



Essence

Latet NPO's Alternative Poverty Reports aims to demonstrate the personal and physical side of poverty and the poor, those who hide behind the dry figures and statistical data published by government institutes. The Alternative Poverty Report indicates trends in poverty and nutritional insecurity and reflects the current reality, as revealed by Latet, which operates throughout Israel in collaboration with 150 local NGO's and aid organizations.

As opposed to official reports, the Alternative Poverty Reports wishes to demonstrate the challenges and the meaning of struggling with poverty, ranging across areas of life. The Report allows readers to appreciate poverty from a different angle, by reflecting the reality and challenges which people in need must face. By applying a broad overview, analysis of trends and allowing the voices of aid recipients to be heard, the report successfully presents an in depth analysis of life in poverty in Israel, beyond a narrow statistical analysis, which doesn't reflect the humane facet of poverty, differentiating it from other reports.

The Alternative Poverty Report consists of three unique studies which reflect the **Profile of the Poor** being supported by welfare providing organizations, **Trends in Poverty** in food NGOs, and the **Perception of Poverty** within the general public. The comprehensive research illustrates a reliable and up-to-date image of life in poverty, and the elaborate essence of life in poverty in 2012 Israel, a year characterized by a rise of spending cuts, resulting in the deteriorating situation of disadvantaged and low-income populations in Israel.

There are two main objectives underlying the Alternative Poverty Report: The first is to expose the Israeli population, which knows poverty only from a distance, primarily through media channels and common perceptions or prejudices, in the most direct and authentic way, to the human implications of life in poverty, and mainly to expose to the difficult barriers stemming from a policy which neutralizes the ability of people living in poverty to escape from it. The second is to apply pressure on decision makers in the Israeli government to fulfill their role as fully responsible for the welfare of the citizens by virtue of being their representatives, and to act in a consistent and thorough manner to solve problems of poverty and social gaps, by forming an adequate plan and investing the necessary resources.

In this tenth edition of the report, we have decided to present a plan laying the foundation for an **innovative social enterprise**, based on an **effective and sustainable model to reduce nutritional insecurity**, creating a **new social order in Israel**.

The purpose of the enterprise is to create an sustainable **urban model**, which will support populations suffering from nutritional insecurity in the city, providing diverse tools, which offer solutions suitable to the needs of the target population, considering their different characteristics. The course of action in this enterprise is based on a bottom-up approach, with a realization that treating a distinct population in a designated geographical area, using diverse tools, combining all the required responses suitable for that population, pooling, rearranging and adding necessary resources - **can generate a substantial change and lead to a sustainable solution, which could be applied nationally** (with necessary adjustments).

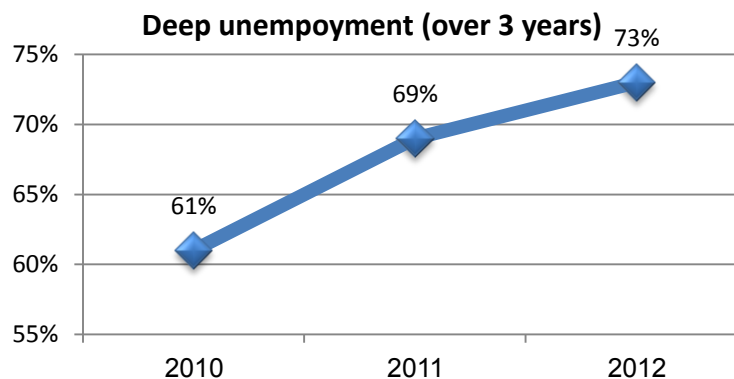
Main Findings and Conclusions

Education

- **50% of children in families in need are compelled to work**, a sharp rise compared to last year (19%)
- **21% of aid recipients were compelled to send their children away to a boarding school due to financial difficulties**, a rise of 23% compared to 2011 (17%)
- **10% of children of aid recipient families have begged alms in the past year, due to the financial hardship at home, a sharp and alarming increase compared to 2011 (3%).**
- A fifth (21%) of families in need reported that in order to purchase basic food products, they must give up proper education for their children, compared to only 8% in the general population.
- 69% of aid recipients reported that their children did not take part in social activities in school, compared to 75% in 2011. 62% of the children were short of textbooks and school supplies, compared to 70% last year. Despite the high rates, these data reflect a certain improvement in the accessibility of children to basic education services.
- Half (46%) of the children don't have access to private lessons and extracurricular activities to assist their educational progress. Parents reported this to be their most wanting deficiency.
- Nearly one out of five children (18%) dropped out of school.

Employment

- **53% of the unemployed reported that they cannot find a job because of health problems and disabilities.** This indicates a rise of 20% compared to 2011.
- **75% of aid recipients reported that if it were possible, they would rather go to work for wages equivalent to their dole. Only 3% testified that it doesn't pay for them to work.**
- The average monthly wage from the workplace among aid recipients is NIS 3,390, which is about one third of the average wage. 19% earn up to NIS 2,000 in average, and 50% earn between NIS 2,000 to 4,000 a month.
- **A third (31%) of working aid recipients do not receive any social benefits at all. Only 27% receive all the benefits they are entitled to by law, and 23% receive them only partially.**
- 77% of aid recipients did not undergo professional and/or occupational training.
- 81% of aid recipients are in working age, out of which 42% work.



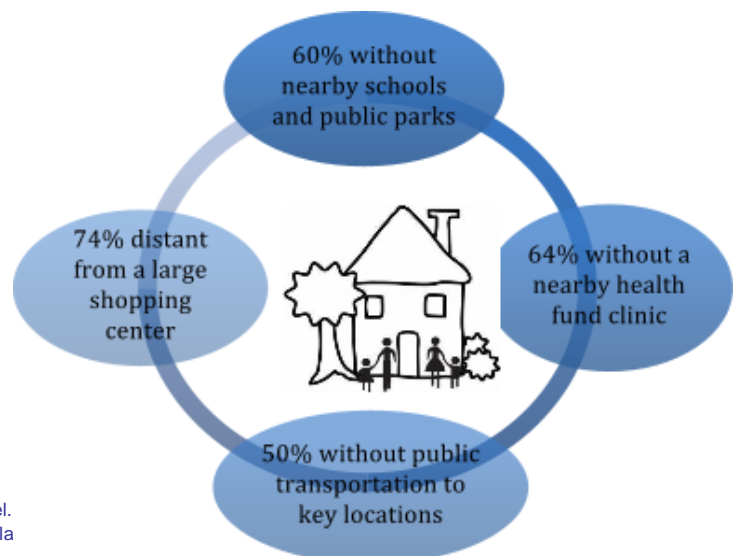
The Cost of Living and Quality of Life

- Only 4% of the elderly report that their allowance allows them to live in dignity. Half (56%) of the elderly in need live alone.
- 54% of aid recipients reported that their financial situation worsened in the past year. A rise of 20% compared to 2011. In addition, 30% of the general public reported that their financial situation has worsened in the past year, a similar trend to 2011. 70% of them reported that the main reason for the deterioration lies in rising household expenses. 9% reported the reason to be dismissal from work, and 5% specified the deterioration to be related to the expansion of the family.
- 95% of aid recipients are compelled to give up essential services and basic products, one-third of them on a permanent basis. Half (52%) of the public had to buy less food products this year because of their worsening financial situation. 15% started to work in an additional job, or changed their workplace in order to increase their income. 18% of the public took a bank loan to cope with the economic hardship.
- 34% of the general public are concerned by falling into economic distress in the coming year.
- The public believes that the average monthly income required for a family of 4 is NIS 11,289, while the actual average monthly income among aid recipients is only NIS 3,939.
- 39% of the general public reported that economic cuts and price increases in 2012 forced them to minimize the enrichment and recreational activities for them and their children.



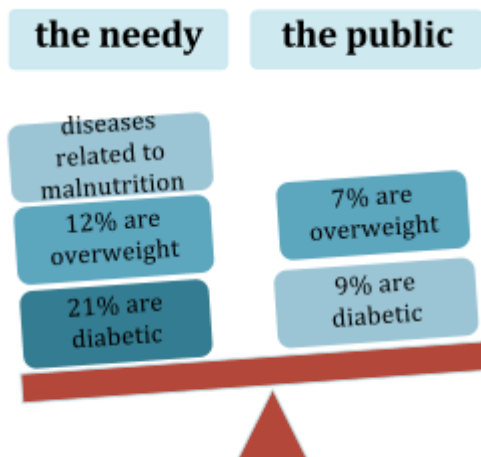
Housing

- 72% of aid recipients may be rendered homeless if unable to pay the rent due to worsening economic situation. A quarter (26%) of aid recipients will have to live on the street if forced to leave their apartment.
- 70% of the general public which reported that their economic situation has worsened in 2012 reported that household costs, including current payments on housing, are a cause of the worsening in their economic situation.
- About a third (27%) of aid recipients reported that they do not feel safe and secure walking around and freely in their area of residence. Only about half (47%) indicated that there is central lighting in their area.
- Total monthly expenditure for housing stands at NIS 2,195 comprising about 45% of total monthly expenditure.
- Only 50% of the aid recipients reported the availability of public transportation to key locations in their area. 74% don't have a large shopping center in their area, and 95% don't have a cinema.



Health

- **27% of aid recipients reported that the main reason of their financial distress is their health condition, reflecting a sharp rise of 170% compared to 2011**, when just 16% of aid recipients indicated health issues as the main reason.
- Over a third (36%) of the aid recipients are chronically ill or with disabilities. A significant increase of 44% compared to 2011 (25%).
- 60% of aid recipients need medical services and prescription drugs on a regular basis. 63% reported that they can not pay for services required for maintaining good health. This trend is the same as in 2011 (63%).
- 56% of the children and 52% of the parents don't have complementary health insurance in the health funds.
- **About a third (29%) of families in need reported that they are compelled to give up purchasing of medicine and health services in order to be able to purchase basic food products, compared to only 6% of the total population.**
- 68% of the children in supported families still need dental treatment which they don't receive. This year there was a substantial improvement in this area thanks to changing of policy, providing for subsidized dental treatments for children under the age of 12. 54% of the parents whose children underwent dental treatment reported that the treatment was free as required by law. However, almost half (46%) reported that they were required to pay for dental treatment.
- **57% of aid recipients suffer from diseases related to, and characteristic of malnutrition and mental stress, compared with 38% suffering from these diseases among the general public.**



- 21% of aid recipients suffer from diabetes, compared to only 9% of the general public. There is a direct correlation between the incidence of diabetes and poverty and imbalances of blood sugar, due to the inability to purchase medicines and foods adapted to the disease and its sensitivities.
- 12% of aid recipients have weight problems, compared to 7% of the general public.



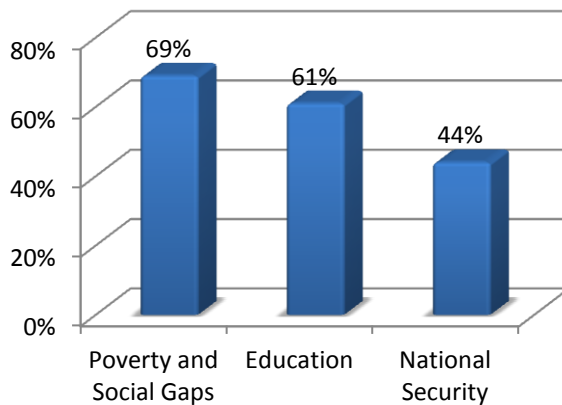
Nutritional Security

- **A third (27%) of the children had experienced whole days without food in the past year. An increase of 28.5% from 2011, where a fifth (21%) reported that their children stayed hungry for whole days without food. In addition, two-thirds (67%) of adult aid recipients reported that last year they had not eaten for a whole day at least once because of financial hardships.**
- **65% of aid recipients live in nutritional insecurity (despite aid from NGOs) - they and their family members do not have the minimal food required for basic and proper sustenance, compared to only 6% among the general population.**
- **61% of the aid organizations reported an increase in aid requests for children in the past year. Only 28% of aid recipient families have a portion of protein (meat/poultry/fish/eggs) in their daily diet, compared to 83% of the general public.**
- 54% of aid recipients reports that most of the food they consume is obtained thanks to the aid they receive from an NGO. 12% are dependant upon aid as their sole source of food.
- 93% of aid recipients indicated that the aid they receive from the NGO helps them maintain a basic and proper diet. 57% indicated that the aid helps them greatly.
- Food assistance helps families in need in various aspects of life in addition to maintaining nutritional security. 40% among aid recipients reported that the food support enables them to turn a budget for medications. a third (29%) reported that thanks to aid from the organization they are able to pay current bills, and a third (28%) indicated that the aid supports them and reminds them that they are not alone in coping with their distress.
- A third (27%) of aid recipients reported that if they wouldn't be receiving support from an NGO they would be forced to stay hungry. 14% admitted that without aid they would be forced to beg (11%) or steal food (3%).
- **73% of aid recipients must choose between buying food and payments for other basic needs.** A third (27%) are forced to make concessions regularly. Almost half (46%) are often faced with difficult choices and compromises, an increase of 9% from 2011.
- A quarter 25% of the public reported that the harsh financial measures and the price increases in 2012 forced them to consume less basic food needed by their families.
- A third (33%) of the families in need reported that they are forced to give up the payment of current bills so that they can purchase basic food products, compared with only 12% among the general public.
- Total average monthly expenditure on food is NIS1,945, making up 41% of the total expenditure of the family.
- Most (93%) organizations reported that the worsening economic distress of aid recipients has caused an increase in the frequency of food aid requests.
- 65% of the organizations reported that in 2012 there was an increase by an average of 27.6% in aid recipients' requests for food aid in comparison to 2011.
- 71% of the organizations are unable to respond to those requesting assistance, with 28% of the applications being rejected.

Responsibility for Dealing with Poverty

- 56% of the public stated that a party's commitment to combat poverty will affect significantly their decision to which party to vote. 40% indicated that their choice will be impacted very much.
- Most of the public believes that the welfare minister has failed in dealing with poverty. Only 19% believe that he works largely on the problems, reflecting a sharp decline of 55% in evaluating the performance of the minister.

What is the most urgent problem the government needs to address?



- 42% of the public believe that the main reason for poverty in Israel lies in government policy, an increase 55% compared to 2011 (27%).
 - 63% of the public believes that the Prime Minister does not work at all for reducing poverty. Only 12% believe that he works to great extent.
 - 61% of the general public believe that there is no government program to reduce poverty and 45% of them think that the reason lies in the political interests, an increase 31% compared to 2011 (36%). 37% cite that the reason lies in other priorities, 26% in lack of concern and 22% in detachment from the people.
- 75% of the general public believe that the social economic collapse threatens Israel more than the Iranian threat.
- 69% of the public state that government policy should be the main cause for emerging from poverty. Only 10% believe that the poor person himself is the one responsible.
- 98% of the general public believes that the government should deal with the problem of nutritional insecurity and enable every family access to basic and nutritious food products. 55% believe that the government should lower the VAT on food products, and 41% believe that more food products should have their price controlled. 37% believe that the solution is in raising allowances and the minimum wage.
- The main source of income of food NGOs is the general public - 82%.