



The Growing Burden of Student Loans

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The New Zealand University Student Association (NZUSA) has been very vocal in criticising the student loan scheme and the government arguments for it. In a recent survey they found that tertiary students on average had a loan balance of \$16,292 whilst students' overall debts were on average \$18,726. This was an increase of 36% since 2001. While NZUSA obviously supports the aim of equality of educational access this should not be achieved by burdening students with large debts which, particularly for women, take many years to pay off.

Instead, a core NZUSA focus is now on advocating for a living allowance for all students no matter what their parents' income is. This would reduce student loans for existing students where their collective debt is already around 7 billion dollars (and rising rapidly). At the heart of the issue is fairness - students are the only people that have to borrow to live, no one else does. While some government moves have been helpful (e.g., the parent income threshold has been lifted for allowances) the overall situation of students undertaking tertiary study has not significantly changed as they still need to get part-time jobs which force them to juggle success at their studies with earning enough money to continue with their studies.

A recent *Dominion Post* article (February 16, B6) highlights the personal face of having a student loan. Karen Price, a 30-year-old Wellington mother owes more than \$30,000 on her student loan and she complains that 'Every part of my life is affected by it. I'd like to have more children, take on postgraduate study, travel, and save for a house, but I simply cannot afford these things while battling with my huge student debt'. Women like Karen are more disadvantaged by the student loan scheme than men and by gender pay gaps and child-rearing responsibilities. NZUSA is supporting Karen, along with around 40 other claimants, in a case to the Human Rights Commission arguing that the scheme is inherently gender biased. The Ministry's response is that solutions such as scrapping interest or having debt expiry dates is too expensive for the taxpayer.

I feel that all students should get a living allowance as there are many people that are disadvantaged by the scheme, especially women. The cost to society of the scheme is not only to discourage people from getting educated, but it means that they cannot get on with having families and fully contributing to society.



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