



University of Twente  
The Netherlands

# Student financing in the Netherlands

## From generosity to cost-sharing

Hans Vossensteyn

Center for Higher Education Policy Studies

Funding, equity and efficiency in higher education

Portorož

22 N · o · v · e · m · b · e · r

2 · 0 · 0 · 7



University of Primorska  
Faculty of Management Koper

IER



University of Primorska  
Faculty of Management Koper

IER



University of Primorska  
Faculty of Management Koper



## **Dutch HE: key figures**

---

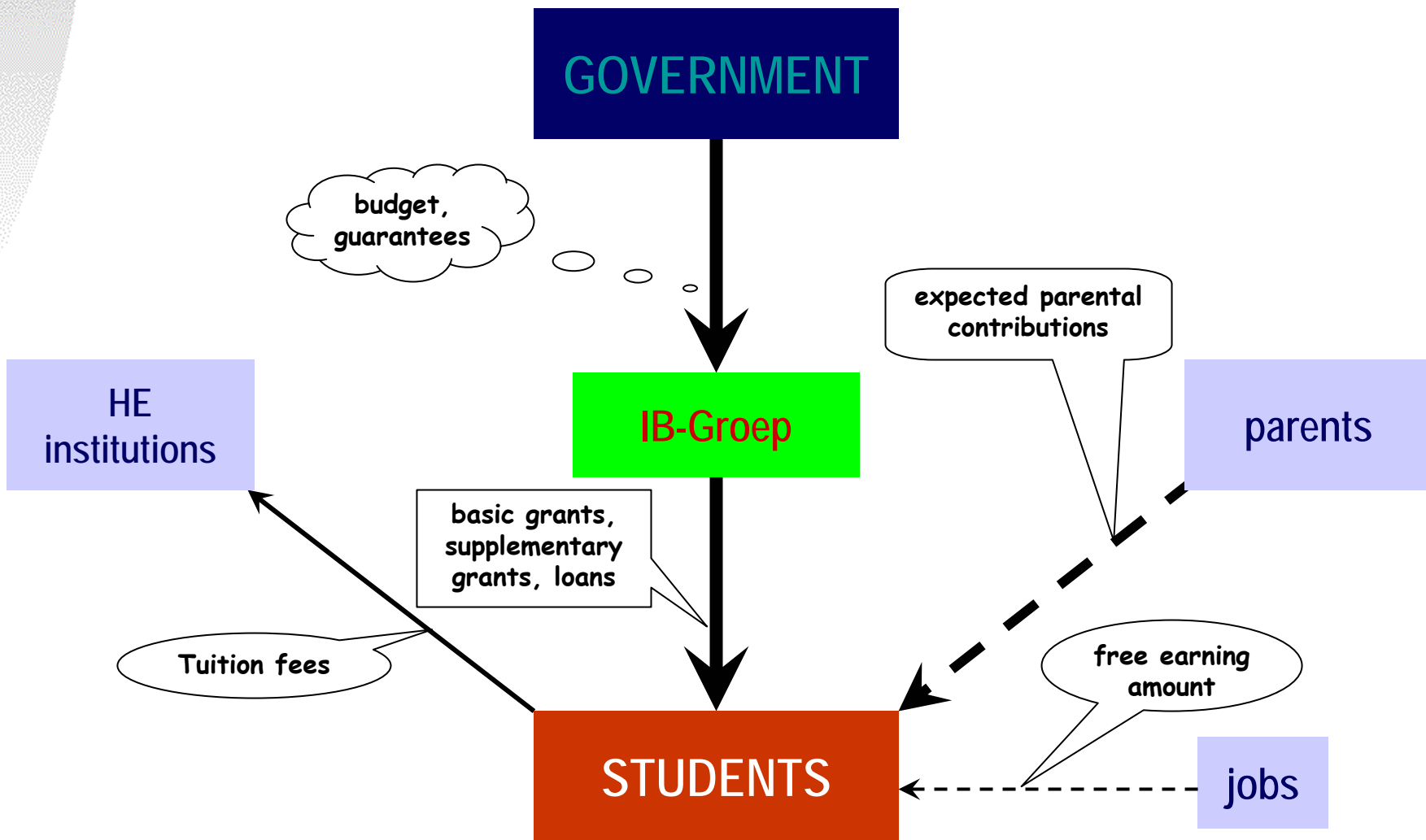
**Universities (13)**  
**207,000 stds (36%)**

**Colleges (50)**  
**366,500 stds (64%)**

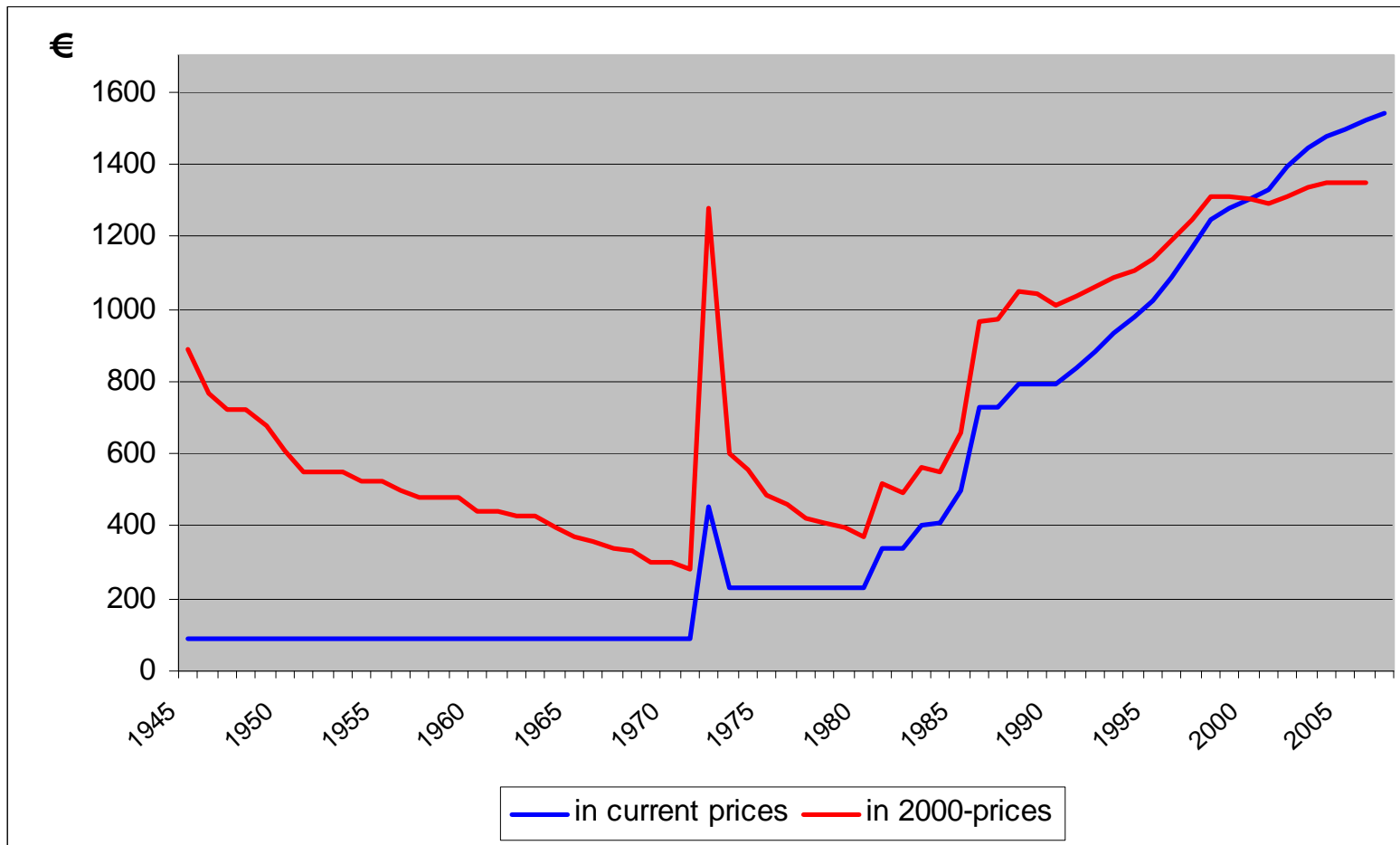
**85% full-time; 15% part-time**

**29% at home (40% HBO; 22% Unis)**  
**71% away from home (60% HBO, 78% Unis)**

# Student support: Netherlands



# Tuition fee developments





## Netherlands: Costs of study

	Living at home		Living independent	
	University	College	University	College
Study costs	180	175	183	185
Maintenance	276	256	662	694
Leisure	122	131	118	121
Other	95	93	109	110
Total	673	655	1072	1110

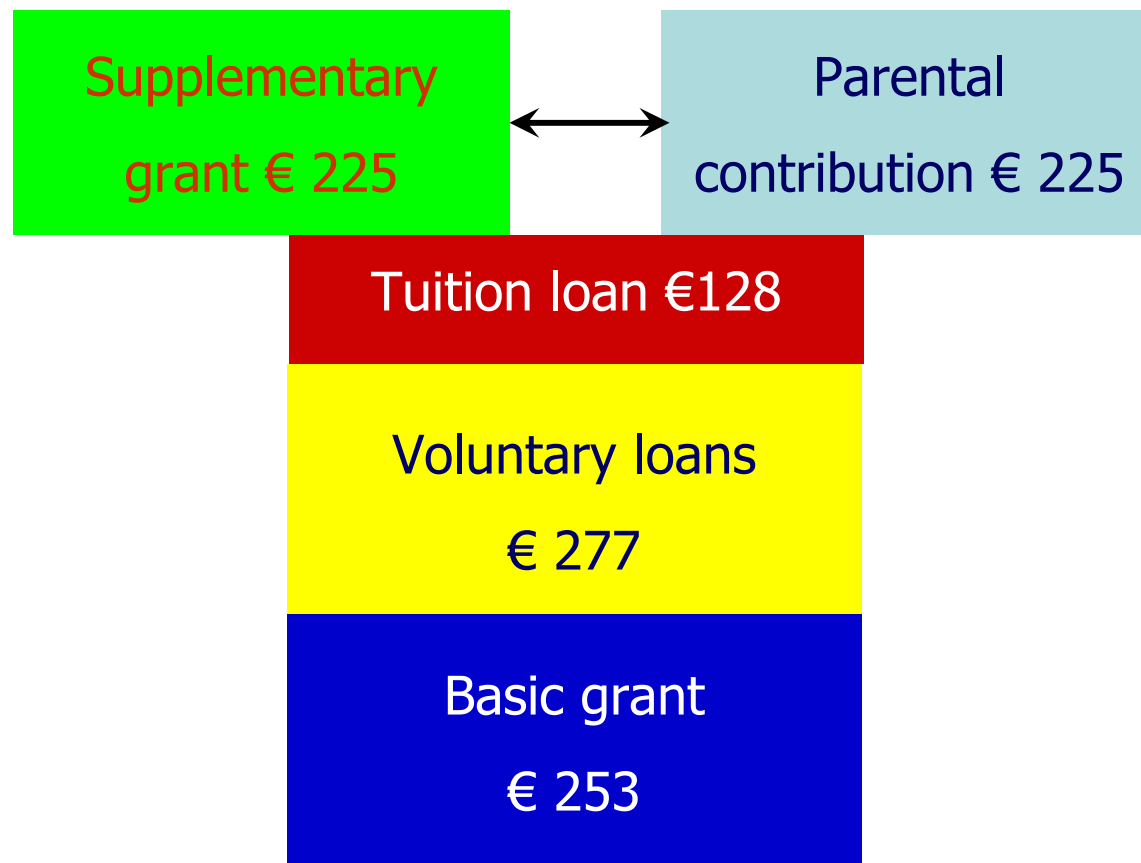
Tuition fees: €1538 p/y (€128 p/m)

# Student support (independent students)

---

Free earning amount € 10.631 p/y

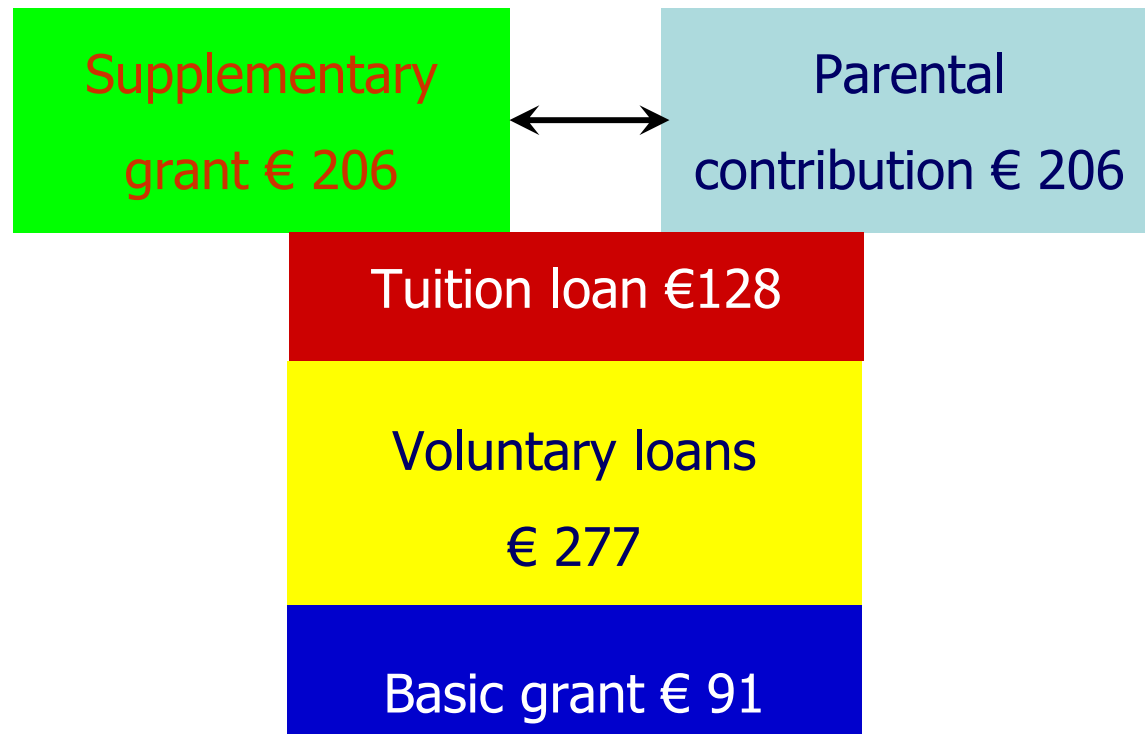
Total budget € 883



## Student support (living at home)

Free earning amount € 10.631 p/y

Total budget € 702





# Student support (borrow parental contribution)

Parental  
contribution € 225

Tuition loan €128

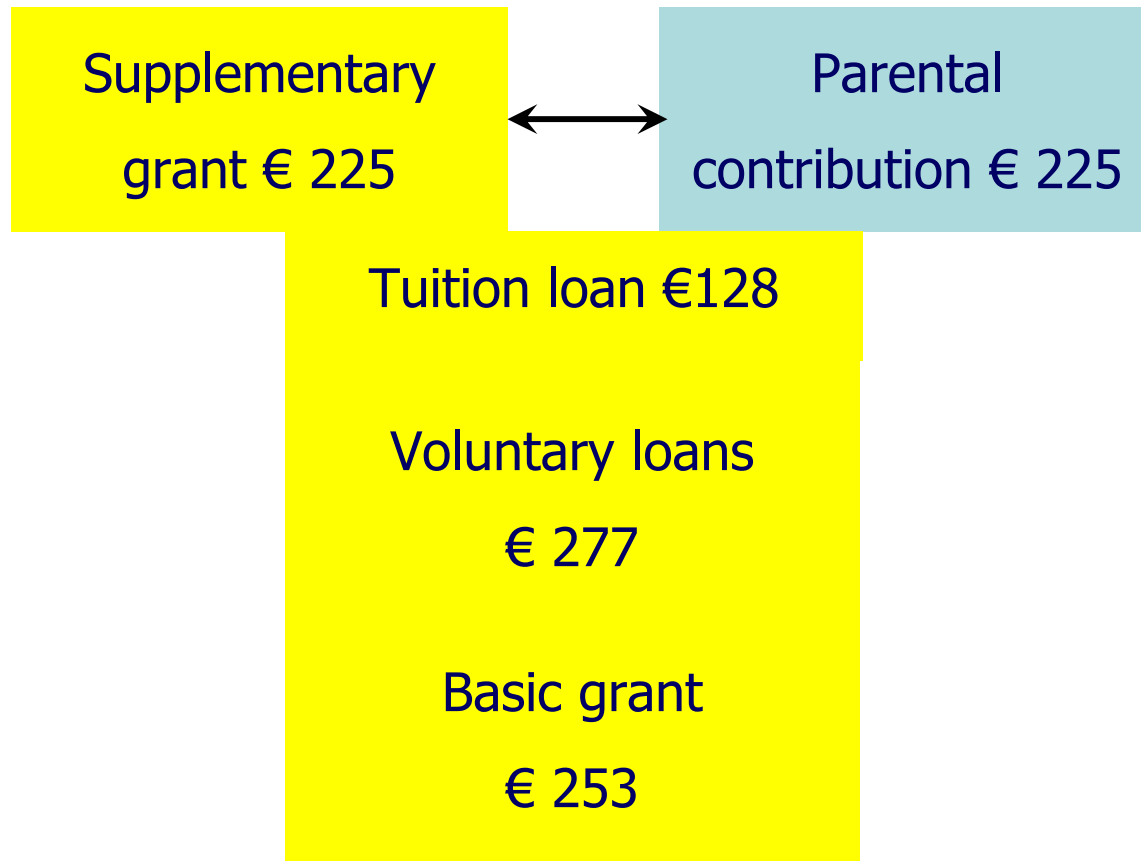
Voluntary loans  
€ 277

Basic grant  
€ 253



## Student support (borrow all support)

Students who used all grant entitlements





## Intermediary conclusion: expenses - budget

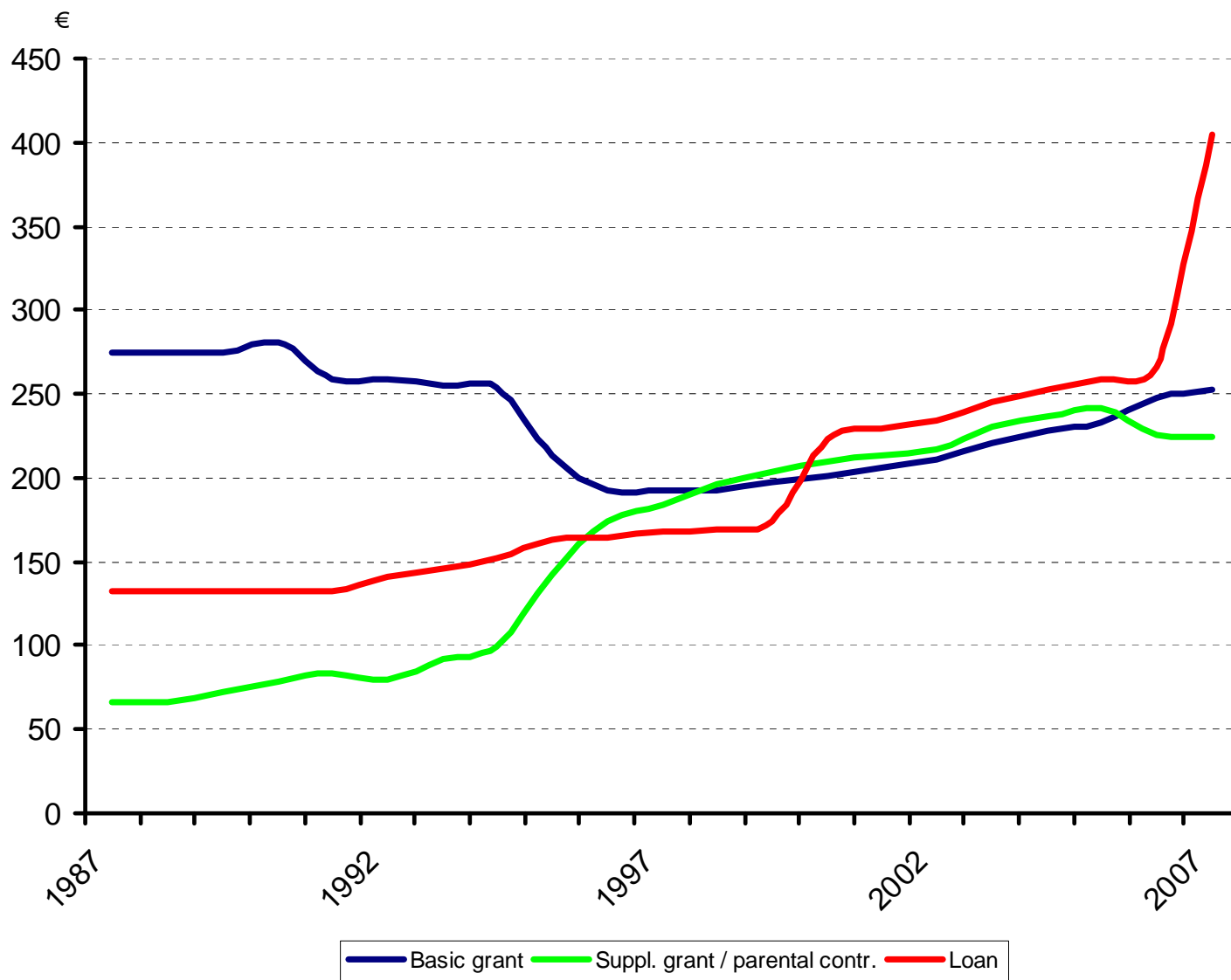
---

	Living at home		Living independent	
	University	College	University	College
Support budget	702	702	883	883
Actual expenses	673	655	1072	1110
Balance	29	47	-189	-227

### Conclusion:

student support too little for students living away from home  
(71% of students)

# Netherlands: tendencies





## Average debt of graduates

Total student debt in €	# of debtors	As %	Cumulative %
<2000	13508	29%	29%
2000-4000	7820	17%	46%
4000-6000	5320	11%	57%
6000-8000	3832	8%	<b>65%</b>
8000-10000	3210	7%	72%
10000-12000	2474	5%	77%
12000-14000	1877	4%	<b>81%</b>
14000-16000	1508	3%	84%
16000-18000	1310	3%	87%
18000-20000	1006	2%	89%
20000-40000	4469	9%	98%
40000-60000	758	2%	100%
>60000	25	0%	100%
Total	47117		
<b>Average debt</b>	<b>8670</b>		



## Graduates' capacity to repay

**I**ncome profiles of typical graduates in €

Gross annual wages, age groups ...	to 25	25-29	30-34	35-39	40-44	44 +
HBO non profit / facultary/logics	25215	30261	36790	42799	44227	42864
HBO ICT, business	27994	32502	41769	47308	49248	50035
HBO manager, non-profit/industry/accountancy	30766	40083	52417	60847	63953	65755
WO other sectors / non profit	25920	31234	39453	47264	51635	51146
WO PR / juridical	29511	33438	46923	56430	65755	71229
WO manager, industry, accountancy	30536	46656	66816	78974	95141	102847

**A**verage debt: € 8670, repayment period 15 years

**T**ax levels: 0%, 33%, 42% and 50%



## Graduates' repayment scenarios

Total debt \ interest	2%	3%	4%	5%
<b>€5.000</b>	€ 45	€ 45	€ 45	€ 45
<b>€10.000</b>	€ 64	€ 69	€ 74	€ 79
<b>€15.000</b>	€ 96	€ 103	€ 110	€ 118
<b>€25.000</b>	€ 160	€ 172	€ 184	€ 196
<b>€40.000</b>	€ 257	€ 275	€ 294	€ 314



## Experiences of students

---

**S**upport often too little: students remain poor / need other income

- credit cards, personal loans, part-time jobs
- may lead to: high private debts and study delays

**A**bout 23% of students finds themselves in a bad financial situation

**A**bout 35% take up student loans (was 20% some years ago)

**S**ome take other loans

- 16% overdrafts at banks
- 3% bank loans
- 9% loans from others
- 2% credit cards

**I**nterestingly:

- the proportion of borrowers increased (15% 1995, 21% 2000, 35% 2007)
- the average amount borrowed recently increased with 30%  
(average debt is €8,000)
- the average earnings from work increased



## Experiences of students (2)

---

**S**tudents & parents often have poor information on:

- types of student support available
- borrowing and repayment conditions
- loan amounts and flexibility to take up loans
- total potential debt and repayment capacity

**A**bout 67% of students negative about borrowing

- this often reflects parental attitudes
- students often follow advice of parents
- the more one knows about borrowing conditions, the more positive



## Lessons from Dutch student support

**G**radual changes → not harm participation and access

**S**tudents & parents very uninformed about student support and borrowing & repayment conditions

**COMMUNICATION !!!**

with students, prospective students **and** their parents



## Address

---

**T**hank You !

[www.utwente.nl/cheps](http://www.utwente.nl/cheps)