



**The National Insurance Institute**

**Poverty and Income Inequality -  
2021**

**According to Administrative Data**

**Nitsa (Kaliner) Kasir, Miri Endeweld, Lahav Kradi and Rina Pines**

## **Introduction**

The Report of Poverty and Income Inequality for 2021, as in the two years preceding, is entirely based on administrative data in possession of National Insurance (hereafter: NII) on the basis of a methodology developed at the NII's Research and Planning Administration. There are many advantages to the use of this data. It refers to the entirety of the Israeli population, and not to a small sample that, in recent years, has even decreased and arrived late, and even allows comparisons to smaller groups of the population. Likewise, employment incomes and allocations in administrative data are "real data" not drawn from the answers of respondents.

The year 2021 was characterized by the return of the economy to a growth track, which we had diverged from during the COVID-19 crisis that befell the world, including Israel. Meanwhile in 2020, the GDP decreased by 1.9%, and in 2021 it grew by 8.3%. This is a high rate of growth, even in comparison to developed countries. Many workers who left the ranks of salaried employees during the crisis went back to work. The unemployment rate, which at the height of the crisis stood at 35%, fell to 5% in 2021, and an increase was recorded in real salaries. The level of economic incomes of families increased significantly, primarily in the low deciles, and the incidence of poverty and economic inequality fell after rising in 2020.

With the removal of the restrictions that were levied during the pandemic and the improvement of the economic situation, starting in July 2021, the support given to families and businesses provided during the crisis was reduced. Mainly, the exemptions applied to unemployment payments have been decreased; this reduction helped the return to work of people who had left the ranks of the employed. Likewise, a grant encouraging employment was paid to recipients of unemployment benefits who returned to work at a lower salary than theirs before unemployment.

The decline in the scope of support was low compared to the contribution of the economic recovery to income and, therefore, despite this decline, net income increased in nearly all deciles. The effect on the various populations was not uniform, and net income increased much less in the bottom deciles (there was even a decline in the second decile). And thus for the first time in several years the rates of poverty and inequality according to net income rose by 0.4 and 0.8 percentage points, respectively.

The policies and developments in the socioeconomic field since the irruption of the COVID-19 pandemic into our lives highlight the considerable importance of a social security network and a system in tune with the needs of the population at all times, and especially during moments of crisis. During the COVID-19 crisis, the Government operated a variety of policy tools of extensive scope that focused on unemployed and businesses, thanks to which the NII even succeeded in achieving international recognition via the ISSA's (the world organization of social security) award of excellence. Thus, while economic incomes of large parts of the populations were negatively impacted by the crisis (weaker populations in particular), the extensive support granted by the Government remedied the situation. Net income increased among most populations and primarily among weaker populations who are less active in the job market, and the indices of poverty and inequality decreased.

This and more, the rapid return of unemployed people to the job market with the economic recovery, despite the cancellation of most support, demonstrated that when the necessary measures are taken responsibly, there is no need to be concerned about creating chronic unemployment. In 2022, we returned to the average unemployment rate from before the crisis.

In late 2021, alongside the cuts in special support, legal amendments were introduced which were for the most part intended to support vulnerable populations – such as amendments in income support for senior citizens and for disability pensions. We expect to see a breakdown of the measures in the coming years. Nonetheless, despite the positive changes that occurred, the expense of welfare policies in Israel remains significantly low in international comparison. Specifically, changes are needed among needy populations of working age, alongside an increase in the budget for active measures to promote employment.

**Nitza (Kaliner) Kasir**

**Deputy Director, Research and Planning**

## Summary of Findings

This report shows the dimensions of poverty in 2021 according to NII **administrative data**, after they were adjusted for the purposes of calculating the dimensions of poverty and inequality in Israel; this being the third year. As in the previous year, in which a report was prepared for 2020, this year we also added estimates on the missing income components in administrative data **so that the poverty line reflects all household incomes.**<sup>1</sup>

- In 2021, the median net income per standard person, which is also the source for the derivation of the poverty line, **rose** at a moderate rate of 1.3%, and the poverty line reached NIS 2,849. Despite this, the median income in terms of economic income per standard individual, which does not take into account Government intervention via taxation and transfer payments, **rose** sharply by **7.9%**.
- These differences reflect the rapid recovery of the economy and the job market in 2021 on the one hand (economic income) – and the reduction of state support for household and business incomes on the other (net income).
- Between 2020 and 2021, the incidence of poverty **increased**: among families from 20.6% to 21.0%, among individuals from 20.5% to 21.0%, and among children from 27.2% to 28.0%.
- In 2021, there were **1.95 million poor individuals** living in Israel, of whom 853.8 thousand were children and 212.4 thousand were seniors.
- The relatively moderate increases in the dimensions of poverty in 2021, despite the halt of most unique support granted during COVID-19, starting from the midpoint of the year, reflect the impressive recovery of the job market, including the employment growth.
- Without Government intervention, i.e., according to economic income, the poverty incidence of families **declined** from 37.4% to 35.5%, of individuals **declined** from 33.9% to 32.1%, and of children **declined** from 39.0% to 37.0%. These declines are associated with the rapid recovery in the job market in the year of the report.

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<sup>1</sup> See below and in Appendix A.

- A special calculation conducted regarding **the two halves of 2021** shows that the incidence of poverty among families by net income is **higher** by about half a percentage point in the second half of 2021 (compared to the first), whereas the incidence of economic poverty is **lower** by about 2 percentage points, respectively, between halves.
- The highest **increase** in rates of poverty (net) was recorded **among senior citizens** – from 16.4% in 2020 to 17.6% in 2021. This, given that the halt of the special benefits distributed in 2020 on the one hand and their low participation in the job market on the other.
- The incidence of poverty among **working families** remains unchanged, reflecting contradictory trends for employees and the self-employed: the incidence of poverty among families with employees rose slightly while the incidence of poverty among the **families with a self-employed person, declined** from 13.4% to 12.1% during the two years.
- Likewise, in 2021, among **young** families where the head of household was aged 29 or younger, most of whom returned to the job market, a decline was recorded in the incidence of poverty from 42.0% to 41.0%; **however, the poverty level remained twice as high or more in comparison with the population as a whole.**
- The findings of poverty by geographic spread show that the dimensions of poverty of individuals in the districts of **Jerusalem, the North, and the South are above average.** The incidence of poverty among families reached 36.7%, 23.6%, and 24.6%, respectively. Despite this, in the districts of Tel Aviv and the Center, the rates are below average. This year, we added a map of poverty to the table as well as an appendix including detailed information on poverty by settlement.
- **The intensification in the state of poverty was seen both in the depth and severity of poverty, which increased** in 2021 relative to 2020.
- The Gini index of income inequality shows similar trends: the measurement according to net income **rose** by 0.8%, but **fell** when calculated according to economic income at a rate of 1.4% from 2020 to 2021.
- In 2021, the allowance given to the seniors has the highest effectiveness in reducing poverty, followed by the disability pension. Likewise for

unemployment benefits, there was a relatively large effect seen in 2021, both since the exemptions to unemployment benefits continued until midyear (and until October 2021 for persons aged 45 and up).

- Preliminary findings from the survey on subjective poverty first conducted by the Research Administration in 2022 show that 29.1% of respondents see themselves as already poor or being at risk of becoming poor. This rate is close to that of those at risk of poverty according to the objective relative approach (measured as individuals whose income is lower than 60% – not just 50% – of the median income), reaching 27.4% in 2021. The rates of subjective poverty among Arabs are higher than by relative measurement, and those among Haredim lower, respectively.
- **In an international comparison**, Israel remains at **one of the highest levels** among developed countries (second from the top, after Costa Rica, for all years Israel was measured –2019-2021.) This, despite a relatively high rate of support (on average when compared internationally) given as a supplement to the usual support provided during COVID-19 in 2020 and 2021. The inequality situation, compared internationally, is less extreme, if still relatively high.
- Special unemployment benefits for the COVID-19 period were halted entirely **in 2022** from the reduction of the support that year. On the other hand the increase of the average employment in 2022, despite the terminations that occurred late in the year, is expected to reduce the dimensions of poverty and inequality. It is not possible to know, a priori, which of the two influences on poverty will win out. However, in 2022, **a decline is expected in the dimensions of poverty in the senior population** in light of the increased benefits to seniors in the start of 2022.

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## 1. Introduction

This report is the third in a series of reports on poverty based on administrative data<sup>2</sup> and presents the findings on poverty and income inequality for 2021.

The year 2021 was characterized by a rapid recovery of economic activity after an extraordinary economic upheaval in 2020 following the COVID-19 crisis which befell Israel and the world in 2020. The GDP rose by an extraordinary rate of 8.3%, after a decline of 1.9% in 2020. The recovery of the job market was seen in the increase of the employment rates and the decline in the unemployment rate to about 5% – slightly above its level before the outbreak of the crisis.

With the reduction of the restrictions given the growth in the number of vaccinated persons and the improvement of the economic situation, the support to families and businesses provided during the crisis was reduced – but not halted entirely – in comparison with 2020. Unemployment benefits given to people on unpaid leave and the other exemptions on unemployment benefits were halted in July 2021 for most unemployed persons (and thus apparently also helped the return to the job market). Regarding the older unemployed, special assistance was stopped at a later stage, in October of 2021. Grants to businesses have also decreased. These two trends are reflected in the various indices appearing in this report.

This year, a chapter presenting an international comparison of measurements of poverty and inequality was added to this report, which is based on the administrative data,<sup>3</sup> as well as an extensive breakdown of poverty levels by settlement. In addition to presenting the dimensions of poverty and inequality for 2021 relative to the preceding years, this report also includes two insets: The first presenting preliminary findings on subjective poverty from a survey on subjective poverty and attitudes towards social security conducted by the Research Administration of the National Insurance Institute (hereafter: NII) during the current year. The second inset, as in last year's report, shows

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<sup>2</sup> Until 2018, the reports on poverty of The National Insurance Institute were based on expense surveys (and before that on income surveys) of households by the Central Bureau of Statistics. For a more detailed breakdown, see **Appendix 1 of this report**.

<sup>3</sup> Likewise, this chapter is also included in the reports on poverty and social gaps based on household expense and income surveys.

data on subjective poverty and households' waivers of various products, based on the Central Bureau of Statistics (CBS) social survey for 2021 and compared years.

The appendices attached to the report expand the scope and provide additional information. Of special note is Appendix A – which expands on the topic of methodology, as well as Appendix 9, which supplies data on the dimensions of poverty for towns with more than 5000 residents (in addition to the poverty map presented in the report itself).

## 2. Findings

### A. The Poverty Line and Standard of Living

In 2021, the median net income per standard person, which is also the source for the derivation of the poverty line, rose at a relatively moderate rate of 1.3%. Despite this, the median income in terms of economic income per standard individual, which does not take into account direct Government intervention, **rose** sharply by 7.9% (Table 1 and Figure 1). These differences in the two definitions of income in 2021 reflect the rapid recovery of the economy and the job market (economic income), which also affected net income if conditional on the reduction of state support for household and business incomes in view of the removal of the restrictions on activity and the economic recovery.

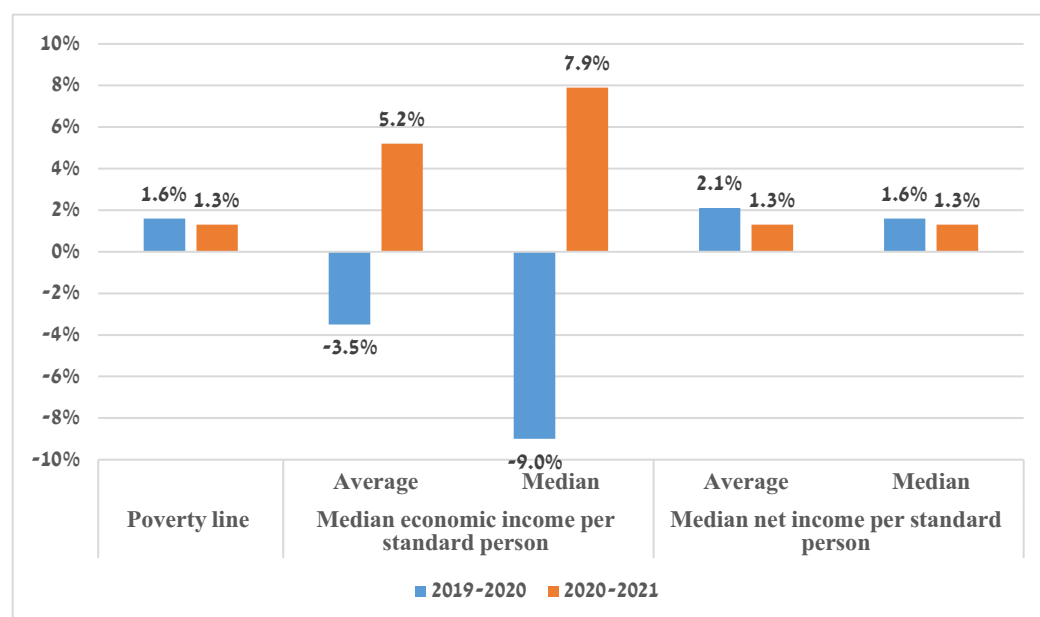
The poverty line derived from half of the per standard person median income reached NIS 2,849 per month in 2021.<sup>4</sup>

**Table 1: the Poverty Line and Income for 2020-2021 (Current NIS Per Month) and Real Change from Year to Year (Percentages)**

	2020	2021	Change rates
<b>Poverty line</b>	2,772	2,849	1.30%
<b>Average</b>			
Economic income per family	15,488	16,486	4.90%
Economic income per standard person	6,374	6,808	5.20%
Net income per family	15,379	15,748	0.90%
Net income per standard person	6,586	6,769	1.30%
<b>Median</b>			
Economic income per family	9,378	10,154	6.70%
Economic income per standard person	4,328	4,737	7.90%
Net income per family	11,902	12,134	0.50%
Net income per standard person	5,544	5,698	1.30%

<sup>4</sup> This sum includes an imputation of the missing income components in the administrative data, income from capital and income from supports other than from the NII stood at approximately NIS 254 in 2021. In 2020, the last survey that existed at the time of writing, the poverty line according to the expenses survey was NIS 2,729 per standardized person.

**Figure 1: The Change in the Poverty Line, Economic Income and Net income, 2019 and 2021**



Poverty lines by family size for 2021 indicate that a family of a single individual needs, according to the calculation, NIS 3,561 per month in order to be above the poverty line, whereas a family of a couple with a child or a single parent with two children needs an income of NIS 7,550 per month. A family of a couple with two children would need approximately NIS 9,117 to stay above the poverty line (Table 2).

**Table 2: The Poverty Line by Family size, 2021**

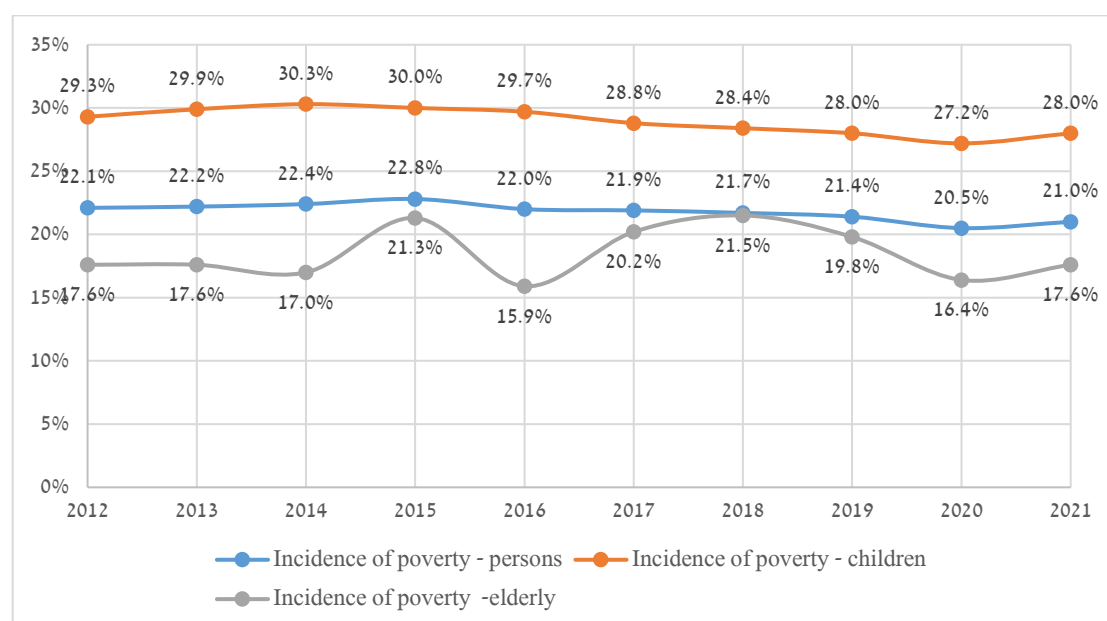
Family size	Number of standard persons	NIS per month	Additional margin in NIS
1	1.25	3,561	
2	2	5,698	2,137
3	2.65	7,550	1,852
4	3.2	9,117	1,567
5	3.75	10,684	1,567
6	4.25	12,108	1,425
7	4.75	13,533	1,425
8	5.2	14,815	1,282

## B. Poverty Indices for the Entire Population

In 2021, there were 1.95 poor individuals living in Israel, of whom 853.8 thousand were children and 212.4 thousand individuals of retirement age (see also Table, Appendix 3).

The rates of poverty measured by net income **increased** slightly between the two years. The incidence of poverty among families rose by 0.4 percentage points to 21.0%. The incidence of poverty of individuals rose from 20.5% to 21.0% and the incidence of poverty of children rose by 0.8 of a percentage point, reaching 28.0%. These relatively moderate increases reflect the **gradual** cutback in financial support by the Government to families and business in accordance with the impressive recovery in the economy and the job market during the year of the report: in 2021 the government also gave considerable support relative to the years preceding the COVID-19 crisis. Most of the exemptions for unemployment benefits continued until the midpoint of the year, and for part of the population, even afterwards (see above). The incidence of poverty among seniors increased the most – from 16.4% in 2020 to 17.6% in 2021. It should be noted that the increase recorded in the rates of poverty in 2021 stops the trend of improvement recorded since the middle of the last decade.

**Figure 2: The Poverty Incidence of Individuals, Children and Senior Individuals, 2012-2021**



However, the dimensions of poverty as measured by economic income declined from 2020 to 2021 (Table 3), and this as a direct result of the return to the job market and the increase in the employment rate. A special calculation conducted regarding **the two halves of 2021** shows that the incidence of poverty among families by net income is **higher** by about half a percentage point in the second half of 2021 (compared to the first), whereas the incidence of economic poverty is **lower** by about 2 percentage points, respectively, between the halves.

Between the two years, the incidence of economic poverty among families **declined** from 37.4% to 35.5%, the incidence of poverty among individuals from 33.9% to 32.1%, and among children from 39.0% to 37.0%. Among senior citizens, by the nature of things, there was a very small decline in the dimensions of poverty by economic income (which also affected net income), as they are less exposed to positive developments in the job market.

The increase in the dimensions of poverty is also reflected in the extent and severity of poverty: the poverty gap ratio according to net income, which shows the gap between the incomes of the poor and the poverty line, also rose by 0.7 of a percentage point – from 38.7% to 39.4% from 2020 to 2021 (Table 3). The severity of poverty index<sup>5</sup> also indicates an intensification between the two years. In 2021, poor families were consequently poorer in comparison with 2020.

Table 3 also shows, in its bottom part, the direct effectiveness of Government intervention in reducing poverty and reducing poverty and inequality in 2021 compared to 2020. Whereas in 2020 Government intervention directly reduced the poverty rate by approximately 44.8% for families and by approximately 39.5% for individuals, in 2021 these rates fell to approximately 40.9% and approximately 34.5%, respectively. The assistance extended by the Government in 2020, primarily following the relief given in unemployment benefits but also the universal grants that were distributed, managed not just to neutralize the increase in poverty indices as a result of the economic crisis and its consequences for the labor market, but also to reduce them. And yet in light of the positive developments in the job market, the reduction in Government assistance (which as stated occurred gradually) led to only relatively moderate increases in the dimensions of poverty in 2021.

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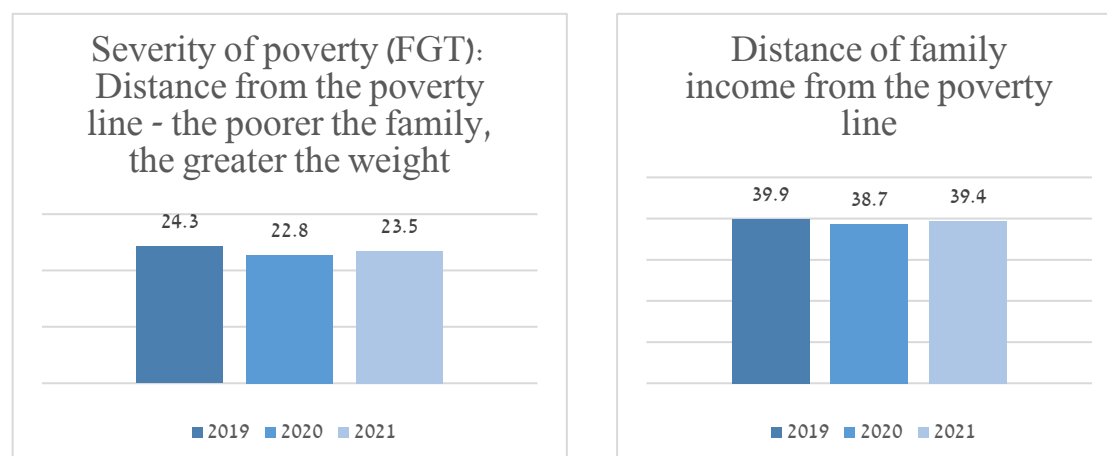
<sup>5</sup> Severity of poverty is calculated as the distance of the poor's income from the poverty line squared. Therefore, the weight given to poor people is greater than for the poverty depth index.

**Table 3: Poverty Indices for the General Population (Percentages), 2020-2021**

	2020	2021
<b>By economic income</b>		
Incidence of poverty among families	37.4	35.5
Incidence of poverty among individuals	33.9	32.1
Incidence of poverty among children	39.0	37.0
Incidence of poverty among the elderly	44.1	43.9
Poverty gap ratio	59.6	59.6
Severity of poverty index	46.2	46.5
Gini index (number)	0.5138	0.5066
<b>By net income</b>		
Incidence of poverty among families	20.6	21.0
Incidence of poverty among individuals	20.5	21.0
Incidence of poverty among children	27.2	28
Incidence of poverty among the elderly	16.4	17.6
Poverty gap ratio	38.7	39.4
Severity of poverty index	22.8	23.5
Gini index (number)	0.3719	0.375
<b>Direct decrease in scope of poverty as a result of government intervention</b>		
Incidence of poverty among families	44.8	40.9
Incidence of poverty among individuals	39.5	34.5
Incidence of poverty among children	30.2	24.3
Incidence of poverty among the elderly	62.8	59.9
Poverty gap ratio	35.2	33.9
Severity of poverty index	50.7	49.5
Gini index	27.6	26.0



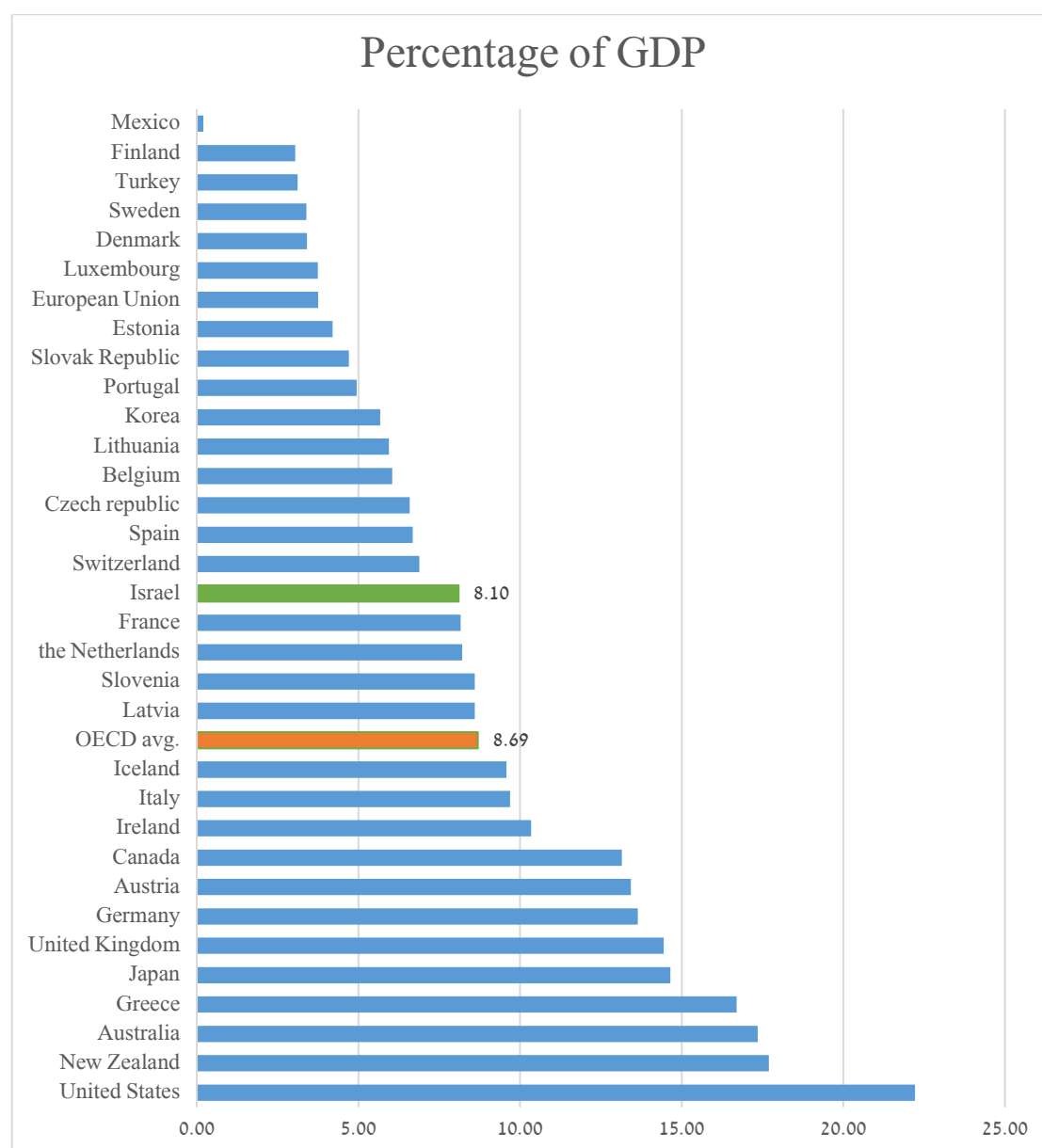
**Figure 3: Depth and Severity of Poverty (FGT), by Net Income, 2019-2021**



**An international comparison of social expenditure** during the period of the crisis (as a percentage of GDP<sup>6</sup>) shows that, although Israel is usually among the countries whose social expenditure relative to GDP is one of the lowest among developed countries, the addition of assistance that was given following the COVID-19 crisis was equal to the mean for OECD countries. A comparatively very large expense relative to welfare outlays in “normal” periods was also typical of other countries, particularly Anglo-Saxon countries, which were at the top of the list (USA, New Zealand, and Australia).

<sup>6</sup>The data refer to the period of the COVID-19 pandemic from the outbreak at the start of 2020 to what was known in October 2021.

**Figure 4: Governmental Assistance in the COVID-19 Crisis Period as a Percentage of GDP – International Comparison<sup>7</sup>**



<sup>7</sup> Source: IMF - <https://www.imf.org/en/topics/imf-and-covid19/fiscal-policies-database-in-response-to-covid-19>. This comparison includes the total costs of policy means that governments employed in the wake of the COVID-19 crisis, which had a direct effect on the budgets of countries, not including healthcare expenditure. As of October 2021.

### **Inset 1: Preliminary Findings from the Survey of Subjective Poverty and Attitudes to Social Security**

During 2022, for the first time, the Research and Planning Administration performed a survey on subjective poverty and attitudes toward social security. In the survey, thousands of Israeli residents were sampled for a representative sample of the entire population. In this inset, we present results regarding subjective poverty based on the answers of some 1,900 sampled individuals who responded, who are expected to be more than half of all survey participants.

The preliminary findings (see below table) on **subjective poverty** by population group – are compared to the findings on objective poverty as measured as a percentage of total disposable income: the last two columns refer to the rate of poverty as calculated in this report, namely, those whose disposable income per standard person is lower than half the median income (hereinafter: “**the objective poverty rate**”), and to the risk of poverty as defined by the European Union as someone whose income is less **than 60%** of the median income (hereinafter: “**the objective risk of poverty**”).

According to preliminary data from the survey, 4.9% of respondents estimate that they already live in poverty and another 24.1% that they are not poor but at risk of poverty. In total, about 29% of respondents are at risk of poverty (or are poor), compared to an **objective rate of risk of poverty** of 27.4%, which is about two percentage points less than when estimated by subjective feelings.

**Table: Subjective Poverty and Risk of Poverty in a Survey Versus Objective Poverty and Risk of Poverty (Percentages)**

Group	Subjective poverty					Objective poverty	
	Poverty or risk of poverty according to the survey	I am already in a state of poverty	I may reach a state of poverty	It seems I will not reach a state of poverty	I will definitely not reach a state of poverty	Relative poverty (under half of the median)	Poverty or risk of poverty (under 60% of the median)
Total	29.1	4.9	24.1	45.7	25.2	21.0	27.4
Families with children	29.4	4.3	25.1	48.5	22.1	20.5	27.1
Arabs	60.5	12.6	47.9	28.6	10.9	38.7	48.1
Jews	26.7	4.4	22.3	47.1	26.2	16.1	21.6
Haredim	38.4	8.6	29.8	45.7	15.9	41.4	53.6
Working Age groups	25.6	3.0	22.5	48.2	26.3	10.9	15.6
Young people until the age of 35	25.7	3.0	22.7	52.5	21.8	25.2	32.4
Intermediates 35-retirement	32.6	5.3	27.2	42.8	24.6	14.6	19.4
Seniors above retirement age	26.6	6.5	20.1	43.1	30.3	17.6	24.1
Men	27.4	4.8	22.6	47.7	24.9	20.7	26.8
Women	30.6	5.1	25.5	43.9	25.5	21.3	27.9

The findings also show that women see themselves as being at risk of poverty at higher rates than men do – and the gap between men and women by subjective measurement is higher than the objective measurement (which also points to greater poverty among women than among men). Another noteworthy finding is that the elderly population has the highest rate of those convinced their situation has not deteriorated to poverty – about 30% of senior respondents estimated this, in comparison with about a quarter of the general population and less than 11% of Arabs. Generally, it appears that the rate of those who consider themselves at risk of poverty (including poor people) is higher when measured subjectively.

### **C. Dimensions of Poverty by Population Categories**

The increase in the rates of poverty by net income was recorded in most population groups. Between 2020 and 2021 the incidence of poverty among families where the head of household is at retirement age increased from 19.0% to 20.5%. This increase reflects, *inter alia*, the decline in grants paid to this population during the year of the report relative to 2020 and the fact that the influence of the recovery of the job market on the combined populations was slight, if there was any. It should be noted that in 2021 the number of eligible people receiving long term care benefits decreased due to the absence of available services caused by the COVID-19 pandemic. However, the decline was forecast to be in disposable economic income among senior citizens for this reason – it was neutralized due to the increasing growth in eligible people receiving pensions in cash (in whole or in part) in the framework of the long-term care reform.

Likewise, among large families (4 or more children) there was an increase of close to a percentage point in the incidence of poverty (from 41.8% to 42.6%), apparently as a result of the decline in government support (including the universal grants to children and adults), which was not compensated by the positive changes in the job market for this group.

The incidence of poverty among working families remains, nevertheless, nearly unchanged (increasing from 14.4% in 2020 to 14.5% in 2021), reflecting contradictory trends for employees and self-employed: the incidence of poverty among families with employees rose slightly while the incidence of poverty among the families with self-employed declined from 13.4% to 12.1% during the two years.

Also among young families where the head of household is 29 or younger, the incidence of poverty declined slightly during the two years from 42% to 41%, despite the reduction in state support, and this due to the return of many of this population to the job market after they were among the first to leave it in 2020. Despite this, the level of poverty among the young population remains more than twice as high as the general average.

A light decline was also recorded among non-working families whose head is in working age (18 to retirement); the decline was from 66.4% in 2020 to 66.2% in 2021 – which is certainly negligible relative to the severe level of poverty of this group, but surprising when considering that the universal grants for which it was eligible in 2020 were halted and even the positive changes in the job market passed it over.

The incidence of poverty as measured by economic income recorded a decline for most groups. The position of populations more active in the job market is especially noticeable: the incidence of poverty according to economic income among self-employed declined by some 4 percentage points from 21.1% in 2020 to 18.4% in 2021. Among families with two or more breadwinners, there was a decrease from 14.7% to 13.0% between the two years, and in families with at least one employee the incidence of poverty fell from 26.8% in 2020 to 24.1% in 2021.

The differences between the reduction in poverty measured by economic income and poverty measured by net income are also apparent in the findings related to the rate of direct decrease in the poverty incidence as a result of Government intervention (the third numbers column in Table 4). As stated, there has been a decline in the effectiveness of state policies. Whereas in 2020 Government policies reduced the poverty rate by 44.8% of the economically-poor population, in 2021 this rate fell to 40.9%. The decline in the rate of poor individuals resulting from government actions in the field of direct taxation and allocations was shared among most groups of the population, however it was particularly notable among families with at least one employee (a decline of some 6 percentage points) amid the halt of unemployment payments to many among this in the second half of 2021. In the non-working families whose head is in working age (18 to retirement), this rate remained the same in both years: 28.2%. Nevertheless, senior populations, which are less active in the job market, also saw a reduction in the rate of poor as a result of Government activities: from 61.1% in 2020 to 58% in 2021.

**Table 4: Incidence of Poverty among Families by Economic Income and Disposable Income, and (Direct) Decrease in the Rate of Poor Families Following Government Intervention (Percentages), 2020-2021**

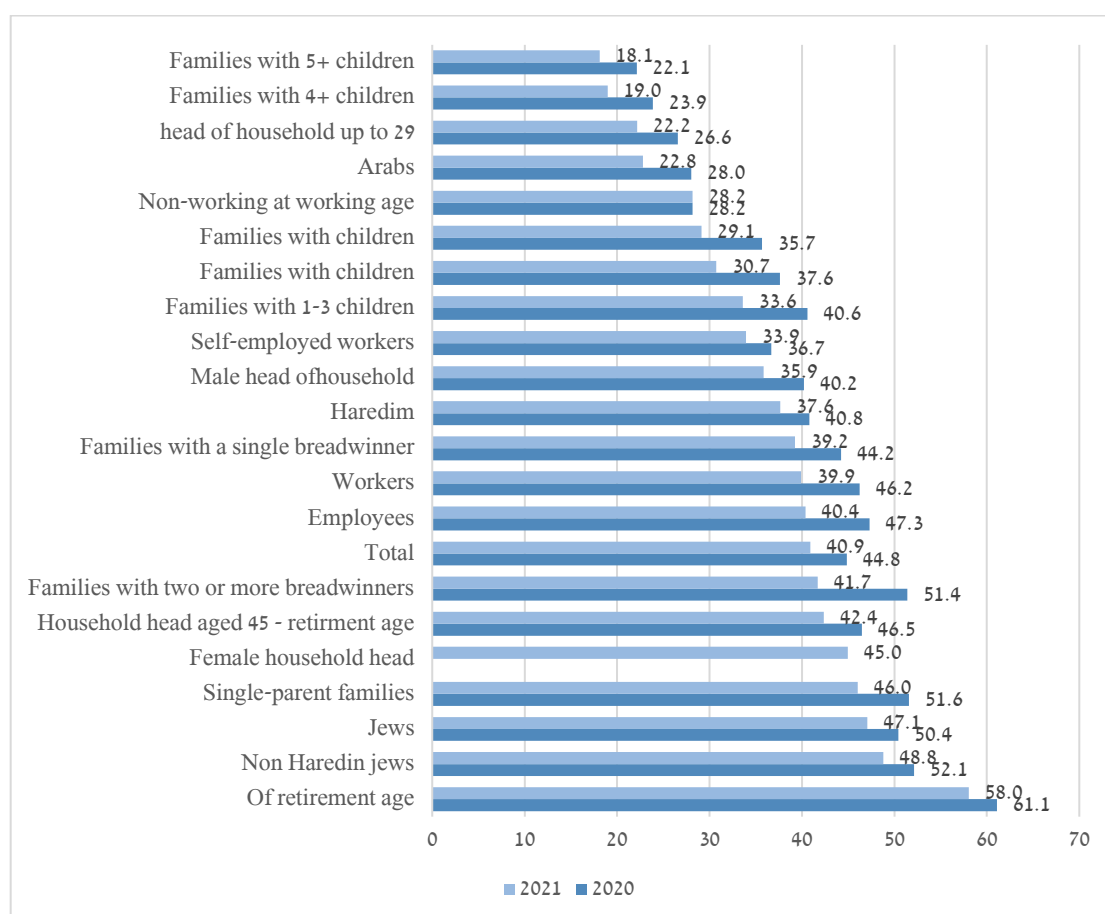
Population types	2020			2021		
	Poverty by economic income	Poverty by net income	Decrease in rate of poor families	Poverty by economic income	Poverty by net income	Decrease in rate of poor families
General population	37.4	20.6	44.8	35.5	21.0	40.9
<b>Head of family's ethnicity</b>						
Jewish	34.0	16.9	50.4	32.2	17.1	47.1
Non-Haredi Jewish	31.7	15.2	52.1	30.0	15.4	48.8
Haredi	56.8	33.6	40.8	54.0	33.7	37.6
Arab	53.5	38.5	28.0	50.6	39.1	22.8
<b>Family composition</b>						
With children	32.5	20.9	35.7	30.4	21.6	29.1
With 1-3 children	27.8	16.5	40.6	25.7	17.0	33.6
With 4 or more children	54.9	41.8	23.9	52.6	42.6	19.0
With 5 or more children	66.1	51.5	22.1	63.8	52.2	18.1
Families headed by one parent (single-parent family)	45.8	22.2	51.6	41.9	22.6	46.0
<b>Labor market status (of at least one member of family)</b>						
Working	26.8	14.4	46.2	24.1	14.5	39.9
Employee	26.3	13.9	47.3	23.6	14.1	40.4
Self-employed	21.1	13.4	36.7	18.4	12.1	33.9
Head of Family Aged 18-Retirement Age and No Member is Employed	92.5	66.4	28.2	92.1	66.2	28.2
<b>Number of breadwinners in the family</b>						
One breadwinner	39.4	22.0	44.2	35.6	21.6	39.2
Two or more breadwinners	14.7	7.2	51.4	13.0	7.6	41.7
<b>Family head's age</b>						
Up to 29	57.2	42.0	26.6	52.7	41.0	22.2
Aged 30-44	31.9	19.9	37.6	29.8	20.7	30.7
Aged 45 up to retirement age	25.3	13.5	46.5	23.4	13.5	42.4
Retirement age (62 for women and 67 for men)	48.8	19.0	61.1	48.8	20.5	58.0
<b>Family head's gender</b>						
Man	30.3	18.1	40.2	28.4	18.2	35.9
Woman	46.3	23.8	48.6	44.4	24.5	45.0

As a rule, the rate of decrease in the incidence of poverty is highest in the senior citizen population receiving old-age pensions and universal survivors' allowance to a sum that is near the poverty line. As in previous years, in 2021 as well this population category headed the groups in which poverty was

reduced as a result of Government intervention by about 58% (relative to approximately 61% in 2020).

The incidence of poverty in individuals, children, and seniors by population group is presented in Appendix 2.

**Figure 5: Decrease in Dimensions of Poverty among Families Following Direct Government Intervention (Percentages), 2021 compared to 2020**



An examination of the poverty gap ratio (Depth of Poverty), which shows the distance of a family's income from the appropriate poverty line, in 2021 (Table 5) shows that among non-working families whose head is between 18 to retirement, the poverty gap rate is the highest, reaching approximately 60.8%, compared to approximately 39.4% in the overall population. The depth of poverty in the young population (head of family up to the age of 29) is also high compared to the gap of poverty of the entire population, reaching approximately 46% in 2021. However, the depth of poverty among families with two or more breadwinners and families of single parents is relatively distant from the general population: 27.5% and 35.3%, respectively. Between 2020 and 2021 there was



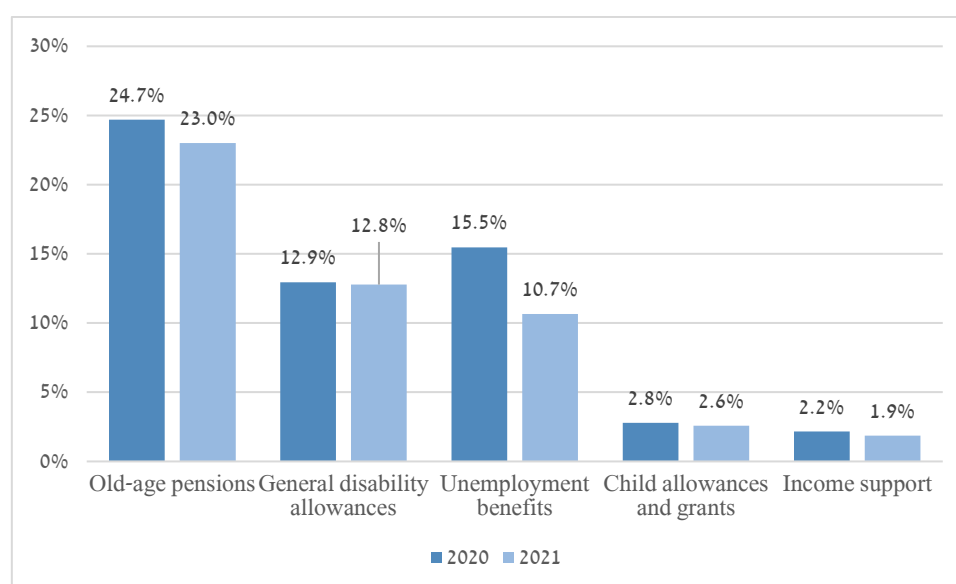
an increase in depth of poverty among most population groups. Despite this, whereas among non-Haredi Jews the depth of poverty did not change and even fell slightly, among Haredim, it rose, and among Arabs, it rose sharply. Trends in the poverty severity index that grants higher weight to poor people whose income is further from the poverty line are generally similar to those of the poverty gap ratio.

**Table 5: Poverty Gap Ratio and Poverty Severity Index (FGT) of Net Income, by Population Group (Percentages), 2020-2021**

Population groups	2020		2021	
	Poverty severity	Poverty gap	Poverty severity	Poverty gap
General population	22.8	38.7	23.5	39.4
<b>Family head's ethnicity</b>				
Jewish	22.4	37.7	22.2	37.7
Non-Haredi Jew	25.0	39.4	24.4	39.0
Haredi	17.8	34.8	18.3	35.4
Arab	23.4	40.1	25.3	41.9
<b>Family composition</b>				
With children	20.0	37	21.2	38.2
With 1-3 children	19.4	35.7	20.4	36.7
With 4 or more children	20.6	38.4	22.0	39.7
With 5 or more children	21.0	39.0	22.4	40.3
Families headed by one parent (single-parent family)	18.1	34.3	19	35.3
<b>Labor market status (of at least one member of family)</b>				
Working	16.9	33.9	17.5	34.6
Employee	16.5	33.3	17.4	34.3
Self-employed	15.9	32.9	14.7	31.5
Head of Family Aged 18-Retirement Age and No Member is Employed	44.9	59.2	46.9	60.8
<b>Number of breadwinners in the family</b>				
One breadwinner	20.5	38.2	21.4	39.2
Two or more breadwinners	11.1	26.8	11.6	27.5
<b>Family head's age</b>				
Up to age of 29	29.3	45.6	29.8	46.0
Aged 30-44	20.9	37.8	22.0	38.9
Aged 45- retirement age	20.8	36.5	21.6	37.2
Of retirement age (62 for women and 67 for men)	23.2	34.1	22.6	34.5
<b>Family head's gender</b>				
Man	21.3	37.3	22.1	38.1
Woman	24.3	40.1	24.9	40.7

Figure 6 shows the effect of the National Insurance benefits on the reduction of poverty. The rates in 2021 are lower than those in 2020, but the stipend scale from the point of view of effect on the reduction of poverty in the general population is retained. As stated, the pension given to the elderly has the highest effectiveness in terms of reducing poverty, followed by the disability pension. Likewise for unemployment benefits, there was a relatively large effect seen in 2021, both since the exemptions to unemployment benefits continued until midyear (and until October 2021 for persons aged 45 and older). Despite this, the effectiveness of the universal benefits for children and the income support benefits given to a small segment of a population are low, reaching about 2%-3%. For the full influence of the various grants on the dimensions of poverty, see also Table to Appendix 12.

**Figure 6: Contribution Rate of Transfer Payments to the Reduction of Poverty, 2021 Benefits**

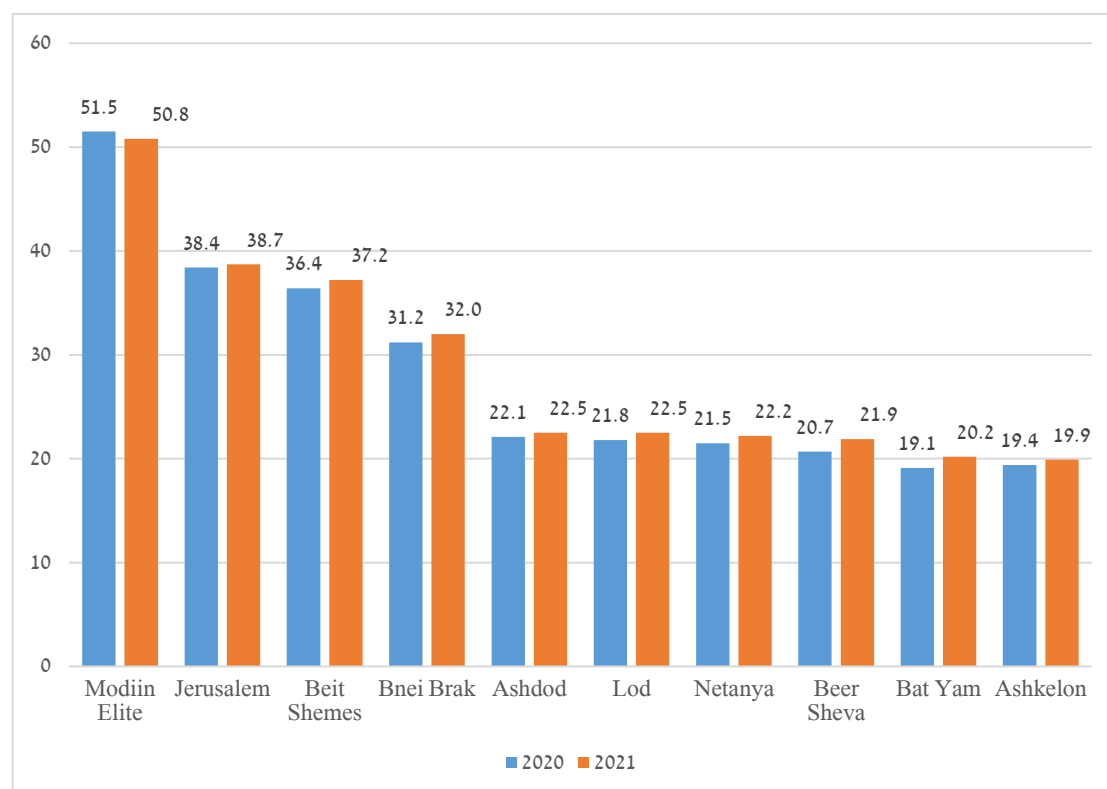


\* The grants were given in part to the population as a whole, not only to children.

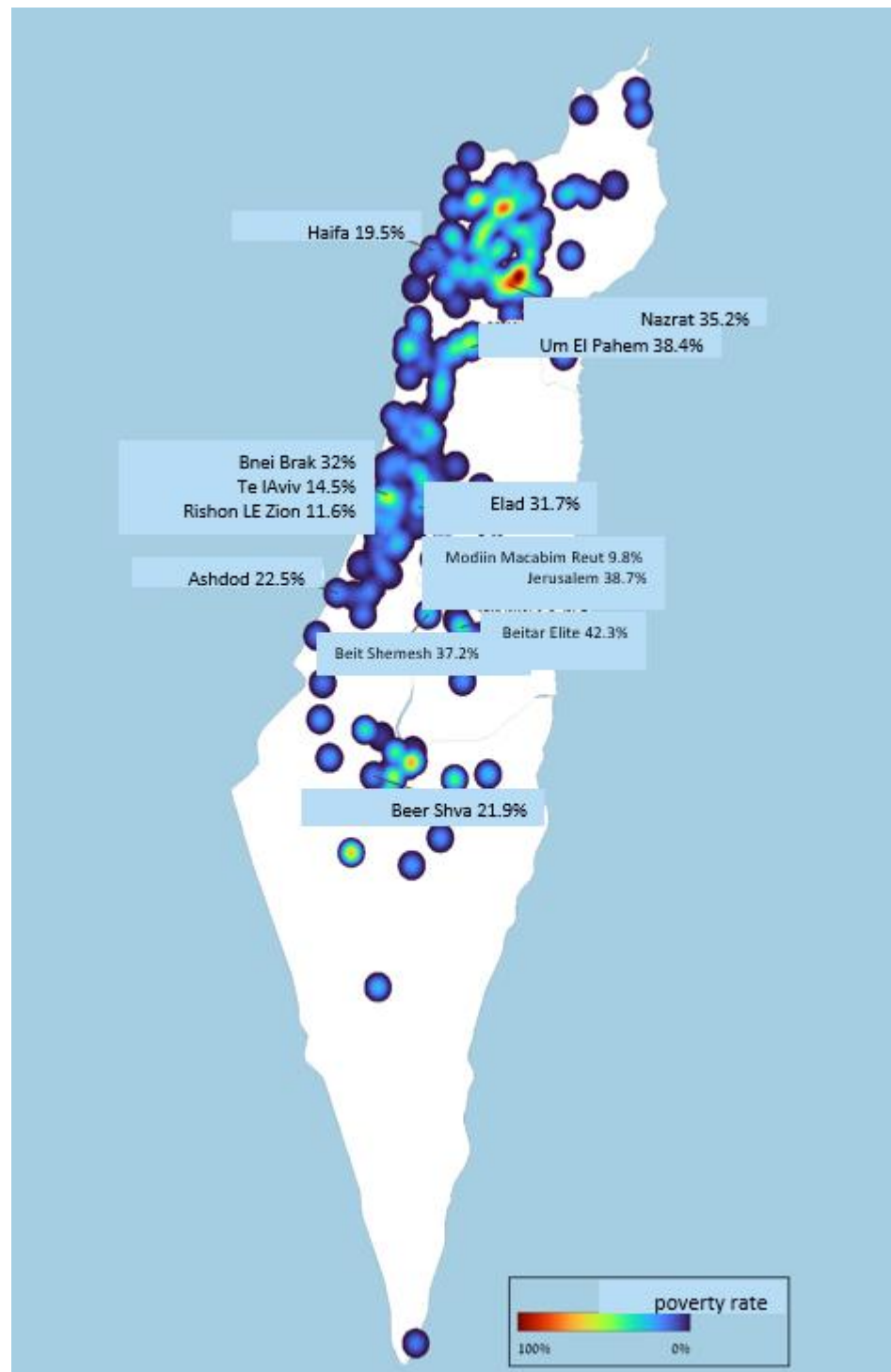
The findings of poverty by **geographic spread** show that the dimensions of poverty of individuals in the districts of Jerusalem, the North, and the South are higher than average. The incidence of poverty among families reached 36.7%, 23.6%, and 24.6%, respectively (Table, Appendix 8). In the Central District and Tel Aviv District, the scale of poverty is much lower than the national average (14.5% and 15.7%, respectively), compared to the Jerusalem District and the city of Jerusalem, in which the scale of individuals' poverty are almost double that of the overall population. The scale of poverty in the various districts and cities is of course

affected by the composition of the population living in them. The ten poorest cities among towns with more than 80,000 residents are shown in Figure 7. Attached to this report for the first time are detailed data regarding the dimensions of poverty in a list of all towns with more than 5,000 residents in 2021 – Table, Appendix 9.

**Figure 7: The Poorest Cities among Towns with More than 80,000 Residents**



**Map: The Incidence of Poverty among Families in Towns with More than 5,000 Residents - Heat Map**



## **D. Income Inequality**

The Gini index for economic income and net income inequality<sup>8</sup> by calculation based on administrative data, is shown for 2016 to 2021 in Table 6 below. The findings from 2020 to 2021 generally support the trends seen in an analysis of the dimensions of poverty: the index according to net income rose by 0.8% from 2020 to 2021, but declined according to economic income by 1.4% between the two years. In comparison with 2019, before the outbreak of the crisis, the Gini Index per net income shows a decline of 0.3%, while the index per economic income points to a marked increase of 2.7%.

An examination of the level of economic income per decile (Figure 8) illustrates these differences. The findings show that aside from the second decile, which includes a relatively high rate of senior citizens and whose economic income went nearly unchanged, economic income rose in the other deciles, where the increase in general (except in the bottom decile) declined with the decile scale (and therefore affected the decline in the Gini index of inequality for this type of income).<sup>9</sup> Apparently, the relatively high increase in the lower deciles (including in the bottom decile) stems from the return to employment of the weaker links in the job market, which were more subject to job termination during the COVID-19 crisis.

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<sup>8</sup> The Gini index is a common index for measuring income and expenditure inequality. It ranges from 0 to 1, 0 indicating complete equality and 1 complete inequality.

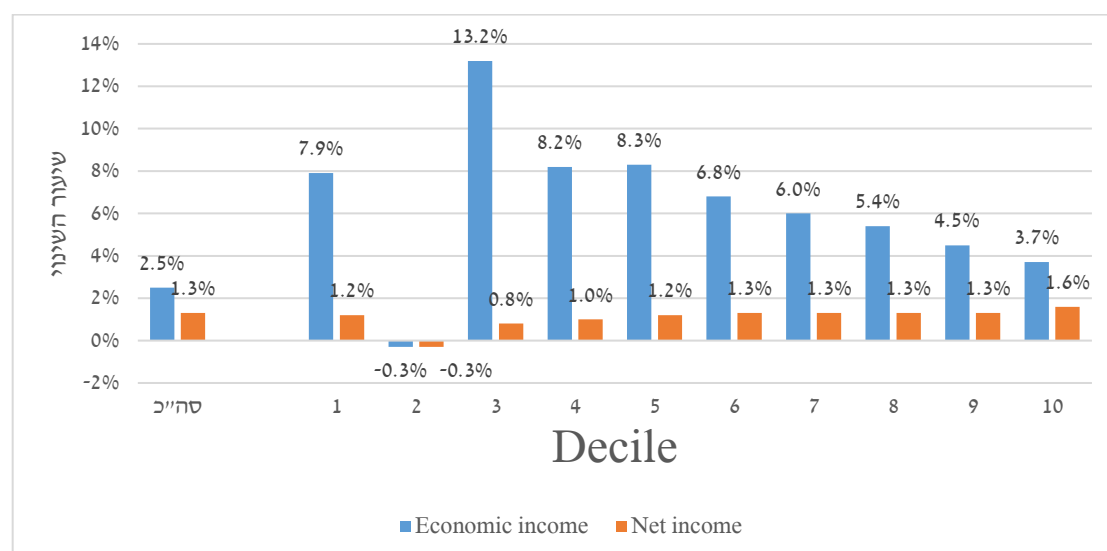
<sup>9</sup> The rate of families of seniors in the second decile reached 31% in 2021 (relative to 17% in the bottom decile and numbers between those two in the other deciles).

**Table 6: Gini Index of Inequality in Economic Income and Net Income per Standard Person, 2016-2021**

Year	By economic income	By net income
2021	0.5066	0.375
2020	0.5138	0.3719
2019	0.4932	0.3763
2018	0.4933	0.3778
2017	0.4977	0.3829
2016	0.5064	0.3905
<b>Change percentages in 2020</b>		
Relative to 2019	-1.4	0.8
Relative to 2018	2.7	-0.3
Relative to 2017	2.7	-0.7
Relative to 2016	1.8	-2.1
Relative to 2015	0.0	-4.0

However, the changes in net income range around one percentage point in nearly all deciles, yet in the top decile income was less high than the average, and in the third and bottom deciles, it was below average. Likewise in this case, the second decile – which of course includes a relatively high rate of seniors – is exceptional, and net incomes declined, in contrast to all other deciles.

**Figure 8: Real Change in Economic Income and Net Income Per Standard Person, by Deciles (Percentages), 2021 compared to 2020**



### **3. Dimensions of Poverty and Income Inequality in Israel by International Comparison**

The method of calculating the dimensions of poverty of the OECD is similar to the method of the NII and implemented in Israel – both define the median net financial income as an indicator of the standard of living and use it to define the poverty line. However, there are certain differences, which relate mainly to the calculation of the equivalence scale between the two forms of calculation<sup>10</sup>.

Generally, the source of the data for the calculation of poverty in all OECD countries, including Israel, is household surveys with data on income, which are usually conducted by the Central Bureaus of Statistics. In this chapter, we will present international comparisons whereby Israeli measurements are also based on administrative data, as in the other sections of the report. The comparisons were made using a variation of the organization uses to calculate the dimensions of poverty.

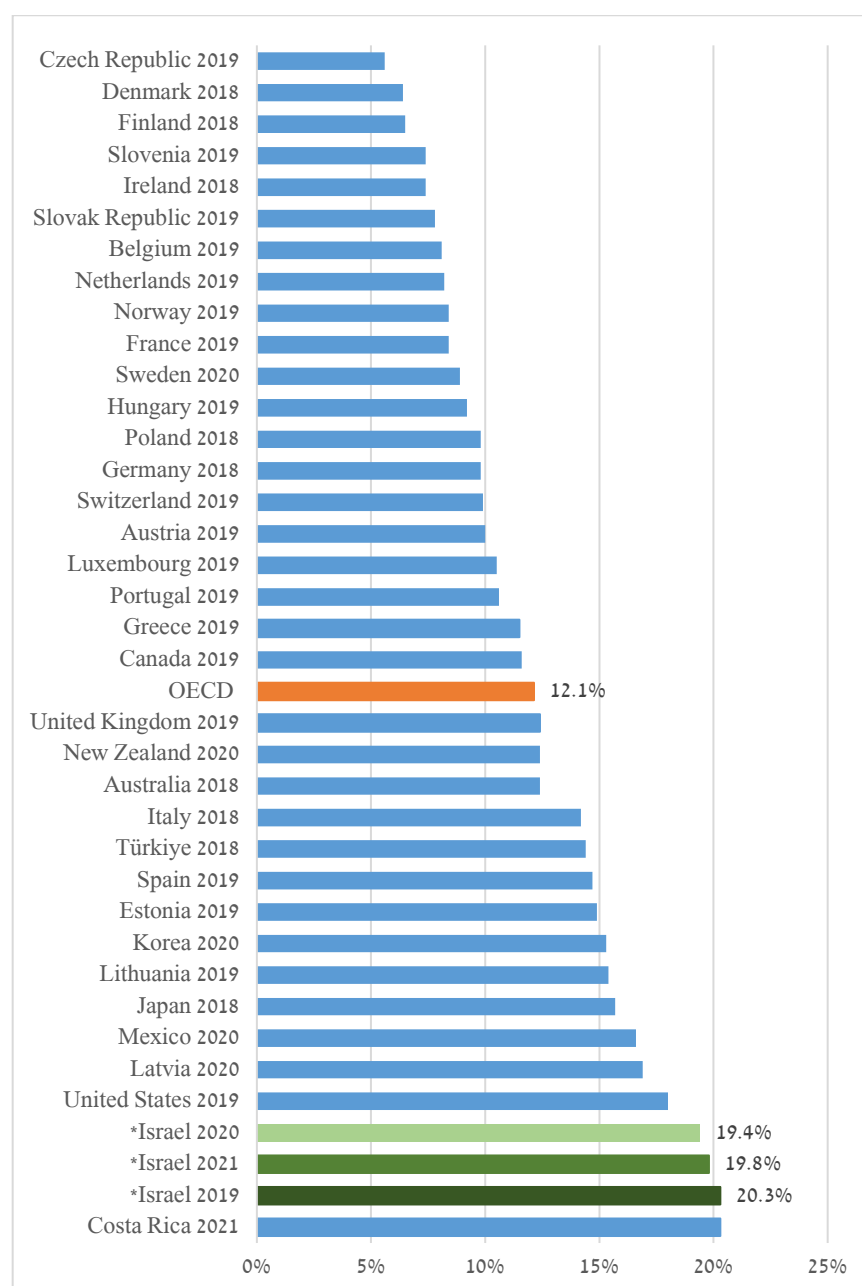
The incidence of poverty among individuals by 50% of the median income per standard person, the most current available for each OECD member country (in Israel according to administrative data for 2019-2021) are presented in Figure 9. The findings show that when comparing Israel in 2020 and 2021, there was an increase of 0.4 percentage points from 19.4% to 19.8%, so that in 2021 Israel was heading the international scale with a gap of 8 percentage points above the OECD average and a poverty rate nearly double that. It should be noted that the rate was even higher in Israel in 2019, a year common to most countries in the report, reaching 20.3%.<sup>11</sup>

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<sup>10</sup> For further details, see the Annual Surveys of the National Insurance Institute, various years, “Appendix on Measuring Poverty and Sources of Data”.

<sup>11</sup> See also Chapter 2 in the “Annual Report” (the Annual Survey) for 2021, accessible on the website.

**Figure 9: Poverty Rates among Persons (50% of the Disposable Income), OECD countries and Israel, Various Years (2018-2020, Israel 2020-2021), OECD Definition**



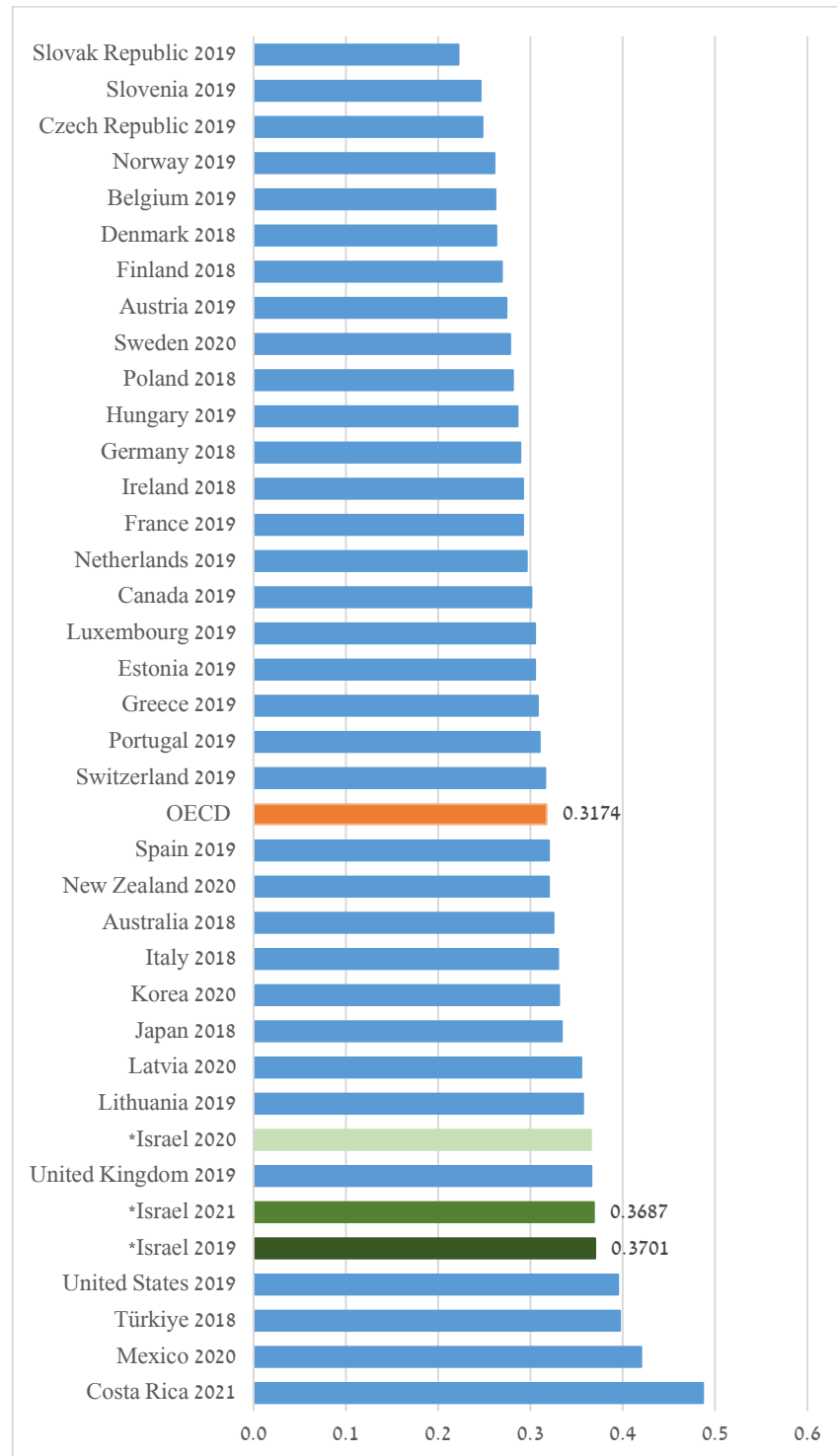
\* Calculation based on administrative data.

Figure 10 shows a comparison of the level of inequality between countries as reflected in the Gini Index of net income per standard person. Here as well one can observe that Israel is ranked relatively high on the list, for the representative years, despite the slight improvement in Israel's situation in 2020 relative to 2019 and 2021— in which in the United States, Turkey, Mexico, and Costa Rica the level of inequality after Government interventions was higher (in 2020 the United Kingdom also had a higher level of



inequality). The gap between the Israeli Gini Index and that of the states average reaches about 16% in 2021.

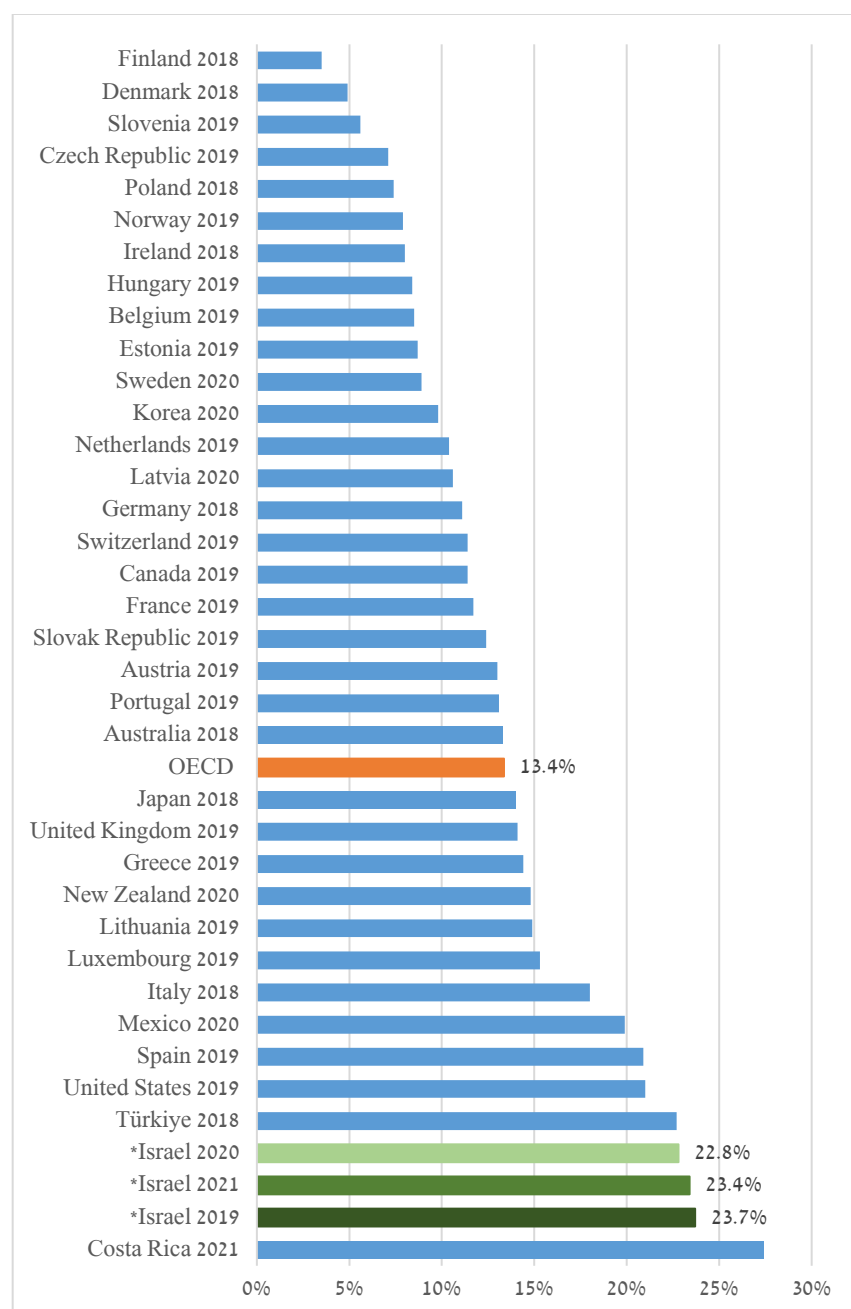
**Figure 10: Gini Index of Inequality of Disposable Income per Standard Person, OECD Countries and Israel, Various Years (2018-2020, Israel 2019-2021), OECD Definition**



\* Calculation based on administrative data.

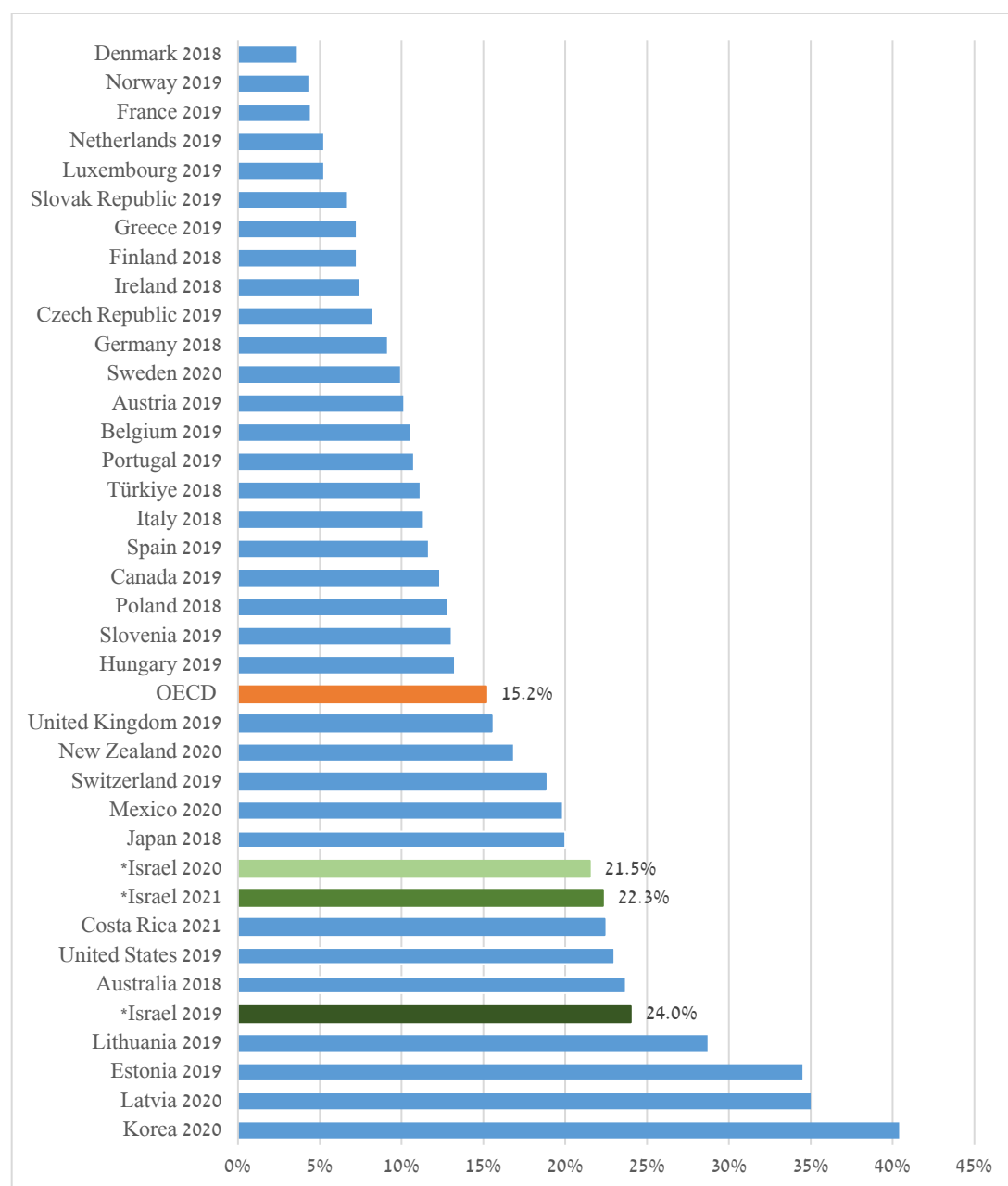
A comparison of the incidence of poverty among children by disposable income (Figure 11) shows that, similarly to poverty among individuals, Israel ranks at the top of the list, and is about 10 percentage points from the international average. Its standing even deteriorated from 2020 to 2021, after the rates of poverty rose from 22.8% to 23.4% between the two years. The poverty among senior citizens according to this calculation (Figure 12), similarly to the calculation according to the Israeli variation, points to an increase in poverty rates from 21.5% in 2020 to 22.3% in 2021. Israel is relatively far (about 9 percentage points) from the international average in 2019 – the closest year to the countries compared in the figure. Nonetheless, Israel is improving its standing in 2020-2021 and is not listed at the top of the ranking of poverty rates for individuals and children. A number of nations, including the United States and South Korea, have higher rates of poverty among senior citizens. It should be noted that there are higher levels of poverty among seniors according to the Israeli index given that the equivalence scale gives a greater advantage to families with fewer members, as is the case among most families of seniors.

**Figure 11: Poverty Rates among Children by Disposable Income (50% of the Median Income), OECD Countries and Israel, Various Years (2018-2020, Israel 2019-2021), OECD Definition**



\* Calculation based on administrative data.

**Figure 12: Poverty Rates Among Seniors by Disposable Income (50% of the Median Income), OECD Countries and Israel, Various Years (2018-2020, Israel 2019-2021), OECD Definition**



\* Calculation based on administrative data.

In 2022, a decline is expected in the dimensions of poverty in the senior population. This in light of the increase of benefits to senior citizens receiving income support amounting to about NIS 500 for individuals and about NIS 800 for couples, as well as the increase of earnings added to these benefits as income support. Alongside this influence, the increase in the retirement age for women in 2022 is expected to reduce the benefit in the case of poverty, even if it is still early to evaluate this. Regarding the

population of working age, special unemployment benefits for the period of COVID-19 were halted **entirely** in 2022 from the reduction of the support that year. Likewise, in 2022, the unemployment rate fell and the employment rate grew, which is also predicted to affect the dimensions of poverty and inequality.

## Inset 2: Subjective Poverty, Inability to Cover Monthly Expenses and Waiving Consumption and Treatments -

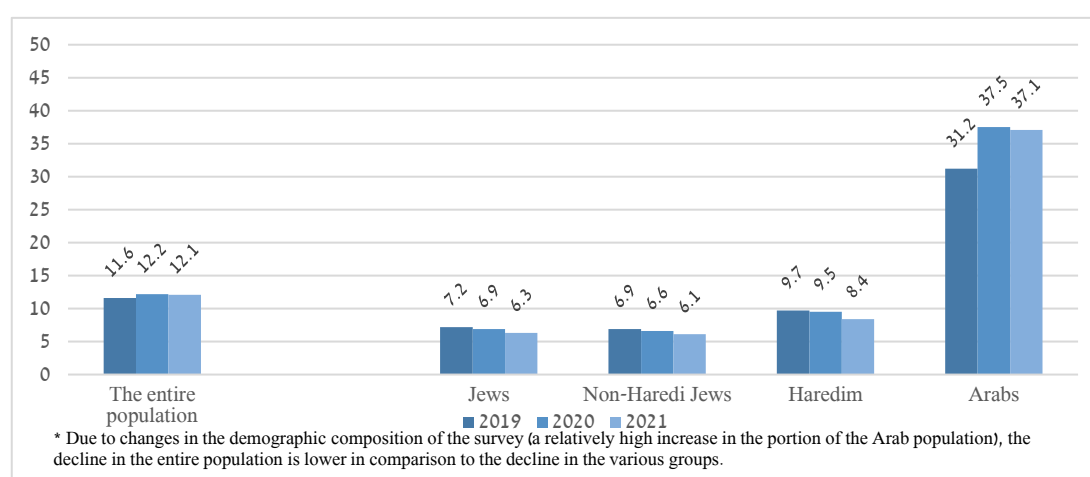
### Findings of the social survey conducted by the CBS, 2021

As in the previous year, in this inset we will present findings on the feeling of poverty (subjective poverty) and waiving consumption products and services due to economic difficulty in 2021 compared to the two preceding years. The findings are based on the social survey conducted by the Central Bureau of Statistics.<sup>12</sup>

#### Subjective poverty

In 2021, a decline in the estimation of poverty was found among all population groups: both in the Arab population and among Jews (all Jews, non-Haredi Jews, and Haredi Jews). In the Jewish population, the rate declined by 0.6 percentage points, and in the Arab population by 0.4 percentage points. In the Haredi population, it was even greater, by about a percentage point. This in comparison to the (slight) increase in poverty according to the official measurement. Nonetheless, the rate of Arab respondents who felt poor remained high relative to the Jewish population: 4.3 times, 5.5 times, and 5.9 times more in 2019, 2020, and 2021, respectively.

**Figure: Proportion of Individuals Feeling Poor in the Last Year, by Ethnicity and Religiousness, 2019-2021\***



#### Inability to finance expenses and waiving consumption and treatments due to economic difficulty

<sup>12</sup>It should be noted that the findings for subjective poverty presented in this inset are not comparable to the findings presented in Inset 1, which refer to a different survey and a different form of polling.

26.4% (compared to approximately 25.8% and 30.2% in the previous two years) positively answered the question of whether their household was unable to finance all of its expenses in the compared years. Namely, similarly to findings on poverty, a slight increase despite the improvement trend recorded from 2019 to 2020 (see the table below). This is down, inter alia, to the fact that private consumption which decreased in 2020 by a significant rate, inter alia due to the lockdowns and restrictions on business activity, rose in 2021. Likewise, in 2020, the country enrolled to assist needy populations both by increasing transfer payments and through food assistance.

The findings of the survey regarding the waiving of products, services, and treatments are mixed. On the one hand there was a decline during the years in the rate of people who did waive a hot meal (for economic reasons) from 6.4% in 2019 to 5.4% in 2020 and 5.2% in 2021. The rate of respondents who waived leisure activities and hobbies due to financial difficulties declined markedly from 2020 to 2021 (from 30% to 27.5%.) Despite this, in the field of health, there was an increase in the rate of people waiving services: the rate of people who waived prescription drugs due to their financial situation rose by a percentage point in 2021, after a small drop from 2019 to 2020. The rate of those waiving medical treatments also rose between the two years by 0.8 percentage points.

**Table 1: The Proportion of People Waiving Consumption and Treatments Due to Economic Difficulties, 2019-2021<sup>1</sup>**

	2019	2020	2021
Proportion of households unable to cover all monthly expenses	30.2	25.8	26.4
<b>Waiving consumption and treatments</b>			
Rate of individuals who waived medical treatment due to financial difficulties <sup>2</sup>	9.8	9.8	10.6
Rate of individuals who waived prescription drugs due to financial difficulties <sup>3</sup>	6.6	5.9	6.9
Rate of individuals who waived hot meals at least once every two days due to financial difficulties	6.4	5.4	5.2
The rate of individuals who waived a hobby or leisure activity due to financial difficulties	30.5	30.0	27.5

<sup>1</sup> Processing by the Research and Planning Administration for Social Surveys of the CBS; only the first question (coverage of expenses) was asked at the household level.

<sup>2</sup> Out of those needing medical treatment.

<sup>3</sup> Out of those who needed prescription drugs.

The findings in the distribution by population groups (Table 2) show that the decline in waiving a hot meal only occurred in the Jewish population. Meanwhile the Arab population reported an increase in waiving this kind of expense from 2020 to 2021. Likewise the increase in the rate of waiving prescription drugs in the Jewish population, whereas the Arab population reported a decline in this field. Despite this, the increase in the rate of waiving medical treatment was shared among all groups. Generally, in 2021 among most population

groups the rate of those waiving medical treatment and prescription drugs rose back to the levels observed in 2019, after a certain improvement in 2020. Likewise, among all groups, the rate of waiving hobbies or leisure activities declined after an increase among Arabs and Haredim in 2020.

**Table 2: Waiving of Products, by Ethnicity and Religiousness Categories 2019-2021**

Waiving of	Sector	2019	2020	2021
Medical Treatment	Arabs	14.9	16.2	18.3
	Jews	8.7	8.5	8.8
	Non-Haredi Jews	8.3	8.1	8.4
	Haredim	14.5	13.5	14.8
Prescription drugs	Arabs	14.0	12.3	16.5
	Jews	4.9	4.6	5.0
	Non-Haredi Jews	4.9	4.4	4.9
	Haredim	5.4	7.9	6.1
Hot meal	Arabs	14.8	10.7	12.8
	Jews	4.5	4.3	3.5
	Non-Haredi Jews	4.0	4.0	3.3
	Haredim	9.5	6.8	5.2
Hobbies	Arabs	43.9	48.3	41.6
	Jews	27.5	26.2	24.3
	Non-Haredi Jews	26.3	24.5	23.0
	Haredim	38.4	41.6	35.4



# Appendices

## **Appendix A (Methodology): Data Sources for the NII's Reports on Poverty - Clarifications**

In light of the delays in the handover of the CBS survey on expenses since the expense survey of 2018 and due to the size of the sample (which decreased over time), since 2019, the reports on poverty have been based on the administrative data located held by the NII with adjustments via imputations of incomes unrecorded in NII databases for the purposes of calculating poverty and income inequality.

There are many advantages to the use of administrative data. These figures, given that – allow comparisons to even small groups of the population, and likewise, work income and benefits data are “real data” in that they are a faithful reflection of (official) incomes from these sources to households for the duration of the year of the report. Regarding incomes that are not included in the administrative data (income from capital and income from support from sources other than the NII) – incomes were added based on research conducted by the NII's Research Administration, within which income was estimated or imputed to various households, according to their characteristics<sup>13</sup>.

Because there are **two different databases**, with different definitions, a different method for gathering data and different sizes, it is **difficult to compare the results that each of the databases provides**. Therefore, when comparing the findings from the two sources, each source must be considered on a standalone basis, and only the years studied within it should be compared<sup>14</sup>.

One of the key causes of discrepancies between the income surveys and administrative data, besides differences in data sources and characteristics, is the existing differences between the definitions of a household in the survey data compared to the definition of family in administrative data. The latter identifies a family that differs from defining it by algorithm of an individual or couple living with or without children, without identifying other members of the household who do not belong to the nuclear family.

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<sup>13</sup> See Heller Oren and Endeweld Miri, “Imputation of Missing Income Components in Administrative Data” 2021), publication No. 138 in the “Studies for Discussion” series on the NII website: [https://www.btl.gov.il/Publications/research/Documents/mechkar\\_138.pdf](https://www.btl.gov.il/Publications/research/Documents/mechkar_138.pdf)

<sup>14</sup>It should be noted that key data regarding poverty and inequality for 2019-2020 are from **CBS surveys** of employees (late, as stated) and published in the Annual Report (Annual Survey) of the National Insurance Institute for 2021 in the chapter. The data are accessible on the NII website, under the “Publications” tab. Regarding the comparison between findings from both sources of data, see the breakdown in the 2020 report.

This different definition means that the number of families according to administrative data is greater than the number of households according to CBS surveys.

In this report, the data is based on administrative employee income data existing for 2021 and NII benefits data for that year. Assessments of self-employed are received gradually during 3-4 years. Almost half of self-employed incomes in the year of the report refer to 2019, and the rest are similarly distributed between 2018, 2020, and 2021.<sup>15</sup> The data relates to self-employed individuals who meet the definition of the National Insurance law.

Given that labor income data are also updated retroactively<sup>16</sup>, **past** data appearing in reports based on administrative data are liable to be slightly different from figures published in previous reports for those same years.

It should be noted that key data regarding poverty and inequality for 2019-2020 are from **CBS surveys** of employees (late, as stated) and published in the Annual Report (Annual Survey) of the National Insurance Institute for 2021 in the second chapter. The data are accessible on the NII website, under the “Publications” tab. Regarding the comparison between findings from both sources of data, see the breakdown in the 2020 report.

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<sup>15</sup> This year, we did not add estimates of grants received, given that these are included in the assessments of some 60% of self-employed (for 2020-2021) and the remaining assessments refer to years before the COVID-19 crisis, namely, income which was unaffected by the crisis.

<sup>16</sup> This year, refinements were made in the evaluation of the financial transfer to families in the long-term care benefit allocation and the tax calculation algorithm was improved.

**Table, Appendix 1: Economic Income and Net Income for Year, by Family, for Population Groups**

Population groups	Economic income			Net income		
	2020	2021	The Change between and 2020 2021	2020	2021	The Change between and 2020 2021
General population	76,487	81,693	6.80%	79,036	81,231	2.80%
<b>Family head's ethnicity</b>						
Jews	83,667	89,386	6.80%	85,292	87,841	3.00%
Non-Haredi Jews	87,779	93,815	6.90%	88,324	91,033	3.10%
Haredim	42,086	45,452	8.00%	54,628	56,188	2.90%
Arabs	42,407	46,196	8.90%	49,347	50,726	2.80%
<b>Family composition</b>						
Families with children	74,585	80,020	7.30%	70,055	71,882	2.60%
Families with 1-3 children	81,286	87,338	7.40%	75,220	77,372	2.90%
Families with 4 children or more	42,957	45,882	6.80%	45,680	46,273	1.30%
Families with 5 children or more	31,413	33,874	7.80%	37,602	38,145	1.40%
Families headed by an independent parent	55,159	60,968	10.50%	62,355	64,777	3.90%
<b>Labor market status (of at least one member of family)</b>						
Working	91,201	98,123	7.60%	85,979	88,828	3.30%
Salaried employee	91,654	98,723	7.70%	86,260	89,084	3.30%
Self-employed	103,105	109,950	6.60%	90,982	94,643	4.00%
Head of Family Aged 18-Retirement Age and No Member is Employed	7,887	8,531	8.20%	32,958	33,975	3.10%
<b>Number of breadwinners in the family</b>						
Single wage earner	76,628	83,619	9.10%	77,622	80,881	4.20%
Two or more wage earners	105,182	112,164	6.60%	93,996	96,521	2.70%
<b>Age of the head of family</b>						
Up to 29	40,531	46,192	14.00%	47,579	50,404	5.90%
Age 30-44	77,392	83,618	8.00%	73,902	76,041	2.90%
Age 45 to retirement age	101,855	108,744	6.80%	92,552	95,424	3.10%
At retirement age (age 62 for women and 67 for men)	61,301	62,549	2.00%	84,245	84,806	0.70%
<b>Gender of the head of the family</b>						
Man	89,788	95,908	6.80%	85,449	88,033	3.00%
Woman	59,811	63,894	6.80%	70,996	72,713	2.40%

**Table, Appendix 2: Incidence of Poverty among Individuals, Children, and Seniors by Population Group, 2020-2021**

Population groups	2020			2021		
	Persons	Children	Senior citizens	Persons	Children	Senior citizens
General population	20.5	27.2	16.4	21.0	28.0	17.6
<b>Family head's ethnicity</b>						
Jews	15.7	20.6	14.3	16.0	21.2	15.3
Non Haredim	11.7	12.8	14.4	11.9	13.2	15.3
Haredim	39.3	46.5	12.4	39.7	47.1	14.0
Arabs	38.1	47.8	36.5	38.8	49.0	38.9
<b>family composition</b>						
Families with children	23.5	27.2	13.2	24.2	28.0	13.9
Families with 1-3 children	16.0	17.4	11.3	16.5	18.0	12.0
Families with 4 children or more	43.6	44.8	41.2	44.4	45.7	43.6
Families with 5 children or more	52.5	53.3	48.5	53.2	54.1	52.3
Families headed by an independent parent	24.4	27.4	15.2	24.9	28.0	16.8
<b>Labor market status (of at least one member of family)</b>						
Working	16.9	24.1	3.2	17.3	24.9	3.5
Salaried employee	16.1	22.8	3.1	16.5	23.6	3.5
Self-employed	16.0	23.6	2.7	15.2	23.2	2.4
Head of Family Aged 18-Retirement Age and No Member is Employed	72.7	82.9	29.7	73.1	84.0	34.2
<b>Number of breadwinners in the family</b>						
Single wage earner	33.0	50.6	4.6	33.0	51.5	5.0
Two or more wage earners	9.4	13.3	1.0	10.0	14.3	1.1
<b>Age of the head of the family</b>						
Up to 29	42.6	48.0	49.4	42.8	49.9	38.7
Age 30-44	24.6	28.7	20.3	25.6	29.8	22.4
Age 45 to retirement age	12.7	18.4	5.3	12.8	18.5	5.8
At retirement age (age 62 for women and 67 for men)	15.7	20.8	16.9	16.8	21.9	18.1
<b>Gender of the head of the family</b>						
Man	17.2	21.9	14.0	17.5	22.4	14.8
Woman	25.6	36.0	18.9	26.4	37.4	20.4

**Table, Appendix 3: Number of Individuals, Children and Elderly, 2020-2021**

<b>Number of persons</b>	<b>2020</b>	<b>2021</b>
<b>Total population</b>		
Persons	9,148,336	9,300,286
Children	3,010,037	3,048,405
Senior citizens	1,172,910	1,207,081
<b>Poor population</b>		
Persons	1,877,594	1,954,776
Children	819,990	853,823
Senior citizens	192,416	212,324

**Table, Appendix 4: Direct Effect of Policy Measures to Deal with COVID-19 Crisis on the Incidence of Poverty among Individuals, by Population Groups (Percentages)**

Types Populations	Economic poverty	If policy steps had not been taken	Ordinary unemployment benefits
General population	32.1	23.2	21.0
<b>Family head's ethnicity</b>			
Jews	27.6	18.0	16.0
Non Haredim	22.3	13.8	11.9
Haredim	58.1	42.3	39.7
Arabs	48.1	41.7	38.8
<b>family composition</b>			
Families with children	32.7	26.6	24.2
Families with 1-3 children	24.4	19.0	16.5
Families with 4 children or more	54.9	46.7	44.4
Families with 5 children or more	65.1	55.3	53.2
Families headed by an independent parent	43.9	27.9	24.9
<b>Labor market status (of at least one member of family)</b>			
Working	25.9	19.6	17.3
Salaried employee	25.1	18.9	16.5
Self-employed	20.9	16.8	15.2
Head of Family Aged 18-Retirement Age and No Member is Employed	94.0	75.9	73.1
<b>Number of breadwinners in the family</b>			
Single wage earner	47.5	36.0	33.0
Two or more wage earners	16.0	12.0	10.0
<b>Age of the head of the family</b>			
Up to 29	55.8	45.9	42.8
Age 30-44	34.1	28.2	25.6
45 to retirement Age	20.4	15.0	12.8
At retirement age (age 62 for women and 67 for men)	42.3	17.4	16.8
<b>Gender of the head of the family</b>			
Man	25.0	19.5	17.5
Woman	43.1	29.0	26.4

**Table, Appendix 5: Poverty and Inequality Indices of the Population, 2012-2021**

year		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
		<b>By economic income</b>									
Incidence of poverty											
	Families	37.4	36.7	36.3	35.6	34.7	34.0	33.6	33.6	37.4	35.5
	Persons	33.3	32.8	32.4	31.7	31.3	30.5	30.2	30.2	33.9	32.1
	Children	38.3	38.1	37.6	36.7	36.5	35.6	35.3	35.0	39.0	37.0
	Senior citizens	51.0	49.9	48.6	47.3	44.5	44.0	43.2	42.9	44.1	43.9
Income gap ratio		64.4	63.4	63.0	62.2	61.0	59.5	58.7	58.7	59.6	59.6
Gini Index of Income Inequality		0.5311	0.5233	0.521	0.5126	0.5064	0.4977	0.4933	0.4932	0.5138	0.5066
		<b>By net income</b>									
Incidence of poverty											
	Families	22.1	21.9	21.9	23.0	21.5	22.3	22.3	21.9	20.6	21.0
	Persons	22.1	22.2	22.4	22.8	22.0	21.9	21.7	21.4	20.5	21.0
	Children	29.3	29.9	30.3	30.0	29.7	28.8	28.4	28.0	27.2	28.0
	Senior citizens	17.6	17.6	17.0	21.3	15.9	20.2	21.5	19.8	16.4	17.6
Income gap ratio		43.3	42.7	43.0	41.9	42.6	40.8	39.9	39.9	38.7	39.4
Gini Index of Income Inequality		0.4064	0.4001	0.4011	0.3988	0.3905	0.3829	0.3778	0.3763	0.3719	0.375



**Table, Appendix 6 Proportion of Selected Groups among General Population and Poor Population (Percentages), 2020**

Population category (families)	Rate in General population		Rate in poor population			
			Before transfer payments and direct taxes		After the transfer payments and direct taxes	
	Families	Persons	Families	Persons	Families	Persons
<b>Family head's ethnicity</b>						
Jews	82.6	78.4	75.1	67.4	67.5	59.9
Non Haredim	75.2	67.0	63.8	47.1	55.4	38.2
Haredim	7.4	11.4	11.3	20.4	12.1	21.7
Arabs	17.4	21.6	24.9	32.6	32.5	40.1
<b>family composition</b>						
Families with children – total	37.3	63.0	32.4	64.6	37.8	72.1
3-1 children	30.7	45.9	22.8	35.8	24.6	35.7
4 or more children	6.5	17.1	9.6	28.8	13.2	36.3
5 or more children	3.2	9.6	5.6	19.1	7.9	24.6
Single parent families	5.3	5.9	6.5	8.2	5.7	6.9
<b>Labor market status (of at least one member of family)</b>						
Working	77.1	87.6	55.3	72.6	53.9	72
Salaried employee	72.9	84.0	51.3	67.7	49	65.7
Self-employed	14.6	18.7	8.2	12.9	9.5	14.6
Head of Family Aged 18-Retirement Age and No Member is Employed	7.8	5.2	19.2	14.4	25.0	18.3
<b>Number of breadwinners in the family</b>						
Single wage earner	37.8	27.8	39.8	41.5	40.2	44.8
Two or more wage earners	39.4	59.8	15.5	31.1	13.7	27.2
<b>Age of the head of the family</b>						
Up to 29	13.8	9.6	21.1	16.7	28.1	20
Age 30-44	28.2	38.0	24.1	40.3	27.2	45.5
Age 45 to retirement age	33.3	38.1	22.5	25.1	21.9	23.6
At retirement age (age 62 for women and 67 for men)	24.7	14.2	32.2	17.9	22.7	10.9
<b>Gender of the head of the family</b>						
Man	55.6	60.6	45.1	47.9	48.8	50.9
Woman	44.4	39.4	54.9	52.1	51.2	49.1

**Table, Appendix 7: Proportion of Selected Groups among General Population and Poor Population (Percentages), 2021**

Population category (families)	Rate in General population		Rate in poor population			
	Families	Persons	Before transfer payments and direct taxes		After the transfer payments and direct taxes	
	Families	Persons	Families	Persons	Families	Persons
<b>Family head's ethnicity</b>						
Jews	82.2	78.1	74.6	67.1	66.8	59.6
Non-Haredi Jews	74.7	66.5	63.2	46.2	54.7	37.7
Haredim	7.5	11.6	11.5	21	12.1	21.9
Arabs	17.8	21.9	25.4	32.9	33.2	40.4
<b>family composition</b>						
Families with children	36.9	62.8	31.6	64	37.9	72.1
Families with 1-3 children	30.4	45.6	22	34.7	24.7	35.8
Families with 4 children or more	6.5	17.2	9.7	29.4	13.2	36.3
Families with 5 children or more	3.2	9.7	5.7	19.6	7.9	24.5
Families headed by an independent parent	5.4	6	6.4	8.2	5.8	7.1
<b>Labor market status (of at least one member of family)</b>						
Working	77	87.5	52.3	70.7	53.2	71.9
Salaried employee	72.7	83.8	48.4	65.7	48.8	65.9
Self-employed	14.7	18.8	7.6	12.3	8.5	13.6
Head of Family Aged 18-Retirement Age and No Member is Employed	7.7	5.2	20	15.1	24.3	18
<b>Number of breadwinners in the family</b>						
Single wage earner	37.9	27.7	38	41	39.1	43.5
Two or more wage earners	39.1	59.8	14.3	29.8	14.2	28.4
<b>Age of the head of the family</b>						
Up to 29	13.6	9.5	20.2	16.5	26.6	19.3
Age 30-44	27.9	37.6	23.5	40	27.5	45.7
Age 45 to retirement age	33.5	38.5	22.1	24.6	21.5	23.5
At retirement age (age 62 for women and 67 for men)	24.9	14.4	34.2	19	24.3	11.5
<b>Gender of the head of the family</b>						
Man	55.6	60.6	44.4	47.2	48.2	50.5
Woman	44.4	39.4	55.6	52.8	51.8	49.5

**Table, Appendix 8: Incidence of Poverty, by District and Major Cities (Percentages), 2020-2021**

	2020						2021					
	Incidence of poverty				Poverty gap ratio	Severity of poverty	Incidence of poverty				Poverty gap ratio	Severity of poverty
	Families	Persons	Children	Senior citizens			Families	Persons	Children	Senior citizens		
Total	20.6	20.5	27.2	16.4	38.7	22.8	21.0	21.0	28.0	17.6	39.4	23.5
<b>Jerusalem</b>	36.3	39.4	48.2	23.1	43.8	27.2	36.7	39.9	49.0	24.5	44.8	28.3
Jerusalem City	38.4	41.5	50.5	24.5	44.3	27.8	38.7	42.0	51.2	26.1	45.4	28.9
<b>North</b>	23.1	21.6	27.7	20.4	34.6	18.7	23.6	22.2	28.8	21.5	35.5	19.5
<b>Haifa</b>	18.8	16.6	20.9	16.3	36.2	21.1	19.3	17.1	21.6	17.9	36.6	21.3
Haifa City	18.6	15.0	17.1	16.3	37.5	23.5	19.5	15.9	18.2	18.5	37.5	23.3
<b>Center</b>	14.3	11.7	14.0	12.7	37.6	22.7	14.5	12.0	14.4	13.6	37.9	22.9
Rishon Letzion City	11.4	8.1	8.6	10.5	37.3	23.3	11.6	8.3	8.9	11.3	37.0	22.8
Petach Tikva City	12.6	9.2	9.5	12.0	35.7	21.7	13.0	9.7	10.2	13.0	35.3	21.1
<b>Tel Aviv</b>	15.6	14.8	19.6	13.2	36.7	21.7	15.7	15.1	20.2	14.5	37.2	22.0
Tel Aviv City	14.7	12.1	12.0	13.9	41.7	27.7	14.5	12.0	11.9	15.1	42.2	28.1
The south	23.9	24.5	32.9	20.5	39.5	23.3	24.6	25.4	34.0	21.8	40.4	24.1
Ashdod City	22.1	20.8	27.4	23.8	37.0	21.9	22.5	21.0	27.4	24.6	36.8	21.6
Beer Sheva	20.7	17.3	21.7	19.9	38.8	24.1	21.9	18.1	22.4	22.1	39.3	24.1
Judea and Samaria	22.1	24.4	30.3	12.9	35.4	18.7	22.4	24.8	31.0	13.7	36.0	19.2

**Table to Appendix 9: The Incidence of Poverty in Towns with More than 5,000 Residents in 2021, by Name of Town**

Town	poverty Incidence of				Poverty gap ratio	Severity of poverty
	Families	Persons	Children	Senior citizens		
Abu Gosh	27.8	24.9	31.3	33.2	36.7	21.6
Abu Sanan	26.0	23.3	30.4	30.6	32.6	16.7
Even Yehuda	12.0	7.4	6.0	6.3	42.1	27.0
Umm al-Fahm	38.5	38.3	48.9	38.8	36.1	18.7
Ofakim	25.5	27.0	35.9	22.2	37.2	20.5
Or Yehuda	12.8	10.1	12.4	11.1	30.4	16.2
Or Akiva	18.2	13.9	14.2	19.9	37.7	23.2
Ornit	6.9	4.5	3.8	7.3	32.3	17.9
Azour	13.8	11.5	14.6	11.6	33.8	19.2
Eilat	18.3	14.5	14.6	22.5	41.6	27.5
Aksal	30.9	29.6	37.8	39.7	34.7	18.2
Al Said	42.0	45.8	52.3	28.6	39.3	22.1
Elad	31.8	34.3	39.0	12.8	31.6	14.9
Alfie Menashe	6.8	4.5	4.6	6.6	33.2	19.4
Ablein	29.9	27.4	36.4	38.0	31.2	14.9
Efrat	18.3	12.4	11.1	19.6	47.4	33.0
Ariel	15.2	10.1	9.5	20.2	37.0	23.7
Ashdod	22.5	21.0	27.4	24.6	36.8	21.6
Ashkelon	19.9	15.3	16.7	22.4	37.2	22.8
Baqqa al-Gharbiyya	26.3	23.9	31.3	34.6	32.7	16.6
Be'er Ya'akov	9.2	6.5	6.6	8.6	34.0	19.6
Be'er Sheva	21.9	18.1	22.4	22.1	39.3	24.1
Buaina-Nojidat	34.0	33.3	43.6	38.3	34.9	17.6
Buqaata	25.6	27.8	35.8	11.1	34.8	17.3
Bir al-Maksor	34.2	33.2	41.1	36.8	33.6	17.2
Bi HaDaj	79.4	82.8	85.8	62.5	57.3	39.9
Beit El	23.3	19.7	21.1	10.5	37.0	20.8
Beit Arye	7.6	5.5	5.9	5.7	29.6	15.7
Beit Jan	18.8	15.9	20.0	22.3	30.6	14.8
Beit Dagan	9.2	6.1	6.3	9.9	32.0	17.2
Beit Shean	21.8	18.7	22.1	14.1	38.0	22.8
Beit Shemesh	37.2	42.8	50.9	27.3	42.1	24.9

Town	poverty Incidence of				Poverty gap ratio	Severity of poverty
	Families	Persons	Children	Senior citizens		
Beitar Illit	42.3	45.7	50.1	24.9	35.0	17.8
Bnei Brak	32.0	38.0	45.6	15.5	33.5	16.7
Bnei Aish	15.2	11.6	14.4	20.9	37.6	24.0
Binyamina-Givat Ada	14.4	8.9	7.0	11.1	48.2	34.6
Basma	37.5	37.0	49.0	38.0	39.2	21.5
Basmat Tivon	25.4	24.8	34.7	24.8	32.6	16.1
Biena	37.7	38.4	49.5	33.6	36.3	19.7
Bat Hefer	7.2	4.0	3.6	11.1	34.7	20.0
Yam Bat	20.2	16.8	19.9	21.6	37.4	23.2
Jedidah-Maker	27.1	25.5	34.5	32.8	33.0	16.4
Jules	12.5	9.7	11.8	16.1	32.8	17.3
JalJulia	35.1	35.1	46.2	36.4	40.3	24.0
al-Zarqa Jessar	24.7	24.9	35.6	25.9	29.1	13.5
Jat	23.0	20.1	24.9	29.1	35.3	19.0
Binyamin Geva	16.4	15.0	18.5	10.9	33.1	18.1
Givat Ze'ev	21.4	24.3	31.6	10.8	39.4	22.8
Shmuel Givat	14.2	9.3	7.8	10.9	42.2	27.1
Givatayim	10.0	6.8	4.7	10.8	38.2	24.2
Gedera	10.5	6.7	6.6	11.5	37.4	22.1
Yavne Gan	10.6	6.5	6.7	7.9	37.1	22.0
Tikva Ganei	9.7	6.8	6.9	7.5	36.1	21.2
el Carmel Dali'at	18.6	15.1	17.4	24.6	31.2	16.2
Daburia	27.0	25.2	31.0	38.1	32.2	16.0
al-Assad Deir	27.8	26.5	31.9	32.5	32.8	16.8
Hana Deir	23.1	21.4	29.0	26.2	28.9	13.2
Dimona	22.5	19.2	25.1	22.7	36.9	21.6
Hasharon Hod	10.0	6.7	6.3	8.1	38.8	24.2
Herzliya	13.3	9.5	8.4	12.1	44.2	30.5
Yaakov Zichron	18.0	14.6	17.4	14.8	48.5	34.0
zemer	26.0	24.1	32.8	31.4	35.1	18.4
Zarzir	29.5	27.8	35.4	33.4	34.1	18.1
Hadera	17.0	13.4	16.0	16.2	37.2	22.6
Holon	14.1	11.2	13.4	13.2	35.0	20.4
Hura	52.8	56.2	62.7	44.1	43.4	25.7

Town	poverty Incidence of				Poverty gap ratio	Severity of poverty
	Families	Persons	Children	Senior citizens		
Horfish	16.8	15.6	19.1	16.1	32.0	16.6
Haifa	19.5	15.9	18.2	18.5	37.5	23.3
Hazor HaGlilit	20.4	19.5	26.0	13.7	33.1	17.1
Harish	19.9	20.1	22.9	22.5	35.6	19.8
Tiberias	26.9	26.4	35.3	22.8	36.1	20.4
Tuba-Zangria	23.3	20.5	27.8	26.9	30.5	14.4
Turan	34.3	33.7	42.6	38.7	34.3	16.8
Taibe	29.5	29.7	40.2	29.6	34.8	18.2
Tira	25.0	23.4	33.2	28.5	36.2	19.9
Tirat Carmel	15.8	11.8	12.3	15.7	33.5	19.8
Tamra	31.0	29.7	37.6	40.3	33.2	16.8
Yanoh-Jath	16.9	14.4	17.6	22.5	30.9	15.6
Yavne	10.3	7.8	8.8	7.8	33.7	19.2
Yahud	10.1	7.0	7.2	8.4	33.9	19.7
Yafia	33.0	31.6	41.6	37.3	32.7	15.9
Yokneam Illith	12.2	7.8	7.1	15.6	36.0	22.4
Yeruham	24.9	23.6	28.8	22.1	40.4	24.2
Jerusalem	38.7	42.0	51.2	26.1	45.4	28.9
Yercha	23.5	22.0	27.7	25.4	33.3	16.7
Kabul	31.6	30.0	37.5	37.2	34.1	17.5
Kochav Yair	8.2	4.5	4.1	3.9	42.1	26.8
Kochav Yaakov	37.9	38.6	43.7	30.8	36.1	18.9
Kseyfa	50.4	52.5	59.0	42.2	43.6	25.7
Kasra-Samiya	21.2	20.5	26.1	18.7	29.5	13.6
Ka'abia-Tabash-Khajajara	29.1	26.1	32.8	37.7	33.0	16.6
Kfar Vradim	9.5	7.1	10.5	6.1	44.9	30.7
Kfar Habad	18.2	16.1	17.8	12.3	34.6	18.6
Kfar Yasif	23.5	21.0	28.0	24.7	30.6	15.2
Kfar Yona	11.4	7.8	7.9	11.3	34.2	20.0
Kfar Kana	38.5	38.0	47.3	40.6	33.7	16.6
Kfar Manda	45.3	45.6	55.1	40.2	38.0	20.3
Kfar Saba	11.1	7.6	6.9	10.4	36.6	22.5
Kfar Qasem	28.5	27.7	36.8	40.1	34.7	18.3

Town	poverty Incidence of				Poverty gap ratio	Severity of poverty
	Families	Persons	Children	Senior citizens		
Kfar Kara	21.1	18.6	25.8	30.7	32.1	16.0
Carmiel	19.5	14.9	16.5	22.3	40.2	25.9
Lehavim	6.4	3.4	3.5	3.2	44.5	29.7
Lod	22.5	23.3	31.6	18.5	38.3	22.2
Lakia	48.7	51.9	58.9	37.0	43.3	25.4
Mevaseret Zion	11.4	8.3	9.4	6.9	38.9	23.9
Majd al-Krum	30.8	25.6	31.4	32.6	34.2	18.3
Majdal Shams	25.9	29.7	40.7	10.4	31.9	15.1
Magar	24.1	22.7	30.1	25.2	34.2	17.9
Migdal Haemek	19.8	16.3	19.6	21.3	34.1	20.0
Modi'in Illit	50.8	55.4	59.3	28.0	36.0	18.2
Modi'in Maccabim-Reut	9.9	5.9	5.0	11.4	45.5	31.2
Mazkeret Batya	8.9	4.8	4.1	7.3	39.6	25.8
Metar	6.9	4.5	4.7	4.8	43.3	27.7
Ma'ale Adumim	11.9	8.6	9.5	12.5	37.9	23.2
Ma'ale Iron	36.7	35.5	45.1	38.6	35.7	18.6
Tarshiha	22.2	17.2	18.6	28.4	35.1	21.2
Mitzpe Ramon	31.2	31.6	39.5	27.4	41.6	25.5
Mashad	36.9	35.9	48.1	38.2	37.2	19.5
Nahariya	18.9	14.1	14.2	21.2	41.1	27.1
Nahaf	31.1	30.7	39.8	35.4	34.6	18.0
Ness Ziona	9.4	6.1	5.9	6.8	37.0	22.6
Nazareth	35.1	33.0	41.6	34.5	36.1	19.6
Nazareth Illit	24.3	21.3	28.9	26.4	37.9	23.5
Nesher	15.8	10.5	8.3	19.3	38.3	24.9
Netivot	25.8	27.0	34.5	22.1	34.2	17.7
Netanya	22.2	17.8	18.9	26.7	43.1	29.3
Sakhnin	29.0	27.8	35.7	31.6	32.0	15.4
Omer	11.0	10.2	15.7	6.6	39.4	23.3
Aylabon	18.9	14.9	18.8	24.0	30.5	15.3
Ilot	39.0	38.7	50.0	43.8	32.8	15.8
Ein Mahal	36.7	35.4	45.5	42.2	34.1	17.7
Acre	22.9	19.0	22.1	23.4	36.7	21.5

Town	poverty Incidence of				Poverty gap ratio	Severity of poverty
	Families	Persons	Children	Senior citizens		
Asafia	19.2	17.3	21.7	21.2	32.0	16.0
Afula	19.4	17.7	23.6	18.0	35.3	19.8
Araba	34.4	33.6	41.1	34.6	35.5	18.4
Arad	31.8	35.9	48.8	29.2	37.6	21.3
Arara	28.8	26.6	35.4	35.9	33.1	16.9
Arara -Bangev	53.2	55.0	61.5	46.2	43.6	25.7
Atlit	11.1	7.5	6.9	8.5	43.6	29.1
Pouridis	24.0	22.5	29.5	33.3	32.8	16.7
Paki'in (Bukiyeh)	18.3	16.9	21.0	21.2	29.4	13.4
Pardes Hana	15.6	11.4	11.5	12.8	36.6	21.9
Pardesia	6.3	4.1	4.8	4.1	34.8	21.4
Petah Tikva	13.0	9.7	10.2	13.0	35.3	21.1
Tzur Hadassah	7.8	5.0	4.9	11.1	39.2	24.3
Tzur Isaac	6.1	4.7	5.0	9.0	32.2	18.2
Zefat	35.5	38.9	49.5	23.7	42.3	25.6
Kdima-ran	10.3	7.3	8.5	10.4	36.0	21.0
Caesarea	21.8	16.8	16.5	19.7	55.2	41.2
Kalanswa	28.1	27.2	36.1	34.7	34.2	17.9
Katzrin	11.8	11.0	14.7	7.6	32.6	16.4
Kiryat Ono	10.1	6.4	5.4	9.2	36.6	22.3
Kiryat Arba	22.7	19.9	23.1	22.4	34.7	18.8
Kiryat Ata	15.4	11.7	13.9	15.1	33.7	19.2
Kiryat Bialik	14.3	10.6	11.4	13.3	34.8	20.6
Kiryat Gat	20.2	18.9	25.7	19.7	32.8	17.4
Kiryat Tivon	14.4	10.2	10.9	9.9	37.0	23.0
Kiryat Yam	19.3	15.4	17.3	20.9	38.7	25.3
Kiryat Yarim	35.9	38.9	43.5	28.5	33.9	17.8
Kiryat Motzkin	13.6	9.5	9.2	13.4	37.2	23.1
Kiryat Malachi	19.4	16.8	21.0	14.5	32.8	17.8
Kiryat Ekron	12.7	10.5	14.6	8.2	32.9	18.1
Kiryat Shmona	17.6	13.2	14.9	16.2	34.9	20.6
Karnei Shomron	12.7	9.4	9.7	12.1	35.1	20.4
Rama	18.9	17.0	23.8	17.5	34.2	18.0
Rosh HaAyin	10.0	7.6	8.8	8.3	33.6	19.0



Town	poverty Incidence of				Poverty gap ratio	Severity of poverty
	Families	Persons	Children	Senior citizens		
Rishon Lezion	11.6	8.3	8.9	11.3	37.0	22.8
Rahat	44.0	45.5	53.7	37.6	39.5	22.2
Rehovot	13.1	10.7	12.9	10.7	35.6	20.6
Reina	36.3	35.7	48.1	41.2	34.8	18.0
Rechasim	38.4	45.2	53.9	14.1	34.7	17.2
Ramla	19.2	17.2	22.6	15.5	36.2	21.0
Ramat Gan	12.2	8.9	7.7	12.3	37.6	23.3
Ramat Hasharon	12.1	8.8	8.3	10.5	40.9	26.2
Ramat Yishai	9.4	5.5	4.7	4.4	38.7	24.1
Raanana	16.5	12.9	13.1	14.1	50.1	36.6
Shibli - Umm Al-Ganam	25.1	23.1	29.5	37.3	30.5	14.4
Segev-Shalom	51.9	54.0	61.6	39.2	45.7	28.5
Sderot	18.2	14.2	15.3	18.7	34.4	19.3
Shoham	9.4	4.6	3.3	6.2	45.9	30.9
Shlomi	15.1	12.0	14.9	17.8	36.3	20.8
Shaev	32.8	31.8	42.6	37.6	31.9	15.0
Sharei Tikva	8.9	6.2	7.0	9.0	33.1	18.0
Shefaram	26.7	24.9	33.9	31.4	33.4	17.1
Tel Aviv Jaffa	14.5	12.0	11.9	15.1	42.2	28.1
Tel Mond	11.4	7.2	6.8	9.3	40.5	26.4
Tel Sheva	55.6	58.8	65.8	42.2	44.0	25.9

**Appendix 10: Maximum Net Income per Standard Person by Decile and Family Size – 2021, According to the Israeli Equivalence Scale\*\***

Decile	Single (38%)	2 persons (19%)	3 persons (11%)	4 persons (12%)	5 persons (10%)
1	2,242	3,587	4,753	5,955	6,726
2	3,442	5,507	7,297	9,141	10,325
3	4,625	7,399	9,804	12,283	13,874
4	5,847	9,355	12,395	15,529	17,540
5	7,123	11,396	15,100	18,918	21,368
6	8,484	13,575	17,987	22,535	25,453
7	10,094	16,150	21,398	26,809	30,281
8	12,270	19,632	26,013	32,589	36,810
9	15,997	25,596	33,915	42,489	47,992

\* Data from the 10th decile were omitted for privacy

\*\* Rate of family size in the general population is in parenthesis on each column header

**Appendix 11: Average Net Income per Standard Person by Decile and Family Size – 2021, According to the Israeli Equivalence Scale\***

Decile	Single (38%)	2 persons (19%)	3 persons (11%)	4 persons (12%)	5 persons (10%)
1	1,078	1,725	2,285	2,863	3,234
2	2,933	4,694	6,219	7,791	8,800
3	4,042	6,467	8,569	10,735	12,126
4	5,230	8,368	11,088	13,892	15,691
5	6,480	10,368	13,737	17,211	19,440
6	7,792	12,468	16,520	20,697	23,377
7	9,259	14,815	19,630	24,593	27,778
8	11,112	17,780	23,558	29,515	33,337
9	13,910	22,256	29,489	36,945	41,730
10	22,778	36,445	48,289	60,498	68,333

\* Rate of family size in the general population is in parenthesis on each column header

**Table to Appendix 12: The Incidence of Poverty and Average Gross Salary by Industrial Classification, 2021**

<b>Industrial Classification</b>	<b>Poverty - Economic Income</b>	<b>Poverty - Net Income</b>	<b>Gross Wage</b>
Arts, entertainment and recreation	29.5	17.2	9,408
Electricity, gas, steam and air conditioning supply	2.7	1.8	29,842
Water supply; sewerage, waste management and remediation activities	15.6	10.0	16,309
Activities of extraterritorial organizations and bodies	4.2	2.9	21,789
Construction	30.4	23.3	11,870
High-Tech	5.9	3.4	27,643
Education	29.5	19.0	10,361
Agriculture, forestry and fishing	22.4	14.8	11,213
Mining and quarrying	11.1	8.2	20,310
Information and communication	18.9	11.4	13,380
Public administration and defense; compulsory social security	7.4	4.0	16,284
Wholesale and retail trade; repair of motor vehicles and motorcycles	22.7	14.2	12,685
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	48.0	35.3	6,354
Real estate activities	19.2	10.6	14,141
Accommodation and food service activities	40.0	26.3	7,662
Human health and social work activities	29.0	14.2	11,593
Administrative and support service activities	38.5	22.0	7,132
Transportation and storage	21.6	14.2	12,387
Other service activities	32.4	18.6	9,230
Professional, scientific and technical activities	15.6	8.6	16,814
Financial and insurance activities	8.9	4.7	21,684
Manufacturing	13.8	7.8	15,587

**Table to Appendix 13: Poverty Indices by Benfit Recipients, 2021**

Type of Receiver of Allowance	2020						2021					
	Incidence of poverty				Poverty gap ratio	Severity of poverty	Incidence of poverty				Poverty gap ratio	Severity of poverty
	Families	Persons	Children	Senior citizens			Families	Persons	Children	Senior citizens		
Old-age and survivors' pension	24.0	18.3	28.9	22.4	21.5	7.3	26.2	20.6	32.7	24.6	25.7	9.9
Old-age income supplement	34.2	27.0	33.9	33.6	19.9	6.5	37.9	31.2	41.0	37.2	25.7	9.9
Disability pension	29.9	27.4	43.9	19.9	28.3	11.6	30.9	28.6	45.6	20.9	30.2	13.1
Unemployment benefits	24.9	27.9	49.1	5.5	31.4	13.5	32.6	35.4	58.3	8.4	35.3	16.9
Maintenance (Alimony)	34.3	39.0	48.9	9.8	28.5	11.6	38.4	43.1	53.7	13.4	31.8	14.3
Income support	47.5	47.4	65.4	25.6	40.5	21.6	48.2	48.9	67.7	26.9	42.9	24.0

## Appendix B - Primary Definitions in Measuring Poverty<sup>17</sup>

In the framework of the research activities performed in Israel on the topic of poverty and income distribution, the **relative approach** to measuring poverty, first formulated in the 70s, according to which poverty is a state of relative distress that should be assessed in relation to the quality of life that characterizes each society. Given that there is no accepted index that reflects all aspects of distress, and given that financial income data are relatively available, the measurement of poverty in Israel and in most Western countries is limited to the element of financial income only, where the representative income is **net income, that is, income from all sources with direct taxes deducted**.

**The poverty line per standard person in Israel is defined as a level equal to 50% of the net median income per standard person.** A family in Israel is associated with the poor population if its net income divided among the number of standard persons in that family is lower than the poverty line for standard persons. The poverty line for families can be calculated in similar fashion – by multiplying the poverty line per standard person by the number of standard persons in a family.

**The term “per standard individual” reflects the adjustment of the poverty line to the size of the family.** The assumption is that family size has advantages in terms of consumption: the needs of a family that grows by one do not grow at a similar rate, so that the income support required for the family to retain a fixed quality of life shrinks in accordance with the number of family members.

The calculations are also performed on **economic income** – which is income from markets and does not include direct government involvement: income from the job market, from an employment pension, and from capital. The gaps between poverty according to this income and poverty according to net income serve as an indicator of the effect of social policies in the field of financial support.

The various indices of poverty and inequality are derived from these calculations, of which the key indices are:

**Incidence of poverty** – The rate of poverty reflecting the rate of families/individuals or any other unit living in families whose income is below the poverty line.

**Depth of Poverty** (“poverty gap ratio”) – The distance (in percentage points) of the income of a poor family from the poverty line (in the Severity of Poverty index, this distance is squared, so that the greater it is the poorer the family is.)

**Gini Index** – An index of income inequality ranging from 0 (a state of absolute equality) and 1 (a state of absolute inequality).

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<sup>17</sup> For further information on this topic, view the “Appendix on Measuring Poverty and Sources of Data” which appears in the NII’s Annual Reports.