

Contingencies

VOLUME 19 / NUMBER 3

Published by the American Academy of Actuaries

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Contingencies (ISSN 1048-9851) is published bimonthly by the American Academy of Actuaries, 1100 Seventeenth Street, NW, Seventh Floor, Washington, DC 20036. For subscription information and customer service, contact the *Contingencies* Subscription Department at the address above or (202) 223-8196. Advertising offices: Mohanna & Associates Inc., (972) 596-8777, dawnette@mohanna.com. Periodicals postage paid at Washington, DC, and at additional mailing offices. BPA circulation audited. (Basic annual subscription rate is included in dues. Nonmember rate is \$24.)

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Postmaster: Please send change-of-address notices for *Contingencies* to *Contingencies*, PO Box 2806, Des Plaines, IL 60019.



Pizza Party

A human being is part of the whole called by us "universe," a part limited in time and space. We experience ourselves, our thoughts and feelings as something separate from the rest. A kind of optical delusion of consciousness. This delusion is a kind of prison for us, restricting us to our personal desires and to affection for a few persons nearest to us. We shall require a substantially new manner of thinking if humanity is to survive.

—Albert Einstein, 1954

T SEEMS TO BE A NO-BRAINER: The world and its resources are finite. The universe may be infinite, but our world isn't, and our world is all we have to work with for the time being. It's just like that big pizza on the table over there. If I'm the only one here to eat it, it'll last a good, long time. But when that team of hungry Little Leaguers shows up, it's gone in a heartbeat.

Basically, we all live on a big pizza. And as more and more of us show up with healthy appetites and go to work on it, there will be less and less to go around. And consequently fewer and fewer of us to eat it.

For the most part, the great debate over the long-term effects of global warming and climate change has been political and moral. Both sides marshal scientific evidence to prove their points, sometimes even the same scientific evidence. And when economic issues are raised, they're usually centered on how the short-term impact of reducing greenhouse gases will affect our paychecks.

Gail Tverberg, in this issue's cover story, "Our Finite World: Implications for Actuaries," raises another interesting issue: Using up our finite resources might not be so good for the long-term economy. Simply creating a demand for something (oil, gas, water) doesn't automatically mean there's a supply. But the business of processing and trading these commodities constitutes a large chunk of the world's economy. Losing that chunk of the economy might play havoc with it if we're not careful.

Actuaries are nothing if not careful. Those who are looking to apply their skills in new and expanding fields might do well to apply them to the field of rapidly diminishing resources. The scenario Ms. Tverberg posits is as alarming as it is understated: the collapse of insurance,

a mainstay of our debt-based economy; increased civil strife; decreased population, not to mention the day-to-day deprivations most of us would face.

Debt-based economies (most of the major world economies are now debt-based) are notoriously unstable, according to many economists. In such economies, banks issue money in the form of debt that has to be paid back. It's not hard to imagine the chaos that would ensue if large players in the economy (oil and gas companies, utilities, coal producers) could no longer cover their debts.

Don't be alarmist, say some. We've got enough natural resources to last years, maybe even centuries. Why get all in an uproar, and cause all this disruption, about something that's not going to happen until long after most of us are dead? We've got plenty of time to worry about it. Just like Social Security and Medicare.

Yes, facing up to the limits of our natural resources is a moral issue. And it's certainly a political one. But it's also a matter of nuts and bolts, dollars and cents, long-term projections and modeling scenarios. If what we need is a new manner of thinking in order to survive, maybe we need to be thinking more like actuaries.

