

DAVID GLEN McCARTHY

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Nationalities: UK, South African, US Legal Permanent Resident

Languages: English (native), German (fluent), Dutch (reasonable), Spanish (basic), French, (rudimentary) Italian (rudimentary)

Employment history:

2016-present	Assistant Professor, Terry College of Business, University of Georgia
2015 – 2016	Full Professor of Actuarial Science, School of Statistics and Actuarial Science, University of the Witwatersrand, Johannesburg
2013 – 2016	Visiting Research Fellow, National Institute of Economic and Social Research, London, UK
2011 – 2016	Policy Advisor: Retirement-related matters, National Treasury, Republic of South Africa
2007-2012	Senior lecturer, Finance Group, Imperial College Business School
2006-2009	Course developer and Program Director, MSc Actuarial Finance, Imperial College Business School.
2003-2007	Lecturer, Finance Group, Imperial College Business School
2002-2003	Research Fellow, Oxford Institute of Ageing, Oxford University, Oxford, England.
1998-2002	Research assistant to Olivia S Mitchell, Wharton School, University of Pennsylvania

Current research pipeline:

- [a] McCarthy, David G, and Po-Lin Wang, “Wait your turn: pension incentives, workplace rules and strategic labor supply among Philadelphia municipal workers”, submitted to *Journal of Risk and Insurance* on 6/1/2021 (revise and resubmit decision received 9/11/2021, revision submitted 03/18/2022)
- [b] McCarthy David G, “Why risk adjustments to FDIC and PBGC premiums should not be actuarially fair”, submitted to *North American Actuarial Journal* on 8/6/2021 (revise and resubmit decision received 11/5/2021, revision submitted 3/2/2022)
- [c] McCarthy, David G, and Po-Lin Wang “Longevity records have not increased in 25 years. So has the human lifespan reached its limit?” submitted to *PLoS One* 04/21/2022
- [d] Florian Bonnet, Hippolyte d’Albis, David McCarthy and Po-Lin Wang “An investigation of period and cohort effects in multi-population data, with an application to French regional mortality data from 1850-2014”
- [e] McCarthy, David G, “How permanent is adverse selection in annuities markets?”
- [f] James M. Carson, Joshua D. Frederick and David G. McCarthy, “New evidence on the operation of internal capital markets in health insurance following the passage of the ACA”
- [g] McCarthy, David G, Po-Lin Wang, James Sefton and Ron Lee, “Comparing US and UK Generational Wealth Accounts 1983-2020”

Publications in refereed academic journals:

- [1] McCarthy, David G, James Sefton, Ronald Lee and Joze Sambt, “Generational Wealth Accounts”, *Economic Journal*, forthcoming, accepted 2/28/2022, (refereed article)
- [2] Lee, R., Mason, A *et al*, “Six Ways Population Change Will Affect the Global Economy”, *Population and Development Review*, accepted 9/1/2021 (refereed article) <https://doi.org/10.1111/padr.12469>
- [3] McCarthy, David G and Po-Lin Wang, 2021, “Pooling mortality risk in Eurozone state pension liabilities: an application of a Bayesian coherent multi-population cohort-based mortality model”, *Insurance: Mathematics and Economics*, 99: 459-485, <https://doi.org/10.1016/j.insmatheco.2021.04.008>, accepted 2/25/2021 (refereed article)
- [4] McCarthy, David G, 2021, “80 will be the new 70: old-age mortality postponement in the US and its likely effect on the finances of the OASI program”, *Journal of Risk and Insurance*, 88 (2): 381-412, <https://doi.org/10.1111/jori.12321>, accepted 6/8/2020 (refereed article)
- [5] McCarthy, David G and Po-Lin Wang, 2021, “An analysis of period and cohort mortality shocks in international data”, *North American Actuarial Journal*, 25:sup1, S385-S409, <https://doi.org/10.1080/10920277.2019.1650287>, accepted 1/28/2019 (refereed article)
- [6] Lee, R., McCarthy, D., Sefton, J. and Sambt, J., 2017, “Full Generational Accounts: What Do We Give to the Next Generation?”. *Population and Development Review*, 43: 695–720. <https://doi:10.1111/padr.12113>, accepted 10/30/2017 (refereed article)
- [7] Eckles, David L., David G. McCarthy and Xudong Zeng, 2016, “The Theory of Optimal Stochastic Control as Applied to Insurance Underwriting Cycles”, *North American Actuarial Journal*, Volume 20, Issue 4, December, pages 327-340, <https://doi.org/10.1080/10920277.2016.1179122>, accepted 4/6/2016 (refereed article)
- [8] Mason, Andrew, Ronald D. Lee *et al*, 2014, “Is Low Fertility Really a Problem? Population Aging, Dependency, and Consumption”, *Science*, 364: 229-234. [10.1126/science.1250542](https://doi.org/10.1126/science.1250542) (refereed article)
- [9] McCarthy, David G. and David Miles, 2013, “Optimal Portfolio Allocation for Corporate Pension Funds”, *European Financial Management*, 19(3): 599–629. (refereed article) <https://doi.org/10.1111/j.1468-036X.2010.00594.x>
- [10] McCarthy, David G., 2006, “The Rationale for Occupational Pensions”, *Oxford Review of Economic Policy*, Volume 22, No 1, pages 57-65. (refereed article) <https://doi.org/10.1093/oxrep/grj004>
- [11] McCarthy, David G. and Anthony Neuberger, 2005, “Pricing Pension Insurance”, *Fiscal Studies*, Volume 26, Issue 4, pages 471-489. (refereed article) <https://doi.org/10.1111/j.1475-5890.2005.00020.x>
- [12] McCarthy, David G. and Anthony Neuberger, 2005, “The Pension Protection Fund”, *Fiscal Studies*, Volume 26, Issue 2, pages 139-167. (refereed article) <https://doi.org/10.1111/j.1475-5890.2005.00008.x>
- [13] McCarthy, David G, 2003, “A Lifecycle analysis of defined benefit pension plans”, *Journal of Pension Economics and Finance*, Volume 2, No 2, pages 99-126. (refereed article) <https://doi.org/10.1017/S1474747203001288>

- [14] McCarthy, David G. and Olivia S. Mitchell, 2002, "Estimating International Adverse Selection in Annuities", *North American Actuarial Journal*, Vol 6, October, pages 1-27. (refereed article) <https://doi.org/10.1080/10920277.2002.10596062>
- [15] McCarthy, David G, Olivia S. Mitchell and John Piggott., 2002, "Asset Rich and Cash Poor: Residential Housing and Retirement Provision in Singapore", *Journal of Pension Economics and Finance*, Volume 1, No 3, pages 197-222. (refereed article) <https://doi.org/10.1017/S1474747202001130>

Books:

- [16] Neuberger, Anthony and David G. McCarthy, 2003, *Pensions Policy: Evidence on Aspects of Savings Behaviour and Capital Markets*, Center for Economic Policy Research Report Monograph, London. ISBN 1-898-12881-2

Book reviews in academic journals:

- [17] McCarthy, David G: Reimagining Pensions: The Next 40 Years. Olivia S. Mitchell and Richard C. Shea (eds). Oxford University Press, 2016, ISBN 978-0-19-875544-9, 358 pages. *Journal of Pension Economics and Finance*, Volume 16, No 4, page 592.
- [18] McCarthy, David G: Developments in the Economics of Aging. David A. Wise, ed. The National Bureau of Economic Research and University of Chicago Press, 2009, ISBN 978-0-226-90335-4, 432 pages. *Journal of Pension Economics and Finance*, Volume 9, No 4, pages 636-637.
- [19] McCarthy, David G: Securing Lifelong Retirement Income: Global Annuity Markets and Policy. Olivia S. Mitchell, John Piggott and Noriyuki Takayama eds. Oxford University Press, 2011, ISBN 978-0-1995-9484-9, 231 pages. *Journal of Pension Economics and Finance*, Volume 11, No 3, pages 466-468.
- [20] McCarthy, David G: Optimizing the Aging, Retirement and Pensions Dilemma. Marida Bertocchi, Sandra L. Schwartz, and William T. Ziemba, Wiley, 2010, ISBN 978-0-470-37734-5, 411 pages. *Journal of Pension Economics and Finance*, Volume 11, No 1, pages 139-140.
- [21] McCarthy, David G: Financial Risk Management for Pension Plans. By Leslaw Gajec and Krzysztof M. Ostaszewski. Elsevier, 2004, 366 pages, ISBN 0-444-51674-3, Price \$99.00. *Journal of Pension Economics and Finance*, Volume 5, No 1, pages 111-112.
- [22] McCarthy, David G: Strategic Asset Allocation by John Y. Campbell & Luis M. Viceira, Oxford University Press, 2002. *Journal of Pension Economics and Finance*, Volume 2, No 1, pages 91-95.

Policy reports:

- [23] Armstrong, Angus and McCarthy, David G., 2014, "Lender of Last Resort Options for Scotland", NIESR Discussion Paper No. 434, <http://www.niesr.ac.uk/publications/scotlands-lender-last-resort-options>
- [24] McCarthy, David G. and Anthony Neuberger, 2010, "Evaluating the Fairness of the Risk-Based Levy", Pension Protection Fund.
- [25] McCarthy, David G. and Anthony Neuberger, 2009, "The Economic Basis for the Regulation of Pensions", DWP Research Report 603.
- [26] McCarthy, David G., 2007, "Investment Guarantees for Personal Accounts", DWP Research Report, available at http://www.dwp.gov.uk/asd/asd5/report_abstracts/wp_abstracts/wpa_062.asp

- [27] McCarthy, David G., 2005, “The Optimal Allocation of Risks in Employment Contracts”, DWP Research Report 272, <http://www.dwp.gov.uk/asd/asd5/rports2005-2006/rrep272.pdf>
- [28] McCarthy, David G., 2004, “Household Portfolio Allocation: A Review of the Literature”, prepared for International Forum organized by the ESRI, Cabinet Office, Government of Japan, <http://www.esri.go.jp/jp/prjrc/macro/macro15/01-2-R.pdf>

Book chapters:

- [29] McCarthy, David G. and Olivia S. Mitchell, 2010, “International Adverse Selection in Life Insurance and Annuities”, in *Ageing in Advanced Industrial States*, Shripad Tuljapurkar, Naohiro Ogawa and Anne Gauthier, eds, Springer Verlag.
- [30] McCarthy, David G and Anthony Neuberger, 2006, “The Pension Protection Fund”, in Hazel Bateman, ed, *Retirement Provision in Scary Markets*, Edward Elgar.
- [31] McCarthy, David G., 2006, “Optimal design of occupational pension schemes”, in *Handbook of Pensions and Investments*, Oxford University Press.
- [32] McCarthy, David G., 2005, “The future of pension plan design”, in *Reinventing the retirement paradigm*, Mitchell Olivia S. and Robert Clark, eds, Oxford University Press.
- [33] McCarthy, David G and Anthony Neuberger, 2006, “Pricing defined benefit pension insurance”, in *Pension Fund Governance*, John Evans, Michael Orszag and John Piggott, eds, Edward Elgar.
- [34] Mitchell, Olivia S. and McCarthy, David G., 2003, “Annuities for an Ageing World”, in *Developing an Annuity Market in Europe*, Elisa Luciano and Elsa Fornero, eds., Edward Elgar.
- [35] McCarthy, David G and Anthony Neuberger, 2006, “The UK Approach to Insuring Defined Benefit Pension Plans”, in *Restructuring Retirement Risks*, David Blitzstein, Olivia S Mitchell and Stephen P Utkus eds, Oxford University Press.
- [36] Mitchell, Olivia S., David G. McCarthy, Stanley C. Wisniewski, and Paul Zorn., 2001, “Developments in State and Local Pension Plans”, in *Pensions for the Public Sector*, Olivia S. Mitchell and Edwin Husted, eds, Pension Research Council. Philadelphia, PA, University of Pennsylvania Press.
- [37] Mitchell, Olivia S. and David G. McCarthy, 2001, “Chapter 50: State and Local Pension Plan Developments”, in *Handbook of Employee Benefits*. Jerry S. Rosenbloom, ed Fifth Edition, Irwin. New York.

Education:

- 2002 Ph.D. in Insurance and Risk Management with second major in Finance, Wharton School, University of Pennsylvania, Philadelphia, USA.
Committee: Olivia S. Mitchell, Neil Doherty, Alex Muermann, Andrew Metrick (Finance), Nick Souleles (Finance)
Dissertation Title: Economic Security in International Retirement Systems.
- 1997-98 PhD Program in Economics, State University of New York, Stony Brook.
- 1995 Bachelor of Science (Honours) (with distinction), University of the Witwatersrand, Johannesburg. Major in Mathematical Statistics.

1992-94 Bachelor of Economic Science (with distinction), University of the Witwatersrand, Johannesburg. Majors in Mathematical Statistics and Actuarial Science.

Professional Qualifications & Memberships:

2000 Qualified as a Fellow of the Faculty of Actuaries, Edinburgh.
 2017 Member: American Risk and Insurance Association
 2017 Member: Royal Economic Society
 2017 Member: American Economic Association

Honors and Awards:

2001-2002 Steven H. Sandell Research grant for Social-Security related research, through Michigan Retirement Research Center.
 1998-2001 University of Pennsylvania Fellowship/Research Assistantship
 1997-99 Fulbright Scholarship.
 1997 University of the Witwatersrand, Johannesburg, Postgraduate Award for Overseas Study.

Academic research interests:

Financial institutions, particularly pension systems.
 Annuities markets: adverse selection, optimal purchasing decisions.
 Modeling of mortality risk.
 Inter-generational transfers and financial, fiscal, risk and economic consequences thereof.
 Structuring insurance arrangements: banking and pension funds.
 Financial implications of actuarial practices.
 Life-cycle models: dynamic lifecycle investment strategies in DC pensions accounts.
 Contingent claim analysis: default risks of banks and pension funds.

Teaching experience:

Developed radically innovative MSc in Actuarial Finance at Imperial College in 2006, and was the first course director until 2009. Courses taught: Pension Economics, Pension Finance, Personnel Economics, Finance.

B.B.A major: Risk Management and Insurance: Courses taught: Intro to risk management and insurance, Employee benefits

MSc Finance at Imperial College: Courses taught: Theory of Finance I

MBA at Imperial College: Courses taught: Finance

MSc in Metals and Energy Finance at Imperial College: Courses taught: Theory of Finance

Policy experience:

UK:

Assisted the Pension Protection Fund in the UK in designing risk-based levies for DB pension insurance.

Advised the Department for Work and Pensions in the UK on various aspects of pension design and regulation.

South Africa:

Assisted in the development and implementation of significant reforms of the retirement fund system in South Africa, series of documents (all of which except one I was the primary author) outlining the reforms are available here <http://www.treasury.gov.za/publications/RetirementReform/Default.aspx>.

Major projects:

Implemented of alterations to retirement fund taxation system, significantly simplifying the tax regime for contributions, due to come into effect on 1 March 2105

Implemented extension of extending annuitisation of retirement balances to all SA retirement vehicles (provident funds), due to come into effect on 1 March 2015

Implemented project to impose default investment, preservation and annuitisation rules on all SA retirement funds, draft regulations released

Technical project on charge measurement and disclosure for retirement funds in SA.

Also provide strategic and technical advice on pension-related issues to the Minister of Finance and senior Treasury officials, and provide advice to the Minister before negotiations with private industry bodies on these reforms.

Speak publicly on these reforms for the Treasury, including at industry forums, union meetings, national industry conferences, professional meetings and have represented National Treasury at national social bargaining forum (NEDLAC).

Interviewed by print, radio and television journalists, and am frequently quoted by name in national newspapers.

You can search for my public persona here: <https://www.google.co.za/#q=david+mccarthy+national+treasury>

Research grants

\$25,000	Michigan Retirement Research Center “small” grant for project: <i>Testing for Adverse Selection in South African Annuitant Mortality Data</i> , 2004
£100,000	Economic and Social Research Council grant, joint with the Department for Work and Pensions, on inter and intra-generational redistribution in the UK, with Prof James Sefton, 2009
£80,000	European Commission Programme 7 grant to implement National Transfer Accounts, National Institute of Economic and Social Research, London UK, 2013.
£430,000	Co-investigator with Prof James Sefton (Imperial College), Prof Ron Lee (UC Berkeley) and Prof Martin Weale (Kings College, London) on ESRC grant “Changes in the Distribution of Resources across Generations in both the UK and the US”, 2017-2019

Fellowships:

2016-present	Fellow, National Institute of Economic and Social Research, London
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UK Government Funded Awards:

2005	DWP funded project to investigate risk transfers in hybrid pensions.
2007	DWP funded report to investigate the issue of guarantees in personal accounts.
2009	DWP funded report to investigate the economic basis of the regulation of UK pension plans, joint with Anthony Neuberger.

Consulting:

- 2005-2009 Consultant for Department for Work and Pensions, UK, examining different designs for workplace pensions
- 2007-2009 Consultant for WM Mercer, London. Assisting their development of models to assess credit risk in pensions and use of dynamic asset allocation in pensions, as well as other projects.
- 2010 Consultant for Pension Protection Fund, assisted in the measurement of pension risk and designing the basis used to set premiums.