

The National Insurance Institute

The Research and Planning Administration

Report on the Dimensions of Poverty and Income Inequality - 2023

Nitsa (Kaliner) Kasir, Rina Pines, Nethanel Flam

December 2024

Forward

The Israeli economy has experienced two major crises in recent years: The coronavirus pandemic; and the events of October 7th, and the still ongoing Swords of Iron War. These events have had a significant impact on the country's social-economic state due to their effect on economic growth and the adopted welfare policies.

2023 continued to be characterized by a worrisome socio-economic situation: High poverty rates and significant income inequality. 1.98 million people in Israel lived below the poverty line in 2023, including 872.4 thousand children and 158.5 thousand senior citizens, reflecting a poverty rate of 20.7%, 27.9% and 12.8%, respectively.

In 2020, with the coronavirus crisis, and in 2023, the year in which the Swords of Iron War broke out, economic growth took a hit, and poverty and inequality by economic income, i.e. income created by economic activity in the market, expanded. During these crises, and in response to their consequences, the state undertook to aid the population and increased its social security budgets. The result: Poverty rates by net income, i.e. after the state's intervention through allowances and direct taxes, not only did not increase, but even slightly decreased – a reduction that was seen in almost all population groups. At the same time, net income inequality was also reduced.

These developments emphasize the special importance of a social security net in aiding low-income populations whose income is reduced during times of crisis. The importance of the welfare system and the social security net since October 7th and the outbreak of the war was not only in addressing income reduction but also in financing the increase in expenses among some sections of the population following these events, for example, by providing housing grants to evacuees.

An examination of various populations during both crises and the government aid provided to them shows, as aforesaid, that the benefit of such aid was significant. However, its effect on different populations was inconsistent. In particular, the state's aid to self-employed individuals, despite helping to improve their economic conditions during both crises, was not enough to prevent an increase in the poverty rate among this population, unlike among other groups. This fact emphasizes the need for customized policy tools to help self-employed individuals in times of crisis.

The significant expenses of the war will necessitate budget cuts and finding new financial sources. However, it is important to make sure that such cuts would not negatively impact weaker populations whose socio-economic conditions are already difficult. At the time of writing this report, we are still in the midst of an uncertain reality that may lead to different security situations with unforeseen socio-economic

consequences. It is already clear that some of these consequences may last for years, and this will require allocating resources to impacted populations. The impact on some populations in Israeli society has been multi-dimensional: Economic, social, physical, psychological, and more. The overall impact on such populations is therefore more profound and requires a close examination of the responses to various effects, and the expansion of services and their budgets.

Another issue that requires examination is the cost of living and its various components. The average price level in 2023 was 4.2% higher than in the previous year, following an average increase of 4.4% in the previous year. The cost of living affects everyone in Israeli society. However, the burden on the population is not equal since the relative economic burden is deeper and more severe in populations whose economic situation is already difficult and whose economic survival is often on the brink of collapse.

The significant rates of poverty and inequality in Israel constitute a real social challenge that requires a comprehensive response not only during times of crisis. This extensive scope is first and foremost the result of exclusive growth, but also of a relatively low state support through transfer payments. To address these phenomena, of high rates of poverty and inequality, a comprehensive policy is required, that would include significant investments in social services and a strengthening of the social security net, an investment that is currently low by international comparison. There is also a need to reduce opportunity gaps through the education system, support integration into employment in general and employment with adequate pay in particular, and encourage inclusive growth to increase the economic independence of people with lower levels of income.

Nitsa (Kaliner) Kasir
Deputy Director , Research and Planning

Summary of the findings

Standard of living and the poverty line

- In 2023, the real net median income per standard person, from which the poverty line is derived, increased by 3.2%. The poverty line was set at NIS 3,324.
- The median economic income per standard person, which does not account for government intervention through transfer payments and direct taxes, increased by 1.7%.
- The increase in income is the result of an increase in wages together with an increase in employment rates. Transfer payments also increased: Among others, an approximately 9.8% increase in disability benefits on January 1st, 2023, grants provided (for example, housing grants and encouragement and incentive grants), temporary orders for unemployment relief and increased benefits (such as increased benefits for victims of hostile acts) following October 7th and the Swords of Iron War.

Dimensions of poverty

- Poverty rates in Israel are high. In 2023, **1.98 million poor people lived in Israel**, of which 872.4 thousand were children and 158.5 thousand were senior citizens.
- Between 2022 and 2023, the incidence of poverty among individuals remained almost unchanged, with only a slight decrease from 20.8% to 20.7%, and, among families, from 20.3% to 20.1%. In almost all population groups, poverty incidence decreased or remained stable.
- Without government intervention through transfer payments and direct taxes, the individual poverty incidence (measured by economic income) would have increased from 30.6% in 2022 to 31.1% in 2023, and family poverty incidence would have increased from 33.9% to 34.2%.
- In 2023, transfer payments and direct taxes reduced the individual poverty incidence by 33.5% and the family poverty incidence by 41.2%, a greater reduction than in the previous two years. Transfer payments and direct taxes are important for reducing poverty, but compared to other developed countries, their contribution is very low.
- Poverty incidence among children is particularly high. In 2023, there was a slight decrease from 28.1% in 2022 to 27.9% in 2023.
- Poverty incidence among senior citizens is lower than average. In 2023, the poverty incidence was 12.8%, same as the year before. The poverty incidence among senior citizens who live alone is higher than among those who live with a family: 19.8% and 8.4%, respectively.
- Examined by population sector, poverty incidence is very high among Arabs and ultra-Orthodox Jews. In 2023, the poverty incidence among both groups decreased compared to 2022: Among Arab families from 38.9% to 38.4%, respectively, and

among ultra-Orthodox Jewish families from 33.9% to 33.0%, respectively. In 2023, Arabs and ultra-Orthodox Jews represented 64.9% of the total number of poor people – 42.4% Arabs and 22.5% ultra-Orthodox Jews – double their share of the population. Poverty incidence among non-Orthodox Jews was 14% in 2023.

- Employment helps reduce the poverty depth among the poor. The rate of poverty among families with a salaried or self-employed person is lower than average, and slightly decreased between 2022 and 2023, from 15.5% to 15.3%, respectively. However, among families with a self-employed person, poverty incidence increased between 2022 and 2023, from 13.3% to 13.8% – an exceptional increase considering the decrease or stability in all population groups.
- Poverty findings by geographical location show that the dimensions of poverty in **the Jerusalem, North and South districts are higher than average**. Family poverty incidence in these districts was 36.2%, 22.5% and 22.6%, respectively. Rates in the Tel Aviv and Center districts were lower than average.
- Among recipients of benefits, poverty incidence is particularly high in families receiving income support and maintenance (alimony) – 52.5% and 37.9%, respectively.
- Benefits payments made by the National Insurance Institute make a significant contribution in reducing poverty. The pension provided to senior citizens is the most effective in reducing poverty among its recipients, followed by the disability pension – 64.8% and 56.2%, respectively. Income support benefit reduced poverty among its recipients by 16.4% in 2023.
- 2023 saw an improvement in the state of the poor population: The poverty depth and poverty severity decreased, after increasing in the previous two years. The decrease in poverty depth and poverty severity was seen in all population groups.
- Other complimentary dimensions of poverty also indicated improvement: In 2023 the rate of people who felt poor and the rate of households that were unable to cover their entire expenses decreased. In addition, there was a reduction in the rate of people who skipped a hot meal at least once every two days and people who forwent medical treatment and prescription medication for economic reasons.
- The poverty rate in Israel is one of the highest among developed countries. The economic poverty incidence, i.e. poverty incidence that is affected by economic growth, is very high by international comparison, and following the government's intervention through transfer payments and direct taxes, Israel is ranked even lower.
- Among individuals and children, Israel is ranked second in poverty incidence after Costa Rica, and among individuals aged 66 or more it is ranked above average, but below countries like Switzerland, Japan, Australia and the United States.

Income inequality

- The Gini index for income inequality by net income decreased between 2022 and 2023 by 1.5%. Inequality by economic income also decreased, but by a lower rate of 0.7%.
- Between 2022 and 2023, net income increased in all deciles, with the increase becoming smaller as we go up the deciles – from 10% in the first (lowest) decile to 0.8% in the tenth (top) decile.
- Inequality in Israel is high compared to other developed countries according to various measurements. According to the Gini index for income inequality, countries where inequality is higher include Lithuania, the United States, Mexico, Turkey, Chile and Costa Rica. According to some inequality indices, Israel is ranked even lower.

Table of contents

1. Introduction 10

2. Findings 12

A. The standard of living and poverty line 12

B. General population poverty rates and the contribution of transfer payments and direct taxes to reducing poverty and inequality 14

C. Changes in poverty dimensions among different populations 21

D. Characteristics of the poor 25

Poverty by sector 26

Poverty by family composition and age group 27

Employed working age adults in poverty, 25-64 29

Poverty among allowance recipients 32

Poverty by geographical distribution 33

E. Income inequality 36

F. Poverty and inequality in Israel by international comparison 37

Supplements 43

Tables

Table 1: The poverty line and income (current NIS per month) and the changes from year to year (in percentage), 2022-2023 13

Table 2: Poverty line by family size, 2023 13

Table 3: Poverty and inequality indices by economic and net income, 2022-2023 15

Table 4: Poverty incidence among families by economic and net income and (direct) decrease in the rate of poor families following government intervention (percentage), 2022-2023 22

Table 5: Poverty depth and poverty severity (FGT index) per capita by net income and population group (percentage), 2022-2023 24

Table 6: Poverty incidence among families headed by a working-age individual, by number of providers in the family (percentage), different sectors, 2023 31

Table 7: Gini index of inequality in economic income and standardized per capita net income, 2018-2023 36

Table 8: Poverty incidence by economic and net income, international comparison, different years 39

Table 9: Inequality by economic and net income, international comparison, different years 42

Charts

Chart 1: Public social expenditure as a percentage of GDP – international comparison 2022-2023 11
Chart 2: Change in economic and net income (in percentage), 2022 and 2023 12
Chart 3: Poverty incidence among individuals, children and senior citizens (percentage), 2020-2023 14
Chart 4: Poverty depth and poverty severity (FGT index) among individuals, by net income (percentage), 2021-2023 15
Chart 5: The impact of transfer payments and direct taxes on family and individual poverty incidence (percentage), 2010-2023 16
Chart 6: Contribution of transfer payments to direct reduction in family poverty incidence by pension (percentage), 2022-2023 17
Chart 7: Decrease in poverty incidents as a result of direct government intervention (percentage), 2022-2023 23
Chart 8 : Distribution of the population compared with the distribution of the poor, various groups (percentage), 2023 25
Chart 9: Poverty by number of children (percentage), 2022-2023 28
Chart 10: Families headed by a working-age individual – population and poverty rates by number of providers in the family, 2023 29
Chart 11: Poverty incidence among families headed by a working-age individual by number of providers in the family (percentage), 2003-2023 30
Chart 12: Individual poverty depth and poverty severity by number of providers in the family (percentage), 2023 30
Chart 13: Direct contribution of transfer payments to reducing poverty among families receiving allowances by allowance type (percentage), 2022-2023 32
Chart 14: Poor families among allowance recipients (percentage), 2022-2023 33
Chart 15: Family poverty incidents in the poorest cities with more than 80,000 residents (percentage), 2022-2023 34
Chart 16: Change in real standard economic and net income per standard person by deciles (percentage), 2023 37
Chart 17: Individual poverty incidence, OECD countries (percentage), different years 38
Chart 18: The Gini index for net income inequality, OECD countries (percentage), different years 41

Box

Box: Subjective poverty, inability to cover monthly expenses and forgoing hot meals, medication and medical treatments for economic reasons 18
Table 1.1: Rate of households unable to cover monthly expenses and rate of individuals who forgo consumption and essential treatments for economic reasons (percentage), 2021-2023 19
Table 1.2: Rate of households unable to cover monthly expenses and rate of individuals who forgo consumption and essential treatments for economic reasons by sector (percentage), 2021-2023 19

Supplements

Supplement A (methodology): Clarifications regarding the data sources for poverty reports of the National Insurance Institute 44
Supplement B: Primary definitions of poverty and inequality 46
Supplement C: Tables
Supplement table 1A: Annual economic, gross and net income per standard person by population group, 2022-2023 49
Supplement table 1B: Annual economic, gross and net income per family by population group, 2022-2023 51
Supplement table 2: Poverty incidence among individuals, children and senior citizens by population (percentage), 2022-2023 53
Supplement table 3: Number of individuals, children, working-age individuals and senior citizens, 2022-2023 54
Supplement table 4: Poverty incidence among women born between 1960 and 1969, 2021-2023 54
Supplement table 5: Rates of poverty and inequality in the population, 2012-2023 55
Supplement table 6A: The share of selected groups in the total population and in the poor population (percentage), 2022 56
Supplement table 6B: The share of selected groups in the total population and in the poor population (percentage), 2023 57
Supplement table 7: Poverty by districts and large cities (percentage), 2022-2023 58
Supplement table 8: Poverty in towns with more than 5,000 residents (percentage), 2023 59
Supplement table 9: Average and maximal net income per standard person by decile and family size, 2023 64
Supplement table 10: Average and maximal gross income per standard person by decile and family size, 2023 65

Supplement table 11: Poverty incidence among families with salaried employees (percentage) and average gross wage per industry (NIS) by economic branch of employee, 2023 66
Supplement table 12: Poverty by allowances recipients (percentages), 2022 and 2023 67
Supplement table 13: Poverty among families whose head is 65 years of age or more and the general population, 2021-2023 68
Supplement table 14: Poverty among individuals aged 65 or more by household composition (percentage), 2021-2023 69
Supplement table 15: The share of families whose head is 65 years of age or more in the poor population and in the general population (percentage), selected years 70
Supplement table 16: Statistical significance of changes in selected poverty indices in population groups, 2022 compared to 2023 71

Supplement D: Charts – international comparisons

Supplement chart 1: Poverty incidence among children by net income, OECD countries (percentage), various years 72
Supplement chart 2: Poverty incidence among citizens aged 66 or more by economic income, OECD countries (percentage), various years 73
Supplement chart 3: Top quintile to bottom quintile ratio by net income, OECD countries (percentage), various years 74
Supplement chart 4: First decile to middle decile ratio by net income, OECD countries (percentage), various years 75

1. Introduction

The report on the dimensions of poverty and income inequality for 2023 presents the state of affairs concerning poverty and income inequality based on administrative data[1], using a methodology developed by the Research and Planning Administration at the National Insurance Institute (NII). The database includes income whose information exists at the NII, with additional estimates regarding income components missing from these data, so that poverty lines reflect household income from all sources. The use of administrative data has many advantages: They refer to the entire population of Israel rather than a small sample in a household expenses survey (which also narrowed down over the years), allowing comparisons with small population groups, and are not based on the responses of participants.

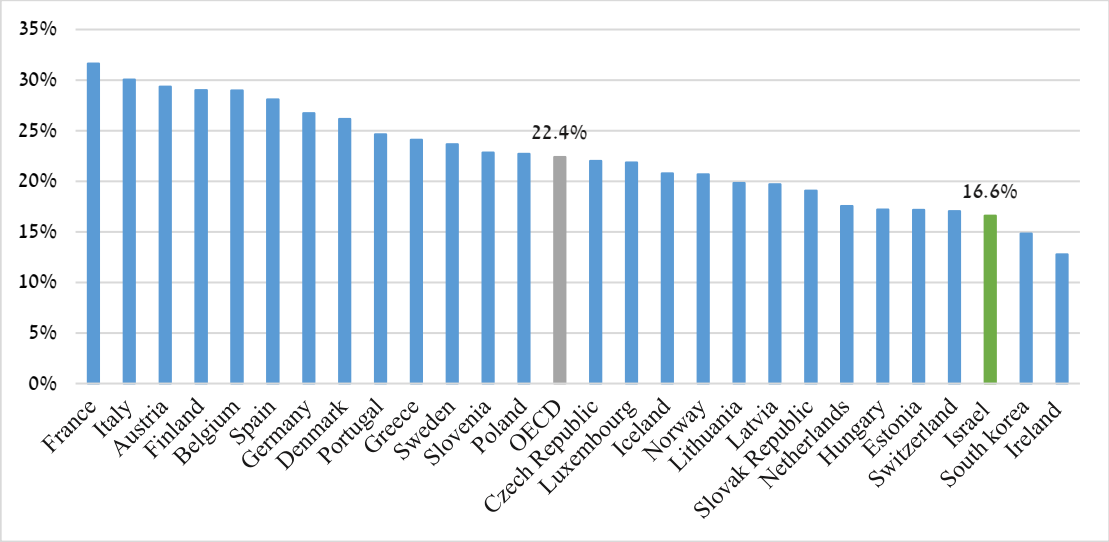
Social-economic developments in the market are influenced by economic conditions and social policies, especially through transfer payments. In 2023, the rate of economic growth decreased as a result of the events of October 7th and the subsequent war. GDP increased by 2% compared with 6.5% in 2022 and 8.1% in 2021. However, the rate of employment and the average wage in the market have improved. Concurrently, there was an increase in transfer payments.

The increase in transfer payments has several causes: From January 1st, 2023, pensions linked to the price index increased by 5.3%, and disability pensions increased by approximately 9.8%. Following the events of October 7th and the Swords of Iron War, housing grants and encouragement and incentive grants were paid, as well as a special grant for persons over 67 years of age who were put on unpaid leave or were fired during the war, temporary orders were issued for unemployment reliefs, and there was an increase in pensions due to payments to victims of hostile acts, unemployment benefits and payments to army reserves.

An international comparison of social expenditure as a percentage of the GDP reveals that social expense in Israel is one of the lowest among developed countries. In 2023, in order to support some of the population following the war, public social expenditure increased to 16.6% of the GDP compared to 15.8% in the previous year. However, this ratio is still 6 percentage points lower than the OECD average (**Chart 1**).

[1] As has been done since the poverty report for 2019. Until 2018, the poverty reports of the NII were based on household expenses surveys (and before that on income surveys) by the Central Bureau of Statistics (see supplement A of this report).

Chart 1: Public social expenditure* as a percentage of GDP – international comparison 2022-2023



Source: based on data from the Israel Central Bureau of Statistics updated as of August 2023 and on OECD data. OECD data is for 2022; Israeli data is updated for 2023.

* Expenses on old age and survivors, disabilities, healthcare, support for families, unemployment and employment incentives, housing assistance, and income support.

In addition to the ongoing analysis of poverty and inequality rates, the report also includes a box to highlight additional social-economic aspects: Data on subjective poverty, the ability to cover monthly expenses and consumption abstinence for economic reasons, based on the social survey of the Central Bureau of Statistics (CBS) for 2023 and compared years. The supplements attached to the report provide additional information about poverty and inequality in Israel, for example: Supplement A, expanding on the methodology, as well as Tables 8, 11 and 12 in Supplement C, providing information about poverty by localities of more than 5,000 residents, by economic sectors and by annuity recipients. This year, the supplement also includes tables regarding people aged 65 and above. In addition, the report includes more international comparisons concerning poverty and inequality, such as quintile and decile income.

It should be emphasized that some of the administrative data, for example, data on income from work, are updated retroactively. This means that some of the past data may be slightly different than the data originally published in previous reports regarding these years.

2. Findings

A. The standard of living and poverty line

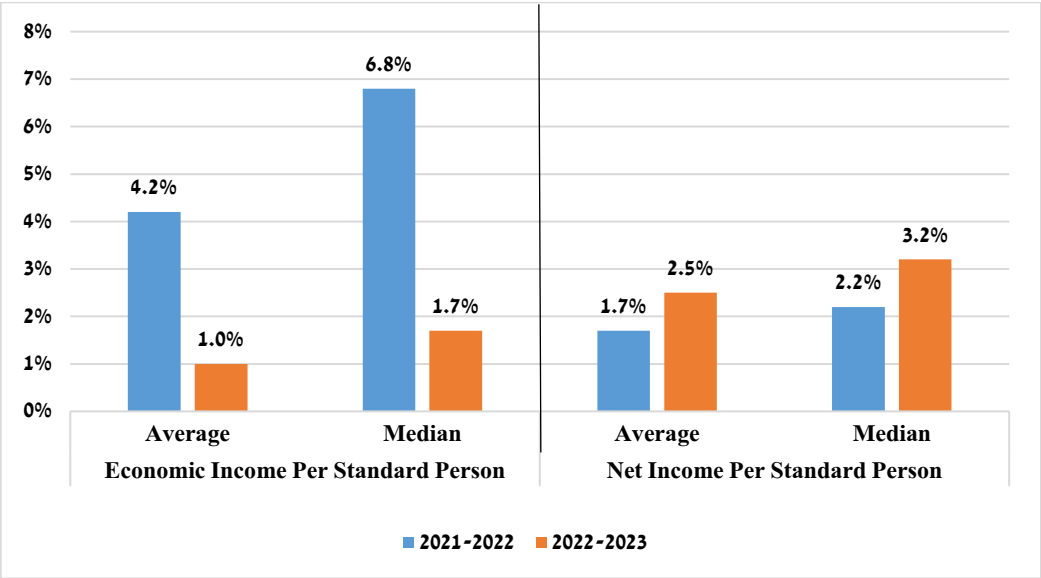
The standard of living – net income and economic income

In 2023, the median net income per standard person increased by 3.2% – a higher increase than in 2022, 2.2%, but lower than the average for the previous decade, prior to the coronavirus pandemic, 4.3%. The median economic income per standard person, which does not account for direct government intervention through transfer payments and direct taxes, increased by 1.7% in 2023, compared with 6.8% in 2022.

Changes in the increase rate of economic and net income, as well as the difference between the two, are mainly influenced by economic growth and the extent of transfer payments. In 2023, as a result of the war, growth slowed down significantly. This followed a significant increase following the coronavirus pandemic. Conversely, transfer payments increased in 2023, among other reasons, due to the war that started in the fourth quarter. This followed a significant reduction in the previous two years, with the end of the coronavirus crisis, mostly in unemployment payments, that were halted in the second half of 2021. In 2023, NII benefit payments[2] were higher by 15.2% in real terms compared to the previous year.

In 2023, as in the previous two years, the median economic income increased by a higher rate compared to the average income, since economic growth affected lower income brackets more. The net median income also increased by a higher rate compared to the average income **(Chart 2)**.

Chart 2: Change in economic and net income (in percentage), 2022 and 2023



[2] Pursuant to the National Insurance Law and other laws and agreements.

The poverty line

The official poverty measurement established in Israel in the early 1970s is similar to the method used in most western countries, measuring relative poverty: Each household situation is evaluated relative to the situation in the society based on an objective measurement of income. The poverty line is calculated as half of the standard median net income per standard person, i.e., it is standardized for family size because of the advantages of family size for consumption[3]. In 2023, the poverty line in Israel rose by 3.2% to NIS 3,324 per month[4].

Table 1: The poverty line and income (current NIS per month) and the changes from year to year (in percentage), 2022-2023

			The Change Between 2022 2023-5 (Percentages)	
Income	2022	2023	Nominal Change	Real Change
Poverty Line Per Standard Person	3,092	3,324	7.5%	3.2%
Average Income				
Economic Income Per Family	18,093	19,008	5.1%	0.8%
Economic Income Per Standard Person	7,533	7,932	5.3%	1.0%
Net income Per Family	16,968	18,075	5%	2.2%
Net Income Per Standard Person	7,362	7,859	6.8%	2.5%
Median Income				
Economic Income Per Family	11,329	11,980	5.8%	1.5%
Economic Income Per Standard Person	5,335	5,655	6.0%	1.7%
Net income Per Family	13,024	13,946	7.1%	2.8%
Net Income Per Standard Person	6,184	6,648	7.5%	3.2%

The poverty lines by family size for 2023 show that an individual needs NIS 4,155 per month to be above the poverty line, a family with two parents and one child or a family with one parent and two children[5] needs an income of NIS 8,808 per month, and a family of two parents and two children needs NIS 10,637 to be above the poverty line (**Table 2**).

Table 2: Poverty line by family size, 2023

Family Size	Number of Standard Persons	Poverty Line NIS Per Month	Marginal Increment in NIS
1	1.25	4,155	.
2	2.00	6,648	2,493
3	2.65	8,808	2,161
4	3.20	10,637	1,828
5	3.75	12,465	1,828
6	4.25	14,127	1,662
7	4.75	15,789	1,662
8	5.20	17,285	1,496
9	5.60	18,614	1,330

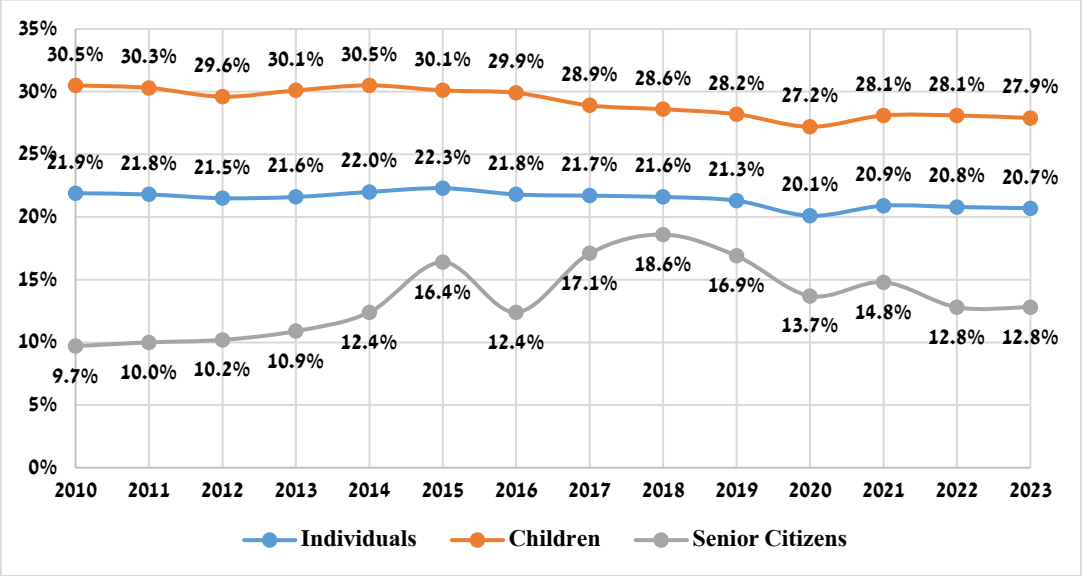
[3] For more information and the differences in calculating the poverty rate between Israel and the OECD, see Supplement B of this report.
[4] This amount includes income components that are missing from the NII administrative data – income from capital and income from support outside the NII – estimated at NIS 298 for 2023.
[5] The definition of "children" in the report is individuals under 18 years old.

B. General population poverty rates and the contribution of transfer payments and direct taxes to reducing poverty and inequality

In 2023, 1.98 million people in Israel lived below the poverty line, including 872.4 thousand children and 158.5 senior citizens[6] **(Supplement table 3)**.

The poverty incidence remained almost unchanged in 2023, with slight decreases. A slight decrease was registered in the rate of poor people, from 20.8% in 2022 to 20.7% in 2023. The poverty incidence among children slightly decreased by 0.2%, reaching 27.9%. Among families, the poverty incidence also decreased by 0.2 percentage points, reaching 20.1%[7]. The poverty incidence among senior citizens remained the same as in the previous year – 12.8% **(Chart 3 and Table 3)**.

Chart 3: Poverty incidence among individuals, children and senior citizens (percentage), 2020-2023



In 2023, compared to 2022, the poor were less poor, unlike in the previous two years. The poverty depth, reflecting the gap between the income of poor people and the poverty line, decreased by 0.8%, from 40.3% in 2022 to 39.5% in 2023 **(Chart 4** and **Table 3)**. An improvement was also seen in poverty severity[8], from 24.4% to 23.6% between the two years.

[6] Individuals who are older than the legal retirement age.
[7] These changes, and most of the changes shown in the report, have a significance level of 1%. See supplement table 16.
[8] Poverty severity (based on the FGT index) reflects the square difference between the income of poor people and the poverty line. Greater weight is therefore given to the poorer compared with the poverty depth measurement.

Chart 4: Poverty depth and poverty severity (FGT index) among individuals, by net income (percentage), 2021-2023

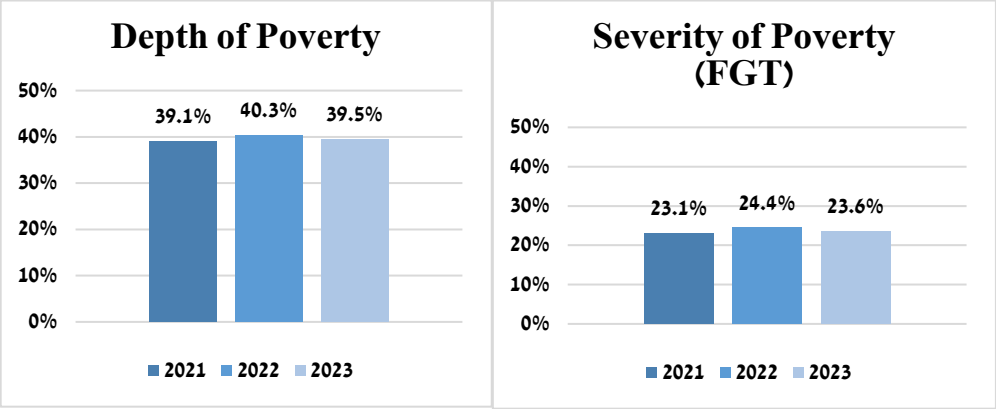


Table 3: Poverty and inequality indices by economic and net income, 2022-2023

	2022	2023
By Economic Income		
Poverty (Percentages)		
Poverty Rate in individuals	30.6	31.1
Poverty Rate in Families	33.9	34.2
Poverty Rate in Children	35.4	36.1
Poverty Rate in Senior Citizens	43.0	42.7
Poverty Depth	58.5	58.0
Severity Of Poverty	45.2	44.5
Inequality		
Gini Index	0.498	0.494
By Net Income		
Poverty (Percentages)		
Poverty Rate in individuals	20.8	20.7
Poverty Rate in Families	20.3	20.1
Poverty Rate in Children	28.1	27.9
Poverty Rate in Senior Citizens	12.8	12.8
Poverty Depth	40.3	39.5
Severity Of Poverty	24.4	23.6
Inequality		
Gini Index	0.4	0.4
Direct Decrease in Poverty as a Result of Government Intervention (Percentages)		
Poverty		
Poverty Rate in individuals	31.9	33.5
Poverty Rate in Families	40.1	41.2
Poverty Rate in Children	20.7	22.6
Poverty Rate in Senior Citizens	70.2	70.1
Poverty Depth	31.2	32.0
Severity Of Poverty	46.0	47.0
Inequality		
Gini Index	24.7	25.3

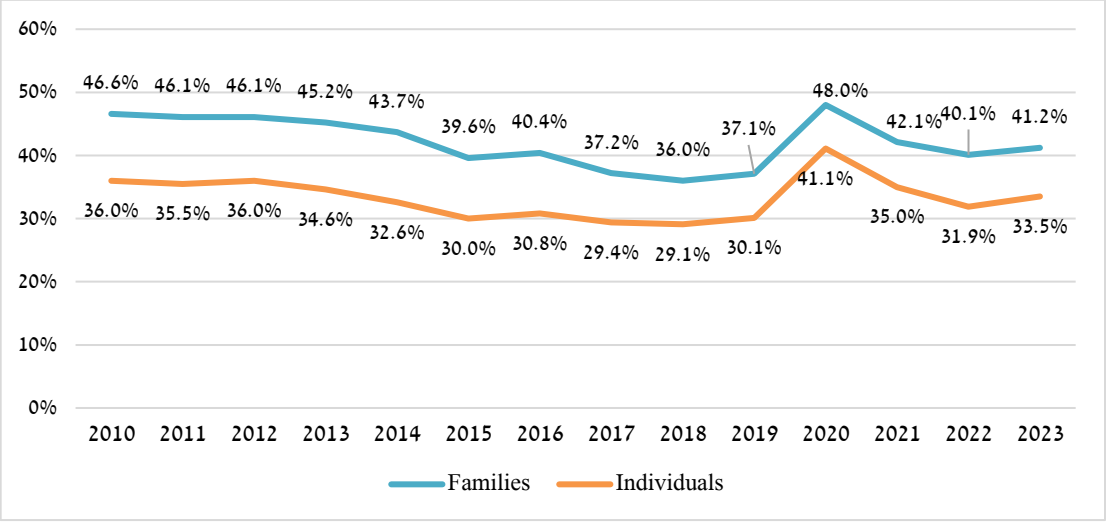
* All lines refer to individuals, except for the line referring to family poverty.

** Families by standard income per capita.

An examination of poverty incidence by economic income for 2022 and 2023 shows an increase in poverty among most populations (**Table 3** and **Table 4**). Between the two years, poverty incidence among families increased from 33.9% to 34.2%, among individuals from 30.6% to 31.1% and among children from 35.4% to 36.1%. However, among senior citizens, who are less affected by economic developments, poverty incidence decreased slightly by 0.3%. A decrease was also registered in poverty depth and poverty severity.

The most important tools of the government to improve the socio-economic state of the population, effective in both the short and the long term, are transfer payments and direct taxes. An international comparison of the direct contribution of government intervention to the reduction of poverty shows that it was very low, about 60% of the OECD average. For this comparison, the contribution of Israeli poverty reduction policies was calculated in accordance with the OECD equivalence scale. According to this scale, the Israeli rate is 35%, compared to the OECD average of 58%.

Chart 5: The impact of transfer payments and direct taxes on family and individual poverty incidence (percentage), 2010-2023



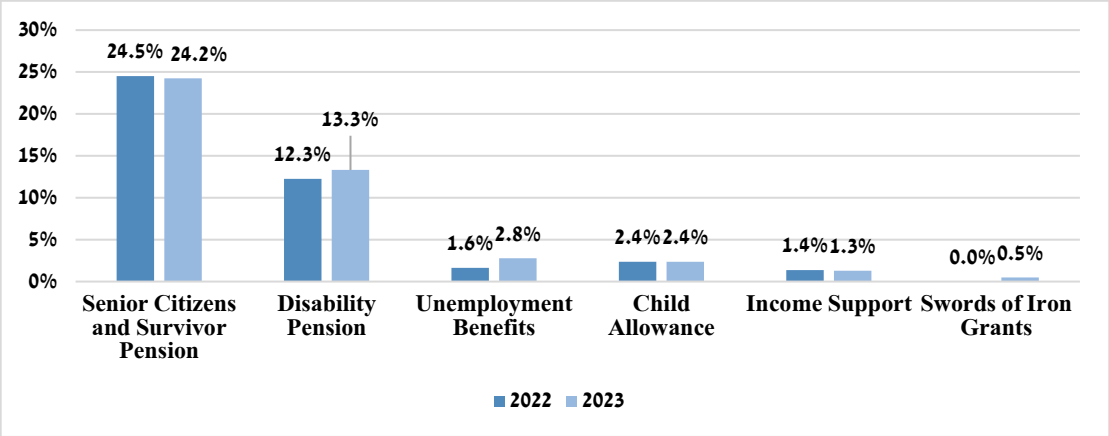
In 2023, the contribution of transfer payments and direct taxes to the reduction of poverty increased, bringing a reduction of 33.5% in the individual poverty rate and 41.2% in the family poverty rate. The increased impact of transfer payments on poverty was mainly due to an increase in disability pensions, updated by approximately 9.8% on January 1st, 2023, grants (housing grants, encouragement and incentive grants and a special grant for persons over 67 years of age who were put on unpaid leave or fired during the war), temporary orders for unemployment relief and the increase in various benefits (for example, payments to victims of hostile acts) following the events of October 7th and the

Swords of Iron War.[9] The increase in the direct contribution of transfer payments and direct taxes to reducing poverty in 2023 came after two years of reduced contribution following the coronavirus crisis. In 2020, the year of the coronavirus crisis, government aid led to a 41.1% reduction in the poverty rate of individuals and a 48% reduction in the poverty rate of families **(Chart 5)**.

An examination of the contribution of various pensions to the reduction of poverty shows the pensions provided to senior citizens and survivors is the most effective in reducing poverty in Israel, followed by the disability pension – 24.2% and 13.3%, respectively **(Chart 6)**. Conversely, the contribution of income support benefits, provided to a relatively smaller portion of the population, and of child benefits, were low – 1.3% and 2.4%, respectively.

The contribution of general disability pensions, disabled child benefits attendance allowance for the disabled to poverty reduction in 2023 was higher than in 2022, due to the significant increase in these payments, up by 9.8% as of January 1st, 2023[10]. The contribution of unemployment payments to the reduction in poverty also increased with the increase in the number of unemployment beneficiaries in the last quarter of the year, following the events of October 7th and the Swords of Iron War. War grants paid by the NII in this year (housing grants, encouragement and incentive grants and a special grant for persons over 67 years of age who were put on unpaid leave or fired during the war) reduced poverty by 0.5%.

Chart 6: Contribution of transfer payments* to direct reduction in family poverty incidence by pension (percentage), 2022-2023



* In this chart, the senior citizen pension includes income supplement and disability supplement. Income supplement before retirement age is included in the income support allowance.

[9] Part of the transfer payments following the October 7th events and the Swords of Iron War were provided because of the increase in expenses caused by these events as Swords of Iron Swords grants. Since the CBS survey has not been published yet, it is impossible to estimate this increase in expenses.
[10] Following a change in the linkage of these payments, to the average wage instead of the consumer price index, and a calculation of the increase compared to the average wage for 2020 with the addition of 2.45%.

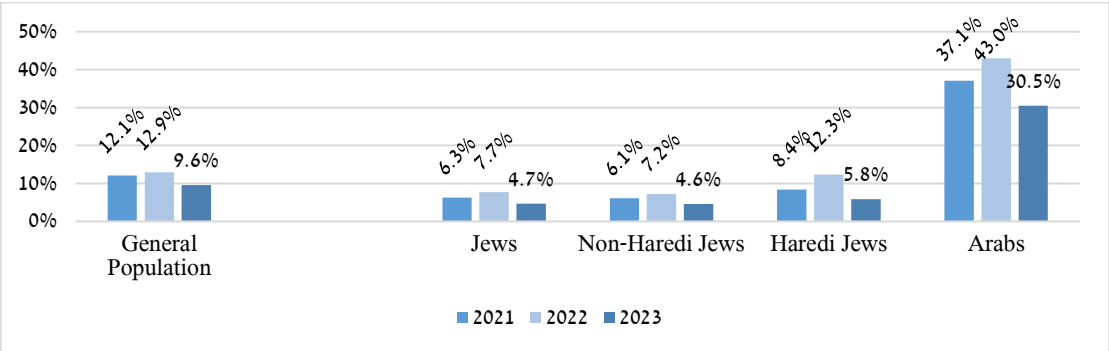
Box: Subjective poverty, inability to cover monthly expenses and forgoing hot meals, medication and medical treatments for economic reasons

This box presents data regarding additional poverty metrics for 2023 compared to the previous two years: Subjective poverty (feeling poor), inability to cover monthly expenses, forgoing hot meals, prescription medication and medical treatment for economic reasons. The data is calculated based on the social surveys conducted each year by the Central Bureau of Statistics.

Subjective poverty

In 2023, the share of adult individuals who felt they were poor in the general population significantly decreased by 26% (**Chart 1.1**). This decrease included all social sectors: Arabs, ultra-Orthodox Jews and non-Orthodox Jews. Among the Jewish population, the decrease was approximately 39%, with a significant approximate 53% decrease among the ultra-Orthodox, bringing the rate of subjective poverty among ultra-Orthodox Jews to 5.8% – a much lower ratio than the objective poverty (calculated by relative financial income method). Among the Arab population, the rate of subjective poverty also decreased significantly – by about 29%. However, this was 6.5 times higher than the among the Jewish population – a higher ratio than in the previous two years, which was 5.6 times in 2022 and 5.9 times in 2021.

Chart 1.1: Rate of subjective poverty among individuals by sector (percentage), 2021-2023*



* In 2022, due to a significant decrease in the share of the Arab population in the survey, the increase in the general population was low compared to the decreases in the various groups. In 2023, due to changes in the demographic composition of the survey (relative increase in the share of the Arab population, who has a high rate of subjective poverty), the decrease in the general population was lower than the decrease in each group.

Inability to cover expenses and forgoing of consumption and treatments for economic reasons

When questioned whether a household is incapable of covering all its expenses, 26.5% answered positively in 2023, a lower rate compared to the previous year, and contrary to the increase between 2021 and 2022 (Table 1.1). The findings of the survey regarding

consumption, medical treatment and prescription medication forgone for economic reasons also indicate an improvement in 2023. The rate of individuals who skipped a hot meal for economic reasons decreased between 2022 and 2023, from 6.1% to 5%. The rate of individuals who refrained from taking prescription medication and obtaining medical treatment also decreased, by 0.6% and 1%, respectively[11].

Table 1.1: Rate of households unable to cover monthly expenses and rate of individuals who forgo consumption and essential treatments for economic reasons (percentage), 2021-2023[1]

	2021	2022	2023
Proportion of households unable to cover all monthly expenses	26.4	30.5	26.5
Foregoing Luxuries and Treatments			
Rate of individuals who sacrificed medical treatments due to financial difficulties[2]	10.6	10.7	9.7
Rate of individuals who stopped taking prescription drugs due to financial difficulties[3]	6.9	6.8	6.2
Rate of individuals who went without hot meals at least once every two days due to financial difficulties	5.2	6.1	5.0

[1] Analysis of the Central Bureau of Statistic's surveys by the Research and Planning Administration; only the first question (covering expenses) referred to the household level.

[2] Of those requiring medical treatment.

[3] Of those requiring prescription medication.

Table 1.2: Rate of households unable to cover monthly expenses and rate of individuals who forgo consumption and essential treatments for economic reasons by sector (percentage), 2021-2023

Foregoing of	Ethnic Group	2021	2022	2023
Medical Treatment	Arab	18.3	16.1	17.0
	Jew	8.8	9.7	7.8
	Non-Haredi Jew	8.4	9.7	7.6
	Haredi Jew	14.8	9.2	9.4
Prescription drugs	Arab	16.5	17.5	14.4
	Jew	5.0	5.1	4.6
	Non-Haredi Jew	4.9	5.2	4.6
	Haredi Jew	6.1	4.3	4.1
Hot meal	Arab	12.8	15.9	13.0
	Jew	3.5	4.5	3.1
	Non-Haredi Jew	3.3	4.0	2.9
	Haredi Jew	5.2	8.3	4.8
Hobbies	Arab	41.6	58.6	
	Jew	24.3	32.6	
	Non-Haredi Jew	23.0	31.5	
	Haredi Jew	35.4	42.5	

[11] Unlike previous surveys, the 2023 survey did not include a question about forgoing leisure activities and hobbies for economic reasons.

A division by population groups (Table 1.2) shows that the decrease in households that can't cover their monthly expenses and the individuals who forgo a hot meal (at least once every two days) due to economic difficulties occurred in all sectors. Results concerning the forgoing of health expenses were inconsistent: The rate of non-Orthodox Jews who skipped medical treatment for economic reasons decreased, but increased among ultra-Orthodox Jews and even more among Arabs. However, in all three sectors, the rate of individuals who forwent prescription medication for economic reasons decreased.

The rate of individuals who skipped a hot meal, medical treatment or prescription medication among the Arab population was higher compared to the Jewish population in all examined aspects. This corelates with the higher rates of poverty among this population. However, among the ultra-Orthodox Jewish population, whose rates of poverty are also very high, the rate of forgoing medical treatments and prescription medication was similar to that of non-Orthodox Jews, despite significant differences in poverty rates. This fact may be explained by the cultural and communal characteristics of this population, whose low income from work is often the result of preferring religious studies to work, and communal support (for more information see Chapter D of this report).

C. Changes in poverty dimensions among different populations

In 2023, poverty incidence remained almost unchanged with only a slight decrease. The poverty incidence among families by **net income** decreased by 0.2%, from 20.3% in 2022 to 20.1% in 2023. This development of slight decrease or stability was registered among most population groups. However, poverty incidence increased among two groups: Families with a self-employed person and families headed by a senior citizen. The greatest increase was seen among families with a self-employed person – from 13.3% to 13.8%. This was, in part, the result of economic difficulties encountered following the war and because the aid provided by the state was insufficient to compensate for reduced income, as it was during the coronavirus crisis. An increase was also registered among families headed by a senior citizen – from 14.5% in 2022 to 14.8% in 2023. However, the poverty incidence among senior citizens remained, as aforementioned, unchanged at 12.8%.

Poverty incidence measured by **economic income** increased among families of most population groups. In most groups, this increase was moderate. A significant 1.2% increase was seen among self-employed persons, who were affected by the war. An increase of 0.8 and 0.7 percentage points was seen among families headed by a person 30-44 years old or under 30 years old, respectively. The decrease in economic income among these age groups was greatly influenced by the Swords of Iron War. These are the age groups that naturally took a more active part in the war. For example, some discharged soldiers were recruited to reserve service and did not join the labor market. The closing of some businesses in the commerce and food industries in the last quarter due to the war affected young people more, as their share in these industries is high. Some population groups showed no change in poverty incidence by economic income (ultra-Orthodox Jews, single parent families), and some showed a slight decrease of 0.2 percentage points (families headed by an person before retirement age with no financial providers, families headed by a senior citizen or a woman) (**Table 4**).

The differences between poverty measured by economic income and poverty measured by net income are reflected by the decrease in the rate of poor families as a result of government intervention through transfer payments and direct taxes (the last column in **Table 4** and **Chart 7**). As aforementioned, the contribution of government policy to direct poverty reduction increased in 2023: While in 2022 government policy reduced the rate of poor families by 40.1%, in 2023 it improved it by 41.2%. The decrease in the number of poor families owing to the contribution of transfer payments and direct taxes included all groups in the table. Except for families headed by a senior citizen, in all groups, transfer payments and direct taxes contributed more to a reduction in poverty in 2023 than in 2022. This was particularly noticeable among families with two or more wage

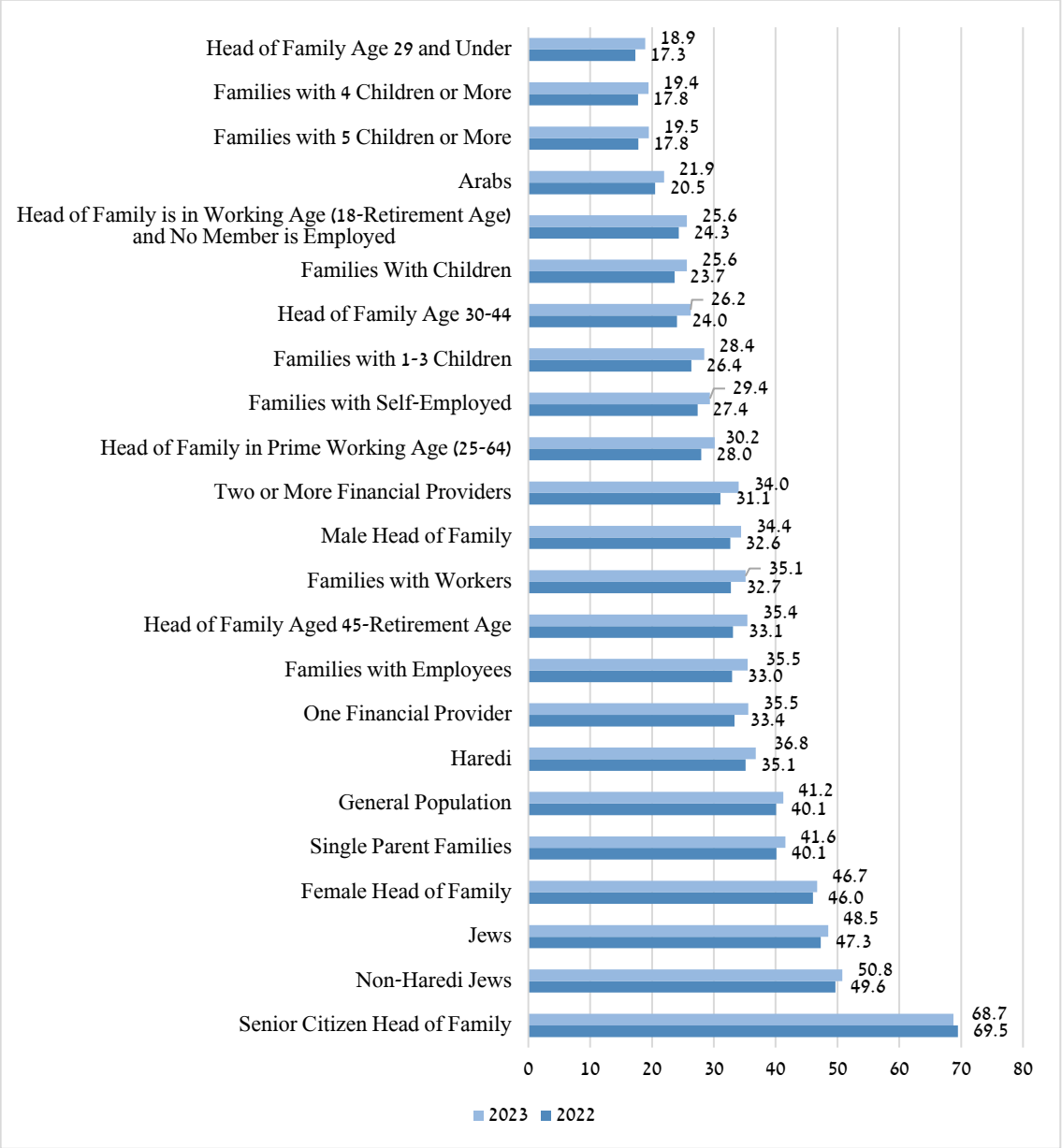
financial providers (2.9 percentage points), families with a salaried employee (2.5 percentage points) and families headed by over 30 years old and before retirement age.

Table 4: Poverty incidence among families by economic and net income and (direct) decrease in the rate of poor families following government intervention (percentage), 2022-2023

Population Groups	2022			2023		
	Poverty by Economic Income	Poverty by Net Income	Decrease in the Rate of Families in Poverty	Poverty by Economic Income	Poverty by Net Income	Decrease in the Rate of Families in Poverty
General Population	33.9	20.3	40.1	34.2	20.1	41.2
Head of Family Ethnic Group						
Jewish	30.5	16.1	47.3	30.7	15.8	48.5
Non-Haredi Jew	28.2	14.2	49.6	28.4	14.0	50.8
Haredi	52.2	33.9	35.1	52.2	33.0	36.8
Arab	48.9	38.9	20.5	49.2	38.4	21.9
Family Composition						
With Children	28.8	22.0	23.7	29.5	21.9	25.6
1-3 Children	24.1	17.7	26.4	24.7	17.7	28.4
4 Children or More	51.1	42.0	17.8	51.5	41.5	19.4
5 Children or More	62.4	51.3	17.8	62.8	50.6	19.5
Single Parent Families	39.6	23.7	40.1	39.6	23.1	41.6
Employment Status of at least one member of Family						
Worker	23.0	15.5	32.7	23.6	15.3	35.1
Employee	22.5	15.0	33.0	22.9	14.8	35.5
Self-Employed	18.3	13.3	27.4	19.5	13.8	29.4
Head of Family Aged 18-Retirement Age and No Member is Employed	91.5	69.2	24.3	91.3	67.9	25.6
Number of Financial Providers in Family						
One Financial Provider	34.2	22.8	33.4	34.6	22.3	35.5
Two or More Financial Providers	12.3	8.4	31.1	12.8	8.5	34.0
Head of Family Age						
29 and Under	50.8	42.0	17.3	51.5	41.8	18.9
30-44	27.9	21.2	24.0	28.7	21.2	26.2
45-Retirement Age	22.0	14.7	33.1	22.1	14.3	35.4
Prime Working Age (25-64)	26.2	18.9	28.0	26.7	18.7	30.2
Senior Citizen	47.6	14.5	69.5	47.4	14.8	68.7
Head of Family Gender						
Male	26.9	18.1	32.6	27.5	18.0	34.4
Female	42.8	23.1	46.0	42.6	22.7	46.7

Among families headed by a senior citizen, a decrease was registered in poverty incidents as a result of government activity, from 69.5% in 2022 to 68.7% in 2023. As in previous years, in 2023 this group was also at the top of all groups where poverty was reduced as a result of government intervention.

Chart 7: Decrease in poverty incidents as a result of direct government intervention (percentage), 2022-2023



An examination of the poverty depth – measuring the distance of the income of a poor family from the poverty line for its size – shows that in families headed by working-age adults (18 to retirement) with no employed members, poverty is the greatest (**Table 5**), 63.4% in 2023 compared with 39.5% in the general population. The poverty depth among young population (head of the family under 30 years of age), 47.2% in 2023, is also high compared to the general population. However, poverty among families with two or more

providers and single parent families is lower than in the general population: 28.8% and 36.3%, respectively. Between 2022 and 2023 there was a decrease in the poverty depth among all population groups. Trends in measurement of poverty severity, placing a greater weight on poor individuals whose income is further away from the poverty line, are similar to those of the poverty depth – a decrease in all groups.

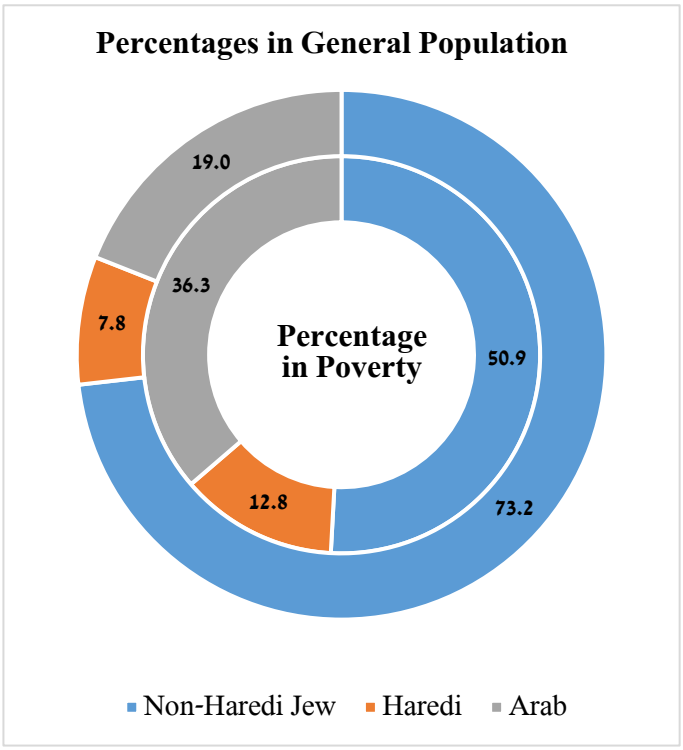
Table 5: Poverty depth and poverty severity (FGT index) per capita by net income and population group (percentage), 2022-2023

Population Group	2022		2023	
	Poverty Depth	Poverty Severity	Poverty Depth	Poverty Severity
General Population	40.3	24.4	39.5	23.6
Head of Family Ethnic Group				
Jewish	37.6	22.0	36.8	21.3
Non-Haredi Jew	38.8	24.2	37.9	23.3
Haredi	35.8	18.6	35.2	18.1
Arab	44.0	27.8	43.1	26.7
Family Composition				
With Children	39.4	22.5	38.8	21.9
1-3 Children	38.6	22.5	38.0	21.7
4 Children or More	40.1	22.5	39.7	22.1
5 Children or More	40.5	22.6	40.0	22.2
Single Parent Families	36.9	20.6	36.3	20.0
Employment Status of at least one member of Family				
Worker	36.1	19.0	35.8	18.6
Employee	35.8	18.7	35.3	18.3
Self-Employed	33.3	16.3	33.1	16.0
Head of Family Aged 18-Retirement Age and No Member is Employed	64.5	52.3	63.4	51.1
Number of Financial Providers in Family				
One Financial Provider	41.3	23.5	40.9	23.1
Two or More Financial Providers	29.0	12.8	28.8	12.6
Head of Family Age				
29 and Under	47.6	31.6	47.2	31.2
30-44	40.2	23.4	39.7	22.8
45-Retirement Age	38.9	23.4	37.9	22.4
Prime Working Age (25-64)	40.0	23.7	39.4	23.0
Senior Citizen	27.2	15.4	25.0	13.4
Head of Family Gender				
Male	39.5	23.6	38.9	22.9
Female	41.1	25.3	40.0	24.3

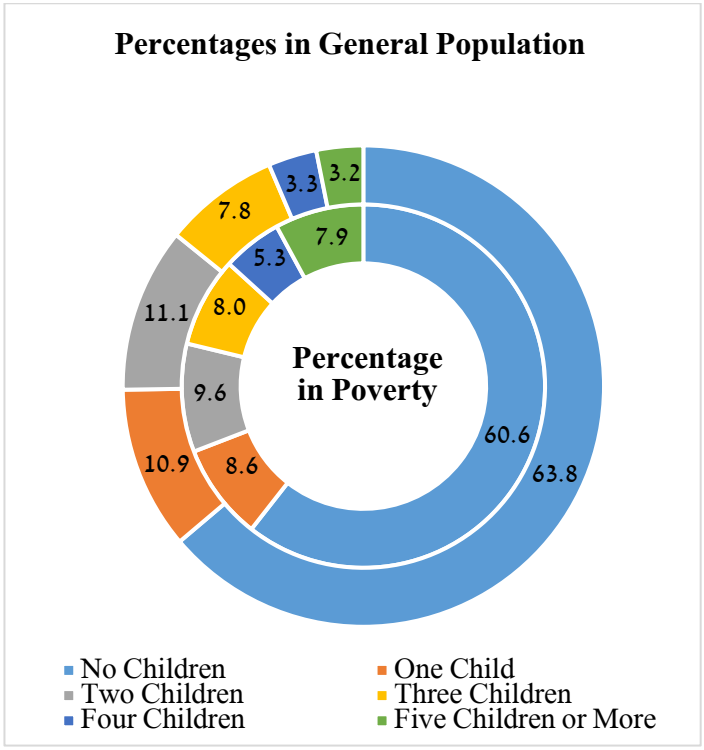
D. Characteristics of the poor

Chart 8 : Distribution of the population compared with the distribution of the poor*, various groups (percentage), 2023

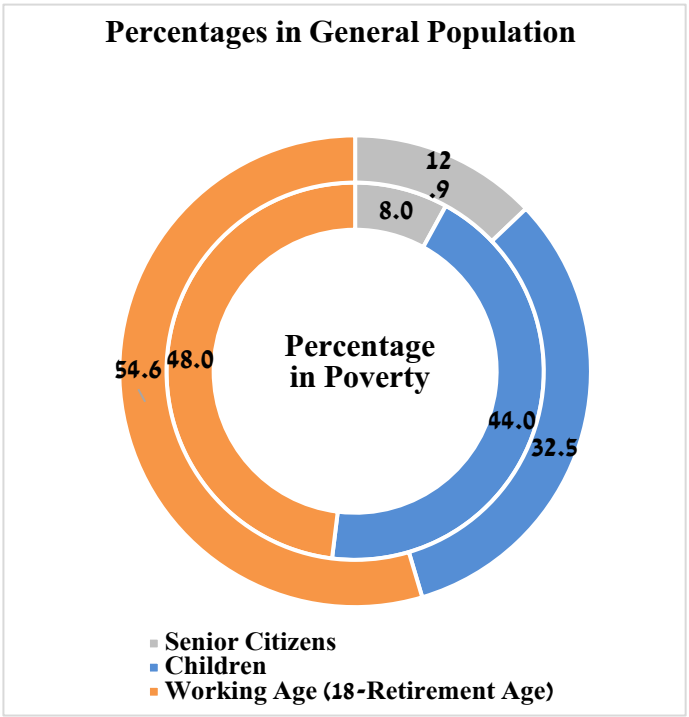
A. Families by sector



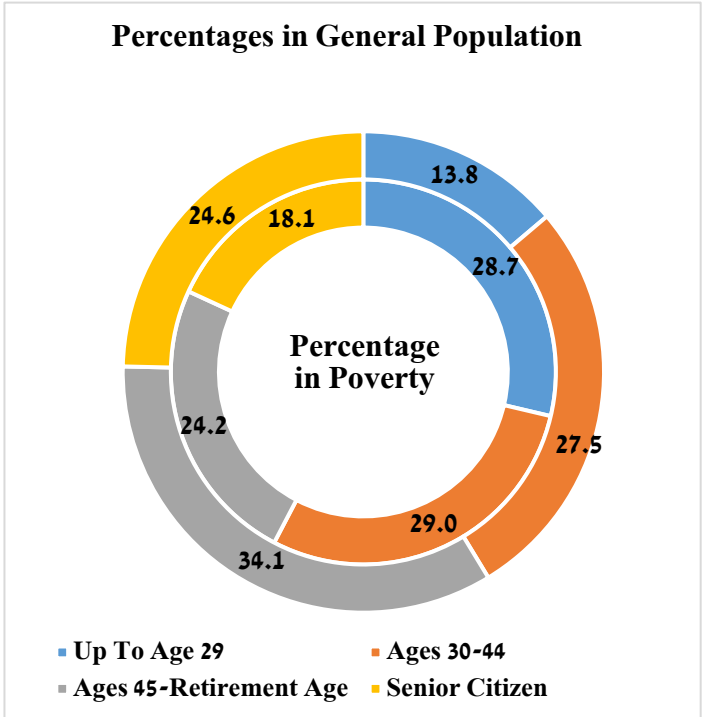
B. Families by number of children



C. Individuals by children, work age and senior citizens



D. Families by age of household head



* The outer circle shows the rate in the general population. The inner circle shows the rate among the poor.

The rate of poverty in Israel is inconsistent. Examined by sector, poverty is extremely high among the Arab and ultra-Orthodox populations. By demographic and occupational characteristics, poverty incidence is higher in families with fewer providers, among individuals with lower formal education, large families, families living in the geographic periphery, young families and children. Poverty incidence is also high among individuals who receive income security and maintenance (alimony) payments. In some groups, there are higher rates of the characteristics that exacerbate poverty. The problem of poverty in some of the groups where poverty incidence is high is worse than this measurement reflects, as both poverty depth and poverty severity are usually greater in these groups.

Poverty by sector

An examination by sector shows that poverty is prominent among Arab and ultra-Orthodox families, with a poverty incidence of 38.4% and 33.0%, respectively. These rates are more than double the rate among non-Orthodox Jews – 14% in 2023 (**Table 4** and **Supplement table 2**). Poverty rates among individuals are 38.5% in the Arab population, 38.5% in the ultra-Orthodox population and 11.1% among non-Orthodox Jews (**Supplement table 2**). In the Arab and ultra-Orthodox populations, about half of the children are poor. The main cause of high poverty among these populations is related to the labor market – a low number of providers together with low wages. In the ultra-Orthodox population, there is an additional cause – a high number of children: The birth rate of ultra-Orthodox women is 6.6 more than double the average in Israel.

Government intervention through transfer payments and direct access contributed to an increase in the Arabs' income of 8.5% in 2023 and 7% in 2022 (**Supplement table A1**). However, the success of transfer payments and direct taxes in reducing poverty was lower in this group compared to other groups – 21.9% in 2023 (compared to an average of 41.2% in the general population). Among ultra-Orthodox Jews, government intervention also reduced poverty less than the average, 36.8% in 2023 and 35.1% in 2022 (**Table 4**).

Because of the high poverty rates among ultra-Orthodox Jews and Arabs, their share in the total number of poor individuals is particularly high (**Chart 8A and Supplement table 6B**). While the share of these groups in the number of families was 26.8% in 2023 (19% Arabs and 7.8% ultra-Orthodox Jews), their share in the total number of poor families was almost double, 49.1% (36.3% Arabs and 12.8% ultra-Orthodox Jews). Due to differences in family size between the three sectors and particularly since ultra-

Orthodox families are large families, the rate of poor individuals among these groups is particularly high, 64.9%: 42.4% among Arabs and 22.5% among ultra-Orthodox Jews.

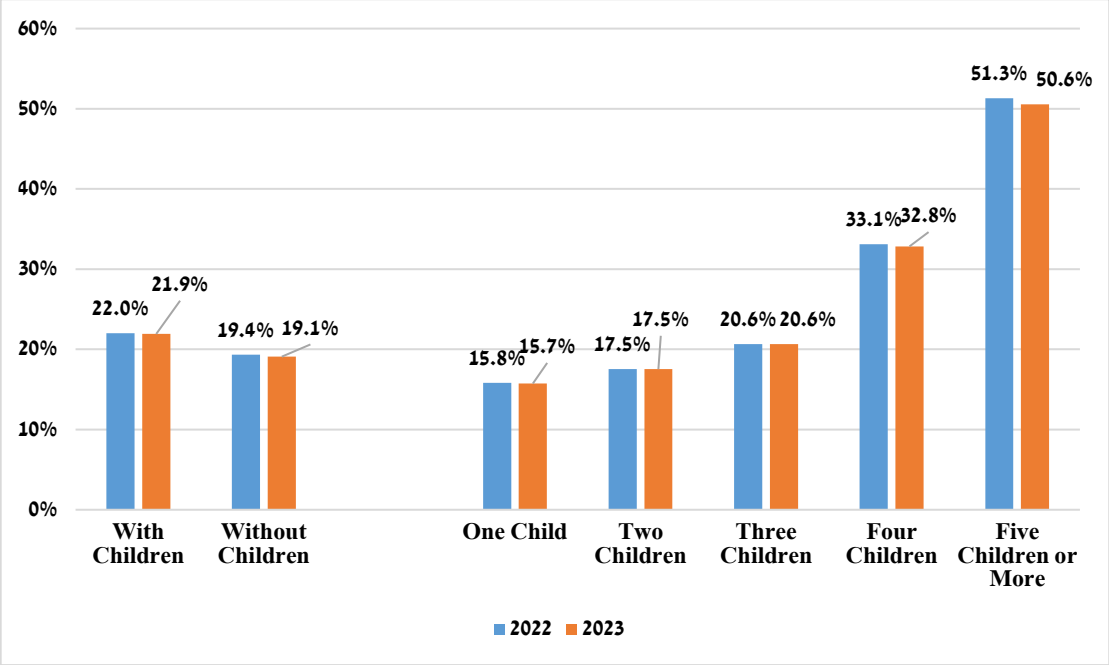
Despite the similarity in poverty rates between ultra-Orthodox Jews and Arabs, as measured by an objective relative measurement, the nature of poverty among these groups is different. Additional poverty indices (see box) reveal that lower rates of ultra-Orthodox Jews feel poor or are unable to cover their expenses, are less likely to skip a hot meal at least once every two days, and forgo medication or medical treatment for economic reasons. This is explained, among other reasons, by the unique cultural characteristics of this population, whose low work incomes often arise from preferring the spiritual (religious studies) over the material, which increases familial benefit and well-being. In ultra-Orthodox society, there is also strong mutual help and unique economic and financial community systems (such as Gemach few loan funds, Tzedakah (charity) funds, help funds for orphans and widows, and community shopping)[12] .

Poverty by family composition and age group

Poverty incidence among large families is high. The larger the family, the more likely it is to be poor (**Chart 9**). The poverty incidence of families with four or more children in 2023 was 41.5% – a rate that is more than double that of smaller families with one to three children – 17.7%. Families with four children and more constitute 13.2% of all poor families, more than double their share in the total number of families in Israel – 6.4% (**Supplement table 6B**). The contribution of government intervention to reduce poverty among larger families amounted to 19.4% – a low rate compared to other population groups. High poverty rates among large families have consequences not only for said families, but also at the macro level, for the overall poverty rate, because of birth rates and the share of large families in Israel which are among the highest in developed countries.

[12] For more information see Kasir (Kaliner), N. and Tzachor-Shay, A., **About Culture and Poverty in ultra-Orthodox Society, Various Aspects of Poverty in ultra-Orthodox Society** (2019). The Haredi Institute for Public Affairs [Hebrew].

Chart 9: Poverty by number of children (percentage), 2022-2023



The poverty incidence among children is particularly high, even by international comparison (**Chart 17** in the international comparisons chapter). Children, who constitute 32.5% of the population, constitute 44% of the poor (**Chart 8C**). High child poverty affects not only the present living conditions of children but also the process of creating human capital, which is important for their future earnings.

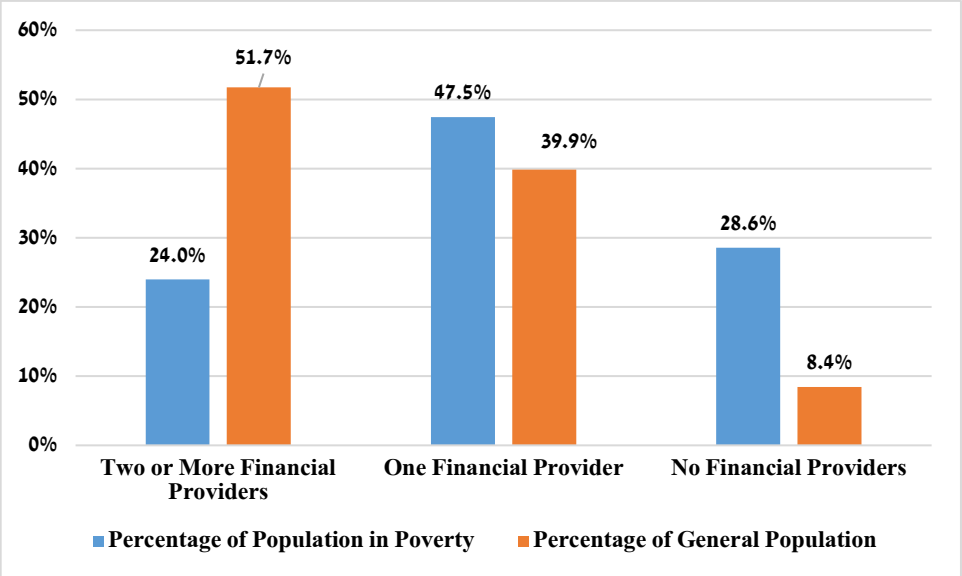
Compared to children, whose poverty incidence is higher than average, at 27.9%, the poverty incidence among working-age adults (18 to legal retirement) and the poverty incidence among senior citizens, whose activity in the labor market is low and are therefore greatly dependent on the transfer payments system, are lower than average, at 18.2% and 12.8%, respectively. The share of senior citizens in the total number of poor people is lower than their share in the total number of people (**Chart 8C and Chart 3**). The poverty incidences among children and senior citizens are presented in **Supplement table 2**. Among senior citizens, poverty incidence is highest among those who live alone, 19.8% in 2023, compared with 8.4% among senior citizens who live with family (a similar situation exists among individuals who are 65 years old or older, **Supplement table 14**).

An examination by age of household head shows that, unlike families headed by a senior citizen, poverty incidence among young families whose head is younger than 30 years of age, many of whom are at the beginning of their professional career, is high. These families constitute 13.8% of the total number of families and 28.7% of poor families (**Chart 8D**). Government aid to these families is relatively low: 18.9% compared with 41.2% in the general population (**Table 4**).

Employed working age adults in poverty, 25-64

Employment is one of the main means of extrication from poverty. The group of families who are headed by an unemployed working-age individual (25-64) is the poorest group, with a poverty rate of 64.8% and poverty depth of 61.4% in 2023 (**Chart 12**). However, employment does not necessarily extricate families from poverty, especially when the level of wages is low. Poverty among families that have at least one provider is becoming a more and more common phenomenon – 22.2% among families with a single provider and 8.6% among families with two or more providers. The reasons for this are, among others, the increased rate of employment over the years and the definition of poverty as relative.

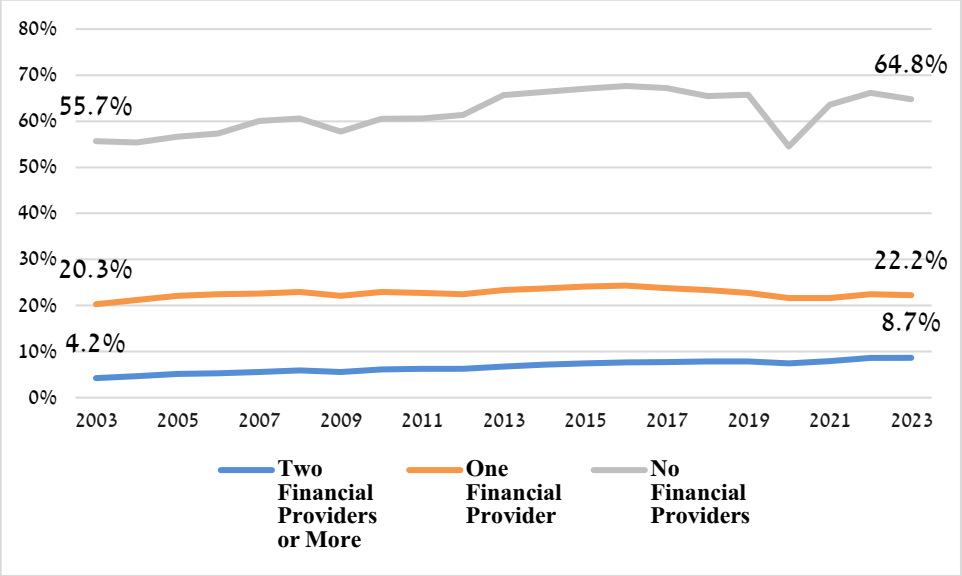
Chart 10: Families headed by a working-age individual – population and poverty rates by number of providers in the family, 2023



In 2023, 71.5% of working-age poor families had at least one provider. While in the general population, families with two or more providers constitute 51.7%, families with a single provider 39.9% and with no providers 8.4%, among the poor, the distribution in 2023 was 24%, 47.5% and 28.6%, respectively (**Chart 10**).

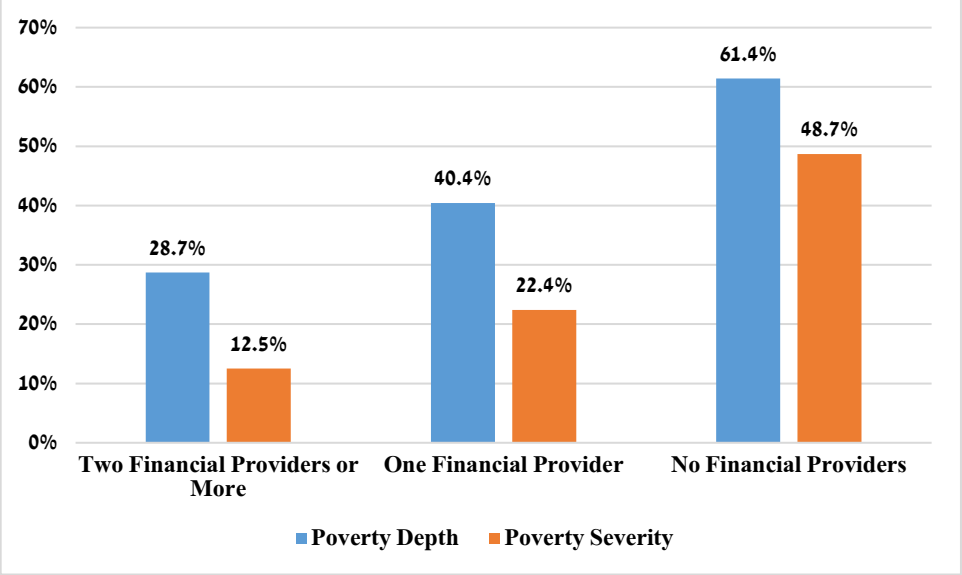
An examination of poverty by number of providers reveals a clear correlation between the number of providers in a family and family poverty in all years (**Chart 11**) – the lower the number of providers, the greater the incidence of poverty, and among families with a single provider the poverty incidence is the same as the average poverty incidence. Over time, poverty incidence among families with two providers gradually increased. Among families with a single provider and families with no provider, the increase in poverty incidence continued until the middle of the previous decade and then reversed, with moderate decreases until 2020, and an increase is 2022 and 2023, in line with the increase in the average poverty incidence in Israel.

Chart 11: Poverty incidence among families headed by a working-age individual by number of providers in the family (percentage), 2003-2023



The number of providers has a significant impact on reducing poverty: Moving from the group of families without any providers to the group of families with a single provider, poverty is three times lower, and so it is when moving from the group of families with a single provider to the group of families with two or more providers. More providers means not only less poverty, but also better conditions of poverty – reducing poverty depth and poverty severity (**Chart 12**).

Chart 12: Individual poverty depth and poverty severity by number of providers in the family (percentage), 2023



In each of the three sectors, non-Orthodox Jews, ultra-Orthodox Jews, and Arabs, an increase in the number of providers significantly reduces poverty (**Table 6**). However,

this is more prominent in the non-Orthodox Jewish population than in the ultra-Orthodox Jewish and Arab populations, both in going from families without any providers to families with a single provider and when going from families with a single provider to families with two providers. The reason for this is mostly the differences in the level of income from work between sectors, reflecting difference in income per hour and the scope of employment.

Table 6: Poverty incidence among families headed by a working-age individual, by number of providers in the family (percentage), different sectors, 2023

	No Financial Providers	One Financial Provider	Two or More Financial Providers
General Population	**64.8**	**22.2**	**8.7**
Jewish	61.0	16.3	5.7
Non-Haredi Jew	60.8	13.7	3.7
Haredi	62.1	41.7	22.0
Arab	73.4	47.1	19.5

Among families with providers, a high rate of poverty, 33.4%, is prominent among those who are employed in the industry of "Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use". Conversely, poverty incidence is lower than 5% when one of the providers is employed in one of the four following industries: Electricity, gas, stream and air conditioning supply; local and public administration, national insurance and security; international organizations and bodies and high-tech (**Supplement table 11**).

The phenomenon of poor workers is common in other developed countries. An international comparison shows that among families with no working-age providers, poverty incidence by economic income in Israel is similar to other countries, but poverty incidence by net income is one of the highest; in other words, the contribution of transfer payments and direct taxes to reducing poverty in Israel among families with no working-age providers is relatively low. Looking at families with a single working-age provider, Israel's position is even worse. Similar to the scope of poverty among the general population, it ranks on top of the scale. The gap between economic poverty and net poverty – i.e., the reduction in poverty by government intervention – is also one of the lowest among the compared countries. Regarding families with at least two providers, Israel is ranked a little better, although the level of poverty is still higher than average in the compared countries[13].

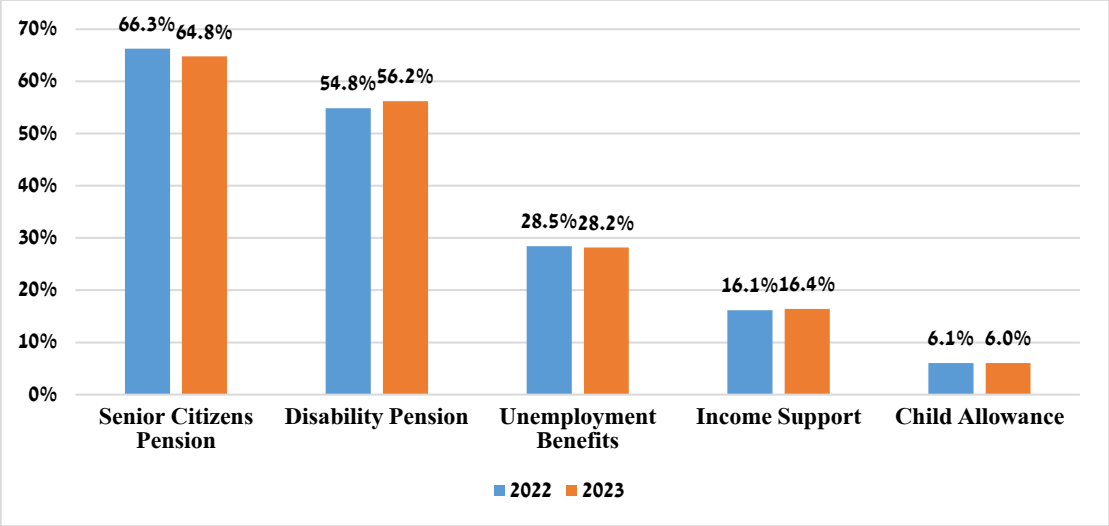
[13] LIS data, updated for 2021 in most countries.

Poverty among allowance recipients

Allowances paid by the NII make a significant contribution to reducing poverty. The effect of various allowances on poverty among the population of recipients is presented in **Chart 13**. The data shows that the allowance given to senior citizens is the most efficient in reducing poverty among its recipients, followed by the disability pension – 64.8% and 56.2%, respectively. However, the contribution of child benefits to reducing poverty among families with children is lower, at 6%.

The contribution of general disability pensions to reducing poverty among its recipients in 2023 was higher compared to 2022 due to the significant raise of 9.8% in these pensions made on January 1st, 2023. However, the decrease in the contribution of senior citizen pensions and survivor benefits was prominent.

Chart 13: Direct contribution of transfer payments to reducing poverty among families receiving allowances by allowance type (percentage), 2022-2023

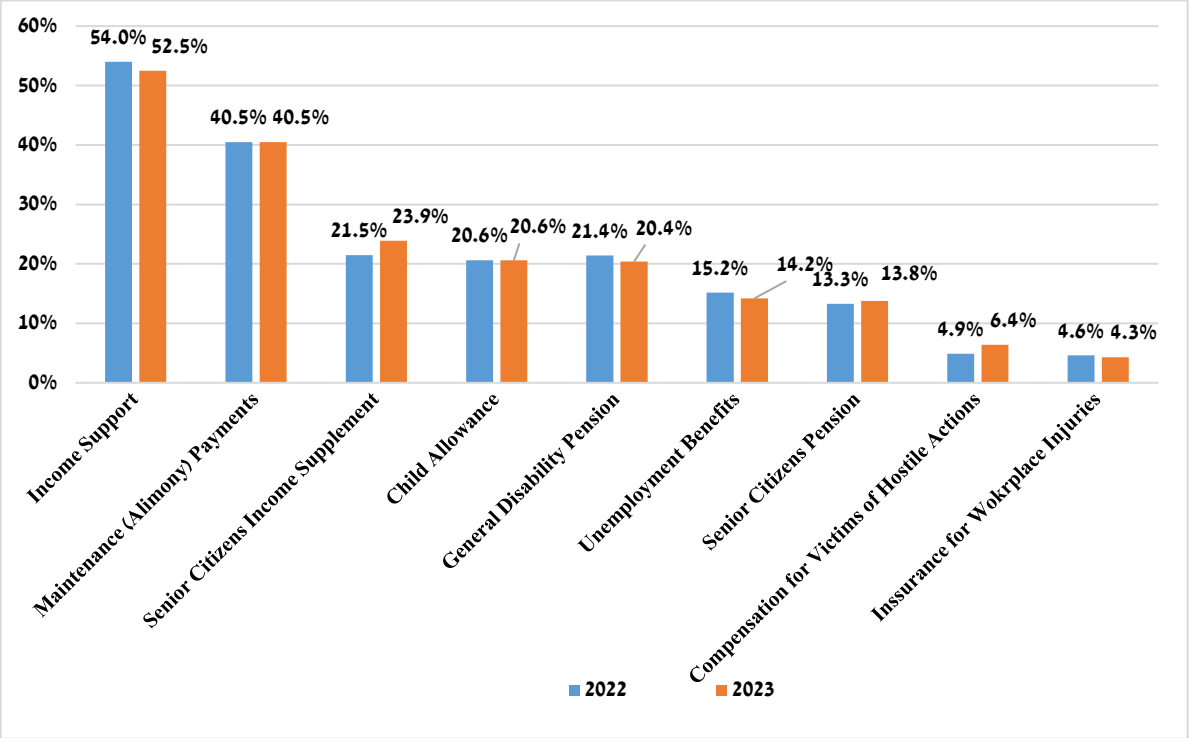


* In this chart, the senior citizen pension includes income supplement and disability supplement. Income supplements before retirement age are included in the income support.

Chart 14 presents family poverty incidence among allowance recipients. Among recipients of income support and maintenance (alimony), the rate of poor people is especially high, around 52% and 40%, respectively. These findings are in line with the relatively low influence of these allowances to reducing poverty (**Chart 13**). Among recipients of general disability pensions and child benefits, poverty incidence is around 20% to 21%. A low poverty incidence of around 4% was found among recipients of workplace injuries pensions and hostile acts compensations (**Supplement table 12** also

shows details concerning poverty depth and poverty severity, as well as poverty incidence by individuals, children and senior citizens).

Chart 14: Poor families among allowance recipients (percentage), 2022-2023



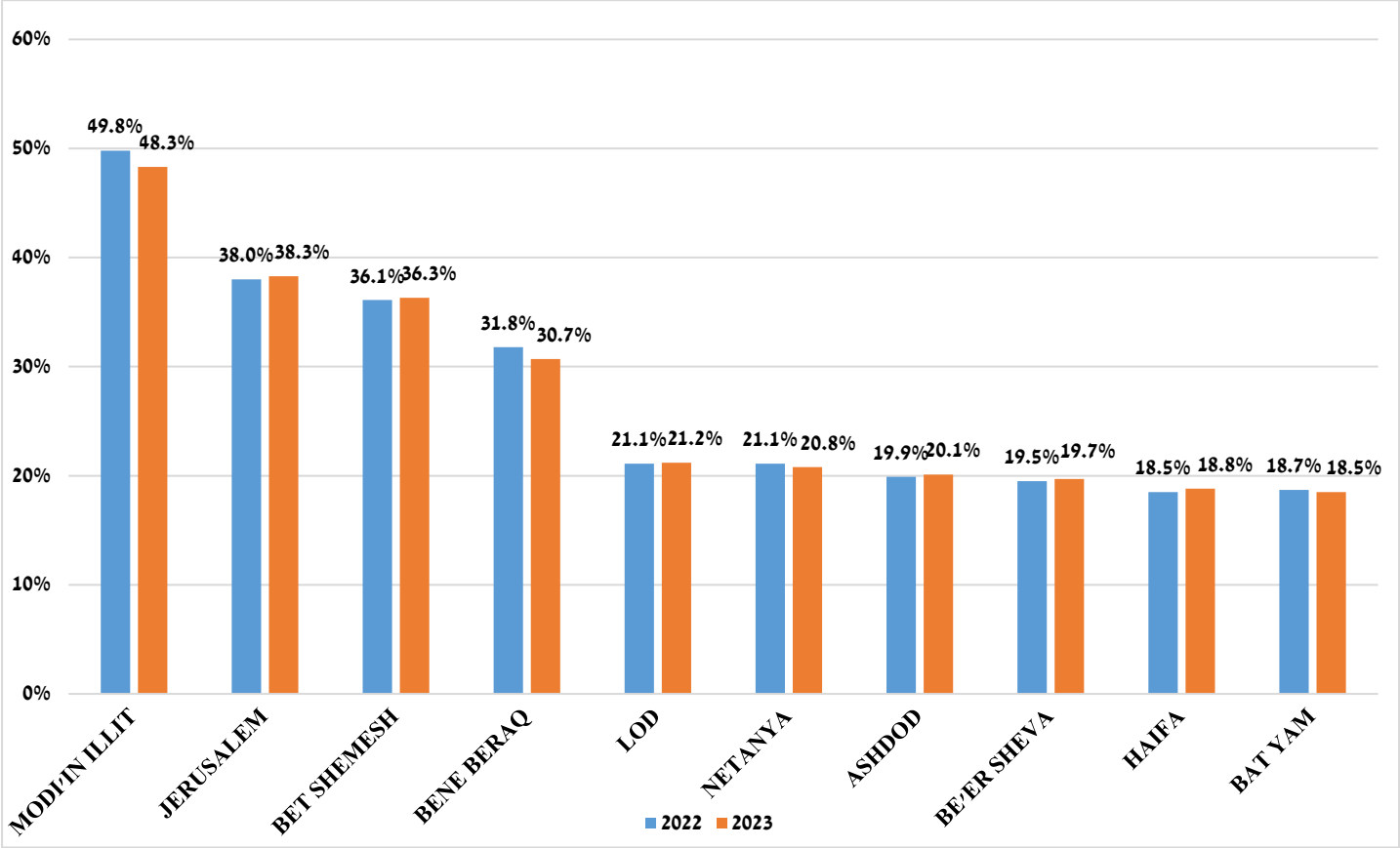
Poverty by geographical distribution

The findings concerning poverty by **geographical distribution** show that poverty is higher than average in the districts of Jerusalem, the North and the South. The poverty incidence of families in these districts is 36.2%, 22.5% and 22.6%, respectively (**Supplement table 7**). In the Center and Tel Aviv districts, poverty rates are much lower than the national average – 13.8% and 15.1%, respectively.

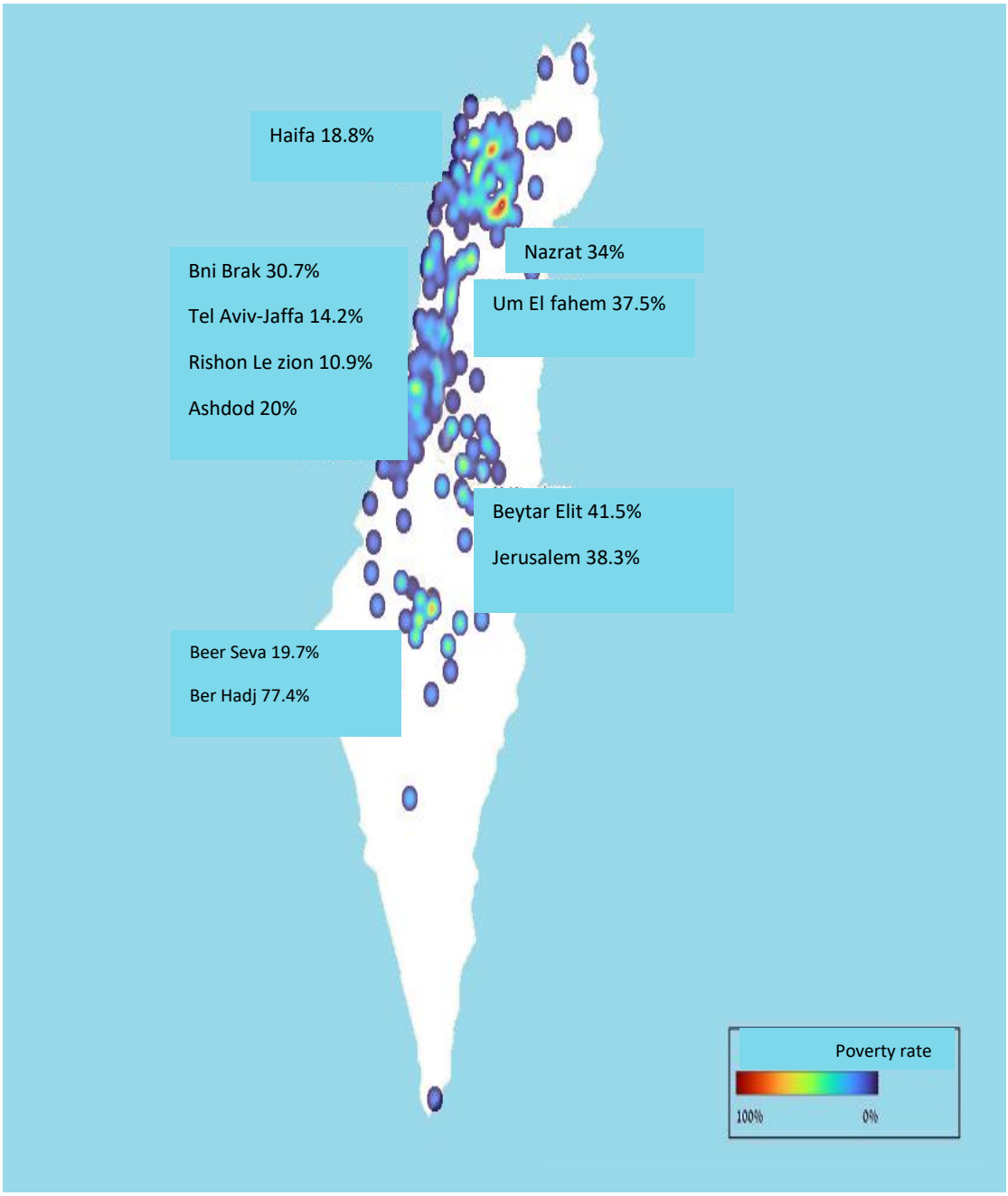
An examination by localities shows that the poorest locality out of all localities with more than 80,000 residents is Modi'in Illit, with a poverty incidence of 48.3%, followed by Jerusalem, with a poverty incidence of 38.3%. The 10 poorest cities with more than 80,000 residents are shown in **Chart 15**. Detailed information regarding localities with more than 5,000 residents in 2022 is shown in **Supplement table 8** and on the heat map.

Poverty in different districts and localities is obviously influenced by the composition of the population living there. High frequency of poverty can be found in districts and localities where the share of Arab or ultra-Orthodox population is high and at the geographical periphery, where many localities are Bedouin villages, particularly in the south.

Chart 15: Family poverty incidents in the poorest cities with more than 80,000 residents (percentage), 2022-2023



Heat map: Family poverty incidents in localities with more than 5,000 residents (percentage), 2023



E. Income inequality

The Gini index for economic and net income inequality[14] for 2018 to 2023 is presented in **Table 7** below. The changes between 2022 and 2023 are similar in their trends to the findings of the poverty analysis: Between the two years, the index decreased by 1.5% for net income and by 0.7% for economic income. Compared to 2019, before the coronavirus crisis, the Gini index for net income was lower by 1.5%, and for economic income was roughly the same (an increase of 0.1%).

Table 7: Gini index of inequality in economic income and standardized per capita net income, 2018-2023

Year	Before Transfer Payments and Direct Taxes	After Transfer Payments and Direct Taxes
2023	0.4944	0.3692
2022	0.4979	0.3749
2021	0.509	0.376
2020	0.5163	0.3713
2019	0.494	0.3747
2018	0.4938	0.3756
Percentage of Change Compared to 2023		
Compared to 2022	-0.7	-1.5
Compared to 2021	-2.9	-1.8
Compared to 2020	-4.2	-0.6
Compared to 2019	0.1	-1.5
Compared to 2018	0.1	-1.7

An examination of the changes in income by deciles **(Chart 16)** shows that economic income increased in almost all deciles. A decrease of 0.4% was registered in the second and 10th (top) deciles. The decrease in the second decile was influenced by the significant change in the composition of the population in this decile – a decrease in the number of salaried employees along with an increase in the number of recipients of senior citizen pensions, survivor pensions and welfare, whose economic income was low.

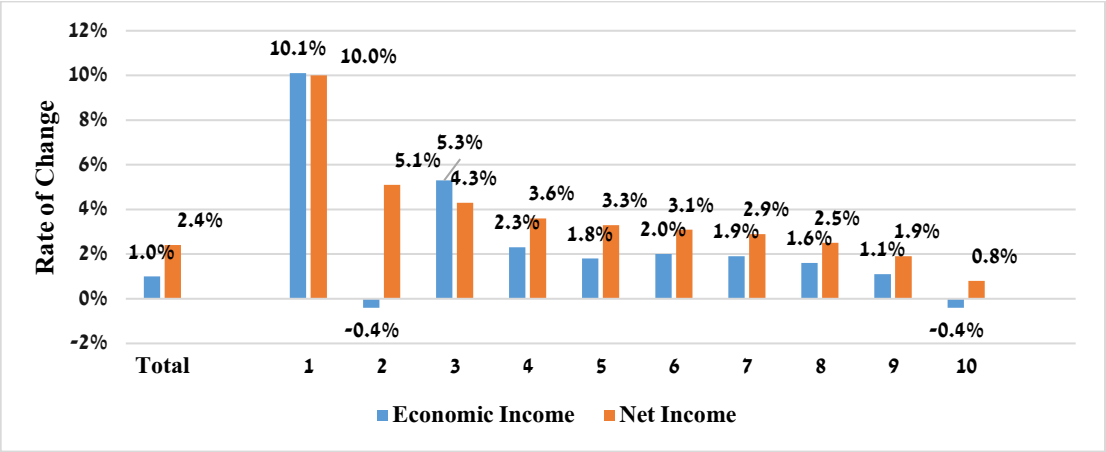
The biggest increase, around 10.1%, was registered in the first decile (bottom). A significant increase was also registered in the third decile. This phenomenon, of an increase in the economic income of lower deciles, has been occurring in Israel for several years, since the end of the coronavirus crisis. This is contrary to what normally happens when exiting a crisis, when the economic recovery of weak populations takes longer compared to the recovery of strong populations. The main reason for this is that weaker populations are more often removed from the labor market during a crisis and find it

[14] The Gini index is an accepted index for measuring inequality of income and expenses. It moves between 0 and 1, with 0 representing maximal equality and 1 representing maximal inequality.

more difficult to return to the labor market once the crisis is over and therefore are unemployed for longer periods of time.

An examination of the changes in net income shows a gradual increase in all deciles from bottom to top, From 10% in the first decile to 0.8% in the 10th decile. The result: A reduction in the Gini index for income inequality.

Chart 16: Change in real standard economic and net income per standard person by deciles* (percentage), 2023



* Deciles were divided by net income per standard person.

F. Poverty and inequality in Israel by international comparison

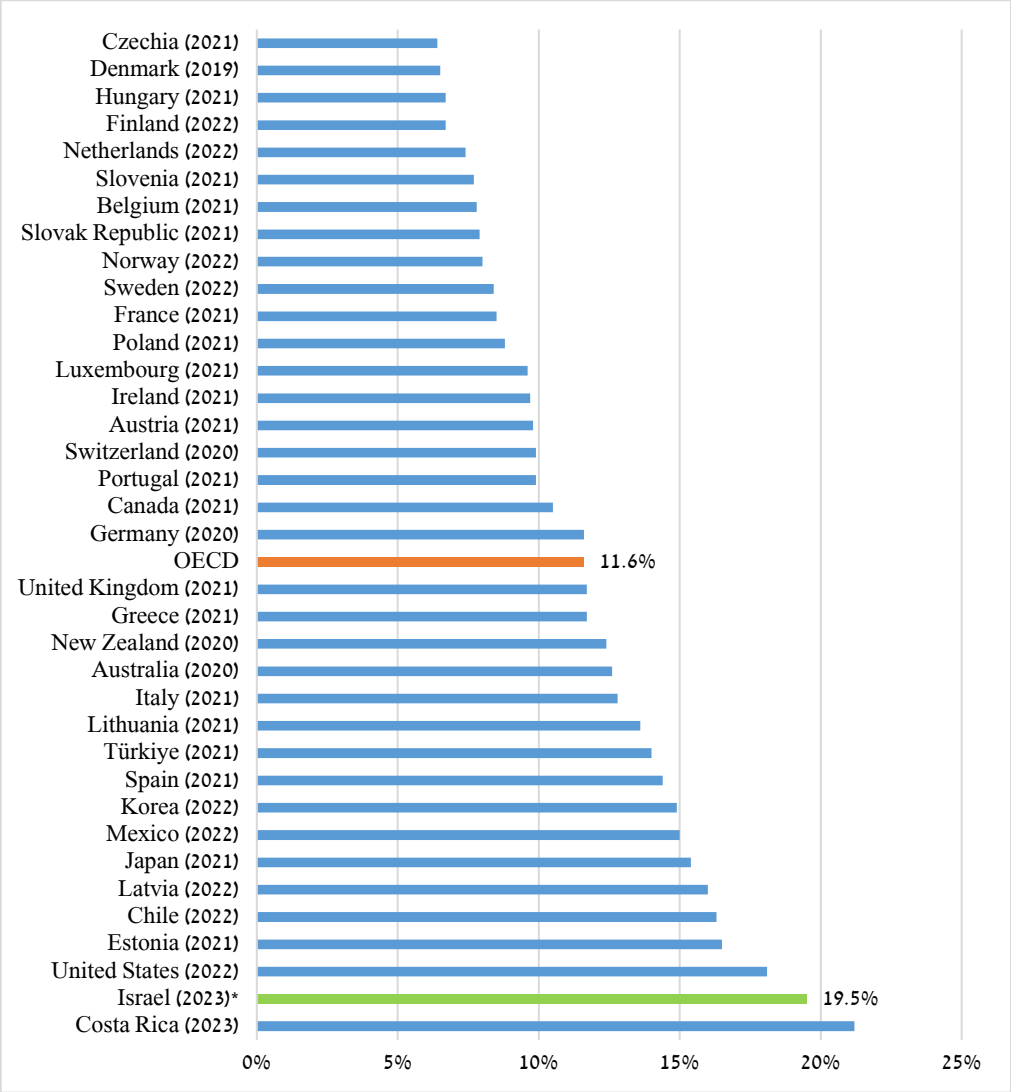
The sources of data for calculating poverty and inequality in OECD countries are household surveys that include data about income, usually conducted by central bureaus of statistics. This chapter presents the comparisons, with the measurements in Israel being based on administrative data, as in the other parts of this report. The data presented in this chapter for each country refer to the latest year for which data exists – 2019 to 2023 – and usually for 2021. For Israel, data is presented for 2023. Comparisons were made using the data processing method used by the organization, and particularly its equivalence scale, which places greater weight on size (for more information see Supplement B).

Poverty incidence

The approach to calculating poverty in Israel is similar to that of the OECD: Both define the median net financial income as measurement for the cost of living and use it to define the poverty line. The OECD calculates poverty by 40%, 50% and 60% of the net median income. Comparisons here were made using the poverty line defined as 50% of the standard net median income per standard person.

The level of poverty in Israel is severe by international comparison. An international comparison of poverty incidence by economic income, i.e. Income generated by economic activity in the market, ranks Israel 11th out of 36 countries **Table 8)**. A comparison of poverty incidence by net income, i.e. after government intervention through transfer payments and direct taxes, reveals an even worse picture, since the social security net in Israel is much lower. The findings show that, for individual poverty incidence (by net income), Israel is ranked at the top of the OECD countries after Costa Rica, with a difference of 8 percentage points from the OECD average, a 63% higher rate than the average **(Chart 17)**.

Chart 17: Individual poverty incidence, OECD countries (percentage), different years[1]



[1] The year shown for each country is the latest year for which data exists. Data for Israel is presented for 2023.
*The calculation was made using the administrative data and the OECD's equivalence scale.

A comparison of poverty incidence among children by net income shows that, similarly to individuals' poverty, the poverty of children in Israel is severe even by international

comparison (**Supplement chart 1**). With the exception of Costa Rica, Israel tops the list, with an 11-percentage points gap from the OECD average. The poverty incidence among children in Israel is 88% higher than the average.

Table 8: Poverty incidence by economic and net income, international comparison, different years*

Poverty Rate				Israel Rating of Poverty**	
Population Groups	Israel (Israeli Equivalence Scale)	Israel (OECD Equivalence Scale)	OECD Average)	Israeli Rating	Countries with higher poverty rate than Israel
Economic Income					
Individuals	31.1%	29.9%	27.8%	11	France, Italy, Finland, Spain, Japan, Belgium, Austria, Ireland, Germany, Estonia
Over 66	43.6%	46.1%	68.0%	33	-
Net Income					
Individuals	20.7%	19.5%	11.6%	2	Costa Rica
Children	27.9%	23.4%	12.4%	2	Costa Rica
Over 66	13.0%	17.8%	15.1%	12	Estonia, South Korea, Latvia, Lithuania, Costa Rica, USA, Australia, Japan, Switzerland, Mexico, Ireland

* The year shown for each country is the latest year for which data exists. Data for Israel is presented for 2023.

** Out of **36** countries. The country where poverty incidence is the highest is ranked 1. For some countries, the data refers to 2020 (the coronavirus period), for example, Germany. For Israel, administrative data and the OECD's equivalence scale are used.

Poverty in Israel among citizens over 66 years of age is also high by international comparison (**Supplement chart 2**), but less severe compared to individuals and child poverty. In the case of individuals aged 66 or more, Israel does not occupy the second place in the poverty ranking, and there are quite a few countries above it, such as the United States, Japan, Australia and South Korea. In 2022, poverty incidence among senior citizens decreased following a raise in income supplement benefits of around NIS 500 per person and NIS 800 per couple, as well as a raise in the wage entitling to receive this benefit. These changes also affected poverty incidence in 2023. Following the changes, Israel's position in the ranking improved. However, even with these changes, poverty incidence among individuals aged 66 or more is still high compared to other OECD countries – by about 2 percentage points (14% above the average).

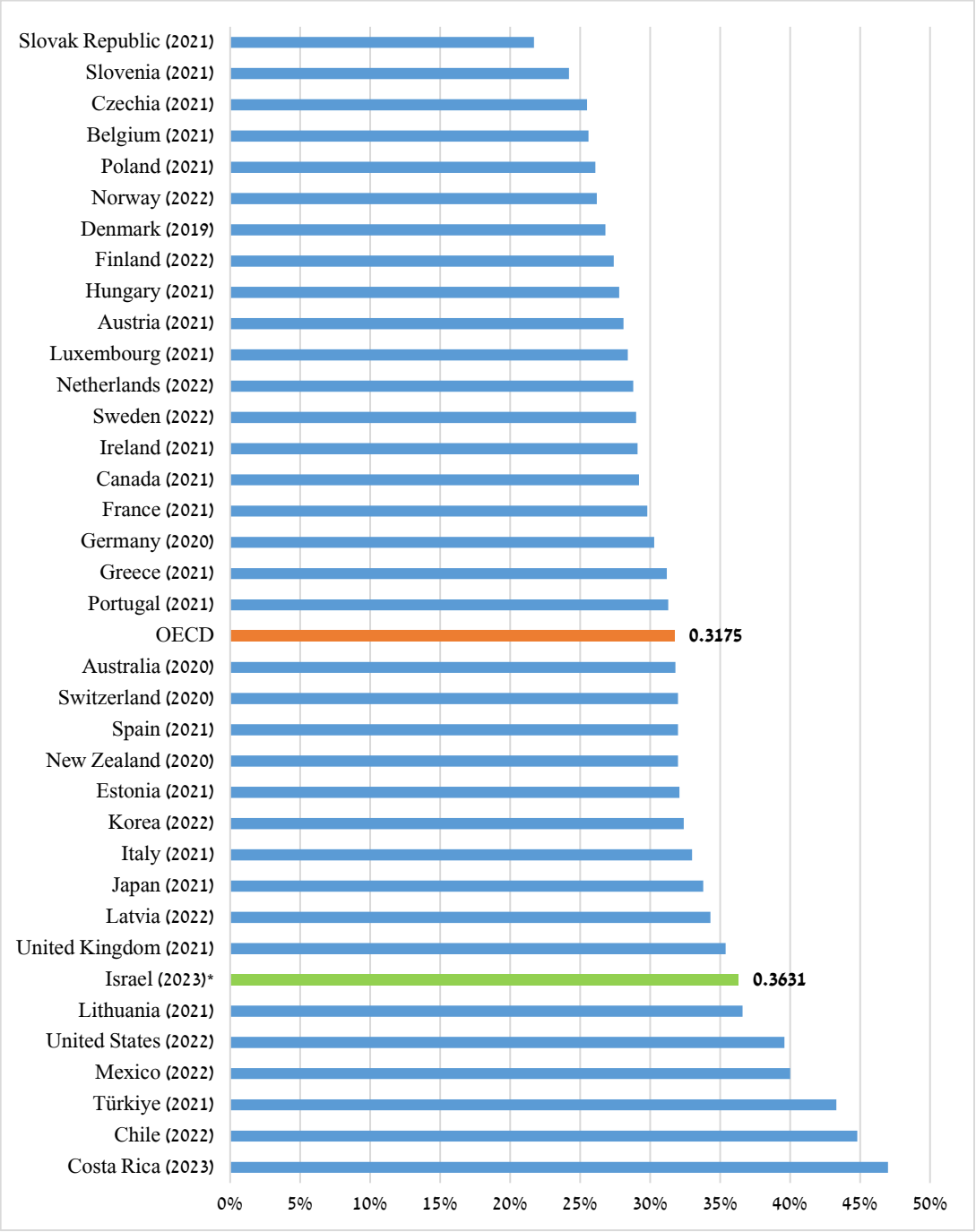
It should be noted that poverty incidence among individuals aged 66 or more is calculated using the equivalence scale used by the OECD more than the Israeli index, since the organization's scale puts more weight on family size. Using it reduces the

poverty incidence measured for larger families and increases the poverty incidence measured for smaller families, which is the characteristic size of most senior citizen families.

Income inequality

Economic inequality in Israel is high. One of the accepted measurements of income inequality is the Gini index. **Chart 18** presents a comparison of inequality levels between countries according to the Gini index for standard net income per capita. The calculation was made using the OECD equivalence scale. Here as well Israel is ranked relatively high in inequality. A higher level of inequality exists only in the United States, Turkey, Mexico, Chile, Costa Rica, and Lithuania. The Gini index for Israel is higher than the OECD average by about 16%.

Chart 18: The Gini index for net income inequality, OECD countries (percentage), different years[1]



[1] The year shown for each country is the latest year for which data exists. Data for Israel is presented for 2023.
* The calculation was made using the administrative data and the OECD's equivalence scale.

Table 9: Inequality by economic and net income, international comparison, different years*

Inequality Index			Israel Rating of Inequality**	
Population Groups	**Israel**	**OECD Average)**	**Israeli Rating**	**Countries with higher Inequality rate than Israel**
Economic Income				
Gini Index	0.3631	0.4715	17	Costa Rica, Turkey, France, Italy, Lithuania, Japan , Finland, Ireland, USA, UK, Portugal, Greece, Germany, Spain, Austria, Chile
Net Income				
Gini Index	0.1296	0.3175	7	Costa Rica, Chile, USA, Turkey, Mexico, Lithuania
Quantile Share Ratio	7.8	5.5	6	Costa Rica, Chile, USA, Turkey, Mexico
Palma Ratio	1.5	1.3	7	Costa Rica, Chile, USA, Turkey, Mexico, Lithuania
Decile 9 to Decile 1 Ratio	6.4	4.3	3	Costa Rica, Chile
Decile 9 to Decile 5 Ratio	2.1	2.0	7	Costa Rica, Chile, USA, Turkey, Mexico, Lithuania
Decile 1 to Decile 5 Ratio	3.0	2.2	2	Costa Rica

* The year shown for each country is the latest year for which data exists. Data for Israel is presented for 2023.

** Out of 36 countries. The country where inequality is the highest is ranked 1. For some countries, the data refers to 2020 (the coronavirus period), for example, Germany. For Israel, administrative data and the OECD's equivalence scale are used.

1

Other income inequality indices calculated based on decile or quantile income also show that inequality in Israel is high by international comparison. In most of these indices, Israel is ranked seventh (or sixth) out of 36 countries, behind Costa Rica, Chile, the United States, Turkey, Mexico, and Lithuania. According to the index calculated by the difference in income between the first and middle deciles, inequality in Israel is even worse – one of the highest among OECD countries, second only to Costa Rica (**Table 9**).

Supplements

Supplement A (methodology): Clarifications regarding the data sources for poverty reports of the National Insurance Institute

Since 2019, the National Insurance Institute reports on poverty and inequality have been based on the administrative figures kept by the National Insurance Institute with adjustments via imputations of incomes absent from its databases in order to have a complete picture of income and better calculate poverty and income inequality.

Using administrative figures offers numerous advantages. As they cover Israel's entire population rather than just a small sample of it, these figures permit comparisons even to small groups of the population. Moreover: work income and allowance data is "real data" insofar as it faithfully reflects the official incomes from these sources for families in each year of the report and is not based on interviewees. Regarding incomes that are not included in the administrative figures (income from capital and income from support from sources other than the National Insurance Institute) – incomes were added based on research conducted by the Institute's Research Administration, within which income was estimated or imputed to various families, according to their characteristics[15].

Because these are databases with different definitions, collection methods and scopes, **it is difficult to compare the results derived from each database**. When comparing findings from both databases, therefore, each source should be assessed individually, and comparisons should be made between the years examined in each database[16].

One of the main reasons for the gaps between income surveys and administrative data, beyond the differences in sources and their characteristics, is the difference in the definition of a household in the survey data and as a family in the administrative data. The latter identifies a family according to an algorithm of an individual or a couple living with or without children, discounting other members of the household who are not part of the nuclear family. This difference results in a higher number of families in the administrative data than the number of households in the CBS survey data.

The data in this report is based on the administrative data regarding salaried individuals for 2023 and data regarding allowances for this year from the NII. Tax assessments of self-employed individuals are received gradually over about 3-4 years. The income of self-employed individuals is based on an optimized income system, selecting the most relevant up-to-date income for a tax year out of the self-reporting of self-employed

[15] See Heller, A. and Andbald, M., **Attributing Income Components Missing from the Administrative Data** (2021). Publication No. 138 of the series of studies published by the NII [Hebrew]. https://www.btl.gov.il/Publications/research/Documents/mechkar_138.pdf

[16] It should be noted that the main findings regarding poverty and inequality for 2019-2022 based on CBS surveys were published in the NII's annual report for 2021-2023, under the chapter **Welfare, poverty and social gaps**. The data is available on the Institute's website under the "Publications" tab. For information regarding comparisons between findings from both data sources, see the report for 2020.

individuals. The optimized income is based on the tax assessments of self-employed individuals for 2023 or the last tax assessment submitted adjusted for 2023. The adjustment is based on the consumer price index. 30% of the income in the report refer to 2023, and of the rest, 20% refer to 2022, 30% refer to 2021 and 20% refer to 2020[17]. The data relates to self-employed individuals who meet the definition of the National Insurance law.

Since data regarding income from work is also updated retroactively[18], **past** data used in the report are based on updated administrative data and may be slightly different than those published in previous reports for those years.

[17] In 2020-2021, coronavirus grants were provided to self-employed individuals. The tax assessments for 2020-2021 include these grants. In 2023, business owners who incurred losses because of the war were entitled to compensations from the Compensation Fund of the Tax Authority for the last quarter of the year and during 2024. Most of this income will be registered in 2024, the year in which compensation claims were submitted.

[18] This year, **Swords of Iron** grants paid by the National Insurance were added: Housing grants, encouragement and incentive grants and special grants for individuals aged 67 or more who were put on unpaid leave or dismissed during the war.

Supplement B: Primary definitions of poverty and inequality[19]

As part of the studies conducted in Israel on poverty and income distribution, a **relative approach** to measuring poverty was developed at the beginning of the 1970s, according to which poverty was a phenomenon of relative distress that should be evaluated in relation to the standard of living in the society. Since there is no agreed measurement that reflects all aspects of distress, and since data regarding money income is quite available, the measurement of poverty in Israel and in most Western countries relates to money income only, with the representative income being **the net income from all sources of revenue with direct taxes deducted.**

Some of the tables in the supplement also show **data regarding gross income, which is income from all sources of revenue before deducting direct taxes**.

The poverty line per standard person in Israel is defined as a level of income equal to 50% of the net median income per standard person. A family in Israel is considered poor when its net income divided by the number of standard persons in the family is lower than the poverty line per standard person. The poverty line per family is calculated by multiplying the poverty line per person by the number of standard persons in the family.

The term "standard person" reflects the adjustment of the poverty line to the size of the family. It is assumed that family size has advantages concerning consumption: When the number of family members is increased by an additional member, the family's needs do not increase by a similar rate but by a smaller rate, so the additional income required by the family in order to maintain its standard of living decreases with each additional member of the family.

Calculations are also made at the same time for **economic income**, which is income from markets that does not include direct government intervention: Income from the labor market, pension from work and capital. The gaps between poverty by economic income and poverty by net income indicate how effective social policies are concerning financial support.

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

Poverty incidence – the rate of families, individuals or any other unit living in families whose income is lower than the poverty line.

[19] For more information see **supplement regarding the definition of poverty and data sources** in the annual reports of the NII.

Poverty depth (poverty gap ratio) – the distance (in percentage) of the average income of all the poor in an economy from the poverty line (calculated by the number of persons in the family and the income per standard person of each family). Individual poverty depth is calculated using the following formula:

$$\frac{1}{q} \sum_{i=1}^{q} \left(\frac{z_i - y_i}{z_i} \right)$$

Where q is the total population of poor, z_i is the poverty line and y_i is the income per standard person of a poor family.

Poverty severity (FGT index) – this index is similar to the calculation of poverty depth, but the distance is squared, so the result is greater the poorer a person is. This index accepts values between 0 (when the average income of the poor is the same as the poverty line) and 1 (100%), when the average income of the poor is 0. The individual poverty severity index is calculated using the following formula:

$$\frac{1}{q} \sum_{i=1}^{q} \left(\frac{z_i - y_i}{z_i} \right)^2$$

Income inequality indices

The Gini index – an income inequality index with values between 0 (absolute equality) and 1 (absolute inequality). According to the formula:

$$\frac{A}{A + B}$$

Where A is the area between a Lorenz curve and the equality line and B is the area under the Lorenz curve. The equality line reflects an equal accumulated income distribution, and the Lorenz curve reflects the accumulated income distribution in the population. The Gini index is calculated in the report by both net and economic income per standard person.

Top (fifth) quintile to bottom (first) quintile income ratio – the ratio between the average net income in the top quintile and the bottom quintile.

Tenth decile to first-fourth deciles income ratio (Palma ratio) – the ratio between the total net income of the top decile and the total net income of the bottom four deciles.

Ninth decile to first decile income ratio – the ratio between the maximal net income of the ninth decile and the first decile.

Ninth decile to fifth decile income ratio – the ratio between the maximal net income of the ninth decile and the fifth decile.

Fifth decile to first decile income ratio – the ratio between the maximal net income of the fifth decile (median income) and the first decile.

Differences in calculating poverty between Israel and the OECD

The method used by the National Insurance Institute to calculate poverty in Israel is similar to the method used by the OECD – both define the median net money income as a measurement for the standard of living and use it to define the poverty line. However, there are some differences between the two methods of calculation.

A key difference is in calculating the advantages of family size. These advantages mean that as family size increases, family expenses increase, but the additional income required for each additional family member becomes smaller. The method used to translate the number of family members to standard person (the equivalence scale) is different. The NII uses an equivalence scale that is based on a calculation using Engel's method: Families of different sizes but with a similar ratio of expenses on food out of the total expenses on consumption are equivalent in terms of family welfare. The equivalent scale of the OECD, on the other hand, is based on the root of family size. Selecting an equivalent scale affects the poverty line as well as the distribution of the poor. Since the OECD's method of calculation assumes more advantages to size (**Supplement table B1**), poverty among larger families is lower according to this method of calculation and higher for smaller families.

Supplement table B1: Number of standard persons by the equivalence scale in Israel and according to the OECD equivalence scale

Family Size	Number of standard persons	
	Israeli scale	OECD scale
1	1.25	1.00
2	2.00	1.41
3	2.65	1.73
4	3.20	2.00
5	3.75	2.24
6	4.25	2.45
7	4.75	2.65
8	5.20	2.83
9	5.60	3.00

Supplement C: Tables

Supplement table 1A: Annual economic, gross and net income per standard person by population group, 2022-2023

Population Groups	Economic Income			Gross Income			Net Income		
	2022	2023	Percentage of Real Change from 2022 to 2023	2022	2023	Percentage of Real Change from 2022 to 2023	2022	2023	percentage of Real Change from 2022 to 2023
General Population	90,397	95,184	1.0%	106,437	113,149	2.0%	88,339	94,311	2.4%
Head of Family Ethnicity									
Jewish	99,353	104,665	1.1%	116,661	124,035	2.0%	95,956	102,497	2.5%
Non-Haredi Jew	104,412	110,018	1.1%	121,778	129,467	2.0%	99,621	106,402	2.5%
Haredi	50,936	54,538	2.7%	67,690	73,163	3.7%	60,884	65,927	3.9%
Arab	51,286	54,741	2.4%	61,791	66,715	3.6%	55,076	59,394	3.5%
Family Composition									
With Children	88,689	92,976	0.6%	97,099	102,745	1.5%	77,910	82,811	2.0%
1-3 Children	96,816	101,501	0.6%	105,174	111,238	1.5%	83,753	88,953	1.9%
4 Children or More	50,766	53,412	1.0%	59,418	63,328	2.3%	50,648	54,311	2.9%
5 Children or More	37,543	39,704	1.5%	47,099	50,573	3.0%	41,863	45,183	3.6%
Single Parent Families	67,917	72,137	1.9%	83,092	88,841	2.6%	69,840	74,779	2.7%
Employment Status of at least one member of Family									
Worker	107,434	112,743	0.7%	117,748	124,694	1.6%	95,082	101,162	2.1%
Employee	107,895	113,431	0.9%	117,951	125,117	1.8%	95,170	101,427	2.3%
Self-Employed	120,637	124,009	-1.4%	130,063	134,889	-0.5%	101,986	106,435	0.1%
Head of Family Aged 18-Retirement Age and No Member is Employed	9,861	10,829	5.4%	35,641	39,497	6.3%	34,776	38,637	6.6%

Population Groups	Economic Income			Gross Income			Net Income		
	2022	2023	Percentage of Real Change from 2022 to 2023	2022	2023	Percentage of Real Change from 2022 to 2023	2022	2023	percentage of Real Change from 2022 to 2023
Number of Financial Providers in Family									
One Financial Provider	91,990	96,802	1.0%	105,053	111,626	2.0%	86,590	92,437	2.4%
Two or More Financial Providers	122,290	128,344	0.7%	129,959	137,483	1.5%	103,251	109,700	2.0%
Head of Family Age									
29 and Under	52,126	55,144	1.5%	61,386	65,703	2.7%	54,304	58,272	3.0%
44-30	93,753	98,156	0.5%	102,676	108,654	1.5%	82,716	87,970	2.1%
45-Retirement Age	118,520	124,386	0.7%	128,701	136,102	1.5%	101,066	107,372	1.9%
Prime Working Age (25-64)	102,603	107,588	0.6%	112,301	118,838	1.5%	89,813	95,492	2.0%
Senior Citizen	69,459	73,929	2.1%	105,721	113,024	2.6%	96,685	103,533	2.8%
Head of Family Gender									
Male	105,758	111,019	0.7%	118,538	125,562	1.6%	95,319	101,423	2.1%
Female	70,950	75,523	2.1%	91,119	97,737	2.9%	79,503	85,481	3.2%

Supplement table 1B: Annual economic, gross and net income per family by population group, 2022-2023

Population Groups	Economic Income			Gross Income			Net Income		
	2022	2023	Percentage of Real Change from 2022 to 2023	2022	2023	Percentage of Real Change from 2022 to 2023	2022	2023	Percentage of Real Change from 2022 to 2023
General Population	217,118	228,094	0.8%	248,216	263,244	6.1%	203,616	216,904	2.2%
Head of Family Ethnicity									
Jewish	234,434	246,487	0.9%	267,142	283,433	6.1%	216,681	231,046	2.3%
Non-Haredi Jew	243,494	255,852	0.8%	274,911	291,335	6.0%	221,192	235,556	2.2%
Haredi	147,723	158,789	3.1%	192,792	209,434	8.6%	173,508	188,814	4.4%
Arab	141,504	149,636	1.5%	165,569	177,124	7.0%	146,566	156,582	2.5%
Family Composition									
With Children	304,061	319,151	0.7%	332,888	352,716	6.0%	267,554	284,822	2.2%
1-3 Children	318,597	334,249	0.7%	344,522	364,583	5.8%	273,745	290,923	2.0%
4 Children or More	236,232	249,084	1.2%	278,603	297,644	6.8%	238,664	256,508	3.1%
5 Children or More	196,082	207,768	1.7%	247,637	266,402	7.6%	220,770	238,691	3.8%
Single Parent Families	172,351	183,930	2.4%	211,729	227,477	7.4%	178,769	192,346	3.2%
Occupational Status of at least one member of Family									
Worker	265,556	278,060	0.5%	290,096	306,555	5.7%	233,736	248,160	1.9%
Employee	270,765	284,120	0.7%	295,062	312,411	5.9%	237,519	252,682	2.1%
Self-Employed	323,487	332,069	-1.5%	347,447	359,914	3.6%	272,392	283,888	0.0%
Head of Family Aged 18-Retirement Age and No Member is Employed	14,977	16,393	5.0%	56,224	62,186	10.6%	54,818	60,790	6.4%

Population Groups	Economic Income			Gross Income			Net Income		
	2022	2023	Percentage of Real Change from 2022 to 2023	2022	2023	Percentage of Real Change from 2022 to 2023	2022	2023	Percentage of Real Change from 2022 to 2023
Number of Financial Providers in Family									
One Financial Provider	147,666	155,138	0.8%	172,433	183,143	6.2%	143,180	152,830	2.4%
Two or More Financial Providers	378,951	398,364	0.9%	403,274	427,339	6.0%	320,839	341,459	2.1%
Head of Family Age									
29 and Under	90,706	95,743	1.3%	107,879	115,448	7.0%	95,987	103,052	3.0%
44-30	246,264	256,582	-0.0%	270,751	285,175	5.3%	220,067	232,932	1.6%
45-Retirement Age	310,359	325,904	0.8%	333,400	352,736	5.8%	260,825	277,234	2.0%
Prime Working Age (25-64)	263,311	275,530	0.4%	286,731	302,772	5.6%	229,324	243,287	1.8%
Senior Citizen	126,977	135,222	2.2%	184,948	197,853	7.0%	167,407	179,406	2.8%
Head of Family Gender									
Male	266,069	278,252	0.4%	292,929	309,027	5.5%	233,943	247,848	1.7%
Female	155,151	165,814	2.6%	191,612	206,396	7.7%	165,225	178,482	3.7%

Supplement table 2: Poverty incidence among individuals, children and senior citizens by population (percentage), 2022-2023

Population Groups	2022			2023		
	Individuals	Children	Senior Citizens	Individuals	Children	Senior Citizens
General Population	20.8	28.1	12.8	20.7	27.9	12.8
Head of Family Ethnic Group						
Jewish	15.7	21.3	10.3	15.4	21.0	10.3
Non-Haredi Jew	11.4	13.2	10.2	11.1	12.9	10.2
Haredi	39.6	46.6	11.6	38.5	45.4	11.2
Arab	38.6	48.8	34.8	38.5	49.0	33.9
Family Composition						
With Children	24.4	28.1	-	24.3	27.9	-
1-3 Children	17.0	18.5	-	17.0	18.5	-
4 Children or More	43.8	45.0	-	43.4	44.5	-
5 Children or More	52.4	53.2	-	51.7	52.5	-
Single Parent Families	25.8	28.7	-	25.1	28.0	-
Employment Status of at least one member of Family						
Worker	17.9	25.4	2.9	17.9	25.4	2.9
Employee	17.2	24.3	2.7	17.0	24.0	2.7
Self-Employed	15.9	23.4	3.0	16.7	24.8	2.7
Head of Family Aged 18-Retirement Age and No Member is Employed	74.4	83.6	-	73.1	82.4	-
Number of Financial Providers in Family						
One Financial Provider	33.8	53.0	4.0	33.3	52.5	3.9
Two or More Financial Providers	10.9	15.5	1.1	10.9	15.5	1.1
Head of Family Age						
29 and Under	43.4	50.6	-	43.3	50.3	-
44-30	25.8	29.9	-	25.8	29.8	-
45-Retirement Age	13.5	18.8	6.0	13.3	18.6	5.6
Prime Working Age (25-64)	20.8	27.7	10.2	20.7	27.5	9.6
Senior Citizen	12.5	-	13.1	12.4	-	13.1
Head of Family Gender						
Male	17.3	22.1	11.7	17.4	22.4	11.0
Female	26.3	38.1	14.0	25.6	36.9	14.6

Note: "-" refers to small cells with no observations or very little observations.

Supplement table 3: Number of individuals, children, working-age individuals and senior citizens, 2022-2023

Number of Individuals	2022	2023
General Population		
Individuals	9,470,743	9,605,010
Children	3,092,738	3,122,474
Working Age	5,173,794	5,243,752
Senior Citizens	1,204,211	1,238,784
Poverty Population		
Individuals	1,972,690	1,984,211
Children	868,589	872,404
Working Age	949,779	953,289
Senior Citizens	154,322	158,518

Supplement table 4: Poverty incidence among women born between 1960 and 1969*, 2021-2023

	Economic Income				Net Income			
Birth Year	Poverty Rate (Percentages)			Change in Percentages Points	Poverty Rate (Percentages)			Change in Percentages Points
	2021	2022	2023	from- 2022 to- 2023	2021	2022	2023	from- 2022 to- 2023
1969-1960	21.1	20.1	20.7	0.6	11.3	12.0	11.3	-0.7
1960	24.3	24.5	27.0	2.5	12.5	13.1	10.9	-2.2
1961	23.0	22.8	24.0	1.2	12.0	13.1	12.5	-0.6
1962	22.0	21.7	22.7	0.9	11.4	12.9	12.6	-0.4
1963	21.4	20.7	21.4	0.7	10.9	12.1	12.1	0.0
1964	20.7	19.9	20.5	0.6	10.8	11.8	11.5	-0.3
1965	20.2	19.0	19.6	0.6	10.7	11.3	10.9	-0.4
1966	20.4	18.7	19.1	0.4	10.9	11.2	10.7	-0.6
1967	19.9	18.1	18.1	0.0	11.1	11.4	10.6	-0.8
1968	19.9	18.1	17.7	-0.4	11.3	11.6	10.7	-0.9
1969	19.6	17.7	17.8	0.1	11.1	11.4	10.9	-0.5

* Women whose retirement age was raised from January 2022 pursuant to an amendment to the Retirement Age Law concerning whom the law requires changes to poverty incidence to be reported.

Supplement table 5: Rates of poverty and inequality in the population, 2012-2023

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Economic Income												
Poverty (Percentages)												
Poverty Rate in Families	37.7	37.0	36.6	35.8	34.9	34.2	33.8	33.9	37.8	35.7	33.9	34.2
Poverty Rate in Individuals	33.6	33.1	32.7	31.8	31.6	30.7	30.4	30.4	34.2	32.2	30.6	31.1
Poverty Rate in Senior Citizens	51.9	50.8	49.4	48.1	45.0	44.4	43.6	43.3	44.5	43.4	43.0	42.7
Poverty Rate in Children	38.6	38.3	37.9	36.8	36.7	35.8	35.5	35.2	39.1	37.0	35.4	36.1
Poverty Depth	64.3	63.4	62.9	62.3	61.0	59.6	58.9	58.8	59.8	59.7	58.5	58.0
Inequality												
The Gini Index of Income Inequality	0.5310	0.5233	0.5210	0.5128	0.5069	0.4981	0.4938	0.4940	0.5163	0.5090	0.4979	0.4944
Net Income												
Poverty (Percentages)												
Poverty Rate in Families	20.3	20.3	20.6	21.6	20.8	21.5	21.6	21.3	19.7	20.7	20.3	20.1
Poverty Rate in Individuals	21.5	21.6	22.0	22.3	21.8	21.7	21.6	21.3	20.1	20.9	20.8	20.7
Poverty Rate in Senior Citizens	10.2	10.9	12.4	16.4	12.4	17.1	18.6	16.9	13.7	14.8	12.8	12.8
Poverty Rate in Children	29.6	30.1	30.5	30.1	29.9	28.9	28.6	28.2	27.2	28.1	28.1	27.9
Poverty Depth	41.6	41.1	41.1	40.5	41.1	39.5	38.7	39.0	38.3	39.1	40.3	39.5
Inequality												
The Gini Index of Income Inequality	0.4007	0.3949	0.3960	0.3945	0.3878	0.3804	0.3756	0.3747	0.3713	0.3760	0.3749	0.3692

Supplement table 6A: The share of selected groups in the total population and in the poor population (percentage), 2022

Population Groups	Percentage of the General Population		Percentage of the Population in Poverty			
			Before Transfer Payments and Direct Taxes		After Transfer Payments and Direct Taxes	
	Families	Individuals	Families	Individuals	Families	Individuals
Head of Family Ethnic Group						
Jewish	81.4	77.6	73.1	66.1	64.3	58.4
Non-Haredi Jew	73.7	65.7	61.3	44.3	51.5	35.9
Haredi	7.7	11.8	11.9	21.8	12.8	22.4
Arab	18.6	22.4	26.9	33.9	35.7	41.6
Family Composition						
With Children	36.4	62.4	30.9	63.5	39.4	73.0
1-3 Children	30.0	45.3	21.3	33.7	26.1	37.0
4 Children or More	6.4	17.1	9.7	29.8	13.3	36.0
5 Children or More	3.1	9.7	5.8	20.2	7.9	24.3
Single Parent Families	5.4	6.0	6.3	8.2	6.3	7.4
Employment Status of at least one member of Family						
Worker	77.8	88.1	52.8	71.4	59.3	75.8
Employee	73.4	84.4	48.6	66.2	54.4	69.8
Self-Employed	16.0	20.6	8.6	13.8	10.4	15.7
Head of Family Aged 18-Retirement Age and No Member is Employed	7.3	4.7	19.7	14.4	24.8	16.9
Number of Financial Providers in Family						
One Financial Provider	38.2	27.1	38.5	41.0	42.8	43.9
Two or More Financial Providers	39.7	61.0	14.3	30.5	16.5	31.9
Head of Family Age						
29 and Under	14.1	9.7	21.2	16.9	29.2	20.2
44-30	27.6	37.2	22.7	39.6	28.8	46.1
45-Retirement Age	34.0	39.0	22.1	24.4	24.6	25.3
Prime Working Age (25-64)	68.6	81.9	53.0	73.3	63.7	81.9
Senior Citizen	24.3	14.1	34.1	19.0	17.4	8.4
Head of Family Gender						
Male	55.9	61.0	44.4	46.9	49.9	50.8
Female	44.1	39.0	55.6	53.1	50.1	49.2

Supplement table 6B: The share of selected groups in the total population and in the poor population (percentage), 2023

Population Groups	Percentage of the General Population		Percentage of Population in Poverty			
			Before Transfer Payments and Direct Taxes		After Transfer Payments and Direct Taxes	
	Families	Individuals	Families	Individuals	Families	Individuals
Head of Family Ethnic Group						
Jewish	81.0	77.3	72.7	65.6	63.7	57.6
Non-Haredi Jew	73.2	65.2	60.7	43.8	50.9	35.1
Haredi	7.8	12.1	11.9	21.9	12.8	22.5
Arab	19.0	22.7	27.3	34.4	36.3	42.4
Family Composition						
With Children	36.2	62.2	31.2	63.7	39.4	73.1
1-3 Children	29.8	45.0	21.5	34.0	26.2	37.2
4 Children or More	6.4	17.1	9.7	29.7	13.2	35.9
5 Children or More	3.2	9.7	5.8	20.1	7.9	24.3
Single Parent Families	5.4	6.1	6.3	8.2	6.3	7.4
Employment Status of at least one member of Family						
Worker	78.1	88.3	53.8	72.4	59.4	76.4
Employee	73.5	84.5	49.2	66.7	54.0	69.6
Self-Employed	16.5	21.3	9.4	15.0	11.3	17.2
Head of Family Aged 18-Retirement Age and No Member is Employed	7.1	4.6	19.0	13.8	24.0	16.2
Number of Financial Providers in Household						
One Financial Provider	38.6	27.4	39.0	41.3	42.8	44.2
Two or More Financial Providers	39.5	60.9	14.8	31.1	16.6	32.2
Head of Family Age						
29 and Under	13.8	9.5	20.8	16.7	28.7	19.9
44-30	27.5	36.9	23.1	39.7	29.0	46.2
45-Retirement Age	34.1	39.3	22.0	24.6	24.2	25.3
Prime Working Age (25-64)	68.6	81.9	53.6	73.7	63.7	82.0
Senior Citizen	24.6	14.3	34.1	18.9	18.1	8.6
Head of Family Gender						
Male	55.4	60.2	44.5	47.0	49.7	50.7
Female	44.6	39.8	55.5	53.0	50.3	49.3

Supplement table 7: Poverty by districts and large cities (percentage), 2022-2023

	2022						2023					
	Poverty Rate				Poverty Depth	Poverty Severity (FGT INDEX)	Poverty Rate				Poverty Depth	Poverty Severity (FGT INDEX)
	Families	Individuals	Children	Senior Citizens			Families	Individuals	Children	Senior Citizens		
Total	20.3	20.8	28.1	12.8	40.3	24.4	20.1	20.7	27.9	12.8	39.5	23.6
Jerusalem District	36.0	39.3	48.1	21.4	45.2	28.8	36.2	39.5	48.3	21.9	44.9	28.5
Jerusalem City	38.0	41.4	50.5	22.9	45.8	29.5	38.3	41.8	50.8	23.5	45.8	29.4
Northern District	22.6	21.9	28.9	15.2	36.6	20.6	22.5	21.7	28.9	15.4	35.6	19.6
Haifa District	18.5	17.0	22.0	12.2	37.9	22.8	18.5	17.0	21.8	12.5	36.7	21.6
Haifa City	18.5	15.9	19.5	11.9	39.6	25.7	18.8	16.0	19.4	12.5	37.4	23.5
Central District	14.0	11.8	14.5	9.9	39.0	24.0	13.8	11.6	14.3	9.9	37.7	22.7
Rishon LeTsiyon	10.9	8.3	9.5	7.3	39.0	24.8	10.9	8.2	9.4	7.2	36.8	22.7
Petah Tikva	12.1	9.4	10.4	8.8	35.5	21.3	11.9	9.1	10.1	8.9	33.9	19.7
Tel Aviv District	15.4	15.3	20.8	11.2	38.6	23.5	15.1	14.9	20.5	10.8	37.2	22.1
Tel Aviv City	14.6	12.2	12.3	12.9	45.0	31.3	14.3	11.9	11.8	12.1	43.1	29.3
Southern District	23.1	24.9	34.0	13.6	41.4	25.1	22.6	24.5	33.5	13.2	40.7	24.3
Ashdod	19.9	19.9	27.4	15.2	36.0	20.6	20.1	19.8	27.1	15.9	34.1	18.9
Be'er Sheva	19.5	17.4	23.1	12.3	39.3	24.4	19.7	17.2	22.5	13.1	37.7	22.8
Judea and Sameria	22.9	25.1	31.0	10.2	36.7	19.8	22.4	24.5	30.2	10.0	36.2	19.3

Supplement table 8: Poverty in towns with more than 5,000 residents (percentage)*, 2023

City/Town	Poverty Rate				Poverty Depth	Poverty Severity (FGT INDEX)
	Families	Persons	Children	Senior Citizens		
ABU GHOSH	26.3	23.1	30.0	32.5	37.7	22.0
ABU SINAN	24.2	22.6	30.8	22.3	32.8	16.7
AFULA	19.1	19.0	27.4	11.9	34.2	18.5
AKKO	22.6	19.6	23.0	16.4	36.5	21.7
AL SAYYID	48.4	53.9	61.2	13.0	41.0	23.9
ALFE MENASHE	7.7	4.3	3.4	5.7	36.6	22.0
AR'ARA	28.1	25.8	34.7	31.8	36.0	19.6
AR'ARA-BANEGEV	52.6	53.2	59.9	38.8	44.1	26.2
ARAD	28.1	34.2	47.3	16.2	37.0	20.5
ARI'EL	13.2	9.1	8.8	10.1	36.1	22.4
ARRABE	31.9	31.6	39.7	29.7	35.4	18.4
ASHDOD	20.1	19.8	27.1	15.9	34.1	18.9
ASHQELON	14.6	12.1	14.8	8.8	35.1	20.4
ATLIT	12.2	8.1	7.3	8.5	40.6	26.2
AZOR	12.8	10.6	13.1	9.6	36.6	20.8
BAQA AL-GHARBIYYE	25.5	23.2	30.8	29.9	34.3	18.0
BASMA	37.2	36.5	47.2	33.5	40.3	23.1
BASMAT TAB'UN	25.9	25.4	36.2	22.4	32.3	16.3
BAT HEFER	7.6	4.1	3.9	6.3	38.4	23.7
BAT YAM	18.5	16.1	20.4	14.7	35.8	22.0
BE'ER SHEVA	19.7	17.2	22.5	13.1	37.7	22.8
BE'ER YA'AQOV	8.3	6.1	6.3	5.4	34.8	19.3
BEIT JANN	17.6	14.6	18.4	18.9	30.6	15.0
BENE AYISH	12.3	10.7	16.1	8.7	36.6	21.4
BENE BERAQ	30.7	37.4	45.0	11.0	33.0	16.2
BET ARYE-OFARIM	9.1	6.5	7.1	7.1	36.7	22.6
BET DAGAN	10.5	6.4	5.3	8.8	37.3	22.2
BET EL	20.7	17.8	19.5	7.2	34.3	18.9
BET SHE'AN	21.1	17.9	21.3	9.8	36.4	21.4
BET SHEMESH	36.3	41.2	48.3	22.3	40.6	23.6
BETAR ILLIT	41.5	45.0	49.7	21.3	35.5	18.2
BI'NE	35.7	36.4	48.4	27.5	36.1	19.6
BINYAMINA-GIV'AT ADA	14.4	9.2	7.7	7.3	46.8	33.2
BIR EL-MAKSUR	29.9	30.2	38.4	26.2	35.5	19.1
BIR HADAGE	77.5	81.8	85.8	53.7	54.6	37.7
BU'EINE-NUJEIDAT	31.3	31.1	41.7	26.8	36.5	19.4
BUQ'ATA	23.8	26.1	34.9	6.6	33.9	16.9
DABURIYYA	25.2	23.9	31.7	31.0	32.5	16.9
DALIYAT AL-KARMEL	17.5	14.5	17.3	19.5	30.4	16.1
DEIR AL-ASAD	29.1	28.3	34.1	29.5	33.4	17.4
DEIR HANNA	19.9	18.5	24.5	17.2	31.2	15.7

City/Town	Poverty Rate				Poverty Depth	Poverty Severity (FGT INDEX)
	Families	Persons	Children	Senior Citizens		
DIMONA	20.8	18.6	25.0	14.4	37.3	21.9
EFRAT	17.0	11.5	9.8	18.1	50.4	36.3
EILABUN	16.4	13.5	18.6	17.3	29.9	14.8
EIN MAHEL	32.3	31.9	43.3	29.6	35.4	18.9
EL'AD	30.3	32.0	36.9	10.4	30.8	14.3
ELAT	17.7	14.2	15.0	17.5	39.5	25.5
EVEN YEHUDA	11.3	7.1	6.0	6.9	41.5	27.2
FUREIDIS	24.6	23.4	31.5	28.7	31.5	16.3
GAN YAVNE	10.4	6.3	6.0	5.4	38.3	22.7
GANNE TIQWA	9.4	6.6	6.5	6.7	35.9	21.1
GEDERA	10.1	6.3	6.1	6.8	38.6	23.4
GEVA BINYAMIN	17.3	15.4	19.0	8.7	34.0	18.9
GIV'AT SHEMU'EL	13.5	8.7	7.2	8.1	44.3	29.8
GIV'AT ZE'EV	21.9	24.9	31.6	8.7	38.0	21.5
GIV'ATAYIM	9.8	6.9	5.5	8.3	39.4	25.1
HADERA	16.2	13.3	16.3	11.0	36.7	22.3
HAIFA	18.8	16.0	19.4	12.5	37.4	23.5
HARISH	19.2	19.9	22.8	19.9	35.4	19.6
HAZOR HAGELILIT	19.0	19.1	26.4	10.5	34.6	18.6
HERZLIYYA	12.6	9.1	8.2	10.3	43.9	29.8
HOD HASHARON	10.0	6.6	6.2	6.3	38.9	24.8
HOLON	13.3	11.1	14.2	9.0	34.7	20.0
HURA	51.6	54.5	61.1	35.8	45.6	27.8
HURFEISH	15.9	14.3	17.4	14.3	33.1	17.3
I'BILLIN	28.2	26.9	36.8	27.9	32.0	15.8
IKSAL	29.1	28.3	36.7	31.1	33.5	17.1
ILUT	39.5	39.6	51.7	39.6	32.9	16.2
ISIFYA	18.6	17.0	21.9	16.5	34.3	19.1
JALJULYE	34.4	34.6	46.4	30.0	39.7	22.8
JATT	31.4	26.9	28.2	29.7	40.6	24.1
JERUSALEM	38.3	41.8	50.8	23.5	45.8	29.4
JISR AZ-ZARQA	25.1	25.2	35.5	25.7	30.7	14.9
JUDEIDE-MAKER	26.6	25.4	35.5	25.4	33.7	17.4
JULIS	11.7	9.6	12.7	13.2	30.1	15.0
KA'ABIYYE-TABBASH-HAJAJRE	28.5	26.0	33.6	32.7	32.6	17.0
KABUL	29.3	28.6	37.2	28.8	34.7	17.8
KAFAR KANNA	39.0	39.5	50.4	32.0	36.0	18.7
KAFAR MANDA	43.4	44.2	53.3	30.8	40.1	22.5
KAFAR QARA	21.9	19.6	27.0	24.3	33.4	17.9
KAFAR QASEM	28.6	27.7	36.7	34.1	35.6	19.0
KAFAR YASIF	21.5	18.9	24.8	21.8	33.4	17.5
KARMI'EL	16.4	13.8	18.0	10.8	36.7	22.8

City/Town	Poverty Rate				Poverty Depth	Poverty Severity (FGT INDEX)
	Families	Persons	Children	Senior Citizens		
KEFAR HABAD	29.1	20.3	18.2	7.4	40.0	24.9
KEFAR SAVA	10.3	7.2	7.0	7.5	35.1	21.3
KEFAR WERADIM	12.5	8.7	10.0	6.4	41.9	27.4
KEFAR YONA	11.5	8.1	8.5	8.7	37.1	22.5
KISRA-SUMEI	20.3	20.0	25.9	13.6	32.4	17.0
KOKHAV YA'AQOV	37.8	38.5	42.9	28.3	35.8	18.3
KOKHAV YA'IR	9.1	5.2	4.2	2.9	46.4	31.3
KUSEIFE	48.3	48.9	54.5	39.0	45.3	27.4
LAQYE	50.0	53.8	61.1	38.4	44.2	26.7
LEHAVIM	7.4	4.3	5.0	3.1	45.1	30.6
LOD	21.2	23.0	31.6	10.6	37.4	21.2
MA'ALE ADUMMIM	10.6	7.7	8.8	7.8	36.3	21.7
MA'ALE IRON	36.6	35.3	46.4	34.7	35.9	18.8
MA'ALOT-TARSHIHA	20.1	16.6	19.9	18.0	33.1	18.8
MAJD AL-KURUM	30.4	25.6	32.1	29.5	34.0	18.0
MAJDAL SHAMS	23.5	26.9	37.1	8.0	32.3	15.5
MAZKERET BATYA	9.2	5.2	4.8	5.2	38.7	23.9
MESHHED	37.9	37.0	49.9	33.4	35.7	18.5
METAR	8.3	4.3	3.6	3.3	46.3	30.7
MEVASSERET ZIYYON	11.0	7.7	8.2	5.2	38.7	24.2
MIGDAL HAEMEQ	17.7	15.4	19.4	12.1	33.4	19.1
MIZPE RAMON	30.6	30.5	37.6	17.9	43.3	26.8
MODI'IN ILLIT	48.3	52.8	56.8	24.5	35.9	18.0
MODI'IN-MAKKABBIM-RE'UT	9.4	5.5	4.6	8.7	46.6	32.4
MUGHAR	21.0	20.6	28.2	17.3	33.6	17.7
NAHARIYYA	17.8	14.4	16.3	14.8	38.1	23.9
NAHEF	32.3	32.4	43.7	26.7	35.4	18.2
NAZARETH	34.1	32.7	42.1	26.9	36.8	20.7
NES ZIYYONA	9.2	5.7	5.4	5.0	38.9	24.7
NESHER	14.3	10.4	10.1	12.1	34.7	21.7
NETANYA	20.8	17.4	19.6	21.0	41.3	27.1
NETIVOT	24.2	26.4	33.7	13.7	35.4	18.6
NOF HAGALIL	22.1	21.5	32.1	14.8	35.2	20.1
OFAQIM	23.3	25.6	34.7	13.7	36.3	19.5
OMER	12.7	10.7	15.7	5.7	40.5	24.7
OR AQIVA	16.4	13.1	14.9	13.0	36.6	22.4
OR YEHUDA	12.0	9.7	11.9	8.3	32.1	17.6
ORANIT	8.3	5.0	4.4	6.1	34.7	19.4
PARDES HANNA-KARKUR	15.7	11.3	11.3	9.2	40.0	25.5
PARDESIYYA	12.4	7.2	5.6	4.8	42.2	27.4

City/Town	Poverty Rate				Poverty Depth	Poverty Severity (FGT INDEX)
	Families	Persons	Children	Senior Citizens		
PEQI'IN (BUQEI'A)	16.5	14.5	18.2	16.7	30.9	15.4
PETAH TIQWA	11.9	9.1	10.1	8.9	33.9	19.7
QADIMA-ZORAN	12.4	8.2	8.6	8.4	40.1	24.8
QALANSAWE	27.6	27.4	37.2	28.5	34.6	18.5
QARNE SHOMERON	14.4	9.9	9.0	8.7	37.4	22.6
QAZRIN	11.5	11.6	16.7	2.9	33.1	17.6
QESARYYA	20.2	15.4	14.7	17.9	53.5	38.5
QIRYAT ARBA	24.7	19.9	20.1	15.3	35.8	20.4
QIRYAT ATTA	14.1	11.5	14.4	8.9	32.5	18.4
QIRYAT BIALIK	12.8	9.9	11.4	8.0	34.1	20.5
QIRYAT EQRON	12.5	10.0	13.7	5.8	36.2	21.6
QIRYAT GAT	18.4	18.1	24.5	11.5	31.7	16.3
QIRYAT MAL'AKHI	19.3	17.1	21.2	9.6	33.4	18.4
QIRYAT MOTZKIN	12.4	9.5	10.1	7.8	36.2	22.7
QIRYAT ONO	9.4	6.0	5.1	6.4	38.0	23.4
QIRYAT SHEMONA	16.6	11.6	12.0	6.4	35.8	20.2
QIRYAT TIV'ON	14.3	10.2	10.8	7.7	38.0	23.1
QIRYAT YAM	16.9	14.5	18.5	11.3	35.3	21.8
QIRYAT YE'ARIM	34.3	34.9	37.4	27.3	34.4	18.1
RA'ANNANA	15.5	12.2	12.9	11.7	48.8	34.8
RAHAT	43.9	44.8	52.8	35.3	41.8	24.6
RAMAT GAN	11.8	8.7	7.8	9.2	39.6	25.6
RAMAT HASHARON	11.8	8.5	8.1	8.3	40.3	25.9
RAMAT YISHAY	9.0	4.9	3.2	3.8	43.8	28.9
RAME	17.3	16.0	23.6	14.1	36.9	20.6
RAMLA	17.9	16.4	21.9	10.6	37.1	21.9
REHOVOT	12.4	10.5	13.1	7.0	35.8	20.9
REINE	34.8	34.6	47.8	36.2	35.4	18.9
REKHASIM	39.0	45.4	54.0	10.9	34.3	17.2
RISHON LEZIYYON	10.9	8.2	9.4	7.2	36.8	22.7
ROSH HAAYIN	9.8	7.6	8.8	6.3	33.7	18.9
SAKHNIN	26.8	26.3	34.3	22.7	31.8	15.5
SEDEROT	10.9	8.3	9.0	4.8	32.4	17.1
SEGEV-SHALOM	50.6	52.4	60.4	33.8	45.2	27.9
SHA'AB	29.7	28.8	39.4	25.3	34.6	17.5
SHA'AR SHOMRON	11.0	9.4	9.6	8.6	34.0	19.5
SHEFAR'AM	25.1	24.1	34.4	23.1	33.0	17.2
SHELOMI	11.8	9.2	11.9	6.9	37.1	21.0
SHIBLI-UMM AL-GHANAM	23.7	22.3	30.4	27.4	31.5	16.1
SHILO	20.5	17.6	18.6	7.7	35.0	18.3
SHOHAM	8.3	4.5	3.6	4.3	43.7	29.0

City/Town	Poverty Rate				Poverty Depth	Poverty Severity (FGT INDEX)
	Families	Persons	Children	Senior Citizens		
TALMON	33.6	18.7	12.5	9.1	44.2	29.4
TAMRA	29.7	29.0	38.2	32.4	33.7	17.2
TAYIBE	28.2	28.3	39.2	26.0	36.1	19.7
TEL AVIV - YAFO	14.3	11.9	11.8	12.1	43.1	29.3
TEL MOND	10.8	6.7	6.3	7.1	43.1	28.2
TEL SHEVA	55.2	58.4	65.8	37.0	46.7	28.6
TIBERIAS	27.7	28.6	39.0	17.5	36.8	21.3
TIRAT KARMEL	14.9	11.0	11.2	11.0	32.8	18.7
TIRE	23.4	22.5	32.6	22.9	35.1	19.3
TUBA-ZANGARIYYE	22.0	19.7	27.4	20.6	30.9	15.5
TUR'AN	32.8	32.3	43.3	32.2	34.0	17.1
UMM AL-FAHM	37.6	37.7	48.7	33.4	36.9	19.6
YAFI	30.3	29.9	40.8	28.4	33.6	16.7
YANUH-JAT	15.3	13.2	17.2	15.9	34.0	18.8
YAVNE	9.5	7.3	8.6	5.0	33.6	18.7
YEHUD-MONOSON	9.5	6.7	7.5	6.1	36.4	21.9
YEROHAM	22.7	21.0	25.2	17.3	41.1	25.0
YIRKA	22.7	21.1	27.4	22.7	34.6	18.4
YOQNE'AM ILLIT	11.6	7.5	7.2	10.0	37.0	24.2
ZARZIR	29.7	29.0	38.2	30.6	34.6	18.3
ZEFAT	32.6	37.9	49.2	15.8	40.6	23.8
ZEMER	26.5	24.1	31.5	29.3	32.0	16.8
ZIKHRON YA'AQOV	17.7	14.4	17.2	12.0	48.6	34.0
ZUR HADASSA	9.1	5.6	5.0	7.8	39.7	25.2
ZUR YIZHAQ	6.8	4.8	4.7	8.4	38.3	22.6

* The size of the locality is determined by the latest available data – the data for 2022.

Supplement table 9: Average and maximal net income per standard person by decile and family size, 2023

Decile	Single	Two Members	Three Members	Four Members	Five Members
Percentage of All Families*					
	38%	18%	11%	12%	10%
Average Income for Standard Individual (NIS)					
1	1,337	2,139	2,834	3,551	4,011
2	3,530	5,648	7,484	9,376	10,591
3	4,838	7,742	10,258	12,851	14,515
4	6,161	9,857	13,061	16,363	18,482
5	7,576	12,122	16,061	20,122	22,728
6	9,085	14,536	19,260	24,129	27,254
7	10,778	17,246	22,850	28,628	32,335
8	12,907	20,652	27,363	34,282	38,722
9	16,091	25,745	34,112	42,737	48,272
10	25,937	41,499	54,987	68,889	77,811
Maximum Income for Standard Individual (NIS)**					
1	2,663	4,260	5,645	7,072	7,988
2	4,139	6,622	8,774	10,992	12,416
3	5,496	8,793	11,651	14,597	16,487
4	6,854	10,966	14,530	18,203	20,561
5	8,310	13,296	17,617	22,071	24,930
6	9,887	15,819	20,961	26,260	29,661
7	11,741	18,786	24,891	31,185	35,224
8	14,231	22,770	30,170	37,798	42,693
9	18,446	29,513	39,105	48,992	55,337

* 11% of families have six or more members.

** Data regarding maximum income per capita for the tenth decile were not included for reasons of privacy.

Supplement table 10: Average and maximal gross income per standard person by decile and family size, 2023

Decile	Single	Two Members	Three Members	Four Members	Five Members
Percentage of All Families*					
	38%	18%	11%	12%	10%
Average Income for Standard Individual (NIS)					
1	1,405	2,248	2,979	3,732	4,215
2	3,629	5,806	7,693	9,638	10,887
3	5,008	8,013	10,617	13,302	15,025
4	6,460	10,336	13,695	17,157	19,379
5	8,103	12,965	17,179	21,522	24,310
6	9,946	15,914	21,086	26,417	29,839
7	12,139	19,423	25,735	32,242	36,418
8	15,073	24,116	31,954	40,033	45,218
9	19,821	31,713	42,020	52,643	59,462
10	36,279	58,047	76,912	96,358	108,838
Maximum Income for Standard Individual (NIS)**					
1	2,743	4,389	5,815	7,285	8,229
2	4,280	6,848	9,073	11,367	12,840
3	5,710	9,136	12,106	15,166	17,131
4	7,253	11,604	15,375	19,263	21,758
5	8,985	14,376	19,048	23,864	26,955
6	10,961	17,537	23,237	29,112	32,882
7	13,432	21,491	28,475	35,675	40,295
8	16,985	27,176	36,008	45,112	50,955
9	23,517	37,628	49,857	62,462	70,552

* 11% of families have six or more members.

** Data regarding maximum income per capita for the tenth decile were not included for reasons of privacy.

Supplement table 11: Poverty incidence among families with salaried employees (percentage) and average gross wage per industry (NIS) by economic branch of employee, 2023

Economic Sector	Economic Poverty	Net Poverty	Average Gross Wage Per Branch (NIS)
Arts, entertainment and recreation	29.4	20.4	9,703
Electricity, gas, steam and air conditioning supply	2.3	1.6	32,679
Water supply; sewerage, waste management and remediation activities	13.7	10.1	18,185
Activities of extraterritorial organizations and bodies	5.4	3.7	21,820
Construction	28.7	23.7	13,291
High-Tech	4.8	3.0	31,312
Education	29.2	19.8	10,917
Agriculture, forestry and fishing	20.4	14.0	12,462
Mining and quarrying	8.9	6.9	23,098
Information and communication	17.3	12.0	14,598
Public administration and defence; compulsory social security	7.1	4.2	17,744
Wholesale and retail trade; repair of motor vehicles and motorcycles	20.4	14.0	14,147
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	43.6	33.4	7,111
Real estate activities	17.8	11.2	15,140
Accommodation and food service activities	36.2	27.4	8,399
Human health and social work activities	30.6	16.0	11,640
Administrative and support service activities	36.5	23.7	8,095
Transportation and storage	20.2	15.3	13,940
Other service activities	33.1	21.1	9,584
Professional, scientific and technical activities	14.4	9.1	18,609
Financial and insurance activities	7.8	5.0	24,824
Manufacturing	11.7	7.0	17,986

* Mandatory National Insurance includes management and administration of NII programs such as sick pay, injury benefits, unemployment, senior citizen pension and compensation for income loss due to pregnancy, birth, temporary disability, widowhood, and others.

Supplement table 12: Poverty by allowances recipients (percentages), 2022 and 2023

	2022						2023					
Benefit Type	Poverty Rate				Poverty Depth	Poverty Severity (FGT INDEX)	Poverty Rate				Poverty Depth	Poverty Severity (FGT INDEX)
	Families	Persons	Children	Senior Citizens			Families	Persons	Children	Senior Citizens		
Senior Citizens Pension And Survivors Recipients	12.3	10.4	17.7	11.1	20.1	7.9	12.5	10.4	18.2	11.1	19.0	7.1
Recipient of Senior Citizens Income Supplements	21.5	20.6	32.4	21.1	10.2	3.9	23.9	22.1	34.6	22.8	8.9	2.5
Disability Pensions Recipient	21.4	19.8	31.6	8.0	26.3	11.1	20.4	19.1	30.7	7.3	25.8	10.8
Unemployment Benefits Recipient	15.2	18.3	28.2	2.5	31.7	14.6	14.2	16.9	26.2	2.5	31.0	14.0
Recipient of Income Support Benefits	54.0	53.8	69.2	28.1	44.6	25.8	52.5	51.9	67.6	27.9	44.0	25.4
Maintenance (Alimony) Recipients	37.6	42.5	51.4	12.6	34.0	16.4	37.9	43.0	51.9	13.9	34.5	16.7
Child Allowance Recipients	20.6	23.3	27.5	10.4	38.4	21.4	20.6	23.3	27.4	10.5	38.1	21.1
Insurance for Workplace Injuries Recipients	4.6	6.2	11.5	1.3	26.5	11.0	4.3	5.8	10.8	1.1	26.5	11.0
Compensation for Victims of Hostile Actions Recipients	4.9	7.0	13.1	1.5	31.6	15.0	6.4	6.2	9.2	1.2	28.3	12.7

Supplement table 13: Poverty among families whose head is 65 years of age or more and the general population, 2021-2023

			Before Transfer Payments and Direct Taxes		After Transfer Payments and Direct Taxes	
Year	Characteristics	Characteristics	Among 65+	In General Population	Among +65	In General Population
2021	Poor Population (Thousands)	Families	394.3	1214.6	140.9	703.5
		Individuals	546.8	2992.4	189.6	1946
	Poverty Rate (Percentage)	Families	47.9	35.7	17.1	20.7
		Individuals	41.1	32.2	14.2	20.9
2022	Poor Population (Thousands)	Families	397.1	1178.6	123.1	706.1
		Individuals	548.3	2896.6	169.8	1972.7
	Poverty Rate (Percentage)	Families	46.8	33.9	14.5	20.3
		Individuals	40	30.6	12.4	20.8
2023	Poor Population (Thousands)	Families	406.4	1206.4	128.9	709
		Individuals	561.8	2982.7	174.1	1984.2
	Poverty Rate (Percentage)	Families	46.6	34.2	14.8	20.1
		Individuals	39.8	31.1	12.3	20.7

Supplement table 14: Poverty among individuals aged 65 or more by household composition (percentage), 2021-2023

Family Structure	Poverty Rate (Percent)	Percent Of 65+
2021		
Total	15.0	100.0
Live Alone	23.0	38.0
Live With Family Members	10.1	62.0
2022		
Total	12.9	100.0
Live Alone	18.8	38.1
Live With Family Members	9.3	61.9
2023		
Total	12.9	100.0
Live Alone	19.9	38.1
Live With Family Members	8.5	61.9

Supplement table 15: The share of families whose head is 65 years of age or more in the poor population and in the general population (percentage), selected years

Year	Percentage of the General Population		Percentage of the Population in Poverty			
			Before Transfer Payments and Direct Taxes		After Transfer Payments and Direct Taxes	
	Families	Individuals	Families	Individuals	Families	Individuals
2003	20.1	11.4	31.7	18.2	12.7	6.0
2004	20.4	11.5	32.4	18.6	13.0	6.1
2005	20.4	11.6	32.8	18.7	13.9	6.6
2006	20.3	11.5	33.0	18.6	14.2	6.6
2007	20.1	11.4	32.9	18.4	13.0	6.2
2008	20.0	11.4	32.7	18.2	14.7	7.4
2009	20.0	11.4	32.7	18.4	11.8	5.7
2010	20.1	11.5	31.4	17.4	11.2	5.4
2011	20.5	11.8	31.8	17.7	11.6	5.6
2012	20.9	12.1	32.0	17.8	12.1	5.9
2013	21.8	12.4	33.3	18.1	13.3	6.3
2014	22.2	12.6	33.5	18.2	14.6	7.1
2015	22.5	13.0	33.9	18.5	18.5	9.2
2016	22.9	13.2	32.4	17.9	15.0	7.4
2017	23.3	13.5	33.3	18.4	20.5	10.2
2018	23.6	13.7	33.7	18.6	23.2	11.3
2019	23.7	13.9	33.4	18.7	21.6	10.6
2020	24.0	14.1	31.1	17.5	19.3	9.2
2021	24.2	14.3	32.5	18.3	20.0	9.7
2022	24.4	14.5	33.7	18.9	17.4	8.6
2023	24.7	14.7	33.7	18.8	18.2	8.8

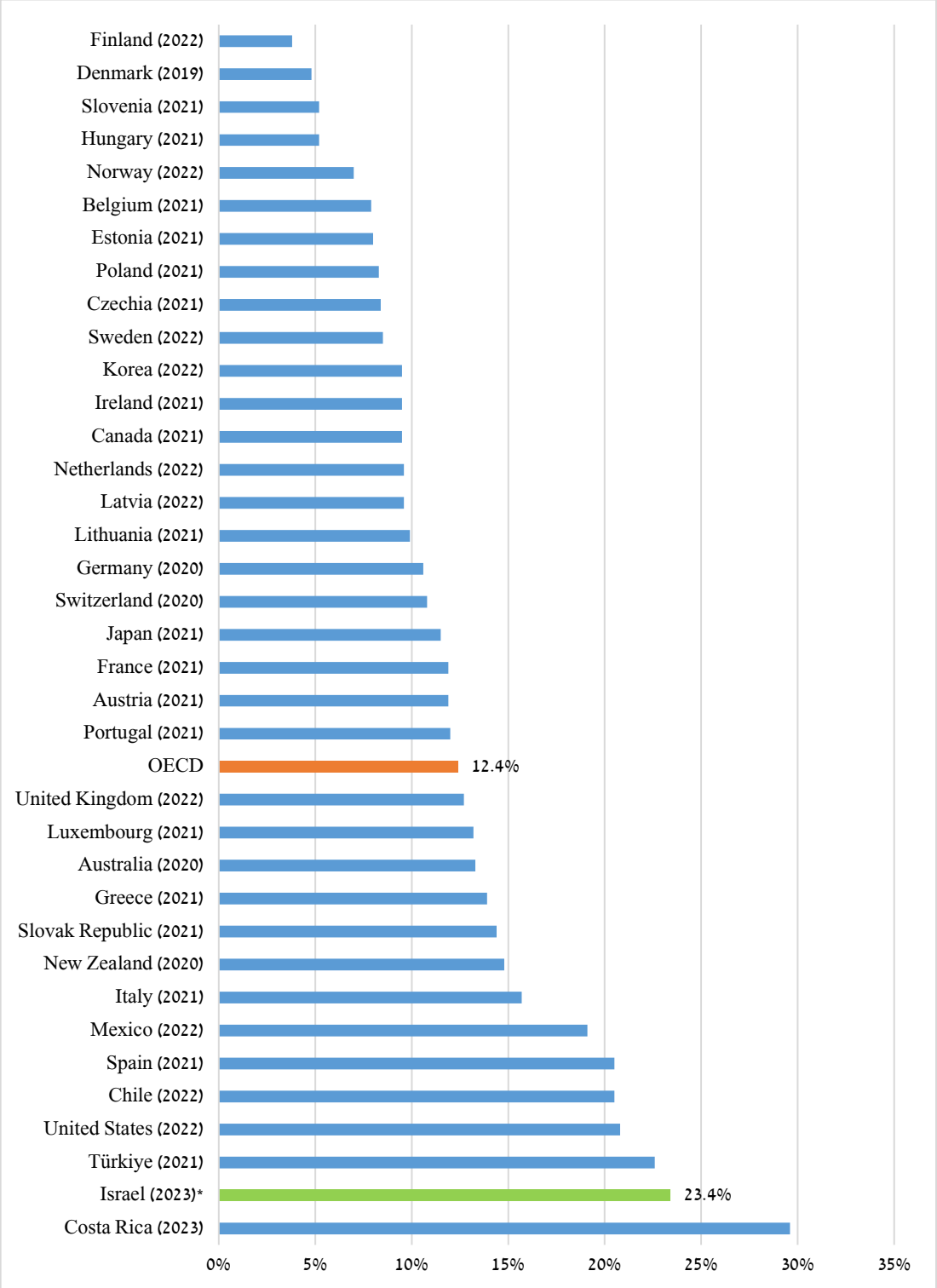
Supplement table 16: Statistical significance* of changes in selected poverty indices in population groups, 2022 compared to 2023

Population Group	Families Poverty Rate - Economic Income	Families Poverty Rate - Net Income	Individuals Poverty Rate - Net Income	Children Poverty Rate - Net Income	Poverty Depth	Poverty Severity (FGT Index)
General Population	Yes	Yes	Yes	Yes	Yes	Yes
Head of Family Ethnic Group						
Jewish	Yes	Yes	Yes	Yes	Yes	Yes
Non-Haredi Jew	Yes	Yes	Yes	Yes	Yes	Yes
Haredi	No	Yes	Yes	Yes	Yes	Yes
Arab	Yes	Yes	Yes (10%)	Yes	Yes	Yes
Family Composition						
With Children	Yes	Yes (10%)	No	Yes	Yes	Yes
1-3 Children	Yes	No	No	No	Yes	Yes
4 Children or More	Yes	Yes	Yes	Yes	Yes	Yes
5 Children or More	Yes (10%)	Yes	Yes	Yes	Yes	Yes
Single Parent Families	No	Yes	Yes	Yes	Yes	Yes
Employment Status of at least one member of Family						
Worker	Yes	Yes	Yes (5%)	No	Yes	Yes
Employee	Yes	Yes	Yes	Yes	Yes	Yes
Self-Employed	Yes	Yes	Yes	Yes	No	Yes (5%)
Head of Family Aged 18-Retirement Age and No Member is Employed	Yes (5%)	Yes	Yes	Yes	Yes	Yes
Number of Financial Providers in Household						
One Financial Provider	Yes	Yes	Yes	Yes	Yes	Yes
Two or More Financial Providers	Yes	No	No	No	Yes	Yes
Head of Family Age						
29 and Under	Yes	Yes	No	Yes	Yes	Yes
44-30	Yes	No	No	No	Yes	Yes
45-Retirement Age	Yes (5%)	Yes	Yes	Yes	Yes	Yes
Prime Working Age (25-64)	Yes	Yes	Yes	Yes	Yes	Yes
Senior Citizen	Yes	Yes	No	Yes	Yes	Yes
Head of Family Gender						
Male	Yes	Yes	Yes (10%)	Yes	Yes	Yes
Female	Yes	Yes	Yes	Yes	Yes	Yes

* The data was examined at a significance level of 1% to 10%. "Yes" means a significance of 1%.

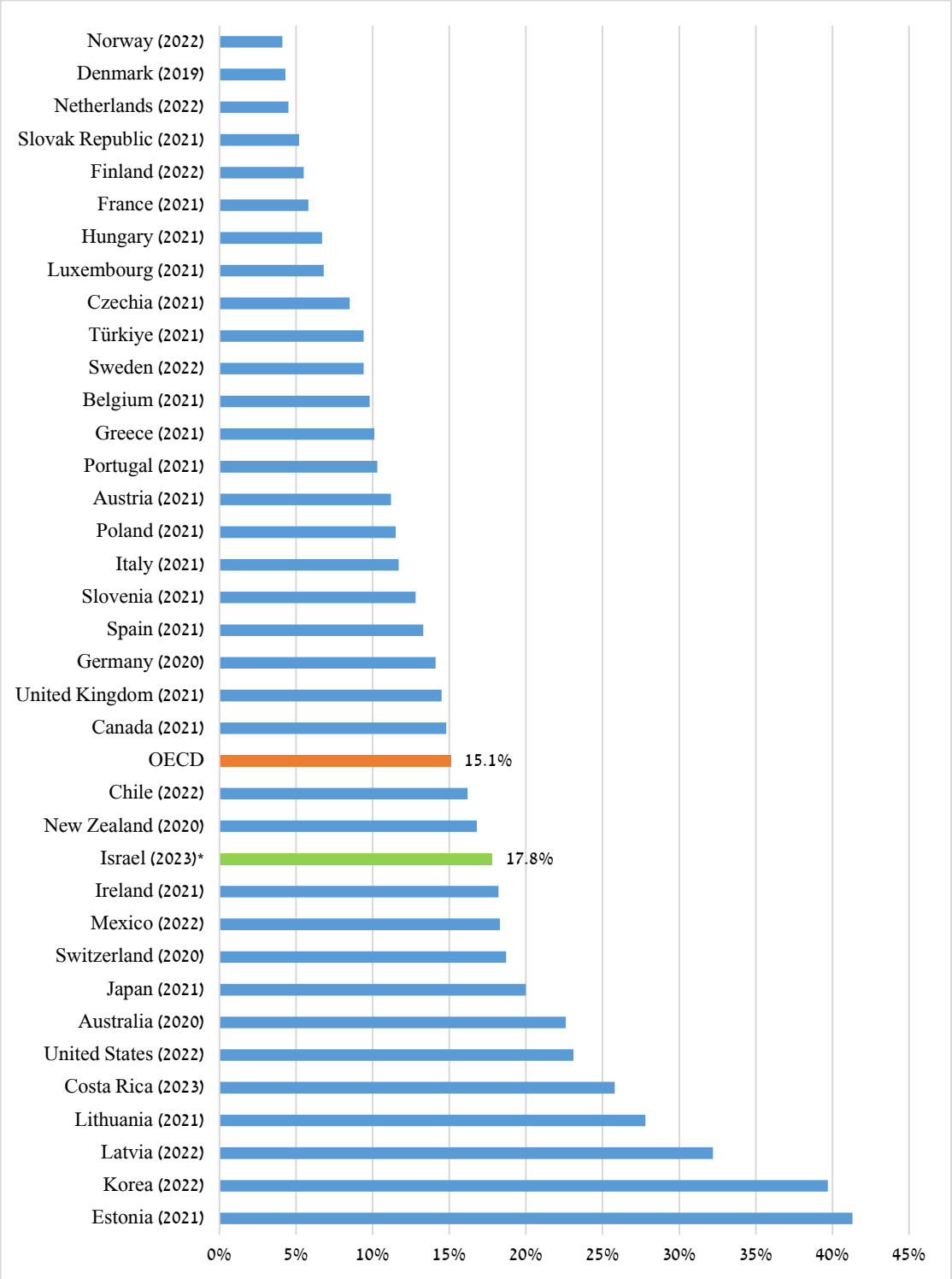
Supplement D: Charts – international comparisons

Supplement chart 1: Poverty incidence among children by net income, OECD countries (percentage), various years[1]



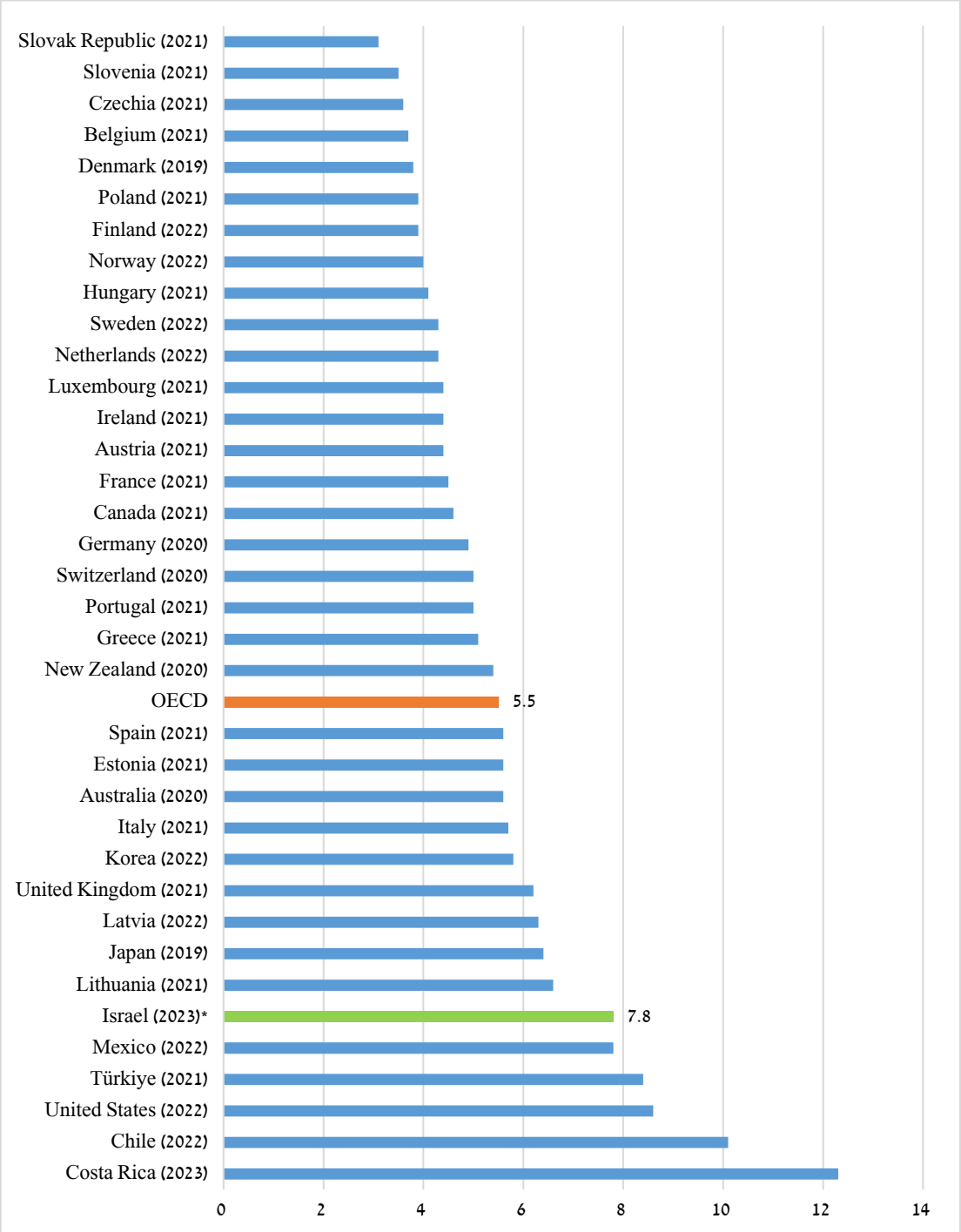
[1] The year shown for each country is the latest year for which data exists. Data for Israel is presented for 2023.
* The calculation was made using the administrative data and the OECD's equivalence scale.

Supplement chart 2: Poverty incidence among citizens aged 66 or more by economic income, OECD countries (percentage), various years[1]



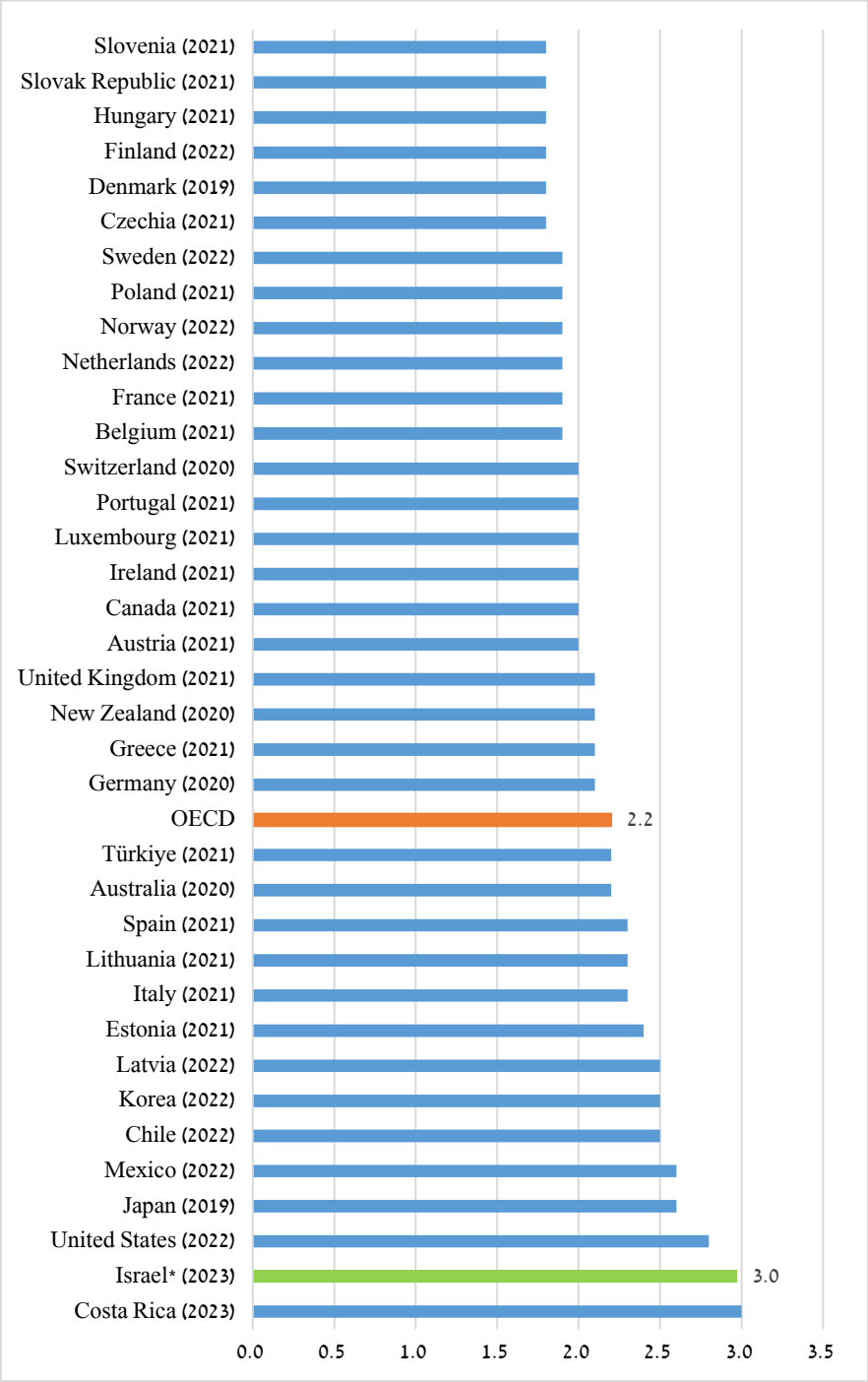
[1] The year shown for each country is the latest year for which data exists. Data for Israel is presented for 2023.
* The calculation was made using the administrative data and the OECD's equivalence scale.

Supplement chart 3: Top quintile to bottom quintile ratio by net income, OECD countries (percentage), various years[1]



[1] The year shown for each country is the latest year for which data exists. Data for Israel is presented for 2023.
* The calculation was made using the administrative data and the OECD's equivalence scale.

Supplement chart 4: First decile to middle decile ratio by net income, OECD countries (percentage), various years[1]



[1] The year shown for each country is the latest year for which data exists. Data for Israel is presented for 2023.
* The calculation was made using the administrative data and the OECD's equivalence scale.