



SOCIETY OF ACTUARIES

## **Actuarial Talent** **Frequently Asked Questions**

### **General FAQs**

**1. Who commissioned the study and why?**

The Actuarial Talent: Supply and Demand Study was conducted by The Economist Intelligence Unit (EIU). The study was jointly commissioned by the Society of Actuaries, Canadian Institute of Actuaries, and Casualty Actuarial Society, to understand the supply and demand of actuarial talent now through 2020 and to provide insight into the challenges and opportunities for the actuarial profession in North America. The analysis will help the actuarial organizations identify additional educational needs and requirements of students and actuaries, both at the entry-level and middle-career.

**2. How was the study conducted? What market perspectives were considered?**

The EIU conducted two surveys to glean insights from two market perspectives: employers of actuaries (demand-side) and university educators (supply-side). The survey data was supplemented with interviews with experts from the actuarial field, including employers, educators, recruiters, actuaries and actuarial candidates.

**3. Have there been similar studies conducted in the past? Will there be future studies?**

The EIU study on supply and demand is a benchmark analysis for the North American actuarial profession. The actuarial organizations may consider the possibility of another supply and demand study in the future.

### **Employment for Actuaries**

**4. How did the study characterize the recent U.S. and Canadian employment markets for actuaries?**

The EIU analysis found that the U.S. employment market for actuaries was sturdy over recent years, with 3.2 percent growth from 2011 through 2013. The Canadian employment market for actuaries had an average growth of 3.7 percent annually from 2011 through 2013.

**5. Is the U.S. employment market for actuaries expected to grow in the next 5-6 years? How about the Canadian employment market?**

Actuarial employment in the U.S. is expected to expand at an average annual rate of 3.4 percent from 2014 through 2020, while the Canadian actuarial employment market may experience growth from 2.8 percent in 2014 to 2.4 percent in 2020.

**6. What did the study indicate in regards to the market for entry-level actuaries?**

The EIU analysis indicated that actuarial science programs have experienced strong growth over the past five years, with the number of students in these programs growing 11 percent. This growth has led to the net new supply of actuarial graduates exceeding net new entry-level actuarial positions.

**7. Why have actuarial science programs experienced growth in recent years?**

The career profile of actuaries has grown among students (future actuaries) due in part to employability, job security and compensation, as well as the recent emphasis on science, technology, engineering, and mathematics (STEM) degrees.

**8. What key skills should actuaries consider pursuing?**

The EIU analysis noted the importance for actuaries to have business acumen, leadership skills, and the ability to communicate messages about estimated liabilities and risk. The analysis also indicated opportunities for actuaries to gain investment knowledge and experience within the life insurance business. Industry experts noted renewed focus on asset management and wealth management.

**9. What role should actuaries play in predictive modeling and analytics?**

Within the growing practice of predictive modeling and analytics, actuaries should be considered part of the team providing the industry context to tie the models to business value, helping to develop the correct models and then interpreting and communicating the model outputs.

**Mid-Career Actuaries**

**10. What does the job market look like for mid-career actuaries?**

The EIU study found that employers are experiencing tightness in the mid-career actuarial market for providing a specific mix of skills. There appears to be a shortage in the number of actuaries at the mid-career level, potentially driven by some actuaries exiting the workforce, or attracted to the vast and growing array of highly quantitative (but non-actuarial) positions available across a range of industries, with increased focus on data-driven decision-making.

**11. What skills and qualifications are employers seeking at the mid-career level?**

At this level, employers are looking for actuaries with a balanced toolkit, who have demonstrated leadership, managerial and communication skills.

Actuarial organizations are providing professional development opportunities to further enhance the managerial and communications skills of their members, while offering education on emerging topics impacting the insurance industry.

**12. How might the tightness in the mid-career market impact senior level positions?**

The EIU study noted that the tightness in the mid-career market could flow on to potential future issues with filling senior actuarial positions.

**13. What can be done to address the mid-career gap?**

Employers can help emphasize the focus on:

- a) Development of actuaries from the entry-level, through additional training and rotational experiences that will give them exposure to gain the kinds of experiences and skill sets demanded in later practice.
- b) Make offers more enticing for candidates, including better compensation, interesting projects, promotion paths, and career development opportunities.

The actuarial organizations offer educational opportunities to develop technical and business skills to meet the growing demand in these areas. Additionally, the actuarial organizations may consider the possibility of another supply and demand study in the future.

**14. Currently, what is the demand for actuarial services?**

There is an increased demand for actuarial services due to emerging opportunities in the U.S. created by the Affordable Care Act, insurance regulation, and the growing area of predictive modeling and analytics.

**Actuarial Career Opportunities in U.S. and Canada**

**15. What are the market expectations for actuaries in the field of life insurance?**

The life insurance market in the U.S. and Canada is expected to see continued growth in employment, as there is an increased importance of actuarial roles in key business functions within the life sector.

**16. What are the market expectations for actuaries in pension positions?**

The continued shift away from defined benefit plans has led to fewer pension positions for actuaries. In Canada, the decline in private sector defined benefit plans is less pronounced than in the U.S., but it is still evident.

**17. In what sectors are the career opportunities for actuaries growing?**

From a U.S. standpoint, health is a growing area for career opportunities, especially due to the rollout of the Affordable Care Act. Property and casualty insurance continues to be a growth area for actuaries in the U.S. and Canada.

**Candidates, Students, and Faculty**

**18. Why is there a competitive entry-level market for actuaries?**

The career profile of actuaries has grown among students (future actuaries) due in part to employability, job security, and compensation, as well as the recent emphasis on science, technology, engineering, and mathematics (STEM) degrees.

**19. How have actuarial science programs at colleges and universities been affected by the increased popularity of the actuarial career?**

The EIU study noted that actuarial science programs have experienced strong growth over the past five years, with the number of students in these programs growing 11 percent.

**20. What can entry-level candidates do to stand out among the strong competition seeking to gain entry into the actuarial profession?**

There is a growing need for actuarial candidates to diversify their experience. Entry-level candidates can position themselves as attractive to employers by demonstrating strong verbal and written communication and leadership skills.

**21. Do the actuarial organizations have initiatives to support students interested in becoming actuaries?**

Yes, the actuarial organizations' joint U.S. committee on career encouragement and diversity helps actuarial students to understand the necessary skills for entry-level positions.

The actuarial organizations continue to encourage the expansion of the actuarial skill set into different roles and industries where actuaries can provide value. They are working with their members and employers to explore other roles across different areas of the firm, where actuaries can apply their skills and add business value. Actuaries are already taking on new roles with predictive modeling and data analytics in health care and in property and casualty.

They are also identifying other industries where actuaries can apply their skills and business value. For example, actuaries are already working in financial services in South Africa. These similar types of opportunities are being explored for North America.