

Recession may pull seminaries apart or together: Creative solutions

by [John Dart](#) in the [July 14, 2009](#) issue

The recession has forced seminaries to undertake cost-cutting measures that affect people, projects and their own best-laid plans for sustainability. “The current economic environment has magnified any weaknesses present in seminaries,” according to Daniel Aleshire, executive director of the Association of Theological Schools.

The ATS sets accreditation standards for more than 250 seminaries in the U.S. and Canada, and “for every one of them there is a different reason for their financial weakness or strength,” Aleshire said in an interview.

“The same crisis is bringing some schools together and pushing other schools further apart,” noted Aleshire, author of *Earthen Vessels: Hopeful Reflections on the Work and Future of Theological Schools*.

Recent announcements by four mainline Protestant seminaries—a Presbyterian and a Lutheran seminary that have been collaborating in Chicago and two American Baptist-related seminaries in the Northeast—illustrate Aleshire’s point.

Presbyterian-affiliated McCormick Theological Seminary moved to Chicago’s Hyde Park in 1975. In 2003 it dedicated a \$22 million, three-story administration structure on land leased from the Lutheran School of Theology at Chicago. The cooperation reflected the recent establishment of full communion between the Presbyterian Church (U.S.A.) and the Evangelical Lutheran Church in America.

After McCormick’s \$100 million endowment dropped 30 percent in value in 2008, trustees reduced salaries, benefits and other expenses. But it wasn’t enough, they said. In mid-May the board notified the Lutheran school that it would pursue an “orderly disengagement” from the LSTC campus as early as June 2010.

That meant listing the building for sale, despite a tough market, and eventually not paying to use LSTC classrooms. A letter to the McCormick seminary community from

president Cynthia Campbell said the classrooms have more space than the Presbyterian seminary needs and that continuing to use them would be “extremely expensive” because of needed repairs.

The McCormick letter said the seminary is not leaving the Hyde Park area. The school plans to keep its student residence facilities open and will possibly add classrooms to the administration building while considering relocating near one of the other theological schools—including the University of Chicago Divinity School—which make their home in Hyde Park.

LSTC president James K. Echols, in a June 1 letter to the Lutheran seminary community, wrote that the McCormick plan “is clearly a very disappointing development that will have adverse ecumenical and financial implications.” His campus was already reducing its current budget by \$425,000 and taking \$1 million out of the 2009-2010 one, Echols noted.

Echols said in an interview that his school “had no idea last fall” that McCormick was considering a physical disengagement from the LSTC campus. “On one level, I can’t argue with McCormick’s moves to improve its financial circumstance,” Echols said. “On another level, I thought this had been a marvelous embodiment of the Lutheran-Reformed agreement of collaboration that goes back to 1975.”

In a separate interview Campbell said, “We want to privilege our mission rather than real estate.” She emphasized that McCormick is not disengaging academically from LSTC, saying that the schools are partners in two Doctor of Ministry programs, their respective students and faculty interact in classes and research, and both schools are part of a ten-seminary association in greater Chicago.

American Baptist-affiliated Andover Newton Theological School in the Boston area announced May 26 that its board of trustees had approved of exploring a partnership with a fellow ABCUSA seminary, Colgate Rochester Crozer Divinity School, located about 300 miles to the west in Rochester, New York.

“Andover Newton and CRCDS are natural partners,” said Andover Newton president Nick Carter, who is a 1974 graduate of the Rochester school. Established in 1807, Andover Newton claims to be the oldest graduate theological school in North America and is the larger of the two seminaries, with about 350 students.

CRCDS, founded in 1817 and a presence in Rochester since 1850, touts its social gospel and prophetic heritage, dating from when Walter Rauschenbusch was on the faculty. Martin Luther King Jr. was a 1951 graduate of Crozer Seminary.

But with the economic downturn, CRCDS president Eugene Bay noted, “the landscape of theological education is marked with unprecedented change.”

CRCDS’s endowment dropped to \$18.2 million from \$24 million last year, forcing the school to cut its budget. Bay assumed the divinity school presidency three years ago after serving for 44 years as a Presbyterian pastor, the last 18 in Bryn Mawr, Pennsylvania. He has declined his salary beginning with the second half of the 2008-2009 fiscal year.

If a partnership is established, the combined endowment would be close to \$50 million and the total enrollment about 450 students. Though negotiations have not started, a CRCDS statement said that “it is anticipated” that the Doctor of Ministry, Master of Divinity and Master of Arts degrees would continue to be offered at Rochester.

“Certainly what we are looking at is a combined administration for significant savings—one corporation, one board and one president,” Carter said in an interview. “It’s a historic moment for seminaries—all assumptions of theological education are being swept away,” most notably for independent seminaries that are not part of a university. “We need to handle the situation staring us in the face before it hits us in the face.”

Aleshire, of the ATS, said the projected partnership of the American Baptist schools is a good solution. “It brings two like-spirited institutions together,” he said. “They could administer a fine school at less cost than as two institutions.”

In general, Aleshire added, 50 percent of the costs for free-standing seminaries are for facilities and administration, 40 percent for the educational program (faculty, library and the dean’s office) and 10 percent for student financial aid.

McCormick, like most other Presbyterian seminaries, depends significantly on investment and endowment income to support operations. “Over 70 percent of our annual income for our budget comes from the endowment,” said Campbell.

The day is long gone when denominations regularly contributed large sums to their affiliated seminaries—except for the ELCA. “About 20 percent of our budget is funded by contributions from the ELCA and synods, and we are grateful for that support,” said Echols, the LSTC president. Yet patterns of giving have been changing even in the ELCA. “We depend a lot more on individuals and congregations,” he said.

Presidents of the eight ELCA seminaries met in January and April this year to compare financial plans and to determine whether an examination of the number and locations of ELCA seminaries is in order. Partly spurred by McCormick’s board actions in May, the LSTC trustees recently urged ELCA presiding bishop Mark Hanson to launch such a study and to take action on the basis of the findings at the 2011 Churchwide Assembly.