



Out of the box opportunities

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The most recent Young Actuaries Program Event hosted by Mercer in Melbourne aimed to give insight into the 'Out of the Box' opportunities for young actuaries. The presenters, Melinda Howes, CEO of the Actuaries Institute, and Mercer's senior partner David Knox engaged a large and eager crowd.

Who better to provide perspective beyond the safety net of tradition than Melinda, whose passion to see the profession spread wider afield is most evident. Melinda began by asking the audience the reasons they decided to become an actuary. No surprise that money was one of the attractions! A few other reasons included the desire to problem solve, the need to improve our world and for the love of maths.

A small introduction of Melinda's own actuarial career path illustrated that it is often a situation, such as a redundancy, which causes one to veer off the well worn path. This makes for a great opportunity to take some time to reassess what it is that interests you and pursue a suitably matched role. If however, the explorer in you finds yourself strolling down a less trodden path, you may be pleasantly surprised by the adoration of your skills. It seems that those who have worked with actuaries have been impressed by

them but unfortunately those who haven't are unsure of what it is we would be useful for (note to young actuaries: we need to change this perception). The non-traditional actuarial paths travelled by several include wealth management, investment banking and investment management. Although so many roles have yet to be discovered, actuaries may be intrigued by risk management, banking, energy markets, mining and data analytics.

Later in Melinda's career, a shifting paradigm saw her targeting the *most interesting work* she could find. This was a particularly inspiring approach as it removes the blinkers set to view only the inside of the actuarial box. As a result, Melinda explained that she was eager to test her skills on various types of other work without the pressure of climbing the corporate ladder. In contrast to

our conservative profile, we were encouraged to venture out of the safety net and apply for those jobs we are more than capable of doing, whether we believe it or not.

Although superannuation is a traditional actuarial area and within the dimensions of our comfort zone, it is very much evolving and it is up to us to seize the opportunity and move with it. In light of the topic, David set out to convince the audience that defined benefit (DB), and superannuation in general, is not dead! Contrary to our belief, there is much work to be done in the defined benefit superannuation space. The largest liabilities of all governments in Australia are defined benefit and these are sure to be around for many years to come. However the defined contribution (DC) space is growing faster than imaginable with Australia as the world leader. As a result there are opportunities galore for actuaries to provide protection against longevity, volatility and inflation. Specifically regarding public policy issues, David believes that actuaries can lead the debate as we are equipped with all the necessary tools. This could be a task fit for the super(hero) actuarial force.

On the global front, the balance of defined benefit and defined contribution varies from country to country, leaving a window of opportunity for Australia to both learn from some and offer assistance to others. There appears to be a global trend in de-risking, from DB to DC and from the institution to the individual. This creates further scope for pooling, asset-liability risk and modelling tools at the trustee and member level. It was noted that although Australia finds itself ahead of the pack in this industry, we still have a long way to go in terms of developing post-retirement products for an ageing population.

We are in the business of risk and uncertainty and we have studied or are currently studying to be equipped with some of the best gadgets in the game. As for the motivational aspect, we were provided with some key advice tips:

1. Promote yourself
2. Be willing to apply for roles outside the well-worn path
3. Take a risk!

Young Actuaries of the future, it's up to us to determine the dimensions of this box. **A**