

**No. 0905**  
**Board of Church Extension**  
**of Disciples of Christ**

**dba Church Extension**

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***Called by God, Church Extension, together with our investors and partners,  
offers mission-driven capital planning and funding services to Disciples of Christ  
congregations in the context of their culture and stage of life.***

The year 2008 marked 125 years of service for Church Extension to provide for the capital planning and funding needs of new and established Disciples of Christ congregations. In 1883, when the Cincinnati General Christian Missionary Convention named the need to provide for the building of houses of worship, Christian Church congregations stepped up to donate hundreds of dollars to fund much needed loans to emerging frontier ministries. In the 1950s, individuals, churches and institutions expanded these loan possibilities by investing with Church Extension, who used these investments to fund loans for property purchase, new construction and remodeling for Stone-Campbell congregations. By 1969, following Restructure, the General Board asked Church Extension and the Division of Homeland Ministries to lead out on a new initiative for starting new congregations, assigning these two ministries to work closely with regions in administrative oversight of the initiative. Again, in 1985 and in 2000, the General Board and General Assembly assigned priorities related to new church advancement to Church Extension's administrative oversight. For 125 years, Church Extension has sought to "extend the witness" of Disciples local mission by helping new and established congregations build on that intersection between ministry dreams and building needs.

First and foremost, celebrating 125 years of ministry means the celebration of partnerships with the regions, general ministries, constituency groups, investors and donors, who make new church establishment, capital planning and loan services possible. It is the Church Extension directors' and staff's distinct honor to facilitate these services on behalf of the larger church. May God bless our future together, even as congregations have been blessed these last 125 years.

**What is the state of the mission of Church Extension in relation to the mission of the whole church?**

In 2008, Church Extension began an ambitious effort to attempt to understand the unique circumstances confronting our congregations as they seek to establish and house ministry into the future. Within our mission and with financial prudence, we set before us the hard task of seeking to serve congregations not easily served by other institutions, even as we strive to meet the needs of churches that could more easily attain capital funding from other lending institutions. In order to accomplish this task, we believe that we have to do two basic things: 1) ensure that our services are multiple in approach so that they can meet the distinct needs of diverse communities, and 2) raise net assets by increasing CE's donor base in order to continue to make available future low-interest funds and low-cost services to congregations. In 2008, CE piloted and launched new services, experienced very strong donor support, and conducted more than 700 consultations with Disciples new, affiliating and long-time congregations. CE financials will show that we also had positive operational results.

Yet, we faced and continue to try to partner to confront deep missional problems for congregations across the United States, Canada and Puerto Rico. These issues primarily fall into three categories:

- The state of the economy

Some congregations, especially hard hit by the unemployment of congregants and the loss of community industry, have found it difficult to raise or sustain giving for capital projects. Loan delinquency rates for congregations making payments on existing loans are higher than normal or acceptable. Church Extension staff continue to work with congregations, on a case by case basis, to create new funding plans to alleviate shortfalls.

- High costs for new construction

Costs per square foot for new construction have doubled over the last decade, making it increasingly difficult for new congregations to consider building. In addition, many of our newer congregations are located in places where rental property is extremely costly. Estimates now suggest that most new congregations are having to wait at least 10 years before acquiring permanent facilities—nearly twice the time needed a decade ago. The challenge for Church Extension staff and directors and the denomination as a whole is to identify better options for sharing space, lower cost options for facility acquisition, and new fund raising models to help meet the housing needs of today's generation of emerging congregations.

- High utilities costs and facilities that are larger than congregations can support

By Yearbook statistics, 63 percent of churches reporting have seen declines in worship attendance, participating membership and total giving for 20 years or more. Most of these congregations have little building debt, but increased operational costs to maintain, heat and cool these facilities. In addition, nearly all of these congregations have much more space than they need or that they can support through annual offering. The result is that most of these congregations are spending inordinate percentages of their budgets on building costs at the expense of their program and mission budgets. In a recent study of 100 of these congregations, more than half of them now spend less than 10 percent of their operational budgets on program and mission combined. The challenge for Church Extension and the entire denomination is to find ways to help these congregations “right-size” and/or share their facilities so that they can use larger portions of their assets for mission.

Church Extension staff and directors believe that the challenges for extending Disciples witness into the future can be met with faithful and steadfast innovation. Creative opportunities for congregational partnerships, asset reallocation, fund raising and renewed mission that meets the missional needs of demographically changing neighborhoods are popping up in communities all over the United States and Canada.

That being said, it will take partnerships across the lines of general, regional, local and global/ecumenical church to capitalize on these opportunities to create congregational growth in mission, outreach and evangelism. In partnership with the larger church, Church Extension's continued mission imperative is to focus on “strengthening congregations to be and to share the Good News of Jesus Christ from our doorsteps to the ends of the Earth.”

**Please comment on CE's work in regard to the four mission priorities of New Church, Transformation, Leadership Development and Pro-Reconciliation/Anti-Racism and the mission imperative of strengthening congregational life for mission.**

Church Extension, like all general ministries – including those ministries that connect congregations with global or historic mission – exists primarily to strengthen congregational life for mission. Each general ministry is a conduit through which Disciples help Disciples live out what God has called particular congregations to do and to be. Church Extension is an entity through which Disciples help Disciples establish new congregations and work to plan and to fund the ongoing housing needs of Disciples local mission. CE carries out its ministry, both financial and programmatic, in ways that seek to maximize a congregation's human, financial and building resources for its ministry. To this end, CE staff and directors seek to operate in a way that integrates all four priorities into its goals and directives. As well, CE staff and directors seek to partner with other Disciples ministries in order to realize true accomplishment of these priorities.

For more than 10 years, CE has had internal diversity education and anti-racism teams working to help prioritize resources and services to better meet the needs of the growing diversity of the Christian Church (Disciples of Christ) and the communities we serve in North America. Specifically, in 2008, CE has continued to test and create fund raising models that better meet the contexts of African American, Latino, Pacific Asian, Haitian, and other racial/ethnic groups. Thirty-five percent of loans approved in 2008 were to Disciples of Christ congregations in these cultural contexts or in Puerto Rico. In addition, CE's loan team is considering ways of underwriting loans which better reflect the giving and growth patterns of racial/ethnic communities. Finally, New Church Ministry continues to work with racial/ethnic constituency groups, immigrant communities and long-established congregations of color to establish Disciples communities of faith that reflect the increasing diversity of the United States and Canada. In fact, 80 percent of our new church starts are majority Hispanic, Pacific Asian, Haitian, African American, and first generation African congregations.

Church Extension staff and directors understand that New Church Ministry is both a priority of the whole church (and as such reports directly to the General Board/General Assembly) and a general ministry of the church for which CE provides oversight. Increasingly, all of our field consultant staff are being trained to provide intentional building readiness service to new congregations. While planter training

and coaching will help new congregations succeed in their first years, site acquisition, demographic targeting, fund raising, building planning and interest-free loans are necessary to the sustenance and vitality of new congregations as they grow. Identifying facility ownership options, new ways to share space, new gift resources and other congregational support for new congregations are all avenues CE is exploring as we move into an era of helping the nearly 600 new Disciples congregations find permanent space for ministry.

While Church Extension does not work directly with congregations who are in strategic missional transformation processes, CE does now work with regions to provide an assessment process for congregations in their fourth quadrant of life. This assessment tool, called New Beginnings, is a thorough analysis of the resources (building, location, human, financial) and the challenges of a congregation. It offers a portrait of a congregation and its relation to the ministry needs of the surrounding community. The assessment service also offers small group training and leaders manuals for congregations to use as they process their reports. The intention of the process is to help congregations decide whether they can move into an intentional decision for missional redefinition, redevelopment (through relocation, restart, etc.) or closure. Depending on the option chosen and working closely with their regions, these congregations are then referred to various general and regional partners for help with next steps.

It is through this work with New Beginnings congregations that CE staff has been alerted to the need for broader partnerships in the area of leader development. CE's current work in leader development is related to new church planters through recruitment, assessment, training and coaching. Increasingly, however, we are beginning to understand that pastor "redevelopers" need similar kinds of assessment, training and coaching. With so many of our congregations in decline, we see great need for new kinds of leaders who are trained and then coached in organizational change management, multicultural awareness, fund raising and sociological analysis, in addition to preaching, teaching and pastoral care. This kind of leadership development requires a different focus than that which generally falls within CE's mission. CE seeks, however, to be a partner with HELM, DHM, Regions, Constituency groups and Seminaries as we address the leadership urgency for new and redeveloping Disciples of Christ congregations.

As Church Extension staff and directors look back on the last 125 years of ministry and plan for the next decade, it is clear that these four priorities have provided guidance to the goals of living out the larger mission of strengthening congregations for their mission. CE's commitments remain as strong as ever: to serve churches in a way that strengthens them to be the good news (outreach and mission) and to share the good news (witness and evangelism), that together we may live God's call from our doorsteps to the ends of the Earth.

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The General Board reviewed report No. 0905 of Church Extension.  
The report is submitted to the General Assembly for consideration and discussion.  
No action is required. (Discussion time is 12 minutes)

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