



2008 Alternative Poverty Report **Presented by Latet – Israeli Humanitarian Aid (Reg. NGO)**

Report Essence

The Alternative Poverty Report presented by Latet wishes to illustrate the personal and physical aspects of poverty and the poor and to reflect the current situation in the field in 2008. The report aims to address the public and expose it, in the most direct manner possible, to the fact that poverty, which exists in most sectors of the population, is an acute problem in Israeli society and that we must take action in order to change the situation.

The Alternative Poverty Report is comprised of three unique studies, which reflect the profiles of those in need of food in Israel of 2009, the poverty trends in the food organizations and the public perception of poverty.

This is the report's sixth edition and in it, we have chosen to define the term "hunger line" and the minimal needs of an individual and a family for ensuring basic and proper nutrition. In doing so, we can gain a tangible idea of the existential challenge and the ease in which one might reach a state of nutritional insecurity.

Gilles Darmon (Chairman) and Adv. Eran Weintraub, Latet General Manager, said that "Poverty has become more prevalent in 2008 – the poor have gotten poorer and the organizations' ability to provide solutions has substantially declined due to a decline in donations, an erosion of public interest, the deterioration in the U.S. dollar exchange rate, increase in the price of food and sweeping disinterest on the part of the government. 2009 will be catastrophic: many organizations will collapse and more needy individuals will die due to a lack of food and absence of medical attention. The poor do not need a safety net, because they have already fallen; the poor need a rescue plan that calls for the immediate allocation of budgets to short term aid and for a commitment to a policy that will position the battle against poverty and diminishment of social differences as the main objective for any government to be established after the elections".



2008 Alternative Poverty Report **Major Findings**

Fear of living in poverty, emotions accompanying the distress and the chance of recovering from poverty

- Every fifth needy individual (20%) reports suicidal contemplations derived of a sense of deep despair.
- The greatest fear among a quarter of the supported individuals (24%) is living in hunger. 7% are worried about dying of hunger.
- The issue that most pains the majority of the needy (59%) is their inability to give their children what they need.
- 69% of the needy report that they have encountered degrading situations, such as receiving food from organizations, asking friends or family members for help or collecting food from the floor.
- 60% of the needy feel that their financial situation has deteriorated over the last 5 years.
- One in every four Israelis (27%) reports that he is afraid to fall into poverty.
- 44% of the needy do not believe that they will come out of the poverty cycle and about one third (30%) believe that their children will live in poverty as well.

Quality of Living among the Needy

- Most of the needy (60%) dream of achieving financial independence and enjoying good health (56%).
- If the needy had more money, they would ensure nutritious food for their children (48%), education for their children (40%) and privacy at home (27%).
- 59% of the needy were forced to face liens and confiscations of their bank account.
- This year, 40% of the needy faced legal proceedings.
- 75% of the individuals supported by organizations have never flown abroad and 51% have never gone on a paid vacation in Israel.



Health

- 10% of the needy report that a person close to them had passed away due to an inability to finance medical care.
- 57% of aid recipients or their family members refrain from purchasing medication due to their financial situation.
- 60% refrain from seeking medical care.
- 62% of the needy do not have complementary insurance.
- Only 9% are capable of financing dental care.
- 18% of the aid recipients are chronically ill.

Education

- An increase of 33% is reported in the incidence of removing children from the family framework – every fourth parent (24%) is forced to remove his children from home and send them to a different facility due to the financial difficulty (18% in 2007).
- In 70% of the families, children did not take part in school activities due to their parents' inability to finance such activities – an increase of 51% in the last two years (7.6% last year).
- 87% of the parents are unable to finance complementary education for their children.
- 80% of the parents are unable to provide their children with the equipment needed for school.
- 82% are unable to afford academic studies for themselves or their children.

Employment

- 74% of the needy reported that they would prefer a job over a welfare allowance. In the past two years, there has been a 66% decline in the percentage of needy who prefer a welfare allowance (from 24% to 16%).
- 34% of the needy reported that they are working – a 13% increase in the last year and 55% in two years.



- 42% increase in full time employees over the past two years (30% last year). Nevertheless, there was a decline of 50% in permanent positions and an increase of 123% in temporary jobs, as compared to 2006.
- The issue of employment is perceived to be the major source of poverty. Two of the most prominent reasons for the problem are low salary/temporary or part time position (47%) and a lack of workplaces (33%).

Income, Living and Consumption

- In 2008, the average income for aid recipients amounted to 3,134 NIS, net per month (including salary and allowances).
- About 4,409 NIS is the average amount of money that the supported individuals actually spend on their family.
- The needy report that they would need approximately 6,960 NIS in order to live reasonably, i.e. there is a 2,551 NIS difference between the needs and the actual expenditure, and a difference of 3,826 NIS (over double) between the required income and net available income.

Nutrition

- Supported individuals spend 1,924 NIS on food a month – this amount comprises 43.6% of their total actual expenditure (4,409 NIS) and 61% of their monthly income (3,134 NIS).
- 82% of the needy live below the hunger line – 2,601 NIS per month, and they do not have all of the food required for basic subsistence.
- Every third needy individual (36%) reports having experienced a state of hunger.
- One third of the needy (32%) reported that they were forced to reduce their food shopping due to an additional deterioration in their financial situation.
- 52% of the needy eat two meals a day, supported by the food organizations.



Housing

- Only one fourth (24%) of the needy are able to meet their rent/mortgage payments, a decline of 25% compared to last year and 33% in the last two years. Concurrently, there has been an increase of 10% in the number of supported individuals unable to meet the payments.
- The size of an average apartment among those receiving aid is 3 rooms, with 1.73 people per room.
- 59% of the needy have moved throughout their lives, the two main reasons being financial difficulties that required moving to a smaller or less expensive apartment (36%) and eviction from the previous apartment (32%).

Aiding the Needy

- 56% of the organizations report a 27% decline in donations during 2008.
- 78% of the organizations find it difficult to adequately provide for all of the needy turning to them, demonstrating an increase of 8% compared to last year.
- An increase of 24% in the demand for food during the past year.
- 62% of the organizations support the needy at least once every two weeks.
- 86% of the organizations help the needy with additional products, beyond food distribution.
- The general perception is that the entities actually operating toward solving the problem of poverty in Israel are the aid organizations and associations (67%).
- The general public and business sector continue to be the major entities to provide support to the aid organizations (74%).

Public Perception of Poverty

- An erosion in the sense of urgency attached to dealing with poverty – only 48% rated it as a very urgent problem and it is placed third after security (49%). Education, for the second consecutive year, has taken first place with 60%.
- 88% of the public believe that government policy does not help solve the problem of poverty. 49% believe that this policy even exacerbates the problem.



- 80% of the public believes the estimate by which there are 200,000 families in Israel suffering from a shortage of food and nutritional insecurity.
- 71% of the public agrees that "hunger" can be defined as "the inability to obtain minimal basic nutrition".
- 85% of the public donated food or money to the needy in 2008.

Impact of increased prices in the past year

- 91% of the aid recipients have discontinued or reduced acquisitions in at least one category of food products, due to the increase in the price of food during the past year.
- The dramatic increase in the price of food has led 71% of the organizations to distribute smaller quantities of food to the needy families.
- 56% of the public believes that the price increase of the last year has affected them. 22% of the public believe that their financial situation has deteriorated during the year.

Profile of the needy public

Most of the needy who turn to the organizations for aid:

- Women of high school education or less, from families with many children or single parents.
- Unemployed for over a year, but most would prefer employment over an allowance.
- Among the working population, most are employed in part time positions or shifts, earning 3,134 NIS, with living expenses estimated at 4,409 NIS per month.
- Find it difficult to cope with their mortgage/rent payments.
- Refrain from acquiring medication and obtaining medical care due to their severe financial situation.
- Subsist below the hunger line. Neither they, nor their families, have the basic food products required in order to exist in a balanced and healthy manner, and their food expenditures comprise over 40% of total family expenses on living and consumption.
- Receive support from the organization for over a year.



- Have experienced a stop/encumbrance on their bank account, disconnection of the telephone/electricity/water/gas and faced degrading situations due to their financial situation.
- Most children do not have all of the equipment needed for school; they do not receive complementary education or take part in school activities.
- They do not believe that they will grow out of poverty and their greatest fear is that their children will also suffer distress.
- They report deterioration in their economic situation over the past five years.



2008 Alternative Poverty Report **Conclusions**

1. Poverty has deteriorated and deepened over the years. This is a result of employment under conditions that do not provide sufficient income, a lack of jobs, government failure to address the problem, an increase in the price of food, erosion in the public perception of the issue and a decline in donations.
2. Individuals receiving aid live in a reality in which they are unable to care for themselves and their families, to provide them with independence and basic conditions of housing, health, nutrition, education and quality of living, a fact that places an emphasis on their difference from the population and substantially reduces their ability to conduct a normative lifestyle in the future.
3. There is a significant deterioration in the state of the food organizations and erosion in their ability to meet the needs of the population in need of their support, which continues to grow from year to year. Without immediate governmental attention, the forecast for 2009 reports the collapse of many organizations and the addition of hundreds of thousands to the cycle of poverty.
4. The individuals receiving support live below the "hunger line" and are unable to provide themselves and their family with the basic nutrition required for a balanced and proper existence.
5. The needy are highly dependent on the aid provided by the food organizations. The decline in the organizations' ability to assist all of the needy, in light of the economic crisis, the increase in poverty and the continued dramatic decline in donation forecasts for 2009, truly places the minimal nutritional security of the needy at risk.
6. Over the past two years, poverty has not been perceived as the most urgent issue requiring attention. This reflects the erosion in public awareness, despite the fact that poverty is growing in Israel and the situation of the poor is deteriorating.
7. The lack of a permanent position offering appropriate wages, which is only expected to deteriorate in light of the dismal forecasts of mass layoffs due to the economic crisis, will cause deterioration in the conditions of the poor and the introduction of many new individuals to the cycle of dependence.



8. There is a substantial increase in the number of poor individuals who are employed. This exemplifies their inability to grow out of the poverty cycle and the continued deterioration into poverty, by people who work and whose income does not enable them a basic, dignified existence.
9. Alongside the growing demand for aid, the donations to the organizations have been consistently declining over the years, and the expectation for the upcoming year is that the trend will continue and worsen in light of the economic crisis. Public donations continue to be the main source of funding for the organizations.
10. The government continues to shirk any responsibility regarding the physical needs of the needy and attention to poverty, thus the public is disappointed and of the opinion that the government policy even worsens the problem.