The Economic Challenges Facing Future Ministers

A grant funded by Lilly Endowment Inc. and coordinated by The Association of Theological Schools
HOW MUCH DOES IT COST?
### Annual cost of theological education

<table>
<thead>
<tr>
<th>Median Amount</th>
<th>Change Over Last 20 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>$53,800 amount spent per fte student</td>
<td>129% ↑</td>
</tr>
<tr>
<td>$7,800 net tuition per fte student</td>
<td>97% ↑</td>
</tr>
<tr>
<td>$1,025 amount per fte student given by religious organizations</td>
<td>-30% ↓</td>
</tr>
</tbody>
</table>
HOW MUCH DO THEY OWE?
Student loans: what they bring

43% bring student loans to theological school

$32,600 average amount of loans brought

$5,700 increase in average amount brought since 2008
GREATER IMPACT ON...

- **Black students**
  - Greater debt incurred
  - Less likely to be placed at graduation
  - More likely to serve bivocationally

- **Women students**
  - Greater debt incurred
  - Less likely to be placed at graduation

- **Older students**
  - Incurring similar debt
  - May interfere with retirement

**Student loans: during theological school**

- 49% borrow for theological school
- $35,700 average amount borrowed
- $8,700 increase in average amount borrowed since 2008

49% of students borrow for theological school, averaging $35,700 in debt, with an increase of $8,700 since 2008.
Student loans: total at graduation

59%  graduate with student loans

$44,500  average amount student loans

$8,300  increase in average amount since 2008
HOW DO THEY PAY IT OFF?
Loan repayment

How do alums pay off their loans?

• Their salaries
• Their spouses’ salaries
• Savings

<10% received help from denominations or congregations

$47,500
Approximate average salary 1 to 5 years after graduation

Average Salary Per Year

Less than $30K 30%

More than $30K 70%
WHAT IS THE IMPACT?
Impact of debt on alums

In the first five years…

38% take an extra job

33% seek a higher paying job

19% postpone healthcare

50% Alums with little to no retirement savings

58% Borrowers with little to no retirement savings

31% Don’t know if they have adequate savings
WHAT IS OUR RESPONSE?
Educating students

Offering courses on:

- Entrepreneurial leadership
- Financial literacy and leadership
- Fundraising
- Theology of money
- Psychology of debt

<table>
<thead>
<tr>
<th>Statistics</th>
<th>2016 Offered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workshops</td>
<td>2,011</td>
</tr>
<tr>
<td>Students</td>
<td>4,149</td>
</tr>
<tr>
<td>Schools</td>
<td>43</td>
</tr>
<tr>
<td>Courses</td>
<td>99</td>
</tr>
<tr>
<td>Students</td>
<td>1,485</td>
</tr>
<tr>
<td>Schools</td>
<td>35</td>
</tr>
</tbody>
</table>

offered in 2016
Lowering cost of attendance

Theological schools are…

• offering more flexible degrees
• shortening degrees
• raising additional funds for scholarships and operating expenses
• developing new economic models
Yes, since 2016...

8% decrease in students who borrowed for theological school

3% decrease in those who borrowed over $40K

$1,100 decrease in average amount borrowed

During the first three years of the ECFFM Initiative,

77% of participating schools saw a decrease in borrowers or educational debt

28% saw a decrease in both
Most Effective Solutions

• Addressing finances before seminary
• Providing one-on-one financial counseling
• Tracking the impact of debt on students
• And…

In 2016…

One-on-one counseling at 37 schools with 2,067 students
The positive effect of partnering with denominations

45% of ECFFM schools who partnered with denominations saw a decrease in educational debt of $2,500 or more in the first 3 years of the initiative.
Economic Challenges Facing Future Ministers

For research, resources, and more: www.ats.edu

ATS Data Sources

• Annual Report Data
• Student Questionnaires
• Educational Models and Practices: Mapping the Workforce Survey
• Economic Challenges Facing Future Ministers: School’s Annual Reports and Data Charts