

Chapter 1: A New Context

A prerequisite for leadership is an accurate understanding of reality; the first task for leaders is to help a group define its reality. Nehemiah helped define reality for his people when he said, “You see the trouble we are in, how Jerusalem lies in ruins with its gates burned” (Nehemiah 2: 17 NRSV). Any disagreement among hearers is not an occasion for argument but rather a further examination of the reality. The vision Nehemiah lifted of rebuilding the wall made absolutely no sense unless his description of reality was right. “Nothing is more limiting to a group,” says Peter Senge, “than the inability to talk about the truth.”¹ It is in interpreting “the signs of the times” (Matthew 16:3 NRSV) that leaders help people face their most pressing challenges.

The next two chapters engage some of the new realities facing the United Methodist Church in the United States. New realities demand appropriate responses that fit the current circumstances and, at the same time, advance the mission.

Changing realities do not necessarily determine the future of the United Methodist Church, but neither can they be ignored. Giving attention to such changes does not come from a lack of faith in the future. In truth, this task is informed by the knowledge that the predecessor denominations to today’s United Methodist Church thrived best when they faced their own difficulties with both realism and faith. As in the past, while recognizing that finally it is God who brings the harvest, a passionate combination of praying for miracles and working for results is the most viable way to participate in God’s redemptive work.

This chapter makes the case for the necessity of a fundamental resetting of the financial baseline at all levels of the church. The purpose of the reset is partly caused by money but has to do with a lot more than money. The reason for the financial reset is to free our preoccupation from money to reaching people for Christ through vital congregations. The criteria that matter going forward must be built around reaching people, and the whole system needs alignment toward that goal.

The following chapter will offer proposals for how this financial reset can happen. What follows then are chapters on how the church at the general, annual conference, and local church levels might focus attention to reach people for Christ during the coming years of relative strength. It is during these years that we have the greatest opportunity to respond faithfully and wisely to this critical calling—before we lose a large portion of current United Methodist members through death.

Money up

The struggles of United Methodism today make it appear that there has been no success of any kind in a long time. Of course, this is not the case. As poorly as the denomination has done since the 1960s in virtually every category involving people, it has done well in other categories. Since the formation of the United Methodist Church in 1968, virtually everything related to money has increased dramatically -- even factoring for inflation. These are such things as:

- Net assets
- Total giving and spending
- Giving and spending per worshiper

Increases	2009 as a % of 1968
Net assets	217%
Total giving	144%
Giving per worshiper	178%
- 1968 figures are adjusted for inflation to 2009 dollars.	

In 1968, the net assets per congregation (values of property, buildings, and investments, minus debt) were about \$105,000 per church (or \$640,000 in 2009 dollars). By 2009, that figure had grown to \$1.7 million per church. Eliminating investments from the calculations reveals that The United Methodist Church is a major holder of real estate. Based on 2009 property values, United Methodist property values reported by congregations were over 52 billion dollars, including parsonages. And most of this property has no debt. In 2009, 81% or 27,229 churches reported no building debt.

Spending (and the giving required to fund the spending) continued to go up. even as fewer people participated. The total spending for all purposes in 1968 (using 2009 dollars) was \$4,326,520,791, and \$6,218,009,630 in 2009, for an increase of 44 percent after inflation.

Sometimes people view an increase in the average annual giving per year by worshipers as a sign of vitality. That may be the case, but it is not usually so when churches decline in attendance, as most United Methodist churches have in recent decades. Such increased per capita giving may reflect enhanced discipleship, but it may also reflect an aging and loyal membership giving more to meet increased spending. The average giving per worshiper grew from \$1,083 in 1968 (in 2009 dollars) to \$1,989 in 2009.²

People down

While this remarkable increase in finances took place, virtually everything related to people went down, such as the number of churches, worship attendance, membership, professions of faith and children and youth.

Decreases	2009 as a Percentage of 1968
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Number of churches	80%
Worship attendance	78%
Membership	71%
Professions of faith	57%
Children and youth*	44%
*Children and youth figures begin with 1974 when they were reported for the first time.	

The remarkable, even shocking, contrast of these figures with those related to money serves as a reminder that money is a lagging indicator. When money becomes scarce, attention tends to focus on the reality that something is wrong. Yet it is obvious that something has been very wrong for quite some time that is only now manifesting itself as less money.

By observing these people-related declines, one can see a natural progression leading to today's financial situation. With fewer children and youth, there are fewer professions of faith, as the majority of new professions of faith come from those under 18. Fewer professions of faith mean fewer members. A smaller membership base leads to fewer worshipers. Fewer worshipers lead to fewer churches.

These figures of decline are not new revelations. But money can make up for, and tend to obscure, many failures. Life can go on much as it did before, as long as funding is in place. What is new today is the realization that the results of years of drawing down the United Methodist witness now have financial consequences. Aging members with increased assets and generosity cannot substitute forever for the neglect of the basics on which all giving depends – changed lives and transformed communities.

How have we made it this far?

One might wonder how the denomination has sustained itself in the midst of such dramatic decline. How could fewer and fewer people give more money?

They did, until now. For thirty years, through 2007, United Methodist congregational giving, as a whole, which means all giving for all purposes by all congregations, increased from \$100 million to over \$300 million annually before factoring in inflation. That all stopped in 2008 when the gain was less than \$5 million, as the national recession made its impact. Then in 2009, there was an absolute decline of almost \$60 million.³

Some may be thinking, “Why can't we continue into the future as in the past once the recession is over? What is different now from the pre-recession years when income increased so dramatically for so long? Surely we can expect the recession to end and more money return.”

The practice of depending on fewer people to provide more money, which has been the economic operating model for the United Methodist Church from its beginning, is unsustainable in the face of demographic realities.

An aging membership

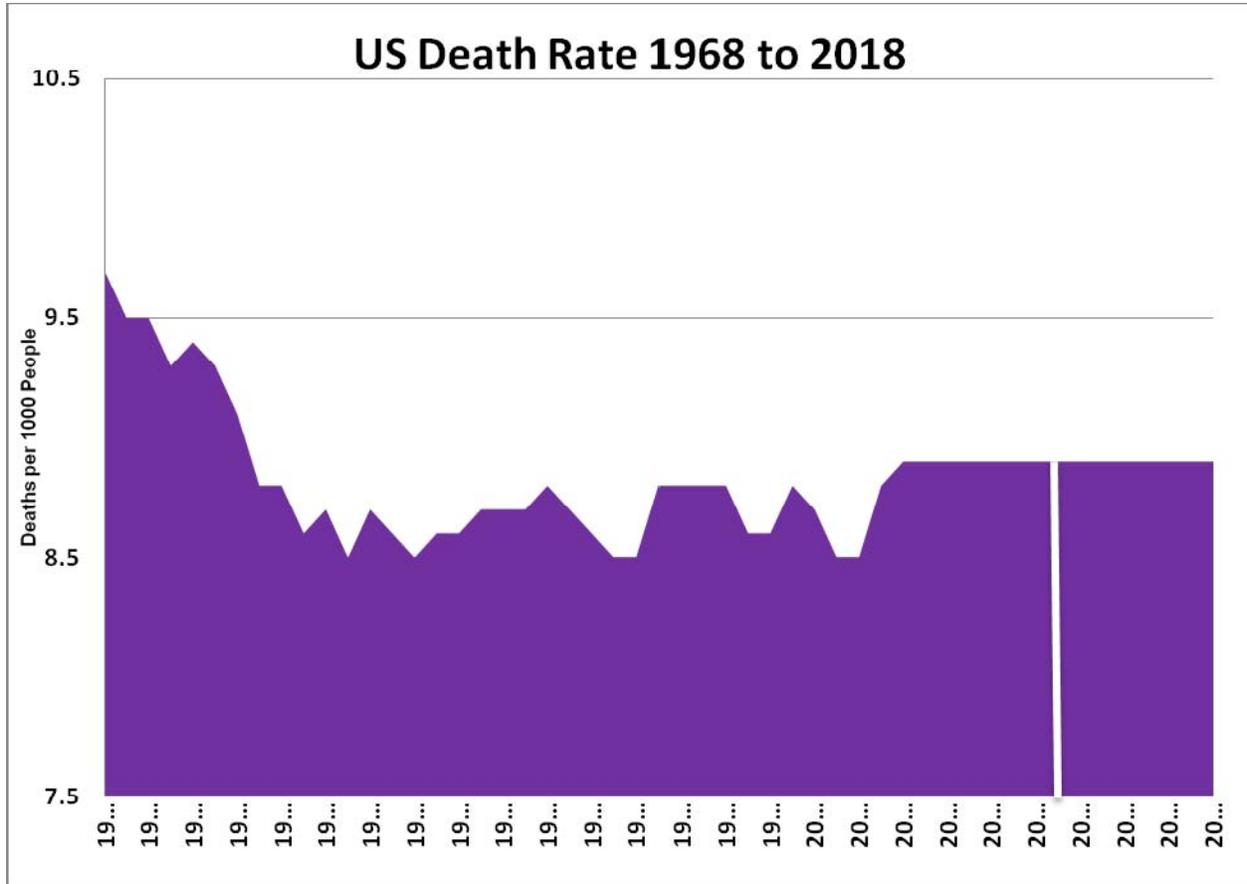
The aging membership of mainline denominations such as The United Methodist Church has been a continuing concern for many years, and for good reason. In the 1960s, when these denominations were growing, their membership was younger than the general U.S. population. But it seems clear that since at least the 1970s, the trend has been toward serving a membership older than the general population.

Since denominations do not track the ages of all their members, it is impossible to make an accurate comparison between the age of a denomination's membership and the age of the general population. There are, however, clues that indicate a denomination's membership may be getting older. Some representative samples and surveys demonstrate a general aging trend, in addition to experience and observations that give rise to the concern. People look around at many congregations and church gatherings and notice the stark absence of younger people.

The Lewis Center for Church Leadership of Wesley Theological Seminary monitors age trends in the United Methodist Church in the United States by examining one key indicator -- death rates. At first, it may seem peculiar to focus on death rates. The death rates, while not exact indicators of age, do help show patterns that correspond generally to age. This is because 75 percent of deaths in recent years occurred among people aged 65 and older. Acknowledging that the connection between death rates and aging is not perfect, it does show significant patterns.⁴

A recent Lewis Center report found that while there are a few “pockets of youthfulness” among annual conferences in which the age of members appears to correspond with the region's general population, overall the denominational average age is much higher than the surrounding population. The report identified thirty-four annual conferences, representing 45 percent of denominational attendance, reporting death rates 20 percent or higher than their general population.⁵

The death rate among United Methodists in 2009 reflected a 35 percent increase over 1968, even though the death rate has leveled off in recent years, just as the national death rate has. These figures are reflected in the chart below showing the death rate (deaths per 1,000 people) in the total United States population. It is clear from the chart that the national death rate is currently in a stable period that began in 2003. The U.S. Census Bureau projects the current death rate plateau to continue until 2018.



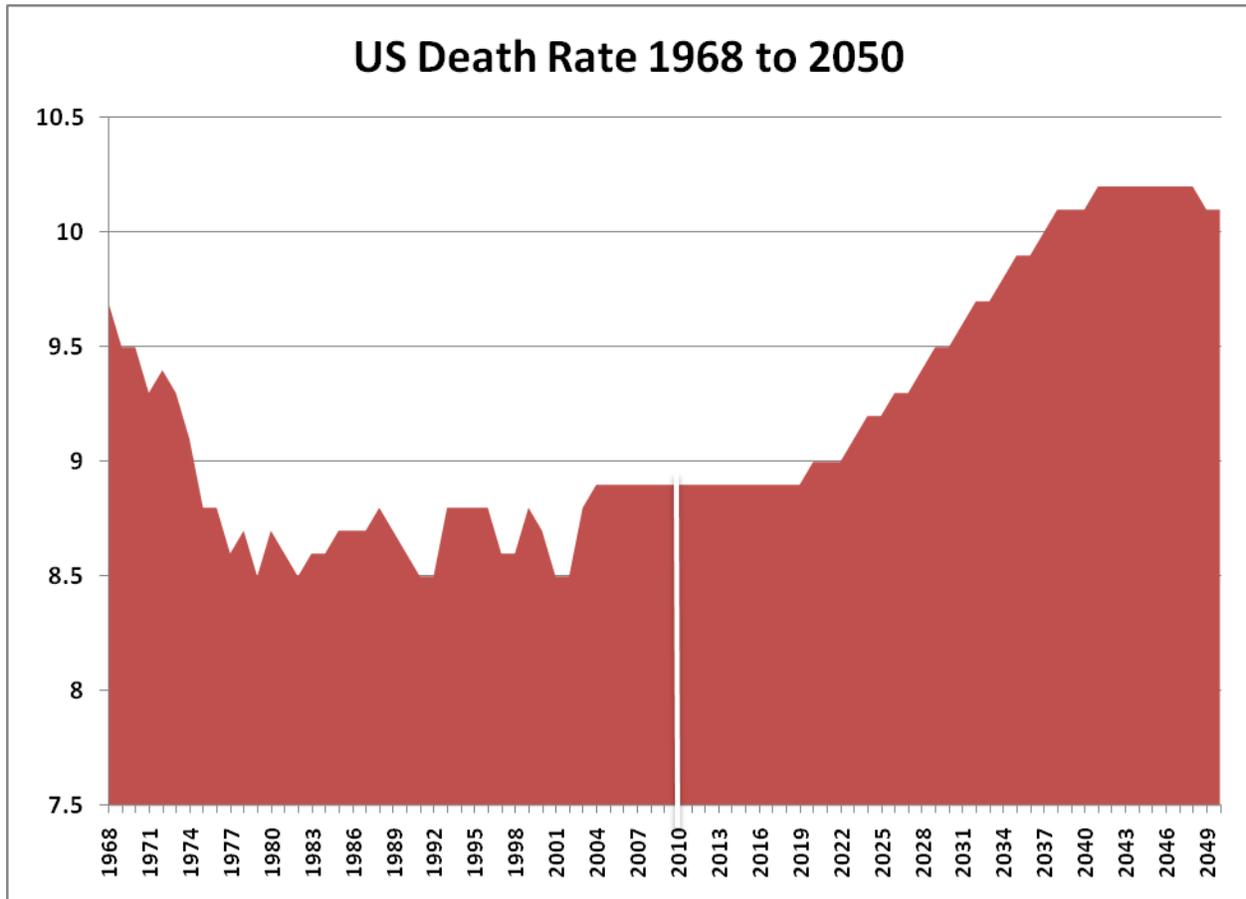
The Coming Death Tsunami

In the past several years, the world has witnessed the horror of two massive tsunamis, first in Indonesia and more recently in Japan. The loss of life and devastation surpass what most can imagine. Those in other parts of the world are now learning about the fear with which our Asian neighbors have lived for centuries as they have experienced “minor” tsunamis and the terror that accompanies even small earthquakes and tsunami warnings.

In the Scriptures, prayers and hymns of our tradition, our psalmists and poets described dire situations in the most compelling words they could find—a *flood* of mortal ills, as in the summer *drought*, a *famine* of compassion, life shaken as by an *earthquake*. Some images have become so familiar that we may no longer be moved by these stark words. Even so, one must be cautious when using analogies or metaphors that mirror such tragedies, recognizing that the effects of physical disaster differ from the results of the dire situations writers attempt to describe.

So it is with the language of a *death tsunami*. What follows the plateau shown in the chart above can be called a *death tsunami*, for it has the potential to devastate the United Methodist witness in vast areas of the United States. This language is harsh and difficult to hear, as is the potential catastrophe challenging our church.

- It is predicted that between 2019 and 2050, there will be more deaths and a higher death rate than at any time since 1940s when medical advances such as antibiotics were introduced.
- The total number of deaths each year is predicted to go up every year until 2050.
- It is predicted that there will be 50 percent more deaths in 2050 than in 2010.
- The majority of these deaths will be older non-Hispanic whites and African Americans, the two largest United Methodist racial groups in the United States.⁶



The dilemma

Comparing the situation facing the United Methodist Church to that of a congregation facing a similar dilemma may make it easier to appreciate. Countless churches have fewer worshipers today than they did ten or twenty years ago. Most of them, however, have budgets as large as or larger than they did when they had more constituents, even after adjusting for inflation. Such a congregation manages in the early years of decline by the greater giving of their fewer participants. As things get tighter, the lowering of expenditures combined with greater per capita giving maintains financial stability.

A church then gets to a point at which attendance has declined so much that making the budget each year becomes the preoccupation of the church and its leadership. Each year they search for that one new source of income or cut in spending so they can manage to make their plan. They also realize that even these yearly heroic efforts will not be enough going forward as they note the high percentage of their annual giving that now comes from those over age 70.

At some point along this journey, such a church has to make a basic decision. One option is to continue to live one year at a time and do whatever it takes to get by—even if necessary decisions harm long-term viability, and even knowing the church may, in the not too distant future, close.

But there is another option taken by some churches facing these circumstances. The second option is to acknowledge that things are not the same as in years past, and the previous financial baseline is no longer realistic. The church makes the difficult but ultimately life-saving decision to reduce the financial baseline to one that is more realistic for the new circumstances. It is from this new and more appropriate baseline that the church can begin to build strength for the future. One of the reasons churches tend to do better after such a financial recalibration is that energy previously sapped through maintaining financial survival now can be spent for outreach and ministry.

A window of opportunity

Congregations with wise leaders recognize the emerging situation described above while there is time to reset their financial baseline and still have a critical mass of faithful members who can provide the foundation for a new smaller but more vital chapter. Likewise, the financial reset needed by The United Methodist Church is not so urgent that inaction in the next few years will result in major disruptions. It is quite possible for the denomination to get by relatively smoothly for a time. Life can continue about as it has in the last ten years with adjustments around the edges to get through yet another year (fewer districts and conference staff, for example).

But a major denominational financial reset is required over the next five to ten years to position the church for seismic changes ahead due to the lack of alignment between the makeup of the denomination's membership (age and racial) and the realities of today's United States. As with any organization facing the future after 45 years of unabated decline in its constituency, there must be a stepping back to a new and lower baseline in order to move forward. Otherwise, all energy goes, of necessity, to maintaining the old unrealistic financial baseline.

The Operational Assessment Report (OAR) of the Call to Action project is right in saying that the “creeping crisis” it identifies is not primarily financial and that opportunities are more related to identity issues such as “mission/values/culture”⁷ (OAR, 1).” But it is equally true that addressing structural and financial issues soon will provide the necessary space and energy to address the more substantive identity issues.

Doing everything possible to maintain giving at current levels or above will permit the church to survive in the short term, but not in the long term. The church faces two major challenges at the same time. One is reversing the drawing down of the United Methodist witness among the people of the United States. The other is the coming death tsunami. So our question is, “What is required to survive the death tsunami and return to the growth of our witness at the same time?”

Survival is not the goal

To talk of survival does not mean that survival is an end in itself. The survival sought is not for an institution and certainly not for institutional forms or entities. However, the United Methodist Church represents a witness that has been preserved and reformed many times over generations. Those who talk casually about letting the church die so that something new emerges do not appreciate the interplay between continuity and change that characterizes renewal.

Church leadership is a response to God's love and action in the world revealed most clearly in Jesus Christ. Christian leadership is a channel of God's grace as it seeks the fulfillment of God's vision, and such leadership emerges out of the history, beliefs, and traditions of faith communities. While religious leadership always has a theological beginning, a theological grounding will not ensure either the discernment of or fulfillment of God's vision. The task for each generation is to help the faithful discern an appropriate engagement to meet changed circumstances, new realities, and emerging needs. To do so, they must have an accurate assessment of those circumstances, realities, and needs. To the extent that leaders are able to accomplish these tasks, there is vitality and renewal within the religious tradition.

Faithful leadership understands the church not as an institution to serve and maintain but rather as an embodiment and instrument of God's aims revealed in Jesus Christ. The church indeed is to be Christ in the world, called to embody Christ's presence and participate in God's work of healing, reconciliation, redemption, and salvation in the world. Denominations become yet another of the "earthen vessels" in which the church seeks to carry the gospel. As with all such vessels, there is a temptation to focus on the container and not on the rich contents.⁸

The survival of any denomination or congregation is not a worthy goal. The continuation of a much renewed and changed manifestation of the Wesleyan witness of holiness of heart and life through the United Methodist Church is a worthy goal. We are the beneficiaries of this rich witness made possible through sacrifices most of us will never endure. To fail to give our best efforts to such revitalization would be tragic.

The death tsunami is coming. If it sweeps over a denomination already stretched to its limits in order to survive financially year by year, the result could be catastrophic.

However, if it comes to a church that has reset its baseline and demonstrated the ability to begin growing its witness through specific people categories, then the losses will occur, but will not deter the "field of energy" already moving in the denomination. Such movement will not only permit us to survive but to come out on the other side as a growing, missional, and spiritually alive instrument of God to spread holiness of heart and life across the land.

Thus resetting the financial baseline is not for the sake of survival. The resetting is to free the church and its leaders from the current preoccupation with all things financial in order to focus on the foundation of the United Methodist heritage in America that began with the goal of spreading scriptural holiness and reform of the nation.

The time to make choices is now--while there are still choices to make. Otherwise, circumstances will very likely make the choices for us in the future.

Gross not net

David McAllister-Wilson, president of Wesley Theological Seminary, makes an important point in saying that in the coming years, churches should focus more on the “gross numbers” than the “net numbers.” Normally this advice would make no sense. If a church receives twenty-five new members in a year while losing fifty members, it would generally be meaningless to focus on the gross gain of twenty-five rather than the net loss of twenty-five. But just as gross figures can be deceptive when viewed apart from the net, so also the net figures may be equally as deceptive in the coming years.

Because of the coming death tsunami, it may be very difficult for churches to show net gains in a host of categories. Looking only to the net numbers will not only lead to discouragement but may tell a false story of the spiritual energy of the congregation. Churches have relatively little control over losses, especially deaths. Churches have tremendous power to affect gains. So, even if the net figures for professions of faith minus deaths or new members minus lost members are negative for several years in a row, as long as the gross numbers for professions of faith and new members consistently increased during those years, there is reason to celebrate. The increasing gross numbers represent the church’s spiritual vitality far better than the net figures. And it is precisely this positive energy needed for the years ahead.

¹ “Exploring Off the Map” Conference sponsored by Leadership Network, May 23-26, 2000, Broomfield, Colorado.

² Apparently this is not a new phenomenon. “As the twentieth century dawned, the realization by many leaders of the Methodist Episcopal Church that they were not matching Baptist growth prompted a variety of responses. Some chose to emphasize that receipts from member contributions continued to rise quite rapidly.” Roger Finke and Rodney Stark, *The Churching of America 1776-1990: Winners and Losers in Our Religious Economy* (New Brunswick, NJ: Rutgers University Press, 1992), 166.

³ The figures reported by the General Council on Finance and Administration show a larger figure for the decline because in 2009 money sent to the Women’s Division of the General Board of Global Ministries was not included for the first time. The decline in income resulting from this reporting format change is factored out of the calculations used here.

⁴ The Lewis Center compares the death rates of annual conferences and the denomination with the death rates of those 15 and older for the respective geographic areas served. This adjustment makes the figures more comparable with church death rates. While some church members are younger than 15, this age break is the closest option available from the U.S. Census Bureau statistics.

⁵ Lovett H. Weems, Jr., and Joe E. Arnold, *Pockets of “Youthfulness” in an Aging Denomination*, (Lewis Center for Church Leadership, Wesley Theological Seminary), Spring 2009. Available at <http://www.churchleadership.com/pdfs/Pockets.pdf>.

⁶ The source for the charts and observations about these projections made by the U.S Census Bureau is Jennifer Cheeseman Day, *Population Projections of the United States by Age, Sex, Race, and Hispanic Origin: 1995 to 2050*, U.S. Bureau of the Census, Current Population Reports, P25-1130, U.S. Government Printing Office, Washington, DC, 1996.

⁷ The Call to Action initiative came from the Council of Bishops and included research projects leading to reports issued in fall 2010. The basis of the Call to Action Steering Committee report was an Operational Assessment Report prepared by APEX HG LLC and a Vital Congregations Report prepared by Towers Watson. The reports are available at <http://www.umc.org/calltoaction>.

⁸ For a discussion of “leadership as a channel of God’s grace,” see Lovett H. Weems, Jr., *Church Leadership: Vision, Team, Culture, and Integrity*, Revised Edition (Nashville: Abingdon Press, 2010), 1-17.