

A case for

College & Career Counseling Benefits for Employee Families

What every HR Leader should know before
implementing a counseling solution

HR Leader's Guide

- p. 3.....*The State of College & Career Counseling*
- p. 4.....*The Case for Investing in College & Career
Preparation Benefits for Employee Families*
- p. 5.....*How to Communicate the Business Value of
College & Career Preparation Benefits*
- p. 7.....*What to Consider in Your College & Career
Counseling Solution*
- p. 8.....*Supporting Your Employees With Meaningful
College & Career Counseling*

The State of College & Career Counseling

Today's adolescents face an ever-changing and difficult world. Young people struggle to form their identities, establish their place in the world, and build the foundation of academic, career, personal & financial decisions necessary for life.

For a vast majority of American adolescents, school counselors serve as the primary resource helping develop career and education plans. And while the Covid 19 pandemic has clearly exacerbated this problem, the deeper truth is that for the 90% of teens who attend public high school, the counselor system has been in deep crisis for some time.

- **Over 70% of US public high schools don't have a college counselor.¹**
- **Schools average a counselor to student ratio of 1:450. This jumps to well over 1:1,000 in schools serving predominantly low income and minority students.²**
- **Counselors spend an average of just 38 minutes per student a year on college advising.³**
- **For the 40% of students who are not on a college track, counselors spend less than 5% of their time on occupational, job placement and career & technical education.¹**

As a result, every year millions of qualified students miss out on college and career opportunities because their schools lack resources to adequately advise and support them. This can be especially true for first-generation college families sending someone to school for the first time who may lack the generational knowledge and resources 'around the dinner table'.

Far too many families end up *overpaying* for college because they lack guidance and information to make their decision. Using price as a proxy for quality and amassing student debt instead of concentrating on the best fit for their student's future. Similarly, the earlier students receive guidance, the more opportunity they have to qualify for scholarships, financial aid, and other assistance.

Non-college track students end up wasting valuable time and effort after graduation because they lack direction, inventory of their skills, and knowledge of their options.

This harsh reality disproportionately impacts low-income students, serving to perpetuate social inequality and compound the issues over generations.

¹ Education Week, 2018 "College Advising Is in Short Supply in U.S. High Schools, Study Finds"

² National Association of College Admission Counseling, 2020 "State-by-State Student-to-Counselor Ratio Report"

³ National Association of College Admission Counseling, 2020 "Counseling and College Counseling in America's High Schools"

The Case for Investing in College & Career Preparation Benefits for Employee Families

Employees are overwhelmed. Covid-19, economic, social & political concerns have many on the verge of burnout – struggling to balance the stress of home and work responsibilities and consumed by the fear of the impact our current climate has on those they love.

The risk of not investing in the personal and financial wellbeing of your employees and their families is greater than ever. Families up and down the socioeconomic spectrum know that college or vocational training has the highest impact on future financial stability and growth. It's a high-stakes, overwhelming phase of life.

Allocating the resources to college & career preparation must come with some promise of return on that investment. And in this case, that return is often the ability to either reduce or altogether avoid common business operation costs resulting from overtaxed and uncaredfor employees.

Reduce employee stress:

- 92% of employees consider helping their children plan for college or a career to be a source of significant stress⁴
- 1 in 2 parents want to be “very involved in their child’s college admission process because they “don’t think the school will do enough”⁴
- 84% of employees use time at work to help their children plan for college or start a career⁴



Support financial wellness & combat parental student debt:

- Student borrowing is decreasing but **parent borrowing for children is increasing** – fueled by change in rules and aggressive marketing by lenders
- In 2020, 1 out of every 4 federal student loan dollars went to parents⁵
- 40% of student loan payers are helping someone else pay⁶
- 1 in 10 parents are in default 2 years after the student graduates⁷
- 80% of these parent borrowers came from low-income households⁷
- 90% of undergraduate private loans were cosigned by someone else during the 2020-21 academic year⁷

⁴ MyKlovr Employee Attitudes Survey 2021

⁵ Newsweek, 2022 “Parent Loans ‘Fraught With Peril’ As Default Rates Hit 20, 30 Percent at Many Colleges”

⁶ NPR 2020 “A Family Affair: Others Often Chip In To Help Pay Off Student Loans”

⁷ Institute for College Access & Success report “Student Debt and the class of 2020”

Attract and retain top talent:

- 1 in 3 employees selected college & career planning assistance as the single most compelling employee benefit among options that included additional guidance on retirement, health care and student debt.⁴
- **Recruit** – 72% of employees say their choice to take a job would be affected by employer willingness to offer family college & career counseling benefits. ⁴
- **Retain** – 70% of employees say they would be more likely to stay with their current employer due to receiving family college & career counseling benefits. ⁴
- **Recommend** – 74% of employees say they would be more likely to recommend their current employer to a friend due to receiving family college & career benefits.⁴

Reduce Absenteeism

Financial and family worries are consuming more and more American workers. Loss of productivity from stress-related absenteeism costs employers \$255.8 billion every year, or \$1,685 per employee.

- Employees experiencing stress show a 114% increase in absenteeism.

Reduce Presenteeism:

Not only are workers missing full days due to spillover stress from home, but they're also missing meetings, struggling to collaborate with colleagues and are less productive during their workday.

- 10-20 hours of lost productivity per employee / per month by employees who are dealing with spillover stress from home.

How to Communicate the Business Value of College & Career Preparation Benefits

Several people in your organization may be convinced of the necessity to invest in college & career preparation for employee families, but the case still needs to be made to managers or your CFO.

Here are some common questions from stakeholders and how to help them understand the business value of college and career preparation for employee families.

Question: Only a portion of our employees have high school age children. What about the rest?

Around 15-20% of a given employee population usually has high school age children. While many counseling solutions support only employee children, others like myKlovr allow employees to extend benefits to siblings, grandchildren, nieces nephews and cousins.

This increases an eligible population to around 80% who have a student in their extended family⁴

Question: But our employees aren't asking for a college & career counseling benefit for their family. Why should we provide one anyway?

Simply put, they likely don't know that help is an option. When given the chance, 1 in 3 employees selected college & career counseling as the single most compelling employee benefit among options that included additional guidance on retirement, health care and student debt.

Sending a student to college or helping them start their career after high school is the largest financial decision a family takes on apart from purchasing their first home. It is a decision with ramifications throughout life for both the student and their family. Schools are sorely under resourced, the application process is opaque, practices by lenders and schools can be predatory, and families lack the knowledge to navigate this landscape successfully.

Your employees need all the help they can get to make smart decisions for their family's future.

Question: Can't families just do it on their own?

A decision of this magnitude deserves expert input.

Around 40% of students applying to college are the first in their families to do so. They often face challenges navigating an unfamiliar admissions process. Even for parents with a degree, their children face an admissions process and social climate much different than the one they went through decades prior.

Wealthy families may be able to hire Personal College Counselors but their price tag – which can be upwards of \$10,000 per child – put them far out of reach for the average family.

Setting out on your own can lead to information overload. Different websites offer conflicting advice. You never know which 'expert' you can trust. Family or friends may mean well, but few are qualified to give real advice.

Moreover, deep inequities based on wealth and race contribute to lack of access to adequate guidance and information on college and career readiness for many families.



What to Consider in Your College & Career Counseling Solution

When it's clear that offering college and career counseling to employee families is not only a worthy endeavor but also makes good business sense, here's what to look for in a solution:

Look for a solution that has flexibility to serve the largest employee population.

Helping plan for a student's future is an affair for the whole family – not the children of employees. This can be especially true for close-knit immigrant families, and those looking to send a family member to college for the first time.

It can be common for siblings, aunts, uncles, grandparents, and cousins and more to chip in and support a decision. An employee should be able to share their benefits with extended family accordingly.

Avoid a one-size-fits-all solution that steers everyone to a 4-year degree.

While a 4-year degree from a university is an excellent option for many students, there are many roads to personal success and financial stability.

Look for a college & career counseling solution that covers ALL options including 2-year colleges, vocational programs, career and technical certifications as well as the option to enter the workforce after graduation.

Pay close attention to counselor qualifications.

The value of counseling is predicated on the qualifications of the experts delivering the advice. Look for a

solution that highlights their qualifications and background.

Ensure that all users will receive advice from qualified experts with relevant experience (not just those who pay more).

Support anywhere, anytime, free of hourly caps or limitations.

Seek a solution that meets your employees where they are, on their terms. Look for companies that offer students long-term engagements and preparation throughout high school vs. last mile solutions.

Try to avoid services where employees must make appointments or worry about burning hours with questions.

Be wary of loan brokers disguised as counseling solutions.

Ensure that a company is independent and unbiased. That they do not represent any financial firms or products or benefit in any way from decisions made by your family.

Look for a meaningful level of engagement and impact.

Programs where families can talk to a counselor one or two times may make good window dressing but are unlikely to make the impact you were hoping for. Look for solutions that have multiple touchpoints with both students and parents throughout the entire time they are in high school.

Supporting Your Employees With Meaningful College & Career Counseling

Providing an employee with the right resources at the right time to support their family can be life changing. Adequately addressing the stress, uncertainty, opaque processes, and complex financial decisions can't come from under-resourced schools or DIY solutions. Meaningful support starts with giving employees access to personalized expert college & career guidance, whenever and wherever they need it so they can face the future with confidence.

With a comprehensive, virtual, AI-powered college and career counseling solution like myKlovr, your organization can:

- **Reduce employee stress**
- **Boost employee financial wellness**
- **Decrease rates of absenteeism, presenteeism and create a healthier, more productive work environment**
- **Attract talent and grow workforce by offering competitive benefits that are highly desired and relevant to today's challenges.**
- **Invest wisely and compassionately in the well-being of your employees**