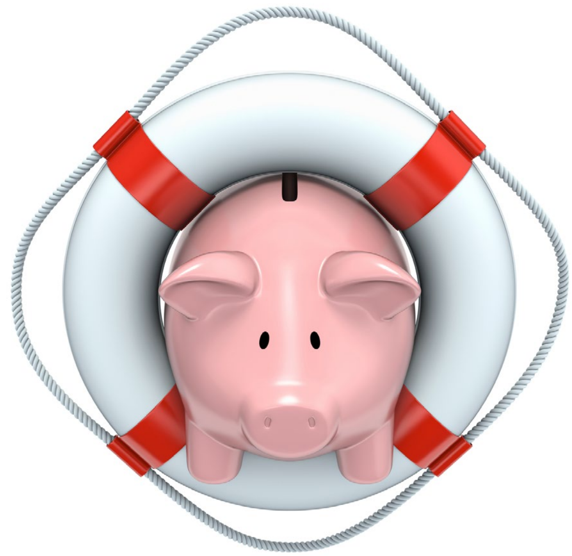
Lancaster Theological Seminary's financial mentoring program proves to be a lifesaver

By Cheryl DeMarco



With a four-year track record, *Managing Student Loan Debt for Vitality in Ministry and Life*—Lancaster Seminary's mentoring project—has converted money from a taboo topic to the focus of a weekly discussion . . . and reduced student debt in the process.

Lancaster Theological Seminary has offered financial mentors to students since 2012, when it was selected as one of the initial 16 locations nationwide to receive a Lilly Endowment Inc. grant designed to address the student-loan debt crisis among people preparing to enter ministry. Increasing numbers of seminary graduates enter ministerial jobs carrying enormous student loan debt, a burden that creates intense personal and professional stress. Combined with the shrinking number of full-time pastoral positions, this debt burden makes a life in ministry difficult if not impossible.

The mentor program

Our project, *Managing Student Loan Debt for Vitality in Ministry and Life*, takes a three-pronged approach: offering financial literacy education as stand-alone modules, pairing financial mentors with students to help them budget and plan, and offering community outreach programs to inform area pastors and congregations about the new financial reality of seminary education.

The financial mentorship component began in 2012. While it was available to all students, it was mandatory for recipients of scholarships funded by Lilly Endowment Inc. and those who received smaller "book" scholarships funded by the seminary. In the beginning, students learned about the requirements needed to maintain those scholarships at the time the scholarships were awarded. Those requirements stipulated attendance at in-person financial literacy workshops as well as a commitment to work monthly with a mentor.

Our first mentors, chosen by the project manager, were retired and active ministers, financial planning professionals, and business people with budgeting experience. Mentors attend an orientation meeting to discuss the program. Students are invited to a separate orientation meeting. Participants are required to meet in person once a month. The first meeting is devoted to becoming acquainted and setting goals. Beginning with the second meeting, students begin developing a money plan. Each subsequent month, the student and mentor review the plan, talk about what did and didn't work, and modify the plan as needed. The mentor and student submit a joint report each month outlining that month's work, challenges, and successes.

Mentors are not expected to give financial planning advice, unless that is their area of expertise. They are asked to provide students with support, encouragement, and accountability as they work through the often difficult transition to sound money management. Students know they will meet with the mentor and will be expected to report their progress each month. For some, like Merle Malone, this support transformed their seminary experiences.

Merle's story

Merle came to seminary from the US Virgin Islands, leaving behind her adult children, family, and job. Her call to ministry involved a courageous move. Her first months in Lancaster were very stressful, and she felt overwhelmed. She asked for a financial mentor early that first year and worked with her for all three years before graduating and returning home in 2016.

"Having a mentor was a financial lifesaver in seminary," said Merle.

"As I struggled with the theological questions and assignments, the family issues, and my personal life, having a mentor helped me resist the urge to engage in impulse spending and avoid the associated guilt. I learned to forgive myself and continue to stay within my budget. At first I was skeptical about being open with a stranger about my finances and my struggles. However, we developed a wonderful relationship, and I learned to trust my mentor's expertise. I am using that advice still."

She concluded, "The financial mentorship program can be a lifesaver to seminarians who are willing to trust the process."

Karen's story

Karen began working with a mentor after her first year at seminary. Her goal was to avoid student loans altogether in her last two years of seminary. To do that, she needed the cooperation of her family as well as the consistent help and support of her mentor.

"My mentor guided me toward maintaining a strong hold on my finances while at school," said Karen. "Putting the new skills into daily practice reduced the amount of student loan debt I needed to take by more than $30,000!"

After graduating in May 2016, Karen accepted a job as a pastor in Tennessee.

"Not only do I feel well-equipped to face my personal financial future, but I am also more confident in my ability to manage a church budget and other ministry needs that revolve around healthy finances," she said.

What we learned

One of the most beneficial aspects of the Lilly grant program is the ability to experiment, modifying the program as we learn what works and what doesn't.

Some issues we encountered in the first years of the mentor program included:

- **Student resistance** to addressing money issues because of shame and guilt, and the reluctance to reveal one's true financial condition.
- **Lack of program buy-in**, as students were offered specific scholarship help but only learned about the attached requirements after funds were awarded.
- **Mentor/student mismatches**, resulting in lack of participation and follow-through.
- **Geographic incompatibility**, where part-time students living far from campus often were unable to meet with mentors recruited from the Lancaster area.

The flexibility of the program allowed us to address these issues by:

- **Incorporating discussions of money** in a number of required classes. Each student now completes a money biography. Our instructors tell us the discussions that follow the completion of the money biography are open and honest, and students are eager to talk about this topic that most consider taboo.
- **Sending a weekly email blast**, “Monday Money Minute—Your Guide to Money Mastery,” that briefly discusses a money topic, opening discussions campus-wide about financial issues.
- Opening scholarship applications to all students, **clearly stating upfront the requirements** that accompany the scholarship, including meeting regularly with a mentor. Students promise to meet all of the scholarship requirements and acknowledge that money will be withheld if they fail to do so.
- **Allowing students to choose a mentor** from their own churches or communities. If a student can’t find a mentor, one will be assigned.

Going forward

Lancaster Seminary has become a place where money is no longer such a taboo topic. Financial issues are part of normal conversation, and we anticipate that this openness will result in even more productive interaction between mentors and students. We see a real enthusiasm for addressing finances and student debt. For example, when we opened the scholarship program to everyone, we wondered if students would find the requirements onerous and decline to apply. We were pleasantly surprised to find that students are eager to take advantage of this program. We awarded all 20 scholarships, and the selection of mentors will begin in the coming month.

We will be tracking their progress closely and carefully evaluating the changes made to the program to further enhance success. We expect to have many more success stories like Karen’s and Merle’s as a result of these efforts.

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