

Poverty in Israel

Facts and Figures

February 2018

In 2016, 18.6% of families, or 463,300 families, lived in poverty. 22% of people, or 1.8 million people, lived in poverty. Of these, 31.2% of children, or 842,300, lived in poverty.

Trends in Poverty

The rates of people and of children living in poverty rose from 2015, as shown in table 1. These increases are mainly due to the inclusion of the Bedouin in this year's survey. (In the previous three years, data on Bedouin was not included). The rate of families living in poverty decreased.

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

	2006	2015	2016
Rate			
Families	20.0%	19.1%	18.6%
People	24.5%	21.7%	22.0%
Children	35.8%	30.0%	31.2%
Numbers			
Families	404,400	460,800	463,300
People	1,649,800	1,712,900	1,809,200
Children	796,100	764,200	842,300

- >> A decrease in poverty rates occurred among immigrants, Arabs and the elderly.
- >> There was a slight increase in poverty among ultra-Orthodox families.
- >> There was a significant increase in the number of the working poor.
- >> There was a significant increase in poverty among single-parent families.
- >> The poverty rate among both families and children is the highest among developed countries
- >> However, over the past ten years, the decrease in the incidence of poverty together with the rise in the value of poverty line is expressed in less [income] inequality.

Defining Poverty

- In Israel, the poverty line is defined by the Social Security Administration as 50% of the disposable median income (including transfer payments and after deduction of taxes), adjusted to the size of the family.
- In 2016, the monthly poverty line for a couple was 5,216 NIS or US\$1,482. For a couple with two children, the monthly poverty line was 8,345 NIS or US\$2,371.
- The Social Security Administration poverty line does not take into account other kinds of wealth such as capital and assets, nor does it take into account expenses.
- Poverty per capita in a household is measured differently by the Social Security Administration and by the Organization for Economic Co-operation and Development (OECD). The OECD uses the square root of the number of people in a household. In contrast, the SSA assigns a higher value per capita, which results in a higher rate of poverty per capita in a household. The implications of this different measurement are expressed the most in families with 4 or more children.
- Poverty can be also expressed by the lack of money resources available for paying for food, medical expenses and household expenses. MJB analysis of the Social Survey of the Central Bureau of Statistics in 2016 found that 12% of people age 20+ considered themselves poor. Moreover, because of financial difficulties:



11% of those needing medical treatment did not get treatment



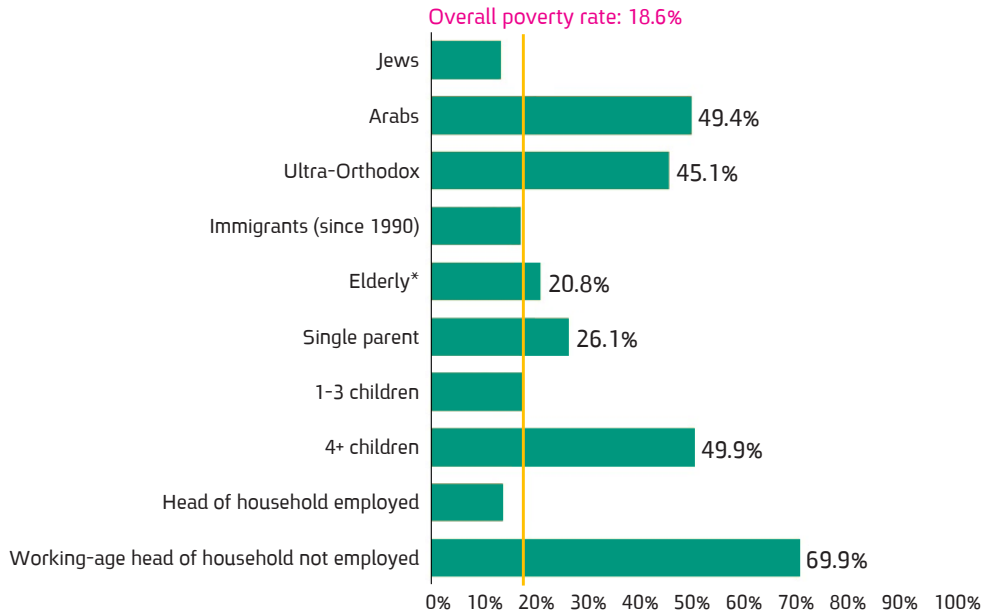
9% of those needing medicines did not buy them



6% gave up a hot meal at least every other day

Poverty Rates by Family Type

The Rate of Families Living in Poverty, by Family Type, 2016



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

- Poverty rates are highest among families with a working-age head of household who is not employed, Arab families, ultra-Orthodox families and families with 4 or more children – all much higher than the national average. The high rates of poverty among Arab and ultra-Orthodox families are related to the large family sizes, lower rates of employment, and lower wages among those employed.
- Poverty is high for single parents, even if they work full-time and have only one child.
- Poverty is much lower among families with an employed head of household.

The Representation of Population Groups within the Poor Population

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

The level of representation of each group, as shown in table 2, is determined both by their rate of poverty and the percentage of the group in the overall population.

Table 2: The Representation of Population Groups within the Poor Population in Comparison to their Representation among the Overall Population, 2016 - Families

Population Group	% of all families	% of all poor families	# of poor families
Jews	85%	61%	282,500
Arabs	15%	39%	180,800
Ultra-Orthodox	6%	15%	68,800
Immigrants (since 1990)	20%	18%	83,600
Elderly*	22%	25%	115,400
Single parent	6%	8%	37,100
1-3 children	37%	35%	161,800
4+ children	8%	21%	97,500
Head of household employed ("working poor")	80%	59%	271,700
Working-age head of household not employed	5%	18%	84,500

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

Arab families, ultra-Orthodox families, families with 4 or more children and families with a working-age head of household who is not employed are all overrepresented among the population living in poverty.

Gender gap

More women than men live in poverty. This is related to significant wage gaps, part-time employment and lower benefits. The rate of poor women rose slightly while the rate of poor men decreased slightly compared to last year.

Working poor

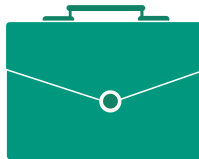
Working poor are defined in the official statistics as families in which at least one member is employed at least part-time.

More than half of poor families are working poor. The poverty rate increased from 13.3% in 2015 to 13.6% in 2016. Even more significantly, working poor as a percentage of all poor families increased from 56% in 2015 to 59% in 2016.

Large numbers of children is a key factor affecting poverty among the employed, and is a unique feature of Israel's social structure. A significant percentage of the working poor are either Arab or ultra-Orthodox, two groups that tend to have large families.

The number of earners in the family and the degree to which they are employed is a key factor:

In 2016, the incidence of poverty in working families with one earner was 27%, but dropped to 5.3% when there were two earners. It was slightly lower if both earners were employed full time.



In 2016, a lower percentage of earners were in full-time employment in working families that were poor (61% compared with 78%).



Sources | All information in this document comes from the *2016 Annual Report on Poverty and Social Gaps* of the National Insurance Institute of Israel (Israel's Social Security Administration), Research and Planning Administration, unless otherwise indicated.