Six “aha!” moments and six “oh dear!” moments in the Economic Challenges Facing Future Ministers project

By Jo Ann Deasy

As the Economic Challenges Facing Future Ministers (ECFFM) projects move into their third and fourth years, representatives from the 67 participating theological schools gathered in Pittsburgh last month to share best practices and key learnings from their projects related to the four goals of the initiative: to conduct research into financial assumptions and practices that result in student debt, to imagine and implement new strategies for lessening financial burdens, to create and/or strengthen educational programs that prepare future financial leaders, and to initiate or enhance partnerships with those who can address these circumstances. Their collective wisdom reveals six positive revelations (“aha!”) . . . and six discouraging realities (“oh dear!”).

Six “aha!” moments

1. ***Financial literacy programs can have immediate impact. A great deal of counseling is already happening at member schools.***

In the first year alone, the project yielded 1,606 hours of one-on-one counseling with 985 students, 3,415 hours with 960 students in small groups, and involvement of almost 200 faculty, administrators, clergy, and financial experts. More than 180 workshops and courses reached nearly 24,000 students. The most effective programs are those that are required, that include a personal, one-on-one component, and that connect financial literacy to a student’s vocational goals.

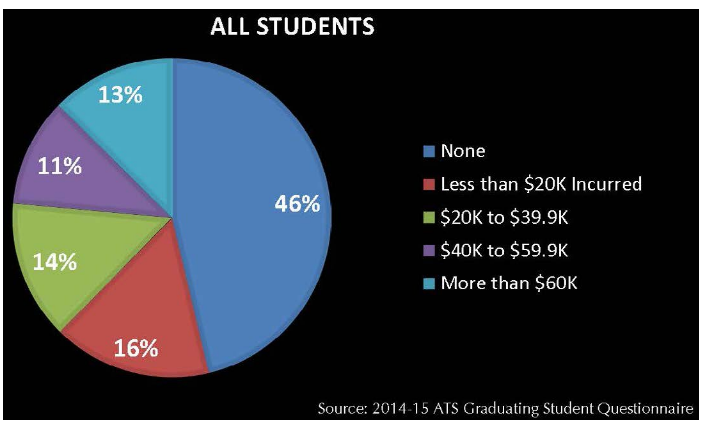
2. ***Speed bumps in the student loan process help.***

When students receive clear information about their current levels of debt, projected salaries, and projected monthly loan repayments at the moment of borrowing, they are more apt to stop and reconsider the level of debt they might willingly assume. A good rule for calculating the household income required to service debt is to multiply the amount of a loan by 132%. How important is it to know the total amount of your student loans? One financial aid officer greets students routinely with a not-so-subtle reminder: “Do you know your number?”

3. ***Addressing financial issues for students requires institutional/cultural change.***

More specifically, the challenge of financial literacy and responsibility needs to be strongly linked to the school's mission and consistently articulated as a common message from faculty, staff, and administrators. What does this look like? Requiring participation in financial literacy and leadership programs; encouraging admissions to advise students on the financial challenges of theological education; faculty and financial aid advisors working together to determine which experiential courses are both educationally beneficial and financially responsible for individual students to take on; and finally, administrators working together not to just make sure students graduate, but that they graduate with loan amounts that are truly manageable.

4. ***Almost half of the graduates from ATS member schools graduate without incurring any new educational debt.***



This good news is offset by the realization that 24% of students incur more than $40,000 in additional debt while in seminary. These numbers will continue to be tracked to determine the overall impact of the ECFFM project.

5. ***Decreasing debt and increasing financial literacy for future pastors increases their abilities to lead well.***

Research out of the Flourishing in Ministry Project led by Dr. Matt Bloom at Notre Dame suggests that pastors who are financially stressed are less satisfied and, at times, less effective as leaders. It is difficult for pastors to take risks when they are worried about the financial implications of losing their jobs. Lowering student debt and increasing financial literacy equips and empowers students to effectively lead and fundraise in congregations. Reflecting on its first year of the project, one school wrote: "We are already seeing profound differences in the ways (our students) think about finances and fundraising, and are observing a distinctly advanced framework of ministry and leadership that is emerging."

6. ***Partnering on financial issues is strengthening relationships among seminaries, local congregations, denominations, and other resource organizations.***

Through the ECFFM initiatives, seminaries are reaching out to educate congregations and denominations about the financial challenges facing future ministers. They are also reaching out to local clergy, surrounding communities, and alumni with financial literacy and leadership training. In addition, though, they are listening. Through various research projects, they are hearing the concerns of denominational officials, congregations, and—most often—their alumni.

Six “oh dear!” moments

At the same time, the ECFFM projects have revealed six discouraging realities (“oh dear!”).

1. ***Students cannot follow the same financial pathways as previous generations and still graduate with manageable debt.***

A generation or two ago, seminary students could attend seminary full-time, work part-time, and leave seminary with little to no debt. Tuition was often covered by denominations, congregations, or scholarships. Part-time jobs paid enough to cover books, rent, meals, and any medical concerns. However, living expenses have increased dramatically while wages for part-time jobs have not—it is no longer possible to work a minimum wage job and make ends meet. In the past, students would attend whatever seminary was recommended by their pastors or denominational officials. Now, students must consider financial matters when choosing a theological school.

2. ***The impact of debt varies by gender, marital status, race/ethnicity, age, and number of dependents.***

For instance, data from the 2014–2015 ATS Graduating Student Questionnaire reveal that—while women arrive at seminary with comparable debt loads to those of their male classmates—women are more likely to incur debt while in seminary, with nearly a third of women adding more than $40,000 to their loads versus approximately 20% of men. Looking at race as an independent factor, black students incur the highest levels of debt while in seminary, with more than half in the $40,000 range.

3. ***One-size-fits all stewardship training does not work.***

Schools are learning that stewardship conversations vary among students for a variety of reasons. Family financial histories, cultural understandings of money, current economic status and life-stage, and local cost of living all impact how students make financial decisions. What works financially for a young single student without any dependents varies greatly from what works for a married father of three who owns a home and has a wife with a decent-paying job in another city.

4. ***Students don’t feel the potential impact of debt while in seminary.***

An earlier *Colloquy Online* article, **The Two Biggest Myths about Educational Debt** (December 2015), explored the fact that only 13% of students in debt report that they are unable to manage financially. There is a consequent lack of urgency among many students to address these issues. In fact, as the article points out, it is debt that has allowed them to manage financially while in seminary. The real impact will come later, as graduates attempt to repay loans along with all the other expenses of living, often on a lower-than-average salary.

5. ***There are significant psychological and cultural barriers that prevent students, seminaries, and congregations from addressing financial issues.***

Debt is a complex and deeply significant issue, often carrying the added burdens of guilt and shame that can inhibit open and honest conversation. In **Breaking the Code of Silence** (September 2014), we looked at how addressing issues of debt and financial literacy during students' first years of seminary promotes not just financial well-being but also whole life stewardship and ministerial effectiveness.

6. Educational debt is about far more than tuition.

Research shows no direct correlation between net tuition and debt levels among students. Instead, we are learning that when tuition scholarships are made readily available, students often tend to borrow to the maximum levels allowed to fund other needs such as housing, car payments, and credit card debt. In response, many schools are developing programs to promote simple living more in line with the limited resources traditionally associated with graduate students.

While the "aha!" moments can be heartening, the "oh dear!" moments are teaching schools how to better inform and guide students as they navigate the stormy waters of debt. Schools are also looking more deeply at their own institutional assumptions and cultural climates to ensure that they are thinking about matters of finance and debt with a consistent approach that is grounded in a clear mission.

For more information about the ECFFM project, visit **http://www.ats.edu/resources/current-initiatives/economic-challenges-facing-future-ministers**.

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