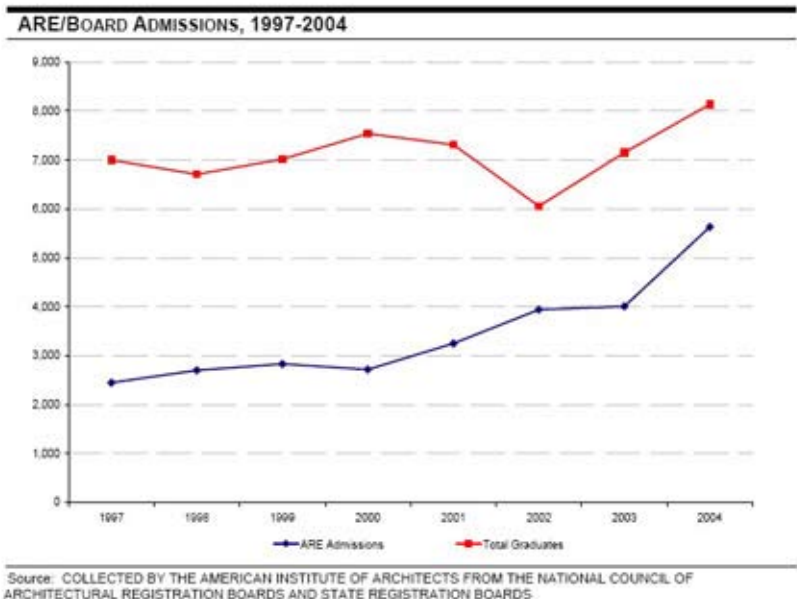


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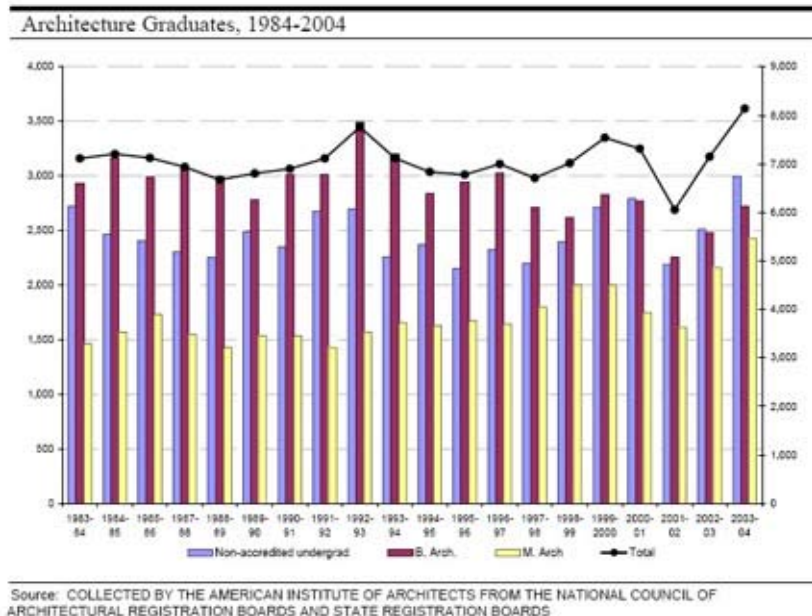
ARE Rates Correlate with Construction, Economic Health, High School Graduates

by Tracy Ostroff

Construction trends and the health of the economy are the factors most likely to influence the number of candidates for the Architectural Registration Exam, an AIA-commissioned study reports. The consultant Guideline studied data provided by the Institute, the National Council of Architectural Registration Boards (NCARB), state registration boards, and other environmental records to consider how various demographic, economic, and social trends have impacted the number of architects seeking registration in the past 10 years. Researchers found that the 17 states with the highest number of exams taken and passed from 1997-2004 usually were among the states with growth higher than the U.S. average in several categories. The



Graduation Rates

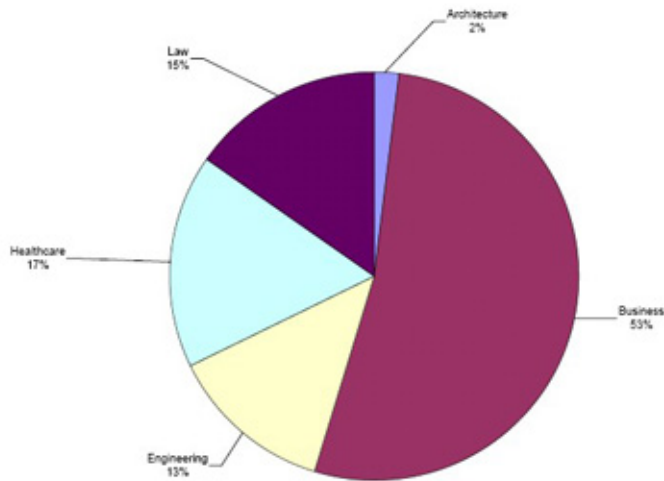


study [www.aia.org/SiteObjects/files/AIA%20_RegTrends_5-30-06.pdf] also indicates that changes in numbers of high school graduates influence and may be indicators for the number of potential enrollees in architecture programs.

In its report, *An Assessment of Population, Construction, and Alternative Professions and Their Relationship to Architect Licensure and Registration Levels*, Guideline analyzed AIA-supplied data on the architecture profession and government, association, and industry sources to compile statistics on population, school and college enrollment and completion, labor force, real estate, construction, and professional licenses and salaries. Researchers compared these data to identify possible correlations and similar trends, both nationally and at

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MASTER'S DEGREES, 2003-04



(Law = LL.B. and J.D.)
Source: National Center for Education Statistics

the state level. The report is particularly useful for parsing registration and demographic and economic data by state.

Architect registration and the economy

Researchers found that the number of architecture graduates since the 1983-84 school year peaked in 1992-93 at nearly 8,000. Numbers then show a steady decline, reaching their lowest levels in 2000-01 and then sharply increased the following two years. In three key states, California, New York, and Texas, ARE board admissions decreased from 1999-2002 and then increased sharply in 2004. The declining number of graduates after 1992-93 may have affected ARE board admissions in subsequent years. The 13 states leading in architect exams taken and passed were generally leaders in key demographic calculations, including population groups, high school graduates, number of people in the labor force, and construction.

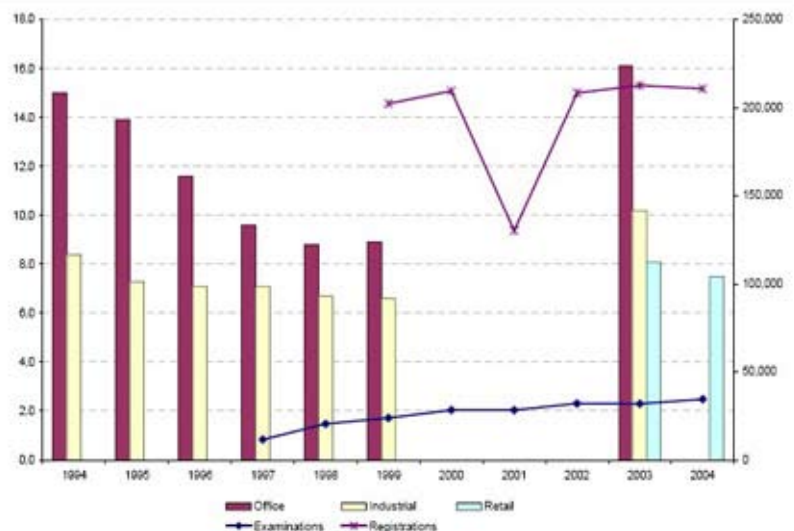
The report also links recent recessionary periods with the profession

of architecture. From 1989-92, the number of architects practicing in the U.S. decreased from 143,000 to 113,000, according to a *Progressive Architecture* report cited in the survey. In addition to the loss of architect positions, researchers say they assume that many other entry-level jobs were

lost, perhaps influencing both school enrollment and examinations. On the growth side, Guideline notes the number of architecture graduates spiked in 1992-93, just as the U.S. was emerging from the recession.

The next major change in graduation rates was a drop in 2001-02. In California, for example, board admissions dropped about 40 percent from 1999-2001—a decline of about 1,000. As the U.S. recovered from the dot-com bubble burst of 2000-2002, California's board admissions increased as well—116 percent from 2003-2004. Researchers did not have data prior to 1997 on registrations and exams, but say that data from 1997-2000 are fairly flat, not corresponding with the boom. They explain this trend by noting that “other professions were more popular ... graduates were lured to other professions promising lucrative rewards.” There is hope, though. “Architects make up ground on the other professions when it comes to median salaries.” For all professions, however, there can be wide variations based

U.S. RESIDENTIAL, OFFICE, INDUSTRIAL, AND RETAIL VACANCY RATES VS. ARCHITECT EXAMINATIONS AND REGISTRATIONS



Source: National Association of Realtors, Society of Industrial & Office Realtors

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on size and type of firm and position within the organization.

Architects versus other professions

Within the five categories of professional degrees Guideline examined for context, architecture represented 2 percent of degrees granted. Business degrees topped the chart at 47 percent, legal degrees followed at 20 percent, engineering placed third with 14 percent, and health degrees represented 17 percent of the population. Of the four other professional categories Guideline examined, three (except legal) outpaced architecture's growth by a magnitude of at least two or three times. By the 2003-04 school year, business degrees accounted for an even greater share at 53 percent.

The study notes that the professions of architecture, law, medicine, engineering, and business (including accounting) engender various characteristics and descriptions that suggest explanations of growth. The researchers define these as being:

- **Lucrative:** Business (MBAs), doctors, and lawyers are regarded as highly compensated professionals
- **Noble:** Doctors in particular and sometimes lawyers are regarded as "doing good"
- **Special/unique:** Doctors, lawyers, and accountants are perceived as having highly specialized skills unique to their field; "although architects should be perceived this way, too, their roles and responsibilities overlap other professions (construction management, engineering, real estate development, interior design, etc.)," the report notes
- **Immediately gratifying:** Business (MBA) professionals are not required to be certified and can immediately join their profession.

Guideline reports that articles, research by AIA Chief Economist Kermit Baker, PhD, Hon. AIA, and anecdotal evidence reinforce the link between architecture employment and billings and construction. Researchers say, "It's not unrealistic to assume a trickle-down effect on architecture registrations and examinations."

Reference:

The study responds to the 2005 Resolution 05-01, Health, Safety, and Welfare of the Public, Profession, and Institute, [www.aia.org/aiarchitect/thisweek05/tw0520/0520conv_bizmeet.htm] sponsored by the AIA California Council, AIA Massachusetts, and the Boston Society of Architects.

In addition to evaluating licensing rates, the findings will be used to assess the impact of the decline in the number of newly licensed architects on the Institute's advocacy efforts, financial health, membership structure, and overall governance.