



## Students Turn To Bankruptcy

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Student debt has risen by 167% during the past 10 years, forcing nearly one in 10 to consider bankruptcy as a solution to their financial problems.

New research from uSwitch.com showed the average student now owed £11,123 when they graduated, compared with just £5,096 10 years ago.



Some owe as much as £30,000.

But there is some good news for struggling students - the average debt fell this year for the first time in six years.

A separate study by high street bank NatWest showed students leaving university this year owed an average of 6% less than those graduating in 2006.

44% of students have a part-time job

And there was also a fall in the number of people who had run up

debts of more than £10,000, with 54% of students graduating this year owing at least five figures, 8% fewer than in 2006.

Potential students now expect a three year degree to cost them £34,740, compared with predictions of £33,512 last year.

Despite the huge cost of a degree, 73% of sixth formers said they thought university was still worthwhile as it would improve their future job prospects,

But 72% of those who expect to finish their studies in the red said they were already worried about the amount of debt they would accrue.

In fact, people were more worried about their finances (66%) - than failing their exams (54%).

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The research found that 44% of current students had a part-time job during term-time, earning an average of just under £85 a week, working for around 15 hours.

But the pressure of having to earn money is impacting on their studies, with 34% of students admitting they had skipped lectures because of their job.

Two-thirds of students get financial help from their parents while they are studying, with 26% getting regular amounts during the term, while 23% get help as and when they need it, 8% are given a lump sum at the beginning of each term and 4% got a one-off sum when they first started university.

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Students about to begin their degree courses have been warned of the level of debt they will face by the time they graduate. It has been calculated they will owe an average of more than £20,000. Orla Chennaoui has this report.

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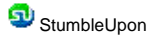
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Graduate starting salaries rose slightly this year, to average £14,515, compared with £13,860 in 2006, with 27% of students having a job confirmed upon graduation.

Mark Worthington, head of NatWest student and graduate banking, said: "Anticipated debt and the recent increase in tuition fees is clearly going to impact how students manage their finances.

"However, thankfully new students seem to be much more aware about the financial realities of university and are trying to prepare themselves accordingly....by taking steps to supplement income and budget their spending."

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