

The Safety Net from a Gender Perspective Income Support Payments

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Introduction

Three factors connected with the life circumstances of women make income support payments especially relevant to women. The first is their caring role: as everyone knows, it is women who bear the major responsibility for caring for children and other family members. The second concerns their ability to support themselves: women's monthly earnings are 61% of men's, on average, and women's hourly earnings 81% of men's. Moreover, many Israeli women, especially Arab women, are not even in the workforce: only 15% of Arab women between the ages of 15 and 64, compared with 53% of Jewish women. The third reason for women's greater reliance on income support is their comparative longevity: women's life expectancy is 81.2 years, compared with 77.3 years for men. And women are far more likely than men to remain alone after the death of a spouse.

The social safety net that evolved in Israel in the 1970s and 1980s included special protections for mothers, low income persons, and the elderly.

One of these protections is income support: a monthly allowance (the sum depending on the number of persons in the household and their ages) for a household lacking the minimal income considered necessary for a decent living. The amount considered minimal is defined by law. The main purpose of the allowance is to prevent poverty.

Working-age Recipients of Income Support: The Figures

Both working-age and retirement-age persons are eligible for income support. Entitlement is for the household, not the individual, although some households are composed of single persons.

The National Insurance Institute in Israel publishes periodic figures on working-age income support recipients, by type of household. Following are the figures for 2001.

Working-Age Recipients of Income Support, by Type of Household, 2001

Total	Couples without children		Couple with children		Singles		Single Parents	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
142,011	8,458	6%	34,067	24%	49,711	35%	49,774	35%
					Among them: 60% women		Among them: 97% women	

Solo Parents

In 2001, women headed 97% of single-parent families receiving income support. This figure has not changed much since income support was first instituted in 1982.

The year in which the biggest increase occurred in the number of single-parent families receiving income support was 1992, the height of the last wave of immigration from the former Soviet Union (from 9,773 recipients in 1991 to 15,508 in 1992, an increase of 59%). This was also the year in which the regulations of the Income Support Law were changed so as to give new immigrants eligibility after a year's stay in Israel (instead of two years' stay, as formerly).

Prior to the 2003 cuts in income support allowances, single-parent families enjoyed the most generous allowance, as well as the greatest incentive to work, in the form of a more gradual taper once they began earning. The gradual taper proved effective: an analysis done by the National Insurance Institute for 1999 found that among single-parent families, the percentage of those reporting income from work was 39%, compared with 13% for single-person households, 11% for couples without children and 16% for couples with children.

Income support allowances were quite successful in lifting single-parent households out of poverty: the latest poverty report of the National Insurance Institute shows that in 2002, 56% of single-parent families were poor as measured by their earned income alone; after taxes and income transfers, this rate was reduced to 25.2%; in other words, income support allowances, together with child allowances, reduced the poverty rate among single-parent families by 55%.

Single-person Households

A little over a third of income support recipients of working age are single-person households, and 60% of these households consist of women living alone.

Who are these women and men? A good portion of them are new immigrants aged 50 and over, who cannot find a job because of their age. Quite a few are young Arab women with less than 12 years of schooling, who lack work experience and employment opportunities.

Couples

In 2001, 30% of the recipients of income support were couples: 80% of them had children.

Among couples, as among single-parent and single-person households, the biggest increase in the number of recipients occurred in 1992 (an increase of 51% among couples), the height of immigration from the former Soviet Union. Another increase occurred after 1997, the beginning of the present (2003) economic recession.

Entitlement to Income Support

There are 31 causes of entitlement to income support. For women, the most prevalent is the care of small children: nearly 40% of women who received income support in 2001 were entitled to assistance because they were caring for children under the age of 7. In 2000, 62% of the women receiving income support for this reason were solo mothers; the rest were women with spouses.

A third of women receiving income support were entitled to allowances for reasons connected with the labor market: 17.3% were out of work and 15.8% worked but received low wages. One-fourth of women receiving income support were entitled to the same due to "placement" problems: the government labor exchange came to the conclusion that it was unable to find work for them, either because of their advanced age (50 or more) or because of health problems not expected to improve, or due to other problems considered only temporary.

For comparison's sake, the most common reason for men's entitlement to income support was that they were out of work (38.4%), compared to 17.3% for women. Among men, a somewhat smaller percent (11.5%) were entitled to income support due to low wages (for women: 15.8%).

Since 1995, there has been an increase in the proportion of persons receiving income support because they are out of work; the largest increase occurred for men: from 19.2% in 1995 to 38.4% in 2001. For women, the increase was from 13.8% in 1995 to 17.3% in 2001.

Income Support at Retirement Age

The proportion of retirement-age women and men receiving income support, in addition to old-age allowances (social security), is on the decrease, thanks to the increase in the proportion of retirees with workplace pensions. On the average, workplace pensions result in an increase of 50% in post-retirement income.

Recipients of Income Support and Old-Age Allowances, by Gender, 2001

Number of Recipients of Old-Age Allowances	Percentage of Women Among Recipients of Old-Age Allowances	Proportion of Recipients of Old-Age Allowances also Receiving Income Support	Percentage of Women among Recipients of Both Old-Age Allowances and Income Support
571,200	56.4%	30.0%	65.0%

However, this trend is not expected to continue, due to structural changes in the labor market in recent years: the downsizing of the public service; the increase of employment in fields, like hi-tech, in which workers are no longer unionized and no longer protected by collective agreements; the spread of employment through temp agencies; and changes in the system of workplace pensions. Women are the hardest hit by these changes, and the expected outcome: an increase in women's need for income support after retirement.

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