
A REPORT ON FINANCIAL ISSUES FACING THEOLOGICAL EDUCATION

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Introduction

The high cost of theological education is in part due to the high overhead that comes with being an accredited program offering federal student aid. Most such education is founded on traditional educational delivery modes necessitating physical campuses, while federal student aid and accreditation standards add layers of regulatory requirements. Together, they generate much of the fixed costs that schools cannot recover from relatively small enrollments. Such standards and regulations, though, are required to protect the student from substandard education, and to protect the public from unqualified graduates. An institution may still adhere to the ethical elements that are part-and-parcel of accreditation and regulatory compliance, but may accomplish that in ways that are more cost-effective to deliver an ethical theological education for less student cost.

Accreditation

At its core, accreditation assures constituents that certain quality benchmarks are being met for a school's mission fulfillment, educational content, and institutional integrity. The process for traditional accreditation is lengthy, typically five years or more from the graduation of a school's first class. This period is necessary to gather the data and other evidence necessary to prove institutional effectiveness and stability, necessary for community, indeed, national credibility. Since 1918, the Association of Theological Schools has been the standard accrediting body for seminaries and religious training programs that seek recognition from a higher body. In their document "Procedures Related to Membership in the Association of Theological Schools," the ATS lists the requirements for membership eligibility, which include having operated long enough for at least one group of students to have completed the requirements for graduation, having an adequate number of full-time faculty, a sufficiently sized student body, and exhibiting quality, stability, and permanence.¹

Regulatory

Many schools participate in federal student aid, Title IV, programs, including federal student loans. Such participation requires conformity with the comprehensive standards dictated by the federal government, often in the form of unfunded mandates for student safety, non-discrimination, student access, and financial stability. This last is to ensure the school's long-term viability to deliver the promised student programs.

Cost

¹ "Procedures Related to Membership in The Association of Theological Schools," ATS: 2004, <http://www.ats.edu/uploads/about-ats/documents/association-procedures-related-to-membership.pdf>.

Conformity to accreditation and regulatory standards adds costs beyond the direct education costs to address the various imposed performance benchmarks. For instance, maintaining compliance with Title IV requires specific staff positions and staff time; likewise, maintaining accreditation requires a certain amount of infrastructure and staff, such as a library, six to ten full-time faculty, and an appropriate governance and administrative structure. Schools with small enrollments, a common characteristic of theological education attributable to geographical location of physical campuses, denominational differences, and theological differences, cannot spread these costs across a sufficiently large student body, eliminating opportunities for efficiencies of scale.

Alternative Credentialing

The delivery of knowledge is not a sufficient driver for students to pay high costs for theological education. There is much free content available to those seeking such knowledge. Note that the Massachusetts Institute of Technology makes available many of their courses for free viewing, meaning the educational content is free. Students must pay for the MIT diploma. Therefore, the student is paying for the MIT process of personal development, professional development, mentoring, and all other qualities that are ultimately expressed by the MIT diploma. The challenge in alternative theological education is to develop an alternative credential that will be universally recognized professionally (if not academically, which may remain the domain of ATS-accredited institutions).

Some mainline denominations are recognizing that the current MDiv model is too expensive and unnecessary for serving the needs of a congregation. Rather than the broad recognition that ATS-accredited degrees enjoy, these denominations have developed their own alternative credentials, recognized within their limited denominational context.

The value of a credential depends on the broadness of its recognition and its portability from setting to setting. The mainline denominational alternatives are generally not portable outside of the respective denominations that grant them. The ATS-accredited degree is the most portable, broadly recognized across the theological spectrum.

In creating a new form of credentialing, the RTE project must first consider where it wishes to locate its credential along the spectrum of portability, recognition, and acceptance. Further, the credibility of any such credential depends upon the reputations of the credential-holders and the mutual recognition and acceptance of the credential amongst all holders to build a public acceptance of the credential's quality standards. One way to accomplish this is by creating a professional organization or society.

The challenge is to build a sufficiently large credential-holder/membership base to generate adequate revenues to support the relatively high fixed costs described in three sample budgets prepared by this group—one assuming lower fixed costs and high sales, one based on lower fixed costs and low sales, and one based on higher fixed costs and low sales. In the ATS business model, a relatively small number of

institutions are accredited, but the accredited institutions pay annual fees exceeding several thousands of dollars in addition to extra fees required for regularly scheduled accreditation visits, appeal fees, and penalty fees. The model presented here involves many individual credential holders, similar to a professional organization such as the American Institute of Certified Public Accounts, or the American Society for Quality, both of which credential their individual members through structured examinations and professional development opportunities. Further, student involvement in such a professional organization would provide extracurricular activities and programming to supplement traditional and non-traditional curricular theological education.

A professional organization would be governed by its members who would mutually hold each other accountable for professional ethics via a peer review process. Peer review can take the form of sitting for professional examinations, refereed publications, professional conferences, or some other form of review to be determined as economically and practically feasible. In this way, credentialing could be verified to uphold defined quality standards for its membership.

Revenues

Revenues are predicated on sales, which are directly related to the value proposition posed by the credentials' real and perceived quality among potential credential holders and among their potential clientele. Support services to credential holders may provide a further source of revenue for administration, professional development, and networking. Such services in the RTE network might include a shared platform for online education (an expensive proposition for many start-up or alternative theological

programs), access to consultants on pedagogy and curriculum design, or access to business and financial consultants. Marketing and sales to hundreds or thousands of individual practitioners will take considerable effort and will depend on the quality, and reputations of the founding members, plus their considerable professional networks to bring aboard the next circle of members. The attraction for new members would be their association with leaders in the profession and their access to services rendered by the professional organization.

Expenses

Expenses for a credentialing enterprise are largely related to marketing and sales and to the control of the credential-holders' quality standards and of credential use. There is a high, initial, fixed cost necessary to generate revenues through marketing and sales to find potential credential-seekers and to convince them of the value of such credentialing to help them generate clients of their own. The other large endeavor is to ensure that credentials are controlled as to the quality of the credential holders and the authorized use of any and all credentials to protect the credentials' integrity and quality in all respects. An initial budget for a professional organization or network of this type will likely include substantial amounts for travel, web development, marketing consultants and advertising, as well as significant staff support for relationship-building.

Summary

The development of a professional organization or society of theological practitioners would provide a forum for professional development, mentoring, peer review, and credentialing. This would bring a new form of credibility for those practitioners outside of

traditional settings of the academy and the denominational church. A new paradigm for credentialing a new generation of theological and spiritual leaders is needed to protect the profession and to protect an unsuspecting public from unqualified practitioners. Controlling and protecting the credibility and quality of the profession is in the practitioners' interests, creating the potential for revenues to support the considerable expense of providing said protections. Such alternative credentialing may well represent the future of preparation for ministry, as the traditional, denominational, and academic credential settings continue to decline.