

VUW Student Debt Survey 2011

Dr. Laura Dimock
Financial Support and Advice
Victoria University of Wellington

The background of the slide features a close-up, slightly blurred image of several New Zealand coins. The coins are in various shades of gold and silver, with some showing the word 'ZEALAND' and the coat of arms of New Zealand. The coins are scattered across the bottom half of the slide, creating a textured, metallic background.

Why should the university care about students' finances?

- Affect on performance
 - Not attending class
 - Balancing work
 - Stress, distraction
- Affect on completion
 - Opt for full-time work instead



Financial Support and Advice



- Advice and information
- Financial Literacy
- Hardship Fund administration
 - Grants and Loans for students in financial hardship
- Helping to administer needs-based grants/scholarships.
- Personal financial planning for exchange programmes

“The typical student” stereotype

- Taking on debt as if it were free money
 - Student Loan Living Costs (\$170 per week)
 - Student Loan Course-Related Costs (\$1000 per year)
 - Bank overdraft (up to \$2000, interest-free)
 - Credit cards (\$500 +)
 - Personal loans
- Living week-to-week
- Little planning. “It will work out somehow”.
- Social spending before basics or security.

Survey for more objective view

The Survey

- Online questionnaire, through Qualtrics
- Sent to 1810 students
 - Domestic, young (under 24)
 - 3rd year of full-time enrolment in a Bachelor's programme
- Chance to win supermarket vouchers
- 31% response rate

Results: Student Loan

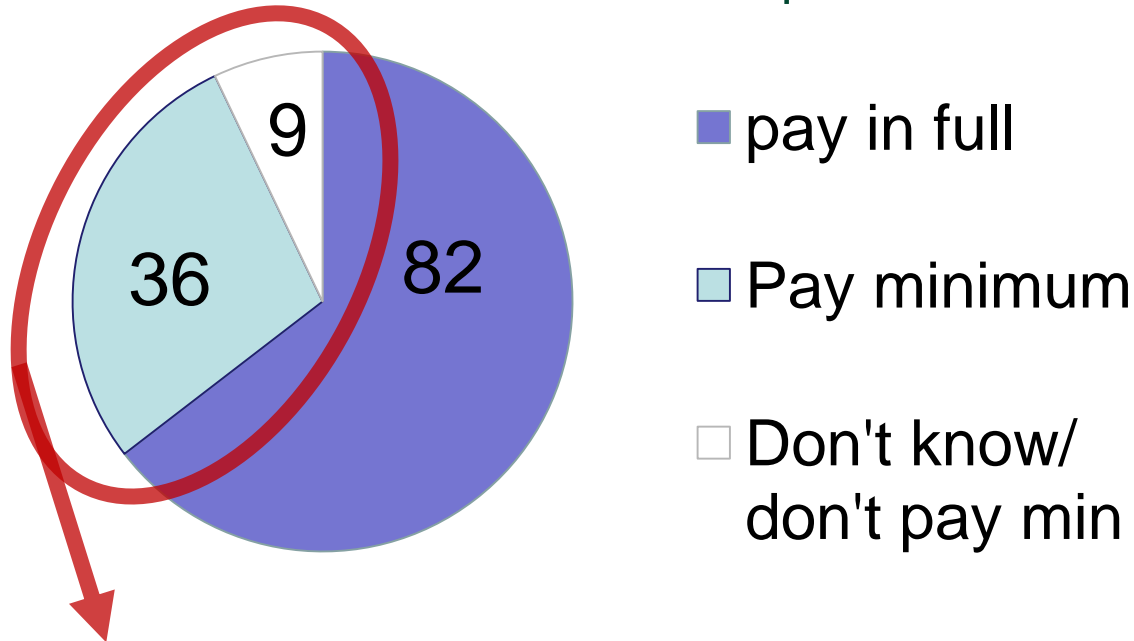
- 509 (91%) paid fees with Student Loan
- 431 (77%) have used SL-CRC
 - Of these, 97 (23%) have used it primarily for accommodation costs.
- For students who do not get Allowance:
 - 24/88 (27%) who live at home use SLLC
 - 211/245 (86%) in flats/Halls use SLLC

Results: Overdrafts

- 201 students (36%) have bank overdrafts, with the median approved limit being \$2000. BUT only 163 (29% of total) are normally in overdraft.
- 45/201 (22%) of students with ODs know the full terms (interest, fees, and what happens when they finish study)

Results: Credit cards

- 127 (23%) have a CC
- 40 have a limit over \$500.



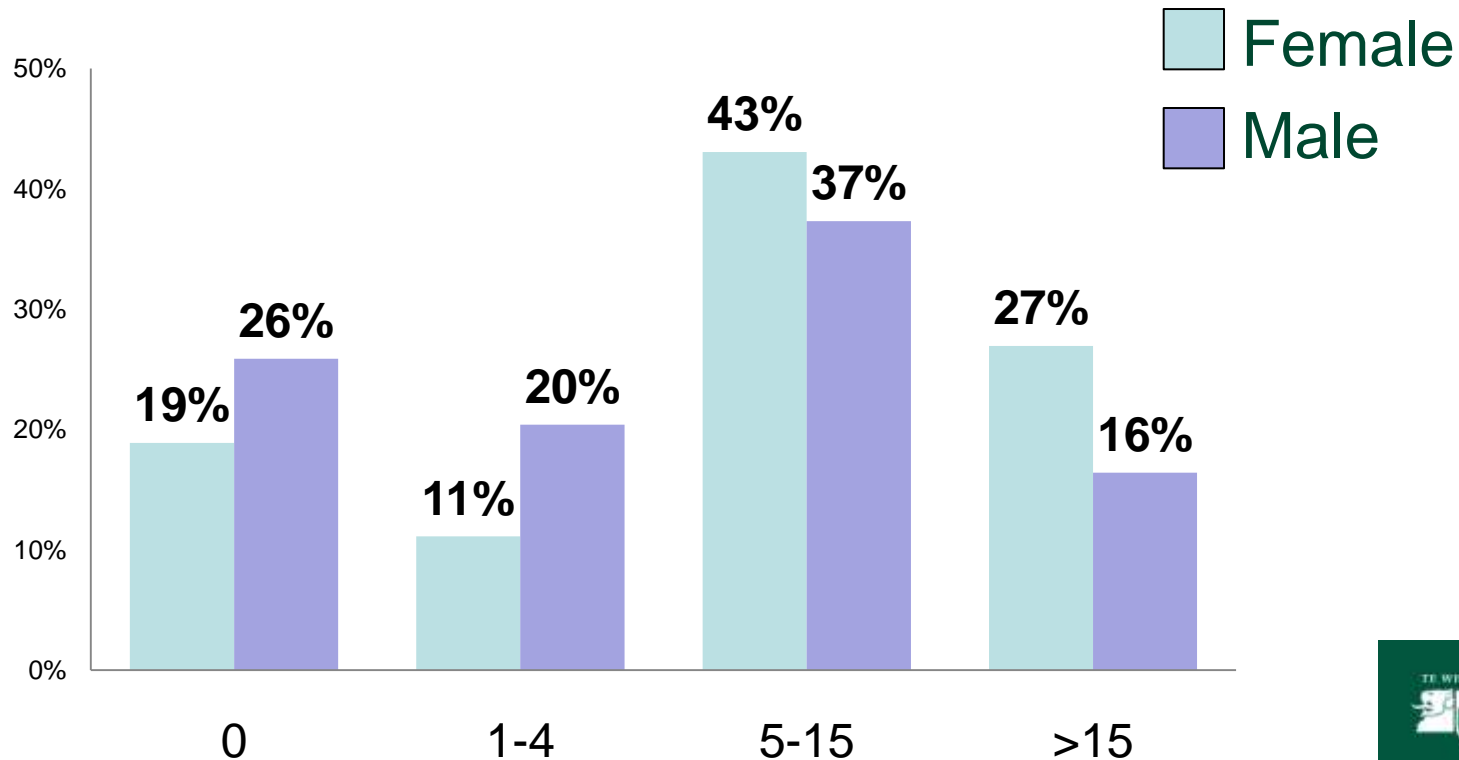
- 19/45 don't know interest rate or believe it is 0%

Results: Personal Loans

- 12 (2%) have a personal loan with a bank or finance company.

Surprise: gender differences

Avg hours in paid work in academic year



Surprise: very good advice

Courses come first. It's not worth failing and having to spend the money again repeating them.

*Borrowed money is not free money. Use it for things you **NEED**. Not things you want.*

Make sure you understand what the re-payments are going to be once you finish studying before you just sign up

Write down everything you spend, it gets you into a good habit and you know where your money is going.

Conclusions from survey

- Only a minority of 3rd year students could be said to fit the stereotype.
- The general student body is better off financially than the subset accessing the Hardship Fund.

Effect on our service

- Challenge “typical student” stereotype?
- More assistance to avoid overdrafts.
- Strengths-based: 3rd yrs mentoring 1st yrs
- Further research directions:
 - Do financial factors correlate to academic success?
 - Working hours and academic success
 - looking for cause/effect.
 - Gender differences?
 - “Typical 1st year”?