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EDITORIAL

Spread your actuarial talent

by William C. Cutlip

Wearing my "Ask An Actuary" button has been a real kick. It has caused raised eyebrows, amused smiles, and puzzled looks. As expected, the most frequent question has been "What should I ask an actuary?" That gave me an opening to explain what we do.

I discovered many people don't understand who we are or what we can do outside the insurance arena. They think we only set rates, establish reserves, and generally make life difficult for agents. They are not aware of the richness and breadth of our education and experience.

We actuaries have special talents that allow us to view an issue from 10,000 feet and also to dive into the core of it when needed. Our educational process has ideally suited us for that by making sure that we are not bundles of "book learning" sprung on an unsuspecting world. Rather, we are talented business people who combine formal education with business experiences.

People out there need us, and they don't even know it. We're beginning to let some of them know who we are, and we're moving into the national political scene working on health care and long-term care issues.

Whether or not your special experience and expertise guide you toward national involvement, be assured your talent is always needed closer to home. Groups and issues within your local community can benefit from your fundamental actuarial skills of problem solving, mathematics, and analysis of financial risk. Sometimes we take those skills for granted, not realizing how they can be of value elsewhere.

Where could I help?

Let's take a look at some of the places where your talent as an actuary could be very helpful:

• **School boards** — What school systems today are not plagued by under-funding and over-taxation? As an actuary, you could help in the planning process, looking at population growth in the schools and in use of services and analyzing the future tax base. You also might support the curriculum area, offering ideas for the kinds of business experience and knowledge students will need as they enter the work force. You don't have to get elected to the school board to provide this kind of help. Simply call up and volunteer for some committee work.

• **Town boards or city councils** — You could offer much of the same kinds of planning support here as to a school board. Your analysis often can help put problems into perspective, so financial decisions are not based only on emotions. You can help define problems, research potential actions, and model ultimate projected financial results.

• **Your place of worship** — Use your talents for budgeting and financial review for fundraising and for providing business-focused leadership.

• **Charities** — Social service agencies have committees for allocating funds, projecting levels of giving, and developing budgets. You could look at the insurance, pension, and other employee benefits for hired staff, evaluate what's needed and what the cost should be.

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Editorial (continued)

• *Organizations involving your children* — This might be Scouts, a soccer team, or a youth symphony group. They always need help with scheduling, fundraising, planning, and budgeting.

• *Small business support* — A group of retired executives in my town volunteers to help people form small businesses. This is an area where actuarial talents could really come into play. People who have never worked with a small business can use help with organization, financial projections, cash flows, borrowing money, business plans, and marketing potential. You may be able to provide some direct help in one or more of these areas.

• *Tutoring* — Who knows how to study better than actuaries? Tutoring services for young people or adults are always needed. It might be in specific subjects such as mathematics, or it might be in study techniques. You also might help prepare adults for professional exams on the job.

• *Articles or letters to the editor to local newspapers on financial risk issues* — When a local issue is brewing, an observation from an actuary using research, analysis, and mathematics often can shed light on a subject in a way others can't.

How does it help me?

Spreading your talents through volunteerism has some real advantages:

- You have the satisfaction of helping; knowing that your actions may have made someone's life better.

- You meet people. In this age, we need to know more about our customers. Working with volunteer groups is a wonderful way to meet people from other backgrounds and to understand what makes them tick.

- You encounter new challenges. If you are getting stale at work or frustrated in your job, this is a good way to expand and find new ways to put your mind to work.

- You get to try new things in new areas where you might not have had the opportunity at work. It might be learning more about financial statements or planning, for example.

- You improve your personal skills by chairing a team, speaking in public, or writing.

- You introduce people to actuaries and to what actuaries have to offer. This could lead to a job or career opportunity.

The effect of all this volunteer effort is that your life can be enriched, and the organizations and the people with whom you work also can be enriched. I encourage you to take the plunge.

William C. Cutlip, vice president at Rural Insurance Companies, Madison, Wisconsin, begins as associate editor with this issue, moving from Assistant Editor to replace Associate Editor Barbara Lautzenheiser.

IN MEMORIAM

Jean-Claude Bourgault
FSA 1979, FCIA 1979

Arthur Ward Dilkes
FSA 1979, FCIA 1979

Ronald J. Martin
ASA 1931, MAAA 1966

Lyll MacAulay Sprung
FSA 1948, FCIA 1965

Obituaries detailing the careers of all deceased members are prepared by the Committee on Memorials and printed in *The Transactions*. Members with waivers of dues who do not receive *The Transactions* may request copies of obituaries on any deceased member by contacting E. J. Moorhead, chairperson, at his *Directory* address.

SOA Ph.D. grants program

The Society of Actuaries is accepting applications for 1994-95 Ph.D. grants. The purpose of the \$10,000 annual grants is to encourage graduate students to complete research in actuarial science and to pursue an academic career in North America. Grants are awarded on the basis of individual merit with preference given to those who are likely to pursue an academic career in North America. Preference also is given to candidates who are members, or are working toward becoming a member, of the Society of Actuaries.

The completed application form and supporting materials must be received by March 15, 1994. Recipients will be notified by June 15, 1994. For more information or to obtain an application form, call Liz Hirz at the SOA office, 708/706-3556.

This grant program is one of the academic relations initiatives begun in 1990. Two Ph.D. candidates received grants for the 1991-92 school year. Three received new grants, and one previous grant was renewed in 1992-93. Two received new grants, and two were renewed for 1993-94.

Three completed Ph.D. dissertations are available at the SOA library as a result of the Ph.D. grant program. The topics are:

- "Identifying Life Insurer Financial Distress: Parametric and Nonparametric Models, Insolvency Theories and Empirical Evidence" (James M. Carson)

- "A Consideration of Certain Statistical Problems Involving Econometric Models with a Linear Structure from a Bayesian Perspective" (David P.M. Scollnik)

- "Recurrence Equations and Insurance Risks Computing" (Shaun Wang)