

Seminary finances 'deteriorated' over two decades

June 7, 2023

From 2002 to 2022, annual operating expenses at Southwestern Baptist Theological Seminary rose 35 percent while full-time-enrollment figures dropped 67 percent, resulting in a cumulative \$140 million operating deficit, a [financial overview](#) released by the seminary's board of trustees revealed.

"Over the past 20 years, the financial health of Southwestern Seminary has progressively deteriorated," the document trustees released June 7 stated.



(Southwestern Baptist Theological Seminary Photo)

The financial overview covered the years two presidents served Southwestern Seminary. Paige Patterson was seminary president from 2003 until the board fired him in 2018. Adam Greenway was president from February 2019 until he resigned under pressure from the board in September 2022.

The amount of cash on hand at the end of the fiscal year averaged \$5.6 million from 2002 to 2008, the report from the trustees stated. From 2013

to 2019, unrestricted cash on hand at the end of the fiscal year averaged less than half that amount—\$2.1 million. The averages exclude the years MacGorman Chapel was constructed and the years the seminary received a special distribution from endowment, a PPP loan and a legal settlement.

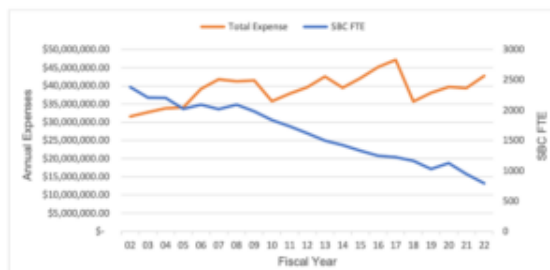
‘Pattern of deficit spending’

From 2002 through 2022, Southwestern Seminary ran an operational deficit 19 years, the trustees reported. In fact, the board document concluded the cause of the seminary’s “financial issues” was spending an average \$6.67 million more than it received in revenue for those 19 years.

“This pattern of deficit spending is due in large part to inverse trends between annual operating expenses and enrollment,” the board-issued report stated.

A chart included in the report shows full-time enrollment of about 2,500 in 2002, dropping steadily to about 750 in 2022. During that same period, expenses rose from slightly more than \$30 million to about \$42 million.

Ex. 3: Annual Expenses vs. SBC FTE (2002-2022)



From a Financial Overview
(2002-2022) Southwestern
Seminary Board of Trustee Officers

During the same period, the portion of the endowment managed by the seminary decreased in value by 5.45 percent, in spite of \$24 million in

contributions to endowment.

“This failure to realize the growth potential of the endowment can be attributed to the timing of the transition to Southwestern Seminary Foundation in 2008 and the decision to take special distributions from the endowment in 2010, 2017 and 2020,” the report from the trustees stated.

“These factors have resulted in an endowment with reduced purchasing power and unrealized potential revenue that could have offset increases in operational expenses.”

The report notes since last September, the seminary has taken steps to cut spending to ensure expenses are less than revenue.

Summary of findings by task force

At the same time the seminary trustees released the financial overview, they also published a “[summary of findings](#)” by a task force created to review Greenway’s expenditures and financial practices.

“The task force concluded that Adam Greenway engaged in a pattern of spending that the task force believes did not reflect proper stewardship of seminary resources. This pattern of spending occurred without deference to financial controls and seminary financial policies,” the summary of findings stated.



Adam Greenway

The summary document noted \$1.5 million spent on renovations to the president's home and more than \$500,000 for renovations and furniture in the president's office.

"The task force found that a significant amount of the work done on the President's home was carried out by the seminary's facilities team, creating an unsustainable demand, and contributing to poor morale and high turnover," the document stated.

"It was reported that employees were often asked to do the same job multiple times to meet Greenway's demanding expectations. Multiple change orders were also true with outside contractors, increasing costs of the projects."

The task force reported expenditures for the president's home included \$59,865.79 for Christmas decorations, more than \$25,000 for artwork and more than \$11,000 for an espresso machine and accessories.

"These expenditures were made at a time when the seminary was making significant budget cuts, including the reduction of faculty personnel and positions," the summary document stated.

The task force also reported personal expenses charged to Greenway's seminary-issued credit card, including more than \$9,900 for first-class airfare to Anaheim, Calif., for the Southern Baptist Convention annual meeting for Greenway, his family and a family friend.

Other charges included more than \$4,800 to frame personal diplomas and \$920 for a metal University of Florida gator head decoration.

The *Baptist Standard* offered Greenway an opportunity to comment on the documents released by the board of trustees, but he declined.

‘Hopes of correction ... not realized’

The task force acknowledged the financial problems at Southwestern Seminary predated Greenway.

“Unfortunately, the trustees’ hopes of correction in this financial trajectory in the 2019 election of Greenway were not realized,” the summary of findings stated.

The document included a statement from trustees expressing support for President David Dockery and Chancellor O.S. Hawkins.

“Although we must be candid to note that significant financial challenges remain, the new administration has made difficult decisions to reduce spending, including in overall staffing of the institution, while prioritizing the educational mission of the seminary,” the document stated.

“These reductions, coupled with promising increases in undesignated giving and upticks in enrollment and credit hours taken, are important first steps to stabilizing the institution’s financial standing.”