



ESSENTIAL 6: Implementation of Planning and Assessment

Ending Well

SUMMARY

For a good number of theological schools, business as usual is not a viable way forward. Accumulated operating deficits, a downward enrollment trendline, and significant deferred maintenance of campus facilities make it impossible to ignore the handwriting on the wall. When measured against the standards of economic equilibrium, many theological schools come up short, and yet presidents and governing boards are slow to recognize that a school is in trouble.

Governing boards are rightfully proud of their seminary's storied history and its faculty members, both past and present, whose commitments to teaching and scholarship have made the seminary special to so many. No trustee signs on to have a hand in writing the final chapter of a theological school. However, for the board not to say aloud what feels like the unspeakable is to fail the school, its faculty, and its students. It is the board being negligent in its duties of care, loyalty, and obedience.

As organizational theorists tell us, an institution's decline is almost never the result of a single factor or catastrophic event. Rather, decline is incremental -- a frog in the pot-like process as leadership accommodates to the increasing discomfort until suddenly, it's too late to lower the heat or leap to safety. Despite negative trendlines for some time, boards of small free-standing seminaries have excused, or worse, ignored decline. In the words of author Ron Mattocks, trustees and other decision makers become "addicted to mediocrity. They grow numb, insensitive to the risk that keeps the institution in perpetual financial distress, accepting this as a normal state of affairs" (*Zone of Insolvency*).

STANDARDS OF ECONOMIC EQUILIBRIUM

- **Operational Standard.** The seminary regularly fulfills its mission with excellence and with an operating surplus.
- **Endowment Standard.** The seminary looks to the endowment as a reliable revenue stream for operations and maintains the purchasing power of its endowment funds.
- **Facilities Standard.** The seminary builds and equips needed facilities and maintains them in first rate condition.

Adapted from Richard M. Cyert by ATS

MOVING FORWARD

The water in which many theological schools find themselves may not yet be boiling, but that point is near, very near. In this moment, it's incumbent upon boards to engage in proactive scenario planning, plotting possible courses forward, including what it would mean to close with grace and care. This includes:

- engaging in a rigorous analysis of likely additional years of life for the seminary should it sell the campus, assuming the institution owns property
- identifying tripwires that signal the seminary is moving toward a point of no-return
- agreeing upon an institution-specific definition of, and plan for, "ending well."

The good news is that when a board, the president, and senior leaders have the courage to name the unspeakable and take decisive action to avert the worst, a theological school becomes better positioned to achieve financial equilibrium—whether independently or through partnership with another institution of higher education.

DISCUSSION QUESTIONS

- How have we historically responded to signs of institutional decline, and what patterns can we identify? (*Investigative*)
- What partnerships or mergers might offer a viable path forward—and how should we explore them? (*Productive*)
- What theological or spiritual frameworks can help us approach merger or institutional closure with integrity? (*Interpretive*)



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