

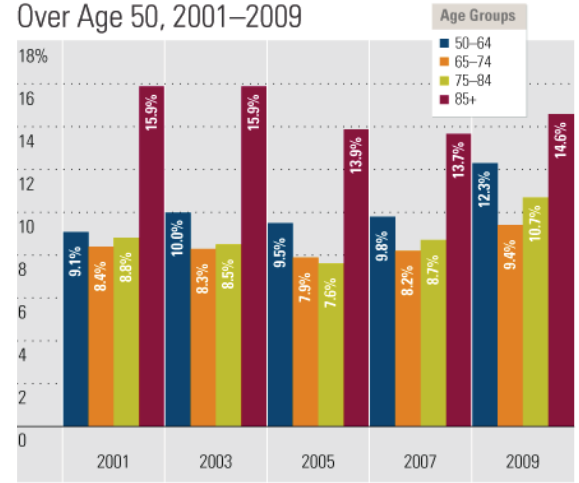
# Poverty Trends in Retirement

- ▶ Poverty rates among the retired rise meaningfully for those who are at least 85 years of age.
- ▶ The elevated poverty level is the result of outliving their assets due to longevity, as well as increased health care costs in later years.

Retirement for most Americans nowadays is a far cry from the legendary “golden years.” Relying on Social Security alone will simply not cut it anymore, and even people who have worked and saved diligently all their lives are worried their nest egg may not be enough. The worst-faring population group, however, may be retirees who live below the poverty line.

A recent study from the EBRI\* examined poverty trends among Americans aged 50 or older from 2001 to 2009. Poverty rates are highest for those aged 85 and above, since by that time most personal savings tend to deplete. Another factor that may be at work behind these numbers is the increasing level of medical expenditures as we age. Those in poverty are almost 45–55 percent more likely to suffer from various health conditions as compared with those who are not classified as poor.

Poverty Rates for Different Age Groups Over Age 50, 2001–2009



\*Report cited: “Time Trends in Poverty for Older Americans Between 2001–2009,” Employee Benefit Research Institute Notes, Vol. 33, No. 4, April 2012.

This study uses the poverty threshold levels from the U.S. Census Bureau to determine poverty status. The Census Bureau uses a set of money income thresholds that vary by family size and composition to determine who is in poverty. If a family's total income is less than the family's threshold, then that family and every individual in it is considered in poverty.

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