

# MAKING EMPLOYEE EDUCATION AFFORDABLE:

NO-COST DEGREES & OTHER INNOVATIONS



## Energize Your Tuition Program with New Options for Degree Attainment

Employees want to learn; employers need new skills. Yet even after employer tuition contributions, **40% of employees say they're financially challenged** to continue their education<sup>1</sup>.

One answer: **the no-cost degree**. By incorporating flat-rate tuition programs and other innovative approaches to employee education, employers can address the affordability barrier by reducing — and in many cases eliminating — out-of-pocket costs for employees.

### Benefits for your organization:

- A more robust approach that supports employees (and skills) at every level
- More impact for your program without increasing budget
- Invigorated and motivated employees who see degrees as an achievable option

This strategy is designed to engage employees in education — and deliver critical skills for your business.



# DRIVING AFFORDABILITY IN HIGHER EDUCATION

How do these new programs make it possible for more employees to achieve their learning objectives?

Some examples (with detailed information provided in the table below):

- Credit-by-examination and prior learning assessments that maximize college credit
- General education courses that expedite degrees by eliminating some core requirements
- Flat-rate programs that allow employees to take more classes at a lower annual cost
- Competency-based education that allows employees to move more quickly through their degree

All save money. All maximize your program. And employers who add expert educational advice further amplify all of the above approaches by highlighting the optimal mix for each individual employee.

## LOW-COST EDUCATION INNOVATORS — EXAMPLE PROGRAMS

	CREDIT-BY-EXAMINATION AND PRIOR LEARNING ASSESSMENTS	GENERAL EDUCATION COURSES	FLAT-RATE PROGRAMS	COMPETENCY-BASED EDUCATION
<b>DESCRIPTION</b>	New programs make it easier for employees to graduate faster and with less expense by using "test-out" options and life-experience credits	Lower-cost classes for satisfying core requirements, with a guarantee to transfer to other universities	Put a cap on tuition costs, allowing employees to take more courses while staying under the annual program maximum	Credits are earned through completing assignments rather than a pre-determined length of class
<b>TYPICAL COST*</b>	\$100-\$160 for a 3-credit exam	\$150-\$250/course	\$5,250/year	Unlimited courses at \$6,000 - \$9,000/year
<b>SELECT SCHOOL PARTNERS</b>	TECEP at Thomas Edison State University UExcel at Excelsior	StraighterLine SOPHIA	Ashford University Kaplan University	Capella University Western Governors University

\*Typical in-state tuition rates for courses leading to a bachelor's degree at a Public four-year-college are \$300-\$600 per credit or \$900 to \$1,800 for a three-credit course.



Many of these programs work even better in tandem. For example, testing out can cut one or more classes from a degree requirement; flat-rate programs can then shorten the time and expense to finish what's left.

Additional features can further reduce costs for employees, including discounted tuition fees from the **Bright Horizons**<sup>®</sup> network of more than 200 schools. Many employers also expand tuition programs to cover course materials and books, which are significant expenses often overlooked by employees.

## Client: Insurance Company

### Business drivers

- Enable more employees to advance and secure long-term financial security
- Increase retention in a very competitive talent marketplace
- Increase speed of skill acquisition and employee development

### Strategy implemented

- Added certificates and certifications to tuition program
- Adjusted reimbursement percentage and annual cap
- Partnered with three universities on fixed-cost programs

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### Outcomes

- Increased usage of tuition program by **3X among lower-paid employees**
- **8% higher retention** for tuition program participants
- **27% higher promotion rate** for tuition program participants

## Client: Telecommunications Company

### Business drivers

- Talent needs due to a continued drive for growth
- Focus on front-line employees — customer care, retail, technicians
- Strong internal culture which puts employee needs first

### Strategy implemented

- Provide multiple choices for employees by partnering with 5 universities
- Encourage use of direct bill to reduce out-of-pocket expenses
- Access to expert advisors to help employees tailor solutions to their needs

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### Outcomes

- Reduced the number of employees citing cost as a barrier to continuing their education by **30%**
- **84%** of users say the tuition program makes them more likely to stay with the company
- **86%** say it is important in their job satisfaction

# A WIN FOR BOTH EMPLOYEES AND EMPLOYERS

Affordable approaches do more than help employees earn degrees; they also help employers.

## Some of the benefits:

### FASTER SKILLS DELIVERY

Enabling employees to complete more classes within the tuition cap prompts faster graduation — one to two years faster. And degrees that are completed more quickly mean skills that are being used in your workforce more quickly. There's no bigger value than that.

### BARRIER-TO-ENTRY REMOVAL

Programs that diminish cost lighten a financial obstacle for the many employees paying existing educational debt. This effect is further magnified by employers that minimize out-of-pocket expenses (and so preserve employees' cash flow) by either paying schools directly or deferring billing to allow employees to pay after they are reimbursed.

### CONFIDENCE BOOSTER

Next to money, time is one of skills' development's biggest obstacles. Shorter programs (via flat-rate plans or test-out options) give employees confidence that education is both optimal...and feasible.

### EFFICIENT USE OF RESOURCES

Transfer of existing credits into new courses of study expedites degree programs and creates excitement for the 58 million Americans age 25 and older who have some college credits but no bachelor's degree.

### HAPPY EMPLOYEES

Study after study shows that skill attainment is high on employees' lists. By removing barriers for an entire workforce, these newly affordable programs further all aspects of your talent strategy — retention, recruitment, engagement, productivity, and more.

Contact us to learn more about these new approaches that stretch tuition dollars, remove financial barriers to learning, and generate returns for your employees...and your organization.

<sup>1</sup> Bersin, Josh. "The Learning Curve is the Earning Curve." Forbes, June 2016

<sup>2</sup> The Key to Attracting Millennials, Bright Horizons, 2015

<sup>3</sup> The Lasting Impact of Tuition Assistance, Bright Horizons Workforce Consulting, 2017

<sup>4</sup> 2017 Global Human Capital Trends, Deloitte University Press



Bright Horizons EdAssist Solutions have transformed education programs for roughly 200 of the world's most renowned employers, turning passive employee benefits into active organizational performance strategies. By supporting employees' career aspirations and addressing obstacles, our tuition assistance and student loan repayment programs are helping these organizations engage millions of employees, keep them longer, and develop the skills they need to fill today's emerging and critical roles.

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