Breaking the code of silence: Financial planning tools seek to promote greater fiscal responsibility among incoming students

By Jo Ann Deasy

As schools work to address issues of debt and financial literacy during students' first years of seminary, they promote not just financial well-being but also whole life stewardship and ministerial effectiveness. In the process, they are developing useful tools to share with other schools.

"A code of silence." "The elephant in the room." "One of the least discussed, yet most important subjects." These are the phrases being used by theological schools participating in the Economic Challenges Facing Future Ministers (ECFFM) Initiative to describe how theological schools and local congregations are addressing the issue of money, stewardship, and financial leadership. Carmichael Crutchfield, assistant professor of Christian Education and Youth Ministry at Memphis Seminary, describes the challenge:

> . . . because of the financial culture we live in, where it is easy to get into debt, we who serve in the church often know very little about financial literacy. This is especially true of pastors who hear God's call and often go to seminary without any financial resources. One of the key challenges is educating students about debt and issues surrounding our economic system . . .[1]

The ECFFM Initiative, funded by Lilly Endowment and coordinated by The Association of Theological Schools (ATS), was launched in 2013 with grants given to 16 pilot schools to develop projects that would address issues of student debt and financial literacy in theological education through research, education, and partnerships. In 2014, the initiative was expanded to include an additional 51 schools with the goal of breaking the code of silence, a practice that has proven costly for students, churches, and theological schools.[2]

This fall, several schools launched initiatives specifically aimed at new and prospective students. By addressing financial issues before or during a student's first year in seminary, schools hope to break the code of silence and help students create realistic manageable plans for financing their theological educations. Approaches range from new admissions software that provides students with financial information from the beginning of the application process to requiring one-on-one meetings with financial counselors and mentors.

1. From a project summary submitted by Memphis Theological Seminary to The Association of Theological Schools for the April 2014 ECFFM Forum.
2. For more information on the economic challenges facing future ministers, see the report from the Center for the Study of Theological Education at Auburn Theological Seminary titled The Gathering Storm: The Educational Debt of Theological Students, published in 2005. For more current statistics, see the presentation delivered by Anthony Ruger from Auburn at the April 2014 ECFFM Forum.

Visit the Economic Challenges Facing Future Ministers (ECFFM) pages on the ATS website for more useful financial planning resources.

North Park Theological Seminary in Chicago, one of the pilot schools participating in the ECFFM initiative, offered financial coaching sessions with a professional financial counselor to 30 new students during fall 2013. While most students were appreciative of the counseling, several did not follow through on their appointments. Lancaster Theological Seminary in Pennsylvania also noted in its first-year project report a reluctance among students to become involved in a project that would require them to confront spending habits. Students were often "too busy" to participate or did not see the project as a priority in their lives.

At North Park, however, students who did participate were often surprised by what they learned. One young woman insisted that she had just enough financial resources and not a penny more, certainly not enough to begin saving. The financial counselor challenged her to complete a cash-flow analysis, and when she returned for a follow up session several months later, she was happy to report that she had saved more than $500.

In reflections on their first year participating in the project, several schools noted that those most in need of financial education were at times the most reluctant to engage in it. They also observed that many students were completely unaware of their financial situations. During an optional session on the impact of student debt on ministry at the Samuel DeWitt Proctor School of Theology in Virginia, students were given a written analysis of their educational debt to date. Many of them were shocked by how much debt they had accrued. One student reacted to his debt saying, "Oh my God! I had no idea I owed that much money! How will I ever pay it back?"

Several schools are now asking students to create a financial plan during orientation or their first year of seminary. These financial plans are often created in the context of a small advising group, with financial aid officers, or in the context of one-on-one financial coaching. For a sample financial planning model, see Lancaster's Create a Spending Plan that Works for You. Lancaster has also developed Mentor Program Guidelines and a Coaching Confidentiality Agreement to help volunteer mentors work with students from matriculation through graduation. All three documents are available on the ECFFM website.

The wisdom of this work is well documented in a study by the Auburn Center for the Study of Theological Education—A Call to Action: Lifting the Burden: How Theological Schools Can Help Students Manage Educational Debt.

The bottom line, according to the Auburn report, is that financial planning for students not only safeguards the school's mission but also makes good business sense. "Schools that have implemented financial planning for students have cut the borrowing of students by several multiples of the added cost. Allocating funds for financial planning goes much farther in relieving debt than substituting grants for loans."

As schools begin addressing the issue of student debt and financial literacy, they are uncovering how complex and deeply significant this issue is not just for financial well-being, but also for spiritual health, ministerial effectiveness, and the ability of theological schools to fulfill their missions of training women and men to serve the church. Schools are moving into discussions about whole life stewardship, simplicity, the theology of possessions and wealth, and congregational leadership. Some are addressing the guilt and shame that is often associated with individual debt. Others are looking at an educational system that is shifting more and more of the financial burden onto students. All are seeking to break the code of silence.

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