

Measuring the success of mergers and embeddings of ATS member schools

By STEPHEN R. GRAHAM

One of the most significant trends across The Association of Theological Schools (ATS) in recent decades has been the growing percentage of schools merged with or embedded in a peer or host institution. Nearly half of the 70 schools that have joined ATS since 2010 are embedded. In addition, during that same period, 42 historically “stand alone” schools have merged with or embedded in other institutions. This article will explore why schools have merged or embedded, some of the results of that change, and what ATS has learned about the processes and potential impacts of this action.¹

An *Inside Higher Education* (IHE) special report in 2018 explored “[The Growing Role of Mergers in Higher Education](#).” The research and consulting firm EAB reported 54 mergers and affiliations among the 5,300 colleges and universities in the US between 2010 and 2018.

The IHE study identifies a number of reasons for the “uncertain future” faced by institutions of higher education that led them to pursue mergers, including shifts in student populations, financial pressures, and growing skepticism about the value of higher education. The study notes the “stigma” within higher education associated with mergers and acquisitions, given each institution’s “fierce dedication to its own unique mission.”

Within ATS, merger and embedding are more common than the roughly one percent accomplished across higher education in the United States, but in our community, merger and embedding also “carry a stigma.” There are a



number of reasons for this general attitude, and there are significant parallels between general higher education and graduate theological education that are worthy of exploration.²

From 2010–24, 15 percent of ATS member schools were involved in some form of significant structural change, merging with other member schools, or being embedded into a “host” institution.

This study analyzes 20 examples of mergers and affiliations involving 33 member schools, revealing a number of characteristics of why such actions take place, the different forms they take, the challenges and benefits possible in such arrangements, the ongoing challenges within merged institutions, and why they are so difficult to accomplish.³

Why schools explore and implement mergers and affiliations

Among the 33 theological schools under consideration here, the factors named in the IHE study are relevant, but a vital additional factor is the theological character of theological schools. For the theological schools under study here, there are two primary reasons for exploring

and implementing mergers and affiliations: continuing and enhancing the schools' theological missions, and dealing with financial stress. Financial shortfalls, often related to declining enrollment, threaten the mission. Nevertheless, institutional survival, faculty agenda, alumni satisfaction, and even financial vitality, while important, take a secondary place to the primary focus on fulfilling each school's distinctive mission.

Every ATS member school exists because of a mission, usually crafted over decades, and in some cases more than a century, to prepare people for a wide range of roles in religious leadership. Though often very similar, each school's mission has been implemented within a distinctive context and shaped to address particular needs. The desire to continue each school's mission is deeply woven into its culture in the face of the ongoing and often deepening challenges over recent decades. There are many reasons behind this tenacity, not the least of which is a theologically grounded conviction that the school's mission serves, in its own distinctive way, the upbuilding of the realm of God. To steward the mission with its theological foundations is a powerful motivation for those who serve theological schools, from administrators and faculty, to alumni, board members, and donors. The mission inspires people to commitment that frequently involves personal sacrifice and reflects remarkable dedication.

What has happened within ATS

To find ways to continue the school's mission is a powerful motivator. Schools that have merged or embedded universally name "mission fit" as crucial to the exploration and implementation of successful collaborations.⁴

The situation of financial stress experienced by 29 of the 33 schools became urgent, immediate, and unavoidable.⁵ The financial strain is due to many factors: declining denominational support as denominational resources contract, increasing expenses related to a number of factors including deferred maintenance of aging and oversized facilities, changes in giving patterns as faithful donors age, increasing cost of benefits such as health insurance, housing costs in some regions, and declining enrollments.

Over the past two decades, ATS data collected annually

from member schools reveal significant enrollment declines in many, especially notable in most of the schools included in this study. Overall ATS student headcount declined steadily from a high of more than 81,000 in 2006 to about 72,000 in 2014, a loss of roughly 10 percent. Between 2015 and 2025, annual headcount enrollment has grown slightly or remained steady, with an upward bump in 2018 due to adding Liberty Theological Seminary, which enrolled 5,000 students at that time.

During that same period, prior to each merger or embedding of these 33 schools, in all but one whose numbers grew significantly, headcount enrollment declined between six percent and 86 percent, with an average decline of 50 percent, and a median decline of 49 percent.

A further complicating reality is the shift in degree program enrollment within institutions. In nearly all of these schools, enrollment in the three- or four-year Master of Divinity degree has declined, in some cases precipitously, and has been only partially replaced by enrollment in shorter two-year MA programs, resulting in a per-student loss of a year's worth of tuition. A handful of the schools have increased enrollment in Doctor of Ministry programs, but most have declined in this category. In addition, a larger trend has been an increasing number of students who study part time, requiring larger headcount numbers to maintain full-time equivalents, another potential financial net loss. Finally, three schools in the group have sustained headcount numbers, but each reported declines in master's degree students offset by increases in non-degree students, which, taken by itself, masks a significant loss of revenue.

Common challenges and benefits

Explorations of potential partners for merger or embedding is usually expensive and time-consuming. It is also frequently the case that explorations that at first seem hopeful end in disappointment. Even when successful, mergers often include loss of autonomy and identity, especially if such issues are not clearly defined in policy. Some schools have needed to review and revise policies and practices within the first two or three years of the relationship. Trustees, alumni, and donors feel the loss of "their" school, and loyalties might fade. Of course, merging

and embedding can lead to greater financial stability only if the new structure reduces costs, usually including cuts in personnel. Reports of institutional changes within these 33 schools detail the painful aspects of such personnel reductions within institutions whose personal relationships are often very close, and eliminated positions were often filled by people who may have served the institution faithfully for long periods of time. Faculty expressed concerns about workload increases, related to less quantifiable work in student formation and church responsibilities that were not valued by the host institution. Students also feel the loss and find it hard to understand the reasons given for the change. Students might also experience student services that fail to address their distinctive circumstances and needs.

Yet, through mergers and affiliations, nearly all embedding schools have realized financial benefits, including economies of scale. The theological schools are able to rely on host institutions for necessary services, such as business office, technology resources, facilities management, fund development, registration and records, immigration processes, and other services.⁶

For the health of the relationship, it is important also to emphasize the contributions of the embedded theological school to the health of the “host” institution. Many schools report renewed connections to sponsoring denominations through the presence of the theological school. Others note the importance of faculty with particular expertise in theological, ethical, and spiritual disciplines that address issues facing the college or university. In some cases, both the theological school and the host institution benefit from a greater diversification of offerings within the university and enhanced collaboration among departments.

In some cases, property from the theological school, including residential facilities and classrooms, are of benefit to the host institution. In others, the sale of unneeded property has provided financial assets to provide stability and progress toward economic equilibrium.

Leadership and mergers and affiliations

The IHE study of mergers asks why there have not been more mergers in higher education. The study notes that mergers are more frequent and widely discussed among

for-profit businesses. Business regularly rewards those leaders who facilitate mergers with cash payments or stock. Boards consider the financial interests of shareholders. “When two private entities merge . . . the people who are going to be losers get paid off.”⁷

Of course, leaders in theological schools do not serve for money or career. In any case, mergers in theological schools normally do not provide financial rewards for anyone. Nor are theological schools flush with time and money to spend exploring possible mergers. In fact, those leaders who lead a school into a merger usually are working themselves out of a job. Few leaders want to be known as the one who closed a school.

In a number of cases among the schools under study, leaders of the institutions to be merged with or embedded into partner institutions were nearing retirement or ready for a job transition. In several others, new presidents were hired with a mandate to rescue the school from financial challenges and given freedom to make substantial changes. In a few cases, senior administrators accepted positions in the host institution. In nearly every case, circumstances demanded leaders with exceptional skills in relationships, communication, the ability to weather criticism, insights into governance structures and dynamics, and, not least, empathy.

Final reflections, measures of success

Were the changes successful? If success is measured by the ability to sustain the mission of the school, the answer is clearly “yes.” Though not without sacrifices of various kinds and painful consequences to some members of the theological school community, the mission of these schools has been sustained. The action has been successful, especially if compared to the probable loss of the mission if existing trends were allowed to continue.

Likewise, if success involves achieving financial stability, the answer is also affirmative, though a more qualified “yes” given the ongoing financial challenges facing institutions of higher education, including some of the host institutions that embedded theological schools. In many cases, the new structure provided immediate financial relief, but ongoing vigilance is necessary with attention to the larger forces at work in higher education and patterns of religious adherence and practice in North America.

In terms of enrollment, the results are mixed. Over time, nearly all of the schools have experienced fluctuations in enrollment following the merger or embedding. Of the 18 theological schools that merged through a variety of arrangements into eight continuing accredited institutions, enrollment, compared to the total enrollments of the involved institutions prior to the merger or embedding, is up in four (with significant increases in two), down in two, and the same in one. For the 11 member schools that became embedded in universities or a church and that continue accredited membership, enrollment is down in seven, up in two, and the same in two. In two other cases of merging into another school without continuing accreditation, enrollment is up in one and down in one. It may be the case, however, that even in instances of declining enrollment, the mission of the theological school is being sustained, while enrollment becomes more realistic given denominational demographics and needs, and the cost per student is reduced.

It is vital that schools considering or preparing for merger or embedding—and those sustaining completed actions—engage in planning that integrates multiple institutional elements, including demographics, finances, programs, and personnel.

In each of these cases, the story continues, and there are eight additional schools that have embedded or merged in 2024 and 2025, with others still in processes of discernment and exploration. The next few years will include new patterns and new learning as schools adapt to changing circumstances and seek to fulfill their missions in new ways.

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Additional reading:

- *Inside Higher Education* published a 2018 special report, Rick Seltzer, “[The Growing Role of Mergers in Higher Ed](#),” *Inside Higher Ed*, 2018.
- The former president of North Park Theological Seminary, Dr. John E. Phelan, Jr., published a summary of his research into embedded and affiliated schools in *Theological Education*, Vol. 48, No. 2 (2014): 1-14.
- Deborah H. C. Gin, “[Predicting school closures and mergers among the ATS membership](#),” *Colloquy*, May 2020.

- Graham Vyse, “[A New Era for College Mergers](#),” *The Chronicle of Higher Education*, 2025.
- Danielle, McLean, “[More Catholic colleges are merging amid demographic pressures. What does it really take?](#),” *Higher Ed Dive*, July 29, 2025.
- In 2011, ATS hosted a gathering of 17 administrators of embedded and affiliated schools to explore patterns, strengths, and challenges of the relationships, and how the Association might best support leaders of these schools. In January 2013, 19 CEOs of embedded schools met to explore similar issues. It was clear in each meeting that while there were a few elements in common across the schools, it soon became apparent that there were “as many models for relationship between theological schools and their partner institutions as there were schools represented at the consultation.” See: “[Theological Leaders in Relationship with Undergraduate Institutions](#),” April 28-30, 2011, unpublished summary paper, p. 2.)

¹Of the 282 schools in ATS, 43 percent are embedded in a “host” institution, usually a college or university. This study does not include those schools embedded prior to 2010, nor schools “embedded” within a denomination, diocese, or religious order.

²Graduate theological education is affected by trends in undergraduate education, such as the decline in high school graduates. From a peak of high school graduates in the United States of 3.47 million in 2013, the trend has been generally down, with some uptick to reach those levels again around 2024. According to a 2024 report from the Western Interstate Commission for Higher Education, the number of 18-year-old high school graduates will peak in 2025 at around 3.9 million, followed by a 15-year decline. By 2041, it is expected that the number of traditional-age incoming college students will be down 13 percent. The report also notes that, “the racial makeup of high school graduates will also change substantially by 2041. The number of white students is projected to fall by 26 percent, Black students by 22 percent, and Asian/Pacific Islanders by 10 percent. Meanwhile, the number of Hispanic students is projected to grow by 16 percent and multiracial students by 68 percent.” See: “[A Long Way Down the Demographic Cliff](#),” *Inside Higher Ed*, December 11, 2024, p. 1.

³Eight member schools completed their merger or embedding in 2024 or 2025 making it too early for meaningful analysis of impacts. One school withdrew from membership in 2018 after embedding in a university.

⁴Sources for these data include schools’ accrediting histories, reports submitted to ATS, and data submitted via the ATS Annual Report Forms.

⁵The other four schools had either recovered from financial stress or had ongoing financial stability.

⁶It should be noted that institutions that include embedded or affiliated theological schools utilize an amazingly diverse range of accounting practices to assess costs of provided services, from charges based on enrollment numbers to flat percentages to simply absorbing these and other costs within larger institutional budgets.

⁷*Inside Higher Education*, “[The Growing Role of Mergers in Higher Ed](#),” 2018, p. 18.



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