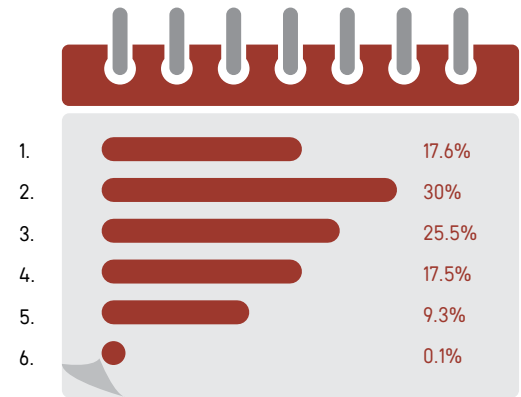


For how many years have you needed food aid due to your financial situation?

From the aid recipients study



Aid Recipients 2019



Aid Recipients 2018

Latet serves as a national food bank and an umbrella organization for 180 local food NGOs, operating in 105 localities in all sectors of Israeli society. As part of its activity, food is distributed to about 60,000 families through the network of these partner NGOs, originating from three different sources: food rescue from the food industry (manufacturers and retail chains), purchase of wholesale food and collection of food from the general public.

The food distribution is conducted while maintaining the dignity of the recipients, ensuring their nutritional security in terms of the frequency and manner in which the food is distributed, as well as ensuring a balanced nutrition that is of high quality and varied, including fresh protein (chicken and dairy products), basic dry goods, etc.

Latet's operations are based on a highly efficient economic model that makes the most out of the resources invested in the aid program. For every shekel invested in infrastructure, operations and logistics, NIS 9 worth of food is distributed. Food originating from food rescue also presents an amazing opportunity to use existing resources (and to protect the environment by reducing landfills and food destruction) and enables Latet to help more families.

We believe that a national plan based on food rescue and purchase is the most efficient method to help the largest number of families. This type of project presents many advantages in terms of nutritional security and economic efficiency as well as social and environmental benefits.

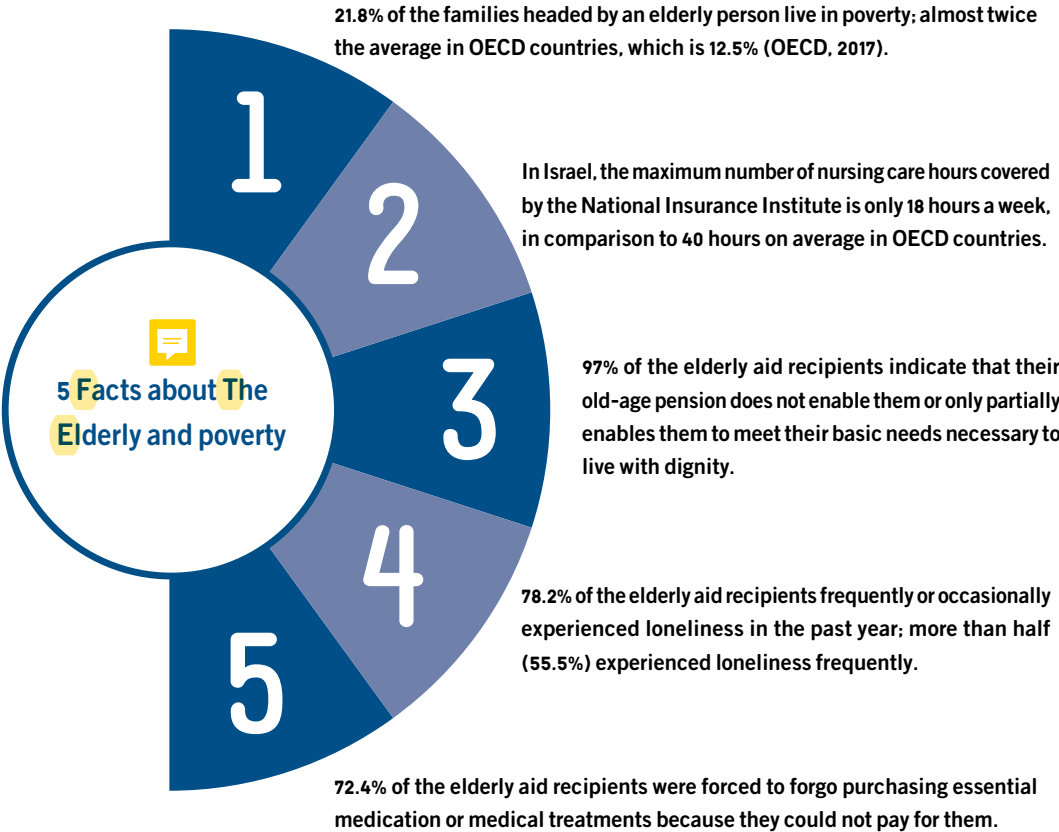
According to the National Insurance Institute, 252,000 families in Israel live in severe nutritional insecurity and the budget required to solve this problem is at least NIS 1.5 billion. However, the government does not even allocate one shekel from Israel's state budget to handle this issue, despite the commitment expressed by many governments in the past. The government's duty is to establish a national nutritional security plan based on food rescue and purchase, to increase the tax deduction rate food companies that donate food are entitled to and to take full responsibility for ensuring access to basic food for Israeli citizens who need it the most.

Latet will continue to work in order to implement an efficient and effective solution to the problem. The organization calls upon the Minister of Welfare and the future government to allocate NIS 100 million from the state's budget to establish a national nutritional security plan, to reduce the scope of the phenomenon and to help the poorest populations in their daily struggle for survival.





# THE ELDERLY



In 2035, the percentage of elderly in Israel is expected to reach 13.7% of the population (Brookdale, 2017). Since the 1950s, the growth rate of the elderly population has been twice that of the general population. However, the Israeli governments have not prepared to handle the aging population with tailored programs and suitable solutions.

The increase in life expectancy is encouraging; however, it comes with a significant challenge of caring for the aging population who is very vulnerable, primarily due to the dependence on external income sources, such as pensions. Aging is characterized by a growing morbidity, increased feelings of loneliness and a decrease in functioning, which is likely to require nursing care. The government must prepare for the future aging of the population, spread out a social and financial safety net and ensure the welfare and dignity of its elderly citizens.

During 2018, a joint committee including the Labor, Welfare, Health and Economy Committees gathered to discuss the creation of a national master plan regarding the aging population. The committee discussed an array of issues; poverty reduction, public housing, healthcare services, welfare services, loneliness, nursing care, employment and retirement. The committee submitted its recommendations on these matters; however, due to the political instability, the discussion was cut short.

In practice, every day that goes by perpetuates the bleak situation of Israel's elderly population. We have a moral obligation to guarantee the fundamental right to a dignified life for the elderly who have founded and built this country.



**“THE COUNTRY’S RESILIENCE IS NOT ONLY EXPRESSED IN ITS SECURITY AND ECONOMY STRENGTHS, BUT ALSO IN ITS CONCERN FOR ITS SENIOR CITIZENS – THEY ARE OUR FAMILY MEMBERS, OUR LOVED ONES WHO NEED US. IT IS OUR DUTY AS A SOCIETY TO GIVE THE ELDERLY ALL THE NECESSARY CONDITIONS SO THAT THEY MAY REALIZE THEIR RIGHT TO GROW OLD IN DIGNITY. THE GOVERNMENT MUST FORMULATE A NATIONAL POLICY THAT WILL ENSURE THIS.”**

**From the State Comptroller’s Report, October 2017**

21.8% of the families headed by an elderly person live in poverty, as compared to 20.8% last year (The National Insurance Institute, 2018). The percentage of families living in poverty that are headed by an elderly person is almost twice the average in OECD countries, which is 12.5% (OECD, 2017).

The basic old-age pension from the National Insurance Institute is NIS 1,554 per individual and NIS 2,335 per couple, which is a NIS 20 increase only from last year. Even in the event that the senior citizen is eligible for an old-age pension income supplement,

he will still be below the National Insurance Institute’s official poverty line, struggling for the end of his days.

The country’s attempts to solve the problem of poverty among the elderly have not been effective and this population is being abandoned while coping with many difficulties and challenges. About half (50.2%) of the public believes the government neglects the elderly population and Holocaust survivors the most severely (in the first or second place).

Aging without dignity

The elderly living in poverty struggle on a daily basis because of the cost of living and the low pensions. Over half (58.9%) of the elderly aid recipients do not receive any pension payments at all and rely solely on the allowances from the National Insurance Institute. 97% of the elderly receiving aid indicate that their old-age allowance does not enable or only partially enables them to meet their basic needs necessary to live with dignity. This is an increase in comparison to last year, when 92.4% of the elderly aid recipients gave this answer. In 2017, the State Comptroller of Israel published a harsh report regarding the care for elderly nursing patients. This report severely criticized the conduct of the National Insurance Institute and the Ministry of Welfare. The report criticized

the number of hours of care covered by the National Insurance Institute, which is significantly lower than in OECD countries. In Israel, the maximum number of nursing care hours in only 18 hours a week, in comparison to 40 hours on average in OECD countries. The report also published a list of problems in the supervision and inspection of the professional caregivers and their lack of training. 39.5% of the elderly aid recipients require assistance with daily activities. 88.7% of the elderly aid recipients report that they cannot afford to pay for essential nursing care or help at home to maintain their health condition.

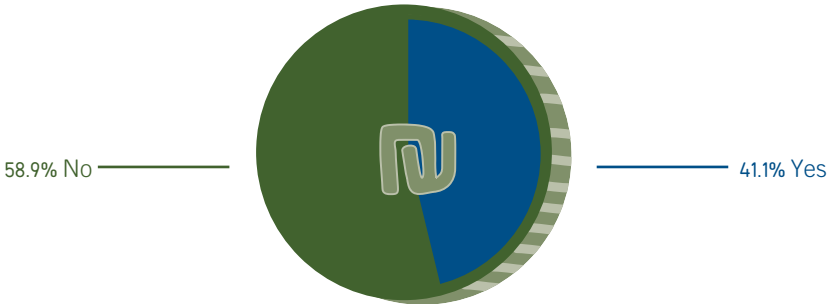


97% OF THE ELDERLY AID RECIPIENTS INDICATE THAT THEIR OLD-AGE PENSION DOES NOT ENABLE THEM OR ONLY PARTIALLY ENABLES THEM TO MEET THEIR BASIC NEEDS NECESSARY TO LIVE WITH DIGNITY.



Does your old-age pension from the National Insurance Institute allow you to live in dignity and meet your basic needs – food, health services and bills?

From the aid recipients study



Do you receive pension payments?

From the aid recipients study

|           | Aid Recipients<br>2019 | Aid Recipients<br>2018 |
|-----------|------------------------|------------------------|
| Yes       | 3%                     | 7.6%                   |
| Partially | 48.1%                  | 51.2%                  |
| No        | 48.9%                  | 41.2%                  |

Can you afford to pay for nursing care and/or assistance at home required to maintain your health condition?

From the aid recipients study



The difficult economic situation of the elderly impacts many aspects of their lives. 41.1% of the elderly aid recipients indicate that their financial situation is the reason they do not eat enough nutritious meals.

The financial situation also impacts the elderly aid recipients' home environment. Over half (59.3%) of the elderly aid recipients indicate that they need to renovate their home in order to adapt it to their medical or health condition.

70.8% indicate that they did not repair serious malfunctions in their home for a long time due to financial reasons, in comparison to 16.8% of the general elderly population. About a fifth (20.2%) of the elderly aid recipients do not consider their home as a dignified place to live in.

The elderly living in poverty cannot pay for the medical treatments necessary to

treat or improve their health condition; and consequently, their condition deteriorates. 58.1% of the aid recipients indicate that they cannot maintain a healthy state of being due to their financial situation.

72.4% of the elderly aid recipients were forced to forgo essential medication or medical treatments because they could not pay for them, as compared to 17.8% of the general elderly population. 84.1% of the elderly aid recipients are forced to forgo dental treatments due to the high costs.

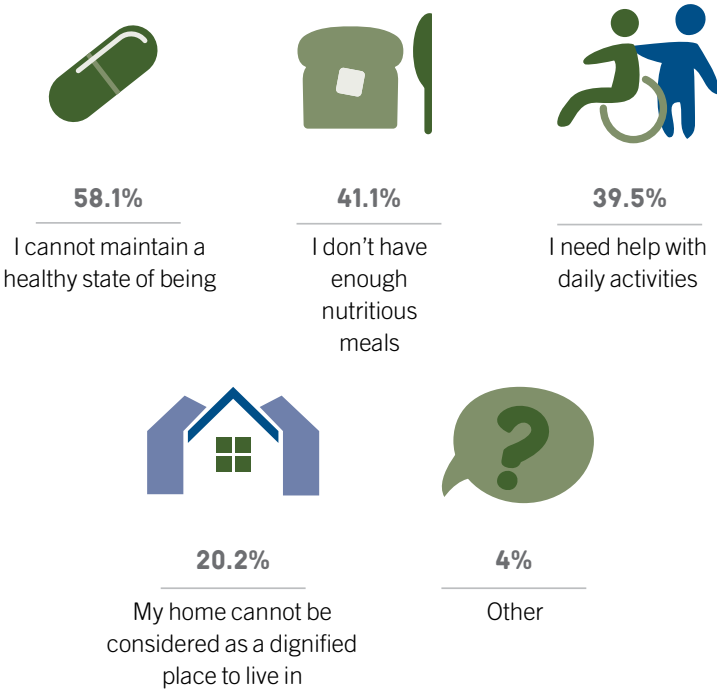
Another concession that elderly aid recipients are forced to make is to give up heating the house. Over half (57.7%) of the elderly aid recipients do not heat their home because they cannot afford it. This applies to only 1.9% of the general elderly population.

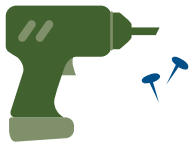


72.4% OF THE ELDERLY AID RECIPIENTS WERE FORCED TO FORGO ESSENTIAL MEDICATION OR MEDICAL TREATMENTS BECAUSE THEY COULD NOT PAY FOR THEM

What is the daily impact on your life that stems from financial hardship?

From the aid recipients study  
The total is higher than 100% since it was possible to provide more than one answer

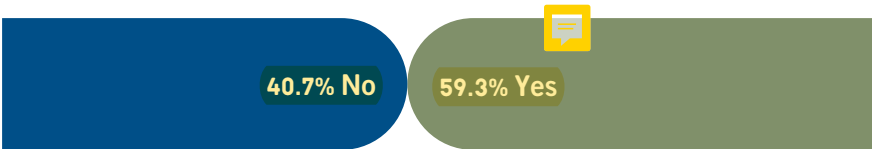




59.3% OF THE ELDERLY AID RECIPIENTS INDICATE THAT THEY NEED TO RENOVATE THEIR HOME IN ORDER TO ADAPT IT TO THEIR MEDICAL OR HEALTH CONDITION

Do you need to renovate your home in order to adapt it to your medical or health situation (accessibility, repairs, cleaning, etc.)?

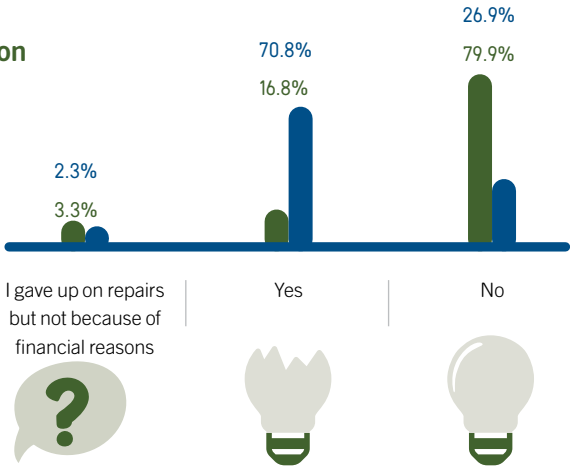
From the aid recipients study



In the past year, did you give up on repairing serious malfunctions in your home for a long time due to financial reasons?

From the aid recipients study and the Multidimensional Poverty Index

Elderly Aid Recipients  
General Elderly Population



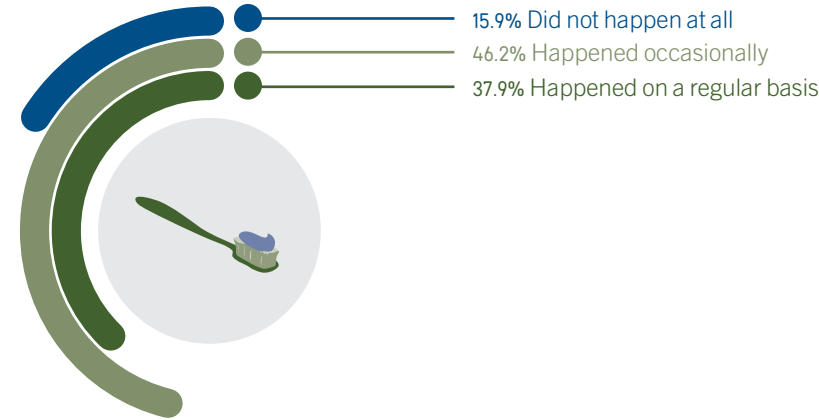
In the past year, were you or one of the other adults in your family forced to forgo essential medication or medical treatments because you could not pay for them?

From the aid recipients study and the Multidimensional Poverty Index

|                             | Elderly Aid Recipients | General Elderly Population |
|-----------------------------|------------------------|----------------------------|
| Did not happen at all       | 27.6%                  | 82.2%                      |
| Happened occasionally       | 61.2%                  | 16.5%                      |
| Happened on a regular basis | 11.2%                  | 1.3%                       |

In the past year, were you or one of the other adults in your family forced to forgo dental treatment because you could not pay for it?

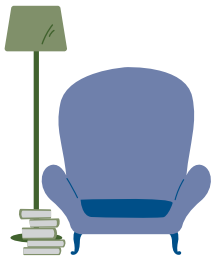
From the aid recipients study



Were you or your family members forced to give up heating the house (using a gas heater, air-conditioner, radiator, etc.) because you could not pay for it?

From the aid recipients study and the Multidimensional Poverty Index

|  | Elderly Aid Recipients | General Elderly Population |
|--|------------------------|----------------------------|
| We do not have any heating equipment and we cannot afford to purchase it | 24.4%                  | 0.6%                       |
| We have heating equipment but we cannot afford to turn it on at all      | 33.3%                  | 1.3%                       |
| We have heating equipment but we cannot afford to turn it on every time  | 31.7%                  | 13.9%                      |
| We have heating equipment and we can afford to turn it on when necessary | 8.9%                   | 80.3%                      |
| We do not want or need to heat the house                                 | 1.7%                   | 3.9%                       |



78.2% OF THE ELDERLY AID RECIPIENTS FREQUENTLY OR OCCASIONALLY EXPERIENCED LONELINESS IN THE PAST YEAR

The financial hardships the elderly aid recipients are coping with have many psychological implications. There is a correlation between poverty among the elderly and a wide range of problems in a number of areas, such as memory, problem solving and verbal abilities alongside with a lack of motivation and confidence. These may lead to various emotional conditions, mainly to an increase of the feeling of loneliness that characterizes the entire elderly population, but is felt the most among elderly living in poverty.

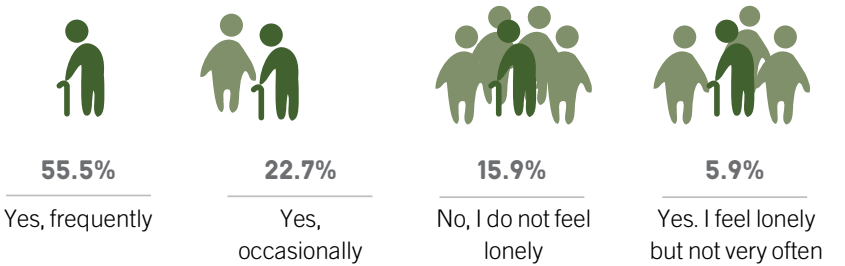
Loneliness is considered as one of the most severe and common issues the elderly population faces. Studies have indicated

that loneliness has a negative impact on a person’s physical and emotional health condition. Studies report a connection between loneliness among the elderly and morbidity – hypertension, heart diseases, diabetes, cancer, stroke, and dementia. According to the findings, loneliness even constitutes a risk factor for mortality among the elderly (The Committee for the creation of a national master plan regarding the aging population, 2019).

78.2% of the elderly aid recipients frequently or occasionally experienced loneliness in the past year, over half (55.5%) experienced loneliness frequently.

Did you feel lonely in the past year?

From the aid recipients study



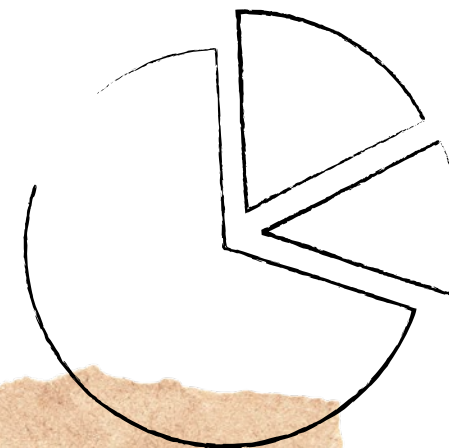




"WE ARE INVISIBLE, EXPLOITED. ALL OUR LIFE, WE HAVE PAID SO THAT AT THE END OF THE DAY SOMEONE ELSE WILL REAP THE BENEFITS. THE MEAGER OLD-AGE ALLOWANCE IS HUMILIATING, MINIMAL. NO ONE CAN LIVE ON IT WITH DIGNITY. WHEN THEY RAISED THE SALARIES OF MKs AND MINISTERS BY THOUSANDS OF SHEKELS, THEY ADDED NIS 6 TO THE OLD-AGE ALLOWANCE. SIX SHEKELS! ONCE, THE ELDERLY HAD TO CHOOSE BETWEEN A SLICE OF BREAD AND A MEDICINE. TODAY, THE ALLOWANCES ARE NOT SUFFICIENT FOR EITHER OF THEM...

ONCE, THE ELDERLY WERE WISE, ELDERS, AND PROPHETS AT THE GATE. THE LEADERS CAME TO ASK FOR THEIR ADVICE. TODAY, ELECTED OFFICIALS TREAT THE ELDERLY WITH CONTEMPT. THEY EXAMINE US ONLY THROUGH THE ECONOMIC PRISM. THEY SEND US OFF TO BECOME TELEVISION ZOMBIES. THEY ABANDON US IN HALLWAYS WITHOUT PRIVACY. THEY EXPECT US TO LIVE WITHOUT BEING ALIVE, IN LONELINESS AND SHAME. IT WAS BETTER TO DO LIKE THE ESKIMOS AND SEND US OUT ON THE ICE. AT LEAST, WE WOULD END THIS QUICKLY."

Professor Ruth Ben Israel, Israel Prize laureate in Law



THE MULTIDIMENSIONAL

POVERTY INDEX

# THE MULTIDIMENSIONAL POVERTY INDEX



This is the sixth consecutive year that the findings of the Multidimensional Poverty Index, developed by the ERI Institute for Latet, have been published. This year, the study was conducted by the rotem ar. Institute. As opposed to the official poverty line, which defines and subsequently measures poverty solely on the basis of households' income, the Multidimensional Poverty Index relies upon a completely different approach to the meaning of poverty.

According to the index guiding principle, in order to assess whether a household<sup>1</sup> is in a state of poverty, three fundamental questions must be answered:

1. What are the basic needs adults and children require in order to live with dignity in Israel?
2. How does one evaluate the extent of the household members' deficiency in relation to these needs?

3. At what rate of deficiency in the various aspects of life should a household (with all of its family members) be defined as living in poverty?

In other words, the Multidimensional Poverty Index defines poverty as a state of extreme deficiency in relation to the needs and conditions vital for maintaining a dignified life. More specifically, the index defines the degree of a household's deficiency in relation to 5 components which constitute, in our opinion, a person's welfare: housing, education, health, nutritional security and the ability to cope with the cost of living.

Using a representative sample of Israeli households, we measured this year's general poverty rates in Israeli society. As in previous years, the poverty rates found by the Multidimensional Index are significantly higher than the National Insurance Institute's index.

The full explanation regarding the scientific methodology of the Index and the updates that were made to it appear in the Hebrew report in the link [https://www.latet.org.il/worlds/latet\\_change\\_awareness/](https://www.latet.org.il/worlds/latet_change_awareness/)

<sup>1</sup> A household consists of one person or a number of people who form together one financial unit - generally members of one nuclear family.

## HOW TO READ THE INDEX?

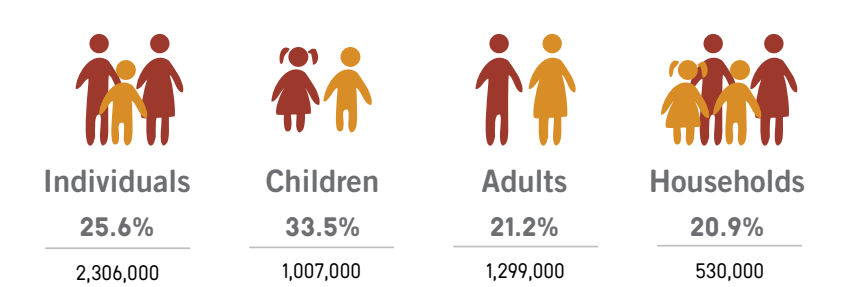
The Multidimensional Poverty Index presents two types of data:

1. Data about the rates of deficiency in each of the five components mentioned earlier:
  - The index awards each household a score indicating its deficiency rate in relation to a specific component. The deficiency score ranges on a scale from 1 to 5, based on the following classification:
    - 1 = Very severe deficiency
    - 2 = Severe deficiency
    - 3 = Deficiency
    - 4 = Slight deficiency
    - 5 = Lack of deficiency
  - In the following findings, we will present the rate of households and individuals living in deficiency in relation to each of the components based on the aforementioned scale. This rate constitutes an assessment of the real deficiency rates within Israeli society.
2. Data about the rate and number of those living in poverty:
  - The index gives each of the surveyed households a combined score, which determines whether they are living in severe poverty, poverty or lack of poverty based on the rate of deficiency they experience in each of the five components.
  - In the findings presented below, we will present the rate and number of households, children and individuals (adults and children) who are living in poverty. This rate constitutes an assessment of the real poverty rates within Israeli society.



The Multidimensional Poverty Rates in Israel, 2019

We obtained the 2019 poverty rates by calculating the poverty rates in the sample and adjusting them to the most up-to-date statistics of Israeli demography<sup>2</sup>:



There were no statistically significant differences found between the Multidimensional Poverty Rates of 2019 and 2018. The picture received from analyzing the Multidimensional Index data over the past 6 years shows that the magnitude of the problem of poverty, when measured using a multidimensional method, is consistently higher than the official poverty rates of the National Insurance Institute.



<sup>4</sup> Based on the most up-to-date statistics of the National Bureau of Statistics

a. The Israeli Population in April 2018 from "The State of Israel in Numbers in Honor of 70 Years Since its Establishment" - National Bureau of Statistics 2018

b. Israeli population division by age (children 0-17, adults 18-95+), from table 2.3 in the Israel Statistical Annual Report - National Bureau of Statistics 2018

c. Israeli households in 2017 divided into population groups, from Table 5.1 in the Israel Statistical Annual Report - National Bureau of Statistics 2018.

Poverty is very widespread and affects more than one quarter of the population. Despite a trend towards some stabilization in the poverty rates in Israel in recent year, data show a deepening of poverty and the increasing difficulties to extricate oneself from this situation. The political stagnation due to the successive elections in 2019 led to the loss of a full year during which the government could have started to tackle the poverty issue, despite the lack of sufficient tools to make a substantial change.

Deficiency rates in relation to the five components<sup>3</sup>

Following are the deficiency rates on a household level as well as the total number of individuals in deficiency in relation to the five components. When the rate of individuals in deficiency is greater than the rate of households living in deficiency, it indicates that the households living in deficiency tend to be large (with a large number of members).

<sup>3</sup> In the deficiency rates, we could not correct the missing sample of households with children in the Arab sector; and consequently, we estimate that they approximate rates that are smaller than the real rates deficiency in the general population. Explanation on this subject can be found in the methodology chapter in the Hebrew report on Latet's website.

HOUSING

The housing score is calculated based on five indicators:

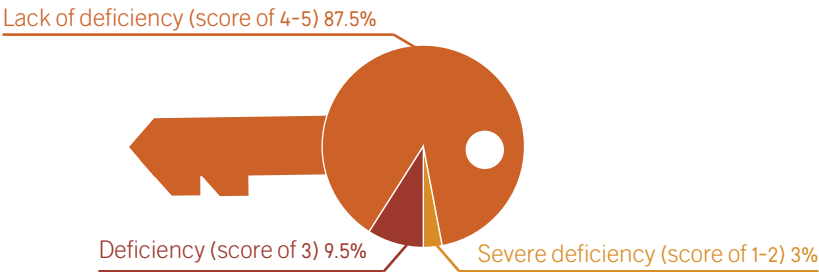
1. Basic situation: do the household members have a roof over their heads?

2. Density: the average number of persons per room and the existence of separate rooms for parents and children (over the age of 3).

3. Quality: the existence of severe malfunctions in the house that are not repaired due to financial reasons.
4. Accessibility: the absence of financial ability to make the house accessible for a household member who requires it (for example: lack of wheelchair access, lack of adapted shower stall, etc.)

5. Vulnerability: the degree to which household members are at risk of losing their home for financial reasons.

Deficiency rates of households



Total of households in deficiency – 12.5%  
Total of individuals in deficiency – 18%

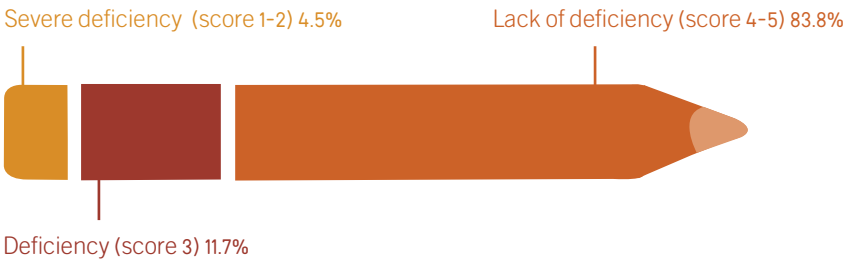
EDUCATION

The education component is based on the weighting of two factors:

1. The adult's education factor, which includes two indicators (weighted according to the adult with the lowest level of education in the household):
  - The level of formal high school education among adults (over the age of 18) in the household; and the extent to which they are currently giving up on completing their education due to financial reasons.
  - The extent to which young adults in the household (ages 18-44) are giving up on higher education due to financial reasons.

2. The children's education factor, which includes two main indicators:
  - Children's absence from school due to the financial situation.
  - Forfeiting essential educational needs based on the children's age, such as extracurricular activities, trips, private tutoring lessons, basic school supplies, due to financial reasons.

Deficiency rates of households



Total of households in deficiency – 16.2%  
Total of individuals in deficiency – 21.4%



HEALTH

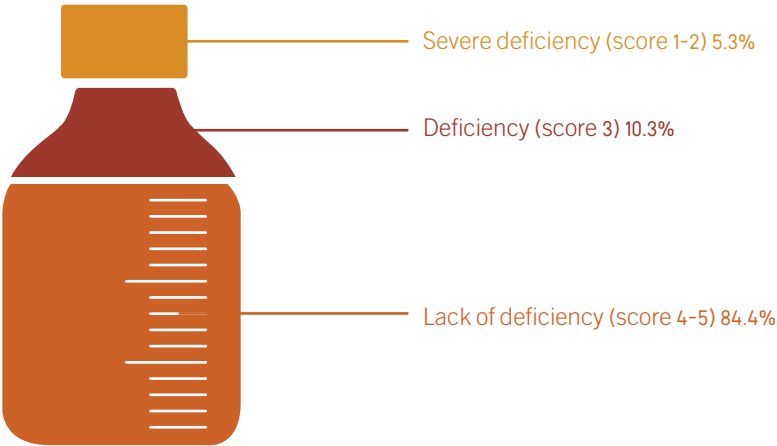
The health component is based on four indicators:

1. The financial ability to pay for medical services necessary for the functioning of the household members.

2. How often do household members forgo medical services essential to their functioning, due to a lack of access to the treatment (such as long wait lists and distance).
3. The financial ability to purchase complementary or private insurance for household members who need it.

4. The functioning of the household members was impaired due to an inability to pay for nursing care or essential medical equipment.

Deficiency rates of households



Total of households in deficiency – 15.6%

Total of individuals in deficiency – 16.1%

NUTRITIONAL SECURITY

The deficiency rates regarding this component are based on the questionnaire developed by the U.S. Department of Agriculture<sup>4</sup> and adopted by the National Insurance Institute of Israel<sup>5</sup>. The questionnaire assesses the level of households' nutritional security, using 18 questions that examine the accessibility to an adequate quality and quantity of food. The questionnaire assigns each household a score that is divided into 4 ranges, which indicate 4 categories of nutritional security: For households without children under the age of 18 (10 questions) – nutritional security (0-2), nutritional insecurity without hunger (3-5), nutritional insecurity with moderate hunger (6-8), and nutritional insecurity with hunger (9-10).

For households with children under the age of 18 (18 questions) – nutritional security (0-2), nutritional insecurity without hunger (3-7), nutritional insecurity with moderate hunger (8-12), and nutritional insecurity with hunger (13-18).

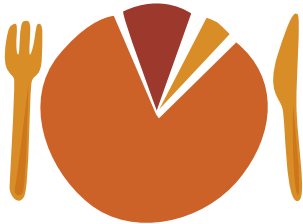
We translated the different categories into the terms used by the Multidimensional Poverty Index, as follows: nutritional security = lack of deficiency, nutritional insecurity without hunger = deficiency, nutritional insecurity with moderate hunger = severe deficiency, nutritional insecurity with hunger = very severe deficiency.

Deficiency rates of households

- Severe deficiency (score 1-2) 6.5%
- Deficiency (score 3) 11.9%
- Lack of deficiency (score 4-5) 81.6%

Total of households in deficiency – 18.4%

Total of individuals in deficiency – 18.5%



<sup>4</sup> Guide to Measuring Household Food Security, Revised 2000, Bickel et al., USDA  
<sup>5</sup> For example: The Nutritional Security Survey – Endeweld et al., 2016, National Insurance Institute

## COST OF LIVING



In order to estimate deficiency in relation to this component, we relate to two types of indicators, based on the severity of the inability to cope with the cost of living and meet the basic living conditions:

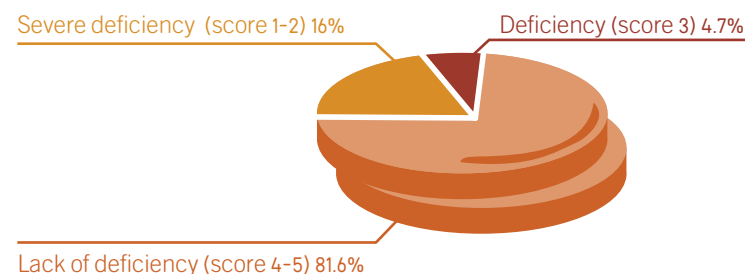
### 1. "Hard" Indicators:

- Lack of financial ability to heat the house
- Late payment of bills
- Electricity/water cut off due to failure to pay bills
- Late payments of debts
- Eviction from home, foreclosures or legal procedures due to arrears
- Lack of clothes and shoes in the right size and proper condition

### 2. "Soft" Indicators:

- Lack of financial ability to cool the house with air conditioner
- Lack of financial ability to go out for entertainment (movie, sporting event, etc.) at least once every three months

### Deficiency rates of households



**Total of households in deficiency – 19.7%**

**Total of individuals in deficiency – 25.1%**



## THANK YOU

**Latet would like to express its deep appreciation to all who supported and worked for the success of the study and the production of the 2019 Alternative Poverty Report.**

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"FOR THERE IS ANOTHER KIND OF VIOLENCE, SLOWER BUT JUST AS DEADLY, DESTRUCTIVE AS THE SHOT OR THE BOMB IN THE NIGHT. THIS IS THE VIOLENCE OF INSTITUTIONS—INDIFFERENCE, INACTION, AND DECAY. THIS IS THE VIOLENCE THAT AFFLICTS THE POOR, THAT POISONS RELATIONS BETWEEN MEN BECAUSE THEIR SKIN HAS DIFFERENT COLORS. THIS IS A SLOW DESTRUCTION OF A CHILD BY HUNGER, AND SCHOOLS WITHOUT BOOKS, AND HOMES WITHOUT HEAT IN THE WINTER. THIS IS THE BREAKING OF A MAN'S SPIRIT BY DENYING HIM THE CHANCE TO STAND AS A FATHER AND AS A MAN AMONGST OTHER MEN. AND THIS TOO AFFLICTS US ALL."

**Robert F. Kennedy**