The Social Challenges of Tomorrow

Dr. Sigal Shelach, CEO Joint-Israel
IMPACT

It’s about contributing to a greater good. It starts with learning and understanding. It needs to be measurable. It should be sustainable.

The Center for Social Impact Strategy, August 2017
Israel compared to the OECD

Main Strengths

Macro-economic Resilience
- GDP-debt ratio - 78% 17/34
- Non-performing loan rate - 1.4% 7/18
- Growth rate - 3.5% 9/36

Job Market
- Very low unemployment – 4.2% 14/36
- Dependency ratio (ages 20-65/65+) – 0.21 7/35
- Ratio of higher education – 32% 4/36

Innovation and Competitiveness
- R&D to GDP ratio – 4.3% 1/35
- Venture capital to GDP ratio – 0.38% 1/35
- Ratio of hi-tech employees – 8.3% 1/33

Healthcare System
- High life expectancy – 82.5 5/36
- National healthcare expenditure – 7.4% of GDP 12/36

Source: based on OECD figures, Shoresh Institution analysis, and Bank of Israel analysis
Israel compared to the OECD

Main Weaknesses

Poverty and Inequality
- Poverty rates – 17.7% 34/35
- Working poor – 14% 31/34
- Inequality (Gini index) – 0.35 27/35

Equal Opportunities and Social Mobility
- Inequality in scholastic achievement 26/26
- Gap between achievements of children of minority groups and general population 29/29

Difficulty Maintaining Basic Standard of Living
- Median wage – 7,452 NIS 23/28*
- Price level as compared to wage 32/33
- Work-life balance 36/38

Human Capital and Productivity
- Adult skills – PIAAC scores 26/32
- Productivity per work hour $35.6 26/35
- Investment in worker skills – 0.15% 16/18

Poor School Achievements
- PISA scores 29/35
- Per pupil investment compared to per capita GDP 30/34
- Pupils in integrated vocational education – 3% 13/19

Source: based on OECD figures, Shoresh Institution analysis, and Bank of Israel analysis

* Median wage updated for 2018 (inflation deducted), OECD ranking as of 2016
Over 1,000,000 Israelis use every day social services developed by Joint Israel
Strategic Socio-Economic Assessment

- Human capital development & utilization
- Preparation for the aging population
- Regional economic development
- "Digital Israel"
- Housing strategy
- Productivity & competitiveness
- Financial infrastructures

National Economy Council 2015
<table>
<thead>
<tr>
<th>Family member caregivers</th>
<th>Children and youth in extreme risk</th>
<th>Haredi social mobility</th>
<th>Poor Haredi families</th>
<th>Poor Arab families</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arab social mobility</td>
<td>Mental distress</td>
<td>Women in danger</td>
<td>Crime in Arab society</td>
<td>East Jerusalem</td>
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<td>Families in poverty</td>
<td>Unrecognized Bedouin villages</td>
<td>Social mobility in the periphery</td>
<td>Workers on the brink of poverty</td>
<td>Asylum seekers</td>
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<td>Poor older adults</td>
<td>People with disabilities in poverty</td>
<td>Labor market diversification</td>
<td>Border region communities</td>
<td>Traffic accidents</td>
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<td>Poor school achievement</td>
<td>Social mobility for Ethiopian-Israelis</td>
<td>Alcohol, drug and gambling addictions</td>
<td>Abuse of the helpless</td>
<td>Non-academic employees</td>
</tr>
<tr>
<td>Older adults with functional decline</td>
<td>Rehabilitating ex-convicts</td>
<td>Non-conformists in conservative societies</td>
<td>Independent living for people with severe disabilities</td>
<td>Work accidents</td>
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<td>Integrating people with disabilities</td>
<td>Lower-middle class retirees</td>
<td>Social cohesion</td>
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</tbody>
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**Social Challenges**
JDC Priority Challenges

1. Social Mobility and Equal Opportunity
   - Haredim
   - Arab Israelis
   - Israel's periphery

2. Populations At-risk of Poverty
   - Workers
   - Retirees

3. Independent Living
   - Older adults
   - People with disabilities

4. Systemic Challenges
   - Resource utilization
   - Digitalization
   - Cross-sector collaboration
Social Mobility and Equal Opportunity
Different Mobility Opportunities for Different Groups

Likelihood of a child born to parents from the lowest quadrant reaching the highest quadrant

- Ultra-Orthodox: 6%
- Arabs: 11%
- Ethiopian Immigrants: 10%
- FSU Immigrants: 19%
- USA/EU Immigrants: 21%
- Asian/North African Immigrants: 19%
- Native Jewish Israelis: 22%

Where You're Born Determines Your Chances for Success

Matriculation results for 12th grade students (Hebrew Education)

<table>
<thead>
<tr>
<th>Local authority socio-economic cluster</th>
<th>Percentage of eligible students</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-2</td>
<td>6%</td>
</tr>
<tr>
<td>3-4</td>
<td>40%</td>
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<tr>
<td>5-6</td>
<td>56%</td>
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<tr>
<td>7-8</td>
<td>70%</td>
</tr>
<tr>
<td>9-10</td>
<td>81%</td>
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</tbody>
</table>

Local authorities with the **lowest** mobility rates*
- Arad
- Afula
- Kiryat Shmona
- Kiryat Yam
- Beit Shemesh
- Jerusalem
- Kiryat Malachi
- Migdal Ha'emek
- Tiberias
- Tzfat

Local authorities with the **highest** mobility rates*
- Ramat Ha'sharon
- Rishon Lezion
- Givatayim
- Ramat Gan
- Kiryat Ono
- Holon
- Petah Tikva
- Herzliya
- Ra'anana
- Yavne

2. Source: Batz and Krill (2018), The Connection Between One's Place of Living and Mobility Rates, Ministry of Finance

*Out of the largest 50 non-orthodox Jewish authorities
Populations At-risk of Poverty
Rate of Working Poor in Israel – Among Highest in OECD

Rate of working poor among working population

People in Israel are considered to be "near" poverty. A couple with 2 children, both working full-time, minimum-wage jobs are on the threshold of poverty.

1. Source: Central Bureau of Statistics (2017), Society in Israel
Lower-middle Class Retirees are at-risk of Falling into Poverty

**55%**

The 2015 rate of older adults past retirement age without a pension

**75%**  
Men

**63%**  
Women

The individual net pension entitlement divided by net pre-retirement earnings

**Average monthly pension**

- 5,400 NIS
- 2,800 NIS

Increase in Percentage of Older Adults with Functional Decline

Expected increase in the number of older adults with functional decline as compared to 2015

- 2020: 10%
- 2025: 21%
- 2030: 32%
- 2035: 43%

Percentage of older adults aged 85+ among the older adult population aged 65+

- 2015:
  - Age 65-85: 87%
  - Age 85+: 13%
- 2040:
  - Age 65-85: 82%
  - Age 85+: 18%
- 2065:
  - Age 65-85: 76%
  - Age 85+: 24%

2. Source: Central Bureau of Statistics (2017), Predicted Target Population up to 2065 (electronic version)
Independent Living for People with Disabilities

The number of people with disabilities in Israel (thousands) and their rate in the general population, 2015

- **10,500** people with disabilities live in institutions
- Only **51%** of employment-aged people with disabilities are working

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1. Source: Survey of Social Services 2014 (2015), Ministry of Social Services and Social Affairs
Complex Challenges Require Collaboration
Employment rate among Ultra-Orthodox men

Source: Statistical Report on Ultra-Orthodox Society in Israel, The Israel Democracy Institute, 2018 (table D2)
Integrating Ultra-orthodox men into the Workforce

JDC's efforts together with partners

- 12 Employment Centers (70,000+ clients)
- Encouraged research
- Strengthened NGOs
- Worked with employers
- Integration into the IDF
- Programs for Academia, vocational training
  and more

Ha'Rav DotNet
Software & Internet development company

40% of the increase through JDC programs
Working Together
Joint Israel