

## **The Construction and Use of Key Local Church Indicators Texas Annual Conference**

The Classification Program is designed to categorize selected local churches on the basis of their observable conditions and trends. The purpose is to identify churches in trouble and churches that have achieved impressive levels of excellence. It is hoped that the classifications will serve as an additional tool for guiding annual conference resources where they are most needed. It is not intended to replace existing methods or established programs. It is not intended to replace personal evaluations of conditions based upon more subjective evaluations. Instead, it is to provide an additional evaluation tool based strictly upon reporting information assembled from multiple sources.

Classifications are based largely upon end-of-year local church reports from which 19 indicators have been constructed. An example includes the change in worship attendance between 2013 and 2017. Among churches with worship attendance of at least 75 in 2017, the low end of this indicator is a -45.9%. The high end is +90.8%. A church's record of worship attendance change is one of the indicators used to classify churches into seven categories.

There are three main groups of categories: Excellence attained (Grades 1 and 2), Unsustainable conditions (Grades 3, 4, and 5), and Approaching the Tipping Point (Grades 6 and 7). As the names indicate, churches assigned to the first group offer conditions to be sought—levels difficult to achieve but to be replicated when possible. The other two groups identify churches in trouble. The degrees of trouble differ, but changes are needed and in some cases needed for survival. Like an illness, early attention makes a reversal of downward trends more likely. Being identified early is an opportunity. Not knowing is opportunity lost.

The categories are designed to reflect specific models. Grade 7 includes churches that are likely to either decline further or close. Some may be too late for a recovery. All are located in places with deteriorating demographic conditions. An estimated 35% of these churches, however, are likely to show improvements. Grade 6 includes churches with similar conditions except for location. For these churches, demographic conditions are improving which makes recovery more likely.

Grades 3, 4, and 5 are deemed unsustainable but have some features that disqualify them from being assigned to Grades 6 or 7. For the most part, these churches face deteriorating conditions but have attempted to maintain support for programs or staff positions in the midst of deteriorating financial support for the operating budget. Some report the loss of the more generous members through death and have no known replacements for these members in terms of financial generosity. These churches are in critical need of change, and delays will result in assignments to Grades 6 or 7 or closure.

Churches assigned to Grades 1 and 2 serve as models. Grade 2 churches carry significant levels of debt which could impair continuing growth, but perhaps not. Expansions in facilities in the future will be required if continuing growth is to be achieved.

How can these classifications be used? It seems prudent to review the conditions of churches in Grades 6 and 7. What resources would be required to arrest continuing deterioration? Are there strategies currently in place? Are strong leaders, both pastoral and laity, in place and possibly responsive to conversations about existing conditions and strategies that could be deployed?

Grades 3, 4 and 5 are churches with unsustainable conditions. Are church leaders aware of these unsustainable conditions? Are the leaders of these churches willing to accept these assessments? Is there a desire among church leaders to attain more sustainable conditions (i.e., put out some fires)? Some of the conditions easily invite specific strategies. For instance, declining financial support for the budget requires an assessment of the type of loss of support that has been experienced. If through the death of the most generous givers, the strategy must be a short run strategy to avoid further loss of funding of programs and staff. If there is time, longer run investments are possible such as improving levels of excellence in programs for young families who will, in time, replace the more generous, older members. Each of these churches present unique conditions that demand their own designed strategies. In all instances, time is of the essence.

Finally, the classifications offer opportunities to gather leaders from churches with common weaknesses. Leaders from churches with too few members of confirmation classes could be invited to special seminars or conferences where designed strategies could be discussed and evaluated. Leaders from churches with relatively high death rates and declining support for the budget could be assembled for similar focused attention. The groupings of leaders are almost unlimited. The intent, of course, is to address specific conditions with specific strategies in a world in which the leaders may be unaware of the conditions that only appear when compared with others through these classifications.