

**Economic Realities of the Unitarian Universalist Ministry
An Introduction for Aspirants**

The Ministerial Fellowship Committee urges all aspirants seeking ministerial fellowship to carefully consider the information in this report about the economic implications of a career in ministry and the expenses of preparing for it. It is important that those entering the ministry understand the many dimensions of this demanding—and rewarding—life.

Success in ministry requires more than wisdom and more than skills. A minister must be able to demonstrate understanding and responsibility in economic and financial matters as well as in spiritual and ethical concerns.

It is unlikely a ministry can succeed if a religious leader is plagued by unmanageable debt or an unsustainable economic situation. Persons considering ministry must be realistic about their resources as well as optimistic in their dreams.

Acknowledgments

Authors:

Rev. David Pettee, UUA Ministerial Credentialing Director, 2008, 2013, 2015
Ms. Joyce Stewart, UUA Retirement Director, 2008, 2013
Rev. Keith Kron, UUA Transitions Director, 2013
Rev. John Weston, UUA Transitions Director, 2008
Rev. Dr. Kenneth A. Olliff, 2001
Ms. Martha Oesch, 1997

This booklet was initially made possible by the financial support of the
St. Lawrence Foundation for Theological Education, Inc.

July 2015

**Unitarian Universalist Association
24 Farnsworth Street
Boston, MA 02210**

Why a report on the financial aspects of ministry?

This report has been updated to give aspirants a sense of the practical realities of becoming a minister. Pursuing a career as a minister, both in the preparatory stages and in practice, can be financially demanding. The economic challenges of theological education and early ministerial settlements are very real, but not insurmountable. Remaining financially sound requires creative and thoughtful planning on the part of aspirants and candidates, which begin with gaining a realistic picture of the challenges that lie before you and the resources that are available to you.

We also encourage aspirants and candidates to see financial management as a *religious* issue. Ministerial preparation brings about many changes for one who has chosen to follow this calling, and we hope that you will include financial preparation as an integral part of this transformative process. At its core, money is a symbol of what we value in our culture and cannot be neglected if we are to be effective ministers in the world in which we live. Attending to the financial side of ministry is an essential part of vital religious leadership, and navigating the financial aspects of theological education is a necessary first step in preparing for a career in ministry.

Why pursue Unitarian Universalist ministerial fellowship?

As a vocation that seeks to live out a religious vision, ministry involves opportunities to serve others, nurture communities, develop significant relationships and constructively engage with the broader culture. Ministry can be deeply satisfying in the midst its frequent frustrations, and offers a breadth of experiences rarely found in other occupations. For those who pursue this calling, ministry allows an opportunity for a truly meaningful professional life.

Ministry within the UU tradition takes on a variety of forms. Within a congregational setting, ministers focus on preaching and leading worship, religious education, social justice, pastoral care and administration. Beyond the walls of a congregation, ministry takes place in hospitals, schools, social service agencies and pastoral counseling centers. In a variety of settings and pursuing a variety of ends, the Unitarian Universalist ministry is committed to bringing about healing and wholeness for the individuals and communities that ministers serve.

What are the early steps in the discernment process?

Those who choose ministry often feel they are called to serve, arising out of experiences or insights that lead a person to begin to consider ministry as a possible career. The call to ministry takes is fueled by the desire to serve others and the recognition that one's talents and strengths are well suited for ministry. For some, a call to ministry is a sudden, overwhelming experience; for others, a gradual process of reflection and consideration.

A relationship with a local Unitarian Universalist congregation is often the context out of which a calling to ministry arises. Ongoing involvement with a congregation is a crucial element in the discernment process. A congregation may also provide the opportunity to interact with clergy, lay religious professionals and other seminarians. Don't dismiss the possibility that your home congregation may be willing to help financially support your ministerial formation. Don't be timid seeking this kind of support. Discussing your emerging sense of calling and vocational aspirations with such individuals over a period of time is an important part of helping you decide whether to pursue ministry. Their observations, suggestions and feedback will be valuable to you as you move along in the process.

Along with discussing your aspirations with others, reading and reflecting, you should begin to look into theological schools to pursue a Master of Divinity degree. Entering seminary is a life-altering experience. In deciding where you should attend, many considerations come into play: employment, family, relocating and lifestyle to mention only a few. Financial concerns are a major factor in choosing how one goes through seminary: where to attend, how to finance one's education and whether to go full or part time. The following information may help you as you begin to make these decisions.

What does theological education cost?

The UUA is most closely associated with two UU identity theological schools, Starr King School for the Ministry in Berkeley, CA, www.sksm.edu and Meadville Lombard Theological School in Chicago, IL, www.meadville.edu. The UUA also maintains close ties and a historical relationship with Harvard Divinity School, www.hds.edu. Students attending a UU identity school receive more intentional formation in the UU tradition, have access to courses specific to Unitarian Universalism and they gain more opportunities for building UU collegial relationships.

Many UU seminarians also attend theological schools which are non-denominational or affiliated with other traditions for a variety of reasons, including location, cost and the opportunity to pursue study in a diverse religious context. There are close to seventy seminaries attended by UU seminarians that are accredited by the Association of Theological Schools, www.ats.edu.

Full time students should anticipate roughly three years of paying tuition, fees, and living expenses, as well as additional time and expense for an internship and CPE (see below). The following chart represents typical average expenses for students reported by several theological schools in different geographic regions. These figures are based on a *nine month academic year* for a full-time single student, assuming shared or on-campus housing and use of public transportation. (Figures listed with ~'s are approximate.)

	Andover Newton Theological School <i>Newton, MA</i> (Based upon 27 credits)	Harvard Divinity School <i>Cambridge, MA</i>	Meadville Lombard Theological School <i>Chicago, IL</i>	Starr King School for the Ministry <i>Berkeley, CA[^]</i>	Wesley Theological Seminary <i>Washington DC</i>
Tuition [@]	\$15,390	+\$26,792	\$20,070	\$20,058	*\$17,550
Fees	1,225	70	755	0	1,112
Housing	8,000	11,315	5,000	9,900	**7,786
Transportation	2,500	~700	#~3,400	2,250	1,000
Personal Expenses	3,600	4,608	4,556	1,350	1,000
Food	3,000	4,140	3,780	3,375	***2,120
Books	2,700	1,204	1,350	1,000	1,500
Health Care	1,693	3,432	5144	3,253	****
TOTAL	\$38,138	\$52,261	\$44,005	\$41,168	\$32,068

@ Figures listed under tuition do not include tuition reduction grants which may be awarded to a student. The level of tuition paid varies greatly depending on the financial aid package which a school offers to a student, which may include need or merit based scholarships as well as subsidized and unsubsidized loans. Scholarships range from covering a portion of tuition to full tuition, plus a small living stipend. Prospective students should contact a school's financial aid office to inquire about the average level of tuition paid and scholarship opportunities.

+Please note that the tuition figures listed here may be significantly reduced by financial aid. Levels of financial aid vary significantly from student to student and from institution to institution. The only way to determine whether one can afford to attend a particular school is to apply for financial aid at that school.

#As Meadville Lombard is a low-residency program; the approximate transportation costs listed take into consideration the cost of travelling to and from campus four times per year.

^ Starr King assigns a total cost for the M. Div. program payable in equal portions over 6 semesters.

*Wesley Theological Seminary rates are based upon \$585 per credit hour at 30 credit hours/year.

** Wesley Theological Seminary Dormitory Housing - Main Campus, WD \$6,324 - \$7,786

*** Meals at Wesley Theological Seminary \$3,500 (\$2,120 for meal plan)

**** Health plans are not available for students due to new governmental regulations, which prohibit health plans being offered at a lower premium. Students must obtain their own coverage.

The overall cost of theological education is strongly influenced by the choices that a student makes. The cost of living varies by region. Lifestyle, standard of living and family circumstances (whether a spouse/partner is employed, housing, transportation and travel) impact the overall total costs. While some expenses are fixed (tuition, fees, books, and health care) others are variable.

Additionally, whether a student attends full time or part time plays an enormous role in determining total cost. While full time students have the benefit of a concentrated seminary experience and are able to finish an M. Div. degree program more quickly, part time students are able to offset expenses with income from employment, often avoiding the necessity of taking out extensive student loans. Many schools offer flexible programs including distance education, special arrangements for part-time and commuting students and modified residency opportunities.

What are additional costs of theological education?

When in school, not only is a student paying tuition and living expenses, but the student is also foregoing income from employment. If a student was earning \$30,000 per year before beginning school, then during three years of seminary up to \$90,000 of income is being lost, along with interest that could have been generated in savings or retirement accounts. Students who relocate to begin a seminary program (and/or for a ministerial internship) will incur moving expenses.

In addition to three years of full-time coursework, ministerial preparation also requires Clinical Pastoral Education and an internship, each of which has its own financial consequences. CPE generally costs from between \$500-\$1,000 and is often completed during a summer break between academic years as a full-time 10-12 week intensive program. Some students choose to

complete CPE in an extended format (half-time for twice the length) to be able to maintain employment.

An internship may be completed full or part time in a congregation, or cooperatively with a congregation and a hospital, school, or other community setting depending on the student's area of interest and specialization. Full time internships are minimally nine months. Stipends reported from the Internship Clearinghouse in 2015 were from \$9,000 to \$21,600 with a rough average of \$14,732 for a nine month full-time parish internship. Two-year, half-time internships offer roughly half the cost of a full-time internship. The stipends for community based internships are more difficult to anticipate because of the range of opportunities. Those pursuing professional chaplaincy can set up in advance a CPE residency to meet the UUA internship requirement, and find stipends are considerably higher from \$25,000 to \$30,000 depending upon the location.

A final consideration is the cost of financial mismanagement. Students who do not have an accurate assessment of their expenses, who do not have a realistic assessment of job prospects, and who do not know how their loan obligations effect their income requirements after graduation can find themselves in severe financial difficulty.

How is theological education financed?

Theological education is financed in many ways. Students typically combine some or all of the following strategies, each of which has its own pros and cons. It is important that students consider how each of these strategies may impact their later financial well-being and creatively employ those that seem most promising. While loans are often necessary, the UUA urges students to minimize student loan debt because of the long term financial burden involved.

Tuition Scholarships

Most theological schools offer some form of need-based financial aid. The amount varies considerably depending on the school and the student. Schools with higher tuition generally offer larger scholarships, but not always. Many schools offer merit-based scholarships in order to attract promising candidates, and some scholarships are reserved for students of color/from historically marginalized communities.

In the process of applying to theological schools, prospective students generally submit one or more financial aid applications as required by each school (the most popular of which is the Free Application for Federal Student Aid (FAFSA). If a student is accepted to a particular school, the financial aid package that a school offers a student is included with the acceptance letter, and may include tuition scholarships, work-study, loan availability and/or a stipend for living expenses.

Student should carefully compare the financial aid packages extended by different schools to which they have been admitted. In some cases, a financial aid award for the first year of study is guaranteed or will be available in subsequent years. Financial aid officers and registrars are excellent resources in this and welcome inquiries from students.

Employment

Many students work while they are in seminary. For full time students, part time employment may take the form of work-study (a federally subsidized program in which the student works at his or her school) which usually consists of 10-15 hours per week at \$12-\$16/hour. Others work

part time outside of their school, usually in order to earn a higher wage. Students who are able to use skills from previous professional backgrounds make significantly more than work-study.

Another option is to study part time and work close to full time to maintain a higher income level. While this is an excellent strategy for keeping student loans at a minimum, schools differ in how accommodating their programs are to part time students. There are also significant drawbacks. Students who take courses part time and work full time will take longer to complete the M. Div. degree. Time and energy devoted to work takes away from what students are able to give to their studies—which for some students might make their seminary program seem disjointed or lacking in focus. Some seminarians report feeling isolated because they have difficulty creating a sense of community.

A third option is to combine part time and full time work at different stages in school. For example, a student may study part time and work full time for the most of seminary, but then transfer to full time study for a final year in order to finish up more quickly. Similarly, a student might take a leave of absence from a job in order to do a full time CPE or an internship program.

Savings and Family Support

Theological schools often expect students to draw on savings in the course of their study and consider a student's assets when calculating financial aid and loan eligibility. Some students draw upon retirement funds in order to pay for theological education. It is especially important for older students to consider how these funds will be replaced prior to retirement. Some older students have depleted retirement savings only to find settlements offer minimal pension benefits. With a shorter work life, the opportunity to recoup lost retirement savings is limited. Some students receive financial support from their families. For tax purposes, students may wish to draw upon funds for their education that would otherwise have constituted an inheritance.

Financial Aid from the Unitarian Universalist Association

The UUA has limited funds available for general financial aid to students available after students have completed their first year of theological education. The size of these grants varies from year to year, and is dependent upon the number of people who apply each year against the return on endowments. In 2015, the UUA Scholarship Committee awarded \$217,000 in scholarships and 11 students received scholarships larger than \$10,000. Students are eligible to apply for a number of these of grants upon gaining aspirant candidate status, and may apply during their intern year, even if no longer in seminary.

Additionally, a Program Assistance Grant of \$1000 is available on a one-time basis after an applicant has reached aspirant status (see the *Requirements for Ministerial Fellowship with the Unitarian Universalist Association*) for detailed information on the preparation process.) These grants are intended for use in defraying the costs of the required career assessment.

http://www.uua.org/sites/live-new.uua.org/files/requirements_booklet.pdf

There are also grants available to persons who self-identify as person of color/from historically marginalized communities. Such grants are available in the first year of study, and interested students should contact the Ministerial Credentialing Office for further information.

Grants from Other Sources

Scholarships may be available from a student's undergraduate institution, home congregation, professional association, heritage organization or associations to which a student or a student's parents might belong. Many grants have deadlines in the fall or winter for the following academic year. Thus, it is important to begin researching these kinds of scholarships even before you begin to receive acceptance letters from theological schools. UUA resources are available at: www.uua.org/giving/awardsscholarships/index.shtml

Excellent financial aid resources may be found on the internet (see the appendix for a listing of recommended websites). These websites offer free scholarship searches in which the student completes a profile (including the student's background, areas of interest, professional aspirations, etc.) and then receives lists of potential scholarships which fit this profile. There are also websites which will calculate your Estimated Family Contribution (EFC), based upon your income and assets and the amount of money that schools will expect you to contribute toward your education. In addition, you can find templates for estimating monthly loan payments, downloadable forms and other budgeting and financial planning resources.

An additional source of financial assistance is the federal government's Hope Tax Credit, through which a student receives an income tax credit for a portion of their educational expenses. For more information, consult the Internal Revenue Service's website at www.irs.gov.

Credit Cards

While credit cards offer a readily available source of funds, they are an exceptionally expensive way to finance an education given their high interest rates. For example, a student who takes out a \$5000 student loan at 8% interest will repay a total of \$7,280 over 10 years, while a student who charges \$5000 on a credit card at 18% interest will pay \$10,812 over ten years. A growing number of candidates leave seminary with catastrophic credit card debt.

Loans

Federal Stafford loans are often used to finance theological education. Contact the financial aid officer at your theological school in order to apply. To be eligible, students are required to complete the Free Application for Federal Student Aid (FAFSA). Schools report that between 60-75% of students take out two types of federal student loans. *Subsidized loans* are available for up to \$8,500 per academic year. The interest on a subsidized loan is deferred while the student is in school, and the student must begin to repay these loans six months after graduation.

If a student wishes to borrow more than the subsidized loan of \$8,500, *unsubsidized loans* may be available up to an additional \$12,000. The interest on an unsubsidized loan starts accruing as soon as the loan is taken out. With both kinds of loans, students must begin to pay back six months after graduation. Because the interest is not deferred, when a student graduates the loan balance will be higher than the amount that was originally borrowed. To avoid this compounded interest, students can make interest payments against unsubsidized loans while still in school.

The rule of thumb is that for every \$10,000 of debt, a student will have between \$100-\$135/mo in repayment obligations for ten years depending on the interest rate of the loan (see table below). Typical debt loads for recent Unitarian Universalist seminary graduates range from \$20,000-40,000, with typical monthly loan payments ranging from \$250 to \$500 for ten years.

This loan calculator may be helpful: <http://www.nytimes.com/interactive/2014/your-money/student-loan-repayment-calculator.html?ref=your-money& r=1>

Example: Monthly payments on student loans based on an 8% interest rate paid over 10 years.

Loan Balance	Monthly Payment	Total Loan Cost
\$10,000	\$121	\$14,559
20,000	242	29,118
30,000	364	43,678
40,000	485	58,273
50,000	606	72,796

The UUA strongly recommends that students keep their debt load as low as possible. High monthly loan payments compounded with low initial salaries can lead to severe financial and career difficulties for ministers. In order to make these loan payments, ministers often feel the need to forgo making sufficient contributions to retirement.

The amount that a person takes out in student loans has a major impact on their career options after graduation: fewer loans allow a minister greater leeway in pursuing a wider range of settlement opportunities. When a minister is seeking a first settlement, substantial student loan obligations may make it financially impossible to accept settlement in smaller churches that are most likely to have openings.

The Office of Church Staff Finances gathers data from the debt reduction grant applications that ministers voluntarily submit each year. Not all clergy with debt request a grant. The data shows that increasing numbers of clergy are accumulating student loans. At the same time, the total income from ministry for ministers in their first five years of ministry has been increasing, but this average figure is significantly impacted by the number of good paying ministries that are available from year to year. There is no guarantee from year to year that this figure will increase. The chart below shows information gathered from recent debt reduction grant applications. The “total income from ministry” includes salary, housing, professional expenses, insurance premiums and retirement plan contributions.

Year	2013	2014	2015
Number of grant requests	60	65	83
Seminary loan balances under \$10,000	4	0	2
Seminary loan balances over \$100,000	1	3	5
Average seminary loan balance	\$44,755	\$49,530	\$45,714
Average debt reduction grant amount	\$2,390	\$2,631	\$2,694
Average total income from ministry	\$64,500	\$64,075	\$62,900

What are the opportunities for ministerial settlement in the UUA?

Upon receiving preliminary fellowship, ministers who wish to serve a UU congregation enter the search and settlement process. The search process is facilitated by the Ministry and Professional Leadership’s Transitions Office, which provides lists of congregations seeking ministers and of ministers seeking congregations. The number of settlement opportunities varies each year. In 2015-16, 40 ministers were called as settled ministers, an additional 50 ministers were called to

interim ministry positions (typically two year placements while a congregation is searching for a settled minister) and a further 11 ministers were hired as developmental ministers. In addition, there are numerous part-time contract ministries that are arranged by UUA district staff annually.

Typically each year there are more ministers seeking placements than there are available. It may take a year or more for a minister to find a position. Sometimes new ministers spend a year or two serving interim or contract ministries or other work while they are looking for a permanent settlement. Flexibility regarding the type of placement that one is willing to accept increases a minister's likelihood of finding a ministry position soon after completing formal preparation.

Ministers who serve outside a congregational setting often takes the form of teaching at theological schools, serving as chaplains in health care settings or schools or working in social service agencies. Some community ministry openings are listed with the settlement office, but most such positions are arranged independently or are designed by individual ministers.

Geographic considerations can impact a minister's job prospects. Both coasts are typically more desirable. By necessity or by choice, some ministers develop a ministerial expertise and offer this serve to other colleagues, congregations or other organizations. Still other ministers may serve a congregation part time and have another part time job in a community setting.

What are ministers paid?

Most ministers receive two kinds of cash compensation: salary and clergy housing allowance. The UUA recommends additional benefits: health, life and long-term disability insurance and retirement plan contributions. Professional expenses are in addition to these recommendations. Generally, the total of all ancillary items add 35-40% to salary plus the housing allowance.

In January 1995, the UUA first produced the report, *To Sustain the Living Tradition*, issuing guidelines for UU congregations on compensation and benefits practices. Periodically these guidelines have been updated, and additional reports have been produced to document the changes.

These reports summarize surveys of UU congregations' progress and issue revised guidelines for compensation and benefits to reflect changes in the economy. While significant progress has been made in the area of clergy compensation in recent years, there continues to be a gap between what the guidelines recommend and what surveys show that many congregations pay their ministers. Information regarding recommended salary guidelines can be found at:

<http://www.uua.org/careers/compensation/fair/congregational-staff>

The early years of a minister's career are often the most difficult time financially because compensation is often low while expenses are often high as they are trying to pay off student loans and manage family responsibilities. As they move on in their careers, ministers are better compensated and have more opportunities for professional advancement.

The UUA encourages you to consider the information included in this report and reflect on how you might be creative in designing your educational experience and your ministry in order to ensure that your financial needs are met. Over the long term, most ministers report that taken as a whole—including financial compensation, lifestyle, and the opportunity to do rewarding and demanding work through serving others—ministry has much to offer!

Appendix

The Ministerial Credentialing Office provides information on the general policies and procedures for those seeking ministerial fellowship with the UUA. *Requirements for Ministerial Fellowship with the Unitarian Universalist Association* details the process of preparing for the UU ministry.

http://www.uua.org/sites/live-new.uua.org/files/requirements_booklet.pdf

The Office of Church Staff Finances provides information and programs for UU congregations, their ministers and other employees in matters of fair compensation and benefits arrangements.

<http://www.uua.org/directory/staff/ministriesfaith/officechurch>

The Association of Theological Schools maintains a list of accredited schools. www.ats.edu

The Foundation Center is an independent non-profit organization that maintains resources on foundation grants to individuals. For the Foundation Center library nearest you, call 1-800-424-9836 or go to www.foundationcenter.org

Ministers who have been recently settled or are in the search process are good sources of information and tips on how to plan financially. The Ministries and Faith Development Staff Group, your District or Regional Office and your UUMA chapter officers can put you in touch with ministers in your area.

The Unitarian Universalist Ministers' Association (UUMA) can be reached at www.uuma.org

Further Reading

<http://www.theatlantic.com/business/archive/2014/07/higher-calling-lower-wages-the-collapse-of-the-middle-class-clergy/374786/>

<http://www.ats.edu/uploads/resources/current-initiatives/economic-challenges-facing-future-ministers/articles-and-images/breaking-the-code-of-silence.pdf>

Fulfilling the Call: A Model for UU Ministry in the 21st Century, UUA, 2013.

Essential Guide to Law and Tax for New Ministers

<http://store.churchlawtodaystore.com/esgutolawand.html>

In the Interim: Strategies for Interim Ministers and Congregations, Barbara Child and Keith Kron, editors, Skinner House Books, 2013.

Selected Websites

The Chronicle of Higher Education has lists of new grant competitions and upcoming deadlines for fellowships and grants. www.chronicle.com

Fund for Theological Education - www.thefund.org has excellent resources about funding.