

**Application from the World Jewish Restitution Organization
in cooperation with the
Conference on Jewish Material Claims against Germany
for Funding from the Swiss Bank Claims for
Assistance to Services for Needy Shoah Survivors in Israel**

(Holocaust Victims Assets Litigation, No. CV-96-4849 (ERK)(MDG)

EXECUTIVE SUMMARY

According to Prof. Sergio DellaPergola (2003), 46.5% (508,100) of all Holocaust survivors live in Israel. They have varied and growing welfare and social needs. We seek, to the highest extent possible, to meet these needs within the community, so that the needy Shoah survivors can live out their lives in their familiar environment. Keeping the elderly in their natural environment increases their longevity and enhances their quality of life; moreover, these services are significantly less expensive per capita than state-supported nursing home care.

This aid to needy Shoah survivors will be implemented by the World Jewish Restitution Organization (WJRO) in conjunction with the Conference on Jewish Material Claims Against Germany (Claims Conference) and other appropriate, non-profit organizations, according to an outline agreement between these bodies and the Ministry of Social Affairs.

The present proposals, which will cost US \$33.50 million over five years, encompass three areas in which activities must urgently be developed, expanded and broadened. They will enable us to continue to enhance the lives of over 55,000 elderly Holocaust survivors in Israel who are already being helped and enable us to reach out to a further 6,000 through:

- Daycare Centers for the Infirm Elderly, including hot meals;
- Supportive Community Programs;
- Clubhouses for the Mobile Elderly, including hot meals.

These services will complement those which will provide geriatric nursing home care to needy Shoah survivors who can no longer be cared for in the community, and for which a separate application for funding has been submitted to the Court.

Together, these two applications will supplement and expand existing vitally important services in Israel for the most needy Shoah survivors, thereby significantly enhancing their quality of life.

The sums we request will not cover administrative costs, but will go in their entirety to improve the quality of life and level of services offered to Israel's needy Shoah survivors. All the funds will support services provided by NGOs. All the activities will not replace other services that needy Shoah survivors receive from the Ministry of Social Affairs. They will reach out to those survivors who are currently not benefiting from the social services

detailed in this proposal, and whose quality of life and longevity will be enhanced by receiving them.

The urgency in receiving support for these programs comes from both the growing size and needs of this population group, and the serious budget cuts in Israel that are leading to great suffering by population groups dependent on state support, among them, many needy Shoah survivors.

The WJRO and the Claims Conference have a proven track record in administering support to needy Shoah survivors. The WJRO was the implementing partner with the Swiss Fund for Needy Victims of the Holocaust for distribution to Jewish beneficiaries worldwide, while the Claims Conference has been distributing funds from Holocaust-era sources to needy Shoah survivors since the early 1950s.

1. Background

The elderly population in Israel defined as those 65 years of age and over, is ageing; the sector currently numbers about 650,000, and constitutes about 9.8 percent of Israel's overall population. This percentage is on the rise; in the year 2020, the elderly will make up about 12 percent of the population.

Since 1955, the State's population has increased 3.6 times its original figure, while the elderly population has increased 7.5 times. A large proportion of the elderly are new immigrants, primarily from the former Soviet Union, and they now constitute about 20 percent of the total over 65s in Israel. Holocaust survivors constitute about 43 percent of the overall Jewish population over 60 years of age living in Israel. Nearly half of all the Holocaust survivors alive today live in Israel.

The huge increase in the number of elderly in Israel requires special arrangements to provide for their varied needs while, whenever possible, allowing them to remain in their home environment, for this both increases their longevity and quality of life, and reduces costs. The Ministry of Social Affairs, through local authorities and working jointly with the National Insurance Institute, JDC Israel-ESHEL and other agencies and NGOs, has been developing and implements a broad range of community services to allow the elderly to remain in their home environment and live with respect. Such community-based elderly can continue to contribute to the surrounding community as long and as much as they are able; for those who wish to remain in the home but need assistance, there are institutional support services provided to the elderly in their homes.

2. Major problems

A. Poverty

Recent statistics indicate that “two-thirds of [Israel’s elderly] fall into the lowest 30 percent of income.”¹ Those elderly who worked receive employment pensions that supplement a minimal monthly social security old age pension paid by the National Insurance Institute (NII). Unfortunately, there are many elderly, particularly those who immigrated from the FSU in the past decade, who live solely on social security pensions, which provide “a minimal level of existence.”² About one third of all elderly receive minimum income payments from the National Insurance Institute to supplement their income as they have insufficient income for their livelihood.

These statistics have been strengthened by recent research by the Brookdale Institute (“The Consequences of Financial Difficulties for the Lives of the Elderly,” September 2003), according to which one in every five elderly person in Israel is hungry and 32 percent of the elderly complain of cold in the winter months because they cannot afford to heat their homes. Of those who have children, 18 percent do not telephone their children because they cannot afford the telephone bill and 17 percent do not visit their children, other family members or friends because they cannot afford the costs of transportation. These problems affect needy Shoah survivors at a

¹ “Pensioner Power,” Jerusalem Report, December 15, 2003, page 13.

² “Report: NII benefits lower than Western European Standards,” Haaretz, December 21, 2003.

higher than average level because fewer of them have children than among the wider elderly population, and therefore have neither an informal source of supplementary income nor an informal social support system. The situation is particularly acute among immigrants from the FSU, for their families – if they have any in Israel – are generally not in a financial situation to help.

The distress of those elderly who are ill and physically limited is further exacerbated by the fact that they must purchase pharmaceuticals – many of which are not included in the basket of drugs covered by the Health Funds – and items to assist them in daily living, such as eyeglasses, hearing aids, covering the cost of expensive dental treatment, along with expenses for food, transportation, household maintenance and more. The Ministry of Social Affairs and various NGOs assist these indigent elderly with subsidies for various services, such as payment of travel to treatments, providing necessary equipment and basic furnishings for the home, help pay for heating the house in winter in colder regions, assistance for dental treatments and purchase of needed items in accordance with indicators of neediness and eligibility. However, many needs remain unmet.

B. Isolation and Loneliness

One quarter of the overall total of elderly men in Israel over the age of 65 live alone, while about 35 percent of elderly women live on their own. A 1997-98 survey by the Central Bureau of Statistics showed that only 11 percent of the elderly do volunteer work, while about one third of the elderly do not meet socially with friends, and are dissatisfied with the way they spend their time.

The Ministry of Social Affairs, working with various NGOs, has been developing settings to take full advantage of the free time available to the elderly, such as Social Clubs, workshops for clubs and hobbies. These settings also encourage volunteerism among those elderly who can still contribute to their community.

The Law of Elderly Citizens provides 50 percent discount on public transportation, off ticket prices to cultural events and television tax, thus making it easier financially for the elderly to use their leisure time – at least in theory, for the financial difficulties many of them face seriously limit their ability to benefit from the opportunities these reductions offer.

C. Reduced Functioning

About one fifth of the elderly suffer from lower levels of functioning; they need assistance in the activities of daily living (ADL), household management, errands, shopping, supervision, and the like.

Only about 4.2 percent of all elderly in Israel have been institutionalized, whether in old age homes for the infirm under the supervision of the Ministry of Social Affairs, or in nursing homes for the mentally or physically infirm supervised by the Ministry of Health.

The **Nursing Insurance Law** provides pension payments for the most infirm elderly who remain in the community. About 15 percent of the aged use the assistance provided by this

payment, and receive personal home care or care at an Elder Care Day Center, emergency call buttons, and adult diapers and absorbent materials.

The Ministry of Social Affairs provides assistance to physically limited elderly living at home who are ineligible under **the Nursing Insurance Law**, through visiting nursing care or home housework helpers, and by subsidizing their participation in Elder Care Day Centers that provide the elderly with a basket of care and support services.

The Ministry of Social Affairs subsidizes short, temporary respite-care recovery stays in healthcare-vacation facilities for the infirm elderly following hospitalization. Aged who cannot continue to live at home receive assistance through Social Services with a referral and subsidy of their stay in an old age home.

Presently about 3,500 elderly receive financial assistance for their maintenance in old age homes, out of a total of about 10,000 elderly residents in old age homes.

D. Violence

Studies have shown that about 4-10 percent of the elderly suffer from violent abuse, neglect and exploitation, mainly by the primary caregiver. The Ministry of Social Affairs has developed special emergency crisis centers for the prevention of violent abuse of the elderly, integrated in centers for the prevention of violence in the family in 12 municipalities; it is continuing to develop therapeutic settings together with other agencies such as the National Insurance Institute, JDC-ESHEL, and others.

In addition, the Ministry of Social Affairs has been conducting training crisis workshops for social workers and welfare officers, and has been developing an emergency crisis shelter to protect at-risk elderly in immediate danger.

E. Budget Cuts in Government Support for the Elderly

Since the onset of the second Intifada in October 2000, Israel has faced economic and security crises. National security expenses, which have always been high in Israel, have increased to meet the growing security needs. In addition to a worldwide economic recession, Israel has experienced a decrease in the tourism industry due to on-going security threats. As the security situation and local economy became less stable, Israel experienced a significant decrease in foreign investments and a decline in GNP per capita of six percent. The Government of Israel also faced a shortage of twelve billion NIS in income tax, which translates into major cuts in government ministries and services provided to the public, including social security allocations and various subsidies for new immigrants. In short, the past three years have had a devastating impact on Israel's national economy and social safety network. The most vulnerable are the most hard hit, among them many needy Shoah survivors.

The existing central and local government budgets and the resources of the country's NGOs are unable to meet even all the most urgent needs of this population group, and we urge the Court to help us meet the needs of needy Shoah survivors through enhancing existing services and introducing new services.

This aid to needy Shoah survivors will be implemented by the World Jewish Restitution Organization (WJRO) in conjunction with the Claims Conference and other appropriate, non-profit organizations, according to an outline agreement between these bodies and the Ministry of Social Affairs.

The WJRO and the Claims Conference both have a proven track record in helping needy Shoah survivors in Israel and throughout the world. The Claims Conference has been and continues to distribute funds from Holocaust-era sources to needy Shoah survivors worldwide since the early 1950s. The WJRO was the implementing partner with the Swiss Fund for Needy Victims of the Holocaust for distribution to Jewish beneficiaries worldwide of funds, and distributed some US \$175 million to 255,000 people.

The needy Shoah survivors who require these services will be identified by social workers. They will be referred to the service or services to be provided by NGOs that best help them, enable them to remain in their home environment, and enhance their quality of life. The financial support for which each needy Shoah survivor is eligible for each of the services for which he/she is suitable will be transferred to the relevant NGO or NGOs.

The implementation will be immediate and by presently-employed personnel of all the bodies that provide services for needy Shoah survivors.

The budget presented below does not include administrative costs of any kind. In order to use the resources we are asking the Court to allocate in the best way to the full benefit of needy Shoah survivors, the WJRO and Claims Conference will ensure that the overhead expenses of the program are entirely covered from other sources, so that these programs do not incur any overhead costs from their own budget.

Proposed Programs

I. DAYCARE CENTERS FOR THE INFIRM ELDERLY

Elder day-care centers are intended for elderly who are limited in functioning, infirm, need nursing care or who are mentally infirm, but live at home, and need personal care or support services during the day. The elderly are fetched from their homes in the morning and driven back there at the end of the day's care and activities.

Most of the elderly live alone, without any supportive families or caregiver. Provision of daytime care and assistance can postpone or help avoid institutional placement of these elderly, while ensuring that they continue to live with dignity and with the maximum quality of life.

The Elder Daycare Centers are run and funded by local authorities and NGOs, and are open five days a week. They provide the following services:

- Door to door van transportation of the elderly including wheelchair transport, picking up participants in morning and dropping them off at the close of the day;
- Hot meals, including breakfast, 10 o'clock snack and lunch;
- Personal care including bathing, shaving, and the like;
- Social worker and nurse provide consulting and care;
- Social, work, hobby and cultural activities, suited to the participants;
- Additional services, such as hairdressing, laundry, physical therapy and more.

Some two percent of Israel's elderly are in need of the services that these centers can provide.

There are currently 170 Elder Daycare Centers currently operating in Israel with a collective daily attendance of some 10,000 visitors. Due to budget shortages, not all the elderly in need of these services can visit the Centers every day.

Most of the participants are eligible under the **Nursing Insurance Law**, with the National Insurance Institute paying for their visits out of their pensions; about 2,000 of these elderly are subsidized by the Ministry of Social Affairs. In six municipalities a new, experimental program for about 60 elderly residents per day offers an extended program that runs from morning to 7 p.m. The Ministry of Social Affairs is providing the budget for this experimental program.

The need for this service grows every year as more elderly become physically or mentally infirm; four new Centers are opened every year. Each center cares on an average for 70 elderly people, so that each year, the services are extended to some 280 people, of whom about 112 are needy

Shoah survivors, who require the support of the Center to enable them to remain in their own homes.

Operating Cost

The daily per capita cost of the Center is NIS 93; the annual per capita cost is NIS 24,180 (on the basis of 260 working days a year) = US \$4,836.

Required Budget

| YEAR OF SERVICE | BUDGET (IN US \$) |
|--|---------------------|
| In the first year, for four new centers, each of which will care for 112 needy Shoah survivors | 541,628.10 |
| In the second year, for these four centers and an additional four new centers | 1,083,257.28 |
| In the third year, for these eight centers and an additional four new centers | 1,624,885.92 |
| In the fourth year, for these 12 centers and an additional four new centers | 2,166,514.56 |
| In the fifth year, for these 16 centers and an additional four new centers | 2,708,143.20 |
| Total budget for five years to provide this care to 560 needy Shoah survivors in 20 centers | 8.12 million |

II. SUPPORTIVE COMMUNITY PROGRAM

The Supportive Community Program enables the elderly in a defined geographical area to continue to live in their own homes with the confidence that if they need emergency help, they will receive assistance. Members enjoy social activities in the neighborhood Social Club, while volunteering in the community and remaining involved in creating a rich community life, tailored to their needs and desires. Thus, the program allows the elderly to age in place, avoiding or postponing the institutionalization of many elderly residents, and inestimably enhancing their quality of life.

The Supportive Community operates the following:

- Emergency call buttons in the homes of members in the Program, connected to a 24-hour/7 day per week call center in crisis, distress or medical emergency.
- Community House Mother/Father, who makes sure that all residents are well, looks in on them and makes sure they receive special services as needed, such as delivery of food and medication when ill; help in small home repairs; accompaniment to hospital, and more.
- Home visits by physician when ill, at a reduced price.
- No charge for an ambulance if needed to take a resident to hospital.
- Social Club, easily accessible to members, that runs social, cultural, hobbies and activities, according to residents' needs, wants and involvement. The Social Club is the nerve center, and organizes mutual help, volunteerism, activities by the elderly that contribute to the wider community and empowerment.
- Some of the programs involve additional activities provided by volunteers or at token payment such as errands, delivery of medications, transportation to events, hot meals, and the like.

The program is made available to all elderly people in a particular neighborhood. Empty premises – an unused kindergarten or other public building or empty apartment – is converted into a Social Club, while the elderly residents' homes are equipped with emergency call buttons.

There are currently over **100 Supportive Communities** in Israel, which provide this vital security to some **17,000 elderly people**. The communities are funded by local authorities, JDC-ESHEL and the elderly themselves, and are operated by NGOs.

There is virtually unlimited demand for these services, and the budget requested in this application falls far short of meeting this demand. Part of the remaining unmet need is covered by the application from the Foundation for the Benefit of Holocaust Victims in Israel. Moreover, both organizations commit themselves to ensuring that there will be no duplication of services,

so that needy Shoah survivors who are helped through a Supportive Community that is funded by an allocation from the Court through one organization will not receive services from the budget of the other organization.

Each year, 13 new Supportive Communities are established; each helps some 200 elderly households – about 300 elderly people. Thus over the next five years, 65 new Supportive Communities will be established, and will reach out to 19,500 elderly, of whom 40 percent will be needy Shoah survivors. The annual operating cost for one Supportive Community is approximately NIS 240,000.

The budget presented here for this expansion does not include the installation of emergency call buttons, as this service is requested, in both new and planned Supportive Communities, in the application from the Foundation for the Benefit of Holocaust Victims in Israel.

Budget

Each community each year costs NIS 240,000 = US \$48,000, of which 40 percent is for needy Shoah survivors = \$19,199.7.

| YEAR OF PROJECT | BUDGET (US \$) |
|---|---------------------|
| First year – 13 communities x \$19,199.7 | 249,596.1 |
| Second year – 26 communities, \$249,596.1 x 2 | 499,192.2 |
| Third year – 39 communities, \$249,596.1 x 3 | 748,788.0 |
| Fourth year – 52 communities, US \$249,596.1 x 4 | 998,384.4 |
| Fifth year – 65 communities, US \$249,596.1 x 5 | 1,247,980.5 |
| Total for five years of new Supportive Communities for needy Shoah survivors | 3.74 million |

III. SOCIAL CLUBS FOR THE MOBILE ELDERLY

The Social Clubs for the elderly constitute a focal point of social life for independent, mobile elderly, who come to spend their days with their peers, participate in activities, hobbies, workshops, lectures, trips, parties and the like. In addition, some of the Social Clubs provide a setting for paid employment workshops to supplement the meager income of the elderly who would like to work for money; in other cases, the Social Club is a place for hot meals for those who live alone, cannot afford to eat properly at home, or can no longer properly cook for themselves.

The Social Clubs are the bases for the elderly organizing themselves, for volunteering on behalf of the community or other elderly. They are centers for involvement, from where the elderly can influence the shape of their own lives as well as affecting the image of the community in which they live.

Workshop Social Clubs provide daily employment for the elderly who wish to supplement their income, with the emphasis on suiting the work to their skills and capacities, improving their quality of life and enriching leisure time. Other benefits are higher self-esteem as seen by the elderly and by society, and creation of a social group of which the aged person is a member, thus nurturing a feeling of belonging.

Some 13 percent of Israel's elderly population regularly use the facilities of the more than 1,000 Social Clubs and 30 paid workshop Social Clubs that exist throughout the country and that have a collective total of about 104,000 daily participants. Some 40 percent of the elderly attending the Social Clubs are needy Shoah survivors, including new immigrants; some are alone in the world and need a warm welcoming center and attentive listeners.

The Clubs are funded and operated by a variety of bodies, including local authorities and NGOs; the majority of them receive a very low level of financial support – less than seven percent of their annual operating budget – from the Ministry for Social Affairs. Part of the budget comes from the participants themselves.

These services need to reach out to some 20 percent of the country's elderly population, some 130,000 people who are alone in the country and need the social interaction that the clubs provide. This means that the existing services need to be expanded to reach out to an additional 26,000 people, of whom some 10,400 are needy Shoah survivors.

Some 20 percent of the visitors to the Social Clubs also need a hot meal. The recipients of this service are assessed on an individual basis, according to reports from the elderly people as to both their financial situation and whether they skip meals because of economic difficulties, and their ability to cook for themselves. In addition to receiving a meal at the Clubs, the recipients of this service can return home on Thursdays with prepared meals for the weekend (Friday and Saturday).

Thus out of the 10,400 needy Shoah survivors who require the services of these Social Clubs, some 2,080 are in need of a daily hot meal.

Budget

The annual cost of the Social Clubs per elderly person who benefits from the activities of these clubs is NIS 1,000.

The budget needed to expand these services to the 10,400 needy Shoah survivors who cannot at present attend a club because of budget restrictions is:

NIS 1,000 x 10,400 = NIS 10,400,000

= US \$2.1 million per year

x 5 years = **US \$10.5 million**

Hot Meals

2,080 needy Shoah survivors x NIS 15 per day x 360 days per year (excluding main Jewish holidays) = NIS 11,232,000 per year =

US \$2.246 million per year

x 5 years = **US \$11.23 million**

Total budget for Social Clubs for 10,400 needy Shoah survivors who are in need of this service but do not yet benefit from it for 5 years:

US \$21.73 million

IV. SUMMARY

The WJRO in conjunction with the Claims Conference requests the support of the Court as follows:

| | | |
|----|---------------------------------------|-------------------------------|
| 1. | For Day Care Centers | \$8.12 Million |
| 2. | For Supportive Communities | \$3.74 Million |
| 3. | For Social Clubs | \$21.73 Million |
| | Total Cost for Five (5) Years: | <u>\$33.59</u> Million |

These services will complement geriatric nursing home care services for those needy Shoah survivors who can no longer be cared for in the community, and for which a separate application for funding has been submitted to the Court.

They will also complement the services for which the Foundation for the Benefit of Holocaust Victims in Israel has submitted an application. Specifically, that application requests funding for:

- Nursing hours (four different types);
- Home care;
- Individual grants;
- Short-term nursing hours;
- Emergency response buttons;
- Supportive communities – to meet part of the demand for this service.

The current application focuses on:

- Social clubs for the mobile elderly;
- Day centers for the infirm elderly;
- Supportive communities – to meet part of the demand for this service.

We assure the Court that there is no duplication of requests, for the needs far outstrip our collective abilities to meet them, even with significantly expanded funds.

Together, these applications will supplement and expand existing vitally important services in Israel for the most needy Shoah survivors, thereby significantly enhancing their quality of life.