

## **DIVERSITY IN THE ACTUARIAL PROFESSION**

**By Barry McKeown**

### **Background**

The actuarial profession does not have the diversity that it needs or desires. Black, Hispanic and Native American populations are underrepresented. There is significant competition among professions for top students. Other professions, such as engineering, are better known and have long standing initiatives in place to introduce minority students to their professions. Many high school students choose colleges and majors based on careers they already know about and are considering while in high school. It is important that these top students are aware of the actuarial profession when they are making these decisions.

The Committee on Career Encouragement and Actuarial Diversity (CCEAD), a joint committee of the Society of Actuaries (SOA) and the Casualty Actuarial Society (CAS), promotes actuarial diversity by making presentations at high schools and supporting summer actuarial programs at colleges targeted at minority high school students. Howard University, Illinois State University and Morgan State University have summer actuarial science programs for minority high school students. West Chester University of Pennsylvania will be starting a program in 2014. These programs serve an important role in enabling students to make informed decisions about the actuarial profession.

The CCEAD started over 30 years ago as the Minority Recruiting Committee to address the lack of diversity in the actuarial profession. The initial charge of this committee included promoting the profession to Women and Asian populations. The current underrepresented groups include Black/ African American, Hispanic and Native American. One focus of the CCEAD is to promote a diverse actuarial profession by recruiting top mathematical and analytical talent from the African American, Hispanic and Native American communities. The objective is to increase total membership on underrepresented populations in the actuarial profession to their levels in the U.S. population.

Most actuarial employers have diversity policies and want a greater pool of diverse candidates available. The academic community is already a partner in the effort to increase the diversity in the actuarial profession. The diversity efforts that the CCEAD is aware of will be identified in this article. A number of other universities may already have an actuarial diversity initiative or are considering one. It is important to gather this information and share it within the actuarial profession.

In this article, information will be shared about current diversity initiatives. It is almost certain that there are other initiatives underway and we hope to gather and maintain that data going forward. We would like to also ask other universities to consider exploring what they may do to help further diversify the actuarial profession.

### **Where Are We Today?**

According to the 2010 census, African Americans were 13 percent of the U.S. population, Hispanics were 16 percent and Native Americans were one percent. The SOA completed a demographic survey around 2005 and this survey showed that African American were about two percent of the actuarial profession, Hispanics were also about two percent and Native Americans about 0.5 percent. Note that these numbers include those who are still taking exams who have not yet reached at least an associate level. If only those in the profession who had reached associate or fellow were considered, these levels would be at about half the rate shown. While this survey is dated and there has been some positive movement in recent years, there is much more to do.

#### Actuarial Diversity – Current Partners

- Actuarial Employers
- Casualty Actuarial Society (CCEAD)
- Society of Actuaries (CCEAD)
- International Association of Black Actuaries (IABA)
- The Actuarial Foundation
- The Academic Community
- Society for Advancement of Chicanos and Native Americans in Science (SACNAS) and American Science and Engineering Society (AISES) (future partners?)

As noted earlier, actuarial employers are looking for a larger pool of diverse (underrepresented) candidates.

The CAS and SOA jointly sponsor the CCEAD and provide the necessary funds to help them with their work.

The mission of the IABA is to contribute to an increase in the number of black actuaries and to influence the successful career development, civic growth and achievement of black actuaries. The IABA has outreach initiatives targeted at high school and college students and provides a strong network of support throughout one's career. Scholarship opportunities are available to top students and mentors are also available. Many of the largest actuarial employers are part of the IABA Corporate Advisory Council.

The Actuarial Foundation assumed the scholarship and mentoring that had previously been handled by the former

Committee on Actuarial Diversity (now CCEAD). These programs have grown under the direction of the Actuarial Foundation.

SACNAS and AISES are two organizations who look to increase the representation of their groups in STEM (science, technology, engineering and math) based studies and careers. The CCEAD has participated in the annual meetings of these two organizations and began introducing the actuarial profession to students, educators and professionals. Efforts are expected to increase in future years.

### **Summer Programs**

Summer programs typically target rising high school seniors and provide them with information about the actuarial profession as they are getting ready to consider their college choices. There is a wide range in the structure of these programs, but they are all designed to give the student valuable information so they can make an informed decision about studying actuarial science in college. Universities expecting to host 2014 summer programs are Howard University, Illinois State University, Morgan State University and West Chester University of Pennsylvania. There is additional information about these summer programs on [BeAnActuary.org](http://BeAnActuary.org).

### **Diversity Scholarships**

- Actuarial Foundation Diversity Scholarships
- IABA
  - IABA Foundation Scholarships
  - IABA Co-branded scholarships (2013 partners - Ernst & Young, Liberty Mutual, New York Life, Prudential, Towers Watson)
- Morgan State University (Morgan State, Travelers Edge)
- Mutual Of Omaha
- Robert Morris University/ Highmark Presidential Actuarial Scholarship

The scholarships range from several hundred dollars to full tuition (Morgan State, Robert Morris). Some scholarships will lead to a paid internship, which is a very important benefit.

### **Other Programs**

Penn State hosts a two week program each summer for top minority students who have an interest in exploring business. A wide range of business related subjects are introduced, including actuarial science.

The University of Connecticut supports a Probability Boot Camp each summer, which targets high school students with a strong math aptitude. While this program does not have an exclusive diversity focus, it is expected that there will be an effort to recruit at high schools that have diverse candidates.

Some actuarial employers invite high school students to their offices for information sessions and shadowing. These events may have a diversity consideration in choosing the schools to participate.

Some universities are considering adding diversity programs, or expanding existing ones.

## Next Steps

While there are many positive events happening to increase diversity in the actuarial profession, much more needs to be done to reach the level that the profession and actuarial employers need.

Many university actuarial programs are experiencing their highest number of students. While these programs are growing, participation by underrepresented minorities may not be keeping pace. One of the greatest challenges is to have our outreach efforts reach as many of the top minority students as possible. If every top minority (underrepresented) student has thorough knowledge of all professions, there would be much greater diversity in the actuarial profession. We are competing with many better known professions (engineering, the sciences, technology, to name a few), who also have a strong diversity focus. Every university has many links to high schools and some actuarial science professors encourage their students to go back to their high schools and make a presentation about the actuarial profession. It would help the diversity effort if information about summer programs and diversity scholarships can be provided to high school teachers and minority students.

The CCEAD will be maintaining data on all diversity related activities. If your university is currently involved—or plans to be involved—in a diversity related activity that is not noted in this article, please let the author know.

Future issues of *Expanding Horizons* may provide updates on diversity efforts in the actuarial profession or highlight specific programs that have a diversity focus.

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The Joint CAS/SOA Committee on Career Encouragement and Actuarial Diversity is responsible for increasing the awareness of the actuarial career among students, educators, and career influencers in high schools, colleges, and universities. To facilitate the evolution of a diverse profession, one focus of the committee is on recruiting talent from groups that are under-represented in the profession, which currently includes African-Americans, Hispanics and Native Americans.