



19 July 2012

Mr Steen
fyi-request-357-ca5a5c49@requests.fyi.org.nz

Dear Mr Steen

Thank you for your request made under the Official Information Act 1982, received by Inland Revenue on 21 June 2012. You requested information on the following:

- [1] *What are the total numbers of people who owe money on Student Loans, broken down by age of borrowers?*
- [1A] *Preferably the age brackets referred to in [1] would start at age 16 and increase in 2- or 3-year increments.*
- [2] *What is the total value of the student loan debt owed by those referred to in [1], for each of the age brackets?*
- [3] *What are the total numbers of people who owe money on student loans, broken down by the annual taxable income of borrowers?*
- [3A] *Preferably, the income brackets referred to in [1] would start at \$0pa and increase in \$5,000 or \$10,000 increments (before tax and other deductions).*
- [4] *What is the total value of the student loan debt owed by those referred to in [3] for each of the income brackets?*
- [5] *What are the total numbers of people who owe money on student loans, broken down by the age of the debt, in years?*
- [5A] *Preferably, the age of debt referred to in [5] would be broken down into 1-year increments, with an assumption that debt incurred in the first year of study is paid off first, and so on. So a student who studies for three years, incurring \$10,000 of debt each year, and has paid off \$20,000 of their debt will, five years after starting their studies, have \$10,000 of debt aged at 3 years.*
- [6] *What is the total value of the student loan debt owed by those referred to in [5] for each of the age of debt brackets?*

As you are aware, on 22 June 2012 we contacted you to clarify what information you required and the format you required it in. We have provided all the information you requested in the attached tables.

The table below provides the response to questions 1, 1A and 2 of your request.

| Age | Borrowers | Total loan balance |
|-------------|------------------|---------------------------|
| 16yr | 39 | \$491,136.76 |
| >16 - 19yrs | 15,564 | \$124,588,165.87 |
| >19 - 22yrs | 98,272 | \$1,296,763,968.89 |
| >22 - 25yrs | 93,754 | \$1,851,629,690.85 |
| >25 - 28yrs | 81,540 | \$1,609,759,026.11 |
| >28 - 31yrs | 70,634 | \$1,368,914,640.37 |
| >31 - 34yrs | 60,256 | \$1,231,457,494.44 |
| >34 - 37yrs | 50,193 | \$1,051,021,940.85 |
| >37 - 40yrs | 37,785 | \$677,295,108.11 |
| >40 - 43yrs | 27,313 | \$389,475,453.08 |
| >43 - 46yrs | 21,630 | \$285,418,998.83 |
| >46 - 49yrs | 19,139 | \$241,220,633.81 |
| >49 - 52yrs | 14,728 | \$182,130,864.89 |
| >52 - 55yrs | 10,985 | \$137,666,088.99 |
| >55 - 58yrs | 8,254 | \$105,923,934.39 |
| >58 - 61yrs | 5,836 | \$77,419,626.15 |
| >61 - 64yrs | 4,332 | \$61,263,196.54 |
| >64yrs | 10,083 | \$192,500,784.59 |
| | 630,337 | \$10,884,940,753.52 |

The table below provides the response to questions 3, 3A and 4 of your request. The information in this table is limited to New Zealand-based borrowers with income in the 2011 tax year. We do not hold information on overseas-based borrowers' incomes.

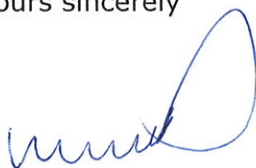
| Annual income | Borrowers | Total loan balance |
|----------------------|------------------|---------------------------|
| No Income | 49,675 | \$781,739,919.47 |
| >\$0 - \$10K | 111,065 | \$1,842,713,839.61 |
| >\$10K - \$20K | 165,634 | \$2,471,737,477.88 |
| >\$20K - \$30K | 69,289 | \$1,057,546,137.69 |
| >\$30K - \$40K | 53,222 | \$816,691,334.98 |
| >\$40K - \$50K | 40,898 | \$711,086,523.60 |
| >\$50K - \$60K | 23,422 | \$424,858,069.13 |
| >\$60K - \$70K | 12,728 | \$230,889,157.17 |
| >\$70K - \$80K | 6,494 | \$115,052,428.95 |
| >\$90K - \$100K | 3,000 | \$60,846,550.09 |
| >\$100K - \$110K | 1,424 | \$29,876,861.02 |
| >\$110K - \$120K | 1,349 | \$33,253,185.78 |
| >\$120K | 1,031 | \$23,712,485.50 |
| | 539,231 | \$8,600,003,970.87 |

The final table provides a response to questions 5, 5A and 6 of your request.

| Age of debt | Borrowers | Total loan balance |
|--------------------|------------------|---------------------------|
| Up to 2 years | 121,837 | \$1,077,130,057.47 |
| >2 - 4yrs | 99,769 | \$1,580,211,057.93 |
| >4 - 6yrs | 82,528 | \$1,503,841,042.20 |
| >6 - 8yrs | 72,968 | \$1,354,778,869.78 |
| >8 - 10yrs | 70,603 | \$1,322,555,408.34 |
| >10yrs | 182,632 | \$4,046,424,317.80 |
| | 630,337 | \$10,884,940,753.52 |

Over the past few Budgets, the Government has made a number of changes to the lending policy to reduce the incidence of large old loans. This information is located on the Ministry of Education's website: <http://www.minedu.govt.nz/theMinistry/Budget.aspx>.

Yours sincerely



Katrina Williams

Director, Future Direction Change Projects