

Media Statement

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Nearly 20,000 get sorted on their student loans

The Retirement Commissioner says nearly 20,000 New Zealanders are taking steps to get sorted on their student loan following an online advertising campaign by the Commission targeting student loan holders.

Prompted by an online promotional campaign over the past six weeks, 17,940 people have used the calculators on www.sorted.org.nz, with a total of 32,398 calculations being made to find out how long it will take to pay off their loan, the size of the interest bill, and the savings they can make by paying their loan off sooner.

"The huge number of New Zealanders using the Student Loans calculator indicates they care about their financial future and are showing interest in the impact a student loan may have on their future," said Retirement Commissioner Diana Crossan.

"It demonstrates New Zealanders are investigating ways to best manage their finances and their student loans. People do this all sorts of ways, for better or for worse. Some people pay off their student loan as quickly as they possibly can, whereas others pay off the minimum and live with their loan over many, many years.

"The key for people is to understand the implications of these decisions, and by using Sorted's calculators, many New Zealanders are doing this.

"There's no doubt many are burdened with the debt from their student loan. The average student loan is \$13,680. For some this can take considerable time to pay back and has an impact upon future investments and savings, particularly if they only repay the minimum amount.

"The benefits of obtaining an asset such as an education almost always outweigh the burden of a student loan - an education boosts career prospects, quality of life and the future pay packet," says Ms Crossan.

More than 420,000 New Zealanders have a student loan. Ms Crossan said "In just six weeks, nearly five per cent have sought information from the Commission about student loans. There are another 400,000 people with student loans who may also be

struggling for answers on how to get in control of their student loan. They can find help by visiting www.sorted.org.nz."

"The calculators on Sorted help people figure out how much they can reasonably afford to repay, how long it will take to pay off and how much they will save by paying it off sooner," said Ms Crossan.

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