**Taub Center for Social Policy Studies in Israel**

Established in 1982, the Taub Center for Social Policy Studies in Israel is an independent, non-partisan, socioeconomic research institute based in Jerusalem. The Center conducts quality, impartial research on socioeconomic conditions in Israel, and develops innovative, equitable and practical options for macro public policies that advance the well-being of Israelis. The Center strives to influence public policy through direct communications with policy makers and by enriching the public debate that accompanies the decision making process. The Taub Center takes no position on the issues that it studies, but presents and explains the policy questions and the implications of proposed solutions, and offers alternative suggestions for solving problems.

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Since 1914, JDC has extended the help of American Jewry to Jews in need of rescue, relief or reconstruction in communities throughout the world. In Israel, JDC works in partnership with the country’s people and government to strengthen Israel’s capacity to care for its least fortunate citizens. JDC’s work is supported primarily by contributions to the annual campaigns of the Jewish community federations throughout the United States in partnership with United Jewish Communities. To find out more about the JDC and its programs, please contact:

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Foreword

This issue of the annual Taub Center Social Economic Review focuses on some of the main developments in Israel’s socioeconomic sphere. The figures that follow were selected from work done by Taub Center researchers in a number of different fields over the past year.

The Review’s goal is to provide some quick and simple visual answers to key social and economic questions: How fast is the country growing? Who is benefiting from the economic growth and who is not? What are the country’s national priorities, as reflected in the allocation of its budget? How do Israelis perceive various aspects of their social and economic surroundings?

Employment, wages, health care, education, and welfare are just some of the areas that are highlighted in the Taub Center Social Economic Review. The perspectives in each of the figures are comparative to enable the reader to get a better sense of the changes and differences – as the case may be – in each of the various realms that are covered.

More detailed analyses of the various topics may be found in other Taub Center publications that are available on the Center’s website (www.taubcenter.org.il).

We hope that you find interest in this Review and welcome any questions, comments or suggestions that you might have.

Prof. Dan Ben-David
Executive Director

Jerusalem, May 2009
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38. Healthy life styles by population group
39. Self-evaluation of health status
40. Taub Center Survey: inequalities in health services
GDP per capita increased by 18 percent since 1999

Source: Taub Center
Data: Central Bureau of Statistics (CBS) - Statistical Abstracts.
Taub Center Survey: public feels that wealthy benefit more from economic growth

"How do you think the economic gains of the past few years have been allocated?"

- 1% The main beneficiaries have been the poor
- 6% Gains have been divided up fairly
- 21% The wealthy benefit at first and with time everyone gains
- 43% The main beneficiaries are the wealthy
- 29% Only the wealthiest enjoy the gains

Source: Taub Center – The Social Survey.
Taub Center Survey: most of the public feels that the gaps have widened

"In your opinion, have the socioeconomic gaps widened, narrowed or remained unchanged in the past few years?"

- 75% widened
- 19% unchanged
- 6% narrowed

Source: Taub Center - The Social Survey.
Unequal economic growth: lower income groups gained much less

Net monthly household income, adjusted for household size, NIS

<table>
<thead>
<tr>
<th>Lowest income decile</th>
<th>Highest income decile</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003: 2,374</td>
<td>2006: 2,672</td>
</tr>
<tr>
<td>+13%</td>
<td>+23%</td>
</tr>
<tr>
<td>2003: 20,373</td>
<td>2006: 25,088</td>
</tr>
</tbody>
</table>

Source: Taub Center
The 2008 State budget and its allocation

Total budget: NIS 337 billion

- Social services: 35%
- Debt repayment: 31%
- Defense: 16%
- Other: 18%

Source: Taub Center
Data: Ministry of Finance – State Budget Proposal.
Government social expenditure:

a decline in both absolute and relative outlay levels

Social expenditure as percent of total government expenditure

- 1990: 30%
- 1994: 36%
- 1998: 37%
- 2002: 38%
- 2008: 35%

Per capita social expenditure

Current budget, NIS thousands, constant prices

- 1990: 12
- 1994: 14
- 1998: 15
- 2002: 15
- 2008: 14

Source: Taub Center

Data: Ministry of Finance - State Budget Proposals;
The Accountant General - Financial Statements.
Distribution of the social services budget

2008 budget

- Income-maintenance: 39%
- Education: 32%
- Health: 16%
- Personal social services: 6%
- Other: 7%

Source: Taub Center
Data: Ministry of Finance - State Budget Proposal.
Marked decline in per capita social expenditure

Total budget, NIS thousands, constant prices

Source: Taub Center
Data: Ministry of Finance – State Budget Proposals;
The Accountant General - Financial Statements.
Taub Center Survey: majority feels that government economic policy has widened social gaps

"How do you think the government's economic policy has influenced social disparities?"

- 60% widened
- 23% no influence
- 17% narrowed

Source: Taub Center - The Social Survey.
Differences in labor force participation and unemployment rates among 25-54 year-olds

Percent unemployed in the civilian labor force

<table>
<thead>
<tr>
<th></th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arabs</td>
<td>6%</td>
<td>12%</td>
</tr>
<tr>
<td>Jews</td>
<td>5%</td>
<td>8%</td>
</tr>
</tbody>
</table>

Percent in the civilian labor force

<table>
<thead>
<tr>
<th></th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arabs</td>
<td>84%</td>
<td>81%</td>
</tr>
<tr>
<td>Jews</td>
<td>81%</td>
<td>28%</td>
</tr>
</tbody>
</table>

Source: Taub Center
Distribution of employees by gross monthly income

- 28% below minimum wage
- 42% between minimum and average wage
- 20% average to double average wage
- 10% more than double average wage

70% of employees earn less than the average wage

Source: Taub Center
Average wage in selected localities

Average annual gross monthly wage, NIS - 2006

- small Jewish localities: 7,978
- Tel-Aviv: 7,770
- Haifa: 7,007
- urban Jewish localities: 6,473
- Jerusalem: 5,670
- small non-Jewish localities: 3,870
- urban non-Jewish localities: 3,839

Source: Taub Center
Academics, professionals, technicians, and managers, as percent of all employed

Jews: 39%  
Arabs: 21%

Israeli born, by origin: 55%  
New immigrants: 32%

Asia-Africa: 31%  
Europe-America: 55%  
Immigrated since 1990: 32%

Source: Taub Center  
**Income distribution:** large gap between the highest decile and the others

**Gross monthly income per capita, adjusted for household size, 2006, current prices**

- **lowest:** 850
- **2:** 1,502
- **3:** 1,994
- **4:** 2,537
- **5:** 3,278
- **6:** 4,041
- **7:** 4,952
- **8:** 6,020
- **9:** 7,910
- **highest:** 15,138

Source: Taub Center
Distribution of total income by quintiles before and after taxes and transfer payments

Source: Taub Center
A decline in the efficacy of transfer payments in reducing poverty

Percent reduction of poverty in families as a result of transfer payments

- 2002: 57%
- 2003: 55%
- 2004: 51%
- 2005: 49%
- 2006: 48%

Source: Taub Center
Differential impact of taxes and transfer payments in reducing income inequalities

Percent of families below poverty line

<table>
<thead>
<tr>
<th></th>
<th>Arab families</th>
<th>Jewish families</th>
</tr>
</thead>
<tbody>
<tr>
<td>before taxes and transfers</td>
<td>58%</td>
<td>28%</td>
</tr>
<tr>
<td>after taxes and transfers</td>
<td>51%</td>
<td>15%</td>
</tr>
</tbody>
</table>

Percent reduction in inequality as a result of taxes and transfer payments

<table>
<thead>
<tr>
<th></th>
<th>Arab families</th>
<th>Jewish families</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>11%</td>
<td>47%</td>
</tr>
</tbody>
</table>

Source: Taub Center
Arab households are concentrated in the lowest income quintiles

Percent in quintile, by net income adjusted for household size

Source: Taub Center
Poverty among families: one-fifth of families in Israel live below the poverty line.

Percent of poor families after transfer payments and taxes

Source: Taub Center
Children in poverty: more than one-third of all children live below the poverty line

Percent of poor children after taxes and transfer payments

Source: Taub Center
Families in poverty: higher poverty rates among large and single-parent families

Source: Taub Center
Poor households: close to half of the poor are working

Distribution of poor households by type

- elderly 22%
- one earner 39%
- of working age and not working 33%
- two earners 6%

Source: Taub Center
Disparities in family housing density

Less than one person per room

By population group and period (percent)

<table>
<thead>
<tr>
<th>Year</th>
<th>Jews</th>
<th>Arabs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>40.9%</td>
<td></td>
</tr>
<tr>
<td>1985</td>
<td>42.3%</td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1995</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

By district

<table>
<thead>
<tr>
<th>District</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>North</td>
<td>40.9%</td>
</tr>
<tr>
<td>Jerusalem</td>
<td>42.3%</td>
</tr>
<tr>
<td>South</td>
<td>51.8%</td>
</tr>
<tr>
<td>Center</td>
<td>55.9%</td>
</tr>
<tr>
<td>Haifa</td>
<td>57.4%</td>
</tr>
<tr>
<td>Tel-Aviv</td>
<td>61.0%</td>
</tr>
</tbody>
</table>

Source: Taub Center
## Disparities in standard of living of Jewish and Arab families

### Ownership of durable goods, percent

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>at least one car</td>
<td>54</td>
<td>63</td>
<td>43</td>
<td>54</td>
</tr>
<tr>
<td>at least one cellphone</td>
<td>59</td>
<td>68</td>
<td>26</td>
<td>26</td>
</tr>
<tr>
<td>internet connection</td>
<td>68</td>
<td>76</td>
<td>27</td>
<td>27</td>
</tr>
<tr>
<td>computer</td>
<td>52</td>
<td>38</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>airconditioner</td>
<td>52</td>
<td>27</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>dishwasher</td>
<td>6</td>
<td>13</td>
<td>6</td>
<td>6</td>
</tr>
</tbody>
</table>

Source: Taub Center  
Average government education expenditure per student:
the decline in spending has stopped

NIS thousands, constant prices, current budget

Source: Taub Center
Data: Ministry of Finance – State Budget Proposal,
The Accountant General - Financial Statements.
Share of public education expenditure: low relative to other developed countries

Source: Taub Center
Significant differences in share of children not attending school

Percent of age group not in the education system, 2007

Arabs | Age | Jews
--- | --- | ---
16 | 17 | 8
13 | 16 | 3
7 | 15 | 1
4 | 14 | 2
4 | 6-13 | 5
0 | 5 | 1
17 | 4 | 6
26 | 3 | 12

Source: Taub Center
Unequal educational achievements: marked gaps in high school graduation

Percent of those aged 17 with matriculation certification

- **Arabs**
  - 1990: 13%
  - 2007: 29%

- **Jews**
  - 1990: 37%
  - 2007: 52%

Source: Taub Center
Differences in class size: average class size is greater in all levels of Arab schools

Source: Taub Center
Disparities in learning environments:
books and libraries in schools

Percent of schools with libraries, by sector:
- State: 84%
- State-religious: 82%
- Haredi: 76%
- Arab: 73%

Average number of book titles per student:
- Primary schools:
  - Jews: 11
  - Arabs: 3
- Lower secondary schools:
  - Jews: 15
  - Arabs: 5
- Upper secondary schools:
  - Jews: 16
  - Arabs: 9

Source: Taub Center
Taub Center Survey: nearly same number of people feel that the education system widens/narrows social gaps

"To what extent do you think the education system has an impact on social disparities in Israel?"

Source: Taub Center - The Social Survey.
Marked decline in government health expenditure per capita

NIS, constant prices, current budget

Source: Taub Center
Data: Ministry of Finance – State Budget Proposal,
The Accountant General - Financial Statements.
Public expenditure on health: low in Israel relative to other countries

Public expenditure as percent of total health expenditure

Source: Taub Center
Large disparities in household spending on health services by income level

Monthly health expenditure, NIS, 2006

Quintiles of age-adjusted per capita net income

Source: Taub Center
Health of the population: disparities in infant mortality

Rates per 1000 live births

By population group and period

<table>
<thead>
<tr>
<th>Year</th>
<th>Jews</th>
<th>Arabs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>12.4</td>
<td>26.0</td>
</tr>
<tr>
<td>1985</td>
<td>9.8</td>
<td>19.7</td>
</tr>
<tr>
<td>1990</td>
<td>7.9</td>
<td>15.8</td>
</tr>
<tr>
<td>1995</td>
<td>5.6</td>
<td>9.9</td>
</tr>
<tr>
<td>2000</td>
<td>4.0</td>
<td>8.7</td>
</tr>
<tr>
<td>2007</td>
<td>2.8</td>
<td>6.9</td>
</tr>
</tbody>
</table>

By district

| District | Infant Mortality Rate
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>South</td>
<td>6.1</td>
</tr>
<tr>
<td>North</td>
<td>5.3</td>
</tr>
<tr>
<td>Jerusalem</td>
<td>3.9</td>
</tr>
<tr>
<td>Haifa</td>
<td>3.8</td>
</tr>
<tr>
<td>Tel-Aviv</td>
<td>3.7</td>
</tr>
<tr>
<td>Center</td>
<td>2.6</td>
</tr>
</tbody>
</table>

Source: Taub Center
Differences in life expectancy at birth

By population group

- Women:
  - Jews: 82.6
  - Arabs: 78.8

- Men:
  - Jews: 79.3
  - Arabs: 75.3

By district

- Jerusalem
- Center
- Tel-Aviv
- Haifa
- North
- South

Source: Taub Center
### Differences in health inputs by district

<table>
<thead>
<tr>
<th>District</th>
<th>Ratio of general hospital beds per 1000 population</th>
<th>Ratio of doctors per 1000 population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Haifa</td>
<td>2.7</td>
<td>3.6</td>
</tr>
<tr>
<td>Tel-Aviv</td>
<td>2.7</td>
<td>4.7</td>
</tr>
<tr>
<td>Jerusalem</td>
<td>2.5</td>
<td>4.1</td>
</tr>
<tr>
<td>Center</td>
<td>2.2</td>
<td>3.1</td>
</tr>
<tr>
<td>North</td>
<td>1.6</td>
<td>3.0</td>
</tr>
<tr>
<td>South</td>
<td>1.5</td>
<td>2.2</td>
</tr>
</tbody>
</table>

Source: Taub Center  
Data: Ministry of Health - Human Resources in the Health Care Professions; Health in Israel.
Healthy life styles: Jewish and Arab population

Percent smokers

<table>
<thead>
<tr>
<th></th>
<th>Jews</th>
<th>Arabs</th>
</tr>
</thead>
<tbody>
<tr>
<td>men</td>
<td>30%</td>
<td>41%</td>
</tr>
<tr>
<td>women</td>
<td>21%</td>
<td>8%</td>
</tr>
</tbody>
</table>

Obesity*, percent in age group

<table>
<thead>
<tr>
<th></th>
<th>Jews</th>
<th>Arabs</th>
</tr>
</thead>
<tbody>
<tr>
<td>21–44</td>
<td>8%</td>
<td>12%</td>
</tr>
<tr>
<td>45–64</td>
<td>25%</td>
<td>35%</td>
</tr>
<tr>
<td>65+</td>
<td>15%</td>
<td>25%</td>
</tr>
</tbody>
</table>

*self-reported BMI Index of more than 30

Source: Taub Center
Data: Ministry of Health - National Health Survey 2003-2004;
Self-evaluation of health status

Percent of those who consider themselves very healthy, by selected age-adjusted population groups

Source: Taub Center
Taub Center Survey: more people feel that health service provision is unequal

"Do you think that all population groups enjoy more or less the same level of health care services?"

- 19% completely equal, 28% small differences, 53% large differences in 2003
- 12% completely equal, 28% small differences, 61% large differences in 2008

Source: Taub Center - The Social Survey.
Sources

S.P. 1314.
European Commission. *Eurostat Database*.
National Insurance Institute, Research and Planning Administration. *Annual Survey*, various years.
The Center assists in shaping public policy to the benefit of the population of Israel by means of research and education in social policy issues. Established in 1982 under the leadership and vision of Herbert M. Singer, Henry Taub, and the American Jewish Joint Distribution Committee (JDC), the Center is funded by a permanent endowment created by the Henry and Marilyn Taub Foundation, the Herbert M. and Nell Singer Foundation, Jane and John Colman, the Kolker-Saxon-Hallock Family Foundation, and the JDC.

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