



Institute for
Local Church Growth

Annual Conference Report Texas Annual Conference

July 2019



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Prepared for: The Center of Congregational Excellence
Texas Annual Conference

Prepared by: The Institute for Local Church Growth
3000 Briarcrest, Suite 600
Bryan, Texas 77802
<https://www.localchurchgrowth.org/>



Annual Conference Report

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Our Calling

Most church leaders have in their minds the mission of the church and where the action takes place:

“The mission of the local church is to make disciples of Jesus Christ for the transformation of the world. Local churches and extension ministries of the Church provide the most significant arenas through which disciple-making occurs.”¹

The genesis of this statement comes from Matthew’s Gospel:

“Therefore go and make disciples of all nations, baptizing them in the name of the Father and of the Son and of the Holy Spirit, and teaching them to obey everything that I have commanded you. And surely I am with you always, to the very end of the age.”²

How is this implemented by the annual conference? According to Rev. Junius Dotson, General Secretary of the General Board of Discipleship Ministry, the implementation is:

“Doing everything that we can as a church to provide opportunities for disciples to grow and mature in faith.”³

Our call is received within the context of John Wesley’s understanding of Christian teachings. His understandings of grace and the importance of reasoning, experience, tradition and scriptures sets United Methodists apart from many other Christian perspectives. A Catholic theologian, Marva Dawn, once said that the United Methodist denomination is best positioned to grow in the United States—better than any other faith-based Christian group, and it is because of Wesley’s theology. Perhaps 20% of U.S. residents have an undiscovered affinity for Wesley’s invitation to Christ. If so, The United Methodist church has a long way to go, but it stands on very fertile soil. We can do much better.

The annual conference is not designed to make disciples, for it is the local churches within the annual conference that respond to the call. Some do it well, and some do not. To do better, it is critical for an annual conference to regularly evaluate the extent to which its local churches are fully engaged in intentional disciple-making processes. The annual conference can and must do better.

¹ 2016 *Book of Discipline*, Paragraph 120.

² Matthew 28: 19-20.

³ Junius B. Dotson, “Developing an Intentional Discipleship System: A Guide for Congregations,” Discipleship Ministries, Nashville, TN, 2017, p. 9.

Our Task

According to the *Book of Discipline*,

“The purpose of the annual conference is to make disciples of Jesus Christ for the transformation of the world by equipping local churches for ministry...”⁴

According to the Constitution,

“The annual conference is the basic body in the Church...”⁵

It is proper for the annual conference to monitor the effectiveness of its local churches in their task of making disciples and to evaluate the sustainability of its local churches over the years to come.

At the end of each calendar year, every local church completes its end-of-year report and submits it through district offices to the annual conference’s council on finance and administration. These end-of-year reports are available and form one of the critical sources of information to be used in monitoring local church effectiveness and sustainability. This annual conference report seeks to make more complete use of these reports, and, hopefully, improve the effectiveness of the annual conference in equipping local churches for ministry.

With only casual reviews, it is clear that local churches differ in their effectiveness and sustainability. Deficiencies exist, and the appropriate remedies vary from church to church. Remedies can come from within the local church or through outside assistance. It has never been the case that a single remedy or cure meets the urgent needs of every local church. Accordingly, the equipping task of the annual conference must take into account the specific needs of each local church. This report seeks to provide some of the information required in assessing these specific needs.

This report is not unlike a comprehensive blood test for the annual conference’s local churches—individually and collectively. It is efficient in that it does not require visits to every church. It does not require a specialized survey of members or staff. It does not depend upon reports from district superintendents or from local church charge conferences. The blood samples have already been drawn in the form of local church end-of-year reports. As explained below, the end-of-year report tells a story about a local church that is reasonably complete and persuasive. The statistical evidence has been around for decades. This report seeks to put these statistical tables in a form that can paint a more useful portrait of each local church and of the annual conference.

⁴ 2018 *Book of Discipline*, Paragraph 601.

⁵ 2018 *Book of Discipline*, Paragraph 33, Article II.

Our Resources

We are extremely blessed with sufficient resources to greatly expand our disciple-making among our local churches. We begin with the Wesleyan theology. Our churches have the potential of increasing membership, worship attendance, baptisms, and professions of faith by five-fold, ten-fold, twenty-fold without any increase in resident population. However, the resident population of the U.S. is growing, making for even richer soil for planting and harvesting.

Missional engagement and outreach require funding. As our economy expands, family incomes increase. Christians give more than non-Christians to worthy, non-religious organizations, such as schools, colleges, civic organizations, libraries, orchestras, and many others. As the church grows in importance in the lives of its members, generosity increases.

The most significant resource is in the lives of our disciples. Discipleship is expressed in many ways. Disciples become the role models; they are found in our churches. Our dedicated members are our greatest resource. To expand disciple-making among our churches, we have more than sufficient resources.

Our Challenges

We have not successfully met our challenges in spite of our wealth of resources and opportunities. Consider worship attendance, baptisms, and professions of faith.

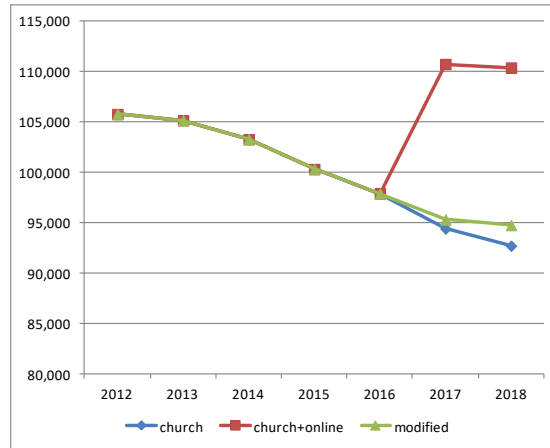
The count of worship attendance has become more complicated due to changes in the forms submitted by churches at the end of each year, the count of worship attendance has become complicated. Before the internet and live-streaming, churches were asked merely to provide a count of individuals attending principle worship services, recording the average attendance during the past year. With live-streaming of worship services, beginning in 2017, the form included a line for on-line worship attendance. Most churches during 2017 and 2018 have not offered streaming from the internet. However, in the Texas Annual Conference in 2018, 115 of the 643 churches (or 17.9%) recorded on-line worship attendance. Unfortunately, the counts on a few of in the reports appear questionable.⁶ And those few counts significantly affect the totals for the annual conference.

To maintain a reliable worship attendance series, a counting rule has been applied. Worship attendance should have an impact upon those attending, and studies show that one of the observed effects from worship is an increasing level of generosity among those attending. Accordingly, if we are to include on-line worship in the same way that we are including attendees present at church, we should observe the same effect—increasing levels of generosity. Thus, the rule applied for this study is that on-line worship is included in the total worship count if, with the inclusion, giving per worship

⁶ The median response among churches with reported on-line worship attendance in 2018 is 25. Over 90% of the churches reporting on-line attendance reported fewer on-line attendees than those present in church. Two churches reported on-line attendance over 10 times more on-line attendees than those present in church.

attendee increases with its inclusion. If, with the inclusion, giving per attendee decreases, the on-line worship count is excluded. With this rule applied, the following graph presents the results.

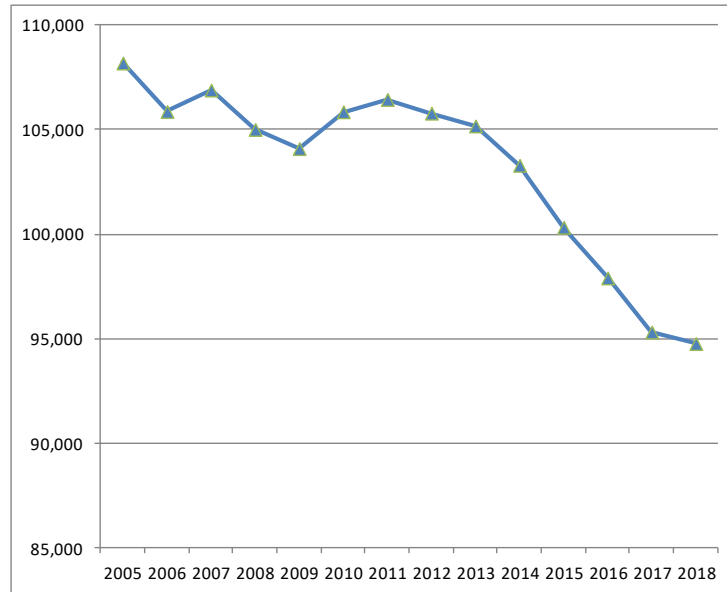
Figure 1
Texas Annual Conference
Worship Attendance
In Church Attendance vs. On-line attendance



The full inclusion of on-line attendance in 2017 and 2018 results in a time trend that seems unreasonable. The exclusion of all on-line attendance also seems unreasonable since some on-line attendance is intended to serve as a close approximation of attendance at church. The rule that modifies the count includes some on-line attendance and results in a more reasonable time trend.

Using the modified attendance count, the following graph presents the longer time trend in annual conference worship attendance.

Figure 2
Texas Annual Conference
Worship Attendance
In-Church and On-Line



The persistent decline since 2011 is disturbing but the results from 2018 are encouraging.

Table 1
Texas Annual Conference
Worship Attendance
Annual Changes
In-Church and On-Line

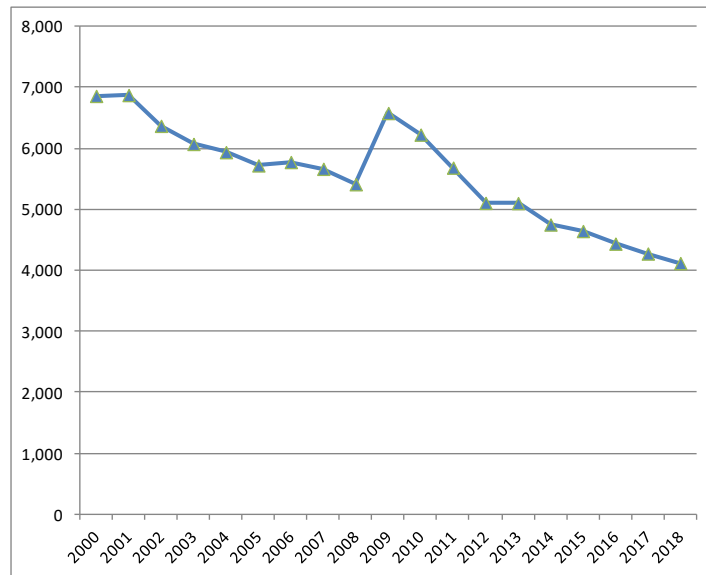
	Annual	Percent
Years	Loss	Change
'11-'12	-658	-0.6%
'12-'13	-612	-0.6%
'13-'14	-1,882	-1.8%
'14-'15	-2,966	-2.9%
'15-'16	-2,422	-2.4%
'16-'17	-2,585	-2.6%
'17-'18	-552	-0.6%

Since 2011, the Texas Annual Conference has not experienced a single year of positive growth. In fact, the decline between 2014 and 2015 stands as one of the largest single year decline in our

history—a loss of 2.9%. Yet, the most recent decline, 552 or 0.6%, offers some hope that perhaps the decline may be subsiding. There is hope.

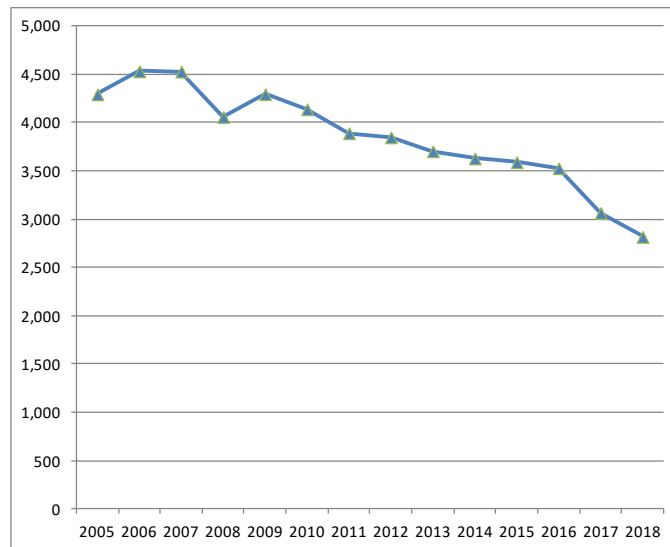
Professions of faith has also been on a rapid decline since 2009. The annual percentage decline is greater than that of worship attendance. As will be discussed in a following section of this report, professions of faith are an integral part of disciple-making. We can and must do better than this.

Figure 3
Texas Annual Conference
Professions of Faith



Baptisms, too, are an integral part of disciple making. Since 2000, there was a significant uptick in professions of faith due to one congregation. Between 2000 and 2018, total annual baptisms decreased by 52.1%. These figures must also improve.

Figure 4
Texas Annual Conference
Baptisms



With a view of the resources available to our churches, and the downward trends in worship attendance, professions of faith, and baptisms, exactly what is to be done? What is it that an annual conference can do in the midst of decline in the presence of growing resources? There is no single remedy. As in any other organization facing these facts, it begins with a designed strategy; a strategy begins with an understanding of the conditions of our churches. They are not all alike.

In trying to understand the conditions of our churches, we turn to the available records of our churches—the end-of-year reports that have been recorded over the past nine years. Using these reports, we can review them individually and/or collectively. We can measure each church’s individual strengths and weaknesses by making cohort comparisons. We can assess the needs of each church and develop strategies that promise to achieve a turnaround for the annual conference.

Describing the Annual Conference

To evaluate the state of the annual conference’s local churches, it is useful to consider the importance of scale—large membership churches and small membership churches. The challenges faced and the possibilities available to churches in each of these groups differ. Our examination of churches is based upon comparisons between and among churches. We separate local churches into two groups: churches with worship attendance of 75 and above and churches with worship attendance of 25 to 74. Table 2 presents the number of churches and total worship attendance in these two defined groups and the remaining smaller churches.

Table 2
Number of Churches and Worship Attendance
2018

Worship		Total	
Attend	Churches	Attend	Percentage
0-24	220	2,982	3.2%
25-74	209	9,273	10.0%
75+	214	80,471	86.8%
Total	643	92,726	100.0%

From a strategic view of the annual conference, the group of larger churches represents 86.8% of total worship attendance in the annual conference. Churches in the smaller group represent 10.0% of total annual conference worship attendance. The group of the smallest churches represents only 3.2% of annual conference worship attendance. At this time, we have not yet included the smallest churches in this work.

The Local Church Reports

The end-of-year local church reports contain a vast amount of information. In total, local churches complete around 150 line items of information. For our purposes, only a few are utilized, and some are used in combination with other line items. Several are combined with multiple years of the same line item. Two are derived through the use of a statistical tool—regression analysis. One indicator is formed from an outside source, Claritas, which provides demographic information from the neighborhood surrounding the local church.⁷

Most casual evaluations of the conditions of churches consider only worship attendance. Worship attendance is important, but there is much more to the full life of the church. Fortunately, at the end of each year, local churches are required to complete forms that reflect other important church activities, such as baptisms, professions of faith, Sunday school attendance, and participation in formation classes. Additionally, the churches report sources of funding including giving to the operating budget. The churches report types of expenditures, including financial support of programs and financial support of staff. A typical form contains as many as 150 line items covering a broad scope of interests. In short, the local church reports contain much more than worship attendance and can be used to reflect much more of the full life of the church.

For our purposes, we select only a few of the line items that address disciple-making and operational stability. Because churches differ in size, one cannot meaningfully compare annual total baptisms of a church worshipping 1,000 with annual total baptisms of a church worshipping 30. However,

⁷ Claritas is a Nielson company and provides demographic information for many industries.

if baptisms are expressed as a percentage of average worship attendance, the comparisons are more meaningful. Therefore, we have constructed indicators such as baptism percentages—the number of baptisms divided by worship attendance.

Additionally, there are important trends, such as declining worship attendance or increasing giving to the operating budget. We construct indicators that reflect these trends such as the percentage change in worship attendance between 2014 and 2018—the latest report available. We find percentage changes in worship attendance, total giving to the operating budget, and annual spending on programs important, among others.

Finally, there are statistical procedures that also provide useful information—particularly regression analysis. This statistical procedure is used to examine patterns of giving. We find that total giving per worship-attendeer helps us understand the financial strength of the congregation. A county seat church in a mostly rural county reports a giving per attendee figure of \$220. A large church in a suburban community reports a giving per attendee figure of \$2,060. Both churches have developed annual operating budgets that reflect these two figures. However, what matters to a church is significant change in these figures.

Regression analysis helps observe these changes. For many churches the figure merely increases with the passage of time. Members become more generous the longer they attend a specific church. We can measure the magnitude of this change. It might be \$20 per year or \$250 per year. It matters whether it is \$20 or \$250.

Additionally, the giving per attendee can change as worship attendance changes. A church might experience decreasing worship attendance but those leaving the church are those who rarely give. With the decline in worship attendance, the average giving per attendee actually increases. It matters whether the increase is \$7 or \$25. Regression analysis provides these numbers, and they are included in our work.

Although hundreds of indicators can be used directly (e.g., worship attendance) or formed with others, this study makes use of 18 indicators. Each is explained in the presentations of disciple-making and church classifications below.

Expressions of Corporate Disciple-Making

Rev. Junius Dotson's recent text from Discipleship Ministries presents five components of church disciple-making that guide the design of our portrait, using the statistical evidence from local churches and other sources. Each of the components is explained below:

Worship: “A maturing disciple begins to worship every day, including the Sabbath, inviting others.”



Each local church strives to expand the worship experience to more and more people. To properly reflect the engagement of worship in disciple-making, the church's percentage change in worship attendance is a useful indicator. This indicator measures the change in worship attendance between 2014 and 2018.

One of the goals of the local church is to attract both members and visitors into its worship. For many attendees, the worship service is the starting point to discipleship—or the entry point of the church. The single indicator used for this component of discipleship is labeled:

attend_14_18 Change in worship attendance between 2014 and 2018

This indicator measures the percentage change in worship attendance for every church between 2014 and 2018. The change in worship attendance of a local church is generally reviewed more frequently among church leaders than almost any other indicator. As noted in Figure 2, the annual percentage decline in total worship attendance has significantly decreased—from 2.9% between 2014 and 2015 to 0.6% between 2017 and 2018.

To identify those churches with the higher percentage changes, a high mark is set for this indicator. The mark for the Texas Annual Conference is a percentage change of 10.4% over the four years.⁸

Community: “Builds relationships with others and shares with them the life and community that they have found in God and their faith community.”

⁸ The 10.4% four-year growth equals an annual growth of 2.5% which is strong but certainly attainable. This mark identifies the top 16% of local churches in each of the two groups of churches.

Local churches bring members together in community outside the worship services. Gathering times often include Sunday school, small groups, Wednesday night fellowship, Bible studies, choir practices, UMW meetings, prayer breakfasts, and a host of others.



Community brings together children and youth who, years into the future, become the local church's leaders. Adult Sunday school creates friendships that last decades. Small groups extend community throughout the week in church classrooms, fellowship halls, and in our own homes. They include Vacation Bible School, summer camps, and MYF.

There are two indicators for this component of disciple-making: 1) Sunday school attendance as a percentage of worship attendance, and 2) enrollment in confirmation classes as a percentage of membership. Both seek to capture important gatherings of people outside of worship.

Sunday school attendance as a percentage of worship attendance over the entire period, 2014 to 2018:

attsch_att_14_18 **Sunday school attendance as a percentage of worship attendance during the 2014 to 2018 period**

Sunday school attendance as a percentage of worship attendance has been on the decline for many years in the nation and in the Texas Annual Conference. Studies suggest that there are consequences of this negative trend.⁹ The assigned limit for this indicator is the point that identifies the top 25% of churches for this measure of Sunday school attendance.

The second indicator for the Community component is the enrollment in confirmation classes relative to church membership. This indicator is labeled:

confirm_memb_14_18 **Enrollments in confirmation classes as a percentage of membership during the 2014 to 2018 period**

⁹ Donald R. House, Sr., "Sunday School and Other Small Groups: Substitutes?" ILCG, April 2008.

This, too, is a stage for assembling people into a community. However, this stage is for those around the age of 12. The confirmation class brings youth together for specialized Christian education, leading to church membership. It often triggers baptisms. It is a special assembly in the life of the congregation. The assigned limit for this indicator is also the point that identifies the top 25% of churches for this measure of enrollments in confirmation classes.

The purpose of these two indicators is to capture the level of participation in Sunday school and confirmation classes. There are other assemblies of people in the life of the congregation, but these are the principle opportunities outside of worship for Christian education.

The assigned limit for Sunday school attendance as a percentage of worship attendance is 50%, representing the 66th percentile or the top third of churches. The assigned limit for confirmation class attendance as a percentage of church membership is 1.10% or the 75th percentile.

Spiritual Practices: “Enjoys and practices spiritual disciplines, and begins to show others how to use them to grow in faith and be drawn closer to God.”

Spiritual practices require specific direction and support. Churches employ skilled staff to create the programs that foster the development of spiritual practices. Churches frequently attract members for the purpose of fellowship, such as the Sunday school Christmas party or the children’s annual Easter Egg Hunt. These activities are always welcomed. However, there are also times in which members are taught spiritual practices. These gatherings are different.



Successful teaching of spiritual practices is intentional— a result of effective planning, staff support, and program funding. The indicators selected for spiritual practices reflect the propensity of a local church to provide the funding for programs and skilled staff. Without financial and staff support, it is difficult to imagine a well-designed pathway for discipleship. In fact, the lack of such support among churches with worship attendance of 75 and above, suggests a lack of focus on disciple-making.

The indicators for this component of disciple-making include:

1) Program spending per worship attendee:

pgm_exp_att_14_18	Total program expenditures divided by worship attendance during the 2014 to 2018 period
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2) Staff (non-clergy) compensation per worship attendee:

staf_exp_att_14_18	Total non-clergy compensation divided by worship attendance during the 2014 to 2018 period
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Church staff brings to a congregation specialized expertise and experience not commonly found among members of the congregation. These staff members often include a choir director, musicians and organist, a children’s director, a youth director, a facilities manager, a communications director, a small group coordinator, and others. Appointed pastors are important, but the other staff members are critical in carrying out the full mission of the church. Of course, some churches with worship attendance have no staff other than the appointed pastor. Church members volunteer for these duties. At the extreme, a church spends over \$3,000 per worship attendee on staff compensation. The reliance upon

spending levels for programs and staff for spiritual practices is a recognition that merely assembling members for gatherings and fellowship is not sufficient.

The assigned limit for program support per worship attendee is \$222 which represents the 75th percentile. The assigned limit for non-clergy staff compensation per worship attendee is \$990 which also represents the 75th percentile. To excel in this category, a church must exceed the assigned limit for both indicators.

Generosity and Service: “Tithes and gifts beyond a tithe as God leads and restructures their life and resources to join Jesus in service to others.”

Members’ generosity of money and time reflect the priorities of the church in people’s lives. It is the money that funds the facilities, staff, and ministries of the congregation. Time and time again, when the church deeply impacts the lives of its members, giving to the church increases.



Total giving to the operating budget changes with the passage of time. Greater levels of giving open the doors to new ministries. Decreases in giving almost always result in the elimination of ministries and staff. On a per worship-attendee basis, decreases in giving suggest a loss of effectiveness in disciple-making.

Two indicators are designed for this component of disciple-making: giving per worship-attendee and percentage changes in total giving. The assigned limits for these two indicators are very difficult to achieve.

1) The first indicator for this component is average giving per worship attendee over the period 2014 to 2018.

give_att_14_18 **Total receipts in support of the operating budget divided by worship attendance during the 2014 to 2018 period**

The average giving per worship-attendee among churches with worship attendance of 25 to 74 equals \$1,999. The average among churches with worship attendance of 75 and above equals \$2,737.

2) The other measure of generosity is perhaps the most important—percentage changes in total financial support of the operating budget—between 2014 and 2018. Congregations pray for continuing improvements in this financial support in order to expand ministries with the passage of time.

give_14_18 **Change in total receipts in support of the operating budget between 2014 and 2018**

A church can implement a very effective stewardship campaign that leads to an increase in giving per worship-attendee. Meeting or exceeding this level of giving over the next four years is a challenge. Total giving per worship attendee for a church is an important metric because it reflects the generosity of the average, active member.

The assigned limit to the giving per attendee for churches with worship attendance of 25 to 74 is \$2,501 which represents the 75th percentile. The assigned limit to giving per attendee for the larger churches, worship attendance of 75 and above, is \$3,044 which is also represents the 75th percentile.

The assigned limit for changes in total giving for the smaller churches is 7.3%, and the assigned limit for the larger churches is 6.2%. Both represent the 75th percentile within both groups of churches.

Christ-likeness: “Partners with God and invites others to explore the life and teachings of Christ.”

A successful local church is one that brings people to Christ. The most celebrated forms of disciple-making in a congregation are baptisms and professions of faith.

There are two indicators for this component of disciple-making. The first indicator is the number of baptisms per worship attendee.

baptisms_att_14_18 **Total baptisms divided by worship attendance during the 2014 to 2018 period**

It is constructed from total baptisms, children, youth, and adults, between 2014 and 2018, and divided by total worship attendance over the same period. There are some churches that never

reported a baptism over the four years. The average number per worship attendee is 7.5% for the smaller churches and 3.6% for the larger churches.



Churches schedule professions of faith following the completion of confirmation classes for youth. There are also the confirmations of older youth and adults who commit themselves to Christ at older ages. Both reflect personal commitments to Christ and his church. However, the professions of faith developed from confirmation classes are already registered through another indicator presented above. To capture only those professions of faith developing from other pathways, the indicator considers only those professions of faith from other origins.

The indicator for adult professions of faith per worship attendee is as follows:

adult_prof_att_18

Members received through professions of faith, excluding youth enrolled in confirmation classes divided by worship attendance in 2018

This indicator represents the total professions of faith among older youth and adults per worship attendee. The average percentage from the smaller churches equals 2.36%, and the average from the larger churches equals 2.47%--almost the same.

The assigned limit to total baptisms per worship attendee is 3.67% which represents the 75th percentile for the smaller churches and 3.96% for the larger churches which also represents the 75th percentile. The assigned limit to adult professions of faith per attendee is also 3.00% for the smaller churches and 3.20% for the larger churches, both representing the 75th percentile.

The assigned limits to each of these indicators are applied to the 198 smaller local church reports and to the 202 larger local church reports. These are used to identify the churches that passed the qualifications for each of the disciple-making components. The church must exceed the qualification

limits of all indicators within a disciple-making component to qualify.¹⁰ For example, to qualify for the community component, the church must exceed the qualification limits for both Sunday school attendance percentage and confirmation enrollment percentage. A church might pass one of the two indicators for Community but fail the other. This makes it difficult to qualify for a component with two indicators.

Rev. Junius Dotson calls for a system to engage in disciple-making which focuses upon all of the components instead of one or two. Our results display the extent to which our churches successfully implement an effective system.

Collectively, there are no churches that met all the conditions set forth for the five components. Only three churches met the condition for four of the five components. A total of 112 of the 202 churches failed to meet the conditions for any component. The results are presented in the table below.¹¹

Table 3
Texas Annual Conference
Disciple-Making Components
Local Church Achievements
Worship Attendance 75 and Above

Total	Number of	1	2	3	4	5
Passed	Churches	Worship	Community	Spiritual	Generosity	Christlike
0	112	0	0	0	0	0
1	62	30	7	11	3	11
2	20	13	5	9	7	6
3	6	6	3	1	4	4
4	2	2	1	2	1	2
5	0	0	0	0	0	0
Total	202	51	16	23	15	23

As noted, 112 of the 202 churches (or 55.4%), with average worship attendance of 75 and above, failed to exceed the assigned limits for any of the five components. Among those meeting the limits for one of the five components, worship was the most frequently recorded with 51 churches passing out of the 202 total churches. Spiritual (funding of programs and staff per attendee) and Christlikeness (baptisms and professions of faith) appear twice as difficult as Worship—each having 23 churches passing these components. Community (Sunday school and confirmation classes) and Generosity (giving per attendee and growth) appear to be the most difficult. Perhaps the takeaway is

¹⁰ This is not unlike the college student that makes the dean’s list. The student has to have all “A”s.

¹¹ Trial Annual Conference 2b.xlsx.

that activities in the sanctuary (worship, baptisms, professions for faith) are less challenging than the activities outside worship—giving, Sunday school, and confirmation class.

Table 4
Texas Annual Conference
Disciple-Making Components
Local Church Achievements
Worship Attendance 25 to 74

Total	Number of	1	2	3	4	5
Passed	Churches	Worship	Community	Spiritual	Generosity	Christlike
0	105	0	0	0	0	0
1	72	35	8	13	6	10
2	20	13	6	5	3	11
3	1	1	0	0	1	1
4	0	0	0	0	0	0
5	0	0	0	0	0	0
Total	198	49	14	18	10	22

Among the smaller churches, 105 of the 198 churches (or 53.0%) failed to pass a single disciple-making component. None of the churches passed four components, and, as with the larger churches, none of the churches passed all five of the components. Similar to the larger churches, Worship was the most frequently passed component. Among the smaller churches, Generosity was the most difficult.

Classifications and Stability

In addition to the five components of the path toward discipleship, it is necessary to consider the stability of our churches. It is extremely difficult to focus upon disciple-making when the very survival of a local church is challenged. The stability of a local church, in this report, is evaluated using a unique set of indicators that have been shown to relate to the survivability of a local church. With these indicators, we can determine which churches are in danger of closure, which churches are struggling, and which churches have reached a state of excellence where focus upon disciple-making is possible.

As in the disciple-making examination, local churches in the annual conference are grouped into two sizes: churches with worship attendance of 25 to 74 and churches with worship attendance of 75 and above. Special indicators are constructed for the purpose of assignments to defined classifications. There are seven classifications, each registering differing levels of church health and stability. The seven classifications are designed to fit at the two extremes—the very challenged and those achieving high levels of excellence. Only 108 or about a fourth of the 400 annual conference churches examined have

been assigned to classifications belonging to the two extremes. Most fit between the two extremes and remain “unclassified.”

Selected Indicators

There are 13 indicators used in the classifications of churches. Six of the indicators are used in the disciple-making assignments, so there are only seven additional indicators. Each is explained below.

Some churches have as members mostly older adults, and with the passage of time more and more members are removed from membership records due to death. An indicator is constructed by dividing the number of members removed due to death by total membership.

death_rate_14_18

Number of members removed from membership due to death divided by total membership during the 2014 to 2018 period.

This indicator measures deaths and total membership totals over the 2014-2018 period. For many churches, the more generous members are the older members. A high death rate affects the overall generosity of the congregation. A rather large death rate, such as 2.0% or more is not a good thing.

Every church experiences membership turnover. The church is at financial risk when those leaving the church, due to death or member relocations, were more generous givers than the new members replacing them. An indicator has been constructed to measure the effect of membership turnover.

year_coef

A statistical measurement of the year-to-year change in total giving to the operating budget divided by worship attendance, holding total worship attendance constant over the period 2010 to 2018

This is a statistical measure based upon a regression analysis. It simply measures the tendency of worship attendee giving to grow or decline with the passage of time. Membership turnover can drive this measure as does an improving sense of generosity. Consider a downtown church with a changing neighborhood. Some of the more affluent members are transferring to the United Methodist church in the suburbs. The church reaches out to the lower income families moving into the neighborhoods with a special worship service conducted in Spanish. Total worship attendance remains stable, but the average giving per attendee is declining \$203 per year. Consider a county seat church with a stable membership. The membership is continually presented sermons, testimonies, scripture, and Sunday school materials addressing generosity. Members respond to each annual stewardship campaign with increases in annual pledges. The average giving per worship-attendee increases \$118 each year. The measured year coefficient for the downtown church is -\$203. The year coefficient for the county seat church is a positive \$118.

Some churches experience declining worship attendance while others experience increasing worship attendance. Consider a church with a membership consisting of both young and old members, but the older members are the more generous. If the church is in decline, largely caused by the death of the older members, and there are no new members joining. There is no one replacing the gifts once provided by these departing members. As a consequence, the average giving per worship attendee decreases with the decline in worship attendance. An indicator is constructed to measure this effect.

attend_coef

A statistical measure of the change in total giving to the operating budget divided by worship attendance, as worship attendance increases or decreases within the same calendar year.

This is another statistical measure. It measures the change in giving per worship attendee through either increases or decreases in worship attendance. A congregation that is growing but through young families with mortgages and car notes will register a sizable, negative coefficient, -\$28 for a suburban church in a growing area. The giving level of the new attendees is well below that of the established members in the pews. This is not a bad thing, but it can bring with it financial challenges. If a congregation is in decline due to a high death rate without new members replacing them, a negative \$20 would reflect the loss of very generous members and only average givers remain.

The program expenditures per worship-attendee is one of our indicators used disciple-making. However, it does not capture changes in total program expenditures. The next indicator measures the percentage change in total program expenditures between 2014 and 2018.

prog_exp_14_18

Change in program expenditures between 2014 and 2018

Some churches facing financial difficulties choose to reduce funding for programs. A church in decline that reduces program expenditures in proportion to the decline in worship attendance will record no change in program expenditures per worship attendee. This indicator registers the decrease in total program expenditures. Studies prove that increases in funding programs leads to increases in worship attendance and other components of disciple-making.¹²

¹² Donald R. House, Sr., "A Strategic Plan for Growth in the United Methodist Church," ILCG, December 2015.



The next indicator is similar to the previous one. It measures changes total staff compensation (non-clergy) between 2014 and 2018.

staf_exp_14_18 **Change in non-clergy total staff compensation between 2014 and 2018**

Studies also prove that increases in total staff compensation (non-clergy) tend to promote increases in worship attendance and total giving to the operating budget.



The next indicator measures the extent to which children and youth are involved in formation classes. The indicator is constructed by counting children and youth participation in formation classes divided by worship attendance for the year 2018. A younger congregation reports a larger percentage.

child_youth_att_18 **Number of children and youth participating in all formation classes divided by worship attendance in 2018**

It reflects the magnitude of children and youth involvement relative to worship. In many thriving congregations, this percentage exceeds 100%. Among the smaller churches, some report no children and youth involvement.



Growing churches tend to finance improvements and expansions in facilities through loans. There are churches that refuse to take on debt. There are churches that borrowed funds to the point of inhibiting funding of program and staff. The next indicator measures the size of church debt relative to total giving to the operating budget.

debt_ratio_14_18

Church debt from property purchases and improvements divided by total giving to the operating budget during the 2014 to 2018 period

Most of the smaller churches report no debt. Only about half of the larger churches report debt. For some churches the ratio exceeds 100% but is well managed through disciplined budgeting. Studies demonstrate that the use of well managed debt encourages church growth.¹³

There is a common understanding that changes in the neighborhood can affect positively or negatively a church's worship attendance. Studies confirm this common understanding. To take this into account, an indicator has been constructed.

affinity_14_18

Change in the number of residents with the same ethnic/racial composition as is dominant in the congregation within a 3-mile radius of the church between 2014 and 2018

This indicator measures the change in the number of residents within a 3-mile radius of the church with racial/ethnic registration that best match the congregation—between 2014 and 2018. Churches located where their affinity populations are growing tend to experience growth in worship

¹³ Donald R. House, Sr. and Lovett H. Weems, Jr., "Local Church Indebtedness and Local Church Vitality: Will the Increase in Local Church Indebtedness Over the Past Decades Pay Dividends?", ILCG, September 2011.

attendance. Others, with declining affinity populations, face challenges. These challenges can be met and overcome but only with deliberate strategies in place.

Classifications

There are three primary classifications: “Excellence Attained,” “Unsustainable,” and “Approaching the Tipping Point.” The “Excellence Attained” classification is a level of excellence that relatively few churches reach. It is purposely designed to exclude all but a handful of churches.

The “Unsustainable” classification is based upon known experiences of churches in trouble. Three churches were identified by conference leaders as having passed the point of no return. If significant changes had been made a decade ago, the churches would be healthy today. Changes were not made. These churches were examined through the eleven indicators. Unique patterns were observed, and the patterns were used to identify other churches with the same patterns. The patterns among the indicators of these three churches were used to create the “Unsustainable” classification.

The “Approaching the Tipping Point” classification is also based upon actual experiences. Congregations were said to be dying, but the local church leaders were unaware. Using the pattern of indicators of these dying churches, the “Approaching the Tipping Point” classification was created. Two types of conditions were considered. One in which a church is struggling with a deteriorating affinity population, and another in which the church’s affinity population is improving. The specifics of the classifications are explained below.

Excellence Attained (Grades 1 and 2)

The first two classifications to be considered are named “Excellence Attained”-- **Grade 1** and **Grade 2**. **Grade 1** includes churches meeting the requirements for “Excellence Attained” but carry little or no debt. **Grade 2** includes churches that met these conditions but carry relatively high levels of debt. These churches are growing in worship attendance, giving to the operating budgets, strong financial support of programs and staff, significant representations of children and youth, and few deaths among members.

Unsustainable Conditions (Grades 3, 4, and 5)

The next three classifications capture churches that are not in such conditions that warrant the assignments to Grades 1 and 2, but they face challenging conditions which will be difficult to maintain. They will either get worse or get better. Some might maintain their present conditions, but the maintenance will be difficult.

Grade 3 captures the church with high death rates and declining budgets. The church assigned to this category has signs of missed opportunities. The congregation is aging, and the most generous donors are reaching the end of life. The church did not attract the young families who grow into maturity with higher incomes, little or no mortgage debt, and exhibit increasing generosity. These

members are too few in number to offset the generous contributions among members who have died. Attendance for most of these churches is growing due to strong support of programs, in spite of declining financial support of staff. The declining budget challenges the funding of programs that attract new members.

Approaching the Tipping Point (Grades 6 and 7)

Grade 6 is also named “Approaching the Tipping Point,” and these churches are located where affinity populations are growing—an advantage for most congregations. The existence of churches assigned to **Grade 6** is somewhat puzzling. **Grade 7** includes those churches with this classification, but their locations are challenging—declining affinity populations. They tend to have relatively high death rates, weak and declining financial support of programs and church staff, small, if any, confirmation classes, and weak, declining financial support of their operating budgets.

In the Texas Annual Conference, 65 churches are classified and assigned to one of the seven categories out of a total of 202 churches, all with worship attendance greater than 75. A total of 133 churches fell into the middle group, without distinction of difficult conditions or achieving levels of excellence. Table 5 presents the results of the classifications.

Table 5
Classifications
Texas Annual Conference
Worship Attendance 75 and Above

Grades		Churches
<i>Excellence Attained</i>		14
Grade 1	<i>Little or no debt</i>	11
Grade 2	<i>Significant debt</i>	3
<i>Unsustainable</i>		17
Grade 3	<i>Falling budgets, increasing attendance</i>	5
Grade 4	<i>Falling budgets, cutting programs</i>	1
Grade 5	<i>Falling budgets, cutting staff</i>	11
<i>Approaching the Tipping Point</i>		38
Grade 6	<i>Good locations: increasing affinity</i>	16
Grade 7	<i>Poor locations: decreasing affinity</i>	22
<i>Total Classified</i>		69
<i>Unclassified (the middle)</i>		133
<i>Total Churches</i>		202

Out of 202 local churches with worship attendance of 75 and above, only 14 churches reached the classification of “Excellence Attained.” Seventeen churches were found to exist in “Unsustainable” conditions, and 38 churches were determined to be in the worst of conditions—“Approaching the Tipping Point.”

Table 6 presents the classification results for churches with worship attendance of 25 to 74.

Table 6
Classifications
Texas Annual Conference
Worship Attendance 25 to 74

Grades		Churches
<i>Excellence Attained</i>		2
Grade 1	<i>Little or no debt</i>	0
Grade 2	<i>Significant debt</i>	2
<i>Unsustainable</i>		18
Grade 3	<i>Falling budgets, increasing attendance</i>	2
Grade 4	<i>Falling budgets, cutting programs</i>	9
Grade 5	<i>Falling budgets, cutting staff</i>	7
<i>Approaching the Tipping Point</i>		19
Grade 6	<i>Good locations: increasing affinity</i>	10
Grade 7	<i>Poor locations: decreasing affinity</i>	9
<i>Total Classified</i>		39
<i>Unclassified (the middle)</i>		159
<i>Total Churches</i>		198

Only two churches reached the “Excellence Attained” classification. Eighteen are considered “Unsustainable” and 19 were assigned to the “Approaching the Tipping Point” classification.

Among the 400 churches examined, 16 were classified in the top category, 35 were found to be “Unsustainable,” and 57 were assigned to the “Approaching the Tipping Point” classification. From an annual conference perspective, 92 of the 400 churches deserve further examination and grouping. There will be several with the same “deficiencies” warranting similar strategies. There will be some that could be deemed “hopeless” in that reversing decline, given the scope of deficiencies, might not be worth an investment in revitalization. Among the smaller churches, 9.6% were classified as “Approaching the Tipping Point.” Among the larger churches, 18.8% were so classified.

The rules for classifying large churches and small churches among the categories are scaled to reflect the differing scores in each group. For instance, the rule for passing the children/youth formation classes participation per worship-attendee to be assigned to the Excellence Attained category is above the 50th percentile for both large and small churches—the middle of the scores. For the small churches, the 50th percentile is 25.3%. For the larger churches the 50th percentile is 48.6%. The very small number of smaller churches being assigned to the Excellence Attained category is puzzling.

Predictability

The classification of churches proved to be useful in several respects—one of which is predictability. The “Approaching the Tipping Point” classifications (Grades 6 and 7) are designed to identify those churches that are in distress and possibly reaching a point in only a few years of declining toward church closure. It is not a death sentence, but it serves as a warning. We can test the predictability of these classifications by turning back the clock and observing the current classifications as a comparison.

The initial classifications were constructed with the latest end-of-year reports for 2017 among the larger churches. The 2017 classifications are based upon end-of-year reports from 2013 to 2017. We can use end-of-year reports from 2009 to 2013 to classify churches as if 2013 were the latest records available. Doing so, we can compare the classifications from 2013 with the more recent classifications of the same churches from 2017. This comparison reflects the predictability of predictability of classifications. Among those churches classified in Grade 6 and Grade 7 using the 2009 to 2013 records, what were the classifications of these churches by 2017? The results of the predictions are presented in Table 7 below.

Table 7
Texas Annual Conference
Worship Attendance 75 and Above
Findings: Approaching the Tipping Point
Four Years Later

	Grade 7		Grade 6	
2013 Class	30		20	
2017 Class				
Closed	8	26.7%	1	5.0%
Grade 6 or 7	12	40.0%	9	45.0%
Grade 5	0	0.0%	0	0.0%
Grade 4	2	6.7%	0	0.0%
Grade 1			1	5.0%
No Grade	8	26.7%	9	45.0%

In 2013, there were 30 churches classified Grade 7 and 20 churches classified Grade 6. Eight of the Grade 7 churches closed before the end of 2017—or 26.7% closure rate. One of the Grade 6 churches closed before the end of 2017—or 5.0% closure rate.

There were 674 churches operating at the end of 2013. By the end of 2017, there were 641 of those churches remaining. The overall closure rate equals 4.9%. For Grade 7 churches, the actual closure rate is 26.7% compared to the average closure rate for all churches was 4.9%. Among Grade 7 churches, one can expect, on the basis of these data, the closure rate within four years will be over five times the closure rate of the average church. This is a terribly important finding.

Recall Grade 6 churches are those with considerable challenges but are located where affinity populations are growing. The closure rate among Grade 6 churches is 5.0%, which compares with the overall closure rate of 4.9%. Thus, Grade 6 churches over this period of time exhibited a closure rate for all churches.

The usefulness of the Grade 7 classification should be apparent. A current Grade 7 classification, such as the 22 churches listed above, suggests that within four years, five or six of these churches are expected to close unless some church revitalization program is initiated or a carefully selected pastor is appointed.

The results include the churches that were classified as “Approaching the Tipping Point” in both the early time interval and the latter time interval. There are 18 churches in the 2018 classifications remained in this category (Grades 6 and 7) between the two time intervals. The results indicate that those remaining did not fare well, in spite of escaping closure. Table 8 presents these results.

Table 8
Texas Annual Conference
Worship Attendance 75 and Above
Churches With and Without “Approaching the Tipping Point Classification
Intervals 2010-2014 and 2014-2018
Selected Indicators

Churches With "Approaching the Tipping Point" Classification						
	Worship		Professions		Participation	Sunday
	Attend	Baptisms	of Faith	Formation	School	
2010-2014	18,605	577	769	30,340	10,422	
2014_2018	15,403	406	555	27,757	7,826	
Change	-17.2%	-29.6%	-27.8%	-8.5%	-24.9%	
Churches Without "Approaching the Tipping Point" Classification						
	Worship		Professions		Participation	Sunday
	Attend	Baptisms	of Faith	Formation	School	
2010-2014	364,553	14,397	20,518	538,242	145,529	
2014_2018	346,863	12,524	16,588	615,048	130,776	
Change	-4.9%	-13.0%	-19.2%	14.3%	-10.1%	

With every indicator, the deteriorations between the two time intervals are much greater among the Grade 6 and Grade 7 churches than among the churches there were never classified in this category.¹⁴ For 44% of the churches classified as either Grade 6 or Grade 7 in 2010 to 2014, they either closed by 2018 or reported significant deteriorations in disciple-making components.

Combinations: Disciple-making and Stability

The conditions established for classification assignments and for grading the components of disciple-making differ. There are some striking combinations that tell some interesting and valuable results. Among the 400 churches examined (both groups), there were 108 churches that were assigned to a classification category. Eighteen churches were classified the Excellence Attained category (Grades 1 and 2). The remaining classified churches were assigned to either the Approaching the Tipping Point category (Grades 6 and 7) or the Unsustainable category (Grades 4, 5, and 6).

¹⁴ There are 18 churches with the Grade 6 and Grade 7 classifications and 151 churches without these classifications.

Table 9 presents the distribution of churches that were classified, passed at least one disciple-making category, and all remaining churches. Those remaining churches were not assigned to a classification category and failed to pass a single disciple-making component.

Table 9
Texas Annual Conference
Disciple-Making Components and Classifications
Distribution of Churches

	Small	Large	Total
Total Churches	198	202	400
Disciple-making			
At last one component passed	92	90	182
Percent	46.5%	44.6%	45.5%
Classifications			
Assigned to a grade	32	69	101
Percent	16.2%	34.2%	25.3%
Disciple_making + Classification			
Disciple component + grade	8	19	27
Percent	4.0%	9.4%	6.8%
Neither Disciple nor Classification	82	64	146
Percent	41.4%	31.7%	36.5%

There are several points of interest. For both groups of churches, 45.5% of the churches passed at least one component of disciple-making. For the smaller churches it is 46.5%, and it is 44.6% for the larger churches. Relatively few smaller churches were assigned to a classification category—16.2% of the smaller churches and 34.2% of the larger churches. Only 31.7% of the larger churches neither passed a single disciple-making component nor were classified, compared to 41.4% of the smaller churches. Failing to pass a single disciple-making component is not a preferred result. Failing to be classified simply places a church in between a condition of excellence and a challenging condition.

The specific disciple-making components among those assigned to classification categories are telling. Table 10 presents the classifications and the disciple-making components patterns for the larger churches.

Table 10
Texas Annual Conference
Disciple-Making Components and Classifications
Classifications and Disciple-making Components
Worship Attendance of 75 and Above

	Churches	Worship	Community	Spiritual	Generosity	Christ-like
<i>Excellence Attained</i>	1	<i>no disciple-making components passed</i>				
	13	9	1	7	5	1
<i>Unsustainable</i>	11	<i>no disciple-making components passed</i>				
	3	0	0	1	0	2
<i>Approaching the Tipping Point</i>	36	<i>no disciple-making components passed</i>				
	2	0	0	1	0	2

Thirteen of the fourteen churches classified as “Excellence Attained” passed at least one disciple-making component. Among the 13 churches, the worship component was the most frequently passed (9 churches). The Spiritual component was the next most frequently passed (7 churches). Generosity was the next most frequently passed component (5 churches). The most difficult components were Community and Christ-likeness.

Table 11 presents the combined results for the smaller churches—those with worship attendance of 25 to 74.

Table 11
Texas Annual Conference
Disciple-Making Components and Classifications
Classifications and Disciple-making Components
Worship Attendance of 25 to 74

	Churches	Worship	Community	Spiritual	Generosity	Christ-like
<i>Excellence Attained</i>	0	<i>no disciple-making components passed</i>				
	2	1	0	2	0	0
<i>Unsustainable</i>	11	<i>no disciple-making components passed</i>				
	5	1	0	3	0	2
<i>Approaching the Tipping Point</i>	18	<i>no disciple-making components passed</i>				
	1	0	0	1	0	0

The patterns for the smaller churches are similar to that of the larger churches. Yet, there were only two churches in the smaller group that were classified as “Excellence Attained,” and both passed at least one disciple-making component. Only five of 16 churches classified as “Unsustainable” passed at least one disciple-making component. None passed the Community component. None passed the Generosity component. Two passed the Christ-likeness component—same result for the larger churches.

Among the smaller churches assigned to Approaching the Tipping Point, only one of the 19 passed any of the disciple-making components. For the larger churches assigned to this category, it was two of the 32 churches.

Being assigned to the Excellence Attained category increases the likelihood of passing at least one of the disciple-making components. The Unsustainable category is one in which between a third and a half of the churches pass at least one disciple making category. The assignment to Approaching the Tipping Point category makes passing at least one disciple-making category rare.

Districts

The districts are served by their district superintendents who are extensions of the bishop’s office. They serve as a resource in carrying out the duties of the annual conference—including “equipping local churches for ministry.” Each district has its own District Leadership Team which assists the district superintendent in serving its local churches. In equipping district churches, it is useful to assess the readiness of each church in its ability to make disciples—both now and into the future. Additionally, it is important for the annual conference leadership to assess these conditions in each district in order to allocate its resources across the districts in carrying out its duties.

The scores of all the indicators can be used as an important tool in assessing districts' strengths and weaknesses. Percentiles of scores are useful in that they place a specific score in the context of all other scores. For instance, a percentage of adults joining the church by profession of faith as a percentage of worship attendance for a church in the large group might be 4.8%. This alone is not terribly informative. However, knowing that only 10% of all the large churches scored above 4.8% is quite informative.

Using the indicators, we have calculated average percentiles of indicators among district churches as a measure of strength and weakness in key areas of ministry. Consider a district of 30 churches in the large group. One of the 30 churches has a number of baptisms as a percentage of worship attendance equal to 2.2% which falls exactly at the 25th percentile in the annual conference. If all of the 30 churches were found to have their own percentiles under 50%, the district average percentile would be below 50%. In the following tables, the maximum and minimum average percentiles among the nine districts are highlighted—maximum percentages are shaded.

Table 12
Texas Annual Conference
Disciple-Making Components
District Average Percentiles
Worship Attendance 75 and Above

District	<i>Worship</i>	<i>Spiritual</i>		<i>Community</i>		<i>Generosity</i>		<i>Christ-Like</i>	
	Attend	Programs	Staff	Confirm	Sunday School	Giving per Attend	Giving Growth	Baptisms	Profess
Central North	62	54	57	53	46	50	54	61	54
Central South	50	57	50	48	43	57	50	63	60
East	56	51	44	37	58	50	49	35	54
North	44	51	45	49	72	52	51	41	39
Northwest	50	46	44	44	66	40	44	25	52
South	45	48	53	52	40	49	57	58	40
Southeast	40	43	42	47	50	50	44	56	47
Southwest	47	48	59	59	45	58	48	55	48
West	58	52	49	57	44	46	58	44	56

The average percentiles for each of the nine districts are listed in the table. For instance, the Central North District has an average attendance percentile of 62. The Southeast District has an average attendance percentile of 40. This means that the percentage changes in attendance among churches in the Central North District, on average, are higher than those in the Southeast District.

The Southeast District has four indicators with the lowest average percentiles—attendance, programs, staff, and growth in giving. The Northwest District has three indicators with the lowest average percentiles—giving per worship-attende, giving growth, and baptisms. The Southwest District

has three indicators with the highest average percentiles (staff, confirmation percentage, and giving per worship-attende, and the West District has two indicators with the highest average percentiles (giving growth and professions of faith).

The strengths and weaknesses of districts among the larger churches are easily detected. Confirmation class percentages are, on average, weak in the East District (37) and strong in the Southwest District (59). Sunday school attendance percentage is very strong in the North District (72) but weak in the South District (40).

Table 13 presents the district averages among the churches with worship attendance between 25 and 74.

Table 13
Texas Annual Conference
Disciple-Making Components
District Average Percentiles
Worship Attendance 25 to 74

District	Worship		Spiritual		Community		Generosity		Christ-Like	
	Attend	Programs	Staff	Confirm	Sunday School	Giving per Attend	Giving Growth	Baptisms	Profess	
Central North	55	48	38	40	32	43	48	53	42	
Central South	42	52	59	46	34	52	45	49	50	
East	57	51	40	35	56	48	54	50	38	
North	53	52	48	45	62	46	46	56	46	
Northwest	45	48	51	44	58	53	50	43	46	
South	32	42	56	44	38	60	46	60	40	
Southeast	42	56	54	33	48	68	48	45	19	
Southwest	59	54	51	47	51	50	54	46	25	
West	56	48	42	26	46	44	57	42	40	

The Central North District has three indicators with the smallest averages. The North District has the largest average for Sunday school attendance percentage.

In addition to the disciple-making evaluations, it is useful to present the classifications of churches by district.

Table 14
Texas Annual Conference
Classifications
District Totals
Worship Attendance 75 and Above

<i>Grades</i>	Excellence		Unsustainable			Tipping Point	
	1	2	3	4	5	6	7
<i>Central North</i>	3	1			1	1	1
<i>Central South</i>	3		1		3	6	
<i>East</i>	1		1	1	1		2
<i>North</i>			1			1	5
<i>Northwest</i>					1	3	1
<i>South</i>	2	1	1		3	3	3
<i>Southeast</i>						1	6
<i>Southwest</i>	2				1	1	
<i>West</i>		1	1		1		4
Total	11	3	5	1	11	16	22

The Central North District has four of seven classified churches in the Excellence Attained category. The Southwest District has two of four classified churches in the Excellence Attained Category.

The distributions among all classifications among the districts are presented below:

Table 15
Texas Annual Conference
Classifications
District Percentages
Worship Attendance 75 and Above

<i>Grades</i>	1&2	3,4&5	6&7	Total
<i>Central North</i>	57.1%	14.3%	28.6%	100.0%
<i>Central South</i>	23.1%	30.8%	46.2%	100.0%
<i>East</i>	16.7%	50.0%	33.3%	100.0%
<i>North</i>	0.0%	14.3%	85.7%	100.0%
<i>Northwest</i>	0.0%	20.0%	80.0%	100.0%
<i>South</i>	23.1%	30.8%	46.2%	100.0%
<i>Southeast</i>	0.0%	0.0%	100.0%	100.0%
<i>Southwest</i>	50.0%	25.0%	25.0%	100.0%
<i>West</i>	14.3%	28.6%	57.1%	100.0%

The Central North and the Southeast districts, in terms of these classifications, represent the strongest and the weakest districts among churches with worship attendance of 75 and above.

The next set of tables represents churches with worship attendance of 25 to 74.

Table 16
Texas Annual Conference
Disciple-Making Components
District Average Percentiles
Worship Attendance 25 to 74

<i>Grades</i>	Excellence		Unsustainable			Tipping Point		Total
	1	2	3	4	5	6	7	
<i>Central North</i>				1				1
<i>Central South</i>				2		1	1	4
<i>East</i>					1	2	3	6
<i>North</i>				1	1	2	2	6
<i>Northwest</i>			1	1	1	2		5
<i>South</i>			1	1			3	5
<i>Southeast</i>				2	1			3
<i>Southwest</i>		2			1			3
<i>West</i>				1	2	3		6
Total	0	2	2	9	7	10	9	39

Among the smaller churches, there are relatively few churches that are classified. Central North has only one church classified (**Grade 4**). Southwest District has the only two “Excellence Attained” classified churches (**Grade 2**) in the annual conference.

Table 17
Texas Annual Conference
Classifications
District Percentages
Worship Attendance 25 to 74

Grades	1&2	3,4&5	6&7
<i>Central North</i>	0.0%	100.0%	0.0%
<i>Central South</i>	0.0%	50.0%	50.0%
<i>East</i>	0.0%	16.7%	83.3%
<i>North</i>	0.0%	33.3%	66.7%
<i>Northwest</i>	0.0%	60.0%	40.0%
<i>South</i>	0.0%	40.0%	60.0%
<i>Southeast</i>	0.0%	100.0%	0.0%
<i>Southwest</i>	66.7%	33.3%	0.0%
<i>West</i>	0.0%	50.0%	50.0%

Although the numbers of classified churches in this group are small, the percentages are interesting. Central North and Southeast have identical percentages for this church group—quite different than the results for the larger church group. Southwest results on a percentage basis are the best. The East District percentages are the worst.

Key Findings

There are several key findings that inform conference, district, and local church leaders about the conditions of Texas Annual Conference local churches. Of course, these findings are based upon this analysis of local church reports and do not take into account conclusions drawn from other sources of information such as perceptions of senior pastors. Perhaps the best information includes all reliable sources of information.

1. From a perspective of making the most disciples possible with limited resources, efficiency demands emphasis upon churches with worship attendance of 75 and above first (representing 87% of conference worship attendance) and churches with worship attendance of 25 to 74 second (representing 10% of conference worship attendance). Churches with worship attendance of less than 25, consisting of 220 churches, represent only 3% of annual conference worship attendance.
2. The Texas Annual Conference is very close to arresting its decline in worship attendance. Between 2017 and 2018, worship attendance decreased by 552 compared to previous single year declines of over 2,000.

Disciple-making

3. Disciple-making requires more than worship attendance. However, reversing the decline in worship attendance is a critical step, and we are approaching this goal. Once arrested, we will grow.
4. Among the five components of disciple-making, relatively strict rules have been imposed in assessing fruitfulness among churches with worship attendance of 25 and above.
5. The disciple-making rules are based upon nine indicators, including Sunday school attendance, enrollment in confirmation classes, baptisms, worship attendance, professions of faith, financial support of program and staff, and giving. For each indicator, the local church is scored and compared with its cohort churches. This helps focus upon strengths and weaknesses of each local church.
6. Not a single church in the annual conference passed the strict rules for all five components of disciple-making: Worship, Community, Spirituality, Generosity, and Christ-likeness. Passing all five components is a goal to strive to achieve, but it is difficult.
7. Among 400 churches with worship attendance of 25 and above, only 134 churches passed the rules for at least one component of disciple-making. The counts drop rapidly when searching for multiple component rules passed. Rules for two components were passed by 40 churches. Rules for three components were passed by seven churches, and rules for four components were passed by only two churches.

Classifications: Church Stability

8. A total of 400 churches were evaluated using rules based upon the statistical distribution of defined indicators.
9. The classification program is based upon 13 indicators, such as giving patterns, children and youth participation, church debt, members removed due to death, and changes in demographics of local church neighborhoods.
10. There are only 16 churches that were assigned to the “Excellence Attained” category. Thirty-five churches were assigned to the “Unsustainable” category, and 57 churches were assigned to the “Approaching the Tipping Point” category.
11. Up to 26% of the churches assigned to the “Approaching the Tipping Point” category in the past were closed within five years. Therefore, these churches should be given immediate consideration and perhaps assistance and direction.
12. The average scores within districts demonstrate which district churches are particularly weak and are particularly strong in disciple-making components. For each indicator, the local

church is scored and compared with its cohort churches. This also helps focus upon strengths and weaknesses of each local church.

13. In summary, the disciple-making program and the classification program provides extensive church-level calibrations of key indicators. They are extremely useful in designing strategies for the annual conference, the district, and local churches.

What Next?

The next steps for an annual conference will be driven by its priorities and its available resources. However, the availability of new information can inform conference, district, and local church leadership in considering current and future strategies. The following list offers suggested steps for consideration.

1. Examine the scoring for disciple-making and classifications for each of the 57 churches assigned to the “Approaching the Tipping Point” classification. Determine which among the 57 churches should be engaged in strategic conversations. For some, the time for improvement might have already passed (list available).
2. Examine the scoring of for each of the 35 churches classified as “Unsustainable.” Determine the more significant deficiencies. Consider strategic conversations with their leaders. Consider specific strategies proven to address these more serious deficiencies.
3. Evaluate the overall conditions of churches within the nine districts. Secure the nine District Reports and ensure that district leadership is at least aware of the contents of their respective reports. Consider organizing seminars or workshops for selected churches that focus on specific weaknesses discovered in these results. Perhaps begin with high death rates and declining levels of giving to the operating budget.
4. Celebrate the successes of those churches assigned to the “Excellence Attained” classification category—16 in number. Inform the leadership of the component(s) missed in the disciple-making program. Consider disciple-making programs that involve all five components of disciple-making (list available).
5. Use the District Reports to identify the churches at the margins—those that are positioned with only one rule failure away from the “Excellence Attained” classification or “Approaching the Tipping Point.” Such information can inspire local church leaders to implement their own strategies for improvement.
6. Inform local churches of the availability of their own Local Church Reports that contain the scoring of the disciple-making components and the classification scores for all of the seven classification categories. Such information can inspire local church leadership to seek improvement.

7. Begin making use of measurable targets developed from these constructed indicators in perfecting new strategies. There are church members who are more engaged if they can monitor progress or failure through changes in observable indicators.

8. Monitor changes in these results with each new set of end-of-year reports. New reports are available with each update of local church end-of-year reports.

Donald R. House, Sr.

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