Examining Ways to Make Ministry Affordable

The numbers are disturbing and the impact is huge. In the past 20 years, the average education debt that seminary graduates carry into their first calls has almost tripled, reports Daniel Aleshire, executive director of the Association of Theological Schools (ATS). Student loans exceeding $30,000 are not uncommon for divinity students, and some graduates are burdened with debts of more than $100,000. "This is a significant problem that can threaten what seminary graduates can do in ministry," says Aleshire.

To ease the financial challenges facing future ministers, Lilly Endowment created a pilot initiative in 2012 that encouraged theological schools to step back, research their students' debt and its implications, and devise plans to ease the debt burden of their graduates. Sixteen theological schools were invited to participate.

This initiative was the logical "next step" in the Endowment's ongoing effort to strengthen pastoral leadership for Christian congregations. Two earlier projects had laid the groundwork for it: First, a program launched in 2008 probed the economic obstacles facing Indiana pastors; second, a 2009 grant to the Evangelical Lutheran Church in America supported research geared to curbing the high cost of attending an ELCA seminary.

The 2012 pilot program ignited immediate interest and showed enough promise that the Endowment expanded it in 2013 to include 51 additional institutions and asked ATS to serve as project coordinator. The 67 participating

Despite their callings, seminary students can be limited in the types of career opportunities that they pursue because of their financial obligations. It is not uncommon for divinity students to have student loans exceeding $30,000, and some individuals graduate with more than $100,000 in debt.

schools, which represent almost a quarter of ATS membership, received grants of up to $250,000 each to work toward four goals:

- Explore the levels, causes and implications of student indebtedness on their campuses
- Experiment with new strategies to lessen theology students' financial burdens
- Educate future pastors about personal and professional money management
- Engage partners who can assist in the effort to make ministry affordable

The research that theological schools conducted has further illuminated the magnitude of the problem. In some cases, financial obligations limit the types of career opportunities that pastors can pursue; in other cases, debt dictates whether they can afford to practice professional ministry at all.

"Our students aren't here because they're interested in working on Wall Street," says Gregory E. Sterling, dean of Yale Divinity School. "Many of them understand and accept that they will have to work part time in a secular profession. They know what the beginning salaries are, and they're not deterred by that knowledge. My great concern is this: I don't want to see our graduates in a position that they can't serve a parish or a congregation because they're too far in debt. I don't want debt to disqualify them from doing what they feel called to do."

Although Aleshire describes the student debt problem as "widespread and growing," school leaders previously had few opportunities to discuss the issue in-depth with their peers. This changed in the fall of 2013 when pilot program participants gathered to outline plans and swap strategies. They discussed a range of possible activities that included reducing the number of hours to complete degree programs, broadening sources of scholarships, creating distance learning opportunities, instilling money management skills in students, and appealing to congregations to help pay their pastors' education loans.

"They bounced ideas off each other and recommended resources so everyone wouldn't have to reinvent the wheel," recalls Stephen Graham, ATS senior director of programs and services, who will interact with project directors, catalog their promising practices and disseminate resources through various channels. Early conversation among the grantees quickly dispelled one assumption: "Tuition is not the only thing that drives student debt," says Graham. "Some of the schools that offer full scholarships are seeing their students go into debt because of living expenses and lifestyle choices."

For that reason, Yale has earmarked part of its Endowment grant to survey students to learn the extent of their indebtedness beyond education loans. "In all candor, I'm more worried about their consumer indebtedness than their federal indebtedness because the interest rates are higher and the debts easily can balloon out of control," says Sterling. Yale also will create several financial resources including mini-seminars on financial planning and a semester-long course that will combine the themes of faith, finances and theology. To reach

Many partners are coming together to help tackle the student debt problem, including students, faculty, alumni, and church and religious leaders like Daniel Aleshire (ABOVE), executive director of the Association of Theological Schools.

the widest possible audience, Sterling has enlisted a consultant with degrees from Yale and Harvard Business School to produce a web-based handbook on money management. "The goal is to help students—many of whom live in voluntary poverty during their seminary years—develop fiscal principles that will stay with them throughout their lives and ministries," he says. "It will be an online resource that will serve not only our students but divinity school students across the United States."

On other campuses, inviting partners to share in the responsibility of educating future pastors has brought positive responses. Leaders at North Park Theological Seminary asked key stakeholders within the Evangelical Covenant Church to attend a three-day retreat to develop a comprehensive plan to reduce student debt. The group collaborated on a proposal to submit to the Endowment, and each partner claimed a piece of the plan that resulted. The business school at North Park University agreed to assist with the design of curricular and co-curricular learning experiences for ministry students and propose workshops to offer the denomination's 2,000 pastors already in the field. The Covenant Trust Company, the denomination's estate-planning service, volunteered to provide one-on-one financial counseling to all incoming seminarians. National Covenant Properties, the entity that allocates funds for church building projects, is considering taking over the student loan program, lowering the borrowing rate and working with congregations to pay down their pastors' education debts.

"We've been talking about this grant project everywhere we go," says David Kersten, dean of North Park Theological Seminary. "What's interesting is that the business folks of the church are very interested in the project. Our efforts to raise the financial acuity of pastors seems to have struck a chord, particularly within the donor base of our constituency. It's opened up a wonderful conversation. I've had some people say, 'Dave, you're finally doing something that I can help with.'"

Similar conversations with potential donors are part of Yale's grant project. Sterling plans to recruit a task force that will consider the many aspects of student indebtedness and look for ways to tap underutilized sources of support. These sources will include divinity school alumni and friends who may not serve as pastors but who share a passion for revitalizing Christianity in America. "Church membership has been in decline for 50 years," Sterling says. "I want to appeal to our partners by asking them: How can we change that? Surely if we force our students to opt out of ministerial careers we will undermine our effort to have an impact in the world."

Project leaders are optimistic about the anticipated outcomes of their grant programs but are realistic in their expectations. No simple solutions exist, and they know it. "But this initiative is broad enough that it can create a base of sensitivities that becomes normal operating practice in the life of theological schools," says Aleshire. "Out of this work I hope we'll see a flattening in the trend line of student indebtedness. We simply cannot let it triple again over the next two decades."

STUDENT DEBT by the numbers:

85

- Incoming students are saddled with $85 million in educational debt before they enroll in seminary

166

- Since 2001 the percentage of incoming students entering seminary with more than $25,000 of educational debt has increased by more than 166%

19

- Since 2001 the percentage of incoming students entering seminary with no educational debt has decreased by 19%

40

- More than 1 in 8 students enter seminary with more than $40,000 in educational debt

20

- 20% of all recent ATS graduates incurred an additional $40,000 in educational debt while at seminary