

PETITION TO THE 2017 ROCKY MOUNTAIN ANNUAL CONFERENCE

TITLE: One Year Study Group to Assess the Impact of Clergy and Seminarian Debt and Make Recommendations to the Rocky Mountain 2018 Annual Conference

ACTION TO BE VOTED ON:

1 A one year study group shall be convened by the Chair of the Board of Ordained Ministry and charged with assessing
2 more fully the effects of new clergy educational debt for the purpose of making recommendations that will effectively
3 address the issue to the Rocky Mountain Annual Conference at its 2018 meeting. The group will meet virtually so as
4 to require no budget.

5 The study group shall consist of the following persons or their designate:

6 Chair, Board of Ordained Ministry – convener;

7 Chair, Board of Pensions and Health Benefits;

8 Chair, Council on Finance and Administration;

9 Chair, Conference Trustees;

10 Chair, Equitable Salary Committee;

11 Chair, New Church Development Committee:

12 A person ordained in the last 3 years;

13 One of co-chairs, Order of Elder;

14 One of the co-chairs, Order of Deacon;

15 One of the co-chairs, Fellowship of Local Pastors;

16 Director, Iliff School of Theology Spiritually Integrated Financial Resilience program;

17 A representative from the Cabinet; and

18 A representative from the Conference Treasurer’s office.

19

PETITION DETAILS

This petition is a

Binding Action

Non-Binding Resolution

Effective Date: July 1, 2017

Termination Date: June 30, 2018

Does this petition modify the Annual Conference Standing Rules and Operational Procedures (SROP)?

Yes

No

If “Yes,” please complete the information below.

This petition will modify Section x.x.x

This petition will create a new Section x.x.x

Conference Agency responsible for implementation and termination review:

Board of Ordained Ministry

NOTE: All paragraph numberings within the SROP and the final designation of the Conference Agency responsible for implementation and termination review are subject to review by the Rules Committee.

ORIGINATOR OF THE PETITION (individual, church, or organization):

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PERSON TO PRESENT PETITION AT ANNUAL CONFERENCE:

Name Tom Barlow
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Phone
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FINANCIAL IMPACT:

Will there be any identifiable financial impact to the Conference?

Yes
 No

If "Yes," please fill in the information below.

To Be Completed by the Originator of the Petition

Cost: \$
Period
 One Time
 One Year
 Multiple Years

To Be Completed by Conference Council on Finance and Administration (CFA)

Review by CFA 05/12/2017

Included in proposed 2016 budget

Yes
 No

Amount if included: N/A

May be considered for budgets in future years:

Yes
 No

Projected Amount: N/A

Recommendation by CFA concerning funding:
N/A

Reason for recommendation:
No Rocky Mountain Conference 2018 operating budget impact

RATIONALE (Not debatable):

1 According to studies on the average educational debt of clergy members in The United Methodist Church, the rising
2 cost of seminary, the effects that educational debt has on attitudes toward entrepreneurship, declining attendance
3 numbers in the Rocky Mountain Annual Conference, the age trends of United Methodist clergy, and an increasing
4 importance of licensed local pastors, it is very clear that the effects of new clergy debt are not only affecting the
5 individuals that possess the debt, but also the vitality of the conferences in which they serve. The Book of Discipline
6 of The United Methodist Church also contains paradoxical requirements for ordination in the sense that a Masters of
7 Divinity, a degree in which the cost will almost always result in a large amount of educational debt, is required for full
8 connection, while during the same ordination process certified candidates are outright told that high debt is “an
9 embarrassment.”

10 The church needs to act immediately to call a study group into being that will assess the impact of seminary and course
11 of study debt for new clergy and licensed local pastors to then make recommendations at the 2018 annual conference
12 meeting. The following are facts about the ever-present reality that our church and conference faces.

13 **Decline in Vital Congregations:**

14 Information from the 2015 Statistical Analysis in the 2016 Rocky Mountain Conference Journal presents the fact that
15 “the last fifteen years has been witness to a drop in attendance of nearly 10,000 or slightly more than 26 percent.”
16 Evidence also reflects that charters, mergers, and moves are much more successful in producing a strong, vital church
17 than are decisions that encourage the majority of resources to be set aside for existing church life-support purposes.
18 (Shaw, Q-2-Q-6) We are, after all, Wesleyans, who celebrate new and vital church creation, as well as resurrection
19 people.

20 **The Effect of Educational Debt on Attitudes Toward Entrepreneurship:**

21 Studies by Arnobio Morelix, a senior research analyst with the Kaufmann Foundation, found “that the rise in student
22 debt in recent years coincided with a decline in start-ups.” Individuals who possess student debt are much less likely
23 to enter into entrepreneurial ventures. “The share of new entrepreneurs in the 20- to 34-year-old age group fell to 25
24 percent in 2014, from nearly 35 percent in 1996.” (Wasik) It is clear that our society and particularly those with heavy
25 student debt, are living out of a sense of scarcity. By almost every matter of our social principles, we are called as a
26 church to live into a culture of abundance. We may only be that abundant culture effectively if we are committed to
27 pulling our new clergy out of that culture of scarcity, and thus we must assess fully the consequences of their debt.

28 **The Reality of New Clergy Debt:**

29 According to a report by the Clergy Indebtedness Task Force, which was commissioned by the General Board of
30 Higher Education and Ministry (GBHEM), the average cost of attending seminary for one year equals \$39,000 and the
31 average United Methodist Master of Divinity (M.Div.) debt equals \$66,367. The same study reveals that for “all
32 active, full-time provisional elders and deacons with two years or less of service, the **median total annual**
33 **compensation is \$49,742.** This includes a median annual base salary of \$38,000, plus housing allowance or
34 parsonage.” A person with that income can only reasonably pay off an educational debt of \$35,500. This puts
35 emerging clergy at an educational debt which is \$30,867 over the “Critical Debt Level.” Using the median income and
36 standard interest rates of a 10-year repayment plan, a new provisional member can reasonably afford a monthly debt
37 payment of \$409, much less than the \$764 monthly payment that emerging clergy would have to make in order to pay
38 off their debt in a reasonable amount of time. Meaning, once again, that seminary students are more than \$30,000 in

39 debt beyond what they really should be according to modern economic standards. (Report of the Seminary
40 Indebtedness Task Force)

41 **Age Trends in the UMC:**

42 The United Methodist Church as a whole is experiencing a steady increase in the percentage of young clergy, as well
43 as a sharp increase in the number of clergy above 55, while unfortunately suffering from a very large decrease in
44 middle-aged clergy. (Weems) It takes little imagination to foresee what will happen in a short amount of time. As the
45 percentage of older clergy declines sharply in the coming years due to retirement, and the number of middle-aged
46 clergy remains inadequate to replace them, an increasing importance will be on our younger clergy members. Not
47 only is it crucial that our conference take care of what new clergy it does have, it should also be making it easier and
48 less daunting to become a new clergy member.

49 **Existence of less than full-time appointments:**

50 The challenges posed by student debt take into consideration average debt versus base clergy salary. This does not
51 even consider the plight of the $\frac{3}{4}$ or $\frac{1}{2}$ time senior pastor or deacon. In the 2016 Rocky Mountain Conference Journal
52 the Metro District records 25 full-time appointments versus 24 less than full-time appointments. (River) This is in a
53 seemingly healthy and vibrant urban district, whereas our more rural districts contain many more local churches that
54 cannot afford to compensate a full-time pastor and so must offer $\frac{3}{4}$ time compensation. Compound this reality with
55 that of our new clergy's educational debt crisis, and one can see a very unsustainable clergy creation and appointment
56 model.

57 **Other Conferences are Responding to this Reality:**

58 The Texas Annual Conference offers an "Ambassador's Grant" to gifted young clergy who are commissioned,
59 ordained, or transfer to their conference. This grant successfully "(1) Relieves the financial burden of incoming young
60 clergy; (2) Encourages young prospective ministers to begin seminary; and (3) acts as an incentive to gifted young
61 students considering service in the Texas Annual Conference." (Ambassadors Grant) One of the strongest aspects of
62 the Rocky Mountain Conference is its gifted new clergy. We need these individuals to stay in this conference, do not
63 let them leave because other conferences are beginning to recognize their challenges and responding to their needs.

64 **Growing Dependency on Licensed Local Pastors:**

65 While in 1990 elders outnumbered local pastors by a 5 to 1 ratio, in 2015 the number of local pastors equaled about
66 half that of elders across the US. (UM Communications) Numbers are also rising in the Rocky Mountain Conference.
67 Not only do we need to assess if this trend has any relation to the rising cost of seminary, we also need to assess the
68 challenges that the course of study costs presents to licensed local pastors.

69 **The UMC Stance on the "Economic Community":**

70 Paragraph 163 in the 2016 Book of Discipline titled *IV. The Economic Community* "applauds corporations that
71 voluntarily comply with standards that promote human well-being..." What better round of applause could the church
72 offer than by following its own convictions? It is clear by modern economic standards that the cost of seminary is far
73 greater than what our new clergy can reasonably manage.

74 **Paragraphs 330 and 336 (§330 and §360) in the 2016 Book of Discipline Poses an Embarrassing Paradox:**

75 The Book of Discipline clearly states educational requirements for full connection that will almost always incur a large
76 amount of student debt (§330), while then suggesting six paragraphs later to certified candidates that debt is "an
77 embarrassment" (§336). This will remain an embarrassment not for the new clergy, but for the ordaining conference if
78 the challenges of seminary debt are not properly responded to.

79 **Therefore, be it resolved:**

80 **Whereas:** The Rocky Mountain Conference is experiencing a decline in vital congregations and evidence shows that
81 entrepreneurial church ventures are proven to be more successful, it is imperative that the RMC embrace a
82 congregational ideology based on a resurrection model, rather than a life-support model.

83 **Whereas:** Studies also show that our most important entrepreneurial asset, new clergy, are immersed in a culture of
84 scarcity as a result of a clear and present educational debt crisis. This produces a great challenge for bright new clergy
85 members in that it prevents them from embracing an entrepreneurial church model.

86 **Whereas:** Age trends in the UMC as a whole point to an increasing importance on young clergy as a vital asset, many
87 of whom possess large amounts of educational debt.

88 **Whereas:** The conference need for less than full-time appointments increases the educational debt crisis
89 exponentially.

90 **Whereas:** Other conferences are responding to this reality by offering grants to gifted young clergy that (1) relieve
91 their financial burdens, (2) encourage seminary enrollment, and (3) also effectively recruit gifted clergy from other
92 conferences.

93 **Whereas:** Licensed local pastors are becoming increasingly crucial to the mission of the church, and the challenges of
94 the cost of study for these pastors has not been properly assessed.

95 **Whereas:** The Book of Discipline clearly states that the educational requirements for full connection (§ 330) directly
96 challenge the very character of candidates, as outlined by §360, by putting them into educational debt that is
97 considered “embarrassing.”

98 **Be it therefore resolved:** see “Action to Be Voted On” above

ATTACHMENTS (Additional Information / Not Debatable)

Works Cited in the Rationale:

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Weems, J. L. (2016, September 01). Clergy Age Trends in the United Methodist Church in 2016. Retrieved March 02, 2017, from <https://www.churchleadership.com/leading-ideas/clergy-age-trends-united-methodist-church-2016/#>