

The Evolution of Expenses at our
Synodical Institutions

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"You cannot even afford to breathe any more!" I think I first uttered these words when I was fourteen and a freshman at Martin Luther Preparatory School. The year was 1981 and my parents encouraged me to attend one of the synodical preparatory schools. I chose MLPS because I did not want to share my high school experience with college students.

This picture seems commonplace, but I did have a disadvantage. My parents did not have any money to send me to a synodical preparatory school. Adding to their financial woes, my brother decided to attend MLPS also.

Since my parents lost their two businesses, there was only one simple solution to our financial problems. My brother and I paid for our own education with the understanding my parents would help whenever possible. Unfortunately, during the 1980's, tuition, room and board began to come in line with other institutions to help relieve the Synod's budget restraints.

Since I had the experience of paying for my entire education, I became interested in the history of expenses at our synodical institutions. This paper will focus on the increases in expenses over the years and reasons the Wisconsin Synod inaugurated new ideas for revenue.

HISTORY

According to the custom obtaining in regard to our Synodical institutions of learning, tuition is free to all students coming to us from our college or from the colleges of affiliated synods, it being understood that these men obligate themselves to devote their lives to the service of the church. For the same reason the Joint Synod has at its last session in August, 1920, resolved to take no money whatsoever from its students of the seminaries for services rendered, but to receive them as tyrones in the service of the church. No charges are made for board, for the use of rooms, or of such furniture as it is supplied by the Seminary, with each boarding student being loaned a table, a chair, shelf room for his books, a bedstead, and a mattress for his stay. (Wauwatosa Theological Seminary Catalog 1922-23)

Financially, this was the golden age for attending our Seminary. There was no expenses at all. All money made by students could be exclusively used for personal items. It is hard to imagine, but students did not even have to pay for the food they ate.

These golden years were the exception. Previously, students at our institutions ~~to~~ paid room and board and sometimes tuition since their preparatory years. As far back as the 1870-71 School year there was tuition of \$32.50 a year and room and board of \$75 per year at our college and preparatory schools. All students had to pay these fees. Both those studying for the ministry and those taking general education courses had to pay this amount. During these early years, no special treatment was given to ministerial students.

To help families with two or more children attending our high school or college, there were scholarships available. These enabled one member of the family to receive a free education. No family was asked to pay for more than the cost of one education. The Synod

tried to keep school affordable for all families.

By the 1881-82 school year, there were few changes. Tuition remained the same but the Synod raised room and board to \$100 per year. There was one significant change. The one change implemented though, affected the Synod until the present day. Beginning with this school year, students committed to the ministry were given special financial assistance. These students no longer had to pay their cost of room and board. For the first time special consideration was given to ministerial students. To help pay for this change though, synodical institutions no longer awarded scholarships.

Direct scholarships from the Synod were non-existent until thirteen years later. Beginning with the 1905-06 school year, a couple of generous donors established an endowment fund for students. A couple of donors granted the Synod money with the express purpose of helping students who were preparing for the ministry. Some students were now able to receive assistance which helped subsidize their high cost of tuition. This scholarship was different from the original scholarship fund. Unlike the original fund which helped out families with more than one child in school, recipients of this new fund were only students who received high academic grades. The next great change to occur at our high school and college was the key that opened the golden age at our Seminary. In relation to expenses at our institutions, we could call the school year of 1920-21 the year of the great exchange. All students of our preparatory school and college no longer had to pay any tuition. Instead, they had to pay for their room and board. The

cost of room and board was much greater than the cost of tuition they no longer had to pay. Scholarships remained though, and the faculty continued to distribute the money to deserving students.

Why was there such a dramatic switch? First, this was the year that the Synod voted to pay all costs for the students at the Seminary. The opening paragraph describes that decision. It is only natural that the Synod would need new revenue to help pay for this resolution concerning expenses at the Seminary. Up until this year, Seminary students were paying as much as \$80 a year for room and board. There was never any tuition at the Seminary.

Second, our Synod was falling deeper and deeper into debt. They may have thought it was more economical to give free tuition than free room and board because tuition was so much less. This is common sense also. The Synod could control tuition while inflation directly dictated the cost of room and board.

Third, the entire nation was trying to recover from a sluggish economy because of the end of WWI. It no longer made good financial sense to continue to maintain the schools as they had for the last 50 years. This slow economy and the switch at the Seminary were the main reasons students had to pay more.

This is how things remained throughout the 1920's. The only change occurred in the 1925-26 school year. The economy of America was solid again and it generally resembled the 1980's. The Synod only changed the way they charged tuition for non-ministerial students. They separated college tuition and prep tuition. Non-ministerial students at our schools began paying more of their share. The preparatory students taking general education courses

continued to pay \$40 a year for their tuition. This change is significant because the synod was trying to find new ways to support the worker training institutions. This change occurred when America's economy was booming. If the economy failed, indicators are that our Synod might be in trouble at its schools.

Unfortunately, the economy did take a turn for the worse. In October of 1929 the stock market crashed and many banks began to fail in the following years. The state of the economy almost forced the Synod, which already was looking for new options to finance or schools, to change their policies again. The question of tuition was on the agenda for the convention of 1929. The 20th Convention of EV. Lutheran Joint Synod ^{of Wisconsin} and other States took place on August 14-21. This was exactly three months before the stock market crash.

The golden age at the Seminary came crashing down also at this convention. The Synod voted that the men at the Seminary should pay \$80 for board. Seminary men had not been expected to pay anything for the last ten years. The decade of financial woes in the world which were about to come would only magnify the problems.

The Synod had to vote for this new measure because they were sliding deeper into debt. This was common everywhere during the 1920's. People built up a lot of debts, but when the depression hit, many were not able to repay. Our Synod was trying to repay their debts before they got too far behind. To help meet rising budgets, the college and the high school raised the price of room and board.

The reinstatement of board at our Seminary was probably the direct result of the new location of the Seminary. The Seminary

) moved from Wauwatosa to Thiensville. To pay for all the new buildings, the Synod asked each congregation to give \$3.65 per communicant. This money drive stalled short of raising the needed capital. It was only logical then that students pay for the food they eat. This new (old) charge would help Synod meet their budget. There was still no room for tuition charges for Seminary students. ?

Since the Seminary reinstated board, it ^{was} only natural that it would continue to increase. Also, if it helped meet budgets, it would also signal a new area of revenue for the Synod. This small but necessary fee was only the beginning. Student contributions could help meet many budget needs. This thinking could only mean that students would pay a large portion of the costs themselves

) The Synod Convention of 1931 proved this. First the convention voted to raise board at all institutions. This was only to keep up with rising costs. This convention also voted that all students at Synodical institutions pay tuition. No longer would there be special treatment for ministerial students. This was an attempt by the Synod to make ends meet as the depression heighten^{ed} all over the world.

The tuition for ministerial students never passed. However, it rose very slightly for non-ministerial students. Nevertheless, this laid the foundation for a future tuition charge. There was not much of a chance for it to pass at the first convention where it was discussed. Our Synod usually takes six years to decide if an idea is good or rotten. Since tuition was a good idea, it was only a matter of time before it was started.

) Discussions went deeper than just implementing tuition or

remaining statue quo. During the discussions at this convention, the Synod proposed to make all tuition money collected from ministerial students refundable when they entered the Seminary. This included tuition paid at our Synodical High Schools, as well as at Northwestern College. The Synod promised to return the money in thirds once the recipient entered the Seminary. Since there were only three years of training at our Seminaries, students were encouraged to use the money to meet the rising cost of board.

All this was part of the tuition package that failed at the convention of 1931. This failed package was the forerunner of the refund policy that eventually passed at the 1969 convention. By not passing this idea, the synod sent a ^{loud} loud message that students studying for the ministry should not be responsible for their education. That responsibility belonged to the members of The Ev. Luth. ^{Joint} Synod of WI. and other States.

This decision proved to be very costly. By 1932 the great depression was in full swing. Our Synod was in deep financial trouble as our debts reached \$750,000. To remedy this, The Board of Trustees reduced professors' salaries 20% and missionaries' salaries 10%. Banks began to fail everywhere early in 1932. The bank we dealt with requested that we pay our \$256,000 loan in full.

These circumstances prompted the Synod to take drastic measures. They organized an every member canvass to help pay for these debts. When this failed, they cut 20% of all salaries of the men who served on Synodical boards. They also reduced the money given to all institutions by 20%.

The Board of Trustees defended their actions at the Synod

Convention of 1933.

These measures resorted to by your Board, on the face of it, appear to be heartless, cruel, and brutal. If anyone deplores the necessity of those measures, it is your Board. We would, however, have considered ourselves derelict in our duty if we had not employed them. It was a matter of live or die by the Synod. We were forced to the extremes because we were not furnished with the money to carry on. (Synod Proceedings 1933)

Interestingly, the Synod was able to reduce their debt down to only 1/2 million dollars. Through all these hard times on professors and the institutions, the Synod did not pass an emergency fee for students that would directly go to professors. They seemed overly concerned with financing the education of future ministers even if it was at the expense of the men training those pastoral candidates.

The Synod even had a plan that helped students pay for their room and board. They established a fund that allowed students to borrow money when they could not pay the rising cost of board. The students had to pay as much of this money back as they could from their earnings in the Summer. On the average, this fund received back 50% of all the money it loaned out. This is just another example of how the Synod bent over backwards trying to finance ministerial students.

Everything basically remained the same until 1962. Board and fees were at all time highs. It cost \$325 for all college and prep students and \$300 for all seminary students. Beginning in 1962 though, all students, both ministerial and general, had to pay an educational fee. Preps had to pay \$75, college students \$150, and seminary students \$100. This was in addition to tuition for the general students. By definition, ministerial students were still

general students. By definition, ministerial students were still exempt from any tuition costs. This new fee was non-refundable.

It took many years. The Synod finally decided to charge tuition. Why it came now and not during the depression is a question that may never be answered. Whatever the reasons, there were great deliberations by special ^b Boards and ^c Committees before they decided to implement an educational fee.

The Wisconsin Lutheran Seminary Board asked some very probing questions before they agreed to any educational fee. First, they looked into what other seminaries charged during the 1961-62 school year. This was their finding:

(Seminary Board minutes 1962)

	Ed. Fee	Dorm Fee	Meals	Incdntl.	Misc Fees	Total\$
Concordia St. Louis	250	180	450	0	60	940
Concordia Sprngfld.	240	120	270	0	20	650
Bethany Mankato	200	122.50	260	22	15	619
Capital U Columbus	150	180	390	0	50	770
Luth Sem. St. Paul	200	60	450	0	31	741
Wartburg Dubuque	150	180	367	0	15	712
Gttysbrg. Penn.	210	225	co-op	6	21	460
Philadel. Seminary	255	120	456	10	27	860
Chicago Luth.	90	165	345	12	35	640
WLS	0	0	275	5	0	280

This comparison could be taken in two different ways. The obvious one is that WLS students were not paying ^{their} there share. The other way, our Synod seemed more committed in helping finance future pastors.

Second, they discussed nine questions put before them by the Advisory Committee on Education that ~~sufficiently~~ needed answers. Answering these questions would help formulate a well informed decision. Only after answering these questions, did they carry out this Educational Fee. These were the ⁹ questions they discussed:

1. Without an educational fee, are we cheapening our seminary courses by subsidizing all our students too heavily?
2. By offering free education, are we encouraging students to get married?
3. (At this time the seminary was only contemplating an obligatory vicarage program) Should the year of Vicarage be made compulsory for all students, and should marriage be considered an excuse from this particular experience?
4. Would students feel their indebtedness to the church for the training received more keenly or less keenly if they paid a larger proportion of the cost of their education?
5. Would students who are not whole ~~heartily~~ ^{heartily} appreciating our course of fully applying themselves to it be called out if students paid a larger proportion of the cost of their education?
6. Should our student aid program be administered in the form of scholarships granted also on the basis of needs and how would this affect the feeling of an obligation to serve the church on the part of the students?
7. Should individual congregations be encouraged to assist students from their midst with scholarships?

8. Should educational fees be directed toward educational expenses? (Salaries, utilities, maintenance, etc.)

9. Should separate dormitory fees and refectory fees be charged?

The biggest decision I feel that came out of these discussions was the one on scholarships. From now on, they designated scholarships for needy students as well as academically gifted students. This really helped counter any higher costs. It also helped students understand that the Synod still stood behind them. They did not begin charging any dormitory fees yet.

In the midst of all these discussions, the Board of Trustees originally proposed that the institutions charge a \$50 refundable tuition for all students. If students graduated and made themselves eligible for a call, the Synod would have refunded this portion of their money. If the student chose not to make himself eligible, the money would have remained in a special Synod fund. Voters felt this was not practical so the Board of Trustees put the idea on the back burner. After much discussion, voters felt that it would only be an unnecessary revolving of money.

Now, it was only a matter of time before the Synod would adopt a refund policy. The Board of Trustees had laid the foundation. At this convention though, the only idea presented was the educational fee. One revolutionary change at a time is all our Synod could handle.

The Synod resolved to go along with the Advisory Committee on Education and implement the non-refundable educational fee I mentioned earlier.

I feel there are some underlying reasons they carried out an educational fee this year. Throughout the Synod, many new building expenses were occurring. Operating budgets were tight and the Synod needed new sources of money. The Advisory Committed on Education should have asked a few more questions. Should our ministerial students be required to fund our new projects? If a plan is implemented, should there be a cap on how fast it can grow in one school year?

We can see they put how much diligent thought into this major change. Once established, it would become easy continually to raise it to meet new or rising costs. Publicly, they did not discuss the inflation side of this problem and the long term ramifications. This new educational fee opened the flood gates for rising costs.

By 1967 the Board of Trustees were already making more changes in student charges. Many students (especially at the high school level) claimed they were ministerial candidates and then changed their minds after graduating. This was costing the Synod a lot of money to train non-ministers. They were not getting a fair return on their investment.

To remedy this growing problem, the Board of Trustees introduced a policy of General Fees. This new fee was in addition to all other fees. This new fee was refundable. If students continued and became public ministers, the Synod would refund the entire General Fee paid by the students over the years.

They proposed to distribute this refund proportionately over an eight year period. They added this little provision because they realized many women only served one or two years and then got

married. Under this plan, they would receive only one-eighth of their refund for the first eight years of their ministry. If they quit teaching for any reason, the Synod would suspend their remaining portion until they began teaching again. If they never returned, then the money remained with the Synod. Pastors also would receive one-eighth of their refund for eight years. The Synod wanted to get the most out of the money they spent on educating their ministers.

The Synod voted to have the Advisory Committee on Education review this and bring their recommendations before the 1969 convention. The Advisory Committee on Education made a few changes after compromising with the Board of Trustees. Their plan is listed below:

I. General Educational Fee - This fee included the present Educational Fee, the present Tuition Fees, and a portion of it was refundable.

II. Fee Schedule -The schedule of the General Educational Fee for future workers and general students was as follows:

General Educational Fee

Applies To:	Oldest Student of Family	Younger Students of Family	Refund Portion
9th-10th Grades	\$200	\$125*	\$100
11-12th Grades	\$250	\$175*	\$100
College	\$450	\$350*	\$200
Seminary	\$300	\$200	-----

* The Lower amounts for families with more than one child in school did not apply to general students.

III. Fee Refunds - The total refund was an amount equal to the total the graduate paid as specified on the refundable portion of his Educational Fee while attending the Synod's schools. The refunds were paid back according to this plan:

Pastors - Total refund was paid after September 1st of the year of their graduation and the acceptance of a call.

Teachers - Refund was made in annual payments until total refund was paid off. A teacher must have a call to receive portions of her refund annually.

This was the compromise solution which the Board of Trustees presented to the 1969 convention. I must also mention here that they also decided to inaugurate room charges. They decided rooms were as much a service as meals and therefore student fees should supplement the cost. All other institutions of other synods had higher student costs, it was only a matter of time before we joined them.

Fortunately for students, there were also some very encouraging words presented at this convention in defense of these rising costs. The Advisory Committee on Education issued a statement in hopes to make everyone aware of the ramifications of their most recent decisions on student fees. They reported:

With the General Education Fee now in effect, the Synod is obviously aware of the fact that the students are being called upon to bear a larger share of the educational costs. By the same token it is also obviously aware of the fact that it is moving away from the old policy by which the Synod at large bore the major portion of the educational costs.

They were publicly stating that it was no longer politics as usual. From now on, the Synod would count on students to pay for a more fair share of their Education. This included both ministerial and non-ministerial students. (N.B. This convention also voted to place

a cap on student fees. The Synod voted never to ask students to pay more than 50% of their educational costs.)

The Board for Student Aid issued this statement at the 1969 convention.

As the educational costs for students attending our Synodical schools continue to increase, the need for an expanded scholarship program likewise becomes more urgent. Since our Synod Scholarship Fund is dependant entirely on gifts apart from the Synodical budget, the Advisory Committee on Education would encourage our pastors to make use of the informational brochures and memorial wreath cards.

The Synod was well aware that even though students were to pay more, it did not mean that all students had the money. They knew students needed an alternate way to pay. Also, they recognized that this money could no longer come from the Synod's budget. They decided to push non-budgeted scholarships as their alternative.

It is ironic how in 1962 the refund idea was impractical. Now, less than ten years later, the Synod adopted it as the best way to go. I think three factors directly led to this situation:

1. The higher cost of living. This included paying all professors and staff a more competitive salary. It included paying for the cost of all the expensive building projects going on. It included the higher cost of living.
2. Building expansions at the institutions. I think this was an underlying reason room charges were instituted.
3. Larger Enrollments. The Synod could distribute the cost among more people. This allowed for smaller increases needed to meet the extra revenue the Synodical budget no longer covered. The larger enrollments also caused problems because more and more students claimed to be studying for the ministry, then never became pastors. (or teachers) This meant that the Synod paid more for education, but proportionately received fewer people into the ministry.

This plan was very practical. It addressed the needs of the

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Synod as well as those of the students, ministerial and non-ministerial. The Synod understood that some students changed their minds and decided to pursue other careers beside the ministry. They also understood that they could no longer support the growing numbers who changed their minds. This plan allowed for students who began to study for the ministry but then decided they could serve the Lord better somewhere else. It also addressed the growing budget problems in the Synod.

There was also an emergency plan started for students who could not meet the rising costs. Any student could borrow money up to the amount in their refund account to help them pay for school. If they served publicly in the church, then they would receive the remaining portion of their refund account. If the student did not become a pastor or a teacher, then he had to repay this loan.

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This is basically the structure of the Synod refund policy today. The Synod went completely with the idea students had to pay their fair share. They went with the idea that scholarships and other non-budget means were the way financially to educate the Synod's future.

There were a few changes. In 1974, a pleasant surprise occurred for students entering the ministry. There were more forfeitures of refunds than the Synod predicted. This resulted in an overflowing fund. The Commission on Higher Education recommended to distribute this money in higher portions than originally planned. Students, for a short time, were receiving more back than they paid in.

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After only four years, this refund plan seemed to meet all

expectations. Students were able to pay their bills. Scholarships were on the rise to assist students in meeting those needs.

In 1975 another slight change occurred. The Board for Higher Education redefined the terms for student Fees. Now there were only tuition, (the first time anyone dared to call it tuition for ministerial students.) room, board, and fees. Instead of having an Educational Fee that was entirely refundable, now tuition was 75% refundable for preps, and 50% refundable for college. The college refund was less because the United States Government awarded students both grants ^{and} scholarships which further supplemented students. The seminary ^{students} received no refund for their tuition payments. The ~~S~~ ^{students} Seminary paid less for tuition and they received more scholarships. They made this change to make it easier to work with the rising costs.

The only changes that occurred until the mid 1980's was the skyrocketing costs. Inflation began to run out of control through the 1970's, and students had to keep up with it. Instead of charges rising by ten or twenty dollars a year, they began to rise by the hundreds. Students only four years apart were paying \$1200 more than their older friends had to pay.

In 1988 the Synod addressed this problem. The synod changed names and circumstances, but they retained the basic structure of student charges that began back in 1969. The WELS Scholarship Fund became the Student Assistance Fund. The preparatory school Tuition Refund Program now provided the WELS College Grant.

Uniform policies for granting financial assistance began for the Preparatory schools. This included assessing student needs,

assistance limitations, assessment of students' commitment to the ministry, and in depth applications.

Financial assistance also worked through the WELS College Grants. Instead of refunding the 75% of students tuition costs from the prep school after one had accepted a call, this money could now be used to help pay college costs. It was another way to help students meet the rising costs of all fees. (Costs that were continually rising faster than inflation.)

There were concerns that all this was becoming counter productive and would result in lower enrollments. Lower enrollments would mean fewer workers in God's earthly Kingdom. For that and other reasons it was very important that the Synod provide a way to make school affordable. Without this non-budget funding, the worker training system might fail.

That is why they felt that students, after paying high preparatory costs, needed assistance to meet higher college costs. They felt the preparatory system was vital to maintaining a viable worker training system.

This is how the system operates presently. I feel there is one aspect that needs to be looked at more closely though, and that is a more uniformed distribution of all scholarships. Our institutions demand that all student accounts remain current. Students therefore at the college and ⁵seminary level need to work to meet this demand. Also, they are not allowed to work more than 20 hour a week because work interferes with school work.

This leaves the student with a dilemma, how do I get enough money to pay my bills? Do I wait and see what size scholarship I

receive and then find work to pay the rest? Do I find a high paying job that demands more of my energy and get less scholarship money? If I do that, will my schoolwork suffer? Twenty years ago my uncle was paid as much per hour as I get today, yet my expenses are ten times higher than his. Am I to assume that scholarships will make up the difference?

These are a few practical problems which need an answer. Another area which needs looking into is the area of distribution. If person A manages his money as the poor student he is, he is likely not to receive as much money as person B. Person B spends his money foolishly and has built up a huge debt. The committee looks upon this debt as a terrible problem and grants large amounts to help him out of his self made problems. Person C managed his money well, but accumulated huge debts anyway. He needs the large amounts to help him get his debts reduced because he knows they will not get that big again.

These are the basic scenarios today. All need money. Person A needs it so he can buy items needed but he felt he could not afford. Person B needs money to keep his spending habits alive. Person C needs the money to get back on his feet again.

Presently, the committee that hands out scholarships ultimately looks at the bottom line. The more a student is in debt, the more he will receive. If the student is above water, he might not get any scholarship. If there were a uniform distribution, an amount everyone knew they would receive, then more students could budget properly. This would allow students to find work that was more suitable for completing their homework. It would allow for

students to apply for further financial aide if they still could not get by with this minimal uniform distribution.

In the school year of 1992-93, 97 students at our Seminary received \$252,000. This averages out to \$2600 per student who received money. Tuition for all students amounted to \$2,740 per student. This figure helps to demonstrate how efficiently the scholarship program has worked. It helps us to understand that the Synod is behind its future workers. There are some questions that need answering, but they would only serve to make a good system better.

When I began researching this material, I wanted to come out with the conclusion that students in the 1990's were getting ripped off. I found that not to be the case. Proportionately we are ^{treated} fairly the same as past generations. The Synod has walked a tight rope assuring us that we remain their first priority.

I have addressed a few negatives such as the wages for part time jobs have remained low. I pointed out there was no way to plan for a scholarship in your budget. These two negatives are far outweighed by the positives that our Synods tuition policies have created.

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