

More student loans, more being borrowed in 2010

Embargoed until 10:45am – 02 December 2011

The number of people borrowing through the student loan scheme in 2010 increased by 6.9 percent on 2009 to reach 212,469 borrowers, Statistics New Zealand said today. The number of allowance recipients also increased in 2010, up 16.4 percent to 93,942 recipients. Participation in the student loan scheme continues to rise (45.6 percent of all students are using the student loan scheme, up from 42.5 percent in 2009) despite enrolments being down slightly from 2009.

Students borrowed on average \$7,300 in 2010, \$310 more than in 2009. This was the largest annual increase in amount borrowed since the student loan scheme began and was mainly due to students borrowing more for course fees, particularly at universities.

First-year income for those leaving study in 2009 was down 4.5 percent compared with leavers in the previous year. This decrease in income reflects the impact of the recession on the labour market, and was most significant for leavers aged 20–24 years (down 7.0 percent).

“We saw more students accessing the student loan scheme, and lower income for students entering the workforce in 2010. These are both likely to be effects of the state of the 2010 economy,” industry and labour statistics manager Diane Ramsay said.

Although income was down, completing a qualification appears to significantly increase both post study earnings and wage growth, particularly for students aged 20–24 years. Income of graduates who left study in 2005 who were aged 20–24 years had increased by 41.0 percent by 2010, whereas income of those who did not complete their qualification increased by 31.9 percent. By 2010, those graduates were receiving on average 27.7 percent more income than their counterparts who had not completed their qualification (\$45,240 compared to \$35,430, respectively).

Clare Ward
Acting Government Statistician

2 December 2011

END

For media enquiries contact:
Diane Ramsay
Wellington 04 931 4600
Email: info@stats.govt.nz

For further information:
Roger Smyth – Ministry of Education
Manager, Tertiary Sector Performance and Reporting
Ph: 021 120 7757