



Insured Retirement Institute
1100 Vermont Avenue, NW | 10th Floor
Washington, DC 20005

t | 202.469.3000
f | 202.469.3030

www.IRionline.org
www.myIRionline.org

October 27, 2021

The Honorable Teresa Leger Fernandez United States House of Representatives 1432 Longworth House Office Building Washington, DC 20515	The Honorable Victoria Spartz United States House of Representatives 1523 Longworth House Office Building Washington, DC 20515
--	---

Dear Representatives Leger Fernandez and Spartz:

The Insured Retirement Institute (IRI)¹ writes to express our support for your legislation requiring the Secretary of Education to create a centralized financial resources portal on the Department's website for Federal financial aid recipients that will provide as part of its financial literacy content information about planning and saving for their retirement. In its [2021 Federal Retirement Security Blueprint](#), IRI called for the expansion of mandated financial literacy counseling for federal student loan borrowers to include information about the many workplace retirement savings choices they are presented with after graduating college and entering the workforce.

IRI has historically supported and advocated for common-sense, bipartisan solutions to help provide America's workers and retirees with the tools necessary to achieve a financially secure and dignified retirement. Adding a requirement to include counseling information about planning and saving for retirement will provide a helpful new tool to those who have received federal student aid. It will empower them as they enter the workforce with valuable information about the different types of retirement savings accounts and help them make well-informed financial decisions about their retirement years during their working years.

Balancing student loan repayments with competing financial priorities, including saving for retirement in workplace retirement plans, has become a significant challenge for America's workers. According to the Federal Reserve, the student loan debt owed in the United States hit \$1.7 trillion in late 2020.² This represents a roughly 102 percent increase in student debt over the last decade.³ This growth in student loans debt is having an impact on workers' ability to save for retirement. A study by Fidelity Investments found that 45 percent reported that debt inhibits their ability to save for retirement by preventing contributions to workplace plans or limiting the amount they can save.⁴

¹ The Insured Retirement Institute (IRI) is the leading association for the entire supply chain of insured retirement strategies, including life insurers, asset managers, and distributors such as broker-dealers, banks, and marketing organizations. IRI members account for 90 percent of annuity assets in the U.S., include the top 10 distributors of annuities ranked by assets under management, and are represented by financial professionals serving millions of Americans. IRI champions retirement security for all through leadership in advocacy, awareness, research, and the advancement of digital solutions within a collaborative industry community. Learn more at www.irionline.org.

² "Student Loans Owned and Securitized, Outstanding." Federal Reserve Bank of St. Louis

³ "U.S. student debt has increased by more than 100% over the past 10 years." CNBC. December 22, 2020.

⁴ "Fidelity's Annual Snapshot of America's Student Debt: Boomers Burden With the Most Student Debt." Fidelity Investments.

While student loan debt is carried by workers of all ages, workers younger than 45 owe nearly 84 percent of all student debt in this country.⁵ IRI research on Millennial retirement readiness found that of the 46 percent of Millennials who are not saving for retirement, nearly 10 percent reported their reason for not saving is wanting to pay off debts before beginning to contribute to a retirement account.⁶ With the same study also finding that less than 40 percent of Millennials are contributing to a workplace retirement savings plan, it is clear that student loan debt is having a significant impact on retirement savings.⁷

Your legislation, by creating a federal student aid counseling portal that includes critical information about the intersection of saving for retirement and repaying student loans, will help provide federal student aid recipients with the opportunity to build economic equity, strengthen their financial security, and lay the groundwork for protecting their income during their retirement years.

While IRI supports the enactment of your bill, we respectfully propose for your consideration an amendment which IRI called for in its [2021 Federal Retirement Security Blueprint](#). The amendment IRI suggests would extend the benefits provided by your legislation to recipients of financial aid from the Department of Education programs to also include the recipients of assistance from the Department of Labor's job training and apprenticeship programs. The amendment would direct the Secretary of Labor to make the Department of Education's newly created portal available to aid recipients of Department of Labor programs. Doing so would allow this important information about saving for retirement during one's working years to be provided to those workers entering the workforce who do not attend college or receive the benefits of federal financial aid for their higher education.

We thank you for your leadership in pursuing this legislation. If you have any questions, please do not hesitate to contact me at (202) 469-3004 or prichman@irionline.org, or John Jennings, Assistant Director of Government Affairs at (202) 469-3017 or jjennings@irionline.org.

Sincerely,



Paul J. Richman
Chief Government and Political Affairs Officer
Insured Retirement Institute

⁵ ["Student Loan Debt by Age."](#) EducationData. October 19, 2020

⁶ ["Millennials & Retirement 2020"](#). Insured Retirement Institute. January 2020

⁷ *Ibid.*