

THE ACTUARIAL FOUNDATION OF CANADA  LA FONDATION ACTUARIELLE DU CANADA

**TO:** Members of the Actuarial Foundation of Canada

**FROM:** Actuarial Foundation of Canada (AFC)

**SUBJECT:** **Annual Member Report from the Directors on 2012/2013 Activities**

**DATE:** June 18, 2013

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This Annual Report to the Members of The Actuarial Foundation of Canada (**AFC**) provides a brief summary of activities undertaken by the AFC for the 12 month period since the last AFC Annual Member Report in June 2012.

**Highlights for 2012/2013**

The AFC continues to focus on three aspects of programming – Youth Education, Consumer Education and Research. The Youth Education initiative is well established, whereas the Consumer Education initiative is under review. With respect to Research, the AFC looks to partner with other organizations such as the CIA Research Committee, the SOA, corporate sponsors and/or TAF to fund worthy projects. Highlights of activity for 2012/13 include:

- ❖ **Youth Education Math and Finance Programs:** Continued support of well-regarded youth education programs, including the Youth Science Foundation (YSF science fairs), the Canadian Mathematical Society (CMS math camps), Sciences et Mathématiques en Action (SMAC Laval), MathFrog (Waterloo), Jeunes Entreprises du Québec (“Economics for Success”), and Junior Achievement in Ontario (“Dollars with Sense”).
- ❖ **Hugh White Memorial Fund scholarships** were presented to graduating students at two high schools – in London, Ontario and Erin, Ontario. The scholarships were awarded to students who intend to pursue university programs in actuarial or mathematical studies. Recipients were invited to attend the annual meeting of the Canadian

Institute of Actuaries in Toronto. The winner from London attended the CIA meeting last June.

- ❖ **Research Project:** Jointly sponsored with the SOA Committee on Knowledge Extension Research, a research project entitled “The Impact of the Financial Crisis on the Financial Welfare of Canadian Seniors”. The AFC has ownership rights and control over publication. Final research will be submitted to *Canadian Journal of Public Policy*.
- ❖ **Financial Literacy:** A project is underway to adapt financial literacy material prepared by a member of the Youth Committee for general use by students. This project is being managed by the AFC Youth Education Committee.
- ❖ **Laurier Little Counters:** Sponsored a new program “Laurier Little Counters” through Wilfrid Laurier University. It targets math numeracy in children 1-3 years of age. AFC funding supports training of early childhood educators and expansion of the program to low income and aboriginal families. This new initiative may be on going over a few years.
- ❖ **Pacific Institute for the Mathematical Sciences (PIMS):** PIMS is a consortium of the main universities in Western Canada, which is working with the First Nations in British Columbia to improve First Nation math programs and interest in math in First Nation communities. The AFC is sponsoring teacher training programs focused on aboriginal and at risk students.
- ❖ **Nova Scotia Junior Achievement:** The AFC has provided funding to support Junior Achievement Nova Scotia in their delivery of the "Dollars with Sense" program benefiting Grade 8 students in Nova Scotia.
- ❖ AFC hands are full exploring exciting new potential partnerships with:
  - **JUMP Math** has a very successful program for teaching math, which is used by over 95,000 students (grades 1-8) in over 400 schools. This is an exciting opportunity for the AFC to develop volunteer opportunities for actuaries in the tutoring program or as consultants. There are also funding opportunities. Since JUMP Math has an extensive presence in the US, the AFC has facilitated a link with TAF.
  - The AFC is actively exploring opportunities to partner with governmental organizations such as the **Financial Consumer Agency of Canada** and other non-profit organizations whose primary focus is on Financial Literacy and/or Consumer Education. For example, actuaries could provide input to the

materials these organizations are developing on insurance and pension related topics.

- ❖ **Contributions** in 2012 from individuals and organizations were \$45,750 (up slightly from 2011) and \$50,253 (CIA \$25,000, SOA \$20,000 and CAS \$5,253), respectively. Additional individual donations of \$3,375 were received for the Hugh White Memorial Fund. The CIA also makes a much appreciated contribution in kind to the AFC through their staff time and resources.
- ❖ The AFC **Communication Committee** has been meeting regularly to enhance AFC communication efforts. Work is underway to update and enhance the AFC website. This includes regular updates to the website on programs as well as the creation of a governance section to the website to ensure governance materials are readily available for directors and members.
- ❖ The AFC has had only limited success in fulfilling its **Consumer Education** aspirations. A committee has been set up to review consumer education goals, strategies and processes and to make long-term recommendations.
- ❖ **Planning, Strategy, Training:** The AFC's annual planning meeting was held in March 2012. Annual new Director's training was held in September 2012. Planning and Strategy Sessions are set for the AFC Board meetings June 18<sup>th</sup> and September 3<sup>rd</sup>, 2013.
- ❖ The AFC has been working on changes required by revisions to the **Canada Not-For-Profit Corporations Act**. Draft By-laws and key documents will be prepared and reviewed by legal counsel in the fall of 2013.

A copy of the 2012 audited AFC **financial statements** and the Annual 2013 Annual Member Report will be posted to the AFC web-site shortly after the June AFC member's meeting. After a full review, the AFC set financial management objectives reflecting the current level of maturity of the AFC. The AFC set a 2012 budget that targeted \$10,000 growth in net unrestricted assets. Actual net expenditures in 2012 were on target. Unrestricted AFC assets now total about \$238,000. With this solid asset base, the AFC can face with confidence a single year like 2013, when it is anticipated that expenditures will exceed revenues.

#### **CIA 2013 Support:**

The CIA has once again supported the AFC through provision of in-kind services as they have done since inception of the AFC. This is much appreciated and critical to the functioning of the AFC. The CIA continues

to support the AFC in other non-financial ways. However, the AFC has been informed by the CIA Board that they, "... recently approved a budget deficit for the 2013-2014 fiscal year, and consequently concluded that for this period financial support of the Actuarial Foundation of Canada (AFC) will be limited to the in-kind services we already provide ...". We respect the CIA Board's challenge in dealing with a deficit budget. However, this news has been disheartening. The AFC has responded to the CIA letter and will work towards the resumption of cash funding as soon as possible.

Respectfully submitted

Robert J. Sharkey

Chairperson, Actuarial Foundation of Canada