

FIDELITY TACKLES STUDENT LOAN DEBT

! THE PROBLEM





owe an average of
\$37,172
in student loan debt¹


\$1.6 TRILLION IN STUDENT LOAN DEBT
...on track to double by 2025²

35% of Fidelity retirement customers*
CURRENTLY HAVE STUDENT DEBT³

The Impact Goes Beyond Just Millennials

 **59%**
of Millennials
(under age 40)

 **34%**
of Generation-X
(age 40-54)

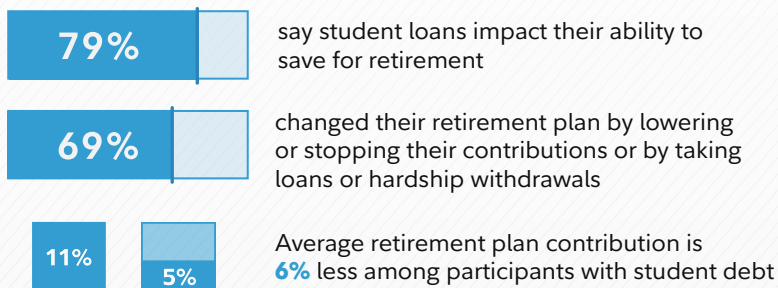
 **29%**
of Baby Boomers
(age 55+)

WHICH GENERATION PAYS THE MOST ON AVERAGE IN STUDENT DEBT?⁴

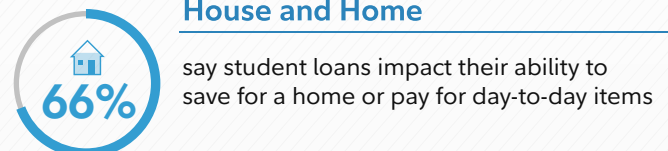
AVERAGE MONTHLY PAYMENT	GENERATION	AVERAGE LOAN BALANCE
\$565	BABY BOOMERS	\$56,652
\$490	GENERATION X	\$55,870
\$469	MILLENNIALS	\$45,548
AVERAGE INTEREST RATE		
6.3%	5.6%	5.6%

STUDENT LOAN DEBT IMPACTS FINANCIAL PRIORITIES³

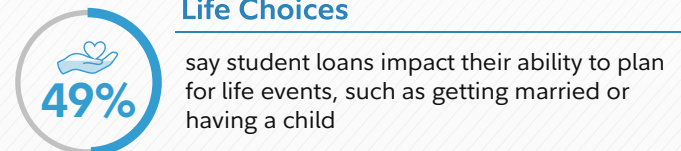
Retirement



House and Home



Life Choices



¹ Student Debt Hero, A Look at the Shocking Student Debt Statistics for 2018, May 1, 2018
² Congressional Budget Office data
³ Workplace Investing Plan Participant Student Loan 2016 Study, responses from 496 members (10/27/16 - 11/7/16)
⁴ Fidelity Investments Student Debt Tool as of September 30, 2019
⁵ Fidelity Business Consulting, "Customer Views on Public Policy Issues, 2018"
* Fidelity workplace plan participants



FIDELITY TACKLES STUDENT LOAN DEBT

① WORKING TOWARDS SOLUTIONS

In 2016, Fidelity implemented the **STEP AHEAD STUDENT LOAN ASSISTANCE PROGRAM**

It provides eligible Fidelity employees up to **\$10,000** towards their student loans to ease the burden of student debt stress

>10,000 Fidelity employees **HAVE RECEIVED A BENEFIT**

\$55 MILLION

saved to-date by Fidelity employees in principal and interest, with an average savings of **\$5,500 PER PERSON**

Source: Cumulative savings based on Fidelity contributions as of December 31, 2018, plus future interest.

WE ARE INNOVATING TO EMPOWER BORROWERS

①

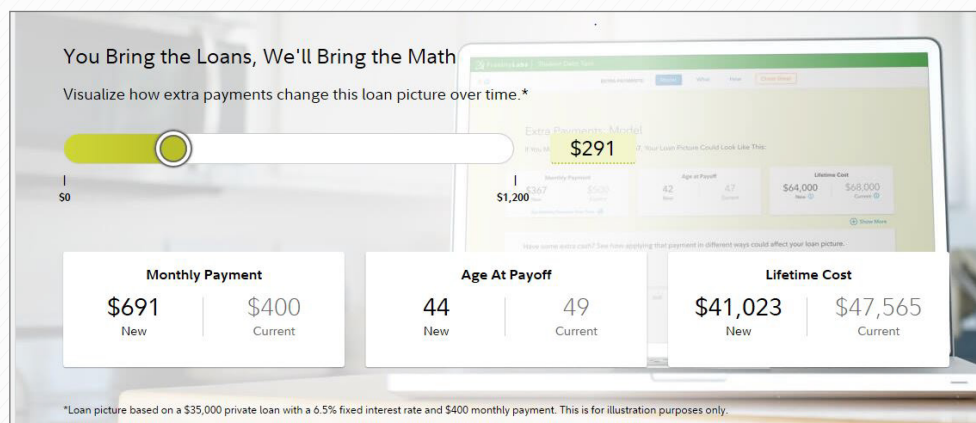
Student Debt Tool educates borrowers on their total debt picture and the most effective options to pay down the debt

②

Student Debt Employer Contribution for employers who want to contribute to employees' student debt. The program allows employers to make after-tax contributions towards participants' loans with Fidelity administering and fulfilling the payments

③

Pre-college planning and guidance resources for families to address the issue of taking on too much debt



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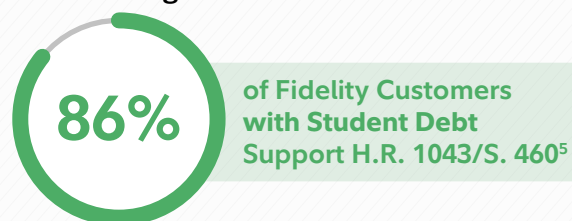
WE URGE POLICYMAKERS TO ADDRESS THE STUDENT DEBT CRISIS

- ✓ We support efforts to make student loan debt **easier to understand** and less of a burden on today's workforce
- ✓ We feel strongly borrowers need to be **educated** about student loan debt, options to pay it down, and how best to frame it in the context of other competing financial priorities
- ✓ We have shared with policymakers the benefits of an **open and accessible repayment and refinancing process**, lessons we learned from our own tools
- ✓ We urge conversations between **policymakers and private industry** to share insights and encourage innovation

Policymakers could help by supporting **tax incentives** for employers to offer student loan repayment benefits, as well as, employees making payments towards their loan debt. As a company with our own employee student loan benefit, we recognize the value this offers our workers. **Employees should not be forced to choose between paying student loans and saving for retirement.**

WE SUPPORT PROPOSALS THAT SEEK TO REDUCE THE BURDEN OF STUDENT DEBT ON WORKERS AND INCENTIVIZE EMPLOYERS TO GET INVOLVED!

- **H.R. 1043/S. 460 Employer Participation in Repayment Act.** The bill would expand the tax exclusion for employer-provided educational assistance to include an employer's payments to an employee or lender for the principal or interest on any qualified education loan incurred by an employee
- **S. 1431, the Retirement Security and Savings Act (Sec. 112),** which would allow companies to contribute to an employee's retirement plan if the employee is paying down student debt
- **The Department of Treasury broadening a Revenue Ruling** to allow companies to contribute to an employee's retirement plan if the employee is paying down student debt



#DEBTFREETAXFREE

Want your company to offer monthly contributions toward your student debt? Tell Congress to make student debt assistance a tax-free benefit!

[FIND OUT MORE](#)

Please note the directed website (#DEBTFREETAXFREE) is unaffiliated with Fidelity. Fidelity has not been involved in the preparation of the content supplied at the unaffiliated site and does not guarantee or assume any responsibility for its content.

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