



The Alternative Poverty Report 2014 of Latet Organization - Key points

On Monday, 22.12.14, the Alternative Poverty Report 2014 was presented by Latet Organization. In its framework suggested a new definition of poverty, using a multidimensional index, which is based on the measurement of five dimensions that reflect a lack of basic needs to live in dignity.

The index was constructed for Latet organization by the ERI Institute headed by researcher, Gilad Tanai. The Alternative Poverty Report, which exposed serious data on the situation of the impoverished in Israel, was presented at the annual convention of the Israeli food security associations.

The Alternative Poverty Report is based on the integration of findings and data collected during the second half of the year. Accordingly, it outlines the latest data and information. In fact 2014 largely reflects the impact of the high cost of living, economic sanctions, rising of VAT, and the reduction in child allowances.



The Alternative Poverty Report was presented to Israel's 9th president Mr. Shimon Peres at Latet's annual NGO conference at the Peres Center for Peace in Jaffa



For the first time in Israel, the index of multidimensional poverty, which is based on a lack of basic needed necessities, reveals a serious reality:

- 2,546,000 people are impoverished in Israel (31.6%), of which 1.613 million (29.8%) are adults and 932,000 are children (35.1%). The issue of poverty deepens and its indication is now more severe and the barriers to escape poverty grow higher.
- Only 31% of the families now being supported by aid grew themselves in impoverished families. 10% of those supported, had to sleep on the street or in a shelter during the past year.
- A quarter of the children went to bed hungry several times a month, 65% do not receive a hot meal at school.
- 36% of the children supported by aid were forced to work to help support their family, an increase of 44%.
- An increase to 45% of children who had to move to a boarding school: 32% in 2014, compared with 22% in 2013.
- The proportion of elderly people who cannot fend for themselves, to even provide themselves with nutritious meals has doubled - 55.5% compared to 23% last year
An increase of 14% among the elderly who have given up on drugs and treatments - 56% this year, compared with 48% from last year.
- 72% of those supported by aid suffered from lack of food, 49% of them often and/or frequently.
- 10% of those supported were forced to look for food in garbage bins, begging or eating discarded food scraps.
- 50% of those supported are employed and still live in severe poverty, continuing an upward trend of 35% since 2010.



Prof. Shlomo Mor-Yosef, the Director General of the National Insurance Institute of Israel, said during Latet's conference "For one time in my life I want to see the Prime Minister also as the Minister of Welfare"

The current government has failed in combating poverty

The public scores a "failed" mark to the current government in dealing with poverty- most of the public (55%) believes that the policy of the most recent government led to the expansion of poverty; One-third (33.6%) of the public determines that **poverty is the most pressing problem requiring treatment in the national priorities**, before security (28.6%) and education (28.6%); 76% of the public thinks that **the government is the body responsible for the reduction of poverty**, but only 22% believe it addresses the issue in practice.



Mr. Peres, during Latet's annual conference said "This report is a damning indictment for ourselves. It is the responsibility of the (political) factions to put the fight against poverty at the top of the agenda".



The multidimensional poverty index

For the first time in Israel, a **new innovative poverty alternative index based on multi-dimensional measurement is presented**. Compared to the official poverty measure, referring to the mere aspect of income, the multi-dimensional index assesses the **degree of a person's shortage in five dimensions, which reflects essential needs to live with dignity in Israel: Housing, Education, Health, Food Security and the Ability to meet the Cost of Living**. The index, applied to a sample of the general population and the sample in the population which is supported by various aid organizations, determines **whether a person is in a state of lack of poverty, poverty or severe poverty**, depending on how the lack of essentials the person is situated within each dimension.

Depending on the multidimensional poverty index, the poverty rate among adults in Israel stands at 29.8% (1.61 million people), while the overall poverty incidence of people (including children) stands at 31.6% (2.54 million people).

Executive director of Latet, Eran Weintraub, and Latet chairman, Gilles Darmon:

"The upcoming election campaign is an opportunity, perhaps the last, to decide whether to buy more tanks or to rescue children from a life of poverty. Are we concerned about the future of Israeli society or just keeping the country's borders? In order to change the situation we have to decide what is more important: the military security or socio-economic security. We, at Latet organization are of the opinion that the duty of the new government is to place the care of poverty and social inequalities at the top of the national agenda, to fully implement the recommendations of the *Governmental Alaluf Committee to Fight Poverty*, including the funding of the necessary resources, implementation of government plan across the government's ministries and a commitment to multi-year goals, in order to reach an average rate of poverty, as in the developed countries within a decade. Lack of governance and political instability, have led us to the state, that nearly after eight years of public struggle, changes of four governments, and despite the promises and commitments of the three ministers of welfare, not even one single Shekel from the State Budget account for the national food security initiative, based on food rescue and regulation of this area by umbrella organizations and food associations in Israel".





Main findings and conclusions

Children and the elderly

- **More than a third of the children supported by aid (36%) had to work during the past year to help support their family due to the economic situation, an alarming increase by 44% compared to 2013.**
- **32% of the children supported were forced to go to a boarding school last year, an increase of 45% compared to 2013 (22%). 27% of children have dropped out of school.**
- 65% of parents had to forfeit the purchase of medications or medical care for their children in the last year. 40% of parents did so often or very often.
- **25% of the children supported went to bed hungry several times a month or more often because their parents could not afford to feed them.**
- **22% of the children supported last year went to school, without a sandwich or other food, often or on a regular basis.**
- For 76% of the children supported the dominant component in their diet is carbohydrates (45% and 31% of their diet is bread and spread). Dairy products, vegetables, meat and poultry are not more than a quarter (23%) of their diets.
- **65% of the supported children do not get a hot meal in the school.**
- 53% of the children supported do not have all the textbooks and equipment required to study at school.
- The food associations report that the greatest need in helping the children is food, which is required by 87% of the families supported who have children.
- 94% of seniors reported that the old age pension is not enough to live on with dignity or for fulfillment of their basic needs.
- 92% of seniors do not meet the payments for long-term care or help at home that they need - an increase of 10.8%, compared to last year (83%).
- 56% of supported seniors cannot pay for drugs and medical services that they need - an increase of 14% (48%).
- 56% suffer from a lack of nutritious meals which they are unable to pay for the necessary ingredients - an alarming 59% compared to last year (23%).

Housing

- **10% of those supported with aid had to sleep on the street or in a shelter for the past year. For a third of them it was a very common or permanent condition.**
- 39% of those supported with aid define their living conditions as bad to intolerable, 83% were forced to give up the repairing of defects in their apartments for economic reasons, 20% live in an apartment where there is no more than one bedroom.
- **68% of the supported cannot afford to run a heating or cooling system during the winter and summer, 39% cannot at all, and 29% can, but only rarely.**
- 54% of the supported had intermittent water supply or electricity cuts during the last year because they have not been able to pay for them, compared to mere 5% of the general public.
- 63% of those supported testify that they defaulted on their rent or mortgage during the last year.



- **36% of the supported are afraid that their inability to pay their rent or mortgage will lead to a high likeliness that they will be forced to evacuate their homes.** In this case, 24% have no choice but to move to the streets or into a shelter.

Health

- **72.5% of those supported had to forfeit the purchase of medicines in the last year** because they could not pay for them. About half of these people (47.7%) were affected often or very often. 80% of the general public did not have to give up on the purchase of medicines at all.
- 63% of the aid recipients felt that they need emotional support this year, but gave up because they could not pay for it, this is a worsening of the situation by 33% compared to last year.
- **66% of the supported recipients are suffering from chronic medical problems, compared with 47% in comparison to the general public.** 39% of those supported with aid have diabetes compared with only 10% of the general public; half are hypertensive, compared to only 15% of the general public.
- 69% of the supported hold only the basic health insurance of HMO without supplemental insurance.
- 40% of the recipients of aid point out that various medical reasons prevent them from improving their employment status. 13.7% of the general public indicated that the main reason for the deterioration in the economic situation is their health.

Food insecurity

- **72% of those supported with aid have suffered over the past year from food shortages (compared with 10% among the general public), 49% of them have suffered from lack of food often or most of the time.**
- **10% of those supported were forced to look for food in garbage bins, begging or eating discarded food scraps.**
- **69% of the supported disclosed that they had to go to bed hungry last year, for 34% this happened several times a month or more often, compared to 3% among the general public.**
- 80% of the aid-supported were helped at least twice a month by an aid organization that provides them with food. 10% rely on food aid almost every day.
- According to an estimate by 73% of the directors of nonprofit organizations, they found that without the assistance from such organizations, more than 60% of the families supported would find themselves in a state of severe food insecurity.
- 55% of those supported declare that the assistance of the associations of food aid helps them to maintain basic nutritional standards to a high or very high standard. The NGOs are careful to protect the dignity of the supported: 88% maintain confidentiality, 43% correspond to the composition of the basket of the needs of those supported, 56% have food delivered directly to their homes.
- The food basket received from the NGO's helps the supported on a psychological level: 64% feel cared for, and that they are not alone. 63% thrive, thanks to the food basket, to use the budget for other basic needs.



Employment

- **50 % of those supported with aid are working but still live in severe poverty. There is a continuing upward trend of 35% since 2010 of aid recipients going to work. Among a quarter of families (24%) both parents are working. Only 10% of the aid recipients are employed in permanent full-time jobs.**
- **71% of those supported with aid, work and earn a salary of up to ₪4,000 per month, when 20.4% earn less than ₪2,000 per month. The average salary of those supported is ₪3,488 - which is less than the minimum wage that stands at ₪4300.**
- 45% of those supported are concerned that it is likely or there is a very high chance of losing their jobs, compared to only 7% of the general public.
- 66% of those supported attach great importance to improving their employment and 30% describe it as one of their top priorities. The main reasons which prevent them from improving their employment status are health reasons (39%) and the need to care for the children (32%). Another important reason is the difficulty of finding a better job (28%).
- 79% of the aid-supported have no professional training. The main reason for this is that they were required to work for a living (38.9%), the second most important reason is health limitations (22.9%).
- 29% of those supported who work do not receive basic rights, compared to 26% last year. The other 46% receive basic rights which does not include pension. 65% of those who are not working, do not work for more than three years, the majority (64%) would prefer to work on the receipt of a pension.

Education

- **73% of those supported by aid have no high school diploma and two thirds of them have not completed high school.**
- Improving the level of education is a top priority of 50% of those supported with aid. Nevertheless, there are major barriers which prevent them from realizing this.
- Prominent factors which prevent the supported to improve their education are both child care and tuition costs. More than ¾ of them feel that these obstacles make the improvement of education impossible for them to reach.

Cost of living

- **Those who are new to an impoverished life - only 31% of the aid-supported grew up in families whose economic situation was lower than average or impoverished families. 50% of these people have grown up in a home with an average standard of living.**
- 14% of the aid supported planned to end their lives or harm themselves because of economic hardship.
- **The aid supported has no economic strength to deal with unplanned expenses. 80% of them will not be able to deal with unexpected expenses in excess of hundreds of Shekels; only 50% will be able to cope with an unexpected expense of only a few dozen shekels, less than 20% of them can afford unscheduled expense of ₪1,000 or more.**
- **The total monthly expenditure per household among the recipients of assistance amounts to ₪5795, and is divided as follows: ₪1,933 for food (33%), ₪1,931 for housing (33%), ₪**



551 health (9%), ₪342 for Entertainment (5 %) and ₪1038 for other necessary expenses (18%).

- 38% of the aid supported underwent execution / litigation / eviction from an apartment for failing to meet payments in the last year. 50% have dealt with blocking / foreclosure of their bank account due to debts.
- The total average household expenditure among the aid recipients is about ₪5,795. Hence the average expenditure is 20% higher than the average income (₪4,846) and is only 68% of the expenditure that the aid supported believed they needed to live on, which is standing on ₪8,556.
- 41% of the general public testifies that they feel financial distress, 12% of them feel economic stress to be from difficult to very difficult. Anyone who feels most strongly in distress is lower than average income earners.
- 34% of respondents are concerned that they and their families will degenerate into a state of further financial distress in the coming year. The fear is particularly common among low-income earners (58%) and middle-class citizens with average income (37%).
- **Waiver of leisure and entertainment outside the home are a prominent feature of living in poverty and economic survival. 82% of the aid-supported are giving up almost entirely on entertainment outside the home, compared to 20% of the general population.**

The responsibility to deal with poverty and social inequalities

- **One-third (33.6%) of the public believes that poverty and social gaps is the most pressing problem for treatment in the national priorities (before security and education, 28.6% each). 60% put this problem as a top priority, although the survey was carried out near the end of Operation "Protective edge", while the security situation was still a major issue in the public discourse.** It has been a reduction compared to last year, when 72% perceived the poverty as the most important problem this may result from the juxtaposition of the war.
- **76% of the Israeli public believes that the government is the entity responsible for the action of reducing poverty, but only 22% believe that the government is actually taking care of the problem.** Only 8% think that the responsibility to address this is by the NGOs, while 53% of the public believes that in fact dealing with poverty is imposed on third sector organizations.
- The general public gives the current government a failing grade on handling the problem of poverty. Most of the public (55%) thinks that the governmental policy has led to the expansion of poverty (The survey was conducted before the dissolution of the government). The bodies responsible for handling nutritional security management in the view of the directors of the aid organizations are Minister of Social Affairs (67%) and the Prime Minister (52%).
- 54% of public respondents believes that the application of the Alaluf Committee's recommendations for fighting poverty are of a low priority in all government priorities, or do not feature at all.
- 72% agreed in favor of reducing VAT on food products.
- 64% of the organizations do not receive support from the welfare department in the local authority for handling the issue of poverty. In 80% of cases the reason for this is that the welfare department cannot meet their needs.

Alternative Index of the multidimensional poverty

This report presents for the first time an innovative alternative approach based on multi-level index measurement. Compared to the official poverty reports which merely relate to the aspect of income, the multi-dimensional index represents a comprehensive range of aspects and components of the overall well-being of a person and their basic ability to sustain themselves in their own society. This is the first attempt in Israel to implement a multi-methodology measurement tool for poverty. Adapted to the cultural aspects and the unique social and normative aspects in Israeli society.

The principal guide in building the index, is that in order to assess whether a person is in poverty it is necessary to address three questions:

- (1) What are the **essential needs** required to live in dignity in Israel?
- (2) How to penetrate **the degree of shortage** in relation to those needs?
- (3) What **degree of need** can one be described as, being in poverty?

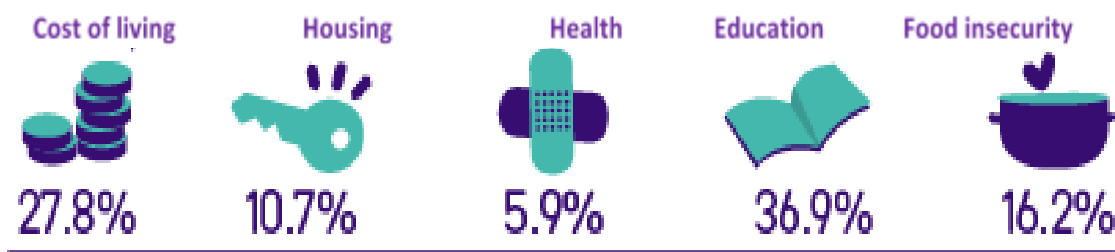
Since these questions are worthy of an essential values discussion, the normative assumptions which we used are transparent and structured in a manner that allows public participation to check their validity.

The index refers to the five dimensions which reflect the essential needs to live with dignity in Israel: housing, education, health, food security and the ability to meet the cost of living.

The Index, implemented in the general population and on a sample population which is supported by various aid organizations, estimates the degree of lack of needs and what is given in any reply, in relation to each of the five dimensions. Finally, based on the shortage level measured, the index states the **state of no poverty, poverty or severe poverty.**

The extent of the shortage of the five dimensions

Level of poverty in Israel according to the multi-dimensional alternative poverty index



31.6% of the Israeli Population in 2014 is living in poverty