

The Alternative Poverty Report



לאתר הפג

ISRAEL

14th Edition

2016

Ending Poverty Together

The Essence & Goals of the Report

Every year the face of Israeli society changes due to local and global developments, and with it, the poverty indexes change as well. This is the 14th edition of the Alternative Poverty Report, reflecting the latest trends in relation to poverty and nutritional insecurity in Israel in 2016, as they are recognized by Latet, which operates throughout the country in collaboration with 180 local NGOs and aid organizations.

This report serves as an alternative tool for understanding poverty. As opposed to official statistical bulletins, this report reflects the human face of poverty, by presenting a broad perspective and an in-depth analysis of the trends, and providing a voice to the people receiving aid and the NGOs supporting them.

The report includes the Multidimensional Alternative Poverty Index, which shows the depth and characteristics of poverty, by analyzing one's state of scarcity according to basic needs.

In this edition, we bring you an in-depth study about single-parent families in Israel. Single-parent families make up a big part of the general population, and suffer from high poverty rates due to unique barriers and characteristics that form and preserve their poverty. The goal of the study is to bring to light the meaning of poverty

for these families, through an analysis of the scarcity in the different dimensions that form the Multidimensional Poverty Index, and by doing so, to paint a detailed picture of the meaning of poverty for this specific group.

The Alternative Poverty Report was conducted by Latet in order to expose Israeli society to the human meaning of poverty in a direct and authentic manner. For the most part, society knows poverty from afar, mainly from the media, prevalent perceptions and prejudices. This report aims to share with the public the causes of poverty, its characteristics, and mainly, the barriers that are mostly the result of policy that prevents people from escaping poverty. In addition, the report seeks to serve as a means to pressure the decision makers in the government and in the Israeli parliament to take responsibility for the welfare of the citizens and to work thoroughly and consistently to find an effective solution to poverty and social inequality.

We at Latet believe that it is the obligation of the Israeli government to prioritize the issue of poverty and social inequality. This includes allocating the necessary funds and implementing a comprehensive program in order to reach the average poverty rate of other developed countries within a decade.

Methodology

The Alternative Poverty Report is a unique document that refers to the various components of poverty in Israeli society, and with these, the report provides a comprehensive look into poverty and social inequality in Israel in 2016.

The report is based on an integration of findings that were collected through four studies and questionnaires.

- 1. Study of People Receiving Aid** – Analyzes the characteristics and coping strategies of people living in poverty.
- 2. Aid-Giving Trends in NGOs** – A study done in collaboration with Latet's partner NGOs. The study aims to examine trends in poverty, people's needs and processes in the field.
- 3. Survey of the Public's Perceptions** – A study that was carried out among the

general public, which aims to examine the public's perceptions of poverty and social gaps in Israel.

- 4. The Multidimensional Poverty Index** – A tool for measuring poverty and its depth in the general public.

All of the studies were conducted during the months of July-September 2016. The preparation of questionnaires, data collection, examination and analysis of findings were carried out by the Research Department of the Latet organization with the assistance of and in consultation with leading research institutions of Israel: Rotem Market Analysis and Research led by Dr. Arie Rotem and Miriam Honen and ERI Institute led by Gilad Tanay, an expert in the study of poverty and social justice.

Profile of People Living in Poverty

This year, the study of aid recipients was conducted by an in-person survey among 657 people in need who receive aid from food NGOs. The interviewees filled out the survey themselves, unless they needed help, in which case, a Latet representative helped them.

The maximum sampling error for this group is $\pm 3.8\%$ according to the standard margin of error.

The information gathered served as the foundation for this research, which has the goal of reflecting the everyday life and personal experiences of aid recipients. This routine is usually unknown to the general public, to the decision makers, or to the government.

Main Findings

The Multidimensional Poverty Index for 2016 reflects a grim reality:

2,436,000 people live in poverty in Israel (29.05%),

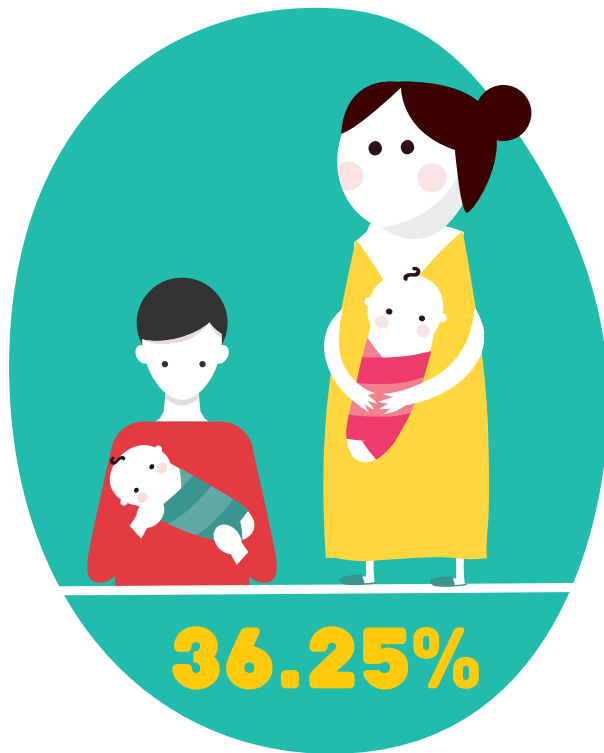
of whom 1,412,000 are adults (25.75%) and 1,024,000 are children (35.4%).

The poverty rate among single mothers is 36.25%.

While the poverty threshold set by the National Insurance Institute of Israel stands at 9,230 NIS per month for a family of 5, the public, from all income levels, draws a much higher "poverty threshold" than that defined by the state: Those living in poverty indicated a threshold of 10,875 NIS on average; those not living in poverty indicated a threshold of 17,100 NIS on average.

1,024,000 + **1,412,000**
(35.4%) children (25.75%) adults

2,436,000
people live in poverty in Israel



**The poverty rate
among single mothers**

Children & Elderly

The main ingredient in the diets of **67.7%** of children receiving aid is bread and spread (27%) and/or carbohydrates (40.7%). This is an increase of 15.9% from last year (58.4%).

34.4% of children receiving aid skipped or reduced meals due to economic distress. This has also happened to 20.5% of the general population.

20% of children receiving aid go to school with no sandwich on a regular basis or often.

11.1% of children receiving aid dealt with a situation where they did not eat for a whole day, because their parents were unable to provide them with food. For 43.8% of them this is a regular situation, and for 96.4% this is a situation that recurs in many months of the year.

34.4%
of children receiving aid
skipped or reduced meals due to
economic distress

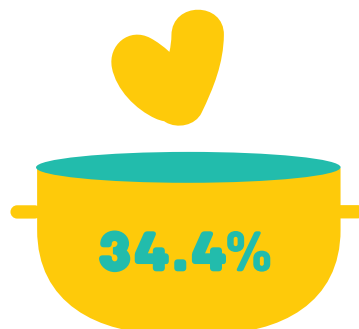
60.9% of aid recipients forwent purchasing medication for their children due to their economic hardships, a similar rate to last year (61.8%).

49.7% of the elderly receiving aid do not eat enough nutritiously balanced meals due to economic hardships.

41.1% of the elderly receiving aid reported that their pension does not enable them to live with dignity.

74% of the elderly receiving aid have felt lonely in the past year, often or from time to time.

58.3% of the elderly receiving aid cannot maintain proper health due to economic hardships.



Housing

10.6% of aid recipients have slept in the street, in an abandoned building or in a shelter at least once in the past year. This is an increase from last year (8.4%).

70.7% of aid recipients delayed necessary repairs on their places of residence due to economic hardships; Twice as many as in the general population (35.2%).

20.4% of aid recipients believe there is a high or very high probability that they will be forced to leave their homes due to inability to meet rent or mortgage payments. 19.9% believe that in such a situation, they would have no other choice but to live on the streets or in a shelter.

Education

76% of aid recipients do not have a high school diploma. Only 5.9% of them have a higher education degree, compared to 31% of the general population.

60.3% of aid recipients cannot afford private lessons and extracurricular activities for their children, a rate similar to last year (56.6%).

54.2% of aid recipients cannot afford to purchase school books and basic school supplies, an increase of 24.2% from last year (43.6%).

46% of aid recipients did not pursue higher education due to high tuition fees, 39.5% have not done so because they need to take care of their children.



54.2%

of aid recipients cannot afford to purchase school books and basic school supplies



84.5%

of aid recipients forwent dental care in the past year, compared to 36% of the general population

Health

71.9% of aid recipients had to forego purchasing medications due to economic hardships, compared to 22.1% of the general population.

84.5% of aid recipients went without dental care in the past year, compared to 36% of the general population.

55% of aid recipients suffer from a medical condition, compared to 45.4% of the general population. One fifth of aid recipients suffer from one or more of the following medical conditions: diabetes (20.6%), high cholesterol (20%), hypertension (19.5%) and over-weight (18.8%).

52.1% of aid recipients forwent mental health care in the past year due to economic hardships, similar to the rates from last year (53.4%).

62.3% of aid recipients have basic health insurance, and only one third of them (34.7%) have a supplementary health insurance, compared to 78.5% of the general population who have either a supplementary or a comprehensive health insurance.

Nutritional Security

73.9% of aid recipients report eating nutritiously unbalanced meals regularly or sometimes during the past year, compared to 20.4% of the general population.

56.8% of aid recipients turn to local food NGOs more than once a month. 12.1% turn to NGOs daily.

8% of aid recipients were forced to look for food in garbage cans and/or beg for money in order to buy food.

51.4% of aid recipients have experienced a lack of food often or sometimes during the past year, compared to only 6.8% of the general population.

56.5% of aid recipients report that food packages they receive enable them to allocate funds from their budget to purchase more food for their families. 42.6% report that it enables them to allocate funds from their budget for medications or medical treatments, and 53.7% allocate the funds for set expenses such as housing or paying off debts.

51.4%

of aid recipients have experienced a lack of food often or sometimes during the past year, compared to only 6.8% of the general population



Employment

63.3% of aid recipients are employed or are not of working age, however still live in poverty, an increase of 21.5% in comparison to last year (52.1%).

48.7% of aid recipients, who are not employed, do not work due to a medical condition.

31% of aid recipients who are employed report that it is likely or very likely that they will lose their current job. 49.7% fear they will not be able to find a new work place in that the case that they lose their current job.

67.2% of aid recipients who are employed do not receive full benefits from their employer.

74% of aid recipients receive supplemental income from the National Insurance Institute of Israel, compared to 27.5% of the general population.

54.5% of aid recipients reported that they do not receive full benefits from the National Insurance Institute of Israel. 65.4% of them said this situation is a result of complicated bureaucracy.

Cost of Living

50.6% of aid recipients define themselves as belonging to the middle class in recent years, before descending to poverty, an increase of 23.7% from last year (40.9%).

92.4% of aid recipients are not able to save money for their future, compared to just 41.2% of the general population.

65.7% of aid recipients are in debt, nearly twice the rate of the general population (35.1%).

39.2% of aid recipients are not content at all or are only slightly content with the service they receive from Social Services. Approximately 48% of aid recipients do not receive service (27.6%) or are not known to the Department of Social Services in their local government branches (20.3%).

13.3% of aid recipients have considered ending their lives or harming themselves due to their financial situation, a decrease of 26.1% from last year (18%).

**81.5%**

of the public believe one can become impoverished in less than a year as a result of losing a job, illness or a different crisis

Responsibility for Alleviating Poverty

The Israeli public has given the Prime Minister, the Minister of Finance and the Minister of Social Affairs and Social Services a **failing grade for their treatment of poverty**. Minister of Social Affairs and Social Services, Haim Katz, received a grade of 3.9, Minister of Finance, Moshe Kahlon, received a grade of 4.4, and Prime Minister, Benjamin Netanyahu received the lowest grade – 2.9.

74.8% of the public believes that this year the issues of poverty and social inequality are still the most pressing matters that need to be addressed by the government (first and second place). This is an increase of 18.2% compared to last year (63.3%).

78.4% of the public see the government as responsible for poverty reduction, but two thirds of the public (66.7%) believe that the treatment of the poverty problem is a low priority or not a priority at all.

78.6% of aid recipients are referred to NGOs by social workers in local authorities, but only 43.2% of NGOs are supported by local authorities.

81.5% of the public believe one can become impoverished in less than a year as a result of losing a job, illness or a different crisis. Approximately one quarter of the public (24.4%) estimate that it takes between two and five years to overcome poverty. Another quarter estimate that it is impossible to overcome poverty if government policy will stay as it is.

According to a study carried out by Latet, a family from the fifth income bracket might become impoverished within less than two and a half years if the main provider loses their job.

78.2% of NGO managers reported that compared to last year there was an increase of 18% on average in the demands of those who need food.

50% of donations to NGOs are from the general public, approximately one fifth of donations (18.5%) from the business sector, and 14.8% from local authorities, while government support is meagre, and stands at merely 2.9%.

Nutritional Insecurity



Nutritional Insecurity

Securing Nutritional Security for the Citizens of Israel

Nutritional insecurity is one of the most severe symptoms of poverty, caused by the lack of sufficient means to obtain regular and basic nutrition. Nutritional security is defined as the situation in which all humans at all times have physical and economic access to a sufficient amount of healthy and nutritious food, that is suited to their preferences and nutritional needs, and enables them to live an active and healthy life (UN Food and Agriculture Organization).

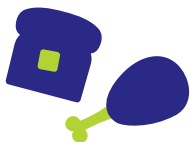
Since the expenses on food are deemed flexible, as opposed to vital and set expenses such as housing or taxes, families who live in poverty are forced to give up basic foods in order to pay for other necessary expenses. Nutritional insecurity impairs daily function, child development, and the families' ability to maintain a decent and dignified standard of living. The official data of the National Insurance Institute of Israel show a high correlation between poverty rates and nutritional insecurity rates. 532,000 families (18.8%) and 755,000 children (30.9%) are living in nutritional insecurity, out of which 243,000 families (8.6%) and 285,000 children (11.7%) are living in severe nutritional insecurity.

The monthly spending rate on food for aid-receiving families stands at 33% of their entire monthly spending. The monthly spending rate on food amounts to 1,846 NIS, and their entire monthly spending is 5,987 NIS.

According to data from the Central Bureau of Statistics, the monthly spending rate on food for a family from the lowest income bracket amounts to 2,137 NIS, which is 22% of their 9,690 NIS monthly expenses. A study conducted by Taub Center (2016) shows that the monthly cost of a healthy food basket is approximately 844 NIS for an adult and approximately 737 NIS for a child – meaning, 3,899 NIS for a family of five. In order to afford such a basket, the lowest income bracket would have to spend on it 44% of their income.

The minimal monthly expense needed in order to assure nutritional security for a family of five according to Latet's "Hunger Threshold", which is based on the Ministry of Health's recommendations, stands at 2,900 NIS.

The gap between the actual expenses on food and the need for it, is between 768 NIS and 1,054 NIS depending on monthly expenses on food – 1,846 NIS (Alternative Poverty Report) or 2,137 NIS (Central Bureau of Statistics).

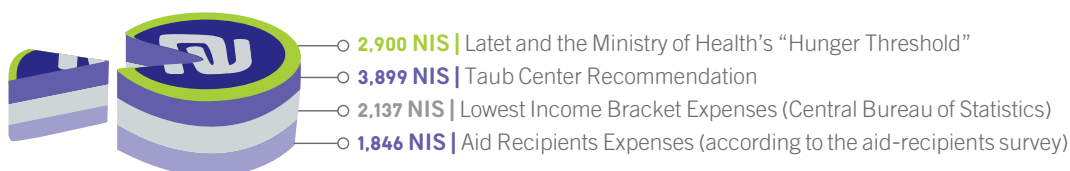


Over half (51.4%) of aid recipients have experienced a lack of food often or sometimes during the past year, compared to only 6.8% of the general population



73.9% of aid recipients report eating nutritiously unbalanced meals regularly or sometimes during the past year, compared to 20.4% of the general population

Food Expenses for a Family of Five



Nutritional Insecurity among aid recipients

Aid-recipients' monthly spending on food stands at 1,846 NIS on average, which is 33.2% of monthly expenses in these households that stand at 5,568 NIS, and 38.2% of their income.

Aid recipients experience an everyday reality of nutritional insecurity, and report a constant deficiency of vital foods necessary to lead a balanced and proper life.

Aid recipients fear not having enough money to purchase their next meal, and report an inability to put together balanced meals that include a variety of foods. A certain improvement is evident compared to last year, but their situation remains very severe compared to the general population.

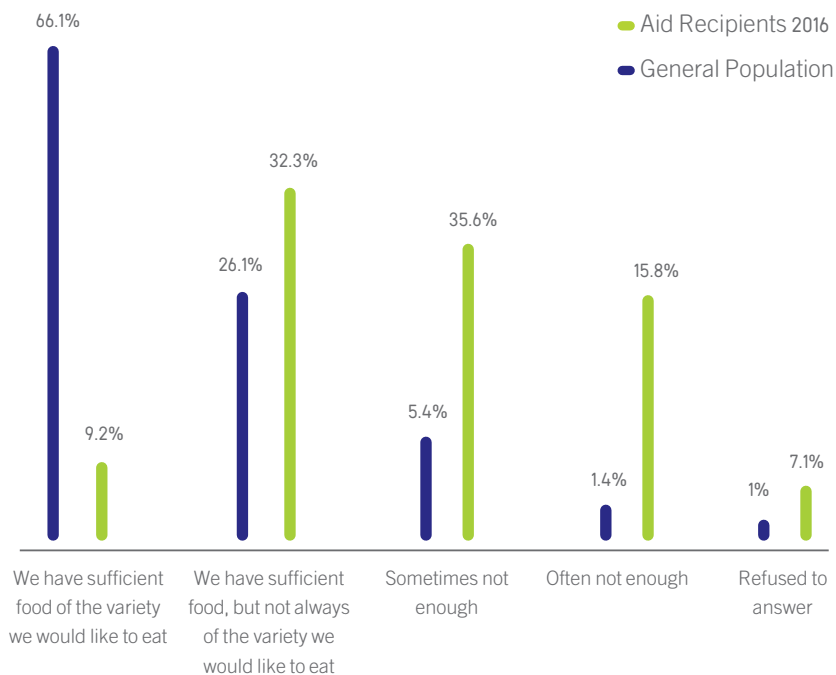
More than half (51.4%) of aid recipients have experienced a lack of food often or sometimes during the past year, compared to just 6.8% of the general population. Approximately 70% of aid recipients have feared regularly or sometimes that they will finish all of their food before they have money to buy more, which is

a decrease from last year (77%), but is almost four times higher than among the general population (18.3%). Approximately 70% of aid recipients reported that the food they bought was not sufficient and that they did not have money to buy more, compared to 16.6% of the general population. 73.9% of aid recipients did not have enough money to eat balanced meals regularly or sometimes during the past year, compared to 20.4% of the general population. Among aid recipients, an improvement is evident compared to last year (80.9%).

Besides a life fraught with distress, constant uncertainty, forgoing basic foods, and constant fears, aid recipients sometimes have to go through humiliating experiences in order to secure food for their children: 8% have reported looking in garbage cans and/or begging in order to buy food during the past year. This is an improvement compared to last year (12%). 15.7% report having to eat while grocery shopping without paying for the items.

Which sentence best describes the food consumed in your house in the past year?

(Source: Aid recipients survey and the Multidimensional Poverty Index)



We feared (I feared) eating all of the food before having money to buy more

(Source: Aid recipients survey and the Multidimensional Poverty Index)

	Aid Recipients 2016	Aid Recipients 2015	General Population
Mostly True	18.8%	24.6%	2.7%
Sometimes True	50.7%	52.4%	16.6%
Not True	17.6%	14.4%	78.3%
Refused to Answer	12.9%	8.6%	2.4%

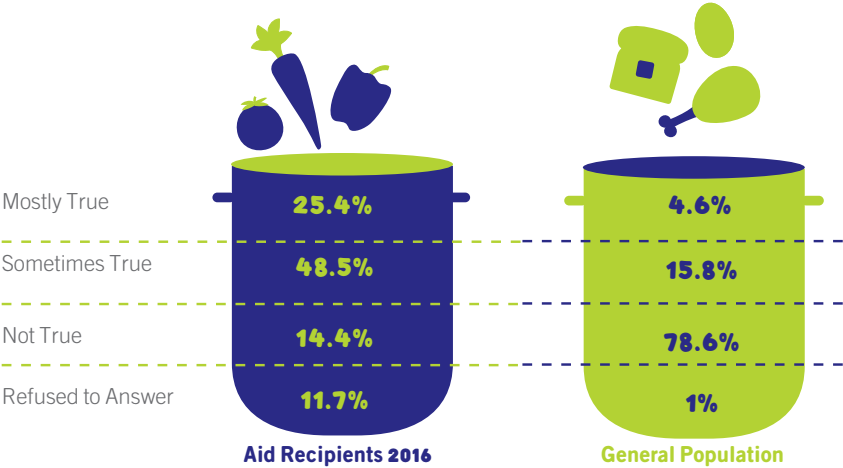
The food we bought was not enough, and we did not have money to buy more

(Source: Aid recipients survey and the Multidimensional Poverty Index)

	Aid Recipients 2016	General Population
Mostly True	20.4%	2.9%
Sometimes True	50.2%	13.7%
Not True	16.6%	82.4%
Refused to Answer	12.8%	1%

We did not have enough money to eat balanced meals

(Source: Aid recipients survey and the Multidimensional Poverty Index)



In the past 12 months, have you searched for food in garbage cans and/or have you begged for money in order to buy food and/or have you eaten leftovers that were thrown away?

(Source: Aid recipients survey)

	Aid Recipients 2016	Aid Recipients 2015
Yes	8%	12%
No	92%	88%

Have you ever had to eat while grocery shopping without paying for what you ate (pastries, snacks, dried fruit, pickled vegetables, etc.) due to economic hardship?

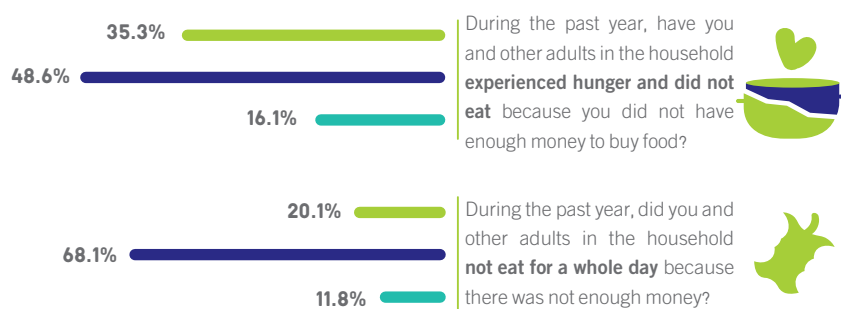
(Source: Aid recipients survey)

Aid Recipients	
Yes	15.7%
No	84.3%

83% of aid recipients have experienced a lack of food or of balanced meals during the past year, out of which 35.3% have experienced hunger during the past year. Approximately a fifth (20.1%) of them did not eat for a whole day due to lack of food, and among 40% of them, this happened every month of the year.

- Yes
- No
- Refused to Answer

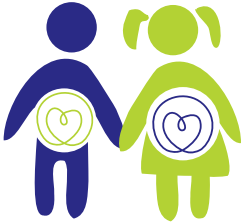
(Source: Aid recipients survey)



How often in the past year did you or other adults in the household not eat for a whole day because there was not enough money for food?

(Source: Aid recipients survey)

Aid Recipients	
Almost Every Month	39.7%
Some Months We Did and Some Months We Did Not	51.6%
Only One or Two Months of the Year	6.2%
Refused to Answer	2.5%



One third (34.4%) of children receiving aid skipped or reduced meals due to economic distress

Children Suffering from Nutritional Insecurity

Children suffer the most from economic hardships and its direct consequences on nutritional security, which is vital for proper physical development, among them is its influence on children's mental and social state. Every third child in Israel suffers from nutritional insecurity (National Insurance Institute of Israel, 2014, in reference to 2012).

Approximately one third (34.4%) of children receiving aid had to skip or reduce meals due to economic distress. This is an improvement compared to last year (39%), but the reality is still grim and difficult. This has also happened to 20.5% of the general population. 19.1% of children receiving aid have experienced hunger and did not eat because their parents did not have enough money to buy food. This is an improvement compared to last year (27.2%). 11.1% of children receiving aid dealt with a situation where they did not eat for a whole day, because there was not enough money for food. For 43.8% of them this is a regular situation, and for 96.3% this is a situation that recurs in many months of the year.

One fifth of children receiving aid go to school without a sandwich on a regular basis or often. The main ingredient in the diets of 67.7% of children receiving aid is bread and spread (27%) and/or carbohydrates (40.7%). This is an increase in carbohydrate consumption compared to last year (58.4%), which indicates an unbalanced diet that does not include many vital nutritional ingredients such as: vegetables and dairy products, the consumption of which has decreased compared to last year.

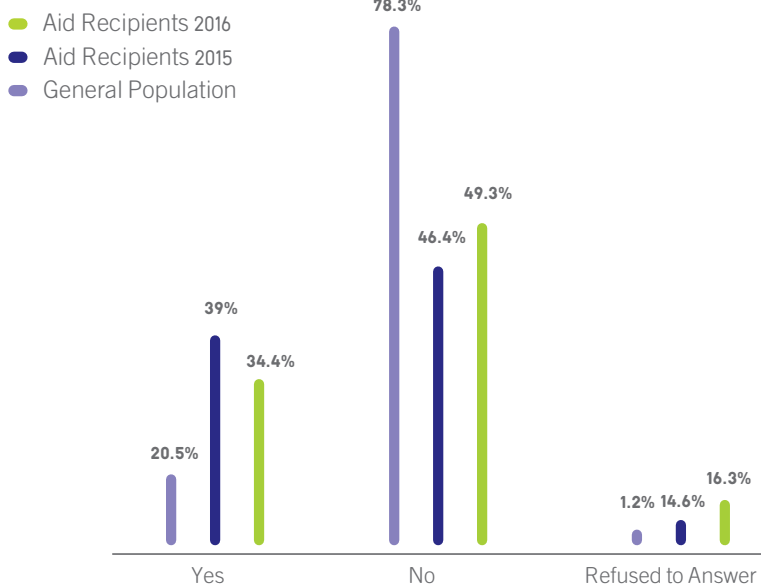
Respectively, aid recipients report that due to economic hardship, they cannot afford to purchase many of the food products that their children ask for, among them are: basic products vital for proper child development, and candy and snacks which are part of a regular childhood and of the social environment: 58.3% of children receiving aid asked for meat proteins (meat/chicken/fish), 50% asked for dairy desserts, and 55% asked for snacks and candy.

11.1% of children receiving aid dealt with a situation where they did not eat for a whole day because their parents were unable to provide them with food. For 43.8% of them this is a regular situation



In the past year, have the children in your household had reduced or skipped meals due to a lack of money?

(Source: Aid recipients survey and the Multidimensional Poverty Index)



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

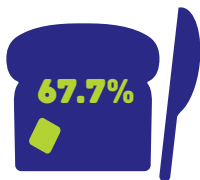
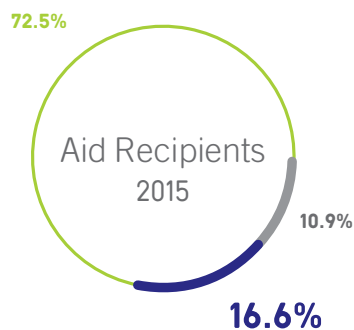
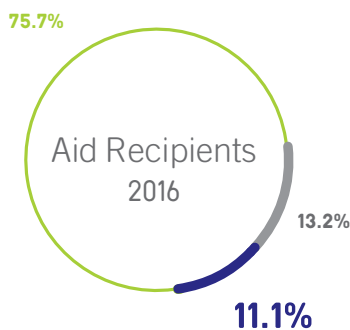
(Source: Aid recipients survey)

	Aid Recipients 2016	Aid Recipients 2015
Yes	19.1%	27.2%
No	63.5%	60.4%
Refused to Answer	17.4%	12.4%

During the past year, did the children in your household not eat for a whole day because there was not enough money for food?

(Source: Aid recipients survey)

- Yes
- No
- Refused to Answer



The main ingredient in the diets of 67.7% of children receiving aid is bread and spread (27%) and/or carbohydrates (40.7%). This is an increase of 15.9% from last year (58.4%).

How often did your child not eat for a whole day during the past year?

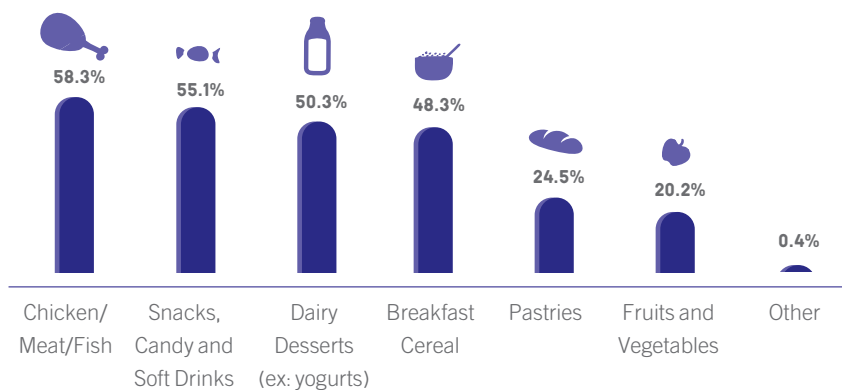
(Source: Aid recipients survey)

	Aid Recipients 2016	Aid Recipients 2015
Almost Every Month	43.8%	63%
Some Months They Did and Some Months They Did Not	52.5%	21.7%
Only One or Two Months of the Year	3.7%	15.3%

Which food products that you cannot afford do your children ask you to buy for them?

(Source: Aid recipients survey)

The total is higher than 100%, since it was possible to give more than one answer.



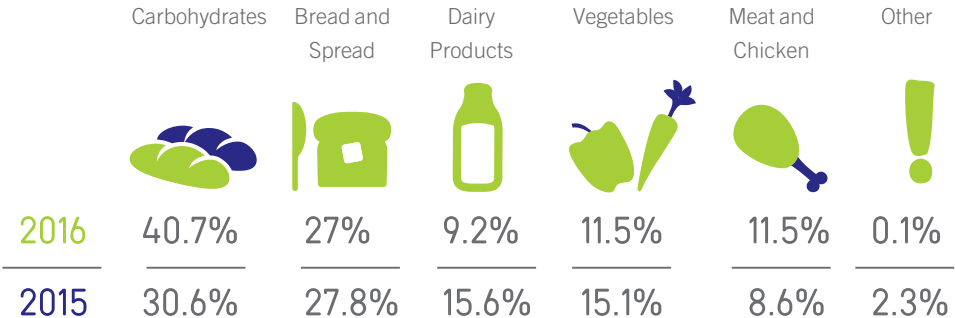
In the past 12 months, have your children gone to school without a sandwich or other food for the day?

(Source: Aid recipients survey)



What is the main ingredient in your children's diet throughout the week?

(Source: Aid recipients survey)



53.7% of aid recipients are able to re-allocate funds from their budget to set expenses such as housing or paying off debts



Receiving Aid from NGOs

56.8% of aid recipients turn to food NGOs more than once a month. 12.1% turn to NGOs daily.

27.3% of children receiving aid are not aware that their family is aided by an NGO.

Food packages that aid recipients receive from NGOs help them in other ways besides nutritional security: 42.6% of aid recipients report that food packages enable them to allocate funds from their budget for medications or medical treatments, and for 53.7% the food packages enable allocation of funds from their budget for set expenses such as housing or paying off debts. The food packages enable families to allocate funds for other vital needs, helping to reduce the depth of poverty. On the one hand, the families were not supposed to reduce their monthly expenses and should have used the full value of the aid that they receive from NGOs in order to improve the state of their nutritional insecurity. On the other hand, the habit and the necessity to live in a constant

state of nutritional insecurity, and other vital and acute needs, such as paying rent, the electricity bill, taxes, or for medication, force the families to use up the funds, which become available due to the food received, in order to deal with basic needs and other set expenses.

71.6% of aid recipients report that the food product they miss most in the food package is meat protein (meat/chicken/fish). Meat is perceived as a basic and vital product, which, due to its relatively high cost, most recipients cannot purchase on a regular basis, and most NGOs cannot distribute as much and as often as needed. It should be noted that the food package that is regularly distributed by Latet contains many ingredients that enable consumption of sufficient protein, such as tuna and legumes combined with various cereals, but these are not perceived, subjectively and culturally, as satisfactory substitutes for meat.

During the past year, on average, how often did you turn to a local food NGO in order to obtain food?

(Source: Aid recipients survey)

Aid Recipients	
Almost Every Day	12.1%
A Few Times a Month	44.7%
Approximately Once Every Month or Two	31.6%
A Few Times	11.6%

Do your children know that your family receives food packages?

(Source: Aid recipients survey)

Aid Recipients	
Yes	72.7%
No	27.3%

Do the food packages that you receive from the NGO help you in any other way?

(Source: Aid recipients survey)

The total is higher than 100%, since it was possible to give more than one answer.



The food packages allow me to buy **more food** for my family.



The food packages allow me to allocate funds from my budget in order to pay for **medication and medical treatments**.



The food packages allow me to allocate funds from my budget in order to pay **rent and bills**.



The food packages allow me to allocate funds from my budget in order to **pay off debt**.



The food packages do not help me in **other ways**.

The Struggle for Nutritional Security in Israel

Latet's activities during the last decade in order to establish a national plan for nutritional security

2007

Latet files a petition with Israel's supreme Court in order to force the country to take responsibility for the nutritional security of its citizens.

2008

Publication of the conclusions of the Itzkowitz committee, which for the first time recognized the problem and the government's responsibility to take care of it.

2009

The Minister of Social Affairs and Social Services Herzog signs an agreement with the Ministry of Finance and announces the establishment of a national plan for nutritional security.

2011

A tender for the establishment of a national plan for nutritional security is published but Minister of Social Affairs and Social Services Kahlon causes its cancellation.

2012

Publication of the first report by the National Insurance Institute of Israel that deals with nutritional insecurity in Israel. Minister of Social Affairs and Social Services Kahlon and Prime Minister Benjamin Netanyahu promise to allocate 100 million NIS for this purpose.

2013

Minister of Finance Lapid and Minister of Social Affairs and Social Services Cohen promise to allocate 230 million NIS to deal with nutritional insecurity, out of which 60 million NIS will go to the national plan.

2014

The State Comptroller of Israel's report on the issue of food loss, and a report on government activities to improve nutritional security are published. The government decides to allocate 60 million NIS for this purpose, while in practice only 2 million NIS are allocated.

2015

Nutritional insecurity is left out of the government budget. Towards the end of the year, 20 million NIS were allocated and distributed in order to support NGOs.

2016

The Ministry of Social Affairs and Social Services allocates 8 million NIS to support NGOs and 17 million NIS for a plan to distribute food cards, which will begin only during 2017, in stark contrast to recommendations from professional bodies led by the National Council for Nutritional Security. The Minister of Social Affairs and Social Services' promise to allocate 100 million NIS for this purpose is not fulfilled in the government budget for 2017-2018.

The Multidimensional Poverty Index



The Multidimensional Poverty Index – 2016

The Multidimensional Poverty Index was developed for Latet by the ERI Institute, and is published now for the third year in a row. As opposed to the official poverty threshold defined solely based on the household's income, this new index relies on a different approach to the meaning of poverty, and provides a complete and thorough look at the problem.

The guiding principle is that in order to assess whether one is impoverished, three questions must be answered:

1. What are the vital necessities needed in order to live with dignity in Israel?
2. How should the rate of one's deficiency be measured in comparison to these necessities?
3. At what rate of deficiency should one be considered impoverished?

In other words, the Multidimensional Poverty Index defines poverty as a state of extreme deficiency in comparison to necessities and conditions that are vital for a dignified life.

Specifically, the Index evaluates individual's deficiency in relation to 5 components, which make up, as we see it, one's welfare: housing, education, health, nutritional security and the ability to handle the cost of living.

In earlier years, we measured the general poverty rate based on a representative sample of Israeli society. This year, for the first time, in addition to measuring the rate of multidimensional poverty among Israeli society, we also sampled single-parent families, in order to draw a focused, rich and detailed picture of the meaning of poverty for this group.

How to Read the Index

The Multidimensional Poverty Index presents two kinds of data:

1. Data regarding deficiency rates in all five components:

- The Index gives each person surveyed a score that represents their deficiency rate with regard to a specific component. The scores given are between 1 and 5, according to the following classification:

1 = A very severe deficiency

2 = A severe deficiency

3 = Deficiency

4 = Slight deficiency

5 = Absence of deficiency

- In the findings, which will be presented hereafter, we will present the percentages of those surveyed which belong to each level of deficiency in each of the five components – which is an assessment of the real poverty rate in Israeli society.

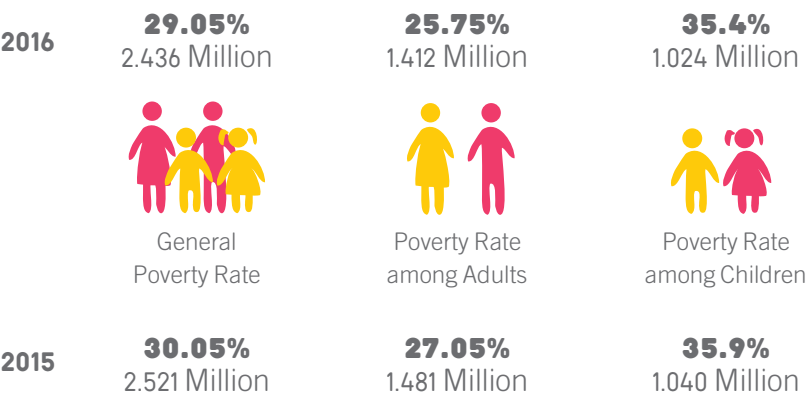
2. Data regarding the percentages and numbers of surveyed people who are impoverished:

- The Index gives each of the surveyed a combined score which determines whether they are in **severe poverty, poverty, or the absence of poverty**, based on the rate of deficiency they experience in each of the five components.
- In the findings, we will present the percentage of the surveyed who are impoverished, while dividing them into adults and children – which is an assessment of the real poverty rate in Israeli society.



Comparison of
Poverty Rates:
2015¹-2016

In order to compare data from 2016 to the data from the previous year, we have implemented the methodological changes of 2016 on the 2015 sample, and updated the calculations according to more recent data regarding the median income and demography in Israel.²

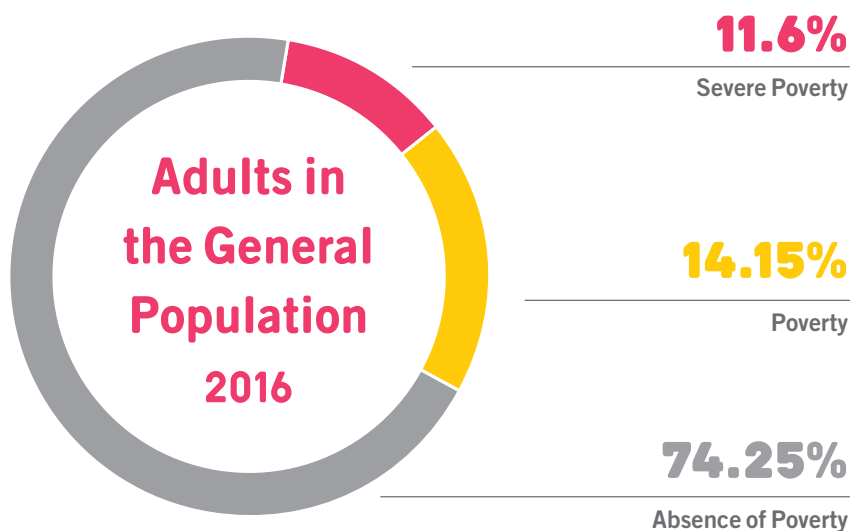


(According to the updated methodology of 2016)

1. In the Index presented here only people above the age of 18 were sampled, so the above data refer to poverty incidence among adults. In order to calculate the general poverty incidence, one would have to add poverty rates among children to these data. In order to perform this calculation, we chose the following method: a surveyed person's household will be defined as "impoverished", making the children living there poor, if the surveyed person is defined as poor, and if their poverty stems from a deficiency in the aspects that influence the household as a whole (cost of living, nutritional security and housing).

2. Based on the most recent data from the Central Bureau of Statistics (board 2.3, 2015 average), in which there is an age division (children 0-18, adults 19-95+).

Poverty Rate among Adults: The Depth of Poverty



25.75% live in poverty

There were no statistically distinct differences between the poverty rates of 2015 and those of 2016, consistent with the findings from the previous years.

In other words: The trend that can be detected from the analysis of the Multidimensional Poverty Index for three years is stability. The poverty problem, when measured

in a multi-dimensional method, is more widespread, more severe, and deeper compared to measurements that rely solely on income. This trend remained steady over the past three years.

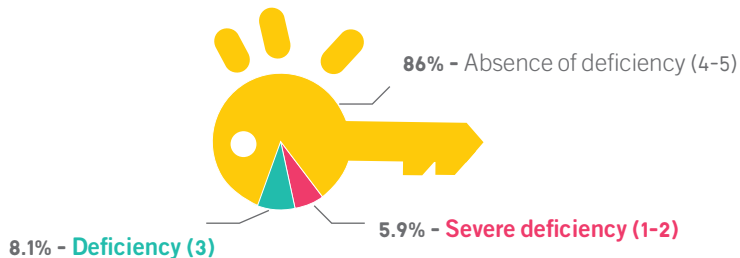
Deficiency Rates in all Five Components

Housing

The score for housing takes into account four main indicators:

1. Basic situation: does the person have a permanent residence?
2. Crowdedness: average number of people per room in the house.
3. Quality: severe state of disrepair in the house, which is not being fixed for financial reasons.
4. Vulnerability: the rate of risk of losing one's home for financial reasons.

The percentage of adults in each level of deficiency in the housing index



**14% experience a deficiency
in the housing component**

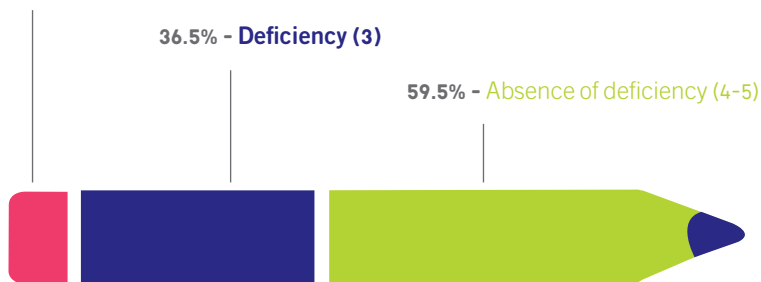
Education

The education component relies on two indicators:

1. Formal education
2. The ability to obtain a higher education

The percentage of adults in each level of deficiency in the education index

4% - Severe deficiency (1-2)



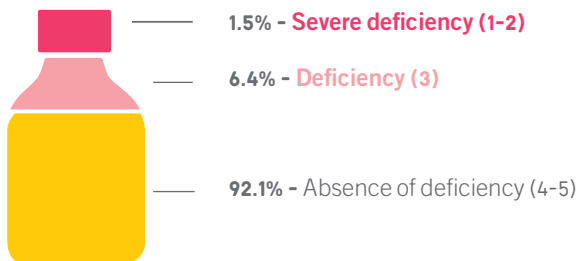
40.5% experience deficiency in the education component

Health

The health component relies on two main indicators:

1. The type of health insurance one can afford.
2. The financial ability to pay for all medical treatments and services one needs.

The percentage of adults in each level of deficiency in the health index



**7.9% experience deficiency
in the health component**

Nutritional Security

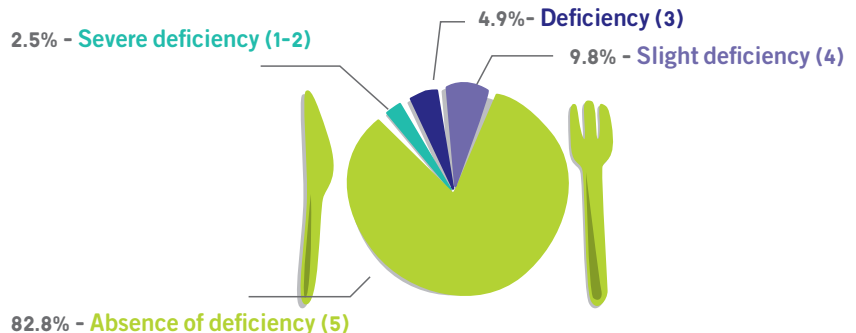
Nutritional security rates in this index have been set according to a well-validated questionnaire which was developed by the United States Department of Agriculture, and adopted by the National Insurance Institute of Israel. The questionnaire checks the rate of nutritional security of the interviewees using ten questions that assess access to sufficient quality and quantity of food.

The questionnaire gives each interviewee a score between 0 (full nutritional security) and 10 (most severe nutritional insecurity). This score is divided into four ranges that represent four categories of

nutritional security: nutritional security (0-2), nutritional insecurity without hunger (3-5), nutritional insecurity with moderate hunger (6-8), and nutritional insecurity with hunger (9-10).

We translated the questionnaire's categories into the multidimensional index's terms in the following way: nutritional security=absence of deficiency, nutritional insecurity without hunger=slight deficiency, nutritional insecurity with moderate hunger=deficiency, nutritional insecurity with hunger=severe deficiency.

The percentage of adults in each level of nutritional security deficiency



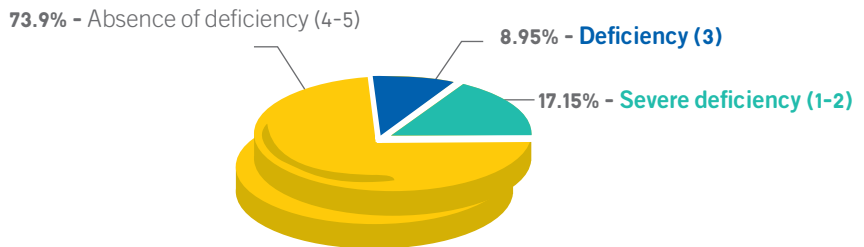
17.2% experience deficiency in the nutritional security component (including slight deficiency)

Cost of Living

In order to evaluate deficiency in this component, we referred to six indicators:

1. Available income per household.
2. Financial ability to use the heating and cooling systems.
3. Delays in bill payments.
4. Delays in debt payments.
5. Power/water shut-offs due to inability to pay bills.
6. Foreclosures and legal actions due to debt.

The percentage of adults in each level of deficiency in the cost of living index



**26.1% experience deficiency
in the component of cost of living**

A Closer Look: Poverty Among Single-Parent Families

In previous publications of the Index, we presented findings regarding the general population. This year, for the first time, we are adding to the Multidimensional Poverty Index a spotlight on one specific group – Jewish single-parent families.

Approximately 140,000 single-parent families live in Israel today (comprising 12% of all families with children). The vast majority of them (97%) are families headed by women, 92% of which are Jewish. Between 1995 and 2013, the number of single-parent families in Israel has doubled, following a rise in divorce rates and changes in social norms.³

The poverty rate among single-parent families is much higher, compared to the general population (25.1% compared to 18.8%),⁴ despite employment rates in this group being very high compared to co-parent mothers (80% compared to 61%, as of 2011).⁵ Apparently, there are a number of reasons for this: First, in single-parent families there is only one provider. Second, since in most single-parent families, the parent is a woman, and women earn less than men, their income is lower than average.⁶ Third, single mothers are often found in poverty

traps, which prevent them from improving their financial situation – for example: a fairly limited ability to enlarge their income by working due to the children's demands on their time.

While poverty rates have gone up in the last year, between 2012 and 2015, poverty incidence among single-parent families has decreased from 29% to 25.1%. This decrease is due, presumably, mostly to the improvement of work allowances from the government in these years, and not to an increase in income.⁷

If so, Jewish single-parent families form a large group, which suffers from high poverty rates, and from unique characteristics and barriers which form and preserve its poverty. The goal of this chapter is to turn the spotlight to the meaning of poverty for Jewish single-parent families in Israel by analyzing their levels of deficiency in the different components that form the Multidimensional Poverty Index.

3. Toledano and Wasserstein, *Single-Parent Families in Israel 1993-2013*, National Insurance Institute of Israel, 2014.

4. *Poverty Rates and Social Gaps*, National Insurance Institute of Israel, 2015.

5. Toledano and Wasserstein, *Single-Parent Families in Israel 1993-2013*, National Insurance Institute of Israel, 2014.

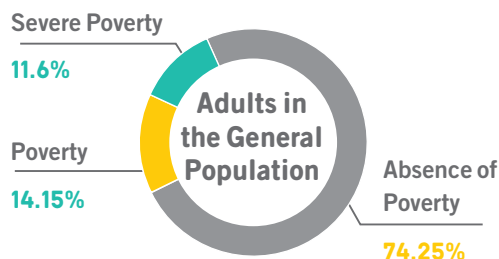
6. *Ibid.*

7. *Poverty Rates and Social Gaps*, National Insurance Institute of Israel, 2015.

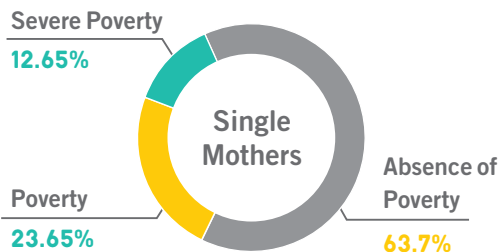
Single Mothers Compared to the General Population

Poverty Rates

First, the big picture: Are single mothers more impoverished when compared to the general population according to the Multidimensional Index as well?



25.75% of adults in the general population live in poverty



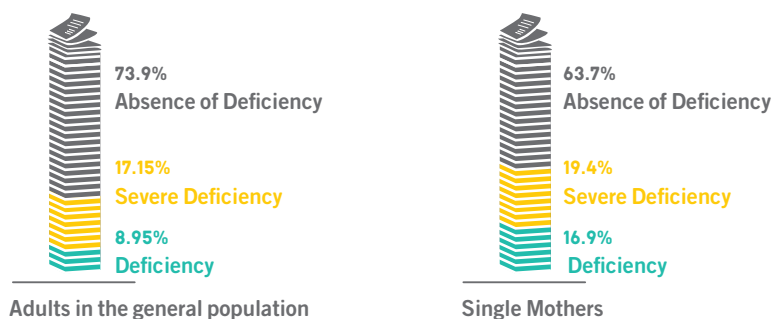
36.25% of single mothers live in poverty

**The answer is unequivocal:
Yes, poverty rates among single mothers stand at 36.25%,
compared to 25.75% among the general population.**

Deficiency Rates in the Cost of Living of Single Mothers compared to the General Population

Deficiency rates among single mothers resemble those among the general population in all components but one: cost of living.

In this component, we found the following differences:



The rates of deficiency in the aspect of cost of living among single mothers stand at 36.3%, compared to 26.1% among the general population.

One way of analyzing this data is that the relatively low income explains the high multidimensional poverty rates among single mothers. Meaning, despite improvements in the government work

grants and other entitlements, the low income in households in which a woman is the sole provider results in very high poverty rates compared to the general population.

Impoverished Single Mothers compared to the General Impoverished Population: Is the Meaning of Poverty Different for Single Mothers?

We will try to answer this question by looking at the five components that form the Index, and referring to the deficiency rates among the general impoverished population compared to the deficiency rates among impoverished single mothers:

Housing

	Severe Deficiency (Score: 1+2)	Deficiency (Score: 3)	Slight Deficiency (Score: 4)	Absence of Deficiency (Score:5)
Impoverished Adults 2016	22.5%	23.4%	29.7%	24.4%
Impoverished Single Mothers 2016	6.5%	24.2%	56.5%	12.8%

Single mothers living in poverty suffer significantly less from severe deficiency in the housing component, compared to impoverished adults in general.

They suffer from deficiency in a rate resembling that of impoverished adults, and from a slight deficiency in a rate significantly higher than that of impoverished adults.

If so, the differences are at the ends: much less severe deficiency, much more slight deficiency.

The low rate of single mothers suffering from severe housing deficiency can be explained by housing benefits to which they are entitled. If they exhaust their earning capacities and meet other requirements, they are entitled to public housing, to government aid to pay rent, and aid from the country in order to buy an apartment.

Single mothers in need are also entitled to a property tax discount in some cities, and to a discount on electricity.

Education

	Severe Deficiency (Score: 1+2)	Deficiency (Score: 3)	Slight Deficiency (Score: 4)	Absence of Deficiency (Score:5)
Impoverished Adults 2016	14.3%	58.9%	5.4%	21.4%
Impoverished Single Mothers 2016	1.6%	61.3%	12.9%	24.2%

Similar to the housing component, single mothers suffer from deficiency in education in rates that resemble those of impoverished adults in general.

Again, the differences are at the ends: much less severe deficiency, much more slight deficiency.

Single mothers are entitled to some unique benefits that make receiving a formal education easier. They are entitled to subsidization for daycare for children up to the age of 4, to priority in WIZO and NA'AMAT daycares, to funding for after school programs and camps for children. In addition, single mothers are entitled to participate in a

program for completing their education for those who have not completed their elementary or high school studies, and to professional training courses.

Despite that, a significant barrier stands before single mothers who decide to pursue a higher education. During their studies, almost all benefits shrink and the requirements for receiving them become much stricter. For example, they will be entitled to income support only if they had received such support for 16 out of the last 20 months prior to their studies. Meaning, if they were working full-time jobs before their studies began, they will not be entitled to this support.

Health

	Severe Deficiency (Score: 1+2)	Deficiency (Score: 3)	Slight Deficiency (Score: 4)	Absence of Deficiency (Score:5)
Impoverished Adults 2016	4.5%	17.1%	47.7%	30.7%
Impoverished Single Mothers 2016	1.6%	22.6%	37.1%	38.7%

In the health category, it seems that the single mothers' situation is better than that of impoverished adults. This is not surprising considering that women, in general, are healthier than men.



Nutritional Security

	Severe Deficiency (Score: 1+2)	Deficiency (Score: 3)	Slight Deficiency (Score: 4)	Absence of Deficiency (Score:5)
Impoverished Adults 2016	8.9%	18.8%	20.5%	51.8%
Impoverished Single Mothers 2016	3.2%	35.5%	22.6%	38.7%

In the nutritional security category we can see significant differences between impoverished single mothers and impoverished adults in general.

Single mothers suffer from significantly higher nutritional security deficiency (nutritional insecurity with moderate hunger, according to the National Insurance Institute of Israel's index) compared with impoverished adults in general (about twice as high).

This data can be explained by high deficiency rates in the financial and cost of living components. The relatively low income among single mothers can explain the lack of financial resources needed in order to purchase a sufficient amount of food for the household. Food expenses are considered flexible, as opposed to other set vital expenses such as housing, so families in need have to forgo, in general and for the sake of the children, quality and quantity of food, in order to afford other vital expenses.

Cost of Living

	Severe Deficiency (Score: 1+2)	Deficiency (Score: 3)	Slight Deficiency (Score: 4)	Absence of Deficiency (Score:5)
Impoverished Adults 2016	58.6%	27.9%	3.6%	9.9%
Impoverished Single Mothers 2016	45.2%	38.7%	6.5%	9.6%

In the cost of living category – the financial aspect of the index – the characteristics of deficiency among single mothers is different than that of the impoverished population in general.

Single mothers suffer less of severe deficiency but more of overall deficiency in comparison to impoverished adults in general.

Employment rates among single mothers are much higher compared to co-parenting mothers (80% and 61% respectively). Despite that, we can see substantial gaps in the cost of living component between single mothers who live in poverty and impoverished adults in general.

Despite high employment rates among single mothers, women's income is generally much lower than men's in Israel. According to the Central Bureau of Statistics (2016), the monthly pay gap

between the sexes in 2014 stood at 33.1%, with the average pay for a woman being 6,439 NIS per month compared to 11,114 NIS for a man.

In addition, once a single mother's pay surpasses the minimum wage by a thousand NIS, she loses her entitlement for alimony from the National Insurance Institute along with benefits and discounts which can be worth up to 5,000 NIS per month. This low reset point creates a negative incentive for women to exhaust their full earning potential.

At the same time, one can see that single mothers who live in poverty experience less of a severe deficiency compared to impoverished adults in general. This can be explained by benefits, negative income tax and tax breaks given to this group. These moderate the depth of financial deficiency, but do not release single mothers from a deficiency in this aspect.

Bottom Line: Profile of an Impoverished Single Mother compared to a Profile of Impoverished Adults in General

- Generally, the deficiency that forms the poverty of single mothers tends to be less severe than that which forms poverty in the general population. They tend to suffer less from severe deficiencies and more from deficiencies and slight deficiencies.
- The poverty rates among single mothers stand at 36.25%, compared to 25.75% of the general population.
- The components of health, nutritional security and cost of living are the exceptions.
 - In health, the single mothers' condition is better compared to impoverished adults in general.
 - In nutritional security and cost of living, their condition is substantially worse.
- The data indicate that the explanation for high multidimensional poverty rates among single mothers can be found in the cost of living and low income, which is not supplemented sufficiently by government benefits, and not in deficiencies in other components, such as: education, housing or health. Moreover, in components which are not directly related to monthly income, single mothers' condition is better than that of impoverished adults in general: since employment rates among single mothers are high, one can assess that the income problem has to do with the salary level and working hours.
- If so, one can assume that if single mothers are found in a poverty trap that makes release from poverty difficult, this trap is mostly based on income. Therefore, the solution would be to increase benefits, to change the benefits policy in a manner that will resolve the disincentive, to raise income from employment, to acquire higher education, or to allow for interventions that will enable higher income from employment.

The Financial Poverty Threshold: Public Opinion

.....

The official poverty threshold in Israel is set according to half of the median disposable income per standard person, and stands today at 2,461 NIS per standard person (the poverty threshold for a single person, which constitutes 1.25 standard persons, is 3,077 NIS). But why should this number, half of the median, be the correct financial poverty threshold? That it would be the amount needed for a dignified life? That it would be the amount needed for a minimal proper life? Since the definition of “half of the median” is arbitrary by essence, it is very difficult to give an intelligent answer to this question.

Therefore, in this year's questionnaire, we turned to the public in order to find out what they think is the minimal amount of money needed for a dignified life.

“What is the minimal income needed for a family the size of yours, in order to live in conditions that supply, at least, the most basic needs (such as: food, clothing, shelter, and health)?”

Since each interviewee has a different number of persons in their household, their answers were converted to data that represent “net income per standard person”, in a manner similar to the way the National Insurance Institute calculates the poverty threshold for persons, and respectively for households.

Those who were found to be impoverished (severe poverty + poverty) estimated on average that the minimal income needed for a standard person is 2,900 NIS, compared to the official number which is 2,461 NIS. Those who are not impoverished estimated on average that the needed monthly income is approximately 4,460 NIS (per standard person).

Significant differences could be seen in the answers given by those who are defined as impoverished (severe poverty + poverty) compared to those not found to be impoverished (the difference was approximately 1,660 NIS per standard person).

For example, those who were defined as impoverished believe that a family of five (which includes 3.75 standard persons) needs a minimum monthly income of 10,875 NIS. A difference of 1,645 NIS in a family income compared to the poverty threshold defined by the National Insurance Institute in 2014 for a family of the same size (9,230 NIS). Those defined as not impoverished estimated that a similar family needs a minimum income of 17,100 NIS – a difference of 7,870 NIS compared to the official threshold.

If we compare the actual average income of a family of five among interviewees defined as being in severe poverty, poverty and absence of poverty, to the minimal income these interviewees believed were required for basic living, we will find the following:

Deficiency Rate of the Interviewees	Minimal Income Needed for a Living According to Answers	Actual Average Income for a Family of Five (According to the Multidimensional Poverty Report)
Severe Poverty	10,794 NIS	9,150 NIS
Poverty	11,895 NIS	9,612 NIS
Absence of Poverty	17,100 NIS	23,890 NIS

The extent of poverty directly influences one's perception of the minimum financial income needed in order to lead a dignified life. As one is more impoverished, so it is more likely that one will think that a lower amount of money is needed in order to survive. **The entire public, of all income levels, draws a much higher poverty threshold than that defined by the state.**



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 2016 Alternative Poverty Report.

We would like to thank **MAZON:** a Jewish response to hunger, for supporting our advocacy efforts and the publication of the Alternative Poverty Report.

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Thank you to the **directors of NGOs throughout the country**, for the work and support in preparing the report, and for the partnership in the fight against poverty, and for giving aid to people in need with endless devotion.

And above all, thank you to **the people and to the brave families** who, despite the difficulty, agreed to expose their complex conditions and ways of life, in order to testify about the face of poverty in Israel 2016, and by doing so, became partners in the civil effort to make a difference, and change the social reality in Israel.

“‘Poverty traps’ are created, perhaps primarily, as a result of the combined activity of many different factors:

‘Poverty traps’ are created in places where people do not have equal access to education and higher education;

‘Poverty traps’ are created in places where people do not have equal access to basic infrastructures;

‘Poverty traps’ are created in places where labour laws are not enforced, where workers’ rights to form unions are not held, and where wrong and illegal norms of employment become accepted and widespread;

‘Poverty traps’ are created in places where discrimination between human beings based on pointless matters is used, and it kindles feelings of estrangement and deprivation”.

(Justice Edmond Levy, High Court ruling regarding living in dignity)