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### **Lilly Endowment Awards Grants to Help Pastors Address Financial Challenges**

Sixteen Protestant regional denominational bodies serving 3,300 congregations in Indiana have been awarded more than \$11 million in Lilly Endowment's new Initiative to Address Economic Challenges Facing Indiana Pastors.

In December 2007, the Endowment awarded planning grants to Protestant regional judicatories serving at least 50 congregations and/or 10,000 members in Indiana to enable them to study the financial challenges faced by their pastors and to explore ways to address them.

These church groups used the planning grants to conduct extensive surveys and engage in in-depth interviews with pastors and congregational leaders about their current economic situations. Building on what they learned, they then submitted proposals for new programs designed to address the most challenging economic issues their particular pastors face and sent them to Lilly Endowment.

In late 2008, the Endowment gave grants to those denominational judicatories that submitted compelling program plans. The amounts of the grants were based on the number of congregations the judicatory serves.

"Pastors are indispensable spiritual leaders and guides," said Craig Dykstra, senior vice president for religion at the Endowment. "In moments of joy and sorrow, their steady presence gives us comfort and hope. Their ministries shape our congregations, leading us to deeper relationships with God and challenging us to serve our neighbors with love.

(more)

## Financial Challenges Add 1

“Pastors undertake their ministries out of a deep sense of calling. Most receive only modest salaries for their countless hours of service and rarely complain about their compensation. In normal times, pastors and their families are able to maintain modest lifestyles and serve their congregations well.

“Even before the recent economic turmoil, however, we noticed and were increasingly troubled by ways that financial hardships facing some pastors can weigh them down and create barriers that make it very difficult for them to lead their congregations effectively. The aim of this initiative is to help church leaders create programs to address these economic challenges, all in an effort to strengthen the vitality of congregations,” Dykstra said.

Through their research, Indiana church leaders identified several specific circumstances that typically create the most difficult economic problems for clergy and their families. Some denominations discovered that many new pastors carry higher levels of educational debt into their first pastoral positions than they can possibly pay.

Furthermore, many are very disturbed by their inability to save enough to provide for the education of their children. Others noted, in addition, that too many of their clergy find it difficult to build up adequate retirement savings or recover from debt incurred by emergency or uninsured medical costs or other unexpected expenses.

Pastors admitted that these personal financial pressures make it hard for them to contribute much financially to their own churches. As a result, they are reluctant to talk openly about financial matters, to take active roles in managing congregational finances, or to encourage members to give to the churches’ ministries. Church leaders also noted that these personal financial pressures are a major motivating factor for clergy leaving the ministry.

“This Endowment initiative allowed us to take a broad look at the needs of our pastors,” said the Rev. Jeffrey White, associate state minister with Indiana Ministries of the Church of God (Anderson). “As far as education financing went, we found both extremes: Some pastors are in pretty good shape, but others face significant debt. We were most surprised by the health care costs. We found out that half of our pastors’ wives work in order to provide health care for their

(more)

## Financial Challenges Add 2

families. Also, our pastors are not planning for retirement. These are the issues we will address with our funding.

Each program proposed by the Indiana church bodies is designed to address the most urgent challenges facing their particular pastors and congregations. They all, however, include several common elements:

- a campaign to be conducted throughout the judicatory to inform congregational leaders about the financial pressures faced by their pastors and about the effects these pressures have on congregational vitality;
- a pool of funds, often called a Ministerial Excellence Fund, to be assembled and used to alleviate specific financial difficulties faced by pastors and their families;
- educational programs to help pastors and congregational leaders engage in systematic financial planning and improve financial management skills;
- an effort to begin building up the financial and organizational resources needed to sustain these efforts over time.

The money provided by the Endowment grants to establish the Ministerial Excellence Funds will be matched by donations from congregations and other sources. Each denominational body will determine how its funds will be distributed. Common uses include assistance to help new pastors pay down student educational loans, money to enable clergy and their families to address emergency expenses, and incentives to build up retirement savings.

“This initiative is a huge opportunity for us to take a holistic look at the role of financial management in the lives of our pastors and churches,” said the Rev. David V.W. Owen, executive assistant to Bishop Michael J. Coyner. “Called the ‘Well-Lived Pastoral Life Project,’ our program will enable us to address the financial needs of our pastors most deeply in debt (many because of student loans). It also will allow us to widen the discussion by educating our pastors about financial planning and management. This knowledge will give them more confidence in dealing with financial matters in the local church and encourage wise preaching on stewardship issues.”

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Financial Challenges  
Add 3

Working in partnership with the Indianapolis Center for Congregations, the Endowment will host periodic meetings for the leaders of the participating Indiana denominational judicatories to discuss common challenges and to share insights about ways to strengthen their projects. These meetings will include discussions of the potential federal and state tax consequences of providing financial assistance to pastors and their families and workshops regarding methods to evaluate the impact of individual projects.

“Lilly Endowment is committed to helping Christian congregations flourish,” noted Dykstra. “Our hope is that these grants will help Indiana church leaders address the difficult financial challenges facing clergy and thus enable pastors to serve their congregations more joyfully and effectively.”

Regional judicatories receiving grants in the  
Initiative to Address Economic Challenges Facing Indiana Pastors

Evangelical Lutheran Church in America, Indiana-Kentucky Synod  
Indianapolis  
\$741,000

Indiana Annual Conference of the African Methodist Episcopal Church  
Indianapolis  
\$225,000

Indiana Area Foundation of the United Methodist Church  
Indianapolis  
\$3.9 million

Indiana Baptist Convention  
Indianapolis  
\$1,150,500

(more)

Financial Challenges  
Add 4

Indiana Central District of the Wesleyan Church  
Fishers, Ind.  
\$265,000

Indiana Church of God  
Greenwood, Ind.  
\$395,000

Indiana Ministries of the Church of God  
Fishers, Ind.  
\$264,420

Indiana Yearly Meeting of the Religious Society of Friends  
Muncie, Ind.  
\$262,000

Lutheran Church-Missouri Synod  
Fort Wayne, Ind.  
\$780,000

Missionary Church, Central District  
Fort Wayne, Ind.  
\$245,000

Missionary Church, North Central District  
Elkhart, Ind.  
\$280,000

Northern Indiana District Church of the Brethren  
Nappanee, Ind.  
\$335,000

Presbytery of Ohio Valley, Presbyterian Church USA  
Bloomington, Ind.  
\$307,500

(more)

Financial Challenges  
Add 5

Southwest Indiana District Church of the Nazarene  
Bedford, Ind.  
\$890,500

Synod of Lincoln Trails, Presbyterian Church USA  
Indianapolis  
\$520,000

Western Yearly Meeting of Friends  
Plainfield, Ind.  
\$230,000