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# Chairperson's Corner

By Ruth Schau

**H**ello and welcome to change. I am the new chair of the Retirement Section Council and am passionate about innovation and improving plan design for future retirees. Innovation is led by change or at least thinking about change, so let's talk about change. While a lot of this newsletter talks about the past 99 issues, I'm not looking back, but using our knowledge from the past to look forward.

If I look to the recent past, my computer crashed during the week I planned to draft this article, so I was given a new computer with Windows 10. This change was unplanned and included a learning curve with the operating system, so I was not exactly happy, but I had to adapt. Change happens continually although we might have a little more preparation time than I had with my computer.

Change may be due to legislation. Change can occur gradually with planned revisions, or it can be immediate and abrupt. But either type of change needs to be managed by all of us. With more preparation, it is easier to accept change, but even a computer crash leaves us with no other option than to accept the provided solution.

Positive change can be great if you are a consultant and retirement legislation drives new projects, discussions and maybe profit. New requirements and new ideas are energizing. Over the past year I've enjoyed many great discussions on retirement plan design and how to balance education debt payments with saving for retirement. Change can be great for the future of retirement and retirement actuaries, but how much do we know about the psychology of change, and should we learn more?

IQ, EQ and AQ—no, these aren't abbreviations from annuity functions or mortality studies, but psychology. Actuaries probably have better than average IQ, and we can't do much to change that, but EQ and AQ can be learned and practiced. EQ will vary by person, with leaders hopefully having higher than average ability to have insight and versatility in working with others. But what about AQ? It's a fairly new term (adaptability quotient) that I heard mentioned at the most recent SOA leadership conference. Almost sounds mathematical, doesn't it? AQ refers to your ability to be resilient, adaptable and able to manage change. As a retirement actuary for more than 30 years, I know change definitely happens and we adapt whether we want to do so or not. I'm



sure I'm not alone in wishing there was a way to bring back DB plans to the corporate world, but that isn't likely in the decade ahead. High AQ means accepting change, looking ahead, learning new skills, maybe even stumbling along the way, but being able to keep moving forward—gaining knowledge in the process.

I have great faith that retirement actuaries can accept change, adapt and remain vibrant in the work we do and take the challenge to accept new roles that will appear in the market. For instance, DCIIA<sup>1</sup> just released a series titled “Design Matters: The Retirement Tier.” If you haven't looked at this release and what I view as a great call to action for retirement actuaries to use our knowledge to improve DC plans, please do so. Most DC plans were not designed to be the sole retirement plan.<sup>2</sup> Who better than retirement actuaries to educate and discuss options for DC plans, so sponsors can not only help employees plan for the accumulation, but also design a balance of payment options for the draw-down phase?

Retirement actuaries are skilled to provide this necessary consulting service, and other professionals involved with DC plans may not have the knowledge to appropriately discuss options and help clients make decisions that best meet the needs of their plan participants. Let's do it. ■



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## ENDNOTES

- 1 Defined Contribution Institutional Investment Association. <https://dciaa.org/news/news.asp?id=472960&hhSearchTerms=%22Design+and+Matters+and+Retirement+and+Tier%22>
- 2 With the exception of older 403(b) plans with good in-plan annuities providing for investment and retirement payment options