

All May Not Be Forgiven: Post Seminary Financial Liabilities for Diocesan Catholics Pursuing Ordination

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Catholic News Service photo/Bob Roller (2020)

Inspiration

Earlier study on “**Clergy Attitudes Toward Credit/Debt**”

- ▶ (2018-19 fellowship) Interviewed clergy: **Baptist, Lutheran, & Roman Catholic**, as well as some **MDiv students** in Catholic seminary
- ▶  Shed light on **different policies re: liabilities vis-à-vis (arch)diocese**
 - ▶ Pay back from priestly salary*
 - ▶ What happens if discern out?

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Purpose

Identify the **financial liabilities**—at the *theologate* level—for seminarians pursuing diocesan* ordination vis-à-vis their sponsoring **(arch)diocese**

- ▶ How might these policies differ if one *discerns out* or *leaves* the priesthood?

Approach: comparative study to evaluate policies for seminarians across (arch)dioceses

* Focus on *diocesan* Catholics (pursuing ordination) b/c generate income and can assume debt; whereas, religious priests take a vow of poverty

Relevant Literature

(Pre-existing) **educational debt** as a **barrier to entry**...

- ▶ [Gautier & Cidade \(2012\)](#): Educational Debt and Vocations to Religious Life: A Report for the NRVC
- ▶ [Ruger \(1995\)](#): An Analysis of Educational Debt Among Theological and Rabbinical Students

Follow up...

- ▶ [Ruger, Miller, & Early \(2005\)](#): The Gathering Storm: The Education Debt of Theological Students
- ▶ [Miller, Early, & Ruger \(2014\)](#): A Call to Action: Lifting the Burden How Theological Schools Can Help Students Manage Educational Debt

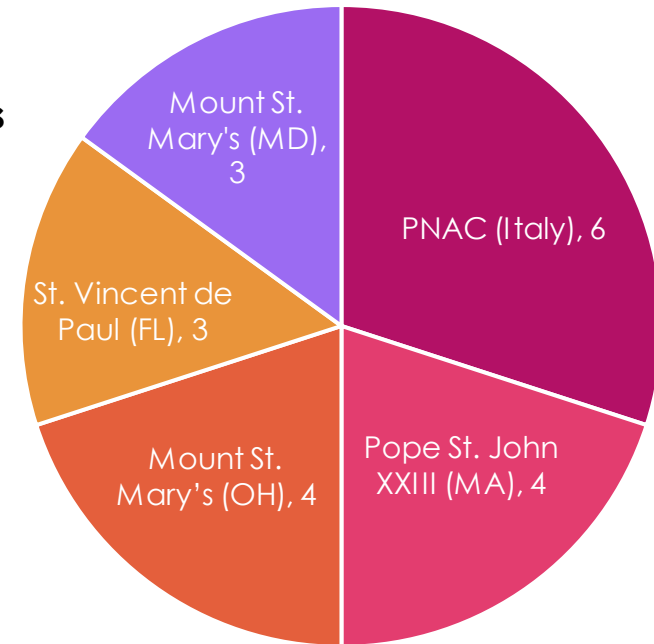
Research Methods

- ▶ **Survey of Vocation Directors** for U.S. (arch)dioceses that sponsor theologates [CARA's 2021 *Catholic Ministry Formation Directory*]
- ▶ 15 questions, **mostly open-ended re: financial practices**, e.g., loans, grants, etc. [SurveyMonkey]
- ▶ Response rate: **60%**
 - ▶ Solicited **35 dioceses** across U.S.
 - ▶ **24 respondents** covering **21 dioceses** (14 states)

Data from Surveys - *Respondents*

- ▶ Role/position...
 - ▶ **83%** (Assoc.) **Director of Vocations and/or Seminarians**
 - ▶ **17%** Vocations Office **Staff**
- ▶ **24 dioceses** send seminarians to **39 theologates**
- ▶ **90%** dioceses accept men w/outstanding educational debt
 - ▶ **44%** assume some responsibility for debt (1 non response)

**Top 5
Theologate
Destinations**



Note: number of dioceses sending seminarians to theologate

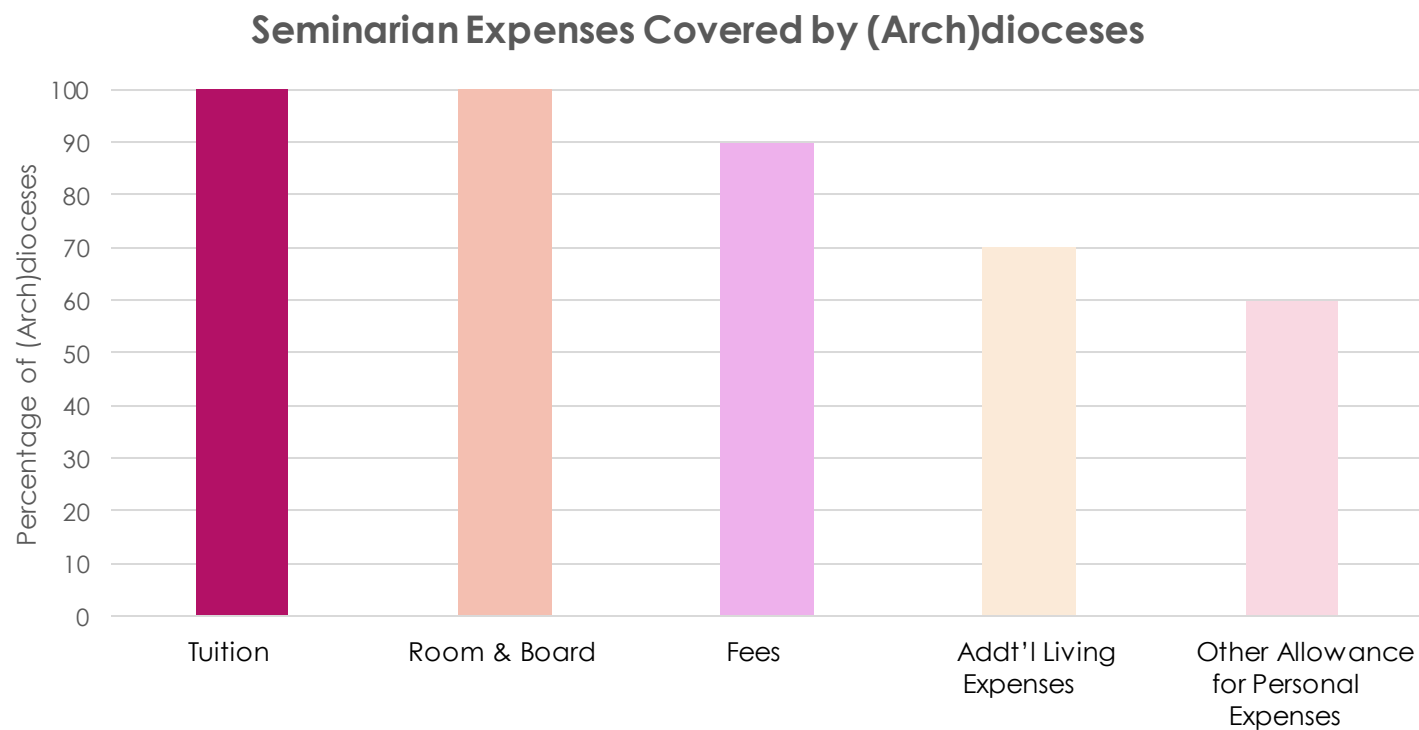
Outstanding Educational Debt

Q: How does the diocese handle [outstanding] educational debt?

- ▶ Dioceses that **DO** assume some debt (**8 dioceses**)
 - ▶ Provide *partial* assistance (**6**) post ordination (**5**)
 - ▶ Coverage limits, e.g., \$30k, \$50k, 80%, or solely pay interest (on a case-by case basis) (**4**)
 - ▶ Make payments over several years, after ordination (**1**)
 - ▶ Exploring options to eliminate college debt, e.g., partner with the Labouré Society (**2**)
- ▶ Dioceses that do **NOT** assume debt, what is the expectation for the seminarian? (**10 dioceses**)
 - ▶ Pay off or reduce debt before enter/apply, e.g., to \$30k, \$40k, or "reasonable amount could pay" after ordination (**4**)
 - ▶ Defer/pay over time (**6**)
 - ▶ May be helped near end of seminary or after ordination (**3**)
 - ▶ Encouraged to work with Labouré Society to reduce debt (**2**)
 - ▶ Bishop chat (**1**)

Covered Expenses

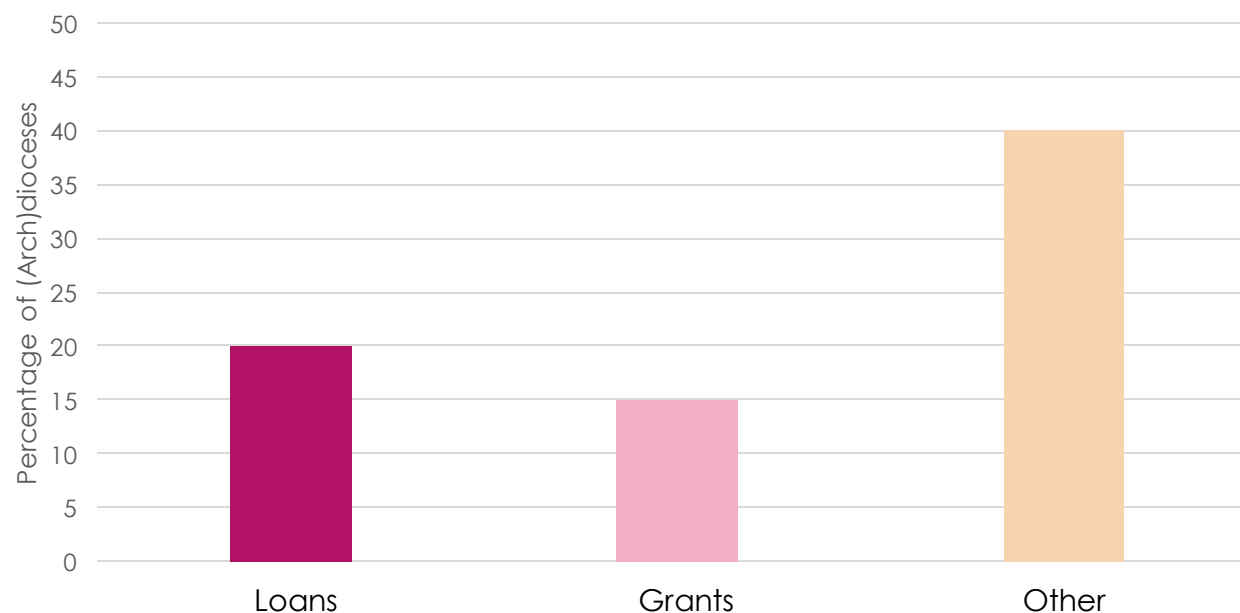
- All (arch)dioceses cover tuition as well as room & board, and most cover fees



Financial Assistance

- ▶ Offers both **loans & grants** (1)
- ▶ **Other (8 dioceses)...**
 - ▶ **Stipends** for living expenses (e.g., \$200/mth - \$1,500/semester) and/or books (e.g. \$300 ~ \$1,000) [4]
 - ▶ **Health insurance** [2]
 - ▶ **Scholarships**; paid **house jobs**; pay monthly student loan if unable to defer
 - ▶ Dioceses note connecting seminarians with **external grants and/or organizations** (e.g., Labouré Society) [2]

Financial Assistance Offered to Seminarians by (Arch)dioceses



Notes: 1 archdiocese offers both loans and grants. 10 percent of (arch)dioceses cited connecting seminarians w/donor organizations

Terms of Financial Assistance

Loans (4 dioceses)

- ▶ **Partial student loan help**, and [partial] repayment of tuition for seminary ...if a seminarian does not complete his current year of study (1)
- ▶ **Promissory note** ...including interest (1)
- ▶ A loan [...] assistance in **buying a car**, or **paying off a [high interest] loan** on past **educational expenses** (1)
- ▶ **Interest free loans** [...] for minor seminarians who eventually become theologians. ...to be repaid if a man leaves seminary (1)

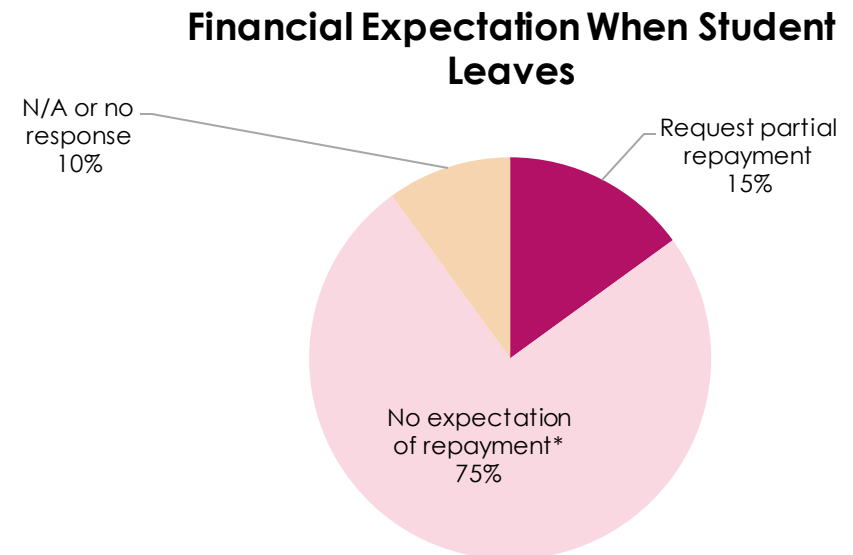
Grants (3 dioceses)

- ▶ For **car repairs** or **uninsured medical expenses** - no repayment - and they have to pay the first \$100 (1)
- ▶ Several **endowed grants** totaling up to \$4k per man ...not asked to be repaid (1)
- ▶ The conditions are that they **apply for the loans** being offered (Knight of Columbus, Hibernians, etc.) (1)

Liabilities - *Leaving Theologate (Discerns Out)*

(1) How is educational debt (theology) handled when... **student decides to leave?**

- ▶ **75%** have **no expectation** of repayment (**15 dioceses**)
- ▶ **15%** require **partial repayment (3)**...
 - ▶ **of tuition**, if possible
 - ▶ **half of the expenses** incurred during their time as a seminarian
 - ▶ **\$2500 per academic year** if they leave formation
- ▶ **15%** highlight seminarians responsible for outstanding educational debt entered with (**3**)

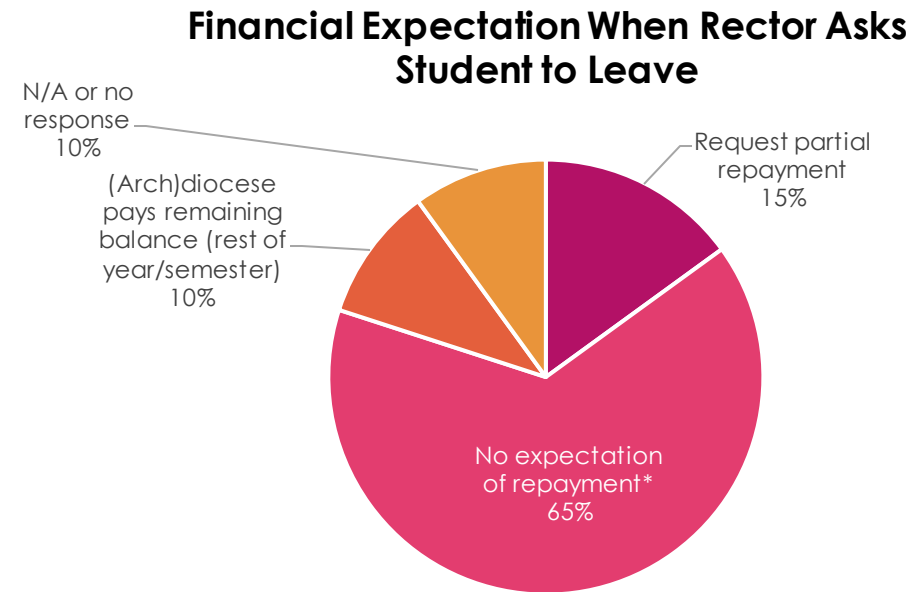


* Includes 1 respondent, "nothing set in place"

Liabilities - *Leaving Theologate (Dismissed)*

(2) How is educational debt (theology) handled when... **seminary rector asks student to leave?**

- ▶ **65%** (arch)dioceses have **no expectation** of repayment (**13**)
 - ▶ Additional **10%** will pay remaining balance for semester/year (**2**)
 - ▶ Total = **75%**
- ▶ **15%** require **partial repayment**, as in previous case (**3**)



* Includes 1 respondent, "nothing set in place"

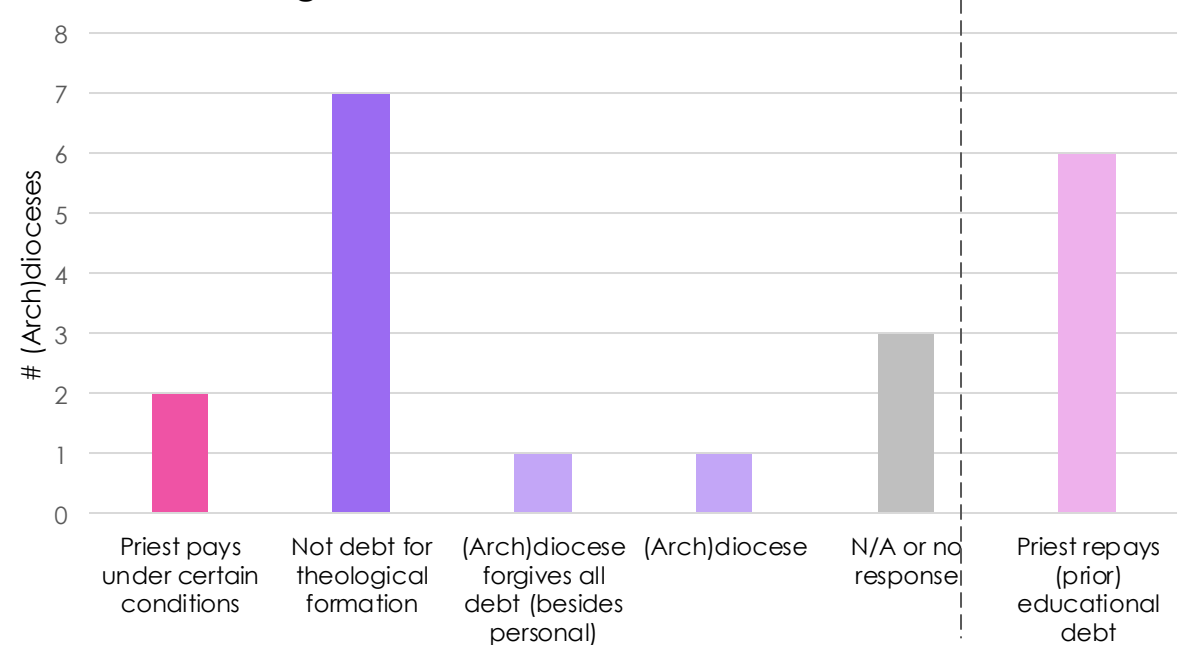
Liabilities - *Leaving After Ordination*

(3) How is **this educational debt** handled when... **priest leaves after ordination?**

- ▶ Set **conditions** for when **priest pays (2 dioceses)**...
 - ▶ Student debt > \$50K
 - ▶ Debt if leaves before completing 5 years ministry

Note: appears respondents were considering **all (prior) educational debt**, versus debt solely from **theological formation**

Handling of Educational Debt When Priest Leaves



Conclusions

Key Findings

Consistent approach ~ dioceses expectations re: debt

- ▶ *Vast majority* accept men w/ **pre-existing educational debt** (to theologate)

A diocese might...

- 1) **Require elimination** of debt before entering (total outstanding)
- 2) **Establish a limit** on acceptable debt
- 3) **Restrict amount covered** (by diocese)
- 4) Enter into a **custom arrangement**

Key Findings

- ▶ Cover major **expenses** (tuition, R&B) = “**NO debt**” from theologate!
- ▶ Financial assistance: **few loans/grants**; prefer **other** forms...
 - ▶ e.g., stipends, healthcare, connections... scholarships, external funding

Regardless, seminarian is primarily responsible for outstanding educational debt

- ▶ Note: as per **Ruger (1995)**

Financial Implications – What's Best?

For the **diocese**...

- ▶ Option 1: eliminate debt before entry
- ▶ (-) Drastically reduces candidate pool

*Important that conditions be transparent and diocese abides by them

For the **seminarian**...

- ▶ Outstanding debt not so much an *entry* barrier
 - ▶ May be changing as dioceses explore “options”
- ▶ *Exit* barriers if leave theologate/priesthood?
 - ▶ Minimal → “no” additional debt from theologate
 - ▶ Subject to partial repayment; excess debt not covered
- ▶ Somewhat better off if at least ordained
 - ▶ Diocese pays \$30k / \$50k immediately after; or forgive obligations after 5 yrs of ministry

Limitations - Data

- ▶ Responses reflect **Vocations staff experience & knowledge** (re: diocese's financial policies)
- ▶ **Comprehension** (questions 12-14) re: financial expectations upon leaving
 - ▶ Likely focused on *total outstanding* debt vs. *solely* incurred at theologate
- ▶ **Double submissions**
 - ▶ 3 dioceses submitted 2 questionnaires each
 - ▶ Counted as 1 diocese according to how data aggregated
 - ▶ Responses mostly equivalent
 - ▶ If discrepancy between "Director" of Vocations and/or Seminarians & staff member, defer to former

Future Research

Interviews...

- ▶ **Vocation Directors** (follow up)
 - ▶ Further clarification (e.g., types of expenses covered, time in position, etc.)
 - ▶ Share current policies across dioceses
 - ▶ Identify best practices
- ▶ **Seminarians**
 - ▶ Added perspective on handling of debt at the theologate level



Questions / Comments ?

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