

Poverty & Employment of People with Disabilities in Israel



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Poverty & Disability
National & International Perspectives

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Israel in Numbers



- Population: about 8.5 million
- Working-age population: about 5 million
- Rate of people with disabilities at working-age: **24.7%**
- Rate of disability allowances recipients at working-age : **5.5%**

Poverty Measures

∞ Poverty line (z):

Half **median** net cash household income,
adjusted for family size

∞ Poverty rate (Headcount):

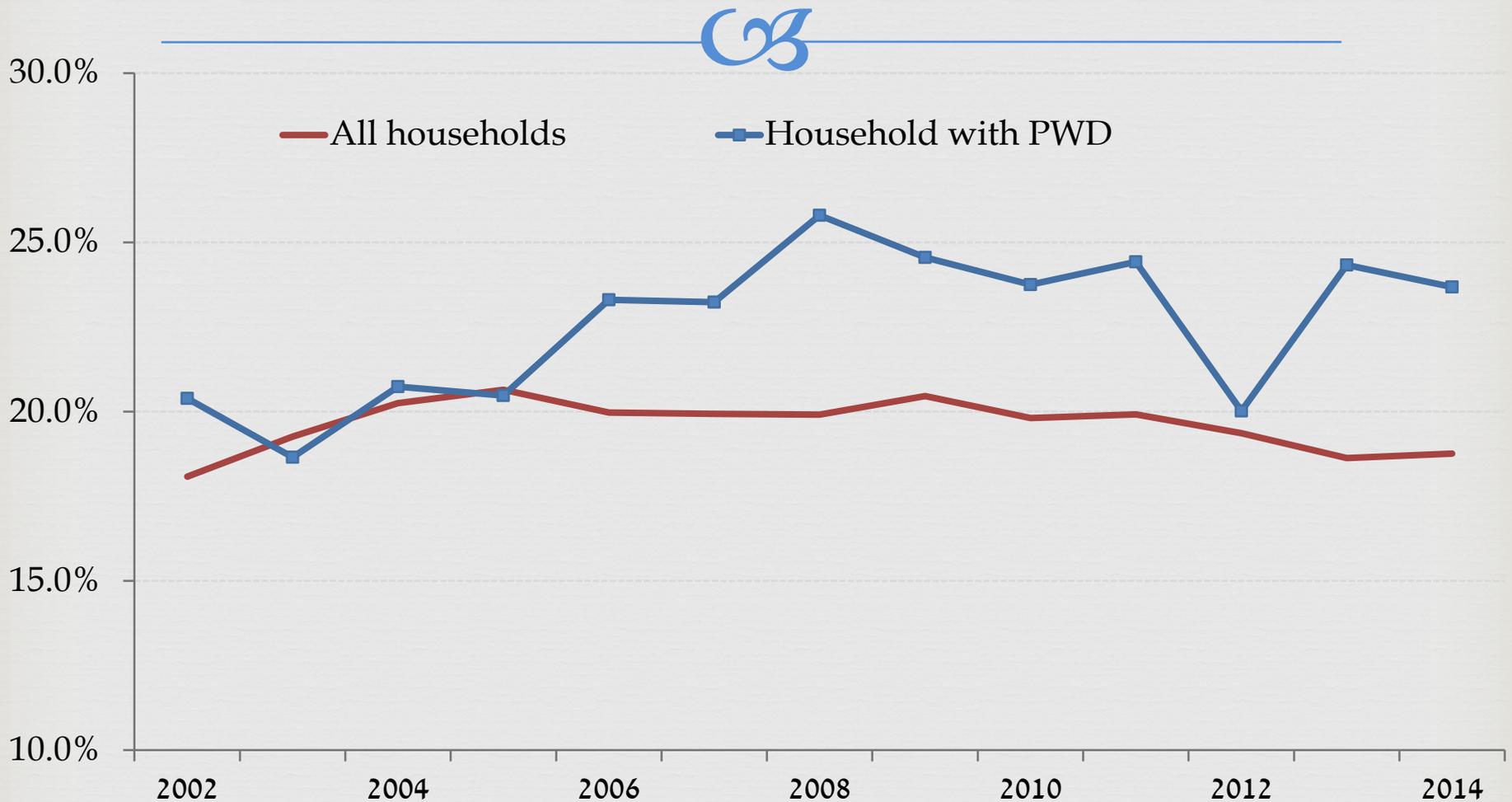
$H = \frac{q}{N}$, q = # of households living in poverty, N = total # of Hh's

∞ Poverty severity (FGT):

$$\text{FGT}(y_i, z, \delta) = (1/N) \sum_{i=1}^q g_i^\delta$$

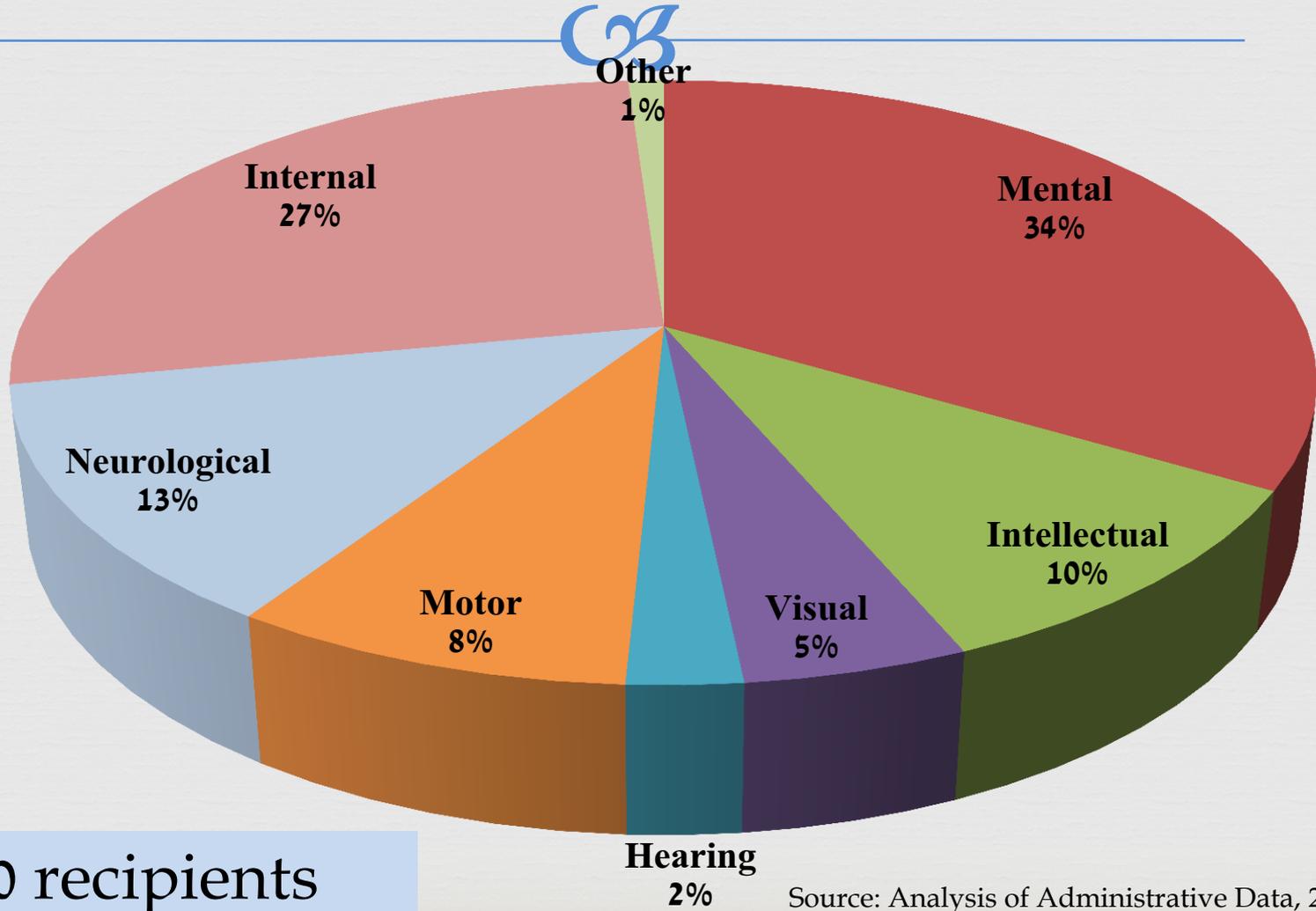
g_i = income gap of $\text{Hh}_i = (z - y_i) / z$, y_i = net income of Hh_i = earnings + benefits + pensions, δ = inequality aversion (of social planner)

Poverty Rate: General households vs. Households with disabilities



Source: Analysis of Household Expenditure Survey, 2014

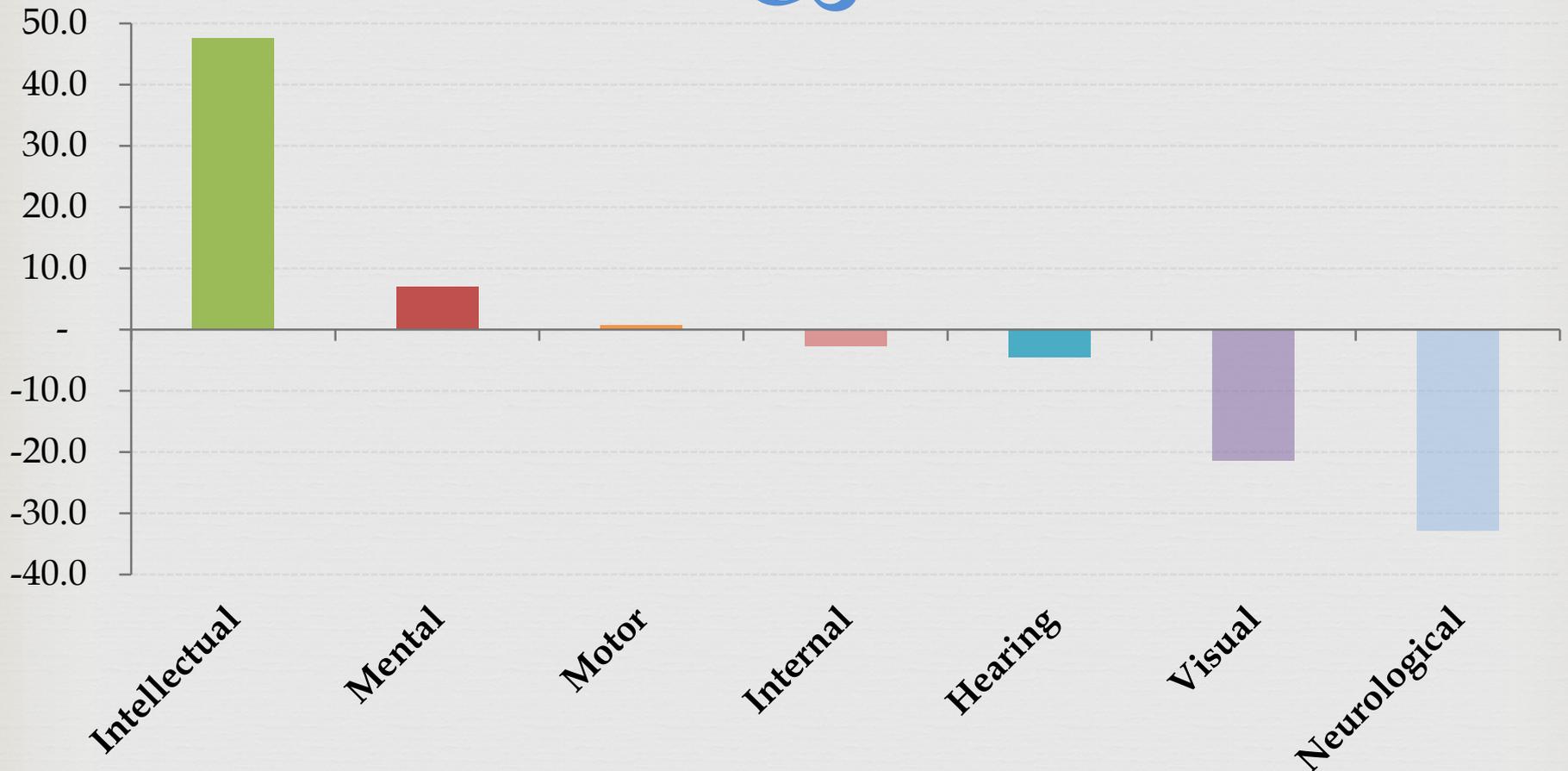
People with Disabilities by Impairments



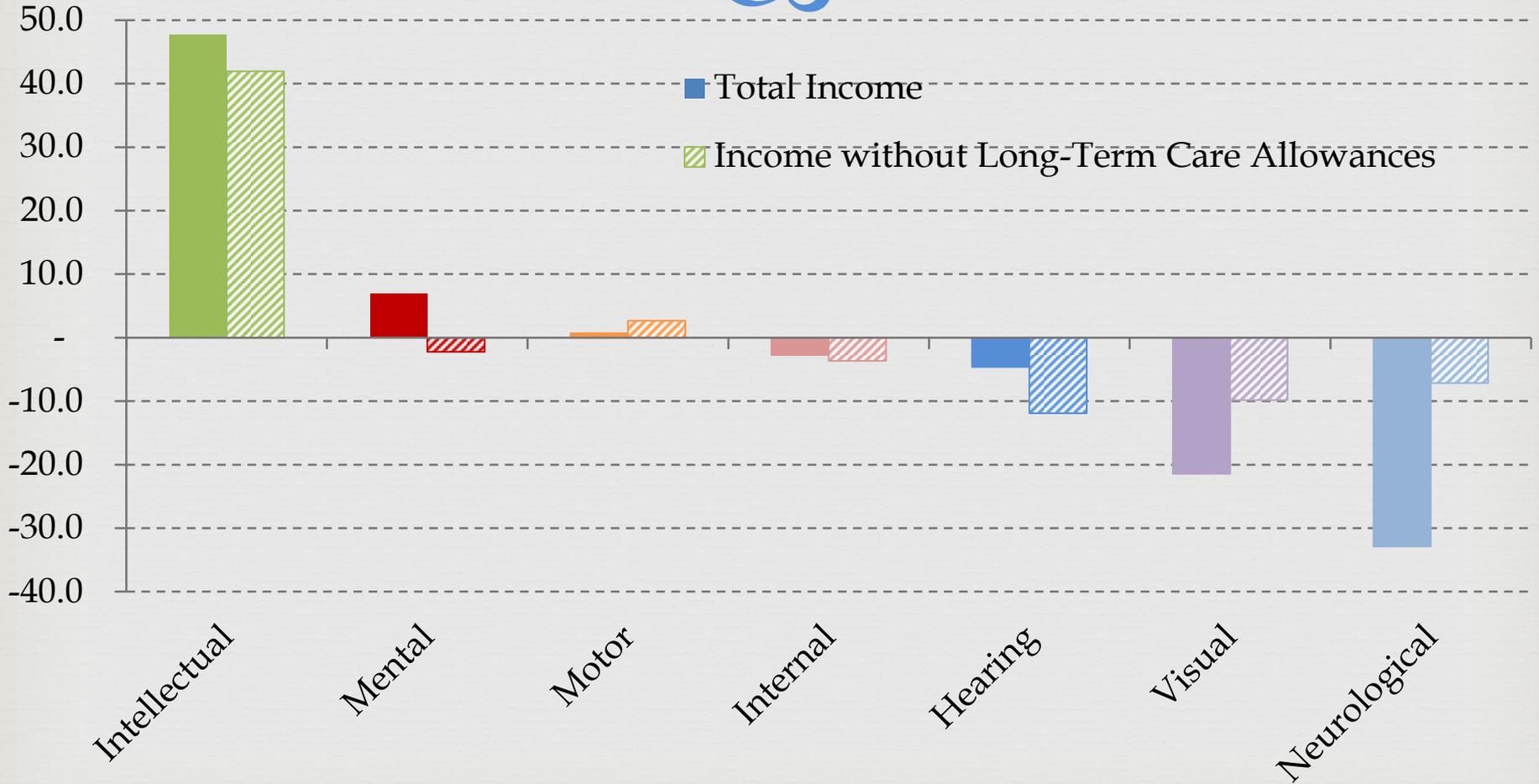
235,000 recipients

Source: Analysis of Administrative Data, 2014

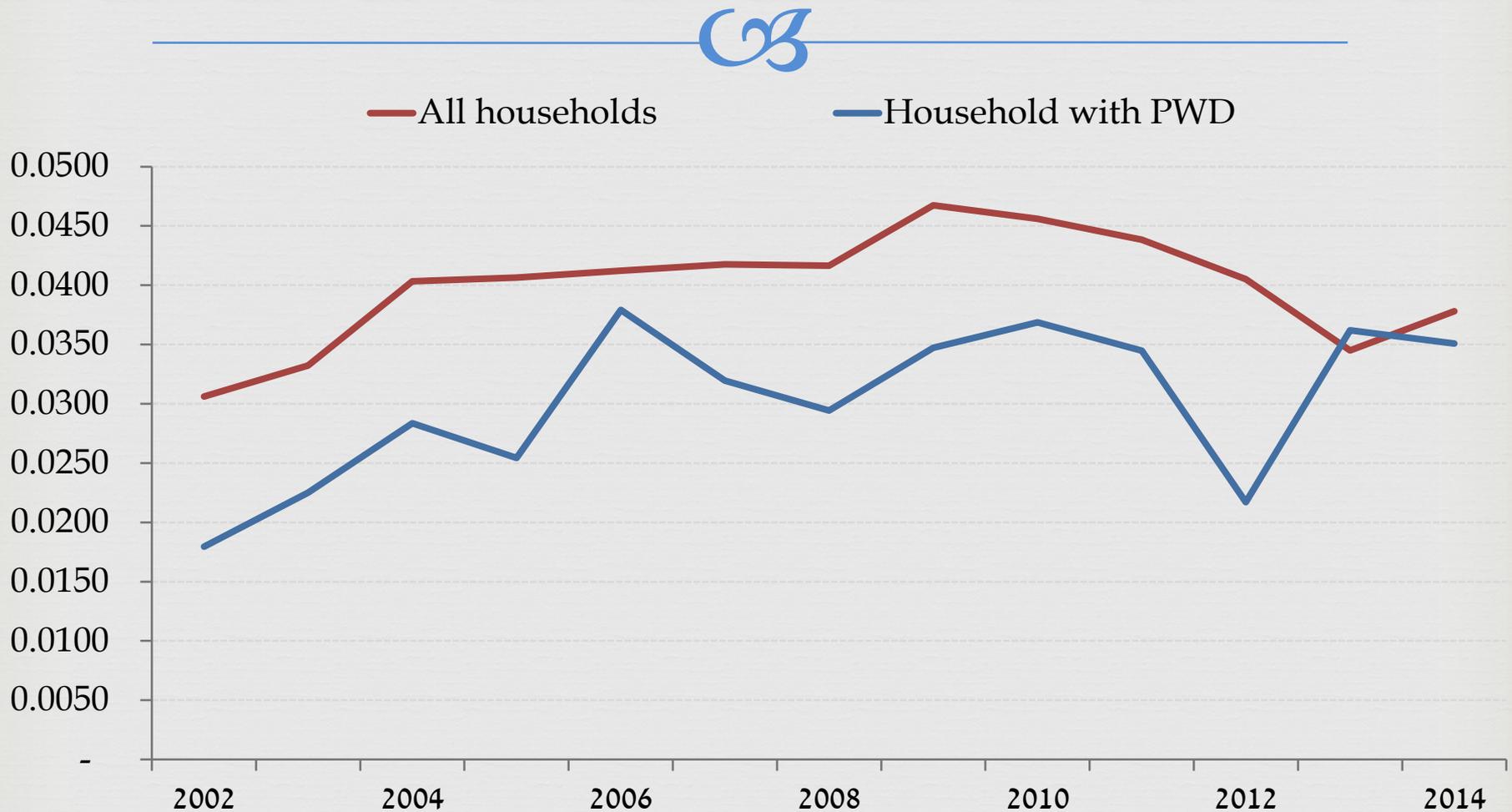
Deviation from Poverty Rate by Impairment



Deviation from Poverty Rate by Impairment (2 income definitions)



Poverty Severity: General households vs. Households with Disabilities



Source: Analysis of Household Expenditure Survey, 2014

Causes of Poverty

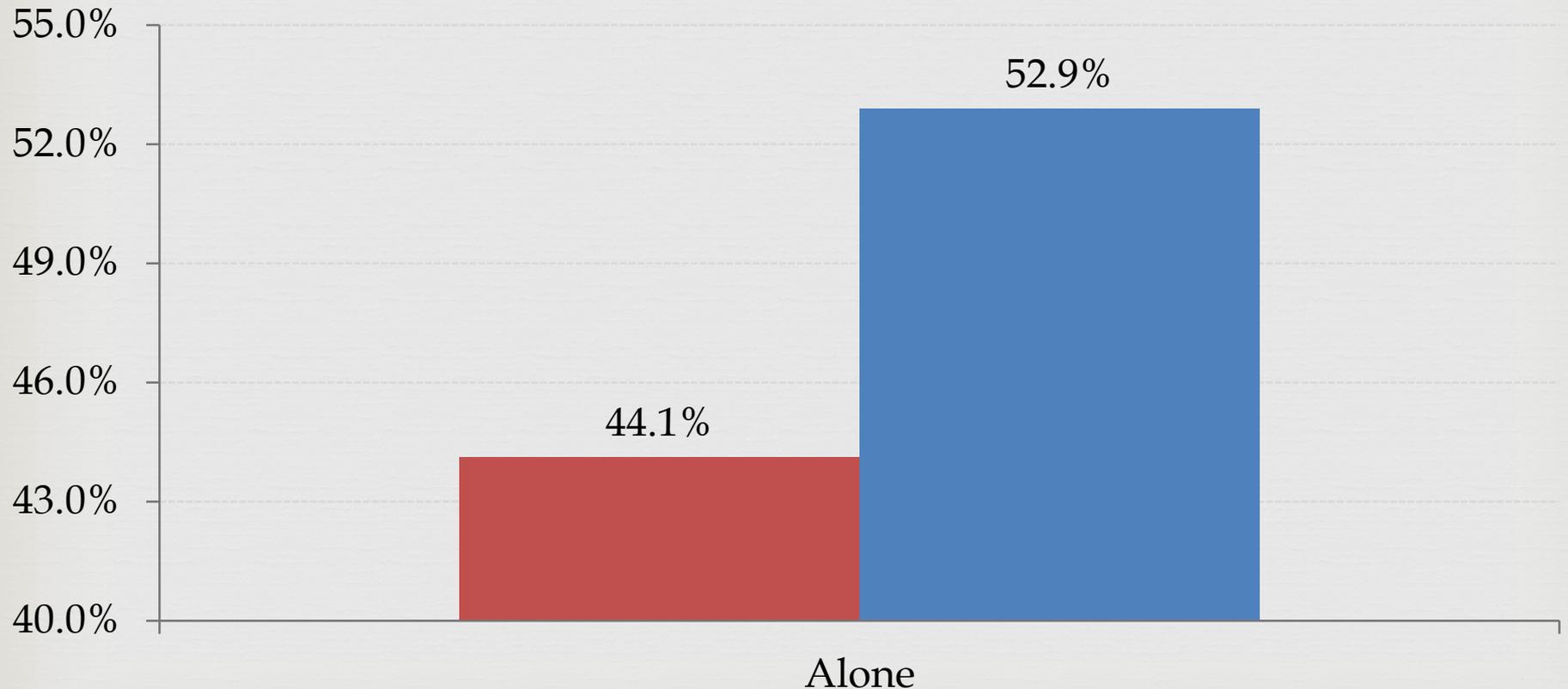


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- ❧ Household Structure?
 - ❧ Size of Disability Allowances?
 - ❧ Employment?
 - ❧ Salary size?
 - ❧ Education?

Live Alone: General Households vs Households with Disabilities



■ All Households ■ Household with PWD

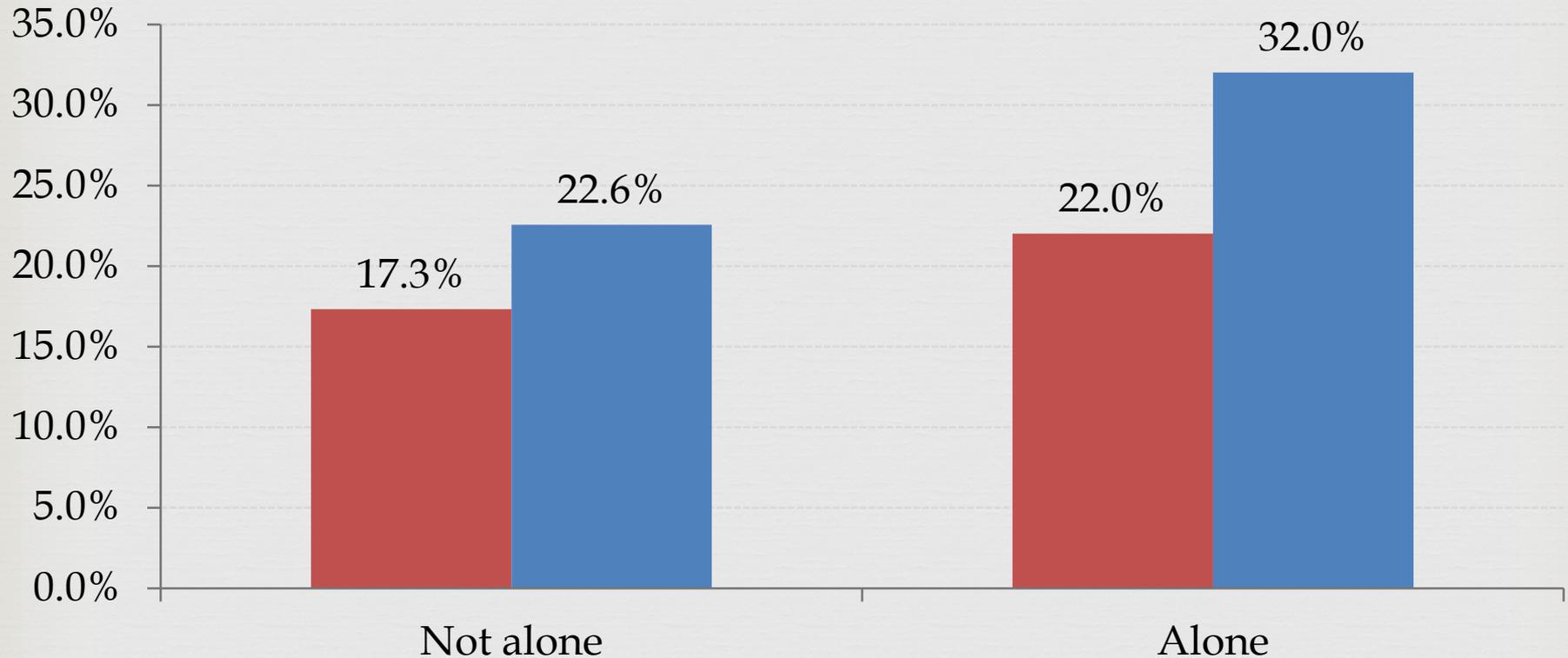


Source: Analysis of Administrative Data, 2014

Poverty Rate: Live Alone vs. Not Alone



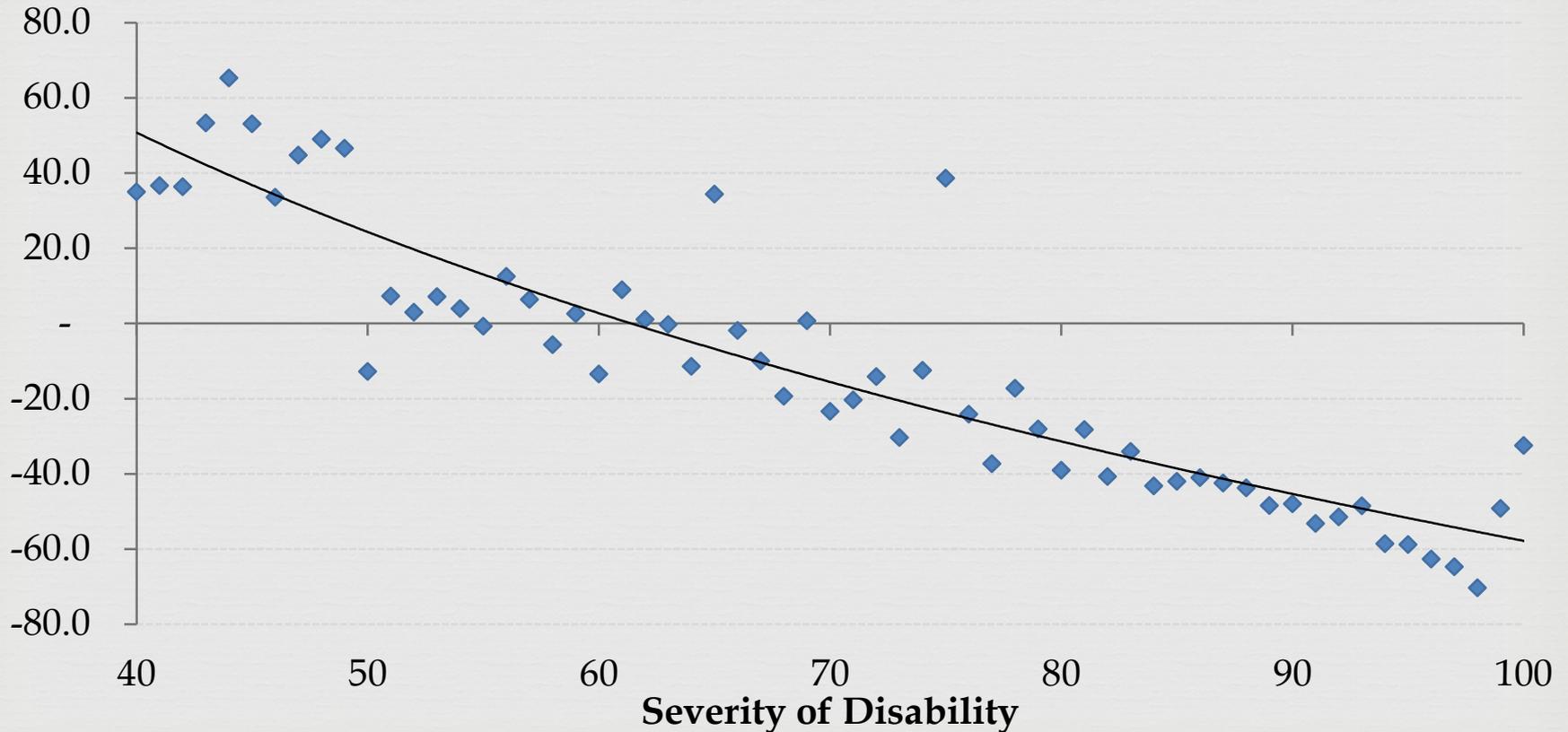
■ All Households ■ Household with PWD



Deviation from Poverty Rate by Severity of Disability

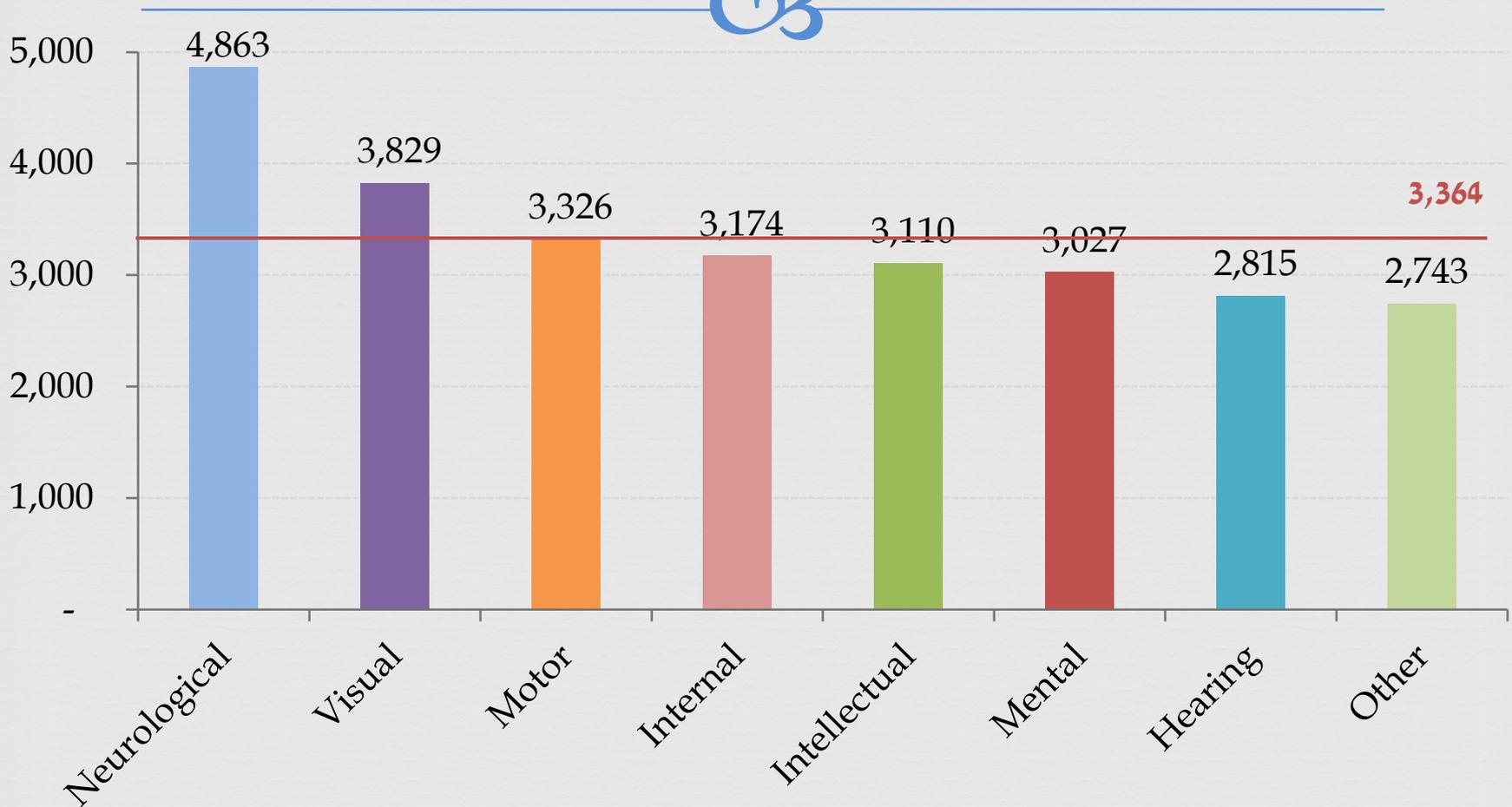


Deviation from
Poverty Rate

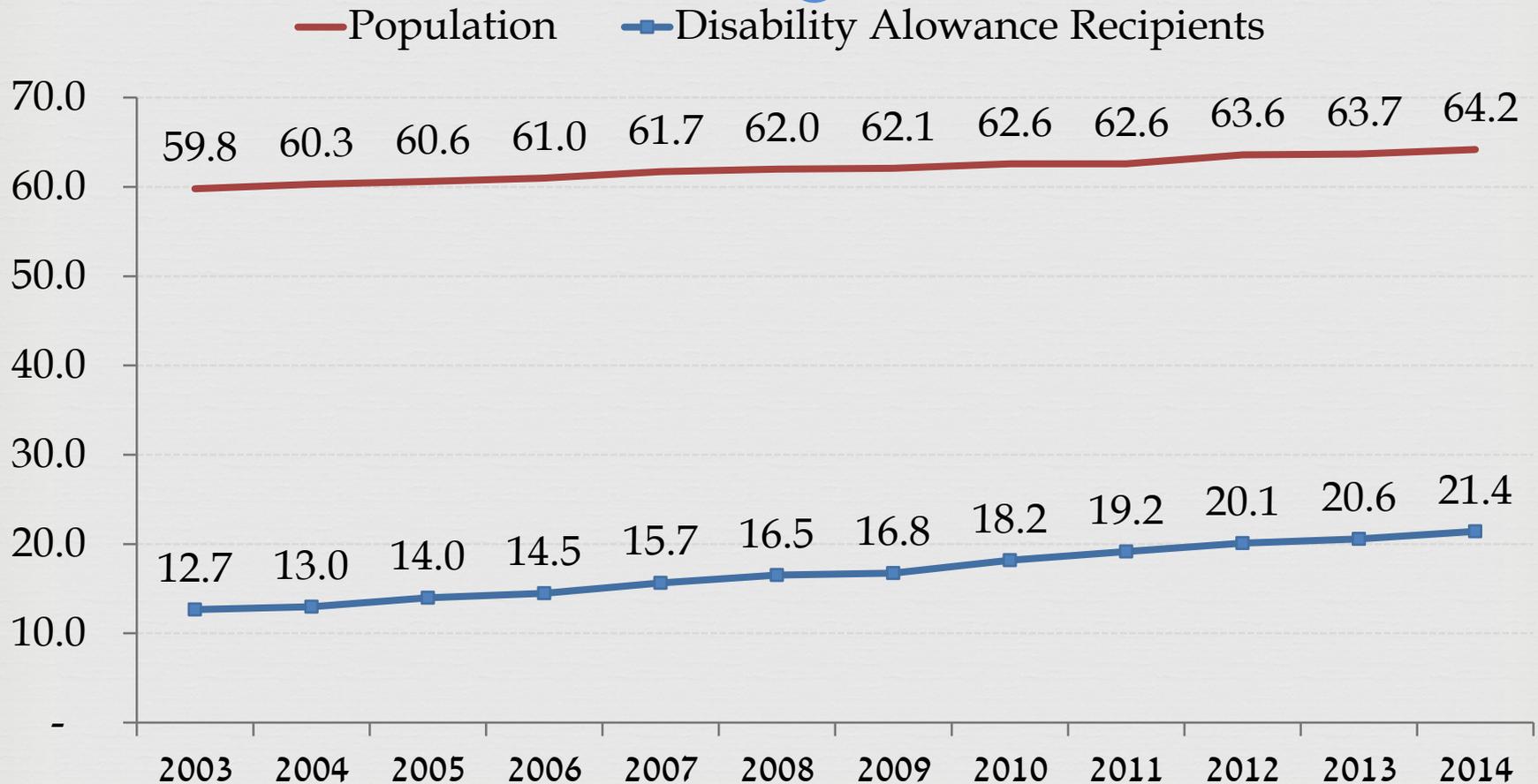


Source: Analysis of Administrative Data, 2014

Amount of Monthly Disability Allowances



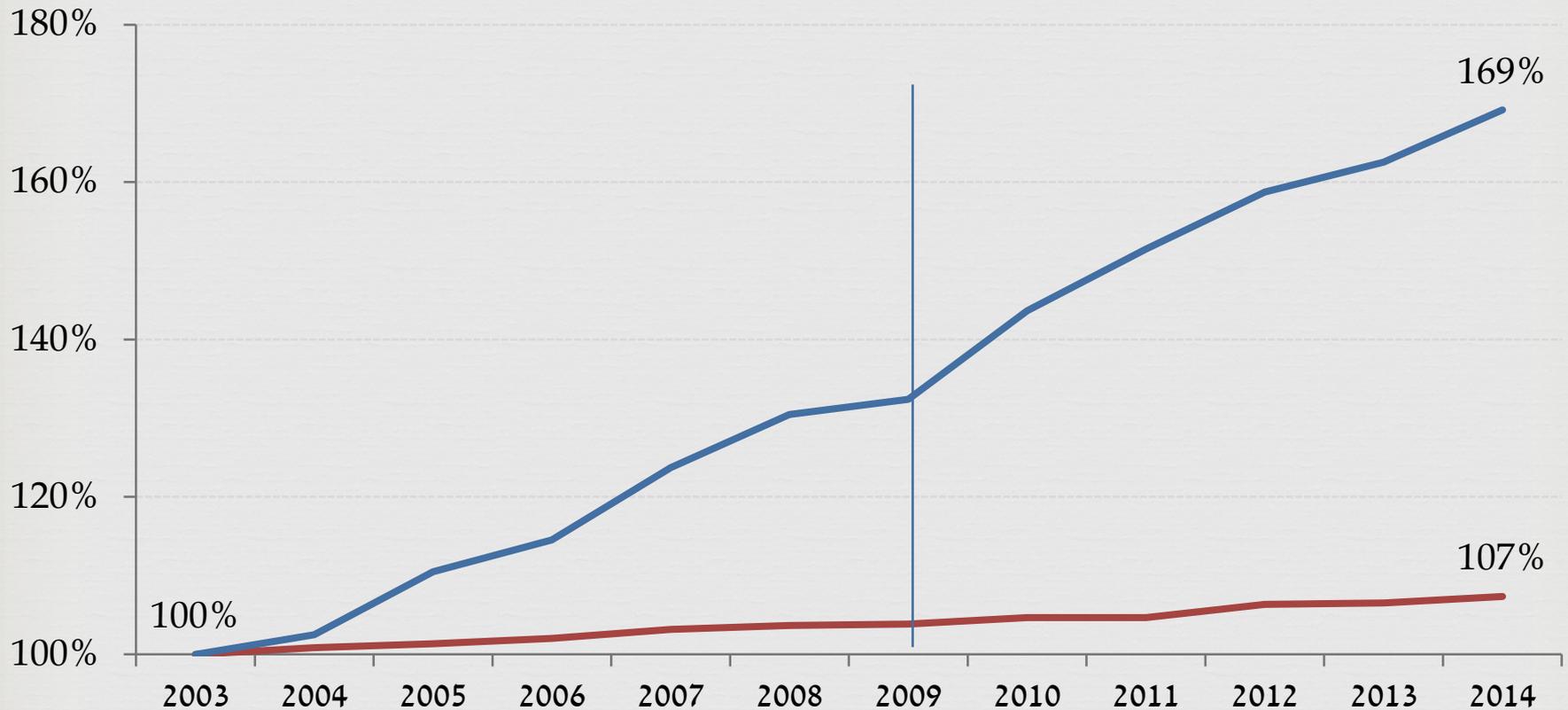
Employment Rate: Population vs. Disability Allowance Recipients



Sources: (1) Labor Force Analysis; (2) Analysis of Administrative Data, 2014

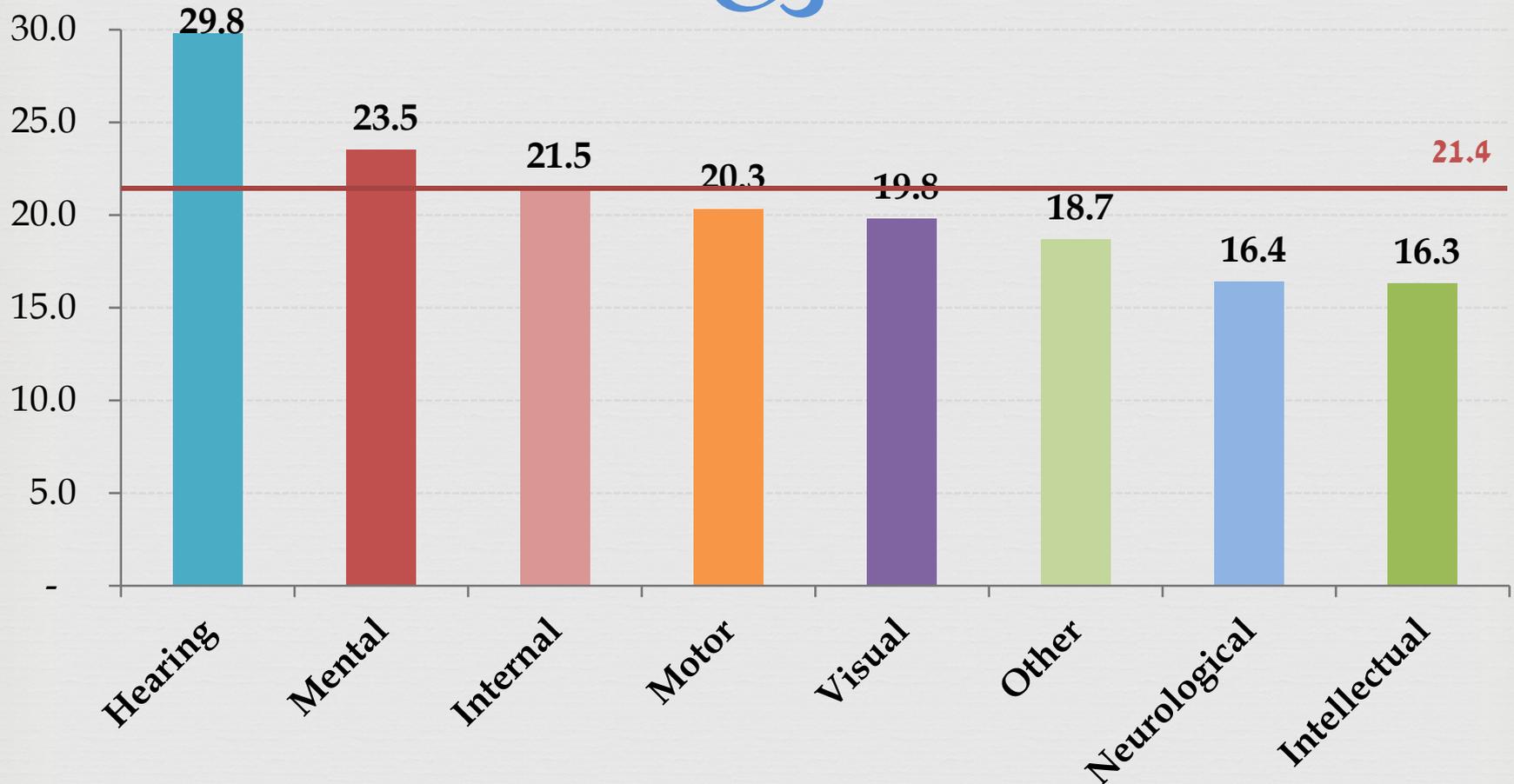
% Change in Employment Rates: Population vs. Disability Allowance Recipients

— Population — Disability Allowance Recipients



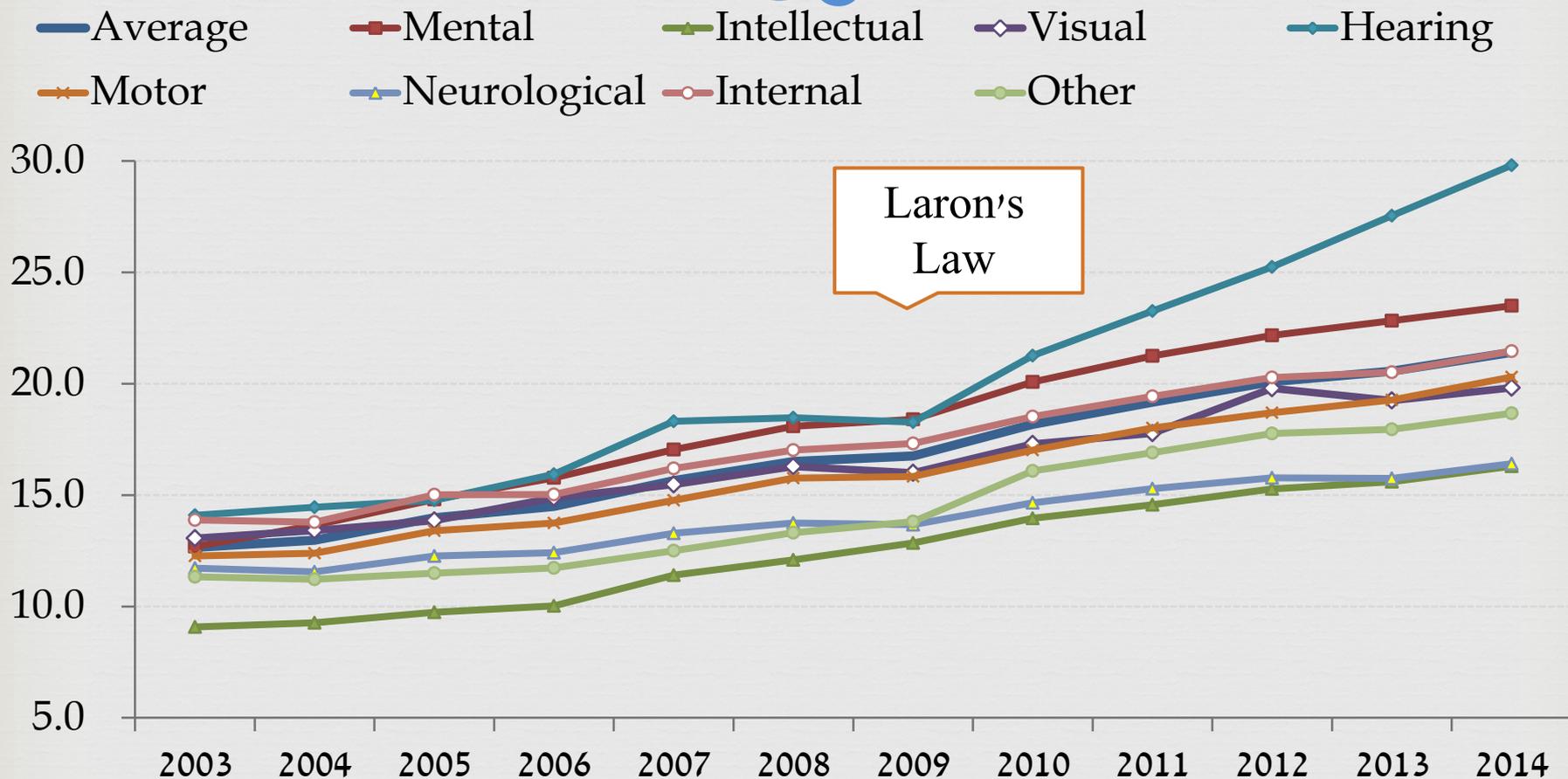
Sources: (1) Labor Force Analysis; (2) Analysis of Administrative Data, 2014

Employment Rate by Impairments

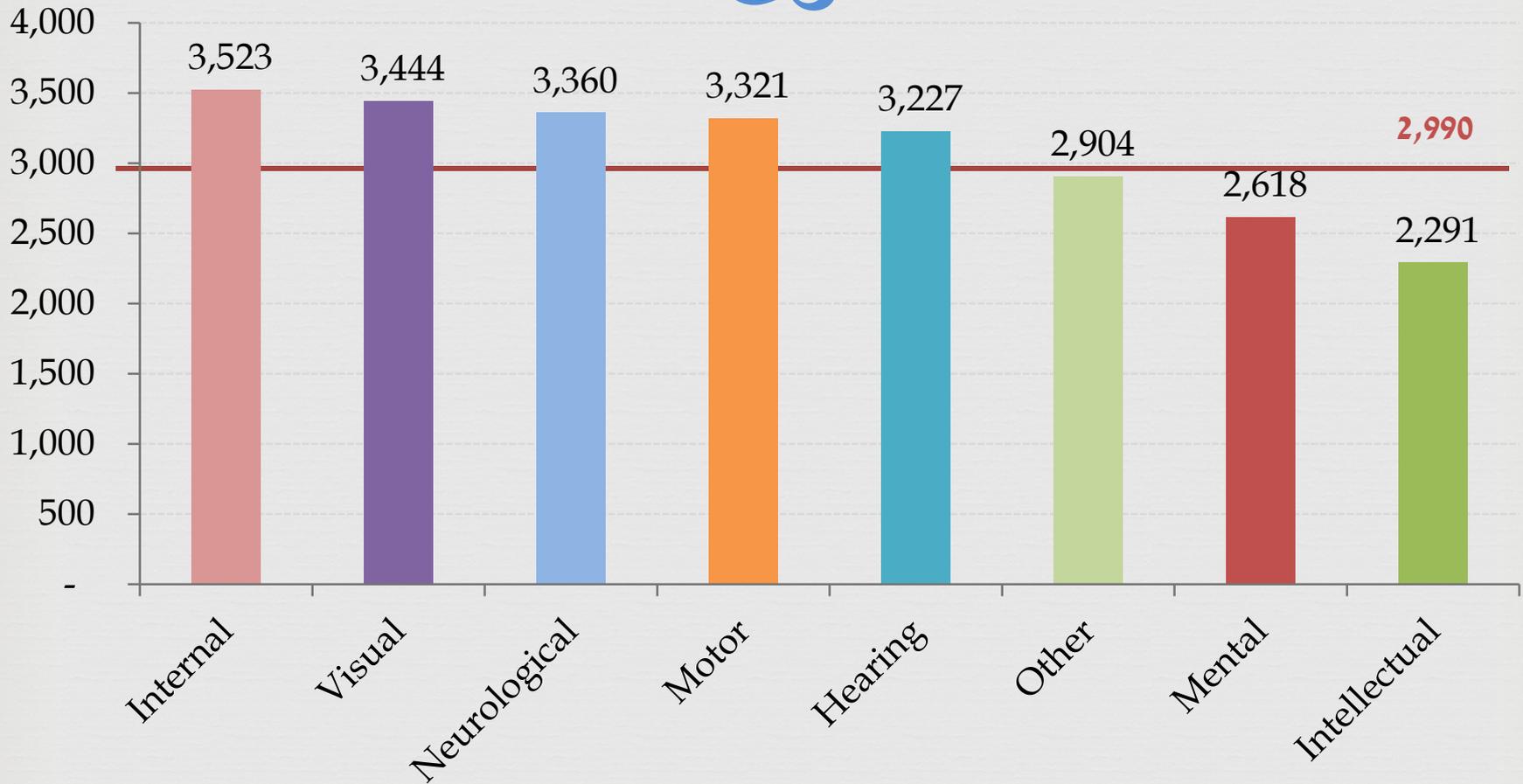


Source: Analysis of Administrative Data, 2014

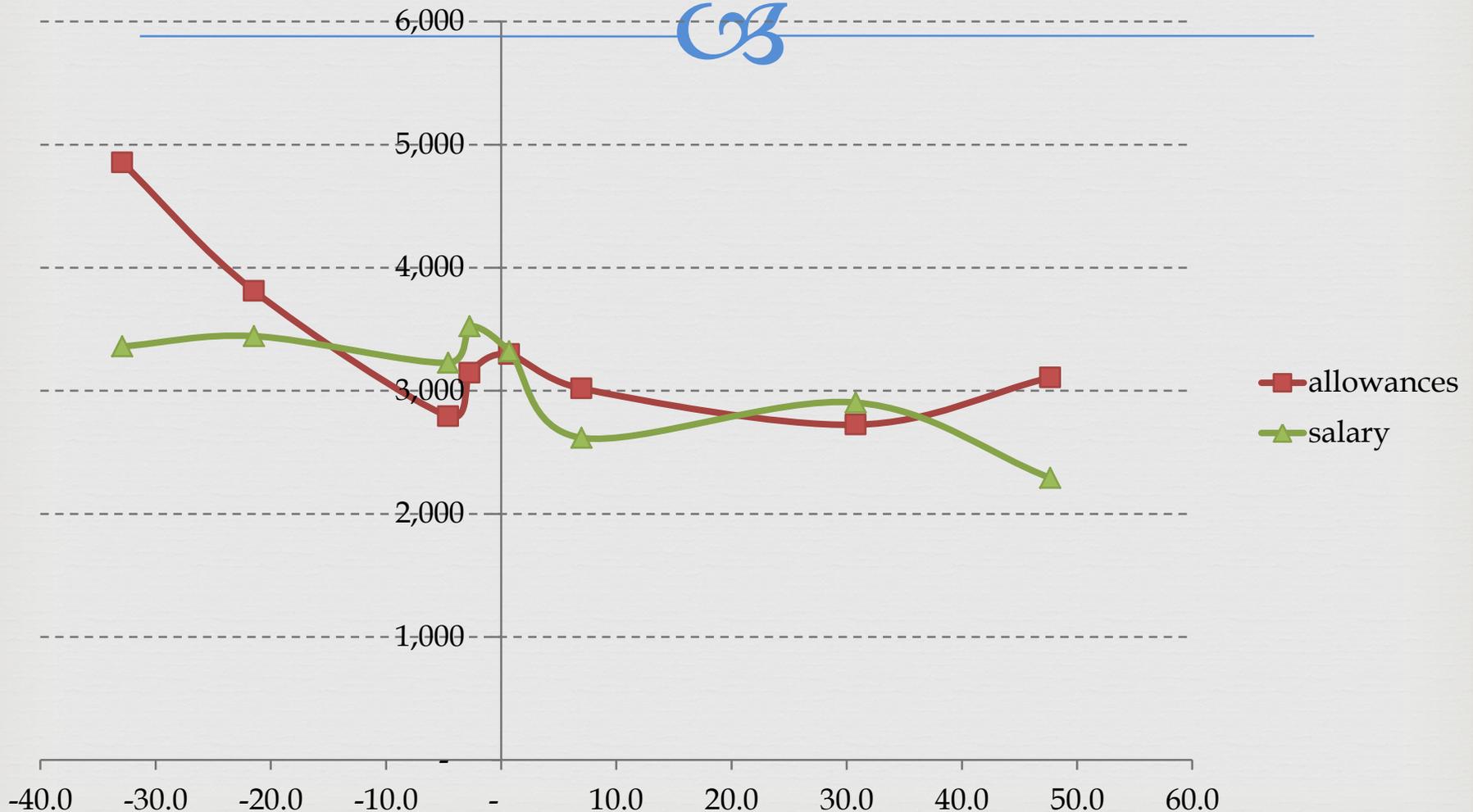
Employment Rate by Impairments: 2003-2014



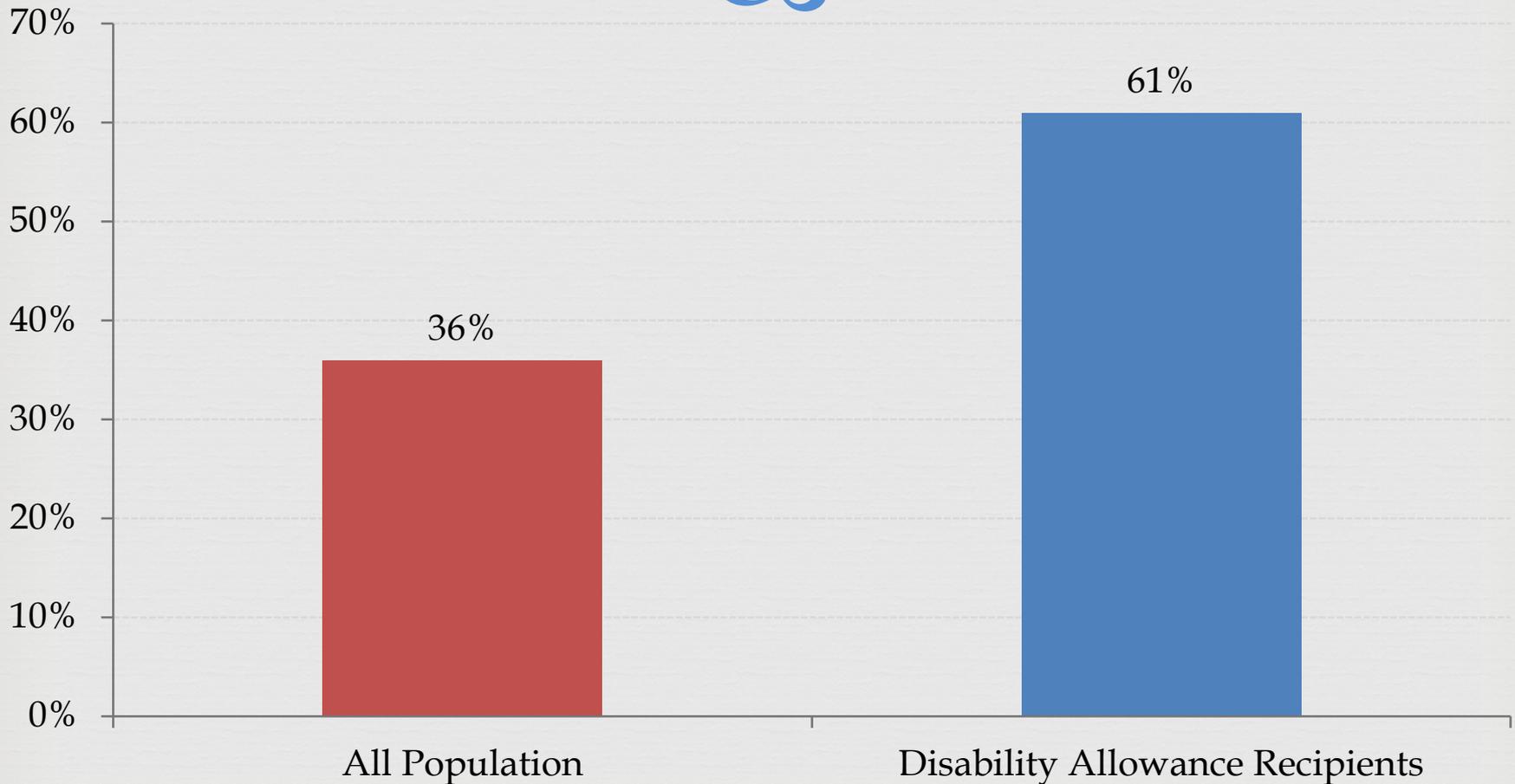
Average Salaries by Impairments



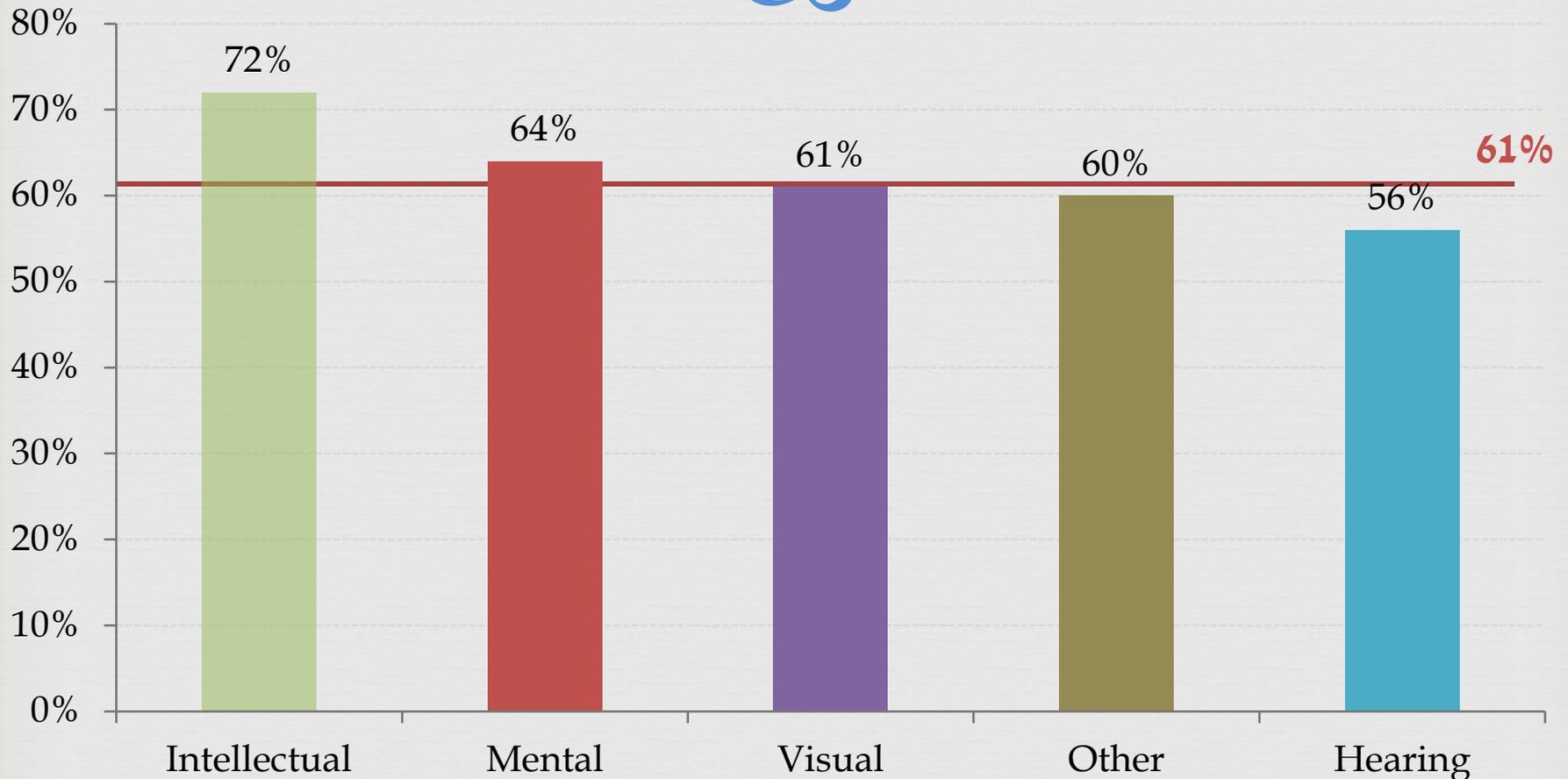
Correlation between relative poverty ratio and income



Without Matriculation Certificate: Population vs. Disability Allowance Recipients



Without Matriculation Certificate by Impairments



Conclusion



- ❧ Poverty incidence of PWD is higher than for the general poor, but poverty severity tends to be less for them.
- ❧ PWD are more likely to live alone and lonely people have higher poverty rate than others.
- ❧ The poverty rates vary, based on the type of impairment. They are highest for the intellectually impaired and lowest for the neurologically impaired.
- ❧ If we exclude 'functioning-benefits' (fb, no substitution) in the PWD's income definition then ranking changes, but if fb are really cost refunds then ranking changes.
- ❧ The more severe the disability, the greater is the amount of benefits and the lower is the likelihood of being poor.
- ❧ PWD work less and are less educated, but their employment ratio increases faster.
- ❧ The Laron reform seems to have improved earnings for the Hearing-impaired.

!Thank You



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