



# Clearing the road to ministry

Theological schools and churches address the problem of student debt

By Matt Forster

**P**OP FINANCIAL GURUS like Suze Orman and Dave Ramsey regularly preach prudent spending and increased saving, emphasizing the importance of living without debt. But this advice rings hollow to students working their way through theological school. As the cost of education rises, theological students often find that loans are the most expedient way to fund that education, making it possible for them to respond to their call to ministry. The ironic result: More and more students are graduating with a debt load that makes it difficult to pursue their vocations.

In its New Year 2006 issue, *In Trust* published a review of a recent report from Auburn Seminary's Center for the Study of Theological Education. Titled *The Gathering Storm: The Educational Debt of Theological Students*, the report indicated that between 1991 and 2001, the percentage of students borrowing more than \$30,000 grew from 1 percent to 21 percent. More than half of master's of divinity students graduated with no debt in 1991, but by 2001 only 37 percent graduated with no debt.

Since then, the cost of education has continued to rise. In December, an article in *The New York Times* called "College May Become Unaffordable for Most in U.S." predicted that higher education would be out of the reach of most Americans within 25 years. Even before the current recession began, higher education was becoming increasingly difficult to afford, with its cost growing 439 percent between 1982 and 2007.

For graduate-level theological schools, higher costs may (or may not) translate into fewer students in coming decades — some initial reports indicate a larger number of applications. In the short term, however, the rising cost of education means that students are not only borrowing more during seminary, but they are also bringing significant debt with them to seminary.

At a time when schools are facing their own financial difficulties — endowments have been hit hard by the stock market dive, and cuts are being made everywhere — school administrators and board members are taking the problem of student debt seriously.

**Nazarene Theological Seminary** in Kansas City, Missouri, instituted a policy about ten years ago that when a student's total educational borrowing approaches \$35,000, the student is required to submit a plan outlining how to repay the loans.



D. Martin Butler, dean for administration and student services, and the director of financial aid must approve the plan. If they do, the student may take out future loans. If not, Butler has a face-to-face meeting with the student to discuss finances.

"In cases where the student is obviously out of touch regarding how they will ever be able to make such large loan payments, I sometimes encourage them to slow down their seminary career so as to be able to pay for tuition without borrowing," says Butler. "I also encourage them to look at alternatives such as seeing if their home church will provide resources to help them continue their schooling."

Other schools are putting the issue front and center before their donors to increase scholarship funds. And some denominational leaders and funders are working from their end to help.

### Debt-free Baptists

**Campbell University Divinity School** in Buies Creek, North Carolina, has a reputation for graduating students with essentially no seminary debt. Kelly M. Jones, the director of admissions, reports that students have a variety of options for funding their education without turning to loans. The most significant is the number of scholarships students can claim.

"We are a Baptist-affiliated school, and many of our students are Baptist," Jones says. "The Baptist state convention in North Carolina provides a grant for students who are members of churches associated with the state convention." At the same time, the school's Baptist students can avail themselves of grants from the Charles B. Keese Educational Fund, which provides funding for graduate students who plan to enter full-time ministry and attend one of ten fund-approved schools. Together, those two resources cover students' tuition.

For non-Baptist students, who account for about a quarter of the student body, other donor-funded endowed scholarships provide financial assistance. Naturally, the school also encourages those students to pursue resources through their own denominations.

Federal loans are available for seminarians, of course, but there's no requirement for students to complete the Free Application for Federal Student Aid, and the school doesn't encourage students to pursue federal loans. Students tend to follow the school's lead and look for scholarships and grants. Also, the average age of a Campbell student is 36 or 37, an age at which students are

more financially stable, more likely to have a working spouse, and less likely to pursue student loans.

### Donors catch the vision

The **Graduate School of Theology at Abilene Christian University** in Abilene, Texas, is another school that is addressing student debt through scholarships and grants. Currently, seven or eight students receive full-tuition scholarships each year, and the school wants to increase that to 50 full-tuition scholarships — a number that's within striking distance of their full-time-equivalent student body of 79.6. In the past 10 years the university has received two substantial gifts, increasing the number of scholarships offered.

In 1998 the school received over \$26 million from the family of Texas philanthropist Grace L. Woodward. The Woodward gift provides about \$650,000 per year for scholarships for theology students. Then, in 2005, Abilene business owners Lacy and Dorothy Harber pledged a testamentary gift of \$10 million — funds that will go exclusively for debt relief for theology students.

Donor education has been central to the school's funding of new scholarships. For several years, Jack Reese, the dean of the Graduate School of Theology, has been telling donors stories of students who graduated with substantial debt and would not likely have enough income to pay back the loans. He makes no apologies for telling sad stories to donors. "We tell those stories to potential donors," he says — "specific stories of specific families — because we think that it is that important that these students be able to do what they are called to do."



*Campbell University Divinity School works hard to help students like (left to right) Jenny Lee, Holly Raby, and Jessica Condrey avoid student debt. The state Baptist convention gives a grant for each student who is a member of a convention-affiliated congregation, and other financial aid covers most other educational costs.*



*The Lutheran Church — Missouri Synod is instituting church-wide policies that encourage theological students to face financial realities in a realistic manner. The goal is that seminarians like Kyle Mietzner, who is currently serving his vicarage (or internship year) at Gloria Dei Lutheran Church in New Orleans, will be able to begin full-time ministry without a crushing load of debt.*

In 2006, the university distributed *In Trust's* article on the Auburn Center's report, *The Gathering Storm*, to its board members and school administrators. The article was used to reinforce the message that student debt is becoming a significant issue. It served to educate those whose responsibilities include educating donors.

### **A denominational approach**

Seminaries are often limited in the influence they can have on any given issue. In fact, the problem of student debt often starts before students walk through the seminary door, and low clergy pay usually adds to their problems after they leave. There are precious few opportunities to help students monitor their debt throughout their entire educational career. But The Lutheran Church — Missouri Synod's system of schools provides its denominational leaders with a unique opportunity to address the problem of student debt in a holistic fashion.

The Rev. Glen D. Thomas is the executive director of the Board for Pastoral Education of The Lutheran Church — Missouri Synod, which is based in St. Louis. He is concerned about the debt that

graduates of the denomination's seminaries are carrying into ministry. The church operates two graduate theological schools — **Concordia Seminary** in St. Louis and **Concordia Theological Seminary** in Fort Wayne, Indiana. In addition, 10 colleges and universities make up the church's Concordia University System.

More than half of the students at the two Concordia seminaries are graduates of Concordia System colleges. To be enrolled in either school's M.Div. program, a student must be a member of a Missouri Synod congregation and must be preparing to serve as a pastor in the church. Not surprisingly, Thomas' board is in a unique position to institute policies that have a significant effect.

In 2007, the Missouri Synod's national convention passed a resolution addressing the funding of theological education. Thomas was encouraged by the move, since it recognized that funding theological education is a churchwide issue, not just a problem for seminaries to address. But it also recognized that the seminaries themselves need to maintain their economic vitality.

Thomas recently received a grant from Thrivent Financial for Lutherans to look at the problem more deeply. As he sees it, any solution must consider three components:

- Debt that students bring to seminary
- Debt incurred while a student is in seminary
- Solutions for paying down debt after seminary

"I don't think we can put all of our eggs in any one of those baskets," Thomas emphasizes. "It's going to involve a collective approach to the challenge."

Thomas says that schools need to be forthright with incoming students about the transition to seminary — especially about financial realities. The Concordia seminaries now have a policy that if a student's incoming educational debt is more than \$30,000, the applicant must provide a written statement explaining how he intends to handle that educational debt. Students are not denied admission because of debt, but the exercise provides an opportunity to think through their current financial situation and consider how those loans will be managed in the future.

Thomas is already seeing signs that Missouri Synod congregations are rising to the challenge of greater support for seminarians. "Four of the 35 geographical districts in our church body have a program that assists students with the debt that they carry with them into pastoral ministry," he says. And in a few congregations, part of the process of calling a student into ministry includes thinking through the ways in which the congregation will partner with the future pastor in the repayment of educational debt.



## Ecumenical outreach

The mission of the Fund for Theological Education (FTE) is to foster vocations among young people, encouraging them to enter ministry or theological teaching. Based in Atlanta, the fund provides scholarships for undergraduate and graduate students. It also has built programs in individual "calling congregations" and in universities to encourage young people to think about becoming pastors and teachers. Melissa Wiginton is the vice president for ministry programs and planning for FTE. She says the topic of debt cannot be avoided.

Recently FTE increased scholarship funding for participants in its Ministry Fellowship program, which supports second-year seminarians pursuing a self-designed ministry project. As part of the scholarship, students complete an extensive questionnaire and meet with a financial consultant who takes a close look at their financial records. The consultant then makes recommendations on how to spend the extra \$3,000–\$5,000 they receive. Usually about 60 percent of the award provides some sort of financial assistance, like paying off a car loan or a credit card.

## Call to action

Debt is an important part of the system of higher education, and with no lending system at all, higher education would be beyond the reach of many students who now benefit from it. But unmanageable debt has become pervasive. It's true that seminary leaders have relatively little influence on their own. Students take on debt long before they enter theological schools, and their future earnings are usually

set by the denominations and congregations they will serve.

But school administrators and board members are not powerless, and by tackling the issue from multiple angles, they can achieve significant change while preserving the financial vitality of their schools. Some possible approaches:

- **Church relations.** At some schools, donor education includes being frank about student debt and the need for scholarships. Donors can sometimes catch the vision that student debt is harming the long-term health of the church. At the same time, boards, staff, and alumni must always be vigilant in communicating the value of theological education to congregations.
- **Reality checks.** Some schools are enacting policies that require students to face the reality of their finances.
- **Professional help.** Many students need help in managing their current debt. That may mean hiring financial counselors to work with individual students or teach seminars.

Even as seminaries themselves are struggling with debt, some school leaders are realizing that without some response, students will increasingly fall behind in their financial obligations after graduation. The question that some administrators and boards are asking is whether their theological school is achieving its own mission if its graduates can no longer afford to go into ministry. **IT**

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## FundFinder

[www.thefund.org/programs/fundfinder.phtml](http://www.thefund.org/programs/fundfinder.phtml)

The FundFinder, which is full of links just for financial aid for theological education, is the most visited page on the Fund for Theological Education's Web site. Resources are organized by categories, and the list is searchable.

## Auburn media packet

Auburn Seminary's Center for the Study of Theological Education has assembled a media packet to serve as a resource for financial aid planners. It is intended to enable discussions with new students about financial planning. Included in the two-disk DVD set is a 30-minute professionally produced video that features interviews with seminary graduates who speak candidly about their student loans. The kit was distributed to all ATS-accredited schools. For more information, or to order a packet, contact Sharon L. Miller, associate director of the Center for the Study of Theological Education, at (212) 662-4315 or [slm@auburnsem.org](mailto:slm@auburnsem.org).

