

Assistance or Entrenchment?

Benefits and Incentives for Single-Parent Families – Review and Quantification

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This paper makes the argument that the scope of benefits to single-parent families is very broad, creating incentives that should not be ignored. This claim is backed by a thorough and systematic analysis, the first to be conducted in this manner, locating and quantifying all existing benefits and analyzing the economic incentives they create for men and women regarding family choices. Before moving forward with their expansion, the social and economic repercussions of the benefits in their totality should be considered.

After an **introductory first chapter**, the **second chapter** conducts a thorough review of all existing assistance programs to single-parent families in past and present legislation.

The **third chapter** takes a look at incentives and their implications.

The **fourth chapter** quantifies the existing benefits.

The **fifth chapter** quantifies the incentives created for parents regarding their choice to live with a partner or alone.

The **sixth chapter** points to further avenues of research and **the seventh** summarizes the paper.

Summary:

Israeli law currently mandates a wide variety of benefits to single-parent families, with more and more laws being passed to expand the scope of existing benefits or to add more. This accumulation has occurred with no overall plan, nor with any analysis of their total cost and effect.

This paper maps out the main benefits granted to single-parent families today: higher rates of assured income payments; increased labor grants; annual study grants for each

child under the age of 18; financial aid for children's tuition; priority in admission to recognized educational institutions; housing assistance; an income tax credit; an additional 8 days of sick child-leave per year; the single mothers' assistance program "Sal Shaot"; priority in vocational training courses offered by the Israeli Employment Service, assistance in completing education; a discount on municipal property taxes; a discount on electric bills; legal counsel; and municipal assistance.

A conservative estimate of the total sum from benefits reaches hundreds of thousands of shekels for each single-parent family over a ten-year time-period.

As a result, there is significant incentive for the beneficiaries to avoid a partnered relationship (or to hide it from authorities), especially for independent parents with a relatively low income. From the point of view of a single mother, the potential cost of losing her "independent parent" status can be 30%-68% of her net income. Even under the broader view of both the man and the woman in a partnership, when, for instance, the woman was a single parent and the man unmarried, their net income can decrease by 21%-40% (under the conservative assumption that they have not been granted an apartment through public housing). Obviously, the scope of benefits may influence the choice of two-parent households to become single-parent ones, or pretend to have done so.

Beyond that, the policy of assisting single-parent families is inequitable in fairly basic situations. Compare for example, the case of a family consisting of a single parent and two children with a family of a married couple and two children, where in both families, the parents do not participate in the workforce for justified reasons (health issues and the like). The benefits to the single parent family will be higher, despite the fact that the four-member household has naturally higher expenses than the three-member one.

Beyond the heavy burden on the state budget that all citizens are forced to bear, the policy of ever increasing benefits to single-parent families is not necessarily just or fair, and may have especially negative ramifications from a social perspective. **An analysis of the benefits reveals that for both men and women, there are no circumstances under which there is an economic incentive to choose living in partnership.**

Recommendations:

Today, various proposals to expand benefits are put forward, absent any analysis or even estimate of the benefits that already exist. Among others, there is a proposal to expand single-parent families' eligibility to public housing.

However, before considering the additional expansion of benefits to single-parent families, the social and economic desirability and the ethics of such proposals should be thoroughly analyzed, especially given the wide array of benefits already in force.

[For the full Hebrew paper](#)