Still a Better Deal: Private Investment vs. Social Security

Michael Tanner

Critics of private investment of Social Security taxes have long pointed to the supposed dangers of an unstable market as creating conditions too risky to allow workers personal choice in planning for retirement. Indeed, the financial crisis is often used to bolster the argument that retirement funds are best left in the safe hands of the state, but how true is this claim?

In a new Cato study, "Still a Better Deal: Private Investment vs. Social Security," Cato Senior Fellow Michael Tanner demonstrates that actual investment returns over the past 40 years show that a system of private investment will, in fact, provide significantly higher rates of return than the current Social Security system.

[Video]