

Student Loans and Allowances: 2011

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Key facts

In 2011:

- 48.1 percent of tertiary students took out a student loan (up from 45.6 percent in 2010).
- 431,313 students were enrolled in tertiary education (34,335 fewer than 2010).
- 207,312 students borrowed from the Student Loan Scheme (5,160 fewer than 2010).
- Students borrowed an average of \$7,630 in the year (up 4.5 percent from 2010).
- 22.6 percent of tertiary students received a student allowance (up from 20.2 percent in 2010).
- 97,308 students received a student allowance (up 3.6 percent from 2010).

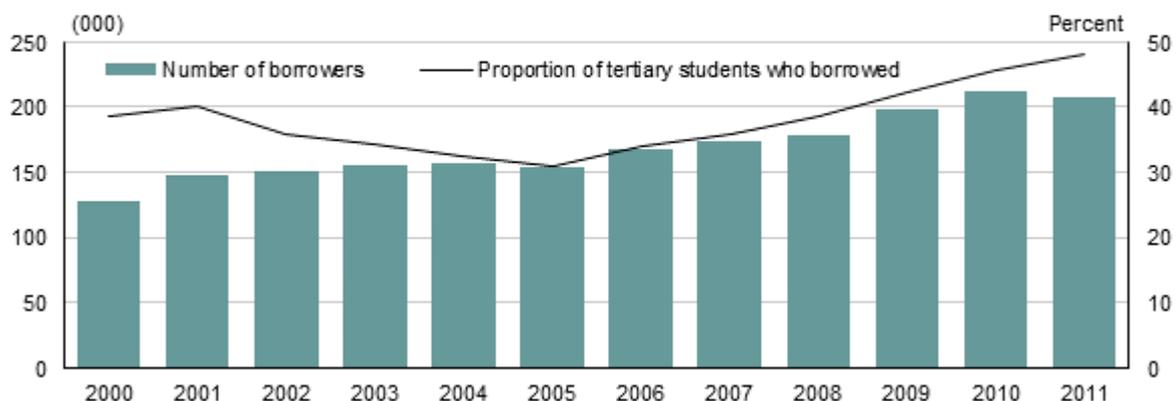
Of borrowers who left study in 2010:

- The average student loan leaving debt was \$16,050 (up 4.8 percent from borrowers who left study in 2009).
- Those who studied at bachelor's level had an average student loan leaving debt of \$22,060 (up 2.5 percent from borrowers who left study in 2009).

Of students who left study in 2005:

- Graduates had repaid an average 37.0 percent of their student loan five years post-study.
- Non-graduates had repaid an average 26.6 percent of their student loan five years post-study.

Student loan borrowers and proportion of students who borrowed
2000–11



Source: Statistics New Zealand

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Government Statistician

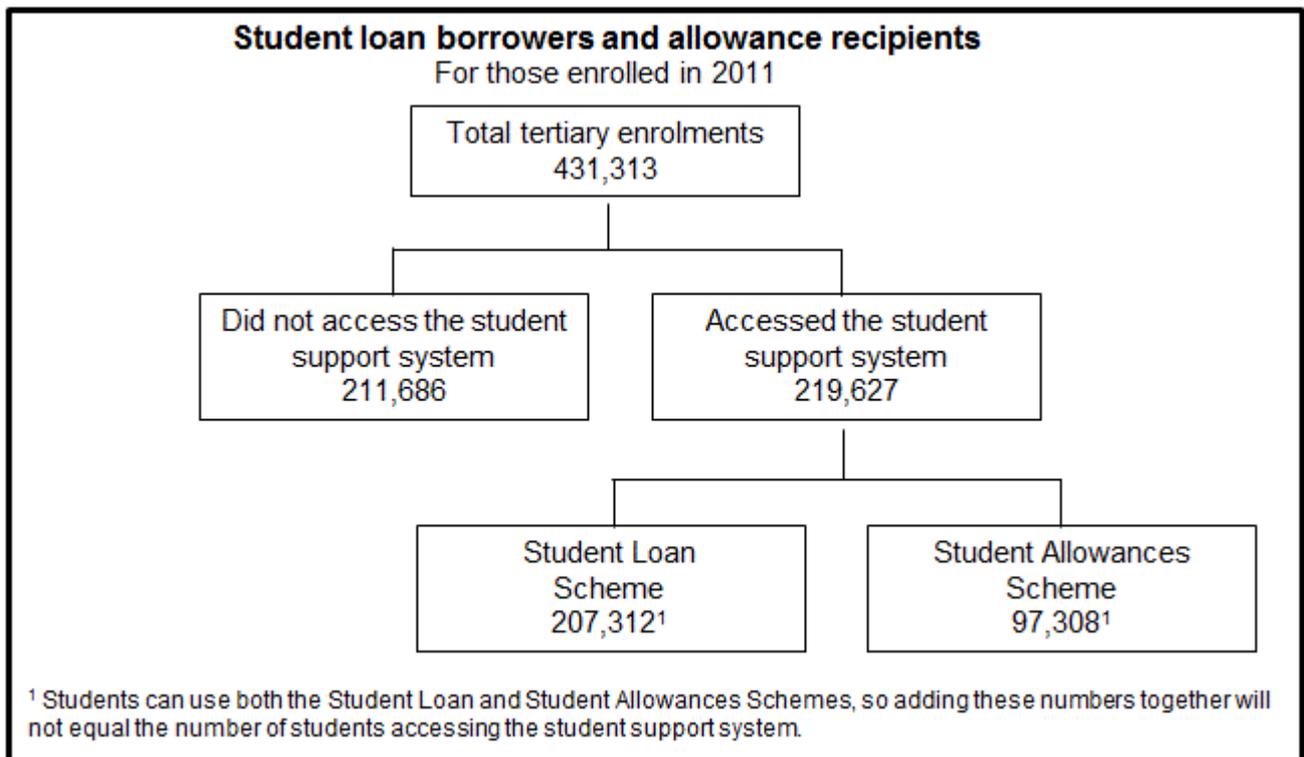
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Commentary

- Uptake of student loans continues to increase in 2011
- Number of first-time student loan borrowers down
- Average amount borrowed continues to get bigger
- Borrowers leave tertiary study with more debt
- Average repayments rise
- Higher proportion of loans being fully repaid within five years
- Number of student allowance recipients rises

The Student Loans and Allowances 2011 information release reports on students who accessed the student support system while participating in tertiary education. The student support system includes the Student Loan Scheme and the Student Allowances Scheme.

See [Definitions](#) section for more details.

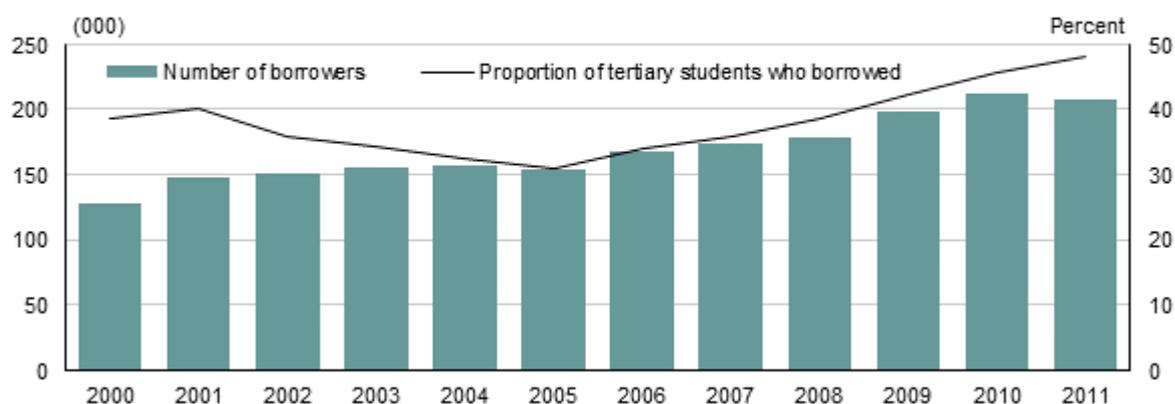


Uptake of student loans continues to increase in 2011

The total number of tertiary students enrolled decreased 7.4 percent in 2011, but the total number of student loan borrowers only decreased 2.4 percent. This led to the proportion of tertiary students using the Student Loan Scheme increasing to 48.1 percent in 2011, up from 45.6 percent in 2010. The proportion has been increasing since 2006, when the interest-free student loans policy was introduced.

Not all students are eligible to borrow from the Student Loan Scheme; the Ministry of Education estimates that about 74 percent of those eligible to borrow in 2011 did so, the same proportion as in 2010.

Student loan borrowers and proportion of students who borrowed 2000–11



Source: Statistics New Zealand

Level of study

The biggest decrease in the number of borrowers in 2011 was for those studying for level 1–3 certificates, down almost 11 percent. Bachelor-level study accounted for almost half of all borrowers. Borrowing at this level was down 0.4 percent, to around 106,000 borrowers. Master's and doctorate students were the only levels of study with more borrowers in 2011.

Number of first-time student loan borrowers down

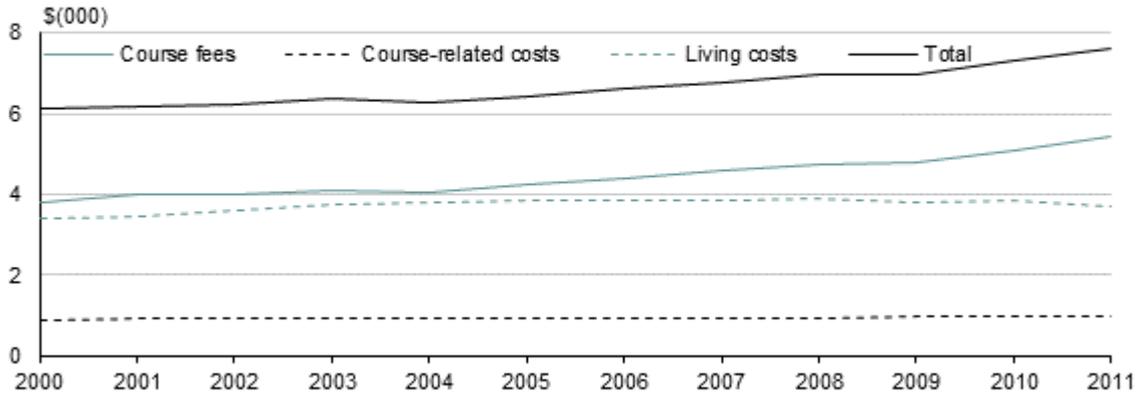
There were 54,735 students borrowing for the first time in 2011, down 10 percent from 2010. The number of new borrowers decreased across all levels of study in 2011. The largest fall in the number of new borrowers was for those studying at bachelor's level, down 2,784 students (11.3 percent) to 21,960.

Average amount borrowed continues to get bigger

The Student Loan Scheme has three components: course fees, course-related costs, and living costs. The average total amount borrowed by a student in 2011 was \$7,630, up 4.5 percent from 2010. This is the highest average amount borrowed since 2000 and included a 7.1 percent increase in the average amount borrowed for course fees. For living costs, the average amount decreased 3.1 percent, and for course-related costs the average borrowed has remained flat, at \$990 – just below the maximum of \$1,000.

Average amount borrowed by student loan borrowers

By loan component
2000–11



Source: Statistics New Zealand

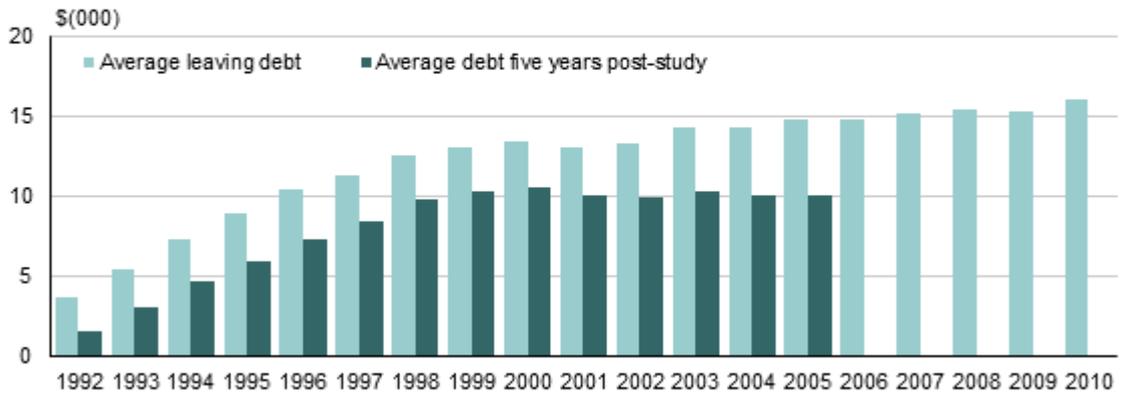
Borrowers leave tertiary study with more debt

Borrowers who left study in 2010 had an average student loan leaving debt of \$16,050, up almost 5 percent compared with 2009 leavers. This is the largest average leaving debt since the Student Loan Scheme was introduced in 1992. Borrowers who studied at bachelor's level and left study in 2010 had an average student loan leaving debt of \$22,060, up 2.5 percent from 2009.

Average repayments rise

Borrowers who left study in 2005 had an average student loan leaving debt of \$14,730 – by 2010 they had repaid 32.2 percent. Borrowers who left study in 2004 had an average student loan leaving debt of \$14,240, and had repaid 29.2 percent by 2009.

**Average student loan leaving debt and
average debt five years post-study**
By year of leaving study
1992–2010

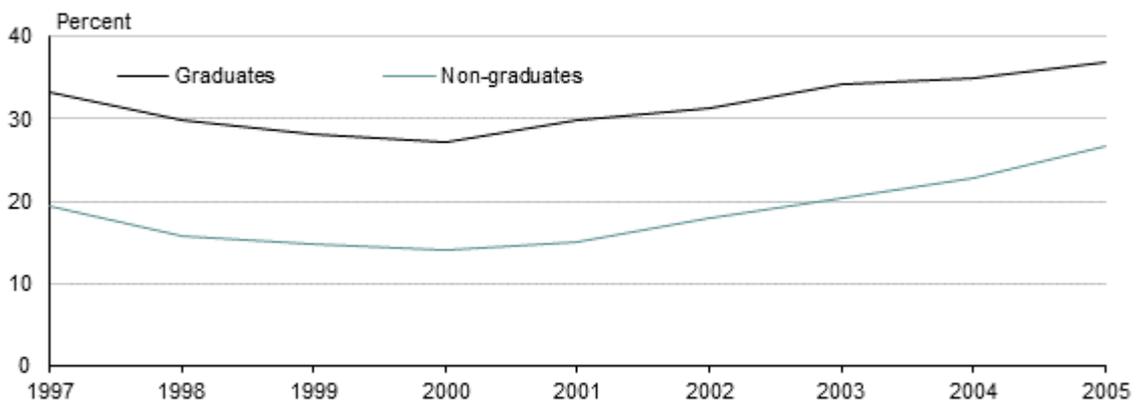


Source: Statistics New Zealand

Graduates repay faster

Graduates have higher average leaving debt than non-graduates, but their higher income from paid employment allows them to pay back their loan faster. For graduates who left in 2005, their average income from paid employment was \$43,770 in 2010, about 22 percent higher than for non-graduates. These graduates had repaid an average 37.0 percent of their loan within five years, compared with an average 26.6 percent for students who left study without completing their qualification.

**Average percentage of debt repaid five years post-study
by graduates and non-graduates**
By year of leaving study
1997–2005



Source: Statistics New Zealand

Higher proportion of loans being fully repaid within five years

For students who left study in 2005, 38.0 percent had fully repaid their student loan debt within five years. Based on modelling for future repayments, the Ministry of Education forecasted the median repayment time for those leaving study in 2005 as seven years.

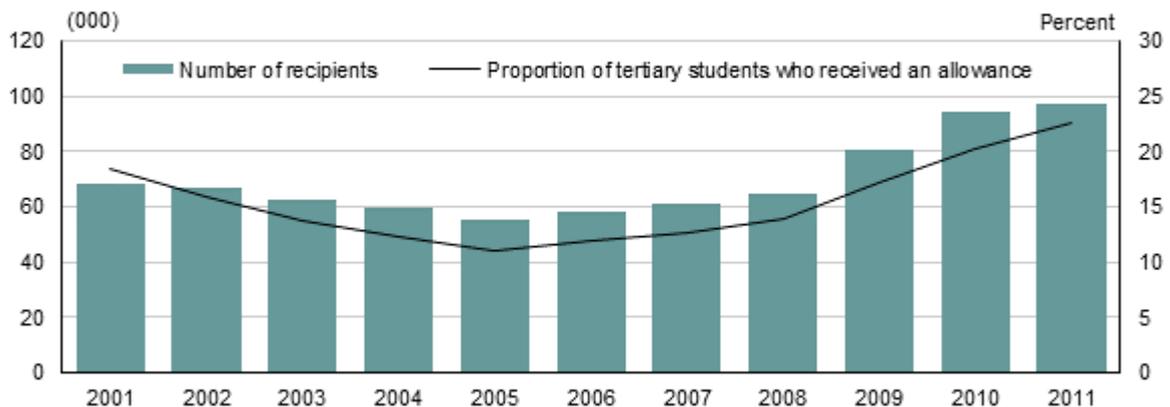
Number of student allowance recipients rises

The Student Allowances Scheme provides financial support to eligible students during their time of study. Student allowances, unlike student loans, do not have to be repaid.

The number of students receiving a student allowance in 2011 increased 3.6 percent, to 97,308 students. This continued the increasing trend that began in 2006. The proportion of all tertiary education students accessing the Student Allowances Scheme in 2011 was 22.6 percent, up from 20.2 percent in 2010.

The increase in the number of allowance recipients began in 2006, and most likely reflects the increased parental income threshold since then. The economic downturn has meant some families have experienced reduced earnings, which has led to more students being eligible for allowance funding.

Student allowance recipients and proportion of students receiving an allowance
2001–11

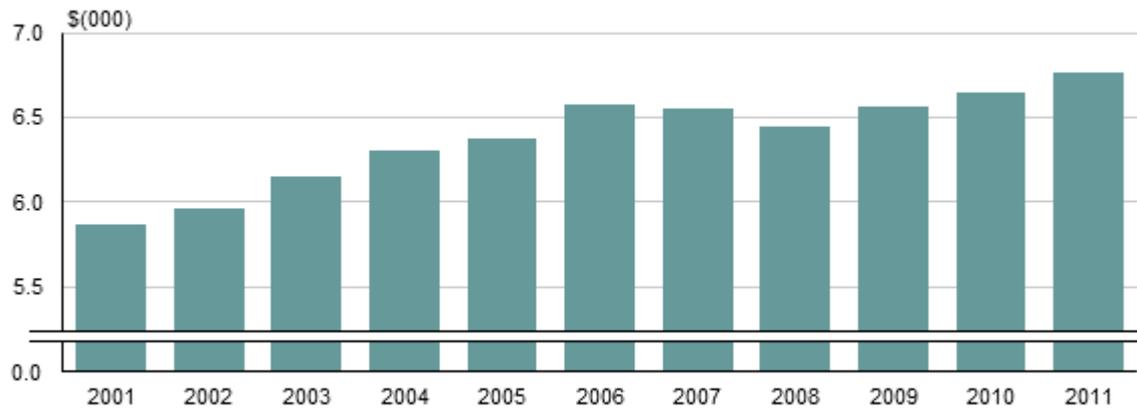


Source: Statistics New Zealand

Average amount received increases

The average student allowance amount received in 2011 was \$6,770, 1.8 percent higher than in 2010. The average student allowance has been increasing since 2009 – the average amount received in 2011 continued the increasing trend started in 2009. The increase in the average student allowance received is likely to reflect the increase in student allowance payment rates.

Average amount received by student allowance recipients 2001–11



Source: Statistics New Zealand

For more detailed data, see the Excel tables in the 'Downloads' box.

Definitions

About the Student Loans and Allowances release

This release includes official statistics on:

- borrowing in a year
- new borrowers
- leaving debt
- repayments
- income after leaving study
- borrowers who have repaid their loan in full
- allowance received in a year.

Statistics New Zealand's integrated data on student loans and allowances links educational information from the Ministry of Education with borrowing and allowance information from the Ministry of Social Development (StudyLink), and income and repayments information from Inland Revenue. This data allows the educational characteristics of student loan borrowers and student allowance recipients to be linked with the details of their loans, allowances, and income.

Each year Statistics NZ links new data from the Ministry of Education, StudyLink, and Inland Revenue to take advantage of revisions, updates, and improvements in data quality. This means that all data in previous releases has been revised.

Student loan: Students can borrow funding to help pay for course fees, course-related costs, and living costs. Students are expected to repay the amount borrowed when they earn over the income threshold. To qualify for a student loan, certain criteria must be met.

Student allowance: Weekly payment to help students with living expenses while studying. This payment does not need to be paid back. However, strict criteria need to be met (eg parental and personal income thresholds) for a student to qualify for an allowance.

See [StudyLink](#) for details on these criteria.

The borrowing and debt referred to in this release relates only to borrowing under the Student Loan Scheme. It does not include bank overdrafts, personal bank loans, loans from parents and family, credit card debt, or hire purchases.

More definitions

Economic variables

Amount borrowed: the amount borrowed from the Student Loan Scheme by a student in a particular calendar year (not the total amount borrowed by the student over all years of study).

Amount received: the amount received as student allowance by a student in a calendar year (not the total amount received by the student over all years of study). This does not need to be paid back.

Leaving debt: the total debt still owing in March following the last year of study. This includes those who had \$0 debt on leaving. For example, if a student last studied in 2001, their leaving

debt is their debt in March of 2002. This data will always be a year behind the release date. For example, in the 2011 dataset on student loans and allowances, leaving debt data is only available for those who left study up to 2010 and did not return the following year.

Debt five years post-study: the total debt still owing in March five years after the last year of study. This includes those who had \$0 debt five years post-study. For example, for those who last studied in 2005, their debt five years post-study is their debt remaining in March 2011.

Income one year post-study: the taxable income earned in the tax year after leaving study. This excludes those with \$0 income. For example, for students who left study in 2006, their one year post-study income is that in the 2007/08 tax year.

Income five years post-study: the taxable income earned in the tax year five years after leaving study. This excludes those with \$0 income. For example, for students who left study in 2006, their five-year post study income is in the 2011/12 tax year.

New borrower: the number of students using the Student Loan Scheme for the first time. Counts of new borrowers are based on the first year of borrowing recorded on the Student Loan Accounts Manager, Ministry of Social Development, or the Inland Revenue system.

Demographic characteristics in this release

Age group: the person's age at 1 July in the year they left study.

Leaving cohort: the year of leaving is determined by the last year an enrolment record is available. Given that some students may return after taking a break from study, leaving cohorts for more recent years may overstate the number of leavers.

Study-related variables

Leaving year: the last year of study for a student, which does not distinguish those who completed their qualification from those who did not. For example, if a student last studied in 2001, then the student is considered to have left study in 2001 and their leaving year is 2001. Completion status, field of study, level, and provider type during the student's last year of study were assigned to their debt, income, and repayment.

Completion status: a student's completion status is determined by whether they have had a qualification awarded within two years of leaving study, at the same or higher level of study as that studied in their final year.

Where a student has a 'completed' status, the level of study, field of study, and provider type relate to the qualification completed. Where a student has a status of 'not completed', the level of study, field of study, and provider type relate to the highest level of study in their final year.

Where a student studied towards, or completed, more than one qualification at the highest level of study in their final year, information about both is included.

Graduate: a student who has left study and has a status of 'completed'. This differs from a leaver, which is any student who has left study (no distinction is made between those who completed their qualification and those who did not).

Level of study: the qualification(s) for which the student was enrolled. Unless specified, this does not distinguish those who completed their qualification from those who did not. A student can be enrolled in more than one level of study; therefore they can be counted in more than one

level in the table. Where this relates to their final year of study, only their highest level of study is used.

Loan components

Course fees: students can borrow the full amount of the compulsory fees charged for tuition by public and private tertiary education providers. These are direct-credited to the borrower's chosen tertiary education provider.

Course-related costs: students can borrow up to \$1,000 each year per loan account for additional expenses associated with tertiary study that are not compulsory. These can include costs such as equipment, textbooks, and field trips.

Living costs: full-time students are eligible for weekly living costs for each week of the course, less any student allowance. Students nominate the amount they wish to draw each week up to the maximum entitlement (\$169.51 per week for the 2011/12 tax year. This is adjusted each year to account for inflation).

Related links

Upcoming releases

Student Loans and Allowances: 2012 is scheduled to be released in December 2013.

[Subscribe to information releases](#), including this one, by completing the online subscription form.

[The release calendar](#) lists all our upcoming information releases by date of release.

Past releases

See [Student Loans and Allowances](#) for links to past information releases.

Related information

The [Student Loans and Allowances: 2005](#) release provides further information regarding the history of the dataset, matching methodology, and student loans policy list.

The [Student Loan Scheme Annual Report: 2012](#) provides across-agency information published by the Ministry of Education.

See [Student loan quarterly reports](#), from Inland Revenue, for information on student loan amounts owed for a particular quarterly period.

See [StudyLink Statistics](#), from the Ministry of Social Development, for further information on loans, allowances, and scholarship payments.

Data quality

- Time periods covered by this release
- Integrated dataset
- Differences between all student loan borrowers and those in the release

Time periods covered by this release

This release provides statistics from the earliest point at which information is available. Due to the nature and source of data, statistics start from different years:

- 1992 – leaving debt, debt five years post-study, and full repayment information is available for those who left study from 1992 onwards
- 1995 – income information is available from 1995 onwards
- 1997 – information on ethnicity, field of study, level of study, completion status, and full provider type is available from 1997 onwards
- 2000 – the amount borrowed in loans or received in allowances in a particular calendar year is available from 2000 onwards

The most-recent data available for each release is for the previous calendar year. This reflects the time required to include income data for salary and wage earners and for those who are self-employed.

Integrated dataset

The statistics in this release were produced using a database of student loans and allowances, and tertiary education data, held by Statistics NZ. An important component of the database is an integrated dataset on student loan borrowers and allowance recipients, which was created by linking administrative records from a number of government agencies:

- individual students' tertiary enrolment and completion data from the Ministry of Education (MoE)
- individual students' borrowing data from the now-defunct student loan account manager (SLAM) provided by Inland Revenue and the MoE
- individual students' borrowing and allowance data (from 1999 onwards for allowances, and 2000 onwards for loans) from StudyLink, a service of the Ministry of Social Development
- individuals' loan balance, repayment, and income data from Inland Revenue.

The integrated dataset is the only data source that links information on borrowers and allowance recipients' income, debt, and repayment with their enrolment details and other characteristics. It includes information on borrowing and allowances, and links records over time, making it a single integrated data source from which to provide statistics for strategic policy and financial analysis

Differences between all student loan borrowers and those in the release

Users should be aware that official statistics on student loans are also published in the annual report of the Student Loan Scheme, published each year by the MoE, and in other MoE reports. The official statistics on student loan borrowers included in this information release may differ from those published in the annual report. This is because the source administrative data was provided to Statistics NZ at a specified cut-off date, which differs from the one used for the

annual report. In addition, the tables in this release use different populations from those in the annual report, and different concepts for those populations.

For example, the data on leaving debt produced by Statistics NZ includes those who leave study with \$0 leaving debt (having repaid their loan while studying), whereas MoE may exclude those who leave with \$0 debt.

The use of probabilistic matching significantly increased the percentage of student loan borrowers whose information was included in the integrated dataset. However, some types of student loan borrowers were still under-represented, even after both stages of matching were completed. Due to the absence of data from the MoE's dataset on students attending private training establishments (PTE) before 2000, the link rate of PTE students before 2000 was around 30 percent. From 2000 onwards, the link rate rose to 91 percent.

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Tables

The following tables are available in Excel format from the 'Downloads' box. If you have problems viewing the files, see [opening files and PDFs](#).

1. Tertiary enrolments and number of students accessing the student support system
2. Student loan borrowers, by level of study
3. New borrowers in year, by level of study
4. Average amount borrowed by loan component, by level of study
5. Number of borrowers and average student loan debt on leaving and five years post-study, for borrowers who left study in a given year
6. Average student loan debt on leaving, for borrowers who left study in a given year
7. Number of borrowers and average income one year and five years post-study, for borrowers who left study in a given year
8. Number of borrowers and average student loan debt on leaving and five years post-study, for borrowers who left study in a given year
9. Average income one year post-study, for borrowers who left study in a given year
10. Average income five years post-study, for borrowers who left study in a given year
11. Percentage of borrowers who fully repaid on leaving study and five years post-study, for borrowers who left study in a given year
12. Student allowance recipients, by level of study