DIVERSITY IN THE ACTUARIAL PROFESSION

Next Steps – A Look Ahead

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Committee on Actuarial Diversity
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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
Background

Mission of the COAD – 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 COAD – help increase total membership of underrepresented minorities in the actuarial profession to the levels of the U.S. population
Background

- The COAD 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?

<table>
<thead>
<tr>
<th>U.S. Population</th>
<th>Actuarial Profession – U.S.</th>
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</thead>
<tbody>
<tr>
<td>• African American</td>
<td>• African American</td>
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<tr>
<td>12.3%</td>
<td>1.9%</td>
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<tr>
<td></td>
<td>• FSA</td>
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<td>• ASA</td>
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<td>1.4%</td>
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<td></td>
<td>• Candidate</td>
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<td>3.1%</td>
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<tr>
<td>• Hispanic</td>
<td>• Hispanic</td>
</tr>
<tr>
<td>12.5%</td>
<td>1.9%</td>
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<td>• FSA</td>
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<td></td>
<td>0.7%</td>
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<tr>
<td></td>
<td>• ASA</td>
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<td></td>
<td>1.3%</td>
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<td></td>
<td>• Candidate</td>
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<td></td>
<td>2.6%</td>
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<tr>
<td>• Native American</td>
<td>• Native American</td>
</tr>
<tr>
<td>0.9%</td>
<td>0.4%</td>
</tr>
</tbody>
</table>

Source: SOA Demographic Survey
Where Are We Today?

U.S. Population

Actuarial Profession – U.S.

- African American: 12.3%
- Hispanic: 12.5%
- Native American: 0.9%
- Other: 74.3%

- African American: 1.9%
- Hispanic: 1.9%
- Native American: 0.4%
- Other: 95.8%
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
- Three week program
- Students live on campus
- Significant classroom time
- Students are from a wide geographic area
- 2011 hiatus – return expected for 2012
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 two years ago
- Six week mathematics program with one week emphasizing actuarial science
- Commuter program; students from the Baltimore area
- Heavy emphasis on classes; college credit can be earned
Drake University

- Program started in 2011
- One week program
- Students live on campus
- Target – strong community college students
# Sample Budget
*(One Week – 25 Students)*

<table>
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<tr>
<th>Item</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Room and Board</td>
<td>$10,000</td>
</tr>
<tr>
<td>Salaries (Faculty, administration, counselors)</td>
<td>13,000</td>
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<tr>
<td>Social activities</td>
<td>3,000</td>
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<tr>
<td>Transportation</td>
<td>1,000</td>
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<tr>
<td>Other (liability insurance, photos, printing/postage, supplies, misc.)</td>
<td>3,000</td>
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<tr>
<td><strong>Estimated total</strong></td>
<td><strong>$30,000</strong></td>
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Sources of Funding

- Actuarial Employers/ Corporate Partners
- University Resources
- Committee on Actuarial Diversity (SOA/CAS)
- 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

- Society of Actuaries*
- Casualty Actuarial Society*
- International Association of Black Actuaries
- Actuarial Employers
- Potential Partners
  - Academic Community
  - Aises, Sacnas

* Committee on Actuarial Diversity
Actuarial Diversity – Role of Academic Community

- Two Universities – Drake and UCONN
- Drake – started actuarial summer program in 2011
- 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 – considering an actuarial summer program in the near future
Actuarial Diversity – Role of Academic Community

- Should the academic community be a partner in the efforts to achieve greater diversity in the actuarial profession?
- What are some possible initiatives?