

Students and Graduates – Financing an Education

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One of the biggest problems in recruiting new missionaries is "the tragic, trudging procession of college graduates who are too burdened with debts to allow them to go into missions. School debts interpose years of delay– and often end in denial of the mission call for tens of thousands of mission-minded college graduates." So states mission leader Ralph Winter in Mission Frontier Bulletin.

Financing your education has a spiritual dimension. School debts can close the doors to overseas ministry for several years. Big student loans can mortgage your future, and your future does not belong to you, but to God.

Whether you are just beginning your higher education, are halfway through or have graduated—we submit for your consideration the suggestions of several financial advisers.

The problem of school loans

Mark accumulated \$20,000 in school debts and then married Jill who had \$15,000 to pay off—\$35,000 in all! In addition, each owed on their credit cards. They found themselves in this hole just at a time when most young couples want to buy a home and start a family. A more mature couple would shudder at a debt half that size!

Furthermore, neither had majored in fields that are immediately useful like education, business or high tech. They did sociology and psychology, which are useful, but not highly marketable without graduate degrees. Mark and Jill wanted to go abroad as missionaries, but no mission agency would take them until their debts were paid. Donors are not happy to make retroactive payments on someone's schooling, complete with interest! The couple could not even be good mission "senders" because the contributions they could have made had been spent.

Students consistently receive bad advice because most of the people who should counsel them have a conflict of interest. Colleges and universities must keep up enrollment or suffer financial loss. Faculty must recruit students for their classes or risk losing their jobs. Banks and other lending institutions care only about their own financial gain as they make loans available and flood students with credit cards. They know most students spend a great deal on extras other than education. Parents are relieved that loans are possible because they cannot afford the spiraling cost of higher education. Colleges have few qualms about rate increases because loans are available. Everyone has reasons for not putting the students' best interests first.

As to the students—they find it all too easy to borrow! It becomes a lifetime habit which is very hard to break. This is not surprising because it is the only model most of them see in the adults around them.

This debt habit is the main reason for our country's financial problems. Not our trade deficit with Japan. Even if every country in the world gave us special trade advantages, it would not change our main problem—that Americans are up to their ears in debt—mortgages, car loans, time payments and credit card expenditures. We are the largest debtor nation in the world! Our national economy will not greatly improve until Americans break the debt habit and begin to buy out of savings instead of loans. (Most Japanese save a significant portion of their much lower earnings—a major reason for their usually robust national economy.)

But big debts are so damaging to students, the church and missions that pastors and youth workers should get data and provide counsel on how to pay for students' education.

The problem of rising costs

A major villain in the story is rising tuition and living costs. What happened? Even state universities and community colleges cost much more today than a generation ago. The State systems were started to provide almost tuition-free education to assure that all capable young people could obtain degrees. They were the poor student's passport into the middle class.

The mid-1900's were the golden years of American higher education. Large numbers of men returned from the war with GI loans. Because they were older, married, and more serious than younger students, they significantly raised the level of education and created an atmosphere on campus conducive to learning.

State colleges were never free, but in the early 1950's I paid about \$100 tuition and shared a tiny apartment near the campus with two friends. (We put wallpaper with red cherries over the stained kitchen ceiling!) If loans were available, we did not know about them. Most of the students worked, on or off campus. My first year I did freelance art work—murals for the county fair, signs and posters. I also tinted photos, since colored photography had not yet been invented. But I was glad to exchange that feast-or-famine existence for a convenient, interesting and very useful job in the college library! The job also solved another problem. Even with this minimum wage, I could not afford to buy the textbooks. Now I had first chance at the ones in the library.

But we all lived much more simply than students do today. Very few had cars. There was no money for extras or recreation. There were crises to meet, but for the most part we did not think of ourselves as deprived. I felt the pinch most before IVCF conferences. (Several of us had started the first IVCF group on our campus.) But I always registered to attend even though I had no idea how I would pay the fees or the travel. I registered by faith because I knew I needed the training and that God wanted me to receive it. I could not expect help from my family, since I had seven siblings still at home. I believed I should not mention my need to others. Usually, I had a chance to earn some extra money, and someone offered a ride. Sometimes I did not know how I would get home until the last few hours of the conference. But God never let me down!

One of the most valuable habits I developed during my student years was trusting God for my practical needs. It helped later in my overseas ministry to take much greater risks, knowing I could count on God. I might never have had this firsthand experience of God if there had been loans and credit cards.

But recent radical changes in our economy— the globalization of business, fierce world competition, downsizing of the workforce and the use of temporary employees—have complicated paying back the loans. What can be done?

Basic choices

The cost depends on where you study and what your educational goals are. What vocation will you choose? Many students switch majors once or twice and often settle for something less demanding. It is surprising how often students have little idea what kind of work their major will qualify them for.

The chance to study must be viewed as a gift from God, to be used with thanksgiving and discipline. It should not be wasted. Christians are expected to serve their employer with the same care and enthusiasm as if he were Jesus Christ. The Lord is equally pleased when they do their studies as though he were going to read and evaluate their papers. (Col.3:17, 22-24, Eph. 6:1ff.)

So in choosing a vocation take into account your aptitudes, gifts and interests. Your college probably provides testing and counseling. If you hope to serve the Lord as a missionary, you need to consider which courses will be the most

useful. If you plan to follow the apostle Paul's model and become a self-supporting tentmaker, consider which vocations are the most marketable in that 80% of the world where missionaries cannot go. Is the vocation a good context for ministry? Can it support a family overseas and at home?

Then you should think of the spiritual preparation you need to serve the Lord abroad (or at home). How will you acquire the necessary Bible knowledge? Where and how will you fit in training and experience in Bible study skills and evangelism?

Will you choose a Christian college or a secular one or some combination of the two? A secular campus can be a great training ground. Once you have clarified your educational goals, you can evaluate which schools to use. What are the least expensive to reach your goals? Our GO Paper on The Tentmaker's Preparation for Work and Witness can be helpful.

Financial options

1. Live simply as a student. No frills. A simple lifestyle is biblical and is superb training for serving God abroad.
2. Your living arrangement. Your best financial option is to continue living at home, if your school is nearby. If not, there are advantages to living in the dorms the first year, and some schools require it. After that, you may find it less expensive to share an apartment with two or three other students, either on campus or off-campus housing. But it will be economical only if your house mates share your interest in keeping expenses low.
4. Limit credit card use. Credit cards constitute your biggest financial hazard because of their typical 18% interest rate. Financial institutions deluge students with cards because they reap big interest from them. Do not use the credit card at all unless you pay off the full amount owed by the end of the grace period in which it was spent.
5. Do two years at a community college. They have also raised rates, but they were designed to lower costs by permitting students to continue living at home. Your lower division courses can be done anywhere. Then transfer to a good university.
6. Find a part-time job, on campus or elsewhere, to help pay school costs.
7. Find vacation and summer jobs to help defray costs. You need to do your job hunting well before summer and well before Christmas vacation.
8. Investigate scholarships. Many are not used because few people know about them. See your college counselor or the registrar's office, or the college library for scholarship directories. This is also a good reason for keeping your grades up.
9. Slow down your education. Take courses as you can pay for them. Nobody says you must finish in four years. Bob, who served as a tentmaker in Iran for 23 years, says he wishes he had done his education differently. Instead of cramming his chemical engineering degree into three years, he would take it slowly, to have more time to grow spiritually, to gain Bible knowledge and ministry training, and do more evangelism. I could have graduated at mid-year, but decided to spread my last year's courses over the whole year. This enabled me to give time to serve as an executive member of our IVCF group and to lead a different Bible study each day of the week. Your school years are not only preparation for the future, but they are your current ministry. If you give importance to the fellowship group and evangelism during your student years, you will do so after graduation when your schedule will be even fuller.

10. Do a work-study program. Some firms have work-study programs for students they are grooming for longer-term employment. Find one with overseas branches and let them know you would eventually like to work abroad. Even if it takes an extra semester to complete a work-study program, you can finish experienced (which gives you an edge over other job seekers) and debt-free.

11. Consider study abroad. This option is useful for only certain majors, like history or a foreign language or area studies, etc. There are many U.S.-accredited English-language colleges in other countries. Many U.S. universities have foreign campuses because most fields of study today are globalized. These programs are fairly expensive, to which you must add the cost of round trip travel. (Use cheap student fares.) A few local universities of your new host country give certain degrees jointly with U.S. institutions.

Some majors can be studied more economically in countries where the cost of living is low. You may be able to earn your way by tutoring English to local people. A young woman can receive room, board and a small wage, working as a governess or nanny to an affluent family. Work hours are arranged around your study schedule.

Room, board and tuition in India is very inexpensive! But the universities do not like to deal with individuals, so you usually have to register in a U.S.-sponsored program and go with a group. You pay tuition to both institutions. However, you can then arrange with the Indian university to remain for another year or two and it becomes economical. But—what can an American study in India, without becoming suspect? It is a logical place to study Hindu culture and religion, and one of India's many languages. Doug did just that and had a great ministry helping the campus Christian fellowship and a local church, and is still having a fruitful ministry there, with his wife and children, several years later.

It will not be practical for most people to do their whole training overseas. But try to include some cross-cultural experience. Consider a Junior Year Abroad program, or a modestly paid internship, or summer service.

12. Investigate grants, assistantships and fellowships. These are available to help finance your graduate education, at home or abroad, because by then you have obtained qualifications. Debra received a fellowship in the Middle East, enabling her to earn an MA in TESL, given jointly with a U.S. university. Her job was to tutor fellow students in English. During this time, she also learned Arabic, and witnessed to the students.

13. Consider many creative new options. These are unfolding before our eyes with bewildering rapidity. Educational institutions have become victims of their too high prices, and struggle with extremely low enrollments, because the baby boomers' babies have now graduated. We are at the bottom of the dip. So administrations are taking study programs to the people. Programs are being decentralized. Classes are given at new branch campuses in several states. Courses are also offered to groups of people in their workplace. These options are facilitated by the use of electronic mail and the Internet.

Christian institutions suffer the same problems and are applying the same solutions. Many courses are already available through Internet. Wycliffe is considering a program where candidates are accepted as associates after two years of college, and then become full members when they graduate.

This trend is certain to grow, with many creative ideas, since both secular and Christian courses already proliferate on the Internet. But do plan to study on a campus, since it would be an enormous loss to miss out on campus life and ministry, which should be a part of every young person's education.

If you must borrow

School loans may be a good idea as part of the package. But first develop all other funding avenues. Then borrow as little as possible. Consider the following facts.

1. Borrowing becomes a habit that can be very difficult ever to break.
2. Borrowing is mortgaging your future and your future does not belong to you, but to the Lord. It is too bad not to be free when the Lord calls because you are saddled with a debt. Mission agencies will not take you because donors are not eager to make payments on your past education.
3. Borrowing greatly increases costs and wastes future earnings.
4. School debts can be difficult to repay. One problem is how to get the experience you need to qualify for your first job, because you need the job to get the experience! You may have to settle for a job not exactly in your field and one that pays less well. Meanwhile, your loans must now be repaid, with interest. So, avoid big loans.
5. Christians must not default on loans, even though a high percentage of graduates do. God is our Lord, and he keeps the records.

So keep your borrowing to a minimum. But do obtain a good education—one that can provide for your needs now and in the future. A missionary came to our office for counsel. When he was younger, a mission leader had talked him out of finishing college because of the urgency of missions. Now, ten years, one wife and three children later—he found himself in the U.S. with no good way to support his family and no way to get a college education.

Young grads with debts

We will assume you have graduated and are now responsible for your own earnings, lifestyle, investments, health care, retirement and the repayment of debts. The right attitude from the start can make an enormous difference. The debt needs top priority.

1. Prayerfully seek a good job. You may have to settle for something more modest and less remunerative than you envisioned. Remember that the difference between work and play is not the amount of energy expended, but that you play when you want to, while work is obligatory. Don't expect your job to be fulfilling. It may be, but fulfillment usually comes from the motivation we bring to the job, not what it gives us.
2. Design a realistic budget with a schedule for loan repayment. Then stick to it. You are not really free to spend for anything other than necessities. A recent TV ad shows a young woman in a large apartment with luxurious new furnishings, bragging that no one can make her postpone "living" until her education debts are paid! But the Christian does not have that option. Keep expenses down to eliminate the debt quickly. Christians may have to postpone marriage and family until debts are paid. You will be on an austerity program until they are gone. I have often been surprised at how disciplined well-to-do people are, and the small economies they practice. People who do not save quarters will seldom save dollars.
3. Resolve to run up no more credit card debts! Plastic money encourages impulse buying. For this purpose, keep one oil company card (for gas), one retail card and one bank card. But pay all of them completely each month!
4. Pay off your credit card debt before your other loans. Why? Because you are probably paying very high interest! No longer having to pay that huge interest is a greater gain than any investment you could make!

5. Consider working off your debt in another country. If you are eager to begin serving the Lord overseas, you may be able to do this. But only if your degree is highly marketable. You must find a job that pays well in a country with a low cost of living—not easy.

One GO couple are both teaching English in Japan for this purpose. It may take several years, because although their pay is good, the cost of living is high. But they are evangelizing at the same time. . . Another GO couple, a high school and an elementary school teacher, paid off their combined \$20,000 debt in 2 years in a Muslim country. However, these situations are not easy to find. . . Military scholarships are available for medical study, but they require several years of service afterward. One doctor is working off his debt in the Muslim country where he and his wife wanted to serve in any case. They have a vital ministry.

6. Learn to save. Form a habit of buying out of savings instead of loans. An investment counselor says never to let any bank, realtor, mortgage loan officer or car company tell you what you can afford. They have conflicts of interest. Always do your own calculations of where you want your money to go.

God cares how you use your money because it represents all that you are and have, translated into legal tender! It represents your health and physical energy, your time, your knowledge, skills, gifts, personality, etc. Make sure you use it well.

Unavoidable expenses

1. Tithes and gifts for the Lord. It should please us to give a portion of our earnings to the Lord. This expense belongs at the head of this list because it should not be considered optional. Giving to our church and to missions is one way we acknowledge that all we are and have belongs to God. We think through how much we need, and how much should be used in his work elsewhere. Regular giving and praying make us partners of a Christian ministry and we share in its reward. We become "senders." We can even serve in two or three places at once by helping to support missionaries in several countries.

2. Health Insurance. This is a necessity in our culture. If you find a good, permanent position in the U.S., you will almost certainly be included in a group health plan. But in these days, if downsizing persists, many graduates must begin with a temporary job, which may or may not have health provisions.

If you work for a host country employer, you may have local health insurance. This may be excellent in affluent countries, but inadequate elsewhere. Your best option may be one of the plans designed by Christians for Christian workers who serve abroad.

3. Car insurance. Make your rate as low as possible by maintaining a violation-free driving record. Says an advisor, "When you have a clean driving record and three years driving experience, you become eligible for the best rate quoted." Again, consider higher deductibles to save dollars and build up your own emergency reserve.

Provision for the future

It can seem unspiritual to prepare for retirement instead of trusting God to care for you. Missionaries a few decades ago would have been surprised. But we live in a different world and it is irresponsible not to make provision for our later years. It still leaves plenty of room to trust!

Owning a home helps. Mel and Wendy, who spent their whole adult lives as tentmakers in the Middle East, used savings to build a house for their retirement. Until they returned home recently, a daughter and son-in-law rented it. Young Earl and Cheryl both worked during their student years, so they graduated without debts. Soon after their marriage, they

were able to put a down payment on a modest house. While they were in Japan as tentmakers, the rent they received finished paying for the house. The rent now provides a welcome monthly supplement to their income. If they do not want to live in it when they retire, the equity can go toward the purchase of another house.

Your prime financial asset

The greatest financial asset of young people is their youth! They should begin to invest money early, since it can give them lifelong freedom for ministry. An investment counselor said recently that the most important asset of a young person is time to invest. Young graduates should "leverage their youth," because it is more powerful and safer than any other form of financial leverage.

Remember that the Lord loves you and will guide you as you consider your options. Wise planning does not diminish the need to trust the Lord! Jesus actually commends the unjust steward in Lk. 16:1-10 for making provision for his future, although he condemns the dishonest way he did it.

Two things we must never worry about: 1) What we cannot change—we must trust the Lord! 2) What we can change—we must change it, with his help!

Jesus says worry is what characterizes the pagan world, and Christians should not be like them. In Lk. 12 he tells us not to fear persecution nor to worry about basic needs like food and clothing, because of the Father factor. The One who clothes the hillsides with "lilies of the field" (red Mediterranean poppies), feeds the ravens and notices when a sparrow falls—cares even more for his children. Worry is physically and spiritually harmful, damages our relationships, and wounds the heart of God.

Have your priorities right. All you are and have belongs to the Lord. But he is not stingy, He gives us all things richly to enjoy. But we can enjoy them most when we make disciplined use of them, when we control them, and do not let them control us. Ask the Lord to help you make wise decisions, and to provide all you will need to be able to accomplish his will in you, and through you in this needy world.

—Ruth E. Siemens

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