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

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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?

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**

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* 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**…

- 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

- PNAC (Italy), 6
- Mount St. Mary’s (FL), 3
- Mount St. Mary’s (OH), 4
- Pope St. John XXIII (MA), 4
- St. Vincent de Paul (FL), 3

Note: number of dioceses sending seminarians to theologate
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)
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

- Loans
- Grants
- Other

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)

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Financial Expectation When Student Leaves

- 75% **No expectation of repayment**
- 15% Request partial repayment
- 10% N/A or no response

*Includes 1 respondent, “nothing set in place”*
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

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<td>Priest repays (prior)</td>
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<td>educational debt</td>
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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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