

## MONEY

# The Latest Job Benefit Helps Employees Pay Off Student Debt

NewsUSA

(NU) - What perk would most entice you to accept one job offer over another?

A company car? (How Boomer-like of you.) A 401(k) plan? (Pretty common these days.)

With Millennials now comprising the largest share of the workforce, a growing number of companies are betting that offering to help pay off student debt is the next game-changer when it comes to attracting and retaining the best and brightest.

It's not a bad wager. Total education debt stood at a staggering \$1.52 trillion at the end of March. And while the perk is by no means reserved only for Millennials - hey, even 4 percent of those 45 and older are still in the hole, according to the Pew Research Center - it's not lost on anyone that the average student loan borrower will have graduated this year saddled with more than \$37,000 in debt.

"It stood at about \$600 billion 10 years ago," MarketWatch.com reported.

One of the companies facilitating the new benefit is the same one - Fidelity Investments - that already handles millions of workers' 401(k) plans. Businesses enrolled in its Student Debt Employer Contribution program are able to make after-tax contributions on their employees' outstanding student loans, setting their own parameters as to "who" and "how much" with the help of a modeling tool for estimating their potential recruitment and retention cost savings.

"This is a new and relevant benefit that gives companies a competitive advantage to hire top talent," said Asha Srikantiah, vice president of emerging products at Fidelity (fidelity.com), noting that the average contribution for most companies is about \$100 a month, although it can be as high as \$800 monthly in some cases. "It also enables employees to pay off their debt faster, which in turn allows them to focus on other priorities - including buying a home, raising a family, and saving for retirement."

Among the "early adopters" Fidelity says it's teaming up with to offer the benefit: tech giant Hewlett Packard Enterprise; the rail industry's New York Air



Brake; financial firms Millennium Trust and OCC (The Options Clearing Corporation); and Ariel Corporation, the world's largest manufacturer of separable reciprocating gas compressors used in the global natural gas business.

In fact, more than just being a "facilitator" for others, Fidelity helped trail blaze this brave new world by having begun offering its own employees a student debt program back in 2016. To date, more than 8,900 of its workers have received the benefit, paid directly to their loan service provider, with some pretty impressive numbers to show for it: a total of \$22.5 million in savings on principal and interest, and 34,625 years of loan payments shaved off.

The company is also taking what it calls "a holistic approach" to the student debt issue by offering open access to its website's Pre-College Planning Resources, which can help avoid the pitfalls of incurring too much debt, and its Student Debt Tool that lets individuals view all their student loans and repayment options in one place.

A deal recently inked with student debt refinancing platform Credible.com now also integrates student debt refinancing into the Student Debt Tool, allowing employees enrolled in the program to receive actual pre-qualified rates from more than 10 refinancing lenders without affecting their credit scores.

"The idea is to help more Americans take control of their debt so they can better save and invest for the futures," said Stephen Dash, Credible's founder and CEO.