



SOCIETY OF ACTUARIES

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WOMEN ACTUARIES IN THE U.K.

by Monica C. Allanach, F.I.A.

Ed. Note: Miss Allanach was first elected to the Council of the Institute of Actuaries in 1968. She has served as Honorary Secretary, 1972-74, Vice President, 1976-79.

I read with interest "Women In Our Profession" by Esther H. Milnes in your January 1980 issue, and was encouraged by your Editor to believe that your readers might be interested in a piece about their "sisters" in the U.K.—more particularly in the Institute of Actuaries, the body about which I can more appropriately write.

Much of what Esther Milnes wrote about the struggles of the early days could so easily have been written in a U.K. context that it won't be repeated here. And I'll try to avoid singling out women actuaries to the point of jeopardising what I believe to be our very real acceptance as equals by the profession.

First, a few statistics—which show marked similarity to Esther Milnes' figures:

	1951	1961	1971	1981
Women Fellows	9 (1.2%)	10 (1.0)	14 (0.9)	58 (2.4)
Women Students	13 (1.5%)	27 (3.0)	73 (4.4)	290 (12.8)

Looking Back

In 1916, when consideration was being given to admitting women to our profession, the emphasis was not whether they should be admitted but whether the Institute's then Bye Laws permitted this. Although the legal and other problems took four years to solve, it is clear from the early documents that a feeling was growing amongst the existing (male) members that if women were taking the same training they should be admitted—and, after all, this was 1916! The pioneer amongst us was Mrs. Spiers, then Miss Davis, the first woman to qualify as an F.I.A. (1923).

A happy illustration of professional acceptance of women more than a half a century ago was an invitation to Miss Davis to open an Institute discussion in 1926—and to dine that evening with the Gallio Club, one of the Actuarial Dining Clubs that until then had been exclusively male in attendance as well as in membership.

Looking back, it seems to me that the profession has amply demonstrated its

FOR YOUR READING

Canadian Institute of Actuaries: *Essays For Discussion — Pensions.*

This is a 107-page compilation of 18 papers written by actuaries for a March 1982 Canadian Institute meeting. Executive Director Colin E. Jack having generously shipped us 25 copies for interested actuaries in the U.S.A., we'll mail one while they last to anybody sending \$2. to E. J. Moorhead at this newsletter's masthead address. Titles are:

Real Interest Rates and the Excess Interest Approach

Mandatory Private Plans—Who Needs Them?

Comments on a Few Fundamentals Implicit and Explicit Assumptions (in French)

Multi-Employer Plans in Canada Test Calculations Under Benefits Legislation

Investment Policy of a Pension Fund (in French)

Pension Financial Statements (in French)

Excess Interest Approach to Post-Retirement Adjustments

Pensions in the Bazaar: Fable on Unisex & Other Problems

Transfer Agreements (in French)

Equal Monthly Benefits for the Sexes under Money Purchase Plans

Excess Interest: Putting the Cart Before the Horse

Trends in Defined Contribution Plans

Pension Design: By Whom and For Whom?

Excess Interest and the Variable Annuity Concept

Improvement of Pension Plans

Social Security in Canada

John A. Svahn, Restoration of Minimum Benefits & Other OASDI Changes: Legislative History and Summary of Provisions, *Social Security Bulletin*, March 1982. This is a companion to a piece noted in this column, Feb. 1982.

Immunization References—see Irwin T. Vanderhoof's article in our April issue. Mr. Vanderhoof recommends:

Fisher and Weil, Coping with the Risk of Interest Rate Fluctuations, *Journal of Business*, Oct. 1971. Also, Ingersoll, Skelton and Weil, Duration Forty Years Later, *Journal of Financial and Quantitative Analysis*, Nov. 1978.

cannot but help experience loneliness and isolation. This feeling may have discouraged, even if only subconsciously, technically able people who like to feel one of the crowd.

Remedial measures were applied to all these difficulties. The Institute has taken steps to cut down the time taken to qualify; the scope of exemptions from early Institute examinations for University graduates has been extended; the national need for more mathematicians has brought more girls to the study of mathematical subjects at University; and in the 1950's a number of us women actuaries gave thought to what we personally might do to relieve the isolation problem.

We felt it might help if the few of us—we were but nine—could have occasional informal meetings with women students, to get acquainted, to discuss their problems, and to encourage them to attend Institute and Students Society meetings together. Thus was born the Lady Actuaries' Tea Club, started in 1954 with 21 people attending, still continuing today with its numbers in the

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acceptance of women on equal professional terms—indeed, more so than has the business world at large. But, this said, is "acceptance" enough? There must surely come a time when we are not only "accepted" but "unnewsworthy" too!

Even beyond the attitudes and problems which Esther Milnes described, our pioneers faced serious difficulties, some of which may have accounted for the initially slow growth in number of women members.

Firstly, there was the length of time needed to qualify. A problem for both sexes, it was of more particular concern to women if they were also to devote part of their lives to being a wife and mother as well as to a career. This difficulty of course pursued them after Fellowship too.

Secondly, there was the need to start with a good mathematically based education in days when our system was not geared to turn out "numerate" women.

Thirdly, minorities in most endeavours

Women Actuaries in the U.K.

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60's. It is agreed, I think, that it has amply achieved its purposes.

Looking Forward

Said an article in *The Economist* of 20th February 1982:

"The liberation that women have won so far too often means freedom to do a double job."

That article goes on to foreshadow the day of the "tele-commuting out-worker spending much of his or her time at a terminal at home or in a suburban satellite office." Until that day comes, how do and how can women actuaries cope with their "double job?"

They must, it seems, expect their career to be sometimes full-time, sometimes part-time, and sometimes a case of breaking off and then resuming—conditions that have applied ever since Mrs. Spicer's time. To these they may add job sharing, not easy to visualise in professional work but perhaps feasible and worth trying.

I am confident the actuarial profession will continue to provide opportunity for women as it has done for so long, and that ways and means of accommodating a woman's "dual career" will increasingly be found and put into operation.

1953 Table *a*.

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jected experience mortality rates. After experimenting with both level margins and margins declining with increasing age, our Committee selected the 10% factor that had been used to obtain the 1971 IAM, as both adequate and suitable. A test based on ten companies contributing to the 1971-76 annuity experience indicated that the 10% reduction in mortality would be adequate for valuation purposes.

Mortality rates at quinquennial ages equal to 90% of those of the 1983 Basic Table were graduated by a Jenkins 5th difference osculatory interpolation formula; age 115 was chosen as the terminal age for both men and women, the same as in 1971.

U.K. REPORT

by Alistair Neill,
Edinburgh Correspondent

I. Response To Inflation

This is a sequel to William Vickers' interesting analysis of the same title (Feb. issue).

Since the time of our March 1981 budget, unemployment unfortunately has continued to grow, and there have been more company liquidations. But some unions are now realising that if employers are to survive, wage settlements have to be less than inflation. The effort to reduce interest rates was not initially successful though they are now seemingly again on a downward trend; the government's minimum lending rate was abolished but the average clearing banks' base rate, now treated as the guide, increased from the 12% of a year ago to 16% but has since declined to about 13½% (this written before the Falkland Islands invasion—Ed.) Rates of inflation in both earnings and prices seem now to be approaching single figures, even though their fall seems not yet much affected by possibly the most noticeable change of the past twelve months—the considerable depreciation of the pound sterling against the dollar, which is helping exports.

The March 1982 budget made little real change—just some slight relaxation and assistance to business through payroll tax reduction, and more direct help to small businesses.

II. Index-Linked Securities

Since my last report (Sept. 1981 issue) a third security maturing in 2011 has come out. The most interesting event has been elimination of any restriction on who could hold these stocks. They had been trading at a nominal yield of about 2½% but the sudden widening in the conditions increased their dealing prices by about 7% at a stroke. Some saw this as a good omen for a new stock to be issued with a 2% coupon maturing in 1988; however, not all the stock offered was tendered for at a price satisfactory to the government. Those who had tendered were allotted stock at 97½%, giving a nominal yield of about 2½%.

How these stocks should be priced, and their relationship to the normal government securities and to non-government investments, is proving a fascinating puzzle.

BOLESLAW MONIC FUND PRIZE

The competition for the Boleslaw Monic Prize, managed by a distinguished committee of European actuaries, happens this year to be of less interest than usual to most of our readers. Nevertheless, we are glad to draw attention to it. Prizes totalling Dutch florins 12,500 (roughly US\$4,500) are being offered for the three best papers submitted on:

"The significance of inflation for the *non-life* insurance industry, with particular reference to the relationship between direct insurance and reinsurance; the problems facing management and a suggested methodology for their solution."

The closing date for entries, which may be in English or in any of five other languages, is 30th September 1982. We have a set of guidelines and entry rules for anybody requesting it to our masthead address.

E.J.M.

Howard University

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but the School of Business has so far been more successful in motivating students to elect the actuarial science major.

Essentials for Success

Two elements rank as essential to this program's success. First is to recruit an adequate flow of actuarial science majors with sufficient mathematical skills and career motivation. At present there are only a dozen of these, but we aim for total enrollment of at least one hundred within a few years.

The second essential is to give the students vigorous support while they are at Howard. Such support must include math courses and tutoring for the early exams, special courses and lectures on actuarial careers and other topics of actuarial interest, and, perhaps most importantly, summer and eventually permanent actuarial employment for our students.

Please Help

Society members who feel you might be helpful in any way, specially in employing students, are urged to write to me at:

Howard University School of Business
2345 Sherman Avenue NW,
Washington, DC 20059