



SOCIETY OF ACTUARIES

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**ONE LIFE, TO JOBS . . .**

by Joseph R. Brzezinski

The New York Times last year published an article with the above title, on the job changes of American workers (November 25, 1980). The writer relied on disparate studies by the National Bureau for Economic Research, the Personnel Journal, and the National Personnel Associates.

The Times article tags the average worker as a "job jumper," holding ten jobs during his or her career. Frequency of this jumping has been increasing; average tenure is said to have declined from 4.6 years (1963) to 3.6 (1980).

LIMRA's 1979 Agent Termination Tables, reported in *The Actuary* (January 1981), can be used to calculate average tenures for life insurance agents, with the results shown below.

The criterion in the Times article is working for one employer in any job; the LIMRA study applies a stricter test,

working for one employer as an agent.

While agent turnover is widely recognized as an expensive industry problem, the Times article does help to place the matter in clearer perspective. It is not isolated, let alone unique; job changing by the American worker in general is shown to be substantial and becoming more so. Even though the comparability of these figures must be rated as flimsy, the life companies with the lowest agent turnover rates may take heart.

*Ed. Note: We await with interest a definitive study of job tenure among actuaries. For whatever the snippet be worth, we find that the fifteen Society members in Canada and the U.S.A. whose obituaries printed in the Transactions, Vol. XXXI (1979) give sufficient information for calculating, seem to have experienced average job tenure of about 12.7 years, i.e., fewer years than Mr. Brzezinski's study attributes to agents of multiple line companies. □*

<u>Distribution System</u>	<u>Average Job Tenure</u>
Ordinary Cos., not Multiple Line — Best One-Third of Agents	3.9 years
Middle " " "	2.3 "
Worst " " "	1.4 "
Combination Companies	2.1 "
Multiple Line Companies	16.6 "

**ACTUARIAL SOFTWARE OUTLINES WANTED**

by Matt B. Tucker

This enquiry is directed to readers who have information about an actuarial software system or who work for a vendor or supplier of such a system, and who would like to have the system listed in an Actuarial Software Catalog being planned by the Society's Computer Science Committee.

The list would cover programs that can be bought or leased, whether for a computer, minicomputer or time-sharing; the time-sharing items will be listed separately. Our catalog will be compiled as soon as we have enough particulars, and will be revised regularly.

We seek the following particulars:

1. A 50-word-or-less description of what the system does.

2. How it may be acquired—purchase?, lease?, usage charge?
3. Whether it is available for in-house, mini-, or micro-computers or via time-sharing.
4. If for in-house computers, who are the hardware vendors.
5. The system's price range.
6. Name and address of the software vendor or supplier.

Please send your response to me, Matt B. Tucker, at my *Year Book* address. □

**Deaths**

- George W. Bourke, F.S.A. 1925  
 Reginald Catling, A.S.A. 1965  
 Charles Mehlman, A.S.A. 1930  
 Franklin C. Smith, A.S.A. 1949  
 Andrew M. Stiglitz, F.S.A. 1962

**GOVERNMENT BORROWING**

Our April Query, on the assertion by two Harvard economists that government deficits are being exaggerated unless allowance is made for the declining value of the dollar, brought us nine welcome responses which we undertake to summarize here in the order received.

*John C. Maynard* believes that subtracting the inflation rate from the interest rate emphasizes the borrower's viewpoint to the neglect of the lender's. If the lender has aimed for a 4% real yield (rather than the 2% that the economists' post hoc arithmetic has given him) he will raise his future interest rate, thus aggravating the inflation. The government, unlike the ordinary borrower, is in a position to lower the borrower's real rate of return after the borrowing terms have been set—but to the extent they do so they push up future financing costs and future inflation.

*Charles M. Underwood, III*, perceiving an analogy to the AICPA's insistence upon constant dollar footnotes to corporate financial statements, regards the view as sound provided it gets only a footnote's-worth of emphasis, but he thinks such reasoning likely to lead to further excesses. "To say 'The government is not really living beyond its means' is not to say, that it isn't living beyond OUR means."

*Albert K. Christians* says that the phrase "living beyond its means" (rather than, e.g., "financing its activities by illegitimate means") isn't conducive to reasoned discussions of such complex issues. He by no means concedes that the intuitively reasonable relationship, Increase in Debt = Expenditures - Income, holds true when the measure is a dollar of constant purchasing power.

If economic conditions cast doubt upon inter-temporal comparisons of financial quantities, then actuarial science is greatly impaired, for such comparisons are fundamental in almost all actuarial work. If actuarial science is unsound, so are the financial institutions that stand upon it. There are two great challenges to actuaries here. The first is to adjust actuarial thought to inflationary times so that we don't become confused by the paradoxes in the non-Euclidian world of the rubber ruler. The second is to

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