



## B.C. students overestimate future salaries: report

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B.C. university students are overestimating how much they'll earn in the future — not knowing it takes much longer than a year to pay back up to \$20,000 in student debt, according to a new report.

Blair Mantin, a bankruptcy trustee with Sands and Associates, said on Sunday bankrupt young people used to be virtually non-existent, but now about 10% of his clients over the past two years are under 30.

Many are post-secondary graduates whose career aspirations have failed.

His firm's report, the 2013 B.C. Student Finances Study, found that nearly three quarters of students believe they'll make more than \$50,000 five years after graduating.

According to Mantin, however, B.C.'s median income was less than \$30,000 in 2011 and only 27% of the provincial population made more than \$50,000.

"They're operating in the present as though this future is a sure thing," he said. "When that future doesn't play out or takes a lot longer to play out — that's when I see people coming through my door."

According to the Canadian Federation of Students B.C., the collective debt of Canadian students to the federal government has reached \$15 billion. The association has been meeting with members of Parliament and senators this week to pressure for change.

They estimate the average B.C. student debt at \$35,000, partly a result of tuition fees doubling in the past two decades.

Mantin said there are options, however, such as a federal government "consumer proposal" debt repayment program that began in 2009.

That allows students who haven't paid back their student loans in five years, as long as they try to seek work in their field, to pay back only 30% of their remaining debt.

He said the option only works if the debtor is insolvent — meaning their assets can't cover the debt — as in the case of many students who don't own property or businesses fresh out of post-secondary.

"It's in the same situation as bankruptcy, but it's less severe."