

The continued search for financial vitality

By CHRIS A. MEINZER

In November and December 2025, The Association of Theological Schools (ATS) did an analysis of fall 2025 enrollment trends, and there were some very promising ones to consider. Enrollment, as one measure of missional vitality in a theological school, is an important key performance indicator (KPI) to evaluate. In this article, ATS reviews financial trends across member schools, with attention to total annual expenditures and annual operating surplus/deficit. These are significant KPIs to consider when discerning financial vitality for the long-term fulfillment of the mission.

Average spending per HC student has grown

As of February 15, 2026, 262 ATS schools—94 percent of the membership—reported financial data, forming the basis of this analysis. As of fall 2025, ATS member schools now spend in excess of \$2.48 billion to educate just more than 81,300 students. The median ATS school spends about \$4.1 million, with the range by school from less than \$1 million to \$79 million. The average spending per ATS member school is just about \$8.9 million. The 22 largest schools in terms of budget spend more than \$1 billion to educate around 26,000 students. The smallest 144 schools in terms of budget (\$0-5 million), which all spend the median of \$4.1 million or less, spend about \$326 million to educate about 18,400 students. The remaining 96 schools spend about \$1.1 billion to educate roughly 34,700 students.

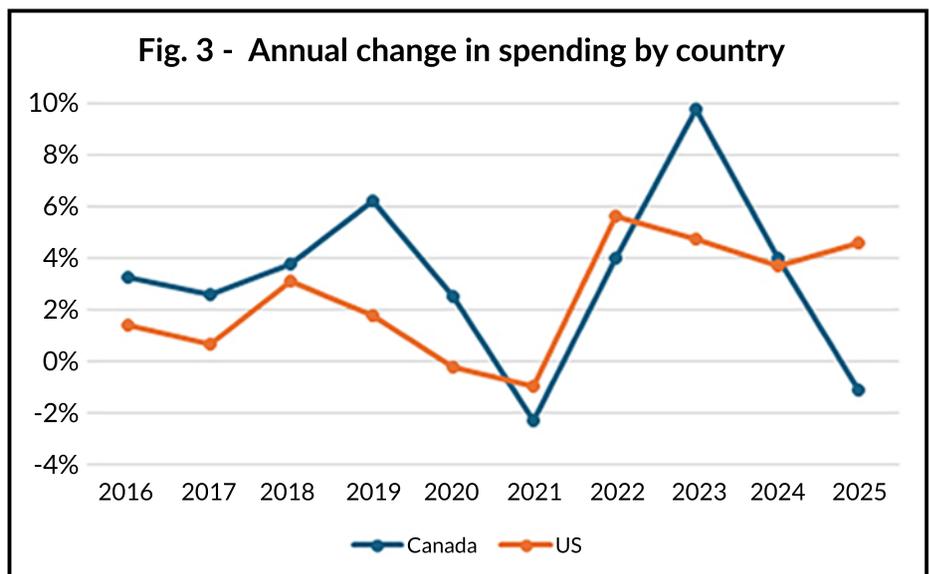
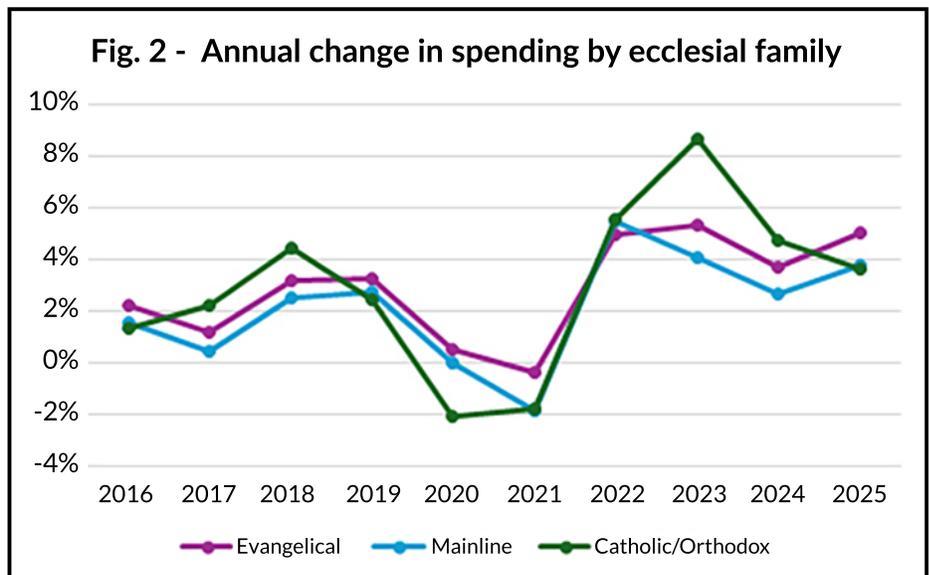
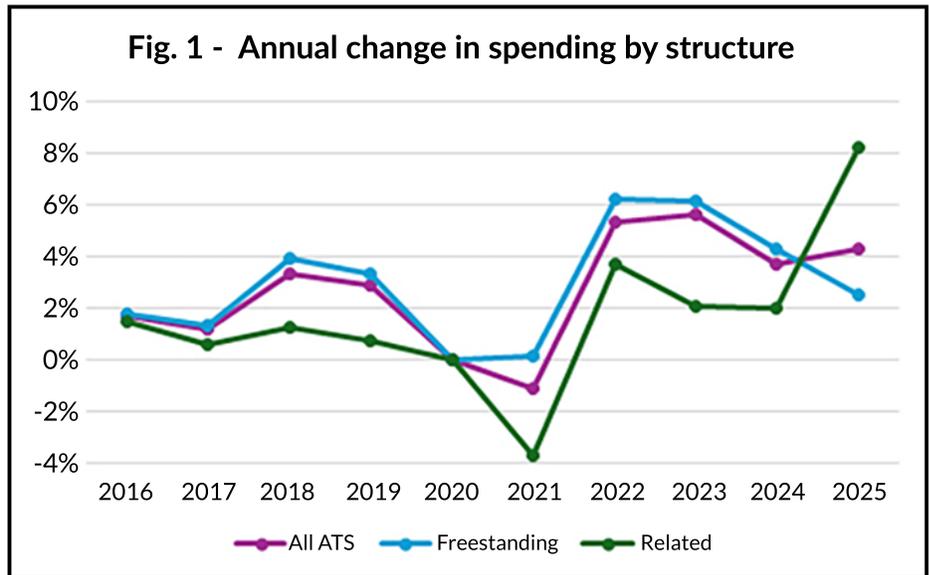
	# of Schools	Total Spending	HC Students	Avg. Spending	Avg. Cost/HC
>\$30M	22	\$1,025,352,000	26,087	\$46,607,000	\$39,300
\$20M-\$30M	13	\$306,294,000	11,539	\$23,561,000	\$26,500
\$10M-\$20M	29	\$409,568,000	12,173	\$14,123,000	\$33,600
\$5M-\$10M	54	\$412,489,000	10,993	\$7,639,000	\$37,500
\$2.5M-\$5M	58	\$212,035,000	9,312	\$3,656,000	\$22,800
\$0M-\$2.5M	86	\$113,686,000	9,122	\$1,322,000	\$12,500
No financial data	17	---	2,135	---	---
All	279	\$2,479,424,000	81,361	\$8,887,000	\$30,500

The average spending per HC student has grown from about \$25,400 in 2021 to \$30,500 in 2025, which is an increase of 20 percent. This occurred at a time when the Canadian consumer price index (CPI) increased by 16.3 percent, the US CPI increased by 18.7 percent, and the US Higher Education Price Index increased by 18.9 percent. Because of the global pandemic and resulting economic implications, this has been one of the highest periods of inflation for Canada, the US, and for ATS member schools in decades. ATS staff also continue to monitor the impact of the Pathways for Tomorrow grants and the impact these project expenditures will have on school spending.

Annual changes in expenditures

Several clear patterns emerge when examining changes in annual spending across the last decade. Figure 1 shows annual spending change across all ATS member schools as well as freestanding schools and schools related to a college or university. Figure 2 reflects annual spending change by ecclesial family. Figure 3 demonstrates annual spending change by country. In most cases, there was relative stability before 2020, a decrease in the annual spending in 2020 and 2021 due to the global pandemic, and then notable increases in spending in 2022 forward due to the substantial inflationary pressures both in Canada and the US.

In almost every cohort, the annual spending changes after COVID-19 are in excess of the annual spending changes prior to the pandemic. For example, related ATS member schools were reflecting annual spending increases of between 0-2 percent and are now experiencing annual spending changes of between 2-4 percent, with a dramatic uptick in 2025. In the same way, freestanding ATS member schools had 2-4 percent annual spending changes before 2020 and had annual spending changes between 4-6 percent in 2022 forward, with some decreases reflected annually. These increases in annual spending cannot be sustained and will pressure ATS member schools that already find it difficult to balance their budgets. Schools will struggle to cover such high levels of spending increases, with commensurate growth in required revenues to keep annual operations in balance.

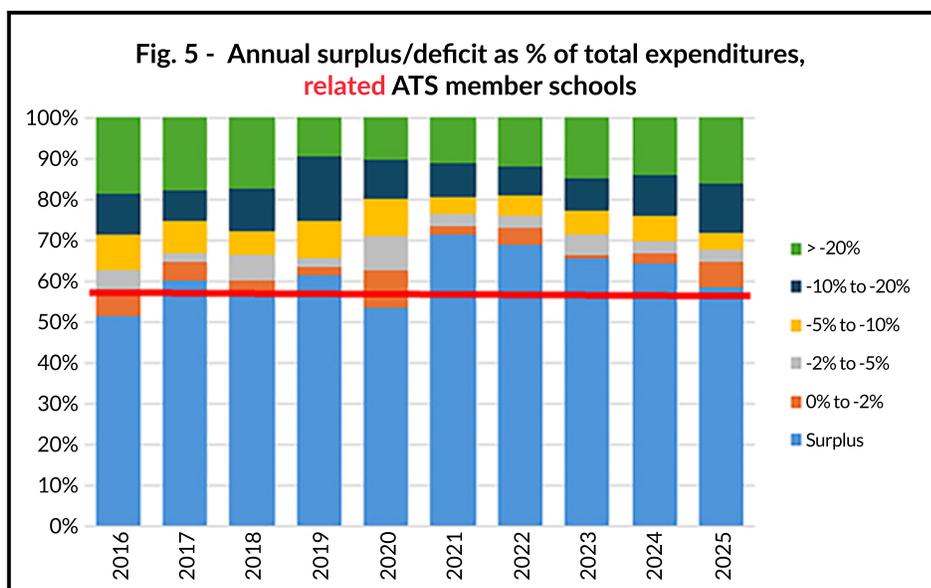
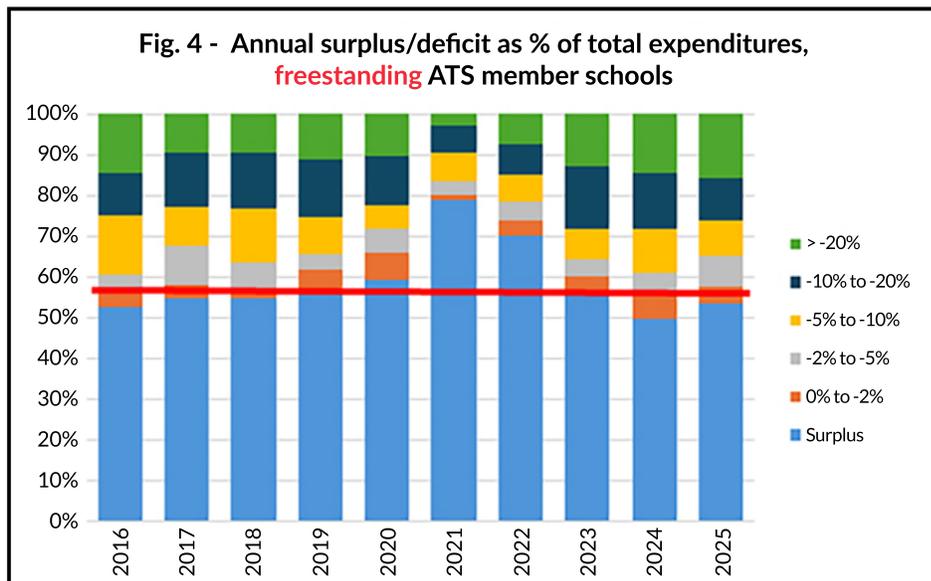


Annual operating surplus/deficit

Perhaps the most important KPI related to financial sustainability in a theological school is annual operating results. ATS member schools must live within their means on an annual basis to safeguard the resources that undergird their missions. Incurring ongoing deficits (expenditures in excess of revenues) will erode a school's ability to fulfill its mission and serve students well in the long term. Chronic deficits will eventually impact a school's capacity to achieve its purposes in the short term, also.

Figure 4 shows the annual surplus or deficit as a percentage of total expenditures of freestanding ATS member schools over the last decade, with surplus shown at the bottom of the chart. On average over the last decade, about 59 percent of freestanding ATS member schools generated surpluses. The average for the decade is higher than normal because of the influence of pandemic-era, governmental grants, which almost exclusively drove higher the number of schools with a surplus in 2021 and 2022. For example, in 2021, about 80 percent of freestanding ATS member schools ran a surplus. While many ATS schools curbed spending as shown in Figures 1-3, the majority of the positive outcomes were indeed due to large governmental grants. As those resources waned, ATS member schools returned to their operating patterns following 2022 of about 55 percent.

The remaining colors show the depth of the deficits incurred by ATS member schools. For example, in 2025, about 16 percent of ATS freestanding schools ran deficits in excess of 20 percent of their expenditures (green segment). These schools would need to cut their expenditures by more than 20 percent just to break even. It's dis-



couraging that more than 25 percent of freestanding ATS member schools ran deficits in excess of 10 percent of their expenditures (green and dark blue segments). This level of deficit is substantial and represents great risk to the mission of the institution. If chronic, deficits of this magnitude would be devastating and potentially lethal to the school's mission. Changes must be made, and these changes must be adaptive and immediate, not technical and incremental. More surplus/deficit details will appear in the ATS *Strategic Information Report* (SIR), which will be sent to each ATS member school in early March.

Figure 5 shows the same results for ATS member schools connected to a college or university. This data refers only to the ATS-accredited entity and does not reflect finan-

cial results of the larger institution. Often, this means that schools only provide data to ATS that represents direct revenues and direct instruction expenses, and not the costs borne by or allocated from the larger college or university. Even so, as reflected in Figure 5, embedded ATS member schools are also running deficits at high levels. While these deficits are absorbed by the larger entity, it warrants notice that the ongoing deficits are steep. Even if the larger college or university is willing to absorb deficits for now, as pressures mount on higher education, it is unknown if they will remain able or willing to absorb these deficits. It would be advantageous to the mission of ATS member schools that are connected to a college or university to remain vigilant in reducing these direct operating deficits over time.

On average over the decade, 61 percent of related schools ran surpluses. Similar to freestanding schools, related schools grew in the level of surpluses in 2021 and 2022 and then returned to prior patterns as governmental grants waned. While not as dramatic, 70 percent of related schools ran surpluses in 2021 and 2022 and then returned to less than 60 percent by 2025.

Several observations

As shown in Figures 1 through 3, spending across ATS member schools has risen sharply in recent years, outpacing the consumer price index in both Canada and the US. Pressures already exist in the economic models of these schools, as more than four in 10 run deficits, and nearly three in 10 run deficits in excess of 10 percent of expenditures, as shown in Figures 4 and 5. These two KPIs alone demonstrate that the business models of theological schools require the full attention of the board, administration, faculty, staff, and others. Deficits affect operating reserves, short-term decision making, employees, an ability to fund new initiatives, and ultimately, mission.

In 2021 and 2022, historic patterns of surpluses showed marked improvement, but this was due almost exclusively to pandemic funding. From 2022 and forward, heightened spending patterns were driven by inflationary pressures. In addition, it is yet to be seen how the *Pathways for Tomorrow* grant spending will impact spending in the short and intermediate term. Certainly, schools will have

to consider how they will fund the activities of these grant initiatives after the funding ends.

The level of deficits will require attention to both expenditures and revenues. These deficits cannot be solved by only seeking more revenues when student enrollment is down, stock markets are wildly fluctuating, and donors are fatigued and/or their commitments are shifting. Addressing these deficits will require bold, innovative leaders who reassess and redesign schools' academic, business, and operational models to sustain the long-term vitality of the mission.

How can ATS help?

There are many ways that ATS member schools can benefit from broader membership participation in assessing and addressing the challenges of missional and financial vitality.

- **Through accreditation**, schools engage in a periodic self-assessment to ensure their missions are vibrant, they are serving learners well, and their usage of resources in fulfillment of the mission is properly aligned.
- **Through leadership development**, initiatives, and research, ATS provides venues and resources where school leaders can think collaboratively and generatively about issues of mission and economics. Together, participants are encouraged to foster innovation that has a transformative benefit to theological education and communities served.
- **Through data resources** such as the ATS *Institutional Peer Profile Report* (IPPR) and ATS *Strategic Information Report* (SIR), both of which are sent to schools annually in early March, ATS member schools can benchmark themselves against peers and industry standards to determine how well they are doing.
- **Through the newly minted ATS *Financial Viability Tool*** (FVT) and the school cohorts that will meet in the spring, ATS member schools can now assess their last five years and project five years into the future to determine if their resource utilization and allocation is best aligned to fulfill their core missions.

Efforts to strengthen financial and missional vitality will also be a central focus of the 2026 ATS/COA Biennial

Meeting. As part of that gathering, I will offer the closing plenary presentation that further unpacks the financial realities facing ATS member schools and invites the membership into deeper reflection on how to sustain the vital ecosystem of theological education.

Using ATS data to navigate a changing landscape

In early March, ATS will send the IPPR and the SIR to the chief executive officer of each member school. Together with the ATS [Annual Data Tables](#) (ADT) and the ATS [Data Visualization Tool](#) (DVT), now available on the ATS website, these resources help to benchmark performance and engage in data-informed planning. School administrators, boards, faculty, and staff should take the time to review these important data reports to see how their school is doing in comparison to other ATS member schools.

Many school leaders have found these tools to be instrumental in their work:

“Theological education is best done in rich, reciprocal collaboration with others and not in a vacuum or in splendid isolation,” says Todd Still, dean of George W. Truett Theological Seminary of Baylor University. “Each spring, Baylor’s Truett Seminary, along with other ATS member schools, receives both an Institutional Peer Profile Report and a Strategic Information Report from ATS. Although we do not consider ourselves to be a ‘data-driven’ institution, we do seek to be ‘data-informed.’ Accordingly, we pour over these valuable reports to understand more fully where we appear to be flourishing, flagging, and flatlining. As a result, we have been able to be more thoughtful and

faithful as a school and have found ourselves to be better equipped to carry out our seminary’s mission with increased prudence, courage, and care.”

This reflection shows how shared benchmarks can help schools strengthen collaboration and mission-focused decision-making.

Similarly, Elias Ortega, president of Meadville Lombard Theological School, emphasizes the value of these tools for shaping institutional strategy:

“Over the years in leadership, I’ve often turned to the ATS Strategic Information Report and the Institutional Peer Profile Report to inform our institutional conversations, reflections, and the development of a strategic agenda. These reports, more than providing a synthesis of the institutional performance based on selected Key Performance Indicators, serve as an educational tool to inform and prepare leadership, faculty, staff, and trustees as they guide the strategic and decision-making process shaping the work of our school. These tools are central and a key annual asset to our leadership work,” he says.

Together, these perspectives underscore how ATS data resources help leaders navigate complexity, foster innovation in institutional practice, and model faithful stewardship of theological education.

If you have any questions about this article, your school’s IPPR or SIR, or would like further information on how your institution fits into the broader landscape of North American graduate theological education, please contact me directly at meinzer@ats.edu.



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