



June 3, 2024

The Honorable Teresa Leger Fernandez
United States House of Representatives
1510 Longworth House Office Building
Washington, DC 20515

Dear Representative Leger Fernandez:

The Insured Retirement Institute (IRI)¹ writes to reiterate its support for the *Financial Fitness Act* as stated in IRI's 2024 Federal Retirement Security Blueprint². In the face of mounting financial challenges for younger workers, this bill would direct the Secretary of Education to create a centralized financial resources portal for federal student loan financial aid recipients on the Department's website. Most importantly, it will expand the content of mandated financial counseling for federal student loan financial aid recipients, including, as part of its financial literacy content, information about planning and saving for retirement.

IRI has a long-standing commitment to advocating for practical, bipartisan solutions that equip America's workers and retirees with the necessary tools to help them achieve a financially secure and dignified retirement. Including counseling information related to retirement planning and savings in the *Financial Fitness Act* will introduce a valuable new resource for federal student loan financial aid recipients. It will empower these aid recipients as they transition into the workforce, equipping them with crucial knowledge about various retirement and other savings options and enabling them to make informed decisions about planning and saving for their retirement during their working years.

The challenge of balancing student loan debt repayment with other financial priorities, such as retirement savings, is a pressing issue for America's younger workforce. As of 2024, the Federal Reserve reports that the total student loan debt in the United States has reached a staggering \$1.77 trillion, marking a significant 66 percent increase over the past decade.³ This represents a 66 percent increase in student debt over the last decade.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, broker-dealers, banks, marketing organizations, law firms, and solution providers. IRI members account for 90 percent of annuity assets in the U.S., include the foremost distributors of protected lifetime income solutions, 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 irionline.org.

² "2024 Federal Retirement Security Blueprint", Insured Retirement Institute, March 2024.

³ "Consumer Credit Outstanding," Board of Governors of the Federal Reserve, April 5, 2024.

⁴ "Student Loan Debt: Averages and Other Statistics," *USA Today*, April 1, 2024.

This student loan debt growth impacts workers' ability to save for retirement. A study by Fidelity Investments found that 79 percent of respondents said student loan debt "impacts their ability to save for retirement," on average, participants with student loan debt save 6 percent less for retirement than those without.⁵

While workers of all ages carry student loan debt, workers older than 45 owe nearly 84 percent of all debt.⁶ IRI research on Millennial retirement readiness found that of the 46 percent of the generation who are not saving for retirement, nearly 10 percent reported wanting to pay off debts before contributing to a retirement savings plan as their rationale.⁷ The same study also found that less than 40 percent of Millennials contribute to a workplace retirement savings plan, indicating that student loan debt significantly impacts retirement savings.

Section 110 of the *SECURE 2.0 Act of 2022*⁸ offers a new option to those with student loan debt to begin building their savings for retirement. The *Financial Fitness Act*'s centralized educational portal will provide critical information about the intersection of repaying student debt and saving for retirement. It can serve as a valuable tool in helping more younger workers realize the benefits of this provision of the *SECURE 2.0 Act*, thereby further enhancing their opportunities to build economic equity, strengthen their financial security, and lay the groundwork for protecting their income during their working years to sustain them throughout their retirement years.

Although not included in the bill, IRI brings to your attention that our 2024 Federal Retirement Security Blueprint⁹ also supported that the counseling required by the *Financial Fitness Act* offered by the Department of Education's centralized portal for federal student aid recipients be extended to federal job training recipients. IRI believes that in addition to the students the bill will help, federal job training and apprenticeship program participants also will soon be entering the workforce and will face having to make the same choices that federal student aid recipients will make about the various types of workplace retirement savings plans they may be offered, for which the Department of Labor program participants could use the information that will be provided through the new centralized portal could be used to help them make more informed decisions about saving for retirement.

While IRI fully supports the enactment of the *Financial Fitness Act*, we respectfully submit for your consideration an amendment to the bill to extend the reach of the valuable information provided through the new centralized portal maintained by the Department of Education to recipients of the Department of Labor job training and apprenticeship programs. The amendment would direct the Secretary of Labor to inform the participants in the Department of Labor job training and apprenticeship programs about the newly created Department of Education portal. With this information, the Department of Labor program participants can use this resource to help them navigate decisions about their retirement savings through a workplace saving plan. This amendment is crucial to ensure that all new entrants to the workforce,

⁵ ["Fidelity Annual Snapshot of American's Student Loan Debt,"](#) Fidelity Investments, December 2018.

⁶ ["Student Loan Debt by Age,"](#) EducationData, October 2020

⁷ ["Millennials & Retirement 2020,"](#) Insured Retirement Institute, January 2020.

⁸ [SECURE 2.0 Act of 2022, Public Law 117-328, Division T](#)

⁹ ["2024 Federal Retirement Security Blueprint,"](#) Insured Retirement Institute, March 2024.

regardless of their educational background or career choices, will have access to information that can guide their retirement savings decisions.

IRI deeply appreciates your leadership in championing this legislation, which is poised to provide critical information on retirement savings to those entering the workforce. We wholeheartedly support the *Financial Fitness Act* and urge you to consider including the proposed amendment, which will play a pivotal role in equipping America's younger workers with the knowledge and resources they need to secure their financial futures.

If you have any questions, please do not hesitate to contact us at prichman@irionline.org (202) 469-3004 or jjennings@irionline.org (202) 469-3017.

Sincerely,



Paul Richman
Chief Government and Political Affairs Officer
Insured Retirement Institute



John B. Jennings
Director Government and Political Affairs
Insured Retirement Institute