

We are Investment Actuaries—Risk is our Business!

By Jeff Passmore and Kelly Featherstone

GLASS HALF EMPTY?

It would be easy to be pessimistic reading the headlines about the financial health of retirement and social insurance programs in North America. For example:

- Social Security trust fund is expected to be exhausted in 2034 and benefits only 79 percent funded thereafter
- Deferred annuity savings for retirement purposes is still marginal and will not close the gap
- Public pensions in the U.S. are only 70 percent funded (or more, or less, depending on who you ask)
- Corporate pensions are only 85 percent funded
- Corporate pensions are being replaced by 401(k) plans with risk shifted to individuals

We acknowledge these concerns and others like them but suggest that they should be viewed in context. Consider all the good that these programs have done and all the financial security they have provided and the role that actuaries have played in creating and maintaining these systems.

WHAT ABOUT ACTUARIES?

There are tremendous challenges that our aging societies will face and there is significant and growing public awareness of the size of these challenges. What a tremendous opportunity for actuaries of all types, but especially for investment actuaries! We can provide realistic assessments of the magnitude of the issues, solutions to close the funding gaps, investment approaches to manage the risks and new programs to address coverage shortfalls.

WHERE DOES THE INVESTMENT SECTION FIT IN?

Professional development content for our membership is job one and we are doing a lot! Check out our Double for Five Initiative at https://images.magnetmail.net/images/clients/SOA_/attach/Marketing/Double_for_Five_Final.pdf.

Second, we need to increase awareness among other investment professionals of who we are and what we do. Our Networking committee is scheduling joint presentations with other investment professional organizations as well as other professional development sections of the SOA.

We also want to deliver benefits for our membership today that have value well into the future. Our 2017 Redington Prize contest awards \$10,000 to the winning team of authors writing on an investment actuarial topic in a peer reviewed journal—this supports academic investment actuaries expanding the base of investment knowledge.

WHERE DO YOU FIT IN?

You make a difference every day. That's something to feel proud of and it should be acknowledged. But you have more to contribute. Will it be through:

- Presenting at the Annual Meeting or one of the various symposia,
- Writing an article for *Risks & Rewards*,
- Participating in the Essay Contest,
- Volunteering on one of the various committees (Continuing Education, Communications, Networking or Membership and Contests),
- Recruiting new members to join the Section, or
- Presenting to high school or college students about what an Investment Actuary does and how to become one?

Whatever it is, you are one of us and we are part of the solution. The next time someone starts telling you some doom and gloom story about all the risk for financial security in North America, give them your best super hero look and tell them, **“Don't worry, I'm an investment actuary and risk is my business.”** ■



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