

Strong economy raises incomes, but less so for those 65+

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MarketWatch Blog by Alicia H. Munnell



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Older people also do not enjoy a decline in poverty

The **recent Census report** contained good news on income, poverty, and health insurance coverage. Median household income rose more from 2014 to 2016 than in any other two-year period on record; poverty declined significantly; and the share of Americans without health insurance fell to a record low. That is all terrific!

But my game is older people and retirement, so I naturally look at the numbers for households with heads 65+. And there the picture is not quite as rosy. While median incomes rose for all age groups, the increase was smallest for those 65+ and was not statistically significant (see Table 1).

Table 1. *Median Household Income by Age of Householder, 2015 and 2016*

Age	Median household income		Percentage change
	2015	2016	
15-24	\$36,564	\$41,655	13.9%
25-34	58,091	60,932	4.9
35-44	72,319	74,481	3.0
45-54	74,790	77,213	3.2
55-65	63,596	65,239	2.6
65 and over	39,001	39,823	2.1

Source: U.S. Census Bureau. *Income and Poverty in the United States, 2016*.

Similarly, while poverty rates declined for those under 65, they rose for the 65+ group. It should be noted that while the increases were deemed statistically significant, the decline for older households was not.

Table 2. *Percentage of People in Poverty, 2015 and 2016*

Age group	Poverty rate		Percentage-point change
	2015	2016	
Under 18	19.7	18.0	-1.7
18-64	12.4	11.6	-0.8
65 and over	8.8	9.3	+0.4

Source: U.S. Census Bureau, *Income and Poverty in the United States, 2016*.

I recognize that the incomes of older people may be higher than shown because they tend to underreport income from retirement plans. And I recognize that the poverty rate for older people is about half that for children. Nevertheless, older people do not share, to the same extent as younger people, in the gains when the economy performs well.