The ECFFM Initiative: What Theological Schools are Teaching Us about Faith, Finances, and Leadership

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Introduction to the initiative

In 2013, Lilly Endowment Inc. launched a new initiative to address the "Economic Challenges Facing Future Ministers" (ECFFM). Focusing on research, education, institutional strategies, and partnerships, schools were given grants to create unique projects addressing various economic challenges related to the cost of theological education, rising educational debt, the need for financial and entrepreneurial leadership in ministry settings, and shifting funding models for schools and future ministers. A pilot project began with 16 schools and expanded in 2014 to include a total of 67 different institutions representing more than 27 denominations and more than 17,600 students.

In 2014, The Association of Theological Schools (ATS) received a coordination grant from Lilly Endowment Inc. to support schools participating in the ECFFM Initiative. This coordination grant was designed to facilitate peer learning among the schools, expand the scope of individual projects through small grants, generate new research related to the initiative, and disseminate key learning to the broader Association. Major activities of the coordination project thus far have included two large forums and nine one-day peer group gatherings. Peer groups varied in size from 15 to 45 people and addressed a wide range of topics related to the grant, including new financial models for seminaries, financial literacy, theologies of money and finance, and debt reductions strategies for black students.

The first year of the initiative produced several insights about the distribution of educational debt, its causes, and its impact. Schools also discovered practices that had immediate positive impact on the educational debt levels of students. A detailed report on the first year can be found in "67 Theological Schools Share Strategies for Reducing Student Debt.[1] This article will focus on learning from the second year of the initiative. Insights were drawn from a variety of resources including analysis of ATS data, peer group gatherings, and second year reports submitted by participating schools.

Increase in educational programming

During the second year of the project, schools expanded their financial literacy offerings. One of the most significant increases was in one-on-one financial counseling.

One-on-one Financial Counseling by Year

	2014	2015
# of schools offering	30	41
Students participating	960	1,593
Faculty and administrative leaders	41	83
Outside Leaders	75	120

One-on-one financial counseling varied from school to school in terms of target audience, type of mentor, number of meetings, content, and whether participation was required or voluntary. It was consistently named by schools as an effective way of helping students decrease borrowing, create manageable budgets, and increase financial literacy. Several schools moved from small group or larger classroom-based financial literacy programs to one-on-one counseling in an effort to provide a more private space for students to talk about money.

While there was significant increase in one-on-one counseling, several schools noted low participation by students despite initial interest. One school offered a $200 cash stipend but still could not generate interest in its program. In response, some schools decided to require counseling for

1 Deasy, Jo Ann, "67 Theological Schools Share Strategies for Reducing Student Debt," *Colloquy Online*, April, 2015 (http://www.ats.edu/uploads/resources/publications-presentations/documents/67-theological-schools-share-strategies.pdf). Several of the practices highlighted during the first year of the project were first recommended by the Auburn Resource "A Call to Action: Lifting the Burden, How Theological Schools Can Help Students Manage Educational Debt" by Sharon L. Miller, Kim Maphis Early, and Anthony T. Ruger, April, 2014.

all students or for certain high-debt students. Other schools noted student resistance to financial conversations or frustration with mentors who lacked theological training or a solid understanding of clergy finances. These schools increased the training of mentors, looked for mentors who better fit the ethos of the institution, or decided not to continue one-on-one counseling. Several schools commented on the financial difficulty of sustaining one-on-one counseling programs. They had decided to shift to more cost-efficient forms of financial literacy, including moving one-on-one counseling into ministry courses, internships, or financial aid offices. During the next phase of the ECFFM Initiative, ATS will conduct further research to better understand the contexts in which one-on-one financial counseling is most effective.

Co-Curricular Workshops and Forums

	2014	2015
Schools offering co-curricular workshops/forums	37	41
# of workshops/forums offered	120	193
# of students in attendance*	2492	4736
# of faculty facilitating workshops	32	86
# of administrators facilitating workshops	76	90
# of collaborators facilitating workshops	69	115

**This includes duplicates of students who attended more than one workshop at a given institution.*

In addition to one-on-one counseling, there were significant increases in co-curricular workshops and transcripted courses. Many schools made adjustments to their programming in response to direct feedback from students, including increased advertising, use of student consultants, shifts from voluntary to mandatory participation, creation of online options, and focus on requested topics. One institution implemented a community development strategy designed to rebuild its program with input from student leaders.

Transcripted Courses

	2014	2015
Schools offering transcripted courses	20	26
# of courses offered	47	76
# of students registered	883	1,764
# of faculty teaching	60	89
# of collaborators teaching	113	71

Slightly more than one-third of the participating schools reported offering transcripted for-credit courses related to financial literacy and/or financial leadership in 2015. Many more schools reported embedding financial literacy and leadership in existing courses. While growth in the number of schools offering transcripted courses was small (from 20 to 26), the number of courses offered and students participating doubled. Transcripted courses were offered in a number of disciplines including theology, ethics, pastoral theology, spiritual formation, Bible, and the practice of ministry. These new courses were sometimes part of a curricular revision or a mandate to create an ECFFM course, but they were often created by individual faculty committed to the work of the project.

Integrating financial conversations with student services

Student services personnel have been significantly involved in the work of the ECFFM Initiative and have contributed much to our understanding of how financial conversations can be integrated into their work. During the second year of the initiative, many schools focused on changes in financial aid and admissions.

A relational model for financial aid

During a workshop on the ECFFM Initiative at the 2016 ATS Biennial Meeting, Molly Marshall— president of Central Baptist Theological Seminary—described a fundamental shift in financial aid from "procedural" to "relational." A procedural approach focuses on making sure students complete the right steps to access scholarships and student loan funds. The emphasis is on ease and efficiency, ensuring that students are able to access the maximum loan amount. One report described the procedural approach as "a transaction between student and financial institution . . . for which the school had little responsibility."

A relational approach focuses on working with students to determine a financial strategy that will allow them to graduate from seminary with manageable debt for their given vocational goals. This approach may involve personal conversations including financial counseling, but not necessarily. Vanderbilt University Divinity School sends annual letters to all borrowers updating them on their cumulative loan amounts, projected monthly payments, and income needed to make those payments.[2] The emphasis is on providing students with the information they need to make wise financial decisions. While some students see this as an intrusion into their private lives, others report an increased confidence that the institution cares about their financial well-being.

Along with increased communication, a relational approach to financial aid is customizable. As one school reported, "The resources and life circumstances of our students are so varied as to make any generalizations simplistic." Students come with varying resources, life circumstances, and levels of financial literacy. Customizable financial aid involves flexible delivery systems for information as well as multiple options for funding theological education, including course schedules that allow for part-time or full-time work, accelerated bachelor's-to-master's degree programs, student fundraising, and scholarship support, thereby creating multiple pathways through seminary by which students can graduate with little to no debt. Bethany Theological Seminary's customized approach focuses on "Pillars and Pathways." Students are invited to use the five pillars of scholarships, employment, intentional community, financial literacy, and conscious consumption to "create their own unique pathways through seminary with the goal of graduating completely debt free." Lancaster Theological Seminary has restructured its entire curriculum to support students who intend to work full- or part-time.

As with one-on-one counseling, a customizable approach to financial aid can be cost prohibitive. Institutions that appear to be most effective tend to create customizable pathways targeted to their particular students, whether younger, full-time, and residential or older students remaining in full-time positions while completing their degrees. These schools seek to "find a middle ground between 'high-contact' and 'high-information'" and to "identify strategic touchpoints of intervention with the financial aid advising process."

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2 In 2012, the University of Indiana began sending letters to undergraduate students and saw borrowing decrease by 18 percent over three years. In 2015, the State of Indiana made these letters mandatory for all colleges that accept state aid, and in 2016, Kentucky did the same. (Sophie Quinton, "What Happens When You Warn Students about Their Loan Debt?" Stateline, An Initiative of Pew Charitable Trusts, May 19, 2016) http://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2016/05/19/what-happens-when-you-warn-students-about-their-loan-debt? (last accessed 2/15/2017).

Admissions as vocational and financial discernment

Feedback from graduates caused many schools to move their financial literacy conversations earlier in a student's tenure when there was still a chance to change borrowing habits. Current students, however, often felt too busy to take financial literacy courses, did not see them as a priority, or—as one school reported—had already determined their financial plans for seminary. Consequently, schools began including financial conversations and financial literacy training in orientation or in the admissions process itself. Applicants were asked to watch videos on the financial realities of ministry, provided with resources to create budgets, and—in some cases—refused admission if they already had large amounts of educational debt.

Moving financial conversations into admissions, however, raised questions. If students were turned away from seminary due to high debt, whose responsibility was it to help them? Should seminaries provide financial counselors to potential students with high debt levels? Or were they only responsible for students once they matriculated? Would setting caps on the debt levels of incoming students disproportionately impact black/non-hispanic students who are disproportionately impacted by educational debt in the United States? How should seminaries respond to the financial decisions students make before they even think of applying to seminary?

Several theological schools embedded in or connected with undergraduate institutions are reaching out to offer financial literacy courses and begin conversations with undergraduate students considering ministry. Others are recommending financial counselors to help potential students develop plans that will eventually enable them to matriculate. The School of Theology at the University of the South has developed a training program to "equip laity and clergy with tools for discerning new calls, energizing leadership, and freeing entrepreneurial groups to launch thriving ministries."[3] Through its Beecken Center, the school partners with Episcopal dioceses to help congregations identify and support future seminarians while also helping renew the church.

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3 "Living in the Green," a program of the Beecken Center of the School of Theology at the University of the South. Accessed online at http://beeckencenter.sewanee.edu/programs/living-in-the-green (March 2017).

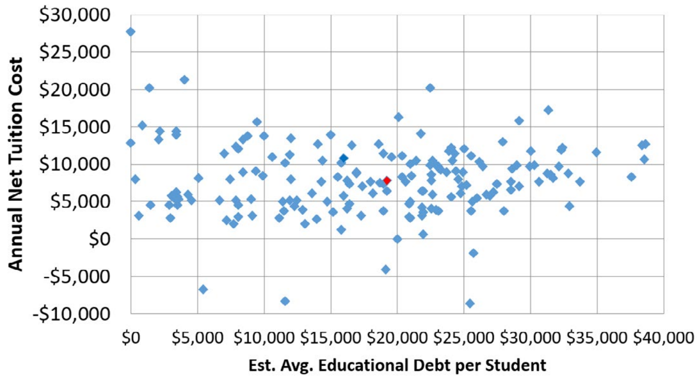
Moving financial conversations to admissions has raised questions about how we measure the effectiveness of admissions processes. At many schools, admissions officers are judged by the number of applicants who enroll in degree programs. It is assumed that more entering students means more tuition income, and budgets are often based on the number of new students enrolled each year. Some schools, however, are challenging the idea that more is better. Instead, they are focusing on recruiting financially healthy students because they believe, as one school reported, that "financial literacy and the associated issues are inextricably tied to retention." At least one school is working on a new budget model based not on full-time equivalency but on the number of part-time students attending each year. Others are working on billing models tied not to credit hours but rather to academic years, charging a flat fee per year that is paid on a monthly basis. In these new models, student financial health and student retention become just as or more important than the number of new students enrolled.

Addressing broader systemic issues

Changes to financial aid and admissions were part of a larger shift toward addressing systemic issues associated with the economic challenges facing future ministers. Many schools recognized that lowering tuition was not enough. Systems of financial support for students and seminaries needed to be rebuilt. Future ministers needed to be equipped to financially lead. "Financial Literacy," wrote one school, "must be a significant part of a student's life on campus and . . . resources must be available to help students while on campus, when they get to their first calls, and for their entire ministry. It is a systemic issue and must be addressed at all levels." Another described how its research "revealed profound complexity," suggesting the need for "a host of diverse strategies in several realms . . . to create a reinforcing web strong enough to truly facilitate lasting pastoral formation . . . while also fostering positive economic outcomes in the lives of students and alumni/ae."

Addressing more than tuition

One key learning from the first year of the initiative was the lack of correlation between average educational debt and net tuition at ATS schools.



While lowering tuition is important, it is not sufficient to address the issue of educational debt. Other significant factors include undergraduate debt, high living expenses, economic disparities within the United States, family obligations, etc.

As the grant has continued, more schools have intentionally addressed economic issues beyond tuition. As mentioned above, this has included strategies to address undergraduate debt, shorten degree programs, increase distance programs that allow students to stay in jobs and communities of support, and subsidized housing. One of the peer groups focused on strategies to help students "live simply," including cook-offs, book exchanges, and clothing drives. For several schools, simplicity was a part of their theological heritage. At these institutions, simplicity not only was expected of students, but was modeled by faculty as well.

The peer group raised two questions related to the focus on simplicity. First was a concern about using the language of "living like a student." A call to vocational ministry may require a person to "live like a student" for the rest of his or her life. In many denominations, pastoral salaries are decreasing,[4] and an increasing number of graduates are pursuing bivocational ministry.[5] Does the language of "living like a student" fail to prepare students for the long-term financial sacrifices that may be required of

4 Preliminary data from a mapping survey of ATS alumni/ae, almost 30 percent of alumni/ae reported personal cash incomes of less than $30,000/year, and 20 percent reported disagreeing with the statement "I have adequate income to meet my monthly living expenses."

5 Among 2015–2016 graduates planning on pursuing ministerial work, 32 percent were planning on bivocational ministry. Among black/non-Hispanic graduates, 58 percent were planning on bi-vocational ministry. Source: The 2015 ATS Graduating Student Questionnaire.

them? Might it be better to talk about simplicity in terms of long-term discipleship or part of a call to ministry?

The peer group also discussed what it might look like for an institution to develop a broader culture of simplicity. As mentioned above, at several schools faculty modeled simple living in their personal lives. What might it look like for an institution to model simplicity, not just in response to economic constraints but instead in their long-term planning? How might simplicity inform decisions about curriculum, strategic planning, financial structures, physical plant, and other aspects of theological education?

Rebuilding systems of financial support

One of the central goals of the initiative was the development of partnerships to address the financial challenges of theological education. These partnerships often provided the opportunity to rebuild and expand existing relationships with sponsoring denominations, donors, and supporting congregations and included new capital campaigns designed to inform constituents about high levels of educational debt and to create new scholarships for seminary students. In other cases, partnerships involved working with denominational offices to create new loan structures, provide continuing education for graduates, or equip financial leaders in local congregations or broader communities. One of the schools located in an economically challenged region is working in "partnership with financial planning teams, lending institutions, financial consultants, investment brokers, and other community activists to address the systemic issue of financial literacy.

Increasing numbers of seminaries are equipping and empowering students to do their own fundraising. Gordon-Conwell Theological Seminary was one of the first seminaries to deputize its students to do fundraising on behalf of the institution, using the ECFFM Initiative as an opportunity to evaluate and expand its already well-established Partnership Program. During the first two years of the initiative, several institutions adopted similar models, providing training and, in some cases, matching funds for students who raise money to finance their education. These schools see fundraising not just as a means to pay for seminary but also as an essential skill needed by future ministers. Most schools have adopted a "missionary" or "parachurch" model, raising support for individual students. This model of fundraising, however, does not always match the financial culture of students. Some students are more likely to start a nonprofit ministry but, as one school reported, these students need help filing the official paperwork and putting structures in place to support their efforts.

Schools are also working hard to develop more paid internships. These internships, reports one school, "foster a three-way commitment" to meeting the cost of theological education. They "enable [schools] to work with partners in designing internships that meet real needs" while giving students "the benefits of expert supervisory support" and "help[ing] partners see the benefits of graduate-level ministerial leadership." Many schools have struggled, though, to find congregations willing or able to pay an adequate wage. One school observed that "local church laity were so consumed with the congregation's micro-level finance and budget issues that they could not comprehend the macro-level issues like clergy compensation and educational debt." During a peer group gathering focused on developing partnerships with congregations, Dan MacLeay, ministry residency program coordinator at Denver Seminary, reminded the group how important it was to listen to the needs of congregations when establishing new internships. MacLeay argued that partnerships with congregations are most effective when the seminary and congregation work together to create an internship that is financially beneficial to both student and congregation.

Other schools struggled to find students interested in the paid internships they offered. Students were unwilling to work in churches that were theologically or culturally different from themselves or to take positions that did not fit their particular ministry focuses. The schools were surprised that students were not grateful just to have a job or willing to serve in whatever capacity the church needed.

Equipping future leaders

The second way schools are addressing systemic issues is through educational programming designed to prepare students for financial and administrative leadership within communities of faith. Topics range from fundraising and entrepreneurship to congregational leadership and financial management for nonprofits. Some courses are taught by existing faculty or staff with a finance or ministry background, others by adjuncts from the local community, partnering denominations, or nonprofits focused on financial leadership. Such partnerships increase student "trust in the knowledge of financial experts within the parish community" and are "a major step forward in establishing pastoral leadership that works with people rather than against them." Schools are also partnering with congregations to create internships focused on leadership skills and the business aspects of ministry. Seattle University, for example, spent the first year of its grant period forming two different teams to help create new financial leadership courses. An advisory committee made up of financial officers from several partnering denominations develops case studies. A planning team including faculty from the seminary and the school of business are wrestling with different languages, philosophies, and pedagogies to create new integrative courses designed to address financial leadership in congregations and nonprofits.

Schools have struggled to get students enrolled in these practical courses. Such skills are often not given high priority by seminary students. One student commented that prior to seminary she was "resistant to learning about financial management in congregations because [she] associated stewardship with being a CEO." Fortunately, this student enrolled in a "Money and the Mission of the Church" course and realized that stewardship was "actually about our relationship with God and with one another." Alumni/ae, however, are often eager to enroll in such courses, especially when they do not have direct access to strong continuing education programs in supporting denominations. As with discussions related to admissions, work with alumni/ae raises questions about the boundaries of theological education and the roles seminaries should play in continuing education for alumni/ae, clergy, and the wider public.

Breaking the code of silence

One theme that emerged during the first year of the grant was a "code of silence" related to debt and finances. This "code of silence" was often related to a culture of shame and blame surrounding the topic of educational debt. Students felt internal guilt about their spending habits, felt their "bank accounts existed outside the realm of God's presence," and reported suffering from anxiety that impacted their "sleep, health and hygiene, and spiritual wellness." Some also reported feeling "shamed by those (on campus) with more financial stability" or "blamed for the cost of the education the church encourages them toward or, in many cases, requires of them." Within the initiative, several schools have shifted from the language of "student debt" to "educational debt . . . to acknowledge the shared responsibility for the cost of seminary education among all parties: student, church, and seminary." They report: "Students appreciate the inclusive acknowledgment of all the stakeholders." As one school summarized, "Debt—even so called 'good debt' like student loan debt—is often a private and emotionally charged issue for students . . . . Accordingly, it is often difficult to engage students effectively on this topic."

Students also seemed to be unaware or unwilling to face the potential impact debt would have on their futures. In the ATS Graduating Student Questionnaire, students were asked if they were able to manage financially while in seminary. Data from 2017 reveals that over 45% of graduates who incurred debt of more than $40,000 agreed or strongly agreed with the statement that they "had been able to manage financially," suggesting that students may be unaware of the potential impact of such large amounts of debt. This potential lack of financial awareness was reflected in one participating school where students self-reported a very high understanding of their financial situations, but one-on-one meetings with the financial literacy advisor revealed that this was not actually the case.

Many schools have discovered that breaking the code of silence requires changing institutional cultures and challenging assumptions about debt and finances. It requires a more nuanced discourse about debt that recognizes multiple cultural and theological perspectives. For example, a class on fundraising was talking about a progression from grace to gratitude to generosity in response to money, a concept grounded in a guilt-based discourse. Asian students in the class, who came from a shame-based culture, struggled to understand the concept. Another school reported that when "staff demonstrated cultural sensitivity and understanding of the issues, the project became a simpler and more transparent experience." Cultural change, noted one school, "takes longer than anticipated… a handful of champions must keep moving the cause forward for lasting cultural change." Schools are recognizing that they need to "bring more overall awareness to the seminary faculty and administrators so there is a holistic approach" to their programs.

Finding the right entry point

While some schools reported immediate success engaging students, faculty, and administration in the grant, others reported more mixed results and, in some cases, resistance to the initiative. Second-year reports highlighted several schools that effectively made adjustments to their projects, slowing timelines to build trust within the community and with constituents through workshops, research projects, and one-on-one meetings designed to listen to people's needs and concerns. At many schools, faculty played a crucial role in developing trust with the student body. When faculty shared personal stories about finances, asked financial questions during advising sessions, and showed concern about the financial choices students were making, schools reported that students were more likely to participate in various aspects of the initiative.

For several schools, however, it was not just about building trust. It was about finding the right entry point for the initiative. Many schools started their projects by addressing personal financial literacy with their students. They reported students who "were asking for practical help more than biblical or theological," who wanted to delve deeper into discussions of "savings, retirement, and insurance needs." They utilized readily available tools and training programs as well as local financial experts. However, some schools reported that students were frustrated when financial literacy interventions did not match the theology of the school or the financial contexts of the students. At one school, students were "offended by an over-emphasis on fundraising within a pro-capitalist framework with little theological or ethical depth or dissatisfied with the absence of presentations on ministerial or broader religious leadership."

Schools adjusted their programs by finding new financial literacy programs or developing programs of their own. Some shifted from questions of personal financial literacy to systemic issues such as financial inequity in the United States or the global economy. Each school had to find the right entry point to discuss money and finances within its own institution.

Schools in the midst of institutional transitions—including curricular revisions, new degree programs, changing leadership, or financial challenges—used these transitions as entry points for conversations about the economics of theological education and ministry. These schools focused on research related to educational debt, financial analysis of scholarship programs or current administrative structures, curricular revisions, and capital campaigns.

During the next phase of the grant, ATS will research the various entry points, trajectories, and measures of effectiveness being used by participating schools, with the goal of determining which approaches or combinations of approaches are most effective for various institutions.

Conclusion

The ECFFM project has slowly unfolded over the last few years. Early learning focused on educational debt levels and personal financial literacy. The second year of the project addressed more systemic issues including the relationship between educational debt and tuition, the culture of silence around money and debt, and the webs of financial support for future ministers, theological education, and the communities of faith they serve.

The project, however, has also raised several questions. First, many schools report their projects as having an immediate positive impact on the financial lives of students. Schools note a decrease in the overall number of students taking out educational loans. At some schools, this decrease has been sudden and dramatic. However, few schools are able to report a decrease in the average amount students borrow. Students taking out loans continue to borrow greater amounts. An ever-widening gap is developing between low-debt and high-debt students at several institutions. More research is needed to determine effective strategies for helping students with the highest levels of educational debt.

A second, related question has to do with educational debt among black students. The wealth gap between the black community and other racial/ethnic groups in the United States, the disparity in wages, and the impact this economic injustice has on historically black institutions, including theological schools and churches, all have a significant impact on how debt operates in the lives of black students. More research is needed on the financial ecology of black seminary students and historically black theological schools in order to determine effective strategies for addressing these economic issues.

A third question has to do with new educational models emerging in theological education, including revised curriculum, part-time or online programs, and accelerated bachelor's-to-master's programs. A few schools have attempted more broad-reaching systemic changes, including new tuition structures, enrollment management strategies, and competency-based approaches. While many of these new models were intended to lower educational debt, the changes are too recent to determine their actual impacts on debt or the finances of the institution.

Much of the learning related to the ECFFM Initiative has focused on students and theological schools, but the intent of the grant is much broader, seeking to address the economic challenges facing congregations and other communities of faith. The goal is not just lowering educational debt but also equipping financially literate and theologically wise leaders. As theological schools send out graduates with less debt and more financial skills, those graduates help lead more financially healthy congregations, which are then able do more ministry, give more money, and send more financially healthy students to theological schools. The result is a virtuous cycle that renews the entire system rather than just the individual student. Such work takes time, patience, and perseverance.

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