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# As Seen in **SOA News Today**

by Emily K. Kessler

*Author's Note: We're reprinting here, for your convenience, two articles of interest that we normally would have run in the Pension Section News, but we decided to run in SOA News Today (the e-newsletter) so you could get the information sooner. These are somewhat longer versions of what ran in SOA News Today.*

## **New Resource for Pension Actuaries on Pension Finance (aka Financial Economics)**

(from the January 2005 issue of SOA News Today)

The Joint Academy/Society Task Force on Financial Economics has put together resource pages for pension actuaries available on the SOA Web site. This resource contains much of the writing done about pension finance (also known as financial economics) and how that might affect how we work as actuaries. Papers are from actuaries and non-actuaries from the United States, Canada and around the world. Some of these are from SOA and Academy publications, but many are from other sources as well.

The home page is the jumping off point. There you'll see that the resources have been divided into topics: Key Points, Changes in Actuarial Practice and Views of Others. There's a fourth section that features papers covering what the effects of pension finance might be to funding, accounting, investments, plan design and public funds. We also have a link to the papers from the 2003 Financial Economics Symposium in Vancouver.

The home page for these resources is found at <http://www.soa.org/ccm/content/areas-of-practice/special-interest-sections/pension/pension-finance/pension-finance-resources/>

The Web site will be the place to find new materials on pension finance. New to the Web site is "The Case Against Stock in Public Pension Funds," by Larry Bader and Jeremy Gold. We anticipate this will be published in *The Pension Forum* in 2005, but for now you can read it on the Web site. It's the second paper on the Key Points page.

<http://www.soa.org/ccm/content/areas-of-practice/special-interest-sections/pension/pension-finance/key-points-pension-finance-resources/>

## **Public Misperceptions About Retirement Security Report Published**

(From the March 2005 issue of *SOA News Today*; this was the original article—too long for *SOA News Today*.)

The SOA, in cooperation with LIMRA and Mathew Greenwald & Associates, has just published a new report, "Public Misperceptions about Retirement Security." The new report takes data from various sources and combines it to highlight common public misperceptions of the risks faced in retirement. By bringing together data from multiple sources, the report is able to draw a more complete picture of what the public knows and doesn't know, about various sources of financial risk in retirement.

The report highlights 10 common risks in retirement:

- 1) Saving too little.
- 2) Not knowing when retirement will occur.
- 3) Living longer than planned.
- 4) Not facing facts about long-term care.
- 5) Trying to self-insure against long life.
- 6) Not understanding investments.
- 7) Relying on poor advice.
- 8) Not knowing sources of retirement income.
- 9) Failing to deal with inflation.
- 10) Not providing for a surviving spouse.

The report is currently available on the SOA Web site. To read more about it, go to <http://www.soa.org/ccm/content/areas-of-practice/special-interest-sections/areas-of-expertise/post-retirement/>. It's full of good information about who knows what when it comes to the financial risks of retirement, and it's in chapter format so you can get what you need quickly.

The report was produced under the guidance of the SOA Committee on Post-Retirement Needs & Risks. The principal authors of the report are Eric Sondergeld, ASA, CFA, MAAAA, LIMRA International and Mathew Greenwald, Ph.D., Mathew Greenwald & Associates. More about the report can be found in the April/May issue of *The Actuary*.

The Committee on Post-Retirement Needs & Risks is going to explore implications raised by these issues during the first half of 2005. This includes general implications for the public as well as consequences for plan sponsors and those providing financial risk products (e.g. annuities). If you're interested in volunteering to help the committee further the work started in the paper, please contact Emily Kessler at [ekessler@soa.org](mailto:ekessler@soa.org). ♦

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