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New EBRI Study Finds That Employers Offer Many Reasons — and Challenges — When Offering Student Loan Debt Assistance

Washington, D.C. — April 18, 2019 — A new study from the Employee Benefit Research Institute (EBRI) finds that employers are seeking to assist workers with student loan debt for purposes ranging from altruistic to bottom-line oriented. According to the study, the top reasons for offering such financial wellness initiatives among "Student Loan Debt Focused Employers" is improved employee retention (56 percent), reduced employee financial stress (49 percent), and improved overall worker satisfaction (41 percent).

"It's a competitive job market, and employers are seeking new ways to attract, retain, and satisfy qualified employees," says Lori Lucas, president and CEO of EBRI. "At the same time, student loan debt assistance programs are new for employers, and they are still trying to figure them out." According to the survey, the top challenges Student Loan Debt Focused Employers face in offering such financial wellness benefits in the workplace are complexity of the programs (49 percent), challenges in making the business case to management (45 percent), and lack of interest among employees (43 percent).

The *EBRI Issue Brief*, "***How Employers are Tackling Student Loan Debt: Evidence from the EBRI Employer Financial Wellbeing Survey***," examines employers who are offering, or plan to offer, financial wellness initiatives that assist with student loan debt consolidation, refinancing, and employer subsidized repayments. The original survey consisted of 250 respondents of companies with at least 500 workers and at least some level of interest in financial wellbeing solutions.

A third (32.4 percent) of the employers responding to EBRI's 2018 Financial Wellbeing Survey that indicated an interest in offering financial wellness initiatives to their employees reported offering, or planning to offer, some student loan debt program. Employers that were more likely than average to seek to offer student loan debt help were in the health care or professional services industries.

Other key findings include:

- "Student Loan Debt Focused Employers" are more concerned about employees' financial wellbeing than average: 40 percent rated their level of concern as high, vs. 26 percent of the overall survey respondents.

- Student Loan Debt Focused Employers were more likely than the average employer in the survey to take steps to measure the financial wellness needs of employees, including examining existing employee benefit data (68 percent), surveying employees (56 percent), holding focus groups (46 percent), and analyzing other quantitative employee data (45 percent).

- Student Loan Debt Focused Employers were slightly more likely to offer their programs as one-time initiatives than the overall employers in the survey (16 percent and 12 percent respectively) but about equally likely to offer their financial wellness initiatives as holistic programs (15 percent and 16 percent respectively).

- Student Loan Debt Focused Employers measured the success of their financial wellness initiatives in a variety of ways: reduced employee financial stress (38 percent) and improved overall worker satisfaction (36 percent) were top measures, as was increased employee productivity (30 percent).

Lucas concludes: "Measuring the success of financial wellness programs — including those oriented to student loan debt — is important in making the business case for offering them. As employers refine their approaches to measuring the impact of their financial wellness initiatives, they may be able to better draw lines between money expended for these programs and reductions in costs associated with turnover, absenteeism, and health care claims."

"***How Employers are Tackling Student Loan Debt: Evidence from the EBRI Employer Financial Wellbeing Survey***" is available online at www.ebri.org.

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