

Starbucks ups college plan to 4 years

Starbucks is expanding its college tuition reimbursement program for workers. The coffee chain will now cover the entire cost of an online undergraduate degree.

Starbucks soon may find itself almost as famous for college diplomas as it is for java.

The coffee giant late Monday announced it was doubling its free college tuition plan for employees to cover a full four years of college instead of two. It also will offer employees faster tuition reimbursement — after every semester instead of after completing 21 class credits.

The program, in partnership with Arizona State University, offers all eligible full-time and part-time employees full tuition coverage for a four-year bachelor's degree through ASU's online degree program. Starbucks says it will invest up to \$250 million or more to help at least 25,000 employees graduate by 2025.

The average tuition cost for four years at ASU Online is \$60,000. "By giving our partners access to four years of full tuition coverage, we provide them with a critical tool for a lifelong opportunity," says Starbucks CEO Howard Schultz, in a statement. "We're stronger as a nation when everyone is afforded a pathway to success."

At a time when college tuition costs have escalated into the stratosphere, the announcement is potentially a major professional and morale booster for thousands of Starbucks employees. More than 144,000 employees would currently qualify for the free tuition, says Starbucks spokeswoman Linda Mills.

College tuition costs jumped about 3% in the 2014-15 school year, with in-state tuition at four-year public schools averaging \$9,139 for the school year and out-of-state tuition at public schools averaging \$22,958, reports the College Board. Tuition at private, non-profit schools averaged \$31,231, the College Board estimates.

The move would seem to give Starbucks a huge public relations boost at a time when it could use one. The Seattle chain faced intense social-media criticism last month after it rolled out a "Race Together" program — along with USA TODAY — to stimulate conversation and action on America's racial divide. The program, which included one week of baristas writing the words "Race Together" on customers' cups, was widely ridiculed as naive.

"Compared to the Race Together idea, which was as half-baked as it gets, this idea is a home run on several levels," said Peter Madden, CEO of AgileCat, a brand consultancy. "It's a big bounce back for Starbucks."

Nearly 2,000 Starbucks employees have already enrolled in the program, which offers 49 undergraduate degree programs through ASU Online.

"It taps into the soul of their brand: community," says Madden. "To give an employee four years of free college is to say, 'We care about you and want you to have your best possible life.'"

Employees have no commitment to remain at the company past graduation.

Identifying Cause-and-effect Relationships

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