

In debt - but in style!

Shopping trips and big nights in town. EMMA DARWEN talks to AUT students who are taking out student loans to fund their social lives.

The high price of fashion, alcohol and car maintenance are just some of the reasons why Auckland students are going further into debt.

Lucy, a 20-year-old communications student, says the expectation to be "fashionable and glamorous" at university has meant she has had to access additional funds from the Government agency Studylink.

"I've done it throughout my entire time at uni. It's not exactly hard to do," she says.

"By sending in a quote for a \$1000 laptop or some sort of computer programme, you can have the money in your account in almost less than a week."

Lucy says she spends the money she claims as course related and living costs on clothes, shoes and handbags.

"Getting \$150 in living costs each week means I can buy new things to add to my wardrobe without having to stress," she says.

Liam, who already has a \$20,000 student loan to cover his course fees, is also borrowing additional money from Studylink.

By submitting the receipt for a computer his sister bought earlier in the year, he too managed to receive the full \$1000 allocated to course-related costs.

"If I didn't get that money I would have missed out on some pretty big nights with the boys," says the 20-year-old sport and recreation student.

"My job only just manages to cover my board - if I didn't get that money then I probably wouldn't have a social life outside uni."

Studylink, a service provided by the Ministry of Social Development, was established shortly after the student loan scheme was introduced to New Zealand in 1992.

As well as loaning money to cover course fees, \$1000 can be accessed by a student each year for course related costs, while payments of up to \$150 per week can be made to a student as living costs.

Both can be applied for at any time during the year by a person



PHOTO: DYLAN QUINNELL

FASHION OR BOOKS: Social pressures lead some AUT students to take out student loans for fashion, drinking or cars.

studying full-time.

Adeline Brady from AUT Student Financial Services says the fact students are misusing the financial assistance Studylink offers is a "moral issue".

"I can't understand the logic of doing it," she says.

"If students abuse the system then they're not really doing anything to help themselves."

A ministry spokesperson says systems are set in place to monitor claims made by students.

"When a funding request appears odd, StudyLink carries out further checks to ensure the request is above board.

"If a student is claiming CRCs fraudulently then they are only getting themselves into more debt that will have to be repaid later."

Brady, who can recall hearing about a student purchasing a car with money sourced from Studylink, believes there are many reasons why people may need to seek genuine financial assistance throughout their time studying.

She says the Studylink system is helpful if used correctly.

"Students may be from out of town, might not have backing from their parents or may not be eligible to qualify for a scholarship to pay their course fees and subsidise their living costs," she says.

"Studylink is set in place to be a kickstart for people who may find themselves a bit stuck - it's not meant to be there for anything else."

The Student Financial Service offices, based at both the Wellesley and Akoranga campuses, regularly receive visitors in financial turmoil.

By granting money to students in times of hardship and crisis, having food vouchers available and offering free budgeting advice, the service acts as an alternative solution to contacting Studylink for many students.

"The cost of living in Auckland is higher than anywhere else in New Zealand. That has a huge

impact on young people finding their feet," says Brady.

"We're just here to help them out the best we can."

Liam agrees that Auckland costs make student life difficult.

"I'll admit it wasn't until I started paying rent that I realised how pricey it actually is to live in Auckland," he says.

"I get paid and the money disappears almost straight away on just basic stuff like food and petrol."

Liam says he realises he has borrowed money unnecessarily from Studylink and hopes to improve his budgeting skills next semester.

"If I didn't buy my lunch as often as I do, or put so much money into my car then I probably wouldn't be so strapped for cash and have to turn to Studylink."

"I don't regret getting money from them though because it's interest free and I won't have to start paying it back for another year or so - plus you're only a student once, so I say live it up."

Lucy however, says her reasons for borrowing go beyond enjoying the student life.

"There is definitely pressure to dress up, look smart and be fashionable at our city campus," she explains.

"There are girls in some of my classes who I know spend hours getting ready before coming in each day; girls who wear more makeup than I do when I go out on the weekend and whose clothes are so upmarket, they make everyone else feel under-dressed."

Lucy also says that being located in the city centre makes it even harder to resist her shopping temptation.

"If I have a break in my timetable, I'll usually pop down to High St to have a quick look around," she says.

"I'm currently using my weekly Studylink payments to chip away at my credit card debt, but that doesn't really faze me. I guess I'll have to pay it all back one day though."

For information and advice on budgeting or managing debt, the AUT Student Financial Service offices operate Monday to Friday, 9am to 4.30pm.

Student names have been changed.

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