

**Board of Church Extension
of Disciples of Christ
(inclusive of New Church Ministry)**

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.

In 2009, as Church Extension celebrated a solid 125-year legacy of serving the capital planning and funding needs of new and established Disciples of Christ congregations, the sands were rapidly shifting beneath us. Around the world, an economic downturn brought to light changes already well underway for many institutions, churches included. Societal and economic influences have brought our and other denominations to where we are now – more than 60 percent of all Disciples congregations are declining in size. Changes in family, community, employment, security, technology and other institutions have fundamentally changed how people “do” church, if they do it at all. As a result, the witness of established congregations that have not or could not adapt to these changes has diminished. And, for many congregations, their buildings have become burdens instead of viable mission centers.

Given this reality, Church Extension’s role is shifting as well. Fortunately, Church Extension’s 2008-2010 business plan includes a forward-thinking effort to understand, work with and stay ahead of the circumstances confronting our congregations as they seek to establish and house their ministry into the future. Beyond the current market environment and the demographic and societal shifts impacting church participation, these circumstances include, among others, decreased giving for capital projects; increased costs for new construction, rental property and facility purchase; the high cost of utilities, building maintenance and operations; and a shortage of committed, visionary and trained pastors prepared to lead mission-driven congregations.

More than ever before, Church Extension’s challenge is to work with and through others to help congregations address these issues in ways that enable them to refocus their energy and resources on mission. It is a challenge that Church Extension is prepared to tackle in 2010 and beyond with the support and partnership of regions, general ministries, constituency groups, donors and investors.

Perhaps one of Church Extension's strongest advantages in 2010 is that our ministry stands on relatively solid financial ground. We ended 2009 with nearly \$180,000 in income from operations, an increase of \$1.39 million in total net assets as a result of the market upturn and total gift income of \$1.183 million – remarkable only because of the times we're in, but not surprising given the generosity of Church Extension's friends and partners. Resources are tight in 2010, but sound fundamental business practices and strong relationships with donors and investors will enable Church Extension to continue to be proactive in the development and delivery of innovative services and solutions to and with congregations.

As a financial ministry committed to partnering with our church's endeavors to be a movement for wholeness in a fragmented world, we continue to focus on the priorities named:

New Church Priority

As a general ministry of the whole church for which Church Extension provides oversight, New Church Ministry (NCM) has worked in concert with general, regional, local community and global/ecumenical partners to support Disciples in establishing 640 new churches since 2001, of which 80 percent are majority Hispanic, Pacific Asian, Haitian, African American and first generation African congregations. That's more than halfway to the goal of 1,000 new churches by 2020 – clearly an effort that is reaping encouraging results in terms of obeying the Great Commission into the 21st century.

Of these new congregations, fully 79 percent of them remain viable. The long-term viability of new church starts, however, is only as secure as the congregations' ability to remain mission-driven in ways that effectively and concretely extend the witness into the neighborhoods in which they were established. NCM's New Church Planter training, held twice annually and growing in popularity (148 attendees in 2009), has become even more rigorous to ensure that mission remains at the center of a planter's vision for a new church. The training includes: 1) an in-depth discernment process to help a potential planter explore and clarify the vision for his/her new church and to confront honestly the personal and professional demands of starting a new congregation and keeping its mission on track; and 2) a realistic "nuts-and-bolts" approach to defining, articulating, promoting, funding, implementing and sustaining new congregational life for mission. Additionally, the training addresses demographic and societal trends and challenges that may present as both opportunities and roadblocks to a new church seeking to become a mission center in its community.

The ongoing success of new churches continues to be bolstered by NCM's coaching and mentoring program, called the Barnabas program. Designed to help new church planters sustain excellence and build upon their original vision, this ministry employs Barnabases (coaches) who bring regular "outside world" contact, encouragement, compassion and accountability to the planter during the first five years of the church start. After the first two years, planters also participate in peer group events, facilitated by NCM, that connect planters with each other so they can grow their God-given gifts with the support of people on similar journeys.

Of much importance to the success of new churches will be their ability to reflect the face of the future Christian Church. That reflection will reshape the way people define church. New congregations will house their ministries differently, using resources more for developing and delivering mission and less for securing buildings; their “space” may be shared, likely unconventional and neighborhood-based; their focus will be outward in service to others; their partnerships may be ecumenical and their leadership characterized by delegation and empowerment. As these new communities of faith formulate and launch their plans for mission, NCM and Church Extension will collaborate with them to help them develop the resources, expertise and networks they need to be successful.

Although the Lilly Endowment provided funding through 2009 for the coaching and peer support components of the New Church priority, funding from the whole church for the New Church ministry overall continues to be problematic. Pentecost Special Offering income dropped in 2009 and is not expected to increase significantly in 2010. With other general ministries, regions and constituency partners, Church Extension and NCM continue to explore funding strategies that more effectively engage congregations, individuals and organizations in supporting the New Church movement. Success in securing funding will be essential to success of the movement into the future.

Transformation and Leadership Development Priorities

In 2009, Church Extension became more directly involved in missional transformation and leadership development processes and will be more proactive with both priorities going forward. Working with nine regions last year, Church Extension provided the *New Beginnings Assessment Service* to 24 congregations in their fourth quadrant of life. This tool is a thorough analysis of the resources (building, location, human, financial) and the challenges of a congregation. The assessment process requires that a congregation study itself related to the ministry needs of its surrounding community and trains its leaders to work with their fellow congregants to process and move into an intentional decision for mission redefinition, redevelopment (through relocation, restart, etc.) or closure.

In its second full year of implementation, Church Extension’s New Beginnings service is serving as the compass that a number of Disciples congregations in decline need. Of the 150 congregations that have used the service so far, many have made courageous and monumental decisions about their future direction. Some plan to redefine their mission in the same location and reach out to a new population; others decided to close and restart as a new church reaching a new population; still others to relocate to a growing neighborhood. With help from various general and regional partners, including Church Extension, these congregations can now move on to their next steps.

Church Extension’s experience with transformation assessment and New Church processes has made self-evident to us the church’s urgent need for transformational leadership development, most specifically the need for an infrastructure to develop and strengthen pastoral leaders to increase the number of vital and mission-driven congregations. Recognizing that this imperative will be addressed successfully only through collaboration and partnership, in late 2009 Church Extension, Higher Education Leadership Ministries and

Disciples Home Missions convened a summit of transformational Disciples leaders to wrestle with questions about what transformational leadership looks and acts like and how to develop and support that kind of leader for the sake of mission. In 2010, the summit participants, who included transformed/transforming parish clergy and representatives from seminaries, regions, racial/ethnic constituencies and general ministries, will continue to pursue answers to these questions and implement solutions to the leadership imperative, much as NCM has begun to do in the assessment, training, coaching and overall development of New Church planters. Church Extension and NCM will remain intimately involved in building deeper and more diverse networks and partnerships of leaders committed to working with and learning from one another in pursuit of transformed congregations.

Anti-racism/Pro-reconciliation Priority

Church Extension's work related to this priority flows in great part from our efforts to help new and established congregations become more missional – more outward focused in service to God and their communities. Approximately 43 percent of Church Extension loans approved in 2009 were to African American, Latino, Pacific Asian, Haitian and other racial/ethnic congregations, including those in Puerto Rico. Consultants worked with these applicants to address building issues as they pertain to the growth patterns and mission needs in their own communities. Going forward, Church Extension's loan team continues to explore new ways of underwriting loans that better meet the unique missional needs of the growing diversity of the Christian Church (Disciples of Christ).

Additionally, Church Extension piloted and will launch in 2010 the Mustard Seed Fundraising Service, a fundraising model that better reflects the cultural nuances of giving in racial/ethnic congregations. The fundraising service places particular emphasis on stewardship education with the message of mission focus at its center.

How is Church Extension evolving to address the imperative of strengthening congregational life for mission, thereby being an integral part of “a movement for wholeness in a fragmented world?”

In the context of the 2020 vision for the Christian Church (Disciples of Christ), in 2008 Church Extension began to implement its three-year business plan to help congregations address their capital funding and planning needs as they seek to establish and house their ministry into the future. As a financial ministry, we prudently seek to serve congregations, some who could not be served easily by other financial institutions and others who could more easily access resources and services from commercial lending organizations. We focus on developing a multi-faceted approach to serving diverse communities and raising net assets so we can provide low-interest funds and low-cost services to congregations. Through partnerships with regions and general ministries and with support from donors and investors, we develop and launch new services to enable us to fulfill our ministry.

However, unique and rapidly unfolding circumstances are leading Church Extension to imagine an expanded and redefined future for our 125-year-old ministry, one that enables us to work alongside congregations and other partners as we all envision together new and more effective ways to live out mission. This new era requires that we:

- Help congregations focus on true priority – who are you truly called to serve and how will you best use your resources in that service? As Church Extension provides services and loans to new and established congregations, we will ask these questions and will work with congregations to seek honest answers.
- Restructure to some degree the way we make loans and repayment arrangements. Loan delinquency rates remain high, so consultants will continue to work with congregations on a case-by-case basis to address shortfalls. Now more than ever, we will advise churches to focus realistically on their financial viability well down the road before they commit to expenses they may not be able to sustain.
- Suggest new ways to generate and manage resources for housing mission. That might mean new approaches by congregations to capital fundraising, not just for building or renovation, but for debt repayment, relocation, operations and/or program. It might mean new ways of thinking about “building,” such as shared or leased space or new uses for existing and under-used space. New services, such as Church Extension’s Green Services, can be invaluable in helping congregations identify ways to save money on rising energy costs and access loan resources to implement those changes so that more money is available for mission.
- Focus on educating for the sake of mission. Previously, Church Extension might have been viewed simply as service-providers. However, our congregations have been responsive to our overtures to provide timely and useful information that can help them address their building needs for the sake of mission. Educational workshops, offered online, in-person and often in conjunction with outside partners, have been well received in 2009 and will be continued in 2010.
- Be willing to envision new partnerships and new ways of doing “business.” For example, Church Extension is forging an intellectual property agreement with Presbyterian Church USA for rights to use the New Beginnings Assessment Service, complete with training and materials. This agreement is one way that Church Extension can help to extend the witness beyond our own denomination to help other Christians meet their missional needs.
- Urgently and actively collaborate to develop and strengthen transformational leaders, new churches and transformed congregations. Our relationships with our seminary and regional partners will evolve as together we develop new models for training and professionalizing clergy. Resources for new and redeveloped churches will be used to develop new ways of housing mission – maybe for technology, for community outreach, for acquiring shared or leased space. The possibilities are unlimited!

Church Extension’s commitment remains as strong as ever: to serve churches in ways that strengthen them to be and share the good news, that together we may live God’s call from our doorsteps to the ends of the Earth. As we look to the next decades of our ministry, our staff and directors are emboldened and uplifted by the support, encouragement, creativity and generosity of all of our partners, those we know and those we have yet to meet.

