

# Abbott Announces Freedom 2 Save Program For Employees To Address Student Debt

- Two-Thirds of Millennials Aren't Saving for Retirement
- Benefit Means Student Debt Won't Prevent Retirement Savings

ABBOTT PARK, Ill., June 26, 2018 /PRNewswire/ -- Historic levels of student debt have forced many people to choose between saving for their futures and paying off school loans. Abbott (NYSE: ABT) today announced a groundbreaking program that addresses the student debt crisis and changes that math.

Abbott's Freedom 2 Save program will enable full-time and part-time employees who qualify for the company's 401(k) – and who are also contributing 2 percent of their eligible pay toward student loans – to receive an amount equivalent to the company's traditional 5 percent "match" deposited into their 401(k) plans. Program recipients will receive the match without requiring any 401(k) contribution of their own.

The benefit responds to recent financial challenges facing young employees – many of whom have undergraduate and advanced degrees in science, engineering and business fields – and adds to the strong appeal of joining the Abbott family.

"We see our young professionals coming to us with a problem: Student loan debt payments keep them from setting aside the money they'd like to put in savings for retirement," said Steve Fussell, executive vice president, Human Resources, Abbott. "With every decade you wait to start saving for retirement, the [amount you need to save roughly doubles](#). This plan will give participants savings equal to our company 401(k) match if they are putting at least 2 percent of their pay toward reducing their student loans. Helping them with this challenge is the right thing to do."

Americans collectively owe [\\$1.5 trillion](#) in student loans, [about \\$39,400](#) for a typical 2017 college graduate, or \$620 billion more than the country's total outstanding consumer credit card debt. Federal statistics show the average borrower aged 20 to 30 owes [\\$350 a month](#) to service their student loans; those payments often mean there's nothing left for traditional retirement plans. In fact, about [66 percent of millennials](#) don't have anything saved for retirement, with many resigned to working longer to help make up the gap.

Abbott competes for the best and brightest minds who have earned degrees ranging from science and engineering to sales and business development. The company hired more than 1,000 people under the age of 35 last year in the United States, the vast majority of whom had college degrees. In fact, more than a third of those 31-35 had a master's degree and another third had a doctorate degree.

One of those hires was Rariety Monford, 26, an engineer in the company's professional development program, who says she plans to take advantage of Freedom 2 Save.

"I was out-of-state for my biomedical engineering degree, so my student loans are well more than the average," Monford said. "Paying it off is my No. 1 goal. Abbott also has a tuition assistance program that I intend to use when I start graduate school in the fall, but the Freedom 2 Save program will be a huge help in making sure I'm saving for the future, while still aggressively paying off my loans."

For those who choose to take advantage of Abbott's innovative program like Monford, here's what it could look like:

Someone who joins Abbott with starting annual pay of \$70,000 and takes advantage of this program could see \$54,000 accumulate in his or her 401(k) account over a 10-year period, assuming a 6 percent average annual return and yearly merit pay increases of 3 percent – without any 401(k) contribution of their own. That amount could be worth hundreds of thousands of dollars in additional retirement savings by age 60.

"Our employees have invested a lot in themselves to earn their way into Abbott, and we don't want student loans to prevent them from beginning to save when time is on their side," Fussell said. "With this program, we're changing the retirement savings formula."

The benefit pairs with Abbott's industry-recognized total benefits package that includes medical coverage, health and wellness programs, commuter benefits, childcare solutions, and an array of innovative retirement programs.

## ABOUT ABBOTT

At Abbott, we're committed to helping people live their best possible life through the power of health. For more than 125 years, we've brought new products and technologies to the world – in nutrition, diagnostics, medical devices and branded generic pharmaceuticals – that create more possibilities for more people at all stages of life. Today, 99,000 of us are working to help people live not just longer, but better, in the more than 150 countries we serve.

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