



University of Phoenix
Workforce Solutions

Connecting Education to Employee Financial Health and Wellness





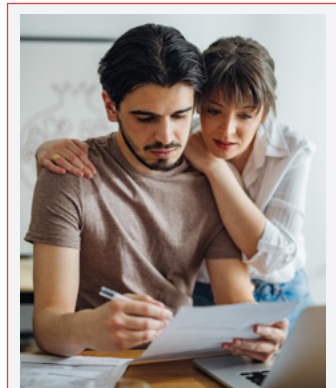
The Cost of Financial Stress on Workplace Productivity

We've all been there — lying awake at 2 a.m., worrying if the orthodontist will recommend braces the same week the minivan needs a new transmission. While financial stress is all too familiar for most of us, employers are often unaware of its implications on employee health and performance. Yet, a staggering **sixty percent** of employees are stressed about their finances, regardless of income level. Recent **research** shows that adults experiencing financial stress are more likely to suffer serious health problems than any other stressor, including divorce, prolonged illness, or even losing a loved one.

The economic implications for employers of financially stressed employees are significant. Delayed medical care due to financial stress can drive up **employers' healthcare coverage costs**. Financially stressed employees are more distracted, less engaged, and **twice** as likely to seek another job. According to the 2024 SoFi The Future of Workplace Financial Well-Being **report**, employees **spend nearly 14 hours a week—eight while on the job—**dealing with their financial issues. This lost productivity costs employers **billions of dollars** every year.

In today's economic climate, with inflation, record credit card debt, rising food costs, and concerns over **AI job redundancy**, the sources of employee **financial stress** seem endless. However, workplace culture is evolving, with many leading employers seeing the value of supporting their employees' financial health. Organizations like **T-Mobile** and **ADT** recognize that financial stability leads to better employee engagement, productivity, and retention, and are creating their benefits packages accordingly.

Employees are also more open to receiving financial guidance than before. **Seventy-four percent** of workers report seeking guidance with their finances when they are experiencing life events, hardship, or a crisis. This trend is reflected in the range of financial resources available to workers, such as coaching, literacy workshops, savings programs, student loan repayment and debt management assistance, and tuition reimbursement and assistance. Use of the financial benefits has also grown, with **68% of employees** reporting taking advantage of financial wellness services in 2023, compared to 51% in 2012.



60%

of employees are stressed about their finances.

Source:
PwC's 2023 Employee Financial Wellness Survey



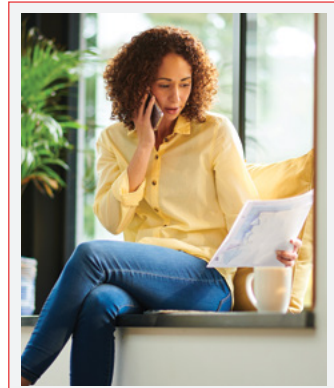
Education, Financial Health, and Employee Wellness

Providing educational resources on money management, personal finance, and retirement strategies can be a first step in helping employees manage their finances. Financial literacy can help reduce the negative health implications of stress and allows them to be more focused and effective in their roles. However, to help improve employee wellness, companies can take a broader view of the types of educational opportunities they support.

Whether it's a micro-credential or an MBA, professional development at all levels can profoundly affect employees who have had the opportunity to pursue it. Enhanced skills and qualifications not only help boost an employee's self-confidence and financial resilience but can open doors to career mobility and job satisfaction.

There are surprising health benefits to education, as well. **Studies** show that adults with postsecondary education rate their health better, exercise more, smoke less, have fewer health problems, and are more involved in their communities. They also tend to have jobs that align with their **natural talents** and interests, leading to greater career satisfaction.

By prioritizing comprehensive educational programs, employers benefit from a higher-skilled, healthier, and more productive workforce.



68%

of employees report using their workplace financial wellness benefits.

Source:
[PwC's 2023 Employee Financial Wellness Survey](#)



Importance of Tuition Benefits

While employers generally recognize the value of education, financial wellness benefits do not always reflect this priority.

According to the 2024 **SHRM** Employee Benefits Survey, 65% of employers rated professional development as “very important” or “extremely important.” Yet, the SHRM survey found that only 46% of employers offer their employees tuition benefits — its lowest prevalence in years. Yet, **85% of adults** not enrolled in an educational program cite costs as a persistent obstacle, pointing to a glaring disconnect.

Also concerning is the employee awareness of these programs. Few **employees** (40%) know tuition assistance is available through their employer, and only a fraction (2%) take advantage of it.

This poor utilization rate highlights the need for better communication and more accessible tuition programs to ensure employees fully leverage the financial and wellness benefits of workplace education initiatives.

Only
46% 
of employers offered
tuition benefits in
2023.

Source:
**2024 SHRM Employee
Benefits Survey**



Direct Billing for Tuition Assistance: A Streamlined Approach

While tuition benefits have been a long-standing employer offering, not all programs are created equal. Most companies have adopted tuition reimbursement models, requiring employees to shoulder upfront costs. Reimbursement often depends on employee academic performance and ability to complete the administrative paperwork in compliance with the company policy. These barriers are largely responsible for the low utilization of such programs.

Eighty-six percent of employers believe paying a college or university directly for tuition (rather than reimbursing an employee for costs later) helps increase employee satisfaction and retention, according to a 2024 University of Phoenix survey. The reasons provided included:

- Reducing the financial burden on employees.
- Increasing employee usage of tuition benefits.
- Simplifying the billing processes.

Yet only 18% of the organizations offer this benefit to their employees for all schools.

Employers' hesitation to cover educational benefits upfront can often stem from concerns about financial liability, such as paying for classes that students do not attend. However, this risk can be mitigated by partnering with educational providers fluent in workforce learning programs. For example, University of Phoenix has developed **Tuition Direct**, which defers tuition payment until after the course is completed. Employers are not responsible for payment if the employee has not passed the course. Instead, University of Phoenix will charge the student credit card on file.

Direct billing arrangements can also offer organizations discounted tuition rates and bulk invoicing, which can reduce the financial and administrative load for employers while increasing employee usage of tuition benefits.



86%

of employers
believe direct billing
tuition assistance
increases employee
satisfaction and
retention.

Source:
2024 University of Phoenix
survey of 250 senior HR
professionals



Strategies for Implementing Effective Tuition Assistance Programs

Direct billing for tuition assistance offers a more streamlined and employee-friendly approach to education benefits. Here's what to consider getting started:

Assess Employee Needs and Preferences

Just as educational programs must keep pace with the market for in-demand skills, tuition-related benefits must also evolve. With the increased demand for **micro-credentialing** and training to address technology and **AI-related** skill gaps, employers must understand and respond to their employee's educational needs. Also, determining what educational roadblocks employees face is vital to ensuring these programs are accessible. Providing accommodations like direct billing, flexible and remote learning environments, and support for non-English speaking learners will help ensure all employees can take advantage of the programs.

Commit to Clear and Frequent Communication

Ensuring that employees know the benefits and how to use them is critical to the success of every tuition assistance program. Sending out reminders at least quarterly can help maintain awareness.

Partner with the Right Educational Institutions

Partnering with the right educational institutions can significantly enhance the effectiveness and accessibility of tuition assistance programs, especially when combined with a direct billing policy. This collaboration can mitigate the employer's cost risks associated with paying for employee coursework upfront through discounted tuition agreements, effectively providing a bulk deal for employers. Group invoicing can also be a major time-saver for companies. Instead of reviewing individual reimbursement claims and making deposits into employee bank accounts, tuition payments are consolidated into a single invoice by the educational provider, drastically reducing administrative processing time.

Implementing a Direct Billing System: First Steps



Establish a centralized and dedicated team. Assign a designated point of contact to manage and implement the program.



Survey employee needs and preferences. Align the tuition assistance program with employee interests and the company's skill needs.



Define educational requirements and employee eligibility. Reflect on why the company offers the benefit and what goals are hoped to be achieved.



Partner with qualified educational providers. Choose providers with experience in tailoring offerings to company or industry needs.

Helping Employees and Employers Thrive

By investing in their employees through direct billing tuition assistance, employers can significantly reduce employee financial stress and promote workplace wellness while prioritizing the company's long-term stability and competitiveness. Remember, the **war for talent is real** – **70% of large employers are planning** benefit enhancements for 2023 in efforts to compete for skilled workers. Implementing a direct billing tuition assistance program allows employers to attract and retain a happier, healthier, and higher-skilled workforce. A holistic view of the connections between education, financial health, and wellness enables employees to remain focused and productive, even when unexpected financial challenges arise.

Of course, a tuition assistance program won't eliminate financial anxiety entirely. Still, employees with financial support and education might be less likely to lose sleep worrying about the orthodontic bills and more likely to help your organization thrive.

**Learn how University of Phoenix
Tuition Direct can help
transform your workforce.**



University of Phoenix
Workforce Solutions

phoenix.edu/tuition-direct