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In Memory of Dr. Jeremy Gold

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Dr. Jeremy Gold

Dr. Jeremy Gold, former vice president of the SOA, passed away peacefully in his sleep on July 6, 2018 at age 75. His deep knowledge of finance, wit and outspoken style made him arguably the most influential actuary in our time. The last decades of his career were dedicated almost exclusively to providing better actuarial information to the public, especially with regard to government sponsored pension plans.

Jeremy had a profound impact on the pension actuarial profession and was one of the first actuaries to work on Wall Street. Jeremy would relay the story that when he started at Morgan Stanley, he was told that he had a solid understanding of liabilities, but needed to learn more about assets. Jeremy's eventual realization was that, in fact, he knew very little about liabilities until he came to understand assets and investment principles better.

These experiences led him to the epiphany that traditional actuarial methods conflicted with basic principles of finance and economics. In order to fully understand the economic theory the profession had not adopted, Jeremy left his career at

Morgan Stanley to enroll at the Wharton School of Business at the University of Pennsylvania. He received his Ph.D. in Pension Finance in 2000.

Filled with knowledge not yet widely available to the pension actuarial community, Jeremy began to suggest that pension actuaries modify their practice to conform with accepted economic theory. Not surprisingly, he soon became a controversial figure to those actuaries reluctant to adapt. To those in the public pension world who favored the status quo, he became a target of derision. Those who disagreed with him painted him as an enemy of defined benefit plans, which was inaccurate. In fact, he had two parents who were teachers that benefited from pension plans, and Jeremy was fighting to sustain pension plans through better design, funding and investment practice.

However, practitioners on both sides of the "Great Debate," as it became known, respected his energy, intellect, debating skills and desire to advance actuarial practice. His thorough grasp of Financial Economics enabled him to effectively propose and defend his point of view, which he did in a continual stream of articles, speeches, papers and interviews. Many actuaries became smarter about the work they did through reading his ideas and personal interactions with him. In personal discussions, Jeremy would call on his seemingly limitless reservoir of knowledge about finance, investments and markets to make his points.

Jeremy was a public figure but produced many in-depth research pieces built on his strong academic credentials. He presented a modern corporate finance view of pension costs and risks in his 2003 seminal paper, "Reinventing Pension Actuarial Science," co-authored with Larry Bader. But well before earning his doctorate, he wrote one of the earliest papers on what is now called "liability-driven investing" (LDI) with Richard Bookstaber ["In Search of the Liability Asset," *Financial Analysts Journal*, 1988, <https://www.cfapubs.org/doi/abs/10.2469/faj.v71.n1.3>].

He was quoted often in the national press, especially with regard to pension plans sponsored by state and local governments where proper liability measurement has been a contentious issue. He testified for Congress, the FASB, the GASB and for the ERISA Advisory Council.

Jeremy was born in Brooklyn and accepted to MIT at the age of 16. He was distracted by, among other things, trying to perfect his skill at pool, and left MIT after three years. He eventually obtained a bachelor's degree from Pace University. He worked at both life insurance and pension consulting firms, landing at Buck Consultants until the mid-1980s when he moved on to work at Morgan Stanley. He worked at Morgan Stanley for four years before leaving to earn his Ph.D. and then create his own practice.

Jeremy Gold left a legacy of change in our profession by challenging accepted norms and continually learning, experimenting and teaching.

Jeremy was a regular speaker at actuarial conferences and he served as a Society of Actuaries Board member (2006–2009) and vice president (2011–2013). He twice won the SOA's Redington Prize for best investment research paper by an actuary—once for “Reinventing Pension Actuarial Science,” and again for “The Intersection of Pensions and Enterprise Risk Management” in 2008. He cofounded and chaired the Financial Economics Task Force (later renamed the Pension Finance Task Force) and was vice chair of the American Academy of Actuaries Pension Practice Council.

The problems confronting public pension plans engaged him, starting in the early 2000s, for the remainder of his life. He was able to see his influence upon the practice when the Actuarial Standards Board decided, in principle, to include a market value of liabilities in every pension funding valuation report. His quest to advance actuarial practice continued until he ran out of energy due to illness.

In 2016, Jeremy was diagnosed with MDS—a rare form of cancer—and accepted his fate of impending death somewhat matter-of-factly. In 2017, when he informed friends and professional colleagues about his fate, he joked that “I’m either still in denial or I went straight to acceptance.” His sense of humor helped people discuss his situation with him without feeling awkward.

Late in 2017, his energy already depleted by his illness, Jeremy brought together more than a hundred family members, friends and professional colleagues for a “toast/roast” in New York. He observed that all these people would normally gather at his funeral, but he would not be able to hear what they had to say, and he did not want to wait. His lifelong gang of friends “the LESBAR (Lower East Side Boys Annual Reunion)” joined family members, academics and actuaries. As people shared stories, and poked good-natured fun, the attendees celebrated his full personal and professional life. Indeed, the speeches revealed that he lived his life in many dimensions: from family to life-long friends to actuarial colleagues, academic colleagues and investment colleagues. Listening to representatives from each dimension revealed that no one knew Jeremy in his entirety. He was truly complex and the challenge of knowing him was to keep up with him.

Jeremy Gold left a legacy of change in our profession by challenging accepted norms and continually learning, experimenting and teaching. He will be missed, but his accomplishments and influence will live on in the practice of the many actuaries who benefited from knowing him and by those who read his brilliant works. His passing was honored with obituaries in both *The Wall Street Journal* and the *New York Times*. ■



Evan Inglis, FSA, EA, CFA, worked closely with Jeremy Gold as part of the Pension Finance Task Force and during their terms on the Board of Directors for the SOA. Evan counted Jeremy as a teacher, mentor and friend.



Mitchell Serota, FSA, MAAA, EA, Ph.D., has had the honor of knowing Jeremy Gold since 1983 when they were on an SOA panel together in Vancouver. For the next 35 years, Mitch listened intently during their lengthy conversations because Jeremy gave him no other option.