



Since 2012, the General Board of Higher Education and Ministry (GBHEM) has collected debt-related data through the Seminary Indebtedness Task Force to better understand the obstacles facing certified candidates for ordained ministry in The United Methodist Church. The Seminary Indebtedness Task Force was charged by the General Conference 2012 with creating a denominational plan to reduce and eliminate seminarian debt (Petition 20868):

### Clergy Indebtedness Task Force (20868-MH-Non-Dis)

The Church Systems Task Force recommends that the General Board of Higher Education and Ministry convene a task force to address financial assistance and seminary indebtedness for seminary students by:

addressing both Resolution 218 (Financial Help for Seminary Students) and Resolution 233 (Seminary Student Indebtedness) from General Conference 2004;

developing a denominational plan to reduce or eliminate seminary debt for certified candidates intending to enter ordained ministry;

including persons with diverse backgrounds and expertise to develop funding sources;

preparing a report and recommendations for presentation to the Connectional Table and Council of Bishops no later than 2015; and

submitting the report to General Conference 2016.

### *The Denominational Plan*

The task force created the following plan, divided into four focus areas, to promote awareness, assistance, maintenance and prevention to the burden of educational debt among United Methodist clergy.

**I. RESEARCH:** Understanding the current educational debt reality for United Methodist candidates for ministry, provisional members, elders and deacons through GBHEM research.

### **II. COLLABORATION:** Engaging

denominational constituents in conversations who are directly involved in the ecology of call for a pastor.

**III. INTERVENTION:** Identifying assistance opportunities for clergy in need of current debt relief.

**IV. PREVENTION:** Identifying proactive assistance to prevent future unmanageable debt burdens for clergy.

### *I. Research*

The following summarizes the Seminary Indebtedness Task Force's work over the past quadrennium in data collection and analysis.

In a 2014 survey conducted by GBHEM, clergy and candidates for ordination aged 35 and under most commonly identified finances as a barrier to ordination or other professional goals in ministry. In the 2013-14 academic year, the 13 United Methodist theological schools reported providing over \$32 million in institutional scholarships and grants to students. That same academic year, these institutions disbursed over \$42 million in total Stafford loans, private non-Federal Loans and Perkins loans.

GBHEM received undergraduate and graduate-level educational debt information from 11 of the 13 United Methodist seminaries in the U.S. for each United Methodist Master of Divinity graduate in the 2013-2014 academic year. Of the students, 28.7 percent reported graduating with no debt. Graduates who borrowed averaged \$22,048.29 in undergraduate debt and \$44,319.16 in graduate-level debt, **for a total average debt of \$66,367.45.**

For all active, full-time provisional elders and deacons with two years or less of service, the **median total**

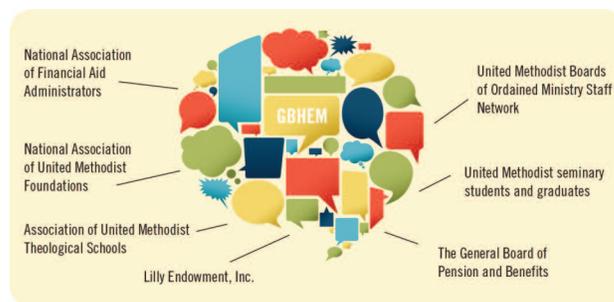




annual compensation is \$49,742 ([see full compensation report here](#)). This includes a median annual base salary of \$38,000 plus housing allowance or parsonage. Using this median income and standard interest rates of a 10-year payment plan, a new provisional member can reasonably afford a monthly debt payment of up to \$409. This equates to a **financial aid critical debt level of \$35,500**—a figure the average debt load of a United Methodist seminarian graduate well surpasses. Many individuals reported student debt at more than double this critical level.

GBHEM is working to improve existing data collection with theological schools and developing a systematic way for annual conferences to annually report ordinand seminary information and local pastor course of study information. The agency is also analyzing data from Ministerial Education Fund distributions and the Office of Loans and Scholarships, specifically as it relates to clergy finance and debt.

### II. Collaboration



GBHEM has facilitated, led and partnered with intentional on-going meetings over the past quadrennium among United Methodist theological schools, annual conferences, foundations, local churches and other entities to collaborate in data collection and analysis that will help identify specific student needs. Such conversations took place at the annual meetings of the National Association of Financial Aid Administrators, Association of United Methodist Theological Schools, and National Association of United Methodist Foundations. Other joint meetings included the Boards of Ordained

Ministry Staff Network, deans and financial aid officers of the 13 United Methodist theological schools, and other leaders in United Methodist theological education across the U.S.

In February 2015, the General Board of Pension and Health Benefits, in partnership with GBHEM and the Texas Methodist Foundation, were awarded a \$50,000 planning grant by Lilly Endowment, Inc., to help the Church improve financial literacy of pastoral leaders and their overall financial well-being, as part of the *National Initiative to Address Economic Challenges Facing Pastoral Leaders*. In August 2015, the three organizations submitted a collaborative implementation grant proposal for this initiative. This grant will allow for evaluation of proposed programming and continued monitoring of finance-related data over the next quadrennium.

### III. Intervention

The average cost of tuition, books and fees to attend one year of seminary is \$20,000. Adding \$19,000 for



cost of living expenses, **the total cost of attendance for one year of seminary averages \$39,000.**

Educational assistance is available at all levels of the Church for candidates in ministry. Students may inquire about these opportunities from their local church, theological school and annual conference, as well as from the general agencies and foundations of the Church.

A sample financial aid package for one academic year for a full time MDIV degree [can be found here](#); and an example list of resource links to United Methodist scholarships, loans and grants available to students and young clergy [can be found here](#).

Federal student loan service providers also offer student borrowers government-approved repayment options. These programs include income-based reduced payment plans, extended repayment periods, and a public service loan forgiveness program to assist



the borrower. (Recommended review: Heather Jarvis [www.askheatherjarvis.com](http://www.askheatherjarvis.com) is a helpful resource around federal education loan repayment options and she is an advocate for student borrowers.)

Annual conferences and foundations of the Church continue to develop additional creative intervention strategies to alleviate clergy debt and educate candidates, provisional members and clergy on refinancing, reducing and eliminating existing student loans. Existing programs include the [Foundation for Alabama-West Florida Annual Conference “Stegall Seminary Scholarship,”](#) the [Florida Annual Conference Board of Pension and Health Benefits’ “Passing the Torch”](#) program, the [Oklahoma United Methodist Foundation’s “Oklahoma United Methodist Pastor Education Fund,”](#) the [New England Preachers Aid Society’s Higher Education Loan Program](#), and the [Texas Annual Conference Emerging Leaders Initiative’s](#) grant program for young, gifted, diverse clergy.

In 2014, the Young Clergy Initiative Fund (YCI) awarded grants to three annual conferences focused on assisting young clergy to prevent debt and become models of faithful stewardship: the **Florida Annual Conference**, the **Texas Annual Conference Emerging Leaders Initiative**, and the **Inve\$t YC** program in the **Western North Carolina Annual Conference**. A full list of YCI grant recipients can be found at [www.explorecalling.org/yaci/awards](http://www.explorecalling.org/yaci/awards).

#### ***IV. Prevention***

The Seminary Indebtedness Task Force identifies prevention goals as: (1) to change the culture in the Church so there is no shame around financial debt; (2) to provide financial literacy and education throughout the candidacy process; and (3) to make the realities of educational debt transparent throughout the Church.

In 2013 and 2014, Lilly Endowment, Inc., awarded grants of up to \$250,000 to 67 theological schools across the nation as part of the *Theological School Initiative to Address Economic Issues Facing Future Ministers*. This initiative made awards to seven United

Methodist theological schools: Boston University School of Theology; Emory, Candler School of Theology; Duke University Divinity School; Iliff School of Theology; Southern Methodist University, Perkins School of Theology; United Theological Seminary; and Wesley Theological Seminary. A summary of how each of the seven Lilly-awarded United Methodist theological schools are uniquely implementing the grants can be found [in this report](#).

GBHEM continues to learn and share best practices from YCI grant recipients’ progress described above and other Lilly Endowment grant recipients within the Church, including the [Indiana Foundation Rejuvenate Program](#), the Missouri United Methodist Foundation, and the seven United Methodist theological schools. Additionally, a new chapter on financial health and educational debt will appear in the revised handbook for certified candidates, published by GBHEM.

Plans continue to develop resources to equip District Committees on Ordained Ministry and Boards of Ordained Ministry when assisting candidates in the interview process to evaluate their financial health.

#### ***Further Reading/ Resources***

“The Smart Student Guide to Financial Aid”  
<http://www.finaid.org>

Heather Jarvis [www.askheatherjarvis.com](http://www.askheatherjarvis.com)

Janet T. Jamieson, Philip D. Jamieson *Ministry and Money: A Practical Guide for Pastors*  
<http://www.amazon.com/Ministry-Money-Practical-Guide-Pastors/dp/0664231985>

White, Charles. “What Wesley Practiced and Preached about Money”  
<http://www.missionfrontiers.org/issue/article/what-wesley-practiced-and-preached-about-money>