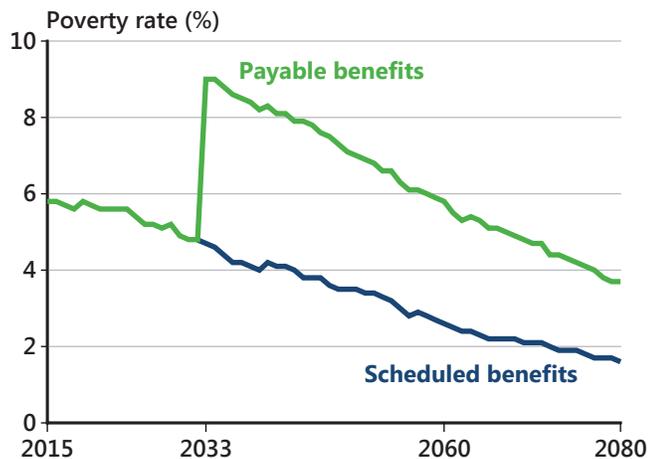




# Why Will Poverty Decline for Social Security Beneficiaries Aged 60 and Older?

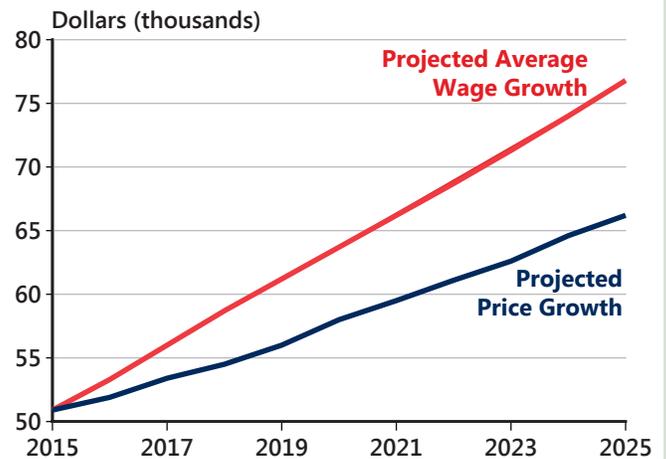
- Income rises with wages, while the poverty threshold<sup>a</sup> is indexed to prices.
- Social Security benefits, which account for a large portion of beneficiaries' income, are based on the highest 35 years of wage-indexed earnings.
- Over time, wage growth is projected to outpace price growth, lifting beneficiaries over the poverty threshold.

### Poverty Rate for Beneficiaries Aged 60 or Older, 2015–2080



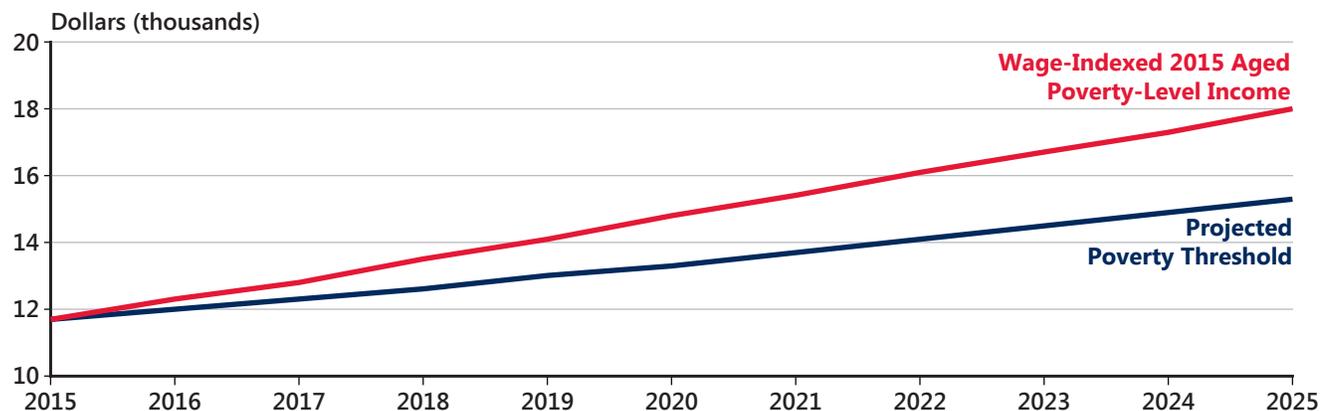
SOURCES: Modeling Income in the Near Term, Version 7 (MINT7) microsimulation model using 2012 Trustees Report intermediate assumptions. The 2012 Trustees Report projects tax rates will be sufficient to pay 75 percent of scheduled benefits after trust fund exhaustion in 2033, often referred to as payable benefits.

### Projected Average Wage and Price Growth, 2015–2025



SOURCE: Based on the Consumer Price Index (CPI) and Average Wage Index (AWI) assumptions from the 2012 Trustees Report.

### Projected Growth of Poverty-Level Income and the Poverty Threshold, 2015–2025



SOURCE: Based on the Consumer Price Index (CPI) and Average Wage Index (AWI) assumptions from the 2012 Trustees Report.

a. U.S. Census Bureau, *Poverty Thresholds by Size of Family and Number of Children*.

