



# The Aging Readiness & Competitiveness Report

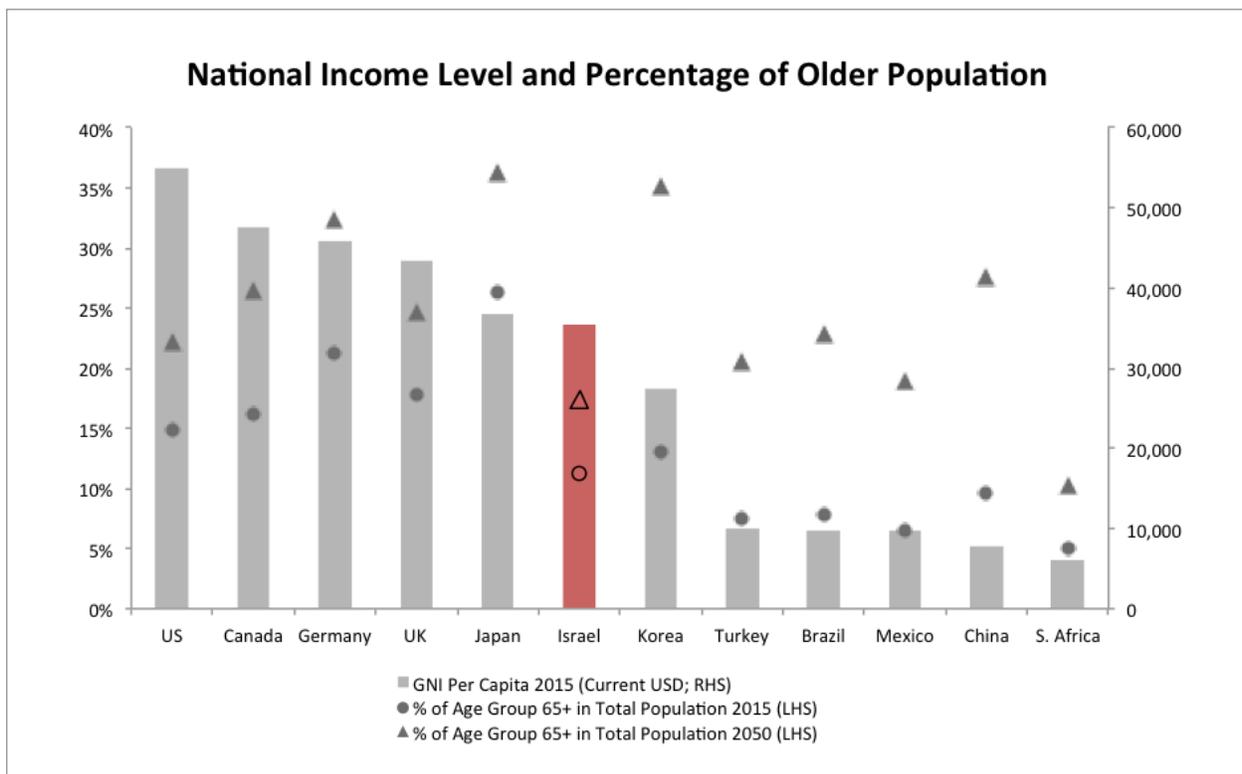
**ISRAEL**

## Overview

Israel stands out among high-income countries for its relatively young population. As of 2015, only 11.2 percent of Israel's total population was 65 or older, just over two-thirds of the average of its peers, and by 2050, Israel will have the youngest population among OECD countries. This is largely a result of having a comparatively high fertility rate, which stood at 3.05 children per woman from 2010 through 2015, nearly double the average of high-income countries.<sup>1</sup>

The role of older adults in Israeli society is shaped by cultural values focused on social inclusivity, as well as honoring the generations who founded and built the country. These values are seen in many long-standing programs operated by the government, often in collaboration with NGOs, to enable active aging and community-based engagement. In recent years, these have grown to include a focus on intergenerational connections and the integration of recent immigrants.

<sup>1</sup> United Nations (2015). *The 2015 Revision of World Population Prospects*.



(Sources: OECD, United Nations, World Bank)

Israel boasts high levels of labor force participation, compared with other OECD countries. The government actively engages in promoting the employment of older people and improving their employability, often in collaboration with the country's robust network of NGOs. They are also considering a proposal to increase the retirement age for women from 62 to 64, but that has sparked significant controversy and opposition.

For a relatively young country, Israel stands out for its early planning to ensure access to, and comfort with, technology. The country's digital divide is most pronounced among those 75 and older. More than half of those 65 through 74 use the Internet and computers and are rapidly closing the gap with the general population. In line with the "Startup Israel" ethos, tech companies are also moving into the silver economy, innovating new products and services to ease access and improve well-being.

Israel also boasts one of the healthiest and longest-lived populations in the world. For those who do need support, the country has a robust network of support for community centers and caregivers. However, serious gaps remain in the provision of, and payment for, long-term care.



## Community Social Infrastructure

Cultural and historical factors have produced a deep respect for older Israelis by the broader society. The current generation of older people (particularly those age 75 and older), many of whom immigrated from Europe following the Holocaust, and from the Middle East after the Arab-Israeli War, played central roles in building the country after its founding in 1948. In addition, the culture places a high value on families and close intergenerational ties.

### Social Connection

Most older Israelis live independently. As of 2013, 97 percent of people age 65 and older lived in their communities, as opposed to institutional care facilities, and nearly 70 percent of them lived away from children – 46 percent with their spouse, and 23 percent alone.<sup>2</sup> While living arrangements of older Israelis have stayed relatively stable in recent years,<sup>3</sup> certain long-term changes in family structure and roles have gradually limited the ability of families to care for their older family members, which include: rising divorce rate, women's increased participation in

the labor force, and greater geographic mobility and migration among younger families as a result of globalization. Despite these socio-demographic changes, social norms in Israel, which are anchored in both the Jewish and Islamic religions, still have a strong effect on filial responsibility and intergenerational solidarity.<sup>4</sup>

Given this context, it is no surprise that older adults in Israel are, overall, happier than their peers in other countries. According to a Gallup World Poll in 2014/2015, the average rating of life satisfaction of Israelis age 50 and older was 7.1 out of 10, compared with the OECD average of 6.4.<sup>5</sup> Eighty-two percent of people age 65 and older are satisfied or very satisfied with their lives, close to the rate of happiness of the overall population.<sup>6</sup> Older Israeli adults also feel most socially connected. Ninety-one percent of people age 50 and older feel that they have relatives and/or friends they could count on during times of need.<sup>7</sup>

Despite overall high life satisfaction, older adults are more likely than the younger

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<sup>2</sup> JDC Israel Eshel, MASHAV, Myers-JDC-Brookdale. (2015). *Israel's Elderly Facts and Figures 2015*.

<sup>3</sup> JDC Israel Eshel, MASHAV, Myers-JDC-Brookdale. (2011). *Israel's Elderly Facts and Figures 2011*.

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<sup>4</sup> Troisi, Joseph, and Hans-Joachim von Kondratowitz, editors. *Ageing in the Mediterranean*. University of Bristol Policy Press, 2013.

<sup>5</sup> OECD (2016). *OECD Society at a Glance 2016*.

<sup>6</sup> JDC Israel Eshel, MASHAV, Myers-JDC-Brookdale. (2015). *Israel's Elderly Facts and Figures 2015*.

<sup>7</sup> HelpAge International (2015). *Global AgeWatch Index 2015*. Gallup Analytics.

population to feel lonely. According to a survey conducted by Israel's Central Bureau of Statistics, 36 percent of older Israelis reported feeling lonely, a rate nearly 30 percent higher than that of the broader population (age 20 and older).<sup>89</sup> Reasons given by the Central Bureau of Statistics for this higher incidence of loneliness among older adults include retirement from work, forced change in place of residence, physical or mental deterioration, and a decline in active social involvement after retirement.<sup>10</sup>

### Community Services

Since the 1960s, the Israeli government has been promoting "aging in place," often in cooperation with NGOs providing community services that support older adults' remaining in their homes and communities.<sup>11</sup> Today, just 3 percent of older Israeli adults live in institutional care facilities.<sup>12</sup>

One of Israel's most innovative and successful programs is the Supportive Community program, which was first launched in 1989. It was initiated by JDC-Eshel, Israel's leading and oldest NGO focused on improving the quality of life for older adults, alongside the Ministry of Social Affairs and Social Services. For a monthly membership fee, the program

provides a range of services to older adults to enable them to live comfortably in their own homes:<sup>13</sup>

- **Community Father/Mother:** A salaried professional living nearby, who maintains regular contact and can help obtain medication or assist with household repairs.
- **Emergency Call System:** A system installed in a member's home to communicate with a call center, which coordinates the necessary response, whether it is from the Community Father/Mother, a family member, an ambulance, or police, depending on the issue.
- **Medical Services:** Doctors make home visits for a minimal fee, and ambulances can be summoned when necessary. (Cost is covered by the program in the event that an individual's health insurance does not cover it.)
- **Social Activities:** At least once per week, members participate in social activities, such as lectures, outings, volunteering, and other leisurely activities.

To date, the program has grown to some 250 Supportive Communities nationwide and more than 52,000 participants (around 40,000 households), equivalent to roughly 6 percent of older Israelis who live in their community.<sup>14</sup> The program is a low-cost

<sup>8</sup> Ibid.

<sup>9</sup> Yaron, Lee. (2016). Nearly Half of Israel's Elderly Suffer Loneliness. Hareetz.

<sup>10</sup> 2014 Central Bureau of Statistics.

<sup>11</sup> Brick, Yitzhak. (2011). Aging in Place in Israel. IFA Global Ageing 2011 Vol. 7 No. 2.

<sup>12</sup> JDC Israel Eshel, MASHAV, Myers-JDC-Brookdale. (2015). Israel's Elderly Facts and Figures 2015.

<sup>13</sup> Brick, Yitzhak. (2011). Aging in Place in Israel. IFA Global Ageing 2011 Vol. 7 No. 2.

<sup>14</sup> Ministry of Labour and Social Affairs of Israel (2016). Israel National Report for the Third Review and Appraisal Cycle of the Implementation of the Madrid International Plan of Action on Ageing and Its Regional Implementation Strategy.

alternative to an institutional setting, as monthly membership fees are around NIS 108 (approximately USD 30). Low-income participants also receive subsidies from the government. A 2010 survey conducted by the Myers-JDC-Brookdale Institute's Center for Research on Aging found high levels of satisfaction with the program: 77 percent of respondents expressed an overall satisfaction, 19 percent expressed a certain degree of satisfaction, and 4 percent expressed dissatisfaction.<sup>15</sup> Building on the existing infrastructure of the Supportive Community, JDC-Eshel is in the process of developing a new program called "Community for Generations," which will give greater attention to better-matching services for older adults' needs by engaging them as partners in the process of identifying the services appropriate for them as well as conducting assessments on their personal and families needs.<sup>16</sup>

### **Integrating New Arrivals**

Given the country's diverse population, efforts have also been made to improve the well-being of older immigrants. More than 70 percent of older Israelis were not born in the country,<sup>17</sup> and nearly 22 percent of older adults immigrated to Israel after 1990, the majority from the former Soviet

Union.<sup>18</sup> To help reduce loneliness among this group, the Ministry of Social Affairs and Social Services and local authorities, in cooperation with JDC-Eshel, have operated the Warm Home project since the 1990s. The project creates an opportunity for an older couple or individual to host older immigrants once or twice per week for social activities, enabling them to meet with people from similar backgrounds and alleviate their loneliness. JDC-Eshel and the government authorities involved assist in providing equipment and supplies (for example, televisions and movies) and food.

Warm Home is a proven model that has effectively helped social integration of older immigrants and has evolved with additional focuses over time. In 2006, the Myers-JDC-Brookdale Institute conducted a survey on the program, which estimated that 2,200 participants had attended over 100 "Warm Homes" throughout Israel in 2003. The survey results indicated high levels of satisfaction among participants, who reported that they had felt a sense of belonging, gained social support, and met new people.<sup>19</sup> Beginning in 2012, JDC-Eshel applied the Warm Home model to target older people with lower cognitive abilities, for those in rural and peripheral areas, and bereaved parents. To date, the program has more than 330 "Warm Homes" across the country.<sup>20</sup>

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<sup>15</sup> Brodsky, Jenny, Gazit, Zohar, Berg-Warman, Ayelet. (2010). Supportive Community: An Evaluation Study, 2010. Myers – JDC – Brookdale Institute Center for Research on Aging.

<sup>16</sup> Ministry of Labour and Social Affairs of Israel (2016). Israel National Report for the Third Review and Appraisal Cycle of the Implementation of the Madrid International Plan of Action on Ageing and Its Regional Implementation Strategy.

<sup>17</sup> Ibid.

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<sup>18</sup> JDC Israel Eshel, MASHAV, Myers-JDC-Brookdale. (2015). Israel's Elderly Facts and Figures 2015.

<sup>19</sup> Berg-Warman, A., Chekhmir, S.. (2006). The Warm Home Program for the Elderly: An Evaluation Study.

<sup>20</sup> Interview with Jenny Brodsky, Director of Center for Research on Aging of Meyers-JDC-Brookdale Institute. February 2017.

## Reinforcing Intergenerational Connections

As intergenerational solidarity plays a central role in Israeli society's value system, the government, led by the Ministry of Social Equality, has developed a number of projects that support older adults' active living while facilitating interaction between younger and older generations. Starting in 2007, young Israelis opting for National Service (a program for those not completing their mandatory military service) could volunteer and help older adults with their daily activities, such as shopping or going to their local community center. In 2015, 235 people participated in the program.<sup>21</sup> Each volunteer goes to five to seven houses on average over the course of a week. A similar program called "Our Parents" ("Ahalina") began in 2011 and focuses on the Arab-Israeli and Ultra-Orthodox demographics, who tend to be at higher risk of poverty. In 2015, 125 volunteers helped in 25 communities.<sup>22</sup>

One of the most innovative programs aimed at serving older adults while strengthening intergenerational ties is the Here We Live program. The Ministry of Construction and Housing launched the first pilot of the program in 2014, in conjunction with the Ministry for Social Equality and the National Union of Israeli Students. Now entering its fourth year, the program matches college students with older adults who can care for themselves

*"The spirit of the program is the most beautiful part of it. These students are actually thanking the older generation that founded and created the country. Giving and taking – that is actually the real aim of the program."*

– Adi Vahav, Special Project Manager, Ministry of Construction and Housing

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independently and have a spare bedroom at home. The program aims to reduce loneliness of older adults and enhance their connections with people from younger generations, while supporting students and making higher education more financially accessible. A student participating in the project pays only NIS 250–300 (approximately USD 65–80) per month for rent and expenses and receives an NIS 8,000 (approximately USD 2,110) scholarship, which is equivalent to between half and two-thirds of the average tuition cost. In exchange, the student is required to sleep at the host's home at least three nights per week and engage in social activities with the older adult for at least five hours per week. According to Adi Vahav, Special Project Manager at the Ministry of Construction and Housing, "The spirit of the program is the most beautiful part of it. These students are actually thanking the older generation that founded and created the country. Giving and taking – that is actually the real aim of the program."<sup>23</sup> The program was successfully

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<sup>21</sup> Ministry for Social Equality of Israel.

<sup>22</sup> Respect to the Elders Program. MATAV, Association for Care and Welfare Services: Nursing Services and Counseling for the Elderly.

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<sup>23</sup> Interview with Adi Vahav, Special Project Manager, Ministry of Construction and Housing. November/December 2016.

piloted in the school year 2014–2015 with over 100 matched participants – the number more than doubled in the 2016–2017 year, with 3,700 students and older adults applying to participate.<sup>24</sup> The program is now being replicated in the United Kingdom and studied by other countries.

### Physical Infrastructure

Like many other countries, Israel provides older adults with subsidies to use public transportation and facilities, in an attempt to encourage their social engagement and mobility. Older Israeli citizens (women age 60 and men age 65) are eligible for a 50 percent discount on public bus and train fares, and only need to pay half price for entrance tickets to nature reserves, heritage sites, and national parks.<sup>25</sup> Older people who use wheelchairs are also entitled to reserved seats on trains.

However, one-third of Israelis age 65 and older have some difficulty with mobility, and the accessibility of public facilities for people with disabilities varies by region.<sup>26</sup> A 2016 study conducted by Das International ranked the 20 largest cities in Israel by their accessibility, with grades ranging from 1.8 to 9.3 (out of 10). In Haifa, which is the most accessible city, bus stops allow people using wheelchairs

to board buses independently, and loudspeakers announce the schedules and routes of buses; municipal facilities are also designed to accommodate disabled people with lowered reception counters, accessible signs, and courteous services. In contrast, in the lowest-ranking city, Nazareth, people using wheelchairs often find it difficult to board buses, and those with disabilities cannot even easily access restrooms at bus stations. In addition, parking spaces for people with disabilities are not available at public theaters in Nazareth.<sup>27</sup>

A variety of government efforts have been made to improve physical infrastructure in order to maintain older adults' independence and improve their mobility. One focus area has been improvement of accessibility of public transport for people with disabilities, including disabled older adults. As of 2015, older adults age 65 and older accounted for nearly 40 percent of the total disabled population (age 20 and older).<sup>28</sup> Since 2003, local bus companies have been required to retrofit their facilities and vehicles to meet accessibility requirements, including installment of wheelchair elevators, ramps, and appropriate loudspeaker systems. The government is authorized to file criminal charges against those that do not

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<sup>24</sup> Interview with Adi Vahav, Special Project Manager, Ministry of Construction and Housing. November/December 2016.

<sup>25</sup> All Rights (Kolzchut) Database.

<sup>26</sup> JDC Israel Eshel, MASHAV, Myers-JDC-Brookdale. (2015). Israel's Elderly Facts and Figures 2015.

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<sup>27</sup> Grave-Lazi, Lidar. (2016). Report: Gaps Between Disabled and General Population Expanding in Israel. The Jerusalem Post.

<sup>28</sup> Israel Central Bureau of Statistics. (2015). Selected Data from the 2015 Social Survey for the International Day for Rights of Persons with Disabilities.

comply.<sup>29</sup> However, accessibility regulation on long-distance buses that travel between cities and tend to have higher floors than local buses is currently missing, and the government and advocacy groups like Access Israel are looking to best practices in other countries.<sup>30</sup>

Another focus for building age-friendly physical infrastructure is public facilities. In 2009, the government amended the Planning and Building regulations to require all new buildings to be accessible for the disabled, older adults, and those suffering from mobility issues. Further amendments were made in 2011 to extend accessibility requirements to retrofits of older buildings. The regulation requires the private sector to fulfill the

implementation by 2017, local authorities (that is, municipalities) by 2021, and other public bodies by 2018.<sup>31</sup> Implementation has been mixed. According to Yuval Wagner, President of Access Israel, large businesses, such as banks, hotels, and chain restaurants, have largely complied, but small and medium-sized enterprises have not. As only 20 percent of the SMEs are required to obtain and renew business licenses from the government, there is a lack of effective means to enforce the regulations among them. Wagner also noted that a lack of strong motivation among local authorities could lead to slow implementation of the regulation of public buildings on local levels.<sup>32</sup>

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<sup>29</sup> David, Leiba Chaya. (2015). Revised Law Lays Foundation for a More Inclusive Israeli Society. Jewish Philanthropy.

<sup>30</sup> Interview with Yuval Wagner, founder and president of Access Israel. January 2017.

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<sup>31</sup> Paraszczuk, Joanna. (2011). Public Buildings Required to Provide Access to Disabled. The Jerusalem Post.

<sup>32</sup> Interview with Yuval Wagner, Founder and President of Access Israel. January 2017.

## Productive Opportunity

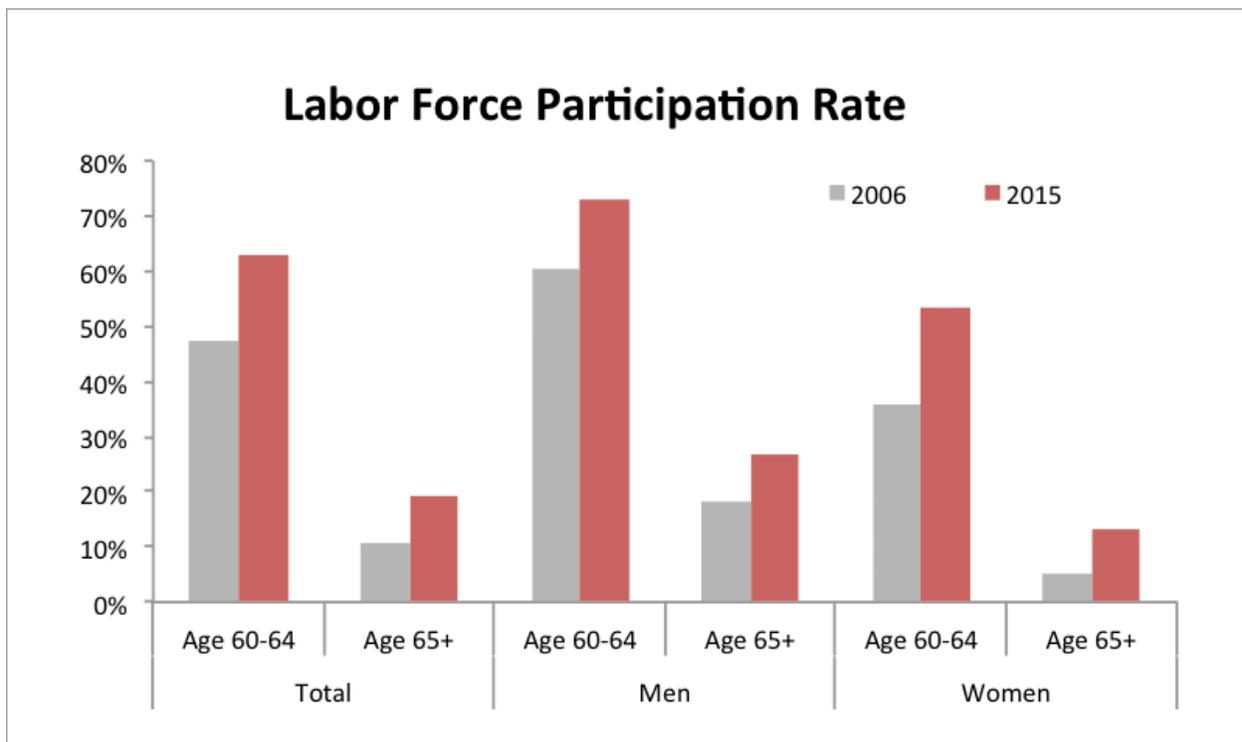
Israel has relatively high older-age labor force participation, compared with most OECD countries, partly due to its pension system and reform in retirement age in the early 2000s. As the population continues to age, the government is paying greater attention to older adults' economic participation. While a variety of policies and programs have been put in place by the government, often in collaboration with NGOs, to create employment opportunities for older adults and to improve their employability, one potential policy that could immediately boost older adults' participation in the labor force is

the raising of women's retirement age, which has been controversial.

### Labor Participation of Older Adults

Older adults in Israel have been working longer over the past decade, with the labor participation rate of people age 65 and older growing from 11 percent to 19.1 percent as of 2015.<sup>33</sup> This increase is due to a range of factors, including the raising of the retirement age, improved employability due to increasing levels

<sup>33</sup> OECD Statistics.



(Source: OECD Statistics)

of education,<sup>34</sup> and women's greater participation in the labor force.<sup>35 36</sup>

Older adults in Israel also tend to be more active in the labor market than do their counterparts in most of the other OECD countries. As of 2015, the labor force participation of adults age 65 and older was more than one-third higher than the OECD average.<sup>37</sup> The high labor participation is attributed to Israel's high pensionable retirement age (i.e., the eligibility age for the universal basic pension)<sup>38</sup> for men, which is age 67, and higher than in other OECD countries (with the exception of Norway and Iceland, which also set the age at 67).<sup>39</sup> In addition, because occupational pensions (earning-related) only became mandatory in 2008, fewer than 40 percent of people over the pensionable retirement age today have occupational pension income in addition to the universal basic pension, creating a financial incentive to remain in the labor force.

However, certain barriers to older adults' participation in the labor force remain. Although Israel amended the 1988 Law

of Employment Opportunities to outlaw age discrimination, employers still tend to prefer younger workers.<sup>40</sup> Older adults often find themselves in a labor market that does not value the skills and experiences that they have accrued over the years.<sup>41</sup> Moreover, they face financial disincentives to return to the labor force after retirement.<sup>42 43</sup> Currently, if a retiree is engaged in part-time or full-time work, their occupational pension will be taxed, which would not occur otherwise.<sup>44</sup> In addition, the increasing popularity of online job application platforms, coupled with a lower digital literacy, has likely inhibited older adults from accessing job opportunities and submitting applications.<sup>45</sup>

### Raising the Retirement Age

Increasing the pensionable retirement age has been the main policy tool to boost labor participation of older adults in Israel, with the primary aim of reducing the cost of the pension program during the fiscal

<sup>34</sup> Taub Center for Social Policy Studies in Israel. (2013). State of the Nation Report: Society, Economy and Policy in Israel.

<sup>35</sup> Taub Center for Social Policy Studies in Israel. (2015). Postponing Retirement? Employment Trends Among Israel's Older Adults.

<sup>36</sup> Experts also noted that another artificial factor that has contributed to the increase of older adults' labor participation since 2012 has been a change in the Central Bureau of Statistics sampling methodology.

<sup>37</sup> OECD Statistics.

<sup>38</sup> There are limits on earnings from work for people eligible for universal pension payments. For those who have earnings above the limits, men receive pension payments at 70, and women at 67.

<sup>39</sup> OECD (2015). *Pensions at a Glance*.

<sup>40</sup> Doron, Israel Issi, Law and Ageing in Israel: The Development of a New Field of Law (June 28, 2007). 2 Journal of International Aging, Law and Policy 33 (2007).

<sup>41</sup> Interview with Ayal Kimhi, former Deputy Director and Head of Research at the Taub Center for Social Policy Studies. November 2016.

<sup>42</sup> Taub Center for Social Policy Studies in Israel. (2015). Postponing Retirement? Employment Trends Among Israel's Older Adults.

<sup>43</sup> Taub Center for Social Policy Studies in Israel. (2013). State of the Nation Report: Society, Economy and Policy in Israel.

<sup>44</sup> Interview with Ayal Kimhi, former Deputy Director and Head of Research at the Taub Center for Social Policy Studies. November 2016.

<sup>45</sup> Interview with Rivi Beller, CEO of Vahadarta, November 2016.

crisis that emerged in the early 2000s. In response, the government introduced socio-economic policies that focused on cuts in public expenditures, including changing the retirement age.<sup>46</sup> The 2004 Retirement Age Law gradually increased the retirement age from 65 to 67 for men and from 60 to 62 for women between 2004 and 2009.<sup>47 48</sup>

One policy under consideration is a further increase in the retirement age of women, which in Israel is below the OECD average. The current five-year difference in retirement age for men and women has contributed to gender disparities in labor force participation – as of 2015, older women’s labor force participation rate was less than half of that of older men.<sup>49</sup> A public commission, led by the Ministry of Finance, is working on a proposal to raise the age from 62 to 64. While raising women’s retirement age has gained support from the Ministry of Finance and the Bank of Israel, which emphasize its importance to fiscal sustainability, it is facing opposition from women’s organizations and leftist parliamentarians, who contend that delaying women’s receipt of pensions would damage their financial well-being, given their generally less-favorable employment environment.<sup>50</sup>

<sup>46</sup> Spivak, Avia, Troitsky, Rita. (2013). Pension Reform in Israel. *Public and Municipal Finance*.

<sup>47</sup> Doron, Israel. (2007). Law and Ageing in Israel: The Development of a New Field of Law. *The Journal of International Aging, Law & Policy*.

<sup>48</sup> United States Social Security Agency. (2004). International Update, January 2004. Research, Statistics & Policy Analysis.

<sup>49</sup> OECD Statistics.

<sup>50</sup> Interview with Jenny Brodsky, Director of Center for Research on Aging of Meyers-JDC-Brookdale Institute. February 2017.

According to OECD data, Israel has the fourth highest gender-wage gap among OECD countries (behind Korea, Estonia, and Japan).<sup>51</sup> The wage gap between women and men in Israel’s labor market ranges from 32 percent to 42 percent, depending on the calculation method used. It is very common for women to work fewer hours and accept lower salaries than men, as they continue to assume primary household responsibilities like raising children. In addition, women are more likely to be employed in lower-wage occupations and industries. The public commission is expected to bring the proposal to the Knesset (parliament) by July 2017 at the earliest.<sup>52</sup>

### **Creating Employment Opportunities for Older Adults**

As awareness grows of the new challenges and opportunities associated with the aging of its population, the government is paying greater attention to tapping the productive potential among older people.<sup>53</sup> <sup>54</sup> The National Economic Council under the Prime Minister’s Office, together with the Ministry of Social Equality, has been leading this effort. One major action taken by the government was to establish a pilot program in 2015, in coordination with JDC-Eshel, which aims to create an employment track in the civil service for those over the age of retirement. These workers will be

<sup>51</sup> OECD Employment Database 2014. Gender Wage Gap.

<sup>52</sup> The Marker. (2016). Ringing Out the Old, Ringing Up the New.

<sup>53</sup> Interview with Jenny Brodsky, Director of Center for Research on Aging of Meyers-JDC-Brookdale Institute. February 2017.

<sup>54</sup> Resolution 834 of the Government (2015)..

given the opportunity to work up to 120 hours per month in positions separate from those standard for civil servants.<sup>55</sup> The government also allows older civil servants, who work in occupations with labor shortages, to extend service past their retirement age.

The government has also been working to encourage the employment of older adults as an important component of its effort to promote labor force diversity. In 2014, the Ministry of Economy ran an online public campaign to encourage labor force diversity, which included an increase in recruitment of older adults, in addition to people of other segments, like Ultra-Orthodox and Arab-Israelis.<sup>56</sup> However, some experts contend that substantial incentives, such as tax benefits, would be needed in order to prompt the private sector's employers to hire older adults.<sup>57</sup>

### **Assisting Older Adult's Job-Seeking Efforts**

The government is actively working with NGOs to provide assistance for those seeking employment. The National Insurance Institute (Israel's social security agency) and the Ministry of Social Equality have been working with JDC-Eshel, in cooperation with local associations, to

establish programs that support older adults' employment by offering placement assistance and training opportunities since 2010.<sup>58</sup> One of these local associations is the 50 Plus-Minus Foundation,<sup>59</sup> whose "Employment 60+" program has two centers providing résumé and job-seeking workshops, training to help older adults prepare for reintegration in the labor force, and volunteer opportunities for older adults so that they can be potentially hired later by those employers. They also offer advice and guidance for those looking to start new businesses.<sup>60</sup>

There is also an increasing focus on assisting older people who have left the job market for a relatively long period and tend to face more difficulty in becoming re-employed. In 2016, the Ministry of Economy, the Ministry of Social Equality, and JDC-Eshel jointly launched the "Midway" program ("Emtza Haderech"), establishing placement centers that particularly serve people ages 45 through 75 who have been out of work for more than six months.<sup>61 62</sup> The placement

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<sup>55</sup> Ministry of Labour and Social Affairs of Israel (2016). Israel National Report for the Third Review and Appraisal Cycle of the Implementation of the Madrid International Plan of Action on Ageing and Its Regional Implementation Strategy.

<sup>56</sup> Ibid.

<sup>57</sup> Interview with Yael Benvenisti, Gerontologist, Chairperson of the SIG Technologies of Aging Well, the Society of Electrical and Electronic Engineers in Israel. October 2016.

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<sup>58</sup> Ministry of Labour and Social Affairs of Israel (2016). Israel National Report for the Third Review and Appraisal Cycle of the Implementation of the Madrid International Plan of Action on Ageing and Its Regional Implementation Strategy.

<sup>59</sup> The Center for Adult Employment 60+. 50 Plus-Minus Foundation

<sup>60</sup> Shnoor, Yitzchak. (2015, March). *Employment Programs for Older Adults*. The National Insurance Institute of Israel.

<sup>61</sup> Ministry of Labour and Social Affairs of Israel (2016). Israel National Report for the Third Review and Appraisal Cycle of the Implementation of the Madrid International Plan of Action on Ageing and Its Regional Implementation Strategy.

<sup>62</sup> Hasisi, Rada. (2014, December 7). *Government Programs to Integrate Workers Aged 40 and Over into the Labor Market*. Knesset Research and Information Center.

centers will help to match potential employers with these older adults who have specific expertise in certain areas. So far, two placement centers have been opened, with an additional one coming.<sup>63 64 65</sup>

While older job-seekers in most countries today tend to grapple with online job applications due to a lack of familiarity with the new digital tools, an innovative online job portal called “Experienced Wanted” (“Darush Nisayon”), which was recently launched in Israel and is dedicated to people age 60 and older, could provide a solution. The job portal was established in 2015 by the NGO “Vehadarta” (meaning “And Respect”) and the Ministry of Social Equality and is the country’s first and

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<sup>63</sup> Ministry of Labour and Social Affairs of Israel (2016). Israel National Report for the Third Review and Appraisal Cycle of the Implementation of the Madrid International Plan of Action on Ageing and Its Regional Implementation Strategy.

<sup>64</sup> “Midway” program (45-75) – Employment Centers for Adults. Ministry of Economy and Industry.

<sup>65</sup> Ramp – Employment for Young People with Disabilities.

flagship online job platform dedicated to older adults. Using its website, registrants submit their résumés and can seek résumé guidance and advice through a hotline. Staff screen the résumés and pass them to relevant employers while maintaining contact with applicants throughout the process, as well as conducting follow-ups after placement. Support provided throughout the process is particularly important, according to Vehadarta’s CEO, Rivi Beller, since many older adults are not used to applying for jobs online and often become frustrated when they do not hear from employers receiving a high volume of applications. So far, over 10,000 people have registered on the site, and 50 to 60 receive job placements every week. The majority of jobs are in finance, accounting, quality assurance (largely secretarial), and, on a part-time basis, investigation or inspection (for example, testing quality at supermarkets or restaurants). In addition, Vehadarta is currently working on creating an online teaching workshop platform.<sup>66</sup>

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<sup>66</sup> Interview with Rivi Beller, CEO of Vahadarta, November 2016.

## Technological Transition

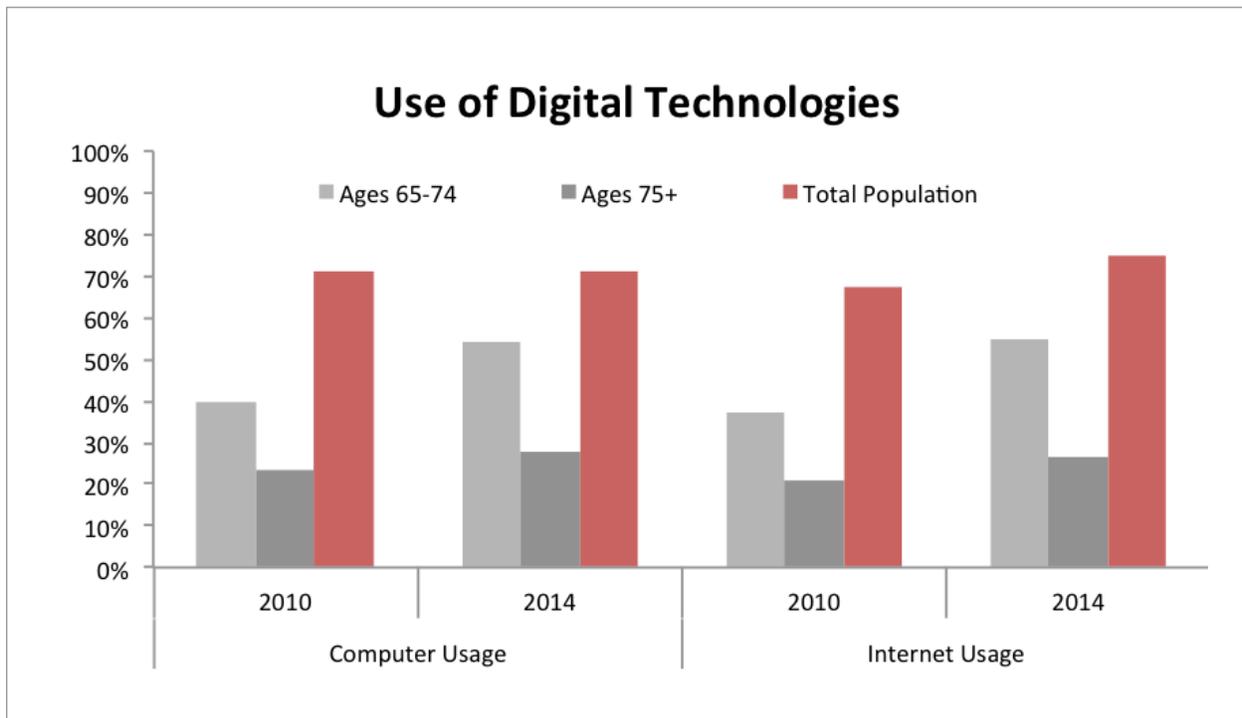
Dubbed the “Startup Nation,” Israel’s technology sector has begun to move into aging-related businesses in recent years. Policy efforts have also been made to improve digital literacy, helping to reduce the digital divide between older and younger populations and contributing to increased adoption of digital devices among older adults.

### The Digital Divide

Older adults in Israel lag behind the younger population in adopting digital technologies but are gradually catching up. As of 2014, the 54 percent of people

ages 65 through 74 were Internet users, compared with 71 percent overall, but that figure has been just 35 percent for those aged 75 and older. Similar patterns were observed with computer usage, but the usage gap has been shrinking. The difference in computer usage between the general population and people ages 65 through 74 decreased by nearly 15 percentage points between 2010 and 2014, and the difference in Internet usage reduced by 10 percentage points.<sup>67</sup>

<sup>67</sup> 2014 Social Survey. Table 5, Ages 20 and Over, Computer Usage, Internet Usage, and Selected Characteristics. Central Bureau of Statistics (Israel).



(Source: Social Survey, Central Bureau of Statistics; users are defined for a recall period of three months)

While the digital divide is closing between the older and younger populations, certain barriers remain, including a discomfort with learning a new technology. There is also a lack of good promotion for products that are designed for older adults. Experts note that older consumers do not necessarily embrace products that are marketed specifically for them, as they feel stigmatized. According to Yael Benvenisti of SIG Technologies of Aging Well, it would be better for those products to be marketed to everyone, but with a focus on simplicity and ease of use, which are most appealing to older consumers.<sup>68</sup>

### Reducing the Digital Divide

The progress noted above is at least in part due to initiatives that the government has had in place since the early 2000s.<sup>69</sup> The government started to build LEHAVA centers (“LEHAVA” is an acronym for words translating to “reducing the digital divide in Israeli society”) in 2002, to expand access to computers and the Internet. Free courses are offered at these centers, covering the basics of Internet use (e.g., sending and receiving e-mail, and navigating government websites) and certain software (e.g., Excel, Word, PowerPoint, and Photoshop). Today, there are 30 such centers around Israel, where 60,000 to 70,000 people have taken courses, and 100,000 have used the

facilities. Representatives of the LEHAVA program note that older adults have demonstrated particular interest in using the Internet for information searching (e.g., government websites, recipes, and travel) and for social aspects (e.g., social media and online picture albums).<sup>70</sup>

Given that children and young adults make up 70 percent of participants, one interesting approach that several of the LEHAVA centers have taken focuses on intergenerational programs, where older adults and their grandchildren work on a project together, such as compiling a slideshow.<sup>71</sup> Similar intergenerational projects have been initiated in other programs that also have computer-training components. These include the “Elderly on the Move” program, where members of youth movements participate in activities with senior citizens including computer lessons, and the “Through the Eyes of the Elderly” (“Mizkeinim Etbonen”) program, where youth help older adults compose their personal and life stories using a computer to add to a family tree database.<sup>72</sup>

Eliminating the digital divide across the society is also part of the government’s national strategy – the “Digital Israel”

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<sup>68</sup> Interview with Yael Benvenisti, Gerontologist, Chairperson of the SIG Technologies of Aging Well, the Society of Electrical and Electronic Engineers in Israel. October 2016.

<sup>69</sup> Second Open Government National Action Plan Israel 2015-2017.

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<sup>70</sup> Interview with Rachel Baruch, Training and Programming, LEHAVA. November 2016.

<sup>71</sup> Interview with Rachel Baruch, Training and Programming, LEHAVA. November 2016.

<sup>72</sup> Ministry of Labour and Social Affairs of Israel (2016). Israel National Report for the Third Review and Appraisal Cycle of the Implementation of the Madrid International Plan of Action on Ageing and Its Regional Implementation Strategy.

initiative – which was introduced in 2013.<sup>73</sup> The initiative is aimed at bridging socio-economic gaps, building more user-friendly e-government services, and accelerating economic growth by focusing on digital technologies. It stressed the importance of improving digital literacy and is currently working on a proposal for digital literacy programs, including those for older adults, expected to roll out in 2017.<sup>74</sup>

### Promoting ICT-Driven Solutions

Israel is a world leader in digital healthcare.<sup>75</sup> In 2014, the Ministry of Health launched the world's first nationwide healthcare information-exchange system, which allows for the sharing of clinical patient data and electronic medical records among health providers, hospitals, and other providers. As a result, it helps to identify health challenges and trends and to enhance the efficiency and quality of healthcare services, benefiting the general population, including older adults. Healthcare providers have also taken advantage of technological solutions, integrating mobile apps, enabling people to easily access their medical records, while also having videoconferencing platforms that can connect patients at home to their doctors.<sup>76</sup>

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<sup>73</sup> Embassy of Israel in India. (2014). "Digital Israel" – National Initiative.

<sup>74</sup> Interview with an anonymous government officer at Digital Israel. November 2016.

<sup>75</sup> Myers-JDC-Brookdale Institute. (2011). Healthcare in Israel for U.S. Audiences.

<sup>76</sup> Health Systems in Transition, Vol. 17. No. 6 2015; Israel, *Health System Review*.

Aside from capitalizing on the information and communications technology (ICT) to advance healthcare services, the government is increasingly paying attention to the application of ICT in older-age care. In 2014, the Ministry of Science, Technology, and Space announced grant proposals specifically focused on technological innovations for the aging population.<sup>77</sup> The Ministry's budget for these proposals was up to NIS 15 million (approximately USD 4.2 million).<sup>78</sup> One project that won a grant is undertaken by researchers at southern Israel's Ben Gurion University, focused on developing robot systems to assist older adults in their daily life activities.<sup>79</sup> There is growing interest in service robots in Israel's already sizeable robotics industry, which traditionally has focused on robotics solutions pertaining to defense and security, medical care, and agriculture.

### Private-Sector Engagement

There has been increased interest from the private sector in aging-related technology in recent years. According to Yael Benvenisti, Chairperson of the SIG Technologies of Aging Well (Society

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<sup>77</sup> Leichman, Abigail Klein. (2014). R&D for the Elderly: Science Announces a Grant Program for Israeli Researchers Focusing on Scientific and Technological Innovations for the Aging Population. Israel21c.

<sup>78</sup> Ministry of Science, Technology and Space. (2014). For the Development of Scientific and Technological Advances in the Field of Science, Technology, and Innovation for the Third Age Population 2015.

<sup>79</sup> Jewish Science News Service. (2015). Israel's Ben-Gurion University to Develop Robots to Help Senior Citizens.

of Electrical and Electronic Engineers in Israel), over the last four years an increasing number of Israeli startup incubators have been specifically dedicated to developing solutions for the aging population as they recognize the considerable marketing opportunity for this demographic.<sup>80</sup>

“Com.Unity,” a startup incubator on a mission of enhancing social technology empowerment, focused their 2015 challenge on creating a technological solution that helps to improve daily lives of older adults. The incubator provided the winners with funds and placements in their accelerator.<sup>81</sup> Similarly, Aging 2.0, a global platform dedicated to accelerating innovation to improve the lives of older adults, hosted a competition on aging-tech products and solutions in the summer of 2016 at the Conference for Technologies for Aging Well.<sup>82</sup> The winning product, MyndYou, is a mobile platform

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<sup>80</sup> Leichman, Abigail Klein. (2016). 12 Aging-Tech Israeli Startups to Watch. Israel21c.

<sup>81</sup> Com.Unity. Appgrading Society 2015 Official Movie.

<sup>82</sup> Leichman, Abigail Klein. (2016). 12 Aging-Tech Israeli Startups to Watch. Israel21c.

to help people with early-stage cognitive deterioration maintain independence.

A number of aging-tech startups and projects have emerged, which are based in Israel but keen to tap global markets.<sup>83</sup> Easy to Connect (E2C) created a basic smart phone and a basic tablet that are designed to help older adults easily access the latest communication technologies with age-friendly features, including large print, one-button navigation, and other streamlined processes.<sup>84</sup> <sup>85</sup> EchoCare Technologies is developing an older-adult home-monitoring system, which is based on radio-frequency (RF) sensors and does not compromise privacy but enables analysis of human indicators and detection of emerging situations, including falls, long stays in the bathroom, and hyperventilation.<sup>86</sup> <sup>87</sup>

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<sup>83</sup> Interview with Dov Sugarman, Aging 2.0’s Israel representative. October 2016.

<sup>84</sup> Leichman, Abigail Klein. (2016). 12 Aging-Tech Israeli Startups to Watch. Israel21c.

<sup>85</sup> Easy to Connect (E2C) Homepage.

<sup>86</sup> Capital Care Associates. (2016). A.20 Global Startup Search – Boston Chapter.

<sup>87</sup> Echo Care Technologies Homepage.

## Healthcare and Wellness

Both life expectancy and healthy life expectancy of Israeli people are among the highest in the world and continue to extend. As in most other countries, however, the increase in “health span” tends to lag behind that in “life span.” Over the past decade, while the life expectancy of people ages 60 through 64 grew by 1.6 years, the improvement in the healthy life expectancy lagged behind, increasing by 1.2 years.<sup>88</sup> Among older adults who live at home, nearly 35 percent have difficulties with mobility, and 16 percent have significant difficulty or are unable to perform basic daily living functions.<sup>89</sup> In response, the government has focused on supporting home and community care services in addition to the other community services mentioned earlier that support active and healthy aging.<sup>90</sup>

### Government Focus on Home-Based Care Services

The principles and scopes of long-term care (LTC) benefits for older adults were established in the 1988 Long Term Care Law, which provides older adults who pass

an income means test<sup>91</sup> with a basket of services. Specifically, the services include: personal home care assistance between 10 and 18 hours a week (hour allotment based on disability levels); visits to day care centers; disposable absorbent products; distress-call transmitters; and laundry services. Additionally, for those who want to employ a full-time personal caregiver, they can receive the LTC benefit in cash (up to the cost equivalent of 10 to 18 hours) in order to help subsidize the service.<sup>92</sup> Since the introduction of the 1988 law, older adults who receive home care have reached 19 percent of the total older population, nearly 10 times as many as before.<sup>93</sup> During the same time, the number of day care centers more than tripled from 52 in 1990<sup>94</sup> to 163 today.<sup>95</sup> Although there is a generally high level of

<sup>88</sup> Institute for Health Metrics and Evaluation. Global Health Data Exchange.

<sup>89</sup> JDC Israel Eshel, MASHAV, Myers-JDC-Brookdale. (2015). *Israel's Elderly Facts and Figures 2015*.

<sup>90</sup> Rosen, Bruce, Waitzber, Ruth. *The Israeli Health Care System*. The Commonwealth Fund.

<sup>91</sup> Benefits are reduced by 50 percent if income is over a certain level.

<sup>92</sup> Asiskovitch, Sharon. (2012). *The Long-Term Care Insurance Program in Israel: Solidarity with the Elderly in a Changing Society*. *Israel Journal of Health Policy Research*.

<sup>93</sup> Health Systems in Transition, Vol. 17. No. 6 2015; Israel, *Health System Review*. p. 139; Interview with Jenny Brodsky, director of Center for Research on Aging of Meyers-JDC-Brookdale Institute. October 2016.

<sup>94</sup> Brick, Yitzhak. (2011). *Aging in Place in Israel*. IFA Global Ageing 2011 Vol. 7 No. 2.

<sup>95</sup> Ministry of Labour and Social Affairs of Israel (2016). *Israel National Report for the Third Review and Appraisal Cycle of the Implementation of the Madrid International Plan of Action on Ageing and Its Regional Implementation Strategy*.

satisfaction with the LTC benefits among participants, experts have noted that there remains a need for more hours of care, particularly among those who have more serious disabilities, suffer from dementia, and need constant care.<sup>96</sup>

For a relatively young country, Israel has surprisingly comprehensive policy support for informal caregivers to ensure their well-being and the care of quality they are able to provide. Informal caregivers, often family members, provide most of the care for older adults in Israel. It is estimated that 30 percent of Israeli adults (ages 20 and older) provide informal care, and half of them are employed.<sup>97</sup> In 1964, Israel introduced a range of labor and tax policies that provide financial assistance to employees who provide care to older parents or relatives, including: severance pay for eligible people who resign from work in order to provide care to sick relatives (1964), tax exemption for employees who finance parents' placement in care institutions (1980), and annual paid sick leave of up to six days that are taken because of the sickness of a parent or spouse (1993).<sup>98</sup> However, experts have noted that the range of those eligible is narrowly defined, and it is unclear whether the general public is aware of these advantages to family

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<sup>96</sup> Interview with Jenny Brodsky, Director of Center for Research on Aging of Meyers-JDC-Brookdale Institute. October 2016.

<sup>97</sup> Health Systems in Transition, Vol. 17. No. 6 2015; Israel, *Health System Review*. p. 143.

<sup>98</sup> Brodsky, Jenny, Citron, Daniella, Resnizki, Shirli. Issues in Family Care of the Elderly: Characteristics of Care, Burden on Family Members and Support Programs. Center for Research on Aging.

caregivers.<sup>99</sup> Moreover, caregivers may opt not to benefit from such policies as they often do not want to publicize that they are caregivers, because that could affect their professional prospects.<sup>100</sup>

### **Institutional Long-Term Care**

Supplementing home and community care services, institutional care facilities in Israel accommodate around 3 percent of older adults.<sup>101</sup> Under Israeli law, families are required to contribute to the cost of institutional care for their parents. Unlike home-based LTC, institutional care is not covered by the universal healthcare system. To help alleviate the financial burden caused by institutional care, which is estimated at around NIS 10,420 (approximately USD 2,900 per month), the Ministry of Health provides means-tested subsidies that can cover up to all costs to over two-thirds of families.<sup>102</sup>

As in many countries, Israel's LTC system is highly fragmented in terms of care providers, regulation, and financial responsibilities.<sup>103</sup> Experts believe that

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<sup>99</sup> Ibid.

<sup>100</sup> Interview with an anonymous expert at JDC-Eshel. October 2016.

<sup>101</sup> This figure refers to homes for the aged, hospitals for the chronically ill, and various forms of nursing homes according to the Myers-JDC-Brookdale Institute.

<sup>102</sup> Health Systems in Transition, Vol. 17. No. 6 2015; Israel, *Health System Review*. p. 141.

<sup>103</sup> Gindin, Jacob, Intrator, Orna, Levi, Sara, Stessman, Jochanan. MDS (Minimum Data Set Assessments for Policymaking and Evaluations in Israel. Implementing the Resident Assessment Instrument: Case Studies of Policymaking for Long-Term Care in Eight Countries.

this fragmentation results in service gaps, duplication, inefficient incentives, and inadequate investment in prevention and rehabilitation.<sup>104</sup> In response, the Ministry of Health proposed a reform plan in 2011 to add institutional LTC to the universal healthcare package provided to all citizens, as well as increasing the benefits levels for community-based LTC services. However, the reform effort has been put on hold since then, partly due to concerns that the changes would add additional budgetary obligations.<sup>105</sup>

### Medical Services

Although in the past, Israel had high physician-to-population ratios, largely due to immigrant physicians from the former Soviet Union in the early 1990s,<sup>106</sup> the population is currently growing at a faster rate than the number of physicians.<sup>107</sup> In 2010, a committee appointed by the Ministry of Health identified shortages in physicians specializing in a number of areas, including geriatrics.<sup>108</sup> To address

these challenges, in 2011 the government introduced financial incentives to encourage physicians to focus on specialty shortage areas (including geriatrics), opened a new medical school, and increased the expanded role of nurses.<sup>109</sup>

While the government has implemented specific policies to increase the number of medical professionals to assist older adults, it has also sought to bridge gaps in information that older adults have regarding their health. In 2013, the Ministry of Social Equality established the “Purple Units” program. “Purple Units” – information booths and small centers of volunteers working in hospitals – assist older citizens and their families in understanding their rights related to hospitals, their health providers, the National Insurance Institute, LTC benefits, and family caregivers, among others. The program began with two participating hospitals and has grown to 12.<sup>110</sup> Between March and December of 2013, 3,400 people received information from the units.<sup>111</sup>

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<sup>104</sup> Ibid.

<sup>105</sup> Health Systems in Transition, Vol. 17. No. 6 2015; Israel, *Health System Review*. p. 170.

<sup>106</sup> It is estimated that 2 percent of immigrants from the former Soviet Union were physicians, compared to the .3 percent in Israeli society according to the Myers-JDC-Brookadale Institute.

<sup>107</sup> Ibid.

<sup>108</sup> Health Systems in Transition, Vol. 17. No. 6 2015; Israel, *Health System Review*. p. 95.

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<sup>109</sup> Health Systems in Transition, Vol. 17. No. 6 2015; Israel, *Health System Review*. p. 169.

<sup>110</sup> Tuchfeld, Matti. (2014, April 25). *Before All, We Have A Commitment to Holocaust Survivors*. Israel Hayom.

<sup>111</sup> Cohen, Zahara. *Purple Units in Hospitals*. The Office for Senior Citizens (Israel).