

Reductions in the Number of Districts of an Annual Conference

A Study of Costs and Benefits

The decline in membership within the United Methodist Church in the US is well documented. Between 1974 and 2007, membership in the US declined 22%. In response to this membership decline, there have been decreases in the number of districts. These responses are believed to have been implemented as a means of reducing administrative costs. It is generally presumed that in the presence of membership decline, there has been no significant loss of functional benefit as districts have been eliminated. However, there have been no empirical studies to determine if this presumption is true. It is possible that aggressive reductions in this infrastructure aggravates membership decline rather than merely reflect it. At least in the case of aggressive reductions in the number of districts, reductions could increase the workload of the district superintendent so that the local church suffers from less supervision and counsel from the district superintendent. Perhaps in some instances, the benefits still outweigh the higher administrative costs of maintaining existing district structure.

This study presents a preliminary examination of the impact of reductions in the number of districts upon key indicators of church growth and connectional giving. The study is necessarily preliminary because there are other financial aspects of district reductions that cannot be fully explored without additional data. However, several important conclusions can be derived from an examination of existing data. These conclusions are conclusive but limited. There remain other aspects not yet considered.

Between 1985 and 2006, the number of districts in the US has decreased from 534 to 470 —a reduction of 64 districts. Presumably, the primary reason for many of these reductions, if not all, is financial. A reduction in the number of districts reduces an annual conference's budget by the amount of the District Superintendent's salary plus health and pension expenses. In the Texas Annual Conference, as an example, there are nine districts, and the District Superintendent Fund is budgeted at \$1.9 million for 2010. A reduction in the number of districts by one reduces this fund by as much as \$212,000. The annual conference total budget in 2010 equals \$22.3 million of which \$11.3 million is budgeted to General Church and Jurisdictional apportionments and pension and medical benefits for clergy. This leaves \$11.0 million in "discretionary" spending. A reduction in the number of districts by one district represents almost 2% of this discretionary spending. In times of tight budgets, district reductions can be an additional source of annual conference funds for discretionary spending.

There are several additional arguments to be made both for and against reducing the number of districts. Some of these arguments, from an economic perspective, are explained below. Additionally, the study offers empirical evidence of the impact of district reductions on worship attendance, professions of faith, expenditures per attendee, and General Church apportionment payouts. There are other important indicators one might want to observe, but these remain beyond the scope of this study.

An Overview of the Evidence

Table 1 presents a summary of the changes in the number of districts in the US between 1985 and 2007. To set the stage, there have been eight annual conference mergers involving 17 annual conferences. Some district reductions took place at the time of these mergers. The table separates the annual conferences into three groups: non-merging annual conferences, pre-merger annual conferences, and post-merger annual conferences.

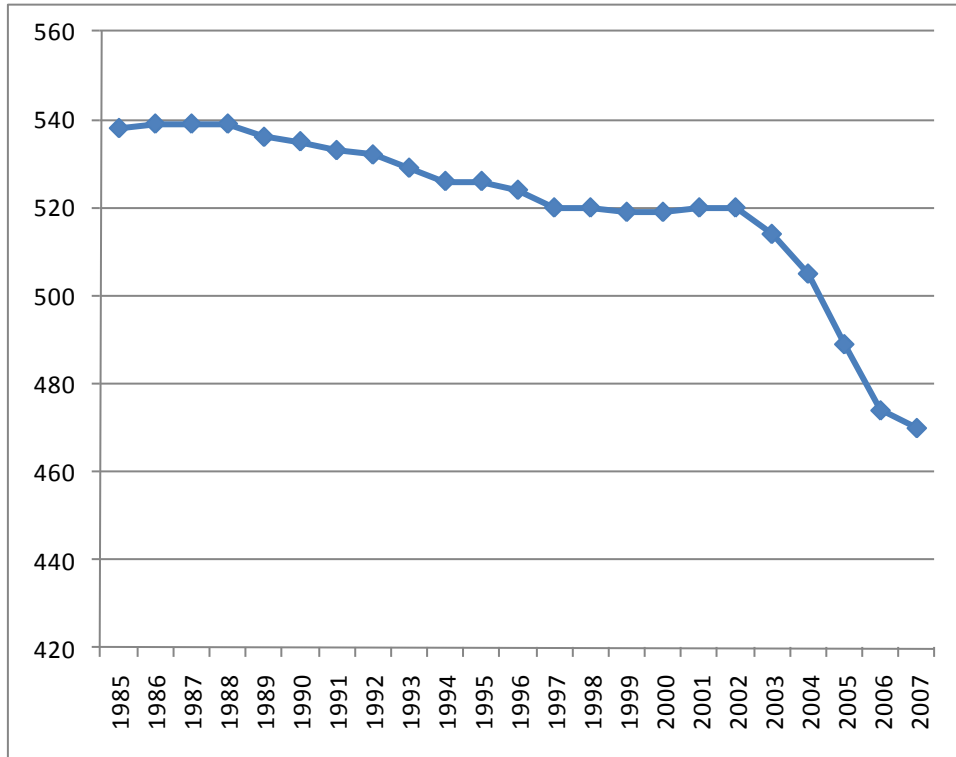
Table 1
Number of Annual Conferences and District Changes
1985-2007

	Increase	No Change	Decrease	Totals	Decrease Percent
Non-Merging Annual Conferences	0	29	26	55	47.3%
Pre-Merge Annual Conferences	2	12	3	17	17.6%
Post Merged Annual Conferences	1	3	4	8	50.0%
Totals	3	44	33	80	41.3%
Mergers	0	6	2	8	25.0%

There were 55 annual conferences that were not involved in any annual conference mergers between 1985 and 2007. Among these annual conferences, 47% reported reductions in their respective number of districts. Among the 17 annual conferences that ultimately merged, three reported reductions pre-merger, two reported increases pre- merger, and 12 reported no change. Exactly half of the eight newly merged annual conferences reported decreases in the number of districts. Another two decreased the number of districts at the time of merger. In total, 33 of the 80 annual conferences, or 41%, reported decreases in the number of districts.

Although the decline in membership was gradual over the period, decreases in the number of districts were not. Figure 1 presents the historical path of district reductions.

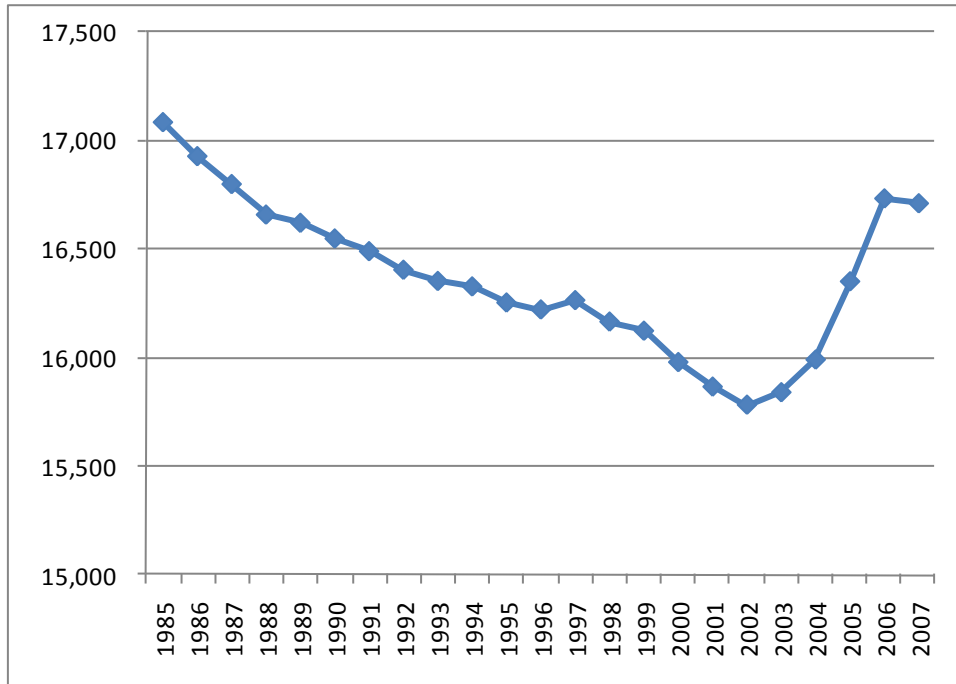
Figure 1
Number of Districts in the US
1985 – 2007



Between 1985 and 2007, there was a loss of 68 districts. A total of 50 districts, or 73.5% of the total, were lost between 2003 and 2007. It is not clear why the trend changed so dramatically around 2003. Whatever the reasons, the more recent, rapid decline is worth investigation to identify any possible detrimental effects upon the local church.

Figure 2 presents the number of church members per district over the 1985-2007 period.

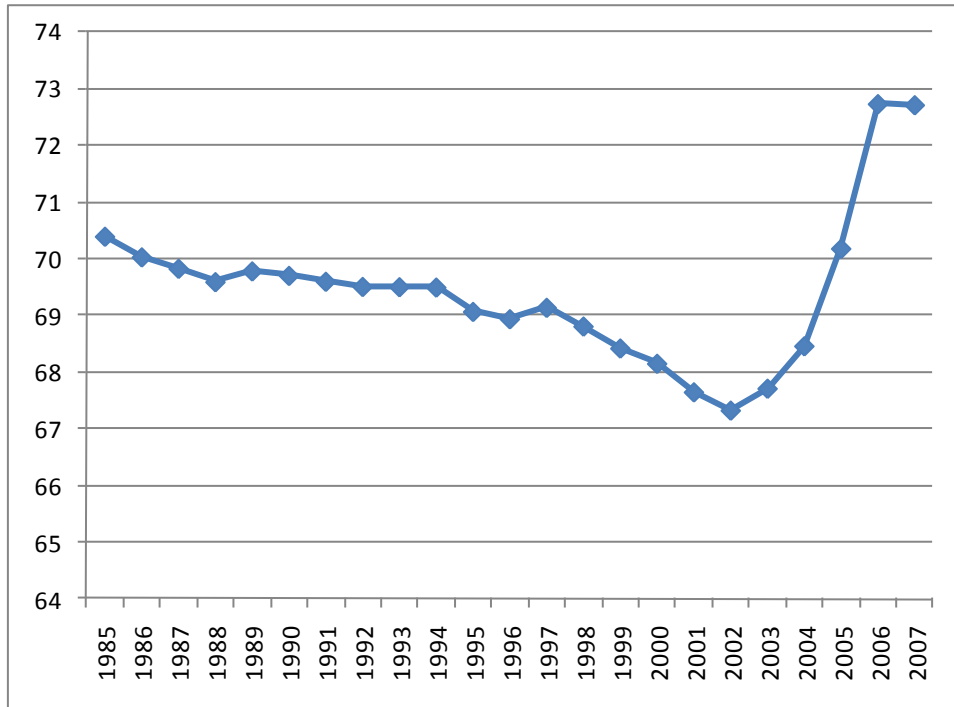
Figure 2
Members per District
1985-2007



The rapid increase in the number of church members per district is striking. However, it may be that members per district is not a critical indicator of church efficiency.

Figure 3 presents the number of churches per district.

Figure 3
Number of Churches per District
1985-2007



The rapid increase in the trend is also striking. Even with the slight downturn in 2007, the number of churches per district is greater since 2005 than anytime since 1985. These figures are averages which include annual conferences that made no change in their number of districts. For annual conferences that reduced the number of districts sometime between 1985 and 2007, the average number of churches per district increased from 79.8 to 89.3 over this entire period—an increase of 11.7%. The effects of such reductions are felt only in those annual conferences administering the change. The effects are therefore concentrated and not shared across all annual conferences. If district superintendents' workloads are proportional to the number of districts served and if in 1985 district superintendents were at full capacity, the 11.7% increase in workload has to have negative implications.

Possible Hypotheses Explaining Benefits of Reductions in the Number of Districts

There are several competing hypotheses addressing the impact of changes in the number of districts upon the local church. It is likely that none have been tested with empirical evidence. Discussions and debates surrounding a consideration of reducing the number of districts within an

annual conference likely include some of these hypotheses. The task at hand is to consider some, not all, competing hypotheses in order to gain an understanding of what is generally expected from reductions in the number of districts within an annual conference. These hypotheses discussed are not exhaustive but perhaps indicative of usual discussions.

The Weaker Connection Hypothesis

Some leaders argue that a reduction in the number of districts necessarily increases the number of churches per district and weakens the relationship between the district superintendent and the local church. For example, with 60 churches in a district, the district superintendent may be able to hold charge conferences in every local church. With 90 churches in a district, the district superintendent may be forced to hold “hub” charge conferences in which multiple churches meet together with the district superintendent. Without the district superintendent visiting every local church each year, the connection between the district and the local church presumably weakens and related consequences are predictable. For instance, the new pastor serving a rural church may benefit from the district superintendent’s counsel, but the increased workload may make this difficult, if not impossible.

A Shallow Talent Pool Hypothesis

Borrowing from studies of education that examine the effect of class size on student performance, the argument goes that there are relatively few clergy with the gifts and graces to be an effective district superintendent. As a bishop fills positions in a relatively large cabinet, he or she must draw from a less talented pool of candidates. With a reduction in the number of districts, selections of district superintendants come from the upper ranges of the talent pool. In the end, the average church relates to a more effective district superintendent. This education literature, in concert, argues in favor of a few large classes staffed by very effective teachers rather than many small classes, many of which being staffed with much less effective teachers. Under this hypothesis, a reduction in the number of districts would have a neutral or even positive effect upon the local church.

The Administrative Efficiency Hypothesis

The economics literature develops the concept of diseconomies of scale which suggests that at some point, the workload of the district superintendent can reach levels in which one becomes less efficient and effective. As it applies here, the concept is not unlike the argument for smaller sized boards of directors. A bishop may be more effective working with fewer district superintendents, in that he or she can offer more effective instruction to a smaller group rather than a larger group of district superintendents. A group of nine district superintendents can be more easily motivated and challenged than a group of twelve. This hypothesis suggests that reductions in the number of districts could have a positive impact upon the local church.

The Reduced Budget Hypothesis

Fewer district superintendents mean smaller annual conference budgets for their salaries and fringe benefits. The reduced budgets, under this hypothesis, imply reduced apportionments which enable local churches to expand their mission and ministries. The hypothesis argues that these reduced apportionments will enable local churches to do more effective mission and ministry. Reductions in the number of districts should have a positive impact upon the local church.

The Workload Equity Hypothesis

With time, changes in membership and the number of churches across the districts will not be equal. The presumed workload of district superintendents will then become unequal. Some districts have changed district boundaries in order to make district superintendent workloads more equitable. In some instances it may make sense to change the number of districts in order to make workloads of district superintendents more equitable. This hypothesis presumes that the impact of a reduction upon the local church is largely neutral.

There may be additional reasons for changing the number of districts within an annual conference, and there may be multiple reasons at play at any point in time. It is understandable that changes are relatively infrequent, and when there are changes, some are quite significant, such as the reduction in West Ohio in 2003 (14 to 8), Iowa in 2007 (12 to 8), Texas in 2006 (12 to 9), North Alabama in 2006 (12 to 8), Florida in 2005 (14 to 9), the Missouri merger in 2003 (16 to 12), and Arkansas in 2006 (12 to 9). Most instances of reductions, however, are single district eliminations with redefined district boundaries.

An Empirical Examination of the Past Reductions

The theoretical reasons for reducing the number of districts leave one without a consistent prediction. This simply means that the effects of reductions in the number of districts may be beneficial, neutral, or negative. Only the empirical evidence can determine the extent to which there is a net positive, neutral, or negative effect and if the empirical examination is designed and executed properly. Properly conducting an empirical examination for this study is particularly challenging.

The Supporting Data

For the present study, several data sets were assembled which deserve explanation. One should understand that there are many different forces at play when one examines the standard measures of fruitfulness—worship attendance, professions of faith, financial giving, and apportionment payments. To isolate the independent effects of reductions in the number of districts is challenging, to say the least. Nevertheless, the constructed data sets are sufficient to support at least an attempt to isolate the effects.

The most important task at hand is to observe changes in the number of districts at the conference level over an extended period of time. This evidence used in this study was drawn from year-end statistical reports in which district code numbers were reported for every church. For example, in 1985 twelve different district code numbers were found for the Texas Annual Conference. The same twelve were found in the 1986 file, and so on, until there were only nine different district code numbers in the 2006 file. Because the code numbers were attached to local church files, it was possible to count the number of churches with each different district code. For example, in 1985 there were 84 churches with the code number "7" in the Texas Annual Conference. This implies that there were 84 churches in this district in 1985. The number 84 was assigned to every church in this district. The same type of assignment was followed for every church across all the districts for every year. The variable constructed represents the number of churches per district for each district. First United Methodist Church of Bryan, Texas was located in the West District (code number "94") in 2007. There were 90 churches with the same district code in 2007. So, for this church, the number of churches in the district for 2007 is 90 for the First United Methodist Church of Bryan, Texas in 2007

One possible view of this variable is the assumed crowding effect. The larger number of churches in a district means that the district superintendent has less time to spend with each church. There are some districts that cover large geographic areas, requiring the district superintendent to drive long distances to visit some of the churches. A relatively low number of churches might not reflect the difficulty of spending time with each district pastor in every instance. Overall, however, changes within an annual conference are likely to reflect the intended effect.

Church-level variables were drawn from end-of-year local church reports, such as average worship attendance, professions of faith, total expenditures, and debt service payments. Information describing resident populations surrounding each local church was assembled at the county level, using the local church zip code to identify resident counties.

All of the data were assembled into a panel, consisting of 19 years of records for churches ranging in number from 37,970 in 1985 to 34,181 in 2007. The advantage of a panel such as this is the ability to observe a single church for up to 19 years and to observe up to 37,970 churches within a single year. The ability to observe changes in the number of districts for a large number of churches over 19 years provides an excellent empirical foundation for this type of study. Yet, one's abilities are limited because there are other, unobserved influences that affect our selected measures of fruitfulness.

The Design of the Analysis

Knowing that there are many influences that affect a local church's measures of fruitfulness, it is important to separate these influences. Then one can observe the independent effect of district changes upon the local church. The use of regression analysis is designed to accomplish this task when proper conditions are met. Some of these conditions can be considered through statistical tests, but others cannot be directly observed. For this reason, one cannot be perfectly certain that the results from regression analysis provide conclusive results. However, with proper caution, one can often obtain

quite useful information from regression results. However, one should be cautious. It is always possible that one is merely observing a correlation rather than causation. The empirical results can be helpful, but such results could be driven by other, unknown forces and not attributed to district changes.

A local church's fruitfulness can be expressed in many different ways, but only a few measures are available for use. Those selected for this study include worship attendance, membership, professions of faith, total expenditures per attendee, and apportionment payments. Worship attendance, membership, and professions of faith directly relate to the declared purpose of the denomination—to make disciples of Christ for the transformation of the world. Increases in each of these three measures are surely desirable. It would be difficult to argue that decreases in these measures are widely acceptable.

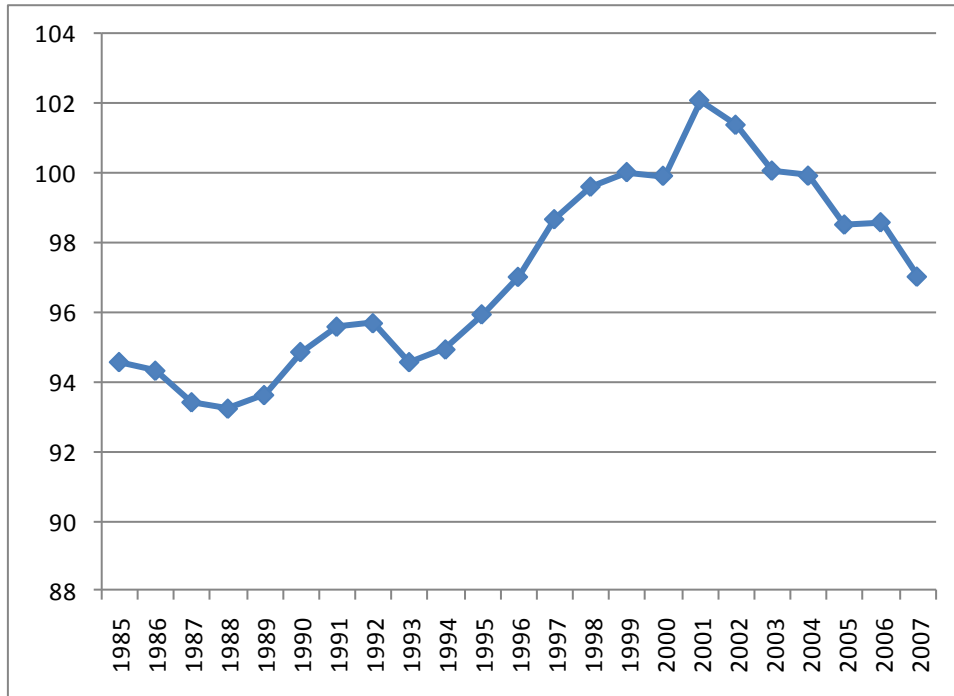
Expenditures per attendee reflect member giving to the church. Most local churches seek to balance their operating budgets from year to year, so local church expenditures reflect member giving. A member's financial gifts to the church may reflect a degree of spiritual depth, and improvements are usually viewed as evidence of improved generosity. For this reason, expenditures per attendee is used as another measure of fruitfulness. Improvements are viewed as a positive indicator for the local church.

The payment of apportionments is necessary for the connection to operate at all levels. Improved apportionment payouts are always sought.

Worship Attendance

Average worship attendance across all churches over the 19 years of local church reports equals 94.6 worshipers on an average Sunday. However, average worship attendance is not constant but follows an interesting historical path. Figure 4 presents these averages over the period.

Figure 4
Average Worship Attendance
1985-2007



The fact that average worship attendance increases over the period 1993 – 2001, and then falls, is interesting and important. This decline in average worship attendance beginning in 2002 tends to follow the pattern of the rapid increase in churches per district, presented in Figure 1, beginning in 2003. One cannot, on the basis of this information alone, conclude that there is a causal relation between the two. The regression results presented in Table 2 below provide a more sophisticated result.

Table 2

Regression Results

Average Worship Attendance

Income per Capita	0.00186
Population	1.111
Year	-0.49988
Debt	11.9242
Churches_District	-0.10096
Western	4.265
Southeastern	1.93
Northeastern	-17.172
North Central	-5.172

Table 2 presents regression coefficients from panel based regression results in a simplified table. These coefficients indicate the relation between each variable and average worship attendance. Each is explained below:

- Income per Capita** Worship attendance is greater in counties with higher per capita incomes within the resident population, adjusted for inflation
- Population** Worship attendance is greater among churches located in counties with larger resident populations
- Year** Average worship attendance, adjusted for other factors, tends to fall over time
- Debt** Average worship attendance tends to be greater among local churches with building debt
- Churches_District** Average worship attendance is greater in districts with fewer churches

The remaining regression coefficients are designed to adjust for differences across jurisdictions. Each jurisdiction is compared to the South Central jurisdiction. Adjusted for other factors, average worship attendance in the Western jurisdiction is 4.265 times larger than that of the South Central Jurisdiction. These regression coefficients are not particularly meaningful for our purposes, but it is important that average worship attendance is adjusted for jurisdictional differences.

The important result in Table 2 is the coefficient of Churches_District—a value of -0.10096. The magnitude indicates that, among annual conferences that reduce the number of districts (thereby increasing the number of churches per district), should expect a decrease in average worship

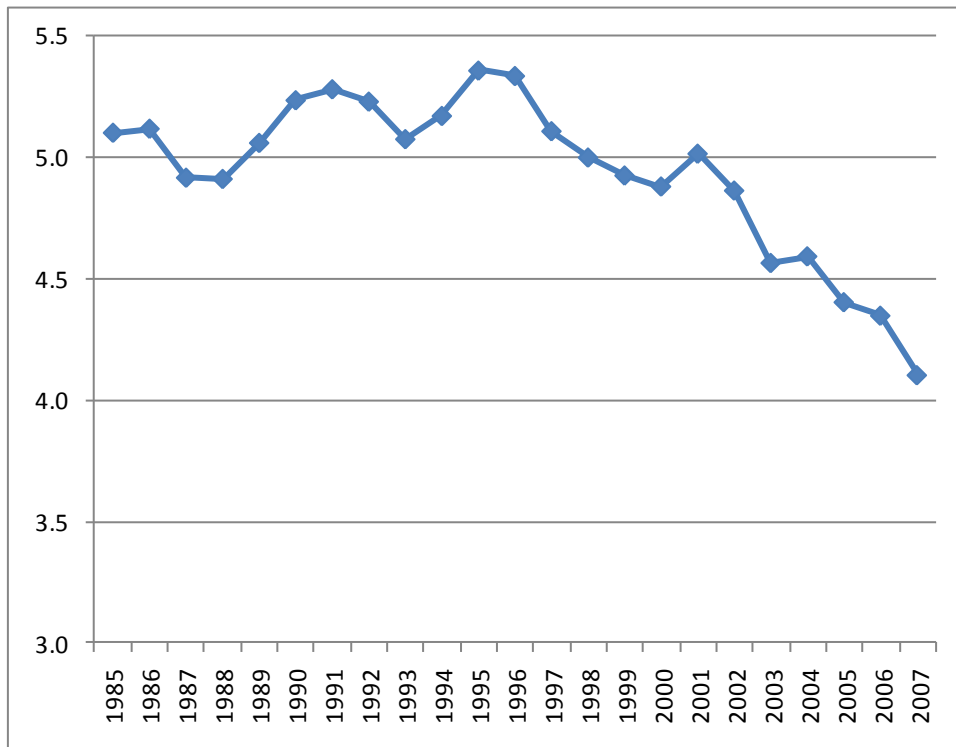
attendance. For every increase in the number of churches per district, one would expect a decrease of 1 in average worship attendance. Recall that an increase of ten churches per district is the average increase among annual conferences that decreased the number of districts. The average worship attendance is 94.6, so a decrease of 1 individual represents a decrease of 1.07%. Average worship attendance for the average annual conference in 2007 was 54,816. A 1.07% decrease in average worship attendance for an annual conference represents a decrease of 585 attendees.

Professions of Faith

The average number of professions of faith has been surprisingly low—averaging only 4.95 individuals per church over the period. Historically, most professions of faith come from confirmation classes, indicating that the denomination is bringing into its membership young people. Within virtually any perspective, increases in the number of professions of faith is a desired result.

Figure 5 presents the average number of professions of faith from 1985 through 2007. The general decreasing trend beginning around 1996 is notable. The rate of decline seems to have increased after the turn of the century.

Figure 5
Average Number of Professions of Faith Per Church
1985-2007



The regression results are presented in Table 3 below.

Table 3
Regression Results
Professions of Faith

Income per Capita	0.002
Population	0.00008
Year	-0.10175
Debt	1.194
Churches_District	-0.02366
Western	0.79929
Southeastern	-0.26047
Northeastern	-0.3824
North Central	0.058

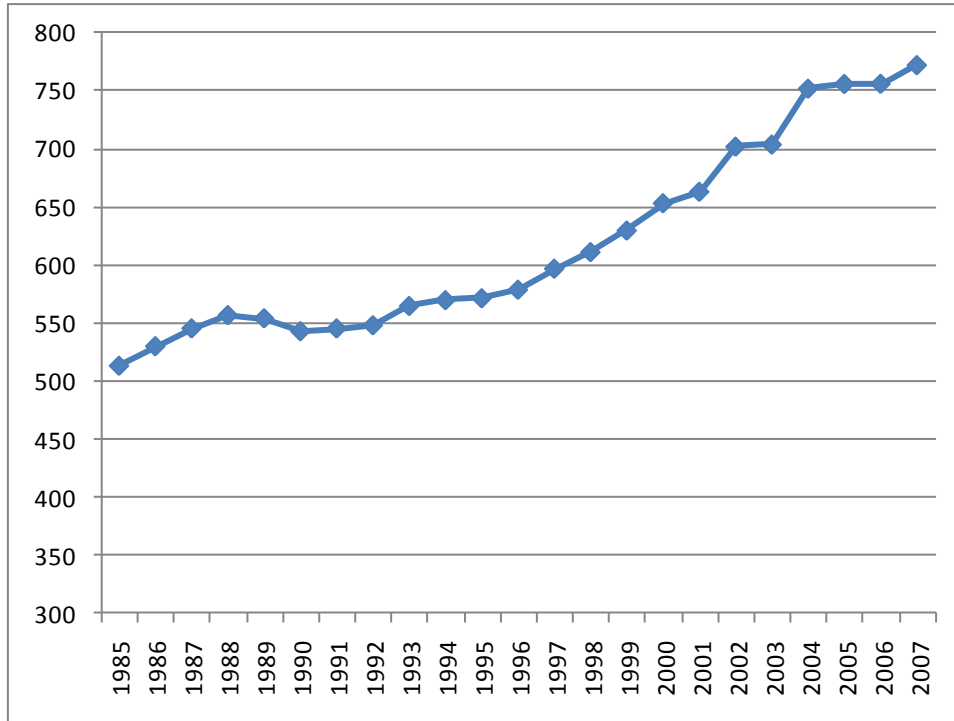
Again, the coefficient of Churches_District is negative, indicating that a reduction in the number of districts is associated with a decreased in the number of professions of faith.

The magnitude of the coefficient indicates that an average reduction in the number of districts, leading to an increase in churches per district by ten, reduces the number of professions of faith by 0.2366. The average number of professions of faith is 4.95 which leads to a 4.78% decline in professions of faith from an average change in the number of districts. It is important to note that, for an elimination of one district in an annual conference, the percentage of decline in professions of faith (4.78%) is over four times the percentage reduction in average worship attendance (1.07%).

Expenditures per Attendee

Changes in expenditures per attendee are driven by changes in the value of financial gifts and changes in the rate of inflation. Adjusting for inflation eliminates one major factor and leaves others to be identified and explained. The average expenditures per attendee has increased over the years, as demonstrated in Figure 6.

Figure 6
Expenditures per Attendee
Adjusted for Inflation



Other studies show that expenditures per attendee are affected by economic recessions. Therefore, any analysis of this pattern must adjust for economic recessions if one is interested in the impact of district changes. Table 4 below presents the regression results designed to isolate the effect of district changes.

Table 4

Regression Results

Expenditures per Attendee

Income per Capita	0.025256
Population	0.00769
Year	5.6951
Debt	139.2454
Churches_District	-1.57175
Western	107.8832
Southeastern	-8.168
Northeastern	17.1574
North Central	-2.61886

The coefficient of Churches_District is again negative. The value of the coefficient, -1.57175, can be compared to the average value of expenditures per attendee. This average equals \$615.66. A ten-unit increase in the number of churches per district (the average change) leads to a \$15.72 decrease in expenditures per attendee—a 2.55% decrease.

The average number of worship attendees in an annual conference is 54,816. The average expenditure per attendee is \$615.66. These figures combined results in an average total local church expenditure within an annual conference of \$33.8 million. A 2.55% decrease in the expenditure per attendee and a 1.07% decrease in attendance results in a decrease in the total local church expenditures for the average annual conference of \$1.212 million. If the annual conference apportions 10% of this figure in support of connectional ministries and administration, the average annual conference receipts would decrease by \$121,255. This, of course, assumes a constant apportionment payout rate.

The most common change in the number of districts within an annual conference is the elimination of one district (and one district superintendent). Salary and benefits likely exceeds the \$121,255, which means that the annual conference financially benefits from the decrease in the number of district superintendents, experiencing only 10% of the loss in giving. This may be an unfortunate finding. The annual conference budget benefits from a reduction in the number of districts by saving more in annual conference expenditures in support of district superintendents than the loss of apportionment payments in response to the loss of one district. Yet the local church bears 90% of the reduction in local church receipts. It is the local church that experiences the financial brunt of the district change.

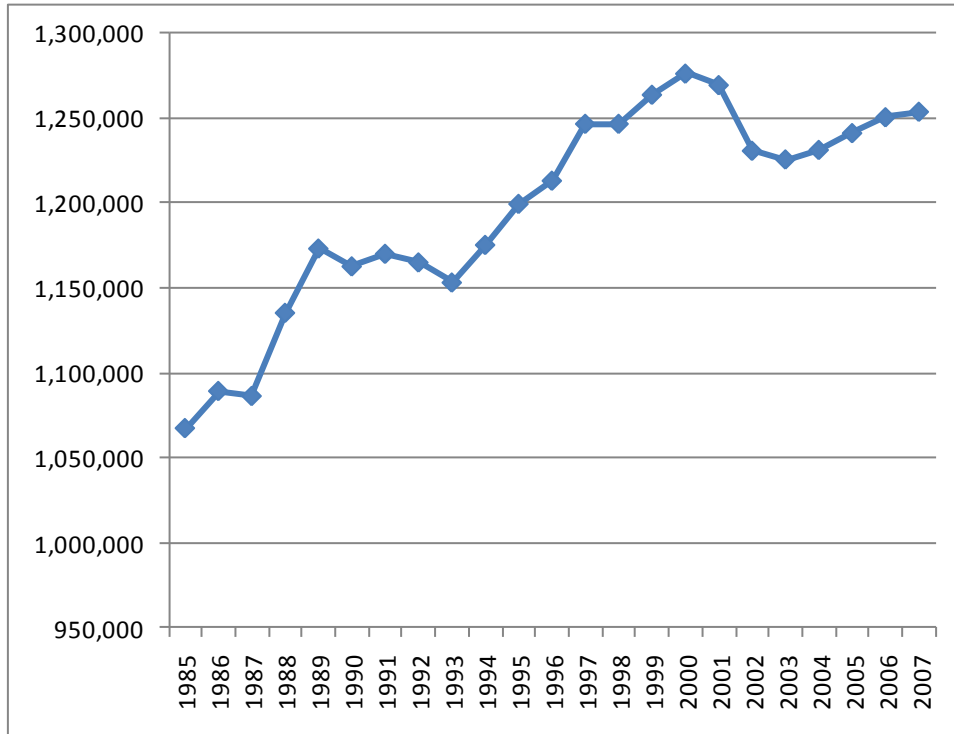
Apportionment Payments

The payment of apportionments is critical to the functioning of the connection, and apportionment payouts are monitored closely across the districts, annual conferences, and the General Church. It is widely believed that the district superintendent has a significant role in encouraging the local church to pay its apportionments in full. It is possible that the ability of the district superintendent to encourage churches to pay apportionments in full is strained if the number of churches under his or her charge is increased significantly. This line of reasoning suggests that the payment of apportionments will suffer in response to decreases in the number of districts within an annual conference.

To examine this possible relation, one would ideally observe the payment of apportionments at the local church level, taking into account local church conditions and the church's assigned apportionments. Unfortunately, there is limited information available that record local church apportionment payouts. Instead, one must look to the General Church apportionment payments. It is true that the payment of General Church apportionments is highly correlated with the payment of annual conference apportionments. On average, General Church apportionments represent about 22% of annual conference budgets, and many annual conferences bundle General Church apportionments with annual conference apportioned funds. General Church apportionment payments may be a reasonably good representation of annual conference apportionment payments—not in levels of payments but in percentage payouts.

Figure 7 presents the average annual conference payment of General Church apportionments, adjusted for inflation.

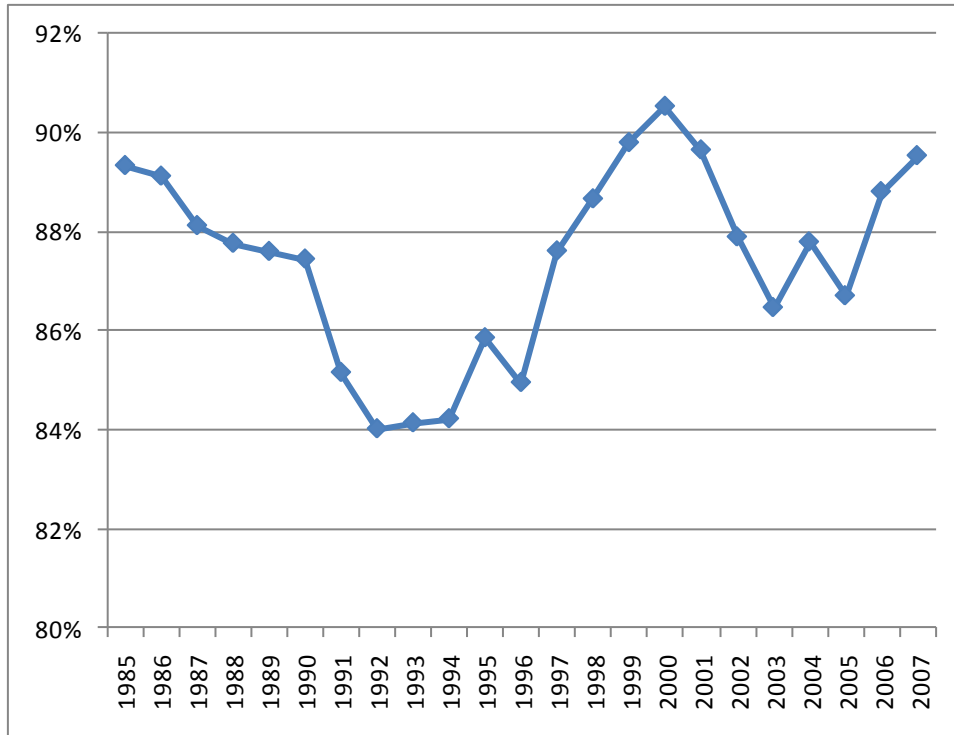
Figure 7
General Church Apportionment Payments
Adjusted for Inflation



The levels of payment are, in part, reflecting the amount apportioned. Figure 8 presents the total payout rate of General Church apportioned funds.

Figure 8

Payout Rates of General Church Apportionments



Other studies find that the overall payout rate of General Church apportionments are related to the levels of apportionments, adjusted for inflation, Gross Domestic Product, and the level of the Dow Jones Industrial Average, adjusted for inflation. This previous research offers useful background information in the design of the regression analysis.

Table 5 presents the regression results from an examination of levels of apportionment payments among the annual conferences (adjusted for inflation). In this examination, for each local church the conference level of apportionment payments and apportionments are “assigned” among the General Funds. This is a simplification since in reality each local church receives its own unique apportionment from the annual conference. But the simplification is necessary. Demographic information at the county level is still retained for each local church. The design of the regression analysis is not the best, but the results offer a suggestion of the results one might obtain with local church apportionment payment information.

Table 5

Regression Results

Apportionment Payments

Apportionment	0.91317
Dow	29.67115
Income per Capita	26.8799
Population	-0.01873
Year	-12094.8
Churches_District	-265.695
Western	-1673.82
Southeastern	-34493.6
Northeastern	-36999.1
North Central	-20873.5

These results include regression coefficients of Apportionment, representing the level of assigned apportionments to the annual conference, adjusted for inflation, and of Dow, which is the annual average Dow Jones Industrial Average, also adjusted for inflation.

The regression result of interest is, of course, the coefficient of Churches_District. The sign of the coefficient is negative (-265.695). The average payment over the years equals \$1.4 million. The average change in the number of churches per district is 10 churches, so the average reduction in apportionment payments is \$2,657. This represents only 0.19% of apportionment payments. General Church apportionments represent, on average, 22% of annual conference budgets, so the projected average annual conference budget equals \$6.4 million (\$1.4 million divided by 0.22). The 0.19% reduction in apportionment payments represents a decrease in total payments of annual conference apportionments, on average, of only \$12,077. It is doubtful that this level of reduction in the payment of annual conference apportionments is even noticeable. While the relation between changes in districts and annual conference receipt of apportionment payments is found to be statistically significant on the basis of these results, the magnitude of this finding is of little importance.

Summary

The reduction in the number of districts within an annual conference is, perhaps, the expected consequence of membership decline. However, reductions in the numbers of districts became much more aggressive beginning in 2003. This change in practice was somewhat unexpected and not fully understood. About 70% of the reduction in the number of districts between 1985 and 2007 occurred after 2002.

A reduction in the number of districts within an annual conference reduces an annual conference's budgetary needs for district superintendents, but there may be negative consequences associated with such reductions have not yet been documented. This study suggests that there are negative consequences which should be taken into account. First, reductions lead to decreases in average worship attendance. The average reduction in the number of districts leads to a 1.1% decrease in average worship attendance. Second, reductions lead to decreases in the number of professions of faith. The average reduction results in a 4.7% decrease in the number of professions of faith. Third, reductions lead to decreases in local church expenditures per attendee. The average reduction results in a 2.55% decrease in expenditures per attendee—only a small portion of this is felt at the annual conference level. Finally, the average reduction leads to a decrease in apportionment payments, but the measured decrease is quite small.

These results are based upon a useful assembly of available information. However, like similar studies in which one would ideally assemble considerably more information, the results could be misleading. The results could reflect changes in unobserved influences, and one would mistakenly attribute reductions in the number of districts within an annual conferences as the dominate cause. Nevertheless, these findings at least strongly suggest that there are negative consequences from such reductions and that annual conferences might best seek to attenuate these consequences as possible when reductions are implemented.

Remaining Questions and Final Thoughts

Many annual conferences are focusing on the mission field instead of the local church in consideration of pastoral appointments. What impact does this change in focus have upon this study?

Historically, districts and annual conferences have spent considerable effort in matching the gifts and graces of the pastor and the needs of the local church. The District Superintendent identified the needs of each congregation within the boundaries of his or her district and appointed the best matched pastor. The mission field, to be served by all local churches in the district, was perhaps an afterthought at times.

A specific focus upon the mission field could change the appointment paradigm, along with the expectations of both clergy and congregations. One consideration of this focus would be an emphasis upon what churches collectively can accomplish rather than what each individual church can accomplish. How would the number of districts within an annual conference be affected by this shift in focus?

To a degree, a focus upon the mission field might blur district boundaries. For example, a district superintendent with special gifts in Hispanic ministries might best relate to Hispanic

churches both within and across district boundaries. The cabinet might serve as a team deployed in new ways rather than an advocate within the cabinet for the churches and pastors within their assigned districts. A change in the number of districts, under this view, would possibly have a different effect on traditional measures of fruitfulness. If the loss of one district superintendents who might be duplicates in gifts and graces with one already represented on a cabinet, the loss might not yield negative consequences. However, this assumes that a strong relationship between the pastor and the district superintendent is not as important as it has been in the past.

Would redistricting around affinity populations, with expectations and accountability measurements, have any impact upon the interpretation of these results?

Research has demonstrated the importance of affinity populations to churches, districts, and annual conferences. If the annual conference focus is upon ministering to affinity populations, accountability may rest with districts rather than individual churches. A church strategically located around a growing affinity population would have a greater importance to the district than a church surrounded by a decreasing affinity population. The district would be responsible for using local churches strategically to have the greatest impact within district boundaries. Using churches strategically with affinity populations as the focus could reduce or eliminate the negative consequences of a reduction in the number of districts. The number of districts may be less important than the right pastors appointed to strategic churches. It seems that the district might be given greater emphasis on its own accountability than the local church. The number of districts under this scenario might not be material.

What if, in reducing the number of districts, the role and function of the district superintendent is redefined and given clear expectations, followed by yearly assessments?

It seems that if there is to be a reduction in the number of districts, it must be coupled with a change in the role and function of the district superintendent. Without such changes, the workload of the district superintendent after a reduction would necessarily increase, and most believe that the district superintendent is already over-assigned responsibilities.

If, within an annual conference, the district becomes the focus of accountability rather than the local church, the district would likely function differently. Local churches would become less homogeneous in that each might have its own strengths in providing specialized ministries that support the achievement of district goals. These ministries would not be ministries that every church would seek to duplicate. The district superintendent would serve the role of orchestrating the combined work within the district among the local churches. Having more churches in a district caused by a reduction in the number of districts might not be a disadvantage.

Would the study predictions from a reduction in the number of districts be affected if the annual conference were to restructure with centers dedicated to focused goals followed by yearly assessments?

The concept of specialized centers or departments has been implemented in the corporate world for a very long time, and the corporate model has not been discarded in the secular world. It allows specialized people to work closely together for common purposes. Developing centers or departments can lead to improved communication, clearer accountability, and improved productivity. It also makes it easy for the “customer” to engage the right people quickly.

The disadvantages of specialized centers or departments are generally understood. Departments can become “silos,” seeking the enrichment of their own departments at the expense of others and, at times, the expense of the entire organization. Communications across departments can become difficult, and coordination among departments can be a challenge.

If there are measurable goals to be assigned to each center, effective assessments become easier to accomplish. People are more effectively assigned goals since the center or departmental goal is known. For example, if a center is responsible for starting five new churches per year, the few people in charge of this task are known. Each presumably would be assigned sub-tasks to accomplish in pursuit of the center’s goal. Individuals can be held accountable for their own assigned responsibilities. If everyone is responsible for the complete mission of the annual conference, it is difficult to hold any one person accountable.

Would it be important to reduce the number of districts when an annual conference is financially strong so that the expected negative consequences can be mitigated?

Timing is often critical, especially when there are times when change is welcomed and leaders collectively seek common goals. Any significant change requires a reallocation of resources -- particularly budgeted funds. Without changes in time and money, change does not take place. There are many annual conferences that do not have the funding to enact effective change. Fortunately, there are other annual conferences that have such funding available.

One of the keys to changes in funding is terminating the funding of ineffective ministries. Unfortunately, there will be leaders who seek the continuation of ineffective ministries simply because the ministries are “too important” to terminate. In the long run, an annual conference must become efficient, meaning that it gets the best bang for the buck. Ineffective programs must be terminated or redeveloped. Even though an annual conference can be financially strong, no annual conference has sufficient resources to do everything. Significant changes in the structure of an annual conference can become a catalyst for terminating ineffective programs. Without this catalyst, terminating ineffective programs can be very political.

Final Thoughts

The Texas Annual Conference adopted a new Model for Ministry that entailed the reduction in the number of districts—from twelve to nine. Centers of Excellence were organized in order to focus upon ministries rather than protection of the status quo. Governance was changed by allocating responsibilities to an annual conference Core Leadership Team to act on behalf of the annual conference and implement the new Model for Ministry. An assessment of existing programs was completed which led to a realignment of the annual conference budget. The changes affected large numbers of leaders throughout the annual conference.

An outside consultant from the Alban Institute was retained to evaluate the progress of the annual conference in implementing the Model for Ministry. Leaders at multiple levels have accepted the consultant's report. The major goals adopted by the annual conference have not been met. For example, worship attendance is down, the payment of apportionments is down, and professions of faith are below targets. Most understand that the fruits of the Model for Ministry will take more time to achieve, but there is a sense of frustration in the slow progress.

Many leaders agree, as did the Alban consultant, that the implementation of the Model for Ministry failed to focus upon district functions and handed too much responsibility to the Core Leadership Team and Center Directors. The district superintendent was effectively demoted in the implementation, and district leaders waited for direction from conference centers. The overall perception was a transfer of power and influence to conference leadership, away from districts and local churches. The annual conference now seems to be turning to the districts for more effective leadership and implementation of the Model for Ministry.

The lesson to be learned, I think, is that the importance of the district in leading local churches must not be diminished. It takes time for clergy and local church leaders to develop respect for the work of conference administration and programs, and a major reorganization alone will not engender this respect. The district sits in a strategic position but must also earn its own respect from clergy and local church leaders—especially after a reorganization and redefinition of responsibilities.

The research evidence may not truly predict the outcome of a well-managed reduction in the number of districts. A reduction can result in improvement. In fact, the research evidence might be misleading. However, it cannot be totally ignored. At the least, it serves as a warning sign for annual conferences considering reductions in the number of districts. Reductions need to fully attenuate the expected negative consequences. On average, annual conferences appear to have failed in this endeavor.

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