Talent Investments Pay Off

To increase the proportion of Americans with high-quality degrees and credentials to 60-percent by the year 2025.
Employer Investment in Talent

The U.S. workforce is shrinking and lagging behind in postsecondary attainment and employers are having a difficult time finding the talent and skills they need.

40% of U.S. employers have difficulty filling jobs

65% of U.S. jobs will require postsecondary training by 2020

Employers are well-positioned to fill their own talent and skill gaps through tuition assistance programs.

59% of employers already offer a tuition assistance program

5% utilization of tuition assistance programs

$4,000 of tuition spent per employee per year, on average

43% of working adults don’t know if their employer offers a program

Sources: OECD; Center for Education and the Workforce at Georgetown; Manpower; Lumina Strategic Plan; The College Board; The Heritage Foundation
Assessing the Value of Tuition Assistance Programs to Employers

Data Collection
- Collected Employee Records
- Gathered Program Information
- Conducted Interviews & Surveys

Analysis Process
- Completed Qualitative and Quantitative Program Analyses
- Refined and Customized ROI Framework
- Promotions
- Transfers
- Turnover
- Absenteeism
- Calculated Total Return and ROI
- Total Program Costs
Discover Financial’s Tuition Reimbursement Program

For every dollar of Discover Financial’s $7.6M investment in tuition from 2010 to 2013…

Tuition Reimbursement Program (TRP)

\[ \text{Business} \]

$10.9M net savings

\[ \text{Employees} \]

…Discover got back its $1 and avoided another $1.44 in talent management costs

…frontline employees using TRP achieved 57% incremental wage gains and had more career opportunities than non-participants.

The value created is based on increased rates of promotions, lateral transfers, retention and decreased rates of absenteeism for employees participating in TRP versus non-participants.

Based On

- +21% promotions
- +9% lateral transfers
- +0.5% retention
- -0.4 days absent
Tuition Assistance Programs Consistently Reap Positive Returns

<table>
<thead>
<tr>
<th>Benefits Measured</th>
<th>ROI (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>144%</td>
</tr>
<tr>
<td>Promotions</td>
<td>4%</td>
</tr>
<tr>
<td>Transfers</td>
<td>39%</td>
</tr>
<tr>
<td>Absenteeism</td>
<td>129%</td>
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<tr>
<td></td>
<td>10%</td>
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</tbody>
</table>

Financial Services
Hospital System
Communications / Technology
Health Insurance
Financial Services

DISCOVER
 Advocate Health Care
 Cigna
 Regional Bank
What can you do to drive savings from your tuition program?

Align Investments to the Talent Strategy

Policy and Measurement
- Measure Program Success
- Make Eligibility Immediate
- Promote Assistance over Reimbursement

Promotion and Support
- Enhance Program Communications
- Provide Program Support
- Guide Education and Career Decisions

Education
- Develop Education Institutions Partnerships
- Focus Education Selection
- Offer a Variety of Education Opportunities
WE NEED BETTER-EDUCATED WORKERS!

WE NEED BETTER-EDUCATED HIGH-SCHOOL GRADS!

WE NEED BETTER-PREPARED MID-SCHOOLERS!

WE NEED BETTER JOBS!

WE NEED FULL-DAY KINDERGARTEN!

WE NEED ELEMENTARY KIDS THAT CAN READ AND DO MATH!

WE NEED MORE PRE-K PROGRAMS!