



# DEGREES

## OF STUDENT DEBT

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GRADING THE IMPACT

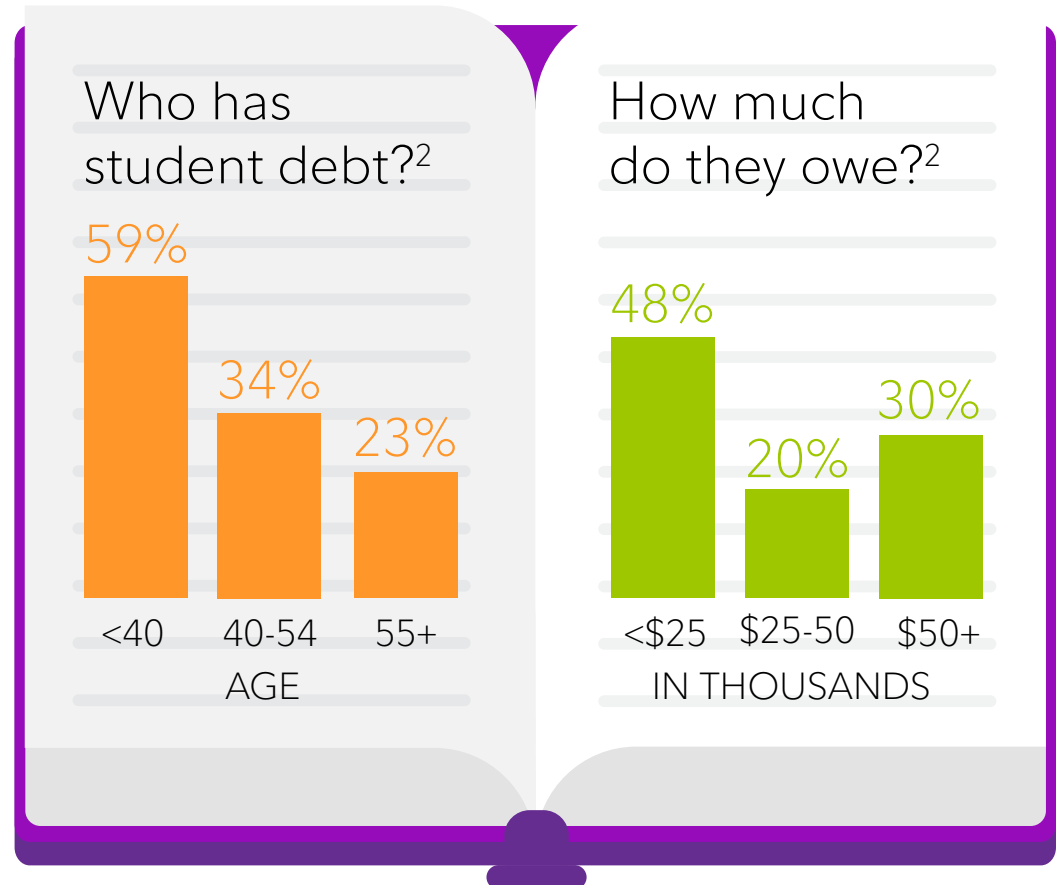
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# Student debt: Everyone's concern



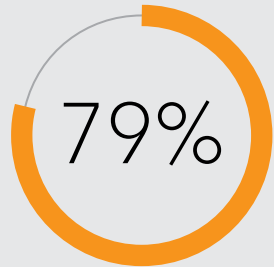
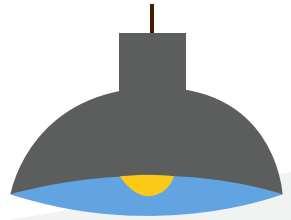
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cross the workforce, employees are struggling to make education-related financial decisions. Whether it's repaying debt they have accumulated for themselves or trying to finance the education of their children, this is a far reaching financial concern. In fact, this is an issue impacting more than 44 million Americans who collectively owe more than \$1.4 trillion in student debt.<sup>1</sup> The stress associated with the cost of education not only impacts workers but the employer as well, through turnover and lost productivity. Today, many employers are taking notice of this growing trend and are stepping in to help.



# The hidden cost of debt

While education debt can be a solid investment in the future, those trying to finance the cost or managing repayment may be feeling more stress than success meeting other financial goals.



say repaying student loans impacts their ability to save for retirement<sup>2</sup>

Average retirement savings rate for:<sup>3</sup>

THOSE WITH DEBT



THOSE WITHOUT

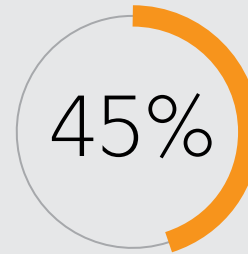


Average retirement savings balance for:<sup>3</sup>

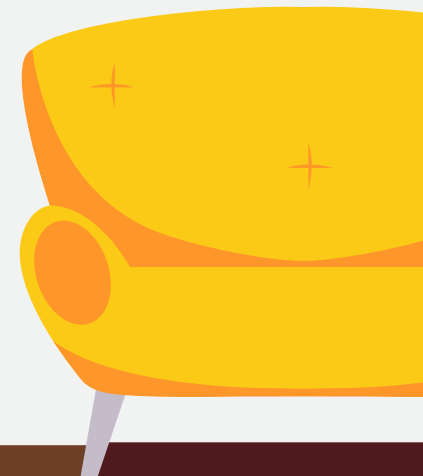
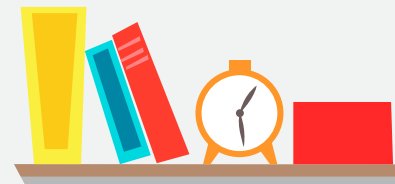
THOSE WITH DEBT



THOSE WITHOUT

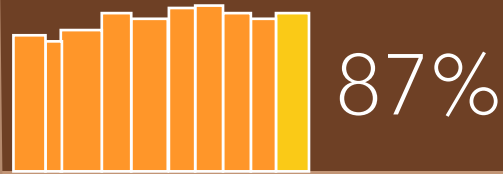


say student debt significantly impacts their ability to save for short-term goals like buying a car.<sup>2</sup>

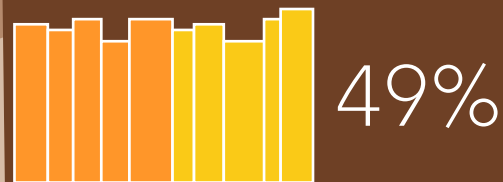


# The cost to employers

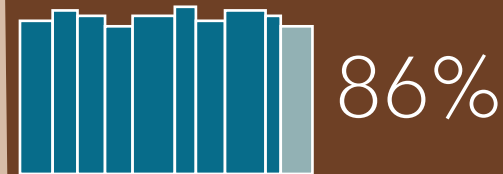
One out of every two people either break even or spend more than they earn each month,<sup>4</sup> so it's no surprise some may be willing to change jobs for a small pay increase—especially if they have college debt. Employers and employees agree that relieving this financial burden can help reduce turnover.



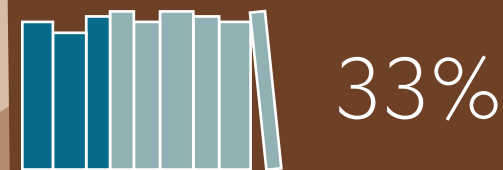
of HR professionals say **improved retention** is a critical or high priority for their organization.<sup>5</sup>



of employers say student loan debt impacts their ability to **attract and retain** the talent they need.<sup>6</sup>



of young employees would **commit to an employer** for 5 years in exchange for help paying off college debt.<sup>7</sup>



of people getting help from an employer to repay student loans say they are **less likely to leave** their jobs.<sup>8</sup>



# How to help

Half of 2016 college graduates entered the workforce with at least \$25,000 in student debt.<sup>2</sup> Debt levels at this scale have many looking for jobs with employers who offer benefits to help address these loans. In addition, those trying to pay for college may be reducing their retirement savings rate, taking plan loans or hardship withdrawals, or not saving at all.



Here are three ways employers can help:

**1 Pre-college planning:** It's important that both parents and their future college student(s) understand the benefit of finding a school that is a good fit both academically and financially.

**2 Refinancing education:** Refinancing student debt can be a tough topic to fully understand and many struggle to find reliable resources. The right tools can help simplify this process.

**3 Help reduce the debt:** More employers are subsidizing their employees' student debt by contributing to loan repayment, a benefit that can help increase retention, improve employee satisfaction, and reduce financial stress.

**Share this infographic with your employees to point them in the right direction.**



<sup>1</sup> [MarketWatch](#), 2016

<sup>2</sup> Fidelity Investment Student Loan participant panel survey with 500 responses, October 2016.

<sup>3</sup> Based on recordkept data and responses from 6,000 participants who responded to Fidelity's Financial Wellness Markers survey, July 2016.

<sup>4</sup> Fidelity Investments MyMoney Check-up results as of May 2017.

<sup>5</sup> Kronos survey of 614 HR professionals, November 2016

<sup>6</sup> Fidelity Workplace Investing Plan Sponsor Panel survey; 972 members with 179 respondents, as of November, 2016.

<sup>7</sup> American Student Assistance Young Workers and Student Debt Survey by Regina Corso Consulting; 502 young workers between the ages of 22 and 33, January 2017.

<sup>8</sup> Fidelity Internal Case Study Results: Annualized rates based on Feb '16-Feb '17 actuals.

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