

# ATS Financial Viability Tool: an exciting and revolutionary new resource for member schools

By CHRIS MEINZER

*Since its inception, The Association of Theological Schools (ATS) has sought to convene its member schools to identify, discuss, scrutinize, and solve myriad challenges facing graduate theological education. One of the ongoing conversations for ATS schools has centered around missional and economic vitality. In fulfillment of their missions, theological schools use certain models and utilize money and resources to accomplish their goals. One can find a brief ATS history in addressing mission, models, and money and a current analysis of the industry at “Mission, Models, and Money: An Empirical Analysis of Graduate Theological Education” (Christian Higher Education, Volume 24, 2025, Issue 2).*

## **Determine the financial worthiness of educational programs**

ATS has developed an exciting new tool to help a theological school consider, assess, and begin to address its financial viability in support of its mission—the Financial Viability Tool (FVT). As ATS senior director and COO, I have led the creation and development of the FVT and have been working on the concepts of missional and financial viability in theological schools for more than 25 years. Deborah H.C. Gin, ATS director of research, encouraged me to expand the FVT, and the FVT was vetted and enhanced through a cohort of chief financial officers from ATS member schools. A description of the emergence of the tool and



underlying analysis can be found in two prior articles: “Analysis of Financial Viability” (ATS Colloquy, November 2024) and “The Search for Financial Viability” (ATS Colloquy, May 2025). The FVT uses data collected annually from member schools through the ATS Annual Report Forms (ARF) to provide an analysis of a school's cost to educate and compares it to net tuition generated as well as other primary revenue sources available. The analysis is done by head count student and credit hours sold. The FVT is a companion to the assessment provided by the ATS Strategic Information Report (SIR). It presents comparisons against ATS averages and ecclesial peers. The revolutionary part of the FVT is that it provides an evaluation of the past five years and then gives the school the opportunity to project five years into the future.

## **An advanced appraisal of resource utilization**

The FVT offers a high-level assessment of how well a school is doing in utilizing its resources in fulfillment of its mission. The FVT will be specifically generated for each school and will reflect five years of historic data from the school, compare this data to industry and ecclesial peers, and allow the school to do a projection of the five years ahead. Each report within the FVT comes with a thorough description of what is reflected as well as critical questions to be considered by the school's leadership and board. Following is a summary of each report within the FVT.

- The first report provides a five-year review of the school's SIR adjusted surplus or deficit and its enrollment trends by head count, full-time equivalent, and credit hour sold.
- The second report describes the school's cost to educate a student in four broad expenditure categories and offers it by cost per head count and cost per credit hour sold. The cost to educate is compared to net tuition generated. ATS averages and ecclesial family averages are shown.
- The third report offers cost to educate and compares it to net tuition as well as other revenues available in the form of giving, endowment draw, and auxiliary and other sources. This report demonstrates a financial surplus or gap per head count and credit hour sold. ATS averages and ecclesial family averages are also provided.
- The fourth report reflects a scatter graph that plots each ATS school in terms of cost to educate and net tuition generated, with the member school, ATS average, and ecclesial peer average highlighted. This report helps a school see if its net tuition is more affordable or less affordable when compared to other ATS schools. It also allows a school to see if its cost to educate is less costly or more costly when compared to other ATS schools.
- The fifth report shows the cost to educate compared to available revenues for the past five years. It then allows the school to adjust any of the numbers in the last five years for items such as infrequent or discontinued revenues (significant bequests or grant funds), large unexpected or one-time expenditures, or portions of endowment not available for operational purposes (funds held for the benefit of others). From this five-year historic base, the school can then adjust revenues, expenditures endowment draws, and enrollments to see how adjusting these factors either increases or closes the financial gap between cost to educate and available revenues.

The most important use of the FVT is the conversations that it will generate within an institution to consider the financial vitality of the school and how decisions the school makes impact financial vitality. Each report has

**impact questions** to consider as the report is reviewed. In addition, the final page of the FVT is a roster of questions to more fully explore the implication of the current financial model and the possibilities of the years ahead.

### ***Sample FVT charts with some analysis—so many possibilities!***

In this article, two sample charts are offered to give an idea of how the FVT might be useful (see charts on the following page). **Figure 2a** shows the cost to educate per head count and the net tuition generated by head count student within the sample seminary. **Figure 3a** shows the cost to educate and all available revenues available in the most-recent year. Within the FVT, the most compelling approach is to put the figures into conversation with one another to gain the greatest insights.

In **Figure 2a**, using data and categories from the ARF, the cost to educate is reflected for direct instruction, instruction support (academic support, library, research), student support (student services, admissions), and institutional support (institutional support, operations, maintenance).

The sample school has seen its total cost to educate per head count grow from about \$33,500 to about \$45,000. Each category of expenditure has grown, and most significantly from 2023 to 2024. As the cost to educate has grown during this time, the net tuition generated has remained around \$10,000. As a result, net tuition is no longer covering the cost of direct instruction. This should generate many questions within the institution:

- What are driving the trends in costs and net tuition?
- What are the factors keeping net tuition from covering the cost of direct instruction (on both the revenue and expenditure side)?
- How does the school compare to ATS averages and ecclesial family averages?
- Is all of this sustainable?

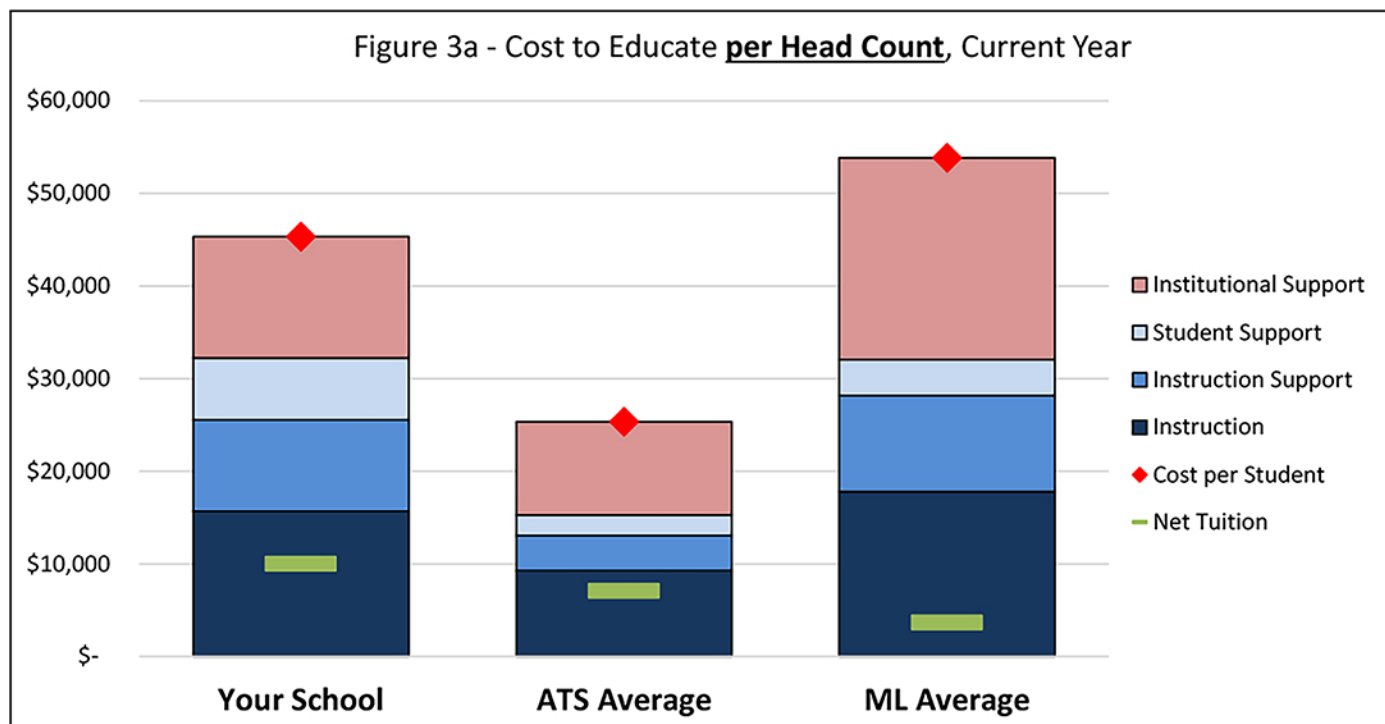
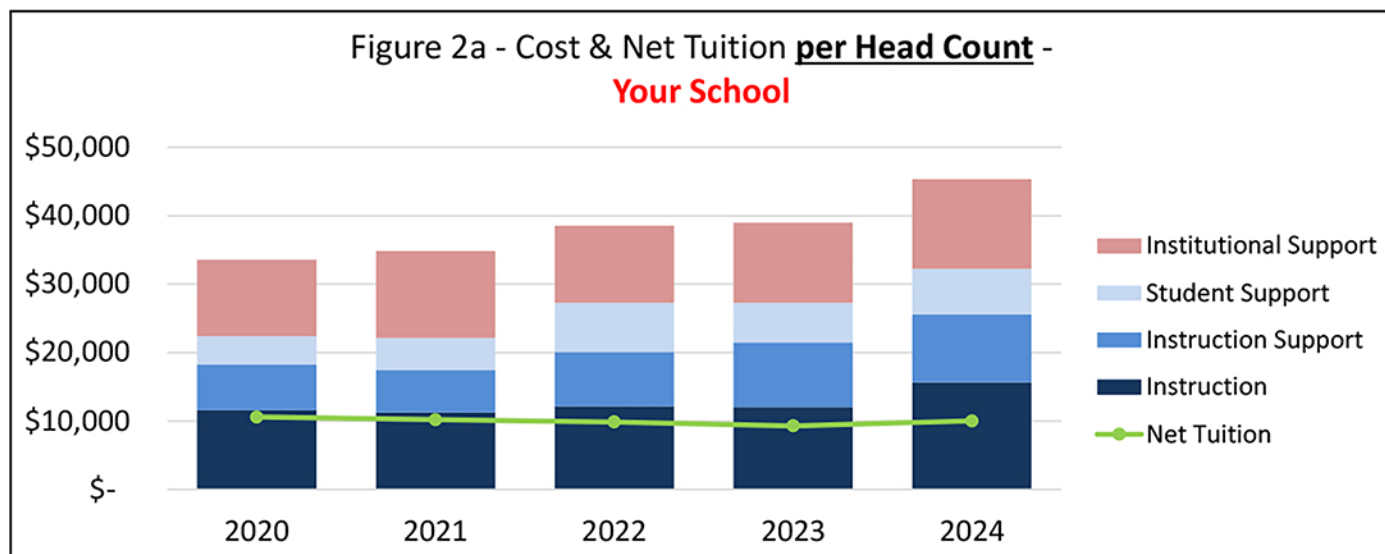
The FVT generates the chart and offers some brief analysis, but the conversations that would occur within the institution would be the most beneficial and intriguing.

In **Figure 3a**, cost to educate per head count is shown against all available revenues (net tuition, endowment draw, giving, and net auxiliary and other sources). This chart acknowledges that net tuition is not the only revenue available in a theological school. The red diamond represents the cost to educate per head count in the most recent year, which is about \$45,000 as also shown in **Figure 2a**.

For the sample seminary, the net tuition revenue per head count of about \$10,000 is shown in green, endowment draw per head count of about \$21,500 is

shown in purple, and current giving per head count of about \$13,000 is shown in blue. In the most recent year, this means the sample seminary spent about \$45,000 per head count student and generated in total about \$44,500 per head count student, leaving a financial gap of \$500 per head count student. ATS averages and ecclesial family averages (in this case, Mainline Protestant) are also shown.

The financial gap of \$500 is indicative of a deficit across the institution. This chart alone should raise questions about the capacity of the institution to cont-





inue to generate revenues at the level shown, the possibility of reducing the cost to educate to levels below sustainable revenue generation, and what next steps can be taken to close the gap. This chart also sets up scenario planning that can be used in the fifth report within the FVT where a projection can be completed in the five years that follow.

## ***Rollout and access to the FVT***

The FVT will be rolled out to ATS member schools in ATS leadership development programming this fall. There will also be cohort gatherings in the spring where teams from schools can gather and consider the implications of FVT on their mission and resources.

- The first opportunity to see the full FVT will take place at the ATS Financial Officers' Conference on November 11–13, 2025, in Charlotte, NC. If you are a chief financial officer and have not yet signed up for this meeting, you can [register here](#). If you are not a CFO but believe the FVT might be an exciting new tool for your school, encourage your CFO to attend. I will be presenting an entire plenary session on the FVT and its use.
- The second opportunity to see the full FVT will be at the ATS Executive Leadership Intensive on December 8–11, 2025, in Charlotte, NC. If you are an executive officer in an ATS school, you can [register here](#). Again, I will be present during this gathering to share a sample seminary FVT and talk to executive leaders about its possibilities.
- Once the FVT is unveiled at these two events, there will be spring 2026 cohort gatherings planned where ATS member schools can send a four-person team to join with 8–10 other ATS schools to hear about broad industry trends, review their individual FVT, and design next steps for their institution. These two-day events will be hands-on, get-to-work gatherings designed to encourage schools to specifically work toward missional and financial vitality using the FVT and other tools and frameworks. More information will be shared about these gatherings during the ATS Financial Officers' Conference and the ATS Executive Leadership Intensive.

## ***Final thoughts***

The Financial Viability Tool is one more resource being generated for ATS member schools. It represents the culmination of thought around financial vitality for theological schools over decades. This new tool is a companion to other reports provided by ATS, but it is revolutionary because it allows schools to do some forward projecting of revenues, expenditures, and enrollment to see how decisions might impact financial vitality in support of missional vitality. Take advantage of the upcoming Leadership Development opportunities where you can see the FVT firsthand. If you have questions in the meantime, please contact me at [meinzer@ats.edu](mailto:meinzer@ats.edu).



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**Mark your calendars.  
Complete FVT  
demonstrations  
coming  
soon.**

**November 11-13, 2025**  
**ATS Financial Officers' Conference**  
**Charlotte, NC**

**December 8-11, 2025**  
**ATS Executive Leadership Intensive**  
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**Spring 2026**  
**Cohort Gatherings**  
**Information to come**