

IS A STUDENT LOAN REPAYMENT BENEFIT RIGHT FOR YOUR COMPANY?

Employees like fun perks and rewards, but younger workers say that what they're looking for are benefits that help them with their financial burdens, such as student loan debts. Many employers are recognizing that offering a student loan repayment benefit can make a difference in the growth and success of their business. Here are several things to help you determine whether this benefit is right for your company.

1. Reduces turnover, employee stress

Research shows that the #1 effect of losing employees is how customers are impacted. About 63% of employers say that keeping talented workers is harder than finding them.

Younger employees with student debt loans say that worries about student loan debts distract them from doing their work. They find financial concerns draining. So workers look for other jobs that offer better pay and benefits that will make it easier to pay their student loans. Over 50% of college-educated adults say they are concerned they won't make enough to achieve their financial goals.

Employee turnover can be a costly problem for employers. Research shows that the replacement cost for each employee who leaves is \$15,000 for workers earning a median salary of \$45,000 a year.

A student loan repayment benefit can make a difference for employees in helping resolve financial stress, and for employers in reducing turnover that can kill their business growth.

2. Increases employee retention

Most employees look for reasons to stay with a company. Offering a student loan repayment benefit can convince talented team members to stay. An American Student Assistance study found that 86% of employees would commit to staying with their employer for five years if they received help repaying their student loans.

Business experts say that in the past, a special benefit like student loan repayment assistance was only offered by high-end businesses competing for key people. But as more and more younger workers are demanding help repaying their student loans, this benefit provides a way for employers in every industry to attract and keep great workers. The student loan repayment help is an attractive benefit. Employees who are happy with their benefits are more likely to be [engaged and satisfied with their work](#).

3. Increases diversity

Job applicants are actively looking for employers who will provide student loan repayment assistance. And employers offering this benefit are finding that they are attracting an increased pool of talented, diversified workers. Few other employee benefits provide this strong interest for applicants to open positions. It's especially valuable for businesses seeking workers for specific skilled positions.

4. Stretches budgets

One simple and easy way employers can [help employees with student loans](#) is by offering [Employee Choice](#). It is a student loan repayment benefit exclusively offered by [BenefitEd](#). It's designed to use funds employers already have set aside for 401(k) matching contributions.

The Employee Choice plan allows employers to stretch their benefits budgets because they don't have to adjust the budget they've already set aside for matching contributions. Employees can apply unused matching dollars to help repay their student loans. Or, they can split the matching funds to make a payment to their student loan debt and save the other part for retirement.

Since each year, employees leave about \$24 million in 401(k) matching funds on the table each year, it's a simple way to use existing funds to provide student loan payment relief for employees.





5. Shows dedication

Employees today want to work for employers who care about them. Offering a student loan repayment benefit shows workers that you are dedicated to helping them succeed by investing in improving their financial welfare.

Learn how to put BenefitEd and Employee Choice programs to work for your employees by visiting www.youbenefited.com, calling 844-358-5707, or emailing support@youbenefited.com.

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