



SOCIETY OF ACTUARIES

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## THE COMPLETE ACTUARY

# Field trips lead spring meeting attendees off-site

by Charles R. Haskins

**Y**ou are on a team that has to research and develop a plan to expand product lines into countries outside North America. Where do you start? Answer: Pre-register for one of the spring SOA meetings and sign up for the all-afternoon field trips studying "Effective Business Relations Across the Border," with speaker Cynthia Barnum from the Globalization Consulting Services.

In New Orleans, the field trip is to the World Trade Center on Friday, April 7, with a focus on Mexico and Latin America. In New York, the date is Tuesday, May 23, and the focus is Europe, and the location is the United Nations. The session at Vancouver is

Tuesday, June 27, and focuses on markets in Asia.

The beginning session will identify the issues that need to be addressed in doing business internationally, the resources available, and how to decide which country to target as a business opportunity. In the second session, two breakout groups will build a business plan.

The sessions are jointly sponsored by the International Section and the Committee on Management and Personal Development. Advance registration is required, and the fee for the field trip and lunch cannot be refunded.

Also at all three spring meetings is a personal development session titled,

"Removing the Blinders," focusing on achieving your career goals, with speaker Dr. Vic Heckler, a management psychologist. Advance registration is also required for this session. Check your registration information for date and times.

The Committee on Management and Personal Development promotes management and business skill development for members, using a variety of channels. Its theme for 1995 is "Positioning Yourself for Management and Leadership in the Year 2000." If you would like to be a part of this committee, contact Chairman Charles R. Haskins; phone: 302/672-5047; fax: 302/672-5163.

## Envisioning pensions in the 21st century (continued from page 7)

dollar terms for two or three more decades. Most are expected to mature around the time the baby boomers retire. The resulting large pool of assets, combined with the surge of retirements beginning a few years from now, have three important implications:

- Larger pools of money are larger targets. Pressures to reduce funding commitments and to influence the use of the trust funds are likely to grow as governmental budgets get tighter.
- Liquidity needs will rise dramatically as boomers retire. Actuaries can and should play an increasing role through the use of forecasting tools to assist sponsors and trustees in asset planning.
- A retirement funding paradox is that, as well-funded plans approach maturity, maintaining stable

contribution rates (the primary objective of most public sector plans) becomes increasingly difficult. Small market fluctuations have a magnified effect on the funded status of plans and year-to-year contribution requirements, even with the most sophisticated smoothing devices. Actuaries are challenged to fully understand the financing mechanisms and to work with plan sponsors in finding funding arrangements that will minimize volatility and maximize intergenerational equity.

**3) Member services** — As the working population continues to age and as the ratio of active participants to retirees continues to decline, the demand for member services in the retirement area will increase. Development of hybrid plans and expansion of DC plans will

compound the demand. Fortunately, plan sponsors have better tools at their disposal than ever before. Creative actuaries and benefit consultants can play a key role in improved communication and financial planning assistance for plan participants.

Believing that we really can predict the future is an occupational risk for actuaries. Adding refinements to our already elaborate models will not eliminate uncertainty. We sometimes forget that the best we can achieve is to design financial programs that are flexible enough to accommodate rapidly changing economic, demographic, social, and political environments.

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