FOUNDATIONS IN CHURCH LAW:

NEW CHALLENGES, NEW Ppriorities
THE CHURCH ATTORNEY®
NEWS REPORT

PLENARY SESSION
October 7, 2019

Church Leadership at a Tipping Point: New Challenges, New Priorities

Leadership Academy 2019

CHURCH TRENDS

FINANCIAL
CONSIDERATIONS

3.
THE CHURCH USED TO BE THE CENTER OF CULTURE

5 CURRENT CHURCH TRENDS
5 CURRENT CHURCH TRENDS TO CONSIDER.

1. DIMINISHING CULTURAL INFLUENCE

2. DECLINING ATTENDANCE

“U.S. church membership was 70% or higher from 1937 through 1976, falling modestly to an average of 68% in the 1970s through the 1990s. The past 20 years have seen an acceleration in the drop-off, with a 20-percentage-point decline since 1999 and more than half of that change occurring since the start of the current decade.”
Church Membership Among U.S. Adults Has Declined, Especially in the Past 20 Years

Do you happen to be a member of a church, synagogue or mosque?

% Yes, member

Based on annual aggregated data, usually based on two surveys  
GALLUP
3. AGING CLERGY
According to Barna research, half of all current pastors are over the age of 55.

"Twenty-five years from now, who will fill their shoes?"

4. BI-VOCATIONAL PASTORS
"...more than 1 in 3 churches (37.8%) in America have bi-vocational pastors...[t]hat's up from 28.6% in 2010."
--- LifeWay
5 CURRENT CHURCH TRENDS TO CONSIDER... Cont'd.

5. CHURCH MERGERS/MULTI-SITE CHURCHES CONTINUE TO FLOURISH

Food For Thought:
"Leaders who fail to navigate the disruptive trends happening in our culture won't be left with much to lead. If you ever hope to reach the next generation, change is your friend." --- Carey Neuwhof
THE CHURCH ATTORNEY®
NEWS REPORT

PLENARY SESSION

October 7, 2019

Church Leadership at a Tipping Point: New Challenges, New Priorities

Leadership Academy 2019

CHURCH TRENDS

FINANCIAL
CONSIDERATIONS

9.
State of Church Finances – NSCEP

• Good News
  – Congregations still largest percentage of charitable giving in the U.S. at 29% of all charitable dollars – $124.52 Billion in 2018
• Not-So-Good News
  – Down from around 50% of all giving in 1980s
  – In 2018, religious giving decreased for the first time since the Great Recession (down 1.5% or 3.9% adjusted for inflation).
Portable Churches Benefit the Church

Save on the cost of construction, mortgage, repair, maintenance and utility expenses. Less debt for the Church and ability to allocate funds to grow the ministry.

Other Benefits:

1. **Flexibility** - ability to relocate, up-size or downsize, at any time.
2. **A familiar atmosphere for the unchurched** - meeting in a casual setting, can put unchurched people more at ease.
3. **Reasonable Cost** - renting space in a public school (*some fees such as clean-up cost are not associated with these fees) is reasonable.
   - Montgomery County: a public school auditorium at $160.00/hr.
   - District of Columbia: a classroom at $360.00/month.
   - Fairfax County: a public school auditorium at $196/day.
But many jurisdictions are tightening the ropes on renting in public schools.

District of Columbia Public Schools recently changed its use of school facilities and grounds requirements.

Previously, one may submit an application to the principal of the school facility for approval. However, DCPS now requires the application to be submitted to DCPS for approval.
• One prediction (citing John Dickerson, The Great Evangelical Recession)
  – Over the next 15 years, the American church will lose 70% of its income from people 65 and older.
  – With 70-90% of church income allocated for staff and building, millennials are choosing to direct their financial giving and volunteer support to causes with better “return on investment.”
The Path Forward

Legal Steps for Church Foundation
Articles of Incorporation
Bylaws
EIN
Conflicts of Interest Policy
501(c)(3) status
### Church Leadership at a Tipping Point: New Challenges, New Priorities

<table>
<thead>
<tr>
<th>Leadership Academy 2019</th>
<th>CHURCH TRENDS</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1" alt="Leadership Academy" /></td>
<td><img src="image2" alt="Church Trends" /></td>
</tr>
</tbody>
</table>

| FINANCIAL CONSIDERATIONS |  |
|--------------------------|----------------
| ![Financial Considerations](image3) |  |
Lastly...

Churches should consider other sources of revenue and community activities.
 Churches and Faith-Based Organizations

Serving church denominations, small and large churches, nonprofits, and individuals.

Practice Areas:
• Business & Church Formation
• Church Compliance/Policy
• Contract Drafting & Negotiation
• Commercial Real Estate
• General Counsel Services
• Community Development Corporation
• Government Contracting
• Tax/IRS Disputes

We have a 100% success rate with Tax Exempt Application for 501(c)(3) Status.
**THE CHURCH ATTORNEY® NEWS REPORT**

**PLENARY SESSION**

**Church Leadership at a Tipping Point: New Challenges, New Priorities**

<table>
<thead>
<tr>
<th>Leadership Academy 2019</th>
<th>CHURCH TRENDS</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1" alt="Leadership Academy Image" /></td>
<td><img src="image2" alt="Church TRENDS Image" /></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FINANCIAL CONSIDERATIONS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image3" alt="Financial Considerations Image" /></td>
<td></td>
</tr>
</tbody>
</table>