



# How did you join the actuarial profession?

NEW SURVEY QUESTIONS WILL BE AVAILABLE IN AUGUST 2012. WHAT WOULD YOU LIKE TO KNOW? IF YOU HAVE A QUESTION YOU WOULD LIKE TO PUT TO THE MEMBERSHIP, EMAIL IT TO EDITOR@ACTUARIES.ASN.AU

RESULTS: REPORT GENERATED ON 12 JUNE 2012. 361 RESPONSES.

This month's *Actuarial Pulse* asked readers to reflect on how they joined the actuarial profession. We were fortunate to receive responses reflecting a wide range of paths, along with the benefits and challenges that each bring. Whilst the formal education process has changed over time, the wit and candour of actuaries does not appear to be age dependent.

## QUESTION 1: DEMOGRAPHICS?



Age	%	No.
< 20	0.3%	1
20-29	30.3%	109
30-39	29.2%	105
40-49	23.3%	84
50-59	10.6%	38
60-69	5.0%	18
70+	1.4%	5

Responses were skewed towards younger male fellows from traditional practice areas. This is quite similar to previous Pulse surveys and broadly representative of the readership.

The bias of some questions to the more recent configuration of

actuarial exams may have encouraged younger readers to participate.

Primary practice area	%	No.
General insurance	33.8%	120
Health insurance	4.8%	17
Life insurance	26.8%	95
Superannuation	12.1%	43
Wealth management	2.8%	10
Financial services	8.5%	30
Other	11.3%	40

Membership status	%	No.
Fellow	66.9%	240
Actuary	6.7%	24
Associate	12.0%	43
Student	14.5%	52

## QUESTION 2: WHAT WAS THE KEY REASON THAT LED YOU TO JOIN THE ACTUARIAL PROFESSION?

Reason	%	No.
Wanted to make a difference	2.9%	10
Best option given TER / UAI / ATAR	4.9%	17
Future work / life balance	4.6%	16
Money and status	16%	56
Parents forced me	1.1%	4
Enjoyed maths at school	56.7%	198
Other	13.8%	48



Unsurprisingly, the majority of us are actuaries today because of a longstanding enjoyment of maths. While only a modest proportion admitted to "Money and status" as being their primary driver many comments mentioned that the receipt of a scholarship heavily influenced their decision.

Noteworthy was the individual who sought out a "chance to make data speak". This is quite an impressive insight to have prior to joining the profession and perhaps a nice tagline for future careers fairs!

On the other hand one respondent was simply being practical given that the "leather tanning industry was headed to China". While another portrayed some bitterness: "In 1975, it seemed very interesting work and it did not obviously serve the powers of darkness".

### QUESTION 3: HAS JOINING THE PROFESSION MET YOUR EXPECTATIONS?

Age group (yrs)	20-29	30-39	40-49	50-59	60-69	70+	Total
Greatly exceeded them	6%	5%	11%	16%	11%	40%	9%
Exceeded them	23%	24%	30%	37%	50%	40%	28%
Met my expectations	47%	51%	52%	39%	33%	20%	47%
Below my expectations	16%	12%	6%	8%	6%	0%	11%
I want my money & my life back	8%	8%	0%	0%	0%	0%	5%



Almost half of all respondents indicated that the profession has met their expectations. Of note, the distribution of responses changes by age. Does this suggest that with experience and time the value of the profession is enhanced? Were the expectations of new actuaries more than 20 years ago materially lower or different to recent times? Or is this a function of today's youth taking for granted the opportunities they have?

There was a real diversity in views that came through the comments.

- "Over the years the work has become more statutory and less interesting. It is also not the key to fame and fortune that it once was."
- "The constant failure of exams is wearing me down. I'm at the peak of my youth and should be out socialising rather than stuck in my own four walls."

- "You don't feel the job, you just do it. Victims eventually become dehumanised to claims, and you just can't help becoming cold in life over time. That's the greatest disappointment with the profession."

Such feelings are not shared by all however:

- "Much broader than I could have imagined. Opened up a world of possibilities."
- "I never expected to be doing the work that I've done or travelling to the places I've been or meeting the (mostly!) great people I've met & worked with."

### QUESTION 4: HAVE YOU EVER USED THE CONTROL CYCLE IN A NON-ACTUARIAL CONTEXT?

Context	%	No.
In work outside of traditional	50.6%	127
Managing personal or family affairs / relationships	27.1%	68
To pursue romantic opportunities	6.4%	16
What's the control cycle?	17.5%	44
Other	17.1%	43

The actuarial control cycle is a concept that draws strong views from the readership. Based on the frequency of use in non-traditional areas (only around 25% reported not using it outside of work) it is clearly a common strategy and not unique to actuaries, as many readers pointed out.

- I studied physics. You guys are a bit late to the party really.
- The control cycle concept is not unique to the actuarial profession in fact it is standard practice in large well run businesses.
- For me the control cycle is really about controls and getting a second pair of eyes across key information – **just general good professional practice.**

### QUESTION 5: WAS YOUR USE OF THE CONTROL CYCLE IN THIS CASE SUCCESSFUL?

Yes (78%)	No (22%)
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The control cycle seems to be successful at helping actuaries through a range of work and life related issues. Except perhaps for the poor respondent who used it to learn to ride a bike, only to crash spectacularly!

Some other noteworthy success stories included:

- 1. Identified weaknesses of character
- 2. Did some modelling, calculations and scenario tests of different builds/strategies
- 3. Implemented desired strategy
- 4. Monitored and refined"
- "Yes, the control cycle taught me that pursuing girls from work is usually a bad idea. Especially when the girl sits on the other side of the partition to me."
- "HAPPILY DIVORCED"

And since you are all surely wondering, of the 16 readers who have used the control cycle to pursue romantic opportunities, 10 reported a successful outcome.

### QUESTION 6: WOULD YOU RECOMMEND THE ACTUARIAL PROFESSION TO OTHERS?

While the response options didn't allow for the kind of nuanced responses in the comments, those who previously responded that their expectations had not been met were also the ones to respond negatively to this question.

Recommend	%	No.
Definitely, to anyone	4.7%	17
Yes, but only if I thought the individual had the right skills	66.5%	238
Wouldn't stop them if heart set on it	26.8%	96
Not even to my worst enemy	2.0%	7

Many comments concurred with the view that an individual should have the 'right skills' before joining the profession. Some attempts to clarify what such skills might be included:

- "I feel being an actuary is a calling. It's not only having the right talents, but also enjoying applying those talents as a professional."
- "Not only need the right skills, but also the right personality type / temperament."
- "... and the right character"

On the flip side there were some warnings sounded for those considering the actuarial profession:

- "The rewards are not sufficient to meet the effort, and the risk of not making it too high vs the potential gains. I'd say to anyone who asked, if you want to do maths, do a maths phd and become a quant. If you want to do business do accountancy or an MBA."
- "Unfortunately most people want to be doctors, lawyers and actuaries for the money. A lot of people will make the mistake of choosing a career due to greed rather than pure interest."

### QUESTION 7: DOES YOUR FAMILY UNDERSTAND WHAT YOU DO?

Yes (49.6%)	No (50.4%)
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Responses were split almost perfectly 50 / 50, a result seen across all genders, age groups and membership groups captured. There were some variations across practice area though, perhaps suggesting that Life Insurance and Financial Services are more difficult for us to explain to others.

This stereotypical difficulty in explaining what an actuary does to lay people was reflected by many "Not really" comments and the following real life examples:

- "Yes, after they googled what an actuary is"
- "But they are all accountants, so probably not."
- "I made them sit an exam on my job. Some members passed on the first attempt"

Although perhaps we could all learn something from the nine year old nephew of one respondent who asked "So you're a maths loving fortune teller, right?" The proud uncle asserted that this could be "a future slogan of the profession I reckon..."

### QUESTION 8: WHICH PARTS OF YOUR ACTUARIAL STUDY PROGRAM BEST PREPARED YOU FOR THE PROFESSION?

Parts	%	No.
Part 1 subjects – Core technical knowledge	43.8%	152
Part 2 subjects – The Control Cycle	30.3%	105
Part 3 subjects – Specialist Exams	65.1%	226
None of them were useful at all	3.5%	12
Other study, separate to the actuarial program	14.7%	51

There was quite a mix in responses with Part 3 specialist exams gaining the highest proportion of responses. On the job and life experience were commonly mentioned as the greatest teachers. Thankfully very few of us have not found any of the above useful!

### QUESTION 9: GIVEN WHAT YOU KNOW NOW, WHAT WOULD BE YOUR IDEAL DOUBLE DEGREE IN UNIVERSITY?

Double degree choice	%	No.
Finance	25.4%	89
Economics	9.4%	33
Statistics	14.2%	50
Mathematics	8.5%	30
Computer science	13.4%	47
None	6.3%	22
Other	22.8%	80

Responses were well spread across the options with most people indicating that finance was the best complement to an actuarial studies degree. A good number of respondents indicated that they would do law in order to gain a more diverse skill set.

Similarly "some sort of business management course or behavioural science course" may achieve a similar goal. Or perhaps a different approach is best: "Maybe psychology, because lots of attractive girls tend to do psychology."

In keeping with the previous question the benefits of experience were commonly mentioned, in many cases above the benefits of a double degree.

- "Don't waste time on double degree. You'll learn so much more while working."
- "I don't think it really matters – I've forgotten most of the stuff I learnt in my bachelor degree."

Given so many good options it may just have been easier to pick "the one that gives the most exemptions".

Thank you to all who participated in this survey with a good blend of insight and humour. I hope that it is has lived up to your expectations!

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