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Returning to Paid Work:

Mothers and the Impact of Student Loan Debt.

A thesis presented in partial fulfilment of the requirements

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Abstract

The purpose of this research is to examine the factors that influence a mother's decision whether or not to return to the paid workforce and in particular to uncover the role that student loan debt plays in this process. This is undertaken through an exploration of the facets related to this decision including financial pressures, economic dependence, the availability of childcare, personal and societal expectations of motherhood, a mother's own desire to return to the paid workforce and the role that student loan debt plays within the family.

The study uses a feminist qualitative approach to enable participants to tell their stories in their own words. The use of this method enables an accurate depiction of the complexity of the participants' decisions without violating their integrity or minimising their experience.

This research uncovers that primarily factors affecting the participants' families such as their role within their family, childcare and the family's financial considerations are considered in their decision whether or not to return to the paid workforce. Student debt is seen by the mothers as their individual responsibility that they do not want to effect the income or financial well-being of their family. They feel that it is more important to give priority to family commitments and save towards family goals than repay their student debt.

The final section of this thesis provides a discussion of policy implications and presents a challenge to policy makers to redress the inequalities and inaccuracies of the current student loan scheme.

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Chapter One - Introduction

Student loans became part of New Zealand policy and culture in 1992. Since this time, the impact of student loan debt has received much public attention. Literature indicates that the individual debt incurred by students while undertaking tertiary study may impact on every aspect of their lives (Ashby, Robertson, & Parata, 1996; Barnett, 1999; Brett & Chamberlan, 1997; Consumer, 1996; Gendall et al, 2000; Gerritsen, 1998; Metzker, 1997; Ministry of Youth Affairs, 1998; Smith as cited in Bain, 1996; "Study on debt", 1997). This includes their living patterns and ability to save, what courses they pursue, what jobs they consider, whether they choose to settle overseas, if they marry and have children, their patterns of consumption and their ability to save for their own children's education. Student Debt is currently about three billion dollars ("Changes to Loan", 2000; Inland Revenue Department, personal communication, 2000; "Leap in Student", 2000; New Zealand Ministry of Education, 1999). Some borrowers, in particular women and Maori, are thought to face a lifetime of debt and die with part, or all, of their loan not repaid.

The focus of this research is to explore how a group of student loan bearing mothers make the decision whether or not to return to the paid workforce and the role that their student loan debt plays within this decision. The research involves an examination of the historical, social and policy context of this decision through literature along with the stories the participants tell. It is the link between these factors and the labour market participation of mothers that this study seeks to uncover.

The purpose of this chapter is to provide an introduction to, and a context for, the research undertaken. This will be completed through an explanation for the choice of topic, the aims, research objectives and a brief description of the method for completing the fieldwork. The chapter will conclude with a broad overview of the structure of the thesis.

Why this topic?

I completed 4 years of study and graduated with a Bachelor of Social Work in 1997. I was fortunate in that my parents were able to financially support me throughout my undergraduate education and I did not need a student loan to enable me to continue an education. However, more recently I have taken out a student loan to finance my postgraduate education. When I graduated with my undergraduate degree many of my male and female peers had debts, on average, of between twenty to thirty-five thousand dollars which are increasing with the cumulative impact of interest. Many of these people are now married, contemplating mortgages and more importantly thinking about starting a family and finding themselves in the position of increasing debt. This thesis arose from my interest in how student loan debt impacts on whether to return to the paid workforce after the birth of a child.

Through my research I aim to provide some understanding of the role that student loan debt is having in the decision making process for mothers. In particular I am interested in their decision whether or not to return to the paid workforce after a period of unpaid work in the home, and whether having a student loan does in fact create additional stress and pressure in an already complex decision making process.

Labour market participation statistics show that many women still choose to leave the paid workforce to have children and many remain at home while their children are young (Ministry of Women's Affairs, 1999). The decision to return to the paid workforce is never easy and involves weighing up the needs of the family with the personal and economic requirements of the mother. Time spent out of the paid workforce as a result of becoming a mother is viewed differently by every person who experiences it. For many, this time is characterised by economic dependence, loneliness, isolation and a lack of identity, whereas for others the experience of being a full-time mother engenders great feelings of satisfaction, self worth and self-esteem.

Little is known about the impact of student loan debt on a woman's ability to be financially secure and independent. However research conducted into income sharing in New Zealand families provides evidence that in today's society there is still an unequal

distribution of income within the family unit and that women, as non-earners, often do not participate in decisions relating to, or even get access to family income (Fleming & Easting, 1994; Fleming, 1997). Research outside of New Zealand has also uncovered that many women feel dissatisfied with this lack of economic identity and financial dependency within the family and that these factors influence many women in their decision to return to the paid workforce (Bittman, 1997; Sharpe, 1984).

The lack of money and the existence of debt within a family are documented as being a major source of tension within the family unit and are strong motivators in a mother's decision to return to the paid workforce (Briar, 1992; Easting, 1994; Else, 1997; Fleming & Easting, 1994; Habgood, 1992; Sharpe, 1984). Increasingly it seems that the burden of student debt is included in this pressure. During periods of absence from the paid workforce, in this case to bear or rear children, student loan holders are categorised as being in a repayment "flat spot", when they are not required to make any repayments on their loan. In many cases, during this period of time their loan is increasing due to compounding interest.

The differential impact of student loans on women has been well researched and includes a Masters thesis written by Nadine Metzger (1997). Charts have been drawn up showing the length of time it will take a woman to repay her student loan. However the impact of accumulative student debt on a woman's decision to return to the paid workforce has not been researched and it is this gap that this thesis aims to fill.

In addition this research arose from a desire to gain an understanding of how student loan debt affects a family and to provide information about the impact of this. As student loans are a relatively new phenomenon little is actually known of the long-term impact of the debt on people's decisions in life, one of which is whether or not to return to the paid workforce after the birth of an infant. I hope through this study to provide a voice, in particular for women, so that through telling their stories, new policies and further research can be developed which benefits both themselves, their families and society as a whole.

Exploring the Question

The primary objective for my research is to examine the decision making process for mothers considering whether or not to return to the paid workforce after a period of unpaid work in the home and in particular to assess the impact that student loan debt has on this decision. However, to uncover the true impact of student loan debt on this decision, it was necessary to gain an understanding of each participant's world-view and the role of their student loan within an overall historical, social and economic context. In addition, it was my intention to gain insight into the complex decision making process for each mother, to understand fully how they regarded various factors including economic pressures, their perception of their role within the family, the value they placed on their unpaid work within the home and the availability of childcare.

In considering the research I initially formed a broad overview of what I wanted to achieve, which is essentially described above. From this point I developed key themes which further shaped the direction of my research. These objectives were:

- to provide insight and informed knowledge into the area of how student loan debt affects a family
- to enable mothers to tell their stories as to how they reached the decision whether or not to return to the paid work force and to accurately depict the complexity of their decision without violating their integrity or minimising their experience
- to capture other areas that intersect with a mother's decision to return to work, i.e. the existence of a partner, the availability of childcare, a mortgage, the age of their child, the provision of maternity or paternity leave and the availability of paid work and to assess how having a student loan affects these factors
- to provide information for other mothers faced with a similar situation through the knowledge of shared experience and understanding

- to provide some insight for policy makers as to how the increasing burden of student loan debt affects the family unit.

Methodology

Feminist research principles and my own personal views as a feminist have shaped the research. This affected all parts of the research process from my choice of topic, to the methods for recruiting participants, to data collection and transcription, and even beyond this to having a commitment to seeing that some positive social change arises out of the research.

The research involved two parts; the collection of primary data, involving interviews with participants, and the collection of secondary data, through written sources, such as books, journals and policy documents. Both types of data were used to ensure that both the personal and situational contexts of the participants were fully captured and understood in relation to existing literature and policy.

In order to complete the fieldwork and collect the primary data I interviewed six European/Pakeha mothers with student loans about their experiences of thinking about whether or not to return to the paid workforce. Participants were self-selected from newspaper advertisements and fliers placed around Palmerston North. Participants were required to be of European/Pakeha descent, and be a mother with a student loan who had recently thought about returning to the paid workforce. The scope of the research did not allow for issues relating to mothers of other cultures to be covered, however this is an area where further research should be undertaken.

Participants were involved in one semi-structured interview of approximately an hour and a half in length. The interviews were based on the objectives outlined earlier and an interview guide was used to ensure that all topics were covered. Participants were offered the opportunity to reflect on the process and provide additional information through the use of a follow-up questionnaire.¹

¹ Refer to Appendix A for a copy of the interview guide and follow-up questionnaire.

I felt that in order to fully understand the complex and personal nature of making the decision whether to return to the paid workforce, it was important for the mothers to tell their own stories in their own words. The principles and philosophies of feminist research enhanced this process through validating the role of participants, empowering them, enabling them to tell their stories in an atmosphere of trust, and placing real value on the stories they told. I also felt that the use of such qualitative techniques allowed unexpected responses to emerge from the research and avoided any pre-determined analysis of the data.

Thesis Structure

This chapter concludes with an outline of all the chapters that comprise the thesis.

Chapter One introduces the thesis. It provides justification for the choice of topic, a description of the aims and objectives of the research, an overview of the methodology, and a brief explanation of the theoretical approach that shaped the study.

Chapter Two provides insight into the literature and New Zealand policy that exists with regard to women returning to the paid workforce after a period of unpaid work in the home. It provides a discussion of the factors, both positive and negative, that influence this decision and provides a context into which student debt can then be factored.

Chapter Three examines the student loan scheme in New Zealand. It details the policy development, implementation, subsequent reviews and changes to the student loan scheme. In addition a discussion of the literature with regard to the loan scheme and its impact on both the individual and New Zealand society is undertaken.

Chapter Four introduces the fieldwork aspect of the research. It examines the feminist qualitative research principles that shaped the research and provides a discussion and justification of the actual research process, including both the collection and analysis of data. This chapter also introduces the research participants and the themes that emerged from the fieldwork.

Chapter Five is the first of two chapters presenting the research findings. This chapter allows the participants to explain how they made the decision whether or not to return to the paid workforce. It examines the factors that influenced this decision including the timing of the decision, the role of family, financial considerations, their role as mothers, the availability of childcare and each participants desire to return to the paid workforce.

Chapter Six focuses on the participants' views of the student loan scheme and their own student loan. It provides an overview of how student loans have affected the lives of the participants, and provides insight into how this affected the participants' decision whether or not to return to paid work.

Chapter Seven provides analysis of the research findings making links with policy and literature. This provides discussion on the decision making process for mothers as they consider returning to the paid workforce. It highlights the factors that influence this decision including financial pressures, economic dependence, the availability of childcare, personal and societal expectations of motherhood and a mother's own desire to return to the paid workforce. In addition this chapter describes the role student loan debt plays within the family and in particular the affect if any that student debt had on this decision.

Chapter Eight presents the final conclusions, recommendations and suggestions for further research. This chapter provides a summary, outlining the key findings of the research and considers the subsequent policy implications.

Conclusion

The purpose of this chapter has been to provide an introduction to the thesis and area of research undertaken. It provides a brief overview and justification for the research topic and its aims and objectives. The research process is outlined as is the theoretical perspective that informed this. This introduction leads into chapter two which considers the context for the research as discussed in existing literature, research and policy.

Chapter Two – The Context for Women's Choices

Introduction

After having a child the decision whether or not to return to the paid workforce is always a difficult one. For women this decision is influenced by a number of factors including financial considerations and personal circumstances. The purpose of this chapter is to outline the factors that influence whether or not a mother returns to the paid workforce. These include financial considerations, government policy, economic dependence, the shape of the paid workforce, personal circumstances, caring for children and the provision of childcare. It is not assumed that women make this decision in isolation or that the factors described are the only ones that impact on their decision. However through having an understanding of these reasons, it is then possible to integrate how having a student loan may or may not influence this decision.

Financial Considerations

Economic factors have been documented in literature and research as being a key force motivating women to return to the paid workforce after the birth of an infant (Briar, 1993; Fleming & Easting, 1994; Sharpe, 1984). Related to the financial considerations is the role women play as mothers in the unpaid workforce, their subsequent dependency on either their partner or a government provided benefit and the distribution of income within the family unit. To understand the impact that financial considerations have on a mother's decision whether or not to return to the paid workforce, we need to understand the financial context in which many New Zealand women exist.

For much of the last century the financial position of mothers within the nuclear family has been hidden behind the assumption that all adult members of the family unit have equal access to income and resources (Fleming & Easting, 1994). Thus family or household income has traditionally been used to assess the level each member received (Fleming, 1997; Fleming & Easting, 1994). In 1994, two New Zealand researchers,

Robin Fleming and Suzie Easting, completed a study to see if the assumption of equal distribution of income and resources within the family unit was indeed correct. This research concluded that there is in fact an unequal distribution of income within the family unit and that this is particularly significant within Pakeha/European families in New Zealand (Fleming & Easting, 1994). In addition to this, the research provided some empirical confirmation of what many feminists had suspected about family relationships and proved that earlier assumptions of income distribution had been unreliable.

Fleming and Easting's (1994) work highlighted that in many cases both paid and unpaid women have little or no control over the use of income with regard to major decisions for the family and that they had little access to any discretionary money of their own. They also provided further evidence that control over resources is also associated with control of power within the family unit (Fleming & Easting, 1994). This acknowledgment of the unequal access to resources, income and power within the family unit helped to provide some basis to the belief already held by many feminists that the family/household is at the centre of women's oppression and may even be a cause (Briar, 1992; Habgood, 1992).

The Impact of Government Policy

There is discord among feminists about the role the state plays in perpetuating the gender inequalities of both the paid and unpaid workplace. These tensions come from "the necessity for feminists to deal with the state in their struggle to dismantle discrimination enshrined in the law and a feminist theoretical analysis of the state which identifies it as a major bulwark of the male power" (Saville-Smith, 1987, p.195). It is well known that the state has been a key agent in maintaining some of the gender inequalities of the workforce through legislation. In contrast the state has also been responsible for increasing women's rights within society (Saville-Smith, 1987).

Government policy has been criticised for assisting to maintain women within a situation of financial dependency within the family unit (Briar, 1992; Shirley, 1997). This has been directed at the sustained use of terms such as the 'family wage' and the

'core family' within government policy (Shirley, 1997). It is thought that through the use of these terms by government and policy makers, men are effectively given more power within the household, more choice about how to share out the resources and whether to assist with the work of the household (Briar, 1992).

Prior to the 1991 Budget, family policy had been developed around the concept of the family wage (Shirley, 1997). The family wage was created in association with the welfare state, and asserts that every man should receive a wage that is sufficient for him, his dependent wife and children (Barrett & McIntosh, 1980; Metzker, 1997; National Advisory Council on the Employment of Women, 1990). This definition, and indeed the whole welfare state, was criticised by feminists as it was seen to enforce the philosophy of the male-as-breadwinner. With this philosophy came the subsequent assumption that a woman's role is primarily that of mother and wife, compounding the inequality and status of women as secondary income earners and dependants (DuPlessis, Novitz and Jaber, 1990; Easting, 1992; Easting, 1994; Pateman, 1989; Saville-Smith, 1987). In fact in order for the family to function as the welfare state intended it to, women were required to "stay in the family, in their role as economically dependent caregivers" (Easting, 1994, p.15).

The concept of the family wage has historically been a pervasive part of our culture and in particular masculine culture. Even today a lot of masculine identity is surrounded by the notion of being an adequate provider for a wife and children (Barrett & McIntosh, 1980; Davey & Callister, 1994; Saville-Smith, 1987). As a result of socialisation, both men and women within society have adopted some if not all of this view, increasing the emotional pressure for women to remain within the home, or to have less significant, lower paying occupations within the paid workforce (Easting, 1994). However the average male wage can no longer support an entire family and therefore there is an increasing need for women to combine paid and unpaid work, although little state support is given to assist women with this dual role.

Since 1987 successive governments have adopted libertarian ideals of dismantling the welfare state and placing emphasis on market ideologies, such as individual responsibility and competition (Boston, 1999; Boston, Martin, Pallot & Walsh, 1996; Cheyne, O'Brien & Belgrave, 1997; Kelsey, 1995; St John, 1996). This signalled a shift

from a “balanced mix of targeted and universal social assistance to a fully targeted welfare state ... best described as residual or ‘only for the poor’” (St John, 1996, p.2). Although liberals do tend to acknowledge women’s right to paid work, the reduction of the welfare state has placed increasing pressure on families and in particular the women within those families (Easting, 1992; St John, 1992). It can be seen that through family-based state policies, increased pressure is placed on women to fill the role of caring for the elderly, sick and young, managing a household, undertaking the housework, managing the budget and supporting other family members (Easting, 1992; Else, 1996). This leaves little if any time for paid work and creates feelings of guilt for those who are unable to meet all their expected commitments (Easting, 1992; Else, 1996). Susan St John, an Auckland-based economist, states that the government has chosen to place additional responsibility on the family, as the family is viewed as a “convenient social artifice” that appears to be more cost effective and morally correct than placing additional responsibility on individuals (St John, 1992, p.10).

In 1991, the National Government’s Budget document entitled Welfare that Works claimed to represent a new integrated approach to social security and social assistance (Shipley, 1991; St John, 1996). This brought about a change in the state’s definition of family and saw the introduction of the concept of the ‘core family’ (Shirley, 1997). This was defined to include a single adult with no dependent children; a sole parent with children; a couple with no dependent children and a couple with children (Shipley, 1991). The continued use of this concept in all areas of social assistance since 1991 has not addressed historical problems of inequality between men and women, rich and poor, rather it is believed that further inequalities and gaps have been created (Shirley, 1997). The term has been criticised as being an ideal that is punitive, with no demographic substance or credibility (Shirley, 1997). Further than this Shirley states that the family wage has been “replaced by an incoherent set of policies which neither recognise the demographic patterns of family today nor provide an effective framework for the maintenance of social wellbeing” (Shirley, 1997, p.8).

The 1991 Budget also saw the introduction of a “seamless, global system of abatement of all social security assistance’ (St John, 1996, p.4). This system required that a single family income test and a single “phase-out rate” be applied, according to income level, across all forms of social assistance including health, welfare and education (Boston,

1999; St John, 1996, p.4). This saw the beginning of a dramatic reduction in the level of state provided support for families raising children in New Zealand.

Since this time New Zealand Governments have made changes to some of the policies introduced in the period immediately after the 1991 Budget.¹ This Boston (1999, p.17) states has been “in order to stem political opposition and mitigate some of the worst (and often unintended) consequences” of these policies. However despite these changes the level of social assistance available to families had been greatly reduced. As a consequence of the market based policies introduced in the early 1990s, currently in the year 2000, mothers carry an increased caring responsibility within both their nuclear and extended family which has increased their role and created additional pressures for those considering paid employment.

Economic Dependence

Economic dependence either on the state, through the benefit system, or upon a partner is a common outcome when a woman stops participating in paid work to be at home to bring up her children. Issues of economic dependence have been key to many women's decisions to return to the paid workforce. By making the choice to return to the paid workforce women can be seen to gain an economic identity, freedom from feeling dependent on their partner's income by having to ask for money, in addition to an ability to now contribute to the family income (Sharpe, 1984). Conversely by remaining in the home and/or assuming an increased responsibility for unpaid work and childcare, the likelihood of women becoming dependent on either a partner or the state is increased (Else, 1997).

Individual worth is constructed, in today's society, through economic identity. That is, people are judged and classified by the work they do and the income they receive (Else, 1996; Else, 1997; Sharpe, 1984; Waring, 1988). To be without a role in the paid workforce is portrayed as not making a valuable contribution to society. This lack of

¹ These changes include among others: withdrawing hospital part charges; gradually easing the targeting of primary health care for young children and long-stay geriatric care; abandoning attempts to apply a competitive, commercial model to the secondary health care sector; and increasing health expenditure (Boston, 1999).

recognition of the unpaid work of many full-time mothers creates feelings of dissatisfaction for many and thereby influences their choice to return to the paid workforce (Benveniste, 1998; Easting, 1992; May, 1992). In addition this continued notion of identity in terms of paid occupation creates a situation where women are not given the same opportunities as their paid counterparts to participate in public life (Bittman, 1997). Therefore when unpaid work is not recorded in the National System of Accounts and the Gross National Product this means that the true productive value of women is not captured (Sharpe, 1984; Waring, 1988).

Fleming and Easting's (1994) research highlighted the economically dependent position of women within the family unit. The impact of this economic dependency on a woman's life is difficult to measure. Some women accept financial dependence as part of their role, some tolerate it as a temporary situation that will be resolved as soon as they are able to return to paid work, while others feel constantly uncomfortable and cannot stand being without any money that feels like their own (Sharpe, 1984). However many women feel that their lack of an economic identity and consequent financial dependency is very unsatisfactory (Bittman, 1997; Sharpe, 1984). Furthermore, many women find it hard to reconcile for themselves their material dependence and the realisation that motherhood is regarded as a non-occupation (Bittman, 1997; Sharpe, 1984).

In contemporary society women's economic dependency can be seen as a major factor in the increasing material inequality between men and women (Briar, 1992). This is illustrated by the fact that when a mother leaves the paid workforce or takes on part-time employment, "the opportunity cost is significant in that she loses a high proportion (up to half) of her lifetime earnings and prospects of promotion" (Briar, 1992, p.47). Further than this, a man's increased commitment to his paid work once he has become a parent improves his lifetime earnings and prospects of promotion, and this is further enhanced by the services that are provided for him by his dependent wife (Briar, 1992).

Financial dependency can create tension within a relationship (Briar, 1992; Easting, 1994; Else, 1997; Fleming & Easting, 1994; Habgood, 1992; Sharpe, 1984). This can then escalate to create stress for both partners and thereby increase the likelihood for the

“exploitation and abuse of the dependent women and children” (Briar, 1992, p.47). This situation can be resolved by a women choosing to participate in the paid workforce as research indicates that when women have paid employment, their power in the home increases (Fleming & Easting, 1994; Sharpe, 1984).

Marital power can be measured through the control of family expenditure (Fleming & Easting, 1994; Pahl, 1989). Through paid employment women are able to gain a sense of economic identity, self-confidence and they are then able to contribute financially to their family. If a woman is not in paid employment then her quality of life within a nuclear family is dependent upon the extent and consistency of her male partner's goodwill no matter how hard or how well she may work in an unpaid capacity within the home (Else, 1997; Habgood, 1992).

Women's economic dependency within the home is compounded by the fact that when a woman is in unpaid employment within the home “men's ability to earn, their behaviour towards women and children, the extent to which they share their wages, even their continued presence in the household, are all factors which are ultimately beyond women's control” (Else, 1997, p.17). As a consequence this situation further increases many women's feelings of helplessness and dependency within the home.

New Zealand Research into the use of income within a family reveals that even when women manage the finances, the male member of the household usually has the overall control of the money and has more discretionary power to spend it as he chooses (Fleming, 1997; Fleming & Easting, 1994; Habgood, 1992). This is due to traditional gender roles that are still prevalent in most households and continue to influence the distribution of income in this environment (Fleming, 1997). Even when in paid employment women contribute a greater proportion of their earnings towards the household expenses, and even go without discretionary spending in order to provide for their family (Fleming, 1997; Fleming & Easting, 1994; Habgood, 1992; Pahl, 1989). Fleming and Easting's research (1994) illustrated this point and linked this to women's dependence on a male breadwinner. They discovered that with the arrival of children and women's subsequent dependence on their partner, many women feel less able to spend money on themselves and are less likely to have a say in financial decision making (Fleming, 1997). Further than this when in paid employment women tended to

use their income to raise their family's standard of living and therefore only spend on themselves when they are satisfied that their family's needs have been met (Fleming, 1997).

The discrimination and oppression of women has been linked to the marriage or sexual contract (Delphy, 1992; Easting, 1992; Easting, 1994; Pateman, 1989). The nature of this contract is that women, in exchange for their economic dependence, are expected to assume responsibility for the caring work in the home, thereby effectively denying them the opportunity to participate fully in society (Briar, 1992; Delphy, 1992; Easting, 1992; Easting 1994; Pateman, 1989).

In summary, historically economic dependence has been linked to the control of power and resources within a family. This has been reinforced through the failure of conventional statistics and legislation to recognise unpaid work as providing a valuable contribution to society. For many women economic dependence and the lack of recognition accorded to their unpaid work within the home results in tension and feelings of hopelessness. Through gaining a role within the paid workforce women are provided with an economic identity and subsequently greater opportunities to participate in public life.

The Shape of the Paid Workforce

The shape of the employment market and the gendered divisions within paid work, including aspects such as pay equity and pay equality, along with the deregulation of the labour market are all factors which can be seen to influence whether or not a woman returns to the paid workforce.

One of the biggest conflicts that women face in choosing to return to the paid workforce is the tension between their public and private roles (Saville-Smith, 1987, p.196). The location of women within part-time, seasonal and casual work, in addition to the necessity for many women, at some point, to leave the workforce to have and/or care for children, characterises women within a different model to that of the traditional worker. The failure of unpaid work conducted within the home to be recognised as having the

same value as paid work is well documented in feminist literature (Else, 1996; Galloway, 1993; Waring, 1988). The traditional assumption for many policy makers is that the normal pattern of work involves full-time participation in the paid labour-market until retirement and that unemployment is a finite period of short duration (Krishnan, 1994). These assumptions do not take into account women's interrupted participation in the paid workforce and are therefore based on a male employment pattern.²

The United Nations review of social indicators has highlighted that statistics and literature have traditionally not captured inequalities within the work place through the exclusion of unpaid work in the home in the measurements and definitions used to describe the meaning of work (Bakker, 1987; Else, 1996; Waring, 1988). Consequently women have become a hidden workforce not recognised within traditional discussions of work and marginalised further through the failure of conventional statistics to capture the true extent of inequality in society (Bakker, 1987).

The deregulation of the labour market in New Zealand accelerated with the development of the Employment Contracts Act in 1991. It saw the focus shift towards one of competition, which in turn gave rise to an increase in the development of part-time, casual work and a decrease in penal rates. This type of paid work is characterised by "low wages, lack of union representation and vulnerability to the boom-recession cycles inherent in a market-driven capitalist economy" (Saville-Smith, 1987, p.200).

The Employment Contracts Act essentially symbolised a swing from the historical pattern where the worker was seen as being the less powerful partner in contract negotiation to one where equal bargaining power was assumed (Finnigan, 1993). The Employment Contracts Act removed a lot of bargaining power from the unions and provided more opportunity for employers to negotiate directly with individuals in a time of high unemployment (Hyman, 1993). This changed the shape of the employment market and was seen as proof of the conflict inherent in the state's policies of "social capital, social cohesion and strengthening families" (Allwood, 1997, p.22).

² This finding is supported by the 1996 New Zealand Census data. This shows that there is a dramatic difference in labour force participation rates between men and women in the 25 – 34 age bracket, an age when women tend to leave the paid workforce to give birth and care for children (Statistics New Zealand and the Ministry of Women's Affairs, 1999).

The expansion of part-time and casualised work as well as an increase in home-working during the period of the Employment Contracts Act particularly impacts on the participation of women within the paid workforce. This flexible employment was cited by government policy makers as being family friendly and providing flexibility for the worker. However the flexibility that comes with most contract work takes no account of an employee's family commitments and the difficulty in locating suitable childcare, which are two major factors affecting the participation of women with young children in the paid workforce (Allwood, 1997; Else, 1997). For many women it has become increasingly difficult to justify leaving small children at home or in childcare in order to enter the paid employment market when the available work tends to be part-time or casual, insecure and low paid. Nevertheless an increasing number of mothers are driven into paid work when their children are small by the need for an income.³

In the period following the introduction of the Employment Contracts Act the gap between the ordinary hourly earnings of men and women grew (Foulkes, 1996; Welch, 1997). It has been argued that since the implementation of this Act the position of women in New Zealand society became "increasingly marginalised and vulnerable" (Finnigan, 1993, p.408). In November 1990 the average ordinary time hourly earnings of women were 82% of those of men, however between 1993 and August 1995 this gap had increased to 81% and the ordinary time weekly earnings for women slipped from 78% to 77% of men's (Foulkes, 1996; Hyman, 1993). Even more significant is that in 1995 "the weighted annualised wage increases for men were 2%, for women 1.9%" (Foulkes, 1996, p.197). Research has also indicated that contracts for predominantly female occupations between 1991 and 1993 have been inferior to those of predominantly male occupations, in areas of pay rates, overtime, penal rates, and bonuses for productivity (Finnigan, 1993). It is felt that the philosophies of the Employment Contracts Act have created and maintained a "particular form of patriarchy" and that the low-pay characteristics of part-time work help to maintain women within a "state of semi-dependence upon male-partners" (Briar, 1992).⁴

³ Between 1986 and 1996 the labour force participation rate for women whose youngest child was less than one year old rose by 7.9%, and increased by an even greater 10.6% for mothers with children between the ages of one and four (Statistics New Zealand and the Ministry of Women's Affairs, 1999).

⁴ Figures released in 1999 indicate that the gender pay gap currently stands at 84% (Morrison, 1999; Struggle for Many, 1999).

Mothers' responsibilities within the home mean that many, if not most, are unable to work the long hours that are now normal in many competitive market based companies and effectively means that they are unable to compete with men in the paid workforce unless they sacrifice the quality of their children's lives (Cook, 1985). Hyman states that while there is this "single minded devotion to very long hours at work" equality for women in the labour market is beyond reach (Hyman, 1997, p.154).

As already mentioned the reality for most mothers means that they have interrupted participation in the labour market. This does not fit within market employment models, and means that policies and employment patterns continue to be developed with a biased assumption in mind. As a result of this women are often excluded from pension schemes and other social programs, are the first to be laid off providing little job security, are paid less, work in less favourable conditions, and are frequently not protected against income loss (Bakker, 1987; Briar, 1992; National Advisory Council on the Employment of Women, 1990; Pearce, 1987; Ryan, 1993; Saville-Smith, 1987; Wicks, 1992). Cox elaborates this point by stating that "the relationship of women to the state parallels that of women to men; the deficits in the provision of such services derive essentially from the patriarchal aspects of the state, rather from its maintenance of capitalist class relations" (Cox, 1983, p.190; as cited in Easting, 1994, p.15).

Family responsibilities do not harm the careers of men, however they can have disastrous effects on the careers of women (Bittman, 1997). Once a mother has chosen to return to the paid workforce, factors such as location, childcare and the amount of time she has spent out of the paid workforce all have an important role to play in her securing a job. Often when mothers return to paid work they set aside their own talents and take the job that fits in best with the needs of their family (Galloway, 1993; Sharpe, 1984). Studies (Brannen & Moss, 1991; Novitz, 1987) indicate that even today it is women who fit their paid work in around the needs of their children for childcare whereas men "fit their families around their involvement in full-time employment" (Novitz, 1987, p.46).

Finding a job that has the same qualities as previous employment is very difficult for women with children returning to the paid workforce. Aspects of downward occupational mobility and limited options for promotion are a very real prospect for any

mother returning to the paid workforce after working in an unpaid capacity in the home (Bittman, 1997; Briar, 1992; Collette, Coubrough & Worsp, 1997; Kuiper & Pattison, 1989; Novitz, 1987; Saville-Smith, 1987; Shirley, 1997). This may take the form of having to move to a less skilled occupation or being employed in the lowest grades, with no opportunities for promotion, and finding that existing qualifications are under-utilised or unrewarded (Briar, 1992). Bittman explains the reasons for downward mobility in terms of a depreciation in human capital while women are in the unpaid labour-force meaning that few are able "to recapture the career trajectory they had before childbirth" (Bittman, 1997, p.10).

Research completed by Novitz (1987) on mothers working in a factory in Christchurch revealed that in order to gain work which fitted in with their childcare arrangements, the majority of women accepted work which was lower paid and less skilled than the work they did before having children. Saville-Smith (1987) echoes this research by stating that through successive governments' failure to provide quality, affordable and accessible childcare facilities, women are forced into piece-work, part-time and casual paid labour.

Home-working is an area which women are opting for more frequently as it has the illusion of offering them the time to spend with their children in the home thereby saving on childcare costs (Armstrong, 1992). In addition, home-working is thought to reduce some of the emotional conflict which is experienced by many mothers in the paid workforce. This dilemma often creates feelings of guilt and resentment at being unable to spend significant periods of time with their children due to their paid work commitments. However, when all the costs of home-working are taken into account, little actual benefits can be seen for the worker (Armstrong, 1992). Home-workers also acknowledge little benefit for their family in working from the home, as they are unable to give their children their full attention, and many still face the same worries as those women in paid work outside of the home (Armstrong, 1992). Many homeworkers face long hours and receive payment by results which has been illustrated as an "extreme example of women's lesser rights as workers" (Armstrong, 1992, p.249). In addition to the personal and financial limitations of home-working the situation within which home-working exists often means that the worker does not receive the benefit of union protection (Armstrong, 1992).

The shape of the paid workforce can act as a deterrent to mothers considering returning to paid work after a period of unpaid work in the home. This section has described how the shape of the paid workforce acts to discriminate against mothers who wish to re-enter the paid workforce. This is demonstrated by the actions of the employment market and policy makers who have historically failed to take into account the interrupted participation of many mothers in the paid workforce and their subsequent family responsibilities. This lack of recognition means that many mothers who chose to enter the paid workforce feel obliged to take part-time, casual or home work, which are frequently characterised by poor working conditions, low pay and insecurity, as these forms of work are more likely to fit in with the needs of their family.

Personal Circumstances

The tension between the public and private roles of women, and the traditional values that place women within the domestic sphere, influence many women in their decision whether or not to return to the paid workforce. The view that 'a woman's place is in the home' has historically been part of Western culture and social traditions. This role was taken to support the breadwinner notion, that is, for women to take "the domestic load so that men could be free to engage in more important, public affairs" (Burton, 1987, p.297).

For many women there are positive benefits of participating in the paid workforce. Working outside the home can not only increase feelings of achievement, satisfaction, independence, self worth and self-esteem, but can also in some cases prevent psychiatric disorders (Beneviste, 1998; Brannen & Moss, 1991; Kuiper & Pattison, 1989). Many mothers experience loneliness and isolation while at home, and admit that despite the dual role of mother and employee that comes with paid work, they return to the paid workforce as they find this more stable, predictable, fulfilling and less demanding than facing family life (Beneviste, 1998).

Employment for mothers is also viewed as being "salient to establishing a separate identity" for women apart from that of being mother, housewife and wife (Brannen & Moss, 1991, p.80). Sharpe (1984) concurs with this view stating that through the

exclusion of mothers from public life and labour they have historically been defined and described in terms of their family relationships, as someone's daughter, wife or mother. She details that through employment women are not only able to gain an economic identity but as a result of contributing to the family income many women gain a greater self-confidence and feeling of independence (Sharpe, 1984).

Caring for Children

The traditionally held view of women as primary carers for children has persisted throughout history (Brannen & Moss, 1991; Cook, 1985; Cox 1983; Easting, 1994; Novitz, 1987). This view conflates childbearing with child rearing. Yet, caring for children presents one of the greatest obstacles to a woman choosing to return to the paid workforce. In addition to this, the role and demands of "caring for their small children constitutes one of the principal ways in which the lives of women are regulated both in the private and public sphere" (Easting, 1994, p.1).

Working mothers are often portrayed in today's society as being selfish for pursuing their career over and above their children, particularly when their children are young, and yet stay at home full-time mothers lack economic identity and are presented as anti-feminist and old fashioned (Beneviste, 1998; Brannen & Moss, 1991). The caring and domestic role that women assume within the home does not provide for the same opportunities to participate in society as if they were participating fully and only in the paid workforce (Easting, 1993; Easting, 1994; Pateman, 1989).

The lack of available, affordable childcare⁵ as well as the structure of other institutions, such as schools with short hours, days off and long vacations prevents women from participating equally with men in the paid workforce and means that they carry a double burden when in paid work (Barrett & McIntosh, 1980; Briar, 1992; Hyman, 1997; Pearce, 1987). This feeling of being on a constant treadmill imposed by the double burden of being a working mother and housewife can engender considerable feelings of exhaustion, guilt and anxiety at not being able to meet all the needs of both paid work and family (Brannen & Moss, 1991; Cook, 1985).

⁵ The issue of childcare will be discussed in greater detail later in this chapter.

Despite the increasing numbers of partnered mothers returning to the paid workforce, the responsibility of caring for children and the cost of childcare still influence some women to choose to remain in the home; as this appears to be the rational economic choice as their partner's earning ability is greater than their own (Briar, 1993; Fleming, 1997; Statistics New Zealand and the Ministry of Women's Affairs, 1999). The high cost of childcare may mean that women who can only get low paying jobs will choose to stay home and look after these dependents (Barrett & McIntosh, 1980; National Advisory Council on Women, 1990; National Advisory Council on the Employment of Women, 1990).

While for some women the sense of commitment and duty of motherhood overshadows the previous importance of paid employment, for others choosing to return to the paid workforce despite the obstacles placed in their path is a personal choice and the desire to work takes on a whole new significance after the birth of a child (Brannen & Moss, 1991). This choice is not based on financial motives, but rather stems from "the realisation of the limitations of being at home all day with a young child" which highlights for them the "sense of structure and perspective employment gave to their lives" (Brannen & Moss, 1991, p.78; Easting, 1994). However as a result of the traditional view that mothers should remain at home to care for their children, a lot of women experience feelings of guilt that they are not being adequate mothers if they choose to re-enter the paid workforce (May, 1992).

A view that is becoming more accepted is that caring for small children is not an intrinsic part of women's nature, but is socially constructed, created by tradition, beliefs, policy and opinion in society (Easting, 1994). Stress, conflict, ambivalence, guilt and low self esteem or self worth have all been shown to influence mothers' satisfaction with their unpaid role in the home (Benveniste, 1998; Brannen & Moss, 1991; Easting, 1994). This stress may also include the stress brought about from the continual demands of their children and not being able to access suitable, affordable, quality childcare (Easting, 1994; Novitz, 1987).

Traditional definitions of motherhood have at times served to limit women's choices (Beneviste, 1998). Through the change in traditional definitions of motherhood, many women are provided with a sense of relief at being able to acknowledge that being a

full-time mother is not their career choice. Brannen and Moss (1991, p.79) assert that “there is now a fairly widespread recognition that being a full-time mother frequently leads to isolation, boredom and loneliness and that being ‘stuck at home’ with small children and little money puts women at risk of depression”. They state that a new discourse is emerging that if a “woman can not be happy as a full-time mother then it might be better to work”, better that is for both mother and child (Brannen & Moss, 1991, p.114). The same research has also indicated that the relationship between a child and their working mother is often of a heightened quality as a result of the two not being together all the time (Brannen & Moss, 1991). This is qualified by saying that although there is an acceptance of mothers in paid employment, this does not always equate to positive approval from other members of society (Brannen & Moss, 1991).

Another minor factor assisting women to return to the paid workforce is the fact that men are spending more time with their children and when their partner is in full-time employment they assist more with the housework (Cook, 1985; Novitz, 1987; Ministry of Women’s Affairs, 1999). However this increase in assistance is very low and the major responsibility for unpaid work and childcare within the home still rests with women, even when they are in full-time employment (Habgood, 1992; Ministry of Women’s Affairs, 1999; Novitz, 1987). The initial findings of the New Zealand time-use survey completed between July 1998 and June 1999 concur with this and indicate that women spend twice as long as men on unpaid household tasks and three times as long caring for others within the home (Ministry of Women’s Affairs, 2000).⁶

In the past the view that women and their affairs belong within the sanctity of the family has led to a lot of discussion of the perceived threat to the traditional nuclear family if a mother chooses to leave the family home, even if this is only to undertake paid work (Brannen & Moss, 1991; Cook, 1985; Cox, 1983; Davies, 1985; Saville-Smith, 1987). Employment for mothers is often seen as damaging to both family life and children (Brannen & Moss, 1991). Saville-Smith states that the perceived threat to the nuclear family posed by working mothers endangers “a moral authority in which many women believe they have a vested interest and in which the state and dominant elites certainly

⁶ The findings of the New Zealand time-use survey are yet to be published in full. However some of the findings can be located through the Ministry of Women’s Affairs homepage on the Internet at <http://www.mwa.govt.nz>. The survey was sponsored by the Ministry of Women’s Affairs and the research conducted by Statistics New Zealand.

have an interest" (Saville-Smith, 1987, p.204). The threat of the breakdown of the nuclear family enables the state, employers and other stakeholders in society to encourage the traditional role of full-time mothers in the home and hence to create policies that support this notion and that do not support equality and recognition of women within the workplace.

The Provision of Childcare

An increasing pressure on women, as mothers, to contribute to the family income has been evident in New Zealand since the late 1980s. The availability or otherwise of childcare has always been a major force in the decision whether or not a woman returns to the paid workforce and presents itself as a major issue for many women (Cook, 1985; Easting, 1994; Fleming 1997; Galloway, 1993; Hyman, 1997; Novitz, 1987). If suitable, affordable, quality childcare can not be found this severely limits options for mothers when choosing to return to paid work.

Childcare policies and services in most developed nations have traditionally been given a lower priority, reflecting traditionally held views about the role of women.⁷ This is due to the patriarchal foundations of government childcare policy which sees "the individual as male", and that it is "natural and proper for women to look after children and do the caring work" (Easting, 1994, p.17). As a result of the state's view about childcare any intervention into "the provision of any services that are designed to relieve women substantially of their child-rearing responsibility" (Cox, 1983, p.204) is done so reluctantly (Cook, 1985). This reluctance reflects the state's male interests in maintaining women's position of domesticity and dependence within the home in "a coalition across labour and capital" (Cox, 1983, p.204).

The state's failure to provide adequate state policy and assistance with regard to childcare is magnified by the fact that "the care of young children 'naturally' takes place in the home", and is considered to be is a family concern that belongs to the private

⁷ It is not within the scope of this research to provide an indepth account of international variations in childcare provisions. However it is important to note that other countries such as France and Sweden both have comprehensive childcare policies and their approaches differ markedly from the lack of priority accorded to childcare provisions in New Zealand (Joshi & Davies, 1992).

sphere (Easting, 1994, p.5). The state has always been hesitant about interfering in the issues of the family including the provision and need for childcare (Cook, 1985; Cox, 1983; Easting, 1994). Given the private nature of the family and childcare, government policies make a common assumption that mothers either provide care, or will pay the cost of any childcare that is required, even if this means that they have to make personal sacrifices to do so (Cook, 1985; Cox, 1983; Saville-Smith, 1987). Through women taking this responsibility for the cost of childcare their earnings are further marginalised and “treated as peripheral income to the household” (Brannen & Moss, 1991, p.84).

The state’s attitude towards childcare policy and a woman’s responsibility to care for dependants is key to the inability of women to compete with men on an equal level in the paid workforce (Easting, 1994; Saville-Smith, 1987). Women can be limited by their domestic and caring responsibilities and only through access to good quality, affordable early childhood services are they more able to participate in other activities including paid work (Brannen & Moss, 1991; Cook, 1985; Cox, 1983; Easting, 1994; May, 1992). In New Zealand and most other English speaking nations, the states ‘no policy policy’ on childcare has, as already explained, been rationalised by sex role stereotypes, but severely limits the opportunities available to women in the labour market (Saville-Smith, 1987). Saville-Smith (1987, p.200) describes the gender-neutral attitude of policy makers towards childcare as being a “type of double-speak which safeguards the state from charges of sex-discrimination while veiling the gender loaded implications” of the policy.

This section has demonstrated that in order to assist the participation of mothers within the paid employment market any provision of childcare needs to be of a high quality and low cost so as to ensure that the needs of both mother and child are met. Historically policy has failed to take into account the needs of both mother and child for childcare and consequently has resulted in an increase pressure placed on the family unit, and in particular mothers, to either pay a high monetary cost for or meet all their children’s requirements for care.

Conclusion

The purpose of this chapter has been to provide an overview of some of the factors, pressures and social assumptions that impact on a woman's decision whether or not to return to the paid workforce. Some women work because they want to. They enjoy being part of the paid workforce and gain their identity from their role in it. Others find being an unpaid mother to be equally if not more satisfying, so for them remaining at home to raise children and care for their family seems to be the best choice. If only the decision was this simple. In reality the decision whether or not a mother should return to paid work is influenced by a number of factors including their family's income, their position in the household, how their role is viewed and the distribution of income within their family. In addition women must weigh up the social and emotional cost of being a paid working mother, and the views of society with regard to this. The structure and nature of the paid workforce, the positions working mothers are able to obtain that fit in with the needs of their family, and the cost of childcare, also affect whether it is a realistic economic and emotional choice for a mother to return to the paid workforce. The reason these topics have been discussed in this chapter is to provide some context within which women and their families make this decision. It is hoped that through having some understanding of these factors we are then better able to understand how student loan debt can impact on this already difficult and emotionally charged decision.

Chapter Three - Student loans, policy and opinions

Introduction

Student loans first became a part of New Zealand language and policy in the late 1980s. The loan scheme, the interest rates and the ability of people, in particular women, to pay back their loan has been a topic of considerable interest for the New Zealand public and much comment on the subject has occurred through the media, especially in newspaper articles. However, despite this level of interest, research relating to the consequences of student loans has been virtually non-existent (Maani, 1997; Huggard, 2000; Ministry of Youth Affairs, 1998; Office of the Auditor General, 2000).

Student loans exist in several countries including the Netherlands, the United States, United Kingdom, Spain, India, Japan, Canada, Colombia and Germany (Metzker, 1997).¹ The purpose of this chapter is to provide an overview of the policy and literature that exists with regard to the student loans scheme in New Zealand. This will be undertaken by detailing the policy development, key reports and theoretical context of the scheme. In addition, the policy implications will also be discussed, as will recent changes to the policy.

Existing literature on the New Zealand loans system deals primarily with the reasons for the loan system being created, the impact of the loans system on individual students, the ability of loan recipients to pay back the loan within a manageable timeframe, and the impact that having a student loan may have on any future loans, mortgage or credit options, and the nation's economy.

¹ See Appendix B for a government comparison of the Australian, British and Canadian Student Loan Schemes with New Zealand's current student loan scheme.

Policy Development

The creation of the student loan scheme coincided with the introduction of higher student fees at tertiary institutions. Prior to 1989 tertiary education had largely been funded by state contribution. Students incurred course fees of around \$150 - \$200 per paper, and students received financial support through a non-targeted student allowance system (Boston, 1992; Consumer Council, 1996). However in the late 1980s the government began to see tertiary education as an increasing burden on state resources. In order to find a solution to this problem a large number of committees were created and reports written. The reports particularly relevant to tertiary institutions were the Treasury Briefing Paper: Government Management Educational Issues (1987, Volume 2); The Watts Report on Universities: Partners in National Development (1987); the Probine-Fargher Report on Polytechnics: The Management Funding and Organisation of Continuing Education and Training (1987); The Tertiary Review: report on the Submissions to the Tertiary Reviews (1988); the Report of the Royal Commission on Social Policy: The April Report (1988) and the Picot Report on educational administration: Administering for Excellence (1988) (as cited in Hawke, 1988). To make sense of these reports a further committee was set up in 1988, chaired by Professor Gary Hawke; it was this committee's task to draw together the material from the previous reports to make recommendations to government (St John, 1990).

The aim of the Hawke working party was to re-evaluate the role of government in post-compulsory education and training with the "emphasis on securing effective funding and management systems while ensuring equity in both access and process" (Hawke, 1988, p.3). A key recommendation of the Hawke report was that New Zealand adopt a system of fees and government loans for students attending colleges of education, polytechnics and universities, similar to that recommended in Australia by the Wran Committee (Hawke, 1988). The Hawke report stated that a system of student loans should be introduced, that these loans should be inflation-adjusted and bear a real interest charge, except in a situation where a person's income fell below a certain specified level and if they were the primary caregiver for children or other dependents. In this case the loan was to be maintained in real terms but would not incur interest (Hawke, 1988).

In February 1989 David Lange and Phil Goff produced a further report entitled "Learning for Life" (New Zealand Department of Education, 1989), which drew on the conclusions and recommendations of the Hawke report. It clearly stated "that in recognition of the private individual benefit from advanced education and training it was appropriate to ask students to make a greater contribution" (St John, 1990, p.11). The report detailed that a student loan system should be introduced, that loan assistance should be provided at a zero real interest rate recoverable at up to 3% of gross income once a person's income was over a certain level and was to be bank administered (New Zealand Department of Education, 1989; St John, 1990). In addition to the publication of 'Learning for Life', the year 1989 saw the introduction of a new youth and student allowances system. According to Boston (1992) this scheme raised the level of income support available to tertiary students closer to the unemployment benefit, and saw the introduction of family, income based targeting for student allowances.

Towards the end of 1989, the loans proposal was abandoned² and Labour introduced and legislated for a flat tuition fee of \$1250 per year for full-time students attending tertiary institutions to be implemented early in 1990, signalling a move towards user-pays for post-compulsory education (Brett and Chamberlan, 1997). When the National Party came into power in 1990 it changed Labour's flat fees scheme for a new system where each tertiary institution was able to set their own fees to be charged to students (Ashby, Robertson, & Parata, 1996; Consumer, 1996).

The Government's funding of tertiary institutions continued to decline, resulting in tertiary institutions responding by increasing fees to students as they struggled to meet the gap created by a lack of government funding.³ In 1991, National's Budget set out its vision for tertiary education (Boston, 1992). This included the introduction of the 'study right' system, which was intended to pay 95% of the cost of tertiary students under the age of 22 in their first three years of study (Boston, 1992; Consumer, 1996). In addition National indicated in this Budget their intention to introduce means tested student

² This was as a result of the banking industry indicating it was not prepared to participate in Labour's proposed loan scheme (Ashby, Robertson, & Parata, 1996).

³ Funding levels for individual equivalent full-time students dropped by 15% in the years between 1991 and 1996 (Brett & Chamberlan, 1997). Despite an increase in student numbers the government placed a cap on the total number of equivalent full-time students that they were prepared to fund each year. If the demand for places exceeded this artificial cap tertiary institutions were expected to either turn students away or find some other means to pay for them (Brett & Chamberlan, 1997).

allowances up until the age of 25 and the beginning of a government-funded, income-contingent loans scheme (Boston, 1992; Richardson, 1991). The introduction of a means-tested student allowance was seen as a way to assist those students who were deemed to be financially disadvantaged by the new fees system and contrasted with the previously universal system.⁴ The initial policy objective of the student loan scheme was that students should contribute some part of the cost of their advanced education as a mechanism of recognising the public and private benefits of having a tertiary qualification (Office of the Auditor General, 2000).

The loan scheme that National introduced enabled students to borrow from the government to cover their tuition fees, up to \$1000 for course-related expenses and up to \$4500 to cover living expenses (Boston, 1992). Interest was to be charged at a real interest rate⁵ of 6%, and students were required to repay their loan once their income exceeded \$12,670 per year (Boston, 1992). Repayment rates were set at ten cents for every dollar earned above this amount and these would be made through the tax system (Student Loan Scheme Act, 1992, Long Title). No single government department was given responsibility for overseeing the student loan scheme. The scheme was initially administered by the Department of Education who were responsible for the delivery of the loans, and the Inland Revenue Department who were responsible for the collection of repayments (Office of the Auditor General, 2000).⁶

The loan scheme, although previewed in the 1991 Budget, was governed by Part XXV of the Education Act 1989 and the Student Loan Scheme Act that came into force in 1992. Although Part XXV of the Education Act 1989 contained provisions relating to the procedures and regulations for loans and allowances, it was the Student Loan Scheme Bill that provided the most discussion and public debate about the introduction of the scheme.⁷ Wyatt Creech, the then Minister for Finance, introduced the Student

⁴ Universal allowances were available to everyone irrespective of personal and parental income.

⁵ A real interest rate represents the most basic cost of money without inflation or the risk associated with lending money (Gitman, Juchau, Flanagan, Pearson and Clemens, 1998).

⁶ Work and Income New Zealand (WINZ) took over the delivery role of all income support to students in 2000. This has not yet been legislated for and currently WINZ is operating under delegated authority. Now the Department of Education is responsible for education policy, the Inland Revenue Department for the collection of student loan repayments and the Ministry of Social Policy is responsible for income support policy and "has a key interest in the relationship of student loans and allowances with the benefit system" (Office of the Auditor General, 2000, p.17).

⁷ Criteria for student loan eligibility are not contained in legislation. Rather it is set out in various decisions of the government since 1992 (Office of the Auditor General, 2000).

Loan Scheme Bill on 13 October 1992. In his introductory speech Mr Creech stated that the purpose of the student loans scheme was to “reduce the financial barriers to tertiary education and training” (as cited in New Zealand Parliamentary Debates, vol 530, 1992). The Bill proceeded to the Education and Science select committee and was passed into legislation with very few changes to the actual content of the original bill.⁸ In its final form the Student Loan Scheme Act was “to provide for the assessment and collection of loan repayments under the Crown’s student loan scheme and to otherwise facilitate the administration of that scheme” (Student Loan Scheme Act, 1992, Long Title).

Debate surrounding the introduction of the Student Loan Scheme Bill centred around the private and public benefits of education and whether in fact the Bill was a tax bill meaning that it would not need to proceed to a select committee (New Zealand Parliamentary Debates, vol 523, 1992).⁹ Wyatt Creech outlined the private benefits of tertiary education in the debate surrounding the introduction of the Student Loan Scheme Bill. He stated that “tertiary education provides private benefits, often enjoyed by way of higher incomes throughout life, not available to all, via the compulsory system of primary and secondary sectors ... the student loan scheme puts in place a very fair method for individuals to fund their needs” (New Zealand Parliamentary Debates, 1992, vol 523, p.11633).

Since the introduction of the student loans scheme student fees have continued to rise as government funding decreases. In 1992 Lockwood Smith, the Minister of Education, set up a ministerial consultative group under Jeff Todd to advise the government on how to fund the expected growth in tertiary education (Brett & Chamberlan, 1997; Ministry Consultative Group, 1994). The Todd report, released in May 1994, recommended that the growth in the tertiary sector should be funded by increasing student contributions either to 25% or 50% of course costs (Ministry Consultative Group, 1994). This reflected the National Government’s agenda to cut taxes through less public spending.

⁸ The Report of the Education and Science Select Committee was released on 8 December 1992. Surprisingly, despite the level of public interest in the Bill, the Select Committee only heard 8 oral submissions and 6 written (New Zealand Parliament, 1992).

⁹ Additional debate on the Bill centred on whether or not the Student Loan scheme was a precursor to abolishing student allowances (New Zealand Parliamentary Debates, vol 530, 1992). Although this possibility was discussed and the impact of such a policy decision should not be overlooked, it was not seen to be a realistic option at this time and was never a part of the National Government’s stated policy objectives.

(Brett & Chamberlan, 1997). At the time of the Todd Report the government was cutting public spending and had predicted a \$2.3 billion deficit for the 1993/94 financial year (Brett & Chamberlan, 1997). The government chose to adopt the less controversial figure of the 25% target, adjusting their funding of tertiary institutions accordingly (Brett & Chamberlan, 1997). In 1997 the government was spending nearly \$4,000 less per equivalent full-time student than the OECD average of \$10,030 (Brett & Chamberlan, 1997). No changes were made to the basic structure of the loan scheme as a result of the Todd Report, however minor adjustments were made to who was entitled to borrow and how the interest rates were set (Office of the Auditor General, 2000).

The Todd report also served to outline clearly the argument between the public and private benefits of education. The report outlined the public benefits of education as being "cultural development; promotion of research; lower crime rates; improved social tolerance and international competitiveness" (Ministry Consultative Group, 1994, p.11). In addition the report detailed that these benefits would lead onto "inter-generational benefits; the creation of an institutional environment that stimulates research; social cohesion and citizen related benefits" (Ministry Consultative Group, 1994, p.15). The benefits to the individual were outlined as "an appropriation of learning for its own sake; the development of individual skills and competencies; the prospect of increased earnings and a lower risk of unemployment" (Ministry Consultative Group, 1994, p.15, p.84). The Todd report detailed that from their research both society and the individual benefit from higher education and as a result both should be expected to contribute (Ministry Consultative Group, 1994).

Opinions

The initial intention of the student loan scheme was to provide students with the means to pay for their tertiary fees. Both Maani and Boston highlight that the student loan scheme did encompass a number of positive aspects for students (Boston, 1992; Maani, 1997). These aspects included; that loans were offered to people irrespective of income and financial history, that they were income contingent in repayment, and set reasonably generous borrowing limits (Boston, 1992; Maani, 1997). In fact they were seen as a generous offer to assist students who were unable to finance their education through

other mechanisms (Boston, 1992; Maani, 1997). Prior to the introduction of the student loan scheme, St John stated that the National government of the time acknowledged the need to remove barriers to tertiary education, that students needed to be independent and saw the loan scheme as a mechanism for young people to fund their own education (St John, 1990).

The government was seen to be giving loans to people who other financial institutions did not see as being a sound investment risk (Maani, 1997). They were offering loans at interest rates that only covered the government's costs of financing the loans, in terms of interest rates and inflation adjustments (Maani, 1997). However the government believed that by recovering the loans through the income tax system the risks of recovery were thought to be significantly diminished (Maani, 1997).

The New Zealand literature on student loans indicates that the policy accorded with the theoretical direction of the government and the value system associated with user pays policies (Boston, 1992; Brett and Chamberlan, 1997; Gerritsen, 1998; Metzker, 1997; Russell, 1999; St John, 1990). Boston asserts that National's changes to tertiary education were driven by two motives: "the perceived need to reduce the fiscal deficit by cutting government expenditure and its manifesto commitments" (Boston, 1992, p.187); which included abolishing Labour's standard tertiary fee by the end of 1991 and to implement a new Study Right policy.¹⁰

The change in policy to reduce the publicly funded proportion of tertiary education created the need for the student loan system (Brett & Chamberlan, 1997). This change in policy direction is therefore seen by many education commentators to be the main reason behind the current level of student debt. Brett and Chamberlan (1997) highlight that the current level of student debt should be a strong indication to policy makers and politicians that the vast majority of students were and are having to rely on assistance beyond their family to participate in tertiary education.

¹⁰ The Study Right policy was designed to pay 95% of the cost of tertiary tuition for students under the age of 22 in their first three years of study (Consumer, 1996). Tertiary institutions would then be funded according to the numbers of study right and non-study right students, leaving the institution to decide what fee structure to use (Consumer, 1996).

Critics of the loan scheme suggest that the government's narrow policy decision to reduce the proportion of publicly funded tertiary education is a cost now being incurred by the individual student, who in most cases needs to borrow (Brett & Chamberlan, 1997; Gerritsen, 1998). Metzker suggests that the changes to education policy have been "driven by an economic discourse that dictates education is a matter of economic (as compared to social or moral) advantage both for the individual and the state" and that the student loan scheme has become the way for the individual to achieve this investment (Metzker, 1997, p.16). Russell concurs with this view saying that the changes to education have redefined it from a "public good to a private commodity" (Russell, 1999, p.3). The National government justified their policy by stating that while they recognised that society as a whole had much to gain from an educated and skilled workforce, it was the individual who gained more and so should reasonably expect to pay (Barnett, 1999; Brett & Chamberlan, 1997; Gerritsen, 1998). Brett and Chamberlan state that the government push of 25% of tertiary funding being covered privately has never been justifiable (Brett & Chamberlan, 1997). They suggested that in order to minimise future student debt the government needs to reassess the funding of tertiary institutions (Brett & Chamberlan, 1997).

Despite the lack of empirical research into the consequences of student debt, the likely individual impact of student debt has been well covered in New Zealand literature (Allen & Coy, 1998; Bain, 1996; Barnett, 1999; Consumer, 1996; Gendall, Hoek, Brenna, Arnold & Hedderley, 2000; Gerritsen, 1998; Metzker, 1997; Mills, 1996; Ministry of Youth Affairs, 1998; Ninness, 1997; Wells, 1999). The Consumer magazine (1996), Brett and Chamberlan (1997), and Gerritsen (1998) provide a critical look at the student loan system, in particular looking at the long term impact of the kind of debt that students incur. Brett and Chamberlan (1997) provide a historical overview of generational income in New Zealand, highlighting that as a result of the student loan system and the introduction of tertiary fees, the current generation of graduates will run the risk of becoming the first that will not be better off than their parents. They further illustrate this point by stating that the debt incurred while students are at university if they have a student loan is equivalent to the size of a mortgage (Brett & Chamberlan, 1997).

As already detailed much of the literature available in New Zealand states that the individual debt incurred by students impacts on every aspect of their lives including their living patterns and ability to save: what courses they pursue, what jobs they consider, when they marry and have children, their patterns of consumption, when they take on mortgages and buy cars, and their ability to save for their own children's education (Ashby, Robertson, & Parata, 1996; Barnett, 1999; Brett & Chamberlan, 1997; Consumer, 1996; Gendall et al, 2000; Gerritsen, 1998; Metzker, 1997; Ministry of Youth Affairs, 1998; Smith as cited in Bain, 1996; "Study on debt", 1997).¹¹ There have been recorded instances of people being declined mortgages and other loans due to the high level of debt they incurred while studying (Ninnes, 1997).¹² Liz Brown, the Banking Ombudsman, has come across instances where people have been declined loans because of student debt. She states that "they appear to be declined a loan because the proposed loan plus the outstanding debt exceeded the value of the proposed property purchase" (Brown as cited in Ninnes, 1997, p.1).

A number of authors have commented on the effects that a high level of debt among tertiary graduates will have on the nation's economy (Ashby, Robertson, & Parata, 1996; Brett and Chamberlan, 1997; Consumer, 1996; "Facing up to", 1999; Gerritsen, 1998; McTamney, 1999; Metzker, 1997; "Study on Debt", 1997). It has been predicted that the inflationary pressures created by debt will see the price of professional services increasing so that the cost of education can be recouped quickly (Ashby, Robertson, & Parata, 1996; Brett & Chamberlan, 1997; Carlaw, as cited in Ninnes, 1997). This will see the problem of student debt moving from an individual student issue to one relevant to the whole community (Huggard, 2000). Gerritsen is even more pessimistic saying that the side effects of student debt, such as the loss of skilled young people overseas, could "help slide the nation towards serious economic and social problems" (Gerritsen,

¹¹ Maani highlights that research completed in the United Kingdom by Mishan 1969 and Hansen in 1986 found little theoretical or empirical evidence to support that the marriage decision of student loan holders is affected in any way by their debt (Maani, 1995). No similar research has been conducted in New Zealand.

¹² A study completed by the Ministry of Youth Affairs in 1998 stated that those student loan holders who were being declined credit seemed to be on the basis of total risk, including their student loan and their ability to re-pay the credit rather than simply being a student loan holder (Ministry of Youth Affairs, 1998). However the same study revealed that 31% of student loan holders do not reveal their student debt when applying for credit (Ministry of Youth Affairs, 1998).

1998, p.7).¹³

One of the underlying policy objectives of the student loan scheme was to provide equal access to education, however "it does not allow some borrowers equal opportunity to pay their loans back" (Metzker, 1997). Allen and Coy state that given the current average starting salaries of new graduates, many will only be able to make their mandatory minimum payments in their first few years in the workforce (Allen & Coy, 1998). Furthermore for those students who graduate with relatively high debt levels, or go into relatively low paying jobs and only make the minimum required repayments there is a very real prospect of the student loan never being repaid (Ashby, Robertson, & Parata, 1996; Allen & Coy, 1998; Bain, 1996; Consumer, 1996; Hamilton, 1999; Mills, 1996; Ministry of Youth Affairs, 1998). By 2024 approximately 17.5% of the working age population will be repaying a student loan (Office of the Auditor General, 2000).

Women are particularly affected by student debt, they take longer than men to repay their loans and the average female graduate will retire without repaying their student debt (Ashby, Robertson, & Parata, 1996; Hamilton, 1999, Ministry of Women's Affairs, 1999, Ministry of Youth Affairs, 1998). Aotearoa Polytechnic Student Union president, John Barkess, said that through the New Zealand University Students Association and their combined analysis that the average female graduate would take 51 years to repay her loan compared with the average male graduate who would take only 17 years for complete repayment of his student debt (Barkess as cited in Hamilton, 1999). This figure has recently changed to 28 years as a result of the implementation of the National government's 1999 changes to the repayment of student loans, whereby 50% of repayments now go directly to the loan principal (Sam Huggard, personal communication, 2000). Even the former education Minister Lockwood Smith acknowledged that some borrowers, in particular women and Maori, would face a lifetime of debt and would die with part, or all, of their loan not repaid (Smith as cited

¹³ This has been demonstrated by the New Zealand junior doctors' strike in September 2000 which again highlighted the problem of student debt for professionals and the number of young people heading overseas to avoid this (Berry, 2000; Fifield, 2000; Scanlon, 2000). A recent parliamentary question revealed that 10,344 loan holders were registered with the Inland Revenue Department as being non-resident on 31 March 2000 with an outstanding loan balance of \$135,968,186 (Hansard Supplement, No 16036, 2000). A non-resident defined as a person that is absent from New Zealand for a period of more than 325 days in a 12-month period and does not have a permanent place of abode in New Zealand.

in Bain, 1996). However, Smith did not see this as being a problem, as he told the cabinet select committee on Education, Training and Employment, life-long debt for many borrowers under the student loan scheme was not a critical issue as due to the classification of the scheme it would be a big financial asset for the Government (Smith as cited in Bain, 1996). Further than this he stated that lifetime debt for some "are the natural consequence of the income-contingent nature of the scheme, and, from a policy perspective, are not seen as critical issues" (Smith as cited in Bain, 1996, p.1).

Women's interrupted participation in the paid labour market, and their lower occupational earnings are key reasons for their student loan disadvantage (Hamilton, 1999; Ministry of Women's Affairs, 1999, Ministry of Youth Affairs, 1998). Smith concurs, however he states that most borrowers would spend some time in a repayment "flat spot",¹⁴ that this in most cases would be for less than four years, but about 10% of people would spend 7 to 12 years or more there (Smith as cited in Bain, 1996). Smith stated that the affect of such a "flat spot" would have mostly "psychological rather than concrete costs" for borrowers (Smith as cited in Bain, 1996, p.1). However a Ministry of Youth Affairs study completed in 1998 highlighted concerns about the increased burden that an extended period of "flat spotting" could have on the loan holder and that each year of "flat spotting" adds to the loan repayment period (Ministry of Youth Affairs, 1998).

Even prior to the implementation of the student loan scheme the National Council of Women had identified in an oral submission to the select committee for the Student Loan Scheme Bill that loans would act as a means to discourage women from participating in tertiary education, would not increase access for women to tertiary education and therefore would not remove the barriers to tertiary education (New Zealand Parliament, 1992). Contrary to this belief current tertiary participation figures show that the number of both part and full-time female students has increased since the introduction of the student loan scheme (Ministry of Women's Affairs, 1999).

"Women are less likely than men to be in the labour force at every age group up to 65 years" (Ministry of Women's Affairs, 1999). Labour market participation shows that

¹⁴ The term "flat spot" has been used to describe periods when loan repayments do not decrease the size of the total debt (Ministry of Youth Affairs, 1998).

many women still leave the paid workforce to have children and many remain at home while their children are young.¹⁵ During this time it is highly unlikely that any repayments will be made on their student loan. However while a woman is not participating in the paid workforce, her loan continues to increase due to interest (Hamilton, 1999). Therefore clearly, there is a gendered impact to student loan debt.

Interest and Repayments

The current interest rate for a student loan has been frozen at 7% for the tax year 1 April 2000 to 31 March 2001, while the government reviews the way in which the interest rate is decided each year (Cabinet, 2000b; Cabinet Economic Development Committee, 2000; Inland Revenue Department, 2000; "More help for", 2000; The "Student loan interest", 2000).¹⁶ Currently student loan interest is calculated using two formulae; a base interest rate, which is calculated to bring the total interest rate in line with the cost to the government of borrowing for the student loan scheme;¹⁷ and the interest adjustment rate, which is set to equal the preceding year's inflation rate.¹⁸ A compulsory repayment threshold is set at the level of the Domestic Purposes Benefit with 2 children. For the tax year ending 31 March 2001 the threshold has been set at \$14,768, before tax (Inland Revenue Department, 2000). If however a person is not earning or is earning below the compulsory threshold and has not borrowed from the student loan scheme in that year then a total interest write off is applied. A total interest write off involves the base interest rate being written off and only the interest adjustment rate charged, so that a loan can not decrease in "real terms". Once earning over the compulsory threshold a person is required to pay 10 cents for every dollar over

¹⁵ At the time of the 1996 census the labour force participation rate for women was 57.2% compared with 72.9% for men. In addition 63% of women with a youngest child under one year old were not participating in the paid workforce and 22% of women whose youngest child was aged between 13-17 years (Ministry of Women's Affairs, 1999).

¹⁶ It is felt that the current methodology for calculating the interest rate creates a "time lag whereby the rate changes slowly in response to changes in the market interest rates" (Cullen, 2000; New Zealand Ministry of Education, 1999). The interest rate for student loans has been frozen while the process for setting this rate is reviewed so that this lag does not disadvantage students.

¹⁷ The base interest rate is equal to the average 10 year bond rate over a 30 month period which ends on the last day for which the interest rates are to apply, plus the risk/administration margin of 0.9% (Cabinet Economic Development Committee, 2000; New Zealand Ministry of Education, 1999).

¹⁸ The base and interest adjustment rates are set annually in October/ November by Order in Council (Cullen, 2000). The Governor General is meant to pay regard, but is not bound by, the costs of the student loan scheme to government prior to setting the base interest rate, and the movement in the consumer price index prior to setting the interest adjustment rate (Cullen, 2000).

\$14,716 (i.e. 10% of income or effectively 10% extra 'tax') to the Inland Revenue Department (Inland Revenue Department, 1999). This means that if a parent who previously was earning over the compulsory repayment threshold and therefore making regular repayments on their student loan chooses to remain at home with their children and individually earns less than the compulsory repayment threshold then they will still be charged accruing interest. However, this interest will not be as high as a person who is earning over the compulsory repayment threshold.

Student loan interest and repayments are calculated on individual income, that is, if in a two parent household both parents have student loans, the interest and repayments are calculated by the Inland Revenue Department on an individual basis depending on the income that they record through the taxation system. Hence, if the one parent continues to participate in the paid workforce after the birth of a child and the other parent does not, the working parent will be charged at the higher interest rate. However given their income they will also be required to make repayments on a regular basis and hence are more likely to pay off their student loan faster than their partner.

Student loans, given the way Inland Revenue assesses repayment, are considered individual debts. In a relationship where one parent remains in unpaid work to look after children, it is highly likely that the other parent will be earning over the compulsory repayment threshold and hence will have reduced their student loan. As previously mentioned, statistics indicate that women are more likely to remain in the home to rear children than men. Therefore it is highly likely that a woman, in this unpaid role, will not have made any repayments on her student loan. In addition, according to the distribution of income within a family, as researched by Fleming and Easting (1994), she would have less discretionary spending to put towards the loan if she chose to. Under current law if a couple splits up each partner will take their relative level of individual debt. Therefore the individual student debt will remain "in the woman's name regardless of what understanding exists between her and her partner to pay it off between them" (Metzker, 1998, p.62). She is left in a position that if/when her marriage dissolves she will have to take sole responsibility for her student loan, despite any support or input she may have made to assist her partner to pay his off. This inequity between male and female partner is further compounded in most cases by the male

partner having built up career capital during the marriage enabling him to access higher income employment and therefore being able to pay off his debt faster.

Developments and Reviews

There have been several reviews and reports written about the student loan scheme since its inception in 1992.¹⁹ However very few of these have actually resulted in any changes to the shape or implementation of the scheme. In 1998 the National government requested that a review of the loan scheme be undertaken by the Ministry of Education as there were concerns that some students were misusing student loan money and others were having difficulty repaying their loans (New Zealand Ministry of Education, 1999). This review resulted in some significant changes to the loan scheme, many of which have come into force in 2000. These changes included:

- a change to the living costs entitlement which used to be paid in a lump sum, to be paid fortnightly;
- fees were to be paid directly to the service provider; course costs were reduced to \$500 and required proof of cost;²⁰
- student union fees could no longer be paid by a student loan;²¹
- students aged under 18 years applying for a student loan were to have written parental consent to do so;
- the minimum repayment amount acceptable in the year of borrowing was reduced from \$200 to \$100;
- a second threshold was to be introduced that increased the repayment rate for higher income-borrowers to 15c in every dollar of income earned over \$50,000 per year

¹⁹ The Audit Office reviewed the scheme in 1994, with its focus on the initial setting up of the scheme. In addition to the Todd Report, and the annual Student Loan Report, the Ministry of Education has completed 2 further reviews of the Student Loan Scheme in 1996, and 1998. The Inland Revenue Department commissioned A.C. Nielsen to provide "information to help with the development of more effective debt management and communication strategies" (Office of the Auditor General, 2000, p.14). Currently the Ministry of Education in conjunction with the Inland Revenue Department and Treasury are reviewing the methodology for calculating the loan interest rate (Cabinet, 1999).

²⁰ The amount for the course cost entitlement was reinstated to \$1000 before the \$500 level could ever be implemented, with the requirement for supporting documentation (Office of the Associate Minister of Education, 1999).

²¹ Labour has re-instated the former student association policy and this can now be borrowed as part of the compulsory tuition fees component of the student loan (Cabinet, 2000b).

(New Zealand Ministry of Education, 1999; Office of the Associate Minister for Education, 1999; Office of the Auditor General, 2000).²²

In addition to the changes brought about by the 1998 review, the National government also agreed to a number of other changes to the scheme which were to come in to effect in the year 2000/01. These included a base interest write off of up to 25% while borrowing and for former borrowers at least 50% of their repayments, less the Consumer Price Index, were to go to the loan principal (Office of the Minister of Finance, 1999).²³

At the time of the 1999 election the student loan debt was estimated to be \$3.4 billion. By January 2000, the Inland Revenue Department's ledger balance alone stood at \$2,843,573,609 and as a result of the way the government regards student loan debt this was viewed as a significant government asset ("Changes to Loan", 2000; Inland Revenue Department, 2000, personal communication; "Leap in Student", 2000; New Zealand Ministry of Education, 1999).²⁴ Since then the new Labour led coalition government has reviewed the changes that were to be put in place by National and have made several important additions. The most significant change is that from 2000 all full-time, full year and other low income students will no longer pay interest on their loans while they are studying ("Changes to Loan", 2000; "Leap in Student Loans", 2000; "More help for", 2000; "MP raises income", 2000; Office of the Associate Minister for Education, 1999; Office of the Minister of Finance, 1999).²⁵ An adjustment has also been made to the income threshold at which part-time students qualify for an interest write off, this has risen from \$14,768 to \$25,000 effective from 1 April 2000 (Cabinet, 1999; Cabinet Business Committee, 1999; "Leap in Student Loans", 2000; "MP raises income", 2000; Office of the Associate Minister of Education, 1999; "Student loan interest", 2000). Steve Maharey, Minister for Tertiary Education, stated that the figure of \$25,000 had been chosen as this "equates to the level of earned income

²² The National Government had intended to bring the implementation for this policy forward to come into effect in the 2000/01-income year. The Labour Government has since revisited this policy and the previous implementation dates of 2001/02 are to remain (Cabinet, 2000a).

²³ The Labour Government's no interest while studying has meant that the base interest write off introduced by National has been superceded. However the changes to the repayment of student loans which means that 50% of any repayments are paid directly to the principal was implemented at the start of the financial year 2000.

²⁴ See Appendix C for graphs detailing student debt over the past decade.

²⁵ This change meant that National's 25% base interest write off for students was no longer in able to be implemented (Office of the Minister of Finance, 1999).

at which a working sole parent's domestic purposes benefit abates" (Maharey as cited "Student loan interest", 2000, p.2).

The most recent report completed on the student loan scheme was published in June 2000 and was completed by the Office of the Auditor General.²⁶ This report outlined some of the 'intended' and 'unintended' outcomes of the student loans scheme (Office of the Auditor General, 2000). It is the first report by a government department that acknowledges the personal impact of having a student loan. The report outlines that student loans can have an impact on participation rates at a tertiary level; often student may opt for more cost effective courses; they may alter or delay life choices; their ability to service and therefore access other borrowing may be affected; as could their ability to save for retirement; in addition to this there is the possibility of inflationary pressures being created by students trying to reduce their debt faster (Office of the Auditor General, 2000). The key point of the report in this area is that little empirical evidence has been gathered to either support or refute these claims (Office of the Auditor General, 2000).

Although these recent government responses to the loan scheme have provided some acknowledgment of the difficulties with the system, they do not provide any redress for those individuals who incurred their loans between 1993 and 2000. Metzker states quite rightly that "student loan debt often has an enormous impact upon the lives of student loan holders, yet these effects are not issues which figure prominently in student loan policy" (Metzker, 1997, p.51).

²⁶ This report provides an indepth background of the policy development of the student loan scheme, and about the inefficiencies and inconsistencies in publicly available information on the scheme. What is interesting to note it that for the first time a government department lists one of the aims of the Loan scheme as "containing the fiscal cost of providing assistance for tertiary study, and maximising the net worth of the Crown" (Office of the Auditor General, 2000, p.5). The report also documents that the Government has not updated it's "true cost of lending" since 1995 and as a result of this the government has no idea of the "current cost of lending, the total cost of the Scheme, or how the Scheme is performing financially" (Office of the Auditor General, 2000, p.27).

Conclusion

The purpose of this chapter has been to provide background on the policy and literature perspectives that exist with regard to the student loans scheme in New Zealand. A discussion of the history and policy development of the student loan scheme has been undertaken to help provide some insight into its controversial theoretical underpinnings. The subsequent and implied individual and national consequences of the scheme have also been raised within this chapter. Of particular interest to this research is that despite little empirical evidence, the burden of student debt is thought to impact on every aspect of a person's life and all of their life choices. The impact of student debt on women has been discussed within this chapter highlighting that women are particularly vulnerable to student debt and some may die of old age without their loan being paid off.

The purpose of this research is to provide insight into the decision making process for mothers considering whether or not to return to the paid workforce after a period of unpaid work in the home and in particular to analyse the role that student loan debt may have on this life choice. The next chapter provides a discussion of the research principles and method that shaped the fieldwork component of this study.

Chapter Four – The Research Process

Introduction

The purpose of this chapter is to outline the justification for and methods used to complete this research. In order to do this the reasons for choosing qualitative feminist research methods will be discussed, as will any ethical dilemmas and legal issues that arose. In addition, the actual steps taken to locate participants and gain the primary data will be presented.

For this research the primary data is taken from semi-structured interviews undertaken with six mothers who have thought about returning to paid work and have student loans. Secondary data has been used throughout the research and involved the collection and review of existing information on this topic from articles and reports in order to provide a context into which the primary data can then be located.

Feminist Research: theory and application

In order to complete this research I chose to use feminist research. The reasons for this choice are located within the philosophies of feminist research. Feminist research recognises that women are oppressed and disadvantaged and is committed to changing this. Common features include placing importance on the role of participants, empowering them, enabling them to tell their stories in an atmosphere of trust, and placing real value on the stories they tell. I felt that feminist research principles enabled me to accurately capture, in their own words, the stories of student-loan-bearing mothers as they made the decision whether or not to return to the paid workforce.

I concur with Smith and Noble-Spruell who state that “feminist research does not lie in any one aspect of the research process and certainly not in any one research method, but ... all of which value women and women’s perspective both as researchers and as

respondents" (Smith & Noble-Spruell, 1986, p.146). Feminist research principles affected all parts of the research process for this study from my choice of topic, to the methods for recruiting participants, data collection, transcription and analysis. These principles included the value placed on reciprocity, having a commitment to positive social change, the position of the researcher, and the role of the participant in the research.

Feminism and hence feminist research emerged out of dissatisfaction with the status quo and women's desire "for a better self-image and a greater sense of self worth" (Lewis, 1981, p.58). Feminists believe that traditional methods of research have distorted women's experience and resulted in a situation where women's voices are not heard, and are in fact marginalised and have disappeared from the focus of much research and history (Lewis, 1981; Smith & Noble-Spruell, 1986; Jayaratne & Stewart, 1991). In particular history has overlooked the role of women, and until the women's movement in the 1970s most historical research had focused on men and issues of concern to them, giving male values and perspectives dominance and only including the role women play in supporting male leaders (Smith & Noble-Spruell, 1986). Through the exclusion of women from the pages of history it was felt that this gave society reason to overlook the valuable contribution women make today (Lewis, 1981). As a result of this, women's significant input into some of the traditional historic events have been overlooked and there has also been an absence of women's own history and experience throughout the ages (Smith & Noble-Spruell, 1986). Due to this there was in fact seen to be a contradiction between the "prevalent theories of social science and methodology and the political aims of the women's movement" (Mies, 1983, p.120).

It was felt that there was a need for women to tell their own stories, their understandings, emotions and actions within the world, through their own methods and on their own terms (Jayaratne & Stewart, 1991). Feminist research processes were therefore developed as a response to the andro-centrism, or male bias, of traditional research processes (Mies, 1983; Stanley & Wise, 1990). It can be seen that contrary to the exclusion and marginalisation of women's research, that feminist research enables women to gain a greater understanding of their position within society, their personal relationships and their role within both the family and the community (Spender, 1981).

Feminist research is said to start from the position of the researcher, who must be prepared to make herself as vulnerable as those being researched (Finch, 1986; Smith & Noble-Spruell, 1986; Stanley & Wise, 1990). The researcher should acknowledge and own those biases that may influence their research. In order to fully understand and support the views of the researched, the researcher should be an active participant in the research process in "order to avoid uninvolved spectator knowledge" (Smith & Noble-Spruell, 1986, p.143). Through the sharing of themselves in the research process, the feminist researcher forms a bond or rapport with those they are studying. This position enables them to gain more personal knowledge from the participant, and means that they may share more than they would in another research setting (Lather, 1986).

As already mentioned, having a commitment to positive social change for women is a key principles of feminist research (Mies, 1983; Lather, 1986; Smith & Noble-Spruell, 1986). Through enabling loan-bearing mothers to tell their stories about how they reached the decision whether or not to return to the paid workforce, I aim to provide information about the complex nature of this decision. It is my belief that through hearing these stories other women will feel less alone in their decision and gain a feeling of shared experience. In addition it is my intention through my research to provide some insight for policy makers as to how the increasing burden of student loan debt affects the family. I hope that the research participants will also, through telling their stories and reflecting on their experiences, become more aware of themselves and how they have come to be where they are today (Lather, 1986; Stanley & Wise, 1990).

The use of semi-structured interviews enabled the women I interviewed to tell their own stories. McRobbie (1982, p.52) asserts that in order for any feminist research to "have any relevance to women and girls outside the (feminist) movement today we have to learn what they are thinking about and how they experience a patriarchal and sexist society". The use of the semi-structured interview is seen by many to be the primary method to actively engage participants in the research process and to enable them to become actively involved "in the construction of data about their lives" (Graham, 1984, p.115). It also provides a mechanism to empower participants as it provides an opportunity for less dominant groups to "contribute significantly to the description and analysis of a social issue" (Opie, 1992, p.61). The participants within this research are by virtue of their gender and economic dependence part of a less dominant group in

society. The use of semi-structured interviews provides those involved in this research with a mouthpiece for articulating their views and concerns with regard to the topic.

In survey research, researchers form hierarchical relationships with those they are studying, and typically it is the knowledge and expertise that they have which allows the interview and thereby the research to be successful (Oakley, 1981; Smith & Noble-Spruell, 1986). Feminists have highlighted the difficulties with the traditional hierarchical relationship between researcher and researched and as a result place emphasis on avoiding this exploitative and patronising situation (McRobbie, 1982). Through my research I aimed to replace this 'view from above' to a 'view from below', an integral part of the feminist research process (Oakley, 1981; Graham, 1984; Smith & Noble-Spruell, 1986). This process assists in developing a non-hierarchical relationship between those I interview and myself. It involves a change in role so that instead of collecting information solely for research purposes, information is collected on behalf of those being researched (Oakley, 1981). Through adopting this 'view from below' the researcher is said to gain an understanding of the worldview of the women they are researching. This provides them with a vested interest in seeing the research undertaken successfully, without exploiting its participants and to see some successful outcome as a result of the research.

Feminist research also attempts to change the role of the participants within the study. Traditionally those who take part in research have been treated as objects of study, who have little, if any, say over the input they have in the research process. Feminist research, on the other hand, attempts to change the role of the participant from object to being an "actor and experiencer" (Harding 1986, p.154; Opie, 1992). The idea is that through a person's participation in research they hold the power, as by their inclusion in the research process they may have their grasp of the world enlarged (Opie, 1992; Smith, as cited in Harding, 1986). It was my aim throughout this study to empower the participants and for them to have an active role in the research. It was their responses that shaped the interviews thus enabling them to maintain control and direct the information they wished to provide. After the interviews were finished participants were still able to have a part in the research process through reviewing their transcripts and providing feedback on their experience.

The nature of feminist research involves in many cases the telling of stories. Through the use of open-ended questions, semi-structured interviews, and the sharing between the researcher and the participant, an understanding of each participant's worldview can be gained from the words they use and the consciousness we then share. This allows the participant to re-gain power in the relationship, deciding its shape and form. It is important to remember that the existence and experiences of women, as research participants, do not exist in a vacuum and all constructs are subject to interpretation from within the social processes and relations that make up each woman's life (Stanley & Wise, 1990). By their participation and answers the participants in this research were able to choose how much of themselves to disclose and their stories then marked "out the territory in which intrusion is tolerated" (Graham, 1984, p.107). This process enabled participants to articulate the intricacies of their existence and enabled myself, as the researcher, to gain a personal understanding of how the participant came to their current decision.

Storytelling is seen to parallel the life-history method, which "attempts to locate individuals in their overall life experience as well as their broader socio-historical background against which they live" (Graham, 1984, p.109). Feminists draw on both of these methods in undertaking research as they enable the participants to have a say in the final research outcome (Mies, 1983; Graham, 1984). What is key to both methods is that they enable myself, as the researcher, to access the interior of the participant's lives. This involved gaining an understanding of the decision making process for each participant with regard to paid work, the day to day activities which shaped this decision and those factors that could serve to discriminate against them.

Qualitative versus Quantitative Research

Feminist research is not necessarily linked to a particular method, rather it is the stance of the researcher towards her participants, which is central to feminist research and how this stance is then translated to her preferred method (Smith & Noble-Spruell, 1986).¹ There is much discussion about the benefits and drawbacks of both quantitative and

¹ This research does not assume that all feminist research is qualitative or that qualitative research methods are unique to feminism.

qualitative research. Until about 1980, qualitative and quantitative research had been seen to be mutually exclusive, encompassing the dichotomy between the experimental and experiential (Smith & Noble-Spruell, 1986). Since this time feminist research has shifted from a rejection of the positivist traditions, including quantitative techniques to recognition of the more useful aspects of both quantitative and qualitative research methods (Jayaratne & Stewart, 1991).

Qualitative research is defined as being “primarily interpretive”, including observation and interviewing (Spicker, 1995, p.195). It frequently involves face-to-face contact between the researcher and participants, the questions tend to be open ended rather than closed, and the interviews are generally unstructured stream of consciousness (Cannon, Higginboltham & Leung, 1991; Hindmarsh, 1992). This enables the “researcher to study selected issues in depth and detail” with data collection not being constrained by “predetermined categories of analysis” (Patton, 1990, p.165). In contrast quantitative research measures effects, such as how much, to what extent and what proportion, or is used to test hypothesis and can be conducted through the use of censuses, surveys and questionnaires (Hindmarsh, 1992; Spicker, 1995).

Quantitative research has its roots in traditional scientific methodology. Historically it was said to distort women’s experiences as it contained masculine values of “autonomy, separation, distance and control” (Jayaratne & Stewart, 1991, p.93). Whereas qualitative research has its roots in the feminist tradition and the dissatisfaction with traditional research methods that had failed to capture women’s true experience and served to discriminate against them. Qualitative research is felt to “accurately capture the complex pattern of an individual life without violating the integrity or dehumanising the individual” (Kotre, 1984 as cited in Healy Jnr & Stewart, 1991, p.36). Through using qualitative research techniques feminist researchers are able to ensure the person being researched is not exploited, and that “the relationship between the researcher and the researched is based on collaboration, cooperation and mutual respect”(Smith & Noble-Spruell , 1986, p.139). Qualitative research, through the use of interviews, enables women to express their experiences fully and in their own words, giving priority to their definition of what is important (Hindmarsh, 1992).

As already mentioned, I have chosen to collect primary data through semi-structured interviews with six women, a form of qualitative research. I have used solely qualitative research techniques within the bounds of feminist research principles to collect the primary data for this research as this allows for a thorough exploration of the participant's thoughts and ideas about their experiences. It is intended that this will provide me with a more accurate and valid picture of the participant's experience. In addition, given the lack of research in this area it is intended that through gaining an insight into these women's experiences, this qualitative research can be a foundation on which quantitative research can build.

The Research Method

In order to complete this research I interviewed six European/Pakeha mothers, who have student loans, about their experiences of making the decision whether to return to the paid workforce.

To recruit participants I put an advertisement in local newspapers, and placed flyers in public places around Palmerston North. The advertisement/flyer outlined that participants needed to be mothers of European/Pakeha descent with a student loan, who had recently thought about returning to the paid workforce. Anyone interested was invited to contact me by phone, via my supervisor, to discuss the research. I then contacted the interested people and outlined the purposes of the research and what it involved. I sent out an information sheet to all those who expressed an interest with the understanding that they could withdraw from the project at any time.² All research participants received the initial information in the same way, through contact with my supervisor and I over the phone, and then through the receipt of the information sheet. I then made phone contact with them to arrange a time and place to meet.

The research participants were involved in one interview of approximately one to one and a half-hours in length. This interview took place at a time and venue agreed to by the participant and myself.³ The interview was semi-structured, using open-ended

² A copy of the information sheet, consent form and advertisement are attached, see Appendices D, E and F for details.

³ In all except one case this was the participant's home.

questions on key themes to enable the participant to tell their story in whatever way they wished. Each interview was directed by the stories each woman had to tell. An interview outline was used as a guide to ensure that all key themes were captured during this time.⁴ The interviews were recorded on audiotape with the participant's consent. Participants were reminded of their right to withdraw from the research at any time. I felt that it was important that the knowledge and expertise of the participant drove the interviews and felt particularly strongly about the importance of creating a non-hierarchical relationship, which enabled the participant to share with me as much or as little as they chose.

A transcribed copy of the interview was sent to the participants following the interview, with a form asking if they wished to make any changes or additions to the content of the transcriptions.⁵ No participant in research leaves the process unaffected. Through telling their stories and sharing their experiences, participants may become more aware of themselves and how they have come to be where they are today (Lather, 1986; Stanley & Wise, 1990). The use of the follow-up form was seen as an opportunity to acknowledge this process and enabled participants to include reflections after the interview and also provided them with the opportunity to alter or withdraw any information in hindsight. This process was also used as a de-briefing for the participants, a time when they were able to reflect on the process and see if it had any implications for them personally. However only one participant, Victoria, recorded her reflections from the interview on the follow-up form.⁶ In this she wrote that the interview process had provided a means for her to analyse and clarify her thinking with regard to the impact her student loan had on her choice of paid employment. The lack of response from other participants does not necessarily mean they had not reflected on their lives as a result of participating in the research. Through the follow-up form I hoped that the participants were able to gain from the research, to feel that they have made a contribution to something worthwhile, and to gain a greater insight into themselves and their family.

⁴ A copy of the interview outline is attached, see Appendix A for details.

⁵ See Appendix A for a copy of the follow-up form.

⁶ Participants' names have been changed to ensure confidentiality of information.

Ethical issues

In order to complete this research an application was required to be made to the Massey University Human Ethics committee.⁷ In line with Massey University requirements, this application was approved prior to the research being undertaken. Issues of primary concern to the ethics committee included those of confidentiality, informed consent, the participants' right to decline, and any potential for harm to come to either the researcher or participants.

Finch (1984), in her article on interviewing women, describes the exploitative potential that is developed in the easily established trust between women, which she states makes women especially vulnerable as subjects of research. In most cases female researchers are welcomed into the participants home as guests, and participants are eager, due to the nature of this relationship, to share their story even if they have some initial concerns about the research (Finch, 1984). The commonalities between the researcher and the participant begin at this point in that both "share a subordinate structural position by virtue of their gender" (Finch, 1984, p.76). Given the nature of the relationship between the participant and the researcher and the ease with which personal details are provided, the researcher needs to be aware of the potential for appropriation (Finch, 1984; Opie, 1992).⁸ As a consequence the researcher should take special responsibility to anticipate whether anything that the participant provides can be used or interpreted in a way other than that which it was initially intended (Finch, 1984; Opie, 1992). To ensure that any potential to harm the participants was minimised, steps were taken by myself to ensure informed consent, voluntary participation and confidentiality. Through upholding these principles and with the option of terminating the interview if participants became distressed it was felt that any potential harm to them was minimised.

Issues of informed consent are always important when conducting in-depth research with participants and there is always the potential for the researcher to exploit and/or manipulate the information that is provided and the rapport that is built with the participant (McRobbie, 1982; Graham, 1984). Through the research process the rights,

⁷ See Appendix G for a copy of the Massey University Human Ethics Application.

⁸ Appropriation is defined as "the means by which the experiences of the participants are interpreted by a (more) dominant group to sustain a particular representation or view of the 'other' as part of an ideological stance" (Opie, 1992, p.56).

interests and sensitivities of the participants were acknowledged and protected at all times. It was understood that the participants have family and some had work commitments and these commitments were honoured. Prior to consenting to being a part of the research the participants spoke with me on the phone. During this phone call, we discussed who I was, the research aims, and the degree of their involvement and at the end of this conversation, the participant was asked if they wish to proceed and to arrange a time to meet. The participant was then sent an information sheet that outlined the research, the time and commitment involved from them, their right to withdraw at any stage, their right to confidentiality and how this would be ensured. In addition, I provided participants with information sheets and discussion about the purpose of the research, and what the data would be used for. I reassured participants that I would take every step necessary to ensure that there was no possibility for any negative effects to impact on them, in particular through ensuring confidentiality and secure storage of information throughout the research process.

Another ethical issue is the participant's right to decline. To ensure that this right was upheld throughout the research it was explained to each participant that they did not have to answer any questions they did not wish to, they could decline an interview even if they have previously agreed to one and they could withdraw from the research at any stage. In addition to this, they were also given the opportunity to refuse to allow information they had provided being used in the final research project. These rights were fully explained to the participants prior to the commencement of the research, through the use of the information sheet and consent form, and at various stages throughout the research process.

Confidentiality is very important to the participants in any research. The main data from these interviews was in the form of taped recordings, transcripts and handwritten notes. To ensure confidentiality, all of this information was kept in a locked filing cabinet at my home so that no one else had access to this information. I was the only person to have contact with the data in its raw form, as I listened to and transcribed the interviews myself. Once transcription was completed any identifiable information was removed and the names of participants changed on the written copy. Participants were given the option of having their interview tape returned to them upon completion of the research, or alternatively the tapes are to be destroyed three months after completion of the thesis.

Any use of the material collected from participants has been undertaken in such a way that the person who was being interviewed can not be identified. While analysing the data only the pseudonyms of the participants were used and any drafts of information are to be destroyed three months after the completion of the research. A summary of my research findings will be sent to all participants following the completion and submission of my thesis in line with the feminist principle of reciprocity, discussed earlier in this chapter.

Another area of ethical concern is that the research may have the potential to harm the researcher. The research topic is not an issue that I am currently facing and hence any chance of the research affecting me personally was unlikely. I am also a trained social worker, and have worked in the profession for the past three years. I have learnt the importance of boundaries and being able to separate the issues of the participant from anything that may be relevant to me. However, through ensuring that the research was carried out in an ethical way, and through upholding the rights and values of the participants, any harm to myself was minimised. This was further ensured through anticipating all outcomes at the outset of the research, both positive and negative, this included not only the responses of participants to the research, but also of the academic community. Through openly discussing any potential problems with my supervisors, and working through any problems in this way it was intended that all possible steps were taken to ensure that no harm came to myself as the researcher.

The similarity between myself and the participants, that we are both women, can be seen as a way to create rapport and is in line with feminist research principles. These state that there should be a commitment on behalf of the researcher to action and positive social change for the women she is researching. Through having similarities and an understanding of the experiences of the research participants I have an additional vested interest in seeing positive social change arising out of the research and having the stories of the participants told from their perspective and in their own words.

Legal issues

Legal issues were also of concern to the Massey Human Ethics committee, to ensure that the research was not only ethically, but also legally sound prior to its commencement.

The copyright of this Masters thesis belongs to Massey University. However the key piece of legislation that affects this research is the Privacy Act. This research adheres to the 12 principles outlined in this legislation. Only personal information needed to complete the research was collected and this information was collected only from the person concerned, the participant. Through the use of the information sheet and discussion with myself, the participant was made fully aware of the uses of the information, and provided informed consent to the use of the information for these purposes. The information they provided was used only for the purpose of this research including being used in any subsequent publications that emerge from this. As already detailed the information the participants provided was securely stored, and will be destroyed when it is no longer required. By providing participants with a transcribed copy of the interview they had the opportunity to correct any information, and at any stage they were able to see, withdraw or change any information they had provided by contacting me and requesting that they do so. Once transcription of the data was completed all identifiable information was removed, and participants were given false names to protect their confidentiality. No one other than the participant and myself should be able to identify themselves as having been a part of the research and it is hoped that through adherence to the principles of the Privacy Act, confidentiality of the participant is further maintained.

Cultural concerns

Research has shown that some issues regarding money and how financial decisions are made within an European/Pakeha family are distinctly different from other cultural groups in New Zealand (Fleming & Easting, 1994). As I am a Pakeha/European woman, I chose to interview other women of the same ethnic origin. It was not within

the scope of this research to examine the effects of student loans on other ethnic or cultural groups and would require additional research to fully investigate and understand the significance of this. This in no way suggests that other ethnic cultures do not struggle in similar ways with regard to the issues of student loans and paid work, but rather that ethnicity was beyond the scope of this inquiry.

Data Analysis

“In qualitative research analysis depends heavily on the judgment and interpretation of the researcher ... It relies heavily on the researcher’s skill in interpreting the meaning of the data on an individual’s life and the researchers ability to identify connections among or between variables and the life circumstances of the participant” (Healy Jnr & Stewart, 1991, p.39).

The key method used for analysing the data gained from the participants in this research is “to make sense of massive amounts of data, reduce the volume of information, identify significant patterns, and construct a framework for communicating the essence of what the data reveals” (Patton, 1990, p371). In addition the feminist research principles described earlier in this chapter, such as placing importance and value on the voices and stories of the participants were incorporated into this process.

The data analysis was undertaken on computer. The first step in the analysis was to read and re-read the data. Harre Hindmarsh (1992) describes this process as “an attempt to emphatically immerse ... in the social world and subjective understandings” (p.104) of the participants. A criticism of this form of data analysis is that the researcher’s “construction and analysis of the data are the only filter through which the evidence is viewed” (Healy Jnr & Stewart, 1991, p.41) and that it can be “difficult to be sure ... that an individual researcher’s construction reflects the life under study rather than the particular concerns of the investigator” (Healy Jnr & Stewart, 1991, p.43). In order to minimise the potential for this to happen while reading and re-reading the data I attempted to keep by own preconceptions about the research aside in order to gain a greater understanding of how the participants made sense of their experiences.

After becoming familiar with the data and the experiences of the participants I began a process of inductive cross-case content analysis (Patton, 1990). This involved grouping together answers to common questions and identifying key themes and patterns from within the transcriptions. These were identified as “those aspects of their (the participants’) discourse to which they devoted most time; to which they frequently returned as a point of reference and in relation to which they exhibited particular engagement in terms of emphasis in delivery and greater animation during the interview” (Grace, 1978, p.114). Supporting quotations were highlighted at this time.⁹ Notes were kept separately detailing these key themes, the reasons for selecting quotations, thoughts related to this and any obvious links with policy and literature.

The data was then regrouped under the major themes to reduce the amount of transcribed information and surplus information was deleted to enable easier analysis. These major themes then became topic headings and the information was again re-organised under sub-themes or sub-headings.

A further process of interpretation and analysis took place in writing up the data. This process, involves “attaching significance to what was found, offering explanation, drawing conclusions, extrapolating lessons, making inferences, building linkages, attaching meanings, imposing order and dealing with rival explanations, disconfirming cases and data irregularities as part of testing the viability of an interpretation” (Patton, 1990, p.423). This interpretation provided a time for reflection and justification for the initial selection of quotations under the topic headings and sub-headings. It also provided an opportunity to make further links with policy and literature and to revisit the initial impressions gained from the fieldwork.

Participant Profiles

I interviewed six participants over a period of a week from 26 May 2000. All of the interviews except one, which was held in an interview room at Massey University’s Library, were carried out in the participants’ home.

⁹ This included data related to themes that appeared in another topic area.

Pseudonym	Age	Children's Ages	Marital Status	Occupation ¹⁰	Level of Debt (approx)	Location
Thelma	40	19, 16, 13, 9	Divorced	Mother/student/volunteer	\$900	Rural
Helen	18	5 Months	Defacto	Full-time student	\$7,000	Urban
Carmen	39	12, 9, and 4	Married	Full-time mother	\$2,000	Urban
Victoria	30	4	Single	Full-time mother	\$20,000	Urban
Penny	24	6 weeks	Single	Student	\$21,000	Rural
Fiona	23	22 months	Defacto	Telemarketer/Information Consultant	\$23,000	Urban

Thelma

Thelma was my first interview participant. She is 40 years old and lives in rural New Zealand. She is divorced and has four children, aged 19, 16, 13, and 9. All of the children except her 13-year-old currently live at home. Thelma has been undertaking study periodically since 1994, and expects to complete her initial university qualification this year. She lists her current occupation to include being a mother, student and volunteer. She took out a student loan last year to enable her to pay for her course fees and the total is now approaching \$900. She is currently on the Domestic Purposes Benefit and receives a training allowance to fund her study.

Helen

Helen is 18, and lives with her partner and 5-month-old daughter. She took out her student loan last year in order to undertake a polytechnic qualification. Unfortunately

¹⁰ As identified by participant

she suffered the loss of a parent shortly after becoming pregnant and felt she was unable to complete the years' study. Helen has recently begun studying again, and has taken out a further student loan to do this. She considers her occupation to be that of a full-time student. Helen's current level of student debt is approximately \$7,000 and she does not receive a student allowance.

Carmen

Carmen is 39 years old. She is married with three children aged twelve, nine and four. Carmen considers her occupation to be that of a full-time mother, although she does have a part-time job at a local supermarket and undertakes volunteer work. Carmen took out her student loan six years ago in 1994 to complete a one-year polytechnic qualification. She did not receive a student allowance while studying and her current level of student debt is about \$2,000.

Victoria

Victoria is 30 years old and has a four-year-old son. The two of them have just returned to their family home after travelling around New Zealand. Victoria considers her current occupation to be full-time mother. Victoria began her university degree in the late 1980s prior to the introduction of fees. However in 1992, 1993, and 1994 she made use of the student loan scheme in order to undertake postgraduate training. Victoria became pregnant in her first year of a PHD qualification and never completed this qualification. She did not receive a student allowance and her current level of student debt is greater than \$20,000.

Penny

Penny is 24 years old. At the time of this research she was living with her six-week-old daughter, parents and siblings in a small town in rural New Zealand. Although not currently studying, Penny still considers her occupation to be a student. She took out a

student loan in 1993 at the age of 17, to facilitate her moving from home to undertake a university degree in the city. Penny took out further student loans to enable her to continue studying through 1994 and 1995. She left university prior to the completion of her degree to travel overseas, returning to New Zealand after becoming pregnant. Penny did not receive a student allowance while studying. Her current level of student debt is approximately \$21,000. She is currently on the Domestic Purposes Benefit.

Fiona

Fiona is 23 years old. She lives with her partner and 22 month old son. Fiona works part-time and considers her current occupation to be a telemarketer/information consultant. Fiona took out student loans for two years, in 1997 and 1998, which enabled her to move from her hometown to the city where she completed a two-year course at polytech. Fiona did not receive a student allowance. Her current level of student debt is approximately \$23,000. Fiona became pregnant with her son very soon after the completion of her course and shortly thereafter, she and her partner shifted to their current home in a smaller city. She has worked casually since the birth of her child, but has only recently entered the workforce in a more permanent arrangement.

Conclusion

The purpose of this chapter has been to outline the method behind my research and to introduce the participants in the study. In order to do this I have provided information and justification for the use of qualitative feminist research principles. I have also outlined the steps taken to collect and analyse the primary data and the ethical and legal issues that arose out of this.

The chapter has given an overview of the thinking behind the collection of the primary data and has aimed to assist the reader in understanding how the data was gained, and as a result how the research findings were achieved. This has provided the groundwork for the presentation, interpretation and discussion of the research findings in the following chapters.

Chapter Five - Contemplating Paid Work.

Introduction

The purpose of the next two chapters is to present the data that was collected during the fieldwork component of this research. This has been broken into two chapters, contemplating paid employment and talking about student loan debt, in order to fully capture the complexity of both a mother's decision whether or not to return to the paid workforce and how student loan debt affects the family. Each of these chapters is then further broken down into themes, using the processes described in the data analysis section of the previous chapter, in order to capture the objectives of the research.

Revisiting the Objectives

Prior to presenting the data gained from my primary source, the six interviews with participants, I wish to revisit the objectives that framed this research. These were:

- to provide insight and informed knowledge into the area of how student loan debt affects a family
 - to enable loan-bearing mothers to tell their stories about how they reached the decision whether or not to return to the paid work force. To accurately capture the complexity of their decision without violating their integrity or minimising their experience.
 - to capture areas that link in with a mother's decision to return to work, ie the existence of a partner, the availability of childcare, a mortgage, the age of their child, the existence of maternity or paternity leave and the availability of paid work.
- To assess how having a student loan affects these factors.

- to provide some insight for policy makers as to how the increasing burden of student loan debt affects the family unit.

In most mothers' lives there comes a time when they think about returning to the paid workforce. This can take place soon after the birth of an infant, or when their youngest child starts school or even after children leave home. The decision is never easy and the needs of the family need to be weighed up alongside the wants and needs of the mother. All of the participants in this research have recently considered returning to the paid workforce.¹ All of their decisions have involved a process of consideration to ensure that the decision they make will be the most suitable for themselves and their family. The purpose of this research is to explore this and to see if student loan debt has a role to play in this decision. To be able to do this we need to examine the decision process for each woman and weigh that up alongside how they regard their student debt. The purpose of this chapter is to uncover the stories of each participant as they considered whether or not to return to the paid workforce. Factors affecting this decision for these participants included the timing of the decision, family pressures, the availability of safe and affordable childcare, how each woman viewed motherhood, their own motivation and personal desire to enter the paid workforce, economic and dependency factors, and whether or not further education and student debt were required to increase their chances of employment.

A key feature of feminist research and therefore this study are the voices of the participants in the research.² Quotes collected during the interviews with participants in this study form a key feature of this and the following chapter. This allows the voices of the participants to form an active part of this research, in addition to acting as a way to ensure that the integrity of their stories are not violated or the meanings dehumanised, also one of the key principles underpinning this study.

Timing

Timing is crucial in contemplating returning to the paid workforce, mothers generally feel more able to return to paid work when their children are ready to be cared for

¹ This formed part of the selection criteria.

² The key features of feminist research have been discussed in Chapter Four.

outside the home, and this in turn depends on the availability of quality affordable childcare. However as all children are different, this also means that not all mothers will make the same choices at the same life stages. Fiona, Penny and Helen all have children under the age of two years and they are all under 25 years old. The issue of paid employment for all of them has arisen when planning future career options. Helen and Penny have set themselves five-year goal targets before their children start school, to up-skill and complete their tertiary education, which they hope will enhance their employment prospects.

Maybe it's because I know that I'm going to be ... at home all day with her. I might as well make something of the time that I'm at home, while she's at home and make something of myself. ... Whereas in five years, she'll be at school, I can go to work. ... I've got no excuse to sit at home, whereas ... [now] I can sit at home and do my studies.
(Helen).

Fiona differs slightly in that she is concerned that her skills will atrophy if she remains at home full-time.

I sort of felt if I left it too long, if we were going to have another kid or something like that then I wouldn't be able to [be] employable or ... I would lose skills or they would think that I've lost skills. It's probably made me better at home to actually get out and do a bit of work too.
(Fiona).

In contrast Carmen and Thelma have older children. Carmen found that the motivating force in thinking about the paid workforce was that her youngest child is just about to start school and she feels the need to establish more of an identity outside that of her children.

One of the reasons I'd really quite like to get into ... work of some description is because I obsess a bit about the kids. They become much bigger ... I need to ... separate myself a little bit from the issues that they are dealing with and I feel if I don't put some energy into something else I'll just live at school. I am a bit like that

anyway, I am that mother that complains at school you know and I could do with doing a bit less of that, I could do with actually withdrawing a little bit more from my children's lives and finding something, and putting my energy into something else.

(Carmen).

Current Work and Income New Zealand (WINZ) policy prompted Thelma and Victoria to consider their options around joining the paid workforce. WINZ requires that if on the Domestic Purposes benefit and not undertaking approved training once a parent's youngest child is six years old, they should become available for work. Currently Thelma's training excludes her from this policy, however once her course finishes at the end of the year she will have her benefit suspended unless she is available for paid work.

In the situation that I am in ... if I'm not training or I'm not working, they will be keeping tabs on me and I have to do a job that they say. It doesn't matter where, doesn't matter what.

(Thelma).

Victoria's son does not turn six for another year. However, as that time approaches the pressure from WINZ to consider paid employment increases. She considers this pressure to be the main reason for her considering returning to the paid workforce.

The main [pressure] actually ... would have been the current WINZ policy, once ... your child turns six they want you out of the benefit as quickly as possible, so that would have been the primary one.

(Victoria).

Thelma, however, first considered returning to the paid workforce in 1994. At this time her husband was unemployed and had re-trained several times without landing permanent employment. Between the two of them they decided that Thelma should re-train in order for her to become the main income earner in the family.

He became redundant, he knew it was going to happen so he trained and got his bus license. As there were no drivers [required at that time] for buses, he trained and got his truck and trailer license, no jobs there. He started doing his taxi [license] there was one in the paper. He was pretty good ... with electronics and things and there was [a job advertised] about doing things around your home. So I thought well right in the meantime perhaps you can do ... something like that. ... So he had gone as far as he could train in everything, in all his hobbies and all his things that he could do. So ... why couldn't we swap roles? ... There was a need for here [being a teacher aide], why couldn't they loan me that instead of paying [my husband] unemployment and that's what we were trying to get them to do. To see the logic that I could train, I would work and he'd do my role at home. There was no more jobs for him, it was a stalemate, they weren't taking on apprenticeships for this ... and he'd be the stay at home mum [laughs].

(Thelma).

Family Pressures

In detailing the process of thinking about paid work all of the participants spoke about the pressures and needs of their family and what paid work would mean for them.

Being a single mother with three children at home, Thelma feels particularly responsible to be at home after 3pm when the younger children get home from school. She spoke about their family's after school routine and reflected on other parents who work full-time.

I enjoy being with my children, we come home and one by one, they tell me ... about their day, what they have for homework, and you get to them fresh. ... If you're working by the time you're coming home ... by that time the kids are hungry ... they're all at you. I don't know how they [working mothers] cope actually some of them. ... They would have to have a good support network...if you don't have that support network you'd be going like clockwork.

(Thelma).

Carmen also sees her role with the children in the home as a vital consideration when thinking about paid work. She stated that as her children become teenagers she still wants to play an active role in their lives and she cannot see her husband being willing to fill a greater role in the family to fit in around her working full-time.

I sort of anticipate stresses with my kids turning into teenagers and stuff and I don't really want a full time job. Luckily our family is in the situation where I don't need to go and do that. You know some families do but we'll manage on less, we'll manage, so we're lucky. And I do see my role in this family and being able to do what I do I think we're really fortunate as a family. ... But I don't think he'd [husband would] want to make too many compromises, as far as, like our roles ... I mean he's really great with the kids and he does more housework probably than most [laughs] ... I don't think he'd want to cook meals for instance if I suddenly said I was off to work full-time tomorrow. And I have to think that things for our family would fall apart.

(Carmen).

Partners and husbands also play a role in considering paid work, as illustrated in the previous statement by Carmen. Fiona's partner also shares the notion of being the breadwinner for the family. For Fiona this became very apparent when considering full-time work.

Why can't I go back and work and further my career ... you're out there doing it
(Fiona).

So what was his response to that? (interviewer).

He's the man he's got to... and then I kicked him you know... he's not like that but ... that's how he was brought up ... talking to his mum, that's how he was brought up you know he has to take care of his family.

(Fiona).

Helen feels responsible and pressured to get a paid job by her student debt that she and her partner now share. Her partner is eager to pay off her student loan as soon as possible.

My partner, he doesn't like debts, he absolutely hates them, you know. His first priority is to get rid of all debts... and that's one thing he's worried about too, having that student loan... and I feel like ... how do you explain it? I feel horrible because I've got this student loan and I'm with him and he wants to pay, ... I don't have the money to put on it.

(Helen).

In contrast both Victoria and Penny as single mothers are aware of the time-pressures placed on them if they consider full-time paid work. Victoria spoke about the changing shape of the workforce and what the pressure to work beyond the 40-hour week would do to her relationship with her son.

No job's nine to five any more. It would be work that would impact on my relationship with my son, particularly as a sole carer I mean there is no one else ... and if I'm working and bring work home we won't have any time together. ... I'm extremely reluctant even when he's in school, to be working when I'm not there to take him and pick him up and of course if he's sick during the day.

(Victoria).

Childcare

In addition to the emotional pressure placed on the mothers by family considerations when thinking about paid work, there are also the practicalities of arranging childcare. For all the participants both the costs and availability of suitable daycare is one of the major factors they have taken into account when considering paid employment.

Thelma said that childcare affected the sort of job she was willing to apply for. She said that factoring in school holidays and after school care really meant that she required a job that fitted in with school hours. Recently she had been offered work that meant that she would not be home by the time her youngest got home from school.

And I said "look no I'm sorry I am going to have to turn you down," I said "I keep telling you that it would have to be something from 9.30 to 2pm I would have to leave by 2.30 to get back here because I live out of town".

(Thelma).

Carmen currently works evenings at a supermarket. Although not her ideal job or the job she is qualified for, she took the position as it fitted around her family's need for childcare.

Like my supermarket job, there are lots of things I really enjoy about it but its not intellectually challenging at all, but it really fits in with my children. I don't have to organise childcare as it is at nights.

(Carmen).

Both Fiona and Helen found that the extra costs associated with daycare made the monetary benefits of working seem insignificant. Fiona found childcare to be the biggest pressure on her ability to undertake paid work. In hindsight she wished that she had negotiated for a higher wage rate when she began her part-time job in order to offset the costs of day-care.

I mean if I'd seriously thought about it when ... I went for this job and they said how much do you expect to get paid ... I went low thinking I want to get this job no matter what. And now I should have been thinking well seriously I should have gone up that little bit even if they didn't offer me that much because [my son] is costing me so much to put him into care. At least if it was a couple of dollars more.

(Fiona).

Fiona recently worked out the family budget taking into account both her part-time work and the cost of daycare for her son, she found the results quite disheartening.

It's quite funny, I worked out yesterday, how much I'm actually bringing home after paying for daycare and the amount of hours I'm doing and I'm bringing home about \$30. You know after you've paid everything ...so you're short of a bit. That

upset me a bit ... I mean I am lucky that was just working out how many hours I actually work while he's in daycare and what it pays.

(Fiona).

Fiona's partner is available to care for their child two days during the week, enabling Fiona to be in paid employment without her wages subsidising childcare on these days.

There's two days out of the week that [my partner] actually doesn't work so we don't have to put him [son] into daycare, so I get a couple of extra hours where I'm actually bringing in money.

(Fiona).

The cost of childcare for Fiona was creating extra stress as she considered the possibility of accepting more hours of paid work.

I mean the positions I've started off with, I would like to think that they will turn into full-time, but I can't [accept with] the amount of money that we have to pay for daycare. I am stressing out a bit about [it] ... if they offered me more hours then I've got to pay more daycare. I really can't afford that, it works out not to be worth it anyway.

(Fiona).

Fiona reflected that the pressure of daycare might affect her relationship with her son.

My son's not here now because he's over staying with family so I can go to work. Two weeks ago he was over at my parents place [about 2 hours away] so that I could go to work. ... My mum ... brought it up [that] he shouldn't really be going ... away for that sort of time. He will start getting confused, ... but we have no family [here], and the daycare couldn't take him in the morning when I need to go in for a full day. ... I'm lucky that I've got family that can take him over there and have him for a couple of days, but it's quite hard when you don't have somebody here that you can, you know, nanna around the corner that you can drop him off and jump into work that would be handy.

(Fiona).

Penny said that she presently feels limited in her employment options as she would have to access daycare, as a consequence she has chosen to study in the hope that in the long-term she will be able to find work in an organisation that provides daycare.

[Working] requires finding someone to look after [my daughter], and the people you usually go to are your grandparents, but they're pretty busy people, so I'm not sure what my options are there. But my decision has been to study for the next few years. ... That's what I'm ... trying to make myself employable and hopefully work in a government department in Wellington, because they have creches.

(Penny).

The Meaning of Motherhood

In contemplating returning to the paid workforce, each participant's view of motherhood impacted on their decision, including the expectations they already held about returning to paid work.

Helen, Penny and Fiona had all anticipated a quick return to the paid workforce after the birth of their children. Helen had thought that the experience of being a mother would be really easy and she would be back in the paid workforce quickly. However, the reality turned out to be different.

What did I think, I thought it would ... be easy. I thought after the first month I'd be back at work and yeah, earning money. ... Once you've got a baby yourself it's not easy, it's I think it's more, ah, I don't know how to explain it more mentally ... than anything else. ... It's hard with a child, I didn't understand [that] when you're spending all day with her and the one minute you get when she's asleep, or the hour that you get, you just want to just relax and do something you want to do.

(Helen).

Carmen on the other hand always thought that she would stay home with her children and has found that job to have its own rewards.

[I] guess I was never that happy in my job that I desperately wanted to get back to it. ... You know I don't think I had any intention of going back to work at all. No. ... I thought I'd enjoy it. ... The thing I've enjoyed most in my life is raising my children, I see that as every bit as satisfying as any job I've ever done.

(Carmen).

Victoria was more ambivalent about her expectations of motherhood prior to the birth of her son and as a result kept her options open. As time progressed she chose not to return to her study in order to be at home with her son.

When I took maternity leave at that stage I didn't know if I would come back or not, but I think I had approved six months or something and they were going to go from there. I was just prepared to take it as it came really [laughs].

(Victoria).

Staying at home full-time with children is, as documented in chapter two, often seen as a non-occupation and is not recognised by much of society. Penny agrees with this view despite her recent realisation of the work involved in looking after a child. "I still think of it as not a job. It's really stupid because I've just realised how hard it is in the last six weeks and it's full-time" (Penny).

Both Victoria and Carmen were very aware of how society viewed motherhood and felt that was also a factor in their thinking about returning to the paid workforce.

My main problem with not working full-time is not the money 'cause we can manage but its how the ... world views people who are – I don't think full-time parenting is something that's valued at all by anybody. Like people think you must be a bit of a dummy because you haven't got a full-time job.

(Carmen.)

My view is it really is a personal choice ... in no way is it a value judgement that therefore everyone else should, it really comes down to the individual. ... Quite apart from the whole motherhood is not a valued occupation and motherhood on

the benefit is even less valued occupation, so there really is the whole esteem thing of doing a job that at least is recognised as being worthy or contributing to society.
(Victoria).

Carmen however believes the most important factor is not how society views mothers, but feeling personally valued in whatever one chooses to do. She believes there is a contradiction in the amount of respect some employment receives because it is paid and the lack of respect accorded to mothers in their unpaid capacity in the home.

The challenge is to still feel valued as a person and that's really hard, and I find that really, I have problems now after a long, long time ... after 12 years of being at home with my children. I have problems with just [the] total lack of respect that people have for, I mean ... I just have problems with people who have quite menial jobs really when you look at it and have enormous amount of respect because they work at a bank as a teller or something. I'm not saying they're bad people, but why are they seen as more intelligent and more worthwhile than me ... the only reason people see those people as more valuable than myself is because they get paid and I don't.

(Carmen).

Enjoyment and Personal Fulfilment

In considering future paid employment options, all the participants stated that it was important that they did something from which they gained enjoyment and personal fulfilment. In order to be able to find paid work that they would enjoy, all of the participants, except Fiona, considered that they would need additional training to have the skills to do the jobs they wanted properly.

But ideally doing a job I enjoy has got to be important, I've quit so many jobs because they just get me down and it has to be something I enjoy, so finding that is also difficult. ... I'd rather be on the DPB looking after [my daughter] being a mum, than doing a job I hate. So by getting a bit of extra studying behind me I

won't have to work in just a supermarket or just as a nanny, not putting down nannys but it's just not what I aspire to.

(Penny).

Helen and Thelma are already engaged in up-skilling; Helen is enrolled at the Open Polytech and Thelma is completing an extramural tertiary qualification. Thelma said that she really believed in the study she was doing and saw a real need for the occupation in the community.

[I'd finally found my] niche ... I was one of these kids who didn't really know what they had [wanted to do]. ... So [now] when I got to the school [to complete my practical] it was a different thing altogether and I kept thinking I wished I knew I could do this 15 years ago.

(Thelma).

As already mentioned Helen had chosen to study at this time in her life as she felt she had the time to do so before her daughter started school. However she also considered that this would ensure that she was qualified for the occupation she wished to eventually work in.

The area, ideally I'd like to go into child psychology work with say grief. ... I just want to work with kids to help them. Because I know how it feels, so I can help, be someone that can sort of understand them. That would be the ideal job I would like to go into. But then again I suppose just work towards that, I give myself five years.

(Helen).

For Carmen being able to find paid work she enjoyed was the key factor in her returning to the workforce.

I'm really aware there's a lot of options for me in lots of ways...I could do some other full-time study or I could perhaps try to extend my supermarket work and ... do a lot more hours and become a supermarket worker basically, which I really don't want to do [sigh]. Or I could do something else completely really. At this stage I'm aware that there are quite a lot of options out there for me, even though I

haven't really set myself up well it's not too late to think about something else. I guess the one thing for me is that I've ... decided I really want to do something I'd like rather than just going to do something to earn, partly because we are in the fortunate position of being able to do that. A lot of people aren't, but I am so I'm lucky really and that's perfectly acceptable and is affordable.

(Carmen).

Fiona was the only participant who cited having some time away from her child and the adult company gained from paid employment as a factor in her decision to return to the paid workforce. Fiona sees doing paid work that she enjoys as a time out for herself and believes that this then benefits both her and her son at home.

I enjoy being home with him but work is actually a get out. When you've had kids you'll understand [laughs]. Going to work is being a break for me, the contact and stuff. ...It was what I wanted to do, it was a timeout it was a get out of the house, it was a bit of extra money, you know. It gave [my son] the opportunity to go to daycare and meet with other kids and things like that. Yeah as well as, probably more, I wanted to get back to work [laughs].

(Fiona).

Victoria found the economic pressure of her student loan debt to be particularly pronounced in thinking about her job choices if she returned to the paid workforce.

I have to be aware that any job I think of ... I have to sort of look for ones with a higher income, whether I want them or not. And I'm having a struggle with that, between the jobs I'd like and the jobs I'm going to need to service my [student] loan [laughs]. ... Do I go for the lifestyle and the kind of work I would like to do or do I go for one which is going to pay off my loan? I can see myself getting extremely resentful if I go for the one that's going to pay the loan off, because it would be work that ... clashes with in my own principles. ...[My student loan] would have been in front of my own desire to work actually. It's really the decision about whether my student loan is ever going to get paid off or if it's not going to [laughs].

(Victoria).

Economic Factors – Champagne tastes on a beer budget.

Economic reasons would probably be the number one reason obviously for going back to work.

(Penny).

I need to go back to work to get some, to get some money [laughs].

(Fiona).

As discussed in chapter two economic reasons are often cited as being key to women's decision to return to the paid workforce. Participants were asked to explain if this was an issue for them in thinking about returning to the paid workforce and how it affected their final decision. All of the participants felt that financial pressures and issues of economic dependence were key motivating forces in their thinking about returning to the paid workforce, this included the pressure of their student loan debt for all except Carmen. In addition participants were asked about their experiences of being dependent on either their partner or WINZ for income during the time they have been out of the paid workforce.

Fiona, Helen and Carmen are all economically dependant on their male partners. They were asked to comment on their experience of this.

I hate it, I absolutely hate it! [laughs]. I just feel bad, because he goes out there and earns it all and I just sit at home all day and ask for money. I'm kind of getting used to it, you know it's something I suppose I have to get used to. Not having the money, I mean the money's there if I want it, but not necessarily all the time, it would be nice for me to have my own money, to be able to go out there and shop and go yeah, hey I want that, and buy it and take it, instead of, you know, asking [partner], can I have this please.

(Helen).

Carmen said that she came to terms with being economically dependent on her husband years ago, before they had children. She explained that she and her husband negotiated a

system of pocket money that they individually could spend on whatever they wanted and this enabled her to retain as sense of economic identity in their relationship.

We still operate like that to some extent. There is a certain amount of money which is his. I mean he told me he wanted to go to the pub next week, and he never goes to the pub, never, ever, ever. I can't say –oh we haven't got money to do that, I say go ahead and have a good time. That's sort of part of retaining [identity] ... I felt at the time it was really important to us both to retain some dignity. So even though it was only a small amount of money it just gave me a feeling of retaining my identity really so that I didn't feel like I was dependent on him for everything, and it's worked really well for us. So those amounts, those circumstances have changed but the basic principle is still there.

(Carmen).

For both Fiona and Carmen returning to the paid workforce had decreased their feelings of economic dependency, provided them with an opportunity to contribute to the family income, and to pay towards some discretionary items for themselves and their family.

Actually I feel really good that I can contribute some money to the house and I mean okay ... still ... the rent comes out when [my partners] money goes in so. So we've managed to live off one wage but now we've got these extra [laughs] you know computer and stuff which he really wanted so [now] we're able to stretch it out a little bit. [Our money] is still together really but I mean I now feel okay if ... I go to Weight Watchers, [whereas before] I felt a bit guilty when I was ... using his money for something for me.

(Fiona).

As already mentioned Carmen initially returned to the paid work-force part-time working evenings stocking shelves at a local supermarket. She said that being able to earn extra income to put towards luxury items for her children was the primary reason for her taking this job.

I don't actually get anything out of my part-time job apart from that, and for me it's important that my children have more than the basics and it means that it pays for

things like their piano lessons and my daughter has just started ... private school so ... my supermarket job pays for her fees. And like holidays, things we wouldn't have as a family we can have now, that's what my income's earmarked for.
(Carmen).

Victoria, Thelma and Penny all found the experience of being economically dependent on WINZ to be unsatisfactory and to be a major contributing pressure in thinking about returning to paid work.

It is not a good group of people to be involved with simply because as I said you go in feeling relatively good about being a mother and you go out feeling like a blight on the state. So I find it incredibly stressful, that threat that someone for a computer error or someone who didn't like the look of you or thought you were a bludger could just stop your benefit and ask questions later. So I find it incredibly insecure.
(Victoria).

I don't like them, they flick your money off like that, they drag you through the mud to get it back on. They treat you like it's their own money coming out of their own pocket, I don't feel comfortable at all being there. I don't like it at all, I didn't ask to be put in this situation.
(Thelma).

Well it's a drain on society when you think about it like that. I can see someone else thinking oh, they're a drain on society. I can just even think that about myself.
(Penny).

As outlined in this section all the participants expressed dissatisfaction at the prospect and reality of being economically dependent. Paid employment was seen as one mechanism to minimise the affect of this situation and further education was viewed as a mechanism to achieve this.

Another Student Loan?

As already mentioned, all of the participants considered further study necessary to be able to enter the paid-workforce in a career they would enjoy. This study, for most of the participants, would mean taking out an additional student loan and increasing their current level of student debt. Participants were asked their views about increasing their level of indebtedness. Carmen's reaction was "Oh god do I really want to get more indebted?" For the other participants there was simply no other option.

If I decide to go for the higher paying job I'm going to need to fill in the gaps and I mean the only way to do that is to study, and the only way to pay for it is the student loan ... and you know adding another \$1000 to the student loan at this point wouldn't make any difference [laughs].

(Victoria).

Depends what day you ask me, like today I'm feeling ... that it's a good thing to be doing, but other days, ah I can't be bothered I just don't want to get into more debt. I can't, too hard, you know.

(Penny).

We discussed it with [my partner's] mum cause she said hey if you want to do this I can give you some money towards it. But then again the house came along and she said yeah, you've got a choice I can give you money towards your student loan; we can buy you a house. So we obviously took the house ... And he [my partner] was more than happy as long as he said, as long as you commit yourself to it and you do it, you do it good!

(Helen).

Conclusion

The purpose of this chapter has been to facilitate the participants involved in this study to tell their stories about how they reached the decision whether or not to return to the

paid workforce and to accurately capture the complexity of this decision, a key aim of the research.

In addition through these mothers telling their stories the factors that link in with a mother's decision to return to work were identified,³ ie the existence of a partner, the availability of childcare, their views on motherhood, the age of their child/ren, and their perceptions of paid work. By gaining an understanding of the processes involved in each participant's decision we are then better able to link in how the experience of having a student loan affect this. The next chapter builds on these themes by examining the participants' views regarding their student debt and the student loan scheme.

³ Another key research aim, as identified in Chapter One and restated in Chapter Four.

Chapter Six – Talking about student loan debt.

Introduction

This chapter sets out to answer how student loan debt affects a family as well as to provide an understanding as to how each participant's debt affected their decision whether or not to return to the paid workforce. The context in which each participant views their student loan is examined including their views about the student loan scheme, their reasons for their initial student loan, and what impact this debt has on the day to day functioning of themselves and their family. Through gaining an insight into how each participant regards their student debt we can then understand the role it plays if any, in their family life and subsequently in the decision whether or not to return to the paid workforce.

Initial Assumptions

The issue of student loan debt is something that all the participants had thought about. The background to the student loan scheme has already been discussed in chapter three. However when student loans first came into being in 1992, it was primarily to assist students to pay for the increasing cost of tertiary education. Prior to this time tertiary education had cost very little and student allowances were universal. The introduction of the student loan scheme was seen as a mechanism to provide equal access to tertiary education regardless of wealth and income. It is difficult to assess whether policy makers were fully aware of the potential long-term implications that student debt would have on loan holders. It is only now with hindsight that we are able to see some of the effects that having a student loan has on us individually, within our families and as a nation. To fully understand how participants involved in this study viewed their student loan, it was necessary to firstly find out the reason for taking their loan in the first place.

For all the participants taking out a student loan enabled them to undertake study, that given the increasing cost of tertiary education, they would not have been able to afford to do otherwise. Their reasons for taking out their student loan reflected not only this belief, but also a sense of desperation and resentment in having to apply for a student loan.

Thelma began studying in 1994 without the assistance of a student loan. However shortly after completing her first two papers she became aware that the cost of completing the rest of her qualification meant too many sacrifices for her family. As a result of this she stopped studying until 1999 when, after examining all other options, taking out a student loan enabled her to continue her qualification. She states:

I signed up and did 2 papers, but I didn't have any money to continue. ...I needed about \$835 to finish and I couldn't find help anywhere. One of the reasons was that I am not the breadwinner of the household, I don't get the help... as a result I had to pack it in ... then they brought out student loans and that was the only way I could do it. There was no other help to get \$860 anywhere in my life, nowhere. That was the only option I had.

(Thelma).

The lack of financial assistance and the targeting of student allowances by the government with regard to tertiary education were reflected in other participants reasoning for taking out their student loans.

At the time I had absolutely no income and probably could have gone to the bank and got a loan, but at the time I didn't actually see why I should have to. I felt really resentful that I had to take out a student loan because I was a married woman and had I been a single parent I would have not had to.

(Carmen).

Victoria, Penny and Fiona worked both prior to and during their tertiary qualification. They were not able to access any financial assistance from their families. As a consequence their reasons for taking out student loans reflect their frustration not only with the targeting of student allowances but also that the level of fees had risen so much

that despite their efforts to save they still needed to incur a large student debt in order to survive.

I really wanted to carry on studying and being under 25 with my father earning, at that stage, above what he was allowed to, I had no other option. Holiday work was, if you could get any, it was barely enough to live on, let alone saving fees and things ...The big thing of course was the allowance, I wasn't entitled to an allowance anymore.

(Victoria).

Well I couldn't go without it. Mum and Dad were not in the position really to finance me like some of my friends were lucky enough to have. So even though I had 2 part-time jobs every year at uni, 3 one year and I worked ... in all my holidays as well [laughs] ... I still had to get one. So I just got it!

(Penny).

My family were considered rich...I'm a twin, I've got an older sister ... [my twin] wanted to study at the same time. I had never considered us rich, but okay, sure we had a lot more than other people ... but [we got] no help with any sort of government student allowance or anything like that. I really wanted to go away [from my home town] to study.

(Fiona).

Fiona stated that getting a student loan was, realistically, the only option available to her to finance her education at that time in her life. She went on to say that:

I felt that ... at the time ... if I didn't do it then ... I may not do it and it was another reason was to get away. I thought it was good [the student loan scheme]. I knew my parents hadn't been able to save for each of us for ... an education or to buy a car or what ever and the only way to really do it [get an education] was to have a student loan.

(Fiona).

When asked to reflect on the time of taking out their student loans none of the participants had considered that there would be any long-term impact on themselves financially as a result of the debt. Both Carmen and Thelma felt, as their loans were relatively small, that they could manage such a debt without it having an impact on their lives.

I believe that it doesn't come of your estate and it's not part of marital debt either. So I don't actually see it as a problem, because I'll be able to afford to repay it should I get a job, and if I don't get a job I can't and I don't have to.

(Carmen).

It was Thelma's intention when she took out her student loan to pay it in the same year by making regular repayments from her husband's income, however this did not happen. She reflects "I knew I could manage it because it was under a thousand, of course that was before I had the shock of [laughs] my husband going" (Thelma).

For the rest of the participants the act of getting a student loan was simply a mechanism for paying for their tertiary education and they gave no thought to any future repercussions. "It was just - yeah cool - I can do this study...someone's giving me money to do this so no I didn't think about it at all" (Helen). "I didn't even think, I just was 17 and wanted to go to uni ... I needed a loan" (Penny). "I probably was hoping you know that the imaginary parents were going to, yeah the imaginary bank account was going to pay for it you know [laughs]" (Fiona).

When Victoria took out her student loan her thoughts were that she would gain a well paid job upon completion of her qualification and her debt would be paid off very quickly without having a great deal of impact on her lifestyle.

It was very much still ... the myth then that university automatically got you a well paid job, so the idea of borrowing a few thousand dollars seemed negligible. Because I had been used to living cheaply and the theory was when I [laughs] got this wonderful well paid job it was going to be no trouble to just live frugally for a few more years until it had been paid off. So no, I didn't think it would be a big, big issue.

(Victoria).

For all the participants except Carmen, the realisation that their student loan would have an impact on their life choices occurred during study or shortly thereafter.

It was probably about half way through my study...when we were all, me and my friends were talking about it... and that's when it really hit me, I was like oh my god! I'm going to have to pay back all this money, plus interest!
(Helen).

Helen, Fiona, Penny and Victoria were all assessed for their entitlement to a student allowance against their parents' income. In each case their parents were considered to be earning over the entitlement threshold. The option of a student loan removed this barrier to tertiary education as it meant that they were able to attend university without their parent's support and released their parents of that responsibility. Each of them were asked their parent's reaction to them having to get a student loan. All four of these participants said that their parents had been concerned that there would be long-term implications for them. However, like Victoria most had assumed that their children would be able to get well paid work and pay their loan off quickly.

Well at the time ... my father ... [said] you're going to get a well paid job so live frugally for a few years and you'll be fine. He was very supportive of the decision to do it, I mean I think if he had been able to give me the fee money he would have instead but he wasn't, so he felt it was almost a necessary which could be fixed quite easily afterwards.
(Victoria).

They [my parents] couldn't see any other way around it either, ... I just went and did it...but they were, I could tell, they were thinking about the long-term consequences. But in today's world that was how you went to uni and they also understood that. It couldn't be done otherwise. I mean they helped me ... they paid part of my hostel each week, 'cause I was in a hostel first year. So that was their contribution to my university life, helping me out in that sense. When I went flatting the following years out of the hostel, they didn't help me as such each week, but they were always there when I was short on cash to help me out.
(Penny).

I'm sure that [my] parents didn't feel very good that I had one, but they knew that it was the only way that I could do it, and it was my decision in the end.

(Fiona).

Helen required parental consent to be able to access her student loan. Her father was willing to give this consent as he felt that the option of a student loan meant that he was no longer solely responsible for funding his daughter's education. However, despite this relief he expressed concerns about her ability to repay the debt and the long-term consequences of this for her.

Well my father was more than happy to sign the piece of paper, you know because it gave him no responsibility, he wasn't liable or anything to pay the loan back. So he was more like, are you sure you want me to sign this? I don't know if I should, you're going to be in debt for the rest of your life, and I convinced him, I said no, I'll do it, I'll do it, I'll be really, really cool. I'll get this big huge job and pay it all off.

(Helen).

In hindsight Fiona in particular wishes that she had taken her parent's advice and saved for a while before going to university.

If I'd listened to my parents, [I] would of rather saved a bit of money and maybe worked a year.

(Fiona).

The Student Loan Scheme

Participants were asked to reflect on the student loan scheme at the broad policy level before they looked at the current personal impact of their student loan. Helen was the only participant to see some merit in the loan scheme, she believed that the system created opportunities for people to complete a tertiary qualification which they otherwise could not afford to do. She states:

I think we do need a student loans scheme, for like I said the unfortunate people that have not got the money ... or their parents have not got the money to put them through education. I find there are lots of people from my school and they're really bright, ... if they did not have student loans, their parents would not be able to afford ... to put them into say law school or medical school or something like that.
(Helen).

In contrast Victoria, who began her tertiary education prior to the introduction of student fees, believes that the government was irresponsible in creating a system of tertiary fees and student loans, that they chose to overlook predictions of the impact of student debt in favour of economic benefits for the government.

The fact that the very people who brought this in had had many years of relatively free education. The fact that the people who brought this in were told about how it was going to impact on people, particularly on women because women earn less, so of course it is going to take longer to pay it off. They chose to ignore it for a quick buck and 3 million billion quick bucks or whatever it is now. And I am extremely angry with that.
(Victoria).

Further than that Victoria sees that the existence of the student loan scheme has created a barrier and impediment to completing higher education. She states that no one had been able to predict the onset of student fees for tertiary education and as a result there was little time to prepare and save towards it.

I mean I just see education as something so primary and so vital that it shouldn't be a barrier. And coming out with a debt is a barrier. People say oh no it's not a barrier cause you can get it...The people who made the policy didn't look at it, they looked at it in terms of money and I think when it comes to education you can't look at it in terms of money. I understand that things have to balance up, you have to be able to pay for things. But I think education is so important that it shouldn't be just shouldered on the individual people. I mean the community benefits any time anyone gets a degree, anytime anyone gets educated in any way and therefore I

think should be paying for it. Because well it's paid back, I mean someone gaining skills, everyone benefits from it.

(Victoria).

Both Fiona and Helen were surprised to learn that higher tertiary fees were only introduced at the beginning of the 1990s. Fiona shares Victoria's frustration in not being forewarned about the likelihood of student fees and said that had her parents been aware that they would be responsible for paying for her tertiary education they may have saved so that she did not have to get such a large student debt.

The Reality

To gain an insight as to how student loan debt affects the day to day life of each participant, they were asked to rate this on a scale of one to ten; with one being the lowest, ie. insignificant and ten being the highest, ie. unmanageable. Four of the participants rated the effect of their loan on their lives as being between seven and ten on the scale. They stated that the debt was a constant pressure on themselves and their families as they were aware that they could not pay it off and it was continuing to grow with interest in the meantime. Victoria captures the feeling of this group by saying "when I got my student loan I hadn't thought about if I decided to have children, going back I would be tempted to not get the student loan [laughs], but I wouldn't not get the child!" (Victoria).

The other two participants, Carmen and Fiona, thought about their loan less often for differing reasons. Carmen's belief was that as her debt did not affect her or her family's day to day life she was able to ignore it.

It just doesn't have an effect on anything in my life, so it is of absolutely no concern to me at all, none... It is partly because I know it's a small loan, and in some ways if it was a larger loan I'd probably be a bit more responsible about it.

(Carmen).

For Fiona denying the existence of her debt and not thinking about it was her way of coping with everyday life. “Honestly, I’ll go for weeks and just dream, I suppose, that I don’t have it. I can’t afford to, there’s enough stresses without thinking that I owe \$23,000, you know” (Fiona).

Daily Impact

When asked, all the participants, except Carmen, felt that their student debt indirectly affected many of their decisions on a daily basis. The participants were asked how they regarded their student loan, if it was like a utility bill, a mortgage or another type of bank loan. All the participants regarded their loan to be similar to other debts of the same monetary value.

Thelma’s student debt is comparatively small, under \$1,000 and she regards it as being similar to a debt from Work and Income New Zealand (WINZ) or her rates bill, due to the interest and penalties that both types of debt incur if regular payments are not made. For Thelma regarding her student debt in this manner means that she is prepared to sacrifice other bills in the short-term to ensure she does not incur a greater debt through accumulating interest.

I have to run up the cost now, my washing machine’s going to bust, that fridge or the lawn mower that I can not commit to. I’ll have to commit to paying this [student loan] back because along with income support and rates they’re my highest and they keep getting penalties and interest.

(Thelma).

In contrast Fiona, Penny and Victoria, all with debt in the \$20,000 - \$25,000 range, regarded their debt as being a similar size to a mortgage but of lesser importance due to the lack of consequences if it was not paid and the lack of a tangible outcome. “[It’s like a mortgage] without the house. At the end it really does feel like that” (Victoria).

I sort of feel we pay our bank, I mean our bank loan’s not huge, but we sort of pay that, and every other bill. You know, like the power bill and the phone bill we make

sure we've paid them ... on the due date, and everything, because you know otherwise they're going to cut your power off. Whereas with the student loan I suppose you can sort of put it back there 'cause there's no [consequences].
(Fiona).

I'm thinking of it now more along the terms of like a bank loan or my mortgage. I mean I guess it is a lower interest rate, but ... not like a bank, you're not under pressure to make your payments each month. With a student loan it comes out and that's [the] minimum amount it's not really paying back anything [laughs].
(Penny).

Value for Money?

The participants were asked if they felt that their student loan investment was worth the level of debt they now had.

Victoria completed her Masters in English five years ago, and since enrolling for her PhD the following year and then falling pregnant she feels as if the skills she gained are now out of date and that her student loan is a liability as opposed to an investment. She states that she has "this growing debt that I have very little to show, and the skills I got from it are now out of date after five years ... so it really feels like a debt for nothing, you know" (Victoria).

Penny and Helen also did not complete their qualifications before they had their children and they too feel resentful at having gained such a large debt without the qualification to show for it.

I ... did my studies, my father died in May, I fell pregnant April, was it April? Yeah, I fell pregnant in April, my father died in May, I didn't go to polytech because of the shock ...of losing my father and getting pregnant. I went to polytech for about two months after that, and then I got a job for an insurance company working full-time for a couple of months. I spent four grand on my student loan, no I think it was six, and wasted it. Because of my circumstances.
(Helen).

Penny relates her debt to taking out a car loan for a car that does not even work.

I sort of feel at the moment because I haven't finished my degree ... that [it] was a bit of a waste of time. I've got this big debt for a degree that I am not even putting towards a job yet ... basically because I don't have that little bit of paper saying that I've got a degree. I've done three years full-time study and I think I need to have the degree to make that almost seem worthwhile. It's like buying a car, with a loan, that doesn't work and not getting it fixed and you've still got to pay off the car loan but it's sitting there not working. I guess if I had my degree and had the student loan, I'd be happy even if I'm not working because it would be my choice not to work at that point in my life. When I choose to go out and use that bit of paper or that degree, and try and get some work experience it will be okay. So at the moment it's a yucky little thing that just sits at the back of your head all the time.

(Penny).

The Long-term Impact of Student Debt

All of the participants acknowledged that there are long-term implications of having a large student debt. They could see the implications affecting the outcome of most life choices for themselves and their family from owning a home, having more children, and saving for retirement. Further than this is if they were to attempt to repay the debt the participants felt that this would mean sacrificing spending in all areas of their lives.

Victoria sums up the long-term impact of student loan debt on her life saying that it affects every decision she makes:

Really [it affects] all the major [decisions] family, retirement, home, anything I do in between. If I decide to go overseas, I've got this debt that follows me ... so it's a noose around your neck what ever you do.

(Victoria).

Both Helen and Fiona believe that their student loan debt, along with other factors, will mean they may not have the big weddings that they dreamed of.

I mean we're probably looking at ... if we ever got married, you know ... I don't even think we'd have a big wedding because I can't see spending all that money when I know I want to save for a house and I've got this debt.

(Fiona).

Helen says that her student loan could mean that she and her partner will put off getting married and going overseas. She says "I mean 'cause if I've got the money to save up to go overseas, then I've got the money to pay off my student loan! More or less" (Helen).

The concern that student loan debt can affect people applying for mortgages is a very real prospect for Victoria. She has had friends who have experienced being turned down for mortgages because of their student loans and she is now trying to come to terms with the fact that she may never own her own home.

I can see it being a barrier for future things such as buying a house, going overseas, and also the whole idea that if I get a job, as well as supporting a child, I've got to support a loan...I know people ... who have relatively well paid jobs and apply for mortgages and get turned down because of their loan. So yeah, I'm having to ... come to terms now with the fact I'm probably never, unless I win Lotto or marry someone rich, heaven forbid, I'm probably not going to own my own house.

(Victoria).

Penny also speaks of friends who delay property investment, marriage and children in order to pay off their student loans first.

My group of friends in Wellington ... are all concerned with trying to pay off their student loan before they invest in property, before they get married and marry into each other's debt, before they get a mortgage or have children, they do think like that.

(Penny).

Victoria told me that she believes student loan debt will affect every aspect of New Zealand society, including people's ability to save for retirement, birth rates and the culture of the loan scheme she believes will create a nation of people concerned solely for themselves.

Of course all this trendy talk about your retirement now just makes me laugh. [laughs] Quite apart from the, you know, life on the benefit thing, with a student loan that's ... going to impact on any retirement savings you have anyway. So retirement is yet another nightmare, which I'll deal with when I stop dealing with the nightmare of being on a benefit [laughs]. But I can see it impacting greatly on [saving for retirement] cause you've got ... this debt. And you think any income you earn to save is going to be taxed.

(Victoria).

She goes on to say that:

There is going to be a generation of older people who are going to be looking to their kids to help them and the kids are not going to be able to or else choose not to because of the ... culture of looking after yourself that's been cultivated with the student loan [scheme]. And then there is a generation of kids coming through who are either ... not being conceived and born because of money or they're going to come through; and what happens if student loans are still around. ... I don't want [my son] to have that burden, but if he chose to go to university I ... wouldn't want to say no you can't because I can't afford it. It's not just impacting students, it's impacting everyone really, all members of the family.

(Victoria).

For some students the option of going overseas is a very real option in order to avoid paying off their student debt. All of the participants seemed to know of someone who had gone overseas in order to avoid their debt and that as a result they believed there would be a subsequent shortage of qualified people in New Zealand. Victoria reflects "I know a couple of people who have got their student loan and headed off overseas and that, they're not coming back" (Victoria).

Penny returned to New Zealand shortly after discovering she was pregnant. She said that while overseas you could pretend that your student loan did not exist. She says “I forgot about it overseas. I just hoped it would go away” (Penny).

Interest

The interest accumulating on their student debt was a topic all of the participants had a lot to say about. For each of them it made the debt seem more significant. As Thelma says “you are aware that it [the interest] is creeping up on a daily basis. Until you can do something about that” (Thelma). For Fiona the reality of accumulating interest gets put into proportion when she thinks about the possibility of future employment, she states “now that I think about it what’s the interest going to be added to that before I start full-time work again” (Fiona).

I think the thing with it is, looking at the \$4000 there, was fine, the course fees \$4000, I think that was fine. But then when you see plus \$500, plus \$500, plus interest, interest, interest.

(Helen).

Well initially I didn't worry about it because I wasn't getting a large student loan, but initially I was probably under the mistaken impression that I wasn't going to be charged interest and if I was it was going to be very little.

(Carmen).

I think the interest is criminal. I really think it is just a pure money making scheme ... [it] really is the interest that makes it very difficult. It means you can't have that ... have that sort of safety margin. If you are in a relatively low paid job you could, if you lived very frugally, pay your loan off, but because it is always increasing with the interest you really have to be in a higher paid job to make any impact on it. So it really cuts out that sort of lower, middle range.

(Victoria).

My god is that how much interest I've been getting, what can I do about this, there must be something I can do... I think interest is really harsh especially if you're a low-income earner that's the biggest hardest thing.

(Penny).

All of the participants, except Thelma,¹ are entitled to get their base interest written off their student loan as they earn under the repayment threshold. Carmen, Fiona and Thelma were not aware of their entitlement to an interest write off. After discussing the implications of this with all the participants, Penny was the only participant who saw this as a positive thing, the rest thought it would make little difference to their overall level of debt.

You can't save on the DPB. So I can see [my student loan interest] is going to go up but also by the same token it's going to go up for things I need not interest because I can get the base rate wiped off while I'm on DPB. [As a result] what goes up is only what I'm using so I'm not too worried about that I just don't want that interest to get out of control and I can control it at the moment.

(Penny).

All of the participants believed that there should not be interest on student loans or alternatively the interest be set at a much lower rate. They believed that the interest acted as a deterrent to people choosing to get a tertiary education, and was particularly harsh on those who were unable to get high paying employment after leaving their tertiary qualification.

When you start off in the workforce you're not on a high wage and so they're going to start taking student loan out, and it's not going to go anywhere because you're not earning enough to make repayments immediately more than probably minimum repayments. So the interest is going to go up and you're going to get nowhere. So that's a bit disheartening.

(Penny).

¹ Interest write-offs have been discussed previously in chapter three, as part of the section discussing interest and repayments. Although Thelma's income is under the threshold she is not entitled to a write off, as this is the year her loan will be transferred from WINZ to IRD.

Helen shares Penny's views, she believes that the interest on student loans acts as a disincentive to study and that more people would be inclined to undertake a tertiary education without the risk created by having a student loan.

I reckon that it's just absurd. They shouldn't put interest on loans I mean you, they are complaining about the amount of people that are ... out there that haven't got jobs, and when they go to study they've got to pay all this.

(Helen).

The impact of interest on students with a larger debt than Thelma's was of particular concern to her. She believed that the country's investment in education should reflect the value placed on young people and felt that currently with the emotional cost and long-term consequences of student debt, exacerbated by accruing interest, that many students were discouraged from beginning tertiary study. As a consequence Thelma felt it was more important for student loans to reflect the exact value of the course undertaken, without interest, to act as an encouragement to study.

I reckon they should have none [interest] on it... exactly, it should not be there ... 'cause they need to encourage these kids. These kids have got enough to think about in the heavy study and work and some of them even have to find work to get through the costs of living as well, without having that on their heads. ... And once they're excited about getting a job and that, they think they are getting to that level when they've got to start parting with their money again. They ... really have got to have budgeted, the best help you can get. And they also want these students like doctors and teachers and stuff, but their training costs are so dear, that by the time you weigh up, a quarter of it would be the cost and the rest of it would be interest. ... Why should it be as high as the others, they're not buying a house, they're investing in children who you want to be working in your country, you want the best.

(Thelma).

Living Costs

As none of the participants were entitled to a student allowance while studying they were all entitled to living costs as part of their student loan. Helen, Victoria, Penny and Fiona all drew on this entitlement. For each of them their living costs were the greatest part of their student loan.

That was the one [living costs] that really put your loan up cause it was more than fees. So ... if you take my living costs out it's like 10 or 12 thousand dollars off my loan [laughs].

(Victoria.).

[That's] the biggest thing that bugs me and it's nothing I could do about it ... as I said I don't mind paying ... fees, but just the living costs, that aspect. Yes I need to pay to learn that's fine but how do I deal with living costs.

(Penny).

I probably chose the worst place for living costs, it was very high, if I think about it I probably could of managed if I had only taken course costs or if I had paid course costs and only taken living costs or something.

(Fiona).

Repayment

All of the participants have a desire to pay off their student debt and see it as a priority to do so. However only Thelma has put steps in place to ensure that this will happen within a short timeframe. This reflects not only the amount of Thelma's loan, but also the way she regards it. She states:

It's a bill that sits in the envelope with all the other bills. I have a system where I get it out on pay day, work out who I can give some to and I won't be able to do anything with that one for another two months.

(Thelma).

Until that time Thelma's intention is to make small payments towards her loan to ensure that it does not grow any larger.

I'm hoping ... when I've cleared a bill ... that's committed to \$25 a week, I'll take \$10 of that and put it in there [student loan] and that'll keep the interest away I hope. ... For me, I can see it is a definite commitment, the sooner you can be committed into putting something back the better it will be. Even if it is only \$10 a week, it can't be ignored because it continues to grow so even if it is a minimum of ten that's the minimum amount a bank will put across ... the sooner you can get that going the better it is, it doesn't matter what size.

(Thelma).

None of the other participants have a plan to pay off their student debt. For all of them the main thing standing in their way is their lack of income above the repayment threshold, although all acknowledged wishing to be able to make voluntary payments sooner. As already mentioned the lack of tangible consequences or incentives for making repayments, meant that all of the participants, except Thelma, placed a lower priority on paying off their loan and saw other expenses for their family as taking priority. Fiona reflects this view by stating "I would rather just put money towards a house than pay my student loan" (Fiona). Carmen and Victoria's attitudes are summed up in the following quotes.

At times I've thought I should just pay the interest each year, so that it doesn't actually increase, which would I guess be a really good idea. But other things crop up ... I'm not very sensible about it, but I don't see it as a pressing problem ... if I get a job that requires me to repay it I figure I'll have quite a lot of discretionary income, so I would be able to afford to repay it but at the moment I don't have that discretionary income so I don't pay it. It is one of the few things I don't have to, so I don't.

(Carmen).

I have thought a bit about [repayment], but the day to day living costs on the benefit are so slim ... that \$10 set aside for the student loan ... would mean the

difference between, well really, my son having shoes...or wearing his gumboots everywhere. So no, I have thought about it, it's not an option.

(Victoria).

Victoria, Fiona and Penny have loans over \$20,000 and their ideal situation would involve being able to pay off their loan. Despite their desire to be debt free, for Fiona, Victoria and Helen the reality is that the only way they will be able to pay off their student debt is to win Lotto, marry someone rich or receive some money by way of inheritance.

I mean it may be sad, it may be when someone in the family passes away and I get given ... some money, but honestly that's probably ... the only way it's going to be paid off totally, if as I say, if we sort of win some money. ...Like now there is no way we could pay anything ... towards it. Our budget is stretched, you know we're struggling as it is. We probably live a lot nicer than a lot of couples but ... I just have to block it out [laughs].

(Fiona).

The reality of being able to repay their student loan for Fiona, Victoria and Penny would mean significant sacrifices for their families.

I do wonder how I'm going to pay it off, I really feel like I'm at the point where I have to choose between perhaps the kind of life I would like for me and my son and getting my loan paid off. ... I think I will get there [to the point of never paying it off] I'm not quite there yet, but I think I'm going to have to. I mean I don't want to, it's not very nice to say I'm just going to forget about this debt and I'm never [going to] pay it off.

(Victoria).

I've also just ... been thinking that in ten years I'd like to be rid of it. I don't know how realistic that is or not because there is no way I am making any repayments now. I'm thinking when I'm a few years down the track hopefully.

(Penny).

As I say we've got bank debts that I ... look at paying ... first which is probably a bad way of looking at it but you know. And the student loan ... every one talks about it's going to take you ages to pay it off anyway. I don't have the money ... I put my student tax code on, [but] I get no money taken off because I'm not even ... earning enough to be able to do that so what more can you do?

(Fiona).

Both Fiona and Victoria state that they would like to be debt free in twenty years and Helen in ten, however they realise that the likelihood is that their debt will be there forever. After the interview Victoria reflected on this:

I have now come to the point where I accept that I will never pay off my loan, and will, therefore, have difficulty going overseas or buying a house. But I don't really care! The very act of doing this interview has reassured me that I would rather live the life I see as right for me and my son, than enter the 'rat-race' to get my debt paid off. Ultimately, I choose to live my life for the pleasure I can get out of it and the contribution I can make, rather than live to pay a debt!

(Victoria).

Children and Student Loans

All of the participants agreed that they did not want their children to have to get a student loan if they chose to complete a tertiary qualification. They all felt that they would rather put money aside to pay for their children's education than pay money towards their own student debt. They could see the long-term implications of debt and did not want that for their children.

That's our worry about our children, it's totally selfish but we don't want the kids to feel that they can't live in this country you know. And I guess that is how some of them are feeling. That's how I feel about the kids you know like that loan you just described is more than we originally got a mortgage for.

(Carmen).

If student loans are still around ... I don't want [my son] to have that burden, but if he chose to go to university I wouldn't want to say no you can't because I can't afford it so in many ways that would be another debt that I would want to take on myself then.

(Victoria).

Fiona and her partner have already started saving for their son's education so that he will not need to get a student loan, she says "it's only a couple of dollars. ... I don't think I'd let him get a huge student loan" (Fiona).

Thelma's eldest son has already got a student loan and she feels responsible to guide him to start repaying money as soon as possible.

He knows that he is going to be in debt for ages. He really wants to do this next course but that's going to be another three grand. I'm trying to guide him to do what I ... do [and] at least put in ten [dollars] so that you ... know that you're doing something. See their idea is wait until you earn so much and then do it, you can't sit back and wait because they're getting you anyway with more interest and that's not fair!

(Thelma).

Policy Advice

Most of the participants were not aware of the recent changes to the student loan scheme. Many felt the changes were a step in the right direction although felt as if they were being left out of the equation. Fiona commented on this saying "that's going to be the sad thing though, something's going to happen but it's too late for me and for all these other people" (Fiona).

After speaking about the impact of student debt on themselves and their families, the participants were asked to think about policy changes that would improve the student loan scheme and to ensure the system worked more equitably. All of the participants said that if they were able to give policy advice about their own personal loan they

would ask that it be wiped and that everyone should be entitled to some form of student allowance to assist with living costs.

Victoria had an excellent grasp of education policy and was able to clearly articulate a critique of the current system. She believed that policy advisers were out of touch with reality and needed to admit that there are not high paid jobs waiting for graduates to assist them in paying their loan off. She said that she felt as if students were being fooled into thinking the employment opportunities existed.

[I felt] conned because ... even now there is still that myth that all the jobs are there, all you need is education. And they're not! And politicians are still sticking to this theory that jobs are still there. And so you do, yeah I feel conned!

(Victoria).

Victoria felt that politicians were unaware of the realities of higher fees for tertiary education and the subsequent impact of student loan debt.

Really to get the politicians to think about the fact that ... when they came their education was free, it was paid for, they didn't have this. And so how can they possibly understand what it is like to hit the working world with a degree, less job opportunities and a debt hanging over your head.

(Victoria).

All the participants felt that interest was the harshest aspect to the student loan scheme and advised that there should be a better way to deal with it. Thelma felt that a base-interest rate to cover administration costs was all that was required. Penny felt that interest should be charged based on income, Helen felt that no interest at all would be the best system for all. Fiona's suggestion was somewhat more creative in that she felt that mothers should receive special treatment with regard to interest.

When [you] get pregnant that somehow the interest stops. Like what they've ... done for while you're studying and ... [as a mother] you're given so many years [without interest]. ... [Just being a] mother that ... puts a hold on it. ... If I can't work [because I need to raise my child] I can't work.

(Fiona).

Only Victoria came up with any ideas for funding education that would make the loan system unnecessary.

Well there's all those lovely things [like] ... several years ago Fletchers paid tax for the first time in their lives ... [laughs]. 12% of their profit when everyone else pays 25% of their actual earnings. I think a more equitable tax system would go a long way towards that. The whole culture of waste in government departments, WINZ of course being perhaps the most popular one at the moment. That's another, they could save many millions of dollars there. I mean if I personally ... was in work I'd be quite happy to pay tax and even if I was in a high paid job, I'd be perfectly happy to pay a higher tax rate to pay for health and education and to pay for welfare too. 'Cause I think they are just important things and that's how I think it should be funded. I mean you can't magic money out of the air, it has to come from somewhere and I think the tax system is how, that's really what tax is for, it's for things like that.

(Victoria).

All of the participants expressed frustration with the student loan scheme, and felt that there must be another more equitable means of funding education without the consequences and bureaucracies created by the current system.

Conclusion

The participants involved in this research varied in age from 18 years of age to 40. At the time of the interviews only two were employed in the paid workforce. Three had not as yet completed any tertiary qualification. Half of the participants were single parents and the other half were involved in domestic relationships. The number and ages of their children differed and their level of student debt varied from approximately \$1000 to over \$23,000.

The purpose of this chapter has been to provide insight and informed knowledge into the area of how student loan debt affects a family and as a result how this can then affect a mother's decision whether or not to return to the paid workforce. When asked

the participants were able to identify that student loan debt had an impact on themselves and their family both in the short and long-term. Further than this they could see potential for student debt to impact on the nation's economy and future generations. Through the participants' words, their views about the student loan scheme and the policy advice, they have given an insight into the reality of their current situation and in addition their thoughts with regard to the increasing stress this debt has on themselves and their families. It is when these views are considered alongside the factors affecting the decision whether or not to return to the paid workforce that we are then able to fully understand the impact that student loan debt has on this decision. The next chapter aims to analyse and discuss the views of the participants in this research with relation to the objectives, literature, and the relevant policy debates.

Chapter Seven - Analysis and Discussion

Introduction

The research objectives outlined in Chapter One aimed to uncover the complexity of the decision making process when a mother contemplates returning to the paid workforce after a period of unpaid work in the home. The fieldwork intended to capture the factors that intersected with this decision including the influence of family, the availability of childcare, financial considerations, definitions of motherhood, the shape of the paid workforce and most importantly, the impact if any, that student loan debt had on in this decision. The purpose of this chapter is to provide analysis and discussion of the findings of this study in relation to the research objectives, literature, and the relevant policy debates.

The previous two chapters provided insight into how each participant in this research made the decision whether or not to return to the paid workforce and how they viewed their student loan as part of this process. At the outset of my research it was my belief was that the issue of student loan debt would be interwoven with other factors that influenced the decision whether or not to return to the paid workforce. In the initial stages of my research I became aware that the issue of student loan debt for the participants existed in a separate dimension from any other part of their lives. It was compartmentalised and not something that they related to their every day existence unless prompted by a loan balance, a discussion with friends or a story in the media about student debt. As a consequence the issue of student loan debt has been tackled separately.

This chapter has been divided into three parts, family, student loan debt and personal motivation. These themes capture the main factors that influence a mother in her decision whether or not to return to the paid workforce. Each of these parts is then divided into smaller sub-sections to ensure that all the different components of this aspect of the decision are captured.

Family

The major factors affecting the participation of women with young children in the paid workforce are their family commitments, childcare and the conflict between a mother's public and private roles (Allwood, 1997; Else, 1997; Saville-Smith, 1987). All of these factors were present to some degree for each of the participants in this study. In fact family pressures were the greatest force affecting the participants' decisions about whether or not to return to the paid workforce.

There are indications that when women return to the paid workforce they set aside their own talents to fit in around the needs of their family (Galloway, 1993, Sharpe, 1984). The participants in this research all believed that their first priority was to their family and that paid employment must fit around their role as mother and suit the needs of their children. Prior to thinking about any paid employment, participants felt that both the physical and emotional cost of this employment to both their family and themselves needed to be considered. Factors such as being able to spend time with their children, securing safe and appropriate childcare and ensuring that all their children's needs are met were priorities for all the participants in this research.

Motherhood

Motherhood is often dealt with in relation to the paid workforce and women's role in caring for children (Bittman, 1997; Brannen & Moss, 1991; Cook, 1985; Galloway, 1993; Sharpe, 1984). The idea of having a choice with regard to paid work is gender specific. Male patterns of employment do not take into account this choice. It is the traditional, gendered role of women as mothers and hence primary caregivers that offers women the option of remaining at home to care for their children (Easting, 1994). This has been shaped by government policy and societal attitudes that see child-rearing as a woman's responsibility, without economic value, and one that belongs within the sanctity and privacy of the family (Brannen & Moss, 1991; Briar, 1993; Cook, 1985; Cox 1983; Easting, 1994; Fleming, 1997). For each of the participants in this research their expectations and view of motherhood played some role in their decision whether or not to return to the paid workforce.

Individual worth is constructed in today's society by each individual's role and income in the paid workforce (Else, 1996; Else, 1997; Sharpe, 1984; Waring, 1988). The lack of recognition accorded to the unpaid work of women within the home creates feelings of dissatisfaction for many full-time mothers (Benevise, 1998; Easting, 1992; May, 1992). Paid employment can assist mothers to create an identity separate to that of being a mother, partner and housewife (Brannen & Moss, 1990; Sharpe, 1984). All of the participants were influenced to varying degrees by the failure of society to recognise the role of women as mothers. Carmen and Victoria both reflected on the lack of economic and intrinsic value placed on motherhood as a full-time career option, although they were aware of these views, this did not ultimately affect their career decision making process. However Penny and Helen both had young babies, and were adjusting to their new roles and identity as mothers. They both echoed findings in the literature, as in addition to caring for their children they both felt that motherhood did not provide them with an adequate and valuable identity and the idea of paid employment offered them the ability to gain one. Carmen, who had older children, echoed the findings of Brannen and Moss (1990) and Sharpe (1984) as she considered paid employment a means to extend her identity beyond that of being a mother and wife, and to enable her to establish clearer separation from issues facing her children.

Since the introduction of the Employment Contracts Act in 1991, the employment market has been characterised by a dramatic increase in part-time and casual work (Allwood, 1997; Else, 1997). This move towards a more flexible employment market fails to take into account the role of women as mothers, their responsibility for their family and their needs for childcare (Allwood, 1997; Else, 1997). Much feminist literature has outlined how mothers are in fact characterised within a different model to that of the traditional worker and have not been included in the changing structure of the paid-workforce (Bakker, 1987; Else, 1996; Galloway, 1993; Waring, 1988). Cook (1985) concludes that women's commitments within the home render them unable to work long-hours, and as a result women are not in a position to compete with men unless the quality of their own and their children's lives is sacrificed. Victoria, Penny and Thelma, as single mothers were particularly aware of the time commitment required by paid employment and that this could mean sacrificing time with their children. These participants felt very strongly that they would turn down paid employment if it meant their time with their children was greatly compromised. Thelma had in fact already

turned down a paid position as the hours of work required meant that she would not be there for her son when he got home from school.

Childcare

Historically the lack of available, affordable childcare has meant that women have to juggle the needs of their children for childcare around their responsibilities in the paid workforce (Barret & McIntosh, 1980; Briar, 1992; Hyman 1997; Pearce, 1987). This feeling of carrying a double burden has been known to create considerable feelings of guilt and anxiety for mothers (Brannen & Moss, 1991; Cook, 1985). For all of the participants in this research the costs associated with and availability of suitable childcare were major factors when considering any paid employment. Thelma said that childcare affected the sort of job she was willing to apply for. She said that factoring in school holidays and after school care really meant that she required a job that fitted in with school hours. Carmen had also taken work that did not utilise the qualification for which she became indebted, with her student loan, to attain and that she found unsatisfying, because the hours meant that her husband was available to care for the children.

Women have traditionally accepted the responsibility of caring for children, and consequently if they choose to enter the paid workforce it is women who assume the role of locating and paying for this care if required (Briar, 1993; Fleming, 1997). For many women the high costs associated with daycare outweigh the economic benefits of working (Barrett & McIntosh, 1980; National Advisory Council on Women, 1990; National Advisory Council on the Employment of Women, 1990). This means that some mothers choose to remain at home and look after their children, as this seems to be the rational economic choice (Briar, 1993; Fleming, 1997). Even with a student loan debt both Fiona and Helen felt that remaining at home to care for their children made the most sense in terms of economic choice. Helen had chosen to remain at home, to study and care for her child as opposed to paying for childcare. Fiona also thought that increasing her hours of paid-work would be impractical given the small amount of

actual income she received after paying for childcare costs.¹

In New Zealand, the state has historically been reluctant to provide assistance where the care of young children is concerned (Cook, 1985; Cox, 1983; Easting, 1994). This reluctance means that little if any financial assistance is provided to help with the care of children and that this assistance is only provided to low income mothers. Victoria was the only participant in this research to receive state assistance with childcare costs. In 1987 Saville-Smith stated that it was through successive governments' failure to provide quality, affordable and accessible childcare facilities, that women have been forced into piecework, part-time and casual labour.² Little has changed since this time and these findings are supported by this research through the example of Fiona who had previously accepted casual tele-marketing work from home as she had felt that this offered her time to spend with her child in addition to reducing the cost of childcare. Carmen and Victoria had also accepted part-time and casual employment in the past based on their requirements, access and the cost of childcare.

The devolution of the welfare state is placing increasing pressure on family to care for the elderly, sick and young (Easting, 1992; Else, 1997; St John, 1992). Sharpe (1984) states that family is often the first option mothers consider when trying to locate childcare. However as our population ages, without a set retirement age and with increasing pressure being placed on people to save for their retirement, a greater proportion of women are returning to the workforce in middle-age and remaining in the workforce for longer (National Advisory Council on Women, 1990, Novitz, 1987). Family members are now less available to provide childcare, a factor commented on by both Fiona and Penny, as due to their mothers' own work commitments they were unable to assist them with childcare. Victoria had also previously used her parents for childcare, however she now felt more responsibility to care for them, as they have become more elderly and frail.

¹ Fiona did consider increasing her hours of paid work to be a possibility if her partner reduced his hours in order to provide care for their son. However Fiona's partner is reluctant to give up his role as breadwinner in the family and hence is unlikely to reduce his hours of work. The breadwinner notion is discussed in greater depth later in this chapter.

² This type of work is usually characterised by low pay, little employee protection and poor working conditions (Saville-Smith, 1987).

Financial Considerations

Financial pressures and issues of economic dependence were another two key motivating factors for participants in thinking about returning to the paid workforce. These included having enough money to survive as a family unit, being able to access discretionary spending, having the desire to be debt free and being able to provide some income for their family. Literature supports this finding and emphasises that the role women play as mothers in the unpaid workforce, their subsequent dependency and the distribution and availability of income within the family are key to the decision to return to the paid workforce after the birth of an infant (Bittman, 1997; Briar, 1992; Else, 1997; Fleming & Easting, 1994; Sharpe, 1984).

The strongest financial pressure on all of the participants was the desire to ensure that their family had enough income to meet all of their needs and to be relatively debt free. The degree to which this influenced each participant's decision whether or not to return to the paid workforce was reflected in the value they placed on material possessions, the access they and their family had to income, and the extent to which the traditional notion of the male as the family breadwinner pervaded the family unit. All of the participants stated that having extra money and being debt free were main factors in thinking about returning to the paid workforce. Participants did not include their student loan as part of this debt, as they regarded this as a separate issue that was not part of their family's debt.³ Each could identify additional material possessions that they would like to get for their family if they had the income. Gaining freedom from debt had not been identified within the literature as a key motivating force for mothers in deciding to return to the paid workforce. When referred to, debt or lack of access to money has been tackled in relation to income distribution within a family and women's subsequent economic dependence (Bittman, 1997; Briar, 1992; Else, 1997; Fleming & Easting, 1994; Fleming, 1997; Habgood, 1992; Sharpe, 1984).

It is asserted that the concept of the family wage and the traditional notion of male-as-breadwinner in the family are still a prevalent part of New Zealand society (Barrett & McIntosh 1980; Davey & Callister, 1994; Easting, 1994; Saville-Smith 1987). These

³ This is discussed in greater depth later in this chapter in the section on how student loans affected each participant's decision.

concepts were entrenched in the policies that defined the welfare state in the 1930s. However the male-as-breadwinner philosophy had preceded the development of the family wage and asserted that women should remain within the unpaid workforce to take "the domestic load so that men could be free to engage in more important, public affairs" (Burton, 1987, p.297). In contrast the original concept of the family wage was developed in order to provide income support for poorer families. This policy stated that every man should receive a wage that is sufficient for him, his dependent wife and children (Barrett & McIntosh, 1980; Metzker, 1997; National Advisory Council on the Employment of Women, 1990). Despite literature confirming the ongoing existence of the male-as-breadwinner philosophy I was still surprised to learn these concepts were active in our society. Both Fiona and Carmen had partners who felt that it was important for the male within the household to be the primary income earner. As a result of this Fiona and Carmen echoed the findings of Easting (1994) in that they felt pressure to remain within the home and to only enter the paid workforce in a less significant, lower paid role than their male partners.

Economic dependence is a reality for all of the participants, as each is reliant to a certain extent on the consistency of another's goodwill no matter how hard or how well they may work in an unpaid capacity within the home (Else, 1997; Habgood, 1992). Many women are dissatisfied with this economic dependence and by gaining or increasing paid employment they are able to gain greater freedom from having to ask for money (Bittman, 1997; Else, 1997; Fleming, 1997; Habgood, 1992; Sharpe, 1984). The participants in this research all expressed dissatisfaction at being economically dependent on either their partner or the state. They stated that if they needed or wished to spend additional income they must ask for it and agreed that paid employment would, to some extent, relieve them from this dependence.

Government policy has been criticised for assisting to maintain women within a situation of financial dependency within the family unit (Briar, 1992, Shirley, 1997). The dissatisfaction many women experience with regard to financial dependency within the family unit can be extended to include financial dependence upon the state or a government department (Shirley, 1997). Thelma, Penny and Victoria are all economically dependent on the benefit system for financial survival. If they require additional income they must apply to Work and Income New Zealand (WINZ) for a

loan or special needs grant to cover their costs and this amount in most cases is repaid through regular deductions from their benefit.

Fleming and Easting's (1994) research highlighted that the control over resources within the family is tied in with the control of power over the family unit. Although Fleming and Easting's research was targeted towards non-benefit intra-familial income distribution, the participants in this study who are dependent on the state for financial support revealed similar feelings with regard to the control and power that Work and Income New Zealand had over their families. Thelma, Penny and Victoria all thought that the financial dependency and regulations set by WINZ did exert power and control over their families. They stated that this financial dependency and the processes by which WINZ can approve, disapprove or halt financial assistance without warning is humiliating and insecure and was a strong motivating force in thinking about returning to the paid workforce.

Libertarian ideals, adopted by governments since 1987, discussed earlier in this thesis, are in contradiction to historical government policies which have maintained women within their role as carers in the home. These ideals place emphasis on individual responsibility and as a result have underpinned the dismantling of the welfare state (Cheyne, O'Brien & Belgrave, 1997; Easting, 1992; St John, 1992). This is demonstrated by the 1990 benefit cuts and the redefinition of benefit regulations which have placed increasing pressure on single parents to gain paid employment (Easting, 1992; St John, 1992). WINZ regulations state that when a child reaches the age of six years a single parent must become available for part-time work regardless of the personal opinion and the desire of that parent (Social Security Act, 1964, Section 102; Social Security Amendment Act, 1998, Section 7). This regulation effectively takes the choice away from full-time single mothers who wish to remain in unpaid employment after their child turns six.⁴ It is this factor in particular that has prompted both Thelma and Victoria to think about their options with regard to paid employment.

As already discussed all of the participants in this research stated that alleviating feelings of financial dependency was a motivating force for considering paid

⁴ This view also upholds the lack of value placed on the unpaid caring and domestic work that predominantly women undertake in society.

employment. The participants who were dependent on the goodwill of their partners, varied in their feelings with regard to this and fell within the parameters described by Sharpe (1984). Helen could not stand having to ask for money and felt uncomfortable about not contributing her own income to the household. However both Carmen and Fiona had found that by returning to the paid workforce, even in a part-time capacity, they had been able to decrease their feelings of economic dependency.

This section has looked at factors relating to how family affect mothers' decisions whether or not to return to the paid workforce. The issue of student loan debt is regarded by the participants as being separate from these issues and as a consequence is addressed in the next section of this thesis.

Student Loans

Student loans and subsequent debt are now a normal part of tertiary education for many students. The literature suggests that the individual debt incurred by students impacts on every aspect of their lives and could have lasting effects on our economy (Ashby, Robertson, & Parata, 1996; Barnett, 1999; Brett & Chamberlan, 1997; Consumer, 1996; "Facing up to", 1999; Gendall et al, 2000; Gerritsen, 1998; McTamney, 1999; Metzker, 1997; Ministry of Youth Affairs, 1998; Smith as cited in Bain, 1996; "Study on debt", 1997). Through my fieldwork I was able to gauge the impact that student loan debt had on the lives of the participants. The purpose of this section is to discuss how student loan debt directly affects a mother's decision to return to the paid workforce.

Surprisingly the participants in this research had not considered their student loan in choosing whether or not to return to the paid workforce. It was only when asked specifically about their student debt and the consequences of this debt as part of this research that the actual impact of this on their decision was considered. Despite the large variance in the monetary value of the participants' student loans, their responses indicated that they were largely consistent in the way in which they viewed this debt. For all of the participants, their student loan was not an issue they considered daily and was not considered as part of family debt. It played a background role in their lives only coming to the fore when triggered by an external factor.

When asked directly, participants stated that if they considered their student loan debt it was only as a minor consideration for them as they weighed up their financial pressures and whether or not to return to the paid workforce. They said that it was not the existence or presence of their student debt that affected their decision. Rather the likelihood of consequences such as credit being declined as a result of having a student loan that created pressure and stress to consider paid employment as a means of reducing this debt.

As already mentioned, the participants saw student loan debt as part of the financial pressure placed on their family. However due to the lack of priority given this debt, it is my impression that all of the mothers in this research believed that their basic economic needs were being met out of their current income. Also the participants in this research did not discuss their student loan as being a major factor in their choice whether or not to return to the paid workforce. As a result I came to the conclusion that despite the emotional stress and pressure created by the debt of their student loan, this played only a minor role in how they regarded their financial viability as a family.

Pressure created by student debt.

Prior to 1990, the cost of attending a tertiary institution was relatively small and all students were eligible for government assistance through a universal student allowance (Boston, 1992; Consumer Council, 1996). Brett and Chamberlan (1997) suggest the change in policy to reduce the publicly funded proportion of tertiary education created the need for the student loan scheme. Victoria, Fiona and Penny, who worked in paid employment both prior to and during their tertiary qualification, reflected this view. They felt that the increase of student fees and the targeting of student allowances had created a situation where, despite their income from paid employment, they still needed to incur large student debts to enable them to access tertiary education.

The publicly stated primary objective of the student loan scheme was to reduce barriers to tertiary education and training created by the introduction of user pays (Metzker, 1997; Office of the Auditor General, 2000). For all of the participants obtaining a student loan had reduced the barriers as it enabled them to undertake tertiary education.

However there was little forewarning to the implementation of fees for tertiary education and the targeting of student allowances and little if any opportunity for parents and students to save for the cost of completing a tertiary qualification (Fleming, 1997). None of the participants in this research were eligible for a student allowance and Penny, Victoria and Fiona had worked in paid employment, while studying, to assist in the funding of their education in addition to gaining individual debts of over \$20,000. Victoria asserts that not only does the debt created by the student loan scheme create consequences for the loan holder, but there is the likelihood that this debt will act as a barrier to students wishing to complete higher education. This barrier would act in contradiction to the original policy aims of the scheme. In addition Victoria states that to begin a career with a debt is an impediment and not an opportunity. Helen, in contrast, could see merit in the student loan scheme which she believed created opportunities for low-income students to complete a tertiary qualification.

This research has shown that student loan debt plays a psychological role in the participants' lives. It is the emotional cost of knowing that they are in debt and the stress created by feeling that they have little control over this situation that has the most affect on the mothers that I spoke to. This was due to the realisation that they would not be able to pay off the debt in the short term and that it was increasing due to interest. It was consequently described by five of the six participants as being a pressure on themselves, and their families. Paid employment was seen as one way to lessen this burden.

Long term implications of student debt

All of the participants could see long-term implications for themselves and others as a result of not repaying their student loan. Their views concurred with research and literature that suggests that student debt affects most life decisions for loan holders in addition to decreasing their ability to gain finance and credit, save for retirement and provide for their own children's education (Ashby, Robertson, & Parata, 1996; Barnett, 1999; Brett & Chamberlan, 1997; Consumer, 1996; Gendall et al, 2000; Gerritsen, 1998; Metzker, 1997; Ministry of Youth Affairs, 1998; Smith as cited in Bain, 1996; "Study on debt", 1997). When questioned directly participants stated that their student debt could impact on the outcome of most life choices for themselves and their family

from not being able to own a home, putting off having children and sacrificing spending in all areas of their lives. However given that the participants in this research did not consider their loan on a regular basis and saw it as a peripheral issue to their lives, their student loan debt did not directly affect their decision-making process with regard to these factors. For example Victoria described her student loan as being a noose around her neck if she ever went overseas, but she did not state that it would actually affect the decision to go overseas.

Student debt has impacted on some loan holders' ability to get mortgages and access other credit (Ninnes, 1997). Through discussion with the participants I came to the conclusion that having a student loan debt does not, in most cases, affect the decision to apply for a mortgage.⁵ Rather it is the lending institutions who factor student debt into their decision to decline a mortgage or lending facility thereby creating consequences for the student loan holder. To put it more simply, having a student loan does not affect the decision to apply for a mortgage, but having a student loan does increase the likelihood of this mortgage being declined, thereby creating a direct consequence.

As already mentioned student loan debt is seen to impact on the life choices of all loan holders (Ashby, Robertson, & Parata, 1996; Barnett, 1999; Brett & Chamberlan, 1997; Consumer, 1996; Gendall et al, 2000; Gerritsen, 1998; Metzker, 1997; Ministry of Youth Affairs, 1998; Smith as cited in Bain, 1996; "Study on debt", 1997). However the findings of this research indicate that although student loan debt does have the potential to impact on the lives of the participants it does not restrict their choices. This is evident in that all of the participants considered further study necessary to be able to enter the paid-workforce in a career they would enjoy. For most of the participants further study would mean taking out an additional student loan and increasing their current level of student debt. Yet, despite having an awareness about the implications of increasing their level of debt, all of the participants considered a student loan the best option to finance some if not all of the cost of any further education they needed to better their chances of employment.

⁵ Penny did speak about friends who have delayed getting a mortgage until they have paid off their student loan. However she qualified this by saying that these people are high-income earners and are likely to repay all of their student debt within a few years.

Student debt has been indicated to be a problem with national consequences (Ashby, Robertson, & Parata, 1996; Brett & Chamberlan, 1997; Carlaw, as cited in Ninness, 1997). Literature and research has predicted that there may be inflationary pressures due to loan holders trying to re-coup the cost of their education, and more dramatically that the loss of skilled young people overseas could have consequences for our nation's economy (Gerritsen, 1998; Huggard, 2000). The participants in this research all knew or had heard of people who had moved overseas to avoid paying back their student loan. Victoria spoke of bankruptcy as an option to get rid of the debt and said that some student loan holders were opting for this as a career choice, as the consequences of bankruptcy were less evasive and long-term than the lifetime burden of a student loan.

The participants also spoke of the flow on, or inter-generational long-term effects of student debt, an issue that has not been addressed in current research. These included being able to save which was a key issue of concern to most of the participants. They expressed concern that by making repayments on their student loan, even if this was just the minimum mandatory amount taken from their income, that they would then have less to put towards retirement savings, caring for their own elderly relatives or even saving for their children's education.

Repayment of student debt.

The Inland Revenue Department keeps statistics of the number and dollar value of student loan repayments, and both the National Student Association and the Government have calculated the estimated length of time it will take for loan holders to repay their debt (Ashby, Robertson, & Parata, 1996; Ministry of Women's Affairs, 1999; Ministry of Youth Affairs, 1998; New Zealand University Student Association et al; 1999). A proportion of student loan holders will never be able to repay their debt and an increasing number of loan holders are going overseas to avoid repaying their debt (Ashby, Robertson, & Parata, 1996; Hamilton, 1999, Ministry of Women's Affairs, 1999, Ministry of Youth Affairs, 1998). However there have been no studies on the motivation or desire of student loan holders to repay their debt.

All of the participants in this research have a desire to pay off their student debt, they

feel they have a moral responsibility to do so and believe the quickest way to ensure this happens is by obtaining paid employment. Research indicates that women in particular struggle to repay their student loans and many will retire without paying off their loans (Hamilton, 1999). Women's interrupted participation in the paid labour force and their lower occupational earnings are key to the length of time it takes women to repay their student loans (Hamilton, 1999; Ministry of Women's Affairs, 1999, Ministry of Youth Affairs, 1998). Labour market participation shows that many women still leave the paid workforce to have children and many remain at home while their children are young. During this time it is highly unlikely that any repayments will be made on their student loan. However while a woman is not participating in the paid workforce her loan continues to increase due to interest (Hamilton, 1999).

These findings are reflected in this research as all of the participants have spent some time away from the paid-workforce to be with their children and during this time they have not made any repayments on their loans. Hence the amount of time it takes for them to fully repay their student debt has increased. Thelma, who has a comparatively small loan, under \$1000, is the only participant who has a plan in place to assist her to repay her loan. The other participants do not have any plans for repayment and state that it is highly likely that they will never achieve a level of income which enables them to repay their student loan.

In addition the participants in this research can all be seen to be affected by "flat spotting", that is when any loan repayments they make will not decrease the size of the total debt (Ministry of Youth Affairs, 1998). Lockwood Smith in his role as education minister, stated that he believed such a "flat spot" would have mostly "psychological rather than concrete costs" for borrowers (Smith as cited in Bain, 1996, p.1). Smith's assertion is supported by this research as when asked directly what role their student loan debt played in the decision whether or not to return to the paid workforce participants stated that if any, their student debt played a psychological or emotional role rather than having an actual impact on the outcome of this decision.

One of the implications of making the decision not to participate in the paid workforce is that there are no *compulsory* repayments on student loans. Student loan holders are able to make *voluntary* repayments at any time on their loan. Research has shown that

even when earning women feel less able to spend on themselves, are more inclined to use their income to raise their family's standard of living and only spend on themselves when they are satisfied that all of their families needs have been met (Fleming, 1997; Fleming & Easting, 1994; Habgood, 1992; Pahl, 1989). Despite having enough to meet their basic economic needs, having an ability to repay their student debt would mean significant sacrifices for themselves and their family for all the participants in this research. The findings of this research validate those of Fleming and Easting (1994) in that all the participants feel that they are not prepared to make sacrifices to pay off their own debt and would rather spend any income they bring into their household on essentials and discretionary items for their family.⁶ The consequence of this is that unless the participants gained paid employment which required mandatory repayments on their student loan or if they receive a substantial amount of money as a gift, prize or bequest that their student loans will remain unpaid.

Fleming and Easting's (1994) point regarding priorities with regard to mothers' spending on items for their family is further illustrated in that all of the participants stated that if their children decided to complete tertiary education they would not want them to get a student loan. They said that they would rather put money aside for their children's education than towards the repayment of their own student debt, thereby leaving their own student debt unpaid. Fiona and her partner already have an account set and make regular payments towards their children's education, and yet Fiona is not currently making any repayments towards her student loan.

Another example of the participants sacrificing the repayment of their loan for other family needs and wants is demonstrated through Victoria's concern for less able and elderly members of her family. As already discussed, participants felt that the development of the student loan scheme reflected the government's move to a user pays economy. In a country with a growing elderly population, and policies to provide less state assistance, Victoria was concerned that even in paid employment if she gave priority to repaying her student debt she would not be able to financially provide for her parents and other elderly relatives.

⁶ Except Thelma, who had a comparatively small loan and as previously discussed already has a plan in place to ensure her loan will be paid off as quickly as possible.

The notion of the male breadwinner, discussed in a previous section in this chapter, also has implications for the repayment of the participants' student loans. Fiona was the only participant whose partner also had a student loan. He was the main income earner and as he was earning over the compulsory repayment threshold he was making regular repayments on his loan out of his earnings and his loan was decreasing. As already discussed a flow on effect of the breadwinner notion for Fiona was that she did not feel able to access the same employment opportunities as her partner and consequently remained in low paid casual work which did not require compulsory repayment of her student loan. Therefore another consequence of the breadwinner notion for Fiona is that her student loan is not decreasing as fast as her partner's.

Legislation regards student loan debt as being "no different from any other kind of debt" for the purposes of debt provisions (Matrimonial Property Amendment and Supplementary Order Paper, No 25, 2000, p. 16). However as previously discussed, the participants viewed their student loans as individual debts that do not affect their family and which they believe they are solely responsible for repaying once they have an income above the compulsory repayment threshold. The breadwinner notion decreases the chances of Fiona's loan ever being repaid. It also means that if Fiona and her partner ever separate, legally she would leave the relationship with a greater level of personal debt, due to the accumulation of interest and lack of repayments on her loan, despite the commitment she made to her partner and the unpaid caring work she undertook within the home.

The reality of employment and the student loan system

As already mentioned, one reason for the participants in this research not making repayments on their student loan is their lack of paid employment above the compulsory repayment threshold. However, five of the six participants in this research have made the choice not to return to the paid workforce but rather to continue tertiary education, taking out further student loans to do so. Their reasons for this choice are not associated with their desire to pay off their student loan. Rather in order to enter the paid workforce in the career of their choice all five of these participants identified that further study was necessary.

The expected private benefits of tertiary education were key to the argument for the implementation of higher fees for tertiary education and hence the development of the student loan scheme (Office of the Auditor General, 2000; New Zealand Parliamentary Debates, 1992). Policy makers argued that students should be expected to contribute to their education as a means of recognising the private benefits of having a tertiary qualification (Office of the Auditor General, 2000; St John, 1990; Ministry Consultative Group, 1994; Brett & Chamberlan, 1997, Gerritsen, 1998, Barnett, 1999). These private benefits of tertiary education were seen to include among others, the prospect of higher incomes and a lower risk of unemployment (Ministry Consultative Group, 1994). Victoria had shared this view when she initially took out her student loan believing that once she had completed her degree she would easily be able to obtain well paid employment.

A key assumption behind the development of the student loan scheme was that loan holders would complete their qualifications and as a result they would be able to access higher paid work. Hence student loans have been encased in the lure of a tertiary qualification, the opportunity of higher paid employment and subsequently quick repayment of student debt. This is not the reality for many student loan holders and has not been the experience of the participants in this research. Three of the participants had ceased their tertiary study or were still part way through their qualification. For five out of the six mothers in this research their tertiary study had not yet resulted in any paid employment, and the sixth participant was only employed in a part-time capacity.

The argument that tertiary education is an investment in human capital does not take into account external factors, including motherhood, which may mean that some students are unable or choose not to complete their qualifications; the qualification may also become out of date or not lead into a high paying sector of the employment market. The result of all of these situations is that despite the private monetary investment made by a student they are then unable to re-coup the cost of their tertiary qualification. This is reflected in the position of the mothers involved in this research as only Fiona is working in the area she initially trained for within the human services sector and she is earning well below the average wage. In addition her responsibilities as a parent mean that she is not working full-time and sees very little of her income after the costs of childcare. Victoria has been informed that her masters qualification is now out of date

and she will need to retrain. Penny and Helen had not completed their qualifications and feel that as a result of this they will not be able to gain employment unless they acquire additional debt to complete their original study or gain another qualification.

The majority of the research mentioned earlier in this section makes the assumption that after completing or finishing at tertiary level, a student loan holder will automatically and immediately enter the workforce. The availability of employment and the willingness of loan holders to enter the paid workforce at a level above the compulsory repayment threshold was also an assumption behind the government's lending of money through the student loan scheme, hence the collection of compulsory repayments through the taxation system. However not all students desire or are able to enter the paid workforce on completion of their qualification, some may go overseas, be unable to access paid employment or simply choose not to. This is demonstrated by the participants in this research who, as mothers, have chosen to remain at home to look after their children instead of gaining paid employment. In addition they all earn less than the compulsory repayment threshold currently set at \$14,768 so are not legally required to make repayments.

The participants viewed their student loan debt as a minor factor in the decision whether or not to return to the paid workforce. However having made the decision to enter paid employment, having a student loan played a significant role in the choice of job for both Victoria and Penny. Victoria felt pressure to choose between a lower paid job that she felt she would enjoy and a less-satisfying higher paid job which would enable her to make greater repayments towards her student loan. After participating in this research, Victoria reflected that through talking about the pressure of her student debt on her job choices and the consequences this could have on both her son's and her own life, she was able to reconsider her options to choose the lower-paid job that she believed would ultimately lead to a better quality of life.

The interest on student loans

The accumulation of interest on the participants' student loans was seen to be the most significant pressure that arose out of their student debt. When the student loan scheme

was first created, supporters of the scheme suggested that the government was being very generous in the interest charged on student loans stating that they only covered the costs of financing the loans, in terms of interest rates and inflation adjustment (Boston, 1992; Maani, 1997). Participants were, however, highly critical of interest charged on student loans, stating that it is the hardest aspect of the student loan scheme particularly when they have no means of repaying their loans.

The mothers involved in this study all earn less than the compulsory repayment threshold of \$14,768. The accumulation of interest on all the participants student loans, except Thelma's, means that their loans are increasing in line with inflation⁷ and Thelma's loan is increasing at 7%⁸ (Inland Revenue Department, 2000).⁹ Penny and Victoria are on the domestic purposes benefit, Thelma is on a training benefit, Helen is totally dependent on her partner's income and Carmen and Fiona earn a little income of their own from part-time employment and receive additional financial support from their partners. The lack of any individual income for Helen means that her loan is increasing at 0.9% per year without her having any ability to repay this amount.

The rationale for the student loan scheme was that private benefits would be received from higher incomes as a result of tertiary education, and also the assumption that students would enter paid employment after having completed their qualification. The reality for the participants in this study was that they were unable or unwilling to access income above the compulsory repayment threshold. The participants reflected on this point again with regard to the interest charged on student loans and the recent changes to the student loan scheme. From January this year all full-time, full year and other low income students no longer pay interest on their loans while they are studying ("Changes to Loan", 2000; "Leap in Student Loans", 2000; "More help for", 2000; "MP raises income", 2000; Office of the Associate Minister for Education, 1999; Office of the Minister of Finance, 1999). Although the participants in this research felt that this new policy was a positive move, they also stated that it did not address any of the issues

⁷ The rate of inflation was set at 0.9% at the time when the student loan interest rate for this year was frozen. Inflation has since risen dramatically and thereby may have consequence for next years interest rate.

⁸ Thelma is not entitled to an interest write off this year as her loan as her will be transferred from Work and Income New Zealand to the Inland Revenue Department thereby making her ineligible.

⁹ Despite the fact that Thelma was the only research participant to be ineligible for the base interest write-off three of the participants were not aware of this entitlement, but were in hindsight receiving it anyway.

experienced by past borrowers. As a result, participants stated the student loan scheme and its system of charging interest were creating a skipped generation of loan holders who were unable to benefit from the recent positive changes to the loan scheme, acting to discriminate against past borrowers, those who were unable to get high paying employment or who chose to become full-time mothers.

Personal Motivation and Timing

The participants identified that the final aspect of the decision whether or not to return to the paid workforce was, in fact, their own personal motivation and desire to do so. This meant putting aside all the other pressures and simply asking themselves if being in paid employment was something that they wished to do at this time in their lives. In speaking about how they came to their decision, all of the participants identified that timing and being able to secure paid employment that they enjoyed and found personally fulfilling were important to them.

For many women paid employment can increase feelings of achievement, satisfaction, independence, self worth and self-esteem (Beneviste, 1998; Brannen & Moss, 1991; Kuiper & Pattison, 1989). Fiona's experience of paid work reflects this. She was the only participant to actually articulate that she benefited from paid work due to the adult company and spending time away from her child.

Paid employment for mothers can assist them to create an identity separate to that of being a mother, partner and housewife (Brannen & Moss, 1990; Sharpe, 1984).¹⁰ However the desire to extend their identity beyond wife, partner and mother influenced many of the participants personal motivation to seek paid employment. Carmen in particular expressed this view, she stated that after many years of being a full-time mother she felt there were lots of options available to her. She said that she had always enjoyed and gained her identity from her role as mother and wife and that being able to extend this and gain employment that she would enjoy was very important to her. Fiona also spoke about the importance to her of her role in the paid workforce and that she believed this extension of her identity provided positive benefits for herself and her

¹⁰ This has previously discussed with relation to the participants' views on motherhood.

relationships within her family.

Timing was another factor identified by the participants as influencing their decision whether or not to return to the paid workforce. Working mothers are often portrayed in today's society as being selfish for pursuing their career over and above their children, particularly when their children are young (Beneviste, 1998; Brannen & Moss, 1991). Both Helen and Penny have children under the age of one year and feel it is responsible to remain at home with their babies while they are still young. However the age and stage of life of their children had relieved some of these feelings for Thelma, Victoria and Carmen and provided the opportunity for them to consider paid employment.

Conclusion

The findings of this research are generally in agreement with the literature that details the factors that influence a woman's decision whether or not to return to the paid workforce. Family was seen to be the factor that influenced this decision the most for the participants in this research. This included the priority placed on the needs of family, the participants views regarding motherhood, their experiences with regard to childcare and the financial pressures and the feelings of economic dependence they had experienced within the family.

The issue of how and to what extent student loan debt affects a family and the long-term impact of such a debt were also key questions in this research. Research had indicated that student debt was affecting the life choices of loan holders. However the findings and views of the participants indicated that although student loan debt did have the potential for personal and national consequences, they did not consider their student loan on a regular basis and as a result this was not a major factor in the decision making process with regard to returning to the paid workforce.

This chapter has provided an analysis and discussion of the factors that influence a mother's decision whether or not to return to the paid workforce with relation to the relevant literature and policy available on this topic. The next chapter concludes the thesis providing conclusions, policy recommendations and areas for further research.

Chapter Eight – Conclusions and Recommendations

Introduction

The purpose of this thesis has been to examine the decision making process for a mother considering whether or not to return to the paid workforce after a period of unpaid work in the home and to assess how the issue of student loan debt impacts on this decision. The research objectives outlined in chapter one aimed to examine the factors that link in with and influence student loan bearing mothers contemplating paid employment. In addition this study aimed to uncover the role that student debt plays in both this decision and within the greater context of a family. These objectives provided a basis for the fieldwork and the subsequent analysis and discussion. This chapter relates the findings of this research to these aims, highlighting key conclusions and their implications for social policy and further research.

The decision whether or not to return to the paid workforce is complicated. Family responsibilities must be weighed up alongside factors such as financial pressures, economic dependence, the availability of childcare, personal and societal expectations of motherhood and a mother's own desire to return to the paid workforce. This research sought to uncover whether student debt is yet another pressure to add to this list.

Student Loan Debt and the Family

The number of women attending tertiary education is increasing as are the number of female students accessing student loans (New Zealand Department of Education, 1999). The most recent research indicates that as a result of the National government's 1999 changes to the repayment of student loans, whereby 50% of repayments now go directly to the loan principal, the estimated length of time for repayment of student debt has halved. It now takes 28 years for a woman to repay her student loan and 14 years for a man compared with the previous estimates of 51 years for women and 17 years for men

(Barkess as cited in Hamilton, 1999; Sam Huggard, personal communication, 2000). However there is increasing publicity about the number of young people leaving New Zealand permanently for better employment conditions, higher pay and the reality of never having to repay their student debt. The participants in this research do not have the 'luxury' of being able to pack up and leave New Zealand with the hope of greener pastures elsewhere as they have family responsibilities and children to consider. Being able to provide for their families is their first priority and the responsibilities associated with student loan debt are of less importance to them.

Student loan policy is premised on the male employment model which does not take into account the role of women as mothers or the likelihood that they will leave the paid workforce in order to care for children. Therefore the assumption behind much of student loan policy is that student loan holders will complete their qualification, immediately gain paid employment, and begin debt repayment. The participants in this research initially applied for their student loans with this intention in mind.

Family responsibilities do not harm the careers of men nor do they have a significant impact on their ability to repay their student loans (Bittman, 1997). However women's interrupted participation in the paid labour market and their lower occupational earnings means that many struggle to repay their student loans (Hamilton, 1999; Ministry of Women's Affairs, 1999, Ministry of Youth Affairs, 1998). This is further exacerbated by aspects of downward occupation mobility (Bittman, 1997; Briar, 1992; Collete, Coubrough & Worsp, 1997; Kuiper & Pattison, 1989; Novitz, 1987; Saville-Smith, 1987; Shirley, 1997). A mother's role in caring for children, a lack of accessible childcare, a shortage of work which fits in with their family responsibilities and the loss of human capital which occurs while women are in the unpaid workforce means that mothers often accept less skilled work than that for which they are qualified (Galloway, 1993; Sharpe, 1984). This concurs with the findings of this research. All of the participants in this research state that finding employment that fits around the needs of their family is a priority. Carmen continues to work in a role she finds unsatisfying as this fits around the needs of her family and Thelma has turned down employment as it meant she would be less available for her children.

The mothers in this research all have student loans varying in amounts from approximately \$1,000 to \$23,000, not all of them have partners, their children vary in age and number and they are not all living within an urban setting. Despite this variance the participants were largely consistent in their views and feelings about their student loans. The most significant finding of this research is that in contrast to previous research detailing the effect student loan debt has on the life choices of loan holders, (Ashby, Robertson, & Parata, 1996; Barnett, 1999; Brett & Chamberlan, 1997; Consumer, 1996; Gendall et al, 2000; Gerritsen, 1998; Metzker, 1997; Ministry of Youth Affairs, 1998; Smith as cited in Bain, 1996; "Study on debt", 1997) in this study the issue of student loan debt was considered to be in the background to the everyday lives of the mothers and their families. The result of this was that these mothers rarely considered their student loan debt unless prompted by a statement from the Inland Revenue Department, discussion with friends, a media story or by the questions raised in this research.

The participants' student loans were regarded as unpleasant necessities that enabled them to attend tertiary education in the hope of being able to gain employment upon completion of a qualification. This debt was seen as their individual responsibility that they did not want to affect the income or financial well-being of their family, yet all of the participants expressed a desire to repay their debt. The family responsibilities of the mothers involved in this research meant that after completing or terminating their tertiary education there was a change in the way in which they regarded their student debt. In order to ensure that the needs of their family were met student debt and repayment became peripheral issues that were not considered on a regular basis and therefore did not appear to impact on their day-to-day living.

Student Loan Debt and the Decision whether or not to Return to the Paid Workforce

The issues related to, and burden, of student loan debt were not factors for the mothers in this study in their decision whether or not to return to the paid workforce. This finding is a result of the way in which participants regard their student loan in relation

to their family commitments and the lack of attention and priority that they give to this issue.

As already mentioned participants in this research viewed their student loan as their individual debt and responsibility, falling outside the boundaries of their family commitments. In contrast they saw the decision to return to the paid workforce as an issue that affected their whole family and therefore when making this decision they considered only factors that would affect their family. By regarding their student debt as being outside of family responsibility it did not occur to participants to think about the impact of this debt on their decision until questioned about the issue in this research.

When questioned participants could see that there were possible implications resulting from being a student loan holder in the paid workforce including this affecting their ability to save for a home, retirement or even a holiday. Participants stated that these implications would become a reality for them if they earned over the compulsory repayment threshold, when they would be charged the full amount of interest and have regular compulsory student loan repayments deducted from their wages.¹ Participants said they would then feel more responsible for their student loan as the accumulating interest and compulsory repayments were decreasing their families' weekly income and ability to save, as well as possibly increasing the actual level of their individual student debt.

Student Loan Debt, Life Choices, Sacrifices and Consequences

Recent studies have exposed how student debt impacts on the life choices of loan holders acting to restrict choices and delay marriage, children and travel (Ashby, Robertson, & Parata, 1996; Barnett, 1999; Brett & Chamberlan, 1997; Consumer, 1996; Gendall et al, 2000; Gerritsen, 1998; Metzker, 1997; Ministry of Youth Affairs, 1998; Office of the Auditor General, 2000; Smith as cited in Bain, 1996; "Study on debt", 1997). In contrast, this research highlights that student loan debt does not affect the life

¹ Currently all the participants except Thelma are charged only the base interest rate on their student loan. Thelma is charged the higher interest rate due to the fact that her loan was transferred to the Inland Revenue Department this year, thereby excluding her from the interest write off.

decisions of mothers in the same way. This is largely due to the priority which mothers give their family responsibilities, and the way in which they regard their student loan debt. In addition, none of the mothers involved in this research had experienced any adverse consequences as a result of the life choices they had made while being a student loan holder, yet all of them were aware of the consequences that could result. The participants identified that these consequences included having mortgages and credit turned down.

Participants did not think about their student loan on a regular basis and excluded it from having a role in the activities of the family. The mothers involved in this study stated that when they thought about their loan and their associated level of debt, they felt stressed and pressured to repay it. They admitted that it was easier to currently disregard their student debt and not think about it than be faced with the pressure and sacrifice of trying to repay it. The participants did consider that this disregard of their student debt would result in consequences for themselves or their families due to the lack of penalties for non-repayment or any mandatory requirement for them to repay this debt given their current level of earning.

Fleming and Easting (1994) found that mothers in both paid and unpaid work sacrifice spending on themselves in order to ensure that the needs of their family are met and to raise their family's standard of living. This same finding was reflected in this research, where participants felt that it was of greater priority to ensure the needs of their family were met before addressing their own issues such as their student loan debt. This was demonstrated in the example of participants sacrificing repayment on their student loans in order to save for their children's education. The outcome of this for the participants in this study is that there is a high likelihood that their student loan debt will never be repaid.

Given the priority placed on the needs of their family, the mothers involved in this research only ever considered their student loan debt when the topic was triggered. Despite this lack of attention to their student loan, participants felt they had a moral obligation to repay their debt but could not foresee a way of achieving this without it affecting the standard of living of their family, which they were not prepared to do. In the same vein participants also felt that it was more important to pay off other family

commitments and save towards family goals than make a financial contribution to their student loan. By the making the choice not to repay their student debt, these participants are able to direct their money towards other family priorities. If, however, participants focused their energies towards repayment of their student loan, other areas of spending and saving would need to be sacrificed. Their student loan debt would then begin to affect their life choices as they would be unable to save towards their children's education, their own retirement, holidays or they would never be able to realise the dream of owning their own home. As a result it is not the existence of a student loan that has consequences for the mothers and their families involved in this research, but the goal of repaying this debt that would have both short and long-term implications for them.

All the participants in this research earn under the student loan compulsory repayment threshold and all, except Thelma, are given an interest write off. At the time of the 1996 census over 69% of women in paid employment earned under the compulsory repayment threshold (Statistics New Zealand, 1999). This is due to women's lower occupational earnings and their interrupted participation in the paid workforce. Once loan holders are in paid work and earn over the compulsory repayment threshold, they are charged the full interest rate and have regular compulsory repayments taken from their wages. This realisation could result in student loan bearing mothers deciding to prioritise caring for their children, and by doing so work few, if any hours in paid work. This would mean that these mothers do not earn above the loan repayment threshold and therefore their student loan interest is charged at the lower base rate and the requirement for repayment is avoided. This results in a loss of human capital for the New Zealand economy and an unintended consequence to the student loan scheme. The actions of the mothers in this research reflect the actions of other student loan holders who are also adding to the loss of human capital in New Zealand society, by going overseas or declaring themselves bankrupt in a deliberate attempt to avoid and escape repayment of their student debt.

The Skipped Generation

The student loan scheme came into being in 1992 with the introduction of higher student fees for tertiary education and only three years after the introduction of targeted student allowances. The year 2000 has seen the introduction and implementation of many key changes to the loan scheme. These include the implementation of no interest on student loans for all full-time and low-income part-time students, changes to the repayment of student loans so that 50% of any repayment gets paid to the loan principal and freezing the total interest rate at 7%. However these changes do not affect loans taken out prior to the year 2000 creating a skipped generation, that is a group of student loan holders who do not benefit from these changes.

Participants in this research gained their student loans in the years between the introduction of the scheme in 1992 and 1999. During this time the student loan interest rate has fluctuated from its lowest point at 7% to 9% in 1995 (Maani, 1997). As there was little fore-warning to the introduction of higher fees for tertiary education, the participants and their families involved in this study had little, if any, opportunity to save towards their education. They were not eligible for student allowances, were unable to receive interest write offs on their student loan while studying, and were subsequently charged the total interest rate. In addition any repayments that the participants made towards their student loan went to pay off the accumulating interest and did not decrease the loan's actual principal. The participants in this research reported that they had felt particularly hard hit by the changes to the tertiary education sector and the introduction of the student loans scheme.

Research and numerous government reviews have all outlined that there are inadequacies and failings with the student loan scheme (Ministry of Women's Affairs, 1999; Ministry of Youth Affairs, 1998; New Zealand Ministry of Education, 1999; Office of the Auditor General, 2000). The recent changes have attempted to address some of these problems for current and future loan holders. However there is the belief that student loan holders between 1992 and 1999, including the mothers involved in this study, have been used as experimental guinea pigs and that the cost of rectifying these issues is too great for any government to consider.

National Consequences of Unpaid Student Debt

The student loan scheme was developed on the premise that a significant proportion of loan holders would repay their debts. The issue of loan non-repayment is factored into the interest charged on student loans as part of the 0.9% risk and administration costs. As a consequence the government currently regards student loan debt as a significant asset ("Changes to Loan", 2000; "Leap in Student", 2000; New Zealand Ministry of Education, 1999; Office of the Auditor General, 2000). According to the Ministry of Education's Central Forecasting Unit student loan repayments are not set to balance borrowings until 2012 (Office of the Auditor General, 2000). Statistics are not currently available on the number of students who do not or have no intention of ever repaying their loans. There is a growing level of public concern about the number of loan holders leaving the country, this figure having doubled within the last year (Berry, 2000; Fifield, 2000; Scanlon, 2000). In addition bankruptcy is becoming a career choice for an increasing number of loan holders, as the consequences of this are seen to be less evasive and long-term than the lifetime burden of a student loan (Martin, 2000). Diverting income through trusts and other vehicles have also been described as ways to avoid repaying student debt (Martin, 2000; Office of the Auditor General, 2000). Since the scheme began over \$4.4 million of debt has been written off as a result of students going bankrupt and a further \$5 million due to the deaths of loan holders (Martin, 2000).

Five out of six of the participants in this research state that given their current situation, their family responsibilities and the lack of priority given to repaying this debt, it is highly unlikely that they will never repay their student loan. As at January 2000, student debt recorded by the Inland Revenue Department stood at nearly three billion dollars ("Changes to Loan", 2000; Inland Revenue Department, personal communication, 2000; "Leap in Student", 2000; New Zealand Ministry of Education, 1999). Without adequate research and statistics, we are unable to assess the number of student loan holders who will never repay their debt and the risk created by this could have catastrophic consequences for our nation's economy. Many government spending proposals rely on government surpluses to fund them and student loan debt is included as part of this surplus. As a result the government has become a stakeholder and

although it may be aware of the growing number of student loan holders who will not repay their debt it has a vested interest in continuing to ignore this. If, however, the government decides to acknowledge and act on the realisation that a growing proportion of student debt will not be repaid this will have flow on effects not only for funding health, welfare, education and superannuation but also New Zealand's economy as a whole.

Limitations of This Research

This research examines the life experiences of six mothers with regard to their decision whether or not to return to the paid workforce after a period of unpaid work at home. The factors that affected this decision, the role of student debt within participants' families and in particular the role, if any, that student debt played were investigated. As with any qualitative research the findings of this small group can not necessarily be transferred to the population as a whole. However given the lack of research in this area it is intended that through gaining an insight into these women's experiences, this qualitative research can be a foundation on which quantitative research can build, thereby exploring the issues raised in this study on a larger scale.

This research captures the experiences of the participants at one point in their lives. It was not within the scope of this research to provide a historical examination of the participants' attitudes with regard to student debt. Further research is required to assess if attitude to student debt varies over time, age and with differing family responsibilities.

Another limitation of this research was the diversity of the participants. Motherhood and student loan debt were key bonds between them. The ages of participants, their individual level of student debt, their location, and the number and age of their children varied. Yet despite this there was a lot of consistency in the participants' responses and two subgroups were clearly evident. These sub-groups were identified by each participant's level of student debt. The first group was those participants who had student debt over \$20,000 and whereas the second had debts under \$10,000.

It was also beyond the bounds of this research to examine the effects of student loans on other ethnic or cultural groups and this would also require additional research to fully investigate and understand the significance of this.

Is There an Answer to the Problem of Student Loan Debt? Further research and policy implications

No easy solutions present themselves to the problems created by student loan debt. Any changes made to the scheme need to be funded and the key issue becomes who will bear this cost. It was not an aim of this thesis to provide answers to these problems, but rather to examine the issue of how student loan debt impacts on the family and to provide some possible policy suggestions and directions for further research.

Prior to looking at possible policy solutions, the causal factors of the problems of student loan debt need to be identified. It is unclear if this lies within the structure and nature of the scheme, within the changes to the funding of the tertiary education system or with the gendered nature of the employment market.

The student loan scheme was introduced in 1992 as a solution to the problems created by the introduction of higher tertiary fees. It was seen as a mechanism to reduce the financial barriers to higher education while recognising the private benefits gained from having a tertiary qualification (New Zealand Parliamentary Debates, vol 530, 1992). These benefits to the individual were outlined in the Todd report and included the prospect of increased earnings and the lower risk of unemployment (Ministry Consultative Group, 1994). However policy makers overlooked women's lower occupation earnings and their interrupted participation in the paid workforce when developing the student loan scheme. This is illustrated in that the whole premise of this private good argument is not borne out by the actions of the mothers involved in this research. These women, due to their family commitments and responsibilities, did not enter the employment market immediately upon completion of their qualification and have consequently not benefited from higher pay or a lower risk of unemployment. In fact, two of the participants did not even finish their qualifications, Victoria's

qualification is now deemed to be out of date, and none of them earn over the threshold required for compulsory loan repayment of their student loan.

Through the non-repayment of student debt by loan holders, including the participants in this research, the government can be seen to be indirectly funding the costs associated with their tertiary education. Certainly if there was no student loan scheme, if education was free and there were universal student allowances to fund living costs, there would be no student debt and no subsequent consequences. However we are then left with the same issues presented prior to the completion of the Hawke report in 1988, that is how to provide “effective funding and management systems while ensuring equity in both access and process” (Hawke, 1988, p.3).

Living costs were the largest component of the student loans of four of the participants in this study. Student allowances do not need to be repaid, and as a consequence of receiving an allowance, the living costs entitlement of a student loan is decreased. This means that those students who are entitled to a student allowance do not incur such large student loans as those who are not, thereby creating ‘classes’ of students. It is acknowledged that those students who currently are able to access student allowances usually come from less-advantaged families and therefore should be entitled to assistance. However, this study reveals that in order to lessen the burden of the living cost component to student debt that other groups of students, such as mothers, should be considered for this assistance.

Any changes to the student loan scheme to ensure a greater level of repayment, needs to be achieved without placing additional burden and stress on the loan holders. The issue of increasing non-repayment of student debt needs to be assessed in line with other social factors in our communities, such as health, welfare and superannuation. If priority is placed on loan repayment then factors such as saving for the education of future generations, retirement, and home ownership take a back seat, creating the potential for both short and long-term national and perhaps international consequences. Shorter fixed repayment periods will lower the risk and cost of bad debt to the government. However this would place increased stress on loan holders with regard to meeting their repayment obligations and could result in a further increase in the number of loan holders emigrating, declaring themselves bankrupt, and diverting their income through trusts in

order to avoid repayment of this debt. Does it then not make long-term sense with respect to these consequences to provide greater financial assistance to students in the form of universal student allowances or by providing positive financial incentives for loan repayment?

It has been identified that student loan debt through the exodus overseas of young skilled loan holder is having increasing national consequences, in addition the intended and unintended consequences of student loan debt for the individual have been examined (Ashby, Robertson, & Parata, 1996; Barnett, 1999; Brett & Chamberlan, 1997; Consumer, 1996; Gendall et al, 2000; Gerritsen, 1998; Metzker, 1997; Ministry of Women's Affairs, 1999; Ministry of Youth Affairs, 1998; Smith as cited in Bain, 1996; "Study on debt", 1997; New Zealand University Student Association et al; 1999). This thesis has attempted to capture how student loan debt affects the family however further research needs to be undertaken on the inter-generational impact of student loan debt.

The generation of students who incurred loans between 1992 and 1999 believe that there should be some redress for the failings of the scheme that directly impacted on them and acted to increase their total level of debt, creating a generation of students who are particularly indebted. As already discussed this group of students has been overlooked due to the cost of any changes that would be made in hindsight.

Participants in this research identified interest as being an issue of particular concern to them. The interest rate charged on student loans has been frozen at 7% for the 2000/2001 financial year while research is undertaken to assess whether the current methodology for setting this rate is the most fair and sensible method. It is highly likely that the interest rate for next year, if calculated using the current method, will increase in line with higher inflation.

The New Zealand student loan system was developed around the Australian model identified in the Wran Report (Hawke, 1988). However both the Australian and the United Kingdom's student loan models link the interest charged on student loans to inflation so that a loan can not decrease in 'real terms', but does not become unmanageable for the loan holder. Comparative research needs to be undertaken that

will assess the long-term affects and the levels of repayment of our student loan scheme with those experienced in the United Kingdom and Australia.

Conclusion

This research set out to uncover the factors that bear on mothers' decisions to return to the paid workforce after a period in the unpaid workforce and particularly to assess the role that student loan debt plays in this process. It aimed to capture all the factors that affected this decision including financial pressures, economic dependence, the availability of childcare, personal and societal expectations of motherhood, a mother's own desire to return to the paid workforce and in particular the effect that student debt has in this decision. In addition this research investigates the role that student loan debt plays within a family.

The student loan scheme was developed around the assumption of male employment patterns, in that it was expected that loan holders would complete their tertiary qualification and immediately gain paid employment which would ensure the repayment of student debt. This employment model does not reflect the employment patterns of the mothers involved in this research. It takes no account of women's interrupted participation in the labour market, their lower occupational earnings or the responsibilities that come with motherhood. Family is the first priority for the six women involved in this study, which resoundingly echoes literature and the findings of other research. Surprisingly, this study has revealed that student loan debt plays little if any role in either the lives of the participants or their families. Despite feeling a moral obligation to repay their student loans, it is highly unlikely that this will ever occur.

The actions of the participants involved in this study point to a lack of policy fit between the objectives and intentions of the student loan scheme and the lived experiences of mothers.

The aim of this chapter has been to relate all of the aspects of this research including literature, policy and the fieldwork findings to the aims and objectives outlined in chapter one. This has been undertaken through a discussion of the major conclusions

drawn from this research and their policy implications. In addition the limitations of this study have been revisited and areas for further research and development have been outlined.

The Challenge

Prior to the development of the student loan scheme, tertiary education had been seen as a public good, a right and not a privilege, the cost to the student was minimal and allowances were universal. A growing number of New Zealanders were gaining a tertiary education. The disestablishment of the welfare state and the change in government direction towards less state intervention meant that alternatives to funding tertiary education while ensuring equal access needed to be found. This resulted in numerous studies, taskforces and reports, the introduction of higher tertiary fees, the targeting of student allowances and the development of a student loan scheme that has become a significant government asset and a growing number of New Zealanders becoming indebted. For many New Zealanders a tertiary education has now become a private good and consequently a privilege not a right.

Despite the changes made in January 2000 to the loan scheme there is an increasing number of loan holders emigrating, declaring bankruptcy, taking low paying employment and simply not repaying their debt. The loss in terms of human capital is unacceptable. This research presents a challenge to re-think both the student loan scheme and the funding of tertiary education to ensure not only equity in access but to also ensure that we fulfil our status as a knowledge economy and do not become a nation of unrepaid student loan debt.

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Appendix A

Interview Outline

(It is anticipated that each interview will be directed by the stories each woman has to tell. The interview outline will be used as a guide to ensure that all information is captured during this time.)

Introduction:

- Purpose of research

- To provide insight and informed knowledge into the area of how student loan debt affects a family
- To accurately capture the experiences of women in this situation, in order to inform research and policy, and to provide insight into the complexity and individuality of each situation.
- To capture areas that link in with a mother's decision to return to work, ie the existence of a partner, the availability of childcare, a mortgage, the age of their child, the existence of maternity or paternity leave and the availability of paid work, etc. To assess how having a student loan affects these factors.
- To provide some insight for policy makers as to how the increasing burden of student loan debt affects the family unit.
- To look into the impact student loan debt has on a mother's decision whether or not to return to the paid workforce.

- Issues of informed consent

- If any of the questions make you feel uncomfortable or if you wish to stop the interview at any time please ask, and if you would like for the tape recorder to be turned off at any time please ask

- Length of interview

- It is anticipated that the interview will take about an hour and a half. Do you have a time limit or anything you wish to make me aware of before we begin?

General Information:

At the beginning of the interview the following information will be asked of participants.

Name:

Age:

Marital Status:

No of children, sex, date of birth:

Current occupation (includes both paid and unpaid work):

To gain some context to your current situation and given the topic of this research I would like to ask you some questions about student loans.

How would you rate your level student loan on a level of debt scale of 1-10 with 1 being insignificant and 10 being unmanageable?

- Could you please tell me the reasons for your rating
- Could you describe how you feel about this debt
- What impact do you think this debt has on your life?
- Do you regard this debt any differently to how you would regard a bank loan or a mortgage? In what ways?
- How long do you think it will take you, individually to pay off this debt?
- What if any hurdles do you think you will need to overcome in order to pay off this debt?
- Do you mind me ask the actual value of your loan?

Do you have a partner?

- Does your partner have a student loan?
- How would you rate their level of debt: on a scale of 1-10 with 1 being insignificant and 10 being unmanageable.
- Could you please tell me the reasons for your rating
- What if any differences do you see between their loan and your own? eg the length of time it will take to pay off this debt, do you think that either loan is regarded as being more significant?
- How long do you think it will take the two of you to pay off this debt?

When you first took out a student loan, how old were you?

What were your reasons for taking out a loan at that time?

- What, at the time of taking out the loan, did you consider would be the long-term affects or impact of having a student loan?
- What was your thinking behind this?

What do you currently think are the long-term affects and impact of having a student loan?

I would like to discuss your expectations and experiences of employment prior to the birth of your child to provide some context to your current situation:

Where did you work prior to having your child?

Were you supported by your employer in taking time off to have your child?

- How were you supported?

What are your views with regard to mothers working in paid employment while they still have young children?

- What are your partner's views on the subject? (if partnered).

What were your expectations with regard to employment after the birth of your child?

- Given an ideal world what do you anticipate would have happened after the birth of your child with regard to paid work?

How much time have you had out of the workforce?

Now I would like to talk about how you came to the decision whether or not to return to the paid workforce and the factors that impacted on this.

The decision whether or not to return to the paid workforce is always a difficult one, and differs for everyone.

- What prompted you to consider returning to the paid workforce?
- What were your feelings at this time?

Could you please describe the process of how you came to your current decision?

- What in particular stood out in the decision making process?
- What factors do you think affected your decision the most and for what reason?
- How did you feel about the final decision you made?

Economic reasons are often cited as being key to women's decision to return to the paid workforce.

- Could you explain if this was an issue for you in making your decision and how it affected you?
- What were your experiences of being dependent on your partner for income (if you were) during the time you were out of the workforce?

Do you believe your student loan played a role in the decision you made, for what reasons?

- If not why not?
- How important was it among all of the things you took into account?

What role, if any, did your partner play in the decision making process? How did this make you feel?

What role did your wider family play in the decision making process? How did this make you feel?

Having had some time to reflect on your decision, how do you feel about your current situation with regard to paid work and having a child?

- What would be your ideal situation?

Finally I would like to talk about the recent changes to the student loans scheme and the policy implications of this.

Are you aware of the changes that have recently been made to the student loan scheme? (if unaware of the changes I will briefly outline these). What are your views on these?

What advice if any do you have for policy makers with regard to the impact that your student loan has on your life?

Conclusion:

- I want to acknowledge and thank you for your time and honesty in meeting and discussing these issues.
- Discuss where to from here for the research and the anticipated outcomes.
- Do you have any questions for me?
- I can be contacted at anytime if you wish to discuss or amend anything you have said or withdraw from the research.
- I will return your transcript to you for checking.
- You have my assurances that your identity will remain confidential.

Follow-up Questionnaire

Please complete the following:

I have read the transcripts and agree that they are a true reflection of the interview I took part in:

Signed: _____

Dated: _____

Having read the attached transcripts I am satisfied with the content and do not wish to make any alterations: ☐ yes ☐ no (tick appropriate box)

If you ticked no please complete the following section.
I wish to make the following changes:
(please list the page number and the changes you wish to make, please do not worry about grammatical changes, you may attach additional pages if required)

Since completing the interview and reflecting on what was said I would like to make the following additions:

COMPARISON OF STUDENT LOANS SCHEMES¹²

	New Zealand	Australia	United Kingdom	Canada
Scheme Description	One-tier scheme for all students that covers loans for fees, course costs and living costs	Two-tier scheme: the Higher Education Contribution Scheme (HECS) for fees, and Supplement Loans for living and other costs	Student loans are available for living costs only. Awards for tuition fees and maintenance grants are provided separately. ³	The Federal Scheme (CSLP) provides loans to cover educational and living costs, funded by 9 participating lenders. Provincial loan schemes can provide additional assistance
Restrictions on Eligibility	-Permanent residency or citizenship -Not available to undischarged bankrupts and prisoners	-Permanent residency for 2 years or citizenship -Not available at private training Establishments -Supplementary loans are income and asset tested	-'Ordinarily resident' in the 3 years preceeding -Not available for postgraduate and part-time courses (except for initial teacher training) -Must be under 50 years of age	-Permanent residency or citizenship -Resident in a province or territory that participates in the CSLP scheme -Must demonstrate financial need (Assessed Need = Assessed Cost - Assessed Resources) -Living expenses are not assessed as a cost for part-time students.
Repayment Threshold	NZD\$14,716 (1999)	-HECS AUD\$21,334 (1998/99) -Supplementary loans AUD\$30,205 (1998/99)	UK10,000 from 1998/99	Not Applicable
Repayments	Income contingent 10.0% of taxable income over threshold	Income contingent HECS varies from 3.0-6.0% Depending on income, Supplementary loans 2.0%-4.0%	Income Contingent for students starting in 1998/99 or later 9% of taxable income over threshold	-Fixed term repayment -Repayment must commence 6 months after completion of studies

¹ Correct as at 30/7/99 for New Zealand, Australia and the United Kingdom. Details of the Canadian scheme have not been officially confirmed.

² It is worth noting that a World Bank sponsored project in Hungary has seen the introduction in that country of a student loans scheme modelled on the New Zealand scheme. It was their assessment that the New Zealand scheme represented world best-practice, especially in regard to its income contingent repayment approach and its objective in promoting participation of hitherto disadvantaged groups in tertiary education. Many countries with loan schemes offer students short-term fixed rate (mortgage-type) loans, where repayment is made over a relatively short period, usually with fixed monthly payments determined by interest rates.

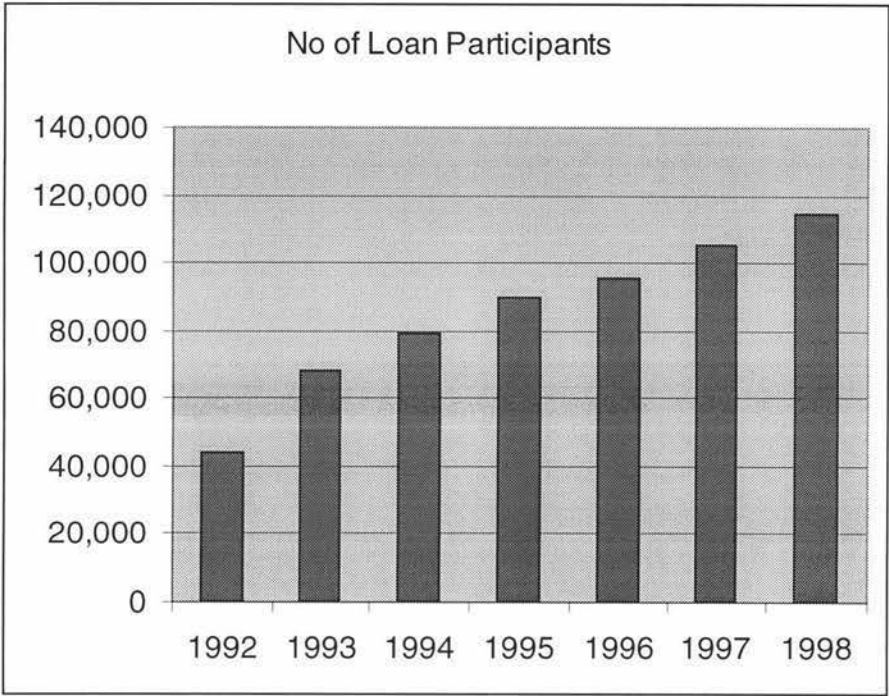
³ From 1999/00 maintenance grants will be in form of a partially means-tested loan.

Income Liabe	Marginal Income ⁴	Total Taxable Income	Marginal Income from 1998/99	Not Applicable
Interest Rate	-Base rate+Inflation adjustment rate 5.3%+1.7%=7.0% (1999/2000) -If in any one year, a borrower's repayment obligation does not cover the annual base interest charges the difference is written off.	Linked to inflation	Linked to inflation	-Option of fixed interest rate (lender prime+5%) or floating interest rate (lender prime+2.5%) -Government pays the interest while studying -Interest relief is available for low income, unemployment, or temporary illness for a maximum of 30 months
Repayment Incentives	None	-Discounts for up front payment of HECS -Discount for voluntary payments over \$500 -Discount for early Supplement repayments	None	None
Capital Write-off	For death or bankruptcy	For death or bankruptcy for Supplementary loans, for death only for HECS	For death or reaching age 65	-For death -Principal debt can be reduced by the lesser of \$10,000 or 50% in cases of severe financial hardship
Average debt	\$13,400 (1999 estimate)	AUD\$5,446 (1997/98)	UK1,530 (1997/98)	-For CSL C\$13,000 (1997) -For combined provincial and federal loans estimated C\$25,000 (1998/99)
Cost to Government	Estimated 11c per dollar loaned (1996)	Estimated 30-40c per dollar loaned (1997)	Not known, but estimated to be large	

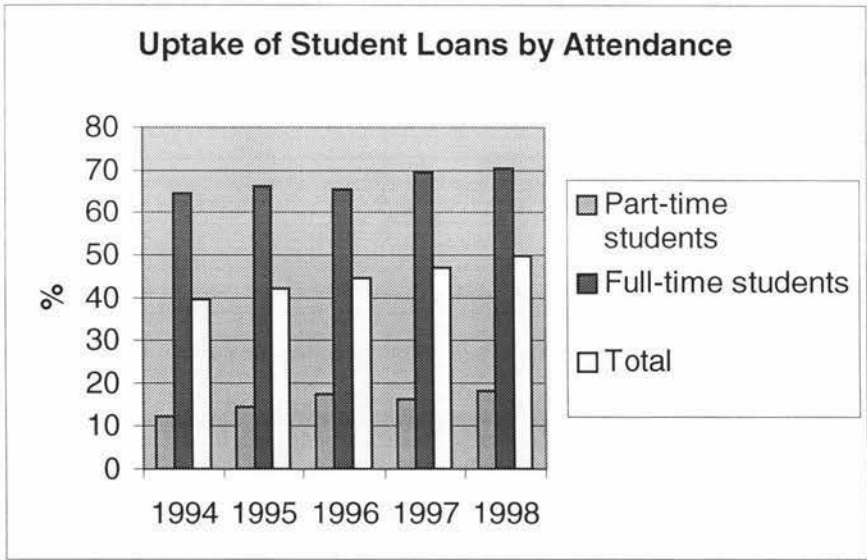
(Office of the associate Minister of Education, 2000, appendix A, p1, p2).

⁴ Income above the repayment threshold. In other words, the first \$14,716 is ignored, and the repayment is worked out as a percentage of any remaining income.

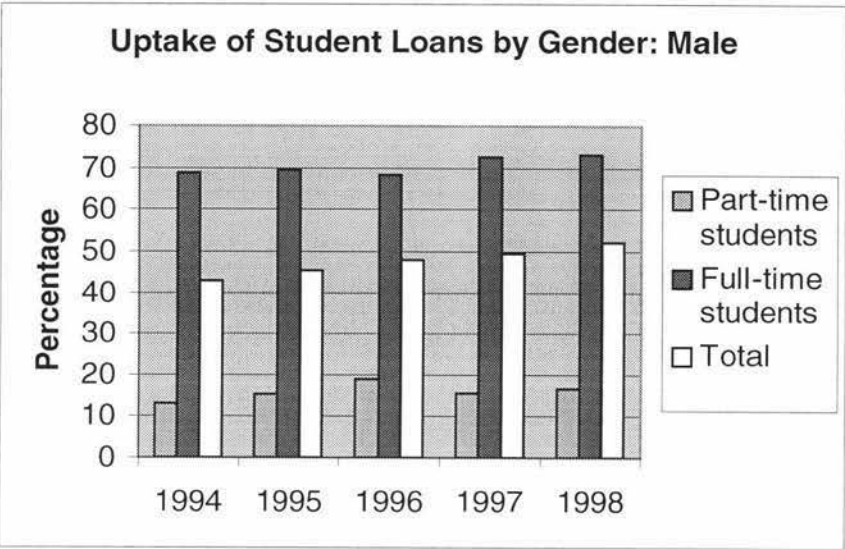
Appendix C



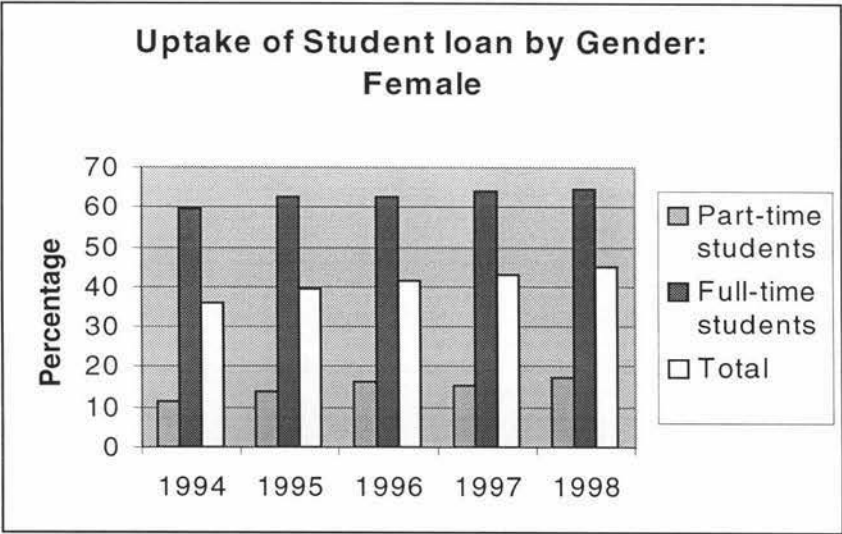
-estimated 5% margin of error
(New Zealand Department of Education, 1999)



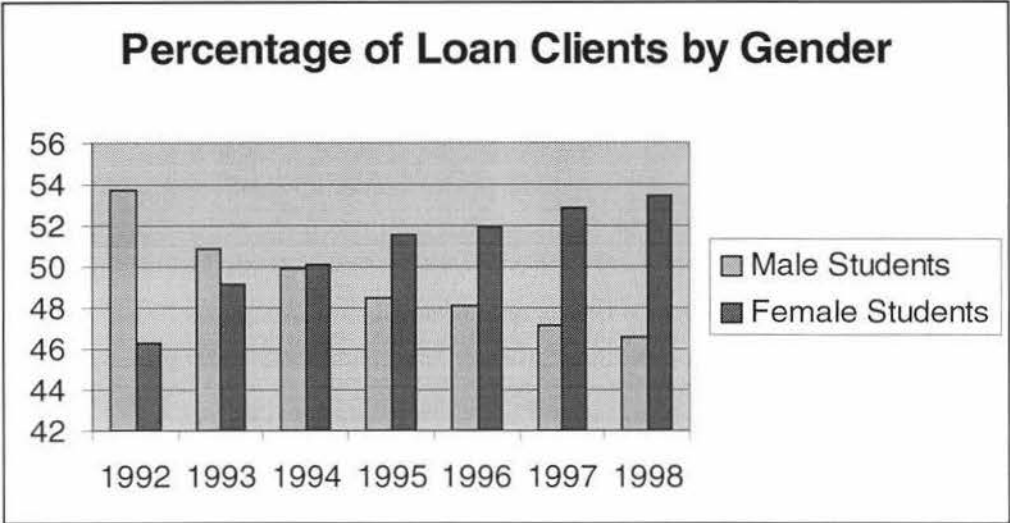
-excludes private tertiary providers
(New Zealand Department of Education, 1999)



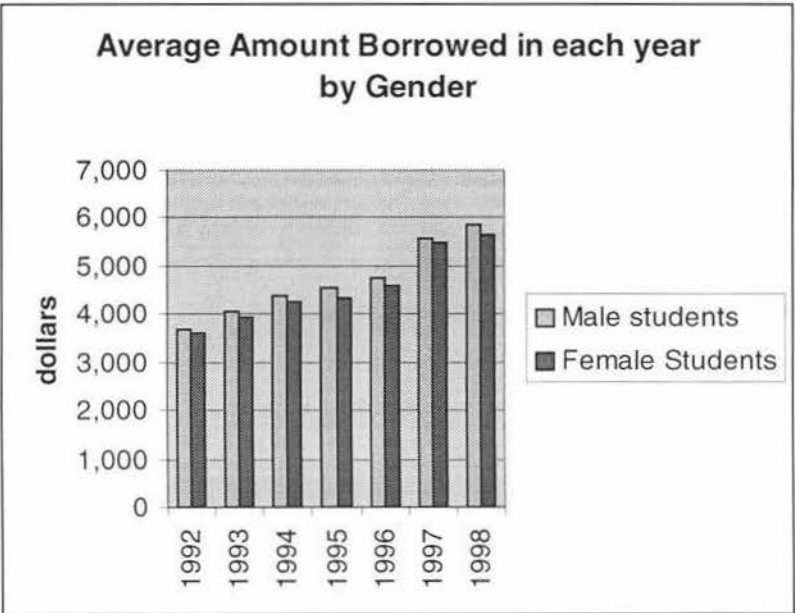
-excludes private tertiary providers
(New Zealand Department of Education, 1999)



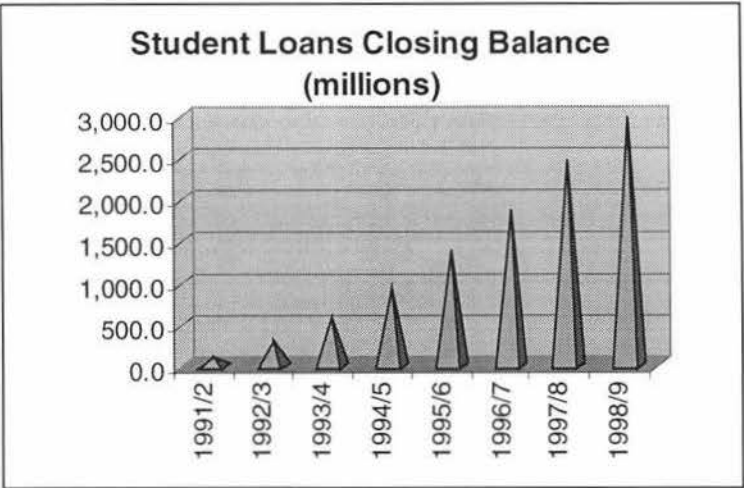
-excludes private tertiary providers
(New Zealand Department of Education, 1999)



(New Zealand Department of Education, 1999)



(New Zealand Department of Education, 1999)



(New Zealand Department of Education, 1999)

Appendix D

(Massey Letterhead)

Information Sheet

The impact of student loan debt on first time mothers' decisions whether to return to the paid workforce.

My name is Nicola Stanley-Clarke. I am currently completing this research for my Masters in Social Work Degree. I have a Bachelor of Social Work Degree with Honours and three years experience as a social worker. During the last three years I have worked full-time in the area of child protection. Currently I am a full-time student.

This research is about the impact of student loan debt on first time European/Pakeha mothers' decisions whether to return to the paid workforce. Very little research has been done until now about how having a student loan can impact on a mother's decision to return to the paid workforce and it is hoped that this research will go some way to addressing this.

This research has approval of the Massey University Human Ethics Committee.

If you decide to participate in the research it will involve one interview of approximately one and a half to two hours long. With your permission the interviews will be taped. All information will be treated confidentially.

As the research forms the basis of a thesis for the Master in Social Work at Massey University. Two lecturers in the School of Social Policy and Social Work, Wendy Parker and Gwen Ellis are supervising it. If you have any concerns about the research they can be made to my supervisors at the following phone numbers:

Wendy Parker	(06) 350 5799 ext 2828
Gwen Ellis	(06) 350 5799 ext 2817

If you decide to take part in the study you have the right to:

- refuse to answer any particular question, and withdraw from the research at any time without any repercussions. If you decide to withdraw, the tape and transcript will be returned to you.
- ask any further questions that occur to you during your participation.
- provide information on the understanding that your identity will remain confidential. Confidentiality of information given in the interview will be protected throughout by the following measures:
 - i) All information is presented anonymously and it will not be possible to identify you in any reports that are prepared from the study. The interview tape(s) will be listened to by only Nicola Stanley-Clarke.

- ii) Parts of tapes will be transcribed, but the transcripts will only be seen by Nicola Stanley-Clarke. Participants will be given the opportunity to check their own transcripts.
- iii) Once the interviews have been transcribed, all names will be changed.
- iv) Material from the transcripts may be used in the final thesis, but only in such a way that the person who was being interviewed can not be identified. Any special identifying features will be removed from the thesis.
- v) The tapes and transcripts of confidential interviews will be returned to you if you request or erased within three months of the completion of the thesis.

At the completion of the research you may be given access to a summary of the findings from the study if you wish. The material gathered may also be used in academic publications.

Please do not hesitate to contact me at any time about any aspect of the research. I can be contacted through Wendy Parker on phone: (06) 350 5799 ext 2828

Thank-you for your assistance.

Appendix E

Consent Form

The impact of student loan debt on first time mothers decision whether to return to the paid workforce.

I have read the information sheet for this study and have had the details of the study explained to me. My questions about the study have been answered to my satisfaction, and I understand that I may ask further questions at any time.

I also understand that I am free to withdraw from the study at any time, or to decline to answer any to answer any particular questions in the study. I agree to provide information to the researcher on the understanding that it is completely confidential. I understand that I have the right to request that the tape be turned off at anytime.

I agree / do not agree to the interview being taped (circle as appropriate).

I wish to participate in this study under the conditions set out in the information sheet.

Signed:
(Participant)

Name:
Date:

Signed:
(Researcher)

Name:
Date:

Appendix F

**Do you have a student
loan?**

Are you a mother?

**Have you recently thought
about returning to the paid
workforce?**

Read On!!!!

I am conducting research about the impact of student loan debt on first time European/Pakeha mothers decision whether to return to the paid workforce. Little is known about this area and I hope that through my research I will provide some understanding of the pressure that student loan debt is having on first time mothers.

If you decide to participate in the research it will involve one interview of approximately 1½ - 2 hours long. All information will be treated as confidential.

If you are interested in being a part of this research please call me, Nicola Stanley-Clarke through my supervisor, Wendy Parker on (06) 350 5799 ext 2828.

Appendix G

Application To The Ethics Committee: Massey University**1. DESCRIPTION****1.1. Justification**

This is a proposal for a Masters research thesis looking into how student loan debt impacts on first time mothers' decisions whether to return to the paid workforce. To undertake this research I will conduct a qualitative study using feminist interviewing techniques. It is my intention to interview six first time mothers, who identify themselves as being European/Pakeha, with student loans who have recently contemplated returning to paid work.

The justification for this research is two-fold. Firstly student loans were only established in New Zealand in 1992 and hence are a relatively new and un-researched phenomenon. Secondly I am interested in the economics of the family and the way income is shared within this unit. Both are very current political issues, and indicate an area where research is lacking.

Labour market participation shows that many women still choose to leave the paid workforce to have children and many remain at home while their children are young. Student loan interest and repayments are calculated on an individual basis. In addition to this other policies, such as the matrimonial property division and taxation, also regard student loans as individual debt. The impact of student loan debt means that while a woman is not participating in the paid workforce her loan is increasing, as the interest rate accrues in this situation.

It is the link between these factors and labour market participation by first time mothers that this study seeks to uncover. Through my research I hope to be able to gain some understanding of the pressure that student loan debt is having on first time mothers, and whether it does in fact create a situation where they return to the paid workforce earlier than they would ideally like to.

1.2. Objectives

As already mentioned, the primary objective for my research is to assess the impact that student debt has on a European/ Pakeha woman's decision whether to return to the paid workforce after the birth of her first child. This research will be undertaken from a feminist perspective.

The objectives for my research are:

- to provide insight and informed knowledge into the area of how student loan debt affects a family
- to enable first time, loan bearing mothers to tell their stories about how they reached the decision whether or not to return to the paid work force. To accurately capture the complexity of their decision without violating their integrity or minimising their experience.
- to capture areas that link in with a mother's decision to return to work, ie the existence of a partner, the availability of childcare, a mortgage, the age of their child, the existence of maternity or paternity leave and the availability of paid work. To assess how having a student loan affects these factors.
- to provide some insight for policy makers as to how the increasing burden of student loan debt affects the family unit.

1.3. Procedures for Recruiting Participants and Obtaining Informed Consent

I intend to interview 6 European/Pakeha women, who have student loans, about their experiences of making the decision whether to return to the paid workforce. It is my intention to locate these women within the Manawatu, Horowhenua region.

To locate participants I will place advertisements in the free papers that are circulated in the Manawatu, Horowhenua region, including the Guardian, Tribune, and Horowhenua Mail. Fliers will be placed in supermarkets, the Women's Centre, and Plunket Rooms. I will also place an advertisement on the Massey News Website. If insufficient responses are received I will broaden my geographical area to include the Wellington region and place advertisements in the Evening Standard, The Dominion and the Evening Post.

The advertisement invites anyone interested to contact me by phone, via my supervisor, to discuss the research. Once I have outlined the purposes of the research and what it involves I will then send out an information sheet to all those who express an interest with the understanding that they can withdraw from the project at any time.
(Information sheet and draft advertisement/flier attached).

1.4. Procedures in which Research Participants will be involved

The research participants will be involved in one interview of approximately one to one and a half-hours in length. This interview will take place at a time and venue suitable to the participant and researcher.

The interview will be semi-structured, using open-ended questions on key themes to enable the participant to tell their story in whatever way they wish. The interviews will be taped with the participant's consent. Participants will be reminded of their right to withdraw from the research at any time. I feel that it is important that the interviews are driven by the knowledge and expertise of the participant and feel particularly strongly about the importance of a non-hierarchical relationship, enabling the participant to share with me as much or as little as they choose.

A transcribed copy of the interview will be sent to the participants. This is to see if there is anything they have thought of since the interview that they wish to add, or if there is anything that in hindsight they wish to withdraw. A follow-up phone call will also be made to the participants to ensure that they are happy with the final shape of the transcriptions. This process is also a time when participants are able to reflect on the process and if it has had an implications for themselves personally.

1.5. Procedures for handling information and material produced in the course of the research including raw data and final research report(s)

The procedures for handling information and material produced in the course of the research include those for dealing with the tapes of the interviews, the transcription of these and any handwritten notes that I make during this time. I will be the only person to have contact with the data in its raw form. I will be the only person to listen to and transcribe the interviews. Once this has been completed any identifiable information will be removed and names will be changed. While analysing the data only the pseudonyms of the participants will be used and any drafts of information will be destroyed 3 months after the completion of the research.

1.6. Procedures for sharing information with Research Participants

All research participants will receive the initial information in the same way that is through contact with me over the phone, and then through the receipt of the information sheet. I will then make phone contact with them to arrange a time and place to meet. After the interview a transcribed copy of what was said during this time will be forwarded to each participant with a letter detailing that this is an opportunity for them to add or withdraw from the content of the interview. A follow-up phone call will also be made to the participants to ensure that they are happy with the final shape of the transcriptions. A summary of my research findings will then be sent to all participants following the completion of my thesis.

1.7 Arrangements for storage and security, return, disposal or destruction of data

The main data will be in the form of taped interviews, transcripts and handwritten notes. It is my intention to keep all of this information in a locked filing cabinet at my home. No one else will have access to this information.

Following completion of the research the original tapes will be returned to the participants if they request by registered mail, or alternatively they will be destroyed three months after completion of the thesis. Once the interviews have been transcribed, all names will be changed. Material from the transcripts may be used in the final thesis and publications that may result from the research. This will only be undertaken in such a way that the person who was being interviewed can not be identified. Any special identifying features will be removed from the thesis. A summary of the research findings will be sent to the participants upon completion.

2. ETHICAL CONCERNS

2.1. Access to Participants

Participants are selected from volunteers who respond to advertisements placed in widely seen circulations. They will be fully informed of what is required of them during the research process, through discussion with myself, and in receiving the information sheet and consent form. The interview and follow-up interview will be negotiated directly with the participant to be at a time and venue that suits them. It is my intention to re-iterate to the participant that at anytime they wish to withdraw from the research they can do so without prejudice and their tapes will be returned to them.

2.2. Informed Consent

Through the research process the rights, interests and sensitivities of the participants will be acknowledged and protected. It is understood that the participants will have family and possibly work commitments and these commitments will be honoured throughout the research process.

Prior to consenting to being a part of the research the participant will speak with me on the phone. During this first phone call, we will discuss who I am, the research aims and their involvement and at the end of this conversation the participant will be asked if they wish to proceed and to arrange a time to meet. The participant will then be sent an information sheet which will outline the research, the time and commitment involved from them, their right to withdraw at any stage and their right to confidentiality and how this will be ensured. Prior to the first interview a consent form will be signed by the participant outlining that they have read the information sheet for this study and have had the details of the research explained to them; that their questions about the study have been answered to

their satisfaction, and they understand that they may ask further questions or withdraw at any time.

(Information sheet and consent form attached)

2.3. Anonymity and Confidentiality

To ensure confidentiality I will be the only person to be aware of the identity of the participants. The interviews will be taped with the participants' consent. I will be the only person to hear or transcribe the tapes. Once transcription has occurred each participant will be given a pseudonym and any identifying information will be removed. Any quotes that are to be used in the final research will be discussed with the participants and only used in accordance with their wishes. The tapes, transcripts and any other identifying information will be stored in a locked filing cabinet, at my home, and will be destroyed 3 months after the completion of the thesis.

2.4. Potential Harm to Participants

The potential harm to the participants is small. However it is possible that the interview will raise personal issues for them. These issues could occur through the process of telling their story and re-evaluating their current situation. To ensure that any potential to harm the participants is minimised steps will be taken by myself to ensure informed consent, voluntary participation and confidentiality. Through upholding these principles and terminating the interview if participants become distressed it is hoped that any potential to harm participants is minimised.

Each participant will be sent a copy of a summary of the findings of the research so that they are aware of the final shape and content of the research.

2.5. Potential Harm to Researcher(s)

The topic being researched is not an issue that I am currently facing and hence any chance that the researching affecting me in a personal manner is unlikely. I am also a trained social worker, and have worked in the profession for the past three years. I have learnt the importance of boundaries and being able to separate the issues of the participant from anything that may be relevant to me.

However through ensuring that the research is carried out in an ethical way, and upholding the rights and values of the participants any harm to myself should be minimised. This can be further ensured through anticipating all outcomes at the outset of the research, both positive and negative, this includes not only the responses of participants to the research, but also of the academic community. Through openly discussing any potential problems with supervisors, and working through any problems in this way it is hoped that all possible steps will be taken to ensure that no harm comes to myself as the researcher.

2.6. Potential Harm to the University

No potential harm to the University is foreseen. However through communicating honestly with my supervisors as to the progress and any potential difficulties with the research it is hoped that any potential harm to the University will be further eliminated. If at any time it seems likely that any ethical code or academic requirement is not being adhered to I will discuss this with my supervisors and withdraw from the research if necessary.

2.7. Participant's Right to Decline to Take Part

Each participant will have the right to decline to answer any questions they do not wish to answer, to decline to provide an interview even if they have previously agreed to such an interview and to withdraw from the research at any stage. In addition to this they can also refuse to allow information they have provided to be used in the final research project. These rights will be fully explained to the participants prior to the commencement of the research, through the use of the information sheet and consent form, and at various stages throughout the research process.

2.8. Uses of the Information

The participants in the research project will maintain the right to control the information they provide for the purposes of the research, including the right to alter it or to withdraw it completely from the research. The participants will be informed that the data will form part of my masterate studies and may also be published in academic publications.

2.9. Conflict of Interest/Conflict of Roles

No conflict of roles envisaged.

2.10. Other Ethical Concerns

No other ethical concerns.

3. LEGAL CONCERNS

3.1. Legislation

Note: Indicate where applicable the relevance of any of the following legislation:

3.1.1. Intellectual Property legislation
e.g. Copyright Act 1994

The copyright of the Masters thesis will belong to Massey University. Any publication that emerges as a result of the work undertaken during the progress of the research will belong to the particular writers responsible and/or the publisher. In addition to this any sources used will be clearly referenced and acknowledged.

3.1.2. Human Rights Act 1993

This legislation provides no legal concerns for this research.

3.1.3. Privacy Act 1993

This research will adhere to the 12 principles outlined in the Privacy Act. In this only personal information needed to complete the research will be collected and this information will be collected only from the person concerned, the participant. Through the use of the information sheet and discussion with myself, the participant will be fully aware of the uses of the information and will have provided informed consent to use of the information for these purposes. Hence the information they provide will be used only for the purpose of this research and any subsequent publications that emerge from this. As already detailed the information the participants provide will be securely stored, and will be destroyed when it is no longer required. Through providing participants with a transcribed copy of the interview they get the opportunity to correct any information, and at any stage they are able to see, withdraw or change any information they have provided by contacting me and requesting that they do so. Once transcription of the data has been completed all identifiable information will be removed, and participants will be given new names to protect their confidentiality. If any direct quotes from the transcriptions are used in the research consent will be gained from the participant concerned prior to this occurring. No one other than the participant and myself should be able to identify themselves as having been a part of the research and it is hoped that through adherence to the principles of the Privacy Act, confidentiality of the participant is further maintained.

3.1.4. Health and Safety in Employment Act 1992

This legislation provides no legal concerns for this research.

3.1.5. Accident Rehabilitation Compensation Insurance Act 1992

This legislation provides no legal concerns for this research.

3.1.6. Employment Contracts Act 1991

This legislation provides no legal concerns for this research.

3.2. Other Legal Issues

No other legal issues

4. CULTURAL CONCERNS

I am a Pakeha/European woman, and through choosing to interview other women of the same ethnic origin I hope to be able to relate to them without raising any cultural concerns. Research has shown that some issues regarding money and how financial decisions are made within a European/Pakeha family are distinctly different from other cultural groups in New Zealand.

5. OTHER ETHICAL BODIES RELEVANT TO THIS RESEARCH

5.1. Ethics Committees

Note: List other ethic committees to which you are referring this application.

This application is not being referred to any other ethics committee.

5.2. Professional Codes

Note: List all New Zealand professional codes to which this research is subject.

This research is not subject to any professional codes except those outlined by the University.

6. OTHER RELEVANT ISSUES

Note: List any other issues you would like to discuss with the MUHEC.

No other relevant issues.