



SOCIETY OF ACTUARIES

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THE ACTUARIAL PROFILE SURVEY — SUMMARY OF RESULTS

By Marta L. Holmberg

The survey was sent to all 9,435 active Canadian and U.S. members of the Society. A total of 3,833 responses were received. For a survey of this type, 41% is a fairly high response rate. Respondents were fairly representative of Society membership, except that FSA's were over-represented and career ASA's under-represented.

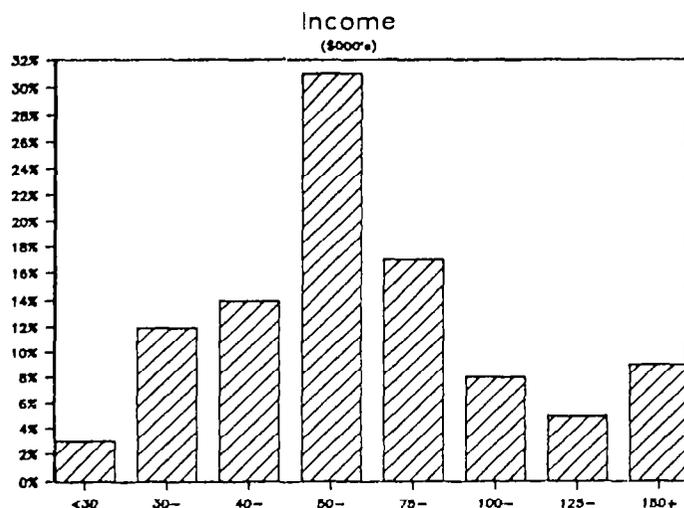
On the whole, respondents reported satisfaction with their professional success, with 86% saying that their success met or exceeded their expectations. The 14% reporting career success below expectations were also far more dissatisfied with the inconsistency between success and their abilities — 56%, versus 11% for respondents overall — and expressed far more professional dissatisfaction generally — 44%, versus 14% overall.

Respondents overwhelmingly rated their future opportunities positively — 43% "excellent", 41% "good", and only 10% "average" and 2% "poor". The remaining 4% answered "not applicable".

Information about the Respondents

Type of work	Consulting	Insurance Company
Direct involvement - technical actuarial work	12%	23%
Primarily conceptual role	19%	23%
Generally managerial function	4%	13%

The remaining 6% were involved in academic (1%), government (2%) and "other" work.



Attraction of the Profession

Most respondents — 53% — became interested in actuarial work during college, while a significant segment — 22% — were already interested when they began college. The profession attracted them primarily because for 62% it provided a means to make practical use of their mathematical skills. Salary expectations were reported by 13% as the primary motivation, and 10% cited expectations for advancement.

Education

A majority of respondents received their undergraduate education in mathematics — 59% — or in actuarial science — 19%. Younger respondents were more likely to have entered college with plans to become actuaries — 29% — and to have majored in actuarial science — 30%. Thirty percent of respondents have at least one post-graduate degree.

Perceived Skills and How to Maintain Them

Respondents rated themselves highly on most personal characteristics cited in the survey, but only average on "risk-taking ability", "assertiveness" and "managerial ability". They see themselves as "independent", "benevolent"; "results-oriented" rather than "recognition-oriented"; and "task-oriented" rather than "people-oriented".

Respondents recognize the importance of various non-technical skills such as communications, both oral and written, with non-technical audiences; problem identification and solution; strategic planning; and time management. They reported having made significant efforts to improve their skills in these essential areas, with company-sponsored courses and seminars the primary vehicles for communications, and conceptual and management skills.

(Continued on page 3)

Actuarial Profile Survey

(Continued from page 1)

The survey also asked members to provide information about their work and career progress, and to provide personal data that would enable the Committee on Planning to better determine what skills and other personal characteristics fit various actuarial career paths.

The Committee indicated that the information developed from the survey would be used to guide the Society in developing strategies for career counseling programs, expanded continuing education, and different approaches to recruiting.

Pages 2 and 3 of this special supplement provide the highlights of the Survey results, which were presented to members at the General Session during

the 1986 Annual Meeting.

It is followed by commentary from four members of the Committee and from a distinguished observer not involved with formal Society governance.

The Board of Governors and the Committee on Planning hope that this special supplement will generate lively discussion among our members on the future course of the profession.

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(Continued from Page 2)

Society-sponsored courses and seminars were, as expected, the most frequent methods used to improve or update technical skills. Four-fifths of the respondents believe that the Society should take an active role in providing skills development programs; a majority believes the Society should provide programs of its own, and also direct members to appropriate outside programs where it does not have the resources.

“Technical” vs. “Non-Technical” Actuaries

Respondents in technical functions were more likely to be in the early stages of their careers, typically ASA's still taking exams; they tended to be more introspective and stability-seeking than their counterparts in less technical roles. In general, technical actuaries evaluated themselves somewhat below average on “risk-taking” and near average on “assertiveness”, “leadership”, “self-assurance” and “managerial ability”.

Non-technical actuaries presented a different profile. They consider themselves more “active”, “decisive” and “variety-seeking”, and rate themselves highly on “assertiveness”, “leadership”, and “communication skills”. They are more likely to have postgraduate degrees, and less likely to have obtained their undergraduate degree in actuarial science.

Other Characteristics

As age increases, the percentage reporting an unexpectedly high degree of success rises from 24% below age 35 to 35% at ages 50-54. Primary function progresses with age from 53% technical/35% conceptual below age 35 to 19% technical/48% conceptual/29% managerial at ages 50-54. Salary levels show a similar trend, with most under age 35 earning from \$30,000-\$74,999. By ages 45-49, most earn from \$50,000-\$99,999, with 25% in that age group earning \$150,000 or more.

The percentages who consider themselves satisfied with their professional success were surprisingly constant across all age groups except the highest; 92% of those age 60 and over were satisfied. These percentages were also quite constant across professional environment, with the exception that a surprisingly high 95% of actuaries in academia and government said they were satisfied with their work. These two forms of employment are generally less rewarding financially than the private sector, which suggests that some actuaries consider other factors beside economic reward in rating job satisfaction.

Earnings/Success — Another Perspective

The salary data were also analyzed against criteria suggested by James Anderson in his 1985 address to the new Fellows of the Society. By mid-career, which he defines as age 30-40, Anderson suggests that *typical* actuaries should be earning annually in thousands of dollars their age in years plus 30.

Successful actuaries should be earning in thousands their age times 2.5. “Exceptionally successful” actuaries in their “mature career” stage should earn in thousands of dollars in excess of 4 times their age.

By these criteria, the 760 respondents between ages 35 and 39 would be classified as follows:

Unsuccessful (below \$50,000)	18%
Average (\$50,000-\$87,499)	51%
Successful (\$87,500 & over)	31%

The 997 respondents between ages 40 and 54 would be considered:

Unsuccessful (below \$70,000)	28%
Average (\$70,000-\$99,999)	30%
Successful (\$100,000-\$149,999)	23%
Exceptionally Successful (\$150,000 & over)	19%

Anderson's criteria yield a somewhat less positive view of professional success than the survey respondents gave on a subjective basis. Many of today's 35-year-old FSA's earning in the \$60,000 to \$70,000 range consider themselves successful, and would probably be so considered by their colleagues.

Several personal characteristics also demonstrate a trend by age, with self evaluations of “tenacity”, “energy”, “personal happiness” and “communications skills” all rising with age. Respondents under 40 were evenly split in their quest between “variety” and “stability”; by their 40's, most sought “variety”, but over age 50, had shifted back to “stability”.

These are the principal results tabulated from the Survey that the Committee on Planning is using to develop its recommendations to the Board for changes in specific programs and overall strategy of the Society.

Members interested in more detail may call or write Dr. Marta L. Holmberg, Examination Staff Consultant, at the Society Office.