



**IABA**  
INTERNATIONAL ASSOCIATION OF BLACK ACTUARIES

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## RECOMMENDATIONS FOR EMPLOYERS IN NORTH AMERICA TO INCREASE THE NUMBER OF SUCCESSFUL BLACK ACTUARIES

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This document provides guidance on the following:

- Sourcing, Recruiting & Hiring
- Workplace Culture
- Compensation & Development

## EXECUTIVE SUMMARY

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The murder of George Floyd and the Black Lives Matter movement have highlighted structural and systematic racism that persists in North America. These deep-rooted issues lead to systems of oppression that IABA members deal with on a daily basis, including issues that exist in the workplace. As the Black community continues to unjustly struggle for equality, we are taking this opportunity to remind companies of the ways in which they can do their part to influence change in the Actuarial industry, as well as the professional workplace culture.

In a time of endless CEO statements, and company-wide message of anti-racism; this document outlines some concrete actions a company can and should take in order to create a diverse and inclusive work environment. Addressing one aspect of D&I and not the other is not enough. Consider this a roadmap for influencing and effecting change within your company.

Arguably, the most important player in influencing change within the Actuarial industry is the employer. Without employers willing to cultivate diverse and inclusive work environments, we will not be successful attracting, employing and retaining Black actuaries in the profession.

What does this look like?

- Formal diversity & inclusion training, including ongoing training on unconscious bias and micro-aggressions.
- Employers taking a firm anti-racist stance and instituting a formal process for reporting racist behavior.
- Encouraging open and honest dialogue about race, racism and workplace culture.
- Expansion of traditional recruiting channels to include IABA.
- Expanding the definition of an "ideal candidate" to allow for more inclusive hiring practices which promotes equity.
- Company pledges that ensure managers at all levels are engaged in cultivating welcoming environments where all employees are supported.
- Ensuring opportunities and processes for promotion and development are transparent and fair.
- Provide ongoing opportunities for growth and support to Black actuaries.
- Measure progress toward goals and hold all levels of management accountable.

These are actionable steps and recommendations a company can take to help move from planning to implementation of D&I initiatives.

## SOURCING, RECRUITING & HIRING:

*If you do what you've always done, you'll always get what you always got. – Henry Ford*

### SOURCING:

Many Black students are not aware of the actuarial profession or learn about the profession later in their academic career. Therefore, companies may need to be more creative in finding the most competitive Black students.

Recommendations:

- Look beyond traditional actuarial programs. Consider recruiting where diverse talent is: HBCUs and schools that IABA Scholarship Recipients attend ([https://cdn.ymaws.com/www.Blackactuaries.org/resource/resmgr/docs/programs&events/scholarships/iaba\\_scholars.pdf](https://cdn.ymaws.com/www.Blackactuaries.org/resource/resmgr/docs/programs&events/scholarships/iaba_scholars.pdf)).
- Recruit outside your backyard and consider how remote working arrangements can expand your reach to an audience that may be in different locations across the nation.
- Utilize IABA opportunities for sourcing candidates. The IABA Annual Meeting is a great source of diverse talent (late July/early August). Through the IABA Boot Camp and other student development programs, the IABA helps to prepare students for the workplace.
- Video interviewing could also be used to increase your sourcing to various geographic areas.

These are actionable steps and recommendations a company can take to help move from planning to implementation of D&I initiatives.

### SCREENING:

Studies have confirmed that Black (specifically African American) candidates disproportionately learn of the profession and begin taking exams later than their non-minority counterparts. They face challenges of systemic racism and unconscious bias that make it harder for them to attain the same “ideal” that the non-minority candidate would have (i.e. GPA, access to advanced math classes in high school, internship experience). Revising some of the traditional screening requirements and considering other unconventional demonstrations of aptitude will still result in not only high quality hires, but a more diverse workforce. The recommendations below are not intended to lower organizational standards, rather, they are intended to level the playing field.

Recommendations:

- Focus on acumen and potential as well as exams and work experience. Understand the challenges some diverse students face – can you accept demonstrated aptitude leadership potential, rather than number of exams passed and traditional methods for evaluating leadership experience? For instance, many minority students must balance work with school, in order to fund their own college education. This leaves less time to participate in extracurricular activities.
  - What level of variance will you accept within each category in order to expand your candidate pool? E.g. for internship or entry level hires, how does your applicant pool change when you accept a GPA of 3.0+, rather than 3.5+?

- For entry level roles, can you eliminate the need for relevant work experience or internships and instead accept non-industry experience?
- Understand cultural differences and how they impact the interview.
  - Evaluate coachability instead of experiences.
  - Extrapolate leadership characteristics from work and personal experiences – even if non-actuarial.
- Expand your definition of an “ideal” candidate within each category to be more inclusive: analytical/technical skills; work experience & personal characteristics; leadership & communication skills. Do not focus exclusively on GPA and exams passed.
- Blind resumes to eliminate screening/stereotyping based on name or college. Do this at least for preliminary rounds of hiring. Be willing to Invest money to do this appropriately - e.g. hire consultants who have expertise in this area or invest in the needed technology and also research ways others in the industry are doing this.
- Require unconscious bias training or other diversity trainings for all recruiters (those in HR and within the actuarial department).
- Intentionally train leaders/managers to understand inequality and equip them to manage the individuals coming in based on the factors listed above as examples.

## HIRING:

Unconscious bias may be the biggest impediment to overcome when it comes to making hiring decisions. There is a fallacy in the Actuarial industry that exams are the great equalizer and ensure a pure meritocracy. We have repeatedly witnessed bias in the hiring process – conscious and unconscious. Training your employees to be aware of bias in hiring processes and incorporating systems to overcome such biases can help ensure minority candidates are being given an equal shot.

### Recommendations:

- Ensure that candidates are interviewed by a diverse group of employees/recruiters.
- Confirm that all those actively involved in recruiting can articulate the company’s values, and the skill sets required to be successful. This may attract and better engage candidates that feel they have the relevant skill sets.
- Minority candidates are more likely to feel intimidated and face imposter syndrome<sup>1</sup> during the hiring process. A balance between technical, social, and interactive interviews would ease these pressures.
- Consider how your company’s stance on visa sponsorship has an impact on diversity recruiting goals.
- Consider setting a hiring goal to ensure you are meeting D&I objectives.

### Additional Resources:

False Positives: Avoiding Pitfalls in Your Diversity Hiring

<https://ar.casact.org/false-positives-avoiding-pitfalls-in-your-diversity-hiring/>

Diversity & Inclusion – Five Barriers Revealed

[https://cdn.ymaws.com/www.Blackactuarial.org/resource/resmgr/SpecialEdition\\_0318.pdf](https://cdn.ymaws.com/www.Blackactuarial.org/resource/resmgr/SpecialEdition_0318.pdf)

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<sup>1</sup>Imposter syndrome can be defined as a collection of feelings of inadequacy that persist despite evident success. ‘Imposters’ suffer from chronic self-doubt and a sense of intellectual fraudulence that override any feelings of success or external proof of their competence. (<https://hbr.org/2008/05/overcoming-imposter-syndrome>)

## WORKPLACE CULTURE:

Onboarding your diverse hires may be a different process than the one you currently employ. Don't try to fit everyone into the same box.

Increase diversity at all levels – do this through development and promotion of Black actuaries. A lack of diversity at any level sends a message that the company does not actually value inclusivity, or that promotion is unachievable.

Create an executive level position to oversee D&I initiatives: Chief Diversity Officer (CDO) – which highlights your company's commitment to improving the work culture regarding D&I. The CDO should have a diverse group of employees under him/her that are paired with each function of the company; from HR, to actuarial to accounting, marketing etc.

## ONGOING TRAINING & POLICIES:

In a world where employees are faced with mandatory training from sexual harassment to active shooter drills, this is a great time for employers in the industry to make Diversity & Inclusion training mandatory. In order to truly reduce bias and discrimination in the workplace, training must be ongoing and prioritized.

Recommendations:

- Reduce unconscious bias<sup>2</sup>, subconscious discrimination<sup>3</sup>, and micro-aggressions<sup>4</sup> whenever, and wherever possible. Institute mandatory formal diversity & inclusion trainings to educate employees.
- Managers have a direct impact on employees' careers. Ensure that manager trainings include modules on how to effectively lead diverse teams.
- Employers must take a firm anti-racist stance and institute a formal process for good-faith reporting of racist behavior – similar to systems employers have in place for reporting sexual harassment. Infrastructure must be in place for employees to feel comfortable and safe reporting acts of racism. Actively prohibit racist behavior and institute disciplinary actions for violations.
- Conduct an exit interview when a Black actuary leaves. Ensure that you get feedback and find out why they are leaving. This feedback should be shared with Human Resources and managers, especially those who the individual directly reported to.
  - Don't wait until the exit interview! Have check-ins on a regular basis (e.g. quarterly) with all of your employees. The check-ins should be a safe space everyone, including minorities to share honest feedback without suffering negative repercussions. Additionally, where expressed and necessary, the feedback should be acted upon.
- Employee reviews should include inclusivity feedback – similar to how employees are asked to evaluate themselves (and peer review) on things like teamwork; individuals should evaluate themselves and one another on D&I related goals. Employees can demonstrate how they helped create an inclusive work environment through demonstrated activities like D&I training; inclusion in team projects; participation in activities that create an open and welcoming workplace environment.
- D&I policies should be standardized across all departments and company branches at the national level.

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<sup>2</sup>Unconscious bias (or implicit bias) is often defined as prejudice or unsupported judgments in favor of or against one thing, person, or group as compared to another, in a way that is usually considered unfair. Many researchers suggest that unconscious bias occurs automatically as the brain makes quick judgments based on past experiences and background. As a result of unconscious biases, certain people benefit and other people are penalized. (<https://www.vanderbilt.edu/diversity/unconscious-bias/>)

<sup>3</sup>Subconscious discrimination occurs due to the conscious or unconscious motivation of the discriminator. Subconscious discrimination occurs often as the result of unconscious bias.

<sup>4</sup>A microaggression is a subtle but offensive comment or action directed at a minority or other nondominant group that is often unintentional or unconsciously reinforces a stereotype. (<https://www.merriam-webster.com/dictionary/microaggression>)

## DIALOGUES ABOUT RACISM, DIVERSITY & INCLUSION:

The conversations your company is now having about race, diversity and inclusion should not be viewed as a one-time fad. Keeping the conversation going will communicate your commitment to change and will build trust with your Black employees.

### Recommendations:

- Creating an inclusive environment requires active participation at ALL levels – not just senior management or c-suite. Sometimes our members receive blanket communications from the company about how important D&I is, but their individual managers are not engaged in practicing inclusive behavior. Some specific examples of microaggressions and racism in the office: being talked over in meetings; being excluded from meetings; not being introduced to new team members; purposely not being trained properly; being told that “you don’t seem Black” or “you are too Black.”
- Include Black actuaries in company events and activities and engage them in the planning process to ensure their interests are considered.
- Consider (re)creating the Black employee resource group (ERG) or Black Professionals Network. Increasingly, our Black members’ ERGs have expanded to include other diversity categories, and/or have stopped using the word “Black” in the name. This is contributing to their feeling of invisibility and/or the feeling that “they’re not allowed to be Black or talk about being Black” in the workplace.
- Provide direct and specific opportunities to share openly. Don’t shy away from racial dialogue – offer consistent and ongoing opportunities to talk about race.
- Incorporate support/counseling for racial and cultural matters into your Employee Assistance Program (EAP). Black actuaries often feel like they need to present only their “professional” self and hide their true identity. They often don’t feel comfortable discussing experiences because they are not actively being invited to share, the work culture doesn’t encourage it, or they feel they will be accused of following negative stereotypes - e.g. the angry Black person. Where can they go to speak openly? Is there a company therapist or counselor?
- Conduct anonymous surveys periodically to pulse-check employee experiences and workplace culture.
- Consider implementing 360 Degree Feedback (a process or system where employees can provide and receive confidential, anonymous feedback from the people who work around them) that includes managers, peers and direct reports.

## **SUPPORT BLACK ORGANIZATIONS THAT ARE CONSISTENT WITH COMPANY VALUES:**

Maintain, or increase, support of Black organizations. It is time to go beyond being “not racist” and be “anti-racist.” Take deliberate steps to support organizations that are working toward social and economic equality.

Recommendations:

- Develop partnerships with organizations and universities (e.g. Historically Black Colleges and Universities – HBCUs) that develop Black students. These organizations and institutions actively work toward increasing the representation of minorities in professional services and provide support for them to be successful in the workplace. Consider support through financial contributions and by creating opportunities for employees to volunteer (e.g. resume review, mentorship, etc.)
- Donate money or in-kind services to organizations fighting against social injustices (e.g., inappropriate law enforcement, incarceration of Black males, economic inequalities, etc.)
- Consider holding a Day of Service to protest/march in Washington DC and participate in volunteer activities on Martin Luther King Day. Consider making Juneteeth an annual paid holiday for all staff and employees. Take advantage of the MLK day/Juneteeth holiday(s) to share news/history articles on race.
  - In Canada, where an annual holiday specific to racial issues does not exist, consider a “cultural awareness” series to take place where a different minority group (e.g. Blacks, Hispanics, and indigenous peoples) is the focus each month/quarter. Such events will promote the inclusion and celebration of different cultures.

## **PUBLICIZE YOUR EFFORTS & YOUR SUCCESSES**

In cases where companies have multiple offices, communication is key. Celebrate the actions your company is taking to amplify your reach and engagement.

Recommendations:

- Celebrate actions taken to improve diversity - email employees about quantitative and qualitative RESULTS from internal initiatives.
- Collaborate with the industry. The more we work together, the better we will become – leading to an increase in diverse talent the entire industry will attract.

## COMPENSATION & DEVELOPMENT:

*If you don't measure it, you can't manage it. – Peter Drucker*

### COMPENSATION:

To advance toward a true meritocracy, companies must ensure a level playing field in advancement, including analytics demonstration that promotions, pay processes and the criteria behind them are fair and transparent.<sup>5</sup>

Recommendations:

- Assess salaries and compensation of Black actuaries and ensure they are comparable to non-diverse peers.

### PROMOTION:

Black individuals are almost non-existent in executive leadership positions in North American companies. A 2018 Marsh-NAAIA study noted the insurance industry's difficulty in retaining African-Americans. Participants provided many insightful comments about racism and racial bias, both as the main variable in determining how far African Americans may progress in their insurance careers and as a "moving target" that can be simultaneously overt and subliminal.<sup>6</sup>

Recommendations:

- Measure advancement of your Black actuaries. Are Black actuaries being hired and promoted at the same rate as their White peers? If not, evaluate and address the barriers that exist. If you do not have enough Black actuaries to measure this, hire more Black employees. Consider the proportion of Black actuaries in the company to be comparable to the proportion that they make up of society. Right now in the US, though Blacks make up approximately 12% of society, less than 1% of the actuarial workforce is comprised of Black Actuaries.
- ALL managers, including Black managers, should be evaluated on D&I goals and initiatives.
- Review internal promotion and hiring policies to ensure they are inclusive and supportive of Black actuaries. This should apply to all levels in the company – from entry level positions to the Board of Directors.
- Require a diverse slate of candidates for positions over a certain managerial level, and measure the rates of diverse candidates getting the role.
- Collect and analyze historical data to examine retention of Black employees. This may uncover systematic trends around how Black people are managed.

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<sup>5</sup><https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-wins-how-inclusion-matters>

<sup>6</sup><https://www.marsh.com/us/insights/research/the-journey-of-african-american-insurance-professionals.html>



## GROWTH & NETWORKING:

Mentoring and coaching programs should be a key piece of a company's long-term diversity and inclusion plan. Nearly every study participant in the Marsh-NAAIA study said such programs have helped their career development, and a majority recommended that such opportunities be pursued by African Americans. One thing is clear: To African Americans in insurance, *mentoring matters* and this applies to all industries.

Recommendations:

- Implement programs and infrastructure to support the development and advancement of Black actuaries.
- Implement and expand mentoring programs for Black actuaries.
- Increase the number of VISIBLE role models for minorities – within and outside of the organization. (i.e. Bring in Black speakers from inside and outside the industry; highlight minority leaders within the company that may work in a different office.)
- Create a leadership development program and ensure there is ample representation from minorities – provide exclusive opportunities – like invitations to networking and project opportunities with senior management and executives.
- Ensure Black actuaries receive equal opportunities to grow and excel. i.e. not being delegated to just the less than desirable projects.
- Examine retention, as it relates to D&I.

## WAYS YOU CAN HELP IABA:

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Financially support IABA through corporate sponsorship – general, annual meeting, etc.

Support your employees involvement in IABA:

- Cover cost of IABA membership
- Support attendance at IABA Annual Meeting – with time off and financial support
- Send senior level non-Black actuaries and leaders to the IABA Annual Meeting
- Support volunteer work with IABA
- Consider ultimately becoming a Corporate Advisory Council (CAC) member of IABA

*Note – your Black actuaries are your best recruiters for attracting diverse talent. Support of IABA in this manner is one of the simplest and most effective ways to make your employees feel valued and supported.*

Consider partnering with IABA on the launch of an Actuarial Ambassador Program.

Consider partnering with local middle schools and high schools that have a majority Black population to sponsor career days or shadowing opportunities to create awareness about the profession to Blacks at a young age.

Implement an internal D&I audit or score card to ensure you are setting measurable goals and working toward achieving these goals.

IABA can't do this alone. You can't do this alone. This is an industry-wide problem that needs to be addressed industry-wide. Share what you are doing – what is working, and what isn't. Your experiences can help accelerate achievement of IABA's mission.

## WHAT YOU CAN DO RIGHT NOW, DURING TIMES OF BLACK LIVES MATTER PROTESTS:

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Offer Town Halls & listening sessions

- Consider hosting these with Black employees only first, then hold a company-wide session.
- Not only will you be offering a “safe” space to share, but you are also explicitly giving your Black employees a forum to openly discuss racism and personal experiences.
- Senior leaders should have a follow up town hall responding to the previous town hall about Black people’s experiences.

## CONCLUSION

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As you address issues of systemic racism and discrimination, there will be missteps and misunderstandings. Remain steadfast and be willing to adapt in order to increase the success.

This document is a compilation of industry research, feedback from our members and more than 25 years of data and experience addressing the underrepresentation of Blacks in the Actuarial profession.

Do not underestimate the power of the Black actuaries you employ. They have likely overcome countless obstacles to get where they are. Many have overcome these obstacles, obtained their designation and still feel like they don’t belong. Our Black actuaries are still trailblazing and doing what they can to ensure an easier path for those yet to come.

Your Black actuaries are your best resource for honest feedback. If your Black actuaries are happy, they are your best recruiters. Supporting IABA is one of the simplest and most effective ways to make your Black actuarial employees feel valued and supported.

For more information, please visit [www.Blackactuaries.org](http://www.Blackactuaries.org).