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# Let's Hear from You!

by David A. Jeggle

You may have noticed that we're in the midst of an informal campaign to encourage members to write papers and articles. One reason is purely selfish—those of us involved with the Society's publications want to be sure that every book and every newsletter that we publish are the best they can be. A second reason is that today's publications become tomorrow's reference sources, and we want to assure that the major events of the 1980s are well-chronicled in your libraries.

But perhaps the most important reason is that papers and articles advance the knowledge of the profession. Even though our firms compete with each other, we will all be much more effective in helping to solve the problems of the day if we share progress and challenges with each other. This doesn't mean giving away corporate secrets, but it does mean taking time to put down on paper the results of some research you've done, or the process you followed to solve a problem that some of your colleagues might be interested in.

There it is again—someone else asking for a piece of your busy schedule. And you're probably already thinking that your boss's 1988 objectives are going to require that you kick in the afterburners in order to stay in his good graces for another year. But think for a moment about all that you have learned since you first sat down to study for Part 1. You have benefited from what others have written, and to a great extent those authors have been busy people who volunteered their time to advance the knowledge of the profession.

Having just completed a quarter century of actuarial work, I have worked with several generations of actuaries. Without a doubt, actuaries as a group are much more effective communicators today than we were 25 years ago. Let's put that skill to use! Look again at the list of issues that Rick Kischuk mentioned in his editorial in *The Actuary* for December 1987, or think about some of the problems you've addressed recently. I bet

most of you can come up with a topic on which you can make a significant contribution, whether it be a paper for the *Transactions* or a brief article for either *The Actuary* or a section newsletter. Let's hear from you!

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## Book Review

Michael J. Boskin, *Too Many Promises: The Uncertain Future of Social Security*, pp. 196, Dow Jones-Irwin, Homewood, Illinois 60430.

Summary of Review by Steven F. McKay

(Ed. note: The opinions expressed herein are those of the reviewer and do not necessarily reflect those of the Social Security Administration. The complete review will be published in the TSA.)

Most books written about Social Security fall into one of two categories: either textbook-style or crisis-style. This book falls into the second category. Boskin writes as an economist, telling what he thinks is wrong with Social Security and what he believes should be done to correct the problems.

He says that Social Security is a big program that has grown in small increments without much thought given to the overall result. It affects the retirement planning and savings rates of most Americans. It distributes wealth in a sometimes haphazard way. The Social Security payroll tax affects the number of jobs, and the pay scales, in the U.S. economy in ways that were unforeseen at the beginning of the program.

Boskin presents a number of interesting points. I agree with much of what he has to say. He presents a generally clear argument for scaling back Social Security in favor of more self-sufficiency for retirees (with an expanded welfare program to act as a safety net). Unfortunately, he insists

on seeing everything in economic terms. Yet, really all issues concerning Social Security have political, social, and other facets besides their economic implications; Boskin presents incomplete or one-sided arguments when he disregards these other factors.

Boskin views Social Security as basically an old-age retirement program; all his discussion of the issues focuses on that part of Social Security, although his cost estimates usually include survivors and disability insurance.

Boskin's bottom line is that Social Security is too big and unfair. His solution is to cut it back by eliminating dependents' benefits, and by providing a strictly contribution-related, nonweighted retirement benefit. He does not provide a completely specified proposal; he puts it in general terms, i.e., "tying Social Security benefits directly to contributions." He sketches out a plan to accumulate contributions at interest and pay out an "actuarially fair" benefit at retirement. He would provide survivors and disability benefits, but does not explain how or at what level. In the last chapter, he describes his proposal and provides cost estimates and a table of winners and losers for five general proposals (retirement age increased to 68 immediately, reduced benefits for high-wage earners, etc.). He describes problems with each of the five proposals. I was expecting (and hoping) to see similar cost estimates for his proposal, but they were not there! Thus a comparison of the costs of his proposal with the others listed, or with the present program, is not possible. My conclusion is that Boskin has an incomplete proposal which is too ill-defined to make cost estimates possible. After a few minute's reflection, I thought of a half-dozen serious problems with his proposal. Those problems could probably be overcome, but only by changing a seven-word proposal into one with many messy details which could not possibly provide the desired equity. In other words, it would be a lot more like what we have now.

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