



# Andover Newton Seminary

## AT YALE DIVINITY SCHOOL

May 28, 2025

### **Speak Out Against Taxes on University Endowments that Threaten Education for Ministry**

Dear Friends of Andover Newton Seminary at Yale Divinity School (YDS):

Grace and peace to you all.

Although I don't customarily reach out to stakeholders about governmental matters, pending legislation compels me to do so. I'm writing with a concern about a provision in the tax bill under consideration in the US Senate: "Modification of excise tax on investment income of certain private colleges and universities" (Sec. 112021 of ["The One, Big, Beautiful Bill"](#)).

**If enacted, this provision would directly affect Andover Newton Seminary at YDS's capacity to offer scholarships and programs to students called to ministry. I hope you'll consider [contacting your Senators](#) to object to this provision.**

Echoing sentiments in a [letter from Yale President Maurie McInnis](#), YDS Dean Gregory Sterling wrote the following to the YDS community on May 27:

*In 2017, Congress passed—for the first time in US history—a bill that taxed universities that have a minimum endowment of \$500,000 per student. The tax rate was 1.4% on the distribution from the endowment, which now costs YDS approximately \$130,000 per annum. Last week, the House passed a bill that would increase our tax rate to 21% or \$9 million per annum for YDS [...], a rate 15 times greater than the rate that we currently pay! If passed, it would consume nearly 25% of our income.*

In addition to this significantly increased tax, the bill also includes devastating cuts to social services, and I by no means propose a false equivalence between the tax and the harm such cuts might cause. Rather, I write because Andover Newton's constituents need to know the threat we're facing.

In 2017, Andover Newton's leaders chose YDS as a partner and vessel for the continuation of our mission to educate Christian ministers. The move represented a new, more sustainable financial model that relies on income from philanthropy and investment proceeds. Before our move from Newton to New Haven, tuition and dormitory rentals – both paid by seminary students – were our main revenue sources.

By choosing to become an embedded unit at Yale, Andover Newton rightly shifted the financial burden of theological education off the backs of future ministers. Seminary tuition debt was, after all, pressuring not just graduates but their future churches. Like Yale as a whole, we now rely on endowment investment proceeds to fund scholarships, faculty chairs, and many ministry education programs.

**We're proud to have played a role in making Andover Newton and YDS tuition-free for all students with demonstrated financial need. This is possible through endowment investment proceeds.**

The bill under consideration places universities in a category of institutions that cater to "elites" but then proposes a tax that targets financial aid funds that increase access to higher education. If the tax law passes as-is, we at Andover Newton at YDS would have no choice but to reduce the size of our student body and the scope of our programs.

Universities, divinity schools, and seminaries serve the public good through educating those who'll make church and society better. What can you do to help?

1. **ALWAYS:** Speak out in your churches about how important it is that pastors receive outstanding theological education and enter ministry with minimal educational debt. Share with the thoughtful people you know how these values are under threat.
2. **RIGHT NOW:** Contact your Senators, who are debating the tax bill. If you care about the endowment proceeds tax as well as other parts of the bill, send separate messages for each concern so that your position on this specific issue is tallied.

Andover Newton's partnership with YDS has enriched the education we can provide our students, and our presence has enriched YDS. While we wouldn't have been exposed to this tax if we hadn't become part of Yale, the financial burdens of remaining independent made alternatives impossible. With your help, and together with our partners at YDS and Yale University, we can overcome this new challenge as we have others in the past.

Among the many lessons recent years have taught us at Andover Newton, here's the one I hold most dear: **we must protect our mission, because educating thoughtful and inspiring leaders for faith communities is important.** Our society needs prepared and faithful people who can convene us around questions of morality and meaning, including and especially at such a time as this.

Yours truly,

*Sarah*

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