Are Stocks a Better Bet Than Social Security? (WSJ)

PART I — TEXT COMPREHENSION

1. What advice do finfluencers give regarding Social Security, and what is their main justification?

2. What is the traditional advice about claiming Social Security, and why does the author defend it?

3. Why does the author describe claiming Social Security early as equivalent to taking a “loan”?

4. What role does life expectancy play in the author’s argument?

5. According to the article, for whom might claiming Social Security early be reasonable or necessary?

PART II — CONCEPTUAL UNDERSTANDING

6. Why does the author describe Social Security as “risk-free” and “inflation-adjusted”?

7. Explain why comparing stock market returns to Social Security benefits is not an “apples-to-apples” comparison.

8. Why does stock market volatility weaken the argument for claiming Social Security early to invest in equities?

9. Why is focusing on average stock market returns misleading in a retirement context?

10. Explain why the author compares stocks to a “roller coaster” and Social Security to an “escalator.”

PART III — APPLICATION & EVALUATION

11. Explain how delaying Social Security affects overall household financial risk.

12. Why might selling bonds rather than stocks be the preferred strategy to fund living expenses while delaying Social Security?

13. Identify and explain one behavioral bias that may explain why finfluencer advice is appealing to many individuals.

14. Critically evaluate one assumption in the finfluencers’ argument that the author challenges.

15. Briefly describe two different individuals for whom the optimal Social Security claiming decision would differ, and explain why.