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Mission of IABA
The International Association of Black Actuaries is a professional and student member organization whose mission 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.

Vision of IABA
To be the world’s leading actuarial organization dedicated to influencing diversity by developing and recognizing the achievement of black actuaries.

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This year’s IABA Annual meeting was marked by high attendance, educative professional development sessions and a lot of things to see and do in the fun city of New Orleans. The Annual Boot Camp was held from Sunday July 27th to Thursday July 31st and the Annual Meeting kicked off on Friday August 1st and ended on Saturday August 2nd.

The words of Carl Mack have stuck with me ever since the awards dinner held on the final night of this year’s Mission ImPossible conference. He encouraged us to recognize and appreciate history, showing gratitude to the founding fathers and current leadership of the association. Carl challenged us to get off the sidelines and get involved in achieving our mission of increasing the number of black actuaries. “Don’t sit on sidelines and suggest oh you could have done it like this oh you could have done it like that.” We were challenged with the following words of former President of the United States, Theodore Roosevelt:

“It is not the critic who counts; not the man who points out how the strong man stumbles, or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood; who strives valiantly; who errrs, who comes short again and again, because there is no effort without error and shortcoming; but who does actually strive to do the deeds; who knows great enthusiasms, the great devotions; who spends himself in a worthy cause; who at the best knows in the end the triumph of high achievement, and who at the worst, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who neither know victory nor defeat.”

Our current membership stands at about 1% of the number of actuaries in the United States. To achieve our mission of increasing the number of black actuaries, we need to not only be involved but committed to a mission that is not impossible but possible!

By Efua Mantey
This year’s Boot Camp was held from July 27th to July 31st and lasted 5 days as with prior ones. The Boot Camp is a series of educational sessions built around technical and soft skill development. Some of the sessions held during the Boot Camp this year included Excel, VBA and SQL training, networking skills, creating 30 second pitches, resume writing skills, emotional intelligence, interviewing skills, the importance of mentoring, building a strategic career plan, the importance of having accountability partners that you keep within your goals and the importance of giving back.

In line with giving back, this year’s graduates have the aim of coming back to help with next year’s Boot Camp group of students thereby helping build a pipeline of black actuaries into the future. The whole point of the Boot Camp was to train the students in attendance under the above mentioned subject areas and have them utilize the skills they learn at the career networking events held during the Annual Meeting so they can land internship and entry level positions. In prior Boot Camps, an estimated 60% of students in attendance land internship or full time positions.

Organizers of the Boot Camp continue to support the students even after the event with regards to help with networking or practicing for interviews during the recruiting season which is the September – January period. Boot Camp attendees are taken through a step by step career vision or Actuarial Development path.

### FUN STUFF

**10 interesting facts you should know**

Did you know that…?

1. When adjusted for inflation, John D. Rockefeller is the richest man in history of the world with a net worth 10 times more than Bill Gates
2. Russia didn’t consider beer to be an alcohol until 2011. It was previously classified as a soft drink
3. The average person walks the equivalent of three times around the world in a lifetime
4. You are 1% shorter in the evening than in the morning
5. Fifteen percent of the air you breathe in a metro station is human skin
6. The tongue is the strongest muscle in the human body
7. Men are 6 times more likely to be struck by lightning than women
8. The number of words posted on Twitter each day would fill a 10-million page book
9. Fortune cookies are actually an American invention - Charles Jung created them in 1918
10. French was the official language of England for over 600 years

Courtesy: [http://all-that-is-interesting.com/interesting-facts-about-the-world#2](http://all-that-is-interesting.com/interesting-facts-about-the-world#2)
IMPRESSIONS FROM THE 21ST ANNUAL MEETING

Jackie Mathenge:
I liked most of the presentations this year and related better to the content than I did last year since I had a year more of experience in the insurance industry. I liked the three tiered presentations that enable you to choose a session you’re more comfortable with/ which industry you’re more familiar with. One thing I would have changed however is the networking social event at the House of Blues. The setting itself was a little loud. Otherwise I had lots of fun socializing with different people. Plus the food was great! Overall New Orleans was a fun location to host the IABA Annual Meeting. There were quite a number of things to do from touring the French Quarters to Bourbon Street.

Gyasi Dapaah:
“This year’s conference is my second time attending the IABA Annual Conference and it’s been the same wonderful experience as last year if not better. As the president mentioned earlier, we already recorded higher attendance than we did last year. The professional development sessions were as good as last year. However, one thing I think can be considered for next year is adding more Predictive Modelling sessions since it’s becoming a more critical part of actuarial work. We should incorporate it to allow students know it’s a career track that can be pursued and give more exposure to it. The New Orleans location was perfect. Thumbs up to the Annual Meeting Planning Committee. Keep doing what u do. You’re doing well.”

Joselyn Betio
I heard about the event from Tenesia McGruder who encouraged me to come and I have loved every moment of being here. I have participated in several networking events but this has been the most productive so far. I arrived at New Orleans earlier because I attended the Boot Camp. The Boot Camp enabled me to work on my communication, technical and soft skills. It also equipped me with what I need to enter the professional environment.

Davette Mosley
“I heard about the Boot Camp from Tenesia McGruder and, after attending, I wish I had known about it 2 years ago! It gave me the skills, confidence and determination I needed to become a professional, engaging, and dynamic actuary. I loved that I was given the chance to practice and apply what I learned from the Boot Camp at the career networking events. I look forward to using those skills to land a job in the near future.”

John Robinson
“Overall, I like everything I’ve seen. It’s nice to see new faces stepping up and speaking their minds which is what the organization is about; we all benefit from that. I understand that the meeting is the largest we’ve ever had which is very positive. We have two past presidents of the SOA here (Anna Rappaport and Tonya Manning) and they are very impressed with what they’re seeing. It’s nice to see the work being carried forward. Finally, it’s great to be in New Orleans.”

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Fritzner Mozoul

“My name is Fritzner Mozoul, I work for Liberty Mutual Insurance as an assistant actuary. I was sent to the annual meeting by Liberty as part of the recruiting team, which gave me the opportunity to speak with a lot of students and I was quite impressed with the quality of the candidates. I had the chance to interview some students and gave professional advices I felt might be helpful. With regards to the event, I think it was a well-organized one. My only complaint is that lunch was not offered on Friday; I was forced to go out for lunch. I believe that choosing to hold the annual meeting in cities other than the six rotation cities is a great idea. Since the mission of the association is to increase the number of black actuaries, my advice to the Planning Committee is that they choose cities with a high concentration of Actuarial professionals and black students with the aim of becoming actuaries. Doing so I believe will contribute positively to increase the number of black actuaries. I also believe the mission must evolve beyond increasing the number of black actuaries. It’s not enough to be an actuary but we also have to be able to put ourselves in positions of leadership in our communities.”

Shamair Coward

I actually came to the IABA conference by way of the Boot Camp that was held earlier in the week. I came as a presenter with Models of Attainment. It’s a non-profit organization who’s mission is geared towards bringing awareness to minorities in the stem field and entrepreneurship. We do this through a series of workshops, courses and mentoring activities. So for the Boot Camp, we delivered some courses on presenting personal information, personal branding, career planning... It was great to see the students interacting and actively participating in the courses. It was fulfilling to me as a presenter to see the studetns use the things they learned during the Boot Camp. The students networked and had interviews with the companies in attendance at the conference. We had a lot of positive feedback from the companies saying that our candidates were just all star candidates and that’s always really good to see. Would I encourage someone to attend the Boot Camp if they were interested in the Actuarial Field? Yes!
The famous Ghana meeting that takes place during the IABA conference was held during this year’s conference on August 2nd. There were close to 30 actuarial professionals and students in attendance. During the meeting, Kwabena Boamah Acheampong popularly referred to as Ache, encouraged attendees to take an active part in the activities of the Actuarial Society of Ghana (ASG). Actuarial students present reached a decision to ship used study material to students in Ghana and help a number of students pay exam fees each exam sitting.

Ache also encouraged the actuarial professionals to mentor and encourage the students as they make it through the journey to becoming an actuary. Students were advised not only to pass actuarial exams but to build solid networks and apply for internship and job positions.

Gyasi Dapaah threw a challenge to the group to help shape the state of the insurance industry in Ghana mentioning that the current state is not acceptable. People pay insurance premiums and don’t make claims when involved in accidents.

Francis Nketia threw out a challenge with a $1000 award to any student who passes all preliminary exams on the first try.
SPECIAL AWARDS

In keeping with our theme, this year IABA recognized a number of individuals and companies who have accomplished their own Mission IMPossible, or have demonstrated their COMMITMENT to IABA through their tremendous dedication to the organization.

**Efua Mantey** - Rookie of the Year for her commitment to the *IABA* newsletter

**Chisomo Sakala** - Most Valuable Player For his commitment to the Technology Committee

**Jonathan Applewhite and Jasmine Schley** - Superior Service for their commitment to the Finance Committee and the office of Treasurer

**Nicole Harrington** - Team Player of the Year For her commitment to the Annual Meeting

**Kamal Harris** - Team Player of the Year for his commitment to the *IABA* Boot Camp

**Hartford Affiliate** - Affiliate of year for the Affiliate’s commitment to outreach, networking and tremendous events

**Gyasi Dapaa** (Chicago) – Affiliate member of the year for his commitment to helping their affiliate achieve their goals

**Maambo Mujala** (Hartford) - Affiliate member of the year for her commitment to helping their Affiliate achieve their goals

**Nicassio Belton** - Volunteer of the Year for her commitment to the *IABA* Boot Camp, Education Committee and Board initiatives

**Ernst & Young and Towers Watson** – Consultant of the Year

**Liberty Mutual Insurance**: Insurance Company of the Year
Employers that use International Association of Black Actuaries are pre-qualified to offer careers relevant to your industry and expertise. That makes us a strong channel for the best jobs/internships and a great way to get your resume in front of your next employer. Employers search International Association of Black Actuaries every day to find candidates with your expertise – are you showing up in their search results?

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2. Our job listings
3. Your Job Alerts

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Current job listings:

**Associate Actuary (Asset Liability Modeling, Retirement)**
Prudential, Hartford, CT

**Associate Actuarial Analyst (Non-exam)**
UnitedHealth Group, Horsham, PA

**Senior Actuarial Consultant (credentialed)**
Aetna, Phoenix, AZ

**Health & Benefits Consulting Actuary**
Aon Hewitt, Los Angeles or Newport Beach, CA

**Actuarial Trainee**
New York Life, New York, NY

**Health & Group Benefits Analyst**
Towers Watson, Stamford, CT
Michael, a young actuarial candidate with three years of experience, works at Genius Insurance Company in Chicago-IL as an actuarial analyst, and makes $70,000 a year. He has received a job offer for a Sr. Actuarial Analyst role at Sirius Insurance Company in Des Moines-IA, with an accompanying salary offer of $65,000. Sirius maintains that their offer is very generous as per Sperling’s Best Places website, the cost of living in Chicago is 25% higher than that of Des Moines: “Even though lower in face value”, claims Sirius’s hiring manager, “our offer is essentially 16% higher than your current salary.” Is Sirius’ assertion in order? Should Michael accept the offer?

This article will throw more light on the critical compensation considerations which if ignored can result in significant reduction in yearly compensation and loss of millions of dollars in total lifetime compensation.

The decision to accept a job offer is dependent on myriads of factors, one of which is the associated compensation. Others may include, but not limited to, geographic advantages, opportunity for professional growth, culture differences between the current and future company, increase in responsibility, and visibility of the role. Also, different people would weight each of these factors differently. Nevertheless, since money remains one of the paramount factors associated with job decisions, this article will provide useful tips for comparing one salary offer to another, especially when the cost of living of the locations of the respective companies differ.

The automatic reaction of most job candidates, when faced with a decision such as Michael’s, is to accept the back of the envelope calculations performed by their future potential employer: They’d bring the two offers to the same scale using the raw relative cost of living indices for the two geographic locations and calculate the effective increase in compensation. For instance, according to the Sperling’s cost of index analysis sited by Michael’s future company, commodities cost, on average, 25% higher in Chicago than in Des Moines. Hence, the equivalence of Michael’s current earnings of $70,000 in Chicago is $56,000 (=70,000/1.25) in Des Moines, thereby making the offer of $65,000 a 16% (=65000/56000 -1) increase over the current salary, as sold by Sirius in their bid to win the vibrant young actuarial candidate to their side.

The subtle defect of cost of living indices is that the basket of commodities upon which they are based is not exhaustive! It unapologetically excludes conspicuous expenditures such as savings and loan payments which could be significant proportions of most professionals’ income. It’s not uncommon for most actuaries to apportion a material fraction of their incomes towards the payment of student loans, the funding of savings account, retirement funds or college funds for their children. Since these credit-type expenditures don’t vary with location (a $100,000 loan in Chicago would still be a $100,000 loan in Des Moines), failure to account for them in cost of living indices can result in distortions (understatement or overstatement) in the index values. The correct cost of living relativity to use in compensation conversion is thus the one that appropriately adjusts for the proportion of income expended on the commodities (such as loans) whose values would be the same across the two locations of interest. In order to make this adjustment, one must first figure out the proportion of one’s income spent on 1) credit-type expenditures and 2) other consumables; the next step is to calculate the weighted average of unity and the cost of living relativity factor, with the proportions spent on credit-type and consumable commodities as the

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respective weights. Table 1, below, presents a sample calculation which assumes that Michael's expenditure on savings and loans is 60% of his current income.

<table>
<thead>
<tr>
<th>Expenditure Type (1)</th>
<th>% of Income (2)</th>
<th>Cost of Living Relativity (3)</th>
<th>(4) = (2) * (3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit-Type</td>
<td>60%</td>
<td>1.00</td>
<td>0.60</td>
</tr>
<tr>
<td>Other Consumables</td>
<td>40%</td>
<td>1.25</td>
<td>0.50</td>
</tr>
</tbody>
</table>

For a given cost of living relativity, the adjusted cost of living relativity factor would vary with the percentage of income attributed to credit-type expenditures. Column (2) in Table 2 shows the adjusted relativities for different percentages of credit-type expenditures (assuming that the unadjusted cost of living relativity is 1.25).

<table>
<thead>
<tr>
<th>Percent of Credit-Type Expenditures (1)</th>
<th>Adjusted Cost of Living Relativity (2)</th>
<th>Equivalent Salary to Michael’s current salary (3) = $70000/(2)</th>
<th>Effective Increase in Compensation (4) = 100*(65000 (3) -1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
<td>1.25</td>
<td>$56000</td>
<td>16%</td>
</tr>
<tr>
<td>30%</td>
<td>1.18</td>
<td>$59,600</td>
<td>9%</td>
</tr>
<tr>
<td>60%</td>
<td>1.10</td>
<td>$63,600</td>
<td>2%</td>
</tr>
<tr>
<td>90%</td>
<td>1.03</td>
<td>$68,300</td>
<td>-5%</td>
</tr>
<tr>
<td>100%</td>
<td>1.00</td>
<td>$70,000</td>
<td>-7%</td>
</tr>
</tbody>
</table>

Using the adjusted cost of living index, vis a vis, the unadjusted one allows the job candidate to correctly compare his proposed to current offer. As could be easily evidenced from column (4) in table 2, the economic superiority of the proposed offer diminishes as credit-type expenditures increase, with the proposed salary even becoming inferior to the current one when the proportion of income saved or spent on loans exceeds 70%. Hence, one could become significantly worse off with a cavalier attitude towards adjusting compensations for cost of living differences: With Michael using 60% of his income on savings, student and personal loans, the proposed offer is, actually, only 2% (not 16%) higher than his current one. If Michael does desire a 16% increase, then accepting Sirius’ offer will result in a 14% loss of yearly compensation. Assuming conservatively that Michael would receive an inflation adjusted increase of 2% per annum, an average investment yield of 5%, and that he works for 40 more years, this translates into a loss of two million dollars in lifetime compensation: 0.14*65000*(1.07^41-1)/0.07.

Also, since most employers, like Sirius Insurance Company, typically make offers using the unadjusted indices (i.e. with the implicit assumption that we consume all what we make), it’s straightforward for the reader to decipher that it’s more expeditious, from a pecuniary perspective, to accept jobs in areas with higher cost of living when you are using a greater proportion of your income to finance student loans, credit card debts, or fund your savings or 401k retirement.

Another thing to watch out for when using cost of living surveys is the credibility of the source. A google search around such theme will uncover several online sources that claim to have the informative power of comparing two different vicinities. However, very few have been thoroughly measured to precisely reflect the cost differentials across different locations. By using the same high level checks we, as data analysts, use to verify the quality of our data, we can carve out the weed from the wheat. It’s normally helpful to verify the source by first comparing its published cost of living indices between familiar cities as reasonability check. For instance, through such cursory checks on Sperling’s Best Places website, one discovers that Chicago, with all its luxurious life, is cheaper than Gurnee, a suburb that’s only a stone’s throw from the southern border of Wisconsin. According to Sperling, Chicago has an average standard of living (cost of living index=103) when benchmarked against other cities in US and is, unbelievably, cheaper than Gurnee (cost of living index=112). Anybody who knows Chicago would know that very few cities are more expensive than Chitown and anyone familiar with these two cities will consider this fact to be questionable at best. To mitigate the biases and errors inherent in individual surveys, one could also use the average cost of living differentials of multiple trusted sources.

The professional journey of an actuary is filled with a number of strategic career moves some of which involves company changes. When the new company is located in a different location, compensation ought to be brought to the same scale using the cost of living relativities between the current and future locations. In doing so, using the raw values publicized on the related websites would end up in an avoidable painful loss of yearly compensation that would eventually amass in foregone millions of dollars. To prevent such loss, the negotiating actuary (or any other professional) can use the method elaborated in this article to rather calculate the adjusted cost of living factor.
Chipo Runesu, currently in her junior year in Drake University is an Actuarial Science and Finance major and was one of the lucky scholars who won the IABA scholarship worth $4,000 for the academic year 2014-2015. This was her third time receiving this scholarship. The scholarship she won was actually a co-branded scholarship between the IABA and Liberty Mutual. This means that as part of the scholarship package she will be interning at Liberty Mutual next summer (2015).

Chipo was also elected the Student Liaison for the IABA for the coming year. An interview with Chipo on her aspirations on her new role is captured below.

**Ques:** What made you aspire to be Student Liaison?

**Chipo:** The IABA has offered me constant support through the scholarship program and other informational avenues such as the annual meeting during the past 2 years of my college career. This support has given me the drive and push to go through some of the difficult classes and tough exam process knowing that there is an organization that believes in me. I decided that I wanted to be the student liaison for 2 main reasons. First of all, to volunteer and help out in the IABA in a section that directly interests me to show my appreciation for the support given to me by the IABA and secondly, to use the platform as a bridge between actuarial students in high schools, colleges and the organization to ensure that issues that bothers students are brought up to the rest of the association for appropriate solutions.

**Ques:** What is your goal for this new role and what are you going to do differently?

**Chipo:** One of my main goals is to continue to provide support for students, especially those taking exams, and particularly those taking exams while still in college. Sometimes compared to actuarial students on the job, we do not have a tight knit community for support, so one of my goals would be to provide a forum for students to interact on matters of the exam process. In addition to this, I would like to continue to build on the high standard and quality of student sessions at the IABA annual meetings in order to help deepen the insight and knowledge of the actuarial profession to students who are not already in the market.