



Scholarship Management Services®

A Division of Scholarship America®



Talent Development and Tuition Assistance Survey

In June of 2011, Scholarship Management Services® (SMS), the nation's premier administrator of educational assistance programs, conducted an annual survey of its clients and other large corporations to learn more about their talent development and tuition assistance strategies. The following report provides the results of the survey and examines the benefits provided by corporations for their employees' education.

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Survey Results

Despite the still difficult economic environment, corporations remain highly focused on talent development. Offering educational benefits to employees is one of the essential strategies in recruiting and retaining a talented workforce. This year's talent development and tuition assistance survey continues to track employers' interest in providing educational benefits, as well as, specific program parameters, such as, financial contribution, usage and measurement. At a high-level, corporations are focused on the development of their employees; more than 87.1% of respondents stated they support employees financially with their educational expenses.

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The level of per participant spending in the area of tuition assistance and reimbursement has not changed significantly since last year. As seen in Figure 1, the majority of companies that responded allow \$5,250 or more per employee. The exact amount of \$5,250 is most commonly offered because \$5,250 is the amount allowed as “tax free” tuition assistance benefits per year. Of the roughly one-third of companies that allow less than \$5,250, the average amount of assistance is \$3,100. For those companies with variable plans, the amount of assistance varies depending on the type of courses taken; often times more than \$5,250 is given to those pursuing graduate degrees.

Employee participation rates have increased slightly compared to last year. The majority of companies surveyed have participation rates between 1 and 5%. The most sizeable change from last year was the drop in the number of respondents who did not know their company’s participation rate (14% in 2011 vs. 24% in 2010).

Undergraduate and Graduate courses are the most commonly covered courses with 95.2% and 87.6% respectively. Online courses and certificate programs are split fairly evenly with about 50% of respondents indicating their company covers those courses. A smaller number of companies financially support continuing education (40%), doctorate (37.1%), licenses (34.3%) or accelerated courses (33.3%).

Figure 1: Annual Allotment per Employee

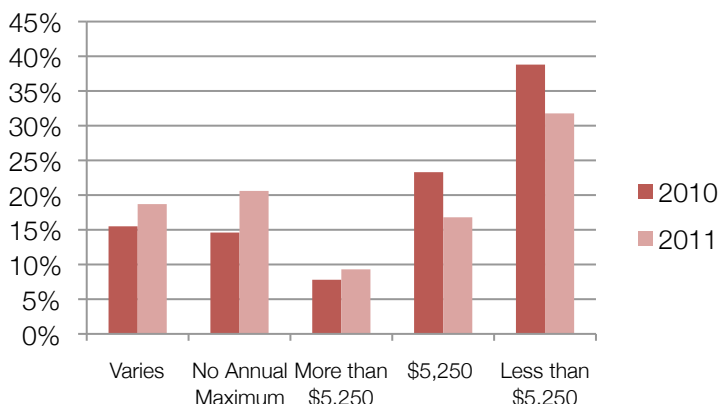


Figure 2: Employee Participation Rates

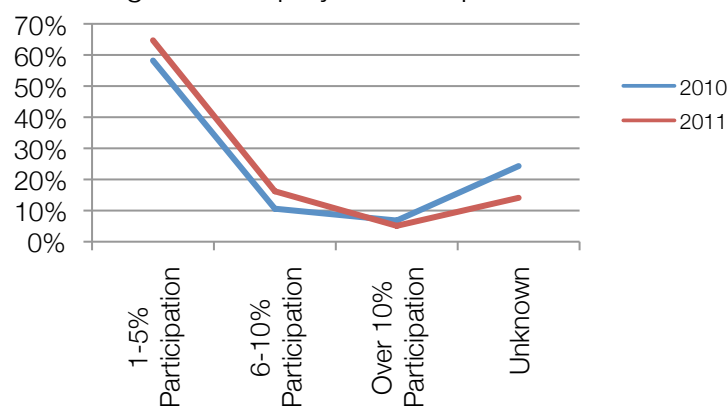
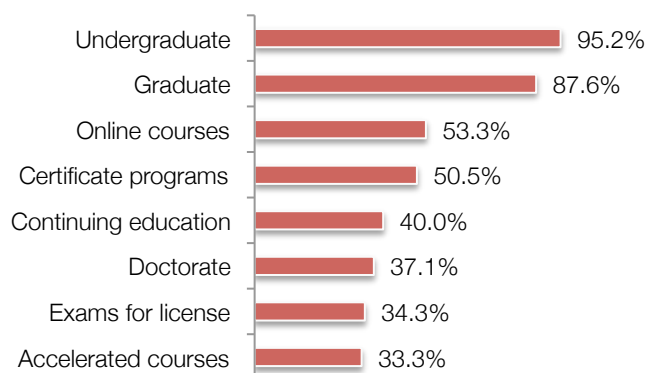


Figure 3: Courses Covered



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SMS has seen an increased acceptance of online courses; our survey indicates a little more than 50% of companies financially support online classes. In addition, approximately 51% of respondents believe online courses are as effective as traditional, in-person classroom courses. SMS will continue to monitor the trends of online courses and institutions.

It is extremely important for companies that offer tuition assistance and talent development programs to demonstrate the value of their programs. One way to demonstrate value is to measure and track results. In general, for the majority of respondents defined metrics for their program are tracked and measured. The most commonly measured by metrics include, distribution amount (48.5%) and participation rates (41.6%), followed by school (31.7%), major (25.7%) and course type (24.8%).

A growing trend in the area of talent development is to offer additional benefits to employees. These benefits include educational advising, tuition reductions through partnerships with colleges and incorporating tuition assistance with a company's overall learning management system (LMS). Offering these additional benefits saves costs for the employee as well as maximizes the benefits of a company's overall educational spend.

Figure 4: Effectiveness of Online Courses

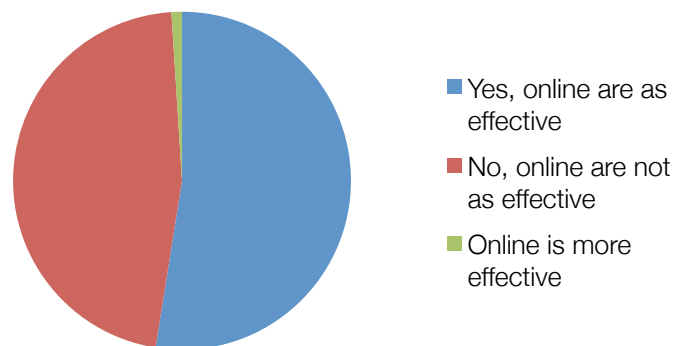


Figure 5: Metrics Tracked and Measured

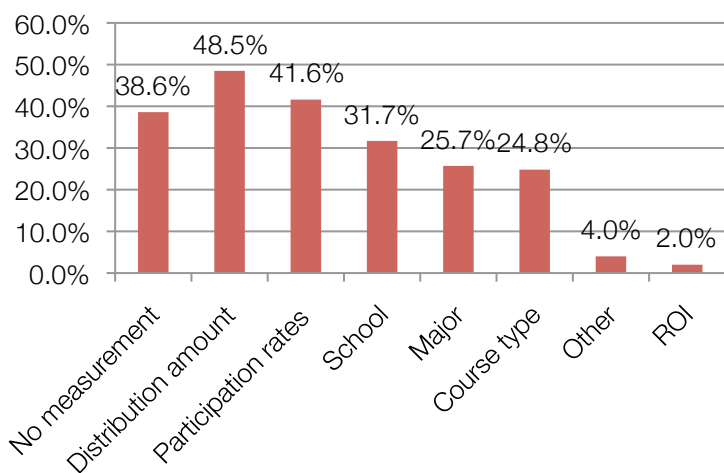


Figure 6: Additional Benefits

