

Finances amid COVID-19 are strong concerns for ATS member schools

By CHRIS MEINZER

ATS recently surveyed chief executive officers (CEOs) and chief academic officers (CAOs) of member schools to seek information about their responses to COVID-19. Although financial implications were not the emphasis of the survey, the responses certainly indicated that financial concerns were at the forefront of school leadership. Two questions within the survey reflected these concerns.



1 What have been your most immediate challenges in this crisis?

About forty percent of those who responded to the question with an “other” response identified financial concerns as the most immediate challenge of the crisis. Specifically, respondents mentioned stress around budget development, endowment losses, challenges in fundraising, unexpected financial shortfalls, and long-term economic impact. Even as schools dealt with the immediate challenges of educational delivery, supporting students and faculty, and impending commencements, leaders were also needing to turn their attention to the financial implications of the pandemic.

2 What challenges have you been considering beyond the immediate ones?

As leaders were asked to shift beyond the most immediate and pressing issues, they were encouraged to imagine the intermediate and longer-term challenges they believe their institution will face. In this question, there were potential responses that have financial implications. Below are the percentages by CEO and CAO for those responses.

There is some variability among CEOs and CAOs, but not as much as one might think. “Keeping our current

	CEOs	CAOs
Enrolling new students beyond this spring	75%	74%
Ability of key donors to support the school	65%	49%
Keeping our current students beyond this spring	51%	57%
Financial impact on the broader ecology of ministry	49%	42%
Potential need to cut staff	43%	37%
Potential need to cut faculty	26%	22%
Potential to declare financial exigency	12%	13%

students" and "enrolling new students" were mentioned by one-half to three-quarters of all respondents. Clearly, these responses reflect concerns for students, their decision-making, and their safety, but they also have potential financial implications in terms of tuition revenue as well as endowment draws and giving for scholarships.

In addition, leaders are concerned about key donors' abilities to continue to give to the school at existing levels sufficient to fulfill the mission. These concerns certainly seem to be warranted. After the challenges of the Great Recession in 2008–2009, it took seven years for giving to recover across ATS schools at levels that existed prior to 2008.

Although not listed as an option in the survey, the loss of endowment and investment value is likely to be on the minds of many leaders in ATS schools. Similar to giving trends, endowment and investments values declined rapidly during the Great Recession, and it took five years for values to recover across ATS schools at levels that existed prior to 2008.

Further, leaders mentioned the potential need to cut faculty and staff positions as well as the potential need

to declare financial exigency, which is a significant step to be considered when the financial crises are severe. The pandemic is pressing ATS schools in a variety of ways, and this includes significant potential impact on the resources required to fulfill their missions.

Another survey will be sent in the next few months to ask member schools about the intermediate and longer-term actions they are taking regarding their missions and the resources required to fulfill those missions.

ATS has many resources available for its membership. Engage ATS has been very active with questions, answers, and discussions as member schools navigate these challenging issues. In addition, ATS has policy guidelines available for schools that might be considering, among other things, financial exigency.

ATS staff are also standing by to be a resource for you and your institution, so please contact me or other staff members if you have questions that we might be able to answer or connect you with someone who can.



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