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Most Americans Will Experience Poverty

We begin our dismantling of poverty myths with the widely held belief that most Americans will never experience poverty—that only a small minority of Americans will directly experience impoverishment during the course of their lives. Furthermore, that the use of a social safety net or welfare program is something very much out of the ordinary.

One of the consequences of this myth is that it encourages the idea that those in poverty are somehow different from the typical or average American. For example, survey research has found that in the general population, the words poverty and welfare often conjure up images of people on the fringes of society—unwed mothers with a multitude of children, inner-city unemployed black men, high school dropouts on drugs, the mentally disturbed homeless, and so on. The media, political rhetoric, and even at times the research of social scientists, often depict the poor as alien and out of step with the rest of America. In short, being poor and using welfare are widely perceived as behaviors that fall outside the American mainstream.

Yet it turns out that a majority of Americans will experience poverty first hand. Research indicates that most of us will encounter poverty at some point during our lives. Even more surprising, a majority of Americans will turn to public assistance at least once during their adulthood. Rather than poverty and welfare use being an issue of them, it is much more accurate to think of it as an issue of us.

Risk of Poverty

Using a life table approach, the risk of experiencing poverty for the American population can be assessed. Results indicate that between the ages of 20 and 75, nearly 60 percent of Americans will experience at least one year below the official poverty line, while three quarters of Americans will encounter poverty or near poverty (150 percent below the official poverty line). These findings indicate that a clear majority of Americans will directly experience poverty at some point during their adulthood.

Rather than a small fringe on the outskirts of society, the majority of Americans will encounter poverty. In Table 1 we can observe the cumulative percentages of the population who will be touched by poverty or near poverty. Between the ages of 20 and 35, 31.4 percent will have experienced poverty; by age 55, 45.0 percent; and by age 75, 58.5 percent. Similarly, 76.0 percent of the population will have spent at least one year below 150 percent of the official poverty line by the time they reach age 75.

Table 1. The Cumulative Percent of Americans Experiencing Poverty Across Adulthood

Age	Level of Poverty		
	Below 1.00 Poverty Line	Below 1.25 Poverty Line	Below 1.50 Poverty Line
20	10.6	15.0	19.1
25	21.6	27.8	34.3
30	27.1	34.1	41.3
35	31.4	39.0	46.9
40	35.6	43.6	51.7
45	38.8	46.7	55.0
50	41.8	49.6	57.9
55	45.0	52.8	61.0
60	48.2	56.1	64.2
65	51.4	59.7	67.5
70	55.0	63.6	71.8
75	58.5	68.0	76.0

Source: Panel Study of Income Dynamics, Rank and Hirschl computations

This pattern holds up regardless of how we might measure poverty. For example, in a complimentary analysis, Rank and Hirschl relied on a relative measure of poverty—they analyzed the likelihood of Americans falling into the bottom 20 percent of the income distribution as well as the bottom 10 percent. They calculated that 62 percent of Americans between the ages of 25 and 60 would at some point experience at least one year below the 20th percentile, while 42 percent would fall below the 10th percentile. Again, the likelihood of poverty was quite pronounced across the life course.

Using a broader definition of economic turmoil that includes experiencing poverty, receiving a social safety net program, or encountering a spell of unemployment, results in even higher rates. Consequently, between the ages of 25 and 60, 79 percent of the American population experienced one or more of these events during at least one year, and 49.8 percent experienced three or more years of such turmoil.

The reason why these percentages are so high is that over long periods of time, detrimental events are much more likely to happen to people, which can then throw them and their families into poverty. These include losing a job, families splitting up, or medical and health emergencies, all of which have the potential to start a downward spiral into poverty (see Fact 3). As we look across broad expanses of time, the probabilities of one or more of these events occurring increase significantly.

Poverty has often been understood by the U.S. public as something that happens to others. Yet by looking across the adult life span, we can see that poverty touches a clear majority of the population. For most Americans, it would appear that the question is not if they will encounter poverty, but rather, when, which entails a fundamental shift in the perception and meaning of poverty. Assuming that most individuals would rather avoid this experience, it is in their self-interest to ensure that society acts to reduce poverty and that a safety net is in place to soften the blow. ★