

Diversity in the Actuarial Profession
2014 Actuarial Research Conference
Barry McKeown/ Towers Watson
Committee on Career Encouragement and Actuarial Diversity

ACTUARIAL EMPLOYERS WANT GREATER DIVERSITY IN THE ACTUARIAL PROFESSION. THEY WOULD LIKE TO SEE MORE DIVERSE CANDIDATES IN THE ENTRY LEVEL HIRING POOLS.

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 CAS and the SOA, 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 2013 Actuarial Research Conference described these actuarial summer programs and the role they have in the profession's diversity efforts. At the 2014 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

2014 Actuarial Research Conference

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Actuarial Diversity

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 CCEAD – 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 CCEAD – 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%

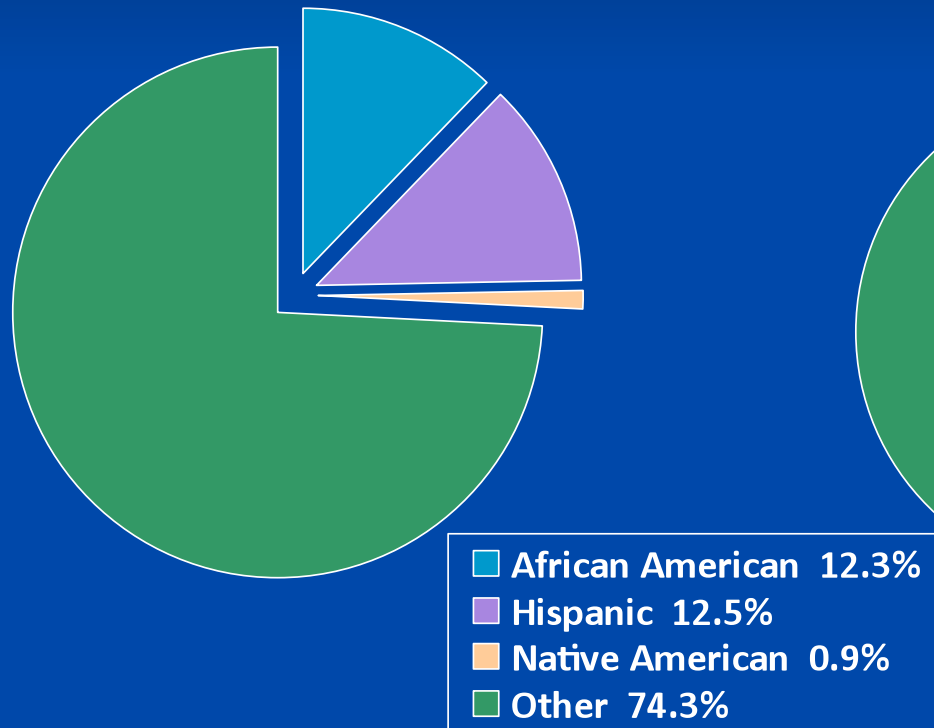
Actuarial Profession – U.S.

- African American
 - FSA 0.3% FCAS 0.7%
 - ASA 1.4% ACAS 0.6%
 - Candidate 3.1%
 - Total 1.9% 1.3%
- Hispanic
 - FSA 0.7% FCAS 0.7%
 - ASA 1.3% ACAS 0.6%
 - Candidate 2.6%
 - Total 1.9% 1.3%
- Native American 0.4% 0.2%

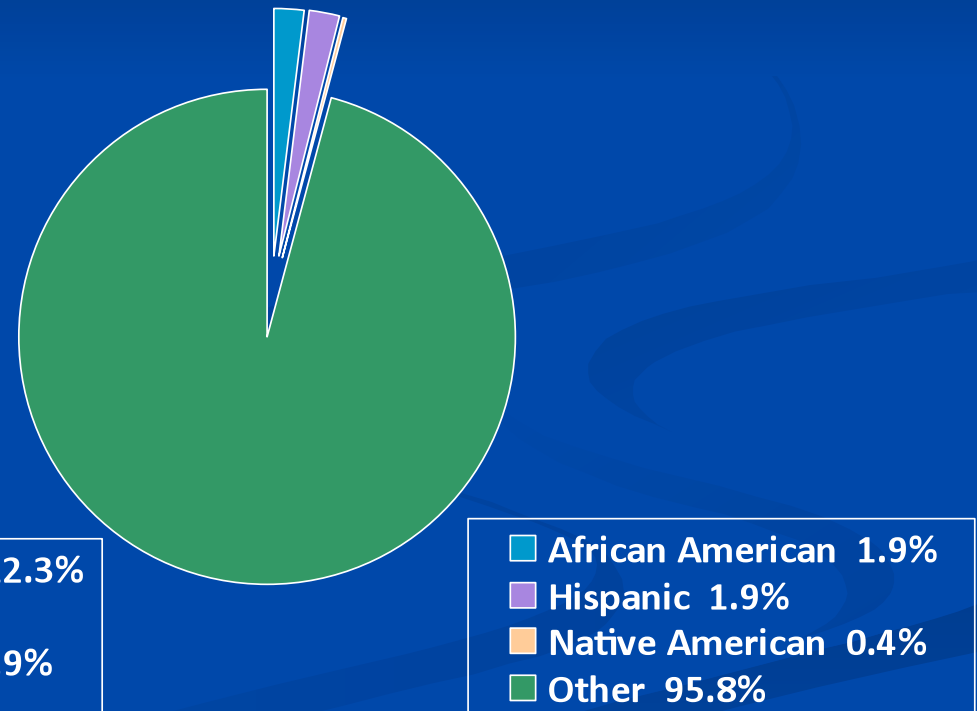
Source: SOA Demographic Survey
CAS Member Database

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
- Some changes for 2014

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

West Chester University

- 2014 is the initial year for this program
- One week program; includes shadow day in the fall
- Students live on campus
- Presentations from WCU staff and students, actuarial employers
- Field trip to actuarial firm, shadow actuaries

Proposed Program for 2015

- University in Northeast
- Two week residential program
- Classroom sessions, case studies, field trips and presentations
- An objective is to create a 'cohort' of students who will stay together in college
- Business and communication skills to be included

Proposed Program (continued)

- A desired outcome would be a pipeline of top students for this university
- Summer program intended to be a start; events and communication would continue beyond the summer
- Some ongoing ties to SOA, CAS and IABA
- Recruitment efforts will cover much of the country

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 – considered an actuarial summer program in the past. Decided to more aggressively recruit minority candidates to their probability boot camp for high school students.
- Robert Morris University – diversity scholarship, could be for all four years. New freshman recipient each year.
- Other diversity scholarships by Universities

Actuarial Diversity - Role of Academic Community

- Summer Programs
 - Howard University
 - Illinois State University
 - Morgan State University
 - West Chester University
 - Penn State University (Business program w/ actuarial science introduction)
 - Others? Please let us know!

International Association of Black Actuaries Corporate Advisory Council

1. Aetna
2. Allstate
3. DW Simpson
4. Ernst & Young
5. Liberty Mutual
6. Lincoln Financial
7. Marsh & McLennan Companies
8. New York Life
9. Prudential
10. Towers Watson
11. Travelers

Actuarial Diversity – Role of Academic Community?

- Actuarial Employers want a larger pool of diverse candidates for entry level and experienced positions.
- A significant involvement by the academic community could result in greater numbers of top minority students pursuing actuarial science in college. Is this possible? What support would be needed from the SOA, CAS, Actuarial Employers and others?

Actuarial Diversity – Role of Academic Community

- Is your University willing to explore possible diversity initiatives?
- Two new members of the SOA Board of Directors 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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