Unfortunately there has been a polarizing of opinion with regard to the role of OASDHI. Those who give first priority on all issues to the war on poverty feel that OASDHI, with only a fraction of additional revenue going to the poor, is too inefficient a use of funds for antipoverty purposes. There are others, more concerned with the aged generally or identified with the history of OASDHI, who fear any further bending of OASDHI from its earnings-related-benefit schedule; they feel that its success and broad support are largely due to social insurance principles which make poverty criterion irrelevant. A third view, sometimes appearing as a revision of the second, acknowledges that OASDHI is the key to eliminating poverty but fails to be explicit about the magnitude of change required before a substantial cut in the aged poverty deficit can be achieved through social security.

Our findings suggest that each of these viewpoints involves some distortion. It appears possible to extend social insurance principles and at the same time to reduce poverty. Although it would be necessary to achieve some degree of general revenue financing, this can be begun in ways that will continue both the popularity and the integrity of the system. A substantially expanded OASDHI program with 35 to 50 percent higher benefits than at present can serve the multiple objectives of the aged, including the aged poor, and reduce the residual aged poverty gap to about $1 billion.

YUNG-PING CHEN: POTENTIAL INCOME FROM HOMEOWNERSHIP: AN ACTUARIAL MORTGAGE PLAN

Despite the proliferation of public and private measures for income maintenance, anxiety about income insecurity in old age still persists. This anxiety in part reflects desires for ever larger income in retirements as the cost of living rises and the standard of living in the economy improves. It also reflects limitations of the existing measures in providing adequate income for old age.

Although the aggregate money income of the aged (65 year of age or over) consists of several components, many still receive low and sometimes inadequate incomes. While the current income position of the aged may be low, their economic position is improved when ownership of assets, including homeownership, is taken into consideration. If the assets of the aged could be converted to income prorated over the remaining life of the holder, their income positions would be significantly improved in some cases, and still noticeably bettered in many others. In other words, even though the actual money income of the aged may be low, their potential income from assets may be quite high.

Since homeownership represents a highly significant portion of the asset holding of the aged, this paper deals with the potential income from that source. It is suggested that an actuarial mortgage plan could be devised to liquidate home equity, viewed as a type of savings, in an orderly and systematic manner to help meet recurrent needs for currently spendable income. Although there are other methods of turning home equity into current income such as sales and loan