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## Traditional theological schools explore mergers and campus sales amid financial pinches

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Andover Newton Theological School's plans to affiliate with and soon move to Yale Divinity School stand as the latest and perhaps highest-profile example of seminaries and religious institutions struggling to survive in a world of slipping enrollment and increasing financial pressure.

Seminaries and theological schools have been straining for years, prompting changes across denominations and at campuses around the country. The largest Evangelical Lutheran Church seminary in America announced major cuts <sup>[1]</sup> in 2013. Three Assemblies of God institutions voted to consolidate <sup>[2]</sup> in Springfield, Mo., in 2011. The Jesuit School of Theology decided to merge <sup>[3]</sup> with Santa Clara University in California in 2009.

Even against that backdrop, Andover Newton's decision <sup>[4]</sup> is noteworthy. The school, founded in 1807, can stake its claim as the oldest theological graduate institution in the country -- the prototype for a freestanding Protestant theological school. It credits itself for creating the model of education most other theological schools follow to this day.

The situation at Andover Newton, which is tied to the American Baptist Churches USA and the United Church of Christ, is most indicative of pressures continuing to mount on mainline Protestant institutions. Meanwhile, theological schools of other traditions are operating under a very different paradigm. Experts see a wave of new, smaller institutions and movements popping up to serve growing churches more recently founded.

Statistics <sup>[5]</sup> from the Association of Theological Schools paint the picture clearly. Enrollment at its members has been on a slow, steady decline for years -- total head count at member institutions in the United States and Canada fell from 74,253 in 2011 to 71,950 in 2014 and 72,116 in 2015. At the same time, the number of member schools has risen from 260 in 2011 to 272 in 2015. The data also show the smallest schools -- those with fewer than 75 students enrolled -- growing in number and grabbing a larger share of the market as midsize schools with 151 to 1,000 enrollees lost share.

The new institutions are generally being formed by immigrants, and many are injecting new life

into American Protestantism, said Daniel Aleshire, executive director of the Association of Theological Schools. Many Asian-serving institutions have sprung up after immigrant communities established churches on American shores, he said. For example, America Evangelical University, a 46-student institution in Los Angeles affiliated with the Korean Evangelical Holiness Church, received Association of Theological Schools associate membership in 2014. China Evangelical Seminary North America, a 56-student nondenominational institution in West Covina, Calif., received accreditation in 2015. Other denominations that appear to be strengthening include Roman Catholicism. At the same time, institutions with larger endowments and those connected to larger institutions -- like Methodist universities -- remain generally strong.

All the signs of new life come as the old model that sustained many seminaries in the 19th and 20th centuries breaks down. Freestanding, dedicated institutions tied to and subsidized by traditional Protestant denominations have been hit by larger changes to religion. Mainline denomination membership has dropped, meaning churches face constraints on the amount of support they can offer to theological schools.

The dollar amount of support religious organizations send to schools has not changed in two decades, according to Aleshire. Meanwhile, the costs of running theological schools has jumped, fueled by drivers like rising technology, health care, administrative and even library costs.

In abstract, the situation for many theological schools is similar to the one faced by public universities: an outside source of support -- funding from the state or church -- hasn't kept pace with rising costs. But while public universities have been able to turn to out-of-state students and the higher tuition revenue they bring in to help offset the widening gap, theological schools have had to look elsewhere.

"We have very few ATS member schools for whom the primary revenue stream is tuition," Aleshire said. "So what's happened, as you look at the increase of contributions from individual donors, it more than makes up for the loss of revenue from denominations. So theological schools are still about a third of their revenue streams from tuition, and two-thirds is either from religious organizations, endowments or individual donors."

Drawing funding from individual donors is very different than drawing church support, though. Offices that solicit donations from individuals are more expensive to run than ones that open checks from church organizations. Individual donors also introduce a more complex set of relationships and motivations into the mix. And many of the schools facing these changes have just 200 to 300 students, limiting their ability to easily absorb the unexpected.

The pressures have added up to years of mergers and affiliations. About 20 percent of Association of Theological Schools members were affiliated with larger institutions 30 years ago, Aleshire said. Today it's nearly 40 percent.

## **Planning and Soul-Searching**

Andover Newton's experience generally fits into that narrative about mainline Protestantism. The agreement with Yale came after much planning and soul-searching, said Sarah Drummond, Andover Newton's dean of the faculty and vice president for academic affairs. The theological

school faced mounting deferred maintenance costs on its campus outside Boston. It also saw a decline in enrollment -- from 450 students in 2005 to 225 today -- even as students took on more debt and faced a tighter job market.

“The ecology caught up with us,” Drummond said. “The decline in our denominations is about 45 years old, but it took a while for our seminaries to change their enrollment patterns.”

Andover Newton has held discussions about and entered different partnerships in the past -- with the since-closed Bangor Theological Seminary in Maine, with Colgate Rochester Crozer Divinity School in Rochester, N.Y., with Meadville Lombard Theological School in Chicago and with its next-door neighbor, Hebrew College. But it's never decided to make changes as drastic as those called for under the Yale Divinity School agreement.

Ultimately, leaders moved forward with Yale after deciding it was the right fit culturally, Drummond said. The institutions have a number of historical ties, and Yale Divinity School has a history of integrating another institution while allowing it to keep its identity -- in 1971, it brought in the Episcopal Berkeley Divinity School as an affiliate.

The timeline going forward will have Andover Newton operating in two locations next year. The institution will have a small presence at Yale Divinity School at first while continuing to operate in Massachusetts until existing students can graduate. Operations are expected to gradually shift the 130 miles southwest to Yale's New Haven, Conn., campus. If all goes well, the move should be complete in the fall of 2018, and the two sides will reach a final deal that will have Andover Newton becoming a unit within Yale Divinity School. While all details have yet to be finalized, administrators said the plan is for Yale to eventually become the degree-granting institution, much as it is for Berkeley Divinity School.

Deciding to move to Yale was not easy, Drummond said. But some change was necessary because of Andover Newton's finances. The school had run a deficit of \$1 million or more for 10 straight years as of 2014-15. That's substantial red ink for an institution with an operating budget of approximately \$6-7 million and an endowment of roughly \$20 million.

“The finances were really tough,” Drummond said. “In nonjargon, we were running out of money. It's really not any more complicated than that.”

Andover Newton will face a vastly different economic situation at Yale Divinity School. The goal at Yale is to provide full-tuition scholarships to students demonstrating need, said Gregory Sterling, Yale Divinity School dean. Average yearly tuition at Andover Newton currently averages between \$9,000 and \$16,000, depending on the program. The school says scholarship aid will not cover students' full costs.

Yale Divinity School has had other discussions about bringing in institutions over the years. They didn't progress because Yale needed a partner institution to have a certain level of resources, Sterling said.

Andover Newton has many attributes Yale wanted. Yale is an ecumenical school, meaning it strives to represent different denominations. Yale has been tilted most heavily toward the Episcopal Church after its 1971 affiliation with Berkeley Divinity. Adding Andover Newton, and its

ties to the American Baptist Church and the United Church of Christ, offers balance.

The affiliation will also allow efficiencies of scale to kick in on the back end. Expenses related to administrative staff, libraries and classrooms are all easier to swallow at an institution with more resources. From a facilities standpoint, Andover Newton will no longer be tasked with keeping up a campus built for as many as 500 people.

“When they are fully here, they will have far more resources to devote to programs and student support than they currently have,” Sterling said. “One of the things that is important to realize is that most theological schools spend right at 50 percent of their budget to sustain their infrastructure -- their campus, their physical buildings, not their salaries.”

Sterling admitted that the change process will not be easy. Still, Yale Divinity School wants Andover Newton to keep its identity, he said.

“We want them to have that, because they have ties to alumni, to friends that we don’t have,” he said. “It’s important that they have that independence. At the same time, they need to be fully integrated with Yale. So there’s a push-pull that goes on between those two that is delicate.”

Yale Divinity conducted a study four years ago finding its ideal size is 400 students. The school already has that many students. Total enrollment won’t change, even after Andover Newton comes onboard. The makeup of those students, and what they study, will likely be different, though. At a research institution like Yale, line of study is another balancing act.

“There is a natural pull for a divinity school to move in the direction of research, and I celebrate that,” Sterling said. “But I also want to be passionate and committed to service to churches, so I’m hoping Andover Newton’s presence will give a little more emphasis on the professional preparation, or ministerial formation.”

Sterling also talked about changes to Andover Newton’s demographics. He hopes it can draw more nationally and that it can expand its scope to include other churches with congregationalist forms of governance.

“That means they will also become a natural home for all kinds of Baptists, and perhaps for interdenominational students or nondenominational students, which is a huge movement,” Sterling said.

Andover Newton isn’t the only northeastern Protestant institution to consider shaking up its institutional structure. The Lutheran Theological Seminary at Gettysburg, in Pennsylvania, is moving to unify with the Lutheran Theological Seminary at Philadelphia. The institutions’ finances clearly favor more collaboration as student bodies shrink and buildings age, said the Reverend Dr. Kristin Johnston Largent, dean and professor of systematic theology at the Gettysburg seminary.

Gettysburg Seminary’s enrollment over the past decade dropped from 160 full-time equivalents in 2005 to 81 in 2015. That mirrors trends across the eight Evangelical Lutheran Church in America seminaries, where enrollment fell 39 percent.

The merging seminaries hope to keep both campuses open but unify under a single organization in July 2017. Having two campuses has advantages, Largen said. It could mean exposing students to different campus cultures -- a more urban, diverse, commuter population in Philadelphia and a small-town, residential campus in Gettysburg. But decades down the road, it's not clear whether a two-campus solution would continue or be re-evaluated.

Gettysburg's student body is noteworthy for how it has declined. It still has many enrolling straight out of undergraduate programs, and it draws a substantial population of older students age 50 and above. But it's lost those in their 30s and 40s, Largen said.

"The irony is, in the past couple years, our average student age was in the 30s, 40s, even though we didn't have students in that age," she said. "That has been, in the last 10 years, a little bit of a trend."

Gettysburg Seminary wasn't in the worst financial straits -- it wasn't drawing down its endowment, Largen said. But it found itself doing more with less and decided to explore a change sooner rather than later. The change could help it offer more programs students need in current times.

"Congregations are smaller; there are fewer of them," Largen said. "We are just hitting the wave of a large group of retirements that are coming, so there's also a need for more senior pastors."

Institutions are also moving to change in ways that don't involve mergers or affiliations. Colgate Rochester Crozer Divinity School has agreed to sell its 24-acre campus in upstate New York. The 130-student school announced a deal to sell the campus in May that will have it creating a new campus by the 2018 academic year.

It's a major move both for the institution's physical presence and its income statement. Colgate Rochester Crozer had helped compensate for a campus that was too large for its student population by leasing space to other tenants that it felt fit its mission. It brought in the American Cancer Society, Ithaca College and the Veterans Outreach Center, said Tom McDade Clay, vice president for institutional advancement.

But there are real costs in time, energy and money to keeping up a campus. Over time, Colgate Rochester Crozer was worried it could find itself skewing toward landlord and away from seminary as it used its own facilities less and less.

That wasn't just a function of the number of students enrolled. It was a function of changes in the student body. Students are no longer just 22- and 23-year-old unmarried men attending seminary full time, McDade Clay said. They're older and often have families. They're carrying higher levels of student debt, working jobs and looking for evening classes.

In the end, students needed an accessible campus, not necessarily one built in the early 20th century to house a large number of single students.

"People need to work, whether they're going full time or part time," McDade Clay said. "The idea of a graduate program offering courses for three days a week and then people going to lunch and then to the library and then going to their second class, that's a thing of the past."

While many theological schools face similar pressures, they're reacting in various ways, said the Reverend Dr. Christian Scharen, vice president of applied research and the leader of the Center for the Study of Theological Education at Auburn Seminary.

"There are lots of different ways that I think people are trying to figure out how to rightsize," Scharen said. "Some feel more desperate to me, and some feel more mission driven."

Many of the dynamics driving changes in theological schools today were present 10 or 15 years ago, Scharen said. More and more institutions are now having to recognize the landscape and adapt.

A key point to watch going forward will be whether longstanding theological schools tap the groundswell of new religious traditions experts see. Right now, the traditional Protestant denominations often exist in parallel to new religions practiced by immigrant communities and other worshippers.

"There is this story about the dominant white Christian churches, which, partly just because of birth rates, but also because of secularization and other dynamics, have been losing membership since the '50s, the high-water mark," Scharen said. "On the flip side, with Pentecostal denominations and Hispanic programs for Roman Catholic lay ministers and Churches of God, lots of independent, evangelical traditions, you see all sorts of new things being started."

The innovation flies under the radar in many ways because the people driving it have few institutional resources. They're "pop-up shops" located in churches, and they are often unaccredited as educational institutions, Scharen said. But they're becoming stronger and more sophisticated as communities coalesce and grow around them.

There are also examples of existing seminaries trying to evolve to change with the time. The Christian Theological Seminary in Indianapolis, affiliated with the Disciples of Christ, has been vocal [6] about its attempts to become more entrepreneurial and adapt its degree programs in order to keep pace with changes in religious practices. Additionally, some existing seminaries are partnering with Hispanic congregations and Pentecostal traditions in order to offer them theological education, Scharen said.

"It means they have to transform their bread-and-butter degrees -- it's a lot bigger ask," Scharen said. "But if they can create this experiment on the side and get that going, that ends up being a really effective track for these things to make progress."

Change is hard at any institution of higher education. It can be more difficult for theological schools and seminaries. Not only do they have the typical stakeholders and considerations -- faculty, students, alumni -- but they have their larger religious missions to consider.

Stick an institution between the pressures of passionate belief and cold, hard finances, and the situation can boil over. Take the case of Union Theological Seminary in New York City, which faced backlash [7] after a plan last year to pay for facility upgrades by selling air rights that would enable a luxury condominium tower to be built. A key line of protest was that the development of a building for the rich clashed with Union's allegiance to the poor.

Whatever the specifics of a situation, the bottom line is that more and more theological schools are evaluating their futures.

“The thread though all of these schools is they really tried to turn what they’re doing toward the future,” Scharen said.

## Seminaries [8]

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### **Links:**

[1] <https://www.insidehighered.com/news/2013/03/29/luther-seminary-makes-deep-cuts-faculty-and-staff-amid-tough-times-theological>

[2] <https://www.insidehighered.com/news/2011/08/18/emerging-solutions>

[3] <https://www.insidehighered.com/quicktakes/2009/05/05/jesuit-theology-school-will-merge-santa-clara-u>

[4] <https://www.insidehighered.com/quicktakes/2016/05/16/andover-newton-will-partner-yale-divinity>

[5] <http://www.ats.edu/uploads/resources/institutional-data/annual-data-tables/2015-2016-annual-data-tables.pdf>

[6] <http://www.ibj.com/articles/58667-a-faithful-journey>

[7] [http://www.nytimes.com/2015/12/15/nyregion/as-union-theological-seminary-plans-to-sell-air-rights-some-see-a-moral-quandary.html?\\_r=0](http://www.nytimes.com/2015/12/15/nyregion/as-union-theological-seminary-plans-to-sell-air-rights-some-see-a-moral-quandary.html?_r=0)

[8] <https://www.insidehighered.com/news/news-sections/seminaries>

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