Peanut Butter

Millennial Benefit Preferences Study

Study finds that companies offering student loan repayment can

- increase speed to hire
- reduce costs of turnover
- improve gender and cultural diversity

Conducted by FC Consulting, the Millennial Benefit Preferences study has been published by HR.com, Recruiter.com, and presented at Purdue university

PURDUE UNIVERSITY

HR.com

Recruiter

Benefit Preferences of College-educated Millennials

Summary of Findings

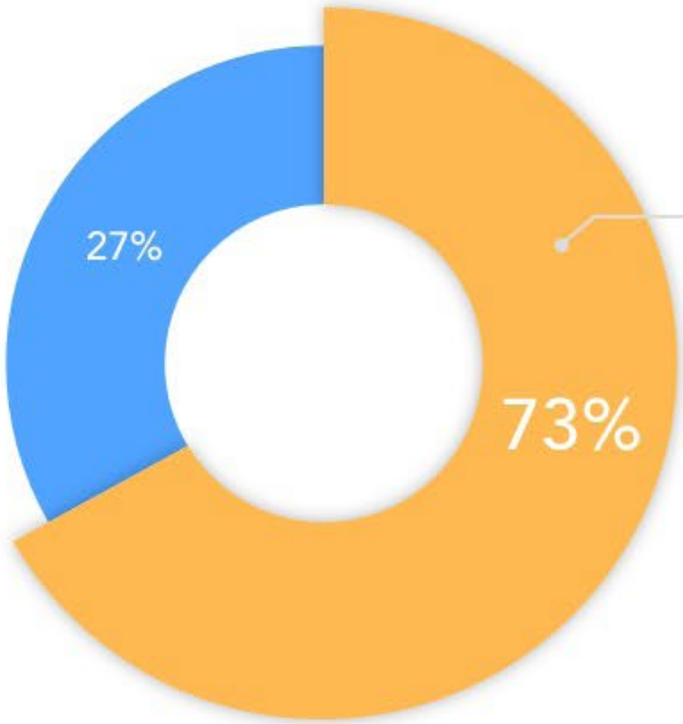
- 85% OF RESPONDENTS WOULD ACCEPT A JOB OFFER WHEN STUDENT LOAN REPAYMENT IS INCLUDED

- RESPONDENTS INDICATED A WILLINGNESS TO STAY AT A JOB AT LEAST 36% LONGER (1.3 ADDITIONAL YEARS) WHEN AN EMPLOYER OFFERS STUDENT LOAN REPAYMENT

- THE AVERAGE RESPONDENT PREFERS STUDENT LOAN REPAYMENT NEARLY 2X MORE THAN 401(K) CONTRIBUTION, 2X MORE THAN HEALTH INSURANCE, 7X MORE THAN FOOD, 11X MORE THAN GYM MEMBERSHIP AND 12X MORE THAN ENHANCEMENTS TO THE WORKPLACE ENVIRONMENT

- 27% OF RESPONDENTS PREFER STUDENT LOAN REPAYMENT 18X MORE THAN 401(K) AND 23X MORE THAN HEALTH INSURANCE CONTRIBUTIONS; THESE INDIVIDUALS ARE MORE LIKELY TO BE FEMALE AND MINORITY ETHNICITIES

73% of respondents are currently unsatisfied with at least one benefit/perk provided by their employer



Free meals

Long term care insurance Student loan forgiveness
Housekeeping service Flu shots
Free job training Benefits for spouse
Cappooling Office supply allowance
Car insurance Paid company parties Housekeeping
Paid further education PTO Perks Site
Tuition reimbursement Financial advising

Working environment

Gym membership

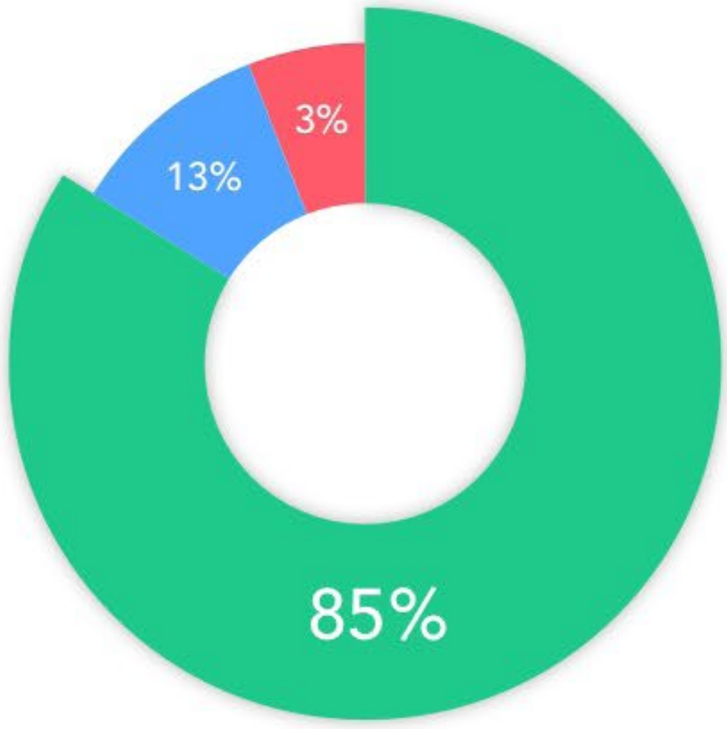
Discounts Pet insurance

Public commuting

DOES YOUR COMPANY CURRENTLY OFFER ANY BENEFITS OR PERKS THAT YOU DON'T VALUE? IF SO, WHAT?

YES NO

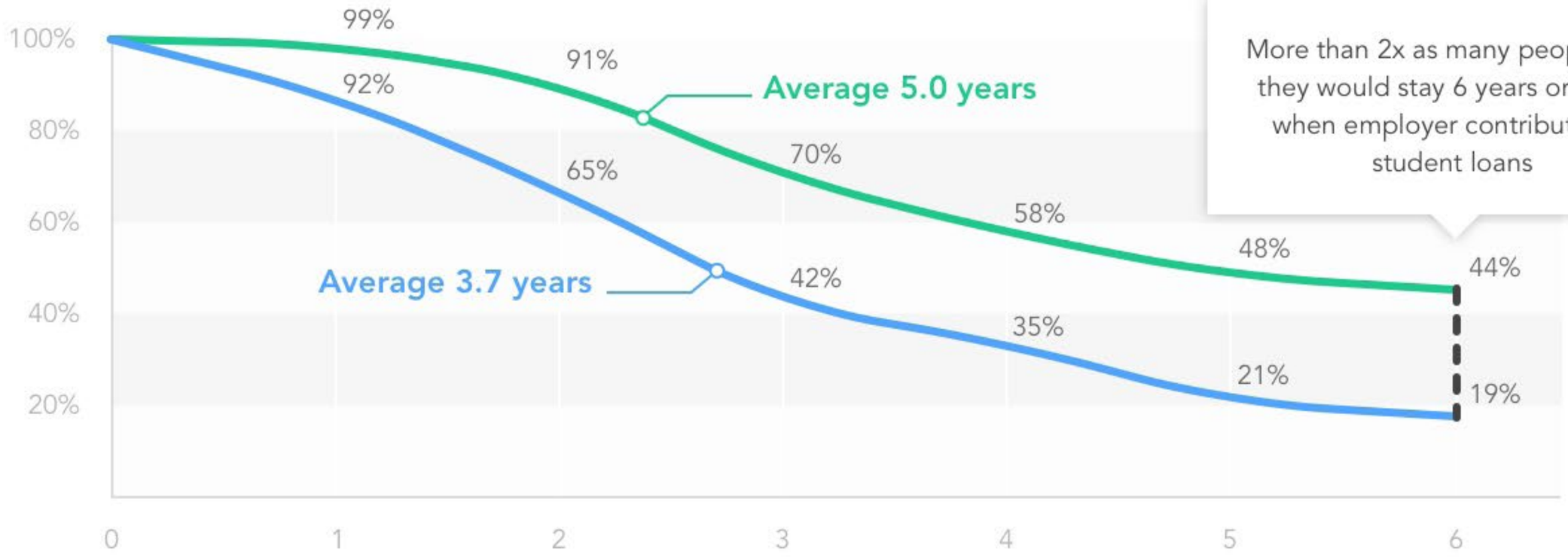
85% of respondents would accept a job offer when student loan repayment is included



IF YOU RECEIVED JOB OFFERS FROM TWO EMPLOYERS WITH IDENTICAL SALARY, BENEFITS, AND PERKS, BUT EMPLOYER #1 ALSO OFFERED TO CONTRIBUTE TO THE REPAYMENT OF YOUR STUDENT LOANS, WOULD YOU ACCEPT THE JOB OFFER FROM EMPLOYER #1?

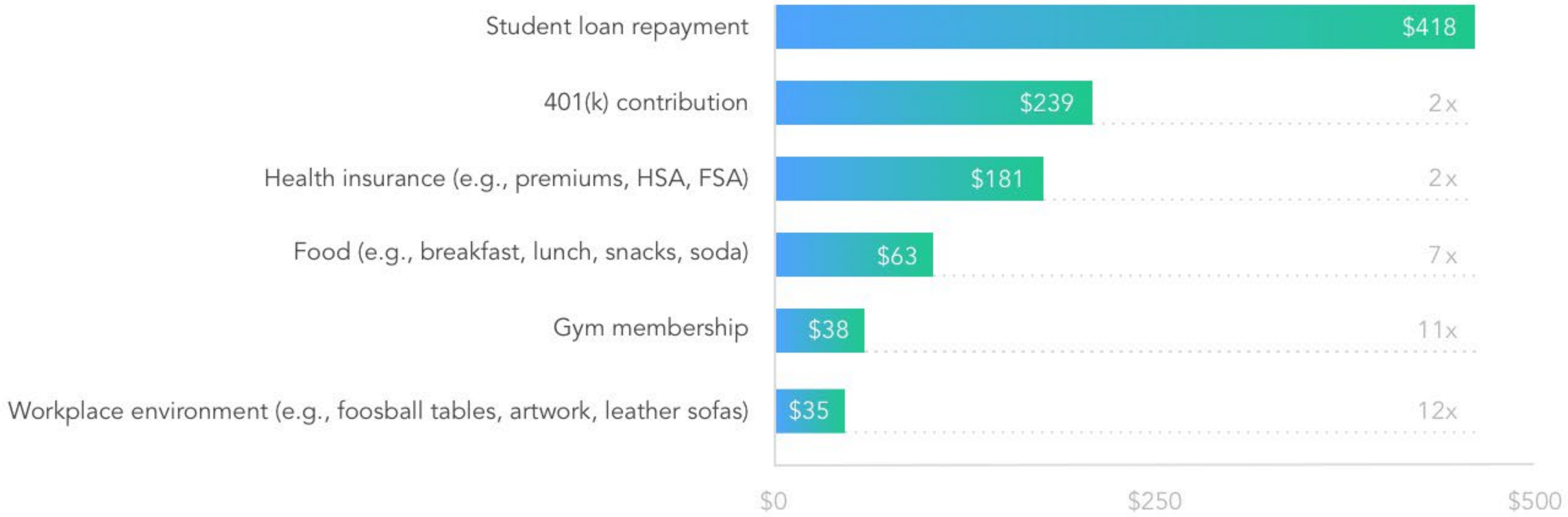
• YES • NO • IT DEPENDS

Respondents indicated a willingness to stay at a job at least 36% longer (1.3 additional years) when an employer offers student loan repayment



• IF AN EMPLOYER PROVIDED YOU WITH COMPETITIVE SALARY, BENEFITS, AND PERKS, ABOUT HOW LONG WOULD YOU EXPECT TO STAY WITH THIS EMPLOYER?

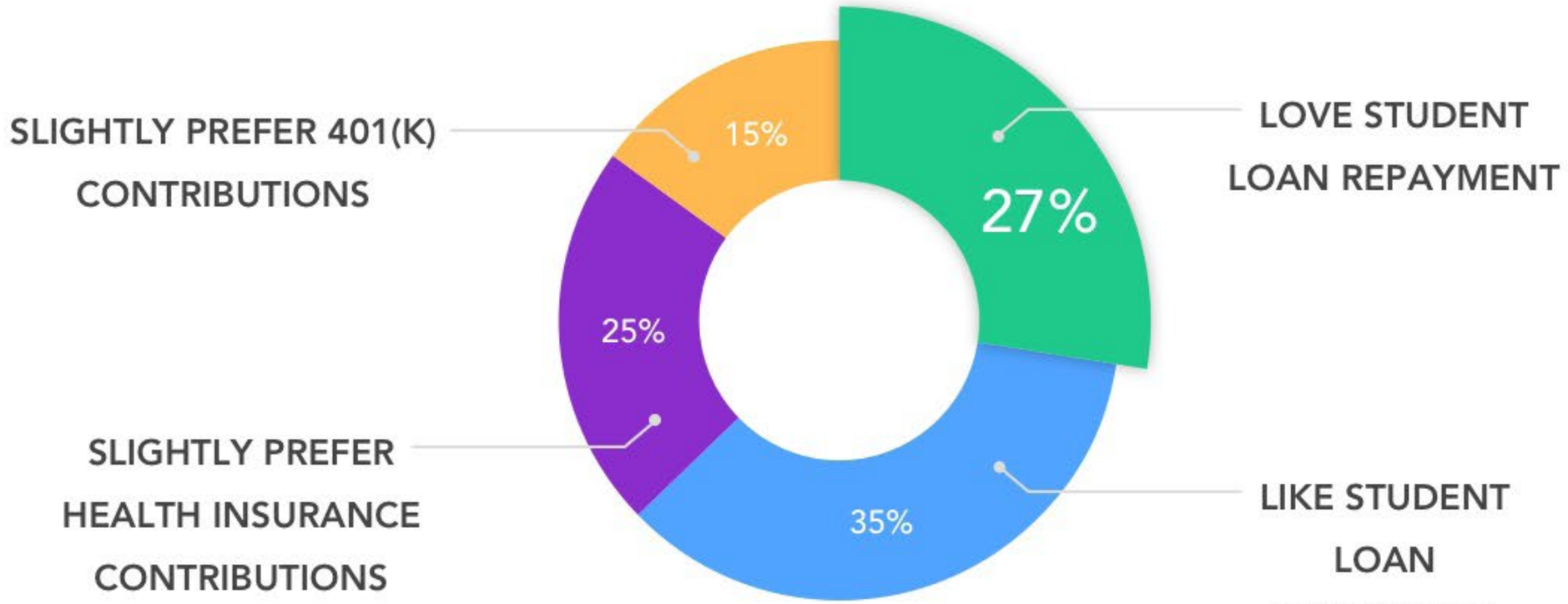
College - educated Millennials prefer student loan repayment 2-12x more than other perks and benefits



IF YOUR EMPLOYER WERE WILLING TO CONTRIBUTE $1000 TOWARD ANY OR ALL OF THE FOLLOWING BENEFITS, HOW WOULD YOU PREFER THE MONEY BE DISTRIBUTED?

- **AVERAGE SPEND PREFERRED**

27% of respondents prefer student loan repayment 18x more than 401(k) and 23x more than health insurance contributions; these individuals are more likely to be female and minority ethnicities



Implications for Employers

Modest contributions to employee student loans can help attract talent

- INCREASE QUANTITY OF APPLICANTS
- DECREASE COST TO HIRE
- SHORTEN HIRING TIMELINE

85% of college-educated Millennials would accept a job when student loan repayment is offered

Voluntary attrition can be reduced by offering benefits employees value

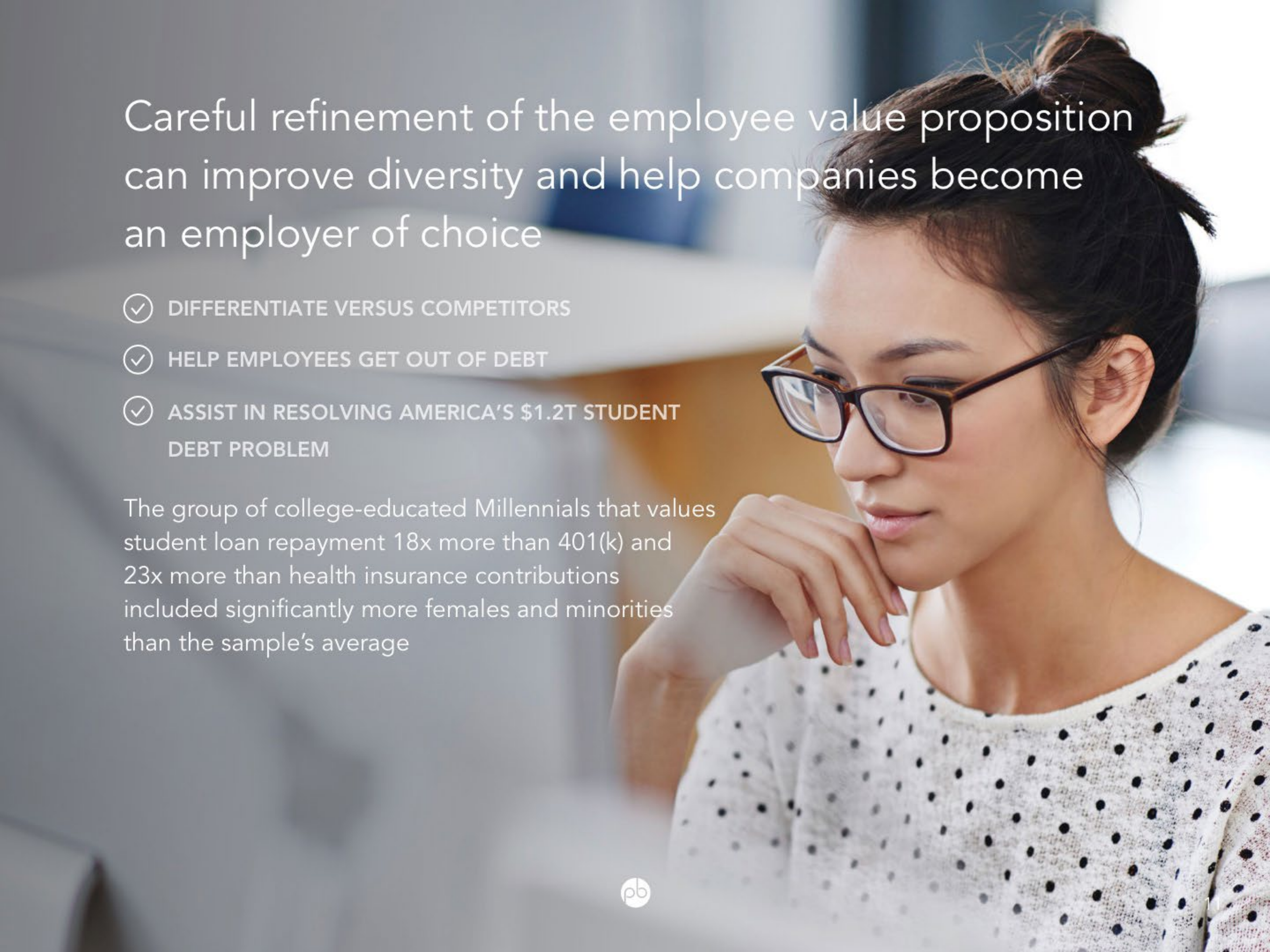
- AVOID LOST PRODUCTIVITY
- REDUCE HIRING COSTS
- SPEND LESS ON TRAINING

College-educated Millennials expressed a willingness to stay 36% longer when an employer offers student loan repayment

Careful refinement of the employee value proposition can improve diversity and help companies become an employer of choice

- DIFFERENTIATE VERSUS COMPETITORS
- HELP EMPLOYEES GET OUT OF DEBT
- ASSIST IN RESOLVING AMERICA'S $1.2T STUDENT DEBT PROBLEM

The group of college-educated Millennials that values student loan repayment 18x more than 401(k) and 23x more than health insurance contributions included significantly more females and minorities than the sample's average



Offer Student Loan Assistance, the #1 employee benefit for college-educated talent

Get started with *Student Loan Resources*

The tools your employees need to tackle their student debt

- Curated advice and insights
- Free and paid counseling options
- Refinancing marketplace

Maximize your impact with *Student Loan Repayment*

Simple administration for company-sponsored loan contributions

- Benchmarking, plan design, and analysis
- Enrollment, loan verification, and support
- Payment management and reporting

START TODAY AT

getpeanutbutter.com

Methodology and Demographics

Methodology

FIRST PHASE: FOCUS GROUP INTERVIEWS

- 1:1 interviews regarding perceptions of benefits and perks

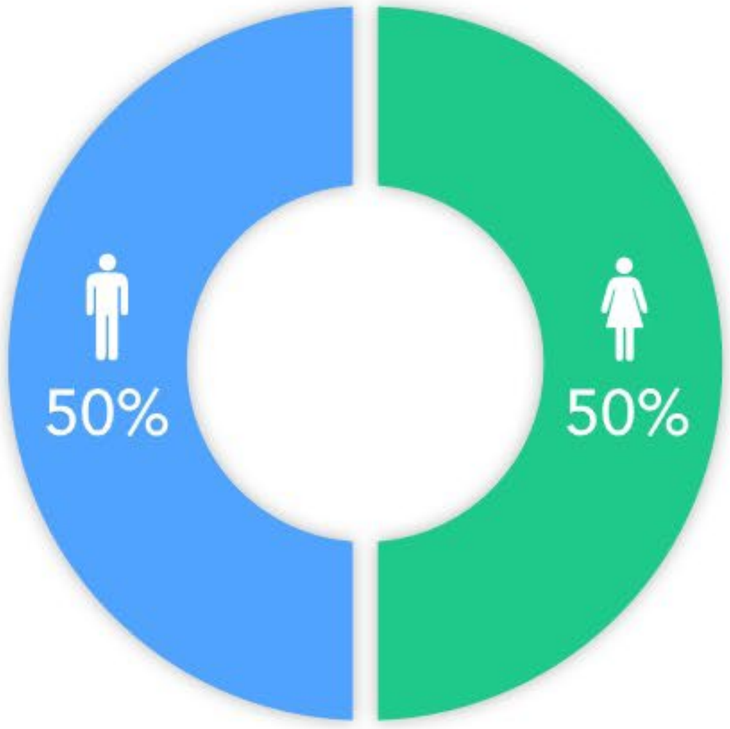
SECOND PHASE: SURVEY TESTING

- Self-administered, online survey delivered via email to 62 testers, completed Jul 5–8, 2015
- Survey data analyzed and questions refined

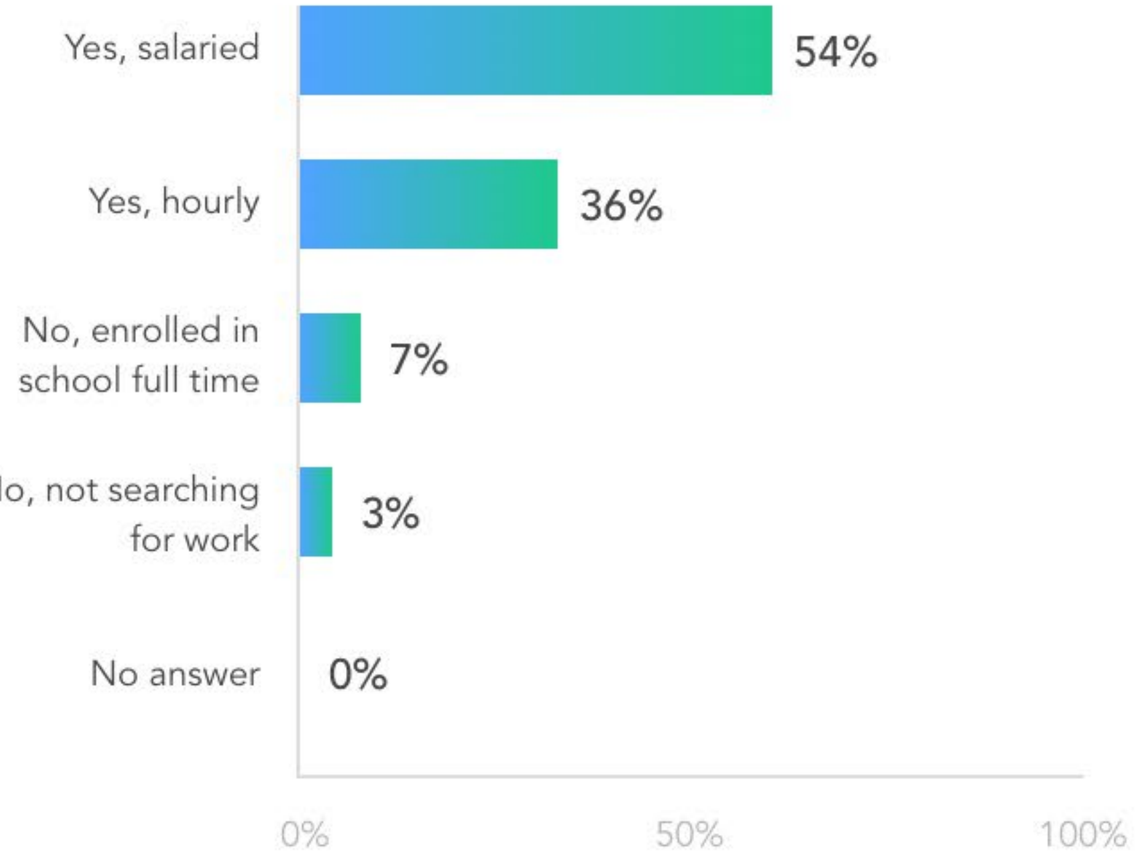
THIRD PHASE: QUANTITATIVE RESEARCH AND ANALYSIS

- Self-administered, online survey, open from July 26 – August 9, 2015
- Distribution included: Email, Handouts, Craigslist, Amazon Mechanical Turk, Facebook, Reddit, Twitter, LinkedIn
- 717 total respondents
- 229 disqualified based on Age ("20 years old, or younger," "35 years old, or older," no response); study intended to focus on Millennial generation
- 26 disqualified based on Education ("High school diploma, or less", no response); study intended to focus on individuals with at least some college education
- 62 disqualified based on Incompletion (no response to final required question)
- 400 qualified and complete responses (n=400 for all charts in this presentation)

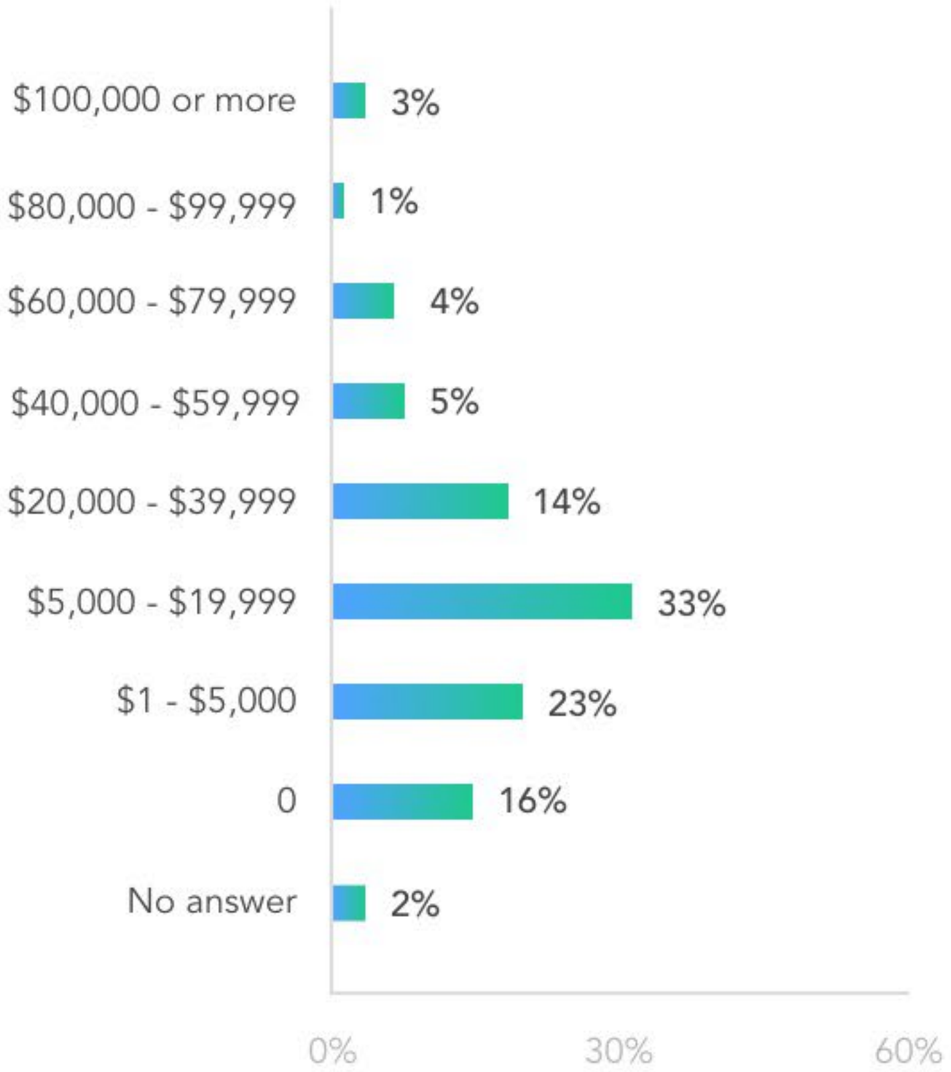
Gender



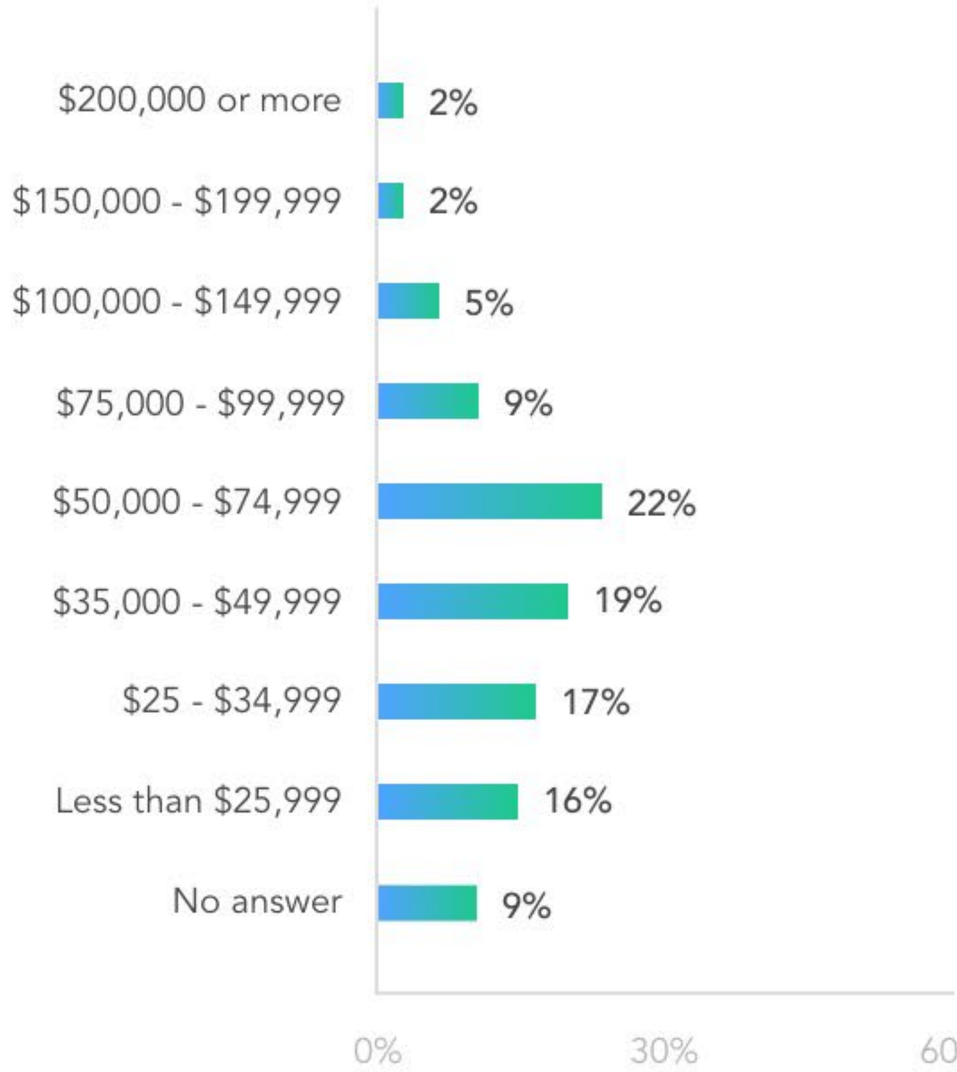
Employment Status



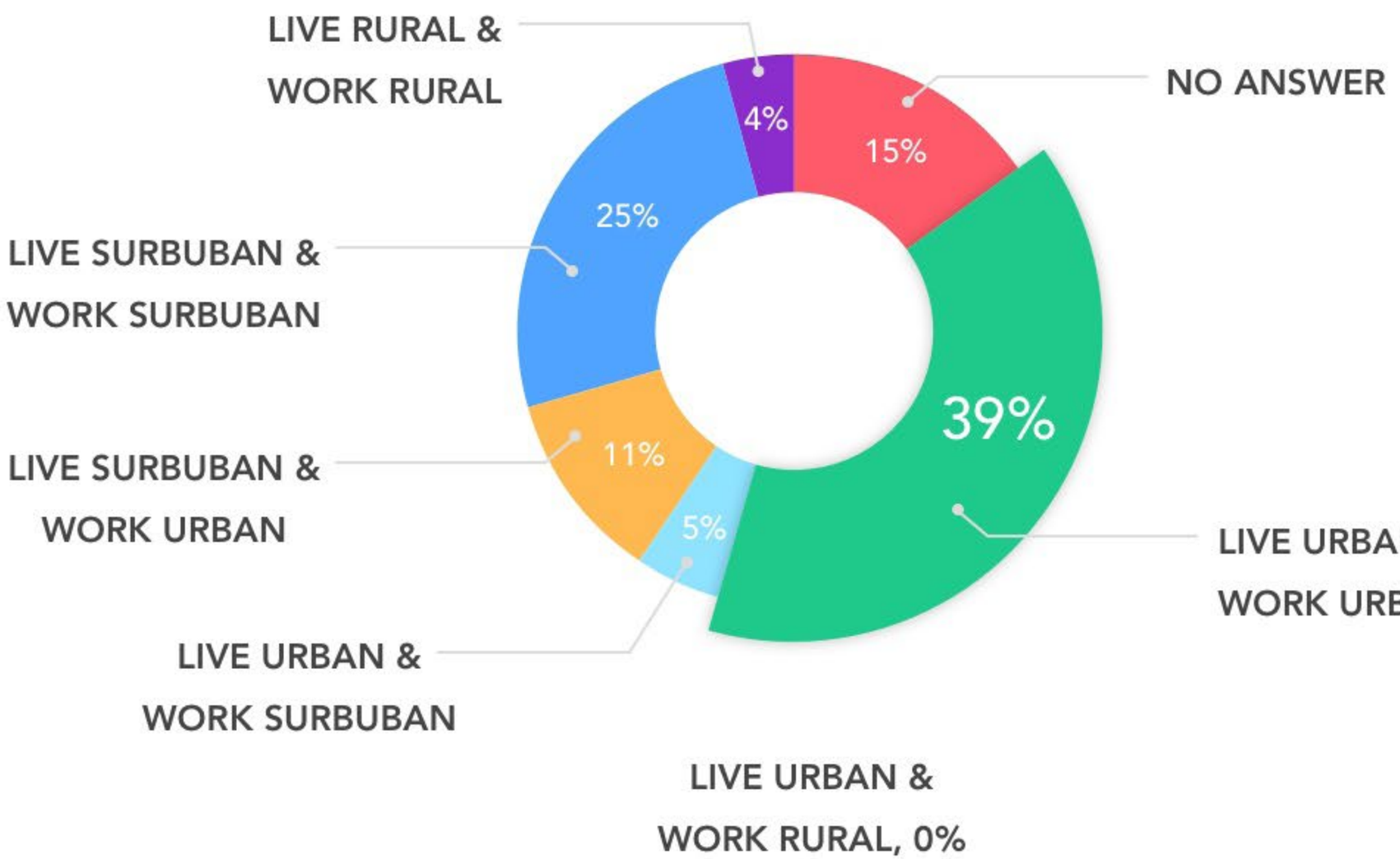
Student Loan Balance



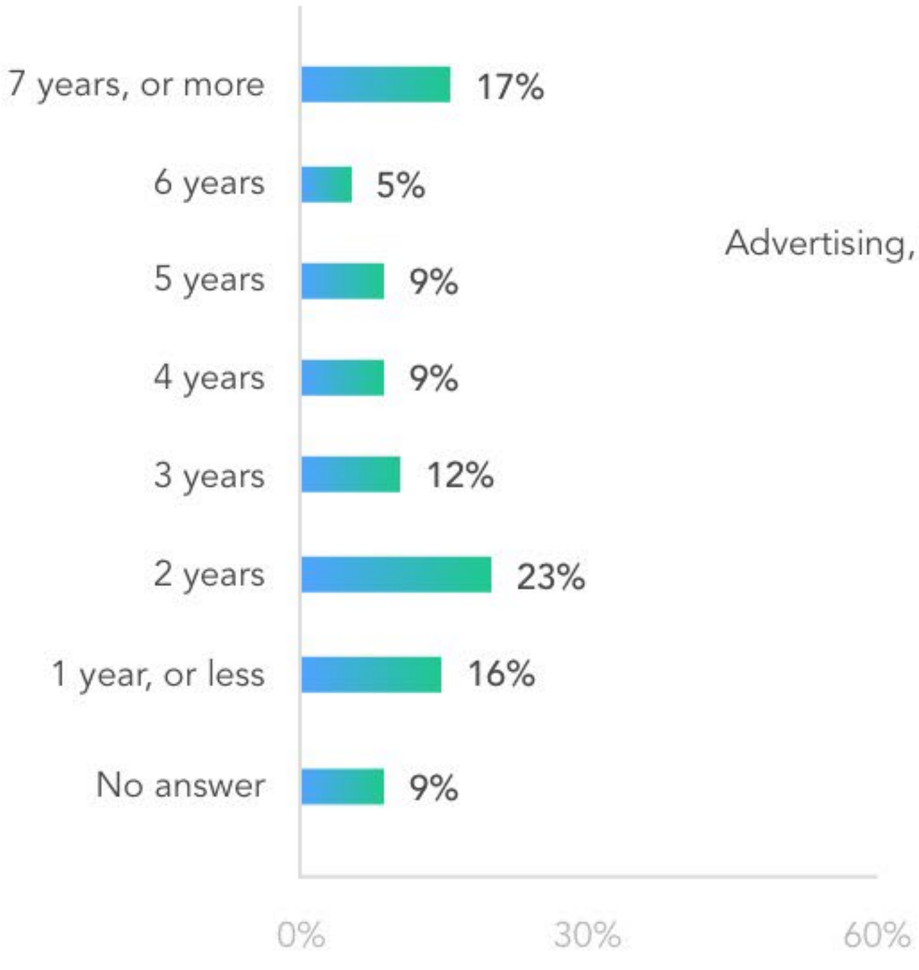
Household Income



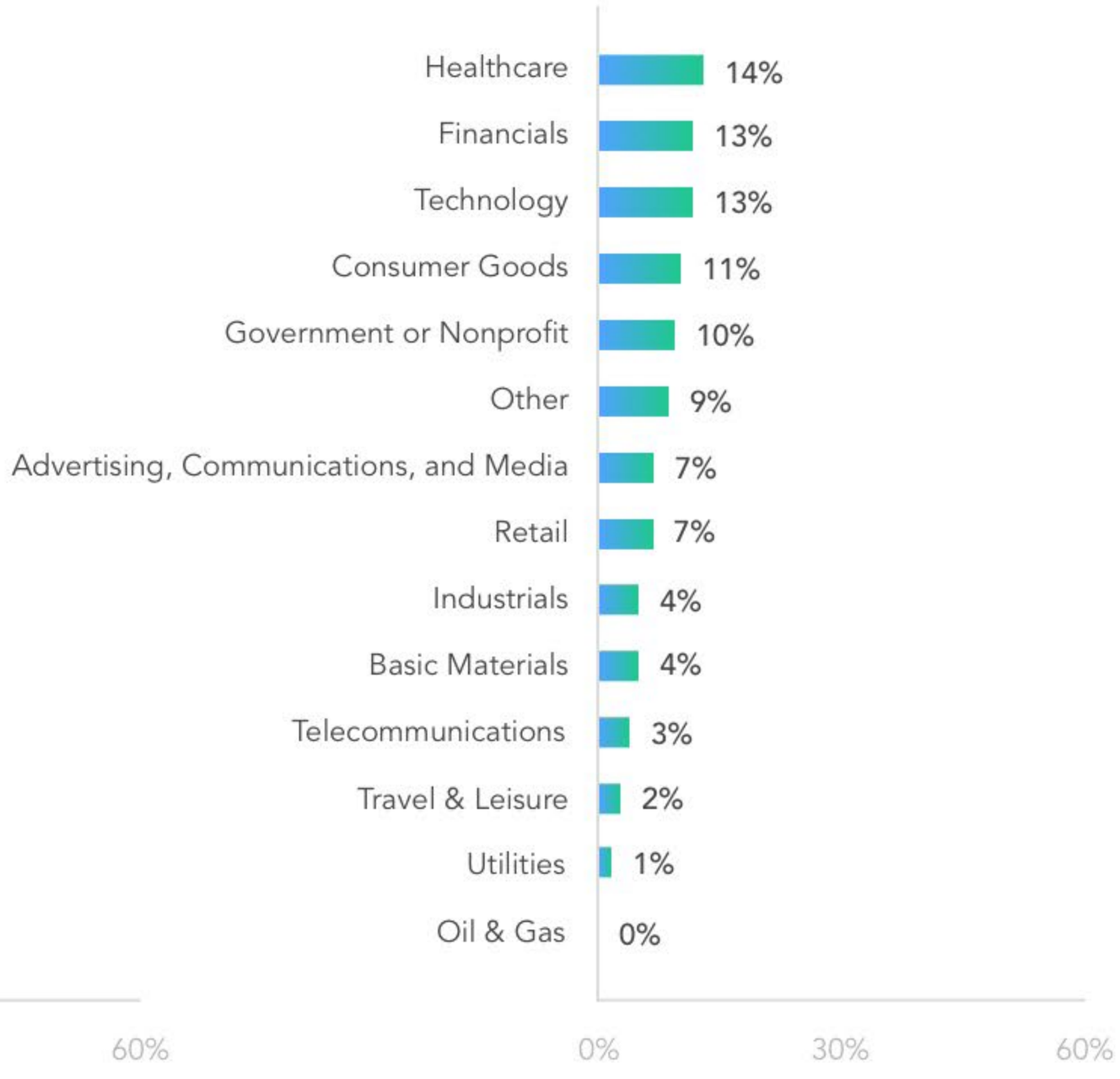
Home and Workplace



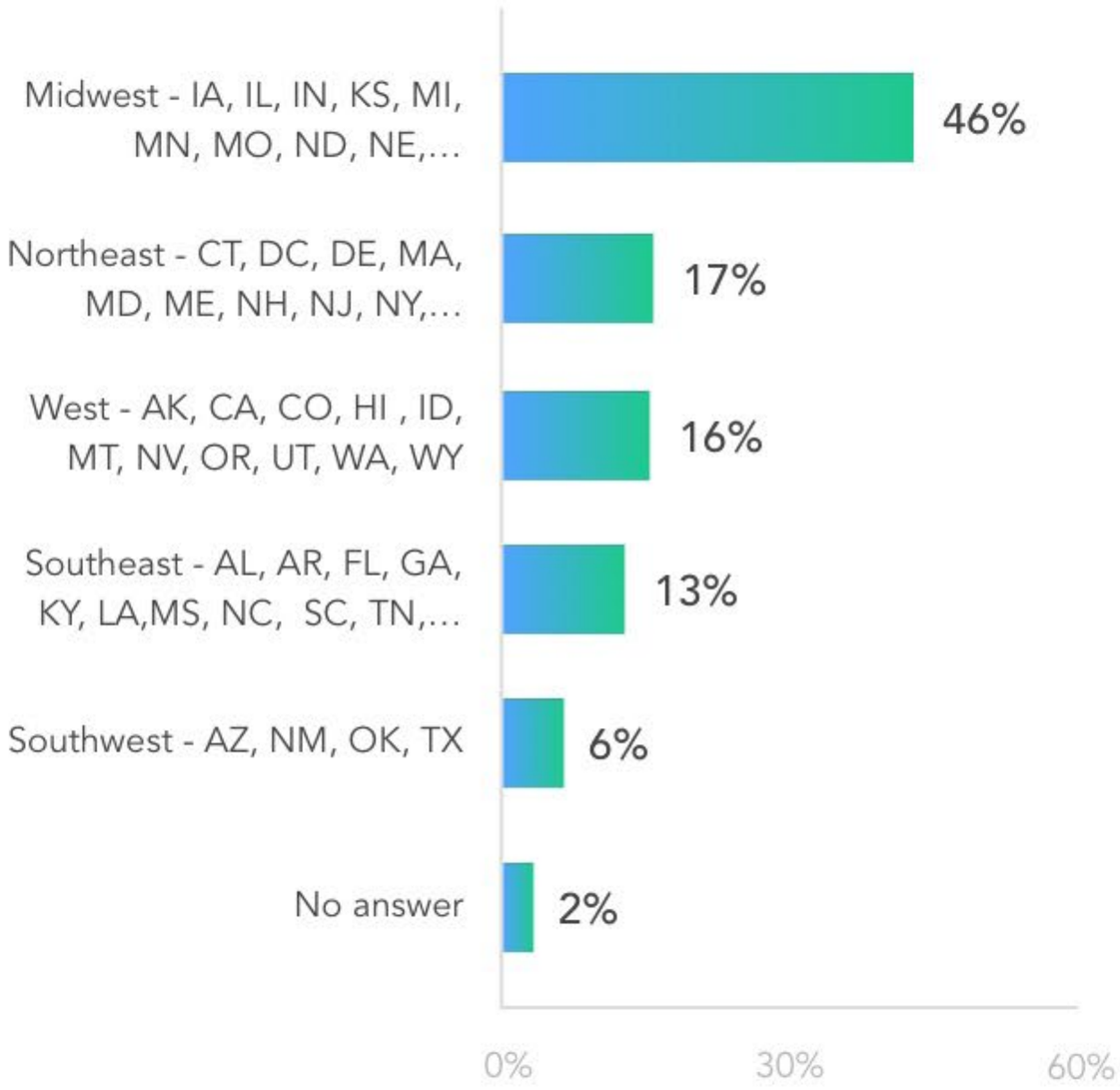
Years Since Completing Most Recent Degree



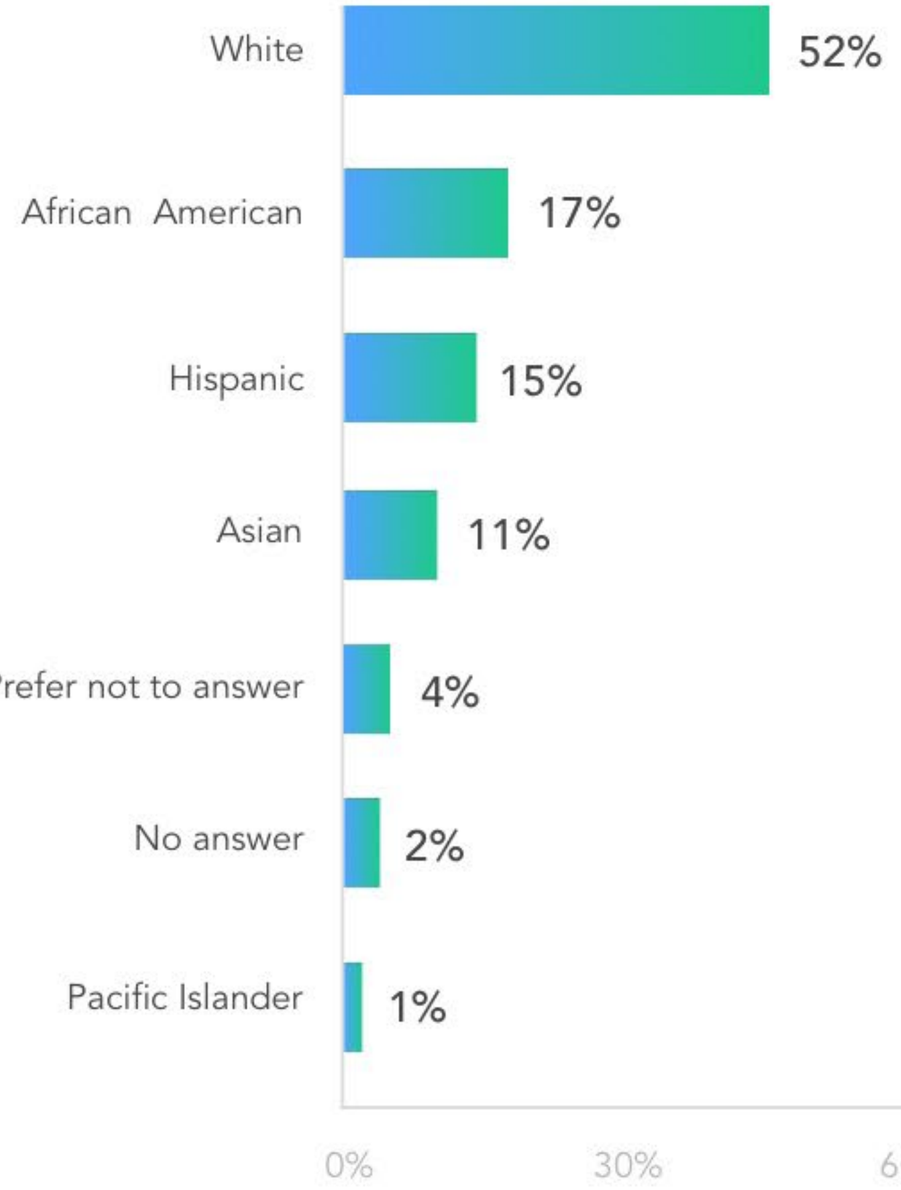
Industry You Work In

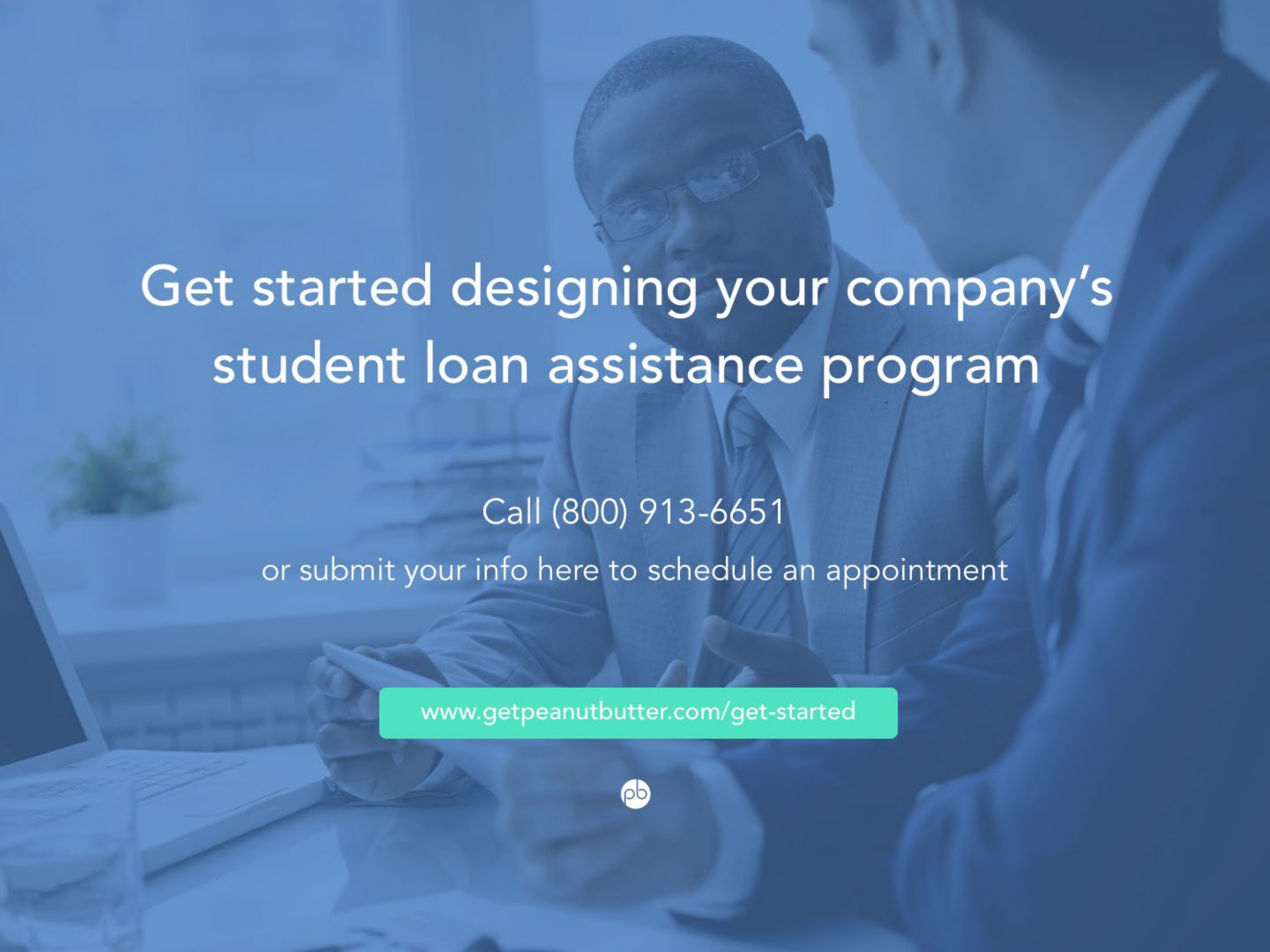


Region



Ethnicity




Get started designing your company's
student loan assistance program
Call (800) 913-6651
or submit your info here to schedule an appointment
www.getpeanutbutter.com/get-started