

Final

Report of the Budget Committee

To: UCUC Church Council

Fm: Budget Committee (drafted by Robin Turner, Budget Committee Chair)

Re: Report on Stewardship: Pledging Trends, Outreach Giving, and Opportunities for Expense Reduction

Date: June 9, 2016

I. **Introduction:** Church Council asked the Budget Committee to respond to certain questions regarding pledging trends, outreach giving, and opportunities for reducing expenses. The Budget Committee met three times this spring. We offer this report as a means of continuing the dialogue with Church Council and the Congregation regarding stewardship in its several forms. Naming and building upon the strengths we have, including recognition of the changes needed, are ongoing realities for this healthy and life-giving community. We are blessed to be part of its witness, and for this and much more we give thanks.

II. **Questions:** Church Council asked us the following:

- A. What is a pledge unit and how many units there are?
- B. What are the pledging shifts of mainline Protestant denominations (including those relating to planned giving)?
- C. Identify all “outreach giving” (i.e., love and justice giving), including defining and quantifying the types of giving (including free use of our church).
- D. What are some opportunities for reducing expenses?

III. **Discussion:**

A. Pledging Units

A “pledge unit” is one or more people who have made a monetary commitment (\$0 or above) to the church’s annual operating budget. Pledge units are usually part of the same household. John Coleman provided the information in [Attachment 1](#), which summarizes pledges for the last three budget cycles. For 2016, there were 397 pledging units (and 397 pledges). The number of pledging units has remained fairly constant over the last few years. We note, however, for 2016 there were 253 families that did not respond at all with either a monetary pledge or a zero dollar pledge. It is difficult to know why these families did not respond.

Recommendations/observations:

1. **Pastoral Connection with Non-Responders.** For the 253 non-responding families, the leadership staff will likely know more about these folks and determine if it is fruitful to make a pastoral connection with them. It is important to reinforce that a zero pledge is desired over a non-response. We recommend that within the next 60 days, a small group convene to review the list of non-responders and develop an action plan. Suggested participants of the small group might include: Greg Turner, Tim Croll, John Coleman, and the church leadership team. It will be important to determine what contact, if any, should be made with the non-responders prior to the end of the 2017 pledge campaign.
2. **Encourage Growing as Givers.** We do not want to lose focus of the people who are pledging. Our members and friends are consistently pledging year after year for which we are grateful. But, can we take a look at pledges that have stayed modest for a long period of time. Can these pledgers be challenged to give more?

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3. **Maintenance of our Rolls.** We encourage continued corrections and cleaning of our rolls to ensure that individuals who have moved on are removed and for those who remain we have accurate contact information (including emails and cell phone numbers). We understand that this was done last year and we recommend such cleaning on a regular basis. We also recommend integration of John Coleman's attendance information into the church office's database.
4. **Emphasize Goal of Response from All Members/Friends.** We want to explore with leadership staff any concerns and/or issues that might arise if the pledge campaign were to emphasize the message that we want a response from everyone (either with a zero dollar pledge or a monetary pledge). We also recognize that there are many forms of giving outside of financial gifts.
5. **Gather Information for Pledge Campaign.** We believe that more information about the pledging trends of our own Congregation would be helpful to both the Budget Committee and the Pledge Committee. We would appreciate information from leadership staff and John Coleman on the following questions:
 - a. Are we consistently asking for more from fewer people?
 - b. How do pledges break out by age?
 - c. What is the breakdown of our church members by age? Church attenders? Church pledgers?
 - d. What are other trends in our pledges and our Congregation as a whole that we should understand?

B. Pledging Shifts

Church Council asked us to research pledging shifts or trends of mainline Protestant churches. Our committee struggled to understand what problem we are trying to solve. If the question is: are we doing as well as our peers, the answer is most likely "yes". However, if we are trying to understand the cultural shift that is upon us with respect to membership in mainline churches, pledging, and what are the characteristics of a healthy church, that is a whole other set of questions. We focused on this latter set of questions.

Greg Turner prepared a summary of observations regarding the signposts of a healthy church, which is attached as [Attachment 2](#). Although many churches' membership and pledges have dwindled in the last few decades, other churches have managed to survive and thrive. Greg highlights a number of characteristics of a healthy church, including focus on stewardship and unity of central purpose.

With regard to stewardship and unity of central purpose, we make the following recommendations and observations:

1. **Preaching Stewardship.** Our pastors have a central role to play in educating and preaching about stewardship. Each year, we would welcome one sermon or a series of sermons on pledging. The sermons could explore what might be asked of someone who is part of the church community. The sermons could grapple with the seeming tension between balancing the message of inclusiveness with the message that everyone has something to give, and depending on their resources, financial contributions may be a part of that. In other words, how do we get to a place of both radical welcome and high commitment (in all of its forms)?
2. **Leadership Team's Role in Pledging.** In other churches, ministers/church administrators also reach out to congregants about their pledges and cultivate pledges. Is this a role that our leadership team could assume? In secular nonprofits, the CEO/Executive Director has a central part to play in fundraising. What would that look like in our church?
3. **Education on Stewardship.** There is little education of the Congregation about stewardship. Outside of the concept of tithing, how do we know how much to give? We recommend stewardship moments educating about giving and perhaps a funny skit to highlight the ineffective ways churches typically ask

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for money. We also suggest some workshops or other fora for educating the congregation about budgeting and giving, particularly during April when finances (and taxes) are on many peoples' minds.

4. **Telling our Story Better.** Churches in general focus too much on "guilt" and operate from an assumption that the church deserves your money. Other nonprofits do not have this sense of entitlement and raise funds by effectively communicating their mission. They focus on their stories and show potential donors how they can make a big impact. We must be much more concrete about our mission. For example, can we give walking tours of the church building to highlight the many ways our building is used in outreach (e.g., high school to at-risk youth, soup kitchen to homeless youth, pre-school and daycare)?
5. **Articulating our Mission.** Church Council has a key role to play in articulating the mission of the church. Clearly defining the church's central mission will help draw people to our church, retain them, and raise in them the fire to participate and give. But, how do we know our mission? If one reviews the figures on outreach giving prepared by Don Guthrie, John Lewis, and Carol Nelson ([Attachment 3](#)), we can see some trends. We can see that the Congregation cares deeply about providing homes for all. Perhaps we should hang a banner outside the building that states, "This church is committed to ending homelessness!"
6. **Planned Giving.** We believe a planned giving committee should be formed to encourage planned giving, cultivate connections, and celebrate the bequests to the church. This is very important work, which has not be addressed systematically in some time. We also suggest that there be a substantial memorial, such as a plaque with the names of those who gave bequests to the church. We should honor bequests by stewardship moments remembering those who have supported our church through planned giving.
7. **Communications.** To continue to thrive, our church must focus on timely and competent communication among the many actors involved in congregational life (including content of program and purpose, who is in charge of what, details of how to respond).
8. **Covenant.** We support the inclusion of stewardship and giving (in all of its forms) in the covenant.

C. Outreach Giving

We were asked to identify "outreach giving" (i.e., love and justice giving), including defining and quantifying the types of giving (including free use of our church). The purpose of doing so is to make transparent the various ways the church and individuals in our church give to causes outside our four walls. Knowing this information can help us understand the causes that are close to our hearts to help better define our mission.

[Attachment 3](#) was prepared by Don Guthrie, John Lewis, and Carol Nelson. It seeks to: (a) identify the recipient organizations for outreach giving, and (b) classify the source of those gifts as either from the church or the UCUC community.

With regard to (b), gifts from the church come through the operating budget, endowment, and free use of church property. Gifts from the congregation come from special offerings, Superfluity, and directed gifts (i.e., someone makes out a check to the church with a note that the funds are to be forwarded to an outside agency).

In light of the information on [Attachment 3](#), we make the following observations and recommendations:

1. **Operating Budget Supports Outreach Mission.** We recommending reinforcing the message that giving to the operating budget allows us to fulfill our social justice mission by ensuring we have a facility that can be used by many outside groups, and we have staff/leadership to lead us in our outreach. We

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should also explore the degree to which the presence or absence of substantial direct funding of outreach reinforces or betrays our stated mission.

2. **New Ways of Asking for Outreach Funds.** We may wish to consider a different approach to special offerings (e.g., John Lewis' appeal for Mwanzo Proud Farmers where he directly stated how much the organization needed to support a school). Special offerings may allow us to be more concrete in our requests for causes.
3. **Facility Use Committee.** We support the work of the Facility Use Committee. We believe that the information the Facility Use Committee is gathering will aid Church Council in helping to set priorities and more clearly articulate our church's mission.
4. **Information on Sister Organizations.** It would be helpful for both the Pledge Committee and the Budget Committee if leadership staff could assist us in obtaining more information (on an aggregate level) regarding the donors to our sister nonprofit organizations (University Congregational Housing Association, Mwanzo Proud Farmers, University Church Emergency Fund, Child Learning & Care Center at UCUCC). Are the major donors to these sister organizations also the major contributors to the church? If not, are there members/friends of the church giving to these sister organizations and not pledging substantially to the church? This information may help us understand if we need to develop different ways of raising money.

D. Opportunities for Expense Reduction

Church Council requested recommendations regarding expense reduction. The Budget Committee believes it is premature to identify opportunities to cut costs. The three major budgets are Personnel, Facilities, and Stewardship and Finance, which consume over 90% of the operating budget. If we were to recommend cuts in the budget, the cuts would likely have to be to these three budgets to make an impact. However, without a clear articulation of the church's priorities and mission, we have no compass with which to guide us in making recommendations.

IV. Conclusion

Stewardship, in its many forms, is central to allowing us to fulfill our mission of promoting God's reign of justice and peace. We offer this report in the hope of engaging Church Council and the entire Congregation in a dialogue about why we give and to whom we give because in giving, we find ourselves standing in the presence of God.

Attachment 1

Pledge Information 2014-2016 (From John Coleman 2/16/2016, as revised 6/7/2016)

	2014	2015	2016
How many pledged	423 Pledges No additional responses for zero pledge	396 Pledges 8 additional responses for zero pledge	397 Pledges 38 additional responses for zero pledge
How much was pledged?	\$1,150,120.60 total pledge \$2,718.96 average pledge \$1,300.00 median pledge	\$1,140,498.14 total pledge \$2,880.04 average pledge \$1,440.00 median pledge	\$1,142,320.79 total pledge \$2,877.38 average pledge \$1,300.00 median pledge
Who pledged?	365 Members 5 Youth Members 4 Deceased Members 5 Ex-Members 34 Non-Members 2 Youth 8 Misc. folks	349 Members 1 Youth Members 3 Ex-Members 33 Non-Members 2 Youth 6 Misc. folks	341 Members 4 Youth Members 2 Ex-Members 42 Non-Members 2 Youth 6 Misc. folks
Who did not pledge?	About 274 families which include UCUC Members	About 300 families which include UCUC Members	About 253 families which include UCUC Members
How many members?	The end 2013 UCUC Membership was 854 Members in 644 families.	The end 2014 UCUC Membership was 854 Members in 650 families.	The Jan 2016 UCUC Membership is 785 Members in 594 families.

Attachment 2

Notes on “Future-Church”: Lessons from Decline, Signs of Transformation

gathered by Greg Turner for the Budget Committee, University Congregational United Church of Christ –
March 2016

I was asked in our Budget Committee meeting of Feb. 28 to bring together two concerns for further discussion: perspective on the decline of institutional support for churches of our tradition (Mainline Protestants) and signposts and questions raised by healthy transformation of congregations in light of that decline. This is my report.

Obituaries of the so-called mainline -- or old-line, or side-lined -- Protestants¹ have been piling up for fifty years: noticed alarmingly for about half that time. Take our own United Church of Christ, for example. With 2.2 million (approx.) members during our birth years (1957 to 1961), we reported 943,521 in 2014 (see UCC Yearbook, 2015): a loss of 57% even as the population of the United States grew by 86%. There are similar trends for Methodists, Presbyterians, Lutherans, Episcopalians (a little less so), American Baptists and Disciples of Christ...our ecumenical partners.

It is important to note that the numerical highpoints for these churches were reached as the World War II generation came of age, began their families, and settled into patterns of participation: 1946-1960. That heyday of organized religion (pick a year: say, 1957) was taken to be normal during the dearly hoped-for Normality of the 1950s. Thus, the dip in numbers today is compared, confusedly, to what was an abnormal spike of activity. Overall reported weekly attendance at any religious worship service in America was similar in 2009 to that in 1939, about 39%.² But this is not the case for mainline Protestants. Their numerical decline has been real and precipitous since the mid-1960s, creating some startling challenges for church finances.³ UCUC's own membership and worship attendance have fallen over 60% in the past four decades.

In a numbers-driven culture, this *statistically* bleak situation can raise serious issues for leaders of congregations; which, in turn, calls us to delve deeper and *mark where liberal congregations are alive and well...and why they are*. When we do that, findings emerge to “put statistics in their proper place.”⁴ These points run from lessons midst the decline to key aspects of “healthy” congregations, and they carry within them important questions UCUC can and often does address.

- ❖ Even as they force us to pay attention, Numbers Alone Are Always Suspect and tell us little of importance on the surface. Close, informed investigation is required, remembering that “boosters” like Evangelism (sharing of Good News) and Discipleship (deepening of awareness and commitment) are good things.
- ❖ The statistical Decline Has Many Causes, chief among them being demographic changes. These are primarily generational expectations, cultural and macro-technical shifts, and ethnic/social group experience. A more important liability is the *inability (or refusal) to adjust congregational practice in the face of these changes*, even when the “demographics” are not ganging up on us. And disillusionment with churches clearly plays a part. Assigning blame for these losses does not take us very far. Recognizing them as losses, and as opportunities, helps build communities.
- ❖ One may (not will, perhaps, but may) discern Signs of Faithfulness and Hope in the face of declining numbers: less institutional maintenance, increased clarity of mission, more possibilities for living a sense of community, and greater awareness of where true strength lies in the Gospel...not to mention less hubris over size. And, facing the pain involved in changing a congregation's culture may be inherent to “cross-bearing.” So, becoming smaller can have benefits, but it is not automatically a sign of faithfulness. It could

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be a sign of insularity and inability to change that reveals a lack of attention to our neighbors' spiritual concerns.

- ❖ The transformation of congregations requires Vibrant, Well-Planned and Well-Executed Worship: including wide and intergenerational participation (liturgy), diverse music and the practice of telling our faith stories, which are biblical stories told freshly --- I-stories that are We-stories. Over recent decades, the conviction has grown that God's *transcendence* may be apprehended in the *immanence and mystery* of the neighbors next to us on Sunday at least as well as from somewhere "Beyond." Warning: watch out for I-ness, personal hang-ups that when presented as "ministry" divide I from We. The drama of worship is self-transcendent not self-referring. Christian Worship Focuses on as much of God (Creator, Christ, Spirit) as we can summon through our presence, silence, words and music. Telling We-Stories may warrant greater attention to scripture in its wholeness and to the integrity of liturgical experience, and "We" means that lay leadership in planning and evaluating our services of worship should be encouraged. In practice, "worship" is the one area of congregational life where laity feel least able to lead, leaving that field to the clergy.
- ❖ Robust Social Outreach and Compassionate Concern for love-with-justice are key marks of transforming congregations. A commitment to one's context (to the city God loves) is essential. It would be focused by a short list of what we do well and spiritually centered on the worshipping congregation as the "home" from which action reaches out in service and returns in awareness.
- ❖ A Strong Spirit of Community – cultivating various small groups *centered in the whole* – is an invariable sign of a transforming congregation. Here an embrace of our vulnerability is experienced in safety and with good humor, and testimonies to the power and bold-strangeness of the Gospel are common. Unity is sought in diversity; in fact, diversity is encouraged because it shows the unity of our many strengths -- and as many odd and loved peculiarities – over which *only God is sovereign*. Genuine diversity reduces the dominance of some few people over others.
- ❖ Unity of Central Mission, promoting the Setting of Congregational Priorities, is important. "Being all things to all people" is both impossible and unfaithful. In the case of UCUCC, our Covenant already provides an understanding to who we are, and it could be given specificity with a short list of priorities under each rubric as guides to our program ministries. Thus, "to encourage each other in growth of our minds and spirits" means we organize for 1, 2 and 3 but probably not 7, 8 and 9. (All the other six congregations looked at here have similar "defining statements.")
- ❖ The attributes above (worship, outreach, community, mission) create an atmosphere in which Making Sense of Change and Responding in Jesus' Spirit are hallmarks of church life. The many and rapid changes people face in their lives call out for more awareness of the disrupting life and teaching of Jesus, and how his faithfulness was affirmed and surrounded by God's love. Clarity of Discipleship is a key element of transformation in his congregations. Warning: watch being reactive to needs presented, good needs, which deflect us from authentic responses of love-with-justice. Are we Reactive to symptoms rather than Responsive to underlying causes and the wider good?
- ❖ Two necessary commitments must undergird and surround these signposts: 1. Diligent, timely and competent Attention to Communication among the many actors involved in congregational life (including content of program and purpose, who is in charge of what, details of how to respond) and 2. Continued

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Emphasis on Stewardship in its several forms, with testimony and transparency. Both are consistently cited as vital supports in an active, engaged congregation.

University Congregational United Church of Christ *already embodies* many of the transformative aspects that have emerged in this investigation, and statistics alone are not determinative. Many “healthy” congregations have far smaller numbers than we, and some have larger. In our case, addressing regularly what it means to live into the meaning and spirit of our Covenant, reaffirmed each Sunday, could be an invaluable aide in our own transformation. Naming and building upon the strengths we have, often including recognition of the changes needed, are ongoing realities for this healthy and life-giving community. We are blessed to be part of its witness, and for this and much more we give thanks.

¹ Protestant churches that largely embraced the ecumenical movement (1890-1970) and whose leadership, along with many local congregations, promoted a witness to social action and justice concerns: civil rights, peace work, women’s leadership, sexuality and identity, interfaith understanding, environmental protection, etc.

² Gallup survey, reported Dec. 23, 2013.

³ Often bringing more pressure on fewer people for commitment to church programs and financial giving. Copies of the summary statistics (in the 2015 UCC Yearbook) are available showing the long-term trends in congregations (-27%), membership (-57%), Christian education/faith formation (a dramatic collapse of -84%), and the past eleven years of support for the wider church and other outreach and total church support. These are figures drawn from thousands of UCC congregations self-reporting across the years.

⁴ Based on A. checking some knowledge of six UCC-related congregations with similarities to our own (First Congregational Churches in Berkeley CA, Eugene OR, Boulder CO, and Columbus OH; Plymouth Congregational in Lawrence KS; and People’s Church [interdenominational] in East Lansing MI) with their reported UCC Yearbook figures from 2000-2015; B. wide-ranging discussions and publications at the School of Theology and Ministry/Seattle U and at Yale Divinity School; C. conversations with church leaders, and D. general reading and focused study on the “church situation”. Most of this was/is highly “inter-church” in nature, not at all limited to the UCC.

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Attachment 3

2015 Outreach Giving and Estimated Value of In-Kind Use of Facilities

Draft 5/30/2016

(see attached)

2015 Outreach Giving and Estimated Value of In-Kind Use of Facilities

	Gifts from the UCUCG community		Action Team Expenses	Gifts from the church			Total	Total
	Special Offerings	Superfluity	Designated & Direct Gifts	Operating Budget	Imagine Campaign / Love & Justice Endowment	In-kind Use of Facilities		
Homes for All								288,514
Homelessness								104,165
Elizabeth Gregory Home		1,000					1,000	
Facing Homelessness		300					300	
HomeStep		1,000					1,000	
Interfaith Task Force on Homelessness		900	250		2,000		3,150	
Mary's Place		1,000	384				1,384	
Mary's Place Hosting				1,349		4,000	5,349	
New Beginnings		1,200	100				1,300	
UCHA (Lin House) (50%)						13,200	13,200	
UCHA (Westwood House) (50%)			55,832	150		21,500	77,482	
Homeless Youth								85,796
Ave Foundation Encampment Hosting	2,021						2,021	
ROOTS Young Adult Shelter		2,300			3,000		5,300	
Teen Feed		500			1,000	22,275	23,775	
Teen Feed Meal Preparation Teams				1,700			1,700	
University District Youth Center (agency)		1,000					1,000	
University District Youth Center (Gold House)						46,000	46,000	
University District Youth Center Lunch Preparation						5,000	5,000	
YMCA Young Adults in Transition Program		1,000					1,000	
Mental Health								98,553
Mental Health Chaplaincy	1,871				2,000		3,871	
Recovery Café					2,000		2,000	
Shepherd's Counseling Service					2,000		2,000	
UCHA (Westwood House) (50%)			55,832	150		21,500	77,482	
UCHA (Lin House) (50%)						13,200	13,200	
Economic Justice								186,231
Anti-Poverty								95,668
45th Street Clinic					1,000		1,000	
Beacon Ave Food Bank				2,400			2,400	
Bread for the World					600		600	

2015 Outreach Giving and Estimated Value of In-Kind Use of Facilities

	Gifts from the UCUCG community		Action Team Expenses	Gifts from the church			Total	Total
	Special Offerings	Superfluity	Designated & Direct Gifts	Operating Budget	Imagine Campaign / Love & Justice Endowment	In-kind Use of Facilities		
Christmas Families - Cash expenditures not gifts				2,055			2,055	
Church Council of Greater Seattle (50%)			250		1,650		1,900	
Emergency Feeding Program				4,000			4,000	
Faith Action Network (1/3)				50	400		450	
Hunger Outreach food packing						2,000	2,000	
Jubilee USA Network					500		500	
Justice Leadership Program (1/3)	827		312		533		1,672	
Our Church's Wider Mission-Justice & Witness Ministr					9,490		9,490	
Our Church's Wider Mission-Pension Board (6%)					4,380		4,380	
Pioneer Human Services				6,342			6,342	
PNCUCC - Burned Churches Relief			420				420	
PNCUCC - Christmas Fund	5,116						5,116	
PNCUCC - Insurance Assistance Fund					8,400		8,400	
PNCUCC - Neighbors in Need	2,022						2,022	
PNCUCC - One Great Hour of Sharing	3,016						3,016	
United Churches Emergency Fund		5,600	4,005		3,000	26,800	39,405	
Workplace Institute						500	500	
Global Ministries								90,563
Borto Project					500		500	
Global Ministries-Mt Selinda Hospital	2,368						2,368	
Mwanzo Proud Farmers	18,318	2,600	54,937		1,450	4,550	81,855	
Our Church's Wider Mission - Global Ministries (8%)					5,840		5,840	
Child and Youth Well Being								149,331
Children's School		200				35,000	35,200	
Trettin Drop-In Preschool		1,300	374			18,000	19,674	
Turning Point Preschool					2,000		2,000	
UCUCC Childcare Programs	1,547	2,500	3,710		22,000	50,000	79,757	
University District Youth Center Interagency GED / hiq						7,200	7,200	
University District Youth Center Lunch Preparation						5,000	5,000	
Wellspring Early Learning Center		500					500	
Sacred Communities								35,719

2015 Outreach Giving and Estimated Value of In-Kind Use of Facilities

	Gifts from the UCUCG community		Action Team Expenses	Gifts from the church			Total	Total
	Special Offerings	Designated & Direct Gifts Superfluity		Operating Budget	Imagine Campaign / Love & Justice Endowment	In-kind Use of Facilities		
Beloved Community								26,206
Al-Anon						3,500	3,500	
Alzheimer's Support Group						1,000	1,000	
Church Council of Greater Seattle Weaving our Strength						3,000	3,000	
Church Council of Greater Seattle (50%)			250		1,650		1,900	
Faith Action Network (1/3)			50		400		450	
FaithTrust Institute		700					700	
Fellowship of Reconciliation-W WA					100		100	
Justice Leadership Program (1/3)	827		312		533		1,672	
KAIROS USA	2,924						2,924	
Mindful Recovery						5,000	5,000	
Nat'l Religious Campaign Against Torture					100		100	
Palestinian Concerns Task Force (CCGS)						560	560	
People's Harm Reduction Alliance					1,000		1,000	
Seattle Lesbians >40						3,000	3,000	
Spiritual Direction Supervision group						800	800	
Workplace Institute						500	500	
Sacred Earth								4,572
Earth Ministry		1,000			1,000		2,000	
Faith Action Network (1/3)			50		400		450	
Justice Leadership Program (1/3)	827		312		533		1,672	
One Green Planet			200				200	
WA Interfaith Power & Light					250		250	
Denominational Support								4,940
Our Church's Wider Mission - Denom. Support (74%)							0	
PNCUCC - Ordination offering			594				594	
PNCUCC - Per Capita					2,562		2,562	
PNCUCC - Strengthen the Church	1,234						1,234	
PNCUCC various board meetings						550	550	
	42,918	24,600	177,491	18,880	82,272	48,550	265,085	659,795
								659,795