



SOCIETY OF ACTUARIES

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## Equity real estate cont'd

pation in economic growth while responding to different market forces other than common stocks. And despite its ability to provide an inflation hedge, its real return is proven to be strong in both periods of stable prices and disinflation.

It should be noted that during periods of high interest rates and increasing inflation, real estate is the only investment in insurance company portfolios that increases in value. Fixed-rate mortgages and bonds, on the other hand, lose value because of their below-market rates of return.

1. Cooperman, Leon G., Steven G. Einhorn, Meyer Melnikoff. "Our Expanding Universe: The Case for Pension Fund Investment in Property." *Goldman Sachs*, June 1983, p.5.
2. Amato, Suzan L. and Jerrold W. Barag. "Disputing the Myth." *Investment Decisions*, April 1985, p. 26.
3. Ibbotson, Robert G. and Laurence B. Siegel. "Real Estate Returns: A Comparison with Other Investments." *AREUEA Journal* (Vol. 12, No. 3), p. 222.
4. Shulman, David. "The Relative Risk of Equity Real Estate and Common Stock: A New View." *Salomon Bros.*, June 30, 1986.
5. Miles, Mike. "Real Estate as an Asset Class: A 25-Year Perspective." *Salomon Bros.*, January 1989.

Larry D. Pierandri is Senior Executive Vice President responsible for portfolio and asset management at Equitable Real Estate, where Thomas J. Fitzgerald is Senior Vice President and Portfolio Manager. They are not members of the Society.

## U.S. National Center for Health Statistics to hold conference in July

The Public Health Conference on Records and Statistics will be held July 17-19 in Washington, D.C. It will focus on health statistics related to promotion and prevention, surveillance and epidemiology, and targeting services. A special session will discuss marriage and divorce statistics. For further information, contact Nancy G. Hamilton, OPEP, PHCRS, National Center for Health Statistics, 3700 East-West Highway, Room 2-12, Hyattsville, Maryland 20782, (301-436-7122). There is no registration fee. Although the registration deadline was originally June 9, Ms. Hamilton has told us that admission after that date is possible.

## Book review

# Southwestern saga follows Texas actuaries

by E.J. Moorhead

*On the Trail of Actuaries in Texas, 1844-1964*, by Annie N. and Lloyd K. Friedman, pp. 216. Watercross Press, 1988.

In the fall of 1983, the Actuaries' Club of the Southwest set an example that other clubs and writers would do well to follow. Its president, Edwin E. Hightower, proposed as one of its projects a "history of the Club and actuarial practices in the Southwest." The hour produced not just the man but the married couple — Lloyd K. Friedman and his wife, Annie. Would that other laborers in the historical vineyard could be half as fortunate! These authors, with the acknowledged aid of other enthusiasts, required fewer than five years to produce a thoroughly entertaining and informative, even inspiring, volume.

The book is in three chronological parts of four chapters each, ending with an epilogue and three appendices descriptive of the 1949 foundation of the sponsoring club. The volume's frontispiece portrays the two actuaries whose impacts upon the profession's maturing in the Southwest were exceptional — Lawrence M. Cathles (1877-1958), an immigrant from Scotland, and Texas-born Paul V. Montgomery (1886-1980).

Annie and Lloyd made extensive use of taped interviews, some of them giving the words of widows of the actuaries concerned. They also dug deeply into documentary accounts for the biographies. Readers are thus favored with an appreciation of the activities, mind-sets and eccentricities of more actuaries than most outsiders would have guessed contributed to the significance and reputation of our profession in Texas. More than 60 men and women received greater than passing mention.

Readers should feel even further indebted to the Friedmans for devoting 10 pages to a charming O. Henry story about the chivalry of Luke Coonrod Standifer, Texas

Commissioner of Insurance, Statistics, and History in the 1880s. This is icing on the cake.

The North American actuarial profession, although rightly considering itself one of the learned societies, has a sadly spotty record when it comes to putting on paper the story of its own heritage. The founders of the Actuarial Society of America in 1889 behaved almost as though no profession existed before their time; a few personal reminiscences and trade paper news items are all that we have today about 80 years of struggle and experimentation. And the Actuarial Society placed a low valuation upon its library; sporadic appropriations to buy books were voted, but in general the quantity now in the shelves is far less than it should be, especially considering the vigor for many years of the book review sections of actuarial journals.

Curiously, the Friedman's book is not for sale. The largest supply of copies sits at the *Yearbook* address of Jack A. Rollier. Requests accompanied by a check for \$15 per copy payable to the Actuaries' Club of the Southwest to help cover publication costs will be cheerfully received. If a desire for good reading about the profession prevails among today's actuaries, Rollier's supply surely will be quickly exhausted.

E. J. Moorhead, a former SOA President, is the author of the new book, *Our Yesterdays: the History of the Actuarial Profession in North America*.

## Study materials for SOA exams

Study manuals and textbooks for the November 1989 SOA exams are available from Actuarial Study Materials. For a complete list, write to A.S.M., P.O. Box 522, Merrick, NY 11566.

## Mail alert

Second Ballots for the Society's 1989 elections will be mailed to all Fellows July 18. Ballots must be returned to the Society office by August 18.