

Media Release

Wednesday 30 March 2005
Attention: Education, Health and
Political reporters
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New figures show two thirds of young doctors will head offshore

New research released today by the New Zealand Medical Association (NZMA), the New Zealand University Students' Association (NZUSA) and the New Zealand Medical Students' Association (NZMSA), *Doctors and Debt: The Effect of Student Debt on Doctors*, shows that after graduation average doctors' student debt was \$65,206 and that two thirds of young doctors considered that they would head offshore within three years.

The research also found that 48 percent of respondents considered moving overseas as a result of their student debt.

"These figures show that the huge student debt that medical students are forced into is pushing our desperately needed young doctors overseas in droves," said Camilla Belich, Co-President of New Zealand University Students' Association (NZUSA).

"New Zealand medical students pay some of the highest fees in the world and as a result 75% of doctors owed over \$50,000 at graduation, while 13% of respondents owed over \$100,000 in student debt," Belich said.

The research also demonstrated the various negative impacts of debt on of doctors' lives.

"Eighty eight percent of respondents reported increased levels of stress because of their student debt and 42% said their debt would influence when and if they had children," said Jesse Gale, President of New Zealand Medical Students' Association (NZMSA).

"We call on Trevor Mallard to immediately increase the trainee intern grant, reduce medical school fees that are currently \$11,000 per year and provide all students with a living allowance. Otherwise these massive debts will continue to drive young doctors overseas, and away from General Practice and rural areas," said Gale.

Doctors and Debt: The Effect of Student Debt on Doctors will be launched on Thursday at Victoria University. Media are invited to attend the launch of this research:

When: 11-12 am, Thursday 31 March 2005

Where: Lecture Theatre 4, First Floor, Old Government Buildings, Wellington.

For more information contact:

Camilla Belich
NZUSA Co-President
Phone 0274 86 86 77

Jesse Gale
NZMSA President
Phone 021 1272 979

Summary of Key Findings

- The total average doctors' debt at graduation was **\$65,206**.
- 75 percent had a total debt more than \$50,000 at graduation.
- 24 percent had a total debt more than \$88,875 at graduation.
- 20 respondents had debts greater than \$100,000.
- 92% had some form of debt at graduation.
- 85% of respondents owed money to the Government Student Loan Scheme.
- The average Government Student Loan Scheme debt at graduation was \$60,644.
- 68 percent had borrowed from other private commercial organisations.
- Nearly two thirds of respondents stated that they would consider leaving New Zealand within three years of graduating.
- 48 percent of respondents considered going overseas because of their debt
- The average debt for Maori graduates was \$81,250, \$68,682 for Pakeha, and \$48,180 for Asian graduates.
- Only 20 percent of students received a living allowance for the full 6 years of their MB ChB study.
- 46 percent received some form of living allowance at some point.
- Nearly 60 percent of respondents said they were forced to work part-time while studying.
- 83 percent of respondents have experienced difficulty saving because of their student debt.
- 88 percent of those with student loans reported increased levels of stress because of their student loan.
- 42 percent said that their student debt had influenced their decision when and whether to have children.