

***Session Annual Statistical Report Supplement:
End of Year 2003***

**A Summary of the Research Data Received
Through the *Clerk's Annual Questionnaire***



**Research Services
Presbyterian Church (U.S.A.)**

**SESSION ANNUAL STATISTICAL REPORT SUPPLEMENT:
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This report was prepared by the office of Research Services, Presbyterian Church (U.S.A.): Keith Wulff, Jack Marcum, Ida Smith-Williams, Deborah Bruce, Perry Chang, Charlene Briggs, Christy Riggs, Jamie Spence and David Prince.

RESEARCH SERVICES
A Ministry of the General Assembly Council
Presbyterian Church (U.S.A.)
100 Witherspoon Street
Louisville, Kentucky 40202

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Introduction

Each year, the Research Services office develops a questionnaire that the Office of the General Assembly (OGA) distributes, along with the *Session Annual Statistical Report*, to all congregations. In previous years the form was known as the *Congregational Annual Report* form. In 2003, it was renamed the *Clerk's Annual Questionnaire* to reflect the source of the data. Research Services staff work with other entities of the Presbyterian Church (U.S.A.) to develop questions for inclusion in the *Clerk's Annual Questionnaire* form. Instructions that accompany the form suggest that the clerk of session of each congregation complete it, reporting pertinent information for the congregation.

The 2003 *Clerk's Annual Questionnaire* form included questions about the use of guest preachers, financial information such as investments and loans, wills and bequests information, and stewardship information. Also asked were questions about the languages used in worship services, "friends of the church," contact with PC(USA) missionaries, and the physical location of the church. For 2003, 7,975 of the denomination's 11,064 congregations reported—a response rate of 72%.

This year is the first year the paper questionnaires were mailed out with a Web site printed at the top (www.pcusa.org/clerks2003) allowing respondents the option of submitting their responses through the Web. Most congregations (84%) returned paper forms, while 16% of congregations chose to fill out their surveys online.

The results of the 2003 *Clerk's Annual Questionnaire* include congregations in 166 presbyteries in 16 synods. The presbyteries that did not report are Blackhawk, Dakota, Eastern Oregon, The Redwoods, San Juan, Whitewater Valley, and Yukon presbyteries.

Findings

The text of all questions and the percentage distribution of responses for each are presented in the attached appendix. A summary of the findings is presented below.

Guest Preachers

In 1999, the General Assembly urged congregations to invite racial-ethnic ministers to preach during Sunday worship services at least once a year. Less than one-third of reporting congregations (30%) said they had invited a racial-ethnic minister to preach in 2003 (this does not include the congregation's own pastor if he or she is racial ethnic). This percentage is about the same as it has been over the previous four years (see Table 1).

Table 1
Percentage of Congregations that Invited a Racial-Ethnic Minister to Preach During the Year

<u>Year</u>	<u>Percent</u>
1999	28%
2000	29%
2001	31%
2002	30%
2003	30%

Large congregations with more than 600 members are more likely to have invited a racial-ethnic minister to preach (40% did) than are mid-size or small congregations. Of small congregations with less than 250 members, 27% invited such a guest preacher, as did 35% of mid-size congregations (251 to 600 members). The same pattern was found in previous years (see Table 2).

Table 2
Percentages of Congregations Inviting Racial-Ethnic Guest Preachers by Size of Congregation

<u>Year</u>	<u>Small</u>	<u>Medium</u>	<u>Large</u>
1999	25%	32%	38%
2000	26%	35%	43%
2001	29%	35%	44%
2002	29%	35%	42%
2003	27%	35%	40%

Congregations in the West (41%) are more likely to have invited a racial-ethnic minister to preach than churches in the South (29%), the Northeast (31%), and the Midwest (24%). This pattern has been consistent over the last few years (see Table 3).

Table 3
Percentages of Congregations Inviting Racial-Ethnic Guest Preachers by Region

<u>Year</u>	<u>South</u>	<u>Northeast</u>	<u>Midwest</u>	<u>West</u>
1999	27%	33%	21%	35%
2000	29%	33%	23%	37%
2001	30%	35%	25%	43%
2002	30%	32%	26%	41%
2003	29%	31%	24%	41%

Of the 30% who said their congregation had invited a racial-ethnic minister in 2003, 51% invited a guest preacher on one Sunday, and another 21% asked such ministers to preach on two Sundays in 2003. Nine percent of responding congregations invited a racial-ethnic minister to preach during Sunday worship services for six or more Sundays in 2003. The average number of Sundays racial-ethnic guest preachers were invited to preach was 2.6 – about the same as in previous years (see Table 4).

Table 4
Average Number of Sundays Racial-Ethnic Guest Preachers were Invited to Preach

<u>Year</u>	<u>Mean</u>
1999	2.8
2000	2.6
2001	2.5
2002	2.4
2003	2.6

Congregations that did not invite racial-ethnic ministers to preach in 2003 were asked when the last time was that they had done so. Table 5 shows that about one-third (35%) had done so in the previous three years. This percentage is down somewhat from the previous two years, and the percentage of congregations reporting they have never had a racial-ethnic guest preacher increased in 2003.

Table 5
Last Time a Racial-Ethnic Minister Was Invited to Preach Among
Congregations that Did Not Do So During the Reporting Year

	<u>2003</u>	<u>2002</u>	<u>2001</u>
During previous year	16%	20%	20%
2 - 3 years ago.....	19%	21%	21%
4 - 6 years ago.....	11%	12%	12%
7 - 9 years ago.....	4%	5%	5%
10 years or more	9%	15%	15%
Never	41%	26%	27%

Note: Only congregations that did not invite a racial-ethnic minister to serve as guest preacher in the reporting year were asked to answer this question.

Financial Information: Loans

Sixty-nine percent of reporting congregations said they did not have loans with any of five lending institutions listed. Fifteen percent reported having loans with banks or other financial institutions; this number is down from the 18% that was reported in 1997, the first time the question was asked. Table 6 shows the types of institution with which congregations have loans in 2003.

Table 6
Percentage of Congregations with Loans
From Various Groups or Institutions

Banks or financial institutions	15%
Presbyterian Investment & Loan Program	3%
General Assembly Loan Program.....	3%
Presbytery or synod	5%
Other	4%
No loans with groups or institutions listed	69%

Note: Percentages add to more than 100% because respondents could mark more than one response.

The following five paragraphs and Table 7 reflect the loan balances reported at the time of the Session Annual Statistical Report from each lending source. The numbers do not reflect the full loan amount originally borrowed. Also reported are the interest rates on loans from each source.

Loans From Banks or Financial Institutions: Thirty-six percent of congregations with loans from banks and financial institutions had loan balances of \$99,999 or less. One-seventh (14%) reported loan balances of \$1,000,000 or more. Half (50%) had balances between \$100,000 and \$999,999. The mean interest rate was 5.411%; the median was 5.5%.

Loans From the Presbyterian Investment & Loan Program: Nearly four in ten (39%) congregations with loans from the Presbyterian Investment & Loan Program had loan balances of \$99,999 or less. Five percent reported loan balances of \$1,000,000 or more. The rest (56%) had balances between \$100,000 and \$999,999. The mean interest rate was 5.528%; the median was 6.030%.

Loans from the General Assembly Loan Program: Almost half (46%) of congregations with loans from the General Assembly Loan Program had loan balances of \$99,999 or less. The rest (54%) had balances over \$100,000. The mean interest rate was 5.376%; the median was 6.0%.

Loans From a Presbytery or Synod: Three-fourths (75%) of congregations with loans from a presbytery or synod had loan balances of \$99,999 or less. Only two percent reported loan balances of \$1,000,000 or more. The rest (24%) had balances between \$100,000 and \$999,999. The mean interest rate was 4.72%; the median interest rate was 5.0%.

Loans from Other Sources: Sixty-two percent of congregations with loans from other sources had loan balances of \$99,999 or less. Three percent reported loan balances of \$1,000,000 or more. The rest (34%) had loan balances between \$100,000 and \$999,999. Mean interest rate was 5.056% and the median interest rate was 5.000%.

**Table 7
Median Amount of Loan Balances
and Interest Rates by Loan Source**

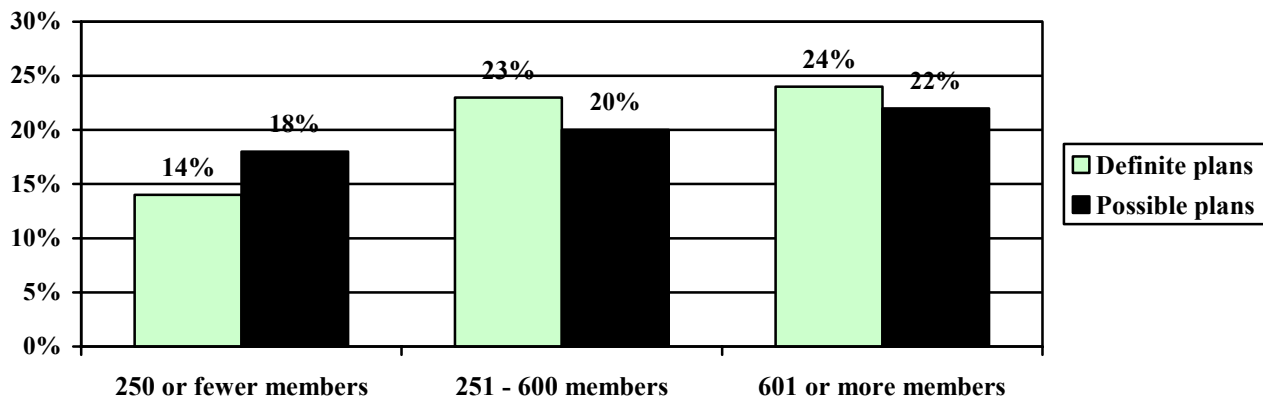
	<u>Loan Balance</u>	<u>Interest Rate</u>	<u>Number of Congregations</u>
Banks or financial institutions.....	\$200,000	5.500%	1,190
Presbyterian Investment & Loan Program.....	\$158,762	6.030%	232
General Assembly Loan Program.....	\$120,000	6.000%	225
Presbytery or synod.....	\$31,000	5.000%	392
Other.....	\$53,733	5.000%	275

Financial Information: Expansion and Renovation

Almost one-fifth (17%) of the reporting congregations said they had definite plans to expand or renovate facilities within the next two years, while 19% said they might expand or renovate. The remaining two-thirds (64%) reported no plans to expand or renovate. These figures have not changed much since 1997 when the question was first asked. In 1997, 67% reported no plans to begin a construction project, with 14% having definite plans, and 19% indicating they “possibly” will do so.

Sixteen percent of congregations in the South, 18% in the Northeast, 13% in the Midwest, and 23% of congregations in the West reported that they had definite plans to expand or renovate in the next two years. Figure 1 shows that larger congregations were more likely to report plans to expand or renovate.

**Figure 1
Percentage of Congregations that
Plan to Expand or Renovate by Size**



Almost half (49%) of congregations that said they definitely or possibly might expand or renovate their facilities estimated the cost of the project at \$999,999 or less. Three percent of the congregations said the expansion or renovation projects would cost \$5,000,000 or more, while the remaining 48% estimated their project costs to be \$1,000,000 to \$4,999,999. The mean project cost was \$634,573; the median cost, \$100,000.

Of the 2,753 congregations that reported they would definitely or possibly expand or renovate in the next two years, one-fourth (25%) said the project would not require a capital campaign. Forty-one percent said they would definitely need a capital campaign, and 34% said they would possibly need a capital campaign to complete the expansion or renovation project.

Financial Information: Investments

Eleven percent of reporting congregations said they do not have funds invested. Table 8 shows the types of financial instruments used by the reporting congregations.

Table 8
Percentage of Congregations with Funds Invested in Various Financial Instruments

Certificates of deposit	47%
Money market accounts	44%
Bonds or treasuries	12%
Stocks or mutual funds	41%
Other	21%

Note: Percentages add to more than 100% because respondents could mark more than one response.

Investments in Certificates of Deposit: Eighty-two percent of congregations with funds invested in certificates of deposit had \$99,999 or less invested there. Nearly one-fifth (18%) of the congregations reported investments between \$100,000 and \$499,999. The rest (1%) had invested \$500,000 or more. The mean amount invested in certificates of deposit was \$71,817; the median amount was \$32,233.

Investments in Money Market Accounts: A little more than three-fourths (77%) of congregations with funds invested in money market accounts had \$99,999 or less invested there. One-fifth (21%) reported investments between \$100,000 and \$999,999. The rest (1%) had invested \$1,000,000 or more. The mean investment in a money market account was \$108,586; the median investment was \$38,358.

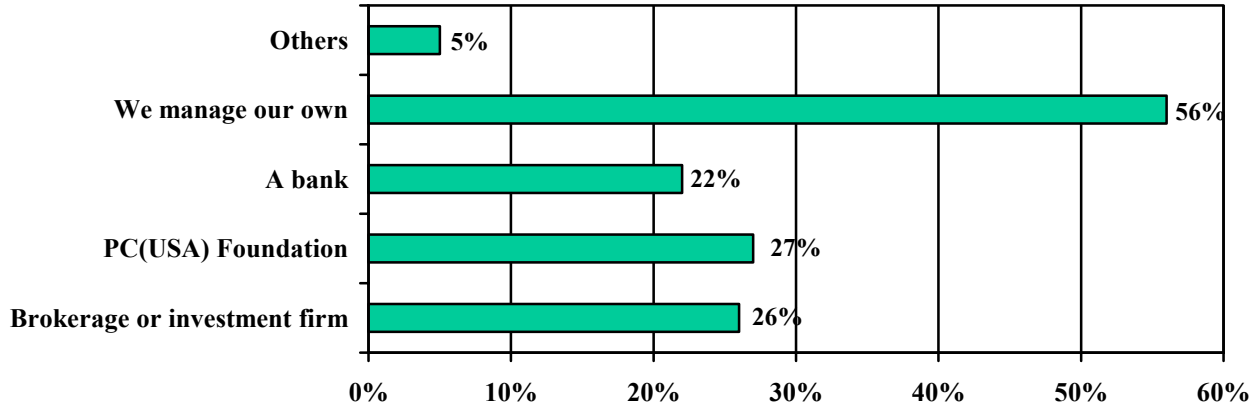
Investments in Bonds or Treasuries: Slightly more than half (53%) of congregations with funds invested in bonds or treasuries had \$99,999 or less invested there. One-third (33%) reported investments between \$100,000 and \$499,999. The rest (14%) had invested \$500,000 to \$1,000,000. The mean bond or treasury investment was \$325,867, while the median investment was \$86,300.

Investments in Stocks or Mutual Funds: Fifty-six percent of congregations with funds invested in stocks or mutual funds had \$99,999 or less invested there. One-third (33%) reported investments between \$100,000 and \$999,999. Four percent had invested \$1,000,000 to \$4,999,999, and 13% had invested \$5,000,000 or more. The mean stock or mutual fund investment was \$295,993; the median was \$80,000.

Investments in Other Financial Instruments: Almost three-fourths (72%) of congregations with other investments had invested \$99,999 or less in such financial instruments. Twenty-four percent reported investments between \$100,000 and \$499,999. Seven percent had invested \$500,000 or more. The mean investment in other instruments was \$146,589; the median was \$35,000.

Figure 2 shows the percentage of congregation that used five different entities to manage their investment funds. More than half of congregations with investments report that they manage at least part of their portfolio.

Figure 2
Percentages of Congregations Whose Investment Funds are Managed by Various Entities



Note: Percentages add to more than 100% because respondents could mark more than one response. Only the 6,559 congregations with investments were asked to answer this question.

Financial Information: Wills and Bequests

Three out of ten responding congregations (29%) reported receiving new gifts from estates in 2003. Most received just one new gift. Table 9 shows the total monetary value of all new gifts received from estates in 2003. The mean amount of new gifts was \$54,580; the median was \$10,255.

Table 9
Total Value of All New Bequests Reporting Congregations Received in 2003

Less than \$1,000	8%
\$1,000 – \$2,499.....	14%
\$2,500 – \$4,999.....	8%
\$5,000 – \$9,999.....	14%
\$10,000 – \$19,999.....	17%
\$20,000 – \$49,999.....	17%
\$50,000 – \$99,999.....	9%
\$100,000 – \$249,999.....	9%
\$250,000 – \$499,999.....	2%
\$500,000 – \$999,999.....	2%
\$1,000,000 or more	1%

Only one-quarter of reporting congregations (26%) said their congregation has a program that encourages members to “remember the church” in their wills. This same percentage reported having used the Presbyterian Foundation’s wills emphasis resource materials in the previous three years.

Similar questions have been asked on the form from 1987 to 1994 and in 1996. Table 10 shows that the percentage of congregations reporting new bequests has increased slightly over the years.

Table 10
Congregations Reporting New Bequests, Offering a Wills Emphasis Program and Using the Foundation’s Wills Emphasis Materials by Year

<u>Year</u>	<u>Received New Bequests</u>	<u>Have Wills Emphasis Program</u>	<u>Have Used Foundation’s Wills Emphasis Materials</u>
1991	22%	31%	N/A
1992	24%	27%	17%
1993	29%	21%	21%
1994	27%	21%	21%
1996	28%	21%	21%
2003	26%	26%	26%

N/A = not asked that year

Languages Used in Worship

Only 6% of the congregations reported regularly using a language other than English in any of its worship services. While Spanish and Korean were the most popular other languages reported by congregations, some of the other languages indicated on the Web responses were: Arabic, Armenian, ASL (American Sign Language), Chinese, Choctaw, Farsi, Hungarian, Japanese, Mandarin, Navajo, Pima (Indian), Taiwanese, Thai, Tlingit (American Indian), and Welsh. (Because only Web responses recorded the specific other languages used, no systematic analysis is possible.)

Multicultural Ministries

Respondents were asked to indicate whether their congregation could identify with any of six models of multicultural ministry. One in six (17%) described their congregation as being “a congregation with one cultural majority (at least 80% of membership) and significant influence from other cultures (20% or less). Ten percent said their congregation was one that “provides space for a nesting congregation or immigrant fellowship of people from a culture different from the larger Church.” Three percent indicated they were a congregation with no one cultural majority; 2% said they were a bi-cultural congregation with two (less than 80%) distinctly different cultures; and another 2% described their church as being intentionally transformed into a multicultural congregation in a changing neighborhood. Less than one percent said they were a new church that was intentionally begun as a multicultural congregation. The majority (72%) did not identify with any of these models of multicultural ministry.

Friends of the Church

When asked how many “friends of the church” a congregation has (non-members aged 15 years or older who regularly worship there and give their time, talent, and/or treasure to the congregation), 7,123 congregations (99%) reported a total of 166,914 “friends.” The average number of friends was 23. The median number of friends was 10. Most congregations (72%) have between 1 and 20 such friends (see Table 11).

Table 11
Number of Active Non-members

None	6%
1 – 5	27%
6 – 10	25%
11 – 20	20%
21 – 40	13%
41 – 100	8%
More than 100.....	4%

Not surprisingly, the mean number of friends increases with the size of the congregation. Small churches (<250 members) average 12 such friends; medium congregations average 34; and larger congregations average 115. Region of the country does seem to affect the number of “friends” a congregation has. The mean number of friends in the Northeast was 18.3; for the South, 18.9; 19.5 in the Midwest; and 53.2 in the West.

Hearing from Missionaries

Three-fourths of reporting PC(USA) congregations (76%) had not had a PC(USA) missionary visit their church in 2003. However, three-fourths of congregations (77%) are interested in having a missionary come to the church to share their experiences. The majority (71%) said they would know how to invite a missionary if interested in doing so, but almost three out of ten (29%) said they wouldn’t know how.

The likelihood that a congregation had a missionary visit their church in 2003 increased with size of the congregation. Of small congregations, 17% reported a missionary visit, while 36% and 60% of medium- and large-sized congregations, respectively, reported such a visit. Medium-sized churches were most likely to express an interest in having a missionary come to their church—82% were interested compared to 76% in small churches and 76% in the larger churches. Small churches were twice as likely as medium-size churches and three times as likely as large churches (33%; 16%; and 10%, respectively) to say that if they were interested in inviting a missionary, they would not know how to do so.

Congregations in the West were more likely to have had a missionary visit (32%) as compared to 22% in the Northeast; 22% in the Midwest; and 24% in the South. Congregations in the West (79%) and South (79%) were most interested in having a missionary visit their congregation. Three-quarters of congregations in the Northeast (76%) and Midwest (76%) were interested. Congregations in the Midwest were less knowledgeable about inviting missionaries to their congregation—31% said they would not know how to invite a missionary if interested in doing so.

Stewardship

Two-thirds of responding congregations (68%) said that they had conducted a financial stewardship campaign in 2003; this is about the same as in 2001. The majority of these congregations (62%) reported direct mail as the primary method used for their financial campaign. Other congregations reported using Consecration Sunday (22%), personal delivery such as Pony Express (5%), every member visitation (3%), telephone solicitation (1%), or other methods (7%) to conduct their financial campaign in 2003.

The majority of respondents (64%) said that their congregation has a stewardship education emphasis. Of those congregations, two in five (40%) said they spend a month or less per year on stewardship education. About one in five (22%) reported that their congregation has a year-round stewardship education emphasis; 18% spend two to three months per year on stewardship education; and one in six (16%) said the emphasis was on one Sunday per year. Five percent reported some other stewardship education emphasis schedule.

When asked about the largest annual pledge received by the congregation from an individual or household in the last year, only 5,137 congregations responded (64% of all responding congregations). The mean amount of the largest pledge was \$12,597 and the median figure was \$8,000.