

THE STATE OF THE CHURCH- A REPORT ON THE UNITED CHURCH OF CANADA FOR THE 40TH GENERAL COUNCIL 2009

Purpose of This Document

In preparation for the 40th General Council 2009, this report provides commissioners with information about the state of The United Church of Canada today. It is a companion document to “Called to be Church: Toward a Unifying Vision,” the discussion paper that was distributed earlier this year.

The 40th General Council 2009 offers the opportunity to build a greater consensus through a continuing, thorough, and honest discussion of our vision and purpose as a church, a discussion begun at our last General Council. It is an opportunity to name the things that are most important to us and commit ourselves to doing them, within the present capacities of our church. The information in this report provides a basis for discussion, planning, and action in all parts of the church. May it help us remember who we are, and dream of what we may become.

Our Theology

The United Church is part of the global Christian family. We seek to follow Jesus in our time and place. We believe that in doing so, we can make a difference in our world.

Woven into the fabric of our being is a commitment to theological reflection as foundational to our life together. This commitment is reflected in our willingness to articulate our faith and beliefs for each generation.

The United Church laid its theological foundations in the 20 Articles of Faith that formed our Basis of Union in 1925. “A

Statement of Faith” in 1940, “A New Creed” in 1968, and “A Song of Faith” in 2006 built on those foundations, speaking to their specific time and context. In addition, many theological statements have informed the reports, policies, and actions of our church throughout its history. In the 1960s, The New Curriculum opened the church to modern biblical scholarship. “The Lordship of Jesus,” “The Authority and Interpretation of Scripture,” and “A Place for You” (which offered a vision for the full participation of children in the life of the church) are further examples of the church’s extensive theological exploration.

We are not a creedal church. The Basis of Union (8.6.2) declares “that no terms of admission to full membership shall be prescribed other than those laid down in the New Testament.” While the church acknowledges the importance of the historic creeds, the only terms for membership are those found in the New Testament. Our non-creedal identity is also reflected by the “in essential agreement” phrase of the Basis of Union (11.2). Candidates for ministry are required to be “in essential agreement” with the Statement of Doctrine rather than to subscribe to all its particularities.

The United Church has always paid attention to its social context. This is in itself a theological commitment that comes from a belief that God is present and active throughout the world and in society. For example, in seeking justice, we have expressed and embraced theologies that value the inclusion of all people in the church’s mission and ministry. While some decisions invited intense debate and theological struggle over the years (such as the ordination of women, acceptance of divorced people, affirming the gifts of people irrespective of their sexual orientation in all aspects of the church including

ordered ministry, and approval of same-sex marriages), theological reflection was foundational in these debates.

In other words, the theology of the United Church is part of how we live in the world and respond to the realities of our time and place.

Today, theological reflection engages us in such matters as

- healing and building right relations with Aboriginal people
- articulating the meaning of partnerships and right relationships with global partners deepening our interfaith explorations with Jewish and Islamic traditions
- fostering interculturalism and the gospel vision of diversity
- living faithfully in the midst of empire

The Emerging Spirit project has offered ways for our church to connect with a group of Canadians that we might otherwise miss. It could be called an experiment in evangelism for our time and place. Some of the many challenging theological questions that emerge from this work are: “What will the church look like in a society based on social networking?” “What are the essential qualities of a church?”

Our Canadian Context

Canada is increasingly known for its cultural, demographic, and religious diversity. Sixteen percent of the population belong to a visible minority. One in five Canadians is foreign born, the highest proportion in 75 years. Over 200 ethnic origins were reported in the 2006 census.

In 2001, the most recent census with detailed religious information, 17,500 people (out of 1.8 million) who immigrated to Canada between 1991 and 2001 self-identified

as United Church. While this is a small percentage, it also indicates a potential to attract recent immigrants who have little history with or awareness of the United Church.

In 2001 Statistics Canada reported that the largest categories of religious identity were the following:

Roman Catholic	12,793,123	43.2%
No Religion	4,796,325	16.1%
United Church	2,839,125	9.6%
Anglican	2,035,495	6.9%
Baptist	729,475	2.5%
Lutheran	606,590	2.0%

Between 1991 and 2001,

- the number of Canadians who identified as either Roman Catholic or Protestant declined from 80% to 72%
- Roman Catholics remained the largest religious group, but their proportion of the population declined from 45% to 43% (12.8 million people)
- Protestants remained the second-largest religious group, but their proportion of the population declined from 35% to 29% (8.7 million people). Most of the decline in Protestant denominations occurred in the six largest denominations. Only the Baptists recorded 10% growth in this time. In other denominations,
 - Presbyterians had the largest decline; their numbers fell 36% to 409,800
 - Pentecostals had the second-largest decline; their numbers fell 15% to 369,500
 - the number of United Church adherents declined 8% to 2.8 million
 - the number of Anglicans declined 7% to 2 million
 - the number of Lutherans declined 5% to 606,600

- the number of people who said they had no religion, meanwhile, increased from 12% to 16%

Attendance at religious services has fallen dramatically across Canada. Between 1986 and 2001

- the number of Canadians aged 15 and over who reported that they attended religious services declined from 28% to 20%
- the number of Canadian adults who reported they had not attended religious services during the 12 months prior to the survey increased from 26% to 43%

Francophone congregations represent only a small percentage of The United Church of Canada (12 congregations), yet research indicates that the ethos of the United Church is the most closely attuned of all churches to Quebec society. The United Church has invested heavily in deepening its presence in French Canada and in developing the resources to strengthen ministries in French. We will need to do more in this area if active francophone ministries are to be sustained.

The shifting cultural and ethnic demographic of Canada presents a wonderful and challenging opportunity for the United Church to become more diverse and intercultural. Canada is in the midst of a remarkable cultural experiment of becoming one of the most ethnically diverse countries in the world. If the United Church can't respond to these changes, we will find ourselves relating to a shrinking portion of Canadian society.

Our Church in a Global Context

Our church has a long tradition of living our faith in a global context. At this time, United Church commitment to global mission and ministry is expressed through

- appointing 25 overseas personnel serving with global partners in 9 countries
- relating to 13 global ecumenical partners, including active participation as members of boards, working groups, and other committees
- accompanying 150 regional partners in 23 countries to realize common mission goals—these relationships include denominational partners, ecumenical and interfaith organizations, development organizations, and social movements
- working with Canadian-based ecumenical, interfaith, and civil society organizations on social justice issues in local, national, and global contexts
- participating in interfaith and interchurch dialogues that continue to strengthen communities of faith
- supporting global partners to come live and work with the people and courts of The United Church of Canada
- supporting programs that strengthen the capacity of the church to learn about, analyse, and act faithfully on the complex justice issues of our time
- supporting United Church members as they represent our church at global, regional, and national events of significant missiological importance

United Church relationships with global partners are based on principles of mutuality, reciprocity, trust, and transparency. These relationships are guided by our church's understanding that God's mission is accomplished by churches and peoples in their own locations. We work together in God's mission for the

wholeness of life around the world. The United Church understands justice to be at the heart of God's mission. Challenging systemic injustice and seeking just relationships is integral to our church's work with global partners.

The Partnership Report approved in 2008 emphasized the importance of expanding avenues for all parts of the church, particularly congregations, to participate in these relationships.

Our church's active participation in and support of ecumenical and interfaith communities globally and in Canada is a living commitment to whole world ecumenism that calls on people of all faiths to heal the world. The United Church expresses that commitment through its membership in organizations like the World Council of Churches, Action by Churches Together, and the World Alliance of Reformed Churches and through participating in dialogues with other faith traditions. The United Church of Canada continues to be an important voice in the international ecumenical world.

Our Congregations and Ministries

The United Church has 3,362 congregations in 2,253 pastoral charges in Canada and Bermuda. About 60 of these are Aboriginal ministries (congregational and community), 46 are ethnic minority congregations, and 12 are French-language United Churches. We also have 300 community ministries and 15 educational institutions.

This is a vast array of ministries, people, and assets that represents our commitment to God's mission in our world. It is also a smaller presence than we had 20 years ago.

Between 1987 and 2007,

- the number of congregations fell by 20% fewer congregations—from 4,175 to 3,362
- the number of people attending worship fell by 48%—from 387,653 to 204,444

There is no question we are a smaller church.

Just over one half (53%) of United Church congregations and 30% of the membership of the church are in communities with a population of under 2,000 people. Twenty-three percent of congregations and 26% of members are in communities with a population between 2,000 and 30,000. And 24% of congregations and 44% of members are in urban or suburban communities. As the proportion of Canadians living in cities increases, it becomes a challenge to sustain ministries in small rural communities. Maintaining large urban churches, especially in old buildings that are expensive to maintain and in areas where populations have changed over the years, presents significant challenges too.

Here are some more observations of what the United Church looks like today:

- Many congregations are healthy and growing; other congregations are struggling to discern their way or are closing. This has led to an increase in amalgamations. In 2007, for example, 10 pastoral charges amalgamated, creating four new ones. Six additional pastoral charges also formed—four of them because the preaching points of multi-point pastoral charges became independent pastoral charges.
- More than 70% of our congregations are located in rural areas, small towns, and smaller cities. Some areas are struggling with population decline that calls congregational viability into question. But opportunities are also

developing for lay leadership, small group worship, and technology that opens new possibilities for ministry across distances.

- About 300 community ministries contribute to the church's overall mission. Campus ministries; chaplaincies in prisons, armed forces, correctional institutions, and hospitals; camps; social justice ministries; seniors' facilities; and many other ministries based in congregational settings—all participate in God's mission. Many of these ministries receive support through the Mission and Service Fund.
- Four educational centres and 11 theological schools provide a wide range of educational opportunities for lay members, ministry personnel, and those preparing for vocations in the church. New initiatives are underway to increase the number of people considering ordained and diaconal roles in the church's ministry.
- Emerging Spirit's research and experience in congregations and presbyteries has offered great hope. It has also shown how difficult it can be for congregations to change.

Amidst all of this, opportunities abound for new and innovative ministry practices that lead the church "out of the box" and into new ways of engaging and being. For example, 66 workshops at the More Franchises than Tim Hortons? conference showcased emerging practices for 600 practitioners.

Congregations have responded to the Emerging Spirit program and engaged the Behold Conference and its intercultural focus.

Our Ministry Personnel

Our congregations and ministries are served by trained ministerial leadership. Here is some information about our current demographics:

- Of the 2,200 ministry personnel that serve 2,253 pastoral charges, 70% are 50 years old or more and 3% are under 35.
- One half of all ministry personnel presently serving pastoral charges will reach the normal age of retirement within the next 10 years.
- About 2,000 retired ministry personnel continue to provide leadership in their communities.
- Comparable statistics are not available for ministry personnel who are not in the order of ministry, but they likely follow similar patterns.

The United Church is facing serious leadership needs in the near future. Recruitment of ministers is a critical concern. We need more ministers, especially more young ministers. We also need ministers from diverse communities, and recruiting for our 54 designated ethnic ministry congregations is a particular challenge.

Both now and into the future, ministers are called upon to inspire congregations to stretch beyond the familiar. Much of ministerial leadership is related to congregational transformation. In these times, there is a need to

- simplify the process by which people become ministers, and make changes to our call and settlement processes
- review our training to ensure that ministers are equipped in transformational ministries
- expand our understandings of ministerial roles, celebrate a church leadership that is more diverse in its expression in order, and formally recognize a broader range of gifts and modes of ministry

The Meaning of Ministry study, a new recruitment plan called Calling Congregations, and a review of the discernment, candidacy, and internship programs are aimed at beginning to address some of these needs.

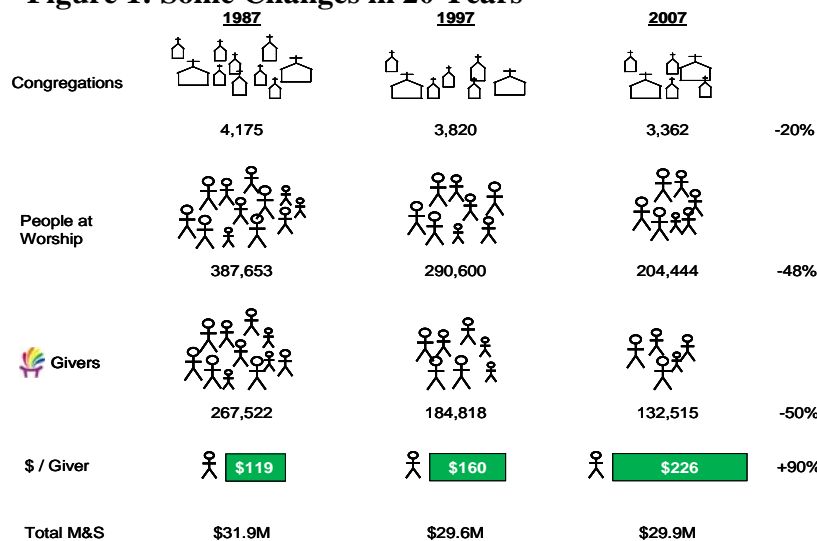
Our Finances

The ministries of The United Church of Canada, in all four courts, are funded by the financial contributions of member and adherents, as well as the careful stewardship of the assets held by the church.

In understanding the finances of The United Church of Canada, it is important to look not just at the total amounts raised, but also at where contributors chose to direct their gifts.

The following chart is a picture of the 20-year decline that the United Church has experienced in the number of its congregations, people attending worship, and contributors. It also shows the increase in givings per person in support of congregational life, and the state of our Mission and Service Fund.

Figure 1: Some Changes in 20 Years



Congregational Finances

In 2007, 3,362 United Church congregations raised \$409 million for all purposes. Of that, 66% came from offerings and 34% from sources such as investments, endowments, and property rentals. Twenty years ago, 75% of the money they raised came from offerings.

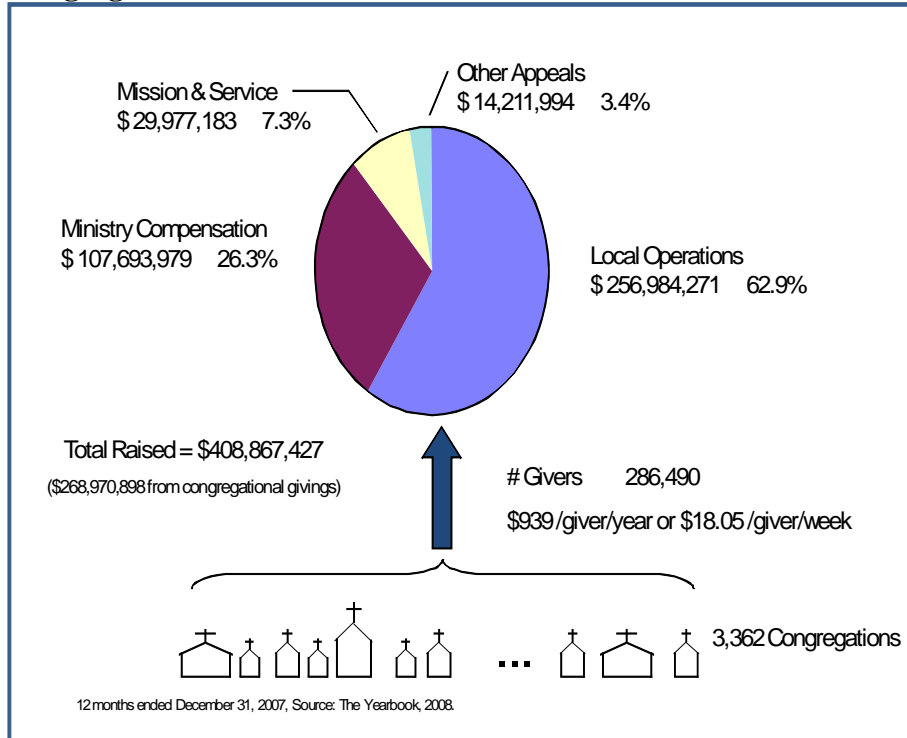
In the 20 years between 1987 and 2007,

- the number of people giving to local expenses declined by almost 40%—from 460,000 to 286,000
- the average amount each congregation raised per year increased from \$63,000 to \$122,000, or as adjusted for inflation, from \$63,000 to \$76,000
- the total value of congregations’ property and investments more than doubled from \$2.6 billion to \$5.7 billion—and their total endowments and investments similarly increased from \$209 million to \$415 million

- congregational givings increased by 120%—from \$426 to \$939 per person per year, or as adjusted for inflation, by 37% from \$426 to \$585

During this time, congregations consistently dedicated 27% of their money to ministry compensation and 3% to appeals and causes. The share going to local operations increased from 57% to 63%, and M&S givings declined from 12% to less than 7%.

Figure 2: Source and Application of Money (2007)—Congregations



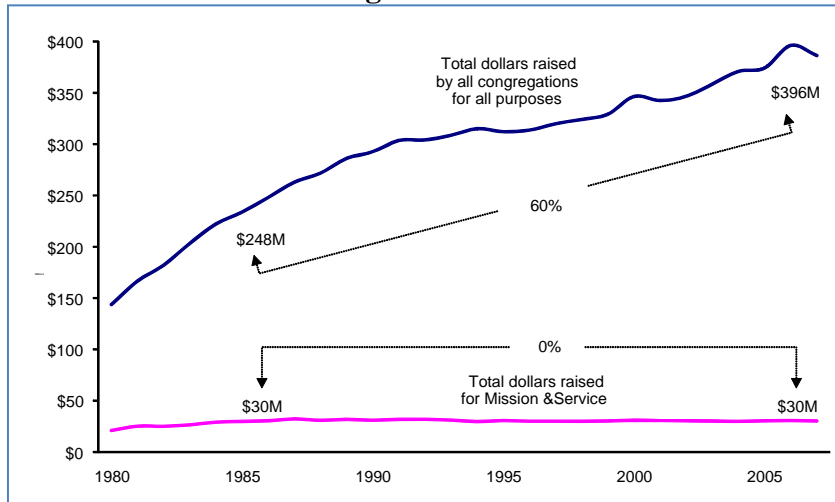
Presbytery and Conference Finances

Under the United Church’s by-laws, presbyteries have the authority to assess the congregations, and the Conferences to assess presbyteries, so they can cover their expenses. Congregations are assessed about \$6.5 million a year—\$2 million by the 91 presbyteries and \$4.5 million by the 13 Conferences. Total expenses for the 13 Conferences are \$10 million a year, which comes from presbytery assessments, a \$4.4 million grant that General Council pays from the Mission and Service Fund, and other sources.

General Council Finances

The General Council does not have authority to assess other courts of the church, and therefore depends on the contributions that congregations and church members voluntarily make to the Mission and Service Fund. The M&S Fund, which provides more than three quarters of the General Council’s budget, has remained constant at about \$30 million per year since the mid-1980s. With inflation, that means the M&S Fund’s support of the General Council’s work on behalf of the church has been reduced by about 40% during this time.

Figure 3: Total Money Raised in All Congregations and Mission and Service Givings



In the 20 years between 1987 and 2007,

- the number of people giving to M&S declined by about 50%—from 268,000 to 133,000
- the number of people who give to local expenses who also give to the M&S fund declined from 58% to 46%
- the amount each contributor gave to the M&S Fund increased by 90%—from \$119 to \$226 per year—or as adjusted for inflation, it increased 18% from \$119 to \$141

General Council Budgets

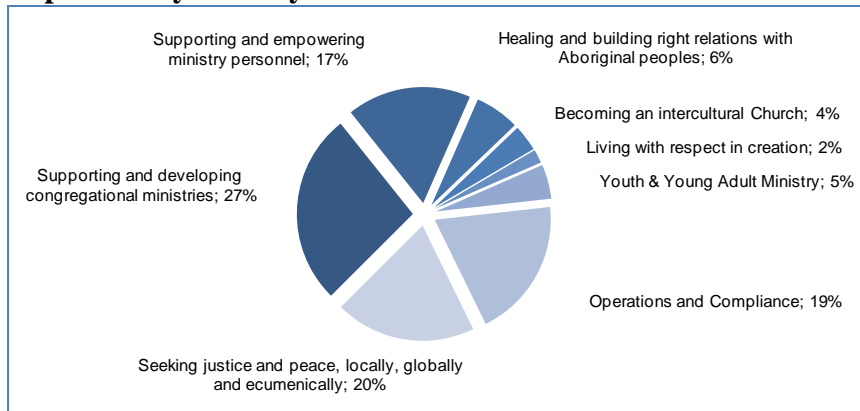
General Council's operating budget, excluding the operation of the self-funded pension plan, is \$41.7 million for 2009. Of that, about 77% comes from the M&S Fund, 15% from the income and capital from trusts and endowments accounts, 6% from book sales and other revenue, and 2% from reserves.

When the Executive of the General Council (GCE) developed its 2008 to 2010 financial plans, the plans addressed several factors regarding the operation of the General Council and its office:

1. Given that the amount in the M&S Fund is static—and thus decreasing in real terms—the Executive recognized that the amount of work done and how it is done would have to change.
2. The Executive also recognized that reliance on reserves to balance its budgets would have to be reduced.
3. Finally the Executive recognized the need for flexibility to accommodate emergent work.

In June 2007, the Executive adopted a plan that combined priority setting and expenditure restriction in order to meet its targeted reductions for 2008 to 2010. In 2007, the plan required a reduction in the General Council Office staffing level to be implemented in 2008 and remain stable until 2010. Global partner grants, and mission support grants were identified for reductions in 2009 and a consultative process with partners and mission support networks was undertaken to determine how the reductions would be implemented. With these two steps completed, the 2009 budget is smaller than in 2007 and 2008, but retains the same proportion of grants, programs, staffing, and operations. General Council Office priorities also align with the priorities established by the Executive of the General Council in May 2007.

**Figure 4: General Council 2009 Budget (\$41.7M)—
Expressed by Priority**



Recent financial analysis indicates that a similar pattern will repeat itself in the 2011–2013 budget cycle. It is now estimated that over this three-year period, approximately \$6.5 million (in comparison to \$7.5 million in the 2008–2010 period) will need to be removed from the budget.

Nevertheless

As The United Church of Canada, we are reminded that we are a community of faith, followers of Christ Jesus who seek to live God’s love in the world. We dare to believe that The United Church of Canada has something important to offer, in Canada and in the world, an offering that declares “we are not alone.” At the same time, the state of our church presents a challenge for us. May we enter this challenge in faith, knowing that God has given us all that we need for our journey.