

Special Committee on Financial Sustainability and Per Capita Review

2019 Listening Session Questions re Per Capita

- What is your understanding of Per Capita? What part of Per Capita do you value? What part of Per Capita do you find challenging or of little value?
- What do you believe are the strengths of Per Capita? What are the challenges for your presbytery with Per Capita?
- How is the Presbytery Portion of Per Capita Funds used in your presbytery? Administration only? Part of income stream?
- Tell us about your decision to remit 100% of your Per Capita/Tell us about your decision not to remit 100% of your Per Capita. What percent do you collect from your congregations?/Tell us about your decision to not collect Per Capita at all. How did you come to that decision?
- What do you do for income for your presbytery? How do you remit your portion of Per Capita to the Synod and/or GA?
- In general, how do you talk about Per Capita in your presbytery?
- How do you communicate your budget? How do you communicate about Unified Mission Giving? Per Capita?
- How do you communicate about underpayment from congregations? How do you communicate full payment from congregations?
- What are stories both positive and negative do you tell about Per Capita?
- What is one Adaptive Challenge facing your presbytery?
- How does the work of our seven agencies promote or inhibit the collection or understanding of Per Capita?
- If you could change the funding system or start with a brand-new system of funding, what would you do? What would you value?
- What is one thing that you think needs to change about Per Capita?
- What questions do you wished we asked?

SUMMARY OF RESPONSES FOR THE PER CAPITA LISTENING SESSIONS (JUNE 2019 – NOVEMBER 2019)

The Per Capita Review Team met with Presbytery and Synod Leadership in all 16 synods from May to November 2019. We heard from over 200 Presbytery Leaders. Each listening session consisted of a series of questions structured to gather data and to engage conversation around issues of Per Capita.

INTRO QUESTIONS

What is your Understanding of Per Capita? What Part of Per Capita do you value? What part of Per Capita do you find challenging or of little value? What do you believe are the strengths of Per Capita? What are the challenges for your Presbytery with Per Capita?

The participants understanding of Per Capita spanned from *confusing* to *connectional* to *“the glue”*. An ongoing theme throughout each listening session was the view of Per Capita as a *Head Tax*.

Many responses included some version of connectionalism and/or partnership as an understanding of Per Capita. “Per Capita is what we do as a covenant community *as a sign of hope as we work together for the greater good.*” The community nature and the fairness of the shared funding was often lifted up throughout each session. The issue of Per Capita being optional/voluntary vs not optional/voluntary was discussed in a variety of ways and was a primary response.

The answers leaned heavy on partnerships, connections and people working together to make things happen for Christ in the world. Gratitude was expressed for the work of OGA as a partner and a safety net for Presbyteries and Synods.

Though we tried to have a balance of views within each question, the participants often diverted from the positive side of the question to express their anxiety, anger, confusion and frustration with issues and items related to Per Capita and overall with “Louisville”.

When asked about the challenges, the responses overwhelmingly focused on the “mandatory” nature for Presbyteries and the strain and stress it places on the Presbytery staff and community. Within that “mandatory” remittance for the Presbyteries is the inability for the presbytery to assert consequences for non-remittance from sessions. This adds to the financial stress and frustration for leaders. Also, a challenge for presbytery leaders was communication; mostly in reference to lack of, poor/inadequate understanding and interpretation of Per Capita from the OGA.

Many suggested that there should be a better name than “Per Capita”. Also mentioned many times was the two-year lag in membership numbers as the basis

for Per Capita each year. Many observed that every time Per Capita goes up mission giving goes down.

When asked about the challenges for your presbytery the answers often had both energy and frustration. Over and over the Presbytery leadership articulated that they feel squeezed between loss of members/congregations and income revenue, and the increase in expenses of maintaining staff and/or resources for supporting congregations. The burden of paying for uncollected per capita only accentuated the burden and squeeze. Several leaders indicated that they have had to reduce staff and mission and resource support. They also feel bewildered, frustrated and/or helpless because of the inability to enforce payment.

Other challenges shared included the feeling or sense that "Louisville" is disconnected from the struggles and concerns of the Presbyteries. One leader said that they wrote two years in a row to the OGA about their inability to pay and never had any response. Many indicated that they do try to pay 100% but it comes at the expense of mission or investment money.

Poor Communication is an ongoing theme throughout all our conversations with Presbytery leaders. Information from the denomination about Per Capita has been "spotty", incomplete, confusing, and very much focused on the Per Capita needs of the OGA and not the synods and presbyteries.

What did we learn?

- Per Capita is understood and valued for the community nature, the fairness and connectionalism of the funding system.
- There are many different interpretations for what is Per Capita. These include fairness and "glue" that binds, as well as being unfair and a tax.
- In the responder's minds and language, Per Capita and Mission Giving to "Louisville" are merged. Some distinguished the difference, and others saw the two revenue streams as all part of "Louisville".
- Many leaders did articulate the difference between PMA and OGA when asked. However, in many other responses the two offices are seen as one which leads to confusion over funding streams and resources. A few times all agencies were referred to "Louisville"
- We heard over and over again about issues stemming from lack of, or inadequate, or no communication from the OGA. When communication did arrive, it was focused only on the needs of the OGA and not presbyteries, adding to the feeling of disconnect.

PRESBYTERY/SYNOD QUESTIONS

How is the Presbytery portion of Per Capita Funds used in your presbytery? Administration only? Part of the income stream? Tell us about your decision to remit 100% or pass through what was collected or not to remit Per Capita at all? In general, how do you talk about per capita in your presbytery? How do you communicate your budget, Per Capita and/or Unified Mission Giving?

Most who responded indicated that they receive anywhere from 75% to 98% of the Per Capita assessment. One presbytery leader indicated that they received 100%. A few received less than 75%. The Presbytery of James received between 10% to 11% with the total being covered by investment incomes. A few indicated they did not know the percent.

Many leaders plan for the shortfall in their budgeting process. The percentage has changed dramatically for presbyteries over the last years because of loss of congregations and recovery from the Great Recession. For some, the loss of income from Per Capita over the last few years has been leveling off. Many observed that when Per Capita goes up, mission giving goes down.

Most presbyteries send a statement to congregations indicating the amount due from the congregation for the next year. Conversations about Per Capita, in general, ranged from just sending a statement to conversations/presentations at presbytery meetings

Regionally the understanding of Per Capita and/or shared funding varied. In many presbyteries from the southern church tradition do not have Per Capita as their sharing/funding model and never did. Instead they work from "Mission Giving" or "Contributions" or "shared Ministry" funding models. Other regions such as the Northeast and Northwest almost exclusively (except 2 or 3 presbyteries) assess Per Capita. There appeared to be as many different models of interpreting and assessment Per Capita as there are presbyteries. The language of Per Capita is understood by most Presbytery leaders, but it may not be understood the same way by congregations/presbyteries in particular regions.

Presbytery/Synod incomes streams are primarily Per Capita, Mission Giving or "contributions" and investment income.

Conversations about Per Capita were split between "around budget time" to year-round. There were a variety of resources used; from denominational resources and links to storytelling to session visits to "not much at all". One presbytery shared that the Mission Engagement Specialist was very helpful for them. The Presbyteries in Puerto Rico relied on the Synod to assist with Per Capita information and resourcing.

Communication of the presbytery budget, Per Capita and Unified Mission giving most often communicated at the same time. One presbytery had separate "resource sheets" for streams of funding. Narrative Budget, Stewardship Team, printed materials, webpage information, resource sheets with Presbytery pack and letters to session are all tools utilized by presbyteries for communication of the budget, Per Capita and Unified Mission Giving. A few indicated that they needed to do more to communicate budget and financial issues.

What did we learn?

- Majority of Presbyteries submit 100% but do not collect the full amount. Many are struggling to be able to continue to do that.
- There is correlation between increase in Per Capita and decrease in mission giving.
- There are a variety of ways Presbyteries communicate Per Capita within their context.
- Presbyteries utilize many different financial communication tools for interpretation of financial issues.

PER CAPITA ADAPTIVE CHALLENGE QUESTIONS

What stories, both positive and negative, do you tell about per capita?

What is one Adaptive Challenge facing your presbytery?

The Presbytery Leaders had many stories that they tell, as well as some that they heard about. Access to National Staff and resources were positive stories and provided "a new view on different areas of the church". The support and resourcing from Synod and National staff is greatly appreciated.

"I tell the story of the support of our synod." Per capita support for Synods was mentioned often and positively. One-Synod Executive shared the story of being asked what his "fee" was for coming to help them with their Presbytery Leader search. He said he was able to help them because of their Per Capita support. Through support from the Synod, presbytery leaders receive development and resourcing opportunities. Another leader shared that they made sure they pointed out that the work of all the agencies as part of the bigger Per Capita story.

Denominational assistance with immigration issues was mentioned many times as an important and needed resource. Presbyterian Disaster Assistance was mentioned many times as a story shared. "PDA was there quickly after the flooding in our presbytery". "PDA called to offer support even before the storm made landfall".

One presbytery implemented the "annual financial retreat" which led to larger groups engaging in conversations about money and creating a culture that was willing to ask how they could develop a plan for financial sustainability in 10 years.

Many told stories about positive experiences participating at the General Assembly to counteract the negative stories they hear about the “wastefulness” of the General Assembly.

The Adaptive Challenge questions intent was to understand what other challenges presbyteries are facing, not just their financial adaptive challenges. The list is long. Even though they were asked to provide just one challenge there were lots of nods of concurrence from other participants to other challenges shared.

Finding pastors for small churches came up often, along with other issues around the search for pastoral leadership. These included the nonfunctioning of CLC and the availability of pastors. Participants listed leadership development, training for pastoral leadership and “What does it mean to be a church in the absence of traditional pastoral leadership”.

Other adaptive challenges were steeped in technical problems such as property issues that go beyond just maintenance and membership not being something younger generations do. Many younger members have no understanding of what it means to be Presbyterian and “what does that mean anyway?” in the world today.

Regional issues were highlighted as an adaptive challenge. One person shared the story of attending a worship service where everyone showed him their concealed weapon, including a machete. Another shared the challenge of being part of a “moderate/progressive denomination in a deeply red conservative region.”

Declining membership within congregations and the loss of congregations within the presbytery has led to issues of no presbytery staff, the inability to resource and support congregations, and how presbyteries can even be financially sustainable. How do we be a presbytery that “doesn’t depend on a 1980s structure”? Or, “how can we be a presbytery with outdated expectations of the role of the presbytery and the role of the staff.”

“We can’t even get to the Adaptive Challenges”. For some shifting the culture of the church of the past to the church of present is their adaptive challenge. Adaptive challenges need to have strong relationships. Several leaders indicated that building relationships within the presbytery community is a challenge in many different ways.

What did we learn?

- All told stories of support/resources from the six agencies and synods. General Assembly participation received many positive stories.
- Presbyteries/Synods face financial challenges beyond just “not enough” money.
- Presbyteries have challenges in structure, communication, and leadership for both the Presbytery and congregations.

How does the work of our six agencies and A Corp promote or inhibit the collection or understanding of Per Capita?

Overall the responses were mixed about the work of the 6 agencies and A Corp. Many of the responders understood the difference between agencies but believed there was a lack of clarity about funding of all or many of the agencies. Most of the lack of clarity came from the use of Per Capita at the OGA and PMA. Though the leaders understood the funding streams of the agencies, many believed that the people in the pew did not. "Per Capita goes to Louisville." "All agencies are part of Louisville." Many expressed dismay, disappointment or anger that Per Capita was being used to fund part of the PMA budget. This was more from feeling that the information was "kept" from them.

Most conversations focused on the perceived tension and "infighting" between the PMA and OGA. Many wondered why the two agencies are not one. Also many questioned why we have both "Hands and Feet" and "Matthew 25" initiatives.

Though the leaders understand the work of the 6 agencies, most expressed confusion about A Corp. "A Corp is less clear than it was 2 years ago". Many agreed that the "financial implications" announcements at the General Assembly were not helpful or clear.

Everybody loves Presbyterian Disaster Assistance and believes PDA is one of the best things we do.

When there is an increase in the Board of Pensions dues many leaders connected that to a decrease in mission or per capita giving, and/or small church pastor positions going from full time to part time, or even to non-clergy leadership.

The Presbyterian Investment and Loan Program, Board of Pensions, and the Foundation had overall positive comments and were recognized for the work that they do for the church. Publishing was barely mentioned. When asked, most said they knew little about them. Many asked why there appeared to be a lack of sharing of services, such as marketing, between agencies.

What did we learn?

- There is a lack of clarity on the use of Per Capita among the agencies.
- There is a perception that there is "infighting" between PMA and OGA.
- There is also a perception that the six agencies do not communicate amongst themselves.
- A Corp is not understood. Mid-council leaders need more information.
- Everybody loves PDA

CLOSING QUESTIONS

If you could change the funding system or start with a brand-new system of funding, what would you do? What would you value? What is one thing

that you think needs to change about Per Capita? What questions do you wished we asked?

Overwhelmingly the participants suggested that a new system should be based on a percentage of the congregation/presbytery budget. Suggestions ranged from a small percent of income to a tithe. Occasionally there were suggestions of just making Per Capita better; mostly by allowing Presbyteries to impose some sort of consequences for non-payment, and also by eliminating the two-year time lag.

Suggestions for underlying foundations for any funding system must have ownership from mid-councils and congregations and be based on our values, mission, vision and trust. Other suggestions include developing a new way of understanding membership and participants. Others suggested that expenses be cut at "Louisville" and that there be a plan for shared income among all agencies. "Fee for Service" was mentioned for areas such as CLC or PHS.

Overall the response suggested that any new funding system must be steeped in communication, transparency and education. Awareness of the stewardship/financial understanding of communities of color must be part of the development of a new funding system.

"If you could change one thing about Per Capita" generated many responses. Change the name or rebrand it. Make it more equitable for smaller churches. Make the membership base be more "real time" instead of a two-year lag. Change the definition of membership. Simplify. Use online giving or a payment app that could be used by congregations or presbyteries. Make everything "Mission" giving.

Over and over again the mid-council leaders said, "Stop putting presbyteries in difficult positions". This was in reference to having to pay 100%. Many have to take unremitted funds from reserves, mission money or not pay at all. Presbyteries have had to engage in conversations about whether they can pay or not. Many believe that they lose the opportunity to model the community nature of shared funding when they chose not to pay. Most presbytery leaders indicated they feel squeezed between "Louisville" and the congregations.

Questions that they wished we had asked:

- What could be caps and floors for a funding model?
- What is or should be our identity?
- What should Per Capita be used for?
- Whose responsibility is it to communicate Per Capita?
- How does increasing Per Capita impact PMA?
- Are we getting quantitative data?
- What's working or not working?
- How long can your Presbytery manage?
- Do we need to restructure Presbyteries or synods?
- Do we need to do a structural change at "Louisville" or OGA and/or PMA?

- Do Mid Council leaders need help/tools/resources/development in financial issues within their presbyteries.
- Should we lower Per Capita?
- What resources do we already have?

What did we learn?

- Per Capita no longer fits the church of today.
- A new model of funding should be based on a percentage of the budget or income.
- A Model should be simple and based on real time
- Presbyteries are squeezed and cannot continue much longer with the Per Capita Funding system.
- The conversation about funding models for mid councils needs to continue.