



# Quantifying the Inefficiency of the US Social Security System

## Quantifying the Inefficiency of the US Social Security System

How far is the US social insurance system from an efficient system? We answer this question within a model where agents receive idiosyncratic, labor-productivity shocks that are privately observed. When social security and income taxation comprise the social insurance system, the maximum possible efficiency gain is equivalent to a 10.5 percent increase in consumption. This occurs when labor productivity differences are set to the permanent differences estimated in US data.

Fuente: <https://www.banrep.gov.co/en/news/events/quantifying-inefficiency-us-social-security-system-01-july-2005>