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Taxation Section Survey Profile of the Taxation Section

By Jeffrey Stabach

As a member and incoming chair of the Taxation Section Council, I've been curious as to who makes up the Taxation Section. Where do they work? How much experience do they have? Where do they spend the majority of their tax-related time? More important, how can we as a section better serve our members? With the help of the Society of Actuaries (SOA) staff, the Taxation Section conducted a survey of its membership this past spring. The intent of this survey was to understand the demographics of our members, determine areas of interest and focus, and understand how our members use the various tools (e.g., *Taxing Times*, SOA meetings, section website and podcasts) that the Taxation Section produces. By understanding our members, our goal as a section is to determine how we can better address our members' needs in the future.

The survey was distributed via an email link that was sent to our 800-plus members. Of these members, 87 completed the survey. While the overall response rate was low, the Taxation Section has historically been driven by a smaller, actively engaged group. We assume that this group comprised the majority of respondents to the survey. This article summarizes the responses we received.

PROFESSIONAL AFFILIATION AND EMPLOYER TYPE

It is no surprise that the majority of respondents are actuaries with an FSA or ASA designation. However, the Taxation Section also includes representatives from the accounting and legal fields with professional designations including CPA, JD and LLM, as seen in chart 1 at right.

While the majority of respondents work for insurance companies, roughly 20 percent work for consulting firms (including actuarial, accounting and law firms; see chart 2). Of those who work for consulting firms, respondents were split fairly evenly between actuarial (41 percent) and accounting firms (36 percent), with the remaining professionals employed by law firms (9 percent) and other firms (14 percent).

EXPERIENCE WITH AND TIME SPENT ON TAX PRACTICE

The majority of respondents (57 percent) spend less than a quarter of their professional time on tax-related issues; however, almost 30 percent of respondents spend 75 to 100

Chart 1 Professional Affiliation

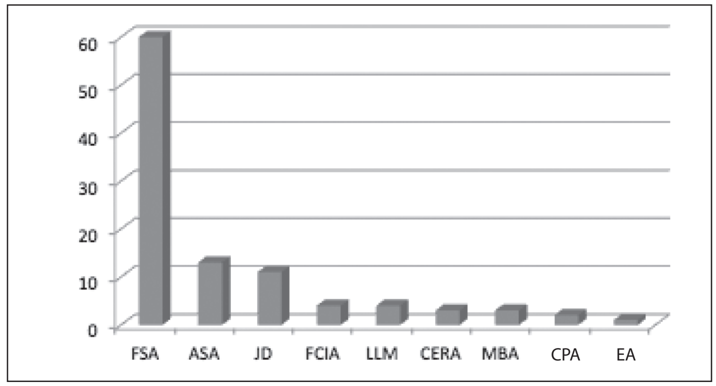

Chart 2 Employer Type

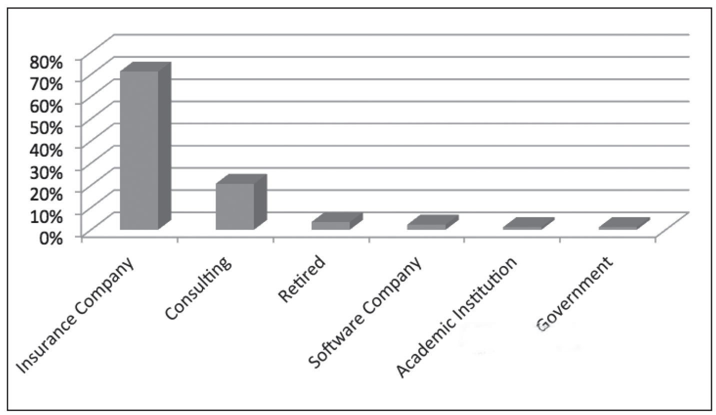

Chart 3 Time Spent on Tax Practice

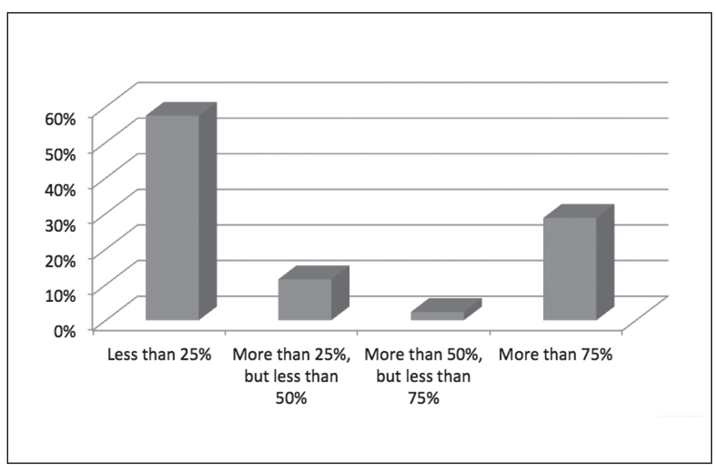

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Chart 4 Years of Experience

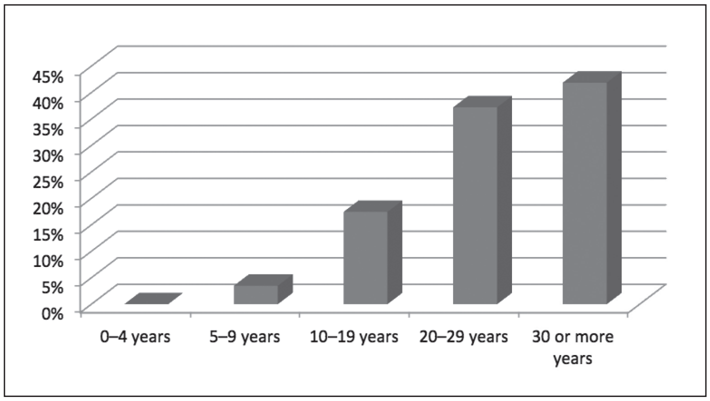


Chart 7 Reasons for Reading *Taxing Times*

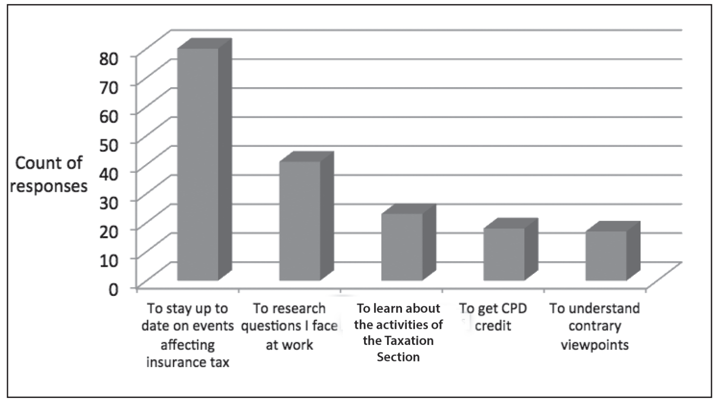


Chart 5 Area of Focus

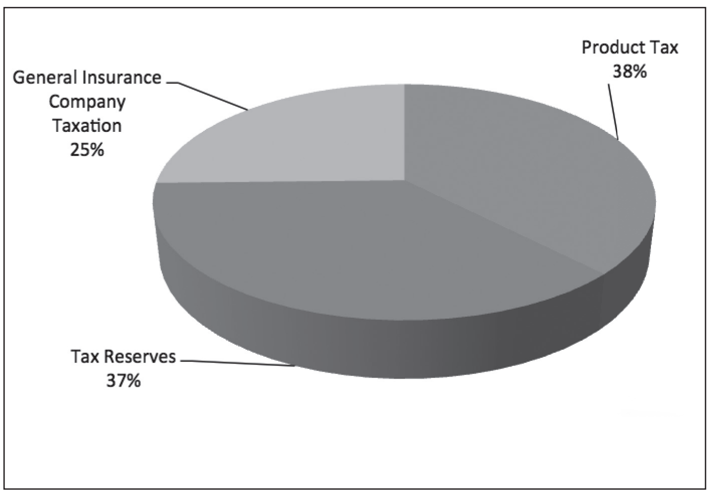
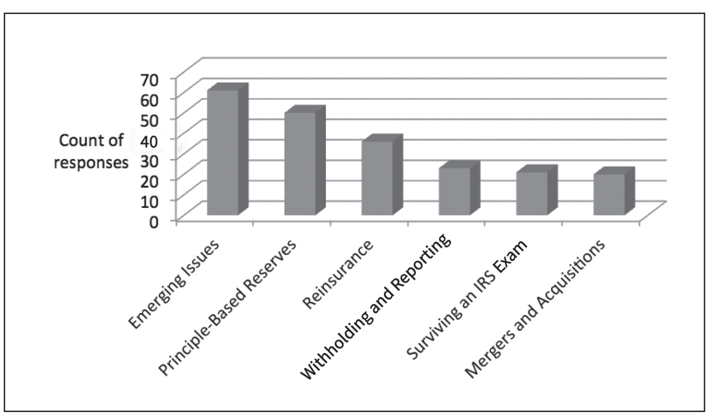


Chart 6 Topics to Address



percent of their time with taxation issues, as noted in chart 3.

Taxation is a highly specialized topic, so it makes sense that most respondents spend either little time or a high percentage of their time on tax-related issues. Along the same lines, the respondents to the Taxation Section Survey are an experienced group. Roughly 80 percent of respondents have more than 20 years of professional experience (see chart 4). While we absolutely value our experienced members and would not be where we are without them, this is also a noteworthy trend for the Taxation Section Council because the majority of respondents are nearing retirement. Over the past few years, the Taxation Section Council has been actively seeking ways to increase membership to include less-experienced professionals.

AREA OF FOCUS

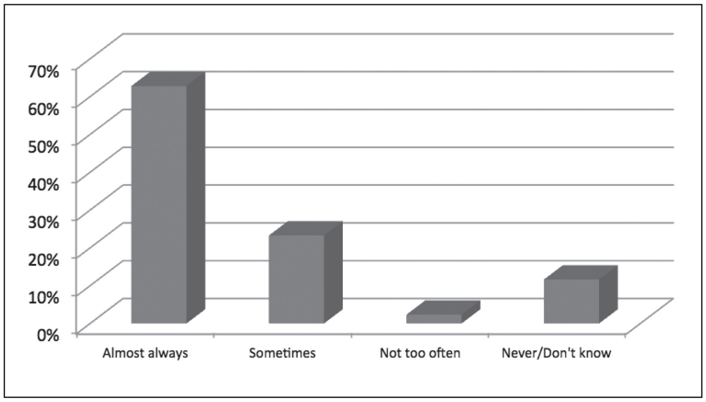
In terms of the time respondents spend doing tax-related work, their focus was about evenly split between product and company tax topics, as seen in chart 5.

Besides the three areas listed above, chart 6 shows some of the topics that respondents would like to see the Taxation Section address in the near future.

SECTION RESOURCES

The survey included a number of questions regarding how our members use the various resources that the Taxation Section produces. The section is actively involved in producing content at SOA meetings, maintaining the Taxation Section page on the SOA website, producing podcasts and distributing *Taxing Times*. The goal of these questions was to better understand how our members use these media so that section resources can be focused on bringing members the content they use the most. The results of the survey show that the majority of respondents (55 percent) read *Taxing Times* from cover to cover. Respondents use

Chart 8 Attendance at Tax-Related Meeting Sessions



TAXING TIMES for a variety of purposes, as shown in chart 7.

Most respondents (55 percent) do not share TAXING TIMES with other colleagues. We encourage you to do so, especially with younger or less-experienced actuaries who may benefit from exposure to insurance tax issues or who may be interested in joining the section (or with non-actuarial insurance professionals who may find value in becoming affiliate members). Other Taxation Section media, such as the section website and podcasts, are rarely utilized, with nearly 80 percent of respondents visiting the website less frequently than once a month and only 11 percent having listened to any of the section's podcasts.

When attending SOA meetings, respondents often attend the tax-related sessions, as shown in chart 8.

CONCLUDING THOUGHTS

Although there were no real surprises with the survey results, the exercise has given the Taxation Section Council a snapshot of our membership to get a sense of their interests and concerns. The results will help us better address our members' needs in the future. I'd encourage readers to make sure there is adequate tax awareness in their companies, distribute TAXING TIMES to those who do not receive it and ask others to join the Taxation Section—either as actuarial members or affiliate members from other professions. That way, the Taxation Section Council can ensure that the excellent content being developed can find its way to those who value it. ■

Note: The views expressed are those of the author and do not necessarily reflect the views of Ernst & Young LLP.

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