

Nearly half of all elderly Americans will experience poverty

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Nearly half of all Americans between the ages of 60 and 90 will encounter at least one year of poverty or near poverty, says a recent study by Mark R. Rank, PhD, the Herbert S. Hadley Professor of Social Work at the Brown School at Washington University in St. Louis.

“Of course, this risk is not evenly distributed across the population,” Rank says. “One of the most drastic economic divides is race.”

Rank found that although 32.7 percent of white older Americans will experience at least one year below the official poverty line, the corresponding percentage for black older Americans was double that at 64.6 percent.

In addition, for unmarried older Americans, the percentage experiencing poverty was 51.2 percent compared with 24.9 percent for married older Americans. Likewise, for those with fewer than 12 years of education, the percentage experiencing poverty was 48.4 percent compared with 20.5 percent for those with 12 or more years of education.

Rank’s article, “A Life Course Approach to Understanding Poverty Among Older American Adults,” is published in the current issue of *Families in Society: The Journal of Contemporary Social Services*. He used data from the Panel Study of Income Dynamics (PSID). The PSID is the longest running longitudinal data set that contains in-depth information on family demographic and economic behavior.

The study also looks at the likelihood of asset poverty and elderly Americans.

“Fifty-eight percent of those between the ages of 60 and 84 will at some point fail to have enough liquid assets to allow them to weather an unanticipated expense or downturn in income,” he says.

As in the case of income poverty, there is a sharp dividing line in experiencing asset poverty by race.

Rank says that there are three reasons to expect that greater numbers of older Americans will face periods of impoverishment across the life course:

- Americans are living longer.
- The influx of Americans entering their senior years, coupled with a declining percentage of workers in the prime earning years, will put increasing pressure upon the benefits and sustainability of the Social Security and Medicare programs as well as other social safety nets programs directed at the elderly.
- Economic trends show that Americans have not been accumulating adequate savings for retirement.

He says that legislators should consider policies that encourage greater levels of savings among the working-age population, facilitating cooperative living arrangements among the elderly, establishing fair terms with respect to reverse mortgage programs, and strengthening the Social Security and Supplemental Security Income programs.

“Practitioners working with the elderly and their families should be aware of the life course risk for [poverty](#) during the senior years in order to address the overall well-being of their elderly clients,” Rank says.

“Given the current demographic and economic trends in America, this threat is quite likely to remain in the years ahead.”

Provided by Washington University in St. Louis

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