

Diversity in the Actuarial Profession

An Essential Competitive Edge

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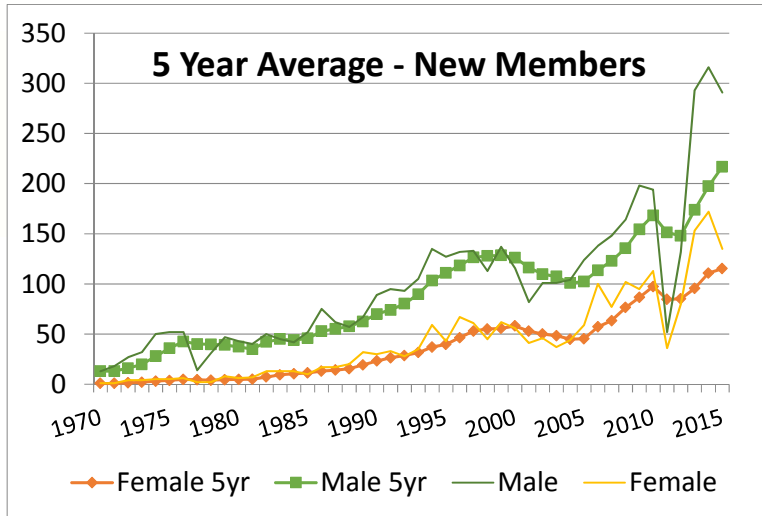
Alejandro Ortega

Actuary/Educator

CAS Annual Meeting
November 14, 2016
Orlando, FL

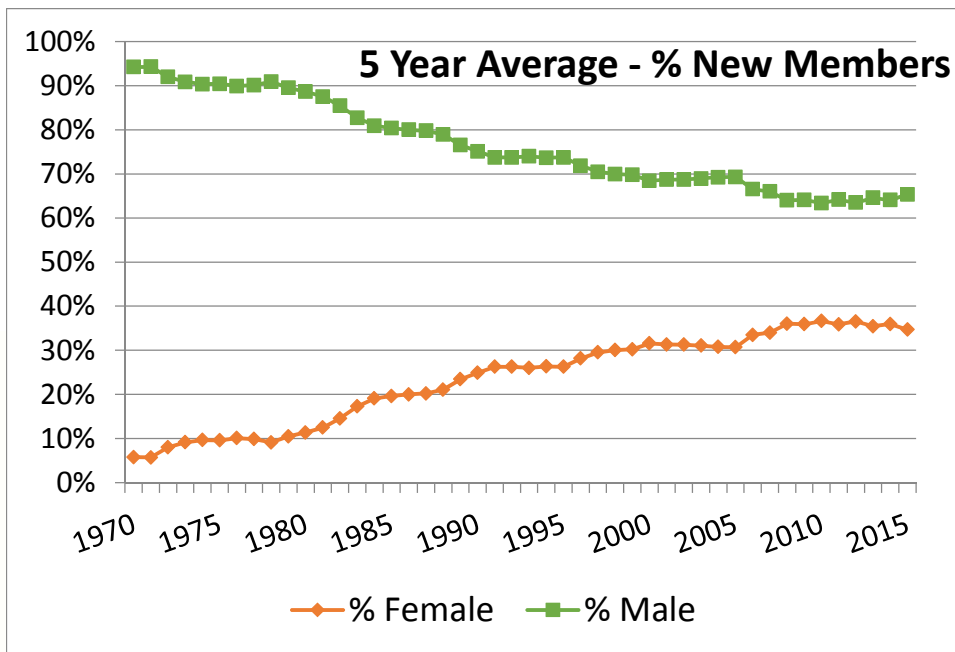


New CAS Members - Gender

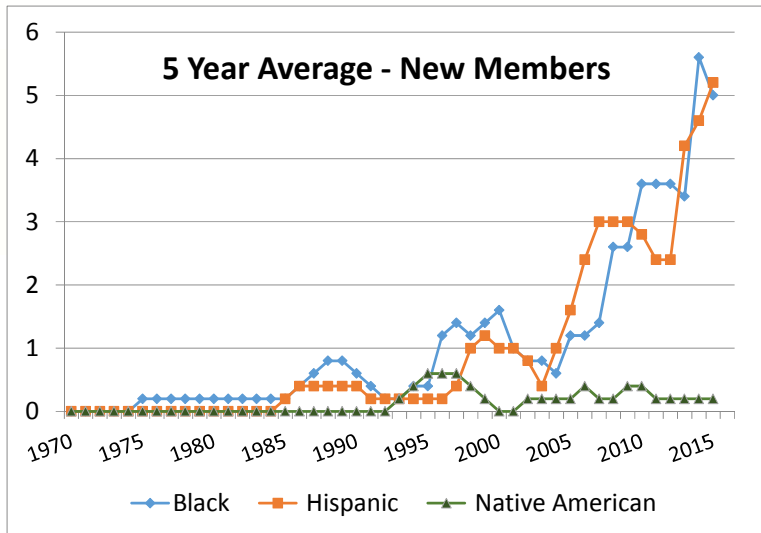


- New Members has been increasing rapidly
- 450 per year, the last 3 years

- Last 10 Years – Women have made up 35% of New Members
- This has plateaued

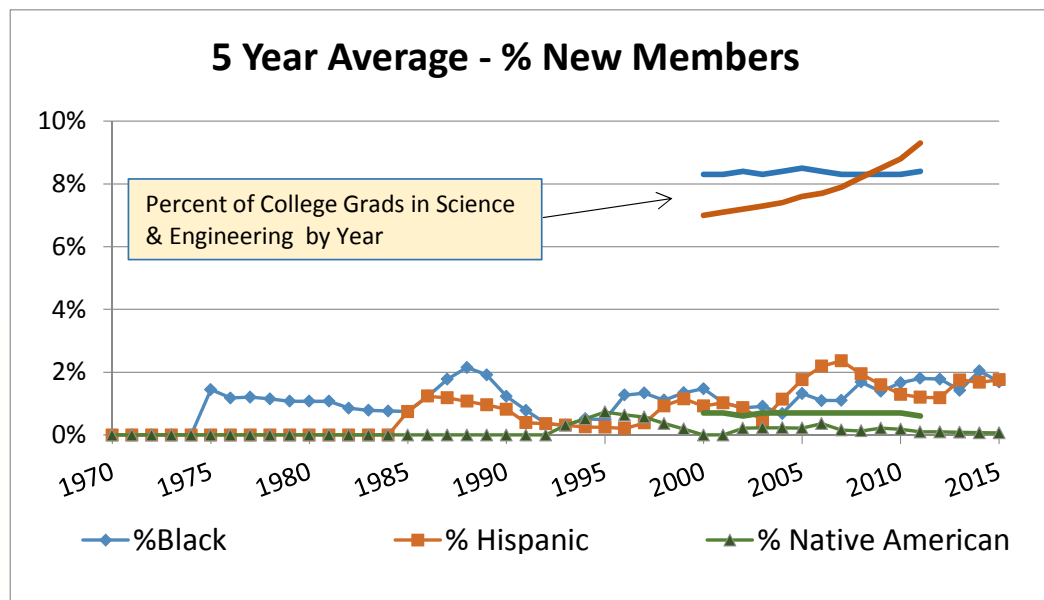


New CAS Members – Race/Ethnicity



- Adding 5 new members a year that are Black
- Same for Hispanics

- New Member % is well below rate for college grads



College Graduation Demographics: NSF.gov



CAS Diversity Panel

Kofi James, FSA, MAAA
Senior Actuarial Associate



What is Diversity?

- The word “diversity” is used in many contexts to mean many different things
- Often diversity is used as the opposite of heterosexual, able-bodied, middle-class-to-wealthy white male.

What is Diversity?

- *Diversity in science refers to cultivating talent, and promoting the full inclusion of excellence across the social spectrum.*
- This includes people from backgrounds that are traditionally underrepresented *and* those from backgrounds that are traditionally well represented.

Influencing the Pipeline

- Other professions are successful in reaching diverse candidates early
 - Computer Science:
 - ✓ Creative Technology Night for Girls - *Carnegie Mellon*
 - ✓ Computer Science Summer Institute - *Google*
 - Engineering:
 - ✓ NSBE Jr. - *National Society of Black Engineers*
 - ✓ SHPE Jr. - *Society of Hispanic Professional Engineers*
 - ✓ SWENext - *Society of Women Engineers*
 - Accounting:
 - ✓ NABA Chapters

Influencing the Pipeline

- Partnering with other STEM groups can expand the reach of actuarial profession
- Involve current minority members in outreach
- Leverage educator, student counselor relationships

Influencing the Pipeline

- Invest resources where underrepresented groups exist:
 - Aim to expose actuarial profession in high school and early college
 - Provide social, financial, academic assistance
 - Recruit where diversity thrives
 - Acknowledge that early efforts may not reap immediate dividends
 - Focus on building long term relationships with institutions and students

Diversity Leadership

- Traditionally underrepresented groups in leadership positions
 - Encourages visualization of success
- Senior leadership actively participating in diversity initiatives
 - Observed trickle down effect of 'Task Force'
- Mentorship opportunities
 - Structured mentorship programs



CAS 2016 Annual Meeting

Diversity in the Actuarial Profession: An Essential Competitive Edge

Kelly Lewis, FCAS, 2nd Vice President & Actuary

Diversity at Travelers

Diversity isn't just good business,

▶▶▶▶ it's a business imperative

That's why we've dedicated ourselves to creating a work environment full of many perspectives with one like-minded goal:



Diversity at Travelers

Diversity, and the ideas it brings, is essential for our success as an insurance company.

Travelers values the unique abilities and talents each individual has to offer.

We believe that by

- > Recognizing differences, and
- > Encouraging active participation of all employees, agents & customers in our business processes,

We make

- > Better decisions,
- > Build more positive relationships,
- > Improve our opportunities, and
- > Contribute to Travelers' success



What is a Diversity Network?

- Voluntary organizations
- Open to all employees
- Led by a team of selected employees
- Dedicated to fostering a diverse and inclusive work environment

Diversity Networks are a part of Travelers' overall diversity strategy and aim to help in fostering the **retention**, **development** and **success** of Travelers employees.

These groups may also be leveraged to provide insight to business leaders to help give the organization a **competitive advantage**.



Current Diversity Networks

- Asian Diversity Network
- Black/African American Diversity Network
- disAbility Network
- Hispanic/Latino Diversity Network
- LGBT & Allies Diversity Network
- Military and Veterans Diversity Network
- Women's Diversity Network
 - ↳ Women in Actuarial & Analytics
 - ↳ Women in Technology



What do Women in Actuarial & Analytics (WIAA) do?

WIAA's Vision:

To be a catalyst for unlocking potential and expanding opportunities for women in actuarial and analytic careers.

Tools:

- > Professional Development
- > Outreach
- > Business Impact



How do we do it?

Professional Development:

- > Mentoring Programs
- > Networking Events
- > Book Clubs
- > Case Studies
- > Career Exploration
- > Workshops & Personal Improvement Events
- > Speaker Series



>>> Creating Opportunities

How do we do it?

Outreach:

- > Girl Scout Event
- > High School Day
- > Habitat for Humanity
- > United Way Fundraising



>>> Connecting with Broader Communities

How do we do it?

Business Impact:

- > Cross-organizational interaction
- > Cutting edge technology
- > Emerging issues
- > Direct business value



>>> Sponsoring Business Projects

Benefits to Individuals & the Organization

Individuals are given opportunities to:

- > Develop both soft & technical skills
- > Build connections
- > Gain exposure to senior management

While the organization benefits from:

- > More engaged community
- > Exposure to more perspectives
- > Spreading of new ideas throughout the company
- > Breaking down of silos
- > Helping senior management gain a broader view



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DW SIMPSON



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Kieran Welsh-Phillips

Manager



November 14, 2016



Companies + Diversity & Inclusion

- Diverse talent: Attract & Retain
- Companies with D&I teams or departments
- Recruiting goals across organization & by team
- Employee Resource Groups
- Involvement in actuarial groups



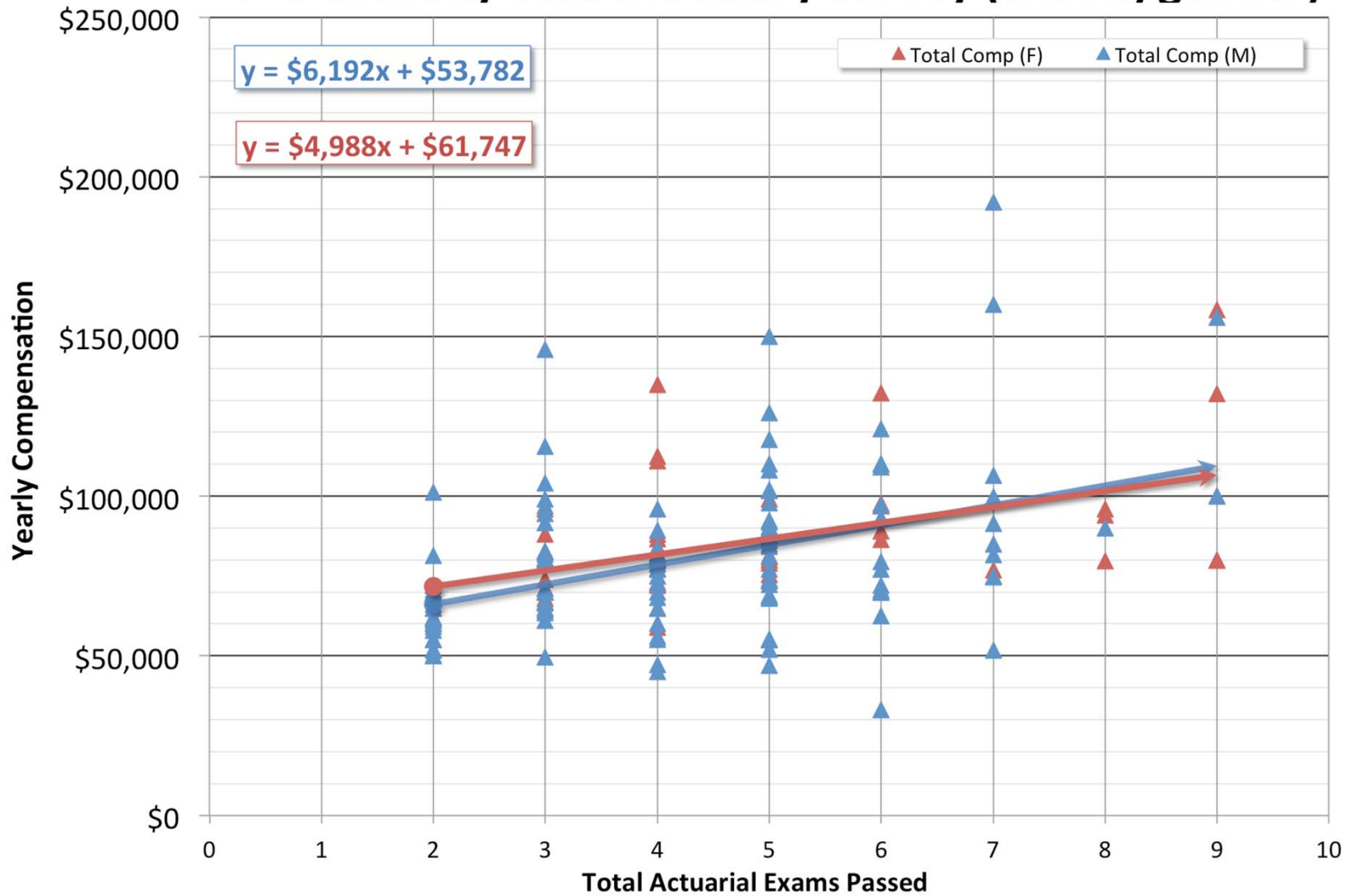
2016 DW Simpson Gender and Compensation Salary Survey



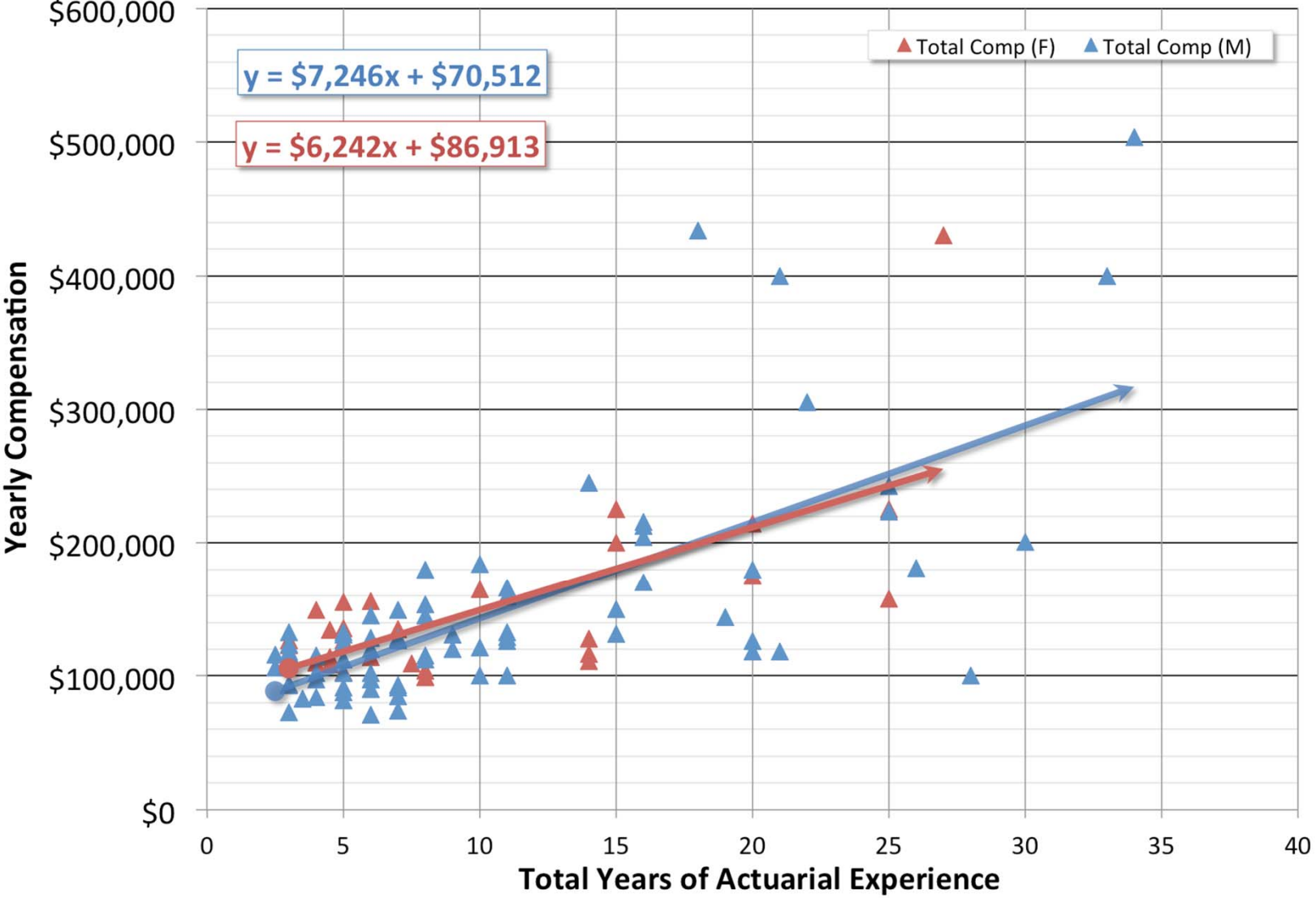
About the Data

- From actual placements and actuaries who provide this information to us
- Data is from the last 12 months; will continue to grow

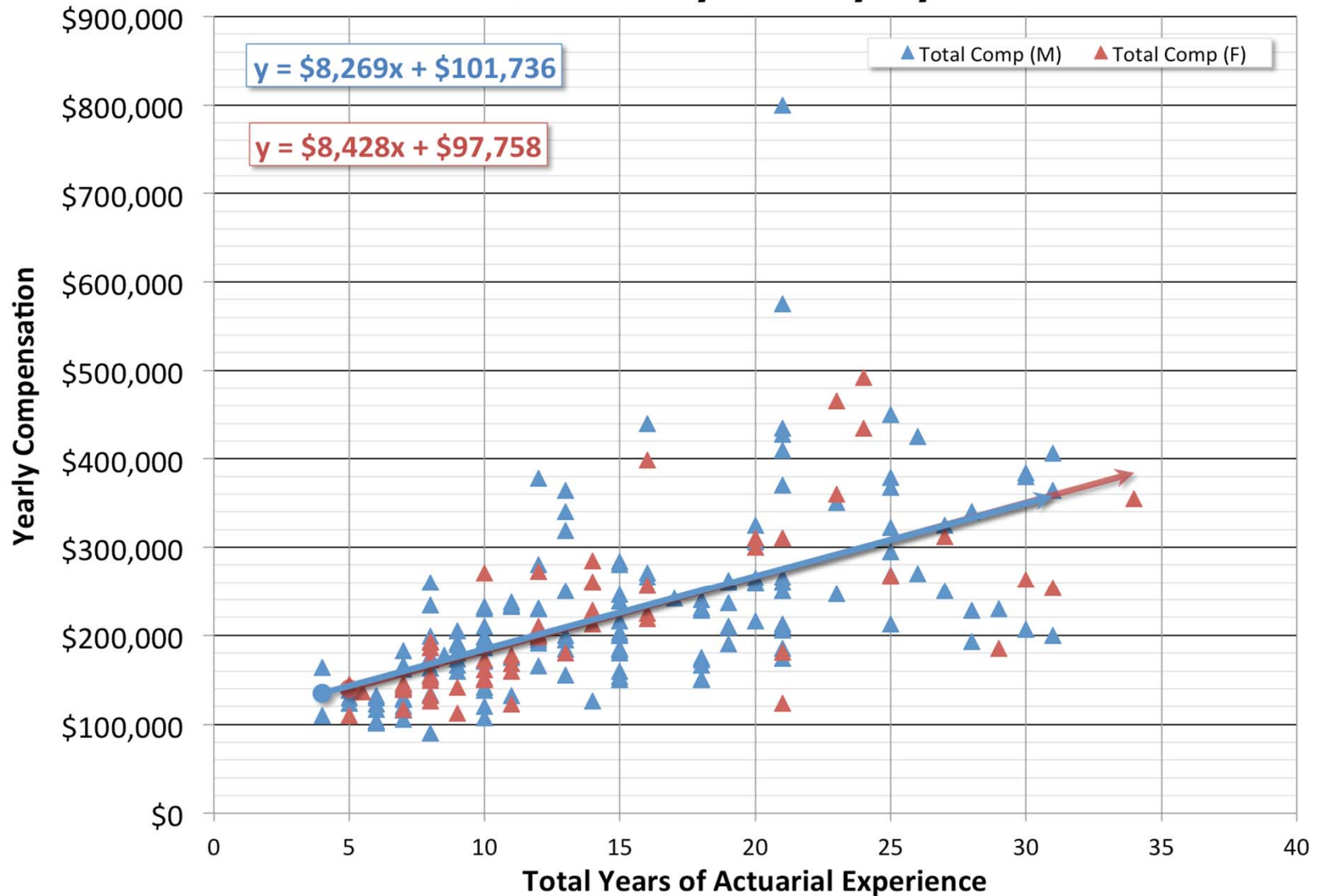
2016 Casualty Student Salary Survey (exams/gender)



2016 ACAS Salary Survey by Gender



2016 FCAS Salary Survey by Gender





DWS Findings

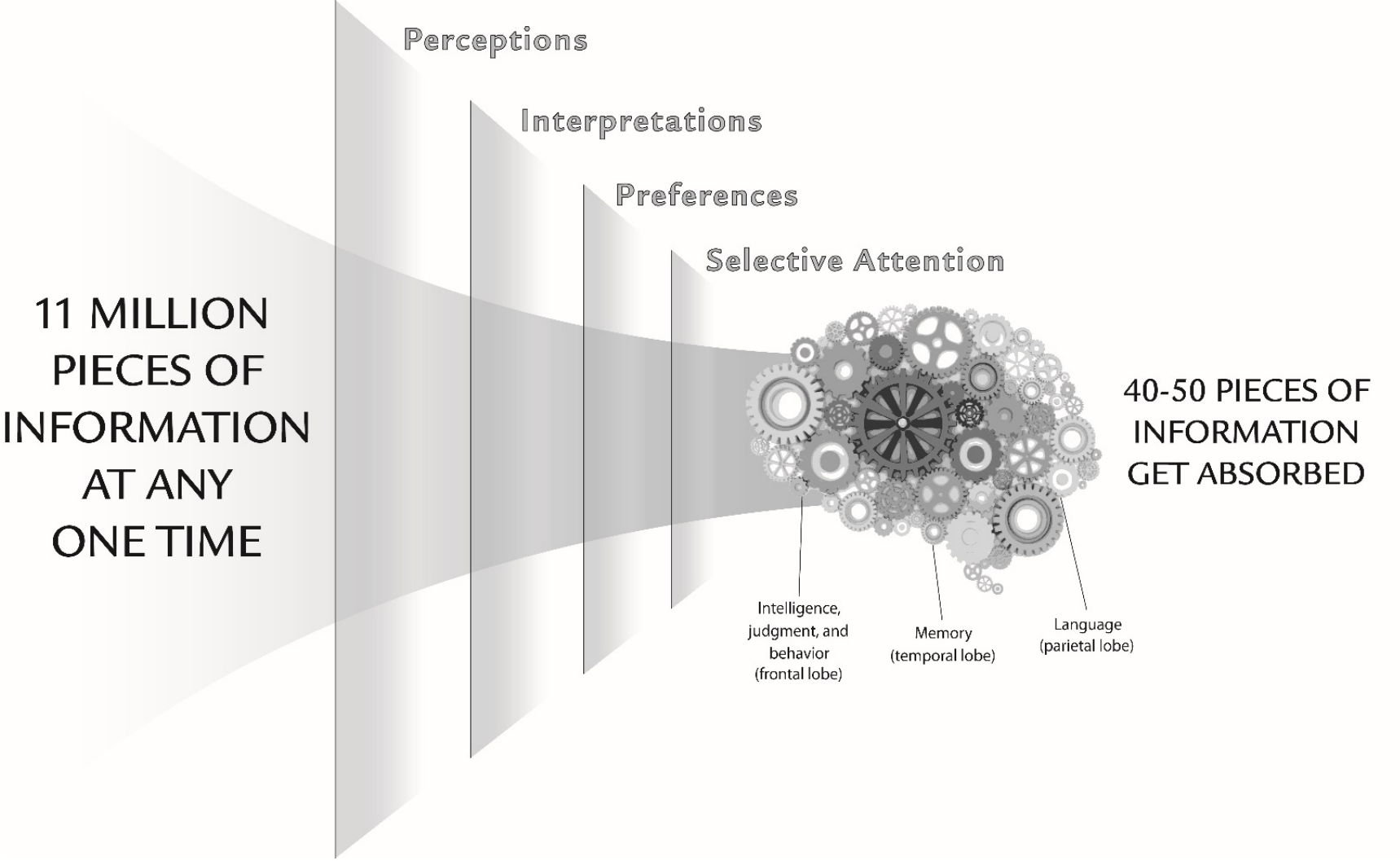
- Especially in first half of career, very little wage gap due to actuarial exams
 - Compensation heavily tied to exams & years of experience
 - Competition for qualified actuaries is so high, employers have little incentive to underpay actuaries
- Data points match up surprisingly well for as many random data points for both male and female
- An increase in the number of women with each new year
- Of all the industries, the Casualty market is the most even



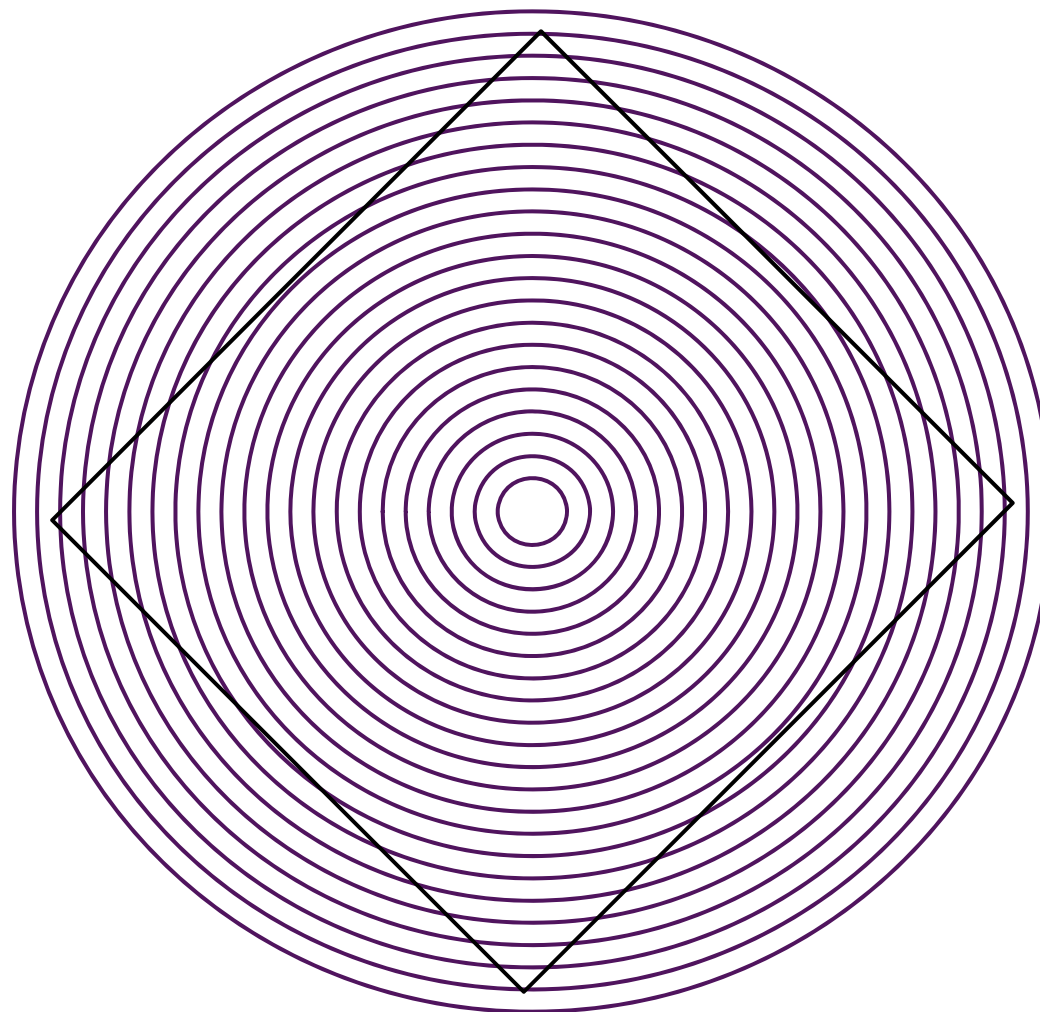
Defining Unconscious Bias

Meg Gibbon
Willis Towers Watson

Bias is Biological



Bias is Based on Our Experiences



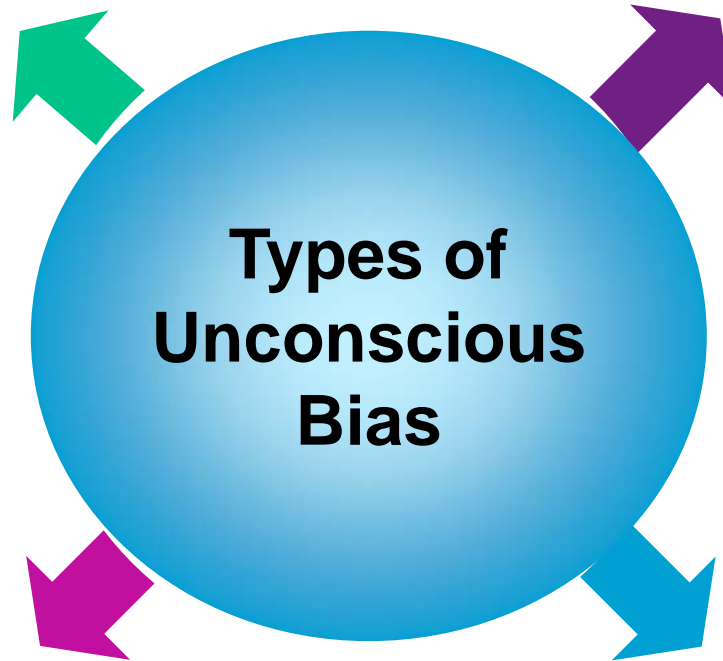
Defining Four Types of Unconscious Bias

Affinity:

driven by how people perceive a product or person to be a reflection of their own values

Confirmation:

tendency to interpret new evidence as confirmation of one's existing beliefs or theories



Anchoring:

human tendency to rely too heavily on the first piece of information offered when making decisions

Attribution:

systematic errors made when people evaluate or try to find reasons for their own and others' behaviors

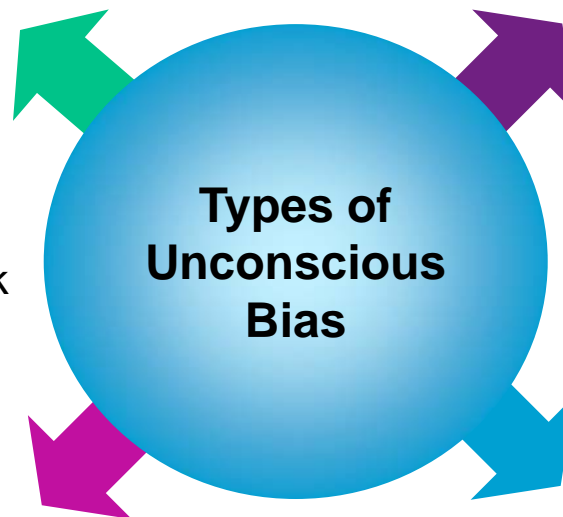
Addressing Four Types of Unconscious Bias

Affinity:

- increase purposeful mentoring and coaching.
- be proactive about recognizing people's different capabilities
- consider who might consistently feel like an outsider
- evaluate your actions daily
- seek out regular feedback

Confirmation:

- look for ways to challenge what you think you see
- seek out information from a range of sources
- discuss your thoughts with others
- surround yourself with a diverse group of people
- don't be afraid to listen to dissenting views



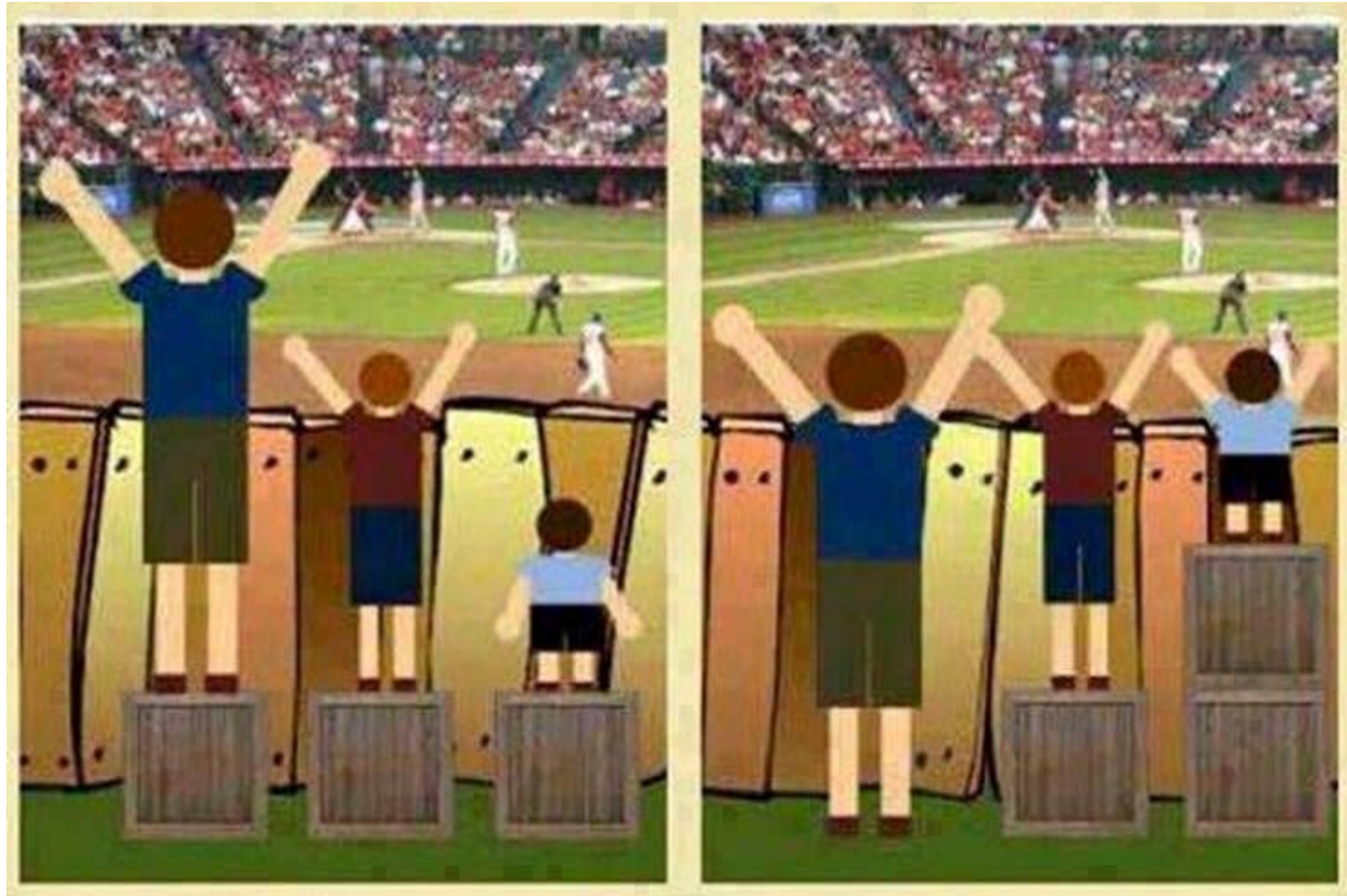
Anchoring:

- think about whether you've rushed to judgment in the past
- make time to make decisions slowly
- be ready to ask for longer if you feel under pressure to make a quick decision

Attribution:

- use empathy and cultural intelligence to understand why people act the way they do
- build emotional intelligence so you can reflect accurately on your own behavior

Equal vs. Equitable



DISCUSSION

Question and Answer

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