This evaluation has been prepared by an internal evaluator at the Evangelical Lutheran Church in America (ELCA).\footnote{Because of unexpected staffing changes at ELCA Research and Evaluation, the internal evaluator for this project also worked, at times, on the research studies associated with this project. While this was a less than ideal situation from an evaluation standpoint, it was necessary in order to complete the research component of the project.} I have worked alongside the project and research staff throughout the course of the project keeping a focus on the project’s primary goal of reducing ELCA seminarian educational debt through these strategies:

- Conducting five research studies examining the extent, causes, and consequences of seminarian educational debt;
- Providing financial education;
- Reducing costs associated with providing theological education;
- Strengthening ownership of theological education across the ELCA; and
- Providing increased scholarship money to ELCA seminarians.

Overall, each of these strategies was pursued, although not always in the ways that were envisioned at the beginning of the project. From the beginning, the project design allowed for adaptations to these strategies as stakeholders in theological education from across the ELCA were brought in to consult, advise, and further shape the project’s efforts. However, deviations in implementing these strategies were also attributable to:

- A severe economic downturn coupled with a controversial 2009 decision within the ELCA that limited the ELCA’s ability to raise funds in the ways initially envisioned;
- Unforeseen staffing reductions and staffing changes at the ELCA churchwide organization that had direct implications for the leadership of this project; and
- A lack of staffing capacity at both the ELCA churchwide organization and some of the ELCA seminaries to complete the breadth of activities initially planned.

At the project’s outset, it was expected that the following outcomes could be achieved:

1. A decline in student debt levels.
2. Measurable improvement in the economy of theological education in the ELCA.
3. Measurable improvement in financial understanding, financial decisions, and capacity for steward leadership of seminarians and first call leaders.
4. Measurable increase in broad awareness and ownership of the cost of theological education among ELCA leaders and members.
There is evidence to suggest that progress was made toward achieving each of these four outcomes. The scope of theological education is vast and there were numerous forces affecting each of these outcomes that were outside the purview of this project. However, there is little doubt that the efforts over the past four years related to the Stewards of Abundance project have made considerable contributions to:

1. A foundation of knowledge about seminarian educational debt – including trends, causes, and implications;
2. A variety of activities and best practices related to financial education for seminarians; and
3. The ways in which ELCA seminaries and the denomination both conceive of and advocate on behalf of theological education.

These contributions will be used by the ELCA and could prove useful to other denominations and seminaries as they continue addressing seminarian educational debt in practical and effective ways.

**Project Implementation**

As noted, each of the strategies outlined at the beginning of the project was pursued during the course of the project. However, as the project progressed, each of the strategies deviated from its proposed design. What follows is a brief discussion of how each strategy took shape during the course of the project, what was learned along the way, and how well the strategy accomplished what was expected.

**Conducting five research studies examining the extent, causes, and consequences of seminarian educational debt**

All 5 research projects were conducted. Heavy emphasis was placed on questionnaire data from a number of audiences including:

- young adults connected to various ELCA ministries;
- current seminarians – surveyed over the course of the project to establish trend data;
- 2006 graduates currently serving congregations;
- congregation members currently being served by 2006 graduates; and
- representative samples of active rostered leaders, retired rostered leaders, and congregational lay leaders.

In addition, interviews were conducted with some of the 2006 graduates and some of the congregation members served by these graduates. Interviews were also conducted with current seminarians participating in their seminary’s financial education program(s) as well as coaches currently providing financial coaching to seminarians. Finally, the financial aid offices of each ELCA seminary provided valuable data for each of the debt audits conducted during this project.

The project proposal suggested that each Table would be involved in its relevant research project(s) through consultation about both questionnaire design and data interpretation. In addition, questionnaires were to be designed and pre-tested with feedback from relevant audiences through focus group discussions. Early in the project there was some consultation with Table members as well as a few focus group discussions with current seminarians to
understand their perspectives of seminarian educational debt. However, as the project progressed, very little consultation continued with the Tables and no further focus group discussions occurred. This was primarily due to a lack of staffing capacity within ELCA Research and Evaluation. Testing the questionnaires with relevant audiences ahead of time would have been helpful in determining how some of the questions were being interpreted by respondents.

Overall, the research projects addressed the research questions proposed in the project design. The one exception was Study One. The focus for this study shifted from understanding why certain people chose not to attend seminary to understanding more about career interests among young adults associated with ELCA ministries. The primary reason for this shift was a lack of ability to identify those who had applied to seminary but had chosen not to attend.

Vast amounts of data were collected – all original research adding to the knowledge base about seminarian educational debt. The final research report and the topical briefs are evidence of the extensive research supported by this project. Feedback from seminary staff, synod bishops, and ELCA churchwide staff throughout the project was positive and suggested each study was worthwhile.

Providing financial education
The project proposal suggested designing and implementing “a $100,000 matching grant program to support initiatives developed by ELCA seminaries, synods and colleges to recruit, train and resource volunteer financial wellness educators/mentors/coaches for pre-seminarians, seminarians, and first-call pastors.” This matching program was ultimately limited in its scope to ELCA seminaries and current seminarians. This narrowing of scope allowed for maximum funding to be provided to seminaries. In addition, it built on programs that were already available in some of the seminaries, thus allowing the programs to be implemented more quickly than might have been the case in other settings.

By focusing on seminaries and current seminarians, these financial education programs likely had the most direct effect on those who could most benefit with respect to reducing or preventing seminarian educational debt. Working with the seminaries also allowed for financial education to be a required component of the strategic scholarship program that was implemented through Stewards of Abundance.

All eight seminaries established financial education programs. Feedback from seminary personnel, current seminarian participants, and coaches was positive with respect to the financial education programs implemented and enhanced through this matching grant.

Reducing costs associated with providing theological education
In terms of reducing costs from the seminary standpoint, it was primarily the task of members from Table 3 to address this issue. What was particularly difficult about this task is that the ELCA as a denomination cannot simply dictate how an ELCA seminary is to operate or how many ELCA seminaries there should be – nor does the denomination want to do this.
As part of the strategy associated with this task, Stewards of Abundance provided a forum for ELCA denominational and seminary leaders to meet together to identify the cost factors (both for institutions and seminarians) associated with providing theological education. Discussion also included possible cost and quality implications associated with new experiments and potential changes to the ways theological education have been provided in recent decades within the ELCA.

Concurrent with the Stewards of Abundance project were a number of seminary-led initiatives – at various stages of design – that were meant to improve both the efficiency and the effectiveness of theological education. While Stewards of Abundance cannot claim to have designed these initiatives, its sustained four-year focus on reducing seminarian educational debt provided some of the impetus to ensure that these initiatives continued in their development and implementation.

**Strengthening ownership of theological education across the ELCA**

The project proposal suggested designing and implementing “a $320,000 matching grant program to support initiatives developed by synods, seminaries, colleges, congregations and other entities that train and resource volunteer advocates for the support of theological education in congregations and synods.” This matching grant program was ultimately limited in scope to supporting initiatives developed only by seminaries.

One of the reasons for limiting the scope was because of a delayed start in designing this matching grant program. It was determined that the seminaries would be in the best position to create and enhance outreach through volunteer advocate programs and ideas already under development. However, by limiting the matching grants to seminaries, the volunteer advocates that were recruited often already had at least a modest connection to a seminary and many of the programs implemented were intended to more effectively reach audiences that the seminaries had already been trying to reach. In terms of strengthening ownership of theological education across the ELCA, a focus on seminary initiatives likely did not reach as broad an audience as initiatives developed by synods, colleges, congregations, or other entities could have reached.

A large component of helping seminaries to implement this matching grant program was the development of an overall message and flyer (“Sharing the Mind of Christ”) pertaining to the importance of theological education. This work was done in consultation with a professional marketing firm. The message and flyer development was helpful in identifying some of the key reasons why it is vital to support theological education. In part because the development of the flyer was not completed prior to seminaries beginning their grant projects, the flyer did not get as broad usage as was expected. However, the flyer and the message development work behind it remain viable resources for making the case for the importance of theological education.

It became apparent throughout the course of the project that developing and implementing the initiatives identified by the seminaries within the timeframe of the project often required more staff capacity than most seminaries had available. More time was needed for the seminaries to work on their implementation plans than was originally projected. Even so, initial seminary feedback suggests that these grants have provided more opportunities for seminaries to invite
people to connect with a seminary, to have people learn about theological education, and to listen
to other ways in which a seminary could be more relevant in the lives of ELCA congregations.

Providing increased scholarship money to ELCA seminarians
The matching grant program described above to train and resource volunteer advocates for the
support of theological education was proposed to be the gateway to a major fund-raising push
during the course of the project to raise $500,000 in new scholarship money that could be used to
provide a matching incentive for donors contributing to seminary scholarships. Primarily
because of the unforeseen economic challenges facing the ELCA during the time of the project
combined with the turnover of the Fund for Leaders in Mission director, this aspect of the project
was not implemented as proposed.

Because providing additional scholarship dollars to current seminarians was a key aspect of this
project, a new strategy was developed to address it. Funding of $511,475 was secured by the
ELCA churchwide organization from a bequest. This funding was then allocated to and matched
by seminaries, proportionate to enrollment. However, there was no way to ensure that additional
scholarship dollars were raised by each seminary, as opposed to shifting available scholarship
money to these scholarship recipients for the match. Therefore, an unintended consequence may
have been a reduction in available scholarship money for other students during the course of the
project.

The scholarship program was designed to target the largest number of seminarians who could
benefit from the available dollars. This meant providing scholarships to seminarians: 1) who
were projected to have total educational debt above the level of concern (estimated to be
approximately $33,500 for the 2014 and 2015 graduates); and 2) who, by receiving the
scholarship, had a reasonable chance of reducing this projected debt to levels close to the level of
concern. In addition, seminarians receiving scholarship money were also required to participate
in their seminary’s financial education program. The design of this scholarship was original to
the Stewards of Abundance project and came directly from the ideas and work of Table 2
members. Innovative aspects of this scholarship program included projecting seminarian
educational debt at graduation, applying the level of concern as a benchmark for educational
debt, and requiring recipients to participate in financial education provided by their seminary.

To what extent this strategic scholarship program results in overall seminarian educational debt
prevention will not be known until the recipients graduate in 2014 and in 2015. However, much
has already been learned about implementing this type of scholarship program that can inform
seminaries and the ELCA Fund for Leaders in Mission when contemplating future scholarship
programs. For example, there are so many factors influencing decisions by seminarians to take
educational loans that projecting this debt through graduation after only one year of seminary
proved to be much more difficult than expected. However, these projected educational debt
amounts will be the key factor in determining whether seminarian educational debt was
prevented. In addition, for some seminarians, when the Stewards of Abundance scholarship
amount was awarded this resulted in an automatic reduction or elimination of the amount they

2 The criteria as applied resulted in scholarships ranging from a minimum of $4,000 to over $20,000. Seminarians
with projected education debt at graduation ranging from approximately $37,000 to $63,000 were the intended focus
for this strategic scholarship program.
were eligible to receive in new educational loans. This was not the case for all seminarians. Because seminarians were allowed to choose whether or not to take out educational loans even after receiving the scholarship, overall reductions in educational borrowing will be difficult to attribute to seminarians choosing to borrow less versus seminarians simply becoming ineligible for borrowing.

One more item related to project implementation – it is important to note the heavy financial responsibility the seminaries had throughout this project. As a whole, the seminaries matched (and in some cases exceeded) the $100,000 in grants for financial education, the $320,000 in grants to train and resource volunteer advocates for the support of theological education, and the $511,475 in scholarship funding for a total of at least $931,475. This is one indication of the deep commitment the ELCA seminaries have to addressing seminarian educational debt. However, efforts to spread the financial responsibility across a broader segment of the ELCA may have resulted in creating more ownership across the ELCA for addressing seminarian educational debt and reducing the financial responsibility borne by the seminaries during this project.

**Short-Term Results**

As noted, there is evidence to suggest that progress was made toward achieving each of the four outcomes outlined at the beginning of the project. In addition, a number of the research hypotheses were tested adding considerable data to the knowledge base regarding the extent, causes, and effects of seminarian educational debt. What follows is a brief discussion of how well each of the project’s outcomes has been achieved during the course of the project.

A decline in student debt levels
A complete discussion of this topic is included in the final research report as well as the topical brief, “Stewards of Abundance: Comparison of 2006, 2009, 2011, 2012 & 2013 Graduate Debt and Aid.”

Because the efforts to reduce debt undertaken during this project were focused on seminaries and current seminarians, the debt that could have been affected most directly was theological education debt. In the years between 2009 and 2013, the percentage of graduates with theological education debt remained relatively constant at approximately 75 percent. For those graduates with theological education debt, the highest average was in 2011 at $41,934 ($43,450 in 2013 dollars). This average decreased in 2012 ($40,302 or $40,912 in 2013 dollars) and then increased slightly in 2013 ($41,484), but not to a dollar level higher than what it was in 2011. When controlling for inflation, the average theological education debt per borrower was five percent lower in 2013 compared to 2011.

These figures suggest that the project may have had an influence in decreasing the average theological debt per borrower, though not in decreasing the percentage of borrowers overall. While it may have been hoped that there would be stronger results, the results seem to be headed in the desired direction. It is also important to note that it will not be until 2015 when graduates will have been a part of seminary for the entire time that these project’s efforts have been
underway. Therefore, following the trends in theological education debt over the next couple of years will be critical in helping to determine the full extent of the project’s influence on student debt levels.

**Measurable improvements in the economy of theological education in the ELCA**

As mentioned, cost efficiencies associated with providing theological education that transpired during this project’s timeframe are not directly attributable to the efforts of Stewards of Abundance. However, Stewards of Abundance continued to keep the issue of improving the economy of theological education at the forefront of discussions within the denomination and among all ELCA seminaries.

Some of the standard measures of costs per FTE student that reflect cost efficiency in providing theological education have just begun to indicate improvements in efficiency in 2013. For example, between 2009 and 2012, the system wide average among the eight ELCA seminaries for net tuition per FTE student increased 21 percent when controlling for inflation. (Actual dollar amounts increased from $4,811 to $6,237.) An indication of improved cost efficiency is that the net tuition per FTE student decreased 4 percent in 2013 when controlling for inflation. (Actual dollar amount decreased to $6,067 in 2013.)

The system wide average for educational expenses per FTE student decreased in actual dollar amounts between 2009 and 2010 ($35,373 to $33,470) and then increased between 2011 and 2013 ($34,847 to $37,468). However, when controlling for inflation, the 2013 average remained the same as the 2012 average, and is two percent less than the 2009 average.

Data for two other measures that reflect cost efficiency were only available through 2012 at the time this report was written. The overall ratio of grants and scholarships provided through the seminaries as a percentage of gross tuition and fees revenues increased between 2009 and 2010, but then decreased in both 2011 and 2012. The ratio of instruction and academic support expenses compared to total education and general expenses remained constant between 2009 and 2012. An increase in both of these ratios would indicate an improvement in the economy of theological education.

It is important to note that the economic downturn and an overall decrease in seminary enrollment during the Stewards of Abundance project make it even more challenging for these standard measures to reflect improvements that may have been made in the economy of theological education. Continuing to track and report these standard measures over the next few years will reveal whether measurable improvements are, in fact, being achieved.

With respect to reducing total cost to student (net tuition as well as living costs and opportunity costs), ELCA seminaries have been moving quickly to implement new degree program designs that shorten time to degree through college/seminary partnerships or that reduce loss of income to seminarians and spouses/partners through distributive learning strategies.
Measurable improvement in financial understanding, financial decisions, and capacity for steward leadership of seminarians and first call leaders

Again, a complete discussion of this is included in the final research report as well as the topical brief, “The State of Financial Education.”

It was through the financial education programs at the seminaries that these outcomes were to be achieved with seminarians. Many students reported that their participation in financial education improved their understanding of becoming good stewards, teaching good stewardship, intentionality about money, and budgeting. Seminarians who participated in these programs also reported increased confidence and ability to discuss personal and congregational finances. One area of understanding that financial education did not seem to improve was that of investing.

There were no specific efforts made through this project to work with those who were already leaders in their first call. It was determined that this was outside the scope and staffing capacity of this project. Although these outcomes were not achieved with leaders in their first call during this project, it is expected that current seminarian participants in financial education will take what they have learned into their first calls as they graduate. As the issues related to seminarian educational debt continue to be addressed throughout the ELCA, developing a way to work with all leaders in their first call regarding both their personal and their congregational finances would be welcomed according to many of the pastors interviewed during this project.

Measurable increase in broad awareness and ownership of the cost of theological education among ELCA leaders and members

The project proposal suggested that one way to determine this outcome would be through a questionnaire to ELCA rostered and lay leaders to be sent early on in the project and then sent later in the project. The first of these questionnaires was not sent out until later in the project, so there was no time to send a second questionnaire. As such, a baseline of awareness and ownership of the cost of theological education has been established against which future questionnaires can be measured. More discussion is in the topical brief, “Seminary Awareness and Attitudes Questionnaire Report.”

Another way of determining this outcome is through the results from the programs implemented at the seminaries to train and resource volunteer advocates for the support of theological education in congregations and synods. Initial feedback indicates some success in reaching a broader audience to tell the story of theological education and why its support is vital. However, many of these programs have not been in place long enough to determine whether or how much influence they are having on increasing awareness and ownership.

At the end of this project, the ELCA seminaries were asked to provide the annual number of donors and amounts raised from 2009 through 2013. Of the seven seminaries that responded, the general trend for unrestricted giving was for the number of donors to decrease or remain relatively constant during this time (one seminary was the exception and experienced a slight increase in the number of donors). This trend was similar with respect to the ELCA Fund for Leaders in Mission. A decrease in donors suggests the goal of increasing awareness and ownership has not yet been achieved.
The picture was mixed in terms of dollars raised for unrestricted giving. Although the number of donors decreased, in general, there were years during this time period that at least six of the seminaries received more in donations than in the previous year. Again, this trend was similar with respect to the ELCA Fund for Leaders in Mission. When an increase in unrestricted giving occurs it may be an indicator that those who did donate recognized the importance of financially supporting theological education and chose to increase their donation amounts. An increase in unrestricted giving is also typical during times of economic downturn when giving tends to shift away from restricted and toward unrestricted giving. Various increases in unrestricted giving combined with decreased enrollment resulted in an overall average increase of 45 percent in unrestricted private gifts per FTE student between 2008 and 2012\(^3\) (when controlling for inflation).

Overall, the system wide average dollar amount of ELCA churchwide and synodical support per weighted Lutheran graduate decreased 15 percent between 2008 and 2012\(^3\) (when controlling for inflation). The rate of decrease for the synodical support was higher than the rate of decrease for the churchwide support (23% decrease compared to a 5% decrease, when controlling for inflation). This resulted in shifting the synod/churchwide ratio of support from 55/45 to 49/51.

Testing a number of hypotheses related to seminarian educational debt

Another outcome from this project is the number of hypotheses related to seminarian educational debt that have been tested and the amount of data collected that did not exist before this project. All of this is detailed in the final research report which will be a key document to discuss and build upon as the conversations related to theological education and seminarian educational debt continue.

At this point, it is important to note the integral role that the position of Lilly Grant Researcher had throughout the entire project. In the area of research, the project proposal laid out estimated costs related to the five research studies to be conducted during the project. However, the Lilly Grant Researcher also worked extensively with the two matching grant programs and the matching strategic scholarship program. The input of the Lilly Grant Researcher was highly valuable as part of the teams coordinating these programs. However, the staff time associated with this work was significant and, at times, limited the capacity of the Lilly Grant Researcher to work on the five research projects. Some of this work was likely the result of simply not knowing how the project would unfold and, therefore, could not have been anticipated. Some of the work, though, might have been able to be accomplished using the members from each of the Tables if they had been kept more engaged in the ongoing work of the project.

\(^3\) 2013 data was not available at the time this report was due.
Overall Impact

The short-term results reported during the course of this project will be used as building blocks to continue to address the issues related to seminarian educational debt in the ELCA. Building on these results, it is expected that the larger impacts to which this project provides a significant contribution include:

- Greater excellence in the ministry of pastors and in the vitality of ELCA congregations;
- Growth in the ELCA’s capacity to provide congregations with excellent leadership for mission; and
- Increased capacity of the institutions and expressions of the ELCA to function in coordinated, systemic ways in meeting adaptive challenges.

For now, perhaps the greatest impact this project has had is the extent to which it has and continues to foster conversations across the three expressions and various institutions and partners of the ELCA. One very tangible way that the work of Stewards of Abundance will continue over the next two years is through the Theological Education Advisory Council (TEAC). The research work conducted through Stewards of Abundance aided in securing a private donation of $175,000 for research related to both the cost and quality of theological education to be continued through TEAC. Bringing together a variety of theological education stakeholders and sharing data and analysis that did not previously exist will help TEAC explore efforts to reduce the burden of seminary educational debt while maintaining a high quality of theological education – all with the ultimate goal of effectively proclaiming the Gospel in the 21st century for the sake of the world.