EBRI EMPLOYEE BENEFIT RESEARCH INSTITUTE

Employer-Provided Education-Financing Assistance: Facts and Figures (2025)

Issue Overview:

The levels of student debt have been increasing at an alarming rate, becoming a source of financial burden and stress for many individuals. According to the Education Data Initiative, the total student loan debt in the United States reached $1.777 trillion as of 2024, and there are more than 42.7 million federal student loan debt borrowers.[1] In the *Issue Brief* "Student Loan Debt: Who Has It and How Much?," EBRI reported that as of 2019, 21.4 percent of families had some student debt, and the median student loan balance was $22,000.[2] Although there were temporary increases in student loan debt relief programs in 2019, many are now dealing with payments again. The financial burden of repaying student debt not only causes immediate stress for employees, but also has a long-term impact on retirement preparedness, as many workers paying off student loans allocate less to other forms of savings.[3] A provision within the Setting Every Community Up for Retirement Enhancement (SECURE) 2.0 Act of 2022 allowed employers to provide matching contributions for employees based on student loan repayments for the first time. Such a match enables employees to reduce debt while still receiving retirement contributions they might otherwise forgo.

Employer's Role

Given the importance of supporting employees' financial wellbeing, many firms are investing in employees' financial wellness, and a key area of focus within that is education-financing assistance. Employers offer assistance with education-related funding in two main areas: saving for college and managing student loan debt. The 2024 EBRI Financial Wellbeing Employer Survey revealed the following about these offerings:

- Fifteen percent of firms were offering college savings accounts as part of their financial wellbeing initiatives.[4]

- For management of student loan debt, 26 percent of employers were providing a student loan debt assistance program, and another 35 percent were planning to offer them. Seventy-five percent of firms were offering or planning to offer tuition reimbursement and/or assistance.

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[1] Hanson, Melanie. "Student Loan Debt Statistics." EducationData.org (March 16, 2025). Available at https://educationdata.org/student-loan-debt-statistics.

[2] Copeland, Craig, "Student Loan Debt: Who Has It and How Much?" *EBRI Issue Brief*, no. 524 (Employee Benefit Research Institute, January 28, 2021).

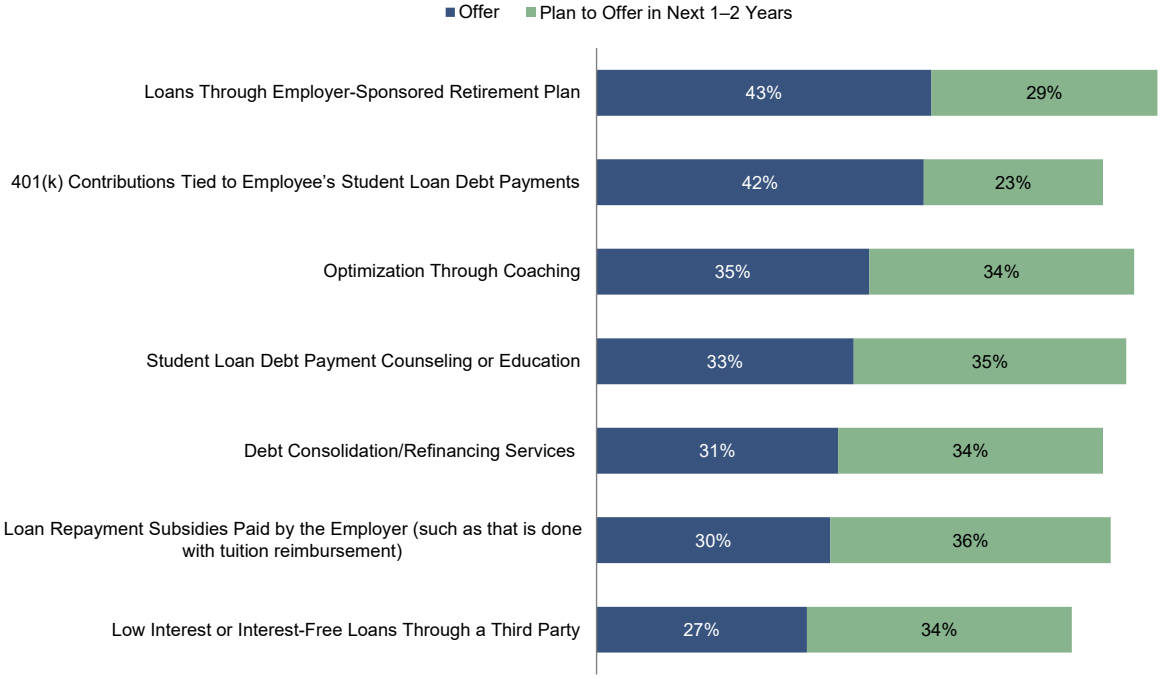
[3] Copeland, Craig, Michael Conrath, Sharon Carson, and Alex Nobile, "Student Loans and Retirement Preparedness," *EBRI Issue Brief*, no. 601 (Employee Benefit Research Institute, February 8, 2024).

[4] Spiegel, Jake, Craig Copeland, and Bridget Bearden, "2024 EBRI Financial Wellbeing Employer Survey: Employers See Financial Wellness Benefits as a Tool to Improve Worker Satisfaction and Productivity," *EBRI Issue Brief*, no. 623 (Employee Benefit Research Institute, October 31, 2024).

- For a more specific breakdown of how employers were providing student loan debt assistance, 45 percent were providing loans through an employer-sponsored retirement plan, 39 percent were offering debt consolidation or refinancing services, and 38 percent were offering student loan debt education or resources. Thirty-one percent were offering a student loan match to 401(k) contributions, which was allowed under the SECURE 2.0 Act.[5]

- Employers offering education-financing programs have seen a significant increase in employee utilization of such benefits in recent years. In the 12 months prior to the survey, 70 percent of employers offering student debt assistance and college saving accounts saw an increase in the employees' engagement with these benefits, the second largest increase in engagement across all benefits.[6]

Figure 1
Student Loan Debt Assistance Programs
Among those offering or planning to offer a student loan debt assistance or tuition reimbursement



Source: 2024 EBRI Financial Wellbeing Employer Survey.

Employee's Perspective

Financial stress stemming from the cost of student debt or lack of information on how to manage it is a serious concern reported by employees in the 2024 EBRI/Greenwald Workplace Wellness Survey.

- Among employees struggling with credit card debt issues, one in 10 (11 percent) raised education-related debt as a contributing source.[7]

[5] Spiegel, Copeland, and Bearden.
[6] Spiegel, Copeland, and Bearden.
[7] Employee Benefit Research Institute and Greenwald Research, "2024 EBRI/Greenwald Research Workplace Wellness Survey," *EBRI Chart Book* (Employee Benefit Research Institute, October 15, 2024).

- Many employees felt a lack of support from their employer when it comes to receiving information on how to manage student loan debt. Twelve percent of employees thought that their employer should provide more guidance on how to manage student debt.[8]

Many households are impacted by student loan debt. Nearly half (41 percent) of employees described their household's level of student debt as either a major or minor problem.[9]

- In the *Issue Brief* "Student Loan Debt: Who Has It and How Much?," EBRI found that families with a Black/African American head were 50 percent more likely than families with White, non-Hispanic heads to hold student loan debt (30.2 percent vs. 20 percent). EBRI also found that families with a Hispanic head were less likely to hold student loan debt, at 14.3 percent.[10]

- Individuals with student debt have higher income and education levels. In the same *Issue Brief*, EBRI found that among those who had some amount of student loan debt, 88.7 percent had at least some college education, and 55 percent had incomes above the median.[11]

- The financial burden of student debt is highest among age groups between 21 and 34, and that percentage decreases among older respondents, as they are more likely to have finished paying off student debt. Twenty-four percent of those between the ages of 21 and 34 described their student debt level as a major problem, and 35 percent described it as a minor problem.

- There are also generational aspects to the student debt held by households. In the *Issue Brief* "Comparing the Financial Wellbeing of Baby Boom, Generation X, and Millennial Families: How Do the Generations Stack Up?," EBRI found that Millennials tended to have twice as much student loan debt compared with Generation X when they were ages 25–36.[12]

- Household levels of student debt vary across different industries and employer sizes. In the *Fast Fact* "Student Loan Debt of Workers by Industry and Employer Size," EBRI reported that the industries with the highest percentage of individuals with student debt were educational and health services (20.0 percent), public administration (16.9 percent), and professional and business services (14.5 percent). Those working in the public administration sector had the highest student loan debt amounts, with an average of $51,669 and a median of $25,000.[13]

- The percentage of workers with student loan debt was higher among those working at large companies (16.7 percent) compared with those working in small or medium-sized companies (14.3 percent and 13.0 percent). The average and median student loan debt were highest among individuals working for larger employers, with an average debt of $42,470 and a median of $25,000.[14]

[8] Employee Benefit Research Institute and Greenwald Research.
[9] Employee Benefit Research Institute and Greenwald Research.
[10] Copeland, "Student Loan Debt."
[11] Copeland, "Student Loan Debt."
[12] Copeland, Craig, "Comparing the Financial Wellbeing of Baby Boom, Generation X, and Millennial Families: How Do the Generations Stack Up?," *EBRI Issue Brief*, no. 548 (December 16, 2021).
[13] Employee Benefit Research Institute, "Student Loan Debt of Workers by Industry and Employer Size," *EBRI Fast Facts*, no. 514 (Employee Benefit Research Institute, September 26, 2024).
[14] Employee Benefit Research Institute, "Student Loan Debt of Workers."

Figure 2

Perception of Student Debt Problem by Sex, Age, Marital Status, Income, and Employer Size

	Sex		Age			Marital Status	
	Male	Female	21–34	25–49	50–64	Married	Not Married
A Major Problem	18%	19%	24%	18%	14%	19%	17%
A Minor Problem	22%	24%	35%	21%	15%	25%	20%
Not a Problem	60%	57%	41%	60%	71%	56%	64%

	Income			Number of Employees			
	<$35K	$35–74K	$75K +	<50	50–499	500–2,499	2,500+
A Major Problem	17%	18%	19%	14%	17%	21%	20%
A Minor Problem	16%	20%	26%	28%	20%	25%	20%
Not a Problem	68%	62%	55%	57%	63%	54%	60%

Source: 2024 EBRI/Greenwald Research Workplace Wellness Survey. Reflects responses to the survey question: "How would you describe your household's level of student loan debt?"
The total percentage may not add up to 100% due to rounding.

There is growing interest among employees for employers to offer student debt paydown programs, where employees save money to pay down or pay off student loan debt and employers also contribute a small amount.

- For those between the ages of 21 and 34, 73 percent were interested or somewhat interested, garnering high levels of support for the implementation of such programs.[15]
- The levels of support for this program were relatively consistent across different income groups: 50 percent among those making less than $35,000 a year, 52 percent among those making $35,000–$74,999 a year, and 49 percent among those making $75,000 or more a year.[16]
- The levels of support were also relatively consistent across varying sizes of the employer. Forty-eight percent were interested among those working in firms with fewer than 50 employees, 53 percent among those working in firms with 50–499 employees, 53 percent among those working in firms with 500–2,499 employees, and 47 percent among those working in firms with 2,500 or more employees.[17]

Figure 3

Interest in Employer Offering Student Debt Paydown by Sex, Age, Marital Status, Income, and Employer Size

	Sex		Age			Marital Status	
	Male	Female	21–34	25–49	50–64	Married	Not Married
Interested	33%	32%	49%	34%	17%	34%	28%
Somewhat Interested	16%	19%	24%	21%	10%	14%	26%
Not Interested	51%	49%	26%	45%	73%	52%	46%

	Income			Number of Employees			
	<$35K	$35–74K	$75K +	<50	50–499	500–2,499	2,500+
Interested	25%	29%	34%	26%	33%	39%	30%
Somewhat Interested	25%	23%	15%	22%	20%	14%	17%
Not Interested	50%	49%	50%	52%	47%	47%	53%

Source: 2024 EBRI/Greenwald Research Workplace Wellness Survey. Reflects responses to the survey question "How interested would you be in your employer offering you a Student Debt Pay-Down Plan that would allow you to save money to pay down or pay-off your student loan debts?"
The total percentage may not add up to 100% due to rounding.

[15] Employee Benefit Research Institute and Greenwald Research, "2024 EBRI/Greenwald Research Workplace Wellness Survey."
[16] Employee Benefit Research Institute and Greenwald Research.
[17] Employee Benefit Research Institute and Greenwald Research.

To gauge more precise levels of interest in employer-sponsored student debt payment plans as part of the Workplace Wellness Survey, employees were presented with a hypothetical situation in which they received $600 a month in benefits from employers to help reduce their existing debt, which included student loan debt. In that hypothetical situation, 30 percent of respondents answered that they would allocate some amount (more than $1) to such a plan.[18]

- Overall, Hispanic and Black respondents were more open to allocating funds to a student debt payment plan (33 percent and 37 percent, respectively) than White respondents (29 percent).[19]
- The levels of interest were relatively consistent across varying levels of income. Among those making less than $35,000 a year, 28 percent answered that they would dedicate some money to such a benefit, while 30 percent each of those making $35,000–$74,999 a year and $75,000 or more a year said the same.[20]
- The amount allocated also did not vary significantly across different employer sizes. Among those working in an organization with fewer than 50 employees, 30 percent answered that they would allocate some parts of that monthly payment of $600 to a student debt paydown plan, while 29 percent of those working in an organization with 50–499 employees, 35 percent of those working in firms with 400–2,499 employees, and 29 percent of those working in firms with 2,500 or more employees said the same.[21]

Figure 4
Hypothetical Allocation to Student Debt Paydown Plan

	Race			Sex		Age			Marital Status	
	White	Hispanic	Black	Male	Female	21–34	25–49	50–64	Married	Not Married
$0	71%	66%	62%	69%	70%	54%	65%	87%	70%	70%
$1 to $150	14%	19%	26%	18%	14%	24%	19%	6%	15%	18%
$150 or more	15%	14%	11%	13%	16%	22%	15%	8%	16%	12%

	Income			Number of Employees				Debt Problem		
	<$35K	$35–74K	$75K+	<50	50–499	500–2,499	2,500+	Major	Minor	Not
$0	72%	70%	69%	71%	70%	65%	72%	61%	65%	88%
$1 to $150	19%	18%	14%	19%	15%	17%	15%	20%	17%	7%
$150 or more	9%	11%	16%	11%	14%	18%	14%	18%	18%	4%

Source: 2024 EBRI/Greenwald Research Workplace Wellness Survey. Reflects responses to the survey question "Suppose you worked for an employer that offered all of the benefits listed below, and that your employer gave you $600 a month that you could put in any of the following accounts/plans. You could put all of your money on a single benefit, just a few, or use the money for a number of them. How would you allocate that $600?"
The total percentage may not add up to 100% due to rounding.

In the *Issue Brief* "Student Loans and Retirement Preparedness," EBRI and J.P. Morgan Asset Management found that the average 401(k) contributions of those paying off student debt were lower compared with those not making such loan payments.[22] Helping to reduce the financial stress of paying off student debt can have a positive long-term effect on preparing employees for retirement.

- The difference in contributions among those paying off loans and those not paying them off was more pronounced among those with higher incomes. For those making less than

[18] Employee Benefit Research Institute and Greenwald Research.
[19] Employee Benefit Research Institute and Greenwald Research.
[20] Employee Benefit Research Institute and Greenwald Research.
[21] Employee Benefit Research Institute and Greenwald Research.
[22] Copeland, Conrath, Carson, and Nobile, "Student Loans and Retirement Preparedness."

$55,000, the average employee contribution was 5.3 percent for those with student loan payments and 5.7 percent for those not making those loan payments. However, for those making over $55,000 a year, the average employee contribution was 6.1 percent for those making student loan payments and 7.3 percent for those without such payments.[23]

- The difference in average 401(k) plan balance by years of tenure reflects a similar pattern to the average contribution rate, with the differences among loan payers and non-payers being more significant among those with higher incomes. For example, among those making less than $55,000 and those with over 20 years of tenure, the average 401(k) balance for student loan payers was $99,414, but for those in this same group who were not paying off a loan, it was $100,727. For those making above $55,000 a year with over 20 years of tenure, the average 401(k) balance was $238,870 for student loan payers and $263,730 for non-loan payers. Although the difference was marginal among those with less tenure, that small difference adds up and forms a big difference by the age of retirement.[24]

- When people had finished paying these student loan debts, 31.6 percent increased their contributions by at least 1 percentage point, suggesting that paying off student debt allowed them to allocate more funds to alternative savings.[25]

- This study also found that some of the negative impacts of student loan payments are mitigated by the employer contributions and default contribution rates of automatic enrollment plans.[26]

[23] Copeland, Conrath, Carson, and Nobile.
[24] Copeland, Conrath, Carson, and Nobile.
[25] Copeland, Conrath, Carson, and Nobile.
[26] Copeland, Conrath, Carson, and Nobile.