



SOCIETY OF ACTUARIES

Article from:

# ARCH 2014.1 Proceedings

July 31-August 3, 2013

## *Diversity in the Actuarial Profession – Next Steps*

### **CAS/SOA Committee on Career Encouragement and Actuarial Diversity**

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The actuarial profession does not have the diversity that it needs or desires. Black, Hispanic and Native American populations are underrepresented. There is significant competition among professions for top students. Other professions, such as engineering, are better known and have long standing initiatives in place to introduce minority students to their professions. Many high school students choose colleges and majors based on careers they already know about and are considering while in high school. It is important that these top students are aware of the actuarial profession when they are making these decisions.

The Committee on Career Encouragement and Actuarial Diversity, a joint committee of the Casualty Actuarial Society and the Society of Actuaries, makes presentations at high schools and supports summer actuarial programs at colleges targeted at minority high school students. Howard University, Illinois State University and Morgan State University have summer actuarial science programs for minority high school students. These programs serve an important role in enabling students to make informed decisions about the actuarial profession.

A presentation at the 2011 Actuarial Research Conference described these actuarial summer programs and the role they have in the profession's diversity efforts. At the 2013 Actuarial Research Conference, there will be an update on actuarial diversity activities, including summer programs. There will also be a discussion on possible next steps needed to achieve appropriate levels of integration. Suggestions from academia and actuarial employers will be an important part of this session.

# DIVERSITY IN THE ACTUARIAL PROFESSION

## Next Steps – A Look Ahead

Committee on Career Encouragement and  
Actuarial Diversity

Barry McKeown - Towers Watson

Kirk Peter – University of Wisconsin

# Background

- Committee on Actuarial Diversity (COAD)
  - Started over 30 years ago to address lack of diversity in the actuarial profession
  - CAS and SOA joint committee
  - Initial charge included promoting profession to Women and Asian populations
  - Current underrepresented groups include Black/African American, Hispanic and Native American
  - 2013 – merged with Career Encouragement Committee

# Background

- Mission of the CCEADU – help promote a diverse actuarial profession by recruiting top mathematical and analytical talent from the African American, Hispanic and Native American Communities
- Objective of the CCEADU – help increase total membership of underrepresented minorities in the actuarial profession to the levels of the U.S. population

# Background

- The CCEADU focuses on:
  - Awareness; presentations at high schools and participation at various national meetings
  - Scholarships to college students (with the Actuarial Foundation)
  - Mentoring (with the Actuarial Foundation)
  - Reimbursing exam fees for passing students
  - Supporting actuarial summer programs for minority high school students

# Where Are We Today ?

## U.S. Population

- African American 12.3%
- Hispanic 12.5%
- Native American 0.9%

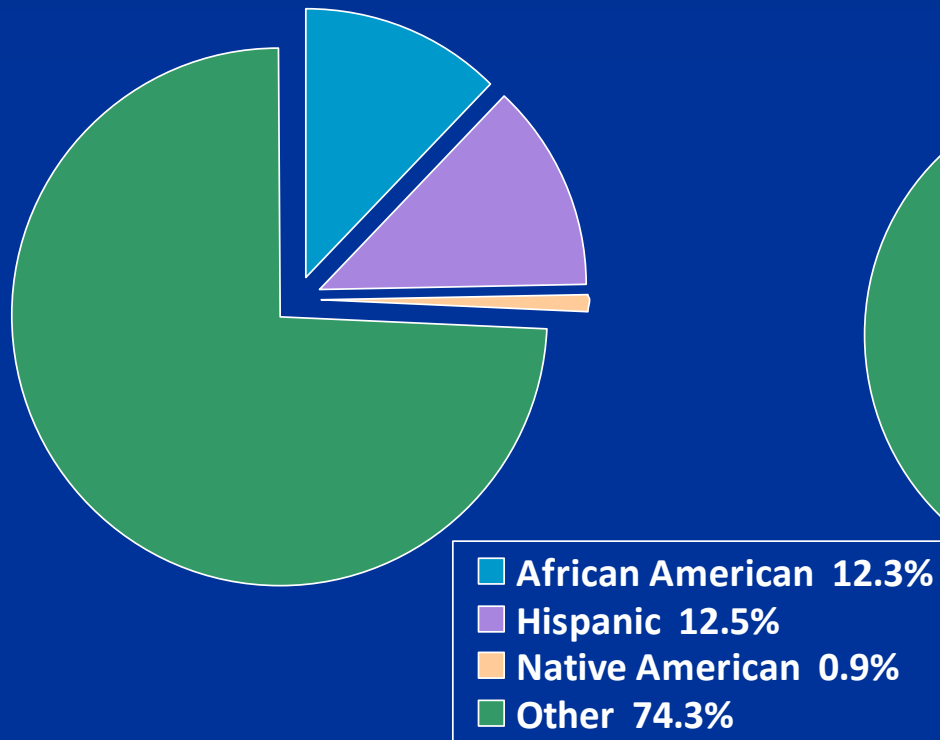
## Actuarial Profession – U.S.

- African American 1.9%
  - FSA 0.3%
  - ASA 1.4%
  - Candidate 3.1%
- Hispanic 1.9%
  - FSA 0.7%
  - ASA 1.3%
  - Candidate 2.6%
- Native American 0.4%

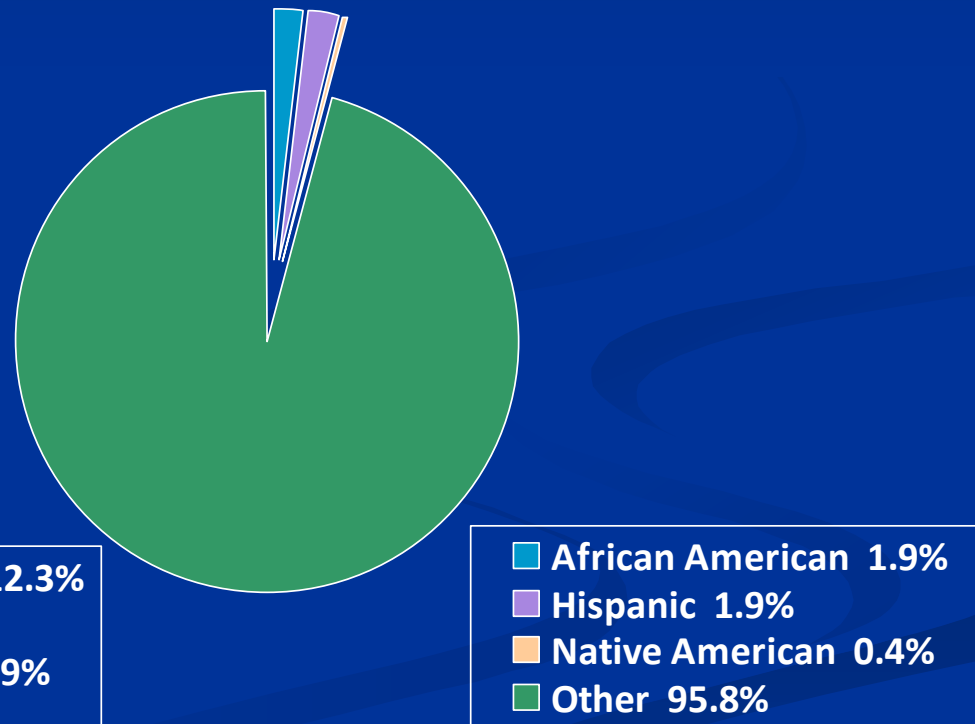
Source: SOA Demographic Survey

# Where Are We Today ?

## U.S. Population



## Actuarial Profession – U.S.





# Statement

- If all top minority (underrepresented) students have thorough knowledge of all professions, there will be much greater diversity in the actuarial profession
- A major challenge is competing with better known professions for top talent

# Importance of Summer Programs

- Awareness of the actuarial profession has increased, but still has a long way to go
- Students in our target population are less likely to be aware of our profession because of fewer exposure points
- High school presentations and BeAnActuary are a start to reaching students
- Summer programs give the student the additional information needed to make an informed decision about their next steps

# Summer Programs- Common Elements

- No cost to students
- Classes
- Project
- Information about exams
- Information about colleges
- Actuarial speakers
- Field trips to actuarial companies, with opportunity to meet interns and/or recent graduates

# Howard University

- Program started well over 15 years ago
- Two week program
- Students live on campus
- Significant classroom time
- Students are from a wide geographic area

# Illinois State University

- Program started about 15 years ago
- One week program
- Students live on campus
- Many students from Illinois, but some from other areas of country
- Several presentations by actuarial employers

# Morgan State University

- Program started four years ago
- Six week mathematics program with one week emphasizing actuarial science
- Originally commuter program; students from the Baltimore area
- Students now stay on campus; more students from outside Baltimore
- Heavy emphasis on classes; college credit can be earned

# Sample Budget

## (One Week – 25 Students)

Room and Board	\$10,000
Salaries (Faculty, administration, counselors)	13,000
Social activities	3,000
Transportation	1,000
Other (liability insurance, photos, printing/postage, supplies, misc.)	3,000
Estimated total	\$30,000

# Sources of Funding

- Actuarial Employers/ Corporate Partners
- University Resources
- CCEAD (SOA/CAS)
- Actuarial Foundation
- Other (?)



# How Do We Get Additional Summer Programs?

- Professors and/or Actuarial Directors champion the effort
- The Committee lends expertise and guidance
- The Corporate Community, the Diversity Committee and Universities provide funding
- University and Committee design curriculum
- University provides facility and instructors
- Societies and Actuarial Companies provide speakers

# Next Steps/Questions for Summer Programs

- Is a summer program a possibility for your university?
- What are the barriers for your university?
- Could an effective summer program help your undergraduate program?
- Could an effective summer program strengthen your relationship with actuarial employers?

# Actuarial Diversity

## Current and Potential Partners

- Actuarial Employers
- Society of Actuaries - CCEAD
- Casualty Actuarial Society - CCEAD
- International Association of Black Actuaries
- Actuarial Foundation
- Potential and Expanded Role Partners
  - Academic Community (Expanded Role)
  - Aises, Sacnas

# Actuarial Diversity – Role of Academic Community

- UCONN – Started an actuarial diversity scholarship. A UConn student receives a \$5,000 scholarship for four years. Additional students receive this scholarship in future years.
- UConn – considered an actuarial summer program in the past. Decided to more aggressively recruit minority candidates to their probability boot camp for high school students.

# Actuarial Diversity - Role of Academic Community

- Other Universities
  - Howard University
  - Illinois State University
  - Morgan State University
  - Penn State University
  - Drake University
  - Others? Please let us know!

# International Association of Black Actuaries Corporate Advisory Council

1. Aetna
2. Allstate
3. Aon Hewitt
4. DW Simpson
5. Ernst & Young
6. Genworth Financial
7. Liberty Mutual
8. Lincoln Financial
9. Mercer
10. New York Life
11. Prudential
12. Towers Watson
13. Travelers

# Actuarial Diversity – Role of Academic Community?

- Actuarial Employers want a larger pool of diverse candidates for entry level and experienced positions.
- Should the academic community be a key partner in the efforts to achieve greater diversity in the actuarial profession?
- What are some possible new initiatives?

# Actuarial Diversity – Role of Academic Community

- Is your University willing to explore possible diversity initiatives? Are you interested in participating in a conference call in Sept/Oct?
- Two candidates for SOA Board of Directors will be invited to participate in this call. Both have a strong interest in diversity and education
  - John Robinson – Health Actuary; President of the International Association of Black Actuaries
  - Jim Trimble – Director of the Actuarial Science Program at UConn; Chair of SOA E&R Section



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