

TRENDS IN MARITIME HIGHER EDUCATION

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Class of 2012 Maritime University Graduates

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Borrowing and Debt Six Years after Graduation

Many students borrow money to finance their post-secondary education from a variety of sources such as governments, banks, and family. Students who graduated in 2012 with a bachelor's degree from a university in the Maritimes were surveyed in 2014, two years after graduation, and again in 2018, six years after graduation.

This report presents a breakdown of amounts borrowed and amounts owing of Class of 2012 first-degree holders at two points in time, two and six years after graduation (Page 1). Further, it looks at the incidence of borrowing and debt six years after graduation by three variables: parents' educational attainment, discipline cluster, and the pursuit of further education (Page 2). Finally, the report focuses on Maritimers - those graduates who were living in the region 12 months before enrolling in the degree program from which they graduated in 2012 - providing information about their borrowing and debt status six years after graduation and the factors influencing their borrowing patterns (Pages 3 and 4).

BORROWING AND DEBT: TWO AND SIX YEARS OUT

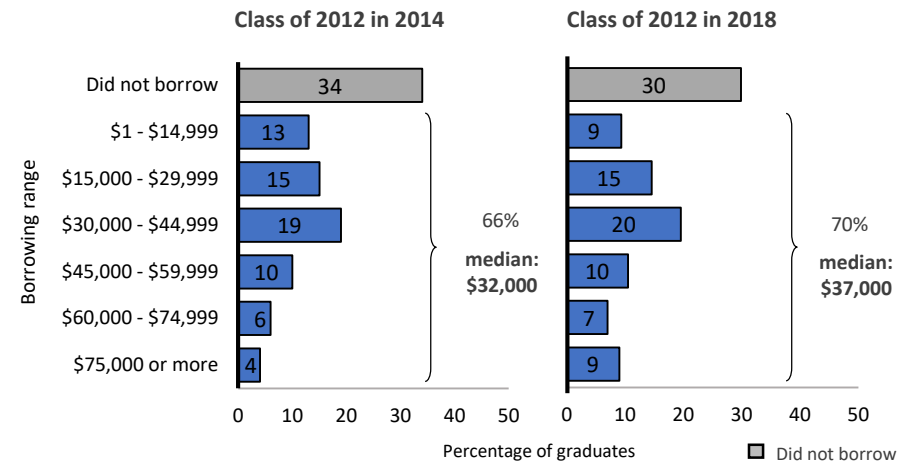
After graduating from a first degree, graduates may start paying down their debt, or may continue their studies accumulating additional education-related debt. When surveyed in 2014, 66% of graduates had borrowed for their first degree or any education they had pursued within two years of graduation. The median amount borrowed was \$32,000. After six years, the percentage of borrowers increased to 70% and the median amount borrowed increased to \$37,000. The percentage of graduates who had borrowed in the highest range (\$75,000 or more) more than doubled from 4% to 9%.

The proportion of graduates with student debt decreased by 6 percentage points from 57% in 2014 to 51% in 2018. At the time of the 2018 survey, 49% had no debt, either because they had never borrowed (30%) or they had entirely repaid their loans (19%). For those graduates still owing, the median debt remaining six years after graduation was \$25,000, compared to \$29,000 two years after graduation (a decrease of 14%).

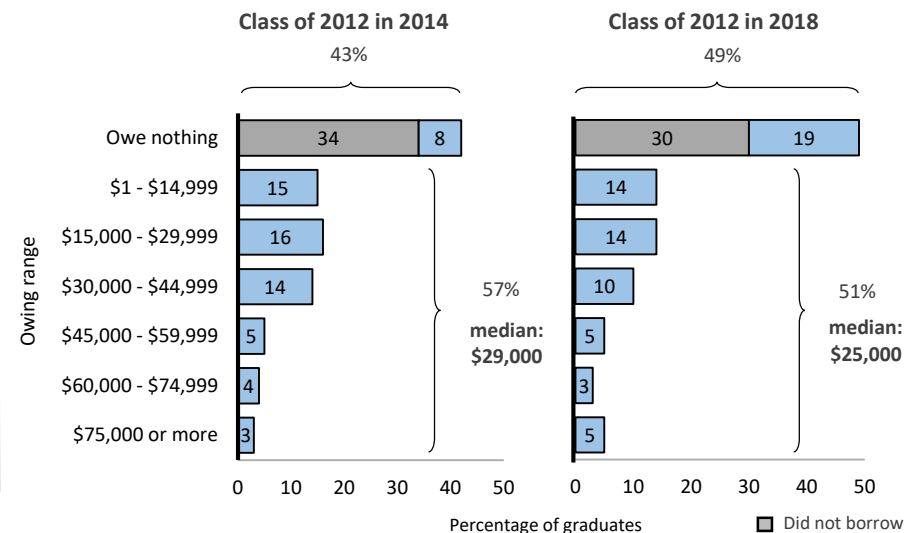
Notes:

- The median amount borrowed excludes graduates who did not borrow; Amounts borrowed are from all sources (governments, banks or other financial institutions, family, credit cards).
- The median amount owing excludes graduates who did not borrow and those who had paid off their debt.
- All amounts are expressed in 2018 constant dollars.
- All amounts are rounded to the closest \$1,000.
- Class of 2012 in 2014, n = 2,187 (weighted n = 2,177).
- Class of 2012 in 2018, n = 1,901 (weighted n = 1,982).
- Statistics in charts may not sum to 100 due to rounding.
- Don't know/refused responses are excluded from all analyses.

Amount borrowed to finance the first degree or further education, two and six years after graduation



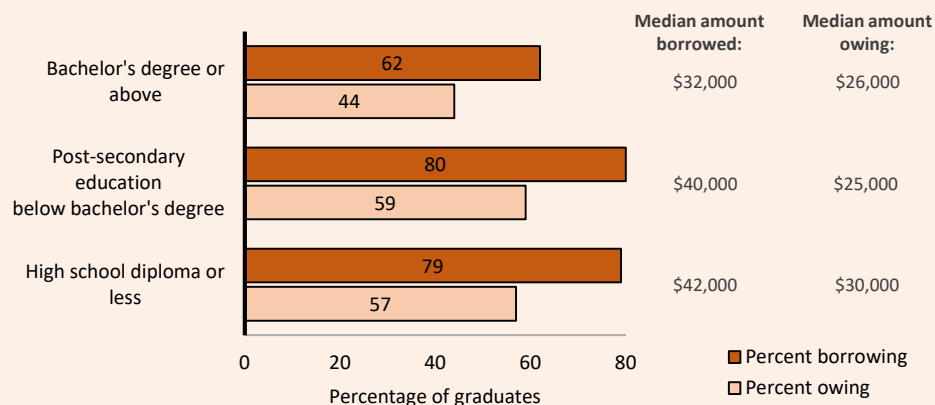
Amount owing, two and six years after graduation



THE CLASS OF 2012 IN 2018: WHAT ARE THE KEY FACTORS RELATED TO BORROWING PATTERNS?

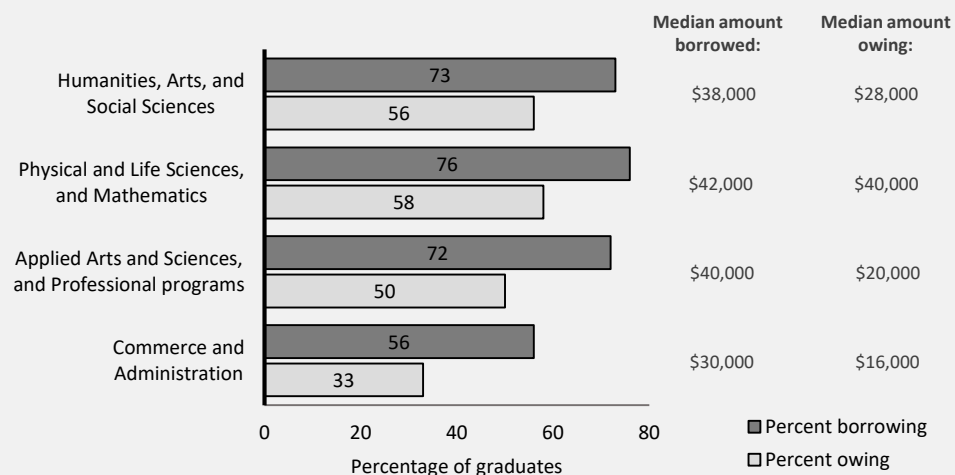
PARENTS' EDUCATIONAL ATTAINMENT (PEA)

Graduates whose PEA was a bachelor's degree or above were significantly less likely to borrow and more likely to borrow smaller amounts (if they borrowed) than other graduates. Having at least one parent with a bachelor's degree or above was also related with a higher likelihood of being free of student debt.



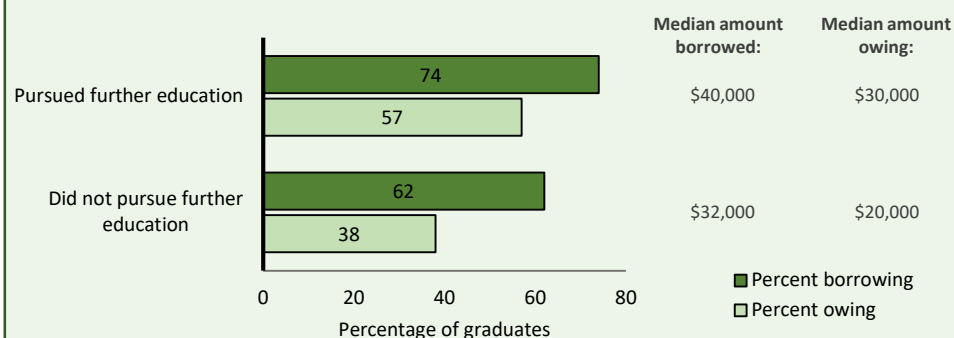
DISCIPLINE CLUSTER

Commerce and Administration graduates were significantly less likely to borrow, and accumulated smaller amounts of debt than their counterparts from other discipline clusters. Commerce and Administration graduates were also less likely to pursue their studies after the first degree, and for those who pursued further education, 37% of graduates listed their employer as one of their top two sources of funding¹.

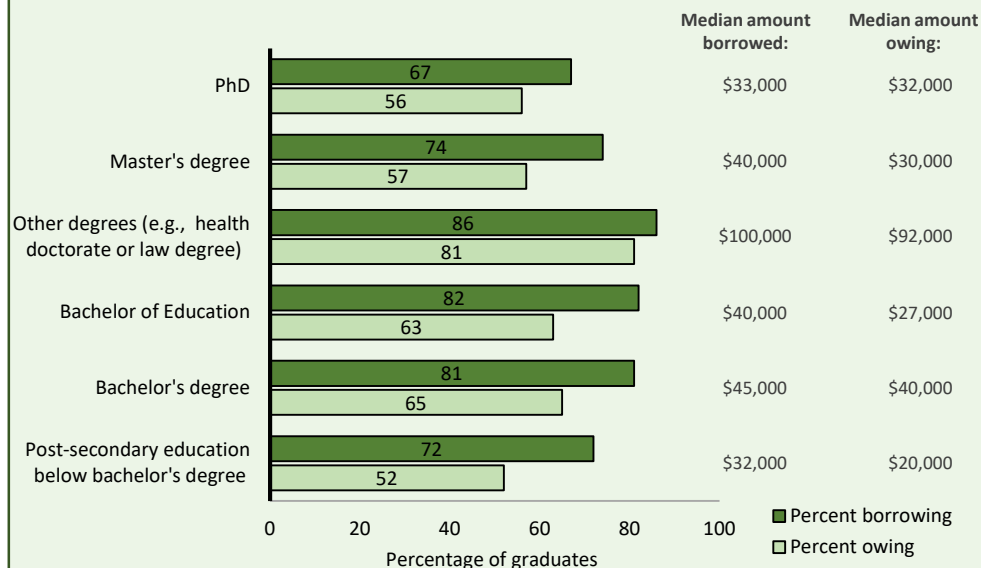


THE PURSUIT OF FURTHER EDUCATION

74% of graduates who pursued their education beyond a first degree borrowed to finance their education. Of those who did not pursue any further education, 62% borrowed to finance their first degree. Within six years of graduation, 38% still owed a median amount of \$20,000, while 62% were debt free.



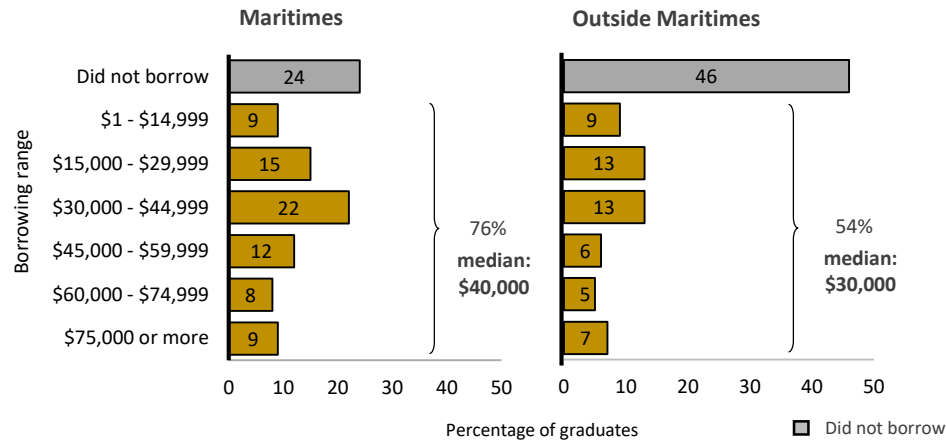
The incidence of borrowing and the amount borrowed varied by the graduates' highest credential attained or pursued. Graduates who pursued a health doctorate or law degree were the most likely to borrow (86%) and borrow the most (\$100,000), while those who pursued a PhD were the least likely to borrow (67%) and the amount borrowed was among the lowest (\$33,000). This may be linked to the fact that many PhD students receive funding through sources like scholarships and fellowships. In fact, 75% of graduates who pursued a PhD reported "merit-based" awards as one of their top two sources of funding for their post-2012 education¹.



REGION OF RESIDENCE PRIOR TO ENROLLING IN 2012 DEGREE

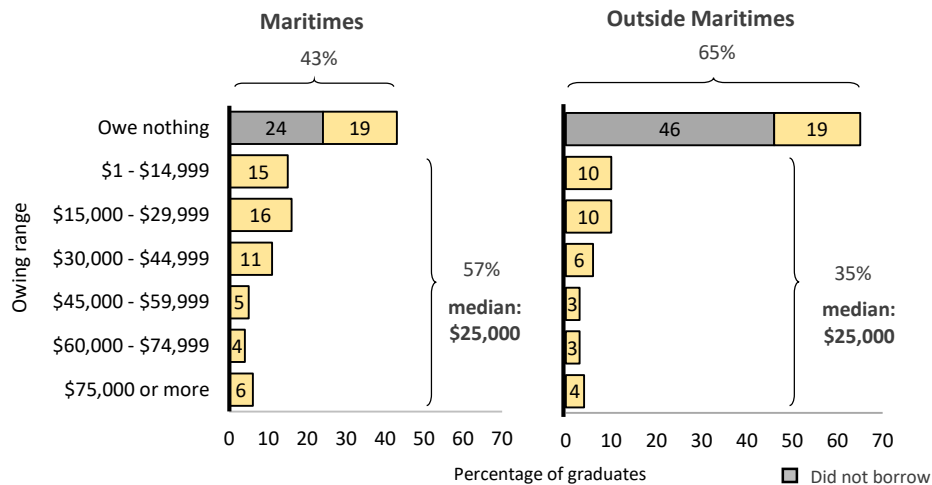
Class of 2012 in 2018

Amount borrowed by region of residence



Maritime residents were significantly more likely to borrow, and borrow more, than graduates from outside the region. 76% of Maritimes borrowed for their first degree or any education they had pursued after their bachelor's degree, 22 percentage points more than non-Maritimes (54%).

Amount owing by region of residence

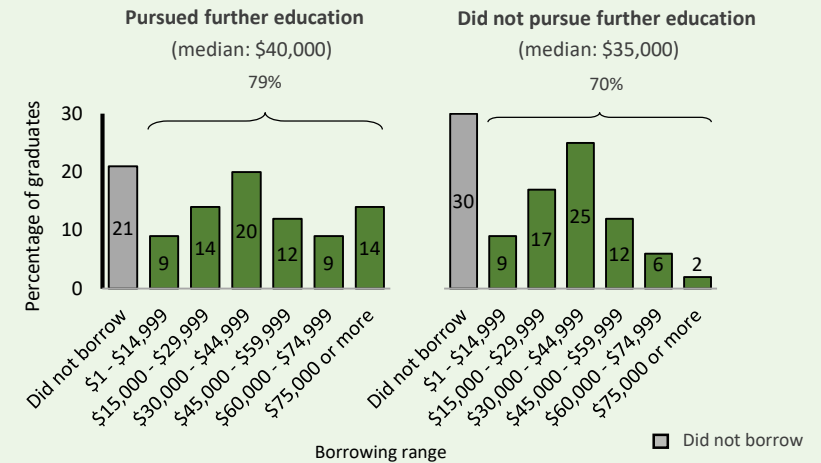


At the time of the 2018 survey, 43% of Maritimers were free of debt, either because they had never borrowed (24%) or they had entirely repaid their loans (19%). This compares to 65% of graduates from outside the Maritimes. For graduates still owing, the median debt remaining six years after graduation was \$25,000 for both Maritimers and non-Maritimers.

MARITIMERS AND THE PURSUIT OF FURTHER EDUCATION

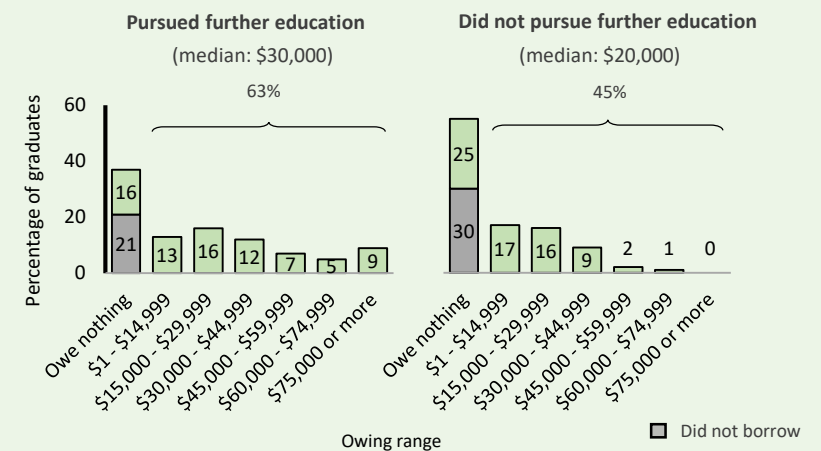
Class of 2012 in 2018

Maritimers: Amount borrowed by pursuit of further education



A previous study showed that 65% of Maritimers pursued further education within six years of completing their first degree¹. 79% of this group borrowed a median of \$40,000, and 14% borrowed \$75,000 or more. Among those who did not pursue further studies, 70% borrowed a median amount of \$35,000 to finance their first degree.

Maritimers: Amount owing by pursuit of further education

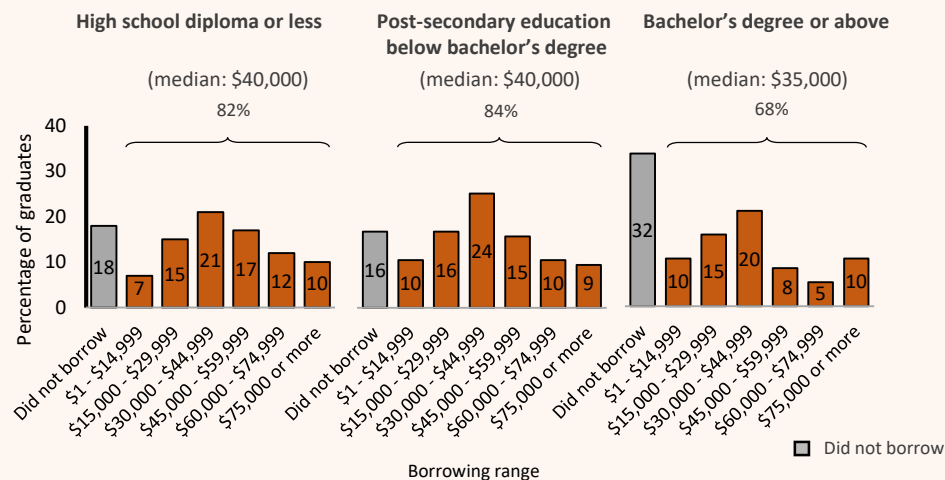


Most graduates (63%) who pursued further studies still had debt and owed a median amount of \$30,000 six years after completing their first degree. More than half (55%) of graduates who did not pursue further education were free of student debt while the other 45% still owed a median amount of \$20,000.

MARITIMERS AND THEIR PARENTS' EDUCATIONAL ATTAINMENT (PEA)

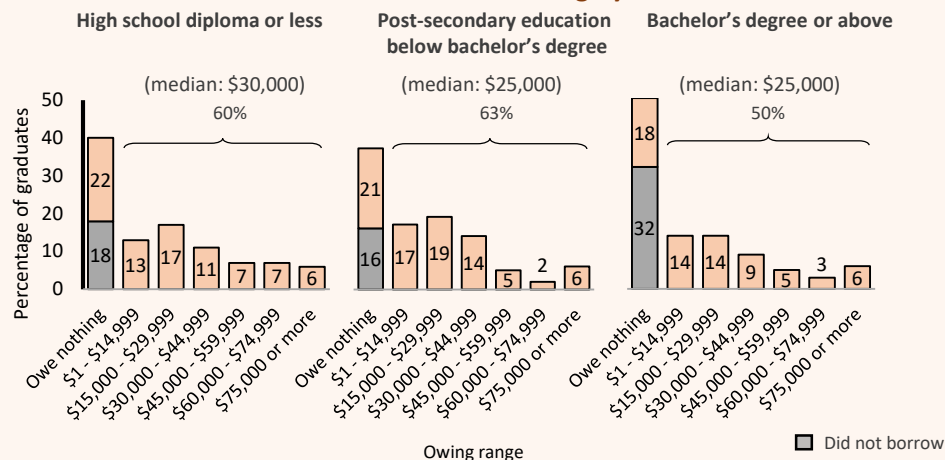
Class of 2012 in 2018

Maritimers: Amount borrowed by PEA



More than 80% of Maritimers whose parents had a high school diploma or less, or post-secondary education (PSE) below a bachelor's degree borrowed to finance their education, and the median amount borrowed was \$40,000 for both groups. Graduates with the highest PEA, a bachelor's degree or above, were significantly less likely to borrow than other graduates (68%).

Maritimers: Amount owing by PEA



The proportion of graduates with debt varied from 63% for those whose parents had PSE below a bachelor's degree to 50% for those whose PEA was a bachelor's degree or above. Among those still owing, the median outstanding amount was \$30,000 for graduates whose PEA was a high school diploma or less, whereas it was \$25,000 for those whose parents had completed post-secondary education.

METHODOLOGICAL NOTES

Data for the analyses were extracted from the survey of the Class of 2012 Maritime University graduates in 2018. The survey was conducted in the fall of 2018, six years after the completion of the first degree. This report is limited to graduates who enrolled in university without prior post-secondary credentials and graduated with their first degree in 2012 (first-degree holders) (the sample size was 1,901, with a margin of error of $\pm 2.2\%$, 19 times out of 20). Comparisons are made to the results of the Class of 2012 graduates survey in 2014 ($n = 2,187$). All statistics presented in this report have been generated from weighted data; data were weighted based on the university of graduation and gender. Statistical differences were tested using the Kruskal Wallis H Test, Man-Whitney U Test, and Chi-square test (SPSS version 25).

More information on the profile of graduates can be found here:

http://www.mphec.ca/media/181581/Class-of-2012-in-2018_Profile-of-First-Degree-Holders_Trends.pdf

DEFINITIONS

Region of Residence: Graduates reported their region of residence in the 12 months before enrolling in the degree program from which they graduated in 2012.

Parents' Educational Attainment: This measure is a proxy for socioeconomic status that combines the parents' or guardians' highest level of education, and the category is based on the highest level.

Pursuit of Further Education: Graduates reported on their pursuit of an educational program of three months or more, leading towards a diploma, certificate, or degree after graduating with their bachelor's degree in 2012.

Discipline Cluster of Degree Completed in 2012: Major fields of study were grouped into four broad categories or clusters for analytical purposes. A list of majors comprising each discipline cluster may be found at: <http://www.mphec.ca/media/84665/DisciplineClustersCIP.pdf>

Median Amount Borrowed: Graduates reported the total amount of money borrowed from all sources to finance their 2012 degree, post-2012 education or both. Graduates who did not borrow for their first degree or further education were excluded from calculations.

Median Amount Owed: Graduates reported the total amount of debt outstanding from the amount they had borrowed to finance their 2012 degree, post-2012 education or both. Graduates who did not borrow to finance their education and those who had fully repaid their loans at the time of the survey were excluded from calculations.

Reference

1. MPHEC. 2020. *The Class of 2012 six years on: Pursuing education after a first degree*. Trends in Maritime Higher Education. Vol 17 No 2. http://www.mphec.ca/media/196105/Pursuing-Education-After-a-First-Degree_Trends.pdf

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