

2023 Young Adult Poverty Rates in Historical Perspective

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Annual poverty rates are an important indicator of economic wellbeing. Placing current poverty rates in historical context is also crucial for understanding how populations are faring over time and how policy decisions have or have not improved economic wellbeing. Further, different choices related to measuring poverty can affect our understanding of poverty and can yield additional insights when interpreting long-term trends.

In recent work, we examined total population poverty trends from 1967 to 2023 in the United States under four different poverty measures, finding that while measurement choices alter the shape of long-term trends, government policies and programs have played a critical and growing role in reducing poverty.¹ However, these findings may not hold true when looking at particular population subgroups, such as young adults. Young adults are a group of particular interest given that they are less likely to qualify for government policies and programs, either because they have not yet had children or do not qualify for support based on their age.

This brief builds on the Center on Poverty and Social Policy's prior work on long-term historical poverty measurement² by focusing specifically on poverty among young adults. We examine poverty rates among young adults from the ages of 18 to 24 and ages 25 to 34, both before and after counting resources from government policies and programs.³ We present poverty rates for young adults under the four different measures used in our prior work: (1) the historical Supplemental Poverty Measure (SPM), (2) the anchored 2012 SPM, (3) the anchored 2022 SPM, and (4) a fully relative poverty measure.⁴

KEY FINDINGS

- Understanding how well young adults are faring today, relative to the past, depends on the measure used and how it accounts for changes in living standards over time.
- When set against a fixed standard of living, as in the **anchored SPM**, 18- to 24-year-olds appear better off today than in the 1960s. But under the **historical SPM** or the **relative poverty** rate, poverty among 18- to 24-year-olds has remained flat or risen since the 1960s, as these measures reveal young adult incomes have not kept up with changing standards of living. Trends for 25- to 34-year-olds are less divergent across measures.
- Across all measures, tax and safety net policies play an increasing role reducing poverty rate over time. However, the anti-poverty effects of policy are larger for 25- to 34-year-olds, compared to 18- to 24-year-olds, who tend to be left out of programs because they are either too young to qualify on their own and often do not yet have children that would qualify them for family-focused policies.

¹ Wimer et al., 2024, [2023 poverty rates in historical perspective](#)

² Fox et al., 2015, [Waging war on poverty](#); Wimer et al., 2016, [Progress on poverty? New estimates of historical trends using an anchored Supplemental Poverty Measure](#), Wimer et al., 2020, [Young adult poverty in historical perspective](#)

³ Poverty rates under the four measures among individuals aged 18 to 34 are presented in [Appendix A](#).

⁴ For how these measures are defined and differ, see Wimer et al., 2024, [2023 poverty rates in historical perspective](#)

Understanding the Difference Between Poverty Measures

The historical Supplemental Poverty Measure (SPM) compares incomes against a poverty line that changes over time with changes in expenditures.⁵ The SPM poverty threshold varies by geography and is based on contemporary spending on necessities including food, clothing, shelter, and utilities. In the SPM, tax credits and noncash benefits are also counted as resources, and for families who incur them, medical, work, and child care costs, as well as tax liabilities, are subtracted from resources. If a family's resources fall below the SPM threshold, they are considered in poverty.

Anchored SPM measures hold the living standards from a given year constant and allow the poverty line to change only with changes in prices. For example, the anchored 2022 SPM is based on 2022 standards of living adjusted forward and backward in time for inflation.⁶ As a result, the anchored 2022 SPM poverty rate in 1975 would reflect the percent of people with incomes and resources that fall below the 2022 SPM poverty threshold expressed in 1975 dollars.

Fully relative poverty measures are more commonly used in international contexts than variants of the SPM and compare resources to a percent of median household resources. Under this measure, a family is in poverty if their resources fall below 50% of median household resources. Because relative poverty measures focus more on the distribution of household resources, they express the proportion of people whose resources are well below a "typical" household's.

Accounting for the Role of Government Taxes and Transfers in Poverty Measurement

Because the SPM counts tax credits and noncash benefits as income when measuring poverty, we can directly quantify the role that government taxes and transfers play in reducing or increasing the poverty rate. We do this by subtracting taxes and transfers from a given family's resources and re-comparing their income to the poverty threshold. This allows us to answer the question: how many people would be counted in poverty without government taxes and transfers? Hence, for each measure, we compare the post-tax/transfer poverty rate with the pre-tax/transfer poverty rate to illustrate the role that government taxes and transfers play in either reducing or increasing the poverty rate.

⁵ The historical SPM construction attempts to mimic Census and BLS SPM measurement decisions with as much fidelity as possible going back in time and given available data constraints. Full descriptions of the methods used to create the series can be found in Fox et al., 2015, [Waging war on poverty](#), and Nolan et al., 2016, [A new method for measuring historical poverty trends](#); See the [historical SPM data series](#) (Wimer et al., 2024, Historical Supplemental Poverty Measure Data 1967-2023.)

⁶ For adjusting threshold values for inflation, we use the Consumer Price Index retroactive series using current methods (R-CPI-U-RS). Due to gaps in coverage over the period from 1967 to 2023, we use the R-CPI-U-RS produced by the Census Bureau for inflation adjustments from 1967 to 1977 (also known as the CPI-U-X1) and the R-CPI-U-RS produced by the Bureau of Labor Statistics from 1978 to the present.

Poverty trends among young adults ages 18 to 24

Figure 1 presents poverty rates from 1967 to 2023 for young adults aged 18 to 24 across our four different poverty measures. These results show that:

- Between 1967 and 2023, the **historical SPM poverty rate** among 18- to 24-year-olds rose slightly—from 17.0% to 17.3%. The increase in the **pre-tax/transfer historical SPM poverty rate** was much more substantial, rising by more than 18% (from 16.9% to 20.0%). The more substantial rise in the pre-tax/transfer historical SPM relative to the historical SPM signals that government transfers and tax credits played a more sizable role in reducing poverty among this group in 2023 than in 1967.⁷ That said, these policies did not lead the historical SPM to decline across this period, as we see when looking at the total population-level poverty trends.⁸
- Over the same period, the **relative poverty rate** increased substantially among 18- to 24-year-olds (from 12.8% to 18.0%, or by nearly 40%). The **pre-tax/transfer relative poverty rate** among this group increased by even more (nearly 50%, or from 13.6% to 20.2%), meaning that government policy is playing a larger role in keeping 18- to 24-year-olds out of relative poverty today than in the past, albeit not a large enough role to substantially offset an increase in the relative poverty rate.
- In contrast to the historical and relative measures, both anchored measures show declines in the SPM poverty rates between 1967 to 2023, decreasing by about 40% under the **anchored 2012 SPM** (from 23.9% to 14.4%) and by about 37% under the **anchored 2022 SPM** (from 25.7% to 16.2%). This suggests that when evaluating poverty rates across time based on more contemporary living standards, young adults are less likely to be in poverty today than in the past.

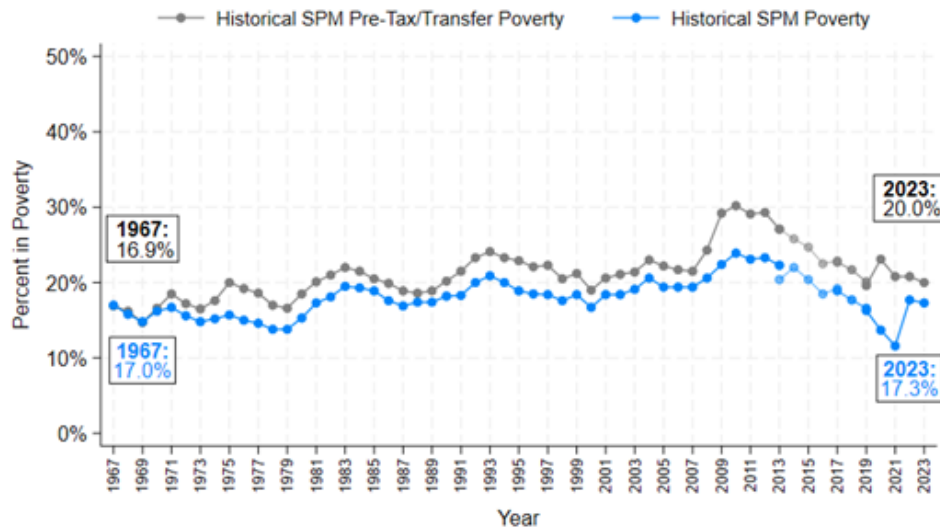
Overall, trends in how well young adults are faring today relative to the past depend on the measure used. When set against a fixed standard of living, as in the anchored SPM, young adults do appear to be better off today than in the 1960s. That is, young adults' poverty rates in the past were higher when measured against recent living standards. But when looking at the historical SPM or the relative poverty rate, 18- to 24-year-olds' poverty rates are flat or rising over the period. The key difference with these measures is that they allow living standards to change over time, and by these standards young adults' incomes have not kept up. Across all measures, the importance of government policies and programs in reducing the poverty rate have increased over time, but the overall poverty reduction for this group coming from policy is still relatively small, reducing the poverty rate by about 11%–20%, depending on the measure used.

⁷ In fact, under the historical SPM, taxes actually outweighed the effects of transfers and exacerbated poverty in the early years of the series, resulting in higher poverty rates in 1967 after accounting for the role of taxes and transfers. A similar trend can be seen for the population of young adults aged 25 to 34.

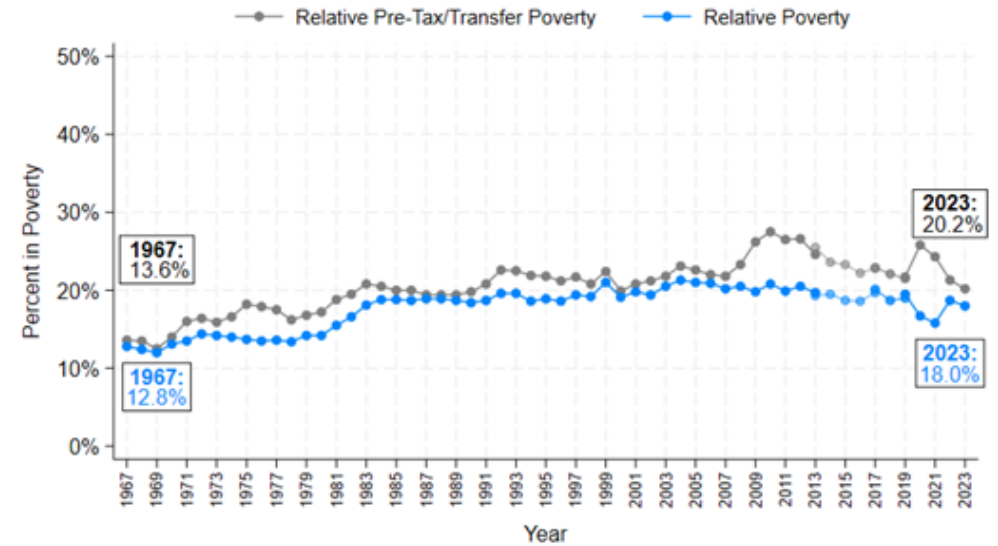
⁸ At the population level, the historical SPM fell from 18.5% to 12.9% between 1967 and 2023. See Wimer et al., 2024, [2023 poverty rates in historical perspective](#)

Figure 1. Poverty rates for the U.S. population aged 18–24 under four measures (1967–2023)

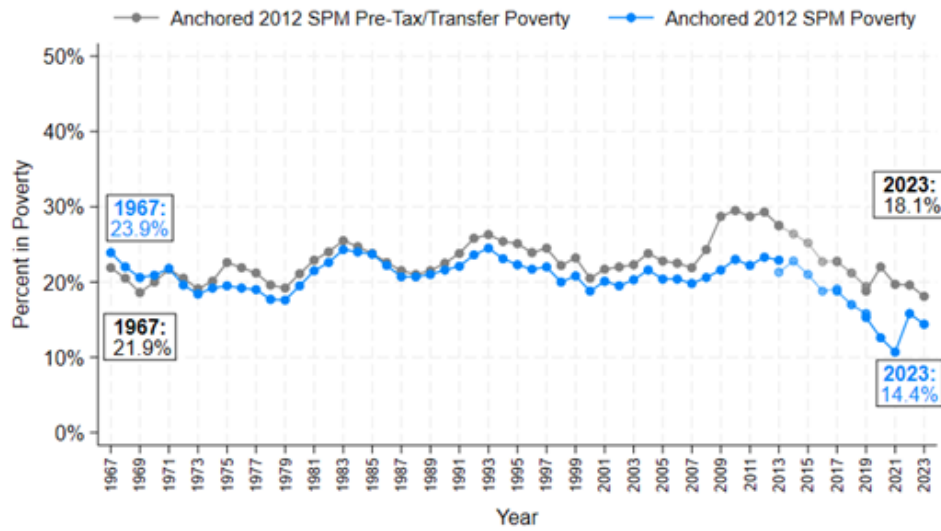
Panel A: Historical Supplemental Poverty Measure



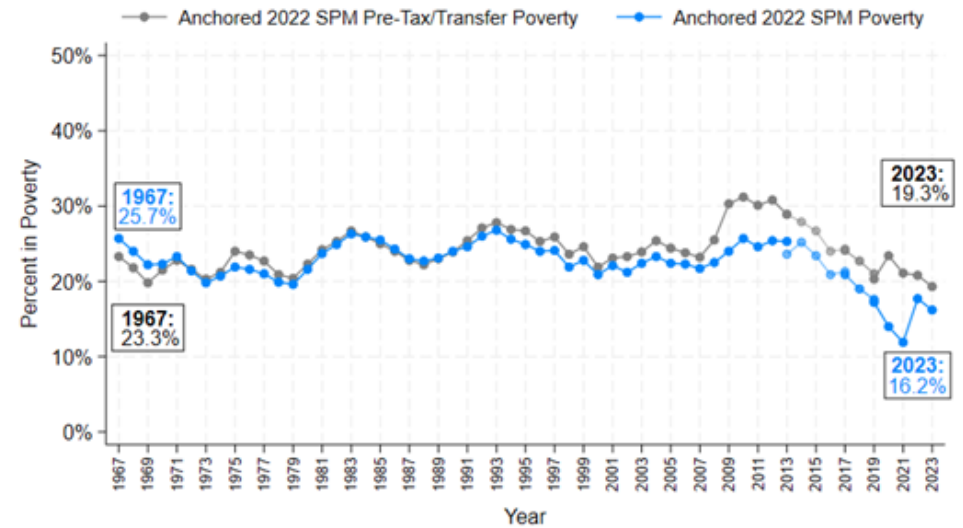
Panel B: Relative Poverty Measure



Panel C: Anchored 2012 Supplemental Poverty Measure



Panel D: Anchored 2022 Supplemental Poverty Measure



Poverty trends among young adults ages 25 to 34

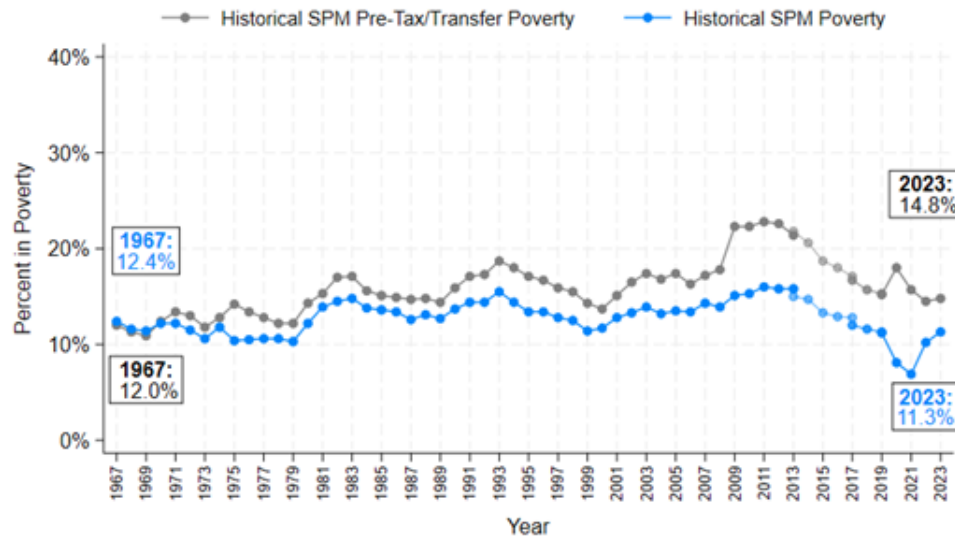
Figure 2 presents poverty rates from 1967 to 2023 for young adults aged 25 to 34 across our four different poverty measures. These results show that:

- Between 1967 and 2023, the **historical SPM poverty rate** among 25- to 34-year-olds declined—from 12.4% to 11.3%—while the **pre-tax/transfer historical SPM** poverty rate rose—from 12.0% to 14.8%. The rise in the pre-tax/transfer historical SPM relative to the historical SPM indicates that government transfers and tax credits played a larger role in reducing poverty among this group in 2023 than in 1967.
- In this period, the **relative poverty rate** increased substantially among 25- to 34-year-olds (from 9.4% to 14.3%, or by nearly 34%). The **pre-tax/transfer relative** poverty rate among this group increased by even more (from 9.9% to 17.0%, or more than 70%), meaning that government policy is playing a larger role in keeping 25- to 34-year-olds out of relative poverty today than in the past, albeit not a large enough role to substantially offset an increase in the relative poverty rate.
- In contrast to the historical and relative measures, both anchored measures show declines in the SPM poverty rates between 1967 to 2023, decreasing by about 52% under the **anchored 2012 SPM** (from 19.5% to 9.3%) and about 51% under the **anchored 2022 SPM** (from 21.5% to 10.5%). When evaluating poverty rates over time based on contemporary living standards only, young adults are less likely to be in poverty today than in the past.

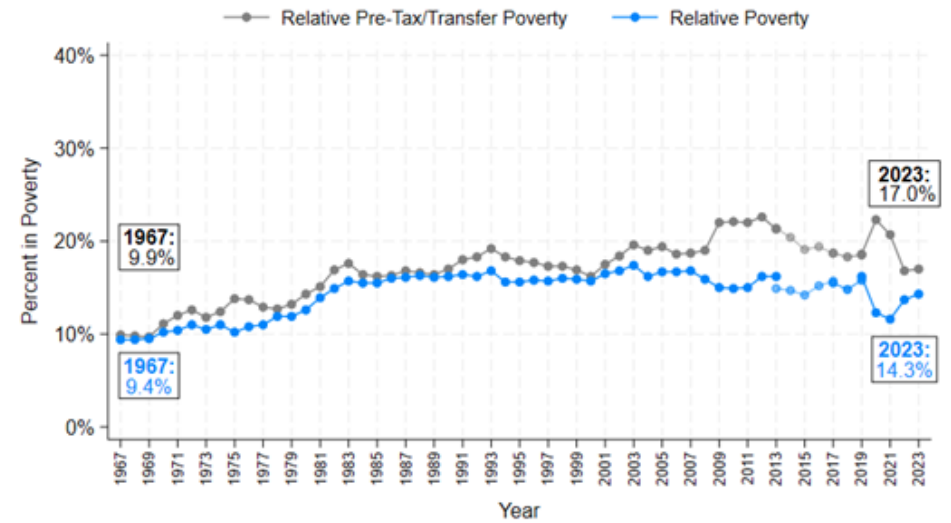
In comparison to young adults aged 18 to 24, trends for those aged 25 to 34 are generally more favorable. Declines in poverty under the anchored measures are larger, the historical SPM poverty rate decreases by a small amount, and relative poverty rises less. Government policies and programs also make more of an impact on poverty rates for this group, reducing poverty by between 16 and 30%, depending on the measure. These trends make sense, as these older young adults are more likely to have begun having children (making them more eligible for various government benefits) and they are less likely to be excluded from policies based on their age (e.g., for the Earned Income Tax Credit).

Figure 2. Poverty rates for the U.S. population aged 25–34 under four measures (1967–2023)

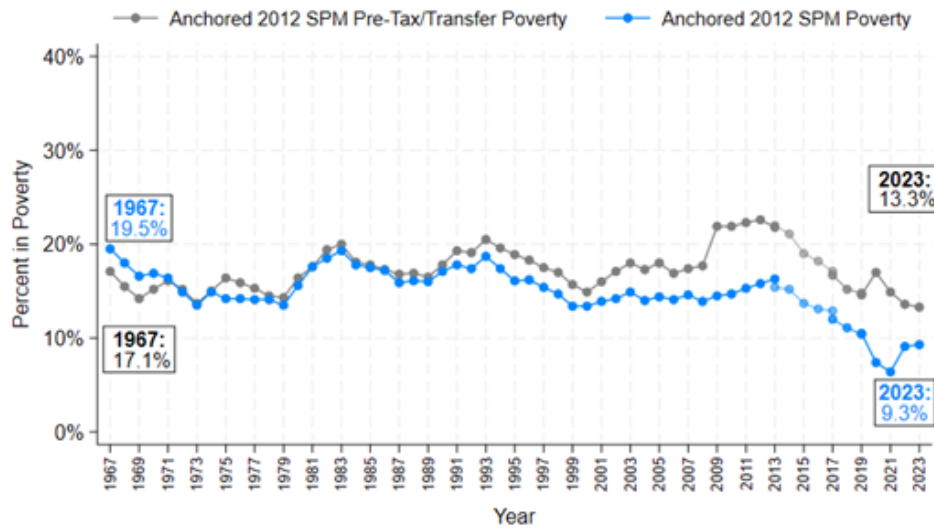
Panel A: Historical Supplemental Poverty Measure



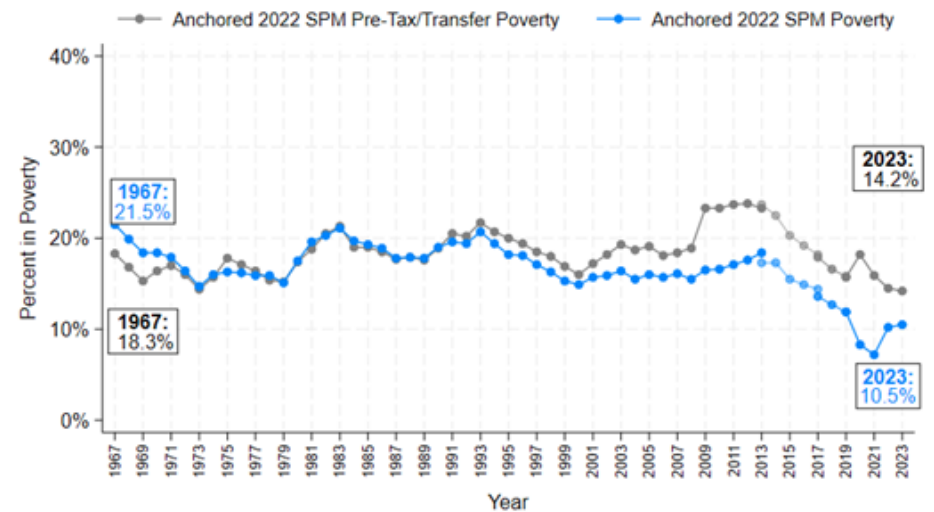
Panel B: Relative Poverty Measure



Panel C: Anchored 2012 Supplemental Poverty Measure



Panel D: Anchored 2022 Supplemental Poverty Measure



CONCLUSION

Examining poverty trends across time and measurement choice allows us to better understand the Census Bureau's most recent poverty estimates in historical context. This brief has considered the case of young adults in the United States, an age group that may not yet be able to access government policies and programs, either because they have not yet had children or do not qualify for support based on their age.

How young adults are faring over time with respect to poverty really depends on the measure chosen. Held against a fixed standard of living, as with the anchored SPM trends, young adults appear to be doing better. This reflects the fact that young adults' (and others') standards of living may be higher today than in the past. When we allow for living standards to change over time, however, progress against poverty is more muted, and in some cases poverty even rises. This suggests that young adults may not be fully keeping up with the rising living standards of the "typical" household in the United States.

SUGGESTED CITATION

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DATA SOURCE

Wimer, Christopher, Liana Fox, Sophie Collyer, Irwin Garfinkel, Neeraj Kaushal, Jennifer Laird, Jaehyun Nam, Laura Nolan, Jessica Pac, Ryan Vinh, and Jane Waldfogel. 2024. [Historical Supplemental Poverty Measure data 1967–2023](#). New York: Center on Poverty and Social Policy, Columbia University.

ACKNOWLEDGEMENTS

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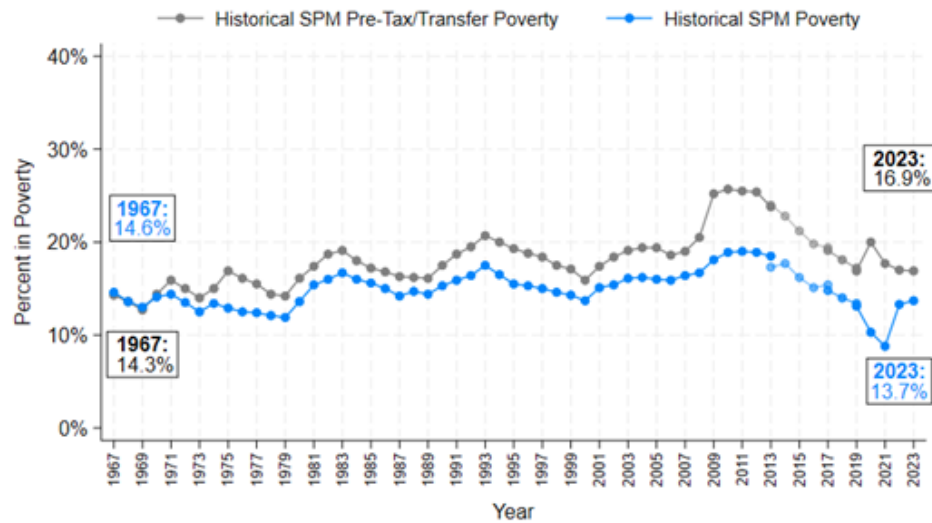
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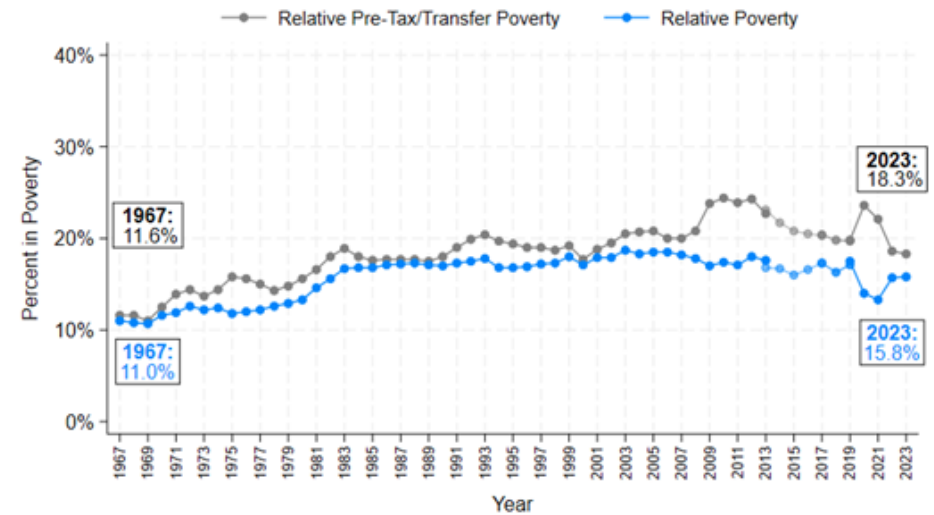
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Appendix Figure A1. Poverty rates for the U.S. population aged 18–34 under four measures (1967–2023)

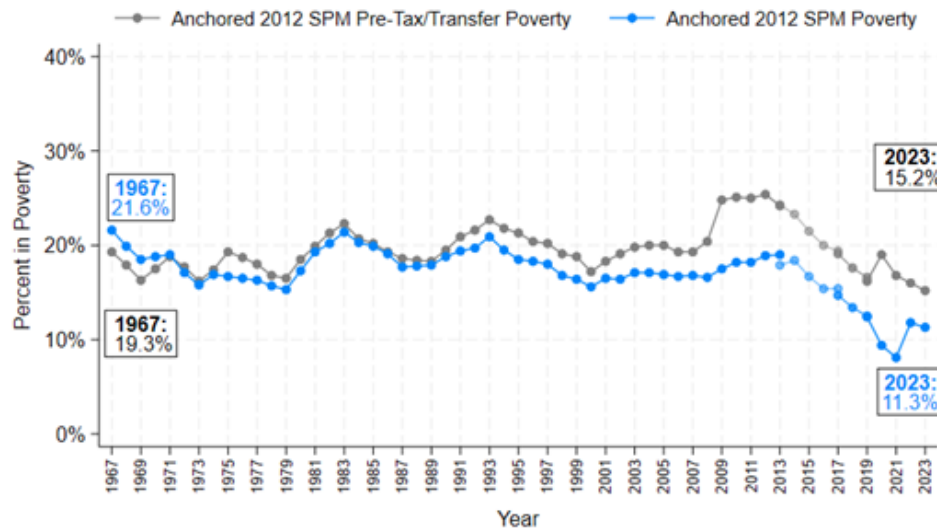
Panel A: Historical Supplemental Poverty Measure



Panel B: Relative Poverty Measure



Panel C: Anchored 2012 Supplemental Poverty Measure



Panel D: Anchored 2022 Supplemental Poverty Measure

