

Seminaries, national WMU cut budgets for 2009

January 9, 2009

The economic downturn is taking its toll on Southern Baptist entities, with at least two seminaries and national Woman's Missionary Union cutting their 2009 budgets.

Southwestern Baptist Theological Seminary has announced plans to cut its budget by about 10 percent—a reduction between \$3.5 million and \$4 million—to “protect the institution from future financial crisis.”

That announcement followed a similar report from Southern Baptist Theological Seminary, where the school's president predicted layoffs and tuition increases to manage a \$3 million shortfall.

Meanwhile, national WMU announced \$1.4 million in budget cuts, a hiring freeze and a four-week unpaid furlough for staff. But by implementing the cost-cutting measures, WMU should be able to avoid layoffs and keep health insurance affordable for its employees, leaders stressed.

At Southwestern Seminary, casualties of the budget cuts include the school's childcare center, its study program in England and most overseas travel. More cutbacks are anticipated.

A news release quoted seminary President Paige Patterson as saying, “The administration is doing the best it can to find ways to cut spending that do not involve the release of existing faculty or the students employed by the school.”

Suspended children's center

Southwestern is suspending for at least 18 months the work of its Naylor

Children's Center, a laboratory school under the direction of the School of Educational Ministries that provides care and instruction for preschool age children from 6 weeks to age 5.

The seminary also has suspended its Oxford study program and all traveling scholar overseas on-site study trips, except for travel directly related to a missionary training program in the Roy Fish School of Evangelism and Missions.

"We anticipate that other cutbacks in the budget will be necessary to ensure that Southwestern maintains its debt-free operational position and to be certain that revenues cover expenditures," Patterson said.

At Southern Seminary, President Al Mohler said in a letter to the seminary community that cost-saving measures—including a hiring freeze on nonessential positions and reduced travel—already have trimmed the school's budget by \$1.7 million. That leaves a projected \$800,000 to \$1.5 million in further reductions projected over the next several months, which likely would mean a reduction in the seminary's workforce and increasing tuition to boost revenue.

Budget reductions at WMU

At national WMU, cost-cutting measures include budget reductions, streamlining expenses, a hiring freeze on vacant positions, a reduction on employer contributions to employee retirement plans, a freeze on merit pay increases, elimination of incentive bonuses in 2009 and the implementation of four weeks of unpaid furlough for each staff member between January and August 2009.

The hiring freeze and reduced retirement contributions will continue until Sept. 30, 2009, according to a statement released by the organization.

"The greatest asset of any organization or company is dedicated employees

who believe in the mission of the organization. WMU is blessed with employees who exemplify this. Therefore, retaining staff and providing them with affordable health care remained priorities as executive leadership explored other creative options to lower expenditures in 2009," WMU Executive Director Wanda Lee said.

"None of the positions that we have are expendable; we already have a lean staff and need all the staff members we have to accomplish the work we do. While our nation is experiencing some of the most challenging economic times in our history, we recognize jobs are scarce, and we are doing everything we can do to protect jobs and ensure the future of WMU."

WMU's executive leadership made the cost-cutting decisions in consultation with the organization's finance and personnel committees.

Under a revised \$9.6 million budget for 2009, Woman's Missionary Union will be self-supporting through the sale of magazines and products and from investments, according to the statement.

As an auxiliary to the Southern Baptist Convention, WMU receives no funds from the SBC's Cooperative Program allocation budget. WMU promotes the Annie Armstrong Easter Offering for North American Missions and Lottie Moon Christmas Offering for International Missions but does not benefit financially from those offerings.

Compiled from Baptist Press and Associated Baptist Press reports