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New Research from EBRI:

More Americans Entering Poverty as They Age

WASHINGTON—Between 2005–2009, the rate of poverty among American seniors rose as they aged, as did the number of new entrants into poverty, according to a new report by the nonpartisan Employee Benefit Research Institute (EBRI).

The EBRI report found that poverty rates fell in the first half of the last decade for almost all age groups of older Americans (age 50 or older), though they increased since 2005 for every age group.

Poverty rates, as defined by U.S. Census poverty thresholds, were highest for the oldest of the elderly. Almost 15 percent of those older than age 85 were in poverty in 2009, compared with approximately 10.5 percent of those older than 65, EBRI found. Additionally, in 2009, 6 percent of those age 85 older were new entrants in poverty.

Several factors account for the growing rate of poverty among the elderly, according to Sudipto Banerjee, EBRI research associate and author of the report.

“As people age, personal savings and pension account balances are depleted, and as people age, their medical expenditures tend to increase,” Banerjee said. “Also, the rising poverty rates noted correspond to the two economic recessions that occurred during the last decade.”

Among the EBRI report’s other findings:

- In 2009, the poverty rate for Hispanics was 21 percentage points higher than for whites, while for blacks it was 17 percentage points higher than for whites.
- Poverty rates for women were nearly double that of men for almost all years in the survey period. For example, in 2009, poverty rates were 7 percent for men and 13 percent for women.
- More than 1 in 5 (20.9 percent) single women over age 65 lived in poverty in 2009.
- The odds of suffering a health condition (acute or otherwise) goes up 45–55 percent for those below the poverty line.

The data for this study come from the University of Michigan’s Health and Retirement Study (HRS), sponsored by the National Institute on Aging, and the most comprehensive national survey of older Americans. The full report is published in the April 2012 *EBRI Notes*, “Time Trends in Poverty for Older Americans Between 2001–2009,” online at www.ebri.org

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