

In Search of the Missing Mission Dollar

Church History
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April 26, 1993
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Over the last several years there has been much grumbling and murmuring around the Synod about the Synod's inability to open new missions. I vicared in the Northeast where WELS churches are few and far between. The people in these outlying districts saw the need for more expansion, yet they perceived that the Synod was not doing enough to open new missions. One of the common conceptions was that Synod was too full administrators and others who just sat around and collected paychecks.

The Synod maintains that the problem is funding, or a lack there of. The Synod points to the fact that the SMO has been virtually flat for the last several years. The result of this has been an inability to fund new missions from the general budget. In fact, many of the starts from the last few years have been funded not through the general budget, but through special offerings such as Lift High the Cross. Many people, myself included, feel that the SMO has fallen off as a direct result of these special offerings.

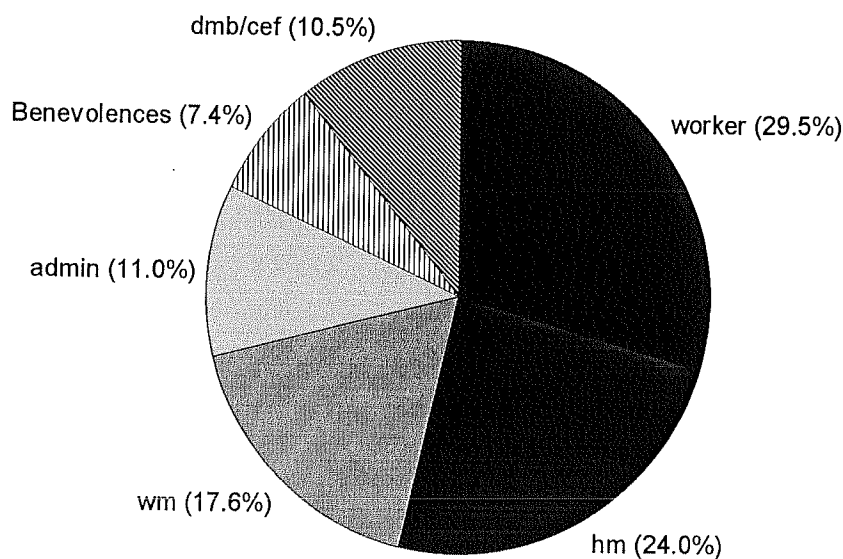
The main issue we will look at in this paper is why we have not been able to fund as many new missions as we were in the 70's. We will look at both areas. First we will look at Synodical spending to see where the SMO is going and how the proportions have changed over the years from 62-91. We will then also look at how the offerings from the Twelve Districts have changed during the years of different special offerings. Finally we will look at a survey conducted at several random congregations to see what impact, if any, Lift High the Cross has had on individuals giving.

Before we start looking at the actual figures, it will be necessary to say a few words about the figures used. Since the Synod operates on a fiscal year, all the dates in this paper are year ending dates. In other words, "for the year 1961" refers to the fiscal year ending June 30, 1961. That is actually the period from July 1, 1960 through June 30, 1961. The figures are generally taken from the Proceedings under the Budgetary Fund. There are some exceptions, such as 1974, where the figures came from The Report to the

Twelve Districts. But in all cases, these are the official audited figures of Synod. Figures which are attained through other means will be noted as they occurred.

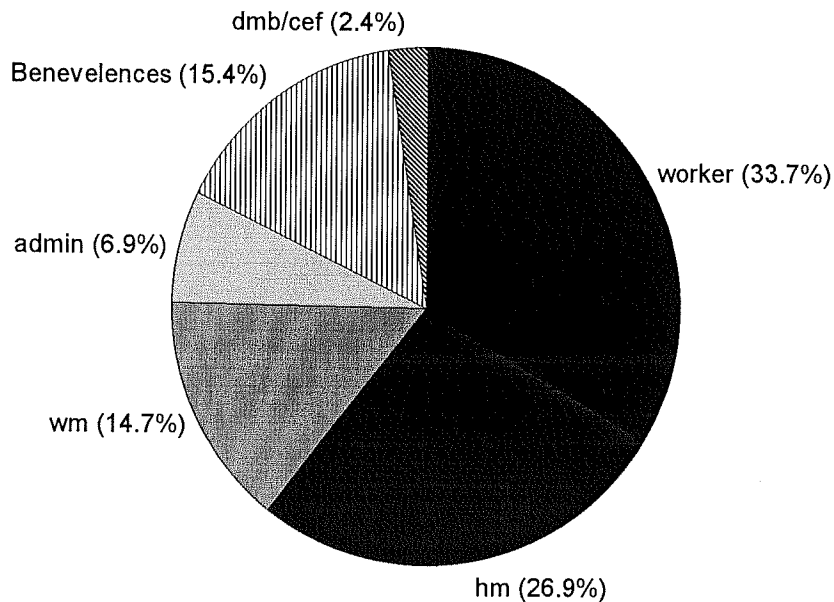
I must also point out that the following graphs do not show every dime Synod spent during the years involved. Also during these years, money was spent to retire debt, transfers were made to building funds, and there were other miscellaneous expenses. None of these make up a significant portion of the budget. We are considering the major expenses of Synod and how they correlate. The CEF fund is included because it has been included in the Home Missions budget the last few years, so for the sake of continuity, it is shown for the entire period.

As we begin our quest for the 'missing mission offering' we will first look at the outlays of funding in five year intervals to see where the Synod has used its resources. The first year we will look at is the fiscal year ending 1962. In this year the Synod had 846 congregations with 349,981 baptized members served by 649 Pastors (Statistical Report 1962). The Synod received \$2,590,225 from the districts in the SMO. The total income for this year was \$2,735,389. This income was disbursed in the following manner.



In 1962 the two largest portions are Worker Training and Missions. Worker Training took up 29.5% of the budget. When one includes the CEF moneys, the budget for mission work is 52.1% of the total. It will be interesting to watch how the percentage dedicated to missions changes over the years.

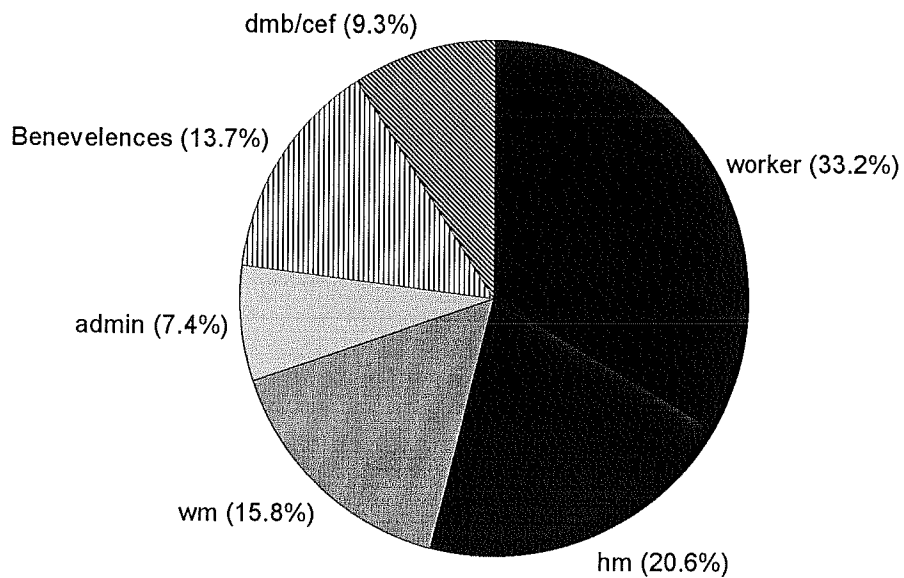
The next year we will look at is 1967. In 1967 there were 923 total congregations made up of 371,048 baptized members served by 694 Pastors (Statistical Report, 1968). The SMO for 1967 was \$3,222,773 while the total budgetary income was \$3,431,195. Synodical budgetary spending in 1967 looked like this.



In this year there are some fairly major changes compared to 1962. The percentage of the budget for Benevolences more than doubled going from 7.4% in '62 to 15.4% in '67. Worker Training costs also rose, though not nearly as dramatically as Benevolences, having gone from 29.5% in '62 to 33.7% in '67. Even with these two substantial increases, Home Missions rose by 2.9%. All of these increases came at a cost

to the other divisions. The monies allocated to the CEF fund dropped from 10.5% to 2.4%. We will note that the CEF monies fluctuate the most radically. This is due primarily to the fact that cutting this fund won't close churches. Administration took the next biggest hit falling from 11% to 6.9%. This simply shows that the costs of this division remained about the same while the budgetary income increased which resulted in a lower percentage required. The last division which saw a drop in funding percentage was World Missions. Its percentage dropped from 17.6% to 14.7%. The overall percentage of budgetary income spent on mission work in 1967 was an even 44% down from 52.9% in 1962.

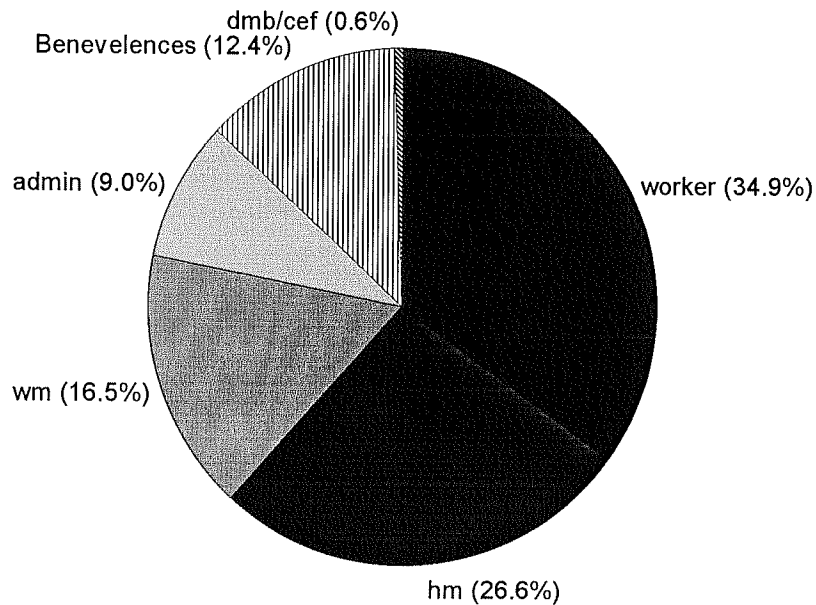
The next year we will consider is 1972. In this year the Synod consisted of 995 congregations containing 386,244 baptized members served by 787 Pastors (Statistical Report, 1973). The SMO for '72 was \$5,765,144 total budgetary income was \$5,890,392. The total budgetary income was disbursed as follows.



During the 5 year period from '68-72 the Synod had some financial problems. There were several years when the Synod ran a deficit. Because of this extreme lack of

budgetary funding, contributions to the CEF were slashed. That is why in the '72 budget the CEF contribution is 9.3%, up from the 2.4% in '67. This is the largest increase in the budget. It is followed by a small increase in World Missions which is up to 15.8% from the 14.7% in '67. Administration had the smallest increase from 6.9% in '67 to 7.4%. The big loser in this budget was Home Missions which saw its portion fall from 26.9% in '67 to only 20.6% in '72. Benevolences were down from 15.4% to 13.7%. Worker Training was down slightly from 33.7% to 33.5%. Missions received 45.7% of the budgetary funding which is up from 44% in 1967.

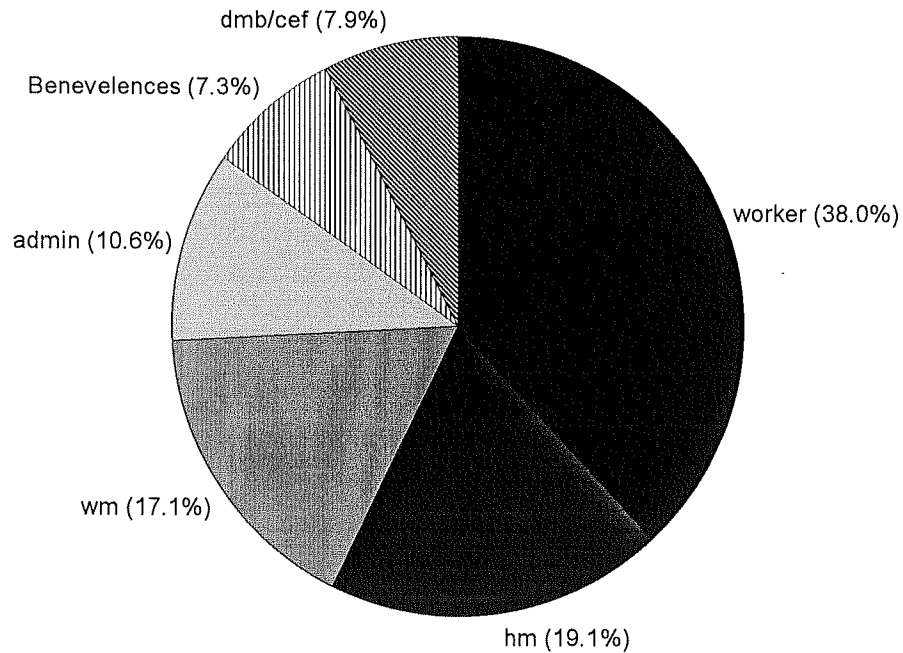
The next year we will consider is 1977. In this year the Synod consisted of 1,105 congregations made up of 402,573 baptized members served by 912 Pastors (Statistical Report, 1977). The SMO for 1977 was \$7,985,606 while the total budgetary contributions were \$8,380,180. The budgetary fund was disbursed in the following manner.



When comparing fiscal '77 to fiscal '72, one notices one thing right away, the CEF portion is the smallest ever, only 0.6%. There could be several reasons for this. It may be that this is only a partial figure and that I missed a portion of the Synod's contribution to CEF. The other possibility is that the Synod, because of the health of the CEF, or lack of available funding, didn't give it much money. But since in my research this is the only number I could find, I will stay with it.

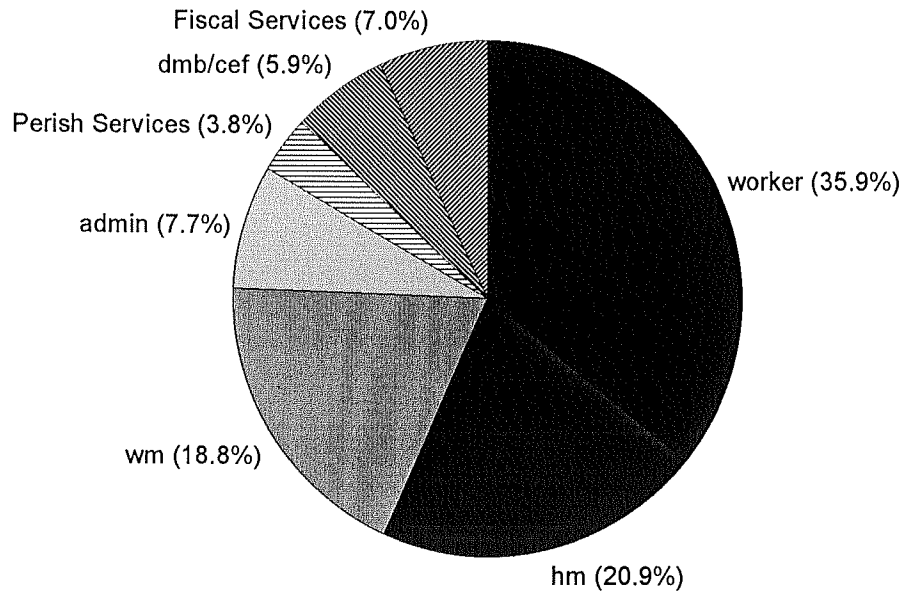
The Home Mission figure rose dramatically for this year. It rose from 1972 20.6% in '72 to 26.6% in 1977. Administration took the next largest increase going from 7.4% in '72 to 9.0% in '77. Worker training also increased from 33.2% in '72 to 34.9% in '77. World Missions was up as well from 15.8% in '72 to 16.5% in '77. Benevolences dropped from 13.7% to 12.4%. The total for spending on missions for the year 1977 was 43.7% down from 44% in 1972.

The next year we will look at is the year 1982. In this year the Synod consisted of 1,156 congregations made up of 413,503 baptized members served by 1,019 Pastors (Statistical Report, 1983). The SMO for 1982 was \$12,229,622. The total budgetary income was \$13,373,590. This money was disbursed in the following manner.



The big change in '82 was the decrease in funding for Benevolences which fell from 12.4% to 10.6%. This was a continuing trend from '80 through '85 when the Synod reorganized. However this sizable decrease was eaten up by the increase in CEF which went from 0.6% in '77 to 7.9%. In '82 we also see an increase in Worker Training which went from 34.9% to 38%. While this is only a modest *percentage* increase, in actual dollars, it is the largest increase. When that increase was combined with the increase in Administration which went from 9.0% to 10.6%, the increase in World Missions, which went from 16.5% in '77 to 17.1%, the end result was a Home Missions reduction from 26.6% to 19.1%. But even with this reduction, the total spending for missions was 44.1% of budgetary revenue up from 43.7% in '77.

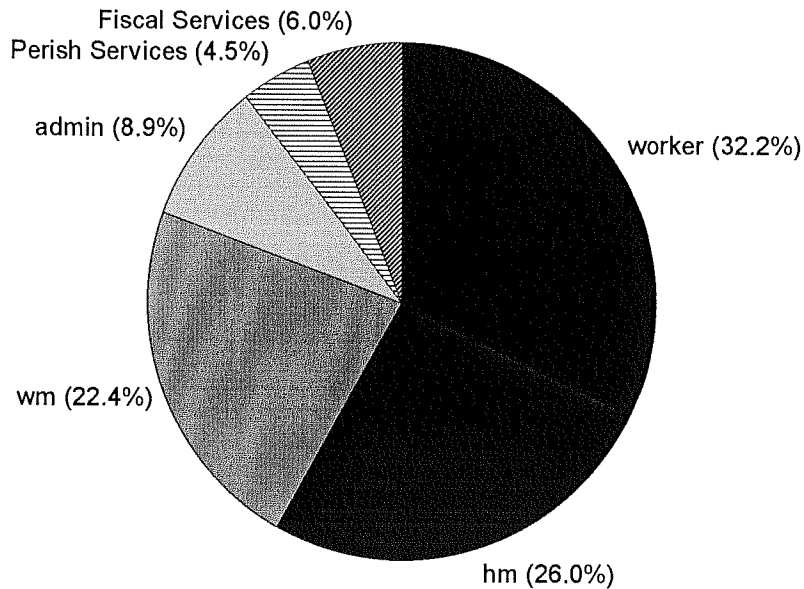
The next year we will look at is 1987. In this year the Synod consisted of 1,194 congregations made up of 419,806 baptized members served by 1,129 Pastors (Statistical Report, 1988). The SMO for 1987 was \$15,071,092 with the total budgetary income for Synod at \$17,834,045. This money was disbursed in the following manner.



1987 is the first year we are considering with the new organization of Synod. The changes here are by no means drastic. They simply reflect the fact that many of the programs carried under the older divisions would be more accessible and better organized under Parish Services, such as the audio visual committee, which had been under the authority of Home Missions. The funding break down didn't really change all that much either. Administration dropped from 10.6% to 7.7%, due primarily to the restructuring in 1986. The new divisions accounted for 10.8% of budgetary expenditures. Parish Services took 3.8% while Fiscal Services took 7%. Worker Training dropped from 38% to 35.9%, while the CEF fell from 7.9% to 5.9%. Home Missions and World Missions each increased, Home Missions from 19.1% to 20.9% and WM increased from 17.1% to 18.8%. The percentage of money which went to mission work in general in 1987 was 45.6% up again from 44.1% in '82.

The final year of our survey is 1991. This is the last year for which audited figures are available. In 1991 the Synod consisted of 1,222 congregations made up of 421,189 baptized members served by 1,206 Pastors (Statistical Report 1991). The SMO for 1991

was \$15,508,165 with a total budgetary income of \$21,098,770. These budgetary funds were disbursed as follows.

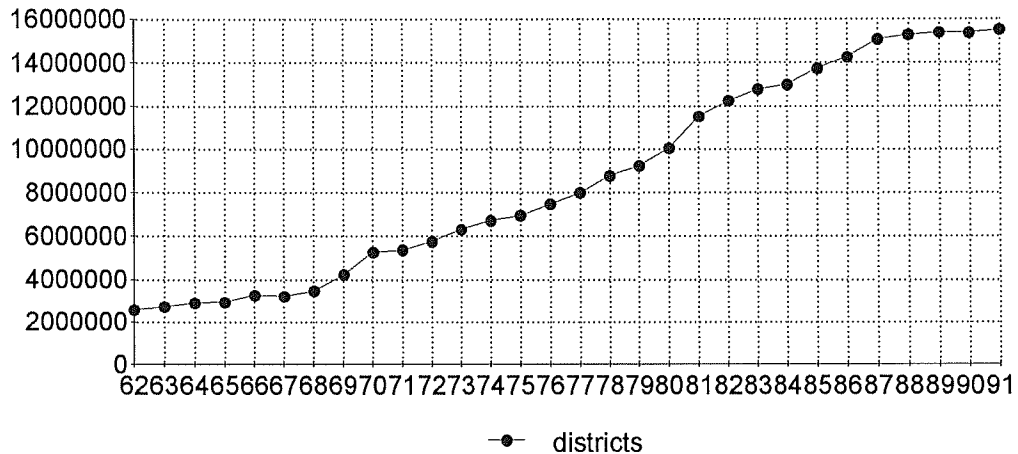


In this the final year of our look at budgetary disbursements, there are several things to note. The first is that the CEF money is now counted in the BHM budget. In 1991 CEF interest subsidy amount came to \$1,459,433. This is an increase of \$454,690 or 45.7%, since 1987. While this is a significant increase, its percentage of the budget is only 1% higher than it was in 1987. The total expenditures for Home Missions with the CEF factored out was still 19.1%. This change in recording explains the why the Home Mission proportion increased from 20.9% to 26.0%. World Missions increased from 18.8% to 22.4% while Administration increased from 7.7% to 8.9%. Parish services increased as well, going from 3.8% to 4.5%. Fiscal Services dropped by 1% and most interestingly of all Worker Training dropped from 35.9 to 32.2%, the lowest percentage since 1962. The total percentage of budgetary expenditures for mission work 1991 was 48.4%, the highest percentage, since 1962, of the years we have considered.

In looking at the seven years in which the budget was broken down by division, there are several things we should note. There is no one area of Synod which has eaten up the money for one of the other areas. The major percentages have remained remarkably consistent. Worker Training is not taking a larger percentage than it in the mid 60's. We are not drowning in a sea of administrators or programs sponsored by Parish Services. The percentage of budgetary income used for mission purposes has not decreased. It has remained right around 44%. The Synod is not spending money on programs and administrators in a higher percentage than it did 20 years ago. The overall expenditures for the different aspects of the Synod's work have remained about the same. The numbers clearly show this to be the case.

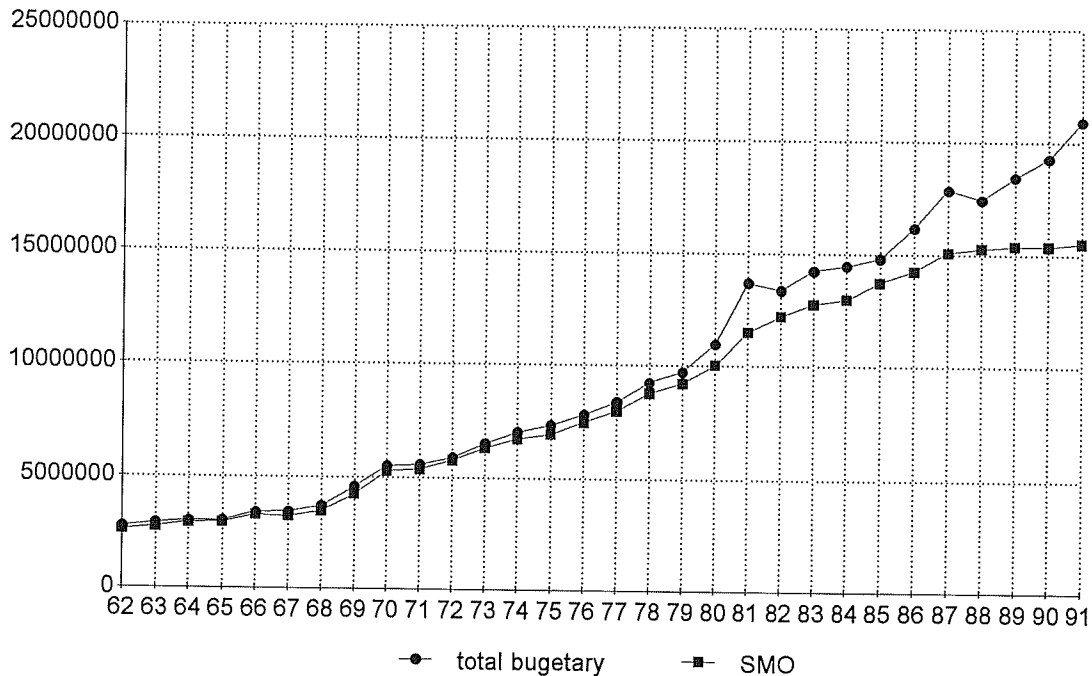
So why has it been so difficult to open any new missions in the last few years? And why is every one screaming about the impending financial disaster in our Synod? That question can't be answered from expense side of the ledger. But when we look at the income side of the ledger, we can see a problem.

The SMO is the life blood of the budgetary fund for the Synod. The budgetary fund is the only discretionary income the Synod has. This is the money which the delegates appropriate at convention. The Synod has other income, but for the most part it is restricted income. In other words it can be spent only on those things for which it was given such as education or mission work in Japan. In the last few years, the SMO has not increased much at all. That is apparent from the graph below.



The key thing to note in this graph is the rate of increase. As the Synod grew, the rate of increase should have grown with it. Also inflation should result in an increase in the rate of increase. Because when there is inflation, people tend to get more money. This should result in higher giving, even if the money is not worth as much. This rate of increase ^{is} represented by the steepness of the line. The steeper the line, the greater the rate of increase. When that is understood, it is fairly clear to see why the Synod has a financial problem. The line should be steeper as the years go by reflecting the growth of Synod and inflation. But the line, especially from 1987 on, increases at a very slow rate.

From '63-'72 the SMO increased an average of 9.27%. During the period from '73-'82 the average increase fell to only 7.73%, much of this was during periods of high inflation. But the real problems occurred in the last nine years on the graph, '83-'91, when the SMO grew by an average of only 2.69% per year. For the period from '88-'91 the SMO increased by only an average of 0.71% per year. Even with a low inflation rate, this income rate was too small to maintain current programs, let alone add new ones or expand existing programs. The only reason the Synod was able to maintain its programs was due to the increase in contributions made directly to the operating budget by individuals and corporations. That can be seen clearly from the following graph.



Notice how in the early years the Synod relied almost exclusively on the SMO for its financial support. This is not totally clear from the Proceedings of the years in all of these years. For most of them, the Proceedings reported the educational charges which the Synod received from its institutions as budgetary income. Beginning with 1980, the financial officers of Synod did not count this charge as budgetary income. In order to compensate this change in the income side of the ledger, they only counted the cost of the Worker Training based on the money above and beyond the money received from the students. In other words, the actual cost to Synod, not including student contributions. When this accounting principle is applied for the entire period, it is easy to see how the Synod is now relying more and more for funding on sources other than the SMO. These sources include special offerings, such as the Lenten offering in 1981, deferred giving, and endowments to Synod. While these gifts are a wonderful blessing from God, the lack of increase in the SMO is alarming.

This lack of increase can be seen in several areas. First of all, look at the years from '65-'69. Two things happened during this period. The first is fairly obvious, special

giving directly to Synod dropped to one of its lowest points ever. The other thing to notice here is that the SMO also has virtually no increase. In fact, from '66-'67 there was a 1.6% *decrease* in the SMO. Why the drop? I don't think that it is merely coincidental that this decrease in funding happened during the biggest special fund drive in our Synod up to that point.

At the 1965 Synod Convention a new program was inaugurated called Missio Dei. This was a special fund drive to provide much needed capital improvements for our educational system. During the two years of this special offering over \$5,327,000 was raised. This was an incredible amount considering the total budgetary income for the two years of the offering, '66-'67, was only slightly over 6.8 million. This money went to the building fund at a cost to Synod. That is the reason why the SMO dropped and especially why other sources of budgetary income dried up. It was all went to the Missio Dei offering. And in the years before decision package budgeting, this resulted in two years of deficit spending.

The next major Synodical fund raiser was the Reaching Out offering. Approved by the '81 Synod Convention, Reaching Out ran from '82-'87 and collected more than 20 million dollars for capital projects around Synod. In many ways, this offering was like the earlier Missio Dei offering. It also was especially for capital improvements. It was conducted with enthusiasm and zeal Synod wide. It had an adverse affect on the SMO.

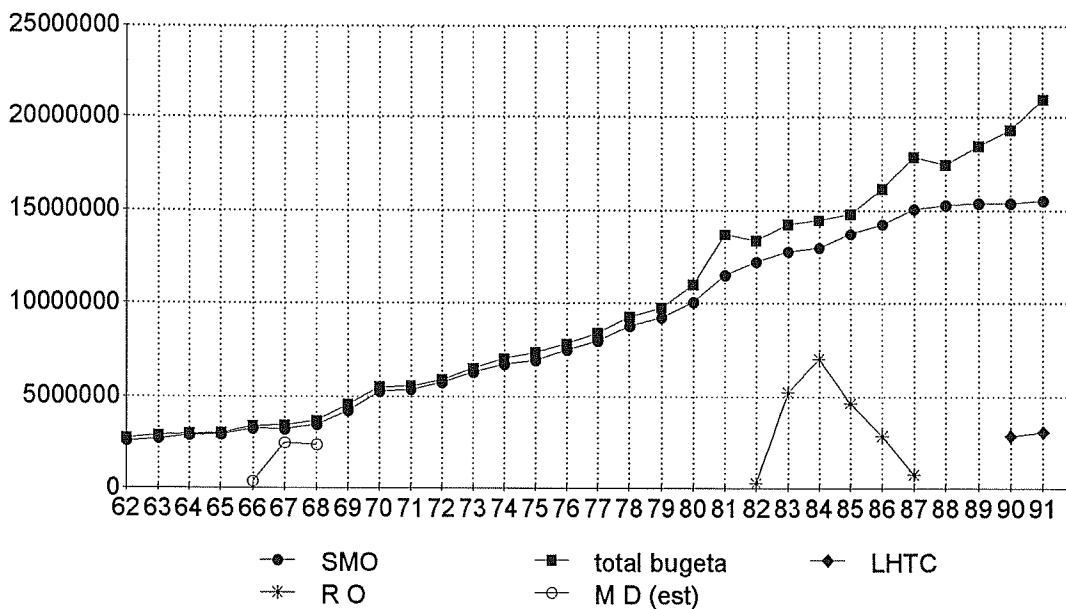
While its affect was not nearly as drastic as that of Missio Dei, the rate of increase in the SMO decreased during the period this offering was in effect. While in the period from '73-'82 the SMO increased at an annual percentage rate of 7.73%, during the Reaching Out offering, from '82-'87 the SMO increased only an average of 4.58%. Also just as during Missio Dei other contributions to the budgetary fund of Synod fell off, so they did during the Reaching Out offering, but again, not to the same dramatic extent.

When you compare the rate of total budgetary income growth during the Reaching Out years to the years before it, you can clearly see that the rate of increase slows. This is

especially true when you consider that the sharp increase in total budgetary income in 1987 was due to a 1.1 million dollar special Lenten offering which the Synod authorized due to an impending one million dollar budgetary shortfall.

The final offering which we will look at is the current special offering, Lift High the Cross. This offering was approved by the 1989 Convention. It's scope is somewhat different than the other special offerings we have looked at. Missio Dei and Reaching Out were both designed to raise money for building projects around Synod. Lift High the Cross, however, funds the continuing work of the Synod. Portions of it's proceeds are placed into the budgetary fund, primarily for mission expansion. This is the reason why the total budgetary income increases so dramatically during the Lift High the Cross years.

During the years of Lift High the Cross the SMO was virtually flat. It increased only an average of 0.55% per year. When inflation is taken in to account, the real value of the SMO actually dropped since 1989. In 1990, for only the second time in the 30 years covered, the SMO dropped. While this was only by 0.04%, it is a reminder of the 1.6% drop which occurred in '67 during the Missio Dei offering. I think it is fair to assume that the main reason for the poor performance of the SMO during this period is that people were giving any extra or increases in their offerings to Lift High the Cross. It is clear from the numbers that when the Synod offering a mutineer special offering, the SMO for that period grows at a slower rate.



This graph illustrates that point well. Again, during the years when there were special offerings, the SMO and special gifts to the budgetary fund declined. There is one point to note in this graph however. I was not able to find a year by year break down of the Missio Dei offering, so I estimated. The year to year totals are not correct, but the time the offering ran is, so for purposes of illustration I believe this graph to be accurate.

It would be difficult, if not impossible to conduct surveys and ask WELS members if the Missio Dei and Reaching Out affect their giving since these offering were conducted a few years ago. People may not remember the actual decisions. But it is possible to ask that question concerning the Lift High the Cross offering.

Several months ago, I handed out a survey (Addendum 1) to the St. John's congregation at Mukwanago where I am an assistant. I also asked several other senior assistants to do the same. These surveys were handed out to the Bible classes. I choose this group because they should be the best informed group in a congregation. They should, more than any one else, understand the concept of giving above and beyond their regular contributions. This sample then is a 'best case' sample. I would expect the actual numbers to be somewhat more inclined to giving to Lift High the Cross in place of giving

to regular congregational offerings instead of giving above and beyond their regular offerings.

The first question on the survey read, "If Lift High the Cross were not in effect, would you have given your offering as part of your regular offering". This question was designed to see if people were giving money to Lift High the Cross which they would have given to Synod. Out of the 72 surveys I received only 12, 16.7%, said that their contributions to Lift High the Cross would have gone to their regular offering. While this is a fairly small percent, it is important to note that another 25% said they were not sure if they would have included their special gift in their regular offering had Lift High the Cross not been in affect. This means that only 58.4%, those who answered no to the question, actually understood and applied the concept behind a special offering, that is to give above and beyond the regular offering.

While the percentage that actually said they switched funds is a relatively small, only 16.7%, I think it explains why the SMO has been so flat the last few years. Even if 84% of the Synod's members give to the regular congregational and synodical purposes in their normal patterns and then give to Lift High the Cross, the decrease in the offerings, or the decrease in the rate of increase on the part of the 16.7% will negatively affect the SMO. When you consider that along with the 16.7% there is an additional 25% who were unsure about whether they would have given the money to church or not, it is very easy to see why the SMO has been so flat the last few years.

The next question the survey considered was why people were giving to Lift High the Cross at all. The question was, "What was the most important factor in your giving to Lift High the Cross". This was a multiple choice question in which there were 5 possible responses. The first was, "I felt it was what the Synod wanted me to do with my offerings".

Only 13.9% of those responding chose this answer. This fairly low percentage shows that overall all those involved in Lift High the Cross have done a good job in

promoting the offering. Apparently they have not given it such a hard sell that people felt obligated or compelled to give to Lift High the Cross. It is also important to note that WELS members seem to realize that the Synod wants them to support their congregation and their regular offerings to Synod through the local congregation. While it would be nice if the percentage were lower still, 13.9% isn't too bad.

The second choice was, "I felt the money would be put to better use in Lift High the Cross". Only 5.6% of the respondents chose this answer. I think this shows that by and large people trust that the Synod will wisely use their offerings. It does not seem that they see 2929 as a giant rat hole which just sucks up their money because in Lift High the Cross they have an opportunity to bypass 2929 and give directly to programs. If WELS members didn't trust Synod to use their money, one would expect to see more than 5.6% choosing this answer.

The next answer is the one which received by far the greatest support. The answer read, "I wanted to directly support the programs supported by Lift High the Cross". This choice was marked on 54.4% of the surveys. I think it shows two things. First of all our people want to support the work of the church. The main thrust of Lift High the Cross is to do mission work, and WELS members have responded in great numbers to support our Synod's mission programs. WELS members want to carry out the great commission and are willing to pay for it. The amount of money going to Lift High the Cross is ample evidence of that love for souls. Yet by giving to Lift High the Cross, they are also showing that they don't feel that these programs are being supported through their regular contributions.

Here is where the Synod has a problem. As we saw in the first part of this paper, the Synod has consistently used at least 40% of its budgetary income to directly support mission work. When one figures in the 30% or more the Synod spends on educating the people it sends there is no reason to think that the Synod isn't using the SMO to do its work. In fact one could argue that if the Synod were able to rely on a consistent and

adequate SMO, it could do its work even better. This is because the Synod would be able to budget and plan according to the priorities established at convention, instead of having to work with very little money in some funds and then receiving more money in other funds through Lift High the Cross.

A good example of this is the fact that during my vicar year the BHM was considering putting a moratorium on new building until the next biennium. The reason for this was the fact that there was no more money available for interest subsidies to mission congregations. There was enough money in the CEF. Parts of the Home Mission budget had enough money, but it was restricted money because it came from Lift High the Cross. As a result the BHM was unable to transfer money to the interest subsidy program.

The two final choices on the survey received only 13.9% of the responses. Both of these questions were designed to hit any other reasons for giving to Lift High the Cross. The first was, "Other", the second was, "Don't Know". This small percentage does show that WELS members know what they are doing when they give to Lift High the Cross and why they are giving.

Clearly the statistical information and the results of the survey show that special offerings have a negative affect on the SMO. The result of this is, in affect, to take the budgetary responsibility away from the convention and to obligate the Synod to spend its resources on whatever the special offering committee decides. This is not a good thing. It means that the unglamorous things such as prep schools, fiscal services and the like tend to get put down by well meaning people who don't really understand the vital importance these things play in carrying out the great commission.

The survey back this up. Over half the respondents said they "wanted to directly support the programs" offered in Lift High the Cross. Their mission dollars to the Synod through the congregation do that, yet many WELS members don't realize that. Somehow the Synod has to get this message out. WELS members have to realize the fact that their contributions to the SMO are vital to the Synod's ability to preach the Gospel. I firmly

believe that if the Synod spent the same amount of effort promoting the SMO as it does promoting Lift High the Cross, we would not be in much financial difficulty at all.

In the congregation where I vicared, we received several phone calls from the district head of Lift High the Cross. He wanted to know why we hadn't done a program for this offering and when we were going to do it. We never received a phone call from Randy Matter wondering when we were going to do a SMO Sunday. While I'm not suggesting that we legalistically badger congregations and individuals into giving to the SMO, we do need to be careful what message we send. Like which is more important, Lift High the Cross or the SMO. The SMO is, but then why is it promoted less?

Then too, I think our called workers can be part of the problem as well. When people hear their workers complaining about "all these new programs" that Synod is shoving at them, it terribly distorts the real work the Synod is doing. All of these programs are a very small portion of the work synod does, yet they receive much more attention than the new mission openings, or the graduating candidates, or even the good new programs which come out of 2929. If our called workers dwell on the negative aspects of what our Synod does, is there any wonder why our people don't feel that their support of Synod is worth while?

We need a new emphasis on Synodical stewardship in the WELS. One which shows people that their gifts are going to do the Lord's work. One in which people need not fear that their money will be wasted. One in which every member understands that his offering is a sacred thank offering to God whom he serves with joy and gladness knowing that his Lord has loved him.

As you are probably aware, our Synod is in some financial difficulty. As a result, we have not been able to open many new mission the last few years. There are several theories why we have been so short on cash. One of them is the idea that the Special Offerings, such as Reaching Out and Lift High the Cross, have taken money away from the general Synod budget. In order to see if there is any truth in this theory, I need your help. If you have given to Lift High the Cross, please answer the following questions.

****PLEASE CIRCLE ONE****

If Lift High the Cross were *not* in effect, would you have given your offering as part of your regular offering?

YES NO NOT SURE

God gives us many opportunities to use our money to his glory. He also lets us decide where and to what we give our offerings. With this question I want to understand why people gave to Lift High the Cross instead of some of the other opportunities the Lord has placed before us.

What was the most important factor in your giving to Lift High the Cross?

- A: I felt it was what the Synod wanted me to do with my offerings.
- B: I felt the money would be put to better use in Lift High The Cross.
- C: I wanted to directly support the programs supported by Lift High the Cross.
- D: Other (*please write out any major reason why you gave to Lift High the Cross below*).

E: Don't know

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