

2023 Older Adults' 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 taxes and transfers have played a critical and growing role in reducing poverty.

This brief builds on the center's prior work examining long-term historical poverty trends under various measures¹ by focusing specifically on poverty among older adults. We examine poverty rates among older adults who are aged 65 years or older, both before and after counting resources from government policies and programs. We present poverty rates for older 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.

KEY FINDINGS

- Older adults are significantly better off today than in the 1960s across *all* poverty measures. This improvement is evident when assessed against a *fixed* standard of living (as in the anchored SPM), and when considering measures that adjust for changing living standards (as in the historical SPM and relative poverty rate).
- Before accounting for government taxes and transfers, older adult poverty has declined from 1967 to 2023 across all measures, and these declines are even larger when accounting for the role of these taxes and transfers in reducing poverty.
- From 1967 to 2023, the role of government taxes and transfers in reducing poverty rates has increased substantially, demonstrating the critical role such policies have played—and continue to play—in reducing poverty rates for older adults.

¹ 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](#).

Understanding the Difference Between Poverty Measures²

The historical **Supplemental Poverty Measure (SPM)** compares incomes against a poverty line that changes over time with changes in expenditures.³ 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.⁴ 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.

² For a more in-depth overview of these measures, see Wimer et al., 2024, [2023 poverty rates in historical perspective](#)

³ 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.)

⁴ 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 older adults aged 65 years or older

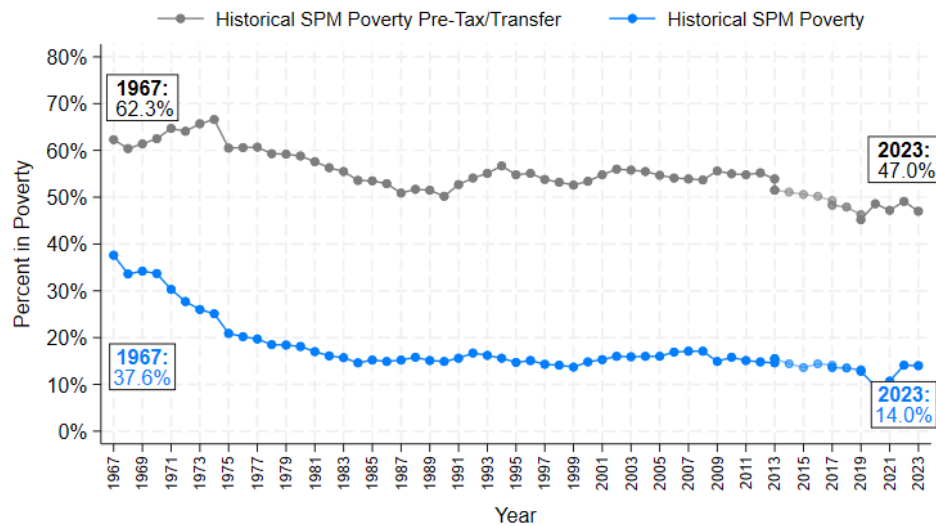
Figure 1 presents poverty rates from 1967 to 2023 for older adults across our four different poverty measures. These results show that:

- Between 1967 and 2023, the **historical SPM poverty rate** among older adults decreased significantly—from 37.6% to 14.0% (a 63% drop in relative terms). The **pre-tax/transfer historical SPM** poverty rate fell more modestly, declining by 15.3 percentage points (from 62.3% to 47.0%, or a 25% drop in relative terms). The less substantial decrease in the pre-tax/transfer historical SPM relative to the historical SPM signals that government taxes and transfers played a more sizable role in reducing poverty among this group in 2023 than in 1967.
- Over the same period, the **relative poverty rate** also fell among older adults (from 35.6% to 23.8%, or a 33% decline in relative terms). The **pre-tax/transfer relative poverty rate** among this group decreased more modestly, from 60.7% to 52.4%. While the pre-tax/transfer relative poverty rate remains elevated, at 52.4% in 2023, the **post-tax/transfer relative poverty rate** (23.8%) was less than half of this rate, underscoring the powerful role of government programs in reducing poverty among older adults.
- Both anchored SPM measures show large declines in poverty rates among older adults between 1967 to 2023. The poverty rate fell by approximately 35 percentage-points under both the **anchored 2012 SPM** (from 46.1% to 11.6%) and the **anchored 2022 SPM** (from 49.1% to 13.0%)—declines of about 75 percent in relative terms. Over the same period, the **pre-tax/transfer rates** under both measures dropped by about 20 percentage-points—from 65.4% to 45.7% under the **anchored 2012 SPM**, and from 66.7% to 46.4% under the **anchored 2022 SPM**. This suggests that when evaluating poverty rates across time based on contemporary living standards, declines in poverty among older adults are even more pronounced than under the historical SPM or a fully relative measure.

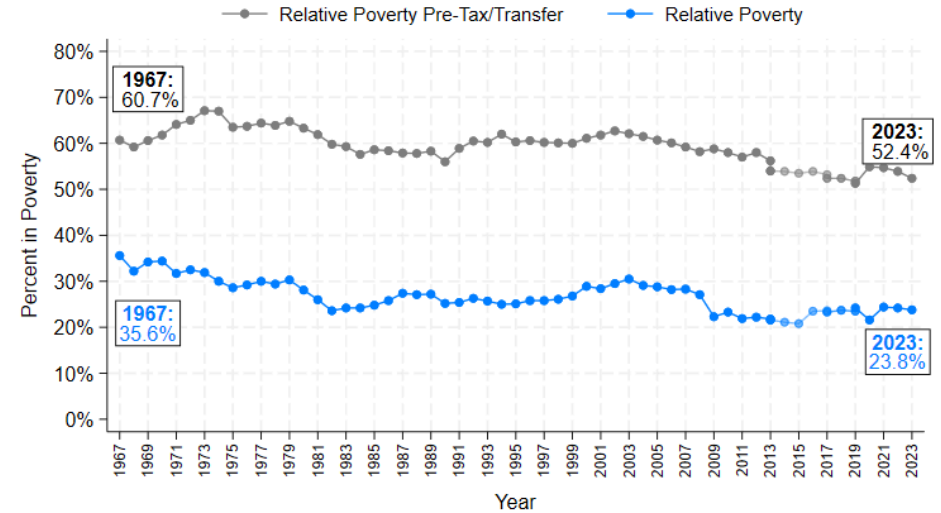
Overall, trends in poverty rates among older adults show consistent and substantial improvement over time across *all* poverty measures. When set against a fixed standard of living, as in the anchored SPM, older adults appear to be better off today than in the 1960s. Even when considering the historical SPM and relative poverty rates, which account for changing living standards, poverty rates among older adults have declined over time. Notably, the impact of government policies and programs on older adult poverty is substantial and has grown over time, and this is consistent across all measures.

Figure 1. Poverty rates for U.S. older adults under four measures (1967–2023)

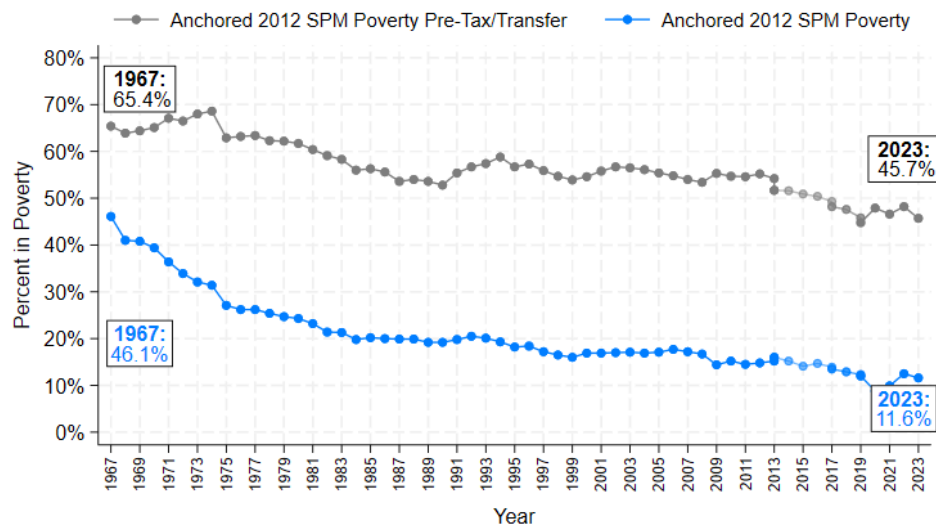
Panel A: Historical Supplemental Poverty Measure



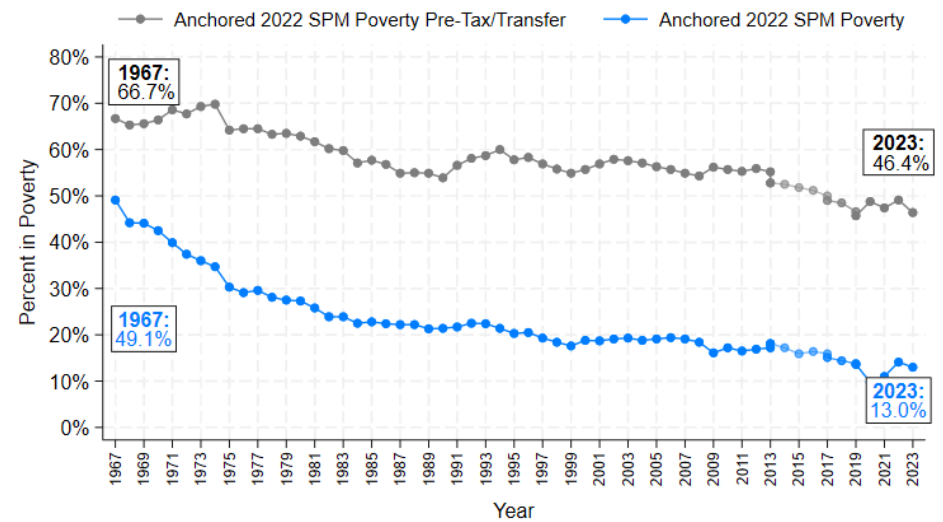
Panel B: Relative Poverty Measure



Panel C: Anchored 2012 Supplemental Poverty Measure



Panel D: Anchored 2022 Supplemental Poverty Measure



CONCLUSION

Examining poverty trends across time and measurement choices allows us to better understand the Census Bureau's most recent poverty estimates in historical context.⁵ This brief has considered the case of older adults in the United States, an age group that benefits to a large extent from government policies and programs such as Social Security.

How older adults are faring over time with respect to poverty shows a clear trend of improvement across all measures. Held against a fixed standard of living, as with the anchored SPM trends, older adults appear to be significantly better off today than in the past. Even when we account for the living standard evolving over time, older adults' poverty rates have fallen, driven in part by the growing impact of government policies and programs.

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.

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⁵ For the Census Bureau's most recent poverty estimates, see Shrider, 2024, [Poverty in the United States: 2023](#).

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