

ERRORS OF ENCHANTMENT

Why is New Mexico not realizing its potential?

Personal social security accounts: still a better deal

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It is conventional wisdom among many that Americans were extremely lucky that the Bush Administration did not succeed in its efforts to reform Social Security. As is so often the case with “conventional wisdom,” what you think is so is often not so. This is the case with Social Security reform.

As Michael Tanner of the Cato Institute points out in a recently-released paper, regardless of the economic crisis of 2008 and the subsequent “Great Recession,” the returns associated with individual Social Security accounts (as laid out in a previous Cato plan) would be superior to those of the existing system. Of course, that doesn’t even note the very real issue of Social Security going bankrupt. If you don’t want to read the entire paper, check out the basics in this blog posting from Dan Mitchell, also of Cato.

I’ve previously volunteered to forego all of money I’ve put into the Social Security system in my career in exchange for the ability to hang on to the money the government will take in the future and invest that for my retirement.