



MARITIME PROVINCES HIGHER EDUCATION COMMISSION – Borrowing and debt patterns of graduates tied to educational pathways

December 3, 2020

Fredericton (NB) – The Maritime Provinces Higher Education Commission today released a report on the borrowing and debt patterns of the Class of 2012 Maritime university graduates surveyed in 2018, six years after completing their first degree.

According to the study, seven out of ten graduates borrowed to finance their 2012 degree or any education taken after their first degree, whether from governments, banks, family, or other sources. Those who borrowed accumulated a median amount of \$37,000 in debt. Six years after graduation, just over half of graduates still owed money related to their studies, and of those who still owed, the median amount outstanding was \$25,000.

“Graduates follow different pathways after completing their first degree”, said Catherine Stewart, CEO of the Commission. “Some graduates start working and repaying their debt soon after completing their degree, but the majority of graduates pursue further education, delaying repayment and often taking on more debt”.

Among graduates who did not pursue further studies, 62% borrowed to finance their first degree, borrowing a median amount of \$32,000. Six years after graduation, 62% of these graduates owed nothing; this includes the 38% who had never borrowed and the 24% who had repaid all of the money they borrowed. Among those who still owed, the median amount outstanding was \$20,000.

Among graduates who pursued further studies after their first degree, 74% borrowed to finance all their education. Those who enrolled in a PhD were the least likely to borrow to finance their education – 67% borrowed, with a median amount borrowed of \$33,000. Three out of four graduates who pursued a PhD reported merit-based funding such as scholarships as one their top two sources of funding. Conversely, 86% of graduates pursuing degrees such as in medicine or law borrowed, with a median amount borrowed of \$100,000.

The report also places a special focus on Maritimers. Three out of four graduates from the Maritimes borrowed to finance their education, while just over half of graduates from outside the region borrowed to finance their education.

“The trends observed are consistent with our past graduate surveys. Maritimers were more likely to borrow, and borrowed more, than graduates from outside the region, and graduates with parents who had completed a university degree were less likely to borrow, and they borrowed less, to finance their education” added Ms. Stewart.

The report *Class of 2012 Maritime University Graduates: Borrowing and Debt Six Years After Graduation* and detailed statistical tables, with provincial breakdowns, can be found on the Commission’s website at: www.mphec.ca



MPHEC
Maritime Provinces
Higher Education
Commission

CESPM
Commission de
l'enseignement supérieur
des Provinces maritimes

The total sample of 2,630 respondents represents 25% of the total Class of 2012 bachelor's graduate population of the 14 universities in the Maritime provinces that offer undergraduate degrees. The report focuses on 1,901 first degree holders and results have a margin of error of $\pm 2.2\%$, 19 times out of 20. All statistics presented have been generated from weighted data; data were weighted on the basis of the university of graduation and gender. The sources of borrowing include government student loans, banks and other financial institutions, credit cards and family.

The MPHEC was established in 1974. The MPHEC is an arm's length organization accountable to the ministers responsible for post-secondary education in the Maritimes. The Commission comprises 20 members representing universities, the public-at-large (including students), and the three Maritime governments. The Commission's mandate is to give first consideration to improving and maintaining the best possible service to students as lifelong learners.

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