

Revenue sources remain steady in ATS member schools

By CHRIS MEINZER

The Annual Report Form data from fall 2017 has been finalized and ATS standard reports—the Annual Data Tables, Institutional Peer Profile Report, and Strategic Information Report—were sent to member schools in early March. These standard reports provide an opportunity for schools to benchmark their resources against others in theological education.

Recently, some discussion has taken place among ATS schools about changing patterns of revenues across the decades. ATS staff recently analyzed data over the last two decades and found that relative proportions of revenue sources have remained very steady between 1998 and 2017. The four major revenue streams are from endowment, giving, net tuition, and auxiliary & other. In order to calculate endowment draw, ATS uses a prudent calculation of 5% of long-term investments reported. "Giving" represents all unrestricted giving for operations during the year, "net tuition" is tuition revenue net of scholarship



expense, and "auxiliary & other" reflects revenues from auxiliary activities and other sources.

The chart below shows the relative percent of revenues from each of these different sources for all ATS schools as well as by freestanding and embedded schools and by ecclesial family. The percentages shown below are for the last two decades, but there is very little differentiation if the data

Figure 1—Relative Revenue Sources in ATS Schools, Last Two Decades

	5% LTI	Giving	Net Tuition	Auxiliary & Other
All ATS	26%	28%	28%	18%
Freestanding	25%	31%	25%	19%
Embedded	27%	19%	35%	19%
Evangelical	12%	32%	37%	19%
Mainline	44%	23%	15%	18%
Roman Catholic/ Orthodox	14%	33%	33%	20%

is segregated by the decade 1998–2007 or the decade 2008–2017.

The chart gives some insight into the relative significance that one revenue source plays versus the other revenue sources. For example, across all ATS schools, endowment (when assumed at a 5% draw), giving, and net tuition are relatively similar, and auxiliary & other generate a relatively smaller portion of annual revenues. Overall, freestanding schools report a higher dependence upon giving while embedded schools reflect a higher dependence upon net tuition.

In terms of ecclesial family, evangelical schools tend to be most dependent upon net tuition and giving, mainline schools rely most upon endowment, and Roman Catholic/Orthodox schools are supported primarily by giving and net tuition. Schools within each of these families may show variations, but these broad trends can be useful in benchmarking revenues for an institution.

So why is this data and analysis important?

An ATS school could use its *Institutional Peer Profile Report* or *Strategic Information Report* to compare

its revenue sources against other peer institutions or broad categories of schools above. A major difference between the school and the data above might indicate a potentially untapped revenue source. The context and history of the individual schools will matter and will likely impact what revenue sources are utilized, but a quick comparison against peers might raise questions as to what is possible.

But perhaps the most significant finding from this analysis may likely be that there has been little change in the percentage shown above over the last two decades. There do not appear to be great shifts in revenue sources over the last two decades generally among ATS schools and even specifically when structure (freestanding vs embedded) or ecclesial family (evangelical, mainline, Roman Catholic/Orthodox) are considered. There certainly can be and are swings that happen in individual schools, but overall there are no major shifts broadly occurring among ATS schools.



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