

September 15, 2003
'Letting down the nets'

A Funding Proposal for the National Church

Luke 5:10 "*Yet if You say so, I will let down the nets.*" (Simon Peter to Jesus)

The Financial and Management Development Committee's mandate is to propose a Financial Stewardship Plan for the National Church (General Synod).

This report focuses on the financing of General Synod for the next 6 to 9 years. The financial stability of the Anglican Church of Canada requires effective working relationships between all levels – congregations, dioceses and General Synod -- especially in stewardship and fund raising.

A proposal for the adequate funding of General Synod will only be accepted if it supports a compelling vision and strategic direction. There will be a continuing need to identify what ministries the national level can best provide and what ministries should be left to the dioceses, possibly with General Synod's support. **The Planning and Agenda team is working on a new National Plan to be presented at General Synod 2004. We recognize that proposals contained in the present document may have to be refashioned depending on the National Plan that eventually emerges.**

Background:

What is the situation now, across the country, with regards to stewardship and financial development?

In February and March, 2001, the Financial and Management Development Committee held three national consultations, which clearly indicated a desire for General Synod to resume a leadership role in stewardship and congregational development. Diocesan leaders want help in finding ways to make all congregations healthy and viable. The consultations and subsequent events produced the following critical facts and observations.

- General Synod assets have been eroded through litigation costs relating to Residential Schools; there has also been a loss in annual investment income. The same is true for several dioceses.
- Generally, dioceses continue to support the ministry and mission of General Synod through proportional giving.
- Now that dioceses are committed to paying a share of the Residential Schools Settlement Fund, some may find it difficult to maintain current levels of proportional giving.

- Some dioceses face diminishing income due to less financial support from congregations; this has resulted in reduced ministry and support services.
- There is a continuing perception that, overall, General Synod does not communicate well; many parishioners are unaware or do not care about the ministries and programs of General Synod.
- Congregations desperately wish to attract “seekers” but are also aware that many seekers do not see the church as relevant to their lives. Dioceses are looking to General Synod for innovative ways to assist in congregational development.
- There is a need for better training for clergy, particularly in stewardship. Dioceses are looking to General Synod for leadership and assistance in stewardship.

In summary, parishioners across the country are looking to church leadership at all levels for basic strategic direction to meet today’s challenges. The need for direction in stewardship and congregational development is vital.

The church is currently undergoing dramatic change and in this process, hope and apprehension seem to combine in equal measure. There are examples across the country both of church growth and decline. We must reflect on this and seek to learn from positive situations. It is the combination of success stories and innovations, which will assist in finding the financial resources required to fund our vision and strategic direction.

Nationally, our church has the potential to increase its annual giving by at least 10-15% a year, for several years. We also believe that backed with appropriate resources, the church could raise as much as \$75- to \$100-million in the next 10 years, through an intentional process of planned and major gifts.

Summary of the Funding Plan:

- **Proportional Gifts:**
The full implementation of annual Proportional Gifts from dioceses to General Synod would result in an additional \$600,000+ per year.
- **Annual Appeal(s)**
Continuation of annual appeals, either as one general appeal, or as separate appeals, covering the existing Anglican Appeal and the Anglican Journal Appeal as well as incorporating support for the Primate’s World Relief and Development Fund and the Anglican Foundation of Canada.
- **Endowments:**
General Synod has seen its investments eroded by legal costs in recent years. There is an opportunity to establish substantial endowments through two principal programs:
 1. Increased activity in Planned Giving programs across the country and;

2. Cultivation of major individual donors who are able to donate substantial gifts.
- **Stewardship Education and Congregational Development:**
General Synod should resume a leadership role in these two areas to respond to requests made at the 2001 consultations.

The Funding Plan in Detail:

- **Proportional Gifts:**
In 1998, the 35th General Synod meeting in Montreal adopted the principle of annual proportional giving from dioceses, based on 26% of diocesan income. The process was to be phased in over a five-year period, and implementation was to begin in 2000. The phasing-in period was to allow dioceses contributing less than 26% time to reach this level; at the same time it was hoped that dioceses contributing more than 26% would continue to do so, at least until the end of the fifth year of implementation.

A review of the Proportional Giving for 2003 (see Appendix A) indicates that there are 11 dioceses contributing 26% of income or more. The range is 15.16% to 36.92%. Dioceses below the suggested standard of 26% in 1998 have been moving towards that target. In 2003, however, a number of dioceses previously paying 26% or more have had to reduce their contribution because of special circumstances within their diocese. These circumstances include extraordinary legal expenses arising from litigation. We need to see an increased effort from dioceses to return to or reach the 26% level and thus maintain objectives agreed in General Synod of 1998. Officers of General Synod and Bishops are very important in this task.

If all dioceses could reach the 26% level in the short term, then General Synod would have the funds to assist in the implementation of this plan.

- **Annual Appeal(s):**
General Synod has experienced two successful annual appeals: the Anglican Appeal and the Anglican Journal Appeal.

In 2002 the Anglican Appeal received donations of \$916,885, an increase of \$166,548 from the previous year and the largest amount since 1999. There were more than 10,000 donors giving an average \$65.67. As part of this appeal \$108,548 was returned to the seven dioceses that hold a shared appeal.

The Anglican Journal Appeal generated donations of \$497,228 in 2002 from more than 16,000 donors; \$205,025 was returned to dioceses as their share, after expenses.

The results of both appeals were quite remarkable considering the uncertainty at the time over the future of General Synod. This indicates that people continue to want to support ministry and are willing to do so through some form of annual appeal. Donors like to contribute in different ways and for some, an annual appeal is of interest even if they also contribute in other ways as well. We should ensure that donors who support this approach continue to have the opportunity to do so.

We are aware that the Primate's World Relief and Development Fund and The Anglican Foundation of Canada also seek support through donations. Some people find the various fund-raising initiatives from the national church confusing. This might be an appropriate time to consider one annual appeal, which would cover all four support areas: Anglican Appeal; Anglican Journal; PWRDF and the Anglican Foundation. We suggest that some research be done to see if such an approach would enhance or diminish the present level of contributions. A series of focus group meetings with donors who support each area of ministry would be one way to solicit opinions. To reduce potential conflict and alleviate donor confusion, a committee representing each fund-raising entity has been established to coordinate focus of each appeal and the timing.

There is no doubt that many donors support this method of contributing to ministry where specific programs and stories are identified, and we need to enhance this method of fund raising.

- **Endowments:**

- **Planned Giving:**

- Over the past nine years more than \$10 million has been provided through Planned Gifts such as bequests, annuities, securities etc.. Much of this has been accomplished because the National Church took the initiative of establishing Planned Giving Consultants to provide planned giving and stewardship services. A few dioceses also established their own Planned Giving Officers who are supported in a variety of ways by General Synod.

- There have been some outstanding results in dioceses where Planned Giving has been a major focus. In New Westminster, where the program is about 12 years old, the diocese and its parishes have received more that \$6 million in planned gifts. Another \$9 million has been pledged through the estate plans of parishioners. In the Diocese of Eastern Newfoundland and Labrador, in just two years, more than \$1 million has been generated through realized and expected bequests. The Office of Financial Development of General Synod has raised \$10 million in annuity agreements alone.

- Planned giving information from General Synod suggests that beneficiaries include the parish, the diocese, General Synod, PWRDF and the Anglican

Foundation. In other words, the whole church, at all levels, benefits from these initiatives.

We suggest that there should be more people across the country working specifically on Planned Giving. It is our objective that every diocese have reasonable access to a consultant to help with this ministry.

Consideration should be given as to what vehicle should be used for receiving such gifts. General Synod could be used but with such donations, donors often want a separate entity where the use of funds is clearly articulated. One possibility would be to use the existing Anglican Foundation of Canada. This, however, would require major changes to its corporate structure and mandate and it will most likely be easier to establish a new corporation either as a charity or a foundation. A foundation is precluded from issuing charitable trust annuities which is one of the vehicles used in Planned Giving.

We recommend that this new corporation be the vehicle for the receipt of funds provided to various National Church levels through planned giving. We envisage a number of specific categories within the corporation to which people could direct their gifts. These would include, but not be restricted to, the following:

- Church planting and building improvements
- The Council of the North
- The New Agape
- Healing & reconciliation
- Restoration Fund
- Partnerships outside Canada
- Children and Youth Ministry
- Theological education
- PWRDF
- The Anglican Foundation

Investment income from these sectors could be provided to General Synod, PWRDF and Anglican Foundation to support their annual budget process or, in some cases, loans or grants could be provided to dioceses and congregations in a way similar to how The Anglican Foundation presently operates.

- **Major Individual Donors:**

We believe that there are a number of donors across the country who are able to make a considerable gift in support of General Synod. Diocesan leaders will have to be willing to provide General Synod with assistance in identifying such people. FMDC would then develop a plan to cultivate these potential donors over a period of time; it might take several years for significant results to be seen, but the process should begin as soon as possible.

There have been many cases in recent years of donors making significant gifts to other organizations. There is no reason why the Anglican Church cannot benefit from the same kind of support. FMDC believes that with the right plan and resources, the church could raise between \$75- and \$100-million through the intentional gathering of planned and major gifts over the next 10 years.

As such gifts are received the additional income available to General Synod, could be used in the following ways:

- Increased ministry opportunities.
 - A lowering of the level of proportional gifts from dioceses, thus freeing funds for use at the diocesan and congregational levels.
 - Funding for this plan's components, thus enabling more resources for stewardship education and congregational development.
- **Stewardship Education and Congregational Development:**
Bearing in mind comments made at the 2001 national consultations, any funding plan should address concerns relating to stewardship education, and congregational development.

A National Funding Plan must include assistance and support to dioceses to help them meet their own financial needs as well as to help them respond financially to the national and local contexts for ministry and mission.

We need to utilize our finest resources and expertise in stewardship education and congregational development to establish diocesan-based processes that transform the stewardship commitment and giving patterns of an entire diocese. We must find new ways to educate and promote the concept of proportional giving at all levels of our church. By building on what has worked in some dioceses, it is crucial that we pilot and test a holistic stewardship initiative aimed at increasing giving by at least 15% annually. Each diocese faces unique circumstances and we believe that stewardship education is best carried out at that level. We also believe that General Synod's support is essential. This support could be similar to the Planned Giving Consultant regional partnership program where a General Synod staff person provides resource materials and workshops.

In addition we propose that a stewardship demonstration or pilot project be undertaken in at least one diocese in each Ecclesiastical Province over the next three years. These dioceses would be identified in consultation with the Metropolitans. These projects would have several benefits: testing new ways of doing stewardship; raising up new leaders and resources; and enabling a fresh vision and a revitalized commitment to mission. This would result in enhanced relationships, profile and financial development for General Synod. The level of assistance required would include staff support, resources and funding for diocesan training and equipping events, guest speakers or workshop leaders.

Any major thrust in stewardship education should be supported by a strong emphasis on congregational development. In a recently published book, *Beyond the Box*, authors Bill Easum and Dave Travis state that a growing church exhibits a passion for the fulfillment of the Great Commission. Although the leaders of such churches develop systems, which are important, it is their commitment to the mission of transforming individuals and communities that makes the difference.

Challenges and Opportunities for Ministry:

We have identified four basic requirements to enable our church to realize its financial potential

1. The church must adopt an open attitude, which acknowledges and celebrates the existence and value of the pastoral care model of ministry while embracing a renewed discipleship model of ministry.
2. Dioceses and congregations must be able to:
 - Communicate effectively a compelling vision to parishioners – there are very few dioceses or congregations operating with an articulated long-range plan.
 - Connect in a meaningful way to stewardship education.
 - Invite an intentional and deliberate financial and holistic stewardship response.
 - Express appreciation for people and their gifts.
 - Tell people how their gift or support is used.
 - Build a relationship of trust that encourages people to continue to be connected and to participate.
 - Share stories of faithful individual, parish and diocesan stewardship successes.
3. The three structural levels of the Anglican Church -- parish, diocese and national - - must be integrated, complementary and in communion. Too often parishioners are faced with what seems to be competing levels.
4. There is a diminishing level of resources -- human and financial -- in many congregations across the country. This has led congregations to be overwhelmingly concerned with survival and resulted in diminished enthusiasm for supporting ministry at the diocesan and national levels. Action is needed to reverse these trends.

Summary:

FMDC strongly believes in a course of action that would have the church accept as a top priority strategies to address the challenges and opportunities described above and provide the resources required to implement those strategies.

We believe that with the help of diocesan leaders and with their commitment to new strategies positive changes can be made. We could begin by encouraging all dioceses to develop a long-range plan, followed by the development of complementary plans by each congregation. Diocesan leaders could present a copy of their long-range plan at General Synod, 2007, as a thanksgiving offering.

Throughout the history of the Anglican Church of Canada, the Holy Spirit has moved through the church whenever a loss of missionary focus has weakened the Body of Christ and divided its people. From such movement, a renewed commitment to the Gospel has emerged to strengthen the church and its mission locally, in the North and overseas. This is such a time. The recent successful handling of the Residential Schools Settlement points to our true potential and passion for healing, justice and reconciliation. **The task at hand is not without tremendous challenges and will require hard work.**

Our church's structures, traditions and established networks can be used more effectively and decisively to strengthen an integrated approach to communicating our vision. This will lead to stronger faith communities and raise new funding support at all levels, thus continuing Christ's mission faithfully within our communities and in the world.

Respectfully submitted
The Financial Management and Development Committee
September 2003.

Appendix A.
Proportional Giving 2003

Diocese	Revenue 2001	Expected gift	% of revenue
Fredericton	1,554,144	314,210	20.22
Montreal	1,328,428	286,000	21.53
Eastern Nfld & Lab	1,192,877	235,000	19.70
Central Nfld	545,907	150,000	27.48
Western Nfld	592,663	140,400	23.69
Nova Scotia	2,100,000	495,000	23.57
Quebec	363,536	55,100	15.16
Algoma	1,149,768	240,384	20.91
Huron	2,852,839	880,000	30.85
Moosonee	201,724	64,357	31.90
Niagara	3,187,880	700,000	21.96
Ontario	1,505,023	444,000	29.50
Ottawa	1,847,109	682,000	36.92
Toronto	8,523,266	1,913,000	22.44
The Arctic	789,077	125,000	15.84
Athabasca	224,812	45,000	20.02
Brandon	401,787	115,110	28.65
Calgary	1,199,979	245,000	20.42
Edmonton	767,153	116,660	15.21
Keewatin	315,760	68,800	21.79
Qu'Appelle	602,415	158,000	26.23
Rupert's Land	722,722	192,921	26.69
Saskatchewan	381,053	70,810	18.58
Saskatoon	473,764	109,441	23.10
British Columbia	1,294,041	413,568	31.96
Caledonia	221,242	65,000	29.38
Central Interior Parishes	-	52,865	
Kootenay	464,677	94,242	20.28
New Westminster	2,310,617	580,723	25.13
Yukon	120,834	31,417	26.00
Contingency		(35,000)	
<i>TOTAL</i>	37,235,097	9,049,008	24.30

Note: Based on the total revenue figure of 37,235,097 at 26% = 9,681,125
or an increase of 632,117 over the expected gift figure.