Yields over 7 percent appear in the table, but these are for the unlikely case of a earner who waits to start work until age 22 but nevertheless commands an income only slightly more than half the mean. However, yields of over 6 percent are projected at this income level for those beginning at age 22 and eligible for wife's benefits.

Congressman Ullman asked whether social security is a sound investment for a young person or whether he is being "taken." This question has two aspects. In the first place the differentials among the yields to individuals require evaluation. Second, are the absolute levels of the yields sufficient to justify this compulsory saving?

Obviously some participants in social security are faring much better than others, but this type of differentiation also exists under the generally approved graduated income tax. The relatively high rate of return to low income groups under social security is consistent with their being assigned a low burden under the income tax. The relatively high return to couples who did not have the benefit of a wife's income may well be consistent with the objective of redistributing income in favor of those with greater need. However, this is by no means certain, since nonworking wives may tend to be concentrated among high income couples. It is clear, of course, that neither of these redistributional features is consistent with the insurance analogy frequently associated with the system but that is irrelevant to their appraisal.

Less acceptable in terms either of values or logic, if we continue to think in terms of lifetime tax-benefit relationships, are the higher yields for women and late entrants to the work force. The true yield to the self-employed may be considerably higher than to earners at the same reported level.

If we depart from the lifetime tax-benefit frame of reference and consider current tax and benefit structures independently some of the above appraisals no longer seem valid. For example, the progressiveness of the relationship between retirement benefits and lifetime income cannot hide the fact that the tax used to finance benefits is heavy and regressive now and throughout the earner's working career. Even though the working poor may ultimately get out more than they put in, it does not necessarily follow that the later progressivity of the benefit structure is sufficient to compensate for the prior hardship imposed by the payroll tax. On the other hand, the benefit advantage of women due to lower mortality may well be a progressive feature but this depends on the assumption that women tend to have lower incomes during retirement. Finally the extra tax paid by early starters compared to late starters with the same income may be justifiable on grounds of ability to pay. In any case, the separate appraisals of taxes and benefits generally produce different answers from those suggested by the lifetime rates of return.

Also relevant, in addition to these various differentials, is the absolute level of these rates of return on contributions under the program. The aggregate or overall yield to participants as a whole is probably on the order of 4 percent. It is not easy to evaluate an overall projected rate of return on social security contributions of 4 percent. This yield is very attractive compared to past experience with fixed dollar claims; it would probably also look good in comparison with the real yield on an installment purchase of a private insurance annuity. However,