

The United Methodist Church Faces a Financial and Relevancy Crisis

By Liza Kittle

President, RENEW Network

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Introduction

According to an independent Operational Assessment Project report released in June 2010, The United Methodist Church “is confronting a ‘creeping crisis’ of relevancy with an accompanying acute crisis of an underperforming economic model.”ⁱ A Vital Congregations Project report was also released.

The two reports were commissioned by the Call to Action Steering Team, set up in 2009 by the Council of Bishops and the Connectional Table at a cost of \$500,000. The team was charged with “bringing forth a plan that would lead to reordering the life of the Church for greater effectiveness and vitality in 1) the mission of making disciples of Jesus Christ for the transformation of the world and 2) addressing the Four Areas of Focus as distinctive ways we live into that mission together.”ⁱⁱ A final report with recommendations will be released in November 2010.

While the current economic climate has been a mitigating factor in commissioning these studies, the main impetus for the Call to Action project was to address the continual decline in membership, baptisms, and professions of faith that have occurred over several decades within the U.S. church. Other issues include the aging demographics of members and clergy in the UMC and the failure to attract a younger generation for membership and service.

The reports paint a fairly realistic portrait of the challenges facing the denomination, and provide substantive input on many subjects such as ways of increasing the vitality of the UMC for the 21st century, restoring trust and accountability within the connection, improving financial stability for the future, and restoring the global mission of the church.

Many of the findings concur with those of renewal groups and evangelicals who have been concerned about these issues for decades. The reports are a good start at addressing some key problems in the church. However, several elements were lacking in these reports, including: no input from “people in the pew”; little input from local church clergy “on the front lines”; and a disproportionate amount of input from high level church leadership (i.e. bishops, general

agency leaders, district superintendents). (See breakdown of interview/survey respondents under Methodology section.)

Disappointedly, the studies don't address divisive social and political issues that threaten schism within the denomination and greatly contribute to membership loss. The increasing secularization of United Methodist seminaries and the convoluted legislative process of General Conference were also not mentioned. Another important parameter not included was the absence of considering the theological underpinning (evangelical/progressive) of the church/pastor when analyzing church demographic/membership trends and church vitality markers.

Another omission of the operational assessment report is the absence of mention of the Women's Division, the governing body of United Methodist Women. Although technically a part of the General Board of Global Ministries (GBGM), the Division primarily operates independently from the GBGM and other General Church Agencies, while exerting strong control within the UMC and at General Conference. The Division is not required to provide statistical or financial information to the General Council on Finance and Administration, to open themselves up for scrutiny by the independent assessors, or to be held accountable to the Church except through General Conference. The Women's Division is a powerful organization within the UMC, which monopolizes women's ministry choices within the denomination and continues to promote a radically feminist political and social agenda around the world in the name of United Methodism.

While shortcomings do exist within the report, the Council of Bishops and the Connectional Table should be commended for creating this Call to Action Team, placing most levels of the church under scrutiny, and vision casting for the future of the United Methodist Church. Let us pray that God will guide and direct this great denomination into a new era of fruitfulness charged with "making disciples for the transformation of the world".

The following is a summary of the Operational Assessment Project Report.

Methodology

The operational assessment project was based on independent analysis of the church's leadership and governance structures, financial and demographic information from the General Council on Finance and Administration (GCFA), 50 hours of formal interviews with church leaders, and 423 written survey responses from church leaders.

The formal interviews were done with 34 U.S. and Central Conference Bishops, top leaders of the Council of Bishops (COB), the Connectional Table (CT) and the Judicial Council (JD), 11 General Church Agency Secretaries, 4 UM Seminary Deans/Presidents, 3 District Superintendants, 3 Annual Conference leaders, 2 Senior Pastors of local churches (one small and one medium size), 2 active lay leaders, and 3 “wise thinkers”.ⁱⁱⁱ

The written survey demographics of 423 total respondents included 41% District Superintendants, 14% Bishops, 9% Conference Treasurers, 9% Board Officers of General Agencies, 7% Directors of Connectional Ministries, 6% Connectional Table members, 4% GCFA members, 2% General Agency Secretaries, 2% General Agency Treasurers, 2% Deans/Presidents of UM Seminaries, 2% Call to Action Steering Team, and 1% Judicial Council members.^{iv}

Surprisingly, only two local church pastors were included in the formal interview process, one from a small church in the Western Jurisdiction and one from a medium size church in the New England Jurisdiction. (Adam Hamilton, a large church pastor, was selected but wasn't available for interview.) One of these pastoral interview choices bears highlighting.

Rev. Rich Lang, Senior Pastor at Trinity UMC in Seattle, Washington was interviewed for the project as a “small church pastor”.^v Rev. Lang, a self-described “liberation theologian”, expresses extremist theological, political, and social views outside the boundaries of mainstream Methodism from the pulpit and in the community. Rev. Lang states in his biography, “I very much believe that America is currently undergoing severe change as it moves into the fullness of Empire with a corresponding perversion of media-driven Christianity which I call Christian Fascism. The good news is that God is a great anarchist that constantly subverts the plans of control freaks and the power hungry.”^{vi} Rev. Lang's views on all matter of subjects are plainly available on the church website (www.tumseattle.org) and represent not only a clear delineation from historical Christianity but also an indictment to the seminary education and ordination process of United Methodism.

Research Findings

The *crisis of relevancy* in the United Methodist Church was found to be attributed to:

- A sense of loss of mission clarity and identity, both nationally and globally
- Institutional versus missional purpose of the church
- Values and culture manifestations
- Structure and process manifestations

- Declining US membership and attendance trends
- Generation bound demographics of membership and clergy
- Difficulty of attracting “young” generation^{vii}

The ***crisis of an underperforming economic*** model was found to be attributed to the fact that church entities haven’t managed to harmonize their expense structures with volume membership/attendance trends.

For example, about 70% of the estimated local church expense structure consists of clergy and lay staff salaries and benefits, building maintenance and improvements, and mortgage principal and interest.^{viii} As the UMC expands into multiple layers of institutional bureaucracy, this financial disharmony becomes increasingly more evident.

According to the report, the relevancy issues have a longer time frame for finding solutions whereas the acute financial problems do not, thus creating fear and instability within the church and exacerbating the other challenges.

Mission, Values and Culture Findings

Mission, values and culture of an organization interact and create the most fundamental forces that define and drive its purpose and identity. These parameters are both the “catalyst” and the “glue” which give rise to organizational vitality and functionality of the United Methodist Church.^{ix}

Extensive commentary about these issues permeated the formal and informal interview process of the operational assessment project. Some are highlighted below.

- ***Most theological commentary focused on a central theme of loss of Wesleyan theological focus.*** There was disagreement on what the Church’s mission of “making disciples...” is or should be. Comments such as:
 “The institution has become about its own self perpetuation.”
 “The Church needs to balance the social justice gospel and the evangelical gospel.”
- ***Comments focused on relevancy, vitality, and connection.***
 “Worship does not invite participation and clergy are not challenged to invite participation—there is too much ‘wanting to play it safe and easy’—a safe church is not necessarily an inspiring church.”
- ***Comments regarding generational notions within the church.***

“Young people are hungry for authenticity, truth, and integrity—not becoming members of institutions.” They want “hope, challenge, and relevancy.”^x

The root causes concerning lack of mission clarity and understanding were identified as **leadership shortcomings and the absence of consistent and inspirational communication of the church’s mission**. When these dynamics occur over a long time, there is a tendency for entities within the church to create their own mission interpretations, thus diluting a clear and unified mission focus.

A fundamental finding of the study is that having common church-wide mission clarity, understanding and congruence are pivotal for a vital connection and vision for the 21st century.

Culture and values are also extremely important because they guide and direct behaviors within an organization. Four themes were identified from the report concerning the current state of the culture and values of the UMC—**trust, inclusivity and diversity, leadership, and accountability**. Assessment findings include:

- ***A general lack of trust is pervasive with the UMC***, both personally and institutionally, and one of the greatest challenges faced for the future vitality of the denomination. Protectionist agendas, lack of accountability, and reticence for collaboration were cited as underlying examples of distrust among church leadership.
- ***A “big tent” philosophy that stresses diversity and inclusivity*** has also created an increased polarization in beliefs and key social issues.
- ***Effective leadership is poorly defined at all church levels*** which lead to a lack of measurement and accountability. While there are many talented leaders in the UMC, they are less effective when working as a group entity. Respondents stressed there is a “hunger for courageous leadership within the Church”.
- ***Broad accountability structures are missing on a Church-wide basis***. Creating such a “culture of accountability” would significantly improve the effectiveness, vitality, and efficiency of the Church.

Structure and Process Findings

Two definitive areas in need of improvement were identified from analysis of the Church’s complex structural and procedural processes (leadership, governance, and management) and interview/survey responses. Changes need to be evaluated in terms of cost vs. effectiveness.

As the UMC has grown in structural complexity, a great distance has developed between and among the people of its foundational units, weakening the denomination's connective integrity. These units are the Local Church, the Annual Church, and the General Church.

- ***Smaller annual conference and/or district sizes*** have a positive effect on creating a healthy and productive connection between the laity, pastors, district superintendents, and bishops.
- ***The benefits of having Jurisdictional Conferences were deemed not worth the cost necessary for their existence.*** They were determined to be “too remote....meetings too infrequent.....delegates not adequately informed....role and goal clarity ill-defined...lack of congruence with other church units.”
- ***The General Church's Agencies were found to have too much individual autonomy,*** fail to collaborate, have boards that are too large and meet too infrequently to provide oversight, and compete with the Annual Conference.

The report stated, “The agencies are a cacophony of voices—their ‘brands and communications compete with one another’, resulting in confusion and dilution of impact at the annual conference and local church levels.”^{xi}

Responding to the report, Jim Winkler, top executive of the Board of Church and Society, an agency that continually receives criticism for its partisan political activism, said, “People do not join general agencies; they join local churches. If we want to focus on ineffectiveness in making disciples for Jesus Christ, that’s the place to start.”^{xii}

- ***The size of general agency boards was found to be too large for effectiveness and accountability.*** Most nonprofit boards have between 12-24 members and meet four or more times per year, according to the report. United Methodist boards have memberships of 24-89 members and meet 1-2 times per year. These meetings can cost more than \$50,000/session, a financial drain on the agency budgets.

A decision-making vacuum exists between sessions of General Conference, the primary legislative body of the Church where power and authority reside. The report suggested strengthening its existing leadership structures through the Council of Bishops and the Annual Conference.

- The report concluded that “the Church’s reliance on management through legislation (at General Conference) is leading to an increasingly rigid and rule bound culture during a period of time when the Church is attempting to adapt to a changing environment ...”^{xiii}

Core Processes That Drive the Church’s Mission

The assessment report identified four core processes that would significantly improve the operational effectiveness, affordability, and vitality of the Church’s connectional spirit. They were:

- Managing the pivotal clergy human resource;
- Creating “places of worship” models;
- Managing trust-held real estate assets of the Church; and
- Standardizing and improving information reporting systems

The Church is also in need of a broad strategic and financial plan for the realization of its long term mission. Highlights of these processes include:

The UMC lacks a holistic process from start to finish regarding clergy formation, development, and management. Clergy are the front lines in realizing the church’s mission, strengthening the connection, and providing leadership. Several key points were identified.

- The ordination process is too long, which deters young people from seeking this pathway for ministry.
- Boards of Ordained Ministry have a high variation in practices, some acting as advocates while some as adversaries of candidates. Many board members seem to lack clear candidate skills and leadership criteria for appropriately assessing clergy readiness.
- The clergy suffer from lack of clarity of mission, having too many expectations and feeling trapped between the “system” and the “congregation”. A lack of continued mentoring was also identified.

Conclusion

The operational assessment report contains a tremendous amount of information and is worthy of reading, study, and discussion. It is important for church membership and leadership to have a clear understanding of the findings and suggestions presented by this independent entity. When the Call to Action Team releases its final report to the Church, it will hopefully outline a useful strategic and financial plan for the future. Reorganization of church structures and processes will not be enough however, to save our denomination. Unless the core foundational and theological beliefs of the denomination are addressed, all the restructuring in

the world will be in vain. Reforming and renewal of the United Methodist Church can only happen if we return to the historic doctrines of the Christian faith, stand on the foundations of our Wesleyan heritage, build on the teachings of the Word of God, and engage in active mission “to make disciples of Jesus Christ for the transformation of the world”.

ⁱ The United Methodist Church Operational Assessment Project, Report to the Call to Action (CTA) Steering Team, prepared by APEX HG LLC, June 29, 2010.

ⁱⁱ The UMC Operational Assessment Project, Report to the CTA Steering Team, pg. 2.

ⁱⁱⁱ The UMC Operational Assessment Project, Report to the Call to Action Steering Team, Appendices, pgs. 26-28.

^{iv} Ibid., pg. 33

^v The UMC Operational Assessment Project, Report to the CTA Steering Team, Appendices, pg.28.

^{vi} Trinity UMC website (www.tumcseattle.org), Biography page of Rev. Rich Lang.

^{vii} The UMC Operational Assessment Project, Report to the CTA Steering Team, Executive Summary Presentation, pg. 3.

^{viii} Ibid., pg.4.

^{ix} The UMC OA Project, Report to the CTA Steering Team, pg. 8.

^x Ibid., pg. 8-9.

^{xi} “Agencies receive poor grades on mission”, a UMNS report by Heather Hahn, July 27, 2010.

^{xixii} Ibid.

^{xiii} The UMC OA Project, Report to the CTA Steering Team, pg. 22.