

# Issue talking points

The American Institute of Architects

For use by students

## Student debt and retirement

### KEY MESSAGE

America has a student loan debt problem. It is robbing students and recent graduates of their financial stability now and in the future. Without Congressional action, today's borrowers may not be able to afford to eventually retire. Thus, those currently seeking the skills to join the workforce may be unable to leave it.

### THE ASK

AIA urges Congress to:

- Pass bipartisan legislation to count student debt repayment as the matching requirement to contribute to their employee's retirement plan.

### FOR MORE INFORMATION CONTACT

Kara Kempfski  
(202) 731 8462  
karakempfski@aia.org

The American Institute of Architects  
1735 New York Avenue, NW  
Washington, DC 20006-5292

- In fact, studies have found that almost 60% of American workers under age 25 don't save via an employer 401(k) at all. Those that do general save less than the recommended amount.
- This is a serious problem because the compound interest lost in the first few years of working is much more expensive to regain later on.

### INTRODUCE THE ISSUE AND DELIVER YOUR KEY MESSAGE

- We are architecture students here on behalf of the American Institute of Architects (AIA) and the American Institute of Architects Students (AIAS).
- One of AIA's top federal issues—and a big concern for each of us here—is student debt.
- We know we are not alone in confronting this challenge, as over 44.7 million Americans carry roughly \$1.5 trillion in student debt.
- The Class of 2017 borrowers will owe an average of \$28,650.
- It will be even worse for us. An AIAS poll of recent architecture graduates a few years ago found that respondents owed an average of \$40,000 after graduation.
- Additionally, the process to become a licensed architect does not end at graduation. We still have a few more years of licensure, during which time, most of us will be paid less than our licensed counterparts.
- An AIA survey in 2017 found that 80% firms increase salary upon achieving licensure. For about 1 in 5 firms, the difference in salary is 10% or more.

### DELIVER INFORMATION TO BACK UP YOUR KEY MESSAGE

- Not only are high student debt payments a burden in the present, they can significantly drain financial stability in the future.
- While paying off student loans, it is hard to imagine also saving for retirement.



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## DELIVER “THE ASK”

- There is a bill in the Senate right now (still no bill number, fill in later) that would allow employers to count student debt repayment as the matching requirement for employers to contribute to retirement plans for their employees.
- That way more recent graduates will at least have some savings that start to accumulate interest.
- Importantly, this bill would allow any type of student loan and any type of employer-based retirement plan to qualify.
- This matters for us, since architecture firms vary greatly in size, type, and business model, and therefore in the types of retirement plans they offer.
- We also urge you to work with your colleagues on additional ideas to lessen our student debt burden in the first place.
- Will you work with your colleagues to prioritize these requests this Congress? How can we support you?

