

Planning to Work with Architects



*A closer look at the current world of
Architects*

Market Highlight Report, Winter 2011

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Architects Winter 2011

General Overview

Architects design buildings and other structures that are functional, safe and aesthetically pleasing. Their skills are a blend of artistic ability, construction knowledge and engineering prowess. Architects design and draw plans for new structures in addition to redesigning and reconstructing existing structures. Increasingly, architects are designing 'green' energy-efficient buildings, using sustainable materials and methods. Architects sometimes specialize in one phase of work. Some specialize in the design of one type of building—for example, hospitals, schools, or housing. Others focus on planning and predesign services or construction management and do minimal design work. Most architects fall into one of the three categories of residential, commercial or industrial.

According to a 2010 NCARB (National Council of Architectural Registration Boards) survey approximately 105,312 licensed architects are in the United States, including some who are retired and others who are not working as architects but maintain their license.

For a breakdown of licensed Architects by state, view the following link:

<http://www.ncarb.org/en/News-and-Events/News/2010/2010-Architect-Survey.aspx>.

According to the latest figures from the National Architectural Accrediting Board,

- Architecture schools are still dominated by men, though by a decreasing margin. Of all the enrolled and matriculating students of architecture, 59% are men and 41% are women.
- The gender gap is much wider among faculty, with a split of 74% men, 26% women.
- Even if the number of female students is not too far from the number of male, the website for the Women in Architecture Fund (www.wiafund.org) estimates that only 15% of practicing architects are women.

However, with the trends towards green building and sustainability, women may have a leg up on their male counterparts for the future. Studies consistently show that, by significant margins, women more than men support sustainable causes—through activism, advocacy, voting, and consumer choices. This could be an unexpected way to reduce the gender gap in the Architecture field.

Source: Hosey, Larry. "Women Rule". 9 December 2009. *Architect Magazine*. 22 November 2010

<http://www.architectmagazine.com/sustainability/women-rule.aspx>

Licensing/Certification

Most architects earn their professional degree through a 5-year Bachelor of Architecture degree program, or a master's degree after completing a bachelor's degree in another field. There are 117 schools of architecture that have degree programs accredited by the National Architectural Accrediting Board (NAAB).

During the time between graduation and becoming licensed, architecture school graduates generally work in the field under the supervision of a licensed architect who takes legal responsibility for all work. Licensing requirements include the following:

- a professional degree in architecture.
- a period of practical training or internship.
- a passing score on all divisions of the Architect Registration Examination.

The examination is broken into nine divisions consisting of either multiple choice or graphical questions. The eligibility period for completion of all divisions of the exam varies by State.

A growing number of architects voluntarily seek certification by the National Council of Architectural Registration Boards. Certification is awarded after independent verification of the candidate's educational transcripts, employment record, and professional references. Certification can make it easier to become licensed across States. In fact, it is the primary requirement for reciprocity of licensing among State Boards that are NCARB members. In 2009, approximately one-third of all licensed architects had this certification.

Source: Occupational Outlook Handbook, 2010-11 Edition. Bureau of Labor Statistics. 27 January 2010 <<http://www.bls.gov/oco/ocos038.htm>>.

Growth of the Market

While overall the American Institute of Architects' Architecture Billings Index (ABI) declined in December 2010, architecture firms located in the Northeast and Midwest reported growth in firm billings for the third month in a row in October. Business continues to improve in these two regions of the country, with both reporting their highest scores in nearly three years. In addition, firms with a commercial/industrial specialization experienced their sixth consecutive month of growth in October, while firms with an institutional specialization reported a small expansion, the first for the sector since December 2007.

About 21% of architects are self-employed—almost 3 times the proportion for all occupations. Employment of architects is expected to increase by 16% between 2008 and 2018, which is faster than the average for all occupations. This may sound counterintuitive when one considers the number of architects now out of work but current demographic trends will lead to an increase in demand for architects as 1) population grows, 2) people live longer and 3) baby boomers retire. These factors will contribute to the need for increased housing. Additionally, educational facilities will need to be built or renovated as buildings get older and enrollment increases. However, the economy will continue to affect the job market despite population growth.

There should be increasing demand for architects with knowledge of “green” design. Green design, also known as sustainable design, emphasizes the efficient use of resources such as energy and water, waste and pollution reduction, conservation, and environmentally friendly design, specifications, and materials.

Sources: Riskus, Jennifer. “After Slight Growth in September, Architecture Firm Billings Decline in October”. November 2010. AIArchitect. 18 November 2010 <<http://www.aia.org/practicing/AIAB086558>>. Occupational Outlook Handbook, 2010-11 Edition. Bureau of Labor Statistics. 27 January 2010 <<http://www.bls.gov/oco/ocos038.htm>>.

Architects in Today's Economy

A few of the concerns facing architects, many in light of the post-recession economy, are the following:

- When banks stop financing construction, development projects are in limbo and architectural firms slashed their staffs, some by 20 percent and more. Laid-off construction workers reflect the slowdown. But the dismissal of architects is a bellwether, signifying slowed-down planning for projects that were on the horizon.
- The layoffs of the last few years have conjured up memories of the 1991 recession, which eviscerated a generation of younger designers. As a result, there's a dearth of architects in their mid-40s at Washington area firms, said David Daileida, president of the AIA's D.C. chapter.

Source: Paul Schwartzman, "Architects the latest dominos to fall," Washington Post, Mar. 29, 2009. <http://www.washingtonpost.com/wpdyn/content/article/2009/03/27/AR2009032702974.html?sid=ST2009032701600>.

- The deep and long-running recession—which has shaken the industry and led to fewer projects and fiercer competition for the work that is available—has some architects re-thinking their previous habits of taking on risk by offering upfront designs, risking spending money for a project that they may or may not win. In the past there used to be an average "hit" rate of about 25% when vying for new businesses. Now the number of firms chasing a project have doubled and the chances of getting the project has fallen to approximately 10%.
- Many firms offer more upfront designs as a way to win the work; however that risk does not always pay off. With so much staff time and so many resources needed to put together a winning pitch in such a competitive environment, firms could end up spending most, or even all, of their revenue and profit from a project. As the economic downturn lingers and many firms move into what they call survival mode, firms are trying to strike a delicate balance between the costs of securing work and the financial rewards that new projects will provide.

Source: "Risk vs. Reward. 13 September 2010. Architect magazine. 22 November 2010 <<http://www.architectmagazine.com/design-fees/risk-vs-reward.aspx>>.

Salaries for Architects

ARCHITECT magazine surveyed a pool of 1,001 Architects spanning all job titles and experience levels in the profession for 2010 salary information (although management-level architects and sole practitioners dominate: 77% of survey respondents giving their title as principal/partner/owner or president/vice-president/C-title) with the median age of 51.8 years.

The survey shows that 2010 salaries are down from 2009, with many principals and owners reporting they have taken a 10% pay cut just to stay afloat. Some key numbers from those surveyed:

- The median salary in 2009 was \$88,800, salaries dropped in 2010 to \$80,900.
- Median salary by gender: Females earning a significantly lower \$68,200 vs. males at \$83,100
- Twenty-four percent reported earning between \$50K-\$74,999
- Twenty percent reported earning between \$75K-\$99,999

- Twenty-two percent reported earning between \$100K-\$149,999
- Only 12% of those surveyed earned \$150,000 or more.

Payscale ranks the highest paying cities for Architects, with California holding four of the top ten spots. Not surprisingly, the larger the firm, and the more experience an Architect has, the larger the salary.

Top 10 Highest Salaries by City

1. Irvine, California
2. Sacramento, California
3. Arlington, Virginia
4. Cambridge, Massachusetts
5. Oakland, California
6. Orlando, Florida
7. Morristown, New Jersey
8. Jacksonville, Florida
9. Phoenix, Arizona
10. Berkeley, California

Sources: Hurley, Amanda Kolson. 2010 "Salary Survey, Less=The New More". 16 April 2010. Architect Magazine. 18 November 2010

<<http://www.architectmagazine.com/compensation/less--the-new-more.aspx>>.

Payscale. 16 November 2010. Payscale.com. 18 November 2010.

<[http://www.payscale.com/research/US/Job=Architect_\(but_not_Landscape_or_Naval\)/Salary](http://www.payscale.com/research/US/Job=Architect_(but_not_Landscape_or_Naval)/Salary)>

Debt incurred by Architectural Students

Seventy-four percent of graduate students with a degree in Architecture have taken out student loans with an average \$23,284 borrowed.

Source: Council of Graduate Schools Communication Newsletter. November 2009. National Postsecondary Student Aid Study. 28 January 2010.

www.cgsnet.org/portals/0/pdf/DataSources_2009_11.pdf.

Market Challenge

- Perhaps the biggest challenge today is that many members of this highly educated profession are making either less than they had expected to make due to the current economic recovery phases or they're not employed in their field at all. In the two months between July 2009 and November 2009, employment at American architecture firms dropped from 224,500 to 184,600, according to the US Department of Labor.

Source: About.com, Occupational Outlook Handbook. Dec. 17, 2009.

http://architecture.about.com/gi/o.htm?zi=1/XJ&zTi=1&sdn=architecture&cdn=homegarden&tm=272&gps=807_425_1596_648&f=00&tt=12&bt=0&bts=1&zu=http%3A/www.bls.gov/oco/ocos038.htm%23outlook.

- In terms of their inherent occupational challenge, architects have to, not only keep up with the social and cultural priorities of the communities they serve (i.e., today's sustainable building preferences) but many also feel they need to be innovative and lead the charge in many of these areas. These evolving social and cultural initiatives require successful architects to stay up on the latest in design trends and regulatory policies.

- On a different but highly relevant front, according to a recent article from Architecture Magazine, architects are not getting the necessary training in finance that they need to have in today's competitive environment. "Up until now, graduates have been steeped in theory and design but have learned little about spreadsheets and tax-increment financing," according to the article's author, Elizabeth Evitts Dickinson. Several universities such as the University of Kansas School of Architecture, the University of Texas at Arlington and Harvard University's School of Design are creating course work where architectural students and business students partner together. For more, read the full article at: <http://www.architectmagazine.com/education/facing-up-to-the-numbers.aspx?printerfriendly=true>.

Source: Dickinson, Elizabeth Evitts. "Facing Up to the Numbers". 13 September 2010. Architect Magazine. 22 November 2010
<<http://www.architectmagazine.com/education/facing-up-to-the-numbers.aspx>>.

- Finally, an important trend noted by economic experts: aging owners that are ready to monetize on their business. It used to be that owners frequently passed their practice on to the next generation in-house, but increasingly, it seems that younger architects are not interested, or in the position, to buy, which could result in more acquisition activity in the coming years.

Source: Dickinson, Elizabeth Evitts. "Market Forecast 2010 Vision". 11 December 2009. ARCHITECT. 28 January 2010 <<http://www.architectmagazine.com/economics/2010-vision.aspx>>.

How Insurance Professionals Can Support the Market

Like other licensed professionals, architects require a lot of schooling. To get to know more architects, it is important to be tuned into the facilities and faculty that train architects, and to get involved in their activities, and even, perhaps, with their curriculum. Hosting a coffee for graduating architects and/or presenting a special workshop titled, "*Paying off your college debt and other grown up financial strategies you need to know*" could each be tactics that will ingratiate you to the graduates and faculty year-after-year.

Getting involved with non-profit foundations that architects support, such as scholarship or mentorship activities, is another way to demonstrate your interest in the career.

Referring names of contractors or other sources for potential business/connections are always a great way to show your willingness to work with a like-minded entrepreneur who wants to build his/her practice.

Networking with Architects

Social Media services such as LinkedIn.com can be a great way to connect with architects in your network or in your network's network. A search of the phrase "Architecture Alumni" by "group" on Linked In surfaced 250 groups that fit this description:
<http://www.linkedin.com/groupsDirectory?results=&sik=1291318096103&pplSearchOrigin=GLHD&keywords=architecture+alumni>.

When researching architecture firms through LinkedIn.com or when finding related websites on the internet, be sure to pay close attention to the types of projects they are engaged in, the names of the clients they serve, and any awards they may have won.

Of course, old fashioned networking through association involvement is still a critical form of prospecting. Get to know which firms and be familiar with the individual architects that are engaged in the community. Find out how you can help them expand their business and educate them on how you add value to your clients.

Although several national associations are included below, do your own local searches as some very active associations may not have a national affiliation. The link below will help you locate some of the architecture-related associations in your state.

<http://www.innovatorsguide.org/architect/state-architect-associations.htm>.

National Associations

American Institute of Architects (AIA)

<http://www.aia.org/index.htm>

With nearly 300 state and local chapters the AIA is the professional membership association for licensed architects and emerging professionals. Its robust website has a wealth of information, including many specialized “knowledge communities” otherwise known as blogs, where people in specific areas of the profession can regularly communicate. Their Cornerstone Partner program allows allied members to reach more than 83,000 members year-round:

<http://www.aia.org/about/partners/cornerstone/AIAS076802>.

American Institute of Architecture Students

<http://www.aias.org>

The association helps to build interest and enrich the educational experience of students of all ages and others in architecture and design. The AIAS is a nonprofit, student-governed organization with almost 7,000 architecture and design student members throughout the world, but predominately at the accredited schools of architecture in North America. View the following link for sponsorship opportunities: <http://www.aias.org/sponsorship/become.php>.

Association of Licensed Architects (ALA)

<http://www.alatoday.org/ala/Main.nsf>

With chapters in Illinois., Missouri, Ohio, Wisconsin & Minnesota, ALA is open to all licensed architects and related professionals united in advancing the profession of Architecture. ALA provides continuing education thru webinars and other channels to help support and improve the profession's role in the build environment. View the website for upcoming events and Board of Director information for each chapter.

American Society of Golf Course Architects (ASGCA)

<http://www.asgca.org/index.php>

ASGCA is the oldest professional organization of golf course designers in America. These architects have designed, renovated and remodeled many of the most famous courses in golf. All ASGCA members have completed of a minimum of five major golf course projects and are peer-reviewed by the ASGCA membership. View the website for more information, making sure to visit the Resource Directory list for ideas on ancillary markets.

National Council of Architectural Registration Boards (NCARB)

<http://www.ncarb.org>

The National Council of Architectural Registration Boards (NCARB) is the professional association of architectural registration boards of the various states in the United States. It helps formulate architectural qualifications, organizes architectural internship, administers the Architect Registration Examination, and maintains a register of certified architects.

Learn more about Association marketing by reading [About Association Marketing](#) which includes tips for vetting an association, becoming a resource, and surveys for the association leadership and members.

Marketing Checklist

- Narrow niches within the market to a reasonable size and scope.
- Visit websites and flag the best ones for ongoing reference.
- “Follow” companies and associations of interest on LinkedIn.com and join market-related groups.
- Identify at least 15 individuals that would be good Centers of Influence in the market.
- Conduct informational interviews and/or networking appointments
 - with potential strategic alliances also active in the market.
 - ask for “personal introductions” to others in the market.
- Subscribe to market-related blogs and magazines, note calendar dates, editors names and sponsorship or advertising opportunities.
- Determine which association(s) is most worthwhile and attend networking events; obtain meeting with Association Director and be sure to “ask” more rather than “tell.”
- Determine a Unique Value Statement that appeals to the market and sets you apart from the competition.
- Announce your presence in the market through social media, letters, ads, and press releases.
- Obtain membership lists for cultivation and look into targeted list buying if needed.
- Organize a mix of cultivation pieces. For ex., avoid sending all email or all snail mail. Aim for a minimum of six to twelve touch-points per year.
- Explore what types of seminar topics and/or guest speakers are of interest to this market.
- Contact local business journals and find out if they plan on dedicating a special issue to the market where you can advertise and/or get an article published.

SAMPLE One Page 90-Day Strategic Planning Template
Target Market Focus: Architects in (Region)

Three Year Vision: *50 architect clients in database; Receive X number of leads per mo.; Conduct min. of 2 Workshops per year and 3 C of I Appreciation Events*

One Year Vision: *15 new architecture-based clients in database with a min. of 5 who will provide ongoing introductions*

90 Day Objectives/Tactics	Challenges	Action Items	Person	Date
1. Continue Research & Build Top 15 List		<ul style="list-style-type: none"> - Obtain local research & dig deep into links in report; define profile of best client. - Identify 5 C of I's who work w/ architects - Drill down to find out more about individuals and create a file. - Determine which associations to join or volunteer - Become active on LinkedIn.com. - Ask for introductions 		
2. Create Unique Value Proposition and Brand Statement		<ul style="list-style-type: none"> - Find out needs/wants - Come up with unique characteristics of product line and hone approach - Create brand statement; get approved by Compliance - Test out w/ Advisors 		
3. Build Cultivation Program		<ul style="list-style-type: none"> - Vet communication materials - Select best approved pieces (2 or 3) - Create Approach letter - Get approved - Set up first mailing program 		
4. Conduct 5 Center of Influence Surveys; goal is min. of 5 per month.		<ul style="list-style-type: none"> - Modify interview as appropriate - Send hand written thank you's & follow up on any tasks/requests - Get responses from surveys into database - Schedule more appts. 		
5. Set up database/admin. needs		Make sure database can manage cultivation process for follow up, etc.		