



## MJB Data Snapshot: Poverty in Israel (December 2015)

Source: All information in this document comes from the 2014 Annual Report on Poverty and Social Gaps, of the National Insurance Institute of Israel (Social Security Administration), Research and Planning Administration.

### Rates of Poverty

In 2014, 1.7 million people, or 22% of all people living in Israel, were poor. Of these, more than 780,000 were children living in poverty, or 31% of all children.

In terms of families, 444,900 families, or 19% of all families in Israel, lived in poverty in 2014, the same as in 2013. 56% of the poor families are working poor, a slight increase from 2013.

The depth of poverty grew by 6%, meaning that poor families are now poorer than they were in 2013.

**Table 1: Trends in Poverty by Disposable Income among Families, People, and Children, Absolute Numbers and Percentages**

	2004	2013	2014
<b>Numbers below the poverty line</b>			
All people	1,534,000	1,658,200	1,709,300
Children	714,000	756,900	776,500
Families	394,000	432,600	444,900
<b>Percentage below the poverty line</b>			
All people	20%	22%	22%
Children	33%	31%	31%
Families	20%	19%	19%

The government budget for 2016 includes an expansion in child allowances for families with children and in income support for the elderly, with the goal of reducing poverty among these two groups.

### International Perspective

From an international perspective, the poverty rate among families in Israel is the highest among developed countries.

## The Poverty Line

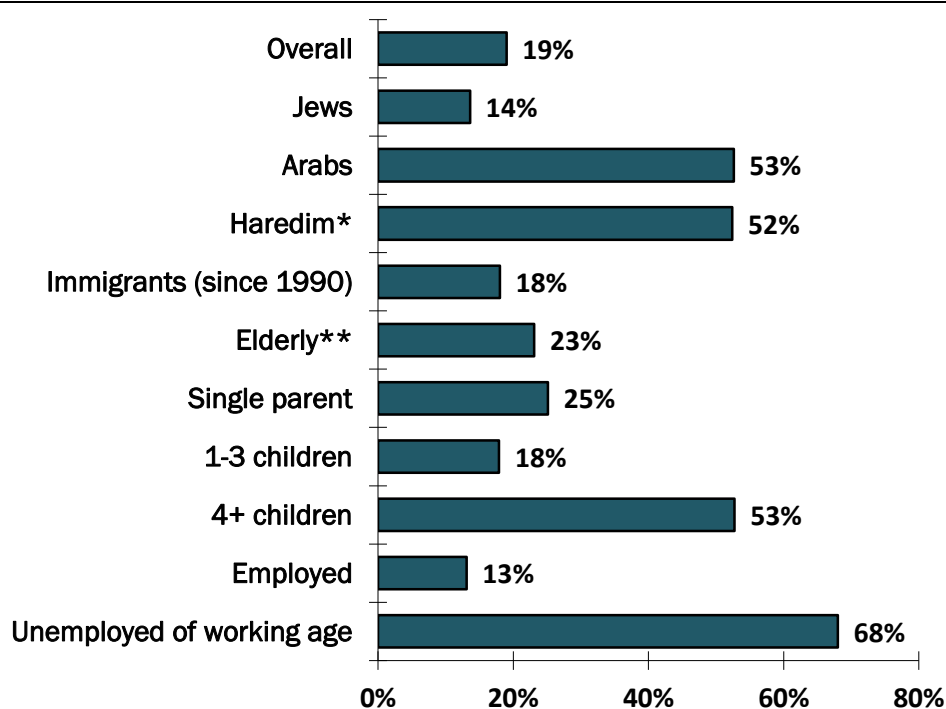
In Israel, the poverty line is defined as 50% of the disposable median income (including transfer payments and after deduction of taxes), adjusted to family size.

In 2014, the monthly poverty line for a couple was 4,923 NIS or US\$1,277 (exchange rate in December 2014: \$1=3.90 NIS).

The monthly poverty rate for a couple with two children was 7,876 NIS or US\$2,043.

Table 2 below shows the percentage of poor families in the overall population according to different family types.

**Table 2: The Percentage of Families below the Poverty Line According To Different Family Types, 2014**



\* Defined according to their last institution of education.

\*\* Age 60+ for women and age 65+ for men.

Of note:

- Poverty rates are highest among Arab families, Haredi families, families with 4+ children, and families with an unemployed head of family – all much higher than the national average. The high rates of poverty among Arab and Haredi families are related to the large family sizes, lower rates of employment and lower wages among the employed.
- Poverty rates for elderly families and single-parent families are somewhat higher than the national average.
- Poverty rates for Jewish families and families with an employed head of families are below the national poverty rate.

## The Representation of Subgroups within the Poor Population

Table 3 indicates the share of each type of family among the poor population. The level of representation of each group is determined not only by their rate of poverty but also by the size of the group in the overall population.

Although all major population groups are significantly represented among the poor, some groups are overrepresented – meaning that their percentage within all poor families is higher than their percentage in the overall population.

**Table 3: The Representation of Different Family Types among the Poor in Comparison to their Representation among All Families, 2014**

Population Group	% of all families	% of all poor families	# of poor families
Jews	87%	63%	278,500
Arabs	13%	37%	166,400
Haredim*	4%	11%	47,800
Immigrants (since 1990)	20%	19%	84,600
Elderly**	21%	26%	116,000
Single parent	5%	7%	31,700
1-3 children	38%	36%	160,800
4+ children	7%	20%	87,400
Employed	80%	56%	247,800
Unemployed of working age	5%	20%	87,500

\* Defined according to their last institution of education.

\*\* Age 60+ for women and age 65+ for men

Of note:

- Arab families, Haredi families, the elderly, families with 4+ children, and families with an unemployed head of family are all overrepresented among the population living in poverty.
- By contrast, Jewish families and families with an employed head of family are underrepresented among the population living in poverty.