

## A projected \$76k per employee in student loan forgiveness<sup>1</sup>



### STUDENT DEBT IS MORE DETRIMENTAL TO ACHIEVING FINANCIAL WELLNESS GOALS THAN EVER BEFORE

Today, student loan debt totals more than \$1.75 trillion for an estimated 42.8 million Americans. The majority (39 million) of those are federal student loan borrowers.<sup>2</sup> Over the last decade, the number of people with student loan debt has increased by an average of one million people per year. The pandemic intensified this challenge for those who struggled with additional costs, losses, and complications.

### REMOVE BARRIERS TO SAVING FOR LONG-TERM GOALS

BMC's priority is helping its employees achieve a better state of financial wellness, eliminating debt and building savings toward milestone events and retirement. Providing meaningful debt-relief solutions can benefit both employers and employees. Employees who participate in employer-sponsored financial wellness programs are twice as likely to report a high financial wellness rating as those who don't.

If given an additional \$200 per month, nonretired Americans would put an average of 60% toward their retirement savings.<sup>5</sup> Financial wellness programs can also help employers recruit and retain employees, a critical need for healthcare and higher ed employers.

Student loan forgiveness programs are available for employees in public service and nonprofit sectors, but they're infamously difficult to navigate. In fact, only 2.3% of nonprofit and public service worker applications have been successfully approved.<sup>6</sup> Many applications are denied because of simple clerical issues, leaving borrowers unsure about how to pursue the forgiveness they're eligible to receive.

If applicants don't complete recertifications correctly, they won't remain eligible, making financial stability and wellness an even more remote possibility. But a decision by BMC to implement a program with Savi, a tech startup focused on social impact (and part of TIAA's suite of services), put student debt relief within reach for employees.

### STUDENT LOAN DEBT IMPACTS FINANCIAL WELLNESS<sup>1</sup>

**64%**

Report that student loan debt has had a negative impact on their ability to save for retirement

**25%**

Decreased retirement contributions after student loan payments restarted

**66%**

Graduate students borrow federal loans

## CASE STUDY

### Boston Medical Center

“You tend to think of student debt as something affecting people in their 20s and 30s. As a hospital, we tend to have an older employee population, so it wasn’t something I was thinking about. It was really eye-opening to find out how broad an issue it is, and how many people—including parents—are impacted by it.”<sup>3</sup>

#### KERRY RYAN

Benefits Director, Boston Medical Center<sup>3</sup>

### EDUCATE EMPLOYEES TO SIMPLIFY THE PROCESS

TIAA works with Savi to make it easier for nonprofit employers to offer their employees meaningful solutions for student debt relief. Savi helps employees maximize their student loan savings through income-driven repayment plans and Public Service Loan Forgiveness (PSLF)—and takes the stress and guesswork out of the process. After using Savi’s free assessment to see their options for savings and forgiveness, many BMC employees choose Savi’s Essential service, which eliminates the complexities of navigating federal programs by offering tools to automate challenging paperwork, access custom support and receive ongoing monitoring.<sup>7</sup> This concierge service helps borrowers sidestep common—and not-so-common—errors and stay in compliance.

#### PROJECTED LOAN FORGIVENESS FOR BMC EMPLOYEES:<sup>1</sup>

- \$170 average per month saved
- \$76,747 average projected loan forgiveness per employee
- \$57 million in student loan debt eliminated

### TIAA AND SAVI PROGRAM

- Available to all employees and their family members
- Income driven repayment plans lower monthly payments to provide immediate relief
- Online tool provides analysis of loan repayment and forgiveness options across more than 150 state and federal programs
- Savi Essential service assists with submission and administration for applicants, and monitors for new benefits.<sup>6</sup>

### COMMUNICATION IS CRITICAL

TIAA develops comprehensive outreach materials for plan sponsors to leverage across various channels to encourage employees to use Savi. The communications toolkit provided by TIAA supports strategies that include:

- Promoting the Savi service to TIAA plan participants.
- Participating in wellness fairs with a tent dedicated to financial well-being and debt management.
- Publicizing Savi’s bimonthly webinars to further educate employees about policy updates and services.

The BMC benefits and communications team collaborates with champions across the organization to help spread the word of how this program can help employees achieve their overall financial wellness goals. “There’s been consistent growth in the Savi program from BMC because of the consistent attendance at these workshops. The promotion that

they’re doing is clearly working,” said Lindsay Clark, Director of External Affairs for Savi. “And given the federal extension of the PSLF payment pause, there’s an urgency to reach any borrower that is potentially eligible. They could be sitting on full forgiveness right now and not know it.”<sup>3</sup>

### SIMPLICITY BEGINS AT SIGN-UP

After employees take the Savi assessment, the tool identifies their potential savings and forgiveness options. The Savi algorithm considers an individual’s specific circumstances—including a family’s financial and tax situations—and suggests a solution that best fits their needs. Savi’s customer success team is available to answer questions and act as an advocate for Premium users.

“TIAA and Savi understand the PSLF program and how it works at our institution and have an easy-to-follow process for employees to sign up and use it. The one-on-one advice really helps people to make that decision to move forward. People are excited about the program and encourage their colleagues to sign up.”<sup>3</sup>

#### KERRY RYAN

Benefits Director, Boston Medical Center<sup>3</sup>

**CASE STUDY**  
**Boston Medical Center**

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**SIGNIFICANT SAVINGS CAN  
START IMMEDIATELY**

BMC employees have achieved significant progress toward savings and retirement plan goals with decreased monthly payments through an IDR plan and eligibility for tax-free forgiveness of the remaining balance after 120 payments on their federal student loans. This can be especially crucial for healthcare professionals, such as doctors and nurses, who tend to carry higher amounts of student debt.

Employers enjoy easy implementation and increased employee retirement plan participation. They also become more attractive to prospective employees, and potentially experience better retention of existing ones.

**Reach out today to your TIAA Relationship Manager if you're interested in learning more about offering Savi to your employees.**



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**Boston Medical Center**

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<sup>1</sup>Savi Solutions PBC, as of 11/08/2024. These estimates may not be typical of all participants.

<sup>2</sup>Hanson, Melanie. "Student Loan Debt Statistics" EducationData.org, 7/15/2024, [educationdata.org/student-loan-debt-statistics](https://educationdata.org/student-loan-debt-statistics).

<sup>3</sup>Testimonials were provided by current clients, and no cash, non-cash, direct or indirect compensation was given in return. No material conflicts of interest exist on the part of the individuals giving the testimonials.

<sup>4</sup>TIAA 2021 Nonprofit Student Debt Survey, November 2021.

<sup>5</sup>TIAA 2022 Financial Wellness Survey, January 2022.

<sup>6</sup>Public Service Loan Forgiveness Data, U.S. Department of Education, October 2021.

<sup>7</sup>Savi Essential is an optional service. The fee is <\$60><\$70><\$74> per calendar year.

Savi and TIAA are independent entities. A portion of any fee charged by Savi is shared with TIAA to offset marketing costs for the program. In addition, TIAA has a minority ownership interest in Savi. TIAA makes no representations regarding the accuracy or completeness of any information provided by Savi. TIAA does not provide tax or legal advice. Please contact your personal tax or legal advisor.

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