

CASBO 2017

LEVERAGING STUDENT LOAN SOLUTIONS TO INCREASE RETENTION
AND RECRUITMENT

What we believe

Educators are taking care of our children's future, and we believe they deserve someone to look after theirs.



Making Dreams Possible



Auto



Home



Life

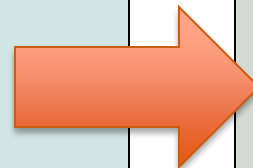


Retirement

Individual issues become district issues

Educator financial issues

- Not saving enough (or at all)
- Uncertainty about pensions and Social Security
- Not making enough to pay off student loan debt
- Spending own money in the classroom



Effect on school districts

- Strains on attracting and retaining talent
- Diminished employee morale
- Lower productivity
- Employees working longer, resulting in higher benefit costs

Student loan debt impacts individuals and districts

- Student loan debt nationwide tops **\$1.2 trillion** — more than credit card debt or auto loans
- Average student loan debt is more than **\$35,000** — which can be close to a full year's salary for a new teacher (\$36,141)
- 71% of educators agree: “For many young teachers today, student loan debt is the difference between wanting to continue to teach and **wanting to change career paths** to a career that pays better.”



We can help: Student Loan Solutions

Horace Mann has a **suite of solutions** to help your employees manage student loan debt and help them get on the road to financial success.



✓ REMOVE

Educators may qualify for federal forgiveness programs to remove some or all of debt.

✓ REDUCE

Loan repayment and refinance options may reduce monthly payments.

✓ REDIRECT

Redirect any savings to prepare for other life goals, such as retirement.

Remove some or all of student loan debt

Your employees may be eligible for federal forgiveness programs if they're:

- A full-time teacher who has taught or will teach in a qualified low income school for 5 consecutive years
(Teacher Loan Forgiveness)
- A school employee or other qualifying public service employee who has made 120 qualifying payments
(Public Service Loan Forgiveness)
- A Perkins loan borrower
- A Direct Parent PLUS loan borrower

✓ REMOVE

✓ REDUCE

✓ REDIRECT



Repayment plans based on income

Income-driven repayment options may reduce monthly payments and make them more manageable.

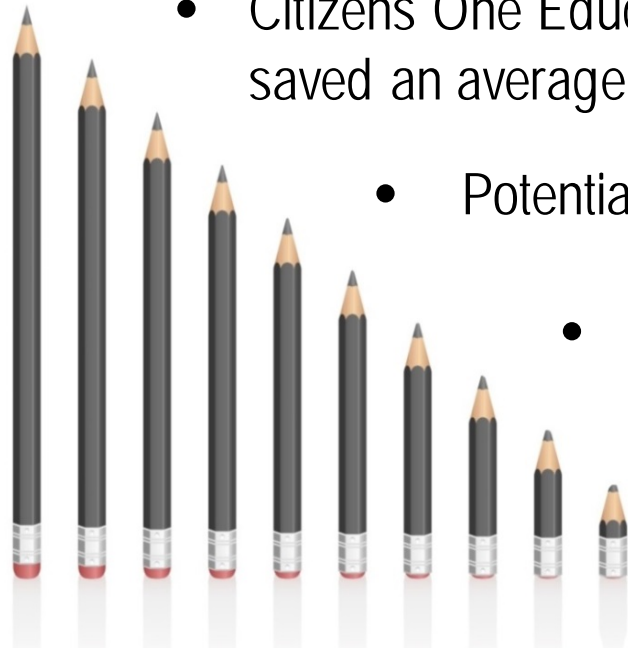
- ✓ REMOVE
- ✓ **REDUCE**
- ✓ REDIRECT



- Income based (IBR)
- Pay as you earn (PAYE)
- Income contingent (ICR)
- Income sensitive
- Revised pay as you earn (REPAYE)

Generally, when you make lower payments or extend your repayment period, you will pay more in interest over time.

Refinancing may be the right option



- Citizens One Education Refinance Loan[®] customers saved an average of \$137/month¹
 - Potential to lower interest rate²
 - Potential to lower monthly payment²
 - Potential to increase monthly cash flow to redirect to retirement²

✓ REMOVE
✓ REDUCE
✓ REDIRECT



1. Average savings based on 33,437 actual customers who refinanced their federal and private student loans through Citizens One between January 6, 2014 and March 31, 2016. The borrower's savings might vary based on the interest rates, balances and remaining repayment term of the loans they are seeking to refinance. The borrower's overall repayment amount may be higher than the loans they are refinancing even if their monthly payments are lower. Refinancing provided by Citizens One. **Refinancing a federal student loan will make borrower ineligible for loan forgiveness programs, could lengthen the repayment period of the loan, and would waive any current and future benefits of the program.** 2. For eligible applicants of Citizens One Education Refinance Loans. For information on eligibility requirements go to <https://studentloans.citizensone.com/lr/ERL?HoraceMann>. Citizens One is a brand name of Citizens Bank, N.A. and Citizens Bank of Pennsylvania. Member FDIC.

Horace Mann receives compensation from Citizens One for each loan funded through this program. Horace Mann and Citizens One are unaffiliated.

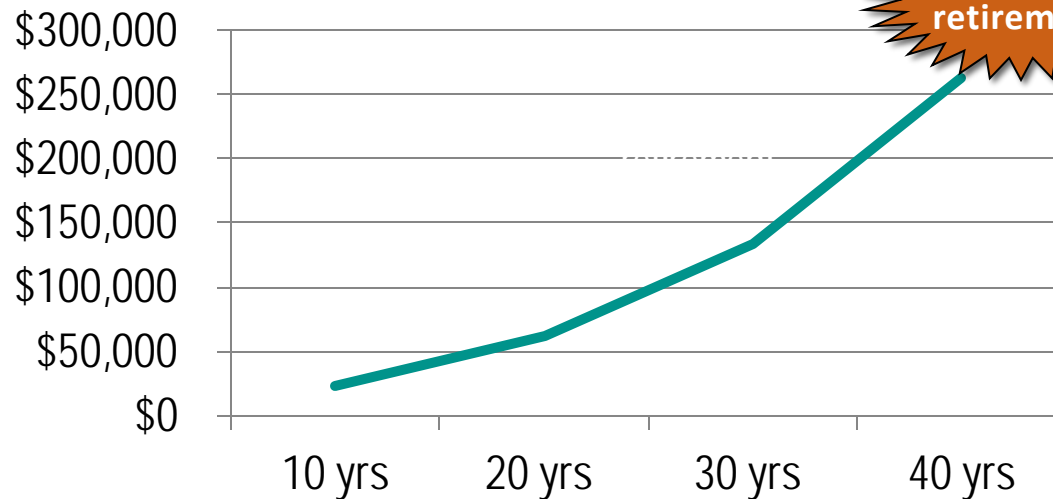


Redirect to their future

Encourage employees to redirect saved dollars to help achieve long-term financial goals.

- ✓ REMOVE
- ✓ REDUCE
- ✓ **REDIRECT**

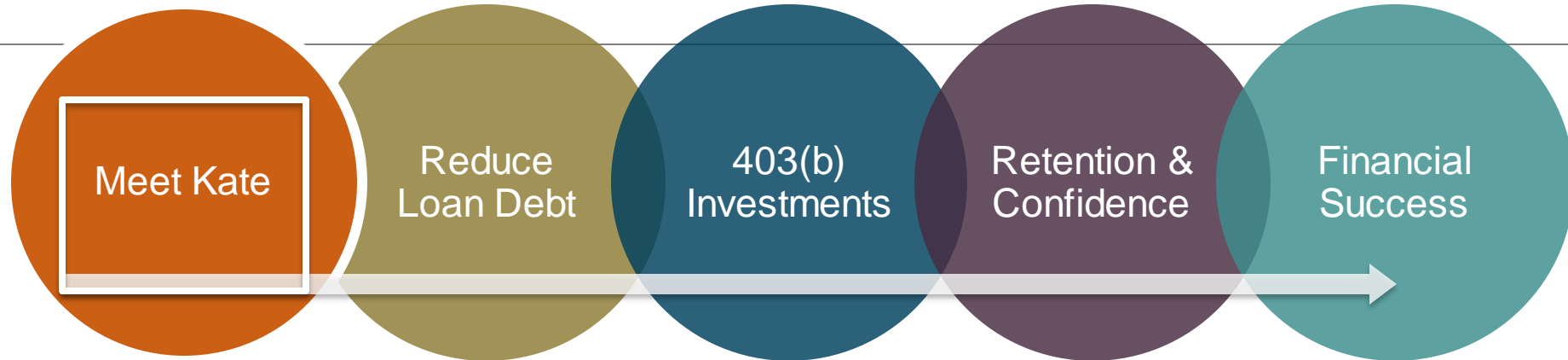
If they save \$137 in monthly student loan payments and invest it, look at how much they can earn...



Assumes 6% annual earnings and no withdrawals. Results are hypothetical for illustrative purposes only and do not reflect the performance of any specific investment.

See how it works...

\$40,000 in debt eliminated and **\$60,000** in retirement savings gained



Meet Kate

Age: **24**
 Student Loan Debt: **\$40,000**
 Monthly Payments: **\$350**
 Retirement Savings: **\$0**

Income-based Repayments

Old Loan Payment: **\$350**
 New Loan Payment: **\$90**

Save for the future

Old Investment/mo: **\$0**
 New Investment/mo: **\$260**
 Adjusted Loan Payment: **\$0**

Continue teaching

Continue teaching: **10 years**
 Continue investing: **\$260**

Goals achieved

Age: **34**
 Debt eliminated: **\$40,000+**
 Total saved for retirement: **\$60,000+**

*403(b) investments assume 6% annual earnings and no withdrawals.
 Results are hypothetical for illustrative purposes only and do not reflect the performance of any specific investment.*



What's next?



Schedule a workshop in your school!

- Student Loan Solutions
- Classroom funding
- Educator-focused financial products
- Understanding your district's retirement plan



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